



2015 ANNUAL REPORT

PARLIAMENTARY PAPER NO. 44 OF 2022



Corporate Statement

Core Business

- Establishment standards for registration and licensing of vehicles and drivers.
- Develop and implement effective and efficient enforcement strategies consistent with road safety and protection of the environment.
- Develop traffic management strategies in conjunction with relevant Authorities.
- Develop and improve customer service levels in all areas of operations.
- Ensure equitable and affordable fare schedule for all Public Service Vehicles.

Vision

“Steering Fiji Safely” encapsulates what we believe to be the core to what LTA stands for. The word “steering” epitomizes the niche activity of the Authority as the principal licensing Authority for all forms of land transportation, irrespective of whether it is driven on private or public road and the key role it occupies in ensuring adequate, effective, efficient and safe land transportation throughout Fiji.

“Steering Fiji Safely” shows what we do and the results that we deliver. The LTA results are developed from its objective through effectual customer service and responsiveness with effective, efficient enforcement and its compliance.

Mission

To provide a safe, efficient, customer-focus, economical, sustainable and environmentally friendly land transport system for the nation in partnership with Stakeholders, Government and the community.

Values

Honesty
Teamwork
Customer Focus
Courage to do right
Innovation and creativity

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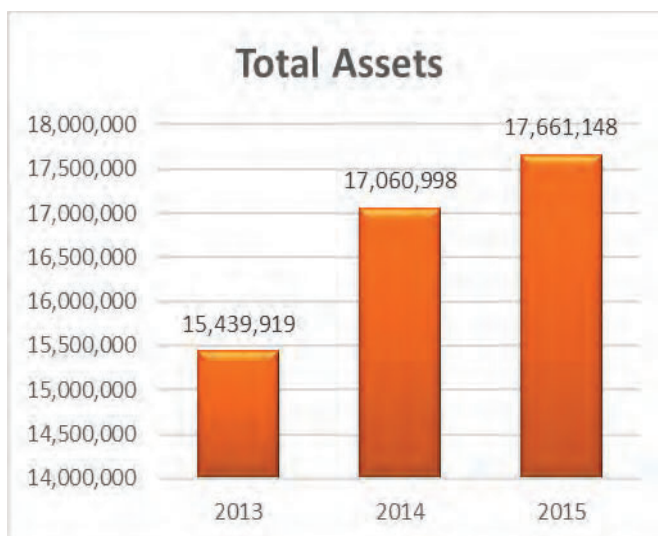
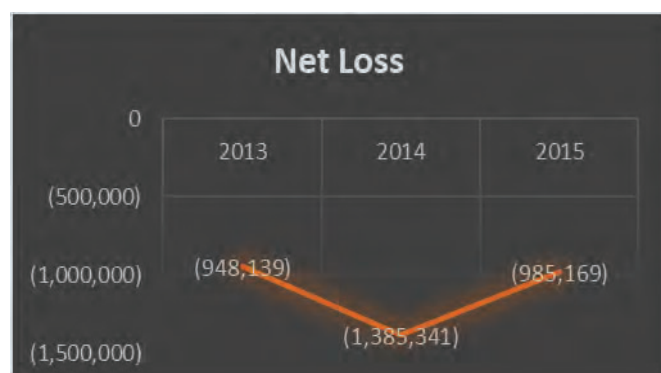
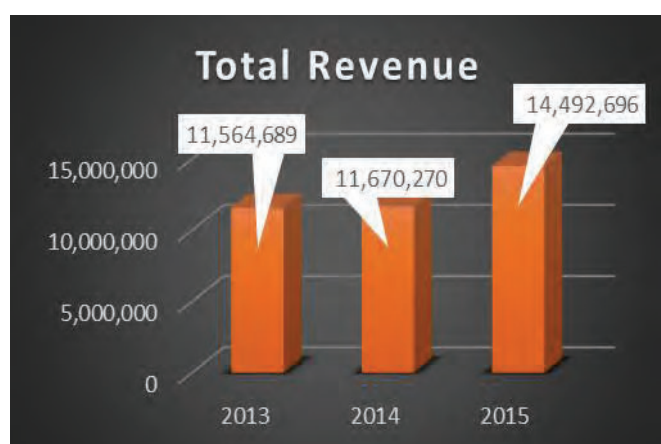
Key Financial Trends

Government Grant Received

\$1.2 million

Revenue into Government's Consolidated Fund

\$26.9 million



NOTE: The LTA proprietary IT system for recording and tracking of all its transactions was replaced in 2015. In the period 2015 to the end of 2016, there was parallel running of two systems. This was necessary to ensure that the data migration was completed and full transition to the new system called LTA Soft was achieved. The legacy system was not capable of recording many transaction sub-categories which is done by the new system. This explains the apparent statistical inconsistencies in PSV permit data during the transition to steady state.

Board of Directors



Vijay Maharaj
Chairman

Aptinko Vaurasi
Board Member



Ashok Patel
Board Member

Commander Francis Kean
Board Member



Divek Deo
Board Member

Sitiveni Qiliho
Board Member



Chairman's Report

Being appointed as Chairman of the Land Transport Authority Board for the year, I take the prerogative of the Board to present the 2015 annual report.

There were fundamental changes on our corporate governance framework with new board members joining us to provide that much needed expertise in steering the LTA forward in the right direction.

Major interventions took place in key service areas such as purchasing of Standard & Compliance equipment, ICT improvement works with software upgrade to improve our e-services for the public, customer service improvements with refurbishment works done at our offices, road safety interventions which includes community visitations to raise awareness on road safety, and recruitment of road marshals to drive the road safety activities of LTA as we reach out to more people.

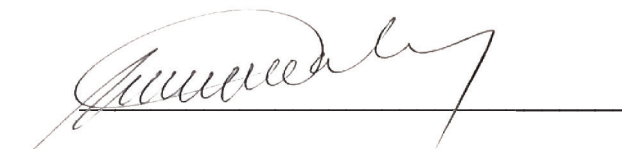
We opened a new office in Nakasi to benefit the people of Nakasi in terms of better accessibility and efficient service delivery.

We also took a collaborative approach with transport providers in the country



as part of our wider consultations to ensure necessary improvements are made in our services delivery.

This report will give a detailed account for the year.



Vijay Maharaj
Chairman

Management Team



Naisa Tuinaceva
Chief Executive Officer

Faiyum Ali
General Manager
Technical Operations



Semisi Tawake
General Manager
Finance & Administration

Corporate Governance

Corporate Governance is a way of structuring the Authority in order to safeguard the interests of a wide variety of stakeholders. We at LTA firmly promise our stakeholders better business performance which is nurtured and guided through properly formulated governance practices and procedures.

The Authority's Governance Framework includes formalized Board arrangements in accordance with the Land Transport Act, 1998. The Authority was created to improve financial management and operation efficiency through effective management systems and improved incentives for human resources, commercially oriented entity with strict accountability guidelines.

LTA was also created to operate as a successful commercial business to uphold Government's policies on deregulations, where agreed objectives are to be monitored progressively to ensure efficient and effective public service deliveries.

Appointments of Board of Directors

The Act provides for a Board of seven (7) members of the Authority comprising of the Chairman and five (5) others who are appointed by the Minister for a term of two (2) years, except for the Permanent Secretary for Ministry of Infrastructure and Transport who is automatically appointed to the Board.

Remuneration & Benefits

The Chairman of the Authority and members other than the Permanent Secretary are entitled to remuneration and other expenses, as fixed by the Minister.

Responsibilities of Board

The Board is accountable to the Minister responsible for Infrastructure and Transport. Members of the LTA Board are required to observe LTA's Code of Conduct and other requirements specified by LTA's Governance Framework.

Board Meetings

There were fourteen (14) board meetings held during the year.

Year In Review

390
employees
(increased by
19.6%)

Fully Automated
Motor Vehicle
Inspection

Introduction
of Texting
Platform

Growth in
total revenue
by 24%

Opening of
new office in
Nakasi



Increase in
issuance of Traffic
Infringement
Notices by 12%

Queuematic
upgrade for
better customer
service

Refurbishment
of
Lautoka office



Operations and Technical

Registration, Licensing and Driving

The primary objective of the Registration and Licensing Department is to register vehicles, license drivers, establish standards for registration and licensing in line with the objectives of road safety.

Registration of new vehicles and second hand vehicles in 2015

Region	Brand New Vehicle	Second Hand Vehicle	Total in 2015
Central Eastern	1,085	2,147	3,232
Western	602	1,806	2,408
Northern	219	277	496
Others	1,888	4,775	6,663
Total in 2015	3,794	9,005	12,799

Driving License Department

The Driving Department is committed to ensure that it will uphold driving tests standards in order to produce competent and responsible drivers

through stringent verification of driving test applications and examination process. This will monitor their driving competency and ensure that they drive vehicles in which they are licensed to drive.

	2015 Provisional	2015 Full	Total
Quarter 1	2,429	1,421	3,850
<i>Jan</i>	948	485	1,433
<i>Feb</i>	775	496	1,271
<i>Mar</i>	706	440	1,146
Quarter 2	2,416	1,431	3,847
<i>Apr</i>	732	483	1,215
<i>May</i>	811	453	1,264
<i>Jun</i>	873	495	1,368
Quarter 3	2,854	1,828	4,682
<i>Jul</i>	995	643	1,638
<i>Aug</i>	937	559	1,496
<i>Sept</i>	922	626	1,548
Quarter 4	2,893	2,292	5,185
<i>Oct</i>	907	709	1,616
<i>Nov</i>	929	628	1,557
<i>Dec</i>	1,057	955	2,012
Grand Total	10,592	6,972	17,564

Enforcement

The enforcement of traffic laws, and the careful monitoring of road users behaviour and motor vehicles are important. The two (2) stakeholders, LTA's Enforcement Department and the Fiji Police, work closely in its effort to ensure compliance levels are maintained and more importantly, lives are saved on all Fiji roads.

The Authority is empowered by law to ensure that transport facilities meet efficiency and safety standards. It has the responsibility for the overall enforcement of the provisions of the Land Transport Act and any other laws on land transport in Fiji.

To meet these obligations, the Authority's Enforcement Unit undertakes the following:

- Acts as a regulator for all licensed transport providers;
- Ensures all vehicles are within legal emission levels;
- Enforces the applicable legislation on operators to ensure compliance;
- Ensures that all transport sectors operate safely and efficiently;
- Provides customer care to all stakeholders;
- Brings all defaulters before respective courts to be sanctioned accordingly or otherwise;
- Follows up complaints and takes action when necessary; and
- Holds roadside checks and tests related to emissions, roadworthiness, carriage of dangerous goods and legal driving contraventions.

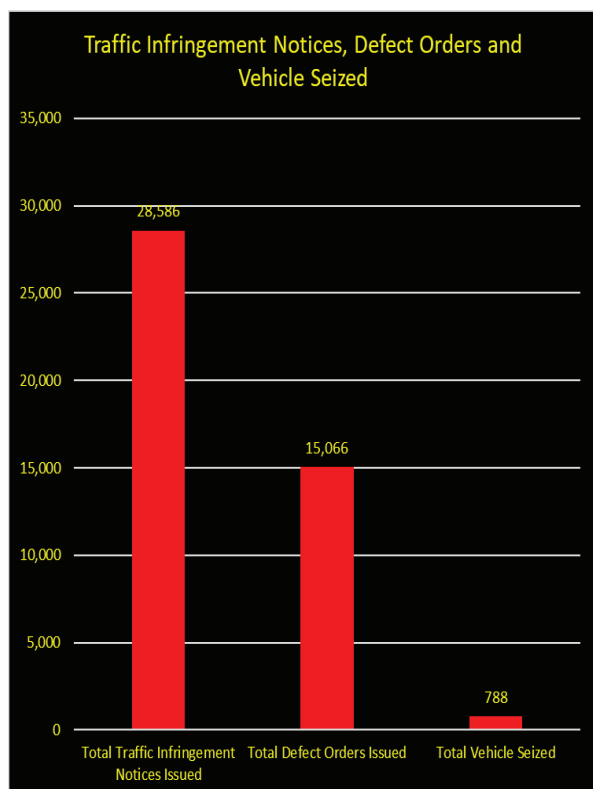
The Enforcement Unit's main thrust lies in enforcing the regulations related to Public Transport Service providers and commercial vehicles, whereas for all other classes of vehicles, the enforcement of safety and emissions regulations are also paramount.

A total of twenty-eight thousand five hundred and eight six (28,586) Traffic Infringement Notice were issued to traffic offenders in 2015. This has increased by 12% as compared to 2014. Failure to wear Seat Belt, illegal stopping and improper operation from stand topped the list for the offenses during the year followed by the rest.

Top offences for the year	
Failure to wear Seat Belt	3,755
Illegal Stopping	3,691
Improper operation from stand	3,151
Failure to control steering	2,559
Stopping abreast	2,166
Failure to produce driving license	1,696
Provisional driving license	1,478
Carrying excess passengers	1,175
Expired driving license	970
Improper use of mobile	662
Failure to obey road-marking	632
Conduct of drivers	565
Reverse lamp	444

Driving unregistered motor vehicle	438
Using motor vehicle contrary to license condition	419
Failure to give signal	350
Inconsiderate driving	332
Defective tyre	328
Defective handbrake	315
Failure to maintain driving records	292
Others	3,168
Total	28,586

In 2015, a total of twenty-eight thousand, five hundred and eighty-six (28,586) TIN's were issued, fifteen thousand and sixty-six (15,066) Defect Orders were issued and seven hundred and eighty-eight (788) vehicles were seized.



Traffic Management

The Traffic Management Unit is responsible for developing and implementing traffic management policies consistent with the needs of road users and the objective of road safety in conjunction with the highway Authorities and Stakeholders.

Red Light and Speed cameras

There were thirteen thousand three hundred and ten (13,310) Red Light and Speed Camera offences in 2015. Speed Cameras recorded the highest number of over speeding violations at eight thousand seven hundred and seventy (8,770) while Red Light camera offences was recorded four thousand five hundred and forty (4,540).

The department continue to administer these offences with strict monitoring and ambit of the law to deter such traffic violations on our roads.

Looking forward

The department is expected to embark on achieving its new strategies as follows:

- Check points around strategic locations to ensure more coverage on mobile operations.
- 24/7 mobile operations with more enforcement and compliance officers for mobility and visibility.
- To acquire more red-light & speed cameras and recruitment of officers for the Authority.

- Extend the speed camera operations to the North Region.

Under its strategic planning, the Authority is committed to curb road fatality by installing more static red-light, speed cameras and dummy sites at locations on the Fiji roads network.

Customer Services

We continue to streamline our services in best effective way for our customers and excellent customer services delivery is pivotal to us.

LTA launched its new texting number (i.e. 582) for customer complaints in December 2015. There were more than two thousand four hundred (2,400) text messages received by the Authority through its newly created free texting platform within a month of its introduction in December. This was part of proactive measures to deal with traffic offenders on our roads.

The Authority has a forty-eight (48) hours turn around period to resolve all complaints together with informing the complainants on the actions that are being taken against these offenders. A receiver who starts at 7am acknowledges the texts and then forwards these to the relevant region to action accordingly.

Almost 80% of texts received were complaints against traffic violators while the rest were in relation to appreciation, enquiry and opinions. The Authority welcomes the views and comments from the general public.



Queuematic

Upgrading of Queuematic software Valelevu office: The Queuematic system helps to streamline the face to face services at the LTA's Customer Care offices. Queuematic software was upgraded to a better version at the end 2015. This was done to serve our customers more effectively and efficiently.

Road Safety

Road Safety is an ongoing concern for the Authority. The Authority's Road Safety unit is responsible in creating an enabling environment for the nation by working towards eradicating road related accidents and fatalities, through an effective and efficient road safety education system, consistent community involvement, ownership and acceptability of programs.

The department continued with implementation of programs from 2014 with the aim to reduce the number and severity of road accidents.

These activities included:

Pedestrian Road Safety (Home visitation):

This program attempts to meet the road users at the home front. The program was about systematically presenting the road safety message at home.

Driver Road Safety (5 Star Road Safety Interventions):

This campaign covered sudden behavioural changes in fatality and accident trends that appear during the year. Interventions were carried out at strategic locations around the country to address driver behaviour.

Passenger Road Safety (Bus Ministry):

More than 90% of the travelling public use bus as their main mode of transport. Thus, the programme intends to highlight the need for bus safety to passengers.

Children and Senior Citizens Road Safety (5 Star Pedestrian Intervention):

The increase in pedestrian fatalities prompted an immediate response for interventions at pedestrian crossings around the busy town areas. The target groups were children and senior citizens for this programme.

Community Road Safety (Community Awareness on Road Safety):

This programme focusses on identified high-risk community groups in both rural and urban centres. The program emphasises the need for frequent visitation, to

increase road safety consciousness in the community.

Rural and Maritime Road Safety (Community Outreach Program):

This programme was planned, coordinated and conducted for the rural and maritime communities in an attempt to increase their knowledge of safety consciousness needed in high – traffic environments like towns and cities.

The idea is to change their perception of “road attention” when they visit busy places.

Community Involvement – Village Traffic Calming Measures (A-Frame boards):

A-Frame boards were developed and delivered to high-risk villages along the major highways. The A-Frame boards carry road safety messages and catching slogans targeting the travelling public.

National Road Safety Public Education Program (Road Safety Advocacy Program):

This programme was targeted to schools where students participated in competitions and oratory contests. A total of one hundred and eight schools (108) schools were visited by the team reaching out to almost forty-two thousand seven hundred and sixty-nine (42,769) students.

Road Marshall Club (Expansion of Road Marshall Clubs):

Volunteers are trained and registered with the Authority as Road Marshalls. They are the eyes and ears on the ground and report on unsafe road usage by any user. The program targeted community involvement in eradicating unsafe road user behaviour.



Public Transport

In 2015, the LTA processed 5,690 transactions which includes 3,918 applications for permit renewals, 1,758 applications for permit transfers and 14 duplicate permit applications.

Permit Type	No. of Transactions
Taxi	4,729
Minibus	21
Carrier	12
Rental	317
RSL	414
RRL	18
RCL	20
Hire	159
TOTAL	5,690

The Public Transport Department is responsible for the overall processing of Public Service Vehicle (PSV) new permit application received from all the Authority's branches. The Department is also responsible for proposing and implementing approved initiatives, projects and data centralization.

Its core functions are:

- Oversee the alignment of operational level activities to national development initiatives to ensure that government strategic objectives relating to public transportation are met;
- To perform advisory role as transportation specialist to ensure policies, plans and strategies are thoroughly researched, evaluated, and benchmarked to international best practices;
- Ensure all PSV applications are received and processed in accordance with the set standards;
- Ensure the proper allocation and monitoring of the department resources to achieve the department and organizational deliverables;
- Ensure the proper planning and implementation of approved public transport initiatives by the CEO and Board; and
- Ensure that all LTA data is collated to assist in decision-making at all levels.

Achievements

During the year, the department conducted PSV Public Consultation which was aimed to inform all PSV Operators in regards to:

- Processing of applications and timeline;
- PSV Driver Conduct; and
- PSV Driver Training.

The department also engaged in the PSV Rental Operator Association Consultation to ensure that the rental companies comply with the Land Transport (PSV) Regulation. In the same consultation, the Authority highlighted the illegal operation of private rentals in Fiji and the need to curb this with legalization of the rental companies.



Standard and Compliance

The Standards and Compliance Department is responsible for drafting, reviewing and implementing standard policies and procedures, and making necessary changes to suit the LTA's business processes for continuous improvements.

Another important function of the Department is to conduct training workshops for up-skilling of staff. Internal and external investigations are conducted to deal with complaints and secondary checks carried out on operational areas, for example, hire / rental permit applications, half cut vehicles and tampered chassis. The Department also provides policy guidance on processes, procedures and Code of Practice.

Quality Assurance Maintenance System

The QAMS inspections for 2015 were conducted by the Standards & Compliance department. The QAMS Inspections were conducted as a prerequisite requirement to renew the Road Route License (RRL) for the bus company. The schedules for the QAMS inspection were dependent upon the listing submitted by the Public Transport Unit for companies that are about to renew their RRL.

During the year, only Dee Cees Bus Services Limited achieved both QAMS phase 1 and QAMS phase 2 and Shore Buses Limited achieved QAMS phase 3 for all three regions.

Region	Companies Achieved 100% QAMS		
	Phase 1	Phase 2	Phase 3
Central Eastern	1	1	1
Western	0	0	0
North	0	0	0
TOTAL	1	1	1

Achievements

There were major capital projects for the Unit during 2015. The projects involved purchasing of Tint and Tester Meter, Headlight Tester, Opacity & Gas Analyzer, and Portable Wheel Weighers in order to enhance the work of the unit.

Fully Automated Motor Vehicle Inspection System (FAMVIS)

The FAMVIS Project was targeted at the installation and programming of a software integrated vehicle inspection system at the LTA Valelevu and Lautoka offices. This system was launched to ensure that all tests are conducted in the inspection area with pre-determined pass or fail criteria aligned to international standards. The system consists of eight (8) major machines that are strategically arranged within the inspection lane to maximize efficiency and improve turnaround time.

The equipment is connected to a single computer through a wireless router and this computer controls each of the below mention devices. The eight (8) machines of the FAMVIS project are as follows:

- Brake Testers;
- Side Slip;
- Wheel weighs;
- 4 gas analyzers;
- Opacity meter;
- Dynamometer;

- Suspension tester; and
- Head light tester.

This project was closely aligned to the strategic priorities for good governance and ensuring effective, enlightening and accountable leadership, enhancing public sector efficiency, effectiveness and service delivery.

The project was also intensively integrated with all of the Authority's strategic plan in forming a strong and impeccable technical compliance to all vehicles registered and examined by the Authority.





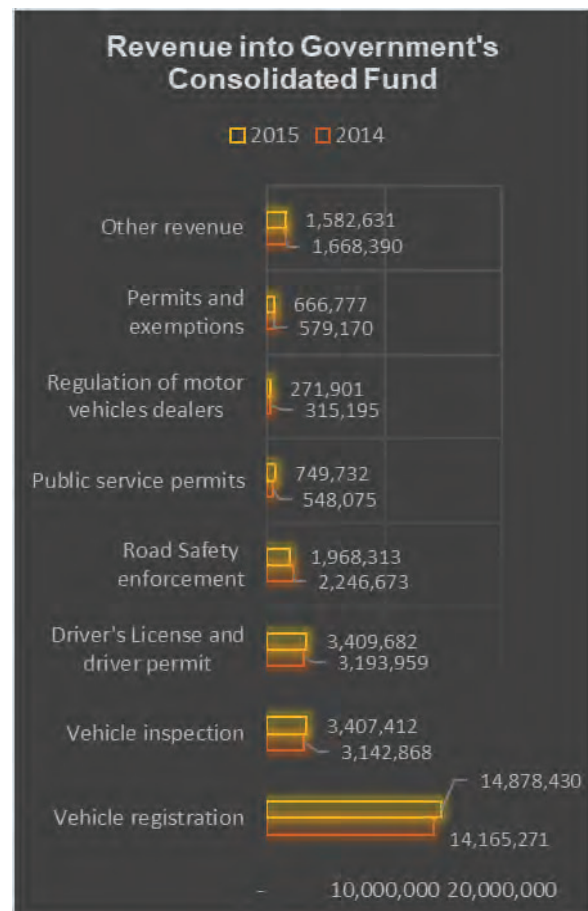
Financial Overview

The Authority continued to administer functions where the revenue is deposited directly to the Government Consolidated Fund account.

The total administered revenue at the end of financial year 31 December 2015 was \$26.9 million, 4.3% increase than the total revenue of \$25.8 million in the previous year.

The financial performance continued the trend of positive results we have seen in the recent years.

The largest contribution to revenue collection is from Vehicle Registration followed by the Drivers Licenses, Drivers Permit and Vehicle Inspection.



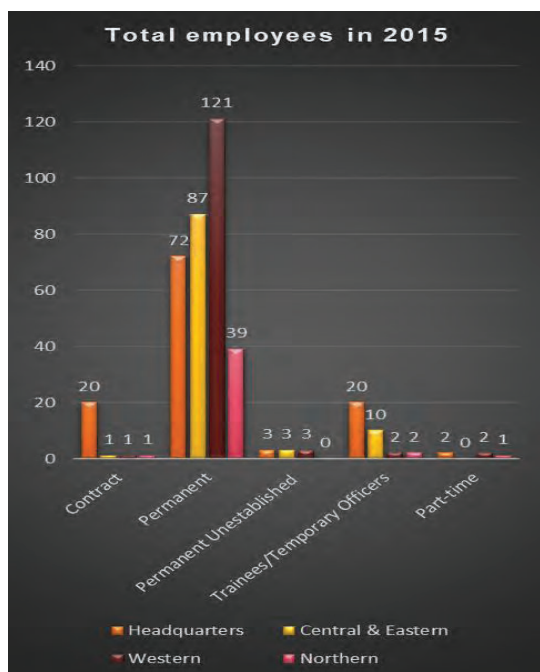
Human Resources

The Human Resource (HR) Department plays a critical role in the Authority. The success of the organization depends on the high level of skills and professionalism of our people. The efficiency of the HR department provides the organization with structure and ability to meet business objectives. The core roles of the Authority's HR Department are as follows:

- The process of recruiting suitable candidates for the organization;
- Identifying and meeting the training needs of the organization;
- Ensuring employee welfare and employee relations are positive;
- Ensure the working environment is safe for employees; and
- Raising awareness on current workplace legislation.

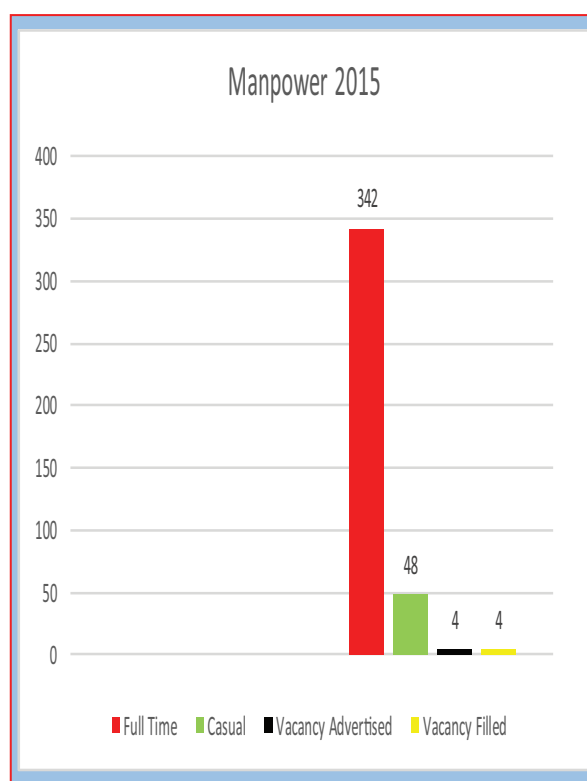
The Authority had a total of 390 employees for the year, which comprised of:

- Established staff – 342
- Permanent unestablished – 9
- Temporary/part time – 39



In the 2015 financial year the Authority was accorded a budgetary provision of \$371,269 for the recruitment of 20 additional positions.

Year	Full Time	Casual	Vacancy Advertised	Vacancy Filled
2015	342	48	4	4



Training & Development

Year	Total Local Training	Total Overseas Training
2014	18	4
2015	13	0

The HR department continued to strive to provide an approachable and the best People Management Department.

Information, Communication & Technology (ICT)

Achievements

The Authority commenced with the implementation of the LTASOFT software. This software application has the following key modules:

- Public Service Vehicles
- Licensing
- Road Safety
- Vehicle Registration
- Technical
- Enforcement
- Financial
- Standards

ICT Networks and Computer setup were also done in the new offices in Navua, Korovou and Nakasi.

The Contact Center for the Authority was also expanded resulting from movement of various departments to temporary locations.

The Nausori, Ba and Rakiraki offices were also relocated.

The Authority also installed Biometric Time and Attendance System to all its twenty (20) offices in the country.

This replaced the paper attendance system which allowed managers, supervisors and HR staff to extract daily reports and take appropriate action including pay deductions for non-attendance (late arrivals, etc.).

Audit and Compliance

There was a merger of Internal Audit department and Audit and Compliance Department. The merger of Audit and Compliance Department strengthened our effectiveness of controls in achieving the Authority's objectives.

The strategies for the department for the year were:

- To draw up an audit strategic and operational plan;
- Reviewing of Internal Audit Policy;
- Conduct strategic and operational audits;
- Conduct annual spot checks;
- Conduct annual inspections, examinations and investigations;
- Establish an investigation policy;
- Monitor departmental performance; and
- Reduce response time on complaints/enquiries and referrals (internal/external) handling.

Legal

The Legal Services department is tasked with providing an efficient and effective legal advice and litigation for the Authority. The Department has its offices in all regions to which Prosecutors have been assigned.

The litigation section of the department is solely responsible for the dealing of all cases within the different jurisdictions of the Judicial System. The department attends to litigation cases representing the Authority in the following Judicial and Quasi-Judicial Institutions:

- Magistrates Court/ High Court/ Court of Appeal/ Supreme Court;
- Arbitration Tribunal;
- Appeals Committee;
- Appeals Tribunal; and
- Mediation to assist only.

The department recorded a total of twenty-eight (28) civil cases during the year.

Civil cases	
Number of cases called	28
Number of cases for mention	25
Number of case for hearing	7
Number of cases for ruling	8
Number of cases struck out/closed	6

Equal Rights Trust cases	
Number of cases called	16
Number of cases for mention	10
Number of case for hearing	5
Number of cases for ruling	5
Number of cases struck out/closed	3

During the year, the LTA Appeals Tribunal recorded a total of one hundred and nineteen (119) cases.

Tribunal Appeals	
Number of cases before the Tribunal	67
Number of cases called	67
Number of cases struck out/closed	30
Number of cases pending	37

Properties Services

The Team of three (3), comprising, of a Coordinator Properties, Properties Officer and a Handyman administer and deliver the stated Role and Function, namely:

- To ensure that facilities fully accommodate the Authority's core functions
- To ensure that all facilities are well maintained;
- All OHS requirements are fully met;
- All internal or external customer complaints are rectified within the given timeframe;
- Continuous research and implementation is done on projects in order to complement the service delivery of the Authority; and
- Ensure that LTA owned and rented properties are secured

With the Capital Budgetary Provision amounting to approximately \$952,000.00 specifically for Office Refurbishments and Upgrades which financed the following highlights for the year:

- Installation of Fire protection & Suppression system for offices in Valelevu, Lautoka, Sigatoka, and Labasa
- New Furniture & Fittings for LTA offices Fiji Wide
- Refurbishment of Lautoka office
- Opening of new office in Nakasi
- Face-lift of the Call Center at Valelevu office.



Quality Assurance

During 2015, the department worked on addressing the feedback from the 2014 Fiji Business Excellence Award (FBEA) report in particular its Complaints Management System. In collaboration with the Authority's IT Department, a centralized system was established at Headquarters to enhance the Authority's complain logging, monitoring, analysis and reporting of all regional customer complaints as real-time data and most importantly, providing timely feedback to its customers.

For 2015, a total of six (6) Policies and one (1) SOP were approved by Board:

- 1) Adverse Record Policy
- 2) Handling of Surrendered Number Plates Policy
- 3) Whistle Blowing Policy
- 4) Application for New and Renewal of PSV Driver Licence Policy
- 5) Show Cause Policy
- 6) Guidelines for Collection of Stamp Duty Fees on the Transfer of Registered Motor Vehicle Ownership
- 7) Complaints & Enquiries Handling Procedure

Furthermore, the department also coordinated and facilitated process reviews with other departments to document their policies and procedures. The department was also responsible in

providing timely and efficient secretariat assistance to the Management Tender Committee and facilitating all meetings, audits and safe-keeping of tender records. There were a total of seventeen (17) tenders and twelve (12) expression of interest facilitated during the year.

The department implemented 5S (Sort, Straighten, Sweep, Standardize and Sustain) quality concept to all departments across all three (3) regions – West, North and Central Eastern in order to support the LTA's future plans for ISO 9001 Quality Management System Certification.

The ISO 9001 standard is not a stand-alone system. It requires the fundamental primary support of 5S, which is a system for organizing spaces so work can be performed efficiently, effectively, and safely. This concept uses the following five (5) basic principles of Sorting, Setting In Order, Shine (Cleanliness), Standardizing & Sustaining. 5S was implemented in collaboration with OHS Management principles across all LTA offices resulting into the LTA Refurbishment Building Projects to improve building infrastructures, office and work ergonomics, storage, customer service operations and new offices.



FINANCIAL STATEMENTS

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**LAND TRANSPORT AUTHORITY
MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

In accordance with a resolution of the Authority's members, the members submit the statement of financial position of the Authority as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and report as follows:

Authority's members

The names of the Authority's members in office during the year are:

Mr Greg Lawlor - Former Chairman
Mr Vijay Maharaj - Chairman
Commander Francis Kean
Mr Tomasi Tui
Mr Lagisoa Delana
Mr Aptinko Vaurasi
Mr Ashok Patel
Mr Divik Deo
Mr Sitiveni Qiliho

State of affairs

Land Transport (Amendment) Decree, 2010 was gazetted on 11 August 2010. The Decree came into effect on the date it was gazetted. The objective of the Decree was to accommodate the following:

- (i) to dissolve the National Road Safety Council and merge it with the Land Transport Authority;
- (ii) to add to the existing functions of the Land Transport Authority the role of the National Road Safety Council to avoid duplication of functions;
- (iii) allow for a transition of employees, assets, funds and resources from the National Road Safety into the Land Transport Authority; and
- (iv) repeal the National Road Safety Act, 1994.

Principal activities

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

Operating results

The operating loss for the year ended 31 December 2015 was \$985,169 (2014: \$1,385,341).

Dividends

No dividends were declared or paid during the year.

Reserves

There was no amounts transferred to or from reserves during the year.

LAND TRANSPORT AUTHORITY
MEMBERS' REPORT - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

Bad and doubtful debts

Prior to the completion of the Authority's financial statements, the members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the allowance for doubtful debts. In the opinion of the members, adequate provision has been made for doubtful debts.

As at the date of this report, the members are not aware of any circumstances, which would render the amount written off for bad debts, or the allowances for doubtful debts in the Authority, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Authority, the members took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of the business compared to their values as shown in the account records of the Authority. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize. As at the date of this report, the members are not aware of any circumstances, which would render the values attributed to non-current assets in the Authority's financial statements misleading.

Basis of accounting

The members believe the basis of the preparation of the financial statements is appropriate and the Authority will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Unusual transactions

In the opinion of the members, the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the members, to affect substantially the results of the operations of the Authority in the current financial year, other than those reflected in the financial statements.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Authority could become liable. Some cases especially the Industrial Relation cases judgment has been given during the financial year. However, the payments have been made after financial year and has been on-going; and
- (iii) no contingent liabilities or other liabilities of the Authority has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the members, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority's members, the results of the operations of the Authority during the financial year were not substantially affected by any items, transaction or event of an abnormal nature.

LAND TRANSPORT AUTHORITY
MEMBERS' REPORT - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015


Members' benefits

Since the end of the previous financial year, no member has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by members shown in the financial statements) by reason of a contract made by the Authority with the member or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this 7th day of December 2016.


Chairperson


Member

**LAND TRANSPORT AUTHORITY
STATEMENT BY AUTHORITY'S MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

In accordance with a resolution of the members of the Authority, we state that:

- (i) the accompanying statement of comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2015;
- (ii) the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the year ended 31 December 2015;
- (iii) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2015;
- (iv) the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2015;
- (v) at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Authority.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this 7th day of DECEMBER 2016.



Chairperson



Member

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

To the members of Land Transport Authority

Report on the Financial Statements

I have audited the accompanying financial statements of Land Transport Authority, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 21.

Directors' and Management's Responsibility for the Financial Statements

Directors' and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Land Transport (Amendment) Decree 2010. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

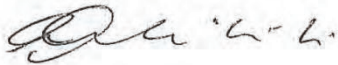
I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Land Transport Authority as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and other statutory requirements.

Without qualifying the opinion expressed above, I draw attention to the following “Other Matters”:

- Leasehold lands are not held in the name of the Authority. The buildings on the land have been incorporated in the books of account of the Authority on the principal assumption that the titles of the land will be registered under the Land Transport Authority in future.
- Transactions relating to national road safety and funded through donor funds from 2011 to 2014 have not been accounted for in the financial statements of the Authority since the dissolution of the National Roads Safety Council in 2010 by way of the LTA Decree No. 41 of 2010.



Atunaisa Nadakuitavuki
for AUDITOR GENERAL

Suva, Fiji
20 December 2016



LAND TRANSPORT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Revenue			
Grant received	2	13,041,562	10,942,827
Other income	3	1,451,134	727,443
Expenses			
Administrative expenses	4	(8,692,064)	(7,680,154)
Operating expenses	5	(5,974,128)	(4,571,018)
Other expenses	6	(811,673)	(804,439)
Loss before income tax from operations		(985,169)	(1,385,341)
Income tax expense	1 (i)	-	-
Loss after income tax continuing operations		(985,169)	(1,385,341)
Other comprehensive income		-	-
Total Comprehensive Loss for the year		(985,169)	(1,385,341)

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

**LAND TRANSPORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Asset Revaluation Surplus	Capital	Retained Earnings	Total
		\$	\$	\$	\$
Balance as at 31 December 2013		418,955	1,650,146	6,624,724	8,693,825
Total comprehensive loss for the period				(1,385,341)	(1,385,341)
Adjustment to equity relating to amounts due to Government Consolidated Account	19 (a)			23,224	23,224
Opening Balance Donor Fund	19 (b)			470,590	470,590
Restated balance as at 31 December 2014		418,955	1,650,146	5,733,197	7,802,298
Adjustment to equity relating to clearing of Grant Receipt				(740,196)	(740,196)
Loss for the period				(985,169)	(985,169)
Balance as at 31 December 2015		418,955	1,650,146	4,007,832	6,076,933

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

LAND TRANSPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 \$	Restated 2014 \$
Current Assets			
Cash and cash equivalents	7	1,639,570	1,822,007
Receivables	8	618,617	1,170,018
Inventories	9	758,142	899,243
Total current assets		<u>3,016,329</u>	<u>3,891,268</u>
Non-Current Assets			
Property, plant and equipment	10 (i)	14,644,819	13,169,730
Total non-current assets		<u>14,644,819</u>	<u>13,169,730</u>
Total Assets		<u>17,661,148</u>	<u>17,060,998</u>
Current Liabilities			
Creditors and other accruals	11 (i)	1,652,551	1,526,531
Owing to Government consolidated account	11 (ii)	44,615	20,949
Provisions	12	748,522	824,432
Finance Lease Liability - current	14	376,700	130,200
Total current liabilities		<u>2,822,388</u>	<u>2,502,112</u>
Non-Current Liabilities			
Capital grant	13	8,282,935	6,556,468
Finance Lease Liability - non current	14	478,892	200,120
Total non-current assets		<u>8,761,827</u>	<u>6,756,588</u>
Total Liabilities		<u>11,584,215</u>	<u>9,258,700</u>
NET ASSETS		<u>6,076,933</u>	<u>7,802,298</u>
Capital and Reserves			
Asset Revaluation Surplus		418,955	418,955
Capital		1,650,146	1,650,146
Retained earnings		4,007,832	5,733,197
TOTAL CAPITAL AND RESERVES		<u>6,076,933</u>	<u>7,802,298</u>

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

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.



 Chairperson



 Member

**LAND TRANSPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 Inflows/ (Outflows) \$	Restated 2014 Inflows/ (Outflows) \$
Operating Activities			
Receipts from government for operational expenditure		13,041,562	10,942,827
Compulsory Third Party Policy		263,492	470,590
Payments to suppliers and employees		(13,213,724)	(11,875,094)
Payment of Owing to Government		23,666	(9,284)
Net cash provided by/(used) in operating activities		114,996	(470,961)
Investing Activities			
Receipts from government for capital expenditure		2,914,109	2,552,980
Grant receivable 2014		(740,196)	-
Payments for property, plant and equipment		(2,996,618)	(1,890,985)
Net cash (used in)/provided by investing activities		(822,705)	661,995
Financing Activities			
Net additions/(repayment) of loan		525,272	330,320
Net cash provided by financing activities		525,272	330,320
Net increase/(decrease) in cash held		(182,437)	521,354
Cash and cash equivalents at the beginning of the year		1,822,007	1,300,653
Cash and cash equivalents at the end of the year	7	1,639,570	1,822,007

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

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Land Transport Authority (the "Authority") is a statutory body established under the Land Transport Act, 2008. The financial statements were authorized for issue with a resolution of members on 7th DEC 2016.

The principal activities of the Authority are described in Note 18.

Set out below is a summary of the significant accounting policies adopted by the Authority in the preparation of the financial statements. These policies have been consistently applied to all the years, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of preparation

These financial statements have been prepared under historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

(c) Foreign currency

All foreign transactions are translated to Fijian dollars at the rates of exchange ruling at the dates of 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 transactions are recognized in the result of the year.

Exchange differences relating to amounts receivable and payable in foreign currencies are brought to account as exchange gains or losses in the statement of comprehensive income in the financial year in which the exchange rate changes.

The Authority does not hedge its foreign currency commitments.

(d) Property, plant and equipment

Property, plant and equipment (PPE) were revalued for the year ended 31 December 2013. The Authority engaged Professional Valuations Limited, an independent registered valuer to carry out the valuation, which was conducted from 18/11/13 to 13/12/13. Property plant and equipment are stated at valuation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any increase and decrease in carrying amounts arising from revaluation are recognized in other comprehensive income. Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost until construction or development is complete.

Acquisitions during the year are stated at historical cost.

Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost until construction or development is complete.

Depreciation and amortisation

Items of property, plant and equipment including buildings are depreciated using the straight line method over their remaining useful life. Leasehold land is amortised over the leasehold period.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

(d) Property, plant and equipment - *continued*

Depreciation and amortisation - continued

The depreciation rates used for each class of asset are as follows:

	Leasehold period
Leasehold land	
Buildings	2.50%
Motor vehicles	20%
Plant and equipment	20%
Computer hardware	33%
Computer software	20%-33%
Office equipment	20%

Disposal of assets

Gains and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

Impairment

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Authority as a lessee

Finance lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

(f) Other receivables

Other receivables include postmaster receivables, payroll receivables, deferred expenses, interest receivable on short term deposit, prepayments and others. The collectability of debts is assessed regularly and provisions are made for any doubtful balances.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a first in first out basis.

(h) Annual leave

The provision for employee entitlements relate to amounts expected to be paid to employees for annual leave and is measured at balance date at current employee pay rates.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

(i) Provisions

A provision is recognized in the statement of financial position when the Authority has a legal or contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Revenue recognition

Revenue comprises grants received when due.

(k) Expenses

Net financing costs

Net financing costs comprise interest payable on finance leases and interest receivable on term deposits that are recognised in profit and loss.

Interest income is recognized in the statement of comprehensive income as it accrues. The interest expense component of finance lease payments is recognized in the statement of comprehensive income.

(l) Income tax

The Authority is not subject to income tax under the Fiji Income Tax Act (1974), CAP 201 (Section 17(70)).

(m) Value Added Tax

Revenue, expenses and assets are recognized net of the amount of Value Added Tax ("VAT") except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(n) Capital grant

Capital grants received in respect of the purchase of non-current assets are treated as a deferred income and amortized to the statement of comprehensive income annually over the useful economic life of the related asset.

(o) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current year amounts. Certain restatements have been made to previously reported amounts for the year ended 31 December 2015. The restatement adjustments are disclosed in detail in Note 19.

LAND TRANSPORT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
2 REVENUE		
Fiji Government grant received	13,041,562	10,942,827
3 OTHER INCOME		
Release of Government Grant	1,187,642	727,443
Other Income	263,492	-
	<u>1,451,134</u>	<u>727,443</u>
4 ADMINISTRATION EXPENSES		
Annual leave	528,184	531,255
Audit fees	11,739	10,522
Bank charges	12,380	12,481
Board members' fees and remuneration	27,901	44,911
Consultancy charges	20,440	76,288
Fiji National Provident Fund contributions	783,575	519,931
Fiji National University levies	42,889	44,736
NFA Levy	23,044	-
Insurance	384,610	478,140
Legal fees	93,532	61,001
Registration Fees	250	-
Staff training	76,560	89,966
Fringe Benefits Tax	11,300	13,270
Wages and salaries	<u>6,675,660</u>	<u>5,797,653</u>
	<u>8,692,064</u>	<u>7,680,154</u>
5 OPERATING EXPENSES		
Accommodation hire	62,731	47,496
Advertising	338,113	97,906
Conferences	31,474	14,096
Depreciation	1,520,426	880,622
Driver license consumables	248,559	226,620
Electricity and water	356,747	355,306
Enforcement	98,056	144,042
Entertainment	82,101	67,934
Motor vehicle expenses	227,527	236,636
Number plates	385,456	169,128
Printing and stationery	743,471	619,606
Radio telephone rental	7,412	22,236
Rent and rates	737,836	362,833
Repairs and maintenance	373,340	383,853
Security hire	192,132	169,279
Telephone equipment lease charges	260,975	268,922
Interest expenses	22,992	989
Telephone and facsimile	152,747	176,650
Travelling	114,011	123,933
Uniforms	18,022	58,022
Loss of property, plant and equipment by Fire	-	144,909
	<u>5,974,128</u>	<u>4,571,018</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
6 OTHER EXPENSES		
Commission expense	15,513	11,789
Hire charges	64,267	67,745
Internet expenses	32,550	30,600
Maintenance computer software	290,908	273,872
Meals and catering	180,827	230,446
Miscellaneous	95,899	27,395
Occupational health and safety	20,804	37,729
Pest control	457	-
Postage, postal, courier, freight and cartage	56,482	68,488
Sanitation and cleaning	44,204	37,778
Subscription	4,762	3,552
Transfer allowance	5,000	15,045
	<u>811,673</u>	<u>804,439</u>
7 CASH AND CASH EQUIVALENTS		
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	1,631,085	1,811,958
Cash on hand	8,485	10,049
	<u>1,639,570</u>	<u>1,822,007</u>
8 RECEIVABLES		
VAT receivable	352,378	99,964
Grant receivable	-	851,226
Prepayments	75,024	86,830
Deposits	66,244	72,652
Staff advances	21,338	9,231
Postmaster receivables	64,576	24,695
Other	39,057	25,420
	<u>618,617</u>	<u>1,170,018</u>
9 INVENTORIES		
Stationery	510,921	680,596
Computer consumables	-	-
Number plates	-	-
Goods in transit	247,221	218,647
	<u>758,142</u>	<u>899,243</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Buildings	Motor Vehicles	Plant and Equipment	Furniture and Fitting	Computer Equipment	Office Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost or Valuation									
Balances at 31 December 2014	3,595,000	4,720,053	2,000,158	1,350,916	123,128	1,075,000	201,429	984,668	14,050,352
Acquisitions	-	97,432	643,035	316,051	166,103	161,954	51,309	1,560,735	2,996,619
Disposals	-	-	-	-	-	-	(1,103)	-	(1,103)
Transfers	-	293,348	-	641,017	59,024	245,305	-	(1,238,693)	-
Balances at 31 December 2015	3,595,000	5,110,833	2,643,193	2,307,984	348,255	1,482,259	251,635	1,306,709	17,045,867
Accumulated Depreciation									
Balances at 31 December 2014	-	118,428	357,711	138,100	27,759	193,488	45,136	-	880,622
Depreciation and Amortisation	-	125,127	501,511	342,678	32,351	466,295	52,464	-	1,520,427
Balances at 31 December 2015	-	243,555	859,222	480,778	60,110	659,783	97,600	-	2,401,049
Carrying Amount									
As at 31 December 2015	3,595,000	4,867,278	1,783,971	1,827,206	288,145	822,475	154,034	1,306,709	14,644,819
As at 31 December 2014	3,595,000	4,601,625	1,642,447	1,212,816	95,369	881,512	156,293	984,668	13,169,730

(i) The Authority's property, plant and equipment were revalued for the year ended 31 December 2013. The valuation was carried out by Professional Valuations Limited, an independent registered valuer (Registration No. 097), from 18/11/13 to 13/12/13 using the summation and sales comparison approach of valuation.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

10 PROPERTY, PLANT AND EQUIPMENT - *continued*

	Leaschold Land	Buildings	Motor Vehicles	Plant and Equipment	Furniture and Fitting	Computer Equipment	Office Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost or Valuation									
Balances at 31 December 2013	3,595,000	5,314,684	1,647,781	418,445	129,574	212,767	175,937	665,179	12,159,367
Acquisitions	-	34,743	339,648	270,975	3,809	256,196	60,592	1,810,127	2,776,090
Disposals (ii)	-	(800,000)	-	(13,700)	(10,255)	(26,050)	(35,100)	-	(885,105)
Transfers	-	170,626	12,729	675,196	-	632,087	-	(1,490,638)	-
Balances at 31 December 2014	3,595,000	4,720,053	2,000,158	1,350,916	123,128	1,075,000	201,429	984,668	14,050,352
Accumulated Depreciation									
Balances at 31 December 2013	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	118,428	357,711	138,100	27,759	193,488	45,136	-	880,622
Balances at 31 December 2014	-	118,428	357,711	138,100	27,759	193,488	45,136	-	880,622
Carrying Amount									
As at 31 December 2014	3,595,000	4,601,625	1,642,447	1,212,816	95,369	881,512	156,293	984,668	13,169,730
As at 31 December 2013	3,595,000	5,314,684	1,647,781	418,445	129,574	212,767	175,937	665,179	12,159,367

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
11 CREDITORS AND OTHER ACCRUALS		
(i) Trade creditors	610,245	424,368
Accruals and other payables	1,042,306	1,102,163
	<u>1,652,551</u>	<u>1,526,531</u>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60 days terms; and
- Other creditors, sundry and accruals are non-interest bearing and have an average term of six months.

(ii) Owing to Government consolidated account		
Balance at 1 January	44,173	31,280
Fees, levies and charges collected	354,478	359,173
Transfer to Government consolidated account	(354,036)	(346,280)
Balance at 31 December	<u>44,615</u>	<u>44,173</u>

The Authority, under Promulgation 49 of 2007 and Promulgation 1 of 2009, is responsible for the collection of all revenues, which were deposited directly by the Authority into the Government's Consolidated Fund Account. The Authority does not receive these funds in its bank account except for those fees, levies and charges collected in Taveuni. Government's Consolidated Fund Account, is maintained with the Westpac Banking Corporation ("WBC"). WBC does not operate a branch in Taveuni. The Authority opened an account with the Bank of South Pacific ("BSP") in Taveuni under its name to deposit all revenues collected in the Island. A transfer of \$354,036 was made to the Government Consolidated Account in 2015.

12 PROVISIONS

	Employee Entitlements	Payroll	Total
	\$	\$	\$
Balance at 1 January 2015	824,432	-	824,432
Provisions used during the year	(75,910)	-	(75,910)
Balance at 31 December 2015	<u>748,522</u>	<u>-</u>	<u>748,522</u>

Employee Entitlements

Provision for employee entitlements is recognized in accordance with the policy noted in 1(h).

Payroll

Provision for payroll is recognized in accordance with the policy noted in 1(i).

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	Restated 2014
	\$	\$
13 CAPITAL GRANT		
Balance at 1 January	6,556,468	4,730,931
Grant received during the year	2,914,109	2,552,980
Release of capital grant revenue	(1,187,642)	(727,443)
Balance at 31 December	<u>8,282,935</u>	<u>6,556,468</u>

Under the Ministry of Works and Transport's approved 2015 budget, the Authority received \$3,351,226 (VAT Inclusive Price) for capital purchases as at 31 December 2015. The Authority actually received \$2,914,110 (VAT Exclusive Price). Capital grant was approved for the following capital purchases:

	Total \$
Building	1,167,290
Furniture and Fittings	150,000
Computer Hardware and Software	507,500
Plant and Equipment	<u>1,089,319</u>
	<u>2,914,109</u>

14 FINANCE LEASE LIABILITY

Within one year	376,700	130,200
After one year but not more than five years	478,892	200,120
More than five years	-	-
Total Finance lease commitments	<u>855,592</u>	<u>330,320</u>

The value of Motor Vehicles held by Land Transport Authority under finance lease as at 31 December 2015 was FJD \$855,592 (2014: \$330,320). Leased assets are pledged as security for the related finance lease liabilities of the authority. The Land Transport Authority pays the sum of FJD\$22,977.09 monthly repayments including interest for the period of 36 months to Lessor Asco Motors and FJD\$11,102.81 to ANZ Bank, payable as direct Debits for 36 months. The Authority upon completion of the repayment term of 36 months, shall pay the lessor the residual value as per the lease agreement to fully own the motor vehicles.

15 COMMITMENTS AND CONTINGENCIES

(a) Capital expenditure commitments	2,914,109	2,552,980
Capital expenditure approved but not contractually committed	-	-
(b) Contingent liabilities	800,686	426,986

The above denotes total possible liabilities that the Authority can incur from cases brought against it. The Authority is confident that it will be able to defend the cases and hence, the balance has not been provided in the Authority's books of accounts.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

16 RELATED PARTIES

The Authority is wholly owned by the Government of Fiji. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

Authority's members

The names of the Authority's members in office during the year are:

Mr Greg Lawlor - Former Chairman
Mr Vijay Maharaj - Chairman
Commander Francis Kean
Mr Tomasi Tui
Mr Lagisoa Delana
Mr Aptinko Vaurasi
Mr Lagisoa Delana
Mr Divik Deo
Mr Sitiveni Qiliho

The board fees and remuneration for the year ended 31 December 2015 was \$27,025 (2014: \$44,911).

Key Management Personnel	Position
Mr Naisa Tuinaceva	Chief Executive Officer
Mr Semisi Tawake	General Manager Finance and Administration
Mr Faiyum Ali	General Manager Operations

	2015	2014
	\$	\$
Compensation of key management personnel of the Authority		
Short-term employee benefits	283,312	180,366
Housing and other allowances and benefits	20,676	14,400
Fiji National Provident Fund contributions	22,665	14,607
	<u>326,653</u>	<u>209,373</u>

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal financial liabilities comprise of trade payables. The main purpose of these financial liabilities is to raise finance for the Authority's operations. The authority has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Authority's financial statements are market risk, credit risk, and liquidity risk. The Authority's members reviews and agrees policies for managing each of these risks which are summarized below:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Political climate

The Authority operates in Fiji and changes to Governments and the policies they implement affect economic situation and ultimately the revenues of the Authority.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

(b) Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from customers.

The Authority has no significant concentrations of credit risk.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

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

	2015	2014
	\$	\$
Cash and cash equivalents (Note 7)	1,639,570	1,822,007
Receivables (Note 8)	618,617	1,170,018
	<u>2,258,187</u>	<u>2,992,025</u>

(c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the authority's financial liabilities at 31 December 2015 based on contractual undiscounted payments.

Year ended 31 December 2015	On demand	Later than 3 months	Total
Creditors and other accruals (Note 11)	<u>1,697,165</u>	<u>-</u>	<u>1,697,165</u>
	<u>1,697,165</u>	<u>-</u>	<u>1,697,165</u>
Year ended 31 December 2014			
Creditors and other accruals (Note 11)	<u>1,570,704</u>	<u>-</u>	<u>1,570,704</u>
	<u>1,570,704</u>	<u>-</u>	<u>1,570,704</u>

(d) Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a healthy capital ratio in order to support its business objectives. The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for the year ended 31 December 2015.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2015

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

	2015	2014
	\$	\$
Creditors and other accruals (Note 11)	1,697,165	1,570,704
Less: cash and cash equivalents (Note 7)	(1,639,570)	(1,351,417)
Net debt	57,595	219,287
Equity	6,076,933	7,802,298
Total capital	6,076,933	7,802,298
Capital and net debt	6,134,529	8,021,585
Gearing ratio	1%	3%

18 PRINCIPAL ACTIVITIES

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

19 RESTATEMENT OF PRIOR YEAR RETAINED EARNINGS

	Previously Reported	Restated 2014
	\$	\$
Statement of Financial Position		
Owings to Government Consolidated Account	44,173	20,949
Retained Earnings	5,239,383	5,733,197

Retained earnings for the year ended 31 December 2014 was incorrectly stated due to:

- (a) Errors relating to the inclusion of Government Consolidated Fund Revenue together with transactions relating to the Authority's operation. Adjustment has been made resulting in an decrease in Retained Earnings and Owings to Government Consolidated Account by \$23,224.
- (b) National Road Safety Council accounts consolidated with LTA operating account having an opening balance of \$470,590.

20 AGENCY TRANSACTION ADMINISTERED FOR ROAD SAFETY

Effective from dissolution of National Road Safety Council in 2010 by way of the LTA Decree No. 41 of 2010, the Authority has been given powers to administer, implement and control the collection of Compulsory Third Party Policy Levy for Road Safety transactions.

The Authority has Deposited the Compulsory Third Party policy levy into the LTA Donor Fund account held by LTA.

The Total Compulsory Third party Policy Levy collected in 2015 as at 31 December was \$258,092.

Total Sponsorship collected as at 31 December 2015 was \$5,400.

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

21 AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT

Effective from 2008, the Authority under Promulgation 49 of 2007 is to be responsible for the collections of the following revenues which are deposited directly by the Authority into the Government's Consolidated Fund except for Compulsory Third Party which is deposited into LTA Donor Fund account.

The Authority does not receive these funds in its bank account. Government revenue is recognized on receipt. A comparison in relation to revenue collected and deposited directly into Government's Consolidated Fund are as follows:

	2015	2014
	\$	\$
Revenue		
Vehicle registration	14,878,430	14,165,271
Vehicle inspection	3,407,412	3,142,868
Driver's License and driver permit	3,409,682	3,193,959
Road safety enforcement	1,968,313	2,246,673
Public service permits	749,732	548,075
Regulation of motor vehicle dealers	271,901	315,195
Permits and exemptions	666,777	579,170
Other revenue	1,582,631	1,668,390
	<u>26,934,878</u>	<u>25,859,599</u>

Effective from 1 January 2009, the Authority under Promulgation 1 of 2009 had been given the powers to administer, implement, and control the collection of Road User Levy for the road infrastructure, maintenance, upgrade, and development of roads to ensure the safe transporting of passengers and goods.

The Authority shall deposit the Road User Levy into the Consolidated Fund Account. The total Road User Levy collected in 2015 was \$11,641,103. (2014: \$10,507,711).



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