

# 2015 Annual Report



Ministry of Employment, Productivity  
and Industrial Relations

Parliamentary Paper No. 73 / 2015

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# [ About Us ]

## Our Vision:

Decent Employment and Productivity for All

## Our Mission:

Promote Employment Creation, ensuring social justice, good faith employment relations, safe and productivity driven workplaces

## Our Values:

Spiritual Renewal	- Engaging in personal “spiritual renewal” on a daily basis in accordance with one’s belief to renew one’s spiritual values and character.
Inclusiveness	- Treating everyone in an equitable and non-discriminatory manner.
Honesty	- Being honest and doing the right thing for all our stakeholders; being transparent.
Accountability	- Being answerable and having the courage and honesty to take ownership of our actions.
Responsiveness	- Always striving to ensure that all our customers are served efficiently, effectively and economically.
Innovation	- Continuously developing and improving our services and products through creativity.
Team Work	- Supportive of others efforts, loyal to one another personally, professionally and ethically.

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## Our Role:

The core responsibility of the Ministry of Employment, Productivity and Industrial Relations (MEPIR) is to pursue the attainment of Decent Employment standards through the promotion of employment opportunities, development of healthy workers, the provision of healthy and safe working environment, fair employment conditions, good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern, structured and enabling policy environment supported by sound labour laws, policies, institutions, international best practices and values, underpinned by tripartite social dialogue and self-regulation.

## Acting Permanent Secretary's Statement



It is with humility and gratitude that I take on the helm of leadership in the Ministry. I acknowledge with much appreciation the knowledge and experiences learnt and shared with all the Officers over the long years of our labour reforms. I acknowledge with appreciation the very able and political leadership of the Minister – Hon. Jioji Konrote which later in the year was promoted as the President of the Republic of Fiji.

The Ministry has come over two decades of the labour reforms, under the visionary, transforming and modern leadership of my predecessor – Mr Taito Waqa. I take this opportunity to acknowledge with much appreciation his conviction, perseverance and dedication to undertake the labour reforms in Fiji. This work involves the modernization and overhaul of our legislations, institutions, values, practices, and systems and processes towards a more customer focus service delivery. Thank you indeed Mr. Waqa.

We have completed six of the seven phases of the labour reforms. The operational management reform is underway, where our strategic intent to improve the turnaround time and quality of our service delivery with good governance by adopting the ISO 9001:2008 Quality Management System (QMS). Four of our 11 Strategic Business Units have been certified to ISO 9001:2008 QMS. We will continue on this journey in 2016.

The benefits of our reforms continue to be revealed and experienced by ordinary Fijians through the provision of better and new opportunities. The introduction and birth of new business opportunities, foreign employment opportunities to both New Zealand and Australia, national minimum wages, payment of compensation to our veterans on Christmas Island, as well as the sharing of our learnings and knowledge to other Pacific States through South-South cooperation.

Later in the year we also had the change in political leadership with Hon. Semi Koroilavesau appointed as the new Minister for Employment, Productivity and Industrial Relations.

I call on our key stakeholders, particularly our tripartite partners to continue our network and social dialogue that brings about win-win outcomes to everyone. The success of our labour reforms is a testimony to our healthy and active social dialogue in modernizing our labour market.



[Osea Naitura Cawaru]

**Acting Permanent Secretary for Employment,  
Productivity and Industrial Relations**

# Our Structure



**MINISTER FOR EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS**  
Hon. Jioji Konousi Konrote



**ACTING PERMANENT SECRETARY FOR EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS**  
Mr. Osea Naitura Cawaru



**CHIEF ADMINISTRATOR OF THE EMPLOYMENT RELATIONS TRIBUNAL**  
Mr. Sainivalati Kuruduadua



**CHIEF MEDIATOR**  
Mr. Vimlesh Maharaj



**MEDIATOR-INTERLOCUTOR**  
Mr. Taito Roba Waqa



**DEPUTY SECRETARY FOR EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS (HEADQUARTERS)**  
Mr. Vilimone Baledrokadroka



**DEPUTY SECRETARY FOR NATIONAL OCCUPATIONAL HEALTH & SAFETY SERVICE AND WORKERS COMPENSATION SERVICE**  
Mr. Isimeli Mocevakaca Tuivaga



**DIRECTOR LABOUR POLICY & PRODUCTIVITY (LPP)**  
Ms. Vani Vikoka Varea



**DIRECTOR NATIONAL EMPLOYMENT CENTRE (NEC)**  
Mr. Viliame Gasagasa Cagilaba



**DIRECTOR NATIONAL OHS SERVICE AND WORKERS COMPENSATION (NOHSS/WCS)**  
Mr. Neeraj Kumar



**DIRECTOR EMPLOYMENT RELATIONS CALL CENTRE (ERCC)**  
Ms. Anne Marr



**ASSISTANT DIRECTOR LABOUR STANDARDS SERVICE (LSS)**  
Mr. Atish Kumar

## Our Boards

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 set labour laws, develop and implement policies and 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 stakeholders. 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

### Employment Relations Advisory Board (ERAB)

The management and administration of the Employment Relations Advisory Board (ERAB) in 2015 has been shifted to the Attorney General's Office

### National Occupational Health and Safety Advisory Board (NOHSAB)

The National Occupational Health and Safety Advisory Board (NOHSAB) is established under Part VI of *Health and Safety at Work Act 1996*. The membership is tripartite and comprises of representatives from the employers, workers and government.

The functions of the Board are:

- (i) To advise the Minister on matters relating to occupational health and safety;
- (ii) To inquire into and reporting back to the Minister on matters referred to it by the Minister;
- (iii) In liaison with the Inspectorate, to facilitate the development of national health and safety regulations, standards and approval of codes of practice for the Minister's consideration; and
- (iv) Such other functions as are imposed on it by or under the Health and Safety at Work Act 1996 or any other Act.

The Board has powers necessary to carry out its functions or as are conferred on it by this or any other Act.

The Board has powers necessary to invite one more person(s) it considers appropriate to act in an advisory capacity to advise the Board on matters relating to health

and safety at work on key policy areas.

#### Membership of the NOHSAB

The membership is basically tripartite and the Minister shall invite the most representative employers and workers organization to submit names recommended to be appointed as members.

The Permanent Secretary for Employment, Productivity and Industrial Relations or his / her Deputy is also a member of the Board and shall be its Chairperson under the provision of the Act.

The Board members whose two (2) year term expired on 31<sup>st</sup> December 2015 are as follows: -

#### Workers Representatives

1. Ms. Jotika Sharma
2. Mr. Vilikesa Naulumatua
3. Mr. Rouhit Singh
4. Mr. John Paul
5. Mr. Mikaele Mataka

#### Employers Representatives

1. Mr. Ashok Nath

2. Mr. Asaeli Tokalau
3. Mr. Tausia Kerto
4. Mr. Naveen Lakshmaiya
5. Ms. Jyotika Roy

#### Government Representatives

1. Permanent Secretary for Public Service Commission
2. Permanent Secretary for Public Enterprises, Tourism & Communication.
3. Permanent Secretary for Local Government, Housing & Environment,
4. Permanent Secretary for Transport, Works & Energy
5. Permanent Secretary for Health and Medical Services

#### Chairperson

1. Permanent Secretary for Employment, Productivity and Industrial Relations

#### Deputy Chairperson

1. Employer Member
2. Employee Member

During the year, two (2) workers representatives, Mr. Mikaele Mataka and Mr. John Paul were appointed to the Board following the resignation of Mr. John Mudaliar and also to complete the five (5) representatives to the Board.

The two (2) year term of all members expired on 31<sup>st</sup> December 2015.

#### **Meetings**

The NOHSAB meetings were convened three (3) times in 2015. The first meeting was held on the 18<sup>th</sup> of March 2015, the 2<sup>nd</sup> meeting on 23<sup>rd</sup> September and the 3<sup>rd</sup> NOHSAB on 18<sup>th</sup> November 2015. All three meetings were held at the Holiday Inn.

A total of sixteen (16) papers were presented to the NOHSAB in the 1<sup>st</sup> meeting for 2015. This consisted of fourteen (14) Discussion papers and two (2) Information papers.

The 2<sup>nd</sup> NOHSAB meeting saw the submission of nine (9) papers consisting of seven (7) Discussion papers and two (2) Information papers.

During the 3<sup>rd</sup> NOHSAB meeting for 2015, another nine (9) papers were presented, seven (7) were discussion papers while two (2) were information papers.

A total of thirty four (34) Board papers were presented to the Board in 2015 compared to the twenty four (24) papers that were presented to the Board in 2014. This was due to the number of pending agendas not being resolved which resulted in the 3<sup>rd</sup> NOHSAB meeting on 18<sup>th</sup> November. Of the 34 papers that were presented, twenty seven (27) were Discussion papers and seven (7) were Information papers.

A total of seventeen (17) new papers were presented to the Board during the year 2015 as summarized below:-

#### **Discussion Papers**

- NOHSAB 2014 Annual Report;
- Update on the OHS Education and Accident Prevention Fund;
- NOHSAB 2014 and 2015 Commitments;
- Proposal for Funding of ISO 9001:2008 Certification;
- Proposal for Funding of the HIV Workplace Training for 2015;
- Proposal for funding of Office space for OHS&WCS
- Proposal for funding of NOHS Technical Officer posts and Upgrading of LI posts;
- Submission of the audited financial report for 2014
- Submission for funding of the 2016 World OHS Day celebrations
- Report of the Trust Fund Advisory Committee
- Report of the OHS HR Advisory Committee
- Report of the Technical Advisory Committee for Chemicals
- NOHSWCS Commitments for 2016

#### **Information Papers**

- Statistics on Workers Compensation cases
- Update on the proposed amendments to the Workmen's Compensation Act
- Training on HIV/AIDS in the Workplace
- Update on the formation of the Fiji Chemical Association

#### **Challenges**

Some of the challenges faced during the year were on the reconvening of some of the Advisory Committees'. This led to delays in resolving a number of pending agendas that appeared regularly in the Board meetings.

#### **Key OHS policies that were discussed and resolved in 2015 were:-**

##### **1. Audited Financial Report for 2014**

The special purpose financial statements was prepared under the cash basis of accounting for the year ended 31<sup>st</sup> December 2014

The audit of the Financial Statement was conducted in accordance with the International Standards on Auditing to provide reasonable assurances as to whether the special purpose financial statements are free of material mis-statement.

The audit procedures include examination, on a test basis, of evidence supporting the amounts and

other disclosures in the special purpose financial statements and evaluation of accounting policies.

These procedures have been undertaken to form an opinion as to whether, in all material aspects, the special purpose financial statements are fairly stated and in accordance with the government policy in Note 2, of the Audit Act and the Financial Management Act 2004.

According to Report from the Office of the Auditor General, the Audited Financial Statement for the Ministry for the year ended 31<sup>st</sup> December, 2014 was classified as “Unqualified Report” which means that there was no error on the Financial Statement of the Ministry.

The Board unanimously agreed to adopt the Audited Financial Report for 2014.

## 2. **Amendments to the Workmen’s Compensation Act (Cap 94)**

The proposed amendments were first presented during the 2<sup>nd</sup> NOHSAB meeting of 2014. There seven (7) proposed amendments to the Workmen’s Compensation Act [Cap 94] that was endorsed unanimously by the ERAB Tripartite in 2014 and was submitted to Cabinet for approval.

Following the initial Cabinet Approval on 20<sup>th</sup> January 2015, the Workmen’s Compensation Bill of 2015 was submitted to the Attorney General’s Office for legal vetting and clearance before the draft amendments were tabled in Parliament. The proposed amendments under Bill No. 14 of 2015 were fully supported by the government and also the Opposition members during its 9<sup>th</sup> July Parliament session. This resulted in the amendments being unanimously passed without members having to vote.

The amendments to the Act may be cited as the “Workmen’s Compensation (Amendment) Act 2015. The publishing in the Gazette Notice on 17<sup>th</sup> July 2015 makes it the effective date for the implementation of the “Workmen’s Compensation (Amendment) Act 2015.

The Board noted the updates acknowledged the successful passing of the amendments.

## 3. **Establishment of the Fiji Workcare Occupational Medical Centre.**

The establishment of the Fiji Workcare Occupational Medical Center has been delayed due to lack of funds. Over the past four years, submissions have been made to the Government through the PSIP for funding but unfortunately the requests have been turned down.

The Fiji Workcare Occupational Unit has its core functions with Occupational Health and Safety

(OHS). The Occupational Medicine Core Functions are as follows:

- a) Permanent Impairment Assessments
- b) Medical Opinions
- c) Pre-placement Examinations
- d) Fitness to Drive
- e) Fitness to fly
- f) Fitness to dive
- g) Ergonomic assessments
- h) Risk Noise
- i) Risk Light
- j) Work place risk assessment
- k) Return to Work
- l) Research

Other core functions associated with NEC (FORES):

- a) Pre-placement examinations
- b) Specific Occupational Examinations
- c) Panel Medical Examination for Overseas deployment

The Board endorsed in principle the proposal and requested for an Advisory Committee to be set up, including Ministry of Health Rep to deliberate further on the priority needs of the Medical Centre and to submit a paper in the next Board.

## 4. **Update on the Review of the OHS Compliance and Enforcement Policy**

The OHS Compliance and Enforcement Policy provides an overview of the legislative framework within which the National OHS Service operates and provides guidance on the enforcement of the Health and Safety at Work Act 1996 and its subsidiary legislation.

The Policy was first drafted and adopted in 2006. It was reviewed in November 2009 and tabled to the Board in the first meeting of 2011. After the deliberations of the Advisory Committee, the Policy was endorsed by the Board in the first meeting of 2012.

The OHS Compliance and Enforcement Policy was re-tabled at the 2<sup>nd</sup> NOHSAB meeting of 2014 for the review, due to the following reasons:

- the Policy did not clearly address certain provisions of the Health and Safety at Work Act 1996, such as the process related to the issuing and follow-up of Notices; and whilst the Health and Safety at Work Act 1996 and its Regulations specify the maximum penalty for the breach of various sections of the Act and Regulations, there is no approved guideline for the penalty amount for the first and subsequent



offences.

With the certification of the National OHS Service to the ISO9001:2008 in July 2014, there is now a systematic approach to ensure increased compliance to the Health and Safety at Work Act 1996 and its Regulations. This approach provides the whole range of activities, from OHS awareness to the issuing of Penalty Notices and prosecution.

The decision of the Employment Relations Tribunal (ERT) and the Magistrates Court will be vital in refining of the OHS Compliance and Enforcement Policy to ensure that all necessary steps are taken prior to the issuing of the Penalty Notices or filing the matter for prosecution. As such, further refinement of the current Policy can only proceed once these decisions have been delivered.

#### **5. HIV Workplace Training for 2015**

The Ministry of Health National Strategic Plan for HIV & STI's 2012-2015 underlines the Ministry of Employment, Productivity & Industrial Relations (MEPIR) as the lead agency responsible for workplace response. Training of workplaces will contribute towards the Ministry getting closer to the implementation of Workplace HIV Policy and training of workers in the vulnerable sectors. The Ministry anticipates at least educating & training 50% of workers in these selected workplaces and increases their involvement in Advocacy.

Following deliberations, the Board endorsed the HIV Workplace programs to effectively combat the disease and also approved the budget of \$10,000.00 to fund the program for 2015.

#### **6. Report of the Technical Advisory Committee for Chemicals**

The role of the Committee is to facilitate the setting up of the Fiji Chemical Association and once formed, the members will take the lead role in running the Association while the National OHS Service will play its role in enforcing the requirements under the Hazardous Substances Regulations. The Board members endorsed the recommendations of the Committee



*Second (2<sup>nd</sup>) National Occupational Health and Safety Advisory Board meeting held at the Suva Holiday Inn in 2015.*

## National Employment Centre Board (NECB)

### Introduction

The National Employment Centre Board (NECB) is established under Part 4 of the National Employment Centre Act 2009. It is appointed by the Minister responsible for employment relations. The current NECB members were appointed on 1<sup>st</sup> January 2015 for a period of two (2) years, and their memberships will expire on 31<sup>st</sup> December 2016.

### Functions of NECB

The functions of the Board are:-

1. To establish NECs yearly planning documents and ensure the 4 services achieves its target in line with the national unemployment needs and Governments commitments to the PCCPP.
2. To ensure the efficient and effective operation of NEC, Secretariat and the 4 sub units.
3. To ensure efficient and effective national registration system is in place with quality and professional counseling, strategic partnership with vocational training and sustainability of the FVS and FES.
4. To advice the Minister from time to time on performances of all the Employment Creation Services in terms of employment creation growth.
5. To ensure proper allocation and distribution of resources for NEC Secretariat in accordance with the Government policy
6. Consult and report to the Minister on NECs core business, the justifications of organization structure and positions, matters relating to employment creation, preparation of biannual reports on the progress in implementing the employment creation policies of Government under this Decree
7. Responsible for the justification of employment creation responsibilities of existing boards or bodies established by any of the 4 sub units operating within the jurisdiction of any Government ministry or department for the purposes of organization reform under this Decree.
8. The Board may invite any person it considers appropriate to act in advisory to the Board and may also appoint an advisory committee
9. Has powers to carry out its functions conferred on by the Decree
10. Facilitate the implementation of the Boards functions

### Membership of NECB

The NECB membership is basically tripartite, with members drawn from the employers, workers, Government and non-governmental agencies. These are represented by the Fiji Employers Federation, Fiji Chamber of Commerce and Industry, Fiji Trades Union Congress, Fiji Islands Council of Trade Unions, Government Ministries and Non-

Governmental Organizations.

The current Board memberships are as follows:-

#### Government Representatives

- Permanent Secretary for Labour & Industrial Relations - Ms. Salaseini Daunabuna
- Permanent Secretary for Finance - Mr. Filimoni Waqabaca
- Permanent Secretary for National Planning - Mr. Peter Wise
- Permanent Secretary for Education - Dr. Brij Lal
- Permanent Secretary for Social Welfare - Mr. Govind Sami
- Permanent Secretary for Agriculture - Mr. Ropate Ligairi
- Permanent Secretary for Industry & Trades - Mr. Shaheen Ali
- Permanent Secretary for Lands - Mr. Tevita Boseiwaqa

#### Divisional Commissioners

- Commissioner Northern - Mr. Elia Moceica
- Commissioner Western - Mr. Joeli Cawaki
- Commissioner Eastern - Mr. Netani Rika
- Commissioner Central - Mr. Laisenia Tuitubou

#### Employers

- Industrial Relations Consultants, FCEF - Ms. Ashla Meena Singh
- Industrial Relations Consultants, FCEF - Mr. Noel Tofinga

#### Workers

- Executive Assistant & Union Organizer, NUHCTIE - Mr. Nitin Goundar
- General Secretary, USP, Lautoka - Ms. Teresa Ali

#### Youth Representative

- Chairman, NYC - Mr. Usaia Ciriikiwai
- Youth Rep - Mr. Jone Nawaikula

#### Vocational Training Institutions Representative

- Employment Relations Officer, FEA - Mr. Kamlesh Prakash
- Actg. Dean, Faculty of Business and Economics, USP - Dr. Kesaia Seniloli
- Director of Planning & Development - Dr. Michael Gregory

#### Civil Society organisations

- Executive Director, Fiji Council of Social Services - Mr. Hassan Khan

#### Others

- General Manager, Native Lands Trust Fund Board - Mr. Alipate Qetaki

#### NEC Secretariat

- Director NEC - Mr. Viliame Cagilaba

## Meetings

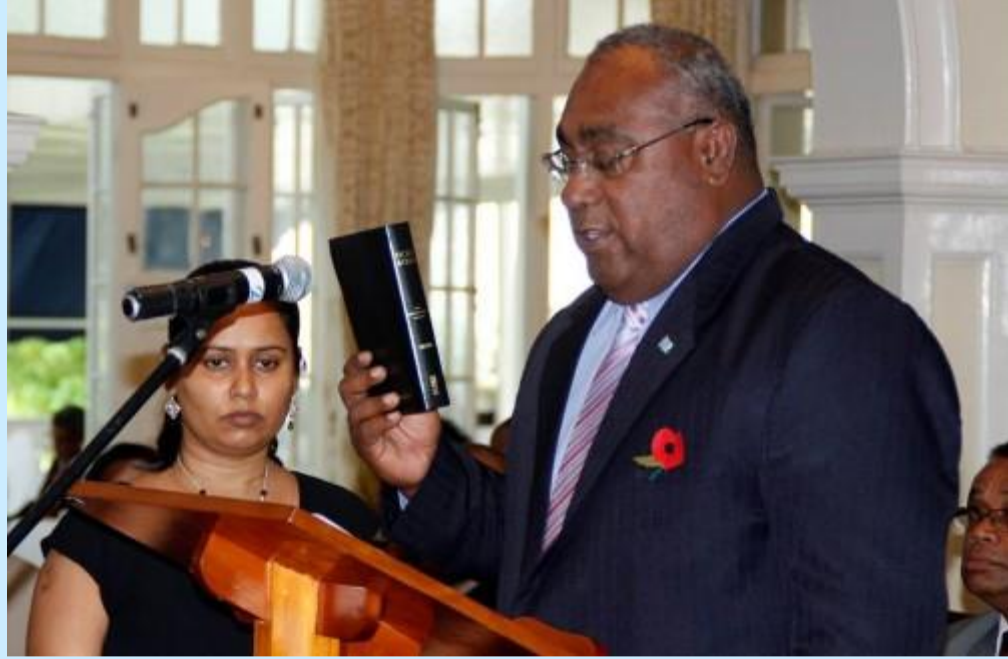
Two (2) Board meeting transpired during the year which took place on 02<sup>nd</sup> November, 2015 and 18<sup>th</sup> December, 2015 at the British Legion Conference Hall and Devos on the Park (JJs), Suva respectively. The meeting was basically to note the update of the National Employment Center since establishment and endorsement of some new initiatives as way forward for NEC in 2015.

## Discussions at the NECB

A total of thirteen (13) papers were tabled before the Board – four (4) for discussions and nine (9) for information. The summaries of the papers are given below:

NECB Paper No 1/15 Matters arising from 2014 meeting. (For discussion)  
NECB Paper No.2/15 NEC performance update (For Information)  
NECB Paper No. 3/15 FVS update (For information)  
NECB Paper No. 4/15. FES update (For information)  
NECB Paper No. 5/15. RSE work scheme New Zealand (For discussion)  
NECB Paper No. 6/15 SWP Australia (For discussion)  
NECB Paper No. 7/15 Selection Criteria for Seasonal Employment Scheme (For discussion)  
NECB Paper No. 8/15. FORES repayment.(For discussion)  
NECB Paper No. 9/15. NEC trust fund statement of activities since 2010.(For discussion)

NECB Paper No. 10/15 .The proposed Fiji National Employment Policy development.(For discussion)  
NECB Paper No. 11/15 Management and utilization of NEC Trust Fund.(For discussion)  
NECB Paper No. 12/15 Matters arising from minutes of NEC Board meeting held on 02/11/15. (For discussion)  
NECB Paper No. 13/15 SWP Monitoring trip, Australia (For discussion)  
NECB Paper No. 14/15 SWP Savings proposal. (For discussion)  
NECB Paper No. 15/15 Transmission of remittance by the SWP (For discussion)  
NECB Paper No. 16/15 Volunteers in the database registered under the FVS (For discussion)  
NECB Paper No. 17/15 NEC Organisation structure. (For discussion)  
NECB Paper No. 18/15 MOU with Ministry of Education Technical College. (For discussion)  
NECB Paper No. 19/15 PD for the 16 line positions for FORES. (For discussion)  
NECB Paper No. 20/15 FVS and staff redeployed to NEC. (For information)  
NECB Paper No. 21/15 Foreign Employment Awareness programs since 2014. (For information)



## Key Highlights

- Appointment of the new Minister for Employment, Productivity and Industrial Relations Honourable Semi Koroilavesau on 15 October, 2015.
- Cabinet approved Recruitment and Selection Criteria for the New Zealand Recognized Seasonal Employer (RSE) Work Scheme.
- Increased in Fiji's First National Minimum Wage from \$2 per hour to \$2.32 per hour
- MOU extension with Papua New Guinea on Occupational Safety and Health Technical Assistance
- Christmas Island Workers' Compensation cases payout
- Sharing of eradication of child labour practice with the Government of Papua New Guinea
- Fiji signs MOU on participation under the Australian Seasonal Worker Program (SWP)
- Signing of Fiji's Tripartite Agreement In Geneva
- Singing of the Inter – Agency Understanding (IAU) with Government of New Zealand on Recognized Seasonal Employer (RSE)
- Successful completion of the government of Papua New Guinea's (PNG) Occupational Safety and Health Reform through assistance provided by the Ministry
- Training on Management of Information Security System to Enhance IT Services
- Commemoration of World Day Against Child Labour
- Commemoration of ILO World Day for Occupational Safety and Health
- Increased in the 10 sectoral minimum wage rates
- Strengthened of OHS Officers' Prosecution Skills
- Assistance provided to the Vanuatu mission on the study of Fiji's Employment Creation Services through the National Employment Centre (NEC)
- Approved 2016 Public Holidays
- Commemoration of World AIDS Day
- Essential Industries Decree Review
- ISO certification of Labour Standards Service (LSS) and National Employment Centre (NEC)
- Re-certification of National Occupational Health and Safety Service (NOHSS) and Mediation Service (MS)





Fiji's Tripartite signed Agreement in Geneva

# Results



First batch of returning seasonal workers under the New Zealand Recognized Seasonal Employer (RSE) Work Scheme



## EMPLOYMENT AND THE LABOUR MARKET

### PORTFOLIO, LEADERSHIP, POLICY ADVICE AND LABOUR REFORM

#### Implementation of the Ministry's strategic direction and application of reformed organizational culture

##### Increases in the 10 Sectoral Minimum Wage Rates

Government has increased the wage rates of the 10 Sectoral Wages Regulations in its commitment to accord Fijian workers their right to a just minimum wage under the Fiji Constitution.

The increased rates which range from 2 to 5 per cent came into effect from 1<sup>st</sup> July, 2015.

The Fijian economy has achieved an unprecedented growth rate in the last five years, with estimated growth for 2014 revised to 4.5 per cent and 2015 forecasted as 4.3 per cent. With our buoyant economic conditions, it was important for Government to ensure that Fiji's workers receive the benefits of the growing economy.

The increase is a necessary step taken by Government in its effort to ensure that Fijian workers are accorded decent wages, decent working conditions and social protection that will lift them and their families out of poverty.

The Ministry encouraged employers to engage in good-faith employment relations with the workers, according them with their rightful wages and benefits, thus ultimately achieving higher productivity and sustainable businesses.

The 10 industries that received an increase in wage rates includes: Printing Trades; Wholesale & Retail Trades; Hotel & Catering Trades; Garment Industry; Sawmilling & Logging Industry; Road Transport; Building & Civil & Electrical Engineering Trades; Manufacturing Industry; Mining & Quarrying Industry and Security Services.

##### Increase in National Minimum Wage (NMW)

The increased in National Minimum Wage of \$2.32 also came into effect from 1<sup>st</sup> July, 2015. The increase which was announced by Government has been gazetted and that the increase benefited about more than 100,000 marginalized workers.

The NMW covers workers in the informal sector, as well as those workers in the formal sector that are not covered under the current 10 Wages Regulations.

Consistent with Government's obligation under the Constitution to ensure that all workers are afforded the right to a just minimum wage, this is the second increase under the revised NMW in just over a year.

Employers were given five months adjustment period to enable compliance with the new wage policy.

The enforcement of the first minimum wage has been successful with minimal non-compliance by the employers. A total of 98 per cent of the 581 employers that were

inspected in 2014 complied with the law, while 90 per cent compliance has been recorded for 2015.

The National Minimum Wage does not repeal but coexists with the current sectoral minimum wage rates for workers in the ten (10) sectors covered under the new 2015 Wages Regulations.

##### Workmen's Compensation Bill

To serve the best interests of Fijians, the Fijian Government, increases workmen's compensation by increasing the compensable amount from \$24,000 to \$50,000 and effective from 17 July, 2015.

This is done without increasing premiums for workers' compensation insurance, and to ensure social justice is delivered to workers.

This quantum increase under the Workmen's Compensation Act (Cap 94), will result in the alleviation of poverty for injured workers and dependents of deceased workers. However, the pay outs is dependent on the assessments of medical practitioners.

The Ministry of Employment, Productivity & Industrial Relations is responsible for the effective, efficient and economical administration, implementation and enforcement of the Workmen's Compensation Act (Cap 94).

##### Workmen's Compensation Reform

The Ministry is on the last leg of its home-grown Labour Reform which is the Workmen's Compensation Reform.

The first phase of this Reform was the amendment to seven (7) sections of the Workmen's Compensation Act (Cap 94).

These amendments are based on the low compensation quantum, deterrence in late reporting of compensation cases, non-existence of a Medical Board in hearing and determining of cases, and the inclusion of the definition of de- facto relationship to be recognized under the Act.

##### History of the Workmen's Compensation Act

The development of the workers compensation law is traced back to 1951. This law progressed into the Factory Ordinance of 1958, Ordinance No.17 of 1964, and later to Ordinances No.7 and No.37 of 1966.

The current legislation was incorporated as Chapter 94 (Cap 94), became effective from 1st April 1965 as an

Ordinance and continued to be in force following Fiji's Independence in 1971. This legislation is often referred to as the Act No. 27 of 1975.

Major amendments to this law occurred in 1994 when the maximum compensation amounts were increased from \$12,000 to \$24,000 for work related deaths and still applies until 17<sup>th</sup> July, 2015.

The 1996 amendments were the inclusion of Discipline Forces who served locally and overseas.

The 1999 amendment ensured that compensation benefits for members of the Discipline Forces on overseas mission should not be less than the amount payable under the Act.

The amendments alluded to above, are all included in the current Workmen's Compensation Act (Cap 94).

The Workmen's Compensation Act (Cap 94) was promulgated to provide compensation for workers who were injured during and in the course of employment; and compensate the dependents of deceased workers whose deaths are related to employment.

### **Enforcement by the National Occupational, Health & Safety and Workers Compensation Services**

Under the jurisdiction of the Ministry, the National Occupational Health & Safety Service (NOHSS) took charge of the administration and enforcement of the Workmen's Compensation Act from 2001.

This integration resulted in the establishment of the Workers Compensation Unit within the National Occupational Health & Safety Service.

This Unit is now responsible for the administration, implementation and enforcement of the provisions of the law.

### **Stakeholders in the Resolution of Cases**

The resolution of cases under the current law involves five (5) key stakeholders - these are the employers, workers, medical practitioners, the Employment Relations Tribunal (ERT) and the Ministry of Employment, Productivity & Industrial Relations.

Other key stakeholders include the Attorney General's Office for public sector cases and legal counsels from the private sector for the resolution of cases.

### **Medical Assessments**

Whilst the Ministry is tasked to investigate injuries and death cases, the professional opinions of medical practitioners are vital in determining the outcome of a case on its compensability or otherwise.

In carrying out medical assessments of workers, medical practitioners are required to determine, if any, the percentage of permanent disability for any injury or disease

that occurred or sustained during and in the course of a worker's employment. For death cases, the medical opinions will determine if a case is work-related or not.

### **Challenges and Justification of the Amendments**

A major challenge faced by injured workers and dependants of deceased workers is the extremely low compensation pay outs. These are grossly disproportionate to the current cost of living, thereby contributes to poverty.

The last review of the workers compensation quantum occurred 21 years ago in 1994. There was urgent need to increase the quantum to be compatible with the current socio-economic realities.

An additional contributing factor in the delay of cases is, the late reporting by employers. This resulted in a significant number of cases being terminated, as the cases exceeded the statutory limitation period of six (6) years.

The current one hundred dollar (\$100) fine for failing to report injury cases under Section 14(3) of the Act is not a deterrent; and prosecuting a case under this particular Section is not economical.

Moreover, a significant factor in the escalation of backlog cases is the absence of a Medical Board to hear and determine an appeal; and to review a case based on differences in opinions by medical practitioners.

Lastly, an illegitimate child of a deceased worker is recognized as a dependant under the law. Whereas the mother of an illegitimate child is not recognized as a dependant and therefore not entitled to compensation. This gross injustice and discrimination escalates poverty.

In view of the above challenges and justifications for corrective policy actions, Cabinet endorsed the amendments to the seven (7) Sections of the Workmen's Compensation Act (Cap 94).

### **Stakeholders' Consultations**

After numerous debates and consultations, all tripartite members of the *Employment Relations Advisory Board (ERAB)*, including the Chief Executive Officer of the *Fiji Insurance Council*, Mr. Mathew Kearns, unanimously agreed to the proposed amendments of the seven (7) Sections of the Act.

The first consultation meeting between the tripartite members during the Employment Relations Advisory Board was held on Friday, 1st August 2014, at the Southern Cross Hotel, Suva.

The second and third meetings were held at the National Occupational Health & Safety Service Office, Level 6 Civic House on the 8th and 11th August 2014.

At the invitation of the Fiji Commerce and Employers Federation (FCEF), the Chief Executive Officer of the Fiji Insurance Council was also present at 8th and 11th August

meetings. This was to seek the Council's views and opinions on the proposed amendments to the law.

### **Efforts to Improve Administration of the Law**

The amendments to double the current workers compensation quantum in both the private and public sectors and establish a Medical Board to improve turnaround time and clearance of backlog cases was a welcome relief.

To cater for the increase in quantum pay-out in the public sector, Government allocated a total of \$2.5 million in the Ministry's 2015 budget allocation, which is an increase of \$1.0 million from the 2014 Budget.

The Workers Compensation Unit developed and implemented its standard operating procedures (SOPs) benchmarked to the ISO 9001:2008 Quality Management System, to continually improve its quality of service delivery.

The Ministry also recruited eight (8) volunteers for this Unit in 2013, after completing rigorous on-the-job-training and performance assessments. These volunteers were promoted to project officers in 2014. They assist the Unit in the effective and efficient administration and enforcement of the law.

The Ministry is grateful for the secondment of the Fiji Military Forces personnel, to assist with the clearance of backlog military cases. This is in addition to the transfer of Dr. Rauni Tikonayau, a military medical practitioner.

In order to facilitate the speedy clearance of all cases, the Ministry provided specialist professional training in occupational medicine to the medical practitioner, and on-the-job training, for one hundred and twenty five (125) medical practitioners throughout Fiji.

## **Employment Relations Promulgation (ERP) 2007 Amendments**

### **Essential Industries Decree Review**

The Government reviewed the Essential National Industries (Employment) Decree in 2015, which was introduced four years ago to protect industries vital to the national interest from industrial disruption.

Employer and employee groups that fall under the provisions of the Decree held talks with the Attorney General's Office and the Employment Ministry



*Employer and employee groups held talks with the Attorney General and Minister for Employment, Productivity and Industrial Relations*

During the discussions, the parties shared their experiences under the Law and agreed to prepare formal submissions that the Government would consider during the review process.

Changes made to the Decree have taken place within the context of ensuring sustainability of employment, job creation and the economic wellbeing of all Fijians.



*Essential National Industries employer and employee groups*

### **ISO Certification**

In 2015, two (2) services specifically the Labour Standards Service (LSS) and the National Employment Centre (NEC) of the Ministry obtained certification on ISO 9001:2008 Quality Management Systems (QMS) for the first time. Also two (2) services re-obtained their certification which is the Mediation Service and the National Occupational health and Safety Service.

Attaining these certifications greatly assisted the Ministry in meeting customer expectations and delivering customer satisfaction.





**Assistant Director Labour Standards Service received Certificate on the Certification of Labour Standards Service to ISO 9001: 2008 QMS from the Minister for Employment, Productivity and Industrial Relations, Honourable Semi Koroilavesau**



**Director National Occupational Health and Safety Service (NOHSS) received Certificate on the re-certification of NOHSS to ISO 9001: 2008 QMS from the Minister for Employment, Productivity and Industrial Relations, Honourable Semi Koroilavesau**

## Review of the First National Minimum Wage (NMW)

### Government's Commitment

The *National Minimum Wage (NMW)* is Government's Wages Reform Policy initiative implemented by the Ministry of Employment, Productivity and Industrial Relations. The Ministry introduced this initiative to promote and encourage a fairer and just labour market.

The eighth pillar of the *Peoples Charter for Change, Peace and Progress* sets the national goal of reducing poverty to a negligible level by 2015. The National Minimum Wage has an immense impact towards fulfilment of this vision.

### A Just Minimum Wage

To ensure all workers are afforded the right to a just minimum wage as required under Section 33 of the 2013 Constitution, the Ministry conducted a comprehensive National Minimum Wage Baseline Survey in 2013. This was done under the professional tutoring and supervision of Dr. Mahendra Reddy, the Consultant.

After thorough analysis of the survey results, Dr. Reddy recommended a national minimum wage rate of \$2.32 per hour, which is 60% of the median wage, consistent with international best practices. This proposed rate was discussed by stakeholders through a national consultation process.

### Stakeholder Consultations

The *ILO Convention No.144 Tripartite Consultation (International Labour Standards) Convention 1976* ratified by Fiji, requires that any labour policy making process including the setting of a national minimum wage must be set by Government after consultation with social partners.

Besides the 2013 survey mentioned above, extensive national consultations were held with tripartite partners and stakeholders throughout Fiji.

Feedback from these consultations revealed that the *Small and Micro Enterprises (SME)* could not afford to pay their workers the proposed \$2.32 per hour, in addition to their diminished capacity to generate employment. In response, the Ministry considered Dr. Reddy's second recommendation of \$2.00 per hour, (52% of the median wage) to address issues raised by the Small and Micro Enterprises.

After carefully balancing the affordability issue of Small and Micro Enterprises, against their employment generation capacity, the \$2.00 per hour minimum wage was put to Cabinet for consideration, in 2014 by the former Labour Minister. This was with the understanding that it would be reviewed within a year.

This position was supported by most stakeholders including the Small and Micro Enterprises. As a result, on 29th January 2014, Cabinet approved Fiji's first National Minimum Wage at \$2.00 per hour.

This minimum wage became effective from 1st March 2014 by virtue of the Employment Relations (National Minimum Wage) Regulations 2014; which was gazetted under Legal Notice No. 11 of 28th February 2014.

### Review of the First National Minimum Wage

Cabinet's decision on 29th January 2014, included the endorsement to review the first national minimum wage within a year after analysing the economic and social impact of its implementation.

In line with this decision, Cabinet on 3rd February 2015 endorsed the NMW increase from \$2.00 per hour to \$2.32 per hour, to become effective from 1st July 2015.

### Socio-Economic and Constitutional Considerations

Over the past five years, the economy achieved an impressive average economic growth of approximately 3.2%. The growth for 2013 was revised upwards to 4.6%

and 2014 stood at 3.8%.

With the economy enjoying an unprecedented positive growth in this five-year period, it is only fair that Government ensures the national economic gains are shared with marginalized Fijian workers, who have contributed significantly to Fiji's economy. This is consistent with Government's obligation to accord workers their socio-economic right under Section 33 of the Constitution for a just minimum wage.

Government in its *FijiFirst Manifesto* promised the Fijian people the upward revision of the national minimum wage to \$2.32 per hour.

Almost five (5) months after the 2014 *General Elections*, Government is fulfilling its promise to the Fijian people. The intention is to accord social justice to marginalized workers in both formal and informal sectors. A properly benchmarked national minimum wage promotes fair competition among entrepreneurs.

Therefore, raising the national minimum wage from \$2.00 per hour (52% of median wage) to \$2.32 per hour (60% of median wage) provides an improved competitive platform for businesses as competition for factor inputs would be fairer in terms of production costs.

Additionally, the Reserve Bank noted that the economy performed robustly in 2014. This is off the back of firm consumption spending and sustainable investment activity.

Therefore, the increases in the disposable incomes of the 100,000 workers benefitting from the increase in their minimum wage, against a very low inflation rate will boost consumption and contribute positively to the economy, whilst alleviating poverty.

### **Poverty Alleviation and Fair Labour Standards**

A key objective of the National Minimum Wage Policy is the protection of the most vulnerable in society. These are people who have the least bargaining power and most inhumane living standards. The most vulnerable who are protected through this Policy are the 'working poor'. The national minimum wage provides them a basic standard of living, thus alleviating poverty for them and their families.

A recent *Household Income & Expenditure Survey (HIES)* study reveals that poverty level in Fiji fell from 35% in 2002 to 31% in 2008; the question remains as to the poverty alleviation strategies to be adopted to deal with the 31%. In this regard, increasing the national minimum wage rate would significantly alleviate national poverty, particularly the rural poor amongst the 31%.

As with the first national minimum wage, this revised minimum wage will continue to benefit the 100,000 workers from both rural and urban sectors. Complementing this Policy, the New Zealand and Australian Seasonal Workers Schemes would further reduce poverty in rural areas as these schemes are commencing in 2015.

### **2014 National Minimum Wage Implementation Results**

With the additional \$250,000 National Minimum Wage budget allocated to the Ministry in 2014, 508 employer-inspections were successfully conducted throughout Fiji. This exercise was conducted to ensure employers complied with the first national minimum wage of \$2.00 per hour. It was done over a 10-month period, from March to December 2014.

Out of the 508 employers, 501 (98.62%) complied with the first National Minimum Wage Policy and only 7 (1.38%) breached this Policy. The 7 employers who breached the Policy paid a total of \$10,498.59 to their workers.

During the period March to December 2014, the Ministry received 307 labour complaints against employers regarding non-compliance to National Minimum Wage Policy. A total of \$37,411.55 was paid to workers who lodged complaints during this 10-month period. Therefore, the total paid to workers as a result of inspections and complaints on the NMW amounted to \$47,910.14.

### **Reconciling Labour Issues**

The progressive implementation of the National Minimum Wage Policy reconciles two key labour issues. One is, to ensure a worker's vulnerability is not exploited, by providing a decent wage. The second is, to encourage productivity gain and competitive edge of firms in the market.

In this regard, this Policy fulfils Government's obligation under the 1919 *ILO Charter* and the *ILO Minimum Wage Fixing Convention No. 131* whilst helping meet Fiji's *Millennium Development Goals* under the United Nations Charter.

Increasing the minimum wage from \$2.00 per hour to \$2.32 per hour (with the 45 or 48 hour-week) means 100,000 marginalized workers will have their weekly wages increased from the \$90.00 - \$96.00 range, to the \$104.40 - \$111.36 range.

This is a significant contribution to alleviate poverty in the context of the intensive Government investments in social protection such as free tuition, free text books, free bus fares, pension, poverty benefits and the like.

It must be appreciated that a large number of these workers were paid about \$60.00 per week prior to the implementation of the first National Minimum Wage. They will now receive a second increase in just over a year.

With a buoyant economy and a high rate of compliance by employers at the establishment of the first National Minimum Wage, it can be reasonably concluded that Small and Micro Enterprises have the capacity to pay their workers the increased wage of \$2.32 per hour.

Furthermore, Government will continue to provide an

enabling environment for businesses to grow sustainably.

### 2012 Wages Regulations Orders

Lastly, the Ministry reiterates the National Minimum Wage does not repeal but coexists with the current sectoral minimum wage rates for workers in the ten (10) sectors covered under the 2012 Wages Regulations Orders.

### 2016 Public Holidays

Government has approved the following 2016 public holidays through a Gazette Notice No. 68 dated Monday the 21<sup>st</sup> of September 2015:-

1. New Year's Day – Friday, 1st January
2. Good Friday – Friday, 25th March
3. Easter Saturday – Saturday, 26th March
4. Easter Monday – Monday, 28th March
5. National Sports Day – Friday, 24th June
6. Constitution Day – Wednesday, 7th September
7. Fiji Day - Monday, 10th October
8. Diwali – Monday, 31st October
9. Prophet Mohammed's Birthday – Monday, 12th December
10. Christmas Day – Monday, 26th December
11. Boxing Day – Tuesday, 27th December

### Training on Management of Information Security System to Enhance IT Services



*Training participants on Management of Information Security System*

As part of its on-going Reform and strengthening of its Information Technology Services, the Ministry facilitated a training on ISO 27001:2013 Management of Information Security System (ISMS).

The ISMS - ISO 27001:2013 is the highest international standard certification in the field of Information Security and is conducted by the Independent European Certification of Malaysia, an ISO accreditation organisation of the United Kingdom Accreditation Service (UKAS).

The training was attended by 30 participants both from Government and private agencies that acquire hands-on skills on managing and maintaining a secure data system in their organisation.

The workshop aimed at developing internationally benchmarked IT Systems which will enable quality service

to both external and internal clients.

### Strengthening of OHS and Workers' Compensation Officers' Prosecution Skills



*Prosecution workshop conducted by magistrates Andrew See for OHS and Workers' compensation Officers*

A workshop to strengthen court prosecution capabilities was conducted to Occupational Health and Safety, and Workers Compensation Officers in 2015.

The three day intensive workshop was organized by the National OHS Service through the endorsement of funding by the National Occupational Health and Safety Advisory Board.

It was facilitated by Industrial Relations Consultant and Resident Magistrate, Mr Andrew See and it aimed at capacity building Ministry officials to effectively deal with investigation and prosecution of OHS and Workers' Compensation cases.

"There is an urgent need for our enforcement officers to understand how to build successful cases for prosecution, as it will increase the level of precision and distinction applied, while processing these cases," Hon Konrote said.

Officers were trained on key features of the Health and Safety at Work Act (HASAWA) and Workmen's Compensation Act, their roles and responsibilities as investigators and prosecutors, court rules and processes, and resolving case studies through simulated court trials.

With the successful certification of the National OHS Service and the Workers Compensation Service to the ISO 9001:2008 Quality Management System, both these services now have a more effective and standardized way of enforcing its relevant legislations.

While the Ministry intensifies enforcement of its legislations; it is adamant in its commitment to promote a 'culture of prevention' of occupational accidents in workplaces.

Participants of the training include the Ministry's enforcement officers and external participants from the Ministry of Education and Social Welfare. The workshop was conducted from the 24<sup>th</sup> to the 25<sup>th</sup> of August, 2015.

## INCREASED COMPLIANCE WITH HASAWA 1996, WORKERS COMPENSATION ACT 1965 AND ERP 2007

### Workers' Compensation

The Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, contract disease or die from work-related activities arising out of or in the course of their employment. Workers from both the public and private sectors are eligible for compensation under this law and the compensation provided is in monetary terms and medical expenses.

A budgetary allocation is provided by the Government each year to cater for compensation cases for civil servants and government wage-earners.

The Ministry has trained 129 medical doctors to standardize the impairment assessments for consistency of medical reports and clear the backlog of cases.

### Processing of Workers' Compensation Cases

In 2015 1,534 new compensation cases were reported. The number of cases settled in the year was 1,293 with a total of 1421 cases pending from 2010 to 2015 as highlighted in Figure 01, below

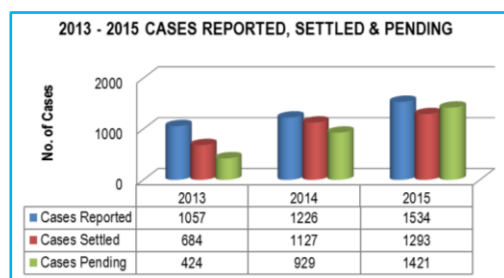


Figure 01

A case that is pending can be due to a number of reasons such as - pending medical assessment, payment is being processed or it may have been referred to the Employment Relations Tribunal for adjudication. Cases that are pending are carried forward to the next year until all processes are completed and the cases are closed.

One of the biggest challenges faced by the Unit is on the late reporting of cases by employers under the current legislation as reflected above. Of the total 1534 new cases reported in 2015, 1259 cases were for the current year while 208 cases occurred in 2014, 34 cases were from 2013, 15 cases were from 2012, 5 cases were from 2011 and 8 were 2010 and 5 time barred cases were being reported in 2015.

### Workers' Compensation Claims Paid Out from 2013 to 2015

In 2015, \$2.5M was allocated by Government to cater for the compensation for government workers. A total of \$2,553,417.27 was paid out to 214 government cases. Sixty eight (68) were death cases totalling \$1,632,000.00 and 146 were injury cases totalling \$921,417.27. Refer to Figure 02.

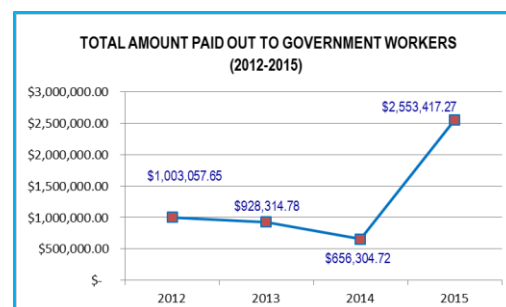


Figure 02

For the private sector, a total of 116 cases were paid out totalling \$305,493.64, as shown in Figure 03. This consisted of 5 death cases totalling \$120,000.00 and 111 injury cases totalling \$185,493.64.

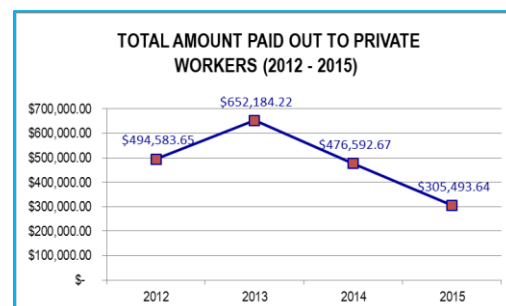


Figure 03

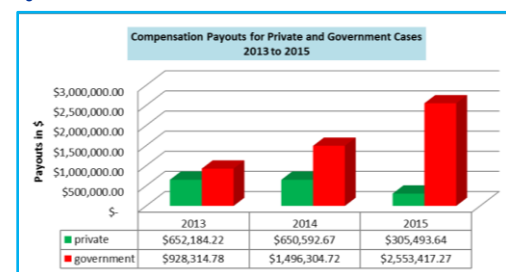


Figure 04



The graph in Figure 04 depicts the challenges faced by workers under the current legislation where workers in the private sector are being disadvantaged when cases are disputed by employers.

The table below depicts the total compensation payment from 2013 till 2015.

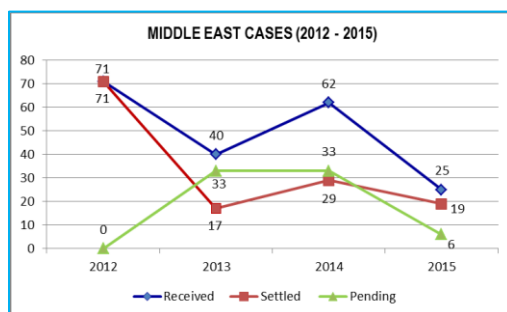
Total Compensation Payments Processed by the Unit from 2013 to 2015		
Year	Total number of cases paid	Total amount paid out (\$)
2013	335	\$ 1,595,715.64
2014	336	\$ 2,177,196.78
2015	587	\$ 5,390,645.916
Total:	1258	\$ 9,163,558.33



*Workers compensation payout to dependents of deceased workers*

### Settlement of Middle East Cases

In addition to the compensation cases highlighted above, 25 Middle East cases were pending at the beginning of 2015. 19 cases were resolved in 2015 with only 6 cases pending at the end of 2015 as shown in Figure 05.



*Figure 05*

### 2001 - 2009 Worker's Compensation Backlog Cases

In 2015 there were 55 cases which were pending for the period 2001 to 2009. Thirty-nine (39) of the cases were settled in 2015 with 16 cases, all pending in the ERT.

### Christmas Island Veterans of Operation Grapple Compensation Cases Payout

The Government continues assisting veterans of Operation Grapple, affected by nuclear testing on Christmas Island with pay-out for medical expenses.

In 2015, a total of 257 cases were paid totaling \$2,532,735.00. of the total 257 cases, 38 were paid directly to surviving veterans while the other 219 cases to distributed amongst 1174 dependents.

The Government through the Ministry of Defence, Ministry of Employment and the Nuclear Veterans Association (NVA) continues verification of surviving soldiers and dependants of those who have passed on. This process will complete Government's pay-out for medical assistance.

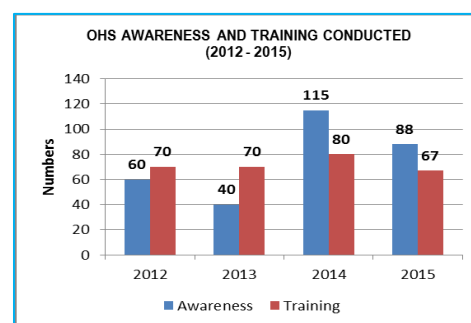
### Targeted OHS Services

In reducing workplace injuries and deaths, the National Occupational Health and Safety Service focuses on the delivery of its proactive and reactive services to improve occupational health and safety standards for workers and workplaces in Fiji.

In 2015, the National OHS Service conducted the following activities to reduce workplace injuries and deaths in Fiji's workplaces

### OHS Awareness and Training

The occupational health and safety training and awareness programmes are essential to the OHS Management Strategy and the implementation of its policies and procedures. The demand for these trainings has been increasing over the past three years and the number of trainings conducted in 2015 reflects a decrease of 27% from 2014 as shown in Figure 07.



*Figure 07*

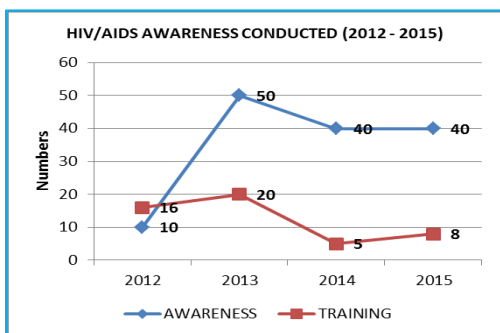
The Ministry also accredits OHS trainers to conduct Modules 1 and 2 of the Occupational Health and Safety Training programme. Candidates must first pass the OHS written exam then progress on the oral exam. Successful candidates are accredited to train others only on Modules 1 and 2 of the Occupational Health and Safety Training programme. A total of 57 trainers were accredited as at 31<sup>st</sup> December 2015 comprising of 22 Ministry staff and 35 external trainers.



*2015 OHS Accredited Trainer Examination Group*

### Workplace HIV/AIDS Training and Awareness

The National OHS Service provides HIV/AIDS awareness and training to workplaces to facilitate the requirements of the National Code of Practice for HIV/AIDS in the Workplace 2008. In 2015, a total of 40 HIV/AIDS awareness programmes and 8 training sessions was conducted to both employers and workers as depicted in the Figure 08 below.

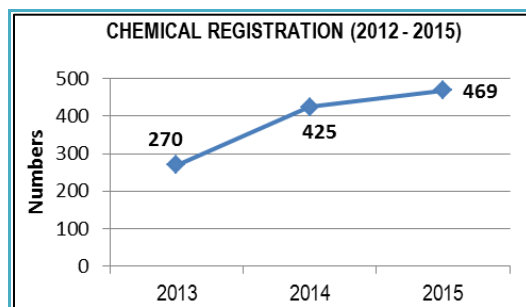


*Figure 08*

This training provides workplace preventive actions for HIV/AIDS, occupational deaths, injuries and related diseases, while respecting the fundamental principles and rights of workers.

### Chemical Registration and Consultancy

All industrial chemicals used at workplaces are to be registered with the National OHS Service by the 31<sup>st</sup> of March each year. Consultancy on chemical management is provided on a user-pay service.



*Figure 09*

A total of 469 companies registered their industrial chemicals in 2015, a rise of 10% from the previous year's figure, as depicted in Figure 09.

Adequate hazard control interventions can prevent the generation and release of harmful agents in the work environment. Part IX of the Health and Safety at Work Act 1996 refers to the provision of chemical assessment and control. The core responsibilities under this legislation are the coordination of the National Industrial Chemical Management System and administration of the National Chemical Inventory.



*Stakeholders Consultation on the Establishment of Chemical Association held at the Southern Cross Hotel on 30 September, 2015.*

### Occupational Hygiene

Occupational hygiene consultancy pertains to the assessment and monitoring of environment air, indoor air quality, ergonomics, lighting, ventilation, noise, gas and vapour, dust, hazardous substances as well as identifying asbestos material and supervising the removal of asbestos. This service is provided on a user pay basis.

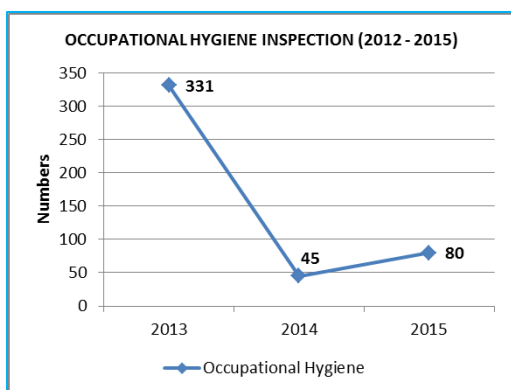


Figure 10

A total of 80 Occupational Hygiene consultancies were carried out in 2015, an increase of 78% from the 2014 figure as shown in Figure 10.

### Engineering Design Vetting of Plant/Machinery

The Health and Safety at Work (Administration) Regulations 1997 specifies the registration and vetting of plant/machinery designs under the Fourth Schedule to ensure their compliance with the approved reliability and safety standards.

Enforcement of safety engineering principles to improve health and safety in workplaces, through the application of recognised standards and Codes of Practice are conducted. This improves technological compliance and minimises OHS risks. All new plants (pressure vessels, lifting equipment, etc.) are checked against safety standards prior to use at workplaces.

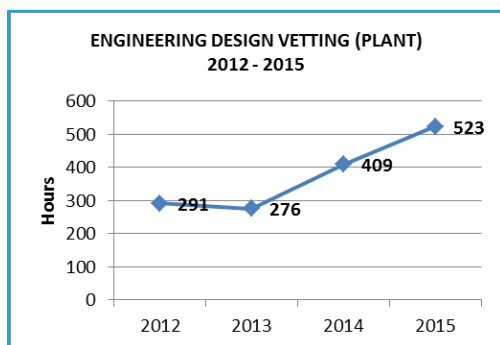


Figure 11

The total number of plant/machinery vetted in 2015 was 523, an increase of 28% from 2014 as shown in Figure 11. This is an indication of increase in the business confidence through investment in new plant and machinery.

### Engineering Design Vetting of Workplaces

Workplace designs are vetted to ensure compliance with the Health and Safety at Work (General Workplace

Conditions) Regulations 2003. 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.

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.

All drawings of new workplaces plus addition or alteration to existing workplaces are checked to ensure minimum OHS standards are applied prior to commencement of construction.

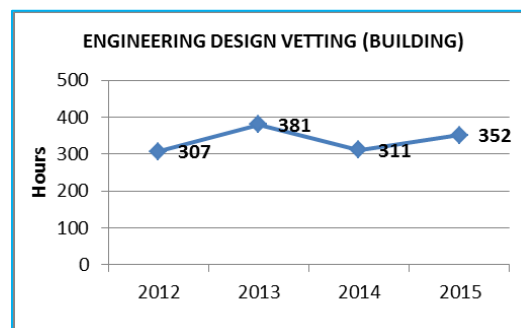


Figure 12

In 2015, a total of 352 workplace designs were vetted, an increase of 13% from 2014 as shown on Figure 12., above.

### Statutory Engineering Inspections

Statutory engineering inspections of plants and machinery are specified under the Factories Act Cap 99, HASAWA 1996 and subsidiary legislations. Plants and machinery include steam boilers, pressure vessels, air compressors, Hiab trucks, mobile cranes tow trucks, loaders, excavators, for lifts, lifts and escalators, lifting gears, garbage trucks, compactors, amusement rides and diving equipment used for commercial purposes.

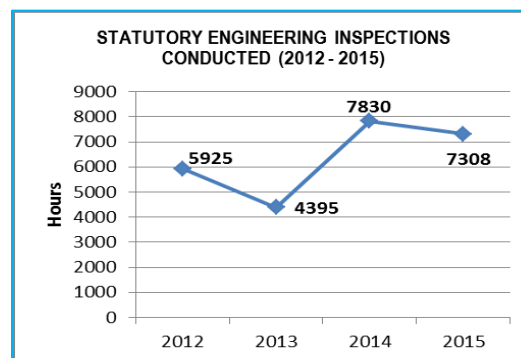


Figure 13

In 2015, a total of 7308 statutory engineering inspections were carried out, a decrease of 7% from 2014 as shown in Figure 13, above..

### SMART and Hazard Audits

SMART (Safety Management Audit Review Tool) audits upon request, are conducted at workplaces to ensure compliance to OHS safety standards such as OHS policies, procedures, committees, OHS management system used and OHS training. A total of 393 SMART audits were conducted in 2015, as depicted in Figure 14.

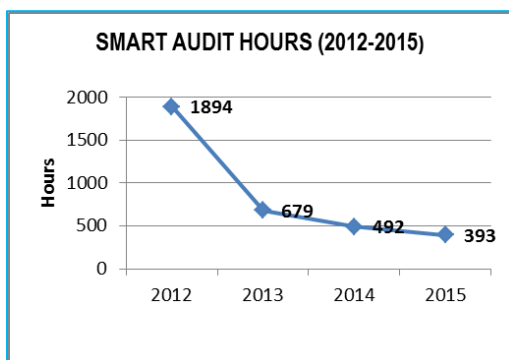


Figure 14

Hazard audits are inspections that identify and recommend control measures against OHS hazards that may be present at a workplace. This audit entails the physical inspection of a workplace. A total of 156 Hazard audits were conducted in 2015, a decrease of 20% from 2014 as shown in Figure 15, above.

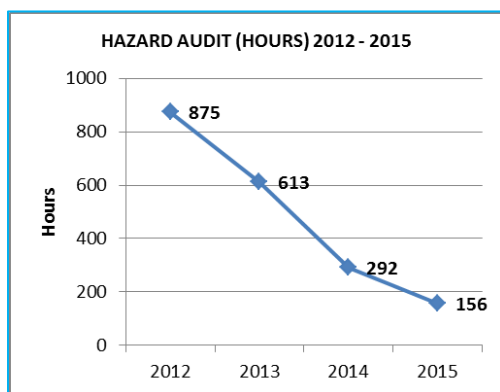


Figure 15

### OHS Enforcement Notices

OHS enforcement notices are issued for non-compliance with the OHS legislation. A total of 517 Notices were issued in 2015, an increase of 30% from the 2014 as shown in Figure 16, below.

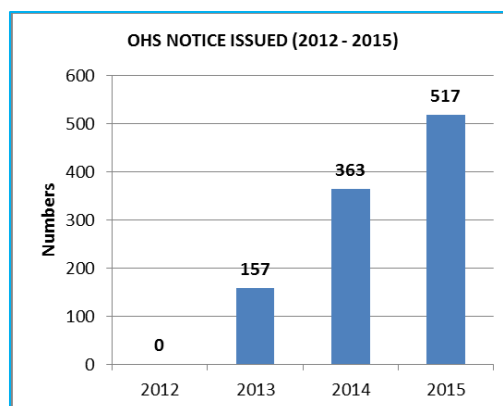


Figure 16

### Regional Cooperation



Fiji's OHS Reform model is internationally recognised and promoted by the International Labour Organisation. Recently, through the sponsorship of ILO South Pacific, Fiji's OHS model was adopted by the Government of Papua New Guinea (PNG). The Ministry successfully completed drafting PNG's Occupational Safety and Health Bill in 2014 after consultations with their tripartite constituents and other stakeholders.

The 2015 MOU was the fourth extension to the initial 2011 MOU that was approved by Cabinet on the 5th of April 2011 on the technical assistance in the field of Occupational Health and Safety and Health (OSH), in the context of the Melanesian Spearhead Group (MSG) Agreement signed by the Hon Prime Ministers of the MSG countries.

The technical assistance was to ensure that PNG's policy, laws, values, institutions and practices on OSH are modernized to adequately provide the people and workplaces of PNG the much needed social protection in terms of better OSH standards, underpinned by a stronger OSH Inspectorate.

Under the fourth MOU Extension, the Ministry of Employment, Productivity and Industrial Relations had committed to continue to undertake PNG's Occupational Safety and Health Reform with the PNG Department of Labour in three phases between May 2015 until May 2016.



Phase 1 involved the facilitation in the passage of the OSH Bill within the PNG Government, while Phase 2 involved the organizational set-up of the OSH programme through technical assistance from the Fijian Government with the cooperation of the PNG Government. Phase 3 involved capacity building of the PNG OSH Inspectorate on the new OSH management system including the implementation process of the new OSH Bill.



*The Minister for Employment, Productivity and Industrial Relations, Hon. Jioji Konrote signed the MOU extension with his PNG counterpart, the Minister for Labour and Industrial Relation, Hon Benjamin Poponawa.*

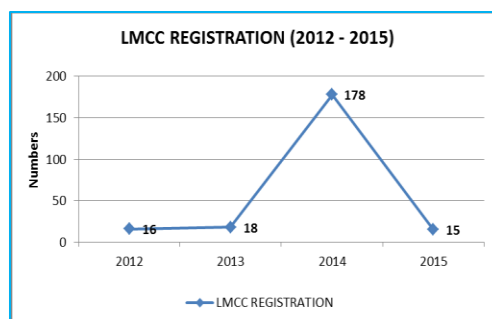


Figure 17

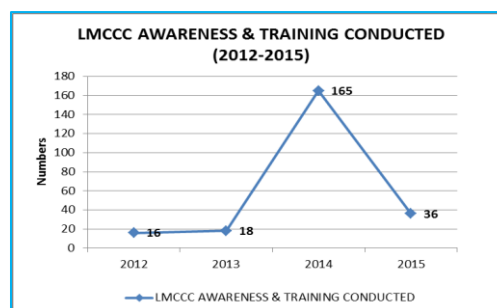


Figure 18

## Productivity

### LMCCC Registration, Training And Awareness

The Productivity Unit is responsible for the promotion, improvement and monitoring of productivity in all workplaces. It includes the registration, establishment and training of Labour Management Consultation and Co-operation Committee (LMCC) for all employers who employ more than twenty workers. This is a bi-partite forum established within workplaces and is consistent with the principles of self-regulation through empowering the parties who create the employment challenges to resolve the challenges within the workplace.

In 2015, a total of 15 employer-based LMCC Committee was registered whereby 33% were from the Central/ Eastern Division, 60% from the Western Division and 7% from the Northern and Central/ Eastern Division. Refer to Figure 17. A total of 36 awareness sessions and training were conducted to these Committees whereby 97% were for the Central/ Eastern Division and 3% for the Western Division. Refer to Figure 18, below.

## Administration of Asian Productivity Organisation

A number of APO programmes were received and processed by the Productivity Unit by sending nomination to industries and awaiting for information/ nomination from local potential participants. In 2015, a total of 117 participants were sent and a total of 59 APO programmes were attended by Fiji's participants.

## Provision of Social Justice in Employment and Workplaces

### Labour Compliance & Enforcement

#### Workplace inspections:

Labour inspections are the proactive approach in reaching out to the employers and workers on the minimum terms and conditions of employment. During the period under review, the Compliance and Enforcement Section of the Ministry conducted the total of 4128 workplace inspections as depicted in Figure 20, below. Through these inspections, the Ministry recovered a total of \$390,441.11 and these are wages due for workers as depicted in Figure 19, below.

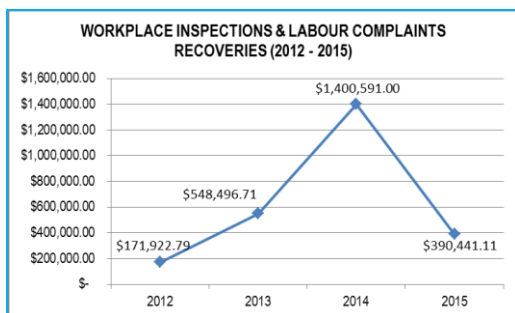


Figure 19

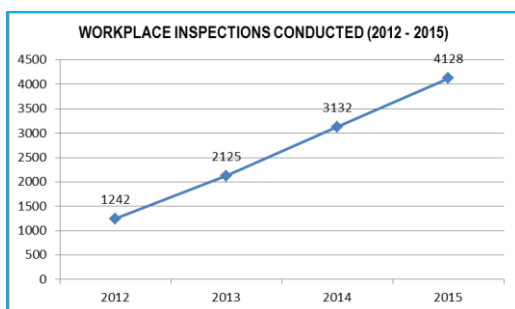


Figure 20

The highest recovery was made in the Wholesale & Retail Sector. The challenge remains upbeat in terms of reaching out to more employers in this Wholesale & Retail Sector so that more employers are inspected and recoveries are made for the workers on minimum rates of pay.



Deputy Secretary for Employment and Assistant Director Labour Standards Service meeting with Vice-Consultant Mr David Hocquet and Mr Gardies on Workplace Inspection (New Caledonia)

### Fixed Penalty Notices Issued

A total of 1068 fixed penalty notices were issued to the employers for non-compliance of the Wages Regulations (WR), National Minimum Wage (NMW) and the Employment Relations Act (ERA) 2007. It is noted that the Wholesale and Retail Trade sector remains to be the biggest non-complying industry in terms of the breaches of the ERA 2007 and WR for 2015.

### Labour Complaints

The total number of labour complaints received for 2015 stands at 2093, as shown in Figure 21, below. A total of 967 complaints were resolved under the ten Sectoral Wages Regulations.

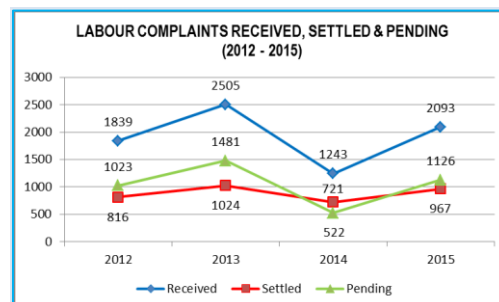


Figure 21

The highest number of complaints were received from the Wholesale and Retail Trade and the Building, Civil and Electrical Engineering Trade in 2015..

The areas of operation into the complaints procedures has seen that a total of \$154,776.23 recovered from employers who have not paid the minimum entitlement of arrears of wages to workers who have been terminated or resigned from the service. This is indeed an area that needs improvement where workers are only paid their dues when they lodge a complaint to our Compliance Section and not prior to termination or resignation.

### Resolution of child labour reported cases

The Compliance and Enforcement Unit of the Ministry is also responsible for the monitoring, training and development of the labour inspectorate and stakeholders on all aspects of child labour issues under the ERA 2007 and the Health and Safety at Work Act 1996. It promotes and advocates issues of child labour in Fiji and administers the child labour information system in Fiji. The Unit conducts investigations and prosecutes child labour cases, provides awareness to the stakeholders and members of the public on child labour laws and ensures that issues related to child protection are urgently addressed.

In 2015, a total of 7 child labour cases were investigated and resulted on the withdrawal of 7 children from workplaces.

### Prosecution

#### Criminal Cases

The Ministry's Prosecution Unit in 2015 received a total of 36 criminal cases that were referred to the Unit as referral cases for prosecution. The most pending criminal cases

with the Prosecution team are case of previous years. A total of 25 cases was settled by Unit leaving a total of 16 active files with one (1) case awaiting Court's decision. Refer to Figure 21, below for details.

The process of cases is affected by matters beyond the Unit's control and that is the consistent vacation of matters and the delay in issuance of judgments. Given that the Tribunal is dealing with the process of cases pending from previous years, the current cases that are referred to the Tribunal are further delayed.

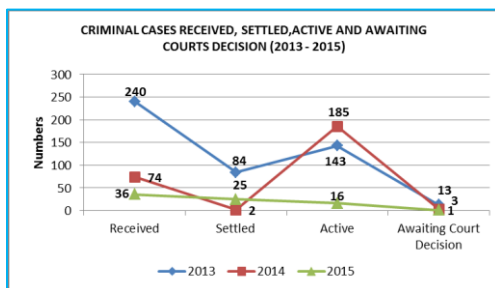


Figure 21

## Employment Grievances

In 2015, a total of 138 Employment Grievance (EG) was referred to the Unit for representation. The Court process takes time and given the increased matters pending from previous years, it is likely that the Tribunal will prioritize long pending cases first prior to the processing of current cases. A total of 120 EG were settled with a total of 34 cases remain active during this period as shown in Figure 22, below.

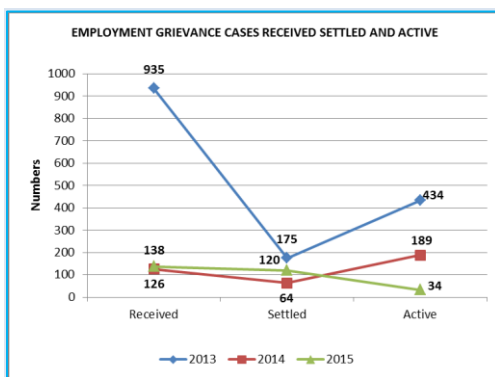


Figure 22

## Resolution of Employment Grievance and Employment Dispute through Mediation

### Employment Grievance

With the awareness and the promotions on the Employment Relations Promulgations 2007 the workers have gradually understood their rights and obligations and

there has been a steady increase in the reported grievances annually from 2008. Most of the union members have opted to report their case individually as an employment grievance because of the time frame set for resolving such grievances compared to employment disputes and also the constant increase in the resolution of these grievances annually.

During the year, a total of 938 employment grievances have been registered with the Mediation Services. A total of 101 cases were pending from 2014 which have been brought forward to 2015 so the cumulative total for 2015 is 1,039 cases. Of these, 972 cases were mediated upon during the year resulting in the settlement of 800 grievances (82.30%), while 172 (17.70%) cases were not resolved and referred to the Employment Tribunal for third party adjudication. 67 cases were pending at the end of the year. Figure 23 below illustrates the status of Employment Grievance and monetary recoveries:

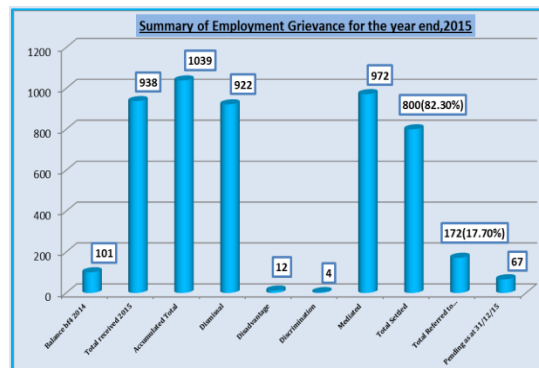


Figure 23

The total amount recovered by the Mediation Service for the period under review was \$762,266.03 for the aggrieved workers as shown in Figure 24, below.

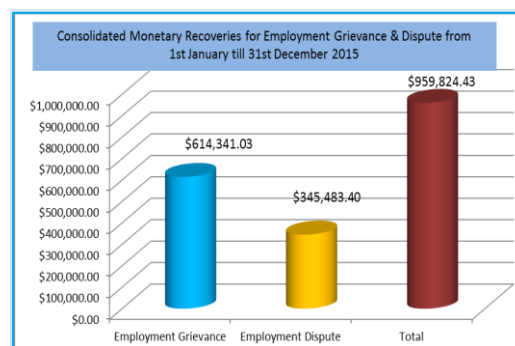


Figure 24

### Employment Dispute

Employment Disputes are disputes reported by unions on behalf of its members after the initial attempt to negotiate

the dispute in-house with the employer had failed. This dispute could also be reported by the employer. The report goes to the Permanent Secretary for Employment, Productivity and Industrial Relations who then after accepting the dispute, refer the same to the mediation services for mediation on matters other than the interpretation, operation or application of their Collective Agreement.

During the period under review, a total of 2 disputes were pending with the Mediation Services from 2014 and 21 new employment disputes were referred to the Mediation Services in 2015, bringing the accumulative total to 23. Twelve (12) cases were resolved which constitutes a settlement rate of 54.55% and 10 cases referred to the ERT, which is 45.45%. Refer to Figure 25 for details.

The two social partners [unions and employers] have progressively understood the good faith approach that parties are required to adopt during mediation. We continued to instill these principles of good faith during mediation sessions that is now been appreciated and accepted by both parties which had enabled them to contribute constructively during mediation processes and added to the positive outcome.

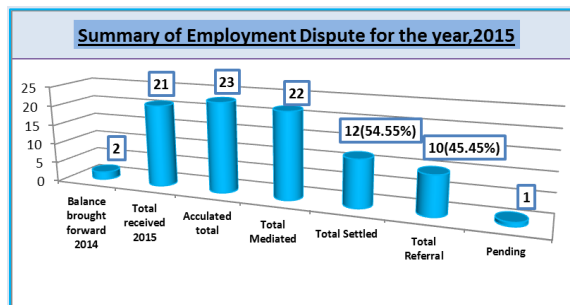


Figure 25

### Contemplated Strike Report

Although the Permanent Secretary is required under the provision of Section 190 of the ERP 2007 to refer any contemplated strike or lockout in an essential services to the Mediation Services to arrange for informal mediation at the earliest as a proactive approach for the purpose of assisting the parties to avoid the need for such strike or lockout and look at ways and means of resolving the matters amicably.

The facilitation of the above role by the Mediation Service had been a success that it was not only confined to essential services but to all services where strike or lockouts were contemplated, to ensure that there is stability in the labour market. There has never been any strike or lockout taking place in Fiji since the Mediation Services was established in 2008 and this has attributed mainly to the proactive approach taken by our Mediators whenever there is a contemplated strike or lockout.

In 2015, an Informal mediation was conducted between USP Staff Union against The University of the South Pacific, and the matter in contention was mutually settled on 24th June 2015.

### International Affiliation and Recognition

Fiji is the only nation in the South Pacific to become a member of the Asian Mediation Association (AMA) and enjoys 'Associate Membership' status.

Attendance in this workshop had been very beneficial both, in terms of fulfilling our obligation as member of AMA and creating and sharing issues of topical interest and understanding effective strategies for managing complex disputes in Asia. SMC, AGM was held in Manila in 2015 and 3rd AMA Conference is likely to be convened in China that would be strategically appropriate to attend given the ongoing bilateral strengthening relations with super power China for mutual benefit.

### Capacity building of Mediation Service

The mediation training is an ongoing program in partnership arrangement with the Singapore Mediation Center [SMC] for progressive human resource development of Ministry staff to provide competency based training for potential Mediators on Managing Conflicts & Resolving Disputes effectively through Mediation.



Mediation Service mid-year conference

### Effective Adjudication and Settlement 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 2015, the Employment Relations Tribunal (ERT) received a total of 198 employment grievance cases whereby 65 cases were settled and 112 cases were heard. Figure 26 below depicts the trend of employment grievance cases heard and settled from 2012 to 2015.

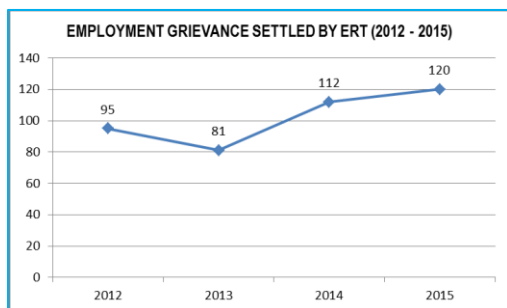


Figure 26

## Employment Dispute

A total of 14 employment dispute cases received whereby a total of 10 cases were settled and 3 cases were heard. Figure 27 depicts the number of employment dispute cases actioned in 2015 in comparison to 2014, 2013 and 2012. In this four year period, 90% of the cases which were heard were also settled.

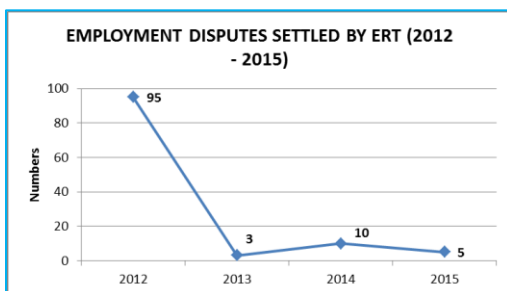


Figure 27

## Criminal Cases

Employment Relations Tribunal received 25 criminal cases whereby 11 cases were settled and 8 cases were heard. Refer to Figure 28 below, for details.

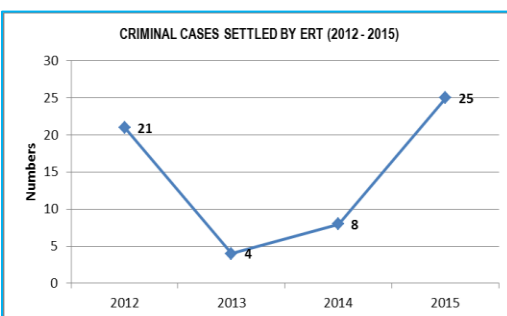


Figure 28

## Workers' Compensation Cases

A total of 71 compensation cases were settled and 37 cases were heard in 2014. Figure 29 depicts the number of workers' compensation cases actioned in 2015 in comparison with 2014, 2013 and 2012. During the four year period, 61% of the cases were settled and 39% were heard pending a decision.

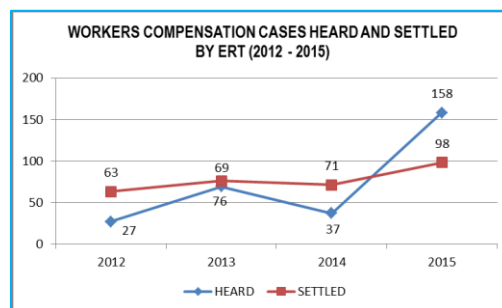


Figure 29

## Miscellaneous Cases

A total of 35 miscellaneous cases received whereby a total of 6 cases were settled and 2 cases were heard. Figure 30 below depicts the number of miscellaneous cases actioned in 2015 in comparison with 2014, 2013 and 2012.

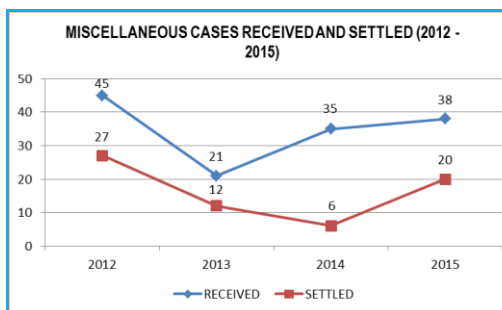


Figure 30

## Summary of Received, Heard and Settled cases by the Employment Relations Tribunal

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 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 the table below where 68% of matters received were settled and heard in 2015.

	Received	Settled
Grievances	138	120
Disputes	20	5
Criminal	36	25
Workers compensation	158	98
Miscellaneous	38	20
<b>Total</b>	<b>390</b>	<b>268</b>

## Registrar of Trade Union & Registrar of Industrial Association

### Trade Union

The Registrar of Trade Union registered 7 trade unions in 2015, 11 Collective Agreements, 2 amendments to Constitution, 1 ENI Bargaining Unit re-registered and 25 Annual Returns. The continuing activities reflect the continued existence of the trade union movement in Fiji. Various collective agreements from the Hotel & catering sector were registered and from other sectors including the Banking sector and the Manufacturing sector. This is a reflection that the Collective Agreement process is being consistently exercised and both Workers and the Employer benefit from the newly registered Collective Agreement. In addition to this, the amendments to Constitution registered reflect the growing consensus between the Parties. In addition Parties are also submitting their required Annual Returns. There are certain Unions which have not been submitting their Annual Returns and as per requirements of the ERP 2007, Parties which have not submitted their Annual Returns for 5 Years or so must be de-registered.

### Industrial Association

The Registrar of Industrial Association (IA) registered 12 new IAs. 13 collective agreement and 4 Annual Returns and cancellation of 2 IAs. The increased number of new registration reflects the issue that more industries are getting organized for the purposes of being a structured Organization and Group. Out of good faith, the RIA sends reminder letters to IAs for the purposes of submitting their Annual Returns. Associations that do not adhere to the legal requirements stipulated under the IA Act are notified and if no changes have been made as per the RIA's notification, it's registration may be cancelled under the Act.

## ADMINISTRATION OF NATIONAL EMPLOYMENT CENTRE UNDER THE NEC DECREE 2009

In reducing Fiji's unemployment rate, the Ministry through the National Employment Centre (NEC) administers the absorption of unemployed Fijians into the Local and overseas labour market. Employment offers in the form of Work Attachment, Permanent Employment, Volunteer Assignment and Seasonal Employment Opportunities in the Australia and New Zealand Horticulture and Viticulture Industries.

The Ministry's initiative in alleviating poverty is achieved through the activities provided below by the NEC.

### a. Employer and Community Awareness

Employer awareness is one of the strategies facilitated by the NEC to help the unemployed Fijians to get into work attachments and permanent employment opportunities. In 2015, a total of 12 employer awareness was conducted to enable the various employers in Fiji to sign the MOU for NEC registered clients to be absorbed into employment openings in their respective companies and business.

Similarly community awareness and registration outreach to the interested unemployed Fijians in the interior parts of Fiji and the Islands gives all Fijian the opportunity to be included in the work ready pool for the New Zealand Recognized Seasonal Employer Scheme and Australia Seasonal Worker Program. Hence, Raviravi Village, Madadru Village, Ketei Village, Nukulau Village and Nakelo Village in Tailevu was outreach for awareness and registration as part of foreign employment service seasonal employment campaign to register all those interested in Foreign Seasonal Employment Opportunities.

### b. NEC Registration

As depicted in Figure 31, registration of NEC clients dramatically increased every year. This signifies that the general public are well aware of the function and employment opportunities available under the NEC. It also indicates growth in Fiji's economy resulting from more Fijians absorbed into employment in a short span of time.

In 2015, the number of NEC registered clients increased by 17%. This is a positive sign that the economy is growing as there are employment opportunities in the labour market through investments and other initiatives collaborated by the current Government. The influx is attributed to a number of economic infrastructural development undertaken in Fijian economy and is employing the unemployed Fijians.

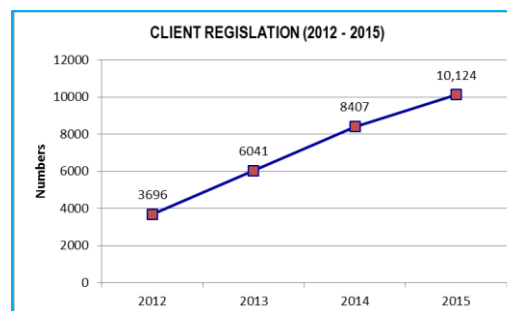


Figure 31

When assisting the unemployed Fijians to find decent employment in the labour market there is always the gender equality issue. The NEC is non-discriminatory where the services is provided to any unemployed person over 15 years of age.

Fiji's developing economy continues to be challenged by various factors ranging from narrow product base, high imports, low exports, inflation, low job opening of the graduate Fijians in the formal sectors, natural disasters and Social issues also add to the challenges such as unemployment, poverty, high rural-urban migration, brain-drain, substance and drug abuse as well as crime.

Resolving the "land issue" is one single major national challenge which highly contributes towards high unemployment and lack of investments, innovation, creativity and productivity in the agricultural sector.

### c. Formal Employment Services

In line with Pillar 8 of the Peoples Charter for Change (PCCPP), i.e. "Reducing Poverty to a Negligible Level by 2015" and the Roadmap for Democracy and Sustainable Socio-Economic Development (RDSSED) goal for "Fullest and most productive utilization of our human resources" the National Employment Centre (NEC) allows maximum 6 months of work attachment in reputable businesses houses in Fiji, government and statutory bodies and organisation to allow the university graduates to experience on job training before getting absorbed into permanent employment.

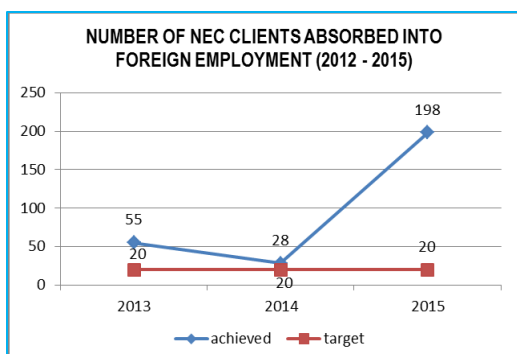


Figure 32

**d. NEC Clients Absorbed into Work Attachment and Volunteerism**

For the period under review NEC successfully facilitated the absorption of clients into work attachment for 6 months period. A total of 194 unemployed Fijians were successfully able to secure work attachment contract from the month of October, November and December 2015. Manufacturing sector recorded the highest number of work attachment of 32 followed by Accommodation and Food Services of 30 work attachments and third highest was Wholesale and Retail Sector recording 26 work attachments respectively. Refer to Figures 33 & 34, below for details.

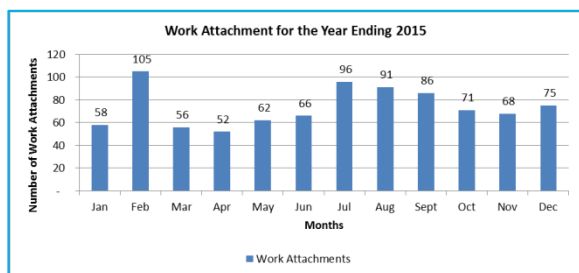


Figure 33

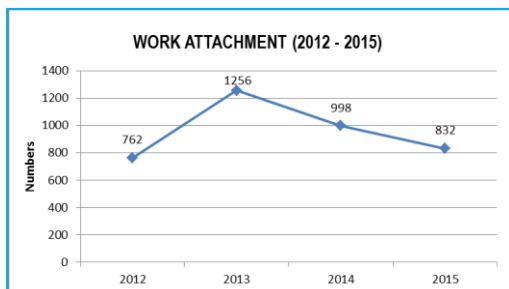


Figure 34

As shown in Figure 33 above, February recorded the highest number of work attachment 105, while July, August, September and November have respectively recorded 96, 91, 86 and 89 work attachments. The

graph also depicts that month of October, November and December recorded comparatively second highest number of work attachments compared to the rest of the months in 2015. The increasing trend is due to the employer awareness and media release on the services provided by NEC.

**e. Permanent Employment**

NEC successfully facilitated to absorb 415 unemployed Fijians into permanent employment locally in 2015. This is major decline compared to 2014. One of the primary reason for the decline was the slow growth in employment absorption by our local industries.

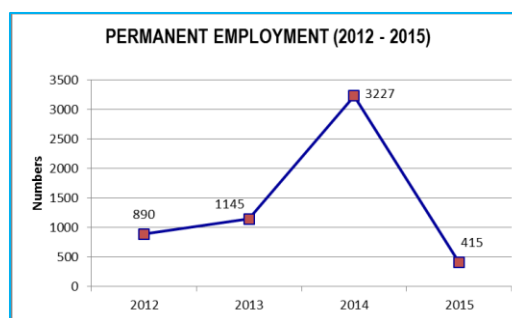


Figure 35

**f. Foreign Employment (Non-Seasonal Workers)**  
Hylife-Canada Recruitment

On the 14<sup>th</sup> of November 2015 three Fijian Workers departed for 3 year permanent employment in Hylife-Span Piggery Farm in Canada. Listed below is the names of the three workers:

- 1) Ms. Nomai Lala
- 2) Ms Sulueti Duri
- 3) Mr. Paula Rokotuiviwa

**g. Advanced Personnel Recruitment- New Zealand Recruitment of Carpenters**

An advertisement came in the papers on the 28<sup>th</sup> of November for the interested skilled carpenters to apply for expression of interest for Carpentry Jobs in New Zealand.

**h. Activation of the New Zealand Recognized Seasonal Employers (RSE) work scheme**

The signing of agreement between the head of Immigration New Zealand (INZ) and Ministry of Employment, Productivity and Industrial Relations set out the arrangements for Fiji's inclusion in New Zealand's successful seasonal workers scheme.



As part of the agreement 31 Fijian seasonal workers were deployed to New Zealand under the pilot phase of the Recognized Seasonal Employer (RSE) scheme and are working for employers in Hawke's Bay, Bay of Plenty, EastPack and Seifried for an assessment of the pilot which is carried out before Fiji's formal inclusion in the scheme. Hence during the month of August the 31 pilot workers in New Zealand and their families in Fiji have been monitored.

#### Bostock New Zealand –Recruitment

15 Fijians from the Fiji Work Ready Pool are selected for 6 months of employment at Bostock New Zealand. They departed on the 8<sup>th</sup> November 2015. From the 15 workers selected all 15 are males.

Feedback from the employer has been positive on their work performance and productivity.

#### Post Arrival Orientation

On the 29<sup>th</sup> December 2015 Post Arrival Orientation Training for the seven returning workers from Pick Hawkes Bay Incorporated was conducted.

#### **i. Activation of the Australian Seasonal Worker Programme (SWP)**



*Ministry met with PlantGrowPick, a seasonal work employer under the Australian Seasonal Worker Programme (SWP)*

After the signing of the MOU on the Australian SWP 15 workers from the Fiji Work Ready Pool were successfully able to secure 6 months seasonal employment contracts at PlantGrowPick PTY LTD for the month of November 2015. The first batch departed of 4 workers departed on the 14<sup>th</sup> November 2015 followed by 2<sup>nd</sup> batch of 11 workers departed on the 17<sup>th</sup> November 2015 respectively.

#### **j. First batch of women workers under the SWP**



The ministry in 2015 sent the first batch of 15 workers under the Australia Seasonal Worker Programme (SWP) and these women were recruited by PlantGrowPick.

#### **k. Fiji Work Ready Pool update as at 30<sup>th</sup> November 2015**

Divisions	Males	Females	Total in Division
Central	207	48	255
Western	20	12	32
Northern	42	20	62
Total in WRP	269	80	349

As at 31<sup>st</sup> December 2015 there are a total of 349 Fijians in the Fiji Work Ready Pool. Out of this, 255 are from Central/Eastern division, 62 from Northern Division and 32 from Western Division.

## **PROMOTION OF MINISTRY'S SERVICES**

The Ministry in 2015 promoted the Ministry's services by releasing 64 media releases; 4 newspaper spread, 15 talkback shows, 10 press conference, 25 media responses The Unit also released 56 media monitors during the period under review.

#### **Promotion and awareness on Sexual Harassment in the workplace**

- A total of 8 workplace sexual harassment awareness sessions were conducted and one (1) Live talkback session with the Fiji broadcasting Commission (FBC) Speak Your mind show (English radio/TV station)



*Senior Labour Officer Devina Rao and Assistant Director Labour Standards Service (ADLSS) participated in the Live talkback session on Sexual Harassment with FBC*

The Ministry during the Fiji Day celebration in 2015, sets up display booth for the general public and raising awareness on the services provided by the Ministry.



## INTERNATIONAL RELATIONS AND EXTERNAL TRADE

Implementation of the Ministry's strategic direction and application of reformed organization culture –12.

### **Fiji's Participation in the Australian Seasonal Worker Program (SWP)**

This partnership is part of Ministry's Employment Creation Reform, aimed at providing sustainable employment opportunities for Fijians, whilst contributing to poverty reduction.

#### **Australian Seasonal Worker Program (SWP)**

The *Seasonal Worker Program (SWP)* is a policy that facilitates the temporary entry of foreign workers to accommodate labour shortages in Australia.

The SWP aims to contribute to the economic development of partner countries by providing employment opportunities, which leads to remittances being sent to participating countries.

This Program also provides opportunities for up-skilling workers and at the same time provides pool of reliable labour to the Australian employers.

#### **Consultations with the Australian Government**

The first consultation between Australian and Fijian officials was held on 28 November 2014. At this meeting the Seasonal Worker Program's draft *Implementation Arrangement* was tabled and discussed.



*Acting Permanent Secretary Mr. Osea Cawaru met with Australian High Commissioner to Fiji on 18 January, 2015 and held discussions on Australian Seasonal Worker Programme (SWP)*

The second consultation took place on 19 January 2015. During this meeting, the Australian and Fijian officials expressed their firm commitment to having a Memorandum of Understanding (MOU) signed in early 2015. In this meeting and through subsequent consultations, Australia and Fiji agreed to the text of the MOU and the Implementation Arrangements.

Fiji is ready to participate in the Australia SWP given the establishment of the National Employment Centre (NEC) and in particular its Foreign Employment Service (FORES). FORES has sent 24 workers to New Zealand under the pilot program of the Recognized Seasonal Employer Work Scheme. Workers have also been sent to Canada, Seychelles and the United Arab Emirates.

## Members of the Fiji Consultation Team

To ensure the successful implementation of this Seasonal Worker Program, the Ministry has taken an inclusive approach and invited relevant Ministries and Departments to participate in the consultation process.

The team that actively participated in the consultations includes, the Ministry of Foreign Affairs, Ministry of Health & Medical Services, Ministry of Industry, Trade & Tourism, Ministry of Education, Ministry of Rural, Maritime Development & National Disaster Management, Department of Immigration, Solicitor General's Office, Public Service Commission and the Fiji Police Force.

## Memorandum of Understanding

On 2 April 2015, the *Memorandum of Understand (MOU)* between the two governments was signed. This was facilitated by the Hon. Jioji K. Konrote, Minister for Employment and Hon. Steven Ciobo, Australia's Parliamentary Secretary to the Minister for Foreign Affairs and Parliamentary Secretary to the Minister for Trade & Investment.



*Signing of the MOU for the Australian Seasonal Worker Program by the Hon. Jioji K. Konrote Minister for Ministry of Employment, Productivity & Industrial Relations and Hon. Steven Ciobo, Australia's Parliamentary Secretary to the Minister for Foreign Affairs and Parliamentary Secretary to the Minister for Trade & Investment*

## Occupational Areas Offered

The main occupational areas offered under this Seasonal Worker Program are horticulture, accommodation, aquaculture, cotton and cane growing.

*Horticulture* work includes sowing, planting and cultivating agricultural holdings; flower or vegetable market gardens; clearing, fencing, trenching, draining or otherwise preparing or treating land for the sowing, raising, harvesting or treating of horticulture crops; as well as viticulture activities to prepare land for planting of wine grape vines, and the pruning, growing, treating, picking and harvesting of wine grapes. This program will be available nationwide.

*Accommodation* work includes bar attendants, baristas, food and beverage attendants, café workers, garden labourers, housekeepers, kitchen hands and public area cleaners. Western Australia, Northern Territory, parts of Queensland and South Australia are the States and Territory in which this program is being trialed.

*Aquaculture* work involves feeding, attending mooring pens, washing and changing nets, moving material and equipment, loading, unloading, moving, packing and construction of shellfish culture mediums (including baskets, cages, droplines and oyster racking), operating boats (including loading and unloading boats), harvesting and husbanding fish, recording data, operating mechanical equipment such as grading machines, preparation of product for market and transportation, general maintenance duties (this does not include motor mechanics or the like). The trial States for aquaculture work are Western Australia, Northern Territory and parts of Queensland and South Australia.

*Cotton growing* work includes general farm work, ground preparation, planting, irrigating, harvesting or treating of cotton and other crops, loading trucks, clean, store, operate and maintain equipment (including tractors), weeding, fencing, trenching, draining or otherwise preparing land; general farm maintenance; tractor operations. The trial States for cotton work are parts of Queensland and New South Wales.

*Cane growing* work include general farm work, tilling, sowing, planting, raising, irrigating, treating and testing of cane crops, clean and store equipment, harvesting and haul out work, weeding, clearing, fencing, trenching, draining or otherwise preparing land; pest and disease control. Queensland is the only trial State for this work.

## Duration of Work

Under the Seasonal Worker Program, workers from the Pacific are permitted to work in Australia from fourteen weeks to six months and are able to return each season - depending on the demand for labour and the performance of the individual. The SWP also ties workers to a specific location, type of work, and employer.

## Australian Approved Employers (AAES)

The Australian Government only allows employers who are members of the *Australian Approved Employers (AAE)*, to recruit through the Seasonal Worker Program.

Workers engaged under the SWP cannot transfer to any other type of work permit or visa. Workers are expected to return to their sending countries at the conclusion of their work placement.



## Budget

The Fiji Government recognizes that bilateral agreements for Fijian seasonal workers, lends itself to the alleviation of poverty and improved living standards.

In this regard, the Government in the 2015 Budget allocated \$500,000 for the administration of Fijian workers under the Australian Seasonal Worker Program and the New Zealand RSE Work Scheme.

The primary costs for participating in these seasonal work schemes are the 2-tier selection processes and the pre-departure training. Other related costs are police clearances, medical examinations as well as insurance policies.

## Benefits

The Australian Government appreciates the contribution of Pacific workers who are becoming increasingly popular in their respective farming communities.

Moreover, the emphasis towards the 'win-win' outcome has prompted Australia to consider increasing the current quota, given Fiji will join the SWP.

This year the Seasonal Worker Program has a total of 3,250 positions. Next year the quota increases by 1,000 places to 4,250. This quota applies to all participating countries. Fijian workers have made a name for themselves in Australia and are in demand by the Seasonal Worker Program employers. This is an opportunity for workers to make a difference in life and contribute significantly to their family, community and national development.

## Selection Process



The Fiji Government is committed to ensuring the selection of candidates is conducted in a transparent, fair and inclusive process that is devoid of nepotism and corruption.

To facilitate the effective implementation of good governance principles in the selection process, the standard 2-tier selection criteria developed by the Ministry will be used. This 2-tier criteria (general selection and

specific selection) must be fulfilled by applicants before applications of successful candidates are sent to the *Australian Approved Employer* for final selection. However, before any application is considered for selection, there are compulsory Dual Prerequisites which are -

- 1) An applicant must be registered with the National Employment Centre (NEC) for overseas employment.
- 2) An applicant must hold a Fiji passport valid for at least 13 months.

All applicants (no-drop policy) satisfying these two prerequisites, are then exerted to rigorous selection processes which adopt objective measures under the two-tier criteria. This is designed to enhance impartiality and objectivity and for quality outcomes; ensuring potential risks are proactively eliminated so that Fiji only select and send reliable, productive and competent workers to Australia or any other country that has a similar partnership with Fiji.

The *general selection criteria* is generic, covering basic and necessary clearances, such as character referral, police clearance, etc. The *specific selection criteria* is specific to the job - given that aquaculture, cotton and cane growing work involves long and arduous work hours, often in unusual work environment, as well as extreme weather conditions. This criteria ensures specific work related risks associated with long hours and heavy work conditions are identified and mitigated before workers are sent overseas.



Candidates who successfully meet the first and second criteria migrate to the *Work Ready Pool*. Names of these candidates are then forwarded to Australian Approved Employers. Applications of these candidates are assessed by prospective employers for final approval to work in Australia. At this final stage an employer may reject an application and request an alternate one. This process will continue until the employer is satisfied with the application(s) received.

The eligible minimum working age under the Seasonal Worker Program, is 21 years.

### Pre-Departure and Post Arrival Training

After approval by the Australian Approved Employer, successful applicants go through the Ministry's intensive Pre-departure training program. This is to prepare candidates for possible cross-cultural issues and provide them with tools to achieve maximum productive work output. A few subjects covered under this program are socio-cultural orientation, work contract training (understanding contract requirements and benefits), work preparation training, occupational health & safety guidelines, professional counselling, aptitude assessment, life skills training, conflict resolution, stress management, financial literacy training, and the like.

On their return to Fiji, the workers will undergo a Post-arrival training, to prepare them to implement sustainable livelihood programs from the savings they acquire through their employment in Australia.

### Ministry shared practice with Papua New Guinea in Eradicating Child Labour

The Labour Standards Service (LSS) under the Ministry shared the current successful strategies adopted by Fiji in tackling and/or eliminating child labour in Fiji to the Papua New Guinea (PNG) Delegates. The purpose of this presentation was to set a platform for the PNG Department of Labour & Industrial Relations to eradicate child labour, which is currently one of the major challenges in the 22 provinces of PNG.

The Fijian government shared its effective implementation through the successful roll-out of the Employment Relations Promulgation (ERP) 2007 under the Ministry's Labour Reforms which has led to vigorous enforcement on the protection of a child working against unacceptable forms of work.

Fiji has successfully ratified the 8 International Labour Organisation (ILO) core Conventions which includes Convention 182 on worse forms of Child Labour that has been inculcated into the reformed ERP 2007.

Proactively, the Ministry conducts awareness to villagers, communities, schools and the general public as a whole as one its key strategies towards eradicating child labour in Fiji.

Also the continuous communication between the Fijian Inter-Government Agencies stakeholders which involves the Ministry of Women, Children and Poverty Alleviation, Ministry of Education, Fiji Police Force and the tripartite forum had led to the successful tackling of child labour in Fiji.

The PNG delegates were part of the Pacific sub-regional child labour and trafficking program that was held in Nadi which consists of Mr. Kornet Sapulai the Executive Manager Industrial Relations and International Cooperation (IRIC) for the Department of Labour & Industrial Relations;

the Manager International Affairs, Mr Emmanuel Tatau; the Executive Manager Labour Admin, Mr Moses Maki; ILO representative for PNG, Mr Richard Samuel and ILO representative for Suva Mr Alifereti Bulivou

### MOU extension with Papua New Guinea on Occupational Safety and Health Technical Assistance

Following the successful completion of the Papua New Guinea Occupational Safety and Health (OSH) Reform Bill by Fiji's Ministry of Employment, Productivity and Industrial Relations, an extension on the technical assistance provided by the Ministry was signed in 2015.

This is the 4<sup>th</sup> extension of the Memorandum of Understanding signed in 2011, between the two countries through the South-South Cooperation.



*Minister Jioji Konrote with his PNG counterpart after the MOU signing at Holiday Inn, Suva*

Under this extension, the Ministry commits to provide technical assistance in three phases from May 2015 to May 2016. Phase 1 involves the facilitation in the passage of the OSH Bill within the PNG Government, while Phase 2 involves the organizational set-up of the OSH programme through technical assistance from the Ministry of Employment with the cooperation of the PNG Government. Phase 3 involves capacity building of the PNG OSH Inspectorate on the new OSH management system including the implementation process of the new OSH Bill.

The signing ensures that PNG's policy, laws, values, institutions and practices on OSH are modernized to adequately provide the people and workplaces of PNG the much needed social protection and better OSH standards, underpinned by a stronger OSH Inspectorate.

The signing signifies the strong spirit of regional cooperation and aspirations between the two Governments and their people.

## Participate in relevant international commemorative days

### World Day for Safety & Health at Work

The World Day for Safety and Health at Work was celebrated on the 28 April to promote the prevention of occupational accidents and diseases globally.

The 2015 World OHS Day was celebrated at Holiday Inn on the theme “Join in Building a Culture of Prevention on OHS”. As part of the celebrations, an Awards Night focussing on OHS for the various categories listed below was held:

- Category 1 – Government
- Category 2 – Statutory Bodies
- Category 3 – Corporations
- Category 4 – Medium Enterprises
- Category 5 – Best workplace promoting good practice referred to FBFA and SEA [Overall]
- Category 6 – Most Improved
- Category 7 – Overall Winner

Workplace audits were also carried out at ten (10) selected companies in the Central/Eastern, Northern and Western Divisions. The focus was on prevention of accidents and near-misses at the workplace through good OHS practices. Data was extracted from the OHS Database, OHS Committee Meeting Minutes submitted as part of Workplace Registration, OHSF1 & LDFA1 forms dating back to 2012 and workplace inspection records.

One (1) day capacity building workshops were also organised for the OHS committees in the three divisions, with a focus on development and empowerment of our OHS committees at the workplace for ‘Building a culture of prevention on OHS for workplaces’.

### World Day Against Child Labour



*Hon. Jone Usamate with Tripartite delegates and students and teachers during the World Child Labour Day celebration.*

The Child Labour Unit of the Ministry with key stakeholders marked the 2015 World Day against Child Labour with a

theme: **No to Child Labour, Yes to Quality Education.**

The day signifies concern and commitment in ensuring that Government and relevant stakeholders join the global community in eradicating and freeing our children from the vicious cycle of child labour.

The reformed Employment Relations Promulgation (ERP) 2007 defines the legal framework to address issues on worst forms of Child Labour, minimum age of employment, the rights of a child, and condition on restriction of employment of children, hours and type of work that the child can perform under the minimum employment age of 15 years in Fiji.

The reduction of child labour cases from 2011 to 2014, is an indicator that Government's historic free education initiative and social protection plans with reforms implemented are effective.



In marking the day, a one day Workshop was conducted by the Employment Ministry and the Department of Social Welfare for five (50 Secondary and five (5) Primary schools with two students and a teacher representing their school.

### Commemoration of World AIDS Day

The Ministry commemorated World AIDS Day with the theme “AIDS Will Lose” and the aim to build on the momentum from the campaign conducted in the previous years.



*Minister Koroilavesau with Ministry staff celebrates 2015 World AIDS day*



World AIDS Day is celebrated each year around the world on 1<sup>st</sup> December and has become one of the most recognized international health days and a key opportunity to raise awareness, commemorate those who have passed on, and celebrate victories such as increased access to treatment and prevention services.



World AIDS Day this year is about “Getting to Zero.” Zero New HIV Infections, Zero Discrimination and Zero AIDS related deaths.

Part 9 of the Employment Relations Promulgation (ERP) 2007 provides equal opportunities in employment by prohibiting discrimination on particular grounds of actual or supposed personal characteristics or circumstances.

The Ministry celebrated the day with an awareness program conducted by the HIV & AIDS Unit of the Ministry of Health.

**Fulfillments of Government reporting obligations under the ILO Constitution on Law and Practice Reports of ratified Conventions and other compliance issues**

### **Signing of Fiji’s Tripartite Agreement in Geneva**



The Government obviously welcome the determination of the ILO because a Commission of Inquiry was obviously not in the best interests of Fiji.

A number of significant reforms have already taken place or are under way such as the introduction of the minimum wage, increase in the FNPF employer contributions and the

drafting of new laws to increase the amount payable under workers compensation.

And of course, the situation of a vast many working Fijians has improved with the implementation of free water, free education, free medicine, subsidised electricity rates, free text books, subsidised bus fares and an increase in and introduction of new categories in social welfare payments.

The Government believes in adhering to international standards. It therefore looks forward – on a tripartite basis through the ERAB mechanism – to the implementation of the core ILO conventions. Government also agreed to specific milestones and time frames to be achieved before the November session of the ILO governing body.

There is obviously a lot of focused attention that is required from now until then. We look forward to the continued cooperation of the social partners (unions and employers) for implementation. The goodwill shown by all sides in Geneva has to be the basis of the tripartite engagement in Fiji to ensure that we, as one team, facilitate further sustained economic growth and an improvement in the wellbeing of all Fijians.



*Minister Jioji Konrote with the Tripartite delegates and the ILO Director General after the signing of the Tripartite Agreement in Geneva.*

### **Participation of Tripartite Delegation to 2015 ILC & ILOGBM in Geneva**

#### **2015 International Labour Conference (ILC)**

The broad policies of the International Labour Organization (ILO) are set by the International Labour Conference, which meets once a year in June, in Geneva, Switzerland. This annual Conference brings together representatives from governments and worker and employer organizations who are member States of the ILO. Often referred to an International Parliament of Labour, the Conference establishes and adopts international labour standards and is a forum for discussion on key social and labour issues.

Each member State is represented by a delegation consisting of two government delegates, one employer delegate, one worker delegate, and their respective advisers.

As endorsed by Cabinet, the Fijian delegation was led by the Minister for Labour, IR & Employment Hon. Jioji Konrote and accompanied by the following tripartite delegates from May to June 2015:

FIJIAN GOVERNMENT DELEGATION		
#	Names	Representatives
2.	Mrs Nazhat Shameem	Fiji's Permanent Representative to the United Nations in Geneva
3.	Mrs Vani Varea	Government Delegates
4.	Ms Robyn-Ann Elizabeth Mani	Government Delegates
EMPLOYERS DELEGATION		
5.	Mr Nesbitt Hazelman	Employers Representative
WORKERS DELEGATION		
6.	Mr Felix Anthony	Workers Representative
EMPLOYERS ADVISOR		
7.	Mr Noel Tofinga	Employers Advisor
ADVISERS AND SUBSTITUTE DELEGATES		
8.	Ms Namita Khatri	Advisors Representative
9.	Mr Ajendra A Pratap	Advisors Representative



*Ms Vani Varea, Mrs Nazat Shamee, Mr Nesbitt Hazelman and Honourable Minister Jioji Konrote at the International Labour Conference in Geneva*

## Regional Consultancy Service - PNG Draft OSH Legislation

### Papua New Guinea (PNG) Occupational Safety and Health Reform Successfully Completed

The Ministry through its corporate social responsibility in the region, successfully completed Phase One of the Papua New Guinea (PNG) Occupational Safety and Health (OSH) Reform for the PNG Department of Labour & Industrial Relations.

Phase One of the PNG OSH Reform was undertaken via the Melanesian Spearhead Group (MSG) Agreement signed by the member states and implemented through the South-South cooperation with the PNG Department of

Labour since 2011.

The PNG OSH Bill is now ready for its maiden voyage through the PNG National Executive Council (NEC) and PNG Parliament targeting its May or August sitting this year.

This was a window of opportunity that the Ministry pursued, when time and resources permitted, to share learning, knowledge and experiences with the region given our established MSG framework and Government's pursuit for better international relations

The implementation of the PNG OSH Reform Bill will significantly provide social justice in workplaces in the arena of occupational safety and health (OSH), employment relations, management culture and training that devolves both wealth and power in work places on a fairer and just scale to boost OSH standards and productivity.



*PNG delegates met with Employment Ministry Permanent Secretary Mr. Taito Waqa and Minister Honourable Jioji Konrote discussing further technical assistance in the implementation of PNG OSH Bill*

### Vanuatu Mission Studied Fiji's Employment Creation Service Sector

The Ministry hosted officials from the Government of Vanuatu's Department of Labour from the 9th to the 12th of November.

The purpose of the visit was to gain technical knowledge of Fiji's Employment Creation Service through the National Employment Centre (NEC) to assist Vanuatu's disenfranchised workers affected by Cyclone Pam and unemployed youth.

The *Vanuatu Post Disaster Needs Assessment (PDNA)* report launched by the Vanuatu Government, estimated that Cyclone Pam has affected directly and indirectly the livelihoods of about 40,800 households or 195,000 people and a total of 504,050 work days or VT1.6 billion of personal income has been lost. As a result, Vanuatu has been researching models that exist in the Asia Pacific region to take on lessons learned and best practices.

In doing so, Vanuatu recognises the value in undertaking a study of Fiji's National Employment Centre.

Fiji's labour reform, through the establishment of the National Employment Centre continued to benefit our neighbouring Pacific island states.



## Our Wellness

The Ministry continues to support the wellbeing of its people (staff) and organized wellness programmes for staff's participation and involvement in promoting a healthy, safe and productive workforce.

The Ministry participated during the 2015 Ministry's Sports Day at Albert Park and took part on sporting events such as netball, volleyball, soccer, rugby and tug of war.

The day was also enjoyed by family members and friends.



# Financial Statements

31 December 2015

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing

L2595/167



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File: 481

18 July 2016

The Honorable Minister  
Ministry of Employment, Productivity and Industrial Relations  
Level 4, Civic House  
SUVA

Dear Sir

AUDITED FINANCIAL STATEMENTS OF THE MINISTRY OF EMPLOYMENT, PRODUCTIVITY  
AND INDUSTRIAL RELATIONS FOR THE YEAR ENDED 31 DECEMBER 2015

Audited financial statements for the Ministry of Employment, Productivity and Industrial Relations for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of errors and omissions arising from the audit have been forwarded to management of the Ministry for its action.

Yours sincerely

Atunaisa Nadakuitavuki  
for AUDITOR-GENERAL

cc: Mrs. Salaseini Serulagilagi Daunabuna, Permanent Secretary, Ministry of Employment, Productivity and Industrial Relations, Suva

Encl.

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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## MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

### INDEPENDENT AUDIT REPORT

#### Scope

I have audited the special purpose financial statements which have been prepared under the cash basis of accounting and notes 1 to 3, thereon of the Ministry of Employment, Productivity and Industrial Relations for the year ended 31 December 2015. The financial statements comprise the following:

- (i) Statement of Receipts and Expenditure;
- (ii) Appropriation Statement;
- (iii) Statement of Losses; and
- (iv) Trust Accounts Statements of Receipts and Payments for:
  - a) National Occupational Health & Safety Education and Accident Prevention
  - b) OHS Consultancy Services, Workmen's Compensation and Wages Dispute
  - c) Employment Relations Agency
  - d) Child Labour Unit
  - e) National Employment Centre

The Ministry of Employment, Productivity and Industrial Relations is responsible for the preparation and presentation of the special purpose financial statements and the information contained therein.

My responsibility is to express an opinion on these special purpose financial statements based on my audit.

My audit was conducted in accordance with the International Standards on Auditing to provide reasonable assurance as to whether the special purpose financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the special purpose financial statements and evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the special purpose financial statements are fairly stated and in accordance with government policies stated in Note 2, the Audit Act and the Financial Management Act 2004, so as to present a view which is consistent with my understanding of the financial performance of the Ministry of Employment, Productivity and Industrial Relations for the year ended 31 December 2015.

The audit opinion expressed in this report has been formed on the above basis.



### Basis of Qualified Opinion

#### *1) Statement of Receipts & Expenditure*

There were unauthorised credit journal entries into Established Staff expenditure (SEG 1) on the general ledger totalling \$685,735 from VAT (SEG 13). In addition, the ministry did not refund unutilised Trust Fund money credited into SEG 1 totalling \$96,432. Hence, the Established Staff expenditure is understated by \$782,167 and VAT expenditure is overstated by \$685,735 for the year ended 31 December 2015. Similarly, various trust fund accounts have been understated by \$96,432 as at 31 December 2015.

#### *2) National Occupational Health & Safety (OHS) Education and Accident Prevention Trust Fund Account - Statement of Receipts and Payments*

Contrary to OHS Act section 31, OHS Trust Fund payment totalling \$360,491 was paid from the OHS Trust Fund for payment of salaries for Workmen's Compensation staff. Thus, the closing balance of the OHS Trust Fund account is understated by \$360,491.

### Audit Opinion

In my opinion, except for the matter referred in the qualification paragraph;

- (a) the financial statements present fairly, in accordance with the government accounting policies stated in Note 2, the financial performance of the Ministry of Employment, Productivity and Industrial Relations for the year ended 31 December 2015.
- (b) the financial statements give the information required by the Financial Management Act 2004 in the manner so required.



Atunaisa Nadakuitavuki  
for AUDITOR GENERAL

Suva, Fiji



18 July 2016

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
MANAGEMENT CERTIFICATE

FOR THE YEAR ENDED 31 DECEMBER 2015

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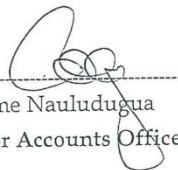
We certify that these financial statements:

fairly reflect the financial operations and performance of the Ministry of Employment, Productivity and Industrial Relations.

- (a) and its financial position for the year ended 31 December 2015; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and the Finance Instructions 2010.



Salaseini S. Daunabuna  
Permanent Secretary for Employment,  
Productivity & Industrial Relations



Viliame Nauludugua  
Senior Accounts Officer

Date: 11/07/16

Date: 06/07/16

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
STATEMENT OF RECEIPTS AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
RECEIPTS			
State Revenue			
Commission	3 (a)	30	1,100
Total State Revenue		<u>30</u>	<u>1,100</u>
Agency Revenue			
Miscellaneous		---	---
Total Agency Revenue		<u>---</u>	<u>---</u>
TOTAL REVENUE		<u>30</u>	<u>1,100</u>
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (b)	4,081,620	3,663,443
Government Wage Earners	3 (c)	199,965	194,183
Travel & Communication	3 (d)	307,370	337,984
Maintenance & Operations		349,949	346,085
Purchase of Goods & Services	3 (e)	775,654	886,506
Operating Grants and Transfers		30,384	27,984
Special Expenditure	3 (f)	8,082,537	3,756,107
Total Operating Expenditure		<u>13,827,479</u>	<u>9,212,292</u>
Value Added Tax	3 (g)	1,478,430	770,786
TOTAL EXPENDITURE		<u>15,305,909</u>	<u>9,983,078</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015

SEG	Item	Budget Estimate \$	Appropriation Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry- Over \$	Lapsed Appropriation \$
	Operating Expenditure						
1	Established Staff	4,120,737	(20,000)	4,100,737	4,081,620	---	19,117
2	Government Wage Earners	199,971	---	199,971	199,965	---	6
3	Travel & Communication	272,450	53,858	326,308	307,370	---	18,938
4	Maintenance & Operations	317,300	36,057	353,357	349,949	---	3,408
5	Purchase of Goods & Services	849,900	(5,190)	844,710	775,654	---	69,056
6	Operating Grants & Transfers	55,000	(24,615)	30,385	30,384	---	1
7	Special Expenditure	8,437,651	(40,110)	8,397,541	8,082,537	---	315,004
	Total Operating Expenditure	14,253,009	---	14,253,009	13,827,479	---	425,530
13	Value Added Tax	1,481,700	---	1,481,700	1,478,430	---	3,270
	TOTAL EXPENDITURE	15,734,709	---	15,734,709	15,305,909	---	428,800

Appropriation Movements

In 2015, there was no redeployment of funds from the Ministry's budget.

Other movements were as follows:

Virement Number	From (SEG)	To (SEG)	Amount \$
DV0701	3,4 & 5	4 & 5	54,600
DV0702	3,4 & 5	3,4 & 5	28,452
DV0703	3,4,5 & 6	3,4 & 5	33,650
DV0704	3,4,5 & 6	3,4 & 5	32,195
DV0705	4,5 & 6	3,4 & 5	28,200
DV0706	3,4, 5 & 6	3,4 & 5	5,815
DV0707	7	5	45,000
DV0708	3,4,5 & 7	3,4 & 5	28,277
DV0709	3,4 & 5	4 & 5	11,900
DV0710	1,3,4 & 5	3 & 5	46,044
DV0711	4 & 5	4 & 5	3,293
DV0712	3 & 4	4 & 5	1,628
DV0713	4 & 5	5	26,188
DV0714	5	4	5,285
DV0715	3 & 5	3 & 7	21,973
DV0716	4 & 5	3 & 4	20,017

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
STATEMENT OF LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2015

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Loss of Money

There was no loss of money recorded for the year ended 31 December 2015.

Loss (other than money)

There was no loss of fixed asset recorded for the year 2015. However, the following items worth \$74,350 were written off, following Ministry's Board of Survey conducted for the year ended 31 December 2015.

Divisions/Section	Item	Amount (\$)
Corporate Service	Various	6,300
Mediation Unit	Various	7,800
Productivity Unit	Various	7,500
Employment Relation Tribunal Unit	Various	9,750
Workmen Compensation Office	Various	3,650
Labour Compliance Unit	Various	8,450
Labasa	Various	6,280
Savusavu	Various	2,740
Sigatoka	Printer	500
Nadi	Various	5,000
Ba	Various	12,500
Lautoka	Various	3,880
Total		74,350



MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 NATIONAL OCCUPATIONAL HEALTH & SAFETY EDUCATION AND ACCIDENT  
 PREVENTION TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
RECEIPTS		
OHS Trust Fund	1,925,298	1,583,962
Total Receipts	<u>1,925,298</u>	<u>1,583,962</u>
PAYMENTS		
OHS Trust Fund	1,409,169	1,619,511
Total Payments	<u>1,409,169</u>	<u>1,619,511</u>
Net Surplus/(Deficits)	516,129	(35,549)
Balance as at 1 January	4,725,808	4,761,357
Closing Balance as at 31 December 2015	<u>5,241,937</u>	<u>4,725,808</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS FOR OHS  
CONSULTANCY SERVICES, WORKMENS COMPENSATION AND WAGES DISPUTE  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<b>RECEIPTS</b>		
Workmen's Compensation	4,189,213	3,332,077
Wages Dispute	562,328	825,166
OHS Consultancy	1,427,482	1,882,484
<b>Total Receipts</b>	<u>6,179,023</u>	<u>6,039,727</u>
<b>PAYMENTS</b>		
Workmen's Compensation	3,963,750	3,161,788
Wages Dispute	644,541	690,059
OHS Consultancy	1,200,155	1,993,836
<b>Total Payments</b>	<u>5,808,446</u>	<u>5,845,683</u>
<b>Net Surplus</b>	370,577	194,044
Balance as at 1 January	954,218	760,174
<b>Closing Balance as at 31 December 2015</b>	<u>1,324,795</u>	<u>954,218</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS FOR  
 EMPLOYMENT RELATIONS AGENCY  
 FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
RECEIPTS			
ERT Trust Fund		231,702	148,992
Total Receipts		<u>231,702</u>	<u>148,992</u>
PAYMENTS			
ERT Trust Fund		3,448	216,835
Total Payments		<u>3,448</u>	<u>216,835</u>
Net Surplus/(Deficit)		228,254	(67,843)
Balance as at 1 January		107,611	175,454
Closing Balance as at 31 December 2015		<u>335,865</u>	<u>107,611</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS FOR CHILD  
 LABOUR UNIT  
 FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
RECEIPTS			
CLU Trust Fund		10,995	51,276
Total Receipts		<u>10,995</u>	<u>51,276</u>
PAYMENTS			
CLU Trust Fund		4,566	30,399
Total Payments		<u>4,566</u>	<u>30,399</u>
Net Surplus		6,429	20,877
Balance as at 1 January		977	(19,900)
Closing Balance as at 31 December 2015		<u>7,406</u>	<u>977</u>



MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS FOR NATIONAL  
 EMPLOYMENT CENTRE  
 FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
RECEIPTS			
NEC Trust Fund		47,307	33,649
Total Receipts		<u>47,307</u>	<u>33,649</u>
PAYMENTS			
NEC Trust Fund		353,425	22,958
Total Payments		<u>353,425</u>	<u>22,958</u>
Net Surplus/(Deficit)		(306,118)	10,691
Balance as at 1 January		501,475	490,784
Closing Balance as at 31 December 2015		<u>195,357</u>	<u>501,475</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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**NOTE 1: REPORTING ENTITY**

The core responsibility of the Ministry of Employment, Productivity and Industrial Relations (MEPIR) is to pursue the attainment of Decent Employment standards through the promotion of employment opportunities, development of healthy workers, the provision of healthy and safe working environment, fair employment conditions, good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern, structured and enabling policy environment supported by sound labour laws, policies, institutions, international best practices and values, underpinned by tripartite social dialogue and self-regulation.

**NOTE 2: STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Accounting**

In accordance with Government accounting policies, the financial statements of the Ministry of Employment, Productivity and Industrial Relations is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71 (1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

**(b) Accounting for Value Added Tax (VAT)**

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Finance. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue & Customs Authority (FRCA). Actual amount paid to FRCA during the year represent the difference between VAT Output and VAT Input.

**(c) Comparative Figures**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

**(d) Revenue Recognition**

Revenue is recognised when the Ministry receives actual cash.

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)  
FOR THE YEAR ENDED 31 DECEMBER 2015

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NOTE 3: SIGNIFICANT VARIATIONS

- (a) Commission revenue decreased by \$1,070 or 97% in 2015 compared to 2014.
- (b) The Established Staff costs increased by \$418,177 or 11% in 2015 compared to 2014. The increase was due to the transfer of salary and FNPF of the Minister to the Ministry of Employment, Productivity and Industrial Relations. The increase was also due to the increase in Employers FNPF contribution from 8% to 10%.
- (c) The Government Wage Earners costs increased by \$5,782 or 3% in 2015 compared to 2014. This was due to increase in Employers FNPF Contribution from 8% to 10%.
- (d) The Travel and Communication costs decreased by \$30,614 or 9% in 2015 compared to 2014. The decrease was mainly due to decrease in subsistence and travel allowances during 2015.
- (e) The Purchase of Goods and Services costs decreased by \$110,852 or 13% in 2015 compared to 2014. The decrease was due to decrease in expenditure for Boards & Committee, Apprentice Scheme and Stores related costs for 2015.
- (f) The Special Expenditure costs increased by \$4,326,430 or 115% in 2015 compared to 2014. This was due to increase of 2015 budget for National Employment Centre (NEC) by \$176,722, FORES by \$520,150, Christmas Island Veteran by \$2,950,000 and Workmen compensation by \$1,000,000.
- (g) The VAT Expenditures increased by \$707,644 or 92% in 2015 compared to 2014. This was due to anticipated increase in expenditures.