

ANNUAL REPORT

2019-2020



VALUES. MISSION. VISION

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 licensing organization for all forms of land transportation, irrespective of whether it is driven on private or public roads and the key role it occupies in ensuring adequate, effective, efficient and safe land transportation throughout Fiji.

“Steering Fiji Safely” shows what we do and the results 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

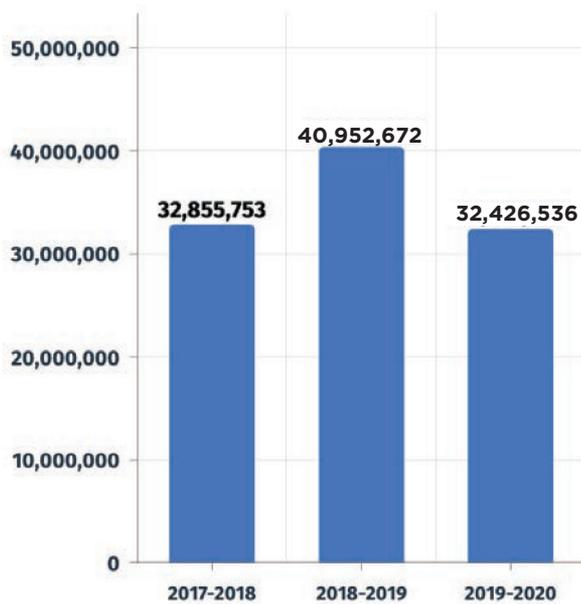
CONTENTS

Key Financial Trends	5
Board of Directors	6
Management Team	7
Year in Review	8
Technical & Operations	9
Registration, Licencing & Driving	9
Enforcement	13
Public Transport	15
Customer Services	18
Road Safety Education	21
Standards & Engineering	23
Corporate Services	26
Financial Overview	26
Human Resources	27
Information, Communication & Technology	29
Internal Audit & Compliance	30
Properties	30
Legal	31
Quality Assurance	32
Financial Statements	34

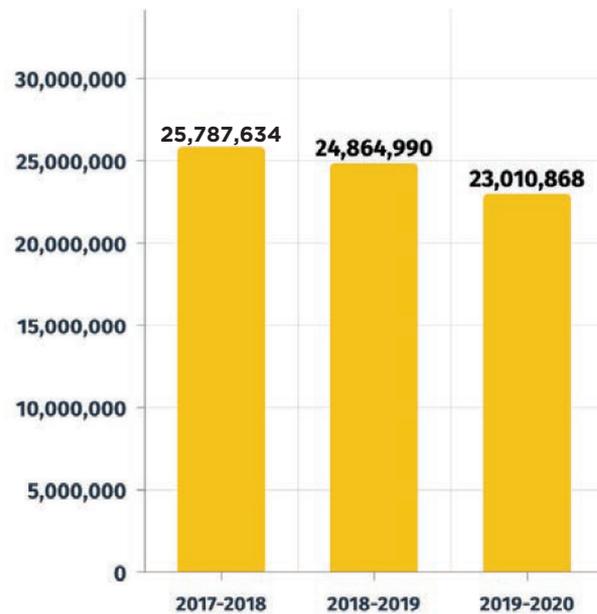
KEY FINANCIAL TRENDS

Government Grant Received \$20.3 Million

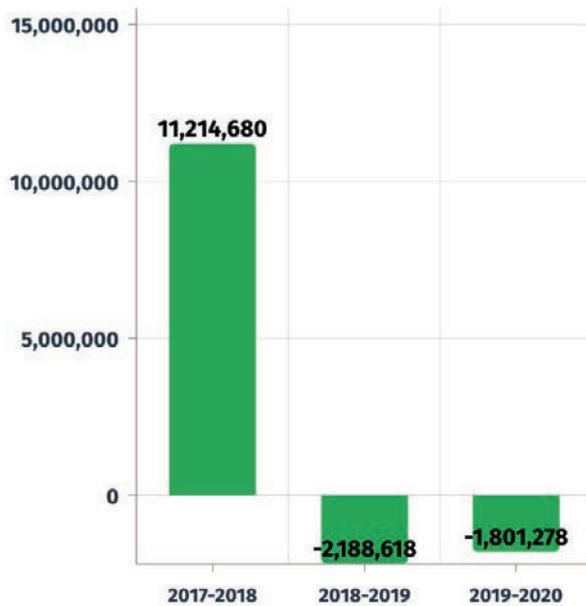
TOTAL ASSETS



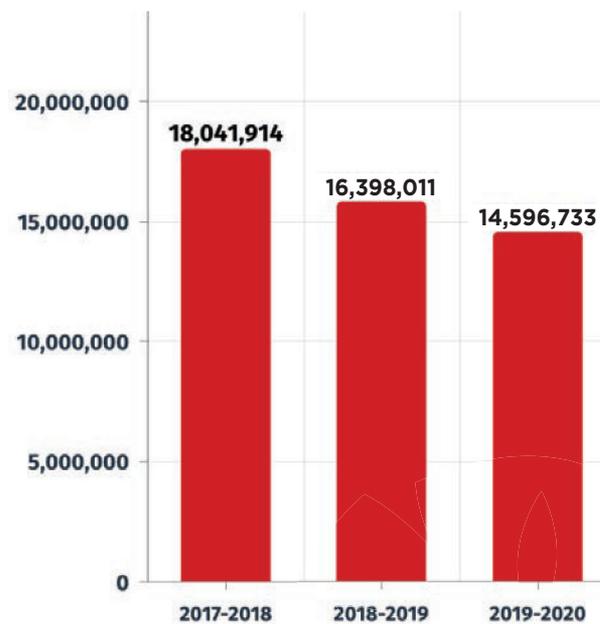
TOTAL REVENUE



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



Makitalena Tudrau Drova
Acting General Manager - Technical & Operations



Irimaia Rokosawa
General Manager - Finance & Administration



Navilesh Chand
General Manager - Legal, Policy and
Business Development



YEAR IN REVIEW 2019 - 2020



Covid-19 Pandemic - scale down on operations.



Registration, Licencing & Driving - decline in statistics due to COVID-19 pandemic.



ICT - online enhancements.



Enforcement - collaboration with stakeholders.



PSV - Taxi Permit barrel redraw.



Customer Services - Customer Services Awards & 2019 Winner for Best Customer Services.



Road Safety Education - advocacy awareness.



Standards & Engineering - green energy, weighbridge projects, QAMS & bus fleet audits.



Properties - opening of 2 new offices.



Finance - unqualified audit report

TECHNICAL & OPERATIONS

REGISTRATION, LICENCING & DRIVING

The Registration, Licencing and Driving Department facilitates majority of the Authority's core functions, whereby it is mandated by law to **"register vehicles, licence drivers and establish standards for such registration and licencing consistent with the objectives of road safety"** (Land Transport Act 1998).

Key policy changes relating to the self-importation of motor vehicles into Fiji were made by the Authority. The revised policy changes included the following:

- Allowing companies to self-import more than two motor vehicles;
- Transfer of motor vehicles between siblings and immediate family members;
- Transfer of motor vehicles between subsidiary companies;
- Transfer of motor vehicles on the grounds of medical reasons; and
- Self-imported motor vehicles can be transferred within five years.

Motor vehicle registrations, driver licencing and driving tests drastically dropped this financial year compared to the previous year due to the COVID-19 pandemic.

1.0 Vehicle Registration

The categories of vehicle registration are as follows:

i. By Class

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

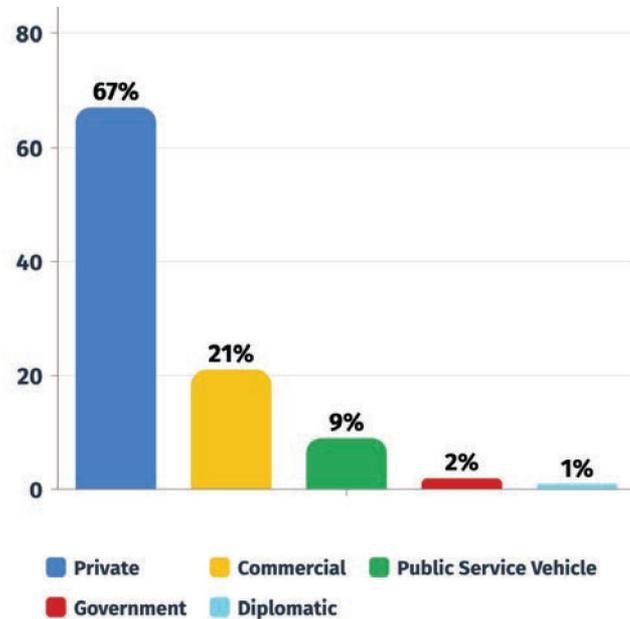
ii. By Registration Type

- Second Hand
- Brand New
- Locally Assembled
- Rebuilt

For the year, the total number of new motor vehicle registrations recorded was 6,644. Compared with

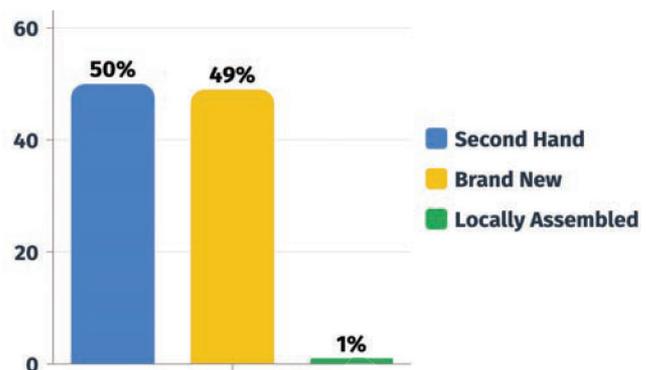
the last financial year which recorded a total of 12,847 new motor vehicle registrations, this was a drastic decline of approximately 50%.

NEW VEHICLE REGISTRATIONS BY CLASS



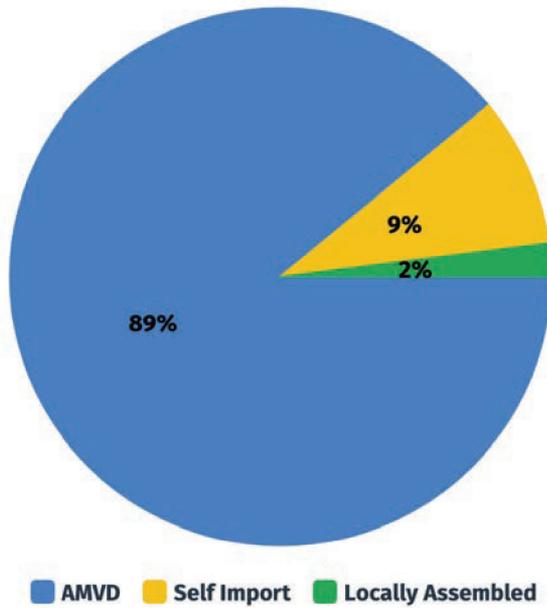
By Vehicle Class: private vehicles recorded the highest percentage of registrations (67%) during the year.

NEW VEHICLE REGISTRATIONS BY REGISTRATION TYPE



By Registration Type: second-hand vehicles recorded the highest registrations (50%) during the year.

NEW VEHICLE REGISTRATIONS BY PURCHASE TYPE



By Purchase Type: Authorized Motor Vehicle Dealers (AMVD) recorded the highest registrations (89%) for the year.

2.0 Licencing

Driver Licence is categorized into three categories:

Learners Permit is issued to a person who has attained the age of 16 years and 6 months, 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 Drivers licence is issued. This 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 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.

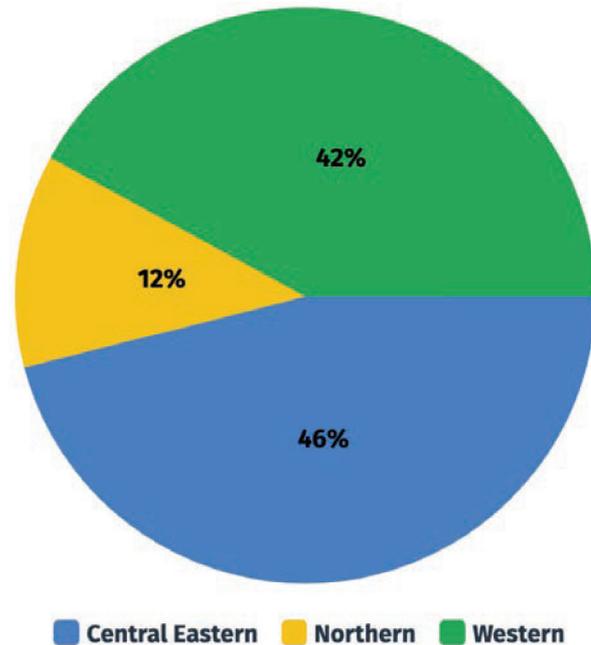
Learners Permit

Total number of new Learners Permit (LP) issued during the year was 24,295 as tabulated below:

LP Class	Central Eastern	North	West	Total
Class 1	193	139	159	491
Class 2	7,750	2,153	7,186	17,089
Class 3	418	21	274	713
Class 4	545	124	496	1,165
Class 5	289	41	294	624
Class 6	949	196	967	2,112
Class 7	184	15	220	419
Class 8	50	35	87	172
Class 9	774	150	586	1,510
Total	11,152	2,874	10,269	24,295

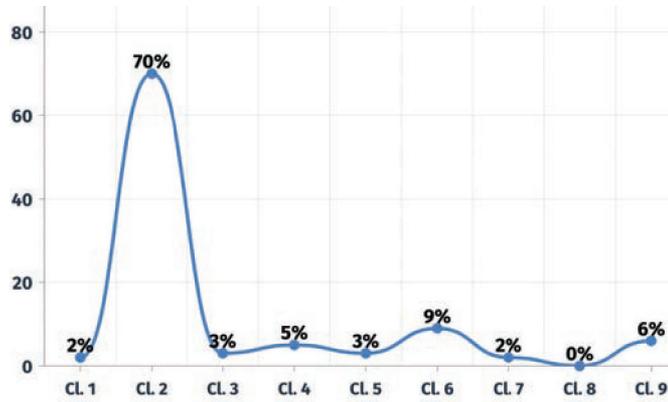
Compared with the last financial year which recorded a total issuance of 29,585 new Learners Permits, this was a decline of approximately 18%.

NEW LEARNERS PERMIT BY REGION



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

LEARNERS PERMIT BY CLASS



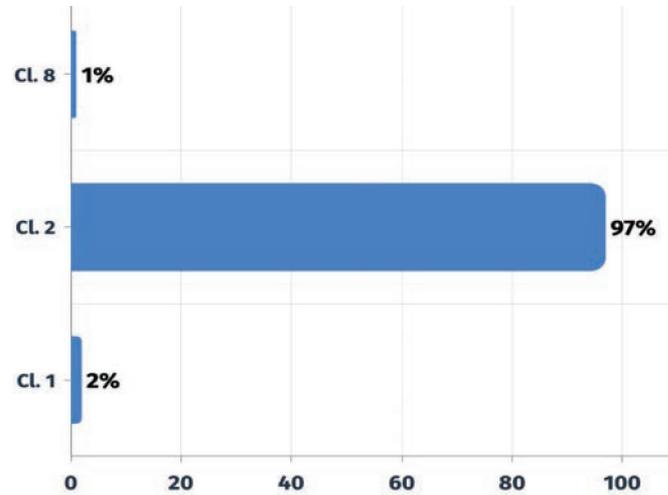
Class 2 Learners Permit recorded the highest percentage (70%) issued during the year.

Provisional Driver Licences

Total number of new Provisional Driver Licences (PDL) issued during the year was 12,018.

PDL Class	Central Eastern	North	West	Total
Class 1	101	89	95	285
Class 2	5,288	1,268	5,060	11,616
Class 8	31	28	58	117
Total	5,420	1,385	5,213	12,018

PROVISIONAL DRIVER LICENCES BY CLASS



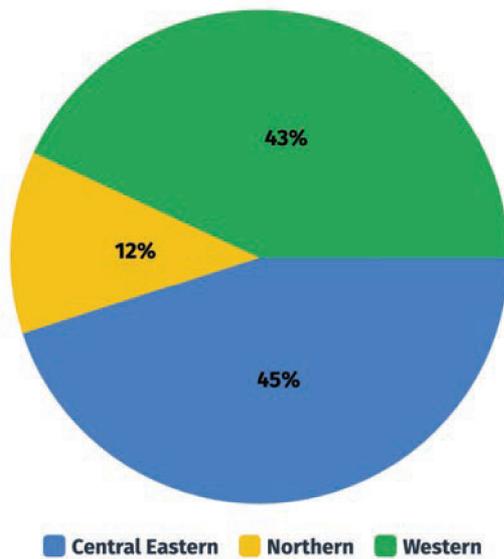
Class 2 Licences recorded the highest percentage (97%) of new Provisional Driver Licences issued during the year.

Compared with the last financial year which recorded a total issuance of 12,204 new Provisional Driver Licences, this was a slight decline of 1.5%.

Full Driver Licences

Total number of new Full Driver Licences (FDL) issued during the year was 15,233.

PROVISIONAL DRIVER LICENCES BY REGION

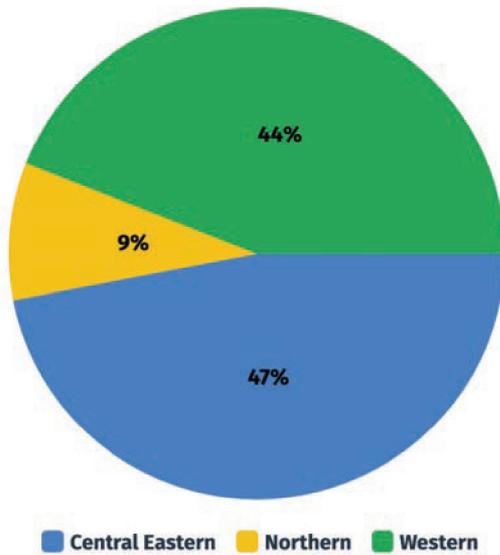


Central Eastern recorded the highest percentage (45%) of Provisional Driver Licences issued during the year.

FDL Class	Central Eastern	North	West	Total
Class 1	78	21	54	153
Class 2	4,752	984	4,208	9,944
Class 3	343	14	239	596
Class 4	443	96	409	948
Class 5	206	27	267	500
Class 6	719	146	803	1,668
Class 7	166	17	186	369
Class 8	7	31	27	65
Class 9	474	68	448	990
Total	7,188	1,404	6,641	15,233

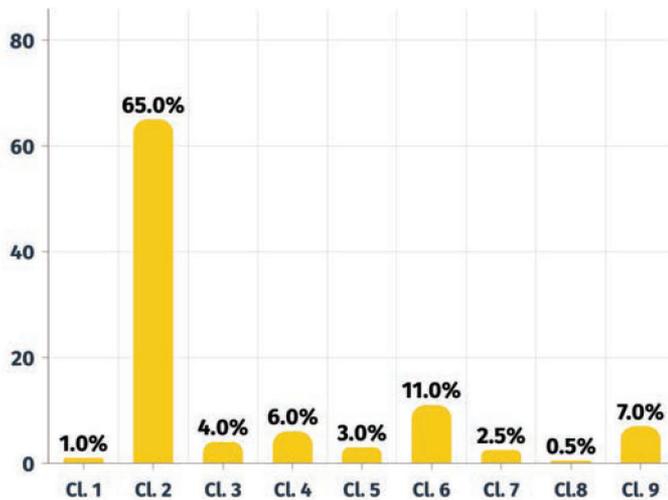
Central Eastern recorded the highest percentage (47%) of Full Driver Licences issued during the year, as shown on the next page:

FULL DRIVER LICENCES BY REGION



Class 2 Licences recorded the highest percentage (65%) of new Full Driver Licences issued during the year as shown below:

FULL DRIVER LICENCES BY CLASS



Compared with the last financial year which recorded a total issuance of 15,617 new Full Driver Licences, this was a decline of 2.45%.

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.

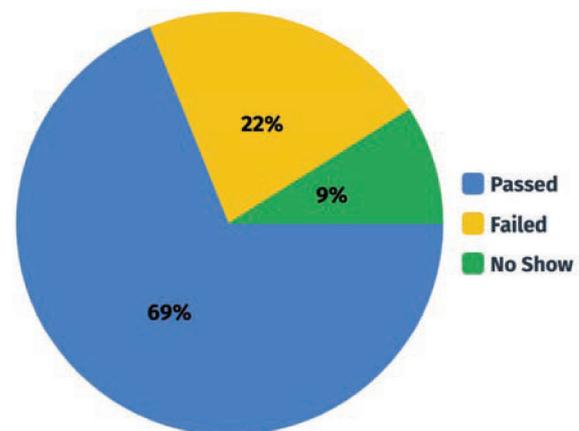
Driving Test by Results

Total number of new Driving Tests (pass and fail) undertaken during the year was 24,253 and the total number of "No Show" cases was 2,362 for Applicants who were not present for their Driving Test.

Driving Test Class	Fail	No Show	Pass	Total
Class 1	18	17	302	337
Class 2	5,035	1,810	12,904	19,749
Class 3	159	60	694	913
Class 4	210	112	1,007	1,329
Class 5	63	43	515	621
Class 6	164	156	1,614	1,934
Class 7	9	42	364	415
Class 8	12	13	125	150
Class 9	90	109	968	1,167
Total	5,760	2,362	18,493	26,615

From the table above, Class 2 Licences recorded the highest number of driving tests undertaken during the year.

DRIVING TESTS BY RESULT



The distribution of Driving Tests by Results is illustrated in the chart above whereby 69% Applicants passed, 22% Applicants failed and 9% Applicants did not turn up (No Show) for their Driving Tests.

Compared with the last financial year which recorded a total of 24,967 driving tests undertaken, this was a decline of 2.8%.

ENFORCEMENT

Enforcing traffic laws and ensuring road safety remain paramount in our commitment to safeguard lives on Fiji's roads.

Collaboration between the Authority and the Fiji Police Force has been instrumental in maintaining compliance levels with motor vehicle regulations.

Empowered by law, the Authority diligently oversees transport efficiency and safety standards outlined in its Land Transport Act 1998 and subsidiary regulations.

To meet these obligations of the Authority, the Department conducted the following activities during the year:

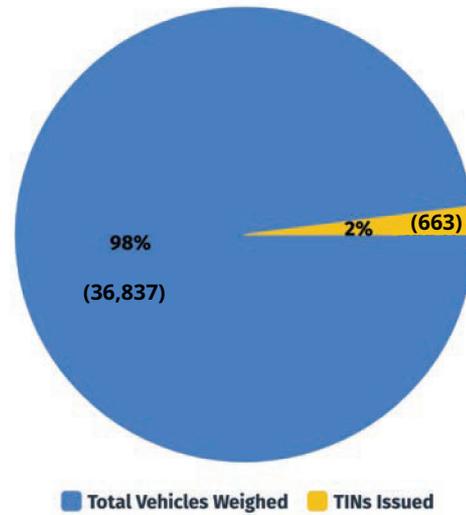
- Randomly intercepting motor vehicles for compliance checks.
- Screening driver licences.
- Observing bad driver behaviour.
- High visibility operations.
- Joint operations with Fiji Police Force. Issuance of Traffic Infringement Notices (TINs), Defect Orders (DO) and seizure of motor vehicles that 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.

Addressing overloading of heavy goods motor vehicles posed a significant challenge due to the potential damages to road infrastructure and compromising road safety. However, through the implementation of strict monitoring processes, technological integration and regulatory measures, the Authority successfully curbed this issue.

The procurement of six additional sets of Portable Wheels Weighing Systems in 2018 enhanced the Authority's capacity to monitor overloading of heavy goods motor vehicles.

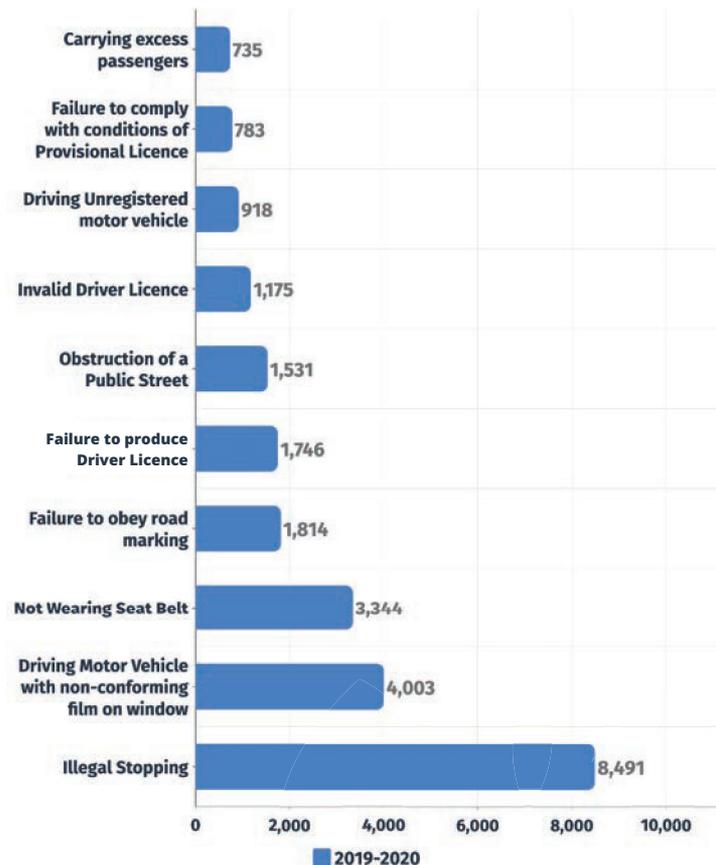
Additionally, collaborative efforts with the Fiji Roads Authority were extended to monitor heavy goods motor vehicles crossing bridges with weight restrictions.

MOTOR VEHICLES WEIGHED



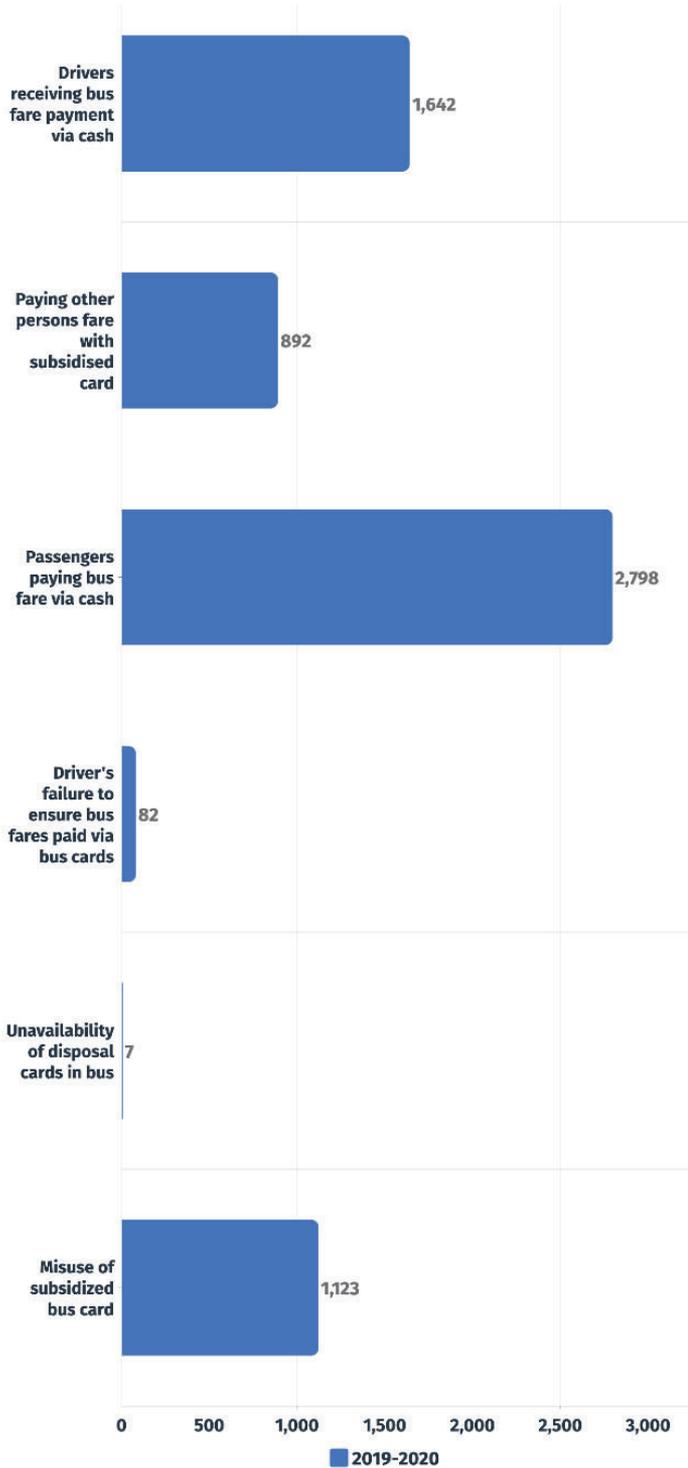
Other offences such as failing to wear seat belt, driving a motor vehicle with a non-conforming film or window, failing to produce a valid driving licence, failing to obey road markings, using mobile phones while driving and driving unregistered motor vehicles were among the major offences for the year.

MAJOR OFFENCES

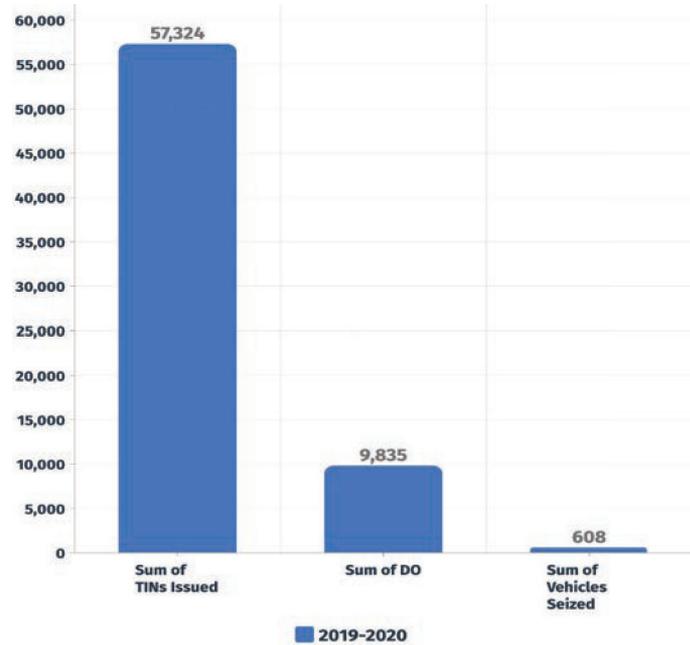


The Department also enforced and monitored the compliance level of the E-Ticketing System in the bus industry as depicted in the graph below:

E-TRANSPORT OFFENCES



TINs, DO & SEIZED MOTOR VEHICLES



Red-Light & Speed Camera Operation

Camera Offence Type	Offence Count
Exceeding Speed Limit by <15km/h	73,878
Exceeding Speed Limit by 15-29km/h	55,441
Exceeding Speed Limit by 30km/h and above	3,959
Violating Traffic Signal	6,058
Total	139,336

The investment in a production printer and enveloping machine has significantly increased the efficiency of the Authority. This coupled with an expanded network of Red-Light and Speed Cameras, that is, with 14 cameras rotated around 31 sites, has also improved the Authority's enforcement coverage throughout Viti Levu.

SMS text notifications have been activated to promptly notify motor vehicle owners of their violations, contributing towards the Authority's enhanced service delivery. The verification and processing of TINs are facilitated by the Authority as per the stipulated regulatory timelines including the timely issuance of TINs.

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:

PSV Permit / Region	RRL	RCL	LR	LH	LC	LM	LT
Central Eastern	0	0	35	8	23	1	0
Northern	0	0	2	2	46	0	0
Western	0	2	66	29	29	8	126
Total	0	2	103	39	98	9	126

PSV PERMIT APPLICATIONS

The general Applications for all seven PSV Permits ranges from New PSV Permit Applications to Renewals, Transfers, Amendments and 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	377	67	50	260
Major Amendment	76	48	0	28
Minor Amendment	59	55	1	3
PSV Permit Renewal	10	7	1	2
Transfer of PSV Permit	583	402	36	145
Duplicate PSV Permit	140	103	15	22
Change of Motor Vehicle Class - PSV to Private	1,871	855	134	882
Change of Motor Vehicle Class - Private to PSV	1,312	456	135	721
Total	4,428	1,993	372	2,063

The above Applications (except for Change of Motor Vehicle Class) involved independent PSV investigations and field surveys facilitated by Regional PSV Teams to determine the need for public transportation and also assist the Authority in its decision-making.

These investigations and field surveys took place as part of compliance checks on PSV Permit Holders' adherence to their permit or licence conditions, and to also verify the need for public transport in newly developed areas.

PSV BOARD MEETINGS

A total of six PSV Board Meetings were held throughout the year with one meeting held in the Central Eastern Division, three meetings held in the Northern Division and two meetings held in the Western Division. The following matters were tabled to the 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 Permits
- RRL Amendment Applications
- Show Cause of PSV Permit Holders
- Tribunal Remittances

PSV POLICY & PROCESS REVIEWS

Groundworks to review internal policies and procedures for the Department were carried out in collaboration with the ICT and Quality Assurance Departments to streamline processes and enhance the Authority's existing online Application System. In addition, the following reviews and submissions were made to further support PSV projects, operations and stakeholders:

- **Taxi Permit Barrel Draw** – the existing workflows for the Taxi Permit Barrel Draw were reviewed and endorsed by the Authority to support the opening of future Taxi Permit Applications and also for further online enhancement of Applications.
- **PSV Complaints Management System** – the existing workflow and process was reviewed and decentralized from headquarters to branch offices as to enhance the turnaround time in PSV complaints resolution. Through the implementation of this improved system, a total of 104 PSV complaints were registered and assigned to respective Departments and branch offices. By year end, 86 complaints were resolved and 18 were pending due to ongoing regional PSV Team investigations which included further clarifications required from complainants.

PSV STAKEHOLDER CONSULTATIONS

- Several meetings with the Central Eastern Minibus Operators Associations, Nausori Town Council, Suva City Council and the Authority took place throughout the year to address illegal operations by Minibus Permit Holders between the Suva/Nausori/Korovou corridor. The Authority's PSV and Enforcement Teams met with the above stakeholders to strengthen networking strategies on enforcement monitoring and also enhance permit data sharing between the Authority and local municipalities. An extensive Minibus Permit file audit was also conducted by the Authority to verify all valid and invalid Minibus Permits in the Central Eastern Region, including the respective originating and terminating base(s) for these permits. Data from this exercise were shared with key stakeholders to strengthen enforcement monitoring efforts and ensure compliance to PSV Permit conditions.
- The Department also attended the following stakeholder meetings during the year to address and update PSV matters:
 - Provincial meetings
 - Prime Minister's Talanoa Session
 - PSV Operators & Stakeholders
 - Municipal Councils

PSV PROJECTS

The following projects took place during the year to support, enhance and standardize PSV operations and customer service delivery:

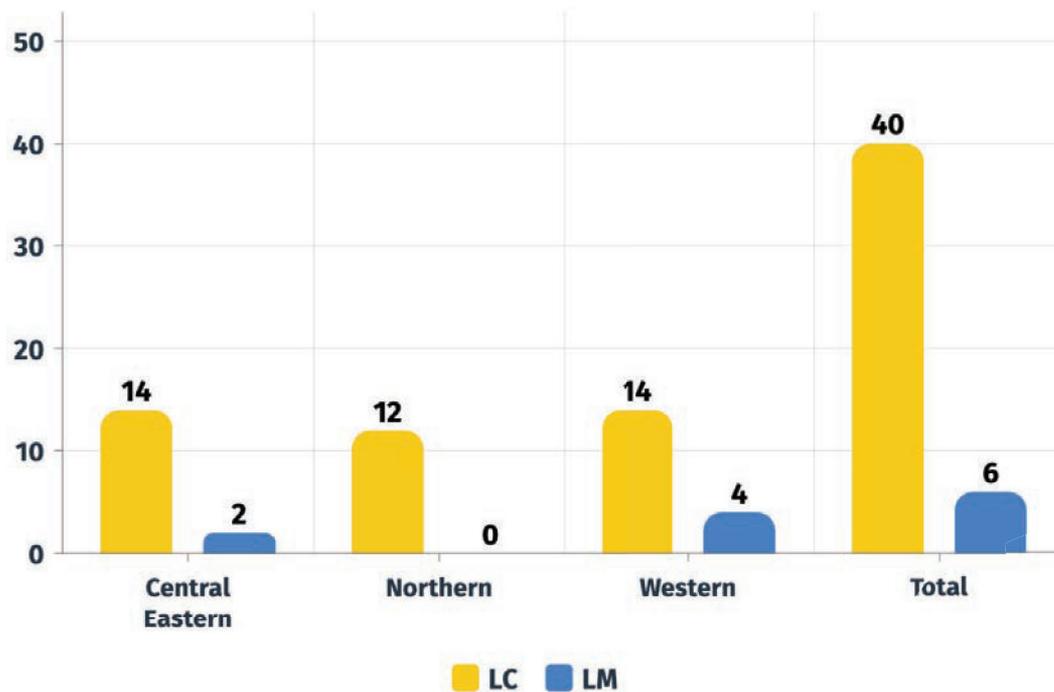
- **Taxi Permit Barrel Redraw** – a redraw for the Taxi Transport Zones (Nadi Zone 1, Nadi Zone 2 and Lautoka Zone 1) was held on 29 August 2019 and which provided unsuccessful Applicants from the initial Taxi Permit Barrel Draw held on 28 July 2018, the opportunity to be awarded a Taxi Permit. The redrawn Taxi Permits were made available based on a calculated quota within each Zone. Following the redraw, a total of 1,558 new Taxi Permits were issued respectively, that is, 359 Taxi Permits issued for Nadi Zone 1, 163 Taxi Permits issued for Nadi Zone 2 and 1,036 Taxi Permits issued for Lautoka Zone 1.
- **LTASoft System Enhancements** – the online PSV Permit Transfer Application process was reviewed and endorsed by the Authority to streamline the existing process and increase efficiency whilst processing the high influx of Applications received on a weekly basis.
- **Archiving of PSV Permit Files** – records for inactive PSV Permit Holders were sorted and archived at the Authority's archive facility for safekeeping and quick retrieval of records. This exercise included sorting, verification, scanning and cataloguing of records over a period of six months resulting in a total of 80 cartons archived.

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 Licences (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 an LC or LM operation during the year:

RSL CONVERSION TO LC OR LM



CUSTOMER SERVICES

CUSTOMER SERVICE AWARDS

The Authority received the best customer service awards for its live chat platform from August to December 2019 and from January to April 2020 from the LiveHelpNow! Challenge, which ranks its subscribers for superior customer service (online live chat). In addition, the Authority received the Winner of the Year 2019 Award for Best Customer Services. Rankings are data-driven based on metrics provided daily to client dashboards and measured against the values of customer services.

The above achievement reflects the professionalism, skill, concern and quest to provide better services 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 service efficiency in all its respective offices, the provision of live chat is fundamental to improve customer services in the digital transformation of the Authority. Live chat runs through the Authority's website platform, being operational from Monday to Friday as per normal business hours collaborating with customer care services within its offices to provide better and efficient customer care support.

- **Best Monthly Customer Service Awards and 2019 Winner for Best Customer Service**



- **Best Monthly Customer Service Awards**



- **Customer Call Centre Commendation**

The commitment and dedication of the Customer Call Centre staff were recognized with the presentation of Certificates of Commendation by the Chief Executive Officer. This was in recognition for their excellence in customer service, dealing with thousands of calls, texts, emails, web chat and live chat awards received above. This commendation award signified the effort of the staff members using web technology and verbal forms of communication with customers whereby responses to customer queries must be clear, unambiguous and factual.



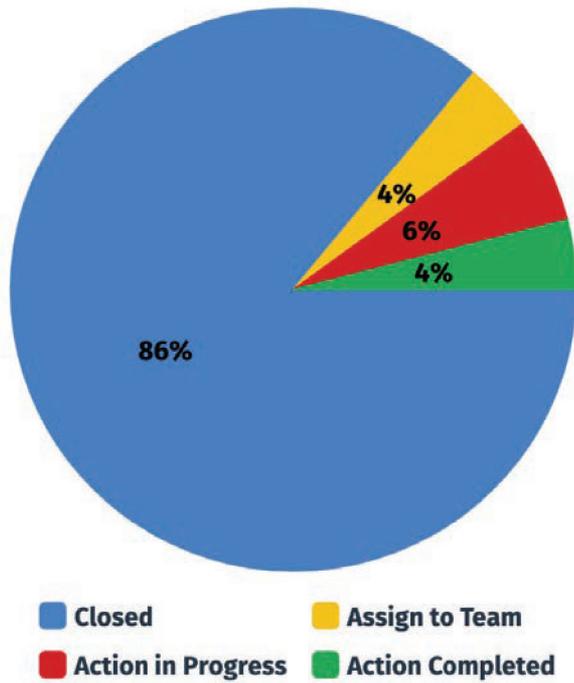
Customer Call Centre staff with CEO (Mr. Samuel Simpson) and Management

COMPLAINTS MANAGEMENT SYSTEM

A Complaints Management Policy was endorsed by the Authority on 8 May 2020 to provide an efficient support system in handling customer complaints and enquiries. Communications received by the Authority are registered and acknowledged within 24 hours from date of receipt prior to assigning to respective branches and Department Managers who are responsible for facilitating the necessary resources to resolve customer queries and complaints. Upon registration, a unique Customer ID is issued for tracking purposes and a substantive response is issued to the customer within five business days. However, if this is not possible the customer is kept informed along the journey on the progress status.

The table below highlights the total number of communications registered by the Authority and the progress made by end of the year:

Status	Total
Closed (Resolved)	3,836
Assigned to Teams	175
Action in Progress	291
Action Completed	175
Total Communications Registered	4,477



- **86% Closed** – cases were resolved and closed amicably.
- **4% Assigned to Teams** – cases that are registered and assigned to relevant Branch Offices for further action.
- **6% Action in Progress** – cases that are with the relevant Branch Offices for further investigation.
- **4% Action Completed** – cases that have investigations completed, feedback relayed to customer and awaiting feedback ratings from customers.

ONLINE E-SERVICE REGISTRATION

A total of 4,166 customers were registered with the Authority for electronic services (e-Services), which is part of the Authority's initiatives towards the digital transformation of its customer services. Customers will be able to view, update and facilitate the following Applications online:

- View customer details including the expiration of motor vehicle registration.
- Renewal of motor vehicle registrations.
- View Traffic Infringement Notices payable to the Authority.
- View the status of the customer's Application lodged at 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.

Road Safety Education strategies were directed towards increasing road safety consciousness around local communities through encouragement, education and engineering a safer systems approach as an integral part of the overall land transport system.

The COVID-19 pandemic impacted the Department's operations for four months, whereby Defensive Driving Course (DDC) Trainings and Road Safety Education Awareness activities were temporarily put on hold.

ROAD SAFETY EDUCATION AWARENESS

The following Road Safety Education Awareness activities were carried out to enhance the general public's knowledge on road safety behavior and responsibilities:

- Public Outreach
- Office Outreach
- Community Awareness
- House to House Visits
- Interventions for Road Safety Awareness – Drivers, Passengers and Pedestrians



House to House Visits



Public Outreach

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

Awareness Activities	No. of Activities	Lives Impacted by Region			Lives Impacted by Activity
		Northern	Central Eastern	Western	
Public Outreach	123	2,105	13,734	2,118	17,957
Office Outreach	9	-	188	126	314
Community Awareness	53	292	6,179	100	6,571
House to House Visits	46	2,659	12,947	-	15,606
Pedestrian Safety Interventions	86	3,399	2,272	-	5,671
Passenger Safety Interventions	92	1,857	2,889	-	4,746
Driver Safety Interventions	107	2,472	3,869	100	6,441
Total	516	12,784	42,078	2,444	57,306

SCHOOL ROAD SAFETY EDUCATION

Road Safety Education plays an important role in shaping the attitudes and behaviors of children to learn to use the road responsibly. School programs throughout Fiji included the following activities:

- Classroom and assembly educational talks
- Distribution of flyers and book labels to parents and guardians
- Checks on school bus loadings
- Checks on school crossings and use of road safety crossing equipment
- Demonstrations on the use of road safety crossing equipment



School Awareness



Setting up School Road Safety Crossing Equipment

Table 2 below presents the summary of School Road Safety Education Awareness activities which includes the number of students and teachers reached out to (lives impacted) by these activities:

Regions	School Levels			Lives Impacted
	Kindergarten	Primary	Secondary	
Central Eastern	42	12	2	4,974
Western	12	29	2	11,512
Northern	-	10	8	4,214
Totals	54	51	12	20,700

In support of the above school programs, the Authority received sponsorship of Road Safety Education Awareness materials and equipment from TotalEnergies Ltd and Mobil Oil (Fiji), which greatly boosted the morale and awareness operations of the Department in all three regions.

DDC PROGRAM

This program deals with driver training and emphasizes the responsibility held by drivers and passengers of motorised vehicles. During the year, the total number of DDC trainings conducted was 292 whilst the total number of DDC participants that attended was 13,552 as detailed in the table below:

Levels / Total Number	Private DDC	PSV DDC	Total
Trainings Conducted	165	127	292
Total DDC Participants	9,381	4,171	13,552

STANDARDS AND ENGINEERING

The Standards and Engineering Department is responsible for outsourcing motor vehicle inspections including offshore motor vehicle inspections, install weighbridges at strategic locations across Fiji, licence Authorized Motor Vehicle Dealers and Authorized Motor Vehicle Inspection Agencies.

In addition, the Department facilitates bus fleet audits and also lead engineering projects to uplift the standards of technical operations for the transport industry in Fiji.

The Department is headed by the Manager Standards & Engineering, who is assisted by the Mechanical Engineer and Team Leader Standards & Engineering.

AUTHORIZED MOTOR VEHICLE DEALER (AMVD)

The Department processed a total of 94 AMVD company renewals during the year as per details below:

Region	Total Renewals
Central Eastern	40
Western	46
Northern	8
Total	94

In addition, seven new AMVD Applications were processed whilst aiding AMVD stakeholders to fully comply with the Authority's standard requirements.

DANGEROUS GOODS (DG) TRAINING

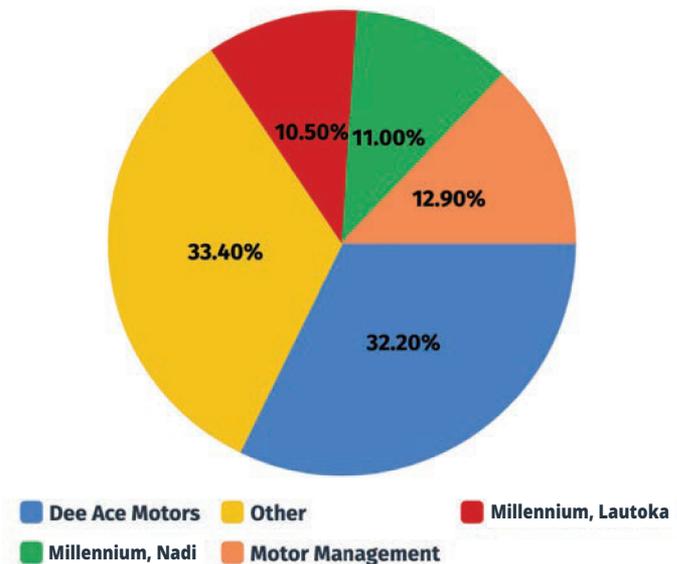
A total of 78 participants attended DG trainings conducted by the Authority during the year. There was a total of eight DG trainings, three public sessions and five in-house trainings held. In addition, DG Applications for renewal were reviewed and processed in line with the Authority's standard requirements.

AUTHORIZED MOTOR VEHICLE INSPECTION AGENCY (AMVIA)

Monthly review and analysis of Vehicle Test Result Sheets, processing of new Vehicle Inspectors Permit (VIP) Applications and VIP Renewal Applications including AMVIA quarterly audits were conducted.

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

- Chanel Motors, Ba
- Matec Motors & Spares, Valelevu



From the above chart, 32.2% of inspections were conducted by Dee Ace Motors based in Lami, followed by Motor Management carrying out 12.9% inspections in Suva, Millennium Inspection Agency in Nadi carrying out 11% inspections and Millennium Inspection Agency in Lautoka carrying out 10.5% of inspections.

Altogether, these pioneer AMVIA companies cater for 67% of the total inspections carried out whilst the remaining 33% was facilitated by the other 10 agencies approved by the Authority.

QUALITY ASSURANCE MAINTENANCE SYSTEM (QAMS) & BUS FLEET AUDIT

A total of 46 bus fleet audits were conducted for QAMS Phase 1 compliance as per details given below:

Region	Total QAMS & Bus Fleet Audit
Central Eastern	27
Western	13
Northern	6
Total	46

Eight bus operators in the Central Eastern Region, four bus operators in the Western Region and one bus operator in the Northern Region achieved 100% compliance to QAMS Phase 1.

MARKET ACCREDITATION

The following accreditations were processed during the year:

- Asco Motors, Nabua (Tinting Agency)
- Automated Building Services Ltd (Canopy Construction Workshop)
- Khans Buses (Bus Refurbishment Workshop)
- Sunbeam Buses (Bus Refurbishment Workshop)
- City Auto Trimmers Ltd (Upholstery and Canopy Construction Workshops)

ENHANCE OFFSHORE INSPECTIONS

The following were key achievements during the year:

1. Formulation of a new motor vehicle inspection system and scope of services.
2. Signing of agreement between the Authority and Japan Export Vehicle Inspection Centre (JEVIC) for commencement of new motor vehicle inspection system and initiation of services from Japan, Australia and New Zealand.
3. Awareness on the new motor vehicle inspection system and its scope was conducted by the Authority to all AMVD operators and key stakeholders.
4. Commencement of the new motor vehicle inspection system and initiation of services

from Japan, Australia and New Zealand took place on 1 October 2019.

5. Additional inspections included the following as part of the new JEVIC System:
 - Undercarriage inspections using an inspection ramp;
 - Emission tests using the Authority's approved equipment and standards;
 - Checking electrical modifications and visible electrical wirings;
 - Checking engine warning lights and sensors; and
 - Carrying out battery diagnostics for Hybrid and Electric Vehicles.

Countries	JEVIC Imports
Japan	2,442
Australia	25
New Zealand	4
Total	2,471

The above table highlights the number of JEVIC imports from Japan, Australia and New Zealand during the year.

WEIGHBRIDGE PROJECTS

The Department carried out major works for three weighbridge sites and achieved the following progress:

Karavi Site, Ba

- Construction tender reviewed and awarded to Fortech Construction Pte Limited.
- Traffic Impact Analysis approval with conditions was received from the Fiji Roads Authority (FRA).
- Environment Impact Analysis approval with conditions was received from the Department of Environment.

Cuvu Site, Sigatoka

- A joint site visit was carried out by the Authority, FRA and the Construction Implementation Unit of the Ministry of Economy.

Lekutu Site, Bua

- Approval for notice of lease signed by the Department of Lands.

NUMBER PLATE PRINTING

Licensys Pty Ltd was contracted by the Authority to supply two sets of number plate machines (Embossing & Hot Stamping). The delivery of these machines took place in September 2019 and thereafter the installation and training of staff took place in November 2019.

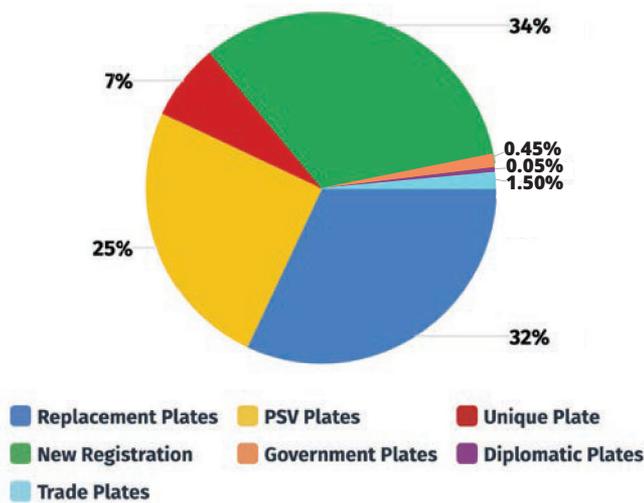


Hot Stamping Machine



Embossing Machine

A total of 18,773 pairs of number plates were printed and issued during the year:



Out of the 18,773 pairs of number plates printed - 34% were New Registration number plates, 32% Replacement number plates, 25% PSV number plates, 7% Unique number plates, 0.05% Diplomatic number plates, 0.45% Government number plates and 1.50% were Trade number plates.

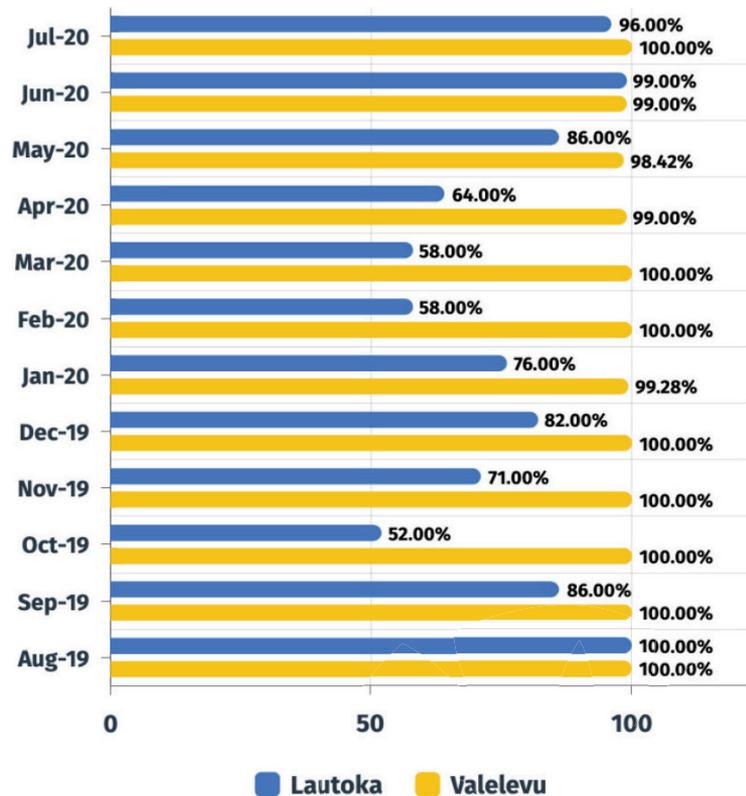
PROMOTE THE USE OF GREEN MOTOR VEHICLES AND REDUCING EMISSION CONSULTATIONS

The Department carried out stakeholder consultations with the following organizations and Government agencies to promote the use of green motor vehicles for the reduction in emissions:

- **Department of Environment** - consultations held concerning Persistent Organic Pollutants from motor vehicle emissions.
- **SmartGEN** - consultations held concerning renewable energy generation and Electric Vehicle (EV) Charging Stations.
- **Leaf Capital** - consultations were held concerning the feasibility of setting up an EV import and retail business including EV charging stations in Fiji.

FULLY AUTOMATED MOTOR VEHICLE INSPECTION SYSTEM (FAMVIS)

The average FAMVIS operating efficiency for Valelevu was 99.6% and for Lautoka it was 77% during the year as shown in the graph below:



CORPORATE SERVICES

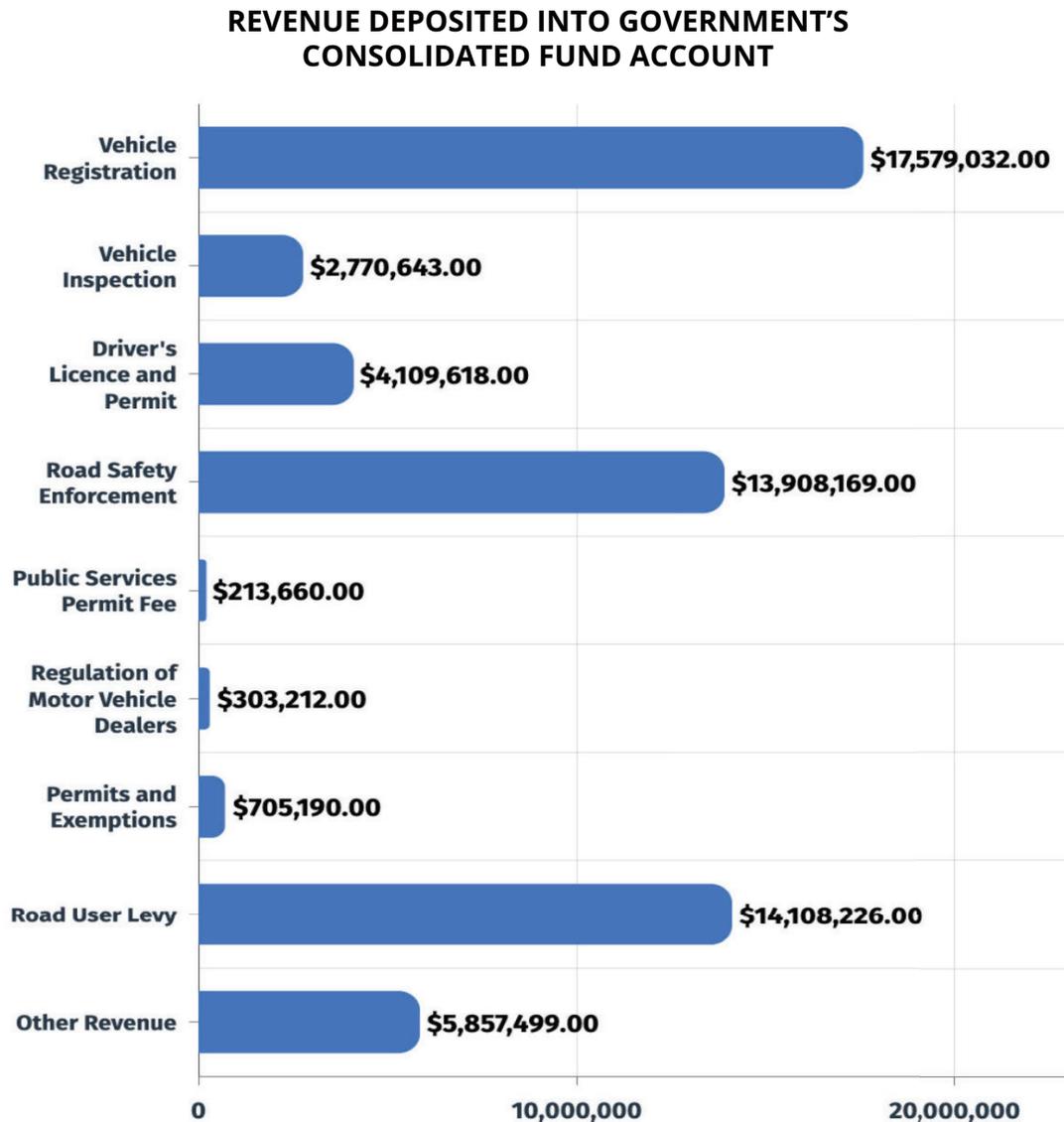
FINANCIAL OVERVIEW

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 \$59.5million.

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 year:



HUMAN RESOURCES

The roles and responsibilities of the Human Resources (HR) Department encompass vital functions such as recruitment, training, administration and the development of organizational policies. This Department, dedicated to the management of the organization’s most critical asset—its employees, takes charge of overseeing and supporting the entire employee life-cycle.

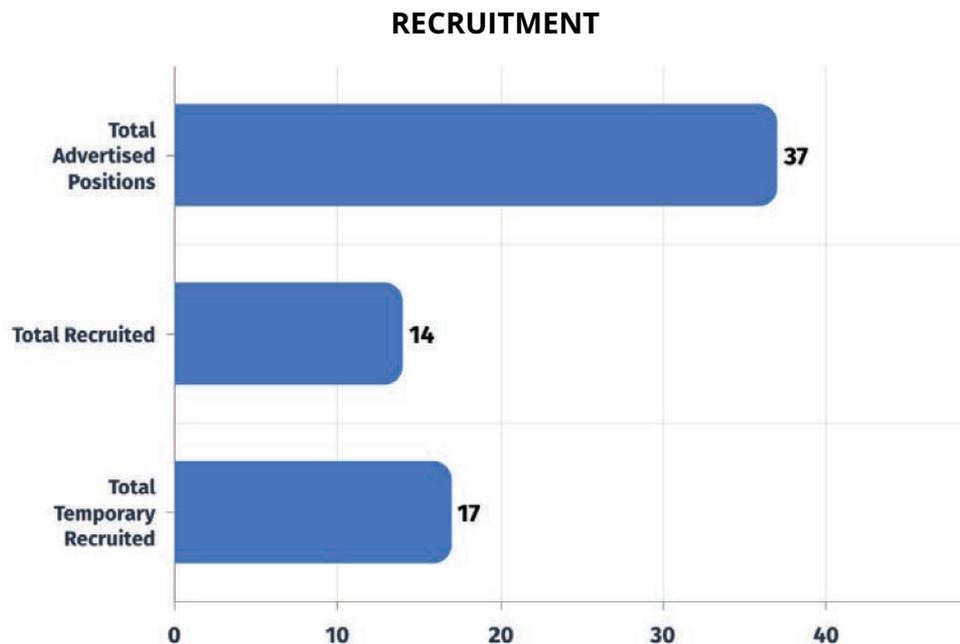
The Department is committed to ensuring employee satisfaction, providing comprehensive training, maintaining high levels of motivation and ensuring that employees have all the necessary resources to perform at their best. By giving structure to the Authority’s operations, the Department contributes significantly to fostering productivity, thereby contributing to the overall success of the Authority.

RECRUITMENT

The COVID-19 pandemic has profoundly impacted all organizations, presenting a complex and challenging environment for Managers and Human Resource Management practitioners. In the face of this unprecedented crisis, these professionals are tasked with devising innovative solutions to ensure the continuity of their organizations and to provide support to employees navigating these extraordinary circumstances.

COVID-19 workplace restrictions were implemented by the Authority and included the closure of regional borders, work from home policy, isolation process and reduced hours of work for staff members.

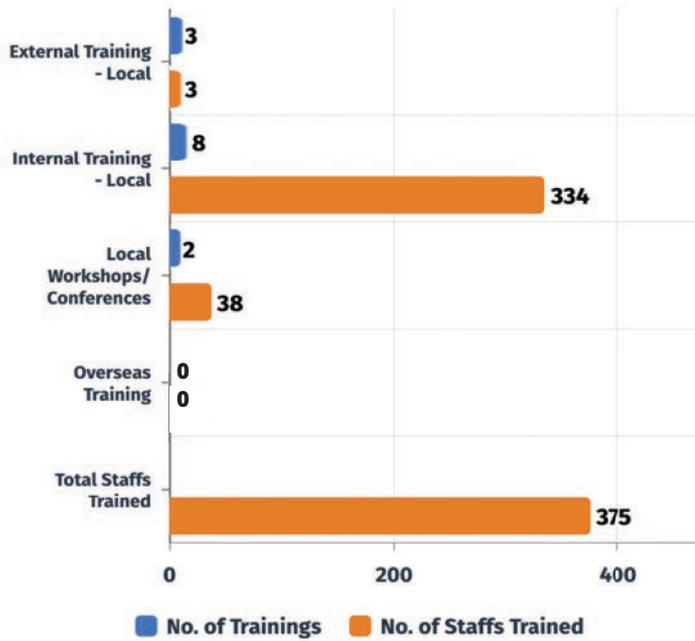
For this financial year, the Department advertised 37 positions and a total of 14 employees were recruited. In addition, a total of 17 Temporary Officers were recruited with a 3-month engagement with provisions for extensions based on need.



TRAINING AND DEVELOPMENT

The Department continued to provide a full and wide range of training activities for all categories of staff members. This year achieved a total of 13 training events held with a total number of 375 staff participants.

TRAINING & DEVELOPMENT SUMMARY



One of the challenges faced this year was the COVID-19 pandemic, which caused a reduction in training activities and budget. Between April and June 2020, no training was coordinated and facilitated due to COVID-19 restrictions.

MAJOR ACHIEVEMENTS

• HR Software Upgrade

The HR Software (LinkSoft) was upgraded in 2020 from Version 8 to Version 10, which has enhanced the efficiency of the Department's services, data management, improved decision-making and compliance to policies and regulations. The system enhancement has elevated employee experience, advanced reporting and analytical capabilities. The software upgrade has also significantly enhanced the accessibility of data to suit the Authority's current needs.

• Annual Leave Anniversary & Reducing Annual Leave Balance

In August 2019, the Authority instituted a modified Annual Leave Policy which permits employees to carry forward only 10 days of annual leave to the subsequent financial year. To ensure compliance, employees were urged to fully utilize their annual leave entitlement. However, in situations where the use of annual leave is not feasible due to work-related objectives, employees could request special approval from the Chief Executive Officer to

use their unused annual leave at a certain allocated time frame. This policy change aims to strike a balance between employees taking their annual leave entitlements and considering exceptional work circumstances that may prevent annual leave utilization.

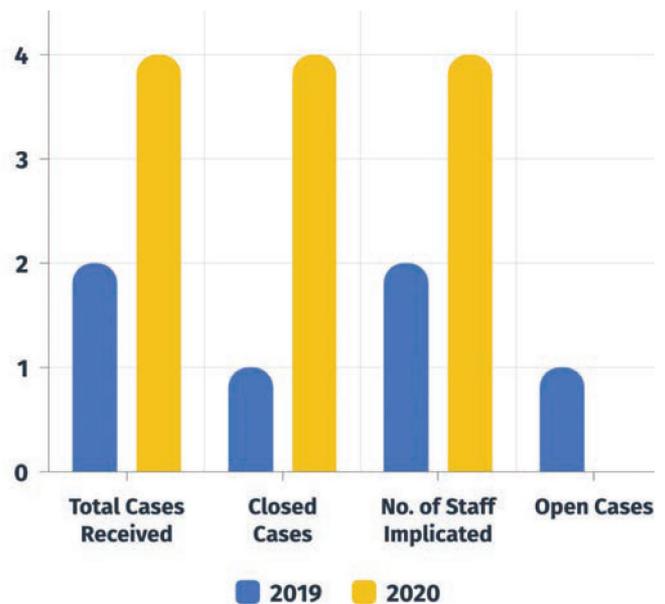
EMPLOYMENT RELATIONS

The Authority's HR Policy and the Employment Relations Act 2007 serve as guiding principles in its interactions with employees. The Department is dedicated to fostering effective communication, ensuring fairness and cultivating a positive workplace environment. In the past year, the Department's focus has been on maintaining a robust workplace where every individual feels respected and valued.

When addressing challenges, the Department's approach centers around helping individuals learn and grow through corrective actions, providing them with opportunities for improvement. Moving forward, the Department remains steadfast in creating an Authority where collaboration occurs in a friendly and responsible manner.

The graph below provides an overview of reported cases:

EMPLOYMENT RELATIONS



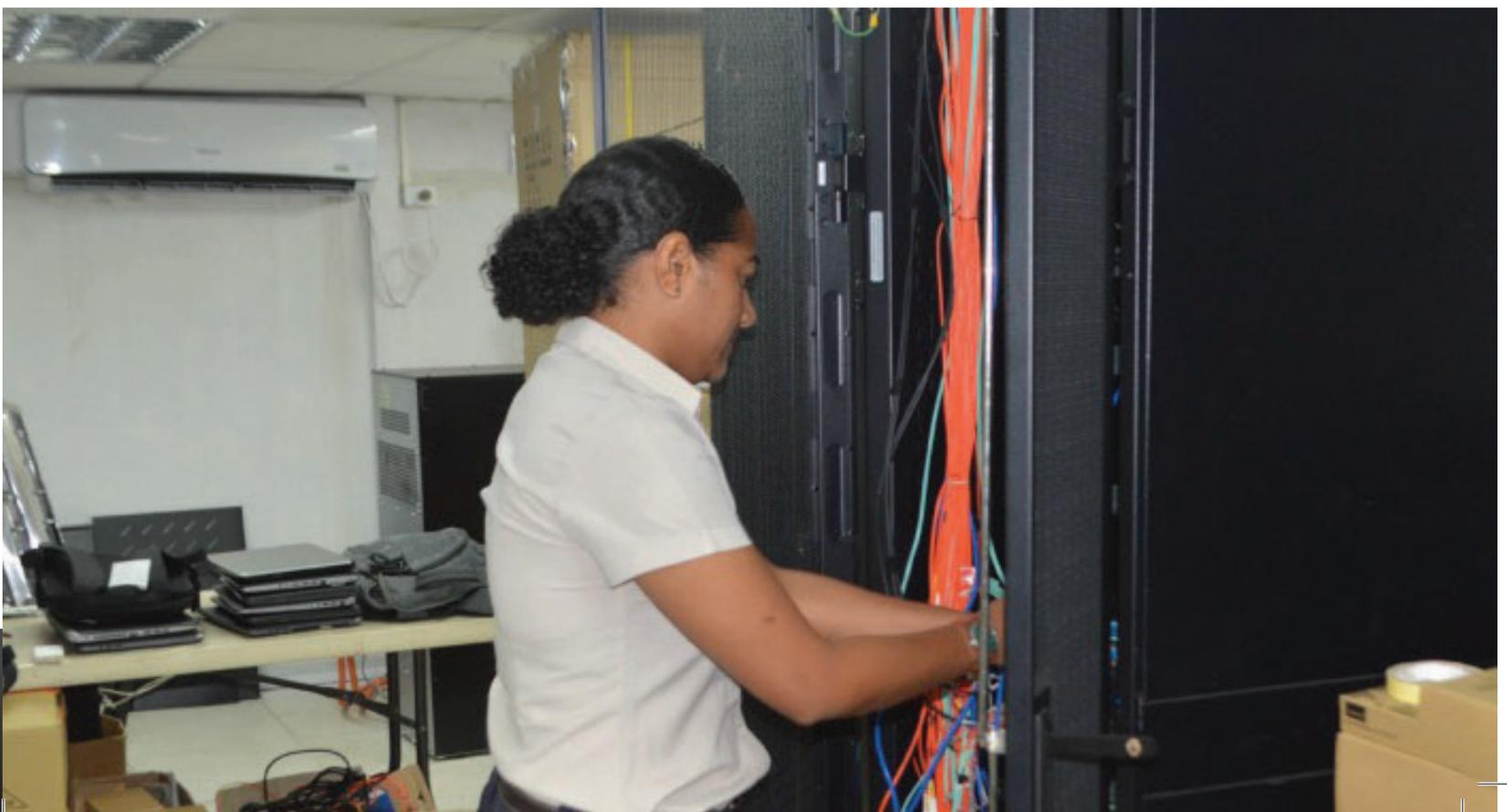
INFORMATION, COMMUNICATION & TECHNOLOGY

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

- Data Center Network Communication Infrastructure Upgrade
- ICT End User Equipment Replacement and Upgrade
- New Office Setups
- Closed Circuit Television Installations
- Roll Out of Client Mobile Application
- Implementation of Internal Approval Mobile Application

The above-mentioned operational highlights have impacted the Authority's internal operations and customer services as listed below:

- Improved ICT-related security through continuous upgrades.
- Expanding customer services through 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 users on new ICT 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. The total staff establishment for the Department is eight however, during the financial year seven staff members were engaged whilst one position remained vacant.

The Department completed a total of 32 investigations, three planned audits and two spot checks.

In addition, the Department reported a total of 138 recommendations through its internal Audit Reports whilst a total of 179 recommendations were received from KPMG's five audits conducted at the Authority.

Furthermore, the Department reported a total of 20 cases to the Fiji Independent Commission Against Corruption, six cases to the Fiji Police Force and one case to the Fiji Revenue and Customs Service for the year.

PROPERTIES

The Authority's expansion and growth witnessed the establishment and refurbishment of two new offices during the year 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:

- Nadi Full Fledge Office
- Lautoka City Express Office

Nadi Full Fledge Office was established along Nadi Back Road to provide adequate office space and carpark facility for its increased customer base, staff members, customer's Driving Knowledge Testing System (DKTS) facility, vehicle inspection ramp, staff amenities including a large conference room for stakeholder meetings, trainings and Defensive Driving Courses.

Lautoka City Express Office was established to support the Authority's main Lautoka Branch situated on the outskirts of Lautoka City by providing express services to its increased customer base in the Lautoka municipality. This new office accommodates a spacious customer service area, staff offices, amenities, meeting room and the customer's DKTS facility.



LEGAL

The Legal Department is an arm of the Authority responsible for providing legal services exclusively to the Authority. Legal services include the following however not limited to:

- Litigation
- Legal Advice
- Drafting Contracts
- Memorandum of Understanding
- Vetting of Documents and Policies
- Negotiations

The Department consisted of a General Manager Legal, Policy and Business Development, a Manager Legal Services, two Senior Legal Officers, three Legal Officers, two Administrative Officers and a Litigation Officer. In addition, the Department had three Prosecutors respectively based in the Central Eastern, Western and Northern regions.

The General Manager and Manager Legal Services oversaw the day-to-day operations of the Department, which represented and upheld the Authority's interest in the following Courts of Fiji:



The following table reflects the statistics for all Court matters initiated during the year:

Employment	Civil	Tribunal	Dispute of Traffic Infringement Notices
11	12	5	170

QUALITY ASSURANCE

The Quality Assurance Department comprised three staff members who assisted with the coordination and implementation of the following key activities to enhance the corporate image and organizational systems of the Authority:

- **Standard Operating Procedures** – the Department assisted in the review and development of the Authority's policies and procedures to improve internal and external processes.
- **Capital Projects** – assistance and support was rendered by the Department in the establishment of the Nadi Full Fledge and Lautoka City Express Offices. These projects were part of the Authority's plans to standardize its offices and also expand its services to the growing customer base in the Western Region.
- **5S Quality Inspections** – quarterly inspections were coordinated by the Department for all three regions to improve work space ergonomics, safety, reliability and also compliance to local regulations such as Occupational Health & Safety.

As a result of these inspections, the Authority disposed a total of 54 boxes of obsolete and damaged surrendered number plates. This activity improved the office work space, surrounding work environment and more importantly, eliminated potentially fraudulent activities from undisposed surrendered number plates. The above disposal comprised ~20,000 surrendered number plates which were shredded through proper approvals and certified disposal agencies.

- **Records Management** – through the 5S quality inspection activities, the Authority transferred its first batch of 80 cartons of records to its approved archive facility to enhance office work space, customer service facilities, storage space and more importantly to improve the traceability, safe-keeping and retrieval of records.
- **Management Tender Committee (MTC)** - the Department also provided timely and efficient secretariat assistance to MTC by facilitating all tender meetings, tender audits, monitoring the progress of tender projects and safe-keeping tender records. A total of 10 Requests for Tenders, six Expressions of Interest and three Requests for Proposals were facilitated accordingly.





FINANCIAL STATEMENTS

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Website: <http://www.oag.gov.fj>



File:1290

27 September 2023

Mr. Inosi Kuridrani
The Chairman
Land Transport Authority
Valelevu
NASINU

Dear Mr. Kuridrani

LAND TRANSPORT AUTHORITY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

The audited financial statements for Land Transport Authority for the year ended 31 July 2020 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

cc. Mr. Irimaia Rokosawa, The Acting Chief Executive Officer, Land Transport Authority

Encl.

LAND TRANSPORT AUTHORITY
FINANCIAL STATEMENT
FOR FINANCIAL YEAR ENDED 31 JULY 2020

LAND TRANSPORT AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

<u>Contents</u>	Page(s)
Members report	1 - 2
Statement by management	3
Independent auditor's report	4-6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 28

**LAND TRANSPORT AUTHORITY
MEMBERS' REPORT
FOR THE YEAR ENDED 31 JULY 2020**

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 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and report as follows:

Authority's members

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

	Date Appointed	End Date
Mr James Sowane - Chairman	20 July 2021	11 April 2023
Mr Kamal Prasad	20 July 2021	11 April 2023
Mr Parvez Akbar	20 July 2021	11 April 2023
Ms Narisha Karan	20 July 2021	11 April 2023
Mr Richard Breen	20 July 2021	11 April 2023
Mr Kamal Goundar	20 July 2017	11 April 2023
Mr Ashok Patel	20 July 2017	11 April 2023

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

	Date Appointed	Status
Mr Inosi Kuridrani - Chairman	12 April 2023	Current
Mr Etuate Koroi	12 April 2023	Current
Mr Sekove Tuilakeba	12 April 2023	Current
Mr Lui Naisara	12 April 2023	Current
Mr Rajendra Prasad	12 April 2023	Current
Mr Kiran Khatri	12 April 2023	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 2020 was \$1,801,278 and Operating loss for 2019 was : \$2,188,618.

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.

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.

**LAND TRANSPORT AUTHORITY
MEMBERS' REPORT
FOR THE YEAR ENDED 31 JULY 2020**

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

Subsequent to the end of the financial year, there was a change in the board of directors of the Authority. The changes have been disclosed in this report under Note 19.

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 2020 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.

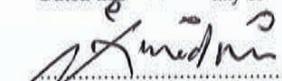
Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority's members, the results of the operations of the Authority during the financial year were not substantially affected by any items, transaction or event of an abnormal nature.

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 14th day of September 2023.


.....
Chairperson


.....
Member

LAND TRANSPORT AUTHORITY
STATEMENT BY MANAGEMENT
FOR THE YEAR ENDED 31 JULY 2020

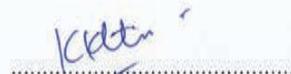
In accordance with a resolution of the members of the Authority, we state that:

- (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 2020;
- (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 2020;
- (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 2020;
- (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 2020;
- (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 19th day of September 2022.


.....
Chairperson


.....
Member

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

LAND TRANSPORT AUTHORITY

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Land Transport Authority ("the Authority"), which comprise the Statement of Financial Position for the year ended 31 July 2020, 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 2020, 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 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.

SD

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
27 September 2023

LAND TRANSPORT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 (\$)	2019 (\$)
Revenue			
Grant received	2	20,257,201	22,244,685
Other income	3	2,753,667	2,620,305
Expenses			
Administrative expenses	4	(922,899)	(1,229,449)
Salaries, wages and other employee benefits	5	(14,314,166)	(15,396,074)
Operating expenses	6	(8,121,804)	(8,709,450)
Other expenses	7	(1,453,277)	(1,718,635)
Profit from operations		(1,801,278)	(2,188,618)
Income tax expense	1(l)	-	-
Loss from operations after income tax		(1,801,278)	(2,188,618)
Other comprehensive income			
Items that will not be reclassified to profit or loss ; - Revaluation Surplus on Land, Buildings and Plant & Equipment	11	-	-
Total comprehensive loss for the year ended 31 July 2020		(1,801,278)	(2,188,618)

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 2020

	Asset Revaluation Reserve (\$)	Capital (\$)	Retained earnings (\$)	Total (\$)
Balance as at 1 August 2018	7,544,353	1,650,146	8,847,415	18,041,914
Total comprehensive Loss for the year	-	-	(2,188,618)	(2,188,618)
Rectification of opening Accumulated Depreciation	-	-	(7,511)	(7,511)
Error in Prior Year Depreciation (Note 25)	-	-	552,226	552,226
Balance as at 31 July 2019 (Restated)	<u>7,544,353</u>	<u>1,650,146</u>	<u>7,203,512</u>	<u>16,398,011</u>
Balance as at 1 August 2019 (Restated)	7,544,353	1,650,146	7,203,512	16,398,011
Loss for the year	-	-	(1,801,278)	(1,801,278)
Balance as at 31 July 2020	<u>7,544,353</u>	<u>1,650,146</u>	<u>5,402,234</u>	<u>14,596,733</u>

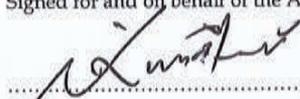
The accompanying notes form an integral part of this Statement of Changes in Equity.

LAND TRANSPORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 (\$)	2019 (Restated) (\$)
CURRENT ASSETS			
Cash and cash equivalents	8	4,525,386	9,577,956
Receivables	9	1,223,752	1,030,620
Inventories	10	547,883	750,987
Total current assets		6,297,021	11,359,563
NON-CURRENT ASSETS			
Property, plant and equipment	11	22,896,460	25,248,424
Intangible assets	12	296,101	260,858
Right-of-use assets	16 (a)	2,936,954	4,083,827
Total non-current assets		26,129,515	29,593,109
TOTAL ASSETS		32,426,536	40,952,672
CURRENT LIABILITIES			
Creditors and other accruals	13 (i)	1,278,140	2,281,591
Owing to Government consolidated account	13 (ii)	1,183,696	1,046,961
Deferred grant	15	2,726,602	2,503,537
Provisions	14	638,469	440,627
Lease liabilities	16 (b)	728,356	961,506
Total current liabilities		6,555,263	7,234,222
NON-CURRENT LIABILITIES			
Lease Liabilities	16 (b)	2,297,606	3,170,443
Deferred grant	15	8,976,934	14,149,996
Total non-current liabilities		11,274,540	17,320,439
TOTAL LIABILITIES		17,829,803	24,554,661
NET ASSETS		14,596,733	16,398,011
CAPITAL AND RESERVES			
Asset Revaluation Reserve	17	7,544,353	7,544,353
Capital		1,650,146	1,650,146
Retained earnings		5,402,234	7,203,512
TOTAL CAPITAL AND RESERVES		14,596,733	16,398,011

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 2020

	Note	2020 Inflows/ (Outflows) (\$)	2019 Inflows/ (Outflows) (\$)
OPERATING ACTIVITIES			
Receipts from government for operational expenditure		20,257,201	22,244,685
Receipts from Commission/Rent and Legal Expense Grant		27,065	116,768
Compulsory Third Party Levy		-	606,762
Payments to suppliers and employees		(21,016,916)	(22,588,773)
Net movement for Owing to Government		136,735	424,561
		<u>(595,915)</u>	<u>804,003</u>
INVESTING ACTIVITIES			
(Transfer from)/Receipts from Government for capital expenditure		(2,223,395)	6,466,972
Payment for Intangibles		(169,956)	(95,037)
Payments for property, plant and equipment		(1,041,215)	(4,879,468)
Net cash (used in)/provided by investing activities		<u>(3,434,566)</u>	<u>1,492,467</u>
FINANCING ACTIVITIES			
Net repayments of loan		-	-
Repayment of lease Liability		(1,022,089)	(574,368)
Net cash used in financing activities		<u>(1,022,089)</u>	<u>(574,368)</u>
Net (decrease)/increase in cash held		(5,052,570)	1,722,102
Cash and cash equivalents at the beginning of the year		9,577,956	7,855,854
Cash and cash equivalents at the end of the year	8	<u>4,525,386</u>	<u>9,577,956</u>

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

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 19th September, 2023

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, the Authority carries huge amounts of PPE spread across various locations where cost of revaluation will outweigh the benefit thus the change is expected to bring about the following benefits to the Authority: (1) reliability of the accounting information, (2) simplicity and convenience, (3) consistency and (4) comparability. The change were 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 and Long Service Leave

The provision for employee entitlements relate to amounts expected to be paid to employees for annual leave and Long Service 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
- 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 borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realizing security (if any is held); or
- 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

At each reporting date, the Authority assesses whether financial assets carried at amortised cost are credit impaired. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

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

If the terms of a financial asset are modified, the Authority evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Authority recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

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 2020

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 2020 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 (\$)
Financial Assets					
Trade and other Receivables	9	Receivables	Amortized cost	1,223,752	1,223,752
Cash on hand and at banks	8	Cash and equivalents	Amortized cost	4,525,386	4,525,386
Total Financial assets				5,749,138	5,749,138
Financial Liabilities					
Trade payables	13	Other Financial Liability	Other Financial	1,278,140	1,278,140
Total financial Liability				1,278,140	1,278,140

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(q) Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Authority assesses whether:

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

At inception or on reassessment of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Authority has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Authority as lessee

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Authority's incremental borrowing rate. Generally, the Authority uses its incremental borrowing rate as the discount rate. An incremental borrowing rate of 4.5% is used for lease calculations.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable under a residual value guarantee.

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(q) Leases (continued)

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

Short-term leases and leases of low-value assets

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Authority also applied the available practical expedients and following 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.
 - 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 4 leases were 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.

LAND TRANSPORT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

	2020 (\$)	2019 (\$)
2 REVENUE		
Fiji Government grant received	20,257,201	22,244,685
3 OTHER INCOME		
Release of capital grant revenue	2,726,602	2,503,537
Other income	27,065	116,768
	<u>2,753,667</u>	<u>2,620,305</u>
4 ADMINISTRATION EXPENSES		
Audit fees	12,267	24,534
Accounting fees	16,660	54,845
Bank charges	9,668	10,307
Board members' fees and remuneration	19,005	8,805
Consultancy charges	40,656	83,390
Insurance	648,335	675,000
Legal fees	154,653	209,163
Staff training	21,655	163,405
	<u>922,899</u>	<u>1,229,449</u>
5 SALARIES, WAGES AND OTHER BENEFITS		
Annual leave	1,080,262	721,966
Fringe Benefit Tax	958	11,586
Fiji National Provident Fund contributions	1,122,128	1,454,990
Fiji National University levies	129,424	144,423
Wages and salaries	11,981,394	13,063,109
	<u>14,314,166</u>	<u>15,396,074</u>
6 OPERATING EXPENSES		
Accommodation hire	57,800	113,986
Advertising	122,452	185,224
Conferences	12,125	32,392
Depreciation	3,527,892	2,824,604
Depreciation - right-of use assets	919,413	521,792
Driver license consumables	240,495	262,953
Electricity and water	382,020	438,552
Entertainment	19,814	47,074
Motor vehicle expenses	366,082	250,076
Number plates	281,968	518,597
Printing and stationery	705,401	888,124

LAND TRANSPORT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

OPERATING EXPENSES (continued)	2020 (\$)	2019 (\$)
Rent and rates	87,707	654,393
Repairs and maintenance	341,195	710,166
Security hire	524,064	618,293
Telephone equipment lease charges	324,590	309,076
Telephone and facsimile	154,401	109,173
Travelling	54,256	153,508
Uniforms	129	71,467
	<u>8,121,804</u>	<u>8,709,450</u>
7 OTHER EXPENSES		
Commission expense	32,636	34,030
Hire charges	79,905	50,384
Internet expenses	98,455	88,708
Maintenance computer software	461,233	569,958
Meals and catering	105,770	395,941
Miscellaneous	94,236	81,121
Occupational health and safety	5,647	8,572
Road safety awareness	22,777	63,328
Pest control	1,210	506
Postage, postal, courier, freight and cartage	344,371	248,071
Sanitation and cleaning	39,787	53,871
Subscription	7,740	19,447
Transfer allowance	1,000	4,000
Loss on disposal of furniture and equipment	14,954	-
Interest Expenses Leases	143,556	100,698
	<u>1,453,277</u>	<u>1,718,635</u>
8 CASH AND CASH EQUIVALENTS		
BSP Operating account	647,979	3,501,015
BSP Capital account	3,631,433	5,559,701
ANZ Donor Fund account	233,208	503,874
Cash on hand	12,766	13,366
	<u>4,525,386</u>	<u>9,577,956</u>
The Authority changed its operating and capital accounts from ANZ to BSP.		
9 RECEIVABLES		
VAT receivable	547,690	497,026
Prepayments	488,750	311,733
Deposits	149,307	135,843
Staff advances	11,493	8,508
Other	26,512	77,510
	<u>1,223,752</u>	<u>1,030,620</u>
10 INVENTORIES		
Stationery stock	70,614	112,875
Regulated books and labels	77,895	133,568
Driving license consumables	143,081	208,666
Number plates	256,293	295,878
	<u>547,883</u>	<u>750,987</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 JULY 2020

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 1 August 2019 (Restated)	8,130,000	8,389,973	3,777,001	4,863,160	1,829,669	4,068,056	800,282	1,477,701	33,335,842
Acquisitions/ Additions	61,450	-	-	582,009	381,668	174,409	71,673	740,516	2,011,725
Disposals	-	-	(559,700)	(19,669)	(41,880)	(1,042,844)	(129,546)	-	(1,793,639)
Transfers/ Adjustments	-	-	-	-	(19,469)	625	19,174	(955,890)	(955,560)
Balances at 31st July 2020	8,191,450	8,389,973	3,217,301	5,425,500	2,149,888	3,200,246	761,583	1,262,327	32,598,368
Depreciation									
Balances at 1 August 2019 (Restated)	-	331,468	2,774,083	1,157,519	625,919	2,812,852	385,577	-	8,087,418
Depreciation and Amortisation	561,764	209,750	355,368	1,048,173	387,738	697,988	132,402	-	3,393,183
Disposals	-	-	(559,700)	(6,968)	(40,857)	(1,041,866)	(129,302)	-	(1,778,693)
Adjustments/ Revaluation	-	-	-	-	(2,701)	225	2,476	-	-
Balances at 31 July 2020	561,764	541,218	2,569,751	2,198,724	970,099	2,469,199	391,153	-	9,701,908
Carrying Amount									
As at 31 July 2020	7,629,686	7,848,755	647,550	3,226,776	1,179,889	731,047	370,430	1,262,327	22,896,460
As at 31 July 2019	8,130,000	8,058,505	1,002,918	3,705,641	1,203,750	1,255,204	414,705	1,477,701	25,248,424

LAND TRANSPORT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

12 INTANGIBLE ASSETS

<u>Cost or Valuation</u>	<u>Computer Software</u> (\$)	<u>Work in Progress</u> (\$)	<u>Total</u> (\$)
Balances at 1st August 2019	1,027,882	20,333	1,048,215
Acquisitions	114,839	55,117	169,956
Transfers	-	-	-
Balances at 31 July 2020	1,142,721	75,450	1,218,171
Balances at 1st August 2019	787,357	-	787,357
Amortisation	134,713	-	134,713
Balances at 31 July 2020	922,070	-	922,070
<u>Carrying Amount</u>			
Balances at 31 July 2019	240,525	20,333	260,858
Balances at 31 July 2020	220,651	75,450	296,101

The Computer software amounting to \$296,101 is intangible asset owned by Land Transport Authority as at 31 July 2020 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	2020 (\$)	2019 (\$)
(i) Trade creditors	835,581	1,181,240
Accruals and other payables	442,559	1,100,351
	1,278,140	2,281,591

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	1,046,961	15,639
Fees, levies, Rent and charges collected and Not Transferred	330,524	1,045,023
Transfer to Government consolidated account	(193,789)	(13,701)
Balance at 31 July	1,183,696	1,046,961

14 PROVISIONS

	<u>Employee entitlements</u> (\$)	<u>Total</u> (\$)
Balance at 31 July 2019	440,627	440,627
Provisions made during the year	1,079,460	1,079,460
Provisions used during the year	(881,618)	(881,618)
Balance at 31 July 2020	638,469	638,469

Employee Entitlements

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

Payroll

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

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
	(\$)	(\$)
15 DEFERRED GRANT		
Balance at 1 August	16,653,533	12,690,098
Grant received during the year	-	6,466,972
Grant Transfer to Operating	(2,223,395)	-
Release of capital grant revenue	(2,726,602)	(2,503,537)
Balance as at 31 July	<u>11,703,536</u>	<u>16,653,533</u>
This is represented by:		
Current liabilities	2,726,602	2,503,537
Non-current liabilities	8,976,934	14,149,996
	<u>11,703,536</u>	<u>16,653,533</u>

During the financial year, as part of the change in work programs the Authority transferred sum amounting to \$2,726,602 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

	2020	2019
	(\$)	(\$)
Opening Balance as at 1st August 2019	4,083,827	-
Addition	184,527	4,605,619
Depreciation charge for the year	(919,413)	(521,792)
Remeasurements	(411,987)	-
Balance at 31 July 2020	<u>2,936,954</u>	<u>4,083,827</u>

b) Lease Liabilities

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

	2020	2019
	(\$)	(\$)
Opening Balance as at 1st August 2019	4,131,949	-
New Lease during the year	184,527	4,605,619
Add: Accretion of interest for the year	156,756	100,698
Less: payments made during the year	(1,022,089)	(574,368)
Remeasurements	(425,181)	-
Balance at 31 July 2020	<u>3,025,962</u>	<u>4,131,949</u>

This is represented by:

Current	728,356	961,506
Non - Current	2,297,606	3,170,443
	<u>3,025,962</u>	<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	846,133	1,119,492
One to five years	1,979,267	2,826,682
More than five years	1,376,098	1,297,840
Total undiscounted lease liabilities at 31 July 2020	<u>4,201,498</u>	<u>5,244,014</u>

The following are amounts recognized in statement of Comprehensive Income:

Depreciation expense of right-of-use assets	919,413	521,792
Interest expense on lease liabilities	143,556	100,698
Total amount recognized in statement of comprehensive Income	<u>1,062,969</u>	<u>622,490</u>

LAND TRANSPORT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 JULY 2020

16 Leases (continued)

The Authority had total cash outflows for leases of \$1,062,969

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

	2020 (\$)	2019 (\$)
Balance at 1 August	7,544,353	7,544,353
Revaluation Surplus on Land, Building and Plant & Equipment	-	-
Balance at end of the year	<u>7,544,353</u>	<u>7,544,353</u>

18 COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments	1,288,961	1,493,835
Capital expenditure approved but not contractually committed	-	-
	<u>1,288,961</u>	<u>1,493,835</u>
Contingent liabilities	<u>2,335,000</u>	<u>2,588,500</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 members in office during the year are:

	Date Appointed	End Date
Mr James Sowane - Chairman	20 July 2021	11 April 2023
Mr Kamal Prasad	20 July 2021	11 April 2023
Mr Parvez Akbar	20 July 2021	11 April 2023
Ms Narisha Karan	20 July 2021	11 April 2023
Mr Richard Breen	20 July 2021	11 April 2023
Mr Kamal Goundar	20 July 2017	11 April 2023
Mr Ashok Patel	20 July 2017	11 April 2023

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

	Date Appointed	Status
Mr Inosi Kuridrani - Chairman	12 April 2023	Current
Mr Etuate Koroi	12 April 2023	Current
Mr Sekove Tuilakeba	12 April 2023	Current
Mr Lui Naisara	12 April 2023	Current
Mr Rajendra Prasad	12 April 2023	Current
Mr Kiran Khatri.	12 April 2023	Current

The board fees and remuneration for the year ended 31 July 2020 was \$19,005 (2019: \$8,805).

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
Ms. Makitalena Drova	Acting General Manager Operations - Active
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

	2020 (\$)	2019 (\$)
Short-term employee benefits	806,446	643,164
Housing and other allowances and benefits	60,286	60,978
Fiji National Provident Fund contributions	6,264	7,827
	<u>872,996</u>	<u>711,969</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:

	2020 (\$)	2019 (\$)
Cash and cash equivalents (Note 8)	4,525,386	9,577,956
Receivables (Note 9)	<u>1,223,752</u>	<u>1,030,620</u>
	<u>5,749,138</u>	<u>10,608,576</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 2020 based on contractual undiscounted payments.

	On demand	Later than 3 months	Total
Year ended 31 July 2020			
Creditors and other accruals (Note 13)	<u>1,278,140</u>	-	<u>1,278,140</u>
	<u>1,278,140</u>	-	<u>1,278,140</u>
Year ended 31 July 2019			
Creditors and other accruals (Note 13)	<u>2,281,591</u>	-	<u>2,281,591</u>
	<u>2,281,591</u>	-	<u>2,281,591</u>

LAND TRANSPORT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

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 2020.

	2020	2019
	(\$)	(\$)
Creditors and other accruals (Note 13)	1,278,140	2,281,591
Total debt	1,278,140	2,281,591
Equity	14,596,733	16,398,011
Total capital	14,596,733	16,398,011
Gearing ratio	9%	14%

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, on 25 April 2021, in response to the 2nd wave of COVID - 19 outbreak in Fiji, the Government announced a number of measures including lockdown of certain containment areas within the country. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce, Trade, Tourism and Transport. The introduction of these restrictions have not had a material effect on the Authority's Financial Statements as at 31 December 2020. However, prolonged effects of COVID - 19 pandemic may result to significant decline in revenue in the financial year 2021.

Apart from the exception above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Authority, the results or cash flows of those operations, or the state of affairs of the Authority in future financial years.

- (ii) Subsequent to the end of the financial year, there was a change in the board of directors of the Authority. The changes have been disclosed under Note 19.

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 2020.

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
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT

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

The Authority 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:

	2020 (\$)	2019 (\$)
Vehicle registration	17,579,032	17,779,263
Vehicle inspection	2,770,643	2,971,593
Driver's License and driver permit	4,109,618	4,284,165
Road safety enforcement	13,908,169	13,093,130
Public service permits	213,660	406,474
Regulation of motor vehicle dealers	303,212	301,979
Permits and exemptions	705,190	979,234
Road User Levy	14,108,226	13,920,620
Other revenue	5,857,499	2,955,359
	<u>59,555,249</u>	<u>56,691,817</u>
Less: VAT	(3,752,507)	
VEP Revenue confirmed with Ministry of Economy	<u>55,802,742</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
Payroll Commission	27,065	28,774
Compulsory Third Party Policy/ ACCF Fees	-	-
Sponsorship	-	-
	<u>27,065</u>	<u>116,768</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 \$20,283,832 (2019: \$21,752,092) which has not been filed in court as at 31 July 2020.

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 2020, Fines amounting to \$27,710 had been collected by Post Fiji Limited however, was yet to be received by the Authority. The amount was subsequently received in September 2020 and deposited into CFA Account.

LAND TRANSPORT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 JULY 2020

25 CORRECTION OF PRIOR YEAR ERROR

During the 2020 financial year audit, the following errors were discovered:

- a) Adjustment to reverse Accumulated Depreciation for Computer totalling \$259,093 was wrongly passed to Computer Cost on 31/12/2013.
- b) An adjustment passed on 31/12/2015 had overstated Accumulated Depreciation for Computer Equipment by \$293,113.

The Authority have corrected these errors through restating the comparative amounts at the earliest prior period(s) presented, which is the 2019 financial year.

The restatements have affected the opening balances of the following financial statements line items:

(a) STATEMENT OF FINANCIAL POSITION
 NON-CURRENT ASSETS

	2019 Previously reported (\$)	2019 Adjustment (\$)	2019 Restated (\$)
Property, plant and equipment	24,696,198	552,226	25,248,424

(b) STATEMENT OF CHANGES IN EQUITY

Retained earnings	6,651,286	552,226	7,203,512
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