



MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS







Annual Report For the year ending 31 July, 2017

Parliamentary Paper No. 167 of 2019

DECENT EMPLOYMENT AND PRODUCTIVITY FOR ALL

Content Page

ABOUT US	4
PERMANENT SECRETARY'S STATEMENT	6
OUR ROLE	8
OUR STRUCTURE	9
KEY HIGHLIGHTS	11
RESULTS	12
Outcome 15: Employment and the Labour Market	12
Output 1 - Portfolio, Leadership and Policy Advice	13
Output 2 - Regulate Labour Laws to ensure Social Justice, Good Faith Employment Relations and Safe and Productivity Driven Workplaces	16
Output 3 - Elimination of Child Labour	25
Output 4 - Every worker to earn a decent wage to ensure social justice	27
Output 5 - Employment Creation Service	28
Output 6 - Ensure a well-informed labour market under the labour laws	34
Output 7 - Cordial bilateral and multilateral relationships	36
Outcome 22: Financial Services	38
Annexures	58

ABOUT US

Our Vision

Decent Employment and Productivity for All

Our Mission

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

Our Values

Spiritual Renewal - Engaging in personal "spiritual renewal" on a daily basis in accordance with one's belief to renew one's spiritual values and character.

Inclusiveness - Treating everyone in an equitable and non-discriminatory manner.

Integrity - Being honest and having strong morale principles.

Accountability - Being answerable and having the courage and honesty to take ownership of our actions.

Responsiveness - Always striving to ensure that all our customers are served efficiently, effectively and economically.

Innovation - Continuously developing and improving our services and products through creativity.

Team Work - Supportive of others efforts, loyal to one another personally, professionally and ethically.

PERMANENT SECRETARY'S STATEMENT



This Annual Report covers the period of July 2016 to August 2017 as the budgeted financial year marking the change of Government's Financial Year from the traditional January to December.

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

The change in the Financial year also saw the beginning of key public sector reforms undertaken by Government. The new recruitment system developed by the Public Service aims to recruit people based on merit and performances. This new approach adopted by the Ministry ensures we recruit, develop and retain the right people in the Ministry, adding alue to our labour reforms.

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

Internally, the strategic direction of the Ministry focused on the review and specific amendments to the key employment labour legislations to accommodate new developments and Government's overall strategic interests. Other policy changes include the expansion of membership of the Employment Relations Advisory Board (ERAB) beyond majority representation to accommodate more stakeholder representation.

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

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

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

Salaseini Daunabuna

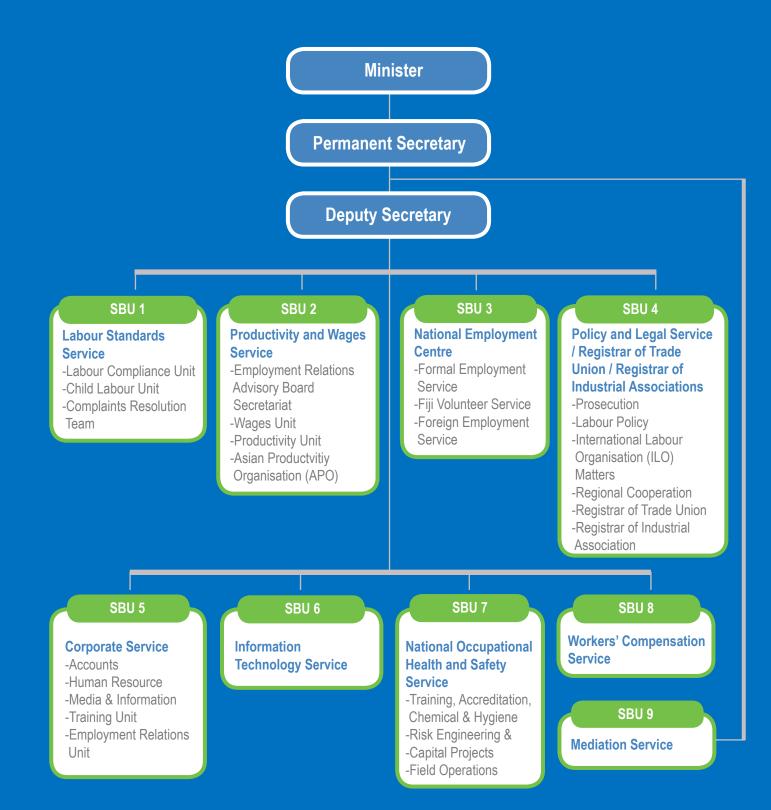


OUR ROLE

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



OUR STRUCTURE





KEY HIGHLIGHTS

Deployment of 7 pilot project workers as **Carpenters with Pacific** Trades for the rebuilding of Christchurch, New Zealand

Deployment of 52

workers under the NZ

RSE Work Scheme

Nationwide Public Consultation on the **Revised Seasonal** Work Recruitment and Selection Criteria

Record breaking in

pumpkin harvesting by

Fijian seasonal workers

First ever deployment of women workers under the New Zealand (Recognized Seasonal Employer (RSE) Work Scheme

Conduct of Employers Forum for better labour market opportunities

Phase 1 Training in the Evaluation of Impairment for Medical Practitioners

Deployment of Cable Beach Resort workers to Western Broome, Australia

Visitation to seasonal workers and the Fijian community in New Zealand by the

Employment Minister

Signing of the Memorandum of Agreement between the Government of Fiji and the Government of Tuvalu for the engagement of 20 Fijian Volunteer Nurses to serve in Tuvalu

Participation of Fiji's Tripartite delegation to the International Labour Conference in Geneva, Switzerland

Signing of the Memorandum of Agreement between the Government of Fiji and the Government of Marshall Islands for engagement of retired Fijian volunteer Teachers to serve in Marshal Islands

Forum with Fiji training institutions to strengthen partnership

Deployment of 43 retired Teachers under the Fiji Volunteer Scheme in assisting neighboring Pacific Island Countries' Education system

Conduct of the 2017 National Minimum Wage Survey

> Approved 2018 Public holidays

Signing of the Memorandum of Agreement between the Government of Fiji and the Government of Tuvalu for Fijian Volunteer Teachers to serve in Tuvalu

> Conduct of National Minimum Wage and Wages Regulations public consultation from 15 -19 May 2017.

RESULTS Outcome 15: Employment and the Labour Market

Output 1: Portfolio Leadership and Policy Advice

Accountable and transparent leadership, accurate and timely policy advice

MINISTRY BOARDS

National Occupational Health and Safety Advisory Board (NOHSAB)

The National Occupational Health and Safety Advisory Board (NOHSAB) is established under Part VI of Health and Safety at Work Act 1996. The membership is tripartite and comprises of representatives from employers, workers and government. It is a requirement under Section 39 of the HASAWA 1996 that the Board shall prepare and submit to the Minister a report of its operations annually.

Functions

The functions of the Board are:

- i. To advise the Minister on matters relating to occupational health and safety;
- ii. To inquire into and reporting back to the Minister on matters referred to it by the Minister;
- iii. In liaison with the Inspectorate, to facilitate the development of national health and safety regulations, standards including approval of codes of practice for the Minister's consideration; and

iv. Such other functions as are imposed on it by or under the Health and Safety at Work Act 1996 or any other Act.

The Board has powers necessary to carry out its functions or as are conferred on it by this or any other Act.

Membership

The membership is basically tripartite and the Minister shall invite the most representative employers and workers organization to submit names recommended to be appointed as members. The Permanent Secretary for Employment, Productivity and Industrial Relations or his / her Deputy is also a member of the Board and shall be its Chairperson under the provision of the Act. The current Board members whose two (2) year term will expire on 31st December 2017 are as follows:

Workers Representatives

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

Employers Representatives

- 1. Mr. Ashok Nath
- 2. Mr. Asaeli Tokalau
- 3. Mr. Stuart Gow
- 4. Mr. Timoci Lagai
- 5. Ms. Sukhia Go

Government Representatives

- 1. Permanent Secretary for Ministry of Civil Service
- Permanent Secretary for Ministry of Health and Medical Services
- 3. Permanent Secretary for Local Government, Housing & Environment
- 4. Permanent Secretary for Infrastructure and Transport

Chairperson

5. Permanent Secretary for Employment, Productivity and Industrial Relations

Deputy Chairperson

- 6. Employer Member
- 7. Worker Member

Meetings

There were three (3) Board meetings and these were held on 2 September 2016, 22nd February and 14th of July 2017 respectively. A total of twenty nine (29) papers were presented to the Board during the 3 meetings. This

consisted of twenty three (23) discussion papers and six (6) information papers.

Employment Relations Advisory Board (ERAB)

The Employment Relations Advisory Board (ERAB) is established under Section 8 and Part 3 of the Employment Relations Act 2007. It is appointed by the Minister responsible for employment relations. The current ERAB members were appointed on 1st January 2016 for a period of two (2) years, and their memberships will expire on 1st January 2018.

National Employment Centre Board (NECB)

Functions

The functions of the NECB are among others the following:-

- to establish the overarching National Employment Centre's strategic/corporate plan vision, mission, values, targets, strategies, integrating the strategic plans and corporate plans of the Formal Employment Service, the Self-Employment Service, the Fiji Volunteer Service & the Foreign Employment Service;
- to inquire into and report to the Minister on matters relating to employment creation referred to it by the Minister;
- to provide the Minister with bi-annual reports on the progress in implementing the employment creation policies of Government under this Decree;
- to advise the Minister on any other employment creation matter as well as matters provided for by this Decree and any other written law;

Membership

The National Employment Centre Board membership is basically tripartite, with members drawn from the employers, workers, Government and non-governmental agencies. These are represented by the Fiji Employers Federation, Fiji Chamber of Commerce and Industry, Fiji Trades Union Congress, Fiji Islands Council of Trade Unions, Government Ministries and Non-Governmental Organizations. The current Board membership was for two years effective from 1st January 2016 and expiring on 31st December, 2018 These are as follows:-

Meetings

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

Board Papers Submitted

A total of three (3) information papers were tabled before the Board. The summaries of the papers is tabulated below.

1.	NECB Paper No. 1/16 NEC Update. (For discussion)	The paper was to inform the Board about NEC performance since 2010.
2.	NECB Paper No. 2/16 National Employment Policy Technical Committee progress (For Information)	The paper was to inform the Board about the progress of the National Employment Technical Committee.
3.	NECB Paper No. 3/16 Amended logo, proposed slogans and launching of FORES (For information)	The paper was to inform the Board about the Government's new financial period and the statement of activities of NEC Fund Account from 2014 to 2016.

Review of Business Processes and ISO Certification

In 2017, five (5) Strategic Business Units (SBU) were re-certified to ISO 9001:2008 QMS. In addition, two (2) other SBUs received new certification including Corporate Services. This resulted with a total of seven (7) SBUs being certified to ISO 9001: 2018 with two (2) SBUs remain for certification.

Shared Service with Ministry of Civil Service

The Ministry signed a memorandum of agreement with the Ministry of Civil Service on shared services. The agreement allows the Ministry of Employment to carry out all Human Resource & Financial activities for the Ministry of Civil Service with the exception of their recruitment process.

	BOARD MEMBERSHIP	
Government	 Permanent Secretary for Employment, Productivity and Industrial Relations 	 Ms. Salaseini Daunabuna
	Permanent Secretary for Economy	Ms. Makereta Konrote
	Permanent Secretary for Education	Alison Burchell
	Permanent Secretary for Social Welfare	Dr. Koroivueta
	Permanent Secretary for Agriculture	Mr. David Kolitagane
	Permanent Secretary for Industry, Trade & Tourism	Mr. Saheen Ali
	Permanent Secretary for Lands	• Mr. Malakai Finau
	Ms. Ashla Meen Singh	Industrial Relations Consultants,
Employers	Mr. Noel Tofinga	FCEF
Workers	• Ms. Teresa Ali	General Secretary, USP, Lautoka
Youth Representatives	Mr. Wiliame Nayacatabu	Youth Representative
	• Dr. Mati	Business and Economics, USP
Vocational Training Institu- tions Representatives	Dr. Michael Gregory	Director of Planning & Development
Civil Society Organisations	Mr. Neil Sharma	 Executive Director, Fiji Council of Social Services
Board Secretariat	Ms. Seruwaia Bavai	Manager NEC
Other Members	Mr. Peceli Baleikorocau	 Manager, Native Land Trust Boar (NLTB)
	Mr. Setareki Tale	Commissioner Central Division
Divisional Commissions	Mr. Luke Moroivalu	Commissioner Eastern Division
Divisional Commissioners	Mr. Manasa Tagicakibau	Commissioner Western Division
	Mr. Jovesa Vocea	Commissioner Northern Division

Output 2: Regulate labour laws to ensure social justice, good faith employment relations, safe and productivity-driven workplaces

Increased compliance to labour laws



National OHS Service

In reducing workplace injuries and deaths, the National Occupational Health & Safety Service focuses on the delivery of its proactive and compliance services to improve Occupational Health & Safety standards for workers and workplaces in Fiji. In August 2016 to July 2017, the National OHS Service conducted a total of 840 proactive services against the annual target of 1,100 which is equivalent to 76.3%.

The National OHS Services' proactive role includes safety inspections, audits, awareness trainings, consultancies including registrations to reduce workplace injuries and deaths in Fiji's workplaces.



The objective of the role is to obtain performance feedback, enabling corrective action to be actioned prior to any failure in the OHS systems of work. It evaluates existing procedures of work, its actual methods including adopted systems.

The National OHS Service Compliance role is about measuring safety performance by reference to accidents, incidents and ill-health that have already occurred. In August 2016 to July 2017, the National OHS Service conducted a total of 11,127 compliance activities against the annual target of 11,000.



Year in Numbers

144 trainings & awareness

programmes on occupational health and safety conducted to workplaces

The occupational health and safety awareness trainng programmes are essential to the OHS Management Strategy including the implementation of its policies/procedures. The demand for these awareness trainings has been consistent over the past years. During the period under revies, a total of ttrainings 62 trainings and 82 awareness were conducted.

34 hazard audits conducted to identify and recommend control measures

OHS hazard audits are done to identify and recommend control measures for OHS hazards at workplaces. These audits are conducted to businesses to gauge compliance to minimum OHS requirements prior to the renewal of busines licenses. 540 SMART audits

programmes on occupational health and safety conducted to workplaces

SMART audits are conducted at workplaces to gauge compliance to OHS legislative requirements and is conducted as requested.

> 5 HIV/Aids awareness sessions conducted to workplaces

HIV/AIDS awareness is provided to workplaces to facilitate the requirements of the National Code of Practice for HIV/AIDS in the Workplace 2008. This training provides workplace preventive actions for HIV/AIDS, occupational deaths, injuries and related diseases, while respecting the fundamental principles and rights of workers. There was no HIV/AIDS training conducted in 2016/2017 period due to the resignation of the training officer.

OHS proactive activities

23 occupational hygiene assessments and monitoring conducted in workplaces

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

87 OHS consultancies provided to workplaces

This service is provided to workplaces to help improve their OHS level and knowledge by assessing their safety management and control

OHS compliance activities

6,179 statutory engineering inspections conducted

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

502 registration of industrial chemicals used at workplaces were carried out

All industrial chemicals used at workplaces are to be registered with the National OHS Service by the 31st of March each year. A total number of chemical registered in August 2016 to July 2017 was 502 as shown on the graph above. A total of 502 industrial chemicals were registered in August 2016 to July 2017.

2,553 business license

issuance to workplaces for renewal or new applications

The issuance of business license is a mandatory obligation of the employer to fulfill in relation to the 'duty of care' principle under Section 9 (1) of the HASAWA 1996. This includes all workplaces which the Act describes as any workplaces whether or not in the building or structure where workers work and ensure safe for use and occupancy.

492 engineering design vetting (workplace) codnucted for new workplaces and addition or alteration to existing workplaces

All drawings for new workplaces and addition or alternation to existing workplaces are checked for minimum OHS standards prior to commencement of construction works.

> 97 workplace commissioned

Following on from the Building Engineering Design Vetting, new workplaces are checked for compliance to OHS Standards

733 registration of workplaces employing

20 or more workers

Workplace registration is conducted on an annual basis for all workplaces employing 20 or more workers as stipulated under Section 29 of the HASAWA 1996 and Regulations 8 of the Health and Safety at Work (Administration) Regulations 1997.

423 engineering design vetting (plants) conducted for new plants to be used at workplaces

All new plants (pressure vessels, lifting equipment, etc.) are checked against safety standards prior to use at workplaces

144 enforcement notices

programmes on occupational health and safety conducted to workplaces

OHS notices are issued for non-compliance with the OHS legislattions

Year in Numbers

Workers' Compensation

1,301 settlement of Workmen's Compensation cases

139 cases for Workmen's Compensation payout \$2.6m payout as compensation benefits to workers and dependants

The Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, contract disease or die from work-related activities arising out of or in the course of their employment. The compensation is through monetary payments and provision of medical care. In cases involving the death of workers, compensation is paid to the dependants of the deceased.

Clearing Cases pending from 2011 – 2016

In 2016 the number of cases settled from August 2016 to July 2017 was 1,301 cases. Out of which 1,140 injury cases and 161 death cases

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

In 2016, \$3.0m was allocated to facilitate payment for Government workers and \$2,600,530.06 was utilised to pay out 139 cases. Eighty seven (87) injured workers were paid \$754,530.06 while fifty two (52) dependents for deceased workers death cases received a total of \$1,846,000.00.

Payment for Private Sector Cases.

Over the same period, four hundred and ten (410) cases have been paid out \$1,232,987.56. A total of seven (7) death cases was paid \$205,500.00 and four hundred and three (403) injury cases was paid \$1,027,487.56.

Provide professional occupational medical services

The Medical Assessor remained with the Worker's Compensation Service and assisted with the training of 33 medical doctors to standardize the impairment assessments for consistency of medical reports and to clear backlog cases. During the period under review, the Medical Assessor had released one thousand two hundred and thirty five (1,235) medical reports, comprising 86 death cases and 1,149 injury cases

Permanent Impairment Assessment Workshop

A four day workshop for doctors was conducted by a renowned Consultant Occupational Medicine Specialist, Dr Dwight Dowda from Sydney. The initiative not only benefited the medical assessors but the compensation recipients with a fair assessment and a faster processing time using internationally recognized Guides. A total of 24 senior medical officers including Consultants attended the training. This has brought to over 220 doctors who are now competent to do permanent impairment evaluation using the appropriate Guides. These doctors will help assess workers injuries in terms of compensation and impute causation in cases of death. The training was to up-skill local assessors on the art of permanent impairment evaluation using the internationally recognized American Medical Association Guides for the Evaluation of Permanent Impairment with the local Workcare Guides as the modifier.



Labour Standards and Compliance



A key responsibility of the Ministry is the enforcement of employment laws such as the Employment Relations Act and is subsidiary legislations, the 10 sectoral Wages Regulations Orders (WRO) and the National Minimum Wage (NMW) Regulations 2014.

During the period under review (2016 - 2017), the total base figure for employers in Fiji which includes small, medium and large enterprises stands at 10,248 out of which 6,461 employers are covered under the 10 Wages Regulations (WR) while a total of 3,787 employers are covered under the National Minimum Wage (NMW).

Workplace Inspection

According to the ACP 2016 - 2017, the Labour Standards and Compliance Service was expected to conduct 4,000 Labour inspections which is equivalent to the conduct of 400 [4000/10 Months] inspections on a monthly basis. Labour Inspections remains a top priority for the Compliance section as stipulated within the ACP 2017 and ILO Priority Conventions 81 on Labour Inspection.

In this financial year, the Compliance Section conducted a total of 3,642 priority labour inspections throughout Fiji. Of these, 2627 inspections were conducted for industries covered under the Wages Regulations 2015 (WR) and a total of 835 inspections for industries covered under National Minimum Wage (NMW) Regulations 2015. The inspection process has covered a total of 18,990 male workers and 11,775 female workers with a total of \$220,918.48 being paid to the workers as their minimum entitlements.

From the 3,642 workplace inspections conducted, a total of 1,620 were for Wholesale & Retail Trade (WRT) inspections conducted. It is noted that majority of the small and medium enterprises are mostly Wholesale & Retail based which recorded the highest number of complaints.

It is also noted that these complaints surface after the termination or resignation of employees from the sectors covered under the Wages Regulations. The National Minimum Wage (NMW) is one of the very important component of social justice system with workers who were never paid a minimum rate are now benefiting from the regulated rate of \$2.32 per hour of work. This includes the areas of work like car wash, domestic work and backyard garages.

Labour Complaints

A total of 2,024 labour complaints were received from the 10 sectoral industries and a total of 328 complaints were received from the NMW industries. The total complaints received for the year stands at 2,352. The LSS Section has settled a total of 901 labour complaints with the pending number of complaints standing at 1,451 complaints within the current year

Complaints Received by Industries

The highest number of complaints were received from the Wholesale & Retail Trade (WRT) and the Building, Civil & Electrical Engineering (BCEE) Sector which saw a total of 1,061 complaints being registered Fiji wide for the year in these 2 sectors. The settlement rate for the WRT stands at 41.48% and the BCEE stands at 42.17%.

Demand and Fixed Penalty Notices Issued

There were 7 fixed penalty notices issued to employers for non-compliance of the Wages Regulations and ERA 2007 while 512 demand notices have been issued to employers for the demand for wages/time records and payment. A total of \$2,600 was collected as revenue from the Compliance Section.

Referrals for Mediation and Prosecution

The year in review recorded the total of 172 cases referred to the Mediation Services by the Compliance Division. Of these, 168 were registered for dismissal while 4 cases were recorded for disadvantaged. During the same period, a total of 63 cases were referred for prosecution to the Legal Unit of the Ministry.

Awareness

The Standards and Compliance Service conducted a total of 10 Labour Management Consultation Cooperation Committee (LMCCC) and Employment Relations Act awareness programmes in 2016/2017. Also 3 child labour awareness sessions were conducted, attended by a total of 420 participants.

New and Closed Employer Files

A total of 167 new employers were identified by the Compliance Section for the year while there was only one employer had closed operation. The opening of 167 new employers has also shown the confidence in the economy in terms of employers investing, opening of new branches and employing more people in terms of their business operation.

Mediation Service

BB% Employment Grievance Settlement Rate

70% Employment Dispute Settlement Rate

Mediation Services has continued to provide speedy and effective service in terms of resolution of employment grievances and employment disputes. This has resulted remarkable success rate for settlement at the end of the fiscal year. Our professional mediators as a neutral third party facilitate communication and generate discussions taking an interest based approach to problem solving and exploring parties interests, trying to lead the parties to find an amicable solution. Focusing on interests, parties who are at a standoff may discover several possible solutions to their problems and may also discover shared compatible interests.

The facilitative approach works effectively with parties who are well versed with their internal processes and are able to work with their counterparts.

It is interesting to note that mediation is gaining popularity amongst all interested parties due to the professional and efficient service provided to the parties which has reflected in the high satisfaction rate for our customer evaluation feedback after the mediation sessions. Although mediation has been operating for over a decade, it continues to function exceptionally well. It is also faced with its share of challenges which presents itself quite evidently during mediation sessions. A more understanding and evaluative approach is strongly encouraged moving away from the traditional adversarial approach.

A total of 46 cases were mediated and this resulted in the resolution of 32 cases which constitutes a settlement rate of 70%. A total of 14 cases were referred to the Employment Relations Tribunal (ERT).

Employment Grievance

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

During the year, a total of 1,382 employment grievances have been registered with the Mediation Services. A total of 67 cases were pending from 2015 which have been brought forward to 2016 so the cumulative total for 2016 is 1,449. Of these, 1,305 cases were mediated upon during the year resulting in the settlement of 1,077 grievances (83%), while 228 (17%) cases were not resolved and referred to the Employment Tribunal for third party adjudication leaving a total of 144 cases pending at the end of the year.

Employment Dispute

During the period under review, only 1 dispute was pending with the Mediation Services from 2015 and 58 new employment disputes were received in 2016.

Policy & Legal Service

Criminal cases

The Ministry's Prosecution Unit received a total of 199 criminal cases that were referred to the Unit as referral cases for prosecution. The most pending criminal cases with the Prosecution team are case of previous years. A total of 41 cases was settled by the Unit leaving a total of 108 cases for mention and 54 for hearing.

The process of cases is affected by matters beyond the Unit's control and that is the consistent vacation of matters and the delay in issuance of judgments. Given that the Tribunal is dealing with the process of cases pending from previous years, the current cases that are referred to the Tribunal are further delayed.

2016-2017 Criminal Cases				
Referral	Mention	Hearing	Settled	Closed
224	168	197	61	61
199	108	54	41	67

Employment Grievances

During the period under review, a total of 158 Employment Grievance (EG) was referred to the Unit for representation. The Court process takes time and given the increased matters pending from previous years, it is likely that the Tribunal will prioritize long pending cases first prior to the processing of current cases. A total of 38 EG were settled with a total of 237 cases recorded for mention and 54 cases for hearing.

2016-2017 Employment Grievance				
Referral	Mention	Hearing	Settled	Closed
232	255	89	68	61
158	237	54	38	30

Registration of Trade Unions and Industrial Associations (RTY/RIA)

The RTU & RIA provides quality service delivery of the administraton as well as overseeing all matters pertaining to trade union (TU) and industrial associaltion (IA) in Fiji. Another role of this unit is to oversee the supervision of strike ballots by trade unions, vetting registration of all collective agreements between registered trade unions, industrial associations and employers.

During the 2016-2017 fiscal year, the service registered a total of 45 trade unions and cancelled registration for 21 unions. As for industrial assocaitions, a total of 89 were registered and cancelled registration for 168 association.

Annual Returns

Annually, all registered Trade Unions & Industrial associations are obligated under the ERA 2007 to provide annual reports on general audited statements of all receipts, expenditure, assets as well as liabilities.

In 2016-2017, a total of 31 annual returns were received and registered from trade unions with a total of 14 annual returns from the industrial associations.

2017 Public Holidays

Government approved the following 2017 public holidays through a Gazette Notice No. 68 dated Wednesday the 14th of September 2016:-

- 1. New Year's Day Monday, 2nd January
- 2. Good Friday Friday, 14th April
- 3. Easter Saturday Saturday, 15th April
- 4. Easter Monday Monday, 17th April
- National Sports and Wellness Day Friday, 30th June
- 6. Constitution Day Thursday, 7th September
- 7. Fiji Day Tuesday, 10th October
- 8. Diwali Thursday, 19th October
- 9. Prophet Mohammed's Birthday Monday, 4th December
- 10. Christmas Day Monday, 25th December
- 11. Boxing Day Tuesday, 26th December

Contemplated Strike Report

The Permanent Secretary is required under the provision of Section 190 of the ERA 2007 to refer any contemplated strike or lockout in an essential service to the Mediation Service. The Service to arrange for informal mediation at the earliest as a proactive approach for the purpose of assisting the parties to avoid the need for such strike or lockout and look at ways of resolving the matters amicably.

The facilitation of the above role by the Mediation Service had been a success that it was not only confined to essential services but to all services where strike or lockouts were contemplated, to ensure that there is stability in the labour market. There had never been any strike or lockout taking place in Fiji since the Mediation Services was established in 2008 and this is attributed mainly to the proactive approach taken by our Mediators whenever there is a contemplated strike or lockout.

In May 2017, an Informal mediation was conducted between Beqa Lagoon and its staff, and the matter in contention was mutually settled with pay increase for workers in the Diving Unit.



Output 3: Elimination of Child Labour Ensure compliance to child labour provisions under relevant labour laws

Resolution of Child Labour Reported Cases

The Ministry of Employment, Productivity & Industrial Relations together with Ministry of Sugar, the Sugar Cane Growers Council, Fiji Sugar Corporation Limited and the Cane Producers Association have embarked on the training of Western and Northern Cane belt areas in ensuring that farmers including the Sugar industry stakeholders are well aware of the child labour provisions. Similarly, to ensure the effective implementation of the child labour withdrawal process as well as enforcement of the hazardous occupation prohibited for children under 18 years of age.

The training for Labasa Cane Producers Association was conducted on 1 June 2018. A total of 16 farmers attending the workshop organized by the Labasa Cane Producers Association together with the Ministry of Employment, Productivity and Industrial Relations to ensure that cane farmers are well versed with the child labour process. This has been refresher training for the farmers as part of their capacity building programmes. The Cane Producers Association has also appointed these farmers as community representatives as well as farm Inspectors. These Farm inspectors ensure random inspection to prevent children from performing any hazardous work.

The monitoring of child labour has also been conducted by the Labour Inspectors throughout the Western Division in the cane belt areas together with officers from Fiji Sugar Corporation Limited and the Cane Producers Association. The Fiji Sugar Corporation officers together with the farm heads have been in constant contact with District Labour Officers on the child labour withdrawal process in ensuring that all children attend school during school hours. The Compliance section has withdrawn more than 195 children from child labour activities from 1 June 2011 till 31 July 2017 and all children have been returned to School.



The Ministry through the Compliance and Enforcement Division received and withdrew a total of 4 child labour cases during the year in review.

These cases were received from the Western Division where children were involved in begging on the streets.

2017 World Day Against Child Labour Celebration

The Fijian Government remains committed to achieving its set target in Sustainable Development Goal 8 to accelerate the eradication of child labour by 2025 and forced labour, modern slavery and human trafficking by 2030.

In addressing this, the Ministry jointly with other agencies celebrated World Day Against Child Labour on 12 June, 2017 at the Novotel Convention Centre, Lami.

The Honourable Acting Minister for Employment, Productivity & Industrial Relations and Minister for Women, Children and Poverty Alleviation, Hon. Mereseini Vuniwaqa officiated on the day and recognised the support from the Ministries of Education, Women & Children, the Fiji Police Force, the International Labour Organisation (ILO) including the non-government organisations in addressing child labour issues.

Eliminating child labour required a collaborative commitment from all stakeholders as well as civil society organisations to ensure all Fijian children grew and developed in the best environment.

The Ministry todate has trained over 250 school teachers with more than 200 community leaders and farmers in the area of child labour since June, 2011.



Output 4: Every Worker to Earn a Decent Wage Increase compliance of Employment Relations Promulgation, National Minimum Wage 2015 and Wages Regulations 2015

Standards & Compliance Recoveries

The total recoveries for the year amounted to \$220,918.48 which has noted that the compliance and inspection procedures are on focus, recording high recovery rate on complaints regarding hours of work as well as the rate of pay. The inspection process has been vigorous where the compliance issues has been dealt with, resulting in the recovery of dues for payout to workers.

Complaints Recoveries

In increasing recovery of wages due from employers and payment of wages to workers, the Labour Compliance Service of the Ministry through settled labour complaints recovered a total of \$140,591.01 during the period under review. The highest recovery was from the Wholesale and Retail Trade (WRT) amounting to \$65,071.77. The enforcement and compliance in this sector is steady in terms of the inspection of records from employers. This has resulted in the computation of much needed dues to the workers and payment effected through Electronic Fund Transfer mode. The highest recoveries derived from arrears of wages enforcement under the Wages Regulations which means that employers fails to pay the workers their normal rate of pay. This is again a result of a strong compliance and enforcement policy in place ensuring that workers are given their dues on time. The high rate of non-compliance resulted from employers who are in the small and medium category while the larger ones are within the inspection and compliance application of the WR as well as NMW.

Redundancy Recoveries

The year in review, recorded a total redundancy recovery of \$17,672.35.

Mediation Service Recoveries

The Mediation Service recovered a total of \$3,578,589.44 for the aggrieved workers.

Output 5: Employment Creation Service

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

4,168 registration of unemployed persons



530 employed overseas through the NEC 1,146 attachees placed on local work attachment

National Employment Centre

The NEC Act 2009 was launched as a result of Fiji's employment creation reform and Fiji's response to the ILO Global Job Pact addressed in the ILO Conference in June 2009.

The objective of the ILO Global Job Pact Agenda was to address the 2008 Global Financial Crisis impact. This crisis recorded the most significant financial and economic upheaval since the Great Depression since the 1930s. The biggest hit of the crisis trickled down to job losses; as such the agenda of ILO was the ILO Global Job Pact. The ILO Member nations were encouraged to develop policies that could mitigate the high rate of unemployment.

Fiji responded in a timely manner given it was part of its journey of labour reforms and commitment to the ILO Decent Work and Social Justice. Fiji ratified the ILO Employment Policy Convention, 194 (C122) in January 2010 and established the NEC. It is a one-stop shop employment creation services that aims to provide decent and sustainable employment growth for the unemployed registered with NEC. It aims to facilitate and supervise workplace attachments program with employers, ensuring quality 6 months on-the-job training programmes are attained that is compatible with the needs of the employment market. Job seekers or unemployed persons are mandated under the Act to register with NEC and to freely choose the type of employment one can be absorbed into through the NEC employment creation services.

The 3 employment creation services under the NEC are:

- 1. Formal Employment Service (IFES)
- 2. Foreign Employment Service (FORES)
- 3. Fiji Volunteer Service (FVS)



NEC Registration

The NEC registered 4,168 clients in 2016/2017 and 3,251 in 2016. It continues to increase given more graduates entering the labour force searching for jobs. The year 2015 had the highest numbers of registration immensely due to the introduction of the Seasonal Work Programs.

Life Skills Training

Life Skills Training package was developed in 2010. It is a home-grown training package that covers 11 core units based on life skills and core universal values that teaches job seekers or unemployed persons to be equipped with life preparedness. For the period under review, a total of 1,042 clients were trained compared to 410 clients that were trained during the six months reporting period of 2016. The increase in LST was due to more trainings available.

Formal Employment Service

The Formal Employment Service provides jobs into the local labour market. In 2015, a total of 59 employers signed a Memorandum of Understanding (MOUs) with NEC requesting job seekers to fill vacancies in organizations. The Centre recorded that 426 job seekers found work through the NEC services in 2016 and 1,383 in 2017.

Work Attachment

The workplace attachment program is a cost-sharing partnership between NEC and the employer that engages a work attachee where the ultimate aim is to encourage employers to recruit work attachees as a full-time or part-time worker or a trainee. The Centre provided 413 workplace attachments in 2016 and this has increased significantly to 1,146 during the 2016-2917 fiscal year. The rate of workplace attachment continues to increase due to the high demand of attachees from employers. Employers are benefiting from the program saving costs on recruitment and advertisement.

Foreign Employment Service

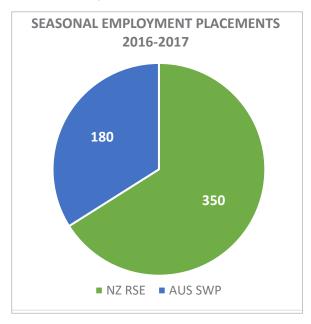
The Foreign Employment Service (FORES) is one of the employment creation services under the National Employment Centre (NEC). FORES aims to provide quality human resource development service to unemployed persons including retirees to facilitate their absorption into decent overseas employment to boost employment creation and productivity.

Since the establishment of FORES in 2014, there have been placements of Fijians in both skilled and seasonal employment overseas. Placements into skilled employment were facilitated to a few countries namely the United Arab Emirates, Canada, New Zealand, and Seychelles.

Fiji's participation in the seasonal employment industry in New Zealand under the Recognized Seasonal Employer (RSE) scheme was formalized in December 2014 through the signing of the Inter-Agency Understanding (IAU) with the Government of New Zealand. Following that, in April 2015 Fiji signed the MoU with Australia formalizing Fiji's participation in the Seasonal Worker Program (SWP). Fiji's participation in both New Zealand and Australia seasonal employment industry has seen a significant increase in the number of placements into overseas employment with the potential to grow in years to come.

Seasonal Employment

Tabulated below are the seasonal employment placements for 2016/ 2017 financial year. A total of 530 workers were placed into seasonal employment in New Zealand and Australia for this period; majority of the Fijians placed were males due the nature of the work and employer's preference.

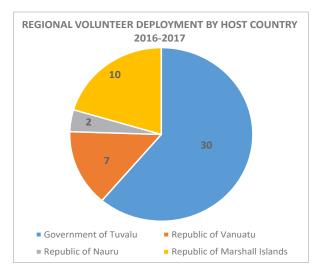


Fiji Volunteer Service

Regional Volunteers

With the FVS program being part of Fiji's Development Co-operation efforts, it has sent volunteers to regional countries such as Nauru, Marshall Islands, Vanuatu and Tuvalu. Since the inception of the program,

these regional countries have only requested for retirees from the Education Sector. The retired volunteers that have been engaged in the education sector provide either secondary or primary school teaching. Additionally the FVS will soon be providing Curriculum Developers and Consultants for the Education Sector in Tuvalu and retired teachers to the Marshall Islands once their new school year begins in August 2017. The Government of Tuvalu has also formally requested for twenty (20) retired volunteer nurses. This would be the first time the program will be providing Health professionals to a regional counterpart. The nurses will be deployed once the MoA is signed between the two countries. The program currently has a total of 49 volunteers undertaking regional volunteer teaching assignments in Nauru, Vanuatu and Tuvalu.





The Government of Vanuatu has confirmed their interest in engaging more volunteers in the education sector with the inclusion of the TVET profession, however this will await the clearance of the Memorandum of Agreement for the requested profession.

The Republic of the Marshall Islands (RMI) has indicated its willingness to engage more retired volunteer teachers following the signing of the MoA last month. The initial batch of seven teachers that returned in 2016 following the completion of their two year engagement will be returning to RMI before August for an extended engagement of two years as requested by the host country. The Kiribati Government has confirmed its interest in the FVS program and consultations are currently being undertaken for the clearance of the MoA before any engagements are done.

Local Volunteers

The FVS program has engaged graduate volunteers, skilled unemployed and retirees in local organisations as well as government agencies. FVS currently has a total of twenty seven (27) volunteers engaged locally in various government agencies with their engagements ranging from 3-24months depending on the requesting organization's needs.

During the year under review, government departments has been utilizing the volunteer service effectively and forecasted to recruit more volunteers in years to come.

Signed Memorandum of Agreements

The engagement of volunteers is undertaken following the signing of the Memorandum of Agreement (MoA) between the Fiji Volunteer Service and the host organization for local volunteer engagements and between the Government of Fiji and the requesting host country for regional volunteer engagements. The FVS signed a total of eleven (11) MoAs.





Employers' Forum

An Employers' Forum was organized by the Ministry's National Employment Centre (NEC) to provide better opportunities in Fiji's labour market in terms of the services provided by the Centre. It provides an opportunity to dialogue on human resource development as well as the utilization needs of the nation. It was also an opportunity to add-value to the huge national challenge in reducing unemployment. Similarly, to provide relevant training and employment opportunities to unemployed Fijians. Such consultation forums with the employers, training providers, other relevant Government Institutions assisted in the discussions of national labour market challenges. It also streamlined strategies relevant as a way forward in up-skilling the capacity of people for the labour market. The Employers' Forum included presentations from the Ministry, Fiji National Provident Fund (FNPF), Fiji Revenue and Customs Authority (FRCA). Similar forums were also held in the Western and Northern Divisions respectively.

Seasonal Work Visits

A Ministry delegation visited Fijian seasonal workers under the Recognised Seasonal Employer (RSE) Work Scheme and also current and potential employers in New Zealand. The purpose of the tour was to get feedback from Fijian workers, New Zealand employers and also to negotiate in increasing Fiji's participation under the scheme.

The New Zealand seasonal work scheme began recruiting from Fiji in 2015 with only 31 workers, since then has increased their numbers. The delegation visited EastPack in New Zealand and visited farms, packing-houses, Fijian communities and officials from the New Zealand Ministry of Business, Innovation & Employment.

Revised Tikina Base Recruitment and Selection Criteria

During the period under review, the Ministry introduced the revised seasonal work recruitment and selection criteria after receiving reports of poor performance from seasonal work employers both in New Zeeland and Australia. The revised Tikina recruitment and selection criteria was to strengthen seasonal work initiative both in Australia and New Zealand compared to the initial open recruitment and selection criteria.

The new Tikina based criteria strengthens Government's initiative in creating team work amongst the Tikina group as selection of potential seasonal workers to pilot the project



is being determined by the 'vanua'." The change in the selection and recruitment criteria focuses recruitment at Tikina (District) level to diminish the negative image of the Fijian Government and a nation as a whole.

The new criteria contributes to the up-skilling of workers from the rural setting, enhance their innovation and creativity, promote economic activity and commitment to return home to add value to rural development.

New Zealand Recognised Seasonal Employer (RSE) Work Scheme 10th Year Anniversary

The Minister for Employment, Productivity and Industrial Relations, Hon. Jone Usamate attended the Recognised Seasonal Employer (RSE) Work Scheme's 10th Year Anniversary in Wellington, New Zealand representing the participating Pacific States during the period under review.

Minister Usamate on behalf of the Pacific States extended sincere appreciation and well wishes to the New Zealand Government on this milestone achievement and to all employers for the employment opportunity. Through this opportunity, the Pacific States has benefited so much over the 10 years of RSE relationship. The Pacific Island States vividly experiences the expansion and growth of both the horticulture and viticulture industries. Moreover, the announcement of New Zealand's \$15million financial support towards the RSE over the next 5 years, confirms the expansion and growth of this industry. This was an indicator of New Zealand's on-going applied leadership and vision in supporting the Pacific States.

Minister Usamate also highlighted issues pertaining to fair treatment of its workers and other common issues during the 10th year celebration for improving the RSE system.



Output 6: Ensure a Well-Informed Labour Market Under the Labour Laws

-Enhance Workplace Productivity

-Provision of Effective Media and Marketing Services

Increase workplace productivity through LMCCC

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

The submission of the record forms by companies shows the success of the training. The Ministry recorded a total of 131 companies that have implemented the relevant productivity tools such as Balance Scorecard, Benchmarking, Business Processes Re-engineering, Business Excellence, 5S, Green Productivity, ISO, JIT, Knowledge Management, Quality Circle Concept, 6 Sigma, Total Quality Management and other productivity tools in their organisations.

In addition to this, the Unit was also involved in the review of the country's current National Minimum Wage (NMW) and the Ten Wages Regulations Orders (WRO). This was conducted through a formal and informal sector survey throughout the country from 6th April - 3rd May 2017. Following this there was a nationwide public consultation on the revised national minimum wage and wage rates under the Wages Regulations

Asian Productivity Organisation (APO)

The Asian Productivity Organization (APO) is an intergovernmental organization committed to improving productivity in the Asia-Pacific region. Established in 1961, the APO contributes to the sustainable socioeconomic development of the region through policy advisory services and institutional capacity-building efforts. It is open to countries in Asia Pacific region which are members of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP).

The APO is shaping the future of the region by assisting member economies in formulating national strategies for enhanced productivity through a range of institutional capacity-building efforts, including research centers of excellence in member countries.

Overall the National Productivity Organisation (NPO)-Fiji in collaboration with the Ministry of Employment, Productivity and Industrial Relations is able to utilize 90% of the projects being received all year around. The report has shown that NPO-Fiji has been investing more into the NPO (Research & Development) and Innovation programs, a positive reflection of the movement towards the Industry 4.0 (Fourth Industrial Revolution) and could be reflected in the market for the next five years.

APO Programs Participation Summary		
Total No. of Participants	92	
Total Programs Processed	57	
Total Programs Received	61	



Promotion of Ministry's Service through the Media

Promotional initiatives targeted the general population to inform them of services and programs offered by the Ministry. A total of 201 promotional initiatives were carried out in 2016/2017 with a high 81% of the work done through press releases and media interviews, followed by 14% in the form of broadcast, talkback shows and 5% on advertisements.

National Minimum Wage Survey

The National Minimum Wage (NMW) survey commenced parallel in all divisions nationwide for the duration of 3 weeks from 06 April, 2017.

The NMW Consultant Professor Partha Gangopadhyay used the pre-design survey questionnaire to undertake the nationwide survey findings and has also conducted a workshop for Ministry officials undertaking the survey.

Similarly, the Consultant supervised the nationwide survey of existing wage rates in Fiji's labour market, including conditions of employment.

The review of the 10 Wages Regulations (WR) was also examined by using the wages productivity based formula approved by the Employment Relations Advisory Board (ERAB) in 2012 for the review of the WR in 2012 and 2014; these data and information were used to review the NMW and the ten WRs respectively. The survey was conducted for employers and workers, particularly those that are covered under the NMW and WRs.

The Consultant also undertook a range of awareness raising activities to enhance participation in the consultation by a wide cross section of Fiji's workforce.

The NMW consultation based on the survey findings was to seek out the diverse range of views by the employers and workers about wages, employment conditions as well as the identification of key issues raised by the employers, workers in relation to wages and employment conditions.

Output 7: Cordial bilateral and multilateral relationships Facilitating all international obligations



ILO Reporting obligations

The Minister for Employment, Productivity and Industrial Relations attended the 106th Session of the International Labour Conference in Geneva, Switzerland during the period under review in supporting green jobs in response to climate change.

At the Conference, Fiji showed its support on the call for green jobs and green initiative while responding to the reports of the International Labour Organisation (ILO) Director-General and the Chair of the ILO Governing Body.

These reports highlight that green jobs and green initiative is the future of work in a changing climate.

Transition to green jobs and green initiative will mean prioritizing investments that reduce climate pollution, enhancing environmentally sustainable innovation, encouraging a positive transition with decent jobs and social justice in mind.

Fiji's COP 23 Presidency which will be transparent and inclusive will advance the Paris Agreement. It will accelerate climate action for vulnerable societies. The Fijian tripartite delegation comprising Government, employer representative and worker representative attended the 2017 conference.

Participation of the tripartite delegation to the ILC and other international events

The Fijian Government with its tripartite delegation attended the 106th Session of the International Labour Conference in Geneva, Switzerland from 5 to 16 June 2017.

The Government Delegation attended the opening of the Conference whuch was represented by Fiji's Permanent Representative to the United Nations & other International Organisations, Nazhat Shameem Khan, Permanent Secretary for Employment, Productivity & Industrial Relations, Salaseini Daunabuna, First Secretary, Ajendra Pratap and the Assistant Director Labour Standard Services, Ministry of Employment, Atish Kumar.



The Employers' Group are represented by Himen Chandra, President of the Fiji Commence and Employers' Federation while the Workers' Group are represented by Felix Anthony, General Secretary of the Fiji Trades Union Congress.

The Director-General of the International Labour Organisation Guy Ryder presented his report at the opening of the Conference, focusing on 'Work in a Changing Climate: The 'Green Initiative', stressing in his address that climate change is real and is a result of human activities. The challenge for delegates is assessing what climate change means for the world of work and how the ILO can contribute to the just transition to environmental sustainability to advance decent work whilst protecting the planet.

The Minister for Employment, Productivity and Industrial Relations, Honourable Jone Usamate addressed the meeting on Friday 9 June, 2017.

Memorandum of Agreement with the Government of Tuvalu

A memorandum of agreement between the Fijian government and the government of Tuvalu was signed during the year for the placement of 20 volunteer nurses in Tuvalu.

The Ministry expressed appreciation to the Government of Tuvalu for coming forward to engage Fiji's retired medical professional under the Fijian Government's Volunteer Service initiative.

The Fijian Government sincerely thanked the Government of Tuvalu for choosing to partner with the Ministry under the Fiji Volunteer Scheme. This is the first time for the provision of personnel in the medical sector for regional countries; therefore this engagement of 20 volunteer nurses for Tuvalu will greatly assist in the development assistance of the medical sector region.

The Fijian Government acknowledges the southsouth cooperation in sending its health personnel for the first time to assist in improving the health and medical services for Tuvalu as well as sharing this concept with other neighbouring Pacific Island countries.

Tuvalu High Commissioner to Fiji, Temate Melitiana on behalf of the Government of Tuvalu expressed his gratitude towards the Fijian Government for the volunteer initiative which allows Pacific Island countries to access assistance in improving the required services.



Financial Statements As at 31 July 2017

Budgetary Allocation \$16,293,605

Actual Expenditure \$12,870.152 [79%]

Balance \$3,423,453 [**21%**]

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File: 481

24 July 2018

Honourable Jone Usamate Minister of Employment Productivity and Industrial Relations Level 4, Civic House SUVA

Dear Honourable Usamate

MINISTRY OF EMPLOYMENT PRODUCTIVITY AND INDUSTRIAL RELATIONS AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

The audited financial statements for the Ministry of Employment Productivity and Industrial Relations for the year ended 31 July 2017 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Ministry for necessary action.

Yours sincerely

Ajay Nand AUDITOR-GENERAL

cc: Mrs. Salaseini Daunabuna, The Permanent Secretary, Ministry of Employment, Productivity and Industrial Relations

Encl.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

TABLE OF CONTENTS

INDEPENDENT AUDITORS REPORT	3
MANAGEMENT CERTIFICATE	5
STATEMENT OF RECEIPTS AND EXPENDITURE	6
APPROPRIATION STATEMENT	7
STATEMENT OF LOSSES	8
STATEMENT OF RECEIPTS AND PAYMENTS – NATIONAL OCCUPATIONAL HEALTH & SAFETY EDUCATION AND ACCIDENT PREVENTION TRUST FUND ACCOUNT	
STATEMENT OF RECEIPTS AND PAYMENTS – EMPLOYMENT RELATIONS AGENCY TRUST FUND ACCOUNT	10
STATEMENT OF RECEIPTS AND PAYMENTS – NATIONAL EMPLOYMENT CENTRE TRUST FUND ACCOUNT	11
STATEMENT OF RECEIPTS AND PAYMENTS – OHS CONSULTANCY SERVICES, WORKMENS COMPENSATION AND WAGES DISPUTE TRUST FUND ACCOUNT	12
STATEMENT OF RECEIPTS AND PAYMENTS - CHILD LABOUR UNIT TRUST FUND ACCOUNT	13
NOTES TO THE FINANCIAL STATEMENTS	14

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INDEPENDENT AUDITOR'S REPORT

MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS

I have audited the financial statements of the Ministry of Employment, Productivity and Industrial Relations ("the Ministry") which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses and Trust Account Statement of Receipts and Payments for the year ended 31 July 2017 and the notes to the financial statements including a summary of significant accounting policies.

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

Basis of Qualified Opinion

- 1. The Ministry receives \$70,000 annually fees from the Ministry of Civil Service under the Shared Services Agreement. The Ministry deposited the service fees into the OHS Consultancy Trust Fund Account. Transfer of public funds into a trust account is improper as funds in trust are those funds other than public money. Consequently, the OHS Trust Fund Account is overstated by \$70,000 and Ministry's operating revenue is understated by the same amount.
- 2. An unreconciled variance of \$381,087 exists between the OHS Consultancy Service, Workmen Compensation and Wages Disputes Trust Fund cash at bank balance and the General Ledger (FMIS) balance. As a result I was not able to ascertain that all receipts and payments had been accurately accounted and disclosed in the Trust Fund cash account.

Without further qualifying the opinion above, I draw attention to the following:

Internal controls over management of trust fund receipts were generally found to be weak and if not addressed promptly may result in material misstatements and possible financial losses in the future.

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

Management's Responsibilities for the Financial Statements

The management of the Ministry of Employment, Productivity and Industrial Relations are responsible for the preparation of the financial statements in accordance with the Financial

Management's Responsibilities for the Financial Statements (continued)

Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry of Employment, Productivity and Industrial Relations internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry of Employment, Productivity and Industrial Relations.

I communicate with the Ministry of Employment, Productivity and Industrial Relations regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Ajay Nand AUDITOR-GENERAL



Suva, Fiji 24 July 2018

MANAGEMENT CERTIFICATE FOR THE YEAR ENDED 31 JULY 2017

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Employment, Productivity and Industrial Relations for the year ended 31 July 2017; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

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

Date: 17 07 18

Mr. Viliame Nauludugua Senior Accounts Officer

Date: 17/07/18 .

STATEMENT OF RECEIPTS AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2017

	Note	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
State Revenue			
Commission		947	1,793
Total State Revenue		947	1,793
Agency Revenue			
Miscellaneous		8,625	2,142
Total Agency Revenue		8,625	2,142
TOTAL RECEIPTS		9,572	3,935

EXPENDITURE

Established Staff		5,496,334	2,454,055
Government Wage Earners		288,046	202,746
Travel & Communication		433,878	158,373
Maintenance & Operations		621,507	310,717
Purchase of Goods & Services		1,000,582	785,038
Operating Grants and Transfers		22,697	137
Special Expenditure		4,691,001	3,420,581
Total Operating Expenditure		12,554,045	7,331,647
Capital Purchase			493
Total Capital Expenditure			
Total Capital Experimitie			493
Value Added Tax		316,107	[.] 295,934
TOTAL EXPENDITURE	3	12,870,152	7,628,074

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 JULY 2017

SEG	Item	Budget Estimate	Appropriation Changes Note 4	Revised Estimate a	Actual Expenditure b	Carry Over	Lapsed Appropriation (a-b) Note 5
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Established Staff	6,294,630	(97,000)	6,197,630	5,496,334		701,296
2	Government Wage Earners	247,030	97,000	344,030	288,046		55,984
3	Travel and Communications	422,795	109,492	532,287	433,878		98,409
4	Maintenance & Operations	527,200	256,797	783,997	621,507		162,490
5	Purchase of Goods and Services	1,403,700	(209,878)	1,193,822	1,000,582		193,240
6	Operating Grants and Transfers	55,000	(30,000)	25,000	22,697		2,303
7	Special Expenditures	6,542,650	(126,411)	6,416,239	4,691,001		1,725,238
	Total Operating Expenditure	15,493,005		15,493,005	12,554,045		2,938,960
13	Value Added Tax	800,600		800,600	316,107		484,493
	TOTAL EXPENDITURE	16,293,605		16,293,605	12,870,152	entered	3,423,453

STATEMENT OF LOSSES FOR THE YEAR ENDED 31 JULY 2017

Loss of Money

There was no loss of money recorded for the year ended 31 July 2017.

Loss of Revenue

There was no loss of revenue recorded for the year ended 31 July 2017.

Loss (other than money)

There was no reported loss (other than money) recorded for the year ended 31 July 2017.

However, following the Ministry's Board of Survey the following items worth \$49,177 was approved by the Ministry of Economy to be written off.

Category	Cost (\$)
Computer equipment	35,502
Office Furniture & Equipment	13,675
Total	49,177

STATEMENT OF RECEIPTS AND PAYMENTS – NATIONAL OCCUPATIONAL HEALTH & SAFETY EDUCATION AND ACCIDENT PREVENTION TRUST FUND ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Note	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
OHS Trust Fund		1,212,196	813,827
Total Receipts		1,212,196	813,827
PAYMENTS			
OHS Trust Fund		416,854	721,833
Total Payments		416,854	721,833
Net Surplus		795,342	91,994
Balance as at 1 August		5,333,931	5,241,937
Closing Balance as at 31 July 2017	6(i)	6,129,273	5,333,931

STATEMENT OF RECEIPTS AND PAYMENTS – EMPLOYMENT RELATIONS AGENCY TRUST FUND ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Note	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
ERT Trust Fund		107,251	69,096
Total Receipts		107,251	69,096
PAYMENTS			
ERT Trust Fund		451	3,234
Total Payments		451	3,234
Net Surplus		106,800	65,862
Balance as at 1 August		401,727	335,865
Closing Balance as at 31 July 2017	6(ii)	508,527	401,727

STATEMENT OF RECEIPTS AND PAYMENTS – NATIONAL EMPLOYMENT CENTRE TRUST FUND ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Note	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
NEC Trust Fund		80,777	16,619
Total Receipts		80,777	16,619
PAYMENTS			
NEC Trust Fund		68,203	1,752
Total Payments		68,203	1,752
Net Surplus		12,574	14,867
Balance as at 1 August		210,224	195,357
Closing Balance as at 31 July 2017	6(iii)	222,798	210,224

STATEMENT OF RECEIPTS AND PAYMENTS – OHS CONSULTANCY SERVICES, WORKMENS COMPENSATION AND WAGES DISPUTE TRUST FUND ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Notes	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
Workmen's Compensation Wages Dispute OHS Consultancy		4,388,376 463,166 121,097	2,422,812 202,646 806,924
Total Receipts		4,972,639	3,432,382
PAYMENTS Workmen's Compensation Wages Dispute OHS Consultancy		3,815,895 413,874 17,554	2,049,903 225,043 599,995
Total Payments		4,247,323	2,874,941
Net Surplus		725,316	557,441
Balance as at 1 August		1,882,237	1,324,795
Closing Balance as at 31 July 2017	6(iv)	2,607,553	1,882,236

STATEMENT OF RECEIPTS AND PAYMENTS – CHILD LABOUR UNIT TRUST FUND ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Note	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
Child Labour Unit Trust Fund		133	
Total Receipts		133	Jun and
PAYMENTS			
Child Labour Unit Trust Fund		2,438	2,759
Total Payments		2,438	2,759
Net Deficit		(2,305)	(2,759)
Balance as at 1 August		4,647	7,406
Closing Balance as at 31 July 2017	6(v)	2,342	4,647

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTE 1: REPORTING ENTITY

The Fijian Constitution guarantees every Fijian's right to economic participation, a just minimum wage, speedy resolution of employment grievances and disputes, and fair employment practices, which include humane treatment in the workplace and proper working conditions. Government is committed to doing everything in its power to uphold these rights for workers across the country, while at the same time helping employers grow and succeed.

The Ministry of Employment, Productivity and Industrial Relations is responsible for enacting policies and programs that support these aims.

The Ministry focuses on fostering strong relations between employees and employers, creating productive workplaces, and ensuring fair working conditions. It also works to help Fijians find jobs, especially the country's young people, and to create healthy and safe work environments for all workers. The Ministry also provides social security, injury and death compensation.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting/Presentation

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

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

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry of Employment, Productivity and Industrial Relations on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and the sub-contractors for expenses incurred.

The VAT payment as per the Statement of Receipts and Expenditures relates to VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Services (FRCS). Actual amount paid to FRCS during the year represents the difference between VAT Output and VAT Input.

(c) Comparative Figures

The Ministry changed its reporting period from 1 August to 31 July as per the Ministry of Economy circular number 04/16 due to a change in the whole of government reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2017

NOTE 2: STATEMENT OF ACCOUNTING POLICIES (continued...)

Hence, the 2016 financial period is for 7 months effective from 1 January 2016 to 31 July 2016 to 31 July 2016. In comparison, the 2017 financial reporting period is for 12 months effective from 1 August 2016 to 31 July 2017. This was provided for in the Financial Management (Amendment) Act 2016.

(d) Revenue Recognition

Revenue is recognised when cash is actually received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

The financial year end for Government was changed from 31 December to 31 July in accordance with the Financial Management (Amendment) Act 2016. The financial statements for the year ended 2017 is for a 12-month whereas the financial period for 2016 reflect transactions for a sevenmonth period, thus the significant variances with the comparative balances are noted.

NOTE 4: APPROPRIATION MOVEMENTS

There was no redeployment of the Ministry's funds during the year. Other movements were made through virements as follows:

Virement No	From	Amount (\$)	То	Amount (\$)	Approved By
DV0701	SEG 5	14,000	SEG 4	21,500	Permanent Secretary for MEPIR
	SEG 7	7,500			
DV0703	SEG 3	19,000	SEG 4	19,000	Permanent Secretary for MEPIR
DV0704	SEG 5	42,500	SEG 3	10,000	Permanent Secretary for MEPIR
	SEG 6	30,000	SEG 4	77,500	
	SEG 7	15,000			
DV0705	SEG 7	10,000	SEG 3	4,000	Permanent Secretary for MEPIR
			SEG 4	6,000	
DV0707	SEG 3	3,308	SEG 4	15,000	Permanent Secretary for MEPIR
	SEG 5	25,692	SEG 7	14,000	
DV0708	SEG 5	28,000	SEG 3	18,500	Permanent Secretary for MEPIR
			SEG 4	9,500	
DV0709	SEG 4	18,714	SEG 3	6,600	Permanent Secretary for MEPIR
			SEG 5	12,114	
DV0710	SEG 5	51,000	SEG 3	10,000	Permanent Secretary for MEPIR
	SEG 7	46,789	SEG 4	87,789	
DV0711	SEG 7	68,000	SEG 3	2,000	Permanent Secretary for MEPIR
			SEG 4	41,5000	
			SEG 5	24,500	
DV0713	SEG 5	14,000	SEG 3	31,000	Permanent Secretary for MEPIR
	SEG 7	17,000			

Virement No	From	Amount (\$)	То	Amount (\$)	Approved By
	SEG 4	2,278	SEG 3	19,700	Permanent Secretary for MEPIR
DV0714	SEG 5	11,300			
	SEG 7	6,122			
DV0715	SEG 5	30,000	SEG 7	30,000	Permanent Secretary for MEPIR
DV0716	SEG 5	30,000	SEG 3	30,000	Permanent Secretary for MEPIR
V07001	SEG 1	44,000	SEG 2	44,000	Permanent Secretary MOE
V07001	SEG 1	53,000	SEG 2	53,000	Permanent Secretary MOE

NOTE 5: SIGNIFICANT APPROPRIATION SAVINGS

A revised budget of \$783,997 and \$6,416,239 for Maintenance and Operation and Special Expenditure respectively was approved to be used during the financial year. However, the Ministry utilised \$621,507 for Maintenance and Operation resulting in a saving of \$162,490 or 21% and \$4,691,001 for Special Expenditure resulting in a saving of \$1,725,238 or 27%. This was due to the reduction in electricity cost resulting from the minimal use of photocopying machines, lights and other electrical items. For Special Expenditure the Ministry anticipated an increase payout in workmen compensation due to the increase in quantum from \$24,000 to \$50,000 but this did not eventuate.

NOTE 6: MAIN TRUST ACCOUNT

At balance date, the Main Trust Account balances for Ministry of Employment, Productivity and Industrial Relations was \$9,470,493. These monies relate to receipts and payments related to Work Compensation, Wages dispute, Occupational Health and Safety Consultancy, Occupational Health and Safety Trust, Employment Relations Tribunal, National Employment Centre and Child Labour. The following further explains the nature, purpose and use of each trust account.

(i) Occupational Health and Safety Trust Account :

A liability account responsible for the promotion of OHS and enforcement of the *Health and Safety at Work Act 1996* and its subsidiary legislations. The Service aims to promote and maintain a working environment, which is healthy and safe for both workers and employers and directly contributes to improved productivity.

(ii) Employment Relations Tribunal Trust Account:

A liability account whereby when employment disputes and employment grievances are not resolved by the Mediation Service, the Employment Relations Tribunal assists employers or their representatives and workers or their representative trade union by adjudicating and determining the grievance or dispute between parties. In adjudication proceedings, there is also a requirement on the Tribunal to provide mediation assistance to the disputing parties when the need arises. In this regard the Tribunal assists disputing parties to amicably settle matters and these settlements are documented as binding awards or decisions.

(iii) National Employment Centre Trust Account:

The National Employment Centre operates under the National Employment Centre Decree 2009. The Centre is responsible for providing employment skills training and facilitating employment opportunities for the unemployed. The Centre offers 3 services – Formal Employment Service, Foreign Employment Service and Fiji Volunteer Service. Unemployed persons who register under the National Employment Centre undertake professional counseling, aptitude assessment, life skills training and are trained in the relevant employment skills

NOTES TO THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2017

NOTE 6: MAIN TRUST ACCOUNT (continued...)

demanded by the labour market. Moreover, the Centre provides opportunities for the unemployed to do volunteer services, work attachment, and facilitates opportunities for employment both locally and internationally.

(iv) Work Compensation Trust Account:

A liability account and the Workmen's Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, lose their lives or contract diseases in the course of their employment. Compensation is through monetary payments and medical care provisions for the injured workers. Cases involving the death of a worker, monetary payments are given to the dependents' of the deceased worker.

Wages Dispute Trust Account:

A liability account and the Wages Unit is responsible for setting minimum wages and other terms and conditions of employment in Fiji's employment sector. It ensures workers are actually provided with the stipulated Wages Regulations terms and conditions. Any payment received from employer after dispute on wages is resolved by the Wages unit and is paid out to the respective employee.

Occupational Health and Safety (OHS) Consultancy Trust Account:

A liability account used to facilitate the payment of overtime hours, meal allowances, transport allowances, and accommodation which is paid by companies into OHS Trust account when OHS Inspectors have performed services to the companies. Funds are transferred from OHS Trust Account to OHS Consultancy to pay the OHS inspectors.

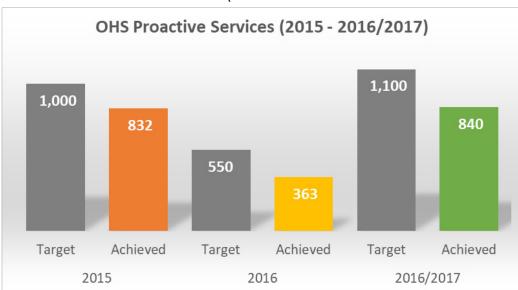
(v) Child Labour Trust Fund Account:

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

ANNEXURES

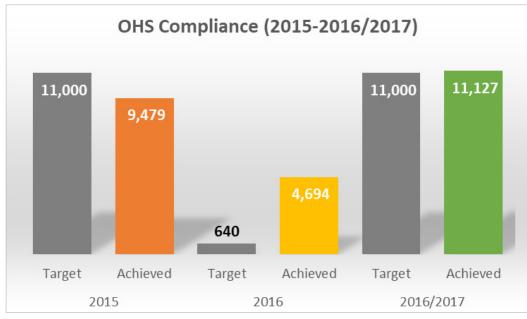
Output 2: Regulate labour laws to ensure social justice, good faith employment relations, safe and productivity-driven workplaces

NATIONAL OHS SERVICE

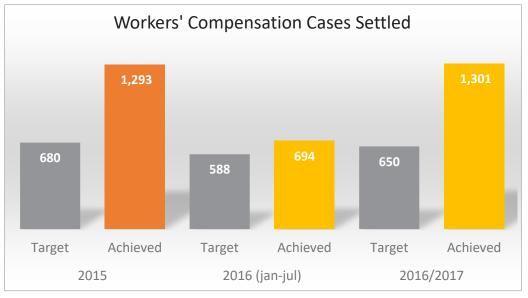


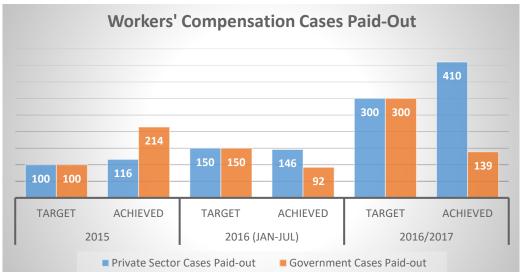
Conducted OHS Proactive Services (2015-2016/2017

Conducted OHS Proactive Services (2015-2016/2017



WORKMEN'S COMPENSATION





 Workers'Compensation Payout

 \$2,553,417.27
 \$2,600,530.06

 \$1,374,330
 \$1,232,987.56

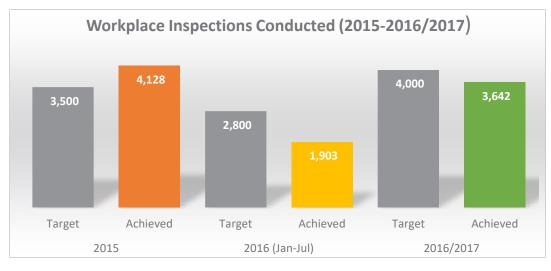
 \$305,493.64
 \$485,497.62

 2015
 2016 (JAN-JUL)

 2015
 2016 (JAN-JUL)

 Private Sector Cases Payout
 © Government Cases Payout

LABOUR STANDARDS SERVICE



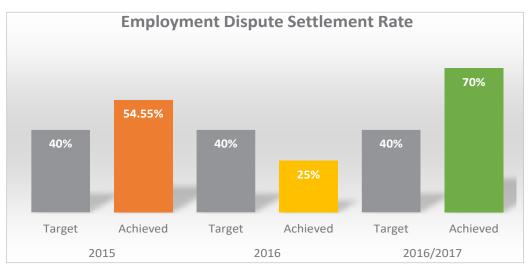


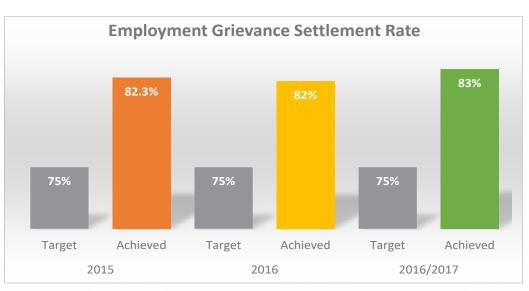




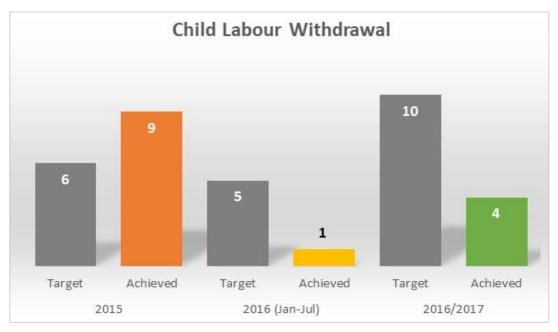


MEDIATION SERVICE



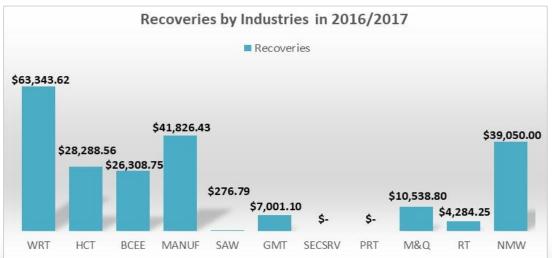


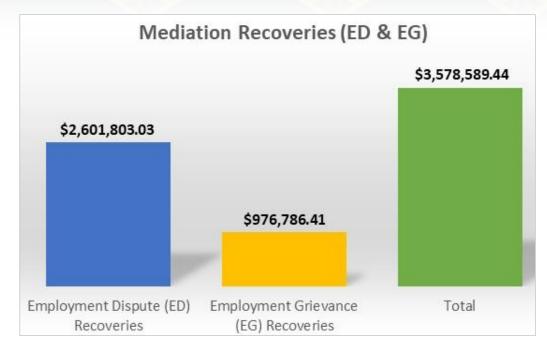


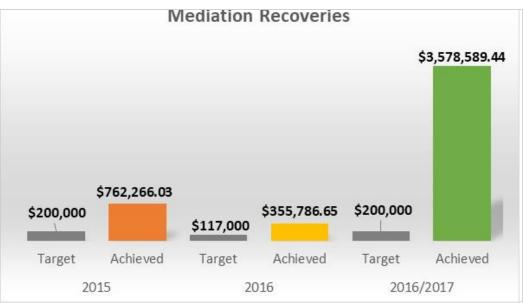


Output 4: Every Worker to Earn a Decent Wage









Output 5: Employment Creation Service

NATIONAL EMPLOYMENT CENTER

