



water  
authority of  
fiji

Clean Water & Sanitation for a Better Life

# 2020/2021

## ANNUAL REPORT

PARLIAMENTARY PAPER NO. 117/23



## Our Vision

Clean Water and Sanitation for a Better Life

## Our Mission

We are committed to optimising water and wastewater services through:

- Resilience
- Innovation
- Safe Working Practices
- Engaging Stakeholders
- Capacity Building
- Being Environmentally Focused
- Modernisation

## Our Values

Our key values are:

- Customer Focus
- Learning and Growth
- Integrity
- Passion
- Accountability and Transparency
- Adaptability
- Respect
- Teamwork

## Abbreviations

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

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### Cover

Vatura Dam is a central freshwater dam at the headwaters of Nadi River. Built in the 1980s, it is the principal freshwater source for Lautoka and Nadi.

## Letter to the Minister

22nd July 2024

**Honourable Ro Filipe Tuisawau**  
Minister for Public Works, Transport and  
Meteorological Services Government Buildings  
Suva

Dear Sir,

Subject: Submission of Annual Report 2020-2021 with Audited Financial Report

On behalf of the Water Authority of Fiji (WAF) Board of Directors (2023-2024), I am writing to submit the Annual Report for the financial year 2020-2021, along with the accompanying audited financial report.

The Annual Report encapsulates our organisational activities, achievements, challenges, and financial performance during the specified period. It serves as a comprehensive overview of our endeavours in fulfilling our mandate of providing sustainable and accessible water and wastewater services to the people of

Within the report, you will find detailed information regarding our operational highlights, strategic initiatives, community engagements, and environmental stewardship efforts. On behalf of the Water Authority of Fiji, we thank the Government for its ongoing support and look forward to this continuing into the future.

Yours faithfully,



**Savenaca Seniloli**  
**Chairman**  
**Board of Directors (2023-2024 )**  
**Water Authority of Fiji**

# Year's Highlights — 2020 - 2021

**71%**

National Water Service Coverage

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**136,099**

Mega litres of water produced

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**139,627**

Water Connections

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**26,811**

Wastewater Connections

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**New Strategic Plan 2020-2025**  
launched

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**ISO 17025:2017**

Accreditation

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**29 Rural Water Projects**  
Implemented

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**5MLD Namau Packaged**  
**Water Plant**  
Commissioned

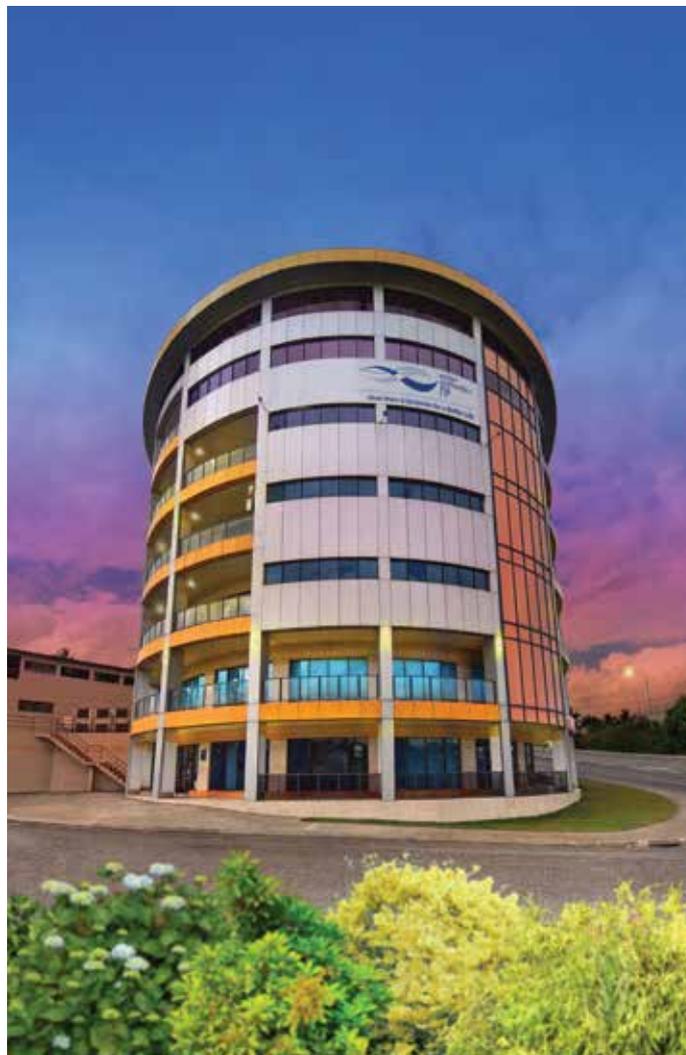
## Corporate Profile

### Who We Are

The Water Authority of Fiji is a Commercial Statutory Authority (CSA), formed by the Government of Fiji under the WAF Promulgation 2007. Established as a CSA with effect from 1st January 2020, WAF is responsible for providing environmentally sound, sustainable, efficient, and effective water and wastewater services.

### Our Responsibility

WAF is committed to ensuring that every Fijian has access to clean water and proper sanitation, aligning with our vision of “Clean Water and Sanitation for a Better Life.” We strive to deliver reliable and high-quality water services, maintaining the highest standards of water treatment and distribution. Our efforts extend beyond urban areas, as we are dedicated to developing and enhancing water systems in rural communities. By continuously investing in infrastructure and innovative technologies, we aim to safeguard Fiji’s water resources for future generations. Upholding environmental sustainability and public health remains at the core of our operations, driving us to achieve excellence in all aspects of water and wastewater management.



### Our Functions

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

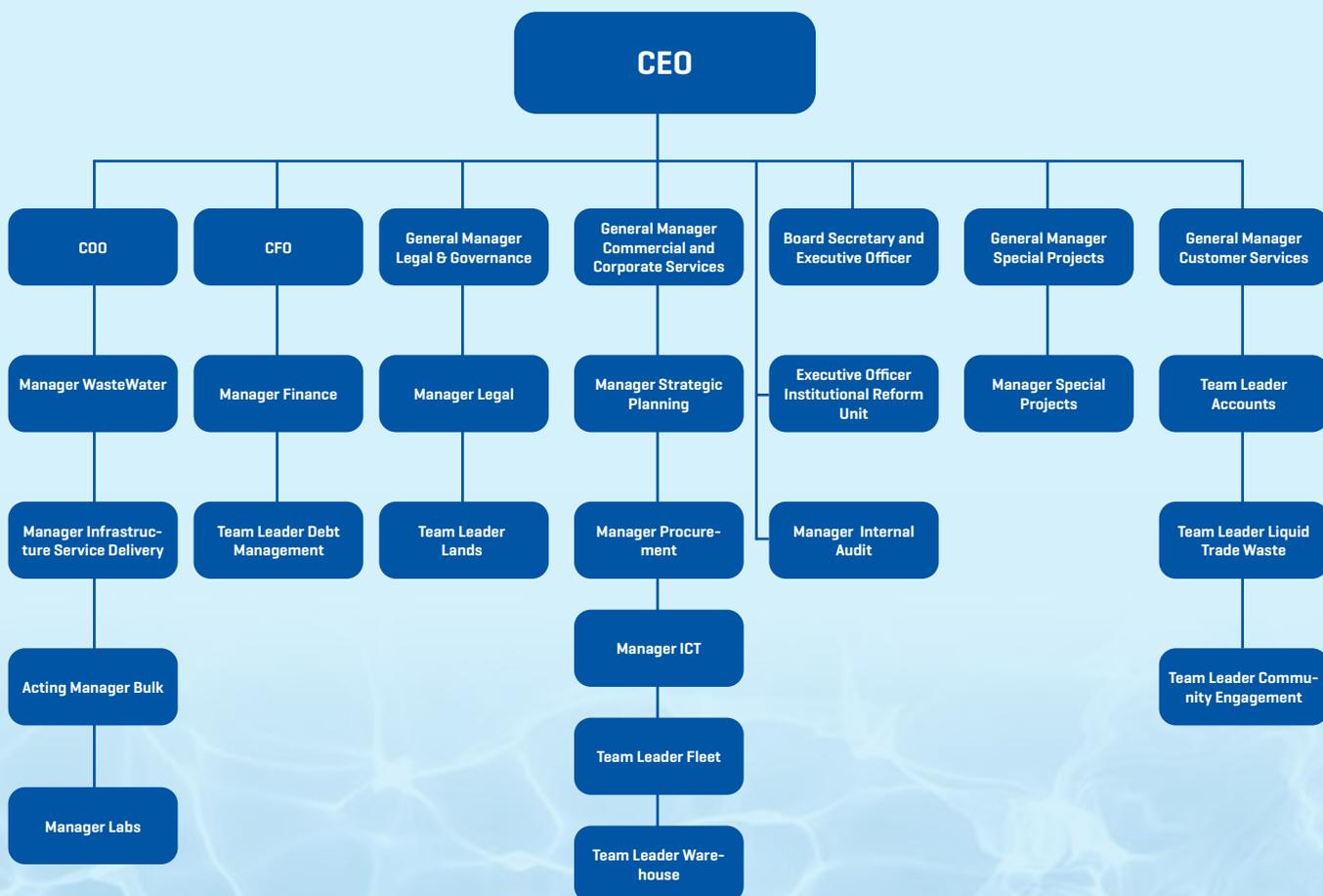
## Our Strategic Imperatives

- Water and Wastewater = Our Assets
- Accountability = Our Culture, Our People
- Finance = Effective, Efficient Service Delivery

## Our Customers

Our customers include owners or occupiers of buildings connected to the water system and to which we supply water or any other service, the owners or occupiers of buildings that are connected to the sewerage system and from which we collect sewerage or wastewater, any person who assumes responsibility to us in relation to a communal water supply or sanitation to a village or rural community and any person to whom we supply water or any other service under a customer contract.

## Organisational Structure



## Message from the Chairman



I am pleased to present the Water Authority of Fiji's Annual Report for the 2020 -2021 Financial Year. At the time of preparing this report, we are all well aware of the impact, societal and economic, that the COVID-19 pandemic has had, both globally and in the local arena. The anticipated, inevitable global financial downturn and the attendant delivery delays along the international supply chains must all be taken into account.

We are now mindful of the possibility of future pandemics, along with the realities of climate change and extreme weather events already experienced here in Fiji. We need to plan and prepare for the economic and societal impact that all these events inevitably have.

As providers of clean, safe, potable water and sanitation services, we are mindful of the need to build resilience into our infrastructure and services, as we are aware that our fast and efficient response to disaster and delivery of clean water contributes to improved, post-cyclone recovery for the people we serve, the affected citizens of Fiji.

The reliable and sustained provision of clean water and sanitation services is the foundation upon which sustainable development is built. Water and Sanitation have been listed by the United Nations as the sixth Sustainable Development Goal (SDG), as water is essential for life: for the survival of the human race.

WAF Board of Directors has completed the Company's 2020 - 2025 5-Year Strategic Plan, with these crucial imperatives to the fore. The Plan builds on the major developments already adopted by the Authority. Investments in Supervisory Control and Data Acquisition (SCADA), hydraulic modelling, geographic information systems (GIS), human resources information systems and strengthening the ICT infrastructure are already contributing to the changing delivery landscape of water and wastewater services. As a part of this impetus, we are seeing an increase in completed major projects and rural water system programmes.

I wish to take this opportunity to commend the CEO, the Senior Management Team, and all the Water Authority staff. You have remained steadfast in your commitment to WAF's Vision, Mission and Values during some of the most trying times we have ever experienced.

To my fellow Board members, thank you for your on-going advice and support throughout the 2020 -2021 Financial Year. Your combined business acumen and experience has been particularly valuable as we navigated a year of natural disasters, a global pandemic and global economic downturns.

I also take this opportunity to thank the Government of Fiji for your continued support. The Water Authority looks forward to your continued support for the benefit of our valued customers, the people of Fiji.

**Bhavesh Kumar**  
**Chairman**  
**2020-2021**

## Board of Directors 2020-2021



**Bhavesh Kumar**  
Chairman



**Hemant Kumar**



**Vijay Maharaj**



**PL. Munasinghe**



**Umarji Musa**



**Kamal Gounder**

## Executive Management



**Barry Omundson**  
Chief Executive Officer



**Seru Soderberg**  
Chief Operating Officer



**Kavneel Prasad**  
Chief Financial Officer



**Sangeeta Chand**  
General Manager Legal and  
Governance



**Seymour Singh**  
General Manager  
Commercial and Corporate  
Services



**Sourav Majumder**  
General Manager Special  
Projects



**Talei Ligairi**  
Board Secretary and  
Executive Officer



**Sekove Uluinayau**  
General Manager Customer  
Services

## Operational Review 2020 – 2021

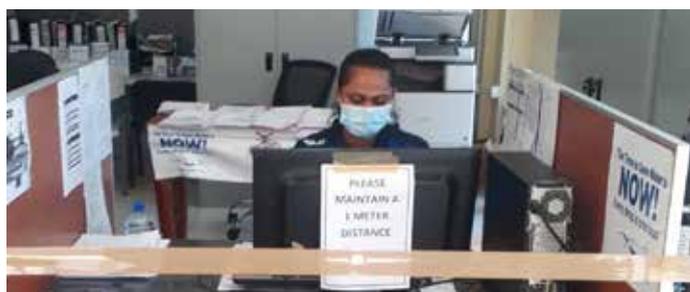
### COVID-19 Taskforce

WAF established a dedicated COVID-19 taskforce to ensure the smooth running of operations and the maintenance of services despite lockdown restrictions. This taskforce implemented rigorous health and safety protocols to protect staff and customers, enabling uninterrupted access to essential water services. They coordinated closely with government authorities and adapted operational strategies to meet the evolving challenges posed by the pandemic. Through their efforts, WAF successfully upheld its commitment to providing reliable water and wastewater services during a critical time.

Restrictions eased, from July 2020 until April 2021, when Fiji's first community case was confirmed. Nadi and Lautoka went into lockdown, and restrictions and curfews were restored. With cases increasing, Government sealed off Viti Levu. Suva, Lautoka, Nadi, Nausori, Rakiraki and Lami were established as containment areas, with more than 70% of Fiji's population in lockdown.

### The impact of COVID-19 on Project Delivery

The COVID-19 pandemic presented challenges in delivering service and projects. General issues such as uncertainty, lockdowns, and sickness disrupted work across the organisation. Notable setbacks also included a loss of quality engagement with our communities and partners, with the number of community events during the lockdown phases significantly reduced. The serious nature of COVID-19 meant responding to and mitigating its impacts, as well as ensuring the safety and wellbeing of our communities, which took priority over any other work.



The disturbance in the global supply chains due to COVID-19 created significant challenges for the WAF Projects team. There were shortages of critical components and materials, particularly for the water treatment plant and wastewater construction projects, caused by the global disruptions in the manufacturing sector, particularly in Asia. Lockdown measures in Asia closed many factories temporarily, for varying lengths of time, resulting in delay in the production of goods.

Similarly, travel and movement restrictions impacted logistics, with delays and cancellations in shipments leading to supply chain bottlenecks, especially in the transportation of goods across borders. Distribution was also affected, with many retailers experiencing supply chain disruptions due to lockdown measures, leading to stock shortages of construction materials.

### COVID and Cyclones

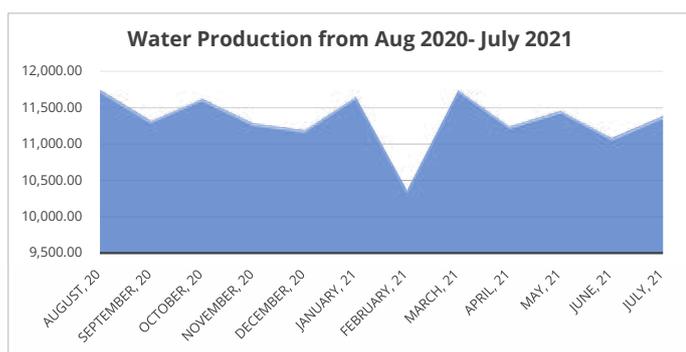
The ongoing restrictions impacted our usual emergency response and restoration of water supplies when Category 5, Severe Tropical Cyclone (T.C.) Yasa hit Fiji in December 2020. The situation was exacerbated on 30th January 2021, when Category 3, T.C. Ana made landfall, followed closely by T.C. Bina on 1st February. Although Bina did not make landfall in Fiji, the winds, rain and resulting flooding contributed to more extensive destruction to homes and infrastructure.

Following the extreme weather events, WAF teams worked tirelessly to restore normal water supplies and water carting was undertaken to provide clean, safe water to those in need. Despite these challenges, a number of projects were successfully completed. WAF responded to restrictions by decentralising teams based on their areas of residence, in order to maintain normal operations within the confinement zones.

## Water Production



The Water Operations Department is responsible for the monitoring, maintenance and operations of the Authority's assets and resources of 55 water treatment plants, which produce 136,099 mega litres of water annually. The department is supported by the activities of the National Water Quality Laboratory, Water Operations and Technical Services Sub-Units and in ensuring the effective and efficient use of WAF assets.



Water production for the 2020 - 2021 Financial Year

### Water Operations During COVID-19

In line with the implementation of the containment zones and enforcement of movement restrictions, the WAF operations team was decentralised in order to operate within the established confinement zones, reducing the need to cross containment borders. This placed a strain on the available manpower and resources which further affected by the closure of non-essential businesses that either directly or indirectly supported WAF's day to day operations.

These closures included garages and workshops that maintain and repair operational vehicles, plant, machinery and equipment, and hardware suppliers and service providers who provide goods, materials and services that assist with repair and maintenance works of our water network systems.

The lockdown of the greater Nadi-Lautoka and greater Suva-Nausori zones also slowed the movement, between the two urban centres and other areas in between, of goods, materials and supplies, such as pipes, fittings, fuel and treatment chemicals.

As an employer, WAF is always aware of our duty and responsibility to ensure the safety of staff and their families, while also maintaining consistency of our services, so we worked closely with the Ministry of Health, Commissioner's Office and the Fiji Police Force, to ensure that potential disruptions to operations were minimised. Coordination with these stakeholders ensured that border transfer of goods and materials, as well as attending to major faults such as the Burst 450 and 600 bulk main from Waila to Wainibuku, were executed in a timely manner and in line with established COVID-19 prevention measures and protocols, especially when working within Red Zones.

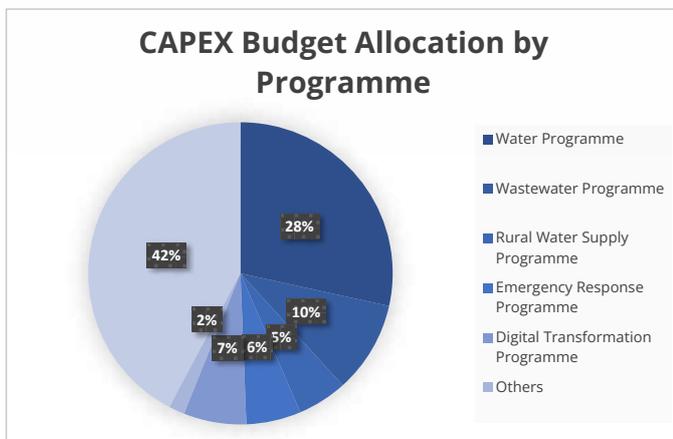
The COVID-19 Red Zones presented a very real risk to staff, so as well as adhering to all safety protocols, any complaints raised within Red Zones were prioritised according to the severity of the issue. To reduce the risk to our teams, they would only step in if the numbers of affected customers justified the risk.

## Capital Works

The allocation of \$120 million enabled the Projects Team to upgrade and expand infrastructure to satisfy the water needs of customers and those who live in the more rural areas. We recognise that the continuous upgrading of the existing water treatment, distribution and storage systems, as well as improving our wastewater systems, is imperative.

### Namau Water Packaged Plant

With the commissioning of the \$20 million, Namau Water Treatment Plant, more than 3,800 people living in villages in Tailevu, along the Kings Highway will benefit from the project that provides them with clean, safe water, and will save \$50,000 annually in water carting costs.



The CAPEX budget allocation for the 2020 – 2021 Financial Year

### Lal Singh to Rewa Bridge Mains Upgrade Project

The successful commissioning of the Lal Singh to Rewa Bridge Mains Upgrade project saw 78,500 Fijians, that includes Dilkusha Primary School and Lelean Secondary School, directly benefiting from the improved water services to the people living around the Nausori area. The total project cost was \$2,823,734.73.



## Rural Water Scheme Programme

Despite the adverse weather conditions and the COVID-19 lockdown, the Rural Unit completed 29 projects, benefitting more than 6,345 Fijians.



### Tavuki

Collecting and carrying water in buckets is now a thing of the past for villagers in Tavuki. The commissioning of the \$189,803 water project in Tavuki Village directly benefitted the 160 villagers who now have access to the water system.

### Votua

A full team was deployed to Votua Village in the Yasawas to complete a water supply project that now provides the 15 households and 90 residents of Votua with a regular supply of water, so they are no longer dependant on rainwater and a well for their water needs.

In addition to ensuring a consistent water supply, this project also means long-term financial savings, which can be utilised for other projects and initiatives. Water carting of 90,000 litres of water from Viti Levu to Votua is estimated to have cost more than \$10,000 per trip in addition to other administrative and logistic expenses.



### Naisausau

Amongst these projects was the upgrading of the rural water supply system for Naisausau Village in Tailevu. The 45 households and 266 inhabitants now have access to a consistent water supply.

With technical assistance from the Rural Unit, combined with the commitment and perseverance of the villagers, Naisausau has an upgraded water supply system to meet their daily needs. This replaces and supplements the existing rainwater supply system that did not satisfy their requirements.

### Waikubukubu

The first half of the financial year also saw the commissioning of the water supply system for Waikubukubu Village in the Western division.

More than 60 households now have access to a reliable supply of water. Gone are the days when villagers collected water directly from the river and boiled it for drinking, or walked three kilometres to fetch water from the old dam.

## Wastewater

Our Wastewater Management Unit collects and treats wastewater from domestic, commercial and industrial areas, and then disposes of it through the wastewater treatment plant systems. With wastewater treatment plants overloaded, WAF ramped up efforts through the Public Sector Investment Programme (PSIP) to increase capacity, especially in major urban areas. Cases were prepared in business case format, highlighting the need for increased capacity and improved wastewater treatment. Two CAPEX allocations included, firstly, increasing treatment capacity at the overloaded treatment plant and secondly, the extension of coverage projects.

### Wastewater Operations

In response to the restrictions during the pandemic, the team was decentralised, in order to operate within the confinement zones, based on their areas of residence. Operations remained normal within these zones. However crossing across containment area borders was facilitated when it was necessary to attend to faults that required heavy machinery and bailing, as not all of the containment zones had these resources available.

Aside from the normal daily operations, one major burst was registered at the Nabua Sinkhole Works where a sewer trunk situated at Nabua Bus Stop along Ratu Mara Road had collapsed and required replacement. An urgent, 'required work' was carried out, in collaboration with Fiji Roads Authority and local contractors.

Major pipe bursts required equipment and plant hire from within the main Suva confinement zone. However, there were instances where, due to logistic constraints, resources were accessed from the western confinement zone.

Zones outside the Suva confinement zone had to undertake works jointly with water operations staff, particularly in the Lami to Wainadoni confinement zone. Here, water and wastewater staff based at Wailada Wastewater Treatment Plant undertook, jointly, both water and wastewater operations.



Resources were shared, but it was ensured that contact with wastewater was kept to a minimum by water operations staff.

### Wastewater Treatment Plants

Wailada, Naboro and Nadali Wastewater Treatment Plants required minimal engagement with water operations staff, and were manned by wastewater staff. Government closed access to the Adi Cakobau School Wastewater Treatment Plant, as the school was being utilised as a COVID-19 isolation facility. Accordingly, treatment plant operations were handed over to the school's plumber who was familiar with the system. WAF staff would only access the plant should major repair works be necessary.

Kinoya Wastewater Treatment Plant was managed without major disruption to service as the majority of wastewater management staff were based within the main Suva confinement zone and were able to attend to daily reticulation and treatment operations.

### WAF Wastewater Fault Classification Dashboards

The year under review also saw the introduction of the WAF Wastewater Fault Classification Dashboards. Implemented nationally, the dashboards help capture and report issues to the WAF management, such as liquid trade waste compliance, frequent reticulation and pump blockages and other issues. These reports will then guide the capital project selection process and help WAF invest in the appropriate areas.

## Liquid Trade Waste

WAF established the Liquid Trade Waste Unit to monitor and regulate wastewater discharge from commercial and industrial businesses. This unit plays a critical role in ensuring that wastewater is managed in compliance with environmental standards, thereby protecting Fiji's waterways and overall ecosystem. By implementing stringent monitoring and regulatory measures, the Liquid Trade Waste Unit helps prevent harmful pollutants from entering the public sewerage system and natural water bodies. This initiative not only supports environmental sustainability but also promotes public health and the responsible management of industrial and commercial waste.



- Developed a digital database that includes all water assets, enabling real-time monitoring and updates.
- 2. Implementation of GIS-Based Maintenance Management System:**
- Introduced a GIS-based system for tracking and managing maintenance activities. This system allows for the efficient scheduling of routine maintenance and rapid response to emergencies.
  - Reduced downtime and improved the reliability of water supply through proactive maintenance planning.
- 3. Integration with Customer Information System:**
- Integrated GIS with the Customer Information System (CIS) to enhance customer service operations.
  - Enabled field teams to access GIS data on mobile devices, facilitating faster resolution of service issues and better communication with customers.
- 4. Disaster Management and Resilience Planning:**
- Utilised GIS for disaster management, including the identification of vulnerable areas and the planning of emergency response strategies.
  - Created detailed maps showing flood-prone areas, which are used to develop contingency plans and mitigate risks associated with natural disasters.

## Geographic Information Systems

WAF has been continuously advancing its technological capabilities to enhance the management and distribution of water resources. GIS technology integrates hardware, software, and data for capturing, managing, analysing, and displaying geographically referenced information. At WAF, GIS is used to map and analyse water distribution networks, monitor infrastructure, and manage resources efficiently.

### ACHIEVEMENTS

WAF made significant strides in the integration and application of GIS technology. Some key achievements include:

- 1. Comprehensive Mapping of Water Networks:**
- Successfully mapped over 90% of the water distribution network, including detailed layouts of pipelines, valves, and meters.

*Snapshot of Shut-off blocks and map*



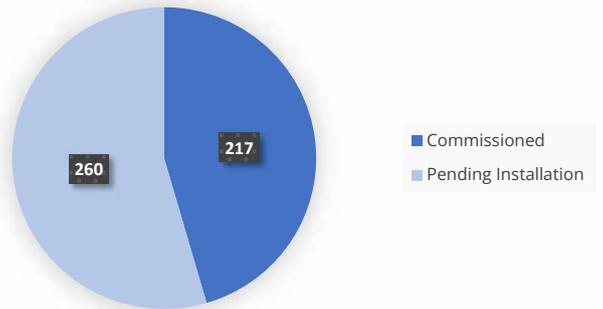
## SCADA

Supervisory Control & Data Acquisition (SCADA) systems refer to superior industrial and utility control systems that use supervisory software, which allows interaction between humans and the equipment. The SCADA system was fully functional during the COVID-19 lockdown and its functionality was acknowledged by management as essential to maintaining operations. As at 30th July 2021, 200 SCADA sites are being monitored the National Control Centre in Wailoku.

SCADA Sites: Nation Wide Total, 494 Sites

- Central-Eastern Region 148/245 Sites Connected.
- Western Region 50/165 Sites Connected.
- Northern Region 2/84 Sites Connected.

### SCADA Sites Nationwide



## National Water Quality Laboratory



The National Water Quality Laboratory (NWQL) is a fully developed scientific lab, capable of conducting sampling and testing of physical, chemical and microbiological analysis on drinking water, wastewater, environment-receiving water, trade-waste and sludge samples.

NQWL tests the water our customers receive from their taps to ensure all have access to clean and safe drinking water at all times.

The lab ensures quality control by collecting water samples, carrying out analysis, and reporting the results to all respective management and production personnel to keep our water safe.

NWQL provides reports of physical, chemical and microbiological data, including the annual average for all drinking water quality, wastewater quality monitoring and reports on the monitoring and quality of environment water received by the lab.

The lab's on-going activities include trade waste analysis, rural water quality monitoring, commercial customer sample analysis, preparation and submission for ISO certification and yearly surveillance, for example.

## Awarded ISO Certification

NWQL was awarded the ISO 17025:2017 accreditation, which is a testament to our commitment and our professionalism. This accreditation signifies the WAF laboratory's capabilities to test potable wastewater and be technically and scientifically competent for testing biological samples.

The ISO 17025:2017 accreditation assures all our customers of our competencies and experience in biological testing of all water types. The laboratory uses properly calibrated equipment, with proper internal and quality control checks. This ensures the effectiveness of our system and procedures.



## NWQL Achievements 2020 - 2021

- 1. Successful completion of compliance drinking water quality monitoring for all WAF treatment plants until COVID lockdown.** Regional labs remained operational. The major treatment plants were monitored by key technicians based at Waila Water Treatment Plant and Deuba Water Treatment Plant. Deuba-based technicians were responsible for looking after Naboro, Navua, Nayagi and Deuba WTP and the Sigatoka area, as well as having responsibility for the sewerage treatment plants.
- 2. Successful completion of compliance wastewater quality monitoring for all WAF sewage treatment plants until COVID lockdown.** Monitoring of wastewater paused and began in August. Respective regional lab staff sent samples to NWQL via courier services.
- 3. Successful completion of receiving water quality monitoring for all sewage outfalls.**
- 4. Successful completion of water plant filter backwash, including receiving water quality monitoring.**
- 5. Successful completion of service reservoir water quality monitoring and sanitary survey.**
- 6. Successful completion of trade-waste analysis - until COVID lockdown.**
- 7. Drinking Water Safety Plan - 53 Drinking Water Safety Plans have been developed and endorsed by management.**
- 8. Wastewater Safety Plan - This has been developed and endorsed by management.**
- 9. ISO Lab Accreditation - Annual assessment completed successfully. The Audit was carried out by International Accreditation New Zealand, where all processes, calibrations and microbial testing were assessed against the requirements of ISO 17025:2017 certification.**

## Meeting the COVID-19 Challenges

Procurement challenges were managed where the lab faced delayed shipment for low to nil items. However, major key tests for water and wastewater compliance were not affected. External customer requests and samples were only accepted when lockdown measures had eased.

Monitoring of key parameters and compliance for all major water treatment plants was achieved by allocating staff to be based at major water treatment plants where samples were taken and sent the central lab through courier services. Staff allocations were as follows:

1. Waila Water Treatment Plant responsible for all water cart testing, reticulation tests for Waila, RKS, QVS and Korovou areas and Nadali STP. ACS STP was not accessible.
2. One staff member was stationed at Deuba Water Treatment Plant, responsible for all water cart testing, reticulation tests for Naboro, Navua, Nayagi Sigatoka and Keyasi area, including Olosara, Deuba and Naboro STP.
3. Two technicians were based in the Western region and were able to monitor the major water treatment plants. A similar approach was taken for the Northern Division.

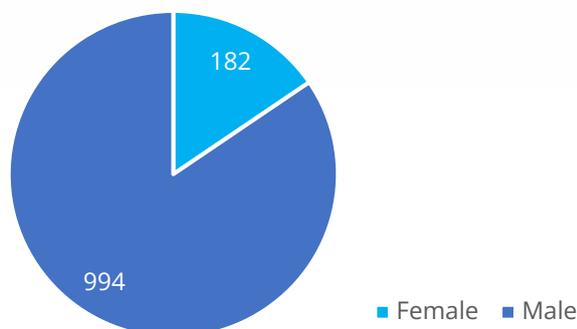
## Human Resources

WAF employs a workforce of 1,176 employees. The distribution of staff by gender and location is shown in the following table.

WAF adheres to the best H.R. practices, with the following Policies and Manuals in place:

1. Recruitment & Selection Policy
2. Disciplinary Policy
3. Hours of Work Policy
4. Allowance Policy
5. Code of Conduct Policy
6. Bullying, Harassment, Violence and Discrimination at Workplace Policy
7. Employee Leave Policy
8. HR Policy Manual
9. Induction Policy
10. Internship Policy
11. Employee Death Policy
12. Social Media Policy
13. Training & Development Policy
14. WAF Family Policy
15. Whistleblower Policy
16. Work from Home Policy (COVID-19 Response)
17. Trainers Code of Conduct & Training Hours Guideline
18. Time Off in Lieu, Overtime and Allowance Claims Guideline

Gender	Central / Eastern	Northern	Western	Grand Total
Female	128	17	37	182
Male	535	122	337	994
<b>Grand Total</b>	<b>663</b>	<b>139</b>	<b>374</b>	<b>1176</b>



### Staff Training via Virtual Platforms

WAF adapted to the challenges posed by the global pandemic by transitioning its staff training programs to virtual platforms. This strategic move ensured that essential training and professional development activities continued uninterrupted, despite restrictions on physical gatherings. WAF conducted a series of virtual training sessions covering various topics, including technical skills, customer service, and management practices. These sessions were designed to enhance staff competencies and ensure they remained proficient in their roles, thereby maintaining the high standards of service delivery that WAF is known for.

To facilitate effective virtual training, WAF ensured that all staff were well-equipped with the necessary electronic devices and provided increased internet

data access. This investment in digital infrastructure enabled seamless participation in training programs, fostering an inclusive learning environment where all employees could engage fully, regardless of their location. By leveraging technology to overcome the limitations imposed by the pandemic, WAF demonstrated its commitment to continuous staff development and resilience in the face of unprecedented challenges.



## Occupational Health and Safety

WAF registers all its workplaces with the Ministry of Employment, Productivity and Legislation and Regulation, as a mandatory requirement under HASAWA 1996. The validity of the registration is usually for one year, subject to renewal upon submitting the required documents.

### Health Screenings and Vaccinations

To ensure that our staff keeps the best of health, medical teams from the Ministry of Health and Medical Services conducted health screenings for staff in Suva, Nadi, Tavua, Ba, Sigatoka and Labasa. Close to 100 WAF staff from various depots and treatment plants underwent this screening, which involved testing of blood pressure, blood sugar levels and weight. These health screenings have been organised to take place twice a year, to ensure that all our staff are healthy and fit, in order to continue providing the very best of service to our customers

### Administration of COVID-19 Vaccine

WAF staff in Central, Western and Northern Divisions received their first COVID-19 vaccinations.



## Customer Service

Despite the challenges posed by the global pandemic, the customer service team remained fully functional, ensuring uninterrupted support to our valued customers.

The effects of the pandemic necessitated the suspension of meter reading and disconnection activities, resulting in the issuance of estimated water bills to metered customers. This temporary measure aimed to minimise physical contact and prioritise the safety of both customers and employees. Although this approach resulted in estimated billing, it ensured the continuity of service and met the essential needs of our customers during a challenging time.

Despite the disruptions caused by the pandemic, the call volume to our customer service team remained consistent. However, a notable increase in online users was observed, indicating a shift in customer behaviour towards digital channels for seeking assistance and information. This trend highlights the growing importance of providing robust online support systems and resources to meet evolving customer needs.

As the pandemic-related restrictions eased, foot traffic returned to normal levels. Customers resumed their regular interactions with our physical service centres, demonstrating their confidence and trust in our services. This rebound in foot traffic further emphasises the resilience and adaptability of our operations during the pandemic.

It is worth noting that the report identifies a decline in revenue collection during FY 2020-2021. This decline can be attributed to the changed spending patterns of customers, who prioritised essential items such as food and other basics over discretionary expenses.

Despite this decline, our commitment to providing essential services remained unwavering, and we continued to support our customers through flexible payment plans and proactive communication.

Overall, the 2020 - 2021 report underscores the resilience and agility of our organisation in navigating the challenges of the pandemic. The

continued functionality of our customer service team, the implementation of estimated water billing, the increase in online users, the return of foot traffic, and the proactive approach towards revenue collection demonstrate our commitment to ensuring uninterrupted service delivery while prioritising customer well-being and satisfaction.





### Community Engagement

Community engagement continued during the COVID-19 lockdown through Zoom meetings.



### Free Rainwater Tank Delivery

The rainwater harvesting scheme was initiated in August 2016, and from late 2016 WAF began to receive application forms. The rainwater harvesting system is a continuation activity from PSIP 2020 - 2021.

The main aim of this programme is to ensure that Fijians are able to store and access clean, reliable water from a trusted source.

This programme seeks to reach out to Fijians in settlements, who are not near to any WAF reticulation systems, or who experience intermittent water supply, low pressure of water supply during morning and afternoon peak hours, and/or no water supply.

### Rural Water Carting

Through our rural water cartage programme, we provide 2000 litres of water per household every fortnight to non-metered customers living in rural and peri-urban areas who do not have piped water. Water carting is carried out on a regularly scheduled basis to rural and non-metered area outside the WAF reticulated networks.

A number of these areas are assisted in this way when their existing water sources, such as rainwater harvesting or rural water systems, are affected by prolonged periods of dry weather. Water carting is also conducted based on requests or an urgent needs basis.



Region	Distributed
Central	4,169
Western	5,293
Northern	2,362
<b>Total</b>	<b>11,824</b>

Figure 3: Water tank distribution, 2020 -2021 Financial Year

## Water Carting during COVID-19

During the pandemic, there were sometimes challenges to overcome, such as the difficulties faced with the water cartage required by the outer station of Navua - Deuba. Due to the lack of water cart vendors in the area, contractors from Sigatoka were engaged to facilitate request for metered and non-metered areas. This resulted in a 3-hour travel time from Sigatoka before filling and servicing of customers could begin, which delayed service.

There were also the risks associated with covering a wide area, with a large number of interactions with the local community. COVID-19 protocols were adopted and adhered to, to keep risks to a minimum.



## Legal Unit

The Legal Unit, under the Executive Office, carries out the role of the legal advisor to the Authority.

The Unit:

- Provides legal and policy advice to the Board of Directors, Chief Executive Officer and other Business Units on request;
- Represents the Water Authority of Fiji in litigation matters, in which the Authority is a party;
- Drafts contracts, pleadings, submissions, court documents and correspondence, and
- Reviews laws, contracts, and policies.

The roles and responsibilities of the Legal Unit are pivotal to ensuring that the Authority operates within the law.

## Major Achievements

- **Water Authority of Fiji Act 2007 and By-Laws Review:** The Legal Unit reviewed the Authority's governing law and four By-laws for the purposes of amending the laws. The Unit officers met with every Unit to ascertain the changes they want in the governing law and by-laws.
- **Contract:** The Legal Unit assisted the Operations Unit to implement capital projects by drafting and/or reviewing contracts entered between the Authority and the Contractor. The Unit drafted and/or reviewed approximately 50 contracts including 32 rural contracts.
- **Human Resource Matters:** One of the main key performance indicators for the Legal Unit is to reduce outsourcing of work. The Legal Unit expanded its roles and responsibilities by providing guidance to the Human Resource Unit in respect of disciplinary matters, which included vetting of disciplinary letters and interpreting policies. In addition to this, the Unit provided guidance to the Human Resource Unit in mediation cases and in relation to the collective agreement with the unions.

## Internal Audit, Risk & Compliance Unit



The Internal Audit, Risk & Compliance Unit (IARC) plays a vital role in the Water Authority of Fiji as its activities help WAF to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Team is divided into two sections, Audit and Investigation, where both provide assurance to the Management, Board and Relevant Stakeholders. The IARC Unit is headed by the Manager, supported by Team Leader Internal Audit, Team Leader Risk & Compliance, two Internal Auditors, and two Assistants. The unit reports administratively to the Chief Executive Officer and functionally to the Board through the Audit Risk Board Subcommittee.

The unit's achievements for the 2020-2021 Financial Year include:

- Planned Full Cohesive Audits
- Liquid Trade Waste Audit
- Billings (Commercial Customers) Audit
- Procurement Audit
- Plant Hire Audit
- Fleet Management Audit
- Human Resource Audit
- Land Easement Audit
- Payroll Audit
- Payments Audit

The unit handled 19 cases of special investigations.

- Frequent spot/surprise checks were conducted for plant hiring, stores, stocktakes, cashier-till counts, petty cash, and the water carting operations in the regions.
- Cash management compliance.
- Reinforced the monitoring approach through risk register/database compilation every quarter.
- Risk assessment carried out for critical sites: Waila WTP, Tamavua WTP, Nagado WTP, Natabua WWTP and Saru WTP.
- Coordinated the action items / followed up the external audits.

- **Corporate Governance Framework and Delegations Register:** Effective corporate governance ensures accountability, fairness and transparency in how the business operates and communicates with other stakeholders. In 2021, the Authority adopted and implemented a Corporate Governance Framework. The Legal Unit had played an instrumental role in drafting and reviewing the Framework.

Additionally, the Authority adopted and implemented its first ever Delegations Register, which shows the delegations from the Board of Directors to the Chief Executive, and delegations from the Chief Executive Officer to the senior management.

### Lands Unit

Effective from December 2020, the Lands Management Unit came under the management of the General Manager Legal and Governance. The Lands Management Unit (LMU) is responsible for acquiring land for and on behalf of the Authority in respect of the Authority's capital projects. The role of the LMU is to ensure that the land is legally acquired and necessary registration is done to ensure the Authority's interest is protected. The LMU liaises closely with the Lands Department, the iTaukei Land Trust Board, Government Departments and property owners.

In 2021, the LMU commenced land acquisition of the following sites for the Authority to carry out its capital projects:

- Plungers
- Wainibuku Extension
- Buabua and Nalau Extension
- Nabouwalu Catchment
- Vunidawa Catchment



# Information and Communication Technologies



The Information and Communication Technologies (ICT) Unit began the 2020 - 2021 Financial Year with a clear blueprint in place to upgrade WAF's software and hardware to enhance ICT capacity and capabilities.

The planned projects included:

- Network Equipment upgrade phase 2 WAN
- Network Infrastructure upgrade phase 2
- IT Infrastructure Consolidation and Security (FIN004/2021-WAF Telecommunication Tender Project)
- Collaboration Consolidation
- Improve e-Channel interaction functionality
- Enterprise Software Rationalisation (FIN004/2021-WAF Telecommunication Tender Project)
- End-User Equipment upgrade
- System Centre Configuration Manager Solution (FIN004/2021-WAF Telecommunication Tender Project)

## Network Equipment upgrade phase 2 WAN

- **PRTG Network Monitoring Software**, with network traffic analysis capabilities, network report generation and email alerts sent during network connectivity failures or link congestion issues.
- **Monitoring Dashboard** that monitored all identified network equipment within the respective departments and regions.

The benefit of this upgrade was that the team was able to monitor the network through the dashboard, and when needed, investigated further using reports on the reason for link downtime. The daily and weekly reports were emailed to the technical support team to review all nodes and sites that had 100% uptime and the number of sites that encountered outages or service inaccessibility from minutes to hours. However, we were challenged by internet congestion during pandemic lockdowns. As a result, there was limited access to PRTG Network Monitoring Server reports and rectification of outages, combined with the inaccessibility of remote sites service.

- **Network Equipment** (Cisco Routers & Switches) This section of the upgrade could not be initiated because of COVID-19 restrictions, lockdown and global supply chain delays. It had been anticipated that if implemented, this project would have provided users with faster access applications and services, as there were additional plans to increase the WAN bandwidth connection of Head Office to remote sites.

## Network Infrastructure upgrade phase 2 Fibre Project (Installation of Fibre Optics in HQ Levels 1,2,3,4,5,6)

The changeover from copper to fibre increased the network speed, which allowed a faster connectivity to application services, printing and email accessibility for the HQ staff. This provided better speed between levels for HQ staff because of faster speed and greater bandwidth and having a redundant path connectivity to redirect network traffic when there is network device channel failure. It took longer than anticipated to resolve any fibre converter issues, due to pandemic lockdown.

The highlight of this project is that it has future-proofed the HQ connection within the respective floors with redundancies, and has paved the way for even better network performance when the next generation equipment is implemented.

## IT Infrastructure Consolidation and Security; Enterprise Software Rationalisation; System Centre Configuration Manager Solution (FIN004 – 2021 WAF Telecommunication Tender)

During the 2020-2021 Financial Year, these projects were before the Board, awaiting approval. The Board review and approval of the decision paper will enable redesign of the total ICT infrastructure from on-premises to a fully cloud platform that provides high availability of infrastructure and services. The components of the project are:

- Dedicated Internet SD-WAN (Software Defined Wide Area Network)
- OCI (Oracle Cloud Infrastructure)
- Cloud PBX & Call Centre Solution
- Microsoft Office 365
- Mobile Packages Telemetry

Once completed, the expected benefits from this project are Dedicated Internet; WAN Connections (SDWAN); Mobile Phone Packages (Telemetry, Mobile Phones, Pocket Wi-Fi), and Cloud Solution (VoIP, Cloud Call Centre, Office 365 and Full Cloud Data Centre. In addition the costs will be reduced for ICT infrastructure, such as EFL, air conditioning, ICT network and server hardware maintenance.

There will be better internet connectivity for users and new connection to WAN sites (branch sites). This will further enable staff access to HRSS, PayGlobal, Email, Biometric and other applications. A comprehensive solution is being implemented that will achieve short-term and long-term savings for WAF, while providing the customer service that is an integral part of our service delivery.

We were challenged at the tender stage of this project, as Internet Service Provider connectivity issues resulted in slow internet connectivity for sharing large documents with project teams and downloading documents sent by vendors. Delays were also caused by the pandemic protocols restricting movement, and people having to work from home. To select the best solution for our needs, we also needed tender clarifications from vendors.

## Collaboration Consolidation

- **Microsoft Office 365**

The collaboration platform for Microsoft Office 365 provided the WAF Teams with online video conferencing, virtual meetings, group discussions and file or large document sharing from OneDrive and Teams.

The 60 staff benefitting from this platform were able to work effectively and efficiently, whether they were at home, in their office space, or even if remotely stationed at other regional offices. They were able to edit documents online, collaborate in real time and participate in video conferencing. Again, Internet

Service Provider connectivity issues resulted in slow internet connectivity for sharing large documents and video conferencing. There is also a need to migrate all WAF staff to Microsoft Office 365 so that everyone can benefit from the cloud platform.

- **Improve e-Channel interaction functionality WAF Mobile APP - FIN018/2021 WAF Mobile App**

The Board review and approval of the decision paper was completed and the project with effect from Financial Year 2021 - 2022. Benefits provided from the mobile application project would include WAF service information; Account and billing related details; Geographical disruption notices; Account barcode for payments at cash-collecting agents, and end users or customers will have the capabilities of submitting a meter photo if the reading for a site cannot be obtained.

Due to the pandemic there was vendor delays and resource limitations in implementing the project.

- Dedicated Internet
- SD-WAN (Software Defined Wide Area Network)
- OCI (Oracle Cloud Infrastructure)
- Cloud PBX & Call Centre Solution
- Microsoft Office 365
- Mobile Packages
- Telemetry

- **End User Equipment upgrade**

The allocation of new laptops for staff reduced the impact on service delivery due to unforeseen circumstances such as device failures, when vital information could be corrupted or lost. Additionally, with information readily available in their devices, staff were able to work from home and other remote offices and sites.

Although there were vendor delays and resource limitations due to the pandemic, device portability and improved performance when accessing computer resource-intensive applications gave staff more flexibility to use the latest application software.

## Corporate Communications

Corporate communications include the processes used to communicate with our stakeholders, internal and external, ensuring that there is a clear understanding of WAF's Vision, Mission and Values. Our internal stakeholders include employees and executives at WAF, while our external stakeholders include our customers, the general public, and the various media organisations in Fiji.

As the nation's provider of clean, safe water and sanitation services, our role is also to keep our external stakeholders advised of events that may impact our service delivery. Such events may include planned shutdowns for infrastructure maintenance; drought or low rainfall resulting in low water pressure or little or no water and post-cyclone water carting advisories, for example. During the pandemic, we were able to maintain all communications with our stakeholders through our social media platforms as well as print and television media organisations.

### WAF Signs MOA with Fiji Police Force



During the year, WAF signed a Memorandum of Agreement (MOA) with the Fiji Police Force at the Fiji Police Force Headquarters. This allows the Fiji Police Force to build and operate a communications tower within the Suva water supply reserve catchment area in the Nakobalevu ranges. It will also enable WAF to use the tower structure for its communications purposes such as the use of radiotelephone communications and its SCADA system.

### Water Champion Programme

As part of WAF's continuous effort in promoting water conservation awareness in communities, homes and schools, the Authority conducts its Water Champions Programme to create awareness on how water is sourced, treated and distributed to customers. through site visits. When first implemented in 2014 the programme was aimed at developing awareness and conservation practices in school students. It has now expanded to include community members, with plans to extend the programme to the members of the business community in the near future.

### WAF 25-year Club



Years of service and commitment to WAF and its mission, vision and values were recognised when WAF held its first ever 25-Year Club Awards Nights, over three successive locations in the Central, Western and Northern Divisions.

### Managers' Day

The WAF management team enjoyed the opportunity to experience customer service on the frontline through the 'Managers Day' initiative set up at our offices across the country.

Managers based in the Northern, Western and Central Divisions each spent an hour attending to customer queries and concerns at our Customer Service Offices and National Call Centre to experience first-hand the concerns of our valued customers.

## Corporate Social Responsibility



### Mangrove Planting

In partnership with officials from the Ministry of Fisheries and Forest, a team of staff and family members planted over 2,500 mangrove plants along the Lami foreshore as part of the Authority's Corporate Social Responsibility. Mangroves play a huge role in stabilising the coastline and in preventing erosion caused by waves and bad weather, as well as providing the breeding grounds for approximately 80 per cent of all sea life.

### Rubbish collection

At WAF we are very aware of the negative impact litter has upon our natural resources, as well as damaging our water and wastewater infrastructure. Our Adopt a Road clean-up volunteer team spent time picking up litter along the road near our Wailoku depot, aiming to decrease the long-term impact of litter



## GOVERNANCE

### Role of the Board

The Board is the governing and executive body of the Authority and has the authority to perform the functions and power of the Authority under WAF Promulgation or any other written law. The Board is responsible for establishing the Authority's strategic direction, the setting of objectives, policy guidelines and goals for management, and monitoring the achievement of these matters. The Board also reviews the Business Plan, the Corporate Plan and Statement of Corporate Intent, the Industrial Relations Plan and approves Operating and Capital budgets each year.

### Duties and Obligations of the Board

All Directors shall act at all times in a manner so as to advance the interests of the Authority and its customers, comply with the obligations of Directors under the Public Enterprise Act 1996 and to implement any Government policy, consistent with the functions of the Authority, given to the Board by the Minister. No Director will publicly disclose any

matter relevant to the Board's deliberations unless authorised to do so, or if it is in the public interest to do so.

### Disclosure of interest

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

### Board Meetings

Despite the challenges presented by COVID-19, a total of 11 Board meetings were held throughout the 2020 -2021 Financial Year. Directors used communication platforms such as Zoom and Skype to attend meetings on a regular basis. Appropriate apologies were received when Directors were unable to attend.



## OFFICE OF THE AUDITOR GENERAL

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File: 1277

15 May 2024

Mr. Savenaca Seniloli  
The Chairman  
Water Authority of Fiji  
Manohan Building  
**NASINU**

Dear Mr. Seniloli

**WATER AUTHORITY OF FIJI**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021**

The audited financial statements for Water Authority of Fiji for the year ended 31 July 2021 together with my audit report on them are enclosed.

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

Yours sincerely

Finau Seru Nagera  
**AUDITOR-GENERAL**

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

Encl.



# WATER AUTHORITY OF FIJI FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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## WATER AUTHORITY OF FIJI FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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**WATER AUTHORITY OF FIJI  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2021**

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In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Water Authority of Fiji (the "Authority") as at 31 July 2021 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date. The Water Authority of Fiji was established on 1 January 2010 as a commercial statutory authority in accordance with the Water Authority of Fiji Act of 2007.

**Directors**

The names of Directors in office during the financial year are :

<b>Board member</b>	<b>Appointed</b>	<b>End of Contract</b>
Mr Bhavesh K Patel (Chairman)	1 March 2018	11 April 2023
Mr P.L Munasinghe	1 March 2018	11 April 2023
Mr Umarji Musa	28 February 2018	11 April 2023
Mr Vijay P Maharaj	1 March 2018	1 March 2021
Mr Hemant Kumar	24 April 2018	11 April 2023
Mr Kamal Gounder	13 October 2016	11 April 2023
Ms Lyanne Vaurasi	14 April 2021	1 April 2022

The names of Directors in office as at the date of this report are:

<b>Board member</b>	<b>Appointed</b>	<b>End of Contract</b>
Mr Savenaca Seniloli (Chairman)	12 April 2023	Current
Mr Amit Singh	12 April 2023	Current
Mr Vula Vakacegu	12 April 2023	30 November 2023
Mr Semi Leiwere	12 April 2023	20 October 2023
Ms Mele Rakai	12 April 2023	Current
Mr Graham Dooley	12 April 2023	Current
Mr Ripon Kumar Baral	29 November 2023	7 March 2024
Mr Atunaisa Nadakuitavuki	15 March 2024	Current

**State of affairs**

In the opinion of the Directors, the accompanying statement of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2021 and the accompanying statements of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Authority for the year then ended.

**Trading results**

The net loss for the year ending 31 July 2021 amounted to \$31,229,673 (2020: Restated Loss \$36,215,096).

**Dividends**

The Directors recommend that no dividends be declared or proposed for the year.

**Principal activity**

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

**WATER AUTHORITY OF FIJI  
DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**Current assets**

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

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

**Non-current assets**

Upon establishment of the Authority, under the Water Authority of Fiji Act 2007 ("the Act"), property, plant and equipment were vested in the Authority under the Act amounting to \$1,888,909,608. The valuation of these property, plant and equipment was carried out in 2006 and this value became the 'deemed cost' to the Authority as at 1 January 2010.

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

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

The assets valuation project has been awarded to an independent valuation consultant and is underway for a 31 July 2024 valuation date. The Asset valuation exercise is underway where data review and field inspection has been completed, verification and condition rating of infrastructure is in progress. The asset valuation exercise is expected to address the emphasis of matter raised by the Auditor General on the opening balance of property, plant and equipment of \$1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the emphasis of matter raised on plant and equipment with zero book value.

The Authority is working to obtain legal ownership of leasehold land amounting to \$209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007, leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 2019, relating to the transfer of assets.

**Other Receivables**

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

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

**WATER AUTHORITY OF FIJI  
DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**Going Concern**

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

**Related party transactions**

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

**Events subsequent to balance date**

During the year, the second wave of COVID-19 impacted Fiji again and is expected to affect the overall operation of the Authority including liquidity and cash flows for subsequent years. Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2021 financial statements is not expected to be material.

The Chief Executive Officer position was vacated on 19 May 2021 and later filled on 28 March 2022.

The valuation of the Authority's Assets is currently being carried out by an independent valuation consultant. Data review and field inspection of infrastructure have been completed and verification and condition rating are in progress. The valuation exercise is on track for 31 July 2024 valuation date. This exercise is expected to substantially change the value of the Authority's assets and have material impact on its financial statements.

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 of those operations, or the state of affairs of the Authority in future financial years.

**Other circumstances**

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

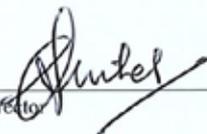
The results of the Authority's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

**Directors' interests**

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

Dated at Suva this 5th day of May 2024.

Signed in accordance with a resolution of the Directors.

  
Director

  
Director

**WATER AUTHORITY OF FIJI  
STATEMENT BY DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2021**

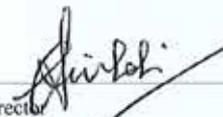
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In the opinion of the Directors of Water Authority of Fiji:

- (a) the accompanying statement of comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ending 31 July 2021;
- (b) the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the year ending 31 July 2021;
- (c) the accompanying statement of financial position of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 July 2021;
- (d) the accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ending 31 July 2021;
- (e) at the date of this statement there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Authority.

Dated at Suva this 5th day of May 2024.

Signed in accordance with a resolution of the Directors.

  
Director

  
Director

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### INDEPENDENT AUDITOR'S REPORT

#### WATER AUTHORITY OF FIJI

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

##### Opinion

I have audited the financial statements of Water Authority of Fiji ("the Authority"), which comprise the Statement of Financial Position as at 31 July 2021, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 July 2021, 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 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.

##### Emphasis of Matter

I draw attention to the following matters:

1. The opening balance of Property, Plant and Equipment amounting to \$1,888,909,608 for the year ended 31 December 2010 was not subject to valuation at the time of the transfer to Water Authority of Fiji. The valuation of these assets was carried out in 2006. Note 13 to the financial statements discloses that the Authority have engaged an independent valuation consultant to undertake the assets valuation exercise of its critical assets. The valuation exercise is currently underway with data review and field inspection of infrastructures being completed and verification and condition rating in progress. No adjustments in line with IAS 16 – Property, Plant and Equipment, have been made to the financial statements as at 31 July 2021 or for any other financial implications that may arise in the future.

### **Emphasis of Matter (con't)**

2. Note 13 to the financial statements discloses that the Authority is working towards obtaining legal ownership of the leasehold land totalling \$209,204,157 that are currently included under Property, Plant and Equipment. No adjustments in line with IFRS 16 – Leases, have been made to the financial statements as at 31 July 2021 or for any other financial implications that may arise in the future.

My opinion is not qualified in respect of these matters.

### **Other information**

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

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

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

### **Responsibilities of the Management and Directors for the Financial Statements**

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

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

The Directors and Management are responsible for overseeing the Authority's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control.
- 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 the Management's and Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Management and Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on Other Legal and Regulatory Requirements**

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

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

*F. Seru*

Finau Seru Nagera  
**AUDITOR-GENERAL**



Suva, Fiji  
15 May 2024

**WATER AUTHORITY OF FIJI  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	31 July 2021 \$	31 July 2020 \$ (Restated*)
Revenue	5	70,483,293	77,886,379
Other income	6	41,213,485	30,405,560
<b>Total Revenue</b>		<b>111,696,778</b>	<b>108,291,939</b>
Personnel expenses	8	(30,396,840)	(31,079,511)
Operating expenses	7	(72,947,811)	(72,819,646)
<b>Profit/(Loss) from operations before depreciation, amortization and finance income</b>		<b>8,352,127</b>	<b>4,392,782</b>
Depreciation & amortization	13, 13a & 14	(40,992,400)	(41,470,344)
Finance income	9	1,410,600	862,466
<b>(Loss) for the year</b>		<b>(31,229,673)</b>	<b>(36,215,096)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(31,229,673)</b>	<b>(36,215,096)</b>

*\* Refer to note 30 for details*

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

**WATER AUTHORITY OF FIJI  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	Contributed equity	Accumulated losses (Restated*)	Total
		\$	\$	\$
<b>Balance at 1 August 2019</b>		<b>1,750,128,395</b>	<b>(445,460,757)</b>	<b>1,304,667,638</b>
Loss for the year		-	(36,470,950)	(36,470,950)
Correction Adjustment on Lease	30		255,854	255,854
Transfer of water and sewerage bills collected to Government of Fiji Consolidated Fund Account		(186,934)	-	(186,934)
<b>Restated Balance at 31 July 2020</b>		<b>1,749,941,461</b>	<b>(481,675,853)</b>	<b>1,268,265,608</b>
Loss for the year		-	(31,229,673)	(31,229,673)
Transfer of water and sewerage bills collected to Government of Fiji Consolidated Fund Account		(937,193)	-	(937,193)
<b>Balance at 31 July 2021</b>		<b>1,749,004,268</b>	<b>(512,905,526)</b>	<b>1,236,098,742</b>

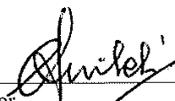
*\* Refer to note 30 for details*

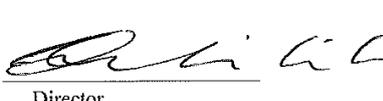
*The accompanying notes form an integral part of the statement of changes in equity.*

**WATER AUTHORITY OF FIJI  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2021**

	Note	31 July 2021 \$	31 July 2020 \$ (Restated*)
<b>Non-current assets</b>			
Property, plant and equipment	13	1,829,764,674	1,834,313,119
Right of use of assets	13a	6,353,441	6,904,371
Intangible assets	14	133,443	353,952
Total non-current assets		<u>1,836,251,558</u>	<u>1,841,571,442</u>
<b>Current assets</b>			
Cash and cash equivalents	10	80,020,477	54,879,497
Other receivables	11	3,424,664	12,619,444
Inventories	12	18,185,106	18,903,081
Held-to-maturity investments	15	-	1,000,000
Other assets and prepayments	16	10,509,164	5,668,738
Total current assets		<u>112,139,411</u>	<u>93,070,760</u>
<b>Total assets</b>		<u><b>1,948,390,969</b></u>	<u><b>1,934,642,202</b></u>
<b>Equity</b>			
Contributed equity		1,749,004,268	1,749,941,461
Accumulated losses		(512,905,526)	(481,675,853)
Total equity		<u>1,236,098,742</u>	<u>1,268,265,608</u>
<b>Current liabilities</b>			
Trade and other payables	17	15,177,539	12,497,019
Provision for employee entitlements	21	1,207,038	742,964
Deferred revenue – capital grant	18	39,983,721	26,555,223
ADB funded grant	19	899,898	921,238
Lease liability	22	1,202,478	1,213,181
Total current liabilities		<u>58,470,674</u>	<u>41,929,625</u>
<b>Non-current liabilities</b>			
Deferred revenue – capital grant	18	545,650,533	528,480,518
ADB funded grant	19	62,998,704	63,877,262
Fiji Urban Water & Wastewater Management Program - Tranche 1	20	41,535,398	27,784,472
Lease liability	22	3,636,918	4,304,717
Total non-current liabilities		<u>653,821,553</u>	<u>624,446,969</u>
<b>Total liabilities</b>		<u><b>712,292,227</b></u>	<u><b>666,376,594</b></u>
<b>Total equity and liabilities</b>		<u><b>1,948,390,969</b></u>	<u><b>1,934,642,202</b></u>

Signed for and on behalf of the Board of Directors

  
Director

  
Director

\* Refer to note 30 for details

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

**WATER AUTHORITY OF FIJI  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	31 July 2021 \$	31 July 2020 \$
<b>Operating activities</b>			
Receipts of Government revenue		33,042,598	42,631,559
Receipts from Government grant & other income		70,813,160	80,815,478
Payment to suppliers and employees		(84,497,124)	(93,048,432)
Payment to Government – Consolidated Fund Account	24 (b)	(33,042,598)	(42,631,559)
<b>Net cash flows (used in) operating activities</b>		<u>(13,683,964)</u>	<u>(12,232,954)</u>
<b>Investing activities</b>			
Receipt from Government – capital grant		73,762,334	77,960,095
Payments for property, plant and equipment		(35,002,347)	(87,612,217)
<b>Net cash flows from investing activities</b>		<u>38,759,987</u>	<u>(9,652,122)</u>
<b>Financing activities</b>			
Payment of lease liabilities		(1,345,643)	(2,303,602)
Proceeds from interest income		1,410,600	862,466
<b>Net cash flows from financing activities</b>		<u>64,957</u>	<u>(1,441,136)</u>
Net increase/(decrease) in cash and cash equivalents		25,140,980	(23,326,212)
Cash and cash equivalents at beginning of year		54,879,497	78,205,709
<b>Cash and cash equivalents at end of financial year</b>	25	<u>80,020,477</u>	<u>54,879,497</u>

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

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**1 Reporting Entity**

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

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

**2 Basis of preparation**

**(a) Statement of compliance**

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

*5 May 2024.*

*New standards and interpretations Adopted.*

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

*IFRS 16 - Leases*

*New standards not applicable.*

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

*IFRS 9 Financial Instruments - No Financial Implications on Financial Statements - (Not relevant due to non-recognition of water & waste water charges as the authority's revenue)*

**(b) Basis of measurement**

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

**(c) Functional and presentation currency**

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

**(d) Use of estimates and judgments**

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

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

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

- Note 3(b) - Property, plant and equipment
- Note 3(c) - Financial instruments
- Note 3(f) - Impairment

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

**3 Significant accounting policies**

**(a) Foreign currency transactions**

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

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

Recognition and measurement

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

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

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

Subsequent expenditure

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

Depreciation

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

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

Feeder Roads, Access Roads, Footpaths, Sealed Roads, Gravel, Concrete Driveways, Gravel Driveways, Crossings, Entrance Roads, Track from Main Road	14.29%
Water Distribution Equipment	1% - 5%
Sewerage Equipment	1% - 5%
Furniture and fittings	7% - 12%
Office Equipment	3% - 12%
Motor vehicles	20%
Office Computers	33%
Intangibles	33%
Leasehold Lands	Over the Lease Period
Building Improvements - Timber	1.25% - 2.5%
Building Improvements - Concrete	3.34% - 6.67%
Building Improvements - Steel	1.25% - 4.5%

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

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**3 Significant accounting policies *continued***

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

**(c) Financial instruments**

**(i) Non-derivative financial assets**

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

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

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

Loans and receivables

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

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

Cash and cash equivalents

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

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

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

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

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

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

**WATER AUTHORITY OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**3 Significant accounting policies *continued***

**(c) Financial instruments *continued***

**(i) Non-derivative financial assets *continued***

Trade payables, provisions and other payables

Trade and other payables are stated at cost. A provision is recognised in the statement of financial position when the Authority has legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(d) Inventories**

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

**(e) Leased assets**

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

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

**(f) Impairment**

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

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

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

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

WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021

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**3 Significant accounting policies *continued***

**(g) Employee benefits**

Superannuation

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

Short-term benefits

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

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

**(h) Revenue**

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

Government Grants

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

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

Government Revenue

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

**(i) Lease payments**

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

**(j) Finance income and finance costs**

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

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

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

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**3 Significant accounting policies *continued***

**(k) Income tax**

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

**(i) Value Added Tax (VAT)**

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

(i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

(ii) For trade receivables and trade payables which are recognised inclusive of VAT.

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

(iii) The tariff rates charged to customers for water and wastewater are zero rated.

**(l) Change in accounting policy and disclosures**

**IFRS 16 Leases**

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

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

**(i) Definition of a lease**

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

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

**(ii) As a lessee**

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

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

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

WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021

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3 Significant accounting policies *continued*

(l) Change in accounting policy and disclosures (continued)

**IFRS 16 Leases (continued)**

**(a) Leases classified as operating leases under IAS 17**

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

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

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

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

**(b) Leases previously classified as finance leases**

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

**(iii) As a lessor**

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

**(iv) Impact on financial statements**

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

**Leases policy note**

The Authority has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes.

**Policy applicable from 1 January 2018**

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

WATER AUTHORITY OF FIJI  
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FOR THE YEAR ENDED 31 JULY 2021

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3 Significant accounting policies *continued*

(l) Change in accounting policy and disclosures (continued)

**IFRS 16 Leases (continued)**

- the Authority has the right to direct the use of the asset. The Authority has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Authority has the right to direct the use of the asset if either:
  - the Authority has the right to operate the asset; or
  - the Authority designed the asset in a way that predetermines how and for what purpose it will be used.

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

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

(i) As a lessee

**Under IFRS 16**

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

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

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

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

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

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

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

**3 Significant accounting policies *continued***

**(l) Change in accounting policy and disclosures (continued)**

**IFRS 16 Leases (continued)**

**(i) As a lessee (continued)**

**Under IFRS 16**

The Authority is working to obtain legal ownership of leasehold land amounting to \$209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007, leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 2019, relating to the transfer of assets.

**(m) Comparative figures**

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

**4 Financial risk management**

**Overview**

The Authority has exposure to the following risks:

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

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

**Risk management framework**

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

**(i) Credit risk**

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

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

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

	31 July 2021	31 July 2020
	\$	\$
Cash at bank	80,008,467	54,867,557
Other Receivables	3,424,664	12,619,444
Other assets excluding prepayments	10,099,949	5,047,570
	<u>93,533,080</u>	<u>72,534,571</u>

**WATER AUTHORITY OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**4 Financial risk management (continued)**  
**(ii) Liquidity risk**

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

	Carrying amount	6 months or less	6 - 12 months	More than 1 year
	\$	\$	\$	\$
<b>31 July 2021</b>				
<u>Financial assets</u>				
Cash and cash equivalents	80,020,477	80,020,477	-	-
Other receivables	3,424,664	3,424,664	-	-
Other assets excluding prepayments	10,099,949	-	-	10,099,949
	<u>93,545,090</u>	<u>83,445,141</u>	-	<u>10,099,949</u>
<u>Financial liabilities</u>				
Trade and other payables	15,177,539	8,662,657	6,514,882	-
	<u>15,177,539</u>	<u>8,662,657</u>	<u>6,514,882</u>	-
<b>31 July 2020</b>				
<u>Financial assets</u>				
Cash and cash equivalents	53,938,864	53,938,864	-	-
Other receivables	12,619,444	196,309	-	12,423,135
Other assets excluding prepayments	5,047,570	-	-	5,047,570
	<u>71,605,878</u>	<u>54,135,173</u>	-	<u>17,470,705</u>
<u>Financial liabilities</u>				
Trade and other payables	12,497,019	1,526,948	10,970,071	-
	<u>12,497,019</u>	<u>1,526,948</u>	<u>10,970,071</u>	-

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Authority does not have any significant risks in these areas.

Price risk

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

Cash flow interest rate risk

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

**(iv) Capital management**

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Authority monitors capital on the basis of the gearing ratio. The gearing ratios as at 31 July 2021 and 31 July 2020 were as follows:

Total liabilities excluding deferred income and employee entitlements	61,552,333	45,799,389
Total assets	1,948,390,969	1,934,642,201
Gearing ratio	3.16%	2.37%

WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021

	31 July 2021 \$	31 July 2020 \$ (Restated)
<b>5 Revenue</b>		
Government grant	70,483,293	77,886,379
	<u>70,483,293</u>	<u>77,886,379</u>
<b>6 Other income</b>		
Transfer from deferred revenue	40,883,618	27,476,461
Other income	329,867	2,929,099
	<u>41,213,485</u>	<u>30,405,560</u>
<b>7 Operating expenses</b>		
Chemical usage	2,323,354	2,219,603
Directors fees	40,146	65,348
Water and electricity	21,019,899	21,263,044
Fuel & oil	1,628,251	1,679,352
Plant and equipment hire	11,030,052	11,059,361
Professional fees	384,529	2,404,012
Repairs and maintenance	29,921,359	25,670,608
Telephone and communication	2,970,342	2,460,852
Travel & accommodation	291,643	429,718
Land compensation	23,495	185,482
Insurance	312,267	305,880
Office supplies, printing, stationary and upkeep	371,822	489,841
Rent & security	532,593	1,416,137
Advertising & awareness	169,724	141,200
National Fire Authority refunds	401,571	400,186
Others	1,526,764	2,629,022
	<u>72,947,811</u>	<u>72,819,646</u>
<b>8 Personnel expenses</b>		
Salaries and wages	26,139,418	25,796,329
Annual leave	2,497,294	2,573,373
Fiji National Provident Fund	1,064,798	1,776,933
Staff welfare	695,330	932,876
	<u>30,396,840</u>	<u>31,079,511</u>
The number of permanent employees during the year was:	<u>1,250</u>	<u>1,170</u>
<b>9 Finance income and expenses</b>		
<u>Finance income</u>		
Interest income on short-term bank deposits	1,410,600	862,466
	<u>1,410,600</u>	<u>862,466</u>

**WATER AUTHORITY OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 JULY 2021**

	31 July 2021	31 July 2020
	\$	\$
<b>10 Cash and cash equivalents</b>		
Cash at bank	80,008,467	54,867,557
Petty cash	11,700	11,700
Cash on hand	310	240
	<u>80,020,477</u>	<u>54,879,497</u>

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

At 31 July 2021, the Authority had a \$6.72m LC facility with BSP to comply with the contractual obligations of its several major Capital projects. In addition, the Authority held cash of \$3.862m (2020: \$0.922m) on Billpay accounts with ANZ, WBC,HFC and Bred bank that is restricted to be deposited to the Government of Fiji Consolidated Fund account as collection received on water and waste water revenue. Furthermore, the Authority has \$4.17m held as Retention for Outsource contractual works, performance bond of \$519,909 and tender deposits held amounting to \$379,710.

<b>11 Other receivables</b>		
VAT receivable	2,962,206	12,330,178
Other receivables	462,458	289,266
	<u>3,424,664</u>	<u>12,619,444</u>
<b>12 Inventories</b>		
Spare parts and tools	19,976,659	20,594,064
Provision for obsolete stock	(1,791,553)	(1,690,983)
Stock on hand	<u>18,185,106</u>	<u>18,903,081</u>

WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021

13 Property, plant and equipment	Land and Buildings	Water and Distribution Equipment	Sewerage Equipment	Motor Vehicles	Office Equipment	Office Computers	Furniture and Fittings	Work in Progress - Capex	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
At 1 August 2019	409,908,452	1,459,896,071	297,238,724	13,164,878	15,801,489	4,760,005	836,005	135,254,828	2,336,860,452
Additions	1,225,955	3,825,594	14,862	203,486	1,357,200	348,818	24,623	112,565,328	119,565,866
Disposals	-	-	-	-	-	-	-	(29,520,550)	(29,520,550)
Transfer	230,110	45,250,258	2,006,342	-	8,839	67,267	-	(47,875,722)	(312,906)
Reclassification	(1,604,846)	-	-	-	-	-	-	(828,253)	(2,433,099)
At 31 July 2020	409,759,671	1,508,971,923	299,259,928	13,368,364	17,167,528	5,176,090	860,628	169,595,631	2,424,159,763
Additions	144,466	282,974	30,847	-	642,311	419,388	7,037	68,631,546	70,158,569
Disposals*	-	-	-	(478,695)	-	-	-	(35,126,347)	(35,605,042)
Transfer	29,875	18,535,644	2,728,672	-	276,829	163,050	9,078	(21,743,148)	-
Reclassification	(29,875)	-	-	-	-	-	-	-	(29,875)
At 31 July 2021	409,904,137	1,527,790,541	302,019,447	12,889,669	18,086,668	5,758,528	876,743	181,357,682	2,458,683,415
Depreciation and impairment									
At 1 August 2019	180,110,682	291,979,693	56,521,178	11,571,340	4,653,206	4,089,437	393,061	-	549,318,597
Depreciation & amortization charge for the year	3,433,172	27,892,607	5,658,044	1,112,827	1,938,129	411,697	81,571	-	40,528,047
Reclassification	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 July 2020	183,543,854	319,872,300	62,179,222	12,684,167	6,591,335	4,501,134	474,632	-	589,846,644
Depreciation & amortization charge for the year	3,419,612	27,853,265	5,345,569	383,842	2,022,782	445,442	80,280	-	39,550,792
Reclassification	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(478,695)	-	-	-	-	(478,695)
At 31 July 2021	186,963,466	347,725,565	67,524,791	12,589,314	8,614,117	4,946,576	554,912	-	628,918,741
Net book value									
At 31 July 2020	226,215,817	1,189,099,623	237,080,706	684,197	10,576,193	674,956	385,996	169,595,631	1,834,313,119
At 31 July 2021	222,940,671	1,180,064,976	234,494,656	300,355	9,472,551	811,952	321,831	181,357,682	1,829,764,674

\* This disposal includes rural projects handed over to communities upon and projects expensed completion. During the year, \$6.35m was allocated by the Authority for rural projects and project costs of \$3.175m was released from work in progress and deferred income in relation to completed rural projects.

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

**13 Property, plant and equipment *continued***

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

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

The Asset Valuation project has been awarded to an independent valuation consultant and is underway for a 31 July 2024 valuation date. The Asset valuation exercise is underway where data review and field inspection has been completed, verification and condition rating of infrastructure is in progress. The asset valuation exercise is expected to address the qualification raised by the Auditor General on the opening balance of property, plant and equipment of \$1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the qualification raised on plant and equipment with zero book value.

The Authority is working to obtain legal ownership of leasehold land amounting to \$209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007, leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 2019, relating to the transfer of assets.

<b>13a Right of Use of Assets</b>	<b>31 July 2021</b>	<b>31 July 2020 (Restated)</b>
	<b>\$</b>	<b>\$</b>
<b>Cost</b>	9,196,583	7,261,664
Additions during the year/ Lease modifications	3,344,452	1,934,919
Disposal	(4,896,946)	-
<b>Balance</b>	<u><u>7,644,089</u></u>	<u><u>9,196,583</u></u>
<b>Amortisation and impairment</b>		
Opening Balance	2,292,212	1,571,607
Amortisation during the year	1,218,071	720,605
Disposal	(2,219,635)	-
<b>Balance</b>	<u><u>1,290,648</u></u>	<u><u>2,292,212</u></u>
<b>Net book value</b>	<u><u>6,353,441</u></u>	<u><u>6,904,371</u></u>

WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021

	31 July 2021	31 July 2020
<b>14 Intangible asset</b>	\$	\$
Cost	3,839,633	3,477,166
Additions during the year	3,028	362,467
<b>Balance</b>	<b>3,842,661</b>	<b>3,839,633</b>
<b>Amortisation and impairment</b>		
Opening Balance	3,485,681	3,374,241
Amortisation during the year	223,537	111,440
<b>Balance</b>	<b>3,709,218</b>	<b>3,485,681</b>
<b>Net book value</b>	<b>133,443</b>	<b>353,952</b>
<p>Intangible assets includes licenses acquired previously by WAF for MapInfo system and Private Automated Branch Exchange (PABx) system currently used by the Customer Service department, Unlimited Pipe Modelling for the waste water modelling team, Sage 300 ERP and PayGlobal system used in Finance department and development costs for the Gentrack system.</p>		
<b>15 Held-to-maturity investments</b>		
<i>Current</i>		
Term Deposit	-	1,000,000
	-	1,000,000
<b>16 Other Assets and Prepayments</b>		
Prepayments	409,215	621,168
Other assets	10,099,949	5,047,570
	<b>10,509,164</b>	<b>5,668,738</b>
<b>17 Trade and other payables</b>		
Trade payables	523,982	260,762
Other payables and accruals	14,653,557	12,236,257
	<b>15,177,539</b>	<b>12,497,019</b>

Terms and conditions of the above financial liabilities:

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

WATER AUTHORITY OF FIJI  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 JULY 2021

	31 July 2021	31 July 2020
	\$	\$
<b>18 Deferred revenue - capital grant</b>		
Beginning of year	555,035,741	513,503,361
Grant received during the year	73,762,334	77,960,095
Refund of village contribution on rural projects	(5,086)	-
Transfer to ADB funded grant	-	-
Reversal of completed fully funded/ rural projects	(3,175,014)	(9,872,492)
Released to the statement of comprehensive income	<u>(39,983,721)</u>	<u>(26,555,223)</u>
Balance at the end of the year	<u>585,634,254</u>	<u>555,035,741</u>
Deferred Grant Capex is Represented		
Non current liability	545,650,533	528,480,518
Current liability	<u>39,983,721</u>	<u>26,555,223</u>
	<u>585,634,254</u>	<u>555,035,741</u>

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

**19 ADB Funded Grant - Suva Nausori regional water supply and sewerage**

Beginning of the year	64,798,500	65,719,738
Released to the statement of comprehensive income	<u>(899,898)</u>	<u>(921,238)</u>
Balance at the end of the year	<u>63,898,602</u>	<u>64,798,500</u>
Deferred Grant Capex is Represented		
Non current liability	62,998,704	63,877,262
Current liability	<u>899,898</u>	<u>921,238</u>
	<u>63,898,602</u>	<u>64,798,500</u>

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

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

WATER AUTHORITY OF FIJI  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 JULY 2021

	31 July 2021 \$	31 July 2020 \$ (Restated)
<b>20 Fiji Urban Water &amp; Wastewater Management Program - Tranche 1</b>		
ADB Direct Payment L3512	19,844,080	13,438,481
GCF Direct Payment	21,691,318	14,345,991
	<u>41,535,398</u>	<u>27,784,472</u>

The Fiji urban water and wastewater - public sector investment program (PSIP) project of the Government of Fiji's estimated to cost USD\$180.3 million, The project is being implemented with finance assistance from ADB Loan 3512 for USD \$42.1m, EIB Loan no.201502017 for USD \$26.6 million, GCF grant no 0531 for USD\$31 million and Government of Fiji funds USD\$80.7 million. The Project Management Unit at Water Authority of Fiji (WAF) is the implementing agency, effecting payments through Ministry of Economy.

**21. Provision for Employee Entitlement**

Beginning of the year	742,964	450,384
Movement during the period	<u>464,074</u>	<u>292,580</u>
At end of year	<u>1,207,038</u>	<u>742,964</u>

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

**22. Lease Liability**

Balance end of the year	<u>4,839,396</u>	<u>5,517,898</u>
Lease Liability is Represented by:		
Non current liability	3,636,918	4,304,717
Current liability	<u>1,202,478</u>	<u>1,213,181</u>
	<u>4,839,396</u>	<u>5,517,898</u>

**23 Contingencies and commitments**

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

**(a) Capital expenditure**

Total capital commitments as at balance date is \$50,579,857 (2020: \$68,622,813) for capital projects.

**(b) Land lease**

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

**(c) Contingent Liability**

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

**WATER AUTHORITY OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 JULY 2021**

**24 Related parties**

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

(a) Directors

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

<b>Board member</b>	<b>Date Appointed</b>	<b>End Date</b>
Mr Bhavesh K Patel (Chairman)	1 March 2018	11 April 2023
Mr P.L. Munasinghe	1 March 2018	11 April 2023
Mr Umarji Musa	28 February 2018	11 April 2023
Mr Vijay P Maharaj	1 March 2018	1 March 2021
Mr Hemant Kumar	24 April 2018	11 April 2023
Mr Kamal Gounder	13 October 2016	11 April 2023
Ms Lyanne Vaurasi	14 April 2021	1 April 2022

The names of Directors in office as at the date of this report are:

<b>Board member</b>	<b>Date Appointed</b>	<b>End Date</b>
Mr Savenaca Seniloli (Chairman)	12 April 2023	Current
Mr Amit Singh	12 April 2023	Current
Mr Vula Vakacegu	12 April 2023	30 November 2023
Mr Semi Leiwere	12 April 2023	20 October 2023
Ms Mele Rakai	12 April 2023	Current
Mr Graham Dooley	12 April 2023	Current
Mr Ripon Kumar Baral	29 November 2023	7 March 2024
Mr Atunaisa Nadakuitavuki	15 March 2024	Current

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

(b) Parent authority and ultimate parent authority

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

	<b>31 July 2021</b>	<b>31 July 2020</b>
	<b>\$</b>	<b>\$</b>
Grant received (Opex & Capex)	144,245,627	155,846,474
Deposits to the Government Consolidated account	(33,042,598)	(42,631,559)
	<u>111,203,029</u>	<u>113,214,915</u>

(c) Transaction with key management personnel

Key management personnel comprises of:

i. Mr Barry Omundson (Chief Executive Officer)	Resigned on 19th May 2021
ii. Mr Michael Lal (Chief Financial Officer)	Resigned on 15th September 2020
iii. Mr Sekove Uluinayau (General Manager Customer Service)	Appointed on 16th November 2015
iv. Mr Seru Soderberg (Chief Operating Officer)	Appointed on 17th November 2020
v. Mr Nemani Waqanivalu (General Manager Planning, Design and Construction)	Resigned on 24th December 2020
vi. Mr Seymour Singh (General Manager Commercial & Corporate)	Appointed on 14th December 2020
vii. Mr Kavneel Prasad (Chief Financial Officer)	Appointed on 4th January 2021
viii. Ms. Sangeeta Chand (General Manager Legal)	Appointed on 1st December 2020
ix. Mr. Sourav Majundar (General Manager Special Projects)	Appointed on 2nd January 2020
x. Ms. Ligairi Talei (Board Secretary)	Appointed on 28th June 2021

**WATER AUTHORITY OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 JULY 2021**

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WATER AUTHORITY OF FIJI  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 JULY 2021

**28 Revenue Administered on Behalf of the Government**

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

	31 July 2021	31 July 2020
	\$	\$
(i) <b>Billing</b>		
Water	36,603,624	40,935,216
Waste Water	3,574,735	4,008,330
Others*	1,934,762	2,846,376
	<u>42,113,121</u>	<u>47,789,922</u>

(ii) **Collection**

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

Water, Waste water charges & others*	<u>33,042,598</u>	<u>42,631,559</u>
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\*others relates to reconnection fee, fire service levy, new connections, re-location of meter, reprinting of bill, special reading fee and meter testing fee.

**29 Debt Administered on Behalf of the Government**

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

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

The trade receivables reported at financial year end by customer are as follows:

	\$	\$
Domestic	28,253,143	40,066,609
Commercial	5,008,169	4,613,913
Government	1,140,100	1,232,122
	<u>34,401,412</u>	<u>45,912,644</u>

In February 2021, the Authority got approval from the Government to write-off WAF arrears accumulated as at 31 December 2018. The Authority wrote off a total \$20,714,623 relating to 15,698 accounts for domestic, commercial and government customers.

**Rates owed to Government**

The ageing of trade receivables at the reporting date was:

	Current	> 1 Year	> 2 Years	> 3 Years	> 4 Years	Total
	\$	\$	\$	\$	\$	\$
2021	11,314,213	6,092,266	3,059,088	2,209,341	11,726,504	34,401,412
2020	10,424,982	4,383,360	5,598,774	4,043,559	21,461,969	45,912,644

WATER AUTHORITY OF FIJI  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 JULY 2021

30 Prior Year Adjustment - Correction of Errors

Lease

The adjustment below relates to opening Lease balance where material difference was noted and the figures has been restated as follows:

Statement of Financial Position - 31 July 2020	Impact of Lease Adjustment		
	As previously reported	Adjustments	As Restated (31/07/2020)
Right of use	6,589,907	314,464	6,904,371
Others	1,927,737,831	-	1,927,737,831
<b>Total Assets</b>	<b>1,934,327,738</b>	<b>314,464</b>	<b>1,934,642,202</b>
Lease liabilities	5,459,288	58,610	5,517,898
Others	660,858,696	-	660,858,696
<b>Total Liabilities</b>	<b>666,317,984</b>	<b>58,610</b>	<b>666,376,594</b>
Accumulated Losses	(481,931,707)	255,854	(481,675,853)
Contributed Equity	1,749,941,461	-	1,749,941,461
<b>Total Equity</b>	<b>1,268,009,754</b>	<b>255,854</b>	<b>1,268,265,608</b>

Statement of Comprehensive Income - 31 July 2020	Impact of Lease Adjustment		
	As previously reported	Adjustments	As Restated (31/07/2020)
Other income	30,464,170	(58,610)	30,405,560
Depreciation & amortization	(41,784,808)	314,464	(41,470,344)
Others	(25,150,312)	-	(25,150,312)
<b>Loss for the period</b>	<b>(36,470,950)</b>	<b>255,854</b>	<b>(36,215,096)</b>



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