

# 2016/2017 ANNUAL REPORT



Fiji Roads Authority





**Fiji Roads Authority**

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## Chairman's Introduction

On behalf of the Board, I present the Annual Report for Fiji Roads Authority for the financial period 2016/2017.

The 2016 / 2017 financial period had been challenging for Fiji Roads Authority as we continued to build the previous work done by Fiji Roads Authority to restructure the organisation in the midst of recovering from the extensive damage by Tropical Cyclone Winston and other tropical depressions that we encountered during the year. The expectations of the organization were huge, and we continued to deliver and restore services to the full capacity around the nation while still managing to deliver capital improvements.

The Board welcomed Mr. Kamal Goundar to the Board who replaced Ms. Salaseini who resigned from the Board during the year.

There have been significant changes to the Management of the Fiji Roads Authority during this reporting period. Early in the year, Mr. John Hutchinson, resigned as the Chief Executive Officer and the Chief Finance Officer, Mr. Robert Sen, took over the role on an interim basis. An extensive search was undertaken to find the appropriate candidate for the Chief Executive role, during which Mr. Sen effectively managed the team, and I thank him for his efforts and dedication in the role.

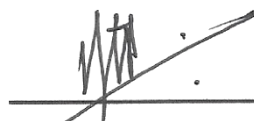
During the year the Fiji Roads Authority continued to decentral its operations to better serve the more remote communities of Fiji.

This financial period also saw the termination of the MWH Consultant that had assisted the Fiji Roads Authority with the transition from the old PWD/DNR organisation. This was not an easy transition, not least because the contractual separation was over a very short period and it left the remaining local members of the team to take up the challenge of managing the workload in the midst of severe and chaotic circumstances. I would like to express my appreciation of the efforts and resilience of the Management and Staff of the Fiji Roads Authority through this difficult time.

The Fiji Roads Authority is committed to being accountable and transparent in the use of the public funds and will continue to strengthen the processes and audit measure to ensure that organizational integrity is maintained.

We take this opportunity to express our gratitude and support of our Ministry and the Fiji Government towards assisting Fiji Roads Authority in the enhancement of the services.

Finally, I would like to thank all my fellow Directors for the contribution they have made to all our deliberations throughout the busy period.



**Dinesh Patel**  
**Board Chairman**



## Chief Executive Officer's Review

This financial period has been dominated by the recovery from the devastation brought by Tropical Cyclone Harold, and the recovery from departure of MWH.

In response to the staffing shortfall brought about by the exit of MWH the Fiji Roads Authority has continued to expand and bring many previously outsourced activities backing in the organization; and we have been able to quickly adapt to the changes in the reporting period and managed to meet the statutory reporting requirements.

The move to bring services back into the Fiji Roads Authority, rather than outsourcing to consultants, has been a key driver in this financial period, and we intend to continue in the years to come.

From the Operational perspective the management and staff at the Fiji Roads Authority have maintained its focus on public safety and access; delivering multiple projects this year and improving the lives of many Fijians in all areas of the country.

Over this financial period the Fiji Roads Authority has delivered over \$120 million dollars of Capital improvement works on our Network, aimed at improving road safety and public access.

In addition to this we have delivered Network Renewals throughout the country and the value of these essential upgrades to our network has been in excess of \$80 million.

In support of the recovery efforts related to the devastating Tropical Cyclone Winston, our teams have work tirelessly, for long hours and through extremely

adverse condition to assist in providing access to emergency services and the general public. Our efforts in the recovery from Emergencies have costed almost \$40 million.

The Network around Fiji continues to deteriorate. To ensure that Fijians can move freely around the country, and in support of the Fijian economy, we have delivered over \$110 million of essential maintenance work through our Divisional Maintenance Contracts.

We at the Fiji Roads Authority, are proud that, even after going through such challenging times and difficulties for the people and the economy of Fiji, following Tropical Cyclone Winston, we stood tall to deliver these emergency works and planned projects successfully.

In addition to the considerable efforts around Tropical Cyclone Winston recovery the Fiji Roads Authority also undertook ADB/WB and Fiji Government funded projects, which formed major part of capital expenditure for the year on top of all other government funded projects.

The Fiji Roads Authority will continue to strengthen in the years to come through continued support and assistance from stakeholders and we will ensure to get the best value output for every dollar of public funds spent on the maintenance and development of the Fiji Roads Authority managed Network.



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**Robert Sen**  
**Acting CEO**



## **FRA Board of Directors**



**Mr. Dinesh Patel**  
**Chairman**



**Mr. Aptinko Vaurasi**  
**Board Member**



**Mr. Sanjay Kaba**  
**Board Member**



**Ms. Preetika Prasad**  
**Board Member**



**Mr. Kamal Gounder**  
**Board Member**



## **Corporate Statement**

### **MISSION**

A better land transport network for Fiji.

### **VISION**

An affordable, integrated, safe, responsive and sustainable network of roads, bridges and jetties.

### **GOALS**

- (a) To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.
- (b) To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals.
- (c) To develop capacity and capability at all levels of the Roding industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organizations.

### **2016/2017 PERFORMANCE TARGETS**

See Table 19.



## How the FRA's Mission, Vision, Goals and Performance Targets contribute to Fiji's Overall Development

The Fiji Government's Key Pillars to which this Mission and Vision and these Goals and Targets contribute are:



Constitution of the Republic of Fiji 2013 - **reasonable access to transportation.**

Developing a common national identity and **building social cohesion.**

Enhancing **public sector efficiency, performance effectiveness and service delivery.**

Achieving **higher economic growth while ensuring sustainability.**

Developing **an integrated development structure at the divisional level.**

**Reducing poverty** to a negligible level by 2017.





## Corporate Governance

FRA is a body corporate governed under the leadership of a Board of Directors reporting to the Minister for Infrastructure & Metrological Services.

Since 2012, FRA is the organisation responsible for maintaining, planning and delivering Fiji's road network of roads, bridges, jetties, streetlights and traffic signals.

FRA manages the roading assets primarily through out-sourced contracts with the private sector. The exception to this is certain maintenance work carried out by Municipal Councils and the management of roads on the Outer Islands which are administered by the Ministry of Rural and Maritime Development under a MoU with FRA.

The Corporate Governance is a way of structuring the Authority in order to safeguard the interests of a wide variety of stakeholders.

### Appointments of Board of Directors

Under the Fiji Roads Authority Act 2012, the Minister of Infrastructure appoints the members to the FRA for a term of three (3) years.

### Appointments of Sub-committee

There is only one sub-committee appointed by the Board which is the Audit sub-committee. The role of the Audit sub-committee involves assisting the Board to fulfill its oversight responsibilities in areas such as an entity's financial reporting, internal control systems and the internal and external audit functions.

### Remuneration & Benefits

The Board members are entitled to remuneration and other expenses, as fixed by the Ministry. The remuneration of the CEO of the FRA is determined by the Board while the remuneration for the FRA employees is determined by the CEO.

### Responsibilities of Board

The Board is accountable to the Minister responsible for Infrastructure & Metrological Services.

### Board Meetings

There were twelve (12) board meetings held during the 2016/2017 period. The meetings are usually scheduled for last Tuesday of the month however at times depends on the availability of the Board Members.



## Year In Review

**Assets worth  
\$12 billion**

**97% of  
budgeted  
expenditure  
utilized**



**1,241  
Bridges/  
Major  
Culverts  
inspected**



**Approximately  
\$37 million  
worth of work  
done for roads  
in Municipal  
council areas**

**\$300 million  
plus  
programme of  
maintenance,  
renewal and  
capital projects**



**New Capital  
Programme**



**148  
employees**



**6,589  
km of  
roads**

**\$369m  
Funding  
Received**



## About FRA

### Better transport infrastructure is essential for Fiji's development

The success of Fiji's development is dependent on infrastructure that is reliable enough to encourage people and businesses to invest in the future. Reliability means that the service being delivered by the infrastructure is consistently available without interruption. Infrastructure standards are largely driven by the need for reliability.

The core element of this infrastructure is the road network. It provides the means for the movement of people and goods between businesses and local and international markets. Roads enable people to get to jobs, education and health facilities. Without reliable transport these vital connections will remain fragile and Fiji's development will be constrained.

This road network is the most valuable built asset Fiji owns. Years of investment and effort have gone into building up over 6,589 km of roads and 1,399 bridges and 33 jetties that FRA owns and manages. If this massive infrastructure is going to serve Fiji's future development needs, then two things have to be done:

1. Improve the safety and reliability of the existing network; and

2. Expand the network to provide the capacity for sustained growth.

### Fiji Roads Authority was set up to fast track the recovery and expansion of the network

The Fiji Roads Authority (FRA) was established in 2012 to effectively manage and develop Fiji's road network (Refer to Appendix A for "FRA Act 2012" and related amendments) and become fully operational on 1st January 2013. Over the first three years of operation we moved from a standing start to managing a \$435 million-plus programme of maintenance, renewal and capital projects.

The FRA uses international best practice of asset management to undertake its function. This is how other developed and developing countries look after their transport, water, electrical and other infrastructure networks. Asset management involves using long term planning to provide the required service at the best value for money. Long term planning is essential.



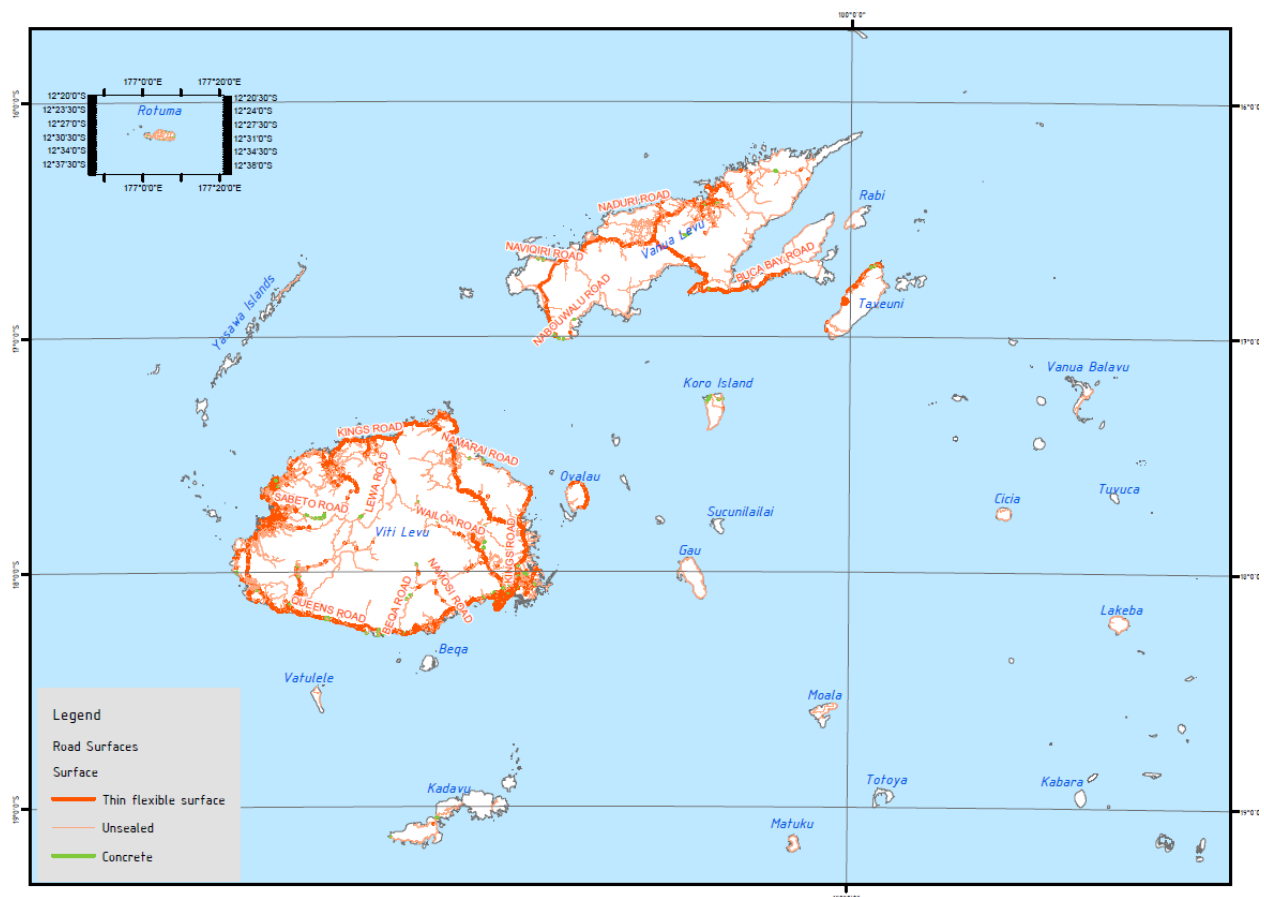
## FRA is responsible for Fiji's most valuable built asset

The FRA's 'assets' are all of Fiji's roads, bridges and jetties. This includes the land on which our assets are located, together with all the associated infrastructure such as drainage, street lighting, traffic signals and other street furniture. We also consider our buildings, vehicles and other

operational equipment as part of our asset portfolio. They are all managed and maintained using the same principles.

On our latest estimate these assets are worth over \$12 billion making the road and maritime network Fiji's most valuable built asset. The geographic extent of the FRA's assets are illustrated in Figure 1. A full summary of the asset valuation is provided in Table 23.

**Figure 1 - FRA Road Network on all of Fiji's Islands**



To make the network more manageable, it has been divided into three sections consistent with the administrative Divisions of Fiji. Table 1 shows the length of the sealed and unsealed roads in each Division.

FRA has developed and is progressively improving a GIS-based Asset Management System which will hold a complete description of all of our roads bridges and jetties.



**Table 1 - FRA's Assets**

Division	Road Network (km)					Bridges (Nos.)	Jetties (Nos.)	
	Bridge Deck (km)	Concrete	Sealed	Unsealed	Grand Total		Jetty	Landing
Central	0.41	9	648	963	1,620	385	1	7
Eastern	0.12	7	13	478	498	107	6	7
Northern	0.54	3	380	1,644	2,027	414	7	2
Western	0.01	9	692	1,743	2,444	493	1	2
Grand Total	1.08	28	1,733	4,828	6,589	1,399	15	18

### **FRA pro-actively maintains, plans and develops the road network to meet Fiji's immediate and long term needs**

FRA has been given the task of developing a road network which meets the needs of a developing Fiji. Our approach is to focus on two core activities:

1. **Maintaining** the road network to keep it in the desired condition; and
2. **Expanding and developing** the network to meet tomorrow's needs.

Maintenance should be planned and pro-active, otherwise the safety and reliability of the network declines rapidly, or costs spiral out of control. FRA is committed to recovering from the previous decline of the network and getting ahead of the deterioration by carrying out a systematic and routine maintenance programme.

This is international best practice and is proven to be the only way to bring long term costs under control and provide a safe and reliable network. Ad-hoc decision making driven by anything other than a well-planned asset management and maintenance intervention strategy will cost more over the life of the asset.

FRA's massive programme of building new roads and widening existing ones will

provide extra capacity for economic growth as well as connecting isolated parts of the country to economic and social opportunity.

### **Long term planning is the key to good investment decisions**

Expenditure and investment of this magnitude requires careful long-term planning to ensure the money is spent properly and wisely. This is why the FRA was set up as a planning and procurement authority with transparency and accountability underpinning everything we do.

All of our operational practices, planning principles, risk management, reporting frameworks and resource management are set out in an integrated set of manuals. This represents international best practice.

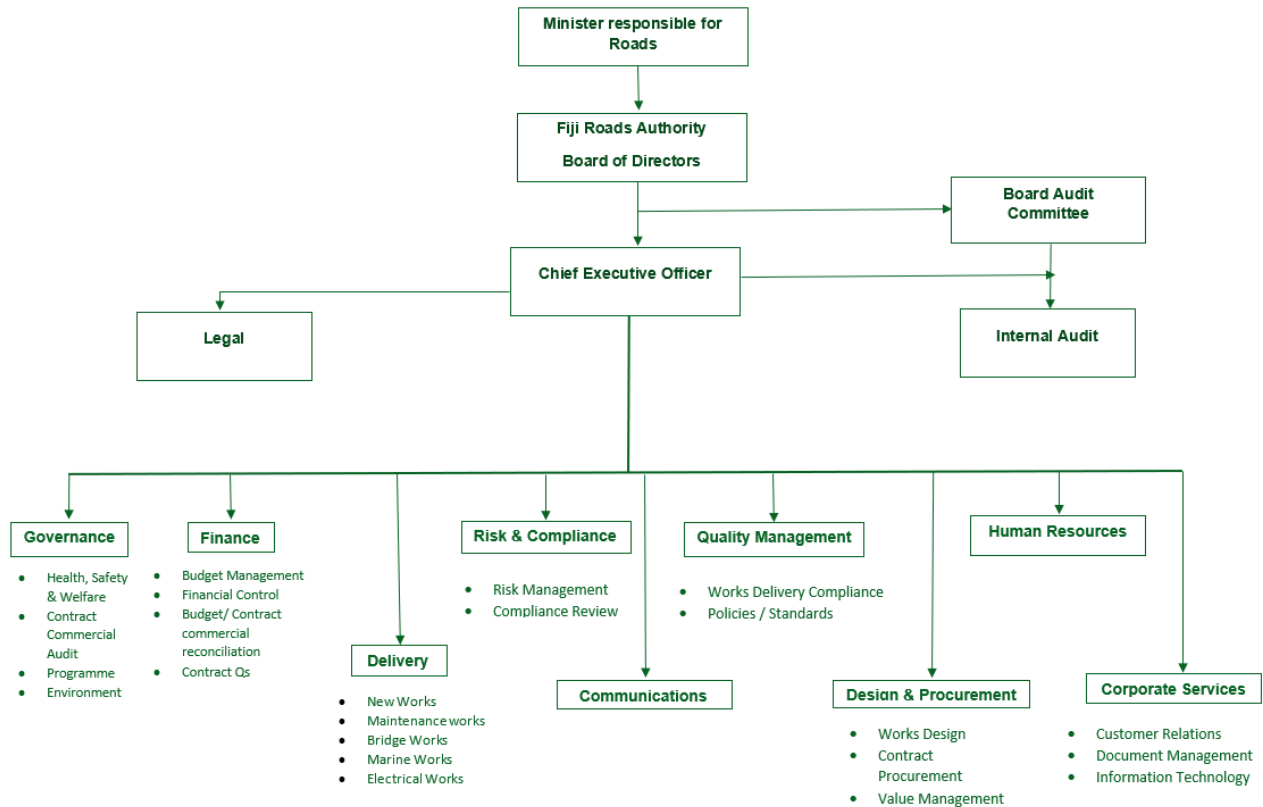
### **FRA procures all work from the private sector under the scrutiny of a Board**

As a statutory corporate entity, the FRA is accountable to the Minister for Infrastructure & Metrological Services through a Board appointed by the Minister.

Under the CEO there are eleven functional areas, each with a manager

reporting directly to the CEO. FRA's structure is illustrated in Figure 2.

**Figure 2 - FRA's Corporate Structure**



FRA manages the road assets primarily through out-sourced contracts with the private sector. The exception to this is certain maintenance work carried out by Municipal Councils and the management of roads on the Outer Islands which are administered by the Ministry of Rural and Maritime Development under a MoU with FRA.

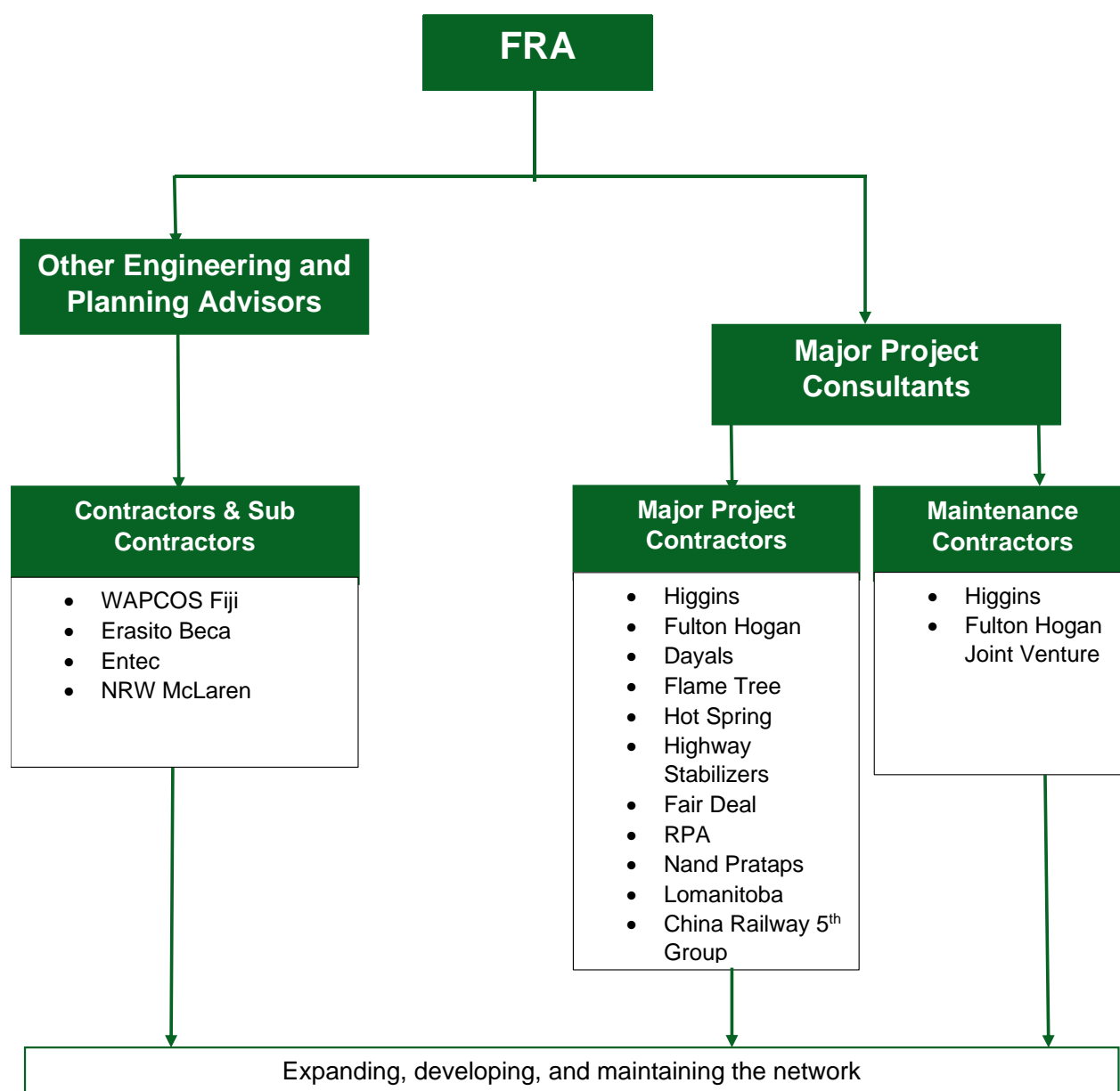
### **A competitive and diverse supply chain maintains, designs and builds the network**

Over the course of 2014, 2015 and 2016 FRA has been facilitating the development of a sustainable and diverse supply chain to deliver the work. We have made good progress in expanding the role of Fijian involvement and Fijian

companies in this supply chain and will continue to make this one of our top priorities in the coming years. This supply chain will also evolve as we review our preferred service delivery model.

The structure and functions of the supply chain is shown in Figure 3. The key to delivering value for money from this supply chain is through competition and effective contract management. During the 2016/2017 period, FRA continued to encourage the entry of new, high quality, participants both local and international into our supply chain. We will also be packaging our projects in a way that provides opportunities for Fijian companies to get experience in international best practice consulting and contracting projects.

**Figure 3 - Fiji Roads Authority's Supply Chain**





## Overview of FRA's 2016/2017 Programme Delivery

The August 2016 to July 2017 period has been a successful period for FRA. We have delivered at least three hundred million dollars plus worth of programme. The vast majority of this effort was physical work, maintaining and improving Fiji's network of roads bridges and jetties.

This section provides details on how the programme was managed and how the allocated budget was spent by FRA.

### How we manage our work programme

The FRA manages a programme of work which is made up of over 200 items, many of which represent hundreds of separate sub-activities. In order to manage this huge number of different types of activity and expenditure in a coordinated, open and transparent way, we divide the programme up into 11 categories of work and spending. The table 2 provides details on the work programme.

One of the ways in which we measure progress throughout the year is through expenditure. Expenditure is the dollar value of the work that has been done. For example, if one of our contractors is building an embankment for a road and moves 1000m<sup>3</sup> of earth for a particular

task, then this work is measured and recorded.

But expenditure is only one aspect. Other measures that are routinely monitored include being satisfied that everything is within the approved scope and according to the specified technical standards; that it is of the required quantity and quality and has been completed in the agreed timeframe.

It is important to understand that our contractors are only paid for the work they have agreed with our representatives and completed satisfactorily. Where work is later found to be defective the contractor is required to undertake remedial works at his own cost.

Under most of our contractual arrangements the physical work that is done is not paid for until 56 days after the claim for that work has been submitted. This means that we have sufficient time to verify that the work has been completed to the required standard.



**Table 2 - Types of Work and Expenditure**

Activity Area	Description
<b>Operations</b>	
FRA Management and Operations	The costs of FRA's staff, premises, equipment, vehicles and other items which are essential to the effective operation of the business. This also includes fees for professional and technical services including expenditure on IT systems to improve the efficiency of our network management.
<b>Work Programme</b>	
Maintenance	The work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as all the routine works such as vegetation control and keeping drainage systems clear.
Emergency Works	Any work that has to be done to repair damage caused by flooding or extreme weather events. This might include stabilising land slips, fixing bridges or repairing damaged drainage systems.
Renewals - Roads and Services	When assets (roads bridges and jetties) reach a certain level of deterioration they become too expensive to keep on fixing and maintaining. At this point it represents better value to rebuild the asset from scratch. Many of Fiji's roads and bridges have reached this point.
Renewals - Bridges	
Renewals - Jetties	
New Capital (Safety)	New Capital represents the work we do to extend and upgrade the networks. This includes new roads as well as existing ones that we widen or improve substantially.  We categorise New Capital according to the primary purpose for building the new asset. For example: projects which are primarily safety fit into that category; projects such as road widening in Suva are primarily about reducing congestion.
New Capital (Access)	
New Capital (Community)	
New Capital (Congestion)	
New Capital (Tourism)	
New Capital (Resilience)	

### Flexibility to account for unexpected events

FRA understands that flexibility is needed, particularly when large sums of taxpayers' funds are at stake. One of the ways in which Government provides itself with fiscal flexibility is the use of

*Requisition to Incur Expenditure (RIE).* Funds that are appropriated through the annual budget processes of parliament can be placed under Requisition which

means that in order to incur expenditure against those funds the approval of the Minister of Economy is required. This is done on a quarterly basis. It allows the



Minister for Finance to better manage demand side and supply side constraints.

### **During 2016/2017 period FRA utilized 97% of budgeted expenditure**

The expenditure (work done) against the revised budget is shown below in Figure 4 and also in Table 10. Compared to the original intentions conveyed in the 2016/2017 Corporate Plan the achievement rate overall is 97%. Overall the expenditure against each category is relatively close to the revised budget. Areas of notable under expenditure are detailed as follows:

- Emergency Works – Approximately \$0.5 million over expenditure. This mainly related to maintenance works resulting from damages from Cyclone Winston.
- New Capital – Approximately \$0.9 million over expenditure. Mainly

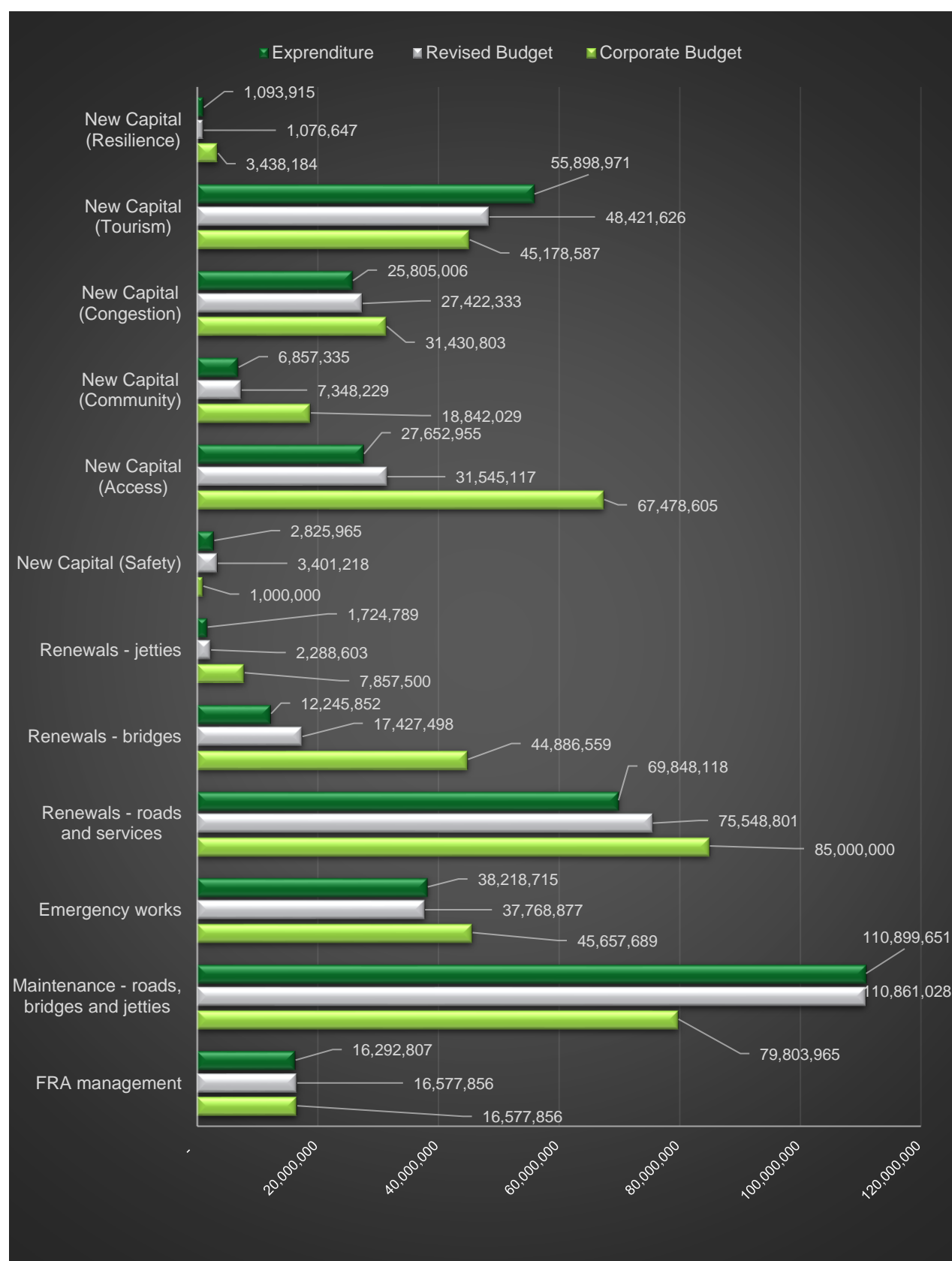
relating to New Capital (Tourism), and New Capital (Resilience). Another factor has been the Rural Roads programme which continues to suffer from slow progress due to the inability of Contractors to obtain sufficient quantities of gravel in a timely manner. This is a major issue for Fiji and one for which FRA continues to seek procedural change to address.

The Rural Roads Programme looks at building and improving roads, bridges, crossings and even jetties. The FRA has collaborated with the Ministry of Rural and Maritime Development and National Disaster Management collaborate on delivering the Rural Roads Programme.

This programme connects and restores access between communities and essential services like Health and Education has greatly benefited hundreds of communities.



**Figure 4 – Achievement by work category against approved expenditure for 2016/2017**







## **FRA's Statement of Service Performance**

FRA is a corporate entity having total staff of 148 during the 2016/2017 period. The FRA itself is responsible to Government for maintaining and building roads, bridges and jetties across Fiji. We plan the work programme and make sure it gets done to the right standard, on time and within budget. All the technical and physical work that needs to be done is carried out by consultants and contractors through formal contractual arrangements.

The FRA operates as a business and has all the corporate, finance and programme management structures in place to perform its function. This section provides the review of FRA's work over the course of 2016/2017 period.

### **FRA's Management Costs**

FRA was established in 2012 by the Act. At that time all the functions of looking after Fiji's network of roads bridges and jetties were being carried out by an interim change manager. Since that standing start the FRA has come a long way and is now a fully functioning business. The transition continued over the course of the 2016/2017 period and the FRA has now taken responsibility for



all the anticipated roles. FRA now seeks to take back 'in-house' a number of key functions that have been outsourced since 2012.



**Table 3 – FRA Management Costs including the professional and technical services**

Management	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Salaries	6,519,459	6,519,459	7,838,910
Recruitment	183,500	183,500	370,782
Acc. & Finance	155,833	155,833	92,455
Vehicle Hire & Operation	275,000	275,000	572,319
Office Expenses	268,000	268,000	291,007
Rent	346,500	346,500	364,228
Legal Fees	50,000	50,000	139,178
Insurances	132,308	132,308	126,892
Archives - Storage	36,000	36,000	41,122
Communications (including website)	570,931	570,931	537,395
Data and IT Improvements	122,000	122,000	319,619
Asset Management Improvements	120,000	120,000	-
Training & Development	296,000	296,000	101,097
Establishment Costs	87,000	87,000	316,414
Travel and Accommodation	535,000	535,000	337,119
Director's Fees	12,000	12,000	16,454
Board's Expenses	30,000	30,000	35,808
Miscellaneous Expenses	32,017	32,017	(260,600)
<b>Professional Fees</b>			
(a) Network Controls	760,000	760,000	93,084
(b) Asset Management Plan	70,000	70,000	78,496
(c) Safety Management Plan	20,000	20,000	-
(d) Project Management & Reporting	1,025,000	1,025,000	129,190
(e) Budget & Corporate Plan	100,000	100,000	41,707
(f) General Support	1,055,000	1,055,000	3,888,063
Tax Expenses - WHT	1,250,000	1,250,000	(29,596)
Asset Management System and Data Maintenance and Improvement	1,000,000	1,000,000	-
Contingency (carry over issues)	800,000	800,000	152,548
<b>Value Added Tax</b>	726,308	726,308	699,113
<b>Total FRA Management</b>	<b>16,577,856</b>	<b>16,577,856</b>	<b>16,292,807</b>

The professional and technical services included as part of management costs relate to a range of support services provided to FRA for improving the range

and quality of data and various other activities. This also includes provision and expenditure against various taxes.

## Maintenance of our Assets

Maintenance is the work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as all the routine works such as

vegetation control and keeping drainage systems clear. Co-ordinated, well-planned routine maintenance of our assets ensures that the network is more

resilient to adverse weather events and is able to be restored more quickly after emergency events. Some notable highlights include continued reduction in the number of pothole repairs required

(as the overall network improves), greater resilience to wet weather and reducing complaints from key Bus Operator stakeholders.

**Table 4 – FRA Maintenance Costs**

Maintenance	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
All Items Lump Sum and Maintenance Escalation	(5,220,000)	(9,585,554)	(9,957,811)
<b>Road Maintenance</b>			
• Sealed	10,358,647	39,918,342	39,691,669
• Unsealed	17,930,000	25,214,757	27,263,177
• Outer Island	2,876,000	1,004,088	1,314,888
• Drainage	4,660,000	10,101,034	10,248,348
• Other Government Agencies	448,000	2,042,003	3,415,474
• Additional Community Roads	3,900,000	380,630	492,737
• Fast Response	3,300,000	3,101,120	3,583,154
<b>Corridor Maintenance</b>			
• Vegetation, Litter and Environmental	4,707,000	6,307,312	7,178,537
• Footpaths	300,000	575,287	517,477
• Bus Shelter	120,000	4,987	11,987
<b>Traffic Services Maintenance</b>			
• Signs, Lines, Rails and Barriers	4,500,000	4,665,392	5,256,332
• Traffic Signals	425,000	385,492	421,418
<b>Street Lights Maintenance</b>			
• Electricity	1,860,000	2,016,184	2,012,258
• Maintenance	2,100,000	1,467,745	1,697,636
• Street Light Maintenance - Suva	-	531,511	126,957
• Street Light Maintenance - Lautoka	-	302,412	74,096
• Street Light Maintenance - Tavua, Ba & Rakiraki	-	201,574	85,649
• Street Light Maintenance - Labasa & Savusavu	-	187,789	54,403
• Street Light Maintenance - Nasinu, Nausori & Levuka	-	608,256	125,494
• Street Light Maintenance - Lami, Deuba & Navua	-	216,370	30,347
• Street Light Maintenance - Nadi & Sigatoka	-	285,985	78,908
<b>Structures Maintenance</b>			
• FRA 15-23 Bridge inspections (West)	480,000	639,735	173,384
• FRA 15-22 Bridge inspections (North)	480,000	1,039,250	262,794
• FRA 15-21 Bridge inspections (Central/Eastern)	480,000	845,023	293,996
• Design Fees	510,000	-	-

Maintenance	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Professional Services (Design)	810,000	206,412	146,412
• Maintenance Works	1,050,000	4,983,902	4,909,404
• Replacement Superstructure	3,200,000	-	-
<b><u>Crossing</u></b>			
• Professional Fees	600,000	80,807	20,807
• Physical Works	3,000,000	1,465,148	210,555
<b><u>Armco Culverts</u></b>			
• Professional Fees	100,000	30,000	-
• Physical Works	1,500,000	290,000	-
<b><u>Jetties</u></b>			
• Professional Fees	150,000	5,722	2,722
• Physical Works	-	562,900	186,731
• Moala Jetty TCW damage	300,000	-	-
• Waiyevo Jetty (Taveuni) TCW damage	2,000,000	-	-
• 5 Jetty Maintenance Package	750,000	-	-
• Miscellaneous Maintenance (Koro and unforeseeable)	1,000,000	-	-
<b>Professional Services (Maintenance)</b>			
• Programme Management	4,092,000	1,449,502	1,334,276
• Investigation and Independent Verification Testing	448,000	176,249	243,111
<b>Value Added tax</b>	6,589,318	9,153,663	9,156,852
<b>Total Maintenance</b>	<b>79,803,965</b>	<b>110,861,028</b>	<b>110,899,651</b>

## Emergency Works

The 2016/2017 period was relatively eventful in terms of Cyclone Winston. The Authority spent more than the allocated budget in order to repair the damages from

Cyclone Winston and as a result resources were diverted in order to repair and clean-up of the roads and damaged assets.



**Table 5 - Emergency Works**

Emergency Works	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
<b>Emergency Maintenance (Contingency)</b>			
• Professional Services	1,000,000	1,714	55,161
• Physical Works	4,000,000	2,381,097	3,417,750
• TD 04F - Dec 2016 - Works Maintenance	-	18,590,901	18,862,564
• TD 09F - Maintenance Works	-	3,686,292	3,684,688
• TD 10F - Maintenance Works	-	1,539,408	1,539,338
• TD 14F - Maintenance Works	-	927,777	1,187,015
• TD 12F - Maintenance Works	-	1,961,563	1,868,447
• TD 17F - Maintenance Works	-	4,393,111	4,276,338
• Cyclone Winston - Maintenance Works	-	669,326	671,040
<b>Specific Events</b>			
<u>Cyclone Winston</u>			
• Bridges/Crossings	6,434,862	-	-
• Jetties	1,880,734	-	-
• Coastal Erosion	17,552,638	-	-
• Slips	2,549,009	-	-
• Culverts	733,945	-	-
<u>Cyclone Kofi (TD 15F)</u>			
• Professional Services	543,600	-	-
• Physical Works	4,300,000	71,228	-
• Cyclone Kofi repairs PKG 1	-	50,000	-
• Cyclone Kofi repairs PKG 2	-	70,000	-
• Cyclone Kofi repairs PKG 3	-	100,000	-
• Cyclone Kofi repairs PKG 4	-	100,000	-
<u>Lomaloma Slip</u>			
• Professional Services	275,229	97,125	99,628
• Physical Works	2,367,771	-	-
Naiborebore & Kasavu Slip Repair FRA 14-50	250,000	-	(778,508)
Engineering Fees	-	10,804	179,579
<b>Value Added Tax</b>	3,769,901	3,118,531	3,155,674
<b>Total Emergency Works</b>	<b>45,657,689</b>	<b>37,768,877</b>	<b>38,218,715</b>



## Road Renewals and Replacements

Most of the works outlined under this programme were completed as planned. However, we continue to suffer from a lack of gravel resources.

The current legislation and government policy require persons seeking gravel extraction licenses to obtain approval signatures from 60% of the registered

owners of land in the area and have their application approved by DoE and Lands Department. Finding 60% of landowners is difficult and time consuming as many no longer live on their land. The procedures of the Government Departments are complex and very slow to respond to requests. As a consequence, contractors awarded re-sheeting or rehabilitation contracts have not been able to obtain extraction license's in reasonable time.

**Table 6 – Renewals and Replacements – Roads and Services**

Renewals – Roads and Services	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
<b>Sealed Road Renewal</b>			
Sealed Road Rehabilitation Program	4,980,395	20,351,587	19,530,569
<b><u>Suva Arterial Roads Upgrade Project</u></b>			
• SARUP I Loan	27,773,700	7,412,378	1,315,787
• SARUP I Local	-	823,598	146,199
• SARUP I Local Fees	1,210,933	91,945	31,945
• SARUP I Material Testing	-	157,016	127,016
• SARUP II Loan	688,073	-	-
• SARUP II Local Fees	-	103,956	43,956
• SARUP II Utility Plans	-	6,826	6,826
Suva Roads (Central & Local) FRA 15/60	-	548,181	548,181
Suva Local Roads Rehabilitation FRA15/50	-	-	(771,500)
Services Reinstatement / Renewal	2,000,000	2,256,786	2,549,048
Second Coat Seals	759,238	4,345,717	4,645,340
TAS	-	1,017,018	1,017,018
Reseals	3,908,647	11,908,862	11,842,428
ADB Reseals	6,890,826	-	-
ADB Reseals Fees	-	46,782	16,782
Asphalt	1,432,295	329,704	-
<b>Unsealed Renewal</b>			
<b><u>Rehabilitation</u></b>			
• Unsealed Road Rehabilitation Program Loan	14,845,714	-	-
• Unsealed Road Rehabilitation Program Loan fees	-	43,300	13,300
• Unsealed Road Rehabilitation Program Local	2,658,627	3,111,287	4,577,308

Renewals – Roads and Services	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
<b>Re-sheeting</b>			
• Unsealed Road Re-sheeting Program	2,658,627	6,194,494	5,587,183
• Central Division Resheeting (FRA 15/58)	-	1	1
• Wailevu West Coast - 15/46	-	411,247	411,247
Other Government Agencies	500,000	282,027	86,246
Outer Island Renewal	2,000,000	2,271,435	2,888,904
FRA15/124 - Kadavu Maintenance		1,573,983	1,692,507
<b>Drainage Renewal</b>			
• Rural	919,731	4,465,324	4,807,965
• Urban	402,647	517,744	390,421
<b>Street Lights Renewals Loan</b>	2,913,239	-	-
<b>Footpath Renewals</b>	988,959	736,907	1,190,780
<b>Professional Services (Renewals)</b>			
• Programme Management	100,000	258,043	1,385,386
• Investigation and Independent Verification Testing	350,000	44,679	-
<b>VAT</b>	7,018,349	6,237,974	5,767,276
<b>Total Renewals and Replacement Roads</b>	<b>85,000,000</b>	<b>75,548,801</b>	<b>69,848,118</b>

## Bridge and Jetty Renewals and Replacements

Due to the significant public risk factors, an ambitious programme of work has been planned for bridges and jetties since 2014. During 2013 to 2014 period, a significant proportion of the work in this area involved planning and designing replacements for the future years' pipeline of projects for construction.

During the 2016/2017 period a number of the bridges and crossings were successfully completed despite the continuing effect of Tropical Cyclone Winston. The major highlight for the Authority was the opening of the Coqeloa Bridge in Labasa, which was completed five months ahead of schedule. The 59.5m bridge was identified by FRA as a priority bridge needing immediate replacement because of deteriorating structure, making it unsafe for vehicles

and pedestrian alike. The new Coqeloa Bridge transformed from a single lane bridge to a structure with increased capacity, which supports single-lane traffic, a railway crossing line as well as a pedestrian pathway.

Other major highlights for FRA during the period 2016/2017 included the following:

- Completion of Nabena crossing at Matailobau District in Naitasiri;
- Completion of New Lomawai Bridge in Sigatoka;
- Completion of Vunivaivai Bridge in Nakelo Tailevu; and
- Completion of New Savu 6 Bridge in Naitasiri.



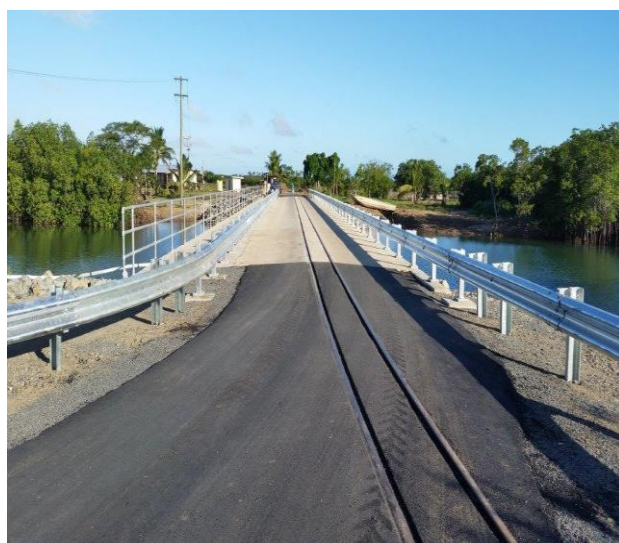
**Table 7 – Renewals and Replacements – Bridges**

<b>Renewals and Replacements - Bridges</b>	<b>Corporate Plan Budget (\$)</b>	<b>Revised Budget (\$)</b>	<b>Expenditure (\$)</b>
<b>Bridge Renewals</b>			
<b>4 Long Bridges</b>			
• Vunidilo Construction	-	28,175	28,175
• Vunivaivai Construction	-	13,618	13,618
• Lomawai 1 Construction	-	17,865	17,865
• Cogeloa FSC 1 Construction	1,775,000	1,229,724	1,229,724
• Risk Contingency	-	32,110	32,110
• Engineering Fees - Four Long Bridges	-	44,525	44,525
<b>6 Short Bridges</b>			
• Vuma Box Construction	2,600,000	1,893,598	1,577,666
• Naganivatu Construction	-	38,500	998,337
• Market Construction	2,300,000	1,898,388	1,055,753
• Naisogo Construction	1,700,000	2,087,977	1,802,706
• Savu 4 Construction	-	-	224,604
• Wainasusu Construction	-	-	204,834
• Risk Contingency	-	-	(450,696)
• Escalation	-	-	22,767
• Engineering Fees - Six Short Bridges	-	63,097	80,801
<b>Ovalau Bridge Program</b>			
• Physical Works Loan	2,293,578	-	-
• Utilities Relocation Loan	137,615	-	-
• Professional Fees Loan	183,486	-	-
• Professional Fees Local	200,000	513,500	411,756
• Survey & Land Loan	91,743	-	-
<b>Vatuwaqa Bridge</b>			
• Physical Works	500,000	20,000	-
• Utilities Relocation	30,000	94,429	39,383
• Professional Fees	150,000	168,604	141,081
• Survey & Land	50,000	-	-
• Physical Works	500,000	-	-
• Utilities Relocation	30,000	55,046	-
• Professional Fees	150,000	27,523	-
• Survey & Land	50,000	55,083	55,083
<b>Nasese Bridge</b>			
• Physical Works	2,000,000	-	-
• Utilities Relocation	100,000	-	-
• Professional Fees	300,000	256,697	187,889

Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Survey & Land	50,000	-	-
<b>Denarau Bridge</b>			
• Physical Works	-	526,994	434,710
• Professional Fees	-	40,070	40,070
• Survey & Land	-	2,195	2,195
<b>Taveuni Bridges (Construction)</b>			
• Physical Works Loan	7,632,679	-	-
• Utilities Relocation Loan	91,743	-	-
• Professional Fees Local	841,962	201,187	93,169
• Survey & Land Local	120,000	-	-
<b>Future Bridges (Natogedravu; Nakorokoro; Tavualevu; Waibasaga)</b>			
• Professional Services	1,082,569	235,476	-
• Investigations for Bridge Replacements	600,000	49,541	-
<b>Crossing Renewals</b>			
• Physical Works	-	64,327	-
Vanuakula			
• Physical Works	-	6,916	5,500
Nakama	-	-	-
• Physical Works	-	122,980	-
Nedelei Crossing	-	59,807	-
• Physical Works	-	-	(184,255)
Nabena Crossing	-	107,325	-
• Physical Works	-	-	(78,698)
Nakorosule Crossing	-	372,856	-
• Professional Services	25,000	-	-
• Land & Other	45,872	-	-
• Physical Works	454,128	-	(144,674)
Matewale Replacement Crossing	-	-	-
• Professional Services	100,000	29,523	29,523
• Land & Other	50,000	-	-
• Physical Works Local		184,362	-
• Physical Works Loan	1,834,862	1,659,255	650,355
Wauosi Replacement Crossing	-	-	-
• Professional Services	150,000	-	-
• Land & Other	50,000	-	-
• Physical Works	300,000	-	(59,154)
Solovi 1 and 2 Irish Crossing	-	-	-
• Professional Services	100,000	336	336



Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Land & Other	50,000	-	-
• Physical Works Loan	1,376,147	-	-
Rabaraba Crossing	-	-	-
• Professional Services	100,000	677	677
• Land & Other	50,000	-	-
• Physical Works Loan	2,752,294	-	-
Waimari Irish Crossing	-	89,844	-
Waivaka - DNP	-	106,238	-
• Professional Services	917,431	45,124	90,979
• Investigations	200,000	-	-
<b>ARMCO Renewals</b>	-	-	-
• Professional Services	100,000	-	-
• Land & Other	60,000	-	-
• Physical Works	757,431	-	-
<b>Urgent Repair of 9 High Priority Bridges</b>	-	-	-
• Walu Bay Bridge	458,716	-	-
• Tamavua Bridge	458,716	-	-
• Labasa Bridge	458,716	-	-
• Lami Bridge	458,716	-	-
• Tavua Levu Bridge	458,716	-	-
• Matanaivuso Bridge (Kings Road)	458,716	-	-
• Naiyalayala Bridge (Taveuni)	458,716	-	-
• Vesidrua Bridge (Vanua Levu)	458,716	-	-
• Nakasava Bridge (Transinular Road)	458,716	-	-
• FSC Mill Penang Bridge Repairs	-	1,040,829	943,181
• Design and Build for the Installation of FRA supplied Bailey Bridge (Nakabuta and Tavua Levu)	1,376,147	2,504,215	1,692,833
• Bua Suspension Foot Bridge	-	-	-
• Nalotu Suspension Foot Bridge	275,229	-	-
• Gasele-Nauciwai Foot and Crossing	366,972	-	-
Value Added Tax	3,706,230	1,438,968	1,011,125
<b>Total Renewals &amp; Replacements -Bridges</b>	<b>44,886,559</b>	<b>17,427,498</b>	<b>12,245,852</b>



**Table 8 – Renewals and Replacements – Jetties**

Renewals and Replacements - Jetties	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Savusavu Jetty Renewals	-	-	-
• Professional Services	400,000	40,000	40,000
• Land & Other	300,000	-	-
• Physical Works	3,000,000	-	-
Vunisea 2 Jetty Renewals	-	-	-
• Professional Services	200,000	1,529	1,529
• Land & Other	150,000	-	-
Natovi Jetty	-	-	-
• Professional Services	100,000	-	-
• Land & Other	150,000	-	-
• Physical Works	1,200,000	-	-
Makogai Jetty	-	-	-
• Scoping and Investigation	150,000	-	-



Renewals and Replacements - Jetties	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Design	300,000	-	-
• Scoping and Investigation	150,000	-	-
Nabouwalu Jetty Stage II physical works	-	-	-
• Design	250,000	-	-
Lomaloma Jetty physical works	-	-	-
• Design	200,000	-	-
Nabukeru Jetty	200,000	-	-
• FRA 15/36 & FRA 15/65 Topographical Survey		245,800	95,800
• Design	-	479,110	532,610
• Geotechnical Investigations	-	874,482	867,747
• Maintenance of Ellington Wharf	458,716	458,716	44,690
Value Added Tax	648,784	188,967	142,414
<b>Total Renewals &amp; Replacements - Jetties</b>	<b>7,857,500</b>	<b>2,288,603</b>	<b>1,724,789</b>

## New Capital Programme

Projects that were already underway and committed have to take precedence over projects that can be deferred or slowed down in their delivery.

Some highlights of the 2016/2017 period included the commencement of the following programme:

### New Capital Programme

- Eastern island road upgrades; Lawaqa Tilivalevu by-pass and Nadroumai Access Road;
- Buca Bay I, II & Moto Road Upgrades;
- Ba Hospital Road Access;
- Queens Road Villages/ Settlements Streetlights project; and
- NARSUP Suva 3 – Nasinu – Nausori Road Upgrades.

## New Capital Safety

- Guardrail Improvements works;
- Mass Action Treatments;
- Minor Safety Works; and
- TMT Treatment and Black spot Improvements.

Building more resilience is critical to sustainability of the road network. One of FRA's initiatives over the past few years has been to undertake preventative works aimed at minimizing the likelihood of failures during rain events. Walkover surveys are undertaken to identify problems with drainage. Completing preventative maintenance works has avoided many failures that would otherwise have resulted in costly repairs.

Resilience is also about minimizing the time it takes to get roads re-opened after flooding. Significant progress has been made in this regard and where once it took weeks or even longer to re-open all roads, in most events now it is a matter of days.

Our resilience programme also includes protection works to prevent erosion in coastal zones.

**Table 9 - New Capital Programme**

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
<b>Safety Improvements</b>			
Traffic Management Plans - Fees	37,351	-	-
Black Spot Reduction – Fees	37,351	-	-
TMP Treatments & Black Spot Reduction	-	527,619	372,935
Side Roads Safety Improvement – Fees	116,722	-	-
Roundabouts - Signage and Line Marking – Fees	23,344	-	-
Bridge Approaches (RAP Recommendations) – Fees	175,082	-	-
School Safety Review & Implementation - Fees	163,410	-	-
Road-Side & Centre Line Delineation – Fees	18,675	-	-
Route Action Plans - Fees	14,007	16,136	16,136
Mass Action Treatments (ADB/WB) – Fees	93,377	9,016	1,536
Guardrail Improvement Works FRA16-19 (ADB/WB) – Construction	-	1,410,851	1,099,936
Guardrail Improvement Works FRA16-19 Local - Construction	-	156,761	122,215
Mass Action Treatments - Fees	46,689	-	-
Market Areas Safety and Traffic – Fees	4,669	-	-
Traffic Calming Measures – Fees	93,377	-	-
Village Treatments - Fees	93,377	-	-
Minor Safety Works ( <i>Maintenance Contracts</i> )	-	1,000,000	979,869
Value Added Tax	82,569	280,834	233,337
<b>Subtotal – Safety Improvements</b>	<b>1,000,000</b>	<b>3,401,218</b>	<b>2,825,965</b>
<b>Access Improvements &amp; Economic Stimulation</b>			
<b>Rural Unsealed Roads</b>			
• Raravula Farm Road	-	552,016	322,016
• Namuavoivoi Road	-	674,656	294,656
• Navonu Natewa Road /Sevac(15-69)	-	1,138,979	938,980
• Nukura Resheeting (FRA 15/82)	-	455,553	420,553
• Kilaka Road - Stage 2	-	361,335	361,335





New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Kadavu/Niurua/Raviravi - Stage 1		334,971	795,732
• Matokana Village Road - stage 1		207,970	208,931
• Eastern Island Roads Upgrade (15/113)	5,504,587	6,710,776	8,296,220
• Kadavu Island Roads	1,396,789	1,156,000	480,431
• Lawaqa - Tilivalevu Bypass & Nadroumai - Tilivalevu Access Road		1,469,488	1,490,687
• Natilla Access Road (Logani-Seba Road) Day Works	490,826	60,000	50,000
• Namata Village Access Road + crossing Day Works	544,037	196,605	145,719
• Sawanikula-Korovou-Nasauvere Rd.+ crossings Day Works	1,880,734	300,000	10,850
• Kiuva-Kaba Peninsula Road Day Works	2,109,505	600,000	298,245
• Namuavoivoi bridges 2015	2,153,670	-	-
• Waivou Dairy Farm Road	395,872	-	-
• Maumi	-	300,000	200,000
• Cautata-Waicoka Road	647,890	300,000	100,000
• Nakalawaca Road Loan	1,170,777	60,000	-
• Nakalawaca Road Local	63,807	60,000	-
• Wainivesi-Wainivilimi Rd. Loan	1,350,896	350,000	-
• Wainivesi and Wainivilimi Dairy Farm Rd. Local	73,624	150,000	235,432
• Nakorosule-Nawaisomo Rd. Stage 1 Loan	1,350,896	-	-
• Nakorosule-Nawaisomo Rd. Stage 1 Local	73,624	-	4,445
• Naveiwalai Road	687,156	-	-
• Waikerekere Road	269,954	-	-
• Beqa Steep Hill	1,374,312	-	-
• Matokana Village Road Stage 2 - Day Works	2,548,945	300,000	-
• Draubuta Access Rd.	200,917	-	-
• Sevaci-Korotasere Rd. Stage 3 + crossing Loan	1,531,016	300,000	0
• Sevaci-Korotasere Rd. Stage 3 + crossing	83,440	150,000	60,000
• Koroinasolo Rd & Kavula Banikea Unsealed Road	1,693,349	352,860	182,722



New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Kilaka Road Stage 3 + crossing Loan	2,946,722	-	-
• Kilaka Road Stage 3 + crossing Local	160,596	-	-
• Kadavu-Niurua-Raviravi Stage 2 + crossings	1,987,385	-	-
• Yawe Distict Rd. Stage 1	3,009,174	400,000	-
• Nabukulevu-I-Ra Rd.	1,374,312	400,000	-
• Eastern Islands Rds. & Bridges	6,670,642	-	-
• Rotuma Farm Roads	3,658,716	1,016,310	490,000
• Rewa-Vutia Road and Bridge	2,489,908	-	-
• Nasauvakarua Rd. Road	1,177,982	-	-
• Dakunikoro Farm Road	1,100,917	-	-
• Rural roads via maintenance contractors		865,063	492,407
• Professional Services Fees - Rural Road Program		653,054	1,133,973
<b>Rural Sealed Road Upgrade</b>	-	-	-
• Buca Bay I, II & Moto Roads Upgrade - in DNP	10,000	1,763,985	2,132,798
• Sawani Serea (EXIM Bank of China)	1,150,000	-	-
• Nabouwalu Dreketi Road Upgrade	150,000	-	-
• School and Healthcare Access Program	1,352,000	2,619,330	1,690,381
• Traction Sealing on Hills	1,352,000	1,026,907	1,073,158
<b>Bridges and Jetties</b>	-	-	-
• Bridges	-	-	-
• Pedestrian Bridges	1,000,000	-	-
• Professional Services	-	65,159	65,159
• Physical Works	-	303,502	303,502
• New Jetties Investigation	-	2,852	2,999
• Tovulailai	60,000	-	-
• Korolevu Bay	120,000	-	-
• Wainiyabia Jetty	120,000	-	-
• Vatulele Island	120,000	-	-
<b>Development Access</b>	-	-	-
• Ba Hospital Access - Utilities	2,500,000	-	(17,248)
• Ba Hospoital - Supervision		42,616	42,976
• Ba Hospital Access - Construction		2,830,473	2,652,614

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Mid-west Sabeto	700,000	214	214
• Sawani	883,486	-	-
• FNPF Greig Street	216,514	409,798	409,798
Value Added Tax	5,571,628	2,604,643	2,283,271
<b>Subtotal – Access Improvements &amp; Economic Stimulation</b>	<b>67,478,605</b>	<b>31,545,117</b>	<b>27,652,955</b>
<b>Community Amenity Improvements</b>			
<b>Village Seal Extension</b>	2,430,172	1,185,249	1,098,341
<b>Pedestrian Facilities</b>	-	368,000	-
• Footpaths Local	3,041,284	244,927	426,906
• Cunningham Road Footpaths		1,131,261	806,493
• Footpath Widening & Construction - Votualevu Nadi		682,549	800,000
• Footpath Renewal works 2015 FRA 15/111	-	681,466	681,466
• Bus Stops and Bus Shelters	750,000	531,171	576,098
• Jetty Waiting Facilities	1,250,000	-	-
<b>Street Lights</b>		-	-
• Queens Road Villages/Settlements (2015/16) Loan	1,301,835	1,703,021	1,257,281
• Queens Road Villages/Settlements (2015/16) Local	56,760	184,000	614,698
• Queens Road Villages/Settlements (2015/16) Local Fees		29,850	29,850
• Kings Road Villages/Settlements Loan	3,426,514	-	-
• Kings Road Villages/Settlements Local	149,396	-	-
• New Rural Loan	1,100,917	-	-
• New Rural Local	60,000	-	-
• New Urban (2015/2016 programme) Loan	3,527,156	-	-
• New Urban (2015/2016 programme) Local	192,230	-	-
Value Added Tax	1,555,764	606,734	566,202
<b>Subtotal - Community Amenity Improvements)</b>	<b>18,842,029</b>	<b>7,348,229</b>	<b>6,857,335</b>
<b>Congestion and Capacity Improvements</b>			
<b>Road Corridor Improvement</b>			
NASRUP Suva 1 (Nausori - Airport)	-	-	-
• Professional Services	200,000	141,062	133,817

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Survey & Land	-	4,000	11,713
• Physical Works	-	3,693,410	4,781,483
• Personnel Costs	-	1,409	1,409
NASRUP Suva 2 (Samabula - Nasinu)	-	-	-
• Professional Services	200,000	112,261	118,501
• Survey & Land	-	27,146	100,221
• Physical Works	-	3,445,120	5,748,697
• Personnel Costs	-	1,569	1,569
• Fencing Reinstatement Works	-	178,864	236,519
Makoi Stairway - FRA 17/08	-	366,966	366,855
NASRUP Suva 3 (Nasinu - Nausori)	-	-	-
• Professional Services	2,064,220	1,228,684	2,141,978
• Utilities Relocation	3,439,627	1,100,917	-
• Survey & Land	338,870	418,190	564,114
• Physical Works	6,422,018	13,895,587	9,074,437
• Personnel Costs	-	1,516	1,602
• Professional Services	127,600	-	-
• Survey & Land	812,000	-	-
• Physical Works	2,650,000	-	-
• Grantham and Toorak Precinct Implementation	1,000,000	-	-
• Professional Services	1,000,000	-	-
Ratu Dovi - 4 laning through to Kings Road	150,000	-	-
<b>Greater Suva Transportation Study (GSTA) Roll-out</b>	-	-	-
• Professional Fees 2B Design & Procurement	81,869	-	-
• Survey & Land	52,098	-	-
• Physical Works	1,700,895	-	-
• Suva Traffic Model	1,000,000	-	-
• Lami - Suva Congestion Management Plan	200,000	-	-
• Nausori - Suva Congestion Management Plan	1,250,000	-	-
• Traffic Signals and SCATS Improvement (ADB/WB) Loan	4,073,132	-	-
• Traffic Signals and SCATS Improvement (ADB/WB) Local	221,986	1,687	1,687
<b>Transportation Strategies</b>	-	-	-
• Town Centre Improvement Studies	460,000	81,080	21,080



New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Traffic Data Collection	1,391,284	458,635	368,635
Value Added Tax	2,595,204	2,264,229	2,130,689
<b>Subtotal - Congestion and Capacity Improvements</b>	<b>31,430,803</b>	<b>27,422,333</b>	<b>25,805,006</b>
<b>Tourism, Amenity and Access Improvements</b>			
<b>Road Corridor Improvement</b>			
NASRUP Nadi 1 (Nadi Wailoaloa - Denerau)	50,000	-	-
• Professional Services	-	273,168	273,314
• Survey & Land	-	888,300	893,992
• Physical Works	-	1,035,912	1,035,912
• Personnel Costs	-	7,043	7,628
• Audit Fees	-	77,944	77,944
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)	-	-	-
• Professional Services	2,671,181	4,433,965	6,120,784
• Utilities Relocation	13,761,468	-	291,583
• Survey & Land	1,284,404	1,416,710	1,679,832
• Physical Works	14,678,899	35,365,881	39,977,885
• Personnel Costs	-	7,155	7,155
• FRA Contingency	917,431	-	-
• Risk Contingency	917,431	-	-
NASRUP Nadi 3 (Wailoaloa to Nadi) Junction of Wailoa Rd	5,000,000	-	-
• Investigation and Design	250,000	-	-
• Physical Works	1,000,000	-	-
• Seal Extensions to tourist resorts	917,431	917,431	917,431
Value Added Tax	3,730,342	3,998,116	4,615,511
<b>Subtotal - Tourism, Amenity and Access Improvements</b>	<b>45,178,587</b>	<b>48,421,626</b>	<b>55,898,971</b>
<b>Risk Reduction, Resilience and Asset Preservation</b>			
<b>Assessments and Strategy Studies</b>			
• Professional Services FRA 15/32	73,800	-	-
• Physical Works	1,000,000	-	-
• Rock Source/Quarry Assessment	-	32,340	38,752
<b>Physical Works</b>	-	-	-
• Coastal Protection	-	512,031	512,368
• Coastal Protection - Ovalau Cawaci & Vuma sites	706,553	-	-

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Coastal Route Risk Assessment	300,000	-	-
<b>Route Improvements</b>	-	-	-
• Bailey Stock Acquisition and Management		438,169	447,261
• Kings Rd Culvert Outlet Protection Works	373,680	-	-
• Kings Rd Seven High Priority Sites	700,264	5,210	5,210
Value Added Tax	283,887	88,897	90,323
<b>Subtotal - Risk Reduction, Resilience and Asset Preservation</b>	<b>3,438,184</b>	<b>1,076,647</b>	<b>1,093,915</b>
<b>Total New Capital</b>	<b>167,368,208</b>	<b>119,215,169</b>	<b>120,134,147</b>



## Summary

Table 10 - Summary

Summary	Corporate Plan Budget	Revised Budget	Expenditure
<b>Budget and Expenditure</b>			
Management	16,577,856	16,577,856	16,292,806
Maintenance	79,803,965	110,861,028	110,899,651
Emergency works	45,657,689	37,768,877	38,218,715
Renewals and Replacements - Roads	85,000,000	75,548,801	69,848,118
Renewals and Replacements - Bridges	44,886,559	17,427,498	12,245,852
Renewals and Replacements -Jetties	7,857,500	2,288,603	1,724,789
New Capital	167,368,208	119,215,169	120,134,147
<b>Total</b>	<b>\$447,151,776</b>	<b>\$379,687,832</b>	<b>\$369,364,079</b>
<b>Funding</b>			
Operating Grant	16,577,856	16,577,856	16,292,807
Capital Grant	299,297,865	350,077,580	348,608,615
Capital Grant - TC Winston	31,774,795	-	-
ADB Loans	99,501,260	13,032,396	4,462,657
<b>Total</b>	<b>\$447,151,776</b>	<b>\$379,687,832</b>	<b>\$369,364,079</b>







## Levels of Service - Accountability

### Health and Safety

**Table 11 - Health and Safety – Road Accident Casualties**

Code	Performance Measure	2016/2017 target	Outcome
1A.1	Less fatal and serious injury accidents – total.	Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well).	Not achieved
1A.2	A reduction in the social cost of all recorded injury crashes.	Continuously reducing five year rolling average. Calculated based on internationally recognised accident costs.	Not achieved

The road accident data is collected by the Fiji Police Force and recorded in a database maintained by them.

### In recent years fatalities have not been decreasing

There has been apparent slowdown in the reduction of fatalities on the roads. Road fatalities numbers have increased from 60 deaths in 2016 to 70 deaths in 2017. FRA had signalled concern that the previous downward trend in road deaths was showing signs of reversal. This appears to now be confirmed. With more vehicles on the roads, there is a clear need to increase investment in all aspects of road safety.

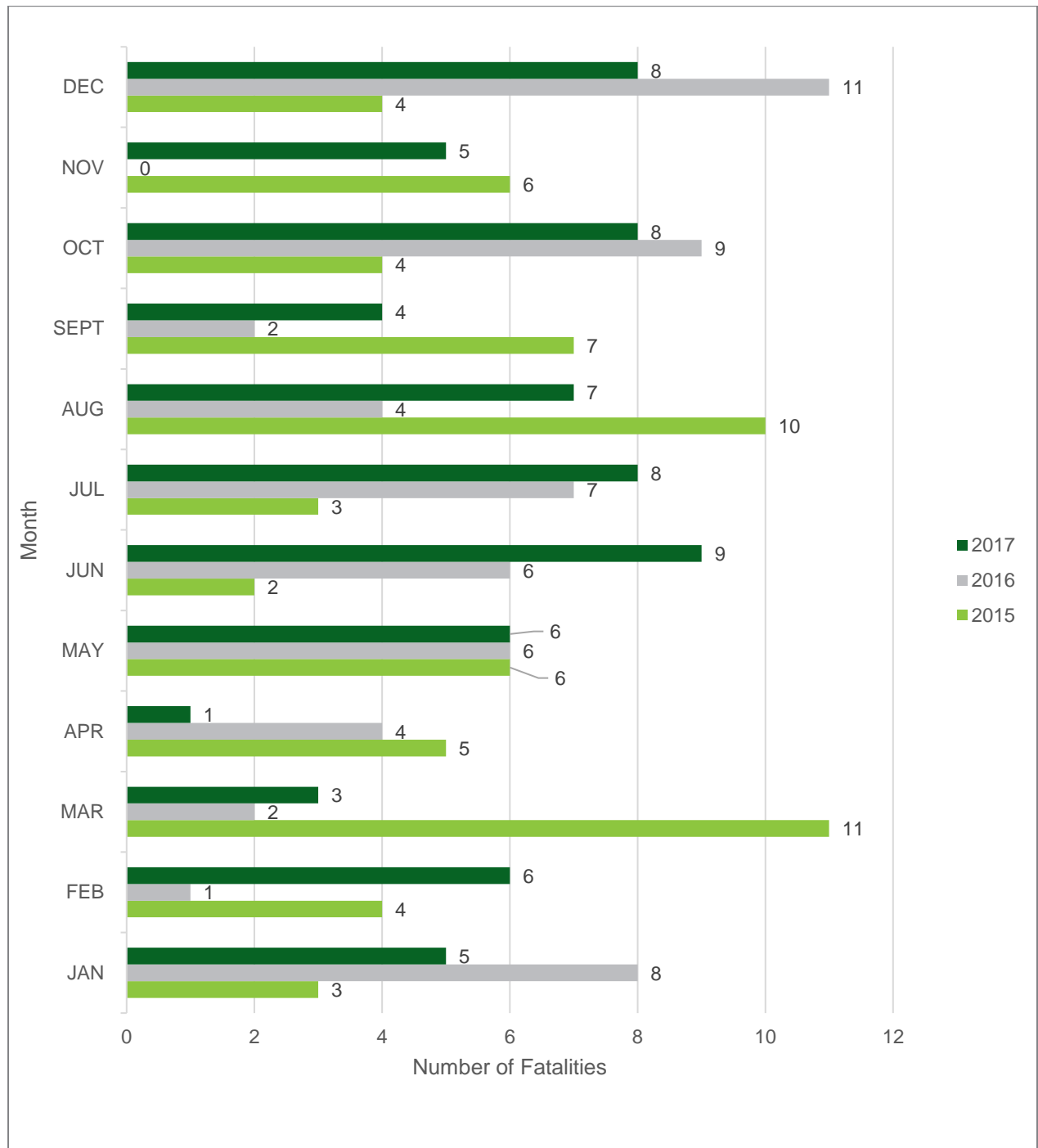
The 2016/2017 period saw a few initiatives in improving road safety for both drivers and pedestrians through new capital safety projects. Some of which included the installation of new road signs and line marking along Grantham Road in Suva, improvement in night vision and visibility through installation of street lights and more.



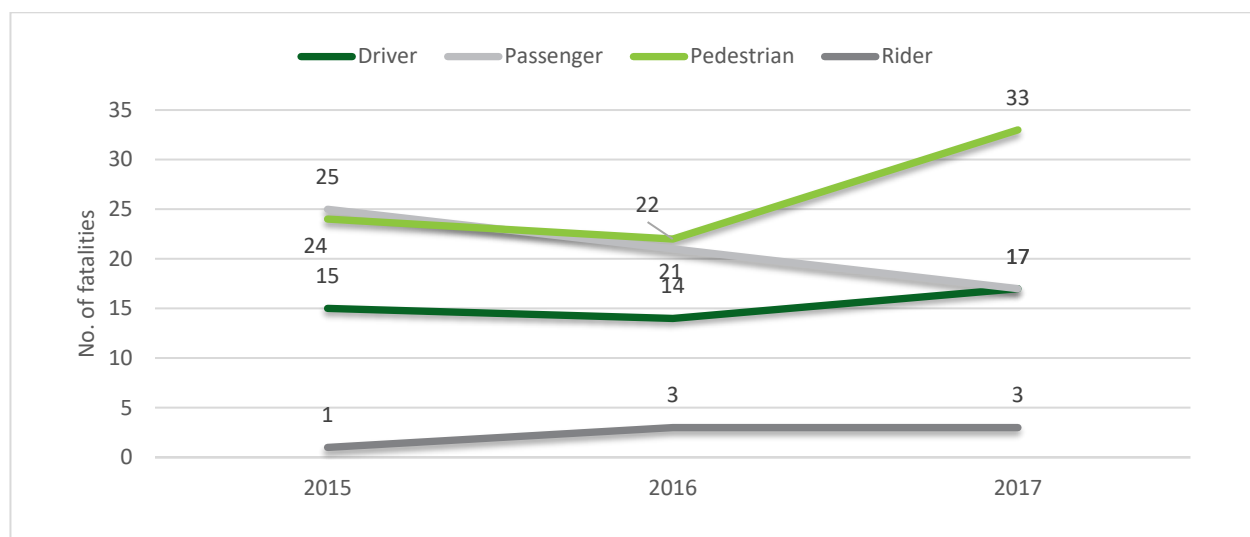


Health and safety is our highest priority, however it will take several more years before we have established a fully measurable and transparent performance measurement regime at this secondary, output based, level.

**Figure 5 – Annual road fatalities during the years 2015 to 2017**



**Figure 6 - Fatalities by victim type during the years 2015 to 2017**



**Table 12 - Causes of road fatalities during the years 2015 to 2017**

Causes of Fatalities	2015	2016	2017
Speeding	43	24	31
Drunk & Drive	1	2	12
Dangerous Driving	-	11	3
Careless Driving	1	3	3
Pedestrian at Fault	5	2	7
Drunkard Pedestrian	-	-	2
Improper Overtaking	6	1	1
Driver's Fatigue	3	4	1
Improper Turning	3	1	2
Neglect of Parents	-	3	3
Mechanical Defect [tyre]	1	-	-
Hit & Run	2	9	4
Inconsiderate Driving	-	-	1
<b>Total</b>	<b>65</b>	<b>60</b>	<b>70</b>

## Asset Stewardship

Table 13 - Asset Stewardship - Outcomes

Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) – Outcomes			
Code	Performance Measure	2016/2017 target	Outcome
2A.1	An annual reduction in the value of deferred maintenance/ deferred renewals.	Yes	Partially achieved
2A.2	The percentage of planned new capital and renewal projects completed.	100%	Partially achieved
2B.1	Bridges' condition improved as evidenced by the categorisation changes: <ul style="list-style-type: none"> <li>• High Priority Bridges</li> <li>• Medium Priority Bridges</li> <li>• Low Priority Bridges</li> </ul>	9.33% 1.85% (1.57%)	Partially Achieved

### Investment in renewing the network as the annual depreciation provision

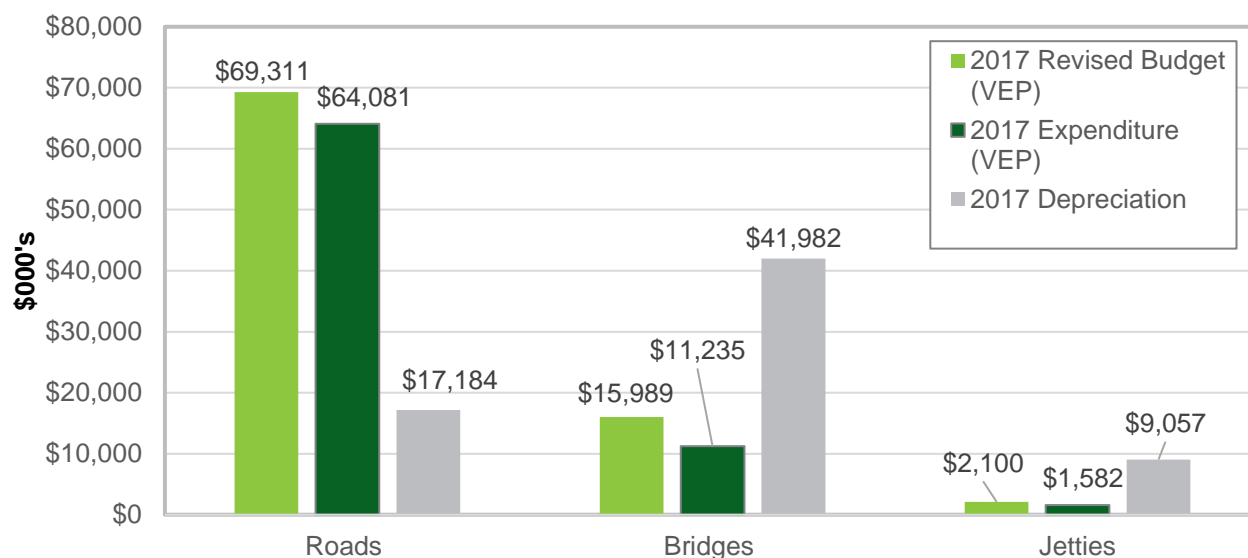
The sufficiency of the FRA's annual maintenance and renewal budget is determined by comparing the depreciation provision (the extent to which the assets are being 'consumed' or continuing to wear out every year) with the annual renewals and replacement expenditure.

If the two are 'in sync' over time the current state of the network is being maintained. If renewals expenditure is less than depreciation provision, the network is continuing to deteriorate (and the 'backlog' will have increased). If the renewals expenditure exceeds the depreciation provision, then the network is being improved.

In 2016/2017 FRA invested close to \$204 million (VEP) in renewing its assets. Renewals for roads, bridges and jetties totaled approximately \$77 million (VEP) This is more than the annual depreciation provision; hence the network has improved. The backlog has decreased, and the network is recovering providing investment continues to be applied at levels greater than the annual depreciation (see Figure 7).

The greater knowledge we now have of our assets have allowed recalculation of annual depreciation through the revaluation been undertaken in 2013. This indicates that higher levels of renewal investment is required if the backlog of deferred maintenance and renewal is to be reduced significantly.

**Figure 7 - Renewal investment and depreciation for FRAs 3 main asset classes**



**Notes:**

1. 'Roads' includes roads and associated assets including streetlights, signals, drainage, etc.
2. 'Bridges' includes crossings, bridges, pedestrian bridges and bailey bridges.

### The capital works programme was successfully delivered although there were a few exceptions

From a standing start in 2012, FRA has built up to a \$315 million programme for New Capital and Renewals. This includes a number of major rural and urban projects of substantial complexity.

Measuring the number of planned projects completed is more difficult as many of these projects are multi-year projects. A number of capital projects are also non-physical work items for during the 2016/2017 period. These are projects which are in the development pipeline for later construction. Consequently, we have assessed performance on the basis of completion of planned work on projects, rather than project completion.

FRA has recognized the need for more sophisticated project management tools

to aid in monitoring and reporting on performance against programme. An enterprise management system has been planned to be implemented during the 2016/2017 which will allow for a much greater level of scrutiny to be applied and a consequently greater level of detailed reporting on aspects of programme delivery.

There were a number of projects that suffered delays during the period and while this is expected in a programme of this scale and complexity there remains a drive for continuous improvement.

### Planned maintenance work was completed

For 2016/2017 period, \$111 million (VIP) of maintenance works were budgeted and all were completed. Achievement in some key areas of activity are shown in Table 14 below. Previously FRA has reported achievements along with the prior year achievements. However,



current year achievements are for the 7 months period and therefore data for comparative purposes would be distorted.

**Table 14 – Maintenance Activity Achievements**

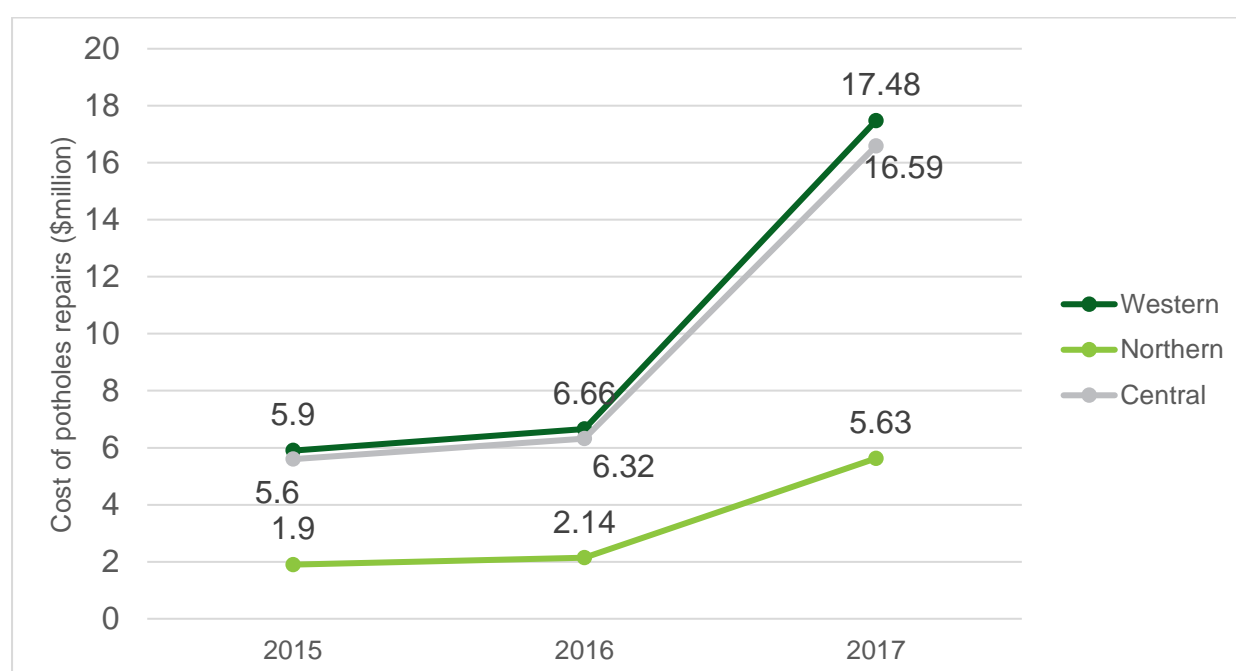
	Maintenance Activity	Unit of measure	2016/2017 achievement
1	Potholes repaired	no.	328,293.08
2	Line marking	km	10,584.40
3	Grading	km	44,288.13
4	Gravel spread on Unsealed Roads	m3	34,338.94
5	Drain cleaning	km	981,065.20
6	New culverts	m	17,040.96

### Complaints about potholes increased slightly in 2016/2017

At FRA we record all complaints received into our Service Request (SR) system in relation to the potholes. These complaints are directed to the responsible officer and then progress to resolve them is tracked within the SR system.

Due to the overall condition of the existing road network being poor, there has always been a 'backlog' of pothole repair work, particularly in smaller, low traffic volume roads. After periods of rain we see new potholes across the network; but our priority has been to address the arterial roads and other high traffic roads before moving into side streets etc. The complains received in relation to the potholes thus increases year by year and so does the pothole repair cost.

**Figure 8: Cost of Potholes Repairs during the years 2015 to 2017 in the Northern, Central and Western Divisions**



## Bridges' conditions

The goal of FRA's bridge programme is to reduce the number of high priority bridges through repair or replacement, i.e. we want to see a trend towards more bridges being categorized as low-medium priority.

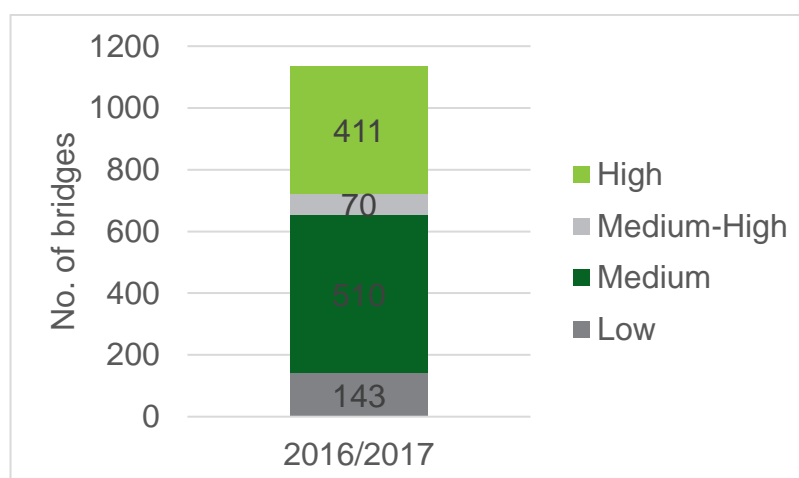
FRA engages consultants to complete 1,241 general inspections of bridges/major culverts in the Central, Eastern, Northern and Western Divisions (this includes redundant and not found structures). The actual number of assets held by FRA is 1,200. This is approximately 80% more inspections than initially planned in accordance with the contracts. As at 31 January 2017, 31 bridges had not been inspected, primarily

due to these being located in outer islands. 85 of the previously unidentified bridges / major culverts have been added into the database.

It was highlighted that about 6% (i.e. 70 bridges) of those which were inspected required immediate attention due to severity of defects. These structures carry high safety and operation risks. There are 34% of the bridges/ major culverts with high priority elements requiring repair.

In addition, the consultants also plan to carry out Principal inspections of specifically selected bridges / major culverts and Special Inspections in the 2017. In total, 391 inspections are planned to be undertaken.

**Figure 9: Bridge Priority percentages**



**Table 15: Categorization of bridges 2014-2016/2017**

Category	End 2014	End 2015	End 2016/2017
High	111	118	411
Medium – High	90	86	70
Medium	380	346	510
Low	471	71	143
<b>Total</b>	<b>1,052</b>	<b>1,251</b>	<b>1,134</b>

## Service Quality

**Table 16 - Service Quality: Aesthetics, Reliability, Responsiveness and Capacity**

Service Quality - Including: Aesthetics, Reliability, Responsiveness and Capacity			
Code	Performance Measure	2016/2017 target	Outcome
3A.1	Reduced congestion by route	To be determined	Not measured
3A.2	Not less than 60% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	60%	Not measured

### Congestion is increasing and will become a priority issue over the coming years as Fiji grows

As Fiji grows and develops, car ownership, usage and the amount of goods being transported around the country also increases. Accommodating this growth on the transport networks has been a challenge, especially in the urban areas and the main arterial routes which connect cities, towns, airports and ports.

A degree of congestion on the roads is inevitable and there would be a need to expand the capacity where it is right to do so. However, it will also be important for Fiji to recognize that countries across the world have come to realize that building roads alone will not solve congestion. We need to make more efficient use of what capacity we have. This simply means that we need the following:

- better and more attractive public transport;
- a more efficient haulage industry;
- reducing the need to travel through initiatives such as teleworking and teleconferencing;
- better integration between land use development and transport; and

- peak spreading (encouraging people to travel outside peak times).

At FRA we recognize that congestion is a multi-agency issue. We are engaged in working with other agencies such as LTA, Police, Ports Authority and Town and Country Planning to manage congestion in urban areas. We are also engaged in a major programme of road widening and other capacity improvements in Suva, Nadi and other urban centers and arterial roads. This effort will ensure that Fiji's road infrastructure provides 'headroom' for economic growth. However more innovative solutions will be needed going forward.

### A road user satisfaction survey will be a key measure of the public perception of our performance

FRA's customers are all users of roads, including

- pedestrians using footpaths and roads;
- RSL and taxi passengers in rural and urban areas;
- city commuters on buses and in cars; and



- businesses who rely on roads and jetties to get their goods to and from ports and markets.

We are committed to engaging with these customers to get their feedback on quality

of service. A road user satisfaction survey will provide a key indicator of how people perceive our performance. This is scheduled to be conducted later in the year.

## Compliance

Table 17 – Compliance: Training, Record Keeping, Data Management & Reporting

Compliance - Including: Training, Record Keeping, Data Management & Reporting			
Code	Performance Measure	2016/2017 target	Outcome
4A.1	Compliance with all legislative, regulatory and other requirements.	100%	Achieved

### We report 100% compliance with all legislative regulatory and other requirements and no known pending non-compliance

In some areas the legal requirements are unclear because consequential legislative changes are still to be made to other Decrees as a result of the establishment of the FRA – especially relating to transfer of ownership and management of all the municipal roads to the FRA and the FRA's relationship with LTA.

### Overloading of heavy goods vehicles

Illegal overloading and loading exemptions continue to result in damage to roads and structures. We estimate that the cost of this damage is over \$50 million each year. This effectively represents a hidden transfer subsidy to industries such as logging and sugar which benefit from lower haulage costs. FRA considers that these road damage costs should be managed through better enforcement and compliance, or otherwise captured within the appropriate industry so that better decisions are being made. FRA's responsibility for enforcement of vehicle load limits has been removed from the Act (see Appendix A). However, we are still playing a central role in a multi- agency approach to this problem and will continue to do so with the goal of reducing abnormal damage to roads and structures.

## Financial

**Table 18 - Financial – Economic Value for Money**

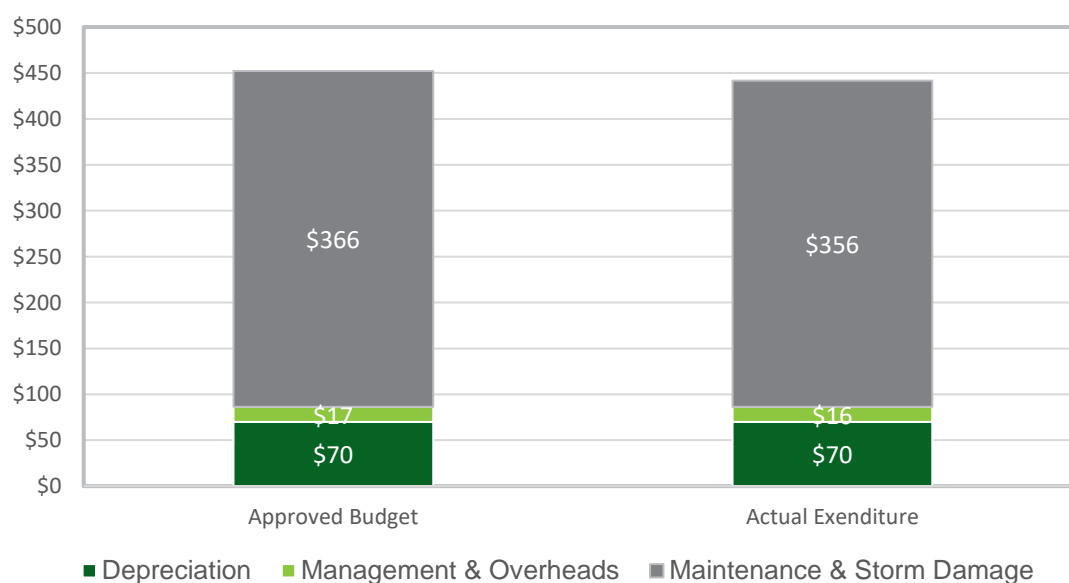
Financial - Economic Value for Money			
Code	Performance Measure	2016/2017 target	Outcome
5A.1	Total operating costs were within the approved total budget.	Yes	Achieved
5A.2	New capital and renewal projects were completed within the approved total budget.	Yes	Achieved

### Total FRA operating expenditure was within annual approved budget

In this context operating costs include the costs of the FRA business unit and the costs of maintaining the network (including storm damage and depreciation). Comparison of budget and expenditure is shown in Figure 10. The approved budget for these works were \$452 million while the actual expenditure was \$442 million.



**Figure 10 - FRA January to July 2017 operating budget and expenditure (\$m VIP)**





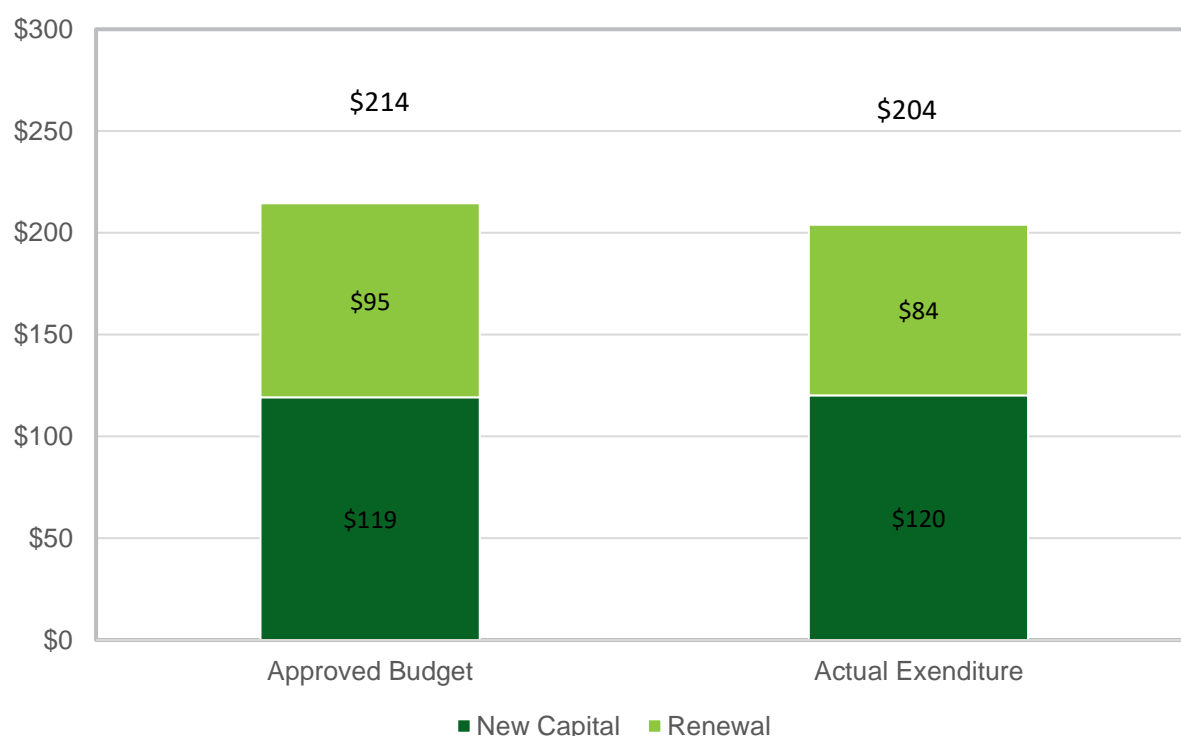


## Total FRA capital and renewal expenditure was within annual approved budget

'Approved Budget' means the revised 7 months budget for the change in financial year end. Capital and renewal

expenditure was 95% of the 2016/2017 revised budget. The comparison of the budget and expenditure is shown below in Figure 11.

**Figure 11 – FRA January to July 2017 capital and renewal budget and expenditure (\$million VIP)**



## Comprehensive independent revaluation of assets was undertaken in 2015

The FRA's auditors (The Fiji Auditor General) have qualified the accounts between 2012 – 2014 because they couldn't be satisfied there are sufficient documentation to appropriately substantiate the value of the FRA's property, plant and equipment.

The first valuation of FRA's was undertaken in 2015 – \$12 billion.

AS per FRA's revaluation policy the assets revaluations will be carried out after 3 years. The next revaluation will be carried out in 2018. 3 years of data acquisition and analysis of assets meant that in 2015 we were finally able to have the asset base revalued and the qualification removed.

## Specific Tasks

**Progress has been made, but performance on specific tasks for 2016/2017 has not been as good as hoped**

We set ourselves a number of specific tasks at the beginning of the year.

The table 19 below provides details on the specific performance targets and the performance results. Although good progress has been made, overall achievement was not as good as we had hoped. Over the course of 2016/2017 period, FRA was still in the process of building the organizational capacity to deliver on all our targets.

**Table 19 - Specific Tasks for 2016/2017**

2016/2017 Specific Performance Target	2016/2017 Performance Result
<b>Governance</b>	
1) Appoint CEO	Not achieved. Mr Jonathan Moore was appointed as the CEO for FRA in October 2017.
2) Prepare the 2016 Annual Report by 30 April 2017.	Not achieved. Due to FRA's structural and personnel changes, this was delayed. A further delay was caused due to delays in Audit.
3) Adopt the Corporate Plan and Statement of Corporate Intent for 2017 / 2018 before July 2017.	Not achieved. Due to FRA's structural and personal changes this was delayed.
4) Clarify the FRA's Legislative and Regulatory Responsibilities. (Amendments required to the Local Government Act and several other Acts as a result of enactment of the Fiji Roads Authority Act)	On-going.
5) Resolve outstanding issues with Municipal Councils' contributions and delegated functions.	On-going.
6) Implement the final reorganisation plan for FRA's management and ensure a smooth transition.	On-going.

2016/2017 Specific Performance Target	2016/2017 Performance Result
<b>Technical</b>	
1) Adopt a new Roads' Classification System.	Completed specifications. Adopted the VicRoads plan.
2) Adopt and complete the implementation of an integrated Enterprise system for asset management, project planning and management and associated functions. (The exact breadth still to be decided).	Pending.
3) Continue to stress to the Government the urgent need to address the serious damage being done to the roads by overweight vehicles.	On-going.
<b>Financial</b>	
1) Implement a more 'user friendly' system of reporting expenditure against budget.	Achieved through the implementation of the NAVISION system.
<b>General Management</b>	
1) Update the Asset Management Plan to meet the timeframes for the 2017-2018 budget submissions.	Achieved. AMP prepared for 2018 to be reviewed.
2) Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals.	Pending.
3) Ensure effective processes are in place enabling the reporting of actual performance against the performance measures and targets listed in both the Corporate Plan and in the Asset Management Plan.	On-going.
4) Agree a programme of Independent Audits of the FRA's work for the year and ensure weaknesses raised in them, and in the Auditor General's (OAG's) Audits (including in the OAG's 'Performance Audit' carried out in 2015) are promptly addressed.	Financial audit – Achieved. Performance audit is yet to be carried out by OAG.

2016/2017 Specific Performance Target	2016/2017 Performance Result
5) Ensure effective management of the Business Improvement Control, the Audit Control and of the Improvement Plan in the Asset Management Plan.	On-going.
6) Implement (and more assertively manage) a new format for reporting projects' progress.	Achieved, however this is an on-going process.



## **Financial Statements**

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## FIJI ROADS AUTHORITY DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2017

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### Formation of Fiji Roads Authority

Fiji Roads Authority was established by the Fiji Road Authority Decree 2012 (as amended by the Fiji Roads Authority (Amendment) Decree 2012 ("Principal Decree" also known as "the FRA Decree"). It was formed as a corporate body with perpetual succession and a common seal as at 5 January 2012.

The directors present their report together with the financial statements of Fiji Roads Authority ("the Authority") for the year ended 31 July 2017 and the auditors' report thereon.

### Directors

The names of the directors any time during the period and up to the date of this report are:

Mr Dinesh Patel - Chairperson

Mr Aptinko Vaurasi - Member

Mr Sanjay Kaba - Member

Ms Preetika Prasad - Member

Mr Kamal Gounder - Member (*replaced Salaeseini Serulagilagi on 2nd September 2016*)

### State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.
- the accompanying statement of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2017 and the accompanying statement of comprehensive income, the statement of changes in equity and the statement of cash flows give a true and fair view of the result of the Authority, its changes in equity and its cash flows for the year then ended.

### Principal activity

The principal activity of the Authority during the period was that pertaining to the construction, maintenance and development of roads, bridges and jetties in Fiji.

### Operating results

The operating deficit for the year ended 31 July 2017 was \$94,899,783 (7 months ended 31 July 2016: \$24,155,755).

### Reserves

The directors did not recommend any transfers to or from reserves to accumulated funds in the 2017 financial period except as required by International Financial Reporting Standards.

No event arisen in the interval between the end of the financial period and the date of this report, item, transaction of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those operations, or the state of affairs of the Authority, in subsequent financial years.

Dated at Suva this 6<sup>th</sup> day of March 2019

Signed for and on behalf of the Board of Directors in accordance with a resolution of the Directors:

  
Director

  
Director



## OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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### INDEPENDENT AUDITOR'S REPORT

#### FIJI ROADS AUTHORITY

##### Opinion

I have audited the financial statements of Fiji Roads Authority ("the Authority"), which comprise the statement of financial position as at 31 July 2017, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the matter described in the Basis for Qualified Audit Opinion the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 July 2017, and of its financial performance, its cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

##### Basis for Qualified Audit Opinion

The Authority has not brought to account the amount payable and contribution receivable to and from the Municipal Councils amounting to \$22,328,520 and \$34,429,613 respectively in the Statement of Financial position. These amounts have been disclosed as contingent Assets and Contingent Liabilities (Note 12) in the notes of the financial statements. In 2012, The Authority have entered into Memorandum of Agreements with the Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the councils. It was also agreed that the Councils will pay the Authority an annual contribution for council roads maintained by the Authority.

Consequently, The Authority's receivable and payable and the related expense and income accounts for the current and prior years are understated.

I conducted my audit in accordance with International Standards on Auditing ("ISAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Responsibilities of the Management and Directors for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, directors and management are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Authority's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 or 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 skepticism 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





I communicate with the management and directors 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.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Fiji Roads Authority Act 2012 and other statutory requirements, in my opinion:

- a) proper books of account have been kept by the Authority, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
  - a. are in agreement with the books of account; and
  - b. to the best of my information and according to the explanations given to me, give the information required by the Fiji Roads Authority Act 2012 and other statutory requirements in the manner so required.

Ajay Nand  
AUDITOR-GENERAL



Suva, Fiji  
27 March, 2019



**FIJI ROADS AUTHORITY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	Twelve months ended 31 July 2017 \$	Seven months ended 31 July 2016 \$
<b>Income</b>			
Grants and contributions	2 (a)	15,854,174	10,136,746
Amortisation of deferred income	11	152,874,639	103,584,724
Other income	2 (b)	1,999,193	277,202
<b>Total income</b>		<b>170,728,006</b>	<b>113,998,672</b>
<b>Expenditure</b>			
Employee related expenses	3 (a)	(7,796,813)	(2,035,661)
Other operating expenses	3 (b)	(12,041,631)	(10,854,906)
Maintenance		(100,988,152)	(51,761,478)
<b>Total Expenditure</b>		<b>(120,826,596)</b>	<b>(64,652,045)</b>
<b>Surplus from operations</b>		<b>49,901,410</b>	<b>49,346,627</b>
Depreciation and amortisation	7 & 8	(144,801,195)	(73,502,382)
<b>Deficit for the period/year</b>		<b>(94,899,784)</b>	<b>(24,155,755)</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant & equipment		-	-
<b>Total comprehensive (loss)/income for the period/year</b>		<b>(94,899,784)</b>	<b>(24,155,755)</b>

The accompanying notes form an integral part of this Statement of Comprehensive Income.





**FIJI ROADS AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017**

	Contributed Equity	Accumulated Funds	Capital Reserve	Asset Revaluation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance as at 1 January 2016	4,770,531,283	(36,207,773)	867,433	3,505,794,232	8,240,985,175
Deficit for the year	-	(24,155,755)	-	-	(24,155,755)
Increase in capital reserves	-	-	-	-	-
Transfer to contributed equity	-	-	-	-	-
Revaluation increment	-	-	-	-	-
Increase in assets from equity transfer	43,715,180	-	-	-	43,715,180
Balance as at 31 July 2016	4,814,246,463	(60,363,528)	867,433	3,505,794,232	8,260,544,600
Deficit for the period	-	(94,899,784)	-	-	(94,899,784)
Increase in capital reserves	-	-	10,995	-	10,995
Increase in assets from equity transfer	10,236,971	-	-	-	10,236,971
Balance as at 31 July 2017	4,824,483,434	(155,263,311)	878,428	3,505,794,232	8,175,892,782

The accompanying notes form an integral part of this Statement of Changes in Equity.



**FIJI ROADS AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	Twelve months ended 31 July 2017 \$	Seven months ended 31 July 2016 \$
<b>Current assets</b>			
Cash and cash equivalents	4	30,315,298	109,560,052
Receivables	5	5,714,589	3,935,487
Other current assets	6	152,529,633	129,825,285
		<u>188,559,520</u>	<u>243,320,824</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	8,874,136,355	8,802,947,890
Intangible assets	8	185,952	36,623
		<u>8,874,322,307</u>	<u>8,802,984,513</u>
<b>Total assets</b>		<u>9,062,881,827</u>	<u>9,046,305,337</u>
<b>Current liabilities</b>			
Payables	9	91,617,988	79,130,077
Provisions	10	320,351	176,255
		<u>91,938,339</u>	<u>79,306,332</u>
<b>Non-current Liabilities</b>			
Provisions	10	41,985,521	43,663,887
Deferred income	11	753,065,187	662,790,518
		<u>795,050,708</u>	<u>706,454,405</u>
<b>Total liabilities</b>		<u>886,989,047</u>	<u>785,760,737</u>
<b>Net assets</b>		<u>8,175,892,780</u>	<u>8,260,544,600</u>
<b>Equity</b>			
Capital reserves	18	878,428	867,433
Asset revaluation reserve		3,505,794,231	3,505,794,232
Other contributed equity		4,824,483,434	4,814,246,463
Accumulated funds		(155,263,311)	(60,363,528)
<b>Total equity</b>		<u>8,175,892,782</u>	<u>8,260,544,600</u>

The accompanying notes form an integral part of this Statement of Financial Position.

Signed for and on behalf of the Board of Directors in accordance with a resolution of the Directors:

Director

Director

**FIJI ROADS AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2017**

	Note	Twelve months ended 31 July 2017	Seven months ended 31 July 2016
<b>Cash flows from Operating Activities</b>		\$	\$
Grants, subsidies and interest received		253,386,279	144,520,992
Payments to suppliers and employees		(116,685,016)	(78,921,062)
<b>Net cash from Operating Activities</b>		<b>136,701,263</b>	<b>65,599,930</b>
<b>Cash flows from Investing Activities</b>			
Payments for intangible assets		(331,306)	(44,870)
Payment for property, plant & equipment		(215,614,709)	(93,315,305)
<b>Net cash used in Investing Activities</b>		<b>(215,946,015)</b>	<b>(93,360,175)</b>
Net (decrease)/increase in cash held		(79,244,753)	(27,760,245)
Cash and cash equivalents at beginning of financial period/year		109,560,052	137,320,297
<b>Cash and cash equivalents at end of financial period/year</b>	<b>4</b>	<b>30,315,299</b>	<b>109,560,052</b>

The accompanying notes form an integral part of this Statement of Cash Flow.

**FIIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**

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**1 SIGNIFICANT ACCOUNTING POLICIES**

Fiji Roads Authority ("the Authority") was established by the Fiji Road Authority Decree 2012 (as amended by the Fiji Roads Authority (Amendment) Decree 2012 ("the FRA Decree") to serve the road system needs of the Republic of Fiji. This FRA Decree established the Authority by transferring the operations and assets of the Department of National Roads ("DNR").

The Authority's registered office is Level 4, Fiji Development Bank Building, 360 Victoria Parade, Suva. It operates from several locations in Fiji, with its head office in Suva.

The Authority commenced operations on 5 January 2012. Fiji Roads Authority is a corporate body domiciled in Fiji. The significant accounting policies, which have been adopted in the preparation of these financial statements, are noted below.

The comparatives disclosed in the financial statements presented are for a period of 12 months whereas the financial statements presented for the year ended 31 July 2016 are for a period 7months therefore that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The financial statements were authorized for issue by the directors on **6th March, 2017**.

**(a) Accounting for the formation of FRA**

By virtue of the FRA Decree, an entity was established to form the FRA with effect from 5 January 2012. Following the 2012 Amendment to the FRA Decree, Fiji Road Authority was renamed to Fiji Roads Authority.

Due to insufficient books and records over property, plant and equipment at 5 January 2012, the property, plant and equipment assets of the Department of National Roads ("DNR") were required to be identified, recorded and valued by independent valuers and the resulting adjustment was recorded in other contributed equity. The assets of the DNR were transferred to FRA on 5 January 2012 for a consideration of \$Nil under the FRA Decree. In 2015, the Authority with assistance from Erasito Beca Consultants Ltd revalued its property, plant and equipment.

**(b) Statement of compliance**

The financial statements of the Authority have been drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRS"), the FRA Act 2012 and other statutory requirements.

**(c) Basis of preparation**

The financial statements are presented in Fiji dollars, rounded to the nearest dollar. The financial statements have been prepared based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The accounting policies have been consistently applied and are consistent throughout the period.

**(d) New standards and interpretations not yet adopted**

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 January 2016 or later periods.

Reference	Summary	Application date of standard and the Authority
IFRS 9 Financial Instruments	New requirements on recognition of expected credit losses	1 January 2018
IFRS 16 Leases	Requires operating leases to be recognised on balance sheet	1 January 2019
IFRS 15 Revenue from Contracts with Customers	Requires revenue to be recognised on satisfaction of the performance obligations specified under contracts	1 January 2018

**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Use of estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements includes the note on property, plant and equipment in Note 1(g).

**(f) Foreign currency**

All foreign currency transactions are translated to Fiji currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling at balance date. Gains and losses arising on such translations are recognised in the result for the period.

**(g) Property, plant and equipment**

Property, plant and equipment comprise land and buildings, plant and equipment (vehicles and general plant and equipment) and infrastructure systems (road and bridges).

*Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other IFRS. Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

Assets acquired at no cost, or for nominal consideration, are initially recognized at their fair value at the date of acquisition. A corresponding amount is also reported as deferred revenue under liabilities and amortized over the period of the useful life of the asset.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The cost of assets constructed for own use includes the purchase cost, other directly attributable costs and the initial estimate of dismantling and restoration costs.

*Depreciation*

Items of property, plant and equipment, are depreciated using the straight-line method over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date. The expected useful lives of property, plant and equipment for depreciation purposes are as follows:

	Useful lives (years)
Buildings	60
Furniture and fittings	5 - 10
Motor vehicles	5 - 8
Road systems	12 - 120
Plant and equipment	10 - 30



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Property, plant and equipment (continued)**

*Revaluation of property, plant and equipment*

The Authority revalues the roads system recorded under property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Revaluations are performed by independent professionally qualified and registered valuers. The next revaluation of Authority's non-current assets are due by end of 2018.

Non-specialized assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. This is because any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognized as an expense in the net result, the increment is recognized immediately as revenue in the net result.

Revaluation decrements are recognized immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit Authority, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**(h) Cash and cash equivalents**

Cash & cash equivalents comprises of cash at bank, cash on hand and term deposits with maturity term of less than 3 months.

**(i) Receivables and other assets**

Receivables are carried at original invoice amount less allowance made for impairment. Other receivables are recognised and carried at cost less any impairment loss. An allowance for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. This allowance is based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

The largest portion of receivables relates to grants which had been budgetted by the Government but not yet received by the Authority.

**(j) Deferred income and amortisation of deferred income**

An unconditional grant related to an asset is recognised in statement of comprehensive income as other income when the grant becomes receivable.

Other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Authority will comply with the conditions associated with the grant and are then recognised in statement of comprehensive income as other income on a systematic basis over the useful life of the asset. Grants that compensate the Authority for expenses incurred are recognised in statement of comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Payables**

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(l) Other operating expenses**

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Authority.

**(m) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated. Maintenance costs relate principally to road and maritime infrastructure systems.

**(n) Provisions**

**(i) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

**(ii) Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(iii) Other provisions**

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**(o) Income recognition**

Income is recognised and measured at the fair value of the consideration or contribution received or receivable to the extent that it is probable that the economic benefits will flow to the Authority and the income can be reliably measured. The following specific criteria must also be met before income is recognised:

**(i) Grants and contributions**

Grants and contributions comprising mainly cash and in kind contributions are recognized as revenues when control passes to the Authority and the contractual obligations have been satisfied. In kind contributions (e.g. roads and bridges from local councils) are measured at fair value on transfer and recognized as property, plant and equipment (Note 1(g)).

**(ii) Other income**

Revenue from interest income and rental income is measured at fair value of the consideration received or receivable. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of comprehensive income.



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Impairment**

The carrying amounts of the Authority's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

**(q) Accumulated funds**

The category "Accumulated Funds" includes all current period retained funds.

**(r) Other contributed equity**

Other contributed equity represents generally assets less liabilities transferred to the reporting entity by the Government of Fiji.

**(s) Intangible Assets**

Intangible assets comprises of computer software and license for its first use. Acquired computer software licenses with a cost exceeding \$2,000 are initially capitalized at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs or consultancy costs which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

**(t) Leased Assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

	Twelve months ended 31 July 2017	Seven months ended 31 July 2016
<b>2. INCOME</b>	<b>\$</b>	<b>\$</b>
<b>(a) Grants and contributions</b>		
Government of Fiji - Operating Grant	15,854,174	10,136,746
	<u>15,854,174</u>	<u>10,136,746</u>
<b>(b) Other Income</b>		
Depot rental	102,844	74,488
Interest income	1,896,349	202,714
	<u>1,999,193</u>	<u>277,202</u>
<b>3. EXPENDITURE</b>		
<b>(a) Employee related expenses</b>		
Salaries	6,787,569	1,716,499
Contribution to FNPF	474,864	138,676
Allowances	534,381	180,486
	<u>7,796,813</u>	<u>2,035,661</u>

The number of employees at the end of the financial period was 148 (2016: 52).



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

	Twelve months ended 31 July 2017	Seven months ended 31 July 2016
<b>3. EXPENDITURE (continued)</b>	<b>\$</b>	<b>\$</b>
<b>(b) Other Operating expenses</b>		
Consultancy costs	6,490,228	8,035,825
Unrealised exchange loss/gain	(135,706)	23,290
Leasing of plant	220	6,511
Travel and communications	640,160	229,131
Other	5,046,728	2,560,149
	<b>12,041,631</b>	<b>10,854,906</b>
<b>(c) Maintenance</b>		
Bridges, Crossings and Jetties	12,295,997	26,157,641
Roads	74,469,741	21,565,161
Drainage	9,915,319	2,489,509
Street Lights	2,487,717	1,224,694
Traffic Lights	614,778	183,346
Footpaths	1,204,600	141,127
	<b>100,988,152</b>	<b>51,761,478</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	28,907,706	96,099,316
Petty cash	4,300	1,000
	<b>28,912,006</b>	<b>96,100,316</b>
Term deposits	1,403,292	13,459,736
	<b>30,315,298</b>	<b>109,560,052</b>

**Reconciliation of cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, short term deposits and cash on hand.

Term deposits includes interest bearing deposit invested with Westpac Banking Corporation with remaining term of 1 month at an interest rate of 2% per annum and interest bearing deposit invested with Bank of Baroda for term of 3 months at an interest rate of 2.5% per annum.



## 5. RECEIVABLES

Municipal councils	610,853	610,854
Trench repairs	4,939,584	3,101,625
Others	164,152	223,008
	<b>5,714,589</b>	<b>3,935,487</b>

The Authority reviews the 'debtors aging' report at the end of each month. The Authority has not provided any provision or allowance for doubtful debts during or in prior years.

Before accepting any new customer, the Authority assesses the credit history of the customer through an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due dates at the end of the reporting period for which the Authority has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of Receivables that are past due but not impaired:

Current	892,639	726,989
30 Days	157,492	386,074
60 Days	201,366	171,452
90 Days	170,408	-
Over 90 Days	4,292,684	2,650,972
Total	<b>5,714,589</b>	<b>3,935,487</b>





**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

	Twelve months ended 31 July 2017 \$	Seven months ended 31 July 2016 \$
<b>6. Other Assets</b>		
Grants and interest receivable	132,338,632	125,659,229
Prepayments	4,052,037	4,125,536
Advances and deposits	75,328	40,520
VAT receivable	15,972,480	-
Securities	91,156	-
	<b>152,529,633</b>	<b>129,825,285</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a)</b>		
<b>Land and Buildings</b>		
At Cost	22,127,398	19,292,371
Accumulated depreciation	(6,851,125)	(5,148,060)
	<b>15,276,273</b>	<b>14,144,311</b>
<b>Motor Vehicles</b>		
At Cost	2,467,352	2,467,352
Accumulated depreciation	(1,556,721)	(1,146,459)
	<b>910,631</b>	<b>1,320,893</b>
<b>Furniture and Fittings</b>		
At Cost	1,719,894	1,059,331
Accumulated depreciation	(580,845)	(275,703)
	<b>1,139,049</b>	<b>783,628</b>
<b>Road Systems</b>		
At fair value	8,851,569,034	8,654,268,099
Accumulated depreciation	(214,405,708)	(72,230,520)
	<b>8,637,163,326</b>	<b>8,582,037,579</b>
<b>Plant and Equipment</b>		
At Cost	2,082,357	2,082,357
Accumulated depreciation	(1,059,853)	(1,034,292)
	<b>1,022,504</b>	<b>1,048,065</b>
<b>Work in Progress</b>		
At Cost	218,624,571	203,613,414
	<b>218,624,571</b>	<b>203,613,414</b>
<b>Net book value</b>	<b>8,874,136,355</b>	<b>8,802,947,890</b>



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

(b) Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Land & buildings	Motor vehicles	Furniture and fittings	Road systems	Plant and equipment	Work in Progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$
Balance at 1 August 2016	19,292,371	2,467,352	1,059,331	8,654,268,099	2,082,357	203,613,414	8,882,782,924
Acquisitions	2,835,027		660,563	197,300,935	-	151,764,803	352,561,328
Transfer to roads system						(136,753,645)	(136,753,645)
Balance at 31 July 2017	<b>22,127,398</b>	<b>2,467,352</b>	<b>1,719,894</b>	<b>8,851,569,034</b>	<b>2,082,357</b>	<b>218,624,571</b>	<b>9,098,590,606</b>
<b>Depreciation</b>							
Balance at 1 August 2016	5,148,060	1,146,459	275,703	72,230,520	1,034,292	-	79,835,034
Depreciation for the Year	1,703,065	410,262	305,142	142,175,188	25,561	-	144,619,217
Balance at 31 July 2017	<b>6,851,125</b>	<b>1,556,721</b>	<b>580,845</b>	<b>214,405,708</b>	<b>1,059,853</b>	<b>-</b>	<b>224,454,251</b>
<b>Carrying amount</b>							
At 31 July 2016	<b>14,144,311</b>	<b>1,320,893</b>	<b>783,628</b>	<b>8,582,037,579</b>	<b>1,048,065</b>	<b>203,613,414</b>	<b>8,802,947,890</b>
At 31 July 2017	<b>15,276,273</b>	<b>910,631</b>	<b>1,139,049</b>	<b>8,637,163,326</b>	<b>1,022,504</b>	<b>218,624,571</b>	<b>8,874,136,355</b>

**8. INTANGIBLE ASSETS**

**Software License**

**Cost:**

Balance as at 1 August

399,937 355,067

Additions

331,306 44,870

Balance as at 31 July

**731,243 399,937**

**Accumulated Amortisation**

Balance as at 1 August

363,314 302,464

Amortisation for the year

181,977 60,850

Balance as at 31 July

**545,291 363,314**

**Net Amount**

**185,952 36,623**

Software license are made up of the Authority's Navision Financial Management Information System and the Payroll PayGlobal System. Computer software is capitalised at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial license cost) and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

**9. ACCOUNTS PAYABLE**

Accruals

20,508,097 22,630,717

Other payables

3,550,880 2,769,798

VAT, net

1,754,218

Retention payable

17,297,154 19,584,823

Trade payables

50,261,857 32,390,521

**91,617,988 79,130,077**

**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**9. ACCOUNTS PAYABLE - (Continued)**

- (a) Accruals mostly relates to accrued expenditure for maintenance works, performance pay and insurance premiums.
- (b) Other payables mostly relates to payments relating to employees including payments dues to various entities which are deducted from employee salary.
- © Trade payables mainly relates to payment due to the contractors for contract works.

	Twelve months ended 31 July 2017 \$	Seven months ended 31 July 2016 \$
<b>10. PROVISIONS</b>		
Employee benefits (i)	320,351	176,255
Other provisions (refer below)	41,985,521	43,663,887
	<u>42,305,872</u>	<u>43,840,142</u>
Apportioned as:		
Current	320,351	176,255
Non Current	41,985,521	43,663,887
	<u>42,305,872</u>	<u>43,840,142</u>

**Other Provisions Detail:**

Descriptions	Contractual Work Accrued (ii) \$
Balance at 1 August 2016	43,663,888
Additional provisions recognised	41,985,521
Reductions resulting from re measurement or settlement without cost	(43,663,887)
<b>Balance at 31 July 2017</b>	<u><b>41,985,522</b></u>

- (i) The provision for employee benefits represents annual leave entitlement at the end of the financial year.
- (ii) Estimated accruals provided for contractual works unclaimed at balance date.

**11. DEFERRED INCOME**

Deferred income represents the Capital Grant given by the Government of Fiji for capital purchases and construction of the Authority's road systems.

	Twelve months ended 31 July 2017 \$	Seven months ended 31 July 2016 \$
Opening Balance	662,790,518	630,971,980
Less: Depreciated charges during the year	(45,865,988)	(45,601,348)
Less: Allocated to maintenance of road systems	(107,008,652)	(57,983,376)
Add: Current Year Grants	243,149,308	135,403,262
<b>Closing Balance</b>	<u><b>753,065,187</b></u>	<u><b>662,790,518</b></u>

## 12. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### (a) Commitments

- (i) As at balance date the Authority has an estimated value of \$305,127,467 contract commitments. However, this commitment depends on verification of works done and adherence to the contract terms and conditions during the contract period (2016: \$108,379,320 ).

- (ii) Operating lease commitments contracted for vehicles are payable as follows:

Not later than one year	658,469	-
Later than one year but not more than five	1,345,692	-
Total operating lease commitments	<u>2,004,161</u>	<u>-</u>

**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

## 12. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

### (b) Contingent liabilities

In 2012, the Authority have entered into Memorandum of Agreements with the eleven (11) Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the Councils. It was also agreed that the Councils will pay the Authority an annual contribution for council roads maintained by the Authority.

No contributions were received from the councils and likewise no claims for reimbursement in relation to works carried out by councils on behalf of the Authority were received in the current year.

The matter has been referred to the Minister for Local Government and the Attorney General. There is a likely chance that the Councils will be directed to honor the MOA in place and the Authority will be liable to pay an approximate sum of \$22,328,520 to the councils for 2017. (2016: \$16,097,306).

	<b>Twelve months ended 31 July 2017</b>	<b>Seven months ended 31 July 2016</b>
(c) Contingent assets	\$	\$
Contribution from Municipal Councils	<u>34,429,613</u>	<u>24,821,349</u>

The authority is expecting an approximate of \$34,429,613 contribution from councils as at 31 July 2017. These amounts have not yet been recorded as receivable.

## 13. RELATED PARTY TRANSACTIONS

### Identify of related parties

Balances and transactions between the Authority and it's operations, which are related parties of the Authority have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Authority and other related parties are disclosed below.

### Directors

The directors of the Authority in office during the period and up to the date of this report were:

Mr Dinesh Patel - Chairperson  
 Mr Aptinko Vaurasi - Member  
 Mr Sanjay Kaba - Member  
 Ms Preetika Prasad - Member  
 Mr Kamal Gounder - Member (replaced Salaeseini Serulagilagi on 2nd September 2016)

### Trading Transactions with Related Party

During the year, the Authority enters into the following trading transactions with related parties:



<b>Grant</b>		
Government of Fiji		135,403,262
	-	<u>135,403,262</u>
<b>Government Funding Lenders</b>		
Asian Development Bank	3,972,123	350,000
World Bank	6,264,848	-
Exim Bank of China	-	72,487,563
	<u>10,236,971</u>	<u>72,837,563</u>

**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**13. RELATED PARTY TRANSACTIONS (continued)**

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The key management personnel in FRA are:

- Chief Executive Officer - Jonathan Moore (Appointed: on 22 June, 2017)
- Chief Executive Officer - John Hutchinson ( Resigned: on 22 June 2017)
- Chief Financial Officer- Robert Sen (Acting Chief Executive Officer: 22 June 2017)
- Head of Risk and Assurance Manager - Ravneel Lal
- Human Resources Manager – Zakia Dean ( Appointed on: 06 October 2016)
- General Manager Network Operations Maintenance – Aram Goes
- Deputy General Manager Capital Works – Tarun Bhalla (Appointed : 17 May 2017) (Acting GM Capital Works : 23 June 2017)
- Manager Subdivisional Development & Planning – Eric Singh (Appointed : 26 July 2016)

Total remuneration paid to key management personnel for the year ended 31 July 2017 was \$1,266,987.51 also taking into account the 2016 Jan – July performance pay (\$42,839.45).

During the period non-executive director - Mr Aptinko Vaurasi (Board member) received an allowance of \$6,708 from the Authority.

**14. PRINCIPAL ACTIVITY**

The principal activity of the Authority during the period was that pertaining to the construction, maintenance and development of roads, bridges and jetties in Fiji.

**15. REGISTERED OFFICE**

The Authority's registered office is Level 4, Fiji Development Bank Building, 360 Victoria Parade, Suva. It operates from several locations in Fiji, with its head office in Suva.





## 16. RISK MANAGEMENT DISCLOSURES

### *Introduction*

The operational activities of the reporting entity expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The main risks arising from these financial instruments are outlined below together with the entity's objectives, policies and processes for measuring and managing risk.

Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive and management of the Authority have overall responsibility for the establishment and oversight of risk management and review and determine policies for managing each of these risks. Risk management policies are established to identify and analyze the risks faced by the entity, to set limits and to monitor risks. Compliance with these policies will be reviewed by internal audit.

The Authority's risk management strategy is set by the Executive Management and approved by the Board.

The Authority has management structures and information systems to manage individual risks and has separated risk initiation and monitoring tasks where practicable.

The following sections describe the risk management framework components:



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**16. RISK MANAGEMENT DISCLOSURES (continued)**

*Market risk*

Market risk is the potential for change in the value of financial instruments caused by a change in the value, volatility or relationship between market rates and prices.

Market risk includes liquidity which is explained as follows:

*Liquidity risk*

Liquidity Risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

*Maturity analysis for financial liabilities*

The following analysis of financial liabilities is based on contractual terms.

	31 July 2017		
	At call	Gross nominal outflow	Carrying amount
	\$	\$	\$
<b>Liabilities</b>			
Payables	91,617,988	91,617,988	91,617,988
	91,617,988	91,617,988	91,617,988

*Credit Risk*

To the extent the Authority has a receivable from another party there is a credit risk in the event of non-performance by the counterparty. At balance date, there were no significant concentrations of credit risk in respect of trade receivables. The Authority enters into transaction with counterparties in accordance with approved limits by management based on their credit assessment of their counterparty. There is no requirement for various transactions to be supported by collateral or other securities for major sales transactions.

In addition, receivables balance are monitored on an ongoing basis with the result that the Authority's exposure to bad debts its not significant.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2,017	2,016
	\$	\$
Financial Assets		
Cash and Cash equivalents	30,315,298	109,560,052
Receivables and other current assets	158,244,222	133,760,772
	188,559,520	243,320,824



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2017**

**16. RISK MANAGEMENT DISCLOSURES (continued)**

*Operational Risk*

The Authority's operational risk management framework supports the achievement of the Authority's financial and business goals.

Operational risk is defined as the risk of business gain or loss resulting from:

- inadequate or failed internal processes and methodologies;
- people;
- systems; or
- external events.

A formal reporting structure for the management of operational risk is in place. There are also processes and practices for the identification, monitoring, measurement and day-to-day management of operational risks.

Heads of all business units have clearly defined roles and responsibilities to ensure that the operational risks inherent in all business activities have been identified, measured and recorded.

**17. PERFORMANCE BONDS**

Performance Bonds have been issued by various banks under the name of the Authority which the Authority can encase if a contractor does not satisfactorily complete its contract. As at balance date Fiji Roads Authority is holding bonds totalling \$57,564,001.

	2,017	2,016
<b>18. CAPITAL RESERVES</b>	\$	\$
Sale of Quarry Assets (i)	717,582	717,582
Sale of Covec Plants and Machines (ii)	451,925	451,925
Sale of items from Sigatoka Valley (iii)	19,956	19,956
Sale of items from Labasa Depot (iii)	10,995	
FRA Office fitout at FDB	(322,030)	(322,030)
	<u>878,428</u>	<u>867,433</u>

This reserve consists of:

- (i) Proceeds from sale and disposal of equipment from the Fiji Roads Authority Quarry Operations.
- (ii) Proceed from sale and disposal of equipment remaining after the Departure of China National Overseas Engineering Cooperation (COVEC).
- (iii) After the completion of the Sigatoka Valley & Buca Bay Project, the office and house items used by the contractor were sold.

The funds will be utilised by Fiji Roads Authority on future establishment costs.

**19. OTHER CONTRIBUTED EQUITY**

Other Contributed Equity relates to assets and loan contributed by the Government of Fiji apart from Capital Grant. The increase of \$10,236,971 relates to Asian Development Bank and World Bank Loan channeled through Ministry of Economy to Fiji Roads Authority.

	\$	\$
Other Contributed Equity	<u>4,824,483,434</u>	<u>4,814,246,463</u>



**FIJI ROADS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE YEAR ENDED 31 JULY 2017**

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**20. SUBSEQUENT EVENTS**

The following event has arisen in the interval between the end of the financial period and the date of this report:

*Termination of the Contract for Professional Engineering Services Advisor (MWH)*

On 23 September 2016, the Authority's principle engineering service provider (MWH) had terminated their contract with the Fiji Roads Authority (FRA). In addition to this FRA has commenced proceedings against MWH in the High Court of Fiji in regards to the return of documents by MWH that FRA is entitled to under the Contract (including Confidential Documents and Intellectual Property). Furthermore, MWH has also commenced proceeding against FRA in High Court of Fiji seeking to enforce its alleged entitlement to submit the disputes with FRA under the contract to mediation.

At the time of the report, these cases were still pending in High Court of Fiji for final judgement.

Thus the only significant change anticipated by the Authority was a new organizational structure being set up in the subsequent year.



## Other Financial Information

For further information about the way the FRA manages its financial affairs see FRA's Operations Management Manual (Green Book).

### Cost of Service

**Table 20 - Cost of Service Statement**

Item	2017 Revised Budget (\$000)	2017 Expenditure (\$000's)	2016 Expenditure \$000's	2015 Expenditure \$000's
<b>Operating Expenditure</b>				
FRA Management	15,852	15,594	8,221	8,855
Maintenance - Roads, Bridges and Jetties	101,707	101,743	34,912	294
Emergency Works	34,650	35,063	30,755	-
Deprecation	-	69,945	73,502	115,072
<b>Total Operating Costs (VEP)</b>	<b>\$152,209</b>	<b>\$222,345</b>	<b>\$147,390</b>	<b>\$124,221</b>
<b>Capital Expenditure</b>				
Renewals - Roads and Services	69,311	64,081	49,587	-
Renewals - Bridge's	15,989	11,235	22,230	(1,578)
Renewals - Jetties	2,100	1,582	1,211	39
<b>Renewals sub-total</b>	<b>\$87,400</b>	<b>\$76,898</b>	<b>\$73,028</b>	<b>(\$1,539)</b>
New Capital (Safety)	3,120	2,593	372	93
New Capital (Access)	28,940	25,370	12,118	1,011
New Capital (Community)	6,741	6,291	1,920	-
New Capital (Congestion)	25,158	23,674	13,892	-
New Capital (Tourism)	44,424	51,283	24,649	(7,816)
New Capital (Resilience)	988	1,004	1,117	(235)
New Capital (Advance Payment)	2,498	2,498	-	-
<b>New Capital sub-total</b>	<b>\$111,869</b>	<b>\$112,713</b>	<b>\$54,068</b>	<b>(\$6,947)</b>
<b>Total Capital Expenditure (VEP)</b>	<b>\$199,269</b>	<b>\$189,611</b>	<b>\$127,096</b>	<b>(\$8,486)</b>
<b>Tax</b>				
Value Added Tax	\$30,708	\$29,852	\$18,367	\$11,728
<b>Total Expenditure</b>	<b>\$382,186</b>	<b>\$441,808</b>	<b>\$292,853</b>	<b>\$127,463</b>



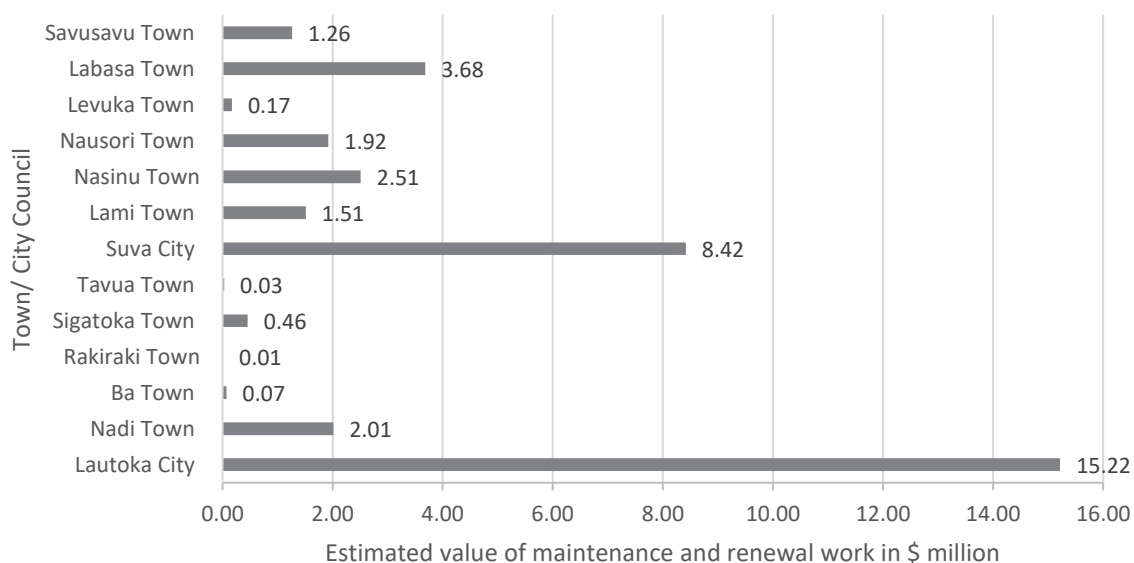
Item	2017 Revised Budget (\$000)	2017 Expenditure (\$000's)	2016 Expenditure \$000's	2015 Expenditure \$000's
<b>Income</b>				
Unfunded deprecation	-	69,945	73,502	115,072
Government Grant	366,656	364,901	214,052	304
Loans	15,530	6,961	5,299	65
<b>Total income</b>	<b>\$382,186</b>	<b>\$441,807</b>	<b>\$292,853</b>	<b>\$115,441</b>

## Roads in Municipal Council Areas

Up until 2012 whilst some of the main routes in the municipal council areas were maintained by the former Department of National Roads, most of the roads (in those areas) were maintained by the councils - funded from their rates. The ownership and responsibility of all roads transferred to the FRA in 2012 – with the councils being required to continue to contribute to their annual costs based on the amounts each had been allocating for roads' maintenance in 2012.

During the 2016/2017 period, the total sum the Councils were expected to pay \$37.28 million (VEP), which was indicative of the collective spend on roading at that time. Since 2013 no Council has contributed any funds to road maintenance. A summary of issues and options for resolution has been submitted to the Minister in 2015 and FRA awaits the Minister's direction. Table 21 shows the categories of expenditure undertaken by FRA on these ex-Municipal Council roads, while the value of expenditure on these works in different towns/ city councils are shown in figure 12. The figures illustrate that significantly higher investment is needed to renew and maintain these roads to achieve a suitable level of service.

**Figure 12 - Estimated value of maintenance and renewal work undertaken by FRA on ex-Municipal Council roads**



**Table 21: Some work done by FRA on ex-Municipal roads**

<b>FRA Expenditure Category for ex-Municipal Roads</b>	
<b>Maintenance and Operation of roads included the following:</b>	<b>Renewal of Roads included the following:</b>
<ul style="list-style-type: none"> <li>• Structural maintenance (Sealed pavement maintenance)</li> </ul>	<ul style="list-style-type: none"> <li>• Sealed road resurfacing/ rehabilitation</li> </ul>
<ul style="list-style-type: none"> <li>• Structural maintenance (Unsealed pavement maintenance)</li> </ul>	<ul style="list-style-type: none"> <li>• Unsealed road resurfacing</li> </ul>
<ul style="list-style-type: none"> <li>• Routine drainage maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Construction and widening of footpath</li> </ul>
<ul style="list-style-type: none"> <li>• Footpath maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Footpath renewals</li> </ul>
<ul style="list-style-type: none"> <li>• Vegetation maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Bridge/ culverts renewals</li> </ul>
<ul style="list-style-type: none"> <li>• Emergency reinstatement</li> </ul>	<ul style="list-style-type: none"> <li>• Streetlights/ traffic renewals</li> </ul>
<ul style="list-style-type: none"> <li>• Traffic services maintenance (traffic signs, pavement markings, streetlights, traffic signals, bus stop maintenance)</li> </ul>	<ul style="list-style-type: none"> <li>• Repair, replacement and maintenance of kerbs and channels</li> </ul>

### Projects Funded by the Asian Development Bank and World Bank

are funded by loans from the ADB and WB. The table below provides a summary of loan funding and the expenditure on projects funded by ADB and WB.

The FRA has several road upgrading and safety improvement/ repair projects that

**Table 22 – Loan Funding**

<b>Bank</b>	<b>2016/2017 Expenditure \$000's</b>	<b>2016 Expenditure \$000's</b>	<b>2015 Expenditure \$000's</b>	<b>2014 Expenditure \$000's</b>
EXIM Bank of China	-	5,000	122,739	105,122
Asian Development Bank	4,176	299	(1,566)	10,275
World Bank	2,088			
Fiji Roads Authority	696			
<b>Total</b>	<b>\$6,960</b>	<b>\$5,299</b>	<b>\$121,173</b>	<b>\$115,397</b>
<b>Projects Funded by ADB and WB for 2016/2017 period</b>				
Suva Arterial Roads Upgrade Project (SARUP I)				\$1,315,787
Guardrail Improvements Works				\$1,099,936
Queens Roads Villages/ Settlements				\$1,257,281

## Asset Values

An independent asset valuation was completed by Erasito Beca Consultants Ltd. The combination of increased knowledge of quantity and condition of assets as well as updating valuation has seen the overall asset value increase significantly. Table 23 has the 2016/2017 valuation figures.

**Table 23 – Asset Values**

Asset Categories	Replacement Cost (\$)	Depreciated Replacement Cost (\$)	Accumulated Depreciation (\$)	Annual Depreciation (\$)
<b>Property</b>				
Lands	3,178,834,567	3,178,834,567	-	-
Formation	2,861,777,071	2,861,777,071	-	-
<b>Sub Total</b>	<b>6,040,611,638</b>	<b>6,040,611,638</b>	<b>-</b>	<b>-</b>
<b>Carriageways</b>				
Sealed Pavement Structure	788,578,209	496,326,575	1,284,904,784	2,055,167
Unsealed Pavement Structure	893,999,068	310,334,657	583,664,411	1,880,791
<b>Sub Total</b>	<b>1,682,577,277</b>	<b>806,661,232</b>	<b>1,868,569,195</b>	<b>3,935,958</b>
<b>Drainage</b>				
Culverts	260,921,058	(213,458,691)	474,379,749	797,398
Gully pits	28,168,492	(37,937,940)	66,106,433	388,773
Surface Water Channels	205,486,167	(67,249,175)	272,735,342	802,780
<b>Sub Total</b>	<b>494,575,717</b>	<b>(318,645,806)</b>	<b>813,221,524</b>	<b>1,988,951</b>
<b>Other Road Assets</b>				
Footpaths	160,873,652	65,640,721	95,232,931	1,990,296
Street Lighting	24,465,313	6,775,503	17,689,809	990,854
<b>Sub Total</b>	<b>185,338,965</b>	<b>72,416,224</b>	<b>112,922,740</b>	<b>2,981,150</b>
<b>Traffic Controls</b>				
Signs (inc Posts)	12,178,767	(14,629,327)	26,808,094	693,079
Markings	11,100,922	(19,866,453)	30,967,375	443,123
Traffic Signals	8,253,922	(569,037)	8,822,959	5,046,084
<b>Sub Total</b>	<b>31,533,611</b>	<b>(35,064,817)</b>	<b>66,598,428</b>	<b>6,182,286</b>



Asset Categories	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
<b>Bridges</b>				
Bridges	2,484,178,767	2,305,602,858	178,575,909	33,858,891
Bailey Bridges	44,100,922	27,406,092	16,694,829	527,410
Crossings	593,163,922	526,384,605	66,779,317	7,393,458
Pedestrian Bridges	9,895,646	(6,799,183)	16,694,829	202,348
<b>Sub Total</b>	<b>3,131,339,257</b>	<b>2,852,594,372</b>	<b>278,744,884</b>	<b>41,982,107</b>
<b>Other Structures</b>				
Guard Rails	36,649,550	9,530,527	27,119,023	543,877
Bus Shelters	8,728,679	4,490,579	4,238,100	468,735
Retaining & Other Walls	67,707,808	20,438,176	47,269,632	1,083,296
Jetties	310,666,067	188,295,432	122,370,635	9,057,478
<b>Sub Total</b>	<b>423,752,104</b>	<b>222,754,714</b>	<b>200,997,390</b>	<b>11,153,386</b>
<b>Other</b>				
Motor Vehicles	2,467,363	910,634	1,556,729	192,385
Plant & Equipment	2,082,360	1,022,502	1,059,857	25,561
Furniture & Fittings	1,719,896	1,139,048	580,847	185,070
Buildings	8,528,002	3,765,192	4,762,810	1,317,815
Work in Progress	218,624,571	218,624,571	-	-
<b>Sub Total</b>	<b>233,422,192</b>	<b>225,461,947</b>	<b>7,960,243</b>	<b>1,720,831</b>
<b>Total</b>	<b>12,223,150,761</b>	<b>9,866,789,504</b>	<b>3,349,014,404</b>	<b>69,944,669</b>

## Glossary

### ACRONYMS

ADB	Asian Development Bank
AMP	Asset Management Plan
CEO	Chief Executive Officer
FRA	Fiji Roads Authority
FRUP	Fiji Roads Upgrading Project
GDP	Gross Domestic Product
LTA	Land Transport Authority
MoU	Memorandum of Understanding
NASRUP	Nadi and Suva Road Upgrade Project
SCI	Statement of Corporate Intent
SR	Service Request
TD	Tropical Depression
VAT	Value Added Tax
VEP	Vat Exclusive Price
VIP	Vat Inclusive Price
WB	World Bank
WHT	Withholding Tax



## DEFINITIONS

<b>Accountability</b>	Being obliged to answer for one's actions, to justify what one does. Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.
<b>Annual Budget</b>	The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.
<b>Asset Disposal Policy</b>	An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Roads Authority Decree 2012 viz: <i>'.....the statement of corporate intent shall include.....an outline of FRA's policies and procedures relating to the ....disposal of major assets'.</i>
<b>Asian Development Bank</b>	'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.
<b>Authority</b>	The Fiji Roads Authority
<b>Board</b>	The Fiji Roads Authority's Governing Board.
<b>Bridge</b>	A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than 3.4m <sup>2</sup> .
<b>Capital Works</b>	Includes both Renewal Capital Works and New Capital Works.
<b>Corporate Plan</b>	A plan required to be published by the FRA annually pursuant to Section 31 of the Decree. The Corporate Plan has to include the information listed in section 31 (3).
<b>Decade of Action on Road Safety</b>	A global programme of the United Nations on road safety initiatives.  Fiji joined the programme in 2011 and agreed a comprehensive set of targets to be achieved by 2020. Those that the FRA is responsible for include the following: <ul style="list-style-type: none"> <li>(i) 30 black spots improved;</li> <li>(ii) 40kms of route action plans in place (e.g. overtaking lanes);</li> <li>(iii) 30 village treatments completed;</li> <li>(iv) 60 mass action plans;</li> <li>(v) 600km major roads marked and delineated; (and)</li> </ul>

- (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes.

In addition, all new projects are to have road safety audits from 2012.

**Deferred Maintenance**

The cost of work required by the practice of allowing infrastructure to deteriorate by not carrying out required repair and renewal work at the optimum time in the asset lifecycle.

**Depreciated**

The replacement cost of an asset less accumulated depreciation

**Replacement Cost (or Value)**

to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation**

The wearing out, consumption or other loss of value of an asset, whether arising from use, the passage of time, or obsolescence through technological and market changes.

**Goal**

(Not to be confused with 'Objective').

A general statement defining a desired end result or a statement of intent for the direction of the business – usually long-term, not necessarily quantifiable and perhaps not totally obtainable.

The FRA has two principal goals:

- (i) *'To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations; (and)*
- (ii) *To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.*

**Health and Safety Incident**

An unplanned event that has resulted in, or has the potential to result in, injury, illness, damage or loss to persons or property. It includes accidents and near misses.

**Jetties**

The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.

**Land Transport**

In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.

**Levels of Service**

The defined quality for a particular service against which service performance can be measured.

Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost.

Road agencies like the FRA typically define levels of service in terms of the roads' reliability (how assured an intending user can be that he will be able to get to his destination within a given time no matter what day of the week it is, what time of day it is, or what the weather conditions are like), convenience, and comfort of travel; how safe the roads and footpaths are to travel or walk on; and cost.

**Maintenance**

The actions required to enable an asset to achieve its expected life. Maintenance work can be planned or unplanned. Planned maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage.

Includes all of the actions necessary for retaining an asset as near as practicable to its original condition but excludes Renewals. Examples: Pothole repairs. Replacing a broken deck on a bridge. Applying protective paint. Removing vegetation to improve driver vision. Reinstating road markings. Cleaning and clearing roadside drains and unblocking culverts. Cleaning and repairing road signs.

**Mission**

The reason why the organisation exists. The FRA's mission is ***'to provide a better land transport network for Fiji'***.

**Municipal Councils**

The town and city councils.  
There are thirteen municipal councils:

- (i) Ba Town Council
- (ii) Labasa Town Council
- (iii) Lami Town Council
- (iv) Lautoka City Council
- (v) Levuka Town Council
- (vi) Nadi Town Council
- (vii) Nasinu Town Council
- (viii) Nausori Town Council
- (ix) Rakiraki Town Council
- (x) Savusavu Town Council
- (xi) Sigatoka Town Council
- (xii) Suva City Council
- (xiii) Tavua Town Council

<b>New Capital</b>	<p>Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential.</p> <p>Examples: A new bridge. The work done to realign, widen and seal an existing unsealed road.</p>
<b>Objective</b>	<p>(Not to be confused with Goal).</p> <p>A measurable target that describes the end results that a service or programme is expected to accomplish within a given time period. Objectives flow from, are components of, and lead the FRA towards the achievement of its goals.</p> <p>Every objective should be:</p> <ul style="list-style-type: none"> <li>(i) linked to a goal;</li> <li>(ii) realistic;</li> <li>(iii) action orientated;</li> <li>(iv) concise;</li> <li>(v) attainable;</li> <li>(vi) measurable;</li> <li>(vii) time constrained; and</li> <li>(viii) within the control of the FRA.</li> </ul> <p>Example: (Hypothetical) Complete construction of the new Harris Bridge for not more than \$1.63m before 31 March 2015.</p>
<b>Outcomes</b>	<p>(Not to be confused with Outputs)</p> <p>The actual impact and value of the service delivery</p> <p>Example: Less deaths because of the safety improvement work that has been done on the roads.</p>
<b>Outputs</b>	<p>(Not to be confused with Outcomes)</p> <p>The goods and services produced and provided to third parties (i.e. 'service accomplishments').</p> <p>Examples: The length of the roads resealed or the number of potholes repaired. The number of safety improvements carried out.</p>
<b>Performance Measure</b>	<p>A qualitative or quantitative measure relating to the intended level of service for a particular service area. Performance measures are the means by which the FRA is able to identify the extent to which it has been able to achieve its objectives – the means for determining whether the levels of service are actually being achieved.</p> <p>There are three broad elements of performance measures:</p> <ul style="list-style-type: none"> <li>(i) Those that measure service efforts (inputs);</li> </ul>

- (ii) Those that measure service accomplishments (outputs and outcomes); and
- (iii) Those that relate service efforts to service accomplishments (efficiency and cost outcomes).

Example: The number of injury and fatal accidents that occur on the roads annually.

### **Performance Target**

The desired level of performance against a performance measure. A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve.  
Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.

### **Renewals**

(Not to be confused with New Capital).

The replacement or rehabilitation of an asset. Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, and relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. It may reduce operating and maintenance expenditure if completed at the optimum time.

Example: Resealing or rehabilitating a road – or replacing an existing bridge.

It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure. The rate at which renewal work is being carried out over time compared with the annual provision for depreciation (the cost of consumption) is a good indicator of the extent to which the network is being maintained, improving, or is deteriorating.

### **Road (or Roads)**

The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing. It includes all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body, that is used or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to:

- (i) the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges, drains and kerbs;
- (ii) road signs, road marker posts and other markings, including pedestrian crossings;
- (iii) traffic islands;
- (iv) bridges and culverts;



- (v) footpaths and pavements adjacent to a vehicle pavement;
- (vi) street lights and traffic signals;
- (vii) parking meters;
- (viii) jetties, and
- (ix) all national roads, municipal roads, and such other public roads as may be determined by FRA.

*Source: Fiji Road Authority (Amendment Decree 2012 (No 46) Sec 4*

Note the inclusion of jetties within this definition.

## **Road Network**

The network of roads, streets, bridges, jetties and associated infrastructure that the FRA has the responsibility to maintain, renew and further develop.

## **Roadworks Emergency**

A situation declared to be the case following a major storm or other adverse event. (Not to be confused with Civil Defense Emergency).

During a roadworks emergency, the normal procurement requirements don't apply and road materials and other goods may be purchased and plant may be hired to repair the damage (in a manner and to the extent approved by the CEO).

## **Service Area**

Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management. The headings under which the FRA formulates its levels of service, performance measures and targets in order to be able to decide what it has to do, and to be able to subsequently ascertain how well it is doing.

The headings are:

- (i) Health and Safety;
- (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety);
- (iii) Asset Provision, Preservation, and Development;
- (iv) Environmental Conservation, Protection and Enhancement;
- (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
- (vi) Compliance (including Training, Record Keeping and Reporting); and
- (vii) Costs.

For a fuller explanation of the FRA's levels of service under these headings see Section 4.

## **Statement of Corporate Intent (SCI)**

A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to section 32 of The Decree. This document is the FRA's combined Corporate Plan and statement of Corporate Intent.

## Key FRA Partners

**Auditor** The Fiji Controller & Auditor General.

**Legal Advisor**

R Patel Lawyers – Suva  
 M C Lawyers – Suva  
 Siwatibau & Sloan – Suva  
 Young & Associates – Lautoka

**Insurance Advisor** Aon Limited

**Banker** The Bank of Baroda

**Professional Engineering**

**Services Provider**

- Erasito Beca
- ENTEC
- Forge Momentum
- NRW McLaren
- PARTICIPATE
- FMC Pacific Limited
- Mosrrison Law

**Key Contractors**

- Fulton Hogan-Hiways Joint Venture (Maintenance & Renewals – Central & Eastern Division & Northern Division)
- Higgins Group (Maintenance & Renewals – Western Division)
- China Rail - 1<sup>st</sup> Group
- China Rail - 5<sup>th</sup> Group
- China Gezhoba

**Central Government**

- Ministry of Infrastructure & Metrological Services
- Office of the Prime Minister
- Ministry of Economy

- Ministry of Rural & Maritime Development
- Ministry of Lands & Mineral Resources
- Ministry of Local Government, Housing and Community Development
- Ministry of Waterways & Environment
- Department of Town & Country Planning
- Land Transport Authority of Fiji
- Fiji Police Force

**Local Government**

- Ba Town Council
- Labasa Town Council
- Lami Town Council
- Lautoka City Council
- Levuka Town Council
- Nadi Town Council
- Nasinu Town Council
- Nausori Town Council
- Rakiraki Town Council
- Savusavu Town Council
- Sigatoka Town Council
- Suva City Council
- Tavua Town Council

**Others**

- The Bus Owners and Operators Association

## Appendix A – Fiji Roads Authority Founding Legislation

- Fiji Roads Authority Act 2012
- Fiji Roads Authority (Amendment) Act 2012 (No. 46 of 2012)
- Fiji Roads Authority (Amendment) Act 2014 (No. 27 of 2014)
- Fiji Roads Authority (Amendment) Act 2015 (No. 5 of 2015)

EXTRAORDINARY



**REPUBLIC OF FIJI ISLANDS GOVERNMENT GAZETTE**  
**PUBLISHED BY AUTHORITY OF THE FIJI GOVERNMENT**

**Vol. 13**

**THURSDAY, 5th JANUARY 2012**

**No. 3**

[3]

**FIJI ROAD AUTHORITY DECREE 2012**  
**(DECREE NO. 2 OF 2012)**

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### FIJI ROAD AUTHORITY DECREE 2012 (DECREE NO. 2 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

A DECREE TO ESTABLISH THE FIJI ROAD AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS.

#### PART 1—PRELIMINARY

##### *Short title and commencement*

- 1. This Decree may be cited as the Fiji Road Authority Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

##### *Interpretation*

- 2. In this Decree, unless the context otherwise requires—
  - “Authority” means the Fiji Road Authority established under section 4;
  - “Change Manager” means the Change Manager appointed by the Minister under section 37;
  - “Chief Executive Officer” means the person appointed under section 24 and includes the person acting in that office;
  - “Committee” means the Fiji Road Advisory Committee established under section 34 of this Decree;
  - “Department” means the Department of National Roads;
  - “Minister” means the Prime Minister;
  - “roads” include all national roads, municipal roads and such other public roads as determined by the Authority.

##### *Objectives of this Decree*

- 3. The principal objectives of this Decree are to—
  - (a) give effect to the re-organisation of the Department of National Roads; and
  - (b) make provision for the effective management and administration of the road systems.

#### PART 2—ESTABLISHMENT, FUNCTIONS AND POWERS

##### *Establishment of the Authority*

- 4. This section establishes the Fiji Road Authority, as a corporate body with perpetual succession and a common seal, and the Authority may—
  - (a) sue and be sued;
  - (b) acquire, hold and dispose of property;

- (c) enter into contract, agreement or other transactions; and
- (d) do all other acts that may be done in law by body corporate.

*Composition of the Authority*

5.—(1) The Authority shall consist of a Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and the other members of the Authority shall hold office for 3 years, and are eligible for re-appointment.

(3) The Chairperson and members may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

*Functions of the Authority*

6. The Authority shall be responsible for all matters pertaining to construction, maintenance and development of roads in Fiji, including but not limited to the following—

- (a) managing (land provision, network planning, designing, constructing, maintaining, renewing and generally managing the use of) all public roads, bridges and jetties;
- (b) traffic management (including road design, traffic signs and markings);
- (c) road safety (relating to provision and management of the road);
- (d) the enforcement of vehicle load limits to avoid road damage (especially logging trucks and cane trucks);
- (e) the issuing of over-width, height and lengths limits;
- (f) Planning and management of Road Survey and Design;
- (g) Provide advice, programme management services, design, supervision services for Capital Works Programme; and
- (h) For such other matters, as the Minister may direct.

*Powers of the Authority*

7. The Authority shall have all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions under this Decree and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

*Delegation of powers*

8.—(1) The Authority may from time to time, by writing under the hand of the Chairperson, delegate to any person or committee any of the Authority's powers under this Decree.

(2) A delegation under this section may be made to a specified person or committee or to the holder for the time being of a specified office or to the holders of a specified class.

(3) A delegation may be made subject to such restrictions and conditions as the Authority thinks fit, and may be made either generally or in relation to any particular case or class of cases.

(4) Any person or committee purporting to exercise any power of the Authority by virtue of a delegation under this section shall, when required to do so, produce evidence of his or her or its authority to exercise the power.

*Resignation and removal*

9.—(1) A member of the Authority may resign from his or her office by giving 30 days written notice to the Minister.

(2) The Chairperson and members may be removed by the Minister for inability to perform the functions of the Authority (whether arising from infirmity of body or mind, absence, misbehaviour or any other cause) or may be otherwise removed by giving one months' notice or one months' remuneration in lieu of notice.

*Vacation of office*

10.—(1) The office of a member shall become vacant if the member—

- (a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority;
- (b) become or has, in Fiji or elsewhere, been declared bankrupt and has not been discharged;

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- (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than 1 year; or
- (d) has, in Fiji or elsewhere, been disqualified or suspended from practicing his or her profession by any competent authority by reason of misconduct.

(2) The Authority may act notwithstanding a vacancy in its membership.

*Meetings and proceedings of the Authority*

11.—(1) The Chairperson shall preside at all meetings of the Authority, and if the Chairperson is not present at a meeting then the members present may for that particular meeting choose a member to preside as the Acting Chairperson in the absence of the Chairperson.

(2) At a meeting, 3 members shall form a quorum.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, or in his or her absence, the member presiding shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

*Authority may invite others to meetings*

12. The Authority may invite a person to attend a meeting of the Authority for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

*Disclosure of interest*

13.—(1) A member of the Authority who is, directly or indirectly, interested in a matter under discussion by the Authority shall disclose to the Authority the fact and nature of his or her interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority.

(3) After a disclosure under subsection (1) the member in question—

- (a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but
- (b) may be counted for the purpose of forming a quorum of the Authority.

(4) A member who fails to disclose his or her interest as required by subsection (1) commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 and to imprisonment of 5 years or to both.

*Minutes*

14.—(1) The Authority shall keep minutes of all meetings in a proper form.

(2) Any minutes, if duly signed by the Chairperson or person presiding, shall, in any legal proceedings, be admissible as evidence of the facts stated in them and a meeting of the Authority in respect of which the minutes have been so signed is deemed to have been duly convened and held and the member present at it to have been duly appointed to act.

*Common seal*

15.—(1) The Authority shall have a common seal of such design as it may decide.

(2) The common seal shall be kept by the Chairperson and its affixing shall be authenticated by any two members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.

(3) All deeds, documents, and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.

(4) The common seal of the Authority shall be officially and judicially noticed for all purposes.

*Procurement process and plan*

16.—(1) The Authority shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.



(2) All goods and services procured by the Authority shall be in accordance with the procurement process and plan established by the Authority under subsection (1).

(3) The provisions of the Procurement Regulations 2010 shall not apply to the Authority.

*Minister may give directions*

17. The Minister may, in his discretion, give such directions to the Authority, with respect to the performance of the functions of the Authority by the Committee, and the Committee shall comply with any such directions issued by the Minister.

**PART 3—TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES**

*Transfer of assets and liabilities*

18.—(1) As from the commencement of this Decree, all moveable property vested in the State immediately before that date and used or managed by the Department, and all assets, interests, rights, privileges, liabilities and obligations of the State relating to the Department shall be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority or the State to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights and liabilities transferred to and vested in the Authority under subsection (1) to which the State was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature that rights and liabilities could be assigned by the state, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

*Transfer of employees*

19.—(1) As from the commencement of this Decree, all persons employed immediately before that date in the Department shall be transferred to the Authority.

(2) Until such time as terms and conditions, including rules as to the conduct and discipline of its employees are drawn up by the Authority, the terms and conditions of employees shall continue to apply to every person transferred under subsection (1).

*Rights of transferred employees*

20. For the purposes of every enactment, law, award, determination, contract and agreement relating to the employment of a transferred employee, the contract of employment of that employee is deemed to have been unbroken and the period of employment is for all purposes deemed to have been a period with the Authority.

*Existing Contracts*

21. All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Decree shall continue in force after that date and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Department.

*Continuation of proceedings*

22. Any action, arbitration, proceedings or cause of action that relates to a transferred asset, liability or employee and that immediately before the commencement of this Decree is pending or existing by, against, or in favour of the Department, or to which the Department is a party, may be prosecuted and, without amendment of any writ, pleading or other documents, continued and enforced against, or in favour of the Authority.

*No benefit in respect of abolition or re-organisation of office*

23. A person who is transferred to the Authority is not entitled to claim any benefit on the ground that he or she has been retired from the Department on account of abolition or re-organisation of office in consequence of the establishment and incorporation of the Authority.

## PART 4—MANAGEMENT AND FINANCE OF AUTHORITY

### *Appointment of Chief Executive Officer*

24.—(1) The Authority may appoint a suitably qualified person as the Chief Executive Officer of the Authority, in accordance with other terms and conditions the Authority may approve.

(2) The Chief Executive Officer may be appointed for a term not exceeding three years and is eligible for re-appointment.

(3) The Chief Executive Officer may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

### *Functions of the Chief Executive Officer*

25.—(1) The Chief Executive Officer shall be responsible to the Authority for the Management of the Authority.

(2) The Chief Executive Officer shall attend every meeting of the Authority, and if he or she, for any reason, is unable to attend a meeting, the Chief Executive Officer may, in consultation with the Chairperson, nominate an officer to attend on his or her behalf.

(3) The Chief Executive Office shall not engage in any other business without the prior consent of the Authority.

### *Appointment of staff*

26.—(1) The Authority shall appoint such officer, servants or agents as it considers necessary for the efficient exercise, performance and discharge of its duties.

(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority and approved by the Minister.

### *Funds of the Authority*

27.—(1) The Funds of the Authority for the purposes of this Decree shall consist of—

- (a) any money appropriated by Government;
- (b) rates, fees and other charges received by or on behalf of the Authority by virtue of this Decree; and
- (c) any other money received by or on behalf of the Authority.

## PART 5—REPORTING AND ACCOUNTABILITY

### *Financial year*

28. The Authority's financial year shall be from the 1st day of January to the 31st day of December of each year.

### *Half yearly reports*

29.—(1) The Authority shall furnish to the Minister a report on its activities for the first half of each financial year.

(2) The half yearly report shall include the information required by the Authority's statement of corporate intent to be given in the report.

### *Annual Reports*

30.—(1) Within 3 months after the end of each financial year, the Authority shall in accordance with its statement of corporate intent prepare a report of its activities during that financial year.

(2) The Authority shall send a copy of the Annual Report to the Minister who shall cause it to be laid before Cabinet as soon as practicable.

(3) The annual report required by subsection (1) shall contain, among other things—

- (a) an audited statement of accounts prepared in accordance with generally accepted accounting practice as determined by the Fiji Institute of Accountants;
- (b) a statement of financial performance, including a statement of the financial position of the Authority;
- (c) a statement of cash flows;
- (d) such other information as is required to give a true and fair view of the Authority's financial affairs; and
- (e) a copy of the auditor's report.



(4) The Annual Report shall include the information required by the Authority's statement of corporate intent to be given in it.

*Corporate Plan*

31.—(1) The Authority shall in each year publish a corporate plan setting out plans for the future operations of the Authority and shall act in accordance with it.

(2) The Minister may issue guidelines as to the format and content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.

(3) A corporate plan shall, except as otherwise agreed in writing by the Minister, contain—

- (a) a forecast of profit and loss accounts, balance sheets and cash flows for the current and following 2 financial years; and
- (b) a statement of the assumptions on which the forecasts are based.

(4) The corporate plan shall be consistent with the Authority's statement of corporate intent.

*Authority to have statement of corporate intent*

32.—(1) The Authority shall, in each year, publish a statement of corporate intent containing a summary of the corporate plan and setting out the financial and non-financial performance targets of the Authority for that year.

(2) In addition to the matters mentioned in subsection (1), the statement of a corporate intent shall include—

- (a) an outline of the objectives of the Authority;
- (b) an outline of the nature and scope of the activities proposed to be undertaken by the Authority;
- (c) an outline of the Authority's main undertakings;
- (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
- (e) an outline of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
- (f) a description of the Authority's accounting policies;
- (g) a description of the financial information to be given to the Minister in the half yearly and Annual Report;
- (h) a description of measures by which the performance of the Authority may be judged in relation to its objectives, in addition to the performance targets required by subsection (1); and
- (i) such other matters as are agreed by the Minister and the Authority or are directed by the Minister to be included in the statement of corporate intent.

(3) The Minister may, in writing, exempt the Authority from including in its statement of corporate intent any matter, or any aspect of a matter, mentioned in subsection (2).

*Audit*

33.—(1) The Authority is required to be audited at least once a year.

(2) The audit is to be conducted in accordance with the Audit Act (Cap. 70) and the Financial Management Act 2004, except where the audit is conducted by a person appointed by the Authority under subsection 3.

(3) The audit is to be conducted by—

- (a) the Auditor General or a person authorised or contracted under the Audit Act (Cap. 70) to carry it out, unless the Authority is exempted from audit under that Act by the Regulations; or
- (b) a person appointed by the Authority, if the Authority is so exempted from audit under the Audit Act (Cap. 70)

(4) The person appointed by the Authority under section 3(b) is to be—

- (a) a person that the Minister for Finance directs the Authority in writing to appoint; or
- (b) if the Minister for Finance gives no such directions, the person chosen by the Authority.

## PART 6—TRANSITIONAL AND SAVINGS

### *Establishment of the Fiji Road Advisory Committee*

34.—(1) Until such time as the members of the Authority are appointed by the Minister under Part 2 of this Decree, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Road Advisory Committee which shall consist of the Permanent Secretary for the Prime Minister's Office as the Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and members of the Committee shall hold office until such time as the Authority is appointed.

(3) The Minister may, in his discretion, give directions to the Committee with respect to the performance of the functions of the Authority by the Committee, and the Authority shall comply with any such directions issued by the Minister.

### *Meetings and Proceedings*

35.—(1) At all meetings, 4 members shall form a quorum.

(2) The Chairperson shall preside at all meetings of the Committee.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the chairperson, shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

### *Committee may invite others to meetings*

36. The Committee may invite a person to attend a meeting of the Committee for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

### *Appointment of Change Manager*

37.—(1) Following consultation with the Committee, the Minister shall, immediately upon the commencement of this Decree appoint a Change Manager on such terms and conditions as determined by the Minister.

(2) The Change Manager appointed under subsection (1) shall be responsible for the management of the functions of the Authority and exercise such powers and perform such duties as directed by the Committee, including but not limited to the following—

- (a) full Executive Management responsibility for the Authority;
- (b) recommend a staff structure for the Authority including redundancy plans, and new appointment processes;
- (c) identify the future financial management, information technology, asset management systems and records requirements;
- (d) identify office accommodation, office furniture, plant and vehicle requirements;
- (e) prepare a procurement plan for the Committee's consideration;
- (f) review the current road classification system, the continuing appropriateness of the definition of each classification, and the roads that have been allocated to each classification;
- (g) review the current technical service standards;
- (h) review the adequacy or otherwise of, any insurance protection approach, including the clarification of any potential liability should the cause of an accident be a result of the road condition;
- (i) review or prepare a business continuity and emergency response plan; and
- (j) identify and manage disposal of any surplus assets of the Authority.

(3) In the performance of any functions or exercising any powers under the Decree, the Change Manager shall report to and take instructions from the Committee.

(4) The Change Manager shall perform such additional functions and exercise such additional powers as the Committee may delegate to the Change Manager in writing.

(5) The provisions of this Decree shall be applicable and binding on the Change Manager appointed by the Minister under subsection (1).

#### PART 7—MISCELLANEOUS

##### *Regulations*

38. The Minister may make regulations to give effect to the provisions of this Decree.

##### *Consequential*

39. This Decree has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Decree and any other written law, this Decree prevails.

Given under my hand this 5th day of January 2012.

EPELI NAILATIKAU  
President of the Republic of Fiji

EXTRAORDINARY



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[545]

### GOVERNMENT OF FIJI

#### FIJI ROAD AUTHORITY (AMENDMENT) DECREE 2012 (DECREE NO. 46 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

#### TO AMEND THE FIJI ROAD AUTHORITY DECREE 2012

##### *Short title and commencement*

1.—(1) This Decree may be cited as the Fiji Road Authority (Amendment) Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Road Authority Decree 2012 shall be referred to as the “Principal Decree”.

##### *Amendment to all references of “Fiji Road Authority” in the Principal Decree*

2. The Principal Decree is amended by deleting “Fiji Road Authority” wherever it appears and substituting “Fiji Roads Authority”.

##### *Amendment to all references of “Fiji Road Advisory Committee” in the Principal Decree*

3. The Principal Decree is amended by deleting “Fiji Road Advisory Committee” wherever it appears and substituting “Fiji Roads Advisory Committee”.

##### *Section 2 amended*

4. Section 2 of the Principal Decree is amended by deleting the definition of “roads” and substituting the following—

““road” or “roads” means all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—

- (a) the vehicle pavement from curb to curb, or where there is no curb, the roadside verges, drains and curbs;
- (b) road signs, road marker posts and other markings, including pedestrian crossings;
- (c) traffic islands;
- (d) bridges and culverts;
- (e) footpaths and pavements adjacent to a vehicle pavement;
- (f) street lights and traffic lights;
- (h) parking meters;
- (i) jetties; and
- (j) all national roads, municipal roads, and such other public roads as may be determined by the Authority.”

##### *Section 6 amended*

5. Section 6 of the Principal Decree is amended in paragraph (a) by deleting “public roads, bridges and jetties” and substituting “roads”.



*Section 17 amended*

6. Section 17 of the Principal Decree is amended by deleting it and substituting the following —

*“Minister may give directions*

17. The Minister may, in his discretion, give directions to the Authority with respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.”

*Section 18 amended*

7. Section 18 of the Principal Decree is amended by deleting it and substituting the following —

*“Transfer of assets, interests and liabilities*

(1) As from the commencement of this Decree, all assets, interests, rights, privileges, liabilities and obligations of—

- (a) the State in relation to the Department; and
- (b) municipal councils in relation to municipal roads,

shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority, the State or any municipal council to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights or liabilities transferred to and vested in the Authority under subsection (1) to which the State or any municipal council was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature those rights and liabilities may be assigned by the State or any municipal council, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.”

*New section inserted*

8. The Principal Decree is amended by inserting the following new section after section 38—

*“Indemnity*

38A.—(1) Neither the Committee, the Change Manager, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, the Change Manager or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any Court, Tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.

(2) Notwithstanding anything contained in subsection (1), the Minister may on an ex-gratia basis grant compensation to any person who has suffered any injury or damage to property, caused either directly or indirectly by any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.”

GIVEN under my hand this 14th day of May 2012.

EPELI NAILATIKAU  
President of the Republic of Fiji



EXTRAORDINARY



# GOVERNMENT OF FIJI GAZETTE

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[864]

## GOVERNMENT OF FIJI

### FIJI ROADS AUTHORITY (AMENDMENT) DECREE 2014 (DECREE NO. 27 OF 2014)

IN exercise of the powers vested in me pursuant to section 4 of the Office of the Vice-President and Succession Decree 2009 and section 165(4) of the Constitution of the Republic of Fiji, I hereby make the following Decree—

#### A DECREE TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

##### *Short title and commencement*

1.—(1) This Decree may be cited as the Fiji Roads Authority (Amendment) Decree 2014 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Roads Authority Decree 2012 shall be referred to as the “Principal Decree”.

##### *Section 2 amended*

2. Section 2 of the Principal Decree is amended by—

- (a) deleting the definition of “Change Manager”; and
- (b) deleting the definition of “Minister” and substituting the following—  
““Minister” means the Minister responsible for Roads;”

##### *Section 6 amended*

3. Section 6 of the Principal Decree is amended by deleting paragraph (d).

##### *Section 24 amended*

4. Section 24 of the Principal Decree is amended by—

- (a) deleting “other” after “with” in subsection (1); and
- (b) deleting subsection (3).

##### *Section 26 amended*

5. Section 26 of the Principal Decree is amended in subsection (2) by deleting “and approved by the Minister”.

##### *Section 30 amended*

6. Section 30 of the Principal Decree is amended in subsection (1) by deleting “3” and substituting “4”.

##### *Section 34 amended*

7. Section 34 of the Principal Decree is amended in subsection (1) by deleting “the Permanent Secretary for the Prime Minister’s Office as the Chairperson” and substituting “a Chairperson”.

##### *Section 35 amended*

8. Section 35 of the Principal Decree is amended in subsection (1) by deleting “4” and substituting “3”.

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*Section 37 deleted*

9. Section 37 of the Principal Decree is deleted.

*Section 38A amended*

10. Section 38A of the Principal Decree is amended in subsection (1) by deleting all references to “the Change Manager”.

Given under my hand this 5th day of August 2014.

A. H. C. T. GATES  
Chief Justice



I assent.

E. NAILATIKAU  
President

[14 July 2015]

## AN ACT

### TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

ENACTED by the Parliament of the Republic of Fiji—

#### *Short title and commencement*

- 1.—(1) This Act may be cited as the Fiji Roads Authority (Amendment) Act 2015.
- (2) This Act shall come into force on the date of its publication in the *Gazette*.
- (3) In this Act, the Fiji Roads Authority Decree 2012 shall be referred to as the “Decree”.

#### *Section 2 amended*

2. Section 2 of the Decree is amended by deleting the definition of “Minister” and substituting the following—

““Minister” means the Minister responsible for the Fiji Roads Authority;”

#### *Section 5 amended*

3. Section 5 of the Decree is amended by inserting the following new subsection after subsection (2)—

“(2A) The Chief Executive Officer shall be an *ex officio* member of the Authority with no voting rights.”

*Section 11 amended*

4. Section 11 of the Decree is amended by inserting the following new subsection after subsection (4)—

“(5) The Authority shall have a minimum of one meeting in each month.”

Passed by the Parliament of the Republic of Fiji this 9th day of July 2015.