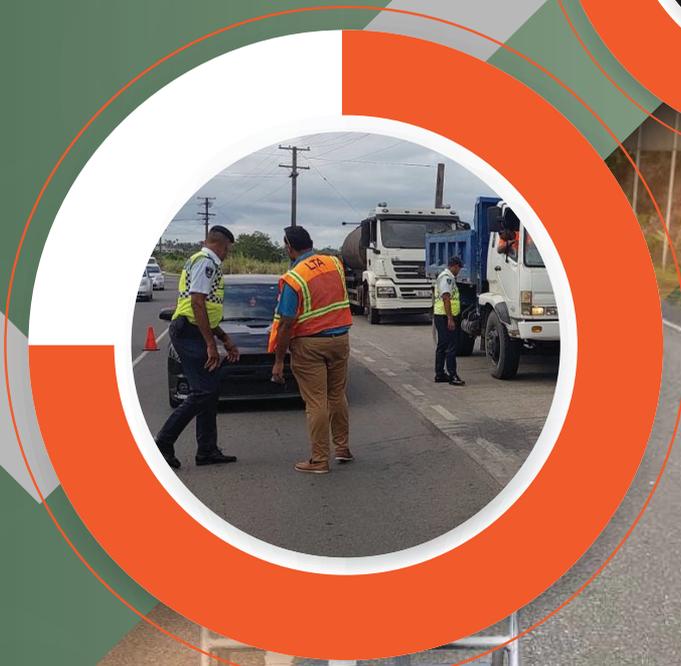


# ANNUAL REPORT



2018-2019

# VISION. MISSION. VALUES

## Core Business

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

## Vision

**“Steering Fiji Safely”** encapsulates what the Land Transport Authority (“Authority”) believes to be the core of what it stands for. It is an organization set up to improve land transportation and ensure road safety is enhanced above all else.

The word **“steering”** epitomizes the niche activity of the Authority as the principal licencing organisation for all forms of land transportation, irrespective of whether it is driven on private or public road and the key role the Authority executes in ensuring adequate, effective, efficient and safe land transportation throughout Fiji.

**“Steering Fiji Safely”** shows what we do and the results we deliver that come from adherence to our objectives of effectual customer services and responsiveness with effective, efficient enforcement and compliance.

## Mission

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

## Values

- Honesty
- Teamwork
- Customer Focus
- Courage to do Right
- Innovation and Creativity

# CONTENT

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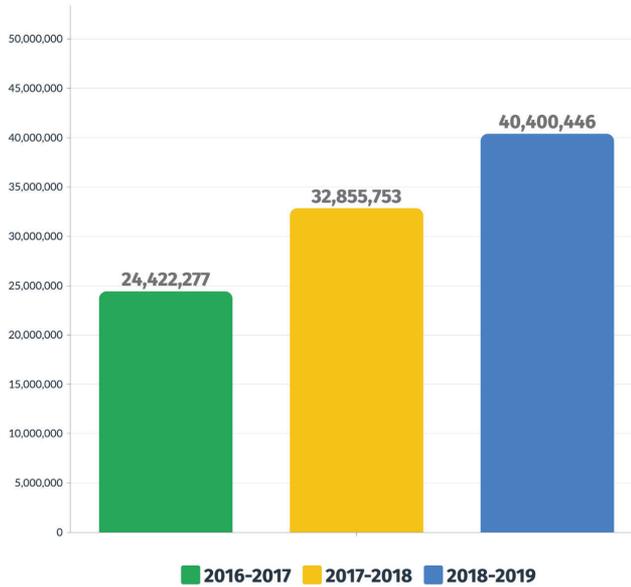
Key Financial Trends	3
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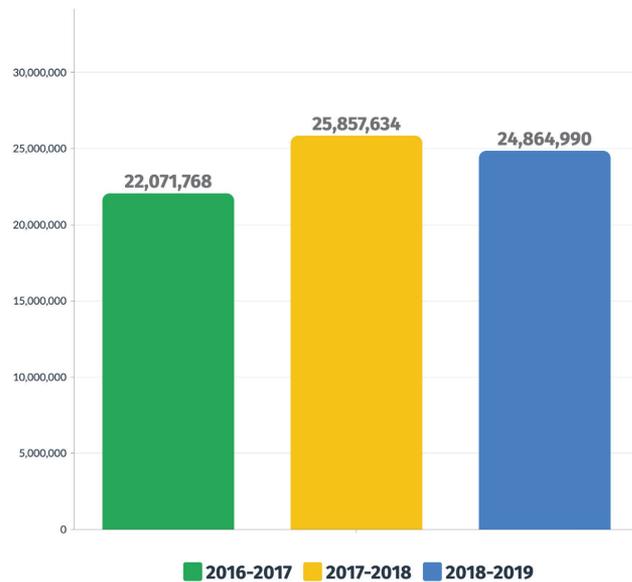
# Key Financial Trends

Government Grant Received: **\$22.2 Million**

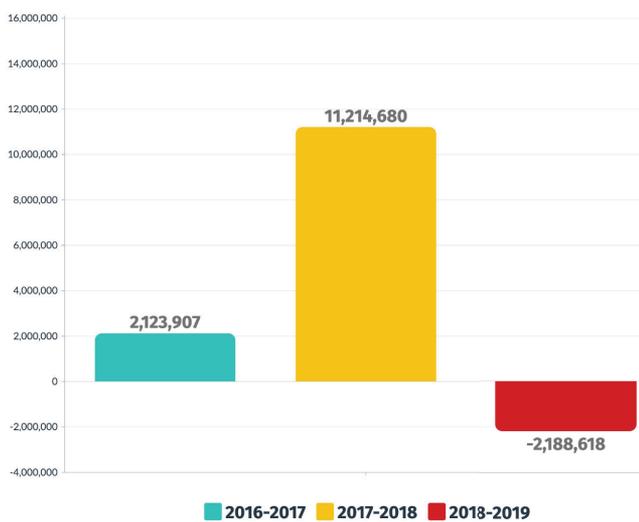
### Total Assets



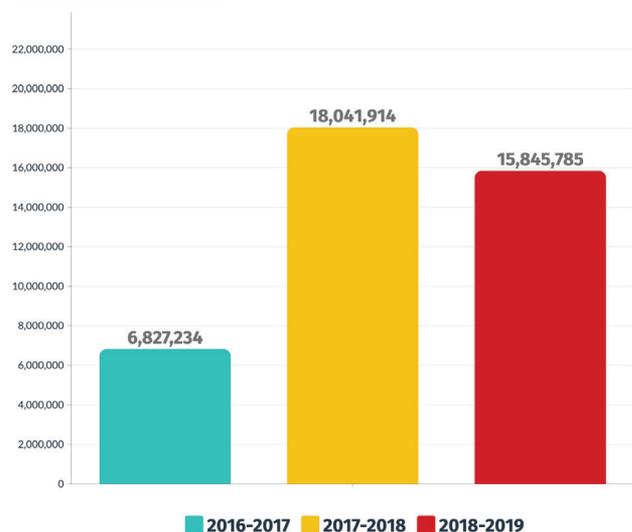
### Total Revenue



### Net Profit/(Loss)



### Total Capital & Reserves



# Board Of Directors



Vijay Maharaj  
Board Chairman



Aptinko Vaurasi  
Board Member



Ashok Patel  
Board Member



Kamal Gounder  
Board Member

# Management Team



**SAMUEL SIMPSON**  
Chief Executive Officer



**FAIYUM ALI**  
General Manager - Technical & Operations



**IRIMAIA ROKOSAWA**  
General Manager - Finance & Administration



**NAVILESH CHAND**  
General Manager - Legal, Policy & Business  
Development



# YEAR IN REVIEW

## 2018 - 2019



**Registration, Licencing & Driving** - MOU on information sharing between LTA & FRCS



**ICT** - online enhancements



**Enforcement** - 7 new red-light & speed cameras



**PSV** – color coded zonal Taxi number plates



**Customer Services** – live chat customer service awards



**Road Safety Education** – advocacy awareness



**Standards & Engineering** – promoting the use of green vehicles, QAMS, trainings & accreditations



**Properties** – opening of 3 new offices



**QA** – 5S quality inspections & records archiving



**Finance** – unqualified audit report

# Technical & Operations

## REGISTRATION, LICENCING & DRIVING

The primary objective of the Registration, Licencing and Driving Department is stipulated under Section 8(1)(c) of the Land Transport Act 1998 - *“to register vehicles, licence drivers and establish standards for such registration and licencing consistent with the objectives of road safety”*.

A key highlight for the year was the signing of the Memorandum of Understanding (MOU) between Fiji Revenue & Customs Service and the Authority in November 2018. The MOU is to encourage the promotion of mutual cooperation in the areas of information sharing and other related matters. Under the MOU, both organizations will implement an effective framework on the collection of stamp duty on transfer of motor vehicles and Public Service Vehicle Permits.

### 1.0 Vehicle Registration

As mandated by the Land Transport Act 1998 under Section 49(1):

*“A person who owns a motor vehicle or trailer shall register the motor vehicle or trailer with the Authority irrespective of whether the motor vehicle or trailer is to be used exclusively on private property.”*

The categories of vehicle registration are as follows:

#### i. By Class

- Private
- Public Service Vehicle (PSV)
- Commercial
- Government
- Diplomatic
- Driving School Vehicle

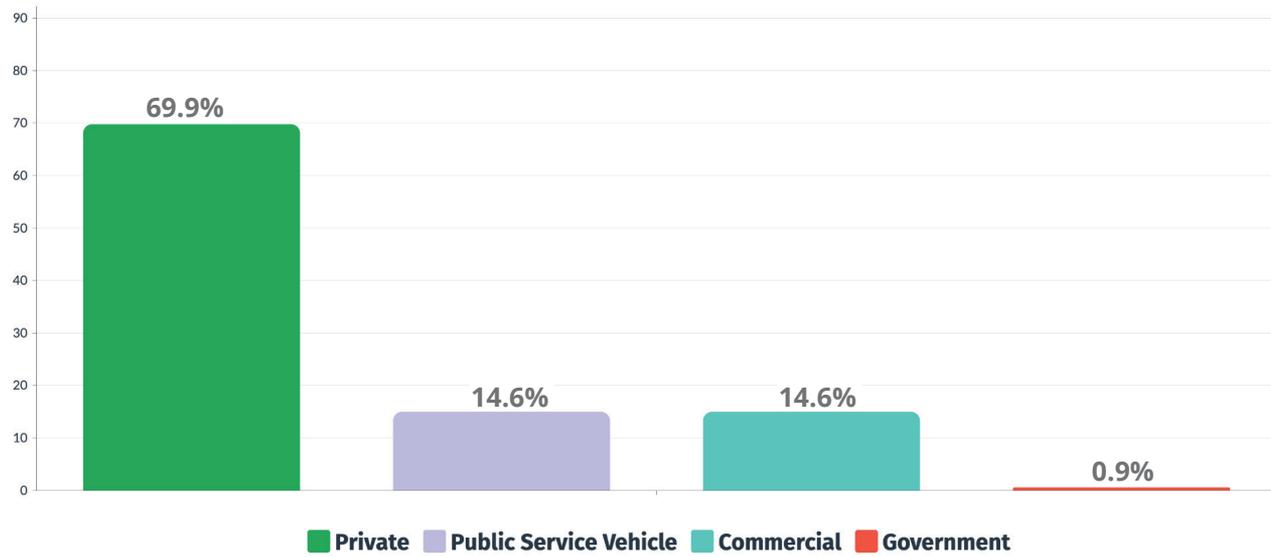
#### ii. By Registration Type

- Second Hand
- Brand New
- Locally Assembled
- Rebuilt

For the year, the total number of new vehicle registrations recorded was 12,847.

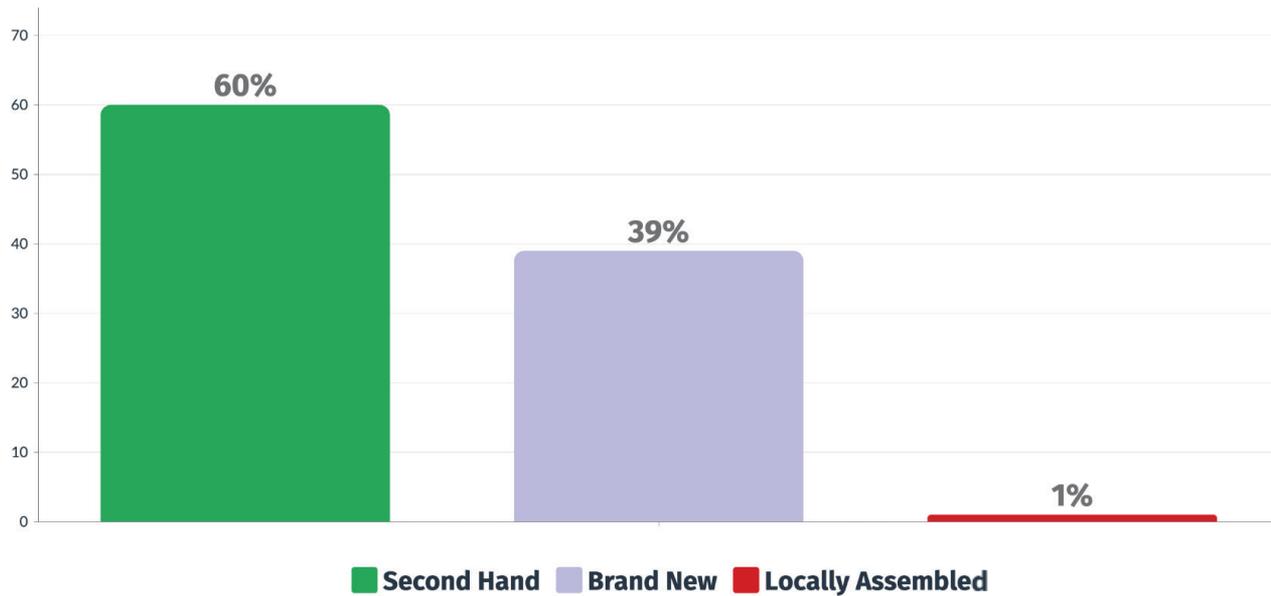


### New Vehicle Registrations by Class



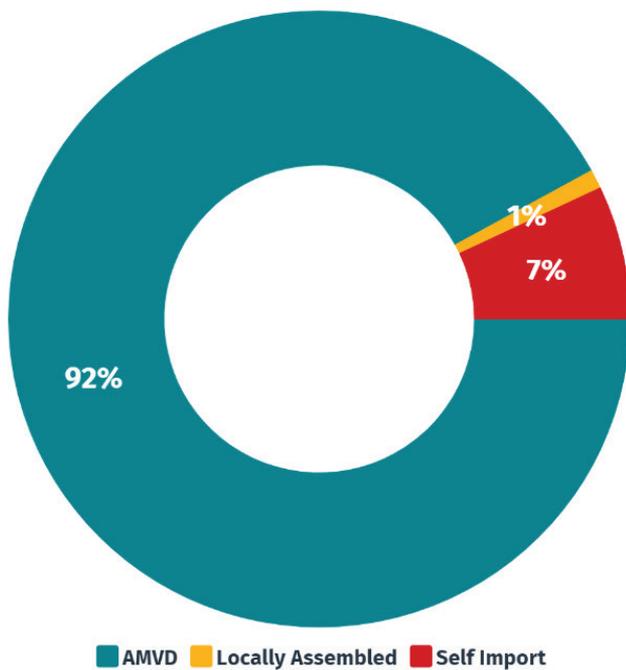
**By Vehicle Class:** private vehicles recorded the highest registrations (69.9%) during the year.

### New Vehicle Registrations by Registration Type



**By Registration Type:** second-hand vehicles recorded the highest registrations (60%) during the year.

### New Vehicle Registrations by Purchase Type



**By Purchase Type:** Authorized Motor Vehicle Dealers (AMVD) recorded the highest registrations (92%) for the year.

## 2.0 Licencing

Driver licencing is categorized into three categories:

- **Learners Permit** is issued to a person who has attained the age of 16 years and 6 months, and which is valid for only 12 months as per provisions under Section 57(1) of the Land Transport Act 1998 and the relevant Land Transport (Driver) Regulations 2000.
- **Provisional Driver Licence** is a licence issued to a person who has passed a driving test and is valid for a period of two years before a Full Driver Licence is issued. The Provisional Driver Licence is only issued for Classes 1, 2 and 8 in accordance with Regulation 18 of the Land Transport (Driver) Regulations 2000.
- **Full Driver Licence** is a licence issued for all Classes of Licences as per Schedule 1 of Regulation 10.

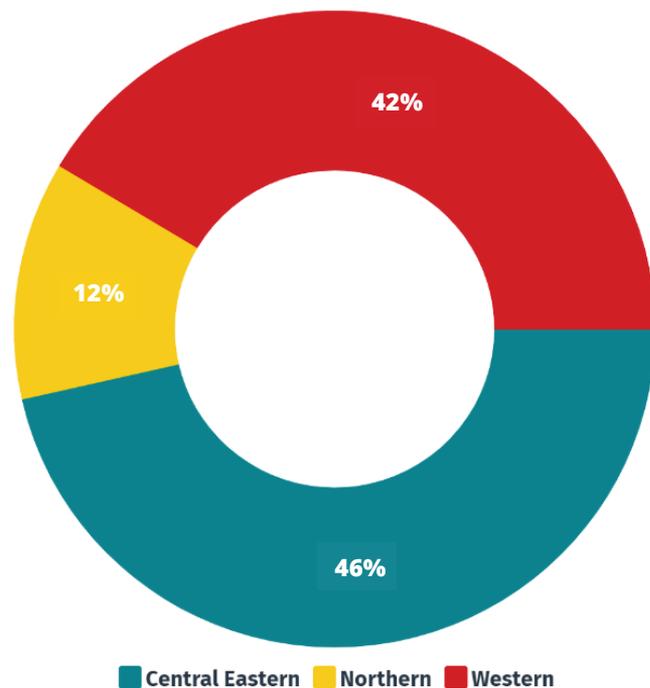
Altogether, there are nine Classes of Licences and each Class describes the Class of motor vehicle to be driven.

### Learners Permit

Total number of new Learners Permit (LP) issued during the year was 29,585 as tabulated below:

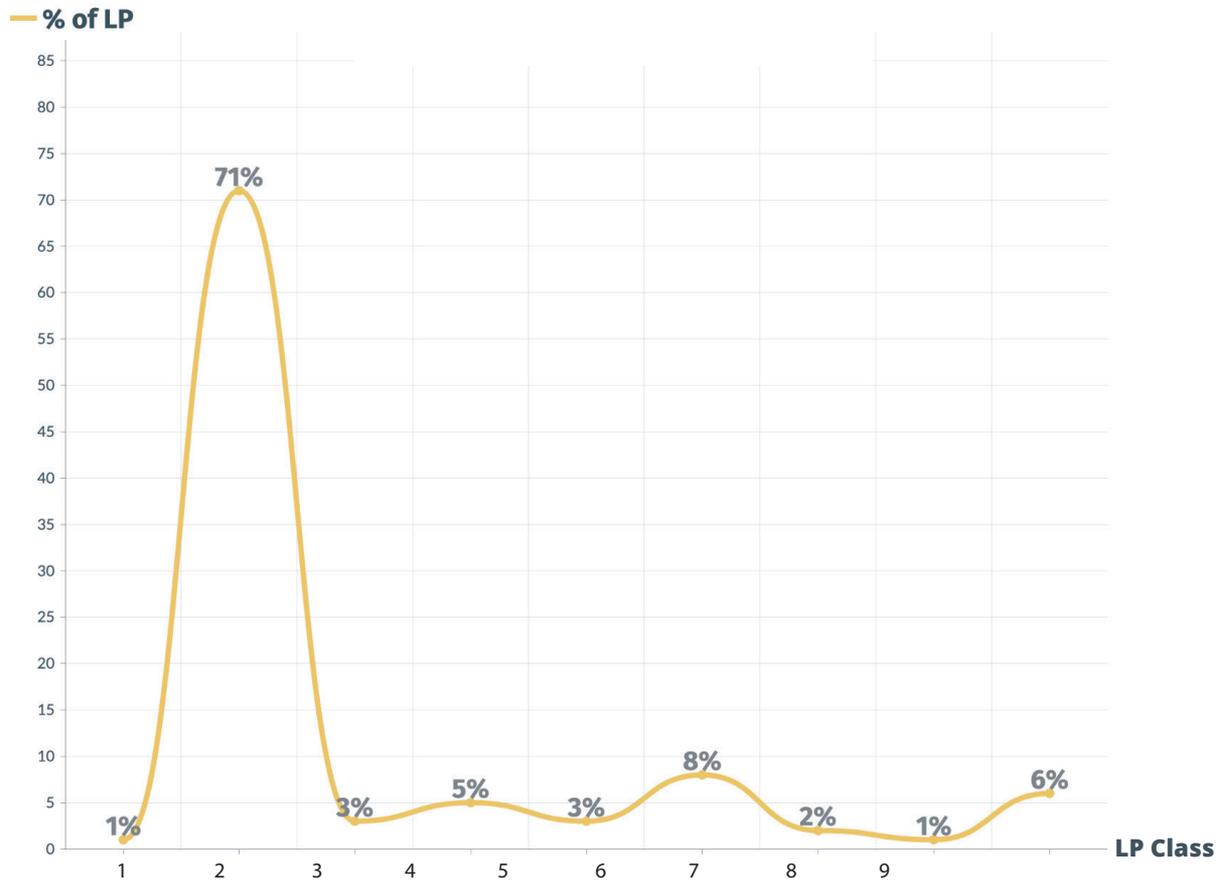
LP Class	Central Eastern	Northern	Western	Total
Class 1	149	154	129	432
Class 2	9,664	2,899	8,566	21,129
Class 3	478	24	473	975
Class 4	721	137	654	1,512
Class 5	331	53	356	740
Class 6	1,090	265	1,057	2,412
Class 7	228	25	257	510
Class 8	39	47	81	167
Class 9	815	169	724	1,708
<b>Total</b>	<b>13,515</b>	<b>3,773</b>	<b>12,297</b>	<b>29,585</b>

### New Learners Permit by Region



Central Eastern recorded the highest percentage (46%) of Learners Permit issued during the year.

### New Learners Permit by Class



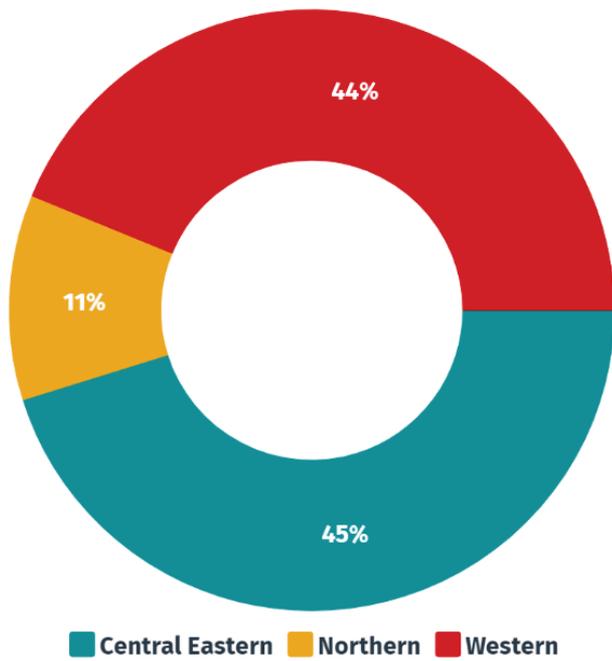
Class 2 Learners Permit recorded the highest issuance (71%) during the year.

### Provisional Driver Licences

Total number of new Provisional Driver Licences (PDL) issued during the year was 12,204.

PDL Class	Central Eastern	Northern	Western	Total
Class 1	41	83	59	<b>183</b>
Class 2	5,506	1,217	5,217	<b>11,940</b>
Class 8	8	29	44	<b>81</b>
<b>Total</b>	<b>5,555</b>	<b>1,329</b>	<b>5,320</b>	<b>12,204</b>

### Provisional Driver Licences by Region



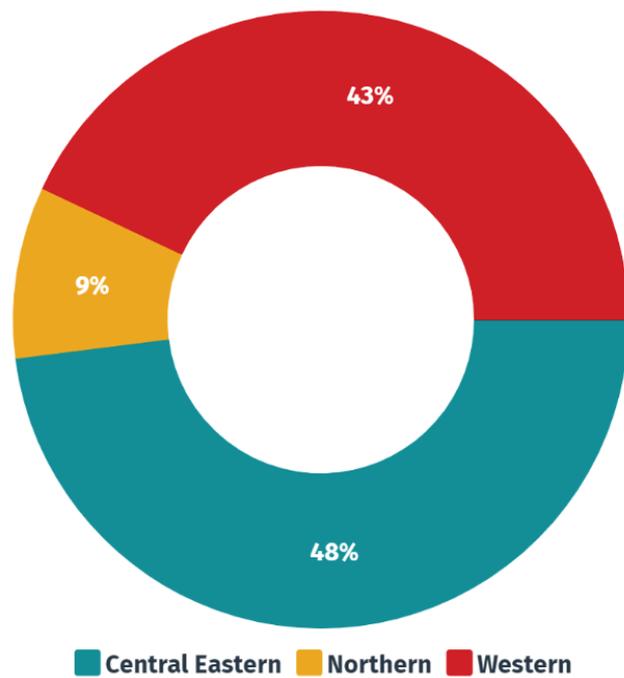
Central Eastern recorded the highest percentage (45%) of Provisional Driver Licences issued during the year.

### Full Driver Licences

Total number of new Full Driver Licences (FDL) issued during the year was 15,617.

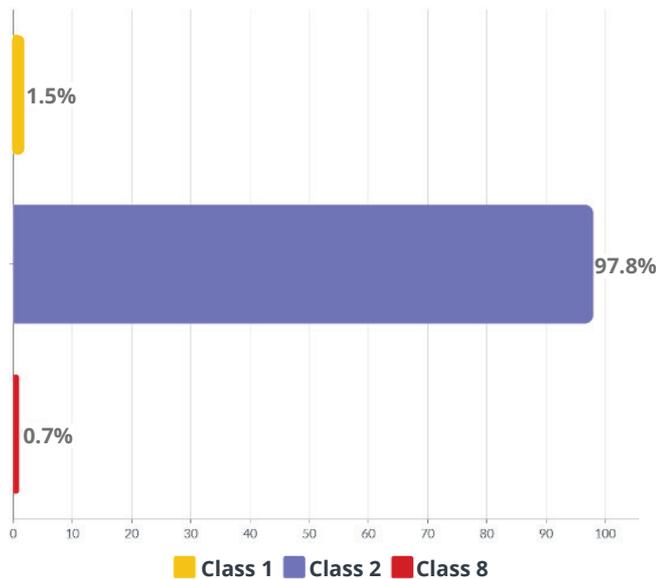
FDL Class	Central Eastern	Northern	Western	Total
Class 1	97	19	47	<b>163</b>
Class 2	5,033	937	3,910	<b>9,880</b>
Class 3	362	11	412	<b>785</b>
Class 4	513	100	541	<b>1,154</b>
Class 5	199	43	274	<b>516</b>
Class 6	678	136	838	<b>1,652</b>
Class 7	158	9	205	<b>372</b>
Class 8	6	48	24	<b>78</b>
Class 9	454	111	452	<b>1,017</b>
<b>Total</b>	<b>7,500</b>	<b>1,414</b>	<b>6,703</b>	<b>15,617</b>

### Full Driver Licences by Region



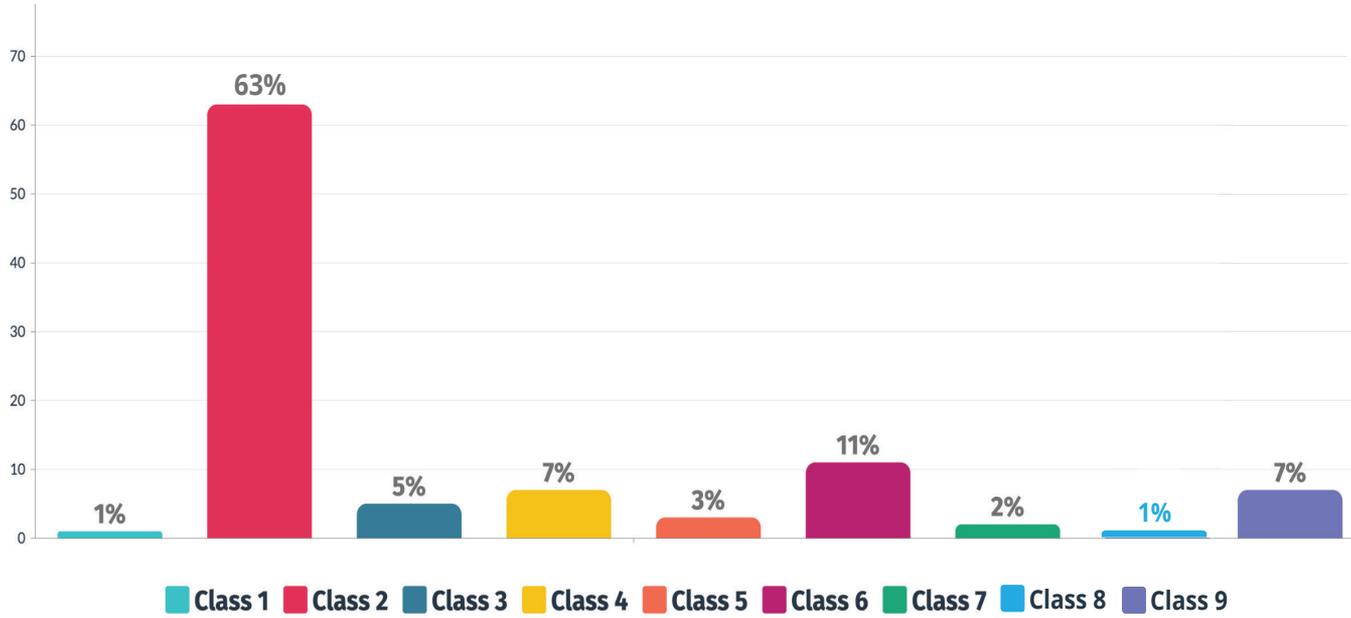
Central Eastern recorded the highest percentage (48%) of Full Drivers Licences issued during the year.

### Provisional Driver Licences Issued by Class



Class 2 Licences recorded the highest percentage (97.8%) of new Provisional Driver Licences issued during the year.

### Full Driver Licences Issued by Class



Class 2 Licences recorded the highest percentage (63%) of new Full Drivers Licences issued during the year.



### 3.0 Driving

The Driving Department is responsible for carrying out theory and practical driving examinations. This is to evaluate an Applicant's driving competency on a particular motor vehicle prior to the Applicant receiving a Driver Licence for a respective Class.

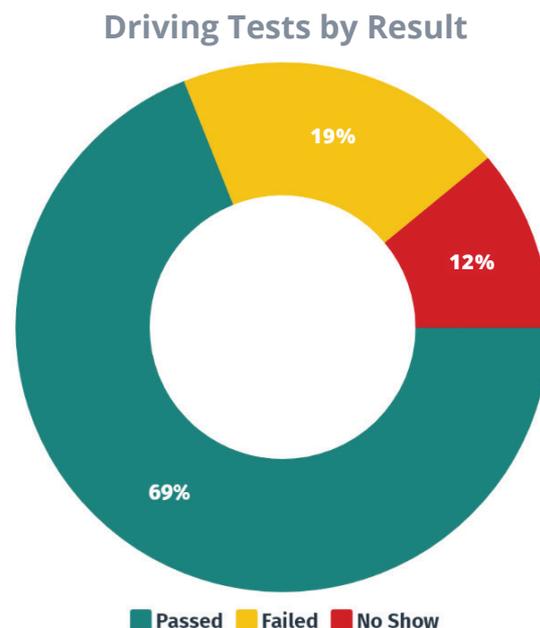
#### Driving Test Results by Class

The total number of new Driving Tests (pass and fail) undertaken during the year was 24,967 whilst the total number of "No Show" cases was 3,302 for Applicants who were not present for their Driving Test.

Driving Test Class	Fail	No Show	Pass	Total
Class 1	7	16	202	<b>225</b>
Class 2	4,923	2,442	13,516	<b>20,881</b>
Class 3	122	89	885	<b>1,096</b>
Class 4	155	179	1,215	<b>1,549</b>
Class 5	52	96	538	<b>686</b>
Class 6	132	266	1,621	<b>2,019</b>
Class 7	21	58	361	<b>440</b>
Class 8	4	15	86	<b>105</b>
Class 9	71	141	1,056	<b>1,268</b>
<b>Total</b>	<b>5,487</b>	<b>3,302</b>	<b>19,480</b>	<b>28,269</b>

Class 2 Licences recorded the highest number of driving tests undertaken in the year.

The distribution of Driving Tests by Results is illustrated in the chart below whereby 69% Applicants passed, 19% Applicants failed and 12% Applicants did not turn up (No Show) for their Driving Test.



## ENFORCEMENT

The enforcement of traffic laws and the careful monitoring of road user's behaviour and compliance level of motor vehicles are important.

The Fiji Police Force and local Municipal Councils are two key stakeholders who continuously work closely with the Authority to ensure compliance levels are maintained and more importantly, lives are saved on all Fiji roads.

The Authority is empowered by law to ensure that transport facilities meet efficiency and safety standards. It has the responsibility for the overall enforcement of the provisions of the Land Transport Act 1998 and its Regulations on land transportation in Fiji.

To meet these obligations of the Authority, the Enforcement Department undertook the following:

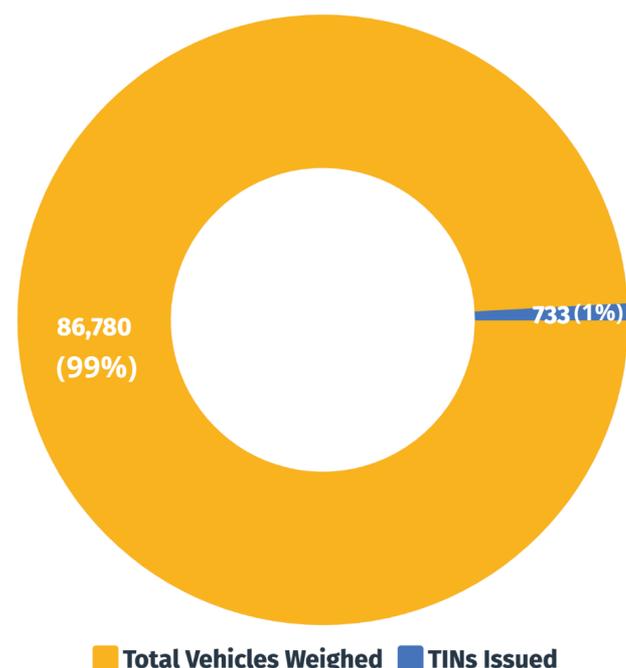
- Randomly intercepting motor vehicles for compliance checks.
- Screening driver licenses.
- Observing bad driver behaviour.
- High visibility operations.
- Joint operations with Fiji Police Force.
- Issuance of Traffic Infringement Notices (TINs), Defect Orders (DO) and seizure of motor vehicles that are in contradiction to the Authority's regulations.
- Inspecting heavy goods motor vehicles for weight compliance.
- Inspecting buses to ensure passenger fares are paid using bus E-Ticketing cards.
- Attending to customer complaints.

As part of the Authority's efforts to strengthen its enforcement visibility and monitoring, 13 Enforcement Officers, 12 Weighbridge Officers and 23 E-Ticketing Officers were recruited, trained and deployed in the Northern, Western and Central Eastern Regions.

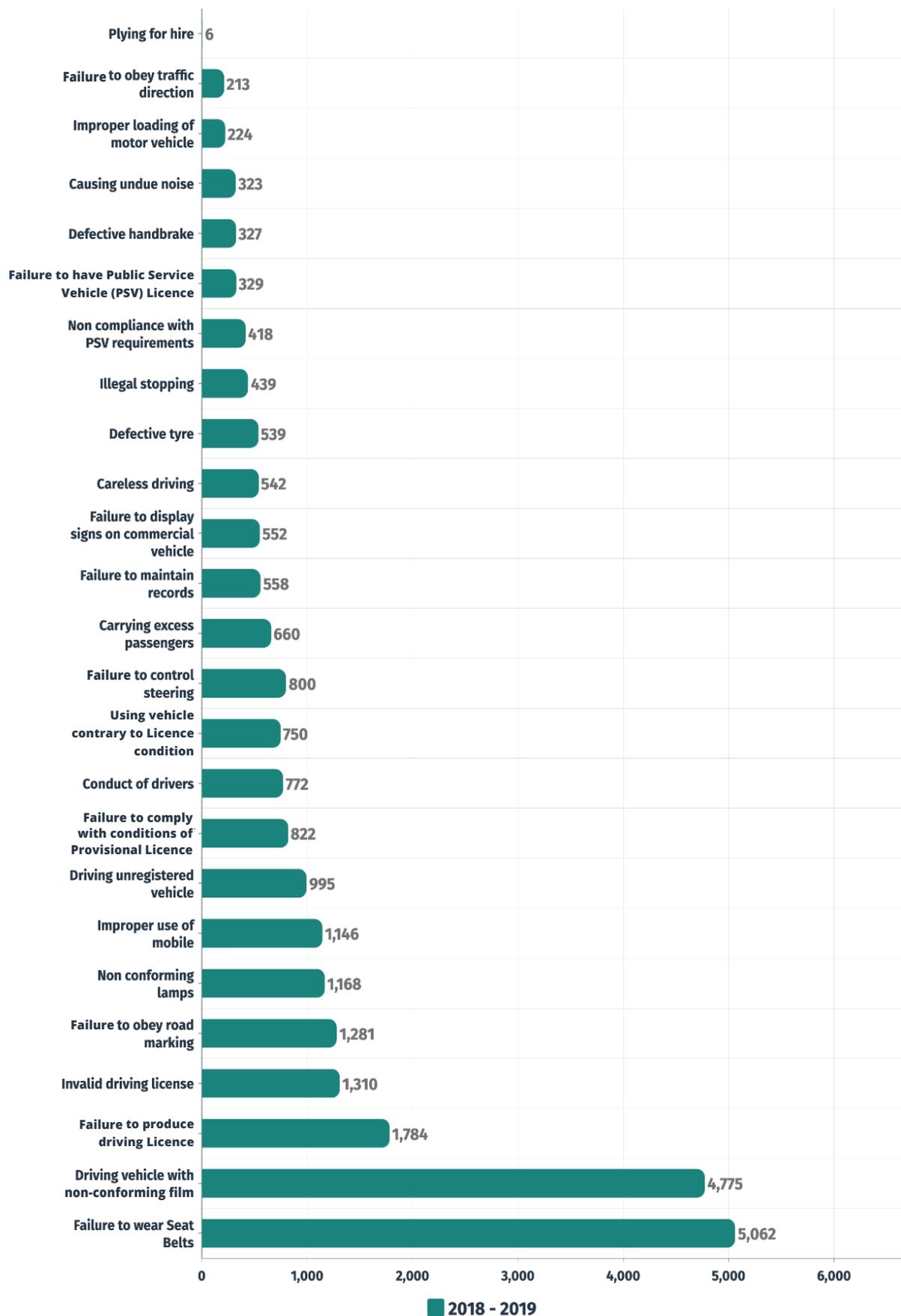
Overloading of heavy goods motor vehicles continues to be a major challenge due to damages to roads and bridges, which compromises the safety of road users. However, the Department was able to curb this issue by implementing strict monitoring processes, use of technology and regulatory measures.

The Authority procured an additional six sets of Portable Wheels Weighing System to enhance its capacity to monitor overloading of heavy goods motor vehicles. In addition to the Authority's normal and random operations, assistance was rendered to the Fiji Roads Authority to monitor heavy goods motor vehicles crossing the Vesidrua and Tamavua-i-Wai Bridges which have weight restrictions in place.

### MOTOR VEHICLES WEIGHED

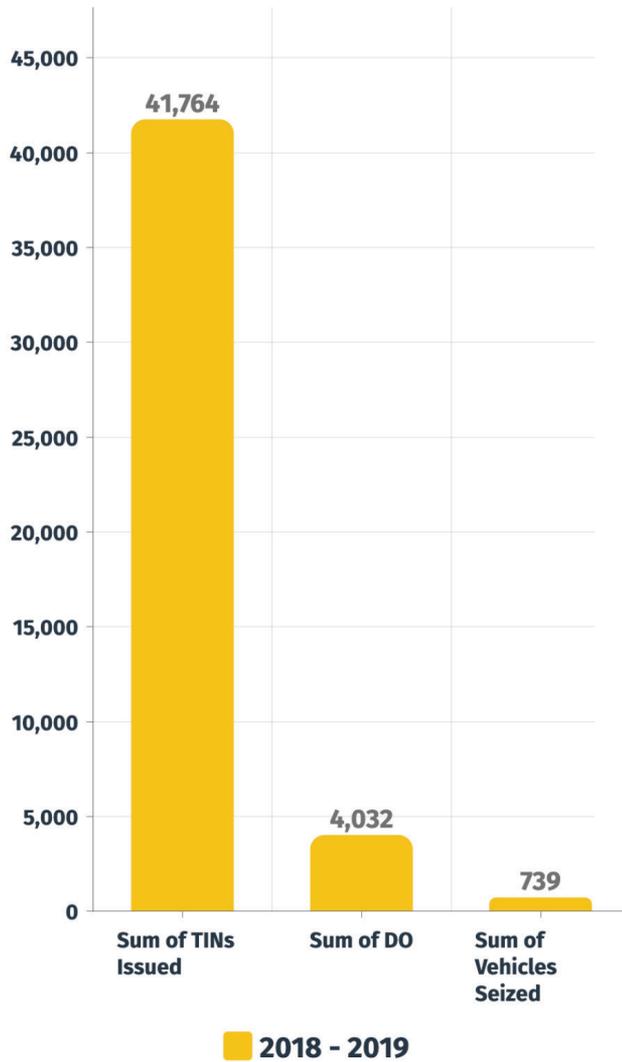


## MAJOR OFFENCES



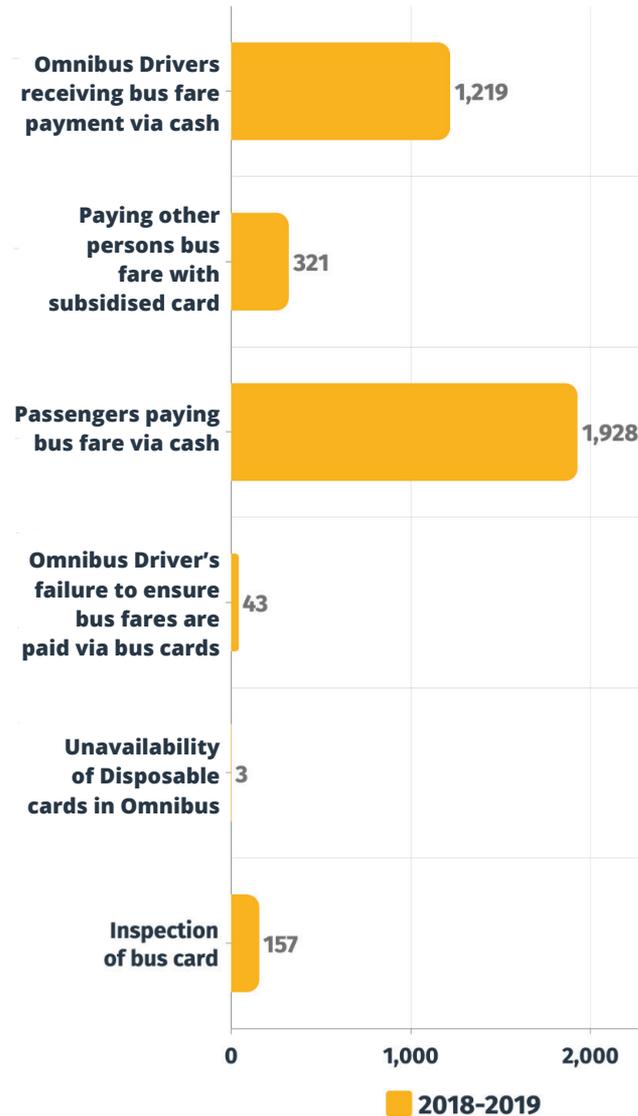
Other offences such as failure to wear seat belts, driving a motor vehicle with a non-conforming film or window, failing to produce a driving licence, failing to obey road markings, use of mobile phones while driving and driving unregistered motor vehicles were among the major offences for 2018.

### TINs, DO & Vehicles Seized



30 Tint Testers and 30 Infrared Thermometers were procured to enhance the Authority's capacity to verify window tinting and braking functionality whilst conducting roadside inspections.

### E-Ticketing Offences



Furthermore, during the year the enforcement and compliance regulations for E-Ticketing were reviewed and amended whereby fines were decreased from \$1000 to \$150.

## Infringement Processing Unit

### Red-Light and Speed Camera Operation

The Authority invested in purchasing a production printer and enveloping machine to increase productivity. This has boosted the TINs service delivery as well as ensuring the timely issuance of Red-Light Speed Camera TINs within 21 days of the offence.

As of 2018, the Authority initially had seven operational cameras that covered accident-prone areas throughout Viti Levu and in its efforts to further increase its enforcement operations coverage throughout Viti Levu, the Authority acquired seven additional Red-Light & Speed Cameras.

In addition, the Authority upgraded the Samabula Site Camera from RT3 to RT4 System which has the capability to enforce traffic signal violations. By end of 2018, the Authority had a total of 14 cameras and 31 sites. The amendment of the Authority's Traffic Regulations and development of key policies and procedures were also completed with staff training to ensure efficient operations and correct processing of TINs.

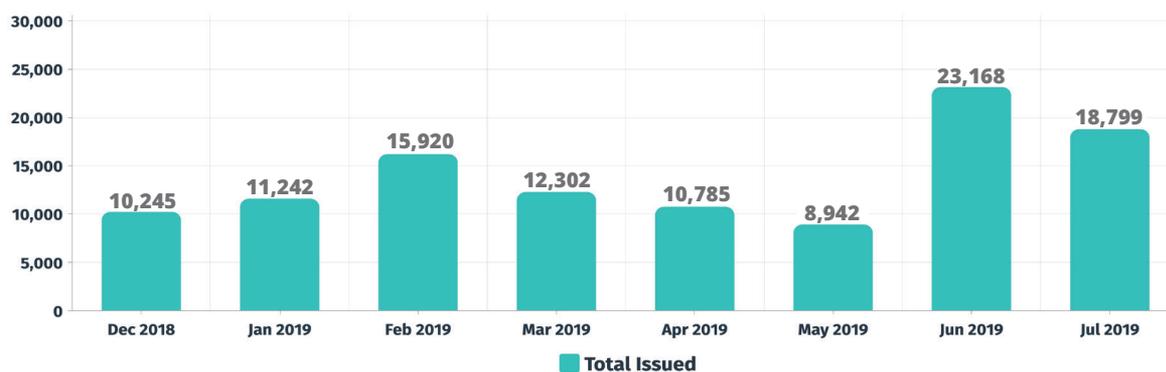
The provision for SMS notification to offenders as stipulated by law was also activated by the Authority to notify motor vehicle owners of their traffic violations in order to meet regulatory timelines.

Meeting the regulatory timeline was aided through the recruitment of five new Adjudicators who assisted the existing five Adjudicators to meet the seven days verification processing timeline. These resources have also contributed to increasing efficiency in the Authority's customer service delivery and prevented delays in the issuance of TINs.

**Tabulated below are the violations from December 2018 to July 2019:**

Camera Offence Type	Offence Count
Exceeding Speed Limit by <15km/h	53,664
Exceeding Speed Limit by 15 - 29km/h	45,997
Exceeding Speed Limit by 30km/h and above	4,006
Violating Traffic Signal	7,736
<b>Total</b>	<b>111,403</b>

### 2018 - 2019 CAMERA TINs ISSUANCE



Photographic infringement processing commenced from December 2018 after a lapse of one year due to the amendment of the Authority's Traffic Regulations.

From the above data, there was a significant increase in speed camera violations for the month of June 2019 due to the activation of the additional seven new Red-Light and Speed Cameras set up.

## PUBLIC TRANSPORT

### PUBLIC SERVICE VEHICLE (PSV) PERMITS

The Public Transport Department processes PSV Permit Applications for the following seven PSV Permits - Road Route Licence (RRL), Road Contract Licence (RCL), Licenced Hire (LH), Licenced Carrier (LC), Licenced Rental (LR), Licenced Minibus (LM) and Licenced Taxi (LT).

**Table 1** below highlights the total number of new PSV Permits issued for the three Regions:

Region / PSV Permit	RRL	RCL	LR	LH	LC	LM	LT
Central Eastern	0	2	186	60	59	3	28
Northern	0	0	65	5	5	1	2
Western	0	7	288	61	7	5	1,289
<b>Total</b>	<b>0</b>	<b>9</b>	<b>539</b>	<b>126</b>	<b>71</b>	<b>9</b>	<b>1,319</b>

### PSV PERMIT APPLICATIONS

The general Applications for all seven PSV Permits ranges from New PSV Permit Applications to Renewals, Transfers, Amendments, Duplicate PSV Permit Applications of existing PSV Permits and Change of Motor Vehicle Classes. For the year, the total number of respective Applications processed for each Region is presented in **Table 2** below:

Application	Total Per Application	Central Eastern	Northern	Western
New PSV Permit	2,073	338	78	1,657
Major Amendment	99	63	0	36
Minor Amendment	61	55	2	4
PSV Permit Renewal	101	50	10	41
Transfer of PSV Permit	636	459	47	130
Duplicate PSV Permit	235	207	15	13
Change of Motor Vehicle Class - PSV to Private	2,001	983	149	869
Change of Motor Vehicle Class - Private to PSV	1,913	552	135	1,226
<b>Total</b>	<b>7,119</b>	<b>2,707</b>	<b>436</b>	<b>3,976</b>

## PSV BOARD MEETINGS

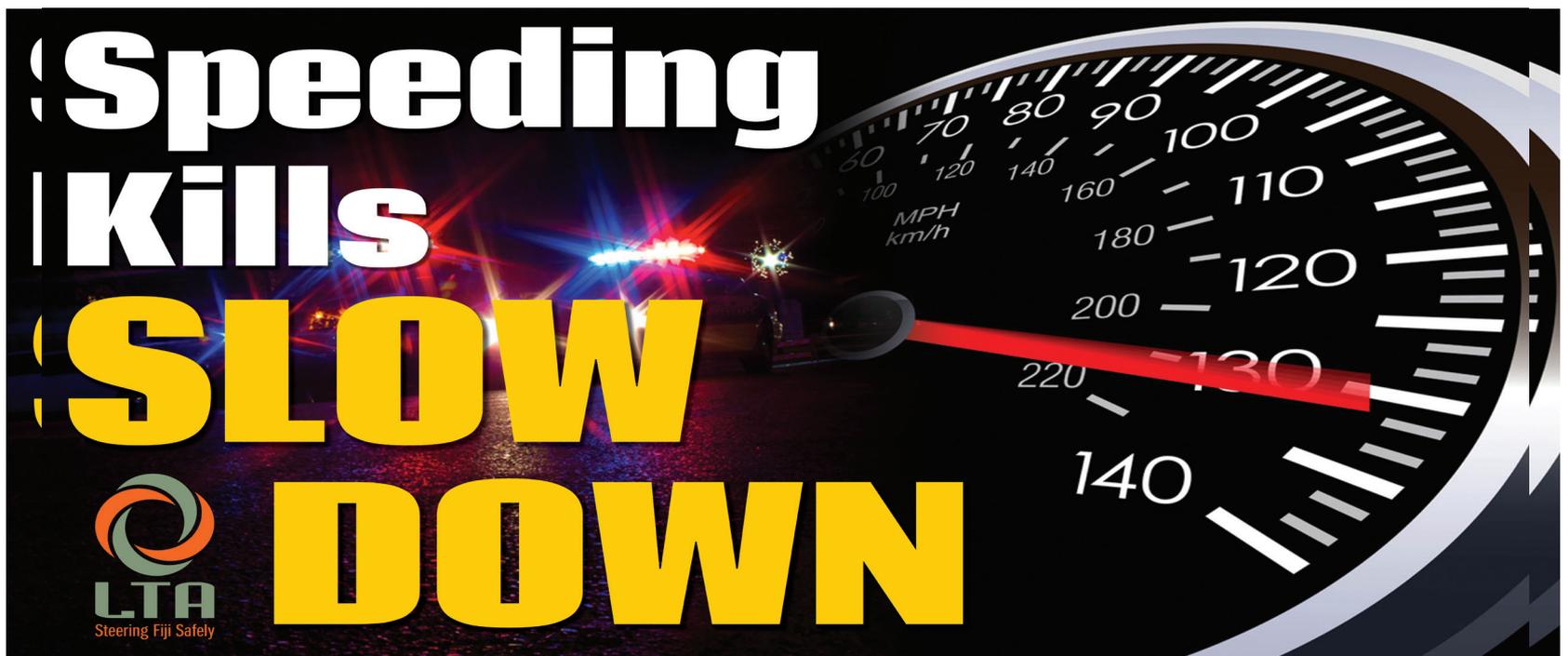
A total of six PSV Board Meetings were held throughout the year with two meetings held in the Central Eastern Division, one meeting held in the Northern Division and three meetings held in the Western Division, and whereby the following matters were tabled to the Authority's Board for deliberation and decision:

- Opposed PSV Permit Applications (New & Deferred)
- PSV Permit Transfer Applications upon Death
- Appeal Against CEO's Decision on PSV Permit Applications
- Expression of Interest – Section 66 Temporary Permit
- RRL Amendment Applications
- Show cause of PSV Permit Holders
- Tribunal Remittances

## POLICY BOARD MEETINGS

The following Policies were tabled and endorsed by the Authority to support PSV customer services, operations, stakeholders and Permit Holders:

- **Disclosure Policy** – affected parties attending PSV Board Meetings shall have access to relevant documents pertaining to the PSV Board Meeting Agenda to ensure fair and transparent deliberations and decision(s);
- **Revised RRL Guidelines & Quality Assurance Maintenance System** – these were revised guidelines and system requirements endorsed by the Authority on 20 March 2019 to enhance safety and compliance level in bus operations; and
- **Extension of 90-Days Provisional Approval Period** – to assist successful PSV Permit Applicants in completing all processes including their motor vehicle registrations to activate their PSV Permit operations.



## ZONAL TAXI NUMBER PLATES

From April 2019, color-coded number plates were implemented in Taxis operating in the Nadi 1, Nadi 2 and Lautoka 1 Transport Zones. The color for Taxi number plates endorsed by the Authority for the Western Region is Sky Blue, Lime Green for the Central Eastern Region and Orange for the Northern Region. These color-coded number plates would provide better identification and enforcement of Taxi operations for respective Regions.

## PSV ARCHIVING PROJECT

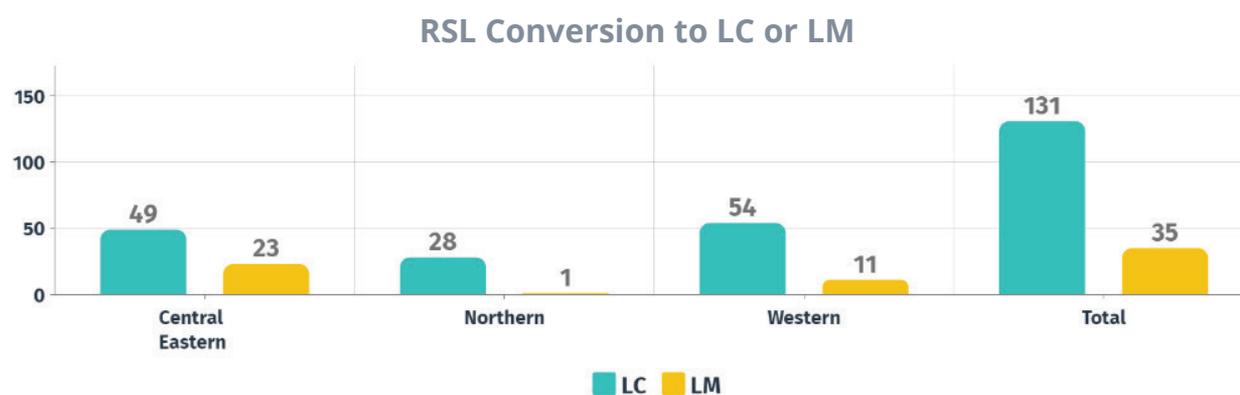
**Table 3** below highlights two key Projects that took place during the year to support, enhance and standardize PSV operations and customer service delivery:

Project Name	Purpose	Activities
Archiving PSV Permit File records for permanent retention	<ul style="list-style-type: none"> <li>For safekeeping and quick retrieval of PSV Permit records</li> </ul>	<ul style="list-style-type: none"> <li>Sorting and verification of records</li> <li>Scanning and cataloging records after verification</li> <li>Depositing and saving scanned records in PSV File Directory share drives</li> </ul>
LTASoft System enhancements in collaboration with ICT Department	<ul style="list-style-type: none"> <li>To align to the Land Transport (Public Service Vehicles) (Amendment) 2017 Regulations</li> <li>To digitize and streamline the processing of PSV Permit Applications</li> </ul>	<ul style="list-style-type: none"> <li>New Taxi Permit Application Process</li> <li>PSV Permit Transfer Application Process</li> <li>Collection of Annual PSV Permit Fees</li> <li>PSV Permit Register</li> <li>PSV Permit Print Out</li> <li>PSV Permit Number Allocation</li> <li>Generation of PSV Permit Transfer Report</li> </ul>

## AMENDMENT OF PSV REGULATIONS

The amendment of PSV Regulations through Regulation 18A(6) of the Land Transport (Public Service Vehicles) (Amendment) Regulations 2017 made it mandatory to convert all valid Rural Service Licenses (RSL) to either an LC or LM operation based on the construction of the existing RSL motor vehicle.

The graph below depicts the number of RSL converted to either a LC or LM operation during the year:



## CUSTOMER SERVICES

### Training Programs

- From 3 to 7 March 2019, the Authority participated in a technical exchange program with the Road Traffic Authority (RTA) in Port Moresby, Papua New Guinea. The Authority was led by its Board Chairman as part of a one-week technical learning exchange program that was organized by the UN Women's Programme. The programme provided an opportunity for both organizations to meet with other key stakeholders such as Papua New Guinea's Traffic Police to discuss and share their respective functions, ideas, experiences and best practices to improve operations, efficiency and enforcement in the land transport sector.



- A Customer Service Workshop for Team Leaders and Customer Service Officers in the Registration & Licencing Section was held in Nadave on 25 August 2018. A total of 33 participants attended the workshop and included staff members from all three Regions including representatives from the Accident Compensation Commission Fiji (ACCF). The purpose of this workshop was to train staff with a customer-focused culture, review and improve customer services delivery, review existing Code of Practices for Registration & Licencing whilst also strengthening networks with ACCF.

### Customer Service Awards

The Authority received customer service awards for the months of September and November 2018 from the LiveHelpNow! Challenge, which ranks its subscribers for superior customer service (online chat). The achievement reflects the professionalism, skill, concern and quest to provide better service that define a company's or organization's rank among the top 100 in a global field of more than 10,000 businesses.

Web Chat is an increasingly important part of the Authority's communication mechanism and urges its customers to make use of this service when communicating with the Authority. As part of the Authority's customer services efficiency in all its respective offices, the provision of live chat is fundamental to improve customer services in the digital transformation of the Authority.



## ROAD SAFETY EDUCATION

Road Safety Education is a core function of the Authority with its goal to create a safety conscious generation of road users who consider and respect others on the road.

The Authority worked towards eradicating road accidents and deaths through the implementation of its 3-E's principles (Education, Enforcement and Engineering) for road safety as similarly undertaken world-wide, and which were aligned with Fiji's Decade of Action for Road Safety (2010-2020) National Road Safety Action Plan.

Fiji's National Road Safety Action Plan included a number of initiatives across key stakeholders including the Authority, Fiji Police Force and Fiji Roads Authority to produce safer roads, safer drivers and safer motor vehicles. As one of the key stakeholders, the Authority undertook programs with key road safety partners to develop road safety improvements, enhance road safety awareness and reduce road accidents and deaths.

Road safety strategies implemented by the Authority comprised the following:

- Arriving Safely – Bus and Car Ministries to promote passenger safety.
- Safer pedestrian crossing interventions for children and senior citizens.
- Community Awareness for Road Safety [CARS] for communities near main highways.
- Drive Safe billboards.
- School class-based programs with Ministry of Education for child road safety.
- Media publicity through radio and talk back shows, newspapers and texting platforms.
- Digital media through LED screens.
- Advanced Driver Training Programs such as Defensive Driving Courses (DDC), Hands on Wheel and Driver Assessments.
- Bus shelter advertisements.
- Back to School Safety Programs.
- Rear Seat Belt Campaigns.



**Table 1** below presents the summary of Road Safety Education Awareness activities throughout Fiji and the number of lives impacted by these activities:

Awareness Activities	No. of Activities	Lives Impacted
Community Awareness	349	52,133
Safety Interventions – Drivers, Passengers & Pedestrians	180	27,904
DDC Level 1	471	10,442
DDC Level 2	322	5,404
Corporate & Community DDC	43	794
Refresher DDC	4	181
Hands on Wheel	2	59
Driver Assessment	4	37
<b>Total</b>	<b>1,375</b>	<b>96,954</b>

In addition to the above awareness activities, the Department carried out 701 school visitations throughout the country whereby a total of 164,529 lives of both teachers and students were reached out to by these visitations.

Furthermore, promotion and awareness of road safety education were carried out during the Hibiscus Festival held at Valelevu Ground in Nasinu. This included road safety education poster displays, pamphlets and face-to-face interactions with the general public.



## STANDARDS AND ENGINEERING

The Standards and Engineering Department is responsible for reviewing and formulating technical policies, operations and engineering projects to support and guide the Authority in maintaining standardized quality systems. It makes references to the Land Transport Act 1998 and Land Transport (Vehicles Registration and Construction) Regulations 2000 primarily for its core functions.

The Manager Standards & Engineering leads the Department with the Team Leader Standards & Engineering who is in charge of the Standards Team whilst the Mechanical Engineer is in charge of the Engineering Team.

### QUALITY ASSURANCE MAINTENANCE SYSTEM (QAMS) & FLEET AUDIT

The QAMS Inspection Checklists for Phases 1 to 3 were reviewed following consultations with key stakeholders to raise the quality standards of bus fleet and its operations. This review incorporated quality standards on bus safety audits which were approved by the Board on 20 March 2019.

The Department conducted a total of 39 QAMS inspections from which 23 inspections were undertaken using the previous checklist criteria and the remaining 16 inspections were carried out using the revised checklist criteria following the above approval.

### ACCREDITATIONS

Tenders for the following Accreditation Schemes were advertised during the year:

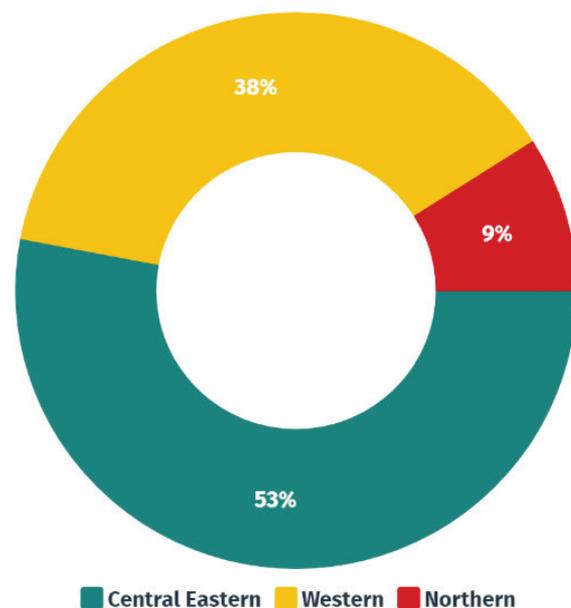
- LTA Accredited Engineer
- LTA Accredited Draftsman
- LTA Accredited Workshop
- LTA Accredited Canopy Construction Workshop
- LTA Accredited Tinting Agency

The Authority accredited four companies following their full compliance in meeting the Authority's standard requirements:

- Integrated Welding Industry - Accredited Canopy Construction Workshop
- Dewa's Plumbing - Accredited Canopy Construction Workshop
- City Auto Trimmers - Accredited Canopy Construction and Upholstery Workshop
- Formscaff Fiji (PTE) Limited - Accredited Canopy Construction Workshop

### AUTHORIZED MOTOR VEHICLE DEALER (AMVD)

AMVD renewals for 100 companies throughout Fiji were processed, that is, 53 renewals in Central Eastern Region, 38 renewals in Western Region and nine renewals in Northern Region:



The following activities were also carried out in relation to AMVD:

- Meeting with clients to ensure full awareness of AMVD requirements prior to setting up an AMVD company.
- Collaboration with Branch Managers during AMVD renewal periods for monitoring and compliance purposes.
- Carried out investigations into fraudulent activities and complaints received against AMVD companies.

### **AUTHORIZED MOTOR VEHICLE INSPECTION AGENCY (AMVIA)**

The Authority signed contracts with the following companies after attaining 100% compliance to AMVIA requirements:

- Motor Management, Vatuwaqa
- Dee Ace Motors, Lami
- Carpenters Motors, Walu Bay
- Asco Motors, Nabua
- Millennium Inspection Agency, Nadi
- Millennium Inspection Agency, Lautoka
- Asco Motors, Labasa
- Asco Motors, Ba
- Kingsway Auto Services, Lautoka
- Quickstop Vehicle Inspection Center, Sigatoka
- Kia Motors, Raiwaqa
- Motorex, Nadi
- Coastal Auto Investment, Sigatoka

In addition, the following AMVIA were given provisional approvals (85%) compliance:

- Matec Motors & Spares, Valelevu
- Manos Motors, Rakiraki
- Chanel Motors, Ba
- Aarkay Motors, Raiwaqa
- Richards Auto Servicing, Samabula



## PROMOTE USE OF GREEN VEHICLES

The Authority was one of the organizing partners of the Pacific Transport Forum and Expo with the theme *'Turning the Tide: Decarbonizing Pacific Transport'* held at The University of the South Pacific in Suva.

The Authority also moderated the private sector round-table discussions for determining the challenges and needs of the private sector to drive the transition towards sustainable mobility.

## PROJECTS

### Number Plate & Shredding Machines

Licensys Pty Ltd was contracted to supply two sets of Number Plate Machines (Embossing & Hot Stamping) and also two sets of Shredder Machines to shred surrendered number plates approved for disposal.



Hot Stamping Machine



Shredding Machine



Embossing Machine

### MOBILE ENFORCEMENT & COMPLIANCE VEHICLE

The commissioning and delivery of the caravan vehicle was carried out in May 2019. It greatly assisted with enforcement operations held during the day and night.



## DANGEROUS GOODS (DG) TRAINING

A total of 103 participants attended DG trainings during the year. A total of eight DG trainings were conducted, which included five public sessions and three in-house training sessions.

## INSTALLATION & CALIBRATION COMMISSIONING OF PERMANENT WEIGHBRIDGE PROJECTS

The Weighbridge Project is part of the Authority's continuous effort to control motor vehicle overloading in Fiji. This is in line with the Government's focus to ensure that proper road infrastructure is maintained within acceptable conditions.

This project intends to implement four permanent weighbridges at strategic locations around Fiji, namely Korovou, Karavi, Cuvu and Lekutu.

The following were key milestones achieved during this year:

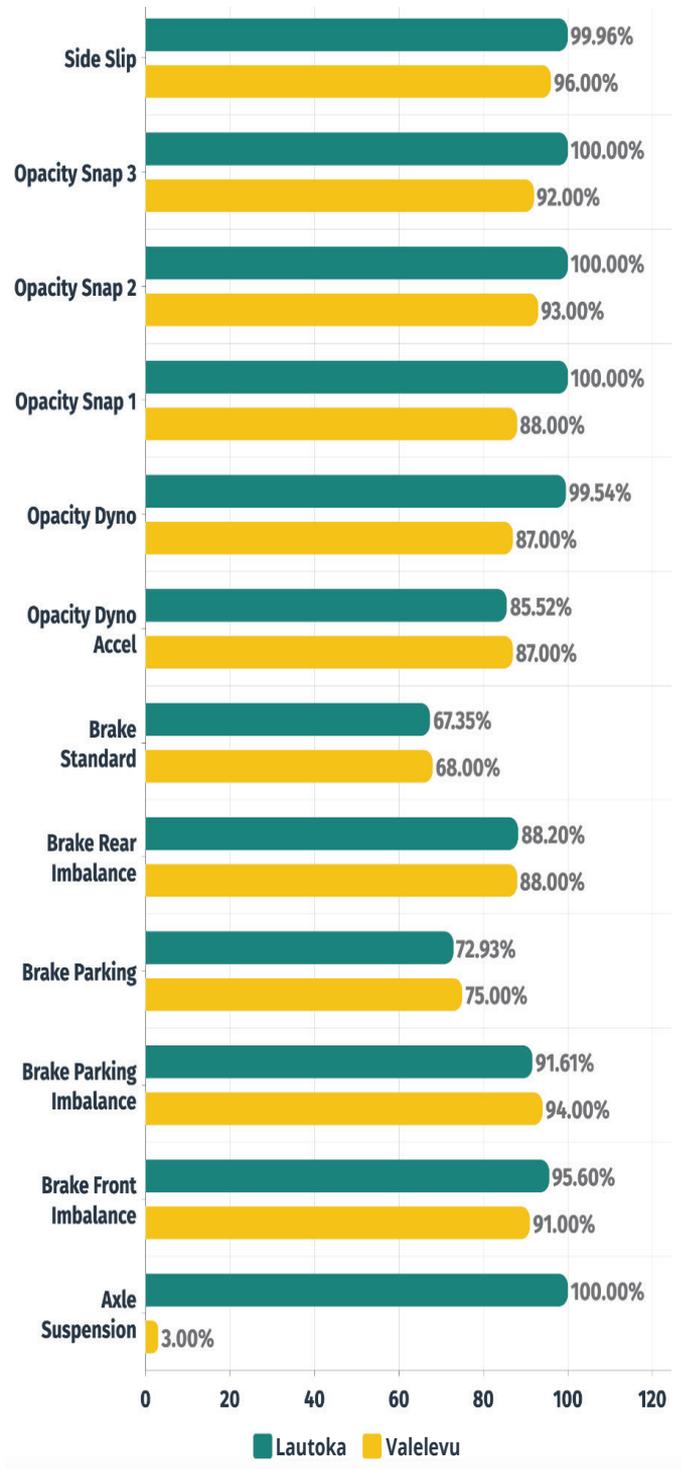
- Project Management Plan received from the Lead Consultant for Karavi Site.
- Land survey completed for Karavi Site.
- Environment Impact Analysis for Karavi Site carried out by the Department of Environment.
- Tender awarded and contract signed for Cuvu Site's Lead Consultant.
- The consent to sublease signed by the Department of Lands for Lekutu Site.
- iTaukei Land Trust Board has approved the application seeking consent to sublease the Lekutu Site.

## NUMBER PLATE MONITORING

Monitoring of number plates at all Branches was carried out by the Department to ensure timely dispatch of number plates to customers.

## FULLY AUTOMATED MOTOR VEHICLE INSPECTION SYSTEM (FAMVIS)

The chart below shows the overall pass rate carried out for each equipment on the FAMVIS lane during the year:



Generally, the Lautoka branch office produced a higher pass rate than Valelevu branch office.

# Corporate Services

## FINANCIAL OVERVIEW

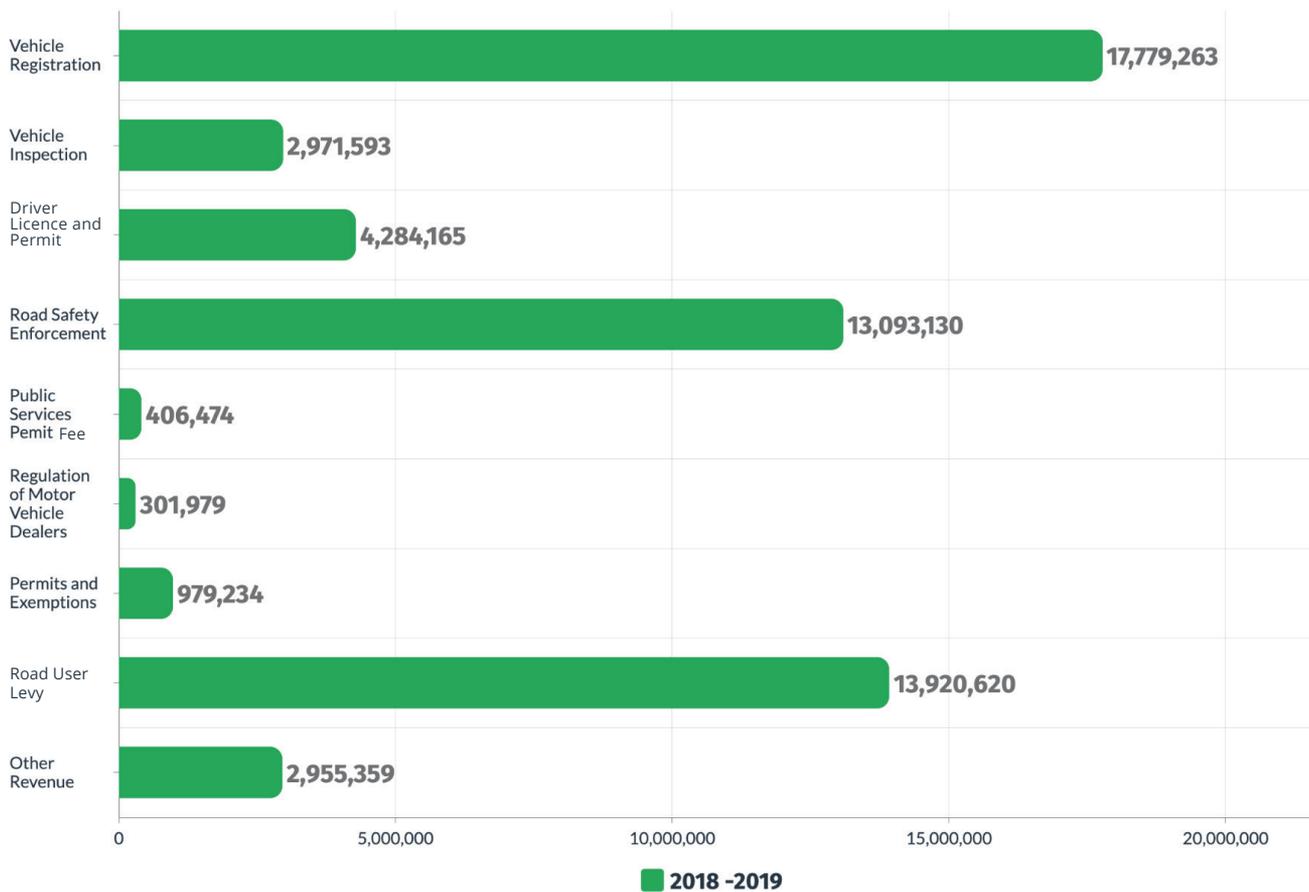
The Authority continued to administer functions where its revenue is directly deposited into the Government's Consolidated Fund Account.

Total administered revenue at the end of the financial year was \$56.6million.

The largest contribution to the Authority's revenue collection was from Vehicle Registration followed by Road User Levy and Road Safety Enforcement.

The graph below shows the revenue collection for the period 2018/2019 financial year:

Revenue Deposited into Government's Consolidated Fund Account



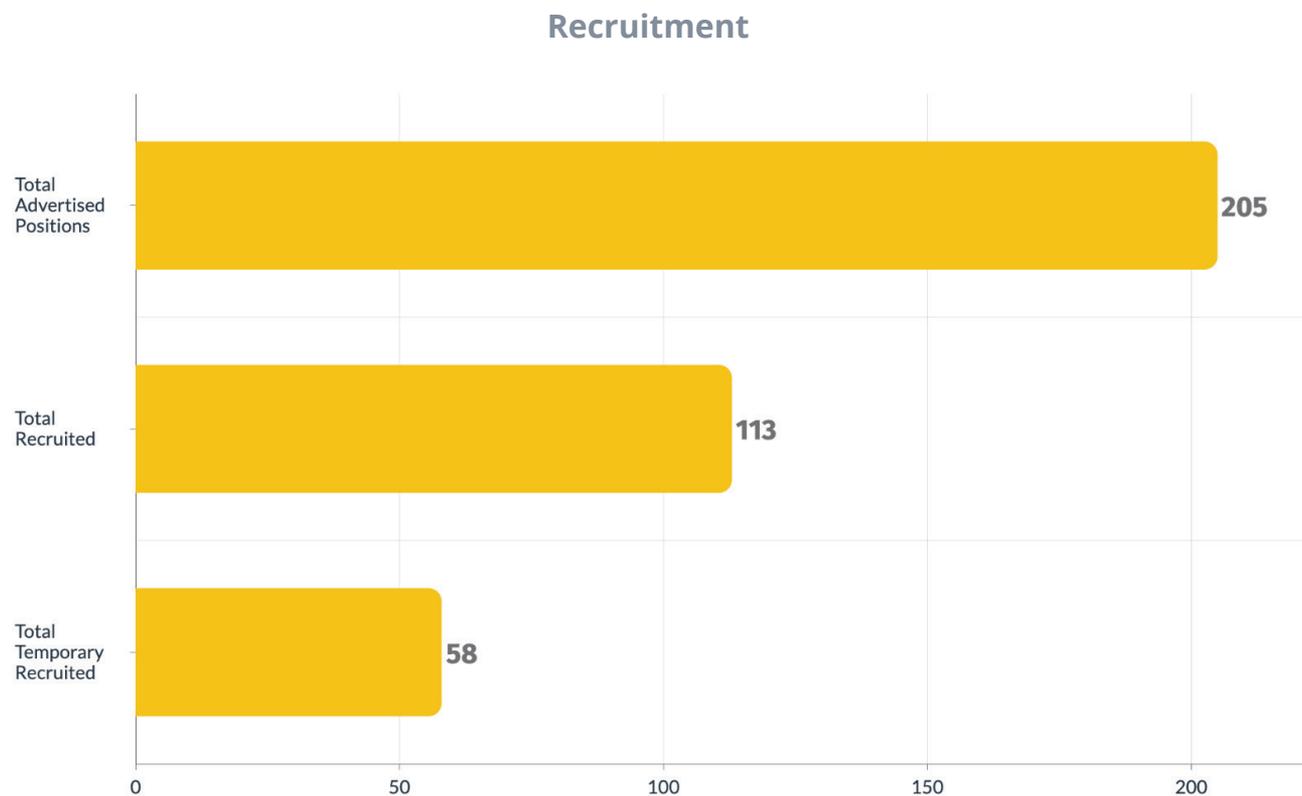
## HUMAN RESOURCES

The Human Resources (HR) Department plays a key role in developing, reinforcing and changing the culture of an organization. Payroll, performance management, training and development, recruitment, onboarding and reinforcing the values of the business are all essential elements of the business culture covered by HR.

The Department is responsible for the health and wellbeing of staff. With the policies and procedures in place, we always ensure that proper HR management is implemented and maintained.

### Recruitment

The Department advertised a total of 205 positions. These approved vacancies included 100 E-Ticketing Officer positions recruited to enhance the operations of the Enforcement Team nationwide. A total of 113 employees were recruited including 58 Temporary Officers recruited on a 3-months engagement with the provision of renewal to address temporary manpower needs.

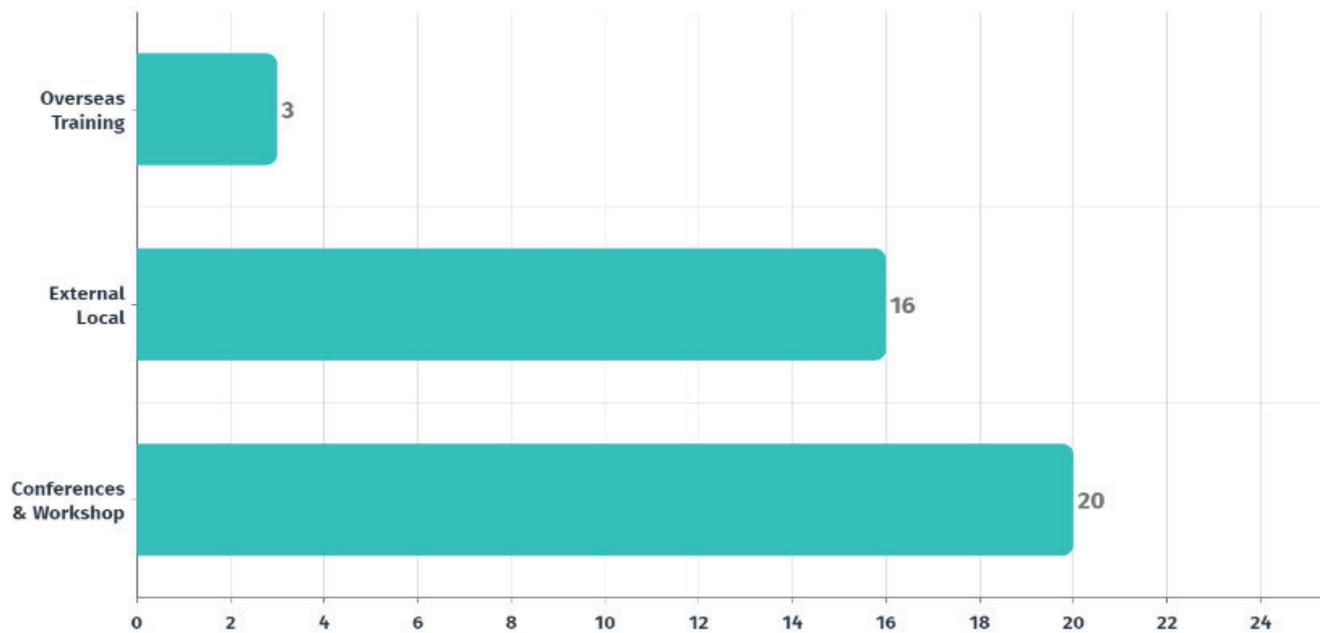


### Training and Development

The Training and Development Unit provides employees with flexible opportunities for personal and professional growth through education, Occupational Health and Safety training, Basic First Aid and Safety training, on-the-job training, internal and external trainings and workplace experiences while also supporting the Department's goals. The Department continues to stand as a general resource as well, in order to provide answers to most day-to-day questions, situations, or needs arising from staff.

Partnerships and networking both internally and externally with key Donor Fund Agencies and Government Ministries were ongoing to meet the Department's goals on training and development, despite a reduction in training budget that was allocated for the year.

## Participation in Training Activities



## MAJOR ACHIEVEMENTS

### Collective Agreement

The Authority implemented the 2019 Collective Agreement following successful consultations with the Fiji Public Service Association and National Union of Workers (Fiji).

### Employment Relations

The Authority's Human Resources Policy and the Employment Relations Act 2007 serve as guiding principles in our interactions with employees. The Department, specifically through the Employment Relations Act 2007 functions, is dedicated to fostering effective communication, ensuring fairness and cultivating a positive workplace environment.

In the past year, our focus has been on maintaining a robust workplace where every individual feels respected and valued. When it comes to dealing with problems, we believe in helping people learn and grow through corrective actions, giving them a chance to improve. As we keep moving forward, we're dedicated to making the Authority a place where everyone can work together in a friendly and responsible way.

The Authority through its consultation with the Fiji Independent Commission Against Corruption managed to facilitate and carry out awareness training sessions and refresher training on Bribery & Corruption and setting high ethical standards for the Authority.

## INFORMATION, COMMUNICATION & TECHNOLOGY

The Information, Communication and Technology (ICT) Department achieved significant accomplishments throughout the year which included the following operational highlights:

- Data Center Server and Storage Upgrade
- Establishment of a Disaster Recovery Data Center
- Domain Controller Upgrade
- Email Server Upgrade
- Provision of Inter-Agency System Access
- New Office ICT Implementations
- Red-Light and Speed Camera Back Office Server Upgrade
- ACCF Motor Vehicle Accident Levy Collection
- New Application Process Work-Flow for Lautoka 1, Nadi 1 and Nadi 2 Transport Zones (Public Service Vehicle Permits)
- Network Communication Infrastructure Upgrade
- ICT End-User Equipment Replacement and Upgrade
- Server Storage Expansions
- Application Build Upgrades
- Uninterruptible Power Supply Units for desktop computers and network communications devices
- Windows Patch Management, Operating Systems Deployment and Inventory
- Quematic System implementations in Lautoka main branch, Lautoka Express and Nausori offices
- ICT Equipment Setup for new offices and Departments

The above accomplishments impacted the Authority's internal operations and customer services as follows:

- Improved ICT related security through continuous upgrades.
- Expanding customer services through the opening of new offices.
- Digitizing payments for walk-in customers.
- Business Process Improvements through automation of manual processes.
- Ensuring infrastructure and Application Systems are available to the Authority's internal and external users.
- Ensuring ICT Systems are secure from internal and external threats.
- Training all ICT users on new changes.

## INTERNAL AUDIT & COMPLIANCE

The Internal Audit and Compliance Department is an influential part of the Authority's corporate governance structure. The Department works independently and reports to the Audit and Risk Standing Committee. Its total staff establishment is eight however from August 2018 to May 2019, there were six staffs while two positions remained vacant. All eight positions were filled by the end of the financial year.

A total of 30 investigations and four planned audits were conducted, and by end of the year two investigations were closed.

Furthermore, the Department reported 278 recommendations through its Audit Reports and had also reported a total of 11 cases to the Fiji Independent Commission Against Corruption. There were no cases reported to the Fiji Police Force and the Fiji Revenue & Customs Service during the year.



## PROPERTIES

The Authority's expansion and growth witnessed the establishment of two new offices and refurbishment of one existing office for its services to be more accessible and customer-friendly to the general public. The following offices were completed with design, build, refurbishment and fit-outs to enhance staff amenities and customer service facilities:

- Valelevu Building-E (new)
- Sigatoka Town Express Office (new)
- Seaqaqa Express Office (existing)

Valelevu Building-E was established to provide office spaces for ACCF, centralization of the Public Transport Department, Traffic Management Department, Board Room and Media Conference Room.

Sigatoka Town Express Office underwent an overhaul expansion by double-sizing its existing office space to cater for the increased customer base, meeting room, staff amenities and customer's Driving Knowledge Test System (DKTS) facility.

The existing Seaqaqa Office was refurbished to provide express services to customers, create additional office space for driving test and vehicle inspection staff, a meeting room and DKTS facility.



## LEGAL

The Legal Department ensures that the Authority adheres to the law by providing accurate and timely legal advice to Management, specifying internal governance policies, regularly monitor compliance, and collaborating with Management to devise efficient strategies.

The Department consists of a General Manager Legal, Policy and Business Development, an Acting Manager Legal Services, one Senior Legal Officer and three Legal Officers.

In addition, three Prosecutors were respectively based in the Central Eastern, Western and Northern Divisions, and three Administrative Officers were based at headquarters.

The Legal Team drafts and reviews a wide range of documents such as legal opinions, contract agreements, Memorandum of Understanding, policies and letters whilst also providing thorough legal advice to Management and Board.

The Department also liaises with the Enforcement Department to ensure compliance on the issuance of Traffic Infringement Notices (TINs) whilst also training employees on standard operating procedures to ensure consistent implementation of policies and procedures across Departments.

A total of 19 legal opinions and 44 documents were vetted and issued during the year.

The Department represents and upholds the Authority's interest in the following Courts:

- Magistrates Court
- Land Transport Appeals Tribunal
- Employment Relations Tribunal
- Arbitration & Mediation Court
- High Court
- Court of Appeal
- Supreme Court

In addition, the Department acts in the event of internal and external conflicts whilst managing all legal proceedings initiated for and against the Authority.

Below are the statistics for all litigation matters which commenced in the year:

Employment	Civil	Tribunal	TINs
8	9	18	208

## QUALITY ASSURANCE

The Quality Assurance Department comprises three staff members who assisted with the coordination and achievement of the following key activities:

- **Capital Projects** – three projects for design and build of office refurbishment and fit-outs were coordinated and established in collaboration with the Properties Department. A new building was established for Valelevu (Building-E) whilst two new express offices were established for Sigatoka and Seqaqa. These projects were carried out to establish standardized offices and also support the Authority's expansion of operations to reach out to more of its valuable customers.
- **Fiji Business Excellence Awards (FBEA)** – two staff members from the Department were selected as Evaluators by the FBEA Secretariat (National Productivity and Training Centre) to attend comprehensive training in business excellence to assess and provide valuable feedback to organizations seeking recognition under the FBEA Program. The training and awards process had also given the Authority the opportunity to gain knowledge, skills, experience and establish valuable networking aimed at improving quality and productivity.
- **Records Management** – the Department conducted 5S quality inspections at all regional offices and consequently, the existing records management system of the Authority was addressed to improve its Occupational Health & Safety compliance level. This was to create better records management in terms of storage, security, reliability, traceability, retrieval and disposal. Necessary tender works and contract agreement for professional archives storage were facilitated including the recruitment of 15 Project Officers to assist with the digitization of PSV records.
- **Management Tender Committee (MTC)** - the Department provided secretariat assistance to MTC by facilitating all tender meetings, monitoring of tenders, tender audits and safe-keeping of tender records. For this period, a total of 30 Requests for Tender, five Expressions of Interest, one Request for Proposal and one internal audit by an external auditing firm were facilitated accordingly.



# Financial Statements

## OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File:1290

18 January 2023

Mr. James Sowane  
The Chairman  
Land Transport Authority  
Valelevu  
**NASINU**

Dear Mr. Sowane

### **LAND TRANSPORT AUTHORITY**

### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**

The audited financial statements for Land Transport Authority for the year ended 31 July 2019 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**

Encl.

**LAND TRANSPORT AUTHORITY**  
**FINANCIAL STATEMENT**  
**FOR FINANCIAL YEAR ENDED 31 JULY 2019**

LAND TRANSPORT AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

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Statement of cash flows	10
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**LAND TRANSPORT AUTHORITY  
MEMBERS' REPORT  
FOR THE YEAR ENDED 31 JULY 2019**

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In accordance with a resolution of the Authority's members, the members submit the statement of financial position of the Authority as at 31 July 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and report as follows:

**Authority's members**

The names of the Authority's members in office as at the date of the report are:

	<b>Date Appointed</b>	<b>Status</b>
Mr James Sowane - Chairman	20 July 2021	Current
Mr Kamal Prasad	20 July 2021	Current
Mr Parvez Akbar	20 July 2021	Current
Ms Narisha Karan	20 July 2021	Current
Mr Richard Breen	20 July 2021	Current
Mr Kamal Goundar	20 July 2017	Current
Mr Ashok Patel	20 July 2017	Current

**State of affairs**

The Land Transport Act of 1998 established the Land Transport Authority, to regulate the registration and use of vehicles, the licensing of drivers of vehicles and the enforcement of traffic laws. Additionally, from 2010 the Authority resumed all functions, funds, assets and resources of the then National Road Safety Council following the repeal of the National Road Safety Act of 1994.

**Principal activities**

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

**Operating results**

The operating loss after income tax for the year ended 31 July 2019 was \$2,188,618 and Operating profit for 2018 was : \$11,214,680

**Dividends**

No dividends were declared or paid during the year.

**Reserves**

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

**Bad and doubtful debts**

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

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

**LAND TRANSPORT AUTHORITY  
MEMBERS' REPORT  
FOR THE YEAR ENDED 31 JULY 2019**

---

**Non-current assets**

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

**Events Subsequent to Balance Date**

No matters or circumstances have arisen since the end of the financial year which would require adjustments to, or disclosure in the financial statements.

As stated in Note 22 (i), there is no impact of COVID - 19 on the amounts and estimates reported or used in the preparation of the 2019 financial statements.

**Basis of accounting**

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

**Unusual transactions**

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

**Other circumstances**

As at the date of this report:

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

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

**Members' benefits**

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

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

Dated this 17 day of November 2022.



Chairperson



Member

**LAND TRANSPORT AUTHORITY  
STATEMENT BY MANAGEMENT  
FOR THE YEAR ENDED 31 JULY 2019**

---

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

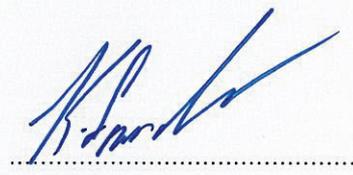
- (i) the accompanying statement of comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 July 2019;
- (ii) the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the year ended 31 July 2019;
- (iii) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 July 2019;
- (iv) the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 July 2019;
- (v) at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Authority.

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

Dated this 17 day of November 2022.



Chairperson



Member

# OFFICE OF THE AUDITOR GENERAL

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## INDEPENDENT AUDITOR'S REPORT

### LAND TRANSPORT AUTHORITY

#### Report on the Audit of the Financial Statements

##### Opinion

I have audited the accompanying financial statements of Land Transport Authority ("the Authority"), which comprise the Statement of Financial Position for the year ended 31 July 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on notes to and forming part of the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Land Transport Authority as at 31 July 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

##### Basis for Opinion

I have 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 Accountants 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.

##### Other information

The Management and Directors 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 Management and those charged with governance for the financial statements**

The Management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the Management and Directors 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, Management and Directors 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 Management and Directors either intends to liquidate the Authority's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Authority's financial reporting process.

## **Auditor's Responsibility 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 International Standards on Auditing (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 these financial statements.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements (con't)**

I communicate with those charged with governance 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 Land Transport Act 1998 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  
18 January 2023

LAND TRANSPORT AUTHORITY  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 (\$)	2018 (\$)
<b>Revenue</b>			
Grant received	2	22,244,685	23,229,876
Other income	3	2,620,305	2,557,758
<b>Expenses</b>			
Administrative expenses	4	(1,229,449)	(1,142,012)
Salaries, wages and other employee benefits	5	(15,396,074)	(12,036,701)
Operating expenses	6	(8,709,450)	(7,074,665)
Other expenses	7	(1,718,635)	(1,444,974)
<b>Profit from operations</b>		(2,188,618)	4,089,282
Income tax expense	1(l)	-	-
Profit/(Loss) from operations after income tax		(2,188,618)	4,089,282
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss ;			
- Revaluation Surplus on Land, Buildings and Plant & Equipment	11	-	7,125,398
<b>Total comprehensive (loss)/income</b>		(2,188,618)	11,214,680

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

LAND TRANSPORT AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2019

	Asset Revaluation Reserve (\$)	Capital (\$)	Retained earnings (\$)	Total (\$)
Balance as at 1 August 2017	418,955	1,650,146	4,758,133	6,827,234
Total comprehensive Profit for the year			4,089,282	4,089,282
Gain on Revaluation (Note 10)	7,125,398			7,125,398
<b>Balance as at 31 July 2018</b>	<u>7,544,353</u>	<u>1,650,146</u>	<u>8,847,415</u>	<u>18,041,914</u>
Balance as at 1 August 2018	7,544,353	1,650,146	8,847,415	18,041,914
Profit/(Loss) for the year	-	-	(2,188,618)	(2,188,618)
Gain on Revaluation (Note 11)	-	-	-	-
Rectification of opening Accumulated Depreciation			(7,511)	(7,511)
<b>Balance as at 31 July 2019</b>	<u>7,544,353</u>	<u>1,650,146</u>	<u>6,651,286</u>	<u>15,845,785</u>

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

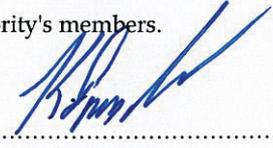
**LAND TRANSPORT AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2019**

	Notes	2019 (\$)	2018 (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	9,577,956	7,855,854
Receivables	9	1,030,620	1,220,798
Inventories	10	750,987	964,436
<b>Total current assets</b>		<b>11,359,563</b>	<b>10,041,088</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	24,696,198	22,348,243
Intangible assets	12	260,858	466,422
Right-of-use assets	16 (a)	4,083,827	-
<b>Total non-current assets</b>		<b>29,040,883</b>	<b>22,814,665</b>
<b>TOTAL ASSETS</b>		<b>40,400,446</b>	<b>32,855,753</b>
<b>CURRENT LIABILITIES</b>			
Creditors and other accruals	13 (i)	2,281,591	1,380,512
Owing to Government consolidated account	13 (ii)	1,046,961	15,639
Deferred grant	15	2,503,537	2,208,163
Provisions	14	440,627	727,590
Lease liabilities	16 (b)	961,506	-
<b>Total current liabilities</b>		<b>7,234,222</b>	<b>4,331,904</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	16 (b)	3,170,443	-
Deferred grant	15	14,149,996	10,481,935
<b>Total non-current liabilities</b>		<b>17,320,439</b>	<b>10,481,935</b>
<b>TOTAL LIABILITIES</b>		<b>24,554,661</b>	<b>14,813,839</b>
<b>NET ASSETS</b>		<b>15,845,785</b>	<b>18,041,914</b>
<b>CAPITAL AND RESERVES</b>			
Asset Revaluation Reserve	17	7,544,353	7,544,353
Capital		1,650,146	1,650,146
Retained earnings		6,651,286	8,847,415
<b>TOTAL CAPITAL AND RESERVES</b>		<b>15,845,785</b>	<b>18,041,914</b>

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

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

  
.....  
Chairman

  
.....  
Member

**LAND TRANSPORT AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2019**

	Notes	2019 Inflows/ (Outflows) (\$)	2018 Inflows/ (Outflows) (\$)
<b>OPERATING ACTIVITIES</b>			
Receipts from government for operational expenditure		22,244,685	23,229,876
Receipts from Commission/Rent and Legal Expense Grant		116,768	140,818
Compulsory Third Party Levy		606,762	208,776
Payments to suppliers and employees		(22,588,773)	(20,893,966)
Payments for amount owing to government		424,561	(10,683)
		<u>804,003</u>	<u>2,674,821</u>
<b>INVESTING ACTIVITIES</b>			
Receipts from government for capital expenditure		6,466,972	-
Payment for Intangibles		(95,037)	-
Payments for property, plant and equipment		(4,879,468)	(2,741,632)
Net cash (used in)/provided by investing activities		<u>1,492,467</u>	<u>-2,741,632</u>
<b>FINANCING ACTIVITIES</b>			
Net repayments of loan		-	(262,846)
Repayment of lease Liability		(574,368)	-
Net cash used in financing activities		<u>(574,368)</u>	<u>(262,846)</u>
<b>Net (decrease)/increase in cash held</b>		<b>1,722,102</b>	<b>-329,657</b>
Cash and cash equivalents at the beginning of the year		7,855,854	8,185,511
Cash and cash equivalents at the end of the year	8	<u>9,577,956</u>	<u>7,855,854</u>

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

LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

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1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Land Transport Authority (the "Authority") is a statutory body established under the Land Transport Act, 2008. The financial statements were authorized for issue with a resolution of members on 17 November 2019.

The principal activities of the Authority are described in Note 21.

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

(a) **Statement of compliance**

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

(b) **Basis of preparation**

These financial statements have been prepared under historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated. The financial statements are presented in Fiji dollars, rounded to nearest dollar.

(c) **The Authority as the Agent of the State**

All funds utilized by the Authority through various branches to carry out its functions as the Agent of the State have been included in the financial statements. As the Authority acts as the Agent of the State, it administers, but does not control, funds collected on behalf of the Fiji Government. The Authority is accountable for transactions involving those resources, but does not have the discretion to deploy the resources for the achievement of its objectives. Government transactions includes vehicle registration and inspection fees, drivers' license and driver permit fees, road safety enforcements, public service permits, regulation of motor vehicle dealers and other permits.

Government revenue is recognized on receipt (cash basis).

(d) **Foreign currency**

All foreign transactions are translated to Fijian dollars at the rates of exchange ruling at the dates of transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling at balance date. Gains and losses arising on such transactions are recognized in the result of the year.

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

The Authority does not hedge its foreign currency commitments.

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

The Authority changed its Accounting Policy for treatment of Property plant and equipment from revaluation model to cost model in the current Financial year. The change will enhance the reliability of the PPE figures. In addition to that the Authority carries huge amounts of PPE spread across various locations where cost of revaluation will outweigh the benefit additionally this change is expected to bring about following benefits to the Authority: Reliability of the accounting information, Simplicity and convenience, consistency and comparability. The change will be applied prospectively from 2018 -2019 onwards where property plant and equipment will be measured at cost with no prior year adjustments.

Land and Buildings are recorded at fair value. As per the Financial Policy, the valuation of Land & buildings is undertaken every three years by the Authority.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

The Authority continues to utilise all assets (except Land & Buildings) which have been fully depreciated and is only replaced or disposed after the Board of Survey and budget availability. Due to COVID-19 and budget restrictions, the replacement of assets have been done only on urgency and at minimal level.

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

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

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

Leasehold land	Leasehold period
Buildings	2.5%
Motor vehicles	20%
Plant and equipment	20%
Computer hardware	33%
Computer software	20%-33%
Office equipment	20%

*Disposal of assets*

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

*Impairment*

The Authority changed its Accounting Policy for treatment of Property plant and equipment from revaluation model to cost model in the current Financial year. The change will enhance the reliability of the PPE figures. In addition to that the Authority carries huge amounts of PPE spread across various locations where cost of revaluation will outweigh the benefit additionally this change is expected to bring about following benefits to the Authority: Reliability of the accounting information, Simplicity and convenience, consistency and comparability . The change will be applied prospectively from 2018 -2019 onwards where property plant and equipment will be measured at cost with no prior year adjustments

(f) Other receivables

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

(g) Inventories

Inventory includes Stationery stock, Driving license consumables, regulated books and labels and number plates. These are valued at cost. Cost of inventory is determined by Weighted average method.

(h) Annual Leave

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

(i) Provisions

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

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***

**(j) Revenue recognition**

The Authority recognises revenue from grants received at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue is recognised at an amount that reflects the consideration that the Authority is expected to be entitled to in exchange for transferring goods or services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- (i) Identification of the contract;
- (ii) Identification of separate performance obligations for each good or service;
- (iii) Determination of the transaction price;
- (iv) Allocation of the price to performance obligations and;
- (v) Recognition of revenue.

The Authorities revenue comprises : Grant Revenue, Payroll Commission revenue and release of capital grant

**(k) Expenses**

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

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

**(l) Income tax**

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

**(m) Value Added Tax**

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

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

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

**(n) Capital grant**

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

**(o) Comparative information**

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current year.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(p) **Financial Instruments**

**i) Classification**

The Authority classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through OCI), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial instruments and the contractual terms of the cash flows.

The Authorities financial assets measured at amortised cost consist of cash and cash equivalents and trade and other receivables.

**ii) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Authority commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, gains/(losses) arising from derecognition, foreign exchange gains/(losses) and impairment losses are recognised in profit or loss.

The Authority recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

**iii) Impairment of Financial Assets**

The Authority recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and measures loss allowances at an amount equal to lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authorities historical experience and informed credit assessment and including forward-looking information.

The Authority considers a financial asset to be in default when:

The Authority changed its Accounting Policy for treatment of Property plant and equipment from revaluation model to cost model in the current Financial year. The change will enhance the reliability of the PPE figures. In addition to that the Authority carries huge amounts of PPE spread across various locations where cost of revaluation will outweigh the benefit additionally this change is expected to bring about following benefits to the Authority: Reliability of the accounting information, Simplicity and convenience, consistency and comparability. The change will be applied prospectively from 2018-2019 onwards where property plant and equipment will be measured at cost with no prior year adjustments.

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

**Measurement of ECLs**

The Authority assesses on a forward looking basis the expected ECLs allocated with its financial assets measured at amortised cost. Authority Assess the ECL to be immaterial based on the nature of Trade and other receivable

**Credit-impaired financial assets**

- significant financial difficulty of the borrower or issuer;

LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
FOR THE YEAR ENDED 31 JULY 2019

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(p) **Financial Instruments (Continued)**

**Credit-impaired financial assets (Continued)**

- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

**Presentations of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets should there be any impairment assessed by the Authority.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Authority determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

**iv) Derecognition**

**Financial assets**

The Authority derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Authority neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Authority enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Authority derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Authority also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**v) Modifications of financial assets**

The Authority changed its Accounting Policy for treatment of Property plant and equipment from revaluation model to cost model in the current Financial year. The change will enhance the reliability of the PPE figures. In addition to that the Authority carries huge amounts of PPE spread across various locations where cost of revaluation will outweigh the benefit additionally this change is expected to bring about following benefits to the Authority: Reliability of the accounting information, Simplicity and convenience, consistency and comparability. The change will be applied prospectively from 2018 -2019 onwards where property plant and equipment will be measured at cost with no prior year adjustments.

**vi) Offsetting**

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

LAND TRANSPORT AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
 FOR THE YEAR ENDED 31 JULY 2019

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(p) Financial Instruments (Continued)

**IFRS 9 - Financial Instruments**

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at 31st July 2019 which has no impact on the Financial instrument carried by the Authority

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying Amount under IAS 39 (\$)	New carrying Amount under IFRS 9 (\$)
<b>Financial Assets</b>					
Trade and other Receivables	9	Receivables	Amortized cost	1,030,620	1,030,620
Cash on hand and at banks	8	Cash and equivalents	Amortized cost	9,577,956	9,577,956
<b>Total Financial assets</b>				<b>10,608,576</b>	<b>10,608,576</b>
<b>Financial Liabilities</b>					
Trade payables	13	Other Financial Liability	Liability	2,281,591	2,281,591
<b>Total financial Liability</b>				<b>2,281,591</b>	<b>2,281,591</b>

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(q) New standards, amendments and interpretation effective from 1 January 2019

The authority adopted IFRS 16 using the modified retrospective method of adoption, and, therefore, have recognised leases on balance sheet as at 1 January 2019. Where contract end dates were not specified in the contract Authority and chosen to use 3 years to recognize and report lease liabilities. The Authority elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead the Authority applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. All lease contract were evaluated for IFRS 16.

**Financial Impact**

The impacts on the financial statement and notes as at 31st July 2019 are shown through these financial statement. At the date of the transition, the new standard resulted in the following increases.

Balance sheet as at 1 January 2019	(\$)
Right-of-use assets	4,605,619
Lease Liabilities	4,605,619
A reconciliation of total operating lease commitments as at the transition date is as follows:	
	(\$)
Operating lease commitment at 1st January 2019 as disclosed in the company's financial statements	5,818,353
Discounted using the incremental borrowing rate	1,212,734
Extension and termination options reasonably certain to be exercised	-
Short term leases	-
Lease liabilities recognized at 1st January 2019	<u>4,605,619</u>

The Authority also applied the available practical expedients and assumptions in computing the lease liability figures:

- Used a single discount rate to a portfolio of leases a discount rate of 4.5% (incremental borrowing rate) was used for calculation purposes. 4.5% is the interest rate that will be charged by LTA financier to provide loans of similar nature to service the lease payments
- Transition date for application of IFRS 16 is 1 January 2019
- Where Contract expired or have not been renewed until balance date, a 3 year period as end date is used as a conservative approach. A total of 5 leases where evaluated under these assumption as the authority continues to occupy offices spaces for these locations
- The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**Effect on adoption of IFRS 16 on Income statement is shown below:**

Income statement for the year ended 31 July 2019	(\$)
Operating Lease expenses (previous lease accounting)*	574,368
Depreciation of right of use Assets	(521,792)
Interest Expense	(100,698)
Net Impact on statement of Comprehensive Income from Adoption of IFRS 16	<u>(48,122)</u>

LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
FOR THE YEAR ENDED 31 JULY 2019

	2019 (\$)	2018 (\$)
<b>2 REVENUE</b>		
Fiji Government grant received	22,244,685	23,229,876
<b>3 OTHER INCOME</b>		
Release of capital grant revenue	2,503,537	2,208,163
Other income	116,768	349,595
	<u>2,620,305</u>	<u>2,557,758</u>
<b>4 ADMINISTRATION EXPENSES</b>		
Audit fees	79,379	14,068
Bank charges	10,307	10,715
Board members' fees and remuneration	8,805	36,543
Consultancy charges	83,390	381,976
NFA Levy	-	63,689
Insurance	675,000	473,492
Legal fees	209,163	16,159
Staff training	163,405	145,370
	<u>1,229,449</u>	<u>1,142,012</u>
<b>5 SALARIES, WAGES AND OTHER BENEFITS</b>		
Annual leave	721,966	731,813
Fringe Benefit Tax	11,586	13,360
Fiji National Provident Fund contributions	1,454,990	1,168,231
Fiji National University levies	144,423	113,633
Wages and salaries	13,063,109	10,009,664
	<u>15,396,074</u>	<u>12,036,701</u>
<b>6 OPERATING EXPENSES</b>		
Accommodation hire	113,986	113,771
Advertising	185,224	200,643
Conferences	32,392	25,099
Depreciation	2,824,604	2,277,497
Depreciation - right-of use assets	521,792	-
Driver license consumables	262,953	230,471
Electricity and water	438,552	408,318
Entertainment	47,074	93,738
Motor vehicle expenses	250,076	218,940
Number plates	518,597	451,504
Printing and stationery	888,124	729,338

LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
FOR THE YEAR ENDED 31 JULY 2019

6 OPERATING EXPENSES (continued)	2019 (\$)	2018 (\$)
Rent and rates	654,393	869,386
Repairs and maintenance	710,166	400,190
Security hire	618,293	335,576
Telephone equipment lease charges	309,076	344,919
Interest expenses	-	20,276
Telephone and facsimile	109,173	144,691
Travelling	153,508	147,071
Uniforms	71,467	63,237
	<u>8,709,450</u>	<u>7,074,665</u>
<b>7 OTHER EXPENSES</b>		
Commission expense	34,030	27,232
Hire charges	50,384	179,762
Internet expenses	88,708	107,093
Maintenance computer software	569,958	552,825
Meals and catering	395,941	257,939
Miscellaneous	81,121	57,976
Occupational health and safety	8,572	9,452
Road safety awareness	63,328	43,880
Pest control	506	1,456
Postage, postal, courier, freight and cartage	248,071	50,821
Sanitation and cleaning	53,871	42,139
Subscription	19,447	15,637
Transfer allowance	4,000	-
Loss on disposal of furniture and equipment	-	98,762
Interest Expenses Leases	100,698	-
	<u>1,718,635</u>	<u>1,444,974</u>
<b>8 CASH AND CASH EQUIVALENTS</b>		
BSP Operating account	3,501,015	4,645,545
BSP Capital account	5,559,701	2,305,352
ANZ Operating account	-	29,768
ANZ Capital account	-	275,935
ANZ Donor Fund account	503,874	586,488
Cash on hand	13,366	12,766
	<u>9,577,956</u>	<u>7,855,854</u>
The Authority changed its operating and capital accounts from ANZ to BSP.		
<b>9 RECEIVABLES</b>		
VAT receivable	497,026	868,292
Prepayments	311,733	138,654
Deposits	135,843	108,441
Staff advances	8,508	8,507
Other	77,510	96,904
	<u>1,030,620</u>	<u>1,220,798</u>
<b>10 INVENTORIES</b>		
Stationery stock	112,875	139,134
Regulated books and labels	133,568	218,896
Driving license consumables	208,666	325,774
Number plates	295,878	280,632
	<u>750,987</u>	<u>964,436</u>

LAND TRANSPORT AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
 FOR THE YEAR ENDED 31 JULY 2019

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land	Buildings	Motor Vehicles	Plant and Equipment	Furniture and Fitting	Computer Equipment	Office Equipment	Work in Progress	Total
Cost or Valuation	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Balances at 1st August 2018	8,130,000	7,662,993	3,465,961	3,281,408	909,609	2,730,190	647,337	1,370,248	28,197,746
Acquisitions	-	726,980	311,040	1,581,752	920,060	1,043,934	189,481	3,341,375	8,114,622
Disposals	-	-	-	-	-	(1,697)	-	-	(1,697)
Transfers	-	-	-	-	-	-	-	(3,233,922)	(3,233,922)
<b>Balances at 31st July 2019</b>	<b>8,130,000</b>	<b>8,389,973</b>	<b>3,777,001</b>	<b>4,863,160</b>	<b>1,829,669</b>	<b>3,772,427</b>	<b>836,818</b>	<b>1,477,701</b>	<b>33,076,749</b>
<b>Depreciation</b>									
Balances at 1st July 2018	-	134,420	2,292,659	425,194	331,240	2,374,085	291,905	-	5,849,503
Depreciation and Amortisation	-	197,048	481,424	732,325	290,775	717,421	105,011	-	2,524,004
Disposals	-	-	-	-	-	(467)	-	-	(467)
Adjustments/Revaluation	-	-	-	-	3,904	3,139	468	-	7,511
<b>Balances at 31 July 2019</b>	<b>-</b>	<b>331,468</b>	<b>2,774,083</b>	<b>1,157,519</b>	<b>625,919</b>	<b>3,094,178</b>	<b>397,384</b>	<b>-</b>	<b>8,380,551</b>
<b>Carrying Amount</b>									
As at 31 July 2019	8,130,000	8,058,505	1,002,918	3,705,641	1,203,750	678,249	439,434	1,477,701	24,696,198
As at 31 July 2018	8,130,000	7,528,573	1,173,302	2,856,214	578,369	356,105	355,432	1,370,248	22,348,243

Prior year error of \$7,511 to Accumulated depreciation balance has been restated to correct the opening balance for 1st August 2018. Subsequent accounting adjustment has been made to opening balance of retained earnings.

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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
 FOR THE YEAR ENDED 31 JULY 2019

12 INTANGIBLE ASSETS

	Computer Software	Work in Progress	Total
<u>Cost or Valuation</u>	(\$)	(\$)	(\$)
Balances at 1st August 2018	953,178	-	953,178
Acquisitions	74,704	20,333	95,037
Transfers			-
<b>Balances at 31 July 2019</b>	<b>1,027,882</b>	<b>20,333</b>	<b>1,048,215</b>
Balances at 1st August 2018	486,756		486,756
Amortisation	300,601		300,601
<b>Balances at 31 July 2019</b>	<b>787,357</b>	<b>-</b>	<b>787,357</b>
Carrying Amount			
<b>Balances at 31 July 2018</b>	<b>466,422</b>	<b>-</b>	<b>466,422</b>
<b>Balances at 31 July 2019</b>	<b>240,525</b>	<b>20,333</b>	<b>260,858</b>

The Computer software amounting to \$260,858 is intangible asset owned by Land Transport Authority as at 31 July 2019 from which future economic benefits are expected to flow to the Authority.

The amortisation rate for the computer software is 20% - 33% with useful life of 3 to 5 years.

13 CREDITORS AND OTHER PAYABLES	2019	2018
	(\$)	(\$)
(i) Trade creditors	1,181,240	327,703
Accruals and other payables	1,100,351	1,052,809
	<b>2,281,591</b>	<b>1,380,512</b>

Terms and conditions of the above financial liabilities:

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

(ii) Owing to Government consolidated account

Balance at 1 August	15,639	26,322
Fees, levies and charges collected at Taveuni		-
Fees, levies and charges collected via EFTPOS		-
Fees, levies, Rent and charges collected and Not Transferred	1,045,023	-
Transfer to Government consolidated account	(13,701)	(10,683)
Adjustment		-
<b>Balance at 31 July</b>	<b>1,046,961</b>	<b>15,639</b>

14 PROVISIONS

	Employee entitlements	Total
	(\$)	(\$)
Balance at 31 July 2018	727,590	727,590
Provisions made during the year	622,563	622,563
Provisions used during the year	(909,526)	(909,526)
<b>Balance at 31 July 2019</b>	<b>440,627</b>	<b>440,627</b>

Employee Entitlements

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

Payroll

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

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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
 FOR THE YEAR ENDED 31 JULY 2019

	2019	2018
	(\$)	(\$)
<b>15 DEFERRED GRANT</b>		
Balance at 1 January	12,690,098	14,898,261
Grant received during the year	6,466,972	1,770,642
Grant Transfer to Operating	-	(1,770,642)
Release of capital grant revenue	(2,503,537)	(2,208,163)
	<u>16,653,533</u>	<u>12,690,098</u>
This is represented by:		
Current liabilities	2,503,537	2,208,163
Non-current liabilities	14,149,996	10,481,935
	<u>16,653,533</u>	<u>12,690,098</u>

During the financial year, as part of the change in work programs the Authority transferred sum amounting to \$2,503,537 VEP from its deferred grant to release of Capital Grant income account

**16 Leases**

a) Right-of-use assets

Right-of-use assets for the Authority included various lease/rent agreement for office space, Red Light printer and Land lease. Lease terms are for period stated in the lease agreement

	(\$)
Balance at 1st January 2019	4,605,619
Depreciation charge for the year	521,792
Balance at 31 July 2019	<u>4,083,827</u>

b) Lease Liabilities

set out below are the carrying amounts of lease liabilities and the movements during the period

As at 1 January 2019	4,605,619
Add accretion of interest for the year	100,698
Less: payments made during the year	574,368
	<u>4,131,949</u>

Current	961,506
Non - Current	3,170,443
	<u>4,131,949</u>

Data below shows the maturity profile of the authority lease liabilities based on contractual undiscounted payments.

Less than one year	1,119,492
One to five years	2,826,682
More than five years	1,297,840
Total undiscounted lease liabilities at 31 July 2019	<u>5,244,014</u>

The following are amounts recognized in statement of Comprehensive Income:

Depreciation expense of right-of-use assets	521,792
Interest expense on lease liabilities	100,698
Total amount recognized in statement of comprehensive Income	<u>622,490</u>

LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
FOR THE YEAR ENDED 31 JULY 2019

**16 Leases (continued)**

The Authority had total cash outflows for leases of \$574,368

The Authority has lease contracts that include extensions and termination options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio to align with the Authority business needs.

**17 ASSET REVALUATION RESERVES**

Balance at 1 August	7,544,353	418,955
Revaluation Surplus on Land, Building and Plant & Equipment	-	7,125,398
Balance at end of the year	<u>7,544,353</u>	<u>7,544,353</u>

**18 COMMITMENTS AND CONTINGENCIES**

Capital expenditure commitments	1,493,835	542,020
Capital expenditure approved but not contractually committed	-	5,033,788
	<u>1,493,835</u>	<u>5,575,808</u>
Contingent liabilities	<u>2,588,500</u>	<u>55,859,757</u>

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

**19 RELATED PARTIES**

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

**Authority's Members**

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

Mr Vijay Maharaj - Chairman	- from 20 July to current
Mr. Ashok Patel	- from 20 July up to current
Mr. Kamal Goundar	- from 20 July up to current

The board fees and remuneration for the year ended 31 July 2019 was \$25,149 (2018: \$16,506).

**Key Management Personnel**

The names of the Authority's key management personnel in office during the year are:

Name	Position & Status
Mr. Samuel Simpson	Chief Executive Officer - Service end date - 5th August 2021.
Mr. Irimaia Rokosawa	General Manager Finance - Active
Mr Faiyum Ali	General Manager Operations - Service end date - 2nd April 2019.
Mr. Navilesh Chand	General Manager Legal/Business Development and Policy - Active

The Authority's board in circular directive 9th November 2017 approved all the General Managers to administer their own areas of responsibilities and report to the Authority's Board.

The Chief Executive Officer of the Authority was appointed in 2019.

Compensation of key management personnel of the Authority	2019	2018
	(\$)	(\$)
Short-term employee benefits	643,164	407,073
Housing and other allowances and benefits	60,978	38,999
Fiji National Provident Fund contributions	7,827	5,738
	<u>711,969</u>	<u>451,810</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Market risk

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

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

*Political climate*

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

(b) Credit risk

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

The Authority has no significant concentrations of credit risk.

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

	2019 (\$)	2018 (\$)
Cash and cash equivalents (Note 8)	9,577,956	7,855,854
Receivables (Note 9)	1,030,620	1,220,798
	<u>10,608,576</u>	<u>9,076,652</u>

(c) Liquidity risk

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

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

The table below summarizes the maturity profile of the authority's financial liabilities at 31 July 2019 based on contractual undiscounted payments.

	On demand	Later than 3 months	Total
Year ended 31 July 2019			
Creditors and other accruals (Note 13)	<u>2,281,591</u>	<u>-</u>	<u>2,281,591</u>
	<u>2,281,591</u>	<u>-</u>	<u>2,281,591</u>
Year ended 31 July 2018			
Creditors and other accruals (Note 13)	<u>1,380,512</u>	<u>-</u>	<u>1,380,512</u>
	<u>1,380,512</u>	<u>-</u>	<u>1,380,512</u>

LAND TRANSPORT AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*  
 FOR THE YEAR ENDED 31 JULY 2019

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a healthy capital ratio in order to support its business objectives. The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for the year ended 31 July 2019.

	2019	2018
	(\$)	(\$)
Creditors and other accruals (Note 13)	2,281,591	1,380,512
Less: cash and cash equivalents (Note 8)	<u>(9,577,956)</u>	<u>(7,855,854)</u>
<b>Net debt</b>	<b>(7,296,365)</b>	<b>(6,475,342)</b>
Equity	<u>15,845,785</u>	<u>18,041,914</u>
Total capital	15,845,785	18,041,914
<b>Capital and net debt</b>	<b>8,549,420</b>	<b>11,566,572</b>
Gearing ratio	-85%	-56%

21 PRINCIPAL ACTIVITIES

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

22 EVENTS SUBSEQUENT TO BALANCE DATE

(i) **COVID-19 Outbreak**

Subsequent to year end, the World Health organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International concern". 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 2019 financial statements is not expected to be material.

However, moving forward, it is expected that the effect of the pandemic may affect the operations and cash flows of the Authority.

(ii) **Land Titles for Leasehold Land**

The Authority received land titles for Lot 1 DP 8715 Kalabu, Naitasiri with a value of \$5,500,000 and Lot 1 SO4613 Drasa Vitogo (Part of) Lot 3 & 9 SO 1210 valued at \$1,830,000 on 26/07/2019 and 10/02/2020 respectively.

23 AGENCY TRANSACTION ADMINISTERED FOR ROAD SAFETY

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

The Authority did not received any sponsorship as at 31 July 2019.

Effective from establishment of Accident Compensation Act No. 40 of 2017, Compulsory Third Party Levy has been renamed as Accident Compensation Commission Levy and shall be paid to Accident Compensation Commission Fiji (ACCF). The Act came into effect from 1st of January 2018.

LAND TRANSPORT AUTHORITY  
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 FOR THE YEAR ENDED 31 JULY 2019

**23 AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT (Continued)**

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

The Authority collects VIP revenue from clients and the cash is directly deposited in the Government's Consolidated Fund Account. The Authority does not receive these funds in its bank account. The Authority does not account for any VAT that is collected from clients. Therefore, as part of disclosure, VIP figures are shown below. Government revenue is recognized on receipt. A comparison in relation to revenue collected and deposited directly into Government's Consolidated Fund are as follows:

	2019 (\$)	2018 (\$)
Vehicle registration	17,779,263	17,292,571
Vehicle inspection	2,971,593	3,208,633
Driver's License and driver permit	4,284,165	4,164,655
Road safety enforcement	13,093,130	10,992,937
Public service permits	406,474	608,347
Regulation of motor vehicle dealers	301,979	391,362
Permits and exemptions	979,234	679,577
Road User Levy	13,920,620	13,253,332
Other revenue	2,955,359	2,567,686
	<u>56,691,817</u>	<u>53,159,100</u>

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

The Authority had collected revenue which was not deposited into the Government's Consolidated Fund as follows:

Other Revenue	87,994	116,293
Payroll Commission	28,774	21,943
Compulsory Third Party Policy/ACCF Fees	-	208,776
Sponsorship	-	2,522
	<u>116,768</u>	<u>349,534</u>

The Land Transport (Traffic Infringement Notice (TIN)) Act 2017 came into effect from 7th April 2017 which stated that all TIN proceedings that were instituted in the court became the responsibility of the Authority and as such all TINs need to be paid at either the Authority or any Post Fiji Office outlets.

The Authority has not included arrears of revenue amounting to \$21,752,092 (2018: \$17,616,921) which has not been filed in court as at 31 July 2019.

**24 AGENCY TRANSACTION COLLECTED BY SERVICE PROVIDERS**

The Authority has a Service Provider Agreement with Post Fiji Limited who collects LTA Fines on behalf of Land Transport Authority and receives LTA collected revenues from Seaqaqa Office due to non-availability of Banks. The Funds collected by Post Fiji Limited is receipted and deposited to CFA account on a monthly basis. The revenue transactions are posted in LTA system daily for the purpose of serving the customers as system will not allow any processing should there be any dues. As at 31 July 2019, Fines amounting to \$97,551 had been collected by Post Fiji Limited however, was yet to be received by the Authority. The amount was subsequently received in November 2019 and deposited into CFA Account.

