



Fiji Roads Authority

Better Roads. Better Access. Better Business.

Annual Report 2015



October 2017

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CHAIRMAN'S INTRODUCTION



2015 saw the most significant change in Fiji Roads Authority (FRA) since its establishment, with the appointment of the governing Board of the FRA by the Minister for Infrastructure and Transport. Prior to this, the governing entity since establishment had been an Advisory Committee of senior civil servants.

My fellow appointees and I are proud to take on the challenging assignment of setting the future course of FRA.

We acknowledge that much of the work programme for the 2015 year was already underway at the time we took office, and we thank the members of the Advisory Committee, Mr Parmesh Chand, Mr Shaheen Ali, Mr Samuela Namisomalua and Mr Naipote Katonitabua, for their efforts during the first 7 months of the year and wish them well in their future endeavours.

I also take this opportunity to acknowledge the effort and achievements of our former Chief Executive Officer. Mr. Neil Cook was at the helm of FRA for the first 3 years of operation and played a significant part in establishing FRA as a successful and sustainable statutory corporate entity. We thank him for his contribution and wish him and his family all the best.

Whilst establishing ourselves and learning the history of FRA, the new Board has continued to steer and challenge the FRA management in the procurement and delivery of the 2015 work programme as well as continue progressing the service delivery review that was already underway.

The service delivery review focuses on the themes of ensuring the Authority has in-house capacity for all those functions that are best undertaken by the asset owner, building capacity in the local industry and ensuring opportunity for Fijian companies. The Authority has continued to develop and expand over the course of 2015 and is positioning itself to have the required capacity and capability as we transition from the core professional services contract that has been in place since 2012.

We are engaging with local consultants and contractors to make sure that work going to the market is appropriately packaged to allow them to compete in the market. In addition we recognise that the scale and scope of FRA's activities means we need to cast the net wider to attract a range of international companies with appropriate skills and experience.

Part of the service delivery review will see 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.

2015 was a year of substantial achievement and one in which significant changes have been signaled for the future operations of FRA. As this Annual Report shows, while we respond responsibly to Government constraints on funding, the output of quality work throughout the country continues to deliver benefits for all Fijians and the Fijian economy.


Dinesh Patel
Chairman

Fiji Roads Authority Board of Directors

The members of the Fiji Roads Authority were appointed on 5th August 2015 under Section 5 of the Fiji Roads Authority Decree 2012.



Mr Dinesh Patel
(Chairman)



Ms. Preetika Prasad



Mr. Aptinko Vaurasi



Ms. Salaseini
Serulagilagi



Mr. Sanjay Kaba

Fiji Roads Advisory Committee

The Fiji Roads Advisory Committee was in place from the establishment of FRA in 2012 until 29th July 2015 when the members of the Fiji Roads Authority were appointed in accordance with the Fiji Roads Authority Decree.

Past Members of the Fiji Roads Advisory Committee and their terms of Office

Mr Parmesh Chand	Interim Chairman	August 2014 - July 2015
	Member	April 2012 – August 2014
Mr Samuela Namosimalua	Member	December 2013 – July 2015
Mr Naipote Katonitabua	Member	August 2014 - July 2015
Mr Shaheen Ali	Member	August 2014 - July 2015
Mr Pio Tikoduadua	Chairman	April 2012 – August 2014
Ms Elizabeth Powell	Member	April 2012 – July 2014
Mr Filimone Waqabaca	Member	April 2012 – May 2014
Mrs Taina Tagicakibau	Member	April 2012 – December 2013

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.

2015 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 2015.

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.

The road network is the most valuable built asset Fiji owns. Years of investment and effort have gone into building over 7,525 kms 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 was established in 2012 to effectively manage and develop Fiji's road network (See Appendix 'A' for a copy of the "Fiji Road 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 \$540 million-plus programme of maintenance, renewal and capital projects.

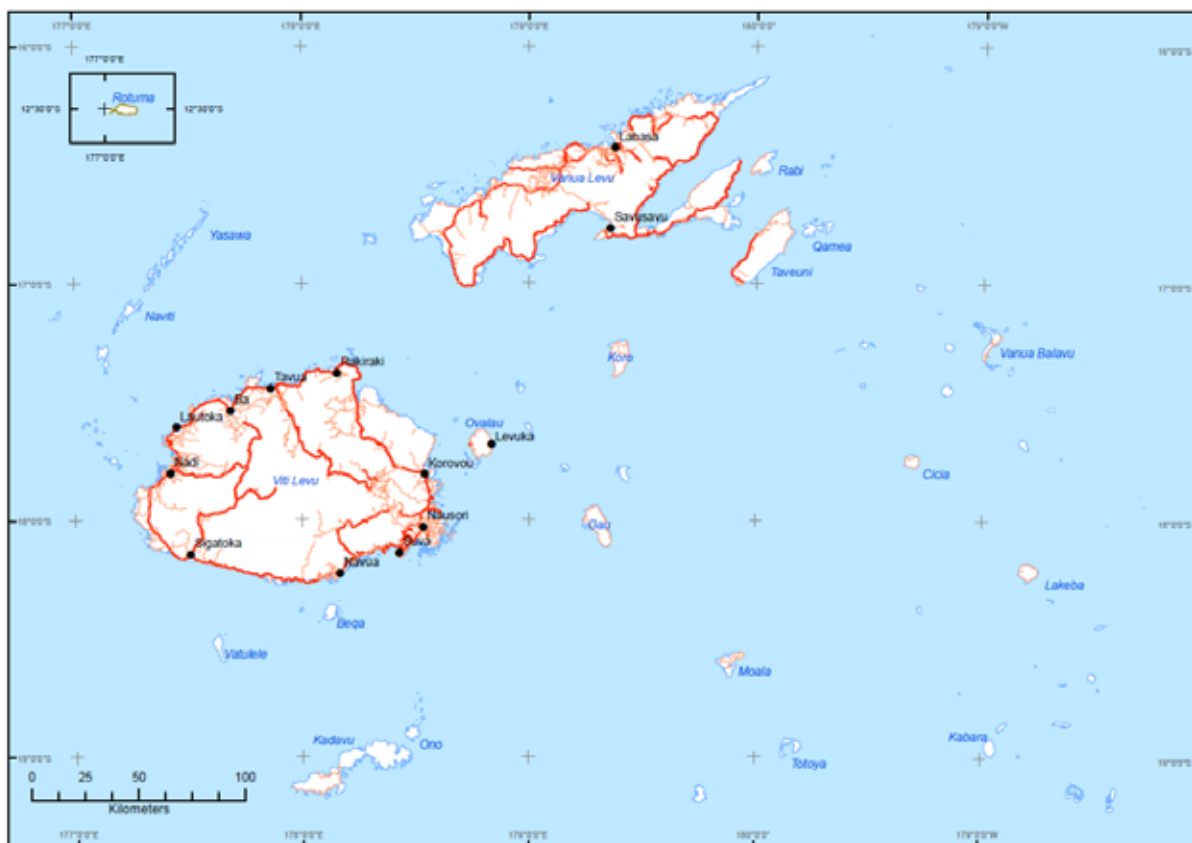
The FRA uses international best practice of asset management to undertake its functions. This is how other developed and developing countries look after their transport, water, electrical and other infrastructure networks. Asset management involves using long term planning to provide the required service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

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 located, 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.

Per our latest estimate these assets are worth over \$12 billion making the road and maritime network Fiji's most valuable built asset. A full summary of the asset valuation is provided in Table 30. The geographic extent of the FRA's assets are illustrated in Figure 1.

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 contain a complete description of all of our roads, bridges and jetties.

Table 1 - FRA's Assets

Area	Roads			Bridges	Jetties
	Sealed (KM)	Unsealed (KM)	Total (KM)		
Central-Eastern Division	675	1,681	2,356	427	30
Western Division	677	2,406	3,083	440	4
Northern Division	356	1,730	2,086	384	13
TOTAL COUNTRY	1,708	5,817	7,525	1,251	47

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.

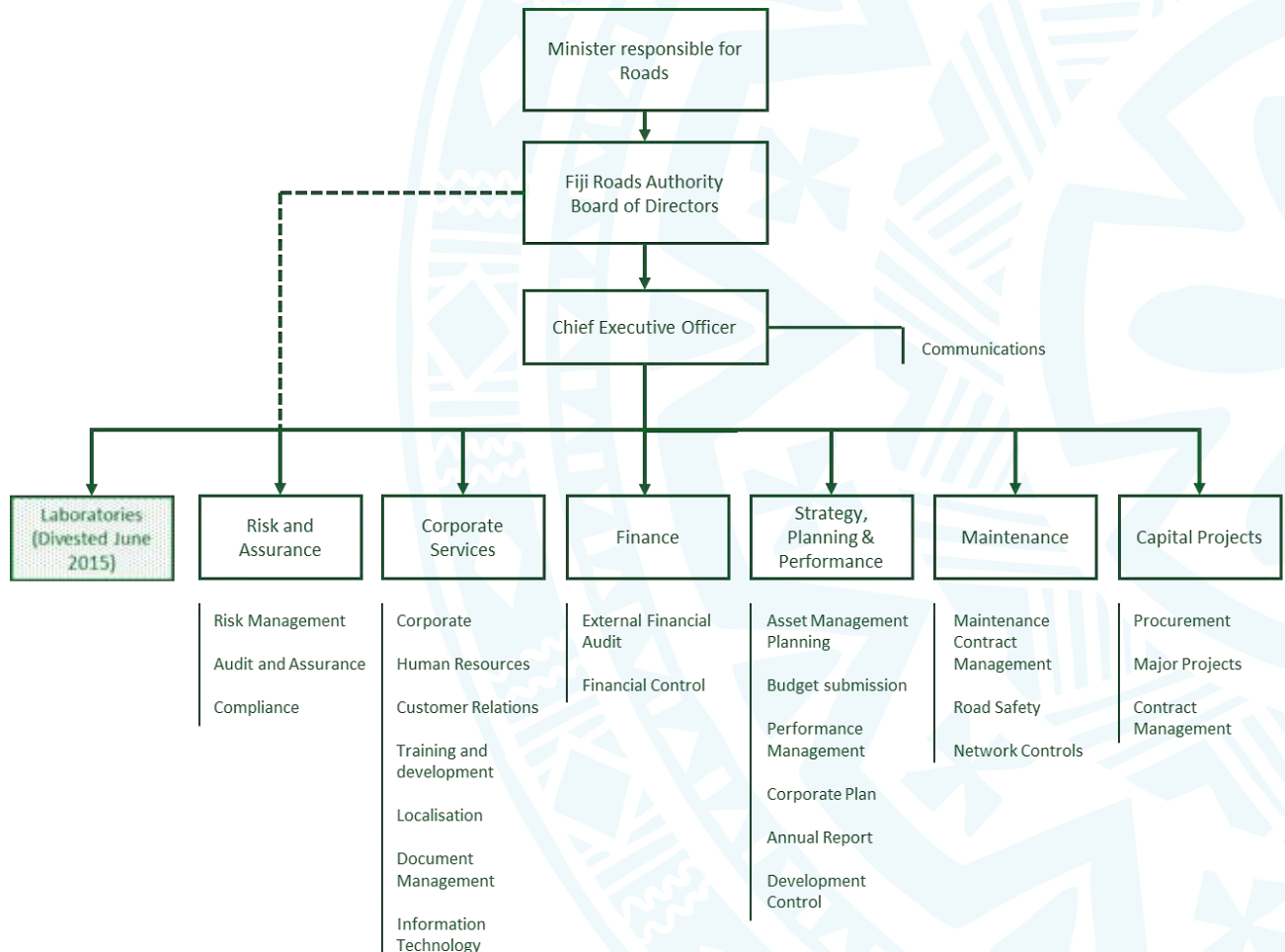
FRA procures all work from the private sector under the scrutiny of a Board

As a statutory corporate entity the FRA is accountable to the Minister for Infrastructure and Transport through an appointed Board that oversees all activities and procurement undertaken by the Authority.

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

In June 2015, the planned divestment resulted in the conclusion of laboratories functional area. A Risk and Assurance functional area replaced Laboratories. The Risk and Assurance reports to the CEO on operational matters and the findings of Risk and Assurance are directly reported to FRA's Board of Directors.

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.

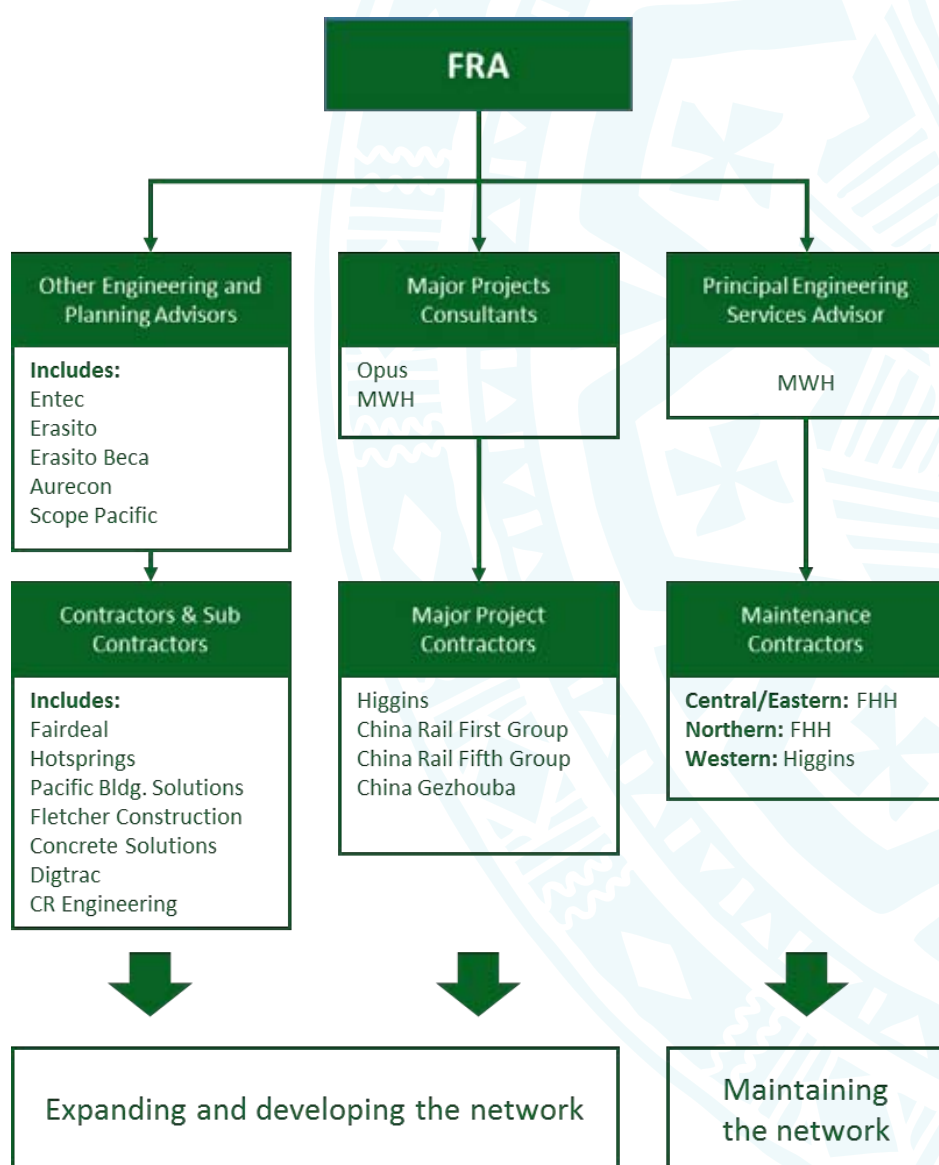
A competitive and diverse supply chain maintains, designs and builds the network

Over the course of 2013 – 2015 FRA has facilitated the development of a broad supply chain to deliver this outsourced 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.

A highlight for FRA was leading a delegation of local and international partners to present at the International Federation of Municipal Engineers conference in New Zealand. The Fiji Roads Authority's story, which included presentations from those involved right across the sector, was extremely well received.

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. We will also be packaging our projects in a way that attracts a diverse range of high quality service providers. International expressions of interest have been called as part of this process.

Figure 3 - Fiji Roads Authority's Supply Chain



2. Overview of FRA's 2015 Programme Delivery

2015 has been another successful year for FRA. We have delivered more than half a 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 deterioration they become too expensive to keep on fixing and maintaining. At this point it represents better value to rebuild the asset from scratch. Many of Fiji's roads and bridges have reached this point.
RENEWALS - BRIDGES	
RENEWALS - JETTIES	
NEW CAPITAL (Safety)	New Capital represents the work we do to extend and upgrade the networks. This includes new roads as well as existing ones that we widen or improve substantially.
NEW CAPITAL (Access)	
NEW CAPITAL (Community)	
NEW CAPITAL (Congestion)	We categorise New Capital according to the primary purpose for building the new asset. For example: projects which are primarily safety fit into that category; projects such as road widening in Suva are primarily about reducing congestion.
NEW CAPITAL (Tourism)	
NEW CAPITAL (Resilience)	
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 '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. However, 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 their 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 Economy is required. This is done on a quarterly basis. It allows the Minister for Economy to better manage demand side and supply side constraints. For 2015, supply side constraints resulted in FRA being advised late in the year that funding the final quarter would be challenging. As the year progressed FRA's 4th quarter requisition to incur expenditure remained unapproved and FRA adjusted its expectations and outputs accordingly.

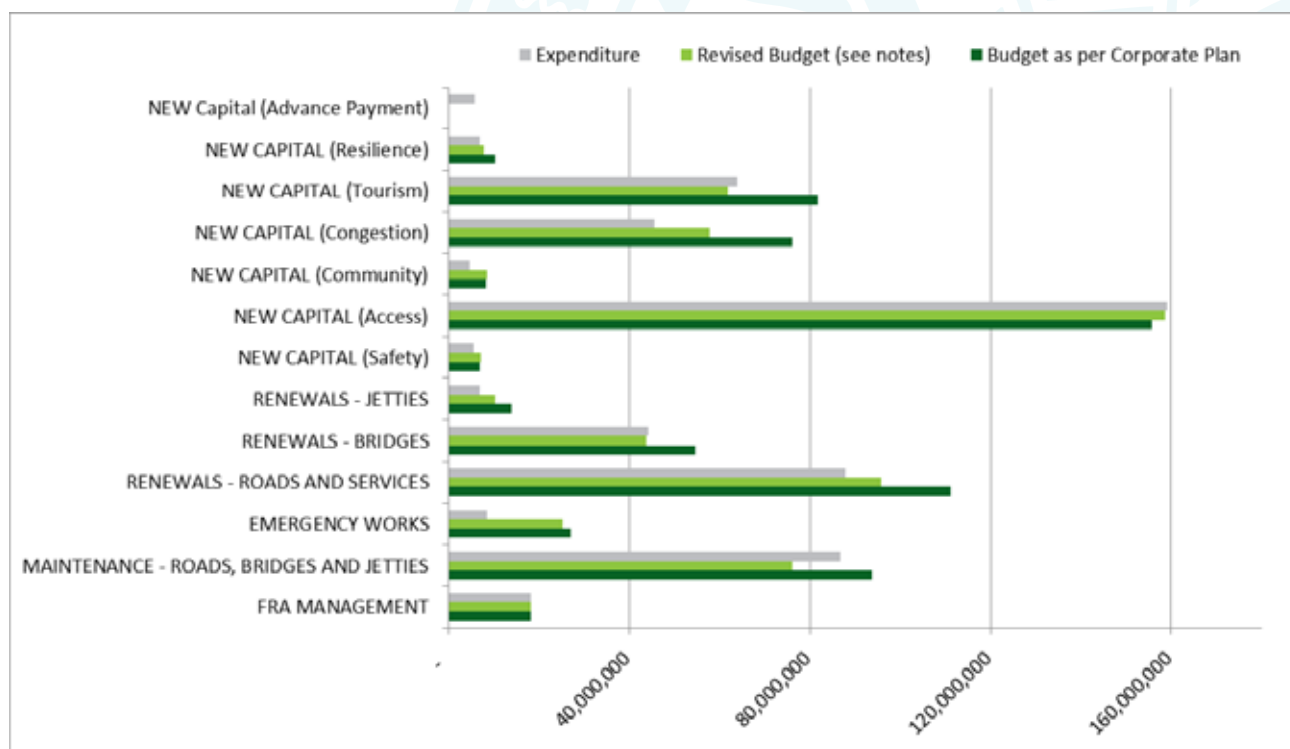
In 2015 FRA utilised 99% of budgeted expenditure that was authorised through Requisition to Incur Expenditure.

The expenditure (work done) against the revised budget is shown in Figure 4. Compared to the original intentions conveyed in the 2015 Corporate Plan the achievement rate overall is 80%. Overall the expenditure against each category is very close to the revised budget. Areas of notable under expenditure are detailed below:

- Jetties' renewals – 65% of approved expenditure. This was primarily due to slower than expected progress on Savusavu Jetty replacement project and Vunisea Jetty renewal project. There were also a number of cases where the contractor or consultant was slow to complete the work.
- Emergency Works - \$18 million under expenditure. A significant proportion of this was simply due to the fact that we did not experience the same levels of emergency events as previous years.
- 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.
- New Capital (Community) – Under expenditure of \$3 million (35%) primarily due to delays in agreeing to the programme for new streetlights under the ADB loan facility and the longer procurement timeframes for ADB projects.

Just as projects can be delayed (and this is an issue to manage), so too can projects proceed at a faster rate than originally anticipated. One notable example for 2015 was the Nabouwalu – Dreketi road upgrade which was substantially completed by the end of 2015, several months ahead of expectation.

Figure 4 - Achievement by work category against approved expenditure for 2015



Note:

The substantial change between Corporate Plan budget and Revised Budget is the non-approval of the 4th Quarter RIE. Other changes included accounting for work from 2014 being completed during 2015 (i.e. funding carried forward). There are also consequential alterations to budgets from VAT re-allocation as a result of other changes.

3. FRA's Statement of Service Performance

FRA is a corporate entity currently made up of 36 staff with an expectation that this will grow to approximately 90 staff during 2016. 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 2015.

"The FRA is capable of managing Fiji's road network into the required state and at a sustainable level. The establishment of FRA has introduced a lot of professionalism and has set very high standards for the roads industry..."

Auditor General of the Republic of Fiji

Excerpt from OAG Performance Audit "Reforms on Management of Road, April 2016"

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 2015 and the FRA has now taken responsibility for all the anticipated roles however change will continue throughout 2016/2017 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 (\$)	Revised Budget¹ (\$)	Expenditure (\$)
Salaries	2,603,214	2,796,214	2,998,577
Other Costs			
▪ Recruitment	36,000	100,000	149,186
▪ Accounting and Finance (including Audit Fees)	90,000	90,000	186,552
▪ Vehicles' Hire and Operation	114,000	114,000	103,418
▪ Office Expenses – Power, Travelling etc.	343,691	343,691	293,681
▪ Rent	118,836	118,836	172,858
▪ Legal Fees	87,000	87,000	209,797
▪ Insurances	113,000	113,000	103,350
▪ Archives – Storage	30,000	30,000	20,323
▪ Communications (including website)	462,525	462,525	451,573
▪ Data Improvements	50,000	50,000	24,927
▪ Asset Management Improvements	120,000	120,000	61,300
▪ Training & Development	171,700	171,700	145,248
▪ Establishment Costs	87,000	87,000	89,221
▪ Travel & Accommodation	500,000	500,000	219,517
▪ Directors Fees	80,000	80,000	4,792
▪ Board Expenses	30,000	30,000	3,410
▪ Miscellaneous expenses not covered above	257,000	-	-
▪ Realised Gains ²	-	-	(595,436)
Value Added Tax (VAT)	403,613	403,613	417,618
Total FRA Management	\$5,697,579	\$5,697,579	\$5,059,912

Notes:

- 1) Revision to budget reallocated 'miscellaneous expenses' into Payroll and Recruitment
- 2) Realised gains are the exchange difference in translating foreign transactions

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

Professional and Technical Services	Corporate Plan Budget (\$)	Expenditure (\$)
Professional Fees		
▪ Network Controls	646,105	1,058,953
▪ Asset Management Plan	322,495	44,380
▪ Safety Management Plan	155,873	1,050
▪ Project Management & Reporting	842,070	2,189,828
▪ Budget & Corporate Plan	89,582	570,601
▪ General Support	643,875	2,447,156
Asset Management System	1,350,000	1,064,424
Tax Expenses - WHT	6,750,000	4,417,720
Historic Claims	982,000	228,814
Laboratories	-	(103,749)
Value Added Tax	754,800	1,140,780
Total Professional and Technical Services	\$12,536,800	\$13,059,957

Note: There were no changes to the budget as presented in the Corporate Plan hence 'revised budget' column for this work category is not included

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 and 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 ¹ (\$)	Expenditure (\$)
Sealed Roads	19,742,000	15,218,863	23,345,823
Unsealed Roads	14,650,000	11,293,503	19,719,167
Traffic Services	3,850,000	2,967,917	4,189,523
Street Lights (Electricity)	2,000,000	1,541,775	1,790,202
Street Lights	1,444,806	1,113,783	1,433,068
Traffic Signals	457,522	352,698	227,329
Vegetation, Litter and Environmental	3,940,000	3,037,297	3,853,961
Bridges	5,827,000	4,491,962	4,766,029
Jetties	2,409,000	1,857,068	365,123
Drainage	4,500,000	3,468,994	4,685,374
Other Government Agencies Maintenance	482,000	371,568	316,141
Investigation and Independent Verification Testing	482,000	371,568	98,420
Contractors Lump Sum and Escalation	15,698,000	12,101,393	(3,036,232)
Outer Islands Road Maintenance	1,445,000	1,113,933	1,008,058
Footpaths	578,000	445,573	327,949
Fast Response Activities ²	-	2,966,242	5,149,735
Fast Response Activities - Professional services ²	-	385,444	-
Professional Services - Roads	4,000,000	3,083,550	3,313,142
Professional Services - Bridges	-	-	3,144,600
Professional Services - Jetties	-	-	627,834
Value Added Tax	12,225,799	9,927,470	11,298,787
Total Maintenance	\$93,731,127	\$76,110,601	\$86,624,033

Notes:

- 1) Non-approval of 4th Quarter RIE reduced overall funding in this allocation by approximately 24%, or \$23 million. For maintenance activities the work programme is relatively even across the year. Therefore for the purposes of reporting this has been allocated evenly across the individual line items however the budget is managed against the 'bottom line' maintenance funding allocation to allow flexibility throughout the year in the management of the network.
- 2) Ministerial directive April 2015 reallocated \$5 million into a new work category 'Fast Response' to be used for immediate actions in response to requests from Divisional Commissioners.

3.4 Emergency Works

2015 was relatively uneventful in terms of rain causing significant damage to the road network. Naiborebore and Kasavu Slip work has not progressed as quickly as planned however this began to improve towards the end of the year. Repairs to damage from Cyclone Kofi in 2014 were delayed due to hold ups in the procurement of consultants and contractors. Work to keep the sites safe is undertaken by the maintenance contractor as part of normal maintenance.

Table 6 - Emergency Works

Emergency Works	Corporate Plan Budget (\$)	Revised Budget ¹ (\$)	Expenditure (\$)
Emergency Maintenance	8,294,918	6,914,310	289,864
Cyclone Kofi (TD15F)	5,720,633	4,768,490	819,813
December 2014 Event	-	-	561,157
Naiborebore & Kasavu Slip Repair FRA 14-50	2,860,317	2,384,245	574,317
2014 Funds Naiborebore & Kasavu Slip Repair FRA 14-50	-	439,683	439,683
Kasavu Embankment Construction	2,860,317	-	-
2014 Funds Carry Over - Wailoa Slip	-	147,040	99,258
2014 Funds Carry Over - Kings Rd Slip (small Kasavu)	-	170,356	128,644
Professional Services Fees	-	675,183	657,558
Lomaloma Slip	-	125,034	(1,258,412)
Lomaloma Slip Feb 15	-	-	529,298
Rakiraki Bridge	3,813,756	6,185,014	4,410,294
Value Added Tax	3,532,490	3,271,403	1,224,118
Total Emergency Works	\$27,082,431	\$25,080,758	\$8,475,592

Note:

1) Non-approval of 4th Quarter RIE affected only the first two line items and VAT. The remainder of line items were not anticipated to incur expenditure in the 4th Quarter hence no provision in RIE for that.

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 in the Northern division.

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 licences in reasonable time.

Major progress was made on streetlights' renewals during 2015. In September, with the support of the Minister for Local Government, Housing and Environment, Infrastructure and Transport, FRA reallocated funding within the programme to accelerate the streetlights replacement programme in all towns and cities in Fiji. 1,100 lights were replaced or repaired over a period of three months.

Table 7 – Renewals and Replacements - Roads

Renewals and Replacements - Roads	Corporate Plan Budget (\$)	Revised Budget¹ (\$)	Expenditure (\$)
Sealed Roads Resealing	21,220,000	18,066,828	21,002,610
Sealed Roads Rehabilitation	22,443,000	19,108,098	19,551,622
Sealed Roads Rehabilitation (Other)	10,021,149	8,532,063	4,089,379
Unsealed Roads Resheeting	14,700,000	12,515,663	10,275,986
Unsealed Roads Rehabilitation	7,428,862	6,324,975	2,276,536
2014 Funds Carry Over US Road Rehab - Wailevu West Coast Road ²	-	458,245	2,380,085
Traffic Services	650,000	553,414	644,234
Street Lights Renewals	578,000	492,112	1,227,878
Street Lights Renewals (Others)	2,890,000	1,599,970	1,338,900
Street Lights Renewals (Others) - ADB Loan	-	989,681	158,428
Traffic Signals Renewals	1,252,000	1,065,960	1,438,455
Drainage Renewals	3,660,000	3,116,145	2,940,332
Services Reinstatement and Renewal	1,400,000	1,191,968	2,316,314
Other Government Renewal	482,000	410,378	596,405
2014 Funds Carry Over - Naboro and Nasinu Prisons ²	-	644,445	461,766
Footpath Renewals	2,275,000	1,936,948	609,311
Investigation and Verification Testing	482,000	410,378	267,060
Outer Islands Road Renewals	1,500,000	1,277,109	1,134,252
SARUP – Fees ³	-	-	384,887
Professional Services	4,623,000	3,936,048	2,622,379
Second Coat Sealing	963,000	819,904	752,463
Value Added Tax	14,485,202	12,369,097	11,470,390
Total Renewals and Replacements - Roads	\$111,053,213	\$95,819,429	\$87,939,672

Notes:

- 1) Non-approval of 4th Quarter RIE reduced funding available for this work category by approximately 15%, or \$16.5 million.
- 2) Incomplete 2014 projects that were completed during 2015
- 3) Investigation and design to prepare major road rehabilitation contracts for 2016 implementation

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 results of that earlier preparatory work are now being seen. In 2015 design for future projects fell to 5% for bridges but remained high at around 30% for the jetties programme.

Stinson Bridge and Vatuwaqa Bridge had fallen behind programme in 2014 partly because of delays by other Government departments in land acquisition. These issues continued throughout 2015 and whilst progress is being made (for instance the Ports Authority building has been demolished to make way for Stinson Bridge) it remains slow.

The results of preparatory work carried out in 2013 and 2014 is now being seen. Excellent progress has been made on both the *four long bridges* and *six short bridges* contract works. Vanuakula and Waivaka crossings

were both completed in December. Vutuni 1&2 bridges in Ba were opened by the Minister for Infrastructure on 7th October 2015.

After a long period of delay while historic design deficiencies were rectified the new Rakiraki bridge was opened in October 2015 by the Prime Minister. The new bridge will provide a secure and resilient lifeline to the people of the Western Division.

Yasawa-i-rara Jetty, destroyed in 2012 due to poor original construction quality, has been replaced with a much improved structure that opens up significant economic opportunity for the people of the island. It was commissioned by the Prime Minister in November 2015

Table 8 – Renewals and Replacements – Bridges

Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget¹ (\$)	Expenditure (\$)
Four Long Bridges <ul style="list-style-type: none"> Vunidilo Vunivaivai Lomawai 1 Cogeloa FSC 1 	9,532,300	7,330,704	10,371,260
Six Short Bridges <ul style="list-style-type: none"> Vuma Box Naganivatu Market Naisogo Savu 4 Wainasusu 	11,468,916	6,991,251	5,451,367.01
Stinson Parade	2,952,292	3,500,887	2,663,793
Vatuwaqa Bridge	1,606,545	1,235,495	131,675
Nasese Bridge	629,270	483,933	55,855
Denarau Bridge	5,959,592	4,852,318	5,949,980
Crossings <ul style="list-style-type: none"> Namuavoivoi 2015 Nadelei 2014 Funds Nadelei Vanuakula Rabaraba Replacement Crossing Matewale Replacement Crossing Waivaka Wausi Replacement Crossing Nabena Nakama Vutuni 1 and 2 Nakorosule Crossing Future Crossings Investigations and Design 	12,888,275	9,201,281	10,012,283
Design of 2016 Bridge Renewals	1,264,064	972,113	809,784
Future Bridges Investigations and design	1,260,870	969,657	864,044
Waimari	-	1,470,786	844,640
Professional Fees	-	1,114,906	1,695,627
Value Added Tax	7,134,317	5,718,500	5,333,607
Total Renewals & Replacements - Bridges	\$54,696,441	\$43,841,831	\$44,183,915

Table 9 – Renewals and Replacements – Jetties

Renewals and Replacements - Jetties	Corporate Plan Budget (\$)	Revised Budget¹ (\$)	Expenditure (\$)
Nabouwalu Jetty	2,526,613	1,860,121	1,287,000
Carry over - Natovi Jetty Stage 1	-	-	213,620
Natovi Jetty New Ramp	238,360	175,483	-
Savusavu Jetty Replacement	2,459,872	1,810,986	96,249
Carry over - Yasawa I Rara Jetty	-	-	500,040
Vunisea Jetty	2,517,079	1,034,377	21,974
Design for 2016 Jetty Renewals	2,626,724	2,148,693	1,506,379
Scoping reports for 2015 design	1,716,190	1,403,865	624,000
Professional Fees	-	542,330	1,755,536
Value Added Tax	1,812,725	1,346,377	900,720
Total Renewals & Replacements - Jetties	\$13,897,563	\$10,322,232	\$6,905,518

Notes:

1) Non-approval of 4th Quarter RIE reduced funding available for this work category by approximately 17%, or \$2.3 million

Yasawa-i-rara Jetty; a vital lifeline opening up economic opportunities for the Island



Yasawa-i-rara Jetty was destroyed in a storm in 2012, only six months after being built. Poor quality construction was a significant contributing factor. Putting sufficient resources into planning and design to 'do it right first time' is a cornerstone of the FRA way of doing business

3.7 New Capital Programme

As noted previously the 4th Quarter *Requisition to Incur Expenditure* was not approved, which reduced available funding for 2015 by \$113 million, \$54 million of which is in the new capital programme. Table 10 shows the indicative effect of the reduction on individual line items in the budget however the reality of dealing with a complex inter-related programme like this is that a consistent across the board reduction is not possible or desirable.

Projects that were already underway and committed have to take precedence over projects that can be deferred, or slowed down in their delivery. For instance the Nadi-Lautoka capacity improvements project which is still in development phase was deferred in its entirety in order to allow other committed projects to proceed.

Some highlights of the 2015 programme include:

- Completion of Nabouwalu – Dreketi Highway
- Completion of Buca Bay Road upgrade
- Completion of Labasa bus stand re-development
- Upgrade of 4.3km of Nasauvakarua Road
- Upgrade of 16km of Wailevu West Coast Road and Kubulau Road
- Completion of Natadola intersection new streetlights
- Upgrade of the first stage of Nadi Road from Airport – Votualevu showcases international standard construction in Fiji.

Nabouwalu – Dreketi Road is Open for Business



70km of upgraded road including 14 new bridges has opened up the North and is providing significant economic development opportunities. Travel times from Nabouwalu to Labasa have reduced by 50%. Fuel savings alone will be a major benefit for bus operators, freight services providers and private individuals.

As with the rehabilitation programme, delays in access to gravel supplies have disrupted new rural road construction activities in Northern Division. This is a serious concern for our delivery in this Division and appears to show little sign of being able to be resolved by FRA. Requests have been submitted to the Minister for Local Government, Housing and Environment, Infrastructure and Transport for assistance.

Qarani Jetty fell significantly behind schedule in 2014 as a result of problems with the design, however significant progress was made in 2015 and completion is expected mid-2016.

The Suva 1 and Suva 2 NASRUP projects both suffered continued delays due to slow progress and services re-location problems. The contract for Suva 3 was awarded and preparatory work is underway.

The Nadi 1 NASRUP project has suffered from very slow progress throughout due to poor performance from the contractor. As noted above, very good progress was made on the Nadi 2 project despite some delays with services relocations and land acquisition. The finished product is an example of what Fiji should expect.

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. In 2015 the Savusavu Bay coastal protection project made significant progress with completion expected in early 2016.

Table 10 - New Capital Programme

New Capital	Corporate Plan Budget (\$)	Revised Budget ¹ (\$)	Expenditure (\$)
Safety Improvements			
Village Treatments – investigations	85,809	67,438	209,533
Village Treatments – construction	495,788	664,709	990,372
Traffic Management Plans - investigations	152,550	119,890	265,240
Traffic Management Plans – construction	648,338	509,532	-
Road Safety Audits - investigations	276,497	217,300	417,758
Road Safety Audits – construction	324,169	254,766	-
Black Spot Reduction - investigations	95,344	74,931	192,469
Black Spot Reduction – construction	762,751	599,449	22,024
Route Action Plans – investigations	95,344	74,931	181,611
Mass Action Plans – investigations	286,032	224,794	382,103
Mass Action Plans – construction	1,906,878	2,048,757	925,117
Market Areas Safety and Traffic – investigations	52,439	41,212	108,794
Market Areas Safety and Traffic – construction	286,032	224,794	48,865
Traffic Calming Measures – investigations	95,344	74,931	65,918
Traffic Calming Measures – construction	381,376	299,725	393,016
Nausori Bus Station – construction	-	565,851	377,027
Nausori Bus Station – professional services	-	62,873	205,605
Value Added Tax	891,704	918,882	686,977
Subtotal - Safety Improvements	\$6,836,395	\$7,044,765	\$5,472,429
Access Improvements & Economic Stimulation			
Rural Roads Program	17,391,304	20,345,510	11,787,131
▪ Carry over Raravula Farm Road	-	849,300	548,424
▪ Carry over Namuavoivoi Road (2014 funds)	-	1,000,000	818,771
▪ Carry over Namuavoivoi Road	-	875,831	-
▪ Carry over Kadavu Roads	-	1,676,593	830,919
▪ Carry over Navonu Natewa Road	-	212,906	155,680
▪ Supply of Material Koro & Gau	-	-	305,205
▪ Veisa Farm Rd Unsealed Rd Upgrade	-	-	72,381
▪ Natila Settlement (Logani - Sebi Road)	-	360,407	-

New Capital	Corporate Plan Budget (\$)	Revised Budget ¹ (\$)	Expenditure (\$)
▪ Dairy Farm Road- Waivou Dairy Farm Rd	-	199,336	-
▪ Kadavu Island Roads - stage 1	-	622,925	-
▪ Rotuma Farm Rds - stage 1	-	222,473	-
▪ Lakeba Roads Upgrades	-	133,484	-
▪ Moala Roads Upgrades	-	444,947	-
▪ Sevaci/Korotasere Road Extension - stage 2	-	694,117	110,638
▪ Kilaka Road - Stage 2	-	1,646,194	1,342,000
▪ Kadavu/Niurua/Raviravi - Stage 1	-	697,445	574,000
▪ Matokana Village Road - stage 1	-	1,779,787	1,152,543
▪ Nasauvakarua Access Road - stage 1	-	1,406,771	1,487,290
▪ Koroinasolo (North)	-	177,979	-
▪ Yawe (East)	-	400,452	-
▪ Nakoro Navitilevu (West)	-	711,915	-
▪ Nakorosule (Central)	-	44,495	-
▪ Dakuinuku Access Road	-	658,521	-
▪ Naikalawaca Access Road	-	311,463	-
▪ Waikerekere Access Road	-	400,452	-
▪ Rural rds via maintenance contractors (others)	-	4,817,717	4,389,282
Professional Services Fees - Rural Road Program	-	2,321,461	2,522,297
School and Healthcare Access Program	953,439	981,943	1,003,548
2014 Funds Carry Over - Qarani Jetty	-	8,676,654	5,789,121
2014 Funds Carry Over - Qarani Jetty Fees	-	456,666	472,721
Sawani - Serea Roads Upgrade	29,550,000	21,623,886	14,986,914
Buca Bay I and II Roads Upgrade	34,500,000	11,826,684	9,559,977
Nabouwalu - Dreketi Roads Upgrade	58,000,000	77,277,437	107,398,371
Moto Road (Escalation)	-	-	(46,070)
Sigatoka Valley Road (Escalation)	-	-	1,006,154
2015 New Jetties Investigation	1,906,878	1,696,918	293,638
2014 Funds New Jetties Investigation	-	194,277	-
Traction Sealing on Hills	953,439	848,459	465,270
Valaga Bay Jetty	1,668,518	1,484,803	318
Pedestrian Bridges	476,719	424,230	-
Pedestrian Bridges	476,719	424,230	-
Rural Arterial Upgrades	1,906,878	355,958	24,640
Savusavu Waiting Shed	-	-	249,034
Middle Point Jetty	476,719	424,230	5,034
Value Added Tax	7,569,092	9,349,764	3,507,239
Subtotal - Access Improvements & Economic Stimulation	\$155,829,706	\$158,713,110	\$159,025,338
Community Amenity Improvements			
New Street Lighting - ADB Loan	3,337,036	3,393,315.36	141,155

New Capital	Corporate Plan Budget (\$)	Revised Budget ¹ (\$)	Expenditure (\$)
2014 New Lights carry over - Kings Road	-	-	501,002
Village Seal Extension	1,430,158	1,138,130	1,001,590
Footpaths	1,430,158	1,138,130	700,443
2014 Funds New Footpath carry Over including Nasinu Lights	-	380,000	519,087
Jetty Waiting Facilities	476,719	379,377	90,780
2015 Amy Street Retaining Wall	452,885	400,455	376,809
2014 Funds Amy Street Retaining Wall	-	100,000	100,000
2015 Professional Services Fees	-	737,678	528,870
2014 Funds Professional Services Fees	-	138,000	138,000
Value Added Tax	1,069,043	661,765	593,487
Subtotal - Community Amenity Improvements	8,195,999	\$8,466,850	\$4,691,223
Congestion and Capacity Improvements			
Khalsa Road Improvements - Planning & Design	953,440	772,898	327,046
2014 Funds Khalsa Road Improvements - Construction	-	622,000	371,939
Princes Road Improvements - Planning & Design	476,719	386,449	177,026
Princes Road Improvements - Construction	476,719	386,449	-
2014 Funds Carry over King's Road Samabula to Nakasi improvements	-	345,000	213,355
GSTS Projects Roll Out - Planning & Design	1,001,111	811,543	45,595
NASRUP Suva 1 (Nausori - Airport)	11,166,676	14,778,006	14,174,251
NASRUP Suva 2 (Samabula - Nasinu)	12,763,686	15,369,813	18,743,252
NASRUP Suva 3 (Nasinu - Nausori)	31,410,090	11,443,694	3,682,774
Town Centre Traffic Studies	190,688	154,580	249,503
Traffic Data Collection	667,407	541,028	136,616
Nadi - Lautoka Capacity Improvements - Planning & Design	606,878	491,961	80,422
Nadi - Lautoka Capacity Improvements - Construction	1,300,476	1,054,220	-
Nausori North - Korovou Capacity Improvements	524,392	425,095	-
Lami Right Turn Bay - Planning & Design	286,032	231,869	281,850
Lami Right Turn Bay - Construction	1,048,783	850,187	-
Labasa Damodar City Centre - Planning & Design	238,360	-	-
Labasa Damodar City Centre - Construction	762,751	-	-
Labasa Transportation Study	2,288,253	324,257	474,860
Labasa Town Traffic Improvements - Construction	-	567,449	-
Labasa Main Street Renewal - "Planning and Design"	-	486,385	557,016
2014 Carry Over - Queens Road Passing Improvements	-	170,000	182,376
Value Added Tax	9,924,369	7,531,933	5,954,682

New Capital	Corporate Plan Budget (\$)	Revised Budget ¹ (\$)	Expenditure (\$)
Subtotal - Congestion and Capacity Improvements	\$76,086,830	\$57,744,816	\$45,652,563
Tourism, Amenity and Access Improvements			
NASRUP Nadi 1 (Nadi Wailoaloa - Denerau)	23,456,503	15,685,955	24,425,553
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)	46,654,602	37,247,388	30,870,290
Information and Destination Signs Implementation	476,719	379,199	257,044
2014 Funds Rest areas		100,000	4,037
2014 Funds Pre-feasibility Study, Viti Levu Cross-Island Highway		100,000	1,826
Stinson Plaza Upgrade	95,344	-	94
Denarau Road Upgrade	95,344	75,840	-
Suva Seawall and Footpath Upgrade	286,032	227,519	9,332
Value Added Tax	10,659,682	8,072,385	8,335,226
Subtotal - Tourism, Amenity and Access Improvements	\$81,724,226	\$61,888,286	\$63,903,402
Risk Reduction, Resilience and Asset Preservation			
Coastal Protection	1,716,190	976,597	1,265,749
Landslip Repairs	2,383,597	1,356,384	665,559
2014 Funds Carry Over - Wailevu West Coast Slip and Transinsular Road		458,245	630,066
Walkover Surveys	715,079	452,128	269,761
Rock Source/Quarry Assessment	143,016	90,426	375,280
Rewa Delta Flood Resilience Implementation	762,751	482,270	0
Bailey Stock Acquisition and Management	2,259,650	1,385,863	2,529,609
Bridge and Jetty Load Mgt Posting and Signposting	953,440	301,419	120,528
2014 Funds Weigh-in-motion		700,000	119,609
Professional Service Fees		603,500	24,550
Value Added Tax	1,340,059	1,021,025	900,107
Subtotal - Risk Reduction, Resilience and Asset Preservation	\$10,273,782	\$7,827,857	\$6,900,818
Total New Capital	\$338,946,937	\$301,685,684	\$285,645,773

Notes:

- 1) Non-approval of 4th Quarter RIE reduced funding available for this work category by \$52 million, or approximately 8%.
- 2) Other adjustments include projects unable to proceed for various reasons such as lack of gravel supply, delays in procurement processes etc.

It is common international practice to make advance payments to contractors and Fiji has historically made advance payments as part of large construction projects. This provides contractors with funding to help with initial setup costs. Overall this provides better value for FRA than having to pay the higher interest rates which the contractor would incur by borrowing this funding in the open market.

Importantly for FRA this helps local contractors get into the market by removing their need to finance their establishment costs.

Table 11 - Advance Payments

Advance Payments	Corporate Plan Budget	Revised Budget ¹	Expenditure
Four Long Bridges	-	-	1,485,933
NASRUP Suva 3 (Nasinu - Nausori)	-	-	4,198,861
Total Advance Payments	-	-	\$5,684,794

3.8 Summary

Table 12 summarises all the expenditure and funding reported in the tables in this section.

Table 12 - Summary

Summary	Corporate Plan Budget	Revised Budget ¹	Expenditure
Budget and Expenditure			
FRA Management	5,697,579	5,697,579	5,059,912
Professional and Technical Services	12,536,800	12,536,800	13,059,957
Maintenance of Assets	93,731,127	76,110,601	86,624,033
Emergency Works	27,082,431	25,080,758	8,475,592
Renewals and Replacements - Roads	111,053,213	95,819,429	87,939,672
Renewals and Replacements - Bridges	54,696,441	43,841,831	45,669,848
Renewals and Replacements - Jetties	13,897,563	10,322,232	6,905,518
New Capital	338,946,937	301,685,684	289,844,634
Total	\$657,642,091	\$571,094,914	\$543,579,166
Funding			
Operating Grant	18,234,378	18,234,378	18,119,869
Capital Grant (2015)	529,754,182	429,381,940	376,904,032
Loan Funds	97,800,000	87,031,582	121,172,869
Other Agencies	6,853,531	5,270,628	6,767,750
ADB TSP	5,000,000	4,382,998	299,583
2014 Capital Grant		26,793,388	20,315,063
Total	\$657,642,091	\$571,094,914	\$543,579,166

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

4.1 Health and Safety

Table 13 - Health and Safety – Road Accident Casualties

Health and Safety - Road Accident Casualties			
Code	Performance Measure	2015 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 Force. 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 2014 annual report recorded our concern about the apparent slowdown in the trend of reducing fatalities on the roads. The increase in fatalities in 2014 has continued again in 2015 with 65 deaths on the roads compared to 49 in 2014. The trend is increasing and with more vehicles on the roads there is a clear need to increase investment in all aspects of road safety.

2014 saw the earlier declining rolling average trend plateau and we are now seeing that begin to trend upwards.

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 (fatalities 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 \$58 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

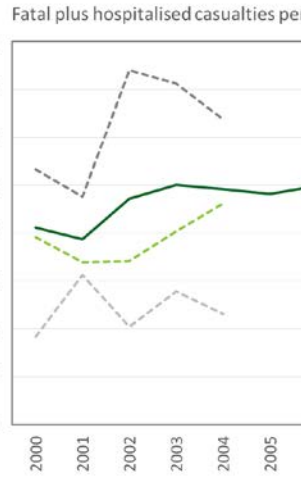
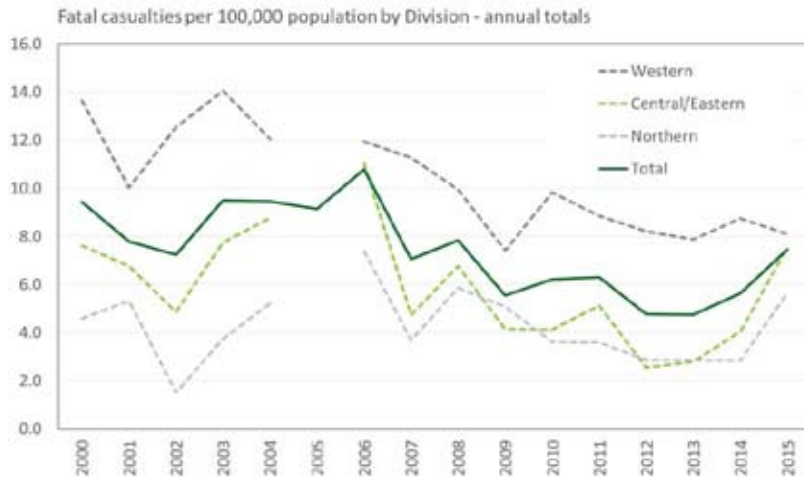
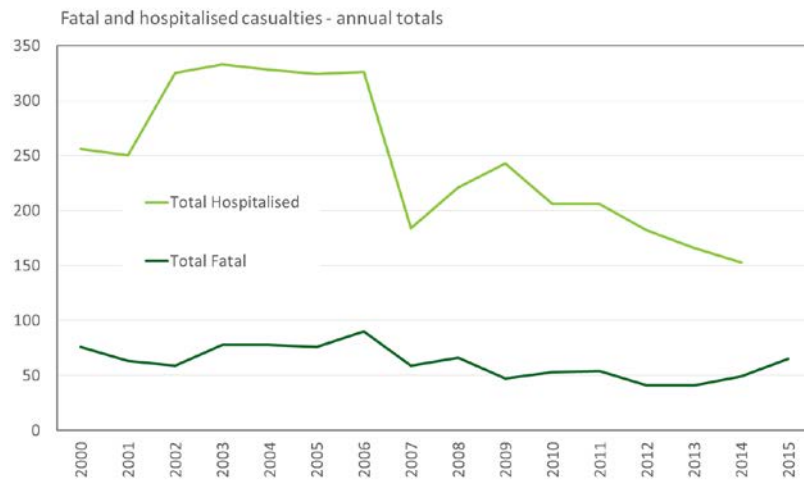


Figure 6 - Social Cost of Road Casualties in Fiji

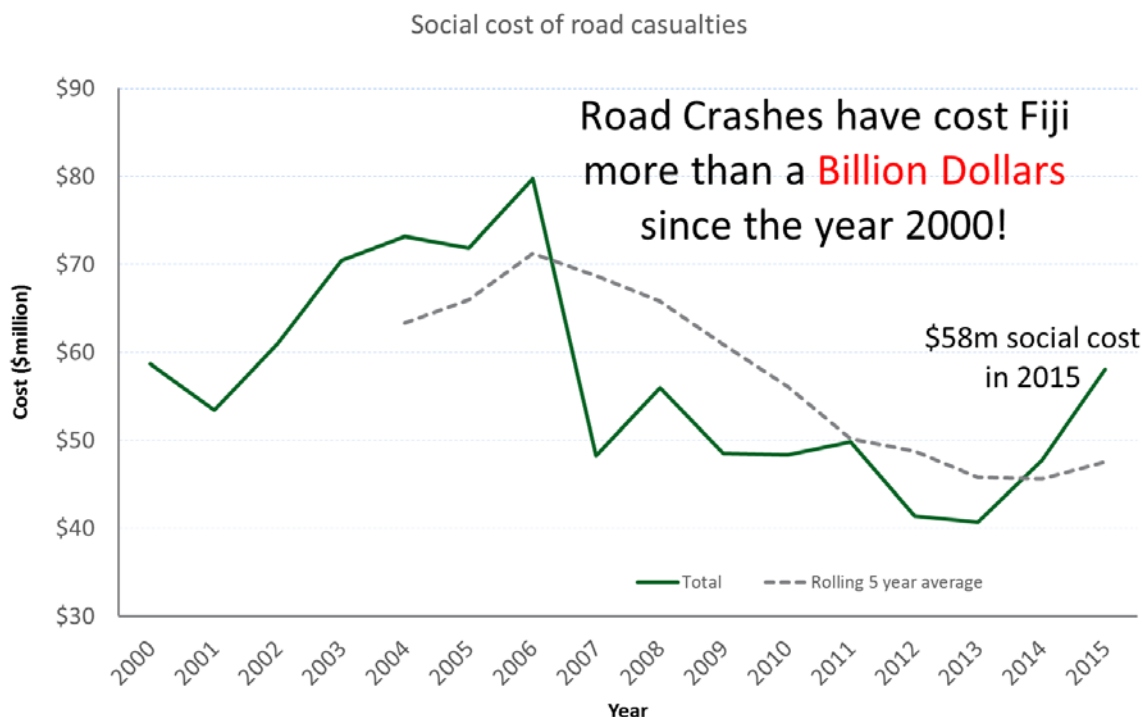


Table 14 - Health and Safety – Other Outputs and Outcomes

Health and Safety - Other Outputs and Outcomes			
Code	Performance Measure	2015 target	Outcome
1B.1	The number of lost time injuries.	No lost time due to injury by any person engaged on roading activities.	Not achieved
1B.2	The number of health and safety incidents.	No health and safety incidents on the roads or within the FRA office for FRA staff	Achieved
1B.3	Less fatal and serious injury accidents – road a contributing cause.	Continuously reducing five year rolling average – establish the baseline in 2014.	Data not recorded by Police
...	A reduction in the number	Annually reducing – establish the	Achieved

Health and safety is our highest priority, however it will be several more years before we can establish a fully measurable and transparent performance measurement regime at this secondary output based level. Consequently we are not yet able to report comprehensively against all of these indicators.

Of the four indicators we are able to measure against now, one was achieved and three were not.

Our maintenance contractors maintain health and safety record for each division.

Targets of zero lost time injuries and no health and safety incidents are what we seek to achieve however it is likely to be some time before the health and safety environment in Fiji allows that to happen. The important thing is to keep pursuing the goal, and to monitor trends to ensure any adverse trends are addressed.

FHH Northern reported one eye injury which required medical attention but no time off work. In the Central Division FHH recorded 6 lost time injuries and 4 incidents requiring medical treatment.

The maintenance contractor for Western Division (Higgins) reported a total of 32 days of lost time injury, 11 lost time injuries and 12 incidents requiring medical treatment.

The reporting from contractors is not yet consistent and this is a matter to be improved upon in future as well as bringing more formal reporting from capital works contractors into the framework.

Table 15 - Safety Incidents 2015

Safety Incidents 2015				
Type	Fulton Hogan Hiways		Higgins	Total
	Central	Northern	Western	
Utility Strikes	3	3	-	6
Bitumen related incidents	-	1	-	1
Traffic Management incidents	7	4	-	11
Reversing incidents	7	3	-	10
HIPO (near miss)	3	1	-	4
Property and vehicle damage	15	4	5	24
Unsafe acts	4	3	4	11
Personal injury	-	-	6	6
Totals	39	19	15	73

There has been no health and safety incidents reported within the FRA office except for one minor vehicle incident in the outer islands work undertaken under an MoU by Rural and Maritime Development.

We will need to speed up delivery of safety improvements to help reduce the road casualty toll

Specific safety improvement projects to the value of \$6.8 million were planned for 2015. By the end of the year expenditure (value of the work completed) was \$5.4 million. Further improvement in black-spot reduction will be a key focus area in coming years.

Improving street lighting will remain a priority over the next few years

The condition of streetlights fell short of the target of less than 5% not functioning. Whilst the target for streetlights was not achieved, the success of the accelerated streetlight replacement programme meant that by the end of 2015 we were capable of meeting this target in the future.

4.2 Risk Management

Table 16 - Risk Management

Risk Management			
Code	Performance Measure	2015 target	Outcome
2A.1	No unforeseen risk events (excludes natural hazard events)	None	Achieved

An unforeseen risk event is a discrete, specific occurrence that negatively affects a decision, plan or the work of the FRA in some way – that should have been foreseen and managed but was not. In 2015 there were no unforeseen risk events.

4.3 Asset Stewardship

Table 17 - Asset Stewardship - Outcomes

Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) – Outcomes			
Code	Performance Measure	2015 target	Outcome
3A.1	An annual reduction in the value of deferred maintenance/ deferred renewals.	Yes (Refer Tables 3.7.1 & 3.7.2 of the Asset Management Plan)	Achieved
3A.2	The percentage of planned new capital and renewal projects completed.	100%	Partially achieved
3A.3	An annual reduction in the number of pothole complaints.	Yes	Not Achieved
3A.4	The percentage of planned maintenance work completed.	100%	Achieved

Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) – Outcomes			
3A.5	Proven satisfactory progress in building local skills' capacity: - FRA - MWH - Maintenance Contractors - Capital Works Contractors	Yes	Achieved

Investment in renewing the network as the annual depreciation provision

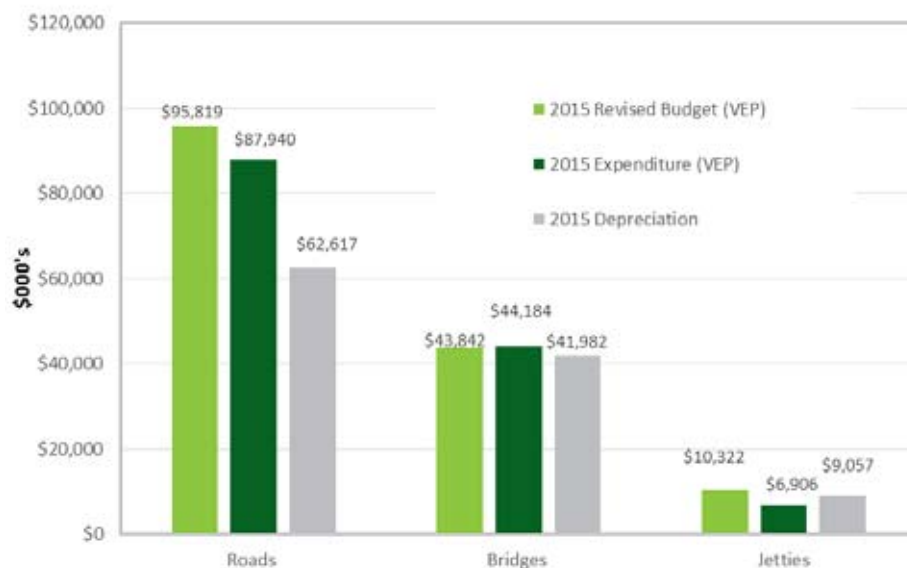
The sufficiency of the FRA's annual maintenance and renewal budget is determined by comparing the depreciation provision (the extent to which the assets are being 'consumed' or continuing to wear out every year) with the annual renewals and replacement expenditure.

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 2015 FRA invested \$121 million in renewing assets. This is only slightly more than the annual depreciation provision. 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 2015. This indicates that higher levels of renewal investment is required if the backlog of deferred maintenance and renewal is to be reduced significantly.

Figure 7 - Renewal investment and depreciation for FRAs 3 main asset classes



Notes:

1. 'Revised Budget' accounts for non-approval of 4th Quarter Requisition to incur expenditure which reduced renewals budgets by \$31 million
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 \$520 million programme for New Capital and Renewals; which was reduced by \$86 million to \$450 million once the 4th quarter RIE is accounted for. 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 95% 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. A number of capital projects are also non-physical work items for 2015. 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.

Complaints about potholes increased slightly in 2015

At FRA we record all complaints received into our Service Request (SR) system. These complaints are directed to the responsible officer and then progress to resolve them is tracked within the SR system. Previously, in 2013, FRA received 567 pothole complaints. In 2014 the number of complaints about potholes was substantially reduced to 310 while in 2015 it has increased slightly to 387 which is still substantially lower than when we started operations in 2013.

92% of originally planned maintenance work was completed

For 2015 \$94 million of maintenance work was originally budgeted and \$86 million was completed. This achievement rate of 92% was of course affected by reductions made necessary through the non-approval of the 4th quarter RIE. Achievement in some key areas of activity are shown in Figure 8 below.

Figure 8 – Maintenance Activity Achievements



Considerable work is being done to build local skills and capacity

In 2014, FRA produced a consolidated record of the “Building Local Capacity through Knowledge Transfer” programme. This documents the significant effort in upskilling across FRA, our consultants and maintenance contractors. It clearly demonstrates FRA’s continuing commitment to building local skills and capacity. This was built upon in 2015 with FRA increasing internal capacity and our industry partners continuing their training and development programmes.

A highlight for FRA was leading a delegation of local and international partners to present at the International Federation of Municipal Engineers conference in New Zealand. The Fiji Roads Authority’s story, which included presentations from those involved right across the sector, was extremely well received.

Fiji Roads Authority and Partners Showcasing the Fiji Road Reforms to the World



The Fiji Road Sector Delegation to the International Federation of Municipal Engineers Conference in Rotorua, NZ, June 2015

The FRA staff training and development manual has been developed in order to enhance local capacity and capability development at all levels. FRA's training objective is to offer training and development opportunities to all staffs to maximise and utilise skills as effectively as possible, to increase the organisation's skills and experience base, to improve existing levels of performance and to maximise staff service retention. Training is classified in three categories- technical, proficiency and development. All staff fill in a training needs analysis form and needs are also identified during performance assessment and appropriate trainings are identified for staff to participate.

On all contracts worth more than \$500,000 tenderers are required to state their recruitment and training plans for locally recruited staff.

The vast majority of the active participants in our supply chain are 'home grown' Fijian companies. These include:

- Consultants who design our roads bridges and jetties
- Contractors who repair and build them
- A broad range of equipment suppliers.

Much of the progress in building local skills has been seen to come about as a result of local sub-contractors learning from the bigger international contractors. Some of these local contractors are now bidding for contracts on their own.

The maintenance contractors' workforce is over 90% Fijian with development occurring at all levels including management. Furthermore, approximately 50% of revenue 'flows through' the maintenance contractor and on to local sub-contractors and suppliers.

Table 18 – Asset Provision, Development, Maintenance and Renewal

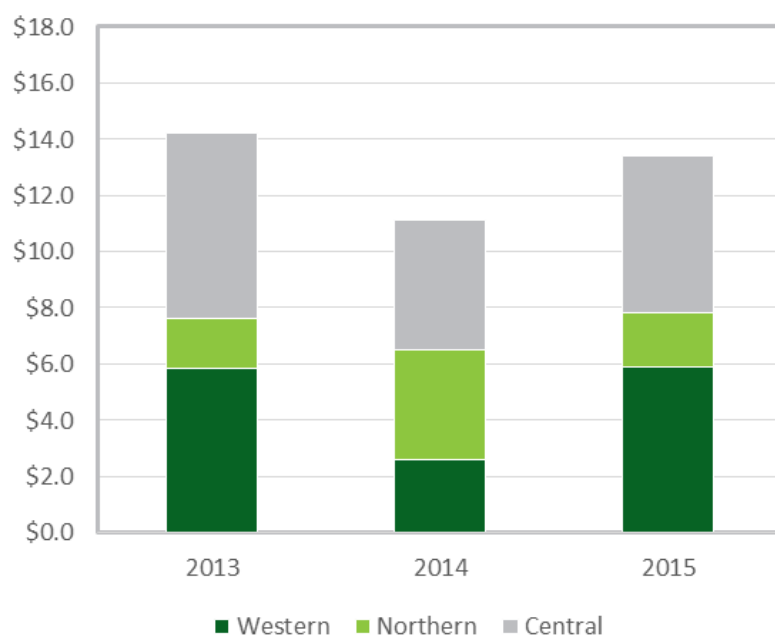
Asset Provision, Development, Maintenance and Renewal (Asset Stewardship)			
Code	Performance Measure	2015 target	Outcome
3B.1	An annual reduction (over the previous year) in the cost of pothole repairs.	\$1m	Not achieved
3B.3	Not less than ___ kms of sealed roads resealed annually.	100kms	Achieved
3B.4	Not less than ___km of sealed roads rehabilitated annually.	50kms	Not achieved
3B.5	Not less than ___kms of unsealed roads reconstructed annually	Northern Division - more than 70kms Central/Eastern/Western - more than 30kms	Partially achieved
3B.6	Not less than ___kms of roads in village/settlement areas rehabilitated annually.	Kms to be determined 100 Villages and Settlements	Not yet being measured
3B.7	Bridges' condition improved as evidenced by the categorisation changes:	50 High Priority 200 Medium Priority 586 Low Priority	Not achieved
3B.8	New rest areas provided on Kings & Queens Road	2	Not Achieved
3B.9	Less substandard jetties.	Yes - a more precise indicator and target to be developed when the condition and remaining life of jetties is better understood	Achieved

The 'backlog' of streets with potholes requiring repair has reduced significantly since 2013

Since the overall condition of the existing road network is poor, there has always been a 'backlog' of pothole repair work particularly in smaller and low traffic volume roads. After periods of rain we see new potholes across the network, however, our priority has been to address the arterial roads and other high traffic roads before moving into side streets, etc.

At the start of 2015 the Central Division had a 'backlog' of 200 days for pothole repair crews. That means if we added four extra crews it would take 50 days to deal with all the outstanding work. Savings in other areas of the maintenance programme were reallocated to reducing the backlog and by the end of 2015 the backlog had been reduced to 25 days. A similar approach was taken in the Western Division. This is represented by additional expenditure in Figure 9 below.

Figure 9 - Cost of pothole repairs for each maintenance division, (\$million)



We improved our overall performance in the delivery of renewals and rehabilitations in 2015

All the targets for physical works delivery were achieved or very close to being fully achieved despite the reduced resource availability in the 4th Quarter. The unsealed road rehab programme in the Northern Division was achieved which was very pleasing after several years of underachievement against targets. However, the lack of reliable gravel supply continues to constrain our ability to programme as much work in the Northern Division as we would like to.

Around 5km of intended sealed road rehabilitation was not delivered in 2015 due to a large package being tendered outside of maintenance contracts. This tender took a significantly longer time to go through all due processes prior to award, hence there was no work undertaken of significance on this contract which equated to 3.9km of very high value work, i.e. Reservoir Rd etc.

Similarly, for the 2015 reseals the reseal package issued through contract was unable to be delivered before the end of 2015 for Suva.

Table 19 – Road Renewal and Rehabilitation Outputs 2015

Road Renewal and Rehabilitation Outputs 2015						
Type		Northern	Western	Central/ Eastern	Non- Maintenance Contract	Total
Resealing	Target	22.3	43.3	35	10.0	110.6
	Actual	22.3	43.3	38.2	4.9	108.6
Sealed road rehabilitation	Target	7	9.0	9	7.5	32.5
	Actual	5.1	9.9	8.5	3.6	27.1
Unsealed road rehabilitation/resheeting	Target	8	36	23.6	35.3	102
	Actual	8	36	29.9	35.3	109.2
School/Village/Settlement road sealing	Actual	0	1.7	0.4		2.1

The figures above reflect the targets set by the maintenance managers once all budget revisions had been taken into account.

FRA's consultants had inspected 1,052 bridges at the end of 2014. By the end of 2015, 199 more bridges had been inspected (see Table 20). It is therefore very difficult to assess the degree to which condition of the assets has improved, based on this data.

Table 20 - Categorisation of Bridges 2013 - 2015

Category	End 2013	End 2014	End 2015
High	75	111	118
Medium-High	50	90	86
Medium	316	380	346
Low	357	471	701
Total	798	1,052	1,251

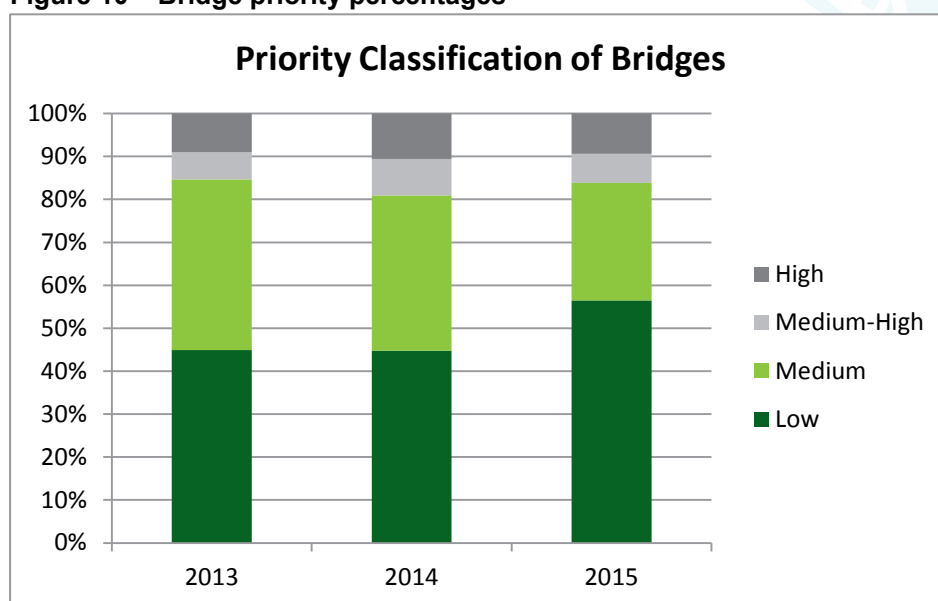
The goal of FRA's bridge programme is to reduce the number of high priority bridges through repair or replacement; i.e. we want to see a trend towards more and more bridges being categorized as low-medium priority. It is difficult to draw conclusions from the numbers in Table 20 because the total number of bridges has increased as we have learned more about the assets under our stewardship.

Figure 10 below presents the priority classification as a percentage of the total bridge stock. This illustrates that in 2013 when FRA knew about 798 of our bridges around 15% were High or Medium-High priority. Through 2014 when we located and assessed a further 254 bridges the percentage rose to 20% in the High and Medium-High classification.

2014 was also 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 211 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.

Figure 10 – Bridge priority percentages



2015 saw the award of contracts for detailed structural assessments of bridges. The work undertaken prior to this was by necessity a fast-track assessment to assess those bridges that need urgent action to protect public safety. We expect that as the detailed assessments are completed the percentages of High and Medium-High priority bridges will increase initially before decreasing again as works are designed, procured and constructed.

Vanuakula Crossing Secures Access for Villagers



In The people of Vanuakula enjoy the opening of their new crossing by the Honorable Prime Minister at the official opening ceremony – February 2016.

In 2015 we increased our work on Jetties significantly compared to previous years

The immediate priority in 2013/2014 was to assess bridges that we knew to be public safety risks. Assessments were also being carried out on jetties and the most urgent tasks attended to. In 2015 work on jetties began to pick up.

- Jetty repairs were designed and tendered for seven sites.
- Physical work for four sites were carried out; Yasawa-I-Rara, Natuvu, Totoya, and Nabouwalu jetty.
- Scoping and feasibility reports for jetty upgrades were progressed for five existing sites.
- Concept reports for upgrades were progressed for seven existing sites, but delayed through late delivery of third party information.
- Scoping and feasibility reports for four sites were progressed to tender state.
- Detailed design of two new waiting sheds were progressed and expected to be constructed in 2016.

Rest area works were deferred as part of the need to reduce expenditure in non-essential areas of our programme in response to reduced available funding.

4.4 Environmental Stewardship

Table 21 - Environmental Stewardship – Conservation, Environmental Protection and Enhancement

Environmental Stewardship - Conservation, Environmental Protection and Enhancement			
Code	Performance Measure	2015 target	Outcome
4B.1	All conditions of all Environmental Assessments and of all discharge permits were met throughout the year.	100%	Achieved

FRA takes environmental stewardship very seriously. Over the course of 2015 no 'Stop Work Orders' or Notices were received. We have procedures in place to ensure required reporting and assessments are done for all required projects. With the ADB loan projects coming on stream from 2016 onwards this will be strengthened even further.

4.5 Service Quality

Table 22 - Service Quality: Aesthetics, Reliability, Responsiveness and Capacity

Service Quality - Including: Aesthetics, Reliability, Responsiveness and Capacity			
Code	Performance Measure	2015 target	Outcome
5A.1	Reduced congestion by route	To be determined	Not measured
5A.2	Not less than __% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	50%	Not measured
5A.1	< __% of the network has rutting >20mm.	Later - when more accurate data available	Not measured
5A.1	> __% of the network meets the roughness standards.	Later - when more accurate data available	Not measured
5A.1	The percentage of service calls resolved within the prescribed times.	100%	Not achieved
5A.1	The total number of complaints and requests for service received monthly didn't exceed:	200	Not achieved
5A.1	The percentage of subdivision & development applications processed in 20 working days.	100%	Not achieved

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 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.

Peak hour Journey time surveys were undertaken on several radial corridors in Suva. These include:

- Ratu Dovi Road, Nasinu – Fletcher Road, Suva – Suva
- Ratu Dovi Road, Nasinu – Gratham Road, Suva – Suva
- Adi Davila Road, Nausori –Kings Road – Suva
- Kings Road from Hanson Supermarket, Nasinu – Ratu Dovi Road, Nasinu – Grantham Road, Suva, Milverton Road Suva – Suva
- Princes Road –Nausori Bridge – Suva

They surveys were undertaken during peak periods between 7am - 8am and 5pm - 6pm from 9th March 2015 to 24th April 2015. The surveys will be repeated over the same period in 2016 to establish a trend.

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 survey was intended to be implemented for the first time during 2015 however a household travel survey undertaken by the Ministry of Infrastructure led to a decision to defer the satisfaction survey.

Improvements are needed in the management and responsiveness of our service request processes

In 2015 we received a total of 3,300 service requests, down from 3,726 in 2014. These covered a whole range of issues including:

- complaints about potholes, streetlights, etc
- applications for developments, taxi bases, billboards, road reserve use, etc
- requests for road maintenance and new access roads.

An average of 275 complaints and service requests per month were received in 2015. This is a reduction of 11% which is very pleasing. The highest was in June when we received 355 complaints or requests.

Whilst the reduction in complaints is pleasing we still have room for improvement to meet our targets for resolving complaints and requests. 42% of requests were resolved in the prescribed time. Improved capacity within FRA as a result of increasing staff numbers will help with meeting targets.

Performance on responding to subdivision and development applications improved significantly in 2015. There is still room for improvement but with 83% of our 566 applications being dealt with in the required timeframe we are well on the way to achieving the goal of 100%.

4.6 Compliance

Table 23 – Compliance: Training, Record Keeping, Data Management & Reporting

Compliance - Including: Training, Record Keeping, Data Management & Reporting			
Code	Performance Measure	2015 target	Outcome
6.4	Compliance with all legislative, regulatory and other requirements.	100%	Achieved
6.6	No significant abnormal damage caused to roads by overweight vehicles.	None	Not 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.

Overloading of heavy goods vehicles continues to be a problem that is not fully within FRA's control and is costing Fiji over \$50 million every year.

Illegal overloading and loading exemptions continue to result in damage to roads and structures. We estimate that the cost of this damage is over \$50 Million each year. This effectively represents a hidden transfer subsidy to industries such as logging and sugar which benefit from lower haulage costs. FRA considers that these road damage costs should be managed through better enforcement and compliance, or otherwise captured within the appropriate industry so that better decisions are being made.

FRA's responsibility for enforcement of vehicle load limits has been removed from the Decree (see Appendix A). However we are still playing a central role in a multi-agency approach to this problem and will continue to do so with the goal of reducing abnormal damage to roads and structures.

4.7 Financial

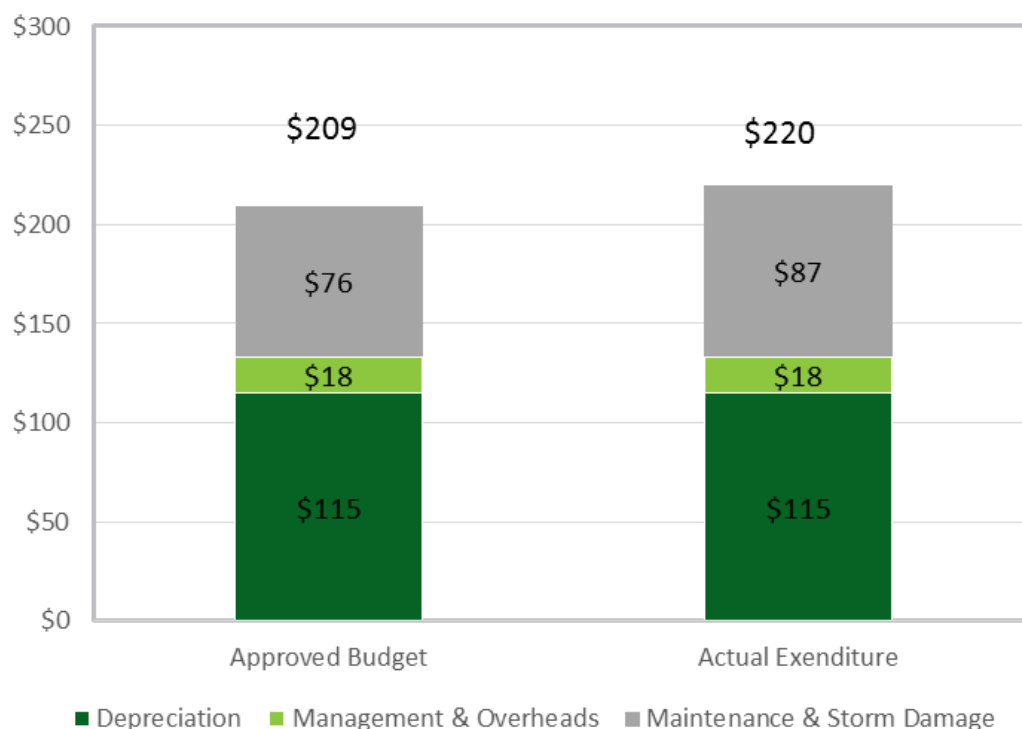
Table 24 - Financial – Economic Value for Money

Financial - Economic Value for Money			
Code	Performance Measure	2015 target	Outcome
7A.1	Total operating costs were within the approved total budget.	Yes	Achieved
7A.2	New capital and renewal projects were completed within the approved total budget.	Yes	Achieved
7B.1	The depreciated replacement (current) value of the network is a progressively greater proportion of their replacement value.	Later when a more accurate understanding of the assets and their condition (and consequently value) is known.	Not measured
7B.2	An unqualified annual audit opinion.	Yes	Achieved
7B.3	No matters raised by Audit as not having been attended to from the previous year.	None	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.

Figure 11 - FRA 2015 operating budget and expenditure (\$million VIP)



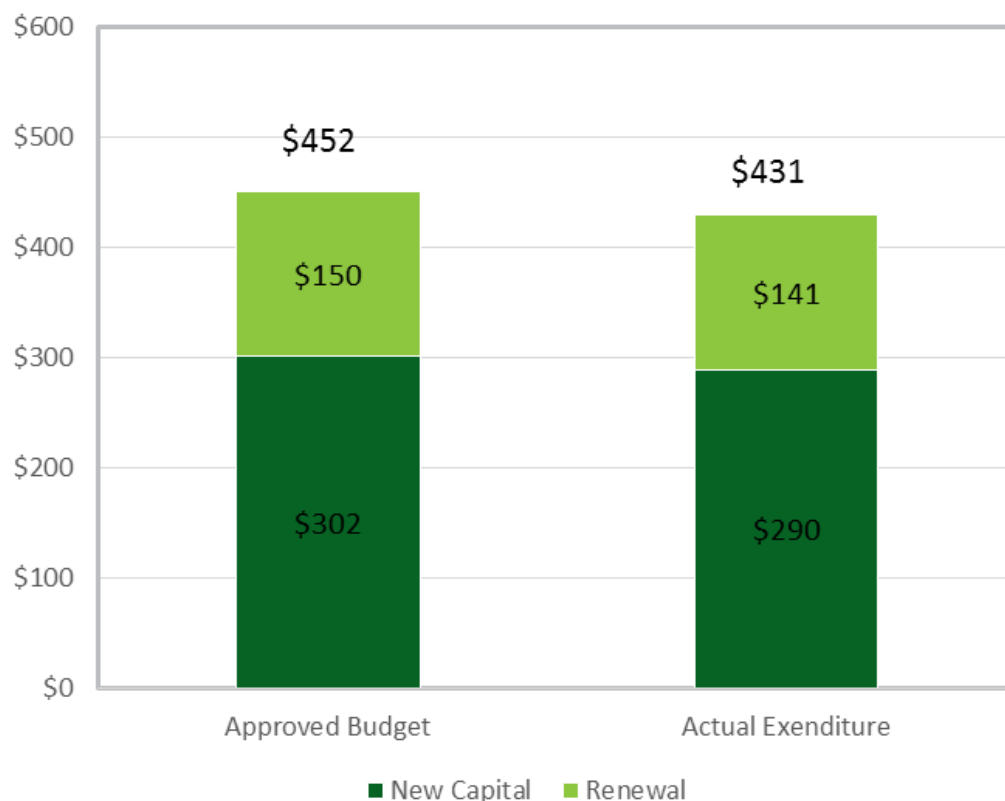
'Approved Budget' means the annual budget adjusted for the non-approval of the 4th quarter RIE which reduced overall available funding by \$27 million. The Depreciation figure is not a budgeted figure but is included in both columns based on the 2015 valuation.

Over-expenditure in the maintenance activity was off-set by reduction in renewals expenditure as FRA sought to manage the overall programme with the reduced resources in the 4th quarter; hence the measure is reported as 'partially achieved'.

Total FRA capital and renewal expenditure was within annual approved budget

'Approved Budget' means the annual budget adjusted for the non-approval of the 4th quarter RIE which reduced overall available funding by \$113 million. Capital and renewal expenditure was 94% of the 2015 revised budget. This included advance payments on contracts started in 2015. Comparison of budget and expenditure is shown in Figure 12.

Figure 12 - FRA 2015 capital and renewal budget and expenditure (\$million VIP)



Comprehensive independent revaluation of assets was undertaken in 2015

The FRA's auditors (the 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.

This qualification was expected. The quality of the records that the FRA inherited from its predecessor – the Department of National Roads - was extremely poor in calculating the value of the carriageways, bridges, drains, structures and signs, etc. It has been impossible to arrive at a figure without making a number of material assumptions. The Auditor's view is that the number and significance of the assumptions that had to be made was excessive.

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.

4.8 Specific Tasks

Progress has been made, but performance on specific tasks for 2015 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 2015 FRA was still in the process of building the organisational capacity to deliver on all our targets.

Table 25 - Specific Tasks for 2015

2015 Specific Performance Target	2015 Performance Result
Governance	
1) Submit the Half-Yearly Report to the Minister not later than 30 July 2015.	Not Achieved Report adopted September 2015. Delays due to budget preparation and transition to new Board.
2) Prepare the 2014 Annual Report by 30 April 2015.	Partially achieved The draft documentation for the annual report was completed in time. However the Audited Accounts were held up in the Auditor General's office awaiting signatures. Further delay due to appointment of a new Board.
3) Adopt the Corporate Plan and Statement of Corporate Intent for 2016 before 31 December 2015.	Achieved
4) 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)	Partially Achieved FRA Decree was Amended in 2015 however work on harmonising legislation has not progressed. FRA is in the process of compiling all gaps with other legislations.
5) Finalise a Memorandum of Agreement with the Maritime Safety Authority Fiji (MSAF) about the two parties' respective responsibilities re the management of jetties	Achieved
6) Review the delivery of maintenance works on the outer islands but in particular Ovalau and Kadavu.	Achieved Memorandum of Understanding in place with the Ministry of Rural and Maritime Development. Kadavu roads maintenance contract prepared for award in 2016. Ovalau roads remain in the central division maintenance contract.
7) Resolve outstanding issues with Municipal Council contributions and delegated functions.	Partially achieved FRA has submitted proposal to the Minister to resolve all outstanding issues. Decision pending.
8) Ensure a localisation (succession) plan is in place by 30 June 2015 for all management positions in Fiji Roads Authority.	Partially achieved Comprehensive review of business structure has been undertaken and is being implemented.
9) Ensure maintenance contractors and the principal consultant have localisation plans in place by 30 June 2015	Partially Achieved Good progress being made with capability and capacity building however not all key roles have development plans in place.
10) By 31st March 2015 review the CEO position description and skills needs assessment and finalise process for appointment of CEO when current contract expires (December 2015)	Partially Achieved Reviews and assessment complete by 31 March. Recruitment consultant engaged following board meeting 7 th May.
Technical	
1) Adopt a new Roads' Classification System (outstanding from 2014)	Achieved Roads classification system reviewed and updated
2) Forward Work Programme in place that identifies when each sealed road needs resealing.	Achieved Updated in Asset Management Information System

2015 Specific Performance Target	2015 Performance Result
3) Progress all work agreed for 2015 in the technical standards review programme (continues from 2014)	Partially achieved - A programme for review was established and some progress has been made. However there are still a number of areas that need to be completed.
4) Adopt a new Subdivision and Development Policy. (outstanding from 2014)	Partially achieved Policies adopted for Taxi Bases, Road naming and developer contributions for specific projects. Comprehensive subdivision and development policy still to be developed.
5) GIS Asset Management System 'live' and able to be viewed from FRA website.	Achieved Further development will continue for some time to improve the content and usability
6) Cabinet paper prepared identifying issues and options for addressing overweight vehicles on Fiji's roads by 31 March 2015.	Achieved This was prepared and forwarded for Minister's consideration.
Financial	
1) Identify potential alternative sources of funding for discussion with Government and other stakeholders	Partially achieved We have invested in term deposits and are now collecting proposals for having interest bearing operating accounts. FRA's main role in this area is to assist Ministry of Economy with comprehensive support information as they are the lead agency for interaction with external funding/financing entities.
2) Ensure personnel are in place to manage ADB and World Bank financed projects by 30 June 2015	Partially achieved Consultant resource on board mid-year. Delays to recruitment process saw key resources appointed by December 2015.
3) All issues raised in 2014 external and internal audits fully addressed by 31 March 2015	Partially achieved All issues from all audits contained in an 'Audit Control Master Document' and progress being made to address all issues. Business Improvement review undertaken and all identified improvements contained in 'Management Control Master Document'.
4) Complete an updated valuation of the FRA assets by 31st July 2015	Partially achieved Valuation completed in time for inclusion in annual accounts
General Management	
1) Update the Asset Management Plan to meet the timeframes for the 2015 budget submissions.	Partially Achieved All required information collated for 2016 budget submissions. Decision to defer update of AMP until valuations complete.
2) Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals.	Achieved
3) Refine the performance measures and targets at all levels and ensure the necessary monitoring and reporting processes have been implemented and continue to be managed effectively – with prompt action being taken when the results aren't as intended.	Partially achieved Further work is required to refine and improve the performance management framework and practices. There have been improvements in the knowledge of the network and its condition as reflected in the asset valuation, however these need to be captured

2015 Specific Performance Target	2015 Performance Result
	in a more systematic way to be of use in monitoring performance.

Not to be Forming Part of the Financial Statements
Presented to the Council of Service

5. Financial Statements

FIJI ROADS AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

**FIJI ROADS AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**FII ROADS AUTHORITY
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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")) ("the FRA Decree"). It was formed as a corporate body with perpetual succession and a common seal on 5 January 2012.

The directors present their report together with the financial statements of Fiji Roads Authority ("the Authority") for the period 1 January 2015 to 31 December 2015 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:

Present Members (Fiji Roads Authority Board of Directors - appointed on 29 July 2015):

Mr Dinesh Patel - Chairperson
Mr Aptinko Vaurasi - Member
Mr Sanjay Kaba - Member
Ms Preetika Prasad - Member
Ms Saleseini Seruilagilagi - Member

Past Members (Fiji Roads Advisory Committee - dissolved on 29 July 2015):

Mr Parmesh Chand - Interim Chairperson
Mr Samuela Namosimalua
Mr Naipote Katonitabua
Mr Shaheen Ali

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 year 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 December 2015 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 year then ended.

Principal activity

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

Operating results

The operating deficit for the year ended 31 December 2015 was \$89,715,721. (2014: \$30,816,920).

Reserves

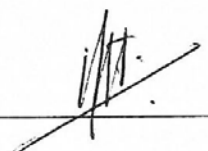
The directors did not recommend any transfers to or from reserves to accumulated funds in the 2015 financial period.

FIJI ROADS AUTHORITY
DIRECTOR'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

No event has arisen in the interval between the end of the financial year 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 15th day of December 2016

Signed in accordance with a resolution of the directors:



Director



Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

To the Members of Fiji Roads Authority

I have audited the accompanying financial statements of the Fiji Roads Authority ("the Authority"), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory Notes from pages 11 to 26.

Directors' and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Fiji Roads Authority Decree 2012 and other statutory requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I consider internal control relevant to the Authority's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Audit Opinion

In my opinion:

- a) proper books of account have been kept by the Fiji Roads Authority, so far as it appears from my examination of those books; and

b) the accompanying financial statements which have been prepared in accordance with international Financial Reporting Standards:

(i) are in agreement with the books of account;

(ii) to the best of my information and according to the explanations given to me:

(a) give a true and fair view of the state of affairs of the Fiji Roads Authority as at 31 December 2015 and of the results, changes in equity and cash flows of the Authority for the year ended on that date; and

(b) give the information required by the Fiji Roads Authority Decree 2012 and other statutory requirements in the manner so required.

I have obtained all the information and the explanations which, to the best of my knowledge and belief were necessary for purposes of my audit.



Ajay Nand
AUDITOR GENERAL



Suva, Fiji
24 January 2017

**FIJI ROADS AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 Restated * \$
Income			
Grants and contributions	2 (a)	17,804,425	27,199,151
Amortisation of deferred income	11	146,605,738	105,014,657
Other income	2 (b)	1,240,285	2,073,357
Total income		165,650,448	134,287,165
Expenditure			
Employee related expenses	3 (a)	(3,595,570)	(3,487,267)
Other operating expenses	3 (b)	(21,417,904)	(20,848,815)
Maintenance		(115,280,305)	(87,119,766)
Total Expenditure		(140,293,779)	(111,455,848)
Surplus from operations		25,356,670	22,831,317
Depreciation and amortisation		(115,072,390)	(53,648,237)
Deficit for the year		(89,715,720)	(30,816,920)
Other comprehensive income			
Revaluation of property, plant and equipment		3,505,794,232	-
Total comprehensive income/(loss) for the year		3,416,078,511	(30,816,920)

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer Note 18.

The accompanying notes form an integral part of statement of Comprehensive Income.

FIIJI ROADS AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Contributed Equity	Accumulated Funds	Capital Reserve	Asset Revaluation Reserve	Total Equity
		Restated *			
	\$	\$	\$	\$	\$
Balance at 1 January 2014	4,601,679,059	85,021,390	85,218	-	4,686,785,667
Deficit for the year	-	(30,816,920)	-	-	(30,816,920)
Transfer to capital reserve	-	(696,522)	1,083,186	-	386,664
Increase in assets from equity transfer	95,692,631	-	-	-	95,692,631
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 31 December 2015	4,770,531,283	(36,207,773)	867,433	3,505,794,232	8,240,985,175

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer Note 18.

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

**FIJI ROADS AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015	2014
		\$	Restated *
		\$	\$
Current assets			
Cash and cash equivalents	4	137,320,297	24,661,047
Receivables	5	2,639,269	3,106,786
Other current assets	6	132,460,557	132,846,697
		<u>272,420,122</u>	<u>160,614,530</u>
Non-current assets			
Property, plant and equipment	7	8,739,358,937	4,998,013,146
Intangible assets	8	52,603	4,393
		<u>8,739,411,540</u>	<u>4,998,017,539</u>
		<u>9,011,831,663</u>	<u>5,158,632,069</u>
Total assets			
Current liabilities			
Payables	9	93,993,617	51,862,641
Provisions	10	106,371	83,863
		<u>94,099,987</u>	<u>51,946,504</u>
Non-current Liabilities			
Provisions	10	45,774,521	37,715,614
Deferred income	11	630,971,980	316,921,909
		<u>676,746,500</u>	<u>354,637,523</u>
		<u>770,846,487</u>	<u>406,584,027</u>
Total liabilities			
		<u>8,240,985,175</u>	<u>4,752,048,042</u>
Net assets			
		<u>8,240,985,175</u>	<u>4,752,048,042</u>
Equity			
Capital reserves	17	867,433	1,168,404
Asset revaluation reserve		3,505,794,232	-
Other contributed equity		4,770,531,283	4,697,371,690
Accumulated funds		(36,207,773)	53,507,948
Total equity		<u>8,240,985,175</u>	<u>4,752,048,042</u>

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer Note 18.

Signed for and on behalf of the Board and in accordance with a resolution of directors.

Director

Director

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

**FIJI ROADS AUTHORITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015	2014
Cash flows from operating activities			
Grants and subsidies received		393,662,101	290,384,630
Payments to suppliers and employees		(139,636,002)	(107,444,612)
Net cash flows from operating activities		254,026,099	182,940,018
Cash flows from Investing activities			
Payments for intangible assets		(103,684)	(13,279)
Payment for property, plant and equipment		(214,801,799)	(255,284,249)
Proceeds from sale of plant and equipment		379,040	-
Proceeds from DNR assets		-	1,083,187
Net cash flows used in investing activities		(214,526,444)	(254,214,341)
Cash Flows from Financing Activities:			
Government contribution through loans		73,159,593	98,107,777
Net cash flows from financing activities		73,159,593	98,107,777
 Net increase in cash and cash equivalents		 112,659,250	 26,833,454
Cash and cash equivalents at beginning of the year		24,661,047	(2,172,407)
Cash and cash equivalents at end of the year	4	137,320,297	24,661,047

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

FII ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 SIGNIFICANT ACCOUNTING POLICIES

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

The Authority commenced operations on 5 January 2012. The financial statements are reported for the period 1st January to 31st December 2015. Fiji Roads Authority is a statutory authority domiciled in Fiji. The significant accounting policies, which have been adopted in the preparation of these financial statements, are noted below.

The financial statements were authorized for issue by the directors on 15th December 2016.

(a) Accounting for the formation of FRA

By virtue of the FRA Decree, the 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 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 the current year, FRA with assistance from Erasito Beca Consultants Ltd revalued its property, plant and equipment. However, for classes of assets revalued the entire class was not revalued as required by International Financial Reporting Standards. Consequently, not all assets transferred to FRA were revalued and adjusted for in the books of account accordingly.

(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 Fiji Roads Authority Decree 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 non-current assets.

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

(d) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Authority, except for IFRS 9 Financial Instruments, which becomes mandatory for the Authority's 2016 financial statements and could change the classification and measurement of financial assets. The Authority does not plan to adopt this standard early and the extent of the impact has not been determined.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

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 International Financial Reporting Standards. 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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

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

Revaluation of property, plant and equipment

The Authority revalues each class of 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 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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

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 and cash equivalents comprised of cash at bank and on hand.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the period when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(j) 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.

(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 and maintenance

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Authority. Maintenance costs relate principally to road and maritime infrastructure systems.

(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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee entitlements

(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.

(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 the sale of goods is measured at fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably.

(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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Intangible Assets

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 specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software and licenses are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight - line method over their estimated useful life.

	2015 \$	2014 \$
2 INCOME		
(a) Grants and contributions		
Government of Fiji - Operating Grant	17,075,965	16,767,810
Other Agencies	728,460	10,431,342
	17,804,425	27,199,151
(b) Other Income		
Lab revenue	1,034,983	1,036,378
Gain on sale of plant & equipment	89,206	267,030
Quarry revenue	-	189
Depot rental	102,552	-
Other revenue	9,736	766,744
Interest income	3,808	3,016
	1,240,285	2,073,357
3 EXPENDITURE		
(a) Employee related expenses		
Salaries	3,075,683	2,943,362
Contribution to FNPF	233,406	205,531
Allowances	286,481	338,375
	3,595,570	3,487,267
(b) Other Operating expenses		
Consultancy costs	13,012,149	5,721,642
Loss on sale of plant & equipment	304,607	710,505
Realised exchange loss	92,121	4,187
Leasing of plant	11,765	139,355
Travel and communications	453,378	347,680
Other	7,543,884	13,925,446
	21,417,904	20,848,815

The number of employees at the end of the financial period was 35 (2014: 62).

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
4 CASH AND CASH EQUIVALENTS		
Cash at bank	135,955,322	23,298,436
Petty cash	1,000	1,600
	<u>135,956,322</u>	<u>23,300,036</u>
Term deposits	1,363,975	1,361,011
	<u>137,320,297</u>	<u>24,661,047</u>

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 for period of 12 months at an interest rate of 2.25% per annum and interest bearing deposit invested with Bank of Baroda for term of 3 months at an interest rate of 0.25% per annum.

	\$	\$
5 RECEIVABLES		
Municipal councils	610,853	610,853
Trench repairs	1,892,993	1,152,478
Lab testings	-	58,917
Others	135,423	1,284,538
	<u>2,639,269</u>	<u>3,106,786</u>

The Authority reviews the 'debtors aging' report at the end of each month. Any customer having an account that is more than 30 days over-due is sent up to 3 reminders. If any customer fails to pay the total amount due within 60 days of the invoiced date the account is suspended and no further testing for that customer is allowed other than on a cash basis. Interest is charged on a rate of 1.5 % on all overdue accounts.

The board 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. Of the trade receivables balance at the end of the year, 72% is due from Utility Service Providers for trench repair costs.

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 (which include interest accrued after the receivable is more than 60 days outstanding) are still considered recoverable.

Age of Receivables that are past due but not impaired	\$	\$
Current	158,914	901,783
30 Days	286,586	145,071
60 Days	3,158	90,901
90 Days	17,795	25,023
Over 90 Days	2,172,816	1,944,008
Total	<u>2,639,269</u>	<u>3,106,786</u>

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
6 Other Assets		
Grants and Interest Receivable	123,209,897	82,277,823
Prepayments	5,151,775	40,564,313
Advances and Deposits	25,970	7,895
VAT Receivable, net	1,972,915	7,996,666
Securities	2,100,000	2,000,000
	<u>132,460,557</u>	<u>132,846,697</u>
7 PROPERTY, PLANT AND EQUIPMENT	\$	\$
(a)		
Land and Buildings		
At Cost	16,827,502	16,818,520
Accumulated Depreciation	(4,762,810)	(4,055,376)
	<u>12,064,692</u>	<u>12,763,144</u>
Motor Vehicles		
At Cost	2,252,364	2,447,069
Accumulated Depreciation	(928,591)	(681,259)
	<u>1,323,773</u>	<u>1,765,810</u>
Furniture and Fittings		
At Cost	538,180	815,562
Accumulated Depreciation	(155,634)	(212,311)
	<u>382,546</u>	<u>603,251</u>
Road Systems		
At valuation, 2014 at cost	8,294,310,379	5,385,626,620
Accumulated Depreciation	-	(883,663,886)
	<u>8,294,310,379</u>	<u>4,501,962,734</u>
Plant and Equipment		
At Cost	2,082,360	2,082,360
Accumulated Depreciation	(546,482)	(413,531)
	<u>1,535,878</u>	<u>1,668,829</u>
Work in Progress		
At Cost	429,741,670	479,249,378
	<u>429,741,670</u>	<u>479,249,378</u>
Net book value	<u>8,739,358,937</u>	<u>4,998,013,146</u>

The authority undertook a comprehensive valuation of its road systems (roads, bridges, crossings, street and traffic lights and footpaths) and jetties as at 31st December 2015. This valuation was done by Erasito Beca Consultants Ltd (registered valuers) and finalized on 28th February 2016. The valuation has been 'adopted as at 31 December 2015.

**FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015**

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:

Cost	Land & buildings	Motor Vehicle	Furniture and fittings	Road systems	Plant and equipment	Work in Progress	Total
\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	16,818,520	2,447,058	815,560	5,385,626,624	2,082,357	479,249,378	5,887,039,497
Acquisitions	8,983	156,521	295,565	400,209,552	-	275,254,972	675,925,593
Revaluation increment	-	-	0	3,505,794,232	-	-	3,505,794,232
Revaluation adjustment	-	-	0	(997,320,030)	-	-	(997,320,030)
Disposal	-	(351,227)	(572,946)	-	-	(324,762,680)	(325,686,853)
Balance at 31 December 2015	16,827,503	2,252,352	538,179	8,294,310,378	2,082,357	429,741,670	8,745,752,439
Depreciation							
Balance at 1 January 2015	4,055,376	681,248	212,309	883,663,890	413,528	-	889,026,351
Depreciation charge for the Year	707,434	378,071	142,315	113,656,141	132,950	-	115,016,911
Revaluation adjustment	-	0	-	(997,320,030)	-	-	(997,320,030)
Disposals	-	(130,739)	(198,992)	-	-	-	(329,731)
Balance at 31 December 2015	4,762,810	928,579	155,632	-	546,478	-	6,393,501
Carrying amount							
At 31 December 2014	12,763,144	1,765,810	603,251	4,501,962,734	1,668,829	479,249,378	4,998,013,146
At 31 December 2015	12,064,693	1,323,772	382,547	8,294,310,378	1,535,879	429,741,670	8,739,358,938

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
8 INTANGIBLE ASSETS		
<u>Software License</u>		
Cost:		
Balance as at 01 January	251,383	238,104
Additions	103,684	13,279
Balance as at 31 December	355,067	251,383
<u>Accumulated Amortisation</u>		
Balance as at 01 January	246,990	90,561
Amortisation for the year	55,474	156,429
Balance as at 31 December	302,464	246,990
<u>Net Amount</u>	<u>52,603</u>	<u>4,393</u>
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	14,767,384	16,562,981
Other payables	1,995,770	2,117,899
Retention payable	19,078,540	13,536,700
Trade payables	58,151,923	19,645,061
	<u>93,993,617</u>	<u>51,862,641</u>
10 PROVISIONS	\$	\$
Employee benefits (i)	103,353	76,062
Other provisions (refer below)	45,777,539	37,723,415
	<u>45,880,892</u>	<u>37,799,477</u>
Apportioned as:		
Current	106,371	83,863
Non Current	45,774,521	37,715,614
	<u>45,880,892</u>	<u>37,799,477</u>

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

10 PROVISIONS (continued)

Other provisions detail:

Descriptions	Contractual Work Accrued (ii)	VAT Penalties (iii)	Total
	\$	\$	\$
Balance at 1 January 2015	36,404,150	1,319,265	37,723,416
Additional provisions recognised	44,455,255	3,018	44,458,273
Reductions resulting from re measurement or settlement without cost	(36,404,150)	-	(36,404,150)
Balance at 31 December 2015	44,455,255	1,322,283	45,777,539

- (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 FIRCA) of VAT income during 2013 year. The FRCA has made a commitment that these penalties will be waived. \$558,342 was waived in 2014.

11 DEFERRED INCOME

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

	2015	2014 Restated *
	\$	\$
Opening Balance	316,921,909	81,050,479
Less: Depreciated charges during the year	(23,557,075)	(12,033,895)
Less: Allocated to maintenance of road systems	(123,048,663)	(92,980,762)
Add: Current Year Grants	460,655,809	340,886,087
Closing Balance	630,971,980	316,921,909

* Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer Note 18.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

12 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Contingent liabilities

- (i) 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 \$12,462,430 to the councils for 2015 (2014: \$3,588,748)

- (ii) As at balance date the Authority has an estimated value of \$232,714,683 contract commitments. However, this commitment depends on verification of works done and adherence to the contract terms and conditions during the contract period (2014: \$532,299,306).

(b) Contingent assets

	2015	2014
	\$	\$
Contribution from Municipal Councils	19,216,528	9,608,264

The authority is expecting an approximate of \$19,216,528 contribution from councils for 2015. There 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

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

Present Members (Fiji Roads Authority Board of Directors - appointed on 29 July 2015):

Mr Dinesh Patel - Chairperson
 Mr Aptinko Vaurasi - Member
 Mr Sanjay Kaba - Member
 Ms Preetika Prasad - Member
 Ms Saleseini Seruilagilagi - Member

Past Members (Fiji Roads Advisory Committee Members - dissolved on 29 July 2015):

Mr Parmesh Chand - Interim Chairperson
 Mr Samuela Namosimalua
 Mr Naipote Katonitabua
 Mr Shaheen Ali

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

13 RELATED PARTY TRANSACTIONS (continued)

Trading Transactions with Related Party

During the year, group entities into the following trading transactions with related parties:

	2015	2014
Grant	\$	\$
Government of Fiji	476,511,791	406,446,981
	<u>476,511,791</u>	<u>406,446,981</u>

Government Funding Lenders

Asian Development Bank	350,000	12,244,920
Exim Bank of China	72,487,563	85,390,683
	<u>72,837,563</u>	<u>97,635,603</u>

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 - Neil Cook
- Chief Financial Officer (From October 2015)- Robert Sen
- Risk and Assurance Manager (From September 2015) - Ravneel Lal
- Corporate Services Manager - Kavita Verma
- Maintenance Works Manager - Aram Goes
- Capital Works Manager - Ian Hunter
- Strategic, Planning & Performance Manager - Rory Garland
- Laboratories Business Manager (Till June 2015) - Jeff Henson

Total remuneration paid to key management personnel for the year ended 31 December 2015 was \$1,439,495 also taking into account the 2014 performance pay (2014: \$210,448).

During the period non-executive director - Mr Aptinko Vaurasi (board member) received an allowance of \$4,792 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 2, Fiji Development Bank Building, 360 Victoria Parade, Suva. It operates from several locations in Fiji, with its head office in Suva.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

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:

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.

	31 December 2015			
	Carrying amount	Contractual maturity	Less than 1 year	More than 1 year
	\$	\$	\$	\$
Liabilities				
Payables	93,993,617	93,993,617	93,993,617	-
	93,993,617	93,993,617	93,993,617	-

FJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

16 RISK MANAGEMENT DISCLOSURES (continued)

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 the counterparty. There is no requirement 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 is not significant. The Authority establishes an allowance for impairment that represents its estimate 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:

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	137,320,297	24,661,047
Receivables	2,639,269	3,106,786
	<u>139,959,566</u>	<u>27,767,833</u>

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 CAPITAL RESERVES

	\$	\$
Sale of Quarry Assets (i)	717,582	696,522
Sale of Covec Plants and Machines (ii)	451,925	451,925
Sale of items from Sigatoka Valley (iii)	19,957	19,957
FRA Office fitout at FDB	(322,030)	-
	<u>867,433</u>	<u>1,168,404</u>

This reserve consists of:

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

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

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

18 RESTATEMENT OF 2014 FINANCIAL STATEMENTS

The statement of comprehensive income in the years 2014 and 2013 were restated on the basis of incorrect recognition of amortised deferred income. The matter arose as the portion of deferred income allocated and used for the maintenance of road systems was not amortised accordingly in the years 2013 and 2014. The discrepancies in the years 2014 and 2013 were material to the company's comprehensive income and hence the impact on these years has been recorded and disclosed. The correction of prior period discrepancies have resulted in increases/(decreases) in the following accounts in the statements of financial positions and the statements of comprehensive income:

	2014 \$	2013 \$
Increase/(decrease)		
<i>Statement of financial position</i>		
Equity		
Accumulated funds	92,980,762	96,239,599
Total equity	92,980,762	96,239,599
Non-current Liabilities		
Deferred income	(92,980,762)	(96,239,599)
Total Non-current Liabilities	(92,980,762)	(96,239,599)
Total liabilities	(92,980,762)	(96,239,599)
<i>Statement of comprehensive income</i>		
Income		
Amortisation of deferred income	92,980,762	96,239,599
Total Income	92,980,762	96,239,599
Deficit for the year	(92,980,762)	(96,239,599)
Total comprehensive income for the year	92,980,762	96,239,599

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 26 - Cost of Service Statement

2015 Revised Budget (\$000)	Item	2015 Expenditure (\$000's)	2014 Expenditure \$000's	2013 Expenditure \$000's
	Operating Expenditure			
17,076	FRA MANAGEMENT	16,561	17,996	10,547
66,183	MAINTENANCE - ROADS, BRIDGES AND JETTIES	75,327	67,000	68,240
21,810	EMERGENCY WORKS	7,253	24,509	13,593
115,072	DEPRECIATION	115,072	53,648	45,179
\$220,140	Total Operating Costs (VEP)	\$214,211	\$163,153	\$137,559
	Capital Expenditure			
83,450	RENEWALS - ROADS AND SERVICES	76,469	70,437	-
38,123	RENEWALS - BRIDGES	38,850	19,417	-
8,976	RENEWALS - JETTIES	6,005	9,790	-
\$130,549	Renewals sub-total	\$121,324	\$99,644	\$87,620
6,126	NEW CAPITAL (Safety)	4,785	2,360	-
149,363	NEW CAPITAL (Access)	155,518	143,747	-
7,805	NEW CAPITAL (Community)	4,098	2,493	-
50,213	NEW CAPITAL (Congestion)	39,698	14,062	-
53,816	NEW CAPITAL (Tourism)	55,568	24,169	-
6,807	NEW CAPITAL (Resilience)	6,001	815	-
-	NEW Capital (Advance Payment)	5,685	13,975	-
\$274,130	New Capital sub-total	\$271,353	\$201,622	\$122,144
\$404,679	Total Capital Expenditure (VEP)	\$392,677	\$301,266	\$209,764
	Tax			
61,347	VAT	\$51,764	\$41,693	\$28,975
	Total Tax Provision		\$41,693	\$28,975
\$686,166	Total Expenditure	\$658,652	\$506,111	\$376,298
	Income			
115,072	Unfunded depreciation	115,072	53,648	45,179
474,408	Government Grant	415,340	333,859	227,385
91,415	Loans	121,472	115,397	93,118
-	Contribution - Municipal Councils	-	-	10,616
5,271	Contribution - Other Government Agencies	6,768	2,147	-
-	Contribution - Local Government	-	1,060	-
\$686,166	Total Income	\$658,652	\$506,111	\$376,298

Notes:

- 1) The revised Budget accounts for non-approval of the 4th Quarter RIE as well as work from 2014 being completed during 2015 (i.e. funding carried forward).
- 2) Substantially higher depreciation provision in 2015 due to comprehensive revaluation of assets completed in December 2015

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 27 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 27 - Estimated value of maintenance and renewal work undertaken by FRA on ex-Municipal Council roads

Council	FRA work in Municipalities 2015	
	Roads (\$)	Streetlights/Signals (\$)
Ba	1,829,655	204,720
Labasa	3,909,338	237,414
Lami	558,201	62,456
Lautoka	8,999,231	1,006,922
Nadi	380,945	124,525
Nasinu	2,653,323	296,880
Nausori	5,096,483	570,244
Savusavu	2,211,837	247,482
Sigatoka	311,340	68,885
Suva	404,218	45,228
Tavua	9,321,610	1,042,993
	73,286	8,200
Total	\$35,749,467	\$3,915,949

6.3 Laboratories

The FRA divested its laboratory operations in 2015. This was approved by Cabinet in December 2014 and the sale was finalised in June 2015. The 2015 operations account for the period the laboratories were operated by FRA is included in Table 28.

Table 28 - Laboratories operations account

Item	\$ (VIP)
Revenue	
Materials' testing	745,267
Project laboratories' revenue	289,481
Subtotal	\$1,034,748
Expenses	
Cost of sales	39,865
Payroll and related costs	626,168
Staff travelling	17,096
Motor vehicle expenses	12,197
Office expenses	40,662
Electricity	10,948
Rates	-
Water charges	765
Plant/vehicle hire	500
Repairs & Maintenance	171,425
Supplies	-
Subtotal	\$919,626
Net Profit	\$115,122

6.4 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 29 – Loan Funding

Bank	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		0	8,696
Sikatoka Valley		1,572	6,886
Nabouwalu - Dreketi	105,216	74,400	45,483
Sawani - Serea	8,934	13,200	19,522
	-	-	-
Subtotal	\$122,739	\$105,122	\$100,926
EXIM BANK OF MALAYSIA			
Queens Highway	-	-	5,389
Subtotal		\$-	\$5,389
ASIAN DEVELOPMENT BANK			
Kings - Lodon	-	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	(\$1,566)	\$10,275	\$15,096
Total	\$121,173	\$115,397	\$121,411

6.5 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 30 has the 2015 valuation figures.

Table 30 – Asset Values

Asset Categories	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
Property				
Lands	3,175,413,828	3,175,413,828	-	-
Formation	2,861,777,071	2,861,777,071	-	-
Sub Total	\$6,037,190,899	\$6,037,190,899	\$-	\$-
Carriageways				
Sealed Pavement Structure	574,929,144	191,322,666	383,606,478	20,894,270
Unsealed Pavement Structure	678,545,915	550,020,176	128,525,739	30,456,987
Sub Total	\$1,253,475,059	\$741,342,842	\$512,132,217	\$51,351,256
Drainage				
Culverts	257,920,075	123,392,271	134,527,804	2,619,555
Gullypits	23,944,845	6,715,306	17,229,539	388,773
Surface Water Channels	204,047,902	90,082,938	113,964,965	2,802,780
Sub Total	\$485,912,822	\$220,190,515	\$265,722,307	\$5,811,108
Other Road Assets				
Footpaths	158,008,370	69,474,974	88,533,397	1,990,296
Street Lighting	17,334,520	8,667,260	8,667,260	690,630
Sub Total	\$175,342,890	\$78,142,234	\$97,200,657	\$2,680,926
Traffic Controls				
Signs (inc Posts)	11,183,667	5,591,834	5,591,834	559,183
Traffic Signals	7,277,831	3,638,915	3,638,916	181,946
Sub Total	\$18,461,498	\$9,230,749	\$9,230,750	\$741,129
Bridges				
Bridges	2,434,900,005	896,920,786	1,537,979,219	33,858,891
Bailey Bridges	33,345,581	15,213,364	18,132,217	527,410
Crossings	563,327,431	188,862,502	374,464,929	7,393,458
Pedestrian Bridges	9,963,711	1,258,155	8,705,556	202,348
Sub Total	\$3,041,536,728	\$1,102,254,807	\$1,939,281,921	\$41,982,107
Other Structures				
Guard Rails	34,982,288	7,863,265	27,119,023	543,877
Bus Shelters	8,476,201	4,238,101	4,238,100	421,232
Retaining & Other Walls	65,260,044	17,995,511	47,264,533	1,067,030
Jetties	306,531,851	84,161,216	222,370,635	9,057,478
Sub Total	\$415,250,384	\$114,258,093	\$300,992,291	\$11,089,617
Other				
Motor Vehicles	2,252,363	1,323,783	928,580	378,071
Plant & Equipment	2,082,360	1,535,881	546,478	132,951
Furniture & Fittings	893,248	435,152	458,097	197,789
Buildings	8,528,002	3,765,192	4,762,810	707,434
Work in Progress	429,741,669	429,741,669	-	-
Sub Total	\$443,497,642	\$436,801,677	\$6,695,965	\$1,416,245
Total	\$11,870,667,923	\$8,739,411,816	\$3,131,256,107	\$115,072,389

7. Glossary

ACRONYMS

ADB	Asian Development Bank
AMP	Asset Management Plan
CEO	Chief Executive Officer
CP	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
LTA	Land Transport Authority
MoU	Memorandum of Understanding
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: <i>'.....the statement of corporate intent shall include.....an outline of FRA's policies and procedures relating to thedisposal of major assets'</i> .
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 Safety	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: <ul style="list-style-type: none"> (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	<p>An 'Export-Import' (EXIM) financial institution owned by the Chinese Government.</p> <p>The Fijian Government receives loan funding assistance for certain major capital road projects from this bank.</p>
Goal	<p>(Not to be confused with 'Objective')</p> <p>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.</p> <p>The FRA has two principal goals:</p> <ul style="list-style-type: none"> (i) <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</i> (ii) <i>To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.</i>
Health and Safety Incident	<p>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.</p>
Jetties	<p>The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.</p>
Laboratories	<p>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.</p>
Land Transport	<p>In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.</p>
Levels of Service	<p>The defined quality for a particular service against which service performance can be measured.</p> <p>Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost.</p> <p>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.</p>
Maintenance	<p>The actions required to enable an asset to achieve its expected life.</p> <p>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.</p> <p>Includes all of the actions necessary for retaining an asset as near as practicable to its original condition, but excludes Renewals.</p> <p>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.</p>
Mission	<p>The reason why the organisation exists.</p> <p>The FRA's mission is <i>'to provide a better land transport network for Fiji'.</i></p>
Municipal Councils	<p>The town and city councils.</p> <p>There are thirteen municipal councils:</p> <ul style="list-style-type: none"> (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;
- (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;
- (viii) jetties, and
- (ix) 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 Intent (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	Office of the Auditor General
Legal Advisor	<p>A panel of Lawyers:</p> <ul style="list-style-type: none"> • R Patel Lawyers – Suva • M C Lawyers – Suva • Siwatibau & Sloan – Suva • Young & Associates - Lautoka
Financial Advisor	KPMG
Insurance Advisor	Marsh
Banker	Bank of Baroda
Professional Engineering Services Provider	MWH (New Zealand) Limited
Key Contractors	<ul style="list-style-type: none"> • Fulton Hogan-Hiways Joint Venture (Maintenance & Renewals – Central & Eastern Division & Northern Division) • Higgins Group (Maintenance & Renewals – Western Division) • NAIM • China Railway First Group (Fiji) Company Limited • China Railway No. 5 Engineering Group Company Ltd • China Gezhouba Group Company Ltd
Central Government	<ul style="list-style-type: none"> • Ministry of Local Government, Housing, Environment, Infrastructure & Transport • Office of the Prime Minister • Ministry of Economy, Public Enterprises, Civil Service & Communications • Ministry of Agriculture, Rural and Maritime Development and National Disaster Management • Ministry of Lands and Mineral Resources • Land Transport Authority • Fiji Electricity Authority • Water Authority of Fiji • Fiji Police Force
Local Government	<ul style="list-style-type: none"> • Ba Town Council • Labasa Town Council • Lami Town Council • Lautoka City Council • Levuka Town Council • Nadi Town Council • Nasinu Town Council • Nausori Town Council • Rakiraki Town Council • Savusavu Town Council • Sigatoka Town Council • Suva City Council • Tavua Town Council
Others	<ul style="list-style-type: none"> • The Bus Owners and Operators Association

Appendix A – Fiji Roads Authority 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)

EXTRAORDINARY



REPUBLIC OF FIJI ISLANDS GOVERNMENT GAZETTE
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[3]

FIJI ROAD AUTHORITY DECREE 2012
 (DECREE NO. 2 OF 2012)

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FIJI ROAD AUTHORITY DECREE 2012 (DECREE NO. 2 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

A DECREE TO ESTABLISH THE FIJI ROAD AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS.

PART 1—PRELIMINARY

Short title and commencement

1. This Decree may be cited as the Fiji Road Authority Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

Interpretation

2. In this Decree, unless the context others requires—

“Authority” means the Fiji Road Authority established under section 4;

“Change Manager” means the Change Manager appointed by the Minister under section 37;

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

“Committee” means the Fiji Road Advisory Committee established under section 34 of this Decree;

“Department” means the Department of National Roads;

“Minister” means the Prime Minister;

“roads” include all national roads, municipal roads and such other public roads as determined by the Authority.

Objectives of this Decree

3. The principal objectives of this Decree are to—
 - (a) give effect to the re-organisation of the Department of National Roads; and
 - (b) make provision for the effective management and administration of the road systems.

PART 2—ESTABLISHMENT, FUNCTIONS AND POWERS

Establishment of the Authority

4. This section establishes the Fiji Road 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 body corporate.

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

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 public roads, bridges and jetties;
 - (b) traffic management (including road design, traffic signs and markings);
 - (c) road safety (relating to provision and management of the road);
 - (d) the enforcement of vehicle load limits to avoid road damage (especially logging trucks and cane trucks);
 - (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.

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 Decree and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

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 Decree.
- (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.

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 months' notice or one months' remuneration in lieu of notice.

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;

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- (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than 1 year; or
- (d) has, in Fiji or elsewhere, been disqualified or suspended from practicing his or her profession by any competent authority by reason of misconduct.

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

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.

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.

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.

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 member present at it to have been duly appointed to act.

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 two 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.

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.

Minister may give directions

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

PART 3—TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

Transfer of assets and liabilities

18.—(1) As from the commencement of this Decree, all moveable property vested in the State immediately before that date and used or managed by the Department, and all assets, interests, rights, privileges, liabilities and obligations of the State relating to the Department shall 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 Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority or the State to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights and liabilities transferred to and vested in the Authority under subsection (1) to which the State was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature that rights and liabilities could be assigned by the state, 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.

Transfer of employees

19.—(1) As from the commencement of this Decree, 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).

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.

Existing Contracts

21. All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Decree 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.

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 Decree 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.

No benefit in respect of abolition or re-organisation 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 re-organisation of office in consequence of the establishment and incorporation of the Authority.

PART 4—MANAGEMENT AND FINANCE OF AUTHORITY

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 other terms and conditions the Authority may approve.

(2) The Chief Executive Officer may be appointed for a term not exceeding three years and is eligible for re-appointment.

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

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 Office shall not engage in any other business without the prior consent of the Authority.

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 and approved by the Minister.

Funds of the Authority

27.—(1) The Funds of the Authority for the purposes of this Decree 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 Decree; and
- (c) any other money received by or on behalf of the Authority.

PART 5—REPORTING AND ACCOUNTABILITY

Financial year

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

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.

Annual Reports

30.—(1) Within 3 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.

(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.

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.

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 a 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).

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 (Cap. 70) 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 (Cap. 70) 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 (Cap. 70)

(4) The person appointed by the Authority under section 3(b) is to be—

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

PART 6—TRANSITIONAL AND SAVINGS

Establishment of the Fiji Road Advisory Committee

34.—(1) Until such time as the members of the Authority are appointed by the Minister under Part 2 of this Decree, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Road Advisory Committee which shall consist of the Permanent Secretary for the Prime Minister's Office as the Chairperson and 4 other members appointed by the Minister.

(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 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.

Meetings and Proceedings

35.—(1) At all meetings, 4 members shall form a quorum.

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

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.

Appointment of Change Manager

37.—(1) Following consultation with the Committee, the Minister shall, immediately upon the commencement of this Decree appoint a Change Manager on such terms and conditions as determined by the Minister.

(2) The Change Manager appointed under subsection (1) shall be responsible for the management of the functions of the Authority and exercise such powers and perform such duties as directed by the Committee, including but not limited to the following—

- (a) full Executive Management responsibility for the Authority;
- (b) recommend a staff structure for the Authority including redundancy plans, and new appointment processes;
- (c) identify the future financial management, information technology, asset management systems and records requirements;
- (d) identify office accommodation, office furniture, plant and vehicle requirements;
- (e) prepare a procurement plan for the Committee's consideration;
- (f) review the current road classification system, the continuing appropriateness of the definition of each classification, and the roads that have been allocated to each classification;
- (g) review the current technical service standards;
- (h) review the adequacy or otherwise of, any insurance protection approach, including the clarification of any potential liability should the cause of an accident be a result of the road condition;
- (i) review or prepare a business continuity and emergency response plan; and
- (j) identify and manage disposal of any surplus assets of the Authority.

(3) In the performance of any functions or exercising any powers under the Decree, the Change Manager shall report to and take instructions from the Committee.

(4) The Change Manager shall perform such additional functions and exercise such additional powers as the Committee may delegate to the Change Manager in writing.

(5) The provisions of this Decree shall be applicable and binding on the Change Manager appointed by the Minister under subsection (1).

PART 7—MISCELLANEOUS

Regulations

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

Consequential

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

Given under my hand this 5th day of January 2012.

EPELI NAILATIKAU
President of the Republic of Fiji

EXTRAORDINARY



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[545]

GOVERNMENT OF FIJI

FIJI ROAD AUTHORITY (AMENDMENT) DECREE 2012 (DECREE NO. 46 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

TO AMEND THE FIJI ROAD AUTHORITY DECREE 2012

Short title and commencement

1.—(1) This Decree may be cited as the Fiji Road Authority (Amendment) Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Road Authority Decree 2012 shall be referred to as the “Principal Decree”.

Amendment to all references of “Fiji Road Authority” in the Principal Decree

2. The Principal Decree is amended by deleting “Fiji Road Authority” wherever it appears and substituting “Fiji Roads Authority”.

Amendment to all references of “Fiji Road Advisory Committee” in the Principal Decree

3. The Principal Decree is amended by deleting “Fiji Road Advisory Committee” wherever it appears and substituting “Fiji Roads Advisory Committee”.

Section 2 amended

4. Section 2 of the Principal Decree is amended by deleting the definition of “roads” and substituting the following—

““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.”

Section 6 amended

5. Section 6 of the Principal Decree is amended in paragraph (a) by deleting “public roads, bridges and jetties” and substituting “roads”.

Section 17 amended

6. Section 17 of the Principal Decree is amended by deleting it and substituting the following—

“Minister may give directions

17. The Minister may, in his 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.”

Section 18 amended

7. Section 18 of the Principal Decree is amended by deleting it and substituting the following—

“Transfer of assets, interests and liabilities

(1) As from the commencement of this Decree, 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 Decree, 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 Decree, 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 Decree, 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.”

New section inserted

8. The Principal Decree is amended by inserting the following new section after section 38—

“Indemnity

38A.—(1) Neither the Committee, the Change Manager, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, the Change Manager 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 Decree or any other written law.

(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 Decree or any other written law.”

GIVEN under my hand this 14th day of May 2012.

EPELI NAILATIKAU
President of the Republic of Fiji

EXTRAORDINARY



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GOVERNMENT OF FIJI

FIJI ROADS AUTHORITY (AMENDMENT) DECREE 2014 (DECREE NO. 27 OF 2014)

IN exercise of the powers vested in me pursuant to section 4 of the Office of the Vice-President and Succession Decree 2009 and section 165(4) of the Constitution of the Republic of Fiji, I hereby make the following Decree—

A DECREE TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

Short title and commencement

1.—(1) This Decree may be cited as the Fiji Roads Authority (Amendment) Decree 2014 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Roads Authority Decree 2012 shall be referred to as the “Principal Decree”.

Section 2 amended

2. Section 2 of the Principal Decree is amended by—

- (a) deleting the definition of “Change Manager”; and
- (b) deleting the definition of “Minister” and substituting the following—
““Minister” means the Minister responsible for Roads;”

Section 6 amended

3. Section 6 of the Principal Decree is amended by deleting paragraph (d).

Section 24 amended

4. Section 24 of the Principal Decree is amended by—

- (a) deleting “other” after “with” in subsection (1); and
- (b) deleting subsection (3).

Section 26 amended

5. Section 26 of the Principal Decree is amended in subsection (2) by deleting “and approved by the Minister”.

Section 30 amended

6. Section 30 of the Principal Decree is amended in subsection (1) by deleting “3” and substituting “4”.

Section 34 amended

7. Section 34 of the Principal Decree is amended in subsection (1) by deleting “the Permanent Secretary for the Prime Minister’s Office as the Chairperson” and substituting “a Chairperson”.

Section 35 amended

8. Section 35 of the Principal Decree is amended in subsection (1) by deleting “4” and substituting “3”.

Section 37 deleted

9. Section 37 of the Principal Decree is deleted.

Section 38A amended

10. Section 38A of the Principal Decree is amended in subsection (1) by deleting all references to “the Change Manager”.

Given under my hand this 5th day of August 2014.

A. H. C. T. GATES
Chief Justice