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**STANDING COMMITTEE ON SOCIAL AFFAIRS**

**REVIEW REPORT ON THE FIJI PUBLIC TRUSTEES CORPORATION LIMITED  
(FPTCL) 2016 ANNUAL REPORT**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 61 of 2018**

*Tuesday, 15<sup>th</sup> May, 2018*

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## **CHAIRMAN'S FOREWORD**

On behalf of the Committee members, I am pleased to present the Report on the assessment made to the Fiji Public Trustees Corporation Limited (FPTCL) 2016 Annual Report.

FPTCL is governed by the Fiji Public Trustee Corporation Act 2006. The Year 2016 marks the eleventh year of operation since the corporatization of the Public Trustee Office to the Fiji Public Trustee Corporation Limited and a journey full of challenges and opportunities that had contributed to the positive growth of the entity.

In 2017, the Corporation earmarked its achievement through the Strategic Plan 2015-2017 which focused on reorganizing that vital transformation which was required for the long-term financial sustainability and viability of the organization.

The improvement in the standard of service is essential to the transformation, and as highlighted by FPTCL included the simplification of the standardization of the business processes, systems and procedures.

The Committee commended the overall performance and administration of the Corporation but believe there is still room for improvement as stipulated under the recommendations.

I thank the Deputy Chairperson, Hon. Veena Bhatnagar, Members, Hon. Salote Radrodro, Hon. Ruveni Nadalo, Hon. Anare T. Vadei and alternate Members, Hon. Alivereti Nabulivou and Hon. Samuela Vunivalu for their contribution towards the scrutiny and the formulation of this bipartisan Report.

With these words, on behalf of the Standing Committee on Social Affairs I commend this Report to Parliament.

With these words, on behalf of the Standing Committee on Social Affairs I commend this Report to Parliament.



**Hon. Viam Pillay**  
**Chairman of the Social Affairs Standing Committee**

## **RECOMMENDATIONS**

The Standing Committee on Social Affairs has conducted a review of the Fiji Public Trustees Corporation Limited Annual Report and has few recommendations to be brought to the attention of the House:

### **Recommendation 1**

- The Corporation to specifically provide gender composition in the workplace with provision of statistics in the report;

### **FPTCL Response**

- The Board membership number is in line with the legislation which is the Companies Act, 2015, Sect. (91)(2). “That a private company must have at least 1(one) director and at least 1 director of that company must reside in Fiji.” The Corporation is classified as a private company and complies with the legislation.

### **Recommendation 2**

- To increase membership of the Board of Directors to be in line with the legislation.

### **FPTCL Response**

- The Board membership number is in line with the legislation which is the Companies Act, 2015, Sect. (91)(2). “That a private company must have at least 1(one) director and at least 1 director of that company must reside in Fiji.” The Corporation is classified as a private company and complies with the legislation.

### **Recommendation 3**

- To have Memorandum of Understanding (MOU) with other relevant stakeholders to facilitate the turnaround time required by other departments;

### **FPTCL Response**

- This is not necessary as all our stakeholders have their own requirements that need to be fulfilled by members of the public, which they serve. The Corporation since 2016 have continued to improve our stakeholder relations through adherence to their requirements and stakeholder meetings.

### **Recommendation 4**

- The fees and charges structure be included in future annual reports and if necessary be reviewed to ensure that a fair share of return to the beneficiaries;

### **FPTCL Response**

- The Fees and charges structure are as gazetted and does not need to be included in the Annual Report and the fees were reviewed in 2008.

**Recommendation 5:**

- The distribution of interest on investments be included in the future annual reports and if necessary be reviewed to ensure a fair rate of return to the beneficiaries;

**FPTCL Response**

- There are no legislations, policies or standards for preparing Annual Reports to outline information to be published or not. However, the Corporation's Annual Accounts is prepared in accordance with the International Financial Reporting Standards.

**Recommendation 6:**

- Relevant legislation be reviewed to allow the FNPF Trust Funds held by the High Court to gain interest and returns be given also to beneficiaries as per the current practice by the FPTCL.

**FPTCL Response:**

- We wish to correct this statement as it should read “to allow the FNPF Trust Funds and not estate held by the High Court.

## **INTRODUCTION**

The Committee during its deliberation invited the Fiji Public Trustees Corporation Limited (FPTCL) on Thursday, 29<sup>th</sup> March, 2018 to provide its submission presentation before the Committee.

The Committee noted that the Corporation render its services in terms of estates administration services, trustee services, Will making, concur the power of attorney and other legal services stipulated and related to its mandate.

The Corporation income is derived from Fees and Charges and interests on investments. The fees charged by the Corporation are as legislated and stipulated under the Fiji Public Trustee Corporation Act 2006 otherwise Estate Administration fees are recognized on the timing of services provided and based on the valuation of assets under administration.

The Board of Directors are:

Mr. Ikbal Jannif	-	Chairman
Ms. Bernadette Sera Nicholls	-	Director

The Management Team at the moment comprises of:

Mr. Atonio Takala	-	Chief Executive Officer
Mr. John Mow	-	Manager Finance and Administration
Ms. Salaseini Drekeni	-	Manager Estate and Trust
Ms. Priya Lal	-	Manager Legal

The Corporation in 2016 administered 74 new Estates at a value of \$3.4million, settled and distributed 34 estates at a value of \$2.65million. It also embarked public awareness campaign on Wills and drafted 237 Willis. Literally, the Corporation reported that there were 123 new trusts with a value of \$191, 000 with 324 trust accounts valued at \$1.7million fully settled in 2016.

## **FINDINGS**

The Committee after its scrutiny for the FPTCL's 2016 Annual Report in consultation with FPTCL's Management and identified the following findings:

### **Gender Composition**

The Committee noted that gender is a critical dimension to parliamentary scrutiny as stipulated under Standing Order 110 (2) where a committee conducts an activity listed in clause (1), the Committee noted that the absence of gender statistics in the annual report will affect the Committee's scrutiny on gender in all aspects.

It was noted that FPTCL has provided its Gender composition (*55% female and 45% male*) on its presentation to the Committee. However, the Committee found that no Gender composition in the Annual Report and it would be appropriate that gender analysis be captured in future annual reports as this will assist the Committee in its analysis in line with Standing Order 110 (2).

### **Board of Directors**

The Committee noted in the Annual Report that currently there are only two Board of Directors Members and the Committee believe that a full complement of the Board of Directors be in place for transparency and accountability purposes.

### **Memorandum of Understanding (MOU)**

The Committee noted from the submission that the delay in resolving cases was due to various stakeholders different work commitments and priorities. The Committee is of the view that the formulation of MOU's with various relevant stakeholders will ease the process, in terms of turnaround time of the other stakeholders response.

### **Fees and Charges**

The Committee noted that the fees and charges structure are not clear in the annual report. It is of the view that the fees and charges structure details should be stated in the Annual Report for transparency purposes and for Parliament's information, since the Annual Report is scrutinise by Parliamentary Standing Committee as it needs to clarify on all aspects of the operation of FPTCL.

### **Interest on Investments**

The Committee noted that the distribution formula of interest on investments of estates is not stated in the Annual Report to clearly specify the rate of returns on investments that goes to the beneficiaries. It is also of the view that this should be outlined in the Annual Report for Parliament's information on the actual distribution of interest on investment made by FPTCL's using the beneficiary of the estate or the minor of the FNP Trust Funds.

## **Review of Relevant Legislation**

The Committee noted that the relevant legislation does not allow FNPF Trust Funds held by the High Court to gain any interest as compared to the estates and FNPF Trust Funds held by FPTCL, which are allowed to be invested and interest are distributed amongst the beneficiaries.

## **GENDER ANALYSIS**

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) where a committee conducts an activity listed in clause (1), the Committee shall ensure full consideration will be given to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally.

In 2016, it was noted that FPTCL's gender composition stood at fifty-five percent (55%) females and forty-five percent (45%) males.

The Committee is pleased with the Corporation's position in playing a significant role towards the (men and women) in Fiji.



## CONCLUSION

To conclude, the Committee is pleased with the overall performance of the Corporation. In 2016, the Corporation continues to work on its income growth strategies through business process improvements, innovation and offering new services based on customer demands and more marketing and awareness;

The Corporation has identified various aspects as way-forward including:

- To continue to be financially viable and offer services to the people of Fiji at no cost to Government;
- Enhancement and development of IT Systems to improve services;
- Innovate by offering other trust related services to the public based on customer demand;
- Expanded public awareness activities in various communities, civil society, amongst workers and to the ordinary Fijians;
- Improve twinning relationships with Public Trustees in NZ and Australia for benchmarking and to offer similar professional services locally;
- To continue to offer services to economically disadvantaged Fijians as Non Commercial Obligations;

The Committee has fulfilled its mandate in examining the Fiji Public Trustees Corporation Limited 2016 Annual Report and commended the position of the Corporation to be Fiji's preferred and leading provider of estates administration, trustee and will services in Fiji through the provision of professional experts and timely services.

Finally, the Social Standing Committee's proposed actions that were raised supports FPTCL's to fulfil and achieve its vision which is to be a leading provider of estates administration, trustee and will services.

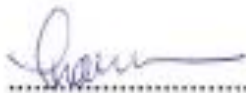
## SIGNATURES OF MEMBERS OF THE SOCIAL AFFAIRS STANDING COMMITTEE



Hon. Viam Pillay  
(Chairperson)



Hon. Veena Bhatnagar  
(Deputy Chairperson)



Hon. Salote Radrodoro  
(Member)



Hon. Anare T. Vadel  
(Member)



Hon. Ruveni Nadalo  
(Member)



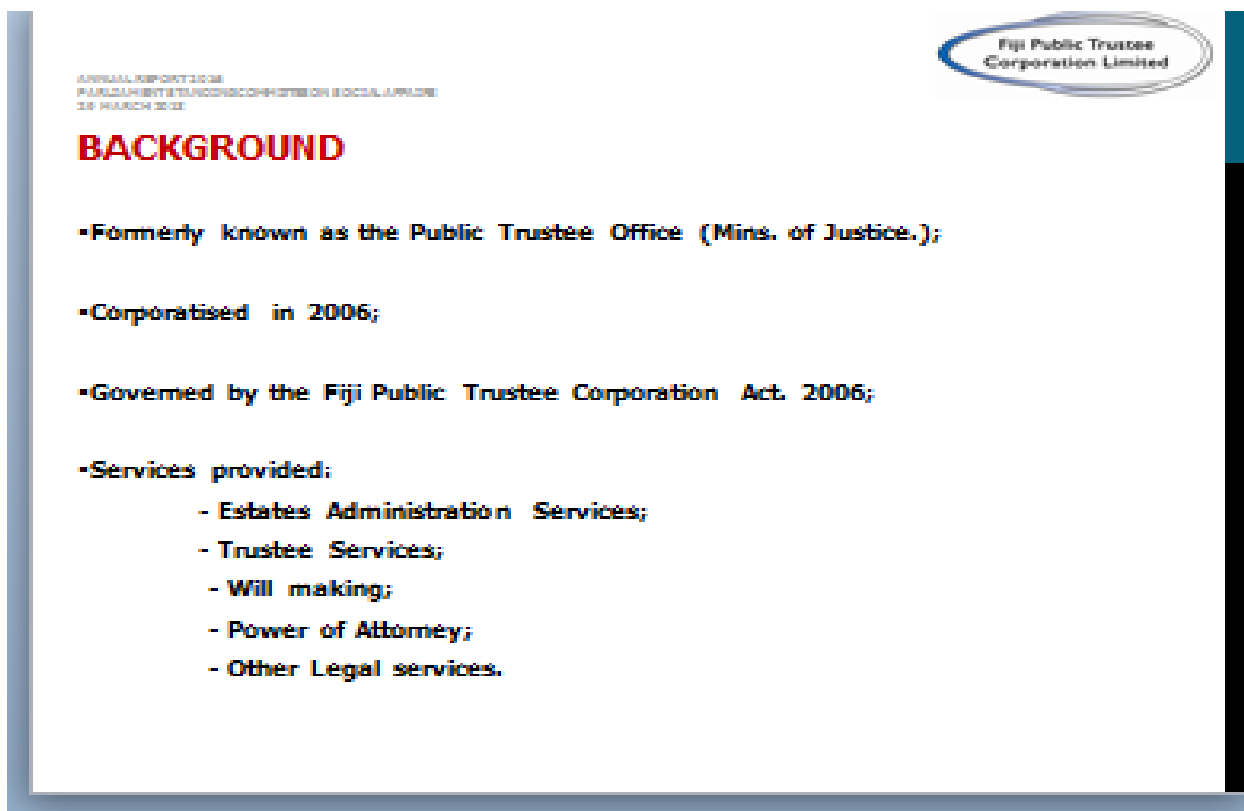
Hon. Alifereiti Nabulivou  
(Alternative Member)

## APPENDICES

### APPENDIX 1: LIST OF ACRONYMS

<b>Acronyms</b>	<b>Meaning</b>
SO	Standing Orders
FPTCL	Fiji Public Trustees Corporation Limited
MoPE	Ministry of Public Enterprises
MOU	Memorandum of Understanding

**APPENDIX 2: POWERPOINT PRESENTATION OF THE FIJI PUBLIC TRUSTEES CORPORATION LIMITED**



## BOARD OF DIRECTORS AND MANAGEMENT

### Board of Directors

Mr. Iqbal Jannif – (Chairman)

Mrs. Bernadette Sera Nicholls - Director

### Management Team

Atonio Takela – CEO

Mrs. Lol Mateiwal – Manager Finance & Admin (Resigned-Jul 2017)

Mr. Abdul Kamil – Manager Estates & Trust (Resigned-Jul 2016)

Mrs. Ronda May – Manager Legal (Resigned –Mar 2017)

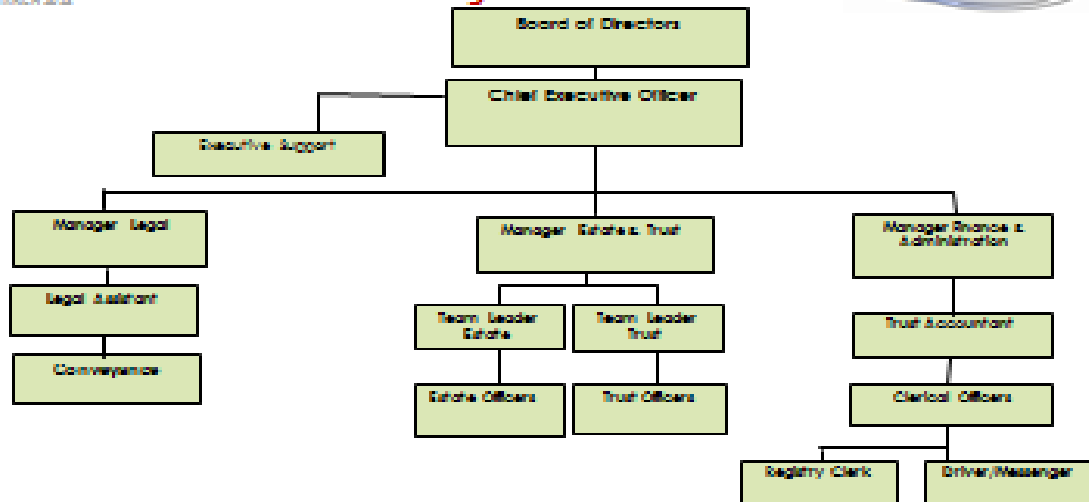
### Current Managers

Mr. John Mow - Manager Finance & Admin

Mrs. Salaseni Drekeni - Manager Estates & Trust

Mrs. Priya Lal – Manager Legal Services

## Organisation Chart



## VISION AND MISSION

### Vision

To be Fiji's preferred and leading provider of estates administration, trustee and will services.

### Mission

To provide Fijians with expert, professional and timely services.

### Our Purpose

The company's major business activities are as follows:

- a) Administration of deceased person's estate;
- b) Trustee Services;
- c) Will Making;
- d) Power of Attorney services;

## OUR VISION AND MISSION (CONT')

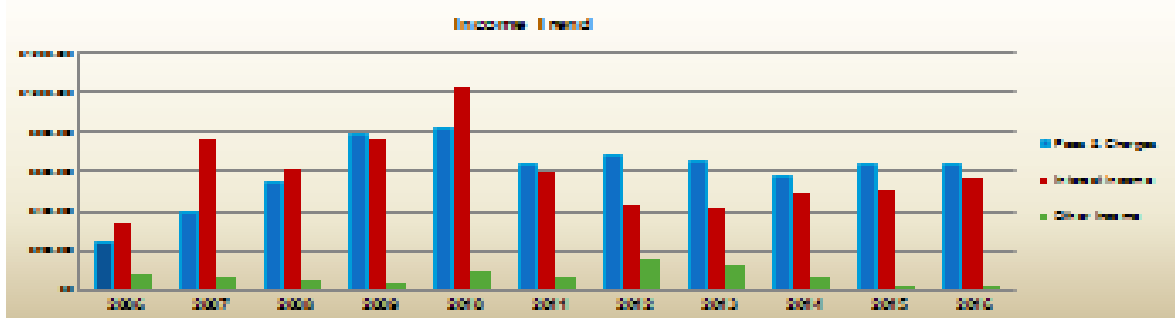
### Our Values

We value honesty, integrity, respect, professionalism and timeliness in providing our services:

- a) **Honesty**  
Being open and honest in all our dealings;
- b) **Integrity**  
Adhering to moral and ethical principles of the business and maintaining the highest integrity at all times;
- c) **Respect**  
Treating all with high regard and adhocism through our services;
- d) **Professionalism**  
Discharging our duties with integrity, providing quality service and being reliable and responsible;
- e) **Customer Services**  
Providing timely and accurate information, implementing suggestion from customers on how better we can serve them;
- f) **Timeliness**  
We will show a commitment towards creating and meeting realistic deadlines.
- g) **Our People**  
We value training, developing, maintaining and rewarding our people.

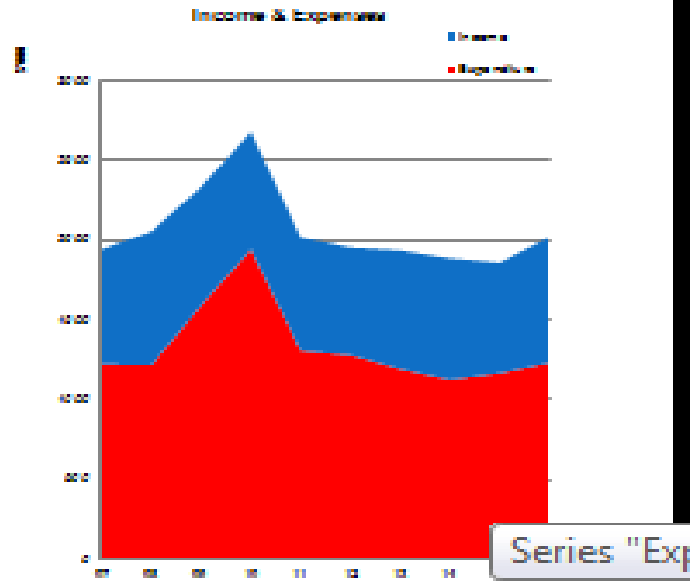
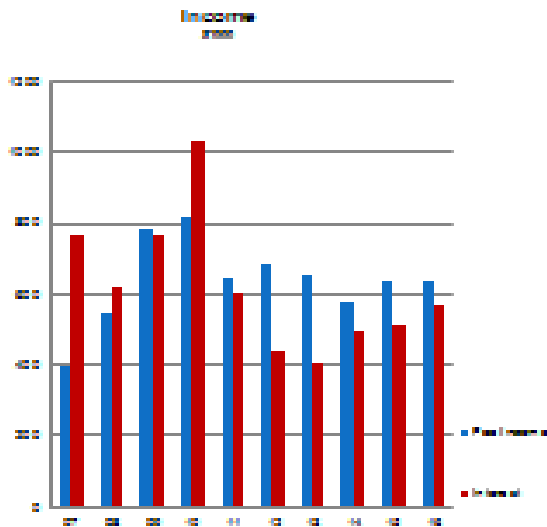
<p><b>Vision</b></p> <p>To be Fiji's preferred and leading provider of Estate Administration, Trustees and Wills Services</p>	<p><b>Customer Service</b></p> <p>We strive to achieve service excellence by offering customer experience combined with a focus on professional services</p>	<ul style="list-style-type: none"> <li>• Improve communication with customers;</li> <li>• Work on simplifying processes and improve turnaround time;</li> <li>• Implement suggestions from customers on how better we can serve them;</li> <li>• Clear dormant file accounts.</li> </ul>
<p><b>Mission</b></p> <p>To provide Fijians with expert, professional and timely service</p>	<p><b>People and Culture</b></p> <p>We will train and develop our people and create a rewarding working environment.</p>	<ul style="list-style-type: none"> <li>• Enhance the capabilities of our workforce and our culture;</li> <li>• Work on the transfer of knowledge amongst staff;</li> <li>• Create opportunities for the enhancement of the individual employee's abilities;</li> <li>• Enhance the PMS rewarding system;</li> <li>• Improve Workplace Health &amp; Safety.</li> </ul>
<p><b>Values</b></p> <p>We value honesty, integrity, respect, professionalism, trust, our customers and our people.</p>	<p><b>Business Improvements</b></p> <p>We will identify opportunities to improve and enhance all areas of our business processes</p>	<ul style="list-style-type: none"> <li>• Ensure the organization remains profitable;</li> <li>• Research and develop new business initiatives;</li> <li>• Upgrade and enhance our ICT capabilities;</li> <li>• Marketing and promotion of our services;</li> <li>• Enhance internal business units to achieve agreed fiscal targets.</li> </ul>
	<p><b>Stakeholder Partnerships</b></p> <p>We will strengthen our business relationships with government and non-governmental agencies and business partners as they play important role in our business</p>	<ul style="list-style-type: none"> <li>• Develop working relationships and understanding with stakeholders;</li> <li>• Foster our relationship with the Ministry of Justice &amp; Judiciary;</li> <li>• Develop training relationships with Public Trustees overseas;</li> </ul>

**OPERATIONS PERFORMANCE**

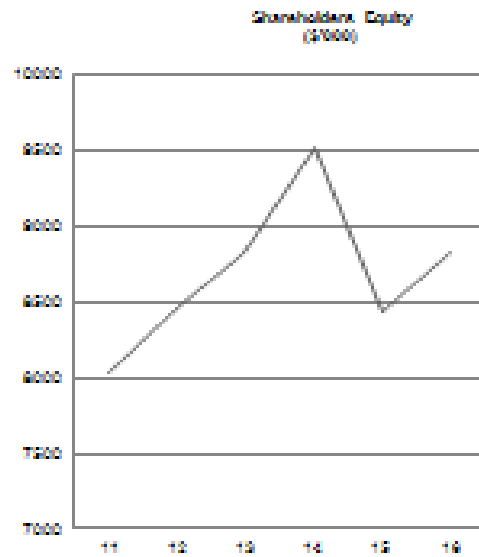
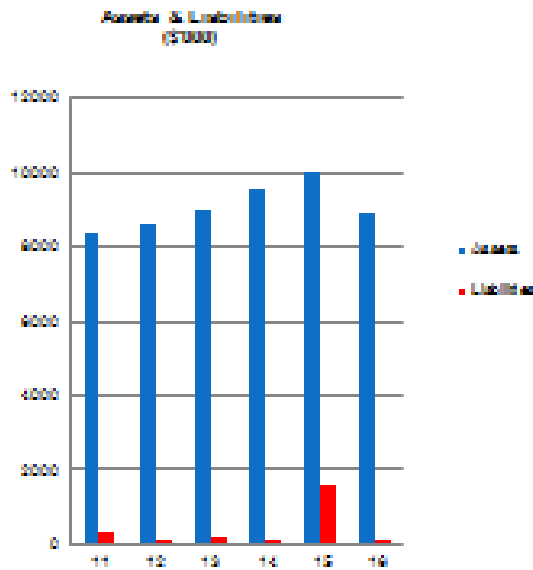


- Income are generated from Fees & Charges on services provided. Fees & Charges increased by 1% compared to 2015;
- Investment Income increased by 14% compared to 2015;
- Over the last 10 years the average increase in income was approx. 10%; whilst cost of doing business increased by approx. 12%;
- Our Fees and Charges are regulated or gazetted fees, whilst Investment Income depends largely on the financial markets;
- Corporation continue to work income growth strategies through business process improvements, innovation and offering new services based on customer demands and more marketing and awareness;

## FINANCIAL HIGHLIGHTS



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## Services Provided to the People of Fiji

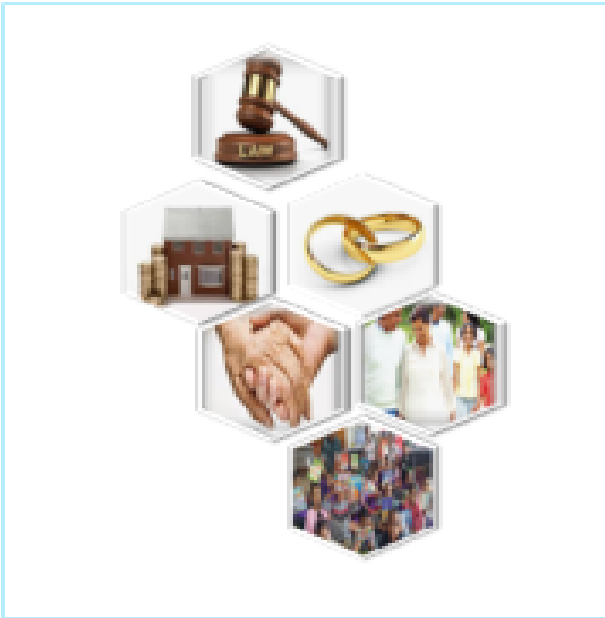
These services are provided to the people of Fiji at no cost to Government.

### Estates Administration Services

This service involves collating a person's assets, paying their debts, and distributing the assets to beneficiaries according to the terms of their Will upon death. Without a Will the distribution is done in accordance with the Succession Probate Admin. Act.

In 2016, there were over 370 estates at a value of \$21M were being administered by the Corporation.

Fees and charges are as gazetted



## ESTATES ADMINISTRATION

	2011	2012	2013	2014	2015	2016
New Estates	47	45	62	57	66	74
Value of New Estates	\$3M	\$2.1M	\$2.7M	\$3.7M	\$4.1M	\$3.4M
Estates Settled & Closed	26	25	55	19	27	34

The FPTCL administers estates where:

- there is a "Will" appointing the Fiji Public Trustee as Executor;
- there is no Will and the beneficiaries or close relatives appoints Fiji Public Trustee;
- an existing executor is unable to fulfill the task and renounces it in favour of Fiji Public Trustee;
- Fiji Public Trustee is appointed by the High Court to administer;

## Services Provided to the People of Fiji

### Trustee Services

A trust is a relationship based on confidence between the person creating a trust, a Trustee and a Beneficiary.

In 2016, the Corporation were Trustees for 9,108 clients with a value of \$15.8M.

Fees and charges are as gazetted



## TRUST ADMINISTRATION SERVICES

Trust Funds Movement in the last 6 years

	2011	2012	2013	2014	2015	2016
No. of Trust A/C on Hand	11,950	12,425	10,171	9,921	9,209	9,108
Value of Trusts	\$25.2M	\$25.0M	\$21.7M	\$19.4M	\$17.2M	\$15.8M

The FPTCL's duties as trustee are to:

- ❖ hold and protect trust funds;
- ❖ invest the funds during the term of the trust;
- ❖ make appropriate disbursements from the trust;
- ❖ Pay out the funds to the beneficiary at majority age or as per the conditions of the Trust.

## Services Provided to the People of Fiji

### Estate Planning & Other Legal Services

- Wills Preparation;
- Power of Attorney;
- Enduring Power of Attorney;
- Executor Assistance Services;
- Wealth Transfer;
- Legal Conveyance work;



## LOOKING AHEAD

To continue to be financially viable and offer services to the people of Fiji at no cost to Government;

Enhancement and development of IT Systems to improve services;

Innovate by offering other trust related services to the public based on customer demand;

Expanded public awareness activities in various communities, civil society, amongst workers and to the ordinary Fijians;

Improve twinning relationships with Public Trustees in NZ and Australia for benchmarking and to offer similar professional services locally;

To continue to offer services to economically disadvantaged Fijians as Non Commercial Obligations;

### **APPENDIX 3: RESPONSES TO COMMITTEE'S QUESTIONS**

#### Fiji Public Trustees Corporation Limited 2016 Annual Report Questions

1. Why are there only two members in the Board of Directors?

The Board of Directors of the Corporation are appointed by the Ministry of Public Enterprises. The appointment of the Board beyond our control and may need to be directed to the MoP.

2. What was the gender composition of FPTCL in 2016?

The gender composition in 2016 was 55% female and 45% male.

3. What happens to unresolved cases?

Whilst the Corporation would work towards settling all cases, unsolved cases would be referred to the High Court for final decision on settlement.

4. How are challenges arising out of competition in the market being addressed?

Competition continues to be a challenge for the Corporation like any other business. The Corporation addresses competition through:

- Continuous improvement in services provided, this included review of system and processes, especially customer service;
- Work on enhancing out IT systems to improve efficiency and the effectiveness of our services;
- Increase marketing and awareness;
- Introduce new services that complement our core business;
- Working towards providing better and professional services through improved working relationships with local stakeholders and overseas partners.

5. There are over 370 estates on hand as at 31 December 2016 with a total value of \$21 million, what are the challenges of settling these outstanding estates (refer to page 12)?

The major challenges in settling some of the outstanding estates are:

- Dealing with conflicts amongst the beneficiaries;
- Locating beneficiaries, especially those overseas;
- Difficulty in the settlement of Estate debts and fees;
- Estates with life interests, which will only be distributed upon the demise of a certain beneficiary;
- Estates with minor beneficiaries, which will only be distributed when they turn 18 years of age.

6. Please explain the income trend from 2016 whereby it progressed and peaked in 2010 and then dropped from 2011 to 2016. How sustainable is the organization with this trend?

The peak in 2010 was due to

- The high interest rates in the market providing us the high returns in our investments.
- The introduction of the new fees and charges for the new Corporation as legislated through Legal notice 141 became effective.
- The Corporation was just stabilising after the corporatization with the systems and processes effectively capturing fees and charges from operations.

The Drop in the fees from 2011 was mainly due to the changes in the FNPF Act that affected our trust services. The Corporation in the old FNPF Act appoints the Fiji Public Trustee as trustees for minor funds upon the demise of a member. This service has now been transferred to the High Court as per the new FNPF Act. of 2011. The Corporation has since diversified its services and not relied on the core business of Trust & Estate to be viable in the long term.

Please clarify page 3, paragraph 5 on the net profit before income tax trend from 2015 and 2016 (increase or decrease).

The Net profit before income tax in 2016 decreased compared to 2015.

7. Point of clarification for page 3 and 13 on the recording of Trust administration services on the 123 trusts – page 3 recorded a value of \$193k and \$191K in page 13. The value of Trust administration services should read 191K instead of 193K stated on page 3.

8. Please explain why the \$1 million dividend is paid to government and not the beneficiaries of estates and trusts held in custody.

The dividend from the Corporation is paid to the shareholders of the company, which is Government. The beneficiaries of the Trust and Estates are paid interest from the investment of their trust and estate funds.

9. What are your objectives to the long term viability of your business?

The Corporation intends to continue to provide services to the people of Fiji based on customer demands. These services will only be provided to the people at no cost to government, if the Corporation continues to be profitable and viable in the long term.

10. On page 16, why were dividends being paid when recommendations were given by the Directors for no dividend payout?

The dividend paid was from the 2015 financial year but paid in 2016. There were no dividends paid for the 2016 financial year as per the recommendation in the financial statements.

11. What are some of the challenges encountered in 2016 and proposed way forward for the organization?

The challenges encountered in 2016 were:

- Acquiring new superannuation trusts from High court;
- Retaining experienced staff within the company;
- Increasing cost of doing business;
- Meeting customers changing demands;
- Dealing with competition in the market place;
- Dealing with stakeholders changing requirements;

**APPENDIX 4: VERBATIM REPORT ON THE SUBMISSION BY THE FIJI PUBLIC TRUSTEES CORPORATION LIMITED**

**VERBATIM NOTES OF MEETING OF THE SOCIAL AFFAIRS COMMITTEE HELD AT THE COMMITTEE ROOM (EAST WING), GOVERNMENT BUILDINGS, THURSDAY, 29<sup>TH</sup> MARCH, 2018 AT 3.18 P.M.**

**Submittee : Fiji Public Trustee Corporation Limited (FPTCL)**

In Attendance

1. Mr. Antonio Takala - Chief Executive Officer
2. Mr. John Mow - Manager Finance and Admin
3. Ms. Priya Lal - Manager Legal

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DEPUTY CHAIRPERSON.- Honourable Members, welcome back to the meeting. Today we have with us the CEO of FPTCL – Mr. Antonio Takala, the Manager Finance and Administration – Mr. John Mow and Ms. Priya Lal to do their presentation on the Annual Report of the Fiji Public Trustee Corporation Limited of 2016. So without wasting much of their time, once again I welcome the members from the Fiji Public Trustee Corporation Limited. Thank you so much CEO and your team a very good afternoon to you all and please the floor is yours.

MR. A. TAKALA.- Thank you, Madam Chair and Honourable Members of the Committee. It is my pleasure to present to you the Fiji Public Trustee Corporation Limited Annual Report for 2016. The members who are representing the Corporation today has already been introduced by Madam Chair.

The background of the Corporation. The company used to be part of the Ministry of Justice, Department of Public Trustee Office. It was corporatised in 2006 and we are governed by the Fiji Public Trustee Corporation Act of 2006. The services that we provide mainly are:

- Estate Administration Services,
- Trustee Services
- Will making,
- Power of Attorney; and
- Other Legal Services.



As per the Annual Report in the Chairman's Report, the Chief Executive's Report which is a summary of the performance of the company in 2016. Next to that are the Board of Directors and Management. The Board of Directors are:

- Mr. Ikbal Jannif - Chairman;
- Ms Bernadette Sera Nicholls - Director.

The Management Team at the moment is only me surviving at the moment the other three have resigned and moved on. The current Managers who are with me now:

- Mr. John Mow - Manager Finance and Administration
- Ms. Salaseini Drekeni - Manager Estate and Trust  
(*unavailable due to work commitments*)
- Ms. Priya Lal - Manager Legal

The Organisation Chart for the Corporation. We are pretty much a small organisation workforce as outlined at the end of 2016 was about 22 staff in total and of that 55 percent are females and 45 are males. We have branches in Suva, Lautoka and the new branch still yet to be opened in Labasa which we are going to open in June this year.

Apart from that we offer training to our staff to try and ensure that we have qualified and experienced staff especially in the field of work that we provide, also some leadership qualities and so forth and especially in trying to ensure that we have an organisation or a business that is sustainable in the long run.

We have a PMS system which assesses the performance of our staff and provides a reward system. At the end of 2016 there was a Job Evaluation done for Managers carried out to ensure that job carried out together with salary structures are in line with what is offered in the market.

The Vision and Mission of the Corporation. These are the guiding focus or goals and objectives of the organisation as we proceed in the long term. In this we try to create a culture within the organisation that is funded on the Vision and the Mission of the Corporation as outlined.

The Values are also our guiding principle in which we try to inculcate within the organisation to ensure that we work as a team and try to survive in this business world as a corporation.

The Strategic Plan for 2015 – 2017. 2016 was the second year of the Strategic Plan. A few things we have identified that there needs to be a vital transformation in order that we may continue to have a long term financial sustainability or viability of the business and that is mainly due to competition that we continue to face, changing demands of our clients and services that we are required to continue to provide to the people of Fiji. So outlined on that particular slides are the strategies that we follow as part of the Strategic Plan, looking at our customer service, looking at our

people and culture, looking at business improvements and also most importantly is the stakeholder partnership that we have to ensure that we continue to remain viable as a business.

A brief look at our performance on Page 9 onwards on the Operations performance. There is the income trend for the last 10 years and as outlined income are generated mainly from fees and charges on services provided. Fees and charges in 2016 increased by 1 percent compared to 2015. However, investment income increased by 14 percent compared to 2015. When we look at our business in the last 10 years on average, income increased by approximately 10 percent but the cost of doing business increased by about 12 percent. So that is one of the big challenge that we have in the business is the cost of doing business and we are trying to ensure that we weigh that out to continue to remain profitable in the long run.

Our fees and charges are regulated or gazetted whilst investment income depends largely on the financial markets.

The Corporation continues to work on income growth strategies through business process improvements, innovation and offering new services based on customer demands, more marketing and awareness.

Our financial highlights. Income again for the last 10 years as you can see in there. Income is made up of fees and charges which is 54 percent while investment comes 44 percent and other income 2 percent in 2016.

Our fees and charges are mainly determined by the value of estates. So valuation needs to be done on various estates that we administer and also on the assets mainly real-estate, cash at bank investments and other assets that we continue to manage for deceased people. Our fees are based on valuation which is gazetted as well.

Some of the major financial achievements. Over the years we have paid \$4.5 million of our capital reserves back to Government, we paid over \$1 million in dividend to Government, we have also paid over \$4 million in income taxes and other statutory taxes, distributed over \$10 million since 2006 in interest to beneficiaries of estates and trust in our custody.

The other financial highlights which is on the financial position of the company which is the assets and liabilities. So you can see in 2016 our total assets was at \$8.8 million. Out of that, financial assets was about 69 percent, properties and plant 22 percent, receivables 5 percent, cash at bank and equivalents 3 percent and other assets 1 percent. Liability, 100 percent of that is trade and other payables. The other graph that we have is shareholders equity - capital reserve 52 percent, returned earnings 43 percent, valuation reserve 4 percent and the share capital is 1 percent.

We look at services provided to the people of Fiji. This is our core business as well. Estates Administration Services. This service involves collating of persons asset, paying their debts and

distributing assets to beneficiaries according to the terms of their will upon death. Without a will the distribution is done in accordance to the Succession Probate Administration Act. In 2016 there were over 370 estates at a value of \$21 million which were being administered by the Corporation. Again fees and charges are as gazetted.

Detailed below is the Estate Administration table of new estates, value of the new estates and estates settled and closed for the last six years. In this one, I wish to highlight in there that the FPTCL administers estates where there is a will appointing the Fiji Public Trustee as an executor or where there is no will and the beneficiaries or close relatives appoint the Fiji Public Trustee. Also there could be an existing executor who is unable to fulfil the task and renounces it in favour of the Fiji Public Trustee. The Fiji Public Trustee is appointed also by High Court in some instances to administer estates, especially where there are disputes among beneficiaries and there are issues in trying to settle those estates.

The other core business is Trustee Services. There are various trusts that provide. A trustee is a relationship based on confidence between the person creating a trust and a trustee and a beneficiary. In 2016 the Corporation were trustees for over 9,108 clients with a value of \$15.8 million. Various trusts in that are:

- minor children's trust;
- superannuation trust;
- compensation;
- injury trusts;
- special disability trusts;
- testamentary trust; and
- those with enduring Power of Attorney as trusts as well.

Also outlined in the next slide, Trust Administration Services for the last six years. Number of trust accounts on hand and the value of trusts. In this the FPTCL's duty as trustee are to:

- hold and protect trust funds;
- invest the trust funds during the term of the trust;
- make appropriate disbursements from the trust; and
- payout the funds to beneficiaries at majority age or as per the condition of the trust.

Finally the Services Provided - Estate Planning and Other Legal Services. So these are the other services that we do;

- Wills preparation;
- Power of Attorney;
- Enduring Power of Attorney;
- Executor Assistances Services;

- Wealth Transfer; and
- Legal Conveyance work that we now provide as other services for the Corporation.

That roughly covers the Annual Report and just the last slide is some of the points while looking ahead that the company is putting in place. So some of the things is that we would like to continue to be financially viable and offer these services to the people of Fiji at no cost to Government. In doing so, we need to enhance and develop IT systems to;

- improve the services;
- innovate by offering trust services to the public based on the customer demand;
- expand public awareness and activities in various communities, civil society, amongst workers and to the ordinary Fijians;
- a twinning relationship with other Public Trustees in Australia and New Zealand in trying to benchmark and offer similar services locally; and
- try and continue to offer services to economically disadvantaged Fijians as Non Commercial Obligation.

In these cases Non Commercial Obligation is where we see those who could not afford our fees based on their economic situation and we offer them exemption of fees as part of our service or non-commercial obligation to the people of Fiji.

With those, that ends our presentation for this afternoon.

DEPUTY CHAIRPERSON.- *Vinaka vakalevu* Mr. CEO. Thank you so much for your much enlightening presentation and of course thank you for availing yourselves here this afternoon. Now I believe we all have got the question and answer sheets with you and the Committee Members had prepared questions prior to the submission today so that it gives you ample time to prepare the answers. But we will run through the questions and answers again, and if the Honourable Members have any supplementary questions, you are most welcome to ask the supplementary questions.

But before we go through the question and answer session, Mr. Takala, do you think there is ample awareness on the ground of the services provided by your organisation?

MR. A. TAKALA.- Awareness meaning what, Madam Chair?

DEPUTY CHAIRPERSON.- The kind of services you provide to the people.

MR. A. TAKALA.- Yes, we believe that there are opportunities out there where we still can provide our services. One of the things we are working on is trying to improve on our marketing and awareness. And in so doing, we would incur those expenses from within the business. So it is something that we would like to do and we are very much constrained by the budgets that we have

within our company as well. But at the same time, one of the things we have put in place this year is to try and expand on the awareness that is created.

DEPUTY CHAIRPERSON.- Thank you so much. Honourable Members the floor is yours to ask the questions but looking at the questions on the paper itself, Question No. 1 - Why are there only two members in the Board of Directors. Mr. CEO, would you like to highlight?

MR. A. TAKALA.- I think this is one of the issues that has been coming for quite some years now. But the Board of Directors of the Corporation are appointed by the Ministry of Public Enterprises and the appointment of the Board is really beyond our control in the company and this may need to be directed at the Ministry of Public Enterprises as they usually appoint the board members of the company.

DEPUTY CHAIRPERSON.- Do you think there is a need for more members on the Board?

MR. A. TAKALA.- Yes, our Memorandum and Articles of Association states that up to five members of the Board with a minimum of two. So there may need to be some more members of the Board of Directors to ensure transparency, good governance and all those.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members?

HON. J. DULAKIVERATA.- Thank you, Madam Deputy Chairperson. Thank you for the presentation. Yes my concern for the Board appointment. You being the CEO, in the absence of a full complement of Board of Directors, how then do you think that transparency and all these things will be guaranteed if you only have two Board members? How can two people be seen as transparent in looking at the affairs of the organisation?

MR. A. TAKALA.- Yes that is correct, that is a real concern as well and as I was stating that this is really beyond us whereby the appointment comes from the Ministry. But apart from that the Corporation provides annual reports that are audited by the Auditor-General and we need to provide annual reports or financials in line with the International Financial Reporting Standards. Apart from that there are other statutory requirements that we need to meet and we work within that.

HON. J. DULAKIVERATA.- Deputy Chairperson, further to that, what have you done to try to influence the Ministry to appoint the full members of the Board? Have you written to them or not?

MR. A. TAKALA.- Yes in every Board meeting there is a representative from the Ministry, and this is always one thing that we have always highlighted to them. And also in the Annual General Meeting our Chairman usually highlights this issue as well back to the Ministry. At the AGM, the representatives are from the shareholding ministries, which is the Ministry of Economy and the Ministry of Public Enterprises whereby these concerns are always aired back to them.

DEPUTY CHAIRPERSON.- Thank you Mr. Takala, maybe because if this area is of concern and of significance, obviously the Committee can recommend this when we report back to the Parliament. Thank you.

Moving on to Question No. 2 - what was the gender composition of FPTCL in 2016?

MR. A. TAKALA.- The gender composition in 2016 was 55 percent females and 45 percent males.

DEPUTY CHAIRPERSON.- That is I think most welcoming news. Thank you for having the gender balance in your Corporation.

Question No. 3 which was highlighted by the Honourable Members was - what happens to the unresolved cases?

MR. A. TAKALA.- Whilst the Corporation would work towards settling all cases. Unsolved cases would be referred to the High Court for final decisions on settlement. So in cases whereby we cannot settle the case mainly due to disagreements and conflicts that continue to arise amongst beneficiaries, the cases were always (what we have done is) moved back to the court. In some cases when beneficiaries are told that this will be going back to court, agreements do arise. But that would be the case whereby unresolved cases would end up to a court direction.

DEPUTY CHAIRPERSON.- Honourable Members, you have got any questions?

HON. A.T. VADEI.- Thank you, Deputy Chairperson. I wish to thank the CEO and the team for coming forward to present the 2016 Annual Report to the Standing Committee this afternoon. When they refer the matter to High Court, which means that the percentage of interest to be given to the beneficiaries is not by legislation. What will be the interest to be given by the High Court? Will it be the same as being given by the Corporation?

MR. A. TAKALA.- In this case it would really depend on the High Court's decision whereby they will weigh out, based on the various laws that also exist within that. So in most cases we try to avoid that, that is, going back to the court mainly because of that that one will win and one will lose whilst sorting it out in a more amicable way especially amongst family members would be the best solution.

DEPUTY CHAIRPERSON.- Any more questions?

HON. A.T. VADEI.- Yes, just a follow up question on the resolved cases.

MR. A. TAKALA.- On the resolved cases mostly are the ones with a will. If there is a will then that is very straightforward. It says that so and so gets the land, so and so gets this property and so forth, so distributions are done within that. If one of the members would challenge that in court, it usually gets defeated because usually the court gets the will to prevail.

That is the very purpose why a will exists because it clears out most of that. In some cases when there is no will then distribution is done in accordance with the Succession, Probate and Administration Act whereby the next of kin gets distributed equally on all that. Next of kin can include children within marriage and outside of marriage and all that fall within the jurisdiction of the Act on who is the next of kin? So distribution is done within that.

HON. J. DULAKIVERATA.- Deputy Chairperson, thank you, CEO. On the same issue on the settle of closed cases. According to your report there are altogether 370 cases and in 2016, you settled 34 cases which is about 9 percent. I know that dealing with estates is not a straightforward exercise, you have a lot of complications and all these things.

But reading through your vision and mission statements, you want to give expert professional advice, et cetera. If you continue with 9 percent a year achievement, what is your target? If you are to acquire a good percentage of the market for being one of the best estate administrators, what are you looking at? How would you market yourself as one of the best to attract other people because people do not want to be living with all these estate matters for ages? They want it resolved quickly. Thank you.

MR. A. TAKALA.- Yes, that is correct. In these figures that also includes the new ones that come in and then out of that, the old ones that goes out up to that number which is 34. Within these cases, one of the things we try to do is whilst most of the cases are settled, those are the ones that we have finished totally; paid out everything, cleared it out from court and it is no more hanging with us. There are a lot of cases that are at the end stage but there are only a few issues that needs to be ironed out which are just before the court.

A lot of these cases are tied up merely because of our other stakeholders like the Titles office. We have to clear out certain things with the Titles office, with FRCA, with Lands Department, with *iTaukei* Land Trust Board (TLTB) and sometimes we are just left with one single thing to clear out and like most of these cases that are hanging are really beyond us because we have to deal with a lot other stakeholders. This is where we face those difficulties.

One of the things in our strategic plan is that we try to create a stakeholder relationship whereby we try to improve our relationship with TLTB, improve our relationship with Lands and improve our relationship with other stakeholders including the High Court so that we know people that we will deal that will ensure that there is a quick turnaround. So one of the biggest challenges in that is these cases that are hanging within because we are dealing with all these other stakeholders

which is really beyond us. Rightfully said, we would love to continue to try and settle most of them and some are just really beyond us in which we try to continue to improve the turnaround.

HON. J. DULAKIVERATA.- I understand your problem. Most of the things are beyond you but can you have desk officers, someone there in particular. This is a big issue to be dealing with you with the estate matters. One in iTLTB, one in the Lands Department to resolve the easy way because these estate matters affects a lot of people. The quicker it is resolved, the better. But I think it is in everyone's interest that we should have a system that addresses all these difficulties; I understand. That is my background. I deal with all these issues and we are faced with the same thing. When no one is particularly addressing the issue, it is a very difficult thing because someone comes, deals with it, then leaves it to another person but I think what you should do, if you move forward with trying to have a stakeholder's relationship then we must have a person dealing with the issue. One estate officer from iTLTB and one from Lands Department so that is the only way we can resolve these issues. *Vinaka*.

HON. A. NABULIVOU.- Just add onto that. I think a Memorandum of Understanding (MOU) needs to be signed between the stakeholders to make it quicker to resolve the cases.

DEPUTY CHAIRPERSON.- Thank you, Honourable Members. I believe in a nutshell people have placed their trust in you to sought their problems and so basically like you already have mentioned that you are working towards strengthening your relationships with other stakeholders and other relevant authorities to fast track this. So thank you so much, Mr. CEO.

HON. R.N. NADALO.- Deputy Chairperson, maybe that will come in as our recommendation.

DEPUTY CHAIRPERSON.- Yes obviously. I mean when the Committee sits again, we will do our recommendations as per discussions, submissions and presentations today.

Mr. CEO, actually in reference to Page 9, paragraph five - the challenges in our business arise from competition in the market, certain legislation and policy changes affecting our trust business sustain ahead to meet customers' changing demands. So basically Question No. 4 is in reference to this particular paragraph in the Annual Report. Basically how are the challenges arising out of the competition in the market being addressed?

MR. A. TAKALA.- Thank you Madam, Competition continues to be a challenge for the Corporation like any other business. The Corporation addresses competition through:

- Continuous improvement in services provided, this include the review of our systems and processes especially on customer service;



- Working on enhancing our IT System to improve efficiency and the effectiveness of our services;
- Increase marketing and awareness;
- Introducing new services that complement our core business; and
- Working towards providing better and professional services through improved working relationships with local stakeholders and overseas partners.

DEPUTY CHAIRPERSON.- Honourable Members, you have got any questions on Question No. 4?

HON. R. N. NADALO.- Deputy Chairperson, through you.

DEPUTY CHAIRPERSON.- Yes, Honourable Nadalo.

HON. R. N. NADALO.- Just on the challenges, you mentioned there “introduce of new services”. Would you like to highlight on what sort of new services that you are looking at?

MR. A. TAKALA.- For us when we started, we just had the core business which is deceased estates and trusteeship. So what happens when customers do come up, they want other services rather than just estate administration or they would only want a portion of the administration service or service as a whole? That is when we provide these other services and just provide like phase one or phase two of the administration services rather than the whole administration services. So apart from that there are new services, people are just coming up, they want a sale and purchase agreement done so we provide that, people come and they just want a transfer done and those are the other new services that we provide, it is just a one-off type of service.

DEPUTY CHAIRPERSON.- Thank you, Mr. Takala. Moving onto Question No. 5. There are over 370 estates on hand as at 31st December, 2016 with a total value of \$21 million, so what are the challenges of settling these outstanding estates (in reference to Page 12)?

MR. A. TAKALA.- Some of those challenges, we have identified some dealing with conflicts amongst beneficiaries. This is one of the biggest major causes of delays and some even locating beneficiaries especially those overseas. In some cases beneficiaries have passed on and then we need to look for the beneficiaries of the beneficiaries and so forth.

One of the other things is difficulty in the settlement of estate debts and fees. Some estates have huge city rates, ground rates and all these debts that pile up with it and it takes time for the beneficiaries to try and clear them off and we always try to work together to try and get them to clear these debts including certain fees.

There are estates with life interest which will only be distributed upon demise of a certain beneficiary. In some cases whereby there is a will and then they appoint someone to be a life tenant, until that person passes on then the property can then be transferred to the children. For example, if there is a husband and wife. Husband would put that in the will that upon the demise of the spouse, only then it be transferred to the beneficiaries. So then it will remain with us, I know it will continue to hang in there until the wife passes on and then that happens.

Also in other cases whereby estates of minors, so there is a child involved. We will not transfer that until the child turns 18 years in this case. So those are some of the cases that we will continue to hold on to till then.

DEPUTY CHAIRPERSON.- Mr. CEO actually, talking about the minors, just a clarification. Y There was Question No. 6 whereby you said that the funds upon the demise of a member actually is transferred to High Court as per the new FPNP Act, 2011. So basically these minor funds, what minor funds are you talking about, is it the minor beneficiaries or the smaller amounts?

MR. A. TAKALA.- No, this is a minor beneficiary below the age of 18 years.

DEPUTY CHAIRPERSON.- Just taking a case study into consideration. Suppose a child is two years or three years old and upon the parent's demise, obviously they are not able to handle so before it used to go to the Trustee now after the FPNP Act, 2011 it goes to the Court. For those many years from three years to 18 years of age, who looks after the child? What provisions are there to fend for those many years of that child's life?

MR. A. TAKALA.- Madam, I will just clarify a few things here. In the estate case, estate is mainly like properties whereby it is set to be distributed to three beneficiaries and one of the beneficiaries was like 10 years old so then the Trustee holds onto that property until the youngest one turns 18.

DEPUTY CHAIRPERSON.- So none of the other two qualified unless and until this one turns 18?

MR. A. TAKALA.- Yes, they cannot transfer that until a decision is made which is when he can only make a decision when he is 18.

DEPUTY CHAIRPERSON.- My question was that within that period of time who looks after the welfare of that child when he is growing up?

MR. A. TAKALA.- In most of our cases it would be one of the parents who would be still alive or a guardian who will be there. Our role is mainly as trustee not as guardian. The guardian is the person who is going to raise up the child and look him/her day to day, so there is a distinction

between that guardianship and trusteeship. Trusteeship is where you administer the estates and then distribute it upon them turning 18.

So in the first case, it is on the estate case and the second case which you are highlighting is on FNPF, similarly, again the Public Trustee or the High Court will act as trustee of those funds only not the guardian ....

DEPUTY CHAIRPERSON.- Does the Court invest those funds somewhere to grow that money?

MR. A. TAKALA.- I think that is question at the moment that everyone is asking whether those funds are being invested.

DEPUTY CHAIRPERSON.- Yes, because if for 16 to 17 years it is lying with the Court and that money does not grow, the beneficiary does not reap the benefits of the interest that is actually questionable.

MR. A. TAKALA.- That is questionable and that has been one of the issues we have been raising with the High Court as well in us trying to get whereby....

DEPUTY CHAIRPERSON.- So what is the progress on that? You got anywhere with that?

MR. A. TAKALA.- At the moment we took a case before the Court on that and now we are still awaiting a ruling from the High Court on that particular case whereby the living parent wants the Public Trustee to be the trustee instead of the High Court, and so we are challenging that in Court and now we are still awaiting the ruling.

DEPUTY CHAIRPERSON.- That is food for thought. Investing their property for 16 to 17 years while the child grows up, that interest could have been deposited in his account and at the end of the day, the beneficiary benefits. But while it is with the Court then he does not.

MR. A. TAKALA.- Yes.

DEPUTY CHAIRPERSON.- But talks are in progress?

MR. A. TAKALA.- Yes, we currently have a case, we are trying to put it through a case at the moment to try and get that.

DEPUTY CHAIRPERSON.- *Vinaka.*

HON. A. T. VADEI.- Deputy Chair, can we put that as one of our recommendation?

DEPUTY CHAIRPERSON.- Yes, we will discuss as a Committee and get our recommendations done. Any other questions?

HON. J. DULAKIVERATA.- So this will be a precedent case, the one you have? No other person has tried to challenge the High Court to invest that money somewhere else?

MR. A. TAKALA.- Yes.

MS. P. LAL.- Yes, in fact this one is the precedent after the amendment of the FNPF Act because previously it just used to come to the Corporation. Now because it is not coming to the Corporation under the Act, we have taken this matter up to the High Court. However, the High Court is telling us that they are bound by the Act and unless the Act is changed they cannot give the funds to us.

HON. J. DULAKIVERATA.- (Inaudible)

MS. P. LAL.- Yes, Sir, I do agree. That is the submission we had made on the balance of convenience it would be better if the funds are with us so that the guardians on an ad hoc basis can take out the funds for the beneficiaries so that their welfare and education is looked after but if it is with the High Court, the High Court had indicated through the Chief Registrar's Office that they do not invest the funds. Secondly, if a guardian has to come and ask for the funds, a Court application has to be made every time but with the Public Trustee, the guardian can just come to our office we will do a strict stringent process and release the funds once we are satisfied that is it for the benefit of the minor.

DEPUTY CHAIRPERSON.- So in between, you do release the funds as per demand?

MS. P. LAL.- Yes.

DEPUTY CHAIRPERSON.- Thank you so much. Obviously the Committee will be sitting after the presentation and submissions and we will deliberate again and do our recommendations. Thank you so much.

HON. A.T. VADEI.- Just another question.

DEPUTY CHAIRPERSON.- Yes, Honourable Vadei?

HON. A.T. VADEI.- Just a reminder to the CEO regarding the new Bill that we have passed last week, will that affect your disbursement in that regard?

DEPUTY CHAIRPERSON.- You are talking about the de-facto?

MS. P. LAL.- Yes, we had discussed this issues with the management and yes it will affect the Public Trustee because most of the clients that have been coming to our office they were the de-facto partners and they had been left out, so now we are looking at influx of cases after this amendment.

HON. A.T. VADEI.- We will have more business.

(Laughter)

DEPUTY CHAIRPERSON.- Thank you Ms. Priya.

Moving on to Question No. 6, please explain the income trend from 2016 whereby it progressed and peaked in 2010 than it dropped from 2011 to 2016. The question is, how sustainable is the organisation with this trend?

MR. A. TAKALA.- Thank you. The peak in 2010 was due to the high interest rates in the market providing us with high returns on our investments. The introduction of the new fees and charges for the new Corporation as legislated through Legal Notice 141 became effective. Also during this time the Corporation was just stabilising after corporatisation with the systems and processes effectively capturing the fees and charges from operations.

Now the drop in fees from 2011 was mainly due to the changes in the FNPF Act that affected the trust services. The Corporation in the old FNPF Act appoints the Fiji Public Trustee as trustees for minors upon the demise of a member. The service has now been transferred to the High Court as per the new FNPF Act 2011.

The Corporation has since diversified its services and not relied on the core business of the trust and estate only to be viable in the long term.

DEPUTY CHAIRPERSON.- Thank you, so you miss on those investments but as we said that a recommendation should be forth coming.

Another question, please clarify on page 3, paragraph 5 the net profit before income tax trend from 2015 to 2016. Basically you have answered that question, not a problem.

Question No. 7 is a point of clarification for page 3 and 13 on the recording of trust administration services on the 12 trusts. Is it a misprint?

MR. A. TAKALA.- Yes, it is typo error, it should be 191 instead of 193.

DEPUTY CHAIRPERSON.- That basically clarifies the question.

Question No. 8 - Please explain why the \$1 million dividend is paid to the Government and not the beneficiaries of estates and trust held in custody. Actually this question was posed by Honourable Radrodro.

MR. A. TAKALA.- The dividend from the Corporation is paid to the shareholders of the company which is Government. The beneficiaries of the trust and estates are paid interest from the investment of their trust and estate funds. To differentiate that, the trust funds that are invested, interest that is paid out from that goes back to the beneficiaries whilst the Corporation on the other hand who manages those trust funds pays dividends based on the business or service that it provides and profit that it makes out of that. So that one is paid to the shareholders of the company which is Government so that is the main difference.

DEPUTY CHAIRPERSON.- Honourable Members, you are alright with the answer?

HON. J. DULAKIVERATA.- How much is the Government share in the Corporation?

MR. A. TAKALA.- 100 percent.

HON. J. DULAKIVERATA.- 100 percent? Thank you.

DEPUTY CHAIRPERSON.- Thank you again.

Question No. 9 - What are your objectives to the long term viability of your business?

MR. A. TAKALA.- The Corporation intends to continue to provide services to the people of Fiji based on customer demands. This services will only be provided to the people at no cost to Government if the Corporation continues to be profitable and viable in the long term. One of the things, Madam, we think in this is that this should be a good vehicle in which Government could use in providing services to the people.

DEPUTY CHAIRPERSON.- Yes.

MR. A.TAKALA.- Rather than continuously paying or providing free service but it only provide commercial services such as what the Fiji Public Trustee is providing which is providing service to the people at no cost to Government.

DEPUTY CHAIRPERSON.- Yes.

MR. A. TAKALA.- So in that for us to continue to do that, we need to be profitable and continuously enable us to be viable in the long run.

DEPUTY CHAIRPERSON.- Would you say at a minimum cost to the general public?

MR. A .TAKALA.- Yes, we provide way below what lawyers would be charging out there to the people and so there is a market for that as well.

DEPUTY CHAIRPERSON.- *Vinaka*. On page 16, why were the dividends being paid when the recommendations were given by Directors for no dividend payout?

MR. A. TAKALA.- The dividend paid was for the 2015 Financial year but paid in 2016. There were no dividends paid for the 2016 Financial Year as per the recommendation in the financial statements.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members, any more questions?

HON. A.T. VADEI.- Madam Chair, just a clarification on page 3, fifth paragraph, last line and I quote, “We celebrated our tenth anniversary last year with the dividend payment of \$1.5 million to Government,” and you mentioned here \$1 million.

MR. A. TAKALA.- Sorry ....

HON. A.T. VADEI.- Was this given in 2015 or 2016?

MR. A. TAKALA.- That was given in 2016 but it came out from the 2015 financials.

DEPUTY CHAIRPERSON.- *Vinaka*.

HON. A.T. VADEI.- On page 10 on the major financial highlights, you paid \$1 million in dividend to Government, which year are you referring to?

MR. A. TAKALA.- May I highlight in there, when we are paying dividend, one is a dividend from retained earnings and one is a portion from the reserve funds. So in those financial achievements, we are highlighting that 4.5 from capital reserve and \$1 million from the dividends.

HON. A.T. VADEI.- That is what I wanted to clarify.

MR. A. TAKALA.- So it is a portion.

DEPUTY CHAIRPERSON.- Thank you Honourable Members. Sir, just one last question Mr. CEO is the investment undertaking any social obligations, if there are please can you just highlight.

MR. A. TAKALA.- Sorry, come again on that one.

DEPUTY CHAIRPERSON.- The Corporation, is it undertaking any social obligations?

MR. A. TAKALA.- Yes. In 2017/2018, one of the things we have done in our strategy is that we need to come down to the people and coming down to the people is merely sharing that profit as well rather than just giving it all to Government. We should be doing it as a non-commercial obligations service to the people. One of the things we have done last year was that we adopted one of the kindergartens that was destroyed by *Cyclone Winston* and we rebuilt that from some of those funds as part of the social obligation.

Also what we are currently doing is, looking at disadvantaged citizens out there who could not afford our fees. We carry our duly diligence to see that there is no other source of income and there is a process whereby fees will be exempted for that. We are doing wills for people with cancer patients and other patients, we are doing that on free of charge service as well. Some who are calling us from the hospital, we are very close to the hospital so we just take a trip up there and carry out those drawing up of wills, et cetera. So what we are trying to do is providing this non-commercial obligation services rather than just paying profits, we also need to provide it in a way to assist the people out there as well

So, what we are trying to do is we are providing this non-commercial obligation services rather than just paying profits. We need to also provide it in a way that is to assist the people out there as well.

DEPUTY CHAIRPERSON.- People whose properties are your trust and as you had mentioned that most of them are in debt. So, basically your assist them as well to pay off their debts or something?

MR. A. TAKALA.- In paying off debts, we try to work it out with beneficiaries. Some of the beneficiaries are just too committed in so many other unnecessary things and they could have started slowly. We are trying to assist them in paying some of these debts.

DEPUTY CHAIRPERSON.- But if you invest their properties, and with that particular interest, do you try to clear the debts?

MR. A. TAKALA.- Yes, in cases whereby estates or property has to be cleared, then they all agree to sell then we go through that process whereby we sell and we clear all the debts and then whatever is balance we distribute that to the beneficiaries.

DEPUTY CHAIRPERSON.- Thank you. One last question from Honourable Dulakiverata.

HON. J. DULAKIVERATA.- Thank you, Deputy Chair. Just an addition to that on social obligation. On Page 3 of your report on paragraph seven, last two lines, you sponsored a school program in northern Viti Levu to a primary school devastated by the cyclone whilst the social club



raised funds for the school stationeries. If you are doing this as a social obligation maybe if you note down the name of the school and how much you gave so that the people out there know that you contributing to society. If you are doing some social obligation.

MR. J. MOW.- That is correct.

DEPUTY CHAIRPERSON.- Thank you, Honourable Members and my heartfelt thanks to the CEO, Mr. Antonio Takala and of course Mr. John Mow and Madam Priya Lal, thank you so much for availing yourselves, for your presentation which was much enlightening and answering all our questions.

So, thank you once again, *vinaka vakalevu* and the Committee will deliberate later on and sit to do some recommendations on the report. So, once again, *vinaka vakalevu* and thank you for your time.

The Committee adjourned at 4:13 p.m.


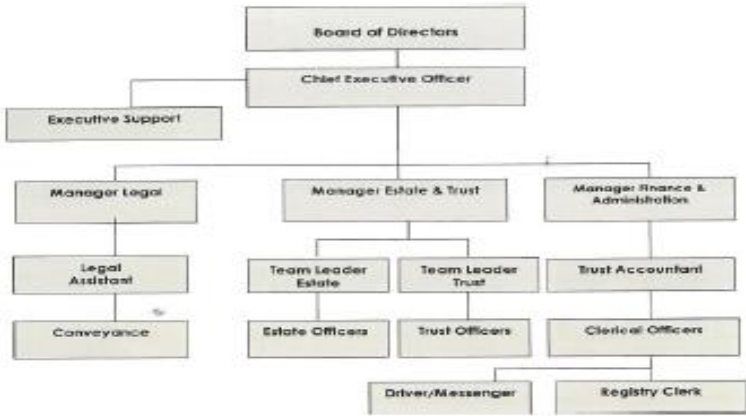
## APPENDIX 5: RESEARCH ANNUAL REPORT SUMMARY – FPTCL 2016 ANNUAL

### Annual Report Summary- Fiji Public Trustee Corporation Limited (FPTCL) 2016 Standing Committee on Social Affairs

**Vision-** "To be Fiji's preferred and leading provider of estates administration, trustee and will services."  
**Mission-** "To provide Fijians with experts, professional and timely service."

	2016	MPs Comments
<b>Principal Activity</b>	The FPTCL administers estates where: <ul style="list-style-type: none"> <li>There is a Will appointing the Fiji Public Trustee as Executor;</li> <li>There is no Will and the beneficiaries or close relatives appoint the Fiji Public Trustee to act;</li> <li>An existing executor is unable to fulfil the task and renounces it in favor of Fiji Public Trustee;</li> <li>Fiji Public Trustee is appointed by the High Court to administer;</li> </ul> The FPTCL's duties as trustee are to: <ul style="list-style-type: none"> <li>Hold and protect trust funds;</li> <li>Invest the funds during the term of the trust;</li> <li>Make appropriate disbursements from the trust;</li> <li>Pay out the funds to the beneficiary at majority age or as per the conditions of the Trust.</li> </ul> Legal Services provided <ul style="list-style-type: none"> <li>Litigation for contested estate and trust matters and for Wills prepared by the Fiji Public Trustee;</li> <li>Guidance to staff on specific legal matters and in training and developing staff on legislation and legal updates;</li> <li>Conveyance work related to clients estate, trust and administration matters;</li> </ul> Other legal services include: <ul style="list-style-type: none"> <li>Executor assistance services;</li> <li>Application for grant to the High Court;</li> <li>Transfer of Property;</li> <li>Tax Clearance;</li> <li>Legal conveyance work.</li> </ul>	
<b>Act in place</b>	<ul style="list-style-type: none"> <li>Fiji Public Trustee Corporation Act 2006</li> </ul>	

Prepared by Shrutakeetee Devi Email: [shrutakeetee.devi@parliament.gov.fj](mailto:shrutakeetee.devi@parliament.gov.fj) 26 March 2018

 <b>PARLIAMENT OF THE REPUBLIC OF FIJI</b> Research and Library Services		Annual Report Summary 202048						
<b>Organisation structure</b>	 <pre>                     graph TD                         Board[Board of Directors] --&gt; CEO[Chief Executive Officer]                         CEO --&gt; ES[Executive Support]                         CEO --&gt; ML[Manager Legal]                         CEO --&gt; MET[Manager Estate &amp; Trust]                         CEO --&gt; MRA[Manager Finance &amp; Administration]  ML --&gt; LA[Legal Assistant]                         LA --&gt; C[Conveyance]  MET --&gt; TLE[Team Leader Estate]                         MET --&gt; TLT[Team Leader Trust]  TLE --&gt; EO[Estate Officers]                         TLT --&gt; TO[Trust Officers]  MRA --&gt; TA[Trust Accountant]                         TA --&gt; CO[Clerical Officer]  TO --&gt; DM[Driver/Messenger]                         TO --&gt; RC[Registry Clerk]                     </pre>							
<b>Projects</b>	<ul style="list-style-type: none"> <li>Administered 74 new Estates at value of \$3.4m, settled and distributed 34 estates at a value of \$2.63m.</li> <li>Embarked public awareness campaign on Wills and drafted 237 Wills.</li> <li>There were 123 new trust with a value of \$191,000.</li> <li>There were 324 trust accounts valued at \$1.7m fully settled in 2016.</li> </ul>							
<b>Financial Position</b>	<table border="1"> <thead> <tr> <th></th> <th>2016 (\$)</th> <th>2015 (\$)</th> </tr> </thead> <tbody> <tr> <td>Total Revenue</td> <td>1,231,764, Fees and Charges 54%</td> <td>1,169,370</td> </tr> </tbody> </table>		2016 (\$)	2015 (\$)	Total Revenue	1,231,764, Fees and Charges 54%	1,169,370	
	2016 (\$)	2015 (\$)						
Total Revenue	1,231,764, Fees and Charges 54%	1,169,370						

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# REPORT



<b>(Company's)</b>		Investment Income 44% and other income 2%		
	Total Expense	787,638, increase by 14% due to increase in human resource costs	691,449	
	Operating profit before income tax	444,126, increase of 5%	477,921, increase of 4%	
	Total Comprehensive Income for year	386,445	410,729	
	Total Assets	8,875,740, decreased by 11% after the payment of dividend and the redemption of some capital reserves	9,987,188	
	Total Liabilities	64,436	1,560,410	
	Total Shareholder's Equity	8,811,304	8,426,778	
	Dividend payment to Government		\$1,500,000	
	Cash at the end of the year	282,934	499,425	
<b>Auditor's Opinion (Auditor General)</b>	<p><b>Opinion</b> Auditor has audited the financial statements of the Fiji Public Trustee Corporation Limited ("Corporation"), which comprise the statement of financial position as at 31 December 2016, and 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.</p> <p>In the auditor opinion, the accompanying financial statements give true and fair view of the financial position of the Corporation as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).</p>			
<b>Gender Analysis</b>	No information provided.			

26 March 2018

### Disclaimer

The Annual Report Summary was prepared to assist the Standing Committee on Social Affairs in its review of the Fiji Public Trustee Corporation Limited 2016 Annual Report. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Report. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any references or links to, or the content of, information maintained by third parties. Other sources should be consulted in the review of the Report.

## **APPENDIX 6: WRITTEN RESPONSES TO THE COMMITTEE'S RECOMMENDATIONS**

Atonio. Takala

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### **RECOMMENDATIONS**

The Standing Committee on Social Affairs has conducted a review of the Fiji Public Trustees Corporation Limited 2016 Annual Report and has few recommendations to be brought to the attention of the House:

- **The Corporation to specifically provide gender composition in the workplace with provision of statistics in the report;** The Gender composition was provided to the committee which was 55% female and 45% male. Please note that there are no legislation, policy or standards that requires us to provide these information in the Annual Report.
- **To increase membership of the Board of Directors to be in line with the legislation;** The Board membership number is in line with the legislation which is the Companies Act. 2015, Sect. (91)(2). “That a private company must have at least 1(one) director and atleast 1 director of that company must reside in Fiji.” The Corporation is classified as a private company and complies with the legislation.
- **To have Memorandum of Understanding (MOU) with other relevant stakeholders to facilitate the turnaround time required by other departments;** This is not necessary as all our stakeholders have their own requirements that needs to be fulfilled by members of the public, which they serve. The Corporation since 2016 have continue to improve our stakeholder relations through adherence to their requirements and stakeholder meetings.

- The fees and charges structure be included in future annual reports and if necessary be reviewed to ensure that a fair share of return to the beneficiaries; The Fees and charges structure are as gazetted and does not need to be included in the Annual Report and the fees were reviewed in 2008.
- The distribution of interest on investments be included in the future annual reports and if necessary be reviewed to ensure a fair rate of return to the beneficiaries; There are no legislations, policies or standards for preparing Annual Reports to outline information to be published or not. However, the Corporation's Annual Accounts is prepared in accordance with the International Financial Reporting Standards.
- Relevant legislation be reviewed to allow the **estates** held by the High Court to gain interest and returns be given also to beneficiaries as per the current practice by the **FPTCL**. We wish to correct this statement as it should read "to allow the **FNPF Trust Funds** and not estate held by the High Court...

Sir, the above request from the Standing Committee is respectfully submitted for FPTCL's response, please.

Vinaka Saka

*for* Hon. Chairman of the Social Affairs Standing Committee