



A year of transformation and progress



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 70 OF 2019



**FIJIAN  
COMPETITION &  
CONSUMER  
COMMISSION**

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**ANNUAL REPORT**  
**2017-2018**





**FIJIAN  
COMPETITION &  
CONSUMER  
COMMISSION**

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# **ANNUAL REPORT**

**2017-2018**

Letter to

# THE MINISTER

**Honourable Mr. Aiyaz Saiyed-Khaiyum**  
**Minister for Economy Civil Service and Communications**  
**Ro Lalabalavu House**  
**Victoria Parade**  
**Suva**

Dear Honourable Minister

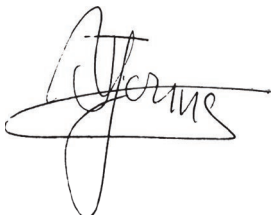
Re: Annual Audited Report 2017-18

I am pleased to present to you the Annual Report of the Fijian Competition and Consumer Commission (FCCC) in accordance with Section 25 of the FCCC Act 2010 (FCCCA 2010).

This report covers operations for the year ended 31st July 2018. The FCCC 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 FCCC, I take this opportunity to thank the Fijian Government for its continuous support.

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Joann Young', with a large, sweeping flourish extending to the left.

Ms. Joann Young  
FCCC Chair

Corporate

# STATEMENT

## OUR PRINCIPLES

### Vision

To create a dynamic and competitive market in Fiji.

### Mission

Fostering a competitive, efficient, fair and informed market place to enhance the welfare of all Fijians.

### Values

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

## About FCCC

The Fijian Competition and Consumer Commission (FCCC) is an independent statutory body established under Section 7 of the Fijian Competition and Consumer Commission Act 2010 that promotes effective competition and informed markets, encourages fair trading, and protects consumers and businesses from restrictive practices, and controls prices of regulated industries and other markets where competition is lessened or limited.

Ensuring compliance with its regulatory requirements is one of FCCC's principal objectives. This is achieved through the use of a variety of compliance tools, giving consideration to using the most appropriate tool necessary to obtain compliance, and when required, to promote general deterrence.

# Objectives of FCCC

The FCCC Act 2010 came into force in 2010.

The Act establishes FCCC with a minimum of four (4) Members, one of whom shall be the Chair. The Act sets out its objectives in Section 2(1):

- » promote the interests of the consumers;
- » promote effective and efficient development of industry, trade or commerce;
- » promote effective competition in industry, trade or commerce; and
- » ensure equitable returns for businesses with fair and reasonable prices charged to consumers

The Act also sets out the objectives of FCCC, in relation to regulated industries and access regimes under Section 2(2):

- » promote effective competition in the interests of consumers;
- » facilitate an approximate balance between efficiency and environmental and social considerations;
- » ensure non-discretionary access to monopoly and near monopoly infrastructure or services

These objectives provide the overarching outcomes FCCC must strive to achieve through its activities and outputs.

## Functions

FCCC has a statutory responsibility under the Act for:

- » Price control, including residential rents;
- » Economic regulation;
- » Competition adjudication and enforcement; and
- » Consumer protection enforcement.

FCCC is also required to provide reports and recommendations to the Minister and in this respect, it has a policy role. FCCC also initiates litigation or defends legal challenges to its processes, and it undertakes educational and advocacy activities to encourage compliance and advise consumers and traders of their rights and responsibilities.

FCCC undertakes a range of activities with respect to each of these functions. Such a broad range of functions provides FCCC with a degree of choice (discretion) as to which approach it will employ to resolve a market problem. Any intervention must be appropriate to the nature, scope and size of the market problem and be directed towards improving outcomes for all consumers.

A decision about which intervention FCCC will employ must also be appropriate in the context of the Fijian economy.

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Chair's

# MESSAGE



Warm greetings to you all.

I have immense pleasure in presenting the Annual Report for the financial period 01 August 2017 - 31 July 2018. It has undoubtedly been a memorable journey for the organisation for a number of reasons, all of which is entailed in this report.

First and foremost, the organisation has undergone an official name change. Effective from 01 August 2017, the Fiji Commerce Commission is now known as the Fijian Competition and Consumer Commission (FCCC). The new name better reflects the core functions of the organisation, which aims to ensure competition and compliance, economic regulation and consumer protection.

In delivering the core functions of the organisation, in the period 2016-2017 the FCCC focused on putting in place a robust plan outlining goals aligned to the achievement of its overall vision and mission. The services of the Asian Development Bank was sought to develop a five-year Strategic Plan for the FCCC. Following successful consultations, the FCCC endorsed its Strategic Plan, which was subsequently launched along with the official rebranding on the 26 March 2018.

The launch of the Strategic Plan was a significant moment for the FCCC as it was the first time for the organisation to have in place a five-year plan with a clear focus and better sense of direction. The FCCC has already embarked on actioning the four (4) strategic goals in the Plan:

## **STRATEGIC GOAL 1**

Markets for goods and services in Fiji are competitive.

## **STRATEGIC GOAL 2**

Consumers in Fiji are offered goods and services that are safe and are provided with adequate and accurate information about goods and services.

## **STRATEGIC GOAL 3**

Regulation, including price control, is applied where competition is not effective, and efficient outcomes can be achieved without imposing excessive administrative or compliance costs.

## **STRATEGIC GOAL 4**

The FCCC is regarded by Government, businesses and the public as an independent and expert body.







For the period in review, the FCCC's performance is deemed 'very good' with the organisation achieving majority of its Key Performance Indicators. All departments performed at their level best in terms of undertaking market reviews, market research, inspections, consumer complaints and outreach activities. These are explicitly detailed in the report.

In 2018, the FCCC took another significant step by signing up for the Fiji Business Excellence Awards (FBEA). The Executive Management made a key decision to fully embrace and adopt the FBEA Framework and a FBEA Steering Committee was set-up with representatives from all departments. In acknowledging that the journey of business excellence is an ongoing process, it was imperative for FCCC to become part of an esteemed framework, which drives it towards achieving the strategic goals with the highest level of service delivery.

The FCCC Board, Chief Executive and Senior Management were part of key stakeholder engagements, which allowed the FCCC to elevate its presence nationally and internationally. A total of 10 (ten) international engagements were undertaken during the year in review. This included workshops and conferences pertaining to the areas of Competition Regulation; Investigation; Market Surveys; and Consumer Protection, held in the Asia-Pacific region and elsewhere.

Globalisation and the international reach of competition law make it important for FCCC to be well plugged into the international competition law network, with links to fellow competition authorities. Aside from participation in forums and training programmes organised by international organisations such as the Organisation for Economic Co-operation and Development, which has provided the FCCC with opportunities to interact with fellow competition agencies and learn from their experiences, the FCCC has also forged fruitful direct bilateral links with many of them. The discussions and frank exchanges of views have yielded many valuable insights to guide FCCC in its formative years. We look forward to further inter-agency exchanges in the years ahead.

In line with its mission to promote healthy competitive markets that will benefit the Fijian economy based on sound economic principles, the FCCC will continue to curb anti-competitive business practices that have an appreciable effect on the economy.

The FCCC is committed to providing rewarding career opportunities and a work environment conducive to the growth and development of its staff. As the work of the FCCC expands in the coming year, we look forward to welcoming on board more capable, enthusiastic and high caliber staff, who will add value to our work and strengthen the professional expertise of the FCCC.

In closing, I would like to express my sincere appreciation to the Minister for Commerce Trade Tourism & Transport Mr. Faiyaz Koya, the Permanent Secretary, Mr. Shaheen Ali, the FCCC Board members, Chief Executive and all individuals for their invaluable contributions and look forward to their continued support as we move ahead.

Joann Young  
**Board Chair**  
**Fijian Competition and Consumer Commission**

CEO's

# MESSAGE



What a historic year this has been for us, with our organisation undergoing a number of important changes and setting various benchmarks.

Notably, we changed our official name from the Fiji Commerce Commission to the Fijian Competition and Consumer Commission (FCCC) which was accompanied with additional powers under the FCCC Act 2010 and came into effect from 1 August 2018.

We also now have our 2018-2023 Strategic Plan, launched by the Honourable Prime Minister Josaia Voreqe Bainimarama on 26 March 2018. Developed with assistance from the Asian Development Bank, it provides us with a definitive roadmap for the next 5 years, including 4 strategic goals that should serve us well in achieving our mandate.

Fijians rely on us when it comes to the protection of their consumer rights and promotion of fair competition amongst Fijian businesses. This is why we never lose sight of the fact that we have been entrusted with a very important role and the work we do is truly vital.

All these changes are geared towards allowing us to better serve all Fijians by ensuring they are participating in a fair and balanced Fijian market that is inclusive.

In that vein, FCCC has conducted many operations over the last financial year.

As part of our regulatory functions in the last financial year, FCCC carried out 4 reviews for the prices of fuel, LPG products and pharmaceutical products.

After undertaking exhaustive market studies for 4 price control orders (PCOs) that were near expiry, an assessment of levels of competition in the market and Fiji's social and economic environment, as well as stakeholder submissions and feedback, the recommendation was made to extend all of the PCOs for another term of between 3 to 5 years.

This was to ensure that many essential goods and services such as fuel, LPG products, electricity and cement would remain affordable for Fijians.

Price authorisations for electricity and internet were authorised to sustain growth in their respective sectors. The Internet, especially, is an increasingly vital component in all aspects of Fijian life and it is important that it be regulated accordingly.



After a study of the shortage of reinforcement steel rods in the market, policy recommendations were made to the Ministry of Commerce Trade Tourism and Transport leading to a reduction in fiscal duty on the importation of steel rods to bolster the growth of the construction industry.

Regular price reviews were also conducted for basic food and hardware items, with a total of 1,814 submissions received over the course of the year. This resulted in 557 price increases, 400 price decreases, 614 no changes, and 244 first time product reviews.

In the course of enforcement in the last year, FCCC received 592 complaints, mainly related to the automotive industry, construction sector, electronics and electrical sector, white goods market and advertising services.

Of these, 344 complaints were successfully resolved, 23 were forwarded for prosecution and 225 matters remained under investigation at year-end.

We also carried out a total of 5,085 inspections of traders in urban, rural and maritime areas during which 990 breaches were identified, 943 were issued with warnings and infringement notices, 9 were handed spot fines and 38 were forwarded for prosecution.

A total of 295 cases were presented before the Court as at the end of the financial year, relating to a variety of breaches of the provisions of FCCC Act, such as overcharging, failure to display and mark prices, misleading representation, illegal increase of rent, accepting payments without being able to supply, amongst other breaches.

A notable case had the Court issuing fines of \$20,000 each to Carpenters Fiji Limited and New World for overcharging - a reflection of the severity of such breaches.

FCCC also carried out a number of major investigations into matters of national interest. These included the potential overcharging on sugarcane mechanical harvester service, abuse of Farms CARE and Homes CARE initiatives by traders and misuse of market dominance by Nature's Way Co-operative Limited.

As part of our collaborative approach, we ramped up awareness and advocacy programmes, and held training and workshops, conducting a total of 289 awareness programmes through trader awareness, community awareness, school awareness, workshops, social media updates, and media advisory articles.

The information included the roles and functions of the FCCC, trading within the ambit of the FCCC

Act 2010 and the consequences of non-compliance. This gave us a more empowering means to address non-compliance of the FCCC Act 2010 in a more proactive way and ensure consumers and businesses are armed with knowledge of their rights and obligations.

FCCC also partnered with the United Nations Development Programme Rights, Empowerment and Cohesion project for Fijians dwelling in rural and urban areas, allowing greater coverage in maritime areas while increasing FCCC's presence at expos.

All this, in service of our mandate - to foster a competitive, efficient, fair and informed market for the benefit of both Fijian consumers and businesses.

This means effective competition, which not only ensures Fijian consumers have their choice of products and services at the quality and price point they are entitled to, but that newer or smaller Fijian businesses have the opportunity to succeed without being pushed out by unethical and unscrupulous competitors who possess market power.

It means that Fijian consumers can expect to be treated fairly when spending their hard-earned dollars on goods and services.

It means incentivising and rewarding efficiency and innovation by Fijian businesses within a framework of honest operations.

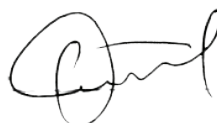
It means ensuring Fiji as a whole, whether it is the private sector, the civil society, the community at large, or the Fijian Government, can operate with confidence in the market, knowing that there is proper regulatory oversight.

It means a 'Better Fiji for All'.

I now take this opportunity to thank the FCCC Board for their continued guidance towards ensuring smooth execution of the overall functions of the organisation.

I would also like to thank the Minister for Commerce Trade Tourism & Transport Honourable Mr Faiyaz Koya and Permanent Secretary Mr Shaheen Ali for their continued support to FCCC. Not forgetting the Executive Management and staff of the FCCC, without whom it would have been difficult to attain the intended objectives.

I look forward to 2018-2019 as another exciting year full of potential and opportunity.



Joel Abraham  
**Chief Executive Officer**



# Board of **COMMISSIONERS**



## **JOANN YOUNG**

"Ms. Young has over 20 years of experience in trade and agriculture policy, having worked for national, regional and international organisations.

She has also served in various boards in Fiji and was appointed as Chair for FCCC in September 2015."



## **ISIKELI TIKODUADUA**

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 is a Fellow of the Fiji Institute of Bankers (FIB), 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.

Other than this, he also serve 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 Commissioner in 17 September 2015 and as later confirmed as Deputy Chairperson in 10 November 2017.





## Lyanne **VAURASI**

Ms. Lyanne Vaurasi is a lawyer by profession with more than 6 years of experience.

She has worked at the Office of the Attorney General from July 2011. She is also a member of the Australian Institute of Company Directors.

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

She was appointed as a Commissioner in September 2015.



## Vimlesh **SAGAR**

Mr Sagar has over thirteen (13) years' experience in Finance gained from dynamic and multi-cultural organisations. 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 is a member of Australian Institute of Company Directors, Fiji Human Resources Institute and CPA Australia.

Mr. Sagar is also an associate member of Association of Certified Fraud Examiners and a fellow member of the Institute of Managers & Leaders. He is currently the Chief Financial Officer/Company Secretary of the Fiji Broadcasting Corporation Ltd.

Mr. Sagar was appointed as a Commissioner in August 2015.



## Romil **PATEL**

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. Other than this he is also serving as the Director & Board Member of Port Denarau Centre Management Limited and as a Board Member of the Trade Standards Advisory Council of Fiji.

Mr. Patel is also an Accredited Jewellery Professional from Gemological Institute of America.

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

He was appointed as a Commissioner in 17 September 2015.

# STATEMENT

*"The Board of Directors, Executive Management and staff of FCCC are committed to deliver benefits of competition regime to all Fijians with regards to economic development, greater efficiency in trade and protection of consumer welfare in an ethical, fair and transparent manner."*

Under Part 1 Section 2 (2) of FCCC Act 2010 FCCC has the following objectives in relation to regulated industries and access regimes to:

- a. promote effective competition in the interests of consumers;
- b. facilitate an approximate balance between efficiency and environmental and social considerations;
- c. ensure non-discriminatory access to monopoly and near monopoly infrastructure or services.

The performance of FCCC is documented in the annual report and submitted annually to the Parliament.

### **The Board**

The Board sets the long term strategic direction of FCCC by balancing the needs of various stakeholders. Board is overall responsible for the corporate governance in FCCC and ensures that the organization develops and implements strategies and policies to enable it to achieve the objectives/goals set out in the FCCC Act 2010 and Strategic Plan 2018-23.

### **1. Board Responsibilities**

Overall, the Board has responsibility for all matters relating to the policies, practices, management and operations of FCCC. It is required to do all things that may be necessary to be done to achieve the objectives of FCCC. Without limiting this general role of the board, the principal responsibilities include:

- Acting as an interface between FCCC and its stakeholders;
- Setting the strategic goals of FCCC;
- Reviewing the annual progress and performance in meeting the objectives;
- Providing the overall strategic direction;

- Determining policies governing the operations of FCCC;
- Appointing and approving the terms and conditions of Chief Executive Officer;
- Reviewing and providing feedback on the performance of the CEO;
- Endorsing the terms and conditions for senior executives reporting to the CEO.
- Establishing and determining the powers and functions of the sub-committees of the board;
- Approving major operating plans;
- Approving the annual budget and long-term budgets;
- Approval of all banking facilities;
- Approving all significant items of capital expenditure
- Keeping the market informed about FCCC in accordance with rules in place;
- Reviewing its own performance;
- Resolution of major issues of material nature affecting the organisation;
- Approving management reporting processes and documentation;
- Approving all significant contracts, leases and other company commitments;

### **2. Corporate Governance Charter**

At all times the Board will:

- Act honestly in the best interests of the whole company;
- Use due care and diligence in performing its functions;
- Not make improper use of information;
- Avoid conflicts of interest;
- Exercise independent judgment;
- Treat confidential information as the property of FCCC;
- Not engage in conduct liable to bring FCCC into



disrepute;

- Comply with the spirit as well as the letter of this Charter

### **3. Establish Clear Responsibilities for Board Oversight**

A framework should be designed to:

- Enable the Board to provide strategic guidance for the entity and effective oversight of management.
- Clarify the respective roles and responsibilities of board members and senior executives in order to facilitate board and management accountability to both FCCC and its stakeholders.
- Ensure a balance of authority so that no single individual has unfettered powers.

### **4. Responsibilities of the Chair**

These include:

- Ensuring that the board provides leadership to the organisation;
- Ensuring that the board is participating in setting the aims, strategies and policies of the organisation;
- Guaranteeing that there is adequate monitoring, pursuit and performance of the goals of the organisation;
- Making certain that the board has the necessary information to ensure effective decision making;
- Ensuring that administrative tasks such as circulation of board papers are carried out;
- Directing board discussions so that there is an

effective use of time and that critical issues are discussed;

- Developing an ongoing and healthy relationship with the CEO; and
- Be available to offer guidance to Executive Board Members where required.

### **5. Responsibilities of the Board Secretary**

The Board Secretary will:

- Ensure that all company legislative obligations are met;
- Ensure that the board papers are circulated to directors a reasonable time before the board meeting;
- Record, maintain and distribute the minutes of all board and board subcommittee meetings as required;
- Prepare for and attend all meetings of the Board;
- Provide counsel for corporate governance principles

### **Internal Audit**

In improving its governance structure, FCCC introduced an Internal Audit function as an independent professional arm of FCCC. It reports directly to the Board through Finance and Audit Sub-Committee (FASC). The Internal Audit function as an assurance and consultant agent for FCCC. It applies the risk-based audit approach to identify and assess risks, which exists and recommends control measures to mitigate the risks whilst improving the overall process of the organisation.



Executive

# MANAGEMENT



## Mr. Joel Krishmal **ABRAHAM**

### Chief Executive Officer

Mr. Abraham, is the Chief Executive Officer for the Fijian Competition and Consumer Commission (FCCC) since September 2016 till date.

He has served as the Deputy CEO/ Manager Compliance & Fair Trade at the Fiji Commerce Commission from April 2010 to July 2015. He has also served as the Senior Research Fellow Price Control & Monitoring at the Fiji Commerce Commission.

He has also worked as a Finance and Business Advisor for firms such as Zura Pty Ltd Australia and Cardno Emerging Markets (Australia) Limited.

Mr. Abraham, has successfully completed his Master of Commerce in Professional Accounting from University of the South Pacific (USP) prior to which has attained his Bachelor of Commerce-Accounting & Financial Management and Economics from USP as well. He has further attained a Master of Arts Programme in International Relations and Diplomacy from University of Fiji and has also completed a Post Graduate Diploma in Climate Change from USP.

He is an Associate member of CPA Australia and Associate Member-Association of Certified Fraud Examiners.

He currently serves as a Board member for organisations such as the Fiji Sports Council and the Fiji Meats Industries Board. Mr. Abraham is also the Chairman of the Independent Bus Fare Review Committee.

## Mr. Seymour Vimlesh **SINGH**

### Deputy Chief Executive Officer

Mr. Singh, is the Deputy Chief Executive Officer for the Fijian Competition and Consumer Commission (FCCC) since 8th December 2015 till date.

He has worked as Water & Waste Water (Team Leader Planning & Analysis) NRW, serving in multiple sectors including banking & insurance, maritime, hardware, and supermarkets.

Mr. Singh, has successfully completed his Master's in Business Administration prior to which has attained his Post Graduate Diploma in Business Administration. He has also completed his Post Graduate Diploma in Human Resource Management. He has further attained qualifications in Consumer Electronics Engineering and his is a Certified Energy Auditor for Fiji. He is also qualified in Business Research Methodologies.

He is a member of the Fiji Institute of Human Resources and a member of the Australian Company Directors Institute. He's also an Australia HR Institute member.





# Our Strategic **GOALS**

## **Strategic Goals 1**

Market for goods and services in Fiji are competitive.

## **Strategic Goals 2**

Consumers in Fiji are offered goods and services that are safe and are provided with adequate and accurate information about goods and services.

## **Strategic Goals 3**

Regulation, including price control, is applied where competition is not effective, and efficient outcomes can be achieved without imposing excessive administrative or compliance costs.

## **Strategic Goals 4**

FCCC is regarded by Government business and the public as an independent and expert body.

# 1

## ECONOMIC REGULATION DEPARTMENT

As the Economic Regulator, Competition and Consumer Protection Agency, the primary role of the FCCC in line with Government policy is to correct market failures thus enhancing the welfare of all Fijians through the promotion of competition and fair trade, regulating prices of certain goods and services provided by regulated entities and the protection of consumers' rights and interests.

The Economic Regulation is responsible for determining the prices of the products that is controlled by the FCCC pursuant to a price control order and undertaking independent analysis and review on any industry engaged in the supply of electricity, water, sewage, post, broadcasting, telecommunications, ports, civil aviation or any other industries that is declared subsequently in Section 5, Regulated Industries of the Fijian Competition & Consumer Commission Act 2010.

Through Economic Regulation, the aim is to get the right balance between providing incentives and equitable returns for regulated businesses to invest and ensuring that consumers are charged prices that align with the cost of the goods or services they receive.

The Economic Regulation Department had a total of five (5) staff members as at year ended 31 July 2018. This was made up of one (1) Manager Economic Regulation, two (2) Senior Market Analysts, one (1) Market Analyst and one (1) Assistant Market Analyst.



**"In promoting competition in the Fijian economy, the Fijian Competition & Consumer Commission (FCCC) plays a significant role. Regulation is an important tool which enables accomplishment of government policy objectives while driving market economies."**

# Price reviews

## Petroleum & LPG Price Reviews

As part of the quarterly price mechanism set by the FCCC, four (4) price restatements for Fuel and LPG products were carried out in the year 2017-18. The quarterly prices are based on three (3) months average of international benchmark costs, the exchange rate and international freight charges. Overall, there has been significant movement in the international crude oil prices and refined products prices during the year.

Crude oil prices were supported by continuing efforts by the Organization of the Petroleum Exporting Countries (OPEC) and participating non-OPEC producers to reduce production targets which is in effect till the end of 2018 and consecutive weeks of crude inventory draws amongst healthy economic growth and improving oil demand.

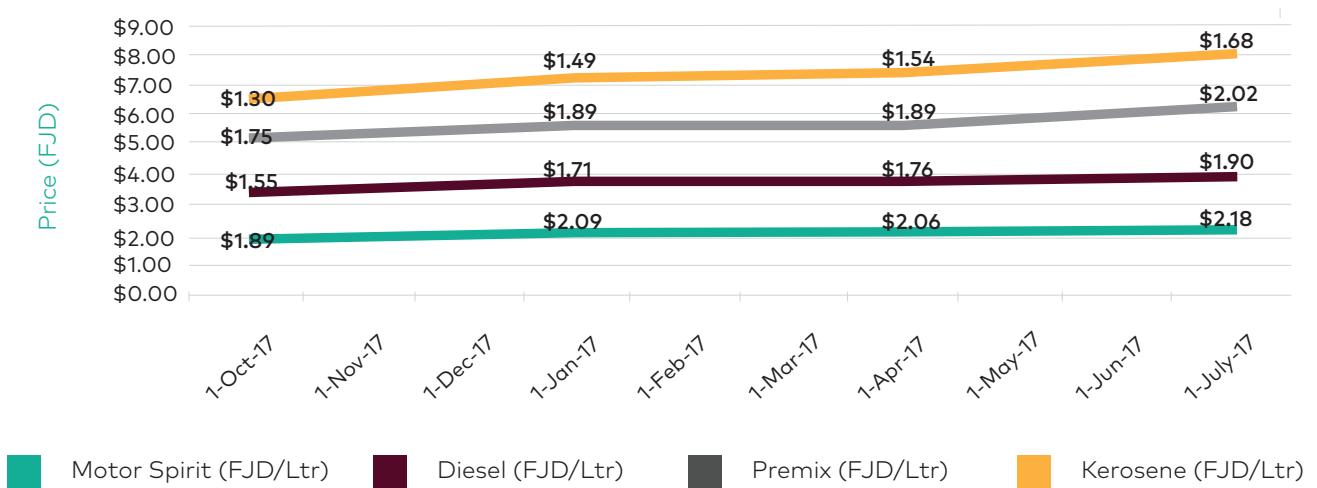


Minister for Commerce Trade Tourism & Transport Hon Mr. Faiyaz Koya and FCCC CEO Mr. Joel Abraham  
[Photo: Fijian Government]

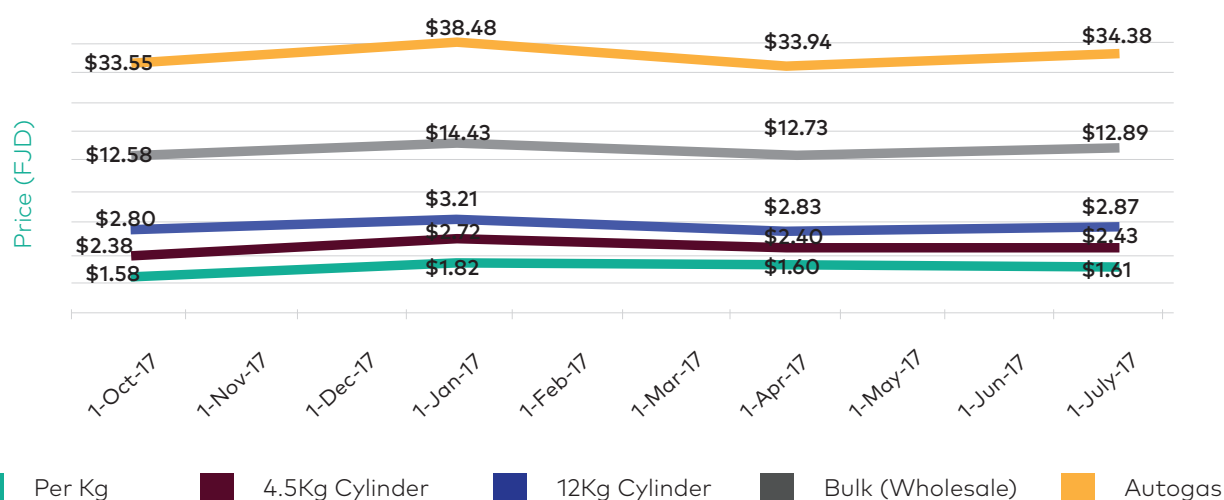
The graphs below show the quarterly trend in prices of petroleum products and LPG products over the financial year.

### Graph 1: Retail Prices of Petroleum Products

The graphs below show the quarterly trend in prices of petroleum products and LPG products over the financial year.



**Graph 2: Retail Prices of LPG Products**



### Pharmaceutical Products Price Review

During the financial year, four (4) reviews were carried out. The pricing methodology adopted by FCCC is based on the most economical supplier and is valid for a quarter.

Table 1 below shows the price change analysis for pharmaceutical products during the financial year.

**Table 1: Pharmaceutical Products Price Changes**

Review Period	Price Increase	Price Decrease	New Inclusion
Quarter 1 (Aug - Oct 17)	4	2	-
Quarter 2 (Nov 17 - Jan 18)	3	12	4
Quarter 3 (Feb - Apr 18)	6	5	-
Quarter 4 (May - Jul 18)	6	8	1
<b>TOTAL</b>	<b>19</b>	<b>27</b>	<b>5</b>

## Market Studies

During the financial year, FCCC undertook market study of the products and services for which the price control orders were near expiry in order to provide recommendations on the future of the orders. The study included assessment on the current level of competition, the social and economic environment and the submissions from stakeholders of such products/ services in Fiji.

Based on the findings, FCCC made recommendations to the Line Minister pursuant to FCCC Act 2010 on whether the order should be extended, amended, varied or revoked.

Table 2 provides a summary of the price control orders for which market studies were undertaken.



**Table 2: Market Studies for Price Control Orders**

No.	Price Control Order	Effective Date	Expiry Date
1	FCCC (Control of Prices for Retail Supply of Electricity and Ancillary Services) Order 2017	25 May 2017	25 May 2022
2	FCCC (Control of Prices for Marina Management Services for Passengers on Commercial Ships and Cargo Transportation) Order 2018	27 March 2018	26 March 2021
3	FCCC (Control of Prices for Cement Products) Order 2018	22 June 2018	21 June 2021
4	FCCC (Control Prices for the Supply of LPG in Fiji) Order 2018	13 July 2018	12 July 2021

In terms of the Electricity Price Control Order Study, Independent Power Producers from generation of electricity was removed from price regulation. This was in view to encourage IPPs and EFL to invest in renewable energy sources by having a commercial negotiation to ensure the security and reliability of power supply in spirit of fair and efficient markets to exist.

As such, the prices for the supply of electricity from the IPPs to the electricity supplier has been deregulated. The Revocation of the Final Authorisation on Independent Power Producing Rates was issued on 7 December 2017.

## Market Investigations

### 1 Sugar Industry Services

FCCC conducted a national price review of sugarcane mechanical harvester service rate and determined an authorised rate of \$17.50 per tonne that came into effect from 1 August 2017. The regulation of the sugarcane mechanical harvesting rate is aligned with the National Development Plan to enhance the growth of sugar industry.

As part of the way forward, FCCC had continued to monitor the market and create awareness to ensure voluntary compliance is achieved from the co-operatives and individual mechanical harvester owners.



*Meeting with Farmers at Wainikoro in Labasa – Crazy Twins Gangs during the 2018 post-harvest campaign.*

# Industry Reviews and Authorisations

## 1 Electricity Industry

### Review of Capital Infrastructure Consumer Deposit Authorisation

From June 2016 to 2017, FCCC had reviewed the Capital Infrastructure Consumer Deposit in response to the request made by Energy Fiji Limited (EFL) highlighting the shortfalls and/or impediments in the existing policy affecting investment, growth and viability. The capital infrastructure cost is a cost that is paid upfront to facilitate infrastructure works for connecting to the network/electricity grid. It is used as a means of recovery from individual customers the specific costs their connection imposes on the network.

FCCC issued the Final Authorisation of EFL Capital Infrastructure Consumer Deposit, that came into effect from 15 December 2017.

## 2 Telecommunications Sector

### Savusavu-Suva Submarine Cable

FCCC received a submission from the Ministry of Communications (MoC) requesting for approval of the Savusavu Suva Submarine Cable Capacity Offer and associated commercial agreements proposed for Savusavu-Suva Cable System. The project is intended to deliver high-capacity lower cost Internet services to the relatively disadvantaged Northern Division of Fiji, consistent with the Government's policy objectives of accelerating development in those areas. The Ministry had taken the lead role during project preparation and execution and will be responsible for implementation as the Implementing Entity. FCCC had conducted its independent assessment of the review based on the submission made, as such commercial arrangements and recommendation for endorsement of pricing was on "Wholesale Only" infrastructure access to the Savusavu-Suva Submarine Cable.

FCCC issued an interim authorisation that came into effect from 26 June 2018.

## 3 Ports Industry

### Review of Tug Service Charges

In April 2017, South Sea Towage Limited had made a submission for the review of the tug service rates. The basis for the submission was to ensure that the entity can meet the standard requirements as set by Fiji Ports Corporation Limited and to make further capital investments.

FCCC had undertaken a comprehensive review of the submission made by South Sea Towage Limited involving seeking submissions from interested parties and a site visit in order to understand properly the tug service operations.

On 29 May 2018, the Revocation of Tug Service Charges Order 2018 was issued, stating that "All notices pertaining to tug service charges approved and levied by Fiji Ports Corporation Limited are revoked and will be substituted by charges authorised by FCCC." In view of the above on 30 May 2018, FCCC issued the Final Authorisation on Tug Service Charges, granting an increase in the tug service charges.

## 4 Steel Industry

### National Supply of Steel Reinforcement Rods – Fiji's Domestic Market

In July 2018, BlueScope Pacific Steel (Fiji) Pty Limited had faced disruptions on the production of reinforcement steel bar that was expected to cause shortage in the local market. Rebar is one of the most important element in construction such that decline in supply will have drastic impact on infrastructure and building developments in Fiji.

In view of FCCC's regulatory role, FCCC had initiated a study on the magnitude of the shortage conditions apparent in the domestic market resulting out of the mill breakdown. It was revealed that BlueScope has been noted to be the sole supplier of Grade 300 and Grade 500 reinforcement steel rods for the Fijian economy and the market data and analysis reflected the imported rebars when compared to the local finished rebars remain expensive.

Having assessed the situation to prevent market shock in case of halting of production and to ensure the maintenance of standards, stable price and supply of rebar steel rods, FCCC had made submission to the Ministry of Industry, Trade and Tourism on the recommended policy options.

In September 2018, the Fijian Government had endorsed a reduction in fiscal duty on the importation of reinforcement steel/ steel bar to support the growing construction industry, subject to the minimum applicable Fijian Standard, which is - FJS AS 4671: Steel Reinforcing Materials.



# 2

## COMPETITION AND COMPLIANCE DEPARTMENT

Fijian Competition & Consumer Commission (FCCC) working toward safeguarding a fair market place for all Fijians. Consumer Protection laws exist mainly to assure that consumers are protected from unfair trade practices.

The Competition and Compliance Department ensures that complaints or cases received pertaining to unfair trade or restrictive trade practices, under the Fijian Competition and Consumer Commission Act 2010 (FCCC Act 2010) is assessed, investigated and actioned accordingly. The Competition and Compliance also resorts to consumer redress mechanism such as mediations and meetings to ensure that a fair and equitable remedy is provided to the aggrieved consumers in all fairness.

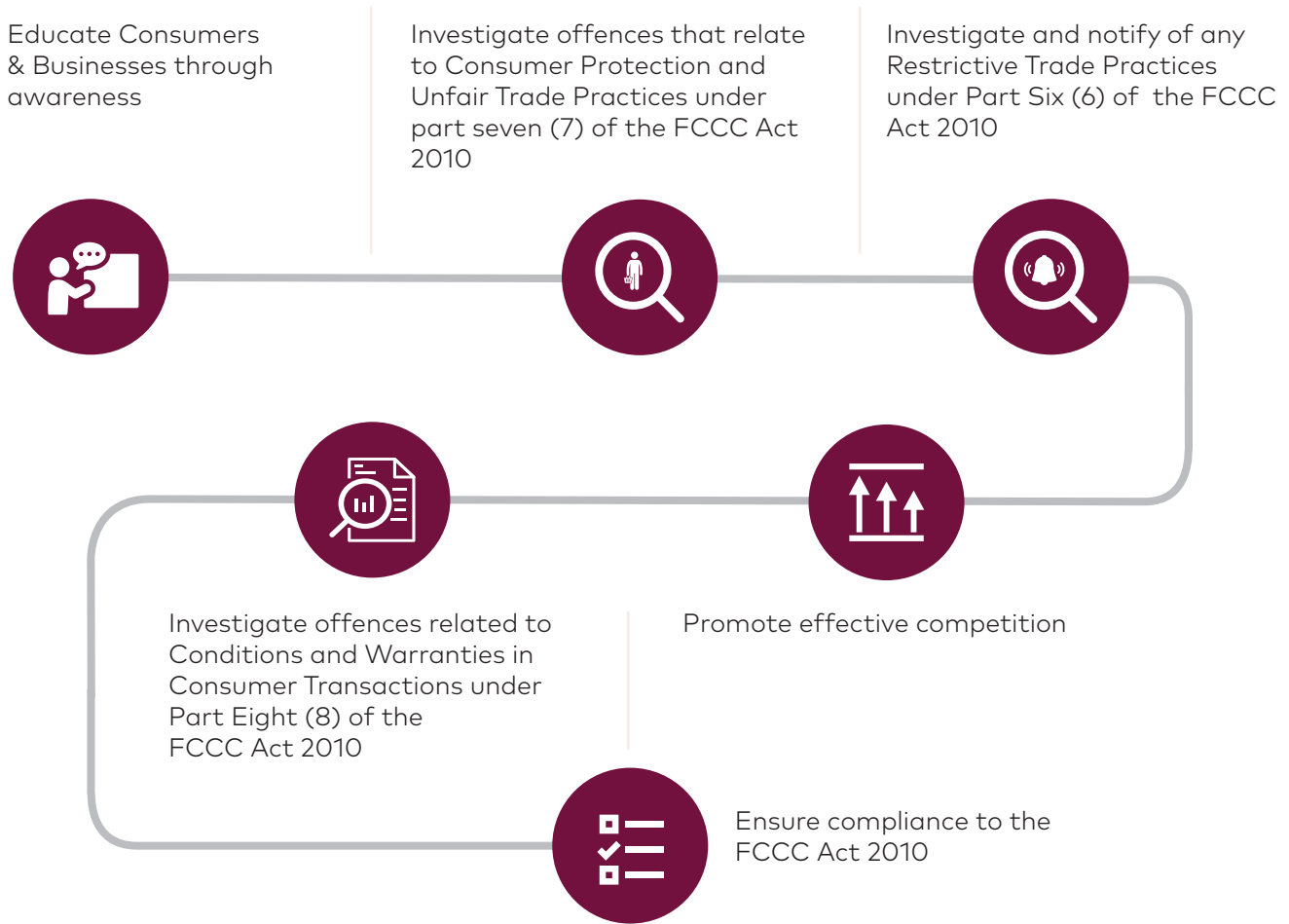
Further, the Competition and Compliance investigates restrictive trade practices under the provisions of FCCC Act 2010, through which it endeavors to promote healthy competition, operational efficiency which lead to affordable prices for goods and services, increased choices for consumers and greater economic growth.

The Competition and Compliance Department had a total of eleven (11) staff members as at year ended 31 July 2018. This was made up of one (1) Manager Competition & Compliance, one (1) Senior Compliance Officer, seven (7) Compliance Officers and two (2) Assistant Compliance Officers.



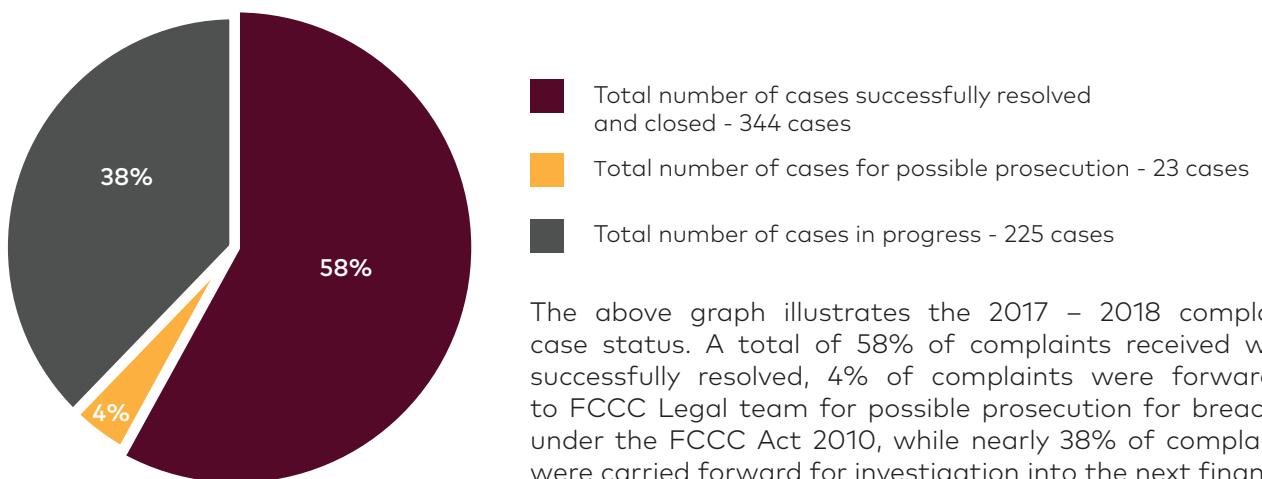
The figure below summarises the basic functions of Competition & Compliance.

**Figure 1: Basic Functions of Competition & Compliance**



**Graph 3: Complaints Statistics**

The figures below provide summary analysis of complaints received during the financial year.



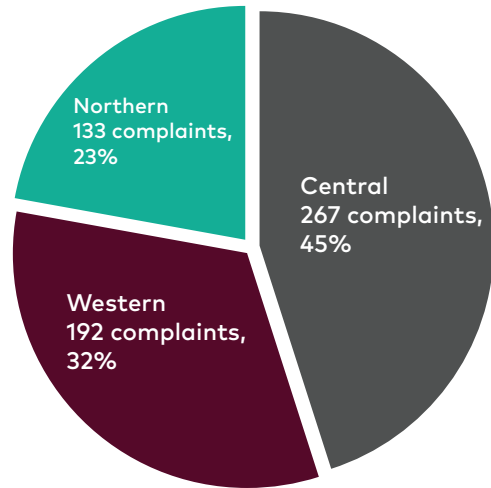
The above graph illustrates the 2017 – 2018 complaint case status. A total of 58% of complaints received were successfully resolved, 4% of complaints were forwarded to FCCC Legal team for possible prosecution for breaches under the FCCC Act 2010, while nearly 38% of complaints were carried forward for investigation into the next financial year.



**Graph 4: Complaints Statistics by Division**

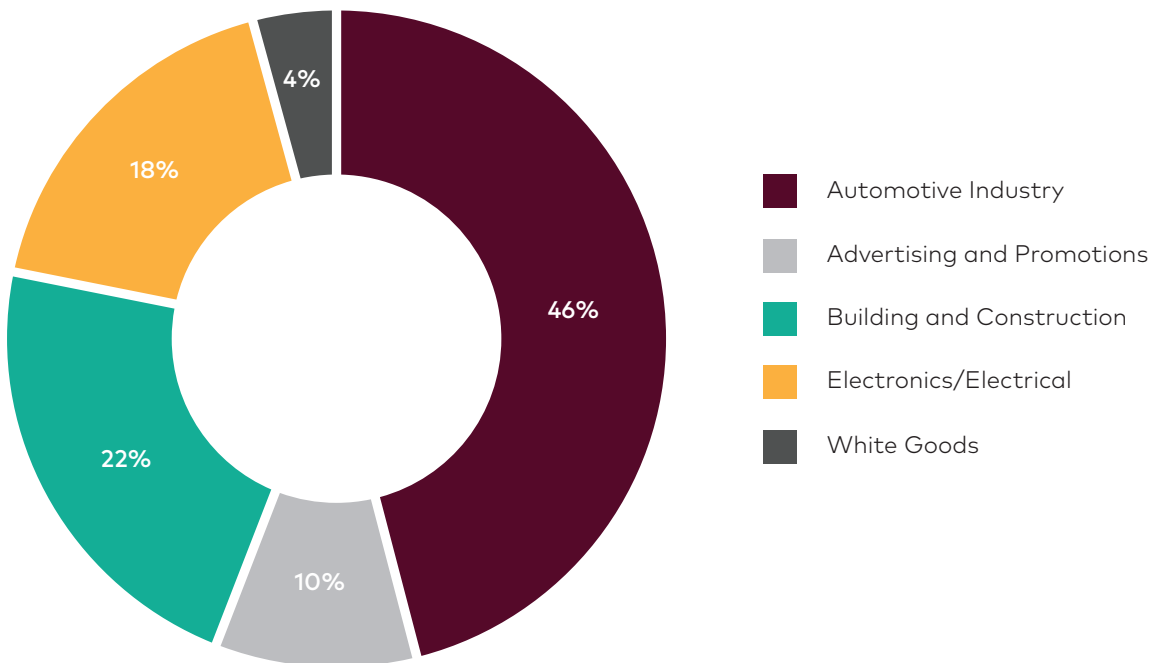
- Western
- Northern
- Eastern/ Central

A total of 592 complaints were registered in 2017 – 2018 financial year at national level. Central/Eastern division recorded a total of 267 formal complaints whilst Western division recorded a total of 192 complaints followed by Northern division with 133 complaints.



## Worst Five Industries in Terms of Complaints Received

**Graph 5: Industry Review Data**



## 1

### Automotive Industry

The FCCC does not regulate the automotive industry, however there is a Self-Regulating Guideline (SRG) in place that guides the industry to ensure it is compliant with the provisions of the FCCC Act 2010. In Fiji, there are inadequate laws governing the automotive industry which is probably why the number of complaints regarding this industry is quite high.

**Majority of the complaints received by FCCC relating to the automotive industry are surrounding the following issues:**

- » Traders not willing to honor warranty;
- » Non- disclosure of information relating to warranty;
- » Holding the vehicle till the warranty period has lapsed and selling afterwards;
- » Accepting payments and failing to supply;
- » False and misleading representations about the vehicle;
- » Supply and installation of improper motor vehicle parts; and
- » Consumers are not given proper solutions by traders.

## 2

### Building and Construction

The construction sector in Fiji, has seen an increase in the number of service providers over the years. While being a multi-million-dollar industry, there are certain players in the market that tend to abuse their market power through refusal to supply products or services, unconscionable conduct, accepting payment without being able to supply, unfair contract terms, shoddy workmanship, false and misleading representation and misleading and deceptive conduct.

The industry recorded the second highest number of complaints as per FCCC's complaints records.

Approximately 22% of complaints were registered against construction companies, small carpentry traders and individuals engaged in providing construction services.

## 3

### Electronics/ Electrical

The electronic and electrical sector in Fiji has been growing at a rapid pace with changing technology. The growing market has seen increased affordability which leads to increased usage. However, consumer complaints pertaining to usage and quality have also been rising. For the year, 18% of the complaints reported were related to electronics or electrical sector.

## 4

### Advertising and Promotions

With the influx of new brands, products and items in the market, the need for advertising and promotions increase. The main avenue engaged by traders and service providers to attract consumers for the sale of their products is through advertising promotions. The role of FCCC is to ensure that the advertisements and promotions published are free of ambiguity and not likely to mislead or deceive consumers.

## 5 White Goods

There has been a rapid increase in the number of traders venturing into this industry offering a wide range of white goods products and its related services in the market. Traders apart from engaging in cash sale, also offer white goods on hire purchase which increases the consumer affordability.

In the last financial year, 4% of complaints were related to white goods.

### » 3.0 INVESTIGATIONS

#### 1. Farms CARE and Homes CARE Investigations

On 24 May 2018, FCCC initiated a special joint investigation with the Consumer Council of Fiji (CCOF) for the traders in Central/Eastern, Western and Northern Division who were under the "Farms CARE" and "Homes CARE" initiative offered by the Government. This was for people who had suffered as an impact of Tropical Cyclone Josie and Keni. The intention of implementing the initiative was to assist the flood affected consumers in rebuilding their lives once again.

The "Homes CARE" initiative was provided by the Ministry of Economy while the "Farms CARE" scheme was provided by the Ministry of Agriculture. The major focus of this special investigation was based on issues raised by members of the public whereby traders had taken money from the recipients of the initiative and had not supplied the items. Apart from this, complaints had surfaced that traders had increased the prices of items which could be purchased under the initiative.

Total of nineteen (19) traders were investigated, of which fourteen (14) traders were charged. Two traders - Kasabias Limited and Rups Investment Fiji Limited were fined \$10,000 each by the Court. Remaining cases are in progress.



*The FCCC staff members during the first phase of investigations in the Western Division*



*The FCCC staff members during the investigations in the Western Division*

## **2. Nature's Way Co-operative Limited**

A study was initiated as a result of complaints pertaining to the operations and use of the High Temperature Forced Air quarantine treatment facility of Nature's Way Co-operative Fiji Limited. The complaint was received from the stakeholders of the Cooperative, in particular non-members, regarding the lack of viable access to the Co-operatives High Temperature Forced Air (HTFA) quarantine treatment facility in Fiji.

Upon receipt of the complaint, an investigation was undertaken. It was noted that the HTFA quarantine treatment facility of Nature's Way Co-operative Fiji Limited is the only such facility in Fiji which is operating as a monopoly. It was noted that Nature's Way Co-operative Fiji Limited may have misused their monopoly status to restrict and stop non-member exporters from using the HTFA facility.

FCCC engaged in Court Enforceable Undertaking under FCCC Act 2010 with Nature's Way Co-operative Fiji Limited to resolve the matter amicably. As part of the Court Enforceable Undertaking, Nature's Way Co-operative Fiji Limited agreed to set up two tier pricing structure for HTFA treatment charges and accord an opportunity to the expelled members to access to facility.

## **3. Douglas Pharmaceutical Fiji Limited vs. Electro & Reefer Services Limited**

Douglas Pharmaceutical Fiji Limited paid the sum of \$109,228.45 as 50% deposit in 2017 for an Air Handling and Dehumidifier Unit including a generator. These were scheduled to be delivered in September 2017 by Electro & Reefer Services Limited.

Due to substantial delays, Douglas Pharmaceutical Fiji Limited sought assistance from FCCC to remedy the matter. Following the investigation, FCCC mediated the matter.

A Court Enforceable Undertaking was executed to bind the parties into a contractual Terms and Conditions under FCCC Act 2010 and subsequently money was refunded.

## **4. ASCO Motors Takata Airbag Recall Investigations**

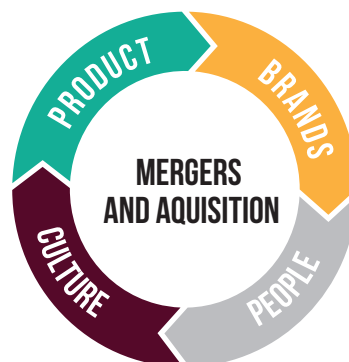
In March 2018, a media release was published in the daily papers by Asco Motors advising the customers and public that certain Toyota brand motor vehicle models may have been affected by the Takata Airbag Recall. The Takata Air Bag recall was the largest automotive recall in history, which affected more than 100 million vehicles and nearly 20 automotive manufactures around the world by Toyota brand manufacturers. The recall required all automotive manufacturers to identify and replace the defective Takata Airbags.

FCCC facilitated the matter between LTA and Asco Motors, including contacting the 759 vehicle owners to advise them on the airbag recall and how they can seek assistance from Asco Motors.

# Restrictive Trade Practice

## Mergers and Acquisitions:

In Fiji, FCCC's role is to review all possible cases of mergers and acquisition to determine whether they are likely to result in lessening of competition in the Fijian market. For any merger or acquisition to take effect, a clearance must be obtained from FCCC under the FCCC Act 2010.



### 1. Merger of FINTEL by TFL

In 2017-18 financial year, through media screening, FCCC identified acquisition case of Fiji International Telecommunications Limited (FINTEL). Upon investigation, it was noted by FCCC that FINTEL was being acquired by Telecom Fiji Limited (TFL), which required assessment and clearance under the FCCC Act 2010.



An investigation was conducted into the acquisition case subsequent to which the FCCC granted conditional approval and clearance for acquisition of FINTEL by TFL. These conditions are being monitored by FCCC.



### 2. Acquisition of Mai TV

Through media screening, FCCC identified the proposed acquisition of Mai TV Fiji Ltd (Mai TV) by two separate parties - Mr. Stanley Simpson and New Methodist Christian Fellowship. Upon investigation, FCCC noted that Mai TV was in substantial debt and near collapse.



Clearance was granted under FCCC Act 2010 for the acquisition.



### 3. Acquisition of shares by Fijian Holding Limited

In last 2017, FCCC received an application from Fijian Holdings Limited seeking clearance to carry out its portfolio restructure through acquisition of shares in Fijian Holdings Unit Trust.

Clearance was granted under FCCC Act 2010 for the acquisition.



## » 3.0 Consumer Awareness and Education

Advocacy is essential in any organization. For FCCC, advocacy plays a significant role allowing, traders and consumers an opportunity to gain insight on its roles and functions and requirements under the FCCC Act 2010.

There has been a 11% increase in the number of complaints received by FCCC and one of the leading factors to such an increase is increased awareness allowing Fijians to be aware of their rights and responsibilities and raising concerns where needed.

Listed below are the awareness sessions conducted during the financial year.

**Table 3: Awareness Sessions**

Mode	Number Conducted
Trade Workshop	24
Trade Awareness	145
Number of School and Community Awareness Conducted	75



# 3

## PRICE CONTROL AND MONITORING DEPARTMENT

Price Control and Monitoring Department (PCM) is responsible for administering price control, rent control and monitoring the compliance stipulated under Part 5 of FCCC Act 2010 in line with the four (4) strategic goals outlined in the FCCC Strategic Plan 2018-23.

Some of the core roles of PCM are:

- » Conducting routine review of prices of price-controlled items where competition is weak or lessened and issue price control orders, determinations and authorisations with the approval of the Board and the Minister of Industry, Trade and Tourism (Line Minister). This is part of FCCC Strategic Goals 1 and 3.
- » Receive and deliberate on rental complaints. This is part of Strategic Goal 2.
- » Conduct routine and selected price inspections into trading premises in Fiji. This is part of Strategic Goals 2 and 3.
- » Conduct market surveillance exercises including investigations, awareness and studies to evaluate existing price control and other regulatory duties prescribed under the FCCC Act 2010 or propose price control in markets where competition has weakened or lessened. This is part of Strategic Goals 1, 2, 3 and 4.

The PCM Department had a total of fourteen (14) staff members as at year ended 31 July 2018. This was made up of one (1) Manager Price Control & Monitoring, one (1) Senior Market Analyst, two (2) Assistant Market Analysts, one (1) Senior Rents Officer, two (2) Rents Officers, one (1) Senior Monitoring Officer, three (3) Monitoring Officers and three (3) Assistant Monitoring Officers.



## » 2.0 Price Control Section

The price control section is responsible for –

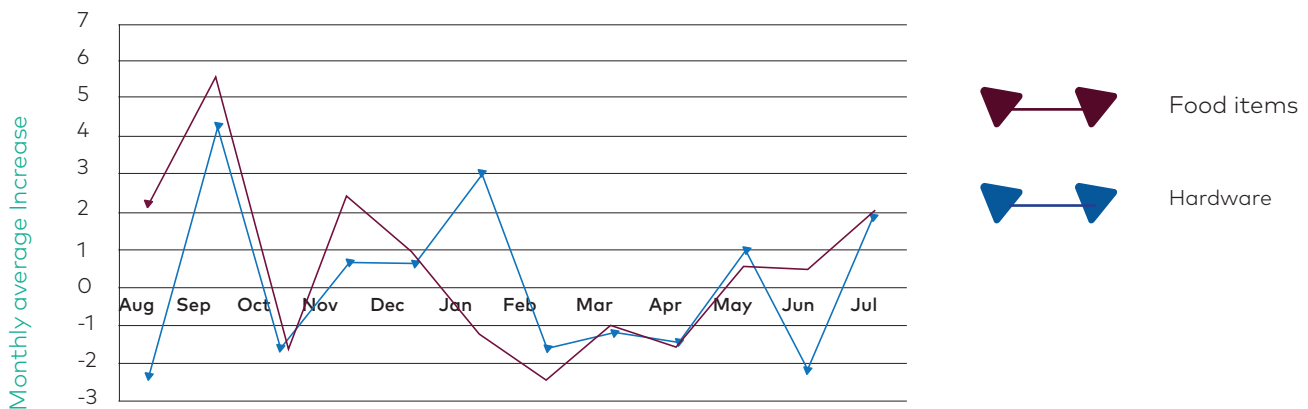
- » Conducting routine review prices of items under price control and issue price control orders and authorisations with the approval of the FCCC Board and the Line Minister;
- » To conduct market studies to evaluate existing price control or propose price control in markets where competition has weakened or lessened; and
- » To monitor price movement in the market and make necessary recommendations to the FCCC Board.

**Table 4: Summary of Price Reviews**

	Total Received	Price Increases	Price Decreases	No Trigger	First Time	Others
Food Items	1,405	419	339	516	126	5
Babywear and Toiletries	35	35	0	0	0	0
Hardware	362	92	61	98	111	0
Services	12	11	0	0	0	1
<b>TOTAL</b>	<b>1,814</b>	<b>557</b>	<b>400</b>	<b>614</b>	<b>237</b>	<b>6</b>

The graph below indicates the general movement of prices of food and hardware items over the financial year.

**Graph 6: Annual Price Movement for FY 2017/2018**



(Source: FCCC records)

The marginal increase noted for food items around September 2017 was due to the increase in the prices of imported produce (i.e. garlic, onions and potatoes). These are seasonal items that often become expensive during the off-season.

Hardware items recorded increase of around 5.2% on average in the same period. The table below shows the average annual price movement for the two items.

**Table 5: Average Annual Price Movement**

Category	Average price increase (%)
Food Items	+0.14
Hardware	+0.62



FCCC staff in a meeting with Punjas in Lautoka

FCCC staff on site visit to Punjas Biscuit factory in Lautoka

## Monitoring Section

The Monitoring section is responsible for:

- » Conducting routine and selected price inspections into trading premises in Fiji;
- » Conducting market surveillance exercises to assist Competition and Compliance Department in carrying out investigations and awareness sessions; and
- » Receiving and deliberating on consumer complaints relating to prices and enforcing compliance in accordance with the provisions of the FCCC Act 2010.

### Price Inspections

The table below summarises the number of inspections carried out during the financial year.

**Table 6: Price Inspection for 2017/2018 FY**

Category	Actual
Urban and Rural	4,805
Maritime	280
<b>TOTAL</b>	<b>5,085</b>



## Market Surveillance

The monitoring section also conducted surveillance of prices to ensure the duty reductions on hardware items announced in 2017-18 National Budget were passed on to the consumers.

Furthermore, the prices in supermarkets were periodically checked for any anti-competitive conduct.

## Spot Checks

Spot checks were carried out following quarterly review of prices for fuel and LPG products.



*FCCC staff conducting price inspection in a supermarket in the Central Division*



*FCCC staff conducting price inspection in Ovalau*

Table below provides a summary of fuel price spot checks.

**Table 7: Summary of fuel prices spot checks**

Quarter	No. of spot checks	Warning/Infringements	Prosecutions
1	338	20	1
2	0	0	0
3	383	52	4
4	292	5	1
<b>TOTAL</b>	<b>1,012</b>	<b>77</b>	<b>6</b>

*(Source: FCCC record)*

## Enforcement

The table below provides summary of breaches by each division.

**Table 8: Summary of Breaches and Remedial actions for 2017/2018 FY**

Division	Total Breaches Detected	Infringment Notice/ Written warning	Spot fine	Prosecution
Central Division	367	353	2	12
Western	282	271	5	6
Northern	341	319	2	20
<b>TOTAL</b>	<b>990</b>	<b>943</b>	<b>9</b>	<b>38</b>

(Source: FCCC record)

## Awareness and Advocacy

Engaging in awareness activities is important in order to reduce non-compliance and ensure consumers and businesses are empowered with relevant and appropriate knowledge pertaining to their rights and obligations.

These sessions typically focus on raising awareness about the provisions of FCCC Act 2010.

The table below provides a summary of awareness activities during the financial year.



**Table 9: Summary of Awareness for 2017/2018 FY**

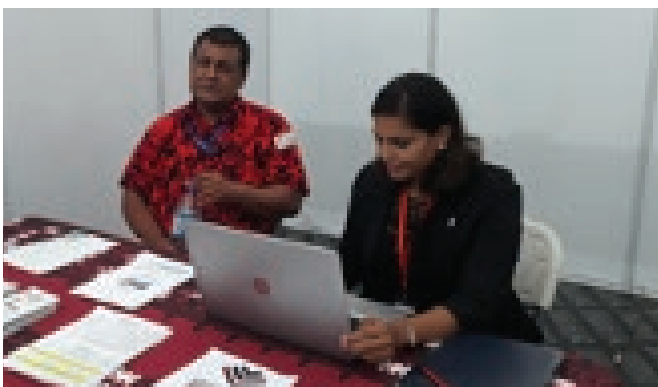
Types of Awareness	No. of Sessions
Trader Workshop	25
Individual Trader Awareness	145
Community/Schools	75
Articles	52
Radio/TV talkback shows	15
Tikina/Provincial	19
Social Media Update	36
Presentation	10
<b>TOTAL</b>	<b>377</b>



*FCCC staff conducting awareness in the Central Division*



*FCCC staff with representatives from other agencies in a REACH program at Korovou Village, Bouma, Taveuni Island.*



*FCCC display booth at the National EXPO 2018, old National Gymnasium, Laucala Bay, Suva.*



*FCCC staff conducting awareness in Labasa.*

# Rents Section

The Rents Section is responsible for enforcing rent control provisions of the FCCC Act 2010.

## Rent Freeze

Rent freeze is currently in force on residential and ground rent since 2 March 2007.

## Tertiary Education Loan Scheme (TELS)

Investigation during the financial year, FCCC conducted an investigation into the suspected bogus tenancy agreements and illegal rent increase associated with TELS.

A total of 107 cases were investigated, of which 74 were recommended for prosecution and 42 were handed over to Police for further investigation in relation to bogus agreements.

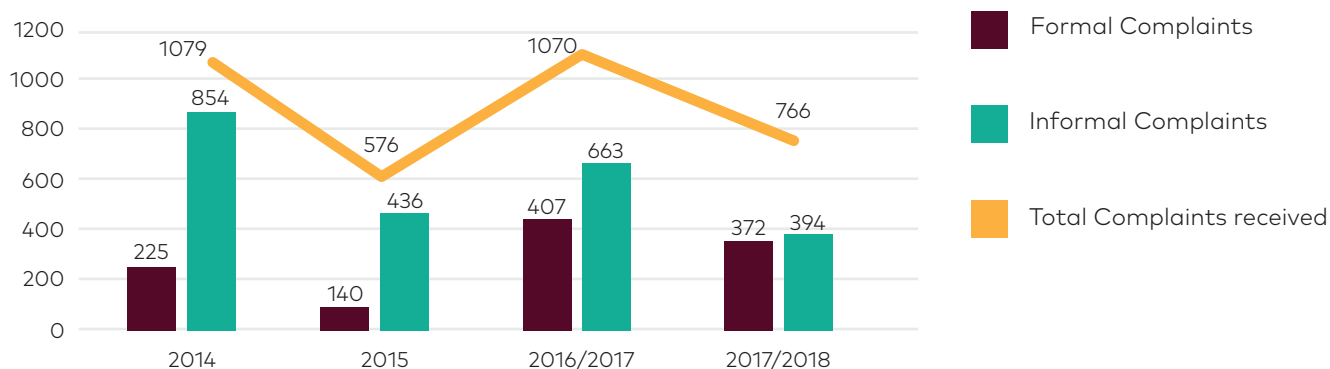
**Table 10: Summary of TELS Cases**

	No. of Cases Allocated	No. Investigated	Suspected Cases of Bogus Agreement	Served with notices	Pending Cases
Central Division	133	52	21	35	81
Western	55	23	7	9	32
Northern	70	32	14	30	40
<b>Total</b>	<b>268</b>	<b>107</b>	<b>42</b>	<b>74</b>	<b>153</b>

## Rent Complaints

The graph below shows the trend of complaints received since 2014.

**Graph 7: Trend of Rent Complaints Received since 2014**



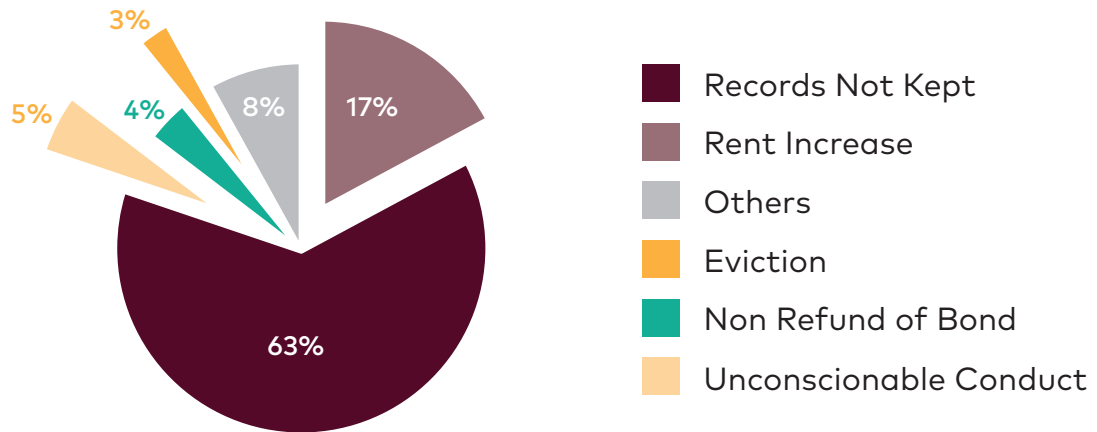
(Source: FCCC Rent Database)



Below is an illustration of the nature of complaints received during the financial year.

**Graph 8: Nature of Complaint**

*Breakdown in nature of complaints*





# 4

## LEGAL, RISK MANAGEMENT AND GOVERNANCE DEPARTMENT

The Legal, Risk Management and Governance Department (LRMG) activities increased considerably in this reporting period due to the changes made in the FCCC Act 2010, adding to its current role. The core role is not only to provide legal assistance to the FCCC but to also ensure the practice of good governance, with risks minimised and mitigated in a strategic manner.

The financial year 2017-18 recorded two precedent cases whereby the Court issued \$20,000 fines against two well-known traders - Carpenters Fiji Limited and New World for overcharging. This was a clear indication that Court is imposing harsher penalties to deter traders from engaging in unfair trade, particularly those who are found to be repeated offenders under the FCCC Act 2010.

The LRMG Department had a total of three (3) staff members as at year ended 31 July 2018. This was made up of one (1) Manager Legal Risk Management & Governance, one (1) Senior Legal Officer, and one (1) Assistant Legal Officer.



# Major Cases

On 1 August 2017, the FCCC Act 2010 was amended . Some notable amendments included increasing maximum penalties from \$10,000 to \$100,000, new imprisonment term of ten (10) years and inclusion of 127 for Enforceable Undertakings, whereby the FCCC may enter into undertakings with traders to remedy a misconduct, and failure to do so can be enforced in any Court of competent jurisdiction. The changes were aligned to FCCC's strategic plan and goals.

On 12 September 2017, the Court, issued a \$20,000 fine against Carpenters Fiji Limited for overcharging. Carpenters Fiji Limited appealed the matter in High Court, which was heard and held in favour of FCCC. The Court dismissed the appeal due to lack of merit and affirmed the decision made by Magistrate Court.

On 18 October 2017, a similar sentence was issued against New World for overcharging and a fine of \$20,000 was issued to the trader.

On 21 February 2018, Nature's Way Co-operative Fiji Ltd filed a case against the FCCC seeking a declaration from the Court regarding FCCC's powers to request for information, and whether FCCC had jurisdiction to investigate a co-operative. On 16 July 2018, the Court dismissed the application.

**Table 11: Total Files before the Court as of 31 July 2018**

Division	No. Pending
Central/ Eastern	241
Western	37
Northern	17
<b>TOTAL</b>	<b>295</b>



# Summary of Cases

Given the prosecutorial powers the FCCC has pursuant to the FCCC Act 2010, there are 295 cases before the Court.

The table below provides a breakdown of cases by type of breach.

**Table 12: Breakdown of Prosecution Cases**

No	Type of Breach	Central	Western	Northern
1	Overcharging	7	5	6
2	Non-Display and Marking of Prices	15	3	4
3	Misleading Representation	9	14	2
4	Illegal Increase of Rent	28	3	-
5	Accepting Payment without being able to Supply	166	2	1
6	Failure to Pay On-Spot Penalty	2	1	2
7	Fail to Keep Records	8	5	1
8	No Authorisation	3	-	-
9	Fail to Apply for Proportionate Price	2	-	-
10	Hoarding	1	-	-
11	Failure to Issue Receipts	-	2	1
12	Unconscionable Conduct	-	2	-
<b>TOTAL</b>		<b>241</b>	<b>37</b>	<b>17</b>



Tabulated below, is a list of High Court and Court of Appeal cases for FCCC

**Table 13: Summary of High Court Cases**

Trader Name	Nature of Matter	Description
Carpenters Fiji Limited	Appeal – Excessive Fine imposed (Appeal \$20,000 sentence)	Matter proceeded for hearing and Appeal dismissed. Carpenters to pay \$20,000.00 as per Magistrate Court Order.
Nature's Way Co-operative Fiji Ltd	Originating Summons	Ruling delivered in favour of FCCC. Matter closed.
R. B Patel Limited	Petition	Ruling delivered in favor of FCCC. Accused has a case to answer.
Corporate Management Services Ltd	Originating Summons	Hearing completed. Ruling on Notice.

**Table 14: Summary of Court of Appeal Case**

Trader Name	Nature of Matter	Description
Carpenters Fiji Limited	Appeal against FCCC	FCCC received the grounds of appeal. Trader appealing High Court decision.

## Governance

During the financial year, a number of Memorandum of Understanding (MOU) were signed with three (3) key agencies to foster cooperation and sharing of knowledge/information between the organisations. These include the Fiji Chamber of Commerce, the Fiji Commerce and Employers Federation and the Real Estate Licensing Board.



# 5

## HUMAN RESOURCES DEPARTMENT

### Our People

The Human Resources is engaged in talent acquisition; administration of the Talent Management Plan; management of employee and labour relations; administration of employee benefits and wellness programs; facilitation of the staff performance evaluation process; provision of professional development opportunities for employees; maintenance of employee personnel files; management of employee risk and safety initiatives; administration of the Labour Management Consultative Committee; and the provision of other vital services for the FCCC employees over their contractual period.

The Human Resources Department had a total of two (2) staff members as at year ended 31 July 2018. This was made up of one (1) Manager Human Resources and one (1) Human Resources Officer.

# Talent Acquisition

The FCCC's full time equivalent staff (FTE) as at 31 July 2018 is fifty-two (52). This is equivalent to 86% of approved staffing capacity..

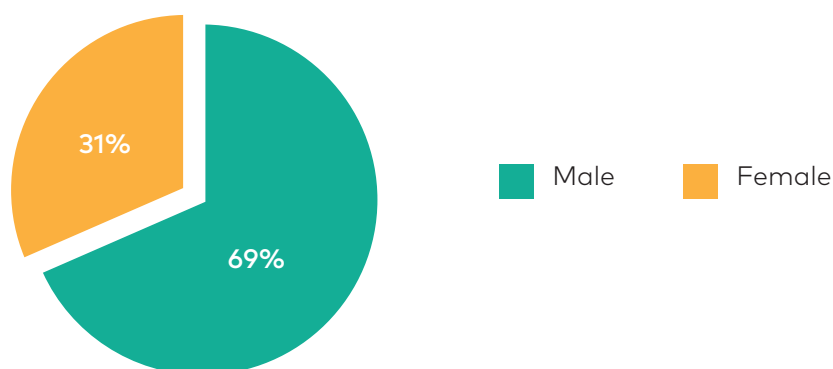
The table below represents FCCC's staff allocation as at 31 July 2018.

**Table 15: Staffing by Division**

Department	Total Staff	Central Division	Western Division	Northern Division
Executive Management	2	2		
Corporate	17	12	3	2
Economic Regulations	5	5		
Price Control & Monitoring	14	11	1	2
Competition & Compliance	11	7	2	2
Legal	3	3		
<b>Total FTE</b>	<b>52</b>	<b>40</b>	<b>6</b>	<b>6</b>
Graduate Trainee	7	4	2	1
Attaches	18	11	5	2
<b>Grand Total</b>	<b>77</b>	<b>55</b>	<b>13</b>	<b>9</b>

The below figure represents the staff capacity based on gender for the Financial Year Ending 2017 - 18

**Graph 9: Gender Ratio**



# Talent Performance Management

At FCCC employees are provided KPIs with weighting which is measured on bi-annual basis to support high performance workforce. At the end of 12 months of employment a performance appraisal is carried out. Based on the individual performance and achievements, the employees are rewarded accordingly.

For the Financial Year 2017-18, a total of fifty (50) out of fifty-two (52) staff members' performance was assessed through the annual performance appraisal process. The other two (2) staff members were assessed for their performance during the probationary period. All staff members are performing well.



## Talent Development

Professional development programs and trainings were offered by FCCC for the financial year ending 31 July 2018. With this, an average of eleven (11) training days was achieved that is equivalent to 4,790 training hours.

Some of the key areas covered were new employee orientation, interviewing (legal issues and interviewing skills), safety awareness/OSHA training, sexual harassment investigation, prosecution, criminal litigation, forensic accounting, electricity tariff modelling, good governance, quality management and competition law.

## Staff Recognition & Engagement

FCCC fosters a work culture where employees are regarded as a member of FCCC family. The employees are treated fairly and are provided with learning and development opportunities. Some of the ways FCCC engages with staff are through staff development activities, social committee, training, workshops, monthly staff recognition awards programme, awarding commendation certificates and creating a healthy working environment.

The workforce is engaged at various levels and through a number of mediums to listen to and understand staff commitment and concerns.

This includes office visitation by Management, face to face sessions with staffs and employee engagement surveys.



The table below shows the elements of satisfaction and engagement.

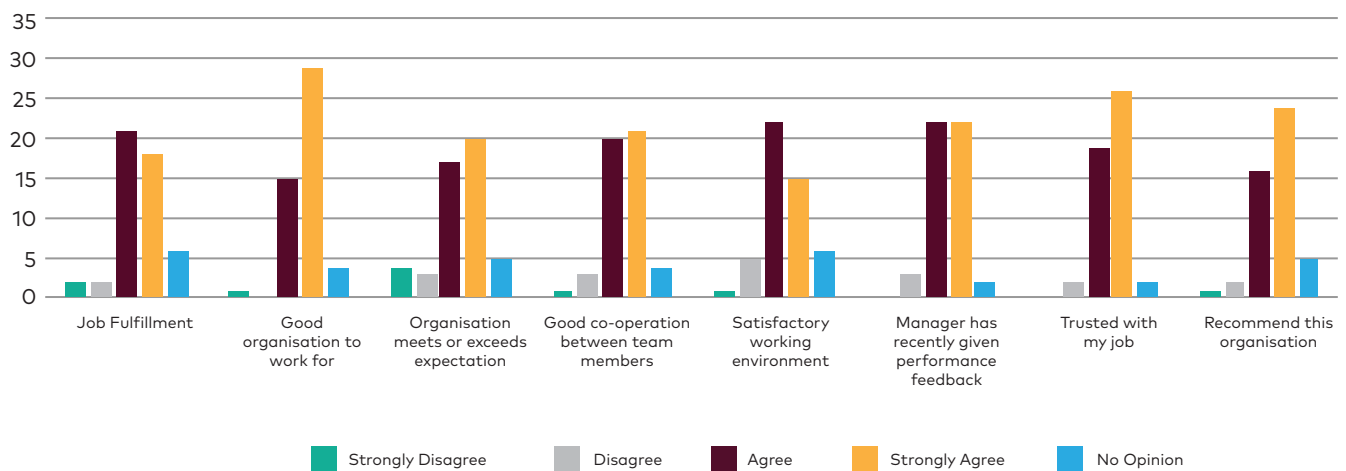
**Table 15: of Satisfaction & Engagement**

Elements	Satisfaction	Staff Engagement
Mobile Phone & Talk Time	✓	✓
Laptops	✓	✓
Travelling Allowance	✓	✓
Meal Allowance	✓	✓
Training and Development	✓	✓
Leave Entitlements	✓	✓
Fire Wardens	✓	✓
Flood Assistant	✓	✓
Bereavement Assistance	✓	✓
Trained OHS Reps	✓	✓
PPE's & Safe Work Systems	✓	✓
Medical Assistance of Injury	✓	✓
First Aid Kit	✓	✓
Equal Employment Opportunity	✓	✓
Whistle Blower	✓	✓
Harassment Policy	✓	✓
OHS Policy	✓	✓
LMCC	✓	✓
HR Policy	✓	✓
Fleet Management Policy	✓	✓



The graph below shows the results of employee engagement survey carried out for the financial year 2017-18.

**Graph 10: Job Satisfaction**



## Organizational Culture & Climate

The organization fosters positive culture that is characterized by open and two-way communication, high performance work and well engaged workforce.

FCCC has a two-way communication throughout the organization and employees are encouraged to contribute innovative ideas and suggestions for the betterment of the organization. FCCC Quality circles team also contribute towards process improvement that leads to innovative practices.

To ensure the organizational culture benefits from diverse ideas and culture, the recruitment process ensures a balance of diversity in all the departments.

FCCC embraces diversity through gender, ethnicity, educational and geographical location to enhance the organisational culture.

FCCC has Employee Recognition Awards Programme to formally recognise and celebrate the outstanding contributions by employees towards achievement of the vision and mission of FCCC on a monthly basis. FCCC has established an OHS committee to promote safe working environment for staff members. Safety audit process has been implemented to proactively identify and rectify hazards.

FCCC participated in corporate social responsibility programs such as walkathon, climbathon and runathon organised by Fiji Cancer Society, Fiji Womes Law Society and Petro Civoniceva Foundation respectively and other internally organised programs such as Pnktober, Chinese New Year, blood drives, clean up of Labasa Hospital Ward, food distribution at Labasa Babasiga Ashram and cyclone relief assistance following tropical cyclones Josie and Keni.







# 6

## INTERNAL AUDIT DEPARTMENT

In improving its governance structure, the Fijian Competition and Consumer Commission (FCCC) introduced an Internal Audit function as an independent and professional arm of FCCC. It reports directly to the Board of Commissioners via the Finance and Audit Sub-Committee (FASC).

The Internal Audit functions as an assurance and consultant agent for FCCC. It applies the risk-based audit approach to identify and assess risks that exist and recommends control measures to mitigate the risks, whilst improving the overall process of the organisation.

On February 2018, the Internal Audit was established through the appointment of its Internal Auditor. As such, the financial period 2017-2018 started with an operational audit to gauge and assess the current internal controls in place for FCCC. This was done in two (2) phases as follows:

- » Phase 1 – Audit for the period August 2017 to January 2018
- » Phase 2 – Audit for the period February 2018 to July 2018

As a result, the Internal Audit successfully completed the whole financial year from August 2017 to July 2018. The audit was conducted according to its Strategic Plan and Work Program and the Audit Reports were subsequently approved by the Board.

Apart from the audits undertaken, the Internal Audit also encouraged participation in staff professional trainings to upskill and attain the benchmark set by international best practices. The Internal Auditor is a member of the Institute of Internal Auditors Fiji, which conducts trainings and conferences to upskills its members.

The 2017-18 financial year was very successful for the Internal Audit function in terms of contributing to the growth of FCCC. Control issues have been identified, reported and following management agreement, the audit recommendations have been approved by the Board and implemented accordingly.

Some of the major achievements in the growth of FCCC includes:

- » Finalization and Endorsement of Standard Operating Procedures;
- » Improving of Annual Work Programs and Individual Work Programs;
- » Introduction of a Standard Case Summary Report and Checklist; and
- » Review of the Organisation Structure to increase resources in key strategic areas.



# Consumer Protection Principles

Responsible sales and pricing

Good consumer service

Good product quality

Data privacy

Transparency

Fair and respectful treatment





# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 JULY 2018

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**FIJIAN COMPETITION AND CONSUMER COMMISSION  
COMMISSIONER'S REPORT  
FOR THE YEAR ENDED 31 JULY 2018**

---

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 2018.

**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. 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 2018 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 2018 was \$415,288 (2017: surplus of \$420,494).

**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.

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
COMMISSIONER'S REPORT (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2018**

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**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 year 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 11<sup>th</sup> day of February 2020

  
Chairperson  
Ms. Joann Young

  
Commissioner

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT BY COMMISSIONERS  
FOR THE YEAR ENDED 31 JULY 2018**

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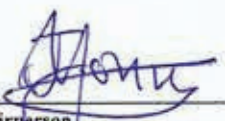
In accordance with a resolution of the Commissioners of Fijian Competition And Consumer Commission we state that:

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 2018;
- (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 2018;
- (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 2018; 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 11<sup>th</sup> day of February 2020

  
\_\_\_\_\_  
Chairperson  
Ms. Joann Young

  
\_\_\_\_\_  
Commissioner

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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## 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 2018, 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 2018, 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 IFRSs 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:

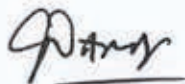
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Commissions 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  
11 February, 2020

**FIJIAN COMPETITION AND CONSUMER COMMISSION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JULY 2018**

	Note	31 July 2018 \$	31 July 2017 \$
<b>Income</b>			
Government grant - Operational		3,397,524	2,278,656
Other Income	2	159,536	140,649
<b>Total Income</b>		<b>3,557,060</b>	<b>2,419,305</b>
<b>Expenditure</b>			
Personnel Expenses	3	2,037,361	1,352,394
Operating Expenses	4	560,034	333,444
Administrative Expenses	5	438,530	214,881
Depreciation	9 (c)	105,847	98,092
<b>Total Expenditure</b>		<b>3,141,772</b>	<b>1,998,811</b>
Surplus		415,288	420,494
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>415,288</b>	<b>420,494</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 2018

	Notes	31 July 2018 \$	31 July 2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	6	1,487,152	630,274
Deposits	7	43,945	31,556
Trade and Other Receivables	8	40,835	644,138
<b>Total Current Assets</b>		<b>1,571,932</b>	<b>1,305,968</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	9	742,810	450,037
<b>Total Non Current Assets</b>		<b>742,810</b>	<b>450,037</b>
<b>Total Assets</b>		<b>2,314,742</b>	<b>1,756,005</b>
<b>Current Liabilities</b>			
Trade and Other Payables	10	316,894	214,512
Deferred Income	11	125,956	95,748
Other Current Liabilities	12	4,444	4,444
<b>Total Current Liabilities</b>		<b>447,294</b>	<b>314,704</b>
<b>Non Current Liabilities</b>			
Deferred Income	11	581,437	570,578
<b>Total Non Current Liabilities</b>		<b>581,437</b>	<b>570,578</b>
<b>Total Liabilities</b>		<b>1,028,731</b>	<b>885,282</b>
<b>Net Assets</b>		<b>1,286,011</b>	<b>870,723</b>
<b>Equity</b>			
Accumulated Surplus		1,286,011	870,723
<b>Total Equity</b>		<b>1,286,011</b>	<b>870,723</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

  
 Commissioner

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	Accumulated Surplus \$	Total \$
<b>Balance as at 31 July 2016</b>		450,229	450,229
Net Surplus for the period		420,494	420,494
<b>Balance as at 31 July 2017</b>		870,723	870,723
Net Surplus for the year		415,288	415,288
<b>Balance as at 31 July 2018</b>		1,286,011	1,286,011

*(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 2018

	Notes	31 July 2018 \$	31 July 2017 \$
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from Government and Customers		4,185,091	2,394,281
Payments to Suppliers and Employees		<u>(3,036,988)</u>	<u>(2,199,680)</u>
<b>Net Cash provided by Operating Activities</b>	13 (b)	<b><u>1,148,103</u></b>	<b><u>194,601</u></b>
<b><u>Cash Flows from Investing Activities</u></b>			
Proceeds from sale of Property, Plant and Equipment		18,098	13,445
Payments for Property, Plant and Equipment	9 (c)	<u>(309,323)</u>	<u>(376,414)</u>
<b>Net Cash provided by Investing Activities</b>		<b><u>(291,225)</u></b>	<b><u>(362,969)</u></b>
Net increase/ (decrease) used in cash		856,878	(168,368)
Cash at the beginning of the year		630,274	798,642
<b>Cash balance at the end of the year</b>	13 (a)	<b><u>1,487,152</u></b>	<b><u>630,274</u></b>

*(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**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

---

**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 11 February 2020

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 2018.

**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 or amortisation 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 or amortisation 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 or amortisation rates in use are as follows:

	<b>Rate</b>
Furniture and Fitting	12%
Office Equipment	12-40%
Vehicles	18-20%
Computer Equipment and Software	25-40%
Leasehold Improvements	Over the lease term

**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 2018**

**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.

	31 July 2018	31 July 2017
	\$	\$
<b>NOTE 2 OTHER INCOME</b>		
Amortization of Deferred Income	93,708	76,466
Professional Fees	48,145	64,143
Gain on Disposal of Fixed Assets	16,340	-
Miscellaneous Income	1,343	40
	<u>159,536</u>	<u>140,649</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2018

	31 July 2018	31 July 2017
	\$	\$
<b>NOTE 3 PERSONNEL EXPENSES</b>		
Salaries and Wages	1,690,189	1,104,150
FNPF	176,084	111,882
Board Allowance	70,387	64,462
Annual Leave	52,366	37,585
Staffing Obligation	17,078	10,249
Attachment Allowance	12,973	15,805
FNU (TPAF) Contribution	18,284	8,261
	<b><u>2,037,361</u></b>	<b><u>1,352,394</u></b>
<b>NOTE 4 OPERATING EXPENSES</b>		
Rent	227,964	171,090
Investigations	128,676	-
Legal Training, Fees and Court Charges	47,042	62,097
Motor Vehicle Expense	39,580	28,571
Repairs and Maintenance	21,670	11,522
Printing, Postage and Meeting Expenses	21,575	13,353
Tours and Official Visits	18,353	7,667
Awareness	18,556	18,830
Advertising	36,618	20,314
	<b><u>560,034</u></b>	<b><u>333,444</u></b>
<b>NOTE 5 ADMINISTRATIVE EXPENSES</b>		
Training and Development	168,352	46,994
Relocation and Branding	92,430	24,630
Telephone, Internet and Fax	49,355	25,389
Insurance	25,705	20,523
Electricity and Water	21,427	24,036
Stationery	17,782	12,588
Travel and Accommodation	18,344	6,827
Office Expense	7,776	7,956
Cleaning	9,450	3,753
Subscription	14,214	8,819
Professional Fees	4,072	-
Bank Charges	1,873	1,516
IT Support Cost	1,859	1,683
Loss on Disposal of Fixed Assets	-	12,893
Lawsuit Settlements	-	12,000
Audit Fees	5,891	3,465
Staff Medical Expenses	-	1,809
	<b><u>438,530</u></b>	<b><u>214,881</u></b>
<b>NOTE 6 CASH AND CASH EQUIVALENTS</b>		
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:		
Operating Account - WBC and HFC	1,284,964	486,201
Trading Account - HFC	184,091	-
Mediation Fund Account - WBC and HFC	13,960	11,533
Fixed Penalty Account - HFC	2,162	-
West & North Advance Account - WBC, HFC and ANZ	1,401	1,874
Trading Account - ANZ	-	86,334
Trading Account - WBC	-	44,219
Cash on Hand	574	113
	<b><u>1,487,152</u></b>	<b><u>630,274</u></b>



FIJIAN COMPETITION AND CONSUMER COMMISSION  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2018

NOTE 6 CASH AND CASH EQUIVALENTS (continued)

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.

	31 July 2018 \$	31 July 2017 \$
<b>NOTE 7 DEPOSITS</b>		
Rental - FEFHA Partnership	39,390	26,000
Fiji Electricity Authority	2,955	2,956
Rental - Shah Investment	1,600	1,600
Security Deposit on Credit Card	-	1,000
	<u>43,945</u>	<u>31,556</u>

The dormant credit card facility with Westpac Banking Corporation (WBC) has been closed and the deposit has been released.

NOTE 8 TRADE AND OTHER RECEIVABLES

Grant Receivables	-	621,550
Prepayments	9,794	14,884
Surcharge Recovery	11,045	3,574
User Pay Receivable	1,911	2,756
VAT Refund	16,375	-
Staff Accountable Advance	1,710	1,374
	<u>40,835</u>	<u>644,138</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 Fitting</b>		
At cost	16,777	16,568
Accumulated depreciation	(6,737)	(6,536)
	<u>10,040</u>	<u>10,032</u>
<b>Office Equipment</b>		
At cost	118,313	97,640
Accumulated depreciation	(33,955)	(16,983)
	<u>84,358</u>	<u>80,657</u>
<b>Motor Vehicle</b>		
At cost	353,355	303,670
Accumulated depreciation	(263,800)	(235,839)
	<u>89,555</u>	<u>67,831</u>
<b>Computer Equipment and Software</b>		
At cost	134,234	71,980
Accumulated depreciation	(54,222)	(26,630)
	<u>80,012</u>	<u>45,350</u>
<b>Leasehold Improvements</b>		
At cost	505,296	258,797
Accumulated amortisation	(26,451)	(12,630)
	<u>478,845</u>	<u>246,167</u>
<b>Net Book Value</b>	<u>742,810</u>	<u>450,037</u>

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

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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 and Fitting	Office Equipment	Motor Vehicle	Computer Equipment and Software	Leasehold Improvements	Total
\$	\$	\$	\$	\$	\$	\$
Balance as at 31 July 2017	16,568	97,640	303,670	71,980	258,797	748,655
Additions	3,564	21,089	66,972	43,368	240,900	375,893
Disposals	(3,355)	(416)	(17,287)	-	-	(21,058)
Transfer	-	-	-	-	-	-
Capital WIP	-	-	-	18,886	5,599	24,485
Balance as at 31 July 2018	16,777	118,313	353,355	134,234	505,296	1,127,975
<b>Accumulated Depreciation</b>						
Balance as at 31 July 2017	6,536	16,983	235,839	26,630	12,630	298,618
Depreciation	2,081	17,105	45,248	27,592	13,821	105,847
Disposals	(1,880)	(133)	(17,287)	-	-	(19,300)
Transfer	-	-	-	-	-	-
Balance as at 31 July 2018	6,737	33,955	263,800	54,222	26,451	385,165
<b>Book Value</b>						
As at 31 July 2017	10,032	80,657	67,831	45,350	246,167	450,037
As at 31 July 2018	10,040	84,358	89,555	80,012	478,845	742,810

The Commission has capital works in progress in relation to software development and refurbishment of registry. Software development relate to e-Pricing System, e-Monitoring and Survey System, Case Management System and Landlord Management System.

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	31 July 2018	31 July 2017
	\$	\$
<b>NOTE 10 TRADE AND OTHER PAYABLES</b>		
Capital Works Payable	91,055	12,077
Employee Entitlement Provision	85,641	65,140
Superannuation Payable	25,686	20,062
Mediation Funds Payable	12,099	10,497
Other Payables	6,556	4,730
FNU Levy Payable	10,308	-
PAYE & Provisional Tax Payable	3,954	6,710
Utility Accruals	71,495	15,460
Audit Fee	10,000	6,565
Fixed Penalty Payable to MOE	100	30,100
VAT Payable	-	43,171
	<u>316,894</u>	<u>214,512</u>

**Fixed Penalty Payable to MOE**

This relates to fines and penalties collected on behalf of Government which is not remitted to Government Consolidated Fund Account at balance date.

**NOTE 11 DEFERRED INCOME**

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	666,326	113,183
Add: Additional Grant	134,775	629,609
Amortisation of Deferred Income	(93,708)	(76,466)
	<u>707,393</u>	<u>666,326</u>
Comprise of:		
Current	125,956	95,748
Non-Current	581,437	570,578
	<u>707,393</u>	<u>666,326</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	1,486,578	630,161
Cash on Hand	574	113
	<u>1,487,152</u>	<u>630,274</u>

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	31 July 2018 \$	31 July 2017 \$
<b>NOTE 13 NOTES TO THE STATEMENT OF CASH FLOWS (continued)</b>		
<b>b) Reconciliation of operating surplus to cash provided by operating activities:</b>		
Net Surplus	415,288	420,494
Add/(Less) Non-Cash items:		
Depreciation and Amortisation	105,847	98,092
(Gain) / Loss on Disposal of Fixed Assets	(16,340)	12,893
	<u>504,795</u>	<u>531,479</u>
Changes in assets and liabilities during the financial period:		
(Increase)/ Decrease in Trade and Other Receivables	590,914	(642,930)
Increase/ (Decrease) in Trade and Other Payables	11,327	(247,091)
Increase/ (Decrease) in Deferred Income	41,067	553,143
<b>Cash Provided by Operating Activities</b>	<u><b>1,148,103</b></u>	<u><b>194,601</b></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 Commission.

**(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. Isikeli Tikoduadua	Member	17-Sep-15	Current
Ms. Lyanne Vaurasi	Member	17-Sep-15	Current
Mr. Romil Patel	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 \$269,577.

**(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.

	31 July 2018 \$	31 July 2017 \$
Operating Grant (VAT inclusive)	<u>3,644,753</u>	<u>2,285,640</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.

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**(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.

**NOTE 16 COMMITMENTS (continued)**

**(b) Operating Lease Commitments (continued)**

	31 July 2018	31 July 2017
The future minimum lease payments under non-cancellable operating leases are as follows:	\$	\$
No later than 1 year	354,607	202,456
Later than 1 year and no later than 5 years	1,406,196	709,495
Later than 5 years	2,487,223	1,601,210
	<u>4,248,026</u>	<u>2,513,161</u>

The Commission has entered into a agreement to lease office space on a term of fifteen (15) years in the basement of its headquarters, located in FEFHA Partnership Building, 42 Gorrie Street, Suva. The rental for new premises is \$7,298 VIP per month. The Commission has shifted its office in Western Division to Ground and First Floor, Ram City Building, 26 Namoli Avenue, Lautoka, on a long term lease of ten (10) years. The rental for new premises is \$5,500 VIP per month. Previously, the Commission was situated on First Floor, Shah Investment Building, 5 Tukani St., Lautoka, which had a rental of \$1,517 VIP per month. The landlord, Shah Investments Ltd, had plans for major renovation works on the premises, and hence the Commission had to relocate its office.

The Commission has entered into a new agreement for its office in Northern Division for a term of five (5) years, following the expiry of the old lease agreement. The landlord, Local Timber Distributors Ltd, has provided additional space for training room and carried out renovation works to improve the property. The new rental is \$2,398 VIP per month, while rental under old agreement was \$1,185 VIP per month.

These have 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.

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