

# APPENDICES

Appendix I  
Written Response by the Fiji  
Sports Council



04<sup>th</sup> October, 2022

Hon. Viam Pillay  
The Chairperson  
Standing Committee on Social Affairs  
Parliament of the Republic of Fiji  
Government Building, SUVA

Dear Sir,

**Re: Fiji Sports Council Response on Clarification of Issues – 2017-2018 Annual Report**

We acknowledge receipt of your letter dated 29<sup>th</sup> of September, 2022 in regards to the above subject.

Fiji Sports Council takes note on the clarifications and is pleased to submit the Members of the Standing Committee its written response to the clarifications.

Please do not hesitate to contact me on Mob: 992 7157 or email: [ashni@fijisportscouncil.com.fj](mailto:ashni@fijisportscouncil.com.fj), should you require any further clarification in this regard.

Attached is the written response from FSC.

Yours sincerely

Ashni Sharma

**Chief Operations Officer**

**Cc: Chief Executive Officer, Fiji Sports Council – Litiana Loabuka**

# Standing Committee on Social Affairs

## Fiji Sports Council 2017-2018 Annual Report

### Clarification of Issues

1. Are there plans to build sporting facilities in other major towns and cities? Update us on the existing sporting facilities in towns and cities owned by the Council?

#### FSC's Response

##### Part 1

The only sporting facility within FSC's planning scope is the potential Sports Stadium up at Vunidawa, Naitasiri which is dependent on funding from Republic of China and approvals from Technical Team and in conjunction with Ministry of Youth and Sports.

There is also a proposed multi-purpose courts at Suvavou, Lami again in conjunction with Ministry of Youth and Sports and Fiji National Sports Commission and this would accommodate four (4) volleyball courts and netball courts as well, however, this is dependent on funding as the EOI has been called and it is looking to cost over \$170k to develop this facility.

##### Part 2

Herein is the list of all Existing Sporting Facilities owned by the Council:

- |  |  |                               |
|--|--|-------------------------------|
| <ol style="list-style-type: none"> <li>1. HFC Bank Stadium</li> <li>2. Vodafone Arena</li> <li>3. FMF Gymnasium</li> <li>4. Damodar City Aquatic Centre</li> <li>5. National Fitness Centre</li> <li>6. National Hockey Centre</li> <li>7. National Netball Centre</li> <li>8. National Beach Courts</li> <li>9. Multi-purpose Courts</li> <li>10. National Sailing Centre</li> <li>11. Victoria Tennis Courts</li> <li>12. Victoria Squash Courts</li> <li>13. Suva Lawn Tennis</li> <li>14. Thompson Park</li> <li>15. Lawaqa Park</li> <li>16. Regional Tennis Courts</li> <li>17. Ra Sports Ground</li> <li>18. Veivadravadra</li> <li>19. Laucala Bay Sports Centre</li> <li>20. Stanley Brown Gym</li> <li>21. Buckhurst Park</li> <li>22. Bidesi Park</li> <li>23. HPU Gym</li> </ol> |   | <p>Located at Laucala Bay</p> |
| <ol style="list-style-type: none"> <li>10. National Sailing Centre</li> <li>11. Victoria Tennis Courts</li> <li>12. Victoria Squash Courts</li> <li>13. Suva Lawn Tennis</li> <li>14. Thompson Park</li> <li>15. Lawaqa Park</li> <li>16. Regional Tennis Courts</li> <li>17. Ra Sports Ground</li> <li>18. Veivadravadra</li> <li>19. Laucala Bay Sports Centre</li> <li>20. Stanley Brown Gym</li> <li>21. Buckhurst Park</li> <li>22. Bidesi Park</li> <li>23. HPU Gym</li> </ol>   | <p>Leased- located at Laucala Bay</p> <p>Located on Knolly Street</p> <p>Located at Knolly Street</p> <p>Leased- located on Cakobau Road- Suva</p> <p>Leased-located in Navua</p> <p>Located in Sigatoka</p> <p>Leased- located in Lautoka</p> <p>Leased- located in Rakiraki</p> <p>Located in Sigatoka</p> <p>Vacant Land- located at Laucala Bay</p> <p>Leased-located in Walubay</p> <p>Located at Queen Elizabeth Drive</p> <p>Located at Queen Elizabeth Drive</p> <p>Leased -located at Queen Elizabeth Drive</p> |                               |

2. Inform us on the sponsorship of sporting facilities and also provide information on the percentage contribution during sporting event in any competition?

### **FSC's Response**

The Council currently has four (4) naming rights sponsorship on its four (4) major sporting and multi-purpose venues.

#### **These include;**

1. The National Stadium- this is named as the HFC Bank Stadium as the HFC Bank has taken over the naming rights for a term of three (3) years effective from 01<sup>st</sup> of July, 2022.
2. The Multi-Purpose Arena- this is named as the Vodafone Arena as Vodafone has acquired naming rights to this venue.
3. The National Gymnasium- this is named as the FMF Gymnasium as FMF has acquired naming rights to this venue.
4. The National Aquatic Centre- this is named as the Damodar City Aquatic Centre as London Guarantee T/A Damodar has acquired naming rights to this venue.

FSC is grateful to the above corporate sponsors who assist FSC by allowing us to continue with our preventative maintenance plans in the venues.

These stakeholders are not involved with percentage contribution and gate sharing of any sporting event in any of the competitions or tournaments that FSC hosts.

They hold the naming rights and the venue is referred to by the sponsors agreed name at all times during any event in these venues at any time during the contractual term of agreement.

#### **Percentage contribution during sporting event in any competition;**

The standard percentage sharing for all Council's gate-sharing venues is 75/25- on gross gate-takings with 75 the higher always held by the event organizer or the venue hirer and 25 of the gate takings would be retained by the Council.

The percentage sharing agreement is based on either gross takings or the venue hire charge, whichever is the greater. These are calculated on a gross basis and whichever is higher is paid to the Council.

For example, if the hire of the venue is quoted at \$3000, however, the gross gate taking for FSC comes to \$5000, in this case FSC will revert to the gate taking gross of \$5000. On the other hand, if venue hire is \$5000 and gross gate taking for that particular event comes to \$2000 then FSC will take the venue hire payment. It is always on either or basis and encourages the venue hirer to take ownership and encourage attendance at their events so that they cover their expenses.

The standard arrangement is for the sporting events in any competition in any of the gate sharing venue on the percentage contribution agreed by both the venue hirer and the Council and to benefit the Council.

**3. Are there plans to develop partnership with the Provincial Council and Ministry of Youth and Sports to develop and operate selected provincial grounds?**

**FSC's Response**

As above, the only discussion happening to date is with Naitasiri Provincial Council representatives regarding sports venue at Naitasiri.

FSC understands that the Commissioner Centrals office is also liaising with Taskforce regarding available land for sporting grounds and will contact FSC via Ministry of Youth and Sports accordingly.

**4. Provide the current Board membership.**

**FSC's Response**

The current Board membership is as follows;

Board Chair	- Peter Mazey
Vice Chair	- Sandeep Chauhan
Member	- Josefa Sania
Member	- Anabel Ali
Member	- Ana Tuiketeti
Member	- Vulisere Tukana
Member	- Raju Raniga
Secretary	- Sera Vosaki

**5. How has the Fiji Sports Council ensured that sporting venues are disability friendly? Does the Sports Council capture data on how effectively its facilities are used by people living with disabilities so as to identify opportunities for improvement to enable easier access to premises?**

**FSC's Response**

FSC has always tried to ensure that our venues are inclusive and can cater for the wheelchair bound and the disabled. We are doing this within our means and where we are able to have made changes to allow for disabled toilets to be erected where there were none at the HFC Bank Stadium.

The Damodar City Aquatic Centre, FMF Gymnasium and Vodafone Arena all have disabled toilets and always wide enough to cater for the wheelchair bound, however, FSC acknowledges its limitations and have this in future plans to install a lift at the Vodafone Arena to allow for the wheelchair bound and the

disabled to access the seating areas comfortably. This exists in FMF Gymnasium at present.

FSC have installed ramps at our Head Office and at most venues to allow for easier access – this will continue to be work in progress until we are fully certified as compliant.

An invitation was sent out to National Council for Disabled Persons from FSC requesting for a full audit of all our venues to allow our management team to compile a report and budget for the upgrading of our venues to make them more inclusive.

### **Financial Statement for the Year Ended 31 July 2018**

**6. We note that the Council had recorded a loss for the year of \$3,808,389 [2017: Loss of \$3,576,444]. Provide reasons for such substantial losses including a breakdown of the activities that incurred losses. What are the Sports Council's future plans to diversify its income streams and increase revenue?**

#### **FSC's Response**

##### **Part 1**

FSC is proud to advise that we achieved an operating profit of \$3,315,267 – this profit is realized from managing venues and income streams and events so that FSC showed a gain from the years operational activities.

However, due to FSC realizing depreciation of \$6,924,036 and interest repayments for long term loan of \$199,620, resulted in a net loss of \$3,808,389.

##### **Part 2**

FSC is in discussions with several parties including corporates and investors who wish to financially support FSC's vision to develop the land located at Laucala.

This is rezoned special use land at Laucala Bay identified for investment and has water access and power access and will permit investors to construct properties and buildings on a long-term basis – allowing FSC to focus on its role as property manager and collecting rental for the areas sub-leased essentially becoming sustainable and meeting our long-term goal of not being dependent on Government for funding but being able to support ourselves financially.

**7. Provide us with list of all non-profitable properties and sporting facilities and highlight plans of the Sports Council to make them commercially viable?**

**FSC's Response**

In 2017-2018 there were seven (7) non-financially viable venues:

1	Victoria Tennis Courts	Only Tennis allowed- permitted Futsal and Netball from 2019 to increase revenue
2	Damodar City Aquatic Centre	Continuous promotion of Programs to bring in income – Mums & Bubs program, Learn to Swim, permit vendor to setup shop. This venue continues to make a loss regardless due to operating expenses required to keep it working e.g., pump room maintenance, chlorine, lights etc.
3	National Beach Courts	Designed packages at \$10 minimum rate and promoted for business house fundays
4	Veivadravadra	Maintained as a Turf Nursery for major grounds therefore heavy maintenance costs involved in the upkeep.
5	Ra Sports Ground	Seeking stakeholder to sign MOU with FSC to take on sub lease of Ra Sports Ground
6	National Sailing Centre	Signed agreement with National Yachting Association who have requested to sublease the venue and pay rental to FSC
7	Lawaqa Park	Seeking stakeholder to sign MOU with FSC to take on sub lease of Lawaqa Park.

**8. We note that the auditor issued an unqualified audit opinion on the 2017-2018 accounts of the Fiji Sports Council based on the two grounds provided on Page 17 of the Annual Report. Inform us on whether these two issues have been rectified and steps taken by the Sports Council to prevent their recurrence.**

**FSC's Response**

Both issues noted in the Annual Report have been rectified.

Issue noted on the novel coronavirus (COVID-19) global pandemic subsequent to 31 July 2018 and its consideration by the Council in preparation of the financial statements, have now been included in the relevant notes of the financial



statement for the financial year and the subsequent years. The financial year in concern did not have any adjustment made to the financial statement for the impacts of Covid-19 as all revenue and expenditure were realized and recognized within the financial year of 2017-2018 and financial accounts submission to audit before the global pandemic.

The second matter emphasized in the Annual Report in reviewing the amortization rates to reflect on the current and appropriate rate taken on the remaining economic useful lives of individual and major classes of property, plant and equipment has now been rectified whereby FSC engaged an independent accounting and audit firm (KPMG) having the expertise to carry out the review as recommended by audit. KPMG had been engaged since year 2020, however, due to the pandemic Covid-19, this had to be deferred until 2021, which was finalized in year 2022. The adjustments have been taken accordingly in the current financial statements for audit.

Further on the second emphasis matter, the reviewing of the impairment of assets with zero book value in the property, plant and equipment, has been outsourced to an independent accounting and audit firm (BDO) having the expertise to review the assets with zero value and adjust the financial statements on the impairment adjustment on these assets. These adjustments will be done accordingly and reflected in the re-submitted financial statements for the years subsequent to financial year 2017-2018.

# Appendix II

## Verbatim Report

# **[VERBATIM REPORT]**

## **STANDING COMMITTEE ON** **SOCIAL AFFAIRS**

- 1. FIJI SPORTS COUNCIL (1<sup>ST</sup> August 2017-31st July 2018 Annual Report)**
- 2. MINISTRY OF RURAL AND MARITIME & COMMUNITY DEVELOPMENT (2016-2018 Annual Report)**

**VENUE:** Small Committee Room, Parliament

**DATE:** Wednesday, 5<sup>th</sup> October, 2022

**VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE SMALL COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON WEDNESDAY, 5<sup>TH</sup> OCTOBER, 2022 AT 9.55 A.M.**

**Interviewee/Submittee: Fiji Sports Council (FSC)**

In Attendance:

- |    |                     |                          |
|----|---------------------|--------------------------|
| 1. | Ms. Litiana Loabuka | Chief Executive Officer  |
| 2. | Ms. Ashni Sharma    | Chief Operations Officer |
| 3. | Ms. Angie Kaunamoli | Manager Human Resources  |
| 4. | Mr. Raj Sharma      | Manager Operations       |
| 5. | Mr. Vinay Sen       | Manager Finance          |
| 6. | Mr. Praneel Ram     | Manager Properties       |
- 

MR. CHAIRMAN.- Honourable Members, I declare open this meeting of the Standing Committee on Social Affairs. Today's hearing is open to the public and I welcome the members of the public and media who may be viewing this broadcast on the Parliament channel and *Facebook* page.

We are now hearing the evidence from the Fiji Sports Council (FSC) in relation to its operational and financial performance for the 2017-2018 Financial Year. This is the first submission to be received today, to be followed by a hearing with the Ministry of Rural and Maritime & Disaster Management.

Before we continue, I remind everyone in this room that mobile phones are to be switched off. Witnesses are reminded that evidence given to the Committee is protected by Parliamentary privilege, it is important for witnesses to be aware that giving false or misleading evidence to the Committee might constitute a contempt of Parliament. If at any stage a witness wishes to give part of their evidence in camera, they should make that request to me as Chairman and the Committee will consider their request.

Today we have with us the Chief Executive Officer of the Fiji Sports Council, Litiana Loabuka. Madam welcome and I also would like to welcome the team, we have an hour with you I believe, before we proceed any further let me introduce the Committee.

(Introduction of Committee Members)

MR. CHAIRMAN.- The normal procedure is that we invite witnesses to make an opening statement and introduce themselves. After that, we will hear response to the Committee's queries which were sent earlier and then you can make yourself available for questions from the Committee.

Madam, for the benefit of the viewers, please read the questions which were sent to you followed by the organisation's response. The floor is now yours, Madam.

MS. L. LOABUKA.- Mr. Chairman, thank you for this opportunity to come in with the team from the Fiji Sport Council to answer to the queries that were sent to us. We are very grateful. It gives us an opportunity to come before you to give our response.

(Introduction of representatives from the Fiji Sports Council)

MS. L. LOABUKA.- I will go straight into it.

The first question, are there plans to build sporting facilities in other major towns and cities? Update us on the existing sporting facilities in towns and cities owned by the Council?

Fiji Sports Council does not own any of the venues however we are very proud to be the property managers. We are that group that looks after the Government-owned facilities and we are there to ensure that the venues are able to be accessed by everyone (all Fijians).

Part 1, the only sporting facility within Fiji Sports Council's planning scope is the potential Sports Stadium up at Vunidawa, Naitasiri which is dependent on funding from the Republic of China and approvals from the Chinese Technical Team and in conjunction with the Ministry of Youth and Sports.

There is also a proposed Multi-Purpose Courts at Suvavou, Lami again in conjunction with the Ministry of Youth and Sports and Fiji National Sports Commission and this would accommodate four volleyball courts and netball courts as well. However, this is dependent on funding as the Expression of Interest was called and it is looking to cost over \$170,000 to develop this facility.

Part 2, the existing sporting facilities in towns and cities owned by the Council.

You see before you the list of all existing sporting facilities:

1. HFC Bank Stadium;
2. Vodafone Arena;
3. FMF Gymnasium;
4. Damodar City Aquatic Centre;
5. National Fitness Centre;
6. National Hockey Centre;
7. National Netball Centre;
8. National Beach Courts; and
9. Multi- Purpose Courts.

These are all located at Laucala Bay.

Then we have the:

1. National Sailing Centre which is located at Laucala Bay, Suva Point leased to the Fiji Yachting Association;
2. Victoria Tennis Courts located on Knolly Street;
3. Victoria Squash Courts located on Knolly Street;
4. Suva Lawn Tennis which is located on Cakobau Road and leased out to the restaurant;
5. Thompson Park located in Navua leased out to Fiji Rugby Union;
6. Lawaqa Park located in Sigatoka
7. Regional Tennis Courts located in Lautoka leased to Oceania Tennis;
8. Ra Sports Ground located in Rakiraki leased to Fiji Rugby Union;
9. Veivadravadra which is located in Sigatoka on your left as you come out of Sigatoka Town;
10. Laucala Bay Sports Centre which is the vacant land located at Laucala Bay;
11. Stanley Browne Gym located in Walu Bay leased to Fiji Amateur Boxing;
12. Buckhurst Park located at Queen Elizabeth Drive;
13. Bidesi Park located at Queen Elizabeth Drive; and
14. HPU Gym adjacent to the National Fitness Centre which is leased to FRU along Queen Elizabeth Drive.

These are the facilities that are managed by the Fiji Sports Council, Sir.

Question 2: Inform us on the sponsorship of sporting facilities and also provide information on the percentage contribution during sporting events and any competition?

The Council currently has four naming rights sponsorship on its four major sporting and multi-purpose venues.

The National Stadium which is named the HFC Bank Stadium as the HFC Bank has taken over the naming rights for a term of three years effective from the 1<sup>st</sup> July, 2022.

The Multi-Purpose Arena is the Indoor Arena named the Vodafone Arena as Vodafone has acquired naming rights to this venue and it has been a 10-year term.

The National Gymnasium is named as the FMF Gymnasium as FMF has acquired naming rights to this venue.

The National Aquatic named as the Damodar City Aquatic Centre as London guarantee trade-in as Damodar has acquired naming rights to this venue.

Sir, FSC is grateful to the above corporate sponsors who assist FSC by allowing us to continue with our preventative maintenance plans in the venues. These stakeholders are not involved with percentage contribution and gate sharing of any sporting events in any of the competitions or tournaments that FSC hosts. They hold the naming rights and the venue is referred to them by the sponsors agreed name at all times during any event in these venues at any time during the contractual term of agreement.

Percentage contribution during sporting event in any competition:

The standard percentage sharing for all Council's gate sharing venues is 75/25 on gross gate takings with 75 percent the higher always being taken by the event organiser or the hirer of the venue. The 25 percent or the lower portion is always taken by the Fiji Sports Council. The event belongs to the hirer so they are entitled to the higher percentage.

The percentage sharing is based on either gross takings or the venue hire charge whichever is the greater and it is always written into the MOU. The MOU is signed off and agreed to by both parties. These are calculated on a gross basis and whichever is higher is paid to the Council. For example, if the hire of the venue is quoted at \$3,000, however, the gross gate taking for FSC comes to \$5,000, in this case FSC will revert to the gate takings of \$5,000. On the other hand, if the venue hire is \$5,000 and gross gate taking for that particular event comes to \$2,000 then FSC will take the venue hire payment. It is always on either or basis and encourages the venue hire to take ownership and encourages attendance for patrons to come in and purchase tickets, this way they will always gain and they cover the expenses. The standard arrangement is for the sporting events in any competition, in any of the gate sharing venues on the percentage contribution agreed by both the hirer and the Council and to benefit the Council.

Question 3: Are there plans to develop partnership with the provincial council and Ministry of Youth and Sports to develop and operate selected provincial grounds?

As above in Question 1 as I answered, the only other discussion happening to date is with the Naitasiri Provincial Council representative regarding the sports venue at Naitasiri. Mr. Chairman, FSC understands that the Commissioner Central's Office is also liaising with the taskforce regarding available land for sporting grounds and will contact FSC via the Ministry of Youth and Sports accordingly once we have reached that stage.

Question 4: Provide the current Board membership

The current Board membership is as follows:

Board Chairman - Mr. Peter Mazey  
Vice Chairman - Mr. Sandeep Chauhan

Board Members:

Mr. Josefa Sania  
Ms. Anabel Ali  
Ms. Ana Tuiketui  
Mr. Vulisere Tukana  
Mr. Raju Raniga

Secretary - Ms. Sera Vosaki

Question 5: How has the Fiji Sports Council ensured that sporting venues are disability friendly? Does the Sports Council capture data on how effectively its facilities are used by

people living with disabilities so as to identify opportunities for improvement to enable easier access to premises?

The FSC has always tried to ensure that our venues are inclusive and can cater for the wheelchair bound and the disabled. We are doing this within our means and where we are able to, we have made changes to allow for disabled toilets to be erected where there were none at the HFC Bank Stadium previously.

The Damodar City Aquatic Centre, FMF Gymnasium and Vodafone Arena all have disabled toilets and always wide enough to cater for the wheelchair bound, however, FSC acknowledges its limitations and have this in future plans to install a lift at the Vodafone Arena to allow for the wheelchair bound and the disabled to access the sitting areas comfortably. This already exists in the FMF Gymnasium at present. The FSC has also installed ramps at our head office and at most venues to allow for easier access. This will continue to be work in progress until we are fully certified as compliant. An invitation was sent out to National Council for Disabled Persons earlier this year from FSC requesting that the FNCDP come down for a full audit of all our venues to allow our management team to compile a report and a budget for the upgrading of our venues to make them more inclusive.

Question 6: We note that the Council had recorded a loss for the year of \$3.8 million, where in 2017 there was a loss of \$3.5 million. Provide reasons for such substantial losses including a breakdown of the activities that incurred losses? What are the Sports Council's activity plans to diversify its income streams and increase revenue?

Mr. Chairman, FSC is proud to announce that we achieved an operating profit of \$3.3million. This profit is realised from managing venues and income streams and events so that FSC showed this gain from the year's operational activities. However, due to FSC realising the depreciation of \$6.9 million, and interest repayments for a long term loan of \$199,000 this resulted in the net loss of \$3.8 million. We actually made an operating profit in 2017, it is just that after the depreciation because of the huge assets that we manage, we have incurred that bottom line loss.

Mr. Chairman, FSC is in discussion with several parties including corporates and investors who wish to financially support FSC's vision to develop the land located at Laucala. This is rezoned special used land at Laucala Bay identified for investment, has water access, power access and will permit investors to construct properties and buildings on a long term basis, allowing FSC to focus on its role as property manager and collecting rental for the areas sub-leased essentially becoming sustainable and meeting our long term goal of not being dependent on Government for funding, but being able to support ourselves financially. This is our intention all along, we want to stand on our own feet in the long run.

Question 7: Provide us with a list of all non-profitable properties and sporting facilities and highlight plans of the Sports Council to make them commercially viable?

In the period that is being discussed, there were seven non-financially viable venues and these were:



1. Victoria Tennis Court - we have since then reviewed our accounts and we have started to permit Futsal and netball to be played in order to increase revenue.
2. Damodar City Aquatic Centre - continuous promotion of programmes to bring in income: the Mums & Bubs Programme; the Learn to Swim Programme; we have permitted vendors to set up shop there to bring in some extra rental for Sports Council. This venue, however, continues to make a loss regardless due to the operating expenses required to keep a pool working and open; the pump maintenance, chlorine, lights et cetera.
3. National Beach Courts –we designed packages at \$10 minimum and promoted for business house fun days, and this has been taken up well.
4. Veivadravadra – was maintained as a Turf Nursery for major grounds, therefore, heavy maintenance costs involved in the upkeep.
5. Ra Sports Ground – we were seeking stakeholders to sign an MOU and we have now done that, so we now have FRU who has signed on and partnered with us on the leasing of the Ra Sports Ground.
6. National Sailing Centre – we have since signed an agreement with the National Yachting Association who have requested to sublease the venue and pay rental to FSC.
7. Lawaqa Park – we are still seeking stakeholders to sign an MOU with FSC to take on sublease of Lawaqa Park. We are also actively seeking naming rights for Lawaqa Park.

Question 8: We note that the auditor issued an unqualified audit opinion on the 2017-2018 accounts of the Fiji Sports Council. Based on the two grounds provided on page 17 of the annual report, inform us on whether these two issues have been rectified and steps taken by the Sports Council to prevent their recurrence.

It is my pleasure to advise the Committee before me that both issues noted in the annual report have been rectified. The issue noted on the novel coronavirus global pandemic subsequent to 31<sup>st</sup> July, 2018 and its consideration by the Council in preparation of the financial statements have now been included in the relevant notes of the financial statement for the financial year and the subsequent years. The financial year in concern did not have any adjustment made to the financial statement for the impacts of COVID-19 as all revenue and expenditure were realised and recognised within the financial year of 2017 and 2018 and financial accounts submission to audit before the global pandemic.

The second matter emphasised in the annual report in reviewing the amortisation rates to reflect on the current and appropriate rate taken on the remaining economic useful lives of individual and major classes of property, plant and equipment has now been rectified whereby FSC engaged an independent accounting and audit firm (KPMG), having the expertise to carry out the review as recommended by audit. Mr. Chairman, KPMG had been engaged since 2020, however, due to the pandemic COVID-19, this had to be deferred until 2021 which was finalised in 2022. The adjustments have been taken accordingly in the current financial statements for audit.

Further, on the second emphasis matter, the reviewing of the impairment of assets with zero book value in the property, plant and equipment has been outsourced to an independent accounting and audit firm (BDO). Having the expertise to review the assets with zero value and adjust the financial statements on the impairment adjustment on these assets. These adjustments will be done accordingly and reflected in the resubmitted financial statements for the years

subsequent to Financial Year 2017 – 2018. Those were the responses to the questions that were placed before us by the Standing Committee on Social Affairs. Fiji Sports Council is grateful for the opportunity and if you have any questions, I would be happy to answer them now.

MR. CHAIRMAN.- Honourable Members, time for supplementary questions.

HON. DR. RATU A.R. LALABALAVU.- Mr. Chairman, thank you Ms. Loabuka for your briefing and to the members of your team for availing yourselves to be here this morning. My question is on No. 2. There is a line there that says, “FSC is grateful to the above corporate sponsors who assist FSC by allowing us to continue with our preventative maintenance plans in the venues.” The question being, those corporate sponsors, like for the National Stadium it is HFC. Is HFC Bank only responsible for the maintenance, I mean, the help that they give with regards to the maintenance only of the National Stadium or is it altogether in a lump sum?

MS. L. LOABUKA.- Thank you, Chair, thank you for your question, honourable Member. All the naming rights sponsorship that comes towards Fiji Sports Council goes into the bucket, into our pool and then from there the funds get used because the naming rights amounts are reflective of the venue. So the amounts that are sponsored, that are given financially to the Fiji Sports Council are reflective of the different sizes of the venue, the term, et cetera, so we try as much as possible to ensure that the funds are used in the upkeep of the respective venues.

HON. DR. RATU A.R. LALABALAVU.- Let me just add onto that, with regards to the maintenance itself, maintenance proper, you mentioned here preventative maintenance and maintenance in general. I know it is an expensive work. Is the allocation from sponsors or within the Government grants or revenue from within the Fiji Sports Council able to cater for the maintenance and upkeep of all of the sporting facilities under the Fiji Sports Council?

MS. L. LOABUKA.- Honourable Member, it is not sufficient. We charge a dollar for people to use the track. So patrons who come to use the HFC Bank Stadium pay a dollar to walk on the track. At present, we are charging \$4 for the use of the tennis courts. These are minimal prices that people have to pay to use the venues. So, if you look at the income that is earned in a whole year, it is a fine balancing act for us so whenever operations say, “we would like to install this in the venues”, we say, “hold on”, because preventative maintenance is going on all the time with our properties team and we have to always keep checking what is in the kitty to ensure that we have funding to give what operations want.

We understand that operations is in the frontline and they are the ones earning the income to bring in the money that we need to keep paying our staff wages, FNPF et cetera but at the same time we are conscious that the funding, the grants that we get from the Ministry of Economy that is given to us, we are very grateful, but of course it just means that we have to adjust our budget, our expenses to what we receive and to ensure that we work within our budget. So, the short answer to that is, no. We would love to have more but we are grateful for what we do receive and we work with what we get.

HON. G. VEGNATHAN.- Mr. Chairman, Sir, and CEO and the team for being here this morning to answer questions and to make your submission. My input is, Government is placing a

lot of emphasis on social and economic importance of sports in Fiji and with such, the Government continues to invest in complexes that are coming up, sporting facilities that are being built and as such we can also note that we have a number of young people who are now taking sports seriously and trying to make a career out of it. My question is, what are the future plans to develop sporting facilities in conjunction with other ministries and maybe other organisations in rural areas and towns?

MS. L. LOABUKA.- Honourable Member, we do not have funding allocated to us *per se* for us to go and develop the venue. We get invited so there is a taskforce in which the Ministry of Youth and Sports, the Prime Minister's Office, all the other corporate bodies and statutory bodies involved that are required to make it happen. For example, the grounds out at Gau and Kadavu and we are part of those discussions in whichever way. We have had our resources go out with the technical team to be part of the drainage, to give advice on how the drainage is done and to make sure it is done correctly so that we do not have a problem of having muddy grounds. So, that is our input there but we do not have funding put aside specifically for us to develop those grounds. I believe that comes under the Ministry of Youth and Sports, Sir.

HON. RATU T.N. NAVURELEVU.- *Vinaka*, Mr. Chairman. My supplementary question is about the grounds. I have noted that the grounds you managed in Fiji is about 27 and none in Labasa. My question is, can the Council work in consultation with the Provincial Councils to locate a site and develop a ground to be managed by the Council?

MS. L. LOABUKA.- Thank you for your question honourable Member. We would love to do that, the short answer to that is yes, we would love to do it. However, we do not have any funding to do that at present. Specific grants that are given to us are for a set piece that is already in the budget for insurance, for all these assets were worth over \$100 million and it is already specifically set and is taken up by this expense.

We do not have any additional budget given to us to do that particular task that you are mentioning there, Sir. However, if there is like what is happening with Naitasiri Provincial Council at the moment, we are very fortunate that we have the Embassy of the Republic of China available with that funding. So we get called in to provide technical advice so that we work with Ministry of Youth & Sports and the Naitasiri Provincial Council to utilise this funding that is being set aside for this stadium.

If the provincial councils that you are referring to up in Vanua Levu have the space available and they would like something done, they are more than welcome to get in touch with the Fiji Sports Council where we will establish the requirements and it is just a matter of then finding the funding. It always comes down to the funding because this funding that we are seeking for the courts out in Suvavou, it will mean thousands of youths and matured adults will also get to use the venue. We have already called for Expression of Interest (EOI), we have already got the contractor ready but we just have to find the funding.

HON. DR. RATU A.R. LALABALAVU.- Just a question of clarification on the Annual Report on your operating income in Note 5 attached to it. Can you just elaborate on those income - hire rental and signage Tattslotto?

MS. L. LOABUKA.- Thank you for your question honourable Member. On page 19 of our Annual Report, the operating income shows that in 2017 we earned \$4.3 million. If you look at page 30, it gives you the breakdown of what that \$4.3 million is made up of. So, of that \$4.3 million, \$2.6 was hire income, \$248,000 was rental income. So these are the tenants that we have in our venues, we have got sporting bodies that hire spaces in our venues, at one time we had Fiji Hockey, Fiji Netball, Suva Netball, Fiji Athletics, Fiji Primary; they take up space in our venues and they pay rental for the office space that they get. You have signage income of \$852,000. That is basically from all the billboards, notices and everything that is associated with signages – the revenue that Sports Council gets. Lastly you have Tattsлото, so this is a percentage of the income that we get from the State of Victoria. They give us funding, they send us our portion every month for the license that we hold for the Fiji Tattsлото.

HON. G. VEGNATHAN.- This is in regards to the invitation that was sent to National Council for Disabled Persons. What was the response to see the facilities?

MS. L. LOABUKA.- It was actually very well, thank you Deputy Chairperson. We have actually got some affirmative response from them. They wrote a letter, we are going to get them to come down and do the actual audit. It is a scary request because no one ever wants to have an audit, especially of this nature because I know that we are not 100 percent, I know that not all the boxes are ticked but it is something that needs to be done so that we know where to start from.

HON. G. VEGNATHAN.- Sorry, I have a question and this on the rezoned for special used land at Laucala Bay identified for investment. Have you identified any investor or interested group to take on this?

MS. L. LOABUKA.- Thank you honourable Member. It is work in progress right now. We have advertised the Expression of Interest several times and we are very grateful to the respective groups that have come forward. There was a supermarket chain but after the questions that were raised, I believe they have opted not to, but there was also very positive response from several other investors and we are already on the way for the multi-storey office space. We are well into organising a governance team with both parties so that we can finalise the specifications and the design works for that building.

For the area across the road in front of the Vodafone Arena, we are awaiting our surveyors to complete the requirements to the Suva City Councils so we can then move on to the survey general to get the required documents from them. Once the individual leases are received, we will then be able to sign the documents with the three individual investors that are ready to come on board.

HON. RATU T.N. NAVURELEVU.- I am sorry, CEO. I was not satisfied with the answer that there is no fund allocated to the Ministry for the development of the grounds for preparatory work. Can the Council propose to the Ministry of Economy a budget for an allocation of that kind of programme so that you can go forward to do such a programme in the premises?

MR. CHAIRMAN.- I do not think that is part of the report or the funding that comes directly to the Fiji Sports Council. As Madam has said, it comes through the Ministry of Youth and Sports.

MS. L. LOANIBUKA.- Thank you, Mr. Chairman, I was actually going to respond to the very same. I appreciate your response, thank you for your feedback. I will take it up with them and this is the basis for my taking it up with them. This forum right here will allow me to take it up further with our PS for Ministry of Youth and Sports because I understand that they do get a budget, they receive funding from the Ministry of Economy. I will work with the Ministry to see what we can do.

HON. G. VEGNATHAN.- With regards to depreciation, I think it is quite an enormous sum of \$6 million. Can you just in general give a breakdown or something of that?

MS. L. LOABUKA.- Thank you, while we are getting the details, considering that we are managing assets of worth over more than \$120 million, we know that we will have to have this depreciation amortisation expenses. The breakdown is right here on Page 35. You have got the motor vehicle depreciation, plant and equipment, furniture and fittings, concession equipment, office equipment, business software and sports equipment. This is the total asset value and that \$6 million in based on that asset value.

So, as I said earlier because of the nature of the business that we are in, we do expect to have a high depreciation rate and we are just making sure that it gets done right. This is what we are left with.

MR. CHAIRMAN.- Thank you, Madam, for the response. Honourable Members, that concludes our examination of officials from the Fiji Sports Council as witnesses. On behalf of the Standing Committee on Social Affairs, I thank the team for their appearance and appreciate the support provided to the Committee in its scrutiny process. Madam, should we have any further queries, the Secretariat will get in touch with you. Do you have any final comments to make?

MS. L. LOABUKA.- Thank you, Mr. Chairman, thank you honourable Members, on behalf of my team we are very grateful to be here, thank you again. The last time we appeared here was before the Public Accounts Committee and it was just Madam Ashni Sharma and myself. I asked the Sirs and Madam behind me to attend today because I feel that it is all part of an experience for them to understand so that when I send something back to say, “no we cannot allow this” they understand why. It is not just because we are following the rules, it is also because we have to be accountable to everyone else in the end.

MR. CHAIRMAN.- Thank you, Madam.

The Committee adjourned at 10.36 a.m.