



SEVEN MONTHS REPORT

JANUARY TO JULY 2018

Our Vision

Clean Water and Sanitation for a Better Life

Our Mission

We are committed to optimizing water and wastewater services

through:

Resilience

Innovation

Safe Working Practices

Engaging Stakeholders

Capacity Building

Being Environmentally Focused

Modernization

Our Values

Our key values are:

Customer Focus

Learning and Growth

Integrity

Passion

Accountability and Transparency

Adaptability

Respect

Teamwork





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ACRONYM	DEFINITION	ACRONYM	DEFINITION
ADB	Asian Development Bank	NEC	National Employment Center
AC Pipes	Asbestos Cement Pipes	NDP	National Development Plan
CAPEX	Capital Expenditure	NRW	Non-Revenue Water
CDM	Clean Development Mechanism	OHS	Occupational Health and Safety
CRFG	China Railway First Group	OPEX	Operational Expenditure
FRA	Fiji Roads Authority	PPE	Personal Protective Equipment
FOG	Fats, Oil and Grease	PPM	Planned Preventative Maintenance
GCF	Green Climate Fund	PRF	Pressure Reducing Valve
GHG	Greenhouse Gas	PSIP	Public Sector Investment Program
GIS	Geographical Information System	PWWA	Pacific water and Wastewater Association
HASAWA	Health and Safety at Work Act	SBU	Strategic Business Unit
ITEC	India Technical and Economic Cooperation	SDG	Sustainable Development Goals
JICA	Japan International Cooperation Agency	UNEP	United Nations Environment Programme
KECO	Korea Environmental Corporation	WAF	Water Authority of Fiji
LMCC	Labour Management Consultative Committee	WTP	Water Treatment Plant
LTW	Liquid Trade Waste	WWPS	Wastewater Pumping Station
NASRUP	Nadi and Suva Road Upgrading Project	WWTP	Waste Water Treatment Plant

Letter to the Minister

01 May 2022

Hon Aiyaz Sayed-Khaiyum
Attorney General and Minister for Economy, Civil
Service and Communications
Attorney General's Chambers
Level 7 Suvavou House
400 Victoria Parade
Suva

Dear Sir,

I hereby submit the Water Authority of Fiji's Annual Report containing the Audited Financial Statements for the first seven months of the 2018 Financial Year.

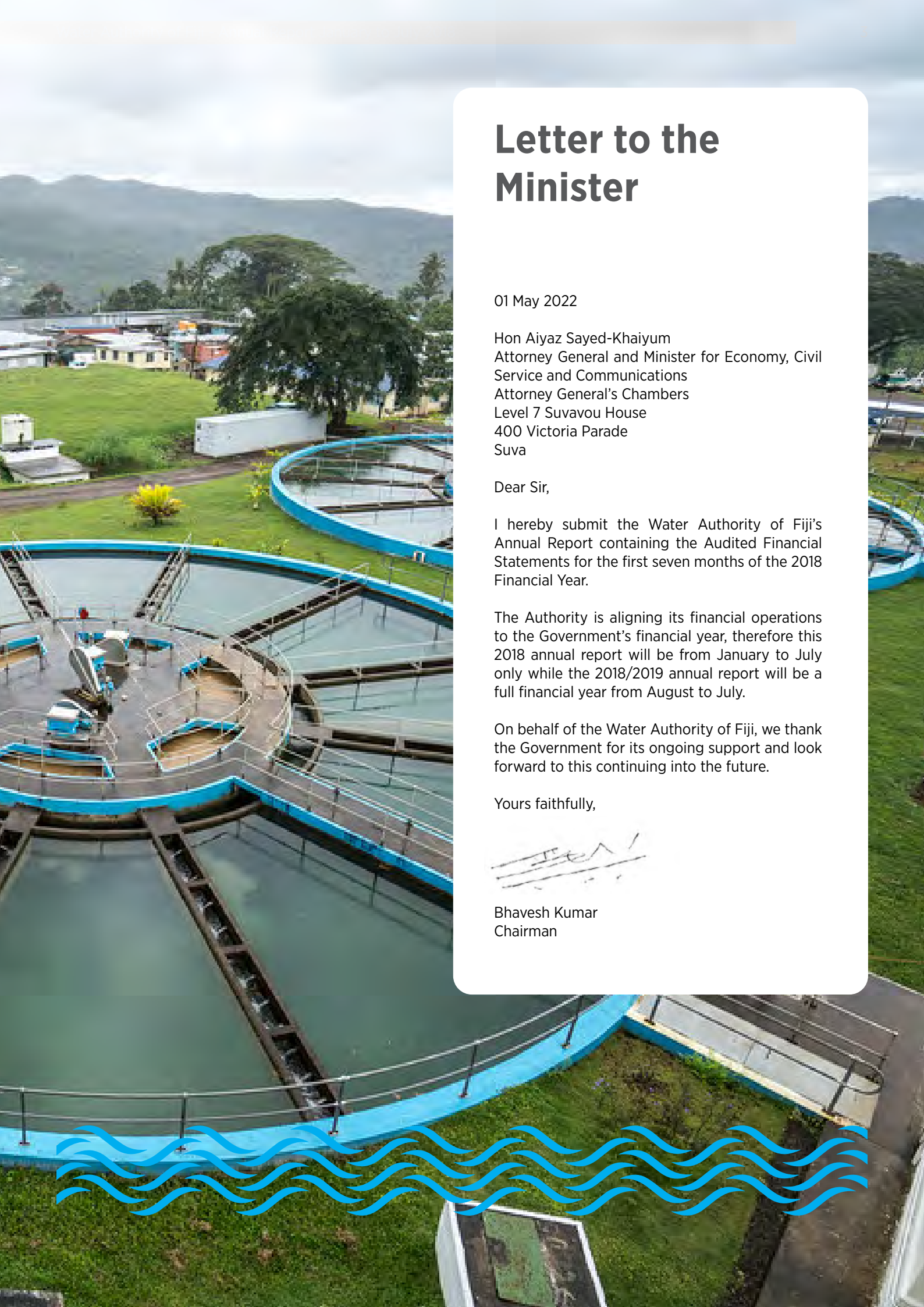
The Authority is aligning its financial operations to the Government's financial year, therefore this 2018 annual report will be from January to July only while the 2018/2019 annual report will be a full financial year from August to July.

On behalf of the Water Authority of Fiji, we thank the Government for its ongoing support and look forward to this continuing into the future.

Yours faithfully,



Bhavesh Kumar
Chairman



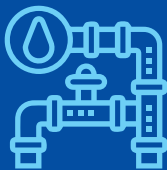
2018 Highlights



Quick work by WAF staff restored the water supply back to normal following the aftermath of TC Josie and TC Keni in April causing \$3.5 million in damages to WAF's infrastructure.



Emergency Nagado Water Shutdown in June to remove the defective Polyjet valve if it wasn't carried out quickly could have resulted in catastrophic structural damage and a complete shutdown at Nagado leaving thousands of Fijians without water supply for a month or two.



The completion of the Kiuva water main pipe replacement works improved the capacity and sustainability of the current infrastructure and enhanced the supply of clean and safe water to the 900 residents.



Non-Revenue Water (NRW) reduced to an all-time low of 29.3% in Quarter 2, 2018 from 52.2% in Quarter 3 2013 when WAF National NRW calculation started.



The completion of a 650-metre, under-sea, pipeline that connects Vio Island with the Authority's Lautoka Depot means that the island's 230 residents now have access to a better and more consistent water supply.



About the Authority

Who We Are

The Water Authority of Fiji is a Commercial Statutory Authority (CSA) formed by the Government of Fiji, under the WAF Promulgation 2007, to provide environmentally sound, sustainable, efficient, and effective water and wastewater services.

Following the 2009 government reforms to strengthen the then Water and Sewerage Department (WSD) in preparation for the transition from a government department to an autonomous organization, WAF was established with effect from 1st January 2010 as a new CSA, officially taking over the responsibilities, functions and operations previously undertaken by the WSD.

We report to the Minister for Infrastructure and Transport in consultation with the Minister responsible for Public Enterprises and the Minister responsible for Finance.

Our Responsibility

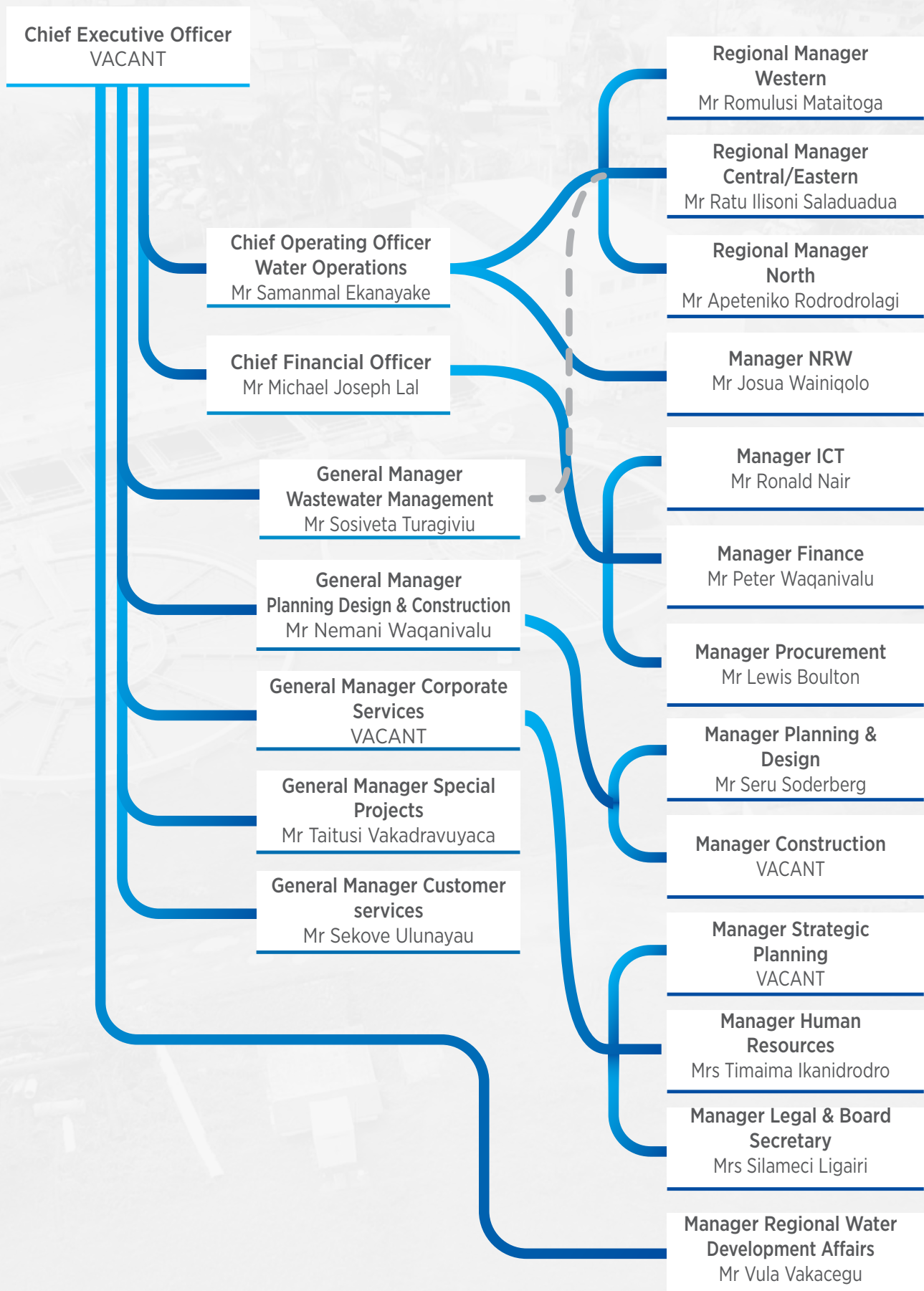
WAF is responsible for providing access to quality drinking water and wastewater services to over 148,000 residential and non-residential metered customers, reaching over 740,000 people nationwide, with an area of operation that covers 18,274 square kilometres with a water and wastewater network of more than 4,200 kilometres of pipes.

Our Functions

- To harvest, treat and reticulate water for supply to our customers,
- To comply with standards in relation to the supply and quality of water in our water system,
- To collect, transport, treat and discharge wastewater,
- To establish, operate and maintain systems for the provision of water and sewerage services,
- To maintain any State assets transferred to the Authority and vested in by the Government,
- To provide technical or expert advice to any other person on matters relating to our functions and powers,
- To progressively achieve economic viability in the provision of water supply and sewerage services,
- To be environmentally responsible in the performance of all its activities,
- To assist in protecting, managing and conserving water resources,
- To assist in the formulation and implementation of national policies or urban and rural land use planning, relating to the use and control of water bodies and resources.



Our Organisation Structure



The Authority is organised into five Strategic Business Units (SBUs) as follows:

Corporate SBU

Headed by the CEO, the Corporate SBU is responsible for driving the Authority in achieving its corporate vision, assisted by the following supporting units:

- Human Resources Unit
- Internal Audit Unit
- Legal Unit
- Security Unit
- Strategic Planning Unit
- Rural and Outer Island Water Schemes Unit
- Corporate Communications Team

Production SBU

Headed by a General Manager, overseen by the Chief Operating Officer, the Production SBU is responsible for the monitoring, maintenance and operations of the Authority's assets and resources and is supported by the activities of the following sub-units to ensure the effective and efficient use of WAF assets:

- Water Operations Units – DMA (District Metering Area), NWRM (National Water Resources & Management), Bulk, Treatment Plants & Reservoirs
- Wastewater Unit
- Planning, Design & Construction
- National Control Centre
- Environment Unit
- National Water Quality Laboratory (NWQL)
- Non-Revenue Water & GIS Unit

Special Projects SBU

This Unit is responsible for the implementation of all major

and minor capital projects funded by the Government of Fiji and donors, such as the Asian Development Bank. It is headed by a General Manager, overseen by the Chief Operating Officer, and is comprised of two sub-units:

- Capital Works Project
- ADB-Funded Projects

Finance SBU

Responsible for all financial aspects of all of the Authority's WAF business operations, the Unit is divided into sub-units that encompass the financial reporting standards overseen by the Chief Finance Officer. The specific roles of the sub-units are:

- Financial Accounting Team
- Management Accounting Team
- Revenue Accounting Team
- Project Accounting Team
- Fleet Management Team
- Procurement Unit
- Information Communication Technology (ICT) Unit

Customer Services SBU

Headed by a General Manager, the Customer Services SBU has the key aim of delivering cost-effective, efficient customer services, 24/7 to commercial and residential customers in the Central/Eastern, Western and Northern Divisions. Customer Services is responsible for strategic relations and communications, billing, debt management and compliance. Supporting units within this SBU are:

- Customer Accounts Unit/Billing
- Customer Care-includes 24/7 Call Centre
- Liquid Trade Waste Unit
- Technical Services



Waila Water Treatment Plant



● ● ●

Every Fijian has
a right to clean
and safe water
in adequate
quantities.

Bhavesh Kumar
Chairman

Chairperson's Message

I present the Water Authority of Fiji's annual report containing the Audited Financial Statements for the first seven months, January to July, of 2018, as the authority aligns its financial year with the Government's financial year. WAF received \$99,222,635 capital grant for the seven-month period ending July 2018 and \$49,165,008 received for government grant for operations work for the same period.

Government funding was key to meeting WAF's objective in its progressive capital works required to meeting its 20 Year Master Plans, Strategic Plan 2017-2019 and the Government's Five Year 2017-2021 and Twenty Year National Development Plan 2017-2036.

The NDP with the vision of "Transforming Fiji", maps out the way forward for Fiji and all Fijians to realise our full potential as a nation. Every Fijian has a right to clean and safe water in adequate quantities. For the urban areas, 100 percent access to clean and safe water will be realised by 2021 and for the rural and maritime areas by 2030. Access to a central sewerage system in urban areas is targeting 40% of the urban people to be covered by 2021. This NDP sits well within WAF's Masterplan and Strategic Plan and has been the guiding light for WAF in ensuring that it meets its functions as laid out in the WAF Act 2007.

In 2018 there were nineteen (19) major capital projects works and sixty-five (65) rural projects. During the year, \$10.3m was allocated by the Authority for rural projects and project costs of \$2,460,172 (2017: \$2,552,721 was released from work in progress and deferred income in relation to completed rural projects).

With regard to the development of potential new water sources, government, with assistance from the Asian Development Bank (ADB), Green Climate Fund (GCF) and European Investment Bank (EIB)—is embarking on the construction of a new, 40-megalitre treatment plant on the Rewa River to meet the increasing demand for water in the greater Suva and Nausori areas.

WAF has its hands full and has delivered its priorities for the past seven months and it is hoped that they will continue to front up challenges and continue to serve the people better.

WAF Board Members



Mr PL Munasinghe
Board Member



Mr Umarji Musa
Board Member



Mr Vijay P Maharaj
Board Member



Mr Hemant Kumar
Board Member



Mr Kamal Gounder
Board Member



Board Meeting during the 2018 dry spell media release.

WAF Activities Report

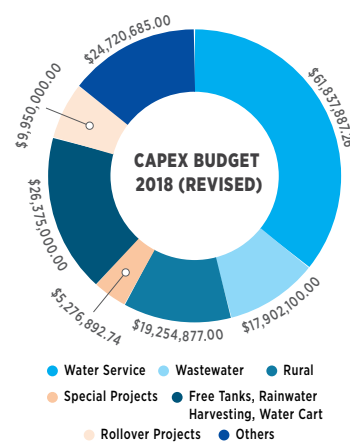
Production SBU

The Production and Construction team is responsible for the implementation of all major and minor projects funded by the Government of Fiji and partners such as the Asian Development Bank and is comprised of Capital Work Projects, ADB Funded Projects, Flood Recovery Projects and Land Management Unit.

Capital Projects

During the reporting period, WAF has committed to nineteen (19) major capital projects works with the \$99,222,635 Capex grant received and sixty-five (65) rural projects. Some of the Project's achievements were as follows:

- Laying of the Lautoka depot to Vio Island, undersea 650-metre pipeline project that brought relief to the 230 residents.
- Laying of the sewer rising mains to reduce the load on the busy Four Miles bridge in Nabua.
- \$19.25 million was used for the 65 rural projects and raising the standard of living for the 13,935 people who benefited and now have easy access to a regular water supply.
- The planned Nagado Water Shutdown and fast restoration works that followed, which if it wasn't repaired would have resulted in no water for one to two months for residents in the Nadi to Lautoka corridor.
- The restoration works that followed after TC Keni and TC Josie ravaged the Fiji Islands causing \$3.5 million to the authority's infrastructure.
- Kiuva mains replacement works carried out improved water supply to the 900 residents.



VIO ISLAND

Pipe through Vio Island

Exposed Pipe

Burried Pipe

Pipe on Seabed

Exposed Pipe

LAUTOKA

The Water Operations Department is responsible for monitoring, maintenance and operations of the Authority's assets and resources. It is supported by the activities of the Water Asset, Wastewater, Environment, National Water Quality Laboratory and Technical Services sub-units to ensure the effective and efficient use of WAF assets.

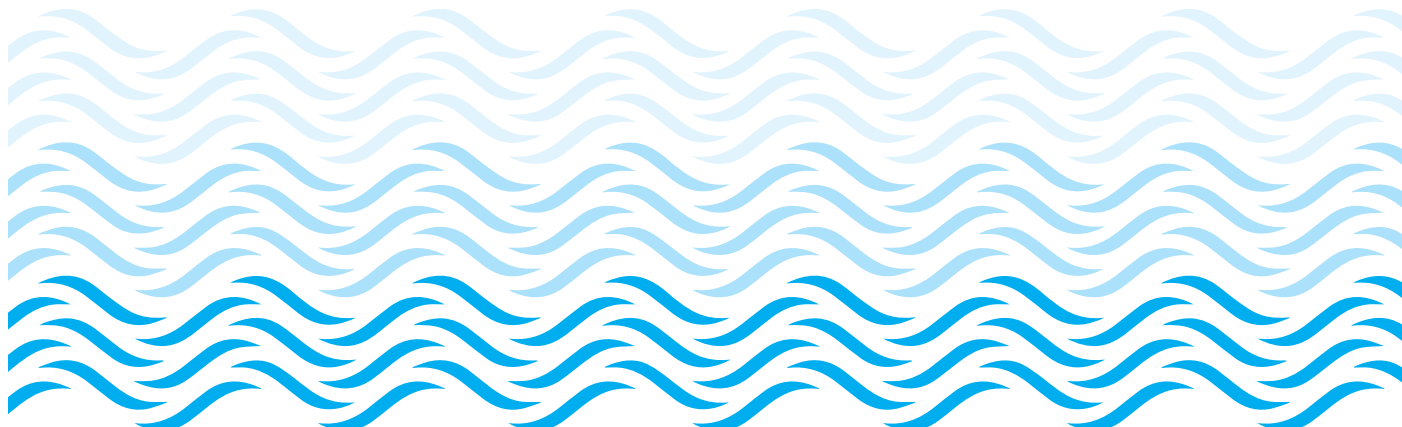
The Central Bulk Supply System consists of 17 x Water Sources, 8 x Water Treatment Plants, 38 x Storage Reservoirs, 6 x Booster Pump Stations and 3 x Raw Water Pumping Stations to cater for the water needs of the immense urban and rural population of the Central Division. The total water production for the Central Eastern Division is approximately 172.4 ML/d with the NRW level at 39% of the total water produced.

The figure below exhibits the Suva/Nausori system connectivity with the present service reservoirs.



The main operational works conducted in the Suva-Nausori System were attending to Burst Mains and Leakage Repairs on WAF's reticulation system from the reservoirs, onto the pump stations and along the supply lines to customers.

Bulk supply Planned Preventative Maintenance (PPM) works for the months up to July 2018 were undertaken at various reservoirs, pump stations and WAF Quarters:



Nadi-Lautoka Water Supply System

The core function of the Bulk Water Supply Management section is the overall management of dams, raw water transmissions, water treatment plants, clear water bulk transmissions and all the major water supply systems within the Region.

The major component of the Nadi/Lautoka bulk supply is the Vaturu Dam- 527m AMSL (20 GL capacity) and the Nagado water treatment plant with a capacity of 103ML/d. The major bulk system conveys treated water from Nagado Water Treatment Plant to Nadi and Lautoka major Reservoirs. The bulk reservoirs in Nadi/Lautoka are Kashmir Reservoir (20 ML) and Votualevu Reservoir (1.14 ML). These two reservoirs feed the other service reservoirs in Nadi/Lautoka areas.



Major Works for Nadi/Lautoka Regional Bulk Supply

Rehabilitation and Recommissioning of the old DN 600 Trunk Mains from Vaturu to Nagado Water Treatment Plant



Rehabilitation & Recommissioning of the old DN 600 Trunk Mains from Vaturu to Nagado WT

Major works at the Western Urban Water Treatment Plants

Rakiraki - Bitutaralagi WTP

- Treatment plant facelift works and some minor refurbishment works.
- Replacement of existing chemical mixing tanks with new mixing tanks for both Alum and Soda ash.
- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.

Vatukoula WTP

- Treatment plant refurbishment and facelift works.
- Replacement of existing chemical mixing tanks with new mixing tanks for both Alum and Soda ash.
- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.

Waiwai WTP

- Completed cleaning of the sedimentation tanks.
- Treatment plant facelift works and some minor refurbishment works has completed.
- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.
- Replaced all defective lights with new lights.

Buabua WTP

- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.
- Treatment plant refurbishment and facelift works.

Saru WTP

- Completion of repair of damaged filter house roofing, replacement of front and rear filter house access doors and other damage repair works.
- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.
- Treatment plant refurbishment and facelift works.
- Replaced all defective lights with new LED lights.

Nagado WTP

- Completion of desludging of 9 x clarifiers and cleaning works on the filters.
- Installation of new analysers for Chlorine and raw water

turbidity testing and monitoring.

- Refurbishment and repair of the lime mixtures and filter fixtures.

Matovo WTP

- Completion of de-sludging of the sedimentation tanks for Matovo water treatment plant.
- Installation of new analysers for Chlorine and raw water turbidity testing and monitoring.
- Treatment plant refurbishment and facelift works are in progress.

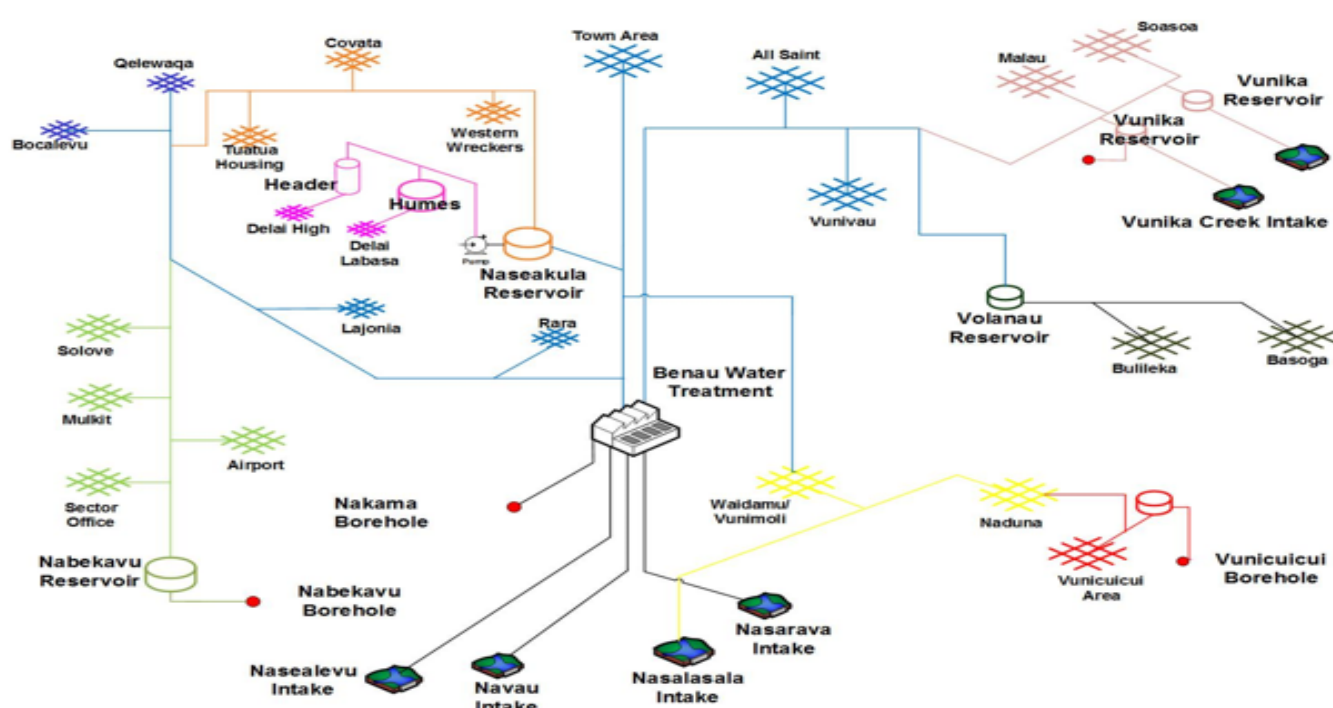
North Water Operations**Labasa Bulk Supply Scheme**

The Labasa Bulk water supply scheme diagram below refers to extracting raw water from water source dams to being treated at the Benau water treatment plant before reticulating to various reservoirs in the wider Labasa region.

Upgrades of Labasa System Mains and Reservoirs

During the year there were a number of projects approved for the Bulk North. The Nasealevu Headworks Upgrade was done

Schematic Diagram of Existing Water Supply



in-house while the rest were outsourced with three bulk mains upgrades and one pipeline mains extension: -

- Nasarava Bulk Mains Replacement
- Benau to Volanau Dedicated Main
- Rice Mill to Wailevu Pipeline Extension
- Nasealevu Headworks Upgrade Benau to Y-Corner Pipes Upgrade

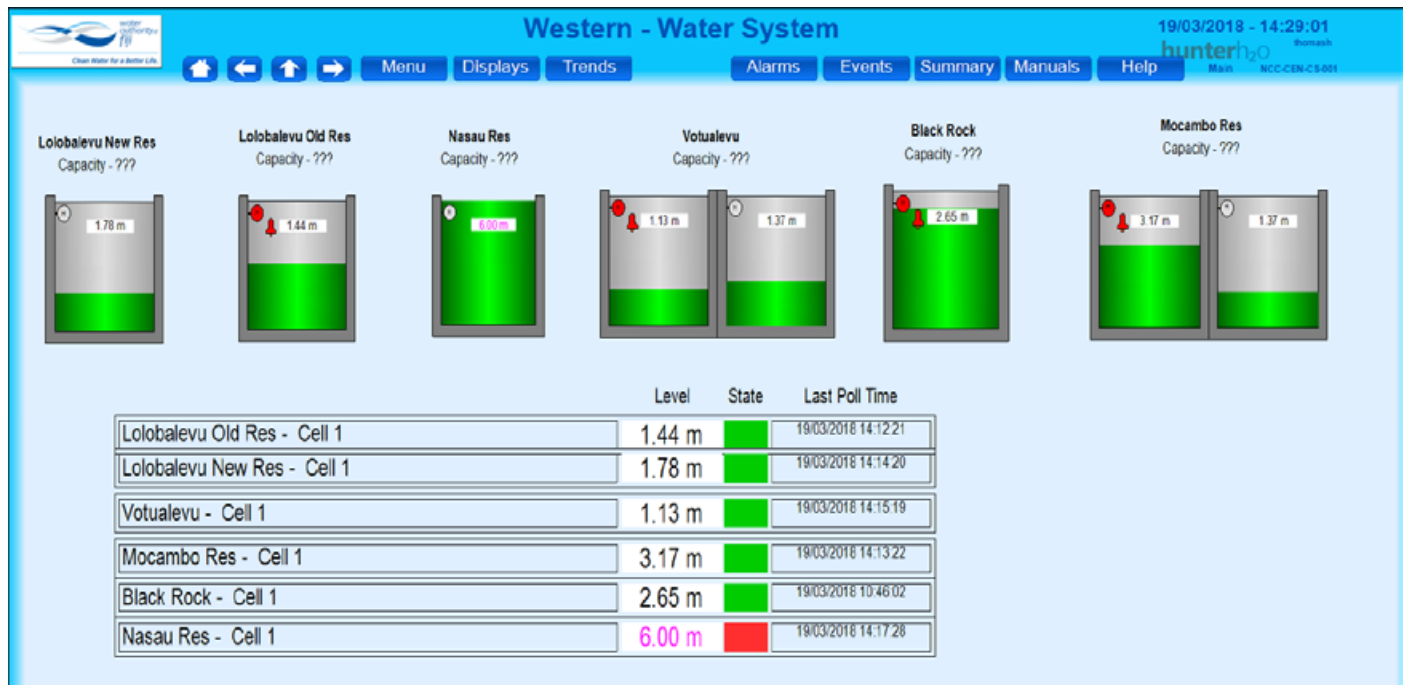


Supervisory Control and Data Acquisition (SCADA) Operations

SCADA unit was set up inside WAF's National Control Center in Wailoku, its main purpose was to remotely monitor WAF's major Water Treatment Plant levels and reservoirs on a 24-hour basis. SCADA installations on the following sites have been completed and are now monitored from WAF's National Control Centre (NCC) at Wailoku:

- Rakiraki - upper reservoir
- Nadi - Mocambo Reservoir, Nasau Reservoir, Black Rock Reservoir, Lolobalavu
- Sigatoka - Nacocolevu

SCADA HMI for Lolobalavu and Nadi Reservoirs



Completed New Video Wall at National Control Center and commissioned by Hunter H2O



Non-Revenue Water (NRW) Unit

The NRW unit is tasked with reducing water that is lost during transmission from the reservoirs to the customers. A Water Balance table is compiled every quarter which shows the percentage level of water lost in a particular system. It is based on IWA (International Water Association) standard software used globally.

During 2018, WAF received an increase in funding towards NRW reduction with \$8.1 million. This is paying dividends in reducing water loss when the emphasis is placed on NRW reduction.



The Labasa Operations Team successfully installed loggers.



WAF Director Mr Hemant Kumar, Director for Water and Sewerage Mrs Susana Valemei and WAF Senior Management inspect the Nasealevu water source in Labasa.



Construction of chambering works at Nabouwalu by the Pressure Management Team



Tamavua Water Treatment Plant

Geographical Information System (GIS) Unit:

The GIS unit captures all of WAF's systems assets and infrastructure and highlights all these data on a Mapping System which assists staff to know where its pipes are laid out and details about the pipe types, where the water meters are installed, and map out areas that will be affected when a water system shutdown occurs.

In the early part of 2018, the GIS unit completed updating the water reticulation system and assets on the GIS for the island of Taveuni. There are five water supply systems on Taveuni, namely, Naselesele, Mua, Qarawalu, Bucalevu and Waiyevo connecting 1,344 metres and benefitting 6,700 consumers.

Integrated Meter Management Unit:

The unit is responsible for the ordering, installation and maintenance of all WAF meters. The IMM program was an ongoing physical installation of Data Loggers to assist Operation teams in the region towards system behaviour decision making and optimizing hydraulics with the reduction of NRW and a robust Pressure Reduction Management program.

WTPs Quality and Raw parameters such as Chlorine, pH, Turbidity and Temperature can now be accessed online and remotely from NRW – Web-Based Platform (Free of Charge). WTPs already hooked up online are Nagado WTP, Buabua WTP, Saru WTP, Waiwai WTP and Nayagi WTP.

As per the IMM Board Update in Feb 2018, 30 Wastewater Pump Stations (WWPS) were unmetered in the CE region. However, by March 2018 after more thorough research by the team, a total of 88 WWPS sites were verified as unmetered in the CE region. Following that review, a work program was put forward for the team to install meters at those unmetered locations.

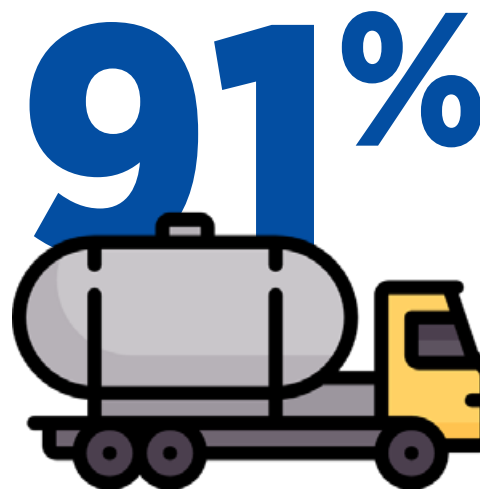
Metering of Water Cart Filling Points

The IMM team was heavily involved in the installation of meters at water cart filling points. As of 24/06/18 overall progress for this program was at 91% metered compared to 87% in May 2018 with the target to achieve 100% by July end.

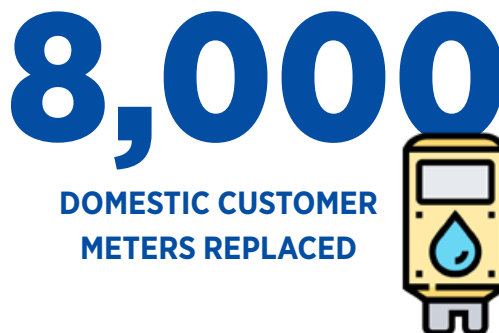
2017/2018 - Meter Replacement Program

The very core fundamental of NRW water balance calculation is the billing data (metered/unmetered). The following action plans under the Meter Replacement scope of works had an impact on the reduction of NRW through apparent losses;

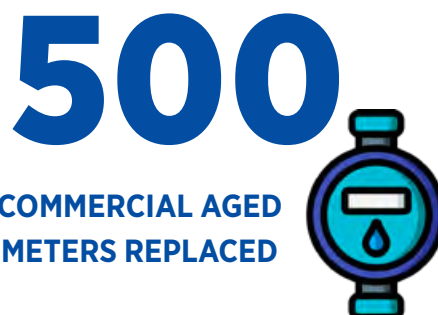
- Replacement of 8,000 domestic customer meters
- Upgrading 5,000 E5/E4 meters (underwater/buried)
- Installation of 8,000 DN15 lockable valves
- Commercial Replacement of 500 E1/Aged meters



**WATER CART FILLING
POINTS METERED**



**DOMESTIC CUSTOMER
METERS REPLACED**



**COMMERCIAL AGED
METERS REPLACED**



**DN15 LOCKABLE
VALVES INSTALLED**

Rural and Maritime

The rural team administrates all the rural projects done in villages and maritime islands by the Water Authority of Fiji. Through regular attendance to Tikina meetings throughout the regions, the team kept the customers abreast of developments within their region.

The maritime zone consists of five minor metered schemes from five remote Islands, namely Vunisea (Kadavu), Naroï (Moala), Vanuabalavu, Lakeba and Rotuma.

These islands contain five hospitals, sixteen schools, Government stations, an administration centre and around fifty villages with a total of 1,514 metered connections for approximately 6,431 consumers. Vanuabalavu is excluded from the 1,514 meters because they do not pay for their water but the authority still serves them with clean water from 2 boreholes 24/7.



Rural Projects covered for the period in 2018:

Tailevu Province	Population Benefit	Ba Province	Population Benefit	Lomaiviti Province	Population Benefit
Malabe Village	125	Navala Village	675	Navuloa Village	66
Matamaivere Village	780	Waidradra/Nadrau Settlement	695	Nawaikama Village	50
Waisei Settlement No.1	130	Kadavu Province		Naqaidamu Village & FRA Depot	65
Waisei Settlement No.2	365	Kavala Nursing School	35	Lamiti Village	70
Waivola Settlement	130	Lawaki Village	253	Koro High School & Govt Station	310
Naivicula District School	585	Namajiu Village	100	Namaciu Village	210
Nacva Settlement	130	Naqara Village & School	205	Nasau Govt Station	350
Silana Village	895	Rakiraki Village & School	200	Navukailagi Village	175
Natadradave Village	168	Solotavui Village	253	Qalivakaloto Village	25
Naitasiri {Province}		Yavitu Youth Centre	55	Sawaieke Village	450
Wainilekutu Settlement	42	Nasegai District School	75	Sinuvaca Village	225
Nacegilevu Settlement	250	Mauni Village	75	Tavua Village	175
Kicukicu Settlement	150	Kadavu Provincial	130	Tokou Village	420
Vatubalavu Settlement	75	Levuka Village	130	Toki Village	225
Vuinadi Village	175	Mataso Village	130	Vione Village	400
Bua Province		Nukuvou Village	88	Vutuna Village	215
Vatuboci & Cobue Joint Scheme	65	Solodamu Village	175	Vadravadra Village	225
Wainivesi & Cora Settlement	320	Lagalevu Settlement	100	Macuata Province	
Makolei Village & Immaculate School	115	Nabouwalu Village	185	Nadranoi Village	300
Dramoke Village	40	Narikoso Village	205	Vunitutu Village	100
Rewa Province		Natusara Primary School	205	Lau Province	
Laucala Settlement	70	Naloti Village	90	Dakuiloa Village	250
Davoa Settlement	95	Nakaugasele Village	70	Ra Province	
Dradramea Settlement	100	Tiliva Village	120	Namaumada Village	375



Newly constructed dam at Natadradave Village, Tailevu.



Laying of water pipes and installation of air valves at Natadradave Village, Tailevu.



Construction of concrete slabs and standpipes at Natadradave village Tailevu

Wastewater

The Wastewater Business Unit is responsible for the operations and treatment of domestic and industrial wastewater ensuring that standards are met before discharging. This is to ensure that:

- The efficient operation of the existing wastewater collection and treatment system
- The ongoing maintenance program for the Wastewater system.
- The upgrading works as per the recommendation of the operation team.
- The monitoring of the level of infiltration into the Wastewater system
- The extension of coverage and wastewater treatment facilities as per the recommendation of the Master Plan Studies.

Most of our WWTPs' are currently overloaded and the Planning Design and Construction unit are working on consolidation work that were carried out in Kinoya during these January to July 2018 financial year.

Augmentation Works - involves the construction (extension) of the existing WWTP to accommodate the increase in demand for the extension of wastewater coverage. There have been plans for some augmentation works which would include the installation of some of the new/modern WWTP in Suva and other urban centres.

The Upgrading/Augmentation works are programs in line with our Master Plan to ensure that we would be able to meet the requirement of our regulators as we progressively complete stages of our project implementation.

Collection System is the maintenance of our collection system. Our wastewater network around the country are maintained by our wastewater team to ensure that all complaint from customers are attended to at the earliest possible time and customers are satisfied with it. All complaints are monitored through the Gentrack System.

Verification Works consists of a team undertaking the work of verifying that all storm water system in houses are not connected to our system.

Planned Preventative Maintenance program involves the carrying out of planned maintenance program of all our wastewater assets. This is to ensure that all valves, major fittings are serviced/replaced when needed. This also include oil changes and paintings.

Disposal System is the disposing of all effluents from WWTP into receiving waters such as seas and rivers. It is essential that the effluent meets the standard as stipulated by our regulators and the Environment



Wastewater Verification

Inflow - occurs when rainwater is misdirected into sanitary sewer system from roof connections, improper inspection chamber lids, cracked manhole lids and cross connections from storm drains.



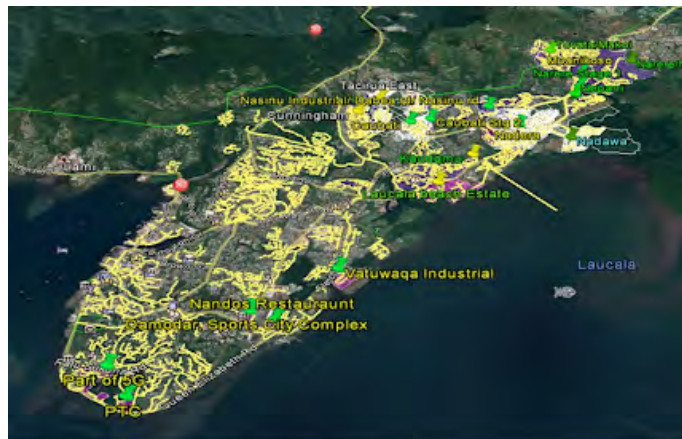
- The sludge being produced from the sewer is pumped into the anaerobic digesters for anaerobic decomposition. Through decomposition of the sludge matter, methane gas was produced.
- The biogas being generated in the anaerobic digesters is captured and flared in an enclosed biogas flaring unit
- Methane is a greenhouse gas (GHG) and has 25 times more global warming potential than carbon dioxide (CO₂).
- By recovering and destroying methane, the project leads to GHG mitigation. It is the first successful methane capture and combustion project using the wastewater system in the Pacific.

Benefits of the Project Activity

- These emission reductions are equivalent to carbon credits through data submission which generates revenue for WAF.
- Our First Issuance has been successfully approved by UN and WAF will be receiving the first carbon funding for reduction of approximately 22,000 tonnes of carbon dioxide equivalent using our wastewater system.
- Active participation in climate change activity by reduction of methane gas.
- Contribution towards sustainable development.
- Future Plans- use the same concept and convert the biogas for electricity generation.

Minister for Waterways, Hon. Dr. Mahendra Reddy delivering the keynote address at the opening of the Water Sanitation and Hygiene Summit 2018.

Coverage of Infiltration Verification in the Central Region



- Source Identification** - sources are identified in the field through various tests and activities. Prior to field testing residence and business owners will be notified. Some activities that will be conducted in the field are;
- House to house inspection for roof connections to sanitary system
 - Dye testing
 - CCTV investigation and pipe condition assessment
 - Defective manhole and private inspection chamber covers
 - Flow measuring at waste water pumping stations
 - Monitoring and recording of overflows during rainy weather
 - Rain and flow monitoring
 - House basement pump connection to sanitary sewer system
 - Quantifying the amount of storm water discharge into the system.

Remediation - once the source of Inflows & Infiltration is confirmed a 'Notice of Violation' will be issued to the land/house owner to remove all roof connections or any other storm connection to the sanitary sewer system within 14 days or further legal actions will be taken should the land/house owner failed to adhere.



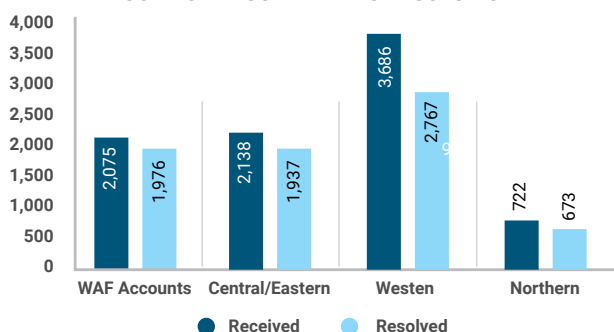
Customer Service SBU

Water Authority's customer service team interacts with organisation's customers to provide them with information to address inquiries regarding services provided by the organisation. In addition, they resolve any customer complaints. The three major complaints categories are as follows:

1. Billing Complaint
2. Production Complaint
3. Project Metering Complaint

Table below shows the regions and the major complaints closed within the timeline.

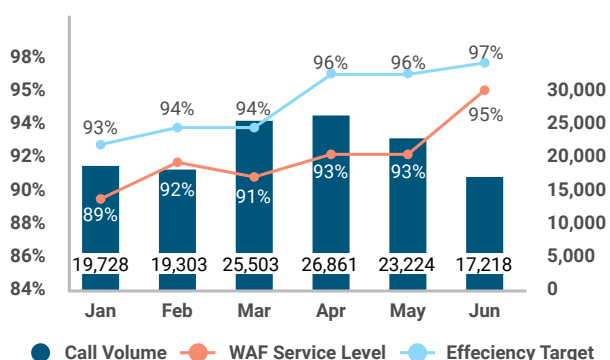
COMPUTER COMPLAINTS RESOLUTION



Call Centre Service Level

The target for the Call Centre service level is 80% and all calls are to be answered within 20 seconds - WAF's national call centre is a one-stop-shop and operates 24 hours, 7 days a week, to respond to queries and complaints. There are 14 trained customer care officers rostered over a 24 hour period shift, able to access the customers billing history online to answer account queries.

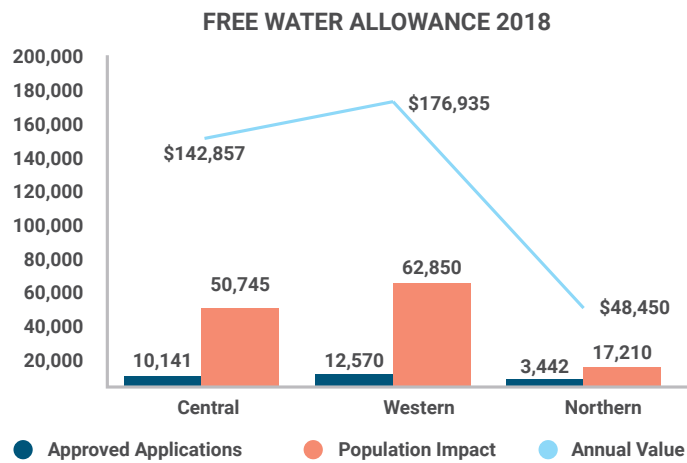
WAF CALL CENTRE



Customer Care Centres

WAF has customer care centres in Suva, Labasa, Namaka and Nausori. These centres Electronic Qmatic systems installed to monitor the service level target in comparison with the serving time. The grade of service for serving customers in the frontline is 80%. This means that the total number of walk in customers must be served within 15 minutes of waiting time.

Government Initiative Programs



Free Water Allowance

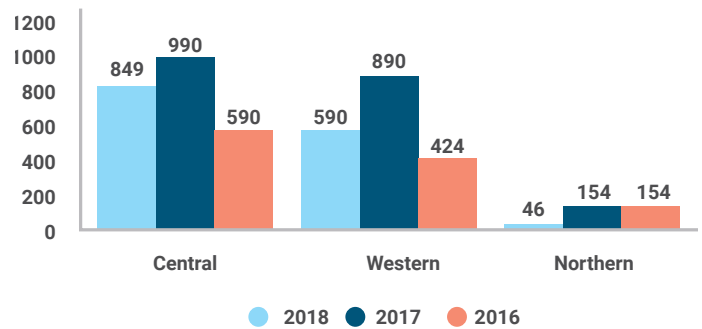
A total of 26,153 applications was approved for the first half year for free water allowance with an annual value of

\$191,306.91 and quarterly value of \$92,060.56.

Customer Care New Connections

A total of 1,485 meters were installed during the first six months in 2018 with the highest number of meters installed in the Central region. However, there were 27% fewer meters connected when compared to the six months meter connections in 2017.

HALF YEAR - NEW CONNECTION TREND FOR 3 YEARS



Liquid Trade Waste (LTW)

To discharge LTW into WAF's wastewater system, businesses are required to obtain a Provisional Permit. Duration of permit depends on the business compliance to the standards and permit conditions. Industrial Businesses are monitored every 6 months whereby samples of discharge are collected in order to determine the industry compliance to the national discharge standard. On the other hand, commercial businesses are monitored through their grease trap compliance therefore if a business complies and has a required volume and grease trap is clean, monitoring will be done annually whereas for those that do not comply are monitored every 6 months.

A total of 74 Liquid Trade Waste applications was generated this year with a total of 21 new permit & 53 renewal of permit generated.

A total of 1,605 site inspections of businesses were conducted in the early part of 2018. A total of 27 abatement notices were issued in the three regions until during these site inspections. In the content of the abatement notice issued, LTW customers are advised on immediate and compliance action required.

A total of 16 industries was sampled with one (1) large commercial laundry. Around 162 pump station sampling were conducted with 8 tanker sampling. Composite sampling method was used on industries and large commercial businesses whereas grab sampling method applies for pump station sampling and tanker sampling. Special monitoring was done for Crest Chicken (Feedmill) Waila, Suva every month.

Pictures of improper grease trap containing high amounts of FOG



Awareness

The unit was part of the World Water Day Celebration held in Lautoka on 22-23 March 2018. School students as well as the general public visited the booth for information and also to collect give away such as calendars and other stationery items. Pamphlets explaining the transportation and treatment of wastewater and industrial trade waste were also distributed.



Pictures from stakeholder consultations in Nadi during the 2018 dry spell.



WAF staff attending to a customer during the roadshow



Corporate Office SBU

Strategic Planning

Strategic Planning Unit (SPU) functions as a coordinating body, developing and implementing strategies that meet the objectives of the organisation. SPU is mandated to carry out the Construction and Formulation of Key Strategic Documents, identifying Innovation, identifying Opportunities, Forecasting and Planning, Analysis and Information Presentation to Management for decision making and new Business Development.

Listed below are some key deliverables of the unit for the period up to July of 2018.

Year 1 Review of the Strategic Plan 2017

Held on 26-27 March 2018 and attended by 100 participants from supervisor level and above positions. Discussions revolved around success stories involved in projects such as the Clean Development Mechanism project, Climate Change Adaptation program, SCADA, NRW/IMM – new technology and ADB special projects. A presentation on the Key Result Indicators (KRI) and the Key Action Items (KAI) for the year 2017 was also tabled for discussion.

Submission of PWWA Report

WAF's annual benchmarking report was submitted to the Pacific Water and Wastes Association (PWWA) in April. This allows WAF to be independently assessed with other member utilities in the Pacific region.

Public Sector Investment Program (PSIP) 2018/2019 Submission


In coordination with the Planning, Design and Construction, WAF's PSIP 2018/2019 submission to the government was prepared for the allocation of budget towards WAF projects.

Corporate Documents and Annual Reports

This included preparation of Half Year Reports for 2018 from respective strategic business units, draft Corporate Plan 2019, Statement of Corporate Intent 2019 Employment and Industrial Relations Plan and WAF 2016 Annual Report.

Enterprise Risk Management Framework

The unit spearheaded the implementation of the Enterprise Risk Management Framework for the Authority with the assistance of Mr Nigel Toms, the Corporate Risk Manager at Water Care Services Limited, New Zealand. The Enterprise Risk report was presented to the Executive Management for review before submission to the Board every quarter.



Legal

The Legal Unit plays a pivotal role as in-house Legal Counsels who act in a professional capacity and serve primarily to advance the needs of the Authority. The functional role of the Legal Unit is as follows:

- Providing legal advice and guidance to WAF, its management and employees;
- Work collaboratively with other strategic business units to communicate key action items for legal and regulatory compliance as required by the WAF Board of Directors;
- Handle day to day internal and external legal affairs;
- Overseeing the management of claims, lawsuits, contracts, filing of easements, filing of legal documents and reviews; and
- Effective representations of WAF's interests to internal and external stakeholders ensuring WAF's legal interests are maximised and decisions are consistent with overall WAF strategic objectives.

Criminal Litigation

In 2018 WAF successfully filed and prosecuted a total of 6 cases achieving 100% successful prosecution. The charges filed were in line with section 36 (1) of the WAF Act 2007 on destroying, damaging, tampering or willful interference with any WAF assets or otherwise commonly known as illegal connections.

Civil Litigation

WAF successfully defended itself in 2018 in a civil claim in the Ba Magistrate Court Civil Jurisdiction. The authority also defended a case in the Lautoka High Court whereby the Plaintiff filed an inter-parte motion seeking the Court to grant an injunction on the utilization of a disputed land for the rural water scheme to benefit the people of Naseyani. This matter was then settled before the matter proceeded to trial.

Conveyancing and Easement

As part of the process initiated in 2017 for legal registration of the easement on each personal property affected by the wastewater projects, the unit completed the filing of 38 Easement Certificates which were registered against personal titles of properties of lot owners affected under the project with the Registrar of Titles office.

Contract

With the Capex Grant received from the government, a number of projects that were initiated in 2018 required engagement of International Contracting Standards i.e. FIDIC ('Fédération Internationale des Ingénieurs - Conseils') translated from French as The International Federation of Consulting Engineers. In engaging these strategic partners, a total of 23 contracts were compiled by the team in the year 2018. .

Internal Audit

The role of the internal audit unit is to provide independent assurance that the organization's risk management, governance and internal control processes are operating effectively.

Jan-July Achievements:

- The unit handled 38 cases whereby 31 of the cases were Investigations Reports
- 7 were Special Audit Reports
- Two cases were presented before the Courts
- Frequent spot checks were conducted at all the WAF Stores, Cashiers Till Count, Petty Cash and the Water Cart Operations in the regions
- Compliance checks were carried out to ascertain the accuracy of information provided by the Supplier and to mitigate any fraudulent and collusive activity:

Corporate Communication

The Corporate Communications team played an active role in the engagement between WAF and other stakeholders on the awareness of matters relating to water and wastewater. The team assisted the CEO and other board members in being the spokesperson for the organisation at all media engagements.

Listed below are major events covered by the team for the period January to July of 2018:

- Press conference on the major water shutdown in the Western Division (3rd to 6th February) by board director Mr Kamal Gounder, Chief Operating Officer, Mr Samanmal Ekanayake and Chief Financial Officer, Mr Michael Lal.
- Gender Campaign with a marketing agency, Pacific Reach Limited, encouraging women to join the workforce by highlighting women's careers at WAF through TV advertisements and social media Facebook.
- Plant Hire and Suppliers Forum at Holiday Inn in Suva.
- PWWA & ADB Workshop in Nadi.
- World Water Day in Lautoka.
- HR Awareness in the North.
- Assessing damages by taking pictures of WAF assets damaged by Tropical Cyclone Josie, with the Operations team.
- Dissemination of situation reports during Tropical Cyclone Keni
- Producing radio and TV advertisements in i-Taukei, English and Hindi languages on Boil and Store Drinking Water across six radio stations and one ad on English TV.



Press Conference on Nagado Water Shutdown

Human Resources

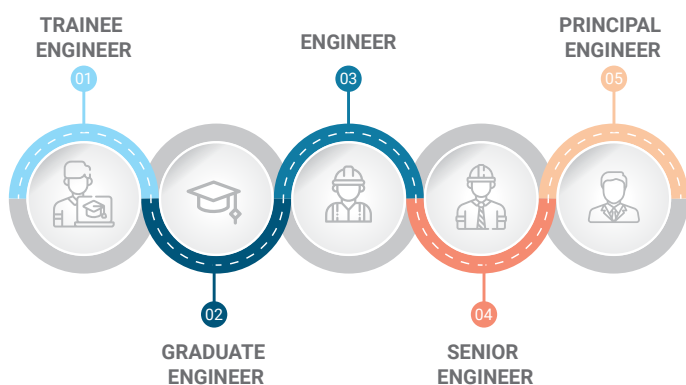
The core function of the Human Resources Department is to plan, develop, and administer policies and programs designed to make expeditious use of the Water Authority of Fiji's human capital. The Human Resources Department comprises the following sub-sections:

Recruitment & Selection Unit - Permanent and Projects

WAF adopted the Open Merit-Based Recruitment & Selection (OMRS) on 24 January 2018 as the system of recruiting employees based on their ability to carry out the job as per their Knowledge, Experience, Skills and Abilities. All Job Descriptions for Full-Time Employees (FTE) were reviewed as well as for the Projects Staff and the Online Recruitment went live.

To retain Engineers, WAF introduced the Graduate & Career Progression Program, which has successfully recruited graduate engineers from the University to get specialized training in different fields of the organisation.

Training & Development Pathway for Graduate Trainees



Training and Development Unit

The unit was involved in getting staff to undergo training at various local and overseas training institutions as follows: -

1. Flow Measurement and Control Techniques/ Software in Industrial process & water distribution system – overseas training from 15th March to 15th May.
2. Master of Professional Engineering – Chemical & Bio-molecular from 24th January 2018 to 20th December 2020.
3. Master of Engineering – Civil from 24th January 2018 to 20th July 2019.
4. Postgraduate Program in Reef to Ridge from June 2017 - May 2019.
5. Advance Diploma in Industrial Automation from 9th October 2017 to 9th March 2019.
6. Bachelor of Engineering Program majoring in Civil at Fiji National University from 12th September 2017 to 17th November 2018.
7. Bachelor of Civil Engineering at the Fiji National University from 23rd March 2017 to 17th November 2018.

Other Programs

1. Environment Management Unit Training Workshop from 8th – 9th May 2018.
2. Water Care Twinning Program from 21st – 25th May 2018.
3. Customs Law Training Course on 26th May 2018.
4. OMRS Training held on 14th and 25th May 2018.
5. Investigators Training held in Central from 29-31/05/2018. West session on 22-24/05/2018 and the North held from 16th – 18th May 2018.
6. Hyper-Convergence & Network Security Event from 14th – 20th May 2018.
7. 2018 Institute of Internal Auditors Conference from 15th – 16th June 2018

Employment Relations

- Log of Claims discussions on Log of Claims between the National Union of Workers and Fiji Public Service Association with WAF.
- The Human Resources Policy Manual was reviewed to align the terms and conditions of employment in the workplace to best practices and benchmarks according to Employee Relations Act 2007.
- Labour-Management Consultative Committee (LMCC) level coordination and the first meeting for the year held at Lautoka on 25th May 2018.

Occupational Health & Safety

Development and Implementation of Occupational Health and Safety Management System

WAF engaged a consultant out of Australia from JTA Health, a Safety & Noise specialist to develop and implement the Occupational Health and Safety Management System (OHMS) management system in all facets of operation.

Statutory Inspection of Plant and Machinery

OHS unit is committed to ensuring that all WAF owned plants and equipment are inspected and certified by the Ministry of Labour's field operation team.

Plants and equipment inspected and certified by MOE's field operation team included Overhead cranes, Sling wire ropes, Air receivers, Chain blocks, Shackles, Swivel hooks, Electrical hoist, Fibre slings, and Pallet jacks, to ensure the safety of our staff.



OHS training conducted on site

Corporate Governance

Role of the Board

The Board is responsible for establishing the Authority's strategic direction, the setting of objectives, policy guidelines and goals for management, and monitoring the achievement of these matters. The Board also reviews the Business Plan, the Corporate Plan and Statement of Corporate Intent, the Industrial Relations plan and approves Operating and Capital Budgets each year.

Composition of the Board

The Chairman and the five other members of the WAF Board of Directors are appointed by the Minister responsible for Infrastructure and Transport in consultation with the Minister responsible for Economy. Board members are appointed for a term not exceeding three years and are eligible for re-appointment at the end of that term.

Duties and Obligations of the Board

All Directors shall act at all times in a manner to advance the interests of the Authority and its customers, comply with the obligations of Directors under the WAF Act 2007 and implement any Government policy, consistent with the functions of the Authority, given to the Board by the Minister. No Director will publicly disclose any matter relevant to the Board's deliberations unless authorised to do so or as required by law.

Disclosure of Interest

Directors will disclose any direct or indirect interest they may have in any matter that is being considered or is about to be considered by the Board. Any such disclosure will be recorded in the meeting's minutes and while the matter is under discussion, the Board member will leave the meeting, without affecting the quorum for the meeting.

Board Meetings

The Board held 7 regular meetings during the period that ended 31 July 2018. The Board's regular business during its meetings was concerned with corporate governance, financial performance, risk management and strategic matters.

WAF Board Meetings 2018	
No.	Dates
1	14th February 2018
2	5th March 2018
3	13th April 2018
4	24th April 2018
5	14th May 2018
6	4th June 2018
7	2nd July 2018





Financial Statements

For The 7 Months Period Ended 31 July 2018



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Financial Report

Water Authority of Fiji - Annual Report January to July 2018

Directors' Report

For The 7 Months Period Ended 31 July 2018

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Water Authority of Fiji (the "Authority") as at 31 July 2018 and the related statements of comprehensive income, statement of changes in equity and statement of cash flows for the seven months ended on that date. The Water Authority of Fiji was established 1 January 2010 as a commercial statutory authority in accordance with the Water Authority of Fiji Act of 2007.

Directors

The names of Directors in office at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

Board member	Appointed	End of Contract
Mr Bhavesh K Patel (Chairman)	01/03/2018	Current
Mr P.L. Munasinghe	01/03/2018	Current
Mr Umarji Musa	28/02/2018	Current
Mr Vijay P Maharaj	01/03/2018	01/03/2021
Mr Hemant Kumar	24/04/2018	Current
Mr Kamal Gounder	13/10/2016	Current
Ms Lyanne Vaurasi	14/02/2021	Current

State of affairs

In the opinion of the directors, the accompanying statements of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2018 and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Authority for the year then ended.

Trading results

The net loss for the period ending 31 July 2018 amounted to \$33,936,225 (2017 - 12 months: Loss \$61,773,206).

Dividends

The directors recommend that no dividends be declared or proposed for the period.

Principal activity

The principal activity of the Authority during the course of the financial period was to harvest, treat and reticulate water for supply to its customers and to establish, operate and maintain systems for the provision of water and waste water services.

Current assets

The directors took reasonable steps before the Authority's financial statements were prepared to ascertain that the current assets of the Authority were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

Non-current assets

Upon establishment of the Authority, under the Water Authority of Fiji Act 2007 ("the Act"), Property, plant and equipment were vested in the Authority under the Act amounting to \$1,888,909,608. The valuation of

these Property, plant and equipment was carried out in 2006 and this value became the 'deemed cost' to the Authority as at 1 January 2010.

On 10 June 2021, the Board of Directors passed a resolution for management to carry out an evaluation of the Authority's property, plant and equipment. Tender FIN 066/2022 was called on 17 March, 2022 for the engagement of a consulting firm that will assist WAF in determining a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and asset management procedures. The following works will be undertaken as part of the valuation exercise:

- Assessment of sectoral and entity issues on the development of an asset management plan;
- Review and analysis of assets inventory which includes proper accounting of capital assets, together with its remaining useful economic life and review of depreciation rates;
- Review of the fixed assets policies and procedure including gaps analysis on the asset inventory and revaluation and identify appropriate knowledge and expert needed to support asset valuation;
- Implementation of comprehensive capacity strengthening program & network;
- Valuation of assets in accordance with International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS);
- Preparation of a complete, detailed and accurate report of all WAF assets; and
- Development of a corporate procedure for periodic physical verification of the condition and location of assets.

This exercise is expected to address the qualification raised by the Auditor General on the opening balance of property, plant and equipment of \$1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the qualification raised on plant and equipment with zero book value.

The Authority is working to obtain legal ownership of leasehold land amounting to \$209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007 (the Act), leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 1996, relating to the transfer of assets.

Other Receivables

The directors took reasonable steps before the Authority's financial statements were made out to ascertain that all receivable was recorded and adequate allowance was made for impairment losses.

At the date of this report, the directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Going Concern

The financial statements of the Authority have been prepared on a going concern basis. We consider the application of going concern principle to be appropriate in the preparation of these financial statements and we believe that the Authority has adequate funds to meet its liabilities as and when they fall due in the next 12 months, with the support of quarterly RIE contributions from Government.

Related party transactions

All related party transactions have been adequately recorded in the financial statements.



Financial Report

Water Authority of Fiji - Annual Report January to July 2018

Events subsequent to balance date

Subsequent to year end, the World Health organization (WHO) declared the Coronavirus (COVID 19) a “Public Health Emergency of International concern”. The impact of COVID-19 outbreak on public health and the economy in Fiji and globally is expected to affect the overall operation of the Authority including liquidity and cash flows for subsequent years. Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2018 financial statements is not expected to be material.

The Chief Executive Officer position was vacated in December 2017 and subsequently filled in December 2019. On 19 May 2021, the CEO position became vacant again and later filled in 28 March 2022.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

Other circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the accounts to be misleading.

The results of the Authority’s operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Change in Accounting period

The Government changed its accounting period from calendar year to balance date 31st July in 2016. Accordingly to align with Government accounting period, the Authority changed its balance date from 31 December to 31st July. Hence, these Financial Statements cover a period of 7 months from 1st January 2018 to 31st July 2018.

Directors’ interests

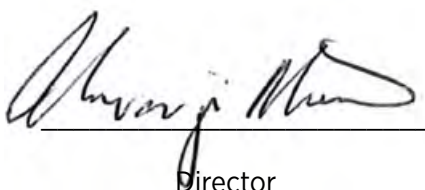
No Director of the Authority has, since the end of the financial period, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the Authority’s financial statements) by reason of a contract made with the Authority or a related corporation with the director or with a firm of which he or she is a member, or in a Authority in which he/she has a substantial financial interest.

Dated at Suva this 30th day of APRIL 2022

Signed in accordance with a resolution of the Directors.



Director



Director



Statement By The Directors


For The 7 Months Period Ended 31 July 2018

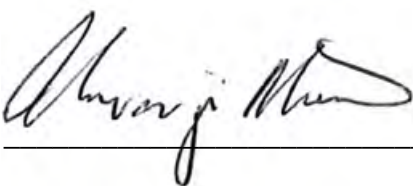
In the opinion of the Directors of Water Authority of Fiji:

- a) 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 seven months period ending 31 July 2018;
- b) 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 seven months period ending 31 July 2018;
- c) 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 July 2018;
- d) 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 seven months period ending 31 July 2018
- e) at the date of this statement there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due; and
- f) all related party transactions have been adequately recorded in the books of the Authority.

Dated at Suva this 30th day of APRIL 2022.

Signed in accordance with a resolution of the Directors.



Director

Director

Financial Report

Water Authority of Fiji - Annual Report January to July 2018

Independent Auditors Report

For The 7 Months Period Ended 31 July 2018

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



File: 1277

5 May 2022

Mr. Bhavesh K Patel
The Chairman
Water Authority of Fiji
Manohan Building
NASINU

Dear Mr. Patel

WATER AUTHORITY OF FIJI

AUDITED FINANCIAL STATEMENTS FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2018

The audited financial statements for Water Authority of Fiji for the 7 months period ended 31 July 2018 together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audit have been forwarded to the management of Authority for necessary action.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

Encl.

cc: Dr. Amit Chanan– The Chief Executive Officer, Water Authority of Fiji

Independent Auditors Report

For The 7 Months Period Ended 31 July 2018

OFFICE OF THE AUDITOR GENERAL

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



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Water Authority of Fiji

Report of the Audit of the Financial Statements

Opinion

I have audited the financial statements of Water Authority of Fiji ("the Authority"), which comprise the statement of financial position as at 31 July 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the 7 months period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 July 2018, and of its financial performance and its cash flows for the 7 months period then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Emphasis of Matter

I draw attention to the following matters:

1. The opening balance of Property, Plant and Equipment amounting to \$1,888,909,608 for the year ended 31 December 2010 was not subject to valuation at the time of the transfer to Water Authority of Fiji. The valuation of these assets was carried out in 2006. Note 13 to the financial statements discloses the Board's decision to engage a consulting firm to undertake the valuation exercise of its critical assets. As disclosed under Note 13, the Authority on 17 March, 2022 called for tender for the engagement of a consulting firm to determine a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and asset management procedures.
2. Note 25 (a) has disclosed the impact of COVID-19 pandemic. The management has stated that there is nil impact of the virus on the amounts and estimates reported or used in the preparation of 2018 financial statements.

My opinion is not qualified in respect of these matters.

Financial Report

Water Authority of Fiji - Annual Report January to July 2018

Independent Auditors Report

For The 7 Months Period Ended 31 July 2018

Other information

The directors and management are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors Report

For The 7 Months Period Ended 31 July 2018

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Water Authority of Fiji Act 2007 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
05 May 2022

Financial Report

Water Authority of Fiji - Annual Report January to July 2018

Statement of Comprehensive Income

For The 7 Months Period Ended 31 July 2018

	Note	2018 7 months	2017 12 months
		\$	\$
Revenue	5	49,165,008	78,899,685
Other income	6	45,100,303	48,747,566
Total Revenue		94,265,311	127,647,251
Personnel expenses	8	(26,648,438)	(33,950,443)
Operating expenses	7	(75,264,245)	(98,732,047)
Loss from operations before depreciation, amortization and finance income		(7,647,372)	(5,035,239)
Depreciation & amortization	13, 13a & 14	(26,813,495)	(56,892,377)
Finance income	9	524,642	154,410
Loss for the period		(33,936,225)	(61,773,206)
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(33,936,225)	(61,773,206)

The accompanying notes form an integral part of the statement of comprehensive income.



Statement of Changes in Equity

For The 7 Months Period Ended 31 July 2018

	Note	Contributed equity	Accumulated losses	Total
		\$	\$	\$
Balance at 1 January 2017		1,746,452,278	(301,827,102)	1,444,625,176
Loss for the year		-	(61,773,206)	(61,773,206)
Transfer of water and sewerage bills collected to Government of Fiji Consolidated Fund Account		(11,464)	-	(11,464)
Balance as at 31 December 2017		1,746,440,814	(363,600,308)	1,382,840,506
Loss for the period		-	(33,936,225)	(33,936,225)
Increase/(Transfer) of bill pay to Government Contributed Equity		3,097,476	-	3,097,476
Balance at 31 July 2018		1,749,538,290	(397,536,533)	1,352,001,757

The accompanying notes form an integral part of the statement of changes in equity.



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Water Authority of Fiji - Annual Report January to July 2018

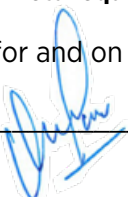
Statement Of Financial Position

As at 31 July 2018

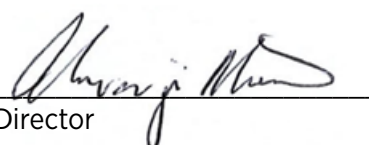
	Note	2018 7 months	2017 12 months
		\$	\$
Non-current assets			
Property, plant and equipment	13	1,786,429,457	1,769,830,071
Right of use of assets	13a	6,513,160	-
Intangible assets	14	435,174	825,440
Total non-current assets		1,793,377,791	1,770,655,511
Current assets			
Cash and cash equivalents	10	82,720,856	62,578,916
Other receivables	11	6,113,393	22,246,585
Inventories	12	28,123,685	31,273,648
Held-to-maturity investments	15	1,328,739	1,326,710
Other assets and prepayments	16	679,331	922,430
Total current assets		118,966,004	118,348,289
Total assets		1,912,343,795	1,889,003,800
Equity			
Contributed equity		1,749,538,290	1,746,440,814
Accumulated losses		(397,536,533)	(363,600,308)
Total equity		1,352,001,757	1,382,840,506
Current liabilities			
Trade and other payables	17	24,385,149	28,938,966
Provision for employee entitlements	20	723,614	405,078
Deferred revenue – capital grant	18	44,364,944	43,891,010
	19	555,167	3,807,243
Lease liability	21	964,561	-
Total current liabilities		70,993,435	77,042,297
Non-current liabilities			
Deferred revenue – capital grant	18	417,599,274	365,701,621
ADB funded grant	19	66,116,285	63,419,376
Lease liability	21	5,633,044	-
Total non-current liabilities		489,348,603	429,120,997
Total liabilities		560,342,038	506,163,294
Total equity and liabilities		1,912,343,795	1,889,003,800

Signed for and on behalf of the Board of Directors

Director



Director



The accompanying notes form an integral part of the financial position.

Statement Of Cash Flows

For The 7 Months Period Ended 31 July 2018

	Note	2018 7 months	2017 12 months
		\$	\$
Operating activities			
Receipts of Government Revenue		26,907,006	45,673,267
Receipt from Government Grant & Other Income	5	49,165,008	78,899,685
Payment to suppliers and employees		(85,806,243)	(140,218,285)
Payment to Government – Consolidated Fund Account	27 (ii)	(26,907,006)	(45,673,267)
Net cash flows used in operating activities		(36,641,235)	(61,318,600)
Investing activities			
Receipt from Government – capital grant		99,222,635	169,576,635
Refund for rural contribution projects		(25,932)	-
Payments for property, plant and equipment		(42,463,251)	(79,983,603)
Net cash flows from investing activities		56,733,452	89,593,032
Financing activities			
Repayment of finance lease		-	(91,458)
Payment for lease liabilities		(474,919)	-
Proceeds from interest income		524,642	154,410
Net cash flows from financing activities		49,723	62,952
Net increase in cash and cash equivalents		20,141,940	28,337,384
Cash and cash equivalents at 1 January		62,578,916	34,241,532
Cash and cash equivalents at end of financial period/year	24	82,720,856	62,578,916

The accompanying notes form an integral part of the statement of cash flows.

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Water Authority of Fiji - Annual Report January to July 2018

Notes To And Forming Part Of The Financial Statements

For The 7 Months Period Ended 31 July 2018

1. Reporting Entity

Water Authority of Fiji (the "Authority") is a corporate body with perpetual succession and a common seal established under the Water Authority of Fiji Act 2007 in Fiji. The address of the Authority's registered office is the Corner of Wainivula Road, Nasinu.

The principal activity of the Authority during the course of the financial period was to harvest, treat and reticulate water for supply to its customers and to establish, operate and maintain systems for the provision of water and waste water services. Other functions of the Authority are stated in section 7 of the Water Authority of Fiji Act 2007.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and the requirements of the Water Authority of Fiji Act 2007. The financial statements were approved by the Board of the Directors on _____.

New standards and interpretations Adopted.

The authority has adopted the following new standards effective from 1 January 2018:

IFRS 16 - Leases

IFRS 9 Financial Instruments - No Financial Implications on Financial Statements - (Voluntary Disclosures)

New standards not applicable

IFRS 15 - Revenue from Contracts with Customers (Not relevant due non -recognition of water & waste water charges as the authority's revenue)

b) Basis of measurement

The financial statements have been prepared on a historical cost basis except where stated. The accounting policies have been consistently applied by the Authority.

c) Functional and presentation currency

The financial statements are presented in Fiji dollars, which is the Authority's functional currency. All financial information presented in Fiji currency has been rounded to the nearest dollar.

d) Use of estimates and judgments

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes

Note 3(b) - Property, plant and equipment

Note 3(c) - Financial instruments

Note 3(f) - Impairment



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies

a) Foreign currency transactions

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Fiji dollars at the exchange rate at that date. The foreign currency gains or losses on translation are recognised in profit or loss.

b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment inherited by the Authority from the Water and Sewerage Department prior to 1 January 2010 are measured at optimised replacement cost and additions thereafter are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Authority and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Property, plant and equipment including leasehold land, building, furniture and fittings, plant & equipment and motor vehicles, but excluding freehold land is depreciated using the straight line method, at rates which will write off the costs of those assets over their expected useful lives. Leasehold land is amortised over the period of lease. The method of write off and the rates used are those considered appropriate to each class of asset.

The depreciation rates for each class of assets are as follows:

Feeder Roads, Access Roads, Footpaths, Sealed Roads, Gravel, Concrete Driveways, Gravel Driveways, Crossings, Entrance Roads, Track from Main Road	14.29%
Water Distribution Equipment	1% - 5%
Sewerage Equipment	1% - 5%
Furniture and fittings	7% - 12%
Office Equipment	3% - 12%
Motor vehicles	20%

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

Office Computers	33%
Intangibles	33%
Leasehold Lands	Over the Lease Period
Building Improvements - Timber	1.25% - 2.5%
Building Improvements - Concrete	3.34% - 6.67%
Building Improvements - Steel	1.25% - 4.5%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Financial instruments

i) Non-derivative financial assets

The Authority initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Authority becomes a party to the contractual provisions of the instrument.

The Authority derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Authority is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and other assets excluding prepayments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Authority initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Authority becomes a party to the contractual provisions of the instrument.

The Authority derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.



Notes To And Forming Part Of The Financial Statements **Continued**

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Authority has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Trade payables, provisions and other payables

Trade and other payables are stated at cost. A provision is recognised in the statement of financial position when the Authority has legal or constructive 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of construction overheads based on normal operating capacity. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

e) Leased assets

Leases in terms of which the Authority assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

f) Impairment

The carrying amounts of the Authority's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").



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Water Authority of Fiji - Annual Report January to July 2018

Notes To And Forming Part Of The Financial Statements **Continued**

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

The Authority's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

g) Employee benefits

Superannuation

Contributions are paid to the Fiji National Provident Fund for the employees retirement benefits. Costs are included in profit or loss.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided.

A liability is recognised for the amount to be paid under short-term benefits if the Authority has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

h) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts, and foreign exchange gains and losses arising on sales transactions. Revenue is recognised for the major business activities as follows:

Government Grants

Unconditional government grant related to operating expenses are recognised in profit or loss as income when the grant becomes receivable.

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

Government Revenue

The Authority has determined that it is an agent for the Government to administer the supply of water and waste water services. As a result, amounts collected from customers for the provision of water and waste water services is not considered revenue for the Authority. Amounts collected from water and waste water customers are deposited in the Government Consolidated Fund Account.

i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.



Notes To And Forming Part Of The Financial Statements **Continued**

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

j) Finance income and finance costs

Finance income comprises interest income on short - term bank deposits and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and changes in the fair value of financial liabilities at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

k) Income tax

The Authority's revenue is exempted from Income tax as per a letter from Fiji Revenue & Customs Authority, dated 3rd February 2017. The letter states the Authority's revenue is an exempt income under Part 1(2) of the Income Tax Regulation 2016.

i) Value Added Tax (VAT)

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

- i. Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- ii. For trade receivables and trade payables which are recognised inclusive of VAT.
- iii. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.
- iv. The tariff rates charged to customers for water and wastewater are zero rated.

l) Change in accounting policy and disclosures

IFRS 16 Leases

The Authority early adopted IFRS 16 Leases with a date of initial application of 1 January 2018. As a result, the Authority has changed its accounting policy for lease contracts as detailed below.

The Authority applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2018. The details of the changes in accounting policies are disclosed below.

i) Definition of a lease

Previously, the Authority determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Authority assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Authority elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2018

ii) As a lessee

As a lessee, the Authority previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases - i.e. these leases are on-balance sheet.

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Notes To And Forming Part Of The Financial Statements **Continued**

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

The Authority decided to apply the recognition exemption to short-term leases of property and leases for which the underlying asset is of low value.

For leases of assets, which were classified as operating under IAS 17, the Authority recognised right-of-use assets and lease liabilities.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Authority's incremental borrowing rate as at 1 January 2018. Right-of-use assets are measured at either:

- their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application - the Authority did not apply this approach; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments - the Authority applied this approach to all leases.

The Authority used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with similar characteristics.
- adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- excluded initial direct costs from measuring the right of use asset at the date of initial application.
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(b) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2018 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. The Authority had no finance leases under IAS 17.

iii) As a lessor

The Authority is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

iv) Impact on financial statements

On transition to IFRS 16, the Authority recognised \$6,513,160 of right-of-use assets and \$6,597,605 of lease liabilities.

When measuring lease liabilities, the Authority discounted lease payments using its incremental borrowing rate at 1 January 2018. The weighted-average rate applied is 8%.

Leases policy note

The Authority has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of

Notes To And Forming Part Of The Financial Statements **Continued**

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

l) Change in accounting policy and disclosures (continued)

accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes.

Policy applicable from 1 January 2018

At inception of a contract, the Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Authority and the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Authority has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Authority has the right to direct the use of the asset. The Authority has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Authority has the right to direct the use of the asset if either:
 - the Authority has the right to operate the asset; or
 - the Authority designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2018.

At inception or on reassessment of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i) **As a lessee** **Under IFRS 16**

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Authority's incremental borrowing rate. Generally, the Authority uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

I) Change in accounting policy and disclosures (continued)

(i) As a lessee

Under IFRS 16

- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Authority is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, or if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Authority presents right-of-use assets and lease liabilities separately in the statement of financial position.

IFRS 9 Financial Instruments

The Authority has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement*.

The nature and effects of the key changes to the Authority's accounting policies resulting from its adoption of IFRS 9 are summarised below.

As a result of the adoption of IFRS 9, the Authority adopted consequential amendments to IAS 1 Presentation of Financial Statements which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and Other Comprehensive Income (OCI). Additionally, the Authority adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but generally have not been applied to comparative information.

i. Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

For an explanation of how the Authority classifies and measures financial assets and accounts for related gains and losses under IFRS 9, see Note 3 (c)

The adoption of IFRS 9 has not had a significant effect on the Authority's accounting policies for financial liabilities.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

IFRS 9 Financial Instruments (continued)

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 (2014) have been applied retrospectively, except as described below.

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
- The determination of the business model within which a financial asset is held.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Authority assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The following table summarises the impact, net of tax, of transition to IFRS 9 on retained earnings at 1 January 2018.

iv. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

Retained earnings	\$
Closing balance under IAS 39 (31 December 2017)	(363,600,308)
Recognition of expected credit losses under IFRS 9	0
Opening balance under IFRS 9 (1 January 2018)	(363,600,308)

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Authority's financial assets and financial liabilities as at 1 January 2018.

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			\$	\$
Debt securities	Held to maturity	Amortised Cost	1,326,710	1,326,710
	Loans & Receivables	Amortised Cost	62,578,916	62,578,916
Total Financial Assets			63,905,626	63,905,626
Financial Liabilities				
Trade & Other Payables	Other Financial Liabilities	Other Financial Liabilities	28,938,966	28,938,966
			28,938,966	28,938,966

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

3. Significant accounting policies (continued)

m) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

4. Financial risk management

Overview

The Authority has exposure to the following risks:

- (i) Credit risk
- (ii) Liquidity risk;
- (iii) Market risk; and
- (iv) Capital management

This note presents information about the Authority's exposure to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk, and the Authority's management of capital. Further quantitative disclosures are included throughout these financial statements

Risk management framework

The executive management is responsible for managing the risks of the Authority on a daily basis. There are established policies and procedures for the key business to manage the risks and develop a strong control environment.

i) 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 cash at bank and receivables.

The Authority does not require collateral in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk at reporting date is as follows:

	2018	2017
	7 months	12 months
	\$	\$
Cash at bank	82,709,416	62,567,386
Other Receivables	6,113,393	22,246,585
Other assets excluding prepayments	88,456	105,925
	88,911,265	84,919,896

ii) 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.



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

4. Financial risk management (continued)

ii) Liquidity risk (continued)

31 July 2018	Carrying amount	6 months or less	6 - 12 months	More than 1 year
Financial assets	\$	\$	\$	\$
Cash and cash equivalents	82,720,856	82,720,856	-	-
Other receivables	6,113,393	76,971	4,934,950	1,101,472
Other assets excluding prepayments	88,456	-	-	88,456
	88,922,705	82,797,827	4,934,950	1,189,928
Financial liabilities	\$	\$	\$	\$
Trade and other payables	24,385,149	2,279,039	22,106,110	-
	24,385,149	2,279,039	22,106,110	-

31 December 2017	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	62,578,916	62,578,916	-	-
Other receivables	22,246,585	20,949,694	1,296,891	-
Other assets excluding prepayments	105,925	-	-	105,925
	84,931,426	83,528,610	1,296,891	105,925
Financial liabilities	\$	\$	\$	\$
Trade and other payables	28,938,966	571,965	28,367,001	-
	28,938,966	571,965	28,367,001	-

iii) 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 holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Authority does not have any significant risks in these areas.

Price risk

The Authority does not have investments in equity securities and hence is not subject to equity securities price risk.

Cash flow interest rate risk

As the Authority's interest bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates.

iv) Capital management

the Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Authority monitors capital on the basis of the gearing ratio. The gearing ratios at 31 July 2018 and 31 December 2017 were as follows:

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

4. Financial risk management (continued)

	2018	2017
	7 months	12 months
	\$	\$
Total liabilities excluding deferred income and employee entitlements	30,982,754	28,938,966
Total assets	1,912,343,795	1,889,003,800
Gearing ratio	1.62%	1.53%

5. Revenue

	2018	2017
	7 months	12 months
	\$	\$
Government grant	49,165,008	78,899,685
	49,165,008	78,899,685

6. Other income

Transfer from deferred revenue	44,920,111	47,698,253
Other income	180,192	1,049,313
	45,100,303	48,747,566

7. Operating expenses

Chemical usage	1,787,599	2,123,106
Directors fees	50,773	35,954
Water and electricity	12,163,934	22,532,211
Fuel and oil	1,477,599	1,891,873
Plant and equipment hire	14,875,673	14,192,790
Professional fees	139,891	3,379,654
Repairs and maintenance	38,739,116	44,144,269
Telephone and communication	1,587,490	2,408,263
Travel & accommodation	1,081,564	915,033
Land compensation	185,035	645,374
Insurance	466,996	877,000
Office supplies, printing, stationary and upkeep	455,192	625,163
Rent & security	539,340	1,748,123
Advertising & awareness	320,650	276,281
National Fire Authority refunds	214,110	404,380
Others	1,179,283	2,532,573
	75,264,245	98,732,047



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

8. Personnel expenses

	2018	2017
	7 months	12 months
	\$	\$
Salaries and wages	22,803,400	29,190,577
Annual leave	1,565,657	1,337,073
Fiji National Provident Fund	1,182,818	2,582,425
Staff welfare	1,096,563	840,368
	26,648,438	33,950,443
The number of employees during the year was:	1,207	1,207

9. Finance income and expenses

Finance income		
Interest income on short-term bank deposits	524,642	154,410
	524,642	154,410

10. Cash and cash equivalents

Cash at bank	82,709,416	62,567,386
Petty Cash	11,200	11,200
Cash on Hand	240	330
	82,720,856	62,578,916

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. Short term deposits are made from varying periods of between one day and three months, depending on the immediate cash requirements of the Authority, and earn interest at the respective short term deposit rates.

At 31 July 2018, the Authority had a \$27.9 m LC facility with BSP to comply with the contractual obligations of its several major Capital projects. In addition, the Authority held cash of \$620,216 (2017: \$276,172) on Billpay accounts with ANZ, WBC and Bred bank that is restricted to be deposited to the Government of Fiji Consolidated Fund account as collection received on water and waste water revenue. Furthermore, the Authority has \$1.192m held as Retention for Outsource contractual works, performance bond of \$192,521 and tender deposits held amounting to \$234,006.

11. Other Receivables

VAT receivable	5,518,417	6,902,562
Other receivables	594,976	15,344,023
	6,113,393	22,246,585

12. Inventories

Spare parts and tools	29,071,185	32,221,148
Provision for Spare & tools	(947,500)	(947,500)
Stock on Hand	28,123,685	31,273,648

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

13. Property, plant and equipment

Cost	Land and Buildings	Water and Distribution Equipment	Sewerage Equipment	Motor Vehicles	Office Equipment	Office Computers	Furniture and Fittings	Work in Progress - Capex	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2017	408,241,974	1,371,136,918	279,900,209	12,729,202	5,632,530	3,556,656	399,876	86,898,231	2,168,495,596
Additions	788,166	1,268,447	114,240	168,807	4,595,278	554,602	78,216	113,185,860	120,753,616
Disposals	-	-	-	-	-	-	-	(40,258,657)	(40,258,657)
Transfer	-	14,857,984	2,694,196	-	741,871	-	193,179	(18,998,294)	(511,064)
Reclassification	506	(3,308)	2,508	-	1	1	871	-	579
At 31 December 2017	409,030,646	1,387,260,041	282,711,153	12,898,009	10,969,680	4,111,259	672,142	40,827,140	2,248,480,070
Additions	822,783	1,586,724	58,609	316,000	1,631,060	343,871	114,487	76,584,598	81,458,132
Disposals*	-	-	-	-	-	-	-	(38,994,881)	(38,994,881)
Transfer	-	45,499,133	8,178,835	-	-	-	-	(53,677,968)	-
Reclassification	-	-	-	-	-	-	-	-	-
At 31 July 2018	409,853,429	1,434,345,898	290,948,597	13,214,009	12,600,740	4,455,130	786,629	124,738,889	2,290,943,321
Depreciation and impairment									
At 1 January 2017	148,354,313	221,130,990	42,162,384	6,968,609	1,196,503	2,424,044	189,226	-	422,426,069
Depreciation & amortization charge for the year	19,610,380	27,213,137	5,521,424	2,092,715	983,367	724,440	77,888	-	56,223,351
Reclassification	-	(291)	-	-	-	-	870	-	579
Disposals	-	-	-	-	-	-	-	-	-
At 31 December 2017	167,964,693	248,343,836	47,683,808	9,061,324	2,179,870	3,148,484	267,984	-	478,649,999
Depreciation & amortization charge for the year	4,657,844	15,767,945	3,202,215	1,026,866	800,552	363,834	45,479	-	25,864,735
Reclassification	-	-	-	-	-	-	(870)	-	(870)
Disposals	-	-	-	-	-	-	-	-	-
At 31 July 2018	172,622,537	264,111,781	50,886,023	10,088,190	2,980,422	3,512,318	312,593	-	504,513,864
Net book value									
At 31 December 2017	241,065,953	1,138,916,205	235,027,345	3,836,685	8,789,810	962,775	404,158	140,827,140	1,769,830,071
At 31 July 2018	237,230,892	1,70,234,117	240,062,574	3,125,819	9,620,318	942,812	474,036	124,738,889	1,786,429,457

Notes To And Forming Part Of The Financial Statements continued

For The 7 Months Period Ended 31 July 2018

13. Property, plant and equipment (continued)

On 10 June 2021, the Board of Directors passed a resolution for management to carry out an evaluation of the Authority's property, plant and equipment. Tender FIN 066/2022 was called on 17 March, 2022 for the engagement of a consulting firm that will assist WAF in determining a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and asset management procedures. The following works will be undertaken as part of the valuation exercise:

- Assessment of sectoral and entity issues on the development of an asset management plan;
- Review and analysis of assets inventory which includes proper accounting of capital assets, together with its remaining useful economic life and review of depreciation rates
- Review of the fixed assets policies and procedure including gaps analysis on the asset inventory and revaluation and identify appropriate knowledge and expert needed to support asset valuation;
- Implementation of comprehensive capacity strengthening program & network;
- Valuation of assets in accordance with International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS);
- Preparation of a complete, detailed and accurate report all WAF assets; and
- Development of a corporate procedure for periodic physical verification of the condition and location of assets.

This exercise is expected to address the qualification raised by the Auditor General on the opening balance of property, plant and equipment of \$1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the qualification raised on plant and equipment with zero book value.

The Authority is working to obtain legal ownership of leasehold land amounting to \$209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007 (the Act), leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 1996, relating to the transfer of assets.

13.a. Right of Use of Assets

	2018 7 months \$	2017 12 months \$
Cost		
At 1 January 2018	-	-
Additions	7,071,654	-
At 31 July 2018	7,071,654	-
Amortisation and impairment		
At 1 January 2018	-	-
Amortisation	558,494	-
At 31 July 2018	558,494	-
Net book value		
At 31 December 2017	-	-
At 31 July 2018	6,513,160	-

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

14. Intangible asset

Cost	\$
At 1 January 2017	2,950,201
Additions	526,965
At 31 December 2017	3,477,166
Additions	-
At 31 July 2018	3,477,166
Amortisation and impairment	
At 1 January 2017	1,982,700
Amortisation	669,026
At 31 December 2017	2,651,726
Amortisation	390,266
At 31 July 2018	3,041,992
Net book value	
At 31 December 2017	825,440
At 31 July 2018	435,174

15. Held-to-maturity investments

	2018	2017
	7 months	12 months
	\$	\$
Current		
Term Deposit	1,328,739	1,326,710
	1,328,739	1,326,710

Term deposit held with Westpac Banking Corporation has a term of 365 days with interest rate of 1% per annum (2017: 1%).

16. Other Assets and Prepayments

Prepayments	590,875	816,505
Other assets	88,456	105,925
	679,331	922,430

17. Trade and other payables

Trade payables	2,279,039	571,965
Other payables and accruals	22,106,110	28,367,001
	24,385,149	28,938,966

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms; and
- Other payables are non-interest bearing and have an average term of 90 - 180 days



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

18. Deferred revenue - capital grant

	2018	2017
	7 months	12 months
	\$	\$
At 1 January	409,592,631	286,537,396
Grant received during the period	99,222,635	169,576,635
Refund of village contribution on rural projects	(25,932)	(77,670)
Reversal of completed fully funded/ rural projects	(2,460,172)	(2,552,720)
Released to the statement of comprehensive income	(44,364,944)	(43,891,010)
At 31 July 2018	461,964,218	409,592,631

Deferred Grant Capex is Represented by:

Non current liability	417,599,274	365,701,621
Current liability	44,364,944	43,891,010
	461,964,218	409,592,631

All Government grants were used to fund the Authority's capital works. Annual depreciation and amortization is charged directly to the property, plant and equipment costs and a corresponding transfer from government grant to income is made each year to provide for amortization of the grant.

19. ADB funded grant

At 1 January	67,226,619	68,398,812
Direct Payments by ADB	-	2,635,050
Released to the statement of comprehensive income	(555,167)	(3,807,243)
At 31 July 2018	66,671,452	67,226,619

Deferred Grant Capex is Represented by:

Non current liability	66,116,285	63,419,376
Current liability	555,167	3,807,243
	66,671,452	67,226,619

Suva Nausori regional water supply and sewerage project funded from Asian Development Bank original loan number 2055 - FIJ dated 27 November 2003. The Project Management Unit at Water Authority of Fiji and Ministry of Public Utilities & Infrastructure Development implements the project, effecting payments through the Ministry of Finance and National Planning.

In 2009 Government of Fiji requested supplementary funding for Suva - Nausori regional water supply and sewerage project. The ADB on 23 November 2009 approved supplementary loan of US\$23 million through loan number 2603 - FIJ. The project completion date was from 30 June 2012 to 31 December 2014. The Project Management Unit at Water Authority of Fiji and Ministry of Public Utilities & Infrastructure Development implements the project, effecting payments through the Ministry of Finance and National Planning.

The Fiji Project Design Advance for Urban Water Supply and Waste Management Project began in December 2016. The project will also support government to develop and implement policy and regulatory reforms in water and sewerage to make WAF a more sustainable and accountable institution.

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

20. Provision for employee entitlement

	2018	2017
	7 months	12 months
	\$	\$
At 1 January	405,078	775,140
Movement during the period	318,536	(370,062)
At end of period/year	723,614	405,078

During the year, employees of WAF were entitled to annual leave that is accrual of 15 days per annum after completion of 3 months probation for new staff.

21. Lease Liability

Balance end of period/year	6,597,605	-
Lease Liability is Represented by:		
Non current liability	5,633,044	-
Current Liability	964,561	-
	6,597,605	-

22. Contingencies and commitments

The directors are not aware of any contingent asset or contingent liabilities as at balance date.

a) Capital expenditure

Total capital commitments as at balance date is \$47,407,254 (2017: \$31,618,993) for capital projects.

b) Land lease

The Authority has leased land listed as its assets. The verification of all state land, i Taukei lease and freehold land has been completed and the report on them have been submitted to the Director of Lands for validation. Additionally, co-shared land are undergoing survey before a final submission is made to the Director of Lands

c) Contingent Liability

The Authority is subject to certain claims made during the year. Any financial commitments relating to these case is yet to be determined by the Court.

23. Related parties

The Authority has related party relationship with its directors, key management personnel and the Government of Fiji.

a) Directors

The following were directors of the Authority during the period up to date of these Financial Statements:



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

23. Related parties Continued

- Mr Bhavesh K Patel (Chairman) - current
- Mr PL Munasinghe - current
- Mr Umarji Musa - current
- Mr Vijay Maharaj - contract ended on 01/03/2021
- Mr Hemant Kumar - current
- Mr Kamal Gounder - current
- Ms Lyanne Vaurasi - current

Directors' remuneration for services as employees is disclosed under Note 7.

b) Parent authority and ultimate parent authority

The Authority is a statutory body constituted by Water Authority of Fiji Act of 2007 and the transactions with the Government of Fiji during the year are as follows:

	2018	2017
	7 months	12 months
	\$	\$
Grant received (Opex & Capex))	148,387,643	248,476,320
Deposits to the Government Consolidated account	(26,907,006)	(45,673,267)
	121,480,637	202,803,053

c) Transaction with key management personnel

Key management personnel comprises of:

- Mr Opeteia Ravai
(Chief Executive Officer) Ended on 13 December 2017
- Mr Samanmal Ekanayake
(Chief Operating Officer) Appointed on 15 October 2015
- Mr Pita Waqanivalu
(Acting Chief Financial Officer) Ended on 5 February 2017
- Mr Michael Lal
(Chief Financial Officer) Appointed on 6 February 2017
- Mr Sosiveta Turagaiviu
(General Manager Wastewater) Appointed on 13 April 2016
- Mr Taitusi Vakadravuyaca
(General Manager Special Projects) Appointed on 9 June 2016
- Mr Sekove Uluinayau
(General Manager Customer Service) Appointed on 16 November 2015
- Mr Seru Soderberg
(Acting General Manager Planning, Design and Construction) Ended on 3 April 2017
- Mr Nemani Waqanivalu
(General Manager Planning, Design and Construction) Appointed on 4 April 2017

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Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

23. Related parties Continued

c) Transaction with key management personnel continued

Transactions with key management personnel are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

The aggregate remuneration and compensation paid to key management personnel, for the period was:

Short-term employee benefits	470,874	835,133
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d) Other related parties

Fiji National Provident Fund - member contribution	2,203,971	2,582,425
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24. Notes to the Statement of cash flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

Cash at bank	82,709,416	62,567,386
Petty Cash	11,200	11,200
Cash on hand	240	330
	82,720,856	62,578,916

25. Events subsequent to year end

a) **Impact of COVID-19 pandemic**

Subsequent to year end, the World Health organization (WHO) declared the Coronavirus (COVID 19) a Public Health Emergency of International concern". The impact of COVID-19 outbreak on public health and the economy in Fiji and globally is expected to affect the overall operation of the Authority including liquidity and cash flows for subsequent years. Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2018 financial statements is not expected to be material.

b) **Vacant Position of Chief Executive Officer**

The Chief Executive Officer position was vacated in December 2017 and subsequently filled in December 2019. On 19 May 2021, the CEO position became vacant again and later filled in 28 March 2022.

26. Contributed Equity

The amount reflects the cost of assets when transferred from the Department of Water and Sewerage in 2010.



Notes To And Forming Part Of The Financial Statements Continued

For The 7 Months Period Ended 31 July 2018

27. Revenue Administered on Behalf of the Government

The Authority charges water & waste water rates on behalf of the Government. During the period the following rates and charges was billed to the water & waste water customers:

i) Billing

	2018	2017
	7 months	12 months
	\$	\$
Water	25,054,249	40,357,604
Waste Water	2,344,281	4,143,910
Others*	1,720,986	3,434,807
	29,119,516	47,936,321

ii) Collection

Water & waste water collected and deposited into the Government Consolidated account during the year is noted below:

Water, Waste water charges & others*	26,907,006	45,695,548
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*others relates to reconnection fee, fire service levy, new connections, re-location of meter, reprinting of bill, special reading fee and meter testing fee.

28. Debt Administered on Behalf of the Government

The authority has a Debt Management Unit (DMU) that administers the collection of water, waste water and other charges on behalf of the government. The department carries out the following activities:

- following and sending reminders for payments for customers with overdue accounts
- carrying out revenue assurance activities
- processing of billing adjustments and bill waivers
- resolving billing disputes and customer site visitation
- implementing debt management strategies

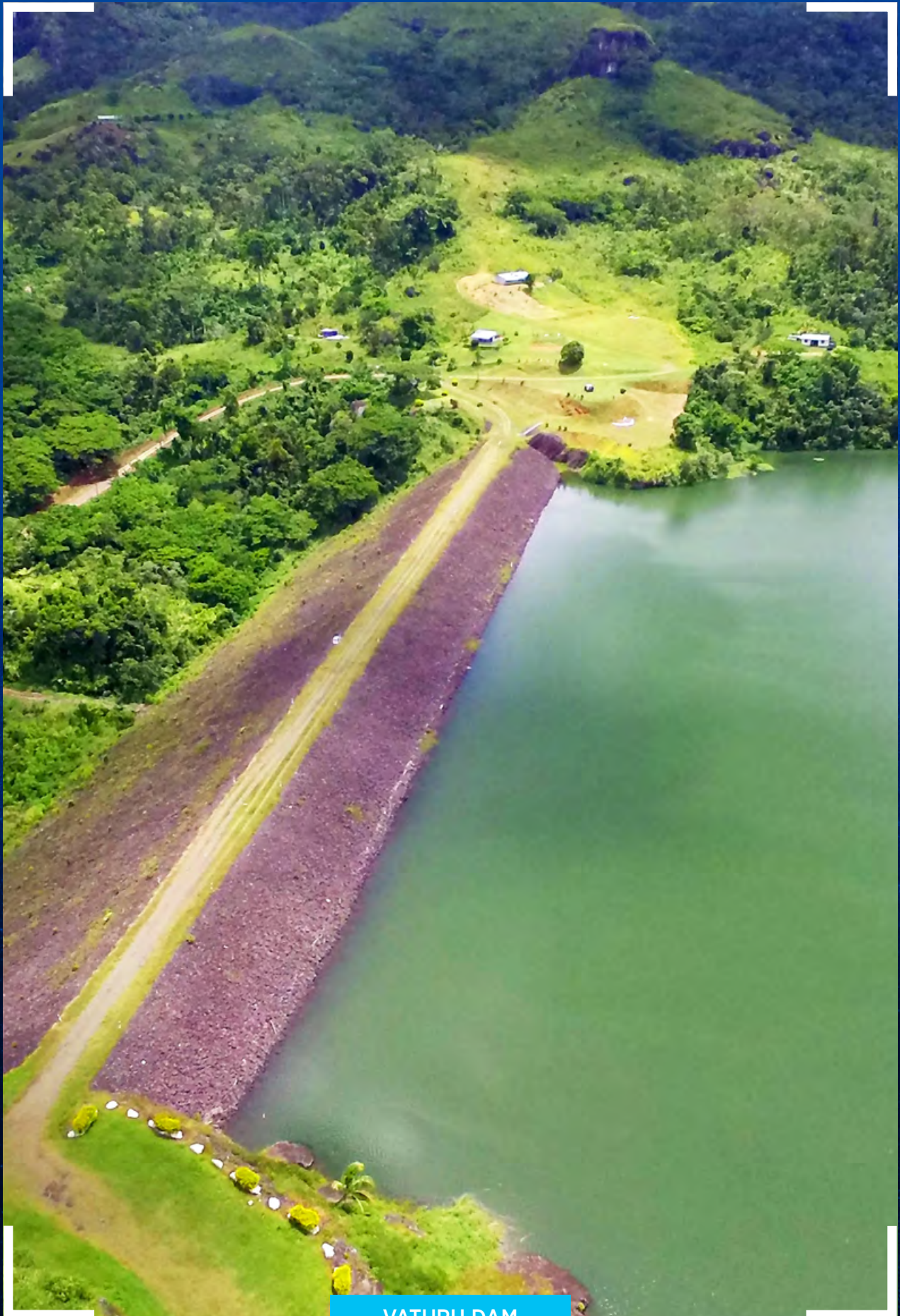
Domestic	34,048,308	32,402,019
Commercial	4,180,891	4,675,857
Government	1,179,654	1,499,998
Rates owed to Government	39,408,853	38,577,874

The ageing of trade receivables at the reporting date was:

	Current	> 1 Year	> 2 Years	> 3 Years	> 4 Years	Total
	\$	\$	\$	\$	\$	\$
2018	10,512,811	3,794,514	4,561,020	3,317,106	17,223,402	39,408,853
2017	10,457,973	3,221,890	4,523,495	3,292,815	17,081,701	38,577,874

29. Change in Accounting period

The Government changed its accounting period from calendar year to balance date 31 July in 2016. Accordingly to align with Government accounting period, the Authority changed its balance date from 31 December to 31 July. Hence, this Financial Statements cover a period of 7 months from 1 January 2018 to 31 July 2018.



VATURU DAM



SEVEN MONTHS REPORT
JANUARY TO JULY 2018