

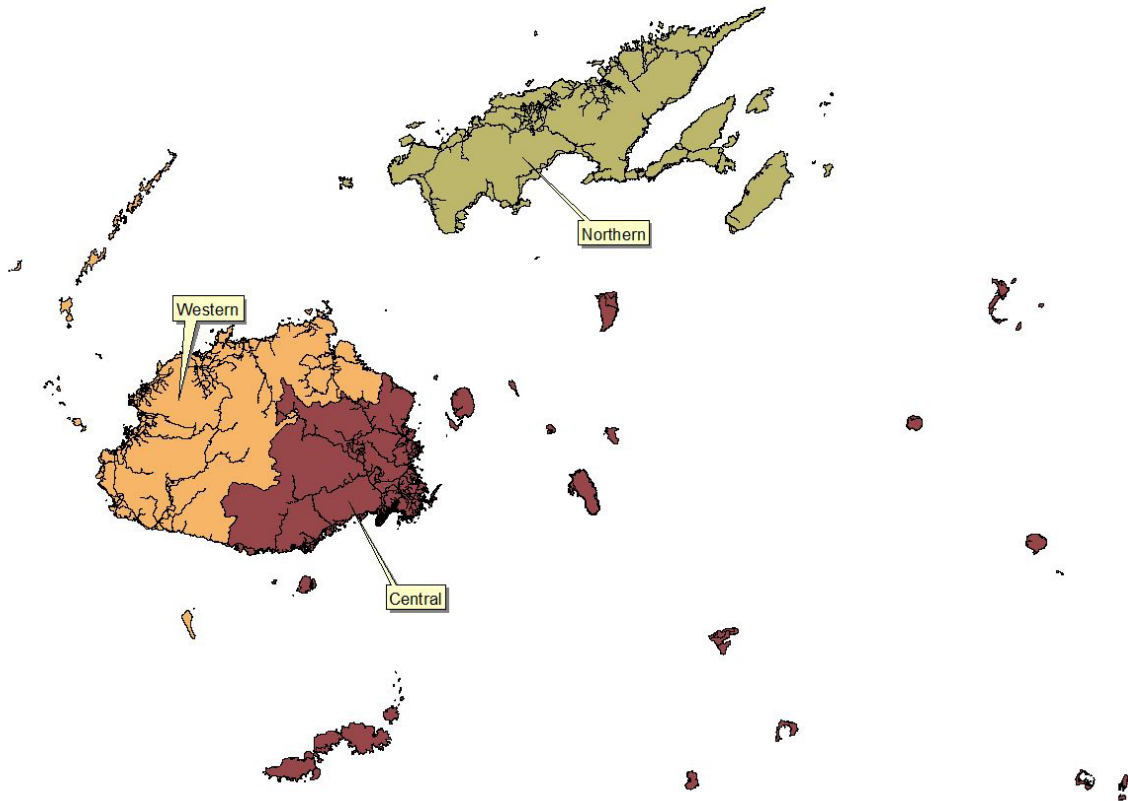


Fiji Roads Authority

2013 ANNUAL REPORT



MAP OF FIJI



Fiji comprises 332 islands of which 110 are permanently populated. Its total land area is 18,300 sq. kilometres. 87% of the country's population of about 890,000 live on the two major islands – Viti Levu (in the south) and Vanua Levu.

Most Fijians reside on Viti Levu's coast, either in greater Suva which is the capital (and with a population of 370,000 the largest urban area) or in smaller villages. There are more than 11,000 kms of roads and 936 bridges that are managed in three geographic divisions. Half the roads are of a standard normally expected in a developed country. The other half are cane and rural roads of a minimal (sometimes very minimal) standard.

Contact Address

Level 1

Building 3

FRCA Complex

P.O. Box 16550

Nasese

SUVA

Telephone 310 0114 or 310 0115

Fax 310 0044

Email info@fijiroads.org

Website www.fijiroads.org

Front Cover: Replacement Fletcher Bailey Bridge, Vatuwaqa and Lautoka upgrade.

BOARD MEMBERS



PIO TIKODUADUA
P.S1
Office of the Prime Minister
Chairman



PARMESH CHAND
PS
Public Service Commission



ELIZABETH POWELL
PS
Public Enterprises & Tourism

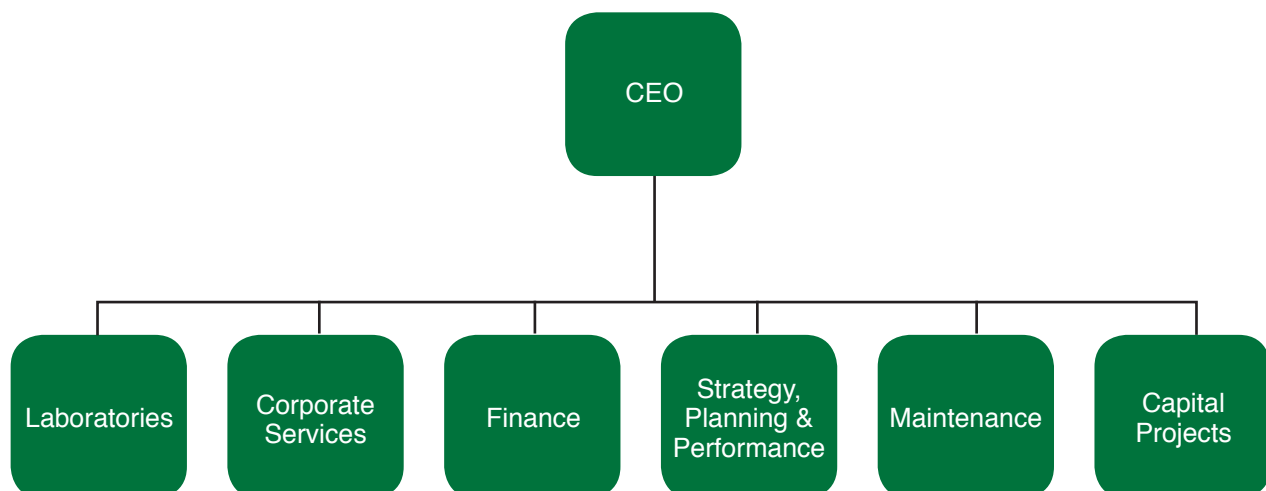


FILIMONE WAQABACA
PS Finance



SAMUELA NAMOSIMALUA
PS Local Government

WORK FUNCTIONS



OUR MISSION, GOALS AND PERFORMANCE TARGETS

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 Roding industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.

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

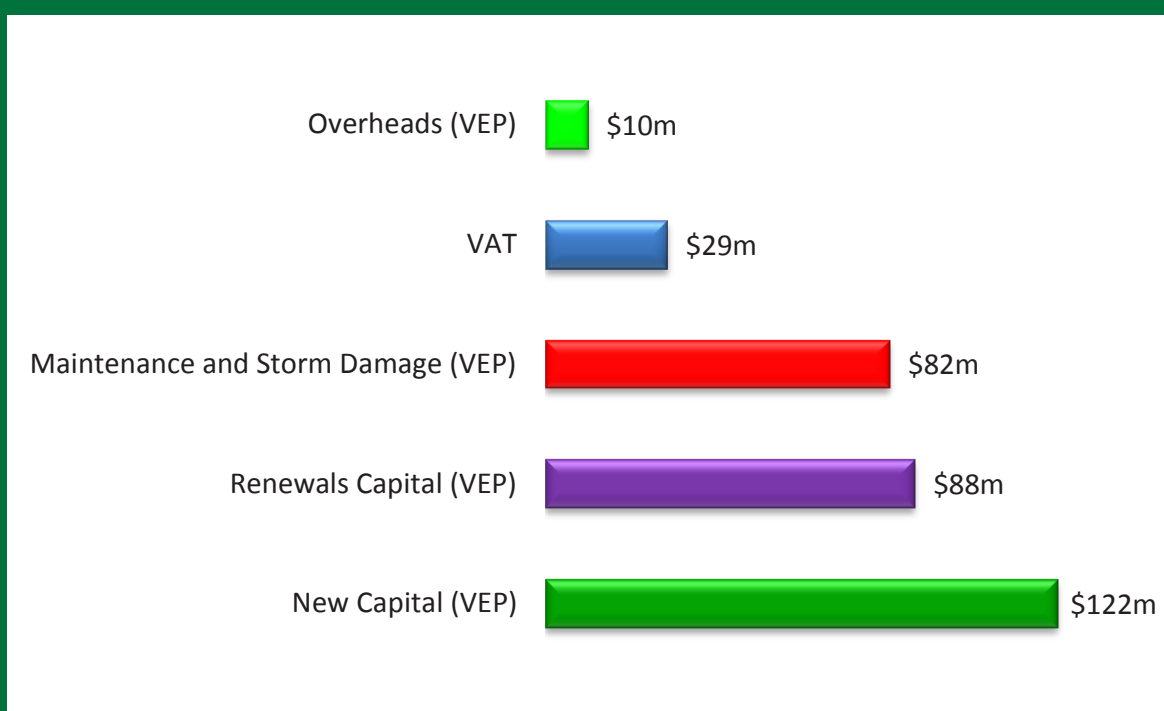
The Fiji Government's Key Pillars to which this Mission and Vision and these Goals and Targets contribute are:

- (d) Developing a Common National Identity and Building Social Cohesion.
- (e) Enhancing Public Sector Efficiency, Performance Effectiveness and Service Delivery.
- (f) Achieving Higher Economic Growth While Ensuring Sustainability.
- (g) Developing an Integrated Development Structure at the Divisional Level.
- (h) Reducing Poverty to a Negligible Level by 2015

Contents

1.	OVERVIEW	5
2.	STATEMENT OF SERVICE PERFORMANCE	8
3.	LEVELS OF SERVICE - ACCOUNTABILITY	
	– ACHIEVEMENTS AGAINST PERFORMANCE TARGETS	28
4.	FINANCIAL STATEMENTS AND AUDITORS REPORT	59
5.	OTHER FINANCIAL INFORMATION	86
5.1	<i>COST OF SERVICE</i>	87
5.2	<i>ROADS IN MUNICIPAL COUNCIL AREAS</i>	88
5.3	<i>LABORATORIES</i>	89
5.4	<i>PROJECTS FUNDED BY THE MALAYSIAN AND CHINESE EXIM AND THE ASIAN DEVELOPMENT BANKS</i>	89
5.5	<i>ASSET VALUES</i>	90
6.	KEY FRA PARTNERS	91
	<i>Appendix 'A'</i>	93
	FIJI ROADS AUTHORITY FOUNDING LEGISLATION	93

Table 1 - Total Expenditure \$331m (VIP)



This page is intentionally blank.

1. OVERVIEW



Victoria Parade, Suva

FROM THE CHAIRMAN



Two years have elapsed since the Fiji Roads Authority (FRA) was established by Decree on 5th January 2012. The first year, 2012, was one of transition from the old way of doing things as a government department to a new world of outsourced contracting to the private sector. 2013 was the year in which we established the FRA 'organisation proper'. Our CEO took up his role in early January and during the ensuing twelve months the Senior Management Team was appointed, the final steps of closing out the DNR were taken and the future structure and direction of FRA signalled through development of the first Asset Management Plan.

Out on the roads the people of Fiji have started to witness the transformation of our roading maintenance regimes from the inefficiencies of the past, to the 'do it once, do it right' practices of our new road maintenance contractors.

This Annual Report highlights the many successes FRA has had during 2013 and provides our accountability to the Minister and the people of Fiji about how we performed against the targets we set.

The Fiji Roads Authority is committed to being absolutely accountable and transparent in the use of the public funds that are allocated to it each year and this report enables all of our stakeholders to see what it achieved during what was effectively its first twelve months of operation as a corporate entity.

A handwritten signature in blue ink, which appears to read "Tikoduadua". The signature is written in a cursive style and is positioned above a horizontal line.

Pio Tikoduadua
Chairman
Fiji Roads Authority

Date: 30 May 2014

FROM THE CEO



It is a pleasure to present the Fiji Roads Authority Annual Report for 2013.

The FRA set itself some extremely challenging targets for its inaugural year and as readers of this report will see, for the most part the significant ones were met. Of course there are areas for improvement, and that will be our focus for 2014. Where we have fallen short the reasons are outlined and we will be working hard to rectify the deficiencies in the coming months.

It is particularly pleasing to include in this report the assessment of the Auditor General - unqualified except for matters pertaining to valuation of the Authority's roads', bridges' and jetties' assets. This qualification is an unavoidable consequence of the poor quality of the asset inventory and condition data the FRA inherited from its predecessor – the Department of National Roads. Data collection and improvement has been proceeding throughout 2013 and will continue for another year at least before we can have sufficient confidence that the asset ownership and valuation figures we report are correct.

The challenge of establishing functioning supply chains to service the needs of the roading sector remains a large one; but we have been buoyed by the commitment being shown by many of our suppliers to improve the quality of their products and services. Those that rise to meet our standards will thrive, those who do not will have to find other markets because FRA will not compromise the quality we require be delivered.

Fijians have invested heavily in the rebuilding and expansion of the country's roads to create an appropriate network – and this very significant investment (\$331m was spent in 2013) continues. FRA is very aware of the high level of accountability expected as we deliver on the Government's objectives for world standard roads that improve the lives of all Fijians' through better access to markets, schools, health services, and other government and non-government services.

I am pleased with the progress being made – especially in the area of ensuring that our key objectives of growing capacity and capability at all levels are met and that in the long term FRA and its consultants and contractors will be predominantly staffed by Fijians - with outside specialist expertise being used in a complementary role to assist the core local workforce when required.

A handwritten signature in purple ink, which appears to read 'Neil Cook'. The signature is fluid and cursive, with a small dot at the end.

Neil Cook

Chief Executive Officer

Fiji Roads Authority

Date: 30 May 2014

2. STATEMENT OF SERVICE PERFORMANCE

The Fiji Roads Authority (FRA) is a corporate entity that manages all of the roads, bridges and public jetties in Fiji – but (except for the laboratories which it intends to divest) it only employs about 30 staff. All of the ‘doing work’ (including professional engineering services advice) is ‘contracted out’.

For 2013 the FRA’s budget was \$428m. In this section we record our roadworks’ achievements against that sum.



Kings Road, Tailevu

TABLE 2 – STATEMENT OF SERVICE PERFORMANCE

'What We Achieved for the Money We Spent'

MANAGEMENT

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Salaries	6	1,500,000	1,768,259	1,540,771	
Other Costs					
(a) Recruitment	6	86,957	82,020	49,781	
(b) Accounting and Finance (including Audit Fees)	6	86,957	155,000	8,214	
(c) Vehicles' Hire and Operation	6	152,174	60,000	71,756	
(d) Office Expenses – Power, Travelling etc.	6	73,913	188,600	419,287	
(e) Rent	6	60,870	59,281	36,672	
(e) Legal Fees	6	86,957	87,000	9,251	
(f) Insurances	6	26,087	164,000	28,232	
(g) Archives – Storage	6	26,087	28,200	14,316	
(h) Communications (including website)	6	26,087	72,000	81,989	
(i) Data Improvements	6	86,957	87,000	59,492	
(j) Asset Management Improvements	6	69,565	70,000	21,446	
(k) Training and Development	6	34,783	31,000	57,043	
(l) Establishment Costs	6	86,957	87,000		
(m) Contingencies	6	130,435	130,000	234	
(n) Realised Gain/Loss	6			(693,315)	The result of bargaining with the banks on the rates for foreign payments.
Value Added Tax (VAT)		155,217	195,165	128,414	
Total - Management		2,690,000	3,264,525	1,833,583	While it was very difficult to provide an accurate budget for detailed management expenses for 2013 - the FRA's first year as a separate Corporate entity - the overall cost was within the approved sum.

MANAGEMENT CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Government Grant - Operating	6	2,534,783	3,069,360	1,705,169	
Government Grant - Capital	10				
Municipal Councils	MC				
Loan Funds	DP				
Value Added Tax (VAT)	VAT	155,217	195,165	128,414	
TOTAL		2,690,000	3,264,525	1,833,583	

PROFESSIONAL AND TECHNICAL SERVICES

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Professional Services					
(a) Network Controls	6	460,870	170,000	154,125	
(b) Asset Management Plan & General Management Support	6	173,913	180,000	1,007,844	
(c) Safety Management Plan	6	86,957	87,000		
(d) Project Management and Reporting	6	469,565	470,000	1,353,780	
(e) Budget and Corporate Plan	6	173,913	50,000	196	
(f) General Support	6	260,870	550,000	1,048,358	
(g) Withholding Tax & Tax expenses	6			970,751	
Laboratories' Operation Costs to March	10	173,913	174,000	(130,170)	This is the net profit from the provision of laboratories' materials etc testing services.
Quarries Costs	10		900,000	493,163	Quarries disposed of (To be finalised in 2014). The FRA no longer owns or manages any quarries.
Contingency (saying for carry over issues)	6	173,913		173,913	Costs not paid in 2012 and carried over to 2013.
Costs not paid or accrued in 2012	10		6,292,508	3,770,222	
Value Added Tax (VAT)		296,087	1,331,026	1,180,714	
Total - Professional and Technical Services		2,270,000	10,204,534	10,022,896	
Professional and Technical Services Funded By:					
Government Grant - Operating	6	1,800,000	1,507,000	4,708,967	
Government Grant - Capital	10	173,913	7,366,508	4,133,215	
Municipal Councils	MC				
Loan Funds	DP				
Value Added Tax (VAT)	VAT	296,087	1,331,026	1,180,714	
TOTAL		2,270,000	10,204,534	10,022,896	

MAINTENANCE WORKS

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Sealed Roads – Pavements and Surfaces					<p>The original budget was amended after the maintenance contracts were awarded and the actual maintenance costs that would be incurred identified. Additional maintenance was also done later in the year in lieu of some renewals. \$1.5M was spent on utilities' repair/restoration work - \$606,000 of which was recovered from the Utilities companies.</p>
	6	7,473,043	8,936,126	7,475,240	
	10		16,844,231	20,868,369	
	MC				
	MC	2,613,913	2,807,000	5,417,084	
	10			1,302,870	
Municipal Councils' Delegations -	MC		2,373,000		Costs are recorded under the drainage, environmental maintenance, sealed roads' maintenance and streetlight's maintenance headings.
Unsealed Roads – Pavements and Surfaces					<p>The original budget was amended after the maintenance contracts were awarded and the actual maintenance costs that would be incurred identified. Additional maintenance was also done later in the year in lieu of some renewals.</p>
	6	782,609	5,555,821	1,674,994	
	10		6,289,097	13,237,602	
Outer Islands' Roads					<p>Agreement was reached with the Ministry of Provincial Development for the Ministry to manage the Outer Islands' roads on the FRA's behalf.</p>
	6		1,585,806	859,001	
	10		1,412,425		
Drainage					<p>Additional drainage was required as an adjunct to the significantly greater than anticipated resheeting work that had to be done (more than three times that intended) on the rural roads.</p>
	6	652,174	1,762,122	1,648,219	
	10		1,678,726	1,834,382	

MAINTENANCE WORKS CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Environmental Maintenance					
	6	1,334,783	416,026	1,335,000	More vegetation control work done
	10		1,473,024	639,844	
Traffic Lights					
	6	434,783	174,939	90,852	Part year only. The contract for maintenance of the traffic lights wasn't let until August.
	10		261,000		
Street Lights - Maintenance					
	6	869,565	642,895	272,762	
	10		230,000	289,547	
Street Lights - Power Charges	MC		2,000,000	2,394,151	Power Bills
Bridges and Structures					
	6	413,043	36,281	115,331	Additional bridge clearing work had to be done following rain that didn't qualify for flood damage funding as storm events.
	10		376,000	664,120	
Traffic Services (Signs and Road Markings etc.)					
	6	4,086,957	256,269	1,366,020	Only one complete round of road marking was done instead of the two planned.
	10		3,265,000	588,777	
Network and Asset Management	6	3,140,870		336,291	
Materials' Testing	6	434,783	50,000	16,315	Laboratory testing of road material quality.
Jetties	10		652,000	80,278	
(a) Nabouwalu	10	130,435		29,280	Preliminary investigations, concept development and initial designs for future proposed jetties' repair works.
(b) Savusavu	10	69,565		34,192	
(c) Vanubalavu	10	86,957		25,813	
(d) Koro	10	86,957		24,745	
(e) Moala	10	86,957		28,300	
(f) Nawaikama	10	104,348		23,331	

MAINTENANCE WORKS CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
(g) Lovonivonu	10	86,957		19,131	
(h) Kadavu	10			5,161	
(i) Qarani	10		86,957	42,167	
(j) Rabi	10			26,684	
(k) Rotuma	10			10,713	
(l) Yasawa-i-Rara	10				
Municipal Council's Loan Charges	MC		1,212,000	1,179,359	Loan charges incurred in respect of loans raised for roading works by the municipal councils and now the responsibility of the FRA.
Supervision	10		1,216,310	4,284,010	The cost of supervision of the maintenance contracts. 7.3% of the total maintenance cost (including commitments and accruals).
Value Added Tax (VAT)		3,433,304	9,238,958	10,235,990	
Total - Maintenance		26,322,000	70,832,011	78,475,925	The significant difference between the original maintenance budget and the actual expenditure is explained by the budget change that was made between maintenance and renewals at the beginning of the year after the maintenance contracts were awarded and again later in the year when it became clear it would be more beneficial to spend more on basic maintenance and less on renewals. When commitments and accruals are taken into account, total maintenance and renewals expenditure was 97% of the amended budget.

Maintenance Costs Funded By:					
Government Grant - Operating	6	19,622,609	19,416,283	15,190,025	
Government Grant - Capital	10	652,174	33,784,770	44,059,316	
Municipal Councils	MC	2,613,913	8,392,000	8,990,594	
Loan Funds	DP				
Value Added Tax (VAT)	VAT	3,433,304	9,238,958	10,235,990	
TOTAL		26,322,000	70,832,011	78,475,925	

FLOOD DAMAGE REPAIRS

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Emergency Response Contingency	10	8,695,652	9,797,939		Apart from the 'Cyclone Evan' damage and flood event in March, 2013 was a relatively light 'flood damage' year. Except for the Nabukavesi culvert renewal all of the scheduled works listed were completed as programmed. The Nabukavesi culvert will be completed by March 2014.
General Flood Damage	10			1,944,742	
Nayawa Culvert	10			400,779	
Bavu Culvert	10			178,212	
Yadua Culvert	10			856,175	
Storm Recovery Bridge Approach Work	10			2,040,162	
Wailoa Road Completion	10			450,737	
Nabukavesi Culvert Renewal	10				
Balance for 2013 Events	10				
ADB Flood Rehabilitation					Complete
(a) Regravelling Monasavu and Nadarivatu Roads					
· ADB Share	DP	2,063,000	2,056,146	1,434,788	
· Local Share	10	353,913	293,735	953,213	
(b) Regravelling Koronivia, Lokia and Toga Roads					Complete
· ADB Share	DP	457,000	960,775	910,110	
· Local Share	10	106,957	137,254	130,553	
(c) Rakiraki to Tavua Road					Complete
· ADB Share	DP			758,030	
· Local Share	10			108,290	
(d) Land Stabilisation Wailevu Wainibuku Slip					A project inherited from the former Department of National Roads. Design issues. Not to proceed pending further studies.
· ADB Share	DP	702,000			
· Local Share	10	137,391			

FLOOD DAMAGE REPAIRS CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
(e) Land Stabilisation Lomoloma Slip					This is a major stabilisation project inherited from the former Department of National Roads. The project had to be redesigned and the total cost of the work (for which a contract has been let) is likely to be about \$6m.
· ADB Share	DP	615,000	3,424,050	220,869	
· Local Share	10	95,652	489,150	51,287	
(f) Rakiraki Bridge					This is another project inherited from the former Department of the National Roads. The scope of the work had to be changed - to include geotechnical investigations, a more durable bridge structure at a higher level, and the provision of a by-pass route during construction. The likely cost of the replacement bridge is about \$11.3m.
· ADB Share	DP	1,756,000	1,757,679	739,131	
· Local Share	10	281,739	251,097	632,898	
(g) Nomado Bridge					This is another project inherited from the former Department of National Roads. Design issues. Not to proceed pending further studies.
· ADB Share	DP	176,000			
· Local Share	10	31,304		100,288	
(h) Fiji Water Authority Works					Works delayed by negotiations over price and the need to redesign.
· ADB Share	DP	9,231,000	4,231,000	1,517,708	
· Local Share	10	732,174	79,435	165,350	
Value Added Tax (VAT)		1,565,217	3,521,740	2,038,998	
Total - Flood Damage		27,000,000	27,000,000	15,632,320	

FLOOD DAMAGE REPAIRS CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Government Grant - Operating	6				
Government Grant - Capital	10	10,434,783	11,048,610	8,012,686	
Municipal Councils	MC				
Loan Funds	DP	15,000,000	12,429,650	5,580,636	
Value Added Tax (VAT)	VAT	1,565,217	3,521,740	2,038,998	
TOTAL		27,000,000	27,000,000	15,632,320	



Old Rakiraki Bridge

RENEWALS AND REPLACEMENTS

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Reseals	10	26,956,522	10,207,249	6,511,996	71.04km were resealed (compared with the planned 114km). No reseals were achieved in the Northern Division as a result of the maintenance contractor (Blacktop Construction) going into receivership. Only 20km were resealed in the Central/Eastern Division due to quality and materials issues. 10km more than intended were completed in the Western Division.
Pre-Seal Repairs	10			4,299,056	Pre-reseal repairs were undertaken on more than 100km of sealed roads (including some in readiness for the 2014 reseals programme).
Unsealed Roads' Resheeting	10	13,130,435	12,177,835	17,058,943	206,000 cubic metres of metal were applied to the gravel roads (compared with the planned 62,000 cubic metres). Many of the unsealed roads (especially those in the Northern Division) were in a much worse condition than prior to the letting of the maintenance contracts was appreciated.
Drainage Renewals	10	1,304,348	2,226,351	4,083,411	460km of drainage channel were constructed or renewed.
Pavement Rehabilitation by Maintenance Contractors	10	19,130,435	12,918,944	8,289,389	44.7km of roads were rehabilitated (compared with the intended 41km).
Pavement Rehabilitation by Others	10	7,826,087	224,973	850,030	On the Natewa West Coast road 5km of rehabilitation was completed out of the 10km scheduled. The remaining works are programmed for completion by March 2014
Design Services for Pavement Rehabilitation by Others	10	260,870			
Street Lighting	10	2,608,696	2,600,000	236,022	The street lights' contract wasn't able to be let until August. Improved street lighting was provided in Harris Road and Lacaula Bay Road (to be completed in 2014).
Materials' Testing	10	434,783	435,000		Quality assurance testing of road materials. Costs charged to the relevant projects.

RENEWALS AND REPLACEMENTS CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Bridge Renewals and Replacements	10	13,678,261	13,431,316	1,040,178	836 of the FRA's 916 bridges were inspected and found to be in a much worse condition than appreciated. Two bridges – the significant Stinson Parade bridge in the centre of the CBD and the Vatuwaqa bridge in Suva – had to be immediately closed for safety reasons. Priority had to be given to making temporary repairs to the other worst structures and to the preparation of a prioritised renewal programme for the future (and to the design of the required works). A significant bridge renewals programme (\$29m) is planned for 2014.
Structural Bridge Repairs	10	3,130,435	3,155,817	632,222	
Mid Point/Balagu Bay Jetties	10	3,478,261	4,000,000	55,394	The cost of providing the envisaged Mid-Point jetty would be of the order of \$100m. The relative priority and affordability of doing that is being reconsidered. The Balaga Bay jetty would also be a very significant structure. A feasibility study for it has been commissioned and the FRA will decide whether or not it should be programmed when the results of that investigation, have been received. A significant jetties' renewal programme is planned for 2014 (\$20m).
Vitogo - Naviago Village - New Irish Crossing	10	826,087	950,000	3,159	Not to proceed. Lower priority.
Laboratories' Renewals	10	478,261	480,000		Not to proceed. The FRA is intending to sell or lease the laboratories.
To be allocated – Historical claims	10	5,530,435	6,389,180		Claims were received during the year totalling more than \$17m for alleged monies owing by the former Department of National Roads. Most of these haven't been accepted but the FRA is negotiating with some of the claimants. No payments were made under this heading in 2013.
To be allocated	MC	2,603,478	1,216,310	242,291	
Supervision Fees	10	1,826,087		2,156,528	The cost of supervision of all of the renewals work. (4.4% of the total cost of the renewals work - including commitments and accruals and VAT)
Value Added Tax (VAT)		15,480,522	10,561,946	6,818,793	

Total - Renewals and Replacements		118,684,000	80,974,922	52,277,412	The significant difference between the original renewals and replacements budget and the actual expenditure is explained by the budget change between maintenance and renewals that was made at the beginning of the year after the maintenance contracts (that also include the major proportion of the renewals) were awarded and again later in the year when it became clear it would be more beneficial to spend more on basic maintenance and less on renewals. When commitments and accruals are taken into account total maintenance and renewals expenditure was 97% of the amended budget.
-----------------------------------	--	-------------	------------	------------	--

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Renewals and Replacements Costs Funded By:					
Government Grant - Operating	6				
Government Grant - Capital	10	100,600,000	69,196,665	45,216,328	
Municipal Councils	MC	2,603,478	1,216,310	242,291	
Loan Funds	DP				
Value Added Tax (VAT)	VAT	15,480,522	10,561,946	6,818,793	
TOTAL		118,684,000	80,974,922	52,277,412	



Prior to Foam Bitumen - Knolly St Suva

NEW CAPITAL PROJECTS – GOVERNMENT GRANT FUNDED

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
PROVINCIAL RURAL ROADS					
(a) Natila Village Access Road (CD)	10	238,261	238,000	95,161	T h e s e budgets are for improving roads in the rural area where access is poor - e.g. formation, the installation of culverts and gravelling. All were completed except (j), (m), (v), (y) and (z) which were partially completed and the Vanakula Crossing which has been delayed. That may be programmed for 2015 but whether or not that is possible depends on other needs and priorities. The total estimated cost is \$4.5m.
(b) Wainadoi Road Upgrade and Drainage (CD)	10	168,696	169,000	202,816	
(c) Ginger Farm Road (CD)	10	200,000	200,000	156,737	
(d) Veinuqa Road Grossing (CD)	10	586,087	586,000	153,034	
(e) Beqa Steep Hill (CD)	10	217,391	217,000	189,404	
(f) Daunikoro Farm Road (CD)	10	308,696	308,000	219,059	
(g) Low Level Grossing (CD)	10	373,913	374,331	390,571	
(h) Deuba Road Sealing (CD)	10	74,783	75,000	54,952	
(i) Matokana Access Road (WD)	10	608,696	609,000	69,858	
(j) Vanuakula Crossing (WD)	10	486,957	487,000		
(k) Nasauvarau Access Road (WD)	10	521,739	521,000	110,544	
(l) Nabunisoqosoqo Road (ND)	10	86,957	87,000	134,010	
(m) Sevaci/Korotasere Road (ND)	10	260,870	261,000	0	
(n) Taveuni Island Farm Road (ND)	10	260,870	262,000	2,000	
(o) Navonu/Natewa Farm Access Road (ND)	10	260,870	262,000	286,277	
(p) Namuavoivoi Road Access (ND)	10	391,304	391,000	187,080	
(q) Lagi/Nakusere Road Access (ND)	10	347,826	348,000	189,683	
(r) Nakoso Road (ND)	10	88,696	89,000	18,789	
(s) Koroinasolo Road (ND)	10	173,913	174,000	148,574	
(t) Momi Back Road (WD)	10	943,478	943,000	607,217	
(u) Moala Island Road (ED)	10	417,391	417,000	222,604	
(v) Baulevu Road (CD)	10	934,783	935,000	600,920	
(w) Nausori Airport to Island (CD)	10	500,000	500,000	321,870	
(x) Ovalau Island Circular Road (ED)	10	521,739	521,000	282,069	
(y) Kilaka Niudua Road Upgrade (ND)	10		385,698		
(z) Vunilagi Lea Road Upgrade (ND)	10		375,408		
Subtotal - Provincial Rural Roads		8,973,913	9,735,437	4,643,232	

NEW CAPITAL PROJECTS – GOVERNMENT GRANT FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
SUVA TRANSPORTATION URBAN IMPROVEMENTS					
(a) Intersection Improvements	10	1,000,000	1,001,528	691,800	The Laucala Bay/Grantham intersection improvement was started. The one at Victoria/McArthur was mostly done. The proposed right turn bay at Lami was substantially completed.
(b) Traffic Lights Improvements	10	1,156,522	1,150,000	526,613	A signalled pedestrian crossing was constructed in Usher Street. The traffic signals at Victoria/McArthur were upgraded in conjunction with the improvement work that was done there.
(c) Study Review - Regional Road CBD Model	10	434,783	435,000		The contract for this work wasn't able to be let until August.
(d) Lami Town By Pass Investigations	10	434,783	433,751	49,273	Stage 1 completed. Stage 2 on hold. Initial scoping being reviewed.
(e) Harris Road Upgrade	10	3,078,261	3,071,768		This upgrade was nearly completed. (The total cost was approximately \$3m). It was done as a part of the Foam Bitumen project. (See 'Queens Road' under the 'New Capital - Loan Funded' heading).
(f) Kings Road - Samabula - Nakosi Improvements	10	1,521,739	1,521,485	94,327	Reconsidering the best approach and the project's relative priority in 2014.
(g) Kings Road - Street Lighting	10	434,783	435,000	848	Sites identified and instructions issued.
Subtotal - Suva Transportation Urban Improvements		8,060,870	8,048,531	1,362,860	
OTHER CAPITAL IMPROVEMENTS					
(a) Koro Island/Vanua Levu - Weighing Station	10		135,962	8,341	Complete
(b) Ratu Dovi Road - Investigation and Design	10	113,043	755	33,420	Design stopped. May be deferred until 2015.
(c) Fiji Decade of Road Safety Improvements	10		70,000		
(i) Safety Audits	10	69,565	420,000		Safety audits were carried out on Khalsa Road, Adi Davita Road, and Princess Road. International Road Assessment Programme (IRAP) work – a programme dedicated to preventing road deaths – continuing.
(ii) Black Spots' Improvements	10	378,261	155,000		4 new black spots were identified. More work is to be done in 2014 to identify the blackspot areas and their relative priority (from the police crash statistics data to which the FRA has only recently been granted access).
(iii) RAPs	10	4,348	313,000		
(iv) Village Treatments	10	313,043	437,000		Materials for 10 threshold treatments were purchased and a start made at Galoa Village. Work to be done in 2014.
(v) Mass Action Plans	10	504,348	137,000	60,555	2kms of new footpath built in Nadi.

NEW CAPITAL PROJECTS – GOVERNMENT GRANT FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
(vi) Traffic Management Plans	10	173,913	73,000		Signage for four passing lanes was purchased. To be installed in 2014.
(d) Ministerial Requests	10		260	2,576	
(e) Nausori Airport Extension	10		4,916	216,500	This proposed project was delayed pending confirmation of its need from the Airport Authority.
(f) Nadi - Lautoka	10	347,826	348,000	1,051	A preliminary study was completed for the Labasa By Pass. From that the project scope document was prepared.
(g) Labasa By Pass	10			14,591	
(h) New Capital Works associated with renewals	10	1,826,087	1,826,000	93,646	Mainly for improvements on Laucala Bay Road.
Subtotal - Other Capital Improvements		3,730,435	3,920,893	430,680	
Value Added Tax (VAT)		3,114,783	3,255,729	965,516	
Total - New Capital - Government Grants		23,880,000	24,960,591	7,402,287	
New Capital - Government Grants Costs Funded By:					
Government Grant - Operating	6				
Government Grant - Capital	10	20,765,217	21,704,861	6,436,771	
Municipal Councils	MC				
Loan Funds	DP				
Value Added Tax (VAT)	VAT	3,114,783	3,255,729	965,516	
TOTAL - New Capital - Government Grants		23,880,000	24,960,591	7,402,287	

NEW CAPITAL PROJECTS - PRINCIPALLY LOAN FUNDED

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
EXIM BANK OF CHINA					
(a) Buca Bay/Moto Road					This is a multi-year project. Buca Bay Stage 1 (10km reconstruction and fill including the replacement of 2 bridges) - 82.5% complete. Stage 2 - (20km of reconstruction and fill including the replacement of 3 bridges) - 42% complete. Moto Road (5km of reconstruction and fill including the replacement of one bridge) - 95% complete. Progress was delayed by materials issues. The higher than originally estimated local share cost is principally for contract escalation (up until April/May 2013) that it had earlier been understood would be able to be funded from the loan.
Loan	DP	24,000,000	36,944,492	22,619,851	
Local Share	10	2,608,696	88,172	15,759,786	
(b) Sigatoka/Serea Road					Another multi-year project. Sigatoka Valley Road Stage 1 (25km of reconstruction and fill) - 80% complete. Swani/Serea Stage 2 (5.6km of reconstruction and fill) - 80% complete. Stage 3 (14.0km of reconstruction and fill) completed. The higher than originally estimated local share cost is for contract escalation up to May 2013 that it had earlier been understood would be able to be funded from the loan.

NEW CAPITAL PROJECTS - PRINCIPALLY LOAN FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
· Loan	DP	22,000,000	35,000,000	16,617,160	
· Local Share	10	2,547,826	54,060	8,389,665	
(c) Nabouwalu - Dreketi					Another multi-year (\$228m) project, it comprises 70km of realignment and seal including the building or replacement of 14 bridges. Most of the expenditure for 2013 relates to an advance payment against the contract. Progress has been slower than intended - principally due to poor programming and planning by the contractor - especially around its confirmation of the foundation designs for the bridges and the need to redesign some which didn't adequately address the waterway or resilience standards.
· Loan	DP	80,000,000	44,000,000	35,482,561	
· Local Share	10	2,391,304	55,392	1,415,486	
Subtotal - EXIM Bank of China		133,547,826	116,142,117	100,284,508	
EXIM BANK OF MALAYSIA					
(a) Nakasi - Nausori Road					The project was delayed by the contractor's poor performance relating to its design (and the subsequent Government decision to not use EXIM Bank of Malaysia loan funding and to fund the work from internal borrowing instead).
· Loan	DP	15,000,000			
· Local Share	10	2,173,913	2,658,005	770,862	

NEW CAPITAL PROJECTS - PRINCIPALLY LOAN FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
(b) Nadi Widening					The project was delayed by the contractor's poor performance relating to its design (and the subsequent Government decision to not use EXIM Bank of Malaysia loan funding and to fund the work from internal borrowing instead).
· Loan	DP	15,000,000			
· Local Share	10	2,421,739	2,362,481	1,383,019	
(c) Queens Highway					The FRA reconsidered its priorities and decided to concentrate on renewal of the key routes in Suva instead. In addition to the work achieved under the NAIM contract (17.2km) - and remediation of 6km of failed work on the Nadi Back Road - 7.17km were repaved in the Suva CBD and at Lami. The foam bitumen method was used there. The funding shortfall caused by discontinuation of the EXIM Bank loan funding was partially replaced by an additional Government capital grant allocation of \$30m VIP (\$26,086 VEP).
· NAIM Construction - EXIM Bank	DP	40,000,000	5,389,396	5,389,396	
· NAIM Construction -	10	2,286,957	13,043,478	16,110,822	
· Other Work	10		13,043,478	20,661,220	
Subtotal - EXIM Bank of Malaysia		76,882,609	36,496,839	44,315,319	

NEW CAPITAL PROJECTS - PRINCIPALLY LOAN FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
ASIAN DEVELOPMENT BANK (FRUP III)					This work was about 70% complete when the contractor (Blacktop Construction) went into receivership. The balance of the work is having to be retendered for completion in 2014. \$1.2m has been recovered from the Blacktop bond.
(a) King's to Lodon - Nadaro to Korovou					
· Construction - Loan	DP	3,120,000	3,341,489	1,867,520	
· Design, Supervision, and Materials Testing	10	898,261	788,638	487,660	
(b) Naqia & Wainiboa Bridges					Complete.
· Loan	DP	359,000		970,406	
· Local Share	10	2,580,000		281,731	
(c) King's to Lodon - Waitoa to Wailotua					Complete.
· Loan	DP	4,010,000			
· Construction - But No Loan Available	10	869,565	2,514,286	3,752,425	
(d) King's to Lodon - Wailotua to Nayavu					Complete.
· Construction - Loan	DP	2,511,000	4,215,480	4,590,758	
· Design, Supervision, and Materials Testing	10		629,963	1,318,512	
Subtotal - ADB Bank		14,347,826	11,489,855	13,269,012	
Value Added Tax (VAT)		2,816,739	6,419,238	7,606,884	
Total - New Capital - Principally Loan Funded		227,595,000	170,548,049	165,475,723	

NEW CAPITAL PROJECTS - PRINCIPALLY LOAN FUNDED CONTINUED...

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
Government Grant - Operating	6				
Government Grant - Capital	10	18,778,261	35,237,953	70,331,187	
Municipal Councils	MC				
Loan Funds	DP	206,000,000	128,890,858	87,537,651	
Value Added Tax (VAT)	VAT	2,816,739	6,419,238	7,606,884	
TOTAL		227,595,000	170,548,049	165,475,723	



New Road Construction – Nabouwalu-Dreketi (70km)

SUMMARY – TOTAL EXPENDITURE 2013

ACCOUNT	Funding Source	Original Budget	Revised Budget	Paid	Comments
WORK CATEGORY					
MANAGEMENT	MGMT	2,690,000	3,264,525	1,833,583	The principal difference between the original and revised budget totals (\$40m) is the reduction of \$70m in EXIM Bank of Malaysia loan funding and the additional capital grant from the Government as part compensation in lieu - of \$30m.
PROFESSIONAL AND TECHNICAL SERVICES	MGMT	2,270,000	10,204,534	10,022,896	
MAINTENANCE	MAINT	26,322,000	70,832,011	78,475,925	
FLOOD DAMAGE	FD	27,000,000	27,000,000	15,632,320	
RENEWALS AND REPLACEMENTS	R&R	118,684,000	80,974,922	52,277,412	
NEW CAPITAL GOVERNMENT GRANT -	NCGGPRR	23,880,000	24,960,591	7,402,287	
NEW CAPITAL PRINCIPALLY LOAN FUNDED -	NCPLF	227,595,000	170,548,049	165,475,723	
TOTAL		428,441,000	387,784,631	331,120,146	

Total Funded By:					Excluding projects funded by loans, paid expenditure at the end of the year was 97% of the approved budget (\$238.0m v \$246.5m) but this is before commitments and accruals totalling \$30m principally caused by the escalation costs for the Buca Bay/Moto Road and Sigatoka/Serea Road projects having to be paid from Government Grant rather than loan and by rehabilitation costs that would previously have been funded by The EXIM Bank of Malaysia also exceeding (by \$10.5m VEP) the amount of the grant funding available. For a breakdown for the loan funding sources see Table 5.4.
Government Grant - Operating	6	23,957,391	23,992,643	21,604,161	
Government Grant - Capital	10	151,404,348	178,339,368	178,189,504	
Municipal Councils	MC	5,217,391	9,608,310	9,232,885	
Loan Fund	DP	221,000,000	141,320,507	93,118,287	
Value Added Tax (VAT)	VAT	26,861,870	34,523,803	28,975,309	
TOTAL		428,441,000	387,784,631	331,120,146	

3. LEVELS OF SERVICE - ACCOUNTABILITY–ACHIEVEMENTS AGAINST PERFORMANCE TARGETS

The FRA has a comprehensive set of performance measures and targets against which it adjudges its performance each year in order to determine ‘how well it is doing’ – what it is doing well and where it needs to improve. In this section we record our overall performance achievements for 2013. There are performance targets relating to:

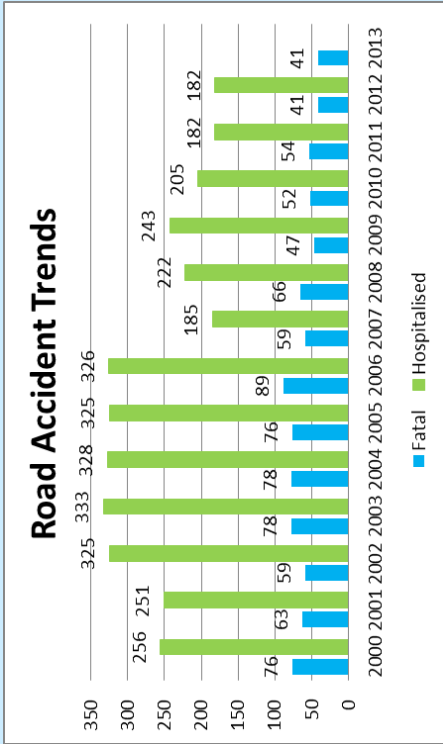
Asset Management Plan	7.1	Management Information	6.8
Asset Values	7.2 & 7.10	Minister's Requests	5.7(b)
Audit Opinion	7.11 & 7.12	Operating Costs	7.5
Blackspots	1.6	Overweight Vehicles	6.7
Bridges	3.8	Penalty Charges	7.13
Capital Costs	7.6 & 7.9	Potholes	3.4(b)
Capital Projects	3.2	Requests for Service	5.5
Complaints	5.7(a)	Reseals	3.4
Congestion	5.3	Risk Management	2.1
Debt	7.7	Road Rehabilitation	3.5
Deferred Maintenance/ Deferred Renewals	3.1	Road Roughness	5.2
Enforcement	6.6	Rutting	5.1
Environmental Consents	4.2	Skid Resistance	1.14
Health & Safety	1.1 & 1.2	Stakeholder Satisfaction	5.9
Injury Crashes	1.3, 1.4 & 1.5	Storm Damage Costs	7.8
Jetties	3.9	Streetlights	1.16
Legislative etc Compliance	6.5	Telephone Calls	5.6
Maintenance Costs	7.6 & 7.9	Texture Depth	1.15
Maintenance Works	3.3	Vehicle Kilometres Travelled	7.4

Table 3.1 - LEVELS OF SERVICE

“How We Gauge How Well We Are Doing Overall”

The FRA is a ‘new’ organisation. 2013 was effectively its first year of operation as a separate corporate entity. The performance targets in this schedule have been identified as being those that will enable it to accurately adjudge how successfully or otherwise it is performing its functions **when it is fully established and operating in a ‘normal’ situation**. The current situation is far from ‘normal’. The road assets (especially some of the road pavements and many of the 936 bridges) are in a very poor condition and the quality of the data that the FRA inherited from its predecessor – the Department of National Roads – is also extremely poor, in many cases simply non-existent. Until much better information about the assets’ location, material type, condition, performance, capacity, criticality, age, remaining life and value is available it isn’t possible to establish what the current baseline is and, from that develop an appropriate target (or targets) for the future, for a good number of the performance measures. In some cases it will be perhaps five or six years before that can be done.

This table shows the thoroughly integrated and structured approach that the FRA has established for progressively developing its whole business and tracking ‘how it is doing’. It records every year the progress that it is making - and wherever possible the performance trends.

Goal	Service Area	Performance Target	2013	Performance Result
1.3	Health and Safety	<ul style="list-style-type: none"> Less fatal and serious injury accidents – total. 	<p>Continuously reducing five year rolling average (in total and per vehicle kilometre travelled) (Results recorded by the Fiji Police)</p>	<p>Partially Achieved – In two areas Not Measurable – Information Not Available.</p> <p>The number of vehicle kilometres travelled & the hospitalised accident totals for 2013 are not yet available from the Fiji Police records.</p> 

KEY Level 1 Key Outcome Target Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																	
1.4		<ul style="list-style-type: none"> A reduction in the social cost of all recorded injury crashes. 		<p>Road Accidents - Five Year Rolling Average</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Fatalities (No)</th> <th>People Hospitalised (No)</th> </tr> </thead> <tbody> <tr><td>2004</td><td>73</td><td>299</td></tr> <tr><td>2005</td><td>73</td><td>312</td></tr> <tr><td>2006</td><td>76</td><td>327</td></tr> <tr><td>2007</td><td>76</td><td>299</td></tr> <tr><td>2008</td><td>74</td><td>277</td></tr> <tr><td>2009</td><td>67</td><td>260</td></tr> <tr><td>2010</td><td>63</td><td>236</td></tr> <tr><td>2011</td><td>56</td><td>207</td></tr> <tr><td>2012</td><td>52</td><td>207</td></tr> <tr><td>2013</td><td>47</td><td>207</td></tr> </tbody> </table>	Year	Fatalities (No)	People Hospitalised (No)	2004	73	299	2005	73	312	2006	76	327	2007	76	299	2008	74	277	2009	67	260	2010	63	236	2011	56	207	2012	52	207	2013	47	207
Year	Fatalities (No)	People Hospitalised (No)																																			
2004	73	299																																			
2005	73	312																																			
2006	76	327																																			
2007	76	299																																			
2008	74	277																																			
2009	67	260																																			
2010	63	236																																			
2011	56	207																																			
2012	52	207																																			
2013	47	207																																			
1.1		<ul style="list-style-type: none"> No lost time injuries caused through Health and Safety incidents. 		<p>Not Measurable – Information Not Available.</p> <p>To discuss with the LTA in 2014 possible ways and means by which the social cost of injury crashes can be monitored and reported.</p> <p>Not Achieved.</p> <p>Northern Region – 1 injury, 8 days lost. (A staff member was attempting to syphon fuel and inhaled.)</p> <p>Central/Eastern Region – 4 injuries, 292 days lost 223 of which were because a staff member, after falling from a truck and fracturing an ankle, failed to attend ‘follow up’ appointments and an infection has created a long term problem. 65 days were lost when a taxi entered a worksite and injured a worker.</p> <p>Western Region – 2 injuries, 16 days lost. Most of the days lost were due to a tractor mower being hit by an ‘out of control’ private vehicle.</p> <p>All of the maintenance contractors have well established health and safety systems and processes and are working closely with staff to avoid potential accidents and injuries.</p>																																	

KEY

Level 1 Key Outcome Target



Level 2 (Secondary Outcome or Output Target)



Goal	Service Area	Performance Target	2013	Performance Result
1.2		<ul style="list-style-type: none"> No health and safety incidents on the roads or within the FRA Office. 		See No 1.1.
1.5		<ul style="list-style-type: none"> Less fatal and serious injury accidents – road a contributing cause, e.g.: <ul style="list-style-type: none"> – slippery surface; – inadequate marking; – poor or absent lighting; – faulty road alignment or camber; – inadequate barrier protection; – non-compliant bridge approaches; – non-standard clear zone; – faulty signage. 	Continuously reducing five year rolling average where the road is a contributing cause - (in total and per vehicle kilometres travelled). (Establish a means of obtaining this information in a reliable way this year).	Not Measurable – Information Not Available. The police crash statistical data does not currently record when the road was a contributing cause of the accident. The FRA is discussing with the police the possibility of it doing so.
1.6		<ul style="list-style-type: none"> A reduction in the number of black spots (crash locations). 	Establish the baseline (how many black spots etc.) this year.	Partially Achieved – In some areas not measurable – Information Not Available. ‘Black-spots’ are places where accidents of a similar or related type repeatedly occur. While some progress has been made to identify them based on local knowledge a prioritised list of required improvements can't be developed until the police crash information to which the FRA now has access has been analysed This will be done during 2014.

KEY

Level 1 Key Outcome Target



Level 2 (Secondary Outcome or Output Target)



Goal	Service Area	Performance Target	2013	Performance Result
1.14		<ul style="list-style-type: none"> >---% of the network above the skid resistance threshold level. 	Establish the % baseline. Later – when better data is available and the network is more in a state of equilibrium.	<p>Not Measurable (A longer term technical target) – Information Not Available (and wont be for several years).</p> <p>‘Skid resistance’ is a measure of the degree to which the condition of the road surface contributes to, or helps to prevent, skidding during vehicle braking and cornering.</p> <p>This is a longer term target. A meaningful skid resistance baseline can’t be established until the maintenance backlog has been addressed and the network is in more of a state of equilibrium - probably not until about 2020.</p>
1.15		<ul style="list-style-type: none"> >---% of the network meets texture depth standards. 	Establish the % baseline. Later – when better data is available and the network is more in a state of equilibrium.	<p>Not Measurable (A longer term technical target) – Information Not Available (and wont be for several years).</p> <p>Measuring the ‘texture depth’ is the process of monitoring the top part of the surface of a chip-sealed road to determine the extent to which it is deteriorating and becoming slippery – and approaching the time when it might need resealing or some other form of treatment.</p> <p>The same situation as for 1. 14.</p>
1.16		<ul style="list-style-type: none"> <5% of non-performing streetlights at any time. 	For the second half of the year. May initially be higher until a new management regime is in place.	<p>Not Measurable – Information Not Available (will be in 2014).</p> <p>The trend in streetlight outages couldn’t be measured until more accurate’ data was available. This has since been compiled. Streetlight outages will be routinely monitored in 2014.</p>
2.1	<p>Risk Management Other than risks that fall under the other six headings. Includes ‘Reputation’ and ‘Security’.</p>	<ul style="list-style-type: none"> No unforeseen (excluding weather) risk events. 		<p>Achieved.</p> <p>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 wasn’t.</p> <p>There were no unforeseen risk events.</p>

KEY

Level 1 Key Outcome Target



Level 2 (Secondary Outcome or Output Target)



Goal	Service Area	Performance Target	2013	Performance Result
3.1	Asset Provision, Development, Maintenance and Renewal Asset Stewardship.	<ul style="list-style-type: none"> An annual reduction in the value of deferred maintenance / deferred renewals. 	<p>The value of deferred maintenance and deferred renewals has reduced. (Establish the baseline and how to calculate this result this year).</p>	<p>Achieved.</p> <p>Deferred maintenance and deferred renewals is repair, restoration or replacement work that hasn't been done when it should have been and has been put off until another time.</p> <p>Having regard to the very significant amount of maintenance and renewals work carried out in 2013 (more than \$100m) it can confidently be said that the value of deferred maintenance and deferred renewals has been reduced (perhaps substantially relating at least to the road surfaces but not the bridges and jetties) - but until much better data is available the FRA is unable to factually substantiate:</p> <ul style="list-style-type: none"> what the value of deferred maintenance and deferred renewals is; and to what degree it has been able to be reduced. <p>One good indicator though is the difference between the annual depreciation provision (the extent to which the assets were consumed) and the extent to which they have been replaced and renewed. In 2013 the depreciation provision was \$44.9m and the total renewals expenditure (including the rehabilitation work done on the Queens Highway and the foam bitumen work in Suva – but excluding the Nadi Back Road defects' remediation work) was \$101m (VIP excluding commitments and accruals).</p> <div style="text-align: center;"> <p>Renewals: VIP 101m Depreciation: \$45mm</p> </div>



KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																								
3.2		<ul style="list-style-type: none"> 100% planned new capital and renewal projects completed. 	<p>To the scope and standard originally intended.</p>	<p>Partially Achieved.</p> <p>Several 'new capital' and 'renewals capital' projects weren't achieved. For the details and reasons see Table No 2.</p> <p>The new capital and renewal projects that were achieved are:</p> <p style="text-align: center;">Capital Projects Expenditure</p> <table border="1"> <thead> <tr> <th>Road, Bridge or Jetty Work</th> <th>Paid VEP \$'000</th> </tr> </thead> <tbody> <tr> <td>New Capital</td> <td></td> </tr> <tr> <td>Buca Bay/Moto Road</td> <td>38,380</td> </tr> <tr> <td>Sigatoka/Sereva</td> <td>25,007</td> </tr> <tr> <td>Nabouwalu/Dreketi</td> <td>36,898</td> </tr> <tr> <td>FRUP III (Kings to Lodom and Nacja & Wainiboa Bridges)</td> <td>13,269</td> </tr> <tr> <td>Nakasi - Nausori</td> <td>771</td> </tr> <tr> <td>Nadi Widening</td> <td>1,383</td> </tr> <tr> <td>Suva Transportation Improvements</td> <td>1,363</td> </tr> <tr> <td>Provincial Rural Roads</td> <td>4,643</td> </tr> <tr> <td>Other Capital Improvements</td> <td>430</td> </tr> <tr> <td>Total New Capital Expenditure</td> <td>\$122,144</td> </tr> </tbody> </table> <p style="text-align: center;">New Capital Expenditure Trends (VEP – Excluding Commitments & Accruals)</p> <p>2012 \$125m 2013 \$122m</p>	Road, Bridge or Jetty Work	Paid VEP \$'000	New Capital		Buca Bay/Moto Road	38,380	Sigatoka/Sereva	25,007	Nabouwalu/Dreketi	36,898	FRUP III (Kings to Lodom and Nacja & Wainiboa Bridges)	13,269	Nakasi - Nausori	771	Nadi Widening	1,383	Suva Transportation Improvements	1,363	Provincial Rural Roads	4,643	Other Capital Improvements	430	Total New Capital Expenditure	\$122,144
Road, Bridge or Jetty Work	Paid VEP \$'000																											
New Capital																												
Buca Bay/Moto Road	38,380																											
Sigatoka/Sereva	25,007																											
Nabouwalu/Dreketi	36,898																											
FRUP III (Kings to Lodom and Nacja & Wainiboa Bridges)	13,269																											
Nakasi - Nausori	771																											
Nadi Widening	1,383																											
Suva Transportation Improvements	1,363																											
Provincial Rural Roads	4,643																											
Other Capital Improvements	430																											
Total New Capital Expenditure	\$122,144																											

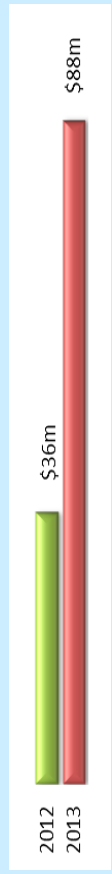
KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

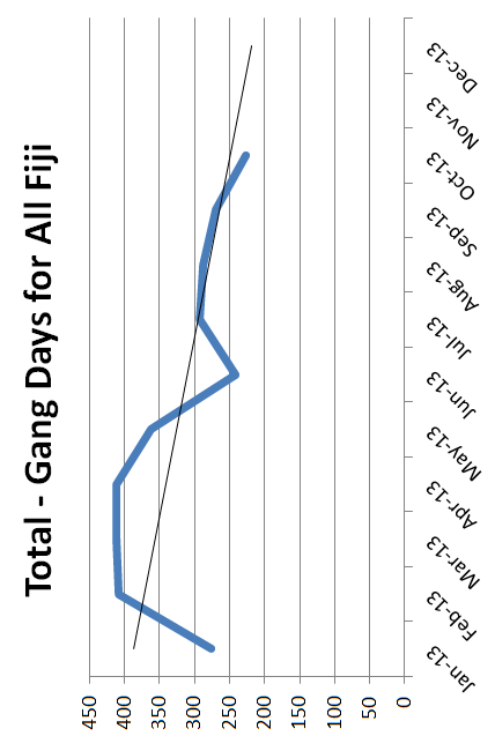
Goal	Service Area	Performance Target	2013	Performance Result																														
				<table border="1"> <thead> <tr> <th></th> <th>Paid VEP \$'000</th> </tr> </thead> <tbody> <tr> <td>Road, Bridge or Jetty Work</td> <td></td> </tr> <tr> <td>Renewals & Replacements</td> <td></td> </tr> <tr> <td>Queens Highway, Nadi Back Road, and Foam Pavements in Suva & Lami</td> <td>42,161</td> </tr> <tr> <td>Other Pavements' Rehabilitation</td> <td>9,140</td> </tr> <tr> <td>Pre-reseal Repairs</td> <td>4,299</td> </tr> <tr> <td>Reseals</td> <td>6,512</td> </tr> <tr> <td>Unsealed Roads' Resheeting</td> <td>17,059</td> </tr> <tr> <td>Drainage Renewals</td> <td>4,083</td> </tr> <tr> <td>Bridge Renewals</td> <td>1,672</td> </tr> <tr> <td>Jetties' Renewals</td> <td>55</td> </tr> <tr> <td>Street Lighting</td> <td>236</td> </tr> <tr> <td>'Other' Renewals</td> <td>245</td> </tr> <tr> <td>Renewals Supervision Costs</td> <td>2,157</td> </tr> <tr> <td>Total Renewals & Replacement Capital Expenditure</td> <td>\$87,620</td> </tr> </tbody> </table>		Paid VEP \$'000	Road, Bridge or Jetty Work		Renewals & Replacements		Queens Highway, Nadi Back Road, and Foam Pavements in Suva & Lami	42,161	Other Pavements' Rehabilitation	9,140	Pre-reseal Repairs	4,299	Reseals	6,512	Unsealed Roads' Resheeting	17,059	Drainage Renewals	4,083	Bridge Renewals	1,672	Jetties' Renewals	55	Street Lighting	236	'Other' Renewals	245	Renewals Supervision Costs	2,157	Total Renewals & Replacement Capital Expenditure	\$87,620
	Paid VEP \$'000																																	
Road, Bridge or Jetty Work																																		
Renewals & Replacements																																		
Queens Highway, Nadi Back Road, and Foam Pavements in Suva & Lami	42,161																																	
Other Pavements' Rehabilitation	9,140																																	
Pre-reseal Repairs	4,299																																	
Reseals	6,512																																	
Unsealed Roads' Resheeting	17,059																																	
Drainage Renewals	4,083																																	
Bridge Renewals	1,672																																	
Jetties' Renewals	55																																	
Street Lighting	236																																	
'Other' Renewals	245																																	
Renewals Supervision Costs	2,157																																	
Total Renewals & Replacement Capital Expenditure	\$87,620																																	

**Renewals & Replacements Capital Expenditure Trends
(VEP – Excluding Commitments & Accruals)**



KEY
 Level 1 Key Outcome Target
 Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result
3.4b		<ul style="list-style-type: none"> A reduction in the number of potholes on the roads. 	<p>A continuously reducing number of potholes having to be attended to with each repair cycle.</p>	<p>Achieved.</p> <p>The elimination of road potholes is an endless task. When paved roads aren't rehabilitated or resealed when they should be rainwater starts to penetrate the sub-surface causing potholes. The greater the rainfall and the longer this is allowed to happen the more and bigger the potholes until – if it continues unattended – the whole road may eventually 'breakup'. The matter isn't helped by the fact that from November to April in Suva hardly a day goes by without rain.</p> <p>The problem in Fiji is that the resealing/rehabilitation backlog is so great restoring the network is going to take many years. Potholes will continue to recur - especially following heavy rain - until work like the foam bitumen rehabilitation improvements presently being carried out in the Suva CBD are done. However good progress is being made. The following chart shows how the amount of time spent by the Maintenance Contractors' pothole gangs has progressively reduced.</p>



KEY

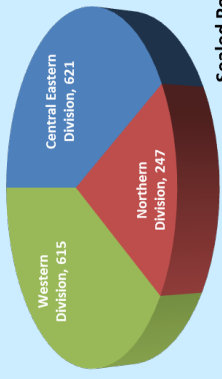
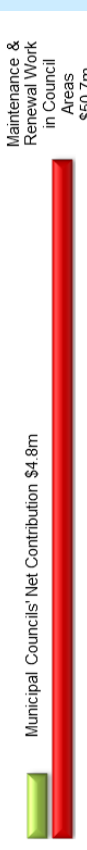
- Level 1 Key Outcome Target
- Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																															
3.3		<ul style="list-style-type: none"> 100% planned maintenance work completed. 	To the scope and standard originally intended.	<p>Achieved.</p> <p>There are 11,115km of roads – 4,254km were formerly managed by the Department of National Roads, 337km by the municipal councils and 6,524km by the Ministry of Provincial Development, the Fiji Sugar Corporation and others. These figures are likely to change when better data becomes available.</p> <div data-bbox="440 402 655 771" data-label="Figure"> <p>Total Road Network (km)</p> <table border="1"> <thead> <tr> <th>Division</th> <th>Length (km)</th> </tr> </thead> <tbody> <tr> <td>Western Division</td> <td>6361</td> </tr> <tr> <td>Northern Division</td> <td>3206</td> </tr> <tr> <td>Central Eastern Division</td> <td>1548</td> </tr> </tbody> </table> </div> <p>In some areas (e.g. rural roads' drainage – where the amount spent was more than five times the original budget) much more work than originally intended was carried out. For a more detailed explanation see No 7.8 and Table No 2. As mentioned in No 3.4b the high rainfall means the substandard roads require almost constant 'pothole repair' attention especially between November and April.</p> <div data-bbox="864 277 1351 898" data-label="Figure"> <p>Average Rainfall for Suva, Fiji Islands</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Precipitation (mm)</th> <th>Average Rainfall Days</th> </tr> </thead> <tbody> <tr><td>January</td><td>300</td><td>10</td></tr> <tr><td>February</td><td>250</td><td>10</td></tr> <tr><td>March</td><td>350</td><td>10</td></tr> <tr><td>April</td><td>300</td><td>10</td></tr> <tr><td>May</td><td>200</td><td>10</td></tr> <tr><td>June</td><td>150</td><td>10</td></tr> <tr><td>July</td><td>100</td><td>10</td></tr> <tr><td>August</td><td>150</td><td>10</td></tr> <tr><td>September</td><td>200</td><td>10</td></tr> <tr><td>October</td><td>250</td><td>10</td></tr> <tr><td>November</td><td>300</td><td>10</td></tr> <tr><td>December</td><td>350</td><td>10</td></tr> </tbody> </table> </div>	Division	Length (km)	Western Division	6361	Northern Division	3206	Central Eastern Division	1548	Month	Precipitation (mm)	Average Rainfall Days	January	300	10	February	250	10	March	350	10	April	300	10	May	200	10	June	150	10	July	100	10	August	150	10	September	200	10	October	250	10	November	300	10	December	350	10
Division	Length (km)																																																		
Western Division	6361																																																		
Northern Division	3206																																																		
Central Eastern Division	1548																																																		
Month	Precipitation (mm)	Average Rainfall Days																																																	
January	300	10																																																	
February	250	10																																																	
March	350	10																																																	
April	300	10																																																	
May	200	10																																																	
June	150	10																																																	
July	100	10																																																	
August	150	10																																																	
September	200	10																																																	
October	250	10																																																	
November	300	10																																																	
December	350	10																																																	

Source: <http://www.worldweatheronline.com/Suva-weather-averages/Central/FJ.aspx>

KEY

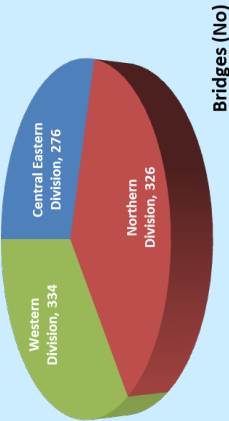
- Level 1 Key Outcome Target
- Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result								
3.4		<ul style="list-style-type: none"> Roads are being resealed when due. 	<p>Not less than 114kms of roads resealed in 2013 (including AC resurfacing and chip-seal).</p>	<p>Partially Achieved.</p> <p>1,483 (or 13%) of the 11,115km of roads are sealed.</p> <div style="text-align: center;">  <p>Sealed Roads (km)</p> <table border="1"> <tr> <th>Division</th> <th>Sealed Roads (km)</th> </tr> <tr> <td>Western Division</td> <td>615</td> </tr> <tr> <td>Central Eastern Division</td> <td>621</td> </tr> <tr> <td>Northern Division</td> <td>247</td> </tr> </table> </div> <p>Pre-reseal repairs were carried out on more than 100kms. 71.04km of reseals were completed – 43.96km less than the 114km planned. 51.04kms of these were in the Western Division and 20km in the Central/Eastern Division.</p> <p>None were able to be done in the Northern Division due to the Contractor (Blacktop Construction) going into receivership and there was also no resealing work in the Central/Eastern Division in the final quarter due to material supply and quality control issues.</p>	Division	Sealed Roads (km)	Western Division	615	Central Eastern Division	621	Northern Division	247
Division	Sealed Roads (km)											
Western Division	615											
Central Eastern Division	621											
Northern Division	247											
3.5		<ul style="list-style-type: none"> Roads are being rehabilitated and reconstructed when due. 	<ul style="list-style-type: none"> Not less than 41 kms of rehabilitation carried out in 2013 (26 kms by the maintenance contractors – 15 kms NAIM). Not less than 62,000cubic metres of re-sheeting. 	<p>Achieved.</p> <p>44.7km of rehabilitation work was done – 3.7 km more than planned.</p> <p>206,000 cubic metres of re-sheeting was carried out - more than three times that originally planned.</p> <p>The value of maintenance and renewal work carried out on roads and bridges in the municipal councils' areas was more than 10 times the net amount of the contributions the councils made to the FRA's costs. (See Table 5.2 for the details).</p> <div style="text-align: center;">  <p>Maintenance & Renewal Work in Council Areas \$50.7m</p> <p>Municipal Councils' Net Contribution \$4.8m</p> </div>								

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result								
3.8		<ul style="list-style-type: none"> Bridges are being satisfactorily maintained and improved. 	<ul style="list-style-type: none"> The number of bridges replaced The number of bridges significantly upgraded An annual reduction in each of the following: <ul style="list-style-type: none"> The number of single lane bridges The number of bridges subject to weight or other restrictions The number of bridges with faults relating to the condition of the deck, approaches and guard railings which influence vehicle and pedestrians' safety but not necessarily the bridge's structural integrity. The number of bridges that have one or more faults relating to structural components and bridge foundations which could affect their structural integrity. <p>(Establish the baseline this year)</p>	<p>Partially Achieved. The state of the bridges is such that it will be many years before we are able to say they are all being satisfactorily maintained and improved.</p> <p>There are 936 bridges.</p> <div data-bbox="440 343 669 762" style="text-align: center;">  <p>Bridges (No)</p> <table border="1"> <tr> <th>Division</th> <th>Number of Bridges</th> </tr> <tr> <td>Western Division</td> <td>334</td> </tr> <tr> <td>Central Eastern Division</td> <td>276</td> </tr> <tr> <td>Northern Division</td> <td>326</td> </tr> </table> </div> <p>Six bridges were replaced (Naqia, Wainiboa, Moto Ba, Navawa, Yadua and Bavu);</p> <p>One was significantly upgraded (Vatuwaga);</p> <p>The number of single lane bridges remains the same;</p> <p>The number of bridges subject to weight limits was reduced by 10;</p> <p>The number of bridges with non-structural faults was reduced by 5;</p> <p>The number of bridges with structural faults was reduced by 10;</p> <p>The Stinson Parade and Vatuwaqa bridges in Suva had to be immediately closed, and remain closed, for structural safety reasons.</p> <p>These results will be recorded in a more appropriate way for monitoring future trends when better bridge data is available – hopefully by the end of 2014.</p> <p>From the analytical work done during the year the FRA has developed a significant bridges' renewal and replacement programme for 2014 - \$29m (VEP)</p>	Division	Number of Bridges	Western Division	334	Central Eastern Division	276	Northern Division	326
Division	Number of Bridges											
Western Division	334											
Central Eastern Division	276											
Northern Division	326											

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result								
3.9		<ul style="list-style-type: none"> Jetties are being satisfactorily maintained and improved. 	<ul style="list-style-type: none"> The number of jetties replaced this year The number of jetties upgraded/reconstructed/rehabilitated this year An annual reduction: <ul style="list-style-type: none"> The number of jetties with faults relating to their safety, but not their structural integrity The number of jetties with faults relating to their structural integrity. <p>(Establish the baseline this year)</p>	<p>Partially Achieved. Like the bridges, the state of the jetties is such that it will be many years before we are able to say they are all being satisfactorily maintained and improved.</p> <p>When the FRA assumed control it was advised by the former Department of National Roads there were 16 jetties for which it was responsible. It has since been 'discovered' that the true number is 47.</p> <div style="text-align: center;"> <p>Jetties (No)</p> <table border="1"> <tr> <th>Division</th> <th>Number of Jetties</th> </tr> <tr> <td>Western Division</td> <td>13</td> </tr> <tr> <td>Northern Division</td> <td>4</td> </tr> <tr> <td>Central Eastern Division</td> <td>30</td> </tr> </table> </div> <p>No jetties were replaced this year;</p> <p>There were two jetties' projects upgrades/reconstructions/rehabilitations (Savusavu Ramp and separately, Savasavu Jetty);</p> <p>The number of jetties with non-structural faults was reduced by 1;</p> <p>The number of jetties with structural faults was reduced by 1.</p> <p>These results will be recorded in a more appropriate way for monitoring future trends when better data is available – hopefully by the end of 2014.</p> <p>From the analytical work done during the year the FRA has developed a significant Jetties' renewal and replacement programme for 2014 - \$20m (VEP)</p> <p>Achieved.</p> <p>No Notices or 'Stop Work Orders' were received.</p>	Division	Number of Jetties	Western Division	13	Northern Division	4	Central Eastern Division	30
Division	Number of Jetties											
Western Division	13											
Northern Division	4											
Central Eastern Division	30											
4.2	Conservation, Environmental Protection and Enhancement Environmental Stewardship.	<ul style="list-style-type: none"> All conditions of all approved Environmental Assessments (with or without additional conditions specified by the Department of Environment) and of all discharge permits were met throughout the year. 										

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result
5.3	Service Quality Includes 'Aesthetics', 'Reliability', 'Responsiveness' and 'Capacity'.	<ul style="list-style-type: none"> Reduced congestion by route. 	Establish the routes and the baseline this year.	<p>Not Measurable – Information Not Available – (Will be, at least for Suva, by late 2014)</p> <p>It isn't possible to report the extent to which traffic congestion is reducing or increasing until the current traffic numbers and movements are better understood.</p> <p>A transportation study that is already underway will identify the extent of the congestion in Suva. Additional studies are also to be undertaken during 2014.</p>
5.9		<ul style="list-style-type: none"> Not less than 40 % of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'. 	<p>2013 – 40%</p> <p>2014 – 50%</p> <p>2015 – 60%</p> <p>Whatever the initial result is, a significantly improving trend annually after that.</p>	<p>Not Measurable – Information Not Available – (Will be 2014).</p> <p>No survey of stakeholders was undertaken during 2013.</p>
5.1		<ul style="list-style-type: none"> < ___% of the network has rutting >20mm. 	<p>Establish the baseline - later – when better data is available and the network is more in a state of equilibrium.</p>	<p>Not Measurable (A longer term technical target) - Information Not Available (and won't be for several years).</p> <p>'Rutting' is a measure of the road network's condition. It is the extent to which depressions have formed on the road surface – usually (but not always) from the wheel tracks of vehicles.</p> <p>The same situation as for 1.14.</p>
5.2		<ul style="list-style-type: none"> > ___% of the network meets the roughness standards. 	<p>Establish the baseline - later – when better data is available and the network is more in a state of equilibrium.</p>	<p>Not Measurable (A longer term technical target) - Information Not Available (and won't be for several years).</p> <p>'Roughness' is another measure of the road network's condition. It is the extent to which the road surface provides a smooth ride for road users.</p> <p>The same situation as for 1.14.</p>

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																																															
5.5		<ul style="list-style-type: none"> 100% service work requests are resolved within the prescribed times. 	<table border="1"> <thead> <tr> <th>Type</th> <th>Response</th> <th>Resolved</th> </tr> </thead> <tbody> <tr> <td>Emergency</td> <td>1 hour</td> <td>24 hours</td> </tr> <tr> <td>Urgent</td> <td></td> <td>5 working days</td> </tr> <tr> <td>Routine</td> <td></td> <td>20 working days</td> </tr> </tbody> </table>	Type	Response	Resolved	Emergency	1 hour	24 hours	Urgent		5 working days	Routine		20 working days	<p>Not Achieved.</p> <p>2,540 'requests for service' (including planning applications) were received - 1,389 were resolved, 560 are 'in progress' and 591 were 'logged for action'.</p> <p>The rapid attention to stakeholders' requests is a key FRA objective. Of course it isn't always possible to do what the complainants want but when that is the case it is important that they are told (and not misled into thinking something's going to happen when it isn't). Whatever the answer is we take our 'stakeholder communication' obligations very seriously. In 2013 because of the pure volume of the requests and the fact that the FRA was still in a 'setting up' phase this matter wasn't able to receive the attention it requires. A new service request management system has been installed – effective from January 2014. The prompt and meaningful response to complaints will be closely monitored from now on.</p> <p>The following table shows the types of requests & complaints that were received in 2013.</p>																																																			
Type	Response	Resolved																																																																	
Emergency	1 hour	24 hours																																																																	
Urgent		5 working days																																																																	
Routine		20 working days																																																																	
<table border="1"> <thead> <tr> <th rowspan="2">ACTIVITY TYPE</th> <th colspan="3">STATUS</th> </tr> <tr> <th>In Progress</th> <th>Logged for Action</th> <th>Resolved</th> </tr> </thead> <tbody> <tr> <td>Accessways</td> <td>13</td> <td>17</td> <td>21</td> </tr> <tr> <td>Bridges</td> <td>8</td> <td>33</td> <td>19</td> </tr> <tr> <td>Jetties</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>New Rural Road</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Overweight & Overwidth</td> <td>3</td> <td>0</td> <td>0</td> </tr> <tr> <td>PM's Requests</td> <td>15</td> <td>55</td> <td>52</td> </tr> <tr> <td>Planning Applications</td> <td>45</td> <td>116</td> <td>458</td> </tr> <tr> <td>Projects/Capital Works</td> <td>5</td> <td>4</td> <td>6</td> </tr> <tr> <td>Road Defects</td> <td>403</td> <td>243</td> <td>625</td> </tr> <tr> <td>Road Openings</td> <td>1</td> <td>4</td> <td>3</td> </tr> <tr> <td>Road Upgrade</td> <td>32</td> <td>50</td> <td>50</td> </tr> <tr> <td>Signs & markings</td> <td>31</td> <td>36</td> <td>47</td> </tr> <tr> <td>Traffic Management</td> <td>3</td> <td>32</td> <td>108</td> </tr> <tr> <td>TOTAL</td> <td>560</td> <td>591</td> <td>1389</td> </tr> </tbody> </table>					ACTIVITY TYPE	STATUS			In Progress	Logged for Action	Resolved	Accessways	13	17	21	Bridges	8	33	19	Jetties	1	0	0	New Rural Road	0	1	0	Overweight & Overwidth	3	0	0	PM's Requests	15	55	52	Planning Applications	45	116	458	Projects/Capital Works	5	4	6	Road Defects	403	243	625	Road Openings	1	4	3	Road Upgrade	32	50	50	Signs & markings	31	36	47	Traffic Management	3	32	108	TOTAL	560	591	1389
ACTIVITY TYPE	STATUS																																																																		
	In Progress	Logged for Action	Resolved																																																																
Accessways	13	17	21																																																																
Bridges	8	33	19																																																																
Jetties	1	0	0																																																																
New Rural Road	0	1	0																																																																
Overweight & Overwidth	3	0	0																																																																
PM's Requests	15	55	52																																																																
Planning Applications	45	116	458																																																																
Projects/Capital Works	5	4	6																																																																
Road Defects	403	243	625																																																																
Road Openings	1	4	3																																																																
Road Upgrade	32	50	50																																																																
Signs & markings	31	36	47																																																																
Traffic Management	3	32	108																																																																
TOTAL	560	591	1389																																																																

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result
5.6		<ul style="list-style-type: none"> 90% telephone calls answered by the operator within 30 seconds. 		Not Measurable – Information Not Available - (Will be in 2014). To be measured from March 2014.
5.7a		<ul style="list-style-type: none"> The total number of complaints didn't exceed _____ 	<p>Establish the baseline this year. Thereafter a reducing number annually – in total and by type:</p> <ul style="list-style-type: none"> Congestion Road surface condition and marking Bridges Footpaths Signage and traffic signals Safety Jetties Other <p>See also No 8.40</p>	<p>Achieved.</p> <p>The 'number of complaints' baseline figure is 1,921 - (2,540 less 619 applications for planning consent).</p> <p>See No 5.5 for a breakdown of the type of complaints (requests for service) received.</p> <p>Since the end of the year the FRA has also adopted a Whistle-blower's policy and any complaints received pursuant to it in future will be reported separately here.</p>
5.7b		<ul style="list-style-type: none"> A rapid response to all requests from the Minister's Office and from other Departments (e.g. Strategic Planning) for information (e.g. complaints and enquiries from constituents, quarterly reports' information and so forth). 	No justified repeat requests.	<p>Not Achieved.</p> <p>Some repeat requests from the Minister's Office were received. As the table in No 5.5 shows at the end of the year 55 of them were recorded as 'Logged for Action'. That is because a fair number relate to matters to be considered in future planning.</p> <p>As a part of the new 'service request system' (also mentioned in No 5.5) a more rigid process has been put in place to ensure all requests from the Minister's Office and from other Departments are responded to more promptly in future.</p>

KEY

Level 1 Key Outcome Target

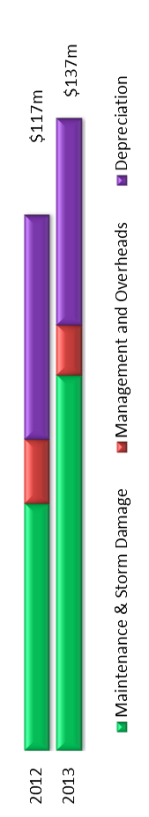
Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result
6.5	Compliance Includes 'Training', 'Record Keeping / Data Management' and 'Reporting'.	<ul style="list-style-type: none"> 100% compliance with all legislative, regulatory and other requirements and no known pending non-compliance issues. 		<p>Achieved.</p> <p>No known non-compliance. There is however one outstanding case against the FRA in the Employment Court.</p> <p>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.</p>
6.6		<ul style="list-style-type: none"> No enforcement issues. 		<p>Achieved.</p> <p>There was however one related issue at the end of the year - several municipal councils had not paid to the FRA the financial contributions they were obliged to do under the separate agreements that had been entered into with each of them.</p>
6.7		<ul style="list-style-type: none"> No abnormal damage caused to roads by overweight vehicles. 	<p>Especially by sugar cane trucks.</p> <p>Requires liaison with the Land Transport Authority (Establish the baseline this year). (See also No 8.7)</p>	<p>Partially Achieved – The baseline (four major routes significantly damaged) was established but the objective of no abnormal damage was not. This is an extremely difficult issue to control.</p> <p>There is ongoing liaison between the FRA, the Land Transport Authority, the police, logging companies and the sugar industry about the damage caused to the roads by heavy vehicles. However only slow progress was able to be made in 2013.</p> <p>Major routes that incurred significant damage include:-</p> <ul style="list-style-type: none"> - Sawani Serea Rd – the cartage of aggregates; - Nabouwalu Road – the cartage of logs and aggregates; - Wailevu West Coast Road – the cartage of logs; (and) - Natewa West Coast Rd – the cartage of aggregates.

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result															
6.8		<ul style="list-style-type: none"> Up-to-date key management information. 	<p>An accurate, complete and up to date:</p> <ul style="list-style-type: none"> Asset Management Policy Asset Management Strategy Asset Management Plan Set of Road Standards Roads' Classification Review Financial Management Manual (Green Book) Staff Manual (Yellow Book) Risk Management Manual (Grey Book) General Management Manual (Red Book) Organisational Performance Manual (Blue Book) <p>and no 'issues' during the year regarding the application of any of these documents.</p>	<p>Partially Achieved.</p> <p>All of the listed documents were developed and adopted except the Asset Management Plan (which although substantially complete was at the end of the year awaiting a Government decision re the funding of projects formerly funded by the EXIM Bank of Malaysia – since resolved), a review of the Technical Standards, and a review of the roads' classification. (Now 2014). All documents will be further developed over time and will be updated annually.</p> <p>The regular training of FRA staff and Consultants is planned to ensure all of the requirements have been satisfactorily implemented and that the manuals are being adhered to.</p>															
7.5	Financial Includes 'Economic – Value for Money'.	<ul style="list-style-type: none"> Total operating costs were within the originally approved total budget. 		<p>Achieved.</p> <p>Total operating costs were within budget in terms of the cash expenditure but slightly over budget when accruals and commitments are taken into account. (Excluding depreciation \$92.4m was spent v \$97.0m budget – see Table 5.1).</p> <p style="text-align: center;">Total Operating Costs Trends (VEP – Excluding Commitments and Accruals)</p>  <table border="1"> <caption>Total Operating Costs Trends (VEP – Excluding Commitments and Accruals)</caption> <thead> <tr> <th>Year</th> <th>Maintenance & Storm Damage</th> <th>Management and Overheads</th> <th>Depreciation</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>\$40m</td> <td>\$10m</td> <td>\$67m</td> <td>\$117m</td> </tr> <tr> <td>2013</td> <td>\$45m</td> <td>\$10m</td> <td>\$82m</td> <td>\$137m</td> </tr> </tbody> </table>	Year	Maintenance & Storm Damage	Management and Overheads	Depreciation	Total	2012	\$40m	\$10m	\$67m	\$117m	2013	\$45m	\$10m	\$82m	\$137m
Year	Maintenance & Storm Damage	Management and Overheads	Depreciation	Total															
2012	\$40m	\$10m	\$67m	\$117m															
2013	\$45m	\$10m	\$82m	\$137m															

KEY

Level 1 Key Outcome Target



Level 2 (Secondary Outcome or Output Target)



Goal	Service Area	Performance Target	2013	Performance Result
7.6		<ul style="list-style-type: none"> 100% new capital and renewal projects were (accumulatively) completed within the originally approved total budget. 		<p>Partially Achieved.</p> <p>Grant funded capital expenditure was within budget in terms of what was actually paid (\$227.4m spent v \$235.5m budget – see Table 5.1) but over budget when accruals and commitments are taken into account.</p> <p>Significant contributors to this over expenditure were the escalation costs that had to be paid from grant funds rather than from the EXIM Bank of Malaysia loan. (The local share of the Buca Bay/Moto Road and Sigatoka/Serea projects was \$19m more than originally budgeted).</p> <p>Planned loan funded expenditure was \$128m less than the original budget principally because of:</p> <ul style="list-style-type: none"> the contractor's slower than anticipated rate of progress on the Nabouwalu – Dreketi project (\$45m) loan funding from the EXIM Bank of Malaysia being no longer available for: <ul style="list-style-type: none"> Queens Road (\$35m) Nakasi – Nausori (\$15m) Nadi Widening (\$15m) Expenditure on Asian Development Bank flood damage repair projects being less than budgeted (\$7m). Expenditure on Buca Bay/ Moto Road & Sigatoka Serea EXIM Bank of China funded projects being less than budgeted (\$7m).

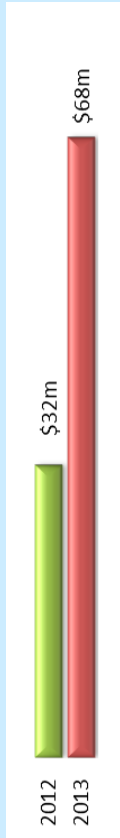
KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																
7.8		<ul style="list-style-type: none"> The cost of maintenance has remained static or has reduced. 	<p>This year's expenditure to establish the baseline.</p>	<p>Achieved. The maintenance baseline cost is \$78.4m (VIP excluding commitments and accruals).</p> <table border="1"> <thead> <tr> <th>Maintenance Category</th> <th>Paid VEP \$000</th> </tr> </thead> <tbody> <tr> <td>Sealed pavements and surfaces</td> <td>\$35,064</td> </tr> <tr> <td>Unsealed pavements and surfaces</td> <td>\$14,913</td> </tr> <tr> <td>Outer Islands' roads</td> <td>\$859</td> </tr> <tr> <td>Drainage</td> <td>\$3,483</td> </tr> <tr> <td>Environmental Maintenance</td> <td>\$1,975</td> </tr> <tr> <td>Traffic lights</td> <td>\$91</td> </tr> <tr> <td>Street lights</td> <td>\$562</td> </tr> <tr> <td>• power charges</td> <td>\$2,394</td> </tr> <tr> <td>Bridges and structures</td> <td>\$779</td> </tr> <tr> <td>Traffic Services (Signs & Road markings etc)</td> <td>\$1,955</td> </tr> <tr> <td>Jetties</td> <td>\$349</td> </tr> <tr> <td>Loan charges</td> <td>\$1,179</td> </tr> <tr> <td>Other maintenance</td> <td>\$353</td> </tr> <tr> <td>Maintenance supervision costs</td> <td>\$4,284</td> </tr> <tr> <td>TOTAL MAINTENANCE COSTS</td> <td>\$68,240</td> </tr> </tbody> </table> <p>¹ \$10,236 VAT additional</p>	Maintenance Category	Paid VEP \$000	Sealed pavements and surfaces	\$35,064	Unsealed pavements and surfaces	\$14,913	Outer Islands' roads	\$859	Drainage	\$3,483	Environmental Maintenance	\$1,975	Traffic lights	\$91	Street lights	\$562	• power charges	\$2,394	Bridges and structures	\$779	Traffic Services (Signs & Road markings etc)	\$1,955	Jetties	\$349	Loan charges	\$1,179	Other maintenance	\$353	Maintenance supervision costs	\$4,284	TOTAL MAINTENANCE COSTS	\$68,240
Maintenance Category	Paid VEP \$000																																			
Sealed pavements and surfaces	\$35,064																																			
Unsealed pavements and surfaces	\$14,913																																			
Outer Islands' roads	\$859																																			
Drainage	\$3,483																																			
Environmental Maintenance	\$1,975																																			
Traffic lights	\$91																																			
Street lights	\$562																																			
• power charges	\$2,394																																			
Bridges and structures	\$779																																			
Traffic Services (Signs & Road markings etc)	\$1,955																																			
Jetties	\$349																																			
Loan charges	\$1,179																																			
Other maintenance	\$353																																			
Maintenance supervision costs	\$4,284																																			
TOTAL MAINTENANCE COSTS	\$68,240																																			

**Maintenance Expenditure Trends
(VEP – Excluding Commitments & Accruals)**



KEY
 Level 1 Key Outcome Target
 Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																				
		•		<p>In addition - \$13.59m (VEP) excluding commitments and accruals was spent repairing storm damage. This was significantly less than in 2012 (\$21.9m VEP).</p> <table border="1"> <thead> <tr> <th colspan="2">Storm Damage Repairs</th> </tr> <tr> <th>Work</th> <th>Paid VEP \$'000</th> </tr> </thead> <tbody> <tr> <td>General flood damage repairs</td> <td>\$1,944</td> </tr> <tr> <td>Nayawa Culvert</td> <td>\$401</td> </tr> <tr> <td>Bavu Culvert</td> <td>\$178</td> </tr> <tr> <td>Yadua Culvert</td> <td>\$856</td> </tr> <tr> <td>Bridge approaches</td> <td>\$2,040</td> </tr> <tr> <td>Wailoa road completion</td> <td>\$451</td> </tr> <tr> <td>Sub-total</td> <td>\$5,870</td> </tr> <tr> <td colspan="2">Aisan Development Bank Funded Work</td> </tr> <tr> <td>• Regravelling Monasavu & Naderivatu Roads</td> <td>\$2,388</td> </tr> <tr> <td>• Regravelling Koronivia, Lokia & Toga Roads</td> <td>\$1,041</td> </tr> <tr> <td>• Rakiraki to Tavua Road</td> <td>\$867</td> </tr> <tr> <td>• Land stabilisation – Lomaloma Slip</td> <td>\$262</td> </tr> <tr> <td>• Rakiraki Bridge</td> <td>\$1,372</td> </tr> <tr> <td>• Nomado Bridge</td> <td>\$100</td> </tr> <tr> <td>• Fiji Water Authority works</td> <td>\$1,683</td> </tr> <tr> <td>TOTAL STORM DAMAGE COSTS</td> <td>\$13,593</td> </tr> </tbody> </table> <p>¹ \$2,039 VAT additional.</p> <p>Storm Damage Expenditure Trends (VEP – Excluding Commitments & Accruals)</p> <p>2012 \$22m 2013 \$14m</p>	Storm Damage Repairs		Work	Paid VEP \$'000	General flood damage repairs	\$1,944	Nayawa Culvert	\$401	Bavu Culvert	\$178	Yadua Culvert	\$856	Bridge approaches	\$2,040	Wailoa road completion	\$451	Sub-total	\$5,870	Aisan Development Bank Funded Work		• Regravelling Monasavu & Naderivatu Roads	\$2,388	• Regravelling Koronivia, Lokia & Toga Roads	\$1,041	• Rakiraki to Tavua Road	\$867	• Land stabilisation – Lomaloma Slip	\$262	• Rakiraki Bridge	\$1,372	• Nomado Bridge	\$100	• Fiji Water Authority works	\$1,683	TOTAL STORM DAMAGE COSTS	\$13,593
Storm Damage Repairs																																								
Work	Paid VEP \$'000																																							
General flood damage repairs	\$1,944																																							
Nayawa Culvert	\$401																																							
Bavu Culvert	\$178																																							
Yadua Culvert	\$856																																							
Bridge approaches	\$2,040																																							
Wailoa road completion	\$451																																							
Sub-total	\$5,870																																							
Aisan Development Bank Funded Work																																								
• Regravelling Monasavu & Naderivatu Roads	\$2,388																																							
• Regravelling Koronivia, Lokia & Toga Roads	\$1,041																																							
• Rakiraki to Tavua Road	\$867																																							
• Land stabilisation – Lomaloma Slip	\$262																																							
• Rakiraki Bridge	\$1,372																																							
• Nomado Bridge	\$100																																							
• Fiji Water Authority works	\$1,683																																							
TOTAL STORM DAMAGE COSTS	\$13,593																																							

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result						
7.13		<ul style="list-style-type: none"> No penalty charges have had to be paid because of the late payment of any creditor's account. 		<p>Not Achieved.</p> <p>\$136,345 was `paid because of the inability to take advantage of available discount for timely payment.</p>						
7.1		<ul style="list-style-type: none"> All expenditure 100% consistent with the Asset Management Plan. 	In future years. First Asset Management Plan to be adopted this year.	<p>Not Yet Measurable – (Will be in 2014).</p> <p>The Asset Management Plan has not yet been finally adopted. At the end of the year it was awaiting a Government decision re the funding of projects formerly funded by the EXIM Bank of Malaysia (since resolved). That issue would have had significant potential consequences for the whole future programme if it had not been able to have been resolved. The Asset Management Plan will be adopted in 2014.</p> <p>Total expenditure in 2013 was \$331m (VIP). (See Table 1).</p> <div style="text-align: center;"> <p>Total Expenditure Trends (VIP Excluding Commitments & Accruals)</p> <table border="1"> <caption>Total Expenditure Trends (VIP Excluding Commitments & Accruals)</caption> <thead> <tr> <th>Year</th> <th>Total Expenditure</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>\$244m</td> </tr> <tr> <td>2013</td> <td>\$331m</td> </tr> </tbody> </table> </div>	Year	Total Expenditure	2012	\$244m	2013	\$331m
Year	Total Expenditure									
2012	\$244m									
2013	\$331m									
7.4		<ul style="list-style-type: none"> Efficiency – More vehicle kilometres travelled per network kilometre. 	Establish the baseline this year.	<p>Not Measurable (a longer term target) - Information Not Available (and won't be for several years).</p> <p>The baseline for the number of vehicle kilometres being travelled can't be established until data quality significantly improves.</p>						
7.7		<ul style="list-style-type: none"> Debt level at the end of the year is as forecasted at the beginning of the year \$... 		<p>Not Relevant.</p> <p>Apart from several small loans previously raised for roading works by the municipal councils and transferred to the FRA by the Decree, the FRA doesn't have any debt. EXIM Bank and ADB loans are treated as Government loans – not FRA loans.</p> <div style="text-align: center;"> <p>Loan Funded Expenditure Trends</p> <table border="1"> <caption>Loan Funded Expenditure Trends</caption> <thead> <tr> <th>Year</th> <th>Total Loan Funded Expenditure</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>\$104m</td> </tr> <tr> <td>2013</td> <td>\$93m</td> </tr> </tbody> </table> </div>	Year	Total Loan Funded Expenditure	2012	\$104m	2013	\$93m
Year	Total Loan Funded Expenditure									
2012	\$104m									
2013	\$93m									

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																				
7.9		<ul style="list-style-type: none"> Total capital costs are as budgeted: 	<ul style="list-style-type: none"> - New Capital - Renewals - Total Capital - Loss of Service Potential / Depreciation 	<p>Not Achieved.</p> <table border="1"> <thead> <tr> <th>Work Category</th> <th>Amended Budget VEP \$000</th> <th>Actual VEP (Excluding Commitments & Accruals) \$000</th> <th>Difference VEP (Excluding Commitments & Accruals) \$000</th> </tr> </thead> <tbody> <tr> <td>New Capital</td> <td>154,357</td> <td>122,144</td> <td>(32,213)</td> </tr> <tr> <td>Renewals</td> <td>101,889</td> <td>87,620</td> <td>(14,269)</td> </tr> <tr> <td>Total Capital</td> <td>256,246</td> <td>209,764</td> <td>(46,482)</td> </tr> <tr> <td>Depreciation</td> <td>42,400</td> <td>43,916</td> <td>1,516</td> </tr> </tbody> </table> <p>As the above table shows, new capital expenditure was \$32.2m VEP less than the amended budget (excluding commitments and accruals):</p> <ul style="list-style-type: none"> Provincial Rural Roads' Improvements \$000 Suva Urban Improvements 5,092 Other Capital Improvements 6,686 Principally EXIM Banks' Loan Funded Projects 3,490 FRUP III Projects (Asian Development Bank) 18,724 <p style="text-align: right;">(1,779)</p> <hr/> <p style="text-align: right;">\$32,213</p> <p>Renewals expenditure was \$14.2m less than the amended budget (excluding commitments and accruals). \$8m of this was used for additional maintenance work.</p> <p>See Table 1 for details and No 3.2 for the capital expenditure trends.</p>	Work Category	Amended Budget VEP \$000	Actual VEP (Excluding Commitments & Accruals) \$000	Difference VEP (Excluding Commitments & Accruals) \$000	New Capital	154,357	122,144	(32,213)	Renewals	101,889	87,620	(14,269)	Total Capital	256,246	209,764	(46,482)	Depreciation	42,400	43,916	1,516
Work Category	Amended Budget VEP \$000	Actual VEP (Excluding Commitments & Accruals) \$000	Difference VEP (Excluding Commitments & Accruals) \$000																					
New Capital	154,357	122,144	(32,213)																					
Renewals	101,889	87,620	(14,269)																					
Total Capital	256,246	209,764	(46,482)																					
Depreciation	42,400	43,916	1,516																					

KEY
 Level 1 Key Outcome Target
 Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result
7.11		<ul style="list-style-type: none"> An unqualified audit opinion 	<ul style="list-style-type: none"> An appropriate annual target but not possible for 2013 (and probably 2014) due to transition issues. Includes the FRUP audit 	<p>Not Achieved – But was not expected to be in 2013.</p> <p>The FRA's auditors (The Fiji Auditor General) qualified the accounts again this year because they couldn't be satisfied there are sufficient accounting records and related documents to appropriately account for and substantiate the value of the FRA's property, plant and equipment at 31 December 2013.</p> <p>This qualification is as was expected. The quality of the records that the FRA inherited from its predecessor – the Department of National Roads is extremely poor and in calculating the value of the road carriageways, bridges, drains and structures and signs etc it has been impossible to arrive at a figure without making a lot of assumptions. The Auditor's view is that the number and significance of the assumptions that have had to be made is excessive.</p> <p>A totally new database is having to be compiled and although good progress is being made we don't expect to be able to provide a complete and accurate valuation summary until 2015.</p>
7.12		<ul style="list-style-type: none"> No matters raised by Audit as having been identified in the previous audit as requiring attention but not having been attended to. 	<ul style="list-style-type: none"> Includes the FRUP audit 	<p>Achieved.</p> <p>None</p>
7.10		<ul style="list-style-type: none"> The Authority's investment is being protected 	<ul style="list-style-type: none"> The depreciated replacement cost (or current value) of the network expressed as a percentage of its replacement cost (excluding land and formation) has increased; (2012 = 63.5%) The annual expenditure on renewals compared with the annual provision for depreciation over time. 	<p>Achieved.</p> <p>The depreciated replacement cost as a percentage of the replacement cost (excluding land and formation) is:</p> <p>2012 = 63.5%</p> <p>2013 = 66.5% (but this figure will reduce if a proportion of the high amount of 'work in progress' - \$297m – includes road formation.</p> <p>For a comparison of renewals expenditure with the annual provision for depreciation see No 3.1.</p>

KEY

Level 1 Key Outcome Target

Level 2 (Secondary Outcome or Output Target)

Goal	Service Area	Performance Target	2013	Performance Result																																
7.2		<ul style="list-style-type: none"> An accurate, current 'fair value' valuation of the assets. 	Last valuation 2012 Next valuation due 2015	<p>Not Achieved – But was not expected to be in 2013.</p> <p>As mentioned in No 7.11 because of the poor quality data the current (2012) valuation is based on a lot of assumptions. An accurate valuation can't be determined until much better data is available and that is going to take several years. The necessary information is being progressively collected in a new Asset Management System – and good progress is being made. The next revaluation will be in 2015.</p> <p>The currently estimated replacement value of the FRA's assets (almost entirely roads & bridges) is \$5.64 billion. The estimated depreciated value is \$4.8 billion.</p> <div data-bbox="510 145 958 1011"> <p style="text-align: center;">Asset Values (\$000)</p> <table border="1"> <caption>Asset Values (\$000)</caption> <thead> <tr> <th>Category</th> <th>Depreciated Replacement Value</th> <th>Replacement Value</th> <th>Total Value</th> </tr> </thead> <tbody> <tr> <td>Other Assets</td> <td>140</td> <td>0</td> <td>140</td> </tr> <tr> <td>Land Under Roads</td> <td>178</td> <td>0</td> <td>178</td> </tr> <tr> <td>Road Drainage</td> <td>295</td> <td>0</td> <td>295</td> </tr> <tr> <td>Work in Progress</td> <td>296</td> <td>0</td> <td>296</td> </tr> <tr> <td>Bridges</td> <td>458</td> <td>0</td> <td>458</td> </tr> <tr> <td>Carriageways</td> <td>1,324</td> <td>0</td> <td>1,324</td> </tr> <tr> <td>Road Formation</td> <td>2,952</td> <td>0</td> <td>2,952</td> </tr> </tbody> </table> </div> <p>'Other' assets include footpaths, jetties, depots, road guardrails, roadsigns and road lighting, laboratories, motor vehicles, plant & equipment and furniture and fittings.</p> <p>See Table 5.5 for details.</p>	Category	Depreciated Replacement Value	Replacement Value	Total Value	Other Assets	140	0	140	Land Under Roads	178	0	178	Road Drainage	295	0	295	Work in Progress	296	0	296	Bridges	458	0	458	Carriageways	1,324	0	1,324	Road Formation	2,952	0	2,952
Category	Depreciated Replacement Value	Replacement Value	Total Value																																	
Other Assets	140	0	140																																	
Land Under Roads	178	0	178																																	
Road Drainage	295	0	295																																	
Work in Progress	296	0	296																																	
Bridges	458	0	458																																	
Carriageways	1,324	0	1,324																																	
Road Formation	2,952	0	2,952																																	

KEY

- Level 1 Key Outcome Target
- Level 2 (Secondary Outcome or Output Target)

Table 3.2 - SPECIFIC TASKS

'The Extent to Which We Achieved Certain Specific Tasks That We Set Ourselves At The Beginning Of the Year'

As mentioned earlier the FRA is a 'new' organisation. 2013 was effectively its first year of operation as a separate corporate entity. Some key employees were not able to be recruited until well into the financial year.

In retrospect the organisation was too optimistic in setting for itself some of the tasks listed below. Throughout the year the emphasis had to be on embedding the new structure and 'getting on' with the fundamental tasks of actually maintaining, renewing and further developing the roads. In addition to the inevitable teething problems some significant obstacles were also encountered:

- The Northern Region maintenance contractor went into receivership;
- The NAIM contract was terminated and as a result \$65m of loan funds from the EXIM Bank of Malaysia were no longer available;
- There were some serious other contractual problems including:
 - deficient engineering designs inherited from the former Department of National Roads;
 - materials' supply issues;
 - in some areas service provision not being to the required standard and work having to be stopped; and
- Everywhere very poor records and inadequate data.

Also the Northern Regional roads and the municipal roads were in a much worse condition than earlier appreciated and that didn't really become clear until the new network contractors were able to identify the true needs 'on the ground'. As a result some of the tasks listed below (while very important) had to 'take a back seat'.

Goal	Performance Target	Performance Result - 2013
8.1	Asset Data <ul style="list-style-type: none"> • Significantly improve the accuracy, completeness and usefulness of the FRA's asset data. 	Partially Achieved. As the 2013 Corporate Plan indicated this is a major task that is going to take several years. The FRA has a staged action plan that is 'on target'. Good progress is being made.
8.2	Asset Management Plan <ul style="list-style-type: none"> • Prepare and adopt an asset management plan (AMP). 	Partially Achieved. The AMP was substantially completed. Finalisation was delayed pending a decision by the Government regarding the funding of 2013 deferred work previously funded by the EXIM Bank of Malaysia. That decision critically affected compilation of a future forecasted ten year expenditure programme. The funding issue has since been resolved and the AMP will be completed by May 2104.
8.3	Bridge Renewals and Replacement Priorities <ul style="list-style-type: none"> • Ensure the asset management plan includes a detailed, prioritised bridge improvement programme for the future. 	Partially Achieved The bridge replacement and renewals challenge is huge with over 100 of the 936 bridges needing urgent attention. An 'almost finalised' prioritised list of bridge replacements for the next three years has been prepared. The prioritised longer term programme will be identified in the AMP by May.

Goal	Performance Target	Performance Result - 2013
8.4	Jetties' Condition, Maintenance and Renewal <ul style="list-style-type: none"> Ensure the asset management plan includes a detailed jetties' maintenance and renewal programme for the future. 	Partially Achieved. A detailed programme of maintenance and renewals for 2014 and 2015 was finalised and the longer term priorities will be established for inclusion in the AMP by May.
8.5	Roads' Classification <ul style="list-style-type: none"> Review the current road classification system. 	Not Achieved. The road classification system is still to be reviewed. A continuing target for 2014.
8.6	Technical Service Standards <ul style="list-style-type: none"> Review the current technical service standards. 	Not Achieved. The technical standards are still to be reviewed. A continuing target for 2014.
8.7	Overweight, Overwidth and Overlength Permits <ul style="list-style-type: none"> Identify the sufficiency of the current controls regarding overweight, overwidth and overlength vehicles. 	Partially Achieved. The main problem is the amount of damage done to the roads by overweight vehicles. The FRA is working with the Land Transport Authority, the police and the heavy vehicle operators to endeavour to minimise the damage but with limited results. (See also No 6.7 in Table 3.1). A continuing target for 2014.
8.8	Risk Management <ul style="list-style-type: none"> Complete implementation of the "already adopted" risk management framework. 	Partially Achieved. A Risk Policy, Risk Management Manual and Risk Register have been adopted, and the responsibility for the management of each risk allocated, but the risks aren't yet being managed in the manner the manual requires.
8.9	Performance Management and Reporting <ul style="list-style-type: none"> Ensure the FRA will be able to list appropriate targets against all of the performance measures listed in parts 1 – 7 of Table 9 in the AMP next year and by the beginning of the year (2014) have an effective system in place for monitoring and regularly reporting results not only after year end but throughout the year. 	Partially Achieved. While some progress has been made the FRA does not yet have 'an effective system in place for monitoring and regularly reporting performance results against all of its performance measures and targets and in quite a few areas the appropriate performance targets for the future can't be determined until better quality data is available.
8.10	Rural Roads – Responsibility For <ul style="list-style-type: none"> Clarify the location, condition, and use of the cane and other roads in the rural area. 	Partially Achieved. Being done as a part of No 8.1.
8.11	Rural Roads – Future Strategic Approach <ul style="list-style-type: none"> Finalise a long term strategic approach (ie what the construction and maintenance etc approach is to be) for future management of the approximately 6000 kms of minimally developed (and until now sparsely maintained) cane and other rural roads. 	Partially Achieved. A long term strategic approach for the rural roads is being progressively developed through the maintenance contracts and finalisation of the Asset Management Plan.

Goal	Performance Target	Performance Result - 2013
8.12	Depots <ul style="list-style-type: none"> Exit ownership and management of, or lease to the maintenance contractors, the depots that (because of the change to a 'contracting out' environment) are no longer required. 	Achieved.
8.13	Quarries <ul style="list-style-type: none"> Exit ownership and management of the quarries. 	Achieved.
8.14	Plant and Vehicles <ul style="list-style-type: none"> Exit ownership and management of the plant and vehicles that are no longer required. 	Achieved.
8.15	Laboratories <ul style="list-style-type: none"> Continue to prepare the laboratories for possible sale or lease within the next 18 months/ 2 years. 	Achieved. A recommended exit plan will be submitted to the Board for its consideration in March 2014.
8.16	Disestablishment of the Former Samabula Office <ul style="list-style-type: none"> Complete disestablishment of the Samabula office. 	Achieved
8.17	Street Lights <ul style="list-style-type: none"> Decide the future maintenance and management approach for the street lights. 	Achieved A contract was let for maintenance and management of all streetlights and traffic signals.
8.18	Traffic Signals <ul style="list-style-type: none"> Decide the future maintenance and management approach for the traffic signals. 	Achieved. See No 8.17.
8.19	Outer Islands – Roads' Maintenance <ul style="list-style-type: none"> Decide the future maintenance and management approach for roads on the Outer Islands. 	Achieved A Memorandum of Agreement (MOA) was entered into with the Ministry of Provincial Development for maintenance of all roads and jetties on the outer islands. All affected staff transferred to the Ministry.
8.20	Municipal Councils – Delegated Responsibilities Satisfactorily complete and embed the MOA arrangements with the Municipal Councils.	Partially Achieved. Formal agreements were entered into with eleven municipal councils but there have been some 'issues'. Several councils haven't met their obligations.
8.21	ADB Projects' Management <ul style="list-style-type: none"> Ensure more appropriate and more robust management of the Asian Development Bank (ADB) projects. 	Achieved. The audited report was submitted to the ADB by the due date and there are satisfactory relationships with the ADB.
8.22	Maintenance Contracts <ul style="list-style-type: none"> Ensure the maintenance contracts are implemented as intended and working satisfactorily. 	Partially Achieved. The Northern Contractor (Blacktop Construction) went into receivership. This caused significant problems. The inevitable transition issues were worked through with the other contractors.
8.23	Branding <ul style="list-style-type: none"> Adopt and implement a 'Branding Policy'. 	Not Achieved. To complete in 2014.
8.24	Loan Liabilities <ul style="list-style-type: none"> Decide how EXIM Bank and Asian Development Bank loan funding is to be referenced in the annual accounts. 	Achieved. The loans are recorded as liabilities of the Government – not of the FRA.
8.25	Contract Retentions <ul style="list-style-type: none"> Record contract retentions in a more robust way and reconcile the (historical) situation at the beginning of the year (2013). 	Achieved. A more robust way of managing retentions has been implemented. All retentions are now reconciled monthly.

Goal	Performance Target	Performance Result - 2013
8.26	Legal Claims and Disputes <ul style="list-style-type: none"> Finalise all outstanding claims/legal disputes etc. inherited from the DNR and promptly resolve any new claims or disputes that may arise during the year. 	Partially Achieved. The FRA received claims totalling more than \$17m for alleged monies owing by the former DNR (of which during 2012 the FRA was unaware and for which no 2103 budget provision had been made.) Most have not been accepted. The FRA is working the others through with the parties involved.
8.27	Corruption <ul style="list-style-type: none"> Complete investigations relating to apparent fraudulent activities identified in 2012 and the subject of complaints to the Fiji Independent Commission Against Corruption (FICAC) 	Achieved. The Fiji Independent Commission Against Corruption (FICAC) has formally charged three parties for various offences alleged to have been committed by them during 2012 – including alleged bribery and abuse of office. The court case is still to be heard.
8.28	Half- Yearly Report <ul style="list-style-type: none"> Submit the Authority's Half-Yearly Report to the Minister by not later than 31 July. 	Achieved.
8.29	2012 Annual Report <ul style="list-style-type: none"> Complete the Authority's first Annual Report (for 2012) and submit an audited copy of it to the Minister by not later than 20 March 2013. 	Partially Achieved. The Annual Report was submitted – but not until the end of December. As the first audit of the FRA as a corporate entity the audit process took far longer than expected. This isn't expected to be a problem in 2014.
8.30	Corporate Plan and Statement of Corporate Intent <ul style="list-style-type: none"> 2014 Corporate Plan and Statement of Corporate Intent to be completed and adopted by the Board not later than 10 December. 	Partially Achieved. The Corporate Plan and Statement of Intent was adopted by the Board on 19 December 2013.
8.31	Building Local Capacity <ul style="list-style-type: none"> Be able to substantiate quite clearly at the end of the year the progress that has been made to build local capacity. 	Achieved. This is happening across the sector. Extensive 'on the job' training is occurring in the contractor and consultant organisations. Specialists have been brought in to do training. Staff are regularly being taken to NZ to help their personal development.
8.32	Staff <ul style="list-style-type: none"> Reduce the total FRA staff complement to about 20 as soon as possible 	Not Achieved. Because the 2013 budget was \$428m (and for 2014 it is \$476m – since increased to more than \$500m), compared with a budget of about \$200m when the proposed future staff structure and numbers was prepared, the number of staff has had to be increased. The number of employees (excluding those employed in the laboratories – which are to be divested) is expected to be about 30 for the next few years.

Goal	Performance Target	Performance Result - 2013
8.33	<p>Key Stakeholder Relationships</p> <ul style="list-style-type: none"> Strengthen relationships with the FRA's key stakeholders and agree improved ways of working with each in future to mutual advantage. 	<p>Achieved.</p> <p>Considerable effort was put into developing relationships with the FRA's key stakeholders. Initiatives include:</p> <ul style="list-style-type: none"> inviting external input for the Asset Management Plan's development; the development of a code of practice for the Utilities' Operators; providing support for the Water Authority in its budget submission for additional funds for the renewal of water lines associated with roadworks; providing safety equipment support for the Police; providing traffic management training for the Utilities' Operators; attending numerous speaking engagements with various government agencies and others, including industry associations (e.g. the Bus Operators' Association) to share the FRA's plans and seek feedback; providing technical advice and training to government departments and agencies about contract tendering, contracts' management, engineering design, consultant selection and in a range of other infrastructure management areas. <p>Also, senior managers talk with key stakeholders such as the Divisional Commissioners on a regular basis to ensure plans are aligned and expectations are being met – a significant area where improvement will be required in 2014.</p>
8.34	<p>Expenditure Control</p> <ul style="list-style-type: none"> Ensure full compliance with all of the FRA's obligations under the agreement between the Authority and the Government regarding the 'Transfer, Utilisation and Accountability of the 2013 Operational and Capital Grant'. 	<p>Achieved.</p> <p>However some difficulties were experienced with certain detailed provisions of the agreement that were not appropriate for the FRA as a corporate entity. A new form of agreement has been agreed with the Ministry for 2014.</p>
8.35	<p>Land Purchase and Roads Legalisation</p> <ul style="list-style-type: none"> Develop and implement a plan for progressive reduction of the roads' legalisation backlog and ensure the necessary land purchase and road legalisation processes for all future projects are completed promptly as a part of the construction project. 	<p>Not Achieved</p> <p>The starting point is the compilation of a list of all uncompleted land purchase/legalisation actions. The FRA is experiencing difficulty doing this because of the poor quality of the former Department of National Roads' records. There appears to be a large number of historical land acquisitions where the legal process hasn't been completed. Available resources are also stretched dealing with the very significant land purchase needs relating to the current capital works programme.</p> <p>A work plan against which progress can be routinely monitored is to be developed in 2014.</p>
8.36	<p>Financial Management Manual</p> <ul style="list-style-type: none"> Complete the Financial Management Manual (Green Book) and consider changing its title to 'Operations Manual'. 	<p>Achieved.</p> <p>The manual was also comprehensively reviewed and updated again in January 2014 and the title has been changed to "Operations Manual".</p>
8.37	<p>Business Continuity and Operations Recovery Plan</p> <ul style="list-style-type: none"> Develop a Business Continuity and Operations Recovery Plan for both the FRA's business and the process for responding to a severe weather and/or other natural hazard event. 	<p>Partially Achieved.</p> <p>A Business Continuity and Operations Recovery Plan is nearing completion. 2014 was a relatively light 'adverse weather events' year. Only \$5.87m VEP had to be spent on repairing 2013 storm damage compared with \$21.4m in 2012).</p>

Goal	Performance Target	Performance Result - 2013
8.38	Miscellaneous Revenue – Control <ul style="list-style-type: none"> Ensure sufficient controls are in place for collection of the FRA's miscellaneous revenue 	Achieved. Detailed policies and processes are now included in Section 14 of the Operations Manual.
8.39	Vested Assets – Roads Built By Others <ul style="list-style-type: none"> Strengthen the process and make clear the FRA's requirements before it will accept roads that have been built by others 	Not Achieved. To be done in conjunction with the review of the technical standards in 2014.
8.40	Requests for Service and Complaints Install a centralised system for registering the receipt of, and monitoring the action taken on, all requests for service and complaints.	Achieved A centralised system for managing requests for service and complaints (and applications for planning consent) was installed effective from the end of the year.
8.41	Environmental Assessments and Discharge Permits Ascertain exactly what the FRA's Environmental Assessment and Discharge Permit (and any other similar environmental) obligations are and put in place a central system for: <ul style="list-style-type: none"> (a) ensuring that at all times it has all the assessments and permits it requires; (and) (b) monitoring compliance with all conditions throughout the year. 	Partially Achieved The FRA has the necessary discharge permits and regularly monitors compliance with their conditions at all major capital project sites. The Department of the Environment carries out random inspections and no major non-compliance was reported. However a central system for managing all permits is still to be installed.



Rakiraki Access Road

4. FINANCIAL STATEMENTS

- Directors' Report
- Independent Audit Report
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cashflows
- Notes to And Forming Part of the Financial Statements
- Statement of Cost of Service



Yadua Culvert

**FIJI ROADS AUTHORITY
FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY
2013 TO 31 DECEMBER 2013**

**FIJI ROADS AUTHORITY
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

Formation of Fiji Roads Authority

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

The directors present their report together with the financial statements of Fiji Roads Authority ("the Authority") for the period 1 January 2013 to 31 December 2013 and the auditors' report thereon.

Directors

The names of the Directors at any time during the financial year and up to the date of this report are:

<i>Directors</i>	<i>Appointed</i>
Pio Tikoduadua (Chairman)	Appointed under the FRA Decree 2012
Parmesh Chand	April 1, 2012
Filimoni Waqabaca	April 1, 2012
Taina Tagicakibau	April 1, 2012 (Retired August 2013)
Elizabeth Powell	April 1, 2012
Samuela Namosimalua	December 9, 2013

State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.
- the accompanying statement of financial position and statement of changes in equity give a true and fair view of the state of affairs of the Authority as at 31 December 2013 and the accompanying statement of comprehensive income and 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 period then ended.

Principal activity

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

Operating results

The operating deficit for the year ended 31 December 2013 was \$132,795,329 (2012: Surplus of \$123,172,253).

Reserves

The directors did not recommend any transfers to or from reserves to accumulated funds in the 2013 financial period.

Subsequent events


On 9th November 2013, FRA called for tender (FRA 31-13: Sale of Quarries Assets) for the sale of its quarry assets as in plant items, ancillary items and finished goods based in the Nasinu depot, Lomolomo depot, Natewa depot and Korotari depot. The tender closed on 21st November 2013 and a total of 25 bids were received for the four depots. After careful assessments of tenders, assets with total market value of \$1,500,775 were tendered for a total price of \$801,000.

As at 31st December 2013, payments were not received from the bidders and the assets were still held by the FRA.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any further item, transaction or event 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 of the Authority, in subsequent financial years.

Dated this 23rd | day of APRIL | 2014

Signed in accordance with a resolution of the directors:


Director


Director



8th Floor, Ratu Sukuna House,
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.

REPUBLIC OF FIJI
OFFICE OF THE AUDITOR GENERAL

Telephone: (679) 330 9032
Fax: (679) 330 3812
Email: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



Excellence in Public Sector Auditing

INDEPENDENT AUDITOR'S REPORT

FIJI ROADS AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying financial statements of the Fiji Roads Authority (Authority), which comprise the statement of financial position as at 31 December 2013, 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 information as set out on pages 6 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 ("IFRS"), 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.

Basis for Qualified Opinion

1. As discussed in Note 1(a) and Note 1(e) to the financial statements, there were insufficient accounting records and related documents to appropriately account and substantiate the value of property, plant and equipment as at 5 January 2012.

The financial statements consequently included carried forward opening balance for property, plant and equipment of \$4.6 billion (Note 8) based significantly on estimates and assumptions, with uncertainty. I was unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence over these estimates and valuation. As a result, I was not able to determine the effect of adjustments, if any, on the financial position of the Authority as at 31 December 2013, or on its financial performance and cash flows for the year then ended.

Qualified Audit Opinion

In my opinion, except for the matter reported in the qualification paragraph, the financial statements give a true and fair view of the financial position of the Fiji Roads Authority as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financials Reporting Standards (“IFRS”), the Fiji Roads Authority Decree 2012 and other statutory requirements.



Tevita Bolanavanua
AUDITOR GENERAL



Suva, Fiji
23 April 2014

**FIJI ROADS AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 Restated \$
Income			
Grants and contributions	2	33,370,264	228,970,812
Amortisation of Deferred Income	13	201,226	
Other Income		3,613,513	-
Total Income		37,185,003	228,970,812
Expenditure			
Employee Related Expenses	3	(3,664,568)	(14,297,572)
Other Operating Expenses	4	(14,556,132)	(17,061,988)
Maintenance		(96,239,559)	(26,009,450)
Depreciation and Amortisation	8	(45,178,897)	(48,429,549)
Total Expenditure		(159,639,196)	(105,798,559)
Surplus/(Deficit) for the Period		(122,454,193)	(123,172,253)
Other Comprehensive Income			
Item that will not be reclassified subsequently to profit and loss			
Gain/(loss) on Revaluation of Quarry Asset	7(b)	(11,034,451)	
Item that will be reclassified subsequently to profit and loss			
Exchange Difference in Translating Foreign Operation		693,315	
		(10,341,136)	
Total Comprehensive Income for the period		(132,795,329)	(123,172,253)

(The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26.)

**FIJI ROADS AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Other Contributed Equity \$	Accumulated Funds (restated) \$	Total (restated) \$
Balance as at 01 January 2012	-	-	-
Total Comprehensive Income for the year ended 31 December 2012	-	123,172,253	123,172,253
Increase in Assets from Equity transfer	4,468,589,781	-	4,468,589,781
Balance as at 31 December 2012 - Restated	4,468,589,781	123,172,253	4,591,762,034
Total Comprehensive Income for the year ended 31 December 2013	-	(132,795,329)	(132,795,329)
Increase in Assets from Equity transfer	96,497,394	-	96,497,394
Balance as at 31 December 2012	4,565,087,175	(9,623,076)	4,555,464,099

(The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26)


**FIJI ROADS AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 Restated \$
Current Assets			
Cash on Hand	10	1,200	649,482
Receivables	5	11,234,159	2,742,768
Other Current Assets	6	1,782,303	11,000,000
Assets Classified as Held For Sale	7(a)	6,429,998	-
Total Current Assets		19,447,660	14,392,250
Non Current Assets			
Property, plant and equipment	8	4,801,961,000	4,602,802,360
Intangible Assets	9	147,543	-
Total Non Current Assets		4,802,108,543	4,602,802,360
Total Assets			4,617,194,610
Current Liabilities			
Cash Book Overdraft	10	2,173,607	-
Payables	11	49,133,095	17,432,576
Provisions	12	29,705,839	8,000,000
Total Current Liabilities		81,012,541	25,432,576
Non Current Liabilities			
Provisions	12	7,789,485	-
Deferred Income	13	177,290,078	-
Total Non Current Liabilities		185,079,563	-
Total Liabilities		266,092,104	25,432,576
NET ASSETS		45,554,640,099	4,591,762,034
Equity			
Other Contributed Equity		4,565,087,175	4,468,589,781
Accumulated Funds		(9,623,076)	123,172,253
TOTAL EQUITY		4,555,464,099	4,591,762,034

(The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26)

Signed on behalf of the Board.


Director
Date: 23 APRIL 2014


Director
Date: 23 APRIL 2014

**FIJI ROADS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 Restated \$
Cash Flows from Operating Activities			
Grants and subsidies received		198,430,253	243,839,373
Payments to suppliers and employees		(53,264,455)	(69,383,578)
Net Cash provided by Operating Activities		145,165,798	174,455,795
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(147,987,687)	(173,806,313)
Net Cash provided by Investing Activities		(147,987,687)	(173,806,313)
Net (decrease)/increase in cash		(2,821,889)	649,482
Cash and cash equivalent at beginning of financial period		649,482	-
Total Current Liabilities	10	(2,172,407)	649,482

(The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 26)

**FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 address of the Authority's registered office is Level 1, Building 3, Fiji Revenue and Customs Authority Complex, Nasese, Suva.

The Authority commenced operations on 5 January 2012. The financial statements are reported for the period 1st January to 31st December 2013. Fiji Roads Authority is a corporate body domiciled in Fiji. The significant accounting policies, which have been adopted in the preparation of these financial statements, are noted below.

The financial statements were authorised for issue by the directors on ____ 2014.

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.

b) Statement of Compliance

The financial statements of the Authority have been drawn up in accordance with the provisions of the Financial Management Act 2004 and International Financial Reporting Standards ("IFRS").

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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*

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 2014, 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 2015 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.

e) *Use of estimates and judgements*

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 recognised 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 recognised in the financial statements includes the note on property, plant and equipment in Note I(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 recognised in profit or loss.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*
g) *Property, Plant and Equipment (cont'd)*

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The cost of assets constructed for own use includes the purchase cost, other directly attributable costs and the initial estimate of dismantling and restoration costs.

Depreciation

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

The expected useful lives of property, plant and equipment for depreciation purposes are as follows:

	Useful Lives (years)
Buildings	60
Furniture and Fittings	5-10
Motor Vehicles	5-8
Road Systems	12-120
Maritime Systems	50-80
Plant and Equipment	10-30

Revaluation of property, plant and equipment

The Authority revalues each class of property, plant and equipment at least 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.

Non-specialised 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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*

Revaluation of property, plant and equipment (cont'd)

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 assets 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 recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

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

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

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

h) Cash and cash equivalents

Cash and cash equivalents comprises 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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*

j) *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.

k) *Other Operating Expense 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.

l) *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.

m) *Employee Entitlement*

(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.

n) *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 Contribution*

Grants and contributions comprising mainly cash and in kind contributions are recognised 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 recognised as property, plant and equipment (Note l(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.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)*

o) 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.

p) Accumulated Funds

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

q) Other Contributed Equity

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

2. INCOME	2013	2012
	\$	Restated \$
Grants and Contributions		
Government of Fiji		
- Operating Grant	23,762,000	228,970,812
- Municipal Councils	9,608,264	
	33,370,264	228,970,812

3. EMPLOYEE RELATED EXPENSES

Salaries	3,205,009	8,811,276
Contribution to Fiji National Provident Fund	295,658	220,719
Allowances	163,901	214,598
Redundancy Payment	-	5,050,979
	3,664,568	14,297,572

The number of employees at the end of the financial period was 53.

4. OTHER OPERATING EXPENSES

Consultancy Costs	4,833,860	7,245,399
Leasing of Plant	-	4,249,089
Materials	-	4,396,521
Travel and Communications	369,197	158,894
Other	9,353,075	1,012,085
	14,556,132	17,061,988

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

5. RECEIVABLES

Municipal Councils	10,818,351	-
Trench Repairs	307,448	-
Lab Testing	108,108	-
Others	252	2,742,768
	11,234,159	2,742,768

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 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 the prior year.

Before accepting any new customer, the Authority assess 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, 96.3 % is due from Municipal Councils for Annual contributions and the remaining are for Laboratory test accruals due from Contractors.

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.	2013 \$	2012 \$
60-90 Days	11,116,527	-
91-120 Days	117,632	-
Total	11,234,159	-

6. OTHER CURRENT ASSETS

	2013 \$	2012 Restated \$
Prepayments	3,279	11,000,000
Advances & Deposits	1,184,854	-
VAT Receivable	594,170	-
	1,782,303	11,000,000

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	Restated \$
7. ASSETS CLASSIFIED AS HELD FOR SALE		
a) Quarry Assets	<u>6,429,998</u>	<u>-</u>
b) Loss on Revaluation of Asset Held for Sale		
Cost of Asset	29,502,568	-
Accumulated Depreciation	(12,038,119)	-
Net Book Value	<u>17,464,449</u>	<u>-</u>
Asset Held for Sale	(6,429,998)	-
Loss on Revaluation of Quarry Asset Held for Sale	<u>(11,034,451)</u>	<u>-</u>

Disposal of Quarry Operations

The Board on the 10th of May 2013 resolved to dispose off the Quarry Operations at Nasinu. This was due to the lease agreement that was not renewed by the Landowners. The Authority plans to make the Quarry staff redundant based on PSC guidelines. Any outstanding royalty payments to Landowners will be paid from the current years budget.

The disposal is consistent with the Authority's long-term policy to focus its activities on roads constructions and maintenance and other road or maritime systems. All the Quarries assets are currently being held for sale and will be sold when it has been revalued. All other liabilities or equities of the Quarry operations has been transferred to Fiji Roads Authority.

Analysis of profit or the year from discontinued operations

The results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2013
	\$
<i>Profit/(Loss) for the year from Discontinued Operations</i>	
Sale	
Revenue	329,320
Other gains	193,112
	<u>522,432</u>
Less Cost of Sales	(25,000)
Less: Expenses – Management and overheads	(562,176)
Roads, bridges and jetties	(439,417)
Add: Gains/Losses on revaluation to fair value	-
Gains/Losses on disposal of assets	-
Less Cost to Sell	-
	<u>-</u>
<i>Loss for the year from Discontinued Operations</i>	<u>(504,161)</u>

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012 Restated
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
a) Property, plant and equipment are stated at cost and have been included in the financial statements on the following basis:		
<i>Land and Buildings</i>		
At Cost	194,652,551	207,068,178
Accumulated depreciation	(3612,934)	(8,079,436)
	191,039,617	198,988,742
<i>Motor Vehicles</i>		
At Cost	1,504,828	1,233,958
Accumulated depreciation	(396,093)	(165,162)
	1,108,735	1,068,796
<i>Furniture and fittings</i>		
At Cost	444,890	25,740
Accumulated depreciation	(85,171)	(4,752)
	359,719	20,988
<i>Road Systems</i>		
At Cost	5,094,554,705	4,991,858,387
Accumulated depreciation	(807,328,700)	(766,538,339)
	4,287,226,005	4,225,320,048
<i>Plant and Equipment</i>		
At Cost	2,510,927	21,416,584
Accumulated depreciation	(1,212,192)	(6,326,877)
	1,298,735	15,089,707
<i>Maritime Systems</i>		
At Cost	47,632,010	47,632,010
Accumulated depreciation	(24,220,862)	22,991,827
	23,411,148	24,640,183
<i>Work in Progress</i>		
At Cost	297,517,040	13,673,896
	297,517,040	13,673,896
<i>Net Book Value</i>	4,801,961,000	4,602,802,360

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

8. *PROPERTY, PLANT AND EQUIPMENT (cont'd)*

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

	Land and Buildings	Motor Vehicles	Furniture & Fittings	Road Systems	Plant and Equipment	Maritime Systems	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance as at 31 December 2012	207,068,178	1,233,958	25,740	4,991,858,387	21,416,584	47,632,010	137,673,896	5,406,908,753
Additions	6,512	270,870	657,254	102,696,318	-	-	159,843,144	263,474,098
Disposals	(12,422,139)	-	(238,104)	-	(18,905,657)	-	-	(31,565,900)
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	194,652,551	1,504,828	444,890	5,094,554,705	2,510,927	47,632,010	297,517,040	5,638,816,951
Depreciation								
Balance as at 31 December 2012	8,079,436	165,162	4,752	766,538,339	6,326,877	22,991,827	-	804,106,393
Additions	1,570,714	230,931	170,980	40,790,360	1,186,905	1,229,035	-	45,178,925
Disposals	(6,037,216)	-	(90,561)	-	(6,301,590)	-	-	(12,429,367)
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	3,612,934	396,093	85,171	807,328,699	1,212,192	24,220,862	-	836,855,951
Book Value								
As at 31 December 2012	198,998,742	1,068,796	20,988	4,225,320,048	15,089,707	24,640,183	137,673,896	4,602,802,360
As at 31 December 2013	191,039,617	1,108,735	359,719	4,287,226,006	1,298,735	23,411,148	297,517,040	4,801,961,000

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012 Restated
	\$	\$
9. INTANGIBLE ASSETS		
<i>Software License</i>		
<i>Gross Carrying amount</i>		
Balance as at 01 January	-	-
Additions	238,104	-
Balance as at 31 December	<u>238,104</u>	<u>-</u>
<i>Accumulated Amortisation</i>		
Balance as at 01 January	-	-
Amortisation for the year	(90,561)	-
Balance as at 31 December	<u>(90,561)</u>	<u>-</u>
<i>Net Amount</i>	<u>147,543</u>	<u>-</u>

Software licenses 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.

10. CASH AND CASH EQUIVALENT

Cash Book Overdraft	(2,173,607)	649,482
Petty Cash	1,200	-
Balance as at 31 December	<u>(2,172,407)</u>	<u>649,482</u>

Reconciliation of Cash and Cash Equivalent

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and on hand. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as disclosed above. The cash book overdraft resulted from significant unrepresented cheques against lower bank balance and lodgements not credited at balance date.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012 Restated
11. ACCOUNTS PAYABLE		
	\$	\$
Accruals	21,915,737	194,878
Other Payables	2,034,255	5,166,638
Retention Payable	12,605,227	12,071,058
Trade Payables	12,577,876	-
	<u>49,133,095</u>	<u>17,432,574</u>

12. PROVISION

Employee Benefits
Other Provisions (refer below)

Apportioned as:

Current	29,705,839	
Non Current	7,789,485	8,000,000
	<u>37,495,324</u>	<u>8,000,000</u>

Other Provisions Detail:

Descriptions	Contractual Work Accrued (ii)	DNR Contractors Claims (iii)	VAT Penalties (iv)	Total
	\$	\$	\$	\$
Balance at 1 January 2013		8,000,000		8,000,000
Additional provisions recognised	27,781,088		1,869,806	29,650,894
Reductions arising from payments and/or other sacrifices of future economic benefits		(210,515)		(210,515)
Reductions resulting from re-measurement or settlement without cost				
Balance at 31 December 2013	<u>27,781,088</u>	<u>7,789,485</u>	<u>1,869,806</u>	<u>37,440,379</u>

- (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) *DNR Contractors claims represents provisions provided by FRA for Contingent Liabilities inherited during transitions from DNR to FRA.*
- (iv) *VAT penalties represent VAT penalties incurred by the Authority for late payment and false representation of VAT income during the financial year. The penalty amount is subject to reassessment by FRCA thus are been reflected as provisions.*

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

13. 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.

	2013	2012 Restated
	\$	\$
Balance at 1 January 2013	177,491,304	-
Less: Depreciated Charges	(201,226)	-
Balance at 31 December 2013	<u>177,290,078</u>	<u>-</u>

14. COMMITMENT, CONTINGENT LIABILITIES AND ASSETS

(a) Contingent Liabilities

Original Balance	17,746,903	17,746,903
Provisions	(8,000,000)	(8,000,000)
Balance as at 31 December 2013	<u>9,746,903</u>	<u>9,746,903</u>

There was no contingent liability incurred by the Authority arising from its business interest in the current or prior years. However, the Authority inherited a contingent liability from the transfer of all liabilities and assets from the Department of National Roads (DNR) to the Fiji Roads Authority. This liability relates to a number of contractual dispute initially amounting to \$17,746,903 claimed by DNR contractors from which \$8million has been provided for in the financial statement.

(b) *Contingent Assets*

The Authority has a number of Bank Guarantees provided by the Contractors' banks which would be payable to the Authority if the Contractors are in breach of their obligations under the contracts.

15. RELATED PARTY TRANSACTIONS

Identity of related parties

The Authority is a controlled entity of the Government of Fiji in accordance with the FRA Decree.

Directors

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

Pio Tikoduadua (Chairman - appointed under section 5 of the FRA Decree)
 Filimoni Waqabaca (appointed on April 2012)
 Elizabeth Powell (appointed on April 2012)
 Parmesh Chand (appointed on April 2012)
 Taina Tagicakibau (appointed on April 2012 – Retired August 2013)
 Samuela Namosimalua (appointed December 2013)

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

15. *RELATED PARTY TRANSACTIONS (cont'd)*

Transactions with Related Parties

The entity receives capital and re-current grants from the Government of Fiji, including loan funds. Amounts receivable from and payable to the Government of Fiji as at 31 December 2013 were Nil.

	2013	2012 Restated
Grant and Loan Funds	\$	\$
Government of Fiji	325,534,859	243,839,373
	<hr/>	<hr/>
	325,534,859	243,839,373

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*
- *Chief Financial Officer*
- *Corporate Services Manager*
- *Maintenance Works Manager*
- *Capital Works Manager*
- *Strategic, Planning & Performance Manager*
- *Laboratories Business Manager*

The aggregate remuneration and compensation paid to the key management personnel for the year ended 31 December 2013 was \$865,325.

During the period, non executive directors did not receive any form of remuneration from the Authority.

16. *PRINCIPAL ACTIVITY*

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

17. *REGISTERED OFFICE*

The Authority's registered office is Level 1, Building 3, Fiji Revenue and Customs Authority Complex, Nasese, 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 2013**

18. 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 analyse 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.

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 2013		
	At Call \$	Gross Nominal \$	Carrying \$
Liabilities			
Payables	49,133,095	49,133,095	49,133,095
	49,133,095	49,133,095	49,133,095

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

19. RISK MANAGEMENT DISCLOSURES (cont'd)

Operational Risk

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

- 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.

20. SUBSEQUENT EVENTS

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

Sale of Quarry by way of tender:

On 9th November 2013, FRA called for tender (FRA 31-13: Sale of Quarries Assets) for the sale of its quarry assets as in plant items, ancillary items and finished goods based in the Nasinu depot, Lomolomo depot, Natewa depot and Korotari depot. The tender closed on 21st November 2013 and a total of 25 bids were received for the four depots. After careful assessments of tenders, assets with total market value of \$1,500,775 were tendered for a total price of \$801,000.

As at 31st December 2013, payments were not received from the bidders and the assets were still held by the FRA.

21. CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The following restatements have been done for the year 2012, in accordance with requirements of IAS 8 - Changes in

	2012
	\$
Property, Plant & Equipment Net Book Value and Contributed Equity	
Balance as at 31 December 2012 as per IFRS reported in 2012	5,358,255,309
Changes in Accounting Errors [Note (a)]	(755,676,845)
Changes in Accounting Errors [Note (b)]	223,896
Restated balances as at 31 December 2012	<u>4,602,802,360</u>
 PPE – Road System Network Depreciation and Accumulated Depreciation	
Balance as at 31 December 2012 as per IFRS reported in 2012	48,653,443
Changes in Accounting Errors [Note (b)]	(223,896)
Restated balances as at 31 December 2012	<u>48,429,547</u>

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2013

20. *CHANGES IN ACCOUNTING ESTIMATES AND ERRORS (cont'd)*

(a) Reversal of Replacement Cost Accumulated Depreciation difference accounted for in the year 2012, in accordance with the requirements of IAS 8, Changes in Accounting Estimates and Errors.

(b) Reversal of double accounting of Depreciation Expense in the year in accordance with the requirements of IAS 8, Changes in Accounting Estimates and Errors.

5. OTHER FINANCIAL INFORMATION

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



Nasau Crossing, Wainibuka, Tailevu

5.1 COST OF SERVICE

TABLE 5.1

COST OF SERVICE STATEMENT

2013 Amended Budget \$000 ¹	Item	Note	Actual	
			2013 \$000	2012 \$000
	Operating Expenditure (VEP)			
3,069	Management	2	\$1,705	
8,874	Professional & Technical Services	3	\$8,842	\$10,547
61,594	Maintenance	4	\$68,240	
23,478	Storm Damage	4	\$13,593	\$81,833
97,015	Sub-total			\$92,380
42,400	Depreciation	5		\$45,179
139,415	Total Operating Costs			\$137,559
	Capital Expenditure (VEP)			
101,889	Renewals	6	\$87,620	\$35,583
154,357	New Capital Development	6	\$122,144	\$124,824
256,246	Total Capital Expenditure			\$209,764
34,524	VAT			\$28,975
430,185	Total Funding Requirements			\$376,298
	Funded By:			
42,400	Unfunded Depreciation		\$45,179	\$48,653
235,463	Government Grant	7	\$227,385	\$139,581
11,002	Municipal Councils' Contribution		\$10,616	-
	Loans			
19,987	- Asian Development Bank		\$13,009	
115,944	- EXIM Bank of China		\$74,720	\$104,258
5,389	- EXIM Bank of Malaysia		\$5,389	
430,185	Total Funding			\$376,298

Notes:

- 1) After adjustment between maintenance and renewals
For more detailed information see:
- 2) Table 2
- 3) Table 2
- 4) Table 2 and Table 3.1 (No 7.8)
- 5) Table 5.5
- 6) Table 2 and Table 3.1 (No 3.2)
- 7) Includes additional grant of \$30m when EXIM Bank of Malaysia funding ceased.

5.2 ROADS IN MUNICIPAL COUNCIL AREAS

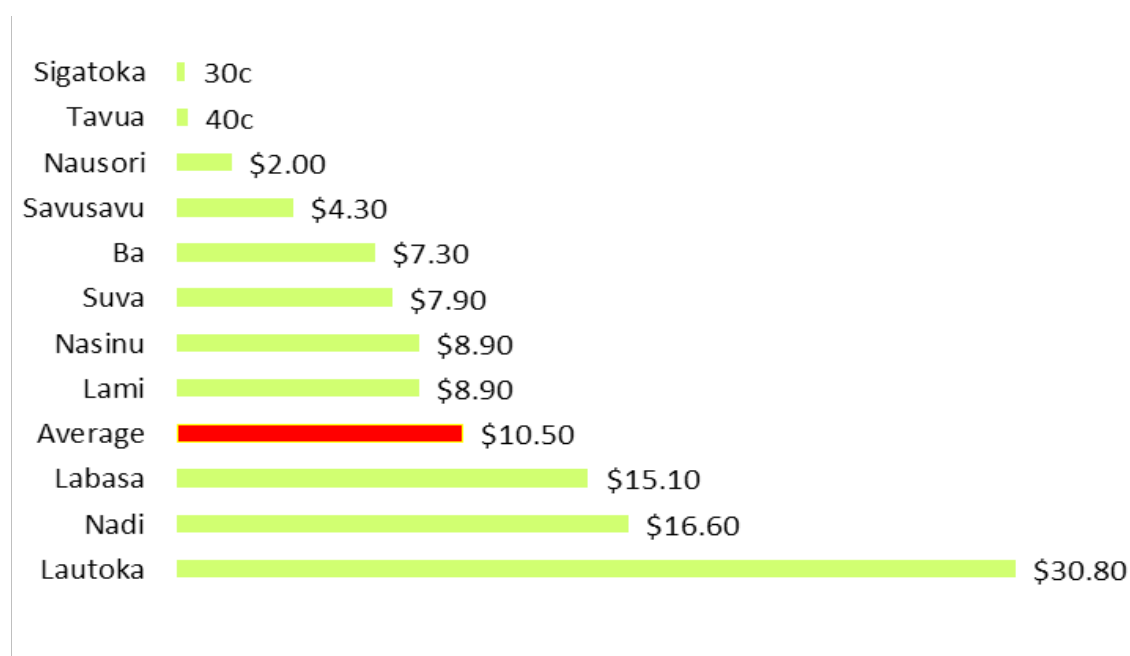
TABLE 5.2

ROADS MAINTENANCE AND RENEWALS IN THE MUNICIPAL COUNCILS' 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 had to pay (VEP) was \$9.6m. Of this amount \$1.2m was to service loans that some of them had previously raised for roadworks in their areas, \$3.6m was for 'off carriageway' work like grass mowing and street lighting and the balance (\$4.8m) was their contribution towards the FRA's pavements' maintenance and renewal costs.

The chart below shows how much the FRA spent in each council area for every dollar contributed to the FRA for maintenance and renewal work.



Council Contributions – 'What Each Council Pays'

Council	Council Contribution (Council Pays to FRA)	For Servicing Council Loans	For 'Off Carriageway' Work Done By the Council under Delegated Authority from the FRA	Towards the FRA's Pavement Maintenance & Renewal Costs	Cost of Maintenance & Renewal Work - 2013
Ba	\$501,621	\$82,800	\$302,000	\$116,821	\$857,655
Labasa	\$350,000		\$305,100	\$44,900	\$678,077
Lami	\$249,160	\$56,160	\$96,000	\$97,000	\$860,304
Lautoka	\$1,085,055	\$362,255	\$228,800	\$494,000	\$15,215,947
Nadi	\$905,054	\$310,054	\$290,000	\$305,000	\$5,138,318
Nasinu	\$564,500		\$147,000	\$417,500	\$3,704,490
Nausori	\$622,500		\$440,000	\$182,500	\$367,596
Savusavu	\$120,400		\$102,900	\$17,500	\$74,790
Sigatoka	\$432,776	\$103,180	\$225,000	\$104,596	\$30,841
Suva	\$4,744,198	\$297,344	\$1,439,948	\$3,006,906	\$23,757,019
Tavua	\$33,000		\$12,000	\$21,000	\$7,680
TOTALS	\$9,608,264	\$1,211,793	\$3,588,748	\$4,807,723	\$50,692,718

5.3 LABORATORIES

TABLE 5.3 – LABORATORIES' OPERATIONS ACCOUNT

	\$000	\$000
Revenue		
Materials' testing	651	
Project laboratories' revenue	542	
Other revenue	3	1,196
Expenses		
Cost of sales	1	
Payroll and related costs	908	
Staff travelling	14	
Motor vehicle expenses	10	
Office expenses	39	
Electricity	4	
Rates	17	
Water charges	2	
Plant/vehicle hire	14	
Repairs & Maintenance	14	
Supplies	43	1,066
Net Profit		\$130

5.4 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 5.4 – Loan Funding

Bank	Actual 2013		2012
	\$000	\$000	\$000
EXIM BANK OF CHINA			
Buca Bay/ Moto Road	22,620		63,923
Sigatoka/Serea	16,617		14,179
Nabouwala – Dreketi	35,483	74,720	
EXIM BANK OF MALAYSIA			
Queens Highway		5,389	14,653
ASIAN DEVELOPMENT BANK (ADB)			
Waitoa to Wailotua			11,503
Kings to Lodon	7,429		
Flood Rehabilitation	5,581	13,010	
TOTAL		\$93,119	\$104,258

5.5 ASSET VALUES

ASSET CATEGORIES	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
Lands	178,213,838	178,213,838	0	0
Formation	2,951,557,753	2,951,557,753	0	0
Carriageways				0
Sealed Road Surfing	199,633,252	81,190,249	118,443,003	12,091,879
Sealed First Coat	184,182,866	88,599,377	95,583,489	3,190,469
Sealed Base	190,462,384	98,792,130	91,670,254	3,037,336
Sealed Sub Base	433,949,483	360,388,348	73,561,135	1,988,139
Unsealed Top Course	55,451,960	6,899,893	48,552,067	10,783,668
Unsealed Base	257,201,228	257,200,840	388	0
Sub Total	1,320,881,173	893,070,838	427,810,336	31,091,491
Drainage		0		0
Culverts	144,910,104	69,029,058	75,881,046	1,806,679
Gullypits	18,644,096	11,515,756	7,128,340	169,722
Surface Water Channels	132,196,622	63,017,295	69,179,327	1,652,457
Sub Total	295,750,822	143,562,109	152,188,713	3,628,858
Footpaths	45,327,568	25,912,769	19,414,799	1,117,498
Traffic Controls		0		0
Signs (inc Posts)	9,764,477	4,539,522	5,224,955	576,113
Markings	2,331,136	2,331,136	0	0
Traffic Signals	3,026,883	1,194,348	1,832,535	159,547
Sub Total	60,450,064	33,977,775	26,472,290	1,853,158
Bridges		0		0
Large Bridges	246,779,845	153,551,355	93,228,490	2,199,837
Small Bridges	126,044,545	67,136,306	58,908,239	1,163,373
Large Culverts	85,400,662	40,808,898	44,591,764	711,672
Sub Total	458,225,052	261,496,559	196,728,493	4,074,882
Minor Structures		0		0
Guard Rails	22,179,142	9,315,241	12,863,901	887,165
Jetties	25,452,868	14,095,908	11,356,960	341,870
Sub Total	47,632,010	23,411,149	24,220,861	1,229,035
Street Lighting	1,197,648	531,284	666,364	33,770
Motor Vehicles	1,504,828	1,108,734	396,094	230,932
Plant & Equipment	2,510,927	1,298,735	1,212,192	(5,114,685)
Furniture & Fittings	444,889	359,719	85,171	80,418
Laboratories	6,492,192	3,029,688	3,462,504	108,204
Buildings	16,438,713	12,825,779	3,612,934	(4,466,502)
Work in Progress	297,517,040	297,517,040	0	0
		0		0
Total	5,638,816,949	4,801,960,999	836,855,950	32,749,561

Note:

The total depreciation charged by Authority in 2013 was \$45,178,925. However the Authority also disposed assets valued at \$31,327,796 with an accumulated depreciation of \$12,338,804. Further to this the Authority reclassified intangible assets relating to software license with a value of \$238,104 with an amortisation value of \$90,561 which was taken off the Authority's fixed asset register. Therefore the net depreciation for the year was \$32,749,561 (\$45,178,925 - \$12,338,804 - \$90,561) as reported above.

6. KEY FRA PARTNERS



Babavoce Hill, Kings Road

Auditor The Fiji Controller & Auditor General.

Legal Advisor A panel of legal advisors

- R Patel Lawyers - Suva
- MC Lawyers - Suva
- Siwadibou & Sloan - Suva
- Young & Associates - Lautoka

Financial Advisor KPMG

Insurance Advisor Marsh

Banker The Bank of Baroda

Principal Professional Engineering Services Provider

MWH (New Zealand)

Key Contractors

- Fulton Hogan-Hiways Joint Venture (Maintenance – Central & Eastern Division & Northern Division)
- Higgins Group (Maintenance – Western Division)
- China Rail No 1
- China Rail No 3
- China Rail No 5
- China Gezebou

Central Government

- Office of the Prime Minister
- Ministry of Finance
- Ministry of Provincial Development
- Ministry of Lands
- Ministry of Strategic Planning
- Ministry of Local Government
- Ministry for the Environment
- Ministry of Town and Country Planning
- Land Transport Authority
- Fiji Police

Local Government

- 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

- The Bus Owners and Operators

FIJI ROADS AUTHORITY FOUNDING LEGISLATION



View from the new Moto Bridge, Ba



[3]

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

TABLE OF PROVISIONS

SECTION

PART 1—PRELIMINARY

1. Short title and commencement
2. Interpretation
3. Objectives of the Decree

PART 2—ESTABLISHMENT, FUNCTIONS AND POWERS

4. Establishment of the Authority
5. Composition of the Authority
6. Functions of the Authority
7. Powers of the Authority
8. Delegation of powers
9. Resignation and removal
10. Vacation of office
11. Meetings and proceedings
12. Authority may invite others to meetings
13. Disclosure of interest
14. Minutes
15. Common Seal
16. Procurement process and plan
17. Minister may give directions

PART 3—TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

18. Transfer of assets and liabilities
19. Transfer of employees
20. Rights of transferred employees
21. Existing contracts
22. Continuation of proceedings
23. No benefit in respect of abolition or re-organisation of office

PART 4—MANAGEMENT AND FINANCE OF AUTHORITY

24. Appointment of Chief Executive Officer
25. Functions of Chief Executive Officer
26. Appointment of staff
27. Funds of the Authority

PART 5—REPORTING AND ACCOUNTABILITY

28. Financial year
29. Half yearly reports
30. Annual reports

31. Corporate plan
32. Authority to have statement of corporate intent
33. Audit

PART 6—TRANSITIONAL AND SAVINGS

34. Establishment of the Advisory Committee
35. Meetings and proceedings
36. Committee may invite others to meetings
37. Appointment of Change Manager

PART 7—MISCELLANEOUS

38. Regulations
39. Consequential

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 otherwise 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;

- (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



[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



Fiji Roads Authority

Call us on 5720 (Shortcode)

Level 1, Building 3,
FRCA Complex
P.O. Box 16550
Nasese, Suva

Telephone 310 0114 or 310 0115

Fax 310 0044

Website: www.fijiroads.org

 Fiji Roads Authority