SUGAR INDUSTRY TRIBUNAL

ANNUAL REPORT FOR THE YEAR ENDING 31ST DECEMBER, 2012

SUGAR INDUSTRY TRIBUNAL

Tribunal (Acting)	Anu Patel (Barrister & Solicitor)	Phone	: 6666900/6666920
Tribunal Accountant	David Veremo, DIP ED (COM), BA,CA	Fax	: 6663520
Industrial Commissioner	Timothy Brown, M.B.A, B.A – USP	Email	: tribunal@connect.com.fj

8 April 2014

Rear Admiral Josaia Voreqe Bainimarama
Prime Minister & Minister for Sugar
P O Box 2353
Government Buildings
SUVA

Dear Sir

RE: ANNUAL REPORT - 2012

As required by Section 30 of the Sugar Industry Act of 1984, a report on the activities of the Tribunal, the Industrial Commissioner, and the Accountant to the Tribunal is submitted for the period 1st January, 2012 to 31st December, 2012 as well as a report on the extent to which the objects of the Act set out in Section 3 have been achieved.

Also enclosed is a copy of the audited statement of accounts of the Tribunal for the same period prepared in accordance with Section 29 of the Act.

Yours sincerely

(Anu Patel)
ACTING SUGAR INDUSTRY TRIBUNAL

Encls.

Sugar House, Walu Street, P.O. Box 5123, Lautoka, Fiji.

ANNUAL REPORT – 2012

PART I – ESTABLISHMENT

The Sugar Industry Tribunal was established under the Sugar Industry Act Cap. 206. The functions of the Tribunal and its Accountant and Industrial Commissioner are described in Sections 21, 22 and 26 of the Act.

Mr. Anu Patel was appointed the Acting Sugar Industry Tribunal with effect from 3rd September 2002.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 2nd August 2010 for a term of three years.

In addition, the Tribunal employed one Personal Assistant, an Assistant Registrar, one Accounts Clerk, one Gang Administrator, an Office Assistant/Driver and a Front Desk Officer.

FINANCE

Section 29 of the Act provides that the expense of the Tribunal is a charge on the consolidated fund. The Government allocated a grant of $500,000 for 2012.

PART II – THE TRIBUNAL

NATIONAL HARVEST QUOTA

The Fiji Sugar Corporation informed the Tribunal in a letter dated 7th April 2011, as required under Regulation 5.6(i) of the Master Award that it intends to purchase 100% of the NBA of 2,92,5889 tonnes for the 2012 season.

PURCHASE OF ALL CANE 2012

The Fiji Sugar Corporation did not inform the Tribunal of its intention to purchase all cane as required under Regulation 5.6(iv) of the Master Award.

FORECAST PRICE 2012

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2012 season would be $63.00. This price was discounted by 15% to allow for the possible adverse fluctuations in exchange rates as provided for in the Master Award to arrive at a forecast price of $53.55 per tonne of cane.

COMMENCEMENT OF CRUSHING

Under Regulation 4 of the Master Award, the Corporation is required not later than the 30th of April in each year to submit to the Tribunal and the Council a written statement in respect of each mill specifying the intended date of commencement of crushing, the date on which growers and gangs will be required to commence harvesting, and the date on which, if normal circumstances exist throughout the crushing season, crushing is likely to be completed at each mill.

Regulation 4.1(a) of the Master Award provides that crushing shall commence no later than the third Tuesday of June. In 2012, this day fell on Tuesday, 19th June, 2012.

The Corporation wrote to the Tribunal by letter dated 31st May 2012 advising of its intention to commence crushing for Lautoka, Rarawai, Labasa and Penang Mills as follows:

Penang Mill	21st June 2012
Lautoka Mill	26th June 2012
Rarawai Mill	10th July 2012
Labasa Mill	29th June 2012

The Tribunal consulted the Acting Chief Executive of the Sugar Cane Growers Council, the Executive Chairman of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 4th June 2012 that the four mills are authorized to commence crushing on the following dates:-

Penang Mill	21st June 2012
Lautoka Mill	26th June 2012
Labasa Mill	29th June 2012
Rarawai Mill	10th July 2012

LIKELY DATES FOR TERMINATION OF CRUSH

Regulation 4.8 of the Master Award requires the Tribunal to announce the dates by which crushing is expected to end at each mill.

The Corporation advised the Tribunal on 20th September, 2012 that based on the estimated remaining crop to be harvested the likely date for termination of crush for each of the mills is as follows:-

Labasa Mill	05th October 2012
Penang Mill	10th October 2012
Lautoka Mill	15th November 2012
Rarawai Mill	05th December 2012

After consulting the Acting Chief Executive Officer of the Sugar Cane Growers Council, the Executive Chairman of the Fiji Sugar Corporation and the Industrial Commissioner; the Tribunal ORDERED that the Corporation terminate crush at each of the mills as follows:-

Labasa Mill	16th October 2012
Penang Mill	17th October 2012
Lautoka Mill	25th November 2012
Rarawai Mill	12th December 2012

BURNT CANE

"On Programme Burning" was not approved for the 2012 season.

PART III – INDUSTRIAL COMMISSIONER/REGISTRAR OF THE TRIBUNAL

FAIR-TRADE

Labasa Cane Producers Association

The Labasa Cane Producers Association continued its development project it started last year.

1. Cane Planting

Labasa Cane Producers Association approved an allocation of $886,469.00 for this project. A total of 856 hectares of new plant cane was planted under this project.

2. Drainage

A sum of $269,528 was used by growers to improve the drainage system on their farm.

3. Weedicide

A total of $271,412 was allocated for weedicide subsidies to growers. This was to assist growers maintain a weed free farm.

4. Harvest Assistance

A pair of knives and file was supplied to every farmer for every 100tonnes of cane harvested in the previous year (2011).

Rarawai/Penang Cane Producers Association

The Rarawai/Penang Cane Producers association was certified on 18th Dec 2012.

Lautoka Cane Producers Association

The Lautoka Cane producers association was set up and certified on 12 December 2012.

The Sugar Cane Industry Stakeholders was instrumental that all registered growers in Fiji in setting up all the Cane Producers Association so that farmers could benefit from the funds received for fair-trade premiums.

GANG MATTERS

The Industrial Commissioner was given the responsibilities to handle gang matters when the Sugar Commission of Fiji was dissolved by Cabinet in 2009. The Industrial Commissioner prepared the Memorandum of Gang Agreement (MOGA) for the 2011 season in consultation with the Sugar Cane Growers Council and Fiji Sugar Corporation. During the year the Industrial Commissioner dealt with gang matters such as gang transfer, gang amalgamation and formation of new gangs.

Gang Disputes

In the year 2012, 21 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 21 cases was handed down by the Industrial Commissioner.

EMPLOYEE BENEFIT FUND

THE FIJI SUGAR TRADESMEN'S UNION EMPLOYEE BENEFIT FUND

The Fiji Sugar Tradesmen's Union Welfare Benefit operated successfully during the year. A total of 524 loans amounting to $217,433.42 were approved to members during the year. The Fund has total net assets worth $350,920.95.

THE FIJI SUGAR CLERKS/SUPERVISORS ASSOCIATION WELFARE BENEFIT FUND

The Fiji Sugar Clerks/Supervisors Association Welfare Benefit Fund operated successfully during the year. A total of 131 loans amounting to $62,315.00 were approved to members during the year.

SUGAR MILLING STAFF OFFICERS ASSOCIATION WELFARE BENEFIT FUND

The Sugar Milling Staff Officers Association Welfare Benefit Fund operated successfully during the year. A total of 205 loans amounting to $82,200.00 were approved to members during the year. The Fund has total net assets worth $40,359.19.

REGISTER OF GROWERS

During the year the Registrar dealt with the following applications for new registrations, transfers and other amendments to the Register of Growers:-

NEW REGISTRATIONS

	Lautoka	**Rarawai**	**Labasa**	**Penang**	**Total**
Applications	58	38	57	19	172
Approvals	57	37	52	18	164
Rejections	-	-	-	-	-
In Process	1	1	5	1	8

TRANSFERS

	Lautoka	**Rarawai**	**Labasa**	**Penang**	**Total**
Applications	21	33	20	7	81
Approvals	17	33	13	7	70
Rejections	3	-	7	-	10
In Process	1	0	0	-	1

OTHERS

The Registrar dealt with 2902 other matters involving amendments to the Register. These included estate matters, sector changes, changes in method of delivery, amendments to Farm Basic Allotment and registered area, replacement of lost certificates and cancellation of Registrations. These were distributed per mill as follows:-

	Lautoka	**Rarawai**	**Labasa**	**Penang**	**Total**
Applications	126	203	176	49	554
Approvals	124	197	162	49	532
In Process	2	6	14	0	22

Attached as Appendix I are statistics taken from the Register of Growers dealing with the number of growers in each mill, district and sector.

ALTA EXPIRY LEASE

A total of 274 new registrations were issued on ALTA expired leases, over the period 01/01/12 to 31/12/12 of these 42 new registrations were issued to new incoming landowner/ITaukei tenants and 232 were issued to new Indo Fijians tenants while no new registrations were issued to sitting tenants. (Refer Appendix I (g)).

To date a total of 4560 registrations have been issued to tenants on ALTA expired leases, of these 1749 were issued to new incoming landowner/ITaukei tenants and 2811 registrations were issued to new Indo Fijian tenants while 504 registrations were issued to sitting tenants.

PART IV – ACCOUNTANT TO THE TRIBUNAL

FINAL CANE PRICE FOR 2012 SEASON

The 2012 season returned to the growers $81.83 per tonne of cane. The final cane price was calculated as follows:

Total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	$186,353,246
Growers Share of Proceeds (Sec 20.2)	$126,606,433
Tonnes of Sugar Produced	154,815
Tonnes of Molasses Produced	66,990
Tonnes of Cane Delivered and paid for	1,547,244
Price per tonne of Cane	$81.83

FORECAST CANE PRICE		2012	2011	2010
Tonnes of cane paid	MT	1,906,000	2,100,000	1,993,800
Which Produced:				
Sugar	MT	150,079	168,000	189,730
[TCTS]		12.70	12.50	10.5
Molasses	MT	76,240	84,000	79,750
Proceeds:				
From Sugar - Overseas (net of marketing commission)		132,121,727	145,019,400	149,642,457
- Local & Regional		34,955,976	30,200,948	20,799,120
- Stocks			17,573,600	
From Molasses - Overseas		13,632,854	496,000	12,751,137
- Local		1,240,000		425,000
T O T A L		**180,950,557**	**193,289,948**	**183,618,714**
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
		180,950,557	**193,289,948**	**183,618,714**
Deductions prior to dividing proceeds were:				
Export duty - Sugar			527,208	4,871,838
- Molasses		408,986		
Bulk loading costs & SCRC		1,577,717	1,200,000	
Wharfage, sugar		40,814	45,540	62,610
molasses		102,672	124,000	115,863
Molasses Handling		114,595	138,400	129,318
Marketing Cost		300,000		
Rouging Costs		200,000	200,000	200,000
Lorry Transport Allowance		1,169,984	1,335,500	1,400,000
Sundries				
Cost of Importing sugar			3,570,648	22,796,770
Cost Handling import sugar				
Total Deductions		**3,914,768**		**29,576,399**
Revenue for Distribution		**177,035,790**	**189,719,294**	**154,042,315**
This was divided under the terms of the Master Award as follows:				
Payable to the Growers		**123,925,053**	**132,803,506**	**107,829,621**
Less growers contribution to SRIF		**900,000**	**900,000**	**706,694**
Less growers contribution to SCGF		**2,940,839**	**2,940,839**	
Nett payable to growers		**120,084,214**	**128,962,667**	**107,122,927**
Equaling per tonne of cane		**63.00**	**61.41**	**53.73**
The forecast price was:		**53.55**	**52.20**	**46.87**
The Millers share was:		**53,110,737**	**56,915,788**	**46,212,694**
or per tonne of cane crushed		**27.00**	**27.10**	**23.18**

FORECAST CANE PRICE		2009	2008	2007
Tonnes of cane paid	MT	2,385,300	2,585,000	3,100,000
Which Produced:				
Sugar	MT	238,530	274,000	319,005
[TCTS]		10.00	9.43	9.72
Molasses	MT	107,339	106,328	124,000
Proceeds:				
From Sugar –				
- Overseas		210,845,757	209,674,513	201,789,934
- Local & Regional		32,640,840	22,566,600	22,566,600
- Freight & Commission			24,193,032	
From Molasses - Overseas		15,978,142	12,133,706	14,883,721
- Local		1,813,815	282,880	340,000
T O T A L		**261,278,554**	**244,657,700**	**239,580,255**
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
Total Income		**261,278,554**	**244,657,700**	**239,580,255**
Deductions prior to dividing proceeds were:				
Export duty - Sugar		6,804,717	6,654,247	6,500,210
- Molasses				
Bulk loading costs & SCRC				1,669,768
Wharfage, handling costs,			75,570	484,021
Insurance and bagging costs			159,650	
Wharfage, Sugar		70,795		
Molasses		133,300		
Molasses Handling		148,780		
Prior Season Adjustments			178,190	
Costs drawn by Sugar Commission of Fiji and Mill Area Committees			780,000	480,000
Contributed to the costs of the Sugar				
Cane Research Centre				
Rouging Costs		200,000	200,000	300,000
Lorry Transport Allowance		600,000	600,000	700,000
Sundries				
Cost of importing Sugar		6,767,130	32,796,841	
Cost Handling import sugar		105,857	1,090,500	
Total Deduction		**14,930,579**	**42,534,998**	**10,133,999**
Revenue for Distribution		**246,347,975**	**202,122,701**	**229,446,256**
This was divided under the terms of the Master Award as follows				
Going to the Growers		**172,443,583**	**141,485,891**	**160,612,379**
Less growers contribution SRIF		**800,000**	**800,000**	**1,000,000**
Nett going to growers		**171,643,583**	**140,685,891**	**159,612,379**
Equaling per tonne of cane		**71.96**	**54.42**	**51.49**
The forecast price was:		**61.17**	**46.26**	**43.76**
The Millers share was:		**73,904,393**	**60,636,810**	**68,833,877**
or per tonne of cane crushed		**30.98**	**23.46**	**22.20**

PART V – OBJECTIVE OF THE ACT

Pursuant to section 30(1) of the Act, the Tribunal is obliged to advise the Hon. Minister for Agriculture, Land Resettlement & Sugar about the extent to which the objects of the Act have been achieved in the period under review. These are set out in section 3 of the Act as follows:

- To promote the efficiency and development of the industry;
- To co-ordinate the activities of all sections of the industry and to promote goodwill and harmony between them;
- To prescribe standards governing the mutual rights and obligations of the Corporation and the growers, and to provide for the keeping of an official register of growers;
- To encourage, and provide the means for, conciliation with a view to the prevention and settlement of all disputes within the industry by amicable agreement; and
- To provide means for preventing and settling disputes within the industry which are not resolved by amicable agreement with the maximum of expedition and the minimum of legal form and technicality.

The Tribunal warmly acknowledges the support it has had from all parties in the Industry and wishes to record in particular its appreciation for the work of the Industrial Commissioner and Registrar of the Tribunal, the Accountant to the Tribunal and the staff of the office of the Sugar Industry Tribunal in the performance of its functions.

APPENDIX I(a)

REGISTER OF GROWERS' STATISTICS
MILLS, DISTRICTS AND SECTOR
As at 31.12.12

LAUTOKA MILL					
Lautoka District	Drasa Sector	- 703			
	Natova Sector	- 453			
	Saweni Sector	- 247	2,049		
	Lovu Sector	- 395			
	Lautoka Sector	- 249			
	Estate	- 2			
Nadi District	Qeleloa Sector	- 305			
	Malolo Sector	- 409			
	Nawaicoba Sector	- 389			
	Meigunyah Sector	- 352	2,081	5,246 32%	
	Yako Sector	- 321			
	Legalega Sector	- 303			
	Estate	- 2			
Sigatoka District	Cuvu Sector	- 381			
	Lomawai Sector	- 523	1,116		
	Olosara Sector	- 212			
RARAWAI MILL	Koronubu Sector	- 724			
	Varavu Sector	- 627			
	Veisaru Sector	- 553			
	Varoko Sector	- 477			
	Mota Sector	- 476	3,486		15,948
	Naloto Sector	- 346			
	Rarawai Sector	- 281			
	Estate	- 2			
				5,081 31%	
Tavua District	Tagitagi Sector	- 575			
	Drumasi Sector	- 561	1,595		
	Yaladro Sector	- 459			
PENANG MILL	Malau Sector	- 684			
	Ellington I Sector	- 348	1,665	1,665 10%	
	Nanuku Sector	- 346			
	EIIlington II Sector	- 287			
LABASA MILL					
Labasa District	Bucaisau Sector	- 552			
	Wailevu Sector	- 628			
	Wainikoro Sector	- 408			
	Labasa Sector	- 431	3,333		
	Vunimoli Sector	- 505			
	Waiqele Sector	- 430			
	Daku Sector	- 379			
				3,956 24%	
Seaqaqa District	Natua Sector	- 186			
	Solove Sector	- 254	623		
	Bulivou Sector	- 183			

APPENDIX 1(b)

GROWERS SCA, FBA & PRODUCTION – GROWERS STATISTIC – SEASON 2012

Mill	Sect	Lease Area	Area Under Cane	SCA	FBA	No of Registered Growers	No of Active Growers	PRODUCTION
1	111	3678.71	1813.9	2513.9	133513	703	589	80268.3
1	112	2661.94	1215.6	1604.6	89442	395	348	54197.4
1	113	1820.76	496.8	942.5	36200	249	169	17394.8
1	114	1343.34	503.8	973.6	34607	247	166	16270.9
1	115	2637.01	1115.4	1880.6	83361	453	320	36953.8
1	119	0	0	218.8	6773	2	2	4154.6
1	121	2084.05	889.1	1258.8	59144	303	237	34732.0
1	123	2704.36	1231.8	1492.8	71607	352	292	38528.3
1	124	1715.04	609.8	1115.6	38959	305	217	20145.7
1	125	2374.44	897.9	1500.4	51217	321	258	27961.6
1	126	2753.08	1131.4	1812.9	64653	409	308	32798.7
1	127	3268.9	1378	1869.1	80020	389	342	48404.3
1	129	72.6	0	85	4447	2	1	2233.2
1	131	3016.82	1495.1	2391.9	83739	523	439	45869.1
1	132	2728.67	933.8	1802.9	48735	381	205	19391.7
1	133	1391.7	176.8	885.8	19949	212	36	2178.3
2	211	2543.98	1292.2	1693.8	92671	477	392	52063.7
2	212	3092.82	1424	1988.6	101486	476	408	53183.3
2	213	5147.63	2359.6	3030.9	131996	724	636	71470.9
2	214	827.01	755.2	952	53053	281	248	31099.0
2	215	5599.58	1576.7	2581.8	95070	553	472	63861.6
2	216	3449.59	1525.6	2431.8	108212	627	507	61038.9
2	217	2677.97	1020.04	1605.4	71707	346	272	32364.6
2	219	18	0	121.7	6119	2	2	3351.4
2	221	4602.05	3.8	2572.1	78826	575	481	53231.3
2	222	5352.41	1881.8	2723.6	98929	561	492	52386.1
2	223	2975.18	357.7	1784.5	60749	459	367	34588.7
3	311	4440.14	2078	2489.7	117777	430	385	62952.8
3	312	5890.8	1349.1	2902.5	144386	628	574	91609.8
3	313	3371.45	1104.74	1533.9	99380	505	443	41896.8
3	314	3011.63	244.5	1019.1	58734	431	354	24953.2
3	315	3985.05	1659	2117.1	91061.8	552	504	42622.4
3	316	3718.77	1220.6	1492.6	50429	408	353	22847.1
3	317	4079.58	1540	1766.2	71206	379	315	27094.7
3	321	3754.16	937.7	1338.5	55934	186	158	26361.3
3	322	4648.9	1560.5	2113.6	109306	254	202	40209.6
3	323	5093.87	1073.5	1646.6	77175	183	140	32739.2
4	411	3395.12	639.4	1661.8	37248	348	178	12029.4
4	412	3957.11	2089.93	2849.91	126354	684	624	85795.7
4	413	3187.62	920.94	1598.2	53288	346	296	36693.0
4	414	2543.46	361.4	1495.5	30866	287	116	9050.3
		125615.3	42865	69860.6	2928329	15948	12848	1546977.4

APPENDIX 1 (c)

REGISTER OF GROWERS

R A C E S

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
INDIAN	4,164	4,118	1,037	3,372	12,691
FIJIAN	1,039	931	617	564	3,151
OTHERS	43	32	11	20	106
TOTAL	5,246	5,081	1,665	3,956	15,948

TOTAL

INDIAN	-	12,691	79.58%
FIJIAN	-	3,151	19.76%
OTHERS	-	106	0.66%
		-----------	----------
		15,948	100.00%
		======	=======

APPENDIX 1(d)

REGISTER OF GROWERS

METHOD OF DELIVERY

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
PORTABLE LINE	464	759	217	675	2,115
TRACTOR TRAILER	2,232	2,034	245	1,363	5,874
LORRY DIRECT	2,550	2,288	1,203	1,918	7,959
TOTAL	5,246	5,081	1,665	3,956	15,948

TOTAL

PORTABLE LINE	-	2,115	13.26%
TRACTOR TRAILER	-	5,874	36.83%
LORRY DIRECT	-	7,959	49.91%
		----------	----------
		15,948	100.00%
		======	========

APPENDIX I(e)

REGISTER OF GROWERS

FORM OF LAND TITLE

	LAUTOKA	RARAWAI	LABASA	PENANG	TOTAL
NATIVE LAND	2,798	2,639	2,556	436	8,429
CROWN LEASE	1,084	1,334	1,124	374	3,916
FREEHOLD	606	491	122	259	1,478
VAKAVANUA	266	75	4	183	528
OTHERS	492	542	150	413	1,597
TOTAL	5,246	5,081	3,956	1,665	15,948

TOTAL

NATIVE LEASE	-	8,429	52.85%
CROWN LEASE	-	3,916	24.55%
FREEHOLD	-	1,478	9.27%
VAKAVANUA	-	528	3.31%
OTHERS	-	1,596	10.01%
		15,948	100.00%

APPENDIX 1(f)

REGISTER OF GROWERS

FARM BASIC ALLOTMENT

	0-100	101-300	OVER 301	TOTAL
LAUTOKA	1,815	2,707	724	5,246
RARAWAI	1,574	2,796	711	5,081
LABASA	1,077	1,972	907	3,956
PENANG	711	774	180	1,665
TOTAL	5,177	8,249	2,522	15,948

TOTAL

0-100	-	5,177	32.46%
101-300	-	8,249	51.75%
OVER 301	-	2,522	15.81%
		----------	----------
		15,948	100.00%
		=======	========

REGISTERED GROWERS PRODUCTION RANGE SEASON 2012

Ton -Range	No. of Growers	Production	SCA	FBA	TPHA
1 - 50.00	3313	92746.66	11272.2	338108	19.45
50.00 - 100.00	3369	248950.86	12883.9	498258.8	29.22
100.00 - 200.00	3951	564509.9	17345.9	872276	38.94
200.00 - 300.00	1543	372235.65	8222.8	486853	52.59
300.00 - 400.00	465	157253.74	2935.9	198500	59.03
400.00 - 500.00	131	57687.18	1064	78348	56.6
500.00 - 700.00	62	35211.95	621.9	45406	58.39
500.00 - 700.00	10	7958.77	154.7	8497	58.43
> 1000.0	4	10422.66	359	16659	795.62
	12848	**1546977.4**	**54860.3**	**2542906**	**1168.27**

APPENDIX I(g)

TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/97- 31/12/12

	FIJIAN			INDIAN			TOTAL		
	NEW	**SIT**	**TOT**	**NEW**	**SIT**	**TOT**	**NEW**	**SIT**	**TOT**
LTK	583	9	592	955	171	1126	1538	180	1718
RAR	514	7	521	655	112	767	1169	119	1288
LAB	487	4	491	676	185	861	1163	189	1352
PEN	135	10	145	51	6	57	186	16	202
TOT	1719	30	1749	2337	474	2811	4056	504	4560

APPENDIX I(h)

TOTAL REGISTRATION ON ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/12 - 31/12/12

	FIJIAN			INDIAN			TOTAL		
	NEW	**SIT**	**TOT**	**NEW**	**SIT**	**TOT**	**NEW**	**SIT**	**TOT**
LTK	7	0	17	61	0	61	68	0	78
RAR	13	0	13	75	0	75	88	0	88
LAB	7	0	7	95	0	95	102	0	102
PEN	5	0	5	1	0	1	6	0	6
TOT	42	0	42	232	0	232	274	0	274

REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL

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SUGAR INDUSTRY TRIBUNAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Sugar Industry Tribunal for the year ended 31 December 2012 in accordance with section 13 of the Audit Act (Cap. 70) and section 29 (2) of the Sugar Industry Act. The financial statements consist of the Statement of Changes in Equity, Statement of Financial Position, Statement of Revenue and Expenditure, Statement of Cash Flows and the accompanying notes. The Tribunal is responsible for the preparation and presentation of the financial statements and the information contained therein.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The audit procedures included examination, on test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures were undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Tribunal's financial position and the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

Included in the Receivables (refer to note 4) is VAT receivable totaling $43,208. There is an un-reconciled difference amounting to $33,162 between the general ledger and statement of VAT account provided by Fiji Revenue and Customs Authority. I was unable to verify the recovery of the un-reconciled amount due to lack of appropriate supporting documents. Consequently, I am unable to satisfy myself if VAT receivable is fairly stated in the financial statements.

Qualified Audit Opinion

In my opinion, except for the matters discussed in the qualification paragraph, the financial statements presented fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Tribunal as at 31 December 2012 and the results of its operations and cash flows for the year then ended.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of my audit.

Tevita Bolanavanua
Auditor General

AUDITOR-GENERAL FIJI

28 January 2014

SUGAR INDUSTRY TRIBUNAL
STATEMENT BY THE TRIBUNAL
FOR THE YEAR ENDED 31 DECEMBER 2012

TRIBUNAL'S STATEMENT

In our opinion the Financial Statements have been properly drawn up so as to show a true and fair view of the Sugar Industry Tribunal's operations for the year ended 31 December 2012 and of the state of affairs as at that date.

....	....
Mr. Anu Patel	Mr. Timothy Brown
Acting Sugar Industry Tribunal	**Industrial Commissioner**
Date: 27/01/2014	**Date:** 27/01/2014

SUGAR INDUSTRY TRIBUNAL

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012	2011
		$	$
Asset revaluation reserve			
Balance at the beginning of the year		14,713	14,713
Balance at the end of the year		14,713	14,713
Asset realisation reserve			
Balance at the beginning of the year		295	295
Balance at the end of the year		295	295
Accumulated surplus			
Balance at the beginning of the year		49,185	118,716
Surplus for the year		52,650	42,831
Less: Prior years adjustment		-	(112,362)
		101,835	49,185
Balance at the end of the year		116,843	64,193

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	2012	2011
		$	$
CURRENT ASSETS			
Cash at bank and on hand	3	93,560	39,566
Receivables	4	71,455	54,093
Total current assets		165,015	93,659
NON CURRENT ASSETS			
Property, plant and equipment	5	90,238	105,222
Total non current assets		90,238	105,222
TOTAL ASSETS		255,253	198,881
CURRENT LIABILITIES			
Creditors and accruals	6	48,172	29,466
Total current liabilities		48,172	29,466
NON CURRENT LIABILITIES			
Deferred income	8	90,238	105,222
Total non current liabilities		90,238	105,222
TOTAL LIABILITIES		138,410	134,688
NET ASSETS		116,843	64,193
FUNDS EMPLOYED			
Accumulated surplus		101,835	49,185
Asset realisation reserve		295	295
Asset revaluation reserve		14,713	14,713
TOTAL FUNDS EMPLOYED		116,843	64,193

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 9 to 15.

For and on behalf of the Tribunal.

....

Mr. Anu Patel
Acting Sugar Industry Tribunal

Date: 27|01| 2014

....

Mr. Timothy Brown
Industrial Commissioner

Date: 27|01|2014

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012	2011
		$	$
REVENUE			
Amortisation of deferred income		22,688	19,082
Gain on trade in of fixed asset		1,680	8,550
Government grants	7	434,782	430,308
Interest on salary advance		1,141	1,323
Discount Received		250	-
Miscellaneous		-	1,160
Total Revenue		460,541	460,423
EXPENDITURE			
Advertising		4,604	3,425
Audit fees		4,521	5,261
Bank charges		460	467
CDRF Expenses		423	-
Depreciation		22,688	19,082
Delivery expenses		444	300
Dispute cases		-	3,913
Electricity		10,472	9,757
Entertainment		382	-
FNPF		27,718	23,476
Freight charges		917	1,044
Gang		120	7,061
General expenses		5,188	4,755
GIS		14,551	33,671
Harvesting and Transport		8,850	-
Industrial commissioner's expenses		64,361	49,234
Information system (IT)		792	1,200
Inspection expense		1,094	4,521
Insurance		5,527	3,520
ISO conference		3,794	5,848
LA Reunion Conference		2,769	-
Loss on disposal		-	80
MAS meetings		-	1,448
Meeting expense		7,720	4,366
Minor assets purchase		817	1,867
Motor vehicle expense		32,210	31,472
Printing & stationery		15,975	13,192
Rent & outgoings		27,755	37,984
Staff training & seminars		593	733
Telecommunication and postage		18,659	14,690
TPAF		1,817	1,401
Travelling, subsistence and accommodation		268	100
		285,489	283,868

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF REVENUE AND EXPENDITURE (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012	2011
		$	$
EXPENDITURE (continued...)		285,489	283,868
Tribunal accountant fees		12,500	9,700
Wages and salaries		109,902	124,024
Total Expenditure		407,891	417,592
Net surplus for the year		**52,650**	**42,831**

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012	2011
		$	$
Cash flows from operating activities			
Cash was provided from:			
Government grant and other income		501,141	453,412
Payment to suppliers and employees		(446,687)	(424,701)
Interest and bank charges		(460)	
Net Cash flows from operating activities	11(a)	53,994	28,711
Cash flows from investing activities			
Acquisition of property, plant & equipment		-	(98,146)
Disposal of property, plant & equipment		-	5,480
Net Cash flows used in investing activities		-	(92,666)
Net (decrease)/increase in cash held		53,994	(63,955)
Cash at the beginning of year		39,566	103,521
Net cash at the end of year	11(b)	93,560	39,566

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set out hereunder are the significant accounting policies adopted by the Tribunal in the preparation of the accounts for the year ended 31 December 2012. Unless otherwise stated similar policies were followed in the previous year.

(a) Basis of accounting

The financial statements are prepared on the basis of historical costs and, except where stated, do not take into account current valuations of fixed assets.

(b) Reporting currency

All amounts shown in the financial statements are expressed in Fiji dollars.

(c) Receivables

Receivables are stated at expected realized value as certified by the Tribunal. A provision is raised for any doubtful debts based on a review by the Tribunal for all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

(d) Property, plant and equipment

Depreciation on assets is calculated on straight line method by which the book value is written off over the estimated useful life of assets.

Fixed assets are stated at cost. When assets are retired or otherwise disposed of, the related cost is removed from the account and the resultant profit or loss is brought to account as revenue or expenditure as appropriate.

	Rate
Motor vehicle	15%
Office equipment	10%
Furniture & fitting	10%

(e) Income tax

By virtue of section 17 clause 4 of the Income Tax Act the Tribunal's net income is exempt from income tax.

(f) Creditors and accruals

These amount represent liabilities for goods and services provided to the Tribunal prior to the end of the financial year and which are unpaid.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Revenue recognition

Revenue is recorded in the income statement on accrual basis.

Grants relating to the purchase or acquisition of property, plant & equipment are included in deferred income and are credited to the income statement on a straight line basis over the expected life's of the related assets.

(h) Segment information

The Tribunal is not required to report segment information in accordance with FAS 14 as it is not relevant to the nature of the Tribunal's operations.

(i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and on hand.

(j) Deferred income

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(k) Comparatives

Where necessary, amounts relating to prior year have been reclassified to confirm with presentation in the current year.

NOTE 2: PRIOR YEAR ADJUSTMENT

	-	112,362

This relates to understatement of Deferred Income in prior years and vat refund from FRCA recorded into miscellaneous income account in prior periods instead of being charged to the vat account.

NOTE 3: CASH AT BANK AND ON HAND

Cash on hand	176	142
Cash at bank	93,384	39,424
	93,560	39,566

The following additional bank accounts are not subject to audit by the Office of the Auditor General. These bank accounts operating under Tribunal's name are not disclosed in the Sugar Industry Tribunal's account. The Tribunal's staff are signatories to these accounts.

	2012	2011
	$	$

NOTE 3: CASH AT BANK AND ON HAND (CONT'D....)

(a) ACIAR account no. 9802315672

As at balance date, this account had a cash balance of $4,967.23. This particular account was transferred from Sugar Commission of Fiji on 17th August 2009 after the cabinet decision to dissolve Sugar Commission of Fiji. The funding in this accounts was provided by the Australian National University in order to set up GIS for the Sugar Industry. This is a project undertaken by the Australian Centre for International Agricultural Research team.

(b) FAO Conference account no. 9803572743

As at balance date, this account had a nil balance as the account was closed on 12/11/12. The Food and Agricultural Organization of United Nations (FAO) has appointed Sugar Industry Tribunal to host and organize the FAO International Sugar Conference in Fiji and enables the Sugar Industry Tribunal to deliver the services as and when required funding is received.

NOTE 4: RECEIVABLES AND PREPAYMENTS

	2012 $	2011 $
Deposits	1,359	535
Receivables	23,786	7,778
Salary advance	3,102	8,003
Vat receivables	43,208	37,777
	71,455	54,093

NOTE 5: PROPERTY, PLANT & EQUIPMENT

	2012 $	2011 $
Motor vehicles - at cost	123,670	123,670
Accumulated depreciation	(49,247)	(30,696)
	74,423	92,974
Office equipment - at cost	32,309	29,209
Accumulated depreciation	(22,137)	(23,296)
	10,172	5,913
Furniture and fittings - at cost	11,002	10,628
Accumulated depreciation	(5,359)	(4,293)
	5,643	6,335
Total property, plant and equipment	90,238	105,222

NOTE 5: PROPERTY, PLANT & EQUIPMENT (CONT'D....)

(i) Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	2012 $	2011 $
Motor vehicle		
Balance at the beginning of the period	92,974	18,400
Add: Additions	-	93,670
Less: Disposal	-	(5,400)
Less: Depreciation	(18,551)	(13,696)
	74,423	92,974
Office equipment		
Balance at the beginning of the period	5,913	6,804
Add: Additions	7,800	3,559
Less: Disposal	(470)	(80)
Less: Depreciation	(3,071)	(4,370)
	10,172	5,913
Furniture & fittings		
Balance at the beginning of the period	6,335	6,434
Add: Additions	374	917
Less: Depreciation	(1,066)	(1,016)
	5,643	6,335
Total Property, plant and equipment	90,238	105,222

		2012	2011
		$	$
NOTE 6:	**CREDITORS AND ACCURALS**		
	Audit fees	5,000	5,000
	Creditors and accruals	28,536	20,455
	Provision of annual leave	4,937	4,011
	Rent due	8,953	-
	Staff Donation	746	-
		48,172	29,466
NOTE 7:	**GOVERNMENT GRANT**		
	This comprise of:		
	Operating grant	434,782	434,783
	Less: Asset acquisition in the current year	-	(4,475)
		434,782	430,308
NOTE 8:	**DEFERRED INCOME**		
	Deferred income related to assets purchased from government grant	166,981	19,413
	Adjustment - Understatement of Deferred income	-	144,094
		166,981	163,507
	Less: Amortization of deferred income for current year	(76,743)	(19,082)
	Adjustment - Understatement of Amortisation	-	(39,203)
		90,238	105,222

NOTE 9: CAPITAL COMMITMENTS

There is no capital commitment at balance date. (2011: nil)

NOTE 10: CONTINGENT LIABILITIES

There is no contingent liabilities at balance date. (2011: nil)

	2012	2011
	$	$

NOTE 11: NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Net Surplus to the net cash flows from operations

	2012 $	2011 $
Net surplus from operations	52,650	34,635
Prior year adjustment	-	(7,471)
Add/(less) non - cash items:		
Depreciation	22,688	19,082
Amortisation of Deferred income	(22,688)	-
	52,650	46,246
Changes in assets and liabilities		
(Increase)/decrease in other debtors	(17,362)	1,185
Increase/ (decrease) in accounts payable and accruals	18,706	(12,309)
Increase/(decrease) in deferred income		(6,411)
Increase/(decrease) in employee entitlement	-	-
(Decrease)/ increase in VAT receivable	-	-
Net Cash flow from operating activities	53,994	28,711

(b) Reconciliation of cash

For the purpose of statement of cash flows, cash includes cash at bank and on hand. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2012 $	2011 $
Cash on hand	176	142
Cash at bank	93,384	39,424
	93,560	39,566

NOTE 12: TRUST ACCOUNT - S K Trust - account no. 9803433920

As at balance date, this account had a cash balance of $202,329. Sugar Industry Tribunal is appointed as the trustee of the assets of Sugar Commission of Fiji. The distribution of the real and personal properties of the Sugar Commission of Fiji to the discretionary beneficiaries is as follows:

(i) 30% to the Fiji Sugar Corporation Limited constituted under the Fiji Sugar Corporation Act, Cap 209, Laws of Fiji and

(ii) 70% to the Registered Growers pursuant to Section 72 of the Sugar Industry Act.

NOTE 13: SUBSEQUENT EVENTS

Since the end of the financial year, the Tribunal is not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Tribunal, the results of those operations or state of affairs of the Tribunal in subsequent years.

NOTE 14: PRINCIPAL ACTIVITIES

The Sugar Industry Tribunal was established under the Sugar Industry Act (Cap. 206). The objective of the Sugar Industry Tribunal (SIT) is to resolve disputes in the sugar industry. In carrying out its statutory functions, SIT is empowered under section 69 of the Sugar Industry Act, subject to the Minister's directive, to make and prepare any master award. The SIT also hears and determine any question as to whether all or any of the expenses incurred by Fiji Sugar Corporation in providing and maintaining facilities for the storage of sugar should be paid out of, and be a charge on the proceeds of sale of sugar, molasses and other by-products of sugar.

NOTE 15: CLIENT LOCATION

The Sugar Industry Tribunal is located in Sugar House, Walu Street, Lautoka.

Sugar Industry Tribunal

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Phone: 666 6900 / 666 6920 Fax: 666 3520