



CONSUMER COUNCIL OF FIJI

ANNUAL REPORT 2006

Food items cost more

THE Consumer Council of Fiji and several State authorities are to find out why the prices of some food items have jumped overnight.

Council chief executive officer Premila Kumar said while the revised 2007 national budget had highlighted reductions in duty on certain food items, the prices had actually increased.

She said food items such as breakfast cereals, goat meat, potato chips, soft drinks, milk yogurt and cheese had duty on them reduced and this should have been reflected in their prices.

"Unfortunately, a random check by the council

in Finance Minister Mahendra Chaudhry to find out why there was a steady increase in food prices.

Mr Chaudhry had said the Prices and Incomes Board would conduct an investigation into why the retail price of certain locally-manufactured food and consumer items had escalated.

Ms Kumar said the council was concerned about traders who placed inexplicable charges on food items that were regulated by the PIB, plus those which carried zero Value Added Tax rate.

"Consumers are asked to thoroughly inform themselves of the prices that retailers should charge on the food items

THE Consumer Council of Fiji is against calls made by the Fiji Bus Operators Association to exclude the public from having a fair say to an increase or decrease in bus fares.

The public pays for bus fares each time they travel by bus which ultimately translates into profit for bus operators, the council said.

'Transparency a must on fare increase'

the increase in bus fares," the council said in a statement.

"While the council agrees that when fuel prices increase, businesses and consumers will be mostly affected. The council is calling on stakeholders to have a say in the decision making process."

Council chief executive officer, Premila Kumar, yesterday said a transparent bus fare formula, fair and inclusive needs to be established before talking about

serious account. Regulations regarding ticketing, passenger safety and health by the bus operators have continued to be ignored, Ms Kumar said.

"Currently there is no transparency as to how much operators make because ticketing system is left in dismay. Bus operators can easily argue that they are not making enough money because they don't disburse tickets to passengers on board the bus.

Council warns dirty restaurants

Dirty and unhygienic restaurants should close immediately, the Consumer Council of Fiji said yesterday.

And it raised concern that consumers were being put at risk and their health compromised by the increasing number of restaurants

used, restrooms were filthy, floors were dirty and slippery and sometimes cats were found roaming on the premises.

"The council on several occasions referred to the lack of enforcement of the Public Health Act and the Public Health Food Act as a major issue," said Mrs Kumar.

"These regulations are not

only will they lose out on the much needed tourism dollars to develop or beautify their town or city but also incur a higher cost to the Government in terms of addressing non-communicable and lifestyle diseases."

She said it was important that municipal council health inspectors strictly enforced these Acts

Mrs Kumar said that the council had received confirmation from the Director of the Health in the Suva City Council that under the Public Health Act the health inspectors can exercise their powers to close restaurants that failed to comply with the requirements of the Act.

"It will be very interesting to note just how many restaurants in

only will they lose out on the much needed tourism dollars to develop or beautify their town or city but also incur a higher cost to the Government in terms of addressing non-communicable and lifestyle diseases."

She said it was important that municipal council health inspectors strictly enforced these Acts

Doctors' fees too high: Council

FEES charged by private doctors are exorbitant and irrational, says the Consumer Council of Fiji.

Council chief executive Premila Kumar said there were no restrictions or obligatory guidelines imposed by medical practitioners or consultants in the country.

Mrs Kumar said while doctors already had processes in place to tell patients of their fees and charges before consulting

large and growing but poorly regulated.

Mrs Kumar said despite the existence of the Fiji College of General Practitioners as a body to look after the affairs of private practitioners, issues surrounding fees were not being addressed.

Mrs Kumar said young and inexperienced graduate doctors were also entering general practice.

The FCGP yesterday defended itself from the council's claims.

"President Doctor Wahid

CONSUMER COUNCIL OF FIJI

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Consumer Council of Fiji (CCF)

The Consumer Council of Fiji (CCF) is a statutory body established under the Consumer Council of Fiji Act -1976 (Cap 235). The Council provides the external pressure as a watchdog to create a fair and just delivery of goods and services. It represents and protects the rights and interests of consumers and in particular the disadvantaged groups, rural poor and women by identifying and articulating the policy issues that are of importance to the consumers. First and foremost the Consumer Council is an advocacy organisation, conducting rigorous research and policy analysis on key consumer issues. CCF's insight into consumer need is a powerful tool for influencing decision-makers to bring about change.

Council Vision

To build a conscious and assertive consumer movement in Fiji.

Council Mission

Making the consumer voice heard and making it count.

Our Values

Customer satisfaction;

Provide effective and quality services to our consumers all the time;

Respond to consumer complaints and queries with utmost respect and human dignity;

Value and enhance the cooperation and goodwill of counter part organizations in Government, NGOs and external partners.

Professional Excellence

Teamwork, Cooperation and self – discipline;

Open and honest communication;

Value new ideas and seek ways of doing things better;

Applying energy and enthusiasm to our work; and

Being competent, accountable, transparent and highly responsible.

Employee Satisfaction

Provide a reliable, rewarding and challenging environment for councils' employees;

Provide the opportunity for employees to utilize their full potential for quality performances

Council Services

Information, Education and Awareness services: To equip the students, community groups and teachers undergoing training with knowledge and insight into the conditions of being a consumer in a complex, multi-faceted society by providing basic knowledge in such areas as rights and responsibilities, consumer legislation, personal finances, economics, advertising and persuasion, pricing and quality, warranty/guarantee, back up service, lay bys, hire purchase and utilities and service providers.

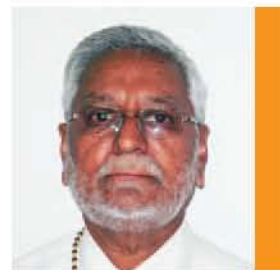
Research and Policy Analysis Services: To carry out research on key consumer issues and consumer protection legislations with the aim of safeguarding consumer interests by advocating policy change.

Consumer Advisory and Mediation Services: To assist consumers in resolving complaints through direct mediation and legal representation.

Board of Directors

Mr Swani K Maharaj

Mr. Maharaj, JP, FAIM, is the CEO of UCast BioPlastics Fiji Ltd. He is also the President of the Fiji Chamber of Commerce and Industry and Vice-President of India-Fiji Business Council. He has served on a number of local boards and committees at both district and national levels. He is the immediate past-President of Shri Sanatan Dharm Pratinidhi Sabha, Lautoka, and an active religious, political and social worker.



Mr Raman Dahia

Mr. Dahia is the Chief Operating Officer and Finance Director of Dahia Shoes Operating Entities. He is an accountant by profession and is an executive member of the Fiji New Zealand and Business Council. He currently serves on the Boards of the Consumer Council of Fiji and Samabula Health Centre.



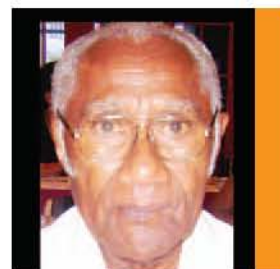
Mr. Champaklal Kapadia

Mr. Kapadia is the Managing Director of Brijlal & Co. Ltd. He holds a Bachelor of Commerce degree from University of Auckland and is a member of the New Zealand and Fiji Institutes of Accountants. He has served on several Boards including Telecom Fiji Limited, Maritime and Ports Authority of Fiji and the Fiji Broadcasting Corporation Limited.



Dr Salesi F. Savou

Dr. Savou was employed by the Ministry of Health as the Director of Primary and Preventative Health Services in 1989. He retired as the Director of the National Food and Nutrition Council of Fiji secretariat in 1999. He has been a Board member of Consumer Council of Fiji since September 1989.



Mrs Ilisapeci Bole

Mrs Bole is a former Principal Education Officer, volunteer worker with women's groups and current Board member of the Consumer Council of Fiji. She has served in Committees and Board of Government and NGOs, including the United Nations Women's Forum for heads of Missions Spouses in New York, National Executive Board of the Soqosoqo Vakamarama, and the President's College of Honours.



Chairman's Report



It is an immense pleasure to report on the performance of the Consumer Council of Fiji in 2006. This has been a busy and challenging year for the organisation: the Council has continued to play a very important role in voicing consumer concerns and achieving redress and/or relief.

As Chairman of the Council, I have endeavoured to raise the profile of the organisation and make it effective in addressing consumer issues in order to command the respect of the consumers as their effective and conscientious watchdog. I am pleased to report that the Board has shared my vision and contributed enthusiastically to effect such changes as have helped the Council to gain an identity and visibility to increase consumer confidence.

I was fortunate in obtaining the support of the whole board in drawing up our Corporate Plan for the first time. Under my direction, the Council resolved to commission a comprehensive independent assessment of the effectiveness of the Consumer Council of Fiji in delivering its consumer awareness and consumer service programs. In order to achieve this objective, as Executive Chairman, I initiated the concept of donor funding for the above research.

In the Council's thirty years of existence, this was the first time the Council has benefited from any independent comprehensive evaluation of its activities. The AusAID funded project was conducted by the Fiji Institute of Applied Studies (FIAS). The survey identified consumers' needs and expectations which enabled the Council to incorporate the findings and recommendations arising from this study into the new Corporate Plan.

The Council will continue to play a positive role in achieving a marketplace where consumers are well informed, confident and protected from unlawful, deceptive, misleading or otherwise, objectionable practices. It is therefore critical that consumers understand their rights and responsibilities, and have the skills and confidence necessary to ensure they receive the best quality services and value for their money. While we have achieved much, we have also learned that the task of changing consumer and trader perceptions is immense. The Council therefore is only at the beginning of a very important, long-term undertaking. Advocating for the enforcement of the nation's

consumer protection laws is critical and central to the well-being of the people in Fiji.

To accomplish its goals, the Council is focusing on undertaking a number of research projects on the most prominent issues affecting consumers' welfare and interests. Some research projects still in progress are:

Scrutiny of the life, health and travel insurance policies, Scrutiny of banks fees, charges and interest rates, and Scrutiny of public transportation system and shipping services.

The Council hopes to finalise these projects in the following year and submit to respective government ministries to impact policy changes that would ensure better consumer protection and/or redress mechanisms in the near future.

Building the profile and raising the image of any organisation is a dynamic and innovative process which can only be achieved by goodwill and cooperation between the Board and the Management. I would like to thank my Board of Directors for their dedicated input into the new direction that the Council is taking.

The Council would also like to express its sincere appreciation to the CEO and her team for striving to meet the objectives and key performance indicators outlined in the Service Agreement.

Our thanks also go to the Minister and the Permanent Secretary for consultation and policy guidance.

I would be failing in my duty if I do not express my gratitude for the support of our newly formed Consumer Network Group and other civil society organisations.

We are grateful to Consumers International (CI), Consumers International Regional Office of Asia and the Pacific (CIROAP), and consumer organisations in the member countries for their continuous technical and professional assistance and sponsorship to attend overseas workshops, seminars and conferences.

Finally, I would like to encourage the consumers to have faith in the Council, its management and staff to provide them with the services that they require. It is our endeavour to continue to engage with all our partners for a challenging and successful performance in 2007 for the benefit of consumers.

A handwritten signature in blue ink, appearing to read 'Swani Maharaj', written over a horizontal line.

Mr Swani Maharaj
Chairman
Consumer Council of Fiji

Chief Executive Officer /Executive Secretary's Report



I am delighted to report on the activities that were undertaken by the Council in 2006. At the outset, I wish to acknowledge the Board for its guidance and advice during this period. 2006 proved to be one of the most significant years for the Consumer Council with new management team in place.

As the newly appointed chief executive officer of the Council, it was a challenge for me to change the weak position of the Council in upholding the rights of consumers in Fiji. By working tirelessly to change the general consumer perception the Council has been able to establish its real presence in the market place throughout the year by proactively raising issues of concern to consumers. It continued to be involved in specific issues such as fuel surcharge, corporatisation of water supply, mobile network congestion, taxi services, and conditional sale of sugar, bulk billing to name a few to strongly express the consumer voice to business and government.

The Council recognizes that it is critical the consumers understand their rights and responsibilities, and have the skills, understanding and confidence necessary to ensure they receive the best quality services and value for money. It played its role in ensuring that the consumers are at the heart of public and private services and that its independence gives a strong voice in the marketplace irrespective of who the trader or service provider is. The Council was able to achieve better results by addressing consumer issues through improved work relations and more effective networking with other consumer protection agencies like the Department of Fair Trading and Consumer Affairs, Prices and Incomes Board and the Commerce Commission. During the year, the Council reorganized itself to implement targets set out in the Service Agreement by the Ministry of Commerce and Industry.

I am pleased to report on the Council's performance for the year by highlighting the key achievements.

Education and Awareness Services

Education is a front-line defence of consumers against unethical market practices. The Council makes every ef-

fort to educate consumers by giving them greater access to information. The aim is to provide consumers with the tools that will permit them to become aware, critical, responsible and supportive to consumers within a consumer society. The Council carried out the following activities:

- Worked with the Curriculum Development Unit (CDU) to finalise the Consumer and the Law Book as a resource material for school. AusAID funded the publication of 4,000 copies of this book.
- Published 10,000 copies of revised Cola or Coco-nuts book which was given to the Ministry of Education for distribution in schools. This was funded by the Consumers International Regional Office for Asia-Pacific.
- Conducted school programs on consumer education in 55 schools throughout Fiji. A total of 3790 students and 145 teachers attended the 47.58 hours program. 2063 brochures and 227 posters were distributed to primary schools.
- Visited a total of 147 communities in Fiji to raise awareness on consumer related issues. 3691 participants attended the sessions where 11,036 different brochures and 117 posters were distributed based on requests for information.
- Delivered consumer education programme to Corpus Christi Teachers College. The lectures were carried out for first, second and third year students. 66 brochures, 1 poster and 133 handouts were distributed in the 16 hours program.
- For Chevalier Farm Training Centre (CFTC) a total of 12 x 1 hour and 7 x 2 hours lectures conducted for the division 1 & 2 students.
- A total of 162 students visited our library at the headquarters in Suva and in two other regional offices (Lautoka and Labasa) to seek assistance on consumer issues as part of their projects.
- Workshops were conducted in Suva, Labasa and Lautoka. There were 183 participants who attended 23 hours program where 448 brochures & 35 posters were distributed.

The benefit or impact of consumer education led to more empowered consumers who raised concerns through print media on issues such as fuel surcharge, ban placed on sunshine junior milk, bulk billing by Vodafone is one example. Requests for consumer workshops in rural and peri-urban areas increased.

Information Initiatives

The Consumer Council seeks the best opportunities to draw consumers' attention by generating publicity on the organization and its mandate, cause of consumer issues and breach of consumer rights. The Council was successful in generating interest on consumer related issues

in print media, radios and television to raise awareness. In 2006, the Council undertook the following:

- The 2006 World Consumer Rights Day was celebrated on 15 March to raise awareness on the theme 'Energy: Sustainable Access for All' at the University of Fiji lecture Hall.
- Consumer Wheel-Council's quarterly newsletter was produced every quarter except for the last quarter. 4,500 copies of Consumer Wheel were circulated widely to inform the consumers on issues that interest them most.
- Radio Programs- A total of 27 (8 Hindi, 9 Fijian, 10 English) paid programmes were aired through the radio. The programmes produced for the year added to 405 minutes of air time.
- A total of 452 (71 Hindi, 87 Fijian, 294 English) unpaid programmes were aired through the radio. The programmes produced for the year added to 3537 minutes of air time. 479 paid and unpaid programmes were aired that added to 3942 minutes of air time. During the year, 248 different consumer issues were highlighted by radio programme.
- Print Media- A total of 256 articles were produced in the year: thirty five (35) Fijian; twenty eight (28) Hindi; and one hundred and ninety one (191) English. Approximately 25 articles per month were published for those consumers who read newspapers. 228 different consumer issues were covered by the print media.
- Television program: Thirty five (35) news items and four (4) Close Up programmes on consumer issues were shown on the TV One. A total of 19 website articles were posted on Fijilive.

The consumers continued receiving information through print, audio and visual media to be informed on different consumer issues. The issue of rechargeable lamp was first highlighted through media that led to declaring the lamp as dangerous goods.

Research Initiatives

The Council carried out research during the year which focused on identifying emerging issues affecting consumers and to gather evidence where change was needed. The Council challenged business complacency by bringing more awareness of the reality of consumer experiences. In June 2006, the Council received a grant of F\$50,000 from the Australian Government to conduct two comprehensive studies:

Effectiveness of the Consumer Council of Fiji

The Council commissioned the Fiji Institute of Applied Studies (FIAS) to conduct an independent comprehensive review of the Council's consumer awareness and service delivery programs. The survey provided a clear direction to the Council to design a 3 year Corporate Plan based on consumers' needs and interests. I wish

to thank the Government of Australia for assisting the Council financially to conduct an independent comprehensive evaluation of its activities.

Critical Analysis of the Life, Health & Travel Insurance Policies in Fiji

The purpose of this research was to critically examine and provide a comparative analysis of the current life, health and travel insurance policies of the various insurance companies to understand the nature and extent of the problems faced by the consumers.

The Council also conducted in house research on the following:

- Comparative analysis of banks fees, charges and interest rates;
- Problems associated with Inter-Island Shipping in Fiji;
- Issues Associated with medical services, fees and charges;
- Research on FEA fuel surcharge;
- Preliminary research on Fiji's gas market; and
- Issues Paper on the public transportation sector.

Minor research

A total of 50 minor researches were undertaken in 2006 based on consumer complaints or controversy. The information obtained were either sent as press releases or individually conveyed to the consumers.

ISSUES	
Rennet ingredient in cheese	Inappropriate labeling of reconstituted milk carton
Sky Fiji programmes and sports coverage	Hotel turn over tax charges
Poor Air Fiji Services	Prolonged delay in approval of housing plans by Dept of Town & Country Planning
Incorrect FEA services billing	Disputed sale of Momil lots
Incorrect water supply billing	Missing copra bags shipped from islands to mainland
Poor shipping services to the outer islands	Stamp duty charges on returned mobile phones
Poor services by municipalities	Bulk billing by Vodafone Company on Post pay customer accounts
Restaurant licensing /hygiene	Illegal sale of panadol strips on street
Labeling of Purjas Soya Bean Oil	Vodafone texting competition
Registration of herbalist	Gas pricing
Incorrect Telecom billing	Banned imported baby milk formula
Poor reception of Connect Internet services	Exclusive dealing by supermarkets
Incorrect property valuation	Cement pricing
School fees and charges	CWM Hospital fees and charges
Pharmaceutical services	Food price regulation
Text charges for radio promotions	Misleading advertisement for Broadband services
MH Flash & Gain card terms and conditions	Standards for imported electronic products
Intended increase of garbage collection fees	Benzene content in soft drink product
Increase in price of flour and sharp	Recalled carbinoxamine drugs in the market
Price of building materials	Shortage of sugar in the market
Corporatisation of water supply	Fees and charges by computer schools
Banks fees and charges	Questionable Insurance policies
Easy Tel phone charges/connections	Fuel surcharge application
Storage of Janola product on supermarket shelves	Real estate issues

Market Surveillance:

81 supermarkets and retail outlets were visited to monitor possible breaches of fair trading and any other consumer protection laws including checking for price, quality and standard of goods.

Submissions

The Council analysed the policies to understand the root cause of problems faced by the consumers and what changes are required to protect consumers. Oral and written submissions were made to the respective Agencies/Ministries/Departments including the Parliamentary Sector Committee. In total the Council made eleven submissions in 2006 to safeguard consumer interests.

Table 1- List of submissions made

TO	ABOUT
Commerce Commission	Pricing review of domestic postal services
Commerce Commission	Airport fees and charges
Dept of Fair Trading & Consumer Affairs	Real Estate Bill 2006 submission
Dept of Fair Trading & Consumer Affairs	Submission on Consumer Credit Regulation 2006
Ministry of Public Enterprises	Water and Sewerage Reform submission to the Charter Committee
Dept of Fair Trading & Consumer Affairs	Fuel (petrol/Diesel) Standards 2006
Commerce Commission	FEA 30 percent fuel surcharge
Prices and Incomes Board	Petroleum Price Review 2006
Ministry of Information	Telecommunication Bill 2006
Ministry of Public Enterprises	Fiji Water Authority Bill 2006
Ministry of Finance	National Budget -2007

Mediation and Consumer Advisory Services

The Council received 2397 complaints from the consumers around Fiji in 2006. These complaints do not include complaints lodged through telephone. The largest number of complaints received was concerning tenancy, real estate, clothing and footwear, spare parts, white goods, utilities and hire purchase.

Table 2- Complaints Analysis for 2006

Number of registered complaints	2397. About 200 cases reported every month.
Number of Consumer complaints solved through mediation	727 cases solved through mediation
Number of cases referred to Small Claims Tribunal	199 cases referred to the Small Claims Tribunal
Number of cases referred to other organizations	190 cases were referred to other enforcement agencies for action.
Provide consumer advice	1001
Weak cases	280 cases lacked evidence such as contract, receipts etc.

Table 3- Analysis of Complaints based on issues

ISSUES	NUMBER OF CASES
1 Clothing / footwear	64
2 Motor vehicle & other transport	35
3 Tenancy	209
4 Building & construction	33
5 Financial services	23
6 Food / beverage / tobacco	48
7 Contracts / consultancy	15
8 Advertising	25
9 Real Estate	60
10 Tools / equipments / spare parts	76
11 Restaurants / tourism	21
12 Commercial schools	6
13 Hire purchase	48
14 Packaging / labeling	32
15 White goods (electrical appliances)	40
16 Stationary	18
17 Fuel / petrol / gas	19
18 Fancy goods (watches / jewellery)	108
19 Utilities (water / electricity / telecommunication)	77
20 Miscellaneous	142

The Council assisted 199 consumers to seek redress from the Small Claims Tribunal. The Council also experienced increase in demand for advisory services. Written or in person advice was given to 1001 consumers mainly on products, utilities, tenancy, real estate, hire purchase etc.

As compared to 2005, the number of complaints lodged by the consumers at the Council increased by 57% in 2006. This can be attributed to increased level of awareness amongst the consumers.





■ Consumer Representation

In 2006 the Consumer Council worked with other organizations in a variety of ways to present an effective consumer voice in the development of policy and programs. The Council was represented in the work of various agencies and committees. These were:

- National Health Promotion Committee
- National ICM Steering Committee
- Fiji Standards of Electrical Appliances Committee
- National Non-Communicable Disease Committee
- Methyl Bromide Committee
- National Codex Committee
- Coalition of NGO's on Water Privatization
- National Bio-Safety Committee
- Tourism Steering Committee
- National Economic Summit
- Breastfeeding Committee
- National Food and Nutrition Committee

At the international level, the Council represented Fiji Trade Standards and Quality Control Organization (FTSQCO) at the Consumer Policy Committee (COPOLCO) which was established by ISO. In 2006 Fiji became the 96th member of COPOLCO. The Council is also a member of Consumers International, which is an International Non-Government Organization (INGO).

■ Consumer Network Members

To achieve the Council's vision which is to build conscious and assertive consumer movement in Fiji, the Council formed a consumer network of specialized and skilled group of volunteers to assist the Council in addressing issues that affect ordinary consumers in their day to day lives. During the year, the Council worked with Consumer network members on several issues such as quality of goods, market surveillance to name a few. Marshalling the untapped potential of a wider group of volunteers has helped the Council to achieve its goal. We continue to see interest in the community particularly on consumer activism.

■ Finance

In 2006, the Council received a grant of \$ 569,170 (VAT inclusive) from the government to run three offices located in Suva, Lautoka and Labasa. The real value of the government grant comes to \$498,024 after excluding 12.5% VAT. The Council had to source funding from non government sources to conduct its activities and to empower consumers on their rights and responsibilities. In 2006, the Council secured a total of \$77,857 from the Government of Australia (\$A56,000) and from Anne Fransen Fund (AFF), i.e Dutch funding (\$21,857) to assist the Council in achieving its corporate goals.



■ Staffing

The Council's employee establishment currently consists of 20 staff with a total establishment figure of 23. In 2006, a total of four staff left the Council. Two resigned, one terminated and one retired. Staffing is a critical issue for the Council with the demands placed by the consumers. To be an effective watchdog, the Council must be on top of things. This requires dedicated, motivated, hard-working staff who are able to adapt and learn faster with changing time. The Council is implementing the change management recommended by the FIAS Report. There has been vast improvement through this change management where staff have become responsible in working individually as well as part of a team.

■ Notes of Thanks

I would like to thank the government for providing the funds to run the institution and the Board of Directors for their guidance in steering the Council to the position it is today.

I thank my dedicated staff for their productive and dedicated work in 2006. Their collective efforts have produced a better result than that of recent years. Staff and Consumer Network Members have worked together as a dedicated, energetic and enthusiastic team committed to getting the best results for all consumers, particularly those who are vulnerable and disadvantaged. I wish to thank each and every consumer who gave his/her views on certain technical issues. I am very grateful to the do-

nors- Australian and the Dutch Governments for providing much needed funds which was utilized in carrying out the research. Without the donor funds some of the key researches that the Council did won't have been possible.

■ Conclusion

Despite limited funds the Council was able to take a pro-active stance of addressing and raising consumer issues throughout the year by working smarter. The Council achieved its corporate goals with the assistance from the donors and other key stakeholders. However, there is a need to recognize the important functions of the Council in ensuring that the consumers are receiving value for money from traders and the service providers.

The Council provides important feedback to the government when the policies are not effective or not implemented by demanding change. For example, medical services, shipping services, public transport to name a few. Similarly, the Council also provides feedback to the traders and service providers when consumers are dissatisfied with their services. Perhaps it is the only organization that can provide the view of the general public on products and services that can be used for improving the system. In this regard the Council deserves to be adequately resourced to serve consumers and the government alike.

Premila Kumar
Chief Executive Officer /Executive Secretary



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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REPUBLIC OF THE FIJI ISLANDS
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File: 1224/1

2 August 2007

Mr. Swani Maharaj
Chairman
Consumer Council of Fiji
4 Carnarvon Street
SUVA

Dear Mr. Maharaj

CONSUMER COUNCIL OF FIJI ACCOUNTS FOR THE YEAR 31 DECEMBER 2006

Two copies of the audited financial statements for the year ended 31 December 2006 together with my audit report on them are enclosed.

Particulars of errors and omissions arising from the audit have been forwarded to the Chief Executive Officer/Executive Secretary of the Council for her action.

Yours sincerely

Eroni Vatuloka
AUDITOR GENERAL

Encl.

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CONSUMER COUNCIL OF FIJI
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006
INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Consumer Council of Fiji for the year ended 31 December 2006 in accordance with section 52 of the Consumer Council Act and section 13 of the Audit Act. The financial statements consist of the Balance Sheet, Statement of Income and Expenditure, Statement of Accumulated Funds, Statement of Cash Flows and the accompanying notes. The Council is responsible for the preparation of the financial statements and the information they contain. My responsibility is to express an opinion on these financial statements based on my audit.

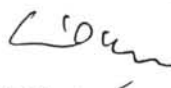
My audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of the accounting policies and significant accounting estimates. These procedures were undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualified Audit Opinion

The Property, Plant & Equipment of the Council have not been revalued in accordance with Fiji Accounting Standard (FAS) 16 *Property, Plant & Equipment*.

In my opinion, except for the effects on the financial statements of the matter referred to in the qualification paragraph, the financial statements present fairly in accordance with the statutory provisions, the financial position of the Council as at 31 December 2006 and the results of its operations and cash flows for the year then ended.


Eroni Vatuloka
AUDITOR GENERAL

Suva, Fiji

2 August 2007



**CONSUMER COUNCIL OF FIJI
BALANCE SHEET
AS AT 31 DECEMBER 2006**


	Note	31 December 2006 \$	31 December 2005 \$
CURRENT ASSETS			
Cash on Hand and at Bank	2	55,310	63,594
Refundable Deposits		4,614	4,014
Other Debtors	3	1,137	3,750
Prepayments		1,692	1,491
Accrued Grant			915
Deferred finance charges	11	24,034	
Total Current Assets		86,787	73,764
NON-CURRENT ASSETS			
Fixed Assets (Less Depreciation)	4	78,268	25,543
Total Non Current Assets		78,268	25,543
TOTAL ASSETS		165,055	99,307
Less: CURRENT LIABILITIES			
Accounts Payables & Accruals	8	22,592	27,603
VAT Payable		106,240	107,844
Provision for Annual Leave		10,889	21,406
Reimbursed Deposits		2,952	2,802
Grant - Information Materials		78	78
Grant - Aus Aid project		31,770	
Deferred Grant	5	10,661	26,493
Lease liability	10	8,667	
Total Current Liabilities		193,849	186,226
NON CURRENT LIABILITIES			
Loan	9	55,290	
Total Non Current Liabilities		55,290	
TOTAL LIABILITIES		249,139	186,226
NET ASSETS		(84,084)	(86,919)
ACCUMULATED FUNDS & RESERVES			
Accumulated Funds		(117,092)	(119,927)
Assets Revaluation Reserve		33,008	33,008
TOTAL ACCUMULATED FUNDS AND RESERVES		(84,084)	(86,919)

The balance sheet is to be read in conjunction with the notes to and forming part of the the financial statements set out on pages 5 to 8.

COUNCIL'S STATEMENT

In our opinion, the financial statements have been properly drawn up so as to give a true and fair view of the Council's operations for the year ended 31 December 2006 and of the state of affairs and cash flows as at that date.


Mr. Swani Maharaj
Chairman


Ms. Premila Devi Kumar
Chief Executive Officer/ Executive Secretary

Date : 01/ 08/ 07

Date : 01/ 08/ 07

**CONSUMER COUNCIL OF FIJI
STATEMENT OF ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	31 December 2006 \$	31 December 2005 \$
Accumulated funds brought forward	(119,927)	(105,785)
add: Prior year adjustment	441	
Net Surplus/(Deficit) for the Year	2,394	(14,142)
Accumulated Funds carried forward	(117,092) =====	(119,927) =====

The statement of accumulated funds is to be read in conjunction with the notes to and forming part of the the financial statements set out on pages 5 to 8.

**CONSUMER COUNCIL OF FIJI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	31 December 2006 \$	31 December 2005 \$
<u>Cashflows from Operating Activities</u>			
Receipt from Customers		570,434	545,538
Payments to Suppliers & Employees		(565,072)	(563,699)
Interest and bank charges		(2,283)	
Net VAT Paid		(1,163)	14,629
Net Cash Provided by Operating Activities	7	1,916	(3,532)
<u>Cashflows from Financing Activities</u>			
Net Cash Provided by Financing Activities		NIL	NIL
<u>Cashflows from Investing Activities</u>			
Proceeds from sale of assets		9,990	
Payments for acquisition of Assets		(20,190)	(6,124)
Net Cash Used by Investing Activities		(10,200)	(6,124)
Net (Decrease) in Cash Held		(8,284)	(9,656)
Cash at the Beginning of the Year		63,594	73,250
Cash at the End of the Year	2	55,310	63,594

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 8.

**CONSUMER COUNCIL OF FIJI
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2006**

	31 December 2006 \$	31 December 2005 \$
INCOME		
Fiji National Training Council Grant	875	3,350
Grant from Government of Fiji	505,928	499,804
Other Grants	60,001	28,000
Sundry Income	1,218	1,430
Deferred Grant Income	15,832	13,675
Gain on disposal of assets	8,367	-
TOTAL INCOME	592,221	546,259
EXPENDITURE		
Advertising	2,112	2,074
Audit Fees	6,236	5,864
Bank Charges	960	1,232
Council Expenses	13,342	16,383
Depreciation	15,832	13,675
Electricity and Water	8,668	7,294
Entertainment	994	653
Fiji National Training Council Levy	3,559	2,809
Insurance	1,607	1,010
Legal Fees	1,245	503
Office Expenses, Stationery, Publication & Advertisement	13,000	14,897
Research	-	3,447
Rent and Rates	50,206	49,238
Repairs on Office Equipment, Furniture & Fittings	2,481	2,613
Running Expenses - Motor Vehicles	11,082	13,100
Staff Salaries, Wages & Related Payments	398,546	369,221
Subscription to other Organisations & Fees	2,574	2,530
Sundries	1,114	1,171
TV, Radio Broadcast	1,894	4,204
Telephone & Postage Charges	23,693	21,443
Training Expenses	2,350	5,839
Travelling Expenses	24,239	12,701
World Consumer Rights Day	1,523	4,795
Workshop & Seminars	1,247	2,672
Food Security Workshop		1,033
Interest	1,323	
TOTAL EXPENDITURE	589,827	560,401
NET SURPLUS/(DEFICIT) FOR THE YEAR	2,394	(14,142)

The statement of income and expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 8.

**CONSUMER COUNCIL OF FIJI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Consumer Council of Fiji in the preparation of the financial statements for the year ended 31 December 2006 are stated below. Similar accounting policies were used in the previous years, unless otherwise stated.

a) Basis of Accounting

The accrual basis of accounting has been adopted for all the financial transactions.

The accounts have been prepared using the historical cost convention, which permits the revaluation of non-current assets but otherwise has no regards to changes in the price levels.

b) Depreciation

Depreciation is calculated on the straight-line basis to write off the cost of each fixed asset over its effective working life. The rates of depreciation used are:

Furniture & Fittings	33%
Office Equipment	20%
Motor Vehicle	10%

c) Income Tax

Under Section 8 of the Consumer Council Act [Cap 235], the Council is exempted from Income Tax.

d) Value Added Tax (VAT)

The statement of financial performance and statement of cashflows have been prepared so that all components are stated exclusive of VAT.

e) Cash and cash equivalents

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

f) Employee Benefits

(i) All employees who are Fiji Citizens are members of the Fiji National Provident Fund, an independent statutory administered fund. The Council has no liability for current or past activities.

(ii) The amounts expected to be paid to employees for the pro-rata entitlement to long services, annual and sick leaves are accrued annually at current pay rates having regard to experience of employee's departures and period of service.

g) Deferred Grant

Grants that compensate the council for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Council for the cost of an asset are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

h) Comparative Figures

Previous years figures have been regrouped where necessary for comparison purposes.

NOTE 2 : CASH ON HAND & AT BANK	31 December 2006 \$	31 December 2005 \$
Petty Cash	500	600
Cash at Bank:		
- Operating Account No 1462895	19,644	59,620
- Trust Account No 1462884	35,166	3,374
	55,310	63,594
	=====	=====

CONSUMER COUNCIL OF FIJI
NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 3 :	OTHER DEBTORS	31 December 2006 \$	31 December 2005 \$
	Other Debtors	1,137	3,750
		<u>1,137</u>	<u>3,750</u>

NOTE 4 : PROPERTY, PLANT & EQUIPMENT

(i) Fixed Assets are stated at cost and have been included in the accounts on the following basis:

	31 December 2006 \$	31 December 2005 \$
Furniture & Fittings	24,164	25,095
Less Accumulated depreciation	<u>22,776</u>	<u>21,422</u>
	1,388	3,673
Office Equipment	90,687	79,041
Less Accumulated depreciation	<u>53,140</u>	<u>57,171</u>
	37,547	21,870
Motor Vehicle	78,935	73,364
Less Accumulated depreciation	<u>39,602</u>	<u>73,364</u>
	39,333	0
Total Carrying Value	<u>78,268</u>	<u>25,543</u>

(ii) Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set as follows:

Carrying Amount	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
At 31 December 2005	3,673	21,870	-	25,543
Additions	1,040	27,718	40,000	68,758
Depreciations	(3,325)	(11,840)	(667)	(15,832)
Disposals	-	(201)	-	(201)
Carrying Amount At 31 December 2006	<u>\$ 1,388</u>	<u>37,547</u>	<u>39,333</u>	<u>78,268</u>

**CONSUMER COUNCIL OF FIJI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 5:	DEFERRED GRANT LIABILITY	31 December 2006	31 December 2005
		\$	\$
	AusAid Grant	-	950
	Government Grant	10,661	25,543
		10,661	26,493
		=====	=====

NOTE 6: GRANTS FROM GOVERNMENT OF FIJI

The Council receives Government grant through Ministry of Commerce, Business Development and Investment. In 2006, the Government grant constitute 84% (2005 - 91%) of the Council's total income.

NOTE 7:	Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus	31 December 2006	31 December 2005
		\$	\$
	Net Surplus/(Deficit) for the Year	2,394	(14,142)
	Depreciation	15,832	13,675
	Gain on disposal of assets	(5,018)	-
	Loss on disposal of assets	2,392	-
	(Increase)/Decrease in Other Debtors	3,528	(1,636)
	(Increase)/Decrease in Deposits	(600)	555
	(Increase)/Decrease in Prepayments	(201)	(846)
	(Increase)/Decrease in Deferred finance charges	(24,034)	-
	Increase/(Decrease) in Accounts Payables & Accruals	(6,615)	15,329
	Increase/(Decrease) in Provisions	(10,517)	(1,918)
	Increase/(Decrease) in Reimbursed Deposits	150	(2,345)
	Increase/(Decrease) in Deferred grant	(15,832)	(12,282)
	Increase/(Decrease) in Grant - Aus aid project	31,770	-
	Increase/(Decrease) in lease liability	8,667	-
	Increase/(Decrease) in other liabilities	-	78
	Net Cash Provided by Operating Activities	1,916	(3,532)
		=====	=====

NOTE 8:	ACCOUNTS PAYABLES & ACCRUALS	31 December 2006	31 December 2005
	Creditors	12,336	16,419
	Accruals	10,284	11,184
		22,620	27,603
		=====	=====

NOTE 9: LOAN

The Council obtained a financing arrangement with the Credit Corporation (Fiji) Limited to finance the purchase of a new vehicle payable within a three year term with an interest rate of 12% per annum. The new vehicle is held as collateral over the term of the loan.

NOTE 10:	EXPENDITURE COMMITMENTS	31 December 2006	31 December 2005
		\$	\$
	Finance lease commitments for the new photocopier is payable as:		
	Not later than one year	2,889	-
	Later than one year and not later than five years	8,667	-
		11,556	-
		=====	=====

The Council traded-in its photocopier under the leasing arrangement on which the gain on trade-in of \$5,018 was recognised.

**CONSUMER COUNCIL OF FIJI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 11: Deferred finance charges include interest payable on the leased financed assets of the Council obtained in 2006.

NOTE 12: PRINCIPAL ACTIVITIES

The principal purpose of the Council is to provide the protection and promotion of consumer interests, informing consumers of their rights and responsibilities and mobilising consumers to achieve fairness and safety in the marketplace.

CONSUMER RIGHTS & RESPONSIBILITIES

Consumer Rights

The right to satisfaction of basic needs – the right to basic goods and services which guarantee survival.

The right to safety- the right to be protected against the marketing of goods or the provision of services which are hazardous to health and life.

The right to be informed- the right to be protected against dishonest or misleading advertising or labeling. And the right to be given the facts and information needed to make an informed choice.

The right to choose- the right to choose products and services at competitive prices with an assurance of satisfactory quality.

The right to be heard- the right to express consumer interest in the making and execution of government policies.

The right to redress- the right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.

The right to consumer education- the right to acquire the knowledge and skills necessary to be an informed consumer.

The right to a healthy environment- the right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being.

The right to service – the right to receive the highest possible standard of service from public and private sector service providers regardless of consumers income and irrespective of whether they live in an urban or rural areas.

Consumer Responsibilities

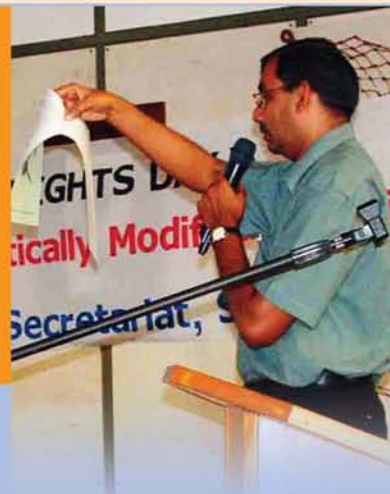
Critical Awareness – the responsibility to be more alert and questioning about the price and quality of goods and services we use.

Action – the responsibility to assert ourselves and act to ensure that we get a fair deal. As long as we remain passive consumers we will be exploited.

Social Concern – the responsibility to be aware of the impact of our consumption on other citizens, especially disadvantaged or powerless groups whether in the local, national or international community.

Environmental Awareness – the responsibility to understand the environmental and other consequences of our consumption. We should recognize our individual and social responsibility to conserve natural resources and protect the earth for future generations.

Solidarity – the responsibility to organize together as consumers to develop the strength and influence to promote and protect our interest.



For further information, enquiries or to lodge a consumer complaint, contact the Consumer Council of Fiji office nearest to you.

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