Sugar Industry Tribunal

2015 ANNUAL REPORT

SUGAR INDUSTRY TRIBUNAL

Tribunal — Shalend Ram Krishna (LL.B, GDLP, Notary Public)
Tribunal Accountant — David Veremo, DIP ED (COM), BA, CA
Industrial Commissioner — Timothy Brown, M.B.A, B.A - USP

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9 January 2018

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

Dear Sir

RE: ANNUAL REPORT - 2015

As required by Section 30 of the Sugar Industry Amendment Act No. 10 of 2015, a report on the activities of the Sugar Industry Tribunal, the Industrial Commissioner, and the Accountant to the Tribunal is submitted for the period 1st January, 2015 to 31st December, 2015 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 – 2015

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. Shailend Ram Krishna was appointed the Sugar Industry Tribunal with effect from 23rd March 2015.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 1stAugust 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 2015.

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 Tribunalas required under Regulation 5.6(i) of the Master Award that it intends to purchase 100% of the NBA of 3,052,418tonnes for the 2015 season.

PURCHASE OF ALL CANE 2015

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 2015

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2015 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 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 2015, this day fell on Tuesday, 16thJune, 2015.

The Corporation wrote to the Tribunal by letter dated 29th April 2015advising of its intention to commence crushing for Lautoka, Rarawai, Labasa and Penang Mills as follows:

Lautoka Mill	01st July 2015
RarawaiMill	23rdJune 2015
Labasa Mill	17th June 2015
Penang Mill	30thJune 2015

The Tribunal consulted the Chief Executive Officer of the Sugar Cane Growers Council, the Executive Chairman of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 19th May 2015that the four mills are authorized to commence crushing on the following dates:-

Lautoka Mill	01st July 2015
Rarawai Mill	23rdJune 2015
Labasa Mill	17thJune 2015
Penang Mill	30thJune 2015

Labasa Mill start of crush 2015

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 5th October 2015 that the likely date for termination of crushfor each of the mills is as follows:-

Labasa Mill	22ndOctober 2015
Penang Mill	18th October 2015

The Corporation advised the Tribunal on 26th October 2015 that the likely date for termination of crush at Rarawai Mill is 4th November 2015.

The Corporation advised the Tribunal on 9th November 2015 that the likely date for termination of crush at Lautoka Mill is 22nd November 2015.

ACTUAL DATES FOR TERMINATION OF CRUSH

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	24th November 2015
Rarawai Mill	05th November 2015
Labasa Mill	24th October 2015
Penang Mill	18th October 2015

Employees of the Labasa FSC Mill watched as the last load of cane made its way to the tipping table.

BURNT CANE

"On Programme Burning" was approved in all mills for the 2015 season.

Labasa & Penang Mills	-	30th September 2015
Lautoka & Rarawai Mills	-	1st October 2015

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	17	22	13	14	66
Approvals	15	22	9	13	59
Rejections	2	-	4	1	3
In Process	0	-	4	0	4

TRANSFERS

	Lautoka	Rarawai	Labasa	Penang	Total
Applications	112	94	121	26	353
Approvals	110	89	117	26	342
Rejections	-	-	-	-	-
In Process	2	5	4	-	11




OTHERS

The Registrar dealt with 696 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	268	219	128	81	696
Approvals	262	209	123	78	672
In Process	6	10	5	3	24

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 345 new registrations were issued on ALTA expired leases, over the period 01/01/15 to 31/12/15 of these 5 new registrations were issued to new incoming landowner/ITaukei tenants and 340 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 5876 registrations have been issued to tenants on ALTA expired leases, of these 1952 were issued to new incoming landowner/ITaukei tenants and 3924 registrations were issued to new Indo Fijian tenants while 345 registrations were issued to sitting tenants.

FORECAST CANE PRICE		2015	2014	2013
Tonnes of cane paid	MT	2,015,000	1,920,000	1900,000
Which Produced:				
Sugar	MT	242,771	204,255	190,000
[TCTS]				
Molasses	MT	72,540	67,200	76,000
Proceeds:				
From Sugar - Overseas (net of marketing commission)		166,937,285	158,093,617	159,262,121
- Local & Regional		33,132,000	33,132,000	34,955,976
- Stocks				
From Molasses - Overseas		16,885,000	15,550,000	14,947,368
- Local		875,000	875,000	620,000
TOTAL		**217,829,285**	**207,650,617**	**209,785,466**
Additional Income was Received from:				
Fiji Sugar Marketing Co Ltd (Excess Income for the year)				
Sundries				
		217,829,285	**207,650,617**	**209,785,466**
Deductions prior to dividing proceeds were:				
Export duty - Sugar				4,777,864
- Molasses		506,550	466,500	4,484,81
Bulk loading costs & SCRC			1,669,768	1,577,717
Wharfage, sugar		129,823	106,713	53,988
molasses		104,687	96,410	110,050
Molasses Handling		116,844	107,606	122,830
Marketing Cost		300,000	300,000	300,000
Rouging Costs		100,000	100,000	100,000
Lorry Transport Allowance		1,272,991	1,206,845	1,166,301
Sundries				
Cost of Importing sugar				
Cost Handling import sugar				
Total Deductions		**4,200,663**	**4,053,842**	**8,657,170**
Revenue for Distribution		**213,628,622**	**203,596,775**	**201,128,295**
This was divided under the terms of the Master Award as follows:				
Payable to the Growers		**149,540,035**	**142,517,743**	**140,789,807**
Less growers contribution to SRIF		**900,000**	**900,000**	**900,000**
Less growers contribution to SCGF				**-**
Nett payable to growers		**148,640,035**	**141,617,743**	**139,889,807**
Equaling per tonne of cane		**73.77**	**73.76**	**73.63**
The forecast price was:		**62.70**	**62.70**	**62.58**
The Millers share was:		**64,088,587**	**61,079,033**	**60,338,488**
or per tonne of cane crushed		**32.00**	**31.82**	**31.76**



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		
- Overseas			145,019,400	149,642,457
- Local & Regional		34,955,976	30,200,948	20,799,120
- Freight & Commission			17,573,600	
From Molasses - Overseas		13,632,854	496,000	12,751,137
- Local		1,240,000		425,000
TOTAL		**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				
Total Income		**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, handling costs,			45,540	
Insurance and bagging costs			124,000	
Wharfage, Sugar		40,814		62,610
Molasses		102,672		115,863
Molasses Handling		114,595	138,400	129,318
Marketing Cost		300,000		
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		1,169,984		1,400,000
Sundries			3,570,648	
Cost of importing Sugar				**22,796,770**
Cost Handling import sugar				
Total Deduction		**3,914,768**	**189,719,294**	**29,576,399**
Revenue for Distribution		**177,035,790**		**154,042,315**
This was divided under the terms of the Master Award as follows			**132,803,506**	
Payable to the Growers		**123,925,053**	**900,000**	**107,829,621**
Less growers contribution to SRIF		**900,000**	**2,940,839**	**706,694**
Less growers contribution to SCGF		**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**




APPENDIX I(a)

REGISTER OF GROWERS' STATISTICS
MILLS, DISTRICTS AND SECTOR
As at 31.12.15

LAUTOKA MILL					
Lautoka District	Drasa Sector	- 713			
	Natova Sector	- 461			
	Saweni Sector	- 253	2,095		
	Lovu Sector	- 407			
	Lautoka Sector	- 259			
	Estate	- 2			
Nadi District	Qeleloa Sector	- 313			
	Malolo Sector	- 426			
	Nawaicoba Sector	- 415			
	Meigunyah Sector	- 360	2,156	5,388	
	Yako Sector	- 335		33%	
	Legalega Sector	- 305			
	Estate	- 2			
Sigatoka District	Cuvu Sector	- 390			
	Lomawai Sector	- 532	1,137		
	Olosara Sector	- 215			
RARAWAI MILL	Koronubu Sector	- 739			
	Varavu Sector	- 671			
	Veisaru Sector	- 587			
	Varoko Sector	- 500			
	Mota Sector	- 495	3,644		16,419
	Naloto Sector	- 359			
	Rarawai Sector	- 291			
	Estate	- 2			
				5,287	
				32%	
Tavua District	Tagitagi Sector	- 611			
	Drumasi Sector	- 565	1,643		
	Yaladro Sector	- 467			
PENANG MILL	Malau Sector	- 690			
	Ellington I Sector	- 355	1,715	1,715	
	Nanuku Sector	- 368		10%	
	EIIIington II Sector	- 302			
LABASA MILL					
Labasa District	Bucaisau Sector	- 552			
	Wailevu Sector	- 651			
	Wainikoro Sector	- 419			
	Labasa Sector	- 435	3,384		
	Vunimoli Sector	- 510			
	Waiqele Sector	- 439			
	Daku Sector	- 378			
				4,029	
				25%	
Seaqaqa District	Natua Sector	- 198			
	Solove Sector	- 258	645		
	Bulivou Sector	- 188			
	Seaqaqa Estate	- 1			



APPENDIX 1(b)

Production Report or 2015								
Mill No	Sector No	Lease Area	Area Under Can	SCA	FBA	Regist. Growers	Prod. Growers	Production
1	111	3738.9	1710.9	2557.7	135597	713	587	82400.37
1	112	2655.46	1199.7	1634.2	90864	407	344	62825.5
1	113	1876.9	332.2	982.13	38840	259	144	14261.26
1	114	1357.19	395.2	988.9	35602	253	151	20070.69
1	115	2667.76	868.3	1904.4	84915	461	288	43343.43
1	119	0	100.6	218.8	6773	2	2	7556.22
1	121	2092.02	702.2	1271.6	60941	305	215	35191.95
1	123	2740.17	994.6	1516.7	73457	360	275	38906.93
1	124	1679.6	512.6	1136.4	40543	313	202	22535.11
1	125	2513.13	660.9	1537.7	54028	335	250	25761.27
1	126	2868.62	905.7	1862.4	68465	426	320	33823.11
1	127	3240.24	1126.1	1946.7	84703	415	349	46723.03
1	129	72.6	61	85	4447	2	1	3702.64
1	131	3079.75	1276.1	2429.7	87365	532	403	53341.74
1	132	2724.89	591.5	1844.4	51500	390	193	26104.2
1	133	1412.41	87.2	898.6	20351	215	40	4517.85
2	211	2626.21	1126.8	1776.21	97960	500	408	58937.32
2	212	3170.59	1296	2056.2	104412	495	417	56035.06
2	213	5415.56	1758.2	3052.79	140398	739	631	68999.11
2	214	864.4	698.4	986.2	55138	291	251	35013.75
2	215	4972.17	1456.8	2695.82	103551	587	487	56688.85
2	216	3539.21	1455.2	2483.27	113824	671	527	54071.54
2	217	2684.78	932.5	1637.25	73213	359	293	40952.92
2	219	18	72.9	121.7	6119	2	2	3525.19
2	221	4747.36	1170.2	2669.6	90579	611	454	39118.44
2	222	5358.42	1370.5	2746.6	99969	565	450	46292.53
2	223	3025.46	929.6	1809.3	62722	467	348	31156.82
3	311	4521.04	1864.6	2526	119520	439	394	93066.13
3	312	6044.07	2585.5	3000.05	148580	651	598	133134.63
3	313	3373.37	1450.4	1555.69	100519	510	454	74025.43
3	314	3000.89	857.6	1034.9	59549	435	341	42622.74
3	315	4069.5	1598.6	2152.5	93223.8	552	492	89266.92
3	316	3772.32	933.5	1530.8	54164	419	336	39765.76
3	317	4139.78	980.7	1769.8	71378	378	286	43879.55
3	321	3870.3	835.7	1409.6	60589	198	163	40274.21
3	322	4723.07	1354.5	2138	110749	258	203	57477.81
3	323	5213.74	929.5	1690.8	79444	188	149	46691.98
3	329	688	0	200	3250	1	1	2415.23
4	411	3474.49	550.7	1699	39773	355	214	21964.89
4	412	3994.54	2140.2	2863.51	128239	690	619	100744
4	413	3412.55	955	1697.1	60571	368	294	33349.98
4	414	2639.16	280.4	1575.6	36593	302	135	14070.69
		128078.6	**41108.8**	**71693.62**	**3052418**	**16419**	**12711**	**1844606.78**



APPENDIX 1 (c)

REGISTER OF GROWERS

R A C E S

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
INDIAN	4,266	4,290	1,048	3,457	13,061
FIJIAN	1,075	960	657	545	3,237
OTHERS	47	37	10	27	121
TOTAL	5,388	5,287	1,715	4,029	16,419

TOTAL

INDIAN	-	13,061	79.55%
FIJIAN	-	3,237	19.71%
OTHERS	-	121	0.74%
		16,419	100.00%

APPENDIX 1(d)

REGISTER OF GROWERS

METHOD OF DELIVERY

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
PORTABLE LINE	395	737	216	658	2,006
TRACTOR TRAILER	2,154	2,067	212	1,338	5,771
LORRY DIRECT	2,839	2,483	1,287	2,033	8,642
TOTAL	5,388	5,287	1,715	4,029	16,419

TOTAL

PORTABLE LINE	-	2,006	12.22%
TRACTOR TRAILER	-	5,771	35.15%
LORRY DIRECT	-	8,642	52.63%
		16,419	100.00%

APPENDIX I(e)

REGISTER OF GROWERS

FORM OF LAND TITLE

	LAUTOKA	RARAWAI	LABASA	PENANG	TOTAL
NATIVELAND	2,903	2,631	2,693	496	8,723
CROWN LEASE	1,089	1,328	939	388	3,744
FREEHOLD	600	499	121	268	1,488
VAKAVANUA	262	75	4	177	518
OTHERS	534	754	272	386	1,946
TOTAL	5,388	5,287	4,029	1,715	16,419

TOTAL

NATIVE LEASE	-	8,723	53.13%
CROWN LEASE	-	3,744	22.80%
FREEHOLD	-	1,488	9.06%
VAKAVANUA	-	518	3.15%
OTHERS	-	1,946	11.85%
		16,419	100.00%



APPENDIX 1(f)

REGISTER OF GROWERS

FARM BASIC ALLOTMENT

	0-100	101-300	OVER 301	TOTAL
LAUTOKA	1,798	2,859	731	5,388
RARAWAI	1,527	3,040	720	5,287
LABASA	1,057	2,046	926	4,029
PENANG	699	820	196	1,715
TOTAL	5,081	8,765	2,573	16,419

TOTAL

0-100	-	5,081	30.95%
101-300	-	8,765	53.38%
OVER 301	-	2,573	15.67%
		16,419	100.00%

Range	No Of Growers	SCA	FBA	Productions	Area Cut	TPHA
1 - 50.00	2680	10201.36	310733	74509.04	3216.5	23.16
50.00 - 100.00	2880	10741.3	417345.8	213600.1	6290.72	33.95
100.00 - 200.00	4021	16879.77	821960	583894.39	12995.6	44.93
200.00 - 300.00	1970	9488.17	556040	476539.91	8701.7	54.76
300.00 - 400.00	679	3992.2	240558	231681.41	3761.9	61.59
400.00 - 500.00	285	1989.4	129141	126490.71	2025.8	62.44
500.00 - 700.00	146	1209.1	82651	82458.75	1236	66.71
500.00 - 700.00	37	410.9	26646	28904.82	441.7	65.44
> 1000.0	13	897.6	26280	26527.65	321.9	82.41
	12711	55809.8	2611354.8	1844606.78	38991.82	495.39



APPENDIX I(g)

TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/97- 31/12/15

	FIJIAN			INDIAN			TOTAL		
	NEW	SIT	TOT	NEW	SIT	TOT	NEW	SIT	TOT
LTK	629	13	642	1288	197	1425	1857	210	2067
RAR	599	11	610	1136	135	1271	1735	146	1881
LAB	514	5	519	925	203	1128	1439	208	1647
PEN	170	11	181	91	9	100	261	20	281
TOT	1912	40	1952	3380	544	3924	5292	584	5876

APPENDIX I(h)

TOTAL REGISTRATION ON ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/15 - 31/12/15

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

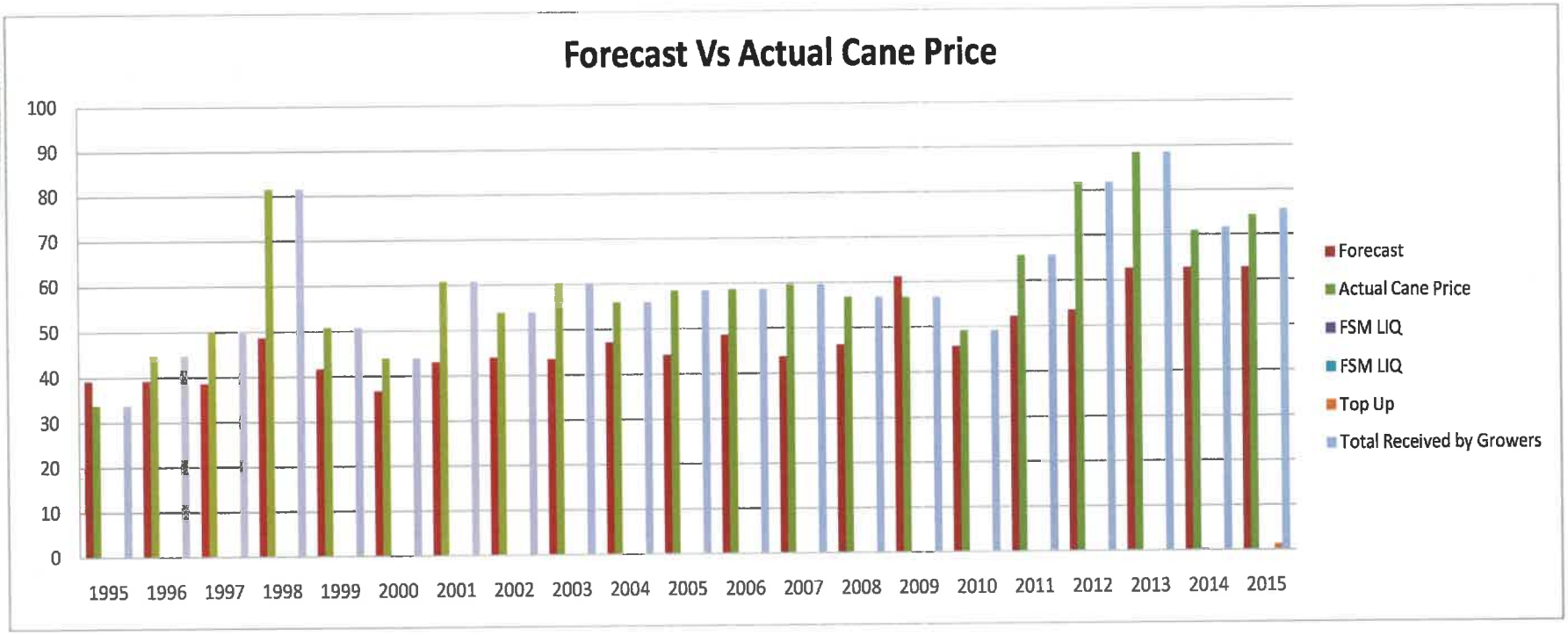


PART IV – ACCOUNTANT TO THE TRIBUNAL

FINAL CANE PRICE FOR 2015 SEASON

The 2015 season returned to the growers $88.49 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	$195,799,359
Growers Share of Proceeds (Sec 20.2)	$137,039,551
Tonnes of Sugar Produced	221,923
Tonnes of Cane Delivered and paid for	1,844,587
Price per tonne of Cane	$74.28
Top Up by Government per tonne cane	$1.38
Total Received by Grower per tonne cane	$75.66



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**	**2015**
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	62.7
Actual Cane Price	33.78	44.81	50.07	81.51	50.76	44.01	60.8	53.8	60.12	55.87	58.35	58.63	59.65	56.7	56.59	49.16	65.67	81.83	88.49	70.9	74.28
FSM LIQ																				0.41	
FSM LIQ																				0.058	
Top Up																				0.25	1.38
Total Received by Growers	33.78	44.81	50.07	81.51	50.76	44.01	60.8	53.8	60.12	55.87	58.35	58.63	59.56	56.7	56.59	49.16	65.67	81.83	88.49	71.62	75.66

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 2015/2016 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

15 applications received. 13 approved,1 pending and 1 not approved.

Change of Method of delivery

10 applications received. 7 approved and 3 pending.

Gang transfer

78 applications received. 75 approved and 3 not approved.

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

Gang Disputes

In the year 2015, 33 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 33 cases was handed down by the Industrial Commissioner.

EMPLOYEE BENEFIT FUND - 2015

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 495 loans amounting to $211,710.00 were approved to members during the year. The Fund has total net assets worth $425,727.72.

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 170 loans amounting to $78,500.00 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 271 loans amounting to $121,300.00 were approved to members during the year. The Fund has total net assets worth $167,833.54.

SUGAR WORKERS UNION

The Sugar Workers Union operated successfully during the year. A total of 75 loans amounting to $13,850.00 were approved to members during the year. The Fund has a total net assets worth $17,761.54.

FAIR-TRADE

LAUTOKA CANE PRODUCERS ASSOCIATION-ACTIVITIES REPORT 2015

The Association designed a Fairtrade Development Plan based on the Fairtrade Standards which necessitates that the selection and execution of the Fairtrade premium monies be made through transparent and democratic procedures. It is a democratic organization without involvement of any other stake holders.

Subsidy

A total of FJ$468292 was paid to the members for Fertilizer Subsidy from the premium funds.A subsidy of FJ$4.00 per bag of fertilizer was paid to all our members who bought fertilizer through FSC. All farmers who were our members paid $27.50 per bag of fertilizer instead of $31.50.

Weedicide Subsidy

A total sum of FJ$159,502 was spend on this particular productivity project where all the members were distributed free weedicides based on the tonnage of cane produced in 2014.The Association assisted farmers with allowable herbicides, on the condition that farmers are no longer using paraquat based agro chemicals.

Drainage & Culvert

A total of FJ$41,233 was spent on drainage & culvert. Drainage and culvert assistance was provided based on 1/3 farmer contribution and 2/3 Association contribution in order to increase harvest and to utilize more productive land

Training Awareness Workshop

A total of FJ $3221 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$8,413 was spend on carrying out the Inspection cycle. The inspection consisted of physical visit to farms and gangs tomonitor them on the compliance criteria of Fairtrade Standards.

Community Development Projects

The funds were used to improve the situation of workers, famers and local communities in education, water projects and infrastructure development. It was allocated from premium to support the community in order to alleviate poverty in rural communities. A total of FJ $45,353was spend on community development project.

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$37,500was spend on death benefit.

Environmental Expenses

A total of FJ $ 476 was spend in this category.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.

Office Operation Cost

A sum of FJ$87,454has been spent on the day to day operation of the Association

FLO – Audits

A total of FJ$ 11,218was spend for FLO audit fees.The Association has to go through FLO – cert audit to maintain certification and to ensure that the Association is in compliance with the Standards.

Fairtrade Certification Fees

A total of FJ$ 4,061 was spend for FLO Certification Subscription. This fee was equally shared by the three Associations as are equally receiving the premium.

Research & Development

A total of FJ$35,072was spent on this category for external training and capacity building of staffs, board members and members.

Investment – Truck/Excavator/Cane Harvester

A total of FJ$292,827 was spent on carrying out the daily operation of the truck, Excavator and Cane Harvester. This includes the fuel, repair & maintenance, wages, Insurance and Cartaging Expenses.



LABASA CANE PRODUCERS ASSOCIATION - ACTIVITY REPORT 2015

As a requirement of the Fairtrade Standard, the Need Assessment was completed by all 408 gangs, after discussing their needs together. 69% of the gangs returned their forms to LCPA which provide the basis for the analysis.

The Board and management drafted a Fairtrade Development Plan for year 2015 based on the information presented in the Need Assessment. The draft was then presented to the Annual General Assembly for discussion, amendment and approval. The Annual General Assembly approved the Fairtrade Development Plan by majority decision on the 31st March 2015.

The 2015 Fairtrade Development Plan was developed on the budget of FJD**$2,400,000.15 {Two Million Four Hundred Thousand Dollars and Fifteen Cents}.** This comprised of the Fairtrade Premium received for the 2014 crushing season and any balance remaining from previous years projects.

The summary of budget allocations and expenditure is for the financial period from 01st January 2015 to 31st December 2015 with a total expenditure incurred for a sum of FJD**$2,181,023.00(Two Million One Hundred Eighty One Thousand and Twenty Three Dollars).**

Productivity Projects – FJD **$1,529,762.00**, a sum of **One Million Five Hundred Twenty Nine Thousand Seven Hundred and Sixty Two Dollars** has been spent on productivity projects. The fund was utilized in four different categories as follows:

- **Cane planting /Aglime /Drainage/Road and Culverts Subsidy:** All farmers were provided a subsidy of $420 either to plant one acre of sugarcane / add aglime or to carry out drainage works or improve in-field access roads on their farms. Under this category a total of **$323,043.00** was paid to members.
- **Weedicide Subsidy:** Under this category **$226,075.00** was spent to distribute weedicide to all members.
- **Fertiliser Subsidy:** Under this category **$833,888.00** was invested to reduce the cost of fertiliser by $4 per bag.
- **Pre Harvest Assistance:** A sum of **$146,756.00** was spent on harvesting preparation for the 2015 season. A cane knife and file set had been provided to each member for every 100 ton of cane produced.
- **Death Benefit Funds:** A total of **$83,500.00** was spent upon this project whereby members receive $500.00 in the unfortunate event of a family member passing away, in order to carry out final rituals. A total 167 members, their parents and/or children benefited from this fund.

Community Development Projects – The Needs Assessment Analysis identified a high demand for Community Development Projects. Projects were given high priority that fell within the **$10,000.00** per sector budget where the need was considered the greatest. A total of **$164,534.00** was spent in 2015 which also included some 2014

project expenditure. Feedback from members, their families and communities has been very positive and has acted as catalyst for further livelihood and sustainability development in most instances.

Environment Management Plan - A total of **$265.00** was invested to train and develop members on Environment Standards and compliance criteria as outline by the Fairtrade Standard.

Administration Costs:

The association has five full time paid workers

1. Ravnil Raj- Executive Manager/ Environment Officer
2. Mohammed Al Jihad – Accountant/ Secretary/ Administrative Assistant
3. AsenaTagutu - Office Assistant
4. Lakhan Kumar – Project Officer
5. Zaffar Khan – ICS Officer/ Assistant ICS Officer

For full-time employed staff, the LCPA had spent **$130,581.00** on staff salary and wages, FNPF Contribution and PAYE for the staff.

Fixed Assets/ Capital

LCPA has a fixed asset base of **$108,417.00.**

Office Operations Cost

A sum of **$75,199.00** has been spent on the day to day operational costs of LCPA.

Internal Control Systems Operation Cost

The First and the Second Farm Inspectional Cycle, Gang Evaluations plus I.C.S training, awareness and monitoring was completed with a total cost of **$58,233.00**.

Research and Development

Local and international travelling and consultancy cost accumulated to **$9,081.00.**

FLOCERT AUDIT Fees

The surveillance audit fee that was approved has been paid to FLOCERT at the total cost of **$46,628.00**. This includes the audit fee for LCPA and FSC Labasa Mill as per the Fairtrade Standard.

Investment – Term Deposit

A term deposit of **$1,501,955.00** is invested with HFC from 13th January 2015 for 12 months at an interest rate of 2% per annum which has accrued **$28,093.00** interest.



Flo ID: 28109
Rarawai Penang Cane Producers' Association

Activity Report

The Rarawai& Penang Cane Producers' Association (RPCPA), a non – political and democratic organization to facilitate sustainable livelihoods and development opportunities to individual cane producers, their families and the wider communities.

Rarawai and Penang Cane Producers' Association is a cane producer association based in Ba. It's a Fair trade certified association by the fair trade labelling organization and fair trade international. It was certified in 2012 by fair trade. The association has 7000 registered cane producers as its members. The association was established to administrate the fair trade premium, to manage the benefits to its members, to accommodate social and economic development through the premium funds. The association is governed by its constitution and standards of fair trade. The members are farmers who supply cane to Rarawai mill, namely Ba, Tavua and Rakiraki.

Summary of Activities

The association has done the following activities:

- ✓ The association has an Ongoing Social Benefits such as Death benefit for the contract holder and the spouse and allocation for burnt house.
- ✓ The Association has also purchased three mechanical harvesters one each for Ba, Tavua and Rakiraki.
- ✓ The association has successfully completed its fresh elections coinciding with the 2017 MOGA.

Future Activities

- ✓ The association is waiting for the 23 elected members from the 14 sectors of Ba, Tavua and Rakiraki also called the General Assembly members to form a board of Rarawai Penang Cane Producers Association. Upon formation of the board a premium development plan will be drafted and presented to the General Assembly for their approval.
- ✓ The premium development plan is sourced from the Needs Assessment forms distributed to the gangs within the 14 sectors.
- ✓ Once the approval is granted by the General Assembly the projects will be undertaken for the benefits of the farmers.

In conclusion the association is hopeful for some positive developments in regards to fair trade sugar buyers and also looking for other avenues and agencies to fund the association. The Government, Sugar Industry Tribunal, Fiji Sugar Corporationand other stakeholders are very supportive towards looking for fair trade sugar markets.

I would like to thank the stake holders of the sugar industry for their dedication and support towards the progression of the association.

JANUARY - JUNE (MAINTENANCE SEASON)

The Cane Quality Department since it is based in the 4 Sugar Mills usually follow the Mill Schedule and Seasons. January to June is usually the Maintenance Season for all Mills and it is during this period that the Mill does not run but undergoes repairs and upgrades to prepare for the new crushing season from June - December. The Cane Quality Dept also carries out certain tasks during this Maintenance Period to ensure that all repair works and upgrades that need to be done are attended to before the start of the new crushing season.

1. Rail trucks reconciliation and rail tags installation.

About 30% of cane that are delivered to the mill is by rails and one of the main tasks the department carries out during the first few month of the maintenance season is the reconciliation of the rail fleet in each mill. All rail trucks in the 4 mills are installed with a rail tag. These rail tags help us identify each rail truck as it arrives into the mill during the crushing season so that we are able to track it when it goes for tipping. During the Maintenance Season, the staffs in the mill check every single rail tag installed in the rail trucks to see if it is in good working condition or if it needs replacing. Those that need replacement are marked and send to the Truck Shop. When the rail trucks are repaired at the Truck Shop, one of the cane quality staffs is there to assist in the new rail tag installation.

Mill Name:	# of Rail trucks Reconciled
Lautoka Mill	1400
Labasa Mill	1600
Rarawai Mill	1100
Penang Mill	350

2. Stocktaking and Placing of Local and Overseas orders.

Early in the Maintenance Season stock taking is also done to see the level of stock left and confirm what needs to be ordered. Once all upgrade works and maintenance works are also confirmed for the department, materials needed for these works are also identified and confirmed. Placing of orders for all materials needed, chemicals, glassware's and equipments are then carried out in the early part of the season as they usually take months too before it arrives especially for the overseas orders.

1. Trip to Bundaberg, Australia for 4 Staffs to attend the 37th ASSCT Conference & CAS User - group Meeting

3 mill Chemists with the Cane Quality Manager were selected to go and attend the 38th ASSCT Conference and the CAS (Cane Analysis System) User-group Meeting in Bundaberg, Australia from 27th April to 2nd May, 2015. These conference and meeting is very important for the staffs to attend as that is the only time they are able to meet the Australian cane quality consultants to discuss and learn more about what other work they do in Australia, Meet with other CAS Users and get first hand information on how they use their CAS machines and how cane quality payment is

done in their mills in Australia. Get information on how Australian Mills are able to improve their mill performance with the use of new technologies available and how we can follow suit to improve our performance here in Fiji. Mill visits were also organized for the 4 staffs so that they are able to see the setup of the cane quality payment machines and how they can improve the setup in their mills in Fiji.

Meeting Cane Tracking Consultants in Brisbane. Mill near Bundaberg

SIT and SRIF Staffs visit to ISIS

Attending the ASSCT Conference in Bundaberg, Qld.

CAS User-group Meeting with other CAS Users.

2.Modification Works. (Improvements made to the current setup as was seen in Australia Mill)

Some of the Modification works that was carried out in the Mills during the Maintenance Season are:

Rarawai Mill–

1. Modification of the Juice Collecting Tank - Juice Collection in Rarawai Mill in 2014 was a major problem in the 2014 Season. The idea of modifying it for maximum juice collection was given to the Engineers by the Mill Chemist after seeing the Juice Collecting system in ISIS Mill.
2. Installation of Steam Pipes on the Juice line - This idea of installing Steam lines tap off points on the Juice line was made when the Team returned from Australia. This was to ensure that the Juice line was thoroughly steamed off before and after Juice collection to minimize line blockage and bacteria growth on the juice line.

Labasa Mill –

1. Modification of the Chute Height Flap Control - Maintaining Cane Chute level at a height of 1m was a Major problem for Labasa Mill in the 2014 Crushing Season. After seeing how ISIS Mill is able to maintain their 1m chute height with only one rail



tipping point, the idea of linking the Probe level controls with the automation of the mill running was discussed and implemented with the Mill Engineers. This solved the problem of Chute height in Labasa mill in the 2015 Crushing Season.

Penang Mill –

1. Modification of Chute Height Flap Control - The same issues faced by Labasa Mill was also faced at Penang Mill in the 2014 Crushing Season. After the visit to ISIS and Millaquin Mill, the idea seen on how to maintain Chute Height was given to the Engineers to help them improve the Chute Height problem in the 2015 Crushing Season.

Lautoka Mill

No Modification works done as it was operating smoothly from previous years.

3. Cane Farmers Awareness Sessions:

Cane Farmers awareness session is one of the most important tasks the Department staffs does during the Slack Season. It is during this awareness session that the Team visits all the Cane Sectors in Viti Levu and Vanua Levu informing the Cane Farmers of the results of the Cane Quality Trials in the previous year and also educate cane farmers on What Cane Quality Payment is about, Why it is important, What cane farmers need to do and How they can benefit from it when it is fully implemented.
The following Awareness Sessions for Cane Farmers was carried out in the 4 mill areas.

Mill Name:	# of Awareness Sessions
Lautoka Mill Area	20
Rarawai Mill Area	19
Penang Mill Area	3
Labasa Mill Area	40

This was carried out from 13th May - 15th June in all the Cane Sectors in Fiji. (Some of the pictures taken during the awareness is shown below:)

Awareness Session in Yako Sector - Lautoka.

Awareness Session in Naloto Sector - Ba.

Awareness Session in Malau Sector - Rakiraki.

Awareness Session in Wailevu Sector - Labasa

4. Refresher Training for FSC Staff's.

Refresher Training for FSC Employees who work closely with the Cane Quality Team during the crushing season is one of the tasks carried out before the mill starts crushing. It is during these refresher trainings that FSC employees are reminded to follow some of the requirements of the Cane Quality Project to ensure Cane Tracking in the Mill is not affected and can be tracked effectively.

Some of the FSC staffs who work closely with the Cane Quality Team are those that are employed in

i. **The Cane Carrier (Feeding Station)** - Employees that feed cane to the mill. One of our main requirement is for cane not to be mixed when they are tipped. They are reminded during the refresher training to ensure all rail trucks from one farm are tipped together, all cane from one lorry is completely tipped before tipping cane from another lorry or set of rail trucks, Cane carrier to be fed evenly leaving no gaps in the carrier and tip buttons to be activated when a tip has been initiated.

ii. **Loco Drivers &Pointsman** - Employees that deliver the empty rail trucks and pickup the Fulls from the rail gangs. They are reminded during the refresher training on the importance of issuing a minimum of 3 empty rail trucks to a rail gang harvesting cane, picking up the Fulls in the way they are placed on the rail line and ensuring that no rearrangement of rail trucks is made by them during transportation or when they arrive at the Full Yard.

iii. **Weighbridge Clerks & CYA (Cane Yard Attendants)** - Employees that weigh all the cane that arrive in a mill in any day. They are reminded during the refresher training on the importance of weighing rail trucks in the same way they are picked, weighing all rail trucks from one farm together and ensuring that they are all place in one rail feed line to the cane carrier and not separated and informing the Cane Quality Chemist the last rail and lorry number weighed every day.

iv. **CLM (Cane Logistics Manager) and Shift Engineers** - These FSC Staffs are the ones that supervise the shiftily operations and FSC employees (i -iii above) who work closely with the Cane Quality Team. They are reminded during the refresher training on Cane Quality requirements and to assist where necessary when FSC Employees are not following the requirements required.

5. Final Tests and Installations

Final Testing and Installation of all Cane Tracking equipments from the Weighbridge, Feeding Station, Cane Carrier Operating Room and # 1 Mill were all done a few days before the crushing commenced in each mill. Our Consultants from FOSS Pacific and Mirrabooka Systems Australia also visited the mills as part of their contractual agreement to do final checks and calibration before the equipments were installed in their respective places.

JUNE - DECEMBER (CRUSHING SEASON)

The details for the 4 mills 2015 crushing season is as follows:

Mill Name:	Lautoka:	Rarawai:	Penang:	Labasa:
Start Date	01st July	23rd June	30th June	17th June
End Date	24th Nov	06th Nov	19th Nov	26th Oct
Season Length	21 weeks	20 weeks	16 weeks	20 weeks
Av POCS	13.1	12.35	12.23	12.73

HIGHLIGHTS OF 2015.

1. Introduction of Farm Summary and Cane Quality Parallel Statements.

Some of the highlights for the 2015 Crushing Season was that all 4 Mills was able to do a Full Season Trials after all the pending installation and modification works was completed during the maintenance season. With the full season trials conducted, it also meant the Introduction and distribution of the Farm Summary Reports and Cane Quality Payment Parallel Statements to the Cane Farmers.

i. Farm Summary Report

Grower No [illegible]
ARVIND KUMAR
Sector No 414

Farm Summary
Print Date 8/26/2015

Season 2015
Week Ending 8/10/2015 4:00:00 PM

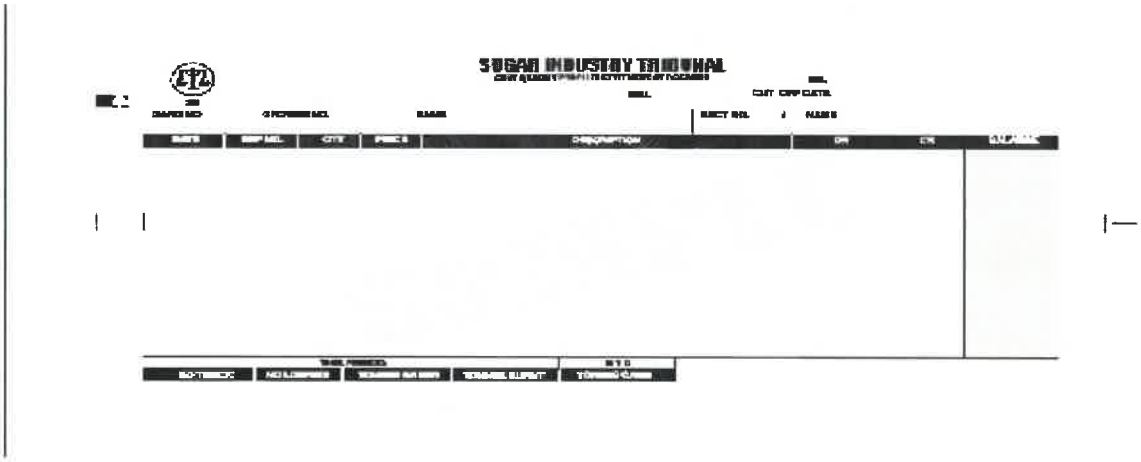
Ticket No	Rake No	Gang No	Crush Date	Plot No	Variety	Ratoon	B/G	T/L	Tonnes	Farm POCS	Mill POCS	NIR Fibre	Relativity	Qlty Pmnt
9290455	8508	002	Aug 1 2015 7:49AM	0	4	R1	G	L	10.47	13.85	13.05	0.00	1.00	$37.62
9290452	5422	002	Jul 28 2015 5:24PM	0	4	R1	C	L	0.57	0.00	0.00	0.00	0.00	$0.00
9291456	5721	002	Jul 29 2015 9:38PM	0	4	R1	G	L	10.53	13.77	13.77	0.00	1.00	$37.62
9290454	8650	002	Jul 30 2015 10:41PM	0	11	P	G	L	8.10	12.96	13.50	10.00	0.96	$35.63
									29.07	13.51	13.75	10.00	0.983	

Base Price: $37.62
Proceeds $1,457.01

A Farm Summary report shows all the cane deliveries made by a Cane Farmer during a cut-off (2 week period). In that cut-off, it shows all the delivery tonnage, the Farm POCS, the Mill Av POCS for that day, The Fiber content and the Relativity of that cane farmers quality against the Mill for any particular day a delivery is made. The Cane Quality Payment (Proceeds) is then calculated by the formula Total Tons x Relativity x Base Price.



ii. Cane Quality Parallel Statement.



The Cane Quality Parallel Statement shows how much money the farmer gets during a particular cut-off. This amount is just the amount derived from the Farm Summary report in (i) above. This statement was given to all growers when they receive Tonnage based payment statement which is similar to this.

Farmers are then able to use this Quality Payment Statement to compare how much they are receiving now in a tonnage based payment and how much they would receive in a quality based payment system.

2.Stakeholder Leaders agreeing to start with payment in 2016 Season.

Another highlight for the Project in the 2015 Season was the agreement by the Sugar Industry Stakeholder Leaders reps from the Miller - FSC (Fiji Sugar Corporation) and Grower - SCGC (Sugar Cane Growers Council) agreeing for Cane Quality Payment to start in the 2016 Crushing Season. This agreement was reached during a Cane Quality Committee Meeting in November and the Cane Quality Team looks forward to the start of Cane Quality payment in the 2016 Crushing Season.

3. Cane Quality Project Trial Results–

Refer to Appendix on Cane Quality Payment Consultants Audit Report of the Cane Quality Payment Trials in the 4 mills in the 2015 Crushing Season.

MAJOR ISSUES FACED IN 2015.

Some of the Major Issues faced in the 2015 Crushing Season which affected the Cane Quality Payment Trials are as follows:

1. Lautoka Mill:

i. Problem on Pro Foss Machine on A-side - This delayed the Trials in Lautoka Mill to start on Week 3 of Crushing. FOSS Engineer enquired and arrive on week 3 to do Pre Season checks and rectify problem.

ii. Extension work on the Cane Quality Laboratory - All Power to the Cane Quality Office was switched OFF in week 4 to allow contractors doing the laboratory extension to complete all their works. This affected the Trials for 5 days.

iii. 12MW Generator breakdown - This Main generator for Lautoka Mill broke down in week 8 and the mill had to resort to running the smaller 5MW Generator. This generator could not power up all the machineries in Lautoka Mill and as

iv. such A-side Shredder could not be operated so no cane samples could be analyzed on A-side Cane Carrier until the end of the Crushing Season.

v. All RFID Tag Readers Switched OFF - On 16th September, an order was issued by the Telecommunication Authority of Fiji (TAF) for all RFID Tag Readers in Lautoka Mill to be switched OFF as they were operating in the Mobile Network Frequency Range and affecting mobile users around the FSC Area. This affected the trials for a few days when these readers were OFF as Cane tracking could not be done.

2. Rarawai Mill:

i. CAS Software Issues - One of the Main issues faced in Rarawai Mill throughout the season was the software issues due to OPC Crashes. This was faced in nearly every day and eventhough the consultants made every effort to log in remotely and fix the problem up, it continued to occur and also affected cane samples that were scanned during the time it went down.

ii. Chute Height - Eventhough some improvements was made to improve chute height during the 2015 Maintenance Season, maintaining chute height consistently at 1m was still an issue at times due to improper feeding from the cane carrier, chute height sensors faulty and high mill speeds resulting in low chute height.

iii. Rail Tipping on R2 - This issue with Rail tipping has been ongoing from 2013 as Rarawai Mill's rail tipping system has not been improved since then. Continuous Cane Feeding could not be maintained on R2 and cane samples from the same farmer could not be tipped together continuously.

iv. All RFID Tag Readers Switched OFF - On 16th September, an order was issued by the Telecommunication Authority of Fiji (TAF) for all RFID Tag Readers in Rarawai Mill to be switched OFF as they were operating in the Mobile Network Frequency Range and affecting mobile users around the FSC Area. This affected the trials for a few days when these readers were OFF as Cane tracking could not be done.

v. Stockpiling - Stockpiling is one of the practice that is still done in Rarawai Mill when there is a need to, because of wet weather or mill breakdown. Though this is done at random times, all cane stockpiled could not be analyzed individually as they are all mixed during stockpiling.

3. Penang Mill:

i. CAS Software Issues - One of the Main issues faced in Penang Mill also during the season was the software issues due to OPC Crashes. This was faced in nearly every day and eventhough the consultants made every effort to log in remotely and fix the problem up or advise the chemists to do rebooting, it continued to occur and also affected cane samples that were scanned during the time it went down.

ii. Chute Height - Eventhough some improvements was made to improve chute height during the 2015 Maintenance Season, maintaining chute height consistently at 1m was still an issue at times due to improper feeding from the cane carrier, and flap control operating on Manual and not on Auto.

iii. All RFID Tag Readers Switched OFF - On 16th September, an order was issued by the Telecommunication Authority of Fiji (TAF) for all RFID Tag Readers in Penang Mill to be switched OFF as they were operating in the Mobile Network Frequency Range and affecting mobile users around the FSC Area. This affected the trials for a few days when these readers were OFF as Cane tracking could not be done.

iv. Stockpiling - Stockpiling is one of the practice that is still done in Penang Mill when there is a need to, due to wet weather or mill breakdown. Though this is done at random times, all cane stockpiled could not be analyzed individually as they are all mixed during stockpiling.

4. Labasa Mill:

i. Stockpiling - This is one of the Major issue faced in Labasa Mill this season. This is usually done when there is a Mill stop, Scheduled CI, wet weather or done during the weekend to ensure that there is enough cane for the mill to continuously run. All cane stockpiled are missed samples as the quality of individual deliveries could not be measured independently.

ii. Billet Cane Lorries - All billet cane lorries could not be analyzed in the 2015 season because it could not tip directly into the cane carrier. 3% of cane that was received in Labasa mill in 2015 are billet cane lorry.

iii. CAS Software Issues - ISIScan and OPC Errors was also one of the issues faced continuously throughout the 2015 season. Eventhough attempts were made by the chemist or consultants to resolve this at the earliest, it continued to affect cane samples that were analyzed during the time it went down.

iv. All RFID Tag Readers Switched OFF - On 16th September, an order was issued by the Telecommunication Authority of Fiji (TAF) for all RFID Tag Readers in Labasa Mill to be switched OFF as they were operating in the Mobile Network Frequency Range and affecting mobile users around the FSC Area. This affected the trials for a few days when these readers were OFF as Cane tracking could not be done.

FINANCIAL DETAILS:

Sugar Industry Tribunal NBR
P O Box 5123
Lautoka

Profit & Loss Statement

January 2015 through December 2016

Income		
Industry Contribution		$893,591.00
Miscellaneous Deposit		$745.85
Interest on Salary advance		$342.00
Total Income		$894,059.05
Expenses		
Wages & Salaries		
Staff Medical Exp	$150.00	
Employment Expenses	$1,881.16	
FNPF Contribution	$48,483.87	
Salaries & Wages	$308,108.28	
Insurance for Staff	$16,649.35	
NSR Renewal Mill		
Renewal Mill General	$1,362.86	
NSR Lautoka Mill		
Printing & Stationery Lautoka	$316.73	
NSR Lautoka Mill General	$3,498.23	
NSR Labasa Mill		
Installation of Phone Lines	$2,740.28	
Labasa NSR Office Maintenance	$6,150.05	
NSR Penang Mill		
NSR Penang General Exp	$1,428.30	
Advertising Exp		$2,428.45
Airfare		$2,825.00
NSR General		$33,198.03
Motor Vehicle		$12,751.91
Accomodation Exp		$630.00
Printing & Stationery		$11,621.58
Bank Charges		$350.12
Telephone Cost		$6,724.37
Overseas Payments		
CA3 Support fees	$275,959.32	
Rowe Scientific	$890.15	
Scand International	$2,071.68	
Brian Feim	$13,897.49	
Miraluuka Payment	$75,752.14	
Freight Charges	$10,858.01	
Payment for Sensors	$29,203.75	
Payment for Red Hat Licence	$2,982.80	
FO33 Basic Care	$46,343.98	
Keith Cooper	$490.00	
Jeffress Engineering	$3,591.81	
NSR Asset Purchase		
Hand Assets	$3,988.00	
Agricultural Units	$7,050.00	
Phone Lines & Other Assets	$10,274.45	
NSR Training and Conference		$21,153.75
Total Expenses		$966,467.54
Net Profit/(Loss)		($72,407.69)

CONCLUSION:

The 2015 Crushing Season was the first season the cane quality payment trials was conducted in the whole crushing season in all the 4 mills. Eventhough there was mixed results in the 4 mills undergoing trials due to the different issues faced in each mill, the Cane Quality Team is optimistic that we are heading in the right direction in terms of preparing for the full implementation of the Cane Quality Payment System and it would be successful if all stakeholders work together to address the issues faced in 2015.

APPENDIX:

AUDIT REPORT OF CANE QUALITY PAYMENT PROJECT FROM CONSULTANT - SRA (SUGAR RESEARCH AUSTRALIA)

At the end of every crushing season our mill performance is always audited by one of our overseas consultants - Sugar Research Australia (SRA). This is part of the work they do based on the contractual agreement in place. Below is the audited report by SRA on the % Success of each Mill during the 2015 Crushing Season:



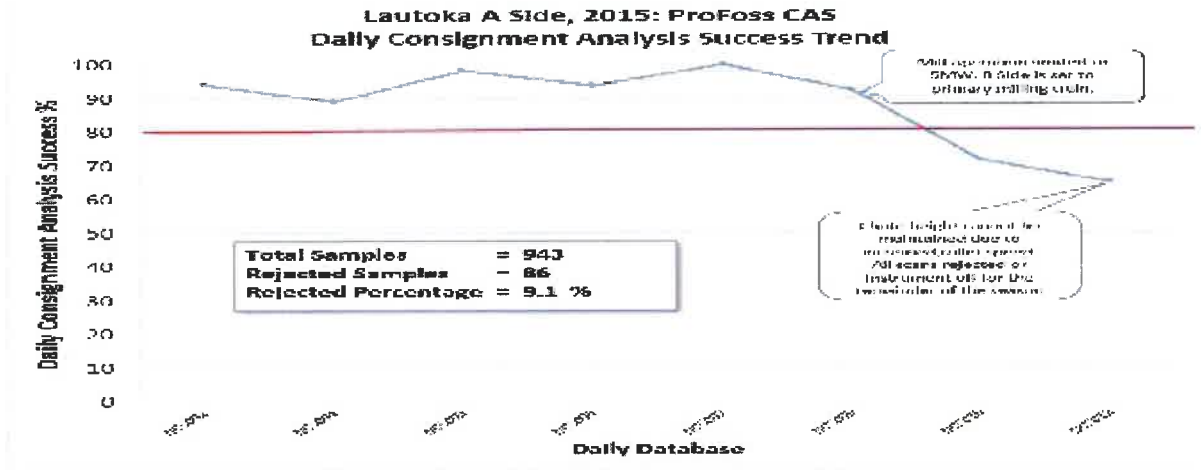
2.1 Lautoka Mill –

Lautoka CAS Daily Analysis Success.

Lautoka A

Figure 1 shows the abbreviated version of the trend of the daily consignment analysis success. Theabbreviation that occurred after NCS012 is due no data being obtained after a process issue in themill. The mill capacity was reduced to 5MW, resulting in B Side becoming the primary crushing train.

Not long after this event a decision was made to neglect A side NIR sample presentation in favour ofincreased roller speed. All Lautoka A scans were rejected after this change and eventually the A side NIR was turned off.

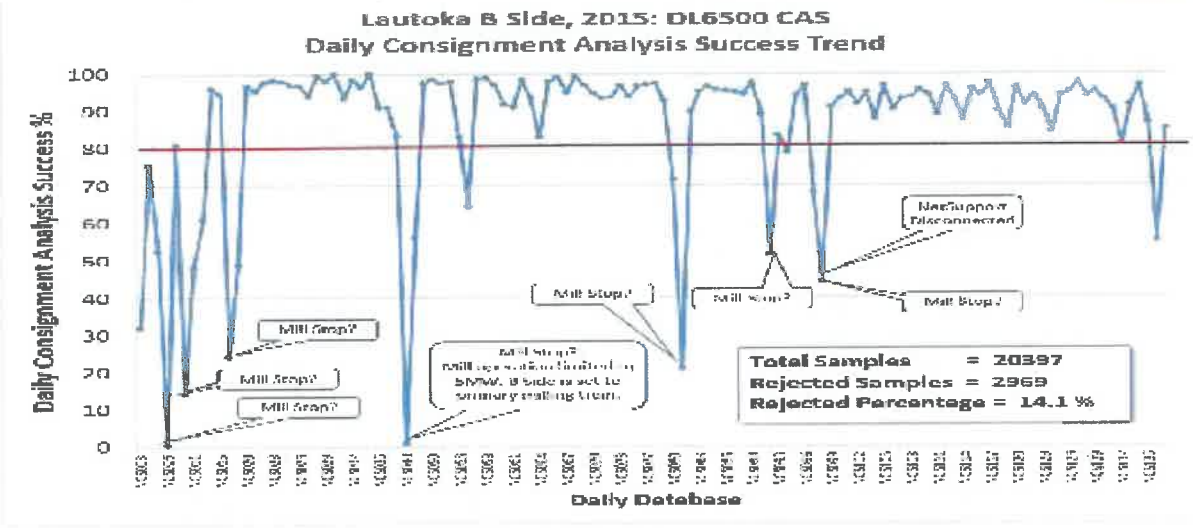


The few results obtained in the daily consignment success trend show that the system wasperforming well until the previously mentioned mill event occurred. 857 of the 943 consignmentsscanned during the operational period were successfully analysed by the CAS instrument. Aconsignment success rate of 90.9 % is within the acceptable limits for the system and is comparableto last year's result of 88.9 %. All results after NCS012 are zero and have been excluded to obtain abetter picture of the system when it was operating normally.

Lautoka B

The following Figure 3 shows the daily consignment analysis success for the Lautoka B CAS during2015. Unlike Lautoka A the CAS operated throughout the season, as it was used primarily after thereduction in power/capacity.



17528 of 20397 consignments were successfully analysed, giving a consignment success rate of85.9%. This result is above the target of 80% and is therefore within acceptable limits, however it is aslight reduction on 90.3% achieved in 2014. The missing log books makes post season analysis of theunderlying causes difficult. This is why many of the features on the trend above have the comment"Mill Stop?", as in lieu of any alternative information, this is the likely cause for the correspondingdrops in sample analysis success.

Apart from the issue related to the 5MW limitation, the only known major event was the loss of theNetSupport connection. This loss of connectivity meant that the SRA CAS Support group could notaccess the system in order to troubleshoot it. While this did not appear to have affected theconsignment success result, the scan success result was affected. This meant that the libraryprobably needed to be updated, but the required library update could not be carried out, becausethe NetSupport connection was not available for the work to be completed remotely. Alternativeconnection methods were sought, but SRA IT would not allow their use, as they would cause clasheswith their operations. It is highly recommended that the NetSupport connection be re-establishedprior to the 2016 crushing season.

Lautoka CAS Validation Samples:

Lautoka A:

Only 15 validation samples were collected for the Lautoka A CAS, of which, only 13 were selected asvalid results after outliers were removed. This is a significant reduction compared to the 186 validvalidation samples obtained last year. While, typically 2-10 % of consignments are recommended forvalidation, this exceptionally small data set is likely a result of the changes made following the 5MWreduction of mill capacity.Table 1 lists the main performance parameters for each of the CAS calibrations for Lautoka A for2015.

The Standard Error of Prediction (SEP) was derived from the standard deviation of the differencebetween the laboratory results and the NIR predictions. The coefficient of determination (R2) wascalculated via the linear regression between the laboratory and the predicted results (1.0 = perfect correlation). The Slope is the gradient of the regression line (1.0 = perfect agreement for the givenrange). Bias is the average



difference between the laboratory and the predicted result for thepopulation in question. The Error of Calibration Limit (ECL) was calculated during the calibrationprocess and gives an indication of the expected error when in operation. The ratio between the SEPand the ECL provides a good incitation of the actual prediction performance of the calibration.

Constituent	SEP	ECL	R2	Slope	Bias	N	SEP/ECL
Brix % Juice	0.53	0.59	0.85	1.07	0.17	13	0.90
Pol % Juice	1.19	0.83	0.50	0.57	0.98	13	1.43
Brix % Cane	0.65	0.55	0.64	0.79	-0.04	13	1.18
Pol % Cane	0.68	0.64	0.69	0.81	0.57	13	1.06
Fibre % Cane	2.63	1.00	0.02	0.05	2.34	13	2.63
POCS	0.74	0.87	0.69	0.78	0.68	13	0.85

Based off the limited data set (n = 13), the analytical precision is acceptable for all calibrations exceptPol (in juice) and Fibre. The Pol result may be due to the lack of data points, however, the Fibrecalibration performance indicates that a significant issue is present. It is recommended that the fibrelaboratory method and equipment be checked in light of this.

Lautoka B

72 validation samples for Lautoka B were left once 8 outliers were removed, meaning that 0.4% ofthe cane supply was validated. 146 samples were obtained in the previous year, which is twice theamount of the 2015 validation samples. This is a very low number of validation samples, as typically 2to 10 % of the total number consignments is the recommended proportion in order to adequatelyrepresent the cane supply.

Constituent	SEP	ECL	R2	Slope	Bias	N	SEP/ECL
Brix % Juice	0.50	0.59	0.87	0.93	0.51	72	0.85
Pol % Juice	0.67	0.83	0.81	0.82	-0.02	72	0.81
Brix % Cane	1.38	0.55	0.57	0.55	0.11	72	2.50
Pol % Cane	0.87	0.64	0.68	0.62	-0.51	72	1.37
Fibre % Cane	4.49	1.00	0.01	-0.02	2.34	72	4.49
POCS	0.98	0.87	0.65	0.60	-0.85	72	1.13

The validation results for Brix (in juice), Pol (in juice), and POCS were acceptable for cane paymentpurposes. However, Brix (in cane), Pol (in cane), and Fibre calibrations all underperformed and theircorresponding error was too high. Considering that these results are all related to the Fibre result and that Lautoka A had similar issues with Fibre, it may be prudent to review the methods andequipment used for fibre validation.

Conclusion & Recommendation:

857 of 943 consignments were successfully analysed for Lautoka A and 17528 of 20397 for Lautoka Bin 2015. Therefore, both CASs had acceptable levels of consignment analysis success of 90.9 % and85.9 % respectively. However, the results for Lautoka A do not include the time where the CAS waseffectively out of operation due to a process problem that lasted the majority of the season. Thepercentage of

missed samples (4.6 % for Lautoka A and Y for Lautoka 8.2 %) for both mills werewithin acceptable limits.

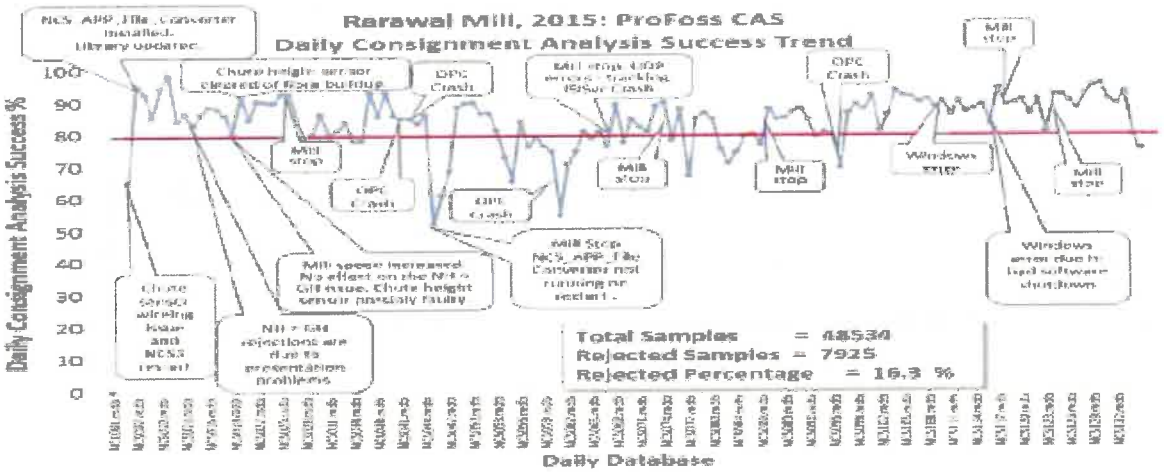
Validation performance was restricted by the considerably small data sets (13 for Lautoka A and 72for Lautoka B). When compared with their total number of consignments, both of these results arewell below the recommended validation requirement of 2 % to 10 % of the cane supplyconsignments. However, both systems show acceptable performance for most constituents with theexception of the calibrations related to fibre. The poor performance of the Fibre calibration for both systems indicates that the methods and equipment related to the fibre validation data need to bechecked.

The two main issues of note that affected the performance of the Lautoka CAS instruments were thereduction in mill capability that meant that the Lautoka A CAS effectively went offline and the loss ofNetSupport connection that limited the SRA Support team's capability to provide assistance. Thelatter was also the reason why this report did not include any logbook entry data, as it is typicallydownloaded with the system database at the end of the season. It is recommended that theNetSupport connection be re-established prior to the commencement of the 2016 crushing season. All changes made to the system prior to the season did not display any obvious effects. This is mostlydue to the ProFoss CAS at Lautoka A being sidelined due to the previously mentioned process issues,so there was not a long enough period of operation to determine if any effect was present. Also, thelack of logbook information meant that there may have been effects related to the changes madethat are currently unaccounted for in this report. Similarly, the changes made to RI did not show anyapparent effect on system performance. The ProFoss will have to continue to be monitored duringthe 2016 season to see if any effects related to the changes made in 2015 are present.

2.2 Rarawai Mill:

Rarawai Pro Foss Daily Analysis Success

The following Figure 1 plots the daily consignment analysis success trend for the RarawaiProFoss CASduring the 2015 crushing season.



40609 consignments of a total of 48534 were analysed successfully during 2015. This gives an overallsystem consignment analysis success result of 83.7% (up from 58.0% in 2014). As this result is higherthan the required 80%, the system maintained acceptable grower-grower equity in this regard.




Initially some issues with the wiring to the chute height sensor were having an adverse effect onconsignment success, until the problem was found and addressed. Once this issue was resolved itwas found that the file format that the new version of ISIScan was sending to NCS3 had changed. Anadditional piece of software, NCS_APP_File_Converter, was developed that copied the files ISIScanwas generating and converted them to the file format that NCS3 uses. This program is required to be running prior to starting NCS3 to ensure the correct file format is used. Once during the 2015 seasonthe NCS_APP_File_Converter software was turned off and was not running prior to NCS3 beingrestarted after a mill stop, resulting in missed samples. Password protection was added toNCS_APP_File_Converter to avoid accidently turning off this software in the future.

It appears that while the changes made to the software prior to the season addressed the scan cycleand data retention issues, it did not address the OPC error problem. Several OPC crashes occurredduring the season that resulted missed samples. However, due to the fast action of mill personnel,this damage to the data set was limited. SRA is looking into possible solutions for the OPC crashes.

Throughout the majority of 2015 the number of scan rejections due to NH (neighbourhoodMahalanobis distance) was comparatively equivalent to those rejections due to GH (globalMahalanobis distance). When this occurs, it is likely that sample presentation is poor due to emptychute or cane holdup in the chute. As this is not a valid sample, no library update will be able to fixthe problem as a library update should typically only be used to represent NH outliers, not GHoutliers. While scan rejections for 2015 showed a marked improvement on the previous year, oncethe cane supply was represented, the dominant GH rejections limited further improvement.

Rarawai Pro Foss CAS Validation Sample

CAS analysis precision was calculated by taking the standard deviation of the difference betweenmatched analyses (Lab – NIR). The Error Control Limit (ECL) provides an estimate of the expectedprecision for each constituent based on the current calibration statistics.

Validation statistics for the RarawaiProFoss CAS are provided in Table 1. 47 samples were removedfrom the validation set as large outliers, this represents a very large percentage of the check samplescollected (29.9%) and reflects the uncertainty in analytical accuracy. While the number of samplescollected (157) was an improvement on last year's 94, it is still a very small proportion of the 48534consignments scanned last year (0.3%).

The normal practice for CAS systems is to collect and analyse a percentage of the daily supply(usually 10%, but can it be as low as 2%), this sampling regime gives a representative slice of the canesupply which produces much better estimates of NIR analytical precision, it also gives a large samplepopulation containing the instrument and cane supply variation required to produce more robust NIRcalibration equations. It is strongly recommended that a regime of daily validation samples beimplemented to improve system auditing of NIR accuracy and precision and for better maintenance of NIR calibrations.

The Standard Error of Prediction (SEP) is the calculated analysis precision. R2 is the coefficient ofdetermination derived from linear regression between Lab and CAS results (1.0 = perfectagreement). Slope is the gradient of the linear regression line (1.0



= perfect agreement over therange tested). Bias is the average difference between Lab and CAS for this population. Standard Errorof Prediction/Error of Calibration Limit (SEP/ECL) shows the ratio of the actual analysis precision tothe expected precision (110 is an acceptable ratio).

Constituent	SEP	ECL	R2	Slope	Bias	N	SEP/ECL
Brix % Juice	0.79	0.59	0.54	0.86	0.13	110	133
Pol % Juice	0.91	0.83	0.51	0.76	0.32	110	109
Brix % Cane	0.91	1.00	0.25	0.39	0.23	110	91
Pol % Cane	0.65	0.55	0.47	0.78	0.06	110	119
Fibre % Cane	0.73	0.64	0.46	0.70	0.25	110	113
POCS	0.88	0.87	0.38	0.57	0.35	110	101

The validation performance of all of the CAS calibrations has improved compared with that of 2014.

The Standard Error of Prediction/Error of Calibration Limit (SEP/ECL) for POCS, Fibre and Pol are allbelow the desired level of 110. Unfortunately, three constituents (Brix, BIC and PIC) did not meetthe expected requirements for precision. Slope and the coefficient of determination (R2) differedfrom 1 for all constituents. One important feature of note is that Brix is typically the best performingconstituent, but in the results for the Rarawai CAS it is one of the constituents that failed to meetrequirements.

Brix and Pol are known to be correlated closely, so this relationship can be used as a guide totroubleshoot NIR and Laboratory errors in cases where validation performance is lacking.

Conclusion & Recommendations:

40609 consignments of 48534 were successfully analysed during the 2015 season at Rarawai Mill.This means that 83.7% of the cane supply consignments were measured, which is a marked increasefrom the 58.0% achieved in 2014 and is above the target of 80%. Some system downtime due tosoftware issues affected this result and SRA is investigating possible solutions to the softwareproblems experienced.

The decision to reduce the minimum representation index (RI) from 20% to 10% appears to havehelped bring the system into the desired operating range for consignment analysis success. Anotherfactor that appears to have contributed to this improvement was the increased scan rate andstabilised scan frequency.

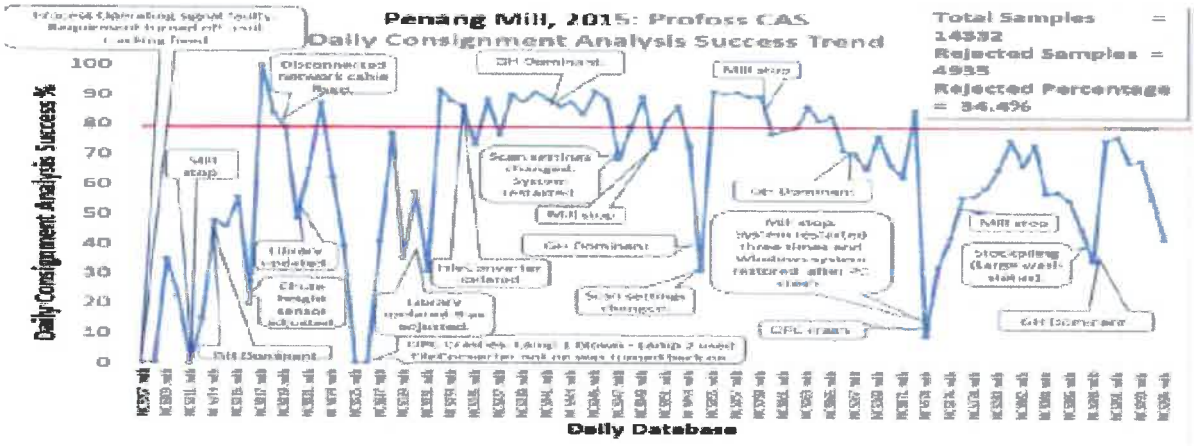
The missed sample (RI = 0) performance for 2015 showed a similar improvement with a seasonalaverage of 5.4%, which is a significant reduction from 22.8% in the previous year. This suggests thatthe alterations to the chute configuration in late 2014 has had a considerable positive effect on thenumber of missed samples. The consistent tendency for NH scan rejections to equal GH scanrejections observed for much of the season implied that some poor sample presentation was stilloccurring. Consequently, no library adjustment technique can address this issue. Either further
adjustments can be made to the sample arrangement or the limit of the installation has beenreached.Validation performance has improved from the previous year with Fibre, Pol and POCS resultsperforming to an acceptable level. All other constituents still need to be improved upon further, asthey are still not meeting the required

minimum target. Only 0.3% of the cane supply scanned wasvalidated, which is considerably smaller than the recommended 2% to 10%. A target ofapproximately 1000 validation samples would be needed to achieve the minimum 2%. Other changes that could improve the validation performance of the system are; standardised methods/proceduresand cane auditing policies.

2.3 Penang Mill

Penang Mill Pro Foss CAS Daily Success

The daily consignment analysis success trend for the Penang ProFoss CAS during the 2015 crushingseason is shown in Figure 1.



In 2015, 9397 consignments were successfully analysed out of a total of 14332 giving a rate of 65.6%of scans successfully scanned. This result is less than the target of 80% required for acceptablegrower-grower equity and is less than the 73.2% achieved last year.

Several factors contributed to the drop in consignment success. The number of scan rejections forGH and NH were almost identical consistently throughout the season, meaning that GlobalMahalanobis distance was dominating. This means that the majority of scans that were rejectedwere because they were not scans of well-prepared cane (empty chute). In addition to the GH issue,several events caused dramatic, temporary drops in scan/consignment success.

At the start of the season the sample present signal was faulty causing many empty chute scans to becollected. Improvement was noted once the issue was addressed. The network cable to theinstrument was disconnected resulting in further missed consignments until the cable wasreconnected. Despite the changes to the software prior to the crush, several OPC crashes occurred resulting in missed samples. This indicates that the OPC issue is a separate problem to the databasemanagement and scan time issues that the software changes successfully addressed. In order tohandle the files generated by the new versions of the Foss software, an external applicationNCS_APP_FileConverter.exe was developed and loaded onto the system. This program is required tobe running prior to starting NCS3 and some sample were missed when this did not occur after arestart. The File converter application was altered to require passwords on shutdown to avoid thisoccurring in the future.



Penang Pro Foss CAS Validation Performance

The analytical precision or the Standard Error of Prediction (SEP) of the Penang CAS analysis precisionwas determined by the standard deviation of the difference between matched analyses (Lab – NIR).

The Error Control Limit (ECL) is derived for each constituent based on the calibration statistics and itis used as an estimate of the expected precision.

Table 1 lists the various validation statistics for the Penang ProFoss CAS for 2015. 12 samples wereremoved from an extremely limited data set of 35 to give a data set of 23 samples. This highproportion of outliers gives an indication of the uncertainty of analytical error. The number ofsamples provided was far smaller than is typically used for a validation data set. The 23 samples onlyrepresents 0.16% of the cane

supply, where at least 2-10% is required. A larger sampling regimewould have provided a much better estimate of NIR analytical precision and would have given apopulation of samples that could be used to better represent the Penang Instrument and cane supplyin the calibration for future years.

The Standard Error of Prediction (SEP) is the analytical precision, the coefficient of determination (R2)is derived from linear regression between Lab and CAS results (1.0 = perfect agreement), slope is thegradient of the linear regression line (1.0 = perfect agreement over the range tested), bias is theaverage difference between Laboratory and NIR predictions for this population and SEP/ECL showsthe ratio of the actual analytical precision versus the expected precision of the calibration.

Constituent	SEP	ECL	R2	Slope	Bias	N	SEP/ECL
Brix % Juice	0.68	0.59	0.79	0.69	-0.65	23	115
Pol % Juice	1.30	0.83	0.34	0.42	-1.08	23	157
Brix % Cane	1.78	1.00	0.00	0.0001	0.65	23	178
Pol % Cane	0.60	0.55	0.71	0.64	-0.39	23	109
Fibre % Cane	1.02	0.64	0.37	0.44	-0.79	23	159
POCS	1.40	0.87	0.22	0.30	-1.00	23	161

Based off this small data set, the performance of the constituent equations for Brix (in juice) and Brix(in cane) were acceptable. Unfortunately, the validation performance for the remaining constituentequations showed unacceptable analytical precision in cane analysis. The SEP/ECL ratios for theseconstituents are considerably high. The results for Fibre are particularly concerning, as allperformance parameters are well out of the acceptable range. It is recommended that calibration oflaboratory instruments and methods for these constituents be checked.

The NIR analytical accuracy and precision in cane analysis shown by the validation data for Brix (injuice) and Brix (in cane) are within the acceptable limits for use in a quality based cane paymentsystem. Conversely, the NIR analytical accuracy and precision for Pol (in juice), Fibre, Pol (in cane)and POCS are not within the acceptable limits for use in a quality based cane payment system. Amuch larger validation set containing a more representative sample of the cane supply is required toensure confidence of the system for all cane supplied to Penang mill.

Conclusion & Recommendations:

The consignment analysis success rate of 65.6% indicates that the system was affected by numerousissues throughout the season that reduced the system's ability to successfully analyse all of theconsignments of the cane supply. Similarly, the missed consignment (RI = 0) percentage of 17.5% washigher than desired for many of the same reasons that adversely affected consignment analysissuccess rate. Unfortunately, the various issues that occurred during the season meant that Penang did not see the improvements noted in other mills, related to the change in the minimumrepresentation index (RI) from 20 to 10% administered prior to the start of the 2015 season.

Only 23 valid samples were obtained for validation purposed for all of the 2015 season. It is stronglyrecommended that a more frequent regime of daily validation samples be implemented to improvethe representation of the cane supply that is needed for both auditing and NIR calibrations.

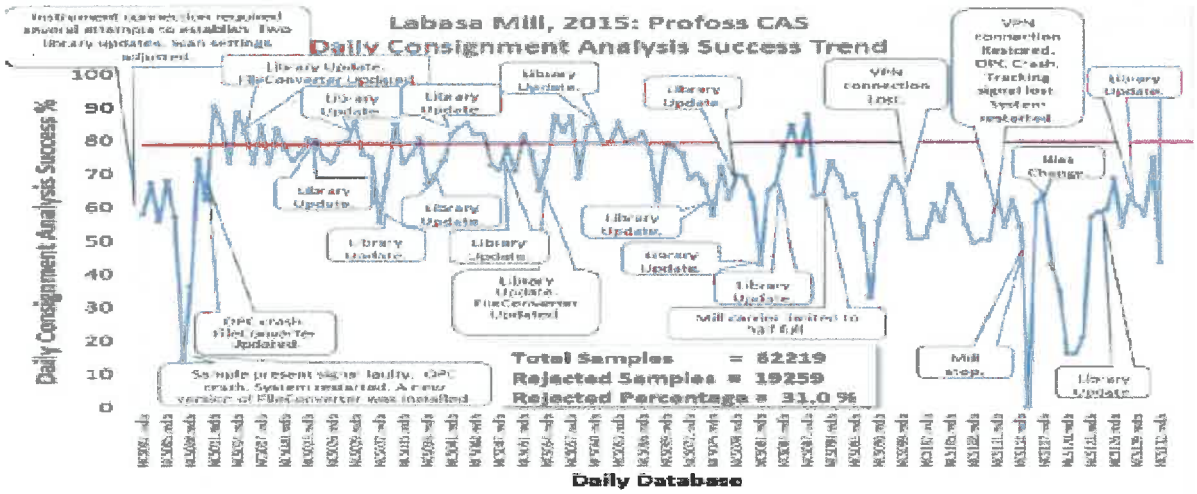
Based off the extremely small validation data set, the validation performance of the Brix (in juice)and Brix (in cane) equations is acceptable for a quality based cane payment system. However,validation performance for Pol (in juice), Fibre, Pol (in cane) and POC was poor. Further work isneeded to ensure that the validation procedure is able to prove that the system is representative ofthe whole Penang cane supply. The limited size of the population of the validation data set and theerror associated with it indicates that laboratory equipment and procedures need to be checkedand/or reviewed.

The change in software prior to the start of the 2015 season addressed the increasing scan timeissue, as scan time was stable throughout the year. However, the number of OPC crashes during theseason indicates that the OPC issue is unrelated to the scan time/database issue that was addressedby the software change. SRA will be investigating this further and will attempt to reduce the need for intermediate software such as NCS_APP_FileConverter.exe.

2.4 Labasa Mill:

Labasa Mill Pro Foss CAS Daily Success

Figure 1 plots the daily consignment analysis success for the ProFoss CAS for the 2015 season:



For 2015, the total number of consignments for the Labasa CAS was 62219. Of these consignments,42960 were analysed successfully, giving a system consignment analysis success rate of 69.0%. This islower than the 80% typically required to ensure acceptable grower-grower equity is maintained.

However, this result is distorted, because if the period where the sample present signal was faultyand the period when the mill carrier was left half full are both excluded, the consignment successrate increases to 76.4%. While this second result is not quite over the target 80% it is certainly asignificant improvement on the 20.5% (old location) and 53.6% (new location) that were achieved in
2014.

Labasa Pro Foss CAS Validation Performance

72 validation samples were collected in 2015, of which, 9 outliers were removed. While animprovement on last year's 26 samples collected, this is still far too small a data set to adequatelyrepresent the cane supply. Typically, 10% of the consignments would be ideal for sample validation,but this can be as low as 2% and some constituents (such as fibre) cannot meet this requirement dueto the laboratory method. However, 72 samples only represents 0.1% of the cane supply for 2015. Itis recommended that efforts be made to increase the number of validation samples via a dailyregime for auditing and calibration purposes.

The standard deviation of the difference between the matched analysis for the laboratory and NIRpredicted results is used to determine the CAS analytical precision (SEP). The Error Control Limit (ECL)is an estimate of the precision for a given constituent based on the corresponding calibrationequation statistics. The coefficient of determination (R2) is derived from the linear regressionbetween the laboratory values and the CAS predictions (an R2 of 1 is perfectly correlated). The bias iscalculated from the average difference between the laboratory results and the CAS predictions.

SEP/ECL is the ratio of the standard error of prediction and the error control limit of the calibrationand is a good indicator of analytical performance. Table 1 lists the values for these main performanceparameters for each primary calibration.

Constituent	SEP	ECL	R2	Slope	Bias	N	SEP/ECL
Brix % Juice	0.75	0.59	0.66	0.74	-1.28	63	1.26
Pol % Juice	0.87	0.83	0.67	0.69	-0.42	63	1.05
Brix % Cane	1.05	1.00	0.21	0.44	-2.22	63	1.05
Pol % Cane	0.64	0.55	0.60	0.67	-1.00	63	1.16
Fibre % Cane	0.47	0.64	0.78	0.87	-0.24	63	0.74
POCS	0.60	0.87	0.70	0.82	0.12	63	0.69

Considering the small data set (n=63 after outlier removal), the system validated with an acceptableanalytical accuracy and precision for use in a quality based cane payment system for all constituentsexcept Brix (in juice). The error for the Brix validation data is slightly too high. This is doubly unusualas Brix is typically the best performing calibration, hence the lower ECL. It may be prudent to checkthe primary (laboratory) method as the error for all methods are included in the secondary method (NIR) and any abnormality found may account for this result. The slopes and R2 deviated from 1,however this is likely due to the small population of the data set. A much larger validation set willprovide a better representation of the cane supply and is required to ensure confidence that thesystem is performing well for all cane supplied to Labasa mill.

Conclusion & Recommendation:

The consignment analysis result for the Labasa CAS for 2015 was 69.0% and it is increased to 76.4%when excluding the period when the carrier was half full and the period when the sample presentsignal was faulty. While both of these results are less than the target of 80%, they show a markedimprovement on the 20.5% and 53.6% of 2014. Further efforts to improve sample presentation arerequired during the 2016 season to ensure that the 80% limit is achieved.

The average percentage of missed samples for 2015 was 9.5%, which meets the requirements for acane payment system. This result is significantly better than the 25.9% achieved in 2014 and it is atleast partly due to the change in the RI limit settings made prior to the start of crushing.

The validation performance of the Labasa CAS for 2015 showed acceptable results for a quality basedcane payment system for all constituents except Brix. The error of prediction obtained for Brix wasslightly higher than expected and in light of this, it is recommended that the laboratory proceduresand equipment related to Brix be checked. It is strongly recommended that a daily validationsampling regime be adopted to increase the population for all validation data sets. This is required toensure that the validation results are representative of the whole cane supply and to improve theperformance of future calibrations.

The changes in software made prior to the start of the 2015 season successfully addressed theincreasing scan time issue, as scan time was stable throughout the year. However, the OPC crashesexperienced during the season indicate that the OPC issue is unrelated to the scan time/databaseissue. SRA will be investigating this further and will attempt to reduce the need for intermediatesoftware such as NCS_APP_FileConverter.exe via alternative software options.



GIS 2015 REPORT

BACKGROUND

With the successful launching of the Sugar WebGIS Portal, and the recognition of embracing advance technology to assist decision makers, the government joined venture with the Industry and committed funding of $938,170.00 to established the GIS Unit and survey all the sectors in Vanua Levu as part of government Look North Policy.

While waiting for the government funds to arrived, the Industry took the initiative to survey Malolo and Koronubu Sector in support of the work that is to be carried out by the Secretariat of the Pacific Community.

Contribution to the Secretariat of the Pacific Community - Rural Access Roads and Associated Infrastructre (RARAI)

The GIS team together with Mr.Brown and Director Sugar has been working closely with Caroline of Secretariat of the Pacific Community(SPC), on the RARA Project. The GIS input in the Project's Action Plan was written by the GIS Manager with justification as to the need to update field survey done by consultants done in 2013.

Contribution on Secretariat of the Pacific Community - Reforestation Project

The Reforestation Project Manager also met with the Industry and requested support in areas of GPS survey. Upon this consultation, the Industry agreed to survey Malolo Sector and Koronubu Sector to assist the project in identifying potential farmers that can be assisted in their project.

GPS survey of Malolo Sector administration work started in late November of 2014, and the actual GPS field survey began in January 2015. Summary of the field work can be viewed below:

MALOLO SECTOR SUMMARY SURVEY

Generating a topographic Map for Malolo sector is crucial as it informs the readers:

- representation of the relief
- Contours lines
- natural and manmade features



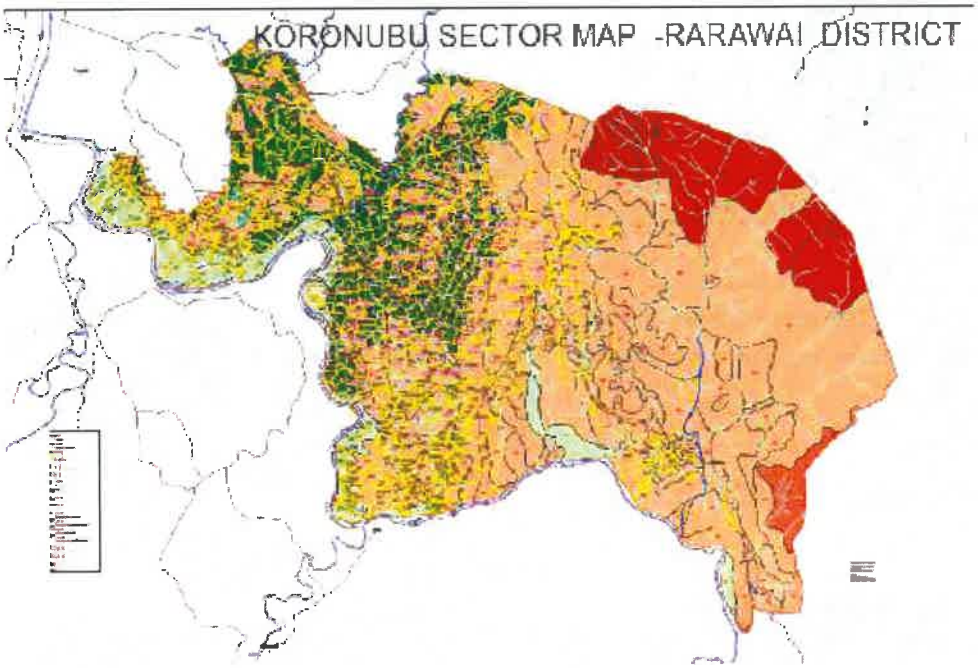
Breakdown of the Malolo survey are as follows

Summary - Malolo	
Total Growers	429
Digitized	429
Total Plots	**1098**

No. of farms with cane	358
No. of farms with no cane	59
No. of farms lease expired	13

Total no. of farms **429**

KORONUBU SECTOR SUMMRY SURVEY



No. of farms with cane	626
No. of farms with no cane	100
No. of farms lease expired	6
Total no. of farms	**732**

The completion of the 2 sectors above was timely as government grant was received and straight away preparation for Labasa survey started.



VANUA LEVU SURVEY

Labasa mill first commenced crushing in 1894, and was built during the CDR CO Ltd era. The mill had significantly expanded and modernized to increase its crushing capacity from 413,283 tonnes of cane in 2012 to 546,150.30 tonnes of cane in 2013. The tonnage received for each year is expected to increase with support from Government and with the new online GIS crushing system that will be activate in 2016.

Studies has proven that having a proper monitoring system is crucial in enabling success of any project. GIS (geographical information system) and remote sensing has been used in many developed countries to monitor the production and process of sugarcane. It goes further to developed into a dynamic tool using satellite and radar imagery through web mapping to allow real time monitoring on the harvesting of cane during crushing season.

Labasa mill has been year mark as the first mill to have a full operational monitoring system. The three sectors, Natua, Solove and Bulivou, have already been surveyed and uploaded in the WebGIS Portal with the remaining 7 sectors to be surveyed this year, these are:

1. Wainikoro,
2. Daku,
3. Bucaisau,
4. Labasa,
5. Vunimoli,
6. Waiqele and
7. Wailevu sectors.

With survey in the below sectors done in 2013, all the 3 sectors were visited to include new farmers.

1. Solove
2. Natua
3. Bulivou.

Survey in Labasa started on the 29th June, 2015, as the release of the Government grant was delayed. The SIT office was quick to action vital activities that enabled work to start as soon as possible. Recruitment of GIS casuals, purchase of field wear, field vehicles and dispatching the team across to Labasa was priority. This action was a key component to the successful completion of surveying all the sectors in Labasa Mill.

The total number of growers within this sectors are as follows:

Sector code	Sector Name	Total Number of growers	Total number of growers surveyed	Total Lease Area
316	Wainikoro	419	419	3655.92 ha
317	Daku	377	377	4117.80 ha
315	Bucalsau	551	551	3908.59 ha
314	Labasa	435	435	2899.60 ha
313	Vunimoli	510	510	3136.11 ha
311	Waiqele	439	439	4455.14 ha
312	Wailevu	649	649	5715.20 ha
321	Natua	198	158	3748.09 ha
323	Bullvou	188	188	5170.97 ha
322	Solove	258	258	4791.07 ha

Map of Vanua Levu with all the sectors:



Breakdown of the survey:

sector	Total.No Growers	Total Number of plots digitised	Farms Harvested in 2014 and not in 2015	Farms harvested in 2015 and not in 2014	Total area undercane as per GPS survey (ha)	Total area undercane as per FSC deposition (ha)	Increased yield 2015 (ha)	Total Lease area for each sector (ha)
Daku	377	1225	18	3	40292.7	38000	2293	2324.75
Wainikoro	420	1304	27	8	35793.56	32000	3794	2252.25
Bucaisau	551	2009	67	67	83995.07	70000	13995	1757.5
Vunimoli	513	1842	36	23	70680.33	70000	681	8444.33
Labasa	433	1205	37	10	39391.51	36000	3392	7502.13
Waiqele	439	1821	18	18	87676.57	89900	2223	4566.25
Wailevu	649	2829	34	10	125700.24	135025	9325	5715.2
Natua	198	949	16	6	2141.26	811.3	1329.96	3748.09
Solove	258	1036	17	7	2870.39	1313.6	1557.29	4701.07
Bulivou	188	897	14	1	2592.35	859.2	1733.75	5170.97
Total	3838	15,117	270	153	491,135.58	473,903	40,324.00	38,680.41

Details of the above table is as follows:

DAKU SECTOR:

Survey Breakdown:

Lease Expired With Cane	7
Lease Expired Without Cane	23
Lease Active With Cane	292
Lease Active Without Cane	52
Standover	3
Total Labasa	***377***

Summary of farmers feedback

Grower not interested	**78**
Interested growers	**298**
Total Labasa	**377**



LABASA SECTOR:

Survey Breakdown

Lease Expired With Cane	6
Lease Expired Without Cane	8
Lease Active With Cane	364
Lease Active Without Cane	55
Standover	8
Total Labasa	***441***

Summary of farmers feedback

Grower Not Interested	**71**
Interested grower	**370**
Total Labasa	**441**

WAINIKORO SECTOR

Survey Breakdown:

Lease Expired With Cane	12
Lease Expired Without Cane	9
Lease Active With Cane	323
Lease Active Without Cane	56
Standover	9
Total	419

Summary of farmers feedback:

Grower Not Interested	338
Interested grower	81
Total Wainikoro	419

VUNIMOLI SECTOR:

Survey Breakdown:

Lease Expired With Cane	9
Lease Expired Without Cane	8
Lease Active With Cane	465
Lease Active Without Cane	30
Standover	1
Total	**513**

Summary of farmers feedback:

Interested grower Comment	498
Not Interested grower	15
Total Vunimoli	**513**



WAILEVU SECTOR:

Survey Breakdown:

Lease Expired With Cane	7
Lease Expired Without Cane	1
Lease Active With Cane	597
Lease Active Without Cane	43
Stand over	0
Total Wailevu	***648***

Summary of farmers feedback

Grower Not Interested	**42**
Interested grower	**606**
Total Wailevu	**648**

WAIQELE SECTOR:

Survey Breakdown:

Lease Expired With Cane	2
Lease Expired Without Cane	1
Lease Active With Cane	393
Lease Active Without Cane	41
Stand over	1
Total	**438**

Summary of farmers feedback:

Grower Not Interested	**43**
Interested grower	**395**
Total Waiqele	**438**

BUCAISAU SECTOR:

Survey Breakdown:

Lease Expired With Cane	**25**
Lease Expired Without Cane	**4**
Lease Active With Cane	**477**
Lease Active Without Cane	**37**
Standover	**7**
Total Bucaisau	***550***

Summary of farmers feedback:

Grower Not Interested	**46**
Interested grower	**504**
Total Bucaisau	550




NATUA SECTOR:

Survey Breakdown:

Lease Expired With Cane	0
Lease Expired Without Cane	3
Lease Active With Cane	165
Lease Active Without Cane	29
Standover	1
Total	**198**

Summary of farmers feedback:

Grower Not Interested	**31**
Interested grower	**167**
Total Natua	**198**

SOLOVE SECTOR:

Survey Breakdown:

Lease Expired With Cane	1
Lease Expired Without Cane	2
Lease Active With Cane	206
Lease Active Without Cane	45
Standover	1
Total	**255**

Summary of farmers feedback:

Grower Not Interested	**48**
Interested grower	**207**
Total Solove	**255**

BULIVOU SECTOR:

Survey Breakdown:

Lease Expired With Cane	4
Lease Expired Without Cane	4
Lease Active With Cane	147
Lease Active Without Cane	26
Standover	6
Total	**187**



Summary of farmers feedback:

Growers not interested	29
Interested growers	158
Total Bulivou	187

RAILWAY NETWORK:

The red line in the map is the railway from the Labasa Mill to Wainikoro sector last point. The overlaid blue points are all crucial points mapped to indicate bridges, hazard areas, culvert, school junction, crossing, school bridges to name a few.

Name MainLine	Distance (km)	Loops	No. of Hazards	Shunts	Triangle	Branch
Wainikoro to Labasa Mill	39.4km	2	51	7	2	19
Bucaisau to Labasa Mill	20km	7	50	14	1	7
Vunimoli-Labasa	15.02 km	1	38	2		6
Vunimoli Junction-Wailevu	7.5 km	1	8	2		7
Wailevu Junction - Waiqele	8.6 km	2	30	4	1	2
Vuniyalayala	1.7 km	1	4			1

OTHER ENGAGEMENT:

Fiji Geo-Spatial Management Conference:

Sugar Industry Tribunal is a member of the Fiji Geo-Spatial Council, managed by the Ministry of Lands and Mineral Resources. The Council was revived and membership was reviewed to include more in order to address national issue on GIS and Spatial Information. As part of SIT commitment, a sponsorship worth $2000 was given to the Conference Secretariat. The conference was opened by the Hon. Prime Minister and a total number of 40 managers, Chief Executive Officers and Directors from invited Ministries were present.

GIS Council technical committee

SIT GIS Manager is also part of the government technical committee, which comprises of selected technical experts within Government Ministries to meet on a quarterly basis and solve issues that were highlighted by the Council members.

This technical committee was the brain behind the successful Geo-Spatial Management Conference held in Suva.

Western GIS User meeting - First Landing Resort:

The Sugarcane Industry hosted the first ever Western GIS User Meeting which was held at First Landing Resort in Vuda. With the total number of participants of 50, it was said to be the biggest GIS gathering by far in the Western part of Fiji.

This was SIT's commitment as member of the Geo-Spatial council and to also advocate the use of GIS as a decision making tool and help other industries benefit from it.

The than Acting Permanent Secretary of Sugar, Mr. Pramesh Chand opened the meeting which was attended not only by current GIS Users but also potential users that may find the application useful in their respective work.

Award winners for Spatial Enablement/Community

2015 was also the year, the Sugar Industry entered the Pacific Spatial Excellence Awards, conducted by Australian Spatial Business Association and won 2 top wards that is:

- Award for People and Community
- Award for Spatial Enablement.

This awards are in recognition of the hard work put in my the Sugarcane Industry stakeholders and the SIT GIS team. It was another milestone for the Industry.

Sugarcane Industry Stakeholders GPS training with Nz Expert:

The Sugar Industry GIS team bought 40 new sets of handheld GPS for the Industry stakeholders. As part of that massive purchase, a trainer from Eagles Technology in New Zealand came for half the price of training to conduct a training session in Viti Levu and Vanua Levu.

Five stakeholders had representatives present together with participants from the Ministry of Lands and Mineral Resource and the iTaukei Landowners Tenant Board.

The training was for 4 days.

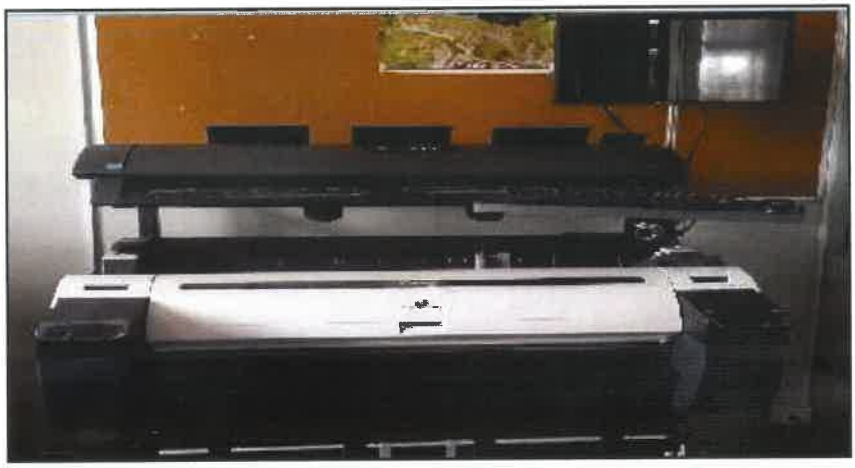
Participants in Vanua Levu

Participants in Viti Levu

Training with Ministry of Lands and Mineral Resource:

One of the advantages of been a member of the Fiji Geo-Spatial Council is attending hire level training paid forth by members. The Ministry of Lands and Minerals Resource through there Geo-Spatial Unit hosted an advance level Geo-Server training conducted by expertise from Esri - New Zealand. The Sugarcane Industry was fortunate enough to be invited and send 2 staff - Rahul from the IT/FSC and Vasiti from SIT/GIS.

PURCHASE OF HARDWARE, VEHICLE, GPS AND FIELD WEAR:



AO Plotter – Used for printing AO Scale maps

Coloured photocopier & printer

Using GPS to locate map farm boundaries

Mahindra vehicles

The purchase of this office equipment, field wear, and GPS has enabled the work to be carried out without any obstacle and the GIS team was able to meet the required target. In addition to the above, 4 Mahindra vehicles was purchased for the project Their registrations are HZ 373, HZ 330, HZ 329, HZ 428.

CONCLUSION

It was not easy surveying each and every farm with the typical Vanua Levu weather and landscape however, knowing how vital this field information was, all data received was checked and verified in office. The GIS team had to put in extra effort upon returning from the field to conduct such detail work. Data verification was conducted once GPS data was downloaded and all production data was matched against FSC dataset. Some farms were re-surveyed as information captured were incorrect, while other farms took longer to find due to their location.

The Sugarcane Industry leaders understand how crucial this baseline survey is and therefore the onus was on the GIS team to ensure all data captured one time and was corrected at all level. The GIS team is working hard in cleaning up the remaining data and ensuring that information are uploaded in the WebGIS Portal prior 2016 crushing season to enable live information captured on real time.

SUGAR INDUSTRY TRIBUNAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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Statement of Cash Flows	7
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INDEPENDENT AUDITOR'S REPORT

SUGAR INDUSTRY TRIBUNAL

I have audited the accompanying financial statements of Sugar Industry Tribunal ("the Tribunal), which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and 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). These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my 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 judgment, 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 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, as 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 2015 and of the results, and cash flows of the 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.

Emphasis of Matter

Without qualifying the opinion expressed above, attention is drawn to Note 9 of the Financial Statements. As at balance date, a sum of $328,360 was owed by Fiji Sugar Cooperation (FSC) for funds utilized by the Tribunal to finance the Near Infrared Project (NIR) which is part of the Cane Quality Project administered by Fiji Sugar Cooperation. The Tribunal utilized operating government grant to fund the project without prior approval from Ministry of Sugar.

Ajay Nand
AUDITOR GENERAL

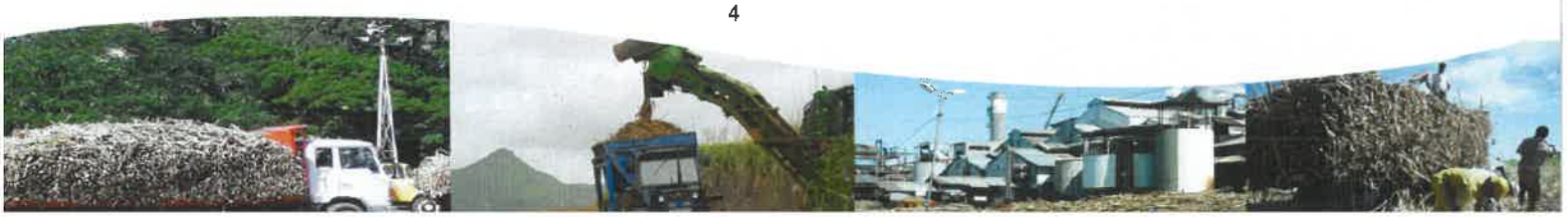
19 July 2017
Suva, Fiji

AUDITOR-GENERAL
FIJI

SUGAR INDUSTRY TRIBUNAL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
		$	$
INCOME			
Government grant -Operational		670,511	363,959
Other income	4	73,042	779,924
Total income		**743,553**	**1,143,883**
EXPENDITURE			
Personnel expenses	5	398,113	245,524
Operating expenses	6	108,718	694,091
Administrative expenses	7	188,636	94,195
Depreciation		65,431	45,813
Total expenditure		**760,898**	**1,079,622**
(Deficit)/Surplus		**(17,345)**	**64,261**
Total Comprehensive (Loss)/Income for the year		**(17,345)**	**64,261**

(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 2015

	Notes	2015 S	2014 S
Current assets			
Cash at bank and on hand	8	14,968	69,187
Trade and other receivables	9	393,138	138,588
Total current assets		408,106	207,775
Non-current assets			
Property, plant and equipment	10	651,943	188,671
Total non-current assets		651,943	188,671
Total Assets		**1,060,049**	**396,446**
Current liabilities			
Trade and other payables	11	276,619	47,732
Employee benefit liability		1,400	1,069
Deferred income	12	65,431	45,813
Finance lease liability - Current	13	1,671	
Total current liabilities		345,121	104,488
Non-current liabilities			
Deferred income	12	578,156	134,502
Finance lease liability	13	3,343	6,685
Total non-current liabilities		581,499	141,187
Total Liabilities		**926,620**	**245,675**
Net Assets		**133,429**	**150,771**
Equity			
Retained earnings		133,429	150,771
Total Equity		**133,429**	**150,771**

(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
Mr. Timothy Brown

Date: 18/07/17



SUGAR INDUSTRY TRIBUNAL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Asset Realisation Reserves	Asset Revaluation Reserves	Retained Earnings	Total
		$	$	$	$
Balance as at 31 December 2013		-	-	81,796	**81,796**
Restatement of 2013 retained earnings				4,717	**4,717**
Net deficit for the year		-	-	64,261	**64,261**
Balance as at 31 December 2014		-	-	**150,774**	**150,774**
Prior year adjustment				-	-
Net deficit for the year				(17,345)	**(17,345)**
Balance as at 31 December 2015		-	-	**133,429**	**133,429**

(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 2015

	Notes	2015 $	2014 $
Cash Flows from Operating Activities			
Receipts from government and customers		1,003,643	1,175,973
Payments to suppliers and employees		(476,123)	(1,045,441)
Net Cash provided by Operating Activities	14	**527,520**	**130,531**
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(580,069)	(70,825)
Net Cash used in Investing Activity		**(580,069)**	**(70,825)**
Cash Flows from Financing Activity			
Repayment for financing lease		(1,671)	-
Net Cash used in Financing Activity		(1,671)	-
Net (decrease)/increase in cash		(54,220)	59,707
Cash at the beginning of the year		69,187	9,480
	8	14,968	69,187

(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)

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 determines 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 Standard for Small and Medium-sized Entities ("IFRS for SMEs").

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 lifes'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.

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%

(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.

NOTE 4: OTHER INCOME

	2015	2014
	$	$
Interest in Salary Advance	960	1,401
Deferred Income	65,431	45,813
Gain - Trade in of fixed assets	-	11,500
FSC Funding - NIR Project	-	720,430
Miscellaneous	6,651	780
	73,042	779,924

NOTE 5: PERSONNEL EXPENSES

	2015	2014
	$	$
Salaries and Wages	296,832	197,351
Benefits and allowances	13,829	9,250
FNPF	52,735	32,451
FNU Levy	3,817	2,228
Fringe Benefit Tax	10,611	4,244
PAYE	20,289	-
	398,113	**245,524**

NOTE 6: OPERATING EXPENSES

GIS Other Exp	37,209	10,573
Meal and accommodation	25,995	1,438
Motor Vehicle	33,854	28,937
Other expenses	5,789	699
Gang Expenses	5,871	6,028
NIR Expenses	-	646,415
	108,718	**694,091**

NOTE 7: ADMINISTRATION EXPENSES

Telephone Fax and Postage	23,660	9,694
Printing and Stationery	17,953	7,159
Insurance	12,472	10,982
Advertising	6,801	5,842
Travelling and subsistence	22,823	208
Professional fees	16,571	15,415
Rent and Utilities	60,319	30,770
General expenses	12,165	14,124
Meetings and Conferences	3,066	-
Master award review	12,806	-
	188,636	**94,195**

NOTE 8: 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:

	2015	2014
	$	$
Cash at bank - Sugar Industry Tribunal	974	69,043
- GIS	13,822	-
Cash on hand	172	144
	14,968	**69,187**

NOTE 9: TRADE AND OTHER RECEIVABLES

Salary advance	964	3,981
Deposits Paid	1,836	1,836
VAT receivable	18,225	72,826
Other receivable	43,753	59,945
Owed by NIR	328,360	-
	393,138	**138,589**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Furniture &	Equipment	Motor Vehicle	Total
Cost	$	$	$	$
Balance at 31 December 2014	20,355	72,586	213,226	306,167
Additions	4,736	330,985	244,348	580,069
Disposals	-	-		-
Transfers	(1,983)	(6,474)	(56,513)	(64,970)
Balance as at 31 December 2015	**23,108**	397,097	**401,061**	821,266
Accumulated Depreciation				
Balance at 31 December 2014	9,148	39,524	68,824	117,496
Annual depreciation	1,971	27,094	36,366	65,431
Transfers	(250)	(2,758)	(10,596)	(13,604)
Balance as at 31 December 2015	10,869	63,860	94,594	169,323
Carrying amount at 31 December 2014	11,207	33,062	144,402	188,671
Carrying amount at 31 December 2015	12,239	333,237	306,467	651,943

NOTE 11: TRADE AND OTHER PAYABLES

	2015	2014
	$	$
Other Creditors & Accruals	253,620	29,089
Rent Due	16,701	18,644
Audit fee accrual	6,298	
	276,619	47,732

NOTE 12: 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	180,315	155,304
Add: Additional capital grant for the current year	580,069	70,824
Less: Amortisation of deferred income for the current year	(65,431)	(45,813)
Less: Transfers of assets	(51,366)	-
	643,587	180,315
Comprise of:		
Current	65,431	45,813
Non-current	578,156	134,502
	643,587	180,315



NOTE 13: FINANCE LEASE LIABILITY

Balance at the beginning	6,685	8,356
Less: lease rent paid during the year	1,671	1,671
	5,014	6,685
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	3,343	5,014
Total	**5,014**	**6,685**

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.

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

Cash at bank	14,796	69,043
Cash on hand	172	144
	14,968	69,187

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

Net (Deficit)/Surplus	(17,344)	64,260
Add/(less) non-cash items:		
Depreciation	65,431	45,813
Changes in assets and liabilities during the financial period:		
Increase/(Decrease) in deferred income	514,638	25,011
Decrease/ (Increase) in receivables	(254,550)	7,079
Increase/ (Decrease) in accounts payable	220,413	(14,811)
Increase/ (Decrease) in provisions	(1,068)	1,174
Increase/ (Decrease) in provision for employee entitlement	-	(2,710)
Decrease/ (Increase) in retained earnings	-	4,715
	527,520	130,531

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. Shalen Krishna - Acting Sugar Industry Tribunal (*appointment March 2015*)

Key management personnel remuneration for the year amounted to $93,529

(b) Transaction with Funding Agency - Service Agreement

During the financial year, the Tribunal received funding from the Ministry of Sugar (Operating grant and GIS Project). This funding incorporate special terms and conditions which are stated in the grant agreements.

	2015	2014
	$	$
Ministry of Sugar - Operating grant	500,000	500,000
Ministry of Sugar - GIS	938,170	720,340
Fair-trade Coordination Unit	-	40,000
Total Funding	**1,438,170**	**1,260,340**

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

Receivables from related parties		
Fiji Sugar Co-operation	31,982	39,423
Sugar Cane Growers Council	-	522
Fair-trade Coordination Unit	-	20,000
Payables to related parties		
S.K Trust	16,701	18,644
Net Total	**15,281**	**41,301**

NOTE 16: CONTINGENT LIABILITY

The Tribunal is a defendant in an action filed by a former employee on allegations of wrongful dismissal.

Due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings outlined below can be made.

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 18/07/17.

Sugar Industry Tribunal

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