

Annual Report January – July 2016



March 2018

Contact Address

Level 4 Fiji Development Bank Building 360 Victoria parade SUVA

P.O. Box 16550 SUVA

Telephone310 0114 or 310 0115Fax310 0044Emailinfo@fijiroads.orgWebsitewww.fijiroads.org

Front Cover: Malawai Foot Crossing, Gau

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CHAIRMAN'S INTRODUCTION



The nation endured great challenges as a result of TC Winston in February this year. It not only shattered people's lives but also had a great impact on our transport infrastructure causing major damage to our roads, bridges, crossings and jetties. The Fiji Roads Authority had a great undertaking on their hands to respond and restore access around the country in the shortest timeframe and the tireless efforts put in by the FRA team, maintenance contractors and consultants resulted in most of the access-ways being opened within 10 days after TC Winston. The repairs and recovery process will continue into 2017, given the extent of damage around the country.

The FRA also had to adjust its operation and reporting period for seven months this year due to change in Government's financial year. As a result, we worked hard as a team to achieve what we had initially planned for 12 months. The submission of the PSIP was brought forward and accelerated and that was a major effort of the FRA management and consultants.

Our partnership with Government was enhanced with the signing of the Agreement for the Development of Rural Roads for the four Division on the 2nd February 2016 and will be monitored through monthly meetings with the Commissioners.

Part of the service delivery review saw the establishment of FRA offices in the Central, Western and Northern divisions. This will enhance our ability to engage with key stakeholders and create a more appropriate level FRA representation. Preparations and scoping has begun for the rollout of Western Village Streetlight and this will see the installation and commissioning of standalone lights in the next financial year.

The FRA's Board of Directors welcomes Mr. John Hutchinson as the new CEO. John has more than 30 years' experience and will be working closely with the Board to lead the transformation and improvement of the transportation industry in Fiji. I also take this opportunity to acknowledge the effort of Acting Chief Executive, Mr. Rory Garland and wish him well as he returns home.

The FRA will continue to deliver on Government's ongoing commitment to create infrastructure access for all Fijians and I look forward to sharing this successful journey with the people of Fiji

Dinesh Patel Chairman

CHIEF EXECUTIVE'S REVIEW



2016 has been a short year. Four years into being a standalone entity with six months funding and then preparation for the new financial year and reporting.

FRA understands that flexibility is needed, particularly when large sums of taxpayers' funds are at stake.

There has been an increase in the investment in the maintenance and construction of existing assets. In late 2015 the FRA undertook extensive community consultation and engagement with all

stakeholders to identify community and Government priorities in relation to rural roads. These consultations resulted the establishment of an agreed list of road and bridge upgrade works in each Division for the next three years.

A Memorandum of Agreement was signed in February 2016 between each Commissioner of the Ministry of Rural and Maritime Development and National Disaster Management and FRA confirming and agreeing the priority of roads and bridge upgrades. The FRA programme of Rural Roads works is based on the agreed list of priorities provided by the Commissioners.

Whilst FRA has a programme of replacing existing crossings, the reinstatement work will continue to take place and restore access. The common problem with Irish Crossings is that the approaches get washed away by strong currents. Works on the replacement of the structures has continued and works will continue for five more crossings.

2016 saw the trend of the past few years continue with the number of customers using our network growing rapidly as mobility improves, car ownership increases and the economy expands. A worrying trend is the increase in fatalities and serious injuries. Significant future investment in all aspects of road safety must continue in years to come if Fiji is to arrest and reverse this trend.

Overloading also continues to be a major issue for Fiji. When combined with the cost of road crashes there is somewhere in the order of \$100 - \$150 million in avoidable costs being borne by taxpayers in Fiji.

FRA will continue to monitor the trends in these key areas and promote strategies to Government to address the problems in a constructive and inclusive manner.

Robert Jeg

Robert Sen Acting Chief Executive Officer

Fiji Roads Authority Board of Directors



Mr Dinesh Patel (Chairman)



Ms Preetika Prasad







Ms Salaseini Serulagilagi



Mr Sanjay Kaba

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OUR MISSION, GOALS AND PERFORMANCE TARGET

MISSION

A better land transport network for Fiji.

VISION

An affordable, integrated, safe, responsive and sustainable network of roads, bridges and jetties.

GOALS

- (a) To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.
- (b) To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals.
- (c) To develop capacity and capability at all levels of the Roading industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.

2016 PERFORMANCE TARGETS See Section 4.

HOW THE FRA'S MISSION, VISION, GOALS AND PERFORMANCE TARGETS CONTRIBUTE TO FIJI'S OVERALL DEVELOPMENT

The Fiji Government's Key Pillars to which this Mission and Vision and these Goals and Targets contribute are:

- (a) Constitution of the Republic of Fiji 2013 reasonable access to transportation.
- (b) Developing a common national identity and building social cohesion.
- (c) Enhancing public sector efficiency, performance effectiveness and service delivery.
- (d) Achieving higher economic growth while ensuring sustainability.
- (e) Developing an integrated development structure at the divisional level.
- (f) Reducing poverty to a negligible level by 2016.



1. About the Fiji Roads Authority

Better transport infrastructure is essential for Fiji's development

The success of Fiji's development is dependent on infrastructure that is reliable enough to encourage people and businesses to invest in the future. Reliability means that the service being delivered by the infrastructure is consistently available without interruption. Infrastructure standards are largely driven by the need for reliability.

The core element of this infrastructure is the road network. It provides the means for the movement of people and goods between businesses and local and international markets. Roads enable people to get to jobs, education and health facilities. Without reliable transport these vital connections will remain fragile and Fiji's development will be constrained.

This road network is the most valuable built asset Fiji owns. Years of investment and effort have gone into building over 7,416 km of roads and 1,251 bridges and 47 jetties that FRA owns and manages. If this massive infrastructure is going to serve Fiji's future development needs, then two things have to be done:

- 1. improve the safety and reliability of the existing network; and
- 2. expand the network to provide the capacity for sustained growth.

Fiji Roads Authority was set up to fast track the recovery and expansion of the network

The Fiji Roads Authority (FRA) was established in 2012 to effectively manage and develop Fiji's road network (see Appendix 'A' for a copy of the Fiji Roads Authority Decree 2012) and became fully operational on 1st January 2013. Over the first three years of operation we moved from a standing start to managing a \$260 million-plus programme of maintenance, renewal and capital projects.

The FRA uses international best practice of asset management to undertake its function. This is how other developed and developing countries look after their transport, water, electrical and other infrastructure networks. Asset management involves using long term planning to provide the required service at the best value for money. Long term planning is essential.

FRA is responsible for Fiji's most valuable built asset

The FRA's 'assets' are all of Fiji's roads, bridges and jetties. This includes the land on which our assets are situated, together with all the associated infrastructure such as drainage, street lighting, traffic signals and other street furniture. We also consider our buildings, vehicles and other operational equipment as part of our asset portfolio. They are all managed and maintained using the same principles.

As Per our latest estimate these assets are worth over \$12 billion making the road and maritime network Fiji's most valuable built asset. The geographic extent of the FRA's assets are illustrated in Figure 1. A full summary of the asset valuation is provided in Table 29.

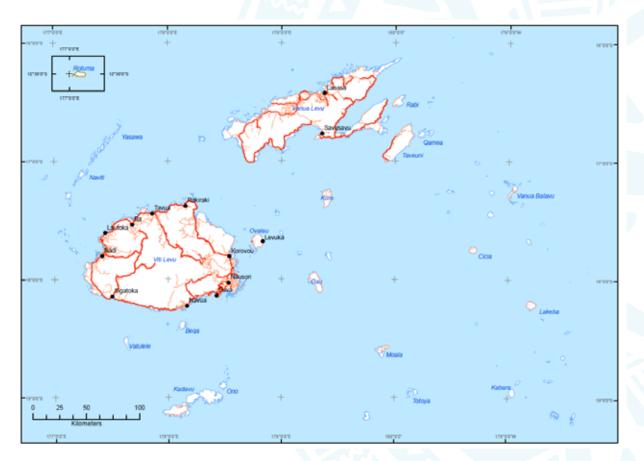


Figure 1 - FRA assets include roads, bridges and jetties on all of Fiji's islands

To make the network more manageable, it has been divided into three sections consistent with the administrative divisions of Fiji. Table 1 shows the length of the sealed and unsealed roads in each division. FRA has developed and is progressively improving a GIS-based Asset Management System which will hold a complete description of all of our roads, bridges and jetties.

Division	Roads (kms)			Bridges	Jetties
	Sealed	Unsealed	Total		
Central-Eastern Division	716	1680	2396	427	30
Western Division	600	2343	2943	440	4
Northern Division	404	1673	2077	384	13
TOTAL COUNTRY	1,720	5,696	7,416	1,251	47

Table 1 - FRA's Assets

FRA pro-actively maintains, plans and develops the road network to meet Fiji's immediate and long term needs

FRA has been given the task of developing a road network which meets the needs of a developing Fiji. Our approach is to focus on two core activities:

- 1. Maintaining the road network to keep it in the desired condition; and
- 2. Expanding and developing the network to meet tomorrow's needs.

Maintenance should be planned and pro-active, otherwise the safety and reliability of the network declines rapidly, or costs spiral out of control. FRA is committed to recovering from the previous decline of the network and getting ahead of the deterioration by carrying out a systematic and routine maintenance programme.

This is international best practice and is proven to be the only way to bring long term costs under control and provide a safe and reliable network. Ad-hoc decision making driven by anything other than a well-planned asset management and maintenance intervention strategy will cost more over the life of the asset.

FRA's massive programme of building new roads and widening existing ones will provide extra capacity for economic growth as well as connecting isolated parts of the country to economic and social opportunity.

Long term planning is the key to good investment decisions

Expenditure and investment of this magnitude requires careful long term planning to ensure the money is spent properly and wisely. This is why the FRA was set up as a planning and procurement authority with transparency and accountability underpinning everything we do.

All of our operational practices, planning principles, risk management, reporting frameworks and resource management are set out in an integrated set of manuals. This represents international best practice.

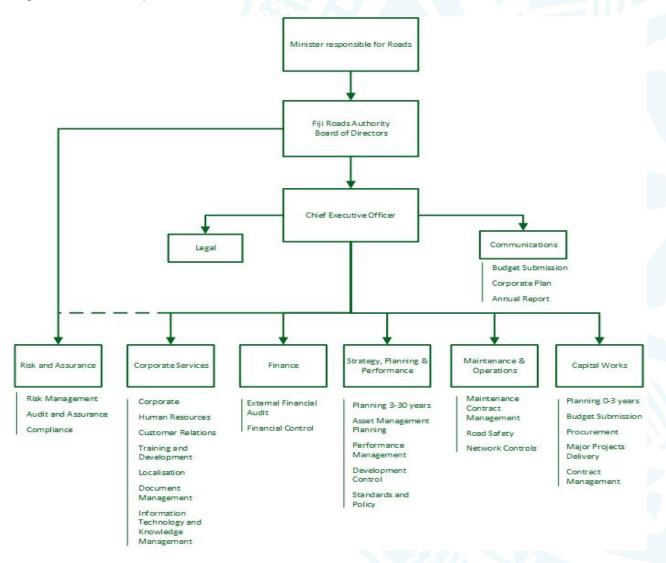
FRA procures all work from the private sector under the scrutiny of a Board

As a statutory corporate entity the FRA is accountable to the Minister for Infrastructure and Transport through a Board appointed by the Minister.

Under the CEO there are eight functional areas, each with a manager reporting directly to the CEO. FRA's structure is illustrated in Figure 2.

Fiji Roads Authority

Figure 2 - FRA's Corporate Structure



FRA manages the road assets primarily through out-sourced contracts with the private sector. The exception to this is certain maintenance work carried out by Municipal Councils and the management of roads on the Outer Islands which are administered by the Ministry of Rural and Maritime Development under an MoU with FRA.

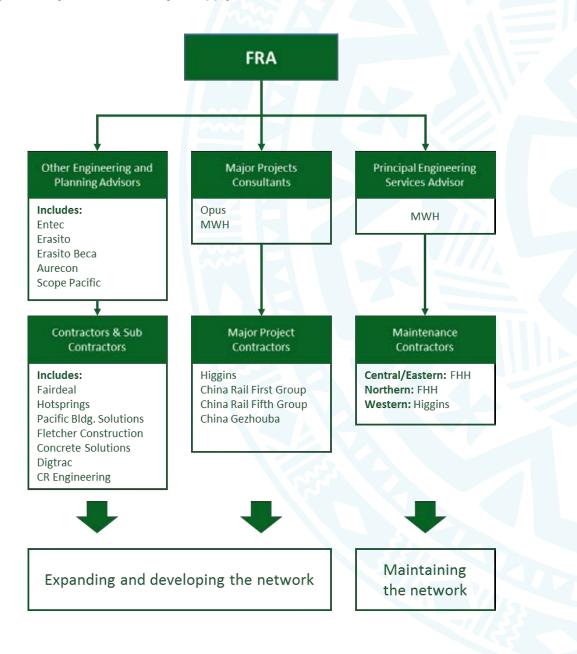
A competitive and diverse supply chain maintains, designs and builds the network

Over the course of 2013, 2014, 2015 and 2016 FRA has been facilitating the development of a sustainable and diverse supply chain to deliver the work. We have made good progress in expanding the role of Fijian involvement and Fijian companies in this supply chain and will continue to make this one of our top priorities in 2016-17. This supply chain will also evolve as we review our preferred service delivery model.

The structure and functions of the supply chain is shown in Figure 3. The key to delivering value for money from this supply chain is through competition and effective contract management. In 2016, FRA will continue to encourage the entry of new, high quality, participants both local and international into our supply chain. We will also be packaging our projects in a way that provides opportunities for Fijian companies to get experience in international best practice consulting and contracting projects.

두 Fiji Roads Authority

Figure 3 - Fiji Roads Authority's Supply Chain



2. Overview of FRA's 2016 Programme Delivery

The January to July 2016 period has been successful period for FRA. We have delivered more than a quarter billion dollars' worth of programme. The vast majority of this effort was physical work, maintaining and improving Fiji's network of roads bridges and jetties.

In this section we explain how our programme is managed and give an overview of how the budget was spent.

How we manage our work programme

The FRA manages a programme of work which is made up of over 200 items, many of which represent hundreds of separate sub-activities. In order to manage this huge number of different types of activity and expenditure in a coordinated, open and transparent way, we divide the programme into 13 categories of work and spending.

Table 2 - Types of Work and Expenditure

Activity Area	Description		
Operations			
FRA MANAGEMENT AND OPERATIONS	The costs of FRA's staff, premises, equipment, vehicles and other items which are essential to the effective operation of the business.		
PROFESSIONAL AND TECHNICAL SERVICES	Includes fees for specialist technical and management support including expenditure on IT systems to improve the efficiency of our network management.		
Work Programme			
MAINTENANCE	The work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as all the routine works such as vegetation control and keeping drainage systems clear.		
EMERGENCY WORKS	Any work that has to be done to repair damage caused by flooding or extreme weather events. This might include stabilising land slips, fixing bridges or repairing damaged drainage systems.		
RENEWALS - ROADS AND SERVICES	When assets (roads bridges and jetties) reach a certain level of		
RENEWALS - BRIDGES	deterioration they become too expensive to keep on fixing and maintaining. At this point it represents better value to rebuild the asset		
RENEWALS - JETTIES	from scratch. Many of Fiji's roads and bridges have reached this point.		
NEW CAPITAL (Safety)	New Capital represents the work we do to extend and upgrade the		
NEW CAPITAL (Access)	networks. This includes new roads as well as existing ones that we		
NEW CAPITAL (Community)	widen or improve substantially.		
NEW CAPITAL (Congestion)	We categorise New Capital according to the primary purpose for building the new asset. For example: projects which are primarily		
NEW CAPITAL (Tourism)	safety fit into that category; projects such as road widening in Suva are		
NEW CAPITAL (Resilience)	primarily about reducing congestion.		
ADVANCE PAYMENTS	It is common international practice to make advance payments to contractors. This provides them with funding to help with initial setup costs. Overall this will provide better value for FRA than having to pay the higher interest rates which the contractor would incur by borrowing this funding on the open market.		
	Importantly for FRA this helps local contractors get into the market by removing their need to finance their establishment costs.		

One of the ways we measure progress throughout the year is through 'expenditure'. Expenditure is the dollar value of the work that has been done. For example, if one of our contractors is building an embankment for a road and moves 1000m³ of earth for a particular task, then this work is measured and recorded. But expenditure is only one aspect. Other measures that are routinely monitored include being satisfied that everything is within the approved scope and according to the specified technical standards; that it is of the required quantity and quality, and has been completed in the agreed timeframe.

It is important to understand that our contractors are only paid for the work they have agreed with our representatives and completed satisfactorily. Where work is later found to be defective the contractor is required to undertake remedial works at his own cost.

Under most of our contractual arrangements the physical work that is done is not paid for until 56 days after the claim for that work has been submitted. This means that we have sufficient time to verify that the work has been completed to the required standard.

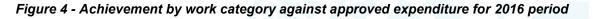
Flexibility to account for unexpected events

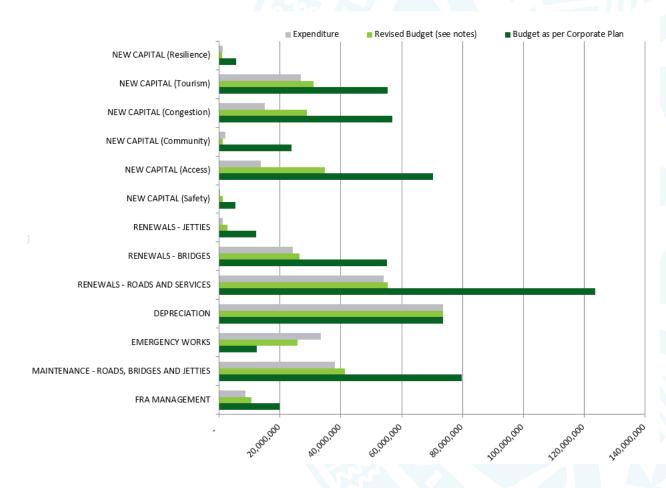
FRA understands that flexibility is needed, particularly when large sums of taxpayers' funds are at stake. One of the ways in which Government provides itself with fiscal flexibility is the use of *Requisition to Incur Expenditure (RIE)*. Funds that are appropriated through the annual budget processes of parliament can be placed under Requisition which means that in order to incur expenditure against those funds the approval of the Minister for Finance is required. This is done on a quarterly basis. It allows the Minister for Finance to better manage demand side and supply side constraints.

In 2016 FRA utilised 88% of budgeted expenditure

The expenditure (work done) against the revised budget is shown in Figure 4. Compared to the original intentions conveyed in the 2016 Corporate Plan the achievement rate overall is 88%. Overall the expenditure against each category is very close to the revised budget. Areas of notable over or under expenditure are detailed below:

- Emergency Works \$7million over expenditure. A significant proportion of this was simply due to the damages from Cyclone Winston.
- New Capital Access The Rural Roads programme continues to suffer from slow progress due to the inability of Contractors to obtain sufficient quantities of gravel in a timely manner. This is a major issue for Fiji and one for which FRA continues to seek procedural change to address.





Note: The substantial change between Corporate Plan budget and Revised Budget is the change of the financial year end from December to July to align with government's year end. The Corporate Plan Budget is from January to December 2016 however the revised budget is for the period January to July 2016.

3. FRA's Statement of Service Performance

FRA is a corporate entity expected to increase its staff to 120. The FRA itself is responsible to Government for maintaining and building roads, bridges and jetties across Fiji. We plan the work programme and make sure it gets done to the right standard, on time and within budget. All the technical and physical work that needs to be done is carried out by consultants and contractors through formal contractual arrangements.

The FRA operates as a business and has all the corporate, finance and programme management structures in place to perform its function. In this section we review the FRA's work over the course of over the 2016 period.

3.1 FRA's Management Costs

FRA was established in 2012 by Decree. At that time all the functions of looking after Fiji's network of roads bridges and jetties were carried out by an interim change manager. Since that standing start the FRA has come a long way and is now a fully functioning business. The transition continued over the course of 2016 and the FRA has now taken responsibility for all the anticipated roles however change will continue throughout 2016-17 period as FRA now seeks to take back 'in-house' a number of key functions that have been outsourced since 2012.

Table 3 - FRA Management Costs

FRA Management	Corporate Plan Budget (\$) 12 Months	Revised Budget (7 months)	Expenditure (\$)
Salaries	5,477,451	2,940,606	2,116,094
Other Costs			
Recruitment	176,000	219,500	210,831
 Accounting and Finance (including Audit Fees) 	100,000	87,500	28,863
 Vehicles' Hire and Operation 	198,000	115,500	76,499
 Office Expenses – Power, Travelling etc. 	390,191	234,242	234,242
Rent	226,500	135,125	135,125
Legal Fees	50,000	52,519	52,519
 Insurances 	141,000	64,436	64,436
 Archives – Storage 	36,000	20,999	5,573
 Communications (including website) 	490,292	286,919	192,839
 Data Improvements 	240,000	347,853	347,853
 Asset Management Improvements 	120,000	70,000	52,706
 Training & Development 	270,000	128,550	56,417
 Establishment Costs 	87,000	50,000	48,998
 Travel & Accommodation 	500,000	155,049	145,513
 Directors Fees 	80,000	10,666	3,833
 Board Expenses 	30,000	10,260	4,016
 Miscellaneous expenses not covered above 	-		(41,717)
Value Added Tax (VAT)	282,148	178,061	160,767
Total FRA Management	\$8,894,582	\$5,107,785	\$3,895,405

3.2 Professional and Technical Services

Professional and Technical Services include a range of support services provided to FRA for improving the range and quality of data and various other activities. This account also includes provision and expenditure against various taxes.

Table 4 - Professional and	Technical Services
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Professional and Technical Services	Corporate Plan Budget (\$) 12 Months	Revised Budget (7 months)	Expenditure (\$)
Professional Fees			
Network Controls	760,000	431,772	408,961
Asset Management Plan	70,000	23,333	-
 Safety Management Plan 	20,000	6,667	-
Project Management & Reporting	1,025,000	882,609	990,070
 Budget & Corporate Plan 	100,000	164,972	181,039
General Support	1,055,000	662,057	1,141,254
 Asset Management System 	1,000,000	490,535	382,498
 Tax Expenses - WHT 	5,750,000	2,299,167	1,214,977
Historic Claims	800,000	406,000	168,000
Value Added Tax	434,700	276,115	279,366
Total FRA Management	\$11,014,700	\$5,643,228	\$4,766,164

3.3 Maintenance of our Assets

Maintenance is the work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as all the routine works such as vegetation control and keeping drainage systems clear. Co-ordinated, well-planned routine maintenance of our assets ensures that the network is more resilient to adverse weather events, and is able to be restored more quickly after emergency events. Some notable highlights include continued reduction in the number of pothole repairs required (as the overall network improves), greater resilience to wet weather and reducing complaints from key Bus Operator stakeholders.

Table 5 - Maintenance of Assets

Maintenance	Corporate Plan Budget	Revised Budget (\$)	Expenditure (\$)
Sealed Roads	(\$) 22,115,000	13,185,232	15,121,430
Unsealed Roads	17,930,000	10,894,232	10,434,853
Traffic Services	4,500,000	2,467,198	3,008,582
Street Lights (Electricity)		1,166,667	845,895
Street Lights	2,000,000		
•	2,100,000	1,225,000	1,466,834
Traffic Signals	425,475	248,193	195,015
Vegetation, Litter and Environmental	4,707,000	1,653,627	2,647,785
Bridges	4,200,000	1,369,688	1,469,779
Crossings	2,700,000	721,478	72,186
Armco	600,000	102,645	-
Jetties	1,032,300	529,688	237,362
Drainage	4,660,000	2,396,186	2,344,755
Other Government Agencies Maintenance	448,260	101,147	357,663
Investigation and Independent Verification Testing	448,261	149,420	74,277
Contractors Lump Sum and Escalation	(5,220,000)	(2,818,417)	(8,624,486)
Outer Islands Road Maintenance	2,876,000	1,005,066	933,050
Footpaths	300,000	137,351	141,126
Fast Response Activities	3,300,000	1,243,485	2,194,851
Professional Services	4,092,000	2,094,981	1,990,964
Value Added Tax	6,589,287	3,408,558	3,142,073
Total Maintenance	\$79,803,582	\$41,281,426	\$38,053,993

3.4 Emergency Works

2016 was relatively eventful in terms of Cyclone Winston. The Authority spent above \$7m over budget in order to repair the damages from Cyclone Winston and as a result resources were diverted in order to repair and clean-up of the roads and damaged assets.

Table 6 - Emergency Works

Emergency Works	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Emergency Maintenance	2,713,211	1,805,736	14,008,725
Cyclone Kofi (TD15F)	4,294,331	89,200	89,200
Cyclone Winston – Fees	-	287,293	338,961
Cyclone Winston – Works	-	19,000,000	13,982,582
Naiborebore & Kasavu Slip Repair FRA 14-50	943,000	1,435,000	1,680,000
Nayavu Slump	240,000	_	-
Lomaloma Slip Feb 15	2,700,000	995,612	-
Investigation and Independent Verification Testing		7	703,862
Rakiraki Bridge	-	38,405	-
Local Share	458,716	-	-
Utilities Relocation		-	(77,986)
Engineering Fees	-	-	77,374
Investigation and Independent Verification Testing			(48,159)
Value Added Tax	1,021,433	2,128,612	2,767,910
Total Emergency Works	\$12,370,691	\$25,779,858	\$33,522,469

3.5 Road Renewals and Replacements

Most of this programme was completed as planned. However, we continue to suffer from a lack of gravel resources.

Current legislation and government policy requires persons seeking gravel extraction licenses to obtain approval signatures from 60% of the registered owners of land in the area and have their application approved by the DoE and the Lands Department. Finding 60% of landowners is difficult and time consuming as many no longer live on their land. The procedures of the Government Departments are complex and very slow to respond to requests. As a consequence contractors awarded re-sheeting or rehabilitation contracts have not been able to obtain extraction licenses in reasonable time.

Table 7 – Renewals and Replacements - Roads

Renewals and Replacements - Roads	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Sealed Roads Resealing	13,658,000	6,507,912	7,210,163
Sealed Roads Resealing - ADB Loan Fees		272,346	383,168
Sealed Roads Resealing - ADB Loan Works	6,942,685	-	_
Sealed Roads Resealing Contract 15/76	-	2,665,648	1,071,491
Second Coat Sealing	2,686,771	217,145	1,141,283
TAS	2,500,000	-	2,003,607
Sealed Roads Rehabilitation Maintenance Contracts	21,867,406	9,174,584	6,061,880
Suva Local Roads Rehabilitation FRA15/50		1,626,415	1,506,154
Central Suva Roads Rehabilitation FRA 15/60		6,622,070	11,029,242
SARUP	917,431	355,821	485,994
SARUP - ADB Loan	17,874,297	-	-
Unsealed Roads Resheeting Maintenance	11,844,838	5,408,122	6,228,982
Unsealed Roads Rehabilitation Maintenance	11,844,838	4,651,894	2,073,276
Central Division Resheeting FRA 15/58		1,113,647	1,121,508
Unsealed Roads Resheeting/Rehab - Wailevu West Coast - 15/46		2,600,977	1,799,819
Unsealed Roads Rehab 15/69 Navonu Natewa Road /Sevaci -Korotasere Road		1,333,682	1,138,167
Nukurua Unsealed Rd Upgrade - FRA 15/82		1,415,932	1,070,400
Unsealed Roads Resheeting/Rehabilitation - ADB Loan Fees		53,952	189,797
Unsealed Roads Resheeting/Rehabilitation - ADB Loan	9,158,181	-	-
Street Lights Renewals	578,000	585,236	348,693
Street Lights Renewals - ADB Loan	2,709,869	-	-
Drainage Renewals	3,255,000	1,563,298	1,950,269
Urban Drainage Renewals	1,425,000	465,264	219,400
Services Reinstatement and Renewal	1,425,000	1,462,976	1,166,958
Investigation and Verification Testing	300,000	175,000	27,945
Outer Islands Road Renewals	1,395,000	813,750	5
Professional Services	3,000,000	1,750,000	1,358,872
Value Added Tax	10,204,408	4,575,210	4,462,836
Total Renewals and Replacements Roads	\$123,586,723	\$ 55,410,881	\$54,049,905

3.6 Bridge and Jetty Renewals and Replacements

Due to the significant public risk factors, an ambitious programme of work has been planned for bridges and jetties since 2014. In 2013 and 2014 a significant proportion of the work in this area was planning and designing replacements for the future years' pipeline of projects for construction.

The major highlight for the Authority was the opening of the Denarau Bridge in March 2016. FRA managed to complete the project even after Tropical Cyclone Winston, Tropical Cyclone Zena along with the Nadi floods. The number of additional days required to complete the project was 73.

The 35 meter Vunidilo Bridge was completed within 6 months of demolishment. The bridge's superstructure had deteriorated prompting replacement. It was welcomed by residents in the Wailoku area who use it on a daily basis.

Table 8 – Renewals	and Repl	acements –	Bridges

Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Four Long Bridges Vunidilo Vunivaivai Lomawai 1 Cogeloa FSC 1 	6,425,229	5,984,663	6,277,561
Risk Contingency	-	-	(450,000)
Escalation			(172,038)
Engineering Fees - Four Long Bridges		48,088	142,496
Six Short Bridges Vuma Box Naganivatu Market Naisogo Savu 4 Wainasusu	8,862,385	3,516,151	2,135,685
Risk Contingency	-	<u> </u>	101,980
Escalation	-		(145,253)
Engineering Fees - Six Short Bridges	-	8,952	29,812
Ovalau Bridge Program	527,523	750,000	
Ovalau Bridge Program - ADB Loan	2,258,225	-	
Stinson Parade	1,928,563	-	-
 Contract Amount 	-	-	-
 Utilities Relocation 	-	577,047	177,047
 Engineering Fees 	-	150,000	65,451
Survey & Land	-	923,049	673,049
Vatuwaqa Bridge	1,411,087	-	-
 Contract Amount 	-	-	-
 Utilities Relocation 	-	733,852	373,413
 Engineering Fees 	-	150,000	135,605
 Survey & Land 	-	250,525	66,202
Nasese Bridge	1,435,110	-	-
 Contract Amount 	-	500,000	-

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Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Utilities Relocation	-	400,000	
Engineering Fees		150,000	-
Survey & Land		100,000	-
Denarau Bridge	1,959,174		-
Contract Amount		1,738,768	2,275,000
Utilities Relocation		120,000	-
Engineering Fees		250,000	-
Taveuni Bridges	271,297	200,000	-
Taveuni Bridges - ADB Loan	5,342,314	-	-
Land & Others		160,000	-
Fees		779,720	919,946
Design of 2017 Bridge Renewal	1,962,385	129,729	55,306
Investigations of Bridge Replacements	1,112,385	1,026,763	1,296,863
Demolition or Re-use of Old Bridges	669,725	300,000	
Namuavoivoi		-	-
Construction	-	-	1,351,695
Fees		6,485	-
Nadelei	377,982	219,200	-
Construction		70,000	216,730
Fees		24,456	
Nabena	1,802,752	1,061,000	-
Construction	-	465,154	1,605,997
Fees	-	24,481	-
Nakama	-		-
Construction	-		1,111,684
Fees	-	- 1	-
Nakorosule Crossing	222,936	310,000	
Construction	-	-	25,000
Fees	-	6,952	-
Matewale Replacement Crossing	105,505	-	-
Matewale Replacement Crossing - ADB Loan	2,077,566	-	
Construction	-	-	250,000
Fees	-	36,542	51,567
Wauosi Replacement Crossing	2,215,596	1,250,000	-
Construction	-	500,000	1,750,000
Solovi 1 and 2 Irish Crossing	864,679	-	-
Fees	-	102,670	91,526
Rabaraba Replacement	155,963	_	-
Crossing Rabaraba Replacement Crossing - ADB Loan	3,116,350		-
Fees		42,076	20,231



Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Balili Crossing (ex-bridge)	137,615	-	
Balili Crossing (ex-bridge) - ADB Loan	903,290	-	-
Waimari	1,336,936	200,000	-
Construction		507,915	757,230
Waivaka		71,846	71,846
Design of 2016 Crossings Replacements	981,193	107,000	-
Investigations for crossing Replacements	940,367	100,000	199,629
Construction of Armco Replacements	1,276,606	-	-
Professional Services Fees		279,974	768,653
Value Added Tax	4,561,266	2,189,975	2,000,692
Total Renewals & Replacements - Bridges	\$55,242,004	\$26,523,034	\$24,230,609

Newly constructed Denarau Bridge



The newly constructed Denarau Bridge which cost approximately \$7.5 million.

Table 9 – Renewals and Replacements – Jetties

Renewals and Replacements - Jetties	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Nabouwalu Jetty	710,092	650,000	
Construction	-	64,606	658,026
Savusavu Jetty Renewals	5,207,339		-
Fees	-	120,000	-
Vunisea 2 Jetty Renewals	1,534,404		-
Construction	-	1,000,000	-
Land & Others	-	50,000	-
Fees	-	240,688	-
Natovi Jetty	1,096,330		-
Scoping and Design for jetty Renewals	2,636,165	401,470	-
Professional Services Fees	-	91,060	552,997
Value Added Tax	1,006,590	235,604	108,992
Total Renewals & Replacements - Jetties	\$12,190,920	\$2,853,428	\$1,320,015

Before and after photos of Nabena Irish Crossing; bringing safety to the communities in Matailobau District in Naitasiri

Before



After



The new Irish crossing will serve farmers, business centers, health centers and schools. FRA continues to build resilience in our road infrastructure to ensure communities are better equipped to deal with cyclones in the future.

3.7 New Capital Programme

Projects that were already underway and committed have to take precedence over projects that can be deferred, or slowed down in their delivery.

Some highlights of the January to July 2016 programme include:

- Completion of the Suva 1 NASRUP Nausori Airport road upgrade
- Completion of the Suva 2 NASRUP Samabula Nasinu road upgrades
- Completion of the Nadi 1 NASRUP Nadi Wailoaloa Denarau
- Completion of Qarani Jetty
- Completion of Saweni Serea roads upgrade

The Nadi 2 NASRUP and Suva 3 NASRUP project is ongoing due to change in scope of works. We have worked together with the utility providers to upgrade their services/ structures along with our project which has caused delays in the completion of the projects.

The Nabouwalu – Dreketi Road was completed end of 2015, however, the final claim remained outstanding in the financial period 2016.

Major achievement for the authority was the opening of the newly-constructed two lane road that links up Queens Road and Wailoaloa Road with Denarau Road. The road is 3km and took two years to complete.

Building more resilience is critical to sustainability of the road network. One of FRA's initiatives over the past few years has been to undertake preventative works aimed at minimising the likelihood of failures during rain. Walkover surveys are undertaken to identify problems with drainage in particular. Completing preventative maintenance works has avoided many failures that would otherwise have resulted in costly repairs.

Resilience is also about minimising the time it takes to get roads re-opened after flooding. Significant progress has been made in this regard and where once it took weeks or even longer to re-open all roads, in most events now it is a matter of days.

Our resilience programme also includes protection works to prevent erosion in coastal zones.

Newly constructed 3km that links up Queens Road/Wailoaloa Road with Denarau Road



The route represents of the new link to Denarau through Nadi Airport, connecting communities of Wailoaloa, Narewa and Denarau.

Table 10 - New Capital Programme

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Safety Improvements			
Village Treatments - fees		210	210
Traffic Management Plans	665,000	20,925	15,200
Black Spot Reduction	790,000	20,000	5,907
Route Action Plans	-	40,760	40,937
Mass Action Plans	1,320,329	813,778	269,565
Mass Action Plans - ADB Loan	903,289	-	-
Market Areas Safety and Traffic	91,743	125,265	20,659
Traffic Calming Measures	1,091,743	61,000	19,056
Value Added Tax	437,589	97,374	33,438
Subtotal - Safety Improvements	\$ 5,299,694	\$ 1,179,313	\$404,972
Access Improvements & Economic Stimulation			
Rural Roads Program	36,588,775		-
Rural Roads Program - ADB Loan	7,406,976	-	-
 Carry over Raravula Farm Road 		410,000	161,696
 Carry over Namuavoivoi Road 		1,125,705	689,597
 Carry over Kadavu Roads 		273,766	
 Dairy Farm Road- Waivou Dairy Farm Rd 		630,000	
 Kadavu/Niurua/Raviravi - Stage 1 	- 5	/	77,081
 Matokana Village Road - stage 1 			1,050,781
Nasauvakarua Access Road - stage 1	-		143,766
Eastern Island Roads Upgrades 15/113	-	77,081	500,000
 Namuavoivoi bridges 2015 	-	1,034,149	3
Professional Services Fees - Rural Road Program	-	-	2,588,359
School and Healthcare Access Program	1,055,046	331,138	759,528
Carry Over - Qarani Jetty	-	1,696,238	724,379
Carry Over - Qarani Jetty Fees	-	65,927	176,481
Sawani - Serea Roads Upgrade			
■ Loan	5,000,000	5,000,000	5,000,000
 Local Share 	917,431	-	-
- Works Local Share	-	2,500,000	-
- Escalation	-	2,880,133	-
- Land Purchase	-	53,850	92,052
- Engineering Fees	-	251,587	392,048
 Investigation and Independent Verification Testing 	-	81,244	187,066
Buca Bay I and II Roads Upgrade			

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Local Share			—
- Works Local Share	-	400,000	(87,124)
- Escalation			(1,537,184)
- Utilities Relocation		-	(917,827)
- Land Purchase		-	28,775
- Engineering Fees	-	18,000	(33,585)
Nabouwalu - Dreketi Roads Upgrade			
Local Share	917,431	-	-
- Works Local Share	-	3,500,000	(72,862)
- Escalation	-	7,000,000	509,631
- Engineering Fees		328,594	457,972
Traction Sealing on Hills	1,016,009	566,326	-
Pedestrian Bridges	1,321,101	300,000	-
Valaga Bay / Mid-Point Jetty	1,300,000	-	-
New Jetties Investigation	229,358	913,874	35,983
Access to New Development - Ba Hospital	6,174,312	1,817,904	-
Ba Hospital Access - Utilities		-	90,000
Ba Hopital-Supervision			163,244
Ba Hospital Access- construction	-	-	100,000
Access to New Development - Cakobau Rd Widening	825,688	860,688	825,688
Access to New Development - Mid West Sabeto	688,073	55,000	
Access to New Development - Sawani	688,073	55,000	
Access to New Development - Nausori Hospital	275,229	30,000	-
Access to New Development - FNPF Greig Street	366,972	41,169	11,984
Access to New Development - Suva Bus Station	183,486	-	1.000.700
VAT	5,395,857	2,456,763	1,668,762
Subtotal - Access Improvements & Economic Stimulation	\$70,349,819	\$ 34,754,135	\$13,786,2 93
Community Amenity Improvements			
Urban Street Lighting	633,028	19,275	30,644
Urban Street Lighting - ADB Loan	4,155,132	-	-
Rural Village Street Lighting	412,844	12,939	54,489
Rural Village Street Lighting - ADB Loan FRA15/84	9,178,328	-	24,502
Rural Village Street Lighting - Local FRA15/84	-	-	2,722
Rural Village Street Lighting - Fees FRA15/84	-	-	13,566
Village Seal Extension	3,046,972	743,377	849,428
Urban Footpaths	3,217,890	-	772,927
Footpaths Renewals Works FRA 15/111	-	127,305	110,232
Bus Stops & Shelters	696,330	202,864	41,096
Jetty Waiting Facilities (Lomaloma & Cicia)	504,587	5,448	20,663

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New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Jetty Waiting Facilities Lakeba	-	14,678	
VAT	1,966,060	100,009	172,824
Subtotal - Community Amenity Improvements)	\$23,811,171	\$1,225,895	\$2,093,094
Congestion and Capacity Improvements			
NASRUP Suva 1 (Nausori - Airport)	2,293,578	-	-
Contract Amount	-	1,376,715	5,306,989
Risk Contingency	-	2,366,732	(1,903,851)
Escalation	-	161,012	(654,222)
Utilities Relocation	-	850,000	-
Professional Services		186,515	299,100
Personnel Cost	2	3,304	9,250
Audit test	-	2,156	2,156
NASRUP Suva 2 (Samabula - Nasinu)	7,889,908	-	-
Contract Amount	-	542,835	7,650,912
Risk Contingency	-	5,436,778	(2,346,555)
Escalation		101,313	(803,174)
Utilities Relocation	-	1,468,146	-
Land Purchase		-	-
Professional Services	-	378,760	492,070
Personnel Cost		3,304	10,002
Audit test	-	4,050	7,889
NASRUP Suva 3 (Nasinu - Nausori)	26,843,119	-	
Contract Amount		7,789,727	3,273,294
Risk Contingency	-	500,000	-
Land Purchase	-	3,186	3,186
Professional Services	-	1,725,842	1,651,067
Personnel Cost	-	3,510	15,300
Princes Road Improvements	733,945	59,308	61,567
GSTS Projects Roll Out	1,834,862	440	440
Extension Street Link FRA15-27	275,229	310,000	308,400
Transportation Corridor Studies	642,202	268,156	836
Traffic Data Collection	2,110,092	1,905,103	179,615
Town Center Improvement Studies	458,716	40,239	26,239
Passing Lanes - Kings & Queens Rd	648,624	65,000	19,869
Traffic Signals and Scats Improvements	458,716	120,490	233,792
Traffic Signals and Scats Improvements - ADB Loan	4,155,133	-	-
Nadi - Lautoka Capacity Improvements - Planning & Design	-	18,070	8,070
Lami Right Turn Bay	3,765,626	799,107	26,147
Labasa Main Street Improvements	91,743	22,822	13,986
VAT	4,698,134	2,386,136	1,250,314

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Subtotal - Congestion and Capacity Improvements	\$56,899,627	\$28,898,754	\$15,142,688
Tourism, Amenity and Access Improvements			
NASRUP Nadi 1 (Nadi Wailoaloa - Denarau)	17,431,193	-	-
Contract Amount	-	985,764	5,802,372
Risk Contingency	-	-	(3,913,611)
Escalation	-	1,375,000	(1,009,252)
Utilities Relocation	-	730,000	-
Land Purchase		1,138	74,788
Professional Services		382,083	422,588
Personnel Cost	-	10,112	24,034
Audit test	-	-	18,917
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)	33,119,266	-	
Contract Amount	-	16,583,571	16,400,801
Utilities Relocation		4,571,007	4,003,907
Land Purchase	-	2,098,517	491,267
Professional Services		1,819,696	2,304,790
Personnel Cost	-	3,304	27,396
Audit test	E I I I I	-	-
Suva Seawall and Footpath Upgrade		615	1,409
Denarau Road Upgrade	275,229	-	_
Value Added Tax	4,574,312	2,570,473	2,218,447
Subtotal - Tourism, Amenity and Access Improvements	\$81,724,226	\$61,888,286	\$63,903,402
Risk Reduction, Resilience and Asset Preservation			
Coastal Protection - Ovalau Cawaci & Vuma	800,000	143,450	170,737
sites			5
Savusavu Bay Coastal Protection Works FRA 15/52	-	_	264,622
Kings rd Culvert Outlet Protection	360,000	-	19,480
Kings Rd Seven High Priority Sites	2,000,000	-	14,307
Rock Source/Quarry Assessment	1,191,284	331,782	316,924
Rewa Delta Flood Resilience Implementation FRA 15/32	400,000	323,000	323,000
Bridge and Jetty Load Mgt Posting and Signposting	305,963	20,000	7,888
Value Added Tax	455,152	73,641	100,526
Subtotal - Risk Reduction, Resilience and Asset Preservation	\$5,512,400	\$891,872	\$1,217,485
Total New Capital	\$217,272,711	\$98,081,248	\$59,512,386

3.8 Summary

Table 11 - Summary

Summary	Corporate Plan Budget	Revised Budget	Expenditure
Budget and Expenditure			
Management	8,894,582	5,107,785	3,895,405
Professional and Technical Services	11,014,700	5,643,228	4,766,164
Maintenance	79,803,582	41,281,426	38,053,993
Emergency works	12,370,691	25,779,858	33,522,469
Renewals and Replacements - Roads	123,586,723	55,410,881	54,049,905
Renewals and Replacements - Bridges	55,242,004	26,523,034	24,230,609
Renewals and Replacements - Jetties	12,190,920	2,853,428	1,320,015
New Capital	217,272,711	98,081,248	59,512,386
Total	\$520,375,913	\$260,680,888	\$219,350,945
Funding			
Operating Grant	19,909,282	10,751,013	8,661,569
Capital Grant	839,949,957	464,591,415	389,311,437
ADB Loans	83,037,981	-	299,207
Exim Bank Loans	5,000,000	5,000,000	5,000,000
Total	\$520,375,913	\$260,680,888	\$219,350,945



4. Levels of Service – Accountability – Achievements Against Performance Targets

4.1 Health and Safety

Table 12 - Health and Safety – Road Accident Casualties

Table 12 - Health and Safety - Road Accident Casualties			
Code	Performance Measure	2016 target	Outcome
1A.1	Less fatal and serious injury accidents – total.	Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well)	Not achieved
1A.2	A reduction in the social cost of all recorded injury crashes.	Continuously reducing five year rolling average. Calculated based on internationally recognised accident costs.	Not achieved

Road accident data is collected by the police and recorded in a database maintained by the Fiji Police. We have used this data to undertake analysis of the fatal and hospitalised casualty data (see Figure 5). Comparisons are made on the basis of population as reliable data for vehicles in use are not yet available.

In recent years fatalities have not been decreasing

Our 2016 annual report recorded our concern about the apparent slowdown in the trend of reducing fatalities on the roads. The fatalaties has shown slight improvement in 2016 with 60 deaths on the roads compared to 65 in 2015. With more vehicles on the roads there is a clear need to increase investment in all aspects of road safety.

There is a much higher fatality rate in the Western Division

Using population as a comparator, the fatality rate in the Western Division is more than twice that of other Divisions. This difference has been broadly consistent over the last 14 years.

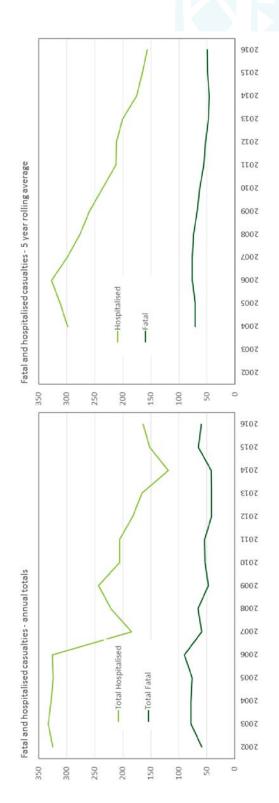
The difference between Divisions is much less for total casualty rates (fatalites plus hospitalised). This could indicate that there may be a severity problem in the Western Division. More work is urgently required to develop a better understanding of the reasons for this so that appropriate solutions can be quickly implemented.

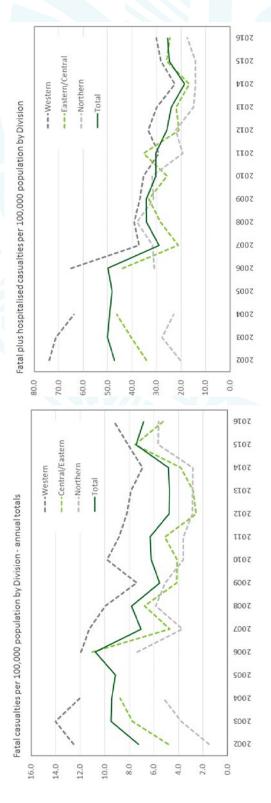
Road casualties represent a social cost to Fiji of approximately \$50 million per year

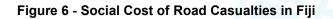
The iRAP methodology uses per capita GDP as a basis for establishing the value to society of reducing fatal and serious accidents. The worrying trend that is becoming apparent clearly signals a case for more investment in all aspects of road safety including education, enforcement, safer roads, incident response and emergency care.

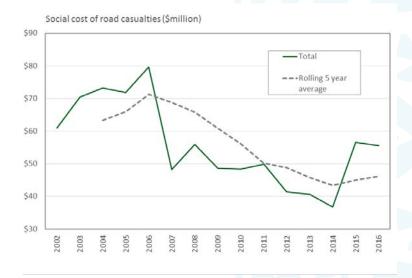


Figure 5 - Road Casualty Analysis









4.2 Asset Stewardship

Table 13 - Asset Stewardship -	Outcomes
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Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) – Outcomes			
Code	Performance Measure	2016 target	Outcome
2A.1	An annual reduction in the value of deferred maintenance/ deferred renewals.	Yes (See Tables 3.7.1 & 3.7.2 Asset Management Plan)	Achieved
2A.2	The percentage of planned new capital and renewal projects completed.	100%	Partially achieved
2B.1	Bridges' condition improved as evidenced by the categorisation changes: - High Priority Bridges - Medium Priority Bridges - Low Priority Bridges	9.33% 1.85% -1.57	Partially achieved

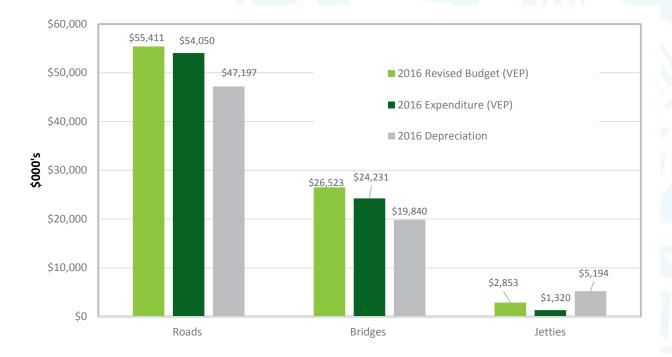
Investment in renewing the network as the annual depreciation provision

The sufficiency of the FRA's annual maintenance and renewal budget is determined by comparing the depreciation provision (the extent to which the assets are being 'consumed' or continuing to wear out every year) with the annual renewals and replacement expenditure.

If the two are 'in sync' over time the current state of the network is being maintained. If renewals expenditure is less than depreciation provision, the network is continuing to deteriorate (and the 'backlog' will have increased). If the renewals expenditure exceeds the depreciation provision (as it has since 2013) the network is being improved.

In 2016 FRA invested \$139 million (VEP) in renewing assets. This is only slightly more than the annual depreciation provision, so we did not make any real in-roads into the backlog but the backlog is decreasing and the network is recovering providing investment continues to be applied at levels greater than the annual depreciation (see Figure 7).

The greater knowledge we now have of our assets has allowed recalculation of annual depreciation through the revaluation undertaken in 2013. This signals that higher levels of renewal investment is required if the backlog of deferred maintenance and renewal is to be reduced significantly.





Notes:

- 1. 'Revised Budget' refers to amended budget from the corporate plan budget 2016. This was due to change in the financial year end from December to July to align the Authority's year end with government year end. As a result the budgets had to be revised to 7 months
- 2. 'Roads' includes roads and associated assets including streetlights, signals, drainage etc
- 3. 'Bridges' includes crossings, bridges, pedestrian bridges and bailey bridges

The capital works programme was successfully delivered although there were a few exceptions

From a standing start in 2012, FRA has built up to a \$182 million programme for New Capital and Renewals; which was reduced by \$225 million to account for the change in the financial year end. This includes a number of major rural and urban projects of substantial complexity.

Overall, in expenditure terms, the New Capital and Renewals work programme was successfully delivered with over 76% of approved budgeted work having been completed.

Measuring the number of planned projects completed is more difficult as many of the projects are multi year projects. A number of capital projects are also non-physical work items for 2016. These are projects which are in the development pipeline for later construction. Consequently we have assessed performance on the basis of completion of planned work on projects, rather than project completion.

FRA has recognised the need for more sophisticated project management tools to aid in monitoring and reporting on performance against programmes. An enterprise management system is planned to be implemented in 2016 that will allow a much greater level of scrutiny to be applied and a consequently greater level of detailed reporting on aspects of programme delivery.

There were a number of projects that suffered delays and while this is expected in a programme of this scale and complexity there remains a drive for continuous improvement.

Bridges' condition improved as evidenced by the categorisation changes

Category	End 2014	End 2015	End 2016
High	111	118	101
Medium	470	432	424
Low	471	701	712
Total	1,052	1,251	1,237

Table 14 - Categorisation of Bridges 2014 - 2016

The goal of FRA's bridge programme is to reduce the number of high priority bridges through repair or replacement; i.e. we want to see a trend towards more and more bridges being categorized as low or medium priority.

2014 was the year when significant bridge repair and replacement works started; so bridges that were repaired started moving down the classification into the Low and Medium categories.

In 2015 we located and assessed a further 199 bridges. Again many of these would be in the higher priority classifications. This was off-set by even more bridges being repaired as can be seen by the significant increase in low priority.

The 2016 period shows the results of the effort that FRA has put since 2014 on the repair and replacement of bridges. The reduction of the categorization of bridges from high and medium can be seen by the increase in low priority. During the year the FRA also managed to completely repair and replace 14 bridges which can be seen in the reduction in the number of the bridges compared to 2015.

Figure 8 – Bridge priority percentages



The FRA considers bridges to be one of the main components of the Highway network. The stability of bridges remains a great concern throughout the country. The FRA will undertake detailed investigations, studies and repair programs to address this risk.

4.3 Service Quality

Code	Performance Measure	tics, Reliability, Responsiveness and Ca 2016 target	Outcome
3A.1	Reduced congestion by route	To be determined	Not measured
3A.2	Not less than% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	60%	Not measured

Congestion is increasing and will become a priority issue over the coming years as Fiji grows

As Fiji grows and develops, car ownership and use will increase. So will the amount of goods being transported across our network. Accommodating this growth on the transport networks will be a challenge, especially in the urban areas and the main arterial routes which connect cities, towns, airports and ports.

A degree of congestion on the roads is inevitable and we will have to expand capacity where it is right to do so. However it is also important for Fiji to recognise that countries across the world have come to realise that

building roads alone will not solve congestion. We need to make more efficient use of the capacity that we have. This means:

- better and more attractive public transport;
- a more efficient haulage industry,
- reducing the need to travel through initiatives such as teleworking and teleconferencing,
- better integration between land use development and transport,
- peak spreading (encouraging people to travel outside peak times)

At FRA we recognise that congestion is a multi-agency issue. We are engaged in working with other agencies such as LTA, Police, Ports Authority and Town and Country Planning to manage congestion in urban areas. We are also engaged in a major programme of road widening and other capacity improvements in Suva, Nadi and other urban centres and arterial roads. This effort will ensure that Fiji's road infrastructure provides 'headroom' for economic growth. However more innovative solutions will be needed going forward.

A road user satisfaction survey will be a key measure of the public perception of our performance

FRA's customers are all users of roads, including

- pedestrians using footpaths and roads;
- RSL and taxi passengers in rural and urban areas;
- city commuters on buses and in cars; and
- businesses who rely on roads and jetties to get their goods to and from ports and markets

We are committed to engaging with these customers to get their feedback on quality of service. A road user satisfaction survey will provide a key indicator of how people perceive our performance. This is scheduled to be conducted in 2016-17 period.

The survey for the 2016 period was not conducted due to the change in financial year.

4.4 Compliance

Table 16 – Compliance: Training, Record Keeping, Data Management & Reporting

Compliance - Including: Training, Record Keeping, Data Management & Reporting				
Code	Performance Measure	2016 target	Outcome	
4A.1	Compliance with all legislative, regulatory and other requirements.	100%	Achieved	

We report 100% compliance with all legislative regulatory and other requirements and no known pending non-compliance

In some areas the legal requirements are unclear because consequential legislative changes are still to be made to other Decrees as a result of the establishment of the FRA – especially relating to transfer of ownership and management of all the municipal roads to the FRA and the FRA's relationship with the Land Transport Authority.

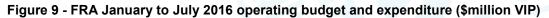
4.5 Financial

Financial - Economic Value for Money			
Code	Performance Measure	2016 target	Outcome
5A.1	Total operating costs were within the approved total budget.	Yes	Achieved
5A.2	New capital and renewal projects were completed within the approved total budget.	Yes	Achieved

Total FRA operating expenditure was within annual approved budget

In this context operating costs include the costs of the FRA business unit and the costs of maintaining the network (including storm damage and depreciation). Comparison of budget and expenditure is shown in Figure11.





'Approved Budget' means the revised 7 months budget for the change in financial year end. The Depreciation figure is not a budgeted figure but is included in both columns based on the 2016 valuation.

The operating costs were within budget hence the measure is reported as 'achieved'.

Total FRA capital and renewal expenditure was within annual approved budget

'Approved Budget' means the revised 7 months budget for the change in financial year end. Capital and renewal expenditure was 76% of the 2016 revised budget. Comparison of budget and expenditure is shown in Figure 12.

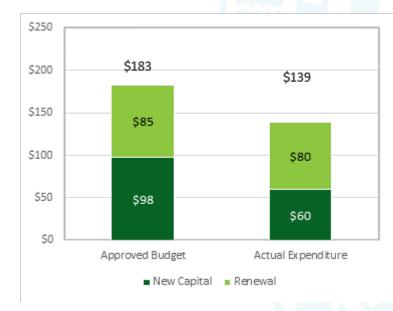


Figure 10 – FRA January to July 2016 capital and renewal budget and expenditure (\$million VIP)

Comprehensive independent revaluation of assets was undertaken in 2015

The FRA's auditors (Fiji Auditor General) have qualified the accounts between 2012 – 2014 because they were not satisfied there was sufficient documentation to appropriately substantiate the value of the FRA's property, plant and equipment.

The first valuation of FRA's assets was undertaken in 2015 showing a value of \$12 billion.

AS per FRA's revaluation policy the assets revaluations will be carried out after 3 years. The next revaluation will be carried out in in 2018.

3 years of data acquisition and analysis of assets meant that in 2015 we were finally able to have the asset base revalued and the qualification removed.

4.6 Specific Tasks

Progress has been made, but performance on specific tasks for 2016 has not been as good as hoped

We set ourselves a number of specific tasks at the beginning of the year. In Table 25 below we assess the degree to which we achieved these specific performance targets. Although good progress has been made, overall achievement was not as good as we had hoped. Over the course of 2016 FRA was still in the process of building the organisational capacity to deliver on all our targets.

Table 18 - Specific Tasks for January to July 2016

2016	Specific Performance Target	2016 Performance Result
Gov	ernance	
1)	Appoint CEO	Achieved. Mr. John S Hutchinson was resumed office on 27 June 2016.
2)	Submit the Half-Yearly Report to the Minister by not later than 30 July 2016;	Not achieved. Due to change in financial year.
3)	Prepare the 2015 Annual Report by 30 April 2016;	Not achieved. Due to FRA's structural and personnel change this was delayed. The report wa approved by Board in 2017.
4)	Adopt the Corporate Plan and Statement of Corporate Intent for 2017 before 31 December 2016;	Not achieved. Due to change in financial year.
5)	Clarify the FRA's Legislative and Regulatory Responsibilities (Amendments required to the Local Government Act and several other Acts as a result of enactment of the Fiji Roads Authority Decree);	On-going
6)	Resolve outstanding issues relating to the Municipal Councils' contributions and delegated functions;	On-going
7)	Implement the final reorganisation plan for FRA's management and ensure a smooth transition	On-going.
Tech	nnical	
1)	Adopt a new Roads' Classification System	On-going. FRA is in the process of engaging consultants to do technical auditing which will be used as a basis for the new classification system.
2)	Adopt and complete the implementation of an integrated Enterprise system for asset management, project planning and management and associated functions. (The exact breadth still to be decided);	On-going
3)	Continue to stress to the Government the urgent need to address the serious damage being done to the roads by overweight vehicles	On-going
Fina	ncial	
1)	Implement a more 'user friendly' system of reporting expenditure against budget;	Achieved through the implementation of the NAVISION system.
Gene	eral Management	
tł	Jpdate the Asset Management Plan to meet ne timeframes for the 2017 budget ubmissions.	Achieved as 2017 budget submissions were made on time.

20	16 Specific Performance Target	2016 Performance Result
2)	Complete the annual review of the 'Operations', 'Staff' and' Risk Management' manuals.	On-going
3)	Ensure effective processes are in place enabling the reporting of actual performance against the performance measures and targets listed in both the Corporate Plan and in the Asset Management Plan;	On-going
4)	Agree a programme of Independent Audits of the FRA's work for the year and ensure weaknesses raised in them, and in the Auditor General's (OAG's) Audits (including in the OAG's 'Performance Audit' carried out in 2015), are promptly addressed;	Financial audit – achieved Performance audit is yet to be carried out by OAG.
5)	Ensure effective management of the Business Improvement Control, the Audit Control and of the Improvement Plan in the Asset Management Plan;	On-going
6)	Implement (and more assertively manage) a new format for reporting projects' progress.	Not achieved due to change in financial year. This was scheduled to commence in the fourth quarter of the full financial year (January to December 2016).

5. Financial Statement

- Directors Report
- Independent Audit Report
- Statement of Comprehensive Income Report
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cash Flows

FIJI ROADS AUTHORITY

FINANCIAL STATEMENTS

FOR THE SEVEN MONTHS PERIOD ENDED 31 JULY 2016

FIJI ROADS AUTHORITY FINANCIAL STATEMENTS FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

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Statement of changes in equity	7
Statement of financial position	8
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Notes to and forming part of financial statements

FIJI ROADS AUTHORITY DIRECTORS' REPORT FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

Formation of Fiji Roads Authority

Fiji Roads Authority was established by the Fiji Road Authority Decree 2012 (as amended by the Fiji Roads Authority (Amendment) Decree 2012 ("Principal Decree" also known as "the FRA Decree"). It was formed as a corporate body with perpetual succession and a common seal as at 5 January 2012.

The directors present their report together with the financial statements of Fiji Roads Authority ("the Authority") for the period 1 January 2016 to 31 July 2016 and the auditors' report thereon.

Directors

The names of the directors any time during the period and up to the date of this report are:

Mr Dinesh Patel - Chairperson

Mr Aptinko Vaurasi - Member

Mr Sanjay Kaba - Member

Ms Preetika Prasad - Member

Ms Salaeseini Serulagilagi - Member (replaced by Mr Kamal Gounder on 2nd September 2016)

State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.
- the accompanying statement of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2016 and the accompanying statement of comprehensive income, the statement of changes in equity and the statement of cash flows give a true and fair view of the result of the Authority, its changes in equity and its cash flows for the 7 months period then ended.

Principal activity

The principal activity of the Authority during the period was that pertaining to the construction, maintenance and development of roads, bridges and jetties in Fiji.

Operating results

The operating deficit for the 7 months period ended 31 July 2016 was \$24,155,755 (12 months ended 31 December 2015; \$89,715,721).

Reserves

The directors did not recommend any transfers to or from reserves to accumulated funds in the 2016 financial period except as required by International Fund Reporting Standards.

Signficant events

In February 2016, severe tropical cyclone Winston made a landfall in Fiji from which the road systems of Fiji Roads Authority sustained massive damages in the Western and Northern side of the country. The Authority established plans and schedules for the repair works and allocated budgets accordingly. At the time of the report, the Authority was still in the process of completing the planned repair schedules.

Additionally, during the period, the Government of Fiji changed its financial year from 31 December to 31 July. As a result, the Authority voluntarily changed its financial year to 31 July and this is the first year the Authority has prepared its financial statements for a period of 7 months (2015: 12 months).

FIJI ROADS AUTHORITY DIRECTORS' REPORT FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

27th

Events subsequent to balance date

The following event has arisen in the interval between the end of the financial period and the date of this report:

(a) On 23 September 2016, the Authority's principle engineering service provider (MWH) had terminated their contract with the Fiji Roads Authority. At the time of the report, the only significant change anticipated by the Authority was a new organisational structure being set up in the subequent year.

Apart from the above, no other event arisen in the interval between the end of the financial period and the date of this report, item, transaction of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those operations, or the state of affairs of the Authority, in subsequent financial years.

Dated at Suva this

July day of

2017

Signed for and on behalf of the Board of Directors in accordance with a resolution of the Directors:

Je -Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8[™] Floor, Ratu Sukuna House 2-10 McArthur St P. O. Box 2214, Government Buildings Suva. Fiii

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements of Fiji Roads Authority

Opinion

I have audited the financial statements of Fiji Roads Authority ("the Authority"), which comprise the statement of Financial Position as at 31 July 2016, and the Statement of Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the seven months period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the Director's declaration.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 July 2016, and of its financial performance and its cash flows for the seven months period then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Responsibilities of the Directors and Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Mis-statements can arise from fraud and 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 judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material mis-statement 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 the Authority'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 Directors' and management's use of the going concern basis of
 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to
 events or conditions that may cast significant doubt on the Authority's ability to continue as a going
 concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's
 report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to
 modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my
 auditor's report. However, future events or conditions may cause the Authority to cease to continue as a
 going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
 disclosures, and whether the financial statements represent the underlying transactions and events in a
 manner that achieves fair presentation.

I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Fiji Roads Authority Act 2012 and other statutory requirements, in my opinion:

- a) proper books of account have been kept by the Authority, so far as it appears from examination of those books;
- b) the accompanying financial statements:
 - · are in agreement with the books of account; and

FU

 to the best of my information and according to the explanations given to me, give the information required by the Fiji Roads Authority Act 2012 and other statutory requirements in the manner so required.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.





Suva, Fiji 31 July 2017

FRA Annual Report January - July 2016

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FLJI ROADS AUTHORITY STATEMENT OF COMPREHENSIVE INCOME FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

Income	Notes	Seven months ended 31 July 2016 S	Twelve months ended 31 December 2015 \$
Grants and contributions	2 (a)	10,136,746	17,804,425
Amortisation of deferred income	2 (a) 11	103,584,724	146,605,738
Other income	2 (b)	277,202	1,240,285
Total income	- (-)	113,998,672	165,650,448
Expenditure Employee related expenses Other operating expenses Maintenance	3 (a) 3 (b)	(2,035,661) (10,854,906) (51,761,478)	(3,595,570) (21,417,904) (115,280,305)
Total Expenditure		(64,652,045)	(140,293,779)
Surplus from operations		49,346,627	25,356,669
Depreciation and amortisation	7 & 8	(73,502,382)	(115,072,390)
Deficit for the period/year		(24,155,755)	(89,715,721)
Other comprehensive income			
Revaluation of property, plant & equipment			3,505,794,232
Total comprehensive (loss)/income for the period/year		(24,155,755)	3,416,078,511

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

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FLJI ROADS AUTHORITY STATEMENT OF CHANGES IN EQUITY FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

	Contributed Equity	Accumulated Funds	Capital Reserve	Asset Revaluation Reserve	Total Equity
	S	S	\$	\$	S
Balance at 1 January 2015	4,697,371,690	53,507,948	1,168,404	-	4,752,048,042
Deficit for the year	-	(89,715,721)	~		(89,715,721)
Increase in capital reserves	-	-	21,059		21,059
Transfer to contributed equity	322,030		(322,030)		
Revaluation increment	-	-		3,505,794,232	3,505,794,232
Increase in assets from equity transfer	72,837,563	-	-	-	72,837,563
Balance as at 1 January 2016	4,770,531,283	(36,207,773)	867,433	3,505,794,232	8,240,985,175
Deficit for the period		(24,155,755)			(24,155,755)
Increase in assets from equity transfer	43,715,180			-	43,715,180
Balance as at 31 July 2016	4,814,246,463	(60,363,528)	867,433	3,505,794,232	8,260,544,600

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

FLII ROADS AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2016

Notes 31 July 2016 2015 31 December 2015 Current assets \$ <td< th=""><th></th><th></th><th></th><th></th></td<>				
Current assets 4 109,560,052 137,320,297 Receivables 5 3,935,487 2,639,269 Other current assets 6 129,825,285 132,460,557 Z43,320,824 272,420,123 272,420,123 Non-current assets 7 8,802,947,890 8,739,358,937 Intangible assets 8 36,623 52,603 Receivable 9,046,305,337 9,011,831,663 Current liabilities 9,046,305,337 9,011,831,663 Current liabilities 9 79,130,077 93,993,616 Provisions 10 176,255 106,371 79,306,332 94,099,987 9 9,046,305,337 9,011,831,663 Non-current Liabilities 9 79,130,077 93,993,616 Provisions 10 176,255 106,371 Deferred income 11 662,790,518 630,971,980 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity 3,505,794,232		Notes	31 July 2016	
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Non-current assets 7 8,802,947,890 8,739,358,937 Intangible assets 8 36,623 52,603 Respective of the system of th	Other current assets	6	129,825,285	132,460,557
Property, plant and equipment Intangible assets 7 8,802,947,890 8,739,358,937 Intangible assets 8 36,623 52,603 Response of the second			243,320,824	272,420,123
Intangible assets 8 36,623 52,603 Total assets 9,046,305,337 9,011,831,663 Current liabilities 9 79,130,077 93,993,616 Provisions 10 176,255 106,371 Total assets 9 79,130,077 93,993,616 Provisions 10 176,255 106,371 Total assets 9 79,306,332 94,099,987 Non-current Liabilities 10 43,663,887 45,774,521 Deferred income 11 662,790,518 630,971,980 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity Capital reserves 18 867,433 867,433 Asset revaluation reserve 3,505,794,232 3,505,794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 (60,363,528) (36,207,773)	Non-current assets			
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Provisions 10 176,255 106,371 Non-current Liabilities 79,306,332 94,099,987 Non-current Liabilities 10 43,663,887 45,774,521 Deferred income 11 662,790,518 630,971,980 Total liabilities 706,454,405 676,746,501 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity 2 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Current liabilities			
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Total liabilities 79,306,332 94,099,987 Non-current Liabilities 10 43,663,887 45,774,521 Deferred income 11 662,790,518 630,971,980 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity 3,505,794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 (60,363,528) (36,207,773)	Provisions	10		
Provisions 10 43,663,887 45,774,521 Deferred income 11 662,790,518 630,971,980 Total liabilities 706,454,405 676,746,501 Total liabilities Net assets Equity Capital reserves 18 867,433 867,433 Asset revaluation reserve 3,505,794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)				and the second se
Deferred income 10 43,003,887 43,7/4,521 Deferred income 11 662,790,518 630,971,980 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity 2 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Non-current Liabilities			
Deferred income 11 662,790,518 630,971,980 Total liabilities 785,760,737 770,846,488 Net assets 8,260,544,600 8,240,985,175 Equity 2,350,5794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Provisions	10	13 663 997	45 774 521
Total liabilities 706,454,405 606,746,501 Total liabilities 706,454,405 676,746,501 Net assets 785,760,737 770,846,488 Requity 8,260,544,600 8,240,985,175 Equity 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Deferred income			
Net assets 7/3,700,737 7/0,646,488 Requity 8,260,544,600 8,240,985,175 Equity 2 2 3,505,794,232 Cherry contributed equity 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)			the second se	and the second se
Net assets 7/3,700,737 7/0,646,488 Requity 8,260,544,600 8,240,985,175 Equity 2 2 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)				
Equity 18 867,433 867,433 Capital reserves 18 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Total liabilities		785,760,737	770,846,488
Equity 18 867,433 867,433 Capital reserves 18 867,433 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 4,700,531,283 Accumulated funds (60,363,528) (36,207,773)	Net assets		8,260,544,600	8.240.985.175
Capital reserves 18 867,433 867,433 Asset revaluation reserve 3,505,794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)			3,200,011,000	
Asset revaluation reserve 3,505,794,232 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Equity			
Asset revaluation reserve 3,505,794,232 3,505,794,232 Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Capital reserves	18	867,433	867,433
Other contributed equity 4,814,246,463 4,770,531,283 Accumulated funds (60,363,528) (36,207,773)	Asset revaluation reserve			
Accumulated funds (60,363,528) (36,207,773)				
Tetal souths				
	Total equity		8,260,544,600	the second s

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

Signed for and on behalf of the Board of Directors in accordance with a resolution of the Directors:

Director

Director

FIJI ROADS AUTHORITY STATEMENT OF CASH FLOWS FOR THE 7 MONTHS PERIOD ENDED 31 JULY 2016

	Notes	31 July 2016	31 December 2015
		\$	\$
Cash flows from Operating Activities			
Grants, subsidies and interest received		144,520,992	393,662,101
Payments to suppliers and employees		(78,921,062)	(139,636,002)
Net cash from Operating Activities		65,599,930	254,026,099
Cash flows from Investing Activities			
Payments for intangible assets		(44,870)	(103,684)
Payment for property, plant & equipment		(93,315,305)	(141,642,205)
Proceeds from sale of plant & equipment			379,040
Net cash used in Investing Activities		(93,360,175)	(141,366,849)
Net (decrease)/increase in cash held		(27,760,245)	112,659,250
Cash and cash equivalents at beginning of financial period/year		137,320,297	24,661,047
Cash and cash equivalents at end of financial period/year	4	109,560,052	137,320,297

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

1 SIGNIFICANT ACCOUNTING POLICIES

Fiji Roads Authority ("the Authority") was established by the Fiji Road Authority Decree 2012 (as amended by the Fiji Roads Authority (Amendment) Decree 2012 ("the FRA Decree") to serve the road system needs of the Republic of Fiji. This FRA Decree established the Authority by transferring the operations and assets of the Department of National Roads ("DNR").

The Authority's registered office is Level 4, Fiji Development Bank Building, 360 Victoria Parade, Suva. It operates from several locations in Fiji, with its head office in Suva.

The Authority commenced operations on 5 January 2012. Fiji Roads Authority is a corporate body domiciled in Fiji. The significant accounting policies, which have been adopted in the preparation of these financial statements, are noted below.

The comparatives disclosed in the financial statements presented are for a period of 7 months whereas the financial statements presented for the year ended 31 December 2015 are for a period 12 months therefore that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The financial statements were authorized for issue by the directors on $\frac{27^{14}}{2017}$ 2017.

(a) Accounting for the formation of FRA

By virtue of the FRA Decree, an entity was established to form the FRA with effect from 5 January 2012. Following the 2012 Amendment to the FRA Decree, Fiji Road Authority was renamed to Fiji Roads Authority.

Due to insufficient books and records over property, plant and equipment at 5 January 2012, the property, plant and equipment assets of the Department of National Roads ("DNR") were required to be identified, recorded and valued by independent valuers and the resulting adjustment was recorded in other contributed equity. The assets of the DNR were transferred to FRA on 5 January 2012 for a consideration of \$Nil under the FRA Decree. In 2015, the Authority with assistance from Erasito Beca Consultants Ltd revalued its property, plant and equipment.

(b) Statement of compliance

The financial statements of the Authority have been drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRS"), the FRA Act 2012 and other statutory requirements.

(c) Basis of preparation

The financial statements are presented in Fiji dollars, rounded to the nearest dollar. The financial statements have been prepared based on historical costs and do not take into account changing money values or, except where stated, current valuations of noncurrent assets.

The accounting policies have been consistently applied and are consistent throughout the period.

(d) New standards and interpretations not yet adopted

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 January 2016 or later periods.

Reference	Summary	Application date of standard and the Authority
IFRS 9 Financial Instruments	New requirements on recognition of expected credit losses	1 January 2018
IFRS 16 Leases	Requires operating leases to be recognised on balance sheet	1 January 2018
IFRS 15 Revenue from	Requires revenue to be recognised on satisfaction of the performance	1 January 2019
Contracts with Customers	obligations specified under contracts	

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements includes the note on property, plant and equipment in Note 1(g).

(f) Foreign currency

All foreign currency transactions are translated to Fiji currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling at balance date. Gains and losses arising on such translations are recognised in the result for the period.

(g) Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and equipment (vehicles and general plant and equipment) and infrastructure systems (road and bridges).

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other IFRS. Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

Assets acquired at no cost, or for nominal consideration, are initially recognized at their fair value at the date of acquisition. A corresponding amount is also reported as deferred revenue under liabilities and amortized over the period of the useful life of the asset.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The cost of assets constructed for own use includes the purchase cost, other directly attributable costs and the initial estimate of dismantling and restoration costs.

Depreciation

Items of property, plant and equipment, are depreciated using the straight-line method over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date. The expected useful lives of property, plant and equipment for depreciation purposes are as follows:

	Useful lives (years)
Buildings	60
Furniture and fittings	5 - 10
Motor vehicles	5 - 8
Road systems	12 - 120
Plant and equipment	10 - 30

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

Revaluation of property, plant and equipment

The Authority revalues the roads system recorded under property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Revaluations are performed by independent professionally qualified and registered valuers. The next revaluation of Authority's non-current assets are due by end of 2018.

Non-specialized assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. This is because any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognized as an expense in the net result, the increment is recognized immediately as revenue in the net result.

Revaluation decrements are recognized immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit Authority, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(h) Cash and cash equivalents

Cash & cash equivalents comprises of cash at bank, cash on hand and term deposits with maturity term of less than 3 months.

(i) Receivables and other assets

Receivables are carried at original invoice amount less allowance made for impairment. Other receivables are recognised and carried at cost less any impairment loss. An allowance for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. This allowance is based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

The largest portion of receivables relates to grants which had been budgetted by the Government but not yet received by the Authority.

(j) Deferred income and amortisation of deferred income

An unconditional grant related to an asset is recognised in statement of comprehensive income as other income when the grant becomes receivable.

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

12

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(l) Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Authority.

(m) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated. Maintenance costs relate principally to road and maritime infrastructure systems.

(n) Provisions

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Other provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(o) Income recognition

Income is recognised and measured at the fair value of the consideration or contribution received or receivable to the extent that it is probable that the economic benefits will flow to the Authority and the income can be reliably measured. The following specific criteria must also be met before income is recognised:

(i) Grants and contributions

Grants and contributions comprising mainly cash and in kind contributions are recognized as revenues when control passes to the Authority and the contractual obligations have been satisfied. In kind contributions (e.g. roads and bridges from local councils) are measured at fair value on transfer and recognized as property, plant and equipment (Note 1(g)).

(ii) Other income

Revenue from interest income and rental income is measured at fair value of the consideration received or receivable. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of comprehensive income.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment

The carrying amounts of the Authority's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

(q) Accumulated funds

The category "Accumulated Funds" includes all current period retained funds.

(r) Other contributed equity

Other contributed equity represents generally assets less liabilities transferred to the reporting entity by the Government of Fiji.

(s) Intangible Assets

Allowances

Intangible assets comprises of computer software and license for its first use. Acquired computer software licenses with a cost exceeding \$2,000 are initially capitalized at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs or consultancy costs which enhances or extends the performance of computer software beyond its specificications and which can be realiably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

		Seven months ended 31 July 2016	Twelve months ended 31 December 2015
2.	INCOME		2010
		\$	\$
(a)	Grants and contributions		
	Government of Fiji - Operating Grant	10,136,746	17,075,965
	Other agencies	-	728,460
		10,136,746	17,804,425
(b)	Other Income		
	Lab revenue		1,034,983
	Gain on sale of plant and equipment		89,206
	Depot rental	74,488	102,552
	Other revenue	-	9,736
	Interest income	202,714	3,808
		277,202	1,240,285
3.	EXPENDITURE		
(a)	Employee related expenses		
	Salaries	1,716,499	3,075,683
	Contribution to FNPF	138,676	233,406

The number of employees at the end of the financial period was 52 (2015: 35).

286,481

3.595.570

180,486

2,035,661

3.	EXPENDITURE (continued)	Seven months ended 31 July 2016	Twelve months ended 31 December 2015
	((()))	s	s
(b)	Other Operating expenses	3	3
	Consultancy costs	8,035,825	13,012,149
	Loss on sale of plant and equipment		304,607
	Unrealised exchange loss	23,290	92,121
	Leasing of plant	6,511	11,765
	Travel and communications	229,131	453,378
	Other	2,560,149	7,543,884
		10,854,906	21,417,904
4.	CASH AND CASH EQUIVALENTS		
	Cash at bank	96,099,316	135,955,322
	Petty cash	1,000	1,000
	-	96,100,316	135,956,322
	Term deposits	13,459,736	1,363,975
		109,560,052	137,320,297

Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, short term deposits and cash on hand.

Term deposits includes interest bearing deposit invested with Westpac Banking Corporation with remaining term of 1 month at an interest rate of 2% per annum and interest bearing deposit invested with Bank of Baroda and Bred Bank for term of 3 months at an interest rate of 0.25% and 3.25% respectively per annum.

5. RECEIVABLES

Municipal councils	610,854	610,853
Trench repairs	3,101,625	1,892,993
Others	223,008	135,423
	3,935,487	2,639,269

The Authority reviews the 'debtors aging' report at the end of each month. The Authority has not provided any provision or allowance for doubtful debts during or in prior years.

Before accepting any new customer, the Authority assesses the credit history of the customer through an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due dates at the end of the reporting period for which the Authority has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of Receivables that are past due but not impaired:

Current	726,989	158,914
30 Days	386,074	286,586
60 Days	171,452	3,158
90 Days	-	17,795
Over 90 Days	2,650,972	2,172,816
Total	3,935,487	2,639,269



		31 July 2016	31 December 2015
		\$	S
6.	Other Assets		
	Grants and interest receivable	125,659,229	123,209,897
	Prepayments	4,125,536	5,151,775
	Advances and deposits	40,520	25,970
	VAT receivable	-	1,972,915
	Securities	-	2,100,000
		129,825,285	132,460,557
7.	PROPERTY, PLANT AND EQUIPMENT		
(a)			
	Land and Buildings		
	At Cost	19,292,371	16,827,503
	Accumulated depreciation	(5,148,060)	(4,762,810)
		14,144,311	12,064,693
	Motor Vehicles		
	At Cost	2,467,352	2,252,352
	Accumulated depreciation	(1,146,459)	(928,582)
		1,320,893	1,323,770
	Furniture and Fittings		
	At Cost	1,059,331	538,179
	Accumulated depreciation	(275,703)	(155,632)
	P 10	783,628	382,547
	Road Systems		
	At fair value	8,654,268,099	8,294,310,378
	Accumulated depreciation	(72,230,520)	-
	Direct and Providence	8,582,037,579	8,294,310,378
	Plant and Equipment At Cost		
	Accumulated depreciation	2,082,357	2,082,357
	Accumulated depreciation	(1,034,292)	(546,478)
	Work in Progress	1,048,065	1,535,879
	At Cost	202 (12 11	100 541 (50
		203,613,414	429,741,670
		203,613,414	429,741,670
	Net book value	8,802,947,890	8,739,358,937

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Land & buildings	Motor vehicles	Furniture and fittings	Road systems	Plant and equipment	Work in Progress	Total
Cost	\$	\$	\$	\$	s	\$	\$
Balance at 1 January 2016	16,827,503	2,252,352	538,179	8,294,310,378	2,082,357	429.741.670	8,745,752,439
Acquisitions	2,464,868	215,000	521,152	359,957,721	-	84,360,789	447,519,530
Transfer to roads system				-		(310,489,045)	(310,489,045)
Balance at 31 July 2016	19,292,371	2,467,352	1,059,331	8,654,268,099	2,082,357	203,613,414	8,882,782,924
Depreciation							
Balance at 1 January 2016	4,762,810	928,582	155,632		546,478		6,393,502
Depreciation for the Year	385,250	217,877	120.071	72,230,520	487,814		73,441,532
Balance at 31 July 2016	5,148,060	1,146,459	275,703	72,230,520	1,034,292		79,835,034
Carrying amount							
At 31 December 2015	12,064,693	1,323,770	382,547	8,294,310,378	1,535,879	429,741,670	0 700 050 007
At 31 July 2016	14.144.311	1,320,893	783,628	8,582,037,579	1,048.065	203.613.414	8,739,358,937
		1,020,000	105,020	0,002,001,015	1,040,005	203,013,414	8,802,947,890
						31 July 2016	31 December 2015
8. INTANGIBLE	E ASSETS					\$	\$
<u>Software Licer</u> Cost:	ise						
Balance as at 01	l January					355,067	251,383
Additions						44,870	103,684
Balance as at 31	July/31 De	cember				399,937	355,067
Accumulated A	Amortisation	1					
Balance as at 01	l January					302,464	246,990
Amortisation fo	r the year					60,850	55,474
Balance as at 31	July/31 Dec	cember				363,314	302,464
Net Amount					-	36,623	52,603

Software license are made up of the Authority's Navision Financial Management Information System and the Payroll PayGlobal System. Computer software is capitalised at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial license cost) and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

9. ACCOUNTS PAYABLE

Accruals	22,630,717	14,767,383
Other payables	2,769,798	1,995,770
VAT, net	1,754,218	-
Retention payable	19,584,823	19,078,540
Trade payables	32,390,521	58,151,923
	79,130,077	93,993,616

			31 July 2016	31 December 2015
			S	S
10.	PROVISIONS			
	Employee benefits (i)		176,255	103,353
	Other provisions (refer below)		43,663,887	45,777,539
			43,840,142	45,880,892
	Apportioned as:			10,000,072
	Current		176,255	106,371
	Non Current		43,663,887	45,774,521
			43,840,142	45,880,892
	Other Provisions Detail:			
		Contractual	VAT Penalties	Total
		Work	(iii)	
	Descriptions	Accrued (ii)		
		\$	\$	\$
	Balance at 1 January 2016	44,455,255	1,322,283	45,777,539
	Additional provisions recognised	43,663,887		43,663,887
	Transferred to VAT receivable	(44,455,255)	(1,322,283)	(45,777,538)
	Balance at 31 July 2016	43,663,887	-	43,663,888

(i) The provision for employee benefits represents annual leave entitlement at the end of the financial year.

(ii) Estimated accruals provided for contractual works unclaimed at balance date.

(iii) VAT penalties represent VAT penalties incurred by the Authority for late payment and false representation (as assessed by FRCA) of VAT income during 2013 year. FRCA has made a commitment that these penalties will be waived and it was effective in the current financial period.

		31 July 2016	31 December 2015
11.	DEFERRED INCOME	S	S

Deferred income represents the Capital Grant given by the Government of Fiji for capital purchases and construction of the Authority's road systems.

Opening Balance	630,971,980	316,921,909
Less: Depreciated charges during the year	(45,601,348)	(23,557,075)
Less: Allocated to maintenance of road systems	(57,983,376)	(123,048,663)
Add: Current Year Grants	135,403,262	460,655,809
Closing Balance	662,790,518	630,971,980

12. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Commitments

As at balance date the Authority has an estimated value of \$108,379,320 contract commitments. However, this commitment depends on verification of works done and adherence to the contract terms and conditions during the contract period (2015: \$232,714,683).

COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued) 12.

Contingent liabilities (b)

In 2012, the Authority have entered into Memorandum of Agreements with the eleven (11) Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the Councils. It was also agreed that the Councils will pay the Authority an annual contribution for council roads maintained by the Authority.

No contributions were received from the councils and likewise no claims for reimbursement in relation to works carried out by councils on behalf of the Authority were received in the current year.

The matter has been referred to the Minister for Local Government and the Attorney General. There is a likely chance that the Councils will be directed to honor the MOA in place and the Authority will be liable to pay an approximate sum of \$16,097,306 to the councils for 2016 (2015: \$12,462,430).

	Seven months ended 31 July 2016	Twelve months ended 31 December 2015
Contingent assets	s	s
Contribution from Municipal Councils	24,821,349	19,216,528

The authority is expecting an approximate of \$24,821,349 contribution from councils as at 31 July 2016. These amounts have not yet been recorded as receivable.

13. RELATED PARTY TRANSACTIONS

Identify of related parties

Balances and transactions between the Authority and it's operations, which are related parties of the Authority have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Authority and other related parties are disclosed below.

Directors

(c)

The directors of the Authority in office during the period and up to the date of this report were:

- Mr Dinesh Patel Chairperson
- Mr Aptinko Vaurasi Member
- Mr Sanjay Kaba Member
- Ms Preetika Prasad Member
- Ms Salaeseini Serulagilagi Member (replaced by Mr Kamal Gounder on 2nd September 2016)

Trading Transactions with Related Party

During the year, the Authority enters into the following trading transactions with related parties:

Grant

Government of Fiji	135,403,262	4,765,511,791
	135,403,262	4,765,511,791
Government Funding Lenders		
Asian Development Bank		350,000
Exim Bank of China		72,487,563
		72 837 563

13. RELATED PARTY TRANSACTIONS (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The key management personnel in FRA are:

- Chief Executive Officer John Hutchinson (appointed: on 27 June 2016)
- Chief Financial Officer- Robert Sen
- Risk and Assurance Manager Ravneel Lal
- Corporate Services Manager Kavita Verma (Resigned on 29 July 2016)
- Maintenance Works Manager Aram Goes
- Capital Works Manager Ian Hunter
- Strategic, Planning & Performance Manager Rory Garland (Resigned on 17 June 2016)

Total remuneration paid to key management personnel for the seven months period ended 31 July 2016 was \$692,820 also taking into account the 2015 performance pay (2015: \$77,956).

During the period non-executive director - Mr Aptinko Vaurasi (Board member) received an allowance of \$6,708 from the Authority.

14. PRINCIPAL ACTIVITY

The principal activity of the Authority during the period was that pertaining to the construction, maintenance and development of roads, bridges and jetties in Fiji.

15. REGISTERED OFFICE

The Authority's registered office is Level 4, Fiji Development Bank Building, 360 Victoria Parade, Suva. It operates from several locations in Fiji, with its head office in Suva.

16. RISK MANAGEMENT DISCLOSURES

Introduction

The operational activities of the reporting entity expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The main risks arising from these financial instruments are outlined below together with the entity's objectives, policies and processes for measuring and managing risk.

Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive and management of the Authority have overall responsibility for the establishment and oversight of risk management and review and determine policies for managing each of these risks. Risk management policies are established to identify and analyze the risks faced by the entity, to set limits and to monitor risks. Compliance with these policies will be reviewed by internal audit.

The Authority's risk management strategy is set by the Executive Management and approved by the Board.

The Authority has management structures and information systems to manage individual risks and has separated risk initiation and monitoring tasks where practicable.

The following sections describe the risk management framework components:

16. RISK MANAGEMENT DISCLOSURES (continued)

Market risk

Market risk is the potential for change in the value of financial instruments caused by a change in the value, volatility or relationship between market rates and prices.

Market risk includes liquidity which is explained as follows:

Liquidity risk

Liquidity Risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

Maturity analysis for financial liabilities

The following analysis of financial liabilities is based on contractual terms.

	Seven	Seven months ended 31 July 2016		
	At call	Gross nominal outflow	Carrying amount	
	5	\$	S	
labilities				
ayables	79,130,077	79,130,077	79,130,077	
	79,130,077	79,130,077	79,130,077	

Credit Risk

To the extent the Authority has a receivable from another party there is a credit risk in the event of non-performance by the counterparty. At balance date, there were no significant concentrations of credit risk in respect of trade receivables. The Authority enters into transaction with counterparties in accordance with approved limits by management based on their credit assessment of ther counterparty. There is no requirment for various transactions to be supported by collateral or other securities for major sales transactions.

In addition, receivables balance are monitored on an ongoing basis with the result that the Authority's exposure to bad debts its not significant. The Authority establishes an allowance for impairment that represents its esitmate of incurred losses in respect of receivables.

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

	31 July 2016	31 December 2015
The second second	\$	\$
Financial Assets		
Cash and Cash equivalents	109,560,052	137,320,297
Receivables and other current assets	133,760,772	135,099,826
	243,320,824	272,420,123

16. RISK MANAGEMENT DISCLOSURES (continued)

Operational Risk

The Authority's operational risk management framework supports the achievement of the Authority's financial and business goals.

Operational risk is defined as the risk of business gain or loss resulting from:

- inadequate or failed internal processes and methodologies;

- people;
- systems; or
- external events.

A formal reporting structure for the management of operational risk is in place. There are also processes and practices for the identification, monitoring, measurement and day-to-day management of operational risks.

Heads of all business units have clearly defined roles and responsibilities to ensure that the operational risks inherent in all business activities have been identified, measured and recorded.

17. PERFORMANCE BONDS

Performance Bonds have been issued by various banks under the name of the Authority which the Authority can encase if a contractor does not satisfactorily complete its contract. As at balance date Fiji Roads Authority is holding bonds totalling \$104,601,758.

		31 July 2016	31 December 2015
18.	CAPITAL RESERVES	\$	\$
	Sale of Quarry Assets (i)	717,582	717,582
	Sale of Covec Plants and Machines (ii)	451,925	451,925
	Sale of items from Sigatoka Valley (iii)	19,956	19,956
	FRA Office fitout at FDB	(322,030)	(322,030)
		867,433	867,433

This reserve consists of:

(i) Proceeds from sale and disposal of equipment from the Fiji Roads Authority Quarry Operations.

 Proceed from sale and disposal of equipment remaining after the Departure of China National Overseas Engineering Cooperation (COVEC).

(iii) After the completion of the Sigatoka Valley Project, the office and house items used by the contractor were sold.

The funds will be utilised by Fiji Roads Authority on future establishment costs.

19. SIGNIFICANT EVENTS

In February 2016, severe tropical cyclone Winston made a landfall in Fiji from which the road systems of Fiji Roads Authority sustained massive damages in the western and northern side of the country. The Authority established plans and schedules for the repair works and allocated budgets accordingly. At the time of the report, the Authority was still in the process of completing the planned repair schedules.

Additionally, during the period, the Government of Fiji changed its financial year from 31 December to 31 July. As a result, the Authority voluntarily changed its financial year to 31 July and this is the first year the Authority has prepared its financial statements for a period of 7 months (2015: 12 months).

20. SUBSEQUENT EVENTS

The following event has arisen in the interval between the end of the financial period and the date of this report:

Termination of the Contract for Professional Engineering Services Advisor (MWH)

On 23 September 2016, the Authority's principle engineering service provider (MWH) had terminated their contract with the Fiji Roads Authority (FRA). In addition to this, FRA has commenced proceedings against MWH in the High Court of Fiji in regards to the return of documents by MWH that FRA is entitled to under the Contract (including Confidential Documents and Intellectual Property). Furthermore, MWH has also commenced proceeding against FRA in High Court of Fiji seeking to enforce its alleged entitlement to submit the disputes with FRA under the contract to mediation.

At the time of the report, these cases were still pending in High Court of Fiji for final judgement; thus the only significant change anticipated by the Authority was a new organizational structure being set up in the subsequent year.

6. Other Financial Information

For further information about the way the FRA manages its financial affairs see FRA's Operations Management Manual (Green Book).

6.1 Cost of Service

Table 19	- Cost of Service	Statement
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016 Revised Budget \$000's	Item	2016 Expenditure \$000's	2015 Expenditure \$000's	2014 Expenditure \$000's
	Operating Expenditure			
10,297	FRA MANAGEMENT	8,221	16,561	17,996
37,873	MAINTENANCE - ROADS, BRIDGES AND JETTIES	34,912	75,327	67,000
23,651	EMERGENCY WORKS	30,755	7,253	24,509
73,502	DEPRECIATION	73,502	115,072	53,648
145,323	Total Operating Costs (VEP)	147,390	214,213	163,153
	Capital Expenditure			
50,836	RENEWALS - ROADS AND SERVICES	49,587	76,468	70,437
24,333	RENEWALS - BRIDGES	22,230	38,850	19,417
2,618	RENEWALS - JETTIES	1,211	6,005	9,790
77,787	Renewals sub-total	73,028	121,323	99,644
1,082	NEW CAPITAL (Safety)	372	4,785	2,360
32,297	NEW CAPITAL (Access)	12,118	155,517	143,747
1,126	NEW CAPITAL (Community)	1,920	4,098	2,493
26,513	NEW CAPITAL (Congestion)	13,892	39,698	14,062
28,561	NEW CAPITAL (Tourism)	24,649	55,568	24,169
818	NEW CAPITAL (Resilience)	1,117	6,001	815
-	NEW Capital (Advance Payment)	-	5,685	13,975
90,397	New Capital sub-total	54,068	271,352	201,62
168,183	Total Capital Expenditure (VEP)	127,096	392,675	301,26
	Тах			
20,677	VAT	18,367	51,764	41,693
20,677	Total Tax Provision	18,367	51,764	41,69
334,183	Total Expenditure	292,853	658,652	506,111
	Income			
73,502	Unfunded depreciation	73,502	115,072	53,648
255,681	Government Grant	214,052	415,340	333,859
5,000	Loans	5,299	121,472	115,397
-	Contribution - Municipal Councils	-	-	-
-	Contribution - Other Government Agencies		6,768	2,147
-	Contribution - Local Government	-	-	1,060
334,183	Total Income	292,853	658,652	506,111

6.2 Roads in Municipal Council Areas

Up until 2012 whilst some of the main routes in the municipal council areas were maintained by the former Department of National Roads, most of the roads (in those areas) were maintained by the councils - funded from their rates. The ownership and responsibility of all roads transferred to the FRA in 2012 – with the councils being required to continue to contribute to their annual costs based on the amounts each had been allocating for roads' maintenance in 2012.

In 2013 the total sum the Councils were expected to pay (VEP) was \$6.8m, which was indicative of the collective spend on roads at that time. Since 2013 no Council has contributed any funds to road maintenance. A summary of issues and options for resolution has been submitted to the Minister in 2015 and FRA awaits the Minister's direction. Table 26 shows the value of work undertaken by FRA on these ex-Municipal Council roads. The figures illustrate the significantly higher investment that is needed to renew and maintain these roads to achieve a suitable level of service.

Table 20 - Estimated value of maintenance and renewal work undertaken by FRA on ex-Municipal Council roads

Council	FRA work in Municipalities from January to June 2016		
	Roads (\$)	Streetlights/Signals (\$)	
Ва	867,299	119,420	
Labasa	2,010,447	138,492	
Lami	225,617	36,433	
Lautoka	724,551	287,412	
Nadi	722,218	72,640	
Nasinu	1,547,772	173,180	
Nausori	2,972,948	332,642	
Savusavu	1,290,238	144,365	
Sigatoka	221,615	40,183	
Suva	5,437,606	608,413	
Tavua	189,794	6,383	
Rakiraki	402,750	4,783	
Total	\$16,612,855	\$1,964,346	

6.3 Projects Funded by the Malaysian and Chinese EXIM and the Asian Development Banks

The FRA has several road upgrading and flood damage repair projects that are funded by loans from the Malaysian and Chinese EXIM Banks and from the Asian Development Bank.

Table 21 – Loan Funding

Bank	2016 Expenditure \$000's	2015 Expenditure \$000's	2014 Expenditure \$000's	2013 Expenditure \$000's
EXIM BANK OF CHINA				
Buca Bay	-	8,589	15,950	20,339
Moto Road	-	-	-	8,696
Sikatoka Valley	-	-	1,572	<mark>6,886</mark>
Nabouwalu - Dreketi	-	105,216	74,400	45,483
Sawani - Serea	5,000	8,934	13,200	19,522
Subtotal	5,000	122,739	105,122	100,926
EXIM BANK OF MALAYSIA				
Queens Highway	-	-	-	5,389
Subtotal	-	-	-	5,389
ASIAN DEVELPOPMENT BANK				
Matewale Replacement Crossing	273	-	-	-
Rural Village Street Lighting	27	-	-	-
Kings - Lodoni	-	-	1,361	8,329
Lomaloma Slip	-	- 1,071	3,656	1,167
Rakiraki Bridge	-	- 495	2,070	989
Fiji Water Authority Works	-		3,388	1,158
FRUP - ADB			- 200	3,453
Subtotal	299	- 1,566	10,275	15,096
Total	5,299	121,173	115,397	121,411

6.4 Asset Values

An independent asset valuation was completed by Erasito Beca Consultants Ltd. The combination of increased knowledge of quantity and condition of assets as well as updating valuation has seen the overall asset value increase significantly. Table 29 has the 2016 valuation figures.

Table 22 – Asset Values

Asset Categories	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
Property				
Lands	3,175,413,828	3,175,413,828	-	-
Formation	3,121,883,503	3,121,883,503	-	-
Sub Total	\$6,297,297,331	\$6,297,297,331	\$0	\$0
Carriageways				
Sealed Pavement Structure	596,378,318	210,311,189	386,067,129	18,795,063
Unsealed Pavement Structure	693,600,761	557,555,057	136,045,704	21,230,022
Sub Total	\$1,289,979,079	\$767,866,246	\$522,112,833	\$40,025,085
Drainage				
Culverts	257,920,075	122,338,375	135,581,700	1,528,074
Gullypits	26,156,734	8,742,831	17,413,902	226,784
Surface Water Channels	204,047,902	89,119,004	114,928,898	1,834,955
Sub Total	\$488,124,711	\$220,200,210	\$267,924,501	\$3,589,813
Other Road Assets				
Footpaths	158,008,370	68,823,099	89,185,271	1,161,006
Street Lighting	19,044,104	10,165,674	8,878,430	802,868
Sub Total	\$177,052,474	\$78,988,773	\$98,063,701	\$1,963,874
Traffic Controls				
Signs (inc Posts)	11,183,667	5,265,643	5,918,024	326,190
Traffic Signals	7,894,923	3,049,569	4,845,353	106,135
Sub Total	\$19,078,590	\$8,315,212	\$10,763,377	\$432,325
Bridges				
Bridges	2,434,900,005	896,184,179	1,538,715,826	17,923,684
Bailey Bridges	33,345,581	14,905,708	18,439,873	307,656
Crossings	563,327,431	184,549,651	378,777,780	1,490,686
Pedestrian Bridges	9,963,711	1,140,119	8,823,592	118,036
Sub Total	\$3,041,536,728	\$1,096,779,657	\$1,944,757,071	\$19,840,062
Other Structures				
Guard Rails	34,982,288	7,345,752	27,636,536	317,262
Bus Shelters	8,476,201	3,992,382	4,483,819	245,719
Retaining & Other Walls	65,260,044	17,373,077	47,886,967	622,434
Jetties	306,962,683	83,878,938	223,083,745	5,193,947
Sub Total	\$415,681,216	\$112,590,149	\$303,091,067	\$6,379,361
Other				
Motor Vehicles	2,467,363	1,320,896	1,146,467	217,877
Plant & Equipment	2,082,360	1,048,063	1,034,297	487,814
Furniture & Fittings	1,059,333	783,627	275,706	120,071
Buildings	19,292,371	14,144,311	5,148,060	385,250
Work in Progress	203,613,414	203,613,414	-	-
Sub Total	\$228,514,841	\$220,910,311	\$7,604,530	\$1,211,012
Total	\$11,957,264,969	\$8,802,947,890	\$3,154,317,079	\$73,441,532



ACRONYMS

ADB	Asian Development Bank
AMP	Asset Management Plan
CEO	Chief Executive Officer
СР	Corporate Plan
DoE	Department of Environment
DNR	Department of National Roads
FHH	Fulton Hogan Hiways Joint Venture
FICAC	Fiji Independent Commission Against Corruption
FRA	Fiji Roads Authority
FRCA	Fiji Revenue and Customs Authority
FRUP	Fiji Roads Upgrading Project
GDP	Gross Domestic Product
IP	Intellectual Property
MoU	Memorandum of Understanding
LTA	Land Transport Authority
MWH	MWH (New Zealand) Ltd
MWTPU	Ministry of Works, Transport and Public Utilities
NASRUP	Nadi and Suva Road Upgrade Project
PS	Permanent Secretary
RIE	Requisition to Incur Expenditure
SCI	Statement of Corporate Intent
SR	Service Request
VAT	Value Added Tax
VEP	Vat Exclusive Price
VIP	Vat Inclusive Price
WHT	Withholding Tax

DEFINITIONS

Accountability	Being obliged to answer for one's actions, to justify what one does. Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.
Annual Budget	The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.
Asset Disposal Policy	An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Roads Authority Decree 2012 viz: 'the statement of corporate intent shall includean outline of FRA's policies and procedures relating to thedisposal of major assets'.
Asian Development Bank	'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.
Authority	The Fiji Roads Authority
Board	The Fiji Roads Authority's Board of Directors.
Bridge	A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than $3.4m^2$.
Capital Works	Includes both Renewal Capital Works and New Capital Works.
Corporate Plan	A plan required to be published by the FRA annually pursuant to Section 31 of the Decree. The Corporate Plan has to include the information listed in section 31 (3).
Decade of Action on Road Sa	ıfety
	 A global programme of the United Nations on road safety initiatives. Fiji joined the programme in 2011 and agreed a comprehensive set of targets to be achieved by 2020. Those that the FRA is responsible for include the following: (i) 30 black spots improved; (ii) 40kms of route action plans in place (e.g. overtaking lanes); (iii) 30 village treatments completed; (iv) 60 mass action plans; (v) 600km major roads marked and delineated; (and) (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes. In addition, all new projects are to have road safety audits from 2012.
Deferred Maintenance	The cost of work required by the practice of allowing infrastructure to deteriorate by not carrying out required repair and renewal work at the optimum time in the asset lifecycle.
Depots	The 23 depots and 21 sub-depots inherited from the former Department of National Roads. Some of these depots have since been leased, rented or otherwise disposed of.

Depreciated Replacement Cost (or Value)

The replacement cost of an asset less accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset.

Depreciation	The wearing out, consumption or other loss of value of an asset, whether arising from use, the passage of time, or obsolescence through technological and market changes.
EXIM BANK	An 'Export-Import' (EXIM) financial institution owned by the Chinese Government.
	The Fijian Government receives loan funding assistance for certain major capital road projects from this bank.
Goal	 (Not to be confused with 'Objective') A general statement defining a desired end result or a statement of intent for the direction of the business – usually long-term, not necessarily quantifiable and perhaps not totally obtainable. The FRA has two principal goals: (i) 'To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations; (and) (ii) To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.
Health and Safety Incident	An unplanned event that has resulted in, or has the potential to result in, injury, illness, damage or loss to persons or property. It includes accidents and near misses.
Jetties	The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.
Laboratories	The three permanent and four site (or project) laboratories formerly owned by the FRA that provide testing services for soils, bitumen, concrete, and aggregate and carry out site investigations.
Land Transport	In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.
Levels of Service	The defined quality for a particular service against which service performance can be measured. Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost. Road agencies like the FRA typically define levels of service in terms of the roads' reliability (how assured an intending user can be that he will be able to get to his destination within a given time no matter what day of the week it is, what time of day it is, or what the weather conditions are like), convenience, and comfort of travel; how safe the roads and footpaths are to travel or walk on; and cost.
Maintenance	The actions required to enable an asset to achieve its expected life. Maintenance work can be planned or unplanned. Planned maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage. Includes all of the actions necessary for retaining an asset as near as practicable to its original condition, but excludes Renewals. Examples: Pothole repairs. Replacing a broken deck on a bridge. Applying protective paint. Removing vegetation to improve driver vision. Reinstating road markings. Cleaning and clearing roadside drains and unblocking culverts. Cleaning and repairing road signs.
Mission	The reason why the organisation exists. The FRA's mission is <i>'to provide a better land transport network for Fiji'.</i>

Municipal Councils	The town and city councils. There are thirteen municipal councils: (i) Ba Town Council	
	(ii) Labasa Town Council	
	(iii) Lami Town Council	
	(iv) Lautoka City Council	
	(v) Levuka Town Council	
	(vi) Nadi Town Council	
	(vii) Nasinu Town Council	
	(viii) Nausori Town Council	
	(ix) Rakiraki Town Council	
	(x) Savusavu Town Council	
	(xi) Sigatoka Town Council	
	(xii) Suva City Council	
	(xiii) Tavua Town Council	
New Capital	Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential. Examples: A new bridge. The work done to realign, widen and seal an existing unsealed road.	
Objective	 (Not to be confused with Goal). A measurable target that describes the end results that a service or programme is expected to accomplish within a given time period. Objectives flow from, are components of, and lead the FRA towards the achievement of its goals. Every objective should be: (i) linked to a goal; (ii) realistic; (iii) action orientated; (iv) concise; (v) attainable; (vi) measurable; and (vii) time constrained; and (viii) within the control of the FRA. Example: (Hypothetical) Complete construction of the new Harris Bridge for not more than \$1.63m before 31 March 2015. 	
Outcomes	(Not to be confused with Outputs) The actual impact and value of the service delivery Example: Less deaths because of the safety improvement work that has been done on the roads.	
Outputs	(Not to be confused with Outcomes) The goods and services produced and provided to third parties (i.e. 'service accomplishments'). Examples: The length of the roads resealed or the number of potholes repaired. The number of safety improvements carried out.	
Performance Measure	A qualitative or quantitative measure relating to the intended level of service for a particular service area.	

	Performance measures are the means by which the FRA is able to identify the extent to which it has been able to achieve its objectives – the means for determining whether the levels of service are actually being achieved.
	 There are three broad elements of performance measures: (i) Those that measure service efforts (inputs); (ii) Those that measure service accomplishments (outputs and outcomes); and (iii) Those that relate service efforts to service accomplishments (efficiency and cost outcomes).
	Example: The number of injury and fatal accidents that occur on the roads annually.
Performance Target	The desired level of performance against a performance measure. A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve. Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.
Renewals	 (Not to be confused with New Capital). The replacement or rehabilitation of an asset. Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, and relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. It may reduce operating and maintenance expenditure if completed at the optimum time. Example: Resealing or rehabilitating a road – or replacing an existing bridge. It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure. The rate at which renewal work is being carried out over time compared with the annual provision for depreciation (the cost of consumption) is a good indicator of the extent to which the network is being maintained, improving, or is deteriorating.
Road (or Roads)	 The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing. It includes all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body, that is used or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to: (i) the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges, drains and kerbs; (ii) road signs, road marker posts and other markings, including pedestrian crossings; (iii) traffic islands; (iv) bridges and culverts; (v) footpaths and pavements adjacent to a vehicle pavement; (vi) street lights and traffic signals; (vii) parking meters; (vii) all national roads, municipal roads, and such other public roads as may be determined by FRA. Source: Fiji Road Authority (Amendment Decree 2012 (No 46) Sec 4 Note the inclusion of jetties within this definition.
Road Network	The network of roads, streets, bridges, jetties and associated infrastructure that the FRA has the responsibility to maintain, renew and further develop.

Roadworks Emergency	A situation declared to be the case following a major storm or other adverse event. (Not to be confused with Civil Defense Emergency) During a roadworks emergency the normal procurement requirements don't apply and road materials and other goods may be purchased and plant may be hired to repair the damage (in a manner and to the extent approved by the CEO).
Service Area	Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management. The headings under which the FRA formulates its levels of service, performance measures and targets in order to be able to decide what it has to do, and to be able to subsequently ascertain how well it is doing.
	 The headings are: (i) Health and Safety; (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety); (iii) Asset Provision, Preservation, and Development; (iv) Environmental Conservation, Protection and Enhancement; (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
	(vi) Compliance (including Training, Record Keeping and Reporting); and
	(vii) Costs. For a fuller explanation of the FRA's levels of service under these headings see Section 4.
Statement of Corporate Inten	t (SCI) A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to section 32 of the Decree. This document is the FRA's combined Corporate Plan and statement of Corporate Intent.
Vested Assets	Assets that are transferred to the FRA's ownership at no cost as a condition of subdivision (or development) approval. Instead of vesting new assets a subdivider or developer may be required to upgrade (e.g. widen) an existing road or be required to pay a sum of money to enable the FRA to fund the cost of mitigating the impact of the subdivision and or development work (or both).



8. Key FRA Partners

Auditor	The Fiji Controller & Auditor General.
Legal Advisor	A panel of Lawyers: • R Patel Lawyers – Suva • M C Lawyers – Suva • Siwatibau & Sloan – Suva • Young & Associates – Lautoka • Squire Patton Boggs - Australia
Insurance Advisor	Aon Limited
Banker	The Bank of Baroda
Professional Enginee	ring Services Provider MWH (New Zealand) Limited
Key Contractors	 Fulton Hogan-Hiways Joint Venture (Maintenance & Renewals – Central & Eastern Division & Northern Division) Higgins Group (Maintenance & Renewals – Western Division) China Railway First Group (Fiji) Company Limited China Railway No. 5 Engineering Group Company Ltd China Gezhouba Group Company Ltd
Central Government	
Local Government	 Ministry of Infrastructure Office of the Prime Minister Ministry of Finance Ministry of Rural & Maritime Development Ministry of Lands Ministry of Local Government Ministry for the Environment Department of Town and Country Planning Land Transport Authority Fiji Police Force Ba Town Council Labasa Town Council Lautoka City Council Levuka Town Council Nadi Town Council
Others	 Nasinu Town Council Nausori Town Council Rakiraki Town Council Savusavu Town Council Sigatoka Town Council Suva City Council Tavua Town Council The Bus Owners and Operators Association

🌄 Fiji Roads Authority

Appendix A – Fiji Roads Authority's Legislation

- Fiji Roads Authority Decree 2012
- Fiji Roads Authority (Amendment) Decree 2012 (Decree No 46 of 2012)
- Fiji Roads Authority (Amendment) Decree 2014 (Decree No 27 of 2014)
- Fiji Roads Authority (Amendment) Act 2015

Fiji Roads Authority Act 2012

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	PART 1 — PRELIMINARY		
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2	Interpretation	[FRA 2]	
3	Objectives of this Act	[FRA 3]	
	PART 2 — ESTABLISHMENT, FUNCTIONS AND POWERS		
4	Establishment of the Authority	[FRA 4]	
5	Composition of the Authority	[FRA 5]	
6	Functions of the Authority	[FRA 6]	
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18	Transfer of assets, interests and liabilities	[FRA 18]	
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21	Existing contracts	[FRA 21]	
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23	No benefit in respect of abolition or reorganisation of		
	office	[FRA 23]	
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24	Appointment of Chief Executive Officer	[FRA 24]	
25	Functions of the Chief Executive Officer	[FRA 25]	
26	Appointment of staff	[FRA 26]	
27	Funds of the Authority	[FRA 27]	
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Section	<i>Title</i> PART 5 — REPORTING AND ACCOUNTABILITY	Paragraph
28	Financial year	[FRA 28]
29	Half yearly reports	[FRA 29]
30	Annual reports	[FRA 30]
31	Corporate plan	[FRA 31]
32	Authority to have statement of corporate intent	[FRA 32]
33	Audit	[FRA 33]
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34	Establishment of the Fiji Roads Advisory Committee	[FRA 34]
35	Meetings and proceedings	[FRA 35]
36	Committee may invite others to meetings	[FRA 36]
37	Appointment of Change Manager [Repealed]	[FRA 37]
	PART 7 — MISCELLANEOUS	
38	Regulations	[FRA 38]
38A	Indemnity	IFRA 38A
39	Consequential	[FRA 39]

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Fiji Roads Authority Act 2012

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TABLE OF AMENDMENTS

Fiji Roads Authority Act 2012 (No 2 of 2012)¹ commenced on 5 January 2012, as amended by:

Amending Legislation	Date of Commencement
Fiji Road Authority (Amendment) Decree 2012 (No 46 of 2012)	14 May 2012
Fiji Roads Authority (Amendment) Decree 2014 (No 27 of 2014)	5 August 2014
Fiji Roads Authority (Amendment) Act 2015 (No 5 of 2015)	17 July 2015

¹ This was promulgated as Decree 2 of 2012. In accordance with section 3 of the Interpretation Act 1967, the word "Decree" used with reference to any such "Decree" in the title or provisions of any written law or in any document or legal proceeding may be replaced with the word "Act".

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AN ACT TO ESTABLISH THE FIJI ROADS AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS. [Long title am Decree 46 of 2012 s 2, opn 14 May 2012]

PART 1 --- PRELIMINARY

[FRA 1] Short title and commencement

1 This Act may be cited as the Fiji Roads Authority Act 2012 and shall come into force on the date of its publication in the Gazette. [s 1 am Decree 46 of 2012 s 2, opn 14 May 2012]

[FRA 2] Interpretation

In this Act, unless the context others requires-2

Authority means the Fiji Roads Authority established under section 4; [def am Decree 46 of 2012 s 2, opn 14 May 2012]

Change Manager [def rep Decree 27 of 2014 s 2, opn 5 Aug 2014]

Chief Executive Officer means the person appointed under section 24 and includes the person acting in that office;

Committee means the Fiji Roads Advisory Committee established under section 34 of this Act; [def am Decree 46 of 2012 s 3, opn 14 May 2012]

Department means the Department of National Roads;

Minister means the Minister responsible for the Fiji Roads Authority; and [def subst Decree 27 of 2014 s 2, opn 5 Aug 2014; am Act 5 of 2015 s 2, opn 17 July 2015]

[def subst Decree 27 of 2014 s 2, opn 5 Aug 2014; am Act 5 of 2015 s 2, opn 17 July 2015]
road or roads means all land and civil infrastructure constructed by any municipal council or Government body, or any other body authorised by a municipal council or Government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—

(a) the vehicle pavement from curb to curb, or where there is no curb, the roadside verges, drains and curbs;
(b) road signs, road marker posts and other markings, including pedestrian crossings;
(c) traffic islands;
(d) bridges and culverts;
(e) footpaths and pavements adjacent to a vehicle pavement;
(f) street lights and traffic lights;
(h) parking meters;
(i) jettics; and
(j) all national roads, municipal roads and such other public roads as may be determined by the Authority.

[def subst Decree 46 of 2012 s 4, opn 14 May 2012]
[JFRA 3] Objectives of this Act

[FRA 3] **Objectives of this Act**

3 The principal objectives of this Act are to—
 (a) give effect to the reorganisation of the Department of National Roads; and

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PART 2 --- ESTABLISHMENT, FUNCTIONS AND POWERS

FRA 41 Establishment of the Authority

[FKA 4] Establishment of the Authority
4 This section establishes the Fiji Roads Authority, as a corporate body with perpetual succession and a common seal, and the Authority may—

(a) sue and be sued;
(b) acquire, hold and dispose of property;
(c) enter into contract, agreement or other transactions; and
(d) do all other acts that may be done in law by a body corporate.

[s 4 am Decree 46 of 2012 s 2, opn 14 May 2012]

[FRA 5] Composition of the Authority

5 (1) Th the Minister. The Authority shall consist of a Chairperson and 4 other members appointed by

the Minister.
(2) The Chairperson and the other members of the Authority shall hold office for 3 years and are eligible for reappointment.
(2A) The Chief Executive Officer shall be an *ex officio* member of the Authority with no voting rights.
[subs (2A) insrt Act 5 of 2015 s 3, opn 17 July 2015]
(3) The Chairperson and members may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

[FRA 6] Functions of the Authority

6 The Authority shall be responsible for all matters pertaining to construction, aintenance and development of roads in Fiji, including but not limited to the following

(a) managing (land provision, network planning cut information to the following—

(a) managing (land provision, network planning, designing, constructing, maintaining, renewing and generally managing the use of) all roads;
(b) traffic management (including road design, traffic signs and markings);
(c) road safety (relating to provision and management of the road);
(d) [Repealed]
(e) the issuing of over-width, height and lengths limits;
(f) planning and management of road survey and design;
(g) provide advice, programme management services, design, supervision services for capital works programme; and
(h) for such other matters, as the Minister may direct.

[s 6 am Decree 46 of 2012 s 5, opn 14 May 2012; Decree 27 of 2014 s 3, opn 5 Aug 2014]

[FRA 7] Powers of the Authority

7 The Authority shall have all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions under this Act and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

[FRA 8] Delegation of powers

8 (1) The Authority may from time to time, by writing under the hand of the Chairperson, delegate to any person or committee any of the Authority's powers under this Act.

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FRA 81

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(2) A delegation under this section may be made to a specified person or committee or to the holder for the time being of a specified office or to the holders of a specified class.
(3) A delegation may be made subject to such restrictions and conditions as the Authority thinks fit, and may be made either generally or in relation to any particular case or class of cases.
(4) Any person or committee purporting to exercise any power of the Authority by virtue of a delegation under this section shall, when required to do so, produce evidence of his or her or its authority to exercise the power.

[FRA 9] Resignation and removal
9 (1) A member of the Authority may resign from his or her office by giving 30 days written notice to the Minister.
(2) The Chairperson and members may be removed by the Minister for inability to perform the functions of the Authority (whether arising from infirmity of body or mind, absence, misbehaviour or any other cause) or may be otherwise removed by giving one month's notice or one month's remuneration *in lieu* of notice.

Vacation of office [FRA 10]

- (a) The office of a member shall become vacant if the member—

 (a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority;
 (b) become or has, in Fiji or elsewhere, been declared bankrupt and has not been discharged;
 (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than one year; or
 (d) has, in Fiji or elsewhere, been disqualified or suspended from practising his or her profession by any competent authority by reason of misconduct.

 (2) The Authority may act notwithstanding a vacancy in its membership.

[FRA 11] Meetings and proceedings of the Authority 11 (1) The Chairperson shall preside at all meetings of the Authority, and if the Chairperson is not present at a meeting then the members present may for that particular meeting choose a member to preside as the Acting Chairperson in the absence of the Chairperson is not present at a meeting choice a member to present as the format of the the transformation of the the second meeting cho Chairperson.

Chairperson.
(2) At a meeting, 3 members shall form a quorum.
(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, or in his or her absence, the member presiding shall have a casting vote.
(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.
(5) The Authority shall have a minimum of one meeting in each month.

[FRA 12] Authority may invite others to meetings 12 The Authority may invite a person to attend a meeting of the Authority for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

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[FRA 17]

[FRA 13] Disclosure of interest

13 (1) A member of the Authority who is, directly or indirectly, interested in a matter under discussion by the Authority shall disclose to the Authority the fact and nature of his her interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority. (2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority.
(3) After a disclosure under subsection (1) the member in question—

(a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but
(b) may be counted for the purpose of forming a quorum of the Authority.

(4) A member who fails to disclose his or her interest as required by subsection (1) commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 and to imprisonment of 5 years or to both.

<u>s</u> 17

[FRA 14] Minutes
[14 (1) The Authority shall keep minutes of all meetings in a proper form.
(2) Any minutes, if duly signed by the Chairperson or person presiding, shall, in any legal proceedings, be admissible as evidence of the facts stated in them and a meeting of the Authority in respect of which the minutes have been so signed is deemed to have been duly convened and held and the members present at it to have been duly appointed to act.

[FRA 15] Common seal
15 (1) The Authority shall have a common seal of such design as it may decide.
(2) The common seal shall be kept by the Chairperson and its affixing shall be authenticated by any 2 members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.
(3) All deeds, documents and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.
(4) The common seal of the Authority shall be officially and judicially noticed for all purposes.

[FRA 16] Procurement process and plan

[FRA 16] Procurement process and plan
16 (1) The Authority shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.
(2) All goods and services procured by the Authority shall be in accordance with the procurement process and plan established by the Authority under subsection (1).
(3) The provisions of the Procurement Regulations 2010 shall not apply to the Authority.

(3) The Authority.

[FRA 17] Minister may give directions
 17 The Minister may, in his or her discretion, give directions to the Authority with respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.
 [s 17 subst Decree 46 of 2012 s 6, opn 14 May 2012]

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PART 3 --- TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

[FRA 18] Transfer of assets, interests and liabilities

18 (1) As from the commencement of this Act, all assets, interests, rights, privileges, liabilities and obligations of—

(a) the State in relation to the Department; and(b) municipal councils in relation to municipal roads,

shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Act, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority, the State or any municipal council to give notice to any person whose right or liability is affected by the vesting

(3) On and after the commencement of this Act, any agreement relating to any property, rights or liabilities transferred to and vested in the Authority under subsection (1) to which the State or any municipal council was a party immediately before the commencement of this Act, whether in writing or otherwise, and whether or not of such a nature those rights and liabilities may be assigned by the State or any municipal council, shall have effect as if the Authority had been a party to the agreement.
(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.
[4] Is a subst becree 46 of 2012 s 7, opp 14 May 2012]

[s 18 subst Decree 46 of 2012 s 7, opn 14 May 2012]

[FRA 19] Transfer of employees

19 (1) As from the commencement of this Act, all persons employed immediately before that date in the Department shall be transferred to the Authority.

(2) Until such time as terms and conditions, including rules as to the conduct and discipline of its employees are drawn up by the Authority, the terms and conditions of employees shall continue to apply to every person transferred under subsection (1).

[FRA 20] **Rights of transferred employees**

20 For the purposes of every enactment, law, award, determination, contract and agreement relating to the employment of a transferred employee, the contract of employment of that employee is deemed to have been unbroken and the period of employment is for all purposes deemed to have been a period with the Authority.

[FRA 21] Existing contracts

21 All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Act shall continue in force after that date and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Department.

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[FRA 22]

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[FRA 22] Continuation of proceedings

[FRA 22] Continuation of proceedings
22 Any action, arbitration, proceedings or cause of action that relates to a transferred asset, liability or employee and that immediately before the commencement of this Act is pending or existing by, against, or in favour of the Department, or to which the Department is a party, may be prosecuted and, without amendment of any writ, pleading or other documents, continued and enforced against, or in favour of the Authority.

[FRA 23] No benefit in respect of abolition or reorganisation of office 23 A person who is transferred to the Authority is not entitled to claim any benefit on the ground that he or she has been retired from the Department on account of abolition or reorganisation of office in consequence of the establishment and incorporation of the Authority.

[The next page is 255,801]

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PART 4 ---- MANAGEMENT AND FINANCE OF AUTHORITY

[FRA 24] Appointment of Chief Executive Officer

24 (1) The Authority may appoint a suitably qualified person as the Chief Executive Officer of the Authority, in accordance with terms and conditions the Authority may approve.

[subs (1) am Decree 27 of 2014 s 4, opn 5 Aug 2014]
(2) The Chief Executive Officer may be appointed for a term not exceeding 3 years and is eligible for reappointment.

(3) [subs (3) rep Decree 27 of 2014, opn 5 Aug 2014]

[FRA 25] Functions of the Chief Executive Officer

[FKA 25] Functions of the Chief Executive Officer
25 (1) The Chief Executive Officer shall be responsible to the Authority for the management of the Authority.
(2) The Chief Executive Officer shall attend every meeting of the Authority, and if he or she, for any reason, is unable to attend a meeting, the Chief Executive Officer may, in consultation with the Chairperson, nominate an officer to attend on his or her behalf.
(3) The Chief Executive Officer shall not engage in any other business without the prior consent of the Authority.

[FRA 26] Appointment of staff

[FKA 26] Appointment of staff
26 (1) The Authority shall appoint such officer, servants or agents as it considers necessary for the efficient exercise, performance and discharge of its duties.
(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority.
[subs (2) am Decree 27 of 2014 s 5, opn 5 Aug 2014]

[FRA 27] Funds of the Authority

27

- (a) any money appropriated by Government;
 (b) rates, fees and other charges received by or on behalf of the Authority by virtue of this Act; and
 (c) any other money received by or on behalf of the Authority.

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- REPORTING AND ACCOUNTABILITY PART 5 -

[FRA 28] Financial year

28 year. The Authority's financial year shall be from 1 January to 31 December of each

[FRA 29] Half yearly reports

(1) The Authority shall furnish to the Minister a report on its activities for the first half of each financial year.
(2) The half yearly report shall include the information required by the Authority's statement of corporate intent to be given in the report.

[FRA 30] Annual reports

30 (1) Within 4 months after the end of each financial year, the Authority shall in accordance with its statement of corporate intent prepare a report of its activities during that financial year. [subs (1) am Decree 27 of 2014 s 6, opn 5 Aug 2014]

(2) The Authority shall send a copy of the annual report to the Minister who shall cause it to be laid before Cabinet as soon as practicable.

- it to be laid before Cabinet as soon as practicable.
 (3) The annual report required by subsection (1) shall contain, among other things—

 (a) an audited statement of accounts prepared in accordance with generally accepted accounting practice as determined by the Fiji Institute of Accountants;
 (b) a statement of financial performance, including a statement of the financial position of the Authority;
 (c) a statement of cash flows;
 (d) such other information as is required to give a true and fair view of the Authority's financial affairs; and
 (e) a copy of the auditor's report.
 (4) The annual report shall include the information required by the Authority's statement to be given in it.

[FRA 31] **Corporate plan**

31 (1) The Authority shall in each year publish a corporate plan setting out plans for the future operations of the Authority and shall act in accordance with it.
(2) The Minister may issue guidelines as to the format and content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.
(3) A concentration of the content of the content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.

(3) A corporate plan shall, except as otherwise agreed in writing by the Minister, contain-

(a) a forecast of profit and loss accounts, balance sheets and cash flows for the current and following 2 financial years; and
(b) a statement of the assumptions on which the forecasts are based.

(4) The corporate plan shall be consistent with the Authority's statement of corporate intent.

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Fiji Roads Authority

[FRA 32]

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[FRA 32] Authority to have statement of corporate intent

- [FRA 32] Authority to have statement of corporate intent
 32 (1) The Authority shall, in each year, publish a statement of corporate intent containing a summary of the corporate plan and setting out the financial and non-financial performance targets of the Authority for that year.
 (2) In addition to the matters mentioned in subsection (1), the statement of corporate intent shall include—

 (a) an outline of the objectives of the Authority;
 (b) an outline of the Authority's main undertakings;
 (c) an outline of the borrowings made and proposed to be made by the Authority;
 (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
 (e) an outline of major assets;
 (f) a description of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
 (f) a description of the financial information to be given to the Minister in the half yearly and annual report;
 (h) a description to its objectives, in addition to the performance targets required by subsection (1); and
 (i) such other matters as are agreed by the Minister and the Authority or are directed by the Minister to be included in the statement of corporate intent.
 (j) The Munister may, in writing, exempt the Authority from including in its statement of corporate intent.

[FRA 33] Audit

[FRA 33] Audit
33 (1) The Authority is required to be audited at least once a year.
(2) The audit is to be conducted in accordance with the Audit Act 1969 and the Financial Management Act 2004, except where the audit is conducted by a person appointed by the Authority under subsection (3).
(3) The audit is to be conducted by—

(a) the Auditor General or a person authorised or contracted under the Audit Act 1969 to carry it out, unless the Authority is exempted from audit under that Act 1969 to carry it out, unless the Authority is exempted from audit under that Act 1969 to carry it out, unless the Authority is so exempted from audit under that Act 1969 to carry it out, unless the Authority is so exempted from audit under that Act 1969 to carry it out, unless the Authority is so exempted from audit under that Act 1969 to carry it out, unless the Authority is so exempted from audit under that Act 1969 to carry it out, unless the Authority is so exempted from audit under that Act 1969 to carry it out, unless the form audit act 1969.
(4) The person appointed by the Authority under subsection 3(b) is to be—

(a) a person that the Minister responsible for finance directs the Authority in writing to appoint; or
(b) if the Minister responsible for finance gives no such directions, the person chosen by the Authority.

[The next page is 256,201]

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PART 6 — TRANSITIONAL AND SAVINGS

[FRA 34] Establishment of the Fiji Roads Advisory Committee

[FRA 34] Establishment of the Fiji Roads Advisory Committee
34 (1) Until such time as the members of the Authority are appointed by the Minister under Part 2, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Roads Advisory Committee which shall consist of a Chairperson and 4 other members appointed by the Minister.
(a) The Chairperson and members of the Committee shall hold office until such time as the Authority is appointed.
(3) The Minister may, in his or her discretion, give directions to the Committee with respect to the performance of the functions of the Authority by the Committee, and the Authority shall comply with any such directions issued by the Minister.

[FRA 35] Meetings and proceedings

[FRA 35] Meetings and proceedings
35 (1) At all meetings, 3 members shall form a quorum.
[subs (1) am Decree 27 of 2014 s 8, opn 5 Aug 2014]
(2) The Chairperson shall preside at all meetings of the Committee.
(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, shall have a casting vote.
(4) The validity of any proceedings of the Committee shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

[FRA 36] Committee may invite others to meetings

36 The Committee may invite a person to attend a meeting of the Committee for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

[FRA 37] Appointment of Change Manager

37 [s 37 rep Decree 27 of 2014 s 9, opn 5 Aug 2014]

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PART 7 ---- MISCELLANEOUS

[FRA 38] Regulations

The Minister may make regulations to give effect to the provisions of this Act. 38

[FRA 38A] Indemnity

[FRA 38A] Indemnity 38A (1) Neither the Committee, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any court, tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Act or any other written law. [subs (1) am Decree 27 of 2014 s 10, opn 5 Aug 2014] (2) Notwithstanding anything contained in subsection (1), the Minister may on an *ex-gratia* basis grant compensation to any person who has suffered any injury or damage to property, caused either directly or indirectly by any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Act or any other written law. [s 38A inst Decree 46 of 2012 s 8, opn 14 Mar 2012]

[FRA 39] Consequential 39 This Act has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Act and any other written law, this Act prevails.

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Fiji Roads Authority Act 2012

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Fiji Roads Authority Act 2012

TABLE OF AMENDMENTS

Fiji Roads Authority Act 2012 (No 2 of 2012)¹ commenced on 5 January 2012, as amended by:

Amending Legislation	Date of Commencement
Fiji Road Authority (Amendment) Decree 2012 (No 46 of 2012)	14 May 2012
Fiji Roads Authority (Amendment) Decree 2014 (No 27 of 2014)	5 August 2014
Fiji Roads Authority (Amendment) Act 2015 (No 5 of 2015)	17 July 2015

¹ This was promulgated as Decree 2 of 2012. In accordance with section 3 of the Interpretation Act 1967, the word "Decree" used with reference to any such "Decree" in the title or provisions of any written law or in any document or legal proceeding may be replaced with the word "Act".

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AN ACT TO ESTABLISH THE FIJI ROADS AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS.

[Long title am Decree 46 of 2012 s 2, opn 14 May 2012]

PART 1 — PRELIMINARY

[FRA 1] Short title and commencement

1 This Act may be cited as the Fiji Roads Authority Act 2012 and shall come into force on the date of its publication in the Gazette. [s 1 am Decree 46 of 2012 s 2, opn 14 May 2012]

[3 1 and Decree 40 of 2012 3 2, opti 14 May 201

[FRA 2] Interpretation

2 In this Act, unless the context others requires-

Authority means the Fiji Roads Authority established under section 4; [def am Decree 46 of 2012 s 2, opn 14 May 2012]

Change Manager

[def rep Decree 27 of 2014 s 2, opn 5 Aug 2014]

Chief Executive Officer means the person appointed under section 24 and includes the person acting in that office;

Committee means the Fiji Roads Advisory Committee established under section 34 of this Act;

[def am Decree 46 of 2012 s 3, opn 14 May 2012]

Department means the Department of National Roads;

Minister means the Minister responsible for the Fiji Roads Authority; and [def subst Decree 27 of 2014 s 2, opn 5 Aug 2014; am Act 5 of 2015 s 2, opn 17 July 2015]

- **road** or **roads** means all land and civil infrastructure constructed by any municipal council or Government body, or any other body authorised by a municipal council or Government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—
 - (a) the vehicle pavement from curb to curb, or where there is no curb, the roadside verges, drains and curbs;
 - (b) road signs, road marker posts and other markings, including pedestrian crossings;
 - (c) traffic islands;
 - (d) bridges and culverts;
 - (e) footpaths and pavements adjacent to a vehicle pavement;
 - (f) street lights and traffic lights;
 - (h) parking meters;
 - (i) jetties; and
 - (j) all national roads, municipal roads and such other public roads as may be determined by the Authority.

[def subst Decree 46 of 2012 s 4, opn 14 May 2012]

[FRA 3] Objectives of this Act

- 3 The principal objectives of this Act are to-
 - (a) give effect to the reorganisation of the Department of National Roads; and

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PART 2 — ESTABLISHMENT, FUNCTIONS AND POWERS

[FRA 4] Establishment of the Authority

4 This section establishes the Fiji Roads Authority, as a corporate body with perpetual succession and a common seal, and the Authority may—

(a) sue and be sued;

(b) acquire, hold and dispose of property;

(c) enter into contract, agreement or other transactions; and

(d) do all other acts that may be done in law by a body corporate.

[s 4 am Decree 46 of 2012 s 2, opn 14 May 2012]

[FRA 5] Composition of the Authority

5 (1) The Authority shall consist of a Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and the other members of the Authority shall hold office for 3 years and are eligible for reappointment.

(2A) The Chief Executive Officer shall be an *ex officio* member of the Authority with no voting rights.

[subs (2A) insrt Act 5 of 2015 s 3, opn 17 July 2015]

(3) The Chairperson and members may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

[FRA 6] Functions of the Authority

6 The Authority shall be responsible for all matters pertaining to construction, maintenance and development of roads in Fiji, including but not limited to the following—

- (a) managing (land provision, network planning, designing, constructing, maintaining, renewing and generally managing the use of) all roads;
- (b) traffic management (including road design, traffic signs and markings);
- (c) road safety (relating to provision and management of the road);
- (d) [Repealed]
- (e) the issuing of over-width, height and lengths limits;
- (f) planning and management of road survey and design;
- (g) provide advice, programme management services, design, supervision services for capital works programme; and
- (h) for such other matters, as the Minister may direct.

[s 6 am Decree 46 of 2012 s 5, opn 14 May 2012; Decree 27 of 2014 s 3, opn 5 Aug 2014]

[FRA 7] Powers of the Authority

7 The Authority shall have all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions under this Act and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

[FRA 8] Delegation of powers

8 (1) The Authority may from time to time, by writing under the hand of the Chairperson, delegate to any person or committee any of the Authority's powers under this Act.

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[FRA 8]

(2) A delegation under this section may be made to a specified person or committee or to the holder for the time being of a specified office or to the holders of a specified class.

(3) A delegation may be made subject to such restrictions and conditions as the Authority thinks fit, and may be made either generally or in relation to any particular case or class of cases.

(4) Any person or committee purporting to exercise any power of the Authority by virtue of a delegation under this section shall, when required to do so, produce evidence of his or her or its authority to exercise the power.

[FRA 9] Resignation and removal

9 (1) A member of the Authority may resign from his or her office by giving 30 days written notice to the Minister.

(2) The Chairperson and members may be removed by the Minister for inability to perform the functions of the Authority (whether arising from infirmity of body or mind, absence, misbehaviour or any other cause) or may be otherwise removed by giving one month's notice or one month's remuneration *in lieu* of notice.

[FRA 10] Vacation of office

- 10 (1) The office of a member shall become vacant if the member—
 - (a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority;
 - (b) become or has, in Fiji or elsewhere, been declared bankrupt and has not been discharged;
 - (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than one year; or
 - (d) has, in Fiji or elsewhere, been disqualified or suspended from practising his or her profession by any competent authority by reason of misconduct.
- (2) The Authority may act notwithstanding a vacancy in its membership.

[FRA 11] Meetings and proceedings of the Authority

11 (1) The Chairperson shall preside at all meetings of the Authority, and if the Chairperson is not present at a meeting then the members present may for that particular meeting choose a member to preside as the Acting Chairperson in the absence of the Chairperson.

(2) At a meeting, 3 members shall form a quorum.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, or in his or her absence, the member presiding shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

(5) The Authority shall have a minimum of one meeting in each month.

[subs (5) insrt Act 5 of 2015 s 4, opn 17 July 2015]

[FRA 12] Authority may invite others to meetings

12 The Authority may invite a person to attend a meeting of the Authority for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

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[FRA 13] Disclosure of interest

13 (1) A member of the Authority who is, directly or indirectly, interested in a matter under discussion by the Authority shall disclose to the Authority the fact and nature of his or her interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority.

(3) After a disclosure under subsection (1) the member in question-

- (a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but
- (b) may be counted for the purpose of forming a quorum of the Authority.

(4) A member who fails to disclose his or her interest as required by subsection (1) commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 and to imprisonment of 5 years or to both.

[FRA 14] Minutes

14 (1) The Authority shall keep minutes of all meetings in a proper form.

(2) Any minutes, if duly signed by the Chairperson or person presiding, shall, in any legal proceedings, be admissible as evidence of the facts stated in them and a meeting of the Authority in respect of which the minutes have been so signed is deemed to have been duly convened and held and the members present at it to have been duly appointed to act.

[FRA 15] Common seal

15 (1) The Authority shall have a common seal of such design as it may decide.

(2) The common seal shall be kept by the Chairperson and its affixing shall be authenticated by any 2 members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.

(3) All deeds, documents and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.

(4) The common seal of the Authority shall be officially and judicially noticed for all purposes.

[FRA 16] Procurement process and plan

16 (1) The Authority shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.

(2) All goods and services procured by the Authority shall be in accordance with the procurement process and plan established by the Authority under subsection (1).

(3) The provisions of the Procurement Regulations 2010 shall not apply to the Authority.

[FRA 17] Minister may give directions

17 The Minister may, in his or her discretion, give directions to the Authority with respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.

[s 17 subst Decree 46 of 2012 s 6, opn 14 May 2012]

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PART 3 — TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

[FRA 18] Transfer of assets, interests and liabilities

18 (1) As from the commencement of this Act, all assets, interests, rights, privileges, liabilities and obligations of—

(a) the State in relation to the Department; and

(b) municipal councils in relation to municipal roads,

shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Act, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority, the State or any municipal council to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Act, any agreement relating to any property, rights or liabilities transferred to and vested in the Authority under subsection (1) to which the State or any municipal council was a party immediately before the commencement of this Act, whether in writing or otherwise, and whether or not of such a nature those rights and liabilities may be assigned by the State or any municipal council, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

[s 18 subst Decree 46 of 2012 s 7, opn 14 May 2012]

[FRA 19] Transfer of employees

19 (1) As from the commencement of this Act, all persons employed immediately before that date in the Department shall be transferred to the Authority.

(2) Until such time as terms and conditions, including rules as to the conduct and discipline of its employees are drawn up by the Authority, the terms and conditions of employees shall continue to apply to every person transferred under subsection (1).

[FRA 20] Rights of transferred employees

20 For the purposes of every enactment, law, award, determination, contract and agreement relating to the employment of a transferred employee, the contract of employment of that employee is deemed to have been unbroken and the period of employment is for all purposes deemed to have been a period with the Authority.

[FRA 21] Existing contracts

21 All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Act shall continue in force after that date and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Department.

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[FRA 22] Continuation of proceedings

22 Any action, arbitration, proceedings or cause of action that relates to a transferred asset, liability or employee and that immediately before the commencement of this Act is pending or existing by, against, or in favour of the Department, or to which the Department is a party, may be prosecuted and, without amendment of any writ, pleading or other documents, continued and enforced against, or in favour of the Authority.

[FRA 23] No benefit in respect of abolition or reorganisation of office

23 A person who is transferred to the Authority is not entitled to claim any benefit on the ground that he or she has been retired from the Department on account of abolition or reorganisation of office in consequence of the establishment and incorporation of the Authority.

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PART 4 — MANAGEMENT AND FINANCE OF AUTHORITY

[FRA 24] Appointment of Chief Executive Officer

24 (1) The Authority may appoint a suitably qualified person as the Chief Executive Officer of the Authority, in accordance with terms and conditions the Authority may approve.

[subs (1) am Decree 27 of 2014 s 4, opn 5 Aug 2014]

(2) The Chief Executive Officer may be appointed for a term not exceeding 3 years and is eligible for reappointment.

(3) [subs (3) rep Decree 27 of 2014, opn 5 Aug 2014]

[FRA 25] Functions of the Chief Executive Officer

25 (1) The Chief Executive Officer shall be responsible to the Authority for the management of the Authority.

(2) The Chief Executive Officer shall attend every meeting of the Authority, and if he or she, for any reason, is unable to attend a meeting, the Chief Executive Officer may, in consultation with the Chairperson, nominate an officer to attend on his or her behalf.

(3) The Chief Executive Officer shall not engage in any other business without the prior consent of the Authority.

[FRA 26] Appointment of staff

26 (1) The Authority shall appoint such officer, servants or agents as it considers necessary for the efficient exercise, performance and discharge of its duties.

(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority.[subs (2) am Decree 27 of 2014 s 5, opn 5 Aug 2014]

[FRA 27] Funds of the Authority

- 27 The funds of the Authority for the purposes of this Act shall consist of-
- (a) any money appropriated by Government;
- (b) rates, fees and other charges received by or on behalf of the Authority by virtue of this Act; and
- (c) any other money received by or on behalf of the Authority.

PART 5 — REPORTING AND ACCOUNTABILITY

[FRA 28] Financial year

28 The Authority's financial year shall be from 1 January to 31 December of each year.

[FRA 29] Half yearly reports

29 (1) The Authority shall furnish to the Minister a report on its activities for the first half of each financial year.

(2) The half yearly report shall include the information required by the Authority's statement of corporate intent to be given in the report.

[FRA 30] Annual reports

30 (1) Within 4 months after the end of each financial year, the Authority shall in accordance with its statement of corporate intent prepare a report of its activities during that financial year.

[subs (1) am Decree 27 of 2014 s 6, opn 5 Aug 2014]

(2) The Authority shall send a copy of the annual report to the Minister who shall cause it to be laid before Cabinet as soon as practicable.

- (3) The annual report required by subsection (1) shall contain, among other things-
 - (a) an audited statement of accounts prepared in accordance with generally accepted accounting practice as determined by the Fiji Institute of Accountants;
 - (b) a statement of financial performance, including a statement of the financial position of the Authority;
- (c) a statement of cash flows;
- (d) such other information as is required to give a true and fair view of the Authority's financial affairs; and
- (e) a copy of the auditor's report.

(4) The annual report shall include the information required by the Authority's statement of corporate intent to be given in it.

[FRA 31] Corporate plan

31 (1) The Authority shall in each year publish a corporate plan setting out plans for the future operations of the Authority and shall act in accordance with it.

(2) The Minister may issue guidelines as to the format and content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.

(3) A corporate plan shall, except as otherwise agreed in writing by the Minister, contain-

(a) a forecast of profit and loss accounts, balance sheets and cash flows for the current and following 2 financial years; and

(b) a statement of the assumptions on which the forecasts are based.

(4) The corporate plan shall be consistent with the Authority's statement of corporate intent.

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[FRA 32] Authority to have statement of corporate intent

32 (1) The Authority shall, in each year, publish a statement of corporate intent containing a summary of the corporate plan and setting out the financial and non-financial performance targets of the Authority for that year.

(2) In addition to the matters mentioned in subsection (1), the statement of corporate intent shall include—

- (a) an outline of the objectives of the Authority;
- (b) an outline of the nature and scope of the activities proposed to be undertaken by the Authority;
- (c) an outline of the Authority's main undertakings;
- (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
- (e) an outline of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
- (f) a description of the Authority's accounting policies;
- (g) a description of the financial information to be given to the Minister in the half yearly and annual report;
- (h) a description of measures by which the performance of the Authority may be judged in relation to its objectives, in addition to the performance targets required by subsection (1); and
- (i) such other matters as are agreed by the Minister and the Authority or are directed by the Minister to be included in the statement of corporate intent.

(3) The Minister may, in writing, exempt the Authority from including in its statement of corporate intent any matter, or any aspect of a matter, mentioned in subsection (2).

[FRA 33] Audit

33 (1) The Authority is required to be audited at least once a year.

(2) The audit is to be conducted in accordance with the Audit Act 1969 and the Financial Management Act 2004, except where the audit is conducted by a person appointed by the Authority under subsection (3).

(3) The audit is to be conducted by-

- (a) the Auditor General or a person authorised or contracted under the Audit Act 1969 to carry it out, unless the Authority is exempted from audit under that Act by the Regulations; or
- (b) a person appointed by the Authority, if the Authority is so exempted from audit under the Audit Act 1969.

(4) The person appointed by the Authority under subsection 3(b) is to be-

- (a) a person that the Minister responsible for finance directs the Authority in writing to appoint; or
- (b) if the Minister responsible for finance gives no such directions, the person chosen by the Authority.

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PART 6 — TRANSITIONAL AND SAVINGS

[FRA 34] Establishment of the Fiji Roads Advisory Committee

34 (1) Until such time as the members of the Authority are appointed by the Minister under Part 2, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Roads Advisory Committee which shall consist of a Chairperson and 4 other members appointed by the Minister.

[subs (1) am Decree 46 of 2012 s 3, opn 14 May 2012; Decree 27 of 2014 s 7, opn 5 Aug 2014]

(2) The Chairperson and members of the Committee shall hold office until such time as the Authority is appointed.

(3) The Minister may, in his or her discretion, give directions to the Committee with respect to the performance of the functions of the Authority by the Committee, and the Authority shall comply with any such directions issued by the Minister.

[FRA 35] Meetings and proceedings

35 (1) At all meetings, 3 members shall form a quorum.

[subs (1) am Decree 27 of 2014 s 8, opn 5 Aug 2014]

(2) The Chairperson shall preside at all meetings of the Committee.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, shall have a casting vote.

(4) The validity of any proceedings of the Committee shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

[FRA 36] Committee may invite others to meetings

36 The Committee may invite a person to attend a meeting of the Committee for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

[FRA 37] Appointment of Change Manager

37 [s 37 rep Decree 27 of 2014 s 9, opn 5 Aug 2014]

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PART 7 — MISCELLANEOUS

[FRA 38] Regulations

38 The Minister may make regulations to give effect to the provisions of this Act.

[FRA 38A] Indemnity

38A (1) Neither the Committee, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any court, tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Act or any other written law.

[subs (1) am Decree 27 of 2014 s 10, opn 5 Aug 2014]

(2) Notwithstanding anything contained in subsection (1), the Minister may on an ex-gratia basis grant compensation to any person who has suffered any injury or damage to property, caused either directly or indirectly by any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Act or any other written law.

[s 38A insit Decree 46 of 2012 s 8, opn 14 Mar 2012]

[FRA 39] Consequential

39 This Act has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Act and any other written law, this Act prevails.