



# SUGAR INDUSTRY TRIBUNAL

Tribunal Tribunal Accountant Industrial Commissioner Devanesh Sharma Sunil Sharma, BA -USP Timothy Brown, M.B.A, B.A - USP

Phone :6666900/6666920 Fax :6663520

29 November 2023

The Hon. Mr. Charan Jeet Singh Minister for Multi-Ethnic Affairs & Sugar Industry Level 4 Bali Towers Toorak **SUVA** 

Dear Sir

### RE: ANNUAL REPORT - 2019

As required by Section 30 of the Sugar Industry Act of 1984, a report on the activities of the Tribunal, the Industrial Commissioner, and the Accountant to the Tribunal is submitted for the period 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2019 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 – 2019

### 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. Devanesh Sharma was appointed the Sugar Industry Tribunal for a term of 3 years with effect from 28<sup>th</sup> March 2018.

Timothy Brown was reappointed the Industrial Commissioner and Registrar of the Tribunal with effect from 1<sup>st</sup> August 2016 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 \$400,000 for 2019.

### 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 XIX – METHOD AND TIMES OF PAYMENT.

### Clause 19.1(IV) is added.

"Notwithstanding anything contained in paragraph(ii) in estimating the forecast price of cane for the 2019 season the Corporation **shall not** take into account the margin of error of 15% in calculating the forecast price of cane for the 2019 season."

Amended to take effect from 01<sup>st</sup> June 2019.

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

### NATIONAL HARVEST QUOTA

The Fiji Sugar Corporation did not inform the Tribunal as required under Regulation 5.6(i) of the Master Award that it intends to purchase 100% of the NBA of 2,514,595 tonnes for the 2019 season.

### PURCHASE OF ALL CANE 2019

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 2019

Under Regulation 19.1(i) of the Master Award the Corporation informed the Tribunal that the likely price for cane for the 2019 season would be \$63.17. This price was not discounted by 15% margin of error as the Master Award Section 19.1 (ii) was amended after an agreement between the Corporation and the Council was reached.



Forecast price of cane 2019 season \$63.17

### COMMENCEMENT OF CRUSHING

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

Regulation 4.1(a) of the Master Award provides that crushing shall commence no later than the third Tuesday of June. In 2019, this day fell on Tuesday, 18<sup>th</sup> June, 2019.

The Corporation wrote to the Tribunal by letter dated 30<sup>th</sup> April 2019 advising of its intention to commence crushing for Lautoka, Rarawai and Labasa as follows:

Lautoka Mill	13 <sup>th</sup> June 2019
Rarawai Mill	25 <sup>th</sup> June 2019
Labasa Mill	06 <sup>th</sup> June 2019

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Chief Executive Officer of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on  $01^{st}$  May 2019 that the four mills are authorized to commence crushing on the following dates: -

Lautoka Mill	13 <sup>th</sup> June 2019
Rarawai Mill	25 <sup>th</sup> June 2019
Labasa Mill	06 <sup>th</sup> June 2019

The Corporation wrote to the Tribunal by letter date 03<sup>rd</sup> June 2019 advising of its intention to defer commencement of crush for Lautoka, Rarawai and Labasa as follows: -

Lautoka Mill	18 <sup>th</sup> June 2019
Rarawai Mill	09 <sup>th</sup> July 2019
Labasa Mill	20 <sup>th</sup> June 2019

The Tribunal consulted the Chief Executive of the Sugar Cane Growers Council, the Chief Executive Officer of the Fiji Sugar Corporation and the Industrial Commissioner and ORDERED on 07<sup>th</sup> June 2019 that the three mills are authorized to commence crushing on the following dates: -

Lautoka Mill	13 <sup>th</sup> June 2019
Rarawai Mill	09 <sup>th</sup> July 2019
Labasa Mill	12 <sup>th</sup> June 2019



Tipping of the first load of cane at Lautoka

### 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 wrote to the Tribunal by letter dated 08<sup>th</sup> October 2019 that the likely date for termination of crush for each of the mills is as follows: -

Lautoka Mill	-	11 <sup>th</sup> December 2019
Rarawai Mill	-	06 <sup>th</sup> December 2019
Labasa Mill	-	04 <sup>th</sup> December 2019

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

The Corporation in their letter dated 14<sup>th</sup> November 2019 applied to the Tribunal for the termination of crush in Labasa mill as follows: -

Labasa Mill - 28<sup>th</sup> November 2019

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and Industrial Commissioner, the Tribunal ORDERED on 19<sup>th</sup> November 2019 that the Corporation terminate crush in Labasa mill as follows: -

Labasa Mill - 03<sup>rd</sup> December 2019

The Corporation in their letter dated 26<sup>th</sup> November 2019 applied to the Tribunal for the termination of crush Lautoka and Rarawai mills as follows: -

Lautoka Mill -	10 <sup>th</sup> December 2019
Rarawai Mill -	07 <sup>th</sup> December 2019

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and the Industrial Commissioner, the Tribunal ORDERED on 28<sup>th</sup> November 2019 that the Corporation terminate crush in Rarawai mill as follows: -

Rarawai Mill - 07<sup>th</sup> December 2019

After consulting the Chief Executive Officer of the Sugar Cane Growers Council, and the Industrial Commissioner, the Tribunal ORDERED on  $05^{th}$  December 2019 that the Corporation terminate crush in Lautoka mil as follows: -

Lautoka Mill - 12<sup>th</sup> December 2019



Sugar cane cutters harvesting & carting cane into the lorry to be transported to the mill before the mill closes

### **BURNT CANE**

"On Program Burning" was approved in all mills effective from  $11^{\text{th}}$  October 2019 for the 2019 season.



### A cane farmer harvesting burnt cane

### **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**

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications	38	43	40	18	139
Approvals	33	30	35	13	111
Rejections	5	13	5	5	28
In Process	-	-	-	-	-

		<u>TRANSFERS</u>			
	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications	90	145	183	26	444
Approvals	81	131	165	19	396
Rejections	-	-	-	-	-
In Process	9	14	18	7	48

### **OTHERS**

The Registrar dealt with 485 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:-

	<u>Lautoka</u>	<u>Rarawai</u>	<u>Labasa</u>	<u>Penang</u>	<u>Total</u>
Applications Approvals	148 126	200 165	82 74	55 41	485 406
In Process	22	35	8	14	79

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



Field Offcier discussing issues with cane growers in Nadi District

### ALTA EXPIRY LEASE

A total of 161 new registrations were issued on ALTA expired leases, over the period 01/01/19 to 31/12/19 of these 29 new registrations were issued to new incoming landowner/ITaukei tenants and 132 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 6691 registrations have been issued to tenants on ALTA expired leases, of these 2134 were issued to new incoming landowner/ITaukei tenants and 4557 registrations were issued to new Indo Fijian tenants while 578 registrations were issued to sitting tenants.



Cane farmers receiving their new land leases.

APPENDIX I(a)

	REGISTER OF GROWERS' STATISTICS MILLS, DISTRICTS AND SECTOR					
		<u>As at 31.1</u>		<u>N</u>		
<u>LAUTOKA MILL</u> Lautoka District	Drasa Sector Lovu Sector Lautoka Sector Saweni Sector Natova Sector Estate	- 718 - 406 - 266 - 252 - 462 - 2	2,106			
Nadi District	Legalega Sector Meigunyah Sector Qeleloa Sector Yako Sector Malolo Sector Nawaicoba Sector Estate	- 317 - 342 - 430	2,181	5,453 33%		
Sigatoka District	Lomawai Sector Cuvu Sector Olosara Sector	- 547 - 398 - 221 _	1,166			
<u>RARAWAI MILL</u>	Varoko Sector Mota Sector Koronubu Sector Rarawai Sector Veisaru Sector Varavu Sector Naloto Sector Estate	- 507 - 501 - 744 - 297 - 600 - 684 - 355 - 2	3,690		16,615	
Tavua District	Tagitagi Sector Drumasi Sector Yaladro Sector	- 610 - 568 - 474	1,652	5,342 32%		
PENANG MILL	Ellington I Sector Malau Sector Nanuku Sector Ellington II Sector	- 696 - 366	1,701	1,701 10%		
<u>LABASA MILL</u> Labasa District	Waiqele Sector Wailevu Sector Vunimoli Sector Labasa Sector Bucaisau Sector Wainikoro Sector Daku Sector	- 453 - 691 - 521 - 437 - 561 - 406 - 388	3,453	4,119		
Seaqaqa District	Natua Sector Solove Sector Bulivou Sector Seaqaqa Estate	- 207 - 258 - 200 - 1	666	25%		

APPENDIX 1(b)

### Production - 2019

		LEASE	UNDER			Productive	
SECT	COUNT	AREA	CANE	SCA	FBA	Growers	TONS
111	718	2565	1879.9	3471.85	146136	531	86458.24
112	406	1605.2	1464.1	2579.16	91041	301	57563.1
113	266	997.8	512	1865.43	37954	123	11624.01
114	252	971.4	581.1	1065.88	34750.7	124	18093.89
115	462	1902	1174.5	2434.4	85071	228	33376.82
119	2	218.8	122.1	163.7	6573	2	10286.06
121	305	1261.6	982.7	2065.93	59916	169	27358.68
123	363	1520.4	1130.4	2831.97	80616	221	29318.47
124	317	1124.5	737.2	1512.59	50440	171	21424.54
125	342	1511.6	745.3	3163.17	62089	189	22678.1
126	430	1839.3	1029.2	2848.88	78224	272	29637.41
127	421	1942.8	1180.6	2953.34	93900	312	44854.11
129	3	85.5	129.1	31	5126	1	5263.34
131	547	2460.01	1489.2	2945.93	100257	347	44844.19
132	398	1856.4	871.9	2697.54	67489.7	179	25149.26
133	221	917	327.8	1373.54	30378	61	6984.15
211	507	1764.1	1348.2	2573.23	96886	371	58320.44
212	501	2080.1	1458.8	513.57	46233	374	51580.61
213	744	3038.4	1765	5956.31	157727.2	558	66959.04
214	297	995.4	761.4	1154.98	56529	231	36063.05
215	600	2686.57	1801.7	2451.16	75218.8	482	71936.92
216	684	2476.06	1641.9	684.64	35529.7	478	64120.51
217	355	1588.4	1096.4	616.45	27648	275	39447.36
219	2	121.7	80.6	0	0	2	4101.37
221	610	2608.66	1610.4	694.27	27384.2	409	43912.13
222	568	2750.4	1516.6	132.7	97983.2	383	46524.11
223	474	1823.2	1163.94	577.06	78611	337	40954.39
311	453	2475.9	2532.2	3780.41	124370.9	399	92636.49
312	691	2979.98	2818.8	5610.39	149796	619	130082.92
313	521	1480.89	1731.2	3039.53	93802	454	68829.99
314	437	1023.6	1071.8	2921.25	77916	297	32295.1
315	561	2106.2	1857.42	3710.73	10873.1	477	84470.65
316	406	32.6	1253.52	60.42	1147	311	32879.41
317	384	1736.1	1667.13	3903.5	69158	280	44056.03
321	207	1410	1277.79	1259	61262	165	46605.47
322	258	1819.5	1670	1388.9	90208.1	202	65941.33
323	200	1942	1563.4	5583.8	91191	154	57972.82
329	1	200	183.9	3250	688	1	6158.4
411	351	40.3	623.5	41.7	1071	200	19090.91
412	696	199.9	2025.37	186.57	4707	552	79742.39
413	366	230.96	819.4	344.89	4917	247	27235.23
414	288	132.9	667.3	103.6	3776	149	19740.1
Total	16615	62523.13	50364.77	84543.37	2514595	11638	1806571.54

### **REGISTER OF GROWERS**

### R A C E S - 2019

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
INDIAN	4,239	4,243	41	2,576	11,099
FIJIAN	1,095	1,007	36	452	2,590
OTHERS	119	92	1,624	1,091	2,926
TOTAL	5,453	5,342	1,701	4,119	16,615

### <u>TOTAL</u>

INDIAN	-	11,099	67%
FIJIAN	-	2,590	16%
OTHERS	-	2,926	17%
		16,615	100.00%
		=====	======

APPENDIX 1(d)

### **REGISTER OF GROWERS**

### **METHOD OF DELIVERY - 2019**

	LAUTOKA	RARAWAI	PENANG	LABASA	TOTAL
PORTABLE LINE	330	536	143	354	1,363
TRACTOR TRAILER	1,863	1,797	144	1006	4,810
LORRY DIRECT	3,260	3,009	1,414	2,759	10,442
TOTAL	5,453	5,342	1,701	4,119	16,615

### <u>TOTAL</u>

PORTABLE LINE	-	1,363	8.0%
TRACTOR TRAILER	-	4,810	29%
LORRY DIRECT	-	10,442	63%
		16,615	100.00%
		=====	=====

APPENDIX I(e)

### **REGISTER OF GROWERS**

### FORM OF LAND TITLE - 2019

	LAUTOKA	RARAWAI	LABASA	PENANG	TOTAL
NATIVE LAND	3,424	3,224	3,399	660	10,707
CROWN LEASE	1,213	1,451	505	505	3,674
FREEHOLD	517	492	130	272	1,411
VAKAVANUA	264	71	3	161	499
OTHERS	35	104	82	103	324
TOTAL	5,453	5,342	4,119	1,701	16,615

### <u>TOTAL</u>

NATIVE LEASE	-	10,707	64.4%
CROWN LEASE	-	3,674	22.1%
FREEHOLD	-	1,411	8.5%
VAKAVANUA	-	499	3.0%
OTHERS	-	324	2.0%
		16,615	100.00%
	=	======	======

### **REGISTER OF GROWERS**

### FARM BASIC ALLOTMENT - 2019

Farm Basic Allotment				
	0-100	101-300	<b>Over 301</b>	Total
Lautoka	1439	3193	821	5453
Rarawai	2722	2138	482	5342
Labasa	1749	1537	833	4119
Penang	1640	54	7	1701
Total	7550	6922	2143	16615

### <u>TOTAL</u>

0-100	-	7,550	45.0%
101-300	-	6,922	42.0%
OVER 301	-	2,143	13.0%
		16,615	100.00%
		======	======

### REGISTERED GROWERS PRODUCTION RANGE SEASON 2019

	No. of growers	SCA	FBA	Productions	Area Cut	ТРНА
Range						
1 - 50.00	5894	8631.66	31846.79	510451.41	10940.1	46.65
50.00 -						
100.00	1656	7364.73	129563.4	79838.89	1787.3	44.66
100.00-						
200.00	4457	23765.69	724259.59	380818.16	8376.72	45.46
200.00 -						
300.00	2465	16899.69	613038.83	322037.53	6627.28	48.59
300.00 -						
400.00	1213	11098.48	416492.76	229396.54	4407.1	52.05
400.00 -						
500.00	494	5219.41	220047.83	115618.59	2256.1	51.24
500.00 -						
600.00	192	2325.11	104750.82	58077.35	1073.7	54.09
600.00-						
700.00	93	4679.03	59697.69	37833.59	749.5	50.47
>1000.00	151	4551.07	214869.93	72499.48	1323.9	54.76
	16615	84534.87	2514567.64	1806571.54	37541.7	447.97

### TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/97- 31/12/19

		FIJIAN		INDIAN		1	TOTAL		
	NEW	SIT	тот	NEW	SIT	тот	NEW	SIT	тот
LTK	653	13	666	1389	194	1583	2042	207	2249
RAR	680	11	691	1289	134	1423	1969	145	2114
LAB	552	5	557	1222	201	1423	1774	206	1980
PEN	209	11	220	119	9	128	328	20	348
тот	2094	40	2134	4019	538	4557	6113	578	6691

### APPENDIX I(h)

### TOTAL REGISTRATION ISSUED ON EXPIRED ALTA LEASES BETWEEN 01/01/19 - 31/12/19

		FIJIAN		INDIAN		INDIAN TOTAL		TOTAL		
	NEW	SIT	тот	NEW	SIT	тот	NEW	SIT	тот	
		511	101		511			511		
LTK	6	0	6	40	0	40	46	0	46	
RAR	7	0	7	26	0	26	33	0	33	
LAB	11	0	11	62	0	62	73	0	73	
PEN	5	0	5	4	0	4	9	0	9	
TOT	29	0	29	132	0	132	161	0	161	



### PART V – ACCOUNTANT TO THE TRIBUNAL

### FORECAST CANE PRICE FOR 2019 SEASON

The 2019 season forecasted price of cane was 63.17 per tonne of cane. This was not discounted by 15%.

Est. total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	\$174,941,112
Est. Growers Share of Proceeds (Sec 20.2)	\$118,124,980
Est. Tonnes of Sugar Produced	208,878
Est. Tonnes of Cane Delivered and paid for	1,870,000
Forecasted Price per tonne of Cane	\$63.17
Forecast Price of Cane	\$63.17



Forecast price for the 2019 season - \$63.17

FORECAST CANE PRICE		2019	2018	2017
Tonnes of cane paid	MT	1,870,000	1,700,000	2,047,880
Which Produced:	мт	200 070	101 011	
Sugar [TCTS]	MT	208,878	191,011	227,542
Molasses	МТ	84,150	70,583	81,915
110105565		01,150	70,505	01,910
Proceeds:				
From Sugar - Overseas (net of marketing		116,153,136	105,257,837	181,028,000
commission)				
- Local & Regional		41,562,226	59,050,000	33,132,000
- Stocks			12 100 702	
From Molasses - Overseas - Local		16,225,750	13,499,783	18,051,527
- Local		1,000,000	1,000,000	825,000
TOTAL		174,941,112	178,807,620	233,036,527
Additional Income was				
Received from:				
Fiji Sugar Marketing Co Ltd				
(Excess Income for the year)				
Sundries				
Deductions prior to dividing proceeds				
were:				
Export duty - Sugar				
- Molasses				
Bulk loading costs & SCRC		1,669,768	1,669,768	1,669,768
Wharfage, sugar		181,342	84,607	120,685
molasses		166,215	102,072	119,219
Molassas Handling		126.020	112.025	122.062
Molasses Handling		136,930	113,925	133,063
Marketing Cost		300,000	300,000	300,000
Rouging Costs		500,000	500,000	500,000
Lorry Transport Allowance		1,582,917	1,207,266.81	1,574,780
Sundries		1,302,917	1,207,200.01	1,5, 1,700
Cost of Importing sugar	1			
Cost Handling import sugar				
Total Certified Deductions		4,037,171	3,477,638	4,517,515
Revenue for Distribution		170,903,941	175,329,982	228,519,012
This was divided under the terms of the Master Award as follows:				
Payable to the Growers		110 622 750	122,730,987	150 062 209
Less growers contribution to SRIF		119,632,759 900,000	122,130,901	<u>159,963,308</u> 1,844,587
Less Re-melt Sugar Recovery		607,779		1/077/J0/
Nett payable to growers		118,124,980	122,730,987	158,118,721
Equaling per tonne of cane		63.17	72.19	77.21
The forecast price was:		63.17	66.08	65.63
The Millers share was:		51,271,182	52,598,995	68,555,703
or per tonne of cane crushed		27.41	30.94	33.48
- Per terme et sante et abried				

FORECAST CANE PRICE	_	2016	2015	2014
<b>T C 1</b>	N 477	4 470 000	2.015.000	1 020 000
Tonnes of cane paid	MT	1,479,000	2,015,000	1,920,000
Which Produced:				
Sugar	MT	164,337	242,771	204,255
[TČTS]		,	,	,
Molasses	MT	59,160	72,540	67,200
Proceeds:				
From Sugar – Overseas (net of		105,964,984	166,937,285	158,093,617
marketing commission)				
- Overseas		17 007 105	33,132,000	33,132,000
- Local & Regional		47,207,125	16 995 000	
- Freight & Commission From Molasses - Overseas		12,711,020	16,885,000 875,000	15,550,000 875,000
- Local		875,000	075,000	075,000
TOTAL		166,758,130	217,829,285	207,650,617
Additional Income was	İ			. ,
Received from:				
Fiji Sugar Marketing Co Ltd				
(Excess Income for the year) Sundries				
Total Income		166,758,130	217,829,285	207,650,617
Deductions prior to dividing proceeds		100,700,100		20,,000,017
were:				
Export duty - Sugar				
- Molasses			506,550	466,500
Bulk loading costs & SCRC		1,669,768		1,669,768
Wharfage, handling costs,				
Insurance and bagging costs		75 4 95	100.000	100 710
Wharfage, Sugar Molasses		75,125 83,948	129,823 104,687	106,713 96,410
Molasses Handling		93,697	116,844	107,606
Holdsses Hundling		55,057	110,011	107,000
Marketing Cost		300,000	300,000	300,000
Costs drawn by Sugar				,
Commission of Fiji and Mill Area				
Committees				
Contributed to the costs of the Sugar				
Cane Research Centre		100.000	100.000	400.000
Rouging Costs		100,000	100,000	100,000
Lorry Transport Allowance		1,137,322	1,272,991	1,206,845
Sundries Cost of importing Sugar				
Cost for importing Sugar Cost Handling import sugar				
internet inport ougu				
Total Deduction		3,459,860	4,200,663	4,053,842
Revenue for Distribution	1	163,298,270	213,628,622	203,596,775
This was divided under the terms of the				. ,
Master Award as follows				
Payable to the Growers		114,308,789	149,540,035	142,517,743
Less growers contribution to SRIF			900,000	900,000
Less growers contribution to SCGF				
Nett payable to growers		114,308,789	148,640,035	141,617,743
Equaling per tonne of cane		77.29	73.77	73.76
The forecast price was:		39.42	62.70	62.70
The Millers share was:		49,989,481	64,088,587	61,079,033
or per tonne of cane crushed		33.12	32.00	31.82

### FINAL CANE PRICE FOR 2019 SEASON

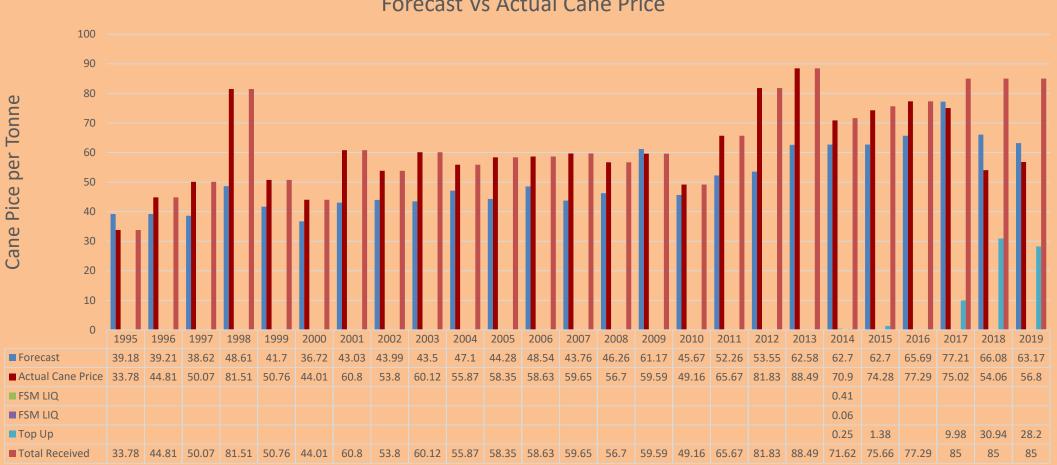
The 2019 season returned to the growers \$54.01 per tonne of cane. The final cane price was calculated as follows:

Total Income from Sugar & Molasses Sale as Per Regulation 17.2 of the Master Award	\$141,534,604
Growers Share of Proceeds (Sec 20.2)	\$97,566,444
Tonnes of Sugar Produced	166,718
Tonnes of Cane Delivered and paid for	1,806,572
Price per tonne of Cane	\$54.01
Total Gross Payment Received by Growers This included \$2.79 deducted as Certified Deduc	\$56.80 tion

Government topped up the Cane Price by \$28.20 per tonne to bring the total paid out to growers to \$85.00 per tonne of cane for the 2019 season.



Government topped up the Cane Price by \$28.20 per tonne to bring the total paid out to growers to \$85.00 per tonne of cane for the 2019 season.



### **Forecast Vs Actual Cane Price**

### PART VI – 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 2019 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

52 applications received. 50 approved, none pending and 2 not approved.

Change of Method of delivery

5 applications received. 5 approved and none pending.

Gang transfer

146 applications received. 140 approved and 6 not approved.

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

### **Gang Disputes**

In the year 2019, 44 gang disputes were referred to the Industrial Commissioner for decisions. The decision on each of the 44 cases was handed down by the Industrial Commissioner.



Mr Brown addresses a grower in regards to his gang issues.

### **EMPLOYEE BENEFIT FUND - 2019**

### 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 \$200,110.00 was approved to members during the year. The Fund has total net assets worth \$550,194.88.

### 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 \$149,040.00 loans were approved to members during the year. The fund has total net assets worth \$76,521.37.

### 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 \$71,400.00 was approved to members during the year. The Fund has total net assets worth \$417,378.18.



Sugar Workers received their certificates from their employers recognizing their achievements.

SUGAR INDUSTRY TRIBUNAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### SUGAR INDUSTRY TRIBUNAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### Page No. Contents Statement by the Registrar of the Tribunal..... 3 Independent auditor's report..... 4 - 6 7 Statement of comprehensive income..... Statement of changes in equity..... 8 Statement of financial position..... 9 Statement of cash flows..... 10 11 - 17 Notes to the financial statements.....

#### SUGAR INDUSTRY TRIBUNAL STATEMENT BY THE REGISTRAR OF THE TRIBUNAL

The Registrar of the Tribunal presents his report together with the financial statements of Sugar Industry Tribunal for the year ended 31 December 2019.

The Registrar in office at the date of this report is :

Mr. Timothy Brown

#### State of Affairs

In the opinion of the Registrar:

- (i) there were no significant changes in the state of affairs of the Tribunal that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.
- (ii) the accompanying Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows give a true and fair view of the state of affairs of the Tribunal as at 31 December 2019.

#### Principal Activity

The principal activity of the Sugar Industry Tribunal (SIT) is to resolve disputes in the Sugar Industry and 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.

#### **Operating Results**

The surplus for the year ended 31 December 2019 was \$10,141 (2018: deficit of \$26,673).

#### Events Subsequent to Balance Date

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (Covid 19) a "Public Health Emergency of International Concern". Measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, however, there is no impact of the virus on amounts and estimates reported or used in the preparation of the 2018 financial statements.

Dated at Lautoka, Fiji this 26th day of September 2023. Signed in accordance with a resolution of the Registrar: Registrar of the Tribunal Mr. Timothy Brown

### OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza Karsanji Street, Vatuwaqa P. O. Box 2214, Government Buildings Suva. Fiji



Telephone: (679) 8921519 E-mail: info@auditorgeneral.gov.fj Website: http://www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Sugar Industry Tribunal

Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Sugar Industry Tribunal ("the Tribunal"), which comprises the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Tribunal as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

#### **Basis for Qualified Opinion**

- The Tribunal has not provided evidence of impairment assessment carried out on its Receivable balance of \$199,848 as reported in the Statement of Financial Position. In addition, the Receivable from Near Infrared Project (NIR) as reported in Note 9 to the financial statements of \$181,722 was disputed by the Debtor through the Debtors Confirmation of balance. As a result, I was unable to ascertain whether the Trade and Other Receivables balance of \$199,848 is fairly stated in the financial statements as at 31 December 2019.
- 2. The Tribunal did not comply with the requirements of *IFRS for SMEs Section 24 Government Grants* by not recognizing the Deferred Income balance of \$17,279 (Note 13) in income in the year it was received as the grant does not impose specified future performance conditions. In addition, the accounting policy on Deferred Income as disclosed on Note 3(m) to the financial statements is not in accordance with section 24 of the IFRS for SMEs. As a result, I am unable to ascertain whether the Deferred Income balance of \$17,279 is fairly stated in the financial statements as at 31 December 2019.
- 3. The Tribunal did not provide Value Added Tax (VAT) reconciliations to support the VAT Receivable balance of \$8,128 recorded in the Creditors and Accruals account in Note 11 to the financial statement. As a result, I was unable to ascertain whether the Trade and Other Payables balance of \$24,099 is fairly stated in the financial statements as at 31 December 2019.
- 4. Internal controls over Petty Cash, Payments, Fixed Assets, updating of General Ledger and retention of source documents for an appropriate audit trail were generally found to be weak. These internal control weaknesses if not addressed on a timely basis may result in material misstatements and possible financial losses or fraud in the future.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of my report. I am independent of the Tribunal in accordance with the International Ethics Standards Board for Accountant's Code of Ethics

#### Basis for Qualified Opinion (Con't)

for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter**

Note 21 to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2019 and how this has been considered by the Tribunal in the preparation of the financial statements. As set out in Note 21, there is no impact of the virus and no adjustments have been made on the amounts and estimates reported or used in the preparation of the financial statements as at 31 December 2019.

My opinion is not modified in respect of this matter.

#### Other information

The Management and Industrial Commissioner are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

## Responsibilities of Management and those charged with governance for financial statements

The Management and Industrial Commissioner is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Sugar Industry Act 1984 and for such internal control as the Management and Industrial Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Industrial Commissioner is responsible for assessing the Tribunal's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Industrial Commissioner intend to cease operations, or have no realistic alternative but to do so.

The Management and Industrial Commissioner is responsible for overseeing the Tribunal's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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 or error and are

#### Auditor's Responsibilities for the Audit of the Financial Statements (con't)

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 Tribunal's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Industrial Commissioner.
- Conclude on the appropriateness of the Management's and Industrial Commissioner's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tribunal's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Tribunal to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with Management and Industrial Commissioner 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.

#### Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Sugar Industry Act 1984 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Tribunal has kept financial records sufficient to enable the financial statements to be prepared and audited.

Sairusi Dukuno ACTING AUDITOR-GENERAL



Suva, Fiji 29 September 2023

#### SUGAR INDUSTRY TRIBUNAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
INCOME Government grant - operational Other income Total income	4	425,595 22,761 <b>448,356</b>	461,131 27,752 488,883
EXPENDITURE Personnel expenses Operating expenses Administrative expenses Depreciation Total expenditure	5 6 7 10 _	269,582 28,962 116,910 22,761 <b>438,215</b>	310,341 45,110 132,354 27,751 515,556
Surplus / (Deficit)		10,141	(26,673)
Other comprehensive income			-
Total Comprehensive Income/(Loss) for the year	-	10,141	(26,673)

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 11 to 17.

#### SUGAR INDUSTRY TRIBUNAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Retained Earnings \$	Total \$
Balance as at 31 December 2017		238,134	238,134
Restatement of retained earnings	17	9,686	9,686
Transfer of GIS to Ministry of Sugar Industry	18	27,850	27,850
Net deficit for the year	-	(26,673)	(26,673)
Balance as at 31 December 2018		248,997	248,997
Net surplus for the year	-	10,141	10,141
Balance as at 31 December 2019	-	259,138	259,138

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 11 to 17.

#### SUGAR INDUSTRY TRIBUNAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Current assets			77.000
Cash at bank and on hand	8	78,794 199,848	77,602 200,869
Trade and other receivables	9 _	278,642	278,471
Total current assets	-	270,042	270,471
Non-current assets			
Property, plant and equipment	10	27,937	50,341
Total non-current assets		27,937	50,341
Total Assets	-	306,579	328,812
Current liabilities			
Trade and other payables	11	24,099	39,446
Deferred income	13	14,001	31,884
Provision for leave	12 _	6,063	686
Total current liabilities	-	44,163	72,016
Non-current liabilities	10	3,278	7,799
Deferred income	13 _	3,278	7,799
Total non-current liabilities	-	3,270	1,155
Total Liabilities	-	47,441	79,815
Net Assets	-	259,138	248,997
Equity			0.40.007
Retained earnings	-	259,138	248,997
Total Equity	-	259,138	248,997

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 11 to 17.

For and on behalf of the Sugar Industry Tribunal

an ..... Registrar of the Tribunal Mr. Timothy Brown Date:\_\_\_\_26 / 09/23

#### SUGAR INDUSTRY TRIBUNAL STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

Cook flows from operating activities	Notes	2019 \$	2018 \$
Cash flows from operating activities Receipts from government and customers Payments to suppliers and employees Net cash provided / (used in) operating activities	15 (b) _	426,973 (425,424) 1,549	479,948 (466,088) <b>13,860</b>
Cash flows from investing activities Acquisition of property, plant and equipment Net cash flows used in investing activities	-	(357)	(19,130) (19,130)
Cash flows from financing activities Financing lease Net cash flows used in financing activities	-		(1,672) (1,672)
Net increase/(decrease) in cash Cash at the beginning of the year Cash and cash equivalents at end of the year	15 (a)	1,192 77,602 <b>78,794</b>	(6,942) 84,544 <b>77,602</b>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 17.

#### 1. REPORTING ENTITY

The Sugar Industry Tribunal is an entity domiciled in the Fiji Islands and was established under the Sugar Industry Amendment Act (No 10 of 2015). 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.

#### 2. BASIS OF PREPARATION

The financial statements of the Sugar Industry Tribunal have been drawn up in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) and duly adopted by the Fiji Institute of Accountants.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of measurement

The financial statements have been prepared on a historical cost and, except where stated, do not take into account current valuations of fixed assets.

#### (b) Functional currency

The financial statements are presented in Fiji dollars and all values are rounded off to the nearest dollar except where otherwise indicated.

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

The preparation of the financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application 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 future 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 9 - Recoverability of trade and other receivables Note 10 - Impairment of property, plant and equipment

#### (d) Revenue recognition

Revenue is recorded in the income statement on accrual basis.

Grants relating to the purchases or acquisition 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 life's 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.

#### (f) Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- · Receivables and payables that are stated with the amount of value added tax included.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Value Added Tax (continued)

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### (g) 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 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
Motor vehicle	15%
Office equipment	10%
Furniture and fittings	10%

#### (h) Cash and cash equivalents

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

#### (i) Trade and other receivables

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

#### (j) Impairment of non-financial assets

The tribunal assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the tribunal estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

#### (k) Going Concern

While preparing these financial statements management has assessed the entity's ability to continue as a going concern. The current financial statements have been prepared on an Going Concern basis. The impact of the second wave of COVID-19 in 2021, before the date of this report, resulted in the stoppage of field visits to sugar cane farms. However, this has not affected the going concern aspect of the Sugar Industry Tribunal.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (I) Government Grants

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

#### (m) Deferred Income

Deferred income relates to government grants received for the purchase of fixed assets. The income approach has been used to account for this grant where the acquisition of asset is treated as deferred income and amortised to income over the useful life of the asset.

#### (n) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### (o) Employee entitlements

Provisions are made for salaries and wages, incentive payments and annual leave estimated to be payable to employees at reporting date on the basis of statutory and contractual requirements.

#### (p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the entity. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the entity at the fair value of the leased property (or, if lower, the present value of the minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

#### (q) Trade and other payables

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

#### (r) Segment information

The Tribunal is not required to report segment information as it is not relevant to the nature of the Tribunal's operations.

#### (s) Comparatives

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

		2019	2018
4.	OTHER OPERATING INCOME	\$	\$
	Deferred income	22,761	27,752
		22,761	27,752

	2019	2018
5. PERSONNEL EXPENSES	\$	\$
Salaries and wages	220,841	232,612
Benefits and allowances	21,351	20,792
FNPF	21,757	50,339
FNU levy	2,450	(1,095)
Fringe benefit tax	3,183	7,693
	269,582	310,341
6. OPERATING EXPENSES		
Motor vehicle	27,282	37,859
Gang expenses	1,680	7,251
	28,962	45,110
7. ADMINISTRATION EXPENSES		
IT software, telephone fax and postage	23,388	27,393
Printing and stationery	14,836	27,124
Insurance	8,623	8,290
Advertising	7,538	4,066
Travelling	12,167	754
Professional fees	10,770	12,536
Rent and utilities	32,000	35,724
General expenses	7,588	15,896
Meetings and conferences		571
	116,910	132,354

#### 8. CASH AND CASH EQUIVALENT

9.

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

Cash at bank - Sugar Industry Tribunal	78,513	77,321
Cash on hand	281	281
	78,794	77,602
TRADE AND OTHER RECEIVABLES		
Salary advance	4,181	4,181
Deposits paid	1,836	1,836
Other receivable	706	1,977
Receivable from SK Trust	11,403	11,153
Receivable from NIR	181,722	181,722
	199,848	200,869

#### 10. PROPERTY, PLANT AND EQUIPMENT

		Furniture and fittings	Equipment	Motor Vehicle	Total
		\$	\$	\$	\$
	Cost				
	Balance at 31 December 2018	17,470	114,660	156,713	288,843 357
	Additions Balance as at 31 December 2019	17,470	<u>357</u> 115,017	156,713	289,200
	Balance as at 31 December 2019	17,470	115,017	130,713	205,200
	Accumulated Depreciation				
	Balance at 31 December 2019	13,547	85,578	139,377	238,502
	Annual depreciation	912	12,393	9,456	22,761
	Balance as at 31 December 2019	14,459	97,971	148,833	261,263
	Carrying amount at 31 December 2018	3,923	29,082	17,336	50,341
	Carrying amount at 31 December 2019	3,011	17,046	7,880	27,937
	, ,				
				2019	2018
11.	TRADE AND OTHER PAYABLES			\$	\$
	Creditors and accruals			4,332	23,679
	Audit fee accrual			19,767	15,767
				24,099	39,446
12.	EMPLOYEE BENEFIT LIABILITY				
	Annual leave entitlement			6,063	686
13.	DEFERRED INCOME				
	Balance at the beginning			39,683	268,890
	Add: Additional capital grant for the current year	ar		357	18,816
	Less: Transfer of GIS to Ministry of Sugar			-	(220,271)
	Less: Amortisation of deferred income for the c	current year		(22,761)	(27,752)
				17,279	39,683
	Comprise of:			14,001	04.004
	Current			3,278	31,884 7,799
	Non-current			17.279	39,683
					00,000
14.	FINANCE LEASE LIABILITY				
	Balance at the beginning			-	1,672
	Less: Lease rent paid during the year			<u> </u>	(1,672)
					-
	The finance loope lightlift is psychlaps falls				
	The finance lease liability is payable as follo No later than 1 year	JWS.		_	-
	Total				-
	Total				

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

	2019	2018
15. NOTES TO THE STATEMENT OF CASH FLOWS	\$	\$

#### (a) Reconciliation of Cash

For purposes of the cash flows, cash includes cash on hand and in the banks. Cash at the end of the reporting period is as follows:

Cash at bank	78,513	77,321
Cash on hand	281	281
	78,794	77,602
(b) Reconciliation of operating profit to cash provided by operating activities:		
Net deficit)	10,141	(26,673)
Add/(Less) non-cash items:		
Depreciation	22,761	27,751
GIS retained earnings transfer	<b>1</b> 20	37,536
Deferred income	(22,761)	(27,752)
Add: Government grant recorded in deferred income account	357	18,816
Change in assets and liabilities during the financial period:		
Decrease in receivables	1,021	9,258
Decrease in trade payables	(15,347)	(25,058)
Increase/(decrease) in provision for leave	5,377	(18)
	1,549	13,860

#### 16. RELATED PARTY TRANSACTIONS:

#### (a) Transactions with Key Management Personnel

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

Mr. Timothy Brown - Industrial Commissioner

Mr. Shalend Krishna - Acting Sugar Industry Tribunal (appointment 23 March 2015)

Mr. Devanesh Sharma - Sugar Industry Tribunal (appointment 28 March 2018)

The Tribunal and the key management personnel remuneration for the year amounted to \$93,529.

#### (b) Transaction with Funding Agency

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

	Ministry of Sugar - Operating Grant SIT	425,952 425,952	479,947 479,947
(c)	Year end balances arising from inter-related party transactions:	423,332	473,347
	Receivables from Related Parties S.K. Trust	11,403	11,153
17.	RESTATEMENT / PRIOR YEAR ADJUSTMENT		
	Obligations no longer due		9,686

The balance of \$9,686 relates to 2016 other creditors and accruals balance that was an over-accrual and was not cleared

subsequently in 2017 and was carried forward to 2018 against this account and now considered no longer payable.

#### 18. TRANSFER OF GIS TO MINISTRY OF SUGAR

In his letter dated 10th July 2017 the Permanent Secretary of the Ministry of Sugar advised that the net assets of GIS were to be transferred to the Ministry of Sugar. Due to certain GIS activities that were still taken care of by Sugar Industry Tribunal for 2017, this was, however, effected on 1 January 2018.

#### **19. CONTINGENT LIABILITIES**

Contingent liability as at 31 December 2019 not otherwise provided for in the financial statements was Nil (2018 : Nil).

#### 20. CAPITAL COMMITMENTS

Capital commitment as at 31 December 2019 not otherwise provided for in the financial statements was Nil (2018: Nil).

#### 21. SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organisation (WHO) declared the coronavirus (COVID-19) a "Public Health Emergency of International Concern". Measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, however, there is no impact of the virus on amounts and estimates reported or used in the preparation of 2019 financial statements.

#### 22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for year ended 31 December 2019 were approved by the Tribunal and authorized for issue on 26/09/2023.

### 23. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Sugar Industry Tribunal is an entity domiciled in the Republic of the Fiji Islands and was established under the Sugar Industry Amendment Act (No 10 of 2015).

The registered office and principal place of business of the Tribunal is located at :

Ground Floor Sugar House Walu Street Marine Drive Lautoka.



# **Sugar Industry Tribunal**

P.O Box 5123, Sugar House, Walu Street, Lautoka Phone: 666 6900 / 666 6920 Fax: 666 3520