



# **Sugar Industry Tribunal**



**ANNUAL REPORT  
FOR THE YEAR ENDING  
2014**



12 January 2017

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

Dear Sir

**RE: ANNUAL REPORT - 2014**

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 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2014 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



(Timothy Brown)

**REGISTRAR OF THE TRIBUNAL**

**Encls.**





## **ANNUAL REPORT – 2014**

### **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 3<sup>rd</sup> September 2002.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 1<sup>st</sup> August 2013 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 2014.

### **PART II – OBJECTIVE OF THE ACT**

Pursuant to section 30(1) of the Act, the Tribunal is obliged to advise the Hon. Minister for 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.

## **PART III – THE REGISTRAR OF THE TRIBUNAL**

### **NATIONAL HARVEST QUOTA**

The Fiji Sugar Corporation did not inform the Tribunal as required under Regulation 5.6(i) of the Master Award that it intends to purchase 100% of the NBA of 3,027,606 tonnes for the 2014 season. This was due to the fact that the crop estimate for 2014 season was only 1.8 million tonnes of cane which is well below the NBA of 3,027,606.

### **PURCHASE OF ALL CANE 2014**

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 as the total tonnage of cane estimate for harvest was well below the NBA.

### **FORECAST PRICE 2014**

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2014 season would be \$73.76. 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 \$62.70 per tonne of cane.

### **COMMENCEMENT OF CRUSHING**

Under Regulation 4 of the Master Award, the Corporation is required not later than the 30<sup>th</sup> 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 2014, this day fell on Tuesday, 17<sup>th</sup> June, 2014.

The Corporation wrote to the Tribunal by letter dated 30<sup>th</sup> April 2014 advising of its intention to commence crushing for Lautoka, Rarawai, Labasa and Penang Mills as follows:

Lautoka Mill	01 <sup>st</sup> July 2014
Rarawai Mill	19 <sup>th</sup> June 2014
Labasa Mill	18 <sup>th</sup> June 2014
Penang Mill	17 <sup>th</sup> June 2014

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Executive Chairman of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 08<sup>th</sup> May 2014 that the four mills are authorized to commence crushing on the following dates:-

Lautoka Mill	01 <sup>st</sup> July 2014
Rarawai Mill	19 <sup>th</sup> June 2014
Labasa Mill	18 <sup>th</sup> June 2014
Penang Mill	17 <sup>th</sup> June 2014

After issuing the order, the Corporation in their letter dated 3<sup>rd</sup> June 2014 applied to the Tribunal seeking a revised commencement of date for Penang Mill.



After consulting the Chief Executive Officer of the Sugar Cane Growers Council and the Industrial Commissioner; the Tribunal ORDERED that the Corporation commence harvesting in Penang Mill on 27<sup>th</sup> June 2014.

### **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 2<sup>nd</sup> October 2014 that the likely date for termination of crush for each of the mills is as follows:-

Labasa Mill	12 <sup>th</sup> October 2014
Penang Mill	09 <sup>th</sup> October 2014
Lautoka Mill	04 <sup>th</sup> November 2014
Rarawai Mill	09 <sup>th</sup> November 2014

### **ACTUAL DATES FOR TERMINATION OF CRUSH**

The Corporation in their letter dated 24<sup>th</sup> October 2014 applied to the Tribunal for the termination of crush at each of the mills as follows:-

Lautoka Mill	04 <sup>th</sup> November 2014
Rarawai Mill	13 <sup>th</sup> November 2014
Labasa Mill	12 <sup>th</sup> October 2014
Penang Mill	09 <sup>th</sup> October 2014

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

Lautoka Mill	04 <sup>th</sup> November 2014
Rarawai Mill	13 <sup>th</sup> November 2014
Labasa Mill	12 <sup>th</sup> October 2014
Penang Mill	09 <sup>th</sup> October 2014



**Rarawai geared to crush**





## **BURNT CANE**

“On Programme Burning” was approved in all mills for the 2014 season.

### **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**

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	31	25	15	20	86
Approvals	30	25	14	19	84
Rejections	1	-	1	1	2
In Process	0	-	0	0	0

#### **TRANSFERS**

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	202	93	113	24	432
Approvals	184	84	107	24	399
Rejections	-	-	-	-	-
In Process	18	9	6	-	33

#### **OTHERS**

The Registrar dealt with 510 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:-

	<b><u>Lautoka</u></b>	<b><u>Rarawai</u></b>	<b><u>Labasa</u></b>	<b><u>Penang</u></b>	<b><u>Total</u></b>
Applications	194	173	104	39	510
Approvals	186	170	87	38	481
In Process	8	3	17	1	29

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 528 new registrations were issued on ALTA expired leases, over the period 01/01/14 to 31/12/14 of these 81 new registrations were issued to new incoming landowner/ITaukei tenants and 447 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 5531 registrations have been issued to tenants on ALTA expired leases, of these 1879 were issued to new incoming landowner/ITaukei tenants and 3652 registrations were issued to new Indo Fijian tenants while 504 registrations were issued to sitting tenants.



<b>FORECAST CANE PRICE</b>		<b>2014</b>	<b>2013</b>	<b>2012</b>
Tonnes of cane paid	MT	1,920,000	1900,000	1,906,000
Which Produced:				
Sugar	MT	204,255	190,000	150,079
[TCTS]				12.70
Molasses	MT	67,200	76,000	76,240
Proceeds:				
From Sugar - Overseas (net of marketing commission)		158,093,617	159,262,121	132,121,727
- Local & Regional		33,132,000	34,955,976	34,955,976
- Stocks				
From Molasses - Overseas		15,550,000	14,947,368	13,632,854
- Local		875,000	620,000	1,240,000
<b>TOTAL</b>		<b>207,650,617</b>	<b>209,785,466</b>	<b>180,950,557</b>
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd				
(Excess Income for the year)				
Sundries				
		<b>207,650,617</b>	<b>209,785,466</b>	<b>180,950,557</b>
Deductions prior to dividing proceeds were:				
Export duty - Sugar			4,777,864	
- Molasses		466,500	4,484,81	408,986
Bulk loading costs & SCRC		1,669,768	1,577,717	1,577,717
Wharfage, sugar		106,713	53,988	40,814
molasses		96,410	110,050	102,672
Molasses Handling		107,606	122,830	114,595
Marketing Cost		300,000	300,000	300,000
Rouging Costs		100,000	100,000	200,000
Lorry Transport Allowance		1,206,845	1,166,301	1,169,984
Sundries				
Cost of Importing sugar				
Cost Handling import sugar				
<b>Total Deductions</b>		<b>4,053,842</b>	<b>8,657,170</b>	<b>3,914,768</b>
<b>Revenue for Distribution</b>		<b>203,596,775</b>	<b>201,128,295</b>	<b>177,035,790</b>
This was divided under the terms of the Master Award as follows:				
<b>Payable to the Growers</b>		<b>142,517,743</b>	<b>140,789,807</b>	<b>123,925,053</b>
<b>Less growers contribution to SRIF</b>		<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Less growers contribution to SCGF</b>			-	<b>2,940,839</b>
<b>Nett payable to growers</b>		<b>141,617,743</b>	<b>139,889,807</b>	<b>120,084,214</b>
<b>Equaling per tonne of cane</b>		<b>73.76</b>	<b>73.63</b>	<b>63.00</b>
<b>The forecast price was:</b>		<b>62.70</b>	<b>62.58</b>	<b>53.55</b>
<b>The Millers share was:</b>		<b>61,079,033</b>	<b>60,338,488</b>	<b>53,110,737</b>
<b>or per tonne of cane crushed</b>		<b>31.82</b>	<b>31.76</b>	<b>27.00</b>



<b>FORECAST CANE PRICE</b>		<b>2011</b>	<b>2010</b>	<b>2009</b>
Tonnes of cane paid	MT	2,100,000	1,993,800	2,385,300
Which Produced:				
Sugar	MT	168,000	189,730	238,530
[TCTS]		12.50	10.5	10.00
Molasses	MT	84,000	79,750	107,339
Proceeds:				
From Sugar –				
- Overseas		145,019,400	149,642,457	210,845,757
- Local & Regional		30,200,948	20,799,120	32,640,840
- Freight & Commission		17,573,600		
From Molasses - Overseas		496,000	12,751,137	15,978,142
- Local			425,000	1,813,815
<b>T O T A L</b>		<b>193,289,948</b>	<b>183,618,714</b>	<b>261,278,554</b>
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year) Sundries				
<b>Total Income</b>		<b>193,289,948</b>	<b>183,618,714</b>	<b>261,278,554</b>
Deductions prior to dividing proceeds were:				
Export duty - Sugar		527,208	4,871,838	6,804,717
- Molasses				
Bulk loading costs & SCRC		1,200,000		
Wharfage, handling costs,		45,540		
Insurance and bagging costs		124,000		
Wharfage, Sugar			62,610	70,795
Molasses			115,863	133,300
Molasses Handling		138,400	129,318	148,780
Prior Season Adjustments				
Costs drawn by Sugar				
Commission of Fiji and Mill Area				
Committees				
Contributed to the costs of the Sugar		200,000	1,400,000	
Cane Research Centre		1,335,500		
Rouging Costs			200,000	200,000
Lorry Transport Allowance			1,400,000	600,000
Sundries		3,570,648		
Cost of importing Sugar			<b>22,796,770</b>	6,767,130
Cost Handling import sugar				105,857
<b>Total Deduction</b>		<b>189,719,294</b>	<b>29,576,399</b>	<b>14,930,579</b>
<b>Revenue for Distribution</b>			<b>154,042,315</b>	<b>246,347,975</b>
This was divided under the terms of the Master Award as follows		<b>132,803,506</b>		
<b>Going to the Growers</b>		<b>900,000</b>	<b>107,829,621</b>	<b>172,443,583</b>
<b>Less growers contribution SRIF</b>		<b>2,940,839</b>	<b>706,694</b>	<b>800,000</b>
<b>Nett going to growers</b>		<b>128,962,667</b>	<b>107,122,927</b>	<b>171,643,583</b>
<b>Equaling per tonne of cane</b>		<b>61.41</b>	<b>53.73</b>	<b>71.96</b>
<b>The forecast price was:</b>		<b>52.20</b>	<b>46.87</b>	<b>61.17</b>
<b>The Millers share was:</b>		<b>56,915,788</b>	<b>46,212,694</b>	<b>73,904,393</b>
<b>or per tonne of cane crushed</b>		<b>27.10</b>	<b>23.18</b>	<b>30.98</b>





**REGISTER OF GROWERS' STATISTICS  
MILLS, DISTRICTS AND SECTOR**

**As at 31.12.14**

**LAUTOKA MILL**

<b>Lautoka District</b>	Drasa Sector	- 708	2,081		
	Natova Sector	- 458			
	Saweni Sector	- 252			
	Lovu Sector	- 405			
	Lautoka Sector	- 256			
	Estate	- 2			
<b>Nadi District</b>	Qeleloa Sector	- 312	2,135	5,344 33%	
	Malolo Sector	- 425			
	Nawaicoba Sector	- 411			
	Meigunyah Sector	- 354			
	Yako Sector	- 327			
	Legalega Sector	- 304			
	Estate	- 2			
<b>Sigatoka District</b>	Cuvu Sector	- 386	1,128		
	Lomawai Sector	- 529			
	Olosara Sector	- 213			
<b><u>RARAWAI MILL</u></b>	Koronubu Sector	- 734	3,600		16,285
	Varavu Sector	- 661			
	Veisaru Sector	- 576			
	Varoko Sector	- 499			
	Mota Sector	- 482			
	Naloto Sector	- 357			
	Rarawai Sector	- 289			
	Estate	- 2			
<b>Tavua District</b>	Tagitagi Sector	- 602	1,631	5,231 32%	
	Drumasi Sector	- 565			
	Yaladro Sector	- 464			
<b><u>PENANG MILL</u></b>	Malau Sector	- 685	1,694	1,694 10%	
	Ellington I Sector	- 353			
	Nanuku Sector	- 360			
	Ellington II Sector	- 296			
<b><u>LABASA MILL</u> Labasa District</b>	Bucisau Sector	- 559	3,376		4,016 25%
	Wailevu Sector	- 641			
	Wainikoro Sector	- 417			
	Labasa Sector	- 434			
	Vunimoli Sector	- 512			
	Waiqeie Sector	- 436			
	Daku Sector	- 377			
<b>Seaqqa District</b>	Natua Sector	- 195	640		
	Solove Sector	- 257			
	Bulivou Sector	- 187			
	Seaqqa Estate	- 1			



# APPENDIX 1(b)

Production Statistics Year 2014								
Mill	Sector	Lease	Under			Regist.	Prod.	
No	No	Area	Cane	SCA	FBA	Growers	Growers	Production
1	111	3713.84	1763.2	2548.3	134906	708	595	91933.39
1	112	2655.54	1200.2	1634.2	90762	405	340	61697.19
1	113	1872.11	390.5	978.13	38316	256	152	15063.86
1	114	1350.24	392.8	984.9	35402	252	161	17391.28
1	115	2666.14	857.9	1902.5	84814	458	296	38145.22
1	119	0	83.3	218.8	6773	2	2	5134.9
1	121	2090.75	758.6	1271.6	60722	304	217	34825.17
1	123	2720.26	1058.4	1503.1	72683	354	278	39395.55
1	124	1682.84	511.9	1140.8	40704	312	211	22137.61
1	125	2536.82	670.9	1525.2	52795	327	246	26969.03
1	126	2869.25	887.1	1860	68094	425	334	34548.62
1	127	3222.13	1151	1932.7	84224	411	351	50432.79
1	129	72.6	56.6	85	4447	2	1	4934.62
1	131	3069.65	1257.2	2426.7	87192	529	408	50690.37
1	132	2719.53	587.1	1844.4	51300	386	204	23696.02
1	133	1412.06	82.1	894.6	20357	213	38	3269.44
2	211	2615.38	1115.6	1763.4	97235	499	405	61200.91
2	212	3131.03	1314.1	2037.2	103343	482	402	65105.25
2	213	5326.68	1771.2	3046.15	138883	734	622	81083.93
2	214	851.61	670	984	54831	289	249	39927.07
2	215	5015.81	1501.3	2662.52	101020	576	476	71944.94
2	216	3491.58	1397.6	2443.77	111785	661	519	69089.18
2	217	2662.69	919.6	1626	72787	357	288	42431.53
2	219	18	77.4	121.7	6119	2	2	3676.21
2	221	4669.77	1302.1	2646.4	88627	602	470	59758.93
2	222	5353.37	1350.2	2742.6	99769	565	465	62599.97
2	223	3015.88	1012	1804.5	62324	464	350	39534.37
3	311	4496.55	1854.4	2515.8	119253	436	389	83184.67
3	312	6019.74	2453.5	2991.89	148071	641	588	115281.28
3	313	3378.43	1373.3	1553.7	101049	512	461	62879.63
3	314	3008.05	812.9	1028.3	59170	434	347	33284.92
3	315	4055.76	1579.9	2147.2	93316.8	559	484	62158.93
3	316	3788	904.9	1528.8	53746	417	337	28532.71
3	317	4129.08	925	1762.5	71071	377	292	32572.65
3	321	3816.81	811.3	1407	59783	195	156	35210.77
3	322	4701.07	1313.6	2131.9	110449	257	198	49920.48
3	323	5201.5	859.2	1684.7	79042	187	151	40993.37
3	329	688	50	200	3250	1	1	123.17
4	411	3454.62	411.1	1688.8	39068	353	177	16732.26
4	412	3973.19	1935.1	2858.71	127398	685	612	102395.13
4	413	3259.16	868.3	1673.3	58705	360	292	42076.96
4	414	2608.83	263.3	1541.4	34020	296	113	10009.9
		<b>127384</b>	<b>3540556</b>	<b>71343.17</b>	<b>3027606</b>	<b>16285</b>	<b>12680</b>	<b>1831974.18</b>



**REGISTER OF GROWERS**

**R A C E S**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>PENANG</b>	<b>LABASA</b>	<b>TOTAL</b>
INDIAN	4,235	4,241	1,043	3,438	12,957
FIJIAN	1,066	954	641	553	3,214
OTHERS	43	36	10	25	114
TOTAL	5,344	5,231	1,694	4,016	16,285

**TOTAL**

INDIAN	-	12,957	19.74%
FIJIAN	-	3,214	79.56%
OTHERS	-	114	0.70%
		-----	-----
		16,285	100.00%
		=====	=====





**REGISTER OF GROWERS****METHOD OF DELIVERY**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>PENANG</b>	<b>LABASA</b>	<b>TOTAL</b>
PORTABLE LINE	415	762	216	680	2,073
TRACTOR TRAILER	2,143	2,065	251	1,378	5,837
LORRY DIRECT	2,786	2,404	1,227	1,958	8,375
TOTAL	5,344	5,231	1,694	4,016	16,285

**TOTAL**

PORTABLE LINE	-	2,073	12.73%
TRACTOR TRAILER	-	5,837	35.84%
LORRY DIRECT	-	8,375	51.43%
		-----	-----
		16,285	100.00%
		=====	=====



**REGISTER OF GROWERS****FORM OF LAND TITLE**

	<b>LAUTOKA</b>	<b>RARAWAI</b>	<b>LABASA</b>	<b>PENANG</b>	<b>TOTAL</b>
NATIVE LAND	2,874	2,621	2,688	472	8,655
CROWN LEASE	1,087	1,329	974	384	3,774
FREEHOLD	599	501	121	266	1,487
VAKAVANUA	263	75	4	182	524
OTHERS	521	705	229	390	1,845
TOTAL	5,344	5,231	4,016	1,694	16,285

**TOTAL**

NATIVE LEASE	-	8,655	53.15%
CROWN LEASE	-	3,774	23.17%
FREEHOLD	-	1,487	9.13%
VAKAVANUA	-	524	3.22%
OTHERS	-	1,845	11.33%
		-----	-----
		16,285	100.00%
		=====	=====



**REGISTER OF GROWERS****FARM BASIC ALLOTMENT**

	<b>0-100</b>	<b>101-300</b>	<b>OVER 301</b>	<b>TOTAL</b>
<b>LAUTOKA</b>	1,803	2,810	731	5,344
<b>RARAWAI</b>	1,538	2,973	720	5,231
<b>LABASA</b>	1,069	2,017	930	4,016
<b>PENANG</b>	704	800	190	1,694
<b>TOTAL</b>	5,114	8,600	2,571	16,285

**TOTAL**

0-100	-	5,114	31.40%
101-300	-	8,600	52.81%
OVER 301	-	2,571	15.79%
		-----	-----
		16,285	100.00%
		=====	=====

**REGISTERED GROWERS PRODUCTION RANGE  
SEASON 2014**

	<b>No Of</b>				<b>Area</b>	
<b>Range</b>	<b>Growers</b>	<b>SCA</b>	<b>FBA</b>	<b>Productions</b>	<b>Cut</b>	<b>TPHA</b>
1 - 50.00	2725	10041.91	305986	74595.87	3123.2	23.88
50.00 - 100.00	2908	10863.2	418634.8	214677.42	6152.3	34.89
100.00 - 200.00	3781	16007.23	754695	544904.23	12020.9	45.33
200.00 - 300.00	2038	10002.47	571428	494105.72	8896.56	55.54
300.00 - 400.00	790	4482.8	287310	269044.95	4444.29	60.54
400.00 - 500.00	262	1798.2	119653	115573.7	1801.2	64.16
500.00 - 700.00	144	1175.3	86679	81823.64	1372.03	59.64
500.00 - 700.00	22	277.4	19194	17615.85	274.9	64.08
> 1000.0	10	635.8	20308	19632.8	301.9	65.03
		<b>55284.31</b>	<b>2583888</b>	<b>1831974.2</b>		





**APPENDIX I(g)****TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN  
01/01/97- 31/12/14**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
<b>LTK</b>	611	13	624	1155	196	1351	1766	209	1975
<b>RAR</b>	570	11	581	1034	133	1167	1604	144	1748
<b>LAB</b>	504	5	509	850	201	1051	1354	206	1560
<b>PEN</b>	154	11	165	74	9	83	228	20	248
<b>TOT</b>	1839	40	1879	3113	539	3652	4952	579	5531

**APPENDIX I(h)****TOTAL REGISTRATION ON ISSUED ON EXPIRED ALTA  
LEASES BETWEEN 01/01/14 - 31/12/14**

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
<b>LTK</b>	18	0	18	112	7	119	130	7	137
<b>RAR</b>	38	1	39	229	11	240	267	12	279
<b>LAB</b>	12	0	12	67	5	72	79	5	84
<b>PEN</b>	12	0	12	13	3	16	25	3	28
<b>TOT</b>	80	1	81	421	26	447	501	27	528



## **PART IV – ACCOUNTANT TO THE TRIBUNAL**

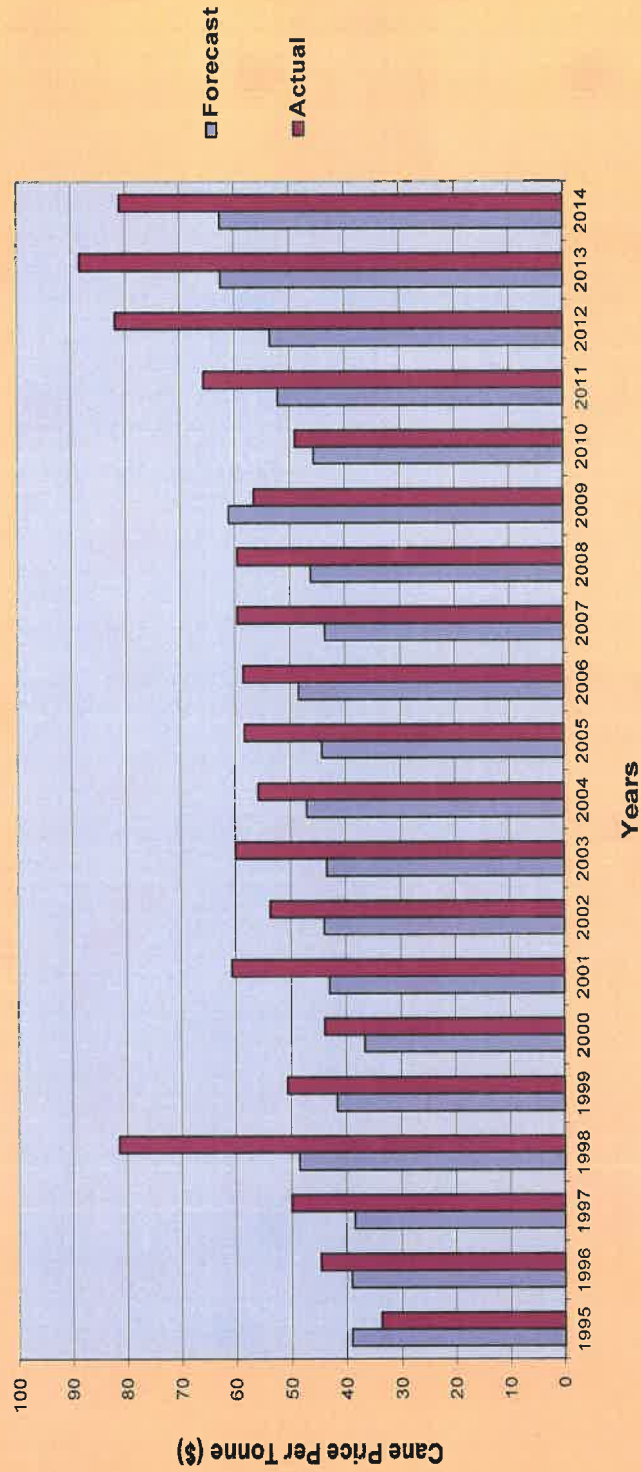
### **FINAL CANE PRICE FOR 2014 SEASON**

The 2014 season returned to the growers \$81.01 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	\$186,855,667.54
Growers Share of Proceeds (Sec 20.2)	\$129,898,967.28
Tonnes of Sugar Produced	226,858
Tonnes of Cane Delivered and paid for	1,832,186
Price per tonne of Cane (as per Reg. 20 of the Master Award)	\$70.90
Special Cane Payment (Top up by Government)	9.37
FSC Top Up	0.25
FSM Liquidation	0.49
Total received by growers	\$81.01



## Forecast Vs Actual Cane Price



Forecast Vs Actual Cane Price

Years	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Forecast	39.18	39.21	38.62	48.61	41.7	36.72	43.03	43.99	43.5	47.1	44.28	48.54	43.76	46.26	61.17	45.67	52.2	53.55	62.58	62.7
Actual	33.78	44.81	50.07	81.51	50.76	44	60.8	53.8	60.12	55.87	58.35	58.6	59.65	56.7	56.59	49.16	65.67	81.82	88.4	81.01





## **PART V – INDUSTRIAL COMMISSIONER**

### **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 2014 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.

#### **Amalgamation/Formation of new gang**

10 applications received. 8 approved, 1 pending and 1 not approved.

#### **Change of Method of delivery**

16 applications received. 12 approved and 4 pending.

#### **Gang transfer**

52 applications received. 51 approved and 1 not approved.

53 applications received on other matters such as individual harvesting, bond, substitutes etc.

### **Gang Disputes**

In the year 2014, 23 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 23 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 531 loans amounting to \$210,020.00 were approved to members during the year. The Fund has total net assets worth \$424,299.47.

### **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 165 loans amounting to \$72,610.00 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 218 loans amounting to \$95,090.00 were approved to members during the year. The Fund has total net assets worth \$128,875.04.



**LABASA CANE PRODUCERS ASSOCIATION – ACTIVITY REPORT 2014**

The following activity or assistance was offered to cane growers in the year 2014:

- Cane Planting/Drainage/Infarm roads/Culverts/Aglime @ \$420.00/contract holder
- Weedicide Subsidy @ \$44.00/ 100 tons
- Fertilizer Subsidy @ \$5.00/bag
- Community Development Projects @ \$30000.00/Sector
- Death Benefit @ \$500.00/ contract holder

**RARAWAI/PENANG CANE PRODUCERS ASSOCIATION – ACTIVITY REPORT 2014****2014 – DEVELOPMENT ACTIVITIES****Direct Farmer Benefits**

Activity	Objective
<p style="text-align: center;"><b><u>Productivity Projects</u></b></p> <p style="text-align: center;"><b><u>Pre Harvest Assistance.</u></b></p> <p>Assist farmers to improve harvesting and to reduce burden to farmers. The association provided Cane harvesting knife, files and Hand Gloves to each growers.</p>	<ol style="list-style-type: none"> <li>1. To assist farmers to reduce burden</li> <li>2. To improve harvesting activities</li> </ol>
<p style="text-align: center;"><b><u>Weedicide Subsidy.</u></b></p> <p>All the farmers were provided with a subsidy on weedicides. On the conditions that farmers are no longer using Banned Chemicals on their farms and taking appropriate safety precautions when applying weedicides. Subsidy in form of 1 gallon 5 litre Amine &amp; 1 gallon 5 litre Glyphosate.</p>	<ol style="list-style-type: none"> <li>1. To assist farmers on timely weed control thus increase production.</li> <li>2. To reduce cost of buying weedicides.</li> <li>3. Encouraging farmers to follow proper weedicide applying handling practice</li> <li>4. Not allowing to use Banned Chemicals</li> </ol>
<p style="text-align: center;"><b><u>Fertilizer Subsidy</u></b></p> <p>\$4.00 per Bag fertilizer subsidy to members of RPCPA. The members will be given subsidy following the record from Fiji Sugar Corporation and south Pacific Fertilizer during the period of 09/07/12 to 13/05/13.</p>	<ol style="list-style-type: none"> <li>1. To provide subsidy for 180000 Bags of Fertilizer.</li> <li>2. To reduce the fertilizer cost by \$4.00 per bag.</li> <li>3. To improve the farm production 5% on every farm</li> <li>4. Also advocating member on organic manure purchase</li> </ol>





## Social and Community Benefits

<p style="text-align: center;"><b><u>Community Development</u></b></p> <p>All 14 sectors have done community Development projects, with allocation of \$20,000 to each sector.</p> <p>The projects included water catchment, water tanks and bore hole for communities, church, temple renovation, school renovation, bus shelter and others</p>	<ol style="list-style-type: none"> <li>1. To provide basic needs for farmers.</li> <li>2. To alleviate poverty level in the farming communities.</li> <li>3. To improve the level of education standards in the farming community.</li> </ol> <p>Community responsibility</p>
<p>Community Projects</p>	<p>Examples Rural electrification, water supply.</p>
<p style="text-align: center;"><b><u>Environment Development Plan</u></b> <b><u>Drainage and Culverts</u></b></p> <p>Drainage for water logged and low area farm locations, Premium money were used in order to help farmers to improve their productivity on farms and it will overall increase sugar production. This drainage was decided from the needs analysis form.</p> <p>Culverts for members where needed to help easy access to roads and supply of cane. These projects done from community development fund.</p>	<ol style="list-style-type: none"> <li>1. To assist farmers to follow the Best Management Practices to produce crops in friendly environment.</li> <li>2. Save growers money and hard work</li> <li>3. Easy access for cane trucks to take load</li> <li>4. Save soil fertility</li> </ol>
<p style="text-align: center;"><b><u>Social Benefit (Death Benefit)</u></b></p> <p>Death is sad situation</p> <p>Farmers are poor and dependent on others. RPCPA decided to granting \$200.00 as death benefit to the family. The Benefit is for the Farmer or spouse.</p>	<ol style="list-style-type: none"> <li>5. To assist farmers to identify soil erosion and good practice to improve soil fertility and productivity of the farm.</li> <li>6. Knowledge HCV areas and its importance</li> <li>7. Follow fair trade Standard procedures in regards to weedicide</li> <li>8. Benefits of better Farm management</li> <li>9. Child Labour Law</li> <li>10. External Training to Staffs and Board members and Members</li> </ol>



<p style="text-align: center;"><b><u>Housing Assistant –Burnt House</u></b></p> <p>Fund were given for assistance to members if there house is burnt. A sum of \$1000.00 handed to the valid member.</p>	<ol style="list-style-type: none"> <li>1. To help farmers to reduce burden.</li> <li>2. To assist farmers to get back to usual life</li> <li>3. Support and encouragement</li> </ol>
	<ol style="list-style-type: none"> <li>1. Ease the burden on members</li> <li>2. Support and encouragement</li> <li>3. Farmers to build up slowly to normal life</li> </ol>

### **LAUTOKA CANE PRODUCERS ASSOCIATION – ACTIVITY REPORT 2014**

The Fairtrade Development plan of Lautoka Cane Producers Association was design on the basis of the Fairtrade Standards which entails that the execution of Fairtrade premium be prepared through translucent procedures.

The Association circulated needs assessment form to the harvesting gangs in October 2013 and grounded on the needs assessment form the Fairtrade Development Plan for 2014 was prepared and after numerous discussion and amendments it was passed by the General Assembly on 30<sup>th</sup> April 2014.

LtCPA received a total premium of FJ\$2,463,830 based on the tonnage of sugar sold in 2013 crushing. The total expenditure for LtCPA as at 31<sup>st</sup> December 2014 was FJ\$1463185 and the breakdown of the expenses is outlined below:

#### **Fertilizer Subsidy**

LtCPA had carried out productivity projects such as fertilizer subsidy last year and this year it increased fertilizer subsidy to FJ\$ 4.00 per bag. All farmers who were our members paid \$27.50 per bag of fertilizer instead of \$31.50. Hence the total of FJ\$ 449,417 was spend under this category.

#### **Weedicide Subsidy**

The Association assisted farmers with allowable herbicides, on the condition that farmers are no longer using paraquat based agro chemicals and taking appropriate safety precaution when applying weedicides in their cane. A total sum of FJ\$185,039 was spend on this particular productivity project where all the members were distributed free weedicides based on the tonnage of cane produced in 2013.





### **Cane Knives & Files**

To assist farmers to improve harvesting and to reduce burden to farmers LtCPA funded it members with cane knives and files based on their tonnage of sugarcane produced in 2013. A total of FJ\$86,410 was spent on this handout.



### **Drainage & Culvert**

To improve crop and to utilize more productive land, LtCPA decide to help farmers with drainage and culverts on 1/3 farmer contribution and 2/3 Association contribution. A total of FJ\$182,603 was spent on drainage & culvert.

### **Training Awareness Workshop**

A total of FJ \$5,535 was spend and this expenditure was for carrying out training and awareness programs for members on all aspects of Fairtrade Standards.







### **Internal Control Cost**

A total of FJ\$32,154 was spend on carrying out the Inspection cycle. Internal control inspection covered almost hundred percent farms and gangs individually by using farm and gang inspection forms. The inspection consisted of physical visit to farms and gangs to monitor whether the farmers abided by the Fairtrade and other applicable standards.

### **Community Development Projects**

A total of FJ \$147,673 was spend on community development project. Based on needs assessment this funds were used on community development projects so that the whole community could benefit from it. The funds were used to improve the situation of workers, famers and local communities in education, water projects and infrastructure development.

### **Safety Gear**

A total of FJ\$60,000 was spend on the distribution of gumboots to all the members. This was to assist farmers reduce financial burden and also to practice safety procedures during harvesting and whilst working on the farm.

### **Death Benefit**

The Association helped farmers during the loss of a loved one by giving \$300 per death under the common law. A total of FJ\$28800 was spend on death benefit.

### **Environmental Expenses**

Educational environment training and awareness were carried out based on environment plan in all sectors at grower level where pamphlets and brouchers were given for better understanding of the farmers. Also vertiva planting was carried out in some sectors to prevent the washing of soil. A total of FJ \$ 2716 was spend in this category.





### **Staff Costing**

The Association has full time paid workers

1. Arvin Singh – Executive Manager
2. MouzimaShahin – Accountant
3. Shiu Kumar – Environment Officer
4. MoshimMuktar Khan – Assistant ICS Officer
5. AsneelAvitesh Kumar – Assistant ICS Officer
6. KomalKaritikaGoundar – Assistant ICS Officer

For full- time employed staff, the Association has spent FJ\$114,202 on staff salary & wages, FNPF contribution, PAYE for the staffs.

### **Board Allowance.**

The Association had spent FJ\$63,000 on the monthly allowance of the board members.

### **Fixed Assets.**

The Association has a total Fixed Asset of FJ\$103,753. This expenditure was done on various categories of assets which include:

- Office Equipment – FJ\$12,852
- Computers – FJ\$7,058
- Office Furniture – FJ\$7,748
- Motor Vehicle – FJ\$76,095

### **Office Operation Cost**

A sum of FJ\$74,522 has been spent on the day to day operation of the Association

### **Flo – Audits**

The Association has to go through FLO – cert audit to renew certification and to ensure that the Association is in compliance with the Standards. A total of FJ\$15,202 was spend for FLO audit fees.

### **Research & Development**

A total of FJ\$15,912 was spent on this category for external training and capacity building of staffs, board members and members.





## CANE QUALITY PROJECT ANNUAL REPORT - 2014

### Cane Farmers Awareness Sessions:

One of the main tasks the Cane Quality Project Team is involved in during the slack season from January to June is educating the cane growers of Fiji of this new way of cane payment that the Sugar Industry wanted to introduce. Grower Consultation Meetings were then organized in all the cane sectors in Fiji where cane growers were informed of some of the requirements which they have to meet when they supply cane, how the machine that is installed in all mills called the Pro Foss machine measures the quality of cane and the formula that is used to convert the quality value into dollar value.

The Grower consultations was carried out from 18th February starting in Olosara Sector, Sigatoka and ended on the 27th of March in Nanuku Sector, Rakiraki. A total of 37 grower consultation was carried out in that period covering the whole cane producing areas in Viti Levu and Vanua Levu.



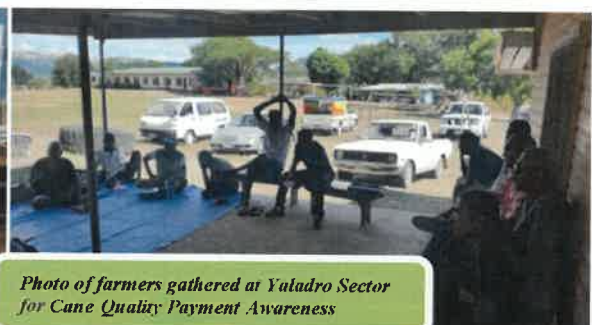
*Photo of farmers gathered at Vunivuvu School for Cane Quality Payment Awareness*



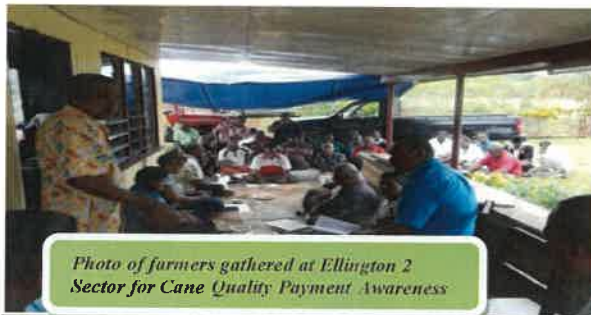
*Farmers present at Bucuisau sector office for Cane Quality Payment Awareness*



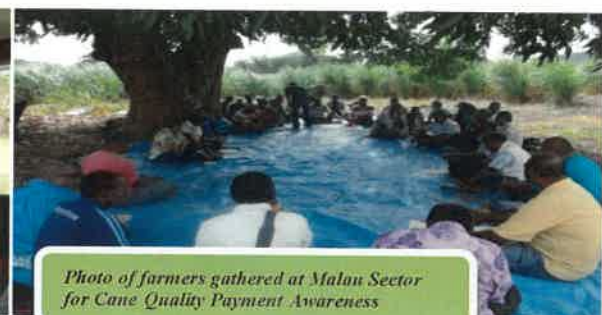
*Photo of farmers gathered at Koronubu Sector for Cane Quality Payment Awareness*



*Photo of farmers gathered at Yuladro Sector for Cane Quality Payment Awareness*



*Photo of farmers gathered at Ellington 2 Sector for Cane Quality Payment Awareness*



*Photo of farmers gathered at Malau Sector for Cane Quality Payment Awareness*





Some of the general comments received from cane farmers during the awareness sessions are:

- They need more time to understand this new payment system.
- There needs to be improvements made in the rail transportation system.
- Mills need to be improved as some mills are not designed for the new payment system.
- Cane farmers need to be educated more on the right cane variety they need to plan to ensure that the harvest the right cane variety at the right time.

#### **Cane Quality Staffs - 2014 Season**

2 promotions was done in 2014 where 2 Cane Quality Analysts were promoted to the Chemist position due to those that left in January 2014 to join other companies.

Based on the work load in 2013 season, it was also decided that the number of Cane Quality staffs should be increased from 20 to 24.

#### **Mill Staffs – 2014**

<b>Lautoka Mill:</b>	<b>Rarawai Mill:</b>	<b>Penang Mill:</b>	<b>Labasa Mill:</b>
Jokatama Rabukuivalu	Soneel Raj	Masilina Sesenicagi	Saleshni San
Gade Raikoro Sisilia Sovea	Vasiti Volavola Avinesh Prasad	Eseroma Takala Esita Tau	Sainimere Vosare Seruwaia Nanidrau
Lice Balekaba	Elina Kaumaitotoya	Makereta Rugu	Serevia Naituku
Pritika Priya	Anna Camaraikoro	Karishma Kumar	Vilisi Kunabuli
Watisoni Tavodi	Azaria Dean	Bulou Soweri	Filimoni Gutugutuwai

#### **Cane Quality Trials in the 4 mills - 2014 Season:**

The Cane Quality Trials was conducted in all the 4 mills in the 2014 crushing season despite some pending works from 2013 being completed by the mill teams when the 2014 crushing season started.

The results of the trials conducted in each mill is shown below:



### Lautoka A Side Profoss CAS

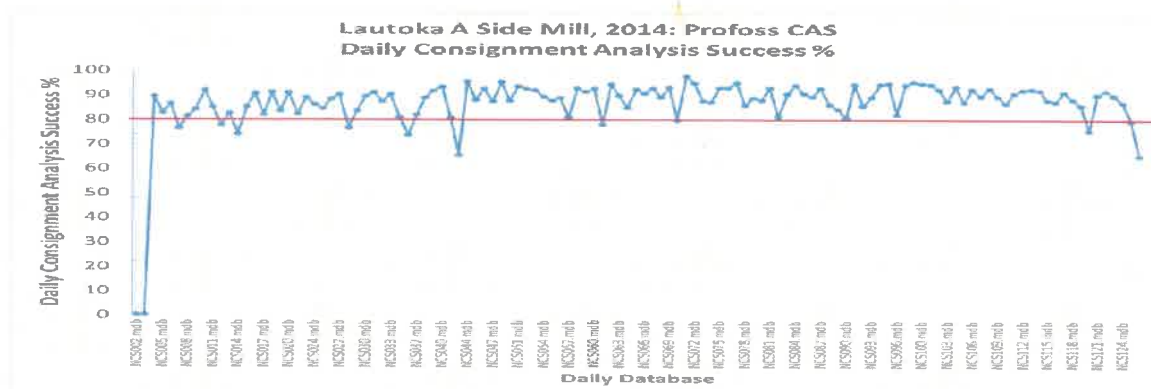


Figure 1 shows the daily consignment analysis success trend for the Lautoka A Side ProFoss CAS during the 2014 crushing season.

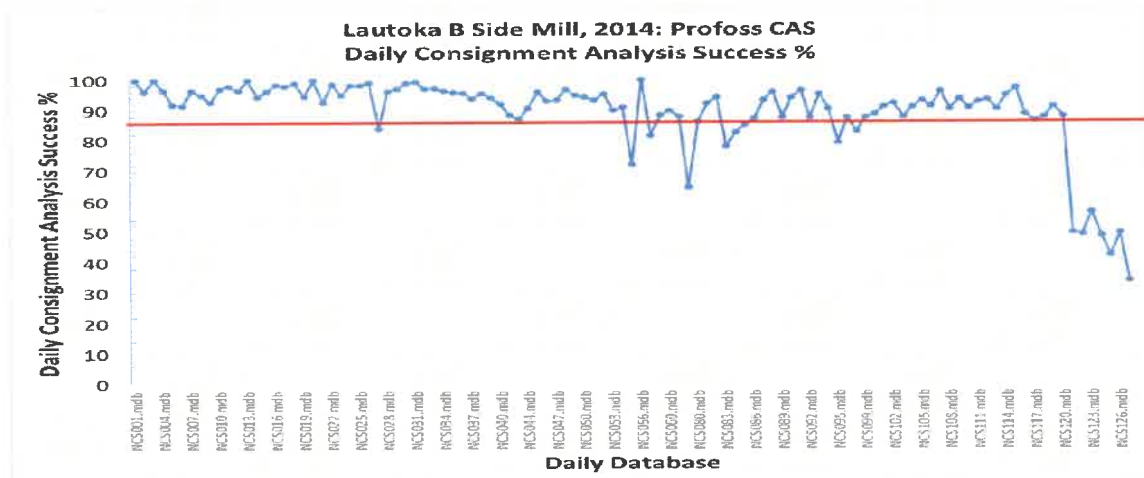
### **Figure 1: Lautoka A Side Profoss CAS 2014 Daily Analysis Success trend.**

The Lautoka A Side ProFoss CAS successfully analysed 23814 consignments from a total of 26872 tracked consignments, giving an overall system consignment analysis percentage of 88.9% for the 2014 season. This is a very good result indicating that the Lautoka A Side ProFoss CAS is suitable for a quality based cane payment system based on its current settings and it also shows that the ProFoss CAS can produce robust cane analysis for the Fijian Sugar Industry when the system is operated correctly and well maintained.

### Lautoka B Side DL5000 CAS

The Lautoka B Side DL5000 CAS as shown in figure 2 successfully analysed 15419 consignments from a total of 17070 tracked consignments, giving an overall system consignment analysis percentage of 90.3%. This is a very good result indicating that the Lautoka B Side DL5000 CAS is suitable for a quality based cane payment system based on its current settings.



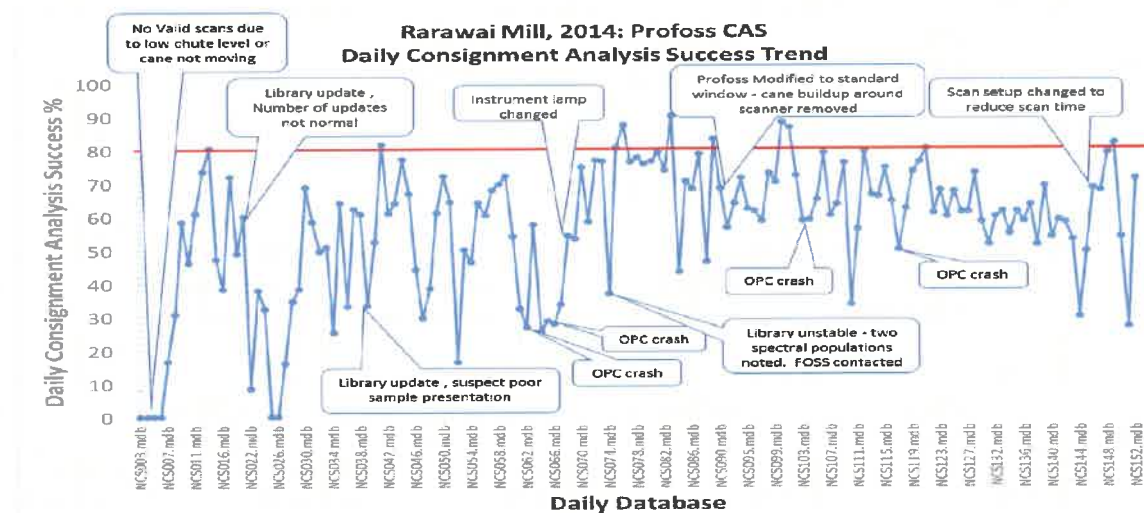


**Figure 2: Lautoka B Side DL5000 CAS 2014 Daily Analysis Success trend.**

The seasonal average missed sample percentage was 4.3%, largely due to small consignments from rail cane. While this result is acceptable, there was a large increase in missed samples for the last six days of the crushing season. There was a corresponding reduction in scan success rates over the same period, which implies that chute level control was the dominate issue in these sample rejections.

### Rarawai ProFoss CAS Daily Consignment Analysis Success

The daily consignment analysis success trend for the Rarawai ProFoss CAS during the 2014 crushing season is shown in Figure 3.



**Figure 3: Rarawai ProFoss CAS 2014 Daily Analysis Success trend.**

23117 consignments were successfully analysed from a total of 39864 tracked consignments, resulting in an overall system consignment analysis result of 58.0%. At least 80% of consignments are required to be successfully analysed to maintain acceptable grower-grower equity.

Modifications to the ProFoss scanning arrangement in the number one mill chute were made on the 16<sup>th</sup> of September by swapping the extended window scan head for a standard window arrangement, which improved the daily consignment analysis success rate of the system.

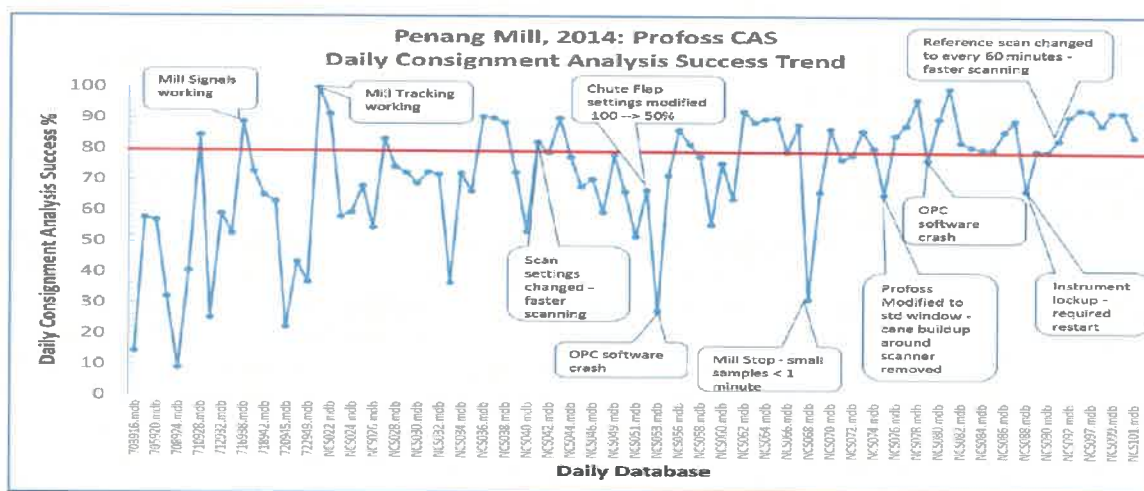




After the system modifications were completed the consignment analysis results were 10179 consignments successfully analysed out of 16015 giving an overall consignment analysis success rate of 63.6%. While this improvement shows promise, further improvement is required before the system can be used with confidence for a quality based cane payment system.

### Penang Profoss CAS Daily Consignment Analysis Success

The daily consignment analysis success trend for the Penang Profoss CAS during the 2014 crushing season is shown in Figure 4.



**Figure 4: Penang Profoss CAS 2014 Daily Analysis Success trend.**

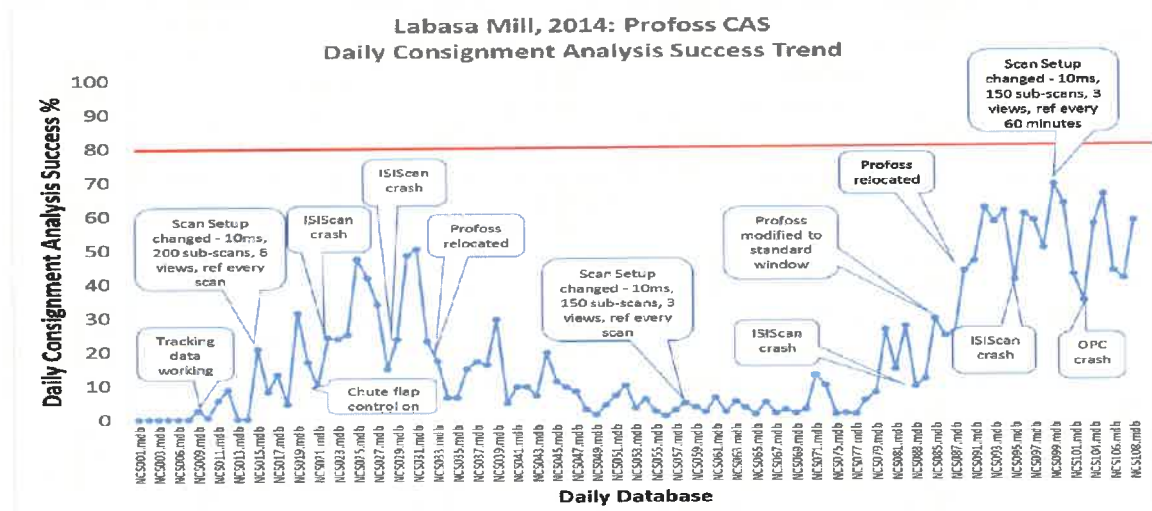
The seasonal consignment analysis results for the Penang CAS were 10072 consignments successfully analysed from a total of 13741 tracked consignments, giving an overall system consignment analysis percentage of 73.2%. CAS systems used in cane payment typically require a minimum of 80% consignment analysis success to produce acceptable grower-grower equity.

The system daily consignment analysis success rate was further improved through modifications to the Profoss scanning arrangement in the number one mill chute, the installed extended window scan head was replaced by a standard window arrangement on the 14<sup>th</sup> of September. The consignment analysis results after the modifications were 3217 consignments successfully analysed from a total of 3821 giving an overall consignment analysis success rate of 84.2%. This is an encouraging result indicating that the Penang CAS can produce cane analysis results suitable for a quality based cane payment system based on its current settings.



## Labasa ProFoss CAS Daily Analysis Success

Daily consignment analysis success trends for the ProFoss CAS unit is shown in Figures 5:



**Figure 5: Labasa ProFoss CAS Daily Analysis Success trend.**

The seasonal consignment analysis results for the Labasa CAS were 7552 consignments successfully analysed from a total of 36783 tracked consignments, giving an overall system consignment analysis percentage of 20.5%. CAS systems used in cane payment typically require a minimum of 80% consignment analysis success to produce acceptable grower-grower equity.

The system daily consignment analysis success rate was improved through modifications to the ProFoss scanning arrangement and relocation of the scanning position in the number one mill chute on the 22<sup>th</sup> of September. The consignment analysis results after relocation were 4149 consignments successfully analysed from a total of 7717 giving an overall consignment analysis success rate of 53.6%. While this improvement is encouraging, it is still not sufficient for the Labasa CAS to be suitable for a quality based cane payment system, further improvements in chute level control or cane compaction in the chute are required to meet the 80% target.

### Summary of Cane Quality Trials - 2014:

As can be seen in the audit report above for each of the mill conducted by an independent auditor from SRA, only Lautoka Mill had a good trial season in 2014 and is ready for the cane quality payment system. The other 3 mills still had issues in 2014 mainly due to #1 Mill chute height issue, CAS software crashes, other milling operational factors which affected the daily percentage success of the cane quality trials in the 3 mills. The readiness level of the cane farmers too for this new cane payment system is still low and most of the requirements needed from them in terms of minimum weight required for cane delivered by rails was not met and also contributed to the low % success of the cane quality trials in all the mills during the 2014 crushing season.



## GIS 2014 REPORT

The new year brought about new ideas, and one of which is the mapping of the Sugarcane Industry Asset including Railway and Cane Access Road.

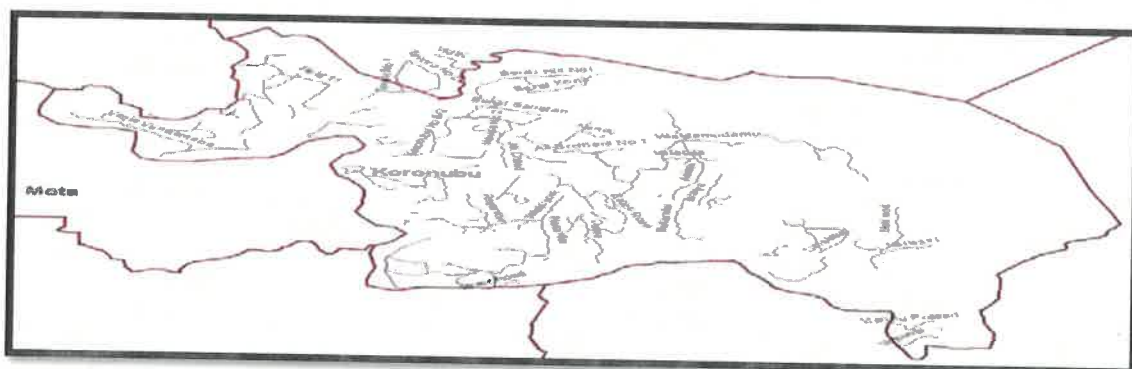
### Cane Access Road:

In consultation with Fiji Roads Authority, the GIS team together with FSC extension staff conducted field survey on cane access roads. Training was done in all 4 mills and staffs are now capable of using GPS for cane access road mapping. Prior to the actual GPS survey, an online query was circulated to all FSC extension staff to analyze their GIS knowledge. The training was then set out according to the outcome of the online questioner. The sectors in this table had their cane access roads mapped geographically:

Lautoka Mill		Karawai Mill		Penang Mill		Labasa Mill	
Sector	Status	Code	Sector	Status	Code	Sector	Status
Lomawai		211	Varuku		411	Nanuku	
Cuvu		212	Mota		412	Malau	
Olusara		213	Koronubu		413	Ellington 1	
Meigunyah		214	Rarawai		414	Ellington 2	
Leqaleqa		215	Volsavu				
Teleleqa		216	Varavui				
Yake		217	Naloro				
Malolo		222	Tagitagi				
Nawaicoba		223	Yaladro				
		224	Drumasi				
Drasa							
Luvu							
Lautoka							
Sawoni							
Natova							
Complete							
Not Done							

There are 5 out of the 32 sectors for which cane roads have not been mapped. The Sugarcane Industry has been working together to have the 5 remaining sectors completed before end of 2015.

**Below is an overview of sugarcane road for Koronubu sector:**



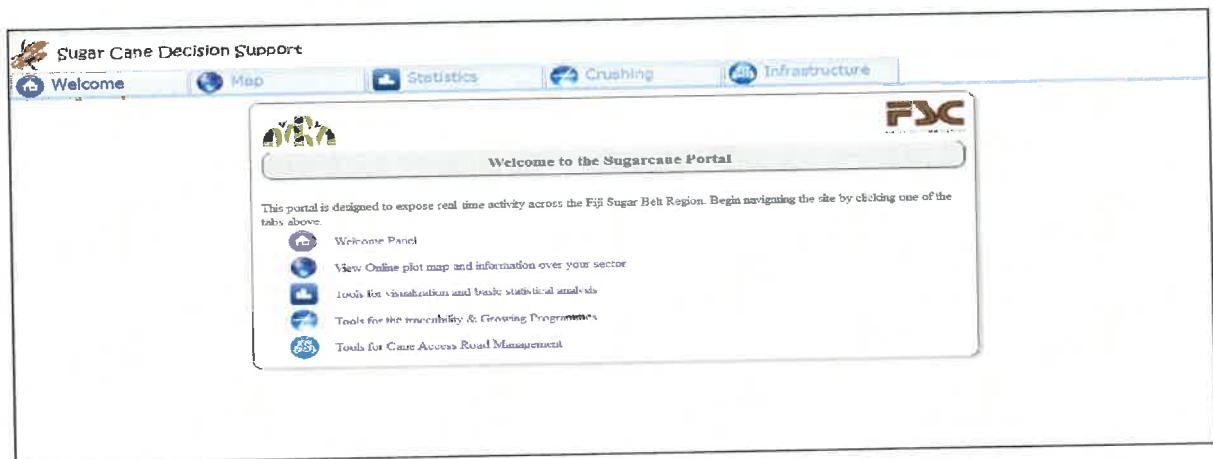


A sample of the cane access road mapping is shown in the photo. 3 criteria was derived out of this mapping and they were:

1. Length of the road
2. Time taken to complete a set
3. Location of road

This type of mapping is also considered as Asset Mapping. Any changes or cost incurred for maintaining the road can now be monitored and better decision can now be implemented to ensure transparency in work carried out.

### **Cane Access Road in the WebGIS Portal**



With mapping of cane access road, came the addition of the Infrastructure tab in the WebGIS Portal.

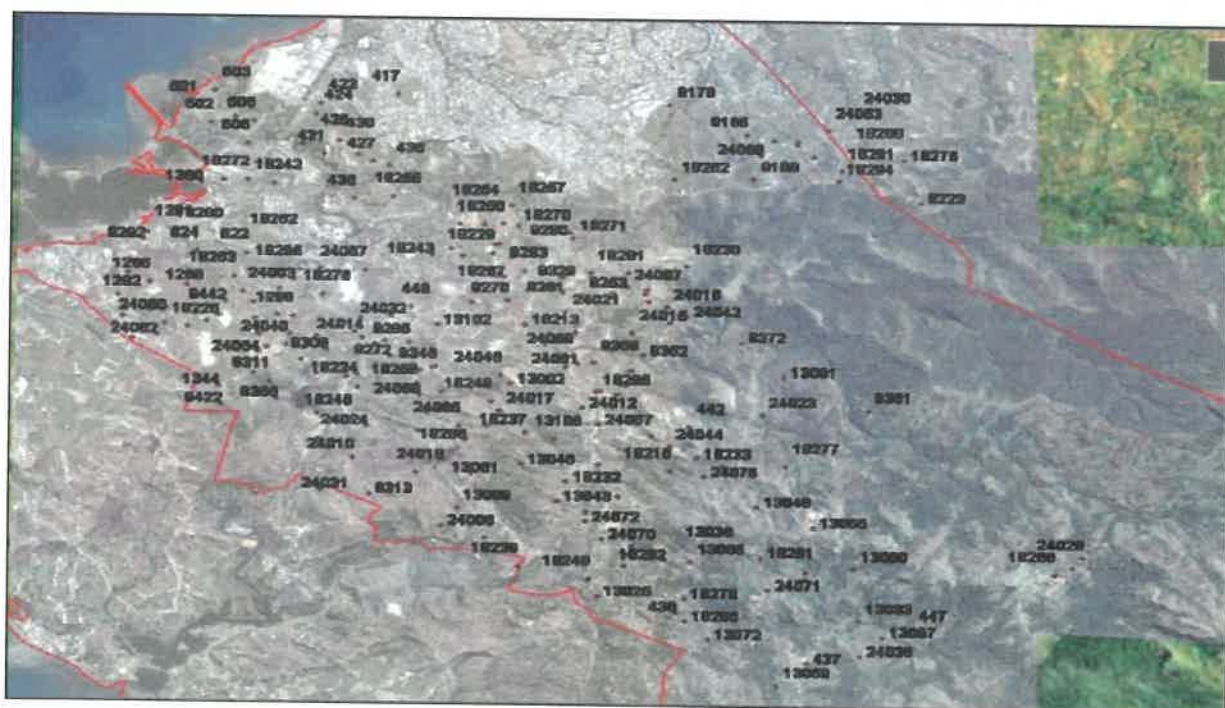
With a click of a button to the cane roads listed, the viewer takes you directly to the location of the road and the distance of the searched road.

The system was developed to assist decision makers view all cane access roads and farmers who are serviced by this road to better decide the shortest distance to use to transport their cane to the mill.



Ajay Dayal Road - Civiciv
Amar A Dass
Ambika Prasad
Anil Chand
Apenisa Road
Ashok Kumar R
Ashraf Road
Atma Nand Road
B C Prasad
Bal Meek Road
Bal Ram (Nilesh)
Bans Raj No 2 Road
Bans Raj No 3 Road
Bans Raj Road

#### **LAUTOKA SURVEY:**



Lautoka Sector was surveyed on the 24th November, 2014 to the 10th December, 2014.





Below is the summary :

Summary	
Active Farms	162
Non Active	79
Total	241

### Farmers Awareness:



As part of the early stages of conducting GPS survey, the farmers are begin informed of the activity and the roadmap that the Industry is taking to save cost and increase productivity.

This photo was taken of the farmers in Koronubu sector who turned out in numbers to learn how GIS can improve their farming activity and how Fiji Sugar Corporation will use the system to better advice farmers.

This type of awareness is begin done in all the sectors prior to the actual GPS survey.





### Termite Survey:

The GIS team was also requested to be part of the Kadivuka Operation with Sugar Research Institute of Fiji (SRIF), Biosecurity and the Security Forces. The target of the survey was to identify farmers whose farms have been infested by termites. The GIS team organize daily target for the survey teams.

It was quite obvious that using spatial data and information, the team was able to meet its timeline and also locate affected farmers.

Sector	Farm under cane	Land under no cane	Farm infested	Per cent incidence	Total farm surveyed
Drasa	623	78	1	0.16	701
Lovu	367	36	37	10.08	403
Lautoka	165	89	16	9.70	254
<b>Total</b>	<b>1155</b>	<b>203</b>	<b>54</b>	<b>19.94</b>	<b>1358</b>



### Short term consultancy and updating of GIS Portal:

With limited knowledge on using open source software and programming that is installed in the GIS Portal, the EU Coordination Unit funded a Specialist in Open Source, to write a backend manual of the system, and to train Fiji Sugar Corporation IT department and Sugar Industry GIS unit staff on the operation of the system. The Specialist was hired for a two week period.

Fiji Sugar Corporation's I/T staffs are now able to update the system without any difficulty.

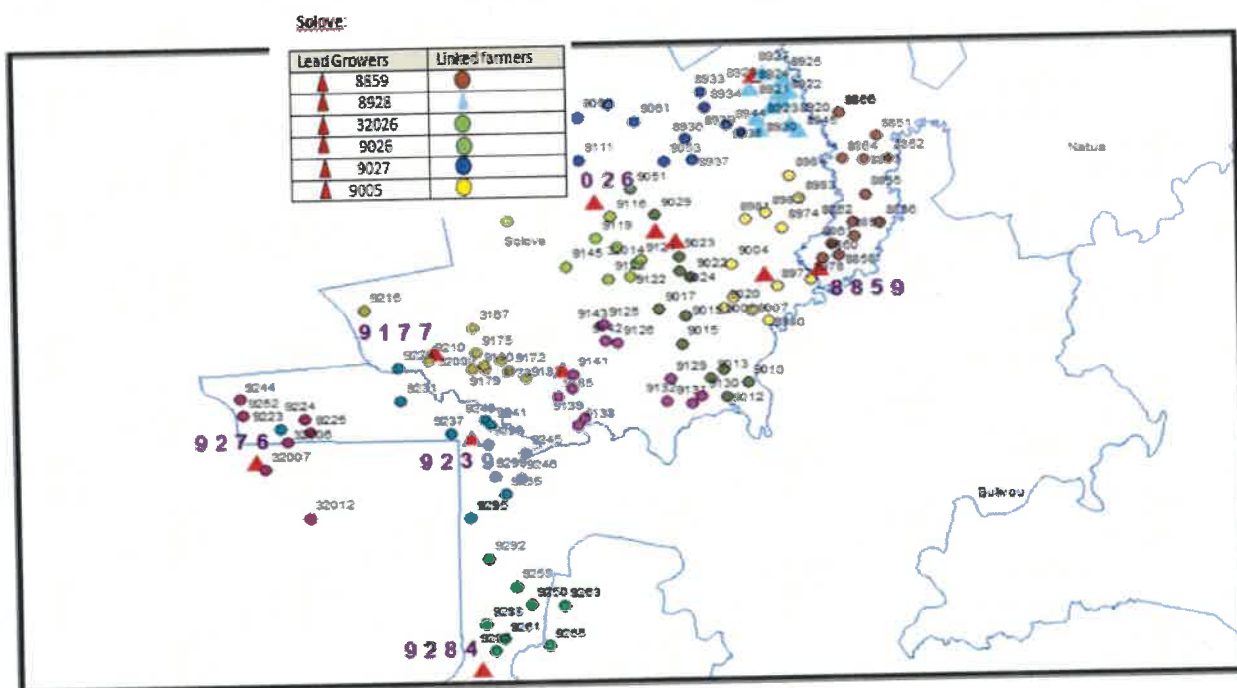
The detail report of the 2 weeks training can be made available upon request to the Tribunal office.

### Fairtrade: Lead and Link growers

The GIS team has been working closely with Fair-trade on the mapping of lead and linked growers. The following were some highlighted points:

- Lead farmers are far from their link farmers
- Some linked farmers are sitting on a boundary closer to another lead farmer
- Some linked farmers are far from the other linked farmers in their group
- Some lead farmers are not as productive as their linked farmers.

We completed mapping Drasa, Lovu , Lautoka, Solove, Natua and Bulivou Sectors. We are working on the remaining sectors.



**SUGAR INDUSTRY TRIBUNAL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**





**SUGAR INDUSTRY TRIBUNAL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the members of Sugar Industry Tribunal

### Report on the Financial Statements

I have audited the accompanying financial statements of Sugar Industry Tribunal ("Tribunal"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 19.

#### *Tribunal and Management's Responsibility for the Financial Statements*

The Tribunal and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Sugar Industry Act (Cap 206). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on the audit. I have conducted the audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Audit Opinion

In my opinion:

- a) proper books of account have been kept by Sugar Industry Tribunal, so far as it appears from my examination of those books; and



b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities:

- i. are in agreement with the books of account; and
- ii. to the best of my information and according to the explanations given to me:
  - a) give a true and fair view of the state of affairs of Sugar Industry Tribunal as at 31 December 2014 and of the results, and cash flows of Sugar Industry Tribunal for the year ended on that date; and
  - b) give the information required by the Sugar Industry Act (Cap 206) in the manner so required.



Atunaisa Nadakuitavuki  
for AUDITOR GENERAL



6 July 2016  
Suva, Fiji





**SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>INCOME</b>			
Government grant -Operational		363,959	403,889
Other income	4	779,924	272,675
<b>Total income</b>		<b>1,143,883</b>	<b>676,564</b>
<b>EXPENDITURE</b>			
Personnel expenses		206,579	218,548
Operating expenses		716,199	404,569
Administrative expenses		111,032	57,560
Depreciation		45,813	30,934
<b>Total expenditure</b>		<b>1,079,623</b>	<b>711,611</b>
<b>Surplus/(Deficit)</b>		<b>64,260</b>	<b>(35,047)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>64,260</b>	<b>(35,047)</b>

*(The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 13)*



**SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
<b>Current assets</b>	<b>5</b>	<b>69,187</b>	<b>9,481</b>
Cash at bank and on hand	<b>6</b>	138,588	145,667
Trade and other receivables		207,775	155,148
<b>Total current assets</b>			
<b>Non-current assets</b>	<b>7</b>	<b>188,671</b>	<b>163,659</b>
Property, plant and equipment		188,671	163,659
<b>Total non-current assets</b>			
<b>Total Assets</b>		<b>396,446</b>	<b>318,807</b>
<b>Current liabilities</b>	<b>8</b>	<b>47,732</b>	<b>60,872</b>
Trade and other payables	<b>9</b>	9,874	8,700
Provisions	<b>10</b>	1,069	3,779
Employee benefit liability	<b>11</b>	45,813	30,934
Deferred income		104,488	104,285
<b>Total current liabilities</b>			
<b>Non-current liabilities</b>	<b>11</b>	<b>134,502</b>	<b>124,370</b>
Deferred income	<b>12</b>	6,685	8,356
Finance lease liability		141,187	132,726
<b>Total non-current liabilities</b>			
<b>Total Liabilities</b>		<b>245,675</b>	<b>237,011</b>
<b>Net Assets</b>		<b>150,771</b>	<b>81,796</b>
<b>Equity</b>			
Retained earnings		150,771	81,796
<b>Total Equity</b>		<b>150,771</b>	<b>81,796</b>

*(The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 13)*

For and on behalf of the Tribunal.

  
Industrial Commissioner

Date

04/01/2016



**SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Balance as at 1 January		81,796	116,843
Net surplus/(deficit) for the year		64,260	(35,047)
Reversal of over provisions	13	4,715	-
Balance as at 31 December		<u>150,771</u>	<u>81,796</u>

*(The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 13)*





**SUGAR INDUSTRY TRIBUNAL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from government and customers		1,175,974	667,417
Payments to suppliers and employees		(1,045,442)	(655,499)
		<u>130,532</u>	<u>11,918</u>
<b>Net Cash provided by Operating Activities</b>	<b>14</b>		
<b><u>Cash Flows from Investing Activities</u></b>			
Payments for property, plant and equipment		(70,825)	(95,998)
		<u>(70,825)</u>	<u>(95,998)</u>
<b>Net Cash provided by Investing Activities</b>			
Net (decrease)/increase in cash		59,707	(84,080)
Cash at the beginning of the year		9,480	93,560
		<u>69,187</u>	<u>9,480</u>
<b>Cash at the end of the year</b>	<b>5</b>		

*(The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 13)*



**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**NOTE 1: REPORTING ENTITY**

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, Sugar Industry Tribunal is empowered under section 69 of the Sugar Industry Act, subject to the Minister's directive, to make and prepare any master award. The Sugar Industry Tribunal 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 2: BASIS OF PREPARATION**

The financial statements of the Sugar Industry Tribunal have been drawn up in accordance with the International Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs"). The financial statements prior to the adoption of IFRS for SMEs had been prepared in accordance with the Fiji Accounting Standards (FAS).

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of measurement**

The financial statements have been prepared on an historical cost basis and, except where stated, do not take into accounts current valuation of fixed assets.

**(b) Functional currency**

The financial statements are presented in Fiji dollars.

**(c) Use of estimates and judgements**

The preparation of the financial statements in conformity with IFRS for SMEs requires management to make judgements, estimates and assumptions that affect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any further periods affected.

Information about judgments in applying accounting policies that have an effect on the amounts recognised in the financial statements is included in the following notes:

Note 6 - Recoverability of trade and other receivables

Note 7 - Impairment of property, plant and equipment

**(d) Revenue recognition**

Revenue is recorded in the income statement on accrual basis. Grants relating to the purchases of property, plant and equipment are included in deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

**(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.



**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Property, plant and equipment**

Recognition and measurement

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

Depreciation

Depreciation is charged using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

	Rate
Furniture & Fittings	10%
Office Furniture	10%
Motor Vehicle	15%

Recognition and measurement

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

Depreciation

Depreciation is charged using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

	Rate
Furniture & Fittings	10%
Office Furniture	10%
Motor Vehicle	15%

**(g) Cash and cash equivalents**

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

**(h) Trade and other receivables**

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

**(i) Trade and other payables**

These amount represent liabilities for good and services provided to the Tribunal prior to the end of the year.

**(J) Comparatives**

Where necessary, amounts relating to prior year have been adjusted to conform with changes in presentation in the current year.





**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
<b>NOTE 4: OTHER INCOME</b>		
Interest in Salary Advance	1,401	1,236
Deferred Income	45,813	30,934
PMU receipts	-	320
Receipts from ACIAR account	-	4,949
Gain - Trade in of fixed assets	11,500	200
FSC Funding - NIR Project	720,430	235,030
Miscellaneous	780	6
	<u>779,924</u>	<u>272,675</u>

**NOTE 5: CASH AND CASH EQUIVALENT**

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the following:

Cash at bank	69,043	9,400
Cash on hand	144	81
	<u>69,187</u>	<u>9,481</u>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

Salary advance	3,981	4,672
Sundry Debtors Box Rental - PMU	-	40
Deposits Paid	1,836	1,836
Prepayments	-	16,623
Reimbursements	59,945	74,215
VAT receivable	72,826	48,281
	<u>138,588</u>	<u>145,667</u>

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	Furniture & \$	Equipment \$	Motor Vehicle \$	Total \$
<b>Cost</b>				
Balance at 31 December 2013	20,355	64,804	180,183	265,342
Additions	-	7,782	63,043	70,825
Disposals	-	-	(30,000)	(30,000)
Transfers	-	-	-	-
<b>Balance as at 31 December 2014</b>	<u>20,355</u>	<u>72,586</u>	<u>213,226</u>	<u>306,167</u>
<b>Accumulated Depreciation</b>				
Balance at 31 December 2013	7,112	26,155	68,416	101,683
Annual depreciation	2,036	13,369	30,408	45,813
Disposals	-	-	(30,000)	(30,000)
<b>Balance as at 31 December 2014</b>	<u>9,148</u>	<u>39,524</u>	<u>68,824</u>	<u>117,496</u>
<b>Carrying amount at 31 December 2013</b>	<u>13,243</u>	<u>38,649</u>	<u>111,767</u>	<u>163,659</u>
<b>Carrying amount at 31 December 2014</b>	<u>11,207</u>	<u>33,062</u>	<u>144,402</u>	<u>188,671</u>



**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 8: TRADE AND OTHER PAYABLES**

	2014 \$	2013 \$
Other Creditors & Accruals	29,088	40,508
Rent Due	18,644	20,364
	<u>47,732</u>	<u>60,872</u>

**NOTE 9: PROVISION**

At 1 January 2013	8,700	5,000
Add: Additions during the year	5,700	5,700
Less: Amount charged against provisions during the year	(3,000)	-
Unused amounts reversed	(1,526)	(2,000)
	<u>9,874</u>	<u>8,700</u>

The provision relates to audit fees.

**NOTE 10: EMPLOYEE BENEFIT LIABILITY**

Annual leave entitlement	1,069	3,779
	<u>1,069</u>	<u>3,779</u>

**NOTE 11: DEFERRED INCOME**

Deferred income relates to Capital Grants received for the purchases of fixed assets. The income approach has been used to account for Capital Grant.

Balance at the beginning	155,304	90,238
Add: Additional capital grant for the current year	70,824	96,000
Less: Amortisation of deferred income for the current year	(45,813)	(30,934)
	<u>180,315</u>	<u>155,304</u>
Comprise of:		
Current	45,813	30,934
Non-current	134,502	124,370
	<u>180,315</u>	<u>155,304</u>

**NOTE 12: FINANCE LEASE LIABILITY**

Balance at the beginning	8,356	8,356
Less: lease rent paid during the year	1,671	-
	<u>6,685</u>	<u>8,356</u>

The finance lease liability is payable as follows:

No later than 1 year	1,671	1,671
Later than 1 year but no later than 5 years	5,014	6,685
	<u>6,685</u>	<u>8,356</u>

**Total**

The Tribunal leases a telephone system (PABX system) from Telecom Fiji Limited on a financial lease agreement. The lease terms is for 5 years with a monthly lease rental of \$139.



**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 13: REVERSAL OF OVER-PROVISION**

As at 31 December 2014, the Tribunal reversed the following provisions as a result of the change in estimates or actual liability incurred.

	2014
	\$
Provision for 2012 audit fees	3,000
Provision for 2013 audit fees	1,526
Other provisions	189
	<u>4,715</u>

**NOTE 14: NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2014	2013
	\$	\$
Cash at bank	69,043	9,400
Cash on hand	144	81
	<u>69,187</u>	<u>9,481</u>

**(b) Reconciliation of operating profit to cash provided by operating activities:**

Net surplus/(deficit)	64,260	(35,048)
Add/(less) non-cash items:		
Depreciation	45,813	30,934
Amortisation of deferred income	-	-

**Changes in assets and liabilities during the financial period:**

Increase/(Decrease) in deferred income	25,011	65,065
Decrease/ (Increase) in receivables	7,080	(74,212)
Increase/ (Decrease) in accounts payable	(14,811)	22,637
Increase/ (Decrease) in provisions	1,174	(1,158)
Increase/ (Decrease) in employee benefit	(2,710)	3,700
Decrease/ (Increase) in retained earnings	4,715	-
	<u>130,532</u>	<u>11,918</u>

**NOTE 15: RELATED PARTY TRANSACTIONS**

**(a) Transaction with Key Management Personnel**

The key management personnel of the Tribunal during the year include :

Mr. Timothy Brown - Industrial Commissioner

Mr. Anu Patel - Acting Sugar Industry Tribunal (*appointment ceased March 2015*)

Key management personnel remuneration for the year amounted to \$93,528.





**SUGAR INDUSTRY TRIBUNAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTE 15: RELATED PARTY TRANSACTIONS (continued)**

**(b) Transaction with Funding Agency - Service Agreement**

During the financial year, the Tribunal received fundings from the Ministry of Sugar (Operating grant), the European Union (GIS projects) and from the Fiji Sugar Cooperation for the NIR project. This fundings incorporate specials terms and conditions which are stated in the grant agreements.

	2014 \$	2013 \$
Ministry of Sugar	500,000	500,000
Fiji Sugar Co-operation	720,340	300,000
FairTrade Coordination Unit	40,000	40,000
<b>Total Funding</b>	<b>1,260,340</b>	<b>840,000</b>

**(c) Year end balances arising from inter-related party transactions**

Receivables from related parties	39,423	51,581
Fiji Sugar Co-operation	522	1,265
Sugar Cane Growers Council	20,000	20,040
FairTrade Coordination Unit		
<b>Payables to related parties</b>	<b>18,644</b>	<b>20,364</b>
S.K Trust	41,301	52,522
<b>Net Total</b>		

**NOTE 16: CONTINGENT LIABILITY**

There is no contingent liabilities at balance date.

**NOTE 17: CAPITAL COMMITMENTS**

There is no capital commitments at balance date.

**NOTE 18: 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 19: APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Tribunal and authorised for issue on 4 July 2016.













## **Sugar Industry Tribunal**

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

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