



ANNUAL REPORT 2014



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LETTER TO THE MINISTER

12th January, 2015

Honourable Jioji Konrote
Minister for Employment, Productivity & Industrial Relations
Level 4, Civic House
Victoria Parade
SUVA

Dear Sir,

I am pleased to present the 2014 Annual Report for the Ministry of Labour, Industrial Relations & Employment.

This report has been produced in accordance with the provisions provided under the Public Service Commission Act 1999.

Yours sincerely

Taito Waga
Permanent Secretary for Employment, Productivity
and Industrial Relations

- Implementation of Fiji's first ever National Minimum Wage (NMW).
- Fiji's successful outcomes at the 320th Session of the ILO Governing Body in March 2014.
- Understudy of the New Zealand Recognised Seasonal Employer (RSE) Work Scheme by the Minister for Employment, Productiity and Industrial Relations. Honourable Jone Usamate.
- Inter-Agency Understanding (IAU) signing between the Government of New Zealand and the Government of the Republic of Fiji on Fiji's inclusion under the New Zealand Recognised Seasonal Employer (RSE) Work Scheme.
- Involvement of NEC clients in the construction of thirty (30) new homes for the relocation of the Vunidogoloa residents
- Commencement of the Ministry's Operational Reform.
- Certification of the National Occupational Health and Safety Service and the Mediation Service to ISO 9001:2008 Quality Management System (QMS)
- Memorandum of Understanding (MOU) signing between the Government of the Independent State of Papua New Guinea and the Government of the Republic of Fiji on technical assistance in the field of Occupational Health and Safety (OHS)
- Approved 2015 Public Holidays
- Commemoration of ILO World Day for Safety and Health at Work
- Commemoration of World Day against Child Labour
- Public launch of the National Employment Centre (NEC)
- Soft launch of the Foreign Employment Service (FORES)



PERMANENT SECRETARY'S REPORT

To give effect to constitutional requirements of the 2013 Constitution, and our desire to deliver social justice to all Fijians, the Ministry of Employment, Productivity and Industrial Relations is committed to completing Fiji's revolutionary Labour Reforms so that all Fijians can continue to enjoy the full benefits of these Reforms now and in the coming years.

We acknowledge the robust social dialogue and valuable contributions over the years from our tripartite partners and other stakeholders towards our 'home grown' Reforms that have been recognized regionally and internationally. We continued our good faith social dialogue despite our differences so that we can become stronger in our employment relationships to build our nation in a sustainable manner.



Six of the seven components of the Labour Reforms have socially and economically benefited Fijians. The list below summarizes the Labour Reforms that have been reviewed and refined -

- OHS Reform – completed in 1998 and reviewed and refined in 2012-2014.
- 2 Employment Relations Reform – completed in 2008 and reviewed and refined in 2012-2014.
- Productivity Reform – completed in 2008 and reviewed and refined in 2012-2014.
- Wages Reform – completed in 2008 and reviewed and refined in 2012-2014 with the National Minimum Wage study.
- Employment Creation Reform – NEC commissioned in 2010 (FES) and rolled out to 2013 (FVS) and 2014 (FORES).
- Workers' Compensation Reform – new draft law completed in 2014 for tripartite consultation.
- Operational Management Reform – certification to

ISO 9001:2008 QMS; 2 Strategic Business Units (National Occupational Health and Safety Service and Mediation Service) in 2014.

The Workers Compensation Reform integrates the OHS Reform, into a single policy and legal framework under a new institution – the proposed Fiji Workcare Bill 2015.

I commend the transformative political leadership of our new Minister and for his unwavering principles of good governance.

Taito Roba Waqa

Permanent Secretary for Employment, Productivity and Industrial Relations

Vision

Vision

Decent & Productive Work for All

Mission


Ensuring social justice, good faith employment relations, safe and productivity-driven workplaces.

Values

We have strong values which are well embedded in our culture.

We believe that these values will empower us to deliver our strategy through:

- Spiritual Renewal
- Accountability
- Responsiveness
- Innovation
- Team Work



The Ministry is responsible for the promotion of social justice in workplaces through the provision of awareness, training, advisory services and capacity building exercises for the social partners including the enforcement of Fiji's labour legislations to ensure compliance through inspections of workplaces and timely resolutions of employment problems. The Ministry also administers the 10 Wages Councils and enforces the 10 Wages Regulations Orders including the new National Minimum Wage (NMW) in 2014 and inspections of workplaces to ensure compliance with the Employment Relations and OHS legislations. Since 2009, it is also responsible for the establishment and administration of the National Employment Centre through the Ministry's divisional and district offices under the National Employment Centre Decree 2009.

In a facilitative role, the Ministry formally mediates employment disputes and employment grievances between individual workers and employers, provides advisory support to employers and trade unions on administration best practices and workers on all workers compensation matters.

Coordinating the implementation of the Asian Productivity Organization (APO) training projects and the administration of Government's obligations under the ILO as a member state are also key responsibilities of the Ministry.

In 2014, the Ministry will continue with the task of reducing the Decent Work Deficit through the Ministry's Labour Standards Service, Mediation Service and Employment Relations Tribunal; impetus to hive-off the National Occupational Health and Safety and Workers Compensation Services into an independent body, the implementation of OHS Reform, Workers Compensation Reform, Wages Reform, NEC Reform, IT Reform, ER Reform, Productivity Reform, Financial Management Reform and Civil Service Reform and to maintain the current operations of its core services.

To facilitate its reporting obligations to the ILO, the Ministry is committed to provide an update of Fiji's National Action Plan to reduce its Decent Work Deficit for social dialogue with the tripartite partners.



ORGANISATION STRUCTURE

8

Minister
for Employment,
Productivity &
Industrial Relations'
Office

Permanent
Secretary's
Office

Deputy
Secretary's
Office (HQ &
NOHSWC)

SBU1: Labour Standards Service (LSS)

- Labour Compliance Unit (LCU)
- Child Labour Unit (CLU)
- Complaints Resolution Team (CRT)

SBU2: Productivity & Wages (P&W)

- Employment Relations Advisory Board (ERAB) Secretariat
- Wages Unit
- Productivity Unit
- Asian Productivity Organisation (APO)

SBU3: National Employment Centre (NEC)

- Formal Employment Service (FES)
- Self-Employment Service (SES)
- Fiji Volunteer Service (FVS)
- Foreign Employment Service (FORES)

SBU4: Policy & Legal Service, Registrar of Trade Union and Registrar of Industrial Associations

- Prosecution
- International Labour Organisation (ILO) Matters
- Regional Cooperation
- Registrar of Trade Unions/Registrar of Industrial Associations (RTU/RIA)

SBU5: Employment Relations Call Centre (ERCC)

- Media & Information Unit (MIU)
- Training Unit (TU)
- Employment Relations Unit (ERU)

SBU6: Corporate Service

- Accounts Unit
- Human Resource Unit
- Asset Management Unit
- Administration

SBU7: Information Technology Service

SBU8: National Occupational Health & Safety Service (NOHSS)

- Training, Accreditation, Chemical & Hygiene (TACH)
- Risk Engineering and Capital Projects (RECP)
- Field Operations (FO)

SBU9: Workers Compensation Service (WCS)

SBU10: Mediation Service (MS)

SBU11: Employment Relations Tribunal

As part of the Government's Sustainable Economic and Empowerment Development Strategies (SEEDS), the Presidential Mandate for the Government, the Peoples Charter for Change, Peace and Progress (PCCPP), the Millennium Development Goals (MDGs), the Fiji Productivity Charter, the Public Service for the 21st Century (PS21), the 2013 Constitution and the Fiji Budget Estimates 2014, the Ministry of Labour, Industrial Relations and Employment is committed to "rebuilding Fiji" in the labour market in our collective responsibility with stakeholders to facilitate economic growth and future prosperity. Particularly, the Ministry embraces the principle that healthy, safe, fair, productive and harmonious workplaces are critical and necessary components for achieving the objectives of the PCCPP of "Building a Better Fiji".

To support this goal, the Ministry has focused its strategy on establishing an enabling and sustainable environment created through modern and progressive policies, legislations, self-regulation, programmes and actions that will make Fiji a highly attractive place to work, live, invest and raise a family. This is to be achieved through a Ministry which is transformative, visionary, efficient, accountable, transparent and customer focused.

In particular, the Ministry is overhauling and reforming all outdated labour policies, legislations, institutions, values and administration systems with the aim of providing a progressive and modern business environment that promotes self-regulation, flexibility in wage setting, stable employment relationships, progressive health and safety standards, better workers compensation system, improved terms and condition of employment, speedy and effective conflict resolution system and good faith bargaining that will enhance productivity.

In reforming the labour policies, the Ministry adopts the 'Fundamental Principles and Rights at Work' enshrined in the eight (8) 'core' ILO Conventions and other Conventions ratified by the Fijian Government. It also ensures that these policies comply with good governance principles. The strategic positioning of these new labour policies and institutions will also promote and facilitate trade and employment creation locally due to the World Trade Organization's (WTO's) insistence on core labour standards compliance as an important precondition to international trade in a globalized and democratized world.

Management



MINISTER
Employment, Productivity & Industrial Relations
Honourable Jioji Konousi Konrote



PERMANENT SECRETARY
Employment, Productivity & Industrial Relations
Mr Taito Waqa



CHIEF ADMINISTRATOR
of the Employment Relations Tribunal
Mr Sainivalati Kuruduadua



CHIEF MEDIATOR
Mediation Service
Mr Vimlesh Maharaj



DEPUTY SECRETARY
Employment, Productivity & Industrial Relations (HQ)
Mr Vilimone Baledrokadroka



DEPUTY SECRETARY
National Occupational Health & Safety and Workers' Compensation Services
Mr Isimeli Tuivaga



DIRECTOR
Labour Policy & Productivity (LPP)
Ms Vani Varea



DIRECTOR
National Employment Centre (NEC)
Mr Viliame Cagilaba



DIRECTOR
National OHS&WC Service (NOHSWCS)
Mr Neeraj Kumar



ASSISTANT DIRECTOR
Labour Standards Service (LSS)
Mr Atish Kumar



DIRECTOR
Employment Relations Call Centre (ERCC)
Mr Malakai Raikoti

Management Team

The Ministry aims to ensure that it serves the needs of working women and men through tripartism by bringing together government, employers, workers and independent representatives to modernise labour laws, develop policies and devise programmes.

Its tripartite structure makes the Ministry unique because employers' and workers' organizations have an equal voice with government in all its deliberations.

The Ministry encourages tripartism in all its Boards to promote social dialogue to help design and implement national policies. Achieving fair terms of employment,

decent working conditions, and development for the benefit of all cannot be achieved without the active involvement of workers, employers and governments, including a broad-based effort by all of them. To encourage such an approach, one of the strategic objectives of the Ministry is to strengthen social dialogue among the tripartite constituents. It helps governments, employers' and workers' organizations to establish sound labour relations, adapt labour laws to meet changing economic and social needs and improve labour administration.

Governance

Results



Results

Well Informed Labour Market

For social justice and decent work in Fiji's labour market, promotional and training programs on labour laws are conducted. The proactive components of this initiative are an integral part of employment relations management strategy, and the implementation of its policies and procedures. These programs comprise of -

1. Employment Relations Promulgation (ERP) 2007 - training and awareness for workers and employers
2. Labour Management Consultation and Cooperation (LMCC) - training and awareness for workplace LMCC committees and representatives
3. Specialized OHS training and awareness for workplace OHS committees and representatives
4. HIV & AIDS training and awareness for workplaces

Promotional Initiatives

Promotional initiatives targeted the general population, to inform them of services and programs offered by the Ministry. A total of 174 promotional initiatives were carried out in 2014 with a high 40% of the work done through press releases, followed by 26% in the form of media interviews with the Minister for Labour, Industrial Relations and Employment, 16% were talkback shows on FBC TV, 7% were in the form of e-bulletins and other talkback shows and lastly 2% were for press conferences.

Employment Relations Promulgation (ERP) 2007 Training and Awareness.

The Ministry under the newly established Employment Relations Call Centre (ERCC) in June 2014, conducted the total of 6 user-pay training programs within the last 6 months. From 2012 to early 2014 there was a drop of 14% in the number of programs conducted. However, after the inception of ERCC in mid-2014, there was an increase of 120% from 2013. Graph 1 below depicts trends on ERP Training and Awareness programs conducted from 2012 - 2014.

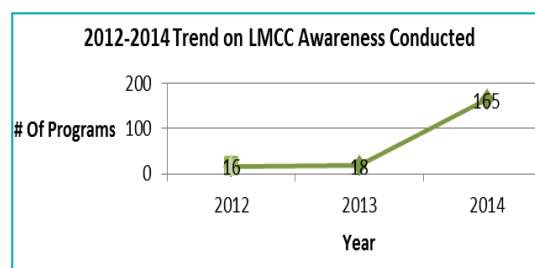


Graph 1

Labour-Management Consultation and Cooperation (LMCC) Training and Awareness

The LMCC training and awareness programs target employers who employ 20 or more workers as stipulated under section 9(3) of the ERP. This is 3 day user-pay program, whilst the awareness program runs for 2 hours.

The 3 year trend reflected in Graph 2 shows an increase in the number of awareness programs conducted between 2012 and 2014. The drive for productivity in workplaces saw an increase in the number of LMCC awareness programs conducted. Between 2012 and 2013 there was an increase of 1% and 83% from 2013 to 2014.

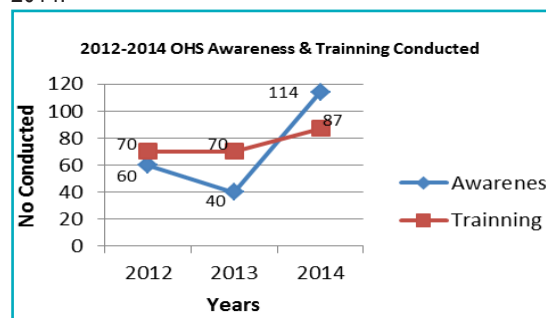


Graph 2

Occupational Health and Safety (OHS) Training and Awareness

The OHS training program has four modules. Modules 1 and 2 are on OHS Committees and Modules 3 and 4 are on OHS Management System (general workplace conditions). This user-pay program runs for five days. The targeted employers for these programs are ones who employ 20 or more workers as per section 42(c) of the HASAWA 1996.

The 3 year trend reflected in Graph 3 compares the number of OHS training and awareness programs conducted from 2012 to 2014. The number of training programs conducted, increased by 14% from 2012 to 2014.

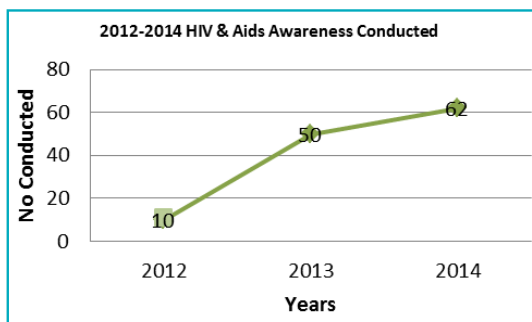


Graph 3

HIV & AIDS Training and Awareness

The HIV & AIDS training and awareness programs are authorized through Legal Notice No.57 under ERP 2007 and section 42(c) of the HASAWA 1996. The target groups for these programs are both employers and workers. The training provides workplace preventive actions for HIV & AIDS, occupational deaths, injuries and related diseases, while respecting the fundamental principles and rights of workers.

The 3 year trend reflected in Graph 4 shows a climb of 400% in HIV & AIDS awareness programs from 2012 to 2013 and a further increase of 10.71% in 2014.



Graph 4

Elimination of Child Labour Awareness

In promoting Fiji's Fair Trade Certification through the elimination of child labour in the Sugar Industry, the Ministry provided training for the Sugar Industry. The training for the Western Division was done in May 2013 where a total of 51 participants took part; 22 participants were trained in the Northern Division also in May 2013.

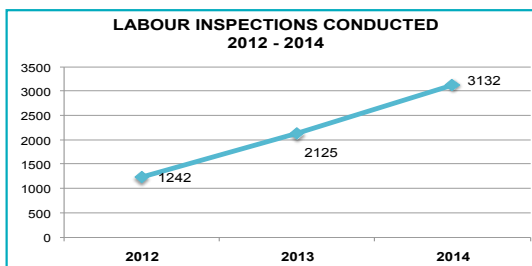
This is part of establishing strategic partnership with the Ministry of Sugar, the Sugarcane Growers Council and the 3 Cane Producer Associations in Fiji.

Compliance to ERP 2007 and Subsidiary Legislations

A key responsibility of the Ministry is enforcing labour laws such as the Employment Relations Promulgation (ERP) 2007 and its subsidiary legislations, the ten sectoral Wages Regulation Orders (WRO) and the National Minimum Wage (NMW) Regulations 2014.

Workplace Inspections

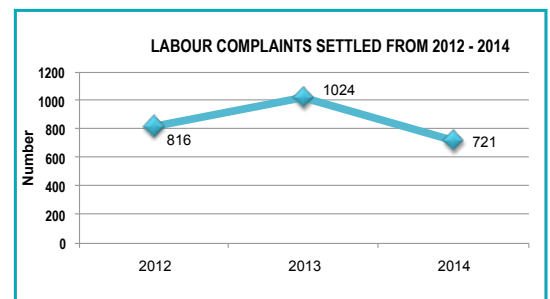
To ensure compliance to the labour laws, 3,132 workplace inspections were conducted. Of these, 2,550 inspections were in the WRO sectors and the remaining 582 inspections in the NMW sector. The 3 year trend is depicted in Graph 5 below.



Graph 5

Labour Complaints Received and Settled

A total of 2,485 labour related complaints were lodged by workers; of these a high number of 2,108 complaints were from the 10 WRO sectors and the remaining 377 were through workers under the NMW (refer to Graph 6 on the number of complaints settled from 2012 - 2014).

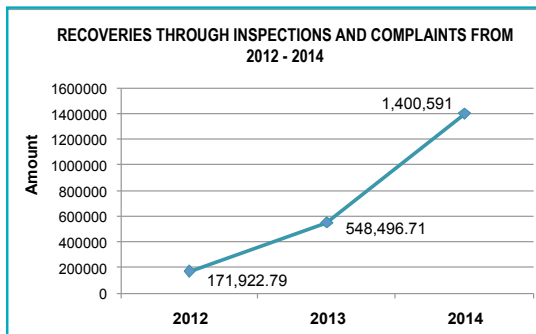


Graph 6

Workplace Inspection and Complaints Recoveries

The successful workplace inspection and complaints recovered a total of \$1,400,591 which was paid out to

workers. Graph 7 provides the 2014 trend of recoveries paid to workers in each quarter.



Graph 7

Employment Agencies

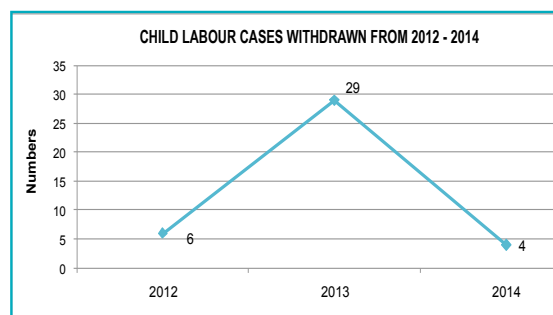
Three employment agencies were registered and authorized to recruit for local and overseas employment. Their registration is valid for 1 year. The companies registered were, Ace and Ace Enterprises, New Advent Ministry and Thrive International Agency and Mary Kates Travel Limited.

Child Labour Cases Withdrawn

One of the key role played by the Ministry under the

Compliance Unit is to ensure that children are given their right to education and also that they are not affected by child labour activities.

Each year on 12 June, the World Day against Child Labour brings together governments, employers and workers organizations, civil society, to highlight the plight of child labourers and what can be done to help them. Through effective promotions on media, awareness & training programmes and rigorous enforcement under the labour laws, the Ministry in 2014 receives and withdraws total of 4 child labour cases only, compared to 2013.



Graph 8

Trade Unions, Industrial Associations & Bargaining Units

The Ministry also administers the offices for the Registrar of Trade Unions (RTU) and Registrar of Industrial Associations (RIA). The core activities of these 2 offices are the registrations, suspensions, cancellations of Trade Unions and Industrial Associations. In addition, the RTU is also responsible for the co-ordination and supervision of strike ballots by trade unions and the registration of Collective Agreements.

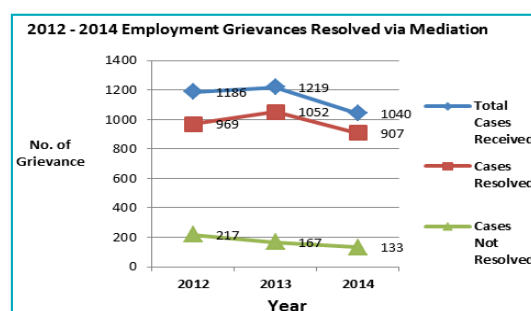
There were no new trade unions or industrial associations registered in 2014. However, 6 bargaining Units under the Essential National Industries (ENI) 2011 Decree were re-registered during this period.

A total of 67 collective agreements were registered and 6 annual returns were received while 4 being rejected due to non-compliance issues. A total of 4 amendments to respective Constitutions were registered and no secret ballots conducted in 2014. A total of 39 requests for registration of Industrial Associations were received. Thirteen (13) were registered while 26 were returned due to non-compliance with the Industrial Associations Act. Based on the non-submission of annual returns for the past 5 years, one (1) industrial association was de-registered during the year.

Resolving Employment Disputes and Grievances via Mediation

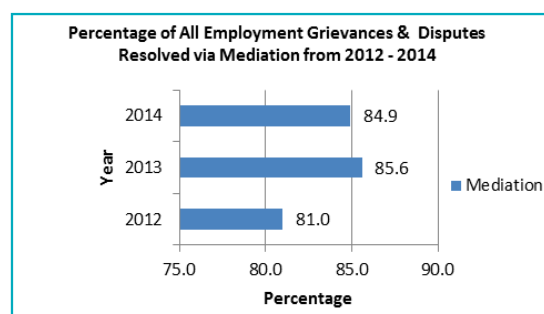
The Ministry noted the increase in bad faith relationships between employer and worker organizations in the past prior to the implementation of the ERP; this would generally result in the increase in number of strike notices over the years. However, since the roll-out of the Employment Relations Law, all parties involved in these disputes have been tasked with the primary responsibility of resolving their own disputes and grievances. The Ministry plays a secondary role by encouraging “good faith” practices from the collective bargaining stages to the reporting of disputes.

Since 2012 the rate at which employment grievances and disputes are resolved via mediation has been above 80%, which is significantly higher than the international best practice benchmark of 75%. There was a high achievement rate of 85.6% in 2013 (refer to Graph 17) with a fall of 0.7% in 2014.



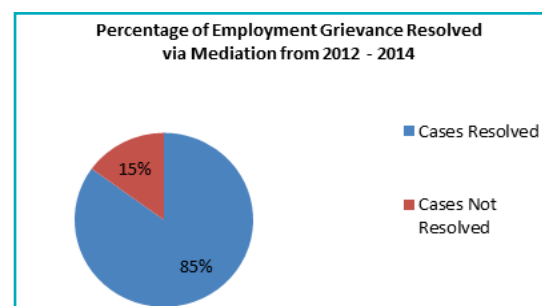
Graph 9

Graph 10 below shows the percentage of all employment grievances and disputes resolved through mediation from 2010 - 2014



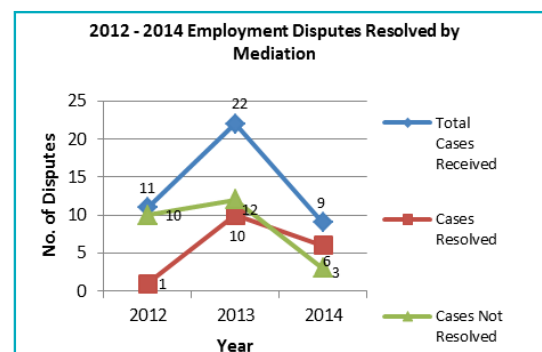
Graph 10

The trend of employment grievances received and resolved during the period 2012 - 2014 stayed consistently higher than cases not resolved as depicted in Graph 11.



Graph 11

The trend of employment disputes mediated during the period 2012-2014 were few and erratic. Graph 12 shows the number of disputes resolved in mediation from 2012 - 2014.



Graph 12

The Ministry is also promoting its successful mediation model amongst regional countries as a unique and effective approach to promote peace not only in workplaces but also in the family, community, judicial, commercial, trade, consumer and international arenas.

Apart from resolving grievance and disputes amicably without any cost to the parties, mediation boosts conflict resolution capacity and productivity, heals relationships and creates new mediation related businesses.

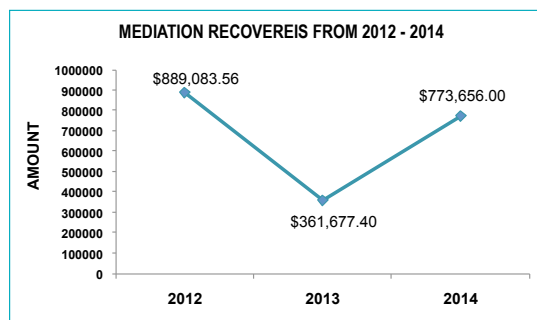
The Ministry is also promoting its successful mediation model amongst regional countries as a unique and effective approach to promote peace not only in workplaces but also in the family, community, judicial, commercial, trade, consumer and international arenas.

Apart from resolving grievance and disputes amicably without any cost to the parties, mediation boosts conflict resolution capacity and productivity, heals relationships and creates new mediation related businesses.

Monetary Recoveries

Through the mediation process a total of \$773,656 was recovered from employers and paid to workers in 2014,

Graphs 13 shows the trend in money recovered for workers through mediation between 2012 - 2014.



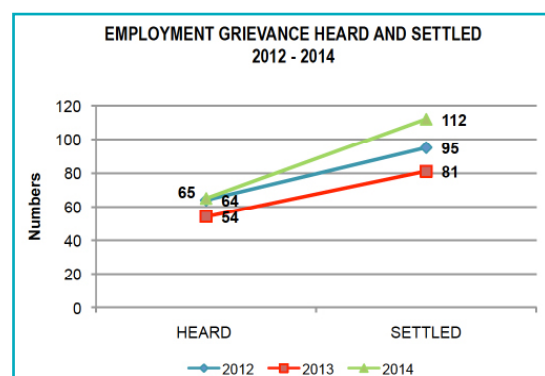
Graph 13

Adjudication of Employment Matters

The Employment Relations Tribunal (ERT) assists employers and workers by adjudicating and determining any grievances or disputes between parties. The Tribunal also assists disputing parties to amicably settle their disputes as a binding award or decision. There is also an obligation on the Tribunal to provide mediation assistance to the disputing parties when the need arises.

Employment Grievance

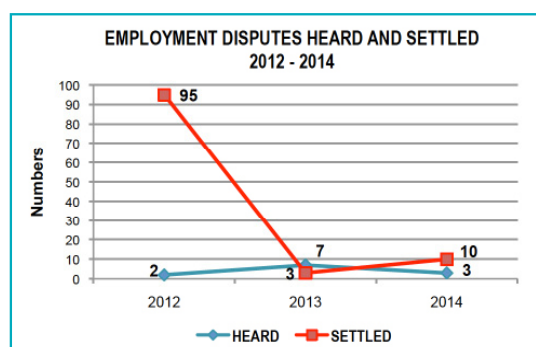
In 2014, the Employment Relations Tribunal (ERT) received a total of 198 employment grievance cases whereby 65 cases were settled and 112 cases were heard. Graph 14 below depicts the trend of employment grievance cases heard and settled from 2012 to 2014.



Graph 14

Employment Dispute

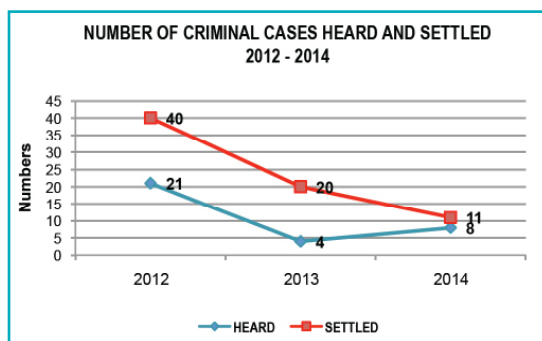
A total of 14 employment dispute cases received whereby a total of 10 cases were settled and 3 cases were heard. Graph 15 depicts the number of employment dispute cases actioned in 2014 in comparison to 2013 and 2012. Between 2012 and 2014, 90% of the cases which were heard were also settled.



Graph 15

Criminal Cases

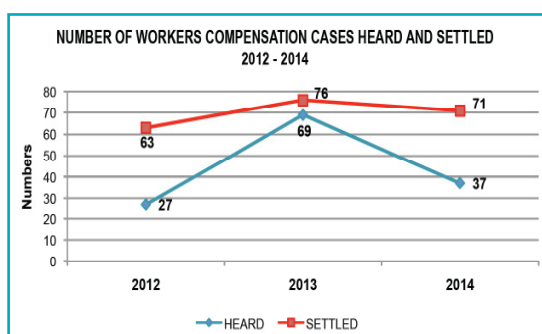
Employment Relations Tribunal received 22 criminal cases whereby 11 cases were settled and 8 cases were heard. Graphs 16 depicts the number of criminal cases actioned in 2014 in comparison with 2012 and 2013.



Graph 16

Workers' Compensation Cases

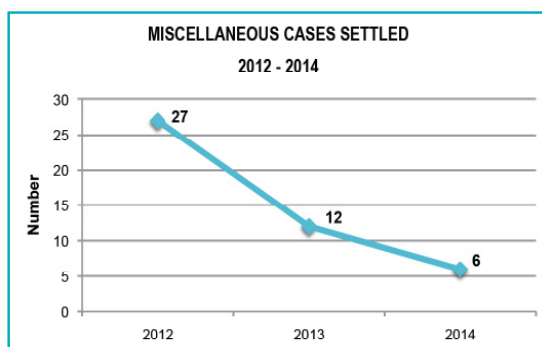
A total of 71 compensation cases were settled and 37 cases were heard. Graph 17 depicts the number of workers' compensation cases actioned in 2014 in comparison with 2013 and 2012. During the 2012 to 2014 period, 61% of the cases were settled and 39% were heard pending a decision (refer to Graph 31).



Graph 17

Miscellaneous Cases

A total of 35 miscellaneous cases received whereby a total of 6 cases were settled and 2 cases were heard. Graph 18 below depicts the number of miscellaneous cases actioned in 2014 in comparison with 2012 and 2013.



Graph 18

Summary of Received, Heard and Settled Matters

The number of referrals to the ERT increases annually; there was a slight decrease in the number of settled matters due to the increase in demand from workers and their representatives for matters to be heard as soon as possible. Therefore, more time was spent by the Tribunals on hearings rather than settling matters.

The ERT with its limited resources continued to execute its core function which is to assist employers and their representatives and workers and their representative trade unions to achieve and maintain effective employment relations, in particular by adjudicating and determining grievances or disputes over employment contracts. This is evident in Table 1 where 85% of matters received were settled and heard in 2014.

	Received	Heard	Settled
Grievances	198	112	65
Disputes	14	3	10
Criminal	22	8	11
Workers Compensation	114	37	71
Miscellaneous	35	2	6
Total	383	162	13

Table 1: Matters Received, Heard and Settled



Workers compensation payout of an injured worker

Licensing, Compliance and Monitoring - OHS Standards

Occupational Health & Safety

The successful OHS Reform model in Fiji is internationally recognized and promoted by ILO over the years. Recently, under the support of the ILO South Pacific Office, Fiji's model has been adopted in PNG where the Ministry had successfully completed PNG's draft OHS Bill in 2014 and ready for PNG Cabinet and Parliament after consultations with PNG's tripartite constituents and other stakeholders.

The National Occupational Health and Safety Service (NOHSS) is responsible for the promotion of occupational health and safety and the enforcement of the Health and Safety at Work Act 1996 and its subsidiary legislations and the Workmen's Compensation Act (Cap 94). The activities of the NOHSS are based on the concept of duty of care principles and promotes a proactive OHS risk management culture emphasizing the creed that 'those who create the risks in the workplace and those who work with them have the primary responsibility to solve them', rather than relying on OHS inspectors to prescribe the remedies as encouraged in the former statutory and administrative arrangements under the former Factories Act.

This Service aims to promote and maintain a working environment, which is healthy and safe to both workers and employers and directly contributes to improved productivity. This is achieved by improved OHS awareness through the training of OHS committees and representatives, joint OHS partnership projects, development of OHS Regulations and Codes of Practice, OHS audits, investigations and enforcement initiatives. The Service also processes Workers' Compensation claims for work-related injuries and deaths.

The NOHSS comprises the following four (4) specialized Units:

- Training, Accreditation, Chemical & Hygiene (TACH)
- Risk Engineering and Capital Projects (RECP)
- Field Operations (FO)
- Workers Compensation (WC)

Training, Accreditation, Chemical & Hygiene

OHS Training & Awareness

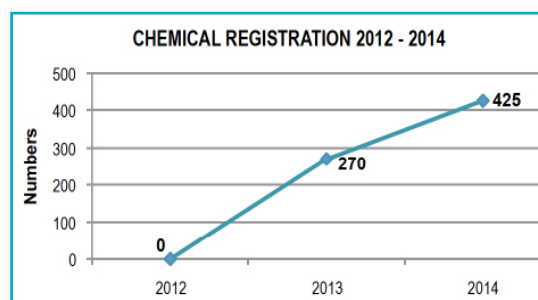
The TACH Unit is responsible for occupational health and safety training which is an integral part of the OHS management strategy and the implementation of its policies and procedures. This Unit is also responsible for the administration and delivery of specialized OHS training and promotion for OHS committees and representatives in workplaces around the country.

Chemical Assessment, Control and Occupational Hygiene

The Unit is also responsible for chemical assessment and control and occupational hygiene services, and administers Part IX of the Health and Safety at Work Act 1996, which stipulates the assessment and control of chemicals including pesticides that are used in workplaces. The Unit conducts occupational hygiene audits of workplaces, which predominantly undertakes the supervision of asbestos removal in affected buildings. In view of the high risks involved with this specific activity, the Unit is responsible for training of workers involved in the actual asbestos removal and disposal processes.

• Chemical Registration

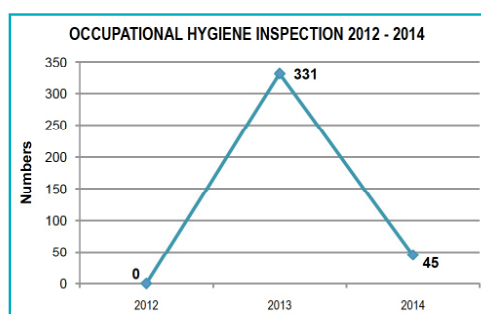
Registration of all chemicals used in workplaces are registered and updated daily in the National Chemical Management Safety Data Sheet (NCMSDS) and inspection of these is conducted on an annual basis. A total of 425 chemicals were registered in 2014, as depicted on Graph 19 below in comparison with years 2012 and 2013.



Graph 19

- **Occupational Hygiene**

Proactive Occupational Hygiene service is provided to monitor workplace conditions such as air quality, ventilation, noise, etc. and is demanded by all industrial sectors. A total of 45 proactive occupational hygiene services were provided as shown in Graph 20.



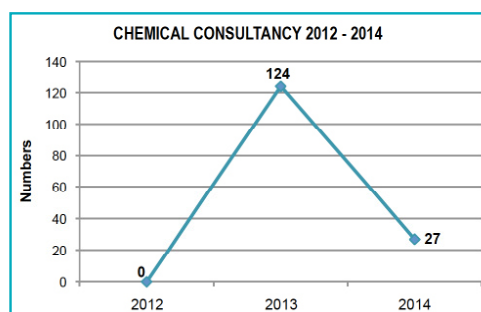
Graph 20



Noise assessment conducted by Ministry's Occupational Hygiene Officers

- **Chemical Consultancy**

Chemical consultancy service is provided to employers using industrial chemicals at their workplaces. A total of 27 chemical consultancy services were provided to employers as shown in Graph 21.

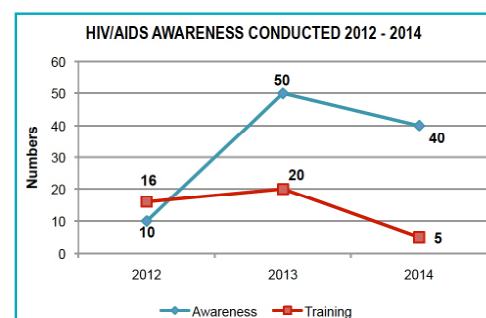


Graph 21

- **HIV & AIDS**

The HIV & AIDS Training Unit operates under the

Health and Safety at Work Act, 1996, National Code of Practice for HIV & AIDS in the Workplace 2007 and the Employment Relations Promulgation 2007. The Unit was established to advise employers and workers on acceptable preventive action to avert occupational deaths, injuries and diseases related to HIV & AIDS in the workplace, whilst respecting the fundamental principles and rights of workers. This strategy is to empower workplace stakeholders to reduce the impact of HIV & AIDS within the business community and the public at large, by implementing workplace policies including the National Code of Practice and programs, that support prevention activities and those who are infected and affected by HIV & AIDS.



Graph 22

- **Risk Engineering & Capital Projects (RECP)**

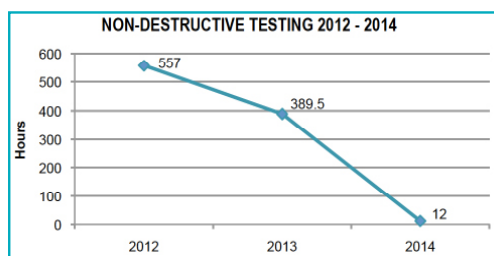
The Risk Engineering Unit is responsible for vetting plants and machinery designs gazetted under Schedule 4 of the Health and Safety at Work (Administration) Regulations 1997, and the non-destructive testing (NDT) of high tensile load structures such as tank surfaces, pipelines and building steel structures, with special emphasis on welding, to ensure compliance with the approved engineering standards, for reliability and safety under the OHS legislation. The NDT techniques utilized are industrial radiography (x-ray), ultrasonic, magnetic particle and dye penetrant. The key role of the Risk Engineering Unit is to facilitate, provide advice and enforce safety engineering principles to improve reliability, health and safety in workplaces, through the application of recognized standards, Codes of Practice and best practices, to improve technological compliance and minimize OHS risks.

- **Non Destructive Testing (NDT)**

NDT is used for examination of materials and

components, in such a way that allows the material or component to be examined without changing or destroying their useful life. The techniques used include magnetic particle, dye penetrant, ultrasonic, eddy current and radiography. The demand for this service is predominantly from the Manufacturing and Construction sectors.

This consultancy service is demand-driven and the main demand for this activity was in the Construction sector due to a large number of construction projects around the country requiring this service in order to conform to international construction standards. The number of NDT consultancies provided in 2014 were 12 as depicted in Graph 23.



Graph 23

This Unit conducts vetting of workplace designs to ensure compliance with the Health and Safety at Work (General Workplace Conditions) Regulations 2003 (GWC). Regulation 63 of the GWC states that every building that is used as a workplace shall be of sound construction and kept in a good state so that it does not expose the occupants to unacceptable OHS risks. The owner of the building that is used as a workplace should ensure that the building complies with the requirements of the GWC.

Regulation 64 of the GWC states that the design of any new workplace must be granted approval by the Chief Health and Safety Inspector, before the rural and local authorities proceed with the building application. The Chief Health and Safety Inspector should ensure that workplace designs satisfy the requirements of the GWC before approving the designs.

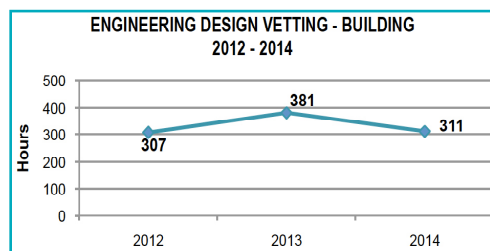
In addition, the Unit provides quality and sound policy advice to the Minister, the Permanent Secretary and the National Occupational Health

and Safety Board (NOHSAB) on OHS Risk Engineering and Capital Project matters.

- **Engineering Design Vetting (Building)**

All drawings for new workplaces and addition or alteration to existing workplaces are checked for minimum OHS standards prior to commencement of construction works.

This consultancy service is demand-driven and a total of 311 consultancies were provided as depicted in Graph 24. The main demand for this service was in the Wholesale, Retail Trades, Restaurants and Hotels (F) sector, which can be attributed to investor confidence in upgrading existing facilities in the retail and tourism sectors in light of the growing tourist arrivals.



Graph 24

Field Operations Service (FOS)

The Field Operations Unit is responsible for the effective delivery of OHS Field Operations services in all workplaces and its core activities include the:-

- Enforcement of OHS standards stipulated under the OHS regulations and codes of practice.
- Provision of an effective emergency OHS response service for serious work-related accidents, injuries and fatalities.
- Provision of assistance to workplaces in the setting up of OHS committees.
- Encourage employers and workers to consult with each other on safe work practices and advise employers and workers in meeting their obligations under the OHS legislation.
- Responsive and effective OHS investigation, enforcement and prosecution.
- Audit of OHS management systems in workplaces, inspection of workplace plants and machinery, and the registration of workplaces, plants and hazardous substances and chemicals in accordance with the

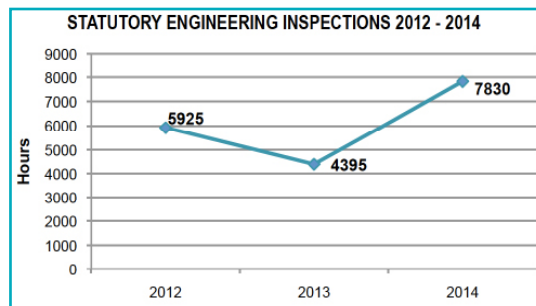


OHS legislation.

- Resolution of conflicts between the aggrieved parties on immediate threat situations and other OHS issues in a timely and cost-effective manner.
- Provision of quality and sound policy advice to the Minister, the Permanent Secretary and the NOHSAB on OHS field operations matters.

Statutory Inspections

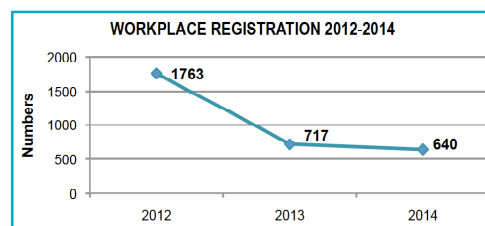
Statutory inspections are conducted on all plants (pressure vessels, lifting equipment, etc.) used at workplaces, as per the requirements of the OHS legislation, normally on an annual basis. A total of 7830 statutory inspections were conducted in 2014, this is depicted in Graph 25.



Graph 25

Workplace Registration

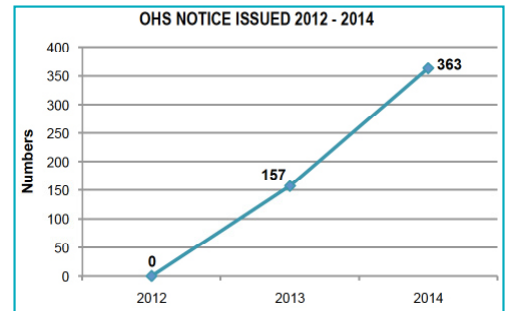
Workplace registration is conducted on an annual basis, for all workplaces employing 20 or more workers. A total of 640 workplaces were registered as shown in Graph 26.



Graph 26

OHS Notices Issued

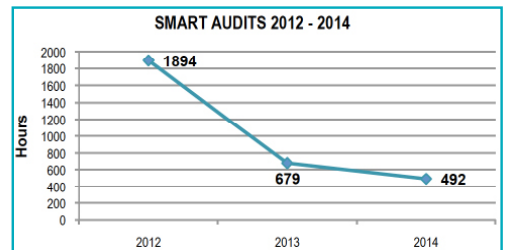
OHS Notices are issued for non-compliance with the OHS legislations. A total of 363 OHS Notices were issued to employers as shown in Graph 27.



Graph 27

SMART Audits

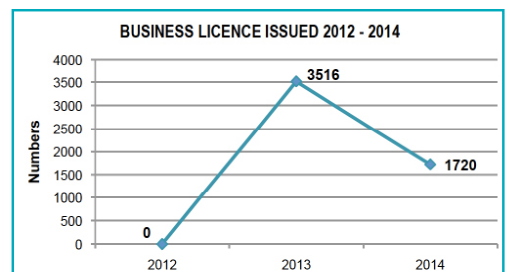
SMART Audits are conducted at workplaces to gauge compliance to OHS legislative requirements and is conducted on as and when requested basis. A total of 492 OHS SMART audits were conducted as shown in Graph 28.



Graph 28

Business License

The issuance of business license is a mandatory obligation of the employer to fulfill in relation to the "duty of care" principle under the HASAWA 1996 Section 9 (1). This includes all workplaces which the Act describes as any workplaces whether or not in the building or structure where workers work and ensure safe for use and occupancy. In 2014 the Field Operations Service issued a total number 1720 business license as shown in Graph 29

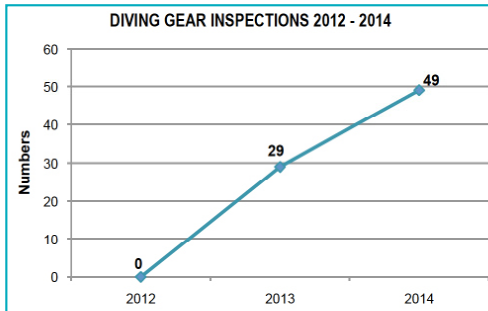


Graph 29

Diving Gears Inspection

Part 2 (sub-regulation 5) of the HASAWA (Diving) Regulations 2006 clearly states the requirements of

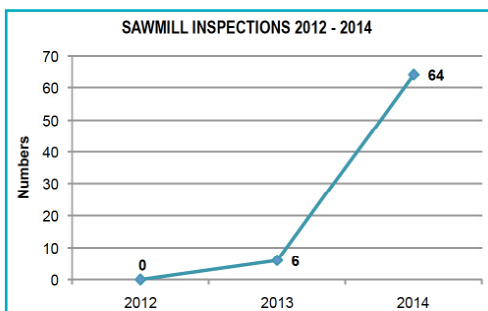
risk assessment in which an employer, including a dive operator must ensure that all diving operation hazards are identified and their associated risk assessed. A total of 49 diving gears inspections were conducted as shown in Graph 30.



Graph 30

- Sawmill Inspection**

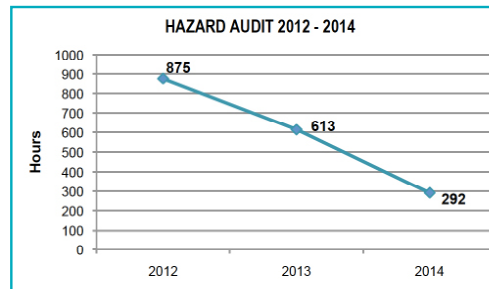
The sawmill and logging industry is a very high risk industry which requires risk assessment and monitoring to avoid injuries and fatalities. The need is such that inspectors are engaged on risk assessment and hazard identification prior to the issuing of annual licenses by the Ministry of Forestry. A total number 64 sawmill inspections were conducted as show in Graph 31.



Graph 31

- OHS Hazard Audits**

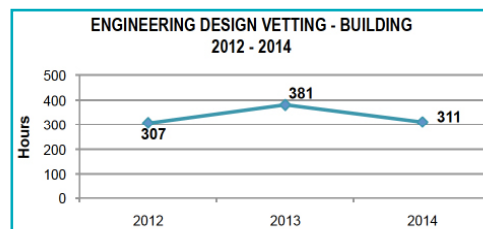
Hazard Audits are provided by all three units within the National OHS Service. These audits are done in order to identify and recommend control measures for OHS hazards at workplaces. These audits are conducted for all businesses to gauge compliance to minimum OHS requirements prior to the renewal of Business Licenses. A total of 292 OHS hazard audits were conducted during the period under review as shown in Graph 32.



Graph 32

- Engineering Design Vetting (Plants)**

All new plants (pressure vessels, lifting equipment, etc.) are checked against safety standards prior to use at workplaces; this consultancy service is mainly demand-driven. The main demand for this activity was in the Wholesale, Retail Trades, Restaurants and Hotels sector followed by the Construction sector due to the large number of construction projects currently being undertaken in the country, particularly the road upgrades. In 2014, the total of 311 engineering design vetting was conducted by the Risk Engineering & Capital Projects and the Field Operations Unit as depicted in Graph 33.



Graph 33



Photo:

Workers' Compensation Advisory Service

Settlement of Workers' Compensation Cases

The Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries and contract diseases out of or in the course of their employment.

The actual compensation is through monetary payments and medical care provisions for the workers. In cases involving the death of workers, compensation is paid to the dependants of the deceased.

In order to maintain this momentum for the projected decline in the coming years, targeted approaches are necessary to reduce occupational injuries and diseases.

In cases involving the death of workers, compensation is paid to the dependants of the deceased. The Workers' Compensation Service is tasked to look into worker's compensation from the public (government) and private sectors.

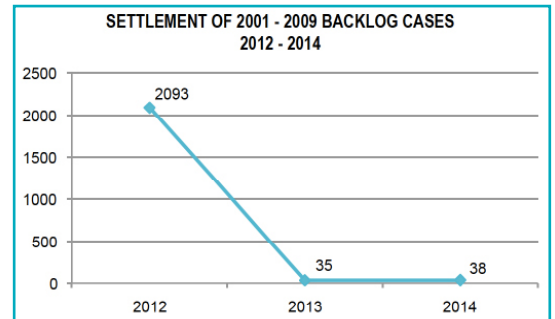
Each year the Government allocates \$1 million to compensate government workers whose injuries or death was the result while performing their duty at their workplace.

The challenge of the Service is to effectively clear all backlog compensation cases for both the civil servants and the military personnel since the start of the engagement in Lebanon and Sinai in the 1970s, to facilitate the transition into the new Workers Compensation legislation.

The Service is also responsible for the administration of secretarial services for the National Occupational Health and Safety Advisory Board (NOHSAB). Provided are the list of activities by the Workers' Compensation Service in 2014.

2001 - 2009 Backlog Cases

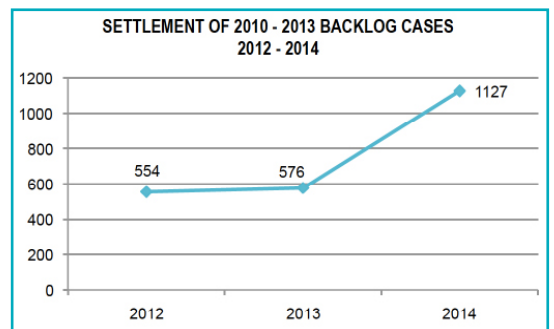
During the year under review, the Workers' Compensation Service of the Ministry had settled a total of 38 backlog cases from 2001 to 2009 and paid out a total of \$78,204.29 to 13 injured workers.



Graph 34

2010 - 2013 Backlog Cases

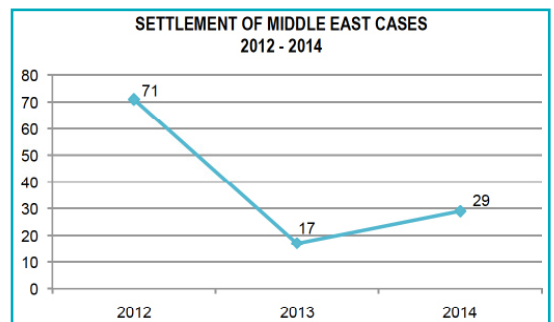
A total of 1127 backlog cases from 2010 – 2012 was recorded by the Unit whereby a total of 1127 were settled whilst 1287 remains pending for further investigations. A total of 166 workers were paid \$453,979.93 as depicted in Graph 35 below:



Graph 35

Middle East Cases

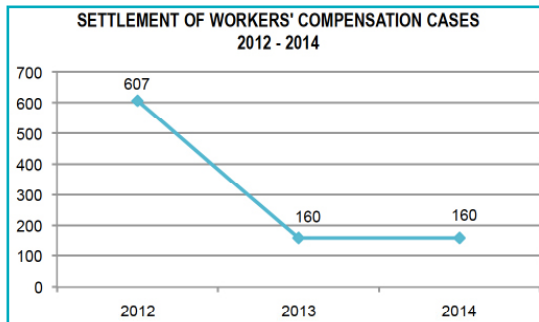
A total of 29 Middle East cases were settled with the balance of 33 remain pending. Graph 36 depicts the number of Middle East cases settled from 2012 - 2014.



Graph 36

New Cases for 2014

The Unit received a total of 1,057 new cases in 2014 whereby a total of 160 were settled and 897 remain pending as depicted in Graph 37. This achievement is equivalent to 80% against the annual target of 200. A total of 3 injured workers were paid out amounting to \$20,407.29.



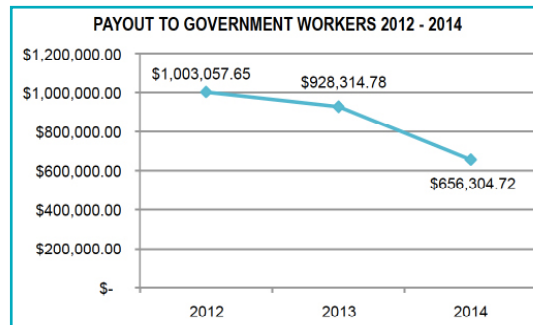
Graph 37

Workers' Compensation Payout

In total the Unit made payment to 148 injury cases amounting to \$356,592.67 and a total of 5 death cases amounting to \$120,000.00 for the private sectors in 2014 with an accumulative total of \$ 476,592.67.

Workers' Compensation Claims for Government Workers

In 2014, out of the \$1.5M allocated for the year, a total of \$1,496,304.72 was paid out for 161 cases. Thirty-five (35) death claims were paid out to dependents of the deceased workers amounting to \$840,000 and one hundred and twenty six (126) injured workers were paid out \$656,304.72 as depicted in Graph 39 below.



Graph 39



Photo: Minister for Employment, Productivity and Industrial Relations Honourable Jone Usamate hands out a workers' compensation payment to a deceased worker's dependent.

Productivity through LMCC Committee

Effective and Efficient Productivity Service - Administration of LMCC Regulation 2008

As part of Productivity Reform under the Employment Relations Promulgation (ERP) 2007, LMCCC is essential in building the human and social capital of the enterprises. LMCCC is the new arrangement of relationships in an organization where a committee comprising of employer and worker members in unison to create an enabling environment for the achievement

of goals and the nurturing of future relationships through the concept of good faith and the promotion of productivity.

The purpose of LMCCC is to create a bi-partite forum for meaningful consultation and cooperation between employers and workers representatives, at the enterprise or organization level. In 2014, the Ministry conducted a total of 177 LMCCC awareness. The ministry also





finalized the draft CBT value-based Training Package to be used for the Accredited LMCC Training in both private and public sector organizations. Details on 2014 LMCC awareness is reflected in Category 2: Continuous Awareness, Promotion and Training Standards & Practice.

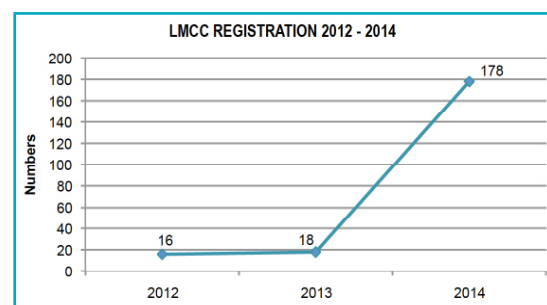
LMCCC Registration

A LMCCC is made up of equal number of employers and workers representatives and the membership should cover all levels of management and workers representative.

A total of 178 LMCC Workplace Committees employing 20 or more workers were registered with the Ministry in 2014 as per requirement under the ERP 2007 and the year has recorded the highest number of registrations when compared with 2012 and 2013. The remarkable

increase of registration was due to the boost in LMCC awareness conducted between 2013 and 2014 by the Productivity Unit of the Ministry.

Graph 40 below depicts the LMCC registrations conducted in 2014 in comparison with year 2012 and 2013.



Graph 40

Labour Prosecution and Facilitation of International Labour Organisation Reporting - Policy and Legal Service

The Policy and Legal Service of the Ministry is responsible in providing quality advice to the Permanent Secretary on policy and legal matters pertaining to the operations of the Ministry. It also facilitates the fulfillment of Fiji's obligations as a member state of the ILO. Its functions are described below.

Labour Prosecution

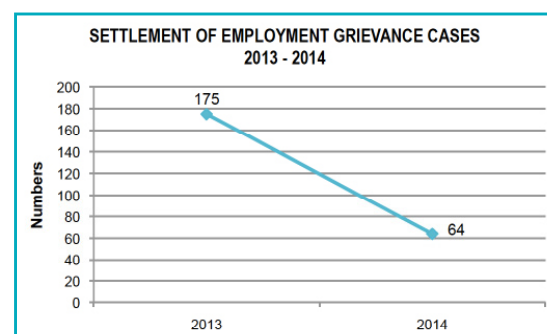
Prosecution of employment grievances on behalf of the workers.

The Ministry's Legal Officers appear as labour representatives in the Employment Relations Tribunal (ERT) for grievors on grievance and complainants for criminal matters for those that chose to opt for Labour Officer's representations. Outlined below is the breakdown of cases that were referred to the Unit for prosecution.

Cases Referred for Prosecution

- **Employment Grievance**
Depicted in Table 17 below is the number of employment grievances settled in 2013 - 2014.

The Unit received a total of 126 employment grievance cases and settled 64 cases whilst 189 remain active for further investigation.



Graph 41

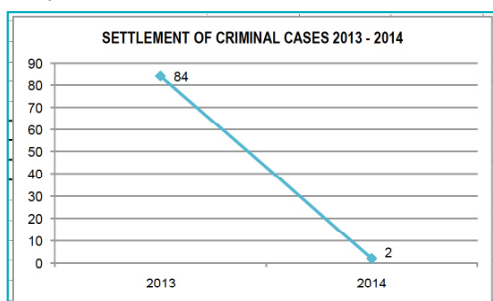
In terms of the employment grievances received in 2014, the Wholesale and Retail sector recorded the highest rate of employment grievances. This indicates the need for the Ministry to boost its proactive role through training, awareness and promotion as well as targeted inspections in the wholesale and retail sectors

- **Criminal Cases**

In terms of the criminal matters received in 2014, the Wholesale and Retail sector maintains the highest rate of 74 Criminal matters received then followed by Security Services then Building, Civil and Electrical Engineering. This also indicates the need for the Ministry to boost its proactive role through rigorous awareness, promotion and training and as well as targeted inspections for the most affected sectors.

- **Criminal Cases Settled**

In terms of settlement, the Unit settled 2 criminal cases with the informal sectors as depicted in Graph 42 below.



Graph 42

- **Active Criminal cases and cases Heard and awaiting Tribunal/Court decision**

In 2014, the Ministry had a total of 159 active criminal cases and 3 cases awaiting Tribunal/ Court decision.

- **International Labour Organization (ILO) Matters**

As a member state of the ILO, the core business deals with Fiji's ILO reporting obligations under Articles 19 and 22 of the ILO Constitution including the reporting obligations under the following ILO oversight mechanism, Committee on Freedom of Association, Committee of Experts on the Application of Conventions and Recommendations, Conference Committee on the Application of Standards and Contact Mission.

- **Regional Cooperation**

The core business deals with provision of consultancy services through South-South cooperation within the region aimed at assisting Fiji's island neighbors in the Labour Market Reform, currently PNG and Kiribati.

- **ERAB Secretariat**

The Policy Unit also provided Secretarial Support to the ERAB and its Sub – Committee meetings that includes minute write-ups and Policy paper formulation on agendas to be discussed at the meetings. The activities on international relations and external trade were also undertaken by the Unit as provided below.

International Relations & External Trade

- **International Labour Conference**

The broad policies of the ILO are set by the International Labour Conference, which meets once a year in June, in Geneva, Switzerland. This annual Conference brings together governments', workers' and employer's delegates of the ILO member States. Often called an international parliament of labour, the Conference establishes and adopts international labour standards and is a forum for discussion of key social and labour questions.

Each member State is represented by a delegation consisting of two government delegates, an employer delegate, a worker delegate, and their respective adviser. Employer and Worker delegates are nominated in agreement with the most representative national organizations of employers and workers.

As endorsed by Cabinet, the Fijian delegation was led by the Honorable Minister for Labour, IR & Employment Mr. Jone Usamate and accompanied by other tripartite delegates.





Photo: Honourable Minister Usamate addressing the ILO Conference in Geneva

Bilateral Cooperation

OHS Technical Assistance

Bilateral Cooperation between the Government of the Independent State of Papua New Guinea (PNG) and the Government of the Republic of Fiji have strengthened ties in the extension of technical assistance in the field of Occupational Health and Safety.

An extension of the memorandum of understanding (MOU) was signed between the two countries by the PNG High Commissioner Mr. Peter Eafeare and the Honorable Minister for Labour, IR & Employment Mr. Jone Usamate on the 28th of April in Suva.



Photo: MOU signing between the Government of Papua New Guinea and the Government of Fiji

The extension of MOU was a significant framework that was established to facilitate mutual co-operation between the two governments and to facilitate its long term commitment towards the project on the capacity building of the PNG occupational health and safety. In 2014 the extension of the MOU was done for OSH Bill

towards enactment, put in place a New OSH Structure and OSH Management System for Papua New Guinea OSH Inspectorate.

2014 ILO World OSH Day

A national occupational safety and health culture is one in which the right to a safe and healthy working environment is respected at all levels, where governments, employers and workers actively participate in securing a safe and healthy working environment through a system of defined rights, responsibilities and duties, and where the highest priority is accorded to the principle of prevention.



Photo: Mock exercise on the spillage of chemical at the Suva Fire Station in commemorating the 2014 World Day for Safety and health at Work

The ILO celebrates the World Day for Safety and Health at Work on 28 April to promote the prevention of occupational accidents and diseases globally. It is an awareness-raising campaign intended to focus international attention on emerging trends in the field of occupational safety and health and on the magnitude of work-related injuries, diseases and fatalities worldwide.

“Safety and health in the use of chemicals at work” is the theme for the 2014 World Day for Safety and Health at Work. Marking the day, an ILO report shows that while chemicals can be useful, necessary steps should be taken to prevent and control potential risks for workers, workplaces, communities and the environment.

The 28th of April is also a day in which the world's trade union movement holds its international Commemoration Day for Dead and injured Workers to honour the memory of victims of occupational accidents and diseases and organize worldwide mobilizations and campaigns on this date.

Employment Creation Service

The National Employment Centre (NEC) is governed by the National Employment Centre Decree 2009. This national institution is responsible for providing skills training and finding employment opportunities for the unemployed as a “one-stop” shop. This policy is non-discriminatory and all unemployed including part-time employed are obliged to register with the National Employment Centre.

The NEC Decree 2009 and policy framework are well structured and positioned. The four employment creation services systems and processes are in line with international recognized standards which include ISO 9001:2008 model and ISO 26000 standards and Fiji Business Excellent Award Framework (FBEA). The HRD components are certified to the Fiji National Qualification Framework. The strategic positioning of this policy and institution will promote and facilitate employment creation regionally and globally in conjunction to the 2009 ILO Global Jobs Pact to address the jobless growth of economies after the Global Financial and Economic Crisis.

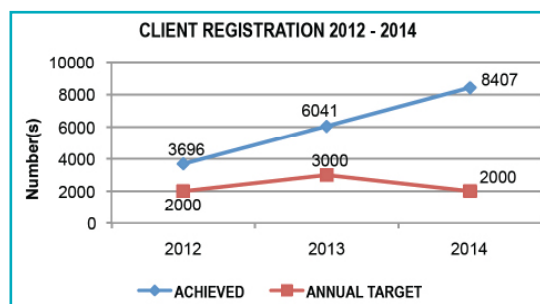
The NEC offers four main services – Formal Employment Service, Foreign Employment Service, Self Employment Service and the Fiji Volunteer Service. Unemployed persons who register under the NEC undertake professional counseling, aptitude assessment, life skills training and are trained in the relevant employment skills demanded by the labour market.

Client Registration

Clients are registered to allow the National Employment Centre to obtain real time data on the number of unemployed persons on the ground according to their different levels of qualifications and specialization locally.

Client registration was high in 2013 due to the vigorous community awareness, talk back shows and mainly through “word by mouth”, unemployed persons became aware of an employment avenue for them. It is also relevant to note that there were more females registered during the year compared to males.

The year recorded the highest number of students who are unsuccessful in passing the Fiji School Leaving Certificate or Fiji Seventh Form Examination came to the Centre to register in the hope of eventually finding employment.



Graph 43

Professional Counselling, Aptitude Assessment, Life Skills Training and Employment Skills Training

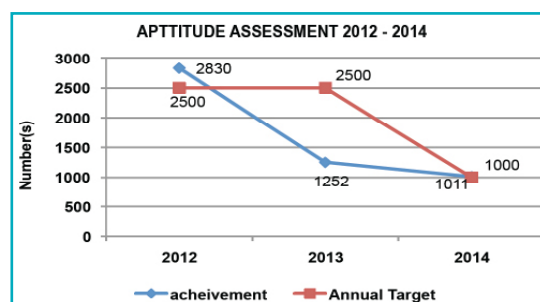
The first phase of training commenced in the Western Division on the 3rd of March and ended on 2nd of May 2014 in the Central Division. This phase included the 4 mandatory trainings i.e. Professional Counseling, Aptitude Assessment, Life Skills Training and Employment Skills Training.

Professional Counseling

Total of 1011 sessions were provided with professional counseling to clients.

Aptitude Assessment

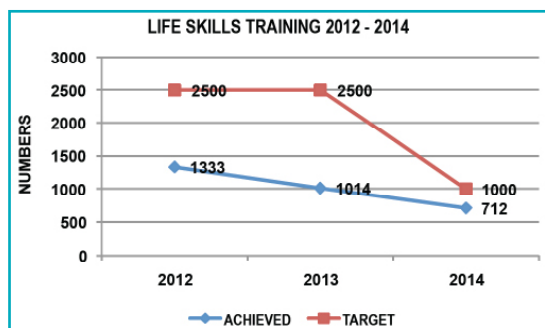
Total of 1011 aptitudes assessment conducted in 2014; table 21 below provides the number of aptitude assessments conducted by quarters:



Graph 44

Life Skills Training

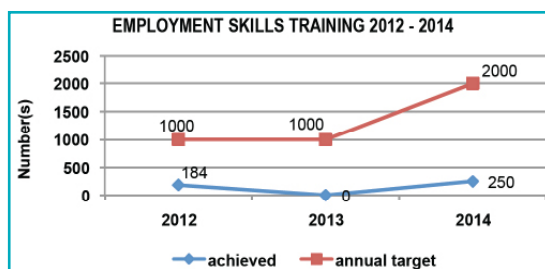
A total of 712 life skills training were conducted in 2014; Graph 45 below provides the number of life skills training conducted from 2012 - 2014.



Graph 45

Employment Skills Training

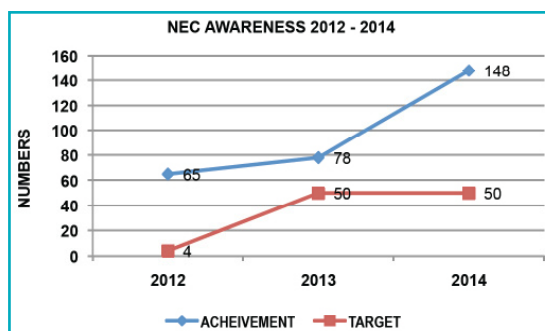
A total of 250 employment skills training were conducted during the year; Graph 46 below depicts the number of Employment Skills training sessions conducted from 2012 - 2014.



Graph 46

NEC Awareness

A total of 148 NEC Awareness were conducted in 2014. Graph 47 below depicts the number of NEC awareness sessions conducted from 2012 - 2014.



Graph 47

Foreign Employment Service (FORES)

On the 29th of July 2014, Cabinet approved Fiji's participation in the Recognized Seasonal Employer (RSE) scheme provided by New Zealand.

This Recognised Seasonal Employer (RSE) work policy facilitates the temporary entry of additional workers to fill labour shortages in New Zealand's horticulture and viticulture industries. The RSE work scheme is employer-driven.

Fiji's inclusion in the Recognised Seasonal Employer Work Scheme

On the 11th of December 2014, the Inter-Agency Understanding for the Recognized Seasonal Employer work scheme was signed between Fiji and New Zealand validating Fiji's participation.



Photo: Signing of the Inter-Agency Understanding (IAU) for the RSE work scheme by Fiji's former Permanent Secretary for Ministry of Employment, Productivity & Industrial Relations, Mr. Taito Waga and New Zealand's Deputy Chief Executive Officer for Ministry of Business, Innovation & Employment, Mr. Nigel Bickle on 11 December 2014

In 2014, a total number of 26 clients were absorbed into the foreign employment service

Formal Employment Service (FES)

This output also ensures the fullest and most productive utilization of our human resources through Government support towards formal employment.

The highlights in 2014 is in the absorption of clients into Work Attachment, Permanent Employment and Volunteer work compared to previous years showing significant figures particularly in the three employment creation services. The Unit's targets as reflected in the ACP was surpassed by 645.4% for permanent employment, 199.6% for work attachment and 606% for volunteer attachment.

Work Attachment

As stated in the NEC Decree No.54 of 2009, employers with 50 or more workers are required to take on at least 5% of the total number of workers as attachees as stated under the formal employment service (FES).

In the year 2014, Western Division recorded the most number of clients that have secured work attachments simply because of the continuing efforts of conducting employers' awareness. The proportion of the numbers in each division is reflected on the number of population of each division and also reflecting that most of the employers are based in the main city of Suva, followed by West then North. There was a decrease in the numbers absorbed into work attachment from 2013, simply because the Unit was facing challenges with its budget to cater for the payment of work attachment allowance to its clients. The continuous absorption of clients was due the increase in demand from employers and also the multiplier effect of the successful rate of clients being absorbed into permanent employment after completion of the work attachment.

Ultimately, age groups between 20-24 and 25-29 are progressively more successful in securing work attachment placement compared to other age cohorts. The employer's preference is obvious as youths are more energetic, creative and easy to train because of their eagerness to learn new things.

In terms of work attachment by gender and industry, the Wholesale/ Retail is the leading industry where most female clients are absorbed for work attachment which correlates with the nature of work carried out.

Permanent Employment

In 2014, there was an increase in the number of clients absorbed into permanent employment compared to 2012 and 2013. This is due the RSE programme which captured the center's focus whereby most resources were diverted towards this programme. Also, the tracer survey that the unit conducts to gauge client employment status did not take place due to the above. Additionally, there were more clients registered within the age group between 25 to 29 which had a high absorption capacity in terms of employer preference.

Fiji Volunteer Service (FVS)

The FVS is established under Part 10 of the NEC Decree 2009. The Minister for Labour, Industrial Relations and Employment in 2011 designated the managing of this service to the Human Resource Management Division of the Public Service Commission to be the Fiji Volunteer Service (under legal notice No. 110). The FVS focuses

on the placement services of the unemployed and retirees into volunteer assignment locally and overseas. In addition, it targets the "elite" group, which also includes the graduates.

In 2014, the FVS absorbed a total of 303 volunteers compared to 209 in 2013 for local and overseas volunteer assignments. The increase number of volunteerism in 2014 resulted from the number of assistance required from neighboring Pacific countries, increases in the number of retirees and newly graduates acquiring skills and knowledge.

Self-Employment Service (SES)

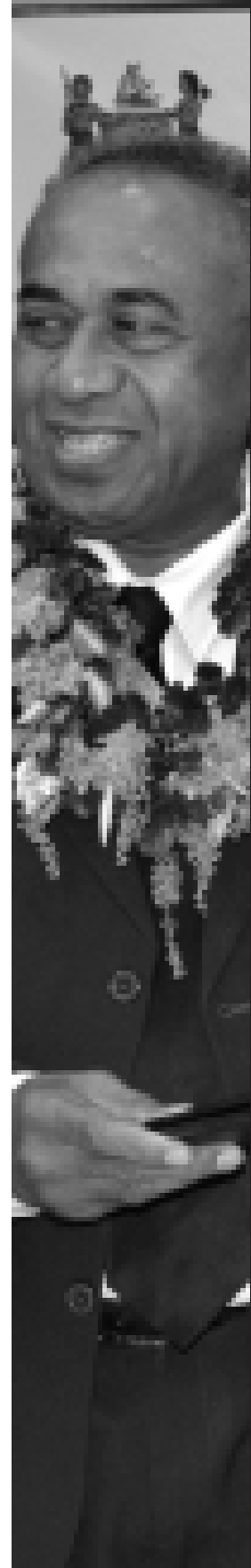
The SES is established under Part 9 of the NEC Decree 2009 under Cabinet Decision No. 2345, had designated that the IHRDP hosted under the Ministry of National Planning; CATD hosted by the Ministry of Indigenous Affairs; and the NCSMED hosted by the Ministry of Industry to be integrated to the Self Employment Service.

The role of NEC has been purely administrative i.e. to register clients and advise those that show interest to start their small business to agencies where they can access funding. The SES has been negatively impacted by a shortage of funding and this has resulted in the non-achievement of any small business established under the SES.

NEC MOU signed with Employers

There are 9,488 employers registered with the Ministry of which 3.35% of employers have come forward to recruit NEC clients. The continuous awareness by NEC advised employers of their corporate social responsibility as most employers are unaware of the NEC Decree requirements. Once employers are well aware of the Decree, this will result in the increase number of MOU signed, hence more work attachments is forecasted to increase as well.

A total of 225 MOUs signed with employers during the period under review.





Public Launching of the Foreign Employment Service

As part of the national commitment under the Global Job Pact, the Fijian Government, through the Ministry of Labour, has designed the policy and legal framework of the NEC Decree to be aimed at providing a national “one-stop” employment centre to up-skill the unemployed and facilitate their employment with local and overseas employers as trainees, attaches, workers or as volunteers.

In this way, the unemployed population and job seekers are provided the opportunity to be trained and build their capacities, realize their potential and empower them to make a difference in life and to that of others, and contribute to national wealth creation. To continuously improve the efficiency and effectiveness of our services to the unemployed, the governance and operational management system of the NEC is benchmarked to the ISO 9001: 2008 Quality Management System.

This is a legal requirement under the NEC Decree. Currently, we are working with the ILO, ADB and the Ministry of Strategic Planning, including the NEC Board, to develop Fiji's first National Employment Policy to better integrate the current and activate the new employment creation initiatives at the macroeconomic and microeconomic levels.

The Foreign Employment Service (FORES) is one of the four employment services established under the NEC Decree 2009.

The primary goal of the Foreign Employment Service is to provide quality human resource development service to unemployed persons and retirees to facilitate their absorption into decent overseas employment and alleviate poverty in Fiji. In this manner, our people can also acquire new skills and experiences that would add more value to their lives and families and contribute to national productivity.

To achieve this goal, the FORES provides quality foreign employment services which include aptitude assessment, counseling sessions, life skills training, employment skills training and pre-departure orientation training to the unskilled, semi-skilled or skilled unemployed persons and retirees, and facilitates their recruitment into the foreign employment market.

The Foreign Employment Service also liaises with the Ministry of Foreign Affairs and International Cooperation to ensure that it abides with relevant international treaties and protocols that binds the Government.

The FORES was officially launched on 2nd July, 2014 by the Minister for Employment, Productivity and Industrial Relations Honourable Jone Usamate.

2014 Historical Achievements

ISO 9001:2008 Certification

Year 2014 has been historic for the Ministry of Labour, Industrial Relations & Employment. On 2nd September, 2014 all Ministry staff celebrated the attainment of the ISO 9001:2008 certification. This achievement is Fiji's 1st Government Ministry to be ISO 9001: 2008 certified by a world renowned certification body - UKAS of the United Kingdom.

Two of the eleven strategic business units of the Ministry have successfully achieved ISO 9001: 2008 certification under the overall Quality Management System of the Labour Ministry. Both the National Occupational Health and Safety Services and the Mediation Services including all their District Offices nation-wide have successfully attained the ISO 9001: 2008 certification.

All the remaining 9 strategic business units have conformed to the ISO 9001:2008 standards and pushing towards certification by 2nd Quarter 2015.

Fiji has learnt from the experience of other Asian Productivity Organization (APO) member countries, in particular, from Singapore.



Minister for Labour, Industrial Relations and Employment, Hon. Jone Usamate addressing the guests at the Ministry of Labour's ISO:9001:2008 QMS Certification celebration on 2nd September, 2014 at the Grand Pacific Hotel in Suva

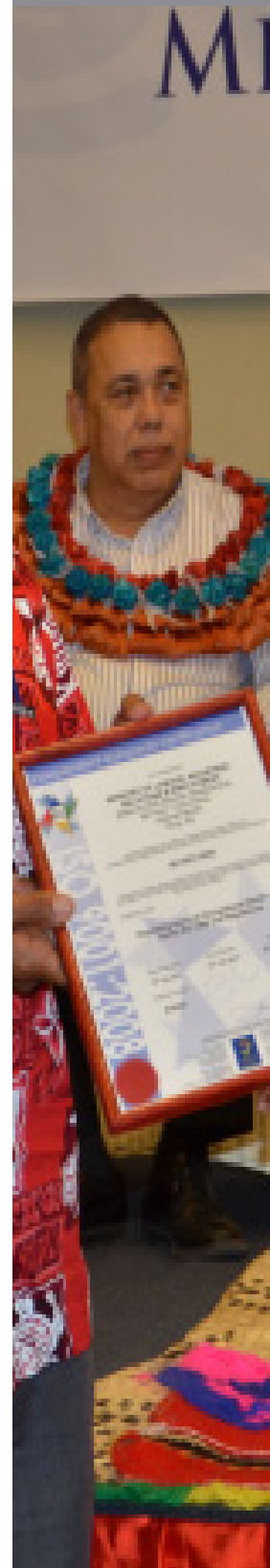
Government Departments are under increasing pressure to provide results that matter to the public, often with severe resource constraints. One of the great challenges that societies face today is the need to develop and maintain citizen's confidence in their Governments and their Citizens expect to have a community providing all public products with quality, such as roads in good conditions, availability of public transportation, ease and speed in processing of documents, transparency and public information, availability of fair and equitable labour and employment services, quality health, social welfare, education services as well as safety and security. The public expect all their needs to be satisfied.

Citizens expect to feel the Government represent them and that their community is well protected. Businesses want strong and effective policy environments that boost business creation.

Better local, regional and national integration can be achieved based on managing the quality of the public products and increasing the confidence of the citizens. Achieving a high quality of local and central government enables the whole system of government to become stronger, efficient and productive. Coherence of such approaches helps to create reliable and sustainable Governments.

In this respect, the ISO 9001 Quality Management System (QMS) is specifically designed to enable Government to meet the challenging needs and expectations of its citizens.

Service Excellence initiative are the basis on which Government Ministries and Departments can deliver efficient, effective and economical services to the people of Fiji, including the region and global community. Therefore, the ISO 9001: 2008 QMS will also equip the Permanent Secretaries to fulfil their constitutional obligations under section 127 of the 2013 Constitution



Main benefits of implementing ISO 9001:2008 QMS in Government

Implementing ISO 9001:2008 in Government Ministries will have the following benefits:

- Enable the Ministry to develop standard operating procedures for its functions and activities;
- Compare and benchmark its operating procedures with similar organisations in Government, private sector and international organisations;
- Identify gaps for improvements;
- Codify institutional and personal memories and experiences for future generations
- Allow Ministries to conduct audits against the international standards;
- Allows the Permanent Secretaries to focus on strategic issues, whilst strengthening the operational management of the Ministry;
- Bring in transparency and accountability in the operations of Government machinery, strengthening good governance culture and alleviating corruption;
- Annual third party audit keeps the Ministry on its toes;
- The potential for losing the ISO 9001 certification during the audit every third year allows the system to sustain itself;
- Allows the Ministry to become more consistent deliverer of service excellence in its areas of jurisdictions;
- More efficient ways of working saves time, money and resources;
- Improved operational performances;
- Motivate and engage staff with more efficient internal processes;
- Win confidence of the public and customers; and
- Enable the design and development of quality Individual Work Plans, Business Plans, Corporate Plans, Budgeting and Management Information System within the Ministry.



Chief Mediator, Mr Vimlesh Maharaj with the Minister for Labour, Industrial Relations and Employment Hon. Jone Usamate and staff of Mediation and NOHSS after receiving their ISO Certificates

Fiji's Successful Outcomes at the 320th Session of the ILO Governing Body in March 2014

The Fijian Government delegation successfully achieved its objectives in defending and justifying the Fiji Government's position in Geneva at the 320th Session of the International Labour Organization Governing Body Meeting (ILOGBM) in March 2014.

Background on Fiji's Case in Geneva in 2013

The Fiji delegation was represented at the ILOGBM's 319th Session held in Geneva in October 2013, after a complaint was lodged in Geneva by the workers representatives on issues concerning labour related decrees in 2013.

At the end of this session, the ILOGBM urged the return of the Direct Contacts Mission (DCM) to Fiji prior to the 320th Session to be held in March 2014. It also accepted as "receivable" a complaint against the Fijian Government regarding Convention No. 87 on Freedom of Association and Protection of the Right to Organise lodged by trade unions in line with Article 26 of the ILO Constitution.

Under Article 26, any ILO member or delegate to the Conference can file a complaint of non-observance of Conventions which have been ratified. In this regard, re-produced below is the Government's proposal to the ILOGBM in October by Fiji last year which was tabled again by the delegation at the March 2014 ILOGB:

1. Fiji's progress towards holding truly democratic general elections by September 2014 under the 2013 Constitution;
2. Government's firm commitment towards welcoming the DCM soon after the general elections;
3. Ensuring that the DCM is able to fully achieve its purpose in providing practical solutions to Fiji, (it was proposed that the ILO sends a Senior ILO official to visit Fiji to provide assistance in preparing for the DCM, including the finalization of the terms of reference);
4. During the visit of the Senior ILO official, assistance would be provided to Fiji in facilitating, developing and the adoption of a Decent Work Country Programme ("DWCP") for Fiji in consultation with the tripartite partners;
5. All matters pertaining to the DCM and the DWCP

be submitted for endorsement and adoption by the ILOGB at its meeting in June 2014;

6. The DCM visits Fiji soon after the completion of the general elections in Fiji in September 2014, and that the report of the DCM to be submitted to the ILOGB at its November meeting as well.

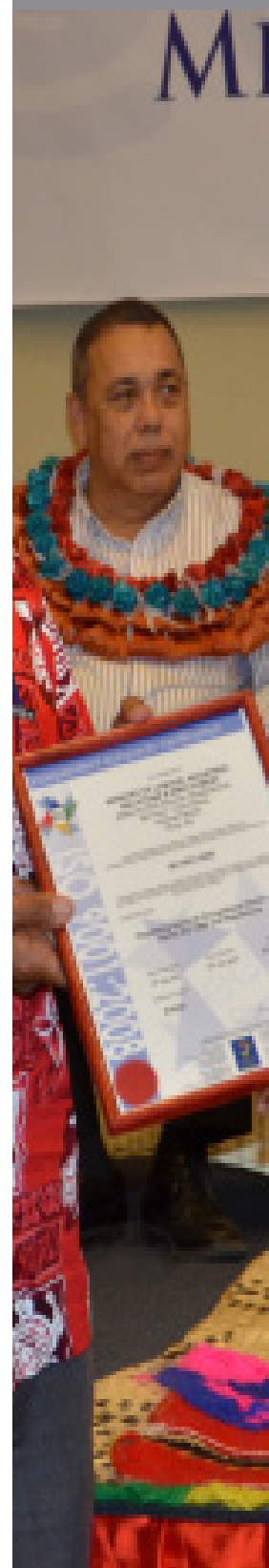
Fijian Government's Summary Response to the October 2013 ILOGB


The Fijian Government's response and position was conveyed by the Hon. Prime Minister Josaia V. Bainimarama to the ILO Director-General in his letter dated 24th January 2014 in relation to the October 2013 ILOGB. He stated that the Fijian Government is firmly committed to engaged with the ILO for a successful DCM to visit Fiji soon after the September 2014 General Elections, and that the report of the DCM would be submitted to the ILOGB at its November 2014 Meeting. After September 2014, Fiji have successfully completed its General Elections, and a DCM has visited Fiji and provided solutions to the issues raised against Fiji in a democratic environment for the benefit of all parties.

The Fijian Government also urged the ILO to note the significant progress made by Fiji towards its first truly democratic parliamentary elections including its Labour Reforms, and to defer any discussions and decisions on the Article 26 Complaint to the November 2014 sitting of the ILOGB.

Fiji Government's Participation at the March 2014 ILOGB

The Fijian Government delegation to the March 2014 ILOGB, was led by the Minister for Labour, Industrial Relations and Employment, Honourable Jone Usamate, included the Permanent Secretary for Labour, Industrial Relations and Employment Mr. Taito Waqa, Government Advisor, Ms Nazhat Shameem and the Acting Principal Legal Officer at the Solicitor-General's Office, Ms Salaseini Daunabuna. The Delegation was ably





supported by newly appointed Fiji Counsellor to Geneva, Mr. Eliesa Tuiloma.

Fiji Government's efforts to properly present its position to the ILOGB members

Prior to departure of the Fiji Government delegation to Geneva, the Minister for Labour and his Permanent Secretary liaised with the Ministry of Foreign Affairs and International Cooperation including Fiji's Counsellor to Geneva and persuasively presented and justified Fiji's position to Government members of the ILOGB including the Fiji Commerce and Employers Federation.

Between 11th and 18th March 2014, the Minister for Labour and his Permanent Secretary met and presented/discussed in Suva, Fiji's position with the Ambassadors, High Commissioners and Heads of Missions of the following ILOGB member countries - United States of America, European Union, France, United Kingdom, China, India, Australia, Japan and New Zealand.

The Fijian Government wish to place on record its deep appreciation for being granted fair hearings from these countries in order for these countries to get a holistic picture of the true situation on the ground in terms of the significant progress on Fiji's constitutional and electoral reforms including our labour reforms.

The Minister for Labour and the delegation also met key Government members of the ILOGB including the Chairperson and the two Vice Chairpersons in Geneva, and persuasively presented the justification of Fiji's position as communicated by the Prime Minister in his letter of 24th January 2014 to the ILO Director-General. Deliberations on Fiji's Case at the March 2014 ILOGB.

The Minister for Labour confirmed that the case against Fiji was discussed under two items in the Agenda which were undertaken at the ILOGB on 26th and 27th March 2014. It basically dealt with the insistence to the ILOGB for the return of the ILO DCM to Fiji prior to the March 2014 ILOGB and undertake a facts finding mission in Fiji on the allegations submitted by local trade unions to the

Committee of Freedom of Association (CFA) through the International Trade Union Confederation (ITUC). The second part of Fiji's case was related to the complaint concerning the alleged non-observance of the ILO's Convention No. 87, made by workers' delegates to the 102nd Session (2013) of the International Labour Conference under Article 26 of the ILO Constitution.

It referred to the concerted call by trade unions to activate a Commission of Inquiry against Fiji. Furthermore, the Committee on Freedom of Association (CFA) in its 370th Report also cited Fiji under Case 2723 on allegations of acts of assaults, harassment, intimidation and arrest and detention of trade union leaders and members, ongoing interference with internal trade union affairs, the dismissal of a trade union leader in the public service education sector, undue restriction on trade union meetings, and the issuance of several decrees curtailing trade union rights. In response to the CFA Report, the Minister stated that the Fiji Government had submitted two reports to the ILO Director-General in January 2014 to correct the misleading and non-factual allegations by the trade unions.

The reports included:

1. Response by the Government of the Republic of Fiji to the 370th Report of the Committee on Freedom of Association; and
2. Response by the Government of the Republic of Fiji to the Complaint under Article 26 of the ILO Constitution against the Government on Convention No. 87.

The Minister's statement to the March 2014 ILOGB, clearly stated and justified the full position of the Fijian Government on both Agenda Items (10 and 11). He also responded to the original trade union allegations including later complaints raised by the trade unions.

Successful Outcomes for the Fiji Government's case at the ILOGB

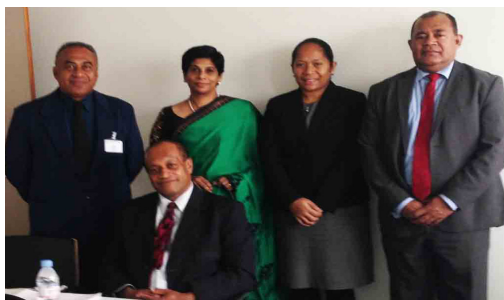
As a consequence of all these meetings, discussions and efforts to influence the international community on Fiji Government's commitment to its ILO

obligations, and the justification of its position in response to the two Agenda Items on Fiji, the Minister, revealed that the Fiji Government delegation have successfully achieved its objectives in defending Fiji Government's position in Geneva at the 320th Session of the (ILOGB) in March 2014.

In conclusion, the general public is invited to note the successful outcomes of Fiji Government's submissions and persuasive meetings which resulted in the March 2014 ILOGB's acceptance of the Fiji Government proposals -

1. The deferment of the ILO DCM visit to Fiji after the September 2014 General Elections, contrary to the decision of the 319th Session in October last year for the DCM to come to Fiji prior to the March 2014 ILOGB; and
2. The suspension of the Commission of Inquiry against Fiji conditional of the DCM's visit to Fiji as agreed in (1) above. The DCM will present its findings to the ILOGB session in November 2014.

The Cabinet also noted the decisions of the 320th Session of the Governing Body on Fiji's case in its meeting on 22nd April 2014.



Fiji Government Delegation to the March 2014 ILOGB
(Front Row: Minister for Labour Mr. Jone Usamate)
(Back Row: L-R: Permanent Secretary for Labour Mr. Taito Waqa, Government Advisor, Ms Nazhat Shameem, Acting Principal Legal Officer at the Solicitor-General's Office, Ms Salaseini Daunabuna and newly appointed Fiji Counsellor at Geneva, Mr. Eliesa Tuiloma)

First Ever National Minimum Wage - National Minimum Wage Regulations

The Minister for Labour, Industrial Relations and Employment Mr Jone Usamate gazetted the Employment Relations (National Minimum Wage) Regulations, which came into force on the 1st of March, 2014.



Minister for Labour, Industrial Relations and Employment Mr Jone Usamate endorsing the NMW Regulations to be gazetted

The Regulation applies to all workplaces (formal and informal) operating in Fiji.

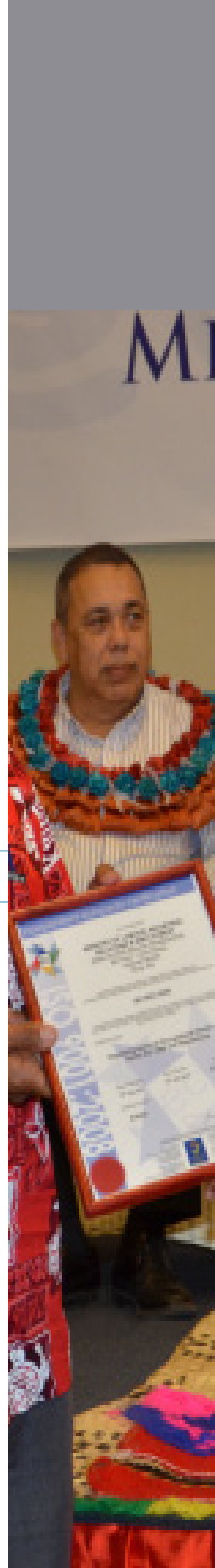
The Regulation has one fundamental aim - to alleviate poverty amongst the most marginalized workers.


Policy Intent of the Regulation

This historical initiative is in line with Government's commitment under the Peoples Charter for Change, Peace and Progress (PCCPP) on reducing poverty to a negligible level by 2015 whilst also enhancing workplace and national productivity.

Further, the Fijian government is fully committed to give all workers the right to a just minimum wage as required under section 33 of the 2013 Constitution.

After comprehensive national consultations with the tripartite partners and other stakeholders the Minister for Labour recommended a National Minimum Wage which Cabinet approved to be set at \$2.00 per hour.





This is a milestone achievement in the history of Fiji as it is the first ever determination of a national minimum wage covering both the formal and informal sectors of the labour market.

Benefits to the Workers

The NMW will benefit a total of at least 72,000 workers from both the formal and informal sector, including those working in locally registered or government owned ships and aircrafts whether or not the ship or aircraft is within the territorial waters, land or airspace of Fiji.

The NMW Regulation is in addition to the workers' rights under the Employment Relations Promulgation 2007 (ERP) and not apart from the Promulgation.

All entitlements and fundamental principles of rights at work under the ERP are still applicable to all workers covered under the NMW Regulations. For example, workers entitlements such as normal hours of work, annual leave, public holiday leave, maternity leave, sick leave, bereavement leave and all other benefits under the ERP must be fully awarded.

When an employer is being prosecuted, the worker concerned is still entitled to all dues that the employer has not paid.

A worker covered under the Regulation is also entitled to access the employment grievance procedure under the ERP on the following grounds – unfair dismissal, discrimination, disadvantaged due to a decision of the employer, sexual harassment or duress (a situation where membership or non-membership of a Trade Union is used as a condition for employment).

Role of the Employer

The National Minimum Wage (NMW) Regulations 2014 covers all employers operating in the informal sector including those employers not covered under the ten (10) current Wages Regulations Orders (WROs).

The sectoral minimum wage rates for workers in the 10 sectors under the WROs will remain the same

as all these rates are above the \$2.00 per hour. In addition, the NMW does not affect the learners' rate of \$1.81 per hour in the Garment Industry and the learners' rate in the Road Transport Industry that are below \$2.00 per hour.

Relevant employers must adjust their workers' wage levels and employment conditions in accordance with the NMW Regulations and the ERP.

No employer should pay below the NMW (\$2.00 per hour) rate and those employers paying above this rate are encouraged to adopt a productivity-based performance system.

Under the Regulations all employers are required to display a written NMW notice in their workplaces for the purpose of informing and educating their workers.

Employers must maintain proper wages and time records of workers for verification when visited by a Labour Inspector.

No employer may employ a worker or no worker may be employed under a contract of service (a written or oral contract which specifies a workers terms and conditions of employment whether on a permanent or part-time basis).

Employers are encouraged to work closely together with the key stakeholders - workers and Government to boost enterprise and national productivity.

Functions of the Labour Inspectors

A Labour Inspector will inspect the employer's records to ascertain whether the wages and workers entitlements are in compliant with the NMW Regulation.

The role of a Inspector is to provide information, advice, awareness or training to employers and workers or their organisation on all employment related matters. A Inspector may issue a fixed penalty notice of \$100 to the employer, or any other person authorised by or acting on behalf of the employer when a employer is not complying or refuses to follow any part of the NMW Regulations.

Employers who are not compliant with this regulation will also be liable to a fine of \$20,000 or a term of imprisonment of 2 years or both.

However, a Labour Inspector will give the employer prior notice of any evidence that is to be used in either the Employment Relations Tribunal (ERT) or Employment Relations Court (ERC).

Review of the NMW

The Ministry in consultation with the Employment Relations Advisory Board, and other relevant stakeholders will review the national minimum wage established under these Regulations together with the review of the WROs in due course.

The NMW Regulations will not repeal but will complement or co-exist with the current sectoral minimum wage rates for workers in all the ten sectors covered under the 2012 WROs.

Wages Regulations Order (WROs) 2012

1. Building and Civil and Electrical Engineering Trades
2. Garment Industry
3. Hotel and Catering Trades
4. Manufacturing Industry
5. Mining and Quarrying Industry
6. Printing Trades
7. Road Transport
8. Sawmilling and Logging Industry
9. Security Services
10. Wholesale and Retail Trades

Lead Auditor's Training

'Excellence in operations' is an overarching objective of the Ministry for the year 2014 which has resulted the Ministry of Labour, Industrial Relations & Productivity to participate in the Lead Auditor's training conducted by an approved International Register for Certificated Auditors, Lead Auditor Mr Jimmy Chua and Ms BS Ong.

A total of 19 Ministry staff undertook the Lead Auditors Training with an additional of 7 observer participants comprising 4 from the Prime Minister's Office, one (1) from the Ministry of Local Government, Urban Development, Housing & Environment, and one (1) from the Department of Immigration.

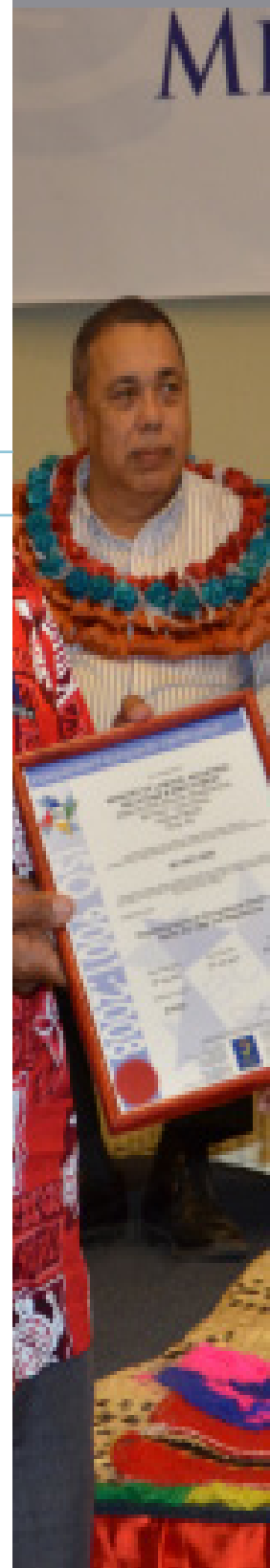
Over the years the Ministry has been involved in completing all its labour reforms whilst accomplishing better quality in service delivery but have not been able to fully meet the expectations of its customers. The Ministry have been re-writing its labour laws and at the same time trying to do well in terms of executing the plans in place.

The labour reform has come to an end and the year 2014 is the right time for the Ministry to deliver better service than before. The Ministry does not have all the resources available to meet the

demands of 2014, however excellence is being the best we can be with what we have.

The lead Auditor's training helps capacity build Ministry's managerial staff with skills to audit the Quality Manual and ensure it is aligned to the ISO 9001 requirements. One thing the ministry has learnt that the intent of certification is to provide better services to our customers.

The satisfaction of the ordinary Fijian is paramount to us thus the program and the eventual certification, our customers would be the beneficiary of this exercise as the Ministry 'raises the bar' to achieve enhanced customer satisfaction through better service delivery.





OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File: 481

14 May 2015

Mr. Osea Cawaru
Acting Permanent Secretary
Ministry of Employment, Productivity & Industrial Relations
Civic House
SUVA.

Dear Mr. Cawaru

AUDITED AGENCY FINANCIAL STATEMENTS
MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

The audit of the Agency Financial Statements for the Ministry of Labour, Industrial Relations and Employment for the year ended 31 December 2014 has been completed.

The audited accounts are forwarded for signing by you and the Accounts Officer. Please return the signed accounts and the management representation letter at your earliest to facilitate the issue of the independent audit report on them.

Copies of a draft independent audit report and the Draft Audit Memorandum (DAM) are also enclosed for your perusal. We would appreciate if written comments to the issues highlighted in the DAM are also provided to this Office within 14 days from the date of this letter.

We look forward for your cooperation and should you require any clarifications, please do not hesitate to contact Mr. Ilaitia Varani on telephone 3309032 ext. 140 or the undersigned.

Yours sincerely

Kuruwara Tunisalevu
for **AUDITOR-GENERAL**

Encl.

Ministry of Labour, Industrial Relations & Employment

Program Statement

The core responsibility of the Ministry of Labour is to pursue the attainment of decent work standards under the provisions of Section 20 of the 2013 Constitution. The provision clearly defines the right to fair employment practices, including human treatment and proper working conditions. The responsibilities focuses on the promotion of employment opportunities; development of healthy workers; the provision of healthy and safe working environment; fair working conditions; good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern and an enabling policy environment supported by sound labour laws, policies, institutional practices and values, underpinned by tripartite social dialogue. Pursuant to Section 33 of the 2013 Constitution, the Ministry has a central role in fulfilling the right to work and obtain a just minimum wage. Other responsibilities of the Ministry include; non-discrimination of workers through the Equal Employment Opportunity (EEO) principles.

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1.0 INTRODUCTION

This Draft Audit Memorandum (DAM) has been prepared following the completion of the Agency Financial Statement audit for the Ministry of Labour, Industrial Relations and Employment for the year ending 31 December 2014.

The report contains the audit findings together with recommendations for improvement.

2.0 AUDIT MANDATE

Section 152 (1&2) of the Constitution provides for the duties and the powers of the Auditor-General and the auditing of public accounts, government departments or ministries, statutory bodies and other body established by the Law.

3.0 AUDIT OBJECTIVE AND SCOPE

The principal objective of the audit was to perform sufficient audit work to enable the Auditor General to form an opinion on the accounts and records of the Ministry of Labour, Industrial Relations and Employment in accordance with the Finance Management Act 2004 and the Finance Instruction 2010.

The audit comprises of:

- Verifying the accounts and records from which the Ministry's financial statements were prepared.
- The verification and validation of the financial statement.

The broad approach adopted for this audit consisted of:

- the audit of account balances to prove that all line items were accurate and complete.
- testing the reliability and integrity of the system which produced the accounts for the purpose of ensuring that the classification and regularity of the transaction or those which have not complied with the provisions of the Finance Instruction 2010.
- obtaining reasonable assurance as to whether the financial statements of Ministry of Labour, Industrial Relations and Employment for the year ended 31 December 2014 are free of material misstatements.
- forming an opinion as to whether in all material respects, the financial statements have been prepared in accordance with the Finance Instruction 2010.

4.0 AUDIT SCOPE

The audit comprised of examining the accounting and subsidiary records maintained by the Ministry of Labour, Industrial Relations and Employment.

The accounting and subsidiary records selected for audit scrutiny comprised of payroll and non-payroll, advance, trust funds, drawings account, VAT and FNPF records. Audit checks were also extended to other accounting and subsidiary records that were considered necessary to facilitate adequate audit coverage for the purpose of forming an opinion on the accounts.

5.0 CAUTION ABOUT AUDIT FINDINGS AND REPORT

This report contains findings that were detected from normal audit procedures designed primarily for the purpose of forming an opinion on the accounts of the Ministry of Labour, Industrial Relations and Employment. There is an unavoidable risk that some material misstatement(s), fraud, or irregularity may not have been detected despite the fact that the audit was planned and conducted with due care.

Hence, this Draft Audit Memorandum should not be regarded as a comprehensive statement of all the weaknesses that may exist or of all improvements that could be made.

The Ministry of Labour, Industrial Relations and Employment is therefore advised to maintain perpetual vigilance on the internal controls and conduct its own investigation where deemed necessary to ensure that irregularities are appropriately addressed.

6.0 APPRECIATION

The assistance provided by the Management and staffs of the Ministry of Labour, Industrial Relations and Employment during the course of the audit is acknowledged. We look forward to the continuation of such fruitful relationship in future audits.

7.0 DETAILED AUDIT FINDINGS AND RECOMMENTATIONS

7.1 Trust Fund Bank Account Balance

Each month, the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the responsible officer shall sign the reconciliation. Un-reconciled items must be investigated and resolved promptly.¹

The Ministry has five main trust fund bank accounts, namely, the *Workmen's Compensation, Occupational Health and Safety, National employment Centre, Employment Relations Agency, and Child Labour*.

The audit noted that variance of \$2,917 exists between the trust fund account and the trust fund bank account balance in the general ledger as at 31 December 2014 for OHS Trust Fund and Employment Relations Agency Trust Fund Account. Refer Table 1 for details.

TABLE 1: VARIANCE BETWEEN TRUST FUND BANK BALANCE AND TRUST FUND BANK ACCOUNT IN GL

Trust Fund Account	Cash at Bank \$	True Trust Fund Balance \$	Variance \$
OHS (9-07101-07006-520401)	4,722,892	4,725,809	2,917
Employment Relation Agency (9-07101-07010-520401)	110,528	107,611	(2,917)

The above indicates that the Ministry failed to reconcile the cash at bank general ledger balance and true trust fund balances properly, resulting in variances noted.

In addition, audit noted that the trust fund bank account and main trust fund account in the general ledger was overstated by \$114,076 and \$380,279 respectively. Thus, the amount was written off in order to reconcile it with the bank reconciliation and cash book. Refer Table 2 for details on the amounts written off for the respective trust fund accounts.

TABLE 2: TRUST FUND ACCOUNTS WRITTEN OFF IN 2014

Allocation	Account Description	Amount \$
Trust Bank Account		
9-07301-07999-520401	CFA - CNB Suva - Environment	(3,273)
9-07101-07003-520301	Workmen's Compensation	(107,946)
9-07101-07006-520401	OHS Trust Account	(2,917)
9-07101-07006-520401	OHS Trust Account	60
		(114,076)
Main Trust Fund Account		
9-07101-07010-895042	Employment Relations Agency Trust Fund	1,598
9-07101-07009-895040	National Employment Centre	(24,470)
9-07101-07005-895004	OHS Consultancy Services	(360,453)
9-07101-07006-895030	OHS Trust Fund	3,046
Total		(380,279)

This could have been avoided had the Ministry been more vigilant in preparation of its trust fund account reconciliations. Also, the above findings indicate that monthly reconciliations and independent checks by supervisors were not effectively carried out which may have led to substantial amount of write offs.

Recommendation

The Head of Accounts should ensure that proper monthly reconciliations between bank reconciliation balance and trust fund bank account balance in the general ledger is done and any errors or variances noted should be investigated and adjusted accordingly.

Ministry's Comments

7.2 Arrears of Revenue

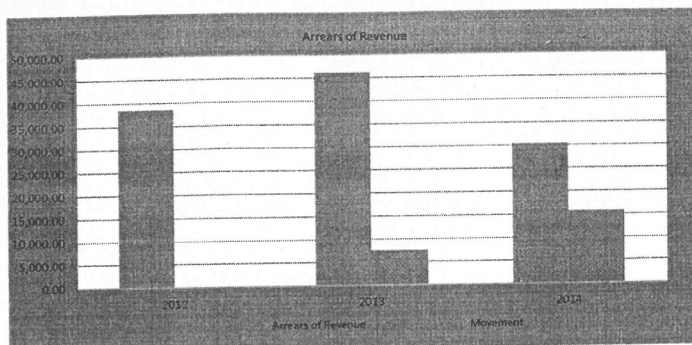
The *credit officer* must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, then no further credit shall be extended to the debtor; a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month; if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.²

If a final notice had been issued to one of the debtors listed, the *PS (LIR& E)* may approve that the case be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implications and the probability of recovery. The *PS (LIR& E)* shall take action to write-off irrecoverable debts in accordance with Part 14 of the Manual.³

As at 31/12/14, the Ministry's arrears of revenue amounted to \$30,343 compared to \$46,183 in 2013, a decrease of \$15,840 or 34%. Refer Table 3 for details of arrears of revenue for the past three years.

TABLE 3: ARREARS OF REVENUE OVER THE THREE YEAR PERIOD

Year	Amount (\$)	Percent Movement
2012	38,592	---
2013	46,183	20
2014	30,343	(34)



It was noted that 38% of the arrears of revenue is more than 5 years. Refer Table 4 for the ageing of arrears of revenue.

TABLE 4: AGEING OF ARREARS OF REVENUE

Debt Category	Amount (\$)
Less than 1 Year	12,116
1 – 2 Years	6,710
2 – 5 Years	110
More than 5 Years	11,407
Total	30,343

The above shows weak measures undertaken to collect these revenue and may become irrecoverable if not collected on a timely basis.

Recommendation

The Head of Accounts should ensure that revenue dues are collected on a timely basis to avoid further accumulation of arrears balance.

Ministry's Comments

7.3 Unclaimed Monies held in Trust Fund

The Trust Account Officer, AAO OHS and Service Managers shall keep a trust ledger to record movement of trust money.⁴

As at 31/12/14, the outstanding arrears of wages amounted to \$265,002 compared to \$70,300 in 2013, an increase of \$194,702 or 277%. Refer Table 5 for details of unclaimed over the years.

TABLE 5: ARREARS OF WAGES

Years	Amount (\$)	Accumulated Balance (\$)
2004	12,281	12,281

⁴ Ministry's Finance Manual 2013 – Section 14.3.2
Ministry of Labour, Industrial Relations & Employment

Years	Amount (\$)	Accumulated Balance (\$)
2005	24,258	36,539
2006	3,636	40,175
2007	12,203	52,378
2008	7,463	59,841
2009	623	60,464
2010	31	60,495
2011	200	60,695
2012	4,040	64,735
2013	5,566	70,301
2014	194,702	265,003

It was noted that \$60,464 or 23% of the unclaimed wages is more than 5 years.

No evidence was provided during the audit to show that the Ministry has taken steps to clear these accumulating unclaimed wages over the years. As such, the balance has been accumulating over the years.

Recommendation

The Trust Account Officers should make a concerted effort to contact and pay individuals whose wages are kept in trust.

Ministry's Comments

7.4 Anomalies in the Ministry's Reconciliation

Within 5 days after the end of each month, the *Trust Account Officer, AAO OHS* shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.⁵

Agencies are required to prepare monthly reconciliations to address the differences between the department records and the government ledger.⁶

Ministries and Departments are to reconcile their Bank Lodgement Clearance (BLC) Account daily. In essence, this account should have a zero balance. A monthly reconciliation is to be prepared and forwarded to the Ministry of Finance. At the end of the financial year, the BLC account should be zerorized to allow for new postings in the next financial year.⁷

The audit of the various reconciliations prepared by the Ministry in 2014 noted the following anomalies:

- OHS trust fund reconciliation for the month of January to April 2014 was not prepared;
- Child labour trust fund reconciliation for the month of January to March 2014 was not prepared;
- Inter - departmental Clearance Account – in the Ministry's reconciliation a variance of \$523 existed between the closing balance for October and the opening balance for November;

- Inter - departmental Clearance Account – in the Ministry's reconciliation a variance of \$180 existed between the closing balance for November and the opening balance for December; and
- The Bank Lodgement Clearance (BLC) Account should have been cleared by 9 January 2015, however, the BLC account still have the balance of \$1,972 as at 31 December 2014.

Failure to properly prepare reconciliations indicates the Ministry is not accurately disclosing its accounts and the balances cannot be therefore relied upon.

Recommendation

The Head of Accounts should ensure that monthly reconciliations are properly carried out and errors or variances noted should be investigated and adjusted accordingly.

Ministry's Comments

7.5 Un-reconciled Drawings Account

All bank account must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁸

Audit noted the following anomalies in respect to drawings account:

- The audit noted a variance of \$62,473 between the general ledger (FMIS) and the Ministry's reconciliation/board of survey for the drawings account. Refer Table 6 for details.

TABLE 6: VARIANCE IN DRAWINGS ACCOUNT

Details	Amount \$
FMIS	(110,552)
Department's Reconciliation/Board of Survey	(173,025)
Variance	62,473

- The audit noted a variance of \$22,967 between the opening balance (01.01.14) as per Ministry's January reconciliation and the audited closing balance (31.12.13) for drawings account. Refer Table 7 for details.

TABLE 7: VARIANCE IN OPENING AND CLOSING BALANCE

Details	Amount \$
Opening Balance (01.01.14)	(147,153)
Closing Balance (31.12.13)	(170,120)
Variance	22,967

- The audit noted that the Ministry's unrepresented cheque listing consists of EFT payments totaling \$71,673.62 as unrepresented.

- Audit noted that one reconciliation was prepared for the month of January to October instead of the monthly reconciliations. ❖
- Audit was provided with the unsigned copies of the reconciliation for the month of January to December by Ministry of Finance.
- Audit noted unsubstantiated balance of \$22,967 appearing in January – October and November reconciliation. In December, \$23,539 was written off in order to remove the unsubstantiated balance and bring the department's reconciliation in line with the general ledger (FMIS).

The Ministry could have avoided the above anomalies had they been more vigilant while performing the reconciliations and getting all the errors, omissions and variances adjusted accordingly. Also, the absence of adequate supervisory checks in Accounts Section is a contributing factor to such anomalies.

Recommendations

- **Supervisory controls and checks should be strengthened in the Accounts Section to avoid such discrepancies.**
- **The Accounts Head should ensure that the Ministry's monthly Drawings Account reconciliation reconciles with the FMIS balances and any variances noted should be investigated and adjusted accordingly.**
- **The Ministry should ensure that the drawings reconciliation is prepared on a monthly basis.**

Ministry's Comments

Ministry of Labour, Industrial Relations & Employment

Program Statement

The core responsibility of the Ministry of Labour is to pursue the attainment of decent work standards under the provisions of Section 20 of the 2013 Constitution. The provision clearly defines the right to fair employment practices, including human treatment and proper working conditions. The responsibilities focuses on the promotion of employment opportunities; development of healthy workers; the provision of healthy and safe working environment; fair working conditions; good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern and an enabling policy environment supported by sound labour laws, policies, institutional practices and values, underpinned by tripartite social dialogue. Pursuant to Section 33 of the 2013 Constitution, the Ministry has a central role in fulfilling the right to work and obtain a just minimum wage. Other responsibilities of the Ministry include; non-discrimination of workers through the Equal Employment Opportunity (EEO) principles.

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1.0 INTRODUCTION

This Draft Audit Memorandum (DAM) has been prepared following the completion of the Agency Financial Statement audit for the Ministry of Labour, Industrial Relations and Employment for the year ending 31 December 2014.

The report contains the audit findings together with recommendations for improvement.

2.0 AUDIT MANDATE

Section 152 (1&2) of the Constitution provides for the duties and the powers of the Auditor-General and the auditing of public accounts, government departments or ministries, statutory bodies and other body established by the Law.

3.0 AUDIT OBJECTIVE AND SCOPE

The principal objective of the audit was to perform sufficient audit work to enable the Auditor General to form an opinion on the accounts and records of the Ministry of Labour, Industrial Relations and Employment in accordance with the Finance Management Act 2004 and the Finance Instruction 2010.

The audit comprises of:

- Verifying the accounts and records from which the Ministry's financial statements were prepared.
- The verification and validation of the financial statement.

The broad approach adopted for this audit consisted of:

- the audit of account balances to prove that all line items were accurate and complete.
- testing the reliability and integrity of the system which produced the accounts for the purpose of ensuring that the classification and regularity of the transaction or those which have not complied with the provisions of the Finance Instruction 2010.
- obtaining reasonable assurance as to whether the financial statements of Ministry of Labour, Industrial Relations and Employment for the year ended 31 December 2014 are free of material misstatements.
- forming an opinion as to whether in all material respects, the financial statements have been prepared in accordance with the Finance Instruction 2010.

4.0 AUDIT SCOPE

The audit comprised of examining the accounting and subsidiary records maintained by the Ministry of Labour, Industrial Relations and Employment.

The accounting and subsidiary records selected for audit scrutiny comprised of payroll and non-payroll, advance, trust funds, drawings account, VAT and FNPf records. Audit checks were also extended to other accounting and subsidiary records that were considered necessary to facilitate adequate audit coverage for the purpose of forming an opinion on the accounts.

5.0 CAUTION ABOUT AUDIT FINDINGS AND REPORT

This report contains findings that were detected from normal audit procedures designed primarily for the purpose of forming an opinion on the accounts of the Ministry of Labour, Industrial Relations and Employment. There is an unavoidable risk that some material misstatement(s), fraud, or irregularity may not have been detected despite the fact that the audit was planned and conducted with due care.

Hence, this Draft Audit Memorandum should not be regarded as a comprehensive statement of all the weaknesses that may exist or of all improvements that could be made.

The Ministry of Labour, Industrial Relations and Employment is therefore advised to maintain perpetual vigilance on the internal controls and conduct its own investigation where deemed necessary to ensure that irregularities are appropriately addressed.

6.0 APPRECIATION

The assistance provided by the Management and staffs of the Ministry of Labour, Industrial Relations and Employment during the course of the audit is acknowledged. We look forward to the continuation of such fruitful relationship in future audits.

7.0 DETAILED AUDIT FINDINGS AND RECOMMENTATIONS

7.1 Trust Fund Bank Account Balance

Each month, the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the responsible officer shall sign the reconciliation. Un-reconciled items must be investigated and resolved promptly.¹

The Ministry has five main trust fund bank accounts, namely, the *Workmen's Compensation, Occupational Health and Safety, National employment Centre, Employment Relations Agency, and Child Labour*.

The audit noted that variance of \$2,917 exists between the trust fund account and the trust fund bank account balance in the general ledger as at 31 December 2014 for OHS Trust Fund and Employment Relations Agency Trust Fund Account. Refer Table 1 for details.

TABLE 1: VARIANCE BETWEEN TRUST FUND BANK BALANCE AND TRUST FUND BANK ACCOUNT IN GL

Trust Fund Account	Cash at Bank \$	True Trust Fund Balance \$	Variance \$
OHS (9-07101-07006-520401)	4,722,892	4,725,809	2,917
Employment Relation Agency (9-07101-07010-520401)	110,528	107,611	(2,917)

The above indicates that the Ministry failed to reconcile the cash at bank general ledger balance and true trust fund balances properly, resulting in variances noted.

In addition, audit noted that the trust fund bank account and main trust fund account in the general ledger was overstated by \$114,076 and \$380,279 respectively. Thus, the amount was written off in order to reconcile it with the bank reconciliation and cash book. Refer Table 2 for details on the amounts written off for the respective trust fund accounts.

TABLE 2: TRUST FUND ACCOUNTS WRITTEN OFF IN 2014

Allocation	Account Description	Amount \$
Trust Bank Account		
9-07301-07999-520401	CFA - CNB Suva - Environment	(3,273)
9-07101-07003-520301	Workmen's Compensation	(107,946)
9-07101-07006-520401	OHS Trust Account	(2,917)
9-07101-07006-520401	OHS Trust Account	60
		(114,076)
Main Trust Fund Account		
9-07101-07010-895042	Employment Relations Agency Trust Fund	1,598
9-07101-07009-895040	National Employment Centre	(24,470)
9-07101-07005-895004	OHS Consultancy Services	(360,453)
9-07101-07006-895030	OHS Trust Fund	3,046
Total		(380,279)

This could have been avoided had the Ministry been more vigilant in preparation of its trust fund account reconciliations. Also, the above findings indicate that monthly reconciliations and independent checks by supervisors were not effectively carried out which may have led to substantial amount of write offs.

Recommendation

The Head of Accounts should ensure that proper monthly reconciliations between bank reconciliation balance and trust fund bank account balance in the general ledger is done and any errors or variances noted should be investigated and adjusted accordingly.

Ministry's Comments

Your comments are noted.

The Variance of \$2,917 has been adjusted accordingly. (Refer to Annex 1).

Standard Operating Procedures (SOP) have been prepared to address the issue of Variance. (Refer to Annex 2)

The Ministry will seek the assistance of Ministry of Finance (FMIS) contribution on the new format of reconciliation of Trust Account before training is conducted to the Ministry's staff.

The Variances were accumulated over the years.

The Ministry will abide by your recommendation.

7.2 Arrears of Revenue

The *credit officer* must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, then no further credit shall be extended to the debtor; a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month; if the account still

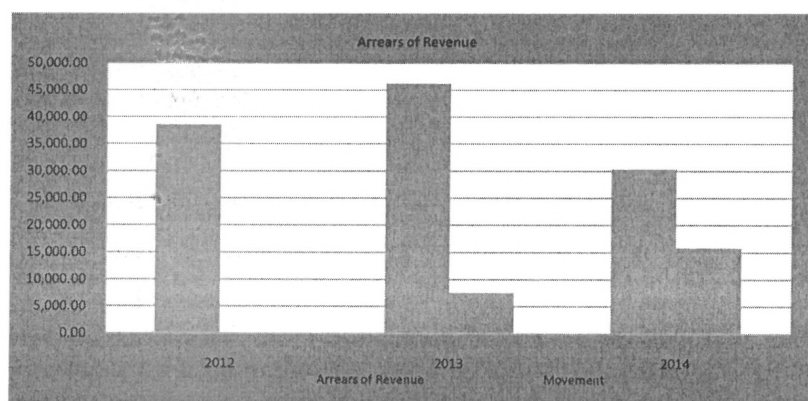
remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.²

If a final notice had been issued to one of the debtors listed, the *PS (LIR& E)* may approve that the case be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implications and the probability of recovery. The *PS (LIR& E)* shall take action to write-off irrecoverable debts in accordance with Part 14 of the Manual.³

As at 31/12/14, the Ministry's arrears of revenue amounted to \$30,343 compared to \$46,183 in 2013, a decrease of \$15,840 or 34%. Refer Table 3 for details of arrears of revenue for the past three years.

TABLE 3: ARREARS OF REVENUE OVER THE THREE YEAR PERIOD

Year	Amount (\$)	Percent Movement
2012	38,592	---
2013	46,183	20
2014	30,343	(34)



It was noted that 38% of the arrears of revenue is more than 5 years. Refer Table 4 for the ageing of arrears of revenue.

TABLE 4: AGEING OF ARREARS OF REVENUE

Debt Category	Amount (\$)
Less than 1 Year	12,116
1 – 2 Years	6,710
2 – 5 Years	110
More than 5 Years	11,407
Total	30,343

The above shows weak measures undertaken to collect these revenue and may become irrecoverable if not collected on a timely basis.

Recommendation

The Head of Accounts should ensure that revenue dues are collected on a timely basis to avoid further accumulation of arrears balance.

Ministry's Comments

Your comments are noted.

The Ministry is liaising with Ministry of Finance (Debt Unit) and a draft Cabinet Memorandum has been prepared on the application for write-off for revenue that is more than 5 years amounting to \$11,407.42 (Refer to Annex 3)

Standard Operating Procedure (SOP) has been prepared accordingly to address the concern of collection of revenue on a timely manner. (Refer to Annex 4)

Training will be provided to the Ministry's Revenue collectors in June, 2015.

Draft Standard Operating Procedure (SOP) has been prepared to address the collection of Arrears of Revenue. (Refer to Annex 5) Training will be provided in May, 2015.

7.3 Unclaimed Monies held in Trust Fund

The Trust Account Officer, AAO OHS and Service Managers shall keep a trust ledger to record movement of trust money.⁴

As at 31/12/14, the outstanding arrears of wages amounted to \$265,002 compared to \$70,300 in 2013, an increase of \$194,702 or 277%. Refer Table 5 for details of unclaimed over the years.

TABLE 5: ARREARS OF WAGES

Years	Amount (\$)	Accumulated Balance (\$)
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It was noted that \$60,464 or 23% of the unclaimed wages is more than 5 years.

No evidence was provided during the audit to show that the Ministry has taken steps to clear these accumulating unclaimed wages over the years. As such, the balance has been accumulating over the years.

Recommendation

The Trust Account Officers should make a concerted effort to contact and pay individuals whose wages are kept in trust.

Ministry's Comments

Your comments are noted

Please note in 2014, two (2) Purchase Orders were prepared to Fiji Sun for the advertisement of Arrears of Wages. These were the concerned effort by the Ministry in trying to pay the customer and to reduce the unclaimed wages over the years. (Please refer to Annex 6)

In 2014, the Ministry started to utilize the Electronic Fund Transfer (EFT) in trying to ensure that customers in Trust account (Wages Disputes) receive their dues as soon as possible.

7.4 Anomalies in the Ministry's Reconciliation

Within 5 days after the end of each month, the *Trust Account Officer, AAO OHS* shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.⁵

Agencies are required to prepare monthly reconciliations to address the differences between the department records and the government ledger.⁶

Ministries and Departments are to reconcile their Bank Lodgement Clearance (BLC) Account daily. In essence, this account should have a zero balance. A monthly reconciliation is to be prepared and forwarded to the Ministry of Finance. At the end of the financial year, the BLC account should be zerorized to allow for new postings in the next financial year.⁷

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Failure to properly prepare reconciliations indicates the Ministry is not accurately disclosing its accounts and the balances cannot be therefore relied upon.

Recommendation

The Head of Accounts should ensure that monthly reconciliations are properly carried out and errors or variances noted should be investigated and adjusted accordingly.

Ministry's Comments

Your comments are noted.

Please note that the OHS Trust Fund and Child Labour reconciliation for the period highlighted are herewith attached. (Refer to Annex 7)

The Ministry is reconciling the General Ledger Account (89), Cash Account (52) and the Bank Statement of all the Trues Trust Account. E.g OHS Trust Account reconciliation (Refer to Annex 8) Please note the comments from Ministry of Finance in regards to the BLC account balance in December that it was a bank error.(refer to Annex 9)

The account was cleared in February 2015 (Refer to Annex 10)

As for the Inter Departmental Clearance account (IDC), Ministry of Finance have clearly indicated that the Ministry's reconciliation will be affected in November & December, 2014 due to reversal of salary for Ministry staff. (Refer to Annex 11)

The Ministry will abide by your recommendation.

7.5 Un-reconciled Drawings Account

All bank account must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁸

Audit noted the following anomalies in respect to drawings account:

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- Audit was provided with the unsigned copies of the reconciliation for the month of January to December by Ministry of Finance.
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The Ministry could have avoided the above anomalies had they been more vigilant while performing the reconciliations and getting all the errors, omissions and variances adjusted accordingly. Also, the absence of adequate supervisory checks in Accounts Section is a contributing factor to such anomalies.

Recommendations

- **Supervisory controls and checks should be strengthened in the Accounts Section to avoid such discrepancies.**
- **The Accounts Head should ensure that the Ministry's monthly Drawings Account reconciliation reconciles with the FMIS balances and any variances noted should be investigated and adjusted accordingly.**
- **The Ministry should ensure that the drawings reconciliation is prepared on a monthly basis.**

Ministry's Comments

Your comments are noted.

The \$23,539 has been accumulated over the years. The Ministry of Finance has written off unsubstantiated figure during the 2014 exercise.

The Whole of Government is going through the new format of reconciling the Drawings Account as per Ministry of Finance Circular 2/2014. (Refer to Annex 12)

Ministry of Finance have conducted training in regards to the new format of Drawings Account to the Ministry staff in March 2015. The Ministry will seek the assistance of Ministry of Finance (FMIS) to formulate Standard Operating Procedure (SOP) according to new format

This is to strengthen the supervisory control and checks mechanism to avoid any discrepancies in the future.

The Ministry will abide by your recommendation.

