



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Review Report of the Sugar Industry Tribunal 2016, 2017, 2018, 2019 and 2020 Annual Reports

Annexure



Sugar Industry Tribunal 2016 – 2019 Annual Reports

Presentation to
Standing Committee on Economic Affairs by
Sugar Industry Tribunal

28th May 2024

Presentation Outline

Industry Overview

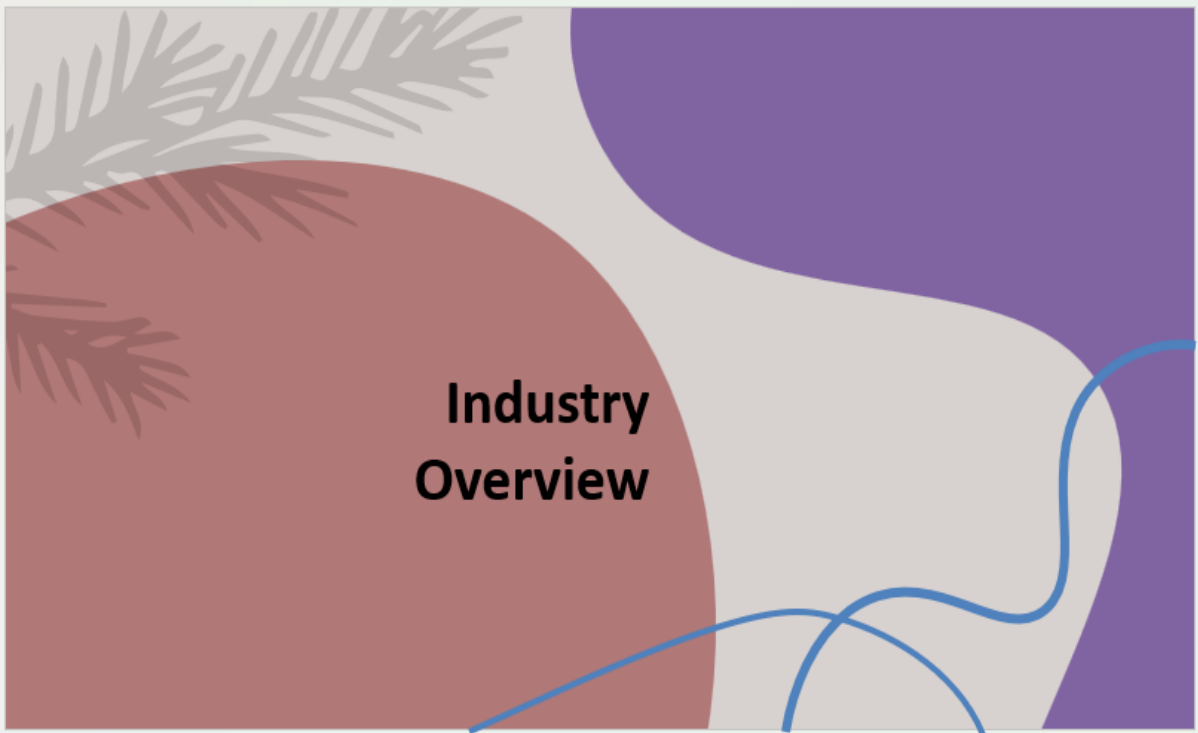
Register

Cane Payment

Financials

Challenges

Other Matters



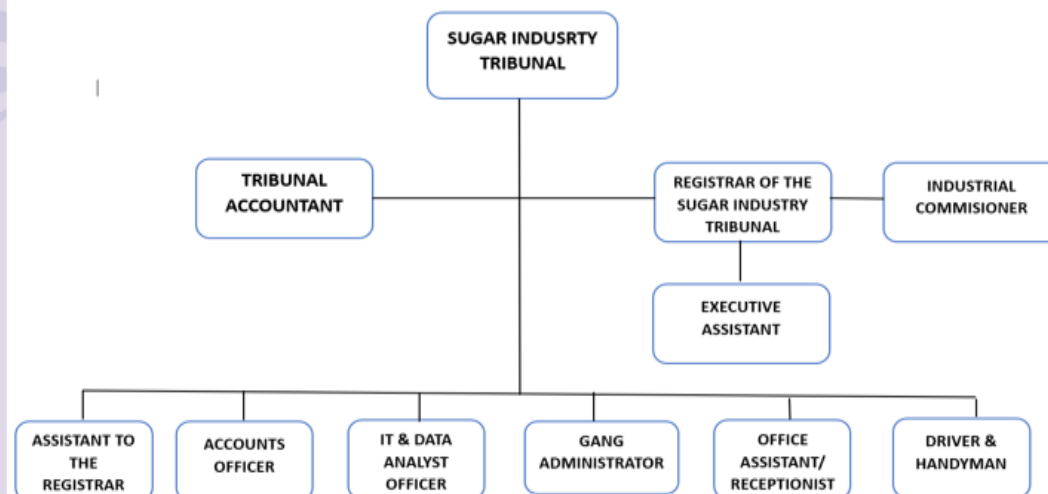
Establishment

- The Sugar Industry Tribunal was established by an Act of Parliament in 1984.
- Part III of the Act Establishes the Sugar Industry Tribunal its Functions and its Powers
- The Sugar Industry Act was amended in 2015 by an Act of Parliament “ Sugar Industry Amendment Act 10 of 2015”

Functions

- To hear and determine any dispute between the Council & the Corporation
- To hear and determine any interpretation of the Act or the Master Award
- To prepare the Master Award
- To hear and determine any issues arising under the Master Award
- To perform any such functions as may be assigned to the Tribunal by the Master Award.
- To prepare and maintain the Register of Growers; and to hear any and determine any question relating to the entitlement of any person to be Registered as a Cane Grower.
- To hear any question relating to the closure of a length of tramline
- To perform such other functions as are assigned to the Tribunal by this Act.

Sugar Industry Tribunal Organization Structure





Registrations

| | 2016 | 2017 | 2018 | 2019 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| National Harvest Quota | FSC did not inform the Tribunal | FSC did not inform the Tribunal | FSC did not inform the Tribunal | FSC did not inform the Tribunal |
| Purchase of all cane | FSC did not inform the Tribunal | FSC did not inform the Tribunal | FSC did not inform the Tribunal | FSC did not inform the Tribunal |
| Forecast Price | \$65.59 | \$77.21 | \$66.08 | \$53.69 |

Commencement of Crush

| | Lautoka | Rarawai | Labasa |
|------|----------------|----------------|----------------|
| 2016 | 19th July 2016 | 20th July 2016 | 16th June 2016 |
| 2017 | 6th June 2016 | 7th June 2017 | 1st June 2017 |
| 2018 | 3rd July 2018 | 17th July 2018 | 19th July 2018 |
| 2019 | 13th June 2019 | 9th July 2019 | 12th June 2019 |

Termination of Crush

| | Lautoka | Rarawai | Labasa |
|------|--------------------|--------------------|--------------------|
| 2016 | 14th December 2016 | 27th November 2016 | 6th November 2016. |
| 2017 | 17th October 2017 | 28th October 2017 | 19th November 2017 |
| 2018 | 12th December 2018 | 14th December 2018 | 11th December 2018 |
| 2019 | 11th December 2019 | 06th December 2019 | 04th December 2019 |

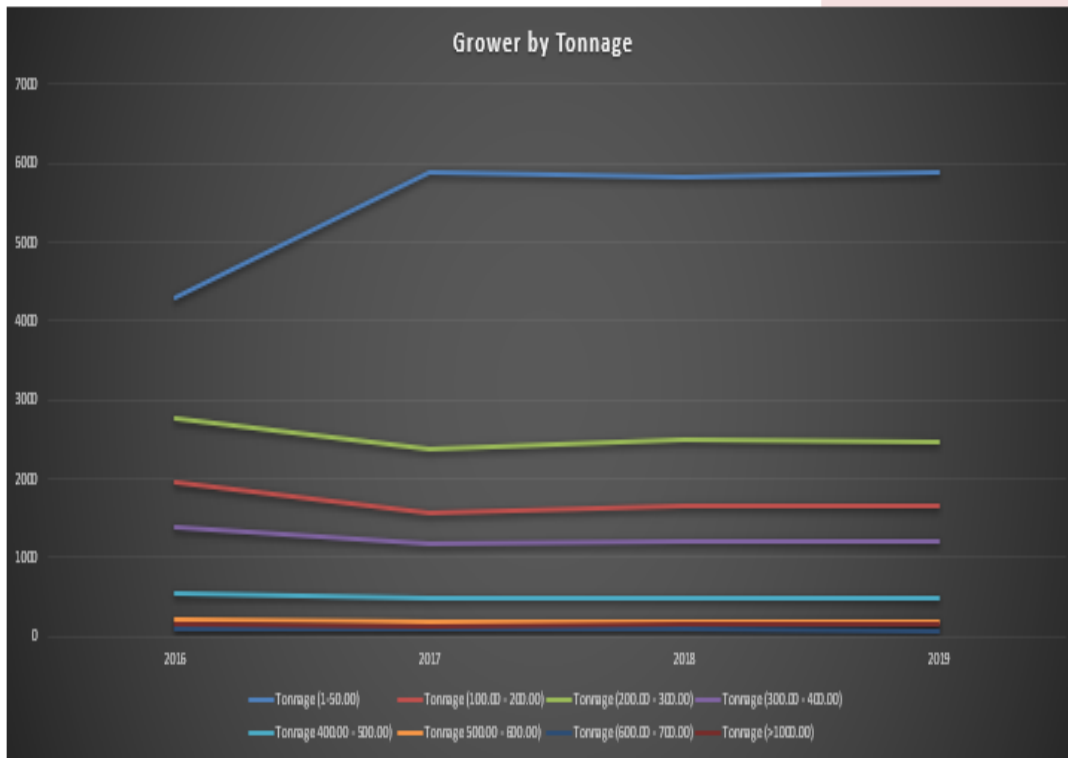
Registered Growers

| Year | Registered Growers | Active Growers | Nil Producers |
|------|--------------------|----------------|---------------|
| 2016 | 16395 | 11676 | 4719 |
| 2017 | 16161 | 11871 | 4290 |
| 2018 | 16593 | 11412 | 5181 |
| 2019 | 16615 | 11638 | 4977 |

Growers By Tonnage

| YEAR | Tonnage (1-50.00) | Tonnage (100.00-200.00) | Tonnage (200.00-300.00) | Tonnage (300.00-400.00) | Tonnage (400.00-500.00) | Tonnage (500.00-600.00) | Tonnage (600.00-700.00) | Tonnage (700.00-0) | Tonnage (>1000.00) |
|------|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------|--------------------|
| 2016 | 4310 | 1966 | 2767 | 1384 | 549 | 209 | 102 | 154 | |
| 2017 | 5902 | 1568 | 2385 | 1167 | 479 | 190 | 94 | 143 | |
| 2018 | 5826 | 1658 | 2488 | 1217 | 497 | 192 | 94 | 151 | |
| 2019 | 5894 | 1656 | 2465 | 1213 | 494 | 192 | 93 | 151 | |

Growers by Tonnage



CANE PAYMENT

Cane Payment

| Season | Cane Payment | Govt Top Up | Total |
|--------|--------------|-------------|---------|
| 2016 | \$72.85 | Nil | \$72.85 |
| 2017 | \$75.02 | \$9.98 | \$85.00 |
| 2018 | \$54.06 | \$30.94 | \$85.00 |
| 2019 | \$56.80 | \$28.20 | \$85.00 |

FINANCIALS

FINANCIAL SUMMARY

| YEAR | BUDGET | AUDIT REPORT |
|------|---------------|--------------|
| 2016 | \$ 479,947.00 | Qualified |
| 2017 | \$ 479,947.00 | Qualified |
| 2018 | \$ 479,947.00 | Qualified |
| 2019 | \$ 400,000.00 | Qualified |
| 2020 | \$ 400,000.00 | Qualified |
| 2021 | \$ 375,000.00 | In Progress |
| 2022 | \$ 350,000.00 | In Progress |
| 2023 | \$ 350,000.00 | In Progress |

FINANCIAL SUMMARY

The Sugar Industry Tribunal's administrative expenses is paid for by the State as per Section 29 (1) of the Sugar Industry Act.

The Tribunal's Office received \$350,000.00 for the financial years 2020/2021, 2022/2023, 2023/2024 from Government for its expenses. This is insufficient for the administrative work of the Tribunal office.

FINANCIAL SUMMARY

The budget approved for the financial year 2022/2023 and 2023/2024 was inadequate.

- Financial year 2022/2023 – 2nd Quarter **(Shortfall of \$24,447.95).**
- Financial year 2022/2023 – 3rd Quarter **(Shortfall of \$25,377.97).**
- Financial year 2022/2023 – 4th Quarter **(Shortfall of \$35,927.04).**

Sugar Industry Tribunal the Trustee of SK Trust approved that SIT utilize funds from SK Trust to ensure that its operations continue.

Part of the SK Trust funds utilized was refunded upon the receipt of the grants by the MoSI.

FINANCIAL CONTINUED...

- SIT received a budget of \$350,000.00 for the financial year 2023/2024 Budget. This was received very late.
- This affected the operations of SIT which resulted in borrowing an additional sum of \$48,199.78 from SK Trust.
- The Tribunal requested that the Government refund SK Trust the amount of \$84,126.82 which was used by the Tribunal for the 4th quarter 2022/2023 and the 1st quarter 2023/2024.
- These funds have not been paid back to SK Trust.

FINANCIAL CONTINUED...

Re : SALARY INCREASE - 3% COLA

I refer to your letter dated 19/05/99.

I am pleased to inform that the Higher Salaries Commission has approved the 3% COLA increase in salary and allowances from 01/01/99 for the following positions:

| <u>Position</u> | <u>Current Salary/ Allowance</u> | <u>Approved Salary/ Allowance (3%) w.e.f 01/01/99</u> |
|-------------------------|--------------------------------------|---|
| Industrial Commissioner | 41,312 | 42,551 |
| Registrar | 6,700 Allowance | 6,901 Allowance |
| Tribunal | 12,000 Allowance | 12,360 Allowance |

FINANCIAL CONTINUED...

REMUNERATION REVIEW FOR THE INDUSTRIAL COMMISSIONER AND REGISTRAR - SUGAR INDUSTRY TRIBUNAL

Your submission to the Higher Salaries Commission dated 15th February 2005 on the above matter, refers.

At its meeting on 21st April 2005 the Commission has approved the **revised total remuneration package** (base salary, allowances plus fringe benefits) excluding the car benefit for the position of the Industrial Commissioner and Registrar, Sugar Industry Tribunal as you have recommended:

| Industrial Commissioner and Registrar, Sugar Industry Tribunal | |
|---|----------|
| Total Remuneration Package | \$86,377 |

The Tribunal is requested to submit a copy of the revised contract for the Industrial Commissioner and Registrar to the Commission, as is policy.

FINANCIAL CONTINUED...

- **Staff Increment**

There has been no staff increment since 2008.

IT INFRASTRUCTURE – REGISTER

Server

Domain

Database

Reliance on FSC

Loss of data

**Extraction & Generating of Reports – no
access**

BUDGET PROPOSAL 2024/2025

| 2024-2025 OPERATIONAL BUDGET PROPOSAL | |
|--|---------------|
| Operational Budget | \$ 515,514.00 |
| S K Trust Reimbursement | \$ 84,126.00 |
| Budget Proposed | \$ 600,000.00 |
| | |
| 2024-2025 CAPITAL BUDGET PROPOSAL | |
| IT Infrastructure | \$ 106,400.00 |

CHALLENGES

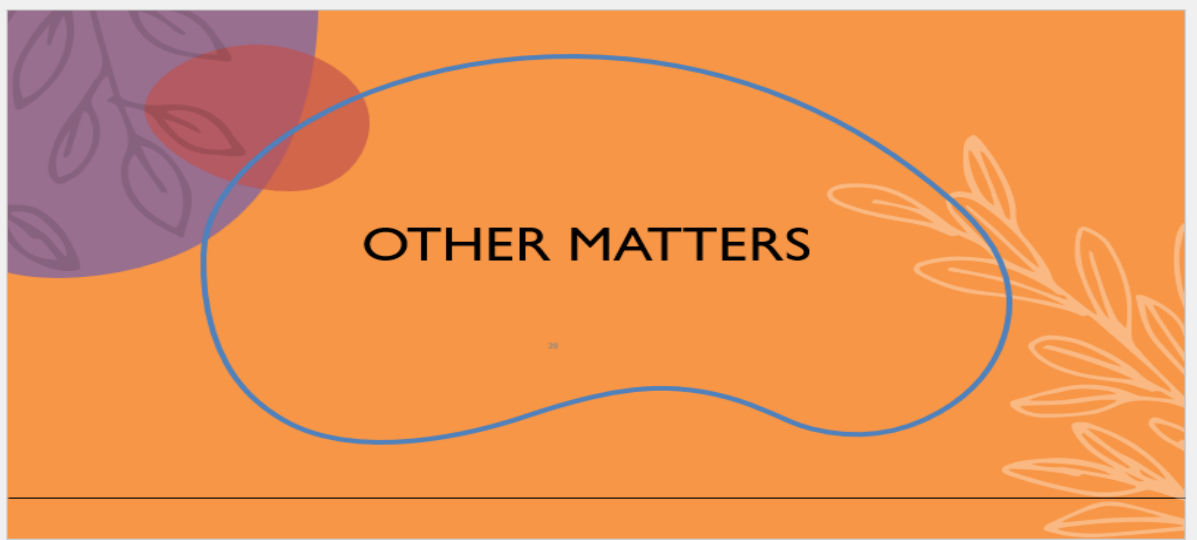
CHALLENGES CONTINUED...

- Loss of very good cane land to other developments and the huge demand from growers to have their land re-zoned.
- The subdivision of cane lands into smaller plots.
- Problems with issues on estate farms and joint tenancies.
- Of the 16,000 registered growers, some 5000 registered growers do not produce cane.

CHALLENGES CONTINUED...

Quality of Cane

- Burnt cane as escalated and there is a need to control it.
- Government and the industry needs to bite the bullet and ban burning
- We need to Re-introduce the Cane Quality Payment System (GIS – Geographical Information System)



Projects - 2016

- Cane Quality Project – January – June 2016
- GIS (January – July 2016)



