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## Media Release

### Abhorrent Breaches of Companies Act by ATS Board

## Overpayment to Fiji Airways

The National Federation Party says the Board of Air Terminal Services this year overpaid Fiji Airways by \$2.5 million contrary to the damage assessment of \$535,000 carried out by ATS's insurers, after a Fiji Airways A330 airplane suffered damage during cargo handling by ATS.

NFP Leader Professor Biman Prasad said this issue was raised by Directors of ATS on the Board who were representing ATS Employees Trust (ATSET) who hold 49% of shares in the company.

"The ATS Board and its unelected Chairman authorised a payment of \$3 million to Fiji Airways. The insurers of ATS, the world reputable firm of Lloyds of London, had assessed the damage to the aircraft to be worth only \$535,000".

"This is one of the many issues of the ATS Board breaching the Companies Act of 2015, and had duly raised it in a Board paper given to the ATS Board at its meeting of 22<sup>nd</sup> May 2017. The three ATSET Directors on the Board at that time of the discovery of these breaches were Manasa Ratuville, Kevueli Tunidau and Jai D Singh as Alternate Director".

"Soon after that meeting which ended abruptly, the two ATSET Directors plus the Alternate Director were dubiously removed from the board, leaving ATSET representation of 49% shares limited to only one director, while Government as 51% shareholder has four directors".

Professor Prasad said the three ATSET Directors who were represented at the meeting of 22 May 2017 told the Board that it had made a "serious error in judgment in entertaining the demand by Fiji Airways".

"The Board paper presented by ATSET Directors states that Fiji Airways initially demanded \$12 million, after which it was then reduced to \$6.4 million and then a settlement was reached for \$3 million.

That settlement term was made by the appointed but unelected Chairman, the other Government Members and its than ATSET directors, who were then replaced by ATSET and told in no uncertain terms to show cause for their action. They knowingly and willingly took that decision knowing full well that the insurers had assessed the liability to be only worth \$535,000 of damage".

"More seriously, however is that Fiji Airways had intimidated ATS to pay up. The ATSET paper to the ATS Board states that the airline demanded the money as an "irrefutable claim" and threatened to take away ground handling services from ATS if the money was not paid".

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All correspondence should be addressed to the general secretary

“The ATSET Directors pointed out that this was blatant blackmail by Fiji Airways as a client of ATS, and the Board wilfully failed to protect the rights of shareholders which are the taxpayers, and the 49% employee-owner shareholders”.

Professor Prasad said this was a very serious issue, that undermined the commercial interest of shareholders – both public and private.

“Government has allowed this and other serious breaches of the Companies Act (<http://www.parliament.gov.fj/wp-content/uploads/2017/03/Act-No-3-Companies.pdf>) to happen and seems to have deliberately turned a blind eye, and in the first instance breached the ATS Articles of Association, by appointing a Chairman when the Chair is elected by the Board”.

Professor Prasad said the saga at ATS led to the ATSET shareholders meeting to deliberate on the serious issues before, and for which they have been unfairly punished by being locked out of their own company.

“Two weeks have lapsed since the start of the impasse. The aggrieved shareholders who are workers spent Christmas day in temporary shelters outside in the drain areas. The issue of why the Prime Minister has not uttered a word or intervened like his predecessors to resolve an industrial dispute is shocking”.

“Any leader of a nation should be concerned about an impasse that is not only affecting workers but their children and families”.

“We call on the Prime Minister to intervene and order ATS Board and Management to allow the workers who are shareholders to freely return to work without loss of pay and benefits and also order an independent inquiry in the operations of ATS”.



**Professor Biman Prasad**  
**Leader**