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## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

### **Review Report on the 2018 Labasa Town Council Annual Report**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 149 of 2025**

*November- December 2025*

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## **CHAIRPERSON'S FOREWORD**

I am pleased to present the Standing Committee on Social Affairs Review *Report on the 2018 Labasa Town Council Annual Report*.

As mandated under Standing Order 109(2)(b), the Committee considers issues related to health, education, social services, labour, aviation, culture and media.

The Committee's deliberations highlighted several critical issues that require urgent attention to ensure sustainable urban growth and improved service delivery for the people of Labasa.

The Committee acknowledge the work carried out by the Labasa Town Council and recommend that it continues to promote community engagement by achieving a healthy environment and efficient infrastructure development.

The Committee noted the significant revenue loss resulting from the repeal of the Business Licensing Act in 2020 during COVID hence the Committee recommend that the Government of Fiji to restore this revenue stream to safeguard the financial sustainability of municipal councils.

Secondly, the Committee noted that despite having two million dollars in rate arrears, the Labasa Town Council has collected 80% of its current rate. The Committee further recommends that Labasa Town Council must take legal action against defaulted rate payers.

The Committee also observed the delays by the Fiji Roads Authority in responding to Labasa Town Council's requests for road markings, underground culvert maintenance, road signage, and related infrastructure maintenance. These delays have caused inconvenience to ratepayers and hindered municipal efficiency therefore the Committee recommends the establishment of a structured coordination mechanism between FRA and the Labasa Town Council to ensure timely service delivery.

The Committee noted with concern that the Audited Financial Report for the year 2018 was not included in its Annual Report. Upon enquiry, it was revealed that the Audited Financial Report was still with the Ministry of Local Government, and this was an oversight by the Ministry.

The Labasa Town Council with the Ministry of Local Government must adhere to Section 45 (1) of the Financial Management Act which states that the Minister must table in parliament a whole government annual report for each financial year.

I take this opportunity to thank the Special Administrators, Acting Chief Executive Officer and the management of Labasa Town Council for their timely assistance in this review process.

I also thank the Hon. Members of the Standing Committee on Social Affairs, Hon. Ratu Rakuita Vakalalabure, Hon. Alipate Tuicolo, Hon. Viam Pillay, and Hon. Parveen Bala, for their invaluable input and support. I extend my sincere appreciation to Hon. Jone Usamate for his contribution and support as alternate member.

Finally, I thank the Secretariate for their hard work and dedication in compiling this report

On behalf of the Standing Committee on Social Affairs, I commend this report to Parliament.



.....  
**Hon. Iliesa Vanawalu**  
**Chairperson**

## ACRONYM

FRA	Fiji Roads Authority
MP	Member of Parliament
SO	Standing Order

## COMMITTEE MEMBERS

The Standing Committee on Social Affairs (**‘Committee’**) is established under Section 70 of the Constitution of the Republic of Fiji and Standing Order 109. The Committee’s mandate and functions are provided under SO 109 (2) and 110 (1) (a)-(d) & (f).

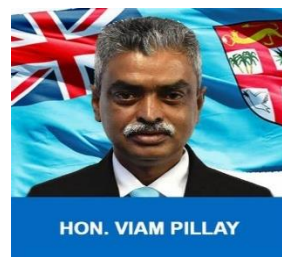
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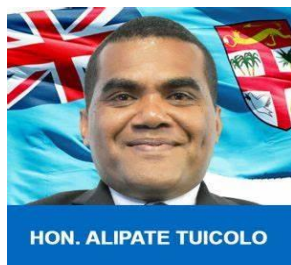
**Chairperson**



**Deputy Chairperson**



**Member**



**Member**



**Member**



**Member**

## **1.0 INTRODUCTION**

The Labasa Town Council Annual Reports was tabled in Parliament on 2<sup>nd</sup> December 2024, and referred to the Standing Committee on Social Affairs pursuant to Standing Committee 109(2) (b).

Standing Orders 109 (2)(b) allows the Standing Committee on Social Affairs to examine matters related to health, education, social services, labor, aviation, culture, and media.

### **1.1. Committee Procedures**

Deliberations on the Labasa Town Council Annual Report commenced in October 2025. The Committee read the reports, prepared questions and sought clarifications on key issues of interest, from the Labasa Town Council.

The Committee held Public Submission with the Executives of Labasa Town Council on 24<sup>th</sup> October 2025.

Upon receipt of all pertinent information pertaining to the Committee's queries, which was subsequently endorsed on 21<sup>st</sup> November 2025.

The Committee received responses from the Labasa Town Council can be viewed at the following link <https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

## **2.0 Background Labasa Town Council**

### **2.1 Introduction**

In 1939 Labasa Town was incorporated under the Township Ordinance.

The Local Government Act was enacted in 1972, hence Labasa was elevated to township status in June 1972.

During the period in review Labasa Town Council served an estimated population of 27,949 in Labasa urban and peri urban areas.

The Labasa Town Council has the following departments.

1. Engineering Department
2. Health Services Department
3. Administration and Operations
4. Finance Department



## 3.0 KEY FINDINGS

The key findings of the Committee were –

- 3.1 The Committee noted that the Labasa Town Council experienced a significant reduction in revenue after the repeal of the Business Licensing Act in 2020, which eliminated a key source of income for the municipality.
- 3.2 The Committee noted that the Labasa Town Council had an increase in its revenue from market income and property rental income. There was slight increase in its income from town rate after its valuation in the year 2023.
- 3.3 The Committee noted that despite Labasa Town Council have two million dollars of rates in arrears, it has collected 80% of its current rate.
- 3.4 The Committee noted with concern that the Audited Financial Report for the year 2018 was not included in its Annual Report. Upon enquiry, it was revealed that the Audited Financial Report was still with the Ministry of Local Government, and this was an oversight by the Ministry.
- 3.5 The Committee acknowledged Labasa Town Council's efforts in negotiating with Landowners to relocate Subrail Park.
- 3.6 The Committee noted that the two private jetties along Labasa River were constructed without the approval of Labasa Town Council.
- 3.7 The Committee noted that Labasa Town Council made several requests to the Fiji Roads Authority for road maintenance, clearance of underground culvert, signage and streetlight maintenance.

## **4.0 RECOMMENDATION**

- 4.1 The Committee recommends that Labasa Town Council should liaise with the Ministry of Local Government to immediately restore business license revenue stream.
- 4.2 The Committee recommends that the Labasa Town Council ensure timely collections of market stall fees and property rental income to prevent recurring arrears.
- 4.3 The Committee recommends that the Labasa Town Council take legal action through court proceedings to recover the rate in arrears from defaulting rate payers.
- 4.4 The Committee recommends that the Labasa Town Council, with the Ministry of Local Government must adhere to Section 45 (1) of the Financial Management Act which states that the Minister must table in parliament a whole government annual report for each financial year.
- 4.5 The Committee recommends that the Labasa Town Council must continue negotiations with landowners to secure the land for the new stadium.
- 4.6 The Committee Recommends that the Labasa Town Council must immediately conduct its own investigation into the construction of the two jetties along Labasa River.
- 4.7 The Committee recommends that the Fiji Roads Authority must collaborate with Labasa Town Council to ensure timely maintenance and upgrading works are carried out efficiently.

## 5.0 SUSTAINABLE DEVELOPMENT GOALS AND GENDER ANALYSIS

### Labasa Town Council commitments towards the SDGs.

Whilst Labasa Town Council did not provide any particular SDG which it supposed to address, it identifies the following challengers:

- Human Resource Development
- Infrastructure Development Constraints due to effect of natural disasters
- Private Sector Investment and expansion.

### Gender Analysis

Gender equality is addressed through internal HR policies and workforce development.

Staff	2017	2018
Male	75%	72%
Female	25%	28%







In future Labasa Town Council Annual Reports must provide detail information on SDG target performance and Gender Analysis.

## **6.0 CONCLUSION**

The Labasa Town Council faces significant challenges in its infrastructure development, revenue generation, township expansion and relocation of its parks for recreational activities. The Government of Fiji must provide vital support towards the sustainable development in Labasa municipality.

## COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:

Committee Member	E-Signature
Hon. Iliesa Vanawalu Chairperson	
Hon. Ratu Rakuita Vakalalabure Deputy Chairperson	
Hon. Alipate Tuicolo Member	
Hon. Viam Pillay Member	
Hon. Parveen Bala Member	
Hon. Alikia Bia Member	
Date: 21 November, 2025	

# ANNEXURE

## Published evidence

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Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link: <https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

# **[VERBATIM REPORT]**

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

### **LABASA TOWN COUNCIL**

**SUBMITTEE:**       **Labasa Town Council**

**VENUE:**           **Committee Room, Parliament**

**DATE:**           **Friday, 24th October, 2025**

**VERBATIM REPORT OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD AT THE PARLIAMENT PRECINT, GOVERNMENT BUILDINGS, SUVA ON FRIDAY, 24TH OCTOBER, 2025, AT 9.00 A.M.**

**Interviewee/Submittee: Labasa Town Council**

In Attendance:

- |    |                     |   |                                |
|----|---------------------|---|--------------------------------|
| 1. | Mr. Paul Jaduram    | - | Chairman/Special Administrator |
| 2. | Mr. Sanaila Ligairi | - | Special Administrator          |
| 2. | Mr. Irfan Ali       | - | Acting Chief Executive Officer |
- 

DEPUTY CHAIRPERSON.- Members of the public, Secretariat, ladies and gentlemen, a very good morning to you all. It is a pleasure to welcome everyone, especially the viewers who are watching this public hearing session.

At the outset, for information purposes, pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, please note that this submission is open to the public and the media is being aired via the *Walesi* platform, streamed live on the Parliament's website and social media platforms.

For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, this can be provided to the Committee either in private or in writing. However, please be advised that Standing Order 111, in the following circumstances, permits non-disclosure of information, and these are:

- National security matters;
- third-party confidential information;
- personnel or human resources matters; and
- committee deliberations

This is a Parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privileges Act 1965. However, please bear in mind that we do not condone slander or libel of any sort. Any information brought before this Committee should be based on facts. In terms of the protocol of this Committee meeting, please minimise the usage of mobile phones, and all mobile phones are to be on silent mode while the meeting is in progress.

I wish to remind Honourable Members and our guests this morning that all questions to be asked are to be addressed through the chair.

(Introduction of Committee Members)

DEPUTY CHAIRPERSON.- Today, the Committee will be hearing submissions from the Labasa Town Council executive team, and we take this time to welcome you after your long travel all the way from the North.

(Introduction of submittee)



DEPUTY CHAIRPERSON.- I understand that you had received a set of questions from the Social Affairs Committee, and we have also received your responses. A very comprehensive response. Kindly note that before we proceed that there is also another public submission taking place around 11.00 o'clock. I am bearing in mind the time we have. I understand that you have given your responses. It is quite lengthy, and I urge you to summarise it. We have the responses, we can read it, and I understand you also have a presentation for the Committee. I now give the floor to the chief executive officer.

MR. I. ALI.- Mr. Chairman, Sir, this is the presentation on the 2018 Annual Report. On Slide 2, we have the four major revenue streams that were present in 2018. These were town rates at \$1.19 million, market income at \$386,000, property rent at \$195,000, and business licence at \$193,000. The top three income streams have continued; however, the business licence was discontinued in August 2020, resulting in the Council losing an average of \$200,000 per year.

HON. P.K. BALA.- Deputy Chairperson, I just want to know whether the revenue aspect for Subrail Park is included in rent from property.

MR. I. ALI.- Deputy Chairperson, revenue from Subrail Park was not much in 2018.

HON. P.K. BALA.- So, whether you have...

MR. I. ALI.- It came from other sources.

HON. P.K. BALA.- That is one. The other point is regarding the table that you have prepared. I know that you have probably had difficulties with the people who were not present, but that also shows a deficiency in the system — that you have to capture and process the information properly so that it is included.

A point that I want to make as we go through this is that it is important for the financial reports to be available so that Parliament gets a complete picture of the performance. Are all your audits up to date now?

MR. I. ALI.- No, Sir, we are left with three years.

HON. J. USAMATE.- So you are up to 2021?

MR. I. ALI.- We have completed three years of financial audits.

HON. J. USAMATE.- Is it up to 2021?

MR. I. ALI.- It is up to 2022.

HON. J. USAMATE.- I will just make that point.

HON. P.K. BALA.- Deputy Chairperson, we have been listening to all the municipalities regarding the business licence. What we have consistently heard is that Councils have lost that source of revenue, and we all agree on that. The matter was raised originally because of COVID-19. As a Committee, we would like to know what the current position of the Council is. Have you applied to your line ministry for the reinstatement of the business licence, or is the matter just continuing as it is?

MR. I. ALI.- Deputy Chairperson, we have requested the reinstatement of the business licence, but we have not received any update on this. The Council has lost revenue as a result.

The next slide shows the graph of the three major revenue sources for the Labasa Town Council. These are town rates, market income, and property rent. We have continued to receive income from these sources; however, the business licence was discontinued.

HON. J. USAMATE.- Deputy Chairperson, through you, that is a very good graph. I suggest that, in the future, when you prepare Annual Reports, you include that trend so we can see it. This one only reports what happened in that particular year, but when the trend is shown, it is very helpful.

MR. I. ALI.- Next is the major expenditure for the Labasa Town Council in 2018. Four major types of expenses were wages and salaries.

HON. P.K. BALA.- Deputy Chairperson, through you, before you go on to the expenditure, let us finish this town rate and all of this. The table that you have provided to us, and what you are saying, indicate that there has been a lot of improvement in terms of collection for the town rates. However, if you look at the table you have provided, whether in 2021 or even 2018, and compare the town rates to 2024–2025, there is not much of an increase.

We are talking about 2018, when it was \$1.1 million, and in 2024–2025 it is \$1.3 million. It has been almost seven years. There must have been a town rate increase, and many new businesses may have come in. Why has the town rate not increased significantly, given that it is the main source of revenue? Could you please briefly highlight this?

MR. I. ALI.- Deputy Chairperson, the invoicing was done based on previous records. Some of the last valuations were carried out in 2017, and when the 2023 valuation was conducted by the Ministry of Lands on the UCV, that is how the rates were calculated.

HON. P.K. BALA.- Deputy Chairperson, through you, you are not answering. What I am asking is that in 2018, your town rate, the revenue for town rate was \$1.1 million. Am I right?

MR. I. ALI.- Yes.

HON. P.K. BALA.- In 2024–2025, the revenue is \$1.3 million. What I am saying is that there is not much difference, considering that seven years have passed. Your presentation on the next page states that there has been improvement in collection. I am asking why there has not been a significant increase in revenue collection. Are there difficulties in collecting the rates? What is the issue, given that town rates are the primary source of revenue for any municipality?

MR. I. ALI.- Town rates include both the rates levied and the garbage fees. Since most of the land was vacant, the garbage fees were not levied. That is why there is not much difference in the revenue.

HON. P.K. BALA.- Deputy Chairperson, one last one, you may give us in writing all those breakdowns. Was there any town rate increase from 2018? Or you have the same rate.

MR. I. ALI.- Same rate as 2017.

HON. J. USAMATE.- The number of rate payers remained the same.

MR. I. ALI.- Yes.

HON. J. USAMATE.- Because I noticed that your market income increased by 60 percent and your rent from properties increased by 66 percent, but your town rates was a slight increase. That is basically because the town rates were not increasing.

MR. I. ALI.- The types of expenditures in 2018 were as follows: Wages and salaries amounted to \$586,000. This covered fixed wages and salaries. Payments for garbage collection, maintenance and cleaning, and security services were for contracted services.

Regarding policy stability and service continuity, there were no major policy changes in 2018. Therefore, operations remained stable, revenue was steady, and there were few complaints from the public. This contributed to public confidence in compliance.

In terms of infrastructure and sustainability focus, since there was no major capital expenditure, the Council maintained the assets it owned. This included street maintenance expenditure of \$194,000, environmental health and garbage collection at close to \$101,000, and the issuance and control of building permits, subdivisions, and rezoning processes.

HON. P.K. BALA.- Deputy Chairperson, while we are discussing building permits, what is the turnaround time when a resident submits a building plan? What is the timeframe for approvals? There are sometimes complaints about delays, and Labasa Town Council must have a specified turnaround time within which a building plan is either approved or disapproved, whether in days or months.

MR. I. ALI.- It is seven working days.

HON. J. USAMATE.- All 98 building permits were processed within seven working days. None exceeded the seven days. Regarding subdivision applications, there are also timelines set within your targets.

MR. I. ALI.- Yes.

HON. J. USAMATE.- The rezonings were all met within the timeframe.

MR. I. ALI.- Yes. Debt Collection – the Council utilised the tools available under the Local Government Act. These included house-to-house collections, payment installments, leasing and caveat charges, and recovery through the database and small claims.

Quality Engagement and Transparency – the Council facilitated direct consultation in governance and accountability. This included consultations with ratepayers through community visitations across the four wards.

HON. J. USAMATE.- Let us go back to this debt collection. So, in terms of the previous years and the current year, you do not have a lot of outstanding rates collection.

MR. I. ALI.- Yes.

HON. J. USAMATE.- Percentage of collection?

MR. I. ALI.- It is close to 80 percent.

HON. J. USAMATE.- As compared to previous years? How is that?

MR. I. ALI.- We have improved on this.

HON. J. USAMATE.- From then until now, you have stated 80 has gone up or gone down.

MR. I. ALI.- Yes, we have continued and we have stayed with 80 because some are the arrears and disputed cases.

HON. P.K. BALA.- Deputy Chairperson, through you, in other words, your rate collection is around 50 percent. What is the total arrears, put it that way?

MR. I. ALI.- Current arrears are around \$2 million. It has been more than four years.

HON. J. USAMATE.- There is nothing beyond four years?

MR. I. ALI.- No, most of the collections were for current invoices. For arrears, that is where we are facing challenges. Regarding direct consultations, we have conducted consultations, opened up policies for residents' access and engagement with management, and included stakeholders in the monthly full council meetings. All council minutes are submitted to the Ministry of Local Government for oversight, which captures these achievements and operations.

For 2018, we improved in terms of achievements. We accomplished eight of the strategic priority areas as mentioned in our responses. We also maintained operations and did not exceed the budget. Overall, the performance for 2018 was satisfactory. Lastly, regarding current issues, we are in the process of moving into the ERP system for advanced processing of building applications and for capturing financial data through the Ministry of Local Government's ERP system.

DEPUTY CHAIRPERSON.- Supplementary questions?

HON. J. USAMATE.- Regarding Question No. 13, you referred to the strategic priority areas. There are seven in total, and under the column of key operational targets achieved, no specific targets are listed. My question is, every year, do you specify targets for what you aim to achieve in each strategic priority area?

I note that the key operations reported are commendable; however, it is impossible to determine performance accurately unless targets are specified with the appropriate indicators that measure each priority area. If the wrong indicators are used, the assessment will be inaccurate. The way the report addresses the priorities is good and shows achievements, but I am asking whether you normally specify targets and indicators. In a report like this, I would expect it to state, for that particular year, the target, the indicator, what was actually achieved, and an analysis of why it was achieved, overachieved, or not achieved.

When the reporting is very broad, it is difficult to assess performance objectively. It is very easy to say something is good or bad without clear measures. Therefore, do you specify the indicators for each of these priority areas every year?

MR. I. ALI.- Deputy Chair, this was based on the previous strategy plan.

HON. J. USAMATE.- So, you have got a new one now?

MR. I. ALI.- Yes, Sir.

HON. J. USAMATE.- From what year?

MR. I. ALI.- We have got it from 2022 to 2026.

HON. J. USAMATE.- So your targets are now a bit more specific?

MR. I. ALOI.- We are trying to improve on that part, Sir.

HON. J. USAMATE.- . Absolutely, they say in management, if you can measure it, you can measure it. You have to specify. I am glad to see that you are moving into that particular space. Deputy Chairperson, Sir, another major concern I have is that, upon reviewing the Auditor General's Report, looking at the Municipal Council Financial Reports from 2017 to 2020, the Labasa Town Council was not included because your audited financial statements were not presented. I have also observed that across the municipal councils, there appear to be issues, with many receiving qualified opinions. Does Labasa Town Council have any qualifications to its financial audits?

MR. I. ALI.- We have some issues remaining because this was done previously. We cannot change that data.

HON. J. USAMATE.- But you have a process to fix it?

MR. I. ALI.- Yes, we have internal control processes.

HON. J. USAMATE.- Deputy Chairperson, I understand that many of the qualifications relate to receivables, VAT, and similar matters. What concerned me, however, is that when I reviewed the report, Labasa Town Council was not included. I would like to see Labasa Town Council perform well. I have connections in Vanua Levu, and I want to see the Council succeed. I just wanted to raise these issues.

HON. P.K. BALA.- Deputy Chairperson, I have a few questions. Recently, there have been many issues regarding municipal parks. The most recent example was in Lautoka, where the Council intended to lease a park for commercial development. Has any park in Labasa been leased out for commercial development?

MR. I. ALI.- Yes.

HON. P.K. BALA.- I am not asking now, but in past years, has any council park been leased out to any individual or company?

MR. P. JADURAM.- Deputy Chairperson, through you, this park has been leased out to a private company. I believe there is a court case coming up with Mr Basir Khan.

HON. P.K. BALA.- Deputy Chairperson, through you. Is the matter before the court?

MR. P. JADURAM.- Yes.

HON. P.K. BALA.- So let us not talk about it. Next, Deputy Chairperson, is about Subrail Park. Are you going to relocate Subrail Park, or is there any plan to upgrade the park and the stadium itself?

MR. P. JADURAM.- Deputy Chairperson, through you, yes, we are looking at another venue where we can construct a fully-fledged park capable of accommodating Drua games and international

events. We have identified an area in Wailevu, but we are still in discussions with the landowners regarding that. Subrail Park is very small at the moment, and we need a larger park for the North. This is included in our plans.

HON. P.K. BALA.- Deputy Chairperson, next is the market. Are you planning to retain the market in its current location, or is there a plan to relocate it? Considering the congestion, is any relocation being considered?

MR. P. JUDARAM.- Deputy Chairperson, through you, no, we do not have any plans at this time. We will leave it to the elected Councillors to decide on the venue. I understand there was a proposal to shift the market across the bridge, and an area has been earmarked, but the final decision will rest with the incoming elected Councillors.

HON. P.K. BALA.- Deputy Chairperson, through you, while we were in Labasa, there were many discussions about the jetty. There is one jetty that has been built. Was this approved by the Council?

MR. P. JUDARAM.- Deputy Chairperson, through you, which jetty?

HON. P.K. BALA.- Deputy Chairperson, through you, there is a jetty at the back of one of the hotels. While we were in Labasa, remember we came to the Chamber?

MR. P. JUDARAM.- Yes.

HON. P.K. BALA.- So there were a lot of talks about this jetty.

DEPUTY CHAIRPERSON.- I think what honourable Bala is referring to is the jetty owned by Grand Eastern Hotel? That jetty.

MR. P. JUDARAM.- Deputy Chairperson, through you. That is a private jetty, owned by the Grand Eastern Hotel.

HON. P.K. BALA.- I know it is a private jetty, but was that approved by the council? That is what I meant.

MR. P. JADURAM.- No.

HON. J. USAMATE.- Was the council supposed to approve it?

MR. P. JADURAM.- Any development in the city has to be approved by the council and I think it is a green belt which runs across the foreshore and that is the State land.

HON. J. USAMATE.- Did they get approval from the Ministry of Lands?

MR. P. JADURAM.- We have no knowledge of that.

HON. J. USAMATE.- What is being done about this? Clearly, if someone has acted improperly, there should be consequences. I mean, if you touch a burning stove, you get burnt. In this case, are there any actions being taken, or is it just being left unresolved?

MR. I. ALI.- The case is in court by the Ministry of Lands. They have taken Mr. Singh to answer that. But according to the Ministry of Lands, they have taken this matter to the court.

HON. P.K. BALA.- The jetty is currently in operation, which is why I am raising this issue, as there has been a lot of discussion in the town regarding safety. Without Council approval, someone is operating it. What is the Council doing about this? This is the information we need so that we can accurately inform the public. The last time we visited, everyone was talking about it, and the most important concern is the safety of the people.

MR. P. JADURAM.- Deputy Chairperson, we will definitely look into that.

HON. J. USAMATE.- Deputy Chairperson, just a follow-up, but this intrigues me. Are there any other developments in Labasa where people have undertaken activities that are not in accordance with the law? In this case, the jetty is on foreshore State land and should have obtained approval from the Ministry of Lands, including the EIA and other requirements, before construction, as it also impacts the environment. Have there been any other instances in Labasa where developments have proceeded without obtaining the proper permissions recently?

MR. P. JADURAM.- Deputy Chairperson, not to our knowledge.

HON. P.K. BALA.- Deputy Chairperson, last one from me, this is in regards to the CEO position, you are basically acting at this point. What is the progress or the update on the appointment of the CEO?

MR. P. JADURAM.- Deputy Chairperson, we are having the interview on 30th of this month for our CEO position.

HON. J. USAMATE.- Deputy Chairperson, regarding the debt reflected in your balance sheet, how do you plan to clear it? I understand there is \$2 million in arrears. What are your intentions and strategies for reducing or recovering this amount?

MR. I. ALI.- We are utilising all the tools in the Local Government Act, and we are ready to take it to full legal action for major balances recovery through legal.

HON. J. USAMATE.- Is the legal action something that you have undertaken in the past, or not?

MR. I. ALI.- No.

HON. J. USAMATE.- So you had a big stick, but you didn't want to use it. I would like to note that we have been pleased to see the growth in Labasa. I have been visiting Labasa over many years and have observed a resurgence in development, which has been very positive over the past few years. However, I also noticed that, if I am not mistaken, one of the issues with your audits was the loss of personnel. Is that correct?

MR. I. ALI.- Yes.

HON. J. USAMATE.- What measures have you implemented to ensure that this does not happen again? Even if staff members leave, the audits should still take place because the system is functioning, and the information previously held by individuals has been transferred to a computer or another secure system. What steps have you taken to prevent this problem from recurring?

MR. I. ALI.- Deputy Chairman, we have actually started considering job evaluation and also retain the right and qualified people who can do the job. The outgoing officers, we ensure we have a proper handover.

HON. P.K. BALA.- Deputy Chairman, perhaps we can make use of the time we have. There has been much discussion. While we were in Labasa, informally, there were talks regarding the bridge, maintenance and upgrading of the footpath, and the cutoff of EFL power. Could you provide some clarity on these issues?

MR. P. JADURAM.- Deputy Chairman, the footpaths have now been upgraded. Work has already started, and I believe it has progressed as far as Meenoos on one side. On the Hotel Takia side, all work has been completed. The work is being carried out at night, and it is expected that they will continue to complete the other side. We do not have any plans ourselves and had no negotiations with them, as they did not inform us of their intention to upgrade the footpaths. I would like to emphasize that we had no prior knowledge of their activities. Consequently, we have written to the FRA, and they have now become involved.

HON. P.K. BALA.- We go step by step.

MR. P. JADURAM.- Yes.

HON. P.K. BALA.- This is a major issue with all the municipalities, not only in Labasa. So, you people do not have a very good collaboration with Fiji Roads authority. Am I right in saying that?

MR. P. JADURAM.- Yes, Sir. You are quite right that there has been no collaboration. What we have now decided is that our next *talanoa* session will include all these stakeholders, so that the right hand knows what the left hand is doing. We plan to bring all stakeholders together once a month in a Talanoa session, which will allow us to stay informed about the activities of other departments. This is a better way of understanding what is happening across the board.

HON. J. USAMATE.- I am just wondering—normally, the agencies in the North and the West meet with the Commissioner of Northern and other relevant authorities. Do you have a similar forum, not just between the Council and other parties, but including all the agencies as well? Is this a regular monthly occurrence in Labasa, perhaps not under your direct oversight, but coordinated with the Commissioner Northern and the other agencies?

MR. P. JADURAM.- Deputy Chairperson, through you, we invite them to our full council meetings, but they fail to attend. Some will come; the others never come. We are introducing this *talanoa* session in the daytime.

HON. P.K. BALA.- Deputy Chairperson, through you, let us conclude with the Fiji Roads Authority matter. Is there any plan for Labasa Town Council to resume responsibility for functions that were delegated to the Fiji Roads Authority, such as maintenance of streetlights, upgrading of footpaths, roads, and drains? What is the current position of Labasa Town Council? Without proper collaboration, ratepayers will naturally direct their complaints to the Council.

MR. P. JADURAM.- Deputy Chairperson, through you, this has been one of the key issues raised in many of our forums. We have requested the Honourable Minister that the Council should take back the responsibilities it previously held, such as the maintenance of footpaths, streetlights, underground culverts, and related infrastructure. We have now received communication from the



Ministry, and I believe the matter is currently before Cabinet for approval to return all those assets to the Councils for management by all municipal councils.

HON. J. USAMATE.- Deputy Chairperson, on that note, that would essentially mean that the funds currently allocated to the Fiji Roads Authority would instead be directed to the Council, correct? Would the Council presently have the personnel, machinery, and technical capacity to effectively carry out that level of responsibility?

MR. P. JUDARAM.- Deputy Chairman, Sir, yes. Previously, the Councils were responsible for carrying out these works. At present, we do not have the necessary machinery, but we will either outsource the work or purchase our own equipment if the Council can afford it. Some Councils may not be in a position to do so. For example, Savusavu and Labasa could share an asset management arrangement, whereby they use the same machinery. Similarly, Councils in Viti Levu may also share equipment and other assets.

HON. J. USAMATE.- Or you might consider subcontracting the subcontractors who are already carrying out the work for the major contractors in the North. Instead of the funds going to those large contractors who, in turn, engage subcontractors, the arrangement could be made directly with the Council and those subcontractors.

MR. P. JUDARAM.- Deputy Chairperson, through you, yes, that would be probably possible.

HON. P.K. BALA.- Deputy Chairperson, through you, do you have that type of funding? I mean, you can take back the responsibility, but do you have that type of funding to carry out those works that we have mentioned just now?

MR. P. JUDARAM.- Deputy Chairperson, through you, we do not have funding. Probably whatever FRA was given will come to the Council.

HON. J. USAMATE.- In that case, you will have to wait for the next budget cycle.

DEPUTY CHAIRPERSON.- Mr. CEO, one question from me. I am looking at your market income from 2018 to 2023, 2024, you have highlighted. There seemed to be a good growth starting in 2018. In 2020, 2021, you raised \$560,000, and then you reached the peak of \$738,000. There was a slight downfall to \$630,000. Can you explain why the fall of \$100,000? Are there any reasons for that sudden fall? You reached all the way to \$700,000. Then you went all the way down to \$600,000.

MR. I. ALI.- In 2022, these were most of the arrears collections. That is why it says in 2022.

DEPUTY CHAIRPERSON.- In 2022?

MR. I. ALI.- Yes.

DEPUTY CHAIRPERSON.- That is why the increase? In 2024, the decrease again. That is something that you are still working on. I am particularly interested in your properties. What properties do you have in particular? I see you rent out properties. What properties do you have?

MR. I. ALI.- Yes. We are renting out to the tenants, and we also have canteens. These are the income from those.

DEPUTY CHAIRPERSON.- I will just follow up to honourable Bala's question. With respect to Subrail Park, is there a set of data here on the income it earned from 2018? Do you have it here?

MR. I. ALI.- For 2018, we do not have it. But for later years, we will provide.

DEPUTY CHAIRPERSON.- Can we have that as well?

MR. I. ALI.- Of course.

DEPUTY CHAIRPERSON.- Mr. Chairman, Sir, please ensure that you have the 2018 records. You cannot say that you do not have them. If you do not, then there is a serious issue within the Council. In 2018, there was a great deal of activity at Subrail Park, and those records must exist. Kindly provide them to us so that they can be included as part of our report, as this represents a major source of income for the Council.

HON. J. USAMATE.- Deputy Chairperson, what you are saying, in this income stream for 2018, there is no revenue from Subrail Park included in any of these four components?

MR. I. ALI.- Yes.

HON. J. USAMATE.- Or is it somewhere there?

MR. I. ALI.- It is a separate one, Sir.

HON. J. USAMATE.- So, this is incomplete?

MR. I. ALI.- The question was on key revenue stream. It was not specific.

DEPUTY CHAIRPERSON.- So, hopefully we will get that 2018 on Subrail Park.

MR. I. ALI.- Sure.

HON. P.K. BALA.- Deputy Chairperson, just to add on what honourable Jone Usamate said, recently you had the Battle of the Giants. What was the percentage that was given to the council in terms of the gate-takings.

MR. I. ALI.- According to our policy, is 20 percent of the gross.

DEPUTY CHAIRPERSON.- I am looking at your staff. You have about \$586,000 wages. Is that still reflected in this year? Is it still the same?

MR. I. ALI.- Yes.

DEPUTY CHAIRPERSON.- How many staff do you have?

MR. I. ALI.- We have 55 staff now.

DEPUTY CHAIRPERSON.- 25 staff?

MR. I. ALI.- 55?

DEPUTY CHAIRPERSON.- 55 staff. I am very particularly interested, and I am not seeing any of this. Do you have a Disaster Management Plan?

MR. I. ALI.- Yes, we have.

DEPUTY CHAIRPERSON.- Do you have a new one?

MR. I. ALI.- No.

DEPUTY CHAIRPERSON.- The new National Disaster Management Act.

MR. I. ALI.- We have a Disaster Risk Plan.

DEPUTY CHAIRPERSON.- There is a new law, the National Disaster Management Act, which was passed last year. It includes a clause requiring local governments to develop their own disaster management plans. If you could send us whatever plans Labasa Town Council has in this regard, we would appreciate it. This is very important because Labasa is a flood-prone town, and it is essential for both Government and Parliament to see what preparedness measures are in place.

I am also very interested in your infrastructure projects. I note that you have highlighted the key projects for 2018, which is commendable. On the ground, Labasa has clearly expanded, with many new businesses coming in — perhaps due to the tax-free zone, though I am not entirely sure.

In particular, I would like to ask about the Fiji National University (FNU). This Committee recently reviewed the FNU report, and we know the campus falls within your municipal boundary. What is the status of the FNU development from the Council's perspective? Are you working with FNU on this project? This is the site across the river — the Committee visited it, and they mentioned several matters, but the land remains vacant, with no activity. We would like to hear from the Council regarding the current status.

MR. P. JADURAM.- Deputy Chairperson, yes, they have commenced the development. We had a meeting with them, and the Council fully supports the project. I am not certain whether the physical work has already begun, but if they require any assistance, we will provide the necessary support.

HON. P.K. BALA.- Deputy Chairperson, a supplementary question. The existing building half half-completed, which is standing there. Was the Council involved in inspection during the construction period?

MR. P. JADURAM.- Deputy Chairperson, we do not know because we were not there.

HON. P.K. BALA.- Deputy Chairperson, we would appreciate it if you could provide this Committee, at a later stage, with the relevant information. It is important for us to know whether, during the time that building was constructed, Labasa Town Council was conducting progress inspections. This information is very important for the Committee's review.

DEPUTY CHAIRPERSON.- Just a final question from me. Labasa is very crowded, which is a fact. There is only one main street, and the town continues to grow. What plans does the Council have for the next ten years to accommodate this growth? Are there strategies to expand Labasa and address the traffic congestion in the main town? Does the Council have any long-term plans for upgrading Labasa, possibly even to city status?

MR. P. JADURAM.- Deputy Chairperson, I understand that in the last Parliament session, the Minister for Works indicated that an immediate bypass road would be constructed, along with a longer-term plan. The immediate plan, as explained by the Honourable Minister, involves a streamlined route from Nasekula to Labasa Bridge, and from the bridge to the other side. That was the explanation provided in the Parliamentary session last year.

HON. J. USAMATE.- As a Town Council responsible for the urban area, I have visited other places, such as Vatukoula, where they are able to provide detailed data on economic activity — for example, how much revenue and GDP are generated in that area as a percentage of fees, how many people are employed, and how much money is collected in company taxes, income taxes, and so on. Is this type of economic analysis something that Town Councils routinely undertake, including projections on how to increase employment and revenue, or is the Council's work limited to the types of activities already discussed?

MR. I. ALI.- Sir, we do not have that information. We are just limited to the information that we provide. Those are the information for other Ministries, I guess.

MR. S. LIGAIRI.- Deputy Chairperson, if I may, we currently have a volunteer from Australia working on town planning. He has been seconded by AusAID and is assisting with our Town Planning Schemes. At the moment, we are assessing the situation to determine the best approach. We have reviewed a few areas and consulted with the Police on how to manage traffic congestion during morning and afternoon peak times. They have conducted trials, which have resulted in some improvement, but we are still experiencing traffic issues. This is a significant concern, and we need to work closely with the Fiji Roads Authority, Fiji Police, and the Land Transport Authority to determine how we can better manage traffic and improve connectivity in these areas.

HON. P.K. BALA.- I am surprised to hear from the Chairman that you have engaged an Australian volunteer for town planning. We understand that the Government has engaged a Singaporean company to carry out master planning for all municipalities. How do these two initiatives connect? Are you proceeding independently, or is this coordinated with the Singaporean consultants, given that millions of dollars have been allocated to them for municipal master planning?

Mr. I. ALI.- Deputy Chairperson, for the master plan, the Australian Volunteer International is only assisting. The World Bank is doing the actual work.

HON. P.K. BALA.- So, in other words, a Singaporean consultant who has been engaged by the Government is not part of the planning for Labasa Town?

MR. I. ALI.- No, they are part of it.

DEPUTY CHAIRPERSON.- Thank you, Honourable Members. I believe that concludes today's session. I take this opportunity to thank the Honourable Members for their engagement during this public submission, and to express our gratitude to the team from Labasa Town Council who have travelled from the North to be with us this morning.

To the team — Mr. Jaduram, Mr. Ali, and Mr. Ligairi — thank you very much for your attendance. We wish you safe travels back home. Please note the Committee's requests; if you are able to provide the requested information, it will assist us in finalising our report to Parliament.

Without further ado, Honourable Members, our meeting for today is adjourned until Monday, when we will continue our discussions.

The Committee adjourned at 10.21 a.m.



# OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 735/1

18 November 2022

Mr. Ami Kholi  
The Chairman Special Administrators  
Labasa Town Council  
**LABASA**

Dear Mr. Kholi

**LABASA TOWN COUNCIL**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The audited financial statements for Labasa Town Council for the year ended 31 December 2018 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**

cc: Mr. Faiz Ali, Acting Chief Executive Officer, Labasa Town Council.

Encl.

**LABASA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**LABASA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**LABASA TOWN COUNCIL  
COUNCIL'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Council Report**

The Council herewith submits the statement of financial position as at 31 December 2018, the related statement of comprehensive income, statement of cash flows, and statement of changes in accumulated funds and reserves for the year then ended and reports as follows:

**Management staff**

Vijay Chand – Special Administrator Chairperson Labasa/Savusavu – resigned 13 February 2019

Justin Hunter – Special Administrator – resigned 28 August 2021

Shaheen Ali – Acting Special Administrator – resigned 16 February 2022

Doreen Miller – Special Administrator – appointed 28 August 2019

Ami Kholi – Special Administrator – appointed 16 February 2022

Mohammed Faiz Ali – Acting Chief Executive Officer – appointed 1 December 2020

**Principal activities**

The principal activities of the Council under the Local Government Act 1972 is to provide for the health, welfare and convenience of the inhabitants of the Labasa Town Municipality and to preserve the amenities or credit thereof.

**Results**

The operating surplus / (deficit) for the year is:

2018 \$233,836

2017 (\$141,799)

**Bad and Doubtful debts**

Prior to the completion of the Council's financial statements, management took reasonable steps to ascertain that action had been taken in relation to writing off of the bad debts.

As at the date of this report, the management are not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

**Basis of accounting**

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

**Events subsequent to balance date**

***Amendments to the Local Government Act 1972***

A recent amendment to the Local Government Act 1972 (Budget Amendment). Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in a newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit seven-month period from 1 January to 31 July 2020.

***Business Licenses***

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would no longer be collected by the Council.

***Base and Market Fees***

As announced in the 2021/2022 National Budget, the Government of Fiji will pay full stall fee for one year effective from 1 August 2021.

**LABASA TOWN COUNCIL  
COUNCIL'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

***Covid-19.***

Subsequent to balance date the corona virus disease (COVID-19) outbreak developed rapidly in 2020 bringing a significant health impact globally. Measures taken to contain the virus are already having an impact on global markets and economic activity and Fiji is also impacted with business disruptions and levels of activity already reducing in several market sectors. There is considerable uncertainty around the possible duration of and the resulting depth of impact that may arise subsequently from the disruptions caused.

The Council members and management are carefully considering the impact of the COVID-19 outbreak on the Council and assessing future operational options. The financial impacts, however, cannot be reasonably estimated at this time as it is largely attributable to matters the Council cannot control. Management and the directors believe the Council have sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage the business risks despite the current uncertain economic outlook due to the COVID-19 outbreak. They have a reasonable expectation that the Council have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Aside from the matters referred to above, no charge on the assets of the Council has arisen since the end of the financial period to the date of this report to secure the liabilities of any other person. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report, which in the opinion of the Board, will or may affect the ability of the entity to meet its obligation when they fall due.

**Other circumstances**

As at the date of this report:

- a) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the year for which the Council could become liable; and
- c) no contingent liabilities or other liabilities of the Council have become or are likely to become enforceable within the period of twelve months after the year end of the financial year which, in the opinion of the management, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, management are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing methods of valuation of the assets or liabilities of the Council misleading or inappropriate.

**Management benefits**

Since the end of the previous financial year, no management staff has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by management shown in the financial statements received as the fixed salary of a fulltime employee of the Council) by reason of a contract made by the Council with the management or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Council and in accordance with a resolution of the Special Administrator and the Management.

Dated this 8<sup>th</sup> day of November 2022.

  
.....

**Special Administrator**

  
.....  
**Acting Chief Executive Officer**

**LABASA TOWN COUNCIL  
STATEMENT BY THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

- (a) the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2018;
- (b) the accompanying statement of changes in accumulated funds and reserves is drawn up so as to give a true and fair view of the movement in the Council's funds for the year ended 31 December 2018;
- (c) the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2018;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of state of the cash flows of the Council for the year ended December 2018;
- (e) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as end when fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Council.

For on behalf of the Council and in accordance with the resolution of the Special Administrator and the Management.

Dated this 8th day of November 2022.



**Special Administrator**



**Acting Chief Executive Officer**



# OFFICE OF THE AUDITOR GENERAL

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## INDEPENDENT AUDITORS REPORT

Labasa Town Council

Report on the Audit of the Financial Statements

### Opinion

I have audited the financial statements of Labasa Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2018, Statement of Comprehensive Income, Statement of Changes in Accumulated Funds and Reserves, the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

### Basis for Qualified Opinion

Included in Trade Receivables balance of \$1,838,495 (Note 6) is rates receivable amounting to \$1,819,755 of which \$1,188,048 or 65% of total rates are over 90 days old. The Council has not made provision for impairment of rates receivable. Consequently, I am unable to ascertain if the rates receivable balance of \$1,819,755 is fairly stated as at 31 December 2018.

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

### Other information

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

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

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

### Responsibilities of Management and those charged with governance for financial statements

The Management of the Council and the Special Administrators are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act 1972 and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **Responsibilities of Management and those charged with governance for financial statements (con't)**

In preparing the financial statements, Management is responsible for assessing the Council'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.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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

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

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

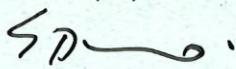
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's and Special Administrators' 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 Council'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 Council 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 Special Administrators 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 Local Government Act 1972 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 Council has kept financial records sufficient to enable the financial statements to be prepared and audited.

  
Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**



Suva, Fiji  
18 November, 2022



**LABASA TOWN COUNCIL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$	2017 \$
<b>Income</b>		
Rates:		
General Rates	1,194,624	925,423
Lighting Fund	-	109,318
	<u>1,194,624</u>	<u>1,034,741</u>
Less: rates discount	(37,264)	(35,367)
Less: interest discount	(22,195)	(120,854)
Less: town rate waiver	(18,622)	(2,512)
	<u>1,116,543</u>	<u>876,008</u>
Amortization of capital grant	34,406	34,406
Business license fees	192,663	164,902
Fees, charges and rent	845,822	839,773
Interest	-	136,250
Parking meter	92,857	28,858
Car park	33,386	25,569
Others	3,670	21,387
<b>Total income</b>	<u><b>2,319,347</b></u>	<u><b>2,127,153</b></u>
<b>Expenses</b>		
Depreciation	203,384	173,588
Administrative and operating costs	581,492	307,716
Auditors remuneration	10,769	26,781
Doubtful debts	-	141
Employee salaries and benefits	744,376	731,711
Finance costs	2,556	2,956
Maintenance costs	542,934	1,026,059
<b>Total expenses</b>	<u><b>2,085,511</b></u>	<u><b>2,268,952</b></u>
Other comprehensive income	-	-
<b>Total comprehensive surplus / (deficit) for the year</b>	<u><u><b>233,836</b></u></u>	<u><u><b>(141,799)</b></u></u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**COUNCIL MUNICIPAL FUNDS**

	2018	2017
	\$	\$
Opening balance as at 1 January 2018	9,182,555	9,238,688
Council write-off of Trade Receivables differences	-	157,584
Council recognized revenue correctly which initially was taken as trust funds	-	103,736
Refundable deposit wrongly being taken in FS	-	(53,369)
VAT receivables adjustment as per the SVA	-	(80,286)
	-	(1,610)
Surplus/(deficit) for the year	145,625	(285,410)
General Fund (Page 26)		
Lighting Fund (Page 28)	-	103,222
<b>Balance as at 31 December 2018</b>	<b>9,328,180</b>	<b>9,182,555</b>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**COUNCIL OTHER FUNDS**

	Note	Parking Meter Fund \$	Car Park Fund \$	Total \$
Opening balance as at 1 January, 2018		(247,836)	-	(247,836)
(Deficit)/surplus for the year (Page 27 & 29)	4	54,825	33,386	88,211
<b>At 31 December, 2018</b>		<b>(193,011)</b>	<b>33,386</b>	<b>(159,625)</b>
Opening balance as at 1 January, 2017		(262,657)	143,045	(119,612)
(Deficit)/surplus for the year (Page 27 & 29)	4	14,821	25,569	40,390
Adjustment to re-classify loan		-	(168,614)	(168,614)
<b>At 31 December, 2017</b>		<b>(247,836)</b>	<b>-</b>	<b>(247,836)</b>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.



**LABASA TOWN COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank and on hand	5(b)	858,499	781,577
Trade receivables	6	1,838,495	1,549,923
Other receivable	7	26,804	10,998
<b>Total current asset</b>		<b>2,723,798</b>	<b>2,342,498</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	2,025,080	2,104,459
Investment properties	9	5,920,893	5,926,959
Intangible assets	10	10,212	10,212
<b>Total non-current assets</b>		<b>7,956,185</b>	<b>8,041,630</b>
<b>TOTAL ASSETS</b>		<b>10,679,983</b>	<b>10,384,128</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	641,096	496,107
Provision for employee benefits	12	9,470	10,714
<b>Total current liabilities</b>		<b>650,566</b>	<b>506,821</b>
<b>Non-current liabilities</b>			
Deferred grant	14	860,862	895,268
Loan account	13	-	47,320
<b>Total non-current liabilities</b>		<b>860,862</b>	<b>942,588</b>
<b>TOTAL LIABILITIES</b>		<b>1,511,428</b>	<b>1,449,409</b>
<b>NET ASSETS</b>		<b>9,168,555</b>	<b>8,934,719</b>
<b>COUNCIL FUNDS</b>			
<b>Council Municipal Funds</b>			
Retained Earnings		9,328,180	9,182,555
<b>Council Trust Funds</b>			
Parking meter fund		(193,011)	(247,836)
Car park fund		33,386	-
<b>Total Council Trust Funds</b>		<b>(159,625)</b>	<b>(247,836)</b>
<b>TOTAL COUNCIL FUND</b>		<b>9,168,555</b>	<b>8,934,719</b>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	2,058,644	2,024,910
Payments to suppliers and employees	(1,816,462)	(2,061,715)
<b>Net cash provided/(used) by operating activities</b>	<b>5 (a) 242,182</b>	<b>(36,805)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(20,351)	-
Acquisition of investment properties	(97,588)	(249,302)
<b>Net cash flows used in investing activities</b>	<b>(117,940)</b>	<b>(249,302)</b>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(47,320)	-
<b>Net cash flow used in financing activities</b>	<b>(47,320)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents held	76,922	(286,107)
Cash and cash equivalents at beginning of year	781,577	1,067,684
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5 (b) 858,499</b>	<b>781,577</b>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1 Corporate Information**

The Labasa Town Council was incorporated in Fiji under the Local Government Act 1972. The address of its registered office and the principal place of business is Reddy's Place, P O Box 92, Labasa Town Council, Labasa. The principal activities under the Local Government Act 1972 is to provide for the health, welfare and convenience of the inhabitants of the Labasa Town Municipality and to preserve the amenities or credit thereof.

**2 Basis of Preparation**

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuations of non-current assets. The financial statements are presented in Fijian dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

**Standards, amendments and interpretations issued**

The following new standards, interpretations and amendments to standards relevant to the Council has been issued. The Council does not intend to apply these standards until their effective dates:

*IFRS 9, 'Financial Instruments'*

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairments on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Council is in the process of evaluating the potential effect of this standard.

**Statement of compliance**

The financial statements of Labasa Town Council have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board and the Local Government Act 1972.

**The Labasa Town Council reporting entity**

All funds through which the council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

The Labasa Town Council has received parking monies in compliance with Traffic Act and the contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council funds.

Amounts received as tender deposits and retention amounts controlled by the Council are included in the Financial Statements, disclosed as "sundry deposits" under current liabilities.

*Significant accounting judgements, estimates and assumptions*

The preparations of the Council's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

*Judgements*

In the process of applying the Council's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2 Basis of Preparation**

**Statement of compliance (continued)**

*Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimations uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

*Impairment of non-financial assets*

The Council assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

**3 Summary of Significant Accounting Policies**

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(b) Investment and other financial assets**

*Initial recognition of financial instruments*

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisitions or issue.

*Receivables*

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the income statement when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred.

Rates received in advance of the rating period are recognized as a liability.

**(c) Impairment of financial assets**

The Council assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses reversed, to the extent that the carrying value of the asset does not

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 Summary of Significant Accounting Policies**

**Impairment of financial assets (continued)**

exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the income statement. In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Council will not be able to collect all the amounts due under the original terms of the invoice. The carrying amount of the receivables is reduced through use of an allowance account. Impairment debts are derecognized when they are assessed as uncollectible.

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

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Land and building	2.5%
Office equipment	10%
Motor vehicle	18%
Tools, plant and equipment	10%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized.

The asset's residual value, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Council are assessed to be finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 Summary of Significant Accounting Policies**

**(f) Impairment of non-financial assets**

The Council assesses at each reporting date or more frequently if events or changes and circumstances indicate that the carrying value may be impaired, whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Council makes an estimate of the recoverable amount. A previously recognized impairment less is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

**(g) Investment property**

Investment property is stated at cost less accumulated depreciation impairment losses. Such costs include the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in income statement as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Land and Building	2.50%
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Premiums on leasehold land are capitalized and amortized over the term of the lease.

An item of investment property is derecognized upon the disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the assets are recognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**(h) Fund accounting**

The Labasa Town Council has adopted a fund accounting system, as a considerable part of annual revenues comprises of rates for different purposes and special purpose funds are required by the Local Government Act 1972. Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of funds available to be carried forward into the next financial year.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of Special Purpose Funds maintained by the Council are:

**Parking meter fund**

The Council in compliance with the Traffic Act, has to maintain a separate account for the operation of parking meters in designated areas of roads within the city.

**Car park fund**

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 Summary of Significant Accounting Policies**

**(i) Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**(j) Employee entitlement**

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of the employees' services up to that date.

**(k) Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Council as a lessee

Finance leases which transfer to the Council substantially all the risk and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are appropriate between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Capitalized lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Council will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

**(l) Trade and other payable**

Liabilities for other payables are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

**(m) Deferred grant**

Plant and equipment acquired through donations and grants are brought to account as assets. Such donations and fundings are treated as deferred income which are brought to income over the asset's estimated useful life.

**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 Summary of Significant Accounting Policies**

**(n) Revenue recognition**

Revenue is recognized in the financial statements using the accrual concept of accounting.

**(o) Income tax**

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act 2015.

**(p) Comparative figures**

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



**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**4 Surplus for trust fund**

	2018 \$	2017 \$
<b>Parking meter fund</b>		
Total revenue	92,857	28,858
<b>Expenditure</b>		
Salaries and wages	20,415	6,118
Repairs and maintenance	10,888	3,647
Others	6,729	4,272
Total expenditure	38,032	14,037
<b>Net surplus for the year</b>	<b>54,825</b>	<b>14,821</b>
<b>Car park fund</b>		
Total revenue	33,386	25,569
Total expenditure	-	-
<b>Net surplus for the year</b>	<b>33,386</b>	<b>25,569</b>
	<b>88,211</b>	<b>40,390</b>

**5 Cash and cash equivalents**

**(a) Reconciliation of result for the year to cash flows from operating activities**

Reconciliation of net surplus/(deficit) to cash provided/(used) by operating activities:

Surplus/(deficit) for the year	234,705	(141,799)
<i>Non-cash flows in profit:</i>		
- depreciation	203,384	173,588
- adjustment to reclassify loan	-	168,614
- Council recognized revenue correctly which initially taken as trust funds.	-	(103,736)
- refundable deposit wrongly taken in financial statements	-	53,369
- VAT receivable adjusted as per the SVA	-	80,286
- Council write-off of trade receivables difference	-	(157,584)
- prior period adjustment	-	255
<i>Changes in assets and liabilities:</i>		
- (increase)/decrease in other receivable	(304,378)	(133,518)
- increase/(decrease) in trade and other payables	142,877	69,602
- increase/(decrease) in deferred income	(34,406)	(34,406)
- increase/(decrease) in provisions	-	(11,476)
<b>Net cash flows provided/(used) by operating activities</b>	<b>242,182</b>	<b>(36,805)</b>

**(b) Cash at bank and cash on hand**

Cash at bank	128,947	217,854
Cash at bank - Trust funds	729,298	563,302
Cash on hand	254	421
<b>Total cash at bank and cash on hand</b>	<b>858,499</b>	<b>781,577</b>

As the Council performs a custodian role, Cash at Bank - Trust Funds are only to be used for development of car parks, parking meter areas and capital projects.

**LABASA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**6 Trade receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Parking Meter	18,740	18,740
General Account	1,819,755	1,531,183
<b>Total trade receivables</b>	<b>1,838,495</b>	<b>1,549,923</b>

**7 Other receivables**

Deposit	1,368	1,368
Advances	20,500	2,774
Prepayments	4,936	6,244
Sundry	-	612
<b>Total other receivables</b>	<b>26,804</b>	<b>10,998</b>

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8 Property, plant and equipment**

	Land and Buildings \$	Office Equipment \$	Plant, Machinery and Tools \$	Motor Vehicles \$	Total \$
<b>Gross carrying amounts</b>					
At 31 December 2017	1,732,483	168,702	285,222	434,789	2,621,196
Additions	-	6,734	13,617	-	20,351
Disposal	-	-	-	-	-
<b>At 31 December 2018</b>	<b>1,732,483</b>	<b>175,436</b>	<b>298,839</b>	<b>434,789</b>	<b>2,641,547</b>
<b>Accumulated depreciation</b>					
At 31 December 2017	55,459	90,230	109,824	261,224	516,737
Depreciation	10,913	19,308	27,913	41,596	99,730
Disposals	-	-	-	-	-
<b>At 31 December 2018</b>	<b>66,372</b>	<b>109,538</b>	<b>137,737</b>	<b>302,820</b>	<b>616,467</b>
<b>Net carrying amount</b>					
As at 31 December 2017	1,677,024	78,472	175,398	173,565	2,104,459
As at 31 December 2018	1,666,111	65,898	161,102	131,969	2,025,080

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9 Investment properties**

	2018	2017
	\$	\$
Deemed cost:		
At 1 January 2018	6,377,189	6,191,477
Additions	97,589	185,712
	<u>6,474,778</u>	<u>6,377,189</u>
Depreciation and impairment		
Opening balance	450,230	346,713
Depreciation charge for the year	103,655	103,517
Closing balance	<u>(553,885)</u>	<u>(450,230)</u>
Net book value	<u>5,920,893</u>	<u>5,926,959</u>

**10 Intangible assets**

Deemed cost:		
Opening balance	10,212	10,212
Additions	-	-
Closing balance	<u>10,212</u>	<u>10,212</u>
Net carrying value	<u>10,212</u>	<u>10,212</u>

**11 Trade and other payables**

Trade creditors	131,079	51,434
Deposits	421,371	405,762
Income received in advance	5,579	6,329
VAT Payable	-	1,610
Other payable	83,067	30,972
Total trade and other payables	<u>641,096</u>	<u>496,107</u>

**12 Provision for employee benefits**

Annual leave	9,470	10,714
	<u>9,470</u>	<u>10,714</u>

The above annual leave obligation is expected to be settled within 12 months and are measured as the amount unpaid at the reporting date at pay rates in respect of employee services up to that date.

**13 Loan Account**

Monetary funds	-	27,378
Other deposits	-	19,942
	<u>-</u>	<u>47,320</u>

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>14 Deferred grant</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
As at 1 January	895,268	929,674
Grant received	-	-
Released to the income statement	(34,406)	(34,406)
At 31 December	<u>860,862</u>	<u>895,268</u>

The deferred grant relates to a backhoe loader donated by the Japanese embassy in December 2011. In 2015 a grant of \$247,500 and \$331,287 was received from Local Government and UN Women respectively for the upgrade of Labasa market.

**15 Obligations under operating leases**

The Council holds a piece of land with an estimated useful life of 54 years under a 99-year lease term. The future minimum lease payment are as follows:

Within one year	19,347	19,347
Later than one year but within five years	19,347	38,694
	<u>38,694</u>	<u>58,041</u>

**16 Related parties**

a. Key management personnel compensation.

The total remuneration of key management in 2018 (including salaries and benefits) was \$53,996 (2017: \$65,475)

b. Fiji National Provident Fund

	<u>4,678</u>	<u>4,968</u>
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**17 Contingent liabilities**

As at 31 December 2018, the Council's contingent liabilities not otherwise provided for in the financial statements amounted to \$Nil (2017: \$Nil)

**18 Comparatives**

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

**19 Events subsequent to balance date**

**Amendments to the Local Government Act 1972**

A recent amendment to the Local Government Act 1972 (Budget Amendment). Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in a newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit seven-month period from 1 January to 31 July 2020.

**Business Licenses**

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would no longer be collected by the Council.

**Base and Market Fees**

As announced in the 2021/2022 National Budget, the Government of Fiji will pay full stall fee for one year effective from 1 August 2021.

**LABASA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**19 Events subsequent to balance date (continued)**  
**Covid-19**

Subsequent to balance date the corona virus disease (COVID-19) outbreak developed rapidly in 2020 bringing a significant health impact globally. Measures taken to contain the virus are already having an impact on global markets and economic activity and Fiji is also impacted with business disruptions and levels of activity already reducing in several market sectors. There is considerable uncertainty around the possible duration of and the resulting depth of impact that may arise subsequently from the disruptions caused.

The Council members and management are carefully considering the impact of the COVID-19 outbreak on the Council and assessing future operational options. The financial impacts, however, cannot be reasonably estimated at this time as it is largely attributable to matters the Council cannot control. Management and the directors believe the Council have sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage the business risks despite the current uncertain economic outlook due to the COVID-19 outbreak. They have a reasonable expectation that the Council have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Aside from the matters referred to above, no charge on the assets of the Council has arisen since the end of the financial period to the date of this report to secure the liabilities of any other person. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report, which in the opinion of the Board, will or may affect the ability of the entity to meet its obligation when they fall due.

**20 Principal activities**

The Council was established under the Local Government Act 1972 to provide for the health, welfare and convenience of the inhabitants of the Labasa Town Municipality and to preserve the amenities or credit thereof.

**21 Approval of financial statements**

These financial statements were approved by the Council and authorized for issue on the .....<sup>15<sup>th</sup></sup> day of .....<sup>November</sup>....., 2022.

**LABASA TOWN COUNCIL**  
**DETAILED INCOME STATEMENT - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
General rates	1,194,624	925,423
Less: rates discount	(37,264)	(35,367)
	<u>1,157,360</u>	<u>890,056</u>
Interest on overdue rates	-	136,250
Less: town rates waiver	(18,622)	(2,512)
Less: interest written off	(22,195)	(120,854)
	<u>(40,817)</u>	<u>12,884</u>
Fees, charges and rents	845,822	839,773
Amortization of capital grant	34,406	34,406
Business and trading license	192,663	164,902
Grant	3,670	-
Miscellaneous	-	21,387
	<u>2,193,104</u>	<u>1,963,408</u>
<b>Total revenue</b>		
<b>Less: Expenditure</b>		
Advertising	7,391	8,061
Awareness expenses	2,155	12,791
Audit fees	10,769	26,781
Contacted maintenance and cleaning	279,961	434,890
Depreciation and amortization	203,385	173,588
Doubtful debts	-	141
Fiji National Provident Fund	56,061	68,148
Garbage service	200,980	205,831
Insurance	13,538	11,785
Incidental	18,557	7,879
Wages and salaries and other benefits	592,800	617,969
Land lease	16,712	17,855
Legal	49,294	25,377
Maintenance	51,106	385,006
Printing and stationery	22,076	32,957
Travel and subsistence	38,021	17,696
Utilities	145,583	115,365
Uniform and protective clothing	18,896	18,029
Town and planning	6,165	2,492
Bank charges	2,324	2,735
FNU and FBT	18,183	9,868
Civic Reception	16,295	9,541
Other expenses	277,227	44,033
	<u>2,047,479</u>	<u>2,248,820</u>
<b>Total expenditure</b>		
<b>Operating surplus/ (deficit) for the year</b>	<u>145,625</u>	<u>(285,410)</u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL**  
**DETAILED INCOME STATEMENT - PARKING METER FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>Revenue</b>		
Meter tolls	61,623	18,578
Infringement Fine	30,199	10,280
Other income	1,035	-
	<u>92,857</u>	<u>28,858</u>
<b>Expenditure</b>		
Depreciation	-	1,185
FNPF	2,339	610
Maintenance	10,888	3,647
Miscellaneous	520	210
Printing and stationery	3,052	1,532
Wages and related payments	20,415	6,118
Bank interest	232	221
Electricity	586	183
Other expenses	-	331
<b>Total expenditure</b>	<u>38,032</u>	<u>14,037</u>
<b>Operating surplus / (deficit) for the year</b>	<u><b>54,825</b></u>	<u><b>14,821</b></u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.



**LABASA TOWN COUNCIL  
DETAILED INCOME STATEMENT - LIGHTING FUND  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Lighting rate	-	109,318
	<u>-</u>	<u>109,318</u>
<b>Expenditure</b>		
Maintenance and installation of festoon light	-	6,096
	<u>-</u>	<u>6,096</u>
<b>Net surplus for the year</b>	<u>-</u>	<u>103,222</u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

**LABASA TOWN COUNCIL  
DETAILED INCOME STATEMENT- CAR PARK FUND  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Car Park Fees	33,386	25,569
	<u>33,386</u>	<u>25,569</u>
<b>Expenditure</b>		
Management expenses	-	-
	<u>-</u>	<u>-</u>
<b>Operating surplus of the year</b>	<u>33,386</u>	<u>25,569</u>

The above statement is to be read in conjunction with the notes to and forming part of the financial statements.

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**RE: Labasa Town Council - Repeal Business Licensing Act 2020**

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**From** managerfinance@ltc.com.fj <managerfinance@ltc.com.fj>

**Date** Wed 11/19/2025 3:57 PM

**To** Lia Korodrau <lia.korodrau@legislature.gov.fj>

**Cc** Rishi Dutt <rishi.dutt@legislature.gov.fj>; labasatcouncil@gmail.com <labasatcouncil@gmail.com>

Good Afternoon,

Reference is made to the LTC Response for Annual Report of year 2018 which was submitted on 24/10/2025.

The Business License was ceased from 01/08/2020 [ Bill No. 29 of 2020]. Based on the Business License income projection of 2018 and 2019 figures, Labasa Town Council had lost income on an average of \$200,000.00 per financial year.

- Financial Year 2020/2021 - \$200,000.00 estimate;
- Financial Year 2021/2022 - \$200,000.00 estimate;
- Financial Year 2022/2023 - \$200,000.00 estimate;
- Financial Year 2023/2024 - \$200,000.00 estimate;
- Financial Year 2024/2025 - \$200,000.00 estimate;

In total Labasa Town Council has lost close to \$1,000,000.00 in estimated from the Business License revenue stream.

Kindly submitted.

Thank you.

Irfan Ali  
A/CEO  
Labasa Town Council

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**From:** Lia Korodrau <lia.korodrau@legislature.gov.fj>

**Sent:** Wednesday, 19 November 2025 3:12 pm

**To:** managerfinance@ltc.com.fj; managerfinance@ltc.com.fj; labasatcouncil@gmail.com

**Cc:** Rishi Dutt <rishi.dutt@legislature.gov.fj>

**Subject:** Labasa Town Council - Repeal Business Licensing Act 2020

Good afternoon Sir,

The Committee is in its final stage of finalizing the Labasa Town Council 2018 Annual report.

The Committee would like to know the amount that has been lost when the Act was implemented.

Vinaka