



## CONSUMER COUNCIL OF FIJI

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# Consumer Council of Fiji

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5 July 2012

Honourable Aiyaz Sayed-Khaiyum  
Minister for Industry and Trade  
Office of the Attorney General  
Level 7, Suvavou House  
Suva

Dear Minister

**Re: Consumer Council of Fiji Report and Accounts 2011**

I am pleased to present the Consumer Council of Fiji's Annual Report for 2011. According to section 16 (1) of the Consumer Council Act, I submit the following:

- (i) A copy of the Consumer Council of Fiji's Annual Accounts for the year ended 31 December 2011 certified by the Auditors; and
- (ii) A report on the Council's Operations for the 2011 fiscal year.

Yours sincerely

Narendra Padarath

**Chairperson**

## Board Members of 2011



### Chairperson

#### Mr. NARENDRA PADARATH

Mr. Narendra Padarath is a Justice of the Peace and a well-known businessman. He is the Managing Director of the Padarath Group of Companies, which amongst other achievements pioneered large scale poultry production in Fiji. He has served in a leadership role on a number of charitable, educational and sporting bodies. Mr. Padarath served as a Member of Parliament for the Ba West Indian Communal Constituency in 2006. He continues to serve the people of Ba and Fiji.

#### Mr. RAMAN DAHIA

Mr. Dahia is the Chief Operating Officer and Finance Director of Dahia Shoes Operating Entities. An accountant by profession, Mr. Dahia is also an executive member of the Fiji-New Zealand Business Council. He also serves on the board of the Samabula Health Centre.



#### Dr. SALESI F SAVOU

Dr. Savou is the longest serving board member of the Council since 1989. He was employed by the Ministry of Health as the Acting Director of Primary and Preventative Health Services from 1986 – 1988. After his retirement in January 1988, Dr Savou joined the National Food and Nutrition Council of Fiji Secretariat as the Director, retiring in December 1999.



#### Mrs. ILISAPECI BOLE

Mrs. Bole is a former Principal Education Officer. She is also a volunteer with women's groups and has served in committees and boards 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 Honors.



## Chairperson's Report – 2011



The pressure on the Council to perform to consumers' expectations was immense, coupled with the surge in the number of consumer complaints registered. Recognising the particular support needs of consumers, the Council was fully committed to championing their rights and needs.

It is my pleasure to report on the performance of the Consumer Council of Fiji for the year 2011.

The Council has continued to serve consumers through a strong performance in realizing its mandated objectives and by addressing the harsh economic realities that have affected the interests and welfare of Fiji consumers.

2011 was a busy and challenging year for the Council. It was a tough year for consumers with high costs of living driven by an increase in Value Added Tax (VAT) from 12.5% to 15%. The major issues confronting the Council included increases in Telecom Fiji's landline call rates, Fiji Electricity Authority's security deposit and taxi fares. Consumers further raised their concerns over unfair and ambiguous terms and conditions relating to bank fees and charges, hire purchase, broadband internet services and the authoritative mortgagee sale market.

The pressure on the Council to perform to consumers' expectations was immense, coupled with the surge in the number of consumer complaints registered. Recognising the particular support needs of consumers, the Council was fully committed to championing their rights and needs. However, the setback faced by the Council in providing redress was related to complex and outdated consumer protection laws.

2011 saw the completion of the Review of Fiji's Consumer Protection Laws funded by the European Union (EU). This exercise hopes to set out options for legislative reforms aimed at giving consumers, businesses and regulators a clear, simple, more flexible and affordable legal framework. The review report will be presented to the Cabinet in 2012 before the laws are drafted. Apart from the review of consumer protection laws, the Council also continued its community outreach activities aimed to empower consumers, regulators, business communities and other stakeholders on the importance of consumer rights and responsibilities.

The Council launched a project titled "Consumer Financial Protection and Building Credit Competency for Vulnerable Groups"

in 2011 with assistance from the Australian Government with the aim to empower consumers on how to borrow and manage debt wisely. Debt Management and Consumer Credit Advisory Service was introduced by the Council to provide free advice to consumers who are in debt and face financial problems. The Council assists consumers to reorganize their finances so that they are in a better position to pay off their debts without sinking deeper into its vicious cycle.

The Council also started a weekly business column in the Saturday publication of the Fiji Times and the Sunday publication of the Fiji Sun to educate consumers on hire purchase, loans and mortgages. With this initiative, the Council reached out to thousands of consumers who needed information to deal with their service providers. A campaign on "Read Before You Sign" was also launched to encourage consumers to read, analyse and understand their credit contracts before signing.

The implementation of important projects has been made possible through the generosity of donors such as European Union (EU) and Australian Agency for International Development (AusAID). I thank the donors for believing in the work of the Council. The Council also received small grants from Consumers International and Consumers Korea to conduct research on Broadband and on International Price Survey respectively.

I also thank the British Institute of Standards, Standards of Canada, Consumers International Regional Office of Asia and the Pacific (CIROAP), and the Federation of Malaysian Consumers Associations (FOMCA) for their continuous technical and professional assistance and sponsorship to attend overseas workshops, seminars and conferences.

My earnest gratitude is also extended to the Minister for Industry and Trade, Hon. Aiyaz Sayed-Khaiyum and his Permanent Secretary for their support in furthering consumer protection through policy change.

I sincerely thank the Chief Executive Officer of the Consumer Council of Fiji, its management team and staff who have worked both smart and hard to achieve the deliverables

outlined in the Service Agreement. My fellow board members also deserve praise for setting high standards, guidance and monitoring the progress of the Council.

The Council is grateful for the trust and respect that consumers have placed in it. We will continue to reflect and represent the views of consumers and to protect their interests without fear or favour.

While 2011 has been tough for consumers, the New Year is expected to look a bit brighter especially with the Government's policy changes announced with the 2012 National Budget. In particular, the reduction in personal income tax and 3% pay increase for civil servants which will undoubtedly assist consumers cope with high cost of living brought about by increases in electricity bills, taxi fares and food prices.

I wish the Council a very productive 2012.



.....  
Narendra Padarath  
Chair, Consumer Council of Fiji

## Chief Executive Officer's Report – 2011



It is my pleasure and privilege to present the 2011 annual report of the Consumer Council of Fiji.

2011 was a productive year and once again the Council achieved outstanding results by exceeding the targets contained in the 2011 Service Agreement set out by the Ministry of Industry and Trade. Many factors have contributed to the Council's success. These include the confidence consumers have in the Council, the deep insight and experience provided by the Board and the selfless efforts of 22 Council staff who have given unwavering commitment to consumer protection.

We have stayed close to consumers, through our complaints and enquiries work, community visits and mobile units. We heard what consumers had to tell us about unethical business practices in the marketplace. In 2011, the Council received 2,067 complaints, worth about \$3.8million, out of which \$1.7 million was recovered on behalf of the consumers through mediation by solving 1,306 complaints. Every year consumers in Fiji lose millions of dollars through unfair trading practices.

The Council remained involved in the issues that were at the forefront of people's lives. It has been proactive and took on issues that make a real difference to consumers' lives. Before I present the Council's accomplishments, let me provide some highlights on how the year unfolded for the consumers.

Whilst the coming into effect of the new VAT rate of 15% in January was expected, what shocked consumers was the manner in which some retailers and even Municipal Councils took advantage of the new VAT rate to increase prices and rates unfairly. The Council found some traders simply adding 2.5% on VAT inclusive price which pushed the price of goods and services beyond 15%. Naturally, consumers were disappointed with the increased VAT but the Government was able to minimize its negative effects by establishing a newly revised price control order in January 2011.

The Council's annual survey of school exercise books during January 2011 found that

their prices had actually increased despite a VAT waiver from the government. The Council, through price surveys, found that more than 80% of the books experienced price increases which ranged from as low as 1.1% to as high as 34.5%. It was evident that traders did not pass full VAT waiver to consumers. Whilst a hike in prices was expected due to the VAT rate increase, the Government did put in a temporary waiver to cushion the negative impact on parents' back-to-school budgets.

The Council found some schools engaging in exclusive dealing with traders for custom-made uniforms, bags, badges etc. Some schools discretely amended uniforms by including buttons with logos, embroidered badges and other modifications which are provided exclusively by one company. The Council highlighted these issues to the Minister for Education, in particular, how the policies of some schools/school management are resulting in an increased cost of education and consequently diluting the Government's efforts to increase access to education for all. The Council called for action to be taken to discourage traders, school management and others from making education expensive.

The 2011 July price survey found the price of sugar peaked at an increase of over 190 %, and price of a 550g packet of butter increased by 84 % between October 2009 and July 2011. While prices for six basic food items, namely, Rewa Life milk, Rewa powdered milk, dhal, onion, salt and tea leaves, decreased in 2011, the price of 14 other items- flour, sharp, butter, red cow powdered milk, rice, soya bean oil, sugar, tuna, eggs, potatoes, corned beef, corned mutton, and canned fish- had soared. Apart from the 2.5% increase in VAT, other factors, like low sugar production and high dependence on imported raw materials for milk and butter production, led to price increases.

The consumers were not spared by FEA when it decided to increase its security deposit for consumers in line with the new tariff rates introduced in 2010. Consumers had to pay a security deposit equivalent to two month's consumption of electricity for every account.

A big negative for this year was almost 100% increase in the taxi fare rates. Consumers were up in arms over the increase, as many had to pay almost twice their normal taxi fares. Their problems were exacerbated by the fact that many buses operating in low-income residential areas did not provide the services or decreased their runs after 6.00 pm. The new taxi rate came into effect on November 7 following a Deed of Agree-

ment signed between the government and the Fiji Taxi Union (FTU). According to the agreement, taxis would charge 10 cents for every 100 metres travelled as compared to the previous charge which was 10 cents for 200 metres of travel. To cushion the effect, the FTU agreed that all taxi operators would provide their service to disabled people at 20% discount for up to 20km of distance travelled.

### Positives in 2011

The year saw pro-consumer policies introduced by the Government. The year 2011 will be best remembered for the implementation of the following decisions:

- The Government introduced Marketing Controls (Foods for Infants and Young Children) Regulations 2010 in a bid to prohibit uncontrolled and unethical marketing of breast milk substitutes or infant formula. The Council had supported the Ministry of Health and National Food & Nutrition Centre in this initiative by monitoring the market behavior;
- The Council successfully lobbied the Ministry of Health (MOH) and other stakeholders to control the marketing of unhealthy or junk food to children. MOH had engaged a consultant to draft legislation. While the legislation is being drafted and discussed, the Council has maintained pressure on traders, through the media, urging them to exercise their corporate responsibility towards curbing Fiji's non-communicable diseases (NCDs), which has become the major cause of early mortality;
- In April 2011, the Government also introduced the biodiesel and ethanol standards via the National Diesel Standards (Amendment) Order 2011. The new standards will guarantee consumers quality fuel and assurances that biofuels will have similar performance with that of diesel or petrol;
- The National and Trade Measurement Regulation 1989 was amended to allow the Department of Weights & Measures to undertake the testing of water meters. The Council is pleased that water meters will now be tested by an independent authority and testing procedures are traceable to national and international standards;
- The Government approved the Trade Standards (Safety Information Standard for Hot Water Bottles) Order 2011 aimed at establishing better safety information standards for hot water bottles. The standard will ensure mandatory labelling with information on usage, storage



and safety instructions. The mandatory labelling for hot water bottles is another small step towards improving product standards for Fiji's consumers;

- In November, the Government introduced the first phase of Fiji's first ever electronic ticketing. The Council has long supported the concept of e-ticketing as a means of bringing better accountability and transparency in revenue collection in bus industry which is afflicted by pilferage and inefficiency. The Council hopes that e-ticketing will become a permanent feature in all buses in the country; and
- The Reserve Bank of Fiji (RBF), on 1st September 2011, issued its revised policy guideline on fees and charges of licensed banks in Fiji – "Banking Supervision Policy Statement No. 8A (Revised 2011): Accountability and Disclosure Guidelines on Interest Rates, Fees and Charges for Licensed Banks in Fiji". RBF has issued Banking Supervision Policy Statement Number 17: Interest Spread Disclosure statement making it mandatory for banks to publish interest rate spreads.

Some of the Council's campaigns and advocacy work in previous years had produced beneficial results for consumers in 2011. The Council does understand that getting consumer issues on the agenda of policymakers, regulators and other decision-makers is a challenging task requiring smart strategies, compromises and patience. The following are the major impacts of the Council's work in 2011, resulting from the efforts of the previous years.

- Food Establishment (Grading) Regulations was introduced for compliance, which sets minimum standards or requirements for restaurants and any outlets that serve food. It stipulates hygiene requirements, proper food stor-

age, healthy practices, ventilation and others. The regulations have come after the Consumer Council's restaurant grading campaign that began in 2008 which involved lobbying for stronger laws to protect consumers against unhygienic restaurants and bad practices;

- The Fiji Commerce Commission (FCC), on 9 March 2011, made a determination on selected hardware items to come under price control. The Consumer Council had highlighted exorbitant and unfair prices of hardware items, in its submission to the FCC in June 2010. The price evidence gathered shows a disturbing picture of uncontrolled price increases in a sector that has not been subject to price control (with the exception of a few items). The Commission introduced a new price regime establishing fixed maximum retail prices (MRPs) and fixed maximum wholesale prices (MWP) which came into effect on 19 March 2011. This gave consumers relief from having to pay exorbitant prices for important housing materials; and
- The Council's campaign on pharmacy practices came to fruition with the Commerce Commission establishing a new price control order on medicines and the Ministry of Health amending laws and regulations governing the conduct of pharmacists. The Council has also succeeded in lobbying for a review of the laws and regulations governing the pharmaceutical sector, with two new laws endorsed by the Cabinet on Medicinal Products Decree 2011 and Pharmacy Profession Decree 2011.

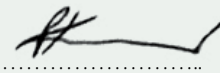
The major highlights of 2011 are testimony to the Council's ability to protect consumers from unfair trade practices. I wish to pay tribute to my dedicated staff members and express my confidence that they will continue to deliver more effectively for the consumers.

I would like to express my sincere appreciation to the Chairperson and members of the Board for their vision, guidance and support during the year. I also wish to thank our line Minister, Permanent Secretary for Industry and Trade, government ministries/department and consumer protection agencies for their support to the Council and for allowing the consumer voice to be heard and appreciated.

My acknowledgment and appreciation goes to the Government of Australia, European Union, Consumers Korea and Consumers International for providing much needed financial assistance in 2011 to help the Council achieve its targets. I also extend my gratitude to our sister consumer organizations abroad and Consumers International for their desire and commitment to help us throughout the year.

A word of thanks also to individuals and volunteers who have helped us during the year either through their direct action or words of support in the consumer cause. I sincerely thank the consumers of Fiji for their support and belief in the Council's mandate to represent their voice. I appreciate their phone calls, emails and personal visits to our offices to report unethical practices occurring in our marketplace and also thank those who have shown appreciation for the work we do.

I look forward to a very challenging 2012 as we take an evidence-based approach to championing consumers' interests in a complex, changing world.



Premila Kumar

**Chief Executive Officer**



## HIGHLIGHTS FOR 2011

During 2011 the Council achieved the following notable successes:

- A total of 2067 complaints were registered during the year, worth \$3,779,128. An average of 172 complaints per month;
- \$1,678,633 was put back into the pockets of 1306 consumers after mediation;
- Attended 2010 consumers' inquiries made on products and services. An increase in inquiries indicate cautious approaches taken by consumers as they have become aware of their rights and responsibilities;
- A total of 31 misleading advertisements were amended, removed or withdrawn after the Council's intervention. This included radio advertisements, websites, posters, and newspaper advertisements;
- Worked with leaders of community, faith based organizations, NGOs and government organizations to deliver 137 programs (44 mobile units, 54 community visits and 39 workshops/seminar) to reach a total of 7948 consumers (3498 females and 4450 males);
- A total of 5684 students and hundreds of teachers accessed updated information on consumer issues during 40 school visits. These visits by the Council resulted in teachers giving assignments and projects to students on consumer issues. 456 students were assisted with their assignments and projects;
- 52 students from Andhra College in Sigatoka, 110 from Queen Victoria School, and 80 from Vunimono High School visited the Council on educational trips. 12 foreign students from USP also visited the Council to understand its work;
- 163 trader and service providers rectified problems of expired food items, damaged items, labeling issues, to name a few during 358 visits made in 2011;
- 2,296 radio programs were conducted during the year with a total of 4,762 minutes of airtime. 792 English, 911 Hindi and 593 Fijian programs were aired on 509 issues;
- 527 newspaper articles were published with 315 different issues covered during the year. These included 374 in English, 119 in Fijian and 34 in Hindi;
- Wrote weekly business columns in the Saturday publication of the Fiji Times and the Sunday publication of the Fiji Sun to educate consumers on hire purchase, loans and mortgages. The Council also provided advice to shoppers through Fiji Times and Fiji Sun shoppers guide in the Friday publication;
- 320 TV programmes on consumer issues were featured with 103 issues covered during the year;
- 95 minor research projects, which were complaints driven, were conducted during the year;
- 11 submissions were made to ensure consumers' views were taken into account when Government and others reviewed policies or prices;
- 3 campaigns on Consumers for Fair Financial Services, Debt Management and Consumer Credit Advisory Services and Read Before you Sign were launched during the year to raise awareness and to seek policy reforms to better protect consumers of financial services;
- Funding for the sum of AUD\$150,000 was secured from AusAID to work in the area of consumer financial protection to build credit competency for vulnerable groups;
- Consumers had easier access to information after the new design for our website went live with additional features such as facebook for easy access to information whilst also informing them at a glance of the key areas of our work;
- Bank of the South Pacific reviewed the terms and conditions of their term deposits to prepay consumers who request to discontinue term deposits before maturity date;
- Link-On Consultant was taken into custody for obtaining money under false pretences for arranging visas abroad. The Council highlighted the matter publicly and also reported the case to the Criminal Investigation Department;
- Support was shown by the general public, business communities, regulatory bodies, etc for the Council's work on banking services. This was seen through an overwhelming number of participants attending the launch of the banking report and the number of NGOs that supported the Council's submission to the Fiji Commerce Commission;
- The Council started its consumer network in the Western Division as a pilot project to strengthen consumer movement. A group of consumers were trained to mobilize consumers in their areas on important consumer-related issues;
- The Council assisted the Ministry of Industry and Trade in bringing the 34th ISO/COPOLCO meeting to Fiji. The Council assisted in the preparatory work to host the meeting in May 2012 in Fiji;
- The Fiji Teachers Registration Board withdrew its registration of the Indian book sellers after the Council's intervention. The sellers were not allowed to sell books as the registration only allowed skills demonstration;
- Mobile phone companies were under the spotlight in 2011, particularly for misleading advertisements and non-disclosure of terms and conditions during promotions. Vodafone had to update information on its website regarding conditions of its overseas call promotion. In June it removed its "7cents" overseas call promotion which was still on its website, weeks after the promotion had ended. The mobile phone provider admitted its fault in the non-disclosure of the end dates of its promotion, using the same medium when it was promoted. Vodafone reassured that all communication channels used in the launch of the promotions will also be used to announce its end dates. The Council also made Digicel reveal winners of its texting games via a text message to all players that participated in each of its texting game. Inkk was pressured to remove "It's FREE with Inkk!" posters as these were still displayed even after the promotion period had ended;
- Foods Pacific Limited was compelled to remove all its Golden Country Corned Mutton with the use of unsubstantiated halal claims and was stopped to label its products 'Halal' without proper certification. The Council successfully intervened and stopped an up-market restaurant chain "Nandos" to remove a halal certificate displayed at its restaurants;
- Fiji TV removed its Sky Pacific advertisement which was advertised for \$166 for non-disclosure of other related costs/charges which was more than the advertised price;
- MH removed samples of Perfect Choice Salt batch #12 after the Council found it to be contaminated with sand and other foreign particles. The supermarket chain was also made to upgrade its scales and cash register system after the Council found that discrepancies in the system resulted in customers being wrongly charged.

## Alternative Disputes Resolution (ADR) & Consumer Advisory Services (CAS)



Council staff, Mithleshni Gurdayal serving a complainant

### “Justice delayed is Justice denied”

The Consumer Council places great emphasis on the effectiveness of its dispute resolution processes in resolving problems confronted by consumers. Every year consumers in Fiji lose millions of dollars through unfair trading practices. Consumers could easily save this money and more by being smart, conscious of their purchases and being knowledgeable on their consumer rights if transactions go wrong. The Council has been calling on the enforcement agencies for tougher enforcement actions against those who break the laws that hurt consumers and the state's economy.

The year 2011 was yet another busy year with the ADR Division recording a total of 2067 complaints from our 3 regional offices: Suva, Labasa & Lautoka. The complaints registered for the year had a monetary value of \$3,779,128. The council provided written and in-person advice to 936 people (388 in Central Division, 389 in Western Division and 159 in Northern Division) on utility bills, tenancy, hire purchase, price hikes, electronic goods, groceries, ICT services and others.

The high number of complaints received and registered shows the increased confidence consumers have in bringing their complaints to the Council and it also reflects a heightened awareness in terms of their rights.

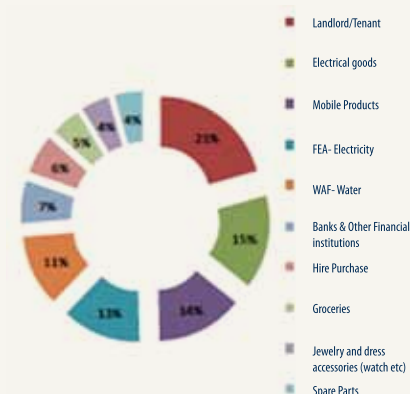
#### Impact:

\$1,678,633 was recovered on behalf of consumers through mediation. 63% of complaints solved through mediation is a win win situation for both consumers and respondents, which saves court time and money spent in finding solutions to the disputes.

Summary of Consumer Complaints for 2011	
Total received and registered complaints	2067 cases; an average of 172 cases per month
Complaints resolved and closed through mediation	1306 cases; an average of 109 cases per month
Cases referred to Small Claims Tribunal (SCT)	162 cases; an average of 13 cases per month
Cases referred to other Consumer Protection Agencies	97 cases; an average of 8 cases per month
Consumer Advice (not registered)	936 cases; an average of 78 cases per month

Most Recurring Complaints for 2011		
1	Landlord/Tenant	239
2	Electronic Goods	173
3	Mobile Products	161
4	Electricity - FEA	147
5	Water - WAF	131
6	Bank & Other Financial Institutions	78
7	Hire Purchases	71
8	Groceries	54
9	Jewelry & Dress Accessories	51
10	Spare Parts	51

#### Top 10 Recurring Complaints for 2011



#### Landlord/ Tenant

This has topped the list for the last 3 years and continues to be at the top. Most of the issues involved with landlord and tenancy disputes have been recurring over the years.

These involve non-refund of bond money; insufficient notice to vacate given by either party; various breaches with tenancy agreements; rent monies not being paid on time; repairs to the property not being attended to by landlord; problems arising from shared utilities like water and electricity; landlords not attending to the maintenance of the premises, and interfering with tenants' personal life. These issues stem from and continue to reflect the inefficiency of our current tenancy laws and its enforcement.

#### Electronic Goods

Complaints centered on goods that were of inferior quality and consumers who were dissatisfied with the after sales service of various products. Warranty terms and conditions were not clearly explained. This resulted in disputes when traders demanded repair costs despite extended warranty. Some traders are involved in the sale of very cheap electronic goods with a very minimal time



Inferior quality electronic goods in the Fiji market



for warranty – these issues are highlighted when items are normally returned to the trader for repairs shortly after purchase.

## Mobile Products

A lot of mobile products that were dealt with were counterfeit and mostly of inferior quality. Also, a notable condition for warranty over phones is 'liquid damage' – there is no clarity with this particular condition of warranty except for the fact that repair shops normally don't repair phones under warranty once they diagnose the damage as 'liquid damage'. Other complaints involved phones that were taken for repair but repairs not carried out properly; and phones and accessories being faulty even from the very first day of purchase.



*Many consumers are duped with counterfeit mobile phones*

## Electricity – Fiji Electricity Authority

One of the major issues that was dealt with this year was the implementation of security deposits by FEA where all service accounts were reviewed due to their current usage, taking into account the increase in tariff rates by FEA in 2010. There was an influx of complaints as consumers all over the country started to receive their amended security deposit amounts and were given 3 months to pay for the increase. The Council held several talks with FEA and, as a result, consumers were given an increase from 3 to 6 months to pay their deposit in installments. This issue also contributed to Landlord/Tenant disputes where landlords expected their tenants to pay for the increase although the account was under the landlord's name. Other issues revolved around the general customer service; lack of clarity with billing; meters not being able to register correctly; normal and estimated readings with bills; estimated bills resulting in huge bills; incorrect amount charged for security deposit etc.

CURRENT CHARGES	
CURRENT USAGE	
120KWH @ \$0.348400	\$41.81
Current Usage	\$41.81
OTHER SERVICES	
Other Services	\$0.00
Total Current Charges Due (VEP)	\$41.81
VAT 15.00%	\$6.27
Total Current Charges Due (VAT)	\$48.08
Additional Security Deposit	\$53.32
TOTAL DUE	\$101.40
CURRENT PAYMENT DUE BEFORE 07/02/2012	\$117.02 DR

*Security deposit on FEA bill*

## Water – Water Authority of Fiji

One of the main issues that was dealt with was the random hike in bills that were issued to consumers – an ongoing issue since the takeover by WAF and its implementation of new water meters. According to WAF, these increases were due to their technicians now taking normal readings as opposed to the underestimated billings their predecessors used to capture during the quarterly billing periods. Other issues include frequent water shortages; disconnections without billing; undetected leakages; and billings not received on time.

## Banks & Other Financial Institutions

Complaints against banks and other financial services related to various products and its terms and conditions; general customer services; interest and penalties; credit & debit card charges; fraudulent transfer of funds via internet banking; and statements not issued.

## Hire Purchases

Complaints in this area involved the failure of traders to inform consumers of their financial obligations via the non issuance of predislosure statements – this was predominant with vehicle car dealers. Another area with vehicle dealers was the abhorrent rogue like repossession techniques they deployed. Other hire purchase companies did not disclose financial obligations in their pre contractual disclosure forms as a 'take-home document'; their warranty terms and conditions did not cover theft; hire purchase agreements were not clear; extended warranty cover information was not clearly stated; products were of poor quality; and time a lot of time was taken for repairs without providing any replacement.



*High prices, sub-standard quality and lack of warranty is a concern in the spare parts market*

## Groceries

Most of the complaints in this area centered on products that were expired or of poor quality or damaged. An example is that of rotten garlic being sold by retailers which were brought to the Council's attention. Other areas involved insufficient or foreign labeling of grocery items; misleading advertisements by retailers; and price hikes.

## Jewelry & Dress Accessories

Jewelry and dress accessory complaints involved jewelry that were fake, some of which had discolored over a short period of time after purchase. Watches that normally would be taken for repairs would not be repaired properly. Consumers were not satisfied with the after sales service; jewelry sold were of inferior quality which broke easily; the price did not reflect its quality; and trade-in was done without proper paper work.



*Poor quality gold jewelries*

## Spare Parts

Spare part complaints consisted mainly on non availability of vehicle spare parts; high costs for sub-standards parts and spare parts warranty. Other issues included shops not supplying the correct parts and exorbitant charges being incurred by consumers for spare parts.

## Research, Market Surveillance & Policy Analysis

The Council's evidence-based research and policy analysis work contribute towards better understanding of the root cause of the problems and the policy interventions needed to protect consumers. The Council ensures consumer voice in policymaking and in this regard it engages with consumers, business sectors, and government institutions to propose effective solutions.



Council staff during a routine market surveillance

### MAJOR RESEARCH IN 2011

Three major research projects were initiated in 2011. These were:

#### Study of the Hire Purchase Market in Fiji

The Council engaged the Fiji National University (FNU) to critically examine the hire purchase industry in Fiji to establish the effectiveness of the Consumer Credit Act in protecting vulnerable consumers. The drafting of the report on the hire purchase industry is currently underway.

#### Analysis of Consumer Credit Act 1999

FNU was also contracted to review and rephrase the Consumer Credit Act 1999 into non technical language which can be easily understood by all consumers and also to gauge the effectiveness of the Act in protecting those who access credit to build their assets. The Council intends to launch both reports, The Review of the Consumer Credit Act and the Report on the Study of the Hire Purchase Market in Fiji in 2012.

#### Grocery Price Survey

The Council has been conducting price surveys of essential food and non food items in the month of July for the last 6 years. In 2011, a similar survey was conducted to understand price fluctuations on household budgets. The price surveys are used by the Council to make submissions on behalf of consumers to the Government during the call for submission for the national budget.

### MARKET SURVEILLANCE

The Council conducts market surveillance to protect consumers' health and safety. Market surveillance plays a crucial role in the field of consumer product safety as even the best

rules are worth little if they are not enforced properly. That is why effective market surveillance is so important, not only to protect consumers from unsafe products but also to ensure a level playing field for reputable businesses. A total of 358 trader and service provider visits were made to check pricing, expiry dates, labeling, product manipulation, etc.

#### Impact

- A total of 163 traders immediately rectified their problems – expired food items, damaged items, labelling issues, etc – discovered by the Council's market surveillance; and
- The Ministry of Health's Food Unit confiscated the following: HATARI cream crackers from Food for Less Supermarket; rotten potatoes from Shop N Save Supermarket; 153kg of rotten onions from New World Supermarket; and expired and damaged food items from Yee Ming shop at Flagstaff, Suva.

### SUBMISSIONS

One of the statutory functions of the Council is to advise the Minister responsible for consumer affairs or other relevant ministers on matters affecting the interests of consumers. It is also obliged to make representations to the Government or any other parties in regards to policies, laws and regulations and any initiative in the public or private sector that may have an impact on consumers in Fiji.

In this regard, the Council regularly makes formal submissions and at times oral presentations to policymakers, government regulators and even business groups on matters affecting consumers.

In 2011, a total of 11 submissions were made. The Council also made submissions at the

Government's National Budget consultation with the intention to influence government in lowering the cost of living.

Table: Submissions in 2011

NO	ORGANISATION	SUBJECT
1	Land Transport Authority	Taxi Fare Increase Submission by Fiji Taxi Union
2	Fiji Commerce Commission	Bank fees and charges, and competition
3	Ministry of Health	Draft National Quality Standards for the Health Laboratory
4	Ministry of Health	Policy to Limit or Control the Marketing of Unhealthy Foods to Children
5	Fiji Commerce Commission	Submission for Financial Sector SMP Inquiry
7	Fiji National Provident Fund	Submission on the Proposed Changes to FNPFA Act & Pension Scheme
8	Ministry of Finance	2012 National Budget Submission
9	Ministry of Health	Submission on the Food Establishment (Grading) Regulations 2011
10	Ministry of Health	Submission on the Review of the Public Health Act
11	Telecommunications Authority of Fiji	Draft Consumer Code of Practice Regulations

#### Impact

The Council's submissions have assisted policy makers understand consumer issues so that consumers are at the heart of policy making. Land Transport Authority requested Fiji Taxi Union (FTU) to resubmit its fare increase proposal with evidence after the Council objected to FTU's request for an exorbitant increase in taxi fare without substantiating.



## Minor Research in 2011

The Council conducted 95 minor research/investigations which were complaints driven. The following are a few highlights:

Issues	
Price survey and analysis of text books due to consumer concerns over exorbitant price hikes.	Price analysis 2010 vs 2011 Christmas catalogues of major gift stores to ascertain 'sales' claims.
Survey on disclosure of sausage casing ingredients.	Survey of service stations on services provided in Suva, Lautoka and Labasa.
Pre-Christmas survey of meat prices in supermarkets.	Nationwide hardware price survey to verify exorbitant pricing and business practices.
Survey of weighing machines used by market vendors to ascertain certification.	Telecom Fiji Limited use of summarized local call charges instead of itemized billing.
Rakiraki trader imposing EFTPOS surcharges and acquiring consumers' PINs to withdraw cash owed to trader. Survey of terms and conditions of retailers with EFTPOS machines.	Chinese shops in Lautoka and Nadi – sale of foreign-labelled products.
Selling of DR TEA (herbal medicine) without proper redress to consumers.	DHL - Rounding off of the packages weight in relation to the fees charged.
Telecom Fiji Limited - Increase in local telephone charges.	Makans Drugs & Pharmaceutical Supplies - Shortage of Baby Formula.
Pacific Foods Limited and Nandos Fiji – Unsubstantiated use of halal labels.	Canteen Price Survey of price controlled and non-price control items: Suva – Nausori corridor.
Fiji National Provident Fund – Funeral funds and special death benefits.	Condition selling or Rewa Butter – Dairy shops and canteens Kashmir, Lautoka.
Municipal Councils – Unfair increase in city rates for 2011.	Exclusive dealing on school uniforms and accessories - Lotus Garment (MFG) Limited.
Inconsistent price of Aqua Safe at MH Super Fresh Tamavua and Mobil Service Station Tamavua.	Illegible receipts – Rajendra Prasad Food Town Suva.
J Santa Ram (Stores) Ltd - relabeling of Reshma Mackerel.	Supermarket price survey - Imported vegetables/fruits after reduction of duty in the 2012 Budget.
Fiji Dairy Limited - Solid matter in Rewa Life Milk (1litre white).	Misleading information – Vodafone's Cheap International Call Rate promotion.
Food contamination - Sand deposits found in MH's Perfect Choice Salt.	Surveillance of supermarket price display/marketing of goods sold.
Overseas recall of LG double-door refrigerator – Hire purchase companies.	GP Dunlop Glue Survey – Small shops in Suva area.
Exorbitant fees – Post Fiji \$3 charged to consumers for picking up packages from Post Fiji counter.	Non-disclosure of winners – Digicel Text 'WAR' to 204 promotions.
Poor quality of Nivea Body Nourishing Lotion 400ml – Chotubhai, Beiersdorf Australia Ltd, C J Patel, Suva & Chotubhai, Suva.	Conditional selling of Rewa Butter – Small shops/canteens in Nausori.
Unauthorized school book sellers from India.	Terms and conditions of Bank of South Pacific's 'Switch, Swipe & Win Promotion.'
No-acceptance of coins for payment – Goodman Fielder International (Fiji) Ltd.	Unauthorized fuel price increase – Total Service Station, Makoi.
Exorbitant medicine prices – Superdrug Pharmacy, Nabua and Guardian Angel Pharmacy.	Vodafone Fiji Limited -Flash net charges.
Kim's Processing - Weight of tofu.	Recalled product 'Avents' feeding bottles – Survey of selected pharmacies around the country and Nippon Trading Limited.
Code of Practice violation; different medicine from prescribed one sold (Augmentin Forter replaced with Curam Duo) – Laucala Bay Pharmacy.	Water Authority of Fiji - Water shut down in 'Taveuni.
FEA Deposit – who is liable landlords or tenants.	Major Hardware outlets in the Country -Hardware survey.
Telecom Fiji Limited - Triple Up Advertisement.	Vinod Patel Co & Ltd, Centrepoint and Kasabias, Suva Shop - Marley PVC Junction (RJ 80mm x 95") price differential. Vinod Patel is selling it for \$13.20 while Kasabias sells it for \$4.54(difference of 191%).
Water Authority of Fiji (WAF) - Vatamai Road Community, Lovu, Lautoka – water supply not regular, but consumers still billed by WAF. Water cuts permanent problem in the area.	Water Authority of Fiji - Water shut down in 'Taveuni.
Major Hardware outlets in the Country -Hardware survey.	Vinod Patel Co & Ltd, Centrepoint and Kasabias, Suva Shop - Marley PVC Junction (RJ 80mm x 95") price differential. Vinod Patel is selling it for \$13.20 while Kasabias sells it for \$4.54(difference of 191%).

### Impact

Research provides information needed to analyse breach of consumer rights which ultimately leads to either product recalls, refunds to consumers or changes to terms and conditions. Some examples are:

- Post Fiji updated their receipt system to indicate stationeries are VAT exempted. Post Fiji Limited also extended the grace period for customers for the increase in rental box fee for 2011;
- Fiji Dairy Limited publicly admitted problems with their production system and clarified that milk is safe to drink. The company also provided replacements for milk that had solids or sediments in the milk;
- Rajendra Prasad Food Town Supermarket apologised for illegible receipts and rectified the problem;
- Foods Pacific Limited was compelled to remove all its Golden Country Corned

Mutton with the use of unsubstantiated halal claims and was stopped to label its products with 'Halal' without proper certification. The Council successfully intervened and stopped an up-market restaurant chain 'Nandos' to remove a halal certificate displayed at its restaurants;

- Fiji TV removed their Sky Pacific advertisement stating \$166 for non-disclosure of related costs/charges;
- The Fiji Teachers Registration Board withdrew the registration of the Indian book sellers after the Council's intervention. The sellers were not allowed to sell books as the registration only allowed skills demonstration;
- McDonald's radio advertisement on "50 cent Coca Cola glasses" was amended to accurately reflect the condition of the purchase. Consumers had wrongly bought meals that did not qualify for the promotion, as the radio advertisement had failed to specify the meal that was associated with the Coca Cola glass;
- Morris Hedstrom removed samples of Perfect Choice Salt batch #12 after the Council found the salt to be contaminated with sand and other foreign particles. The supermarket chain was also made to upgrade their scales and cash register system after the Council found that discrepancies in the system resulting in customers being wrongly charged; and
- Soft drinks giant, Coca Cola Amatil (Fiji) Limited had to put up notices in the newspapers on 16/12/11 and 19/12/11 advising customers that they can redeem their prizes from retail outlets with 'Peel and Win' competition posters.



Claims such as "halal" must be substantiated



Misleading price display of lettuce at MH

## KEY ENGAGEMENTS

The Council promotes effective representation of consumers in all forums where decisions affecting consumers' interests are made. In this regard, the Council engages in face-to-face discussion with traders, business groups, government and other important stakeholders. Some of the important engagements during 2011 with business organizations, industry groups and regulators were as follows:

- Mini Summit- Dental Schedule of Fee, Stewart Street Dental Practice, 10 Stewart Street Vinod Patel Building Suva, 19 January, 2011;
- Shop Hygiene and Sanitation Training, Mini Conference Room, 3rd Floor, Denim House, Suva, 16 February, 2011;
- The Draft National Solid Waste Management Strategy & Action Plan 2011-2014 Consultation held on the 24 to 25 March, 2011, at Holiday Inn, Suva;
- The Fiji Muslim League Committee members sought the assistance of the Council on the issue of Halal Food labeling on various products in the supermarkets on 13 April, 2011;
- The Review of FNPF Act and Pension Scheme Symposium at the Holiday Inn on 13th and 14 May, 2011;
- The Ministry of Health "Consensus Workshop on National Standards for Health Laboratory" on 17 May, 2011, at Banyan Room, Holiday Inn, Suva;
- Discussion with Mr. John Stansfield, Advocacy and Campaigns Director, OXFAM of New Zealand on 15 June, 2011 on issues pertaining to the quality of meat exported by NZ to the Pacific;
- Discussion at the Restaurant Grading Workshop, Ministry of Health, 14 July, 2011;
- The 4th Policy and Regulation Forum for Pacific, hosted by Asia Pacific Telecommunity (APT) whereby Council spoke on issues on the Telecom and ICT Sector in Fiji from a consumer's perspective, Nadi, 7-8 July, 2011;
- Pacific Islands Health Research Symposium: NCD Crisis, Nadi, 17 August, 2011;
- Overview of the Translation Research on Obesity Prevention in Communities (TROPIC) Project and Presentations of TROPIC members reports/submissions conducted by Fiji National University/FSM on 26 September, 2011;
- Fiji Institute of Engineers (FIE) to discuss the review of Fiji Building Code and relevant laws/regulations, 12 October, 2011;
- Ms. Pamela Kenilorea, Law Lecturer, University of Fiji, met with the Council to discuss the course outline for consumer protection on 14 October, 2011;
- Discussions with ISO Secretary General and TSAC member on 17 October, 2011 on Standards Development and hosting of 34th ISO/COPLCO 2012;
- Consultation on NCD Control by Ministry of Health to develop partnership between public and private sector on Healthier Food and Non-Alcoholic Drinks in Fiji at the National Food Nutrition Centre on 27 October, 2011;
- Consultation on the re-writing of Income Tax Decree 2011 at the Fiji Revenue & Customs Authority Complex on 21 November, 2011;
- Seminar for Company Board of Directors and Executives on Legal Responsibilities of Corporate Bodies and Company Directors conducted at Reserve Bank of Fiji Building, Suva on 21 November, 2011;
- The FNPF met with the Council to present the Pension Scheme Reforms on 14 December, 2011;
- The Council attended the final meeting on Pharmacy Profession Decree 2011 & Medicinal Products Decree with the Acting Director Fiji Pharmaceutical & Biomedical Services and Fiji Pharmaceutical Society, FRCA and FNU/FSM on 16 December 2011; and
- Public Health Act Review held at the Ministry of Health on the 16 December, 2011.



**National standards needed for health and medical labs**



**Junk food sold in school canteen**



**Pharmaceutical sector reform is essential for consumer protection**

The Council was represented on the following Committees and Boards at the national level:

No	Committee/Board	Organization/Ministry	Position
1	Sub-Committee on Toothpaste Standards	Ministry of Industry and Trade	Chair
2	National Codex Committee Meeting	Ministry of Agriculture	Member
3	Complaints Management Forum	Reserve Bank of Fiji	Member
4	Central Board of Health	Ministry of Health	Member
5	Numbering Industry Working Group	Telecommunications Authority of Fiji	Member
6	Trade Standards Advisory Council	Ministry of Industry and Trade	Chair
7	Financial Literacy Working Group	Reserve Bank of Fiji	Member
8	34th ISO/COPOLCO Organising Committee	Ministry of Industry and Trade	Co-Chair



## ADVERTISING MONITORING

A new activity that the Council introduced in 2011 was monitoring of advertisements where it scrutinizes all forms of advertisements for evidence of misinformation, non-disclosure and misleading promotions.

The Council investigated 44 advertisements during 2011 for various issues such as misleading pricing information, concealing actual terms and conditions, non-disclosure of prices, and promotion of validity period, etc. The biggest offenders for misleading advertisements were supermarkets and mobile

phone companies. These occurred mostly when specials or promotions were advertised for a limited time period.

A list of advertisements that came under scrutiny is given below.



Misleading "Anywhere in the world" ad

Table: Advertising Monitoring 2011

Trader/Business	Advertisement	Issue
MH Supermarkets	Orchid - all purpose lunch paper for \$0.99	Advertised product unavailable in some MH outlets.
Pacific Institute of Technology	Guarantee Job Attachment/Employment	Employment not guaranteed.
J Santa Ram	Black Pearl gel \$1.89	In-store price was \$1.99
MH Super Value Suva	Premium round steak \$1.16/100g	In-store advertised price was \$13.25/kg.
Inkk Mobile	"Anywhere in the world" for \$1.95/30mins	Applicable only for landline calls to 108 countries, not "anywhere" in the world.
Bargain Box Labasa	Crazy sale tag	Items not on sale but crazy sale tag was put up to hoodwink consumers
New World Narere	Sale price Knockout Mosquito coil \$1.59	In-store price was \$1.79
RB Patel	"NZ Garlic" \$2.38/480g	Garlic was from China and not NZ.
ANZ	Fast Saver interest rate 5.25%	Actual rate was 4.25%
Vodafone	Overseas 7c/call promotion	Misleading. Did not disclose whether the call is charged per second or minute. Promotion ended on 27/06/11, but advert still on Vodafone website a day after.
Morris Hedstrom	Advertised 13kg Fiji Gas	Fiji Gas cylinders only available in 12kg weights, not 13kg.
McDonalds	Radio advert indicated Coca Cola glass for 50cents on purchase of a meal	Promotion only for McValue meals and not any other meal.
MHCC	Price tag \$18.99/kg of lettuce	Price charged was actually \$24.99/kg.
Digicel Fiji	5 Times Your Credit Promotion	Did not disclose date when the promotion will end.
Jacks of Fiji	Spend \$50 and get \$10 gift voucher instantly	Did not disclose that discounted purchases over \$50 were excluded.
RB Patel	Aaron 2 Burner Gas Stove	Did not disclose that item was damaged.
Courts Fiji Ltd	TopKit spinning bike \$289	Actual price \$699.

### Impact

- A total of 31 misleading advertisements were amended, removed or withdrawn after the Council's intervention. This included a radio advertisement, websites, posters, newspaper advertisement, etc.
- RB Patel apologised for misleading advertisement/information on pre-packed garlic which claimed to be "NZ garlic" when in fact they were from China;
- The Council's advertising monitoring led to two banks making changes to their websites. ANZ updated interest rates figures on its site, while BSP corrected fees information on their website;
- Mobile phone companies were under the spotlight in 2011 particularly for misleading advertisements and non-

disclosure of terms and conditions during promotions. Vodafone had to update information on its website regarding conditions of their overseas call promotion. In June they removed their "7cents" overseas call promotion which was still on their website weeks after the promotion ended. The mobile phone provider admitted their fault in non-disclosure of the end dates for their promotions using the same medium when it is promoted. Vodafone reassured that all communication channels used in the launch of the promotions will be used to announce the end of promotion. The Council also made Digicel to reveal winners of their texting games via a text message to all players that participate in each of their texting game. Inkk was pressured to remove their "It's FREE with Inkk!" posters as

these were still displayed even after the promotion period had ended; and

- The TV advertisement on Sky Pacific promotion for \$166 was removed for non-disclosure of related costs/charges.

## International Research & Surveys

Table: International Research & Surveys 2011

International/Consumer Organisation	Research/Survey	Issue
Consumers International	Broadband – Survey	Broadband internet service providers
International Organisation for Standardisation (ISO) – Committee on Consumer Policy (COPOLCO)	Survey	Consumer needs in financial services
Consumers International	A2K Project – Survey	IPRs, copyright and access to knowledge
Consumers Korea	Survey	Prices – international price survey comparisons

The Council maintained its commitments to the international consumer movement's activities with 4 research projects undertaken with Consumers International, ISO-COPOLCO and Consumers Korea.

The Council participated in CI's international consumer survey under the Holding Broadband Service Providers to Account campaign. Apart from the member survey, the Council was instrumental in getting Fiji consumers to complete the detailed online survey. It continues to be an important participating member in CI's Access to Knowledge (A2K) project addressing intellectual property rights, fair use of online materials, etc.

The Council's ongoing partnership with Consumers Korea (CK) continued in 2011 where the Council participated in CK's international price survey of selected consumer goods. The Council has been a partner with CK's cosmetics research and survey where valuable information and country experiences has helped it to lobby for cosmetics standards in Fiji.

In 2011, the Council also participated in a survey on consumer needs in financial services undertaken by ISO/COPOLCO.

### Impact

The international surveys and research projects with the international consumer movements and sister organizations have enabled the Council to gather local information to build resources and advocacy materials for its local campaigns.

## CAMPAIGNS, INFORMATION AND MEDIA SERVICES



*Consumers reading Council brochures at a mobile unit*

Knowledgeable consumers are confident consumers who discourage unfair or deceptive business activities in the marketplace. Consumer confidence is in everyone's interests in Fiji - confident consumers' impact on spending and therefore economic recovery. The Council implements a proactive and aggressive outreach and education programme for consumers by using media outreach, a comprehensive website and facebook, mobile units, brochures and posters, TV, radio and cinema advertisements, presentations, publications, and partnership opportunities with faith based organisations, community based organisations and non-government organisations.

### CAMPAIGNS

The Council uses campaigns as a medium to raise consumer awareness, engagement and mobilization on key consumer issues. Through campaigns consumers become conscious, proactive, critical, responsible and supportive to demand better quality products and services. The Council's campaigns were on the following issues:

#### Consumers for Fair Financial Services

In 2011, the Council launched its campaign for fair financial services in Fiji. To give more prominence to this issue, the campaign was launched during World Consumer Rights Day (WCRD) in March with the theme "Consumers for Fair Financial Services". The Council officially launched a report on Banking Services in Fiji from Consumers' Perspective. WCRD was an opportune time to highlight this issue and seek support from the Government as well as the regulatory authorities to bring about necessary reforms in financial services to enhance consumer protection.

The banking report found that there were

four main areas of banking that needed serious improvements. These included:

- Giving full and proper information about bank services and charges;
- Providing quality service;
- Managing complaints effectively; and
- Reviewing high interest rates, fees and charges.



*Consumers lining up in front of ATM*

#### Formal complaint lodged with Fiji's Commerce Commission

The Council lodged a formal complaint with Fiji's Commerce Commission to investigate anti competitive behavior in the banking sector. The Council's submission was supported by local and regional institutions such as the Ecumenical Centre for Research, Education and Advocacy (ECEA), Citizen's Constitutional Forum (CCF), Fiji Council of Social Services (FCOSS), Fiji Consumers' Association (FCA), Pacific Action Network on Globalization (PANG), Pacific Communities Network (PCN) and Fiji Chamber of Commerce (FCC).



*Consumer Council CEO, Premila Kumar in discussion with FCC Chairman, Dr. Mahendra Reddy and other NGO representatives*

#### Read Before You Sign

The objective of this campaign was to empower consumers to fully understand contracts before signing. This campaign was geared towards rights and obligations, in particular, pre-contractual disclosure under the Consumer Credit Act 1999. To this effect the Council has also produced "Read Before You Sign" posters and a brochure. The posters are on Home Loans, Hire Purchase of White Goods and Buying Motor Vehicles on Credit. This campaign was launched in December 2011.



*Consumer Council CEO, Premila Kumar with AusAID First Secretary, Mr Timothy Gill at the launch*

#### Debt Management and Consumer Credit Advisory Services

The economic uncertainty also proves the need for investing in financial capability to help people manage their finances better, make better choices about their money and stay out of unmanageable debt. The Council's Debt Management and Consumer Credit Advisory Services program was launched



in September, 2011 to assist those consumers who are facing issues with paying their debt or intending to access credit. The Council provides professional advice to consumers on their current financial problems and helps them to reorganize their finances so that they are in a better position to pay it without sinking deeper into debt.

### Impact

The Fiji Commerce Commission (FCC) initiated an inquiry into Fiji's financial sector to determine whether there is substantial market power in the sector based on the Council's report to FCC to investigate anti-competitive behaviour;

On 17 March, 2011, the Reserve Bank of Fiji issued a Press Release "Banking Supervision Policy Statement Number 17: Interest Spread Disclosure Statement" which emphasized that commercial banks will now be required to publicly disclose any increases in interest rate spreads beyond the previously regulated limit of 4% for any given quarter; and

The Reserve Bank of Fiji on 1 September 2011 issued its revised policy guidelines on fees and charges of licensed banks in Fiji, "Banking Supervision Policy Statement No. 8A (Revised 2011): Accountability and Disclosure Guidelines on Interest Rates, Fees and Charges for Licensed Banks in Fiji".

## INFORMATION

Information empowers consumers and equips them with confidence, information and skills to shop for goods and services.

### School Program

In the contemporary marketplace, the advertising and marketing strategies of businesses and corporations have now become more child-focused. This is because the young population of today are known to have greater influence on their parents' decision-making and income. To protect child-consumers in Fiji, the Council conducts school visits to highlight issues associated with child consumerism.

One of the highlights of 2011 school visits was our ability to reach out to Koro High School in the Lomaiviti Group and Rabi High School on Rabi Island.

Divisions	No. of schools visited	No. of students
Central/Eastern	8	1765
Western	11	2181
Northern	21	1738
Total	40	5684

### Impact

A total of 5684 students and hundreds of teachers accessed updated information on consumer issues during the 40 school visits. These visits by the Council staff resulted in teachers giving assignments and projects on consumer issues.



*Council staff carry out school awareness program in Suva*

### School Broadcast Unit Recording

In 2011 the Council conducted new programs for the School Broadcast Unit (SBU) for children in Classes 5, 6, 7, and 8 in rural and outer-island communities.

### Seminars and Workshops

Seminars and Workshops are mediums through which participants learn key issues on consumerism. Besides attending events sponsored by other organisations, the Council frequently hosts its own events. The following are some highlights:

- EU Second Round Consultative Workshop at Tokatoka Resort, Nadi and JJ's on the Park in Suva, 7-10 March, 2011;
- Launch of Debt Management and Consumer Credit Advisory Services at JJ's on the Park in Suva, 13 September, 2011;
- Consumer Council of Fiji Seminar on Consumer Rights and Obligations under Consumer Credit Act, Capricorn Hotel, Nadi on 13 October, 2011; Waterfront Lautoka on 14 October, 2011; and DO's Office, Savusavu on 19 October, 2011;
- Seminar on Consumer Rights and Obligations in the Northern Division, USP MBA Conference Room-Labasa, 20-21 Oct, 2011;
- Strengthening Consumer Rights in Tavua, Community Hall, Tavua Village, 29-30 November, 2011; and
- Training Workshop on Consumer Protection Legislations for Small Claims Tribunal Referees, JJ's on the Park, 9-10 December, 2011.

Divisions	No. of workshops	No. of participants
Central/Eastern	14	1028
Western	13	543
Northern	12	452
Total	39	2023



*Small Claims Tribunal referees in group discussion*

### Mobile Units

The mobile unit is a creative and innovative means of providing service to consumers who find it difficult to access the Council's office due to distance or transportation costs. In 2011, a total of 44 mobile units were set up in different towns.

Divisions	No. of mobile units	No. of participants
Central/Eastern	22	2523
Western	12	623
Northern	10	707
Total	44	3853

### Impact

A total of 3853 consumers benefitted directly from mobile units.

### Community Awareness Programme

The Council's community visit program engages local communities on consumer issues of concern in their localities. During community visits consumers not only seek advice but also lodge complaints.

Divisions	No. of communities	No. of participants
Central/Eastern	18	1194
Western	15	388
Northern	21	490
Total	54	2072



*Council reaches out to Waidradra settlement in Deuba*

### Presentations

The CIM Division continues to conduct public outreach presentations when requested by other organisations. Some of these include:

- Supreme Court of Fiji: Training for Referees, Small Claims Tribunal, Ministry of Finance Training Room, Suva, 29 January, 2011;
- Nadi Chamber of Commerce: Business Forum on the theme "Reviving Business and Investment" with the topic "Consumer Protection Laws in Fiji" Koroivolu Park, Nadi, 17 April, 2011;
- Youth Empowerment and Capacity Building Training Dept of Youth & Sports, Naelecibi Village, Rakiraki, 19 May, 2011;
- Intergenerational Women Leaders Workshop-Fiji Association of Women Gradu-

ates, Lautoka, 28 May, 2011;

- 4th Policy and Regulation Forum for Pacific hosted by Asia Pacific Telecommunity (APT), Tanoa International, Nadi, 7 July, 2011; and
- ANZ Feedback Session to ANZ Branch Managers, Suva and Nadi, 24-25 November, 2011.

### Impact

A total of 4095 participants benefitted directly from 54 community visits and 39 workshops. The Council was also part of the Prime Minister's tour to the Lomaiviti Group where it conducted community activities in Nairai, Koro and Makogai.

### Publications

Eight new publications were added to the Council's resources to educate, inform and empower consumers. Some of the publications produced in 2011 were:

- Consumer Watch newsletter;
- Debt Management & Consumer Credit Advisory brochure in Fijian and English;
- Debt Management poster;
- Read Before You Sign brochure;
- Read Before You Sign Posters on Home Loans, Hire Purchase of White Goods and Buying Motor Vehicles on Credit;
- A Poster on "Food Labelling";
- Report on Banking Services from Consumer Perspective; and
- Report on Prices and Practices: Pharmaceutical Survey 2010.



Council newsletter-'Consumer Watch'



Councils brochures

### MEDIA

The Council is now very visible in the media as the voice of consumers, lobbying for their rights, and exposing unfair trade practices

and abuse of consumer rights. However, this is just one way of protecting the rights of consumers. Media organizations played a very significant role in highlighting key consumer issues throughout the year. They were the front line agents for the dissemination of information to generate interests on issues affecting consumers.

### Radio Programs

A total of 2296 radio programs were conducted with 4762 minutes of airtime. A total of 59 spots were booked on FM96, Navtarang and Viti FM from 13th September to 12th October, 2011, to promote the Debt Management and Consumer Credit Advisory Services.

Radio Programs	Language	Total
Paid	Fijian-26 English-24	50
Unpaid	English-768 Hindi-911	
	Fijian-567	2246
Total		2296



Media Officer, Cegu Babana on air discussing consumer issues

### TV Programs:

320 TV programs were featured with 103 issues during the year.

TV Programs in 2011	No. of coverage
Fiji TV-news	267
FBCTV-news	2
Mai TV-news	40
Talk-back shows (FBC) (English, Hindi)	6
Close Up	2
Talk Business	2
Pacific Way	1
Total	320



Council CEO, Premila Kumar at a press conference

### Print Media

A total of 527 newspaper articles were published with 315 different issues during the year. 374 English, 119 Fijian and 34 Hindi articles were published. The Council started writing a weekly business column in the Saturday publication of the Fiji Times and the Sunday publication of the Fiji Sun to educate consumers on hire purchase, loans and mortgages. The Council also provided advice to shoppers through Fiji Times and Fiji Sun shoppers guide in the Friday publication.

Newspaper Coverage in 2011	No. of Articles
English	374
Fijian	119
Hindi	34
Total	527

### Website

The website was given a new look and upgraded during the year with the financial assistance provided by EU. The aim was to make [www.consumersfiji.org](http://www.consumersfiji.org) more inviting to visitors and easier to navigate for information. Total website visits stand at 12,296 for 2011.

### Facebook

The Council's facebook was introduced in late 2011 with 400 Consumer Council friends.



Council page on Facebook

### Impact

Consumers have become more aware of their rights and responsibilities. This was evident from the number of complaints and enquiries made to the Council. More consumers knocked on the Council's door for advice. Feedback from consumers increased greatly on its website and facebook. The Council also noticed more consumers participating on radio talkback shows.



## Administration, Finance and Project Management

*AusAID First Secretary-Mr Timothy Gill with Council Board members and other stakeholders at the launch of Debt Management and Consumer Credit Advisory Services*



### Finance

In January, 2011 the Council signed a service agreement with the Minister for Industry and Trade, which outlined the key result areas and targets to be achieved. To deliver these targets, the Council received a grant of \$601,930.00 (VAT inclusive) from the government. The Council's budget poses a serious threat to the organisation's ability to retain personnel and continue to deliver quality services. To supplement the funds, the Council obtained funding from non-government organizations, Australian Agency for International Development (AusAID) and the European Union (EU) for its awareness and empowerment activities on consumer rights and responsibilities. In 2011 the Council secured F\$272,664.83 from three different agencies to assist in achieving its corporate goals and objectives. The table below shows the breakdown of funds:

Breakdown of Funds		
Project		Amount Received
1. AusAID – Financial Literacy Project		\$270,401.80
2. Consumers International – Broadband research		\$1,264.54
3. Consumers Korea – International Price Survey		\$998.49
Total		FJD\$272,664.83

In addition EU gave a grant of €223,000 for a three year project that will conclude in 2012.

The activities completed under European Union funding for a project "Strengthening Consumer Rights in Fiji and Eliminating Unfair Trade Practices through Advocacy and Enforcement of Consumer Protection Laws" were as follows:

### Review of Banking Services from Consumer Perspective



*Minister for Industry and Trade Mr Aiyaz Sayed-Khaiyum speaking at WCRD*

The Report on Banking Industry in Fiji, "Consumers' Perspective", was released on World Consumer Rights Day (WCRD) celebrations on 14th March, 2011.

### Prices and Practices: Pharmaceutical Survey 2010

On 21 February, 2011, a report on Prices and Practices: Pharmaceutical Survey was officially launched.

### Council Website Re-designing

The Council has revamped its website to create a virtual resource centre on consumer issues. The website was launched on 16 May, 2011.

### Building an Information Centre at the Consumer Council of Fiji

The Council completed the setting up of an Information Centre for students and other researchers. It assisted 456 students for projects and assignments through its library. About 254 students physically visited the Council library.

### Review of Consumer Protection Laws in Fiji

The Council contracted Mr. Shirish Deshpande, a Consultant from India, to review the Consumer Protection Laws in Fiji. The draft review report was drawn through consultative workshops. The Second Round Consultative Workshop and one on one meetings on the draft review report was held from 7 to 11 March in Nadi and Suva. A draft review report was circulated for comments/recommendations.

Training Workshop on Consumer Protection Legislations for Small Claims Tribunal Referees

In collaboration with Fiji Commerce Commission, a 2 day training workshop was organized for the Small Claims Tribunal referees from 9-10 December, 2011. The training focused on the Consumer Protection Laws in Fiji.

### Community Visits/Outer Island Visits

Besides conducting community visits to Nainicula Village in Tailevu and Waidradra Village in Navua, the Council also convened a workshop for senior citizens in Ba. The Council made an outer island visit to the Lomaiviti Group from 16th to 18th August, 2011. The vulnerable consumers in the rural areas and outer islands had the opportunity to be educated on their rights and responsibilities as consumers, the role of the Council, and redress mechanisms available to them in the event of any infringement of their rights.

### AusAID Funded Project

The Consumer Council of Fiji signed a funding agreement with AusAID on 17 January, 2011 for a sum of AUD\$150,000 to embark on a project titled 'Consumer Financial Protection and Building Credit Competency for Vulnerable Groups'. The objectives of this project were to empower consumers on their rights and obligations including redress when accessing credit. The activities funded by AusAID were as follows:

### Study of the Hire Purchase Market in Fiji

A nation-wide survey of consumers was carried out between July and September, 2011 to establish the extent of problems faced by the consumers when buying goods and services on hire purchase. A stakeholder consultation was held on 7 October, 2011 where the consultant presented his findings to industry representatives and other stakeholders. The report will be launched in 2012.

## Report on Analysis of Consumer Credit Act 1999

The purpose was to examine strengths, weaknesses and deficiencies in the hire purchase provision of the law and to suggest ways to improve consumers' ability to obtain a credit facility in a just and fair manner. The Consumer Credit Act was rephrased into non technical language which can be easily understood by an ordinary consumer. The Council intends to launch both reports in 2012.

## "Read Before You Sign" Campaign

This campaign was launched on 20 December 2011. It is aimed to educate consumers to read and understand their financial obligations before signing their contracts. The Council produced 3000 posters and 1000 brochures to provide information on pre-contractual disclosure which outlines key information that must be provided before consumers make an informed decisions.

## Debt Management and Consumer Credit Advisory Services

The Council launched its first ever "Debt Management and Consumer Credit Advisory Services" on 13 September, 2011. Since the launch, the Council has provided advice to a total of 12 consumers. A total of 3000 posters and brochures each were produced in the English language and 3000 brochures in the Fijian language were printed for distribution. A total of 59 spots were also booked on FM96, Navtarang and Viti FM from 13 September to 12 October to promote the Council's Debt Management and Consumer Credit Advisory Services.

## TV Programme – "Dollars and Sense"

Preparation work began in 2011 and the programme will be aired in 2012

## Workshops jointly funded by EU & AusAID

A total of 12 presentations were made on consumer rights and responsibilities under the Consumer Credit Act and debt management and consumer advisory services. Recipients were staff of the Latter Day Saints Church Head Office in Suva; staff and students of Narere Primary School; members of Fiji Association of Women Graduates (FAWG); staff of Nasinu Town Council; staff of Land Transport Authority; Latter Day Saints Annual Women's Conference in Suva; Navua Community; consumers from Nadi, Lautoka & Savusavu; Labasa; and Tavua village.

## Impacts

Donor funded projects assisted the Council to develop programs and activities that would not have been possible without this funding. The message on consumer rights and redress reached outer islands/rural and peri-urban areas; Small Claims Tribunal (SCT) referees were trained on consumer protection laws; Consumer Protection Laws were reviewed and for the first time the Council embarked on a financial literacy programme. It was through an AusAID funded project that the Council established Debt Management and Consumer Credit Advisory Services. Consumers are now able to access free direct services on debt management and seek advice on consumer credit products and services.

The Pharmaceutical Survey on Prices and Practices led to improvements in the pharmaceutical sector. The Fiji Commerce Commission reduced the percentage mark up on medicines. The Cabinet endorsed the Pharmacy Profession Decree 2011. This Decree will protect the public from unethical behavior of registered pharmacists. The Decree allows the registration of pharmacy technicians for the first time in Fiji.

## Human Resources

The Council management leads by example and does its best to hire people with a high standard of ethics. It has been fortunate enough not to have problems with unethical conduct. At end of 2011, a total of 22 staff were on contracts. Two posts were funded by AusAID and EU respectively. The Council attempts to hire employees who have a passion for consumer rights and responsibilities which make them self-motivated. Seventeen posts were advertised and one contract was terminated. Its high turnover rate is associated with low pay and staff marketability after serving the Council. Seven interns and three temporary staff were engaged to assist the Council in achieving its goals, but more importantly to nurture young advocates for consumer rights. The performance management system in place has resulted in high outputs and boosted the morale of staff. In 2011, a policy on flexi hour was introduced to factor the nature of our work which goes beyond the normal working hours.

## Training

Training opportunities were made available for those staff members whose talents or needs justified training requirements. In 2011 staff members attended six short training programs. The Complaints Management and Data Entry Officer attended training on Exceptional Customer Service at Fiji National University's National Training and Productivity Centre. The Council conducted an in-house orientation for its Regional Coordinator from Lautoka; Datec (Fiji) Ltd provided IT training to all staff members on virus scanning and downloading from the inter-

net; the CEO provided internal training on Consumer Credit Act to Managers and Project Officers. The Project Manager, Finance Officer and Project Officer Financial Literacy attended the Audit Coaching conducted by the European Union. The Manager-CIM, CIM Officer - Hindi and CIM Officer- Fijian attended training on Web-site development with Datec (Fiji) Ltd.

## Board Meetings

In 2011, the Council held five (5) Board meetings with a total of 30 board papers being presented. The Board continued to play an integral part in the Council's work, setting policy directions for management and also providing appropriate advice and expertise when needed.

## Staff and Management Meetings

Two (2) staff briefings and five (5) management meetings were held during the year.

## International Conference/ Training/Workshops/ Seminars

A total of 3 overseas engagements were attended by the Council staff. The CEO:

- Attended the Second Meeting of Project Committee on Cross Border Trade of Second Hand Goods – COPOLCO in Ottawa, Canada from 23-26 March. This was funded by Consumers International;
- Spoke at the plenary session at World Consumer Congress held in Hong Kong from 01-07 May. This was funded by Consumers International; and
- Attended and represented Fiji at the 33rd ISO/ COPOLCO 2011 events held in London, UK from 23 – 27 May. This was funded by the British Standards Institute (BSI).

## Conclusion

The year 2011 was full of challenges for the Council. It maintained its independence and determination to fight for the rights of consumers. This has been made possible by the loyalty of consumers whose insights inform the Council on what to campaign on and write about. The Council also provided feedback to the government when policies were not effective or not enforced. It worked closely with the Ministry of Industry and Trade to review ineffective consumer protection laws and to recommend effective redress mechanisms in the form of "Consumer Tribunal". The Council will continue to strive for excellence by working closely with Fiji Commerce Commission, donors, network members and other stakeholders to address key consumer concerns.



# FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

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**REPUBLIC OF FIJI**  
**OFFICE OF THE AUDITOR GENERAL**

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Excellence in Public Sector Auditing

**CONSUMER COUNCIL OF FIJI**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of Consumer Council of Fiji for the year ended 31 December 2011 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 Changes in Accumulated Funds, Statement of Cash Flows and the accompanying notes. The Council is responsible for the preparation and presentation of the financial statements and the information contained therein.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

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. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been 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 its cash flows.

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

**Audit Opinion**

In my opinion, the financial statements present fairly the financial position of the Consumer Council of Fiji as at 31 December 2011 and the result of its operations and its cash flows for the year then ended.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of my audit.

Tevita Bolanavanua  
**AUDITOR GENERAL**

4 July 2012  
Suva, Fiji





**MANAGEMENT CERTIFICATE**

We certify that these financial statements:

Have been drawn up as to give a true and a fair view of the state of affairs, operations and cash flows of the Consumer Council of Fiji for the year ended 31 December 2011.



Mr. Narendra Padarath

Chairperson

Date: 03/07/2012.



Ms. Premila Devi Kumar

Chief Executive Officer

Date: 02/07/12

CONSUMER COUNCIL OF FIJI  
BALANCE SHEET  
AS AT 31 DECEMBER 2011

## Schedule 1

	Note	31 December 2011 (\$)	31 December 2010 (\$) (Restated)
<b>Current Assets</b>			
Cash on Hand & at Bank	2	273,211	198,103
Other Debtors	3	10,531	7,531
Prepayments		1,342	1,542
<b>Total Current Assets</b>		<b>285,084</b>	207,176
<b>Non Current Assets</b>			
Fixed Assets (Less Depreciation)	4	40,891	60,715
<b>Total Non Current Assets</b>		<b>40,891</b>	60,715
<b>TOTAL ASSETS</b>		<b>325,975</b>	267,891
<b>Current Liabilities</b>			
Accounts Payables & Accruals	6	47,281	43,590
VAT Payable		73,013	172,556
Provision for Annual Leave		11,663	10,425
Grants Payable		266,751	180,266
Deferred Grant		40,891	60,715
<b>Total Current Liabilities</b>		<b>439,599</b>	467,552
<b>NET ASSETS</b>		<b>(113,624)</b>	(199,661)
Represented By :			
<b>Reserves and Accumulated Funds</b>			
Asset Revaluation Reserve		44,508	44,508
Accumulated Funds		(158,132)	(244,169)
<b>TOTAL ACCUMULATED FUNDS</b>		<b>(113,624)</b>	(199,661)

The accompanying notes are to be read in conjunction with the Financial Statements

**CONSUMER COUNCIL OF FIJI**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**Schedule 2**

	Note	31 December 2011 (\$)	31 December 2010 (\$)
<b>Income</b>			
Grant from Government of Fiji		531,281	517,578
Other Grants		107,852	---
Sundry Income		17,048	11,534
Deferred Grant Income		22,244	29,632
<b>Total Income</b>		<b>678,425</b>	<b>558,744</b>
<b>Expenditure</b>			
Advertising		10,894	4,775
Audit Fees		3,652	3,305
Bank Charges		847	772
Consultants		521	1,000
Council Expenses		10,942	11,253
Depreciation		22,244	29,632
Electricity and Water		24,080	15,278
Entertainment		208	298
TPAF		3,458	5,072
Insurance		5,521	4,242
IT Support		4,741	3,581
Labour Disputes		4,200	6,800
Office Expenses, Stationery & Publication		19,435	29,079
Research		98	427
Rent and Rates		50,061	49,800
Repairs on Office Equipment, Furniture & Fittings		3,576	6,171
Running Expenses - Motor Vehicles		9,932	9,370
Salaries, Wages & Related Payments		341,233	342,934
FNPF Expenses		26,840	26,642
Subscription		1,991	2,837
Sundries		2,399	2,147
Telephone & Postage Charges		14,879	12,130
Training & Workshop Expenses		455	1,981
Travelling Expenses		21,134	19,353
TV, Radio Broadcast		3,461	1,093
World Consumer Rights Day		5,586	733
<b>Total Expenditure</b>		<b>592,388</b>	<b>590,705</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>86,037</b>	<b>(31,961)</b>

The accompanying notes are to be read in conjunction with the Financial Statements.



CONSUMER COUNCIL OF FIJI  
STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2011

## Schedule 3

	Note	31 December 2011 (\$)	31 December 2010 (\$)
Accumulated funds brought forward		(244,169)	(77,619)
Less: Correction of Fundamental Errors		---	(134,589)
Net Surplus/(Deficit) for the Year		86,037	(31,961)
<b>Accumulated Funds carried forward</b>		<b>(158,132)</b>	<b>(244,169)</b>

The accompanying notes are to be read in conjunction with the Financial Statements.

**CONSUMER COUNCIL OF FIJI**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**Schedule 4**

	Note	31 December 2011 (\$)	31 December 2010 (\$)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		675,425	649,191
Payments to suppliers and employees		(597,897)	(692,529)
<b>Net cash provided by Operating Activities</b>	5	<b>77,528</b>	(43,338)
<b>Cash flows from Investing Activities</b>			
Payment for property, plant and equipment		(2,420)	(14,057)
<b>Net cash used in Investing Activities</b>		<b>(2,420)</b>	(14,057)
<b>Cash flows from Financing Activities</b>			
Repayment of Loan		---	---
Payments for lease finance		---	---
<b>Net cash provided by Financing Activities</b>		---	---
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		75,108	(57,395)
Cash and Cash Equivalent at the Beginning of the Year		198,103	255,498
<b>Cash and Cash Equivalent at the End of the Year</b>	2	<b>273,211</b>	198,103

The accompanying notes are to be read in conjunction with the Financial Statements.

## CONSUMER COUNCIL OF FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

## Schedule 5

**Note 1: Summary of Significant Accounting Policies**

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2011. Unless otherwise stated, similar policies were adopted in the previous year.

**(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 has been provided using straight line method to write off the assets over their useful lives.

The principal rates adopted are:

Furniture & Fittings	10-15% per annum
Office Equipment	10-25% per annum
Motor Vehicle	20% per annum

**(c) Income Tax**

The Council is exempted from income tax in accordance with the provisions of section 8 of the Consumer Council Act (Cap 235).

**(d) Value Added Tax (VAT)**

The statement of financial performance and statement of cashflows have been prepared so that all components are settled 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 cash on hand 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) Audit Fees**

An amount of \$3,652 were provided during the year to account for the 2010 Audit Fees. This has been included in expenses as at balance date.

**(i) Comparative Figures**

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



## CONSUMER COUNCIL OF FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

## Schedule 5

		31 December 2011 (\$)	31 December 2010 (\$)
<b>Note 2</b>	<b>Cash on Hand &amp; at Bank</b>		
	Cash on Hand	564	564
	Cash at Bank: - Operating Account No 1462895	5,896	34,561
	- Trust Account No 1462884	266,751	162,978
		<u>273,211</u>	<u>198,103</u>
<b>Note 3</b>	<b>Other Debtors</b>		
	Debtors	462	462
	Refundable Deposits	10,069	7,069
		<u>10,531</u>	<u>7,531</u>
<b>Note 4</b>	<b>Property, Plant and Equipment</b>		
(i)	Fixed Assets are stated at cost and have been included in the accounts on the following basis:		* Restated
	Furniture & Fittings	14,372	13,617
	Less: provision for depreciation	(7,718)	(5,870)
		<u>6,654</u>	<u>7,747</u>
	Office Equipment	99,270	97,604
	Less: provision for depreciation	(86,199)	(77,803)
		<u>13,070</u>	<u>19,801</u>
	Motor Vehicles	60,000	60,000
	Less: provision for depreciation	(38,833)	(26,833)
		<u>21,167</u>	<u>33,167</u>
	<b>Total Carrying Value</b>	<u>40,891</u>	<u>60,715</u>

\* The 2010 audited figures were restated to correct the negative written down values.

## CONSUMER COUNCIL OF FIJI

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Schedule 5

## FOR THE YEAR ENDED 31 DECEMBER 2011

31 December  
2011  
(\$)

31 December  
2010  
(\$)

- (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:

	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
<b>Cost</b>	13,617	97,604	60,000	171,221
Additions	756	1,665		2,421
Disposal				-
Revaluation	-	-	-	-
Balance as at 31 December 2011	14,372	99,270	60,000	173,642
<b>Depreciation</b>				
<b>Accumulated Depreciation - 1 January</b>	(5,870)	(77,803)	(26,833)	(110,506)
Depreciation for the year	(1,848)	(8,396)	(12,000)	(22,244)
Depreciation Write-off				
<b>Accumulated Depreciation as at 31/12/2011</b>	(7,718)	(86,199)	(38,833)	(132,750)
<b>Carrying Amount as at 31/12/11</b>	6,654	13,070	21,167	40,891

## CONSUMER COUNCIL OF FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

## Schedule 5

	31 December 2011 (\$)	31 December 2010 (\$)
<b>Note 5 Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus</b>		
Net Surplus/(Deficit) for the Year	86,037	(31,961)
Depreciation	22,244	29,632
<i>Prior Year Adjustments:</i>		
(Increase)/Decrease in Other Debtors	(3,000)	4,178
(Increase)/Decrease in Prepayments	200	(811)
Increase/(Decrease) in Accounts Payables & Accruals	3,691	(2,439)
Increase/(Decrease) in VAT Payable	(99,543)	136,356
Increase/(Decrease) in Fundamental Error	-	(134,589)
Increase/(Decrease) in Grant - Grants payable	86,485	(33,703)
Increase/(Decrease) in Provision for Annual Leave	1,238	5,572
Increase/(Decrease) in Deferred Grant Liability	(19,824)	(15,573)
<b>Net Cash Provided by Operating Activities</b>	<b>77,528</b>	<b>(43,338)</b>
<b>Note 6 Accounts Payables and Accruals</b>		
Accounts Payable	10,220	10,400
Accruals	37,061	33,190
	<b>47,281</b>	<b>43,590</b>

**Note 7 Related Parties****(a) Identity of related parties**

The Council incurs and bears the cost of the Consumer Council of Fiji meetings and provides allowances to non-civil servant and benefitsto the members of the Council as determined by the Council with the approval of the Minister in accordance with the Consumer Council Act 1976.

**(b) Transactions with related parties**

	31 December 2011 (\$)	31 December 2010 (\$)
Council Expenses	10,942	11,253
Government Grant	531,281	517,578
	<b>542,223</b>	<b>528,831</b>

The Government provided a grant to the Consumer Council of Fiji during the year comprising of operating grants of \$531,281 (2010: \$517,578) in accordance with the Counsumer Council Act 1976.



## CONSUMER COUNCIL OF FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

## Schedule 5

**Note 8 Council Members**

The names of the Council Members as at 31 December 2011 were:

Mr. Narendra Padarath	Chairman
Dr. Salesi F Savou	Member
Mr. Raman Dahia	Member
Mrs. Ilisapeci Bole	Member

**Note 9 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.

**Note 10 Council Details**(i) *Registered Office and Located Place of Operation*

The registered office and place of operation of the Council is located at:  
4 Carnarvon Street  
Private Mail Bag  
Suva

(ii) *Staff Establishment*

As at balance date, total of 20 employees were employed by the Council.

## CONSUMER RIGHTS

- **The right to satisfaction of basic needs** - the right to basic goods and services which guarantee survival;adequate food, clothing, shelter, health care, education and sanitation.
- **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 honest or misleading advertising or labelling. 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 area.

## 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 recognise our individual and social responsibility to conserve natural resources and protect the earth for future generations.

### Solidarity

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