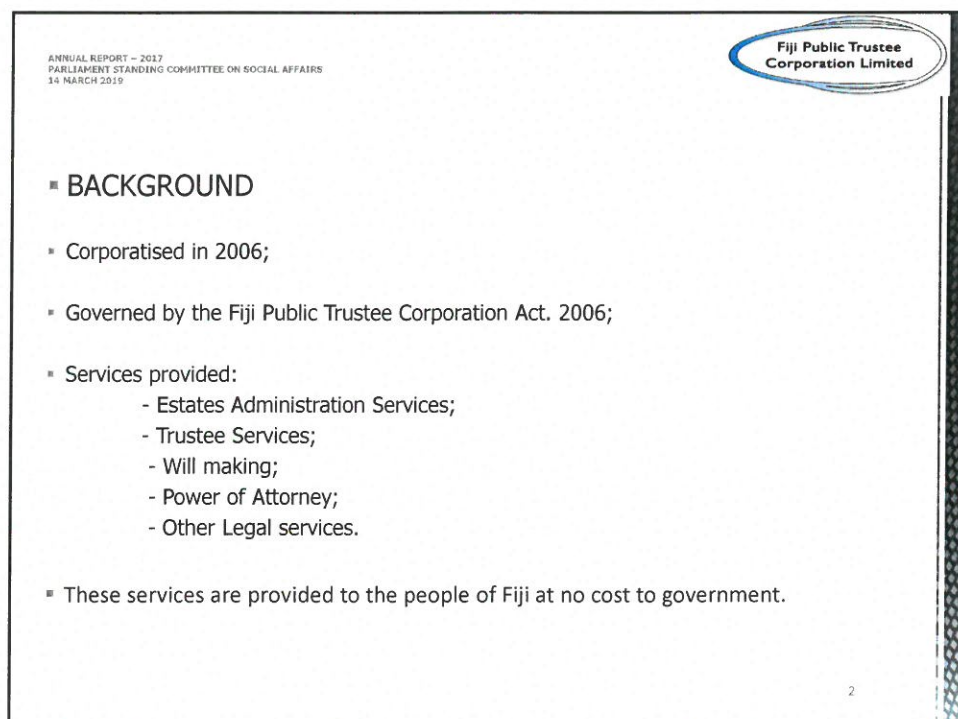
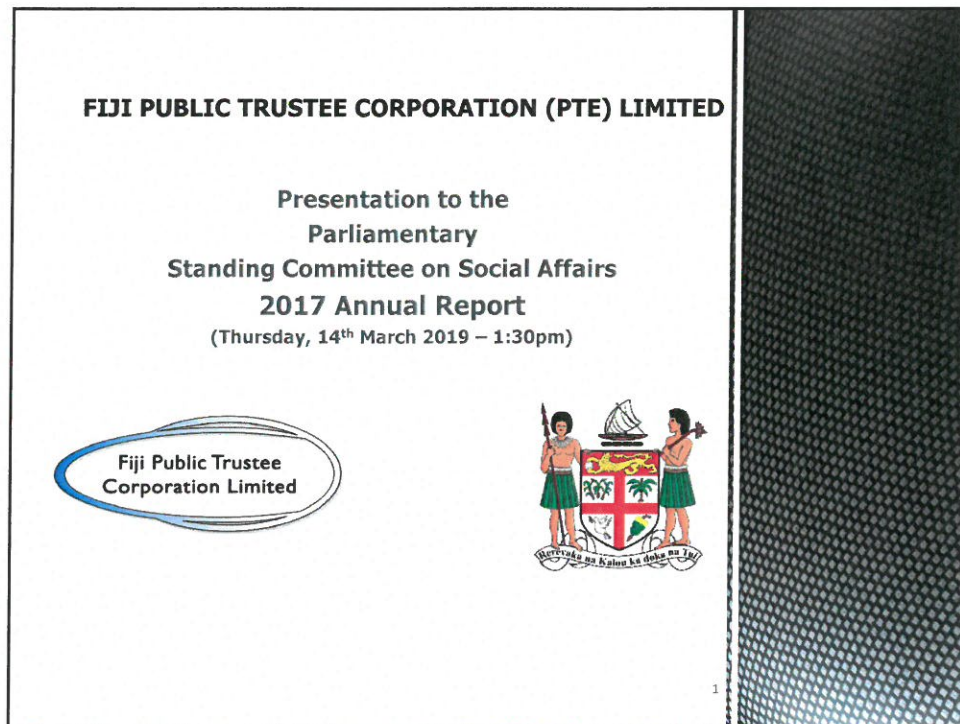


APPENDICES

Appendix One

**Written Response by the Fiji Public Trustee Corporation
Limited**



BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors in 2017

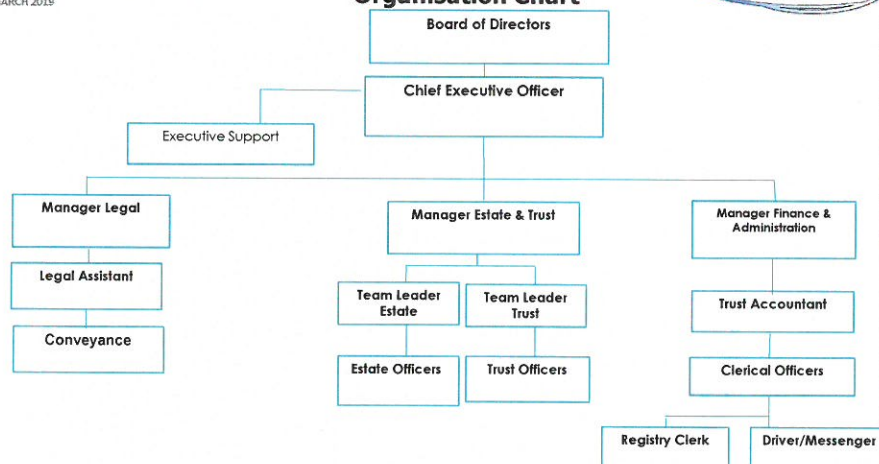
- Mr. Ikbāl Jannif – (Chairman Resigned – July 2018)
- Mrs. Bernadette Sera Nicholls – Director
- Mr. Sunil Sharma – (Chairman – Appointed July 2018)
- Ms. Lorraine Seeto – (Director – Appointed July 2018)
- Ms. Timaima Vakadewabuka – (Director – Appointed July 2018)

Management Team

- Mr. Atonio Takala – Chief Executive Officer
- Mr. John Mow – Manager Finance & Admin
- Mrs. Salaseini Drekeni – Manager Estates & Trust
- Mrs. Priya Lal – Manager Legal

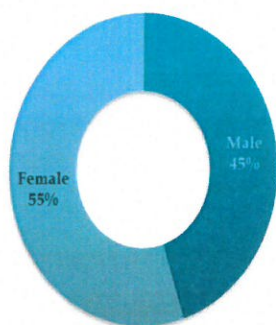
3

Organisation Chart



4

Gender Composition
2017



Workforce and Human Resources

The workforce included:

- 21 staff members,
 - 3 managers and the CEO
- and comprises 55% females and 45% males;

Training & Development

- Training Plan for the year;
- leadership, quality management, customer services;
- Education assistance for staff;
- Fiji Business Excellence Awards.

Staff rewards through performance management system;

5

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 service.

Our Purpose

The company's major business activities are:

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

6

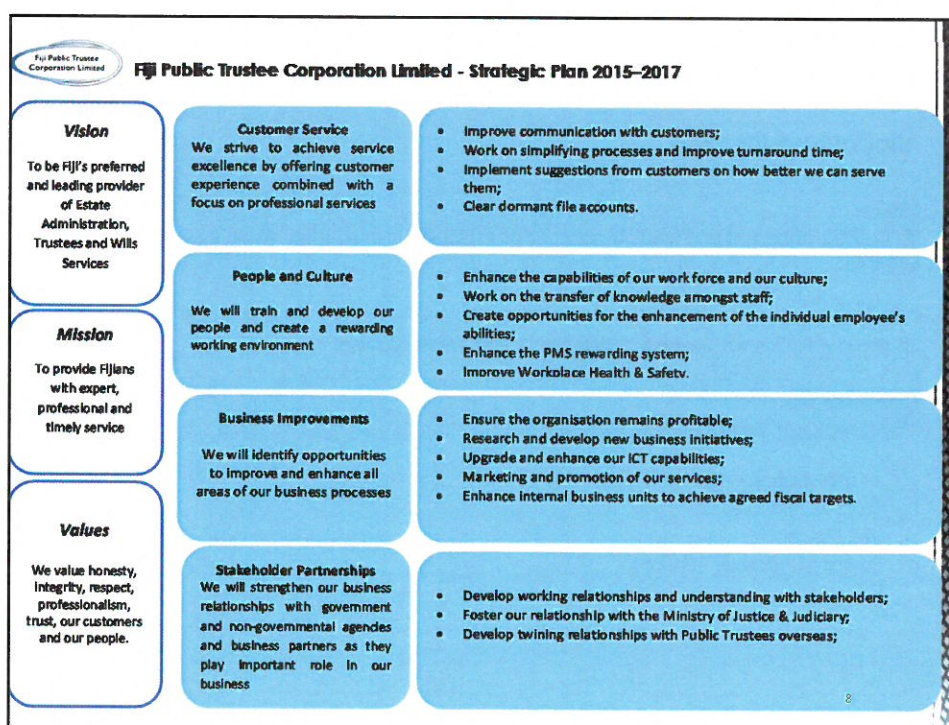
Vision and Mission

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 self-esteem 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 suggestions from customers on how better we can serve them;
- f) **Timeliness**
Commitment towards creating and meeting realistic deadlines;
- g) **Our People**
Training, developing, maintaining and rewarding our people.

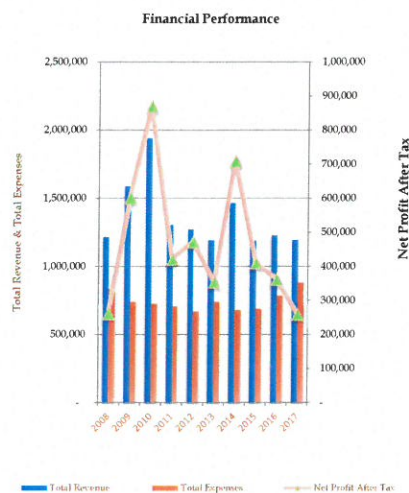
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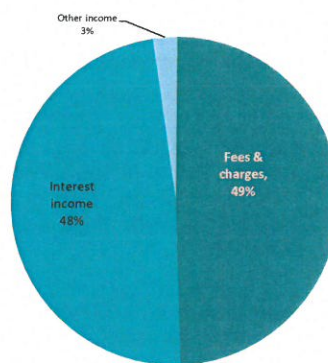
ANNUAL REPORT 2016
PARLIAMENT STANDING COMMITTEE ON SOCIAL AFFAIRS
29 MARCH 2016

Fiji Public Trustee
Corporation Limited

Financial Performance



2017 - Income Composition

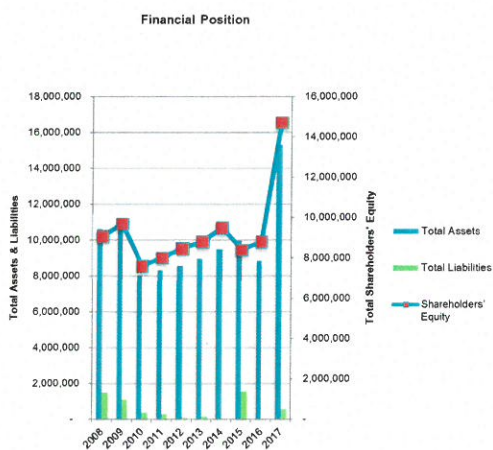


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ANNUAL REPORT 2017
PARLIAMENT STANDING COMMITTEE ON SOCIAL AFFAIRS
14 MARCH 2019

Fiji Public Trustee
Corporation Limited

Financial Position



Ratio	2013	2014	2015	2016	2017
Return on Assets	4%	7%	4%	3%	2%
Return on Equity	4%	8%	5%	3%	2%
Current Ratio	17:1	83:1	1:1	12:1	2:1
Debt to Equity	2%	0%	19%	1%	4%

10

Services Provided to the People of Fiji

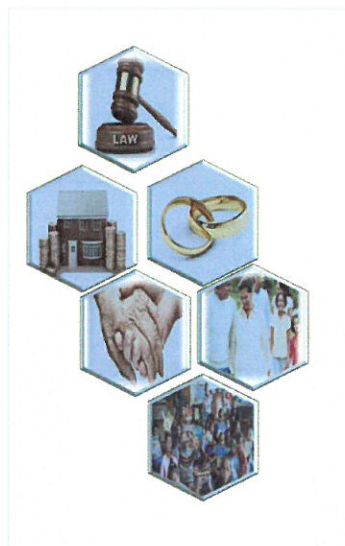
These services are provided to the people of Fiji at no cost to government.

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 2017, we opened 56 estates valued at \$4.5 million and finalised 108 estates valued at \$2.1million.

Fees and charges are as gazetted.



11

Estates Administration

	2013	2014	2015	2016	2017
New Estates	62	57	66	74	56
Value of New Estates	\$2.7M	\$3.7M	\$4.1M	\$3.4M	\$4.5M
Estates Settled & Closed	55	19	27	34	108

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;

12

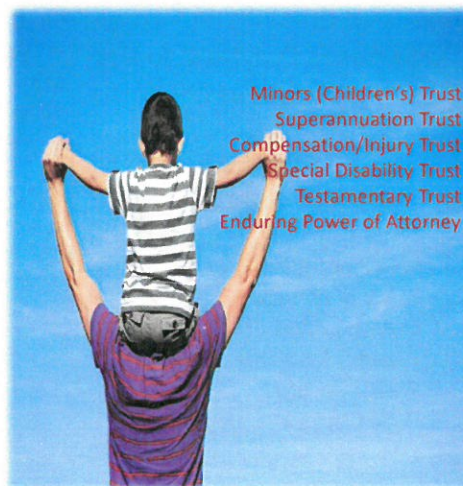
Services Provided to the People of Fiji

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 was Trustees for 9,108 clients with a value of \$15.8M.

Fees and charges are as gazetted.



13

Trust Administration Services

Trust Funds Movement in the last 5 years

	2013	2014	2015	2016	2017
No. of Trust A/C on Hand	10,171	9,821	9,309	9,108	11,418
Value of Trusts	\$21.7M	\$19.4M	\$17.3M	\$15.8M	\$15.1M

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.

14

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;



15

Legal Services

Legal Services	2017	2016
No. of Application for Court Grants	29	20
No. of Application for Property Transfers	12	11
No. of Other Conveyance services	9	10
No. of Other legal services	24	16

The legal services team assists in the conduct of:

- Litigation for contested estate and trust matters and for wills prepared by the Fiji Public Trustee;
- Guidance to staff on specific legal matters and in training and developing staff on legislation and legal updates;
- Conveyance work related to client estate, trust and administration matters.

The legal team also offers other legal services, which were introduced in 2014 and have become very popular with private executors and administrators of estates.

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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 and marketing activities in various communities, civil society, amongst workers and to the ordinary Fijians;
- To continue to offer services to economically disadvantaged Fijians as Non Commercial Obligations;
- Long term plan to explore other business opportunity with the expansion of the FPTCL HQ property in Suva.

FIJI PUBLIC TRUSTEE CORPORATION LIMITED

Response to the Standing Committee on Social Affairs on the Annual Report 2017 Questions

Questions

1. Brief the committee on the functions of the Fiji Public Trustee Corporation Limited.

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

2. Inform the committee on the key challenges faced by FPTCL whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges.

The company has challenges like any other commercial entity and some of our challenges mitigating factors are as follows:

	Challenges	Mitigating Factors
1	Meeting the aggressive changes in customer demands;	Introduce other legal services to address non-core-business arising from customer demands.
2	Address the frequent changes in stakeholder requirements;	Improving stakeholder relationships and conducting stakeholder trainings
3	The effect of changes in legislation that affect our business i.e. changes to the FNPF Act (loss of custodian business);	Introduce new Trust products to be launched this year to compensate loss of business from the changes;
4	Competition from other providers of similar services including law firms, individuals and other agencies	Improvement in customer services, marketing and increase our specialization and expertise in our core-business.

3. How does FPTCL ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?

The Corporation's hiring and promotion is based on merit and training is based on the training needs of the company. We are currently working on our HR policy and it will include a section on Gender Equality. In addition one of the requirements in our Annual Report is to report on the gender composition of the Corporation as on page.3 of the Annual Report 2017. The current gender composition of the company is as follows:

	as at 8/3/19	Male	Female
1	Board of Directors	25%	75%
2	Management	50%	50%
3	Staff	36%	64%
	Total	36%	64%

4. Does FPTCL align itself to any of the Sustainable Development Goals (SDGs)? If so, can you further enlighten the Committee on this?

The Corporation incorporates certain aspects of the Fiji Development Goals in the strategic plan, which are aligned to the SDG's and some of the identified goals are as follows:

- **SDG.1 – No Poverty** – the Corporation through its estates administrations services results in the transfer of personal property to beneficiaries and in most cases "first home owners".
- **SDG.4 – Educated and Well qualified Workforce:** - The Corporation continues to encourage staff to obtain formal qualification with the assistance in the payment of tuition fees. Furthermore, training, workshops, attendance to conferences and study visits overseas are also part of the Corporations training programmes to up skill and develop its people.
- **SDG.5 – Gender Equality:** - The Corporation encourages gender equality in its recruitment and employment as per "4" above.

5. Update the Committee on the Corporation's future plans and initiatives.

The FPTCL's long term plan is to be a sustainable and financially viable government commercial company that continues to provide public trustee services (deceased estate, trustee services and estate planning services) to the people of Fiji at no cost Government. The nature of our business continues to evolve with the changing demands of clients, the complexity of assets we manage, the changing family social structures, higher standards of living, legislative changes and progress to economic development.

In the short term the Corporation will be launching three new services to the people of Fiji. These services will be part of our Trustee Services and also as part of Estate Planning. They are:

- Family Trust
- Charitable Trusts
- Prepaid Funeral Trust

In addition the Corporation is working on a Document Management System project that will see the digitisation of all company records. This is the first stage of the company's modernisation plans as we work in line with government's initiative of a paperless and modern future.

Finally, the Corporation will be working on a commercial plan to expand the current HQ building at Toorak, Suva in taking advantage of other business opportunities that contribute to income growth for the entity.

6. Can we provide further information on the staff medical benefit scheme?

The Corporation currently provides medical reimbursable expenses of two hundred dollars per staff per annum.

7. As stated in the Annual Report, has the Corporation met its financial objective for 2018 to increase its core business income from fees and charges by 64% and to grow its overall income by 40%?

In 2018 Fees and charges was 61% and the growth in overall income of 28%. The shortfall was mainly due to majority of the high valued estates still in working progress and will be completed in 2019.

8. Who are your major competitors and what strategies does the Corporation have to remain relevant and make progress in the midst of competition?

Our major competitors would be the law firms and other individuals who carry out the full administration and trustee services similar to that of the Corporation.

We will need to continue to improve the services (*especially customer services*) that we provide, introducing new services to complement our core business, offer reasonable pricing on the services that we provide and sell our expertise and the professionalism we have on the job.

We have invested on improving services through the internet, i.e. "Start your Will Online" initiative, whereby clients in Fiji and abroad can access the service online. The FPTCL recently has recruited a Communications and Marketing Officer who will be dedicated to promoting our services to the public.

9. Please provide further information on the legal conveyance services provided by FPTCL.

The conveyance services are as follows: -

- Record of Death;
- Transmission by Death;
- Transfer;
- Sale and Purchase Agreement
- Deed of Renunciations
- Power of Attorney
- Variation of Power of Attorney
- Grants of Probate or Letters of Administration

10. As mentioned on Page 3 of the Annual Report, what has the progress been in providing additional trust products and new estate planning services to your customers?

We are still finalising the research work before the launch of new trust products and estate planning services. We anticipate to launch these by mid this year.

11. The committee notes that the company's major business activities are to administer deceased person's estates, provide trustee and Power of attorney services, and make Wills. Do these services attract fees and charges? If so, please provide us a breakdown of the fees charged.

The Fiji Public Trustee charge fees for services rendered in accordance with the regulated Fees and Charges Regulations under the Fiji Public Trustee Corporation Fees Regulation - 2008. A copy of the fees schedule is as attached.

12. Has there been any case of abuse by staff in the management of client's funds? If so, please explain.

The client's funds held with the Corporation are trust and estate funds which are invested through company pooled funds. There is no record of any client's Trust and Estate funds lost through abuse and or mismanagement by officers.

In 2017, a staff was charged with obtaining financial advantage from clients under the pretense of the Corporation. People affected by these false pretenses were still provided full service by the Corporation and cost of service reimbursed from insurance.

13. With respect to providing trustee services, the committee note that one of FPTCL's duties is to pay out funds to the beneficiary at majority age or as per the conditions of the Trust. Please elaborate on this and clarify what the majority age is.

In our trustee services the Corporation holds trust funds for the minors, which are held in pooled funds and invested by the Corporation. These funds are paid to the beneficiaries when they reach the majority age of 18 years as per the FPTCL Amendment Act 2009. These trust funds may also be partially withdrawn for education, maintenance and medical expenses of the beneficiary prior to reaching majority age.

14. Provide details of the \$500,000 dividend declared in 2017 and a breakdown of the \$5 million dividend paid to Government in the last 10 years.

The \$500,000 dividend in 2017 was paid out from retain earnings as detailed on page 26 of the Annual Report 2017. The breakdown of the \$5 million dividend paid over the years is as follows: -

- 2010 - \$3 million
- 2015 – \$1.5 million
- 2017 - \$0.5 million

15. What legislation and policies affect the trust business of FPTCL and how do they pose challenges to its business?

The legislations that affect trust business in the past are:

- FPTCL Act – for which we are working on some amendments
- FNPF Act – has taken away custodian rights to minor funds.
- Succession Probate Act – accept services, notice and act as nominal defendants without a fee levied.

16. What types of investments does the Corporation have and how do clients benefit from these investments?

The corporation invests trust funds in the following

- Government bonds with RBF;
- Term deposit in banks and financial institutions
- Investments in the managed funds i.e. UTOF, FHUT.

Clients are paid an annual interest in their trust accounts after the annual audits.

17. The committee notes that the total, liabilities of the Corporation as at 31st December 2017 were mainly from operations which were cleared within 12 months period. Provide a breakdown of which operations have incurred debt and whether these have been cleared.

The total liabilities of the Corporation are detailed on the notes to the Accounts on pages 39 and 40 of the 2017 Annual Report. These liabilities relate to the company and not of a single operations, which has been cleared in the 12 months period.

18. *Page 13 of the Annual Report* – What is the total cost of the extension to the company headquarters?

The Corporation is still in the initial stages of the proposed expansion plans to the company HQ and no cost has been finalised or determined to date.

19. Have there been cases where there are no qualified claimants? If so, what happens to the properties?

Unclaimed monies are usually advertised and trust funds without claimants from FNPF are remitted to the FNPF. We have not come across any non-claimants on any estate property to date.

20. What plans are in place to deal with the increasing volume of estates and cases with legal issues of increasing commercial complexity?

- The Corporation has carried internal restructure and amendment to the SOP in dealing with increasing complex estates, whereby all legal issues are dealt with In-House counsel and with the Corporation's panel of lawyers whenever required.
- In certain cases we share information with overseas Public Trustees, and if complex issues are not solved than we refer the matter to the High court for their directions.

Financial Statements of FPTCL for the Year Ended 31 December 2017

21. Provide a breakdown of the bad debts which have been written off and the provisions made of doubtful debts.

The Corporation does not have any bad debts nor has it written off or made provisions for such debts.

22. What mechanism is in place of or debt recovery and it is adequate?

The Corporation will follow the legislative and legal means of recovery of debts available.


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FEES & CHARGES

 FIJI PUBLIC TRUSTEE CORPORATION LIMITED ([HTTP://WWW.FIJIPUBLICTRUSTEE.COM](http://www.fijipublictrustee.com)) > [DECEASED ESTATES \(HTTP://WWW.FIJIPUBLICTRUSTEE.COM/DECEASED-ESTATES/\)](http://www.fijipublictrustee.com/deceased-estates/) > FEES & CHARGES

PARTICULARS OF SERVICES	PARTICULARS OF FEES	PARTICULARS OF FEES CHARGES
B Acceptance Fees	1. Estates of deceased persons 2. Estates of persons of unsound mind and incapable persons- (a) On the first \$20,000.00 of the gross value of the estate (b) On any sum in excess of 20,000.00 3. Other trust estates- (a) On the first \$20,000.00 of the gross value of the estate (b) On any sum in excess of 20,000.00	1.5% of the gross value of Estate/Trust plus out of pocket expenses 1.5% 1% 1.5% 1%
B Income Fees	(a) On bank interest, interest in fixed deposits, sugarcane proceeds or maintenance collected and disbursed under any court order (b) On other income e.g. dividends, shares etc	5% of the income received 5% of the income received
C Investment Fees	(a) On purchase, sale or transfer other than bank deposits and bank fixed deposits (b) On savings bank or fixed	2.5% of the gross value of purchase, sale or transfer 2.5% of the gross value invested
D Realization fees	Other than repayment of principal monies secured by a mortgage where Public Trustee is the mortgagee	1% on gross proceeds
E Distribution Fees	(a) Transfer/Sales of Shares (b) Transfer & registration of Titles, Lease etc (b) Distribution of Assets other than Real Estate	5% of the gross value of transfer 1% on the gross value transferred on distribution and 1.5% for any sum in excess of \$50,000 plus Disbursement 2.0% of the net value distributed
F Registration & Enquiry	(a) On every entry, extract or copy (b) On searching for or furnishing any information (i) External Search (ii) Internal Search (c) Application for Court Orders (d) Preparation & registration of Deeds, Power of Attorney, MOU, Sales & Purchase Agreements etc (e) Renewal of Legal Documents (f) Attend to Discharge & settlement (g) Letters of Undertakings or Opinion (h) Consents to Third Parties	Photocopy 20c per page \$20.00 per search \$5.00 per search \$50.00 plus disbursement \$50.00 plus disbursement \$50.00 plus disbursement \$50.00 plus disbursement \$25.00 per request \$20.00 per request
G Negotiation	On negotiation of mortgage, to be paid by the mortgagor	1% of the Capital advanced
H Other Monies	All other monies received, paid or provided e.g. Insurance proceeds etc	1% of amount received or paid

PARTICULARS OF SERVICES	PARTICULARS OF FEES	PARTICULARS OF FEES CHARGES
I General	(a) In addition to the foregoing charges, there shall also be chargeable and payable all disbursements by public trustee properly made in connection with the administration of the trust	Stationery &€" as per charges Telephone as per TFL charges Mobile charges as per TFL charges Postage as per Post Fiji charges Instant Photo as per charges Nil No fees shall be charged on withdrawal of fixed deposits or current or savings accounts in any bank (c) All necessary fees will apply to all pensions or gratuities payable under the provisions of any Act and on any monies received under the provisions of the FNPF Act.
J Preparation of Will	(a) Where FPTCL is the executor and trustee (b) Where FPTCL is not the executor and trustee	\$15.00 plus disbursement \$25.00 plus disbursement
K Probates & Letters of Administration	(a) Application of Probate with Will (b) Application for Grant of Letters of Administration Without Will (c) Application for Re-sealing of Letters of Administration & where the appointed administrator has passed away	1% for the gross value of the Estate up to \$50,000.00 plus 1.5% for any sum in excess of \$50,000.00 plus Disbursement Fees as per application for Probate plus \$200.00 Letters of Administration 1% for gross value of the Estate up to \$50,000.00 plus 1.5% for any sum in excess of \$50,000.00 plus disbursement
L Bank Fees	(a) Cheque Insurance Fees (b) Issuance of Replacement Cheque	\$2.00 per page \$10.00 per cheque plus bank charges for stop payment
M Service Fees	(a) Administration, Maintenance and Service Fees (b) Inspection Fees (c) Copy of Statement (d) Handling of IRD matter (e) Preparation & Filing of IRD tax returns	\$5.00 per Quarter per account \$50.00 within Suva- Nausori, outside Suva- Nausori \$50.00 plus \$0.60 per kilometer plus out of pocket expense \$2.00 per page \$50.00 per request \$100.00 per return filed



LOCATE US

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(mailto:Email : info@fptcl.com.fj)

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Office Phone : (679) 3315 990

Appendix Two

Appendix Two – Supplementary Response

Supplementary Questions and FPTCL Response – Fiji Public Trustee Corporation Limited
2017 Annual Report

The Corporation received the supplementary questions from the Standing Committee on Social Affairs after the briefing on 14th March 2019. The questions and the corporation's response are as outlined below:

Question. 1

The Committee notes from the Annual Report that FPTCL provides various estate, trustee, and legal services to the people of Fiji at **no cost to Government**. Clarify what is meant by this statement seeing as the uses of these services attract fees and charges.

Response: The Fiji Public Trustee Corporation Limited as a State-owned entity provides Estate administration and Trustee services to the of Fiji in as a full commercial service. The Corporation does not receive any Government grant and subsidies nor any allocation from the state's annual budgets.

The people of Fiji have a choice to similar services and we provide our services based on the fees and charges as gazette in the Act. It is a full commercial operation whereby people pay for services rendered to them, and the Corporation is expected to pay dividends back to Government.

Question. 2

We note that the following three legislations have affected the Corporation's trust business:

- a. Fiji Public Trustee Corporation Act. 2006 – What are the limitations of the Act and what amendments is the Corporation intending to make to the Act?

Response: The Corporation is currently working on a number of amendments to the Fiji Public Trustee Corporation. Act 2006, which addresses the limitations to our operations and they as follows:

	Limitations	Amendments
a	Limited powers when acting as Trustee- this current Act does not allow the Corporation to deal with the Estates business until the grant of probate is issued to the Corporation. This affects the overall running of the Estates business and unnecessary debts are accrued whilst awaiting the grant.	To include a new section <i>under Part 4- "The Corporation as a Trustee "for: Powers of Corporation pending grant wherein this Section will provide the Corporation the power to deal with Estates that has businesses whilst awaiting the issuance of the grant.</i>
	The Corporation is obliged to act as Trustees for certain Estates on the order of the Court, however there is no indemnity/protection in favor of the Corporation where the Corporation acts in good faith under or in pursuance of any judgment, order, opinion or direction of any court or judge.	<i>To include a New Section under Part 4- "The Corporation as a Trustee "for: Protection of Corporation acting under court order. This Section will indemnify the Corporation whilst it is carrying out its functions in good faith.</i>
	The Corporation whilst acting as a Trustee is at times not able to recover the cost of administering the Estate due to the Estate not having any funds. Upon completion of administration of Estate , attempts to recover the costs are not successful as the Act does not provide for remedies for such situations.	<i>To include a New Section under Part 4- "The Corporation as a Trustee "for: Estates being liable to administration and other Costs to the Corporation. The provisions in this section will ensure that all Estates pay the Corporation for all administration expenses incurred by the Corporation.</i>

- b. Fiji National Provident Fund Act 2011- Elaborate on how the Act has taken away custodian rights to minor funds

Response: Fiji National Provident Fund Act 2011- The **Fiji National Provident Act Cap 219** (repealed FNPF Act) was the governing legislation for all Fiji National Provident Fund matters prior to the Amendment (s) done in 2011, 2012 and 2014. The repealed FNPF Act in Section 35 provided procedures when there is no nominee or a minor nominee. In such situations, the funds of the deceased members FNPF account were transferred to the Corporation who then distributed the funds in accordance with the Succession, Probate & Administration Act. However, since the FNPF Act was repealed in 2012, all funds from the deceased's members accounts are now kept at High Court of Fiji as per Section 57 (2) of the FNPF (Amendment) Act 2011.

Due to this legislative change, the Corporation is no longer the custodian of minor's funds that were remitted to the Corporation from the FNPF. In essence, those deceased members of the FNPF who had beneficiaries that were minors, had their share of the funds deposited with the Corporation. Since the amendment of the FNPF Act, those funds are not kept with the High Court and dealt with by the High Court. In all, the corporation has essentially lost the rights to be custodians of those funds which have affected the Trust business of the Corporation as no funds are coming from the FNPF any longer.

- c. Succession, Probate and Administration Act 1970 – elaborate how this Act has impacted the Corporation's trust business.

Response: The Succession, Probate Act 1970, does not adversely affect the Corporation's trustee business. The Corporation is agile and prepared to work with changes to any legislations that may affect its operations for the good of all.

The Corporation relies on the Succession, Probate and Administration Act in the daily administration of carrying out the Corporations functions. The most relevant section that the Corporation uses is Section 6 of the Succession, Probate & Administration (Amendment) Act. This Section provides the succession and the order in which the beneficiaries get their shares.

The Corporation also carry out quasi-judicial services as required under the Act.

Question:3 The committee is aware that FPTCL will introduce the following new trust products in 2019:

Response:

- **Charitable Trusts**

The Charitable Trust will be a service provided to people who wish to establish a Charitable Trust and allow them to create a lasting legacy which can support the causes or organisations that is dear to their heart or means a lot to them. Registered Charitable Trusts will generally be exempt from income tax and can operate for defined periods or in perpetuity.

- **Prepaid Funeral Trust**

The Prepaid Funeral Trust is like taking out life insurance and preparing a Will, a Prepaid Funeral Trust is a great way to make it easier for family members and others to cope at a difficult time. With a Prepaid Funeral Trust a person can:

- Put money aside specifically for funeral arrangements;
- Ensure money is available immediately to ease the financial stress on the family.

- **Family Trust**

A family trust is a way to hold and legally protect some or all of a person's assets, for the individual and for his/her family, now and in the future. A person can put many types of assets into a family trust, including his home. Some of the reasons for having a family trust include:

- Keeping specific assets in the family for future generations.
- Estate planning and tailored arrangements to protect against claims on your estate.
- Protecting against claims in the event of relationship.
- Creditor protection in certain circumstances.

Provide information on what these services will entail and how people will benefit from them.

Question: 4 What is the current composition of FPTCL's Board of Directors and is there a minimum number of Directors required to form the Board?

There are currently four (4) Board members as Directors of the Corporation. The minimum number required under the Companies Act. 2015 is as outlined on Section. 91...

"(1) Every Company other than a Private Company must have at least three Directors, not counting alternate Directors, and at least two Directors must ordinarily reside in Fiji.

(2) A Private Company must have at least one Director, and at least one Director of that Company must ordinarily reside in Fiji."

The Corporation as per is a private company and has more than one director.

Appendix Three - Verbatim Report

STANDING COMMITTEE ON
SOCIAL AFFAIRS

[Verbatim Report of Meeting]

HELD IN THE
COMMITTEE ROOM (EAST WING)
ON
THURSDAY, 14TH MARCH, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON THURSDAY, 14TH MARCH, 2019 AT 1.25 P.M.

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

In Attendance:

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

MR. CHAIRMAN.- Honourable Members, welcome.

On behalf of the Standing Committee on Social Affairs, I would like to welcome the Chief Executive Officer, Mr. Antonio Takala from the Fiji Public Trustee Corporation Limited (FPTCL); and also the Manager, Finance and Administration, Mr. John Mow; together with Madam Priya Lal, the Manager, Legal.

Sir, welcome to today's meeting. You are here to present to us in regards to the 2017 Annual Report as far as the FPTCL is concerned. We have gone through your Report page-by-page as a Committee, and then we have formulated some questions and we have sent those questions together with the invitation to you and we have received the responses as far as the questions are concerned.

Today, I will give you the opportunity to present to the Committee in regards to the presentation and after that, you can also go through the questions which we have sent and the answers and then I will give the opportunity to our Members to put in some supplementary questions.

So, thank you very much. Welcome, sirs and madam, and the time is yours to present now, thank you.

MR. A. TAKALA.- Thank you, Mr. Chair and the Honourable Members of the Committee.

The Fiji Public Trustee Corporation Limited (FPTCL) Annual Report 2017 is being presented by myself, the CEO and the two managers and colleagues, as you have briefly introduced.

Sir, just a brief background: the Fiji Public Trustee Corporation Limited was corporatized in 2006 from the previous Public Trustee Office under the Ministry of Justice. We are governed by the Fiji Public Trustee Corporation Act of 2006 and now we report to the Ministry of Public Enterprises that is now under the Ministry of Economy.

Services provided by the FPTCL are mainly:

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

Mr. Chair, these services are provided to the people of Fiji at no cost to Government.

The Board of Directors, Mr. Chair, has changed since the Report was published: Mr. Ikbal Janif resigned last year in July, 2018; Mrs. Bernadette Nicholls is still the Director; the new Chairman is Mr. Sunil Sharma; Ms. Lorraine Seeto is one of the Directors; and Ms. Timaima Vakadewabuka, is another new Director.

The new Directors were appointed in July, 2018.

Management Team still remains as that in the Annual Report: Mr. Atonio Takala, myself as the CEO; Mr. John Mow, Manager Finance and Administration; Ms. Salaseini Drekeni, Manager, Estates and Trust; and Ms. Priya Lal, our Manager, Legal.

The Organisation Chart is on Page 6, still remains the same from previous years. Companies are still being headed by the Board of Directors which are appointed under the Public Enterprise Act, and that is the outlay of the organisation structure.

Moving on, the Human Workforce and Human Resources: The workforce included 22 staff members, comprises of 55 percent females and 45 percent males so that is the current gender composition.

The Corporation does provide training and development for its staff, a query highlighted in the previous reports, so we have detailed that. There is a training plan for the Corporation that is prepared at the beginning of every year.

In 2017 we focused on Leadership, Quality Management, Customer Services. We also provided assistance to staff to obtain formal qualification paid by the Corporation.

Also the Corporation entered into Fiji Business Excellence Award. We have been part of that for over five years now and that is to simply benchmark the Corporation together with the other companies that we continue to compete and operate with in the economy.

We continue to provide staff rewards through Performance Management System. Our vision and mission, Mr. Chairman, is as outlined, the Vision to be Fiji's preferred and leading provider of estates administration, trustee and will services.

Our Mission is to provide Fijians with expert, professional and timely service.

Our Purpose, the company's major business activities, are as outlined.

Our Values are also outlined on Page 8 which are Honesty, Integrity, Respect, Professionalism, Customer Services, Timeliness, and also our focus on our people.

Mr. Chairman, the Fiji Public Trustee Corporation Limited operates within a strategic plan for the last three years between 2015 to 2017 as outlined and four main strategic areas of the operation is Customer Service, our People and Culture, Business Improvements and also Stakeholder Partnership and these are the strategic indicators that we follow through in our Annual Corporate Plans.

Mr. Chairman, very briefly on the 2017 Annual Report as we move on, when you are looking at page 10 on the Financial Performance over the last 10 years, how the company has operated, so on that we can see an average annual increase in revenue of about 9 percent, average increase in expenses was about 12 percent and average increases in net profit before tax of 11 percent.

Mr. Chair, the Corporation continues the trend of achieving some profitability for the 12 consecutive years despite facing these numerous business challenges.

For 2017, just the Income Composition as outlined, income is about 48 percent, Fees and Charges is about 49 percent and Other Income is about 3 percent. That is the major composition of the income that the Company continues to generate over the years.

Moving on to our Financial Position, on page 13 is the brief Financial Position. This is also detailed out on Page 13 of the 2017 Annual Report where you can see a major increase in 2017 of 73 percent in total assets. This is mainly after the reviewing of provisions in the Trust.

In 2017, upon the review of the provisions in Trust, it was agreed that the provision for investment impairment and part of the provisions of the Trust claims be withdrawn.

The decision was based on an external audit recommendation to comply with International Financial Reporting Standards (IFRS) and verification was conducted by the consultants, Ernst and Young, followed by a board resolution. So that is the major change in that graph that we can see.

The other part of that is some of the ratios in which we assess the business and how it operates. From there we can see that the cash flow and liquidity continued to be favorable improving the solvency status of the Corporation and those are the major indicators of the favorable liquidity and solvency status of the Company.

Mr. Chair, I just touch briefly again on the services that we provide. These services provided to the people of Fiji as we said - Estate Administration Services which involve services whereby estates are being administered by the Corporation, then the collating of the person's assets, paying off their debts, distribution of the assets to beneficiaries according to the terms of the will upon death or without a will, then that is done in accordance with the Succession Probate Administration Act.

In 2017, we opened 56 estates valued at \$4.5 million and finalised 108 estates valued at \$2.1 million. The fees and charges are as gazetted.

Mr. Chair, at this time, I would just like to distribute the fees and charges that were also requested.

MR. CHAIRMAN.- Secretariat, can you distribute that?

MR. A. TAKALA.- So these fees and charges are as gazetted, and so we operate within these gazetted fees and one of things we are currently doing this year is trying to review these fees again to just go in line with the current economic situation we face, the cost of doing business, et cetera. This also goes through our process whereby it needs to be approved by the Fair Trading Department and then it will have to come again to Parliament as well.

The Estate Administration, Mr. Chair, for 2016, as we can see, there were 56 new estates, valued at about \$4.5 million and estates closed were about 180.

The FPTCL administers estates where there is a will appointing the FPTCL as an executor, where there is no will and the beneficiaries or close relatives appoint the FPTCL or an existing executor is unable to fulfil the task and denounces it in the favour of FPTCL. The FPTCL also receives estate through appointment of court at times to administer estates.

Mr. Chair, the other core business is the trustee services. A trust is a relationship based on confidence between the person creating a trust, a trustee and a beneficiary, I just need to correct.

In 2017, as we can see on Page 15 of the Annual Report, the Corporation was trustee of over 11,418 clients with a value of \$15.1 million, that is on page 15, just to correct that slide.

Fees and charges are also being distributed within gazetted fees.

The final services that we provide are the legal services. That is the trust that we have highlighted. FPTCL's duties as trustees 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 beneficiaries at majority age or as per the conditions of the trust.

Other services provided by the Corporation include estate planning and other legal services. These include:

- will preparation;
- power of attorney;
- enduring power of attorney;
- executor assistant services;
- wealth transfer; and also
- legal conveyance work.

On that we touch on the legal services team who assists in the conduct of:

- Litigation for contested estate and trust matters for wills' preparation by the FPTCL;
- Provides guidance to staff on specific legal matters in training and developing staff on legislation and legal matters; and
- Conveyance work related to client estate, trust and administration matters.

The legal team also offers other legal services which were introduced in 2014 and have become very popular with private executors and administrators of estates. The Table shows the achievements in 2017 in comparison with 2016.

Finally, Honourable Chairman, to end the brief presentation on the Annual Report, in looking ahead, the Corporation will:

- continue to be financially viable and offer services to the people of Fiji at no cost to Government. That is something that we continue to strive towards to try and continue to provide services profitably and where there is no need for Government input in that;
- 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 and marketing activities in various communities, civil society, amongst workers and to the ordinary Fijians;
- continue to offer services to economically-disadvantaged Fijians as Non-Commercial Obligations; and
- our long term plan to explore other business opportunities within the expansion of the FPTCL Headquarters property in Suva.

Honourable Chairman, that is the brief outline of presentation on the Annual Report. We will now move onto the questions that were provided and our response.

Mr. Chair, will you ask the question or I just respond?

MR. CHAIRMAN.- No, you can ask the question and then you provide the response on the questions that were sent from us.

MR. A. TAKALA.- Thank you, Honourable Chairman.

Question No. 1 : Brief the Committee on the functions of the Fiji Public Trustee Corporation Limited.

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

Question No. 2: Inform the Committee on the key challenges faced by FPTCL whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges.

	Challenges	Mitigating Factors
1	Meeting the aggressive changes in customer demands. Over the years, we have seen that customer demands of our services have continuously changed, and we have seen that customer wants services online and wants it now. So that has changed the way that we provide service all over.	Introduce other legal services to address non-core-business arising from customer demands. What we have done over the years is look at our legal framework and try to assist as much as we can, based on the legal framework that we have and that is why we have offered other legal services to clients as well.
2	Address the frequent changes in stakeholder requirements, that is another challenge. We deal with a lot of stakeholders, Government agencies, High Court, Titles Office, Lands Department, iTLTB, FRCS, other towns and municipalities, banks and financial institutions. So, over the years and over time, changes in the requirements that they want from us continue to be a challenge because that affects the way we provide service to the people.	Improving stakeholder relationships and conducting stakeholder trainings. When there is a change, we are able to quickly adapt to the change and also provide those changes within our standard operating procedures that that does not cause hiccup in the services that we provide.
3	The effect of changes in legislation that affect our business i.e. changes	Introduce new Trust products to be launched this year to compensate loss of business from the

	to the FNPF Act (loss of custodian business);	changes. In actual fact, we are going to launch three of them this year to try and continue to compensate the loss within that, so there is still room for improvements and we still see business opportunities out there in which we continue to try and take advantage of those opportunities and develop business services that we can provide.
4	Competition from other providers of similar services including law firms, individuals and other agencies, like any other business competition, continues to be one of the biggest challenges.	Improvement in customer services, marketing and increase our specialization and expertise in our core-business; so one of the things we are trying to ensure that we have the edge in the service that we provide to our competitors is to simply focus on our speciality. We specialise on this particular products and service and we would like to continue to provide that service as our speciality. I think that is the edge that we would have in countering some of the competition that we have.

Question No. 3: How does FPTCL ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?

The Corporation's hiring and promotion is based on merit; and training is based on the training needs of the company. We are currently working on our HR Policy and it will include a section on gender equality.

In addition, one of the requirements in our Annual Report is to report on gender composition of the Corporation as on Page 3.

However, Mr. Chairman, the current gender composition of the company is as follows:

	As at 8/3/19	Males	Females
1	Board of Directors	25%	75%
2	Management	50%	50%
3	Staff (In Total)	36%	64%
	Total	36%	64%

Question No. 4: Does FPTCL align itself to any of the Sustainable Development Goals (SDGs)? If so, can you further enlighten the Committee on this?

The Corporation incorporates certain aspects of the Fiji Development Goals in the strategic plan which are aligned to the SDGs and some of the identified goals are as follows:

- Sustainable Development Goal (SDG) 1 – No Poverty: the Corporation, through its estates administration services result in the transfer of personal property to beneficiaries and in most cases “first time home owners”. So the transfer of property from the deceased to the beneficiaries in which we contribute to people who are owning property legally through the service.

- Sustainable Development Goal 4 – Educated and Well qualified Workforce: The Corporation continues to encourage staff to obtain formal qualification with the assistance in the payment of tuition fees. Furthermore, training, workshops, attendance to conferences and study visits overseas are also part of the Corporation's training programmes to upskill and develop its people.
- Sustainable Development Goal 5 – Gender Equality: The Corporation encourages gender equality in its recruitment and employment as in Answer 3 above.

Question No. 5: Update the Committee on the Corporation's future plans and initiatives.

Mr. Chairman, the FPTCL's long term plan is to be a sustainable and financially viable government commercial company that continues to provide public trustee services to the people of Fiji at no cost to Government. The nature of our business continues to evolve with the changing demands of clients, the complexity of assets we manage, the changing family social structures, higher standards of living, legislation changes and progress to economic development.

In the shortterm, the Corporation will be launching three new services to the people of Fiji. These services will be part of our Trustee Services and also as part of Estate planning. They are:

- Family Trust;
- Charitable Trusts; and
- Prepaid Funeral Trust.

In addition, the Corporation is working on a Document Management System Project, that will see the digitisation of all company records. This is the first stage of the Company's Modernisation Plans, as we work in line with Government's initiative of a paperless and modern future.

Finally, the Corporation will be working on a commercial plan to expand the current Headquarters (HQ) Building at Toorak in Suva, in taking advantage of other business opportunities that contribute to income growth for the entity.

On this, Honourable Chairman, the properties in Toorak, one of the most lucrative prime areas now in Suva, and we continue to look at carrying out studies of how we can use the property to earn additional income apart from the core business income in order to be sustainable and viable in the long term.

Question 6: Can you provide further information on Staff Medical Benefits Scheme?

The Corporation currently provides medical reimbursement expenses of \$200 per staff per annum.

Question 7: As stated in the Annual Report, has the Corporation met its financial objective of 2018 to increase its core business, income from fees and charges, it was 64 percent and to grow its overall income by 40 percent?

In 2018, fees and charges was 61 percent and the growth in the overall income of 28 percent. Shortfall mainly due to majority of the high value estate was still work-in-progress and this will be completed in 2019.

Question 8: Who are your major competitors and what strategies does the Corporation have to remain relevant and make progress in the midst of competition?

Our major competitors would be law firms and other individuals, who carry out full administration and trustee services similar to that of the Corporation. We will need to continue to improve the services that we

provide, introduce new services to complement our core business, offer reasonable pricing of the services that we provide and sell our expertise and professionalism we have on the job.

We have invested on improving services through internet and, currently, we have started your will online, whereby people can start formulating or want to do their will, they do not need to come to the office, they can just do that online. That is something that we have introduced to try and be above our competitors, and also providing better services to the people of Fiji.

We have clients in Fiji and abroad who can access the service online. FPTCL recently has recruited a Communications Marketing Officer who will also be dedicated in promoting our services to the public.

Question No. 9: Please, provide further information on the legal conveyance services provided by FPTCL.

The conveyance services that we provide are as listed there, Honourable Chairman, on the PowerPoint presentation.

Question 10: As mentioned on Page 3 of the Annual Report, has progress been in providing additional trust products and new estate planning services to our customers?

We are still finalising and doing research work before the launch of this new Trust Products And Estate Planning Services. We anticipate to launch this by mid this year.

Question 11: The Committee notes that the company's major business activities are to administer a deceased person's estate, provide trustee and power of attorney services and make wills, do these services attract fees and charges, if so, please, provide us a breakdown of fees and charges?

Fiji Public Trustee charge fees for services rendered is in accordance with the regulated fees and charges regulation under the Fiji Public Trustee Corporation Fees Regulation of 2008. A copy has been circulated to the Honourable Chairman.

Question 12: Has there been any case of abuse by staff in management of clients funds, if so, please, explain?

Clients funds held with the Corporation are trust and estate funds, which are invested through company pooled funds. There is no record of any client's trust and estate funds lost through abuse and/or management by officers. In 2017, a staff was charged with Obtaining Financial Advantage from Clients, under the pretence of the Corporation. People affected by these false pretences were still provided the full service by the Corporation and cost of the service reimbursed from insurance. The staff was charged and I think has been sent to gaol as well.

Question No. 13: With respect to providing Trustee services, the Committee note that one of FPTCL's duties is to pay out funds to beneficiaries at majority age or as per the conditions of the Trust, please, elaborate on this and clarify what the majority age is?

In our Trustee's services, the Corporation holds trust funds for minors, which are held in pooled funds and invested by the Corporation. These funds are paid to the beneficiaries when they reach the majority age of 18 years as per the FPTCL Amended Act of 2009, previously it used to be till they are 21, so that has been amended to 18. These trust funds may also be partially withdrawn for education, maintenance and medical expenses of the beneficiaries prior to them reaching the majority age.

Question 14: Provide details of the \$500,000 dividend declared in 2017 and breakdown of the \$5 million dividend paid to Government in the last 10 years.

Mr. Chairman, the \$500,000 dividend in 2017 was paid out from retain earnings as detailed on page 26 of the Annual Report 2017. The breakdown of the \$5 million dividend paid over the years are as follows:

2010	-	\$3.0 million
2015	-	\$1.5 million
2017	-	\$0.5 million

Question 15: What legislation and policies affect the Trust business of FPTCL and how do they pose challenges to each business? The legislations that affect Trust business in the past and also probably now are as follows:

- FPTCL Act for which we are working on some of the amendments;
- FNPF Act; this has taken away custodian rights of minor funds; and the
- Succession Probate Act.

For the legislations quoted above, we continue to accept services, notice and act as nominal defendants without a fee levied. This is one of the services that we provide for, especially, the High Court. Where there is no representative of a deceased person, the Public Trustee then comes in and provides their services, but at our own cost.

Question No. 16: What types of investments does the Corporation have and how do clients benefit from these investments? The Corporation invests trust funds in the following:

- a) Government bonds with Reserve Bank of Fiji (RBF);
- b) Term deposits in banks and financial institutions;
- c) Investments in the managed funds, that is, Unit Trust of Fiji (UTOF) and Fijian Holdings Unit Trust (FHUT).

Clients are paid an annual interest in their trust accounts after the annual audits.

Question 17: The Committee notes that the total liabilities of the Corporation as at 31st December 2017 were mainly from operations which were cleared within 12 months period. Provide breakdown of which operations have incurred debt and whether these have been cleared.

Mr. Chairman, the total liabilities of the Corporation are detailed on the notes to the Accounts on pages 39 and 40 of the 2017 Annual Report. These liabilities relate to the company and not of a single operations, which has been cleared in the last 12 month period.

Question No. 18: (Page 13 of the Annual Report) What is the total cost of the extension to the company headquarters?

The Corporation is still in the initial stages of the proposed expansion plans to the company headquarters and no cost has been finalised to determine that to date, but there has been funds allocated of \$5.4 million that is there in the accounts.

Question 19: Have there been cases where there are no qualified claimants? If so, what happens to the properties?

Unclaimed monies are usually advertised and trust funds without claimants from FNPF are usually remitted back to FNPF. At the moment, we have not come across any property with no claimants.

So, what we usually do is to carry out full advertisement to try and search for who are the next of kin now for certain properties that we have and usually in Fiji, there will definitely be a beneficiary or someone coming up to provide claim on the properties.

Question 20: What plans are in place to deal with the increasing volume of estates and cases with legal issues of increasing commercial complexity?

The Corporation has carried out an internal restructure and amendment to the Standard Operating Procedures (SOP) in dealing with increasing complex estates whereby all legal issues are dealt with In-House Counsel and with the Corporation's panel of lawyers whenever required.

In certain cases we share information with overseas Public Trustees and if complex issues are not solved then we refer the matter back to the High Court for their direction or directive.

Question 21: Provide a breakdown of bad debts which have been written off and the provisions made for doubtful debts.

The Corporation does not have any bad debts nor has it written off or made provisions for such debts.

Question 22: What mechanism is in place for debt recovery and is it adequate?

The Corporation will follow the legislative and legal means of recovery of debts available.

Mr. Chair, that briefly is the presentation from the team, thank you.

MR. CHAIRMAN.- Thank you, CEO for FPTCL, Mr. Antonio Takala. Thank you very much for the presentation on the Annual Report 2017.

As said, we had gone through the whole Report, the presentation has been very informative and also you have provided the answers and clarifications as raised by Honourable Members during our sessions.

I will now be giving opportunity to our Honourable Members for supplementary questions but before that, I would like to raise or ask a question: The investments which Public Trustee is making in some of the beneficiaries they are qualified to get that amount at 18 years, if those monies are invested, do they also benefit or the amount increases?

MR. A. TAKALA.- Yes, Mr. Chair, their funds are invested in these investments that I have highlighted, and when they reach 18 they are paid annually after every audit, interest or income that comes from those investments are paid back to each individual trust beneficiaries account and that is paid out annually. When they reach 18, they simply take the full amount including the interest that they have incurred.

MR. CHAIRMAN.- Simply, the amount grows through your investment and they also get returns for that?

MR. A. TAKALA.- That is correct, Mr. Chair.

MR. CHAIRMAN.- Thank you, CEO, yes, Honourable Salote Radrodro.

HON. S.V. RADRODRO.- Thank you, Mr. Chair and thank you, Mr. Takala, and your team for your presentation.

Just a question on the dividends that is paid to the Government: On the \$500,000 dividend, the Report said that for the last 10 years, \$5 million had been paid out. Does that mean there is a standard amount of \$500,000 paid out every year for the last 10 years? Is it a standard amount or how is it computed?

MR. A. TAKALA.- Thank you, Madam. The dividends are usually paid out mainly through the approval of the Directors and usually it is determined by the Directors. But also under the Public Enterprise Act, it states that it is supposed to pay something like 50 percent of the profit of every State-owned entity, they are supposed to be paying that. So, over certain years, the Directors would look at what development needs to be carried out within the company or the capital expenditure that needs to be carried out within the company and with that also liaise with relevant Ministries on whether they will be paying dividends for this particular year or not and which ones they would be paying out. Also, these dividends are then taken to the AGM of the company and the representatives to the AGM of the company are the Permanent Secretary of the Ministry of Economy and the Permanent Secretary of the Ministry of Public Enterprise (currently now they are under one Ministry). The dividends are declared and then approval is then provided by the representatives of the Ministry as part of them representing Government. So, that is how it has been and the breakdown of how it has been paid over the years; that \$5 million.

MR. CHAIRMAN.- That depends on your profit?

MR. A. TAKALA.- Yes, as per the Act, it is supposed to be 50 percent of every State-owned entity.

MR. CHAIRMAN.- The profits you make?

MR. A. TAKALA.- Yes.

MR. CHAIRMAN.- It shows in the answer that you have provided in Question 14, for 2010, it was \$3 million; 2015, \$1.5 million; and 2017, \$0.5 million.

MR. A. TAKALA.- Correct. Mr. Chairman, also you will see that it is not paid every year, so it is over certain years because as it accumulates, then we see how much we can pay out, how much to use for capital projects.

For 2010, the company was incorporated in 2006 so from 2006 to 2009, there was nothing paid out until the first audit was done in 2010. That was when the first \$3 million was paid out and from then, it is not paid every year.

MR. CHAIRMAN.- It is not compulsory for you to pay every year, but depends on the audit and your profit?

MR. A. TAKALA.- Correct.

HON. A. NAGATA.- Thank you, Mr. Chairman and CEO. I am referring to your presentation on slide No. 9 on the Income Composition. What types of income are classified under the Other Income percentage?

MR. A. TAKALA.- Thank you, Sir. The Other Income on this particular year, 2017, there was a capital gain on one of the fixed assets that we sold off. Also there was continuously income from part of the property that we currently own as rental income from that, also goes in as Other Income.

HON. S.V. RADRODRO.- Thank you, Mr. Chairman, just on your last slide where you had mentioned about long term plans to explore other business opportunity. What type of business opportunity you would be looking at? Because it looks like you have a very healthy financial organisation.

MR. A. TAKALA.- Thank you, on this one we are looking at the property that we currently have because we are just having our own office and one part of it is actually rented out. So, for the long term plan, we believe, is that we can make much more from this property rather than just having it as an office, but to

expand it because it is located in Toorak and also rent it out for other Government Ministries to probably come and rent in there, et cetera, to make use and maximise that particular property, rather than just having it as an office. So that is a long term plan as well that we are looking at.

MR. CHAIRMAN.- Thank you, Mr. Takala. We had our discussion in our meeting earlier within our Committee in regards to your office. I believe you are here in Suva, do you also have offices around Fiji?

MR. A. TAKALA.- Mr. Chairman, we have an office in Lautoka and one in Labasa as well.

MR. CHAIRMAN.- What about your awareness programmes?

MR. A. TAKALA.- Yes, currently that is one thing we are continuously trying to work on to try and improve as a business and working within the budget that we have. So, one of the things that we are seeing is that, even in our office, if you will see, in a particular day, you hardly see clients coming in. Why? It is because clients are coming in online, sending us information online, coming through our website, *Facebook*, and all other social media. That is where we have seen business actually moving so instead of making branches all over Fiji, we should be expanding electronically, getting the access of information to people online through the website. That is what we would like to continuously try and develop.

A lot of our clients are also overseas Fijians who have moved overseas and have properties back here in Fiji. We have British Army officers who have moved on and wanted wills, and wanted to facilitate certain things. All these are done online now as we see it to be more business effective that we do that rather than just setting up branches throughout Fiji, and then having so much expenses with a little number of customers coming in within that.

We have branches in Lautoka and Labasa. Labasa deals with all of our estates in Vanua Levu; Lautoka deals with all of the estates in the Western Division; and Suva, the Central Division. But the Suva Office continuously, every two months, move out to carry out inspections together with the branches for properties here in Fiji.

MR. CHAIRMAN.- Apart from Lautoka and the Northern Divisions, Labasa, what about the communities in the maritime or in the rural areas that are not able to access this? What are your plans to provide them with information so that they can also benefit with the services you are providing here at FPTCL?

MR. A. TAKALA.- Thank you, Mr. Chair. With that, one of the things we are planning this year is to carry out appointment-only centres. For other towns that do not have our office, on a quarterly basis, we will look at going to set up there for one week, say in a particular office, such as Post Fiji or even the Legal Aid, to ensure that we provide that for the people within the areas that do not have our office.

We started this last year with Rakiraki. We had a team set up in the Provincial Office there. For one week, we broadcasted our availability. We went out to night meetings with farmers in trying to carry out those types of activities. So what we have done or what we are continuing to try and improve on is, continuing to have what we call "appointment-only" offices now, rather than a full branch within those towns and cities.

MR. CHAIRMAN.- Thank you, CEO, because the way I see this, with Question 5, you will be launching three new services, especially family trust, charitable trust and prepaid funeral trust. We do not want more information on that but like the will online now, you can do that.

All these information need to go down to our people because even in your presentation, we see that there is no money that just stays there, it says that there is no beneficiary, all has been given out, somebody is there to claim that and whatever money is left there below the age of 18 then it also accumulates to another amount with your investments.

MR. A. TAKALA.- Correct.

MR. CHAIRMAN.- So you are doing really great and these services need to reach our people.

MR. A. TAKALA.- Yes.

MR. CHAIRMAN.- And may be more awareness and more information needs to be provided and I thank you. As you have said, you have gone down to the community and district levels. I believe this needs to continue in the future. Yes, Madam Salote.

HON. S.V. RADRODRO.- Yes, thank you, Mr. Chair. Just a question: I had this case brought to my attention from a mother of, I think, a young girl. She was kind of disputing the amount that has been paid out to the child? How is that amount paid out and calculated because she was of the view that the money be paid out even though she was saying that the current system is that she is being paid out a certain amount every year, I believe, until she turns 18. So if you can just explain what is the

MR. CHAIRMAN.- What are the criteria or the calculations?

HON. S.V. RADRODRO.- Yes.

MR. A. TAKALA.- Thank you for that question. The trust funds, we can pay that out partially for education, for medical and for other requests in relation to the children's upbringing. So that can be paid regularly, especially for those who are disabled or handicapped, then there is an agreement that we pay certain amounts every month to the guardian. Also for others, they usually come when school starts and then they bring in their requests together with quotations of what they want to purchase, et cetera. We do scrutinise this. Sometimes the amount they request if we can drop it right down because we will see if they are requesting for books, bags and things, all from *Tappoos* which is very expensive and if it is excessive, instead we will see if it is reasonable to purchase them from other shops, et cetera. Even we come right down to that to ensure that when this particular person turns 18, he still has a good sum of money. Those payments are done on ad hoc basis, whenever it is requested.

On the calculation of the amount that is going to be paid out, we deduct whatever fees the FPTCL will deduct from the account, pay whatever interest that he is entitled or accrued by the particular account and that amount is paid out when we settle the account when they turn 18.

MR. CHAIRMAN.- Thank you, CEO. I thank you because you need to keep control of the withdrawals. If the withdrawal is done any how then at the end of the day, that beneficiary will not receive any money because that money belongs to that particular person. It is very important to safeguard that money, though you are giving a bit of money when they really need that. So thank you very much for keeping control of all those withdrawals.

Honourable Members, I believe we have had a very good presentation and the questions and the clarifications have been answered or provided by the CEO and the team. Before we actually close for today, I will request the CEO if he wants to say a few words and then we will close the meeting proper.

MR. A. TAKALA.- Thank you, Honourable Chairman. Since taking over the position for the last couple of years, I have always seen that the work of the Committee continues to keep myself on my toes as well, and then ensure that I continue to provide better service to the people of Fiji because I have to report back to this particular Committee. Also I thank the Committee for pushing me to always perform to the best of my ability as well. Thank you, Honourable Chairman.

MR. CHAIRMAN.- Thank you, CEO, and also do not take us wrong because as Members of Parliament and Members of this Standing Committee on Social Affairs, our role also is to scrutinise the Annual Reports that are being given by Parliament and report back to Parliament. So, we are doing it to the best of our ability, and I must thank you for the presentation and the time.

Thank you very much, Honourable Members. I believe the presentation is finished now and we will be meeting at the same venue here next Monday at 1.00 p.m. Thank you, Honourable Members, CEO and the team.

The meeting adjourned at 2.17 p.m.