



Fiji Roads Authority

HALF YEARLY REPORT

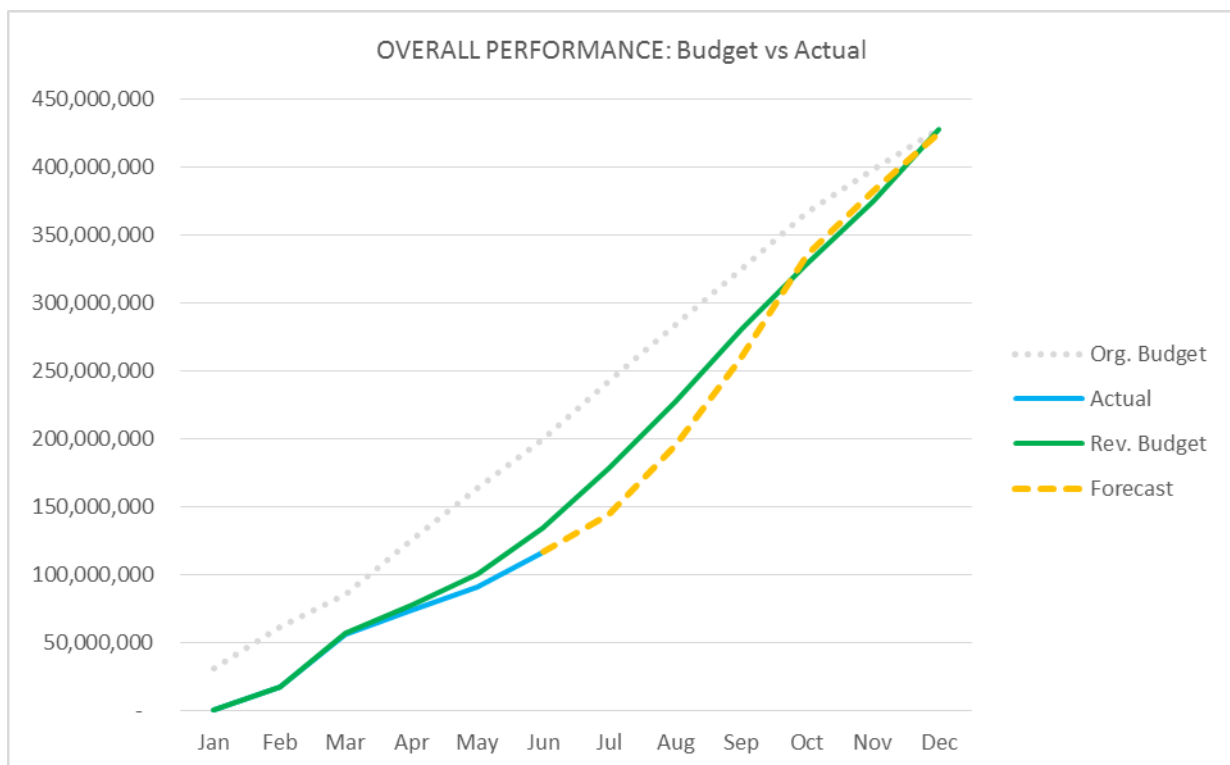


Period Ending June 2013

From the CEO

1. SNAPSHOT – BY THE NUMBERS

6878km	-	Unsealed roads graded
Over 200,000	-	Potholes filled
117,000m ²	-	Sealed road pavement repairs
140,000m	-	Drainage channel cleared
Over 300m	-	New culvert pipes installed
80,000m ³	-	Gravel applied to unsealed roads
2807km	-	Kilometres of line markings
6.7km	-	Kilometres of road reconstruction
5.1km	-	Kilometres of road resealed



- The graph shows a current underspend which is primarily due to slower than predicted progress on the capital projects because FRA is taking a strict line on quality of construction and materials. There is an adjustment process underway as the contractors react to this necessary stance to ensure Fiji gets value for money on these major economic development initiatives. In terms of forecast to the end of the year, there is a small funding gap that will be addressed over coming months by a) revenue



from sale of surplus plant and equipment; and b) identification of areas where expenditure can be reduced.

2. INTRODUCTION

It has been an exciting and very challenging time for Fiji Roads Authority (FRA) as we have negotiated the first half of our first year operating as a stand-alone entity.

The business of the FRA can be viewed as 3 main 'streams' of activity, Corporate, Asset Management and Operations, as noted below;

- | | |
|--------------------------|---|
| Corporate: | Managing the business, developing policies and standards, corporate governance practices, relationships etc. Focussed on ensuring FRA is established as an accountable, transparent and sustainable entity delivery quality outcomes for government |
| Asset Management: | Long term planning for the sustainability and integrity of the roading network to deliver required outcomes. Focussed on development of 10 year work programmes and financial forecasts. |
| Operations: | Implementation of the annual plan including investigations, studies, design, procurement and construction. Focussed on successful delivery of the current year's work programme |

The key highlights, achievements and issues related to each stream of activity is presented below. More detail on specific aspects of the business are provided in the remainder of the report.

3. CORPORATE ACTIVITY STREAM

The second quarter has seen FRA fill a number of key technical roles with professional staff employed in the areas of Capital Works, Maintenance Works and Planning. This substantially completes the senior management team with only one - two key roles still to be filled.

In terms of staffing attention will now turn to establishing the next level of professional staff. These are intended to be people who will be developed for potential promotion with a strong mentoring focus from the senior technical management team.

The Laboratories Business Manager has been appointed and is in the process of developing the business plan for 2014 and beyond with the intent that the laboratories are able to become a sustainable business entity in their own right within the next 2 years.

With the exception of some administrative positions our corporate services positions have all been appointed, all with local staff.

Considerable effort was put in during the first months of the year to restructure the quarries operations into sustainable and efficient aggregate suppliers. This was made impossible when

FRA's lease on Nasinu quarry was not renewed. The quarries at Nasinu and Lomolomo have now been closed and those workers have received the same redundancy packages as their former DNR colleagues.

Outer Islands staff have been transferred to the Ministry of Rural and Maritime Development under an MoU between the Ministry and the FRA. This will see these staff better utilised and the resources FRA and the Ministry have in the outer islands used more efficiently and effectively.

4. ASSET MANAGEMENT ACTIVITY STREAM

The Asset Management Plan will be the central document where all the planning for the road network comes together. This will present a 3 year detailed work programme and budget, with a further 7 years outlined to show general direction.

The heart of asset management is knowledge of the current state of the asset, agreement of what we are trying to achieve (business objectives and desired levels of service), and what needs to be done to get the asset from current state to desired state. Data collection is underway to obtain the knowledge we need to determine the current state. The first quarter saw the completion of a comprehensive assessment of the nation's bridge stock. Currently work is commencing on a similar assessment of jetties.

FRA undertook a programme of workshops to inform our Asset Management Plan development and these involved FRA Board as well as representatives of government departments. The Asset Management Plan is expected to be adopted in draft form in July/August with the final version being adopted once budgets are confirmed.

FRA's GIS-based asset information system is progressing according to programme and we expect to be able to provide a demonstration of the value and power of this tool towards the end of 2013 as more data is populated within the system.

5. OPERATIONS ACTIVITY STREAM

As reported in the first quarter, the most common feedback from stakeholders has been that the biggest achievement or highlight for the first quarter is the noticeable difference in work practice and quality.

It is noted however that not all the maintenance contractors have had the same level of success and for a number of reasons the Northern Maintenance contract has not progressed as well as the Western and Central/Eastern contracts. Some of this is due to major storm events in the first 3 months of the year, compounded by the fact that the roads in the North are in notably poorer condition than elsewhere. The contractor has not delivered the level of resources to overcome this and FRA is demanding significant improvement immediately.

With respect to the state of roads in the North generally, a study was completed in April that confirmed the dire state of the roads to the point that it was acknowledged that a normal road maintenance regime would not be sufficient to remedy the years of deterioration that is evident. FRA has re-allocated approximately \$5 Million from other work areas to address approximately 40 – 50km of the highest priority road sections.

The prioritisation of works for this reallocation was undertaken in consultation with bus operators in the North and FRA is pleased with the way this process has worked out in terms of engagement with one of the key stakeholders.

Maintenance works in the West and Central divisions are progressing according to programme and it is evident after the first 6 months that all of the maintenance contractors are developing the necessary knowledge of their networks to anticipate problem areas, and to develop appropriate maintenance regimes.

The major renewals programme had a tentative start in the second quarter with much of the effort going into design work and organising the supply chain. The amount of investigation and design required to develop robust bridge solutions means that surplus money will be reallocated to sealed and unsealed road. The third quarter will see considerable activity across the divisions as the programme to reseal 100km or more of road and rehabilitate over 40km of road is implemented.

Of specific note is a lack of progress on Bridge renewals due to:

- the need to undertake significant investigations works in the first 3 months of the year to determine the scale of the problem Fiji faces (reported to Cabinet in March 2013).
- the diversion of design resources to urgent work on Vatuwaqa Bailey bridge
- a generally long lead time for design of significant or complex structures

To address this issue the Fiji Roads Advisory Committee resolved to undertake expedited or project-specific procurement process for a number of projects in order to progress approximately 40% of the originally proposed programme. The remaining funds will be reallocated to more general road maintenance and renewals work that can be progressed quickly without the need for complex design processes and where competitive tendered rates are already available.

The Nadi and Suva Road Upgrade Project (4-laning) was highlighted in the report for the first quarter as being one of the key risks due to non-performance by the design-build contractor. This project has been put back on track with a change in funding source allowing FRA to undertake a review of the proposed procurement for this project. Rather than the originally proposed design-build with a single contractor, FRA is now controlling the design process and packaging the work to allow tendering on the open market for construction. The first work packages (one in Nadi, one in Suva) are expected to go to tender in October. FRA acknowledges the support of the Ministry of Finance in addressing this important issue.

Other major capital projects are proceeding and are covered in a later section of this report. The key point to note is that progress is not as fast as predicted and this is primarily because FRA is taking a strict line on quality of construction and quality of materials. There is an adjustment process underway as the contractors react to this stance but it is necessary to ensure that Fiji gets value for money on these major economic development initiatives.

It has been very disappointing not to have completed negotiations with Municipal Councils regarding MoUs for funding contributions from the Councils to FRA and delegations back to the Councils. Resolution of this would appear to be imminent at the time of writing however it is noted that this has taken far more time and resources than was expected for a relatively straightforward agreement.

6. LEGACY ISSUES AND EMERGING RISKS

Most of the legacy issues from the former DNR are resolved or are well in hand. The plant and vehicles have been tendered to maintenance contractors and those that have not been purchased will shortly be formally transferred to Ministry of Finance for redistribution or disposal.

As reported in the first quarter, FRA has some \$16 Million worth of historic claims to deal with and is working through what can be settled this year and what needs to be put into 2014 budget.

A key risk to achievement of programme, particularly in the North, is the availability of sufficient quantities of aggregate for basecourse and sealing chip. FRA is working with the contractors and the industry but it remains a risk that lack of supply may hamper completion of the full programme of work. A report has been prepared on the aggregate situation in the North and this is being considered now to determine the best way for FRA to address this problem in the supply chain.

7. LOOKING FORWARD – FOCUS FOR QUARTER 3

Corporate:	Appoint technical staff to development roles Complete review of laboratories and develop business plan Develop and implement internal controls and audit framework
Asset Management:	Finalise Draft Asset Management Plan First report on Jetties completed GIS system able to be demonstrated to Board and stakeholders
Operations:	Significant improvement to work practice and productivity in the North Substantial progress on renewals programme (reseals/rehabilitation) Address aggregate supply issues Implement improved traffic control on detour near Suva Market Continued attention to pothole repairs and access improvements to rural areas. Bridge renewals programme underway

8. CONCLUDING REMARKS

Overall the achievement and performance for the first half year of operation as a stand-alone entity has been positive. There have been some significant achievements and most of the legacy issues that needed to be dealt with have been resolved or are well in hand. There are some areas for improvement across the board and plans are in place to address these areas. FRA keeps a close eye on emerging risks and developing mitigation strategies.



Neil Cook
Chief Executive
Date: 30 July 2013

KEY PERFORMANCE INDICATORS

The following Key Performance Indicators (KPI) are taken from FRAs approved 2013 Corporate Plan.

Goal	Performance Target	Progress
8.1	Asset Data <ul style="list-style-type: none"> Significantly improve the accuracy, completeness and usefulness of the FRA's asset data. 	New asset management system implemented. Improved data being progressively obtained. Is going to take some time. (See AMP Improvement Plan Item No 50 and Risk No 80 in the Risks' register)
8.2	Asset Management Plan <ul style="list-style-type: none"> Prepare and adopt an asset management plan (AMP). 	Draft plan to be presented to Board in August. (See AMP Improvement Plan Item No 195)
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. 	Achieved. Priorities identified in the draft AMP.
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. 	Still endeavouring to identify all of the jetties the FRA is responsible for. After that will need to carry out a condition inspection before the priorities can be identified. Condition assessment of 7 jetties underway in July/August. (See AMP Improvement Plan Items Nos 205 – 225)
8.5	Roads' Classification <ul style="list-style-type: none"> Review the current road classification system. 	Still to address. (See AMP Improvement Plan Item No 65)
8.6	Technical Service Standards <ul style="list-style-type: none"> Review the current technical service standards. 	Still to address. (See AMP Improvement Plan Item No 75)

Goal	Performance Target	Progress
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. 	Still to address. (See AMP Improvement Plan Item No 80 (some confusion about the respective responsibilities of the FRA and the LTA).
8.8	Risk Management <ul style="list-style-type: none"> Complete implementation of the “already adopted” risk management framework. 	Achieved. Risks’ Register finalised. 54 initial risks identified and a mitigation plan being prepared for each. Additional risks will be added as they are identified. (See AMP Improvement Plan Item No 15)
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. 	Performance measures refined during preparation of the AMP. Unable to establish precise targets for some immediately because of the lack of data. These will be added as the improved data comes to hand. (See Table 1.8.2 in the AMP and AMP Improvement Plan Items Nos 185 and 190)
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. 	<p>The Authority has resolved :</p> <p><i>‘To accept responsibility for all those cane and Provincial roads that serve more than one property and which are used or facilitate the right of passage for the movement of vehicles and pedestrians and whether formed or not – the exact status to be confirmed on a map later as more information becomes available’</i></p> <p>The roads concerned are being identified and mapped now but this is going to take some time. (See AMP Improvement Plan Items No 95 and 170)</p>

Goal	Performance Target	Progress
8.11	<p>Rural Roads – Future Strategic Approach</p> <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. 	Still to address. (See AMP Improvement Plan Item Nos 95 and 170)
8.12	<p>Depots</p> <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. 	<p>Some depots exited, some leased to the maintenance contractors, and the management of some transferred to the Ministry of Provincial Development pursuant to the arrangement for that Ministry to manage the Outer Island roads. Surplus depots to be transferred to PSC.</p> <p>The administrative implications being finalised now. (See AMP Improvement Plan item No 130)</p>
8.13	<p>Quarries</p> <ul style="list-style-type: none"> Exit ownership and management of the quarries. 	FRA decision made to exit. Quarries closed. Administrative implications being finalised now. (See AMP Improvement Plan Item No 120)
8.14	<p>Plant and Vehicles</p> <ul style="list-style-type: none"> Exit ownership and management of the plant and vehicles that are no longer required. 	Progressing. (See AMP Improvement Plan Item No 135 and Risk No 194 in the Risk’s Register)
8.15	<p>Laboratories</p> <ul style="list-style-type: none"> Continue to prepare the laboratories for possible sale or lease within the next 18 months/ 2 years. 	Laboratories Manager appointed. Business plan to be prepared. (See AMP Improvement Plan Item No 125)
8.16	<p>Disestablishment of the Former Samabula Office</p> <ul style="list-style-type: none"> Complete disestablishment of the Samabula office. 	Achieved – completed.

Goal	Performance Target	Progress
8.17	Street Lights <ul style="list-style-type: none"> Decide the future maintenance and management approach for the street lights. 	Achieved. Contract let. (See AMP Improvement Plan Item No 105)
8.18	Traffic Signals <ul style="list-style-type: none"> Decide the future maintenance and management approach for the traffic signals. 	Achieved. Contract let. (See AMP Improvement plan Item No 110)
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. MOU entered into with the Ministry of Provincial Development. (See AMP Improvement Plan Item No 115)
8.20	Municipal Councils – Delegated Responsibilities Satisfactorily complete and embed the MOA arrangements with the Municipal Councils.	Progressing. Discussions with the PS Local Government continuing. MOAs with all participating councils expected to be finalised within the next month. (See AMP Improvement Plan Item No 85)
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. ADB audit completed by the FRA’s auditors before the required date -30 June. Unqualified audit opinion received.
8.22	Maintenance Contracts <ul style="list-style-type: none"> Ensure the maintenance contracts are implemented as intended and working satisfactorily. 	Some problems with the contract for the Northern Area. (Reported separately). (See Risk Item No 160 in the Risks’ Register)
8.23	Branding <ul style="list-style-type: none"> Adopt and implement a ‘Branding Policy’. 	Incomplete. FRA ‘core’ branding in place but policies for use etc are to be developed.
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. Decided in discussions with the FRA’s financial advisors (KPMG).

Goal	Performance Target	Progress
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). 	Progressing. Reconciliation of the inherited reconciliation balance is difficult. (See Risk No 85 in the Risk's Register).
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. 	Progressing. Public notice given inviting persons who consider they have an outstanding claim with the FRA to provide details. Approximately \$17m of claims received. Decision made to pay some this year, some next year and not accept others. (See AMP Improvement Plan Item No 45).
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) 	FICAC investigation continuing. (See Risk No 70 in the Risks' Register)
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 – this report.
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. 	Not achieved. Difficulties experienced obtaining and completing the information from last year and with getting the audit progressed. FRUP audit completed. Balance underway now. (See Risk No 199 in the Risks' Register)
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. 	Later. (See Risk No 199 in the Risks' Register)

Goal	Performance Target	Progress
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. 	See AMP Improvement Plan Item No 40 and Risks No's 40 and 130 in the Risks' Register)
8.32	Staff <ul style="list-style-type: none"> Reduce the total FRA staff complement to about 20 as soon as possible 	Unlikely to be achieved. This measure will be revised and presented to FRA Board for consideration as part of 2014 Corporate Plan.
8.33	Key Stakeholder Relationships <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. 	All FRA stakeholders identified during preparation of the AMP. Their input sought. Key stakeholders directly consulted. Strengthened relationships established as a result. Specific issues being followed up in a number of areas.
8.34	Expenditure Control <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'. 	Expenditure now being rigidly managed and controlled. Much improved systems in place.
8.35	Land Purchase and Roads Legalisation <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. 	Progressing. (See AMP Improvement Plan Item No 160 and Risk No 150 in the Risk's Register)
8.36	Financial Management Manual <ul style="list-style-type: none"> Complete the Financial Management Manual (Green Book) and consider changing its title to 'Operations Manual'. 	Almost complete. Renamed the 'Operations Manual. (See AMP Improvement Plan Item No 30)

Goal	Performance Target	Progress
8.37	Business Continuity and Operations Recovery Plan <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. 	Being prepared. A draft will be submitted to the Committee for its consideration later this year. (See AMP Improvement Plan Item No 165)
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 	In Hand. The process will be documented in the Operations Manual and compliance checked through required regular internal audit checks. (See Risk No 105 in the Risks' Register)
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 	Achieved. (See AMP Improvement Plan Item No 155, Risks No's 95 and 100 in the Risks' Register, Attachment 'E' in the Operations Manual and Section 4.8 (a proposed strengthened ' <i>Subdivision and Development Road Impacts</i> ' Policy' for the Board's consideration in the draft AMP).
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.	Proposal to be presented to Board in July 2013.
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. 	Still to do. (See AMP Improvement Plan Item No 200)

Financial Report

1. 2012 Accounts

Following on from the quarter 1, 2013 report the following is the update on the 2012 accounts:

- ADB Flood recovery project report audit was completed and submitted to ADB on 8th June 2013.
- Fiji Road Upgrading Project (FRUP) report audit has been completed but we are still waiting for audit management letter from the Office of the Auditor General
- The audit of FRA (DNR) 2012 accounts is in progress.

2. Revised 2013 Budget/Cashflow overview

In April 2013, FRA undertook a revision of its budget and cashflow which was approved by the FRA Board in May 2013. The major change was a reallocation of the figures between maintenance and renewals headings.

The reasons for the reallocations were:

- Material differences between tendered prices for some items of work compared to estimate for those categories when the budget was being prepared in mid-2012.
- Review of the work program based on immediate needs. For instance there was an urgent need of filling and stopping of pot holes hence more resources were allocated to the maintenance program (especially in first quarter).
- In terms of reviewing cashflow – a better understanding of how the Contractors were planning to programme works over the course of the year taking into account lead time for planning, supply chain issues, weather considerations and the like.

Further to this, after key personnel took office in 2013, various areas were identified which needed reprioritisation.

3. Historic Claims

FRA has received many claims for compensation from prior to 2013 – in some cases the claims relate to issues that are over 20 years old. FRA is committed to the philosophy that **“what we owe, we pay”** and all claims are thoroughly researched to determine validity. If valid provision is being made to pay these claims either this year or next. A summary of claims received and paid or expected to be paid is as follows:

Total Claims Received	Claims assessed as likely to be paid	Claims already paid	Balance claims likely to be paid in 2013	Claims likely to be paid in 2014
\$ 17,746,904.36	\$ 7,640,858.49	\$ 181,273.05	\$ 1,159,450.42	\$ 6,147,688.28

A complete list of claims received is provided in the Appendix.

Statement of Finance and Service Performance (January – June 2013)

SUMMARY

ACCOUNT	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
MANAGEMENT	MGMT	2,690,000	3,264,525	2,884,824	1,005,044	-	1,005,044	
PROFESSIONAL AND TECHNICAL SERVICES		2,270,000	10,204,534	10,785,735	6,772,087	-	6,772,087	
MAINTENANCE	MAINT	26,322,000	65,682,453	71,381,910	34,306,523	-	34,306,523	
FLOOD DAMAGE	FD	27,000,000	27,000,000	25,706,932	6,097,684	3,912,399	10,010,082	
RENEWALS AND REPLACEMENTS	R&R	118,684,000	80,974,922	76,047,328	17,831,759	-	17,831,759	
NEW CAPITAL - GOVERNMENT GRANT	NCGGPRR	23,880,000	24,085,319	23,115,276	488,841	-	488,841	
NEW CAPITAL - PRINCIPALLY LOAN FUNDED	NCPLF	227,595,000	217,229,548	214,109,949	34,115,866	12,442,801	46,558,666	
TOTAL		428,441,000	428,441,300	424,031,955	100,617,804	16,355,199	116,973,003	
Establishment Costs (2012)			649,502	334,061	334,061		334,061	
Redundancy Payout			2,401,417	340,216	340,216		340,216	
Funded By:								
Government Grant - Operating	6	20,642,609	23,992,643	22,867,689	11,783,766	-	11,783,766	Approximately \$4m funding gap primarily as a result of historic claims settlement and carryover payments from 2012. This will be funded from proceeds of sale of surplus plant and vehicles (estimate \$2.6m) and by reducing expenditure.
Government Grant - Capital	10	152,432,174	151,404,348	156,500,469	49,874,650	2,735,656	52,610,306	
Municipal Councils	MC	5,217,391	5,217,391	9,608,000	1,462,046	-	1,462,046	
Loan Fund	DP	194,460,870	192,173,913	181,150,202	25,144,831	13,619,543	38,764,373	
Value Added Tax (VAT)	VAT	55,687,957	55,653,005	53,905,595	12,352,511	-	12,352,511	
TOTAL		428,441,000	428,441,300	424,031,955	100,617,804	16,355,199	116,973,003	

Unless otherwise noted in the following detailed reports under each header, the project is on track with nothing of concern to report at this time.

1. MANAGEMENT

ACCOUNT MANAGEMENT	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	Explanations
MANAGEMENT								
Salaries	6	1,500,000	1,768,259	1,374,757	614,757		614,757	
Other Costs		-	-	-			-	
(a) Recruitment	6	86,957	82,020	59,205	23,306		23,306	
(b) Accounting and Finance (including Audit Fees)	6	86,957	155,000	155,000	-		-	
(c) Vehicles' Hire and Operation	6	152,174	60,000	61,230	30,946		30,946	
(d) Office Expenses – Power, Travelling etc.	6	73,913	188,600	267,288	136,288		136,288	
(e) Rent	6	60,870	59,281	52,759	21,455		21,455	
(e) Legal Fees	6	86,957	87,000	84,202	1,202		1,202	
(f) Insurances	6	26,087	164,000	164,306	18,619		18,619	
(g) Archives – Storage	6	26,087	28,200	18,868			-	
(h) Communications (including website)	6	26,087	72,000	72,000	49,850		49,850	
(i) Data Improvements	6	86,957	87,000	101,244	56,244		56,244	
(j) Asset Management Improvements	6	69,565	70,000	29,000	-		-	
(k) Training and Development	6	34,783	31,000	31,000	1,237		1,237	
(l) Establishment Costs	6	86,957	87,000	87,000			-	
(m) Contingencies	6	130,435	130,000	130,000	234		234	
Value Added Tax (VAT)		155,217	195,165	196,965	50,907	-	50,907	
Total - Management		2,690,000	3,264,525	2,884,824	1,005,044	-	1,005,044	
Funded By:								
Government Grant - Operating	6	2,534,783	3,069,360	2,687,859	954,137	-	954,137	
Government Grant - Capital	10							
Municipal Councils	MC							
Loan Fund	DP							
Value Added Tax (VAT)	VAT	155,217	195,165	196,965	50,907	-	50,907	
TOTAL		2,690,000	3,264,525	2,884,824	1,005,044	-	1,005,044	

2. PROFESSIONAL AND TECHNICAL SERVICES

ACCOUNT PROFESSIONAL AND TECHNICAL SERVICES	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
PROFESSIONAL AND TECHNICAL SERVICES								
Professional Services								MWH have provided a range of management services to the FRA in the first half of 2013. This included - The review and management of approximately 330 subdivision accessway, and road use consents. - The development of the asset management plan - Liaison with WAF, FEA and TfL on services and road opening
(a) Network Controls	6	460,870	170,000	178,063	78,063		78,063	- Liaison with LTA on road safety,
(b) Asset Management Plan	6	173,913	180,000	403,259	323,259		323,259	- The start of the development of new processes and standards to ensure consistent application and
(c) Safety Management Plan	6	86,957	87,000	87,000	-		-	treatment of activities that impact on the safe and
(d) Project Management and Reporting	6	469,565	470,000	960,166	705,166		705,166	efficient operation of the road network
(e) Budget and Corporate Plan	6	173,913	50,000	50,196	196		196	- Assistance with the management of the Quarries and
(f) General Support	6	260,870	550,000	976,558	736,558		736,558	Laboratories
Laboratories' Operation Costs to March	10	173,913	174,000	148,937	76,532		76,532	- Change Management support
Quarries Costs	10		900,000	489,426	424,426		424,426	- Assistance with the 2012 Corruption Enquiries
Contingency (saying for carry over issues)	10	173,913	6,292,508	6,085,295	3,544,571		3,544,571	- Development of the 2014 budget
Value Added Tax (VAT)		296,087	1,331,026	1,406,835	883,316	-	883,316	
Total - Management		2,270,000	10,204,534	10,785,735	6,772,087	-	6,772,087	
Funded By:								
Government Grant - Operating	6	1,626,087	1,507,000	2,655,242	1,843,242	-	1,843,242	
Government Grant - Capital	10	347,826	7,366,508	6,723,658	4,045,529	-	4,045,529	
Municipal Councils	MC							
Loan Fund	DP							
Value Added Tax (VAT)	VAT	296,087	1,331,026	1,406,835	883,316	-	883,316	
TOTAL		2,270,000	10,204,534	10,785,735	6,772,087	-	6,772,087	

3. MAINTENANCE

ACCOUNT MAINTENANCE	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
MAINTENANCE								
Sealed Roads – Pavements and Surfaces								There has been significant maintenance activity in the first half of 2013. A significant improvement in pothole management and treatment has been achieved in the Central and Western Divisions. More work is needed on this in North. In total there have been more than 200,000 potholes filled
	6	7,473,043	8,936,126	7,473,000	5,875,728		5,875,728	
	10		16,844,231	16,484,009	9,054,875		9,054,875	Larger digouts and rip and remake repairs are now routine. This should see a reduction in both pothole repairs and roughness. There has been a considerable improvement in road marking with the Queens and Kings Roads having been remarked and improvements being made in Suva, Nadi and Lautoka.
	MC	2,613,913	4,001,081				-	
	MC			2,807,000	1,462,046		1,462,046	
	10			1,666,081			-	
Municipal Council's - Delegations	MC			3,589,000			-	
Unsealed Roads – Pavements and Surfaces								
	6	782,609	5,555,821	2,569,719	289,719		289,719	Many sections of unsealed road are proving difficult to manage as they have inadequate gravel and foundation. Contractors are grading these but additional investment is required to ensure roads are sustainable.
	10		6,289,097	9,661,584	7,381,584		7,381,584	
Outer Islands Roads								
	6		1,585,806	1,612,068	1,612,068		1,612,068	
	10		1,412,425	1,612,000			-	



3. MAINTENANCE (cont.)

ACCOUNT MAINTENANCE	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
Drainage								
	6	652,174	1,762,122	1,648,219	158,219		158,219	
	10		1,678,726	1,379,184	999,184		999,184	
Environmental Maintenance								The new maintenance contractors still need to improve their rural responsiveness and vegetation control management. This will be a focus of the second half of the year.
	6	1,334,783	416,026	1,335,000	782,324		782,324	
	10		1,473,024	297,300	174,221		174,221	
Traffic Lights								A new Traffic Signals and Street light Contract has been awarded and road users will start to see improvements from in the final quarter of the year.
	6	434,783	174,939	435,000			-	
	10		261,000	-			-	
Street Lights - Maintenance								
	6	869,565	642,895	870,000	739		739	
	10		230,000	-			-	
Street Lights - Power Charges	MC			2,000,000				
Bridges and Structures								Almost all bridges have now been inspected and routine works are now being programmed on a regular basis.
	6	413,043	36,281	422,561	153,439		153,439	
	10		376,000	- 53,700	- 70,140		- 70,140	
Traffic Services (Signs and Road Markings etc.)								
	6	4,086,957	256,269	1,109,021	109,021		109,021	
	10		3,265,000	1,922,491	922,491		922,491	
Network and Asset Management	10	3,140,870	1,216,310	503,000	-		-	
Materials' Testing	6	434,783	50,000	50,000	5,129		5,129	



3. MAINTENANCE (Cont.)

ACCOUNT MAINTENANCE	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
Jetties	10		652,000	652,000	26,684		26,684	
(a) Nabuwalu		130,435	-	-	-		-	The inspection of all these Jetties will be completed by the end of July and repairs scheduled as appropriate. Inspections to date have highlighted repair needs consistent with the estimates. An analysis of the PWD and other records have now highlighted many more Jetties than originally identified in the establishment of the FRA and these
(b) Savusavu		69,565	-	-	-		-	
(c) Vonua Balavu		86,957	-	-	-		-	
(d) Koro		86,957	-	-	-		-	
(e) Moala		86,957	-	-	-		-	
(f) Nawaikama		104,348	-	-	-		-	
(g) Lovonivonu		86,957	-	-	-		-	
Municipal Council's Loan Charges	MC			1,212,000				
				-				
Value Added Tax (VAT)		3,433,304	8,567,276	10,125,373	5,369,192		5,369,192	
Total - Maintenance		26,322,000	65,682,453	71,381,910	34,306,523	-	34,306,523	
Funded By:								
Government Grant - Operating	6	16,481,739	19,416,283	17,524,588	8,986,387	-	8,986,387	
Government Grant - Capital	10	3,793,043	33,697,812	34,123,949	18,488,899	-	18,488,899	
Municipal Councils	MC	2,613,913	4,001,081	9,608,000	1,462,046	-	1,462,046	
Loan Fund	DP							
Value Added Tax (VAT)	VAT	3,433,304	8,567,276	10,125,373	5,369,192	-	5,369,192	

Notes:

Natovi Jetty	This Jetty is in very poor repair and has been closed since June. Urgent repairs and renewals to the value of ~\$1M will be undertaken this year using some of the available Jetty Renewal funds.
Rotuma Jetty Investigations	This Jetty has a major design deficiency that results in sand accumulation preventing its intended use. A study will be conducted with a view to remedial works being identified for 2014.
Qarani Jetty (Gau Island)	The FRA have been asked to look at starting the construction of this project using transferred Ministry of Rural and Marine Development Funds. There are significant problems with the selected site and this too will be reassessed.

4. FLOOD DAMAGE

ACCOUNT FLOOD DAMAGE	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
FLOOD DAMAGE								
Emergency Response Contingency		8,695,652	9,797,939		4,813,915		4,813,915	
General Flood Damage as at 30 June 2013	10			2,246,364		54,551	54,551	
Nayawa	10			739,130			-	
Bavu	10			400,000			-	
Yadua	10			1,186,000		517,000	517,000	
Storm Recovery Bridge Approach Work	10			1,996,000		1,996,000	1,996,000	
Wailoa Completion	10			500,000			-	
Nabukavesi Culvert Renewal	10			800,000			-	
Balance for 2013 Events	10			1,930,445			-	
				-			-	
ADB Flood Rehabilitation		-	-	-			-	
(a) Regravelling Monasavu and Nadarivatu Roads		-	-	-			-	on track
· ADB Share	DP	1,793,913	2,056,146	2,054,896	244,896	195,581	440,477	
· Local Share	10	353,913	293,735	292,985	34,985	27,940	62,925	
(b) Regravelling Koronivia, Lokai and Toga Roads		-	-	-			-	on track
· ADB Share	DP	397,391	960,775	385,826	385,826		385,826	
· Local Share	10	106,957	137,254	55,118	55,118		55,118	
(?) Rakiraki to Tavua Road				-			-	
· ADB Share	DP			544,968		544,968	544,968	
· Local Share	10			77,852		77,852	77,852	
(c) Land Stabilisation Wailevu Wainibuku Slip		-		-			-	This project has been cancelled as a result of two issues 1) an inappropriate design solution and 2) in sufficient funds as a result of additional expenditure required elsewhere.
· ADB Share	DP	610,435	-	-	-		-	
· Local Share	10	137,391	-	-	-		-	

4. FLOOD DAMAGE (Cont.)

ACCOUNT FLOOD DAMAGE	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
(d) Land Stabilisation Lomoloma Slip		-		-				An alternative design has been developed with a significant increase in cost. Tenders have been called and construction is expected to start by 1 September.
· ADB Share	DP	534,783	3,424,050	3,275,000	-		-	
· Local Share	10	95,652	489,150	468,325	-		-	
(e) Rakiraki Bridge		-		-				The bridge and approach design has been reworked and this project is now on track for completion by February 2014
· ADB Share	DP	1,526,957	1,757,679	2,451,193	-	436,193	436,193	
· Local Share	10	281,739	251,097	350,458	-	62,313	62,313	
(f) Nomado Bridge		-		-				This project has been cancelled.
· ADB Share	DP	153,043	-	-	-		-	
· Local Share	10	31,304	-	-	-		-	
(g) Fiji Water Authority Works		-		-				This project is managed by WAF. FRA's involvement is to process payment certificates through to MoF and ADB upon certification by the Engineer to the Contract.
· ADB Share	DP	8,026,957	4,231,000	3,000,000	-		-	
· Local Share	10	732,174	79,435	79,435	79,435		79,435	
Value Added Tax (VAT)		3,521,739	3,521,739	2,872,937	483,508		483,508	
Total - Flood Damage		27,000,000	27,000,000	25,706,932	6,097,684	3,912,399	10,010,082	
Funded By:								
Government Grant - Operating	6							
Government Grant - Capital	10	10,434,783	11,048,610	11,122,112	4,983,453	2,735,656	7,719,110	
Municipal Councils	MC							
Loan Fund	DP	13,043,478	12,429,650	11,711,883	630,722	1,176,742	1,807,464	
Value Added Tax (VAT)	VAT	3,521,739	3,521,739	2,872,937	483,508	-	483,508	
TOTAL		27,000,000	27,000,000	25,706,932	6,097,684	3,912,399	10,010,082	

5. RENEWALS AND REPLACEMENTS

ACCOUNT RENEWALS AND REPLACEMENTS	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
RENEWALS AND REPLACEMENTS								
Reseals	10	26,956,522	10,207,249	10,207,249	604,471		604,471	The maintenance contractors have now started their renewals and reseals programs after concentrating on establishing supply chain and design in the first half of the year. Achievements to date include 5km of reseals, 7km of sealed road renewals and 12km of unsealed road resheeting. More than 50% of the network has been remarked. The amount of investigation and design required to develop robust bridge solutions means that surplus money will be reallocated to sealed and unsealed road
Unsealed Roads' Resheeting	10	13,130,435	12,177,835	16,527,835	7,041,465		7,041,465	
Drainage Renewals	10	1,304,348	2,226,351	3,226,351	2,339,674		2,339,674	
Pavement Rehabilitation by Maintenance Contractors	10	19,130,435	12,918,944	18,338,959	6,079,641		6,079,641	
Pavement Rehabilitation by Others	10	7,826,087	224,973	250,030	250,030		250,030	
Design Services for Pavement Rehabilitation by Others	10	260,870	-	13,889	13,889		13,889	
Street Lighting	10	2,608,696	2,600,000	2,600,000			-	
Materials' Testing	10	434,783	435,000	200,000			-	
Bridge Renewals and Replacements	10	13,678,261	13,431,316	6,043,529	432,887		432,887	
Structural Bridge Repairs	10	3,130,435	3,155,817	3,193,604	297,156		297,156	
Jetties	10	-	4,950,000	2,000,000			-	A tender for an investigation into options for Valaga Bay will be called in early August. This will confirm whether further design and construction is justified. The initial focus will be on creating a facility to allow the RORO facility in Savusavu to be relocated. Tenders for a scoping study for Mid Point Jetty will be called by year end.
(a) Mid Point/Balagu Bay	10	3,478,261	-	-			-	
(b) Vitogo - Naviago Village - New Irish Crossing	10	826,087	-	-			-	The investigation and design of this crossing will be completed by June and the work started in 2013
Laboratories' Renewals	10	478,261	480,000	480,000			-	
To be allocated	10	5,530,435	6,389,180	2,600,000			-	
To be allocated	MC	2,603,478	1,216,310				-	
Supervision Fees	10	1,826,087	-	2,000,000			-	
Value Added Tax (VAT)		15,480,522	10,561,946	8,365,882	772,546		772,546	
Total - Renewals and Replacements		118,684,000	80,974,922	76,047,328	17,831,759	-	17,831,759	
Funded By:								
Government Grant - Operating	6							
Government Grant - Capital	10	100,600,000	69,196,665	67,681,446	17,059,212	-	17,059,212	
Municipal Councils	MC	2,603,478	1,216,310	-	-	-	-	
Loan Fund	DP							
Value Added Tax (VAT)	VAT	15,480,522	10,561,946	8,365,882	772,546	-	772,546	
TOTAL		118,684,000	80,974,922	76,047,328	17,831,759	-	17,831,759	

6. NEW CAPITAL – GOVERNMENT GRANTS

ACCOUNT NEW CAPITAL - GOVERNMENT GRANTS	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
NEW CAPITAL - GOVERNMENT GRANTS								
PROVINCIAL RURAL ROADS								
(a) Naitala Village Access Road (CD)	10	238,261	238,000	238,000	-		-	Investigation and design is almost complete for all these roads. This has shown that in some cases the full road construction will not be possible for the budgeted amounts. In those cases agreement will be reached with the Ministry of Rural Development on how to stage construction so that the expenditure is met while achieving maximum benefit to the people of Fiji.
(b) Wainadoi Road Upgrade and Drainage (CD)	10	168,696	169,000	169,000	-		-	
(c) Ginger Farm Road (CD)	10	200,000	200,000	260,000	-		-	
(d) Veinuqa Road Grossing (CD)	10	586,087	586,000	470,442	-		-	
(e) Beqa Steep Hill (CD)	10	217,391	217,000	217,000			-	
(f) Daunikoro Farm Road (CD)	10	308,696	308,000	308,000	-		-	
(g) Low Level Grossing (CD)	10	373,913	374,331	378,331	4,331		4,331	
(h) Deuba Road Sealing (CD)	10	74,783	75,000	75,000	-		-	
(i) Matakana Access Road (WD)	10	608,696	609,000	609,000	-		-	
(j) Navaga Access Road (WD)	10	486,957	487,000	487,000	-		-	
(k) Nasauvarau Access Road (WD)	10	521,739	521,000	521,000	-		-	
(l) Nabunisoqosoqo Road (WD)	10	86,957	87,000	93,000	-		-	
(m) Sevaci/Korotasere Road (ND)	10	260,870	261,000	261,000	-		-	
(n) Taveuni Island Farm Road (ND)	10	260,870	262,000	292,000	-		-	
(o) Navonu/Natewa Farm Access Road (ND)	10	260,870	262,000	282,000	-		-	
(p) Namuavoivoi Road Access (ND)	10	391,304	391,000	391,000	-		-	
(q) Lagi/Nakusere Road Access (ND)	10	347,826	348,000	348,000	-		-	
(r) Nakoso Road (ND)	10	88,696	89,000	89,000	-		-	
(s) Koroinasolo Road (ND)	10	173,913	174,000	148,371	148,371		148,371	
(t) Momi Back Road (ND)	10	943,478	943,000	943,000	-		-	
(u) Moala Island Road (ND)	10	417,391	417,000	417,000	-		-	
(v) Baulevu Road (ND)	10	934,783	935,000	935,000	-		-	
(w) Nausori Airport to Island (CD)	10	500,000	500,000	500,000	-		-	
(x) Ovalau Island Circular Road (ED)	10	521,739	521,000	148,000	148,000	-	148,000	
(y) Kilaka Niudua Road Upgrade	10			300,000			-	
(z) Vunilagi Lea Road Upgrade	10			431,719			-	
Subtotal - Provincial Rural Roads		8,973,913	8,974,331	9,311,863	300,702	-	300,702	

6. NEW CAPITAL – GOVERNMENT GRANT (Cont.)

ACCOUNT NEW CAPITAL - GOVERNMENT GRANTS	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
SUVA TRANSPORTATION URBAN IMPROVEMENTS								
(a) Intersection Improvements	10	1,000,000	1,001,528	1,031,528	31,528		31,528	Planning is well underway for a series of intersection improvements associated with renewals in Lami, the Suva CBD and at Laucala Bay Road
(b) Traffic Lights Improvements	10	1,156,522	1,150,000	1,150,000	-		-	
(c) Study Review - Regional Road CBD Model	10	434,783	435,000	200,000	-		-	Tenders will shortly be called for a transportation model of the Suva CBD that will assist both planning future works and traffic operations management.
(d) Lami Town By Pass Investigations	10	434,783	433,751	368,751	18,751		18,751	A scoping study has highlighted that a full bypass is not warranted for some time yet. However improvements at the various intersections along the road – most notably by providing for right turn movements should be undertaken with the renewal through Lami and these funds can contribute to that.
(e) Harris Road Upgrade	10	3,078,261	3,071,768	3,023,436	23,436		23,436	Design is complete and a foamed bitumen solution will now be implemented in the third quarter.
(f) Kings Road - Samabula - Nakosi Improvements	10	1,521,739	1,521,485	781,485	31,485		31,485	A variety of treatments including some minor intersection improvements, street lighting and improvements to bus stop configuration will be completed in the third and fourth quarter.
(g) Kings Road - Street Lighting	10	434,783	435,000	435,000	-		-	Lengths for street light improvement have been identified and will be assigned to the newly appointed traffic and street light contractor.
Subtotal - Suva Transportation Study		8,060,870	8,048,531	6,990,199	105,199	-	105,199	



6. NEW CAPITAL – GOVERNMENT GRANT (Cont.)

ACCOUNT NEW CAPITAL - GOVERNMENT GRANTS	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
OTHER CAPITAL IMPROVEMENTS				-			-	
(a) Koro Island/Vanua Levu - Weighing Station	10	-	135,962	5,962	5,962		5,962	Not proceeding
(b) Ratu Dovi Road - Investigation and Design	10	113,043	755	755	755		755	Work planned for the second half of 2013
(c) Fiji Decade of Road Safety Improvements	10	-	70,000	76,986		6,985	6,985	The majority of this work is scheduled for the second half of this year and it will include 600km of roadmarking, 3 Village Treatments and a series of mass actions including some guardrail and signs improvements.
(i) Safety Audits	10	69,565	420,000	420,000			-	
(ii) Black Spots' Improvements	10	378,261	155,000	155,000			-	
(iii) RAPs	10	4,348	313,000	313,000			-	
(iv) Village Treatments	10	313,043	437,000	437,000			-	
(v) Mass Action Plans	10	504,348	137,000	137,000			-	
(vi) Traffic Management Plans	10	173,913	73,000	73,000			-	
(d) Ministerial Requests	10	-	260	260	260		260	Not proceeding
(e) Peri Urban Footpaths	10	-	-	-			-	Not proceeding
(f) General Street Lighting Improvements	10	-	-	-			-	Not proceeding
(g) Sigatoka to New Project Start	10	-	-	-			-	Not proceeding
(h) Nausori Airport Extension	10	-	4,916	10,033	10,033		10,033	Not proceeding



6. NEW CAPITAL – GOVERNMENT GRANT (Cont.)

ACCOUNT NEW CAPITAL - GOVERNMENT GRANTS	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
(i) Nadi - Lautoka	10	347,826	348,000	348,000	-		-	
(j) Labasa By Pass	10	-	-	-			-	A scoping study has confirmed the need and justification for a bypass – further detailed investigations are needed to confirm route, costs and economics.
(k) New Capital Works associated with renewals	10	1,826,087	1,826,000	1,826,000			-	This work includes kerb and channel work, local widening, sign and lighting improvements on a number of the more significant renewal projects including Laucala Bay Road, Lami and Queens Road, Victoria Parade and other projects.
Subtotal - Other Capital Improvements		3,730,435	3,920,893	3,802,996	23,995	-	23,995	
Value Added Tax (VAT)		3,114,783	3,141,563	3,010,218	58,944		58,944	
Total - New Capital - Government Grant		23,880,000	24,085,319	23,115,276	488,841	-	488,841	
Funded By:								
Government Grant - Operating	6							
Government Grant - Capital	10	20,765,217	20,943,755	20,105,058	429,897	-	429,897	
Municipal Councils	MC							
Loan Fund	DP							
Value Added Tax (VAT)	VAT	3,114,783	3,141,563	3,010,218	58,944	-	58,944	
TOTAL		23,880,000	24,085,319	23,115,276	488,841	-	488,841	



7. NEW CAPITAL – LOAN FUNDED

ACCOUNT NEW CAPITAL - LOAN FUNDED	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
							-	
NEW CAPITAL - LOAN FUNDED							-	
EXIM BANK OF CHINA							-	
(a) Buca Bay/Moto Road							-	It has been a slow start for the year on these projects as the FRA has enforced the contract specification standards around basecourse and subbase construction and sealing. Options for acceptable alternative materials have been developed which should allow the contractor to recommence works at a more appropriate rate.
· Loan	DP	20,869,565	32,125,645	26,846,536	7,391,972	4,315,414	11,707,386	
· Local Share	10	2,608,696	88,172	782,638	222,638		222,638	
(b) Sigatoka/Serea Road		-		-			-	The Contractor has made some dramatic improvements in site management on the Serea Road. The FRA is investigating reducing the design width to bring the project in on budget.
· Loan	DP	19,130,435	30,434,783	36,000,000		5,842,024	5,842,024	
· Local Share	10	2,547,826	54,060	346,421	106,421		106,421	
(c) Nabouwalu - Dreketi		-		-			-	The Contractor has established on site and has started earthworks. Supervision and Quality Control regimes have been established.
· Loan	DP	69,565,217	38,260,870	33,536,232	-	2,285,363	2,285,363	
· Local Share	10	2,391,304	55,392	2,248,903	208,903		208,903	
Subtotal - EXIM Bank of China		117,113,043	101,018,922	99,760,730	7,929,934	12,442,801	20,372,734	



7. NEW CAPITAL – LOAN FUNDED (Cont.)

ACCOUNT NEW CAPITAL - LOAN FUNDED	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
EXIM BANK OF MALAYSIA AND INTERNAL BORROWINGS								
(a) Nakasi - Nausori Road				-			-	These two projects will now be delivered through four separate construction contracts and funded locally. This will help ensure the project progresses on time and to the right quality. Tenders for the first two contracts are programmed for September with construction starting in the 3 rd Quarter
· Loan	DP	13,043,478	10,539,218	3,050,653	-		-	
· Local Share	10	2,173,913	2,658,005	2,658,005	358,658		358,658	
				-				
(b) Nadi Widening		-		-			-	See Nakasi - Nausori Road
· Loan	DP	13,043,478	13,043,478	11,945,261	-		-	
· Local Share	10	2,421,739	2,362,481	2,362,481	427,742		427,742	
(c) Queens Highway		-		-			-	Slow progress on this contract means that the remainder of this contract will now be funded locally. The positive side of this is that this has allowed the FRA to develop more appropriate technical solutions and alternative contractors for the renewal of the heavily trafficked urban streets in Suva. The works will now be completed in 2013.
· NAIM Construction - EXIM Bank	DP	34,782,609	47,783,299	11,612,877	11,612,877		11,612,877	
· NAIM Construction - Internal Borrowings	DP	2,286,957	-	15,800,000			-	
· Other Work - Internal Borrowings	DP			19,638,923	538,923		538,923	
Subtotal - EXIM Bank of Malaysia		67,752,174	76,386,482	67,068,200	12,938,200	-	12,938,200	



7. NEW CAPITAL – PRINCIPALLY LOAN FUNDED

ACCOUNT NEW CAPITAL - PRINCIPALLY LOAN FUNDED	Funding Source	Original Budget	Current Budget	Required Amended Budget	Paid to Date	Committed to Date	Spent & Committed to Date	
ASIAN DEVELOPMENT BANK (FRUP III)								
(a) King's to Lodon - Nadaro to Korovou							-	This project will be completed on time and to budget.
· Construction - Loan	DP	2,713,043	3,341,489	3,154,857	754,857		754,857	
· Design, Supervision, and Materials Testing	10	898,261	788,638	753,322	113,322		113,322	
(b) Naqia & Wainiboa Bridges		-		-			-	
· Loan	DP	312,174	-	1,137,500	-		-	
· Local Share	10	2,580,000	-	162,500			-	
(c) King's to Lodon - Waitoa to Wailotua		-		-			-	The project is now complete and allowance has been made to cover historical claims still being assessed
· Loan	DP	3,486,957	-	-	-		-	
· Construction - But No Loan Available	10	869,565	2,514,286	6,514,286	2,514,286		2,514,286	
(d) King's to Lodon - Wailotua to Nayavu		-		-			-	
· Construction - Loan	DP	2,183,478	4,215,480	6,715,480	4,215,480		4,215,480	
· Design, Supervision, and Materials Testing	10	-	629,963	915,690	915,690		915,690	
(d) King's to Lodon - Gravel Supply				-			-	
· Fairdeal Metal Supply Extras	10			300,000			-	
				-			-	
							-	
Subtotal - ADB Bank		13,043,478	11,489,855	19,353,635	8,513,635	-	8,513,635	
Value Added Tax (VAT)		29,686,304	28,334,289	27,927,385	4,734,098		4,734,098	
Total - New Capital - Principally Loan Funded		227,595,000	217,229,548	214,109,949	34,115,866	12,442,801	46,558,666	
Funded By:								
Government Grant - Operating	6							
Government Grant - Capital	10	16,491,304	9,150,997	16,744,245	4,867,659	-	4,867,659	
Municipal Councils	MC							
Loan Fund	DP	181,417,391	179,744,263	169,438,319	24,514,109	12,442,801	36,956,909	
Value Added Tax (VAT)	VAT	29,686,304	28,334,289	27,927,385	4,734,098	-	4,734,098	
TOTAL		227,595,000	217,229,548	214,109,949	34,115,866	12,442,801	46,558,666	



APPENDICES

<i>Appendix 1 – List of Historical Claims</i>	<i>p31</i>
<i>Appendix 2 – Expenditure Statement for the Period Ending 30 June 2013</i>	<i>p32</i>
<i>Appendix 3 – Laboratories and Quarries Expenditure Statement</i>	<i>p40</i>



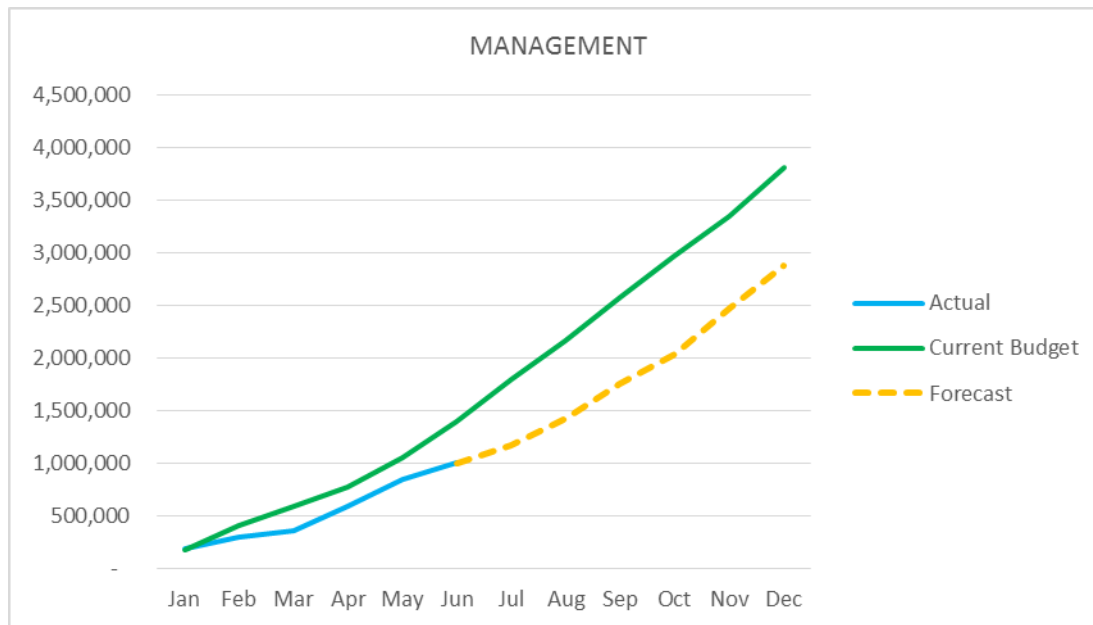
Appendix 1 – List of Historical Claims

VENDOR	AMOUNT	Likely Settlement	Likely to be paid in 2013	Claims already paid in 2013	Balance 2014
Bula Earthworks Ltd	5,158.12	5,158.12	5,158.12		-
BW Holdings	300,000.00	100,000.00			100,000.00
Coastal Development	6,332.45	6,332.45	6,332.45		-
Dayals Quarries Limited	378,820.50	378,820.50	378,820.50		-
FIRCA	1,501.60	1,501.60	1,501.60		-
Government Printing	6,565.50	6,565.50	6,565.50		-
Hiway Stabilizers	966,963.36	800,000.00	400,000.00	152,446.74	247,553.26
Hussains Hire Plant	6,510.92	6,510.92	6,510.92		-
Imagining Technolgies	629.10	629.10	629.10		-
Industrie Safety & Civil Limited	17,940.00	17,940.00	17,940.00	17,940.00	-
Intercontinental Consultants & technocr	20,589.00				-
Jagdish Prasad	3,886.31	3,886.31	3,886.31	3,886.31	-
Joep Tawake	596.00	596.00	596.00		-
K Lal & Sons	5,369.80	5,369.80	5,369.80		-
Kesho's Plant Hire	1,706.67	1,706.67	1,706.67		-
Khans Hire Plant	1,200.00	1,200.00	1,200.00		-
Ledua Transport	5,976.43	5,976.43	5,976.43		-
Mobile Crane Hire Services Ltd	254,367.38	254,367.38	254,367.38		-
Namena Tikina Council	10,000.00	10,000.00			10,000.00
Orica Fiji Ltd	7,110.00	7,110.00	7,110.00		-
Pacific Pipelines & Roadcare Equip Ltd	1,163.64	1,163.64	1,163.64		-
Pacific Quality Cleaners	73,542.58	73,542.58	73,542.58		-
Quarry Landowners	1,600,000.00	1,600,000.00			1,600,000.00
Ramesh Crane Hire	29,378.71	29,378.71	29,378.71		-
Renus Hire	5,806.84	5,806.84	5,806.84		-
Roughton	250,000.00	125,000.00			125,000.00
Standard Concrete Industries Ltd	6,700,000.00	2,000,000.00			2,000,000.00
Suva City Council	65,135.02	65,135.02			65,135.02
Technix Bitumen Pacific Limited	7,000.00	7,000.00	7,000.00	7,000.00	-
Telecom Fiji Ltd	5,283.04	5,283.04	5,283.04		-
TF Jan	2,547,074.75	2,000,000.00			2,000,000.00
Trucking Supplies	43,792.08	43,792.08	43,792.08		-
Valebosoga Quarries	4,426.80	4,426.80	4,426.80		-
Varata Civil Engineering Limited	2,967.00	2,967.00	2,967.00		-
Viti Civil Contractors	3,280.00	3,280.00	3,280.00		-
Vuksich & Borich (Fiji) Ltd	4,346,418.76				-
Waimanu Trucking & Buldozing Ltd	60,412.00	60,412.00	60,412.00		-
					-
TOTAL	17,746,904.36	7,640,858.49	1,340,723.47	181,273.05	6,147,688.28

Appendix 2 – Expenditure Statement for the Period Ending 30 June 2013

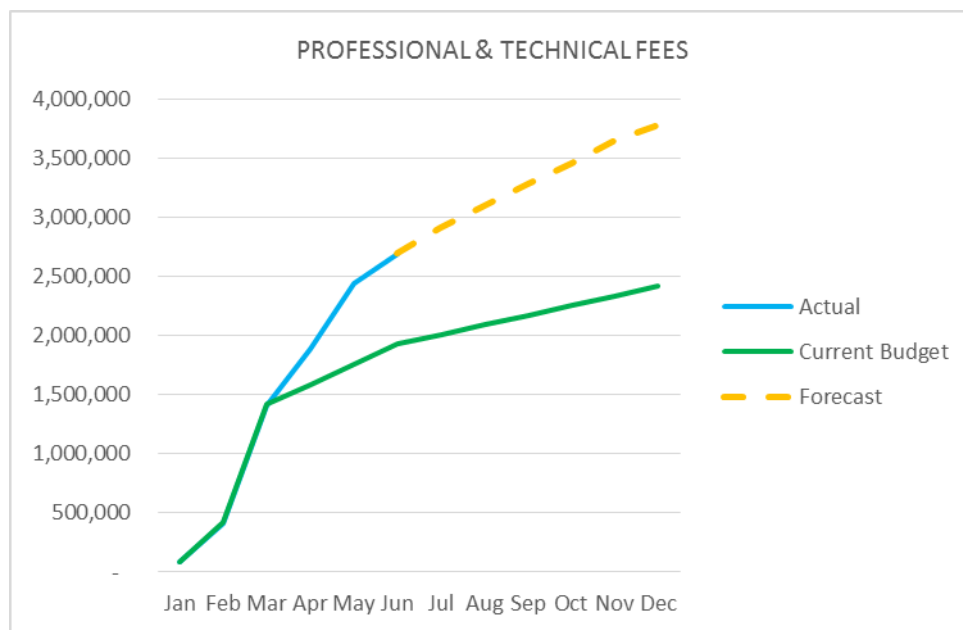
MANAGEMENT

MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	538,663	560,667	571,667	364,667	369,667	369,667	369,667	356,667	360,667	365,667	365,667	366,667	4,959,997
	Actual	182,976	110,236	59,876	237,486	261,918	152,552	-	-	-	-	-	-	1,005,044
	Current Budget	178,144	231,214	176,872	187,304	285,688	333,311	403,685	370,335	415,370	388,481	382,020	462,871	3,815,294
	Forecast							168,817	257,175	331,172	270,984	449,899	401,734	1,879,781
Cumulative	Org. Budget	538,663	1,099,330	1,670,997	2,035,663	2,405,330	2,774,997	3,144,663	3,501,330	3,861,997	4,227,663	4,593,330	4,959,997	
	Actual	182,976	293,213	353,088	590,574	852,492	1,005,044							
	Current Budget	178,144	409,358	586,230	773,534	1,059,221	1,392,533	1,796,218	2,166,553	2,581,923	2,970,403	3,352,423	3,815,294	
	Forecast						1,005,044	1,173,861	1,431,036	1,762,208	2,033,192	2,483,091	2,884,825	



PROFESSIONAL AND TECHNICAL SERVICES

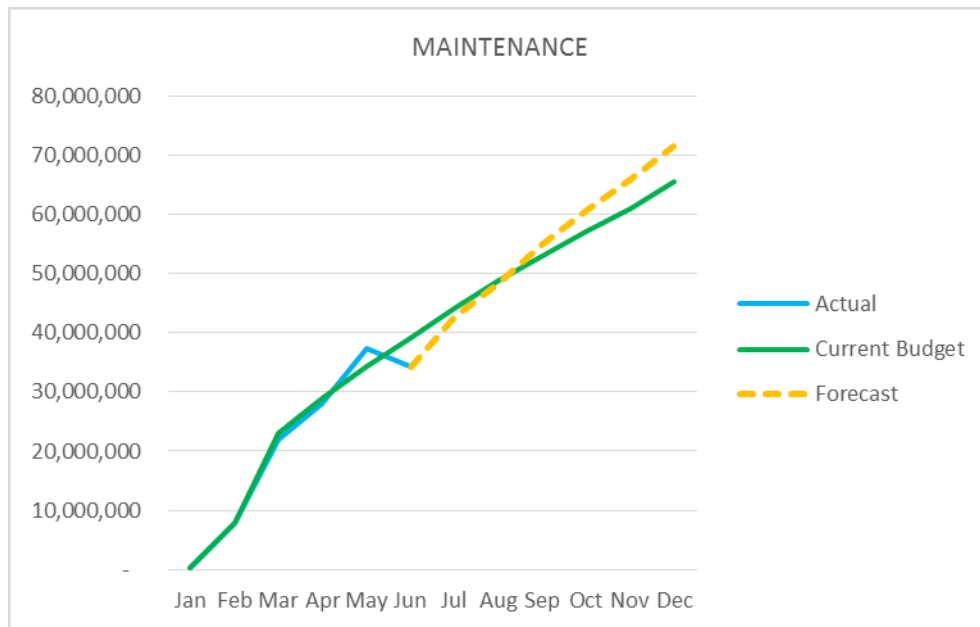
P&T		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual	82,671	333,557	989,557	478,827	559,810	251,408							2,695,830
	Current Budget	82,671	335,894	997,781	169,288	174,931	169,288	82,138	82,138	79,489	82,138	79,489	82,138	2,417,382
	Forecast							222,179	177,329	189,526	176,179	196,426	130,179	1,091,816
Cumulative	Org. Budget	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual	82,671	416,228	1,405,785	1,884,612	2,444,422	2,695,830							
	Current Budget	82,671	418,566	1,416,347	1,585,634	1,760,565	1,929,853	2,011,991	2,094,128	2,173,617	2,255,755	2,335,244	2,417,382	
	Forecast						2,695,830	2,918,008	3,095,337	3,284,863	3,461,041	3,657,468	3,787,646	



Specific professional fees and services is a new header extracted from the management budget line and various others. The actual budget line on the graph shows the original budget allocated but did not account for the embedded costs in management, projects and maintenance areas. There is no intention to spend more on professional services than originally budgeted.

MAINTENANCE

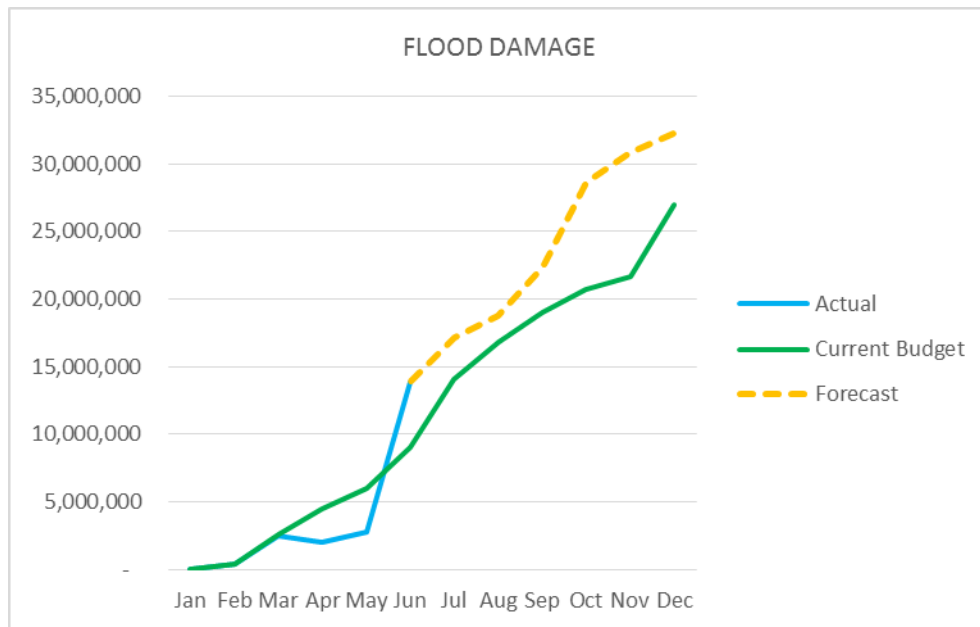
MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	2,131,000	2,131,000	2,201,000	2,131,000	2,161,000	2,221,000	2,211,000	2,211,000	2,241,000	2,281,000	2,221,000	2,181,000	26,322,000
	Actual	186,739	7,637,137	14,048,420	6,254,681	9,156,521	-	2,976,973	-	-	-	-	-	34,306,523
	Current Budget	212,533	7,656,974	15,071,844	6,047,081	5,400,334	4,743,432	5,038,544	4,783,244	4,083,584	4,021,033	4,003,545	4,620,303	65,682,453
	Forecast							8,379,719	5,710,659	6,591,723	5,669,689	5,280,660	5,534,636	37,167,086
Cumulative	Org. Budget	2,131,000	4,262,000	6,463,000	8,594,000	10,755,000	12,976,000	15,187,000	17,398,000	19,639,000	21,920,000	24,141,000	26,322,000	
	Actual	186,739	7,823,876	21,872,295	28,126,976	37,283,497	34,306,523							
	Current Budget	212,533	7,869,507	22,941,351	28,988,431	34,388,766	39,132,198	44,170,743	48,953,987	53,037,572	57,058,604	61,062,150	65,682,453	
	Forecast						34,306,523	42,686,242	48,396,901	54,988,624	60,658,313	65,938,973	71,473,609	



Over coming months the forecast will be refined such that over expenditure does not occur. Maintenance programmes are developed on a month by month basis and can be tailored to available budgets.

FLOOD DAMAGE

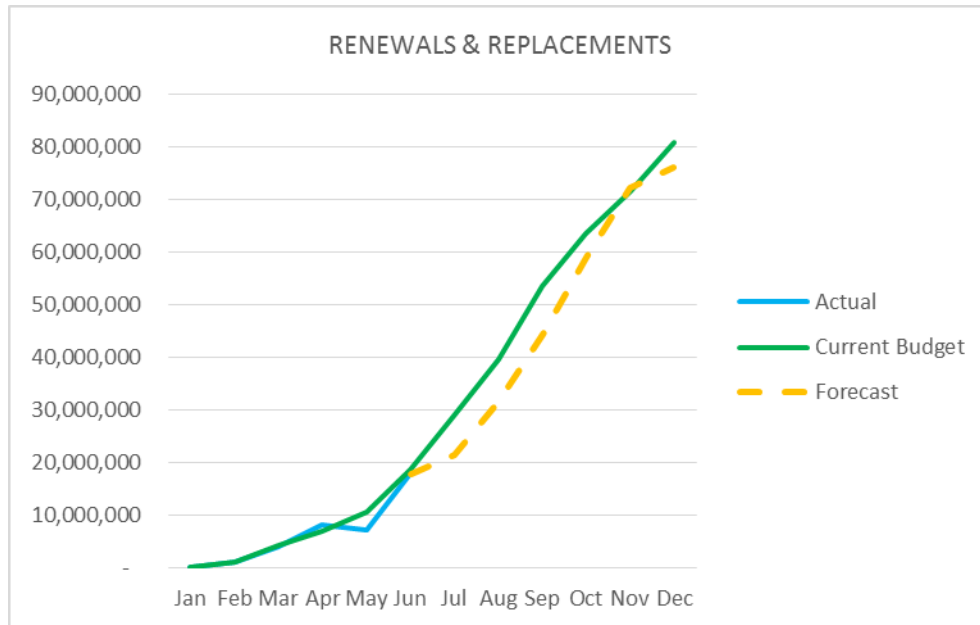
MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	1,200,000	2,632,000	2,144,000	4,250,000	3,985,000	2,409,000	2,024,000	1,775,000	1,600,000	1,602,000	1,400,000	1,979,000	27,000,000
	Actual	-	344,745	2,169,830	- 508,312	796,541	11,119,677	-	-	-	-	-	-	13,922,482
	Current Budget	-	344,745	2,252,174	1,861,502	1,495,000	3,115,889	5,027,897	2,727,897	2,152,897	1,692,897	1,002,897	5,326,203	27,000,000
	Forecast							3,271,151	1,621,500	3,557,882	6,280,908	2,135,356	1,452,156.00	18,318,953
Cumulative	Org. Budget	1,200,000	3,832,000	5,976,000	10,226,000	14,211,000	16,620,000	18,644,000	20,419,000	22,019,000	23,621,000	25,021,000	27,000,000	
	Actual	-	344,745	2,514,575	2,006,263	2,802,804	13,922,482							
	Current Budget	-	344,745	2,596,919	4,458,421	5,953,421	9,069,310	14,097,207	16,825,105	18,978,002	20,670,899	21,673,796	27,000,000	
	Forecast						13,922,482	17,193,633	18,815,133	22,373,015	28,653,923	30,789,279	32,241,435	- 5,241,435



Over expenditure in this category will be off-set by reduction elsewhere. The forecast is higher than budget due to significant issues with designs for flood damage projects. For instance the Rakiraki bridge replacement project made no provision for a bypass in the original scope meaning Kings Road would have been impassable while the new bridge was constructed!

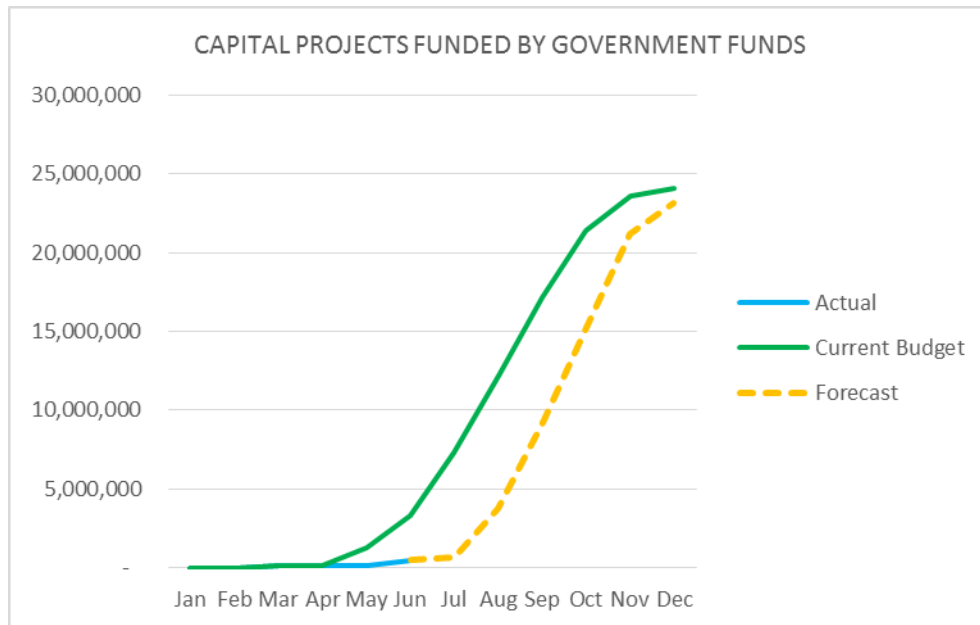
RENEWALS & REPLACEMENTS

MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	10,782,833	7,502,379	8,315,712	10,017,379	10,673,629	11,153,629	9,986,629	10,003,629	10,086,962	10,086,962	10,086,962	9,986,962	118,683,667
	Actual	-	901,805	2,937,769	4,162,328	- 907,838	10,692,739	-	-	-	-	-	-	17,786,804
	Current Budget	-	901,728	3,332,555	2,587,500	3,806,500	7,920,625	10,304,000	10,758,250	13,939,124	10,077,450	8,078,750	9,268,440	80,974,922
	Forecast							3,628,865	9,962,575	13,064,784	14,571,284	13,086,741	3,901,319	58,215,568
Cumulative	Org. Budget	10,782,833	18,285,212	26,600,924	36,618,303	47,291,932	58,445,561	68,432,189	78,435,818	88,522,780	98,609,742	108,696,705	118,683,667	
	Actual	-	901,805	3,839,575	8,001,903	7,094,065	17,786,804							
	Current Budget	-	901,728	4,234,283	6,821,783	10,628,283	18,548,908	28,852,908	39,611,158	53,550,282	63,627,732	71,706,482	80,974,922	
	Forecast						17,786,804	21,415,669	31,378,244	44,443,028	59,014,312	72,101,053	76,002,372	



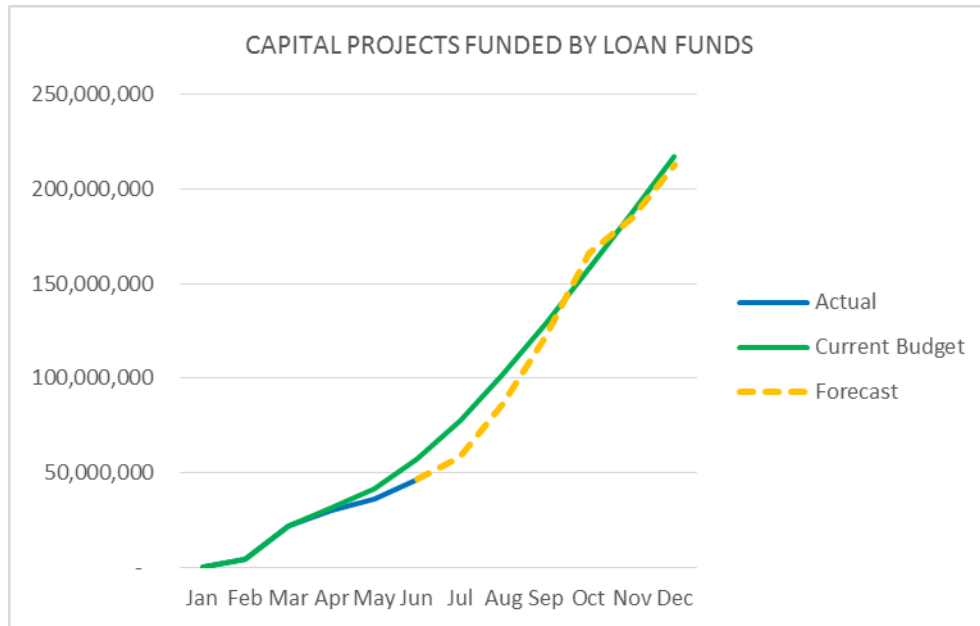
CAPITAL PROJECTS FUNDED BY GOVERNMENT FUNDS

MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	105,000	1,339,091	2,029,091	3,423,535	2,664,964	1,978,297	2,128,297	2,088,297	2,088,297	2,078,297	2,058,297	1,898,535	23,880,000
	Actual	-	-	149,219	15,204	14,643	340,183	-	-	-	-	-	-	488,841
	Current Budget	-	-	157,121	-	1,076,400	2,079,200	3,977,850	4,918,550	4,943,998	4,248,100	2,189,600	494,500	24,085,319
	Forecast							172,500	3,114,334	5,442,765	5,990,807	5,993,107	1,912,924	22,626,437
Cumulative	Org. Budget	105,000	1,444,091	3,473,182	6,896,717	9,561,681	11,539,978	13,668,276	15,756,573	17,844,870	19,923,167	21,981,465	23,880,000	
	Actual	-	-	149,219	134,015	148,658	488,841							
	Current Budget	-	-	157,121	157,121	1,233,521	3,312,721	7,290,571	12,209,121	17,153,119	21,401,219	23,590,819	24,085,319	
	Forecast						488,841	661,341	3,775,675	9,218,440	15,209,247	21,202,354	23,115,278	



CAPITAL PROJECTS FUNDED BY LOAN FUNDS

MGMT		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly	Org. Budget	16,633,000	16,440,000	8,350,000	19,755,000	18,500,000	18,630,000	25,351,000	24,629,000	24,450,000	26,107,000	15,250,000	13,500,000	227,595,000
	Actual	932	3,869,553	18,242,743	7,741,892	6,543,384	10,160,162	-	-	-	-	-	-	46,558,666
	Current Budget	1,072	3,997,727	17,930,460	9,398,034	10,111,638	15,945,161	19,955,376	24,300,344	27,668,086	28,190,667	30,240,316	29,490,667	217,229,548
	Forecast							11,786,505	28,332,000	35,358,500	43,791,841	18,604,674	28,138,174	166,011,694
Cumulative	Org. Budget	16,633,000	33,073,000	41,423,000	61,178,000	79,678,000	98,308,000	123,659,000	148,288,000	172,738,000	198,845,000	214,095,000	227,595,000	
	Actual	932	3,870,486	22,113,228	29,855,120	36,398,504	46,558,666							
	Current Budget	1,072	3,998,800	21,929,260	31,327,293	41,438,932	57,384,093	77,339,469	101,639,813	129,307,899	157,498,566	187,738,882	217,229,548	
	Forecast						46,558,666	58,345,171	86,677,171	122,035,671	165,827,512	184,432,186	212,570,360	



Considerable issues have been experienced in the first half of the year as FRA has demanded the specified quality of work from capital projects contractors. In many cases this has resulted in slow progress. Improvements are being seen such that current forecasts are to meet planned expenditure targets by the end of the year.

SUMMARY – Budget review in May 2013 (p13)

Heading	Original Budget	Revised Budget	Increase/ (Decrease)	% Change
	\$ VIP	\$ VIP	\$ VIP	
Management	4,960,000	13,469,059	(8,509,059)	(172)
Maintenance	26,322,000	65,682,453	(39,360,453)	(150)
Flood Damage	27,000,000	27,000,000	0	0
Renewals & Replacement	118,684,000	80,974,922	37,709,078	32
New Capital - Government	23,880,000	24,085,319	(205,319)	(1)
New Capital - Loan Fund	227,595,000	217,229,548	10,365,452	5
TOTAL	428,441,000	428,441,300	(300)	(0)

Appendix 3 – Laboratories and Quarries Expenditure Statement

Laboratory Operations

An income statement for Laboratories for the first half of the year is provided herewith:

**Fiji Roads Authority
Laboratory Income Statement
For the Period Ending 30 June 2013**

	Jun-13	YTD
		\$
Lab Revenue	70,775.72	139,022.57
Cost of Sales	1,373.83	6,072.28
<i>Gross Profit</i>	<i>69,401.89</i>	<i>132,950.29</i>
Expenses		
Payroll & Related Expense	54,160.86	251,568.24
Staff Travelling Expenses	1,356.52	4,864.39
Consulting Fees		3,475.43
Office Expenses	3,519.24	7,019.26
Building Costs	729.30	2,362.26
Maintenance & Operations Costs	1,496.18	3,646.83
Total Expenses	61,262.10	272,936.41
Net Profit/(Loss)	8,139.79	(139,986.12)

The laboratories reported a loss of \$139,986.12 in the first half of the year. However the revenue from the laboratories which were set up for specific projects has not been recorded for the first half of the year. This is an accounting issues that is being addressed as part of developing the business structure for the Laboratories.



Quarry Operations

An income statement for Quarries is provided below. Quarry operation have also reported loss (\$61,535.10) for the first half of the year. The operations of quarries has ceased with effect from 30 June 2013.

Fiji Roads Authority
Quarry Income Statement
For the Period Ending 30 June 2013

	Jun-13	YTD
		\$
Quarry Revenue	33,865.64	325,535.15
Cost of Sales	24,357.74	211,037.20
Gross Profit	9,507.90	114,497.95
Expenses		
Payroll & Related Expense	64,150.38	375,342.65
Staff Travelling Expenses		3,292.13
Motor Vehicle Expenses		415.00
Protective Clothing & Equipment	3,695.65	16,863.19
Office Expenses		7,795.70
Electricity/Gas	1,782.11	41,637.89
Maintenance & Operations Costs	1,163.48	80,158.44
Fuel & Oil	251.38	13,419.31
	71,043.00	538,924.31
Net Profit/(Loss)	(61,535.10)	(424,426.36)