

# **PUBLIC ACCOUNTS COMMITTEE**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**THURSDAY, 16TH NOVEMBER, 2017**



**VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON THURSDAY 16TH NOVEMBER, 2017 AT 9.42 A.M.**

**Submittee:**     **Ministry of Employment, Productivity and Industrial Relations**

**In Attendance**

- |    |                          |   |                                  |
|----|--------------------------|---|----------------------------------|
| 1. | Ms. Salaseini Daunabuna  | - | Permanent Secretary              |
| 2. | Mr. Tomasi Kama          | - | Director OHS                     |
| 3. | Ms. Louise Shackley      | - | Acting Manager Corporate Service |
| 4. | Mr. Apenisa Naceba       | - | Manager CRU                      |
| 5. | Mr. Viliame Nauludugua   | - | Senior Accounts Officer          |
| 6. | Mr. Setoki Mataitoga     | - | Senior Employment Officer        |
| 7. | Ms. Sainimili Mocevakaca | - | Senior Employment Officer        |

**Office of the Auditor-General**

- |    |                         |   |                   |
|----|-------------------------|---|-------------------|
| 1. | Mr. Kuruwara Tunisalevu | - | Director of Audit |
| 2. | Mr. Amit Pal            | - | A/Senior Auditor  |

**Ministry of Local Government, Housing and Environment**

- |    |                        |   |                         |
|----|------------------------|---|-------------------------|
| 1. | Mr. Alipate Mataivilia | - | Senior Accounts Officer |
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MR. CHAIRMAN.- Good morning everyone. Honourable Members, members of the public and the media, I welcome you all to this Committee this morning. A special welcome to the team from the Ministry of Employment, Productivity and Industrial Relations headed by the Permanent Secretary, Ms. Salaseini Daunabuna; the Director, Mr. Tomasi Kama; Ms. Louise Shackley; Mr. Apenisa Naceba; Mr. Viliame Nauludugua; Mr. Setoki Mataitoga and Ms. Sainimili Mocevakaca, the Senior Employment Officer. Thank you for your attendance this morning before this Committee.

As you know, this is a sitting of the Public Accounts Committee and we are doing an important task on behalf of Government and the Parliament of Fiji which is to scrutinise the Auditor-General's Report in terms of performance of respective Ministries and entities that are funded by the Government. For that purpose, we have been going through Volume 1 of the Audited Report on Performance Audit compiled by the Office of the Auditor-General.

I will introduce you to the Members of the Committee.

(Introduction of Members by Mr. Chairman)

We also have an overseas expert from Australia, Mr. Robert Oakshott. He is very happy today because the Australian Football Team has made it to the World Cup this morning. We have the Secretariat, Priya and Mateo.

We also have Officers from the OAG and Ministry of Economy (MOE) Special Audit. They will be assisting us through, so without taking further time, PS, we will now let you present your submissions

on the issues that had been raised by the OAG. As we go along and as questions arise we will be interrupting so that we can address all these issues as we go along. With that, thank you very much.

MS. S. DAUNABUNA.- Thank you very much, Mr. Chairman, for those introductory remarks as well as the introduction of our team. Without any further ado, to update the Chair and the Committee, we had already provided our written responses to the issues that were raised. Is it the protocol of the work of the Committee that you require us to through each of the submission?

MR. CHAIRMAN.- Yes, please. The way we do it is that, we go through each heading and the bulletpoint which is like key findings for a particular section and how is it referred to in your submission because questions might arise out of those explanations as well and we will ask those questions as we go along, for our information.

MS. S. DAUNABUNA.- In terms of the first question that was posed to us on the role and functions of the National Employment Centre (NEC), we have given our responses that primarily the work of the Centre is the provision of social justice to the unemployed. There are some programmes that we run within the Centre which helps you to be able gain those skills, skills that you would not ordinarily gain in terms of formal employment, and some of those skills are in terms of life skills training and employment skills training.

The primary objective of the NEC as it was established is, of course, employment creation. If we look at the figures for unemployment that were recently released by the Bureau of Statistics, those figures shows that, in fact, unemployment rate has decreased from the 2010 to 2011 Employment and Unemployment Survey and the figure now sits at 5.5 percent in terms of the unemployment rate, of course, youth unemployment is still high which is at 18.1 percent as of the recent reports by the Bureau of Statistics.

MR. CHAIRMAN.- When you say 5.5 percent, Madam, is that the 5.5 percent of the total population or 5.5 percent of employable population?

MS. S. DAUNABUNA.- As we understand it, it would be 5.5 percent in terms of the employable population but I stand to be corrected on that because that is the reading that we have in terms of the summaries that we got from the Bureau of Statistics.

MR. CHAIRMAN.- The second one, I understand that NEC is where people who are looking for employment can come and register and also employers can register their interest, so you can match them like a matchmaking kind of institution. You also train people in various areas. What sort of training activities do you take into account?

MS. S. DAUNABUNA.- Thank you for that question. You will see in Annexure 1.0 is the summary of trainings that we have provided since the establishment of the Centre in 2010 up to 2017, the current data. Some of the trainings we provide are:

- Professional counselling;
- Aptitude assessments;
- Life skills training;
- Employment skills training; and
- Pre-departure training for workers who have been able to secure employment overseas and we run pre-departure trainings;
- Post-arrival training whereby when they return to the country we also carry out this training so that, at least, we can get from them feedback on what they have been able to

- achieve whilst out of the country, what are some of the programmes they would want to do in terms of re-integration and the ground work that they would need to do when they return to their community. This is primarily for those whom we have sent on our seasonal work training, the idea is to come back and help build up their community.

MR. CHAIRMAN.- What sort of registrations do you have here, is it white collar, blue collar or brown collar professionals, semi-professionals, casual workers, who register with you?

MS. S. DAUNABUNA.- We do not have barriers to registration, it is open to any individual who is looking for work and above 15 years as the legal requirement and working age in the country as well.

MR. CHAIRMAN.- And there is no upper limit to the age?

MS. S. DAUNABUNA.- There is no upper limit. In fact, we have our Fiji Volunteer Service (FVS) too which we encourage retirees to register and we place them in the labour market, especially in the regional agreements that we have. On teachers, we have placed some retirees in the volunteer system and they have been serving the regional countries.

MR. CHAIRMAN.- Thank you.

HON. RATU N.T. LALABALAVU.- Just a question, Mr. Chairman; on registration Madam, if you look from 2010 to 2017 it is kind of fluctuating up and down. What would be some of the reasons for these fluctuations? From its inception, it went on a high and then it went right down.

MS. S. DAUNABUNA.- That information is captured in our annex in terms of the registration figures that we have from 2010 to 2017 and we recognised that. Yes, in some of the years there was quite a peak and in some of the subsequent years, there was not too many registrations that we have been able to capture. But some of these factors particularly in 2015, if you see, the number was quite high, sitting at about 10,000 registrations. One of those factors was because 2015 was when we started our seasonal workers programme so that was why there was quite an influx of registration and you only register once so which is why in 2016 to 2017, those are capturing new registrants, in fact.

MR. CHAIRMAN.- So, Madam PS, these are the new registrations or this are the total number of those registered?

MS. S. DAUNABUNA.- The total registered would be in the accumulative column at the end which is 55,000 but we can honestly reveal to this Committee that 55,000, actually we are currently working on cleaning up that figure...

MR. CHAIRMAN.- All right.

MS. S. DAUNABUNA.- ...because it is not an actual indication of the figures that should be in the database.

MR. CHAIRMAN.- Right.

MS. S. DAUNABUNA.- There has not been a clean-up of the data base and that is the work that a vendor is currently undertaking with us.

MR. CHAIRMAN.- When we say 2015, 10,124, is that 10,124 new registration for 2010?

MS. S. DAUNABUNA.- Yes, for 2010 alone.

MR. CHAIRMAN.- All right. So, there could be more people, in that and your total database could be higher but this is a new registration for that year?

MS. S. DAUNABUNA.- New registrations for that year, yes.

HON. A.M. RADRODRO.- A person who came in and registered in 2010 and comes back in 2017 to register, your system will be able to flag that, that person has registered twice.

MS. S. DAUNABUNA.- Yes, the system would be able to pick that up. That is what we have at the moment. The only thing we cannot pick up is whether you have been able to find permanent employment because we advised them that once you find permanent employment or you are absorbed into your current volunteer or attaché establishment, please advise us. But that feedback system is not something that is working effectively and hopefully, with the clean-up of the NEC database that is something that we can factor into that programme because it is important to be able to capture what are the true figures that we are dealing with.

MR. CHAIRMAN.- So that you will know that some people registered with you as now been employed somewhere.

MS. S. DAUNABUNA.- Yes.

MR. CHAIRMAN.- Perhaps, the Taxpayer Identification Number (TIN) can be used because as soon as they are employed they will be needing that. As soon as it is there on FRCA it should minus from your side.

MS. S. DAUNABUNA.- Yes, those are some of the things that we will be working on to improve, in fact.

MR. CHAIRMAN.- All right.

HON. A.M. RADRODRO.- On that, I noted that your table have MOU with employers. Will you be able to get those kind of information through that MOU?

MS. S. DAUNABUNA.- That could be one system and, in fact, that is what we encouraged them as well, to inform us if they are able to absorb the workers into the establishment. So, that is one system but I do not think it is enough. We need to have an actual robust system to capture because if we match that against the number of registrations, there is a big disparity.

HON. M.M.A. DEAN.- Of course, through you, Honourable Chairman, as per the audit findings, PS, I am rightfully informed you have mentioned that once the information about anyone registering goes in the database that is a one-time registration only but what we have observed from the audit report is that some of the registrations were done without authorisation. If I can draw your attention to 5.1.4 of the Performance Audit Report, there are number of issues that were highlighted and we did discuss this in our meeting prior to the submission.

MR. CHAIRMAN.- I think we will come to that as we go along.

HON. M.M.A DEAN.- All right.

MR. CHAIRMAN.- So, we will go from one end and then we will come to that.

MS. S. DAUNABUNA.- All right, sure but if it is not covered, I am happy to address that at the end.

MR. CHAIRMAN.- All right, no worries.

MS. S. DAUNABUNA.- So, just to continue on the role of the NEC.

You see that the intention was the creation of four employment creation services:

1. Formal Employment Service (FES),
2. Fiji Volunteer Service (FVS),
3. Self-Employment Service (SES); and
4. Foreign Employment Services (FES).

We have only been able to launch three of these services which is the:

1. Formal Employment;
2. Volunteer; and
3. Foreign Employment.

The SES is a matter that we are still trying to work out internally because in our submission we have captured that there is some, sort of, overlaps with work that is done by Ministry of Industry and Trade as well in terms of the grant programme. But from our end we are doing an analysis of how we can complement the programme rather than have one where there is, sort of, too many programmes going at the same time.

MR. CHAIRMAN.- So SES is almost like the Micro Enterprise Grant that Ministry of Trade is giving.

MS. S. DAUNABUNA.- Yes, once you graduate which is sort of the message that we have also been advocating, that you not only become a job seeker but you can also become a job creator. So that was the thinking behind the SES concept and that is still a programme that is there, captured in our Act and we are looking to see how we can actually complement existing programmes.

Right now from 2011, we have full operational staff and we are operating nationwide here in the Central/Eastern, Northern and Western, with seven offices altogether. As already mentioned, the work that we have done from 2010 has been captured in Appendix 1.0.

The other issue that was raised in terms of the regulations, those are supposed to go together with the National Employment Centre Act. There are seven regulations altogether and we acknowledge that there was a point where these regulations, there was not quite a lot of work done in terms of pushing through and publishing in the gazette these regulations. But five of these regulations have gone through the vetting process and we have set ourselves the timeline of 31<sup>st</sup> July for this two or all to be published because whilst it is being vetted, it would still need to go through the NEC Board, the Employment Relations Advisory Board and Cabinet before the Minister can actually publish the regulations.

MR. CHAIRMAN.- So, one thing I have noticed PS was that, the NEC was formulated in 2009, the regulations were reviewed in 2011 and this is 2017, so it is still not completed six years down the line?

MS. S. DAUNABUNA.- Yes, this is an issue that actually we have just recently picked up knowing that the would-be enabling regulations are still, sort of, at a stagnant stage, if I could put it that way but we understand and we acknowledge that it is such an important document because the NEC is operating. We have the Act in place but enabling regulations is very important to enable us to carry on with our work and that is why we have put ourselves a timeline so we can work backwards from the date that we set.

MR. CHAIRMAN.- Honourable Ratu Lalabalavu, do you have a question?

HON. RATU N. LALABALAVU.- Yes, Mr. Chairman.

Madam, you are charged with the responsibility of operations within the Ministry. The Government, in its vision, has been able to pass this Act, but these are to address the bread and butter issues of the people who are unemployed. These seven regulations as previously highlighted by Mr. Chairman, do you not think that, that should be your priority? We passed that in July and we still have two subsidiary legislations that are quite important which comes at your operational level. The delay is not on the Government, it is at the operational level. What do you have to say on that?

MS. S. DAUNABUNA. - Of course, that is an issue that we have identified, that the Regulation is supposed to assist us in terms of the work that we do. If there were barriers to the operations, some of the contributing factors would have been the Regulations. In fact, we had a National Employment Centre Board Meeting in August and this has been highlighted, that one of the key aims of the Board going into the next meeting is to actually pass these Regulations. That is why we have tried to set ourselves the timeline so that we can actually get this process going and we understand that it is a very important process for the work of the Centre. So it is going to be one of the priorities that we have set for ourselves, going into the next Board meeting.

MR. CHAIRMAN.- There is some explanation here that the way the Regulations were designed was to test the draft first on the ground because NEC started from ground zero in 2009. So the Regulations had to be tested and then finalised. I think that is....

MS. S. DAUNABUNA.- Yes, that was the thinking behind it as well, so that was why even though the Regulations was formulated and if I can just share, they are actually very complete document at the moment but(I think) the only issue that was to be addressed was, "Let us see how the NEC rolls out and whatever the teething issues or the main issues from the ground those are the issues we will capture in the Regulations." The regulation is, sort of, your operational guide.

MR. CHAIRMAN.- The tools.

MS. S. DAUNABUNA.- Yes, the tools, and we are at a stage where we can say; "Yes, we have seen how the Centre is running and these are the things that we will definitely have to capture and include in the document that is already there."

MR. CHAIRMAN.- I understand there is some form of a draft that is in operation at the moment. You are using something.

MS. S. DAUNABUNA.- We have the Act and what was drafted at that time was, sort of, the guidelines that the Ministry is using, but we acknowledge that whilst it is the guideline we use, it is more important that we actually publish it as a gazette so that it is formally there, that we can implement it.

MR. CHAIRMAN.- I understand the point.

MS. S. DAUNABUNA.- The issue was also raised regarding the NEC Board Meetings and since 2011, there have not been the required sittings that the Act mandates. When the NEC started it had limited budget and did not have the full staffing capacity that would be required for the Centre to be fully operational. That, of course, contributed to how the Board itself would be operated because the Secretariat would actually sit with the operational people in the NEC.

Due to those factors that was some of the contributing factors as to why the Board could sit as consistently as the Act mandates which is every six months, so twice in a year, but we have been able to pick up on that. We have a full staffing now of 37 and, of course, the Government has committed the budget for the Centre. This year, we have been able to hold two sittings as mandated in the Act. We had a sitting in February and just the recent sitting which was in August.

The Board is aware that there is a lot of work we need to do, especially the Regulations. We are also formulating for the first time Fiji's first National Employment Policy in the country. There has been a short turnaround time for the Board to have another sitting which we are probably looking at early next year.

MR. CHAIRMAN.- Do you have full complement of staff now?

MS. S. DAUNABUNA.- We have a full complement of staff, we have the full Board and the Board realises that there is a lot on the table that some are outstanding issues that would need to be addressed quickly, so we are looking to have an early Board sitting as earlier as next year.

MR. CHAIRMAN.- So taking, for example, your own Office here in Suva, what positions are there that are occupied at the moment and who are the people actually there?

MS. S. DAUNABUNA.- The NEC structure at the moment is headed by the Director. We have just advertised the post and we are looking to fill it in the coming weeks. Below the Director is Manager for NEC. Then we have our senior officers and the other operational staff, so it is the full complement of staff. The lowest structure exists in the districts which are the Employment Officers on the ground. So that is basically the tier that exists in the NEC at the moment.

HON. M.M.A. DEAN. - Madam PS, it is mentioned that volunteers are also engaged with the Centre?

MS. S. DAUNABUNA.- That is from the Audit Report itself, are you referring to the comments in the Audit Report?

HON. M.M.A. DEAN. - No. You mentioned about the staff composition and I believe here in your submission, it is mentioned that there are volunteers who are also engaged to assist in the rollout. So who are those volunteers and how does this work?

MS. S. DAUNABUNA.- I had already explained that when the Centre started, there were issues regarding the funding and in terms of staffing. So one of the concepts that was engaged at the time was to have the volunteers who came in as, sort of, Data Operators. They fill in the data for those who come in to register.

HON. M.M.A. DEAN. - (Inaudible)

MS. S. DAUNABUNA. - At the moment, no, because we have fully-fledged staff now as approved in the Budget.

MR. CHAIRMAN. - Honourable Lalabalavu, do you have a question?

HON. RATU N.T. LALABALAVU. - Yes, Honourable Chairman.

Madam, you are now talking about holding a Board meeting early next year but in the absence of all those Regulations, you still have two and the five are just vetted copies that you have been able to get hold of. Would you think that it is prudent that you get this first because otherwise the Board will not be able to be guided by the subsidiary legislation? How is it going to operate and all that, given the different tasks that you are having? Do not you think that it is proper that we get the regulations first, push a bit more?

MR. CHAIRMAN.- I think, Honourable Member, composition of the Board is from the Act itself. The Regulations need to go to the Board for approval. Is that what you are saying? Without the Board you cannot have the Regulations approved.

MS. S. DAUNABUNA.- Yes, it has to go through two Boards, the NEC Board and the Employments Relations Advisory Board because the Employment Relations Advisory Board is at a higher tier, of course, to Cabinet. We are looking at getting the Regulations into the earliest Board meeting which is probably in January or February next year, as soon as the year starts because there has to be six monthly meetings. So we have decided that we will have it as early in the period next year so that these Regulations that have been vetted will be able to go through that Board level.

MR. CHAIRMAN.- His question was, do not you think that it is appropriate to have the Regulations first before convening a Board meeting?

MS. S. DAUNABUNA.- We would not be able to just publish the Regulations without it going to the Board because it has to be approved by the Board, also approved by the Employment Relations Advisory Board and the Employment Relations Advisory Board have scheduled sitting in February. So, we have the NEC Board in January to approve it, and then the Employment Relations Advisory Board would have a look at that during their February sitting, and then we would have to table it to Cabinet before it is published. That is why we have set ourselves the timeline of 31st July, 2018 at the extreme end but, of course, we are working to have it as earlier as possible.

HON. RATU N.T. LALABALAVU.- I am still uncomfortable with that reply, Madam, especially when it has taken this long from the enactment of the Act till now for the full Board to go through all those Regulations. I feel that that is something that is part of your activities, to ensure that we get the Regulations as quickly as possible.

MS. S. DAUNABUNA.- I know the concern raised and I absolutely agree that, of course, it is the priority and that is why we have set ourselves the timeline, that is why we are working to get it into the earliest Board sitting that we can, which will be early next year because now we are in November and December, but we are working to get those Regulations into the Board sitting as early as January, if we can have that sitting.

We acknowledge that it is a priority because it is the enablers of the Act, the regulation is always the enabler and we acknowledge that. Now, we see that it is actually the piece of document that is very important for us to be able to carry on with our work.

There were some issues raised regarding the establishment of the....

HON. A.M. RADRODRO.- Mr. Chairman, just a further question to the PS regarding the objectives of the NEC; your primary objective is to push the employment creation and you have mentioned three employment creation services - the FES, FVC, FVS and FORES. With the absence of the Regulations, how do you create rules of engagement in all these employment creation services that you have mentioned here?

MS. S. DAUNABUNA.- Thank you for that, Sir. Whilst we are awaiting the formalisation of these Regulations, we did not want to hold up the actual workings of the NEC, seeing that it is an important exercise and it is an important arm that was created to boost employment. What the Ministry did was, create our internal systems and processes and these are ISO 90001 certified. That is sort of the idea also into what would work on the ground that we can capture in the Regulations as well, but we have all those systems and processes that were developed internally, to be able to help us to achieve the work that was set up for the Centre in the Act.

HON. A.M. RADRODRO.- For monitoring the conduct of these three employment Services, how do you keep track in monitoring these three Services? If they do not perform according to your expected standards or rules and legislations, how do you impose on these Services? Is there any sort of disciplinary services to the people who are involved or engaged in these respective Services? For instance, we hear about FORES and there was a ruling by the Honourable Minister on a particular village that they be not engaged in future. So, where does that ruling come from? Because there is no regulation, and how do you come about with that ruling?

MS. S. DAUNABUNA.- This is what I had explained earlier regarding our internal processes we have set ourselves out for and one of the mechanisms we have is the Certification to ISO.

At the moment, we have those Services as different arms of the NEC that actually compile and also provide their performance reports, as well as the updates through the NEC Unit and overall to the Ministry, and that is the compilation we also keep.

The ISO Certification is an external work, it is done by auditors who come in from overseas, and so that is another check and balance that we have put in whilst awaiting the formalisation of the Regulations as well.

MR. CHAIRMAN.- I note that there were seven Regulations established earlier, did those provide the workings of the NEC initially?

MS. S. DAUNABUNA.- Yes, initially.

MR. CHAIRMAN.- And then reviewed in 2011?

MS. S. DAUNABUNA.- Yes.

MR. CHAIRMAN.- Seven Regulations have been developed as required by the NEC Decree 2009 which was subsequently reviewed in 2011. Those provided your ground work?

MS. S. DAUNABUNA.- Yes, but recently that has been reviewed because as I had explained, the concept of the NEC and the work that was done has been evolving and those are some of the key learnings we have been able to get back from the ground and those are now incorporated into the Regulations. So we have something that is very comprehensive and complete, that we can now take it to the Board for endorsement.

MR. CHAIRMAN.- Approval. Thank you I understand that, we can move forward now.

HON. M.M.A. DEAN.- Just on the role and functions once again, a question out of interest; one of the key challenges is the creation of the FES. How would you rate the success of this scheme by NEC because I think formal employment is one of the major challenges in our nation? We have lots of graduates with Diplomas and Degrees. Would you have any information on that?

MR. CHAIRMAN.- It is a statistics question and if you do not have any statistical answers, you can probably provide us later.

MS. S. DAUNABUNA.- Sure, in terms of the work by the FES, we can certainly provide that later, but as a guide if you look at Annex 1.0 we have provided some statistics in terms of work attachments and that is what falls under FES. Those are some figures that we have been able to get from, if you looking at the establishment up to what we have to date, but I acknowledge the question that was raised because it brings us back to the concept that is in the Act where if you employ more than 50 workers, you should at least take on 5 percent on a volunteer basis.

Those were some of the workings that were inside the Act, it is sort of incorporated in to the Act, to help us to be able not only to register people but also move them into the labour market. We have done some informational sessions and that, of course, is one of the key work that we are also wanting to do once we are able to finalise the clean-up of the database and we have some true figures of the people who have registered and those who have been able to be employed where they have been attached or where they have worked as volunteers.

HON. A.M. RADRODRO.- When do you intend to have it in place, the reality on the ground?

MS. S. DAUNABUNA.- The work by the vendor has been done so we are now into the training stage, to be able to train our people to actually know what information is the right information that is supposed to be in there. I believe it is about two months' work that we have now neared the end, so we will have to do the training now for our staff and we are looking at as early as end of this year to be able to have a clean, accurate database.

HON. A.M. RADRODRO.- Can the OAG do a follow up audit on this performance audit and provide us with a correct figure as per advised?

MS. S. DAUNABUNA.- Yes, I think that would be very helpful for us as well. So, definitely we would welcome some of those aspects on Performance Management.

MR. CHAIRMAN.- Do you have air-condition repair officers in your Centre? Our air condition here is leaking.

MS. S. DAUNABUNA.- Let me look in my database, maybe I can find someone.

Sir, the issue also regarding the staffing of the NEC as endorsed by Cabinet and that there was a limited number of staff under the NEC. When the Centre was established, I already mentioned that there was no staffing that came with the establishment so the staff in the Ministry actually assisted.

MR. CHAIRMAN.- Madam, PS, have you missed Question No. 3 – the overlap in your Ministry?

MS. S. DAUNABUNA.- Yes, the establishment of the (SES) is awaiting the implementation of the Cabinet decision. I explained that there were some overlap in the programmes that the Government

is currently running, so the SES under the NEC, generally the Centre is looking at how it can complement existing programmes, instead of putting out a programme that is already being run and funded so that there is a proper utilisation of the resources too.

HON. RATU N.T. LALABALAVU.- Mr. Chairman, I seek some clarification from the PS on No. 3; you are awaiting the implementation of the Cabinet's decision since 2012, does it have to take that long?

MS. S. DAUNIBUNA.- This SES aspect is also covered in the Regulations that we had earlier mentioned. So that is part of the work that will go before the Board as well, the Regulations on SES.

As I mentioned, knowing that there are programmes already existing under Government with the Ministry of Industry and Trade on creating your own employment, we wanted to be sure that we offer a programme that is complementary rather than one that would actually flood the market too much in terms of the programme that is there and fully funded under a different Ministry. We are looking to get some meetings and some talks with the Ministry of Industry and Trade, on how we can actually assist in that process under the NEC.

MR. CHAIRMAN.- Yes, we can move to the next one, No. 4.

MS. S. DAUNIBUNA.- The required number of staffing for NEC has not eventuated and there is a limited staffing at the NEC.

When the Centre started there was no human resource capacity as well. That was one of the issues so the Ministry staff assisted in that process of rolling out the NEC. And finally in 2013, 16 established posts were approved and in fact, realising that now the work of the Centre is pivotal to employment creation in the country, in the budget that came out, we have now got a total of 37 people who are actually employed under NEC.

In terms of strategic partnership, the issue was raised that NEC has not been effective in engaging strategic partners. From 2015, those are some of the work that the Centre had undertaken in partnering up with organisations to be able to have some strategic value in the work. We had put some example there. The work that we are doing with the Police, Ministry of Foreign Affairs in terms of workers that we send overseas, some training institutions, the Ministry of Health, the International Labour Organisation (ILO), some countries in the region in terms of the volunteer teachers and also now, curriculum developers and nurses that we send to the region and some volunteer organisations as well, that we have been able to partner with.

MR. CHAIRMAN.- So some of the strategic partners are institutions, such as Ministry of Health, ILO, regional countries, et cetera, these are your strategic partners?

MS. S. DAUNABUNA.- Yes, in terms of development of the workers that we prepare them for the workforce, some of the trainings that are provided are provided by these institutions. So for us to be able to be formally get them into the training systems, these are some of the MOUs and some of the Agreements that we have entered into with these respective institutions.

MR. CHAIRMAN.- OAG, prior to 2014 when this audit was taken in December 2014, you had said NEC had not been effective in engaging strategic partners. Were there no strategic partners at that time before 2014 because the Ministry is saying that since 2015, they have engaged these ones? But your comment was, "not been effective in engaging." I understand there were no strategic partners before 2014?

AUDIT REP.- Mr. Chairman, I can come back to you on this, but we believe there were limited partners then.

MR. CHAIRMAN.- Yes, because the point you raised was that NEC had not been effective.

MR. T. TUNISALEVU.- Which part?

MR. CHAIRMAN.- If you look at the fifth bulletpoint on Executive Summary. This is just a general question whether there were partners and the Ministry was not effective, or NEC was not effective in engaging in partners, so what actually was the situation there?

MS. S. DAUNABUNA.- Mr. Chairman, if you also refer to the Table that we have provided - Annex 1.0, we have provided some data in 2014 regarding the MOUs with employers. So we might be able to also provide some follow up on general MOUs that were entered into in 2014 because the team is aware that even in 2014, we did some arrangements with the ILO and one of the programmes was the 'Cash for Work' programme, focusing on the rural community and resettlement of some of the communities. So those were some of the things that existed in that year, so we can provide some information on that.

MR. CHAIRMAN.- Yes, please, if you can provide some information because the audit was taken in 2014 so I understand that there was something that existed around 2014, it is just that it was not too formal.

MS. S. DAUNABUNA.- We can provide that follow up information.

MR. CHAIRMAN.- All right, we will appreciate that. Thank you, we can move to the next one.

MS. S. DAUNABUNA.- The application of section 44 is somewhat difficult. I already mentioned this issue. The Act stipulates where you are employing more than 50 workers, then your ratio of attachés or volunteers should be, at least, 5 percent of the total number of workers. That was a concept that was incorporated to be able to ensure that those who are registered can actually be placed in the job market.

We have done some information and awareness sessions regarding this provision, to be able to advise employers that this is a provision that exists and from our end, our interest is that it actually gets implemented on the ground. And, of course, once we are able to have the clean database, this is one of the figures that we would be able to capture as well, whether this is a clause that is working practically on the ground, in terms of intake of volunteers/attachés, so it is set at a five percent rate.

We had also put out advertisements in the papers highlighting the importance of this section. But of course, at the end of the day, it is also an employer-driven market and we understand that but where we can we try to advocate this clause and the intake of the attachés/volunteers that they have registered with the Centre.

MR. CHAIRMAN.- So what is this is "Big Stick" approach that you are talking about here in your submission? There is a mention of a big stick approach, the heavy handedness by the employer?

MS. S. DAUNABUNA.- You practically see it. This was the concept that had existed (I think) even before the current Employment Relations Act. It is the mentality that existed at that time where, if you are not around, we will not do anything but if we come after you with a big stick then you will start jumping and do something about it." But that concept has changed because now we are working to

foster good faith employment relations amongst tripartite partners, amongst Government, amongst the employers and the workers. So it is the shift in culture that is something that we are working to advocate and promote amongst the stakeholders in the industry.

MR. CHAIRMAN.- It is something like what the Minister for Employment, Productivity and Employment Relations was presenting the other day in Parliament about absenteeism and presenteeism - people are either not at work or they are at work but their mind is elsewhere.

MS. S. DAUNABUNA.- And absenteeism, of course, is another factor to deal with, and presenteeism which is a new concept - you can be there but you are not really at work.

MR. CHAIRMAN.- Yes, the body is here but the soul is somewhere else.

MS. S. DAUNABUNA.- Yes, absolutely. So it is a shift in culture that is the other challenge.

(Inaudible)

MR. CHAIRMAN.- Yes, it is called wi-fi.

NEC has got training in this area as well, in terms of fostering a two-way approach, employer-employee, that the employer does his best, the employee also does his best, to increase productivity?

MS. S. DAUNABUNA.- Yes, Sir. Of course, we try as best we can to do a wholesome training where we not only do training for the workers but also for the employers. Besides, trainings that are done by the NEC, the Ministry generally also does training on the Employment Relations Act. So we have our trainers in-house, employers write in and ask for these trainings, so those are some of the other things that we also provide in the market.

Is that leading to the next question, the training package for competency? There is a training package for competency based on value-based skill, it is not broken down into modules.

HON. A.M. RADRODRO.- Mr. Chairman just a question to the Permanent Secretary (PS) regarding this practical application of section 44. I note that the comment is including “big-stick approaches” and the reality of changes. Maybe, you can advise the Committee on the challenges that NEC currently faces in terms of the application of this section rather than trying to use the big-stick approach and this other thing that you mentioned.

MS. S. DAUNABUNA.- Yes, of course, absolutely, we can provide that information and that is what we are also looking forward to seeing from the clean-up of this database, the true figures that will throw up. But we can provide the challenges that we face regarding section 44 and some of the measures that we have been using, or some of the other intended programmes that we will be looking to run to see that this is effectively done because it is in the Act, it is just a measure of getting the right programme so that this actually becomes a true reality and not just something that is ....

HON. A.M. RADRODRO.- So NEC has the responsibility of the Act, but what about the employers in which this Act is applicable to, if they do not comply with this section of the Act, how do you deal with them?

MS. S. DAUNABUNA.- When the Act was formulated, it just gives the general provision that this is the requirement - if you are employing more than 50 workers, then at least have 5 percent of your workforce as attachés or volunteers.

HON. A.M. RADRODRO.- Can you just clarify; the Act was only for Government Departments or for all across the board of employment?

MS. S. DAUNABUNA.- The Act is generally applicable to all but where we can we advocate the 5 percent ratio. And it does not have a follow-up section, so this is where maybe the other issues coming in of the practice on the ground and then whatever the issues, they can be captured in the Regulations. So this might be something that we will look to see if we can capture also in our Regulations.

HON. A.M. RADRODRO.- This is also the arrangement on the application where NEC and the employer pays a certain amount, so would financial resources also be a limiting factor for NEC to fully apply this?

MS. S. DAUNABUNA.- From the NEC side, it is not the finance, it might be from the employers' perspective because they have to pay the allowance, it is a 50/50 shared ratio, that is how it is being run but the funding is with the NEC. But, we can, of course, only use that funding if there is also willingness from the employer to take on these attachés.

HON. A.M. RADRODRO.- (Inaudible)...from both ends?

MS. S. DAUNABUNA.- No, the Fiji National Provident Fund (FNPF) is not covered in that component because we strictly apply of "what is a worker" under the Act as well.

In terms of the training package for competency-based and value-based skills, it is not broken down into modules to adequately cover ISO9001 to ISO2600. We have put the comment there that, "This is a work we are currently doing with the Fiji High Education Commission (FHEC)" because whilst we have a training package, but we recognise that there may be some issues that we need to tidy up on, and that is the work that the FHEC is helping us with in terms of our training package. And the work of NEC is, of course, I had already mentioned, ISO certified.

MR. CHAIRMAN.- Can you elaborate a little more on this ISO9001 and ISO 2600, what are those?

MS. S. DAUNABUNA.- The Quality Management Systems.

Sir, the ISO Standards here are on social responsibility and documentation. At the moment, seven of the 11 Units in the Ministry are ISO certified. We realise that generally, paper trail and getting all your documents in order is always an issue in any organisation, so to help us to capture that while also having a set standard within the organisation, the Ministry applied for and is now running under the ISO system.

In terms of identification cards not issued to unemployed persons, there was the issue of budget limitations when the Centre first started. We realise that now it is a few years that the Centre has been running and we are grateful that this is an issue that has been brought up because this is definitely one of the mechanisms we can discuss and see how we can apply it internally.

What we have at the moment is, we issue the letters, but letters can get damaged in one of many ways and definitely one of the mechanisms that exists now is just the issuing of the identification cards. So that is an option that we will definitely take up internally.

MR. CHAIRMAN.- I was having a read of the ISO2600, so that is a social responsibility, that is probably captured in your section 44 - employers responsibility, 50 employees then they must have at least 5 percent of that as volunteers.

MS. S. DAUNABUNA.- Attachés or volunteers.

MR. CHAIRMAN.- So that is the relation?

MS. DAUNABUNA.- Yes, that is the link at the moment.

MR. CHAIRMAN.- You can go to the next one, yes.

MS. S. DAUNABUNA.- No evidence existed to indicate that a criterion is in place governing engagement of consultants providing professional counselling services; we have provided information that there actually is no framework but that is what we are working on, together with our training packages. Also this framework is the work being done with the FHEC on the content of professional counselling, as well the aptitude test.

We recognise that counselling services are an important aspect in terms of getting workers ready and it needs to be done by professionals. So we have also ventured into an agreement with the University of the South Pacific (USP) in terms of provision of some counselling services for our workers.

The NEC Database has limited ability to generate some essential and required reports; we acknowledge that because that is why we have done this revamp of this database. The idea is to enable us to get accurate and correct reports, and also to help us formulate appropriate policies within the Ministry, in line with the report that is generated.

NEC was not able to meet their 2012 awareness target and conduct awareness for tertiary institutions; this goes back to the explanation on the limited budget and the human resource capacity we had at that time. But, of course, that has changed because we now have the budget for the Centre, as well as the staffing of 37 that we had already mentioned, and the table that is attached has the full breakdown of all the trainings and counselling sessions that had been provided by the Centre.

MR. CHAIRMAN.- The training mentioned here, the post-arrival training and the pre-departure training, are they part of it?

MS. S. DAUNABUNA.- Pre-departure training and post-arrival training, professional counselling, aptitude assessment, life-skills training, employment skills training. For pre-departure and pre-arrival, these are new trainings because of the seasonal work and those were designed, of course, to be able to reintegrate into the community once they return.

The Centre has not been able to conduct the Life-Skills Training (LST) regularly throughout all the centres and also the issue is the unavailability of suitable venues which was a hindrance. The same explanation was provided earlier on the budgeting and manpower but this is something that we have been able to address and it is captured in the table also.

MR. CHAIRMAN.- What is LST captured in Table 1.0?

MS. S. DAUNABUNA.- Is the question on what is the component of LST?

MR. CHAIRMAN.- Yes.

MS. S. DAUNABUNA.- Can I get my officer to answer that?

MR. CHAIRMAN.- Yes, anyone who is in that area can answer.

MS. S. MOCEVAKACA.- Thank you, Sir. The LST package is the value-based training consisting of the 11 Units or Sections which covers OHS, HIV and AIDS and Sexual Reproduction, for the workers to know. It covers everything about employment relationship, of how the individual or workers when they enter into a workforce, they will be able to know what is expected. So basically that is all about LST.

MR. CHAIRMAN.- So you train an employee and when they go to a workplace, what is expected of them?

MS. S. MOCEVAKACA.- Yes, Sir.

MR. CHAIRMAN.- How can they treat their fellow workers, how they are supposed to treat their employers, et cetera?

MS. S. MOCEVAKACA.- Yes, Sir, including budgeting.

MR. CHAIRMAN.- And how to take care of ...

MS. S. MOCEVAKACA.- Finances.

MR. CHAIRMAN.- And the equipment provided to them. For example, we hear from a lot of employers that employees actually tamper with equipment, so is that part of the training as well not to interfere with the property or not damage the property of the employer?

MS. S. MOCEVAKACA.- Yes, Sir. I think they are all included in the LST.

MR. CHAIRMAN.- It will come in the LST?

MS. S. MOCEVAKACA.- Yes, Sir. We can provide a copy to the Committee.

MR. CHAIRMAN.- Yes, if you can, it is an interesting document.

MS. S. MOCEVAKACA.- Sir, may I also note that it is written in the Report - 5.5.6, Page 34 in the OAG's Report.

MS. S. DAUNABUNA.- So the current system of identifying suitable employment skills training is not effective as there is still more NEC clients being absorbed into the permanent workforce.

Sir, we had linked this back to our explanation in Issue 3 – SES. Whilst we had linked that to Issue 3, I think the more relevant response is that, once we have the clean database then we will be able to see what we are working with and be able to identify that this is an issue that has come up. But, of course, since the report came out there have been a lot of revision of internal programmes and processes. We have seen which are the most relevant trainings we needed to provide and that is how we have been able to move forward. Also that is what is captured in the table that we have provided - what is the most relevant training that we need to provide to those who had registered with us.

MR. CHAIRMAN.- Just a follow-up question on that; we usually hear from the public on our tours and sometimes they complain to us that they have registered with the NEC but they have not had a feedback on whether they have been employed or whether there has been an interest in their skills. Is there any regular way of updating a person whom you had registered and had been trying to find work for you but unfortunately has not found anything yet, something along that line?

MS. S. DAUNABUNA.- We had also been dealing with that issue in terms of giving the feedback to the workers. What we had was everyone registering on the database and there was no other mechanism to be able to work out who has been employed or whether you will be able to adequately provide feedback to those who had been registered. So that is the system that we have now got where you have to actually update the clients as well, but the actual people and the exact number of those we have to deal with will come out once we clean the database. The feedback is important, in fact, it is one of the mechanisms in ISO as well. We have to provide regular updates to your clients as well, so that is all part of the culture shift as well within the Centre.

MR. CHAIRMAN.- One thing commendable about you, PS, is that you have been very prompt in response whenever I have raised an issue, within there were two you have responded.

MS. S. DAUNABUNA.- That is to advocate ISO.

MR. CHAIRMAN.- So probably that culture can be transferred back to NEC.

MS. S. DAUNABUNA.- Yes, definitely.

The Centre has not prepared quarterly or biannual Performance Report as required under the given legislation; we had explained that the Centre actually provides reports to the NEC Board.

In terms of generation of reports, that will be captured once we are able to finish the clean-up of the database and we can generate relevant reports for policy implementation. But the reports have been provided and they have been provided as one document to the Board in terms of the Annual Reports and the functioning of the Centre.

MR. CHAIRMAN.- Do you do Annual Reports for NEC?

MS. S. DAUNABUNA.- We also compile the Annual Report for the Centre, and that forms part of the Board papers as well because the Board needs to be advised on the updates from the functioning of the Centre.

MR. CHAIRMAN.- Has any been tabled in Parliament, Honourable Members? I think we have seen one National Employment Centre (NEC) Annual Report.

MS. S. DAUNABUNA.- Yes, there are actually captured within the actual Ministry Annual Report.

MR. CHAIRMAN.- Ministry's Annual Report?

MS. S. DAUNABUNA.- Yes.

MR. CHAIRMAN.- All right, yes. I was fully aware, I saw it.

MS. S DAUNABUNA.- Because the Centre is the Unit of the Ministry still at the moment, so the report goes through the Board and then finally it is compiled as one and the whole documentation is what we have submitted through to Cabinet and now to Parliament.

HON. RATU N.T. LALABALAVU.- Honourable Chairperson, Madam, as highlighted by the Auditor-General here that under the Act, you should be providing an Annual Report for NEC. Do you not think it is prudent to go along that line rather than having it consolidated with the big Ministry's Annual Report?

MS. S. DAUNABUNA.- When the Act was formulated, of course, the idea was that the Centre would run on its own which was why the provision was there that the report would go directly to Parliament. But at the moment, the Centre is actually sitting as part of the Ministry's still, which is why their report is captured as part of our Ministry's Annual Report.

HON. RATU N.T. LALABALAVU.- I want to raise here, Mr. Chairman, that you as PS, Madam, do you not think that you have to abide by what is there in the Act or you being the Head of the whole Ministry, you find it relevant just to have it under the Ministry's Annual Report? This is a requirement under the Act.

MR. CHAIRMAN.- PS, you saying that it was intended to have a separate Unit on its own, like FNPF or FDB, but it has not happened it is still under the Ministry?

MS. S. DAUNABUNA.- Yes.

MR. CHAIRMAN.- All right. I understand that, but the Honourable Member's question was, why was it not been a separate entity and to have a separate report altogether. I have seen the report somewhere in the Employment Relations ....

MS. S. DAUNABUNA.- It is in our Ministry's Annual Report.

The idea that it would be a standalone entity, that is not something that has happened yet, which is why the report is still coming under the Ministry. We recognise that the Act gives that provision, that the Centre tables the report to Parliament and at the moment, because that has not happened that is also going to be something that can be discussed at the Board level whether the Act should stay as it is or there should be some amendment to cater for how we are operating currently on the ground. Whilst that was the idea at that time but it is not practically what has been happening from when the Centre was first opened, and it is still under the Ministry.

HON. RATU N.T. LALABALAVU.- Madam, why are you using the words, 'can be addressed' when it is supposed to be addressed as such?

MS. S. DAUNABUNA.- It just to give some leeway but it is a matter that we will be able to bring up at the Board level in terms of these Annual Reports and as a Board mandated under the Act, it can make the relevant decision of whether there is a need to change that provision.

Audit was not able to ascertain whether the reports from the two agencies providing services not managed by NEC were prepared and submitted quarterly, biannually and annually by the responsible agencies; we had explained the two reports were submitted by both the agencies upon completion of the activities. The Fiji National University (FNU) provides individual reports on each client, as well as the provision of counselling services report. We have the copy of the report which can be provided to the Committee.

MR. CHAIRMAN.- Yes, if you have a copy, then we can be provided.

MS. S. DAUNABUNA.- We have the copies and we can provide that to the secretariat.

MR. CHAIRMAN.- All right, no worries.

MS. S. DAUNABUNA.- Review of the NEC Board Papers prepared for the Board's recent meeting found errors in the performance update of certain activities of the NEC; if this was a factor that existed at that time, we have, of course, vetting mechanisms now within the Ministry where the Board papers that are prepared have oversight mechanisms by their team leaders, the manager of the Centre and also the Deputy Secretary of the Ministry before it comes through to my table and finally to the Board. So, we have oversight mechanisms now in the Ministry to be able to identify whether there are any errors in the Board papers before it actually goes to the Board.

MR. CHAIRMAN.- The finding was that, there was an absence of a director and as a result, the NEC Board papers were vetted by the team leaders before being submitted to the DS.

MS. S. DAUNABUNA.- Yes.

MR. CHAIRMAN.- So, the issue there was the actions of the Director but you now have a Director appointed?

MS. S. DAUNABUNA.- I had explained we have advertised the post and we will be doing interviews in the coming weeks before we make an appointment. That is the head of the centre at the moment and the Director. We only have a manager, team leaders and the staffing but we are looking to fill that post in the coming weeks.

MR. CHAIRMAN.- Who checks the Board papers currently?

MS. S. DAUNABUNA.- I am sorry.

MR. CHAIRMAN.- Who check the Board papers now currently in the absence of the director, same people?

MS. S. DAUNABUNA.- In the absence of the Director, it will go through their team leaders, the Manager, the Deputy Secretary, before it comes to me. If it is all in order, then that is when we take it to the Board.

MR. CHAIRMAN.- OAG, your comment was that the review of the NEC Board papers prepared for the Board's recent meeting found errors in the performance update of certain activities. Those errors arose from the absence of a Director per se or the people who are checking it in 2014, like the team leaders and managers, and they did not pick it up? What was the reason?

Had a Director been there, would those errors arise? This is a hypothetical question whether there seems to be a link that the absence for a Director had caused those errors, is that what you are trying to say?

AUDIT REP.- Honourable Chair, can we come back on this?

MR. CHAIRMAN.- What is the procedure generally across its entities like the NEC when the comment is review of the NEC Board papers prepared for the Board recent meetings found errors in the

performance update of certain activities of NEC. So, where does the ultimate responsibility lie or where did it lie in those days on the correctness of the Board papers, was it the Director? There was no Director so the Manager and the team leaders were looking after it. Please, let us know where does the ultimate responsibility lie?

MS. S. DAUNABUNA.- Mr. Chairman, the explanation will come through the secretariat as well, so that we are clear as well in terms of the explanation, would it come to us through the secretariat?

MR. CHAIRMAN.- Yes, when it is given to us, we will forward it to you that this is what has come to us for your explanation because this is an important area. The Board members who do not oversee daily operations of an entity, they only rely on the Board papers to see how it is functioning. So, if are errors there, they will not be able to make a conclusion. That is an important area.

Therefore, when we hear from the OAG, we will ask the question back to you of the resulting errors at that time. Now, we still understand there is no Director there, there might be similar issues arising currently. The Director, I understand is at the top of that pyramid, to see that all the arms are working fine, then you come on top of that.

HON. A.M. RADRODRO.- (Inaudible)...OAG to give us an explanation?

MR. CHAIRMAN.- OAG is going to come back to us. The question to OAG was, is there any comment that there was errors in the Board papers in the recent meeting, so where does the ultimately responsibility lie? Then that question goes back, they will come and tell us.

I understand it is the Director, but they are not sure. They will come back to us and report it back to the PS of how those errors did occur in those Board papers. I do not know what the errors were but the Board can then make incorrect decisions based on incorrect papers. That was my understanding of that.

MS. S. DAUNABUNA.- Apart from NEC, the other Employment Creation Services did not submit their annual report to the NEC secretariat, that will enable them to integrate it as an integrated report of all the employment creation services; whilst we have given that response in terms of the implementation of the decision, currently the different arms that are operating under the NEC do submit their reports and those are consolidated as one report of the NEC. That is what is happening at the moment.

It may not have been the practice as identified by the Audit Report in 2014 but that is what is now in place and that, of course, is important because it links up with the requirements that we have aligned ourselves to under ISO, which is also regular reporting.

MR. CHAIRMAN.- So, apart from NEC, what are the other ECS agencies?

MS. S. DAUNABUNA.- Well, the broad framework is NEC, ECS is the employment creation services that we mentioned which is the FES, FVS, SES and FORES.

MR. CHAIRMAN.- All those four.

MS. S. DAUNABUNA.- Yes,

MR. CHAIRMAN.- All right.

HON. A.M. RADRODRO.- Just a question regarding this ECS, can you just advise the Committee on the working of those Services? Do they have to charge levy? Do they have to collect receipts from individuals who enrol in their respective Services? How does each Department charge their levy? What is it based on?

MS. S. DAUNABUNA.- In terms of the individual explanation, Mr. Chairman, with your permission, if I can get my staff to explain because they do the operational work.

MR. CHAIRMAN.- Yes.

MS. S. MOCEVAKACA.- Thank you, Mr. Chairman. In regards to the relevant costing for each ECS, was that your question?

HON. A.M. RADRODRO.- For each individual ECS, how does it operate?

MS. S. MOCEVAKACA.- Thank you, Sir. Apart from the budget that is given by Government, in the Regulation there are set of fees which is stipulated in the NEC admin regulations. So, those fees we are yet to implement them to our clients. Registration is free of charge and the services is provided to them free at the moment, until we have those Regulations implemented. The volunteers do not have to repay anything back to the Government. It is their services to the community.

MR. CHAIRMAN.- The people who register, the job seekers who register with your NEC, they do not pay any fees?

MS. S. MOCEVAKACA.- Not at this time, Sir.

MR. CHAIRMAN.- And the employers who do a search with your registry to find out if there are suitable employees, they also do not pay any fees?

MS. S. MOCEVAKACA.- No, Sir.

MR. CHAIRMAN.- That is a free service provided by the Government.

MS. S. MOCEVAKACA.- Yes, Sir.

MR. CHAIRMAN.- All right.

MS. S. MOCEVAKACA.- Sir, the Act does not stipulate any fees but just to help with the running of the Centre we have stipulated some fees as a guideline but we have not implemented that at the moment.

MR. CHAIRMAN.- It will be a bit tough to ask those job seekers for a fee.

MS. S. DAUNABUNA.- Yes, because they will be looking for work and the last thing they need is to pay some fees as well.

MR. CHAIRMAN.- Exactly, it will discourage them from coming in to register with you because job seekers usually do not have money anyway. I mean, usually most of them.

HON. A.M. RADRODRO.- Does NEC assist those who are interested to work overseas, say for a villager who does not have a passport and things like that, a first timer?

MR. S. MOCEVAKACA.- Thank you, Sir. They only have to pay for their passport. The Ministry provides the services to the community. They go to each settlement, communities and provide the services free of charge, but the passport they will need to pay for themselves.

Apart from that, the airfares and the visas are paid by the employer and once they arrive into that country, then they will repay back that amount to them and that is in the contract. So, they have to agree on that before they sign the contract and that was explained by our Labour Compliance Services.

MR. CHAIRMAN.- Thank you. It is 11 o'clock so let us have a short tea break to give the PS and Honourable Members a bit of rest. So, we will resume at 11.20 a.m. with the remaining issues.

Thank you very much, Honourable Members.

MS. S. MATAITOGA.- Yes, thank you.

MR. CHAIRMAN.- Team from the Ministry of Employment, you are invited to have tea with us.

The Committee adjourned at 11.01 a.m.

The Committee resumed at 11.41 a.m.

MR. CHAIRMAN.- Thank you Honourable Members. Let us start the second part of this segment. I think we were on No. 5, so let us continue from where we left off.

MS. S. DAUNABUNA.- Thank you, Mr. Chairman. The mechanisms in place to monitor absorption of clients into permanent employment is not quite effective; our response is linked to the explanation provided earlier that we did identify, that the database was not producing the results that we had anticipated that it would produce, plus the reports, which is why we are in the process of that clean-up exercise. That exercise, we had already mentioned, we are actually doing the finalisation stage now with the training to be conducted in the coming weeks.

In terms of overall, the comment was; in view of the limited funding and staffing, the Audit acknowledges the great work done by the Ministry so far, on the establishment and operations of NEC. The NEC Board has also played a critical role over the years on the establishment and implementation of NEC. Cabinet's commitment on the programme is also evident through the endorsement of Cabinet Papers on the NEC submitted by the Ministry. However, the success and sustainability of the programme is heavily reliant on the finalisation of the draft Regulations and the co-operation and commitment of other agencies that are part of the initiative.

In the responses that we have given, we acknowledge that, that is a very important piece of work that we have to now actually implement on the ground as well and we have covered that in the responses we have given earlier.

In addition to that, whilst we have not been able to actually get the Regulations going on the ground, we have got our systems and processes that we have formulated. To ensure that they are internationally benchmarked, the processes are certified to ISO 9001. That is to also ensure that we have good governance practices within the Centre, and we are able to give good customer feedback and improve on our quality service delivery.

MR. CHAIRMAN.- So, Madam PS, I understand from your notes that the NEC Certified ISO 9001 in July 2016, this issue was picked up by the OAG in 2014 and the establishment of NEC was from 2009. Why did it take until July 2016 to have it certified?

MS. S. DAUNABUNA.- Thank you for that. Of course, when we started the NEC, we recognise that it may not have been a perfect system that we put in place but as the years progressed, then we noticed that we have to have some mechanisms that was standardised and of international backing as well. The Ministry as a whole had to do certification to ISO in steps, we could not implement it across the board at the whole Ministry level, which is why the NEC was only certified in 2016 because you have to get your mechanism in place.

During the first certification, we started with one or two Units and then slowly we expanded until currently we have seven Units certified and we are working to certify the rest of the Units. It is not a system that you implement across the board as soon as you sign up, it is done in stages but you also have to get your internal workings in order before certification can be done.

MR. CHAIRMAN. - Are you aware of any other Ministries or Departments that have also strived towards having themselves certified at ISO 9001 level?

MS. S. DAUNABUNA. - To my knowledge, I am not aware but, Sir, we have been advocating this in forums that we participate in because it is a practice that has worked for us. So, we know there are opportunities for other organisations to also follow suit.

MR. CHAIRMAN.- OAG, are you aware of other Ministries and Departments who are complying because I understand that this is an important area?

AUDIT REP.- Honourable Chairman, no, mainly because there was a Service Excellence Framework that was in place. I think a lot of Ministries were along that line.

MR. CHAIRMAN. - What other Ministries were?

AUDIT REP. - The Service Excellence Framework.

MR. CHAIRMAN. - All right.

AUDIT REP. - So this ISO certification is similar.

MR. CHAIRMAN. - On service delivery?

AUDIT REP. - Service delivery, Quality Management System and Excellence.

MR. CHAIRMAN. - All right.

AUDIT REP. - So that framework, the Ministry did not venture into this.

MR. CHAIRMAN. - All right, because I noticed that NEC has been striving towards implementing it and they have done that eventually, but service delivery, it is something that should be uniform, is not it? It is probably a policy decision but I am just wondering whether it has been implemented elsewhere.

MS. S. DAUNABUNA. - Not that I am aware of.

HON. M.M.A. DEAN.- No, but I think that before the certification is given, they do assess the services nonetheless, because it is an international certification. You have independent auditors who come and assess the service delivery of the organisation, its operations and then they give the certification. I think that is a good sign.

MS. S. DAUNABUNA.- Yes, for the Ministry, the certification is issued by the Malaysian auditors. They actually come into the Ministry and do all the auditing as well before they give us the report and the re-certification. So it is an annual certification that we have to keep up with, just to make sure that the standard is maintained as well.

MR. CHAIRMAN. - You can drop out of it if you do not maintain the standard?

MS. S. DAUNABUNA. - Yes, you lose your certification if you are not able to maintain the standard, so it is an international standard but it also helps you too. It is a check and balance process as well.

MR. CHAIRMAN. - All right. It is a good thing that NEC has complied with it. I was just asking whether other Departments are striving towards it or not.

MS. S. DAUNABUNA. - That would be a good thing to find out but in terms of the Centre, because of this requirement to make sure that it actually works effectively, the Act actually stipulates that they have to be aligned to the ISO Standards. The Act has locked that in.

MR. CHAIRMAN. - All right.

MS. S. DAUNABUNA. - Yes, so it is a legal requirement under the Act, in fact.

MR. CHAIRMAN. – Probably, all the Municipalities should start using that ISO 9001, a lot of our problems will be solved. Let us move to the next one.

MS. S. DAUNABUNA. - Generally the comment is that, the Ministry of Labour should continue to follow up with the various agencies, to ensure the full implementation of the Cabinet decision and requirements of the NEC Act and now called the NEC Act, in respect to its setup and the operations.

Overall the issues that have been raised, we have been able to address some of those and where we are still working to address the issues, we have highlighted those in detail in our submissions. We will provide the follow up responses that we have indicated, that we will do the follow up provision to the Secretariat. But this has been a good opportunity for us because we can, sort of, in hindsight look back and see how the NEC has fared so far, and we know there are still a lot of work that we need to do and that is something that we are working towards, and the revamp of the database is an exercise that will actually help us achieve some of the objectives that was set up for the Centre when it was first initiated. Thank you.

MR. CHAIRMAN.- Thank you for that, Madam PS. In fact, it is a learning experience for all of us. We know how the NEC works and probably you could also get some assistance or some ideas from the Committee on areas we have found where this can improved in other Ministries and then float the ideas to you.

HON. RATU N.T. LALABALAVU.- Mr. Chairman, and to use your words, it is a great learning experience for us. Madam PS, can you explain to the Committee as to how many gazetted Regulations do you have right now at the NEC?

MS. S. DAUNABUNA.- Under the National Employment Centre Act, we have not published in the gazette the Regulations but we have the amendment to the Act which was done early this year.

HON. RATU N.T. LALABALAVU.- As Mr. Chairman has stated, it is a great learning experience for the Committee so without Regulations, you have been moving on, getting this ISO Standard, et cetera. I find that very peculiar that you are able to continue that way without any gazetted Regulations.

MS. S. DAUNABUNA.- In terms of that issue, because the Act is in place and it mandates this ISO requirements so the Regulations being the enabler, will give the actual particulars but the overriding legislation which is the Act is in force and that is where the requirement on ISO is derived from as well, which is what we are operating on the systems and processes.

HON. RATU N.T. LALABALAVU.- Mr. Chairman, with the amendment of the NEC Act, especially the amendment of section 18, Madam PS, has that not changed the core functions of NEC, given the attachment that you have here on page 10 on the areas and functions that you have been

carrying out? And the issue that I would like to raise there, is that happening outside the ambit of this particular amendment?

MS. S. DAUNABUNA.- Mr. Chairman, I am not too sure what that question being raised is, so is the question in relation to the amendment to section 18(1)(g).

HON. RATU N.T. LALABALAVU.- Yes.

MS. S. DAUNABUNA.- I do not really understand the issue that is raised at the moment.

HON. RATU N.T. LALABALAVU.- Perhaps, if I may explain a bit more on that Mr. Chairman. With reference to the findings of the OAG's Report, in your response you have indicated there the core function under NEC that you are supposed to be carrying out is to consolidate all employment creation agencies, the onestop quality service for unemployed persons. Now, looking at the amendment in section 18(1)(g).

MS. S. DAUNABUNA.- Mr. Chairman, if I could just explain a bit about the amendment, the National Employment Centre (Amendment) Act that was done earlier this year, was done to facilitate the administrative issues that we were facing on the ground and also to incorporate any future work that the Centre was currently undertaking and one of them is the formulation of this National Employment Policy.

The amendment under section 18(1)(g) does not change the provision, it only includes the fact that one of the other work is the creation of the National Employment Policy which is the work that is currently being done by the NEC and the Board. So, it does not change the intention of the Act and what the Board can or cannot do.

The Board's authority on that still remains, except that they now also have that mandate to also formulate Fiji's National Employment Policy, and that is a requirement because we are a signatory under ILO to the Employment Policy Convention. So, those are one of the key things that we are working with ILO to implement in Fiji, and it would be Fiji's first NEP.

HON. RATU N.T. LALABALAVU.- Thank you.

MR. CHAIRMAN.- Thank you, Madam PS. Any other question, Honourable Members, arising from those or going on to the next part?

Since there are no questions, we will move on to the National Employment Centre Trust Fund. It is not an Audit issue but let me take you, Madam PS, to 5.9 – National Employment Centre Trust Fund.

There is no adverse finding on that by the Auditor-General but it is just for information purposes. From the reading of the audit, we understand that the Trust Fund was formed to accept monies from there which include Government Grants or any donations, et cetera, and that same Fund will be used to pay out for operations, I understand. Can you explain what is that trust fund for, is it for general operations or is it for a specific purpose?

MS. S. DAUNABUNA.- Mr. Chairman, if I can get our Senior Accounts Officer to address the issue.

MR. CHAIRMAN.- Yes, please.

MR. V. NAULUDUGUA.- Thank you, Sir. The money in the Trust Fund shall be used for any purposes for the creation of employment in the country.

MR. CHAIRMAN.- The creation of employment.

MR. V. NAULUDUGUA.- Yes. For any service done by the Centre to enable the Centre to create employment for the unemployed people of Fiji and any other relevant activities. It is meant for the creation of employment.

MR. CHAIRMAN.- So your general operational expenses do not come out of this trust fund?

MR. V. NAULUDUGUA.- At the moment, Sir, the general operation is in the budget but \$4 million is provided for the operational matters of the NEC.

MR. CHAIRMAN.- We understand that FNU donated about \$3 million to the NEC Trust Fund and it was distributed on a yearly basis until 2013. The NEC, by 1st October, 2013 had utilised about \$484,000 from that. What was this amount of \$484,000 utilised for? This is not a question that we picked up but if it is outside your knowledge, you can respond to us in writing.

MS. S. DAUNABUNA.- On 5.9.5, Mr Chairman?

MR. CHAIRMAN.- Yes.

MS. S. DAUNABUNA.- Can we come back to you on that question – on the utilisation of the \$484,000?

MR. CHAIRMAN.- Also 5.9.6; “The OAG’s review of the Board papers of 2014 found that NEC made a recommendation to the Board to endorse an appointment of a Financial Sub-Committee to implement Section 95 of NEC Decree 2009 which requires that the Trust Fund to be held in trust by nominated representatives of the NEC Board as trustees of the Fund.”

The first question is, do you now have a nominated representative of trustees for the Trust Fund?

MS. S. DAUNABUNA.- In terms of the Financial Sub-Committee, at the moment we do not have that.

MR. CHAIRMAN.- You do not have the Financial Sub-committee?

MS. S. DAUNABUNA.- No, we do not have the Financial Sub-committee at the moment.

MR. CHAIRMAN.- All right. But in 2014, there was a recommendation made to the Board by NEC to endorse, so you had made a recommendation to the Board to endorse a Financial Sub-committee.

MS. S. DAUNABUNA.- We can come back to the Committee on that, to find out what were some of the factors that this was not implemented as endorsed by the Board.

We can also provide the follow-up information on how we are actually utilising the trust fund at the moment, and who are the actual signatories and how they were appointed because trust fund and trust issues can be sensitive issues, but it needs to be done in a proper way, and those are the

information that we can come back to the Committee on, because I know it is a very important point that was not addressed in the issues raised.

MR. CHAIRMAN.- Because I do note that recommendations were made in 2014 so if it has not been done now, probably the recommendations were not followed. There might be some reasons for not following the recommendations and we would like to know about that.

MS. S. DAUNABUNA.- Definitely, we will come back to the Committee with a follow-up.

MR. CHAIRMAN.- The second thing is that, do you have this trust fund audited annually?

MS. S. DAUNABUNA.- Yes, the trust fund is audited by the OAG. The trust fund is maintained under the Ministry's accounting section, together with all the other Units. But in terms of auditing the whole Ministry and all the accounts we keep, they are all audited by the OAG.

HON. RATU N.T. LALABALAVU.- (Inaudible)...NEC regarding the trust fund?

MS. S. DAUNABUNA.- Well, it is just that in terms of the audited accounts, the Act provides that the Board shall provide an audited financial account of the fund to the Minister before September each year, which is the same accounting period of institutions and Units of the Ministry.

MR. CHAIRMAN.- Any other questions, Honourable Members, on any other aspects? I do not find any other problem areas, apart from the ones that were highlighted by the OAG in the first page.

HON. A.M. RADRODRO.- Mr Chairman, just a general question regarding this Performance Audit conducted by the OAG, especially focusing on the reporting and monitoring of NEC activities. In terms of the roles of NEC and your role as Permanent Secretary, directly involved in the operations of NEC, you see a lot of delays in the implementation. As had been highlighted, Cabinet decisions not being implemented, how does the Ministry ensure that the work is separately carried out and monitored by yourself as the PS?

MS. S. DAUNABUNA.- In terms of the separation of roles and the different workings of the different Units, we also have in the Ministry our separate internal auditors because that is also a requirement of ISO, where we have internal auditors who are trained as well to oversee processes in the Ministry, and the NEC Unit is covered under that process.

There are other checks within the mechanism and the hierarchy in the Ministry before it actually comes to me. So we have our internal auditors but also the auditors from outside, who come in to check that and in terms of processes, we have the ISO auditors who also come in to check where we had issues and improvements that they can suggest to us as a way forward.

HON. A.M. RADRODRO.- In the areas of ISO Certification, that is well and good. As you have highlighted here, you have gained recognition for ISO Certification but actual operations of the NEC in terms of implementing, what is necessary as required under the Act and doing the works without even proper regulations? How does the Ministry monitor that? Everything is done according to the Act or according to the law and there is someone checking the other. So who checks you (I put it in that sentence), if work is not being done?

MS. S. DAUNABUNA.- Sir, we have already explained about the processes that we have internally and the auditing oversight we have with our team inside, plus the team that comes in to check our processes under the ISO Certification. For us, we know that there have been instances where there

have not been implementations so we are striving to make sure that we actually improve on where we are lacking.

For us internally, it is a continuous work but it is a work that we know is necessary and it is a work that we are striving to improve upon. We have done a lot of changes inside the internal workings of the NEC so we are able to deliver to the clients who come in and register, and we also deliver to the general public. It is a continuous improvement process but one that we know is necessary and we are working to improve on that as well.

HON. A.M. RADRODRO.- (Inaudible)...todate, how long will you continue to ensure that you fulfil all these mandated works of the NEC.

MS. S. DAUNABUNA.- Yes, there are some works that we had already mentioned that we are finalising and we set our timeline to be able to fulfil those targets and we know that these are important work that we need to actually put in place. And realising that, we have worked as a team to make sure that this is the achievement that we are able to put in place and not just say it without actually having achievable time-bound timelines so that we hold ourselves accountable as well.

The processes we have already mentioned, we said that some are coming to a closure at the end of this year and implementation as well as early next year. So these are some of the things, not the seven years that you have stated, but certainly very short time-bound timelines that we have set ourselves.

In terms of the database, that will help us. We had mentioned that we are doing trainings in the coming weeks and we hope to have that by the end of this year and the Regulations, certainly before July next year.

MR. CHAIRMAN.- All right. There being no further questions or comments by Honourable Members, I would like to once again thank the Permanent Secretary for Employment, the Director and other members who appeared before this Committee today. I thank you for your presentation. We will definitely use your responses and your further written responses that you will provide to us at a later date, preferably within the next seven to nine days and we will include that in our Report.

You have assisted the Committee a great deal in scrutinising the report that was done by the OAG and also thanks to the team from the OAG. Should there be any further queries, we will contact you and once again on behalf of the Honourable Members, Thank you very much.

Any final comments, Madam PS, before we close the session?

MS. S. DAUNABUNA.- Yes, Sir. Mr Chairman, we would just like to thank the Committee for giving us this opportunity to highlight the work that we are doing at the Centre. We know that there have been issues raised and we will work towards fulfilling the recommendation put forward but also, we look forward to comments from the Committee in terms of improving our work. For us, it is an evolving process but it is a process that is necessary and one that we look forward to deliver to the public and to Fijians as a whole. Thank you.

MR. CHAIRMAN.- Thank you very much. Honourable Members, we are adjourned for five minutes before coming back in session.

The Committee adjourned at 12.09 p.m.