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Verbatim Report

[VERBATIM REPORT]

STANDING COMMITTEE ON FOREIGN AFFAIRS & DEFENCE

ANNUAL REPORT

2022 Annual Report

ENTITY: Accident Compensation Commission Fiji
(ACCF)

VENUE: Big Committee Room, Government
Buildings, Suva

DATE: Tuesday, 19th November, 2024

VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE HELD IN THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON TUESDAY, 19TH NOVEMBER, 2024, AT 9.00 A.M.

Interviewee/ Submitter: Accident Compensation Commission Fiji (ACCF)

In Attendance:

- (1) Mr. Jone Maritino Nemani - Executive Chairperson
 - (2) Mr. Tomasi Kama - Board Secretary
 - (3) Mr. Anjeet Charan - Accountant/Officer In Charge
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MR. CHAIRMAN.– Honourable Members, members of the media, the public, the Secretariat and viewers; a very good morning to you all. It is a pleasure to welcome everyone, especially those who are watching this proceeding.

At the outset, for information purposes, pursuant to Standing Order 111(2) of Parliament, all Committee meetings are to be opened to the public. Therefore, this meeting is open to the public and the media. However, for any sensitive information concerning the submission that cannot be disclosed in public, this can be provided to the Committee either in private or in writing. But do note that this will only be allowed in a few specific circumstances which include:

- (1) National Security matters;
- (2) Third party confidential information;
- (3) Personnel or human resources matters; and
- (4) Committee deliberation and development of Committee's recommendation and report.

I wish to remind honourable Members and our invited submitter that all comments and questions are to be addressed through the Chairman. And for those viewers who are watching this live on *Facebook*, questions can be asked via comments, and only relevant questions may be considered by the Committee, and we can ask them on your behalf.

This is a parliamentary meeting, and all the information gathered is covered under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament. Please, bear in mind that we do not condone slander of any sort, and any information brought before this Committee should be based on facts.

In terms of the protocol of this Committee meeting, please be advised that movement within the meeting room will be restricted. Please, minimise the usage of mobile phones and all mobile phones are to be in silent mode while the meeting is in progress.

(Introduction of Members of the Standing Committee, the Secretariat and Hansard)

Maybe you had appeared before a Standing Committee before and it would have been the Standing Committee on Economic Affairs. This is the Standing Committee on Foreign Affairs and Defence and we were referred your 2022 Annual Report in the last Parliament sitting.

Now, I would like to invite the Executive Chairperson to introduce your Team and then proceed with your submission.

MR. J.M. NEMANI.- Mr. Chairman, of course, my name is already on the screen by virtue of my role as a Permanent Secretary for Employment, more so, the Executive Chairman of the Accident Compensation Commission Fiji (ACCF). I will ask my two colleagues to introduce themselves.

(Introduction of Officials from ACCF)

MR. J.M. NEMANI.- Mr. Chairman, we have a very short presentation. Yes, I agree that we had done a presentation to the previous Committee, but we are always happy to share this information because it is critical for the nation and for the people of Fiji to understand and have a grip on the functions of ACCF. So, without further ado, I will ask the Officer in Charge, Mr. Anjeet Charan, to take us through the slides and we are happy to take questions post presentation. I will also invite comments from my Team as well to share with the Committee. Thank you.

MR. A. CHARAN.- Mr. Chairman and honourable Members, basically, for ACCF, I could discuss in terms of topics on what ACCF does, who can apply, exclusions, source of funding, summary of funding, Government grant, financial statement and summary of trend analysis and review of ACCF. These are some of the topics that I will go through this morning.

Basically, from 1st January, 2018, the ACCF was established through the Accident Compensation Commission Fiji Act 2017, which was passed in Parliament. The good part of this Bill is that all the Members of Parliament supported this Bill to be effective from 1st January, 2018, taking on board motor vehicle accidents under No Fault Scheme.

In terms of the No Fault Scheme, what we mean is that we will not look into anyone's fault or the victim does not provide a proof or the burden of the fault and then achieve the compensation. It is basically on a 'no fault' basis. There is a handful of exclusions there which I will touch on later.

From 1st January, 2019, we have taken on board employment and school accidents. This is the first time in history for school students to get compensated for any accident that occurred during school hours or any activity or event organised by the school committee.

In terms of amount for death compensation, we compensate \$75,000, and injury compensation, the maximum amount that we can compensate under No Fault Scheme is \$150,000. But that depends on the permanent disability being awarded by the doctors, for example, these are the same doctors who do the assessment and then provide a permanent disability percentage and then according to that, we calculate the amount.

Who can apply? Basically, all the injured persons by themselves can apply, or their representative or any injured or deceased child's parent or legal guardian can apply. If any person cannot make an application by himself or herself, then a legal appointed representative needs to apply.

In terms of death over 18 years, we need a probate or a letter of administration. For probate and letter of administration, this is issued by the High Court, and then once we obtain that, then we proceed with the compensation payment.

In terms of exclusion, there is a handful of exclusions that ACCF thinks that fits for this No-Fault Scheme so that the scheme is not being taken advantage of, as follows:

- Driving under the influence of alcohol or over the prescribed limit or under the influence of drugs.
- Failure or refusing to permit a breath test or a specimen of blood to be taken.
- Not holding a valid driving licence for the vehicle that you are driving.
- Being convicted or omission that directly caused the accident.
- Any injury or death that did not directly arise from the accident.
- Owner of the vehicle failed to pay the Motor Vehicle Accident Levy.
- Self-injury or attempted suicide or successful suicide, we will not compensate those particular cases, and if that is not an employment case. There has to be employer-employee relationship, then we can compensate in terms of employment.

On the summary of funding, the source of funding, basically, we receive Motor Vehicle Accident Levy that has been paid by motor vehicle owners directly to the LTA as a one stop shop. From there, the LTA transfers the funds to the ACCF account.

The other source of funding is, currently, we are receiving 40 percent of 1 percent of the FNU levy collected by Grants and Levies Department of FNU, which they then transfer to ACCF on six monthly basis. The current collections are somewhere close to approximately \$9.4 million for the year 2022.

For our operational activities, we receive Government grant during Budget announcement. We receive these funds from the Ministry of Finance, for the purpose of meeting ACCF's operational, contractual and legal obligations. For that, we do prepare the financial statements that gets audited by the Office of the Auditor-General, and we do present the Annual Report. So, that is for the Government grant.

In terms of summary of balance sheet, the summary of profit and loss statement, in a nutshell, basically is that we did spend more than the grant that we received of approximately \$228,000 which was the saving from the previous year.

In terms of balance sheet, our total equity is still showing a net worth of \$15,000, so we still have surplus \$15,000 for that year. Further to that, in undergoing the audit process with the Auditor-General's team, we have managed to obtain successful audit comments in terms of no adverse finding. For example, initially, there were some comments given but we managed to negotiate and overcome that.

In terms of the applications received and paid, the table basically shows four years of numbers that we have received on applications and paid compensation. Due to COVID-19, what happened was, here due to the lockdowns, it was difficult for us to meet face to face. However, we did manage to take the digital option, did the assessment and compensated the victims, at the most.

In terms of trend analysis on achievement, it shows that motor accident compensation is higher compared to employment accidents. The reason for that is that employment accident is either minor injuries or motor vehicle injury whilst the motor vehicle accident sustained injuries is severe injuries, therefore, the compensation awarded is more compared to the employment.

In terms of trend analysis on achievements on applications received and paid on yearly basis, in 2022, we tried to compensate a lot of applicants that do face the impact on economy due to COVID-19 so that people do receive some funds to manage their day to day life.

In terms of the review of ACCF, basically, further to the establishment of ACCF from 1st January, 2018 and taking on board the employment and student accidents in 2019, the challenges we faced was that due to lockdown, we could not turn up into the office. However, we tried to help victims by having remote access, like we worked from home and tried to assist the victims.

The ACCF is currently undergoing its review, and we are looking forward to the employment and school accidents to be managed by the Ministry of Employment in future. We are also trying to liaise with other stakeholders such as LTA, to get the road safety functions on board in which discussions are currently underway.

For the future outlook, we are trying our best to have the proactive arm and the reactive arm together to reduce road accidents for the future. At this stage, I understand there is still more than 48 road fatalities this year. Thank you.

MR. CHAIRMAN.- I now open the floor for questions from honourable Members. We are also monitoring the *Facebook* page to see if there are some relevant questions from members of the public so that we will be able to share it with you.

If I can just kick off the questioning part and the first one is on the exclusion. So, if a person is under the influence of alcohol, driving a vehicle, hits another vehicle and there are some who are injured in the vehicle that was hit by the driver who was under the influence, I take it that those who got injured on the other side are compensated? The driver, because he is under the influence, is not compensated if he is injured also? Can you just make that clarification? Thank you.

MR. A. CHARAN.- Mr. Chairman, thank you for the question. Basically, if it were to remain in the previous scheme, the insurance company would have excluded everyone because the driver was drunk, and that is one of their exclusions. If the driver is drunk, then that policy is null and void. However, with ACCF, that is the advantage that we have seen further to the establishment of this Commission is that, only the driver will be excluded, any other member who was involved in the accident such as the other driver, the passengers, pedestrian or anyone, will be compensated.

MR. CHAIRMAN.- Honourable Members, do you have any questions?

MR. J.M. NEMANI.- Mr. Chairman, if I can just add to that, just for clarity, the driver that Mr. Charan is referring to is the driver that was under the influence of liquor - drink driving and, again, it is also a 'no go' because it is normal for people to be charged if it is drink driving but for those who were injured during the process, they are the ones who get compensated. Thank you, Mr. Chairman.

HON. J.R. VOCEA.- Mr. Chairman, also on exclusions, "being convicted for any act or omission that directly caused the accident", I just need some more elaboration on that?

MR. A. CHARAN.- Through you, Mr. Chairman, being convicted basically means that, that particular person is being charged by the Police and the case has gone through Court, the Magistrate or the Judge has made a decision and if the Judge or the Magistrate finds him at fault and there will be a sentencing done, so that is the conviction.

The other one is, in terms of the action, if you deliberately decided to have that situation like causing an accident to achieve compensation, so if we manage to find that out, then we will not compensate. That is trying to misuse the scheme basically.

HON. J.R. VOCEA.- Mr. Chairman, so that means they will not be entitled for any compensation if they are convicted?

MR. A. CHARAN.- Yes.

HON. R.R. SHARMA.- Mr. Chairman, my question is on exclusion. When you give people a smart phone, they get creative and sometimes they end up doing the dumbest thing ever for likes, views and entertainment. There is a video that has gone viral in Fiji and so much was on the social media pages, where a guy is driving a car, I think about four people in it, has a girl on his lap and his hands off the steering wheel. Now, that is careless driving, it puts pedestrians and other drivers at risk and we highly condemn that. So, seeing someone who drink and drive while, obviously, get charged and other things will follow, should people who do these careless things be compensated if they get into an accident? What are your views and thoughts on that?

MR. A. CHARAN.- Mr. Chairman, through you, basically, the enforcement team such as Traffic Police and LTA, do their due diligence and do charge them in that situation. Once that particular driver is being charged or convicted, then he will be omitted from any compensation but the others who were part of that vehicle will still end up for compensation.

MR. J.M. NEMANI.- Mr. Chairman, if I can just contribute as well, I think the use of phone become a generic thing all over the world. Drink driving is one, the use of phone while driving is another and because it is a hazard and the risk it poses for the driver himself, the passengers, other pedestrians and passengers, is something that even our Police or law have not really enforced that to that extent. But I think from memory, you cannot be using your phone and driving at the same time, I think that is in Australia, New Zealand but in Fiji, yes, so I think we need to be more stringent around the application. I think that probably answers your question as well.

MR. CHAIRMAN.- If I can just talk about backlog in ACCF, do you have a backlog of applications that need to be dealt with?

MR. A. CHARAN.- Mr. Chairman, that is a good question in terms of backlogs. We do not have backlogs, like backlog in terms of a file that needs to be processed but we cannot process it. For us, there is a timeframe for doctors to do their assessment after 18 months. So that file gets held up for 18 months until the doctor does the final assessment. Once we obtain the percentage, then it takes, at least, a month or a month and a half to complete the process.

Basically, as soon as we receive the percentage from the doctors, we try to compensate, at least, within two months or less than two months. There are files, like approximately close to 400 files that is going through that process. The doctors need to do the assessment and then we can compensate them. For a death case, as soon as we receive the probate or letter of administration from the High Court, we do compensate.

MR. CHAIRMAN.- For the doctors that they go to, can they go to any doctor or there are certain doctors who do these assessments for you?

MR. T. KAMA.- The doctors who conduct assessment are doctors who are certified, they have gone through the impact assessment training and are certified to do so. At the moment, there are 180 doctors in Fiji who conduct those types of assessments.

MR. CHAIRMAN.- Are they publicly listed somewhere so that the members of the public know these doctors whom they can go to make their assessments or when they apply, then you direct them to these doctors? Is that the way it happens?

MR. A. CHARAN.- Mr. Chairman, basically, upon receiving the completed application form and then meeting the 18 months' timeframe, then we look forward to the doctors. We put forth the names of the doctors and once the doctors give us the appointment date, then we advise the applicants to meet those particular doctors and then the doctors do the assessment.

MR. CHAIRMAN.- I will move on to this – the Ministry of Labour and ACCF. Initially, when ACCF was established, they were a little bit standalone in a sense, from the Ministry of Labour. I know the Ministry of Labour does some assessments on compensation also, and ACCF looks at compensation on a No-Fault basis. Can you, please, explain the difference between what happens at ACCF and what happens at the Ministry of Labour, given we have the PS here and the members of the public are also listening, just for the information?

MR. T. KAMA.- Mr. Chairman, as alluded to by my colleague, ACCF was established in 2017 for the purpose of motor vehicle accidents. Later in 2018, the law was amended to include employment and schools. Thus, the transfer of cases from the Ministry to the ACCF to process employment and school accidents.

However, there are some cases that are still processed within the Ministry, and these are processed under a repealed Act, giving the Ministry six years because of the timebound period that is allowed for one case. So, that will expire come December 2024. From 1st June this year, there has been a policy shift. This year, the Board had made a decision to transfer all the cases from ACCF back to the Ministry, and these are employment and schools' accident cases.

MR. CHAIRMAN.- So, those cases were initially transferred from Ministry of Labour to ACCF for them to process and now, it has moved back to the Ministry of Labour?

MR. T. KAMA.- Yes. So, 11,101 cases were transferred back and this is in relation to your earlier question in terms of the pending cases, and then there were around 12,000 cases that were also transferred that the Ministry need to sort out in terms of what status they were at so that we can continue the momentum to process them - whether their investigations have been done or they have gone through medical assessment or they have been given medical opinion or they are ready for payment or are at the payment stage. So, those 12,000 cases we have also inherited at the Ministry and we are, at the moment, sorting out those cases.

Apart from the 11,101 cases that were transferred to the Ministry, the Ministry has resolved around 421 cases to date, and these are 394 injury cases and 27 death cases so far this year, and through the \$6 million budgetary allocation provided by Government for processing of workers compensation for accidents that happened in schools and also at the workplaces.

MR. CHAIRMAN.- One question on this particular field of employment, fishermen. If they are on a fishing boat and the fishing boat gets involved in an accident, are they entitled for compensation or they just have to go through the workers' compensation side?

MR. A. CHARAN.- Mr. Chairman, because fishing vessels are such that both type of arrangements are done, for example, there is one 'contract for service' and the other is 'contract of service', if the fishermen are fishing and providing to a company and they just give the amount to be paid, that is, 'contract for service', in that situation, they may be excluded. But if they are 'contract

of service', like you are employed by a fishing company and they do go out fishing and you got injured or involved in an accident, then we compensate you because you are an employee of the fishing company.

MR. CHAIRMAN.- There are some who have fishing licence to go fishing locally, for example, there are a lot of fishermen in Ba. They go fishing commercially on that small wooden boat, I am not talking about the big fishing vessels, and he employs a few people to go and fish for him, they hit bad weather and one of them falls overboard, for example, and they could not find him. So, where does the family go to for compensation, the ACCF or the Ministry of Labour or they are not entitled to any compensation at all?

MR. A.CHARAN.- So, in terms of testing the employer relationship, one of the mechanism that we test is that the employer needs to:

- (a) deduct FPNF and contributes to the FPNF deduction;
- (b) PAYE needs to be deducted as per the regulation; and
- (c) the employer needs to pay FNU levy to FNU grant and levy department.

So, if a licensed fisherman does organize all those for their employees or members who go out fishing, then they will be entitled for that. But if those are not being conducted, we take that as a contract for service and then visit the Ministry of Employment or any other authority to seek further assistance.

MR. J.M. NEMANI.- Mr. Chairman, for clarity, I think the principle is around the relationship. When you are talking about the employer and the employee, it is a contract of service and that is the test of people or victims who qualify to be compensated. But when it is a contract for service, that is where the omission kicks in. I think that is the distinction between who should be compensated and who should not be compensated.

MR. CHAIRMAN.- Again, the relationship between the Ministry of Employment, Productivity and Workplace Relations and ACCF, is there an overlap in the job that ACCF does and the Ministry of Employment, Productivity and Workplace Relations? Are you happy with the relationship with regard to processing all these claims right now?

MR. J.M. NEMANI.- I will start off then DS will continue. From the outset, I think we are mindful of that, and this is why the new Board that was appointed was given the task of reviewing the functions of ACCF and to identify whether they were some overlaps or not. While the set up in 2017 was for motor vehicle accidents, when the Workmen's Compensation shifted to ACCF, we were still doing some administration, prosecution, inspected jobs. Yes, I can say that there were overlaps.

What the new Board was tasked to do was to review that and see how it can be re-organised to fit for purpose. This is why we have moved; we had recommended to Cabinet to move the functions or the Workmen's Compensation schools back to the Ministry because we were still doing most of the functions.

Now, Veritas the company that was set up under ACCF was doing that administrative work and safe to say, I think through observation and from experience, the Ministry was still processing the Accident Workmen's Compensation much, much faster but smaller quantum compared to ACCF's Accident Workmen's Compensation. So, I think the test will verify that in the short time when we started paying in September after the Budget, we have paid over 400.

One of the dilemmas that the citizens had was the delay in payments to this compensation. We can testify that when we took over this in the last couple of months, the processing time was faster in terms of justice to the people who need to be compensated so that ACCF is now left with the Accident. That is the proposal that we are working on right now. Again, that was part of the review that the new Board was tasked to do, we have finalised the report, that has been submitted to the honourable Prime Minister and the Minister for Justice, but I will ask DS to elaborate further. Thank you, Mr. Chairman.

MR. T. KAMA.- Mr. Chairman, maybe to add, ACCF was engaging a claims agent called Veritas and they were doing processing for them. In fact, they were receiving cases, registering cases and they were doing processing on behalf of ACCF. Then they would bring back to ACCF the claim calculation and then later on the Ministry of Finance to pay out. So, I think the shift, as alluded to by the Permanent Secretary and as Executive Chairman, was from 1st June, 2024. For your information, Veritas was paid \$900,000 through the Budget every year to do this work.

The Ministry has taken over the role from Veritas, it is now registering the cases, it is now investigating the cases and also, at the moment, the Ministry is on the claims and are now given to ACCF to do the claims and then back to the Ministry to do the payout. That is the current system we are doing now. It is much faster, it streamlines the process and I think I have highlighted the turnaround time in terms of the settlement to-date. There has been around 421 cases that have been settled. The Ministry was given around \$6 million in terms of budget. We have utilised around \$2.7 million, just from August to date, which is around 47 percent utilisation.

MR. CHAIRMAN.- And in the process, saving that \$900,000 a year that is paid to Veritas?

MR. T. KAMA.- Yes.

HON. J.R. VOCEA.- Mr. Chairman, now that the Ministry is taking over, again, the processing of the Workmen's Compensation, are the staff at the Ministry well trained to look after these new roles that are there? I know that it used to be with the Ministry before, taken over by ACCF, now back to the Ministry, so the question is on the know-how of the role. I have heard that turnaround time is much faster. Like other roles that the Ministry plays, such as OHS, are people well trained to undertake those tasks in terms of Workmen's Compensation? Are they well trained to carry out those tasks?

MR. T. KAMA.- Mr. Chairman, yes, the staff are trained and are very competent. Before the shift, the Ministry had continued to process compensation under the Fault-Based Scheme. This is a process the Ministry had been doing over the years since 1965 under the old Compensation Act. There are Standard Operating Procedures that have been formulated to cover different types of accidents. These are employment and also schools, and there are SOPs for injury, SOPs for death, including SOPs for occupational disease in terms of the processing. The staff are competent and had been trained to do the work.

HON. R.R. SHARMA.- Mr. Chairman, I have two questions for clarity for the general public. Firstly, is the FNU levy is compulsory by every business to pay? Secondly, a question more of a business directly to the role you play. Is it compulsory for a business upon closure to write to the PS of the Ministry of Employment?

MR. J.M. NEMANI.- Mr. Chairman, Yes.

HON. R.R. SHARMA.- I have a follow up question to that, what happens to the businesses that do not pay the FNU levy?

MR. T. KAMA.- There is an Act there - the Fiji National University Act 2009, and I think they are tasked to operationalise that. There are some penalties that are awarded so that they are compliant. Again, that is something that the Act sits with the FNU - the National Training Productivity Centre (NTPC), which is an organisation within the FNU that does the collection. If you remember in the past, we used to have FNTC, and then became TPAF, that used to do the collection. So, NTPC sits within FNU, that plays that role now, to do the collections.

HON. J.R. VOCEA.- Mr. Chairman, this is from the 2022 Annual Report. In the second paragraph on page 5, I just found some disconnections. Between 1st August, 2021 to 31st July, 2022, ACCF received a total of 840 applications, out of which, 335 being for motor vehicle accidents; 472 for employment accidents; and 33 for schools accidents. However, the last sentence of this paragraph says, "As at 31st July, 2022, the total compensation paid under the Scheme was approximately \$34.85 million to more than 1,700 recipients". Maybe, some elaboration on that, please.

MR. A. CHARAN.- Mr. Chairman, basically the last sentence is effective from 1st January, 2018 that the total applicants were compensated. Before that, the collection begins specifically for 2021, that financial period but just to give an update in terms of total collection until the Scheme is established.

HON. J.R. VOCEA.- Thank you, I get it. *Vinaka*.

MR. J.M. NEMANI.- Mr. Chairman, going back to honourable Vocea's question on the capabilities of staff managing this, I just want to probably put some affirmative on this. I think during the novation of work moving back to the Ministry, some of the senior staff that continued to perform the compensation element within the Ministry has over 20 years of experience doing the same thing. We found that because of those capabilities, we were able to continue to dispense this work much better and more effectively, understanding the overlaps.

Not only the overlaps, as you rightly said, Mr. Chairman, the huge amount of savings for government taxpayers without duplication and I think to be fair also and to be thankful for the work that Veritas have done with ACCF, we were open to absorb some of the staff who were available. We made that offer and then we created 11 positions within the Ministry and that was in the current budget. So, again, when we talk about capabilities, I think the Ministry is very much capable and as a testament, you can see in the number of cases that we have processed. It has only taken us about three months post-Budget to process those 400 plus cases.

I think by March, we forecast, we will exhaust the \$6 million that was awarded to us in terms of compensation. Again, you might not stop hearing this because you might be coming back and say, "Look, people are still asking for compensation", and we want to do justice to those who deserve to be compensated. Thank you.

MR. CHAIRMAN.- Thank you. My last question to ACCF, the way it is for ACCF, are there some things that you would want to change right now to make it better or are you happy with the ways things are?

MR. J.M. NEMANI.- Thank you, Mr. Chairman, that is a very good question and the last good question. I think you nailed that. Part of the review and the re-organisation that we are doing, I think it has emanated from how we want to provide a better service to the people of Fiji under this

Scheme. One of the principles that we look at is the Work Care Bill that we want to bring through the process - through Cabinet and then to Parliament because it is very important for us.

Now, if you understand honourable Members and Mr. Chairman, this levy belongs to the employers. Remember, the FNTC and TPAF days, that the 1 percent belongs to the employer, it does not belong to the government. That money is paid for by the employer so that their workers can benefit in term of training - hands-on training.

We have been complaining about workforce shortages. Employers have been crying out because there is lack of training. Employers have been saying that our labourers are being taken overseas through the PALM and I can say this very safely that under the PALM Scheme, only unemployed workers go. We have stopped the employees from going to post-COVID-19 because we understand that it is supposed to be for the unemployed, unskilled or semi-skilled. Those who are migrating because of skill, they go on their own, and there is a very small percentage of them. We are talking about nurses and teachers, only about 13 percent and 15 percent respectfully that have gone on our scheme, the rest have gone on their own.

But going back to my point, our review of what we are doing now of where we can do better is around the Work Care Bill and also to give back something that has been amiss for many, many years because the employers need to train their workers. If we need to replenish our workforce, then we have to do justice because the 1 percent actually belongs to the employers. The Ministry is of the view that we do not want to over burden very single employer that is paying levy in this country. We can manage from the 1 percent and that is why we have divided in all these distribution so that the employer will still get what they deserve in terms of the share and that compensation component will still be more effective. I will ask Mr. Kama to contribute on that.

MR. T. KAMA.- Mr. Chairman, from the levy that I think has been elaborated by PS, we are proposing that the *status quo* remains, that 0.4 percent of the 1 percent fully comes and be redirected for the purpose of compensation. The remainder of the 1 percent which is 0.6 percent for the other purposes as alluded to by PS. The 0.4 percent is around \$9.2 million a year and this will be sustainable for processing compensation, noting that a maximum payout was around \$6.5 million in 2022. So, from our analysis, we have also noted that it would be sustainable to pay out and process compensation cases that are currently pending and those that we have to sort and process as well. Thank you, Mr. Chairman.

MR. CHAIRMAN.- Thank you, honourable Members, and thank you, Sirs, for availing yourselves to come in and speak with us this morning. I hope the members of the public who are listening will also gain a little bit of more knowledge on the work of ACCF and, perhaps, answer some of the questions that they have.

If I may, on behalf of the Committee, thank you so much. Thank you for the work that you do both, at the Commission and the Ministry of Labour, and we wish you all the best. Thank you for the submission of your 2022 Annual Report and we look forward to the 2023 Annual Report. It may go through the Standing Committee on Economic Affairs, instead of us, but we are honoured to be able to deal with your 2022 Annual Report. I wish you all the best.

Thank you, honourable Members, this meeting is now closed.

The Committee Meeting adjourned at 9.48 a.m.

Written Responses



2022 ANNUAL REPORT

JONE MARITINO NEMANI
EXECUTIVE CHAIRPERSON

TOPICS

- What Does ACCF Do?
- Who Can Apply
- Exclusions
- Sources of Funding
- Summary of Funding
- Government Grant
- Summary of Profit and Loss Statements
- Summary of Balance Sheets
- Office of Auditor General's Report
- Summary of Applications Received and Paid
- Trend Analysis on Achievements
- Review of ACCF

WHAT DOES ACCF DO?

Compensation is paid on a no-fault basis for:



MOTOR VEHICLE ACCIDENTS

Serious injuries and deaths caused by a motor vehicle in Fiji.



EMPLOYMENT ACCIDENTS

All workers are entitled to compensation for serious injuries and deaths as a result of an accident arising out of and in the course of employment. This includes any incident that causes a prescribed disease.



SCHOOL ACCIDENTS

All pupils are entitled to compensation for injuries and deaths as a result of an accident occurring on any school premises or during a school event or activity.



WHO CAN APPLY

Victim	Who Can Apply
Injured person	On behalf of themselves or representative
Injured or deceased child	Parent or legal guardian
Person suffering from mental disorder	Legally appointed representative
Unable to make application himself or herself	Legally appointed representative
Death	Personal representative under the Succession, Probate and Administration Act 1970



EXCLUSIONS

- Driving under the influence of alcohol over the prescribed limit or under the influence of drugs;
- Failing or refusing to permit a breath test or a specimen of blood to be taken;
- Not holding a valid driving licence and failure to comply with all the conditions of the driving licence;
- Being convicted for any act or omission that directly caused the accident;

EXCLUSIONS

- Any injury or death that did not directly arise from the accident;
- Owner of a vehicle who, failed to pay the Motor Vehicle Accident levy;
- Deliberate self-injury and attempted suicide or suicide;
- Personal injury or death as a result of an accident arising out of and in the course of employment where the injured or deceased person is not a worker.

SOURCES OF FUNDING

The Motor Vehicle
Accident Levy

40% of the 1% FNU Levy

Both these funds are deposited in the Accident Compensation Fund Account and are used solely for the purpose of paying compensation under the Accident Compensation Act 2017.

SUMMARY OF FUNDING

Collection of Funds			
Year	Motor Vehicle Accident Levy	40% of 1% FNU Levy	Total
2019	11,362,727.06	4,038,041.96	15,400,769.02
2020	11,286,356.93	8,295,348.41	19,581,705.34
2021	5,354,370.34	8,013,672.43	13,368,042.77
2022	-	9,434,386.00	9,434,386.00

GOVERNMENT GRANT

- To meet ACCF's operational, contractual and legal obligations
- Financial Statements
- Audit by Office of the Auditor General
- Annual Report

SUMMARY OF PROFIT AND LOSS STATEMENT

	Year ended 31 July 2022	Year ended 31 July 2021
INCOME	\$	\$
Grant income	2,018,107	2,039,363
Interest income	232	1,981
Amortisation of Deferred Revenue	26,285	26,893
TOTAL INCOME	2,044,624	2,068,237
EXPENSES		
Staff costs	(473,854)	(477,443)
Depreciation & Amortisation	(26,285)	(26,893)
Operating expenses	(1,724,963)	(1,557,033)
Depreciation-ROU	(48,002)	(48,002)
TOTAL EXPENSES	(2,273,104)	(2,109,370)
Net (deficit) / surplus	(228,480)	(41,134)
Other comprehensive income	-	-
Comprehensive (loss) / income	(228,480)	(41,134)

SUMMARY OF BALANCE SHEET

	Year ended 31 July 2022	Year ended 31 July 2021
Current assets		
Cash and cash equivalents	79,812	344,671
Other receivables	90,806	42,763
	170,618	387,434
Non current assets		
Intangible asset	384	880
Plant and equipment	22,762	48,552
Right-of-Use Asset	-	48,003
	23,146	97,435
TOTAL ASSETS	193,764	484,869

SUMMARY OF BALANCE SHEET

Current liabilities		
Other payables	135,951	106,272
Employee entitlements	19,155	32,808
Deferred revenue	23,147	49,432
Lease liability	-	43,769
	178,253	232,281
Non- Current liabilities		
Lease liability	-	8,597
	-	8,597
TOTAL LIABILITIES	178,253	240,878
NET ASSETS	15,511	243,991
Equity		
Accumulated surplus	15,511	243,991
TOTAL EQUITY	\$ 15,511	\$ 243,991

OFFICE OF AUDITOR GENERAL'S REPORT

- The Financial statements for the year ended 31st July 2022 have been prepared in accordance with the requirements of the Accident Compensation Commission Fiji and International Financial Reporting Standards.
- There are no adverse findings in the Financial Statements.

SUMMARY OF APPLICATIONS RECEIVED AND PAID

Motor Vehicle Accidents								
	Death			Injury			Total	
Year	Applications Received	Applications Paid	Amount Paid	Applications Received	Applications Paid	Amount Paid	Applications Paid	Amount Paid
2019	81	40	3,000,000.00	489	22	306,000.00	62	3,306,000.00
2020	70	71	5,325,000.00	324	123	2,310,000.00	194	7,635,000.00
2021	36	33	2,475,000.00	260	127	1,906,500.00	160	4,381,500.00
2022	48	42	3,150,000.00	287	394	4,007,000.00	436	7,157,000.00



SUMMARY OF APPLICATIONS RECEIVED AND PAID

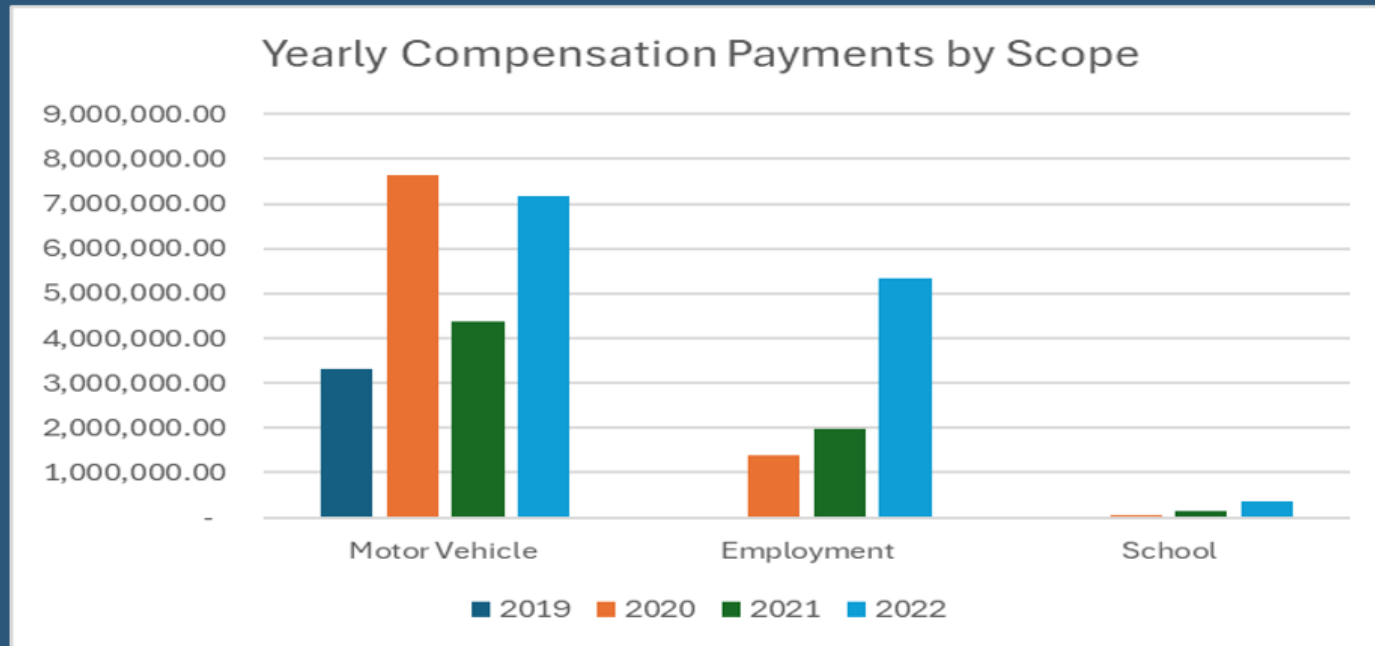
Employment Accidents								
	Death			Injury			Total	
Year	Applications Received	Applications Paid	Amount Paid	Applications Received	Applications Paid	Amount Paid	Applications Paid	Amount Paid
2019	14	0	0	196	1	9,000.00	1	9,000.00
2020	58	9	675,000.00	682	69	705,000.00	78	1,380,000.00
2021	31	11	825,000.00	466	130	1,159,500.00	141	1,984,500.00
2022	39	17	1,275,000.00	433	356	4,077,000.00	373	5,352,000.00



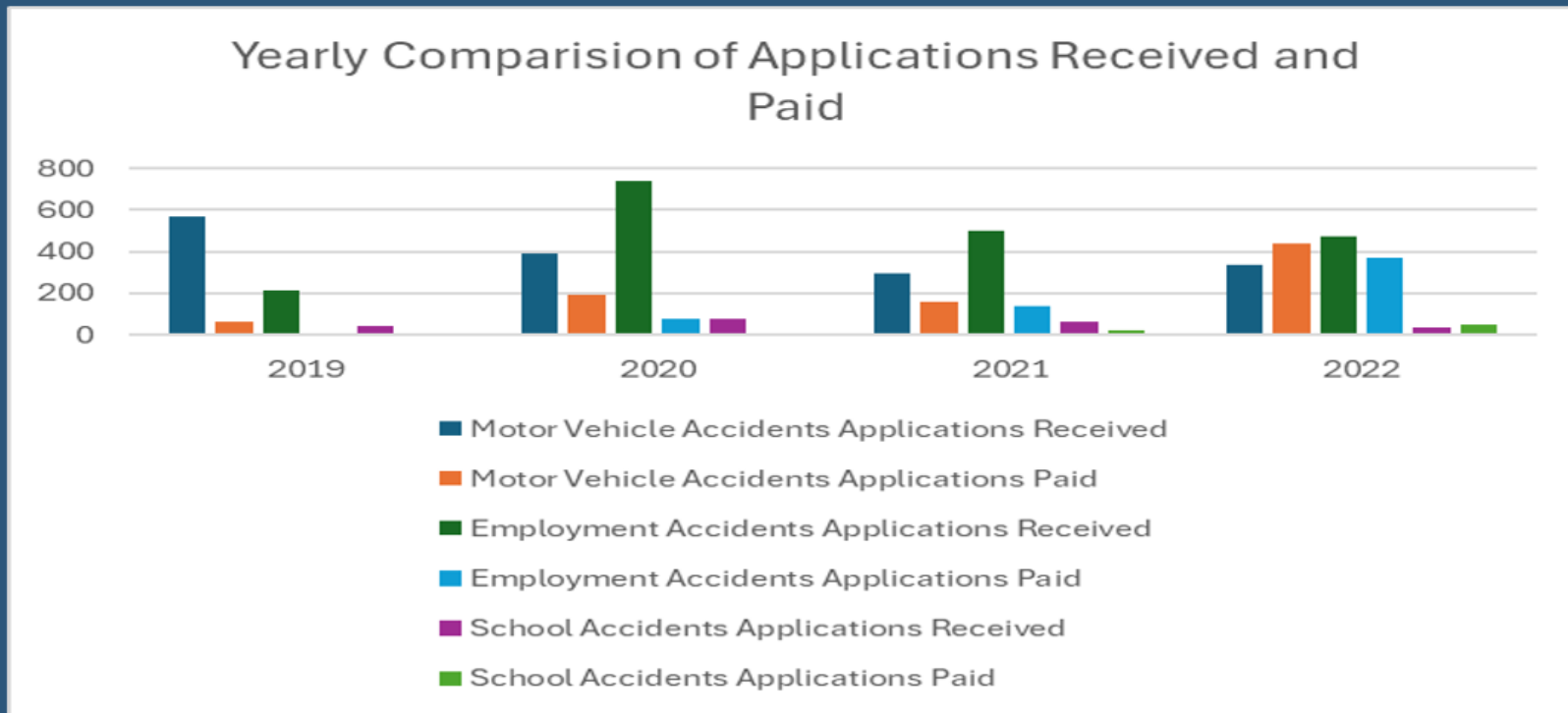
SUMMARY OF APPLICATIONS RECEIVED AND PAID

School Accidents								
	Death			Injury			Total	
Year	Applications Received	Applications Paid	Amount Paid	Applications Received	Applications Paid	Amount Paid	Applications Paid	Amount Paid
2019	2	0	0	38	0	0	0	0
2020	0	0	0	79	8	55,500.00	8	55,500.00
2021	0	0	0	63	25	151,000.00	25	151,000.00
2022	0	0	0	33	48	151,000.00	48	352,500.00

TRENDS ANALYSIS ON ACHIEVEMENTS



TRENDS ANALYSIS ON ACHIEVEMENTS



REVIEW OF ACCF

- Further to the establishment of ACCF from 01st January 2018, ACCF did not face any major challenges in respect of providing compensation, however, due to the COVID-19 pandemic ACCF remotely assisted the victims during lockdowns.
- ACCF is looking forward to hand over employment and school accidents to MEPIR and also looking forward to merge road safety functions which is currently managed by LTA.
- The future outlook would be have both the proactive and reactive arm to reduce road accidents.



CONTACT DETAILS

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