



Ministry of Employment,  
Productivity and  
Industrial Relations

## Annual Report 2016



Parliamentary Paper No. 55 of 2018

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# About Us

## Our Vision:

Decent Employment and Productivity for All

## Our Mission:

Promote Employment Creation, ensuring social justice, good faith employment relations, safe and productivity driven workplaces

## Our Values:

- |                   |                                                                                                                                            |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Spiritual Renewal | - Engaging in personal “spiritual renewal” on a daily basis in accordance with one’s belief to renew one’s spiritual values and character. |
| Inclusiveness     | - Treating everyone in an equitable and non-discriminatory manner.                                                                         |
| Honesty           | - Being honest and doing the right thing for all our stakeholders; being transparent.                                                      |
| Accountability    | - Being answerable and having the courage and honesty to take ownership of our actions.                                                    |
| Responsiveness    | - Always striving to ensure that all our customers are served efficiently, effectively and economically.                                   |
| Innovation        | - Continuously developing and improving our services and products through creativity.                                                      |
| Team Work         | - Supportive of others efforts, loyal to one another personally, professionally and ethically.                                             |

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## Our Role:

The core responsibility of the Ministry of Employment, Productivity and Industrial Relations (MEPIR) is to pursue the attainment of Decent Employment standards through the promotion of employment opportunities, development of healthy workers, the provision of healthy and safe working environment, fair employment conditions, good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern, structured and enabling policy environment supported by sound labour laws, policies, institutions, international best practices and values, underpinned by tripartite social dialogue and self-regulation.

## Permanent Secretary's Statement



This Annual Report covers only the first half of 2016 (January to June).

Year 2016 is historic for the Ministry as well as the whole of Government. It marked the change of Government's Financial Year from the traditional January to December to January to July.

Changes were also undertaken towards Government's Planning Cycle as well as the strategic focus, linking closely the Annual Corporate Plans and the budget, and moving towards effective and efficient resource utilization.

The change in the Financial year also saw the start in key public sector reforms undertaken by Government.

New changes include the introduction of the Open Merit Recruitment System (OMRS) across Government Ministries as well as the Performance Management System (PMS).

Internally, the strategic direction of the Ministry focused on the review and specific amendments to the key employment labour legislations to accommodate new developments and the Government's overall strategic interests.

Other policy changes include the expansion of membership of the Employment Relations Advisory Board (ERAB) beyond the majority

representation to accommodate more stakeholder representation.

The impact of climate change was experienced in February, when Fiji was hit by Tropical Cyclone Winston, a Category 5 cyclone. Cyclone Winston was the strongest ever cyclone to hit our side of the world. Damages done by Winston were devastating where lives and properties were lost.

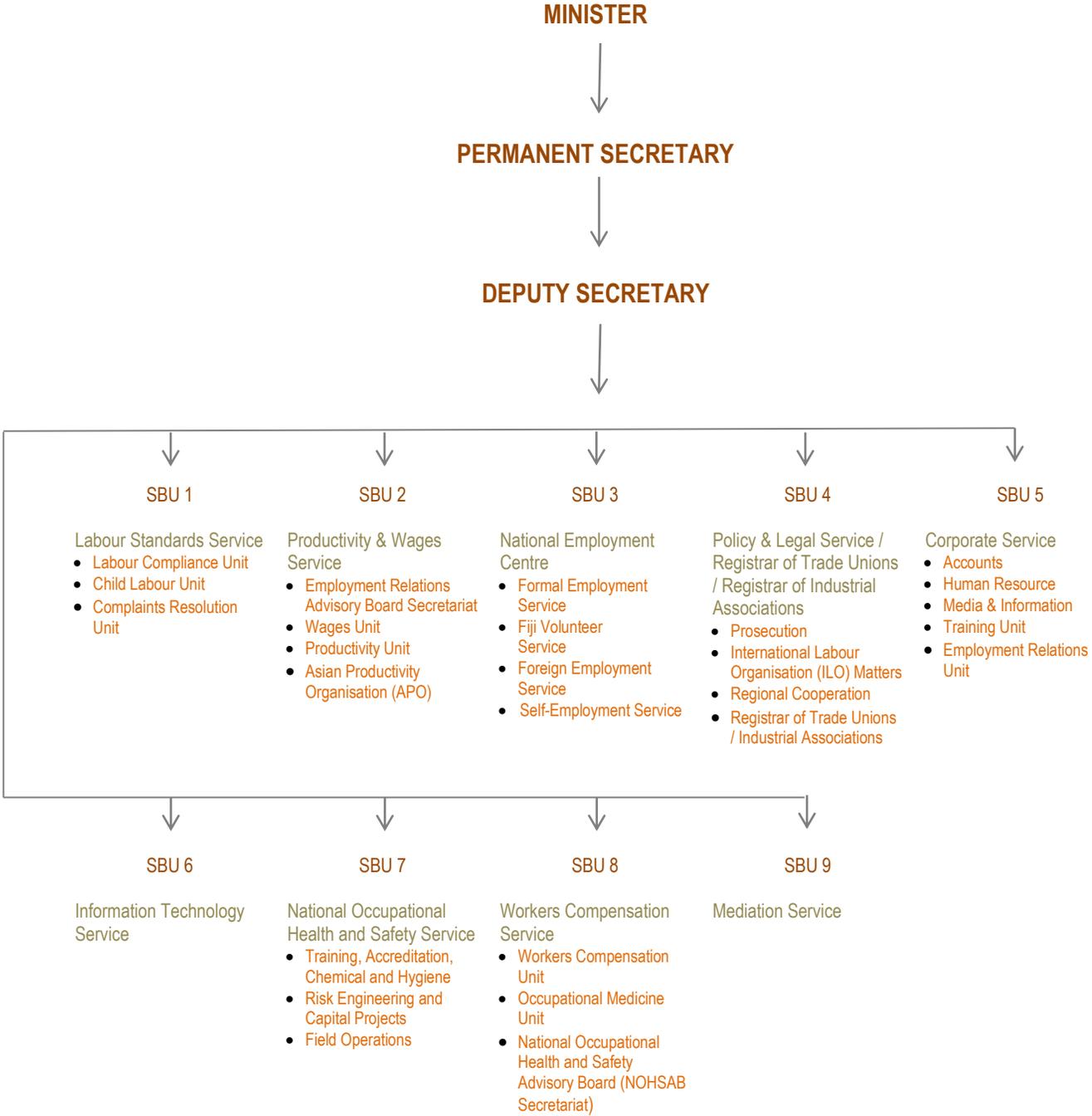
The Ministry re-focused the priority towards overseas seasonal employment opportunities in New Zealand and Australia towards the isolated rural communities, as well as those severely hit by Tropical Cyclone Winston.

I commend with much appreciation the active social dialogue and the stakeholder contribution towards maintaining peace and stability in our labour market.

A handwritten signature in black ink, appearing to read 'Salaseini Daunabuna', with a long, sweeping underline.

Salaseini Daunabuna  
**Permanent Secretary for Employment,  
Productivity & Industrial Relations**

# Our Structure



## Our Boards

The Ministry aims to ensure that it serves the needs of working women and men through tripartism by bringing together government, employers, workers and independent representatives to establish labour/employment laws, policies, codes of practices and programmes. Its tripartite structure makes the Ministry unique because employers' and workers' organizations have an equal voice with government in all its deliberations.

The Ministry encourages tripartism in all its Boards to promote social dialogue. Achieving fair terms of employment, decent working conditions, productivity, and social security cannot be achieved without the active involvement of workers, employers, governments, including a broad-based effort by all stakeholders. To encourage such partnership and ownership approach, one of the strategic objectives of the Ministry is to strengthen social dialogue among the tripartite constituents. It helps governments, employers' and workers' organizations to establish sound labour relations, adapt labour laws to meet changing economic and social needs and improve labour and employment administration.

### Employment Relations Advisory Board (ERAB)

The management and administration of the Employment Relations Advisory Board (ERAB) in 2015 was been shifted to the Attorney General's Office.

### National Occupational Safety and Health Advisory Board (NOSHAB)

#### Introduction

The National Occupational Health and Safety Advisory Board (NOHSAB) is established under Part VI of *Health and Safety at Work Act 1996*. The membership is tripartite and comprises of representatives from the employers, workers and government.

It is a requirement under Section 39 of the HASAWA 1996 that the Board shall prepare and submit to the Minister a report of its operations annually

The functions of the Board are:

- i. To advise the Minister on matters relating to occupational health and safety;
- ii. To inquire into and reporting back to the Minister on matters referred to it by the Minister;
- iii. In liaison with the Inspectorate, to facilitate the development of national health and safety regulations, standards and approval of codes of practice for the Minister's consideration; and
- iv. Such other functions as are imposed on it by or under the Health and Safety at Work Act 1996 or any other Act.

The Board has powers necessary to carry out its functions

or as are conferred on it by this or any other Act.

#### Membership of the NOHSAB

The membership is basically tripartite and the Minister shall invite the most representative employers and workers organization to submit names recommended to be appointed as members.

The Permanent Secretary for Employment, Productivity and Industrial Relations or his / her Deputy is also a member of the Board and shall be its Chairperson under the provision of the Act.

The current Board members whose two (2) year term will expire on 31st December 2017 are as follows: -

#### Workers Representatives

1. Ms. Teresa Ali
2. Mr. Agni Deo Singh
3. Mr. Rouhit Singh
4. Mr. Anasa Tuviniwai
5. Ms. Latileta Gaga

#### Employers Representatives

6. Mr. Ashok Nath

7. Mr. Asaeli Tokalau
8. Mr. Stuart Gowe
9. Mr. Timoci Laqai
10. Ms. Sukhia Go

#### **Government Representatives**

11. PS for Ministry of Civil Service
12. PS for Ministry of Health and Medical Services.
13. PS for Local Govt, Housing & Environment,
14. PS for Infrastructure and Transport

#### **Chairperson**

15. Permanent Secretary for Employment, Productivity and Industrial Relations

#### **Deputy Chairperson**

- Employer Member
- Worker Member

#### **Meetings**

There was one (1) Board meeting in 2016. The meeting was held on 29th April 2016 prior to the change in government's financial year cycle from 1st August to 31st July.

A total of seven (7) papers were presented to the Board during the 1st meeting for 2016. This consisted of six (6) Discussion papers and one (1) Information paper.

#### **OHS Policies**

There were two (2) NOHSAB meetings scheduled for the year as committed under the Ministry's Annual Corporate Plan for 2016. However, due to the change in government's financial year, the Board also had to adjust its financial year to be consistent with the new government policy.

### **National Employment Centre Board (NECB)**

#### **Introduction**

The National Employment Centre Board (NECB) is established under Part 4 of the National Employment Centre Act 2009. Membership is appointed by the Minister responsible for employment relations.

The current NECB members were appointed on 1<sup>st</sup> January 2016 for a period of two (2) years, and their memberships will expire on 31<sup>st</sup> December 2017.

#### **Functions of NECB**

The core functions of the Board are:-

1. To establish NECs yearly planning documents and ensure the targets, vision and activities are in line with the national unemployment needs and the National Development Plan.
2. To ensure the efficient and effective operation of NEC.
3. To ensure efficient and effective national registration system is in place with quality and professional counseling, strategic partnership with vocational training institutions, employers and other relevant institutions.
4. To advise the Minister from time to time on performances of the Employment Creation Services in terms of employment creation growth.
5. To ensure proper allocation and distribution of resources for NEC Secretariat in accordance with the Government policy
6. To consult and report to the Minister on NECs core business, the justifications of organization structure and positions, matters relating to employment creation, preparation of biannual reports on the progress in implementing the employment creation policies of Government under this Decree
7. Responsible for the justification of employment creation responsibilities of existing boards or bodies established and operating within the jurisdiction of any Government ministry or department for the purposes of organization reform under this Decree.
8. The Board may invite any person it considers appropriate to act in advisory to the Board and may also appoint an advisory committee
9. Has powers to carry out its functions conferred on by the National Employment Center Act 2009
10. Facilitate the implementation of the Boards functions

#### **Membership of NECB**

The NECB membership is basically tripartite, with members drawn from the employers, workers, Government and non-governmental agencies. These are represented by the Fiji Employers Federation, Fiji Chamber of Commerce and Industry, Fiji Trades Union Congress, Fiji Islands Council of Trade Unions, Government Ministries and Non-Governmental Organizations.

The current Board memberships are as follows:-

#### Government Representatives

- Permanent Secretary for Labour & Industrial Relations - Ms. Salaseini Salanabuna
- Permanent Secretary for Finance - Mr. Filimoni

#### Waqabaca

- Permanent Secretary for National Planning - Mr. Peter Wise
- Permanent Secretary for Education - Dr. Brij Lal
- Permanent Secretary for Social Welfare - Mr. Govind Sami
- Permanent Secretary for Agriculture - Mr. Ropate Ligairi
- Permanent Secretary for Industry & Trades - Mr. Shaheen Ali
- Permanent Secretary for Lands - Mr. Tevita Boseiwaqa

#### Divisional Commissioners

- Commissioner Northern - Mr. Elia Moceica
- Commissioner Western - Mr. Joeli Cawaki
- Commissioner Eastern - Mr. Netani Rika
- Commissioner Central - Mr. Laisenia Tuitubou

#### Employers

- Industrial Relations Consultants, FCEF - Ms. Ashla Meena Singh
- Industrial Relations Consultants, FCEF - Mr. Noel Tofinga

#### Workers

- Executive Asst & Union Organizer, NUHCTIE - Mr. Nitin Goundar
- General Secretary, USP, Lautoka - Ms. Teresa Ali
- Youth Representative
- Chairman, NYC - Mr. Usaia Cirikiwai
- Youth Rep - Mr. Jone Nawaikula
- Employment Relations Officer, FEA - Mr. Kamlesh Prakash

#### Vocational Training Institutions Representative

- Actg. Dean, Faculty of Business and Economics, USP - Dr. Kesaia Seniloli
- Director of Planning & Development - Dr. Michael Gregory

#### Civil Society organisations

- Executive Director, Fiji Council of Social Services - Mr. Hassan Khan

#### Others

- General Manager, Native Lands Trust Fund Board - Mr. Alipate Qetaki

#### NEC Secretariat

- Manager NEC - Ms. Seruwaia Bavai

#### **Meetings**

One (1) Board meeting transpired during the year which took place on **21<sup>st</sup> October 2016 at the Southern Cross Hotel, Suva**. The meeting was basically to note the National Employment Center update, its National Policy Technical Committee progress and the trust fund statement of activities.

#### **Discussions at the NECB**

A total of three (3) papers were tabled before the Board. The summaries of the papers are given below:

- NECB Paper No. 1/16 NEC Update (For discussion)
- NECB Paper No. 2/16 National Employment Policy Technical Committee progress (*For Information*)
- NECB Paper No. 3/16 Financial Update (*For information*)

## Key Highlights

- ISO Certification of Corporate Service and Policy & Legal Service
- Re-certification of National Occupational Health and Safety Service (NOHSS), Mediation Service (MS), Labour Standards Service and the National Employment Centre
- Signing of the amended Memorandum of understanding (MOU) between the Government of Australia and the Government of the Republic of Fiji on Fiji's participation under the Australia Seasonal Work Programme (SWP)
- Signing of Memorandum of Understanding (MOU) between the Ministry of Education, Heritage and Arts and the Employment Ministry in providing technical skills and training to the unemployed and unskilled Fijians registered under the National Employment Centre (NEC).
- Sending of the pilot carpenters under the NZ RSE to Christchurch for 12 months
- Signing of the Fiji Volunteer Service MOU with Vanuatu Ministry of Education and Training
- Launching of a mini pilot project on community based Emergency Employment by Government and the ILO.
- Ministry's public consultation to the isolated rural communities on the revised Tikina-based Recruitment and Selection Criteria for seasonal work in NZ and Australia.
- Commemoration of ILO World Day for Safety and Health at Work
- Commemoration of World Day Against Child Labour
- Commemoration of World AIDS Day



Two Carpentry pilot workers at their worksite in Christchurch, New Zealand

## Results



Director NEC, Anne Marr (sitting middle) with her Team.

## Employment and the Labour Market

### LABOUR STANDARDS AND COMPLIANCE

#### Labour Inspections

In 2016, the total base figure for employers in Fiji which includes small, medium and large enterprises stands at 10,152 out of which 6,401 employers are covered under the 10 Wages Regulation (WR) while a total of 3751 employers are covered under the National Minimum Wage (NMW). The base figure for the quarter stands at 1600 for Wages Regulation and 938 for National Minimum Wage. Under the ACP 2016, the LSS Section is expected to conduct 4000 Labour inspections with 400 [4000/10 Months] inspections to be conducted monthly.

In the 1<sup>st</sup> 6 months of 2016, the Compliance Section conducted a total of 1905 priority labour inspections throughout Fiji, as depicted in the Figure 01, below. The priority labour inspections are of those for which we have received the inspection request and those urgent ones that need to be attended

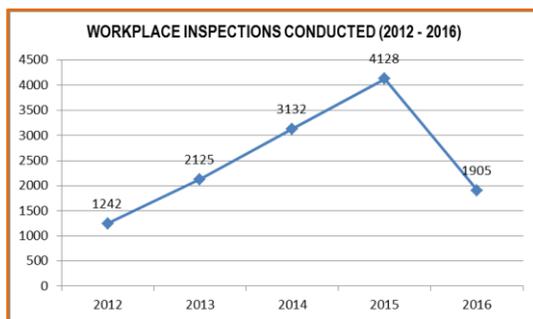


Figure 01.

#### Labour Complaints

A total of 1038 labour complaints were received from the 10 WR and a total of 479 complaints were received from the NMW Sector. The total complaints received in the 1<sup>st</sup> 6 months of 2016 stands at 1517. Details are shown in Figure 02. A total of 307 labour complaints were resolved from the 10 sectoral Wages Regulations and the National Minimum Wage Regulations 2015. The highest number of complaints were received from the Building, Civil & Electrical Engineering Trade and Security Services Sector

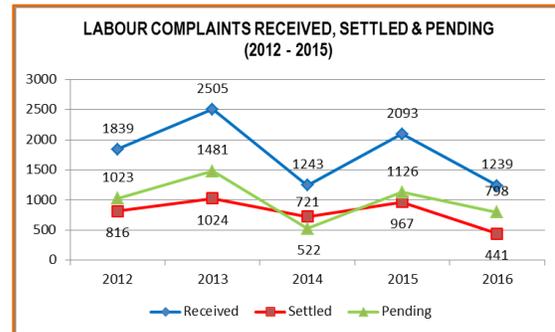


Figure 02.

#### Recoveries

In 2016, the LSS recovered from employers the amount of \$270,935.86 through workplace inspections and settlement of labour complaints cases. Details are shown in Figure 03, below. These funds are collected by the Ministry and directed to affected workers. For the strong inspection and compliance process adopted by the LSS team has shown a strong recovery of the sum mentioned from January – July 2016 which is distributed to the workers as part of their wages and dues rightfully owed to them by the employer. This is done through the EFT payment system.

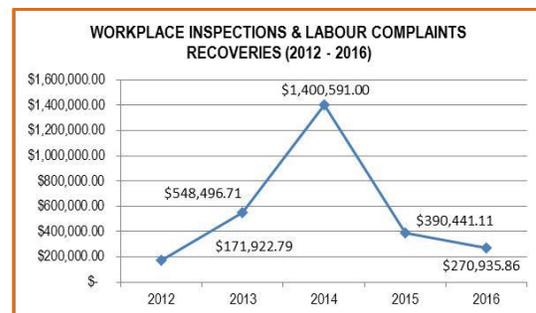


Figure 03

#### Fixed Penalty Notices Issued

A total of 185 fixed penalty notices were issued to non-compliance employers covered under the Wages Regulations (WR), National Minimum Wage (NMW) and the Employment Relations Promulgation (ERP) 2007 while 269 demand notices have been issued to employers in terms of demand for wages and time records. It is noted that the Wholesale and Retail Trade and the Building, Civil & Electrical Engineering Trade remains the biggest non-complying industry in terms of the breaches of the ERA 2007 and WR for 2016.

## 2016 World Day Against Child Labour

The Ministry with key stakeholders, students and teachers marked the 2016 World Day against Child Labour at the Novotel Convention Centre on 12 June, 2016 with the theme – “Ending Child Labour in Supply Chains is Everyone’s Business”.

The Ministry, with the assistance of the ILO TACKLE Project, has received and withdrawn a total of 182 child labour cases from 2011 – 2016 and has referred these children return to schools with a few of them enrolled into the technical and vocational trainings.

Government’s commitment is fully articulated in the provisions of the ERP 2007, which defines the legal framework to address issues on worst forms of child labour, minimum age of employment, the rights of a child, condition on restriction of employment of children, hours and type of work that the child can perform under the minimum employment age of 15 in Fiji.

The reduction of child labour cases from 2011 to 2016 is an indicator that Government’s historic free education initiative and social protection plans with reforms implemented are effective and has greatly benefited all Fijians, especially, our children.



## TARGETED OHS SERVICE

In reducing workplace injuries and deaths, the National Occupational Health and Safety Service focuses on the delivery of its proactive and reactive services to improve occupational health and safety standards for workers and workplaces in Fiji.

In the 1<sup>st</sup> 6 months of 2016, the National OHS Service conducted the following activities to reduce workplace injuries and deaths in Fiji’s workplaces

### OHS Awareness and Training

The occupational health and safety training and awareness programmes are essential to the OHS Management Strategy and the implementation of its policies and procedures. The demand for these trainings has been consistent over the past three years and the number of trainings conducted in 2016 reflects a decrease of 14% from 2015 as shown in Figure 04.

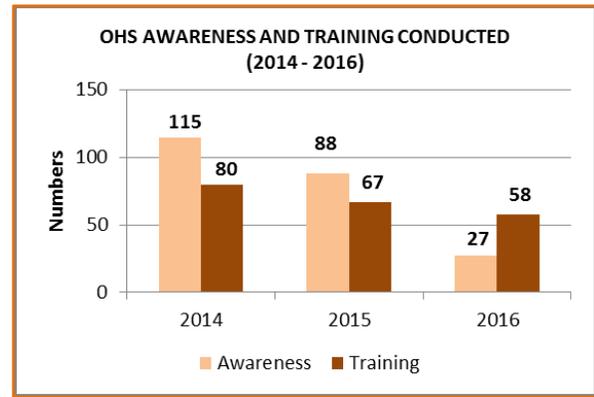


Figure 04

### Workplace HIV/AIDS Training and Awareness

The National OHS Service provides HIV/AIDS awareness and training to workplaces to facilitate the requirements of the National Code of Practice for HIV/AIDS in the Workplace 2008. In 2016, a total of 18 HIV/AIDS awareness programmes and none training session was conducted to both employers and workers as depicted in the Figure 05 below.

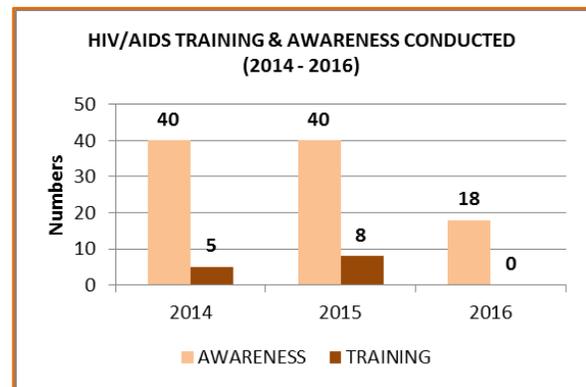


Figure 05

This training provides workplace preventive actions for HIV/AIDS, occupational deaths, injuries and related diseases, while respecting the fundamental principles and rights of workers.

### Chemical Registration and Consultancy

All industrial chemicals used at workplaces are to be registered with the National OHS Service by the 31<sup>st</sup> of March each year. Consultancy on chemical management is provided on a user-pay service.

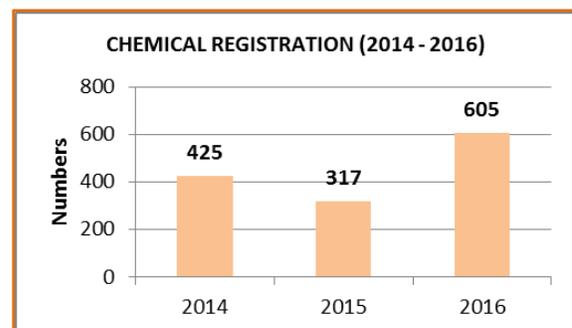


Figure 06

A total of 605 industrial chemicals were registered in 2016, a rise of 52% from the previous year's figure, as depicted in Figure 06.

Adequate hazard control interventions can prevent the generation and release of harmful agents in the work environment. Part IX of the Health and Safety at Work Act 1996 refers to the provision of chemical assessment and control. The core responsibilities under this legislation are the coordination of the National Industrial Chemical Management System and administration of the National Chemical Inventory.

### Occupational Hygiene

Occupational hygiene consultancy pertains to the assessment and monitoring of environment air, indoor air quality, ergonomics, lighting, ventilation, noise, gas and vapour, dust, hazardous substances as well as identifying asbestos material and supervising the removal of asbestos. This service is provided on a user pay basis.

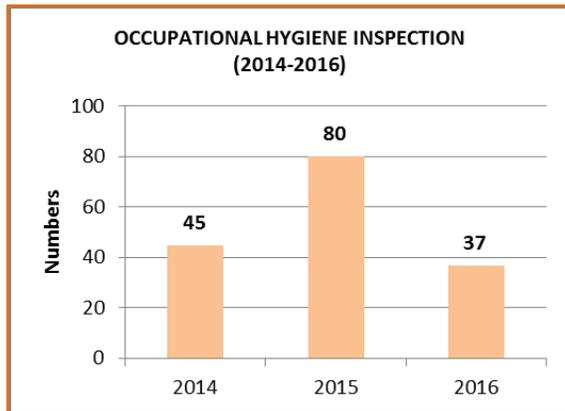


Figure 07

A total of 37 Occupational Hygiene consultancies were carried out in 2016, a decrease of 46% from the 2015 figure as shown in Figure 07..

### Engineering Design Vetting of Plant/Machinery

The Health and Safety at Work (Administration) Regulations 1997 specifies the registration and vetting of plant/machinery designs under the Fourth Schedule to ensure their compliance with the approved reliability and safety standards.

Enforcement of safety engineering principles to improve health and safety in workplaces, through the application of recognised standards and Codes of Practice are conducted. This improves technological compliance and minimises OHS risks. All new plants (pressure vessels, lifting equipment, etc.) are checked against safety standards prior to use at workplaces.

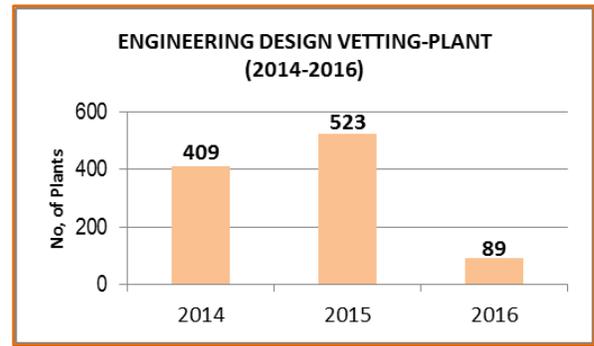


Figure 08

The total number of plant/machinery vetted in the 1<sup>st</sup> 6 months of 2016 was 89, a decrease of 79% from 2015 as shown in Figure 08.

### Engineering Design Vetting of Workplaces

Workplace designs are vetted to ensure compliance with the Health and Safety at Work (General Workplace Conditions) Regulations 2003. Regulation 63 of the GWC states that every building that is used as a workplace shall be of sound construction and kept in a good state so that it does not expose the occupants to unacceptable OHS risks.

Regulation 64 of the GWC states that the design of any new workplace must be granted approval by the Chief Health and Safety Inspector, before the rural and local authorities proceed with the building application.

All drawings of new workplaces plus addition or alteration to existing workplaces are checked to ensure minimum OHS standards are applied prior to commencement of construction.

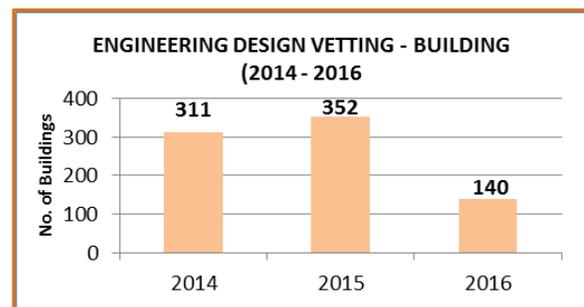


Figure 09

In 2016, a total of 140 workplace designs were vetted, a decrease of 60% from 2015 as shown on Figure 09 above.

### Workplace Commissioned

Following on from the Building Engineering Design Vetting (EDV), new workplaces are checked for compliance to OHS standards prior to occupation. This consultancy service is also demand driven. Figure 10 below, shows the number of new workplaces commissioned in 2016.

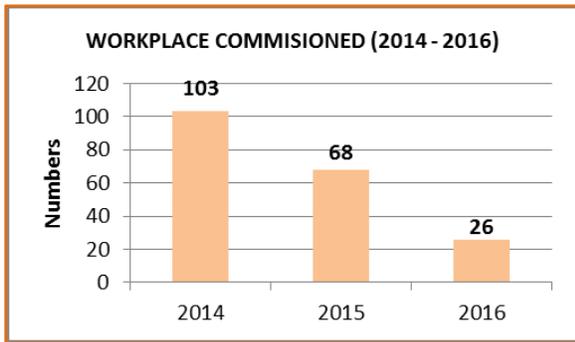
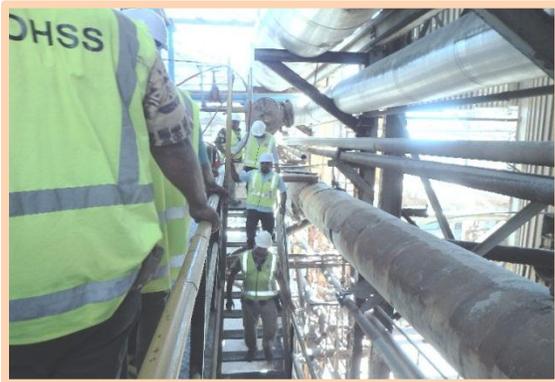


Figure 10

### Statutory Engineering Inspections



Statutory engineering inspections of plants and machinery are specified under the Factories Act Cap 99, HASAWA 1996 and subsidiary legislations. Plants and machinery include steam boilers, pressure vessels, air compressors, Hiab trucks, mobile cranes tow trucks, loaders, excavators, for lifts, lifts and escalators, lifting gears, garbage trucks, compactors, amusement rides and diving equipment used for commercial purposes.

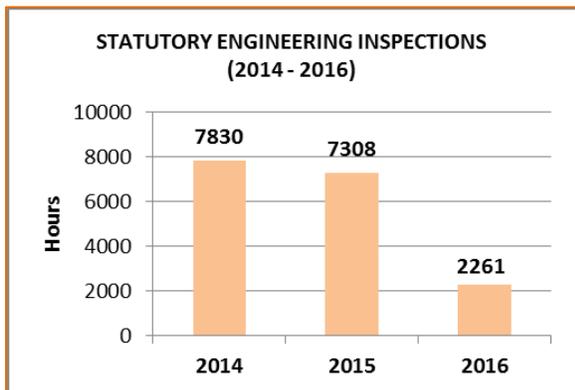


Figure 11

In the 1<sup>st</sup> 6 months of 2016, a total of 2261 statutory engineering inspections were carried out, a decrease of 69% from 2015 as shown in Figure 11, above..



### Workplace Registration

Workplace registration is conducted on an annual basis for all workplaces employing 20 or more workers. A total of 760 workplaces were registered as depicted in Figure 12, below.



Figure 12

### SMART and Hazard Audits

SMART (Safety Management Audit Review Tool) audits upon request, are conducted at workplaces to ensure compliance to OHS safety standards such as OHS policies, procedures, committees, OHS management system used and OHS training. A total of 154 SMART audits were conducted in 2016, as depicted in Figure 13.

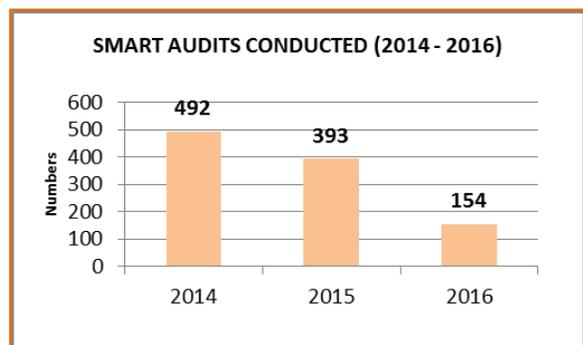


Figure 13

Hazard audits are inspections that identify and recommend control measures against OHS hazards that may be present at a workplace. This audit entails the physical inspection of a workplace. A total of 4 Hazard audits were conducted in 2016, a decrease of 97% from 2015 as shown in Figure 14, below.

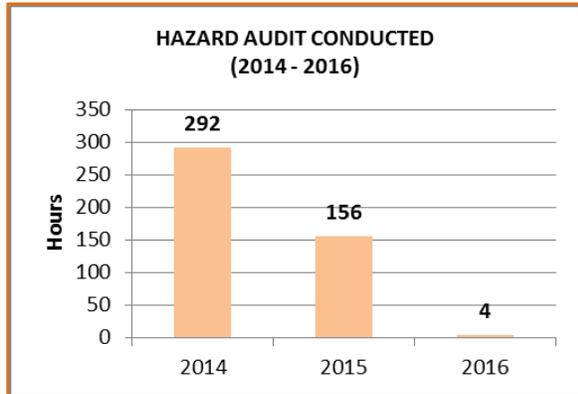


Figure 14

### OHS Enforcement Notices

OHS enforcement notices are issued for non-compliance with the OHS legislation. A total of 79 Notices were issued in the 1<sup>st</sup> 6 months of 2016, a decrease of 87% from the 2015 as shown in Figure 15 below.

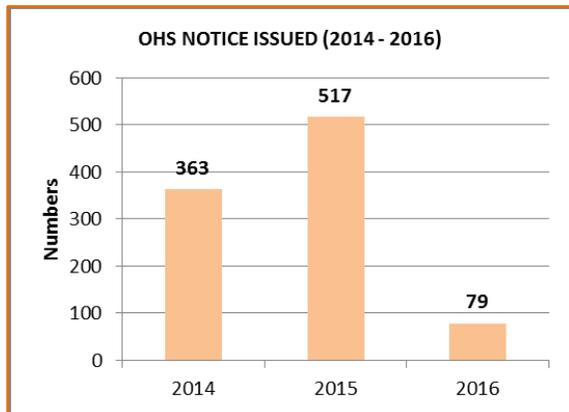


Figure 15

### 2016 ILO world Day for Safety and Health at Work



The Ministry with relevant key stakeholders celebrated 2016 World Day for Safety and Health at Work through the conduct of a workshop on Workplace Stress

The workshop was held at the Novotel Convention Centre today targeting employers, workers and government representatives

Similar programmes were also organised for the Northern Division on 21 April 2016 and the Western Division on 26 April, 2016.

World Day for Safety and Health at Work is normally marked on the 28th of April each year and the day was declared by the International Labour Organization (ILO) to promote the prevention of occupational accidents and diseases globally.

### MEDIATION SERVICE

With the awareness and promotions on the ERP 2007, the workers have gradually understood their rights and obligations and there has been a steady increase in the reported grievances annually from 2008. Most of the union members have opted to report their case individually as an employment grievance because of the time frame set for resolving such grievances compared to employment disputes and also the constant increase in the resolution of these grievances annually.

#### Employment Grievance

During the 1<sup>st</sup> 6 months of 2016, a total of 530 employment grievances were mediated resulting in the settlement of 438 grievances (82.6%), while 92 (17.4%) cases were not resolved and referred to the Employment Tribunal for third party adjudication.

Over the same 6 months-period, the total amount recovered by the Mediation Service as dues for workers was \$343,054.37.

#### Employment Dispute

Employment Disputes are disputes reported by Unions on behalf of its members after the initial attempt to negotiate the dispute in-house with the employer had failed. This dispute could also be reported by the employer. The report goes to the Permanent Secretary for Employment, Productivity and Industrial Relations who then after accepting the dispute, refer the same to the Mediation Services for mediation on matters other than the interpretation, operation or application of their Collective Agreement.

During the period under review, a total of 4 disputes were mediated resulting in the settlement rate of 1 employment dispute.

The total amount recovered by the Mediation Service for employment dispute cases for the period under review was \$12,732.28 for the aggrieved workers.

The two social partners [unions and employers] have progressively understood the good faith approach that parties are required to adopt during mediation. We continued to instill these principles of good faith during mediation sessions that is now been appreciated and accepted by both parties which had enabled them to contribute constructively during mediation processes and added to the positive outcome.

## POLICY AND LEGAL SERVICE

### Registration of Trade Unions (RTU)

The RTU and RIA provides quality service delivery of the administraton and oversees all matters in relation to trade union (TU) and industrial association (IA) in Fiji. Another role of this unit is to oversee the supervision of strike ballots by trade unions, vetting registration of all collective agreements between registered TUs and employers. In the 1<sup>st</sup> 6 months of 2016, the service recorded 45 trade unions compared to 3 in 2015 and 6 in 2014, as depicted in Figure 16.



Figure 16

### RTU Annual Returns

In the 1<sup>st</sup> 6 months of 2016, 28 annual returns were recorded received by the Mnisty. Followed by 45 in 2015 and 6 in year 2014, as shown in Figure 17.

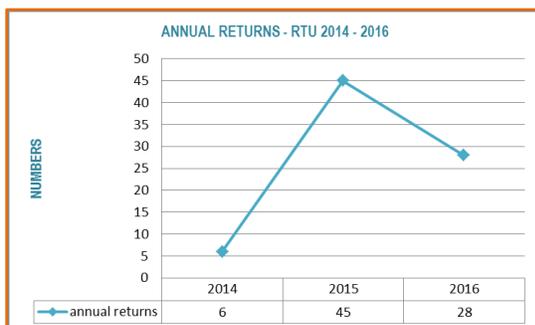


Figure 17

### Registration of Trade Industrial Associations (RIA)

A total of 40 registration of industrial association recorded in the year 2016, as shown in Figure 18

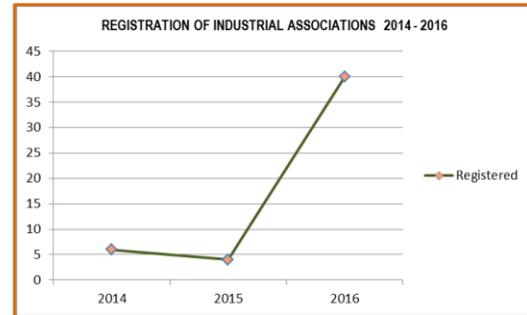


Figure 18

### RIA Annual Returns

Annually, all registered Industrial associations and trade unions are obligated under the ERP 2007 to provide annual reports on general audited statements of all receipts, expenditure, assets and liabilities as at 31 December of the previous year.

A total of 18 annual returns were recorded on 2016, 22 in 2015 and 32 in 2014, as shown in Figure 19.

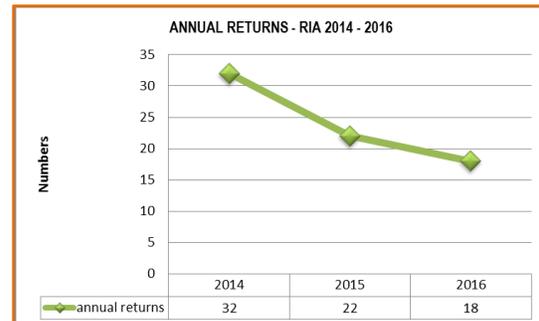


Figure 19

### International Labour Conference

In 2016, the Fijian Government though the Employment Ministry briefed the Asia Pacific Group Ministerial Meeting at the International Labour Conference in Geneva on the successful outcome of the ILO Tripartite Mission and of the subsequent removal of the complaint against Fiji from the ILO Agenda.

Substantive amendments were made to the law resulted the agreement being reached by workers and employers in a single Joint Implementation Report signed in January 2016 and the successful monthly meetings of the Employment Relations Advisory Board (ERAB).

The discussions at the linternational Labour Conference were very useful in the work done in Fiji on fair labour practices and on employment generation.



*Permanent Secretary, Salaseini Daunabuna at the International Labour Conference (ILC) in Geneva.*

## WORKERS' COMPENSATION SERVICE

The Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, contract disease or die from work-related activities arising out of or in the course of their employment.

The compensation is through monetary payments and provision of medical care. In cases involving the death of workers, compensation is paid to the dependants of the deceased.

The Service is tasked to look into compensation of workers from the public and the private sector.

### Clearing Cases pending from 2001 – 2009.

A total of 16 backlog cases were pending between 2001 to 2009. Out of this, a total of 8 cases were settled.

### Clearing Cases pending from 2010 – 2015.

In 2016 the number of cases settled from January to July was 694. Out of which 563 injury cases and 131 death cases

### Workers' Compensation Paid Out to Government Workers and Dependants of Deceased Workers

In 2016, \$5.0m was allocated to facilitate payment for Government workers. From the allocated \$5.0m, the amount was reduced to \$3m due to Tropical Cyclone Winston.

\$1,374,330.00 was utilised from the \$3.0m allocated to pay out 92 cases. Fifty two (52) injured workers was paid \$365,563.28 while forty (40) dependants for deceased workers death cases received a total of \$1,008,766.72

Tabulated below are the payments made for Government Injury and Death Cases from 2012 - July 2016, as shown in Table 1, below.

YEARS	NO. OF CASES PAID		AMOUNT PD	
	I	D	I	D
2012	82	25	\$403,011.93	\$600,000.00
2013	119	22	\$400,314.78	\$528,000.00
2014	126	35	\$656,304.72	\$840,000.00
2015	146	68	\$921,417.27	\$1,632,000.00
2016	52	40	\$365,563.28	\$1,008,766.72
<b>TOTAL</b>	<b>584</b>	<b>209</b>	<b>\$3,256,663.38</b>	<b>\$5,168,766.72</b>

Table: 1

### Payment for Private Sector Cases.

Over the same period, one hundred and forty six (146) cases have been paid out \$485,497.62 to the private sector. Two (2) death cases was paid \$53,280.00 and one hundred and forty four (144) injury cases was paid \$432,217.62. Details of the payment for private cases is shown in Figure 20.

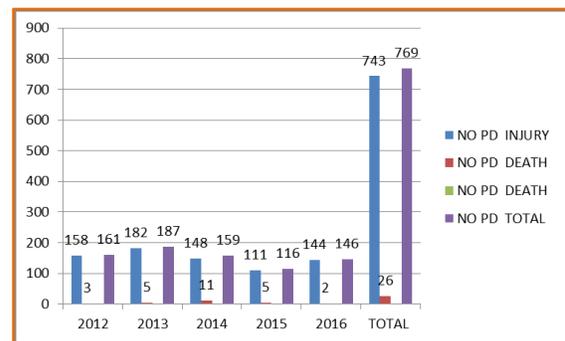


Figure 20

### Provide professional occupational medical services

The Medical Assessor remained with the Worker's Compensation Service and assisted with the training of 22 medical doctors to standardize the impairment assessments for consistency of medical reports and to clear backlog cases.

During the period under review, the Medical Assessor had released Five hundred and forty (540) medical reports, comprising 116 death cases and 424 injury cases.

## EMPLOYMENT CREATION SERVICE

Effective operation of the National Employment Centre under the NEC Decree 2009

### NEC Framework

The Republic of Fiji is fully committed to promoting productive employment and income and decent work for all, in line with "full, productive and freely chosen employment without discrimination" - the key principles found in ILO Employment Policy Convention, 1964 (No.

122), which Fiji has ratified. This Policy intention is to support the creation of employment to the marginalized unemployed population and improve working conditions, wages and productivity with full financial and technical support of the International Labour Organization (ILO).

The NEC framework strategically position itself well to ensure the NEC clients are provided with quality skills training, human resources development and utilization services to enhance the employability of unemployed persons, retirees and volunteers for both the local and overseas employment markets.

There are four (4) employment creation services (ECS) established under the NEC Decree 2009 which includes the Formal Employment Service (FES), Fiji Volunteer Service (FVS), Self-Employment Service (SES) and Foreign Employment Service (FORES). To date, three (3) employment creation services has been launched and the SES is the only service yet to be launched.

### NEC Registration

In the 1<sup>st</sup> 6 months of 2016, the Service met its annual target of 2000 registered unemployed persons. In comparison to 2014 and 2015, the numbers increased from 2014 to 2015 and dropped in 2016, as shown in Figure 21. The high rate of registration is due to the fact more Fijians are interest to find jobs.

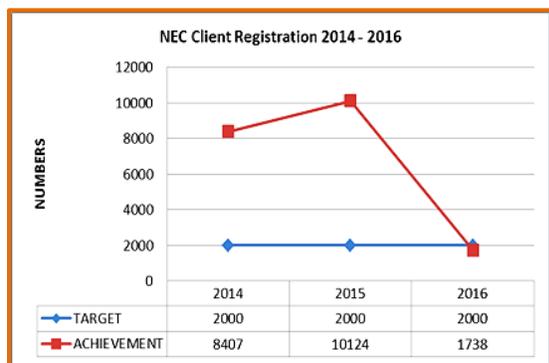


Figure 21

The Central Division recorded the highest registration of 40% followed by Western Division of 34% and Northern Division of 17% as shown in the Figure 22 below. The trend of registration dovetails with the geographical population distribution.

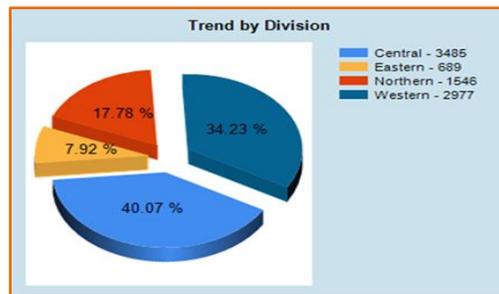


Figure 22

In 2016, the Foreign Employment Service (FORES) recorded the highest rate of registered individuals interested to work overseas. This is evident in the illustration of Figure 23, portraying FORES the highest of 41.95%, followed by 35.75% of FES, 11.31% for FVS and SES at 10.43%. Given the Australia and New Zealand seasonal work employment market opened for Fiji, it has attracted more Fijians interested with FORES.

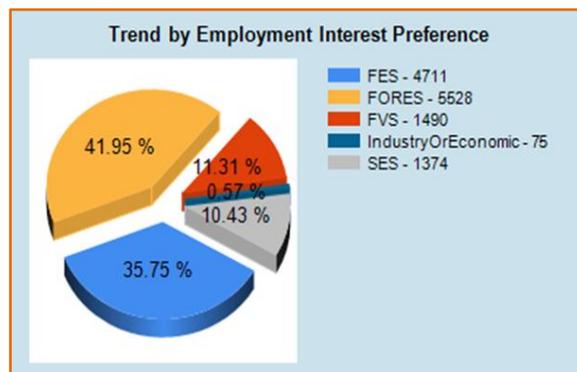


Figure 23

### Formal Employment Service

Over the 1<sup>st</sup> 6 months period, 338 Fijians registered with the NEC found permanent jobs locally. The year 2014 recorded the highest rate of jobs secured by Fijians registered with the Centre with 3,227 and in 2015 achieving 415 Fijians securing jobs locally as shown in Figure 24.

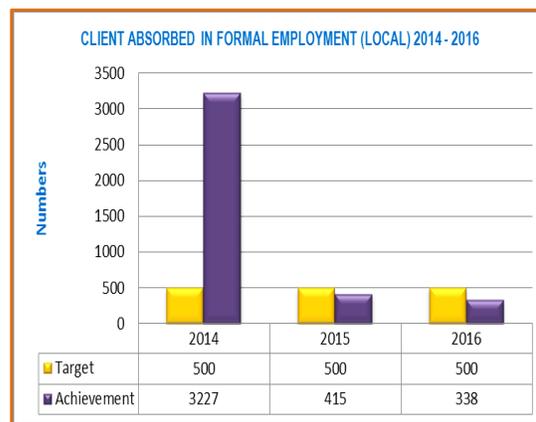


Figure 24

## NEC Work Attachment

Prior to obtaining permanent jobs in the local labour market for registered Fijians with NEC, individuals will undergo 6 months 'on the job – training' or work attachment. The purpose of the work attachment is to allow Fijians to learn the required soft and hard skills of work. 270 Fijians absorbed through work attachment with various industries in Fiji. Details is shown in Figure 25. Employers in Fiji are obligated to absorb at least 5% from its total workforce as work attachees. Those employers with more than 50 workers are mandated under the NEC Act 2009 to absorb work attachees.

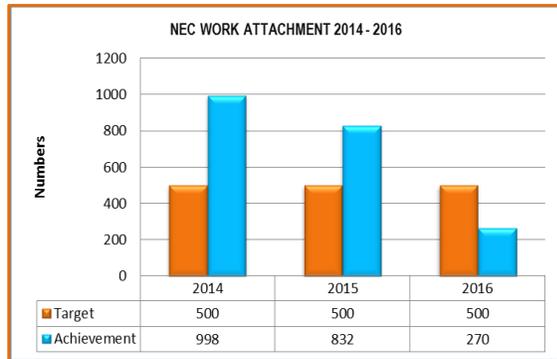


Figure 25

## Value – Based Life Skills Training

Life Skills Training (LST) is a multi-component proactive curriculum mostly addressing social, psychological, cognitive, and attitudinal factors with the aim of promoting the holistic development of unemployed persons enabling them to become disciplined and productive workers. The total number of clients that undertook LST in the 1<sup>st</sup> 6 months of 2016, is shown in Figure 26..

The life skills training package includes –

- the study and application of core values in real life;
- NEWSTART programme;
- religion and cross-cultural matters;
- fundamental principles and rights;
- prevention of or limiting the spread of HIV/AIDS and drug abuse;
- first aid skills;
- adolescent training;
- financial literacy training;
- technological literacy training; and
- a disciplined life style, teamwork and survival skills.

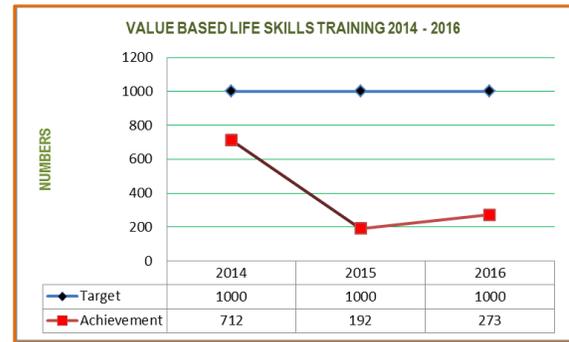


Figure 26

The NEC achieved 27% of its yearly target. From 2014 to 2016, the Centre diverted its resources to the establishment of the Foreign Employment Service. Particularly, the kick-start of the seasonal work end to end processes with New Zealand and Australia, which resulted in the reduction of Life Skills Training.

## MOU Signing with Ministry of Education, Heritage & Arts

The Employment Ministry in collaboration with the Ministry of Education, Heritage and Arts signed a Memorandum of Understanding (MOU) in 2016 in providing technical skills training to the unemployed and unskilled Fijians.

The MOU allows the National Employment Centre (NEC) and the Technical College of Fiji (TCF) to collaborate in sharing a common interest through the Fijian Government's policy of increasing employment creation activities in all sectors and having a sustainable labour market environment.

The MOU signing allowed unemployed clients to up skill themselves through the courses offered by the Technical College of Fiji and find decent employment to improve their livelihood.



Minister for Employment Honourable Semi Koroilavesau and Minister for Education Honourable Dr Mahendra Reddy signs MOU

## Foreign Employment Service (FORES)

In the 1<sup>st</sup> 6 months of 2016, the FORES was able to send 113 workers, achieving 43% of its annual target. In year 2015, FORES recorded a high number of seasonal workers as shown in Figure 27. The decrease in the numbers of 2016 could have been the impact of negative reports of

Pacific seasonal workers in Australia which contributed to employers not too keen to yet to recruit Fijian workers.

These reports from social media highlighted the underpaid wages of seasonal workers, non-compliance of OHS standards in accommodation and high deductions from wages. An overall review of the processes was undertaken by both the Fijian government and the Australian government to strengthen gaps identified. Since the seasonal work program has just started for Fiji and still under pilot phase, the Ministry was able to learn from gaps identified and improve these concerned areas. This has been ratified and Fiji and its counterparts are committed to continue to resolve employment issues of seasonal workers.

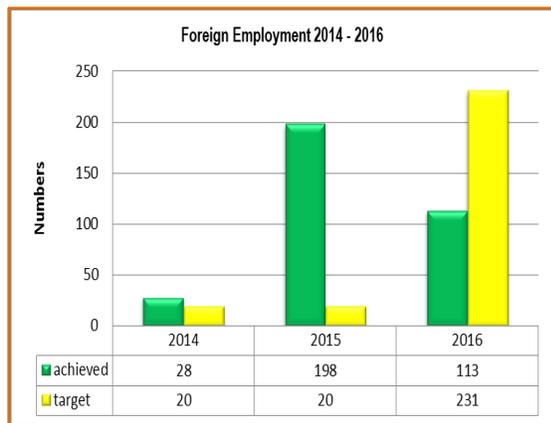


Figure 27

### First Seven Pilot Carpenters For Christchurch Rebuild

In 2016, FORES farewelled the first seven (7) pilot project workers for employment as Carpenters under the pilot Canterbury Trades Employment Initiative in New Zealand.

The seven pilot candidates were assessed and selected by the employers and have undergone Life Skills Training and Pre-Departure Orientation Training through the NEC.

The pilot group will be employed for a period of 12 months and an extension of working visa will be determined by the employer based on their performances and discipline.



Honourable Semi Koroilavesau (sitting middle), Permanent Secretary, Salaseini Daunabuna, Deputy Secretary Vilimone Baledrokadroka and Director NEC, Anne Marr with the pilot Carpenters for Christchurch, New Zealand

### Fiji Volunteer Service (FVS)

The FVS under the National Employment Centre is an initiative by the Fijian Government to provide assistance in identified areas of needs which would further strengthen partnership with other Pacific Island neighbours.

In 2016, the Ministry and the Vanuatu Government through its Ministry of Education & Training renewed the Memorandum of Agreement (MOA) as part of Fiji's development corporation efforts in assisting neighbouring countries. The MOA facilitates their development needs through the enhancement of human resource capabilities under the Fiji Volunteer Service (FVS).

The initial MOA between the two governments was signed on 11 November, 2013 for the engagement of ten (10) volunteers for teaching assignments in Vanuatu for the duration of two (2) years.

"The renewal of this MOA was to re-engage the initial 10 volunteers for another 2 years teaching assignment along with an additional seven (7) volunteers.

The FVS has a total of 38 volunteers engaged in regional countries with an engagement period of 2 years.



Honourable Semi Koroilavesau sitting with the Vanuatu Minister for Education and Training, Hon. Jean Pierre Nirua after the MOU signing in Suva.

### Launch of Mini Pilot Project on Community Based Emergency Employment



Permanent Secretary for Rural & Maritime Development and national Disaster Management Meleti Bainimarama; Permanent Secretary for Employment, Productivity and Industrial Relations Salaseini Daunabuna with the ILO Representative, Mr Satoshi Sasaki.

The Ministry and the International Labour Organization (ILO) of the South Pacific launched the mini pilot project on Community Based Emergency Employment (CBEE) for three villages in the Tikina of Nailega, Tailevu in response to the devastation of Tropical Cyclone Winston.

The Employment Ministry in collaboration with the ILO and other Inter-Agencies provide assistance and support towards rebuilding the lives of Fijians that were affected by Tropical Cyclone Winston.

The CBEE was launched through the handing over of tools and seedlings to the 120 clients including women and people with disabilities in the three villages.

The three villages that benefited from this mini pilot project are Naibita, Manu and Nabulini and these unemployed villagers engaged in this project for the duration of 2 weeks and received weekly allowances as well, financially supported by the ILO.



Kick starting the pilot project, the National Employment Centre (NEC) provided human resources through its registered unemployed clients living within the identified villages whilst ILO provided tools, seedlings and allowances for technical assistance.

In strengthening the implementation of the CBEE, the Employment Ministry provided OHS and Child Labour awareness sessions to the 120 unemployed clients on the safe, proper use and storage of equipment.

ILO Officer-in-Charge of this project, Mr. Satoshi Sasaki also reminded the unemployed clients to spend their allowances in a proper manner and ensure that family members directly benefit from it.



Apart from the Ministry and the ILO, the Ministry of Agriculture, National Disaster Management Office and the

Strategic Planning Office also were part of this worthy cause. The main objective of the CBEE is to support food security and loss of income for the identified villages through a social protection lens.

## Ensure a well-informed labour market under the labour laws

### Enhance workplace productivity

#### LMCCC Registration, Training And Awareness

The Productivity Unit is responsible for the promotion, improvement and monitoring of productivity in all workplaces. It includes the registration, establishment and training of Labour Management Consultation and Co-operation Committee (LMCC) for all employers who employ more than twenty workers. This is a bi-partite forum established within workplaces and is consistent with the principles of self-regulation through empowering the parties who create the employment challenges to resolve the challenges within the workplace.

In the 1<sup>st</sup> 6 months of 2016, a total of 27 employer-based LMCC Committee was registered whereby 67% were from the Central/ Eastern Division and 33% from the Western Division as shown in Figure 28.

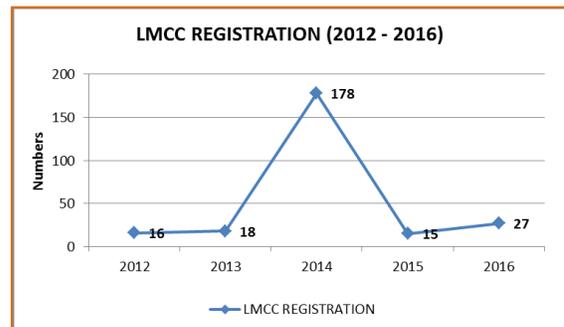


Figure 28

A total of 12 awareness sessions and training were conducted to these Committees whereby 50% were for the Central/ Eastern Division 42% for the Western Division and 8 for the Northern Division as shown in Figure 29.

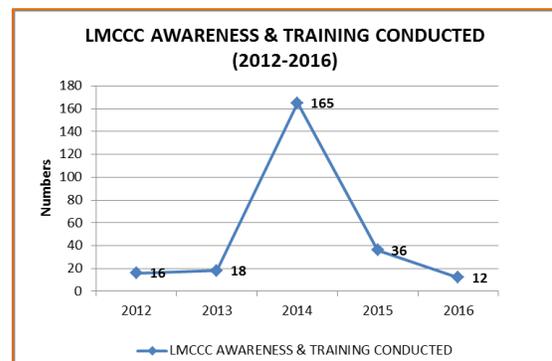


Figure 29

# Financial Statements

31 July 2016

## OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Website: <http://www.oag.gov.fj>



File: 481

26 May 2017

Mrs. Salaseini Serulagilagi Daunabuna  
Permanent Secretary  
Ministry of Employment, Productivity and Industrial Relations  
Level 4, Civic House  
SUVA

Dear Madam

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**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS**  
**AUDITED AGENCY FINANCIAL STATEMENTS**  
FOR THE PERIOD ENDED 31 JULY 2016

---

Audited financial statements for Ministry of Employment, Productivity and Industrial Relations for the period ended 31 July 2016 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the Management for necessary actions.

Yours sincerely

Ajay Nand  
**AUDITOR GENERAL**

Encl.



**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND  
INDUSTRIAL RELATIONS**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2016**

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2016**

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## OFFICE OF THE AUDITOR GENERAL

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### INDEPENDENT AUDITOR'S REPORT

#### Report on the Audit of the Financial Statements

##### Audit Opinion

I have audited the financial statements of the Ministry of Employment, Productivity and Industrial Relations which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses and Trust Account Statement of Receipts and Payments for the 7 months period ended 31 July 2016, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the matter discussed in the Basis of Qualified Opinion Paragraph, the accompanying financial statements for the period ended 31 July 2016 are prepared, in all material respects, in accordance with the Financial Management Act, 2004, Financial Management (Amendment) Act, 2016 and the Finance Instructions, 2010.

##### Basis of Qualified Opinion

Included in the Drawings Account balance of \$206,037 (Note 5) are stale cheques totalling \$97,416 which was not journalized at financial year end. As a result the Drawings Account balance and expenditure of the Ministry is overstated by \$97,416.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### Management's Responsibilities for the Financial Statements

The management of the Ministry of Employment, Productivity and Industrial Relations are responsible for the preparation of the financial statements in accordance with the Financial Management Act, 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

##### Auditor's Responsibilities

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 and 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 the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry 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.



Ajay Nand  
AUDITOR GENERAL



Suva, Fiji  
26 May 2017

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
MANAGEMENT CERTIFICATE  
FOR THE PERIOD ENDED 31 JULY 2016**

---

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Employment, Productivity and Industrial Relations for the period ended 31 July 2016; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.



Ms. Salaseini S. Daunabuna  
Permanent Secretary for Employment,  
Productivity & Industrial Relations



Mr. Viliame Nauludugua  
Senior Accounts Officer

Date: 16/05/17

Date: 15/05/17

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND EXPENDITURE  
 FOR THE PERIOD 31 JULY 2016

	Notes	2016(7months) \$	2015 \$
<b>RECEIPTS</b>			
<b>State Revenue</b>			
Commission	3 (a)	1,793	30
<b>Total State Revenue</b>		<u>1,793</u>	<u>30</u>
<b>Agency Revenue</b>			
Miscellaneous	3 (b)	2,142	---
<b>Total Agency Revenue</b>		<u>2,142</u>	<u>---</u>
<b>TOTAL REVENUE</b>		<u>3,935</u>	<u>30</u>
<b>EXPENDITURE</b>			
<b>Operating Expenditure</b>			
Established Staff	3 (c)	2,454,055	4,081,620
Government Wage Earners	3 (d)	202,746	199,965
Travel & Communication	3(e)	158,373	307,370
Maintenance & Operations	3 (f)	310,717	349,949
Purchase of Goods & Services	3 (g)	785,038	775,654
Operating Grants and Transfers	3 (h)	137	30,384
Special Expenditure	3 (i)	3,420,581	8,082,537
<b>Total Operating Expenditure</b>		<u>7,331,647</u>	<u>13,827,479</u>
<b>Capital Expenditure</b>			
Capital Construction		--	--
Capital Purchase	3 (j)	493	--
Capital Grants and Transfers		--	--
<b>Total Capital Expenditure</b>		<u>493</u>	<u>--</u>
Value Added Tax	3 (k)	295,934	1,478,430
<b>TOTAL EXPENDITURE</b>		<u>7,628,074</u>	<u>15,305,909</u>

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
APPROPRIATION STATEMENT  
FOR THE PERIOD ENDED 31 JULY 2016**

SEG	Item	Budget Estimate \$	Appropriation Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
	<b>Operating Expenditure</b>						
1	Established Staff	4,309,847	(110,268)	4,199,579	2,454,055	---	1,745,524
2	Government Wage Earners	199,971	110,268	310,239	202,746	---	107,493
3	Travel & Communication	372,495	(5,000)	367,495	158,373	---	209,122
4	Maintenance & Operations	440,300	70,310	510,610	310,717	---	199,893
5	Purchase of Goods & Services	1,379,900	(45,310)	1,334,590	785,038	---	549,552
6	Operating Grants & Transfers	55,000	(10,000)	45,000	137	---	44,863
7	Special Expenditure	9,425,651	(10,000)	9,415,651	3,420,581	---	5,995,070
	<b>Total Operating Expenditure</b>	<b>16,183,164</b>	<b>---</b>	<b>16,183,164</b>	<b>7,331,647</b>	<b>---</b>	<b>8,851,517</b>
9	Capital Purchase	50,700	---	50,700	493	--	50,207
	<b>Total Capital Expenditure</b>	<b>50,700</b>	<b>---</b>	<b>50,700</b>	<b>493</b>	<b>--</b>	<b>50,207</b>
13	Value Added Tax	1,050,300	---	1,050,300	295,934	--	754,366
	<b>TOTAL EXPENDITURE</b>	<b>17,284,164</b>	<b>---</b>	<b>17,284,164</b>	<b>7,628,074</b>	<b>--</b>	<b>9,656,091</b>

**Appropriation Movements**

In 2016, there was no redeployment of funds from the Ministry's budget.

Other movements were as follows:

Virement Number	From (SEG)	To (SEG)	Amount \$
DV0701	4,5&6	4 & 5	75,510
DV0702	3,4,5 &7	4 & 5	78,500
V07001/16	1	1&2	1,040,840
V07002/16	1	1	662

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
STATEMENT OF LOSSES  
FOR THE PERIOD ENDED 31 JULY 2016**

---

**Loss of Money**

There was no loss of money recorded for the period ended 31 July, 2016.

**Loss (other than money)**

There was no loss of fixed asset recorded for the period ended 31 July, 2016. However, the following items worth \$49,177 were written off, following Ministry's Board of Survey conducted for the year ended 31 December 2016.

<b>Divisions/Section</b>	<b>Item</b>	<b>Amount (\$)</b>
Mediation Unit	Various	2,850
Corporate Unit	Various	1,545
Workmen's Compensation Unit	Various	2,080
Policy Unit	Various	2,115
Labour Compliance Unit	Various	13,400
Ba Office	Various	11,610
Lautoka Office	Various	2,455
Nadi Office	Various	4,880
Sigatoka Office	Printer	3,650
Savusavu Office	Various	400
Labasa Office	Various	4,192
<b>Total</b>		<b>49,177</b>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND PAYMENTS - NATIONAL OCCUPATIONAL HEALTH &  
 SAFETY EDUCATION AND ACCIDENT PREVENTION TRUST FUND ACCOUNT  
 FOR THE PERIOD ENDED 31 JULY 2016

---

		2016(7months)	2015
		\$	\$
<b>RECEIPTS</b>			
OHS Trust Fund	3(l)	813,827	1,925,298
<b>Total Receipts</b>		<u>813,827</u>	<u>1,925,298</u>
<b>PAYMENTS</b>			
OHS Trust Fund	3(m)	721,833	1,409,169
<b>Total Payments</b>		<u>721,833</u>	<u>1,409,169</u>
<b>Net Surplus</b>		<b>91,994</b>	<b>516,129</b>
Balance as at 1 January		5,241,937	4,725,808
<b>Closing Balance as at 31 July 2016</b>		<u>5,333,931</u>	<u>5,241,937</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND PAYMENTS - EMPLOYMENT RELATIONS AGENCY  
 TRUST FUND ACCOUNT  
 FOR THE PERIOD ENDED 31 JULY 2016

---

	Notes	2016(7months) \$	2015 \$
<b>RECEIPTS</b>			
ERT Trust Fund	3(n)	69,096	231,702
<b>Total Receipts</b>		<u>69,096</u>	<u>231,702</u>
<b>PAYMENTS</b>			
ERT Trust Fund		3,234	3,448
<b>Total Payments</b>		<u>3,234</u>	<u>3,448</u>
<b>Net Surplus</b>		65,862	228,254
Balance as at 1 January		335,865	107,611
<b>Closing Balance as at 31 July 2016</b>		<u>401,727</u>	<u>335,865</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND PAYMENTS - NATIONAL EMPLOYMENT CENTRE  
 TRUST FUND ACCOUNT  
 FOR THE PERIOD ENDED 31 JULY 2016

	Notes	2016(7months) \$	2015 \$
<b>RECEIPTS</b>			
NEC Trust Fund	3 (o)	16,619	47,307
<b>Total Receipts</b>		<u>16,619</u>	<u>47,307</u>
<b>PAYMENTS</b>			
NEC Trust Fund	3 (p)	1,752	353,425
<b>Total Payments</b>		<u>1,752</u>	<u>353,425</u>
<b>Net Surplus/ (Deficit)</b>		<b>14,867</b>	<b>(306,118)</b>
Balance as at 1 January		195,357	501,475
<b>Closing Balance as at 31 July 2016</b>		<u>210,224</u>	<u>195,357</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND PAYMENTS - OHS CONSULTANCY SERVICES,  
 WORKMENS COMPENSATION AND WAGES DISPUTE TRUST FUND ACCOUNT  
 FOR THE PERIOD ENDED 31 JULY 2016

		2016(7months) \$	2015 \$
<b>RECEIPTS</b>			
Workmen's Compensation		2,422,812	4,189,213
Wages Dispute	3(q)	202,646	562,328
OHS Consultancy		806,924	1,427,482
<b>Total Receipts</b>		<u>3,432,382</u>	<u>6,179,023</u>
<b>PAYMENTS</b>			
Workmen's Compensation	3(r)	2,049,903	3,963,750
Wages Dispute	3(s)	225,043	644,541
OHS Consultancy	3(t)	599,995	1,200,156
<b>Total Payments</b>		<u>2,874,941</u>	<u>5,808,446</u>
<b>Net Surplus</b>		<b>557,441</b>	<b>370,577</b>
Balance as at 1 January		1,324,795	954,218
<b>Closing Balance as at 31 July 2016</b>		<u>1,882,236</u>	<u>1,324,795</u>

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
 STATEMENT OF RECEIPTS AND PAYMENTS - CHILD LABOUR UNIT TRUST FUND  
 ACCOUNT  
 FOR THE PERIOD ENDED 31 JULY 2016

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	Notes	2016(7months) \$	2015 \$
<b>RECEIPTS</b>			
Child Labour Unit Trust Fund	3(u)	-	10,995
<b>Total Receipts</b>		<u>-</u>	<u>10,995</u>
<b>PAYMENTS</b>			
Child Labour Unit Trust Fund		2,759	4,566
<b>Total Payments</b>		<u>2,759</u>	<u>4,566</u>
<b>Net (Deficit)/Surplus</b>		<b>(2,759)</b>	<b>6,429</b>
Balance as at 1 January		7,406	977
<b>Closing Balance as at 31 July 2016</b>		<u><b>4,647</b></u>	<u><b>7,406</b></u>

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2016**

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**NOTE 1: REPORTING ENTITY**

The core responsibility of the Ministry of Employment, Productivity and Industrial Relations (MEPIR) is to pursue the attainment of Decent Employment standards through the promotion of employment opportunities, development of healthy workers, the provision of healthy and safe working environment, fair employment conditions, good faith employment relations and productive workplaces. These responsibilities are achieved by focusing on developing a modern, structured and enabling policy environment supported by sound labour laws, policies, institutions, international best practices and values, underpinned by tripartite social dialogue and self-regulation.

**NOTE 2: STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Accounting**

In accordance with Government accounting policies, the financial statements of the Ministry of Employment, Productivity and Industrial Relations is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71 (1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

**(b) Accounting for Value Added Tax (VAT)**

All income and expenses are VAT inclusive except SEG 1, 2 and Compensation payments. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Finance. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue & Customs Authority (FRCA). Actual amount paid to FRCA during the year represent the difference between VAT Output and VAT Input.

**(c) Comparative Figures**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

For the purpose of comparison of expenditure for the seven (7) months covering the period from January to July 2016; the corresponding result for the previous financial period (fiscal 2015) can be prorated by dividing the respective figure by twelve (12) and multiplying by seven (7).

**(d) Revenue Recognition**

Revenue is recognised when the Ministry receives actual cash.

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2016**

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**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)**  
**FOR THE PERIOD ENDED 31 JULY 2016**

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**NOTE 3: SIGNIFICANT VARIATIONS**

- (a) The total state revenue increased by \$1,763 or 98% in 2016. The increase in commission was due to an adjustment in 2016 amounting to \$1,148 and \$615 was due to increase in salary deductions for insurance premiums in 2016 Financial Year (January- July 2016).
- (b) The total agency revenue increased by \$2,142 or 100% in 2016. The increase was due to the adjustment of \$1200 revenue which was deposited to sundries account in previous years and adjusted in current year's revenue. These revenues are collected from the hiring of conference room in Ba office.
- (c) The Established Staff costs for 2016 financial year was \$2,454,055 or 60% of 2015 expenditure. The 2016 Budget allocation for Activity 2 increased by \$274,739 which was for hiring of 12 new IT division staff to sustain the new labour market information system. Also, transfer was done to Established Staff allocation from Special expenditure allocation to regularise the payment of salary to project officers. Funds were also transferred from Occupational Health and Safety trust Account to cater for the salary increase which was backdated to 2015.
- (d) The Government Wage Earners costs for 2016 financial year was \$202,746 or 101% of 2015 GWE expenditure. This includes virement of funds to cater for overtime pay for drivers.
- (e) The Travel, Subsistence and Communication cost for 2016 financial year was \$158,373 or 51.5% of 2015 expenditure
- (f) The Maintenance and Operation cost for 2016 was \$310,717 or 88.8% of 2015 expenditures.
- (g) The Purchase of Goods and Services cost for 2016 was \$785,038 or 101% of 2015 expenditure. This includes the cost of refurbishment of the Ministry's office space.
- (h) Operating Grants and Transfers cost for 2016 was \$137.03 or 45% of 2015 expenditure. This was due to the payment of 2016 International Labour Organisation annual subscription fees paid in 2015 and currency appreciation balance paid in 2016.
- (i) The Special Expenditure cost for 2016 was \$3,420,581 or 42% of 2015 expenditure. There was addition of new activity to the budget, i.e National Employment Centre and removal of payments for the Christmas Island amounting to \$2.95m and Mediation and Tribunal amounting to \$1.18m. Funds were also transferred to Established staff costs to regularise salary payment for project staffs.
- (j) Capital Purchase cost was budgeted for \$50,700 for 2016 but only \$493 was utilised from January to July 2016.
- (k) The VAT cost was \$295,934 or 20% of 2015 expenditure.

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)  
FOR THE PERIOD ENDED 31 JULY 2016

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**NOTE 5: DRAWINGS ACCOUNT**

At balance date, the Drawings Account balances for Ministry of Employment, Productivity and Industrial Relations was \$206,037. These monies relate to cheques written by the Ministry that have yet to be presented to the bank for the financial period ending 31<sup>st</sup> July 2016.

**NOTE 6: MAIN TRUST ACCOUNT**

At balance date, the Main Trust Account balances for Ministry of Employment, Productivity and Industrial Relations was \$7,832,765. These monies relate to receipts and payments related to Work Compensation, Wages dispute, Occupational Health and Safety Consultancy, Occupational Health and Safety Trust, Employment Relations Tribunal, National Employment Centre and Child Labour. The following further explains the nature, purpose and use of each trust account.

- (i) **Work Compensation Trust Account:**  
A liability account and the Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, lose their lives or contract diseases in the course of their employment. Compensation is through monetary payments and medical care provisions for the injured workers. Cases involving the death of a worker, monetary payments are given to the dependents' of the deceased worker.
- (ii) **Wages Dispute Trust Account:**  
A liability account and the Wages Unit is responsible for setting minimum wages and other terms and conditions of employment in Fiji's employment sector. It ensures workers are actually provided with the stipulated Wages Regulations terms and conditions. Any payment received from employer after dispute on wages is resolved by the Wages unit and is paid out to the respective employee.
- (iii) **Occupational Health and Safety (OHS) Consultancy Trust Account:**  
A liability account used to facilitate the payment of overtime hours, meal allowances, transport allowances, and accommodation which is paid by companies into OHS Trust account when OHS Inspectors have performed services to the companies. Funds are transferred from OHS Trust Account to OHS Consultancy to pay the OHS inspectors.
- (iv) **Occupational Health and Safety Trust Account :**  
A liability account responsible for the promotion of OHS and enforcement of the *Health and Safety at Work Act 1996* and its subsidiary legislations. The Service aims to promote and maintain a working environment, which is healthy and safe for both workers and employers and directly contributes to improved productivity.
- (v) **Employment Relations Tribunal Trust Account:**  
A liability account whereby when employment disputes and employment grievances are not resolved by the Mediation Service, the Employment Relations Tribunal assists

**MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)**  
**FOR THE PERIOD ENDED 31 JULY 2016**

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employers or their representatives and workers or their representative trade union by adjudicating and determining the grievance or dispute between parties. In adjudication proceedings, there is also a requirement on the Tribunal to provide mediation assistance to the disputing parties when the need arises. In this regard the Tribunal assists disputing parties to amicably settle matters and these settlements are documented as binding awards or decisions.

**(vi) National Employment Centre Trust Account:**

The National Employment Centre operates under the National Employment Centre Decree 2009. The Centre is responsible for providing employment skills training and facilitating employment opportunities for the unemployed. The Centre offers 3 services - Formal Employment Service, Foreign Employment Service and Fiji Volunteer Service. Unemployed persons who register under the National Employment Centre undertake professional counseling, aptitude assessment, life skills training and are trained in the relevant employment skills demanded by the labour market. Moreover, the Centre provides opportunities for the unemployed to do volunteer services, work attachment, and facilitates opportunities for employment both locally and internationally.

**(vii) Child Labour Trust Fund Account:**

The Child Labour Unit is responsible for monitoring, training and development for the labour inspectorate and stakeholders on all aspects of child labour issues under the ERP 2007 and Health and Safety at Work Act 1996, for promotion and advocacy on issues of child labour in Fiji and also for the maintenance of child labour information system in Fiji with the aim of maintaining proper and effective management of the child labour cases. The unit conducts investigation and prosecution on child labour cases, provides awareness programmes for stakeholders and members of the public on the aspects of child labour laws and ensures that issues related to child protection are properly addressed.

