



2016/2017 CONSOLIDATED ANNUAL REPORT

Ministry of Infrastructure and Transport

Report on Performance achieved for the period from
January 2016 to July 2017



TABLE OF CONTENTS

REFERRAL LETTER	2
PERMANENT SECRETARY'S STATEMENT	3
CORPORATE STRATEGIC DIRECTION.....	4
VISION	4
MISSION	4
MOTTO	4
VALUES	4
MINISTRY'S GOVERNING LEGISLATIONS AND STATUTORY POLICIES	5
ORGANISATION STRUCTURE.....	7
CONSOLIDATED JANUARY 2016 TO JULY 2017 HIGHLIGHTS OF ACHIEVEMENTS.....	8
1. DEPARTMENT OF ADMINISTRATION AND FINANCE	9
2. DEPARTMENT OF TRANSPORT PLANNING	11
Output 1 – Portfolio Leadership, Policy Advice & Secretarial Support	11
Output 4 – National Transport Consultative Forum (NTCF).....	11
Technical Working Group – Saving our Infrastructure	12
Technical Working Group on Maritime Sector	12
Technical Working Group on Public Transport Sector	12
Technical Working Group on Fiji Decade of Action for Road Safety 2011-2021	13
Output 5 –Sea Route Licensing (SRL)	13
Output 6 –Government Shipping Franchise Scheme (GSFS).....	14
Output 7 - Transport Planning Database and Transport Planning Software	15
3. DEPARTMENT OF BUILDING AND GOVERNMENT ARCHITECTS	16
4. DEPARTMENT OF ENERGY.....	18
5. DEPARTMENT OF WATER AND SEWERAGE.....	22
6. DEPARTMENT OF WORKS.....	27
7. FIJI METEOROLOGICAL SERVICES	32
8. DEPARTMENT OF GOVERNMENT SHIPPING SERVICES	35
9. FINANCIAL STATEMENTS.....	35

REFERRAL LETTER

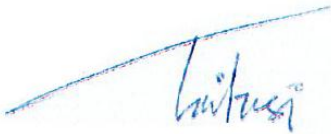
Honourable Jone Usamate
Minister for Infrastructure and Transport
Nasilivata House
Samabula
SUVA

Dear Sir

I have much pleasure in presenting to you, the Ministry's Consolidated Annual Report for the period from January 2016 to July 2017

The Report highlights the Ministry's performance and achievement in the provision of service delivery to the people of Fiji as reflected in the Annual Corporate Plan, Work Programme and Disaster Rehabilitation projects coordinated by the Government. This 18 month consolidated report has been prepared in accordance with the Public Service Commission functions under the 2013 Constitution and the provision of the Financial Management Act 2004.

The report encapsulates the efforts and commitment of the Ministry towards fulfilling Government's strategic priorities.



TAITUSI VAKADRAVUYACA
Permanent Secretary

PERMANENT SECRETARY'S STATEMENT



I have much pleasure in presenting the Consolidated Annual Report for the Ministry of Infrastructure and Transport ('Ministry')

for the 18 month period ending to July 2017.

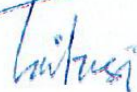
The Annual Report reflects the operations and strategic obligations achieved by the Ministry from January 2016 to July 2017. The Ministry had undergone a horizontal organisation internal restructure in which the Policy and Planning Division was established while there was also a Monitoring and Evaluation Division. These two divisions came under the leadership of a Deputy Secretary assigned to each Division.

The progression to maintain execution of development plans under its Annual Work Programme was put on hold after the natural disaster that struck most parts of the Fiji group. The Ministry was committed in addressing the TC Winston rehabilitation works within the financial period. The devastation caused by TC

Winston caused Government Ministries to realign their work programme and budget utilization for the period to accommodate the disaster rehabilitation works and ancillary activities.

This achievement is consistent with the Ministry's Customer Service Charter which has been a key driver in supporting the operational effectiveness required to meet the Key Performance Measures and Indicators underlined in the Ministry's Annual Plan.

The Ministry has been consistent in the achievement of its outputs defined on the ACP in the past three years, recording an average overall achievement of 80% per annum. This is a commendable benchmark for 2016 and 2017 financial year.



TAITUSI VAKADRAVUYACA
Permanent Secretary

CORPORATE STRATEGIC DIRECTION

VISION

“Achieving higher economic growth and prosperity for Fiji through better quality advises and service delivery in the areas of sustainable infrastructures and dynamic transport systems; clean affordable energy sources and technically advance meteorological and hydrological products and services”

MISSION

“Timely and proactive service delivery that is accessible to all”

MOTTO

“Service Excellence through Change and Innovation”

VALUES

The Ministry fosters a workplace that encourages:

- **Honesty** - we commit to an honest day’s work
- **Integrity** - we commit to being impartial in all our service
- **Leadership** - we commit to exercising strong and sound leadership
- **Teamwork** - we value the contribution of all staff irrespective of their appointments and status
- **Innovation** - we encourage a can do attitude
- **Professionalism** - we commit to excellence in all that we do

MINISTRY'S GOVERNING LEGISLATIONS AND STATUTORY POLICIES

The Ministry is regulated in its service delivery by conformance and adherence to, but not limited to the following approved legislations and policies

No	Description
1	Constitution of the Republic of Fiji 2013
2	Fiji National Provident Fund Decree 2011
3	Public Service Act 1999
4	Fiji Procurement Act 2010
5	Financial Administration Decree 2009
6	Financial Instructions 2010
7	Financial Management Act 2004
8	Financial Manual 2010
9	Occupational Health and Safety at Work Act 1996
10	Architect Act (Cap 258) (SG's Office -currently being reviewed)
11	National Building Code
12	Engineers Registration Act (Cap 261) (SG's office-currently being reviewed)
13	Bicycle Act (Cap. 178)
14	Collision Regulations (Ships and Sea Planes of Water)
15	Land Transport Act,1998
16	Maritime Safety Authority of Fiji Decree
17	Maritime Transport Act 2013
18	Railway Act (Cap. 179)
19	Ship Registration Act 2013
20	Wreck & Salvage Act (Cap. 198)
21	Petroleum Act (Cap 190)
22	Motor Vehicle (Third Party Insurance Act) (Cap.177)
23	Fiji National Petroleum Company Limited Decree 1991
24	Meteorology/Hydrology Act (SG's Office-currently being reviewed)
25	Electricity Act (Cap. 180)
26	Fuel and Power Emergency Act (Cap. 191)
27	Roads Act (Cap.175)
28	Fiji Roads Authority Act 2012
29	Water Authority of Fiji Promulgation 2007
30	Water & Sewerage Act (SG's Office -Draft Contract being assessed)
31	Environment Management Act 2005

Under the Ministerial portfolio, the following Government Departments and CSAs are effectively governed.

Government Department	Commercial Statutory Authorities (CSA)
Department of Works <ul style="list-style-type: none"> • Divisional Engineer Works C/E • Divisional Engineer Works West • Divisional Engineer Works North 	
Fiji Meteorological Services	
Department of Transport	Maritime Safety Authority of Fiji (MSAF) Land Transport Authority (LTA) Fiji Roads Authority (FRA)
Department of Administration & Finance	
Department of Water & Sewerage	Water Authority of Fiji (WAF)
Department of Energy	Fiji Electricity Authority (FEA)
Department of Government Shipping Services	
Department of Building & Govt. Architects	
Planning & Policy Unit	
Performance Monitoring & Evaluation Unit	

ORGANISATION STRUCTURE

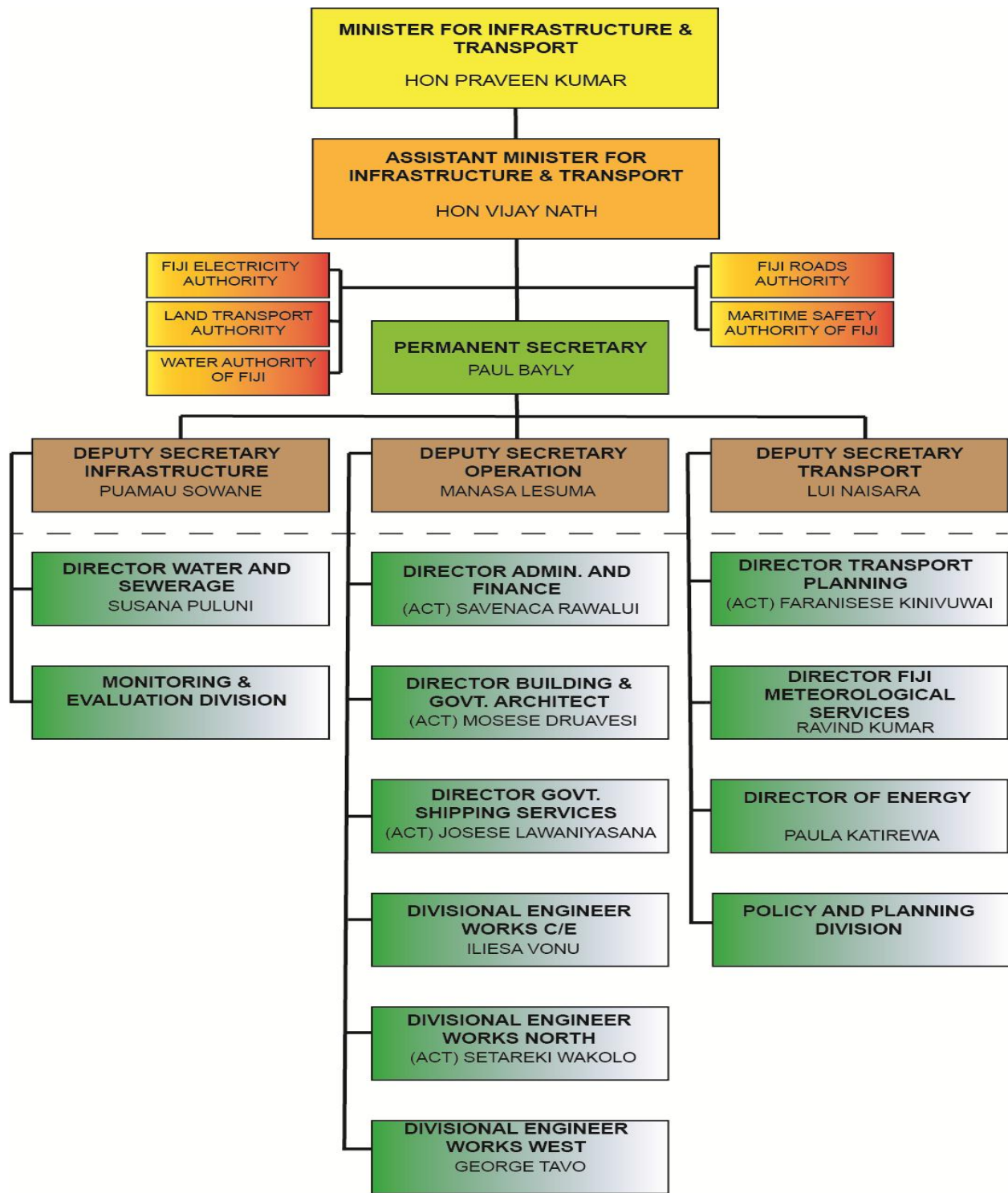


Figure 1: Management Structure and Reporting Relationships

CONSOLIDATED JANUARY 2016 TO JULY 2017 HIGHLIGHTS OF ACHIEVEMENTS

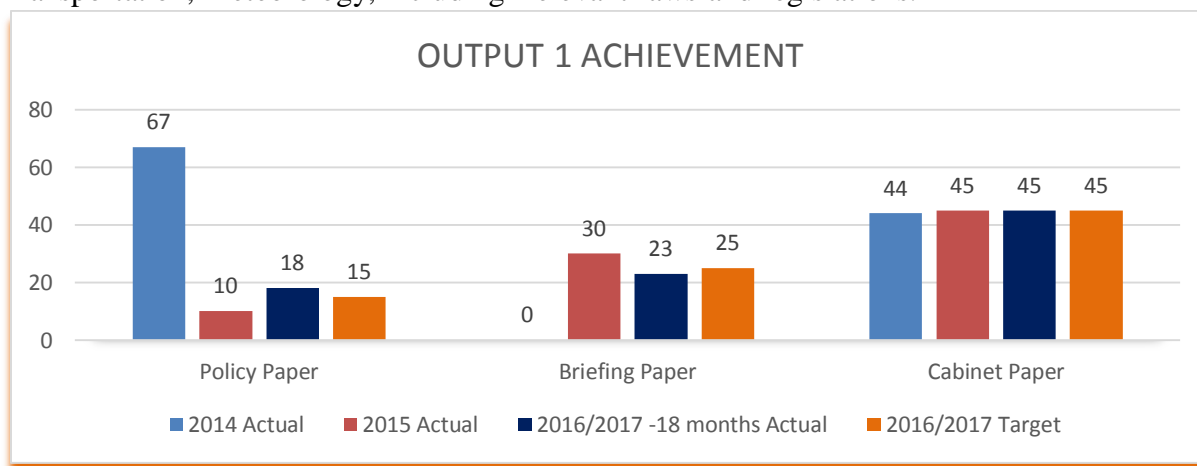
POLICY AND EXECUTIVE UNIT

The Policy and Executive Unit is responsible for the provision of Policy Advice to the Minister through the Permanent Secretary in terms of effective administration and management of the Ministry's functions, operations and resources.

The executive administration consists of the Permanent Secretary, Deputy Secretary for Infrastructure, Deputy Secretary Policy and Planning, and the Deputy Secretary Operation's. Other support staff includes senior secretaries and clerical officers.

One of the major outputs is the provision of policies that relates to Infrastructure and Transport. Key deliverable for the unit also includes the formulation of Cabinet Papers and executive support for the Office of Honourable Minister, Honourable Assistant Minister and the Permanent Secretary.

During the period 2016/ 2017, the Ministry submitted a total of forty five (45) Cabinet Papers, which include 11 Discussion papers, 11 Information papers and 2 Written Opinion papers. A total of eighteen (18) Policy Papers were submitted and endorsed. Major consideration in the development of new policies in addressing a number of reforms and rehabilitation guidelines in the Building and infrastructure sector, Water and Sewerage, Energy, Land and Maritime Transportation, Meteorology, including relevant laws and legislations.



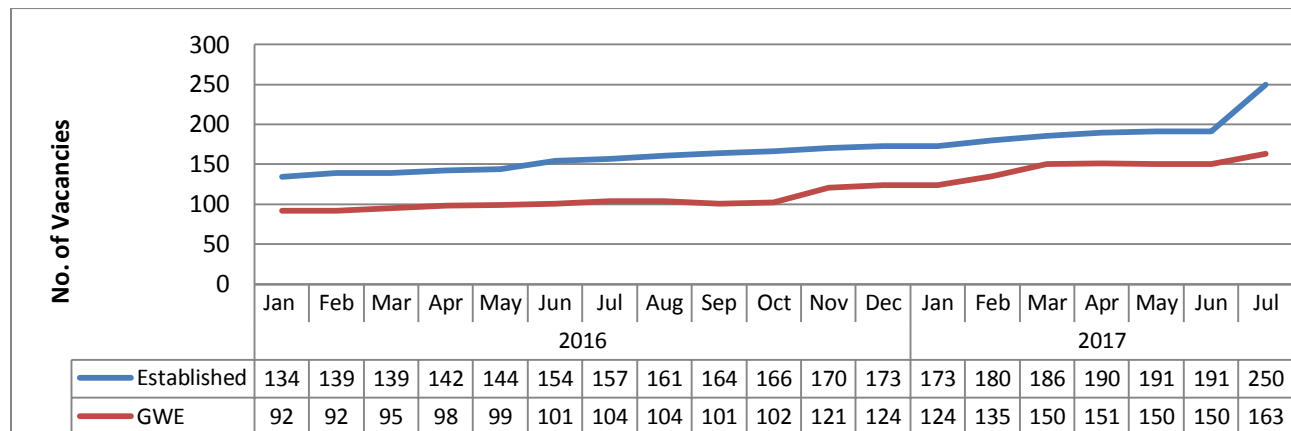
Furthermore, the creation of the Policy and Planning Division allowed the Ministry to clear approximately \$10M worth of contracts from January 2017 to June 2017. The Monitoring and Evaluation Division brought about serious monitoring of the Ministry performance including the financial and physical utilisation of funds.

1. DEPARTMENT OF ADMINISTRATION AND FINANCE

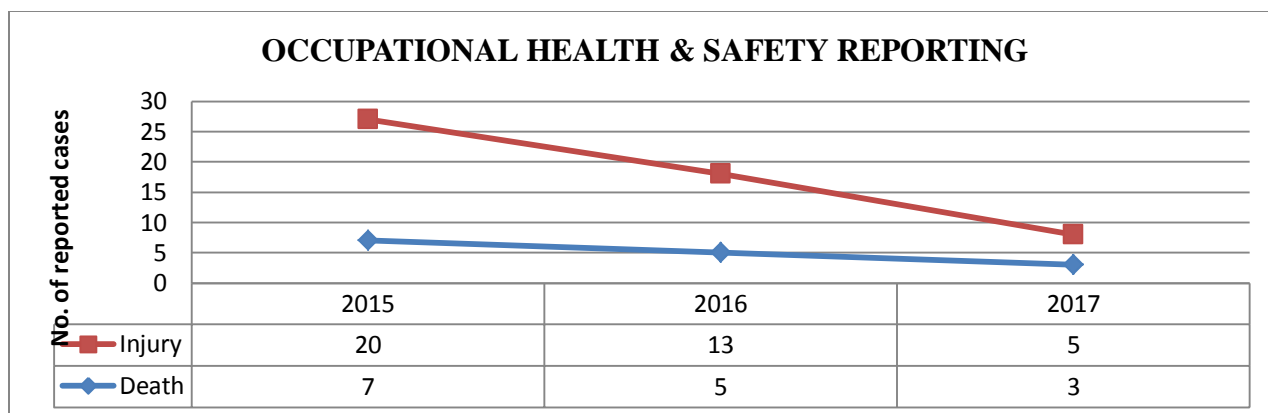
The Department of Administration and Finance provides support services to all Departments of the Ministry relating to Human Resources Administration, Financial Management, Capacity Development, Strategic Planning and policy Advice and Occupational Health and Safety Assurance.

During this period, the department had undertaken operational restructure whereby it was renamed to Corporate Services Department. Also the position of Director Finance for the Ministry was approved by Ministry of Economy. The operation for Corporate Services was divided into two main categories – HR/Policy and Staff Development & Support Services and headed by respective Managers (previously known as Principal Administrative Officers).

In terms of core activities, the graph below illustrates the number of vacancies that existed during 2016 and 2017. Most of these positions became vacant either upon the expiry of contract of the post holder, retirement, termination of contract due to disciplinary cases and resignation.



During this reporting period, the number of health and safety cases registered dropped in comparison to previous years. The OHS unit conducted three (3) training during the reporting period in addition to five (5) awareness sessions conducted within the divisions. These excluded the regular drills conducted on ad hoc basis.



HR Policy

During the first eight (8) months of 2016, the unit reviewed four HR policies and one Terms and Conditions of Employment (TCE) for the Department of Government Shipping Services. The four policies that were reviewed and approved include;

- Training Policy
- HR Manual
- Discipline Policy
- Annual Performance Assessment Policy

In 2017, the Civil Service Reform Unit was created to review and introduce new guidelines across all Ministries. The new Open Merit Selection and Recruitment (OMRS) guideline for the civil Service saw major changes with the abolishment of the existing Staff Board Policy being replaced with the new OMRS Policy.

Training

The Training Unit managed to complete the local training modules as scheduled under the Training Plan at the end of 2016. Most of the trainings conducted include;

- Understanding of the requirement under the Employment Regulation Act 2010
- Basic Report Writing
- Fire Warden Training
- OHS Compliance Training
- Record Management
- Corporate Governance

	2016 (12 months)	2017 (6 Months)
No. of Apprentices graduated	2 (Target =4)	-
No. of attaches on technical attachment	52 (Target 50)	22 (Target 50)
No. of staff attended local short term trainings	58 (Target 40)	34 (Target 50)

No. of staff attended overseas short term training	8 (Target 10)	4 (target 10)
No. of Community awareness, Govt. roadshows	30 (Target 35)	4 (Target 30) – TC Winston rehab

2. DEPARTMENT OF TRANSPORT PLANNING

The Department of Transport Planning (DTP) provides advisory role in strengthening the capability of Government to better co-ordinate transport planning and monitor policy and developments in the transport sector. Further, DTP also provides advice on strategic planning issues and foster co-ordination as guided by the inputs from the external reference group comprising of key representatives in the transport sector.

The two statutory authorities, Maritime Safety Authority of Fiji (MSAF) and Land Transport Authority (LTA) works in consultation with DITP in the implementation of Fiji’s transport regulations while TPU facilitates and monitors the release of their respective annual Operating and Capital Grants on a quarterly basis.

Under the 2016 MoIT Annual Corporate Plan (ACP), there are five (5) outputs which the DITP is mandated to achieve.

- i. Output 1 – Portfolio Leadership, Policy Advice & Secretarial Support;
- ii. Output 4 – National Transport Consultative Forum (NTCF)
- iii. Output 5 – Sea Route Licensing (SRL)
- iv. Output 6 – Government Shipping Franchise Scheme; and
- v. Output 7 – Transport Planning Database and Transport Planning Software

Output 1 – Policy Advice and Secretariat Support

The contribution of the Department is reflected on the policy formulation, Ministerial briefing papers, Cabinet paper submissions and secretariat support stated in Policy and Executive Support reports.

Output 4 – National Transport Consultative Forum (NTCF)

The Fiji National Transport Consultative Forum (FNTCF) was convened on the 27th to 28th October 2016 at the Novotel, Lami which was attended by more than 216 participants representing about 75 organizations.

The progress update on the 2013 and 2014 NTCF Communiqué was deliberated during the forum and further dialogue and consultations will continue in 2017/ 2018. This is apart from the twelve (12) 2016 Communiqués which will be an additional responsibility for the Department. These resolutions covered are issues with reference to land, maritime and multi-modal transport

sectors on policies, legislations and proposed supporting initiatives for various transport stakeholders.

In 2016, Technical Working Groups (TWG) were set up in the Ministry with the objective to have a closer collaboration with relevant stakeholders in order to address emerging and pressing issues surrounding the transport industry, focusing on maritime and land transport sectors.

The Department submitted a Cabinet Paper on the Report of the 2016 Fiji National Transport Consultative Forum and purpose was to present its outcome and the continuous implementation of the Communiqués and ensuring they are addressed.

Technical Working Group – Saving our Infrastructure

The Department hosted a Consultative Forum on the Overloading of Vehicles where industry stakeholders including the Road Haulage Association, LTA, FRA and other stakeholders were invited to discuss urgent issues especially on the need to support sustainable infrastructure. The forum was held at the Attorney Generals Conference Room, Level 9 on the 10 June 2016. Some of the activities included were as follows:

- Review of the current legislation;
- Awareness and training;
- Transition period for the reintroduction of fines; and
- Review of the Road User Levy Framework.

Technical Working Group on Maritime Sector

The Department hosted several meetings and its objective is to have a closer collaboration with relevant stakeholders in order to address emerging and pressing issues on the maritime transport sector. These include the issues on the following:

- Review of the current legislation;
- Seafarers curriculum system
- Port congestion and port/jetties infrastructure
- Shipping Franchise services

Technical Working Group on Public Transport Sector

The Department facilitated around fifteen meetings with relevant stakeholders during the period 2016/2017 on pressing and emerging issues under the Land Transport sector. These consisted of the following:

- Policy and Legislation Review;
- Infrastructure issues
- Bus Operators issues
- Public Service Vehicles (PSV) and Licenses

Issues discussed include continuous government initiatives and support, investment in the industry traffic congestion, provision of appropriate infrastructure, vehicles cut-off age, registration and licensing of PSV and private vehicles, public convenience facilities, bus timetable, minibuses issues mainly parking in Suva, E-Ticketing, School Bus Policy, Taxi issues on illegal operation, meters, Speed cameras, road safety issues, traffic enforcement, educational and public awareness, training opportunities and funding availability.

The outcomes of the TWG meetings were as follows:

- Amendment of the Road Route License (RRL) Guideline for onward submission to the LTA Board for approval and implementation;
- Amendment of the School Bus Policy for onward submission; and
- Identification of choke points that hinders the flow of traffic during peak periods, etc.

Technical Working Group on Fiji Decade of Action for Road Safety 2011-2021

The Department facilitated meetings with relevant stakeholders regarding the Fiji Decade of Action for Road Safety (FDARS) 2011-2021. The main objective of this was to discuss, implement and find possible solutions in trying to reduce the number of road safety fatalities currently faced on our roads. This consisted of the following:

- Road Safety Billboards;
- Educational campaigns and Awareness;
- Media advertisements through radio and advertisement; and
- Indicators pertaining to the 7 strategic focus areas of the Decade of Action Plan

The consultation meetings have fostered cooperation between the Ministry and the various stakeholders responsible for the respective Strategic Focus Areas (SFA) highlighted in the **FDARS**.

Output 5 –Sea Route Licensing (SRL)

Cabinet in its Decision No 22 of 2014 endorsed the implementation of the Sea Route Licensing (SRL). The SRL initiative is a program designed to ensure consistency and regularity in the provision of shipping services within economical routes in Fiji’s maritime region.

In 2016, the implementation of SRL was deferred due to the number of vessels unable to operate due to structural damages caused by the Category 5 TC Winston.

Prior to the deferment, the following were some of the activities completed for the implementation:

- a. The application and license issuance procedure according to the Maritime (Coasting Trade) Regulations 2014;

- b. The forms and license templates;
- c. The identification of the 11 proposed routes in which licenses will be used;
- d. The Tender Procedures for the routes;
- e. The composition of the Technical Working Group;
- f. The Consultations undertaken with the relevant stakeholders;
- g. The Cabinet Paper for Implementation.

Output 6 –Government Shipping Franchise Scheme (GSFS)

In an effort to provide shipping services to the maritime uneconomical routes, the Ministry, through the Government Shipping Franchise Scheme, provides services to 9 uneconomical routes, namely North East Vanua Levu, Upper Southern Lau, Kadavu, Lower Southern Lau, Yasawa, Northern Lau, Lomaiviti, Rotuma and Yasayasa Moala.

Due to the change in the Government Financial Year period, this report is from January 2016 to July 2017 which consist a total of 19 months. From this period a total of 265 trips were undertaken out of the 266 trips forecasted. These trips were provided to the 9 franchise routes earlier mentioned, servicing 70 ports per month.

Figure 2 - Inward & Outward Cargo in Tonnage for 2016/2017

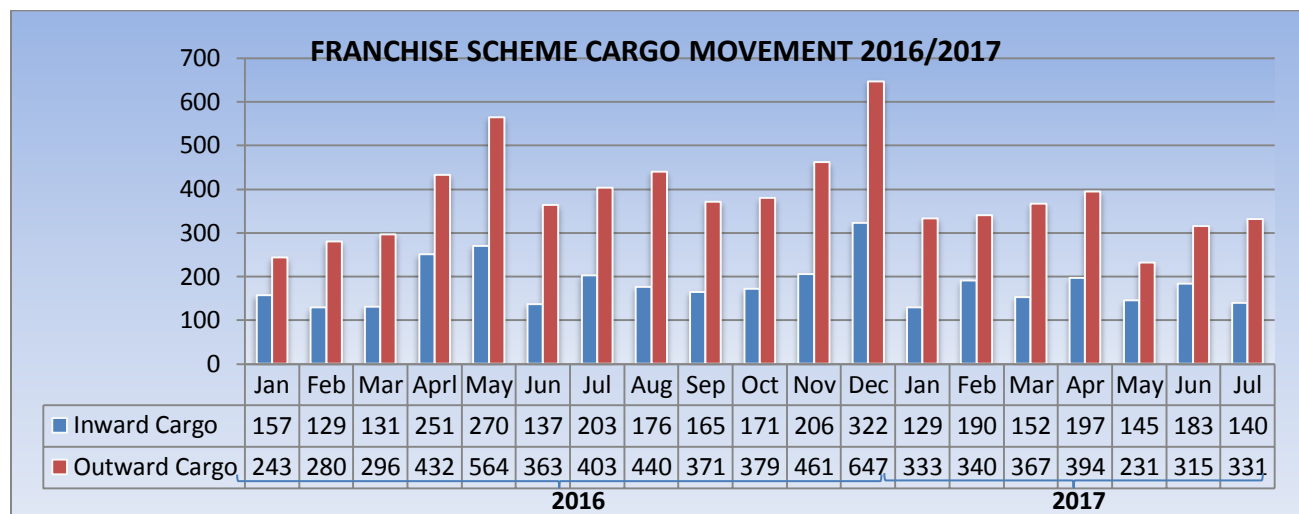


Figure 2 above shows that the outward cargo is higher compared to inward cargo for the duration of the reporting period (January 2016 - July 2017) regardless of its fluctuation trend experienced. This shows that the rural maritime islands are acquiring more from the urban market in terms of groceries, household items, building materials, fuel and so on which could also be a direct result of increasing economic activities whereby they have increase their produce for the urban market due to the monthly shipping services provided by the scheme.

It was noted that in the period 2016/ 2017 for both Cargo Inwards and Outwards there was less numbers compared to 2015.

Figure 3: Passenger Movement for January 2016 – July 2017

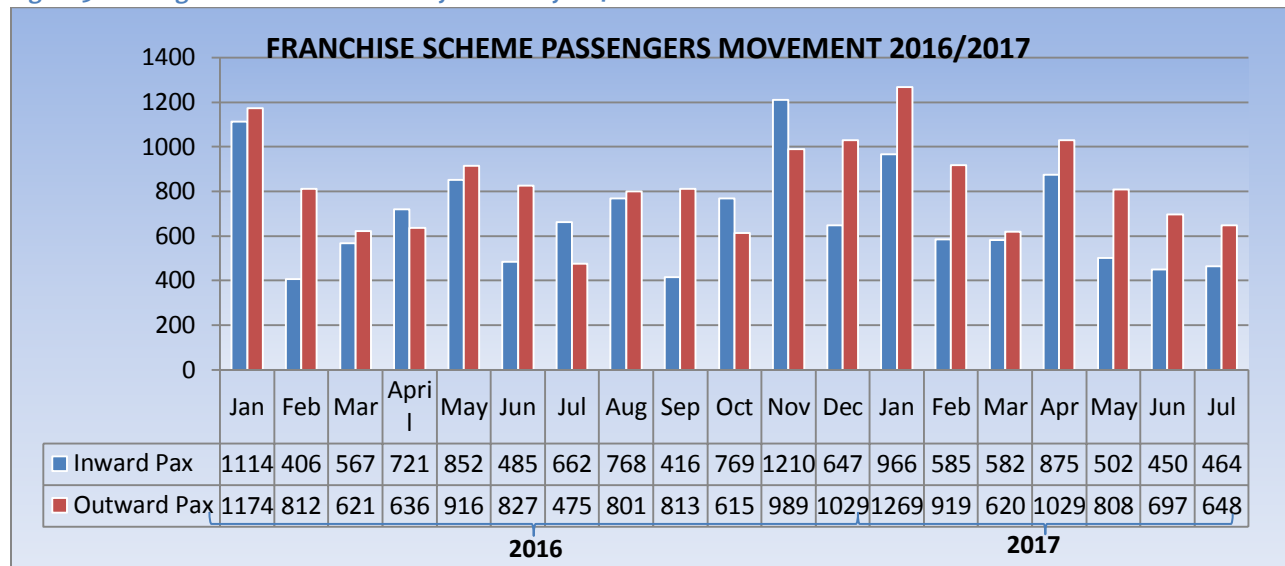


Figure 3 shows the movement of passengers to and from the uneconomical maritime islands within Fiji. The higher number of passengers travelling in January, February, August, November and December is mainly due to the Festive Seasons (Christmas & New Year), School Breaks, Church Conference and Hibiscus Event.

For the period 2016/2017 there was more Passenger Inwards compared to 2015, whereas less numbers for the period 2016/ 2017 for Passengers Outwards compared to 2015.

Output 7 - Transport Planning Database and Transport Planning Software

The National Transport Planning Database (NTPD) was launched on 29 July 2016 at the Novotel Hotel, Lami. The launch was officiated by the Minister for Infrastructure and Transport, Hon. Praveen Bala Kumar.

The major activity under the NTPD was the conduct of the Fiji Household Travel Survey, a first ever for Fiji and the Pacific. The outcome of the HTS was the determination of the travel pattern behavior for all Fijians.

3. DEPARTMENT OF BUILDING AND GOVERNMENT ARCHITECTS

The Department of Building & Government Architects is responsible for the provision of professional advice through consulting services, conceptual designing, quality architectural and structural drawings, project planning and management, costing and scheduling through quantity surveying, programming and monitoring from project inception to completion, administrating tenders and contracts for capital works.

The Department contributes to the strategic direction of the Ministry through Output 17 – Maintenance and Operation of Public Buildings, and Output 18 – Design and Costing as outlined in the 2016 ACP. In aligning to the changes implemented by Government, the initial 2016 fiscal year started from 1 January 2016 and shortly ended on 31 July 2016. The new fiscal year adopted started from mid-year 1 August 2016 and ended in mid-year 31 July 2017. Tabulated below is the budget provision and utilization of funds for Maintenance and Operation of Public Building projects for the above mentioned periods:

No.	Description	Budget provision	Actual fund utilized in 2016 (6 months)	% of Utilization
1	Maintenance and Operation of Public Buildings			
	i. Repair & Upgrading	\$1M	\$375K	38%
	ii. Routine & Upgrading	\$1.5M	\$1.2M	80%
	iii. Water & Sewer lines	\$0.5M	\$431K	86%
No.	Description	Budget provision	Actual fund utilized in 2016/2017 (12 months)	% of Utilization
2	Maintenance and Operation of Public Buildings			
	i. Repair & Upgrading	\$500K	\$500K	100%
	ii. Routine & Upgrading	\$500K	\$450K	90%
	iii. Water & Sewer lines	\$500K	\$421K	84%

The change in financial year came with a lot of advantages and disadvantages but we were able to deliver what was required of the department accordingly.

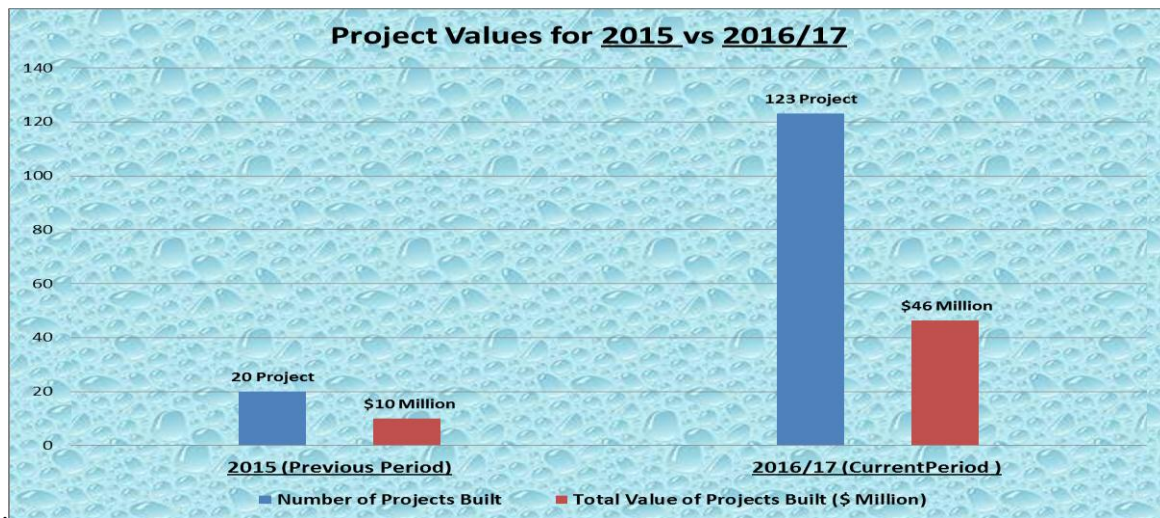
Output 17 – Maintenance and Operation of Public Buildings



Routine Upgrading of Lami Co-Operatives

Tabulated below is the summary of the Design and Costing works carried out in 2016-2017.

Previous Period 2016 (6 months)		Current Period 2016/2017 (12 months)	
Number of Projects Built	Total Value of Projects Built	Number of Project Built	Total Value of Project Built
20	\$10,000,000	123	\$46,294,889



The increase in work in the current year relative to the previous year was due to the large amount of TC Winston Rehabilitation works that was done.

Output 18 – Design and Costing



New Taveuni Court House

4. DEPARTMENT OF ENERGY

The Department of Energy (DOE) with its vision to be resource efficient and cost effective intends to achieve this intention by providing an enabling situation that will facilitate the provision of an environmentally sustainable energy sector in Fiji. The intention has been established through amalgamating the various guiding policies of the sector into a single comprehensive energy policy.

The Department has undergone internal restructure where twelve (12) of its officers have been assigned to Policy and Planning Unit out of the total sixty two (62) staffs. The formation of this unit has resulted in the timely facilitation of Department contracts worth \$10M within a period of less than 4 months. These include Rural Electrification Program, Renewable Energy Development Program and Biofuel Program etc. In addition, the Department was also assigned to the Evaluation and Monitoring unit which is responsible to oversee and monitor the implementation of projects on the ground.

The Department has installed an additional 3200 stand-alone solar home systems value around \$12.8M. In addition, the Biofuel mills and facilities valued at around \$8.6M have been established from 2010 to 2016. These include the nine biofuel mills (\$5.46M), accredited biofuel lab (\$2.78M), blend test facilities and Dual Fuel Kit (\$0.36M).

In line to our 20-year and 5-year National Development Plan vision of “A Better Fiji for All” the Department of Energy is working towards providing:

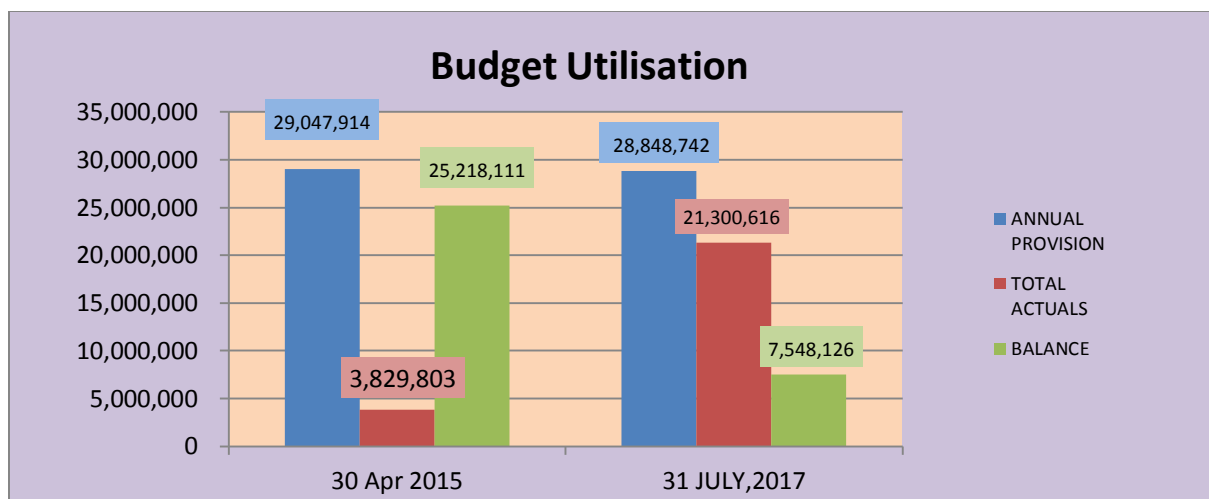
- i) All Fijians with access to affordable and reliable modern energy services.
- ii) Establishing environmentally sound and sustainable systems for energy production, procurement, transportation, distribution and end-use.
- iii) To increase the efficient use of energy and the use of indigenous energy sources to reduce the financial burden of energy imports on Fiji.

During the 2016 budget announcement, Government has made a decision to waive all community contributions on Rural Electrification Program. This has resulted in the refund of around \$1.8M to the communities. The decision by Government makes it more convenient for communities to get electricity supply and expedite government plan to increase the electrification access rate to rural and maritime communities.

Currently 90% of the population now has access to electricity; this is expected to increase as the result of government commitments and initiatives. However, approximately 10% of the populations living in small remote communities are still without electricity. There are challenges to provide these areas with electricity in a cost-effective and sustainable manner. Also, even where electricity supply is available the issues of affordability may prevent some families from receiving the benefits of modern energy supplies.

Electricity demand in Fiji can be expected to continue increasing at approximately 3.5% per annum to 2020, reflecting: a) population growth; b) expansion of electricity service coverage through rural electrification; and c) power demand growing in tandem with the rate of economic growth. To achieve the target of 100% national electrification by 2020, Government will continue the implementation of grid-based power supply to rural areas through FEA’s Grid Extension Programme.

The total budgetary allocation for the year 2016 - 2017 is \$28 million with a total of 4 core outputs. Below is a summary of the fund utilization from 2016 to 2017 where Department of Energy managed to utilize 74% of its total budget allocation.



Graph: DOE budget utilization

The Department also contributes extensively to the Ministry's Output 1. Apart from the generic Output 1 on Portfolio Leadership, Policy Advice and Secretariat Support the Department of Energy (DOE) is also tasked on delivering Outputs 24 – 27 in the 2016 - 2017 ACP. In the 2016 - 2017 financial year, DOE has 44 established staff, 33 contracted staff, 7 unestablished staff, 14 new appointments and 10 vacancies.

Under Output 24 on Energy Legislation and Policy Frameworks, the department has begun the process on the in-house review of the 2013 National Energy Policy. However, it is yet to be circulated to stakeholders for comments before nationwide consultation.

Under Output 25 on Renewable Energy Resources Assessment & Monitoring – 8 wind monitoring sites damaged during Tropical Cyclone Winston were rehabilitated. These include;

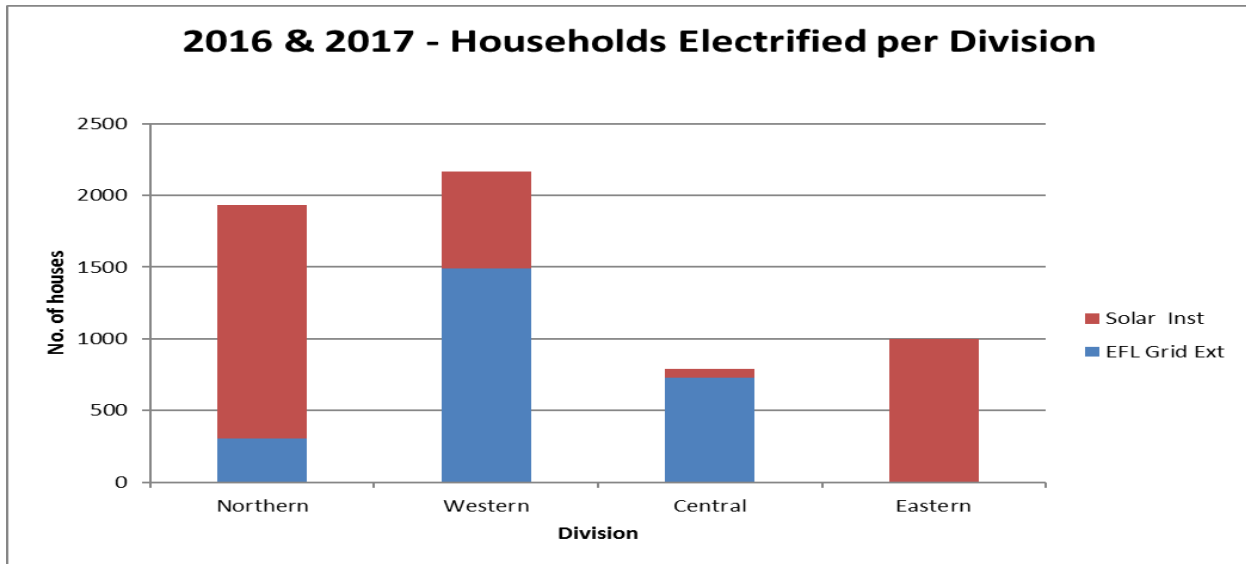
- i) Raviravi, Ra
- ii) Nakeito, Ba
- iii) Navolau, Ra
- iv) QVS, Tailevu
- v) Tuvavatu, Ra
- vi) Wainisavulevu, Nadarivatu
- vii) Nadrau, Nadarivatu
- viii) Delaitagaloli

All the 8 wind monitoring sites have been leased and landowners contracted to do clearance at the end of every month.

The assessment of these sites will lead to nationwide mapping of renewable resource potentials of wind and solar. As such, there is a need to implement nation-wide mapping of other potential renewable energy resource in accordance with global renewable resource mapping protocols.

Under Output 26 on Deployment of Energy Projects - more than 4,000 Fijian Households were connected to the electricity grid valued around \$21.2 million and an additional 3,000 households electrified with Solar Home Systems with total value of \$12.0 Million. With the provision of

electricity, living standards of the rural people will be enhanced through setting up of income generating activities, better health facilities and school children having access to modern learning technologies.



A total of 30 Duel Fuel Kits (DFK) have been installed out of which 15 were installed during 2016-2017 financial year. These DFK's allows the village diesel generators to run compatibly with the diesel coconut oil. Installations were done at Rotuma, Koro, Cicia, Gau, Vanuabalavu and Lakeba.



FIGURE 1 WIND MONITORING SITE



FIGURE 2 SOLAR

INSTALLATION



Figure 3 Diesel Electricity Generator - Duel Fuel Kits

5. DEPARTMENT OF WATER AND SEWERAGE

The Department of Water and Sewerage is responsible for providing professional advice on policies and strategies for water and sanitation. This involves the development of policy framework for technical and economic regulations of water supply, sanitation and water services in rural areas and coordination of water sector activities and policies with other sectors of the economy and international bodies. The Constitution guarantees the right of every Fijian to clean and safe water in adequate quantities, and accessible and adequate sanitation facilities. Realising this entitlement will ensure improved living standards with positive spill over benefits to the entire economy.

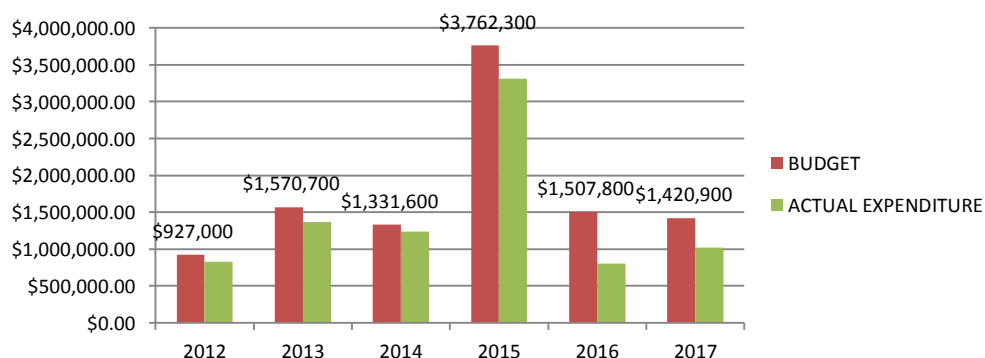
In terms of its contribution to the Ministry's strategic direction, the following outputs have been identified for the Department:

- Public Awareness - Ensure communities are well informed on national water and sanitation policies and guidelines and importance of safe drinking water and environment friendly sanitation
- Water and Sanitation Policies and Regulations - Strengthen the policy and regulatory function of the Department of Water and Sewerage through the review of all water and sewerage acts and the formulation of new Water and Sewerage Acts.
- Quality Control Enforcement - Ensure Water Authority of Fiji complies with Legislations and National Standards and Guidelines
- Research & Development - Research on low cost and user-friendly technology for water and sewerage systems and facilitate stakeholder workshop/exhibitions/meetings on the impact of climate change to the Water Sector.

Financial Achievements

The financial utilization rate of the Department in 2016 was 30% and for 2016 - 2017 was 44%. The Graph below shows budget utilization for the last 5 years.

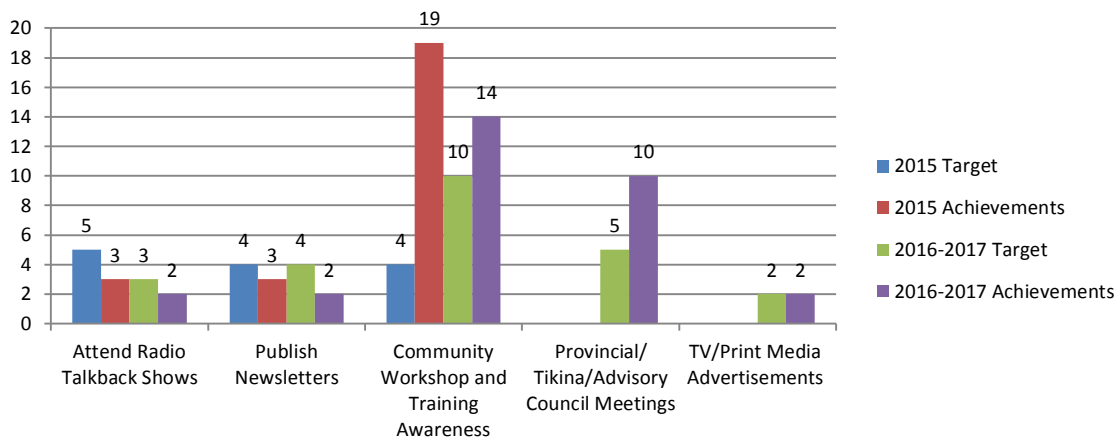
Graph 5.1 Budget Utilization



Public Awareness

This is coordinated through radio talkback shows, Department newsletters, community workshops and training and awareness at Provincial/Tikina/Advisory Council meetings. Stakeholder consultations were also conducted on the Rural Water and Sanitation Policy, Liquid Trade Waste Policy, National Water and Sanitation Policy, Practical Guidelines for Water Supply Management Plan and other project implementation issues for the water and sewerage sector. Graph below shows achievement for the Department.

Graph 5.2 Public Awareness



In terms of education, training and capacity building, staffs attended local workshops and seminars and short courses. Staffs were also given the opportunity to attend bilateral funded training overseas. The Department also successfully facilitated the World Water Day Celebration with the theme ‘Water and Jobs’ in Labasa on the 1st and 2nd September, 2016. World Water Day celebration for 2017 was also for 2 days and a Water Dialogue was organised on 29th March 2017 for key stakeholders in Levuka. The objective of the dialogue was to discuss the Communiqué drawn from the National Water Forum held early this year. Key stakeholders at Provincial and District levels were targeted for the dialogue in order for them to be made aware of national initiatives, policies and plans highlighted in the communiqué. Key stakeholders from Suva were also given time during the dialogue to present their services and products to stakeholders. The World Water Day Celebrations with the theme “Wastewater” was held on 30th March 2017 at Nasau Park in Levuka. More than 400 students from 19 schools attended the celebrations. Students participated in the street procession, placard competition and oratory contest. Prizes were also allocated for the competition. The local communities also responded well by turning up in numbers to visit various stakeholders booths. Awareness on water and sanitation was also conducted during these celebrations.

Water and Sanitation Policies and Regulations

The Department completed the review of the Rural Water and Sanitation Policy taking into account the 10% waiver of community contribution for rural water projects. This will lead to the Government fully funding all rural water projects. The reviewed policy was approved by Cabinet however had to be submitted to SG’s Office for vetting and approval before adoption. The

Liquid Trade Waste Policy was approved by Cabinet in February 2017. The approved policy was given to WAF for implementation and awareness. WAF will be responsible for the implementation and the Department will be responsible for the monitoring of this policy. The Department in collaboration with Mineral Resources Department also finalized the National Water Resources Management and Sanitation Policy for submission to Cabinet for approval. This Policy aims to provide a platform for Fiji to better its service provision, to manage its water resources and sanitation challenges and ensure the sustainable supply and utilisation for now as well as the future. The National Water and Sanitation Policy was also developed and submitted to Cabinet for approval however it was withdrawn. The Department continuously followed up with SG's Office on the formulation of law for water and sewerage services in Fiji however in February 2017 were advised that their office will be able to assist in the formulation of the proposed legislation subject to an approved policy in this area and policy would have to be approved by Cabinet.

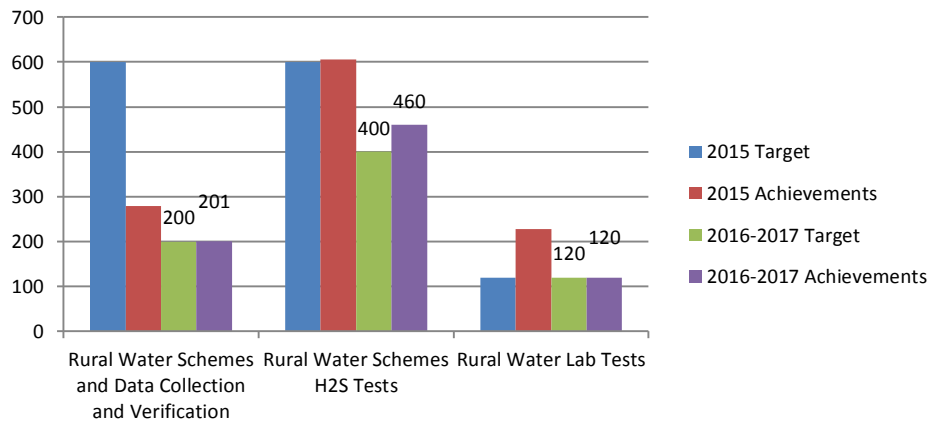
In June 2017, the Department of Water & Sewerage (DWS) under the Ministry of Infrastructure & Transport (MOIT), Fiji, contracted the National Institute of Water and Atmospheric Research Limited (NIWA) to develop Fiji's first Water Accounting Tool (FijiWAT) and set of water accounts for the years 2010 to 2015. The purpose of the tool, as envisaged by DWS, was to provide a summary of available water resources within Fiji at a tikina scale and at a monthly time resolution, to assist with the development of water related policy and also provide a baseline to enable future projections. NIWA had carried out stakeholder consultations and also presented the draft FijiWAT tool to relevant stakeholders. Summary Data Sharing Agreement was also developed for DWS and relevant stakeholder's endorsement. ITC started work on the 2nd Phase of the National Water and Sanitation Database. The database was regularly updated with water and sanitation data collected from rural communities. It will be made available to implementing agencies, NGOs and donor agencies for purpose of policies, project planning and implementation. The Department continued with the licensing of Waterworks Fitters but this was only limited to replacement licences.

Quality Control Enforcement

Complaints in regards to WAF services were also monitored by the Department. The Department continued to work with WAF in ensuring issues were resolved within the WAF "Turnaround Time". 7 complaints analysis reports were prepared and submitted to management.

Rural data collection and verification is a major task the Department is carrying out in the rural areas to ensure water and sanitation services are available to the rural communities. Water quality testing using H2S kits and also in Labs are conducted for rural areas to check if safe water is provided to the communities. These results are usually forwarded to relevant agencies for their necessary actions. Graph below shows data collection and types of water quality tests conducted.

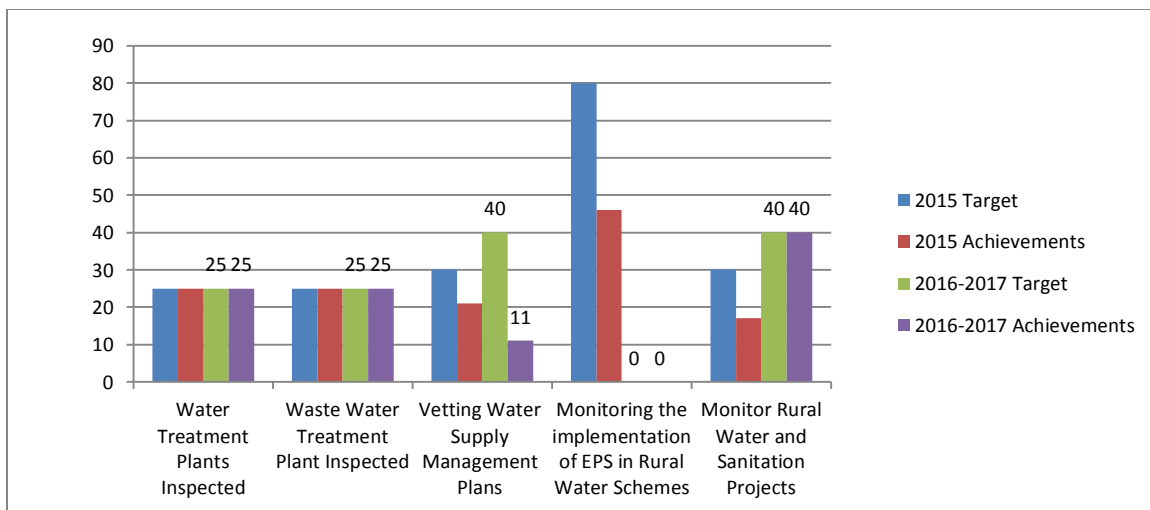
Graph 5.3 Rural Data and Water Quality Tests



Under policy compliance, implementation agencies are required to submit Water Supply Management Plans for all their rural projects to the Department for approval before projects can be implemented. The Department inspects and monitors water quality for all rural projects.

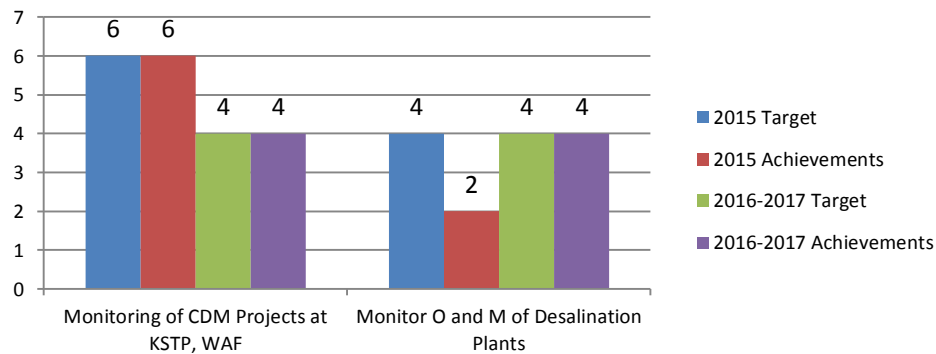
Inspections of WAF water and wastewater treatment plants, rural water projects, Ecological Purification Systems (EPS), Clean Development Mechanism (CDM) project and Desalination Plants were also conducted to ensure compliance to national standards and plans. The Department also analysed WAF water and wastewater quality results to ensure they complied with the National Drinking Water Quality Standards and National Liquid Waste Standards respectively. Graphs below show achievements of the Department.

Graph 5.4 WAF Treatment Plants and Rural Projects Inspections



The Department continued monitoring WAF's Capital projects under their Annual Works Programme. Under the Performance Monitoring programme the Department vetted WAF's works programme looking at physical and financial progress of capital projects and monthly reports were provided to Ministry management and then forwarded to WAF for their information and necessary actions.

Graph 5.5 CDM and Desalination Plants Inspections



Ecological Purification System

The implementation of community-based Ecological Purification System (EPS) projects was made possible by Government funding assistance through the DWS, construction by the Department of Works and Technical Assistance from JICA. The balance of initial Government budget allocation \$2 Million to the Department in 2015 was utilized in 2016 to install 19 EPS projects in the remaining approved villages. Clean water from these systems is benefitting approximately 6,686 people in the rural areas all over Fiji. The Department continued with the inspection of these projects and also water quality monitoring to ensure water was safe for drinking. The Department also carried out EPS training for water committees in these villages to ensure they were capable to operate and maintain the EPS projects. This is all contributing towards fulfilling peoples’ right to clean and safe water under the Constitution.

Research and Development

Ultrafiltration (UF) Water Treatment System

The UF System was installed in Tubalevu Village in Tailevu. Water from the village borehole system will be treated using the UF system and clean and safe water will be supplied to the 350 villagers. The Department trained the Water committee on the operation and maintenance of UF system as they will be responsible for the system. The project including the water quality is been monitored by the Department.

Advanced Septic Tank

In the rural sector, poor designs of septic tanks have resulted in environmental pollution and increase in water borne diseases. The Department has been researching on a more efficient and environmentally-friendly septic tank system created as “advanced septic tank”. The Department had been involved in the design and testing of 3 prototypes with special plastic media, gravel and coral in each and intends to trial the most efficient model in the field.

6. DEPARTMENT OF WORKS

The Department of Works is responsible for the provision of professional advice, technical services, planning, design and construction of works projects for Government Departments and Agencies. This includes management of works, maintenance and operation of facilities owned by the Government including the supply of electricity to the four (4) Rural Government Stations in Nabouwalu - Bua, Lakeba - Lau, Vunisea – Kadavu and Ahau - Rotuma. Central to this is the provision of Civil and Mechanical Engineering Services.

It is represented in the three (3) divisions (Central/Eastern, Western & Northern) with offices and workshops in Walu Bay – Suva, Waterfront Road - Lautoka, & Vatunibale – Labasa respectively. Facilitation of service delivery within the divisions are coordinated and managed by the respective Divisional Engineers. The department also operates four rural government power stations (Nabouwalu, Vunisea, Lakeba and Rotuma) operating at 18hrs/day at a cost of \$1.9M.

The department was able to successfully complete all its programmes and also its client funded projects for the year.

Apart from budgeted activities, the department also operates Seven (7) Trading & Manufacturing Entities (TMA's) on a Semi Commercial basis actively offering support services and manufactured products to other sections in the department, government agencies and the public. These TMA's are tabulated below:

TMA Entity	Trading Activity
Joinery Workshop	Manufacture, supply of furniture & building fixtures and also specializes in timber prefabricated houses, office and buildings remodeling and makeovers.
Plumber shop	Design, fabricate, and manufacture sheet metal products and provision of general plumbing services.
Plant Hire	Hire of vehicle & plants
Fuel & Oil	Sale of Fuel & Lubricants
Mechanical Workshop	Provision of automotive, electrical & mechanical engineering services inclusive of welding and fabrication.
Lube Bay (Suva Only)	Servicing of vehicles
Block Shed (Labasa Only)	Manufacturing of concrete products.

For the 18 months from Jan 2016 to July 2017, the department's TMA made a net profit of \$202,908.00.

Department Outputs and Performance Targets

Under the Ministry's responsibilities in achieving Governments Strategic Priorities and Outcomes, the department is assigned nine (9) major Outputs as detailed below with its performance achievements.

Output 1: Repairs and maintenance and operations of public buildings (Capital Projects)

Ensure that Government Buildings are properly maintained and upgraded. This includes project scoping, estimating, maintenance and handover.

Scoping & Estimates

No. of estimates	156
Value of estimates	\$19,645,519

Urgent Buildings & Electrical maintenance

No. of buildings complaints attended	450
Value	\$51,948
No. of electrical complaints attended	258
Value	\$31,432

Buildings Routine Maintenance Program

Listed below are the buildings maintained under the above program.

No	Project	Locality	Division
1.	Mechanical Yard Maintenance	Walu Bay, Suva	DECE
2.	Tavua Group Maintenance	Tavua	DEWW
3.	Namosua Group Maintenance	Ba	DEWW
4.	Mechanical Yard Maintenance	DEWW yard, Lautoka	DEWW
5.	WAF building depot	Vatunibale, Labasa	DEWN
6.	Depot Fencing	Vatunibale, Labasa	DEWN

Buildings Special Maintenance Program

These maintenance projects are carried out on buildings that urgently need maintenance due to the dilapidated state.

No	Project	Locality	Division
1.	Government Buildings Maintenance	Suva	DECE
2.	Dobuilevu Agricultural Station	Ra	DEWW

3.	Lawaqa Agriculture Station	Sigatoka	DEWW
4.	Lawaqa DO's Office	Sigatoka	DEWW
5.	Govt. Buildings, Nadi	Nadi	DEWW
6.	Qtrs 46 A&B, 48A &B, 49 A & B	Vaturekuka, Labasa	DEWN

Sewer Relining Projects

These projects involve the upgrading of the sewer reticulation systems in government premises (Quarters & Office complexes).

No	Project	Locality	Division
1.	Central Police Station	Suva	DECE
2.	Nasova Police Station	Suva	DECE
3.	Nasese Police Station	Suva	DECE
4.	Matuku	Suva	DECE
5.	Varadoli Qtrs	Ba	DEWW
6.	Namosau Qtrs	Ba	DEWW
7.	Natabua H/School	Lautoka	DEWW
8.	Lautoka Police Station Phase 1	Lautoka	DEWW
9.	Tavua Qtrs	Tavua	DEWW
10.	Vatunibale Phase 1	Labasa	DEWN
11.	Vatunibale Phase 2	Labasa	DEWN
12.	Labasa College Phase 2	Labasa	DEWN
13.	Waiyevo Group 7, Taveuni Phase 2	Taveuni	DEWN

Output 2: Constructions, Building Services and Improvements

Construction of Government offices, buildings and client funded projects to specifications and standards as per plans inclusive of Road works.

No	Project	Locality	Division
1.	Natadradave	Tailevu	DECE
2.	Vunikavikaloa Primary School	Ra	DECE
3.	Lami Cooperative	Lami	DECE
4.	Improvement to PM's residence	Suva	DECE
5.	Navua Hospital Kitchen Renovation	Navua	DECE
6.	Daulako Lab Maintenance	Suva	DECE
7.	Suva Primary School Library & Computer room renovation with computer bench	Suva	DECE
8.	Ultra Filtration Shed (Tubalevu)	Suva	DECE
9.	Construction Fisheries Staff Quarters	Caboni, Ra	DEWW
10.	Construction of Lab & Classroom	St Francis College, RA	DEWW
11.	Construction of classroom block & qtrs	Vatubalavu, Navosa.	DEWW

Output 3: Repairs and Maintenance -Motor Vehicles and Mechanical Services (TMA)

Ensure that all vehicles and plants in the Department's Pool are repaired and effectively maintained.

No. of jobs	1,357
Value of jobs	\$341,034

Output 4: Plant Pool – Hire of vehicles and fuel trading (TMA)

Operation of a profitable and reliable vehicle and plant hire & fuel trading service.

No. of vehicles hired	1,357
Value of hire	\$341,034
Volume of fuel sold	278,628
Value of sale	\$555,775

Output 5: Repairs and maintenance Administration– Electrical Infrastructure

Affordable and sustainable electrical power supply for rural government stations and nearby communities.

No. of jobs	7
Value of jobs	\$256,489

Output 6: Construction – Electrical Services Administration

Upgrading electrical infrastructure in compliance to AS/NZ standards.

No. of jobs	33
Value of jobs	\$442,476

Output 7: Workshops Construction – Plants and fabricated steel works.

Ensure that workshop construction works relating to plants and fabricated steel works are completed successfully.

No. of fabricated steel works completed	104
Value of Works	\$13,977
No. of Fitting & Machining Works completed	55
Value of Works	\$2,465
No. of Electrical Works	103
Value of Works	\$237,273

Output 8: Joinery and Plumbershop

Fabrication and sale of office and quarters fittings and furniture.

No. of joinery jobs completed	125
Value of Works	\$302,965
No. of Plumber shop jobs completed	41
Value of Works	\$653,329

Output 9: Transportation of Freight & Freight Handling

Government freights are adequately transported to required destinations.

Tonnage Freight	1,687
Cost of freight	\$278,187

7. FIJI METEOROLOGICAL SERVICES

The Fiji Meteorological Service (FMS) is responsible for providing weather, flood forecast and warning services for Fiji and other Pacific Island Countries. It operates the National Weather Forecasting Centre (NWFC) at Nadi, which serves Fiji's weather and climate information needs. It also hosts the Regional Specialized Meteorological Centre Nadi - Tropical Cyclone Centre (RSMC Nadi-TCC), under the World Weather Watch Program of the World Meteorological Organization (WMO), with the objective of providing weather forecasts, tropical cyclone and other severe weather warnings, and advisory information for the tropical Pacific region. Under the International Civil Aviation Organization (ICAO), FMS serves as the Meteorological Watch Authority as well as the Meteorological Watch Office for the Nadi Flight Information Region (FIR) and beyond.

The FMS contributes to the national and regional, social, economic, cultural and environmental goals by providing meteorological data and services, and research into the science of weather, climate, climate change, variability and associated environment - related issues. Regular meteorological observations are recorded by a network of surface and space-based observing systems. These range from the conventional instruments to highly sophisticated meteorological automated weather systems, radars and satellites, operated as part of a cooperative integrated global system.

The table below illustrate the achievement by the Department of Fiji Meteorological Services by year ending July 2017. The achievement is measured against the annual target as stipulated under the 2016/2017 Annual Corporate Plan for the Ministry.

OUTPUT 3: Public Awareness

The Department was able to conduct 32 community awareness and 115 awareness sessions to the schools during the 2016/2017 financial year. The FMS also attended to eight (8) Radio interviews and talkback sessions raising awareness on meteorological services and expected weather patterns.

OUTPUT 10: Meteorological and Hydrological Products and Services

Output Indicators	2016/2017 Annual Target	Achievement as at July 2017	Achievement (%)
Number of Public Routine Weather Forecasts	8000	10012	124%
Number of Marine Routine Weather Forecasts	2500	2911	112%
Number of Aviation Routine Weather Forecasts	35000	42588	115%
7 Day Outlook	104	97	85%
Number of Forecasts Warnings and Advisories	500	847	168%
Number of 3 Day Tropical Cyclone	180	193	107%

Outlook			
Number of Weather Forecasts for SMS Mobile Networks	1400	980	70%
Number of plain language Weather Updates to the Media	350	452	129%
Monthly Climate Summary	12	12	100%
Annual Climate Summary	1	95% complete	95%
Fiji Climate Outlook (seasonal)	1	1	100%
Monasavu Outlook	12	12	100%
Fiji Sugarcane Rainfall Outlook	4	4	100%
Tropical Cyclone Guidance (TC Seasonal Outlook)	1	1	100%
ENSO Update	6	6	100%
Hydrological Flood Forecast	40	284	710%

OUTPUT 11: Meteorological and Hydrological Reporting Networks to WMO and ICAO Standards

The output ensures that FMS maintain a communication network and information gathering system that aligns with global WMO and ICAO standard procedures. This guarantees interoperability within the operating systems and provides real time information.

Output Indicators	2016/2017 Annual Target	Achievement as at July 2017	Achievement (%)
Upgrading of outer islands stations – Rehabilitation of Vanuabalavu Station after TC Winston	1	60% complete	60%
Construction of new Labasa Meteorological Office	1	incomplete	63%
Upgrade of Nadi Radar Antenna	1	23% complete	23%
Installation of Water Level and Rainfall Telemetry	8	8	100%
Automatic Weather Observation Systems replacement project at the Nadi Airport	4	2	50%

OUTPUT 12: Consultancy and International Obligations

The objective of achieving the output is to align the FMS with global standards and maintaining a closer liaison with international bodies.

Output Indicators	2016/2017 Annual Target	Achievement as at July 2017	Achievement (%)
Number of Meteorological and Hydrological professional & Scientific consultancies performed.	25	14	56%

Tropical Cyclone Summary	1	50% complete	50%
National Climate Forum Meeting	1	0	0%
Number of International Meeting attended	10	8	80%
World Meteorology Day (WMD) Celebration	1	1	100%
Meteorology and Hydrology Act	1	50% complete	50%

Achievement of other core activities

- The FMS was audited by Maritime Safety Authority of Fiji (MSAF) on 26 June 2017 for provision of Marine Services, A total of six (6) findings noted and the nomination of focal point in FMS to address the findings. MSAF will continue to conduct monthly checks to ensure FMS is compliant with requirements under ISO9001 and IMO.
- External Audit has been confirmed for 6th September 2017 by Telarc Global Limited of New Zealand.
- The Ministry of Health and Medical Services organised a 2 day consultation meeting with FMS on 5th July 2017. The meeting discussed the draft Nation Policy and the Action Plan for Drowning prevention and Water safety.
- A consultation meeting between FMS and the Secretariat of the Pacific Community (SPC) Reforest Fiji Project was held on 26th July 2017. The purpose of the meeting is to formulate ways of managing forest fire using weather and climate data.

Strategic Change

Under the new strategic change within the Government framework, the FMS will merge with the National Disaster Management Unit and reporting under the Ministry of Rural Development in the next financial year – 2017/2018.

8. DEPARTMENT OF GOVERNMENT SHIPPING SERVICES

The Department of Government Shipping Services successfully serves the Ministry and the nation in accordance to its operational and maintenance program for 2016/2017. Additionally, the 2016/2017 budget provision for the Department was well utilized after the procurement of one new medical vessel the MLC Veivueti. The increase in the budget for this financial year is indicative of the commitment by the Department in improving its service delivery to the maritime areas and public as a whole. The Department having eleven vessels with an estimated cost of \$30M inclusive of the two vessels that were transferred from the Ministry of Fisheries were in principle able to support the achievement of higher economic growth through quality service delivery in the areas of sustainable infrastructure and dynamic transport systems.

The provision of the additional vessel having its multi role capacity is a fully fledged hospital ship with the intension to make quarterly trips providing medical services to the Maritime Islands has also assisted and contributed to the increase in economic developments in maritime communities. The contents of this report outlines the various achievements carried out for the Department of Government Shipping Services during August 2016 to July 2017 in line with the Ministries Output deliverables as stipulated in the ACP. The department was able to undertake 105 trips with the highlights of delivering relieve supplies to the stricken damage islands after the devastation of TC Winston.

Additionally under Output 41 with the provision of Aids to Navigation Services, the Department installed a total of 120 beacons in the Savusavu, Qamea, Laucala, Welagilala, Kadavu, Navua, Pacific Harbour and Beqa waters.

Furthermore, after the devastation of TC Winston, the team inspected and serviced all the affected lighthouses through the initiative taken by Management to promote safety and ease of passage for vessels within the main and secondary ports of Fiji plus harbour entrance to all our maritime islands.

Tabulated below is the 2016/2017 Target and Achievement.

DEPARTMENT KPI'S	TARGET	ACHIEVEMENT 2016/2017
New Vessel – MLC Veivueti	1	1
Beacons installed	100	153
New Building	1	1

AUDITED FINANCIAL STATEMENTS FOR THE SEVEN MONTHS ENDED 31 JULY 2016



OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File 591

05 June 2017

The Honourable Parveen Kumar
Minister for Infrastructure and Transport
Nasilivata House
SUVA

Dear Sir

**AUDITED FINANCIAL STATEMENTS
MINISTRY OF INFRASTRUCTURE AND TRANSPORT
FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

Audited financial statements for the Ministry of Infrastructure and Transport for the seven months ended 31 July 2016 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for its necessary actions.

Yours faithfully

Ajay Nand
AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL

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P. O. Box 2214, Government Buildings
Suva, Fiji

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Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

Audit Opinion

I have audited the financial statements of the Ministry of Infrastructure and Transport, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, Trading and Manufacturing Accounts, Trust Fund Account Statement of Receipts and Payments and Statement of Losses for the 7 months period ended 31 July 2016, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.

Basis for Qualified Opinion

1. Several Trading and Manufacturing Accounts (TMA) did not disclose cash at bank account in the TMA balance sheet as at 31 July 2016. However significant amount of receipts and payments were recorded in the TMA profit and loss statements. Separate cash account general ledgers were not maintained for these TMAs.

In addition, Consolidated TMA balance sheet had cash at bank balance of \$3,766,112 while consolidated bank reconciliation balance was \$2,493,936 as at 31/07/16. A variance of \$1,272,176 was noted.

As a result I was unable to ascertain the accuracy and completeness of the Cash at Bank balance of \$3,766,112 stated in the Consolidated TMA balance sheet as at 31 July 2017.

2. A variance of \$210,188 existed between the subsidiary records of debtors totalling \$210,188 and the FMIS accounts receivable nil balance as at 31 July 2016. The Ministry did not reconcile the two records. I was not able to ascertain the correctness of nil accounts receivable balance stated in the Consolidated TMA balance sheet as at 31 July 2017.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Management's Responsibilities for the Financial Statements

The management of the Ministry are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR GENERAL

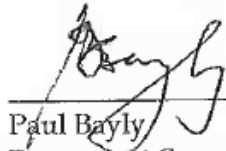


Suva, Fiji
05 June 2017

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
MANAGEMENT CERTIFICATE
FOR THE 7 MONTHS ENDED 31 JULY 2016**

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Infrastructure and Transport and its financial position for the 7 months ended 31 July 2016; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and the Finance Instructions 2010.



Paul Bayly
Permanent Secretary

Date: 26/5/17



Sen Jeet
Principal Accounts Officer

Date: 26/5/17

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
STATEMENT OF RECEIPTS AND EXPENDITURE - HEAD 40
FOR THE 7 MONTHS ENDED 31 JULY 2016**

	Notes	31 July 2016 (\$)	31 Dec 2015 (\$)
REVENUE			
Agency Revenue			
Miscellaneous Revenue		351,404	1,868,425
Commission		6,021	19,445
Reimbursement of Meteorological Services		217,392	565,854
Registration		1,350	850
Revenue from carriage of freight		58,844	-
Total Agency Revenue		<u>635,011</u>	<u>2,454,574</u>
TOTAL REVENUE		<u>635,011</u>	<u>2,454,574</u>
EXPENDITURE			
Operating Expenditure			
Established Staff		6,421,197	11,527,198
Government Wage Earners		5,074,436	6,951,361
Travel and Communications		808,876	1,164,965
Maintenance & Operations		4,757,990	8,165,823
Purchase of Goods and Services		945,856	1,417,207
Operating Grants and Transfers		11,473,112	19,446,939
Special Expenditures		156,220	860,868
Total Operating Expenditure		<u>29,637,687</u>	<u>49,534,361</u>
Capital Expenditure			
Construction		15,793,736	15,718,627
Purchases		97,024	8,701,101
Grants and Transfers		10,829,721	25,438,773
Total Capital Expenditure		<u>26,720,481</u>	<u>49,858,501</u>
Value Added Tax		2,273,635	5,241,792
TOTAL EXPENDITURE		<u>58,631,803</u>	<u>104,634,654</u>

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
APPROPRIATION STATEMENT - HEAD 40
FOR THE 7 MONTHS ENDED 31 JULY 2016**

SEG	Item	Budget Estimate	Appropriation Changes (Note 5)	Revised Estimate	Actual Expenditure	Lapsed Appropriation
		(\$)	(\$)	(\$)	(\$)	(\$)
	Operating Expenditure					
1	Established Staff	15,327,356	-	15,327,356	6,421,197	8,906,159
2	Government Wage Earner	9,328,028	-	9,328,028	5,074,436	4,253,592
3	Travel and Communications	1,227,120	-	1,227,120	808,876	418,244
4	Maintenance & Operations	9,131,219	4,000	9,135,219	4,757,990	4,377,229
5	Purchase of Goods & Services	2,055,392	(20,000)	2,035,392	945,856	1,089,536
6	Operating Grants & Transfers	23,001,858	-	23,001,858	11,473,112	11,528,746
7	Special Expenditures	1,336,813	16,000	1,352,813	156,220	1,196,593
	Total Operating Expenditure	61,407,786	-	61,407,786	29,637,687	31,770,099
	Capital Expenditure					
8	Construction	25,781,671	13,568	25,795,239	15,793,736	10,001,503
9	Purchases	7,376,605	-	7,376,605	97,024	7,279,581
10	Grants & Transfers	23,500,000	(13,568)	23,486,432	10,829,721	12,656,711
	Total Capital Expenditure	56,658,276	-	56,658,276	26,720,481	29,937,795
13	Value Added Tax	4,166,143	-	4,166,143	2,273,635	1,892,508
	TOTAL EXPENDITURE	122,232,205	-	122,232,205	58,631,803	63,600,402

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA MANUFACTURING ACCOUNT
FOR THE 7 MONTHS ENDED 31 JULY 2016**

	Notes	31 July 2016 (\$)	31 Dec 2015 (\$)
Opening Raw Materials		253,933	340,123
<i>Add:</i> Purchases		<u>1,231,423</u>	<u>2,367,908</u>
		1,485,356	2,708,031
<i>Less:</i> Closing Raw Materials		<u>294,851</u>	<u>253,933</u>
Raw Materials Used		1,190,505	2,454,098
<i>Add:</i> Direct Labour	4(a)	2,324,661	2,841,617
Opening Work in Progress		44,203	85,606
<i>Less:</i> Closing Work in Progress	4(b)	37,027	44,203
Cost of Goods Manufactured transferred to Trading Account		<u>3,522,342</u>	<u>5,337,118</u>

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA PROFIT AND LOSS STATEMENT
FOR THE 7 MONTHS ENDED 31 JULY 2016**

	Notes	31 July 2016 (\$)	31 Dec 2015 (\$)
Income			
Gross Profit transferred from Trading Account		1,776,721	3,700,906
Other Income		<u>277</u>	<u>616</u>
Total Income		<u>1,776,998</u>	<u>3,701,522</u>
Expenses			
Travel and Communication		187,957	165,803
Maintenance and Operation		1,376,062	1,504,555
Purchase of Goods and Service		19,699	12,193
Special Expenses		<u>3,705</u>	<u>1,669</u>
Total Expenses	4(e)	<u>1,587,423</u>	<u>1,684,220</u>
Net Profit		<u>189,575</u>	<u>2,017,302</u>

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA BALANCE SHEET
AS AT 31 JULY 2016**

	Notes	31 July 2016 (\$)	31 Dec 2015 (\$)
Assets			
TMA Dominion Cash - Suva	4(f)	3,766,112	5,285,919
Accounts Receivables	4(g)	-	-
Deposits and Deductions	4(h)	118,832	82,824
Inventory		538,192	542,722
Total Assets		4,423,136	5,911,465
Liabilities			
Accounts Payable		27,143	27,143
Unearned Revenue	4(i)	196,704	1,157,097
Total Liabilities		223,847	1,184,240
Net Assets		4,199,289	4,727,225
Equity			
TMA Accumulated Surplus		(692,683)	(1,983,278)
Net Profit		189,575	2,017,302
TMA Surplus Transferred to CFA	4(j)	4,702,397	4,693,201
Total Equity		4,199,289	4,727,225

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017



OFFICE OF THE AUDITOR GENERAL

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6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 592

13 November 2018

The Honourable Praveen Kumar
Minister for Infrastructure and Transport
Nasilivata House
SUVA

Dear Honourable Praveen Kumar

**AUDITED FINANCIAL STATEMENTS
MINISTRY OF INFRASTRUCTURE AND TRANSPORT
FOR THE FINANCIAL YEAR ENDED 31st JULY 2017**

Audited financial statements for the Ministry for the year ended 31 July 2017 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the Management for necessary actions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ajay Nand'.

Ajay Nand
AUDITOR-GENERAL

cc: Mr. David Kolutagane, Acting Permanent Secretary – Ministry of Infrastructure and Transport

Encl.



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INDEPENDENT AUDITOR'S REPORT

MINISTRY OF INFRASTRUCTURE AND TRANSPORT

Audit Opinion

I have audited the financial statements of the Ministry of Infrastructure and Transport, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, Trading and Manufacturing Accounts, Trust Fund Account Statement of Receipts and Payments and Statement of Losses for the year ended 31 July 2017, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Qualified Opinion

1. An unreconciled variance of \$1,405,134 exists between the Consolidated TMA balance sheet cash at bank balance of \$3,154,993 and consolidated bank reconciliation balance of \$1,749,859 as at 31/07/17. Consequently, I could not confirm the accuracy and completeness of the Cash at bank balance of \$3,154,993 stated in the Consolidated TMA balance sheet as at 31 July 2017.
2. The Ministry adjusted its VAT receivable balance by \$322,428 to reconcile it with the Fiji Revenue Customs Services records by posting journal entries to the TMA Accumulated Surplus Account. I was not provided with appropriate reconciliations to support these journal entries. As such, I was unable to satisfy myself on the accuracy of these journal entries posted to the general ledger and its impact on the accounts affected.

Without further qualifying the opinion above, I draw attention to the following:

- Internal controls over Plumber shop inventory and TMA sales for Plumbing and Joinery were generally found to be weak and if not addressed promptly may result in material misstatements and possible financial losses in the near future.
- The Ministry has disclosed its 17 Trading and Manufacturing Accounts (TMA) in the financial statements Note 7 by consolidating it according to the divisions. The change in the format of the presentation has resulted in the limited information disclosed in the financial statements for each type of TMA in terms of its performance and cash flows.
- The Energy Trust Account had a balance of \$2,232,312 as at 31/7/17. The closing balance comprises of refunds for the FEA Grid and Housing wiring, bond payment for projects and revenue bills collected from the Solar Home Systems. The Ministry has not maintained appropriate details of this Trust Fund.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the Ministry in accordance with the ethical

requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibilities for the Financial Statements

The management of the Ministry are responsible for the preparation of the financial statements in accordance with the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

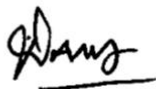
Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
13 November 2018

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2017**

We certify that these financial statements:

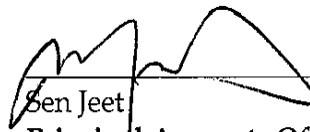
- (a) fairly reflect the financial operations and performance of the Ministry of Infrastructure and Transport and its financial position for the year ended 31 July 2017; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.



David S. Kolitagane
Acting Permanent Secretary

Date:

5/4/18



Sen Jeet
Principal Accounts Officer

Date:

25/10/18

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
STATEMENT OF RECEIPTS AND EXPENDITURE - HEAD 40
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	12 Months 2017 (\$)	7 Months 2016 (\$)
REVENUE			
Agency Revenue			
Miscellaneous Revenue	3(a)	674,468	351,404
Revenue from carriage of Freight	3(b)	595,090	58,844
Commission	3(c)	14,486	6,021
Reimbursement of Meteorological Services	3(d)	540,886	217,392
Registration	3(e)	1,700	1,350
Total Agency Revenue		1,826,630	635,011
TOTAL REVENUE		1,826,630	635,011
EXPENDITURE			
Operating Expenditure			
Established Staff	3(f)	11,067,138	6,421,197
Government Wage Earners	3(g)	7,960,735	5,074,436
Travel and Communications	3(h)	1,214,607	808,876
Maintenance & Operations	3(i)	8,465,469	4,757,990
Purchase of Goods and Services	3(j)	1,841,989	945,856
Operating Grants and Transfers	3(k)	25,689,201	11,473,112
Special Expenditures	3(l)	1,778,797	156,220
Total Operating Expenditure		58,017,936	29,637,687
Capital Expenditure			
Construction	3(m)	9,518,437	15,793,736
Purchases	3(n)	3,357,495	97,024
Grants and Transfers	3(o)	19,318,931	10,829,721
Total Capital Expenditure		32,194,863	26,720,481
Value Added Tax	3(p)	2,232,388	2,273,635
TOTAL EXPENDITURE		92,445,187	58,631,803

MINISTRY OF INFRASTRUCTURE AND TRANSPORT
APPROPRIATION STATEMENT - HEAD 40
FOR THE YEAR ENDED 31 JULY 2017

SEG	Item	Budget Estimate	Appropriation Changes (Note 4(a))	Revised Estimate	Actual Expenditure	Lapsed Appropriation
		(\$)	(\$)	(\$)	(\$)	(\$)
				(a)	(b)	(a)-(b)
	Operating Expenditure					
1	Established Staff	15,817,356	(868,962)	14,948,394	11,067,138	3,881,256
2	Government Wage Earner	9,373,884	(461,441)	8,912,443	7,960,735	951,708
3	Travel and Communications	1,275,120	53,000	1,328,120	1,214,607	113,513
4	Maintenance & Operations	9,491,719	(279,244)	9,212,475	8,465,469	747,006
5	Purchase of Goods & Services	2,136,832	31,000	2,167,832	1,841,989	325,843
6	Operating Grants & Transfers	24,772,731	1,111,554	25,884,285	25,689,201	195,084
7	Special Expenditures	1,320,322	1,447,647	2,767,969	1,778,797	989,172
	Total Operating Expenditure	64,187,964	1,033,554	65,221,518	58,017,936	7,203,582
	Capital Expenditure					
8	Construction	14,986,473	405,072	15,391,545	9,518,437	5,873,107
9	Purchases	8,636,140	51,121	8,687,261	3,357,495	5,329,766
10	Grants & Transfers	29,282,577	(1,530,804)	27,751,773	19,318,931	8,432,842
	Total Capital Expenditure	52,905,190	(1,074,611)	51,830,579	32,194,863	19,635,715
13	Value Added Tax	3,370,600	41,057	3,411,657	2,232,388	1,179,269
	TOTAL EXPENDITURE	120,463,754	-	120,463,754	92,445,187	28,018,566

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED MANUFACTURING ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	12 Months 2017 (\$)	7 Months 2016 (\$)
Opening Raw Materials		294,851	253,933
<i>Add: Purchases</i>		<u>1,741,014</u>	<u>1,231,423</u>
		2,035,865	1,485,356
<i>Less: Closing Raw Materials</i>		<u>235,128</u>	<u>294,851</u>
Raw Materials Used		1,800,737	1,190,505
<i>Add: Direct Labour</i>	7(a)	4,392,384	2,324,661
Opening Work in Progress		37,027	44,203
<i>Less: Closing Work in Progress</i>		22,336	37,027
Cost of Goods Manufactured transferred to Trading Account	7(b)	<u>6,207,812</u>	<u>3,522,342</u>

MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA TRADING ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017

	Notes	12 Months 2017 (\$)	7 Months 2016 (\$)
Sales	7(c)	9,127,580	5,337,334
Opening Finished Goods		206,315	244,586
<i>Add:</i> Cost of Manufactured Goods		<u>6,207,812</u>	<u>3,522,342</u>
Goods available for Sale		6,414,127	3,766,928
<i>Less:</i> Closing Finished Goods		<u>180,363</u>	<u>206,315</u>
Cost of Finished Goods Sold	7(d)	6,233,764	3,560,613
Gross Profit Transferred to P&L A/C	7(e)	<u>2,893,816</u>	<u>1,776,721</u>

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 JULY 2017**

		12 Months 2017 (\$)	7 Months 2016 (\$)
	Notes		
Income			
Gross Profit transferred from Trading Account		2,893,816	1,776,721
Other Income		1,364	277
Total Income		<u>2,895,180</u>	<u>1,776,998</u>
Expenses			
Travel and Communication		175,510	187,957
Maintenance and Operation		2,660,609	1,376,062
Purchase of Goods and Service		36,707	19,699
Special Expenses		9,021	3,705
Total Expenses	7(f)	<u>2,881,847</u>	<u>1,587,423</u>
Net Profit	7(g)	<u>13,333</u>	<u>189,575</u>

**MINISTRY OF INFRASTRUCTURE AND TRANSPORT
CONSOLIDATED TMA BALANCE SHEET
AS AT 31 JULY 2017**

		12 Months 2017	7 Months 2016
	Notes	(\$)	(\$)
Assets			
TMA Dominion Cash - Suva	7(h)	3,154,993	3,766,112
Accounts Receivables	7(i)	644,415	-
Deposits and Deductions	7(j)	-	118,832
Inventory	7(k)	437,827	538,192
Total Assets		<u>4,237,235</u>	<u>4,423,136</u>
Liabilities			
Deposits and Deductions	7(j)	226,314	-
Accounts Payable		-	27,143
Unearned Revenue	7(l)	471,303	196,704
Total Liabilities		<u>697,617</u>	<u>223,847</u>
Net Assets		<u>3,539,618</u>	<u>4,199,289</u>
Equity			
TMA Accumulated Losses	7(m)	(798,230)	(692,683)
Net Profit		13,333	189,575
TMA Surplus Transferred to CFA	7(n)	4,324,515	4,702,397
Total Equity		<u>3,539,618</u>	<u>4,199,289</u>