

# ANNUAL REPORT 2016 - 2017



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 130 OF 2019



[www.fccc.gov.fj](http://www.fccc.gov.fj)



## LETTER TO THE MINISTER

**Honourable Mr. Faiyaz Koya**  
**Minister for Industry Trade & Tourism**  
**Level 3, Civic Towers**  
**Victoria Parade**  
**Suva**

Dear Honourable Minister

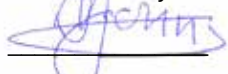
Re: Annual Audited Report 2016-17

I am pleased to present to you the Annual Report of the Fiji Commerce Commission (FCC) in accordance with Section 25 of the Commerce Commission Act 2010 (CCA 2010).

This report covers operations for the year ended 31st July 2017. The FCC is required to provide the Annual Report to the responsible Minister who must cause it to be laid before Parliament as soon as practicable.

On behalf the members of FCC, I take this opportunity to thank the Fijian Government for its continuous support.

Yours sincerely



**Ms. Joann Young**

*Chairperson*

# CONTENTS

<b>03</b>	Chairperson's Message
<b>04</b>	CEO's Report
<b>06</b>	Commission Board
<b>08</b>	Senior Management Team
<b>10</b>	Overview
<b>11</b>	Regulated Industries Department
<b>20</b>	Price Control & Monitoring Department
<b>24</b>	Competition & Compliance Department
<b>28</b>	Legal, Risk Management & Governance Department
<b>32</b>	Human Resource Department
<b>34</b>	Corporate & Finance Department
<b>36</b>	Financial Statement

# CHAIRPERSON'S REPORT



It gives me much pleasure to present the Annual Report of the Fiji Commerce Commission (FCC) for yet another successful year.

The FCC has a pivotal role in maintaining the integrity and welfare of the Fijian markets. We understand the impact our decisions have on businesses and consumers alike. We are also aware that businesses, as consumers and market players, benefit from our role in ensuring they are able to compete fairly and that markets with limited competition are regulated appropriately.

The FCC's reputation as a fair and competent regulator is tied to the overall performance of the organisation and each decision made by it. In line with ministerial expectations, we are looking for ways to improve how business is done and continue to review and assess our performance to ensure we are operating effectively and efficiently. Backing our people is critical to delivering the best competition, consumer and regulatory outcomes.

Over the past year we have continued to seek new ways to improve our organisational capabilities and ensure our systems and structure support our staff, whether through access to training and international experts or making environmental adjustments that aid productivity.

One of the significant activities undertaken during the year was the organizational restructure and capacity strengthening of FCC. This was imperative in order to align the work undertaken by the teams to be reflected in the Departmental name and manpower which is instrumental in achieving the objectives and mission of the FCC.

Some of the notable changes include the Fair Trading and Rents Section being renamed to Competition and Compliance Department and Risk Management and Governance being included under the ambit of the Legal Department.

The FCC also engaged the services of the Asian Development Bank (ADB) to undertake the development of the first ever Strategic Plan for the organisation. The Plan outlines the five (5) year plan of the organization. It is anticipated that the will pave the path for the organization in a manner which proliferates the FCC vision and mission. The strategic plan is expected to be finalized by early 2018.

The FCC is continuously adapting to the demands and pressures put on us. Our reputation is built on our ability to respond to ever-changing markets and I am proud of the high standards we have set and met this year.

With the changes falling into place, staff are positive about the overall management of the organisation and feel they are being recognised for their hard work. The areas we are keen to focus on for the next 12 months include setting up internal audit team, internal communications, and greater collaboration between our teams.

The past 12 months have seen some major milestones achieved across the organizations operational activities which are explicitly detailed in the report.

I take this opportunity to thank the Minister for Industry Trade and Tourism Honourable. Mr. Faiyaz Koya and the Permanent Secretary Mr. Shaheen Ali for their continued support towards the work undertaken by the FCC.

I also extend my sincere gratitude towards the FCC Board members for their invaluable contributions and guidance which has greatly assisted towards the overall success of the organisation. The Deputy Chair Mr. Firoz Ghazali, Board Members Mr. Romil Patel, Isikeli Tikoduadua, Mr. Vimlesh Sagar and Ms. Lyanne Vaurasi have all rendered their time and expertise throughout the financial year to ensure the organisational activities are undertaken smoothly.

Needless to say that the FCC has a great team, led by Chief Executive, Joel Abraham, who work tirelessly for all Fijians.

As Chairperson, I take pride in our past achievements and look forward to the year ahead.

**Ms. Joann Young**  
Chairperson

# CEO'S REPORT



The FCC has experienced yet another demanding but successful year. We concluded a number of investigations, achieved regulatory milestones, and continued to create awareness on the roles and functions of the Commission in its seventh year of existence.

## Regulated Industries

It was a significant year in the development of our regulatory regime under Section 5, Regulated Industries of the CCA 2010. The FCC initiated a study on the Price Regulation of Pharmaceutical Items with the intention to review the current price control structure of pharmaceutical products in Fiji ensuring that it is compatible with the present market conditions.

During the year, the FCC undertook price review of basic food items, hardware items and submission from Tropik Wood Industries Ltd for an increase in the prices. We also looked at the Price Control Orders which were nearing expiry were assessed to ascertain the existence of the Order(s) going forward. These are discussed at length later in the report.

We conducted four price reviews for petroleum and Liquefied Petroleum Gas (LPG) during the period August 2016 -July 2017. The quarterly assessment was to determine the retail prices of fuel and LPG based on the global trends. The FCC further partook in the Fuel Standards Review with the intention to promote environmental friendly fuel in Fiji. In doing so, the fuel companies were requested to make submissions on the simulation of the metric raised for fuel pricing review.

Airports Fiji Limited (AFL) made a submission to the FCC to increase the Air Navigation Service Fees from FJD\$5.87 to FJD\$9.51 for international routes through the Nadi Flight Information Region (NFIR). The FCC following its independent research and computations authorized the Air Navigation Service Fees at a rate of \$9.51 on 20 December, 2016. This was done with the intention to allow AFL to carry out impending infrastructure development.

In June 2017, the domestic market experienced a shortage of cement due to disruption in production of cement by Pacific Cement Fiji Ltd. In order to overcome the national shortage of cement, the FCC together with the Ministry for Industry Trade and Tourism negotiated with Tengy Cement and Pacific Cement following which Pacific Cement agreed to sell clinker at \$147.00 per tonne to Tengy Cement.

During the year, the FCC also undertook extensive research and study of the cane cartage and harvesting rates in the Fijian Sugar Industry due to the exorbitant charges in place. Raw data from FSC was collated while growers, operators and owners of mechanical harvesters were interviewed. The information collated showed that as far as the harvesting of sugar cane during the crushing season is concerned, the bargaining power mostly lay with the mechanical harvesters who determined the cost of cartage, harvesting per tonne for the farmers to pay. After the analysis, the FCC recommended that the Harvesting rate for Mechanical Harvester must be fixed at \$17.50 per tonne for harvesting sugar canes within Fiji. The rate was inclusive of cost of service, operations, depreciation and interest expense.

## Competition and Compliance

In July 2017 the Fair Trade and Rents Section was renamed to Competition and Compliance Department (CCD) to better reflect the activities undertaken by the team. They have taken on new challenges including looking into mergers and acquisitions. Throughout the year the team recorded 384 complaints. A number of traders and businesses were particularly found to be breaching provisions of the Commerce Commission Act 2010 (CCA 2010) by engaging in false and misleading advertisements and unconscionable conduct. In following their procedures, CCD managed to investigate numerous cases and submit for litigation where it was found that traders and service providers had breached the CCA 2010.

## Price Control and Monitoring

The Price Control and Monitoring (PCM) team had an active year in terms of inspections and issuance of infringement notices and on-spot penalties.

A total of 395 traders were issued with infringement notices and warned during the year, 91 were issued with on spot penalties while 18 were warned for prosecution. Traders issued with infringement notice were found to be contravening certain provisions of the Commerce Commission Act 2010 (CCA 2010). A number of traders were caught overcharging on price-controlled items, failure to display prices of items, selling items with foreign language and engaging in false or misleading advertisement. Those issued with spot penalties were found to be selling price-controlled items above the maximum retail price set by the FCC and failure to display price of items.

### Legal Representation

During the year a number of cases were taken to court in enforcing consumer protection laws and the CCA 2010. In the Central/Eastern Division a total of 20 cases were filed for prosecution, 17 in the Western Division and 3 in the Northern Division. 12 matters were completed during the year while 170 matters are pending before the court.

A handful of traders were taken to court for failing to pay spot fine, engaging in false or misleading representation while some were found to have illegally increased rent on residential property despite Residential Rent Freeze Order being in place.

The ability to settle proceedings is important in enabling us to achieve the best outcome for consumers in the specific circumstances of a case.

### Advocacy and Education

While the FCC is an enforcement agency, our advocacy and education functions assist businesses and consumers to understand how the law affects them. Prevention remains the best cure and we continue to see real value in investing in education programmes across all the Acts we enforce. These include our trader awareness programme, community sector advocacy and private sector workshops. For the period August 2016- July 2017 a total of 142 trader awareness was conducted with 398 participants while for the same period 97 community and school awareness sessions were facilitated reaching out to an impressive 7527 people. We have also continued creating awareness on the work undertaken by FCC via updated fact sheets and media publication. Vulnerable consumers remain a priority for the FCC hence awareness is critical in improving the current market practices for the betterment of all Fijians.

### Stakeholder engagement

The FCC is actively addressing the issues and challenges that we face as an organisation. Improving how we engage and communicate is a continued focus for us and this includes talking more directly and frequently with our stakeholders through public forums, workshops analyst media briefings, and improving the accessibility of our reports and determinations. The FCC also undertakes international engagement with competition and regulatory agencies in other jurisdictions and works hard to stay connected and up to date with international best practice. Staff and Commissioners have attended or presented at major events in the Pacific, Europe, Asia and America. We have also had the privilege of hosting a delegation from Samoa in March 2017 which signifies strengthened relations with agencies in the Pacific Region.

### Timeliness

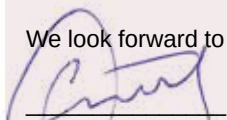
We understand the impact that our processes and decisions have on businesses. We are therefore focused on the timeliness of our work. We continually review our internal systems to make sure barriers are identified and rectified, and our limited resources are appropriately prioritised to achieve the greatest impact. In addition, we recognise that managing expectations around the time it takes to undertake large or complicated investigations and merger clearance applications is equally important to avoid prolonged uncertainty.

The FCC's strategy is comprehensive and its management is headed in a focused direction.

I express my gratitude to the FCC Board members for their guidance and foresightedness and also to my team whose hard work and enthusiasm make it all possible.

I also thank our line Minister, the Permanent Secretary for Industry, Trade and Tourism, Government Ministries and Departments and consumer protection agencies for their support to the Commission.

We look forward to working closely with the respective stakeholders to ensure all Fijians are offered fair and just goods and services.



Mr. Joel Abraham  
CEO



## COMMISSION BOARD



**MS. JOANN YOUNG**  
CHAIRPERSON

Ms. Joann Young is also the Director for Bio Security of Fiji. Ms. Young is currently with Ministry of Agriculture as Assistant Food and Agriculture Organization Representative (AFAOR) for Fiji.

She has almost ten years of experience in agriculture Trade & Policy Formulation, market development, and market access/quarantine issues and also co-authored the 2007 Food and Agricultural Organization Publication on "Fiji Commodity Chain Study. The Outcome of the publication was used for the Investigation and was implemented to Assess Import Substitution Potential of Selected Horticultural Products. Ms. Young has also served for Pacific Islands Forum Secretariat, Fiji in 2006 as Trade Policy Adviser, ACP/EU. She has initiated, developed and managed more than a dozen complex consultancies and technical assistance activities for Forum Island Countries providing financial, administrative/contractual and technical oversight (consultancies covered customs administration, fisheries, trade negotiations, labour mobility, aid-for-trade, trade policy frameworks to name a few).

Ms. Young did her BA Economics from Macquarie University, Australia and MSc Food Economics & Marketing from Reading University United Kingdom. She was appointed the Commissioner in 2015 and later confirmed as a chair of the Fiji Commerce Commission in September 2015.



**MR. FIROZ GHAZALI**  
DEPUTY CHAIRPERSON

Mr. Firoz Ahmed Ghazali is the Operations Manager & Site Director of Douglas Pharmaceuticals Fiji Limited. Mr. Ghazali has been attached to the pharmaceutical industry from the beginning of his career and is actively involved in manufacturing, quality assurance and control, laboratory management, new product development and operations management. His work has been published in journals, abstracts and review articles in the area of pharmacy.

Mr. Ghazali did his PhD from University of Otago, Master of Pharmacy and continuing with the Business Management MBA part-time program at University of Otago. Mr. Ghazali was awarded with MERT Scholarship from University of Otago in 1993, followed by Otago Scholarship from the same institution in 1994. Over the years he has acquired vast knowledge and expertise in the area of research and quality control in the laboratory industry. Mr. Ghazali began his career as Chemist Analyst at Pfizer Laboratories, Pakistan in 1979. He joined Fernz Health & Science, NZ as Quality Assurance Supervisor in 1997 and later as Laboratory Manager at Douglas Pharmaceuticals Fiji Limited. In 2002 he was the Technical Manager at Douglas Pharmaceuticals Fiji Limited and further to this, in 2004 he was responsible for managing New Product Development Program and Laboratory functions. He was appointed the Commissioner of the Fiji Commerce Commission on February, 2013. His term ended as a deputy chair on 19 February 2017.





**MR. ISIKELI TIKODUADUA**  
COMMISSIONER

Mr. Isikeli Tikoduadua is a banker by profession with more than 30 years of banking experience. He has worked for the Bank of New Zealand (BNZ), Australia & New Zealand Banking Group (ANZ) and retired as CEO of HFC Bank in June 2016.

He has a Post Graduate Diploma in Business Administration and Masters in Business Administration (MBA) and is a Fellow of the Fiji Institute of Bankers (FFIB), Fellow of the Financial Services Institute of Australasia (F Fin), Associate Fellow of the Australian Institute of Management (AFAIM) and member of the Australian Institute of Company Directors (MAICD)

Mr. Tikoduadua is currently the Chairman of the University of the South Pacific MBA Advisory Committee and Chairman of the FHL Properties Limited. He also served as a Board Director of Vodafone Fiji, Director of Tower Insurance Ltd, Director of i-Taukei Land Trust Board (TLTB) and Director of Fijian Holdings Limited(FHL)

He was appointed as a Board Commissioner of FCC on 17 September 2015 and as Deputy Chairperson on 10 November 2017.



**MS. LYANNE VAURASI**  
COMMISSIONER

Ms. Lyanne Vaurasi is a lawyer by profession with more than 6 years of experience. She has successfully completed her Bachelor of Law (LLB), Professional Diploma in Legal Practice (PDLP) and Professional Diploma in Legislative Drafting (PDL) from the University of the South Pacific.

She worked as a Legal Officer at the Office of the Attorney General from July 2011 till December 2014. Thereafter, she was appointed as the Senior Legal Officer for the AG's Office and also appointed as a Commissioner for FCC in October 2014.

Since April 2016, Ms. Vaurasi is the Deputy Chief Draftsperson at the AG's office.

She is also a member of the Australia Institute of Company Directors.



**MR. VIMLESH SAGAR**  
COMMISSIONER

Mr Sagar has over thirteen years' experience in Finance gained from dynamic and multi-cultural organizations. He possesses multiple skills covering many financial areas such as laws, financial analysis and management, budgeting, auditing practices, taxation, annual reporting, economic regulations, ethics, corporate governance and change management. He holds a Bachelor of Arts Degree, Post Graduate Diploma and Master of Commerce in Professional Accounting from the University of the South Pacific.

He is a Member of Australian Institute of Company Directors (MAICD), Fiji Human Resources Institute (FHRI) and CPA Australia.

Mr. Sagar is also an Associate Member of Association of Certified Fraud Examiners (ACFE) and a Fellow member of Australian Institute of Management (FAIM). He is currently the Chief Financial Officer/Company Secretary of the Fiji Broadcasting Corporation Ltd. Mr. Sagar was appointed a board member of FCC in August 2015.



**MR. ROMIL PATEL**  
COMMISSIONER

Mr. Romil Patel has profound knowledge in Business and Management with over 18 years of experience.

Mr. Patel being the founder and CEO of Jewels Fiji, is also the Administrative Director and Shareholder of South Pacific Recordings (SPR), Director and Shareholder of All Foods (Fiji) Limited, Kebab King (Fiji) Limited and Information Nest Solutions (Fiji) Limited – An IT company providing services to State Owned Enterprises and Private sector. He is also the Director & Board Member of Port Denarau Centre Management Limited and a Board Member of the Trade Standards Advisory Council of Fiji.

He has Bachelor of Commerce Degree from University of Queensland, Brisbane, Australia, Mr. Patel is also an Accredited Jewellery Professional from Gemological Institute of America. He also completed the MYOB Professional Training from Fiji National Training Council and multiple courses pertaining to Director skills and Standards of Good Practice for Boards & Directors.

Mr. Patel is also a serving member of the Australian Institute of Company Directors, Gemological Association of Australia (GAA) and Treasurer for the Rotaract Club of Nadi.

He was appointed a Board member of FCC in September 2015.

# SENIOR MANAGEMENT TEAM



**MR. SEYMOUR SINGH**  
DEPUTY CHIEF EXECUTIVE OFFICER



**MS. SUNDHIA BEN**  
MANAGER REGULATED INDUSTRIES



**MS. AKENETA VONOYAUYAU**  
MANAGER PRICE CONTROL & MONITORING



**MS. SENIKAVIKA JIUTA**  
MANAGER LEGAL/RISK MANAGEMENT/  
GOVERNANCE



**MR. IRFAN HUSSAIN**  
SENIOR COMPLIANCE OFFICER



**MR. AMIT SEN**  
MANAGER CORPORATE & FINANCE

## Our Vision

To create  
a dynamic and  
Competitive Market in  
the Fiji Islands.

To enhance  
the welfare of the  
people of Fiji Islands by  
fostering a competitive,  
efficient, fair and informed  
market place.

## Our Mission

## Our Values

Professionalism,  
Responsibility,  
Commitment,  
Honesty, Respect, Trust,  
Transparency.

The Fiji Commerce Commission is the nations' competition, consumer and regulatory agency. Our purpose is to achieve the best possible outcomes in competitive and regulated markets for the long-term benefit of all Fijians.

We are responsible for enforcing laws relating to competition, fair trading, and consumer protection, and have regulatory responsibilities in the electricity lines, gas and LPG, telecommunications, postal, shipping and airport sectors. Competition is a key driver for delivering greater productivity and growth in the economy. It incentivises firms to innovate, and rewards efficiencies in business.

Through regulation we seek to achieve the same outcomes in markets with little or no competition. An effective competition agency and regulator helps to ensure:

- there is a level playing field for competitors – the rules are known and players are monitored;
- market power is not abused;
- the level of competition in a market is not substantially lessened by amalgamation;
- consumers are protected, and clear and accurate information is provided to them; and
- regulated businesses face incentives to provide long-term benefits for consumers.

This Annual Report provides an overview of the FCC's activity for the past financial year. It details our performance against our accountability frameworks.

## 1. Regulated Industries Department

The Regulated Industries Department is responsible for determining the prices of the products and commodities that are controlled pursuant to a Price Control Order and undertaking independent analysis and research on any regulated industry engaged in the supply of Electricity, Water, Sewage, Post, Broadcasting, Telecommunications, Ports, Civil Aviation or any other industries that are declared subsequently in Section 5, Regulated Industries of the CCA 2010.

## 2. Price Control and Monitoring Department

The Department of Price Control and Monitoring undertakes one of the core functions of the FCC under the CCA 2010 and that is to control prices of goods and services where competition is restricted or lessened or as the Commission deems necessary. With this regard, the FCC is empowered under the CCA 2010 to fix and declare by order through the approval of the Minister the maximum prices of goods and services that are under price control. Such control is necessary to ensure affordability whilst maintaining equitable returns in local trade.

The Department undertakes price reviews and costing assessments of price control goods and services. In addition, the FCC conducts monitoring exercises in the Fijian market in terms of trader inspections, general monitoring and surveillance to ensure compliance with the relevant provisions of price control

under CCA 2010. Further, the Department conducts market research to ensure effectiveness and efficiencies in the various industries developments.

## 3. Competition & Compliance Department

The Competition and Compliance Department strives to protect and promote the rights and interests of the consumers of Fiji.

The Department enforces the Competition provisions under Part six (6) of the CCA 2010 which promotes economic efficiency which leads to affordable prices, increased choices and greater economic growth and ultimately enhancement of the overall welfare of all Fijian. The Department also enforces the Compliance provisions of CCA 2010, to ensure that Fijian consumers are protected from unfair trade practices.

The core function of the Department is to investigate complaints relating to Restrictive and Unfair Trade Practices relating to supply of goods and services in Fijian market. Other role of the Department includes; Promoting the awareness of consumers, recognising/working together with consumer body, making information and guidelines available to consumers relating to the obligation of persons and the rights and remedies available under the CCA 2010.

## 4. Legal, Risk Management & Governance Department

The Legal Division provides FCC with the legal expertise necessary to fulfil its mission. Specifically, the Legal Division applies rigorous legal analysis in all investigations and notifications under the CCA 2010. It also undertakes critical review of the CCA 2010, subsidiary legislation and FCC's guidelines, performs all in-house legal advisory work required in the execution of FCC's functions and represents FCCs in all court and appeal proceedings.

## 5. Corporate & Finance Department

The Corporate & Finance (CF) Department is the crucial support team of the FCC. The CF Department assists all Departments in achieving FCC's mission through the delivery of key corporate services critical to the success of the organisation. Primarily, the CF Department oversees the functions of finance, procurement, information technology and administration. It strives to make FCC a conducive work place, by supporting a quality career, developing employee capabilities, engaging staff, and providing a positive experience through the delivery of effective and efficient services.





# DEPARTMENTAL HIGHLIGHTS FOR THE YEAR

## REGULATED INDUSTRIES DEPARTMENT

The Regulated Industries Department of the FCC is responsible for determining the prices of the products controlled by the Commission pursuant to a Price Control Order and undertaking independent analysis and research on any industry engaged in the supply of Electricity, Water, Sewerage, Post, Broadcasting, Telecommunications, Ports, Civil Aviation or any other industries that is declared subsequently in Section 5, Regulated Industries of the Commerce Commission Act 2010.

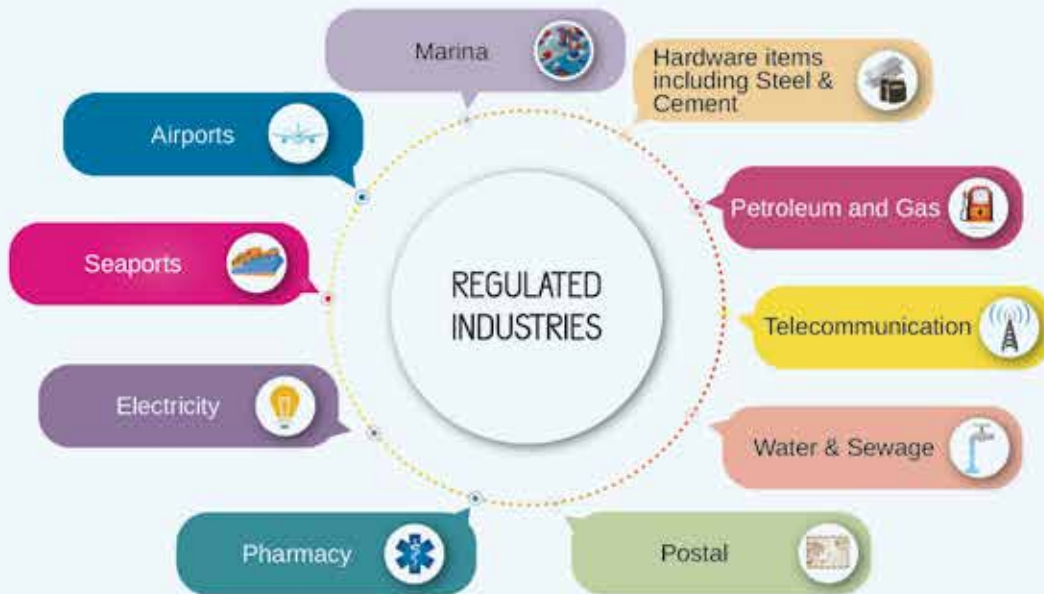


Figure 1: Industries that are regulated by the FCC.

The FCC has the following objectives in relation to regulated industries;

- To promote effective competition in the interests of consumers;
- Ensure that critical and essential monopoly institutions products price is pegged at a level that closely resembles the price which would prevail should there be a competitive market;
- To facilitate an approximate balance between efficiency and environmental and social considerations.



The Regulated Industries Department had a total of eight (8) staff members made up of one (1) Manager Regulated Industries, three (3) Senior Market Analysts, one (1) Market Analyst, one (1) Assistant Market Analyst and two (2) Research Interns. The summary of the major activities for the year August 2016- July 2017 are as follows.

Staffs of Regulated Industries Department

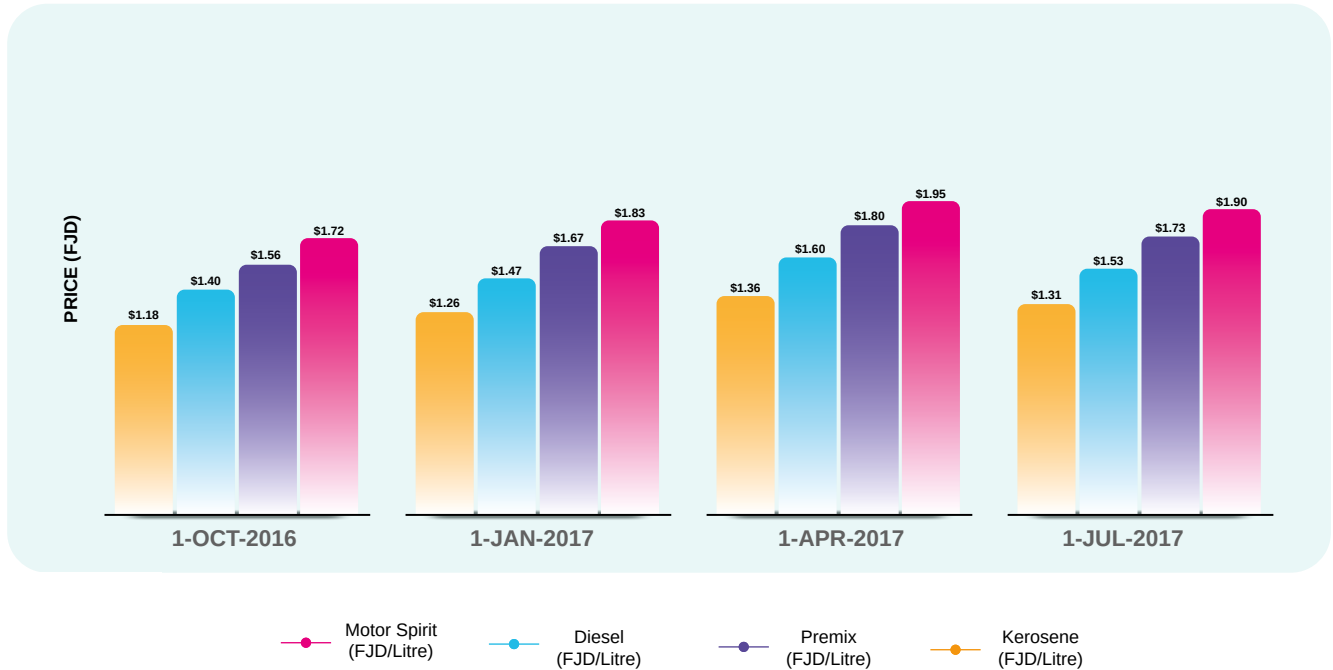
# THE YEAR IN QUARTERLY REVIEWS

## Petroleum

The FCC conducted four (4) price restatements in the year August 2016 to July 2017 resulting in four (4) quarterly restatements. Overall there has been significant movement in the international

crude oil prices and refined products prices during the year. Summary of price changes are represented in Graph 1. The prices vary outside the geographical boundaries of Viti Levu, Vanua Levu, outer islands and Rotuma.

**Graph 1: Retail Prices of Petroleum Products**



## Fuel Drum Filling Margins

The FCC reviewed the fuel drum sales filling margins based on submissions received from fuel drum distributors. The submissions made were for consideration to the increase in cartage cost for their distribution of fuel services. To accommodate the issue for fuel drum filling, the FCC has included in the Order under the interpretation of Drum Sales, the following clarifications;

- For Drum Sales, if the Distributor does Drum Refurbishment, then the Distributor is allowed to charge 7.5 cents per litre only, while 4.5 cents per litre is for the person or entity delivering drum to the individual retailers; and
- Under Schedule 1, of the Order, Drum Sale (for distribution only), retail mark up of 10 cents per litre applies for Motor Spirit and Premix while 9.5 cents per litre applies for Gasoil and Kerosene.





## Fuel Standards Review

The FCC is currently part of the Fuel Standards Working Group. The purpose of the committee is to promote greener/ blue economy and environment friendly fuel in Fiji (advocate climate change) with the intention to promote cleaner fuel grade; Euro 4/5 fuel – 10ppm to substitute with the current Euro 2 – 500ppm fuel. The FCC extended an invitation to the fuel companies to make submissions and continue discussions regarding the cost / price impacts because of changes in the fuel standards. The fuel companies were requested to put in a submission on the simulation of the metric raised for fuel pricing review.



The Commission CEO with Pacific Island representatives at the Regional Petroleum Industry organized by SPC in New Zealand.

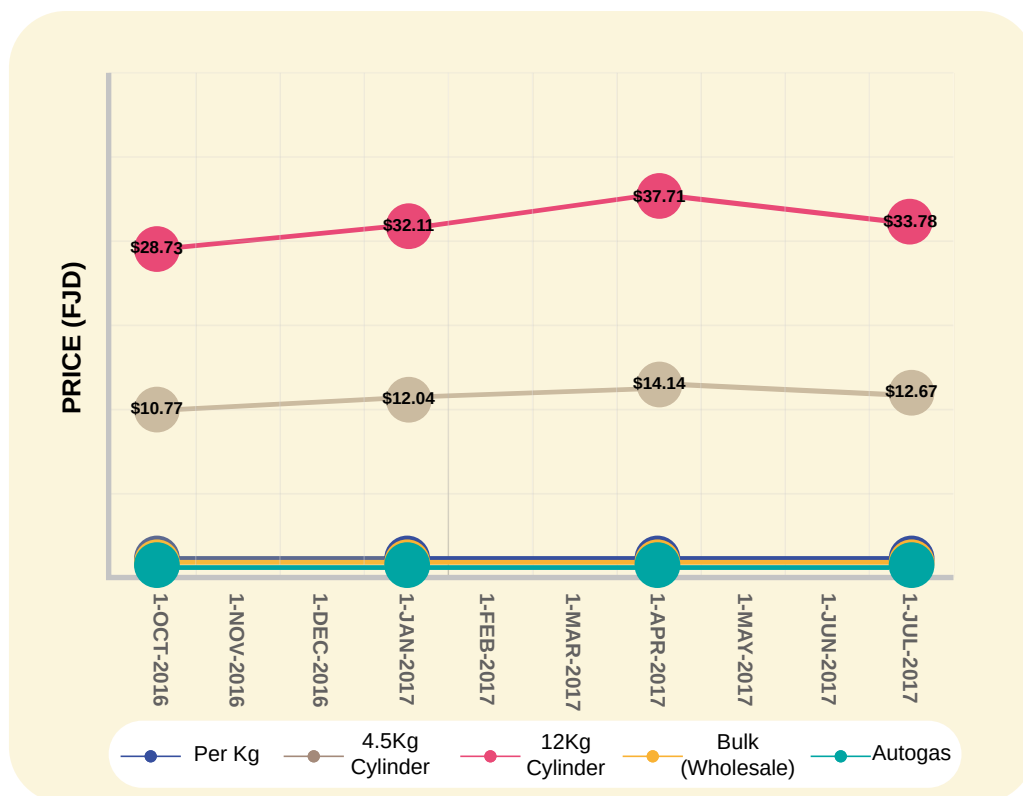
## Liquified Petroleum Gas (LPG)

The FCC conducted four quarterly price restatements in the period August 2016 to July 2017. The period's price assessment to determine the wholesale and retail prices of LPG from August 2016 to July 2017 was based on average Saudi Aramco Contract Price, average exchange rate and international freight and handling charges. In the last quarter review, the FCC had reviewed the operating cost for the

suppliers in the pricing template. The operating cost was last reviewed in the year 2012 when LPG was regulated by the FCC.

Summary of price changes are represented in Graph 2. The prices vary outside the geographical boundaries of Viti Levu, Vanua Levu, Taveuni, outer islands and Rotuma.

Graph 2: Retail Prices of LPG Products



## Review of Pharmaceutical Items Prices

In the period August 2016 to July 2017, a total of two reviews were carried out based on the tender process of which traders are invited to make submission for the review of regulated pharmaceutical products. The pricing methodology adopted by the FCC is based on the tender process where the most

efficient supplier determines the in-store prices and is valid for a quarter. Upon the computation of the instore costs, an analysis is performed to determine the efficiency of shipments and adoption of a uniform price through comparisons with costs of products with identical pack sizes in the same product category by different suppliers. Table 1 shows the price change analysis for pharmaceutical items for the period August 2016 to July 2017.

**Table 1: Pharmaceutical Items Price Changes for the period August 2016 to July 2017**

Review Period	Total No. of Products for Review	Trigger Met	Price Increase	Price Decrease	New Inclusion	Trigger Not Met
Q1 2017	101	28	11	17	4	73
Q3 2017	58	6	4	2	0	52
<b>Total</b>	<b>159</b>	<b>34</b>	<b>15</b>	<b>19</b>	<b>4</b>	<b>125</b>

## Pharmaceutical Items Regulation

The FCC had initiated a study on the Pharmaceutical Items Price Regulation. The rationale for the study was to review the existing price control structure of Pharmaceutical items in Fiji to ensure its compatibility with current market conditions. As part of the first and second phase study, a paper was prepared on the Pharmaceutical Price Control and Free Medication Critical Analysis. For the second phase study, the FCC presented the board paper on Pharmaceutical Price Control Review. The FCC Board recommended to conduct Pharmaceutical Industry Review and continue to actively seek Stakeholder views through Technical Working Group. The review will study market structure, substantial market power, product pricing, resources and management.

### Dialysis Investigation

The FCC had initiated an investigation into the Kidney Dialysis

cost in Fiji based on a receipt of a complain. The FCC conducted a preliminary study by gathering information through various organizations. Local and international benchmarks were studied and used to reference cost of components of dialysis though study was not limited to financials only. The study concluded that for comprehensive insight, the Commission needs full access to Kidney Foundation facility for auditing and cost modelling. The FCC consulted the Minister for Health and Medical Services to discuss the matter and made recommendation. The FCC noted that as part of the 2017/2018 Budget announcement, \$1.0 million is allocated for construction of a new National Kidney Research and Treatment Centre. The Centre will be a national hub for treatment and prevention of kidney disease, and provide patients with the most economical access to the treatment of kidney disease. In ongoing initiatives, the sum of \$300,000.00 was provided to support the treatment of patients who require dialysis treatment.

# DAILY PRICE REVIEWS

## Basic Food Items Price Review

The FCC reviews and determines the prices of Basic Food Items based on the price control order Commerce (Price Control) (Control of Prices of Food Items) Order 2015. Revision of price control items are carried out daily depending on the items

arrival in Fiji. The FCC has designed a template with 'Cost-Plus Pricing Method' which incorporates all costs incurred in securing the products from the source/supplier to the end users and an allowance of 'Mark-up' for importers wholesales and retails.

During the year, the FCC received a total of 1094 submissions for 454 submissions the trigger was not met, for 278 submissions the prices increased and 283 submissions the prices decreased, 79 submissions for which the products were new inclusions to the price control list. The submissions were processed with the prices amended on a daily basis.



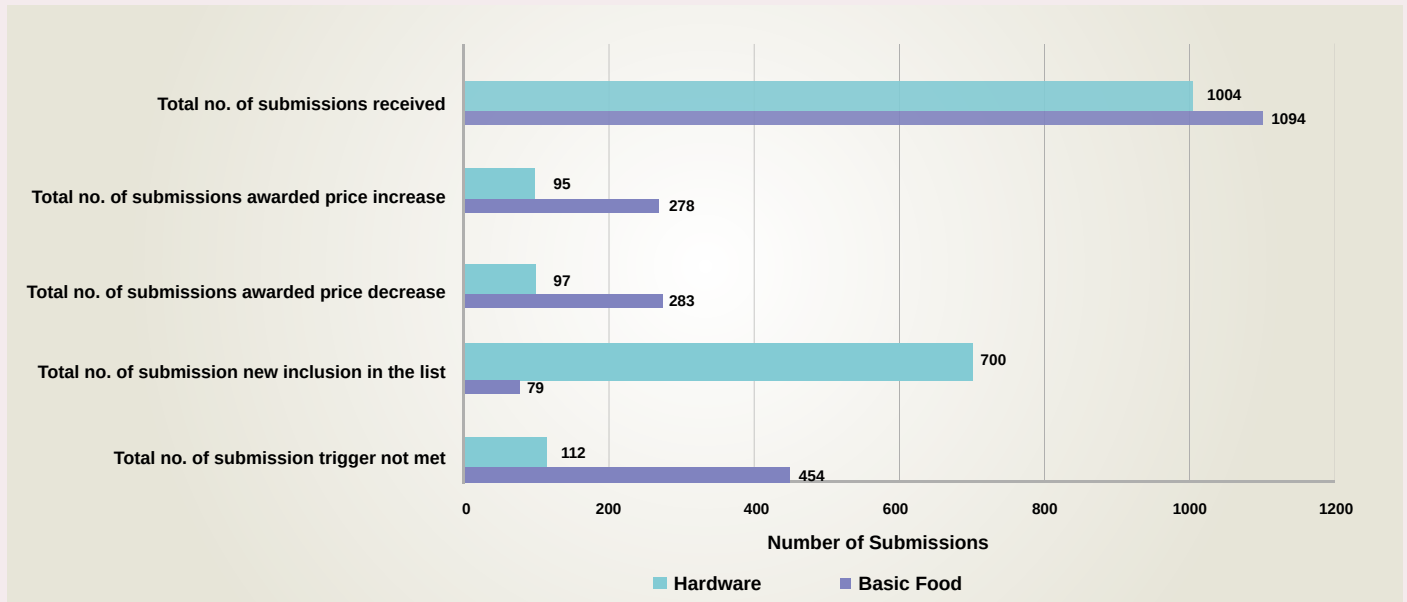
**FCC Officers conducting inspection at a local supermarket for prices of controlled items.**

## Hardware Items Price Review

The FCC has powers to regulate the price of hardware items in the Fiji market through the Commerce (Control of Prices for Hardware Items) Order, 2016. During the year, the FCC received a total of 1004 hardware price review submissions.

95 submissions were subject to price increase, 97 submissions were subject to price decrease, 112 submissions did not reach the trigger point. In addition, 700 submissions were new inclusions to the hardware items price list.

### Submissions Statistics



## Review of Prices for Tropik Wood Industries Ltd Timber

The FCC also reviewed submission from Tropik Wood Industries Ltd for an increase in the timber prices. The FCC analysed the submission and financial information of the company and carried a site visit of the mill in Drasa, Lautoka. The FCC after its analysis recommended that Tropik Wood Limited re-submit its

submission for its production after the mill is fully operational to full production capacity. The effect of the mill upgrades can only be achieved after the mill is fully operational.



*A FCC Officer conducting site visit at the Tropik Wood Mill in Drasa, Lautoka.*

## Fixed Price Control

### Wheat Products

The FCC regulates the ex-factory wholesale price of Baker's flour, Baker's whole-meal flour, normal flour, normal whole-meal flour and sharp. The FCC also regulates the wholesale and retail price of normal flour and sharp. The price of wheat products is administered by two price control orders, the Commerce (Price Control) (Wheat Products Ex-Factory) Order 2015 and the Commerce (Price Control) (Wheat Products Wholesale and Retail) Order 2015.

The flour pricing template used for pricing wheat products in Fiji specifies two methods of pricing based on the trigger set at

(+/-) USD\$30.00 per metric ton. Summary of price review which warrants a price change are as follows;

- A. Quarterly Price Restatements or three (3) months average; and
- B. Moving three (3) months Average.

In June 2017, the FCC carried assessment of the wheat card prices from January 2016 till May 2017 and had noted that there was no trigger effect (+/-USD\$30). Based on the two methods of assessment, the FCC noted that it does not meet the trigger of (+/-) USD\$30 thus no price review is necessary.

## PRICE CONTROL ORDERS REVIEW

During the period August 2016 to July 2017, the FCC undertook study of the products and services for which the price control orders were near expiry to decide on the future of the Orders. The study included assessment on the current level of competition, the social and economic environment and policies and the views, comments and suggestions by the stakeholders and users of such products/ services in Fiji. Based on the findings, the FCC made recommendations to the Minister pursuant to Section 40(3) of the Commerce Commission Act 2010 on whether the Order should be extended, amended, varied or revoked.

**Table 2: Price Control Order Reviewed for FY2016/2017**

NO.	Reviewed Order	Effective Date	Expiry Date
1	Commerce (Control of Prices for Supply of Electricity and Ancillary Services) Order 2016	25 May 2017	25 May 2022
2	Commerce (Control of Prices for Ports Management Services) Order 2017	27 March 2016	27 March 2021
3	Commerce (Control of Prices for Hardware Items) Order 2016	6 November 2016	6 November 2019
4	Commerce Commission (Control of Maritime Shipping Services, Freight Rates and Passenger Fares) Order 2016	1 January 2017	1 January 2020

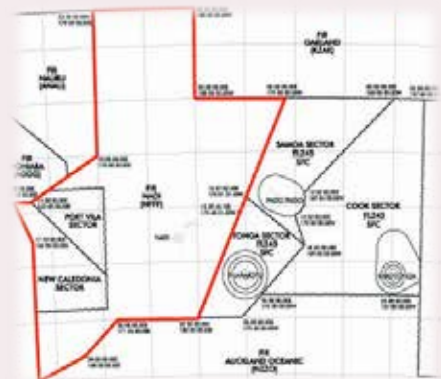
## INDUSTRY REVIEWS AND AUTHORISATIONS

### Airports Industry

A submission was received from Airports Fiji Limited ("AFL") on Air Navigation Service Fees for a proposed increase from FJD5.87 to FJD9.51 for international routes through the Nadi Flight Information Region (NFIR).

Based on the submission made by AFL, airlines and other industry stakeholder submissions and the FCC's independent research and computations, the Air Navigation Fees had been reviewed. On 28 December 2016, the FCC released the Final Authorisation on Air Navigation Service Fees, authorising a rate of FJD9.51 for international routes effective from 1 January 2017 for the next five (5) years. The increase in International Air Navigation Service Charge was granted to improve AFL's ability to carry out much needed infrastructure development. The increase will also allow AFL to continue providing competitive remuneration to its specialised aeronautical staff to mitigate the risk of poaching and improve service delivery. The modernisation of Fiji's international airports is Fijian Government's priority.

As such, the increase will allow AFL to pursue important capital investments such as terminal and airfields upgrades at Nadi and Nausori; development of new outer island aerodromes and upgrading of the air navigation systems.



The Nadi Flight Information Region (FIR), extends from Southern Kiribati to Tuvalu, Fiji, Vanuatu, Wallis and Futuna and New Caledonia.



## Cement Industry

### National Supply of Cement

On 6 June 2017, Pacific Cement (Fiji) Ltd (PCL) notified the FCC on the disruptions of production of cement that resulted in the shortage of cement supply in the domestic market. Pacific Cement Limited highlighted that breakdown was primarily due to the need to replace spare parts, the plant could not meet the required demand in the market resulting in shortage of cement in Fijian economy. To overcome the national crisis of cement shortage in the Fijian economy, the FCC negotiated between Tengy Cement and Pacific Cement with the assistance of the Minister of Industry, Trade and Tourism, Trade Commissioners

and the Permanent Secretary for Industry, Trade and Tourism.

Pacific Cement agreed to sell clinker at FJD\$147.00 per tonne to Tengy Cement. On 13 June 2017, the Fijian Government announced that it is providing duty concession to import cement from overseas. Cement imports attract a fiscal duty of 32%, 10% import excise duty and 9% VAT but following the shortage, the import of cement will be zero rated. The concessions will be available to all companies and individuals for three months. However, to qualify for concession, orders must be placed and consignments must leave the country of origin before the expiry of the three months that is the 9th September 2017.



### Interim prices for Tengy Cement

In May 2017, Tengy Cement made a submission to the FCC requesting for increase in price of cement. In view of the cement shortage in the Fijian economy, the FCC negotiated between Tengy Cement and Pacific Cement with the assistance of the Minister of Industry, Trade and Tourism, Trade Commissioners and the Permanent Secretary for Industry, Trade and Tourism. On 8 June 2017, Tengy Cement officially requested the Commission to allow them to sell cement at an interim price currently authorized in the market. The FCC assessed the market situation of cement shortage in the Fijian economy and as such approved the interim price increase for Tengy Cement at \$233.77 VEP per ton for GB Bag Cement and at \$212.53 VEP per ton for GP Bulk Cement on 9 June 2017. The interim prices approved to Tengy Cement were the same prices authorized to Pacific Cement by the FCC to ensure that current market price is maintained and the price volatility in the retail sector has minimal impact on the Fijian economy.

received from FEA and the Department of Energy, the FCC had explored and assessed the options for improvement of the capital deposit requirements that will best advance the interests of consumers and FEA.

After consideration by the FCC's Board on these issues, the FCC circulated the Draft Authorisation to all stakeholders for comments and suggestions before any policy matters are finalized. On 22 March 2017, the new Electricity Act 2017 was issued in Parliament and the FCC further requested for feedback considering the new Act and for determining the future direction of the policy. The review is in progress and expected to be finalised in the new financial year.

## Electricity Industry

### Review of Capital Infrastructure Consumer Deposit

In June 2016, the FCC had undertaken the review in response to the request made by Fiji Electricity Authority (FEA) highlighting the shortfalls and/or impediments in the existing policy affecting investment, growth and viability and sought suggestions on the FCC's proposed Draft Authorisation. Based on further information

### Independent Power Producers (IPP) Tariff review

Fiji Electricity Authority (FEA) made a submission to the FCC in November 2016 seeking a review of the Feed-in IPP tariff rates. The FCC considered that in the spirit of fair and efficient markets, for such markets to exist, a fair and level playing field is required and the same can be done through an open book' negotiation system, where FEA and the IPP's will be able to enter into commercial negotiations and arrive at a rate which is fair to both FEA and the IPP's. In ensuring that the FCC maintain its approach in ensuring inclusive Policy decision making, the FCC consulted the relevant stakeholders including FEA on the draft authorisation.

## Sugar Industry

### Fiji Sugar Corporation (FSC)- “Sugar of Fiji” Brand Retailing

On 10 November 2016, Fiji Sugar Corporation (FSC) made a submission to the FCC, seeking price approval for Sugars of Fiji brand retail packs for an increase in the price of 50kg Bulk pack sugar from \$70.45 to \$86.00. The basis for the submission was due to the end of the sugar quota into the European Union (EU) market in October 2017 and to counter these effects by increasing sales into the domestic and regional markets. Further, FSC had invested into a new Packaging Plant that with a very high standard of pest and hygiene control in place and was focusing on implementing ISO standard to capture the export market. The FCC as part of its review process conducted its qualitative and quantitative analysis and consulted various stakeholders. Based on the final assessment, the FCC maintained the ex-warehouse bulk pack sugar of 50kg at \$70.45 and made condition in the authorisation that the bulk pack should always be made available to the retailers who may want to repack and sell sugar to their end users.

The FCC determined the regulated packaging cost and determined the wholesale price of Sugar of Fiji Product to be \$1.53 per kg. On 3 March 2017, the FCC released the Final Authorisation for the FSC Sugar price for Bulk and Sugar of Fiji product.

### Sugarcane Mechanical Harvesting Cost Assessment

The FCC noted exorbitant sugar cane cartage and harvesting rates warranted the Commission to study the cost of mechanical harvester associated with harvesting canes within the Fijian Sugar Industry. The Commission, as part of its process obtained raw data from FSC and conducted extensive field research, and Commission interviewed the growers, operators and owners of mechanical harvesters. The Commission noting the market abnormalities in the harvesting sector of the sugar industry analysed that the bargaining power with regards to harvesting of sugar cane during the crushing season mostly lay with the owners of mechanical harvesters. They determined in packages, the cost of cartage, harvesting and Sardar per tonne for the farmers had to pay.

Fiji Sugar Corporation (FSC) on 4 May 2017 made another submission to the FCC seeking for price approval of new Stock Keeping Units (SKUs) under the “Sugar of Fiji” brand retail packs of 10kg and 25kg sugar. Given the increase in the proposed prices in contrast to the current market prices, the FCC verified the bagging expenses and overhead expense incurred during the production process. Based on the review after six months, the FCC will determine the actual prices. The FCC as such determined the interim authorized maximum ex-warehouse, wholesale and retail prices for FSC “Sugars of Fiji” products for 10kg and 25kg effective from 5 July 2017.



A FCC Officer with the new “Sugars of Fiji” packs at the Fiji Sugar Corporation’s Packaging Plant in Lautoka

The FCC after its analysis recommended that the Harvesting Rate for Mechanical Harvester must be fixed at \$17.50 per tonne for harvesting sugar canes within Fiji. The rate determined incorporated allowance for cost of service, operations, depreciation and interest expense. On 1 August 2017, the Commerce Commission (Control of Prices for Mechanical Harvesting Services for Sugar Cane) Order 2017 was issued declaring that the prices for the supply of mechanical harvesting services for sugar cane in all quantities, qualities and grades or classes are controlled by the FCC.



FCC Officers at the Johnson Rd cane farm in Lautoka during the mechanical harvesters cost assessment consultation.



## Seaports Industry

### Pilotage Sector Study

On 24 June 2017, the FCC carried out its preliminary assessment on the Pilotage Sector based on the request made by the Ministry of Industry, Trade and Tourism covering the following;

- Competition
- Pricing
- Fiji's comparative competitiveness, region and similar ports
- Impact on cost of doing business
- Service providers and stakeholders
- Stakeholders and conflict of interest issues (an investigative look at service providers, i.e. the private sector and the Regulators)
- Licensing issues
- Legal issues and conflicting Laws

The FCC during the review made recommendations for the Minister's consideration on the Commerce (Control of Prices for Ports Management Services) Order 2017 specifying pilotage as part of the port management services.



*Pilotage services is the process involves guiding large and small vessels through pilotage areas designated.*

### Ports Tariff Review

Fiji Ports Corporation Limited made a submission to the FCC for tariff review for local vessel charges, ancillary items and tug service charges. The FCC as part of its regulatory review process, called for stakeholder's submissions seeking their views on the impact of the proposed tariff rates. The FCC is in progress of analysing the financials and segmented data for the period 2013 to 2016 to determine the cost associated and rate base. The FCC as part of its review process also conducted site visit to Fiji Ports and further assessed FPCL's submission pertaining to additional information needed for pricing of the individual fees and charges. The review is in progress and expected to be finalised next year.



*FCC Officers attending a briefing at the FPCL Office at a consultation session for the port tariff review.*

## Passenger Fares and Freight Rates Review

The FCC called for submissions from the stakeholders regarding the review of the freight rates and passenger fares for all necessary and complete information to be provided for the routes serviced. The submissions were due on 30 November 2016. Submissions were received from two companies. While analysing the submission, the FCC had noted some discrepancies that may affect the review process, as such the FCC had made site visits to shipping stakeholders in its effort to verify and request additional information.

The FCC in performing its functions is open for reviewing the rates provided that stakeholders ensure that appropriate justification and details is provided in view of ensuring that the rates are reasonable to consumers and adequate return are earned for the entity.

### Review of Government Shipping Franchise Scheme

The Ministry of Infrastructure and Transport had embarked on the review of subsidy rates as well as proposed franchise routes, to ensure continuous and efficient shipping services that contributes to the improvement in livelihood of our rural maritime dwellers. The subsidy review was undertaken in collaboration with the FCC in its capacity as regulator and statutory organization responsible for fair trade and competition. Based on review, the team consisting of personnel from the Ministry of Infrastructure and Transport together and FCC assessed the franchise scheme for efficient usage of the routes servicing the outer islands. The team took a trip to Rabi Island and Kioa Island to gather information on the proposed franchise routes and conduct on the ground assessment to determine the suitable routes for vessels which will serve the two islands efficiently. The report on this assessment was presented to the Permanent Secretary for Infrastructure and Transport.



*A FCC Officer carrying out consultation regarding the government franchise scheme for Rabi at the Buakonikai Village Hall in Rabi Island.*

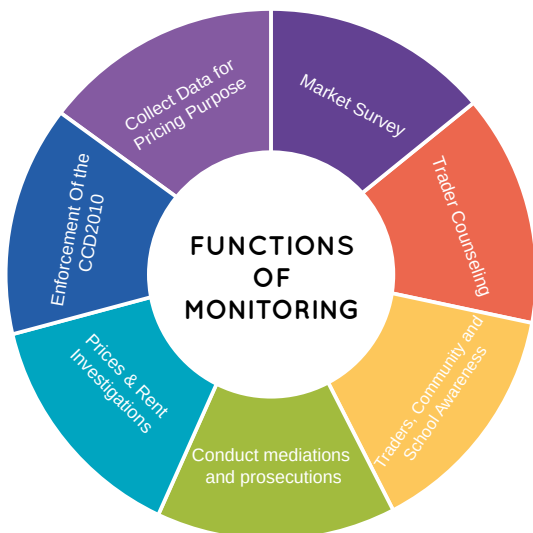


# PRICE CONTROL & MONITORING DEPARTMENT

## MONITORING DEPARTMENT

The role of the Monitoring Department is to conduct routine price control inspections, trader awareness, trader counselling, school awareness, receive complaints and conduct surveys to enforce the CCA 2010 and relevant Price Control Orders of the

FCC to ensure that compliance exists in all Divisions. The role of the Price Inspectors is to conduct inspections in the market and to ensure that the traders follow the price set out by the Commission and compliance is maintained at all times. The functions of the Department is summarised below;

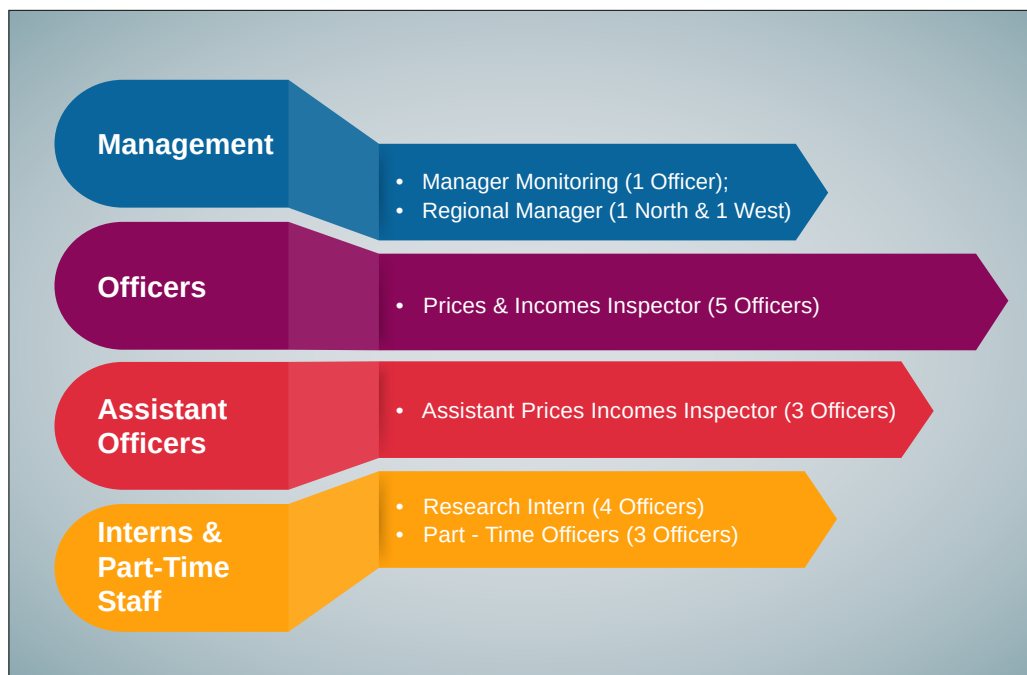


*FCC Officer conducting price inspection in Western division.*

The Monitoring Department ensures that market surveillance and price inspections are carried out effectively including residential rent and onsite inspections. This is done to ensure traders and

businesses comply with the provisions of the CCA 2010. This is pursuant to the Powers of the Officers of the FCC as stipulated under Section 126 of the CCA 2010.

**Chart 1: Hierarchy of Staff Members in the Monitoring Department**



The Monitoring Department has a total of 16 staff members made up of one Manager Monitoring, five Senior Inspectors, three Assistant Inspectors, four Research Interns and three

Part Time staff. The summary of the major activities for the year August 2016 to July 2017 are as follows.

# MONITORING ACTIVITY FOR THE YEAR 2016/2017

Monitoring activities were carried out in the urban areas including cities and towns, semi-urban areas, rural areas and maritime areas. The overall statistics for the period 1st August 2016 to 31st July 2017 is tabulated below;

**Table 3: Monitoring Summary by Divisions**

PARTICULARS	Central / Eastern	Western	Northern	Outer islands	Total
Total Inspection	822	1611	2703	235	5,371
Total Verbal Warned	30	0	0	33	63
Total issued with Infringement notices	24	91	93	11	219
Total Issued with Warning letters	5	0	4	0	9
Total infringements/Bookings	5	118	181	0	304
Total filed for prosecution	6	10	2	1	19
Total issued with Spot fines	68	19	02	11	100

Summary of breaches are as follows;

- Traders warned for Prosecutions totaling up to 18 traders;
- Traders issued with Infringement Notice and warned totaling up to 395 traders;
- Traders issued with On-Spot Penalties totaling up to 100 traders.

## TRADERS WARNED FOR PROSECUTION BY DIVISION

### TRADERS WARNED FOR PROSECUTION BY DIVISION

A total of 18 traders were warned for prosecution for the period 1st August 2016 to 31st July 2017. The detailed summary of the breaches are in Table 4 below;

**Table 4: Traders Warned for Prosecution including Maritime Areas**

Breaches Category	CCD 2010 Section Breached	Central Eastern	Western	Northern	Outer Islands	Total
Overcharging	Sec. 52. Selling above the Maximum Retail Price (MRP) set by Commission	1	1	2	0	4
Non-display of Prices Warned	Sec. 54 Prices not indicated (price marking on products and price display)	3	6	0	1	10
Expiry Dates Missing	Sec. 87 (2) (j) – Referral Selling	1	0	0	0	1
Refusal to sell at MRP	Sec. 53 Refusal to sell at maximum prices	0	0	0	0	0
Foreign Language	Sec. 75(1) Misleading and deceptive conduct	0	0	0	0	0
Misleading Advertisement	Sec. 78 False or misleading Advertisement	0	2	0	0	2
Not Issuing Tax Invoice	Sec. 55 Trader not issuing tax invoice for sales above \$10-00	0	0	0	0	0
Other Issues/ Other Sections in the Act		0	1	0	0	1
<b>Total Summary</b>		<b>5</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>18</b>

(Source: FCC Monitoring Activity Report)

## TRADERS ISSUED WITH INFRINGEMENT NOTICE/VERBAL WARNINGS ISSUED BY DIVISION

A total of three hundred and ninety-five (395) traders were issued with infringement notice for the period 01st August 2016 to 31st July 2017. The detailed summary of the breaches are in table 5 below;

**Table 5: Infringement Notice/Verbal Warnings Issued by Location.**

Category	CCA 2010 Section Breached	Central Eastern	Western	Northern	Outer Islands	Total
Overcharging	Sec. 52. Selling above the Maximum Retail Price (MRP) set by Commission	12	30	110	23	175
Non-Display of Prices	Sec. 54 Prices not indicated (price marking on products and price display)	30	42	61	28	161
Expiry Dates Missing	Sec. 87 (2) (j) – Pull Dates	1	10	15	0	26
Refusal to sell at MRP	Sec. 53 Refusal to sell at maximum prices	1	0	0	0	1
Foreign Language	Sec. 75(1) Misleading and deceptive conduct	0	0	0	0	0
Misleading Advertisement	Sec. 78 False or misleading Advertisement	5	0	3	0	8
Not Issuing Tax Invoice	Sec. 56 Trader not issuing tax invoice for sales above \$10-00	0	4	1	0	5
Other Issues/ Other Sections in the Act		0	5	14	0	19
<b>Total Summary</b>		<b>49</b>	<b>91</b>	<b>204</b>	<b>51</b>	<b>395</b>

(Source: FCC Monitoring Activity Report)

## TRADERS ISSUED WITH ON-SPOT FINED

A total of 91 traders were issued with on-spot fines for the period 1st August 2016 to 31st July 2017. The detailed summary of the breaches are in table 6;

**Table 6: On-Spot fines issued by Division.**

Divisions	No. Of Traders	Offence	Total Fine (\$)	Total Fines Paid (\$)	Balance of Fines	Remarks
Central Eastern	70	Overcharging on price control items, no price marking and no price display on Price control items.	12,900.00	8,900.00	4000.00 (31%)	\$4000.00 not paid/ case in court.
Western Division	19	Overcharging on price control items, no price marking and no price display on Price control items.	8,200.00	6,100.00	2,100.00 (26%)	\$2,100.00 not paid/ case in court
Northern Division	2	Overcharging	4,000.00	4,000.00	Nil (0%)	Fine fully paid
<b>Total</b>	<b>91</b>		<b>25,100.00</b>	<b>19,000.00</b>	<b>6,100.00</b>	

(Source: FCC Monitoring Activity Report)

## AWARENESS ACTIVITIES

Major awareness activities were undertaken for the communities, schools and traders in the three divisions. Detailed summary of the awareness activities are in tables 7 and 8;

**Table 7: Community & School Awareness conducted by FCC through Divisions**

Divisions	Number of awareness events organized	No of participants attended
Central Eastern	33	2363
Western Division	35	3615
Northern Division	29	1549
<b>Total</b>	<b>97</b>	<b>7527</b>

(Source: FCC Monitoring Activity Report)

**Table 8: Trader Awareness and Workshops**

Divisions	No of workshops events organized	No of participants attended
Central Eastern	108	296
Western Division	2	21
Northern Division	32	81
<b>Total</b>	<b>142</b>	<b>398</b>

(Source: FCC Monitoring Activity Report)

**Table 9: Summary of Trader Counseling Conducted by Divisions**

Divisions	No of counseling events organized	Issues Discussed
Central Eastern	68	Overcharging, price marking and display misleading advertisements.
Western Division	31	
Northern Division	50	
<b>Total</b>	<b>149</b>	

(Source: FCC Monitoring Activity Report)

## SUMMARY OF COMPLAINTS RECEIVED

While the Monitoring Department's core function is to carry out routine price control inspections, schedule surveys, and ensure traders comply with CCA2010, the Department also handles complaints on day to day basis. Complaints received are lodged through phone calls, emails, and in person. Detailed summary of the complaints in table 10:

**Table 10: Summary of the consumer complaints received by FCC through Divisions**

Divisions	No. of Complaints Received	Infringement issued	Spot fined	Prosecution Filed	Traders warned
Central Eastern	63	6	5	1	5
Western Division	48	-	3	-	5
Northern Division	2	-	-	-	-
<b>Total</b>	<b>113</b>	<b>6</b>	<b>8</b>	<b>1</b>	<b>10</b>

(Source: FCC Monitoring Activity Report)



## COMPETITION & COMPLIANCE DEPARTMENT

The functions of Competition & Compliance Department (CCD) under the guidance of the members of FCC and Management is to ensure that any complaints or concerns, pertaining to consumers or competition, received by the department is assessed and actioned under Part three, Part four, Part six, Part seven and Part eight of Commerce Commission Act 2010 (CCA 2010). The Department also undertakes to consumer redress mechanism such as mediations to mediate and resolve the complaints by ensuring that fair and equitable remedy is provided to the aggrieved consumers in all fairness.

By enforcing the competition provisions under Part six of the CCA 2010, the Department promotes economic efficiency which leads to affordable prices, increased choices and greater economic growth, and ultimately enhancement of the overall welfare of all Fijian. The Department also enforces the Compliance provisions of CCA 2010, to ensure that Fijian consumer are protected from unfair trade practices.

After the restructure of the entire organisation, CCD started in the year 2017 with eight staff members based at the head office, two Compliance Officers in the Western Division and two Compliance Officers in the Northern Division. CCD also engaged in handling mergers and acquisition under Part six of the CCA 2010.

The Department's mission is to ensure that the consumer's interests are safeguarded as per the provisions of the CCA 2010 and through the principles of common law. Such is expected when businesses operate in open, fair and vigorous competition with each other which often to the consumer's benefit. The

Department strives to improve the welfare of consumers by working to bring about competitive and efficient markets, by thwarting deceptive and coercive trading practices and empowering consumers with the knowledge and skills they need to make rational and informed buying decisions. As a result, consumers benefit from improved value, choice and quality in products and services, and are much less likely to encounter such prohibited trade conducts.

The Department pursues this goal by:

- encouraging businesses and traders to comply with CCA 2010 and to improve their trading practices; acting decisively to stop repeat offenders;
- empowering consumers with the knowledge and skills to make informed choices and get the best value from markets;
- having business consultation program, balancing business and consumer needs;
- create consumer awareness through articles, social media websites, etc;
- One to one discussion on compliance requirements during mediations;
- Continuing our proactive compliance program, targeting areas where consumers are more at risk;
- Conciliating consumer complaints;
- Media screening to ensure that no consumer is a victim of misleading and deceptive advertising; and
- Developing guidelines and monitoring compliance.

Further, In the first quarter of the 2016/2017 financial year, the Central Eastern Division has adopted a policy to refer cases of fraud involving scams to the Police for investigation under the Crimes Act 2009.



*FCC Officers attending to complaint.*



## Unfair Trading Cases

In 2017, the CCD recorded complaints received, resolved and in-progress for all its Divisional offices as shown in table 11.

**Table 11: Summary of the consumer complaints received by FCC through Divisions**

Divisions	Total Number of Cases received	Total Number of Cases resolved	Total Number of Cases In-progress
Northern Division	46	36	10
Western Division	149	100	49
Central	189	87	102
<b>Total</b>	<b>384</b>	<b>223</b>	<b>161</b>

## MAJOR CHALLENGES

A major challenge for the Department was streamlining the complaints handling process.

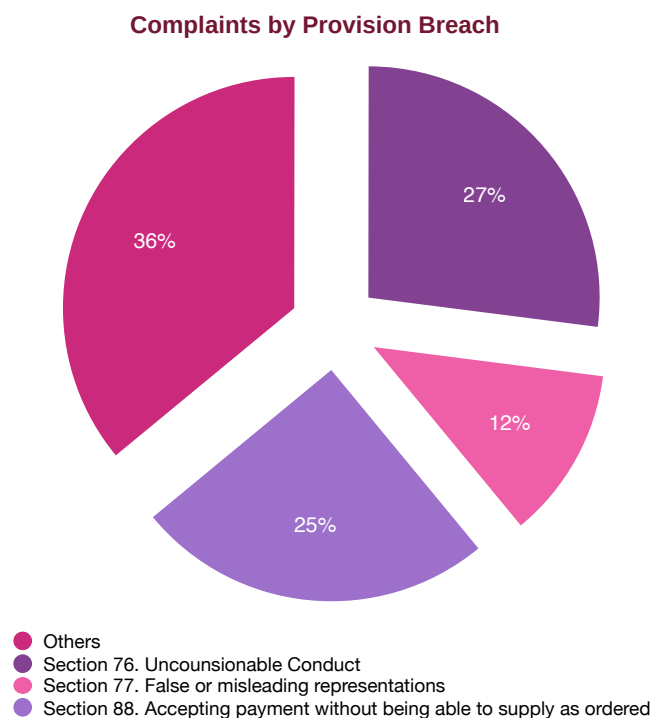
The Department faced various challenges during the year and notable ones are:

1. The inability to process cases within the required timeframe provided under the FCC's Standard Operating Procedures (SOP). Many cases took well over the period to resolve due to various factors such as non co-operation of Respondents and Complainants;
2. Lack of commitment and willingness by the parties to resolve cases;
3. Complexity of issues attached to the complaints; and
4. Changing demands from complainants.

### Case Summary

Figure 1 is a dynamic representation of unfair trade cases received from the three divisions by the Commission. Note that in some cases there is likely that more than one section of the CCA 2010 breached or there may have not been likely breach of CCA 2010 hence the statistics in the table above may vary with the total number of complaints received.

**Figure 1: Complaints by Type of Breach**



*FCC Officer facilitating awareness.*

# RENTS SECTION

The function of the Section is to enforce the provisions of the Commerce Commission Act 2010 (CCA 2010) particularly Sections 45, 46, 47 and 56 relating to rental matters, administer consumer complaints and utilise all things within its means to resolve them. The activities of the Section are conducted in accordance with the functions prescribed under Section 15 of the CCA 2010. It encompasses promoting awareness, mediation of cases, investigations and legal action where required.

As the financial period changed from January - December to August – July, the Section realigned its operations and encountered a challenging phase when most of the staff members' contracts expired in July 2016. The management of the day to day operations of the Section was shared amongst senior staff members till the FCC approved a one-year extension for those with expiring contracts enabling the work of the Section to continue smoothly without much disruptions.

The Section was also vigorous in its effort to minimize rent related complaints through heightening of awareness and diligent enforcement. The Section pursues this goal by:

- encouraging compliance with CCA2010 and Rent Freeze Order;
- being strict on flagrant offenders;
- consumer empowerment;
- outreach programmes with landlords and tenants alike;
- focusing proactive compliance programmes in high consumer risk areas;
- developing self-regulating guidelines and monitoring compliance.

During the new financial year, the FCC went through an organizational review and the Compliance and Fair-Trade

Department was renamed to the Department of Competition and Compliance (CC). This change saw the Rents Section being realigned to the Department of Price Control and Monitoring (PCM).

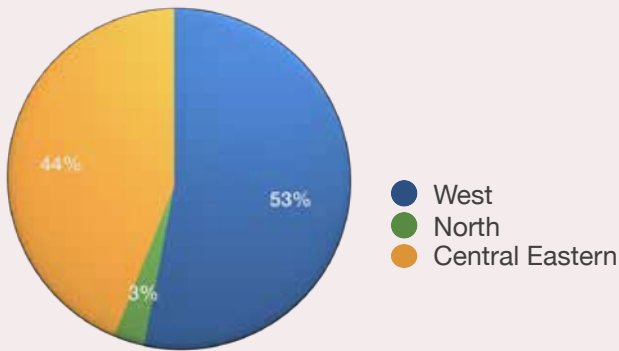
The function of the Section under the direct guidance of the Manager (PCM) and Deputy CEO is to administer the FCC rent control in accordance with the provisions of the CCA 2010. The activities of the Section are carried out by the Senior Rents Officer (SRO) and two Rents Officers (RO); with one RO already appointed and the other to be appointed.

Under the rent control, landlords are restricted from increasing rental of any premises used for residential purpose including ground leases to which the CCA 2010 applies. Section 45 mandates the FCC to fix and declare the maximum rental of any residential and ground rental through the approval of the Minister. Also, Part 7 (i.e. Consumer Protection) applies to landlords. This work of administering rent control is delegated to the Rents Section under the new Price Control and Monitoring Department (PCM). In the new financial year 2016/2017, the section continues to enforce the rent freeze that has been in force since 2 March, 2007. In the 2016/2017 financial year, the three divisions recorded a total of 407 formal rent complaints, resolved 357 and had fifty (50) cases transferred to 2017/2018 for processing. In the same period, there were a total of 581 informal complaints and queries. The breakdown per division is shown in table no. 12

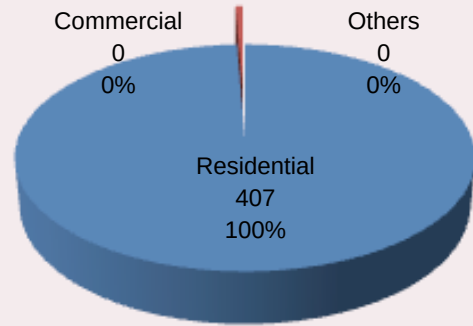
**Table 12: Rents Number of Cases for Financial Year 2016/2017**

	Central Eastern	Western	Northern	Total	Percentage
<b>Total no. of Formal rents complaints resolved</b>	158	188	11	<b>357</b>	<b>87.71%</b>
<b>Total no. of Formal rents complaints pending</b>	39	11	0	<b>50</b>	<b>22.29%</b>
<b>Total no. of Formal rents complaints received</b>	197	199	11	<b>407</b>	<b>100%</b>
<b>Total no. of Informal rents complaints received</b>	<b>53</b>	<b>0</b>	<b>7</b>	<b>60</b>	

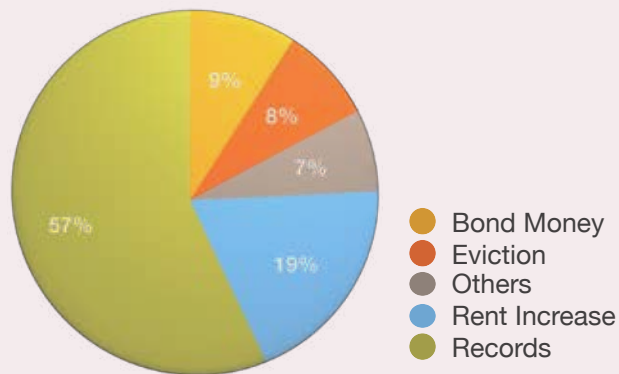
**Figure 2: Breakdown of Rent Cases by Division**  
Breakdown of Complaints by Division



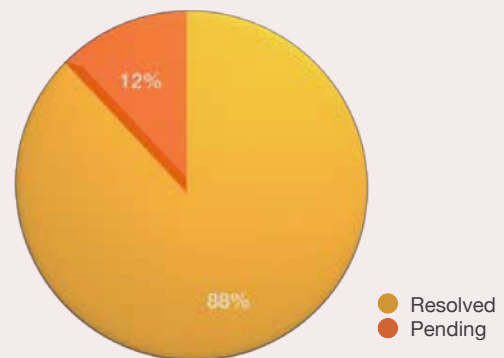
**Figure 3: Breakdown in types of cases**  
Breakdown in Type of Cases



**Figure 4: Breakdown of Cases by Nature**  
Breakdown of Cases by Nature



**Figure 5: Breakdown of Cases by Status**  
Breakdown of Cases by Status



## DRAFT LANDLORD & TENANT BILL



The Rents Section and Manager Legal were tasked in early 2017 to undertake the preparation of a proposed Landlord and Tenant Bill as requested by the Ministry of Industry, Trade and Tourism. The process had an action plan from January to July, 2017 and a Technical Working Group, (TWG) consisting of representatives from various Government agencies involved in rental and leases, was formed to oversee the process. A draft prepared by the Secretariat team and endorsed by the TWG became the core document used in the public and stakeholder consultations.

During the consultation process, various issues were raised and noted by the Secretariat team. The same was summarized and incorporated into the draft 'Bill' submitted to the MITT for further scrutiny and comments. The final draft will be forwarded to the Office of the Solicitor General for legal drafting and preparation of the Parliamentary 'Bill'.



## LEGAL, RISK MANAGEMENT & GOVERNANCE DEPARTMENT

The Department of Legal, Risk Management and Governance in the beginning of the financial year had a total of four staff members comprising of Prosecutors; one in the Western Division, one in the Northern Division and two in the Central Division. The Department was headed by Senior a Prosecutor. In September 2016 the Department engaged a Manager Legal who took over and headed the Department. Thereafter, in February 2017 the Department further expanded by engaging a legal research intern.

The Department provides legal advice to the FCC concerning the provisions in the Commerce Commission Act 2010, Price Control Orders, Rent Freeze Orders, Self-Regulating Guidelines and other relevant laws. Legislative drafting in reviewing Orders, Self-Regulating Guidelines and other laws is a role the department is tasked to execute efficiently and effectively.

Additionally, the Department represents the FCC in all criminal prosecuting matters in Courts and Tribunals in Fiji. Moreover, the Department assists various Departments in the FCC to ensure all decisions made by the Department heads are not in conflict to other relevant laws.

We succor the numerous Departments in providing Legal Opinions on issues highlighting certain provisions of the Commerce Commission Act 2010 that has been breached by companies, shops and persons. Finally, the Department investigates and handles internal disciplinary matters.

Prosecuting criminal matters for breaches under the Commerce Commission Act 2010, is the foremost objective of the Department. Legal proceedings eventuate when all avenues in resolving the matters are exhausted. When taking legal action the available remedies are fines, compensations, refund and replacement for the complainants. Mediation is encouraged to comprehend the matter can be settled rather than proceeding to court.

### **Brief Report on Failing to Comply to Rent Restriction**

During the year, the Department received 11 cases of failure to keep proper records of tenancy. Most of the cases were from the central division and pertaining to the FCC's stance on Rent Freeze Order.

One landlord has six complaints against him. The cases have been registered and charges filed in Nasinu Magistrate Court and pending outcome.



**Table 13: Prosecution Summary Central /Eastern Division**

Case Type/Category	Section Breached	Number of cases registered (1.1.16 to 31.7.16)	Number completed (Court has made a decision)	Number pending before the court (YTD)	Total value of fines imposed (\$)
Overcharging	Section 52	1	-	1	-
Non-display & marking of Prices	Section 54	3	1	2	-
Expiry dates missing	Section 87J	2	2	-	\$1,069.00
Failure to furnish Information	Section 56	1	-	1	-
False and misleading	Section 77 & 78	25	9	16	\$7,603.50
Rent	Section 45	7	-	7	-
Others		2	-	118	-
<b>Total</b>		<b>41</b>	<b>12</b>	<b>144</b>	<b>\$8,672.50</b>

Note: 118 files of pending is Mukesh Naidu's File one person in Central/ Eastern Division

In the Central/ Eastern Division, the Prosecutor attends matters in Suva, Nasinu, Nausori, Korovou and Navua courts. Table 13 indicates the number of cases that registered and filed in court for those offences. As shown above the total number of cases registered within the period August 2016- July 2017 is 41 of which 12 files have been closed in Court. The number of files pending in court however, is 144 because 118 cases are related to one Mukesh Naidu which is before the courts.

**Table 14: Prosecution Summary Northern Division**

Case Type/Category	Section Breached	Number of Cases Registered	Number Completed (Court has made a decision)	Number pending before the court	Total Value of Fines Imposed
Overcharging	Section 52				
Non-Display and Marking of Prices	Section 54	1	3	1	\$10,000.00
Expiry Dates Missing	Section 87J				
Failure to Furnish Information as requested by the Commission	Section 56				
Refusal to sell at MRP	Section 53				
Rent	Section 45				
Price Advantage	Sec 77 1(g)-Make a representation concerning that a price advantage of goods or services exist if it does not. 1	1	2		
Misleading	Section 77(1)			1	
Failed to pay spot fine	Section 59	1	1	2	\$1,000.00
<b>Total</b>		<b>3</b>	<b>4</b>	<b>6</b>	<b>\$11,000.00</b>

**Table 15: Details of Charges filed in Magistrates Court for Northern Division in 2016-2017**

S/No:	Case Number	Parties	offence	Court	Outcome
4/16	343/16	FCC vs Pradeep Kumar T/AS Kamal's Mini Mart	Failed to pay on spot penalty	Labasa	Fine \$1,000.00
5/16	467/16	FCC vs R.C.Manubhai & Co.Ltd	Making false representation on price advantage of goods	Labasa	01/11/17 for hearing
6/16	72/16	FCC vs MH Taveuni	Fail to display price	Labasa	Fine \$5,000.00

**Table 16: Details of Case Pending for Northern Division**

S/No.	Case No.	Parties	Offence	Court	Counsel	Inspectors	Next Date	Status
99/12	80/13	Fiji Commerce Commission Vs. Morris Hesdstrom, Labasa	Making false representation on price advantage of goods.	Labasa Magistrate Court	Gibson & Co. Mr. Ratule	Mr. Mukesh Sheik Yusuf	06.10.17	Sentencing
02/15	406/15	Gurbachans Foodtown Limited T/AS Count Down Supermarket	False and Misleading Representation.	Labasa Magistrate Court	N/A	Ariu Reo Salveen Ram	08.12.17	Mention
05/15	387/15	CP.Patel & Co. Labasa Limited	Fail to mark or display prices	Labasa Magistrate	Gibson & Co. Mr. Ratule	Salveen Ram Ariu Reo	25.10.17	Continuation of hearing
1/16	161/16	Bombay Trading Investment Ltd	Ailed to pay on spot penalty	Labasa	Gibson \$ Co. Mr. Ratule	Sakiusa Nasoiri Ariu Reo	17.11.17	Set for mention
2/16	170/16	Rinesh Prasad T/AS Royale Diner	Failed to pay on spot penalty	Labasa	In person	Sakiusa Nasoiri Ariu Reo	15.12.17	Set for mention
6/16	467/16	R.C.Manubhai & Co.Ltd	Failed to pay on spot penalty	Labasa	Gibson & Co.Ltd	Sakiusa Nasoiri Veniana.	01.11.17	Hearing

**Table 17: Details of Case Disposed for Northern Division**

S/No:	Case No.	Parties	Offence	Date Disposed	Court	Outcome
7/15	72/16	FCC vs MH Taveuni	Failed to display price.	16.06.17	Taveuni	Fine \$5,000.00 Court Cost \$250.00
9/14	86/15	FCC vs Shop N save Supermarket	Failed to display price.	19.06.17	Labasa	Case withdrawn wrongly charged (Registration Certificate differs from Actual name on the charge sheet)
14/13	248/13	FCC vs MH	Failed to display price	03/03/17	Labasa	Fine \$5,000.00 ordered to pay cost \$100.00
07/16	343/16	FCC vs Pradeep Kumar T/AS Kamal's Mini Mart Refreshment Bar	Failed to pay on spot penalty	10/03/17	Labasa	Fine \$1,000.00 ordered to pay cost \$34.50



**Table 18: Traders issued with On-Spot Fine Penalty**

Traders Name	Booking Date	Inspector	Breach Details	Spot Fine \$	Fine Paid	Spot No.
Taveuni Farm Shopping Centre	27.02.17	Nitin Kumar	O/C	\$1,000.00	RR No.3856 of 21/0317	954
Bargain Box Fiji Ltd	06/06/17	Aten Kumar	O/C	\$3,000.00	RR No.392	910

In the Northern Division, there is only one prosecutor attending to all matters in Labasa, Savusavu, Nabouwalu and Taveuni Courts. There were a total number of seven (7) new complaints that were registered and filed in court, two (2) of which are closed and nine (9) files are pending in court for the year.

**Table 19: Prosecution Summary -Western Division**

Case Type/Category	Section Breached	Number of Cases Registered	Number Completed (Court has made a decision)	Number pending before the court
Overcharging	Section 52			2
Non-Display and Marking of Prices	Section 54			2
Misleading Advertisement	Section 78	8		4
Rent	Section 45	7		6
Failure to issue proper Tax invoice	Paragraph 3 of the counter inflation			1
Others	Section 79	2		15
<b>Total</b>		<b>17</b>		<b>30</b>

**Table 20: Details of Charges Filed in Magistrates Court**

S/No.	Case No.	Parties	Offence	Court
1/16-17	60/16	FCC Vs Chota Dons Shopping Centre	Failure to pay spot fine	Nadi
2/16-17	71/16	FCC Vs Sahay Brothers Ltd	False or Misleading Representation	Lautoka
3/16-17	83/16	FCC Vs R B Patel Group Ltd	Failure to pay spot fine	Lautoka
	7/16	FCC Vs R Chand Curry	Failure to Pay on Spot Penalty	Tavua
	138/17	FCC Vs Navutu Food Store	Failure to Pay on Spot Penalty	Sigatoka
7/16-17	137/17	FCC Vs Evas Arts Village	Failure to Pay on Spot Penalty	Sigatoka
8/16-17	16/17	FCC Vs Jafar Ali	Illegal increase in rent	Nadi
9/16-17	3/17	FCC Vs Mukesh Prasad & Vandhana Prasad	Illegal increase in rent	Ba
10/16-17		FCC Vs Jai Arvind Lal	Illegal increase in rent	Lautoka
11/16-17		FCC Vs Surendra Kumar	Illegal increase in rent	Lautoka

S/No.	Case No.	Parties	Offence	Court
12/16-17		MH Supermarket	False or misleading representations	Rakiraki
13/16-17	93/17	Ashas Restaurant & Milk Bar	Failure to Pay on Spot Penalty	Lautoka
14/16-17	13/17	New World Ltd	False or misleading representations	Ba
15/16-17	104/17	Manjila Devi Goundar	Illegal increase in rent	Lautoka
16/16-17	105/17	Ashrita Arti Singh	Accepting payments	Lautoka
17/16-17	47/17	Anare Waqanipapalagi	Illegal increase in rent	Nadi

**Table 21: Details of Case Pending for Western Division**

S/No.	Case No.	Parties	Offence	Court
5/11	54/11	FCC vs. The Hot Bread Kitchen	Overcharging	Lautoka
2/14	27/14	FCC Vs Tara Devi	False and Misleading representation in relation to Land	Lautoka
3/14		FCC Vs The Hot Bread Kitchen	Overcharging	
2/15	7/15	FCC Vs Carpenters Fiji Ltd	Misleading Advertisement	Lautoka
7/15	35/15	FCC Vs Keshwa Prasad Sharma	False and Misleading representation in relation to Land	Lautoka
8/15	43/15	FCC Vs Westside Motorbike Fiji Ltd	Accepting Payments	Nadi
9/15	44/15	FCC Vs Kumar Investment	No Price Marking	Lautoka
12/15	532/15	Bombay Trading Investment Ltd	Failure to pay on-Spot Penalty	Ba
1/16	53/16	Sharmas Mini Mart	Misleading Representation	Sigatoka
3/16	303/16	Shop N Save Supermarket	Failure to pay on-Spot Penalty	Sigatoka
4/16	41/16	Vicky Kumar Bakery	Failure to pay on-Spot Penalty	Lautoka
6/16	42/17	Vicky Kumar Bakery	Failure to pay on-Spot Penalty	Lautoka
5/16-17	23/16	RC Manubhai & Co. Ltd	Failure to pay on-Spot Penalty	Lautoka
1/16-17	60/16	Chota Dons Shopping Centre	Failure to pay on-Spot Penalty	Nadi
2/16-17	71/16	Sahay Brothers Ltd	False & Misleading Representations	Lautoka
3/16-17	83/16	RB Patel Group Ltd	Failure to pay on-Spot Penalty	Lautoka
55/15	343/15	Navoso Hardware & Timber Ltd	Failure to issue Tax Invoice	Sigatoka
24/16	259/16	Coastal Automotive Rentals	Failure to furnish information	Sigatoka
6/17-17	138/17	Navutu Food Store	Failure to pay on-Spot Penalty	Sigatoka
7/16-17	137/17	Evans Arts Village	Failure to pay on-Spot Penalty	Sigatoka
8/16-17	16/17	Jafar Ali	Illegal increase in rent	Nadi
9/16-17	3/17	Mukesh Prasad and Vandhana Prasad	Illegal increase in rent	Ba
10/16-17	74/17	Jai Arvind Lal	Illegal increase in rent	Lautoka
11/16-17	75/17	Surendra Kumar	Illegal increase in rent	Lautoka
12/16-17		MH RakiRaki	False or Misleading Representation	RakiRaki
13/16-17	93/17	Ashas Restaurant and Milkbar	Failure to pay spot fine	Lautoka
14/16-17	13/17	New World Ltd	False or Misleading Representation	Ba
15/16-17	104/17	Manjila Devi Goundar	Illegal increase in rent	Lautoka
16/16-17	105/17	Ashrita Arti Singh	Accepting Payments	Lautoka
17/16-17	47/17	Anare Waqanipapalagi	Illegal increase in rent	Nadi

In the Western Division there was only one prosecutor attending matters in Sigatoka, Nadi, Lautoka, Ba, Rakiraki and Tavua Courts. As per the above table six (6) complaints were registered and filed court during the year. Four (4) cases were closed and twelve (12) cases are pending in the court.

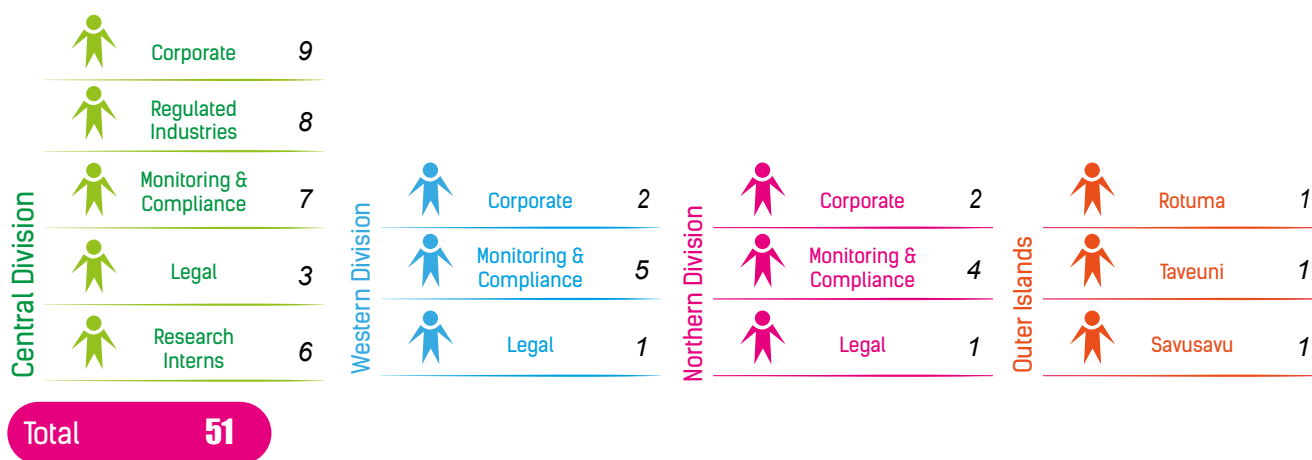
# HUMAN RESOURCES DEPARTMENT

The Human Resources Department is responsible for ensuring the daily operations of the FCC run well and that adequate resources are made available to every department, division and staff to assist in successfully delivering the FCC's obligations. The HRD at FCC primarily undertakes and oversees recruitment, employee benefits administration, internal relations, employee training and development, compliance and safety.

## FCC Staffing

FCC at the end of 2016 financial year a total of 51 staff members were employed. The breakdown of the staff members by division and Department are as follows.

**Table 22: FCC Staff Members by Division**



FCC regards capacity building as important, as such a number of trainings and workshops were organized for staff members all year round. The training identified were based on the respective roles undertaken by the FCC and need for staff to undergo such training. The objective of training staff members is to see them proliferate the knowledge gained through their work as well as impart the knowledge with the staff members for the greater benefit of the FCC.

**Table 23: Workshop Attended by Staff Members**

Workshop	Organized By	Total Staff Members Attended
Why Consumers Should Support Competition Law	FCC in association with Mr. Pradeep Mehta – CUTS	25
2017 Celebrations - World OHS Day	FCEF, ILO	2
EPICO Events (ERP)	Datec	1
ERP	FHRI	1
Basic Prosecution Course	Director of Public Prosecutions	1



## CORPORATE & FINANCE DEPARTMENT

The Corporate & Finance Department comprised of two (2) Executive Management personnel, one (1) Manager, two (2) Finance staffs, five (5) Customer Service staffs, and four (4) Executive Support staffs during the financial year.

The Department is responsible for handling the FCC's finances, supporting the Executive Management functions, receiving and forwarding complaints to respective Departments and managing the FCC's assets.

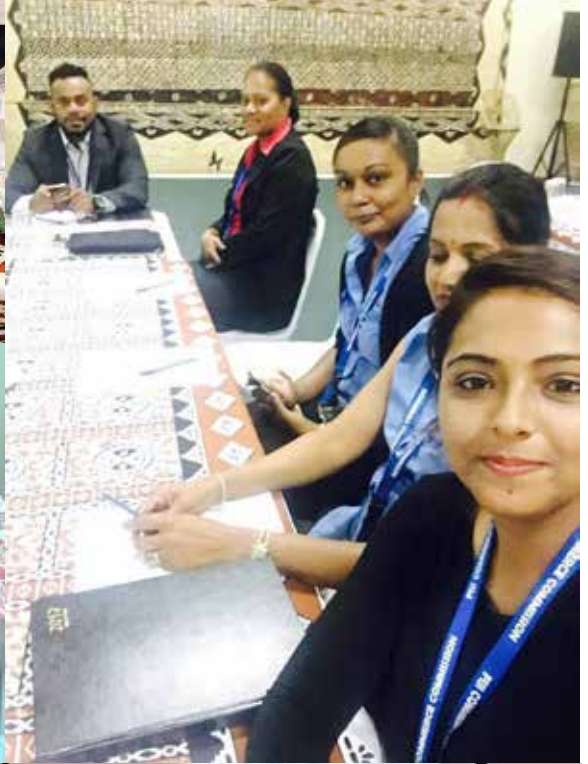
### Key Highlights

1. During the financial year, the FCC underwent comprehensive change in Management, with appointment of new CEO, Manager Legal Risk & Governance, Manager Corporate & Finance, Regional Manager West and Regional Manager North.
2. In March 2017, FCC's headquarters in Suva relocated from Level 1 Garden City Complex in Raiwai to 42 Gorrie Street Suva.
3. On 26 May 2017, the FCC's Board approved the new five year Strategic Plan for the FCC as proposed by the Asian Development Bank following their review of the FCC's functions. The Strategic Plan was launched on 26 March 2018.
4. In July 2017, the FCC also underwent a name change. The new name, Fijian Competition & Consumer Commission (FCCC), was passed by Parliament on 14 July 2017 and came into effect from 1 August 2017.
5. FCC apart from its legally mandated business activity, also performs a number of activities for the benefit of the Fijian community. During this financial year, FCC had hosted a Pinktober morning tea, blood drive, clean up at My Suva Park and clean up of naselese shoreline for World Ocean Day.
6. In the midst of so much change and growth, the FCC still managed to deliver fully on its KPI's, as stipulated in the Service Level Agreement with line ministry, Ministry of Industry, Trade and Tourism.

Enclosed next is the departments key deliverable, the Financial Statements for Year Ended 31 July 2017.









# FINANCIAL STATEMENT



Investment	Value at Year end
373 967	804 029
1 296 731	1 859 317
2 499 808	3 227 076
4 050 935	R 28 331

Investment	Value at Year end
424 963	467 459
446 211	1 005 037
468 522	1 620 915
491 948	2 324 149
516 545	3 124 764
542 372	4 033 850
569 491	5 063 675
R 35 414	

Start at monthly  
Can we do this?

---

FIJIAN COMPETITION & CONSUMER COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017

---

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
COMMISSIONER'S REPORT  
FOR THE YEAR ENDED 31 JULY 2017**

---

The Commissioners present their report together with the Financial Statements of the Fijian Competition and Consumer Commission ("the Commission") for the year ended 31 July 2017.

**Commissioners**

The Commissioners in office at the date of this report were:

<b>Name</b>	<b>Position</b>	<b>Appointed On</b>	<b>Effective Till</b>
Ms. Joann Young	Chairperson	17-Sep-15	Current
Mr. Firoz Ghazali	Deputy Chairman	21-Feb-15	19-Feb-17
Mr. Isikeli Tikoduadua	Member	17-Sep-15	Current
Ms. Lyanne Vaurasi	Member	17-Sep-15	Current
Mr. Romil Patel	Member	17-Sep-15	Current
Mr. Vimlesh Sagar	Member	17-Sep-15	Current

**State of Affairs**

In the opinion of the Commissioners, the accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Commission as at 31 July 2017 and the accompanying Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows give a true and fair view of the results and cash flows for the Commission for the year then ended.

**Principal Activities**

The principal activities of the Commission during the period of the Financial Statements was to enforce the Fijian Competition and Consumer Commission Act 2010 (the FCCC Act 2010), promoting competition, fair trading, regulating prices in markets where competition is lessened or limited, and regulating monopolistic market situations including national infrastructure, for the benefit of all Fijians.

**Operating Results**

The surplus of the Commission for the year ended 31 July 2017 was \$420,494 (2016: surplus of \$181,320).

**Current Assets**

Prior to the completion of Financial Statements of the Commission, the Commissioners took reasonable steps to ascertain whether any Current Assets were likely to realise in the ordinary course of the business values as shown in the accounting records of the Commission. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount they are expected to realise.

As at the date of this report, the Commissioners are not aware of any circumstances that would render the values attributed to the Current Assets in the Commission's Financial Statement to be misleading.

**Unusual Transactions**

In the opinion of the Commissioners, the results of the operation during the period were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the Financial period and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Commissioners to affect substantially the results of the operations of the Commission in the current financial period.

**Significant Changes in the State of Affairs**

Effective from 1 August 2017, the Commission's name has been changed from Fiji Commerce Commission to Fijian Competition And Consumer Commission. This was announced in the 2017-2018 National Budget by Honourable Minister for Economy.

FIJIAN COMPETITION AND CONSUMER COMMISSION  
COMMISSIONER'S REPORT (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2017

---

**Other Circumstances**

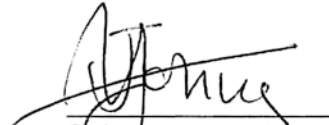
As at the date of this report:

- (i) no charge on the assets of the Commission has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Commission could become liable; and
- (iii) no contingent liabilities or other liabilities of the Commission has become or is likely to become enforceable within the period of twelve months after the end of the financial period which in the opinion of Commissioners will or may substantially affect the ability of the Commission to meet its obligations as and when they fall due.


As at the date of this report the Commissioners are not aware of any circumstances that have arisen not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Commission misleading or inappropriate.

Signed in accordance with the resolution of the Commissioners.

Dated at Suva this 25<sup>th</sup> day of June 2018



Chairperson  
Ms. Joann Young



Chief Executive Officer  
Mr. Joel Abraham



**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT BY COMMISSIONERS  
FOR THE YEAR ENDED 31 JULY 2017**

---

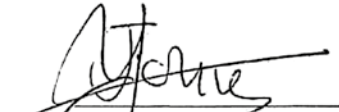
In accordance with a resolution of the Commissioners of Fijian Competition And Consumer Commission we state that:

In the opinion of the Commissioners:

- (a) the accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Commission for the year ended 31 July 2017;
- (b) the accompanying Statement of Financial Position and Statement of Changes in Equity are drawn up so as to give a true and fair view of the state of affairs of the Commission as at 31 July 2017;
- (c) the accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flow of the Commission for the year ended 31 July 2017; and
- (d) at the date of this statement there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they fall due.

For and on behalf of the Commission and in accordance with a resolution of the Commissioners.

Dated at Suva this 25<sup>th</sup> day of June 2018

  
Chairperson  
Ms. Joann Young

  
Chief Executive Officer  
Mr. Joel Abraham

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8<sup>TH</sup> Floor, Ratu Sukuna House  
2-10 McArthur St  
P. O. Box 2214, Government Buildings  
Suva, Fiji

Telephone: (679) 330 9032  
Fax: (679) 330 3812  
E-mail: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



## INDEPENDENT AUDITOR'S REPORT

### FIJIAN COMPETITION AND CONSUMER COMMISSION

#### Opinion

I have audited the financial statements of Fijian Competition and Consumer Commission, which comprise the statement of financial position as at 31 July 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Fijian Competition and Consumer Commission as at 31 July 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRSs for SMEs").

#### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Management and Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, the requirements of Fijian Competition and Consumer Commission Act 2010, Commerce Commission (Budget Amendment) Act 2017 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Commission's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Fijian Competition and Consumer Commission Act 2010, Commerce Commission (Budget Amendment) Act, 2017 in my opinion:

- a) proper books of account have been kept by the Commission, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
  - a. are in agreement with the books of account; and
  - b. to the best of my information and according to the explanations given to me, give the information required by the requirements of Fijian Competition and Consumer Commission Act 2010, Commerce Commission (Budget Amendment) Act, 2017 in the manner so required.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
3<sup>rd</sup> July, 2018

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2017**

	Note	(12 months) 31 July 2017 \$	(7 months) 31 July 2016 \$
<b>Income</b>			
Government grant - Operational		2,278,656	1,016,194
Other Income	2	<u>140,649</u>	<u>75,873</u>
<b>Total Income</b>		<b><u>2,419,305</u></b>	<b><u>1,092,067</u></b>
<b>Expenditure</b>			
Personnel Expenses	3	1,352,394	671,497
Operating Expenses	4	333,444	138,813
Administrative Expenses	5	214,881	57,634
Depreciation	9 (c)	<u>98,092</u>	<u>42,803</u>
<b>Total Expenditure</b>		<b><u>1,998,811</u></b>	<b><u>910,747</u></b>
Surplus		420,494	181,320
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b><u>420,494</u></b>	<b><u>181,320</u></b>

*(The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on page 10 to page 17)*




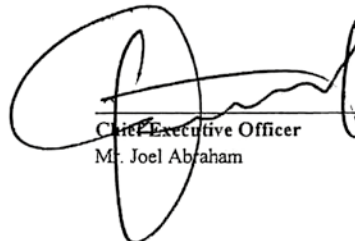
FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2017

	Notes	(12 months) 31 July 2017 S	(7 months) 31 July 2016 S
<b>Current Assets</b>			
Cash and Cash Equivalents	6	630,274	798,642
Deposits	7	31,556	9,963
Trade and Other Receivables	8	644,138	22,801
<b>Total Current Assets</b>		<b>1,305,968</b>	<b>831,406</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	9	450,037	185,976
<b>Total Non Current Assets</b>		<b>450,037</b>	<b>185,976</b>
<b>Total Assets</b>		<b>1,756,005</b>	<b>1,017,382</b>
<b>Current Liabilities</b>			
Trade and Other Payables	10	214,512	449,526
Deferred Income	11	95,748	38,595
Other Current Liabilities	12	4,444	4,444
<b>Total Current Liabilities</b>		<b>314,704</b>	<b>492,565</b>
<b>Non Current Liabilities</b>			
Deferred Income	11	570,578	74,588
<b>Total Non Current Liabilities</b>		<b>570,578</b>	<b>74,588</b>
<b>Total Liabilities</b>		<b>885,282</b>	<b>567,153</b>
<b>Net Assets</b>		<b>870,723</b>	<b>450,229</b>
<b>Equity</b>			
Accumulated Surplus		870,723	450,229
<b>Total Equity</b>		<b>870,723</b>	<b>450,229</b>

*(The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on page 10 to page 17)*

Signed for and on behalf of the Commission.

  
Chairperson  
Ms. Joann Young

  
Chief Executive Officer  
Mr. Joel Abraham

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017**

---

	Notes	Accumulated Surplus \$	Total \$
Balance as at 31 December 2015		268,909	268,909
Net Surplus for the period		181,320	181,320
<b>Balance as at 31 July 2016</b>		<u>450,229</u>	<u>450,229</u>
Net Surplus for the year		420,494	420,494
<b>Balance as at 31 July 2017</b>		<u>870,723</u>	<u>870,723</u>

*(The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on page 10 to page 17)*

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	(12 months) 31 July 2017 \$	(7 months) 31 July 2016 \$
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from Government and Customers		2,394,281	1,092,464
Payments to Suppliers and Employees		(2,199,680)	(638,528)
<b>Net Cash provided by Operating Activities</b>	13 (b)	<u>194,601</u>	<u>453,936</u>
<b><u>Cash Flows from Investing Activities</u></b>			
Proceeds from sale of Property, Plant and Equipment		13,445	-
Payments for Property, Plant and Equipment	9 (c)	(376,414)	(8,118)
<b>Net Cash provided by Investing Activities</b>		<u>(362,969)</u>	<u>(8,118)</u>
Net (decrease)/ increase in cash		(168,368)	445,818
Cash at the beginning of the year		798,642	352,824
<b>Cash balance at the end of the period</b>	13 (a)	<u>630,274</u>	<u>798,642</u>

*(The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on page 10 to page 17)*

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Statement of compliance**

These financial statements have been prepared by the Fijian Competition And Consumer Commission (the Commission) in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board.

The principal accounting policies adopted by the Commission are stated to assist in general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

The financial statements were authorised for issue by the Commissioners on 25 June 2018.

Set out below is summary of the significant accounting policies adopted by the Commission in the preparation of the financial statements for the year ended 31 July 2017.

**1.2 Basis of preparation**

The Financial Reports are general purpose financial reports and have been prepared in accordance with the requirements of the FCCC Act 2010 and the IFRS for SMEs.

The Financial Reports have been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non current assets.

In the application of IFRS for SMEs, the Commission is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The Financial Statements have been prepared on a going concern basis. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the Commission in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

**1.3 Property, Plant and Equipment**

Fixed assets are measured at cost less accumulated depreciation and impairment losses. These assets are depreciated or amortized from the date of acquisition or when an asset is completed and held ready for use. Depreciation is calculated on a straight-line basis so as to write off the cost or revalue amount of each fixed assets during its effective working life to its estimated residual value. The principal depreciation rates in use are as follows :

	Rate
Office Equipment	12-40%
Office Furniture	12%
Vehicles	18%

**1.4 Income Tax**

The Commission is not subject to income tax in accordance with Section 24(1) of the FCCC Act 2010.

**1.5 Value Added Tax (VAT)**

Revenue, expenses, assets and liabilities are recognized net of VAT, except:

- i) Where the amount of VAT incurred is not recoverable from the tax authority, it is recognized as part of the cost of acquisition of the asset or as part of an item of expense; or



FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Value Added Tax (continued)

ii) For receivables and payables, which are recognized inclusive of VAT.

The net amount of VAT payable to, or receivables from, the taxation authority is included as part of trade and other payables or trade and other receivables.

1.6 Government Grant

Recurrent grants are brought to account as income over the period to which they relate since the grant does not impose specified future performance conditions on the Commission. Non recurrent grants are brought to account in the same proportion that depreciation bears to the cost of the assets acquired with the grant.

1.7 Deferred Income

Significant items of income having a relationship to more than one accounting period have been brought to account over the period to which they relate.

1.8 Employee Entitlements

Employee entitlements include provision for annual leave. This relates to amounts expected to be paid to employees and is based on contractual entitlements. Defined contribution plans to Fiji National Provident Fund are expensed when incurred.

1.9 Revenue

Revenue comprises of quarterly Government grant from the Ministry for Industry and Trade (MITT).

1.10 Cash and Cash Equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of cash flow statements, cash and cash equivalents comprise of cash on hand and cash at bank.

1.11 Trade and Other Payables

The amounts represent liabilities recognized when the Commission becomes obliged to make future payments resulting from purchase of goods and services.

1.12 Comparatives

Where necessary, amounts relating to prior year have been reclassified to achieve consistency in disclosures with the current financial year amounts and other disclosures.

1.13 Equity and Reserves

Equity include accumulated surplus which comprises all current and prior period surpluses or deficits.

1.14 Estimation Uncertainty

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcome may differ from these estimates.

	(12 months) 31 July 2017	(7 months) 31 July 2016
	\$	\$
NOTE 2 OTHER INCOME		
Amortization of Deferred Income	76,466	43,132
Professional Fees	64,143	32,707
Miscellaneous Income	40	34
	<u>140,649</u>	<u>75,873</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Value Added Tax (continued)

ii) For receivables and payables, which are recognized inclusive of VAT.

The net amount of VAT payable to, or receivables from, the taxation authority is included as part of trade and other payables or trade and other receivables.

1.6 Government Grant

Recurrent grants are bought to account as income over the period to which they relate since the grant does not impose specified future performance conditions on the Commission. Non recurrent grants are bought to account in the same proportion that depreciation bears to the cost of the assets acquired with the grant.

1.7 Deferred Income

Significant items of income having a relationship to more than one accounting period have been brought to account over the period to which they relate.

1.8 Employee Entitlements

Employee entitlements include provision for annual leave. This relates to amounts expected to be paid to employees and is based on contractual entitlements. Defined contribution plans to Fiji National Provident Fund are expensed when incurred.

1.9 Revenue

Revenue comprises of quarterly Government grant from the Ministry for Industry and Trade (MITT).

1.10 Cash and Cash Equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of cash flow statements, cash and cash equivalents comprise of cash on hand and cash at bank.

1.11 Trade and Other Payables

The amounts represent liabilities recognized when the Commission becomes obliged to make future payments resulting from purchase of goods and services.

1.12 Comparatives

Where necessary, amounts relating to prior year have been reclassified to achieve consistency in disclosures with the current financial year amounts and other disclosures.

1.13 Equity and Reserves

Equity include accumulated surplus which comprises all current and prior period surpluses or deficits.

1.14 Estimation Uncertainty

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcome may differ from these estimates.

	(12 months) 31 July 2017	(7 months) 31 July 2016
	\$	\$
NOTE 2 OTHER INCOME		
Amortization of Deferred Income	76,466	43,132
Professional Fees	64,143	32,707
Miscellaneous Income	40	34
	<u>140,649</u>	<u>75,873</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31 July 2017 \$	(7 months) 31 July 2016 \$
<b>NOTE 3 PERSONNEL EXPENSES</b>		
Salaries and Wages	1,104,150	577,760
FNPF	111,882	58,162
Board Allowance	64,462	16,082
Annual Leave	37,585	5,942
Attachment Allowance	15,805	2,714
Staffing Obligation	10,249	5,780
FNU (TPAF) Contribution	8,261	5,057
	<u>1,352,394</u>	<u>671,497</u>

<b>NOTE 4 OPERATING EXPENSES</b>		
Rent	171,090	66,177
Legal training and Fees, Court Charges and Search Fees	62,097	25,892
Motor Vehicle Expense	28,571	14,905
Advertising	20,314	10,030
Awareness	18,830	5,432
Printing, Postage and Stationery	13,353	11,303
Repairs and Maintenance	11,522	5,074
Tours and Official Visits	7,667	-
	<u>333,444</u>	<u>138,813</u>

<b>NOTE 5 ADMINISTRATIVE EXPENSES</b>		
Training and Development	46,994	2,947
Telephone, Internet and Fax	25,389	12,653
Electricity and Water	24,036	15,264
Relocation	24,630	-
Insurance	20,523	12,681
Loss on Disposal of Fixed Assets	12,893	-
Lawsuit Settlements	12,000	-
Stationery	12,588	-
Subscription	8,819	3,150
Office Expense	7,956	836
Travel and Accommodation	6,827	2,404
Cleaning	3,753	1,887
Audit Fees	3,465	2,295
Staff Medical Expenses	1,809	-
IT Support Cost	1,683	1,556
Bank Charges	1,516	1,079
Statutory Fines and Penalties	-	882
	<u>214,881</u>	<u>57,634</u>

**NOTE 6 CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents at the end of the Financial year as shown in the Cash Flow Statement is reconciled to Statement for Financial Position as follows:

Trading Account - ANZ	86,334	46,472
Operating Account - WBC	486,201	327,176
Trading Account - WBC	44,219	419,203
Consumer Trust Account - WBC	11,533	1,259
WBC and ANZ Advance Account	1,874	2,601
Cash on Hand	113	1,931
	<u>630,274</u>	<u>798,642</u>

The Consumer Trust Fund Account relates to the mediation funds maintained by the Commission in accordance with Section 15 of the FCCC Act 2010. The funds are received from the respondents which are then paid to complainants where both parties agree to resolve the case through mediation facilitated by the Commission. The sum are paid out to complainant upon settlement of the cases.

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31 July 2017	(7 months) 31 July 2016
	\$	\$
<b>NOTE 7 DEPOSITS</b>		
Rental - FEFHA Partnership	26,000	-
Fiji Electricity Authority	2,956	4,363
Rental - Shah Investment	1,600	1,600
Security Deposit on Credit Card	1,000	1,000
Rental - Marco Polo Holdings	-	3,000
	<u>31,556</u>	<u>9,963</u>

The Commission has a dormant credit card facility with Westpac Banking Corporation (WBC). This facility includes a deposit of \$1,000, held as security by WBC against the credit card, on which the interest accrues to the Commission at rate of 2.5% per annum.

**NOTE 8 TRADE AND OTHER RECEIVABLES**

Grant Receivables	621,550	-
Prepayments	14,884	15,462
Surcharge Recovery	3,574	6,406
User Pay Receivable	2,756	933
VAT Refund	-	-
Staff Accountable Advance	1,374	-
	<u>644,138</u>	<u>22,801</u>

**NOTE 9 PROPERTY, PLANT AND EQUIPMENT**

(a) Property, Plant and Equipment are stated at cost and have been included in the Financial Statements on the following basis:

<b>Furniture and Fittings</b>		
At cost	265,437	72,968
Accumulated depreciation	(18,918)	(41,154)
	<u>246,519</u>	<u>31,814</u>
 <b>Office Equipment</b>		
At cost	179,548	64,749
Accumulated depreciation	(43,861)	(29,967)
	<u>135,687</u>	<u>34,782</u>
 <b>Motor Vehicle</b>		
At cost	303,670	318,238
Accumulated depreciation	(235,839)	(198,858)
	<u>67,831</u>	<u>119,380</u>
<b>Net Book Value</b>	<u>450,037</u>	<u>185,976</u>

(b) The depreciation policies adopted are set out in Note 1.3



FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

NOTE 9 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Reconciliation of the net book value amount for each class of Property, Plant and Equipment at the beginning and at the end of the current financial period is set out as follows:

Cost	Furniture & Fittings \$	Office Equipment \$	Motor Vehicle \$	Total \$
Balance as at 31 July 2016	72,968	64,749	318,238	455,955
Additions	253,095	135,396	-	388,491
Disposals	(60,626)	(20,597)	(14,568)	(95,791)
Transfer	-	-	-	-
Balance as at 31 July 2017	<u>265,437</u>	<u>179,548</u>	<u>303,670</u>	<u>748,655</u>
<b>Accumulated Depreciation</b>				
Balance as at 31 July 2016	41,154	29,967	198,858	269,979
Depreciation	19,565	26,978	51,549	98,092
Disposals	(41,801)	(13,084)	(14,568)	(69,453)
Transfer	-	-	-	-
Balance as at 31 July 2017	<u>18,918</u>	<u>43,861</u>	<u>235,839</u>	<u>298,618</u>
<b>Book Value</b>				
As at 31 December 2016	<u>31,814</u>	<u>34,782</u>	<u>119,380</u>	<u>185,976</u>
As at 31 July 2017	<u>246,519</u>	<u>135,687</u>	<u>67,831</u>	<u>450,037</u>

(12 months)	(7 months)
31 July 2017	31 July 2016
\$	\$

NOTE 10 TRADE AND OTHER PAYABLES

Employee Entitlement Provision	65,140	27,557
Spot Fine Payable to MOE	30,100	409,390
Superannuation Payable	20,062	-
Audit Fee & Utility Accruals	22,025	3,100
Capital Work in Progress Retention Payable	12,077	-
Mediation Funds Payable	10,497	1,234
PAYE & Provisional Tax Payable	6,710	-
Other Payables	4,730	-
VAT Payable	43,171	8,245
	<u>214,512</u>	<u>449,526</u>

Spot Fine Payable to MOE

All fines and penalties imposed by any statutory body belong to the Governments Consolidated Funds as these relate to offences committed against the State. The fines and penalties are collected by the Commission and lodged into the Commission bank account. Payable is recognized upon receipt. These are remitted to Governments Consolidated Fund Account during the year.

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31 July 2017 \$	(7 months) 31 July 2016 \$
<b>NOTE 11 DEFERRED INCOME</b>		
Deferred income relates to the Capital Grant received for purchase of fixed assets. The amortisation is equal to the depreciation amount of the assets. The income approach has been used to account for Capital Grant.		
Balance at the beginning	113,183	148,197
Add: Additional Grant	629,609	8,118
Amortisation of Deferred Income	<u>(76,466)</u>	<u>(43,132)</u>
	<u>666,326</u>	<u>113,183</u>
Comprise of:		
Current	95,748	38,595
Non-Current	<u>570,578</u>	<u>74,588</u>
	<u>666,326</u>	<u>113,183</u>

**NOTE 12 OTHER CURRENT LIABILITIES**

Userpay Levy Received in Advance	4,444	4,444
	<u>4,444</u>	<u>4,444</u>

User Pay Levy is levied in accordance with Section 23A of the FCCC Act 2010, which allows FCCC to levy fees on enterprises in the industries regulated by FCCC. The industries that the levy is being collected from include telecommunications and energy

**NOTE 13 NOTES TO THE STATEMENT OF CASH FLOWS**

**a) Reconciliation of cash and cash equivalent**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in the banks. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:

Cash at Bank	630,161	796,711
Cash on Hand	113	1,931
	<u>630,274</u>	<u>798,642</u>

**b) Reconciliation of operating deficit to cash provided by operating activities:**

Net Surplus	420,494	181,320
Add/(Less) Non-Cash items:		
Depreciation	98,092	42,803
Loss on Disposal of Fixed Assets	<u>12,893</u>	<u>-</u>
	<u>531,479</u>	<u>224,123</u>
Changes in assets and liabilities during the financial period:		
Increase/ (Decrease) in Trade and Other Payables	(247,091)	229,119
(Increase)/ Decrease in Trade and Other Receivables	(642,930)	31,263
Increase/ (Decrease) in Other Current Liabilities	-	4,444
Increase/ (Decrease) in Deferred Income	<u>553,143</u>	<u>(35,013)</u>
	<u>194,601</u>	<u>453,936</u>

**NOTE 14 RELATED PARTY TRANSACTIONS**

The Commission's related parties include its Board and Ministry of Industry Trade and Tourism that provides funding for the

**(a) Board of Commissioners**

The following were the Commissioners during the financial reporting period:

Name	Position	Appointed On	Effective Till
Ms. Joann Young	Chairperson	17-Sep-15	Current
Mr. Firoz Ghazali	Deputy Chairman	21-Feb-15	19-Feb-17
Mr. Isikeli Tikoduadua	Member	17-Sep-15	Current
Ms. Lyanne Vaurasi	Member	17-Sep-15	Current
Mr. Romil Patel	Member	17-Sep-15	Current
Mr. Vimlesh Sagar	Member	17-Sep-15	Current

**(b) Transactions with Key Management Personnel**

The key management personnel of the Commission include the Commissioners, the Chief Executive Officer and Deputy Chief Executive Officer. Key management personnel remuneration for the year amounted to \$199,083.

**(c) Transactions with Ministry of Industry Trade and Tourism (Funding Agency)**

During the financial year, the Commission received operating grant from Ministry of Industry Trade and Tourism. The funding is governed by a service agreement that stipulates terms and conditions and outcomes expected to be achieved by the Commission during the financial year. This includes submission of quarterly reports to Ministry of Industry Trade and Tourism detailing the acquittals of the grant.

	(12 months) 31 July 2017 \$	(7 months) 31 July 2016 \$
Operating Grant (VAT inclusive)	<u>2,285,640</u>	<u>1,116,500</u>

**NOTE 15 CONTINGENT ASSETS AND LIABILITIES**

**(a) Contingent Liability**

The Commission is not aware of any contingent liability arising in the ordinary course of business.

**(b) Contingent Asset**

The Commission is not aware of any contingent asset arising in the ordinary course of business.

**NOTE 16 COMMITMENTS**

**(a) Capital Commitments**

There were no contracted capital commitments at the reporting date or in the prior financial year.

**(b) Operating Lease Commitments**

The Commission leases three (3) offices under non-cancellable operating lease agreements. The lease terms are between five (5) to fifteen (15) years. The lease agreements are renewable at the end of the lease period at market rate. The Commission is required to give prior notice for termination of these agreements.

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2017

NOTE 16 COMMITMENTS (continued)

(b) Operating Lease Commitments (continued)	(12 months)	(7 months)
The future minimum lease payments under non-cancellable operating leases are as follows:		
	31 July 2017	31 July 2016
	\$	\$
No later than 1 year	202,456	42,627
Later than 1 year and no later than 5 years	709,495	71,351
Later than 5 years	1,601,210	-
	<u>2,513,161</u>	<u>113,978</u>

During the year, the Commission shifted its headquarters to Ground Floor, FEFHA Partnership Building, 42 Gorrie Street, Suva, on a long term lease of fifteen (15) years. The rental for new premises is \$14,170 VIP per month. Previously, the Commission was situated on 1st Floor, Garden City Complex, Raiwai, Suva, which had a rental of \$7,403.35 per month. The lease agreement for old premises expired on 31 August 2016. The landlord, Marco Polo Holdings Limited, had plans for major renovation works on the premises, and hence the Commission had to relocate its office. This has increased the operating lease commitments.

NOTE 17 PRINCIPAL ACTIVITY

The Commission is an independent statutory body that enforces the FCCC Act 2010, promoting competition, fair trading, regulating prices in markets where competition is lessened or limited, and regulating monopolistic market situations including national infrastructure, for the benefit of all Fijians.









**What does FCC do?**

**Price Regulation**

- Road user fees
- Pharmaceuticals
- All fuel products
- Maritime Shipping (Fares & Freight)
- Handmade Distilling (rum and alcohol)
- Cooking Gas
- Electricity
- Water & Sewerage
- Broadband, Fibre
- Telecommunications
- Postal Services

**Charging over the authorized prices is an offense**

Contact Fiji Commerce Commission on:  
Ph: 3372176 / 8922199 / 8913023 / 8913024

[helpdesk@commerce.gov.fj](mailto:helpdesk@commerce.gov.fj)  
[commerce.gov.fj](http://commerce.gov.fj)

**What does FCC do?**

**Consumer Protection**

- Monitoring of Price control items
- Escate companies
- Review unfair practices
- Institute legal proceedings against tenants
- Monitor tenement and rental properties
- Investigate

**We encourage consumers to come forward to FCC**

Contact Fiji Commerce Commission on:  
Ph: 3372176 / 8922199 / 8913023 / 8913024

[helpdesk@commerce.gov.fj](mailto:helpdesk@commerce.gov.fj)  
[commerce.gov.fj](http://commerce.gov.fj)



## **FIJI COMMERCE COMMISSION**

### **Head Office - Suva**

**Level 1 Garden City Complex Raiwai  
P O Box 5031 Raiwaqa  
Phone: 337 2178  
Mobile: 891 1619  
Email: [helpdesk@commcomm.gov.fj](mailto:helpdesk@commcomm.gov.fj)**

### **Lautoka**

**1st Floor, Shah Investment Building,  
Office 2, 5 Tukani Street, Lautoka  
Phone: 666 1853  
Mobile: 891 1623  
Email: [helpdesk.west@fccc.gov.fj](mailto:helpdesk.west@fccc.gov.fj)**

### **Labasa**

**Lot 3 Silas Ramzaan Street Labasa  
Phone: 881 1155  
Mobile: 891 1624  
Email: [helpdesk.north@fccc.gov.fj](mailto:helpdesk.north@fccc.gov.fj)**

**ANNUAL REPORT  
2016 - 2017**