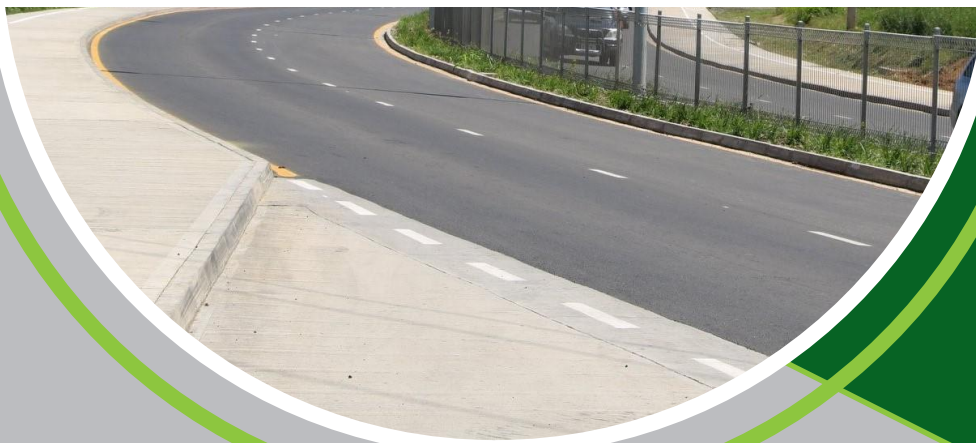


ANNUAL REPORT



2018 / 2019



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Executive Summary

Fiji Roads Authority is the organisation responsible for the planning, development and maintenance of Fiji's road infrastructure. The infrastructure primarily consists of approximately 6,438 km of roads and 1,389 bridges, 28 jetties and 9000+ streetlights.

FRA operates as a corporate body governed under the leadership of a Board. Most of FRA's roading assets are primarily managed through out-sourced contracts with the private sector.

With a view to achieving its goals, the FRA adopts sustainable procurement process whereby it meets its needs for goods and services in a way that achieves value for money on a whole-of-life basis, in terms of generating benefits not only to FRA, but also to society and the economy, whilst minimising damage to the environment.

During the 2018 / 2019 financial year, FRA was able to carry out maintenance work of around \$127 million on the roads, bridges and jetties. A further \$24 million was spent on emergency works.

Several asset renewal projects have also been carried out during the financial year on Fiji's roads, bridges and jetties costing approximately \$145 million.

Health and safety of personnel and contractors continues to be one of our priority areas. Whilst we understand that it will take several more years before we have established a fully measurable step regime, we are pleased to note that during the 2018 / 2019 financial year, we have managed to achieve our performance target for health and safety performance. We believe this could be a result of the initiatives put in place during prior / current years to improve the safety on Fiji roads such as the solar streetlights, railings, guardrails, streetlights and widening of footpaths.

Some of the challenges faced by the FRA in its project completion / continuance include resource availabilities and accelerated deterioration of roads due to wet weather conditions.

Notwithstanding the challenges, the 2018/2019 financial year has also seen an improvement in governance matters within the FRA, which was mostly attributable to the transition and restructure of FRA in the prior financial year.

“Having a well maintained road network that enables people to travel to their destination safely, efficiently and comfortably is fundamental to Fiji’s economy”

Lastly, the FRA endeavors to focus on building more resilience in its roads and bridges, as it understands that resilience is critical to the sustainability of the road network. Hence, the works on improving structures and heights of bridges have begun during the 2018 / 2019 financial year, which FRA seeks to focus and continue on going forward.

This annual report provides insight to the major achievements, completion of projects, challenges and analysis of the FRA's performance for the financial year 2018 / 2019.

OVERVIEW OF 2018/2019 FINANCIAL YEAR

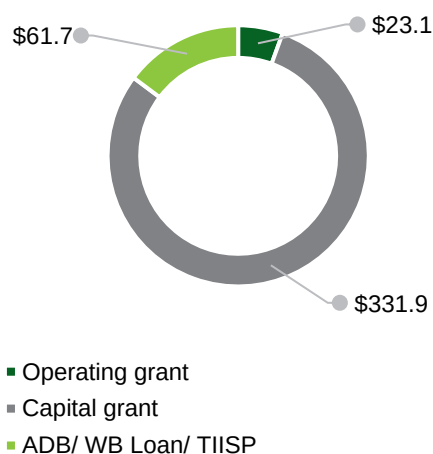
	\$416.7M Maintenance, renewal and capital projects
	237 Employees
	\$13.1B Worth of assets
	\$26.51M Approx. worth of works done for Municipal roads
	97.65% Customer complaints resolved
	84% utilization of budget
	OHS, Ethics, Governance, Social and Environmental Compliances
	\$29M ADB and World Bank Funded Programmes

"At the Fiji Roads Authority, we are all about

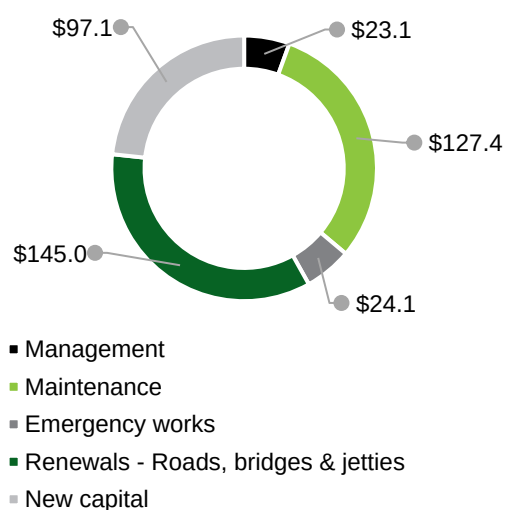
***"Better Roads,
Better Access
and Better
Business".***

Our greatest journey is the one that we share with Fijians on the network daily."

2018/2019 Funding (\$m)



2018/2019 Expenditure (\$m)



The FRA had utilised 84% of its budget. The utilisation had decreased compared to a 98% utilisation in the 2017/2018 financial year as a number of projects planned for completion in the 2017/2018 financial year were completed during the current financial year. As noted in the summary provided below, majority of the projects for the FRA during the 2018/2019 financial year

were focused on the rural areas in Fiji such as interior villages and islands outside Viti Levu. At year end, FRA has ongoing projects which continue to be carried out in the subsequent years. In addition, the FRA is also looking at several prospective future projects that it intends to carry out.

Roads (including crossings)

COMPLETED	IN PROGRESS	FUTURE PROJECTS
☐ Stages 1 & 2 Nakorosule - Nawaisomo road access ☐ Upgrade of Vanua Balavu - Dakuilomaloma Village Road ☐ Dreketilailai - Lekutulevu road and crossing construction ☐ Nakalawaca road ☐ Kadavu - Yawe District road ☐ Lakeba circular roads ☐ Cautata -Waicoka road ☐ Vunuku, Keteira and circular roads in Moala ☐ Naroi - Keteira road in Moala ☐ Natilla access road (Logani-Seba road) ☐ Draubuta access road ☐ Koroinasolo road ☐ Namata Village Access Road and 1 Crossing	☐ Nasatogo - Navitilevu Village access road ☐ Vagadra access road ☐ Naunuku -Nalotawa access road ☐ Wainivayu - Wainilotulevu road ☐ Matokana Village road ☐ Lagi - Duavata road ☐ Kadavu, Nabukelevu-i-Ra road ☐ Nukusere-Namuamua Access Road ☐ Kavula-Banikea Crossing and Road Upgrading	☐ Kadavu - Vunisea ☐ Stage 2 of Kadavu -Niurua - Raviravi roadand crossing project



*Stage 3- 4 lane road project
on Kings Road between
Rewa Bridge and 9-Miles.*



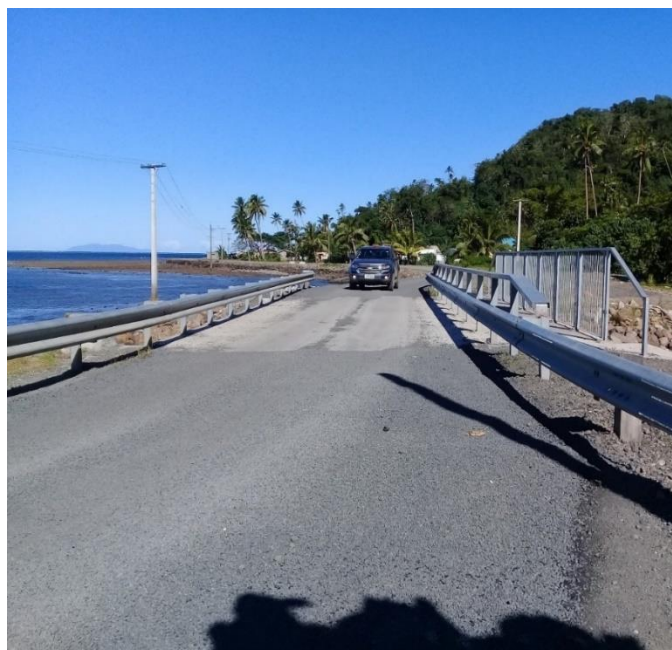
Bridges/ Jetties/ Crossings

COMPLETED

- ☐ Ovalau - Naisogo Bridge
- ☐ Ovalau - Market Bridge
- ☐ Ovalau - Vuma Bridge
- ☐ Vanua Balavu - Mavana Bridge
- ☐ Vanua Balavu - Lomloma Bridge
- ☐ Vanua Balavu - Natuvu Crossing
- ☐ Moala - Naro Bridge No.1 and 2
- ☐ Lakeba - Nasaqalau Bridge
- ☐ Lakeba - Yadrana Bridge
- ☐ Lakeba - Tubou Bridge
- ☐ Lakeba - Levuka Bridge
- ☐ Balenabelo Modular Bridge
- ☐ Navaga Modular Bridge
- ☐ Koro - Navaga Bridge
- ☐ Emuri Crossing
- ☐ Nasivikoso (Rabaraba) Crossing
- ☐ Savusavu Crossing
- ☐ Balenabelo Irish Crossing
- ☐ Others - Refer Appendix B for details

IN PROGRESS

- ☐ Waidalice Bridge
- ☐ Vunayasi Bridge
- ☐ Matawale Bridge and crossing
- ☐ Nasese Bridge
- ☐ Yaqara Bridge
- ☐ Beqa Steel Hill Project with two low crossing
- ☐ Navitilevu Crossing
- ☐ Bureiwai Crossing
- ☐ Nayarabale Crossing
- ☐ Wainawi Bridge
- ☐ Korovou Bridge
- ☐ Others - Refer Appendix B for details



Naisogo Bridge in Levuka

Challenges

- Resource availability
- Accelerated deterioration due to wet weather conditions
- Heavy and overloaded vehicle
- Design and social capacity of contractors in the Fiji industry
- Urban centres congestion

FRA's delivery

- Asset maintenance - renewal of roads, bridges, crossings and jetties
- Emergency works - Cyclone Kofi and adverse/ wet climate
- New Capital programs - access, community, congestion, tourism and resilience
- Capital Safety programs - footpaths, handrails, guardrails and streetlights
- In-house key functions
- Complaints through Service Request System

Environment, Social and Governance

- No gender discrimination
- Alignment of sustainable development goals with the Authority's vision, mission and goals
- HASAWA compliance
- Training and extra-curricular activities for employees
- External and internal audit
- Risk management system
- EIA part of procurement and design
- Regulatory compliance enforcement
- Social media engagement



Corporate Statement

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 diligently implement construction strategy, method and standard that will halt the uneconomical deterioration trend of existing infrastructure.

(c) To develop technical capacity and capability at all levels of the Roding industry such that new initiatives and maintenance of existing infrastructure is delivered economically and sustainably.

2018/ 2019 Performance Targets

See Table 18

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:



Constitution of the Republic of Fiji 2013
- **reasonable access to transportation.**

Enhancing **public sector efficiency, performance effectiveness and service delivery.**

Developing a common national identity
and building social cohesion.

Achieving **higher economic growth while ensuring sustainability.**

Developing an integrated
development structure at the
divisional level.



Corporate Governance

Introduction

FRA is a corporate body governed under the leadership of its Board of Directors, reporting to the Minister for Infrastructure and Meteorological Services. .

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

The Corporate Governance is a way of structuring the Authority to safeguard the interests of a wide variety of stakeholders.

Functions of the Authority

The Authority is responsible for all matters pertaining to construction, development and maintenance of roads in Fiji, but not limited to the following:

- Managing the land provision, network planning, designing constructing, maintaining, renewing and generally managing the use of all roads;
- Management of traffic including road design, traffic signs and marking;
- Provision and management of road safety;
- Issuing over-width, height and length limit;
- Planning and management of road survey and designs;
- Providing advice, programme management service, design, supervision services for capital work programmes; and
-

- For any other matters that the Minister may direct.

Organisational Structure

FRA has an approved organisational structure specifying the key functional areas, each headed by a manager reporting directly to the CEO. The FRA's organisational structure is outlined in Figure 3.

Key Governance Responsibilities

FRA has an effective Board which leads and controls the organisation. The Board is accountable to the Minister responsible for Infrastructure & Metrological Services.

The FRA Board is responsible for setting overall corporate governance strategy and risk appetite. The following key governance positions are critical in enabling the Board to fulfil its mission, vision and objectives:

1. Chairman of the Board

The Chairman is non-executive and is appointed by the Minister, in accordance with the Fiji Roads Authority Act 2012 ("FRA Act").

2. Appointment of Board of Directors

Under the FRA Act, the Minister of Public Enterprises is responsible for appointing the Board of Directors (5) subject to the approval of the Prime Minister. The details for the Board of Directors for 2018/2019 financial year are provided in Figure 1 below.

The Chairperson and the members of the Board shall hold office for 3 years and are eligible for reappointment.

Figure 1: FRA Board of Directors





3. Chief Executive Officer

The Chief Executive Officer of the Authority is appointed by the Board for a term not exceeding 3 years and is eligible for reappointment. The CEO shall be responsible for the management of the Authority. In the performance of his duty, the CEO is assisted by the senior management of the authority.

4. Appointments of Sub-committee

There are two sub-committees appointed by the Board which are the Audit, Finance & Risk (AFR) and the Human Resources & Training (HRT) sub-committees. The role of the AFR sub-committee involves assisting the Board to fulfill its oversight responsibilities in areas such as an entity's financial reporting, internal control systems, risk management, project governance and the internal & external audit functions. The role of the HRT sub-committee is to review the authority's vision, mission, goals, corporate objectives, staff policies and FRA's organizational structure. The sub-committee also endorses staff needs and ensures compliance with regulatory laws.

5. Management Team

The activities of FRA are organised under two executive arms, namely, the Administration and Technical arm. The Administration arm comprises of support units such as Finance, Legal, ICT, Human Resource and Risk & Compliance, whilst the Technical arm's core responsibility is Project and Contract Management. The units under this function are Delivery and Technical Support. Division General Managers are responsible for the delivery of projects for their respective divisions.

6. Remuneration & Benefits

The Board members are entitled to remuneration and other expenses, as

fixed by the Ministry. The remuneration of the CEO of the FRA is determined by the Board, while the remuneration for the FRA employees is determined by the CEO via FRA's salary band system.

7. Board Meetings

At least 3 members of the Board must be present at any meeting to make the proceedings of the meetings valid. All issues raised or to be decided by the Board are decided by majority votes of the Board.

Third party consultants may also be invited to the meetings for the purpose of advising on any matters under discussion but have no voting rights at the meeting.

There were eleven (11) board meetings held during the 2018/2019 financial year. The meetings are usually scheduled to take place on the last Tuesday of every month, however at times depends on the availability of the Board Members.

RISK GOVERNANCE AND INTERNAL CONTROL

A. Risk Management Framework

In FRA, Risk Management plays a key role in ensuring that adequate controls exist to mitigate against potential risks that may impact on FRA's ability to achieve strategic & operational business objectives. The FRA has adopted the Risk Management Process established under ISO 31000:2018. The process has been implemented in FRA in a simplified staged approach involving understanding the business, identifying inherent risks, assessing inherent risk, identifying & assessing key controls, assessing residual risks and monitoring & reporting. The process also provides effective governance, support for partnership

growth and making life easier through clearer processes avoiding unnecessary bureaucracy.

This framework adopted by the FRA is reviewed annually by the Head of Risk & Compliance in conjunction with CEO.

B. Project Risk Management

FRA uses the PESTLE Analysis Methodology in developing its Project Risk Registers.

The PESTLE Analysis Methodology considers the following factors when categorising project risks;

- Political;
- Economical;
- Social;
- Technological;
- Legal; and
- Environment.

The Technical Support Department in Consultation with the Risk & Compliance Department develops the Project Risk Register at the inception stage of the Project. The Project Risk Register is a living document and is updated over the lifecycle of the Project.

C. Internal Audit and Assurance

At the Fiji Roads Authority, Internal Auditing is an independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Authority. It will assist FRA, its contractors and consultants in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improving the effectiveness of the Authority's risk management, control and governance processes.

The internal audit / assurance activities are established by the Board Audit,

Finance & Risk sub-committee for FRA Board of Directors. The internal audit / assurance activities responsibilities are defined by the Board Audit, Finance & Risk committee as part of their oversight role and is appropriately aligned and guided by the International Professional Practices Framework (IPPF) 2019.

Assurance Plan

The systems of internal control in FRA are established by the management and the Board. The Risk & Compliance Department will develop Annual Assurance Plan that details Key Control testing areas for the Financial Year. Key risks from the Corporate and Projects Risk & Control Profile Register will be used to focus areas of testing.

In developing the Annual Assurance Plan, the following are considered:

- The degree of risk inherent in the functions and activities performed by the functional areas or in Projects. Focus will be placed on extreme and high inherent risks;
- Identifying the core processes and the key internal controls that will be relied upon to mitigate each significant risk;
- Time since the last review and the results of the review;
- Major changes in the business activities, organizational structure and changes in the internal control environment; and
- Requirements of regulators and external auditors.

FRA's Assurance Team (under Risk & Compliance Department) will review key control design and operating effectiveness in the areas within scope and form an opinion of whether they are adequate or not by rating which will be formally documented in the monthly Assurance Reports.



FRA's Assurance Reports and Key Controls are rated as "*Effective*", "*Qualified*" and "*Requires Improvement*" depending on the significance of risk and control issues identified during the review.

Moreover, FRA's Internal Audit activities focuses on high-risk areas of business operation, and these are out-sourced to reputable accounting firms.

D. Board Audit, Finance and Risk Subcommittee

The primary purpose of the Board Audit, Finance and Risk Committee is to help the Board in fulfilling its responsibilities by reviewing the:

- Overall audit / assurance process of the FRA;
- Systemic internal controls for risk mitigation which management and the Board of Directors have established;
- Reviewing of the process for monitoring compliance with laws and the Code of Conduct;
- Risk management standards, process and determination of the potential / emerging risk(s) for FRA as whole organisation;
- Financial information, which will be provided to the board;
- Monitoring compliance with laws and obligations; and
- Review the Annual Budget application to the Ministry of Infrastructure and Transportation and, subsequently, to the Ministry of Economy.

As per the Board Audit, Finance and Risk Subcommittee Charter, the committee shall meet at least four times a year or more often if it is required.

E. Board Human Resource & Training Purpose

The primary purpose of the Board Human Resources & Training Committee is to assist the Board in fulfilling its responsibilities by providing strategic direction in moving forward the Authority's Human Resource & Training agenda, by exercising due care, diligence and skill.

F. Procurement and Annual Procurement Plan

The FRA's core procurement objective is to promote open, fair and effective competition in order to ensure the proposed work is able to be provided to the standard requirement, within the specified timeframe for the best possible price that is, 'value for money'.

The Annual Procurement Plan and is developed by the Strategy and Planning Department which determines the Capital Projects that will be procured in the following financial year.

The Procurement Plan is aligned to the final Annual Work Plan approved by the Board and the Asset Management Plan. It sets out the project objectives relating to the management, efficiency and effectiveness of the procurement strategy in order to obtain the best value for money.

The Annual Procurement Plan aims to achieve the FRA's goal "*to develop capacity and capability at all levels of the infrastructure development*".

G. Anti-Fraud and Corruption Policy

The FRA has a duty to protect the public funds under its control against fraud and corruption. In administering its responsibilities, the Authority is committed to the highest standards of accountability, openness and integrity. The Authority expects Members and



employees at all levels to lead by example in ensuring adherence to legal requirements, and the rules, policies, and procedures that promote the principles of good governance. Moreover, all FRA employees and Board members at all levels including contractors and any other third party related to affairs of FRA should comply with the general risk and compliance functional requirements, to enhance the integrity and transparency for its services.

FRA's Anti-Fraud & Corruption Policy sets out the responsibilities of individuals at all levels of the organisation, and how the Authority will manage risks that are associated with fraud and corruption (including bribery) and the protocols that are in place to:

- Encourage prevention;
- Promote detection; and
- Investigate allegations of fraud and corruption and take remedial action where appropriate.

FRA has also adopted policies and procedures in relation to anti-corruption, gift and conflict of interest, which are applicable at all levels of the Authority.

H. Investigation committee

Allegations of fraud will normally be investigated by the Risk & Compliance Department.

The investigating officer will:

- Deal with the matter promptly;
- Record all the evidence received and ensure that it is sound and adequately supported;
- Consider the need for further investigation and undertake as necessary;
- Ensure evidence is held securely;

- Report the investigation findings to senior management or appointed committee to oversee the process; and
- Contact other agencies e.g., the Police / FICAC, if considered appropriate. This should be done in consultation with the senior management or appointed committee.

It is essential that should an individual suspect a fraudulent or corrupt activity, that they do not investigate it themselves. This is to ensure that the Authority has the best possible chance of a positive outcome.

I. Business Continuity Management Policy

The Authority would continue to ensure that roads, bridges, jetties, crossing, streetlights and traffic signals maintenance services & capital works are delivered to the stakeholders at agreed levels during operational disruption or pandemic. This is achieved through the business continuity programme.

The business continuity programme not only identifies and documents work arounds for key services but is also integrated with the corporate strategy, to support the successful achievement of mission objectives through continued delivery of agreed parts of the business.

FRA is therefore, corporately implementing a Business Continuity Management (BCM) policy, as part of an ongoing process of the current risk assessment, in concurrence with the approved FRA Risk Management Framework, with the purpose of ensuring that the organization can continue to deliver its key services, while maintaining the safety and security of staff should a disruption or a threat arise.



REPORTING WITH INTEGRITY

A. Submission of annual report

The Annual report for the Financial Year 2018/2019, incorporating FRA's financial statement for the year ended 31 July 2019, is prepared as required by the FRA Act.

The Annual Report would be first approved by the Board then signed off by the CEO and the Chairman of the Authority. The Annual Report would then be submitted to the Ministry and later tabled in the Parliament. Once approved, the Annual Report is then published on FRA's website.

B. Environmental approach

FRA work projects

Sustainable development and environmental issues are taken into consideration in the design and implementation of any project by the Authority.

Prior to the commencement of a project, the FRA Environment Team lodges an Environment Screening Application with the Department of Environment. The Department of Environment assessment of the Environment Screening application will determine whether an Environment Impact Assessment ("EIA") report is required for the project.

In the instance an EIA report is required for the project, the FRA Environment Team obtains EIA approval from the Department of Environment. Physical works only commences on the project site once the necessary EIA approval has been obtained from the Department of Environment.

Examples whereby an EIA Report may be required include:

- Rural Road Projects – (excluding rural road upgrades);
- New Bridge and Crossing Constructions;
- New Jetty Constructions;
- Bridge and Crossing replacements;
- Road Widening Projects - (which may affect the natural environment of the existing land, waterways, plants & trees e.g. mangrove areas); and
- Projects outside the existing road reserve.

On the other hand, the following projects may not require an Environment Screening Application, unless determined otherwise by the FRA Environment Team, as these projects are usually within the existing road reserve:

- Traffic & Streetlight Light Projects;
- Bus Shelter Projects; and
- Footpath Projects.

Sustainability development goals

Sustainability has become an important consideration for the Authority. We recognize the limitations that we face in Fiji on resource availability and take this into account by re-using materials wherever possible. Sub-grade materials are re-worked, with minimal need for additives, to provide foundation for a new road surface.

The Authority understands the link between durability and sustainability, so in all of the FRA's work, we look for the best 'whole life solution'.



FRA planted 5,000 saplings to account for the trees removed for the construction of the new Tamavua-i-Wai Bridge at the Suvavou Village Foreshore

The FRA aligns itself to the following sustainable development goals (“SDG”):

- SDG 9: Build resilient infrastructure, promote inclusiveness and sustainable industrialization and foster innovation; and
- SDG 11: Make cities and human settlement inclusive, safe, resilient and sustainable.

FRA believes that its vision, mission and goals align directly with building resilient infrastructure and promotes inclusiveness, through providing access to rural communities. The FRA also looks to reducing vulnerability to climate related extreme shock events and other economic, social and environmental shocks.

The FRA is considering prospective solutions that will allow FRA to meet its demand of resources as well as mitigate environmental impacts.

Climate resilience initiatives

Going forward, in line with the climate change requirement, FRA is taking into consideration the structural design of its

infrastructure and projects, as a mitigative initiative for projected global warming on rising sea level. Some of the initiatives include increase in drainage works, rip rap seawall and coastal protection, increase in the length of concrete approaches for crossings and increasing the height of bridges.

C. Safety and Health

The FRA seeks to ensure that it complies with the Health and Safety at Work Act (HASAWA), as well as other regulations and legislations regarding safety and health issues. Policies and procedures have been established and updated in this respect for continual improvement. The Engineer and the Divisional Health & Safety Officers monitors work sites, to ensure regular compliance and adherence to all the FRA’s health and safety requirements.



FRA personnel partake in the Safety Awareness and Remembrance Day

D. Social approach

FRA’s maxim is “Our PEOPLE are our ASSETS”. FRA’s team of engineers, designers, planners, strategic thinkers, programme managers are supported by the Corporate Services Division that carry out very important in-house functions that include administration and finance.



With a view to promoting core values, the Authority and all members of staffs are expected to respect and adhere to the following set of values. Standing by these values will remain the continuing success factor for our delivery.

- Personal - Honesty and integrity - personal accountability;
- Productivity - An organisation focused on getting things done;
- Safety - Public safety above all else;
- Environment - Protection (and where possible enhancement) of the local environment;
- Planning - Long term, inter-generational thinking – expedient short-term decision making avoided;
- Customers - Road users and other comments and complaints treated seriously and with respect;
- Expenditure - Value for money in everything we do;
- Empowerment - Continually and consistently seeking to empower Fijians to upskill;
- Innovation - Constantly thinking about how to 'do better'
- Openness - 'Tell it as it really is' – problems and mistakes confronted head on; and
- Results Driven - It's only the results against our targets that matter – and that must be our focus at all levels and at all times.

Gender equality in recruitment, training, hiring and promotion



The FRA fosters a no gender discrimination rule in its workplace. As part of the ongoing initiative on this matter, FRA works very closely with ADB to strengthen the social safeguards on gender equality at the forefront of the FRA's plans going forward, not only for ADB and WB projects, but in all projects that the Authority carries out. Currently, the FRA has taken steps to ensure that its recruitment (new hire and promotions) process is on a merit based requirement. Candidates are shortlisted based on entry requirements regardless of gender. Training is provided based on the training needs analysis matrix, jointly agreed to by the employee and manager.



*Pavement Design and Investigation
Training for FRA employees*



E. Code of Ethics and Conflict of Interest

The FRA is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders and Staff at all levels.

The Authority seeks to ensure that its Board members, employees, contractors and consultants avoid situations where there is a potential for a conflict of interest. Such situations can arise with the outsourcing of services, internal/ external tendering, planning and land issues, etc. Effective role separation will ensure that decisions made are based upon impartial advice and avoid questions about improper disclosure of confidential information.

It is a requirement of the Authority's Code of Conduct that employees formally declare if they have any interest in contracts proposed or to be entered into, other paid employment, or outside interests where there is a potential conflict of interest with any part of the Authority's Services.

F. Political Donations

During the period under review, no political donations were made.

G. Charitable Donations

During the period under review, no charitable donations were made.

AUDIT

A. External Audit

The FRA Act provides that the FRA is required to be audited at least once a year. The current external auditor for the Authority is the Office of the Auditor General.



Suva Business House Football Association



*Parliament Standing Committee on
Social Affairs*



About FRA



Better transport infrastructure is essential for Fiji's development

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

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

This road network is the most valuable built asset Fiji owns. Years of investment and effort have gone into building up over 6,438 km of roads, 1,389 bridges, 28 jetties and 8 landings, infrastructure that FRA owns and manages. Refer to Table 1 below for details. If this massive infrastructure is going to serve Fiji's future development needs, then two things must be done:

1. Improve the safety and reliability of the existing network; and

2. Expand the network to provide the capacity for sustained growth.

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

The FRA was established in 2012 to effectively manage and develop Fiji's road network (Refer to Appendix A for "FRA Act 2012" and related amendments) and became fully operational on 1st January 2013. Over the first three years of operation, we moved from a standing start to managing a \$417 million-plus programme of maintenance, renewal and capital projects.

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

FRA is responsible for Fiji's most valuable built asset

FRA's 'assets' constitute all of Fiji's roads, bridges and jetties. This includes the land on which our assets are located, together with all the associated infrastructure, such as drainage, street lighting, traffic signals

and other street furniture. We also consider our buildings, vehicles and other operational equipment as part of our asset portfolio. They are all managed and maintained using the same principles.

On our latest estimate these assets are worth over \$13.1 billion, making the road and maritime network Fiji's most valuable built asset. The geographic extent of the FRA's assets is illustrated in Figure 2.1 to 2.3 below. A full summary of the asset valuation is provided in the financial statements under the note 7.

To make the network more manageable, it has been divided into three sections consistent with the administrative Divisions of Fiji. Table 1 shows the length of the sealed and unsealed roads, as well as the number of bridges, jetties and landing in each Division.

FRA has developed and is progressively improving a GIS-based Asset Management System which will hold a complete description of all assets managed and maintained by us.

Table 1 - FRA's Assets

Division	Road Network (km)					Bridges (Nos.)	Jetties (Nos.)	
	Bridge Deck (km)	Concrete	Sealed	Unsealed	Grand Total		Jetty	Landing
Central	0.62	9	660	912	1,581	384	1	6
Northern	0.53	4	391	1,577	1,972	414	8	2
Western	0.15	8	713	1,668	2,389	488	3	0
Eastern	0.12	7	17	472	496	103	16	0
Grand Total	1.42	28	1,781	4,629	6,438	1,389	28	8

Figure 2.1 - FRA Road Network on all of the Republic of Fiji

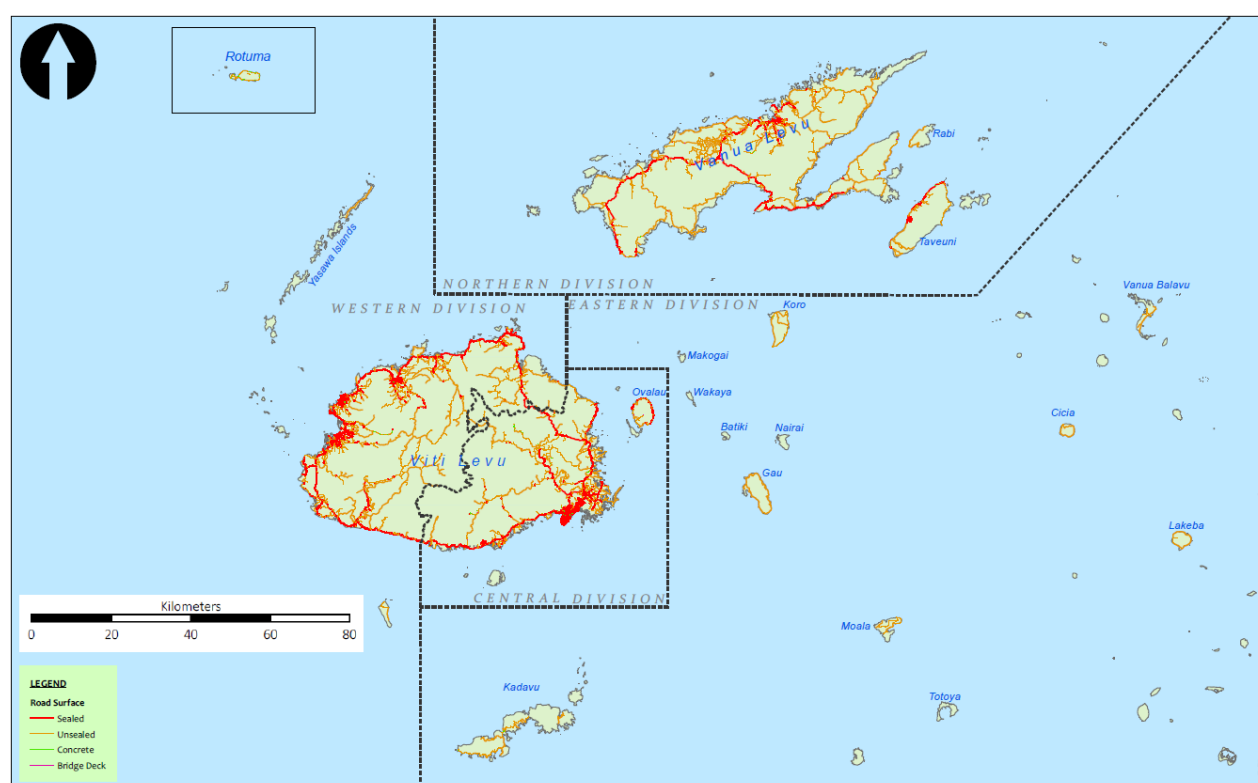


Figure 2.2 - FRA Bridge Network on all of the Republic of Fiji

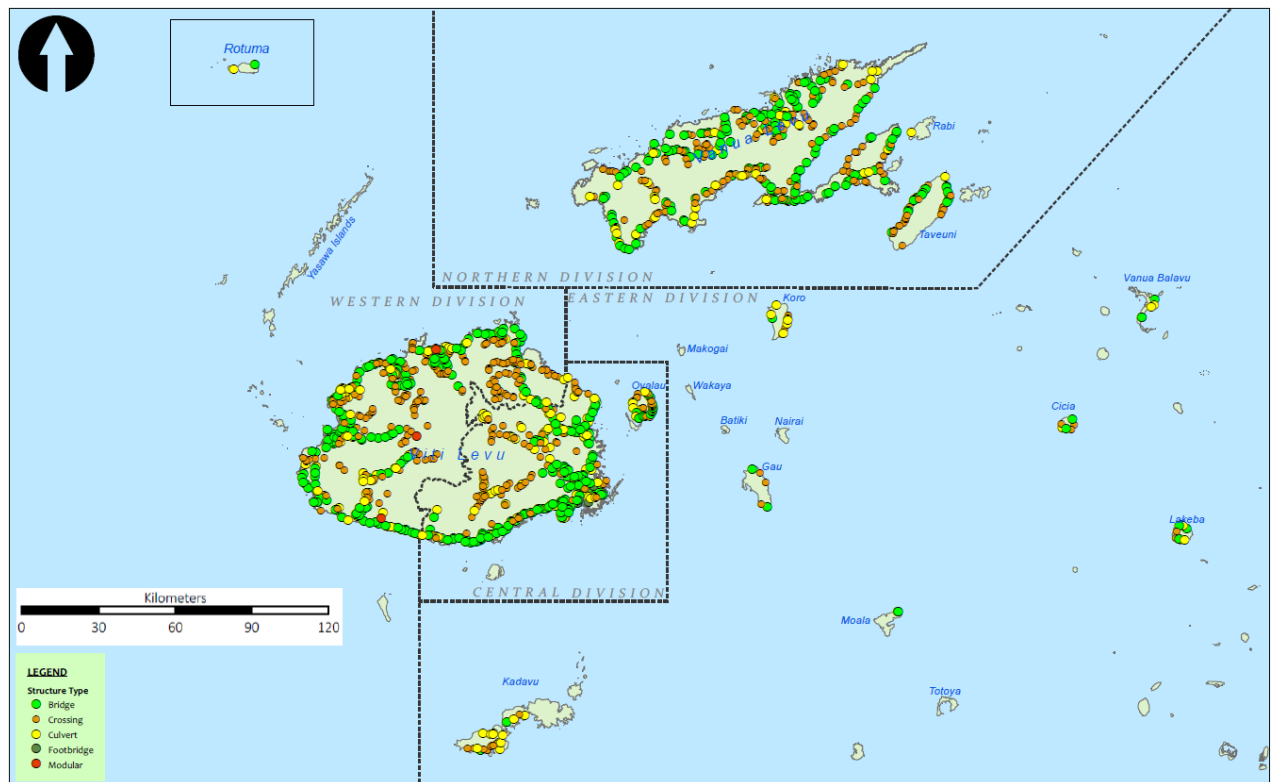
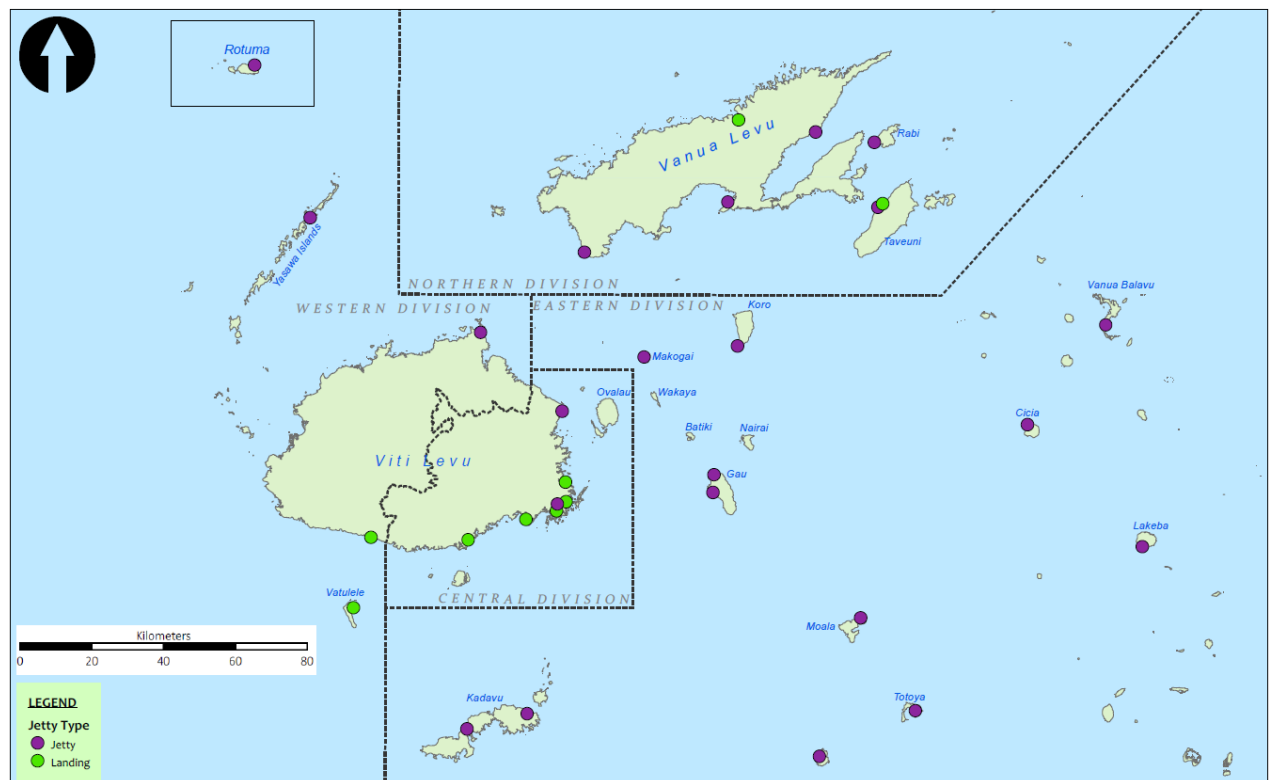


Figure 2.3 - FRA Jetty Network on all of the Republic of Fiji





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

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

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

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

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

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

Long term planning is the key to good investment decisions

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

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

The future prospects for FRA involves:

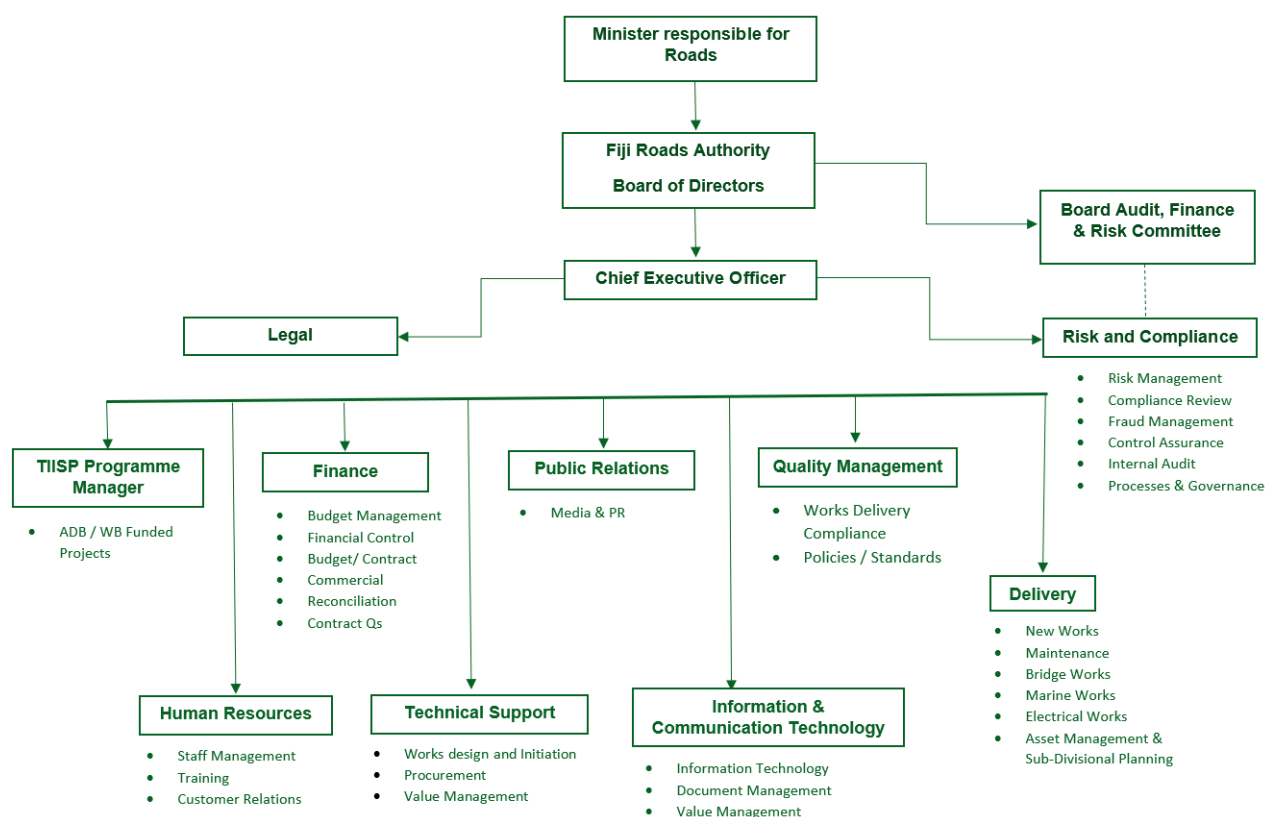
- improving the level of service of existing roads;
- preserving existing infrastructure;
- complete and close ongoing projects; and
- prepare projects for post COVID-19 and future capital developments.

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

As a statutory corporate entity, the FRA is accountable to the Minister for Infrastructure & Metrological Services through a Board appointed by the Minister.

Under the CEO there are ten functional areas, each with a manager reporting directly to the CEO. FRA's corporate structure is illustrated in Figure 3.

Figure 3 – FRA’s Corporate Structure



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

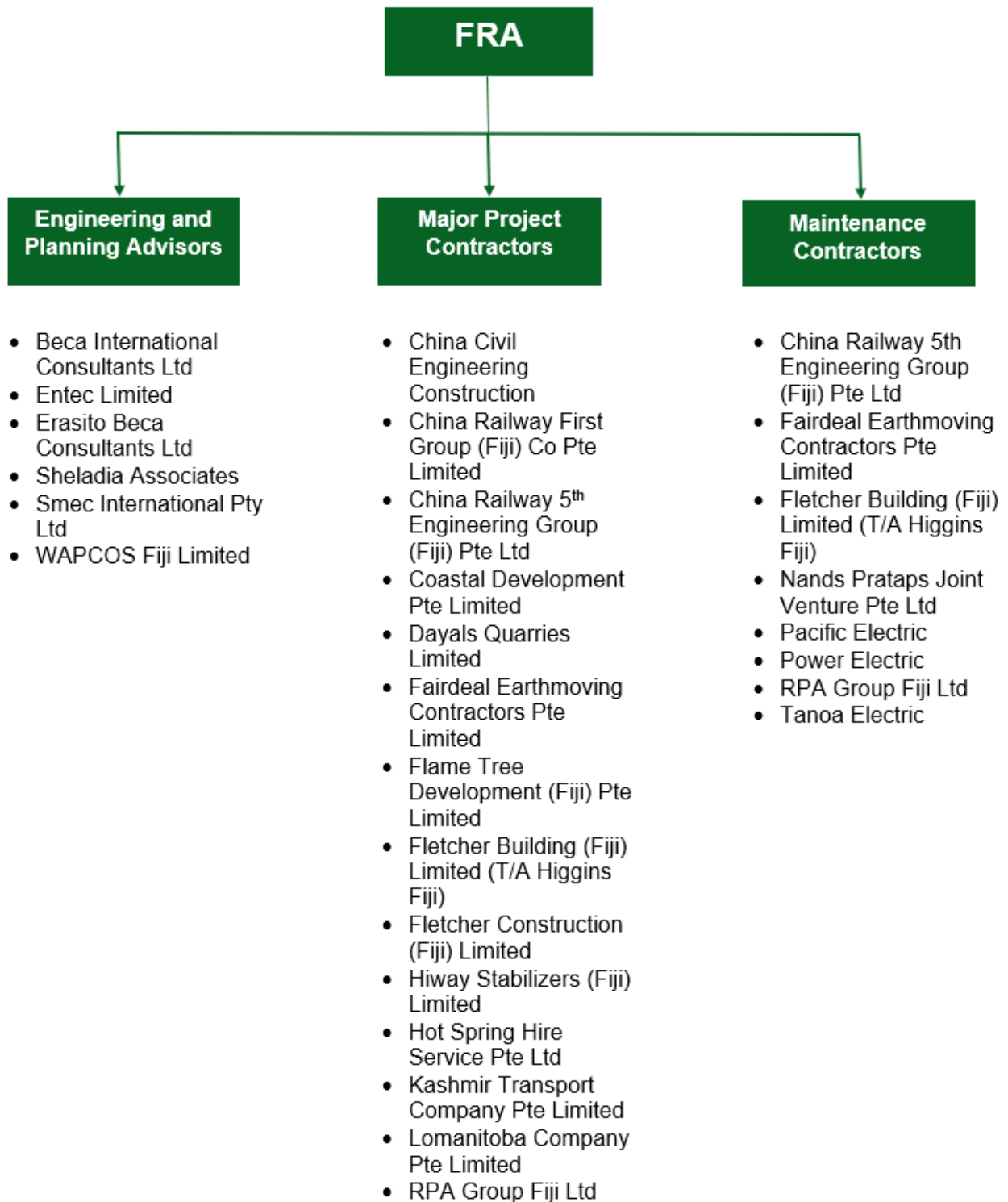
A competitive and diverse supply chain maintains, designs and builds the network

Over the course of 2017, 2018 and 2019 financial years, FRA has been facilitating the development of a sustainable and diverse supply chain to deliver work. We have made good progress in expanding the role of Fijian involvement and Fijian

companies in this supply chain and will continue to make this one of our top priorities in the coming years. This supply chain will also evolve as we review our preferred service delivery model.

The structure and functions of the supply chain is shown in Figure 4. The key to delivering value for money from this supply chain is through competition and effective contract management. During the 2018/2019 financial year, FRA continued to encourage the entry of new and high quality participants, both local and international, into our supply chain. We will also be packaging our projects in a way that provides opportunities for Fijian companies to get experience in international best practice consulting and contracting projects.

Figure 4 - Fiji Roads Authority's Supply Chain



Overview of FRA's Programme Delivery



The 2018/2019 financial year has been a successful year for FRA. We have delivered at least four hundred and seventeen million dollars plus worth of programme, where much of this effort went into physical work, i.e., maintaining and improving Fiji's network of roads, bridges and jetties.

This section provides details on how the programme was managed and how the allocated budget was spent by FRA.

How we manage our work programme

The FRA manages a programme of work which is made up of over 200 items, many of which represent hundreds of separate sub-activities. To manage this huge number of different types of activity and expenditure in a coordinated, open and transparent way, we divide the programme up into 11 categories of work and spending. Table 2 provides details on these work programme.

One of the ways in which we measure progress during the financial year is through expenditure. Expenditure is the dollar value of the work that has been done. For example, if one of our contractors is building an embankment for a road and moves 1000m³ of earth for a particular task, then this work is measured and recorded.

But expenditure is only one aspect. Other measures that are routinely monitored include the following; being satisfied that everything is within the approved scope and according to the specified technical standards; that it is of the required quantity; and quality and has been completed in the agreed timeframe.

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

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



Villagers of Draubuta with FRA representatives and contractors at the new access road.

Table 2 - Types of Work and Expenditure

Activity Area	Description
Operations	
FRA Management and Operations	The costs of FRA's staff, premises, equipment, vehicles and other items which are essential to the effective operation of the business. This also includes fees for professional and technical services including expenditure on IT systems to improve the efficiency of our network management.
Work Programme	
Maintenance	The work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as routine works such as vegetation control and keeping drainage systems clear.
Emergency Works	Any work that has to be done to repair damage caused by flooding or extreme weather events. This might include stabilising land slips, fixing bridges or repairing damaged drainage systems.
Renewals - Roads and Services	When assets (roads bridges and jetties) reach a certain level of deterioration they become too expensive to keep on fixing and maintaining. At this point it represents better value to rebuild the asset from scratch. Many of Fiji's roads and bridges have reached this point.
Renewals – Bridges	
Renewals – Jetties	
New Capital (Safety)	New Capital represents the work we do to extend and upgrade the networks. This includes new roads as well as existing ones that we widen or improve substantially. We categorise New Capital according to the primary purpose for building the new asset. For example: projects which are primarily safety fit into that category; projects such as road widening in Suva are primarily about reducing congestion.
New Capital (Access)	
New Capital (Community)	
New Capital (Congestion)	
New Capital (Tourism)	
New Capital (Resilience)	

Flexibility to account for unexpected events

FRA understands that flexibility is needed, particularly when large sums of taxpayers' funds are at stake. One of the ways in which Government provides itself with fiscal flexibility is the use of *Requisition to Incur Expenditure (RIE)*.

Funds that are appropriated through the annual budget processes of parliament can be placed under Requisition which means that, in order to incur expenditure against those funds, the approval of the Minister of Economy is required. This is done on a quarterly basis. It allows the Minister for Economy to better manage

demand side and supply side constraints, some of which includes the following:

- resource availability (gravel and hard rock source);
- supply confidence (investing in equipment and continuity of work);
- project locality (spread out of projects around Fiji); and
- forwards work programme surety of program delivery and materials.

During the 2018/2019 financial year, FRA utilized 84% of budgeted expenditure

The expenditure (work done) against the revised budget is shown below in Figure 5 and in Table 10. Compared to the original intentions conveyed in the 2018/2019 Corporate Plan, the achievement rate overall is 84%. Overall, the expenditure against each category is

relatively close to the revised budget. The area most notable on the expenditure works relates mainly to new capital works (congestion), which went over budget by approximately \$2.2m, and included initiatives such as pedestrian crossing & safety improvements and vehicle conveyance. Other areas of expenditures were below the final revised budget.

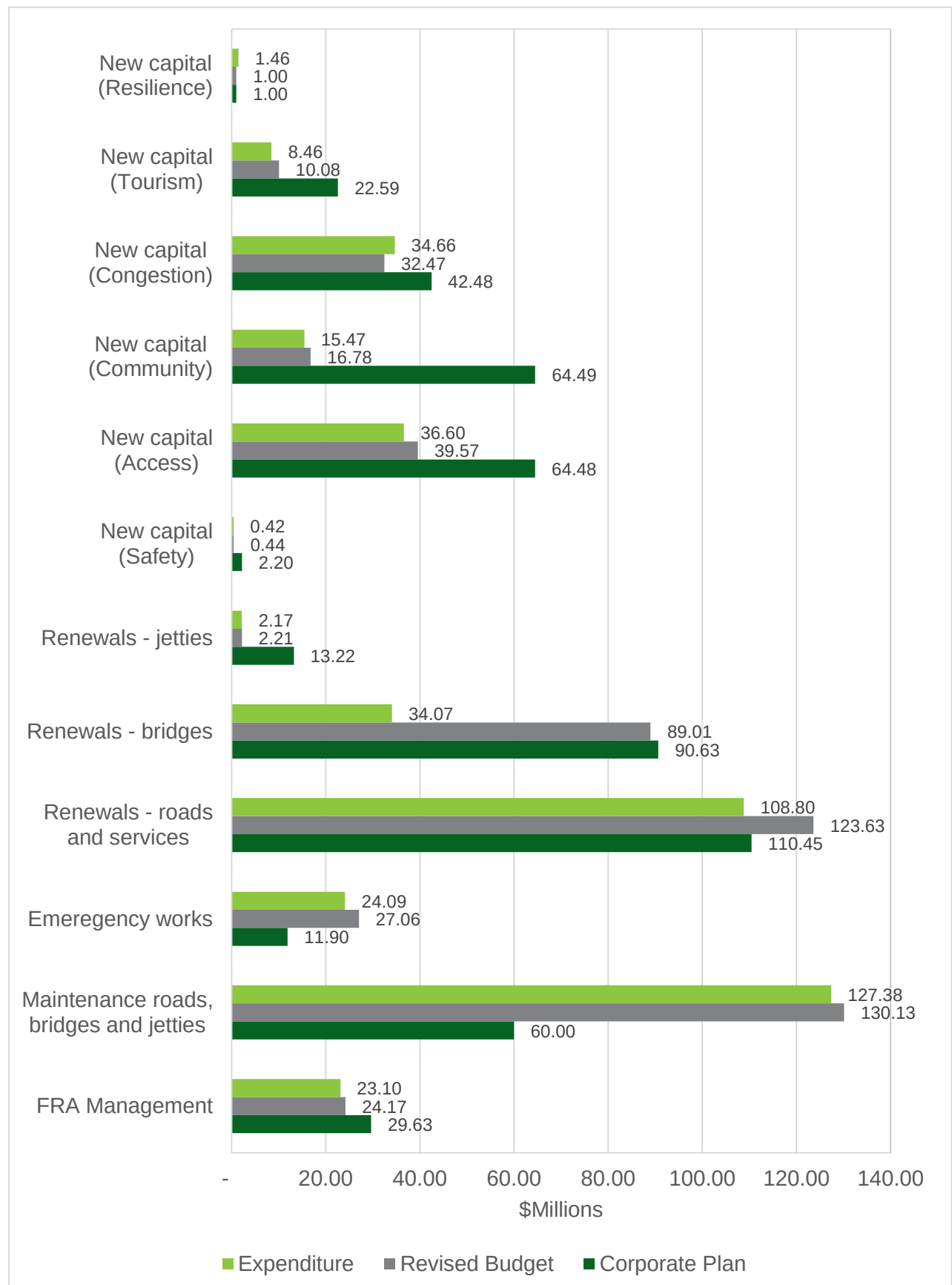
FRA also conducts the Rural Roads Programme which looks at building and improving roads, bridges, crossings and jetties. The FRA has collaborated with the Ministry of Rural and Maritime Development and Disaster Management on delivering the Rural Roads Programme.

This programme, which aims to connect and restore access between communities and essential services, like Health and Education, has greatly benefited hundreds of communities.



Roadworks on the Queens Road between Navua and Namelimeli

Figure 5 – Achievement by work category against approved expenditure for 2018/2019 financial year



Knowledge sharing

During the 2018/2019 financial year, the FRA produced several publications, tool and notices to notify the general public on its on-going activities.

The FRA also engages in transparent bidding by using its online portal to advertise tenders, quotes, EOI and other purchasing requirements to the market, and to manage the full procurement process all the way through to the contract award stage. The FRA also tries to build its contractor capacity with the focus being on local capacity.

The FRA's website and its social media platforms have proven to be quite helpful in engaging with stakeholders. FRA has amassed around 70,000 followings on Facebook and has around 450,000 impressions on Facebook. The Authority next biggest social media platform is its twitter account, with over 21,000 impressions. While the FRA's LinkedIn and Instagram have low following, impressions for the page are relatively similar to the Authority's twitter platform. A consistent trend is also seen in the following of the platforms, whereby equal amounts of male and female are following FRA's social media platforms.



Acting Commissioner of Police Rusiate Tudravu with FRA CEO Jonathan Moore during the handover of 58 traffic police signs

FRA's Statement of Service Performance



FRA is a corporate entity having a total staff of 237 during the 2018/2019 financial year. The FRA itself is responsible to Government for maintaining and building roads, bridges and jetties across Fiji. We plan the work programme and make sure it gets done to the right standard, on time and within budget. All the technical and physical works that needs to be done are carried out by consultants and contractors through formal contractual arrangements.

The FRA operates as a business and has the corporate, finance and programme management structures in place to perform its function. This section provides the review of FRA's work over the course of the 2018/2019 financial year.

FRA's Management Costs

FRA was established in 2012 by the Act. At that time, all the functions of looking after Fiji's network of roads bridges and jetties were being carried out by an interim change manager.

Since its establishment, the FRA has come a long way and is now a fully functioning business. The transition continued over the course of the 2018/2019 financial year and FRA has now taken responsibility for all the anticipated roles. FRA has taken back 'in-house' several key functions that have been outsourced since 2012. This was mainly due to the termination of the MWH contract. This also led to FRA recruiting a number of engineers and other project support staff to manage this transition process.

Table 3 – FRA Management Costs including the professional and technical services

Management	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Salaries	18,170,260	14,170,260	13,572,768
Recruitment	111,540	111,540	104,237
Acc. & Finance	92,000	92,000	70,207
Vehicle Hire & Operation	2,500,000	1,500,000	1,297,372
Office Expenses	534,540	534,540	1,004,217
Rent	488,584	488,584	512,200
Legal Fees	1,000,000	1,000,000	60,074
Insurances	182,723	182,723	133,552
Archives - Storage	37,200	37,200	21,415

Management	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Communications (including website)	1,121,000	1,121,000	307,759
Data and IT Improvements	652,000	652,000	1,501,057
Asset Management Improvements	120,000	120,000	-
Training & Development	150,000	150,000	89,169
Establishment Costs	87,000	87,000	575,971
Travel and Accommodation	384,000	384,000	365,046
Director's Fees	22,000	22,000	26,050
Board's Expenses	30,000	30,000	15,787
Miscellaneous Expenses	-	-	(36,314)
Professional Fees	2,500,000	2,167,171	1,277,475
Tax Expenses - WHT	-	-	(313,569)
Asset Management System and Data Maintenance and Improvement	500,000	500,000	-
Contingency (carry over issues)	-	-	1,707,225
VAT	944,152	824,197	810,581
Total Management	29,626,999	24,174,215	23,102,282

The professional and technical service included as part of management costs relate to a range of support services provided to FRA for improving the range and quality of data and various other activities. This also includes provision and expenditure against various taxes.

Maintenance of our Assets

Maintenance is the work done to keep our existing roads, bridges and jetties in working order. This includes minor repairs as well as the routine works, such as vegetation control and keeping drainage systems clear. Co-ordinated, well-planned routine maintenance of our assets ensures that the network is more resilient to adverse weather events and can be restored more quickly after emergency events. In maintaining Fiji's roads, FRA acknowledges that the repetitive pothole repairs have been used as an interim measure too many times and for too long. Being a temporary repair, there is a limit to the times it can be done in the same location. Once that limit has been reached, the road requires major rehabilitation to bring it back to a serviceable condition. The Authority is

taking steps to deliver rehabilitation works to sections of the road in the country. This will provide a durable, long-life solution, which aims at minimizing future repairs. Some notable highlights include rehabilitation works done for Princess Road, Ratu Mara and Ratu Dovi road in Suva during 2019. The amount of rehabilitation that can be undertaken as a proactive measure is dependent on Budget allocations.



Rehabilitation works on Ratu Dovi Road

Table 4 – Maintenance of Assets

Maintenance	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Road Maintenance			
• Sealed	14,706,422	32,706,422	32,431,778
• Unsealed	14,100,917	45,100,917	45,467,772
• Footpaths	3,486,239	486,239	262,484
• Drainage	2,981,651	12,981,651	12,740,778
• Additional Community Roads	-	-	(20,266)
• Fast Response	-	-	(8,554)
Corridor Maintenance			
• Vegetation, Litter and Environmental	-	2,500,000	2,524,430
• Bus Shelter	-	150,000	143,843
Traffic Services Maintenance			
• Signs, Lines, Rails and Barriers	-	1,100,000	1,092,543
Streetlights Maintenance			
• Electricity	-	2,000,000	1,868,425
• Electricity Inspections	1,100,917	-	-
• Electrical Maintenance	4,128,440	2,128,440	1,331,791
Structures Maintenance			
• Bridges			
○ Bridge Inspection and Audit	1,146,789	-	-
○ Bridge Maintenance	3,394,495	2,394,495	2,040,479
• Crossings			
○ Crossings Inspection and Audit	550,459	-	-
○ Crossings Maintenance	5,137,615	4,137,615	4,047,614
• Jetties			
○ Jetties Inspection and Audit	550,459	-	-
○ Jetties Maintenance	3,761,468	-	-
Minor Safety Works	-	-	256,725
FRA15/124 - Kadavu Maintenance	-	2,700,000	2,693,574
Queens Rd High Priority Sites (Navua Hospital - Town, Namelimele, Taleanua)	-	-	(621,691)
Contractors Lump Sum Escalation	-	11,000,000	10,613,519
VAT	4,954,128	10,744,720	10,517,872
Total Maintenance	60,000,000	130,130,499	127,383,118

Emergency Works

Contingency funds were allocated to restoration and rehabilitation works for aftermath of natural disasters. The Authority spent approximately \$24.1

million to carry out the emergency response and restoration works on damages caused by the natural disasters.

Table 5 - Emergency Works

Emergency Works	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Emergency Maintenance (Contingency)			
• Physical Works - Emergency Response and Restoration	-	19,000,000	18,043,872
Capital Works			
Maintenance of Slips – Kadavu (18/23)	-	5,000,000	4,732,699
Maintenance of Jetties			
• Cicia	550,459	-	-
• Lakeba	550,459	-	-
Cyclone Kofi (TD15F)			
• Package 1 FRA 16/68	-	-	(250,000)
• Package 2 FRA 16/69	117,232	117,232	23,892
• Package 3 FRA 16/70	-	-	(84,975)
• Package 4 FRA 16/71	709,503	709,503	(36,315)
Rakiraki Bridge	-	-	(330,882)
Lomaloma Slip	2,477,064	-	-
Bridges/Crossings			
• Balenabelo Crossing	1,376,147	-	-
• Wailoku Road Culvert	1,376,147	-	-
• BS Chand Road Culvert	825,688	-	-
• Savu 2 Bridge	1,467,890	-	-
• Savu 3 Bridge	1,467,890	-	-
VAT	982,663	2,234,406	1,988,846
Total Emergency Works	11,901,142	27,061,141	24,087,138


Works in progress at Matokana Village Access Road

Road Renewals and Replacements

Most of the works outlined under this programme were completed as planned. However, the Authority continues to suffer from a lack of gravel resources.

The current legislation and government policy require persons seeking gravel extraction licenses to obtain approval signatures from 60% of the registered

owners of land in the area and have their application approved by DoE and Lands Department. Finding 60% of landowners is difficult and time consuming as many no longer live on their land. The procedures of the Government Departments are complex and very slow to respond to requests. As a consequence, contractors awarded re-sheeting or rehabilitation contracts have not been able to obtain extraction 'licenses' within a reasonable time.

Table 6 – Renewals and Replacements – Roads and Services

Renewals and Replacements	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Sealed Road Rehabilitation			
• Sealed Road Rehabilitation Program	13,302,752	30,302,752	30,000,034
• FRA 17/86 Road Upgrade & Seal	-	1,800,000	1,851,322
• FRA 17/108 Western Division Road Upgrades	-	4,000,000	3,924,038
• FRA 17/109 Nadi Sigatoka Road Upgrades	-	2,500,000	2,682,072
• SARUP II Loan	22,614,679	22,614,679	11,418,239
• SARUP II Local	5,884,633	1,384,633	1,320,044
• FRA 19/03 ETC SARUP 2	-	500,000	480,303
Sealed Road Surfacing (Seals, Asphalt)			
• Second Coat Seals	5,504,587	1,504,587	838,300
• Reseals	9,174,312	12,174,312	12,683,548
• Asphalt	5,504,587	-	-
• ADB Reseals Loan	13,761,468	13,761,468	14,959,744
• ADB Reseals Local	3,748,395	3,748,395	1,660,551
Unsealed Renewal			
• Unsealed Road Rehabilitation Program	11,009,174	6,309,174	6,283,550
• Unsealed Road Resheeting Program	5,963,303	5,963,303	5,490,770
Vunimasei Access Road Legalega	275,229	275,229	-
Drainage Renewal	4,587,156	6,587,156	6,222,306
VAT	9,119,725	10,208,312	8,983,334
Total Renewals and Replacements	110,450,000	123,634,000	108,798,156



Rehabilitation works completed at Ratu Cakobau Road in Suva



Four lane project on Kings Road, Suva, between Rewa Bridge and 9-Miles in its prime stages 2019



Rehabilitation work on Ratu Mara Road



Bridge and Jetty Renewals and Replacements

Due to the significant public risk factors, an ambitious programme of work has been planned for bridges and jetties since 2014. During 2013 to 2017 period, a significant proportion of the work in this area involved planning and designing replacements for the future years' pipeline of projects for construction.

Compared to the prior years, during the 2018/2019 financial year, there were a few but significant on-going renewals and repairs of bridges and jetties. Majority of works in relation to the renewals and repairs of bridges and jetties were ongoing from prior years and completed during the 2018/2019 financial year. A number of repair works were done for several bridges and crossings in the Lau group (including the Lomaloma bridge, Mavana bridge and Natuvu crossing in

Vanuabalavu, Naroï Bridge No.1 and No.2 in Moala) and in Labasa (including the Yadrana bridge, Nasaqalau bridge, Tubou bridge, Levuka bridge, Nukula crossing, Vakano crossing and Salisali crossing).

Other works carried out by the Authority during the 2018/2019 financial year included the following:

- Renewal of crossing at Vakabuli Paipai village, Lautoka;
- Works for the Balenabelo and Navaga modular bridge;
- Ongoing repairs of Jetties in Bau, Cicia, Lakeba and other small islands;
- Major repairs of critical priority Matainavuso bridge on Kings Road; and
- Significant renewal works on crossings across Fiji, some of which include the Emuri Irish crossing, Burelevu crossing and Savusavu crossing.



32mtr crossing providing a safe route to the residence of Vakabuli Paipai who experience regular flooding.



Villagers of Emuri at the new and improved Emuri Crossing in Sigatoka.



Completed works on Burelevu crossing

Table 7 – Renewals and Replacements – Bridges

Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Bridge Renewals			
• Tamavua Bridge	4,587,156	4,587,156	1,712,352
• FRA 19/11 Bulu Bridge - Western	-	-	36,349
• FRA 19/11 Korovou Bridge - Western	-	-	31,683
• FRA 19/11 Tavualevu Bridge - Western	-	-	46,974
• FRA 19/11 Maururu Bridge - Western	-	-	29,426
• FRA 19/11 Velovelo Bridge - Western	-	-	31,218
• FRA 19/11 Vutiuna Bridge - Western	-	-	30,860
• FRA 19/11 Matewale Bridge - Western	-	-	63,387
• FRA 19/11 Waidamu Bridge - Central	-	-	36,855
• FRA 19/11 Gatward Bridge - Central	-	-	33,597
• FRA 19/11 Waidalice Bridge - Central	-	-	53,756
• FRA 19/11 Natogadravu Bridge - Central	-	-	34,823
• FRA 17/17 - Western Bridge Repairs	-	-	79,464
• Vesidrua	2,446,483	-	-
Modular Bridges			
• Package 1 (Central Division) - FRA 17 - 120 Toga and Vorovoro	4,236,645	4,236,645	1,945
• Package 2 (Western Division) - FRA 17 - 122 - Balenabelo and Navaga & Naseyani	4,624,897	4,624,897	3,325,465
• Package 3 (Northern Division) - FRA 17 - 124B - Vunikawakawa	5,260,163	5,260,163	1,908,067
• Package 3 (Northern Division) - FRA 17 -124A - Naiyarabale	-	244,470	796,302
Crossing Renewals			
• Emuri Irish Crossing	1,296,886	1,296,886	(160,434)
• Low Level Crossing Package 2 (Western Division) FRA 17-123 - Vutuni 3, Mia Mahajan, Wailoko	2,571,101	2,571,101	2,405,471
• Toga Culvert (Toga Rd) FRA17/120B	3,544,806	3,544,806	-
• Vorovoro Crossing FRA 17/120B	1,058,810	1,058,810	125,739
• Low Level Crossing Package 3 (northern Division) FRA 17-125 - Naiyarabale3, Waibula, Taqaniwaqa, Naviavia	5,116,123	5,116,123	2,183,324
• Nakodou Crossing (Koro Circular Rd) FRA 17/121	-	650,000	615,300
• Nasoni crossing - 1,118,000	-	700,000	693,000
• Nasau crossing - 1,562,000	-	1,300,000	1,209,500
• Waitabu crossing - 950,000	-	550,000	529,900
• Rewa-Vutia Road and Bridge	2,018,349	2,018,349	-
• Savusavu crossing in Ra FRA 17/50	2,522,489	2,522,489	847,464

Renewals and Replacements - Bridges	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• Nausori Crossing in Ra FRA 17/52	3,196,817	3,196,817	1,039,000
• Burulevu crossing in Ra FRA 17/52	2,798,165	2,798,165	2,066,900
• Vakabuli Paipai No 2 in Ra FRA 17/63	1,186,794	2,686,794	2,792,114
• Sawene Bridge/ Crossing Sigatoka FRA 17/51	3,211,009	3,211,009	-
Repair of Critical Priority Bridges & Crossings			
• Bridge			
○ Matainavuso Bridge (Kings Road)	3,192,661	3,192,661	1,895,867
○ Wainawai FRA 16/85	-	-	145,744
○ Vugalei FRA 16/85	-	-	1,023,618
• Footbridge/Suspension Bridges			
○ Gasele-Nauciwai Foot and Crossing	733,945	-	-
○ Bua Lomanikoro Village Suspension (OPM-TCW)	1,376,147	-	-
○ Natua Village, Macuata (OPM-TCW)	550,459	-	-
○ Lakeba Village, Saqani, Cakaudrove (OPM-TCW)	660,550	-	-
○ Nakaba Settlement, Savusavu, Cakaudrove (OPM-TCW)	165,138	-	-
• Vatuwaqa Bridge (Chinese Aid Funds)	-	-	30,356
• Stinson Parade (Chinese Aid Funds)	-	-	581,770
• Nasese Bridge	-	-	42,781
• Vutuni 1 and 2	-	-	(500,000)
• Korotari crossing & Roads - FRA 18/47	4,587,156	1,587,156	1,343,858
• Korovula Bridge - FRA 18/52	-	500,000	441,372
• Korovuli Bridge - FRA 18/52	-	500,000	467,604
• Nakasava Bridge - FRA 18/52	-	500,000	372,609
• Vesidrua Bridge - FRA 18/52	-	1,000,000	968,184
• Ovalau Bridge Program (ADB Funded)	5,504,587	5,504,587	-
• Ovalau Bridge Program (ADB Funded) - Local Share (FRA 19-05 Detail Design of Bridges Ovalau & Taveuni)	550,459	550,459	1,515,707
• Taveuni Bridges (ADB Funded)	5,504,587	5,504,587	-
• Taveuni Bridges (ADB Funded) - Local Share	550,459	550,459	-
• Viti Levu - Rural Bridges Replacement Programme (ADB Funded)	9,174,312	9,174,312	297,557
• Viti Levu - Rural Bridges Replacement Programme - Local Share	917,431	917,431	28,809
VAT	7,483,013	7,349,070	2,813,008
Total Renewals & Replacements -Bridges	90,627,598	89,005,403	34,068,648



Savusavu roll on roll off ramp

Table 8 – Renewals and Replacements – Jetties

Renewals and Replacements - Jetties	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Natovi Jetty repairs	917,431	-	-
Nabou Walu Jetty Stage II physical works	2,752,294	-	-
Savusavu Jetty Renewals	481,899	-	-
Vunisea 2 Jetty Renewals	2,266,055	-	-
Waiyevo Jetty (Taveuni) TCW damage	917,431	-	-
Natovi Jetty Waiting Shed	550,459	-	-
Makogai Jetty	550,459	-	-
Koro Jetty	642,202	-	-
Nabukeru Jetty	1,834,862	-	-
Moala Jetty	550,459	-	-
Wainiyabia Jetty	642,202	-	-
FRA 17/85 5 Jetty Maintenance Package (Bau/Cicia/Lakeba/Oinafa/Kavala)	-	2,000,000	1,983,263
FRA 17-100 Investigation and Design 6 Jetties	-	-	8,210
FRA 17/38 - Ellington Wharf - Master Plan	23,775	23,775	-
VAT	1,091,657	182,140	179,233
Total Renewals & Replacements - Jetties	13,221,185	2,205,915	2,170,706



New Capital Programme

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

The following programmes were completed and continued to be carried out during the 2018/2019 financial year:

New Capital Programmes

- Access roads projects for Matokana village, Lagi-Duavata village, Veidrala village, Nanuku to Nalotawa road, Nukusere to Namuamua access, Natilla area and maintenance of access road for Draubuta;
- Various road works including Nausori Airport Road Diversion project, Vusuya, Vuci, Baulevu and Vorovoro road upgrade and Stage 2 of Matokana village road amongst others;
- Footpath constructions in the Western division;
- Construction of urban bus shelters;
- Stage 1 of Nakorosule to Nawaisomo road; and
- Maintenance of Beqa steep Hill.

New Capital Safety

- Widening and construction of footpaths, particularly in the Western division and along the Queens Road and Kinds Road villages/ settlements; and
- Solar Street light installation along the Navua streets, greater Labasa to Savusavu area, Nausori corridors; and
- Upgrade and maintenance of around 36 traffic signals.

Building more resilience is critical to sustainability of the road network. One of

FRA's initiatives over the past few years has been to undertake preventative works aimed at minimizing the likelihood of failures during rain events. Walkover surveys are undertaken to identify problems with drainage. Completing preventative maintenance works has avoided many failures that would otherwise have resulted in costly repairs.

Resilience is also about minimizing the time it takes to get roads re-opened after flooding. Significant progress has been made in this regard and where previously, it may have taken weeks or longer to re-open roads, nowadays, in most events, it can be sorted in a matter of days.

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



Works in progress at Matokana Village Access Road

Table 9 - New Capital Programme

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Safety Improvements			
Matanikorovatu Road Junction, Omkaar Road Junction, Sonaisali Junction, Natabua Junction	550,459	-	-
Navua Hospital Access safety Improvements; right Turn Bay and bus bays/ pedestrian crossing	1,464,220	-	-
Safety Works Maintenance Contractors	-	400,000	383,360
VAT	181,321	36,000	34,502
Subtotal – Safety Improvements	2,196,000	436,000	417,862
Access Improvements & Economic Stimulation			
Rural Unsealed Roads			
Northern			
Periodic Maintenance of Rural Roads (FRA 17/72A Unsealed Road Maintenance)	1,813,197	1,813,197	2,534,625
Periodic Maintenance of Rural Roads (FRA 17/72B Unsealed Road Maintenance)'		2,500,000	1,735,045
16/64 Koroinasolo Road / Kavula Banieka Road	483,097	483,097	1,013,540
18/09 Naviqiri, Nasau Naivaka Road	2,293,578	-	-
FRA 18/08 Venia Lea	2,393,578	-	-
FRA 18/08 Kedra-Sese Rd. (Qelemumu Basoga Rd)	457,453	-	-
18/09 Nasealevu - Viriqali	2,293,578	-	-
FRA 18/08 Nasasa - Nacula - Lakeba Rd	2,193,578	-	-
18/09 Niurua-Raviravi Stage 2 + crossings	2,208,757	-	-
Sevaci / Korotasere Road stage 3 FRA 16/101	98,773	98,773	49,973
17-61 Lagi-Duavata Village Access Road	1,975,688	1,975,688	1,787,700
17/62 Dreketilailai - Lekutulevu Rd.	776,147	1,600,000	1,577,715
Eastern			
Periodic Maintenance of Rural Roads	1,417,431	-	-
Vunisea-Vacalea FRA 18/06 & 18/01	2,152,294	1,652,294	1,442,721
15/104 Rotuma Farm Roads	917,431	417,431	121,676
Kadavu South	1,100,000	-	-
15/113 Eastern Island Roads Upgrade (15/113)	1,834,862	-	-
16/46 Yawe District Rd. Stage 1 & 2	880,381	880,381	761,391

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Western			
• Periodic Maintenance of Rural Roads (FRA 17/70B Unsealed Road Maintenance)	929,112	929,112	567,887
• Periodic Maintenance of Rural Roads (FRA 17/70C Unsealed Road Maintenance)	-	-	653,709
• 18/07 Veidrala Access Road	1,546,065	546,065	201,190
• 18/07 Naunuku-Nalotawa Access Road	814,679	214,679	196,740
• FRA 18/17 Nasatogo-Navitilevu Village Access Road	1,376,147	-	-
• FRA 18/17 Vagadra Access Road	1,376,147	-	-
• 17/46 Matokana Village Road Stage 2	1,985,780	585,780	555,243
• 17/45 Maintenance Draubuta Access Road	371,686	371,686	258,500
• 15/49 Nasauvakarua Rd.	532,110	532,110	-
• Lawaqa-Tilivalevu & Nadroumai bypass FRA16/100	779,736	779,736	606,686
Central			
• Periodic Maintenance of Rural Roads FRA 17/71B	567,431	2,067,431	1,719,369
• Periodic Maintenance of Rural Roads FRA 17/71A	-	-	370,551
• 17/60 Nakorosule-Nawaisomo Rd. Stage 1	2,293,578	2,293,578	2,687,806
• 18/11 Nagelewai - Nasoqo Rd	3,669,725	169,725	-
• 18/19 Nukusere-Namuamua Nakavu Access Road	550,459	550,459	5,400
• 18/19 Wainiyavu - Wainilotulevu	1,834,862	234,862	193,550
• 18/19 Maintenance - Beqa Steep Hill	-	800,000	706,991
• 18/10 Vuniduba Circular Rd	-	350,000	305,721
• 18/10 Antioki	-	1,900,000	1,936,157
• 18/10 Veisa Farm Rd	458,716	458,716	-
• 16/97 Sawanikula-Korovou-Nasauvere Rd.+ crossings	1,056,147	-	-
• 16/99 Cautata-Waicoka Road	-	-	(187,579)
• 16/97 Natilla Access Road (Logani-Seba Road)	980,484	-	-
• 17/59 Namata Village Access Road	917,430	1,467,430	1,470,350
• 17/58 Natilla Access Road (Logani-Seba Road)	-	-	204,222
• 17/66 Kiuva-Kaba Peninsula Road	2,293,578	4,793,578	5,145,550

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
• 17/75 Nausori Airport Road Diversion Phase 1	376,304	376,304	637,723
• 17/78 Nausori Airport Road Diversion Route 2 &3	-	-	94,742
• Wainivesi & Wainivillimi FRA 16/96	458,716	458,716	(270,349)
Rural roads via maintenance contractors	-	5,000,000	4,495,801
Rural Sealed Road Upgrade			
• Vuci Rd Drainage Upgrade for Safety Footpath and Bus Bays	3,669,725	-	-
• Vuci Rd Upgrade (1.7km from end of Seal at Raralevu Police Post to Raralevu Village)	927,982	-	-
• Vorovoro Rd Upgrading (Rups Nakasi side road sealing)	275,229	-	-
• Nadi Back Road footpath/bus bay/drainage/surface	3,822,630	-	-
VAT	5,323,885	3,267,075	3,022,231
Subtotal – Access Improvements & Economic Stimulation	64,478,166	39,567,903	36,602,578
Community Amenity Improvements			
Pedestrian Facilities			
• Footpaths			
o Footpath Widening Construction Votualevu - FRA 16/95	-	-	(110,808)
o FRA 17/22 - Northern Division	590,592	590,592	389,232
o FRA 17/79 - Central Division	242,492	242,492	641,442
o FRA 17/88 Central Division	4,220,183	1,020,183	927,509
o Footpath Construction Western Division - FRA 17/68	-	-	128,041
o FRA 17/104 Western Division	3,027,523	-	-
o Footpath Construction Western Division - FRA 17/104A	-	800,000	763,250
o Footpath Construction Western Division - FRA 17/104B	-	1,400,000	1,432,714
o Footpath Construction Western Division - FRA 17/104C	-	1,400,000	1,306,792
o 14 sites Western Extra (35Km)	17,804,862	-	-
o 17 sites Central Extra (20km)	10,091,743	-	-
• Bus Stops and Bus Shelters			
o FRA 17/76 - Construction of urban bus shelters -84	924,763	924,763	534,892
o Additional 41 Bus shelters	685,857	-	-
• Small Infrastructure Works - Nasinu	917,431	-	-
• Road Upgrades			

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
○ Upgrading Threshold Signage for Villages on Kings and Queens Rd	394,495	-	-
○ School and Health Center Frontage Sealing	1,055,058	3,655,058	3,614,361
○ Community/ areas of worship Frontage Sealing	757,513	-	-
○ Traction Sealing	802,720	303,867	303,868
○ Village Frontage Sealing	-	-	624,412
• Streetlights / Traffic Signals			
• FRA 17/47 Queens Road Villages/Settlements (2015/16) - DLP	734,564	734,564	280,435
• FRA 17/48 Kings Road Villages/Settlements	2,516,786	2,516,786	1,553,816
• Navua Street Light FRA 17/54	-	-	193,018
• Vanualevu from Labasa to Savusavu	1,578,872	178,872	160,958
• Nausori Areas (Wainibokasi & Vuci)	404,420	404,420	268,578
• Solar Street Lighting	1,284,404	284,404	282,751
• Nausori - Suva Corridor	1,100,917	100,917	92,642
New Streetlights	4,587,156	-	-
• Upgrade of 36 Traffic Signals (Traffic Maintenance FRA19/13)	5,440,367	840,367	801,738
VAT	5,324,645	1,385,756	1,277,068
Subtotal - Community Amenity Improvements	64,487,364	16,783,042	15,466,708
Congestion and Capacity Improvements			
Road Corridor Improvement			
• NASRUP Suva 3 (Nasinu - Nausori)	29,357,799	29,357,799	-
○ Section 3 & 4 FRA 18/60B	-	-	20,199,484
○ S3 section 1 & 2 FRA 18/60A	-	-	11,350,340
Nadi - Lautoka Corridor Plan Implementations			
• Detailed Engineering and Geotechnical studies of Four lane Options for remaining Nadi - Lautoka Corridor	227,254	-	-
• Formalise and improve 69 intersections Nadi - Lautoka	1,307,162	-	-
• Gateway treatments University of Fiji and Lauwaki including delineation improvements	240,889	-	-
• Two new pedestrian refuges Lauwaki village and one new zebra crossing at University of Fiji	213,619	-	-
• Speed management Wailoko Rd to Dreketi Feeder Rd Lautoka; right turn	117,717	-	-

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
bays Dreketi Feeder Rd. Speed management Navutu Rd to Vitogo Pde Lautoka			
Right turn Bays Wairabetia Rd, Field 40 Rd Lautoka	272,705	-	-
Four lane and By-pass Lauwaki to Lautoka including University of Fiji	727,211	-	-
Improvements along Ratu Dovi Road (Nadera - Laqere Junction)	909,015	-	-
Labasa Transportation Study - Implementation of Recommendations			
Improve Naduna Rd - Nasekula Rd - Labasa River Bridge - Bulileka Rd: 26 intersections, pedestrian crossings and improved delineation. Gateway treatment on western approach to Labasa	636,310	-	-
Right turn bays on 8 intersections Naduna Rd to Bulileka Rd (2017-2019)	272,704	-	-
Queens Road Passing lanes	1,427,115	427,115	245,001
Kings Road Passing lanes	1,427,115	-	-
Labasa By-pass Road & Bridge - Investigations	1,834,862	-	-
VAT	3,507,433	2,680,642	2,861,534
Subtotal - Congestion and Capacity Improvements	42,478,910	32,465,557	34,656,359
Tourism, Amenity and Access Improvements			
Road Corridor Improvement			
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)	6,486,314	5,486,314	4,628,966
Formalise and improve 20 intersections Denarau Rd including delineation improvements. Enhance existing pedestrian crossing Ratu Navula school	201,376		
New footpath - Narewa village to Denarau Bridge & Construction of Bus Shelter	275,229		
Queen Elizabeth Drive	13,761,468	3,761,468	3,133,712
VAT	1,865,195	832,300	698,641
Subtotal - Tourism, Amenity and Access Improvements	22,589,582	10,080,082	8,461,319

New Capital	Corporate Plan Budget (\$)	Revised Budget (\$)	Expenditure (\$)
Risk Reduction, Resilience and Asset Preservation			
Physical Works			
Coastal Protection - (Kasavu, Moala, Cicia, Koro, Rotuma Island, Malevu Village & Volivoli)	917,431	917,431	1,342,212
VAT	82,569	82,569	120,799
Subtotal - Risk Reduction, Resilience and Asset Preservation	1,000,000	1,000,000	1,463,011
Total New Capital	197,230,023	100,332,583	97,067,837



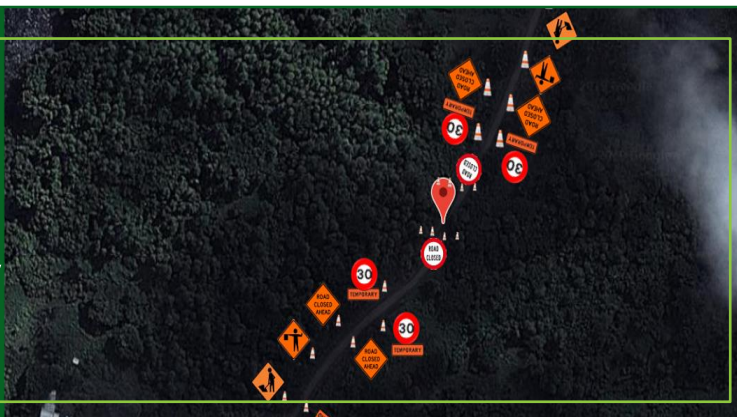
SARUP 1 projects, from top left to bottom right, Installation of lights from Kings Road Laqere Makoi, Upgrade work at McArthur Street, Renewal of Road at Nabua Mead Road Roundabout, Upgrade works at Edinburgh Drive and Upgrade maintenance at Mead Road roundabout to Kinoya, Khalsa.

Summary	Corporate Plan Budget	Revised Budget	Expenditure
Budget and Expenditure			
Management	29,626,999	24,174,215	23,102,282
Maintenance	60,000,000	130,130,499	127,383,118
Emergency works	11,901,141	27,061,141	24,087,138
Renewals and Replacements - Roads	110,450,000	123,634,000	108,798,156
Renewals and Replacements - Bridges	90,627,598	89,005,403	34,068,648
Renewals and Replacements - Jetties	13,221,185	2,205,915	2,170,706
New Capital	197,230,023	100,332,583	97,067,837
Total	513,056,945	496,543,756	416,677,884
Funding			
Operating Grant	29,626,999	24,174,215	23,102,282
Capital Grant	421,779,947	410,719,542	331,925,602
ADB / WB Loans	61,650,000	61,650,000	61,650,001
Total	513,056,945	496,543,756	416,677,884
Projects Funded by ADB/ WB Loan			
Renewals – Roads and Services	39,650,000	39,650,000	28,752,002
Renewals – Bridges and Crossings	22,000,000	22,000,000	324,338
Total	61,650,000	61,650,000	29,076,340



SARUP 1- Grantham Road (50mtr) into Kasanji and Gaji Road

Levels of Service - Accountability



Health and Safety

Table 11 - Health and Safety – Road Accident Casualties

Code	Performance Measure	2018/2019 target	Outcome
1A.1	Less fatal and serious injury accidents – total.	Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well).	Achieved
1A.2	A reduction in the social cost of all recorded injury crashes.	Continuously reducing five year rolling average. Calculated based on internationally recognised accident costs.	Achieved

The road accident data is collected by the Fiji police and recorded in a database maintained by them.

In recent years fatalities had decreased

There has been a decrease in road fatalities compared to last year. Road fatalities number dropped to 61 compared to 70 road fatalities during the same period last year. With more vehicles on the roads, there is a clear need to increase investment in all aspects of road safety.

A wide scale project across Fiji was undertaken towards the second half of the

financial year to widen footpaths, install railings, guardrails and streetlights across the country, including the continuous installation of speed humps on villages next to highways, to assist with in the reduction of road casualties.

Health and safety is one of the highest priorities for the Authority, however it will take several more years before we establish a fully measurable and transparent performance measurement regime at this secondary, output based, level.

Figure 6 – Causes of road fatalities for the years 2017 to 2019

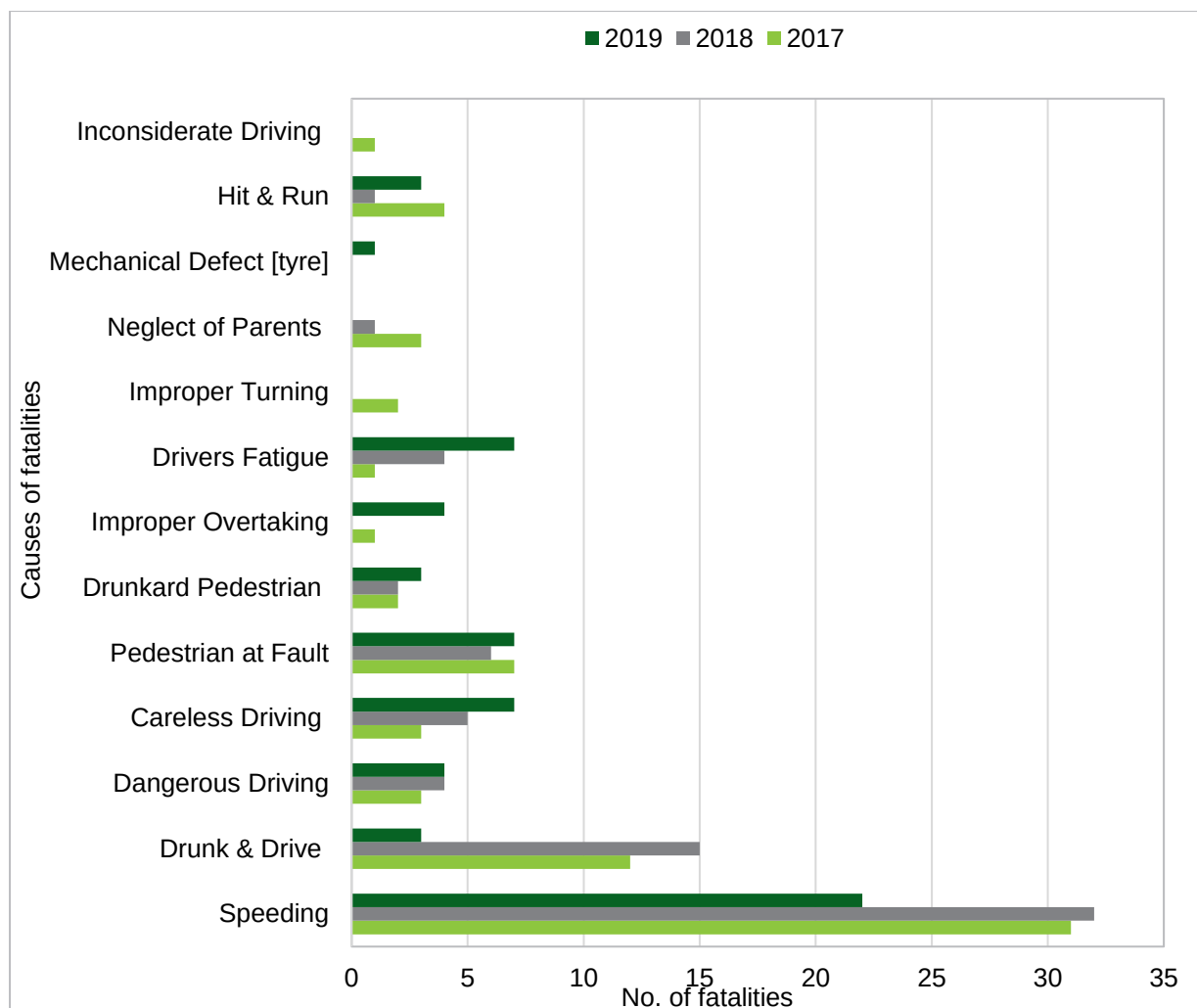


Table 12 – Causes of road fatalities for the years 2017 to 2019

Causes of Fatalities	2017	2018	2019
Speeding	31	32	22
Drunk & Drive	12	15	3
Dangerous Driving	3	4	4
Careless Driving	3	5	7
Pedestrian at Fault	7	6	7
Drunkard Pedestrian	2	2	3
Improper Overtaking	1	0	4
Driver's Fatigue	1	4	7
Improper Turning	2	0	-
Neglect of Parents	3	1	-
Mechanical Defect [tyre]	-	-	1
Hit & Run	4	1	3
Inconsiderate Driving	1	-	-
Total	70	70	61



New footpaths along Fletcher Road to improve pedestrian safety

Asset Stewardship

Table 13 - Asset Stewardship - Outcomes

Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) – Outcomes			
Code	Performance Measure	2018/2019 target	Outcome
2A.1	An annual reduction in the value of deferred maintenance/ deferred renewals.	Yes	Partially achieved
2A.2	The percentage of planned new capital and renewal projects completed.	100%	Partially achieved
2B.1	Bridges' condition improved as evidenced by the categorisation changes: - High Priority Bridges - Medium Priority Bridges - Low Priority Bridges	9.33% 1.85% (1.57%)	Partially Achieved

Investment in renewing the network as the annual depreciation provision

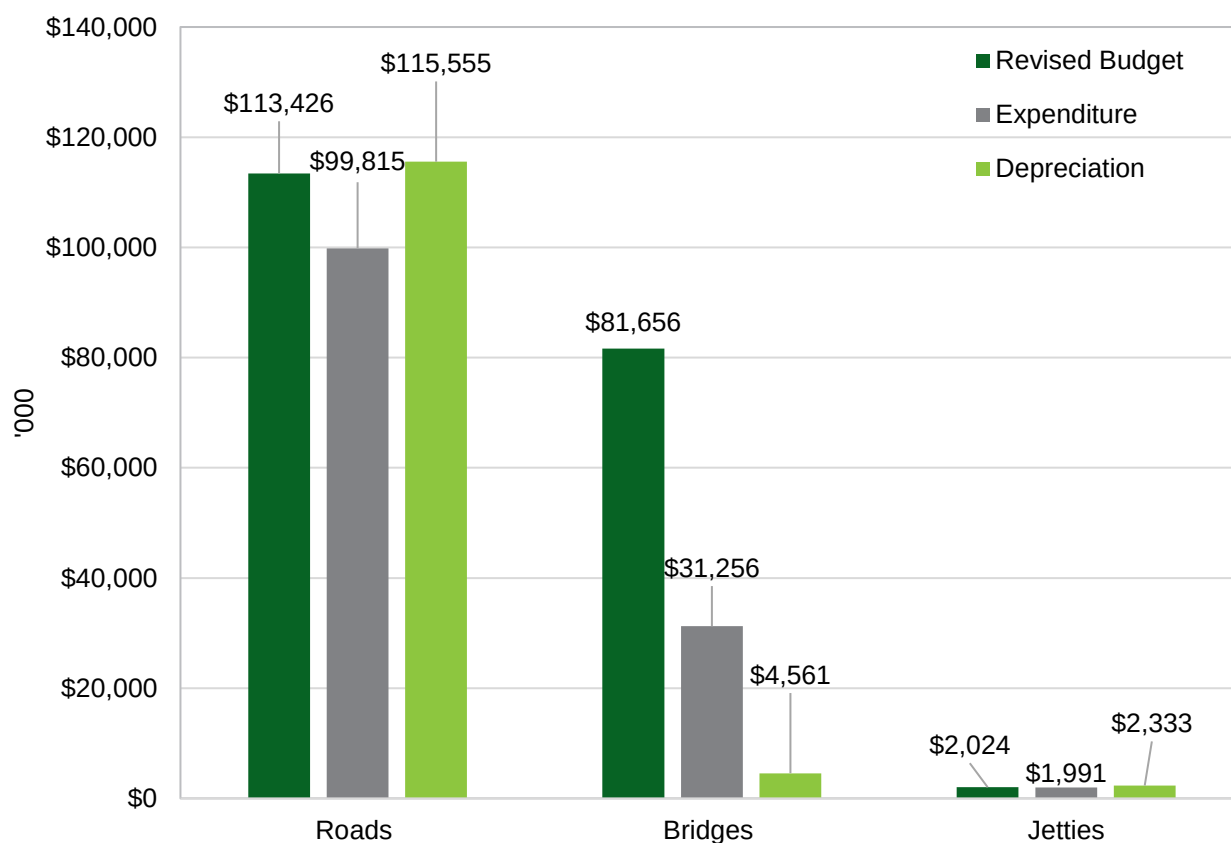
The sufficiency of the FRA's annual maintenance and renewal budget is determined by comparing the depreciation provision (the extent to which the assets are being 'consumed' or continuing to wear out every year) with the annual renewals and replacement expenditure.

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

In the 2018/2019 financial year, FRA invested more than \$242 million (VEP) in renewing its assets. Renewals for roads, bridges and jetties totaled approximately \$145 million (VEP) This is more than the annual depreciation provision hence, it can be maintained that the network has improved. The backlog has decreased, and the network is recovering, providing that investment continues to be applied at levels greater than the annual depreciation (see Figure 7).

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

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





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

During the 2018/2019 financial year, the FRA has built over \$370 million programme for New Capital and Renewals. This includes several major rural and urban projects of substantial complexity.

Measuring the number of planned projects completed is more difficult as many of these projects are multi-year projects. A number of capital projects also relate to non-physical work items, which were undertaken during the 2018/2019 financial year. These are projects which are in the development pipeline for later construction. Consequently, we have assessed performance based on the completion of planned work on projects, rather than project completion.

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

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

Planned maintenance work was completed

During 2018/2019 financial year, \$130 million (VIP) of maintenance works were budgeted and all were completed. Achievements in some key areas of activity are shown in Table 14 below.

Table 14 – Maintenance Activity Achievements

	Maintenance Activity	Unit of measure	2018/2019 achievement	2017/2018 achievement
1	Potholes repaired	no.	412,043	313,777
2	Line marking	km	24,561	12,493
3	Grading	km	11,682	48,353
4	Gravel spread on Unsealed Roads	mtr3	166,539	14,182
5	Drain cleaning	km	104	1,197,625
6	New culverts	mtr	7,099	23,012

Complaints about potholes increased slightly in the 2018/2019 financial period

At FRA we record all complaints received into our Service Request (SR) system in relation to the potholes. These complaints are directed to the responsible officer, and progress to resolve them is tracked within the SR system. During the period,

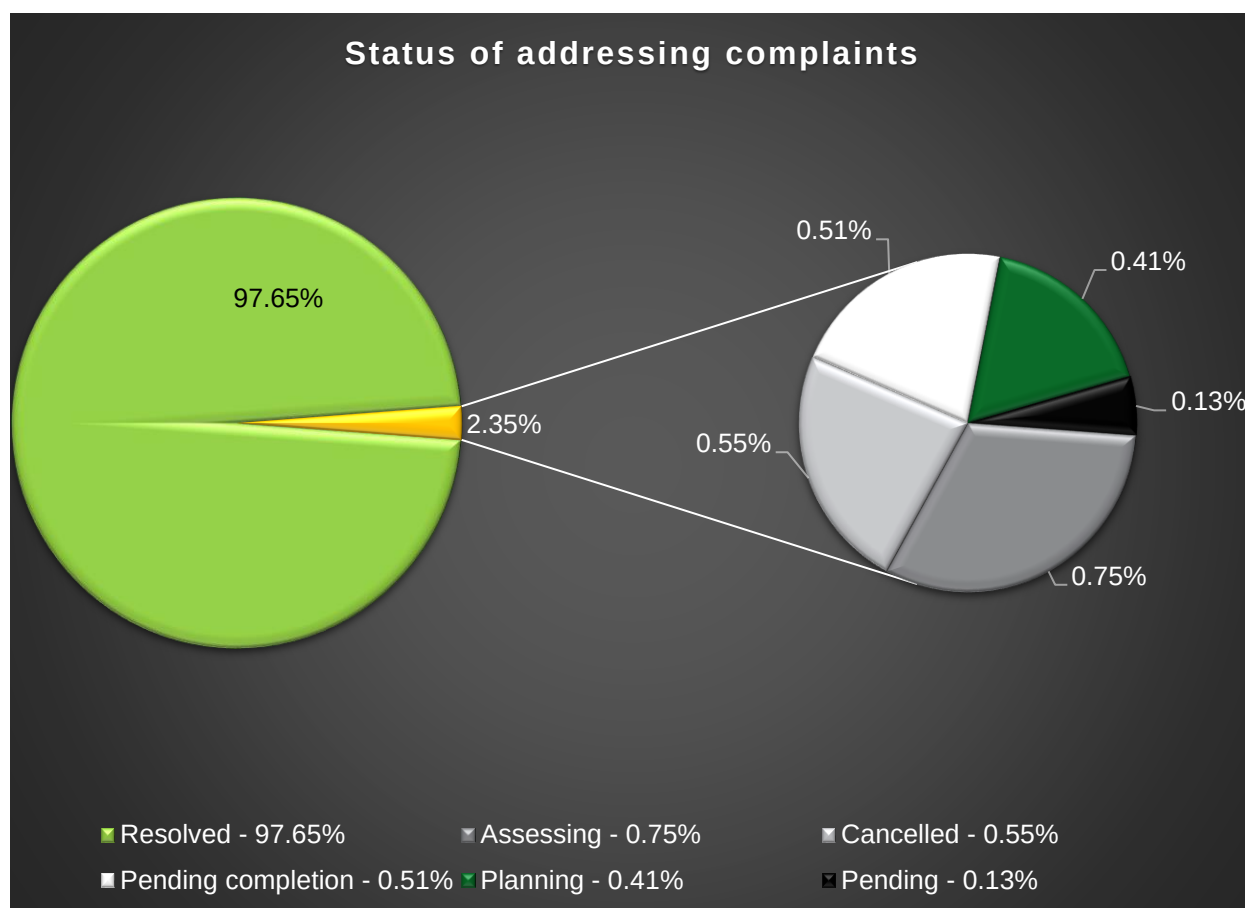
our SR system recorded 12,148 complaints, for which 98% were addressed and resolved.

Due to the overall condition of the existing road network being poor, there has always been a 'backlog' of pothole repair work, particularly in smaller, low traffic volume roads. After periods of rain, especially after many TC depressions prior to 2018/2019 financial year, we see

new potholes across the network, but our priority has been to address the arterial roads and other high traffic roads before moving into side streets etc. The

complaints received in relation to the potholes thus increases year by year and so does the pothole repair cost.

Figure 8: Complaints received through FRA SR System and status of these complaints



Bridges' conditions

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

FRA engages consultants on a case-by-case basis to complete general inspections of bridges/ major culverts in the Central, Eastern, Northern and Western Divisions (this includes redundant and not found structures). This is mainly done depending on the need to assess the condition of bridges/ crossings as well as appraise the weight limit of bridges/ crossings for public use and safety.

Service Quality

Table 15 - Service Quality: Aesthetics, Reliability, Responsiveness and Capacity

Service Quality - Including: Aesthetics, Reliability, Responsiveness and Capacity			
Code	Performance Measure	2018/2019 target	Outcome
3A.1	Reduced congestion by route	To be determined	Not measured
3A.2	Not less than 60% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	60%	Not measured

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

As Fiji grows and develops, car ownership, usage and the amount of goods being transported around the country also increases. Accommodating this growth on the transport networks has been a challenge, especially in the urban areas and the main arterial routes which connect cities, towns, airports and ports.

A degree of congestion on the roads is inevitable and there would be a need to expand the capacity where it is right to do so. However, it would also be important for Fiji to recognize that countries across the world have come to realize that building roads alone will not solve congestion. We need to make more efficient use of what capacity we have. This simply means that we need the following:

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

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

Compliance

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

Compliance - Including: Training, Record Keeping, Data Management & Reporting			
Code	Performance Measure	2018/2019 target	Outcome
4A.1	Compliance with all legislative, regulatory and other requirements.	100%	Achieved

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

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

Overloading of heavy goods vehicles

Illegal overloading and loading exemptions continue to result in damage to roads and structures. We estimate that

the cost of this damage is over \$50 million each year. This effectively represents a hidden transfer subsidy to industries such as logging and sugar which benefit from lower haulage costs.

FRA considers that these road damage costs should be managed through better enforcement and compliance, or otherwise captured within the appropriate industry so that better decisions are being made. FRA's responsibility for enforcement of vehicle load limits has been removed from the Act (see Appendix A). However, we are still playing a central role in a multi- agency approach to this problem and will continue to do so with the goal of reducing abnormal damage to roads and structures.

Financial

Table 17 - Financial – Economic Value for Money

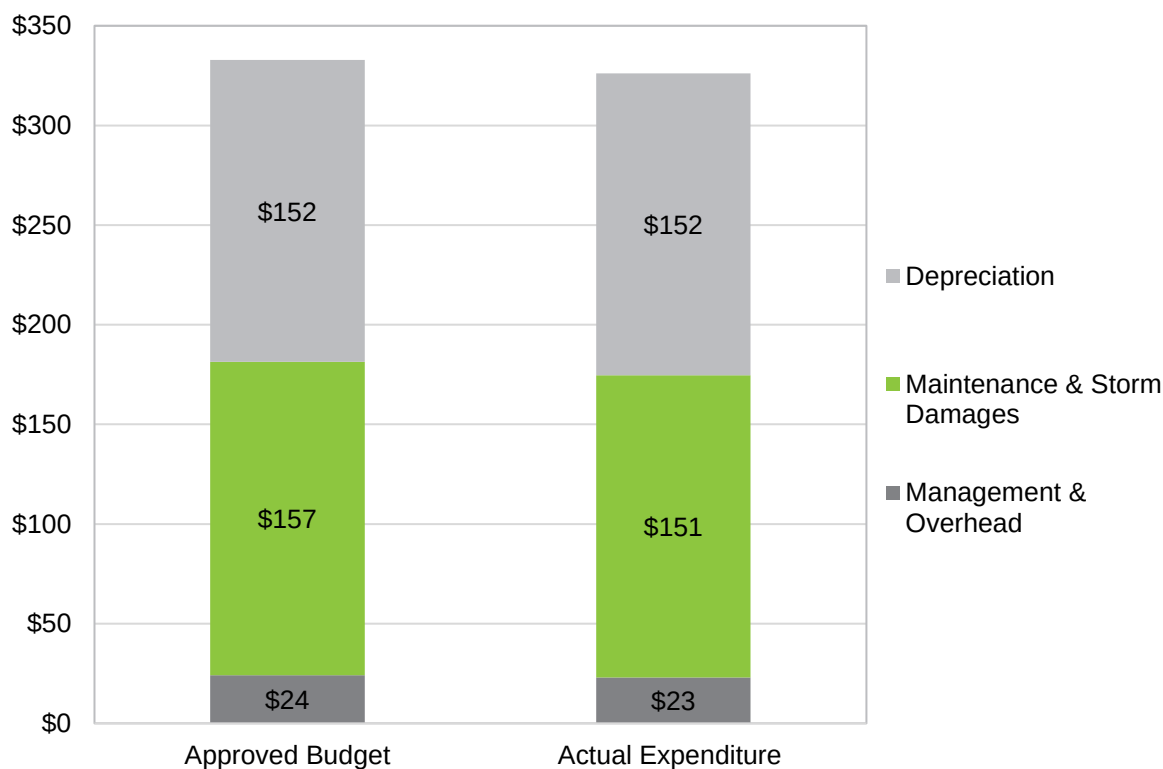
Financial - Economic Value for Money			
Code	Performance Measure	2018/2019 target	Outcome
5A.1	Total operating costs were within the approved total budget.	Yes	Achieved
5A.2	New capital and renewal projects were completed within the approved total budget.	Yes	Achieved

Total FRA operating expenditure was within annual approved budget

In this context operating costs include the costs of the FRA business unit and the

costs of maintaining the network (including storm damage and depreciation). Comparison of budget and expenditure is shown in Figure 9. The approved budget for these works were \$333 million while the actual expenditure was \$326 million.

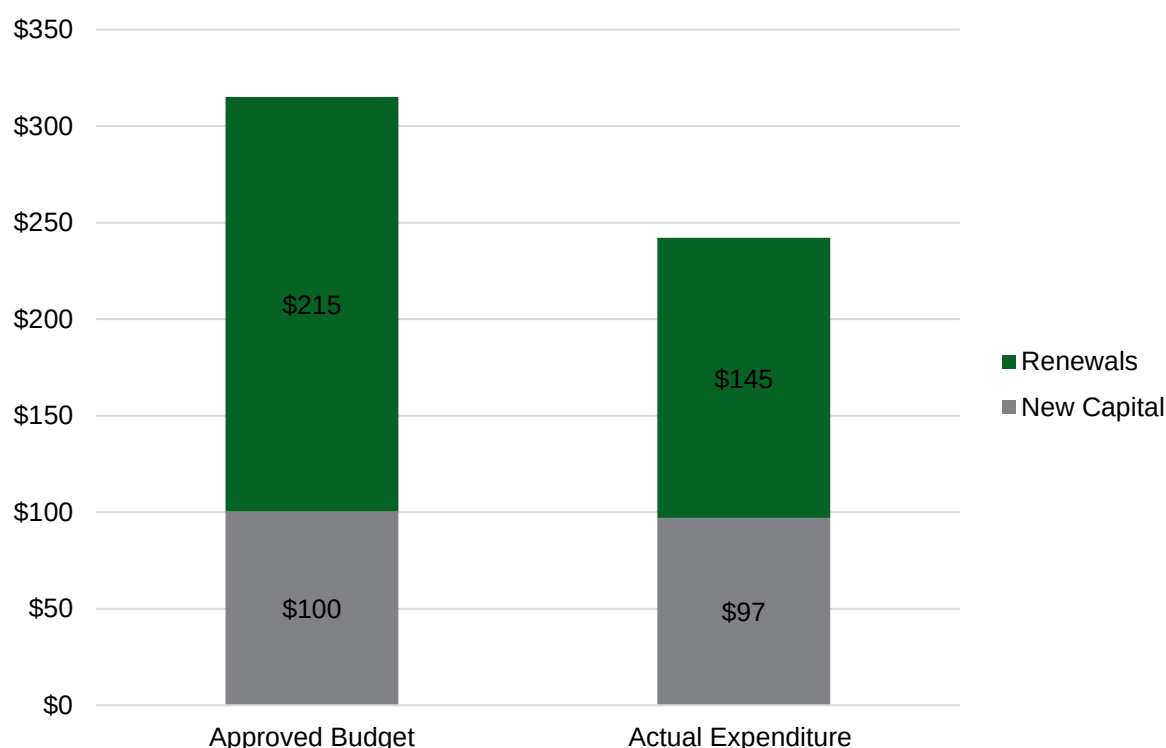
Figure 9 - FRA 2018/2019 operating budget and expenditure (\$m VIP)



Total FRA capital and renewal expenditure was within annual approved budget

Capital and renewal expenditure was 77% of the 2018/2019 revised budget. The comparison of the budget and expenditure is shown below in Figure 10.

Figure 10 – FRA 2018/2019 capital and renewal budget and expenditure (\$million VIP)



Comprehensive independent revaluation of assets was undertaken in 2015

The FRA's auditors (Office of the Auditor General) have qualified the accounts between 2012 – 2014 because they couldn't be satisfied there are sufficient documentation to appropriately substantiate the value of the FRA's property, plant and equipment.

The first valuation of FRA's was undertaken in 2015 – \$12 billion.

AS per FRA's revaluation policy the assets revaluations will be carried out after 3 years. The next revaluation was expected to be carried out in the 2018/2019 financial year.

However, this is currently pending. FRA is looking at best industry practice to benchmark its assets. Hence, at this stage FRA is doing an extensive work on the renewals of its assets as most of the road surface and bridges are coming to its serviceable life. Once this is completed a valuation exercise would be conducted then.

Specific Tasks

Progress has been made, but performance on specific tasks for 2018/2019 financial year has not been as good as hoped

We set ourselves several specific tasks at the beginning of the year.

The table 18 below provides details on the specific performance targets and the performance results. Although good progress has been made, overall achievement was not as good as we had hoped. Over the course of 2018/2019 financial year, FRA was still in the process of building the organizational capacity to deliver on all our targets.

Table 18 - Specific Tasks for 2018/2019

2018/2019 Specific Performance Target	2018/2019 Performance Result
Governance	
1) Prepare the 2018/2019 Annual Report by 30 April 2020.	Not achieved. Due to FRA's structural and personnel changes, this was delayed. A further delay was caused due to delays in Audit.
2) Adopt the Corporate Plan and SCI for 2018/2019 before July 2018.	Not achieved. Due to FRA's structural and personal changes this was delayed.
3) Clarify the FRA's Legislative and Regulatory Responsibilities. (Amendments required to the Local Government Act and several other Acts as a result of enactment of the Fiji Roads Authority Act)	On-going.
4) Resolve outstanding issues with Municipal Councils' contributions and delegated functions.	On-going.
5) Implement the final reorganisation plan for FRA's management and ensure a smooth transition.	On-going.
Technical	
1) Adopt a new Roads' Classification System.	Completed specifications. Adopted the VicRoads plan.
2) Adopt and complete the implementation of an integrated Enterprise system for asset management, project planning and management and associated functions. (The exact breadth still to be decided).	Pending.

2018/2019 Specific Performance Target	2018/2019 Performance Result
3) Continue to stress to the Government the urgent need to address the serious damage being done to the roads by overweight vehicles.	On-going.
Financial	
1) Implement a more 'user friendly' system of reporting expenditure against budget.	Achieved through the implementation of the NAVISION system.
General Management	
1) Update the Asset Management Plan to meet the timeframes for the 2018/2019 budget submissions.	Achieved. AMP prepared for 2019 to be reviewed.
2) Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals.	Pending.
3) Ensure effective processes are in place enabling the reporting of actual performance against the performance measures and targets listed in both the Corporate Plan and in the Asset Management Plan.	On-going.
4) Agree a programme of Independent Audits of the FRA's work for the year and ensure weaknesses raised in them, and in the Office of the Auditor General's (OAG's) Audits (including in the OAG's 'Performance Audit' carried out in 2015) are promptly addressed.	Financial audit – Achieved. Performance audit is yet to be carried out by OAG.
5) Ensure effective management of the Business Improvement Control, the Audit Control and of the Improvement Plan in the Asset Management Plan.	On-going.
6) Implement (and more assertively manage) a new format for reporting projects' progress.	Achieved, however this is an on-going process.

Financial Statements

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**FIJI ROADS AUTHORITY
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2019**

Formation of Fiji Roads Authority

Fiji Roads Authority was established by the Fiji Road Authority Act 2012 (as amended by the Fiji Roads Authority (Amendment) Act 2012 ("Principal Act" also known as "the FRA Act"). 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 year ended 31 July 2019 and the auditors' report thereon.

Directors

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

Mr Ariff Ali - Chairperson
Mr Aptinko Vaurasi - Member
Ms Preetika Prasad - Member
Mr Kamal Gounder - Member

State of affairs

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Authority that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.
- the accompanying statement of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2019 and the accompanying statement of comprehensive income, the statement of changes in equity and the statement of cash flows give a true and fair view of the result of the Authority, its changes in equity and its cash flows for the year then ended.

Principal activity

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

Operating results

The operating deficit for the year ended 31 July 2019 was \$28,964,875 (31 July 2018: \$87,083,684).

Reserves

The directors did not recommend any transfers to or from reserves to accumulated funds in the 2019 financial period except as required by International Fund Reporting Standards.

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

Events Subsequent to Balance Date**i) COVID-19 Outbreak**

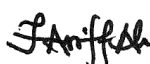
In the subsequent financial year the COVID-19 pandemic affected Fiji which lead to a COVID-19 Response Budget 2019-2020. In the COVID-19 Response Budget 2019-2020 a reduction in government grant for Fiji Roads Authority was made. The COVID-19 pandemic and the unprecedented uncertainty in the economic environment continues in the 2020-2021 financial year. The impact of COVID-19 pandemic adversely affected shipping and delivery of some equipment, materials, personnel, progress of projects and supply chain (production, shipping and delivery etc.). In the event that the COVID-19 pandemic impact is prolonged than anticipated, this may result in the reduction of the grant funding in the subsequent financial years. Restrictions in movements and lockdown may affect the agreed closing dates of the projects. This maybe further affected by shortage of materials.

ii) Tropical Cyclone Damage

In the subsequent financial year, the Tropical Cyclone affected Fiji which lead to damage and loss to FRA Infrastructure. Tropical Cyclone Yasa made a land fall on 17th December 2020 and cause damage and loss to FRA Infrastructure at an estimated cost of \$89 million. Tropical Cyclone Ana also made a land fall on 30th January 2021 and cause damage and loss to FRA Infrastructure at an estimated cost of \$164.5 million.

Dated at Suva this 30th day of November, 2021

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

Director 

Director 

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

Fiji Roads Authority

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Fiji Roads Authority ("the Authority"), which comprise the statement of financial position as at 31 July 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the matters described in the Basis for Qualified Audit Opinion the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 July 2019, and of its financial performance and its cash flows and the changes in equity for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Qualified Audit Opinion

1. The Authority has not brought to account the amount payable and contribution receivable to and from the Municipal Councils amounting to \$34,790,952 and \$53,646,141 respectively in the Statement of Financial Position. These amounts have been disclosed as contingent assets and contingent liabilities (Note 12) in the notes of the financial statements. In 2012, the Authority entered into Memorandum of Agreements with the Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the Councils. It was also agreed that the Councils will pay the Authority an annual contribution for the Council roads maintained by the Authority. Consequently, the Authority's receivable and payable and the related expenses and the income accounts for the current and prior years are understated.
2. The Authority has recorded disposal of road systems amounting to \$7,654,098 (Note 7b) in the financial statements. Assets are recorded as disposal when it is withdrawn from use and no future economic benefit are expected from the assets. The Authority was unable to provide relevant supporting documents to substantiate the disposal of roads systems. As a result, I am unable to ascertain whether the disposal of roads systems of \$7,654,098 is fairly stated in the financial statements.
3. Included in the Grants and Interest Receivable of \$70,705,836 (Note 6) is an amount of \$5,652,074, receivable for the re-construction of the Denarau Bridge which has been recorded by the Authority since 2014. Ministry of Economy in its letter dated 15 February 2021 to the Authority stated that the cost for the re-construction of the bridge was to be sourced from the savings within the Authority's Capital budget. As such, the recoverability of the amount remains uncertain. Furthermore, the Authority has not provided evidence of any assessment carried out for impairment of the receivables at balance date. As a result, I am unable to ascertain whether the receivable for the re-construction of the Denarau Bridge balance of \$5,652,074 is fairly stated in the financial statements.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountant's Code of Ethics

for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

1. The Authority has still not undertaken a full review on impairment of assets with zero written down totalling \$455,124 included in its property, plant and equipment. The review of the depreciation rates and the economic useful lives of the individual classes of plant and equipment in a progressive and structured manner for consideration and review by the Directors of the Authority is yet to be performed.
2. Note 1(g) to the financial statements relates to revaluation of property, plant and equipment. As per the accounting policy, the Authority performs revaluation of the roads systems at least every three years. The Authority is yet to perform revaluation of the roads systems which was due by the end of 2018 financial year.
3. There exists an unreconciled variance of \$3,124,560,138 between the opening written down value of the road system as per the Fixed Assets Register and Property, Plant and Equipment (Note 7) to the financial statements. Within the caption "Roads Systems" there are various sub components of fixed assets addition to the total of roads system. The Authority is unable to identify the sub components to which the variance relates too.
4. Note 21 (i) to the financial statements relates to COVID-19 pandemic and its impact on the Authority during the year and the on-going associated uncertainties post year-end. In the event that the impact of the COVID-19 pandemic is prolonged than anticipated, this may result in the further reduction of funding in subsequent financial years and delay the completion of the respective projects. The Authority anticipated that the impact of the COVID-19 pandemic on amounts and estimates reported or used in the preparation of 2019 financial statements is not expected to be material, hence have not made any adjustment to the 2019 financial statements.

My opinion is not modified in respect of these matters.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (con't)

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

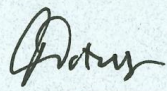
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Authority, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of my information and according to the explanations given to me, give the information required by the Fiji Roads Authority Act 2012 and other statutory requirements in the manner so required.


Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
14 December 2021

**FIJI ROADS AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019**

	Notes	31 July 2019	31 July 2018
		\$	\$
Income			
Grants and contributions	2 (a)	23,275,126	25,490,614
Amortisation of deferred income	11	275,688,811	165,216,118
Other income	2 (b)	392,855	887,846
Total income		299,356,792	191,594,578
Expenditure			
Employee related expenses	3 (a)	(13,572,754)	(10,779,437)
Other operating expenses	3 (b)	(7,647,111)	(5,606,126)
Maintenance	3 (c)	(154,346,912)	(117,190,592)
Total Expenditure		(175,566,777)	(133,576,155)
Surplus from operations		123,790,015	58,018,423
Depreciation and amortisation	7, 8 & 20	(152,754,890)	(145,102,107)
Deficit for the year		(28,964,875)	(87,083,684)
Other comprehensive income		-	-
Total comprehensive loss for the year		(28,964,875)	(87,083,684)

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

**FIJI ROADS AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Notes	Contributed Equity	Accumulated Losses	Capital Reserve	Asset Revaluation Reserve	Total Equity
		\$	\$	\$	\$	\$
Balance as at 31 July 2017		4,824,483,434	(155,263,312)	878,428	3,505,794,232	8,175,892,782
Deficit for the year		-	(87,083,684)	-	-	(87,083,684)
Increase in capital reserves		-	-	-	-	-
Transfer to contributed equity		-	-	-	-	-
Revaluation increment		-	-	-	-	-
Increase in assets from equity transfer		4,205,793	-	-	-	4,205,793
Balance as at 31 July 2018		4,828,689,227	(242,346,996)	878,428	3,505,794,232	8,093,014,891
Deficit for the period		-	(28,964,875)	-	-	(28,964,875)
Increase in capital reserves		-	-	-	-	-
Increase in assets from equity transfer	19	5,578,757	-	-	-	5,578,757
Balance as at 31 July 2019		4,834,267,984	(271,311,871)	878,428	3,505,794,232	8,069,628,773

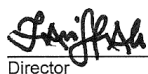
The accompanying notes form an integral part of this Statement of Changes in Equity.

**FIJI ROADS AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	Notes	31 July 2019 \$	31 July 2018 \$
Current assets			
Cash and cash equivalents	4	72,134,565	52,832,641
Receivables	5	3,716,481	3,589,868
Other current assets	6	103,798,381	74,119,090
		<u>179,649,427</u>	<u>130,541,599</u>
Non-current assets			
Property, plant and equipment	7	9,061,132,761	9,024,705,420
Right of Use Assets	20(a)	906,344	-
Intangible assets	8	534,519	382,385
		<u>9,062,573,624</u>	<u>9,025,087,805</u>
Total assets		<u>9,242,223,051</u>	<u>9,155,629,404</u>
Current liabilities			
Payables	9	140,017,452	117,168,385
Provisions	10	642,106	465,152
Lease Liabilities	20(b)	588,262	-
		<u>141,247,820</u>	<u>117,633,537</u>
Non-current Liabilities			
Provisions	10	35,231,011	50,324,179
Deferred income	11	995,774,904	894,656,797
Lease Liabilities	20(b)	340,543	-
		<u>1,031,346,458</u>	<u>944,980,976</u>
Total liabilities		<u>1,172,594,278</u>	<u>1,062,614,513</u>
Net assets		<u>8,069,628,773</u>	<u>8,093,014,891</u>
Equity			
Capital reserves	18	878,428	878,428
Asset revaluation reserve		3,505,794,232	3,505,794,232
Other contributed equity	19	4,834,267,984	4,828,689,227
Accumulated losses		(271,311,871)	(242,346,996)
Total equity		<u>8,069,628,773</u>	<u>8,093,014,891</u>

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

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



Director



Director

FIJI ROADS AUTHORITY
STATEMENT OF CASH FLOWS
AS AT 31 JULY 2019

	Note	31 July 2019	31 July 2018
		\$	\$
Cash flows from Operating Activities			
Grants, subsidies and interest received		373,192,189	449,003,804
Payments to suppliers and employees		(169,403,533)	(134,824,649)
Net cash from Operating Activities		203,788,657	314,179,155
Cash flows from Investing Activities			
Payments for intangible assets		(152,134)	(588,082)
Payment for property, plant & equipment		(189,182,232)	(295,279,523)
Net cash used in Investing Activities		(189,334,366)	(295,867,605)
Cash flows from Financing Activities			
Loan contributed by government of Fiji - ADB and Worldbank		5,578,757	4,205,793
Repayment of Lease Liabilities		(731,123)	
Net cash from Financing Activities		4,847,634	4,205,793
Cash Flows from Financing Activities:			
Government contributions		-	-
Net cash from Financing Activities		-	-
Net increase in cash held		19,301,925	22,517,343
Cash and cash equivalents at beginning of financial period/year		52,832,641	30,315,298
Cash and cash equivalents at end of financial year	4	72,134,566	52,832,641

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

FII ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31 JULY 2019

1 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The financial statements were authorized for issue by the directors on 30th November, 2021.

(a) Accounting for the formation of FRA

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

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

(b) Statement of compliance

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

(c) Basis of preparation

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

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

(d) New standards and interpretations

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 August 2018 or later periods.

Reference	Summary	Application date of standard and the Authority
IFRS 9 Financial Instruments	New requirements on recognition of expected credit losses	Standard not adapted as FRA does not deal with this kind of transactions
IFRS 16 Leases	Requires operating leases to be recognised on balance sheet	1 August 2018 Details of the impact of IFRS 16 Leases have been presented below
IFRS 15 Revenue from Contracts with Customers	Requires revenue to be recognised on satisfaction of the performance obligations specified under contracts	Standard not adapted as FRA does not deal with this kind of transactions

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New standards and interpretations (cont)

IFRS 16 - Leases

The Authority applied IFRS 16 with a date of initial application from 1 August 2018. As a result, the Authority has changed its accounting policy for lease contracts. The Authority applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings.

As a lessee, the Authority previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset. Under IFRS 16, the Authority now recognises right-of-use assets and lease liabilities for all leases.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the lending rate as at 1 August 2018. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On transition to IFRS 16, the Authority recognised an initial value of \$1,595,299 as right-of-use assets and lease liabilities. When measuring lease liabilities, the Authority discounted lease payments using lending rates as at 1 August 2018. The lending rate applied is 5%.

Impact of adopting IFRS 16 as at 1 August 2018

Operating Lease Commitment at 31 July 2018 as disclosed in the authority's financial statements [note 12 (ii)]	1,593,587
Discounted using lending rate at 1 August 2018	1,712
Lease Liabilities recognised at 1 August 2018	<u>1,595,299</u>

(e) Use of estimates and judgments

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

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

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

(f) Foreign currency

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

(g) Property, plant and equipment

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

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

(g) Property, plant and equipment (cont)

Recognition and measurement

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

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

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

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

Depreciation

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

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

Revaluation of property, plant and equipment

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

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

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

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

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

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

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

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

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Cash and cash equivalents

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

(i) Receivables and other assets

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

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

(j) Deferred income and amortisation of deferred income

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

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

(k) Payables

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

(l) Other operating expenses

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

(m) Maintenance

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

(n) Provisions

(i) Defined contribution plan

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

(ii) Short term employee benefits

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

(iii) Other provisions

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

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income recognition

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

(i) Grants and contributions

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

(ii) Other income

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

(p) Impairment

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

(q) Accumulated funds

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

(r) Other contributed equity

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

(s) Intangible Assets

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

(t) Leased Assets

The Authority has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. IFRS 16 and the impact of changes is disclosed in Note 1 (d).

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

	31 July 2019	31 July 2018
2. INCOME		
	\$	\$
(a) Grants and contributions		
Government of Fiji - Operating Grant	23,275,126	25,490,614
	23,275,126	25,490,614
(b) Other Income		
Depot rental*	-	108,819
Interest income	145,354	458,000
Gain on sale of assets	5,698	118,387
Other Revenue	241,803	202,640
	392,855	887,846
*All depot rental generated from 2013 till 2017-18 financial year was utilized for establishment and setting up of FRA offices and renovating the depots. From 2018-19 financial year onwards, the depot rental generated have been deposited in the Consolidated Fund Account maintained by Ministry of Economy.		
3. EXPENDITURE		
(a) Employee related expenses		
Salaries	11,633,685	9,255,050
Contribution to FNPF	842,465	699,771
Allowances	1,096,604	824,616
	13,572,754	10,779,437
The number of employees at the end of the financial period was 237 (2018: 182).		
(b) Other Operating expenses		
Consultancy costs	1,947,476	1,327,665
Unrealised exchange loss/gain	38	11,472
Leasing of plant	-	-
Travel and communications	604,991	759,299
Other	5,094,606	3,507,690
	7,647,111	5,606,126
(c) Maintenance		
Bridges, crossings & jetties	6,677,630	9,357,882
Roads	124,409,720	88,487,689
Drainage	18,119,386	14,622,862
Street Lights	2,693,194	3,565,302
Traffic Lights	1,041,079	989,547
Footpaths	1,405,903	167,310
	154,346,912	117,190,592
4. CASH AND CASH EQUIVALENTS		
Cash at bank	72,111,855	52,810,516
Petty cash	6,600	6,300
	72,118,455	52,816,816
Term deposits	16,110	15,825
	72,134,565	52,832,641

Reconciliation of cash and cash equivalents

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

Cash at Bank also include Capital Grant of \$47,114,189 and cash bond Term deposits of \$16,110 including interest bearing deposit invested with Westpac Banking Corporation with remaining term of 1 month at an interest rate of 2% per annum.

The cash at bank also include bond totalling \$104,503 which will be paid to various contractors once the contract is completed. Also included in the cash at bank is retention money of \$19,864,088 which is released once the claims received from the contractor at the end of the defect liability period.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

	31 July 2019	31 July 2018
	\$	\$
5. RECEIVABLES		
Municipal councils	610,853	610,853
Trench repairs	2,894,326	2,626,400
Others	211,302	352,615
	3,716,481	3,589,868

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

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

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

Age of Receivables that are past due but not impaired:

Current		57,204
30 Days	115,827	7,150
60 Days	1,854	659,143
90 Days	-	-
Over 90 Days	3,598,801	2,866,371
Total	3,716,482	3,589,868

6. Other Assets		
Grants and interest receivable	70,705,836	55,977,928
Prepayments	13,351,560	1,043
Advances and deposits	73,576	63,076
VAT receivable	19,650,466	18,060,100
Securities	16,943	16,943
	103,798,381	74,119,090

7. PROPERTY, PLANT AND EQUIPMENT
(a)

Land and Buildings

At Cost	26,449,007	26,132,428
Accumulated depreciation	(7,476,622)	(7,291,573)
	18,972,385	18,840,855

Motor Vehicles

At Cost	2,051,879	2,327,710
Accumulated depreciation	(1,574,898)	(1,653,992)
	476,981	673,718

Furniture and Fittings

At Cost	2,772,040	2,126,920
Accumulated depreciation	(1,602,909)	(1,011,996)
	1,169,131	1,114,924

Road Systems

At fair value	9,138,576,977	9,050,441,187
Accumulated depreciation	(508,555,196)	(358,002,093)
	8,630,021,781	8,692,439,094

Plant and Equipment

At Cost	2,014,122	2,014,122
Accumulated depreciation	(1,012,740)	(997,179)
	1,001,382	1,016,943

Work in Progress

At Cost	409,491,101	310,619,886
	409,491,101	310,619,886

Net book value	9,061,132,761	9,024,705,420
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FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

7. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Land & buildings	Motor vehicles	Furniture and fittings	Road systems	Plant and equipment	Work in Progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$
Balance at 1 August 2018	26,132,428	2,327,710	2,126,920	9,050,441,187	2,014,122	310,619,886	9,393,662,253
Acquisitions	316,579	-	645,120	95,789,888	-	171,870,742	268,622,329
Disposal	-	(275,831)	-	(7,654,098)	-	(72,999,527)	(80,929,456)
Balance at 31 July 2019	26,449,007	2,051,879	2,772,040	9,138,576,977	2,014,122	409,491,101	9,581,355,126
Depreciation							
Balance at 1 August 2018	7,291,573	1,653,992	1,011,996	358,002,093	997,179	-	368,956,833
Depreciation for the Year	185,049	163,622	590,913	150,553,103	15,561	-	151,508,248
Disposal	-	(242,716)	-	-	-	-	(242,716)
Balance at 31 July 2019	7,476,622	1,574,898	1,602,909	508,555,196	1,012,740	-	520,222,365
Carrying amount							
At 31 July 2018	18,840,855	673,718	1,114,924	8,692,439,094	1,016,943	310,619,886	9,024,705,420
At 31 July 2019	18,972,385	476,981	1,169,131	8,630,021,781	1,001,382	409,491,101	9,061,132,761

8. INTANGIBLE ASSETS

Software License

Cost:

Balance as at 1 August	1,319,326	731,243
Additions	709,820	588,083
Balance as at 31 July	2,029,146	1,319,326

Accumulated Amortisation

Balance as at 1 August	936,940	545,291
Amortisation for the year	557,687	391,649
Balance as at 31 July	1,494,627	936,940

Net Amount

534,519	382,386
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Software license are made up of the Authority's Navision Financial Management Information System and the Payroll PayGlobal System. Computer software is capitalised at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial license cost) and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

9. ACCOUNTS PAYABLE

Accruals	(a)	56,098,243	28,616,702
Other payables	(b)	5,145,114	2,988,486
Retention payable		19,864,087	16,611,054
Trade payables	(c)	58,910,008	68,952,143
		140,017,452	117,168,385

(a) Accruals mostly relates to accrued expenditure for performance pay and maintenance works for which claims has been received and yet to be assessed and certified by FRA Engineer.

(b) Other payables mostly relates to payments relating to employees including payments dues to various entities which are deducted from employee salary.

(c) Trade payables mainly relates to payment due to the contractors for contract works for which invoice has been received.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

	31 July 2019 \$	31 July 2018 \$
10. PROVISIONS		
Employee benefits (i)	642,106	465,152
Other provisions (refer below)	35,231,011	50,324,179
	35,873,117	50,789,331
Apportioned as:		
Current	642,106	465,152
Non Current	35,231,011	50,324,179
	35,873,117	50,789,331

Other Provisions Detail:

Descriptions	Contractual Work Accrued (ii) \$
Balance at 1 August 2018	50,324,179
Additional provisions recognised	35,231,011
Reductions resulting from re measurement or settlement without cost	(50,324,179)
Balance at 31 July 2019	35,231,011

- (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.

11. DEFERRED INCOME

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

	31 July 2019 \$	31 July 2018 \$
Opening Balance	894,656,797	753,065,187
Less: Depreciated charges during the year	(119,466,815)	(47,407,345)
Less: Allocated to maintenance of road systems	(156,221,996)	(117,808,773)
Add: Current Year Grants	376,806,918	278,215,652
Add: Current Year Chinese Aid	-	28,592,076
Closing Balance	995,774,904	894,656,797

There was an agreement signed by Ministry of Economy and Chinese government and the cash was directly paid to the contractor by the Chinese government. FRA has recorded the asset and corresponding deferred grant income.

12. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Commitments

- (i) As at balance date the Authority has an estimated value of \$1,699,757,793 contract commitments. However, this commitment depends on verification of works done and adherence to the contract terms and conditions during the contract period (2018: \$133,849,608).
(ii) Operating lease commitments contracted for vehicles are payable as follows:

Not later than one year	-	795,820
Later than one year but not more than five	-	797,767
Total operating lease commitments	-	1,593,587

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

(b) Contingent liabilities

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

On 23 September 2016, the Authority's principle engineering service provider (MWH) had terminated their contract with the Fiji Roads Authority (FRA). In addition to this FRA has commenced proceedings against MWH in the High Court of Fiji in regards to the return of documents by MWH that FRA is entitled to under the Contract (including Confidential Documents and Intellectual Property). The initial judgement was in favour of the Authority. Furthermore, MWH has also commenced proceeding against FRA in High Court of Fiji seeking to enforce its alleged entitlement to submit the disputes with FRA under the contract to mediation. There are currently 3 proceedings in Court of Appeal between FRA and Stantec NZ Ltd (formerly known as MWH) and 1 proceedings in the High Court.

1. Case 1 - FRA v Stantec NZ Limited (High Court Civil Action No. HBC 227 of 2017)

This is the High Court proceedings where we are claiming unspecified general damages against MWH for their multiple breaches of contract; for failing to protect FRA's interests in a number of significant projects; for fraudulent misrepresentation; and for claiming and receiving from FRA a copious amount of money in overpayments. In the same proceedings we are also seeking declarations that MWH's behaviour resulted in breaches of the Commerce Commission Act. For now, the High Court has stated this proceedings will be put on hold until the Court of Appeal had made a decision in the Court of Appeal proceedings (updates for which are below).

2. Case 2 - Stantec NZ Limited v FRA (Court of Appeal Civil Appeal No. ABU 24 of 2019)

This appeal was heard before 3 Judges of the Court of Appeal on 7.2.20 and Judgement will be delivered on notice. In this case MWH is basically seeking orders that FRA breached the dispute resolution process by refusing to mediate and that FRA has no right under the Contract to go straight to the High Court for litigation. Their contention is that the contract stated parties will resolve disputes amicably, and failing that they will attend mediation, and if mediation is unsuccessful then the parties will arbitrate the dispute. Our defence in the High Court was that as opposed to use of the word "shall" the contract used the words "may mediate" and "may refer to arbitration." As per legal interpretation, it was not compulsory for FRA to mediate or arbitrate this dispute and it was permissible and legal for FRA to bring proceedings in the High Court.

After 3 years of numerous arguments and interlocutory applications the High Court last year in March accepted our argument and ruled in our favour that neither MWH nor the High Court can compel FRA to mediate or arbitrate the dispute because the word "may" means it is optional for the parties, not mandatory. MWH then appealed the High Court's decision on grounds that the Judge has wrongly interpreted the word "may" and that in commercial contracts between sophisticated parties the word "may" is deemed to mean "shall." They are relying on decisions from the UK to defend their appeal and we are relying on simple construction of the English language and the terms of the contract.

3. Case 3 - Stantec NZ Limited v FRA (Court of Appeal Civil Appeal No. ABU 74 of 2019)

This is tied to Case 1 above. Stantec tried to stop FRA from progressing its claim in case 1. They tried to do this by seeking a Stay Order from the High Court to stay our legal action and their argument for this was that as per contract, FRA's claims against Stantec should be arbitrated and not decided in Court (same arguments they made in Case 2 which they lost). FRA's opposed this on a number of grounds (one of which is the same argument we made in Case 2). We further argued that in our legal action we are also claiming various declarations for breaches of the Commerce Commission Act and that only a Judge of the High Court has the powers to make those statutory declarations, not an arbitrator. We likewise argued that whilst an arbitrator can make decisions on the commercial claims, the arbitrator is not qualified to legally interpret the clauses of the contract nor is an arbitrator competent to resolve the range of legal issues between the parties and therefore litigation is the best forum for this dispute resolution. We also argued that the power to Stay our litigation can only come from Section 5 of the Arbitration Act and if Stantec wanted to stay our legal action to ensure arbitration takes place, then they should have commenced arbitration because without commencing arbitration you cannot rely on the Arbitration Act. We therefore argued Section 5 of the Arbitration Act cannot now be used against FRA. The High Court Judge agreed with us on all points and delivered its decision in favour of FRA. Stantec applied to the High Court for permission to appeal that decision. We opposed this on grounds that the appeal will lack merits. The Judge again agreed and decided in our favour so Stantec has now filed an application in the Court of Appeal seeking leave to appeal the High Court Judge's decision. The hearing in the Court of Appeal took place on 7.2.20 and the Court of Appeal's decision will be delivered on notice.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

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

(b) Contingent liabilities (continued)

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

4. Case 4 - FRA v Stantec NZ Limited (Court of Appeal Civil Appeal No. ABU 17 of 2018)

MWH claims they have outstanding payment of about FJD \$10.7m and NZD \$3.4m. FRA claims there has been an overpayment to MWH way above the monies MWH is claiming from FRA. In order to pay MWH's outstanding claims; and alternatively in order for FRA to assess the value of the overpayments FRA needs timesheets from MWH showing the hours they had invested into FRA. When the dispute arose in 2016, FRA asked MWH to provide timesheets and they refused. FRA's position from the outset was that FRA will no longer pay MWH any monies until it has verified MWH's claim against the timesheets in possession of MWH. FRA filed an application in the High Court to compel MWH to release the timesheets. We argued that contractually, at the time of termination of contract MWH was required to release to FRA all the "relevant information in possession of MWH in relation to or arising out of the contract." They released everything to us except their records of timesheets and we have always asked what is the reason behind this refusal unless it is to hide proof of overpayments. The Court refused our application and ruled the timesheets were not contractual information and these timesheets belong to MWH for their internal operations and the Court cannot compel them to release the timesheets to FRA. FRA's other argument was that MWH was obligated to release to FRA all "New Intellectual Property" which is defined to include all documentation prepared or created by MWH in carrying out their services to FRA and that the timesheets tantamount to "New Intellectual Property" which should have been released to FRA. The High Court also rejected this argument, and also rejected our application for leave to appeal. We then filed an application in the Court of Appeal seeking leave to appeal the High Court's decision. The hearing in the Court of Appeal took place on 7.2.20 and the Court of Appeal's decision will be delivered on notice. We will update the Board once the Ruling is delivered. The reason FRA needs the timesheets is to verify and quantify the overpayments made to MWH. Without the timesheets, we have no way of concluding how much we should claim against MWH as overpayments.

At the time of the report, these cases are still pending for final judgement.

(ii) Contingent liabilities

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

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

The matter has been referred to the Minister for Local Government and the Attorney General. There is a likely chance that the Councils will be directed to honor the MOA in place and the Authority will be liable to pay an approximate sum of \$34,790,952 to the councils for 2019. (2018: \$28,559,736).

(c) Contingent assets

	31 July 2019	31 July 2018
	\$	\$
Contribution from Municipal Councils	53,646,141	44,037,877

The authority is expecting an approximate of \$53,646,141 contribution from councils as at 31 July 2018. These amounts have not yet been recorded as receivable.

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

13. RELATED PARTY TRANSACTIONS

Identity of related parties

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

Directors

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

Mr Arif Ali - Chairperson
 Mr Dinesh Patel - Chairperson (resigned 25 March 2019)
 Mr Efray'im Efray'im - Member (resigned 30 November 2019)
 Mr Aptinko Vaurasi - Member
 Mr Sanjay Kaba - Member (resigned 25 March 2019)
 Ms Preetika Prasad - Member
 Mr Kamal Gounder - Member

Trading Transactions with Related Party

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

Grant

Government of Fiji	376,806,918	278,215,652
	376,806,918	278,215,652

Government Funding Lenders

Asian Development Bank	3,970,552	3,655,743
World Bank	1,608,205	550,050
	5,578,757	4,205,793

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 – Jonathan Charles Moore
- Chief Financial Officer- Robert Sen
- Head of Risk and Assurance Manager - Ravneel Lal
- Head of Risk and Compliance - Ravneel Lal
- Head of HR & Training – Zakia Dean
- General Manager Delivery-Central – Aram Goes
- General Manager Delivery North – Ranjit Singh Sandhu
- General Manager Electrical – Musheer Khan
- General Manager Delivery Western – Kamal Prasad
- Head of Governance – Charles Robert Ward
- Head of Design & Procurement – Michael John Dale
- Head of Internal Audit – Esala Vakadewavosa Talatala
- Senior Solicitor- Roneil Rajeev Dulaar Prakash

Total remuneration paid to key management personnel for the year ended 31 July 2019 was \$3,260,969.70 also taking into account the 2018 performance pay (\$225,757.26).

During the period non-executive director - Mr Aptinko Vaurasi (Board member) and Mr Manoj Ram (Chairperson - Board Audit & Risk Committee) received an allowance of \$11,500 & \$11,375 from the Authority respectively.

FJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

14. PRINCIPAL ACTIVITY

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

15. REGISTERED OFFICE

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

16. RISK MANAGEMENT DISCLOSURES

Introduction

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

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

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

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

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

The following sections describe the risk management framework components:

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 July 2019		
	At call	Gross nominal outflow	Carrying amount
	\$	\$	\$
Liabilities			
Payables	140,017,452	140,017,452	140,017,452
	140,017,452	140,017,452	140,017,452

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

16. RISK MANAGEMENT DISCLOSURES (continued)
Credit Risk

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

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

Credit Risk (continued)

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

	31 July 2019	31 July 2018
	\$	\$
Financial Assets		
Cash and Cash equivalents	72,134,565	52,832,642
Receivables and other current assets	107,514,863	77,708,958
	179,649,428	130,541,600

Operational Risk

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

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

- inadequate or failed internal processes and methodologies;
- people;
- systems; or
- external events.

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

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

17. PERFORMANCE BONDS

Performance Bonds have been issued by various banks under the name of the Authority which the Authority can encase if a contractor does not satisfactorily complete its contract. As at balance date Fiji Roads Authority is holding bonds totalling \$102,764,194.96

FIJI ROADS AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
AS AT 31 JULY 2019

	31 July 2019	31 July 2018
	\$	\$
18. CAPITAL RESERVES		
Sale of Quarry Assets (i)	426,503	426,503
Sale of Covec Plants and Machines (ii)	451,925	451,925
Sale of items from Sigatoka Valley (iii)	-	-
Sale of items from Labasa Depot (iii)	-	-
FRA Office fitout at FDB	-	-
	878,428	878,428

This reserve consists of:

- (i) Proceeds from sale and disposal of equipment from the Fiji Roads Authority Quarry Operations.
- (ii) Proceed from sale and disposal of equipment remaining after the Departure of China National Overseas Engineering Cooperation (COVEC).
- (iii) After the completion of the Sigatoka Valley & Buca Bay Project, the office and house items used by the contractor were sold.

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

19 OTHER CONTRIBUTED EQUITY

Other Contributed Equity relates to assets and loan contributed by the Government of Fiji apart from capital grant. The increase of \$5,578,757 relates to Asian Development Bank and World Bank loan channeled through Ministry of Economy to Fiji Roads Authority.

	\$	\$
Other Contributed Equity	4,834,267,984	4,828,689,227

20 LEASES

a) Right-of-use assets

Recognised as at 1 August 2018	1,595,299	-
Depreciation Charge for the year	(688,955)	-
Balance as at 31 July 2019	906,344	-

b) Lease Liabilities

Current	588,262	-
Non-Current	340,543	-
	928,805	-

c) Reconciliation of movement of lease liabilities

Balance at 1 August 2018	1,595,299	
Changes from Financing Cash Flows		
Repayment of Lease	(666,494)	
Other Changes - liability related		
Interest Expense	64,629	
Interest Paid	(64,629)	
Balance at at 31 July 2019	928,805	

21 EVENTS SUBSEQUENT TO BALANCE DATE

(i) COVID-19 Outbreak

In the subsequent financial year the COVID-19 pandemic affected Fiji which lead to a COVID-19 Response Budget 2019-2020. In the COVID-19 Response Budget 2019-2020 a reduction in government grant for Fiji Roads Authority was made. The COVID-19 pandemic and the unprecedented uncertainty in the economic environment continues in the 2020-2021 financial year. The impact of COVID-19 pandemic adversely affected shipping and delivery of some equipment, materials, personnel, progress of projects and supply chain (production, shipping and delivery etc.). In the event that the COVID-19 pandemic impact is prolonged than anticipated, this may result in the reduction of the grant funding in the subsequent financial years. Restrictions in movements and lockdown may affect the agreed closing dates of the projects. This maybe further affected by shortage of materials.

(ii) Tropical Cyclone Damage

In the subsequent financial year, the Tropical Cyclone affected Fiji which lead to damage and loss to FRA Infrastructure. Tropical Cyclone Yasa made a land fall on 17th December 2020 and cause damage and loss to FRA Infrastructure at an estimated cost of \$89 million. Tropical Cyclone Ana also made a land fall on 30th January 2021 and cause damage and loss to FRA Infrastructure at an estimated cost of \$164.5 million.

Other financial information



Cost of Service

Table 19 - Cost of Service Statement

Item	2018/2019 Revised Budget (\$000)	2018/2019 Expenditure (\$000's)	2017/2018 Expenditure \$000's	2016/2017 Expenditure \$000's
Operating Expenditure				
FRA Management	22,178	21,195	16,712	15,594
Maintenance - Roads, Bridges and Jetties	119,386	116,865	111,694	101,743
Emergency Works	24,827	22,098	35,299	35,063
Deprecation	-	151,508	144,710	144,619
Total Operating Costs (VEP)	166,391	311,666	308,415	297,019
Capital Expenditure				
Renewals - Roads and Services	113,426	99,815	131,735	64,081
Renewals - Bridge's	81,656	31,256	15,378	11,235
Renewals - Jetties	2,024	1,991	591	1,582
Renewals sub-total	\$197,106	\$133,062	147,704	76,898
New Capital (Safety)	400	383	1,709	2,593
New Capital (Access)	36,301	33,580	29,486	25,370
New Capital (Community)	15,397	14,190	17,108	6,291
New Capital (Congestion)	29,785	31,795	9,195	23,674
New Capital (Tourism)	9,248	7,763	31,697	51,283
New Capital (Resilience)	917	1,342	205	1,004
New Capital (Advance Payment)	-	-	-	2,498
New Capital sub-total	92,048	89,053	89,400	112,713
Total Capital Expenditure (VEP)	289,154	222,115	237,104	189,611
Value Added Tax	40,999	34,405	35,059	29,852
Total Expenditure	496,544	568,186	580,578	516,481
Income				
Unfunded depreciation	-	151,508	144,710	144,619
Government Grant	434,894	387,602	431,760	364,901
Loans	61,650	29,076	4,108	6,961
Total income	496,544	568,186	580,578	516,481

Roads in Municipal Council Areas

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

During the 2018/2019 financial year, the total sum the Councils were expected to pay \$26.51 million (VEP), which was

indicative of the collective spending on the roads at that time. However, since 2013, no Council has contributed any funds to the maintenance of the road. While FRA understands that all the municipal council's MOA has become dormant, the Authority nonetheless has started work at reinstating these agreements. Table 20 shows the categories of expenditure undertaken by FRA on these ex-Municipal Council roads, while the value of expenditure on these works in different towns/ city councils are shown in figure 11. The figures illustrate that significantly higher investment is needed to renew and maintain these roads to achieve a suitable level of service.

Figure 11 - Estimated value of maintenance and renewal work undertaken by FRA on ex-Municipal Council roads

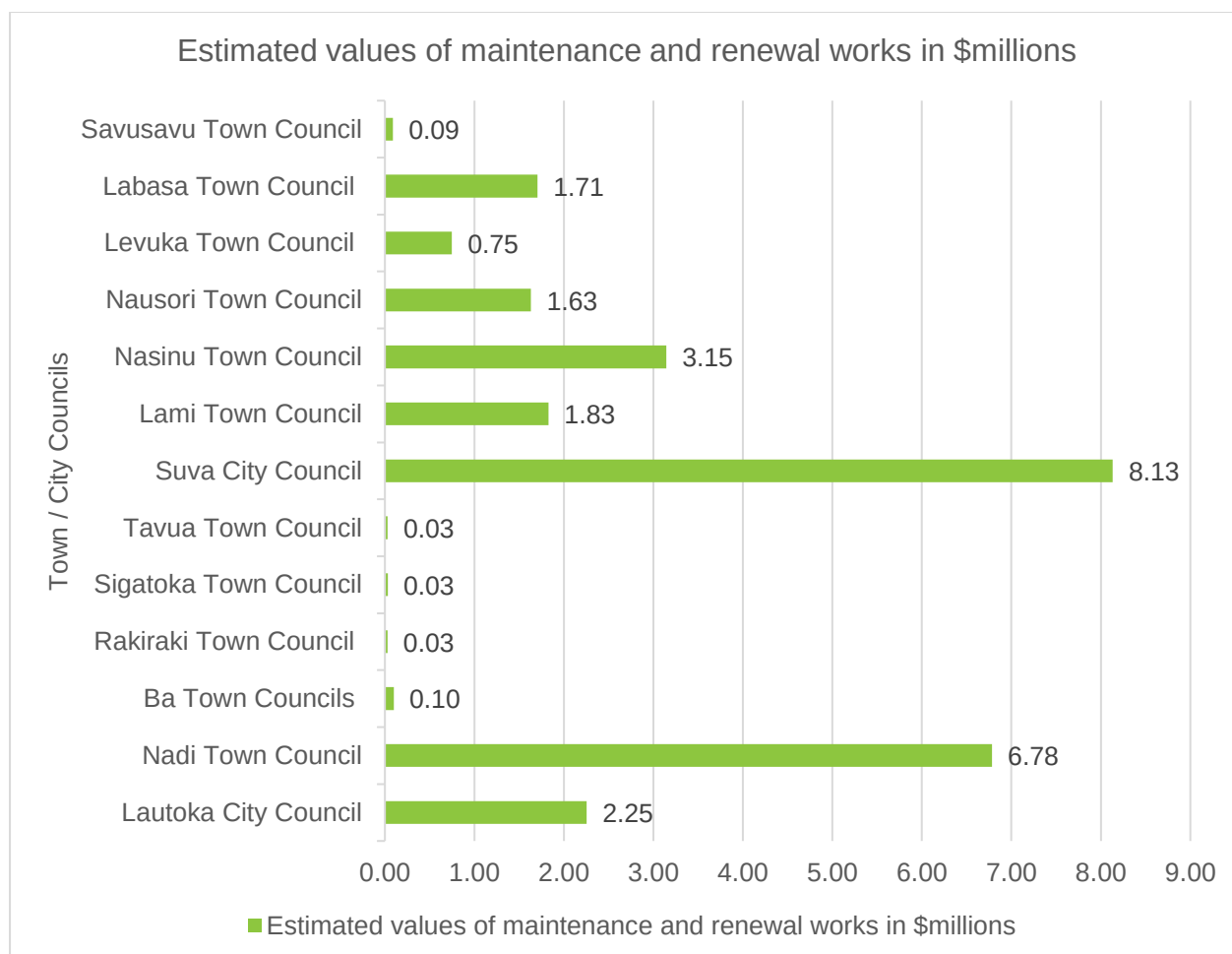


Table 20: Some work done by FRA on ex-Municipal roads

FRA Expenditure Category for ex-Municipal Roads	
Maintenance and Operation of roads included the following:	Renewal of Roads included the following:
• Structural maintenance (Sealed pavement maintenance) • Structural maintenance (Unsealed pavement maintenance) • Routine drainage maintenance • Footpath maintenance • Vegetation maintenance • Emergency reinstatement • Traffic services maintenance (traffic signs, pavement markings, streetlights, traffic signals, bus stop maintenance)	• Sealed road resurfacing/ rehabilitation • Unsealed road resurfacing • Construction and widening of footpath • Footpath renewals • Bridge/ culverts renewals • Streetlights/ traffic renewals • Repair, replacement and maintenance of kerbs and channels

Projects Funded by the Asian Development Bank and World Bank

The FRA has several roads upgrading and safety improvement/ repair projects

that are funded by loans from the ADB and WB. The table below provides a summary of loan funding by ADB and WB, which was utilised in FRA's projects.

Table 21 – Loan Funding

Bank	2018/2019 Expenditure \$000's	2017/2018 Expenditure \$000's	2017 Expenditure \$000's	2016 Expenditure \$000's
EXIM Bank of China	-	-	-	5,000
Asian Development Bank	17,446	2,465	4,176	299
World Bank	8,723	1,233	2,088	
Fiji Roads Authority	2,908	411	696	
Total	\$29,076	\$4,109	\$6,960	\$5,299
Projects Funded by ADB and WB for 2018/2019 financial year				
Suva Arterial Roads Upgrade Project (SARUP II)				\$11,418,239
Sealed Road Surfacing (Seals & Asphalt)				\$14,959,744
Viti Levu – Rural Bridges Replacement Programme				\$297,557

Asset Values

An independent asset valuation was completed by Erasito Beca Consultants Ltd. The combination of increased knowledge of quantity and condition of assets, as well as updating valuation, has seen the overall asset value increase significantly. The asset categories and it related details are included under note 7

of the Authority's financial statements for the year ended 31 July 2019.

For further information on how the FRA manages its financial affairs, please refer to the FRA's Operations Management Manual (Green Book).



Villagers of Emuri at the new and improved Emuri Crossing

Glossary

ACRONYMS

ADB	Asian Development Bank
AMP	Asset Management Plan
CEO	Chief Executive Officer
FRA	Fiji Roads Authority
LTA	Land Transport Authority
MoU	Memorandum of Understanding
NASRUP	Nadi and Suva Road Upgrade Project
SCI	Statement of Corporate Intent
SR	Service Request
TC	Tropical Cyclone
TD	Tropical Depression
VAT	Value Added Tax
VEP	Vat Exclusive Price
VIP	Vat Inclusive Price
WB	World Bank
WHT	Withholding Tax

DEFINITIONS

Accountability	Being obliged to answer for one's actions, to justify what one does. Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.
Annual Budget	The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.
Asian Development Bank	'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.
Authority	The Fiji Roads Authority
Board	The Fiji Roads Authority's Governing Board.
Bridge	A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than 3.4m ² .
Capital Works	Includes both Renewal Capital Works and New Capital Works.
Corporate Plan	A plan required to be published by the FRA annually pursuant to Section 31 of the Act. The Corporate Plan has to include the information listed in section 31 (3).
Deferred Maintenance	The cost of work required by the practice of allowing infrastructure to deteriorate by not carrying out required repair and renewal work at the optimum time in the asset lifecycle.
Depreciated Replacement Cost (or Value)	The replacement cost of an asset less accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset.
Depreciation	The wearing out, consumption or other loss of value of an asset, whether arising from use, the passage of time, or obsolescence through technological and market changes.

Goal	(Not to be confused with ‘Objective’). A general statement defining a desired end result or a statement of intent for the direction of the business – usually long-term, not necessarily quantifiable and perhaps not totally obtainable. The FRA has two principal goals: (i) <i>‘To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations; (and)</i> (ii) <i>To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals’.</i>
Health and Safety Incident	An unplanned event that has resulted in, or has the potential to result in, injury, illness, damage or loss to persons or property. It includes accidents and near misses.
Jetties	The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.
Land Transport	In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.
Levels of Service	The defined quality for a particular service against which service performance can be measured. Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost. Road agencies like the FRA typically define levels of service in terms of the roads’ reliability (how assured an intending user can be that he will be able to get to his destination within a given time no matter what day of the week it is, what time of day it is, or what the weather conditions are like), convenience, and comfort of travel; how safe the roads and footpaths are to travel or walk on; and cost.
Maintenance	The actions required to enable an asset to achieve its expected life. Maintenance work can be planned or unplanned. Planned maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form

of unplanned maintenance to restore an asset to its previous condition after failure or damage.

Includes all of the actions necessary for retaining an asset as near as practicable to its original condition but excludes Renewals. Examples: Pothole repairs. Replacing a broken deck on a bridge. Applying protective paint. Removing vegetation to improve driver vision. Reinstating road markings. Cleaning and clearing roadside drains and unblocking culverts. Cleaning and repairing road signs.

Mission The reason why the organisation exists. The FRA's mission is ***'to provide a better land transport network for Fiji'***.

Municipal Councils The town and city councils.
There are thirteen municipal councils:

- (i) Ba Town Council
- (ii) Labasa Town Council
- (iii) Lami Town Council
- (iv) Lautoka City Council
- (v) Levuka Town Council
- (vi) Nadi Town Council
- (vii) Nasinu Town Council
- (viii) Nausori Town Council
- (ix) Rakiraki Town Council
- (x) Savusavu Town Council
- (xi) Sigatoka Town Council
- (xii) Suva City Council
- (xiii) Tavua Town Council

New Capital Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential.
Examples: A new bridge. The work done to realign, widen and seal an existing unsealed road.

Objective (Not to be confused with Goal).

A measurable target that describes the end results that a service or programme is expected to accomplish within a given

time period. Objectives flow from, are components of, and lead the FRA towards the achievement of its goals.

Every objective should be:

- (i) linked to a goal;
- (ii) realistic;
- (iii) action orientated;
- (iv) concise;
- (v) attainable;
- (vi) measurable;
- (vii) time constrained; and
- (viii) within the control of the FRA.

Example: (Hypothetical) Complete construction of the new Harris Bridge for not more than \$1.63m before 31 March 2015.

Outcomes

(Not to be confused with Outputs)

The actual impact and value of the service delivery

Example: Less deaths because of the safety improvement work that has been done on the roads.

Outputs

(Not to be confused with Outcomes)

The goods and services produced and provided to third parties (i.e. 'service accomplishments').

Examples: The length of the roads resealed, or the number of potholes repaired. The number of safety improvements carried out.

Performance Measure

A qualitative or quantitative measure relating to the intended level of service for a particular service area. Performance measures are the means by which the FRA is able to identify the extent to which it has been able to achieve its objectives – the means for determining whether the levels of service are actually being achieved.

There are three broad elements of performance measures:

- (i) Those that measure service efforts (inputs);
- (ii) Those that measure service accomplishments (outputs and outcomes); and
- (iii) Those that relate service efforts to service accomplishments (efficiency and cost outcomes).

Example: The number of injury and fatal accidents that occur on the roads annually.

Performance Target	The desired level of performance against a performance measure. A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve. Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.
Renewals	(Not to be confused with New Capital). The replacement or rehabilitation of an asset. Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, and relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. It may reduce operating and maintenance expenditure if completed at the optimum time. Example: Resealing or rehabilitating a road – or replacing an existing bridge. It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure. The rate at which renewal work is being carried out over time compared with the annual provision for depreciation (the cost of consumption) is a good indicator of the extent to which the network is being maintained, improving, or is deteriorating.
Road (or Roads)	The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing. It includes all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body, that is used or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to: (i) the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges, drains and kerbs; (ii) road signs, road marker posts and other markings, including pedestrian crossings; (iii) traffic islands; (iv) bridges and culverts; (v) footpaths and pavements adjacent to a vehicle pavement; (vi) street lights and traffic signals; (vii) parking meters; (viii) jetties, and (ix) all national roads, municipal roads, and such other public roads as may be determined by FRA.

Note the inclusion of jetties within this definition.

Road Network

The network of roads, streets, bridges, jetties and associated infrastructure that the FRA has the responsibility to maintain, renew and further develop.

**Roadworks
Emergency**

A situation declared to be the case following a major storm or other adverse event. (Not to be confused with Civil Defense Emergency).

During a roadworks emergency, the normal procurement requirements don't apply, and road materials and other goods may be purchased, and plant may be hired to repair the damage (in a manner and to the extent approved by the CEO).

Service Area

Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management. The headings under which the FRA formulates its levels of service, performance measures and targets in order to be able to decide what it has to do, and to be able to subsequently ascertain how well it is doing.

The headings are:

- (i) Health and Safety;
- (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety);
- (iii) Asset Provision, Preservation, and Development;
- (iv) Environmental Conservation, Protection and Enhancement;
- (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
- (vi) Compliance (including Training, Record Keeping and Reporting); and
- (vii) Costs.

For a fuller explanation of the FRA's levels of service under these headings see Section 4.

**Statement of
Corporate Intent
(SCI)**

A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to section 32 of the Act. This document is the FRA's combined Corporate Plan and statement of Corporate Intent.

Key FRA Partners

Auditor Office of the Auditor General

Legal Advisor

R Patel Lawyers – Suva
M C Lawyers – Suva
Siwatibau & Sloan – Suva
Young & Associates – Lautoka

Insurance Advisor Aon Limited

Banker The Bank of Baroda

Professional Engineering

Services Provider

- Beca International Consultants Ltd
- Entec Limited
- Erasito Beca Consultants Ltd
- Smec International Pty Ltd
- WAPCOS Fiji Limited

Key Contractors

- China Civil Engineering Construction
- China Railway First Group (Fiji) Co Pte Limited
- China Railway 5th Engineering Group (Fiji) Pte Ltd
- Coastal Development Pte Limited
- Dayals Quarries Limited
- Fairdeal Earthmoving Contractors Pte Limited
- Flame Tree Development (Fiji) Pte Limited
- Fletcher Building (Fiji) Limited (T/A Higgins Fiji)
- Fletcher Construction (Fiji) Limited
- Hiway Stabilizers (Fiji) Limited
- Hot Spring Hire Service Pte Ltd
- Kashmir Transport Company Pte Limited
- Lomanitoba Company Pte Ltd
- Nands Prataps Joint Venture Pte Ltd
- Pacific Electric
- Power Electric
- RPA Group Fiji Ltd
- Tanoa Electric

Central Government

- Ministry of Infrastructure & Metrological Services
- Office of the Prime Minister
- Ministry of Economy
- Ministry of Rural and Maritime Development and Disaster Management
- Ministry of Lands & Mineral Resources
- Ministry of Housing and Community Development
- Ministry of Waterways & Environment
- Ministry of local government - Department of Town & Country Planning
- Land Transport Authority of Fiji
- Fiji Police Force

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 Association

Appendix A – Fiji Roads Authority Founding Legislation

- Fiji Roads Authority Act 2012
- Fiji Roads Authority (Amendment) Act 2012 (No. 46 of 2012)
- Fiji Roads Authority (Amendment) Act 2014 (No. 27 of 2014)
- Fiji Roads Authority (Amendment) Act 2015 (No. 5 of 2015)

Fiji Roads Authority

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Fiji Roads Authority Act 2012

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18	Transfer of assets, interests and liabilities	[FRA 18]
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LAWS OF FIJI

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28	Financial year	[FRA 28]
29	Half yearly reports [<i>Repealed</i>]	[FRA 29]
30	Annual reports	[FRA 30]
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PART 6 — TRANSITIONAL AND SAVINGS		
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PART 7 — MISCELLANEOUS		
38	Regulations	[FRA 38]
38A	Indemnity	[FRA 38A]
39	Consequential	[FRA 39]

[The next page is 255,101]

Fiji Roads Authority Act 2012

TABLE OF AMENDMENTS

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

Amending Legislation	Date of Commencement
Fiji Road Authority (Amendment) Decree 2012 (No 46 of 2012)	14 May 2012
Fiji Roads Authority (Amendment) Decree 2014 (No 27 of 2014)	5 August 2014
Fiji Roads Authority (Amendment) Act 2015 (No 5 of 2015)	17 July 2015
Public Enterprises Act 2019 (No 6 of 2019)	19 July 2019

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



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

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

PART 1 — PRELIMINARY

[FRA 1] Short title and commencement

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

[s 1 am Decree 46 of 2012 s 2, opn 14 May 2012]

[FRA 2] Interpretation

2 In this Act, unless the context otherwise requires—

Authority means the Fiji Roads Authority established under section 4;

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

Change Manager

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

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

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

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

Department means the Department of National Roads;

Minister means the Minister responsible for the Fiji Roads Authority; and

[def subst Decree 27 of 2014 s 2, opn 5 Aug 2014; am Act 5 of 2015 s 2, opn 17 July 2015]

road or roads means all land and civil infrastructure constructed by any municipal council or Government body, or any other body authorised by a municipal council or Government body that is used as or facilitates a public right of passage for the or Government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—

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

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

[FRA 3] Objectives of this Act

3 The principal objectives of this Act are to—

- (a) give effect to the reorganisation of the Department of National Roads; and



- (b) make provision for the effective management and administration of the road systems.

[The next page is 255,401]



PART 2 — ESTABLISHMENT, FUNCTIONS AND POWERS

[FRA 4] Establishment of the Authority

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

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

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

[FRA 5] Composition of the Authority

5 (1) The Authority shall consist of 5 members appointed by the Minister responsible for public enterprises in writing subject to the approval of the Prime Minister.

[subs (1) subst Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

(1A) The Minister responsible for public enterprises shall appoint a member of the Authority as Chairperson.

[subs (1A) insrt Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

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

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

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

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

[subs (3) am Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

[FRA 6] Functions of the Authority

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

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

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

[FRA 7] Powers of the Authority

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



[FRA 8] Delegation of powers

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

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

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

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

[FRA 9] Resignation and removal

9 (1) A member of the Authority may resign by giving written notice to the Minister responsible for public enterprises.

(2) The Minister responsible for public enterprises may, subject to the approval of the Prime Minister, at any time and for any reason, remove a member of the Authority by giving that member written notice of removal.

[s 9 subst Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

[FRA 10] Vacation of office

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

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

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

[FRA 11] Meetings and proceedings of the Authority

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

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

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

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

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

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



[FRA 12] Authority may invite others to meetings

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

[FRA 13] Disclosure of interest

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

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

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

(a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but

(b) may be counted for the purpose of forming a quorum of the Authority.

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

[FRA 14] Minutes

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

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

[FRA 15] Common seal

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

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

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

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

[FRA 16] Procurement process and plan

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

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

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

[FRA 17] Minister may give directions

17 The Minister may, in his or her discretion, give directions to the Authority with



respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.

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

[The next page is 255,601]



PART 3 — TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

[FRA 18] Transfer of assets, interests and liabilities

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

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

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

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

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

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

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

[FRA 19] Transfer of employees

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

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

[FRA 20] Rights of transferred employees

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

[FRA 21] Existing contracts

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



[FRA 22] Continuation of proceedings

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

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

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

[The next page is 255,801]

PART 4 — MANAGEMENT AND FINANCE OF AUTHORITY

[FRA 24] Appointment of Chief Executive Officer

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

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

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

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

[FRA 25] Functions of the Chief Executive Officer

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

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

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

[FRA 26] Appointment of staff

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

(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority.

[subs (2) am Decree 27 of 2014 s 5, opn 5 Aug 2014]

[FRA 27] Funds of the Authority

27 The funds of the Authority for the purposes of this Act shall consist of—

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

PART 5 — REPORTING AND ACCOUNTABILITY**[FRA 28] Financial year**

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

[FRA 29] Half yearly reports

29 [s 29 rep Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

[FRA 30] Annual reports

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

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

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

(3) The annual report required by subsection (1) shall contain, among other things—

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

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

[FRA 31] Corporate plan

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

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

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

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

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

[FRA 32] Authority to have statement of corporate intent

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



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

- (a) an outline of the objectives of the Authority;
- (b) an outline of the nature and scope of the activities proposed to be undertaken by the Authority;
- (c) an outline of the Authority's main undertakings;
- (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
- (e) an outline of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
- (f) a description of the Authority's accounting policies;
- (g) a description of the financial information to be given to the Minister in the 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.

[subs (2) am Act 6 of 2019 s 69 and Sch 2, opn 19 July 2019]

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

[FRA 33] Audit

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

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

(3) The audit is to be conducted by—

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

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

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

[The next page is 256,201]

PART 6 — TRANSITIONAL AND SAVINGS

[FRA 34] Establishment of the Fiji Roads Advisory Committee

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

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

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

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

[FRA 35] Meetings and proceedings

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

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

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

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

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

[FRA 36] Committee may invite others to meetings

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

[FRA 37] Appointment of Change Manager

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



PART 7 — MISCELLANEOUS

[FRA 38] Regulations

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

[FRA 38A] Indemnity

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

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

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

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

[FRA 39] Consequential

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

Appendix B – Other Bridges / Jetties / Crossings

Completed	In progress
☐ Lakeba - Salisali Crossing	☐ Tavaulevu Bridge
☐ Koro - Nasoni Crossing	☐ Bulu Bridge
☐ Koro - Nabuna Crossing	☐ Toga Modular Bridge
☐ Vorovoro Crossing	☐ Vunikawakawa Modular Bridge
☐ Koro - Nakodu Crossing	☐ Nayarabale Modular Bridge
☐ Nasau Crossing	☐ Matawailevu Modular Bridge
☐ Lakeba - Vakano Crossing	☐ Navitilevu Bridge
☐ Lakeba - Nukula Crossing	☐ Viria Bridge
☐ Logani Sebi Crossing	☐ Naseyani Modular Bridge
☐ Rabaraba crossing	☐ Matewale Crossing
☐ Emuri Irish Crossing	☐ Beqa Steep Hill
☐ Legalega Crossing	
☐ Solovi 1 and 2 Crossings	
☐ Vorovoro Crossing	
☐ Nakodu Crossing	
☐ BS Charan Crossing	
☐ Koro - Nabasovi Crossing	
☐ Koro - Sinuvaca Crossing	
☐ Lakeba - Airport Crossing	
☐ Koro - Mudu Crossing	
☐ Koro - Tuatua Crossing	