



STANDING COMMITTEE ON SOCIAL AFFAIRS

REVIEW OF FIJI PUBLIC TRUSTEE CORPORATION LIMITED 2017 ANNUAL REPORT



Parliamentary Paper No. 12 of 2019

May 2019

Published and Printed by the Department of Legislature, Parliament House, SUVA

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CHAIRPERSON'S FOREWORD

I am pleased to present the report of the Standing Committee on Social Affairs on the annual review of the Fiji Public Trustee Corporation Limited for 2017.

In accordance with its established Annual Report review process, the Committee examines Annual Reports of agencies, in order to investigate, inquire into, and make recommendations relating to the agencies' administration, legislative or proposed legislative programme, budget, functions, organisational structure and policy formulation. As part of this process, the Committee conducted public hearings to gather additional information.

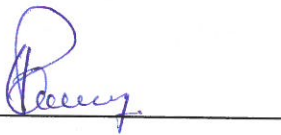
The process has proven to be an effective means of gauging its progress and maintaining a high level of scrutiny of the agencies under review.

This review was made in accordance with Standing Order 109(2)(b) which mandates the committee to look into issues related to health, education, social services, labour, culture and media.

The review looked at nine key areas covering the period from January to December 2017, conducted into: The Corporation's administration; structure; budgetary allocation; programmes offered; policies; challenges; highlights; priorities for the coming years; and its implementation of the Sustainable Development Goals.

At this juncture, I also wish to thank the Chief Executive Officer of the Fiji Public Trustee Corporation Limited, Mr. Atonio Takala, and his staff for their assistance in this inquiry. I also extend my gratitude to my Committee colleagues and Committee staff for their contributions and support.

I, on behalf of the Standing Committee on Social Affairs, commend this report to Parliament.



Hon. Viam Pillay
Chairperson

LIST OF ACRONYMS

FPTCL	-	Fiji Public Trustee Corporation Limited
GCC	-	Government Commercial Company
PTO	-	Public Trustee Office
SDG	-	Sustainable Development Goal

RECOMMENDATION:

The Standing Committee on Social Affairs has conducted a review of the Annual Report of the Fiji Public Trustee Corporation Limited for 2017 and recommends that Parliament takes note of its report.

INTRODUCTION

The 2017 Annual Report of the Fiji Public Trustee Corporation Limited was tabled in Parliament during the February 2019 meeting and referred to the Standing Committee on Social Affairs, for its scrutiny.

Standing Orders 109(2)(b) allows the Standing Committee on Social Affairs to examine matters related to health, education, social services, labour, culture and media.

Standing Orders 110(1)(c) authorises the Standing Committee to *scrutinise the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*

COMMITTEE MEMBERS

The substantive members of the Standing Committee on Social Affairs are:

- Hon. Viam Pillay (Chairperson)
- Hon. George Vegnathan (Deputy Chairperson)
- Hon. Alipate Nagata (Member)
- Hon. Salote Radrodro (Member)
- Hon. Dr Ratu Atonio Lalabalavu (Member)

During the Standing Committee's meetings, the following alternate membership arose pursuant to Standing Order 115(5):

- Hon. Simione Rasova
- Hon. Mikaele Leawere

FUNCTIONS OF THE FIJI PUBLIC TRUSTEE CORPORATION LIMITED

The Fiji Public Trustee Corporation Limited is a Government Commercial Company (GCC) incorporated in 2006 to take over the Public Trustee Office (PTO). The FPTCL provides deceased estate administration services, trustee services, estate planning services and other legal services to the people of Fiji at no cost to Government. The company is governed by the Fiji Public Trustee Corporation Act 2006.

ISSUES RAISED

CHANGING CUSTOMER DEMANDS

Over the years, customer demands of the Corporation's services have continuously changed, with more and more customers preferring services to be provided online and instantaneously. As such, the Corporation has introduced other legal services to address non-core business arising from customer demands. The committee observes that these other legal services have become very popular with private executors and administrators of estates and include:

- Executor assistance services;
- Applications for grants to the High Court;
- Transfer of property including Stamp Duty applications and Capital Gains Tax lodgement;
- Tax clearance;
- Searches (titles, wills, probates etc.);
- Legal conveyance work;
- Deed poll; and
- Deed of family arrangements.

RECOMMENDATION

1. That the Corporation continue to identify and engage in new marketing methods to improve visibility and increase public awareness of all of its products and services to enable customers to efficiently and effectively use such services to avoid unnecessary financial and social burden on families.

IMPACT OF LEGISLATIVE CHANGES ON TRUST BUSINESS

The committee notes that certain legislation and policy changes have affected the Corporation's trust business. Some of these are:

- Fiji Public Trustee Corporation Act 2006 – for which the Corporation is working on some amendments.
- Fiji National Provident Fund Act 2011 – has taken away custodian rights to minor funds.
- Succession, Probate and Administration Act 1970 – The Corporation relies on the Act in the daily administration of carrying out its functions. The most relevant section that the Corporation uses is Section 6 of the Succession, Probate & Administration (Amendment) Act. This Section provides the succession and the order in which beneficiaries get their shares. The Corporation also carries out quasi-judicial services as required under the Act.

To compensate loss of business from these legislative and policy changes, the Corporation will introduce three new services to Fijians as part of its Trustee Services and Estate Planning Services, which are as follows:

- Family Trust
- Charitable Trusts
- Prepaid Funeral Trust

RECOMMENDATION

1. That thorough consultations and public awareness is undertaken before these new services are launched.

NEED TO IMPROVE STAKEHOLDER RELATIONSHIPS

Another challenge that the Corporation faces is in relation to the frequent changes in stakeholder requirements. The Corporation deals with various stakeholders, such as, Government agencies, High Court, Titles Office, Lands Department, iTaukei Land Trust Board, Fiji Revenue and Customs Service, towns and municipalities, and banks and financial institutions. As such, over the years, the Corporation has had to adapt to the changing stakeholder requirements to ensure that service delivery is not affected. To this end, the Corporation has strived to improve stakeholder relationships with its business partners and has conducted various stakeholder trainings.

RECOMMENDATION

1. That the Corporation improve and strengthen its stakeholder relationships through regular meetings and consultations for optimum service delivery.

COMPETITION FROM OTHER SERVICE PROVIDERS

Competition from other providers of similar services including law firms, individuals and other agencies continues to be one of the biggest challenges of the Corporation. To remain relevant and make progress in the midst of stiff competition, the Corporation will need to continue to improve the services (especially customer services) that it provides, introduce new services to complement its core business, offer reasonable pricing on the services provided, increase awareness and marketing of its products and services, and place greater focus on its speciality and expertise in its core business.

RECOMMENDATION

1. That the Corporation is fully aware of its competitors and develop strategies and products to continue to attract customers and keep abreast to competition in the market.

SUSTAINABLE DEVELOPMENT GOALS

The Corporation incorporates certain aspects of the Fiji Development Goals in its Strategic Plan, which are aligned to the Sustainable Development Goals as stated below:

SDG 1: No Poverty – The Corporation, through its estates administrations services, administers the transfer of personal property to beneficiaries and in most cases “first home owners”.

SDG 4: Educated and Well qualified Workforce – The Corporation continues to encourage staff to obtain formal qualification by providing assistance with the payment of tuition fees. Furthermore, trainings, workshops, conferences and study visits overseas are also part of the Corporation’s training programmes to up skill and develop its employees.

GENDER ANALYSIS

Gender is a critical dimension to parliamentary scrutiny. Standing Order 110 (2) requires committees to consider gender equality and ensure that the impact on both men and women is explored in all matters.

The committee notes that the Corporation’s hiring and promotion is based on merit with trainings centered on the training needs of the company. The Corporation is currently working on its Human Resources policy which will include a section on Gender Equality. In addition, one of the requirements in the Corporation’s Annual Report is to report on its gender composition.

The gender composition of the company as at 8 March, 2019 is as follows:

	Staff Hierarchy	Males	Females
1	Board of Directors	25%	75%
2	Management	50%	50%
3	Staff (In total)	36%	64%
	Total	36%	64%

Source: Written Response from FPTCL

The committee noted that a breakdown of gender composition of the Corporation’s Board of Directors, Management staff, and general workforce was not provided in its Annual Report.

RECOMMENDATION

1. That future Annual Reports of the Fiji Public Trustee Corporation Limited present a breakdown of gender equality and participation in all positions held within the company.

CONCLUSION

The Standing Committee on Social Affairs has fulfilled its mandate approved by Parliament which was to examine and review the 2017 Annual Report of the Fiji Public Trustee Corporation Limited.

The Fiji Public Trustee Corporation Limited as a state-owned entity continues to strive as a business to provide estate and trustee services and innovates to provide affordable legal, financial, administration, and social services to the people of Fiji at no cost to Government. In addition, as part of its non-commercial obligation, the Corporation provides free service to its clients who are considered socially and economically disadvantaged Fijians.

The challenges in the Corporation's business arise from competition in the market, certain legislation and policy changes affecting its trust business, increasing cost of doing business, and innovating to meet customers' changing demands. The committee notes the measures put in place by the Corporation to mitigate these issues and is generally satisfied with the progress made.

Furthermore, the Corporation declared a dividend of \$500,000 for the 2017 financial year, taking the total amount of dividends paid to Government since corporatisation to \$5 million or 54% of the average shareholders' over the years.


The review of the Fiji Public Trustee Corporation Limited's 2017 Annual Report was conducted in a very tactful and comprehensive manner. This has enabled the committee for Social Affairs to submit to Parliament a more reliable and a cohesive report.

COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:



.....
Hon. Viam Pillay
(Chairperson)



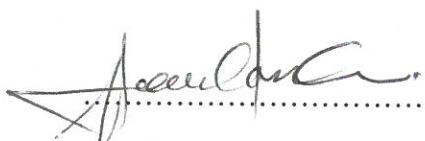
.....
Hon. George Vegnathan
(Deputy Chairperson)



.....
Hon. Alipate Nagata
(Member)



.....
Hon. Salote Radrodro
(Member)



.....
Hon. Dr. Ratu Atonio Lalabalavu
(Member)

APPENDICES

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Parliament website at the following link: <http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

Thursday 14 March 2019

Fiji Public Trustee Corporation Limited

Atonio Takala, Chief Executive Officer, **John Mow**, Manager Finance and Administration, and **Priya Lal**, Manager Legal.

Published written evidence

Written evidence and supplementary information was received from the Fiji Public Trustee Corporation Limited and can be viewed on the Parliament website at the following link:
<http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>