



ANNUAL REPORT 2016



*"To promote competition
in Fijian Markets"*

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PARLIAMENT OF FIJI
PARLIAMENTARY PAPER No. 84 OF 2017

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Chair's Report

Greetings to all!



Greetings to you all!

It is with great pleasure, I submit the 2016 Annual Report of Fiji Commerce Commission (“Commission”) for the year ending 31st July 2016. The report is made up of our financial statements and the activities undertaken in 2016. It provides the accountability statement on the sources and uses of the funds of the Commission. I would also like to take this time to acknowledge and thank Mr. Firoz Ghazali, who served as our Deputy Chairperson from 19 September 2015 until 19th February 2017. Mr. Ghazali played a vital role in decision making matters and immensely contributed to the Commission over the years.

The Commission is an independent statutory body that promotes effective competition and informed markets, encourages fair trading practices, protects consumers and businesses from restrictive trade practices, controls the prices of regulated industries and other markets where competition is lessened or limited. The work of the Commission is guided by these objectives and the legal framework within which it operates is the Commerce Commission Act 2010 (“CCA 2010”).

This year we continued to deliver the services within the ambit of the Act as expected, meeting challenges head on but also taking time out to see how we can do things better and efficiently in achieving our objectives.

I trust that the report will provide you with an in-depth understanding of the Commission’s strategies and actions which are based on the principles of compliance, risk assessment and good governance. This year like previous years, the Commission faced many challenges to deliver the services within the jurisdiction of the CCA 2010. The Commission continued to invest and focus on a way forward to engage with stakeholders. In doing so the Commission ensured that both businesses and the consumers are fully aware of their rights and responsibilities under the CCA 2010. As such, the Commission continued its active public awareness through media prints, talkback shows and reaching out to communities and schools. In 2016 a total of sixty (60) awareness sessions were conducted with a total of 1975 participants. Apart from the awareness sessions, the Commission engaged with stakeholders through programs such as Trader Awareness, Radio Talkback Shows, Education Programs in schools and newspaper articles. All these activities are credited for increasing awareness amongst stakeholders resulting in increased compliance from stakeholders.

Section 72 of the CCA 2010 requires that clearance be sought from the Commission for proposed acquisitions. In 2016, the Commission received a formal application from Vinod Patel Investments Limited (VPIL) notifying the Commission of its intention to acquire shares in British Oxygen Company (Fiji) Limited (BOC). The Commission made its assessment and it was concluded that VPIL’s acquisition of shares in BOC (Fiji) Limited is unlikely to result in a substantial lessening of competition in the national market for the supply and sale of gas for industrial, medical, food and beverage sectors, consumables and related equipment. On 10 March 2016, the Commission therefore approved the acquisition of shares in BOC (Fiji) Limited by VPIL.

In enforcing the law, the Commission has filed 155 cases for prosecution which are still pending before the court for breaching the provisions of the CCA 2010. The two major cases that were investigated by the Commission were Online Traders and Travel Agents. These traders were “Accepting Payment

Without Being Able to Supply as Ordered” which is a breach of Section 88 of the CCA 2010.

Amongst its routine activities, the Commission received 290 fair trading related complaints from members of the public of which 124 cases were successfully closed off during the year.

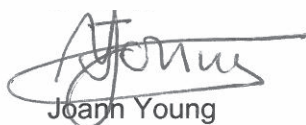
Trader Inspection continued during the year with a total of 2,055 inspections being carried out in Central Eastern division, 1,478 in Western division while 2,377 inspections were carried out in Northern division.

A Job Evaluation Exercise (“JEE”) was conducted for the staff of the Commission by Price Waterhouse Coopers, reflecting the Commission’s desire to create a workplace that is fair, equitable and a provider of equal opportunities. I am pleased to advise that the Board adopted the recommendations of the JEE report which were implemented in phases from 2016.

here are a few instrumental partners which I wish to extend my gratitude and acknowledgement to; the Honorable Minister and the Permanent Secretary for Trade, Industry and Tourism for their invaluable support to the Commission during the year, my fellow Commissioners who have spent considerable time by providing their knowledgeable contributions towards the organization. I would like to thank them for their hard work and immense contributions. Last but not least the Management Team and Staff of the Commission for their commitment and contribution in achieving the goals and objectives of the Commission.

The Board this year has embarked on developing a five (5) year strategic plan for the Commission with the assistance from ADB. This would be the first strategic plan for the Commission which is expected to be completed in the next financial year.

In moving forward, the Commission will continue to contribute to achieving the Government’s social and economic goals while carrying out its functions. On behalf of the Board and the Commission I take this opportunity to thank all those who have contributed towards the success of 2016!



Joann Young
Board Chairperson
Fiji Commerce Commission

Commission Overview

Our Vision, Mission and Values

OUR VISION

To create a dynamic and fair trading market place for Fiji.

OUR MISSION

To enhance the welfare of the people of Fiji by fostering a competitive, efficient, fair and informed marketplace.

OUR VALUES

- Professionalism,
- Responsibility,
- Commitment,
- Honesty,
- Integrity,
- Respect,
- Trust,
- Transparency.

Commission Overview

Our Objectives

OUR OBJECTIVES

The objectives of the Fiji Commerce Commission are clearly outlined in Section 2 of the Commerce Commission Decree 2010 and are as follows:

- The promotion of the interests of the consumers;
- The promotion of the effective and efficient development of industry, trade or commerce;

- The need to secure effective competition in industry, trade or commerce; and
- To ensure equitable returns for businesses with fair and reasonable prices charged to consumers.

The Commission has the following objectives in relation to regulated industries and access regimes:

- To promote effective competition in the interests of consumers;
- To facilitate an approximate balance between efficiency and environmental and social considerations; and
- To ensure non-discriminatory access to monopoly and near monopoly infrastructure or services.

Commission Board



Ms. Joann Young

Chairperson

Ms. Joann Young is also the Director for Bio Security of Fiji. Ms. Young is currently with Ministry of Agriculture as the Assistant Food and Agriculture Organization Representative (AFAOR) for Fiji.

She has almost 10 years of experience in Agriculture Trade & Policy Formulation, market development, and market access/quarantine issues and also co-authored the 2007 Food and Agricultural Organization Publication on “Fiji Commodity Chain Study”. The outcome of the publication was used for the investigation and was implemented to assess import substitution potential of selected horticultural products.

Ms. Young has also served for Pacific Islands Forum Secretariat, Fiji in 2006 as Trade Policy Adviser, ACP/EU. She has initiated, developed and managed more than a dozen complex consultancies and technical assistance activities for Forum Island Countries providing financial, administrative/contractual and technical oversight (consultancies covered customs administration, fisheries, trade negotiations, labour mobility, aid-for-trade, trade policy frameworks to name a few).

Ms. Young did her BA Economics from Macquarie University, Australia and MSc Food Economics & Marketing from Reading University United Kingdom.

She was appointed the Commissioner on 4 March 2015 and later confirmed as a Chair of the Fiji Commerce Commission in 17 September 2015.



Mr. Firoz Ghazali

Deputy Chairperson

Mr. Firoz Ahmed Ghazali is the Operations Manager & Site Director of Douglas Pharmaceuticals Fiji Limited. Mr. Ghazali has been attached to the pharmaceutical industry from the beginning of his career and is actively involved in manufacturing, quality assurance and control, laboratory management, new product development and operations management. His work has been published in journals, abstracts and review articles in the area of pharmacy.

Mr. Ghazali did his PhD from University of Otago, Master of Pharmacy and continuing with the Business Management MBA part-time program at University of Otago. Mr. Ghazali was awarded with MERT Scholarship from University of Otago in 1993, followed by Otago Scholarship from the same institution in 1994. Over the years he has acquired vast knowledge and expertise in the area of research and quality control in the laboratory industry. Mr. Ghazali began his career as Chemist Analyst at Pfizer Laboratories, Pakistan in 1979. He joined Fernz Health & Science, NZ as Quality Assurance Supervisor in 1997 and later as Laboratory Manager at Douglas Pharmaceuticals Fiji Limited.

In 2002 he was the Technical Manager at Douglas Pharmaceuticals Fiji Limited and further to this, in 2004 he was responsible for managing New Product Development Program and Laboratory functions. He was appointed the Commissioner of the Commerce Commission in February, 2013. His term ended as a Deputy Chair on 19 February 2017.

Commission Board



Ms. Joann
Young

Chair



Mr. Firoz
Ghazali

Deputy Chair



Mr. Vimlesh
Sagar

Commissioner



Mr. Romil
Patel

Commissioner



Mr. Isikeli
Tikoduadua

Commissioner



Ms. Lyanne
Vaurasi

Commissioner

Senior Management

Team



Mr. Bobby
Maharaj

*Chief Executive
Officer*



Mr. Seymour
Singh

*Deputy Chief
Executive Officer*



Ms. Sundhia
Ben

*Manager
Regulatory
Competition*



Mr. Nitin Nilesch
Chand

*Manager
Monitoring*



Ms. Sharon
Prashika

*Manager HR &
Training*

About The Commission



The Commission is an independent statutory body established under Section 7 of the Commerce Commission Decree 2010 to ensure the integrated framework for the regulation of monopoly market structures; encourage competition, prevent restrictive trade practices, ensure consumer protection, and undertake pricing of public utilities and other price controlled items.

Fiji Commerce Commission seeks to maintain and encourage the competitive process with a view to promoting economic efficiency and consumer welfare. Its objective is to spur firms and individual players in the market to compete with each other to secure the patronage of customers in terms of, inter alia, competitive prices, good quality and greater choice for them. This objective of the Commission ensures a fair and equitable market and provides the stimulus for growth.

The aim of the Commission is to ensure delivery of benefits of competition regime in Fiji vis-à-vis economic development, greater efficiency in international trade and consumer welfare. The Commission's objective is to ensure substantial benefits from the strengthening of the application of competition policy principles in terms of "greater production, allocative and dynamic efficiency, welfare and growth." The Commission notes that competition rewards, good performance, encourages entrepreneurial activity, catalyses entry of new firms, promotes greater efficiency on the part of enterprises, reduces cost of production, improves competitiveness of enterprises and sanctions poor performance by producers, ensures product quality, cheaper prices and passing on of cost savings to consumers. The Commission is a multi-sector regulator. It regulates Competition, pricing and is also a consumer protection agency.



Functions of the Commission

The functions of Fiji Commerce Commission are stipulated under Section 15 of the Commerce Commission Decree 2010 and are as follows:

- Administering the Commerce Commission Decree 2010;
 - Maintenance of a register of access agreements;
 - Provision of advice to the Minister about proposed access agreements;
 - Facilitation of negotiations about access to infrastructure facilities or services under access regimes;
 - Arbitration of disputes about access to infrastructure facilities or services under access regimes;
 - Promoting the interests of consumers and persons negotiating or considering the acquisition of goods or services as consumers and to assist, them to a greater awareness in relation to their assessment and use of goods or services;
 - Collecting, examining and disseminating information in respect of matters affecting or likely to affect the interests of consumers or persons negotiating or considering the acquisition of goods or services as consumers;
 - Receiving and considering complaints concerning matters affecting or likely to affect the interests of consumers or persons negotiating or considering the acquisition of goods or services as consumers and, if the Commission is of the opinion that such action is warranted, to investigate the complaints and take such action in respect thereof as seems proper to the Commission;
 - Investigating fraudulent or deceptive practices in relation to matters that affect or are likely to affect the interests of consumers or persons negotiating or considering the acquisition of goods or services as consumers and to take such action in respect of the practices as seems proper to the Commission;
 - Advising and assisting persons who seek from the Commission information or guidance on matters affecting or likely to affect their interests as consumers or as persons negotiating or considering the acquisition of goods or services as consumers;
 - Encouraging and undertake the dissemination of information concerning consumer affairs to producers, manufacturers and suppliers of goods or services;
 - Keeping under review commercial activities carried on and to collect information regarding such activities and the persons whom they are carried on, with a view to becoming aware of, and ascertaining the circumstances relating to;
 - Fixing and declaring maximum prices and where need be, quantities, for goods and services and rents;
 - Provision of policy advice to the Minister on matters relating to competition and matters of national interest;
 - Conducting independent competition and pricing study for goods and services offered in limited competitive markets.
 - Discharging such other functions as the Minister may direct or are conferred on the Commission by or under the Commerce Commission Decree, 2010 or any other written law.
- The Commission has the following functions in relation to regulated industries-
- The provision of advice to the Minister about proposed access agreements;
 - The maintenance of a register of access agreements;
 - The facilitation of negotiations about access to infrastructure facilities or services under access regimes;
 - The arbitration of disputes about access to infrastructure facilities or services under access regimes;
 - If, under a law relating to a regulated industry, the referring authority delegates to the Commission the power to impose, modify or revoke conditions in respect of licences granted under that law – the imposition, modification and revocation of those conditions in accordance with the relevant delegation;

PRIMARY FUNCTIONS



Good Governance

The Commission must ensure that:

- Resources are used efficiently and appropriately;
- Performance is measured;
- Financial integrity is assured;
- Every stakeholder is treated with equality and utmost respect;
- Utmost professionalism and Commission integrity is maintained at all times;
- Team work and national interest is of paramount importance;
- Public trust is maintained; and
- There is a proper and clear channel of communication between the Organization, Board, Minister and the Ministry.

2016 Departmental Highlights

Regulatory Competition

The Regulatory Competition Department is responsible for determining the prices of the products that is controlled by the Commission pursuant to a Price Control Order and undertaking independent analysis and research on any industry engaged in the supply of electricity, water, sewage, postal, broadcasting, telecommunications, ports, civil aviation or any other industries that is declared subsequently in Section 5, Regulated Industries of the Commerce Commission Decree 2010.

Regulation is an important tool with which to achieve government policy objectives and is essential for the good working of the market economies. The objectives for regulated industries is illustrated below:

Objectives for Regulated Industries

<ul style="list-style-type: none"> To promote effective competition in the interests of consumers 	<ul style="list-style-type: none"> Ensure that critical and essential monopoly institutions product price is pegged at a level that closely resembles the price which would prevail should there be a competitive market 	<ul style="list-style-type: none"> To facilitate an approximate balance between efficiency and environmental and social considerations 	<ul style="list-style-type: none"> To ensure non-discriminatory access to monopoly and near monopoly infrastructure or services including arbitration of disputes
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The Commission's Regulated Industries Department has a total of 5 staff members consisting of 1 Manager Regulated Industries, 1 Senior Market Analyst, 1 Market Analyst and 2 Assistant Market Analysts. The summary of the major activities for the year 2016 are as follows.

THE YEAR IN REVIEW

QUARTERLY PRICE REVIEWS

PETROLEUM PRODUCTS

For the first seven months of 2016, the Commission had conducted two (2) quarterly price restatements. With the changes in the VAT rate from 1st January 2016, the prices were amended to reflect the new VAT rates 15% to 9% from 1 January 2016, resulting in decrease in price for all product categories except for Kerosene.

Subsequently, the second quarter of 2016 price review saw that prices for all the petroleum products fell ranging from 12.11% to 25.93% as a result of favourable movement in the international crudes prices and exchanges rates.

Additionally, as part of the second quarter 2016 review, the Commission based on submission from Fiji Fuel Retailers Association (FFRA) had also changed the fuel retail markup from percentage mark-up to fixed cents per liter. Concerns were submitted on the decreasing margins due to decreasing retail prices as the mark up on petroleum is a percentage factor, where margins will erode with price drops.

In view of the above, Unleaded and Premix will now have a fixed retail markup of 10 cents per liter while Kerosene and Diesel will have 9.5 cents markup per liter. This was to enable the fuel retailers to earn

consistent returns on their investment regardless of changes in the world prices and protection from the world price change shocks. For the third quarter of 2016, the fuel prices rebounded to an increasing trend due to unfavourable movement in the international prices and freight rates for the months of April, May and June 2016.

The resulting effect of movements in the Means of Platts Singapore ("MOPS"), which is the Refined Oil Price in the Singapore market, freight rates and exchange rates has seen the following price changes for the year 2016 for the Fijian market.



Table 1: Petroleum Products Price Changes

Effective Date	Motor spirit		Premix		Kerosene		Diesoline	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
	(c)	(\$)	(c)	(\$)	(c)	(\$)	(c)	(\$)
01.01.2016	167.06	1.90	152.99	1.78	115.83	1.35	131.34	1.50
15.04.2016	143.58	1.67	129.14	1.52	82.48	1.00	104.48	1.24
15.07.2016	152.75	1.77	138.13	1.61	96.76	1.16	117.71	1.39

*Prices will vary outside the cities in Viti Levu beyond 3km from any public road.

LIQUEFIED PETROLEUM GAS



Like Fuel prices, the LPG prices are also reviewed on a quarterly basis. Generally, the LPG price for the period 2016 was decreasing for the second quarter while a slight increase in price was notable for the third quarter. The 2016 price assessments

to determine the wholesale and retail prices of LPG was based on average, Saudi Aramco Contract Price, the average exchange rate and international freight and handling charges.

The Commission noted for the 3rd quarter 2016 that the increase in the landed cost of butane and favourable movements in the international freight rates due to the impact of favourable exchange rates had seen increases in LPG prices. Thus, the increase nationally for Fiji had been contained to a minimum. Summary of the price changes are tabulated below:

Table 2: LPG Product Price Changes

Product Type	Q1 2016 Prices (\$)	Q2 2016 Prices (\$)	Q3 2016 Prices (\$)
4.5KG Cylinder	12.52	11.51	11.61
12KG Cylinder	33.38	30.70	30.96
Bulk (KG)	2.36	2.17	2.19
Auto gas (Litre)	1.58	1.45	1.46

PHARMACEUTICAL PRODUCTS



In 2016, a total of two (2) reviews were carried out based on a 'tender process' of which traders were invited to make submissions for the review of regulated pharmaceutical products. The pricing methodology adopted by the Commission is based on the tender process whereby the most efficient supplier determines the prices and is valid for a quarter.

Upon the computation of the in-store costs, analysis is performed to determine the efficiency of shipments and adoption of

a uniform price through comparisons with costs of products with identical pack sizes in the same product category by different suppliers.

The Commission finalized the list of pharmaceutical items having taken into account qualitative and cost effective aspects and set the Maximum Retail Prices ("MRP") and Maximum Wholesale Prices ("MWP") for these Essential Pharmaceutical Products.

Table 3: Pharmaceutical Products Price Changes

Product Type	Q1 2016	Q2 2016	Q3 2016
Effective Date	1 Jan 2016	5 May 2016	15 July 2016
Total Products submitted for review	164	65	46
Total No. products trigger met	164	11	7
Total No. products trigger not met	-	54	39
Total No. products of New Inclusion	6	5	-

BASIC FOOD AND HARDWARE ITEMS PRICE REVIEW



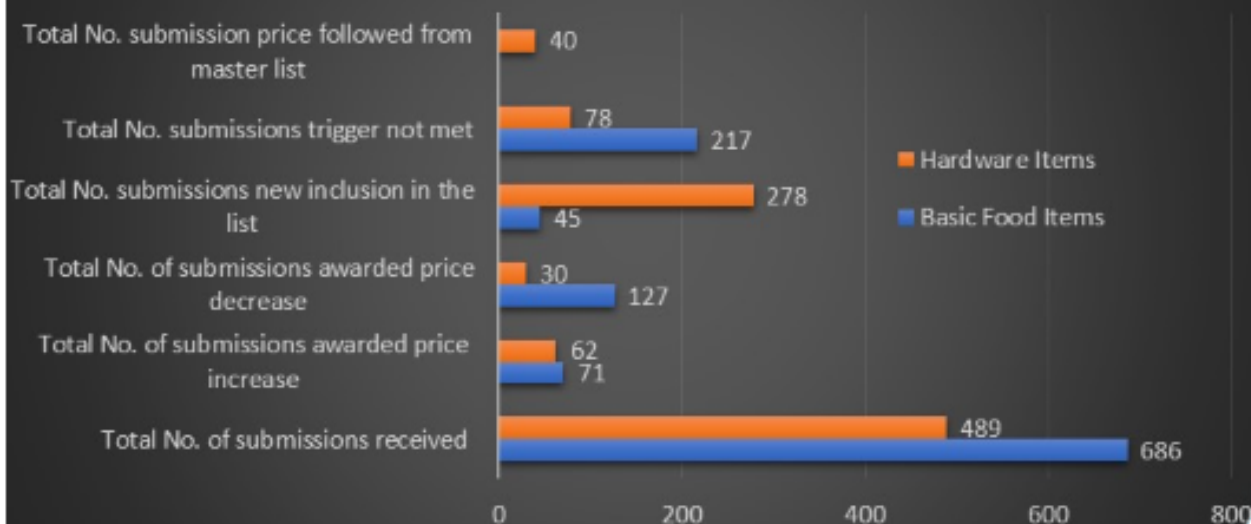
The Commission reviews and determines the prices of Basic Food Items and Hardware Items based on the price control order Commerce (Price Control) (Control of Prices of Food Items) Order 2015 and through the Commerce (Control of Prices for Hardware Items) Order, 2013.

Revision of price control items are carried out on a daily basis depending on the items arrival in Fiji. The Commission has designed

a template with 'Cost-Plus Pricing Method' which incorporates all costs incurred in securing the products from the source/supplier right down to the end users and an allowance of 'Mark up' for importers, wholesales and retails.

During the year, a total of 1175 submissions were received and processed. Out of this, a total of 686 submissions were related to Basic Food Items while 489 submissions were for Hardware Items. The Commission had awarded 781 submissions with a price change while 394 submissions did not result in changes in price compared to previously authorised price. The details on the hardware and basic food is illustrated below.

Submissions Statistics



BREAKFAST CRACKERS

The price of Cabin and Breakfast Crackers is regulated under the 'Commerce (Price Control) (Breakfast and Cabin Crackers Prices) Order 2015'.

On 8 February 2016, Punjas made a submission to the Commission for the price authorization of the new Stock Keeping Unit (SKU), Breakfast Crackers 4Kg Pails. This is the addition to their current line of breakfast crackers.

The Commission computed and finalized its analysis resulting in a retail price of \$23.52VIP. With the Board and Ministers endorsement, a revised Commerce (Price Control) (Breakfast and Cabin Crackers Prices) Order 2016 was issued effective from 26 February 2016.



PRICE CONTROL ORDER REVIEWS

During the year, the Commission undertook study of the products and services for which the price control orders were near to expiry in 2016 to make a decision on the future of the Orders. The study included assessment on the current level of competition, the social and economic environment and policies and the views, comments and suggestions of the stakeholders and users of such products/services in Fiji.

Based on the findings, the Commission made recommendations to the Minister for Industry, Trade and Tourism pursuant to Section 40(3) of the Commerce Commission

Decree 2010 on whether the Order should be extended, amended, varied or revoked.

The following price control orders were issued for the year 2016:

- Commerce (Control of Prices for Supply of Electricity and Ancillary Services) Order 2016- Effective from 25 May 2016 for one year;
- Commerce (Control of Prices for Aeronautical Services) Order 2016- Effective from 22 June 2016 for three years.

MERGERS & ACQUISITION

In recognition of Section 72 of the Commerce Commission Decree 2010, it is obligatory for any parties to seek clearance from the Commission before executing any proposed acquisition. In 2016, the Commission received a formal application from Vinod Patel Investments Limited (VPIL) through the company solicitors notifying the Commission of its intention to acquire shares in BOC (Fiji) Limited (BFL).

Based on the Commission's assessment, it was concluded that VPIL's acquisition of shares in BOC (Fiji) Ltd is unlikely to result in a substantial lessening of competition in the national market for the supply and sale of industrial gases, medical gases, food and beverage gases, consumables and related equipment's for the following reasons:

1. VPIL and BFL do not compete in the market for the supply of industrial gases, medical gases, food and beverage gases,

consumables and related equipment's in the Fijian markets. As such it does not raise competition concerns.

2. The simple effect of the Acquisition would be to replace the existing owner of BFL with a new owner not currently participating in that market. That is, there is no change to the existing structure of the relevant market.
3. The scope for the exercise of coordinated market power would not be enhanced by the acquisition.
4. BOC (Fiji) Ltd's removal as an independent industrial gas, medical gases, food and beverage gases, consumables and related equipment's supplier would be unlikely to raise substantial competition concerns.

On 10 March 2016, the Commission therefore approved the acquisition of shares in BOC (Fiji) Limited by VPIL.



INDUSTRY REVIEWS

TELECOMMUNICATIONS

Review of Interconnection Rates, Price Control on Off-net retail rates and International inbound call minutes distribution and settlement process

In 2015, the Commission registered concerns from stakeholders on the regulated rate for international incoming traffic claiming that the effective market rate is much lower. This created a huge revenue opportunity for a transit operator.

Given the observations, the Commission solicited submissions from the stakeholders on how the issues can be addressed with the aim to minimize the suspected undercutting of the rates and loss of revenue and on the proposed distribution method of interconnection rates and the level of competition in the international interconnection market.

The Commission also conducted face to face consultations with the stakeholders and the Telecommunications Authority of Fiji. The rates effective as at 16 November 2015 were being followed as interim rates. Based on the Commission's review of the Interconnection services price control

order, the Order 2015 was extended and amended to include price control on off-net charges. This recommendation was made to the Ministry after consultations with all the stakeholders including the telecommunications companies.

In light of this, on 4 January 2016 the Commission further called for final submissions from all telecommunication operators seeking their input. Upon receipt of the submissions, the draft Authorization was circulated and the submission deadline was on 21 March 2016.

On 11 April 2016, the Commission issued the Final Authorisation on Prices of Interconnection services and Off- Net Retail rates effective from 22 April 2016.

Description	Rate per Minute (FJD)
Local Interconnection Rates:	
Mobile to Mobile Network Termination	0.08
Mobile to Fixed line Network Termination	0.05
Fixed line to Mobile Network Termination	0.08
SMS Messages (per SMS)	0.06
International Inbound Calls-:	
International Inbound Minutes Rates (min)	US\$0.22
Distribution of the Minimum inbound minute rate (FJD)	
Termination Rate	0.08
Operator Handling Fees	0.26
ICT Levy Fees	0.07
Transit Carrier Fees	Balance
Mobile Off-Net Rates: On Net Rate + MTM rate	
Mobile to Fixed Line Off-Net Rates: On Net Rate + MTF	
Fixed-Line to Mobile Off-Net Rates: On Net Rate + FTM	

International Inbound Minutes Reconciliation

As part of the Commission's on-going monthly reconciliation of international inbound call minutes, the Commission had completed the reconciliation from November 2015 to June 2016 for the entire tel-

ecom industry. This is an ongoing exercise whereby the Commission will constantly monitor the market and will vigorously be engaged in performing reconciliation on a monthly basis.

Telecommunications Related Complaint

In 2016, the Commission registered a complaint from teleco operators on an advertisement by the operator X regarding charges for calling between networks. The dispute related to the teleco operator X advertising content particularly on closed user group plan rates within the network, statements that were believed to be false and misleading given that comparatively the rates had increased and the reduction computed was not applicable for billing and wrong rates per minute and per unit advertised in the advertisements

Given the impasse between the teleco operators in relation to the comparative advertisement being published via various means, the Commission proceeded with an investigation to establish if the conduct was against the intention and spirit of the Commerce Commission Decree 2010. The Commission also directed the operator to immediately cease all comparative advertisements in the manner advertised in the original and amended advertisement as it contained factual errors and was misleading to the consumers.

STEEL

Price Authorization for Rebar Steel

The Commission received a submission from Tengy Cement (Fiji) Company Ltd (TCFL) on 27 January 2016 requesting for the review and authorization of Grade HRB 400E Rebar prices as TCFL imported deformed

steel bars from China. The submission was reviewed and an interim authorized price was released to the stakeholder.

Import and Export Fees and Charges



In February 2016, the Commission notified all the shipping companies, shipping agents, customs agents, customs brokers, freight forwarders and other related parties on the requirements under the CCD2010 on:

- Itemized receipts/Tax invoices to be issued under Section 55 of CCD2010 and Counter-Inflation (Issue of Tax invoices by Traders) Order 1998
- Agents should not make representation to importers and exporters that “biosecurity” or “quarantine” or “ports” fees and charges are imposed on behalf of Bio-security of Fiji/Fiji Ports Corporation Limited / Fiji Ports Terminal Limited and the same will be remitted respectively to these authorities.
- Fees and charges should not be bundled with regulated charges and other charges. A detailed breakdown should be provided for the imposition of such fees and charges.
- No mark-up should be imposed on the regulated fees and charges and profiteering from the legislated charges.
- No double dipping on the legislated charges.

This letter was based on the previous discussions, consultations, the Commission’s advisory letter issued in March 2015 related to Biosecurity Authority of Fiji (BAF) fees and charges. The Commission also organised a stakeholder workshop on 3 February 2016 aiming at “Know your Import and Export Charges to enable stakeholders to comply with the necessary requirements.

Ports Compliance Framework

In 2016, the Commission had considered for alternative regulatory mechanisms other than having direct price regulation of the Ports Sector, to make a decision on the future of the price control order based on the 2015 study. It was recommended to develop a Compliance Regulatory framework for the Port Operators to achieve objectives of the CCD 2010 defined under Section 2 of the CCD 2010.

The purpose of the Ports Compliance Framework was to provide a structured set of guidelines by which Port Operators will set prices for the Regulated Services for maintaining accordance with established regulations, specifications or legislation including the required public consultations. This framework includes requirements for tariff review, cost allocation methodology and principles, consultation processes, and practices for maintaining compliance. The objectives of the framework include the following

1.1 Allow the port operators to make their own decisions about how to achieve the goal, and therefore encourages maximum voluntary compliance compatible with competitiveness and innovation;

1.2 Ports can harmonize more easily with international standards.

1.3 Ports will be placed in more direct control of firm-specific hazard reduction rather than government-created one-size-fits-all solutions; individual firms better control of the actual hazards they face.

1.4 Independent regulation will allow the Commission to better monitor and investigate Ports conduct in relation to restrictive trade and fair trade practice.

1.5 It will assist the port operators to take a long term, forward looking view of tariffs which will support continuous maintenance and investment decisions so that the operators are able to increase its port capacity and productivity to meet future trade demands; and

1.6 Promote regional competition among Ports.

The Commission had completed the draft Ports Compliance Framework and circulated to the port operators for consultation, comments and feedback that was due in June 2016. As we report, the Commission is in progress of receiving submissions from the stakeholders.

Capital Infrastructure Consumer Deposit Review

The last authorisation on FEA Capital Infrastructure Consumer Deposit was made on 20 June 2011. In June 2016, the Commission had undertaken the review in response to the submissions received from industry stakeholders including FEA highlighting the shortfalls and/or impediments in the existing policy affecting investment, growth and viability.

Submissions were requested from FEA and Department of Energy pertaining to the review including processes, policy and guideline for Rural Electrification (RE). The Commission had explored and assessed the options for improvement of the capital

deposit requirements that will best advance the interests of consumers and FEA.

Based on the Commission's independent analysis, computations, submissions from stakeholders, the Commission had reviewed the current practice of FEA charging its customers the capital costs by way of its General Extension Policy and Rural Extension Policy and proposed recommendations on the way forward on the Capital Infrastructure Consumer Deposit Requirement for Fiji. The Commission is yet to finalise the review pending submissions on the draft policy.



Somosomo Hydro Dam - Taveuni

Monitoring Department

The Monitoring and Enforcement Department ensures that the traders business comply with the maximum prices set by the Commission pursuant to a Price Control Order and the provisions of the Commerce Commission Decree 2010 via daily inspections, market monitoring and price surveillance. The department is headed by Manager Monitoring.

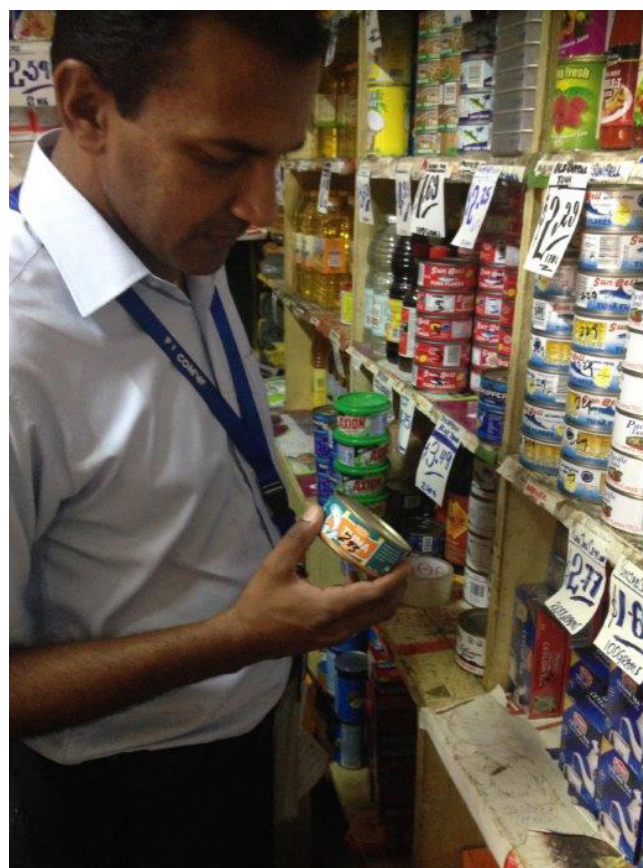
The function of the Monitoring Department includes onsite inspections, surveys, and investigates to ensure that businesses abide by the provisions of the Commerce Commission Decree (CCD 2010) including any price control orders made under the sections of the CCD 2010. The Monitoring Department is also engaged in improving the areas where there is high rate of non compliance by businesses and stakeholders. FCC has embarked on ways to improve the market efficiency and at the same time educating the general public on improving about competition and the same time maintained consumer protection in the Fijian market.

The Monitoring Department has a total of twenty six (26) officers. Six (6) officers are located at the Head Office, Six (6) in the Northern Office and Five (5) in the Western Office. The Western and Northern Office are headed by the Divisional Managers. The remaining staff members are based in other centers, two in Sigatoka and one each in Rakiraki, and Savusavu. We also have three (3) part time inspectors based in Rotuma, Levuka, and Taveuni respectively.

The Central Division includes approximately 11,000 shops. The western division includes

approximately 6000 shops and the northern division includes approximately 4000 shops. The monitoring team also undertake rural and maritime inspection. Rural tours and outreach programs form a fundamental part of the Commission's mission to reach out to the rural and maritime community. The Commission is of a view that the communities at large in rural and maritime areas are the ones that are most disadvantaged and vulnerable to business practices that are in violation of the CCD 2010.

For the Financial year, the three divisions: (Central, Eastern, Northern and Western) conducted a total of 5910 inspections of which 350 traders were found to be in breach of the CCD 2010. This accounts of 5.92% to be non compliant. During the year price surveys were also conducted.



Commission Officer doing price inspection in one of the shops.

Infringements to Traders

For the three divisions 350 infringements were noted. The most common breaches noted were overcharge of items and failure to mark or display prices. Of the 350 infringements that were noted in the year 2016, 87 were related to breaches under Section 52 CCD on overcharging, 191 were in relation to related failure to have prices indicated, Section 54, and other breaches were failure to display pull dates, offering for sale expired items, false and misleading advertisements and not issuing proper tax invoice.

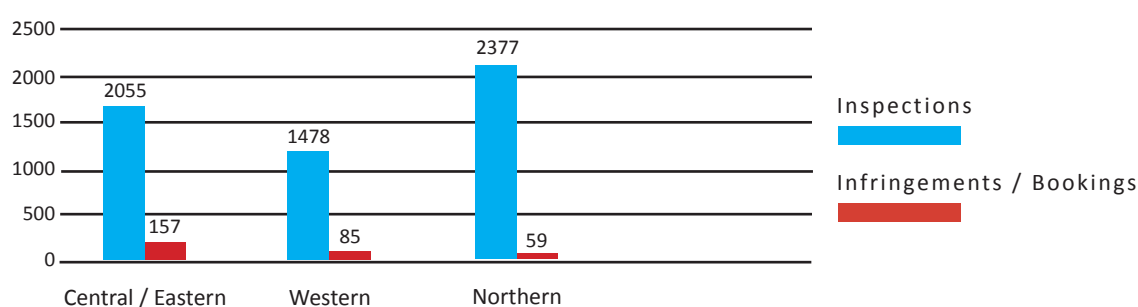
Table 4: Summary of inspections by Divisions for a period of 6 years.

Divisions	2016	2015	2014	2013	2012	2011
Central/Eastern	2055	3680	2,795	10,062	5,496	8,609
Western	1478	2962	5,360	7,959	5,775	8,359
Northern	2377	3526	3,835	9,211	5,975	8,094
Total	5910	10168	11,990	27,232	17,246	25,062

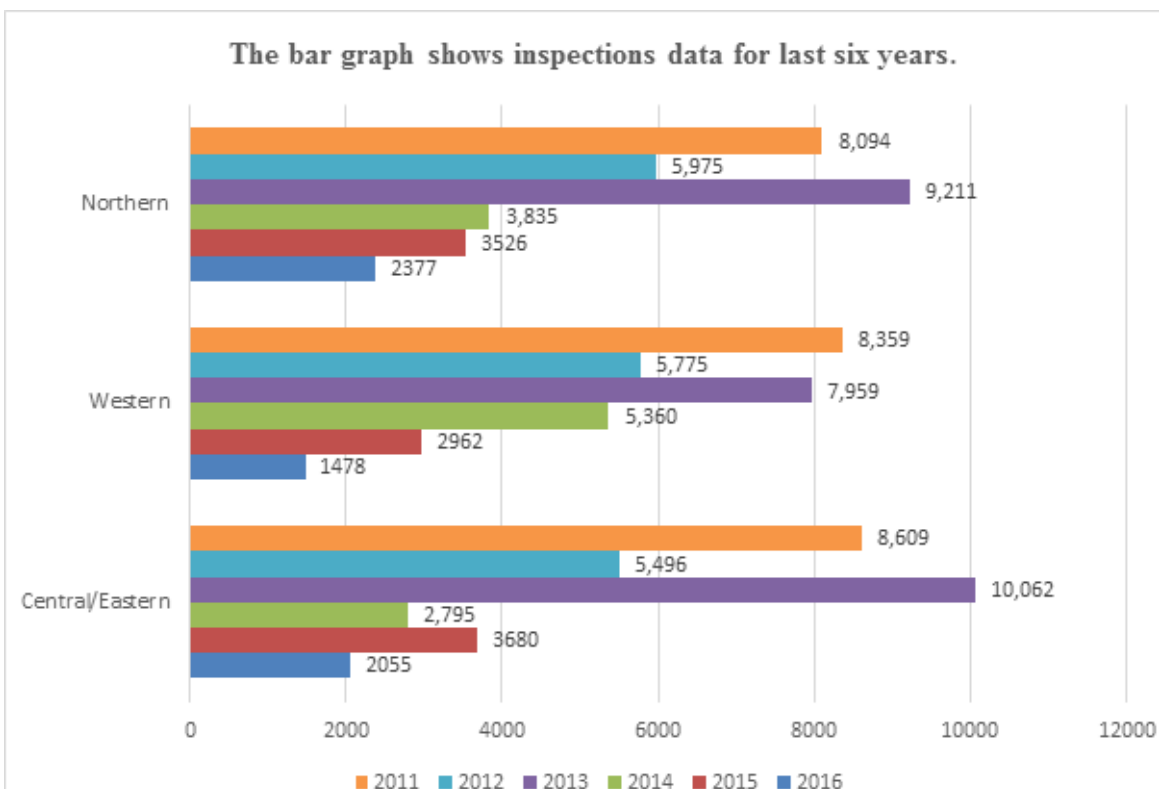
Table 5: Summary of infringements/Bookings for a period of 6 Years

Divisions	2016	2015	2014	2013	2012	2011
Central/Eastern	157	315	467	1,500	800	294
Western	85	289	769	839	757	93
Northern	59	446	548	757	124	96
Total	350	1050	1,784	3,096	1,681	483

Graph 1: Summary of total inspections and infringements for the year 2016.

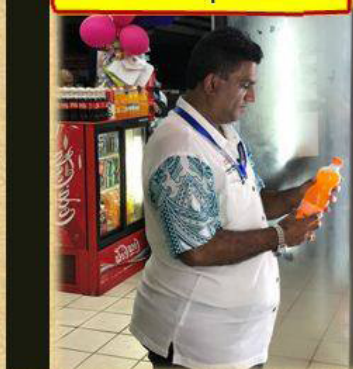


Graph 2: Summary of inspections from 2011 to 2016.



Are you checking Expiry Dates?

Is this expired??



Buying expired goods reduces your value for money.

Are you putting your family's health at risk?

Selling expired goods is an Offence.

Contact Fiji Commerce Commission on:

Ph: 3372178 / 8911619 / 8911620 / 6661853 / 881 1155

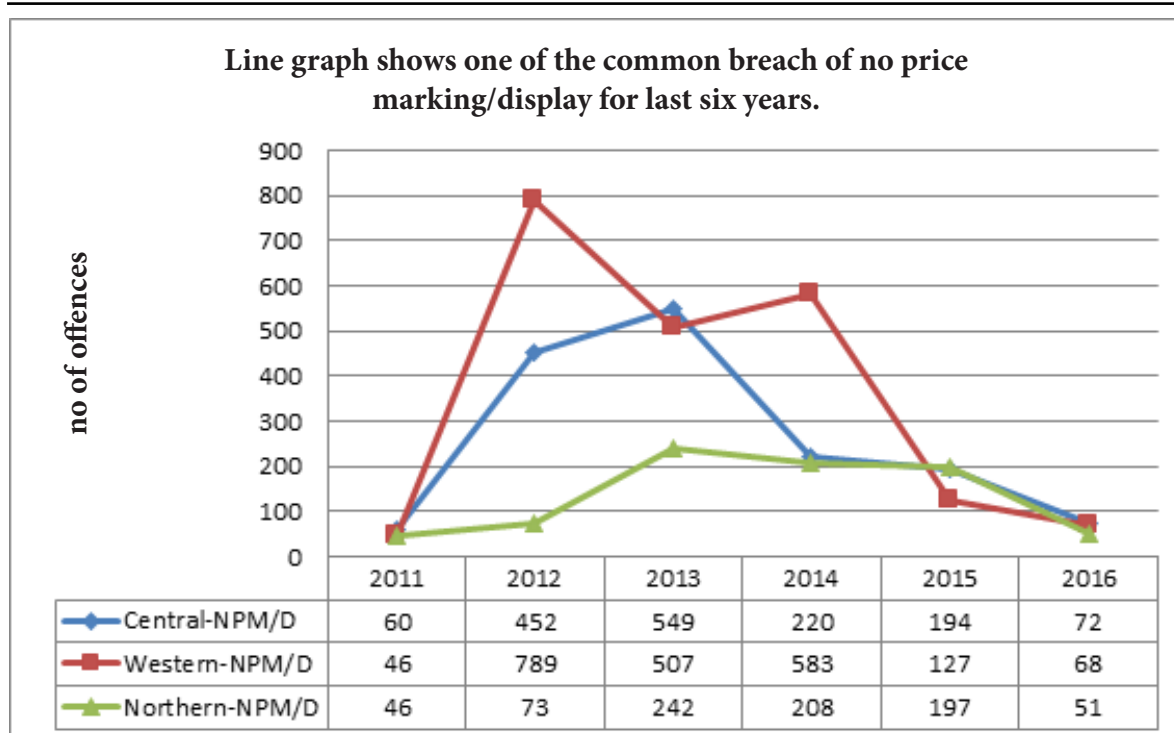


**EXPIRED
EXPIRED
EXPIRED**

helpdesk@commcomm.gov.fj
co@commcomm.gov.fj

The Commission from its routine inspection noted that the most common breaches relates to no price marking and display which is a breach of Section 54 of CCD 2010 and overcharge which is a breach of Section 52 of CCD 2010. For western division, there was a sharp increase in breaches noted for no price marking/display from the year 2011 to 2012, and then it gradually declined. This is similar to the Central division. Northern division showed an increase from the year 2012 to 2013 and then gradually declined from 2013 to 2016. The year 2016 indicated a decline in breaches relating to no price marking display / display as shown in the graph below.

Graph 3: Common breaches relating to no price marking/ display



On breaches relating to overcharged on maximum price set by the commission, Central and Northern division noted sharp increase depicted above from the year 2012 to 2013 which gradually declined in the year 2014. Western division noted an increase in overcharge breach from the year 2011 to date. In the year 2015 Western division had more overcharge issues. However, In the year 2016, Commission recorded low numbers for this offence.



Commission officers doing price inspection for expiring items.

Compliance Department

The Compliance and Fair Trade Department of the Commission is tasked to administer compliance of CCD2010 to ensure consumer protection and restrictive trade practices, handle consumer complaints and mediation to resolve some of the complaints. The activities of the Department is carried out within the provisions of Section 15 (1) of the CCD2010 and in accordance with the relevant powers prescribed therein.

The Department receives and deliberates on complaints regarding unfair trade practices and restrictive trade practices and these include those considered by complainants as unfair but do not directly infringe the CCD2010. In detail, the tasks involved case assessment, investigations, Mediations and creating awareness in the Fijian markets. The Department also conducts market surveillance, and investigates any possible breaches of the CCD2010. In addition, the provision requires the Department to disseminate information to consumers and traders about marketplace issues to assist in the formation of informed choices.

The Department started in the year 2016 with 8 staff members based at the head office with a Acting Manager Compliance, while the divisional offices assisted in handling cases within their area of jurisdiction. During the year, one staff resigned while one staff was relocated to Executive Support Services. The Acting Manager Compliance rotated on acting duties amongst the Senior Officers working therein.

The Department's mission was to ensure that the consumer's interests are safeguarded as per the provisions of the CCD 2010 and through the principles of common law. Such is expected when businesses operate in open, fair and healthy competition with each other which often to the consumer's

benefit. We strive to improve the welfare of consumers by working to bring about competitive and efficient markets, by subsequently thwarting deceptive and coercive trading practices and empowering consumers with the knowledge and skills they need to make rational and informed buying decisions. As a result, consumers benefit from improved value, choice and quality in products and services, and are much less likely to encounter such prohibited trade conducts.

The Department pursues this goal by:

- encouraging businesses and traders to comply with CCD2010 and to improve their trading practices;
- acting decisively to stop hardcore or flagrant offenders;
- empowering consumers with the knowledge and skills to make informed choices and get the best value from markets;
- having business consultation program, balancing business and consumer needs;
- create consumer awareness through articles, social media websites, etc;
- one to one discussion on compliance requirements during mediations;
- continuing our proactive compliance program, targeting areas where consumers are more at risk;
- investigating consumer complaints; and
- developing guidelines and monitoring their compliance.

Further, the Department of Compliance and Fair Trade and the Department of Monitoring shared workload particularly in the inspection area where the inspectors took on dual role whilst out on inspection assignments. They conducted price control inspections as well as rent inspections. This co-sharing worked well throughout the year and will remain under the current organisational set up.

Fair Trading Cases

In 2016, the Department recorded complaints received, resolved and in-progress for all its divisional offices.

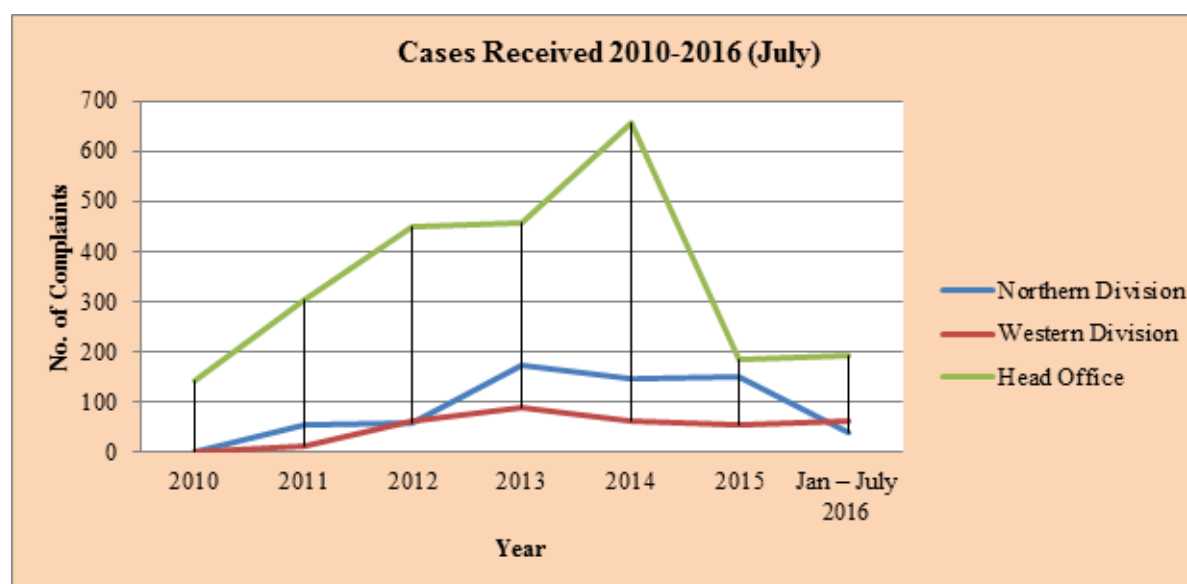
Table 6: Summary of complaints received and resolved for all three Divisions.

Divisions	Total Number of Cases received	Total Number of Cases resolved	Total Number of Cases In-progress
Northern Division	39	37	2
Western Division	61	35	26
Head Office	190	52	134
Total	290	124	162

Table 7: Unfair Trading Complaints 2010 - 2016

Divisions	2010	2011	2012	2013	2014	2015	Jan – July 2016
Northern Division	-	52	56	173	145	149	39
Western Division	-	12	63	88	60	52	61
Head Office	140	304	449	458	656	183	190
Total		368	568	719	861	384	290

Graph 4: Total Complaints received 2010 - 2016 for all Divisions



Major Cases

1. Travel Agents

In the year 2016 the Commission investigated some bogus Travel Agents namely, Riya's Travel Agent, Australian Recruitment Services and Star Agencies which obtained money from the members of the public for an overseas work visa but did not provide the services. These agents have been under the Commission's spotlight for quite some time and due to their evasiveness, investigation took longer than expected. However, the Department continued to pursue the individuals concerned and currently the matters are before the courts.

2. Online Traders

The serious pursuit against bogus online traders selling clothes and accessories via Facebook was another major investigation by the Department and one such trader identified in different names: "Desi Fashion", "Fashion Palace" and "Pink Windows Creations" was charged for offences under the CCD 2010 and the matters are pending before the courts.

The individuals involved were posting advertisements of Indian costumes for sale on social network such as 'Facebook' and inviting customers to deposit money into selected bank accounts with the promise of direct delivery to addresses provided to the trader. Reports were received by the Department indicating that people were paying the required sum but were not receiving the items.

Highlights

A major challenge for the department was to streamline the complaints handling process.

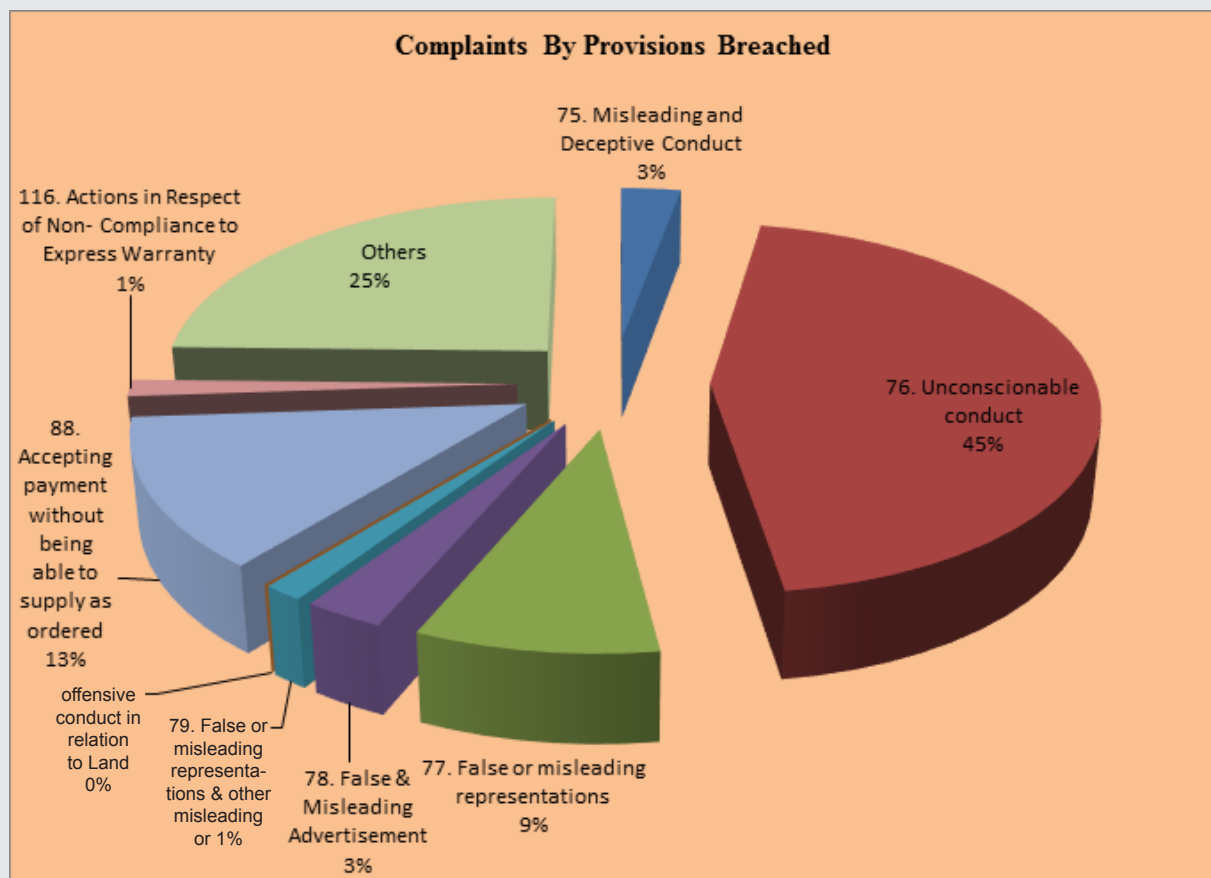
The Department faced various challenges during the year 2016 and some notable ones are mentioned below:

1. the inability to process cases within the required timeframe provided under the Commission's Standard Operating Procedures (SOP). Many cases took well over the period to resolve due to various factors such as non co-operation of Respondents and Complainants;
2. lack of commitment and willingness by the parties to resolve cases;
3. complexity of issues attached to the complaints.
4. Changing demands from complainants –etc.

Case Summary

Below is a dynamic representation of unfair trade cases received by the three divisions of the Commission. Note that in some cases there is likely chance that more than one section of the CCD 2010 may have been breached, or there may not be breach of CCD 2010.

Figure 1: Complaints by Type of Breach



Commission officer doing a vehicle inspection.

Rent Section Highlights

The year 2016 saw the continuation of rent control since 1973, which was captured in Counter-Inflation Act (CIA) of 1973 and currently the Commerce Commission Decree 2010 (CCD 2010). Rent is a component of the Housing Index in the National Consumer Basket of goods and services where Fiji's Consumer Price Index (CPI) is derived. Due to this, rent was included in the list of goods and services to be under price control. The indexation structure of Consumer Prices was revised in 2011, which saw housing relocated to the group that included electricity, water, gas and other fuels, thereby making it the third major component of the CPI having a weighting of 117.3/1000 points. The traditional price control on rents focused on its inflationary aspect and not on any other consideration.

At the inception of the Fiji Commerce Commission on 1 July 2010, the focus of rent control shifted from its inflationary aspect to capture fair trade and consumer protection issues. Under the CCD2010, this shift was inevitable as the conduct of landlords against tenants was brought to the fore front. The CCD2010 imposes on the Commission the task to protect tenants from the pangs of unfair and unreasonable conducts of landlords and their agents. Evictions on unfair grounds, non refund of bond money, harassment or coercion of tenants are deemed breaches of the CCD2010. Also covered are conducts such as false or misleading representations of properties and authorities, accepting of payments of monies without being able to supply what was ordered by tenants during

the negotiation stage of tenancies.

Recently Fiji has encountered a significant rise in urbanization that saw an increase in urban population from 359,495 in 1996 to 424,846 recorded in the 2007 census. The increase significantly raises the demand for housing in the urban centers which stretched the already limited supply of housing beyond the limit. With the limited space available in these centers, acquisition of land for formal housing is a challenge, so the incoming groups are compelled to settle in rented flats, including informal housing areas or squatter settlements. Over the years, it was noted that limited options available to tenants created a disparity in the bargaining position of landlords and tenants and has resulted in an abuse of power. Such a situation warrants the existence of rent control to address the disparity of bargaining powers between landlords and tenants and to stabilize rental prices.

On 2nd March 2007, following the government's move to cushion the impact of the global financial crisis that hit our shores through the imposition of a wage freeze, a rent freeze was subsequently introduced and administered by Prices and Incomes Board (PIB). The freeze has been extended through subsequent Ministerial directive since then to 2016, Commerce (Rent Increase Restriction on Residential and Ground Rent) Order, 2015 was in force effectively restricting any increase between 1st January to 31st December of 2016.

- **Definition**

By definition under CCD2010, 'rent' refers to the sum payable by a tenant to a landlord for the use of a property (land, building, etc.) for a fixed period of time or for an undefined duration under a tenancy agreement. It excludes any charges levied by the Fiji Electricity Authority, Water Authority of Fiji and Municipal Council rates.

Legal Framework

Rent is controlled under the following provisions of the CCD 2010 :

- Section 56 requires all those engaged in the business of letting or continued letting (including the State) to keep to the satisfaction of the Commission such records including tenancy agreement and receipts as customary and proper in the type of business carried on by them.
- Section 45 empowers the Commission to fix and declare by order through the approval of the Minister the maximum rental of any premises under any residential tenancy and ground rental to which the CCD 2010 applies. Commerce (Rent Increase Restrictions on Residential and Ground rent) Order 2015 is in force for this purpose.
- Section 46 provides exemptions on the types of rental not under control and included the following:
 - i. Native Land Trust Act, Cap 134;
 - ii. Agricultural Landlords and Tenants Act, Cap. 270;
 - iii. Rotuma Lands Act, Cap. 138;
 - iv. Banaban Settlement Act, Cap. 123; and
 - v. Public Rental Board rental rates
- Section 47 empowers the Commission to issue orders through the approval of

its line Minister to require landlords to give a twelve (12) weeks written notice for any proposed increase in rent to which the CCD 2010 applies. Counter-Inflation (Notification of Proposed Increase in Rent) Order, 1996 is in force under this provision.

- Part 7 of CCA2010 captures most of the trade practice of letting that serves to protect tenants from unfair and unreasonable conducts of landlords and or agents.

Rent Control Administration

Rent is one of the service charges controlled under the CCD2010. The rent freeze started in March 2007 and was extended to 31st December, 2016 by virtue of the Commerce (Rent Increase Restriction on Residential and Ground Rent) Order 2015. The Rent section within the Compliance and Fair Trade Department of the Commission was tasked to administer the rent control enforcement work.

During the period, the Rents Section did the following to fulfill its task and in conjunction with the Commission's Key Performance Indicators (KPI) for 2016:

- receives complaints and queries on rental matter within the ambit of the CCD2010;
- conducts rent inspections;
- investigate rental complaints;
- conduct mediation of rental cases;
- raise awareness on rental provisions of CCD2010;
- administer voluntary registration of landlords;
- Carry out any other task assigned from time to time by the Deputy Chief Executive Officer and

The Rents Section processed complaints and queries in accordance with the Commission's Standard Operating Procedures (SOP).

Rent Complaints Processing

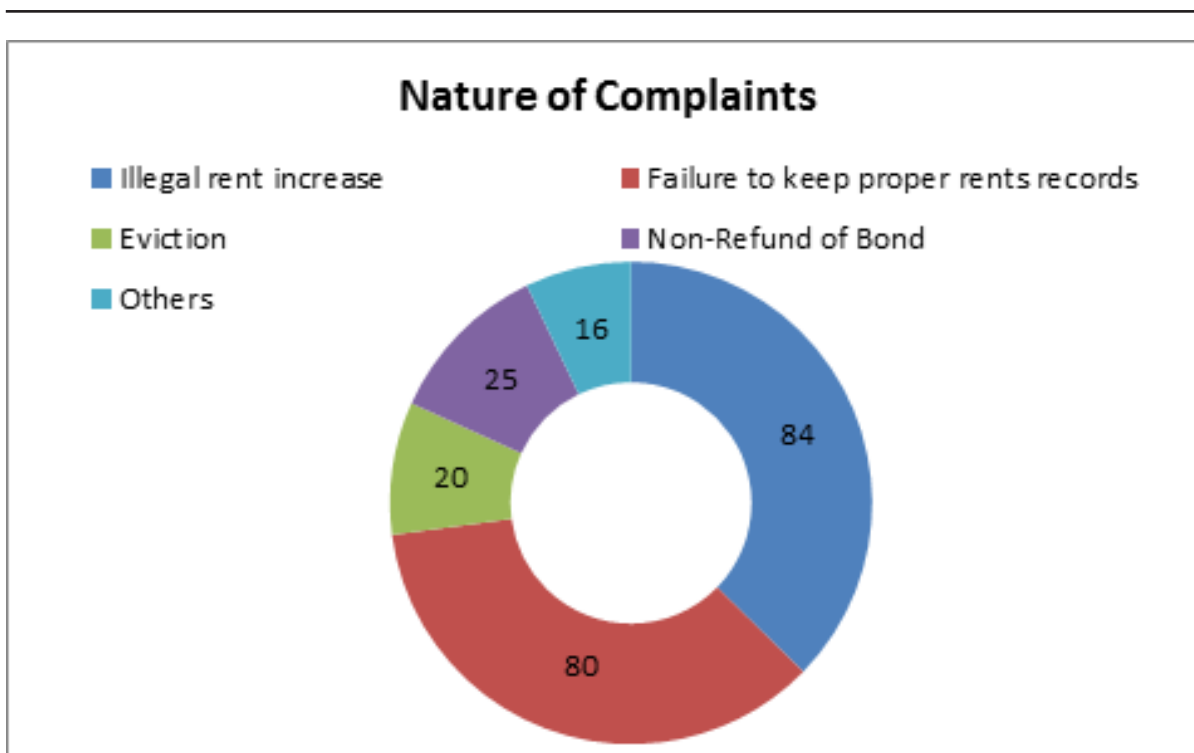
For the reporting period, a total of 329 formal complaints were registered in all divisions and 415 informal complaints recorded from the Central Eastern and North alone. The breakdown per division is as follows-

Table 8: Number of Complaints Received

Division	No. of Complaints Received
Northern Division	209
Western Division	109
Head Office	11
Total	329

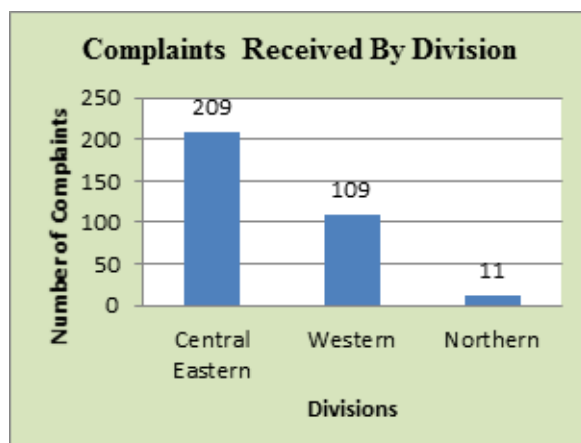
The table below is a summary analyzed of the nature of complaints received.

Table 9: Nature of Complaints

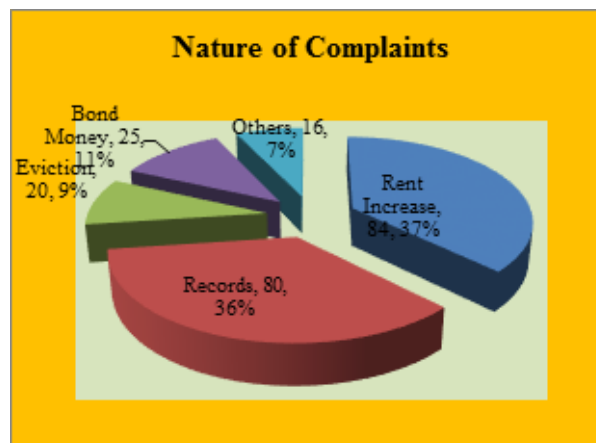


Complaints processing consist of the major quantum of work undertaken by the Rents Section through the assistance of the Compliance team and divisional staffs. Below are illustrations of the complaints and queries processed by the Commission for 2016:

Graph 5: Complaints Received by Division



Graph 6: Nature of Complaints Received



Public Awareness

There have been concerns raised about lack of information available to traders and consumers, resulting in asymmetry of information and creating an imbalance between consumer and business expectations, requirements and responsibilities. In addition, there are numerous complaints from members of the public and other stakeholders concerning the manner in which certain traders are conducting their businesses in relation to misleading advertisements, non-disclosure of important information about the products or services, overall business conduct, lack of clarity in contract terms, lack of consumer redress and other unfair trade practices. These are of great concern to the Commission and being the custodian of the CCD2010, it has to explore ways to empower consumers as

well as traders to eliminate any cause of asymmetry of information that can result in general breakdown of trust and social capital which could lead to negative impact on volume of transactions and thus a general decline in business and economic growth.

One of the strategies employed by the Commission in 2015 was conducting Awareness Programs in various setups within our Fijian community. The focus of the exercise was to empower consumers and traders alike including landlords on what the Commission deems to be fair and reasonable trade practices. The process is more informal in nature and provides an atmosphere of free interaction between the Commission and consumers in settings comfortable to the community participants.

In addition to awareness programs and in recognition of its legal obligation under the Commerce Commission Decree 2010, the Commission has developed the Self Regulating Guidelines to provide an opportunity to traders to fix all the anomalies in their conduct in a voluntary way. The guideline is an initiative of the Commission to support its long-term focus to shift from market regulation to self-regulation and voluntary compliance. As such, having the guideline in place was crucial to educate the traders and consumers on the practices that are deemed fair and reasonable under the CCA2010 and related legislations. The issues addressed in the guideline were derived from the common issues raised in the complaints and queries received by the Commission.

The first Self Regulating Guideline developed by the Commission was the “SRG Texting Competition in Fiji” in 2012. The success of this guideline measured by the reduction in the number of complaints received by the Commission, provided stimulus to the Commission to develop similar guidelines for the other industry.

The E-Commerce Self Regulating Guidelines was under development at the Commission

in 2016. This self-regulating guideline is designed by taking into account the common complaints received pertaining to online trade scams involving locals. It explains in simple language either rights and responsibilities under the Commerce Commission Decree 2010 (“CCA2010”) and other relevant laws in Fiji. This guideline contains practical guidance on common trade situations. The guideline aims to encourage traders and consumers to better understand their rights and responsibilities and move towards self-regulation in the major trade markets in Fiji.

Trader & Community awareness were held in the urban, rural and outer island communities. The team conducts inspection as well. The Commission strongly argues that the communities at large in rural and outer Islands are the ones that are most vulnerable to unfair trading practices that may be violations of the CCD 2010. We have considered Rule of Law, element to increase compliance with clear regulations so that these retail institutions grow and spur healthy competition in Fijian market.

Table 10: Number of Awareness Conducted

Division	Central	Western	Northern	Total
No: Of Trader Awareness	6	9	36	51
No: Of Consumer Awareness	17	3	20	40
Total No. Of Awareness	22	12	26	60
No: Of Participants	1124	273	578	1975
Percentage awareness by Divisions	36.66%	20%	43.33%	100
Percentage participants by Divisions	56.9%	13.8%	29.26%	100

Department of Competition Law

The Department of Competition Law has a total of four (4) staff comprising of Prosecutors; one in the Western Division, one in the Northern Division and two in the Central Division. The Department is headed by Senior Prosecutor.

Competition Law Department provides sound legal advice to the Commission concerning the provisions in the Commerce Commission Decree 2010 (CCD 2010), Price Control Orders, Rent Freeze Orders, Self-Regulating Guidelines and other relevant laws. Legislative drafting in reviewing Orders, Self-Regulating Guidelines and other laws is a role the department is tasked to execute efficiently and effectively.

Additionally, the Department represents the Commission in all its criminal prosecuting matters in Courts and Tribunals in Fiji. Moreover, the Department assists other departments in the Commission to ensure all decisions made by the departmental heads are not in conflict to other relevant laws.

We succor the numerous departments in providing Legal Opinions on issues highlighting certain provisions of the CCD 2010 that has been breached by traders, companies, shops, persons and landlords. Lastly, the Department investigates and handles internal disciplinary matters to ensure these are dealt with in a fair and just manner.

In prosecuting criminal matters for breaches under the CCD 2010 is the foremost objective the Department engages in. Legal

proceedings will eventuate if all avenues in solving the matters are exhausted. When taking legal action the available remedies are fines, compensations, refund and replacement for the complainants. Mediation is encouraged to comprehend if the matter can be settled rather than proceeding to Court.

Brief Report on Failing to Comply to Rent Restriction

For the period January - June 2016 the Department received seven (7) cases in regards to rent. Most of the cases in the central division were rental issues because the Commissions stance in Rent Freeze Order was prominent.

One Mr. Aiyub Ali has five (5) complaints against him which have been registered and charges filed in Nasinu Magistrate Court. The cases have been set for formal proof in Nasinu Magistrate Court.



Central/ Eastern Division Prosecution Annual Report 2016

Central/Eastern Division (1st January 2016- 31st July 2016)

Table 11: Prosecution Summary Central /Eastern Division

Case Type/Category	Section Breached	Number of Cases Registered (1.1.16 to 31.7.16)	Number Completed (Court has made a decision)	Number pending before the court(YTD)	Total Value of Fines Imposed \$
Overcharging	Section 52	1	-	1	-
Non-Display & Marking of Prices	Section 54	2	1	1	\$1000.00
Expiry Dates Missing	Section 87J	3	2	1	\$1500.00
Failure to Furnish Information	Section 56	-	-	-	-
False and Misleading	Section 77 & 78	5	3	2	\$1,800.00
Price Advantage	Section 53	-	-	-	-
Rent	Section 45	7	-	7	-
Others		2	2	118	\$1000.00
Total		20	8	130	\$5,300.00

Note: 118 files of pending are Mukesh Naidu's File for Central/ Eastern Division

In the Central/ Eastern Division, our Prosecutors attend matters in Suva, Nasinu, Nausori, Korovou and Navua court. The above table illustrates the number of cases that have been registered and filed in court for those offences. As shown above the total number of cases registered within the periods from 1.1.16 to 31.7.16 is twenty (20) in which eight (8) files have been closed in Court. The number of files pending in court is 130 because 118 cases are Mukesh Naidu Files still in Court.



• Western Division Prosecution Annual Report 2016

Western Division (1st January 2016- 31st July 2016)

Table 12: Prosecution Summary Western Division

Case Type/Category	Section Breached	Number of Cases Registered (1.1.16 to 31.7.16)	Number Completed (Court has made a decision)	Number pending before the court(YTD)	Total Value of Fines Imposed \$
Overcharging	Section 52		-	2	-
Non-Display & Marking of Prices	Section 54		1	2	\$500.00
Expiry Dates Missing	Section 87J				
Failure to Furnish Information	Section 56	-	-	-	-
False and Misleading	Section 77 & 78	2	2	2	\$1500.00
Price Advantage	Section 53	-	-	-	-
Rent	Section 45		-		-
Others		4	1	6	\$1350.00
Total		6	4	12	\$3350.00

In the Western Division there was only one prosecutor attending matters in Sigatoka, Nadi, Lautoka, Ba, Rakiraki and Tavua Courts. As seen in the above table six (6) complaints were registered and filed court in the year. Four (4) cases closed and twelve (12) cases are pending in the court.



Commission staffs during Fiji Day Celebration March.

Northern Division Prosecution Annual Report 2016

Northern Division Prosecution– (1st January 2016- 31st July 2016)

Table 13: Prosecution Summary - Northern Division

Case Type/Category	Section Breached	Number of Cases Registered (1.1.16 to 31.7.16)	Number Completed (Court has made a decision)	Number pending before the court(YTD)	Total Value of Fines Imposed \$
Overcharging	Section 52		1	-	\$1,500.00
Non-Display and Marking of Prices	Section 54	3	1	2	\$1,000.00
Expiry Dates Missing	Section 87J			-	
Failure to Furnish Information as requested by the Commission	Section 56				
Refusal to sell at MRP	Section 53			-	
Rent	Section 45			-	
Price Advantage	Section 77 1(g)- Make a representation concerning that a price advantage of goods or services exist if it does not.			2	
Misleading	Section 77(1)			1	
Failed to pay spot fine	Section 59	4		4	
Total		7	2	9	\$2,500.00

In the Northern Division, there is only one prosecutor attending to all matters in Labasa, Savusavu, Nabouwalu and Taveuni Courts. There were only seven (7) new complaints that were registered and filed in court, two (2) of which are closed and nine (9) files were pending in court for the year.

Corporate and Human Resources Department

Overview of the Department

The Human Resources department played a pivotal role in these seven (7) months within the Commission. For the first time, a five (5) year strategic plan is being developed for the Commission to address the compliance, competition and price controls in the Fijian market(s). The Department prepared a plan to address the expiring contracts against requirements in the coming financial year.

The Department also planned for the coming financial year to;

1. Conduct Training Needs Analysis and develop Training Plan;
2. Develop Performance Management System;
3. To Programs to retain technical staff;
4. Seek funding from donor agencies for training specialised to;
 - Competition,
 - Regulatory Functions,
 - Price Controls,
 - Compliance,
 - Market Surveillance.
5. Identifying a suitable HRIS system.

Commission Staffing

The Board approved total staff reestablishment of 55. The number of staff employed in the Commission on 1 January 2016 was 51 and the staff roll reduced to 43 by 31 July 2017. Staff turnover during this period was equivalent to almost 16%. Senior Prosecutor upon approval, proceeded on six (6) months paid study leave to do his Post Grade Diploma in Legal Practice ("PDLP").

After serving two complete terms the Commission also bid farewell to the first CEO of the Commission Mr. Bobby Maharaj. Mr. Maharaj had served the Commission for six (6) years.

The greatest challenge posed to the Commission was expiring contracts by 31 July 2016. 30 staff members had their contracts expiring on 31 July 2016. To address this the Commission had advertised all positions in advance.

Considering new financial year commencing 1 August, 2016, the departments shall prepare new Key Performance Indicators and workforce plan to address human capital requirements at the Commission.

Financial Year 1 August 2016 to 31 July 2017

The department plans to address expiring contracts as the first priority in the coming financial year. Given that a new strategic plan is being envisaged for the Commission any new position will be created only after the adoption of the said Strategic Plan. The Strategic Plan once adopted will provide a basis for analyzing training needs at individual, department and organisational level. Further the required number of staff will be a reflection of the strategic goals set for the organisation. HR Department with the Executive Management and Board will now prepare the Commission for a possible restructure to address market demands in Fiji.

The department takes this opportunity to thank all staff members for their service to the Commission. Lastly all members of the staff are encouraged to apply for position as they become available.

For the coming financial year 2016/2017 the department wishes well to all staff members and especially their families.



Staff training at FNU, Nasese.

Corporate Social Responsibility

The Commerce Commission is very much active towards the events and social well being of the Society and the staff.

- **Promoting Cancer Awareness**



Commission officers visiting cancer patient during cancer awareness in Suva.



Mr. Viliame Baleiwai Rauluni
02/01/1963 - 10/05/2016

In the Year 2016 the Commerce Commission sustained a great loss of
(Late Mr. Viliame Baleiwai Rauluni)

Late Mr. Rauluni joined Prices and Incomes Board (PIB) in 1981, as an Assistant Prices and Incomes Inspector, whereby in the year 1985 he was promoted as a Prices and Incomes Inspector. In the year 2008 he was further promoted to the position of Officer incharge Central / Eastern division whilst employed at PIB he also represented Fiji in the National Rugby Sevens Team, when Fiji won Honk Kong Sevens 3 years in a row from 1990 to 1992. In July 2010, PIB merged with Commerce Commission whereby he retained the position of Prices and Incomes Inspector.

Fiji Commerce Commission



Financial statements for the seven months period ended 31st july 2016

Fiji Commerce Commission

Financial statements for the seven months period ended 31st july 2016

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Staff officer doing a routine check in shops.

**FIJIAN COMPETITION AND CONSUMER COMMISSION
COMMISSIONER'S REPORT
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016**

The Commissioners present their report together with the Financial Statements of the Fijian Competition and Consumer Commission ("the Commission") for the year ended 31 July 2016.

Commissioners

The Commissioners in office at the date of this report were:

Name	Position	Appointed On	Effective Till
Ms. Joann Young	Chairperson	17-Sep-15	Current
Mr. Firoz Ghazali	Deputy Chairman	21-Feb-15	19-Feb-17
Mr. Isikeli Tikoduadua	Member	17-Sep-15	Current
Ms. Lyanne Vaurasi	Member	17-Sep-15	Current
Mr. Romil Patel	Member	17-Sep-15	Current
Mr. Vimlesh Sagar	Member	17-Sep-15	Current

State of Affairs

In the opinion of the Commissioners, the accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Commission as at 31 July 2016 and the accompanying Statement of Comprehensive Income, Statement of Changes in Equity's, Statement of Financial Position and Statement of Cash Flows give a true and fair view of the results and cash flows for the Commission for the period then ended.

Principal Activities

The principal activities of the Commission during the period of the financial statement was to promote effective competition and informed markets; encourage fair trading; protect consumers and businesses and control prices of regulated industries and other market where competition is lessened or limited.

Operating results

The surplus of the Commission for the year ended 31 July 2016 was \$181,320 (2015: surplus of \$134,039).

Current assets

Prior to the completion of Financial Statements of the Commission, the Commissioners took reasonable steps to ascertain whether any Current Assets were likely to realise in the ordinary course of the business values as shown in the accounting records of the Commission. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount they are expected to realise.

As at the date of this report, the Commissioners are not aware of any circumstances that would render the values attributed to the Current Assets in the Commission's Financial Statement to be misleading.

Unusual Transactions

In the opinion of the Commissioners, the results of the operation during the period were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the Financial period and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Commissioners to affect substantially the results of the operations of the Commission in the current financial period.

Significant changes in the state of affairs

The Parliament of Republic of Fiji via Commerce Commission (Budget Amendment) Act 2017 approved the amendement of all references to the Commission from "Fiji Commerce Commission" to "Fijian Competition and Consumer Commission.

**FIJIAN COMPETITION AND CONSUMER COMMISSION
COMMISSIONER'S REPORT (CONT'D)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016**

Other Circumstances

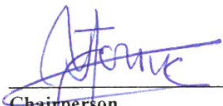
As at the date of this report:

- (i) no charge on the Assets of the Commission has been given since the end of the financial period to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial period for which the Commission could become liable; and
- (iii) no contingent liabilities or other liabilities of the Commission has become or is likely to become enforceable within the period of twelve months after the end of the financial period which in the opinion of Commissioners will or may substantially affect the ability of the Commission to meet its obligations as and when they fall due.

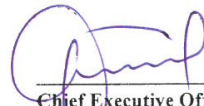
As at the date of this report the Commissioners are not aware of any circumstances that have arisen not otherwise dealt with in this report which would make adherence to the existing method of valuation of Assets or Liabilities of the Commission misleading or inappropriate.

Signed in accordance with the resolution of the Commissioners.

Dated at Suva this 13th day of August 2017



Chairperson
Ms. Joann Young



Chief Executive Officer
Mr. Joel Abraham

**FIJIAN COMPETITION AND CONSUMER COMMISSION
STATEMENT BY COMMISSIONERS
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016**

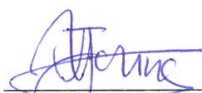
In accordance with a resolution of the Commissioners of Fijian Competition And Consumer Commission we state that:

(1) In the opinion of the Commissioners:

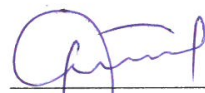
- (a) the accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Commission for the year ended 31 July 2016;
- (b) the accompanying Statement of Financial Position and Statement of Changes in Equity are drawn up so as to give a true and fair view of the state of affairs of the Commission as at 31 July 2016;
- (c) the accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flow of the Commission for the year ended 31 July 2016; and
- (d) at the date of this statement there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they fall due.

For and on behalf of the Commission and in accordance with a resolution of the Commissioners.

Dated at Suva this ~~18th~~ day of August 2017



Chairperson
Ms. Joann Young



Chief Executive Officer
Mr. Joel Abraham

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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E-mail: info@auditorgeneral.gov.fj
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INDEPENDENT AUDITOR'S REPORT

FIJIAN COMPETITION & CONSUMER COMMISSION

I have audited the accompanying financial statements of Fijian Competition and Consumer Commission, which comprise the statement of financial position as at 31 July 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on notes 1 to 18.

Commissioners and Management's Responsibility for the Financial Statements

The commissioners and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Fijian Competition and Consumer Commission Act, 2010 and Commerce Commission (Budget Amendment) Act, 2017. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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


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

Audit Opinion

In my opinion:

- a) proper books of account have been kept by Fijian Competition and Consumer Commission, as far as it appears from my examination of those books, and

- b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities:
- i) are in agreement with the books of account; and
 - ii) to the best of my information and according to the explanations given to me:
 - a) give a true and fair view of the state of affairs of Fijian Competition and Consumer Commission as at 31 July 2016 and of the results, and cash flows of Fijian Competition and Consumer Commission for the year ended on that date; and
 - b) give the information required by Fijian Competition and Consumer Commission Act, 2010 and Commerce Commission (Budget Amendment) Act, 2017 in the manner so required.



Ajay Nand
AUDITOR GENERAL

21 August 2017
Suva, Fiji



FIJIAN COMPETITION AND CONSUMER COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	Note	31 July 2016 \$	Restated * 2015 \$
Income			
Government grant - Operational		1,016,194	1,524,258
Other Income	2	75,873	77,045
Total Income		<u>1,092,067</u>	<u>1,601,303</u>
Expenditure			
Personnel Expenses	3	666,440	1,014,146
Operating Expenses	4	139,179	296,651
Administrative Expenses	5	62,325	81,035
Depreciation	9 (c)	42,803	75,432
Total Expenditure		<u>910,747</u>	<u>1,467,264</u>
Surplus		181,320	134,039
Total Comprehensive Income for the year		<u>181,320</u>	<u>134,039</u>

* The balances for year ended 31 December 2015 do not correspond to balances reported in the Financial Statements for 2015 due to the restatements disclosed in Note 17.

(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 page 10 to page 17)

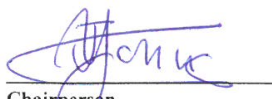
FIJIAN COMPETITION AND CONSUMER COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2016

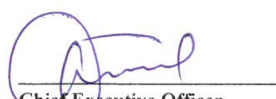
	Notes	31 July 2016 \$	Restated * 2015 \$
Current Assets			
Cash and Cash Equivalents	6	798,642	352,824
Deposits	7	9,963	10,260
Trade and Other Receivables	8	22,801	53,767
Total Current Assets		831,406	416,851
Non Current Assets			
Property, Plant and Equipment	9	185,976	220,661
Total Non Current Assets		185,976	220,661
Total Assets		1,017,382	637,512
Current Liabilities			
Trade and Other Payables	10	449,526	220,407
Deferred Income	11	38,595	26,593
Other Current Liabilities	12	4,444	-
Total Current Liabilities		492,565	247,000
Non Current Liabilities			
Deferred Income	11	74,588	121,603
Total Non Current Liabilities		74,588	121,603
Total Liabilities		567,153	368,603
Net Assets		450,229	268,909
Equity			
Accumulated surplus		450,229	268,909
Total Equity		450,229	268,909

* The balances for year ended 31 December 2015 do not correspond to balances reported in the Financial Statements for 2015 due to the restatements disclosed in Note 17.

(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 page 10 to page 17)

Signed for and on behalf of the Commission.


Chairperson
 Ms. Joani Young


Chief Executive Officer
 Mr. Joel Abraham

FIJIAN COMPETITION AND CONSUMER COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	Notes	Accumulated Surplus \$	Total \$
Restated Balance as at 31 December 2014		134,870	134,870
Net Surplus for the year		134,039	134,039
Restated Balance as at 31 December 2015	17	268,909	268,909
Net Surplus for the year		181,320	181,320
Balance as at 31 July 2016		450,229	450,229

(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 page 10 to page 17)

FIJIAN COMPETITION AND CONSUMER COMMISSION
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	Notes	31 July 2016 \$	2015 \$
<u>Cash Flows from Operating Activities</u>			
Receipts from Government and Customers		1,092,464	1,514,808
Payments to Suppliers and Employees		(638,528)	(1,354,701)
Net Cash provided by Operating Activities	13 (b)	453,936	160,107
<u>Cash Flows from Investing Activities</u>			
Payments for Property, Plant and Equipment	9 (c)	(8,118)	(30,359)
Net Cash provided by Investing Activities		(8,118)	(30,359)
Net decrease in Cash		445,818	129,748
Cash at the beginning of the year		352,824	223,076
Cash balance at the end of the period	13 (a)	798,642	352,824

(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 page 10 to page 17)

**FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of compliance

These financial statements have been prepared by the Fijian Competition And Consumer Commission (the Commission) in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board.

The principal accounting policies adopted by the Commission are stated to assist in general understanding of these financial statement. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

The financial statements were authorised for issue by the Commissioners on 18 August 2017.

Set out below is summary of the significant accounting policies adopted by the Commission in the preparation of the financial statements for the period ended 31 July 2016.

1.2 Basis of preparation

The Financial Reports are general purpose financial reports and have been prepared in accordance with the requirements of Fijian Competition And Consumer Commission Act 2010 and the IFRS for SMEs.

The Financial Reports have been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non current assets.

In the application of IFRS for SMEs, the Commission is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Budget surplus of \$181,320 for the seven months period ending 31 July 2016, the Financial Statements have been prepared on a going concern basis. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the Commission in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

1.3 Property, Plant and Equipment

Fixed assets are measured at cost less accumulated depreciation and impairment losses. These assets are depreciated or amortized from the date of acquisition or when an asset is completed and held ready for use. Depreciation is calculated on a straight-line basis so as to write off the cost or revalue amount of each fixed assets during its effective working life to its estimated residual value. The principal depreciation rates in use are as follows :

	Rate
Office Equipment	12-40%
Office Furniture	12%
Vehicles	18%

1.4 Income Tax

The Commission is not subject to income tax in accordance with Section 24(1) of the Fijian Competition & Consumer Commission Act 2010.

1.5 Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of VAT, except:

- i) Where the amount of VAT incurred is not recoverable from the tax authority, it is recognized as part of the cost of acquisition of the asset or as part of an item of expense; or

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Value Added Tax (continued)

ii) For receivables and payables, which are recognized inclusive of VAT.

The net amount of VAT payable to, or receivables from, the taxation authority is included as part of payables or receivables.

1.6 Government Grant

Recurrent grants are brought to account as income in the period received. Non recurrent grants are brought to account in the same proportion that depreciation bears to the cost of the assets acquired with the grant.

1.7 Deferred Income

Significant items of income having a relationship to more than one accounting period have been brought to account over the period to which they relate.

1.8 Employee Entitlements

Employee entitlements include provision for annual leave. This relates to amounts expected to be paid to employees and is based on contractual entitlements. Defined contribution plans to Fiji National Provident Fund are expensed when incurred.

1.9 Revenue

Revenue comprises of quarterly Government grant from the Ministry for Industry and Trade (MITT).

1.10 Cash and Cash Equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of cash flow statements, cash and cash equivalents comprises of cash on hand and cash at bank.

1.11 Trade and Other Payables

The amounts represent liabilities recognized when the Commission becomes obliged to make future payments resulting from purchase of goods and services.

1.12 Comparatives

Where necessary, amounts relating to prior year have been reclassified to achieve consistency in disclosures with the current financial year amounts and other disclosures.

1.13 Equity and Reserves

Equity include accumulated surplus which comprises all current and prior period surpluses or savings.

1.14 Estimation Uncertainty

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcome may differ from these estimates.

NOTE 2: OTHER INCOME

	31 July 2016 \$	2015 \$
Amortization of Deferred Income	43,132	26,593
Professional Fees	32,707	38,387
Miscellaneous Income	34	12,065
	<u>75,873</u>	<u>77,045</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	31 July 2016 \$	2015 \$
NOTE 3: PERSONNEL EXPENSES		
Salaries and Wages	577,760	896,134
FNPF	58,162	91,119
Board Allowance	16,082	16,418
Annual Leave	5,942	-
Staffing Obligation	5,780	7,479
Attachment Allowance	2,714	2,996
	<u>666,440</u>	<u>1,014,146</u>
NOTE 4: OPERATING EXPENSES		
Rent	66,177	111,244
Court Charges / Search Fees / Legal Fees	25,892	47,369
Motor Vehicle Expense	14,905	30,978
Printing, Postage and Stationery	11,303	22,856
Awareness	5,432	11,292
Repairs and Maintenance	5,074	6,002
FNU (TPAF) Contribution	5,057	9,100
Training and Development	2,947	37,862
Web Design / IT Expense	1,556	1,014
Office Expense	836	2,499
Consultancy	-	16,435
	<u>139,179</u>	<u>296,651</u>
NOTE 5: ADMINISTRATIVE EXPENSES		
Electricity and Water	15,264	21,805
Insurance	12,681	17,144
Telephone, Internet and Fax	12,653	21,453
Advertising	10,030	6,321
Subscription	3,150	3,728
Travel and Accommodation	2,404	1,615
Audit Fees	2,295	3,691
Cleaning	1,887	3,283
Bank Charges	1,079	1,995
Statutory Fines and Penalties	882	-
	<u>62,325</u>	<u>81,035</u>
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at the end of the Financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement for Financial Position as follows:		
Cash at Bank	796,711	350,911
Cash on Hand	1,931	1,913
	<u>798,642</u>	<u>352,824</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	31 July 2016 \$	2015 \$
NOTE 7: DEPOSITS		
Fiji Electricity Authority	4,363	4,660
Rental - Marco Polo Holdings	3,000	3,000
Rental - Shah Investment	1,600	1,600
Security Deposit on Credit Card	1,000	1,000
	<u>9,963</u>	<u>10,260</u>

The Commission has a credit card facility with Westpac Banking Corporation (WBC) that the Chief Executive Officer can use to make official payments up to \$1,000. This facility includes a deposit of \$1,000, held as security by WBC against the credit card, on which the interest accrues to the Commission at rate of 2.5% per annum.

	31 July 2016 \$	Restated 2015 \$
NOTE 8: TRADE AND OTHER RECEIVABLES		
Prepayments	15,462	8,418
Surcharge Recovery	6,406	11,151
User Pay Receivable	933	4,209
VAT Refund - FCC	-	29,945
Interest Receivable	-	35
VAT Refund - PIB	-	9
	<u>22,801</u>	<u>53,767</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

(a) Property, Plant and Equipment are stated at cost and have been included in the Financial Statements on the following basis:

Furniture and Fittings		
At cost	72,968	71,942
Accumulated depreciation	<u>(41,154)</u>	<u>(36,120)</u>
	<u>31,814</u>	<u>35,822</u>
 Office Equipment		
At cost	64,749	57,657
Accumulated depreciation	<u>(29,967)</u>	<u>(22,587)</u>
	<u>34,782</u>	<u>35,070</u>
 Motor Vehicle		
At cost	318,238	318,238
Accumulated depreciation	<u>(198,858)</u>	<u>(168,469)</u>
	<u>119,380</u>	<u>149,769</u>
 Net Book Value	<u>185,976</u>	<u>220,661</u>

(b) The depreciation policies adopted are set out in Note 1.3.

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Reconciliation of the net book value amount of each class of Property, Plant and Equipment at the beginning and at the end of the current financial period is set out as follows:

Cost	Furniture & Fittings \$	Office Equipment \$	Motor Vehicle \$	Total \$
Balance as at 31 December 2015	71,942	57,657	318,238	447,837
Additions	1,026	7,092	-	8,118
Disposals	-	-	-	-
Transfer	-	-	-	-
Balance as at 31 July 2016	<u>72,968</u>	<u>64,749</u>	<u>318,238</u>	<u>455,955</u>
Accumulated Depreciation				
Balance as at 31 December 2015	36,120	22,587	168,469	227,176
Depreciation	5,034	7,380	30,389	42,803
Disposals	-	-	-	-
Transfer	-	-	-	-
Balance as at 31 July 2016	<u>41,154</u>	<u>29,967</u>	<u>198,858</u>	<u>269,979</u>
Book Value				
As at 31 December 2015	<u>35,822</u>	<u>35,070</u>	<u>149,769</u>	<u>220,661</u>
As at 31 July 2016	<u>31,814</u>	<u>34,782</u>	<u>119,380</u>	<u>185,976</u>
		31 July 2016	Restated	
		\$	2015	
			\$	

NOTE 10: TRADE AND OTHER PAYABLES

Spot Fine Payable to MOE	409,390	187,290
Employee Entitlement Provision	27,557	21,615
VAT Payable - FCC	8,245	-
Audit Fees - Office of the Auditor General	3,100	3,100
Complainants Trust Fund	1,234	2,351
Trade Creditors	-	5,032
Salaries & Wages Clearing	-	996
FRCA PAYE Payable	-	23
	<u>449,526</u>	<u>220,407</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

	31 July 2016 \$	2015 \$
NOTE 11: DEFERRED INCOME		
Deferred income relates to the Capital Grant received to purchase the fixed assets. The amortisation is equal to the depreciation amount of the assets. The income approach has been used to account for Capital Grant.		
Balance at the beginning	148,196	174,178
Add: Additional Grant	8,118	611
Amortisation of Deferred Income	(43,132)	(26,593)
	<u>113,183</u>	<u>148,196</u>
Comprise of:		
Current	38,595	26,593
Non-Current	74,588	121,603
	<u>113,183</u>	<u>148,196</u>
NOTE 12: OTHER CURRENT LIABILITIES		
Userpay Levy Received in Advance	4,444	-
	<u>4,444</u>	<u>-</u>
NOTE 13: NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of cash and cash equivalent		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in the banks. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Positions as follows:		
Cash at Bank	796,711	350,911
Cash on Hand	1,931	1,913
	<u>798,642</u>	<u>352,824</u>
b) Reconciliation of operating surplus to cash provided by operating activities:		
Net Deficit	181,320	134,039
Add/(less) Non-Cash items:		
Depreciation	42,803	75,432
	<u>224,123</u>	<u>209,471</u>
Changes in assets and liabilities during the financial period:		
Increase/ (Decrease) in Trade and Other Payables	229,119	49,462
(Increase)/ Decrease in Trade and Other Receivables	31,263	(60,513)
Increase/ (Decrease) in Other Current Liabilities	4,444	-
Increase/ (Decrease) in Provisions	-	(12,331)
Increase/ (Decrease) in Deferred Income	(35,013)	(25,982)
	<u>453,936</u>	<u>160,107</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

NOTE 14: RELATED PARTY TRANSACTIONS

The Commission's related parties include its Board and MITT that provides funding for the Commission.

(a) Board of Commissioners

The following were the Commissioners during the financial reporting period:

Name	Position	Appointed On	Effective Till
Ms. Joann Young	Chairperson	17-Sep-15	Current
Mr. Firoz Ghazali	Deputy Chairperson	21-Feb-15	19-Feb-17
Mr. Isikeli Tikoduadua	Member	17-Sep-15	Current
Ms. Lyanne Vaurasi	Member	17-Sep-15	Current
Mr. Romil Patel	Member	17-Sep-15	Current
Mr. Vimlesh Sagar	Member	17-Sep-15	Current

(b) Transactions with Key Management Personnel

The key management personnel of the Commission include the Commissioners, the Chief Executive Officer and Deputy Chief Executive Officer. Key management personnel remuneration for the year amounted to \$84,946.

(c) Transactions with MITT (Funding Agency)

During the financial year the Commission received operating grant from MITT. The funding is governed by a service agreement that stipulates terms and conditions and outcomes expected to be achieved by the Commission during the financial year. This includes submission of quarterly reports to MITT detailing the acquittals of the grant.

	31 July 2016	2015
	\$	\$
Operating Grant (VAT inclusive)	<u>1,116,500</u>	<u>1,753,600</u>

NOTE 15: CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Liability

During the financial year, the Commission had one pending legal case and the details are as follows:

- 1) Case reference - ERCA Action No. 01 of 2015, Mr Sitiveni Laso Raikanokoda vs. Fijian Competition And Consumer Commission. Matter had been called before the employment tribunal whereby the employee is claiming damages, pain and sufferings. This liquidated damage may not exceed a claim amounting to \$12,000.

(b) Contingent Asset

The Commission is not aware of any contingent asset arising in the ordinary course of business.

NOTE 16: COMMITMENTS

(a) Capital Commitments

There were no contracted capital commitments at the reporting date or in the prior financial year.

(b) Operating Lease Commitments

The Commission leases four offices under non-cancellable operating lease agreements. The lease terms are between 3 and 5 years. The majority of lease agreements are renewable at the end of the lease period at market rate. The Commission is required to give prior notice for termination of these agreements. The future minimum lease payments under non-cancellable operating leases are as follows:

	31 July 2016	2015
	\$	\$
No later than 1 year	42,627	127,930
Later than 1 year and no later than 5 years	71,351	294,261
	<u>113,978</u>	<u>422,191</u>

FIJIAN COMPETITION AND CONSUMER COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR SEVEN MONTHS PERIOD ENDED 31 JULY 2016

NOTE 17: RESTATEMENT OF 2015 FINANCIAL STATEMENTS

The 2015 comparatives included in the financial statements were restated due to incorrect classification of spot fines as Commission's other income. All fines and penalties imposed by any statutory body belong to the Governments Consolidated Funds as these relate to offences committed against the State. The fines and penalties have to be remitted to Governments Consolidated Fund Account. The correction of prior period discrepancies have resulted in increases/(decreases) in the following accounts in the Statements of Financial Position and the Statements of Comprehensive Income:

	Reported 2015	Adjustment 2015 \$	Restated 2015 \$
Trade and Other Receivables	105,485	(51,718)	53,767
Trade and Other Payables	(11,502)	(208,905)	(220,407)
Employee Entitlement Provision	(21,615)	21,615	-
Accumulated Surplus	(507,917)	239,008	(268,909)

NOTE 18: PRINCIPAL ACTIVITY

The Commission is an independent statutory organisation that promotes effective competition and informed markets, encourages fair trading, protects consumers and controls prices of regulated industries or goods and services offered in limited competitive markets.



FIJI COMMERCE COMMISSION ANNUAL REPORT **2016**

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