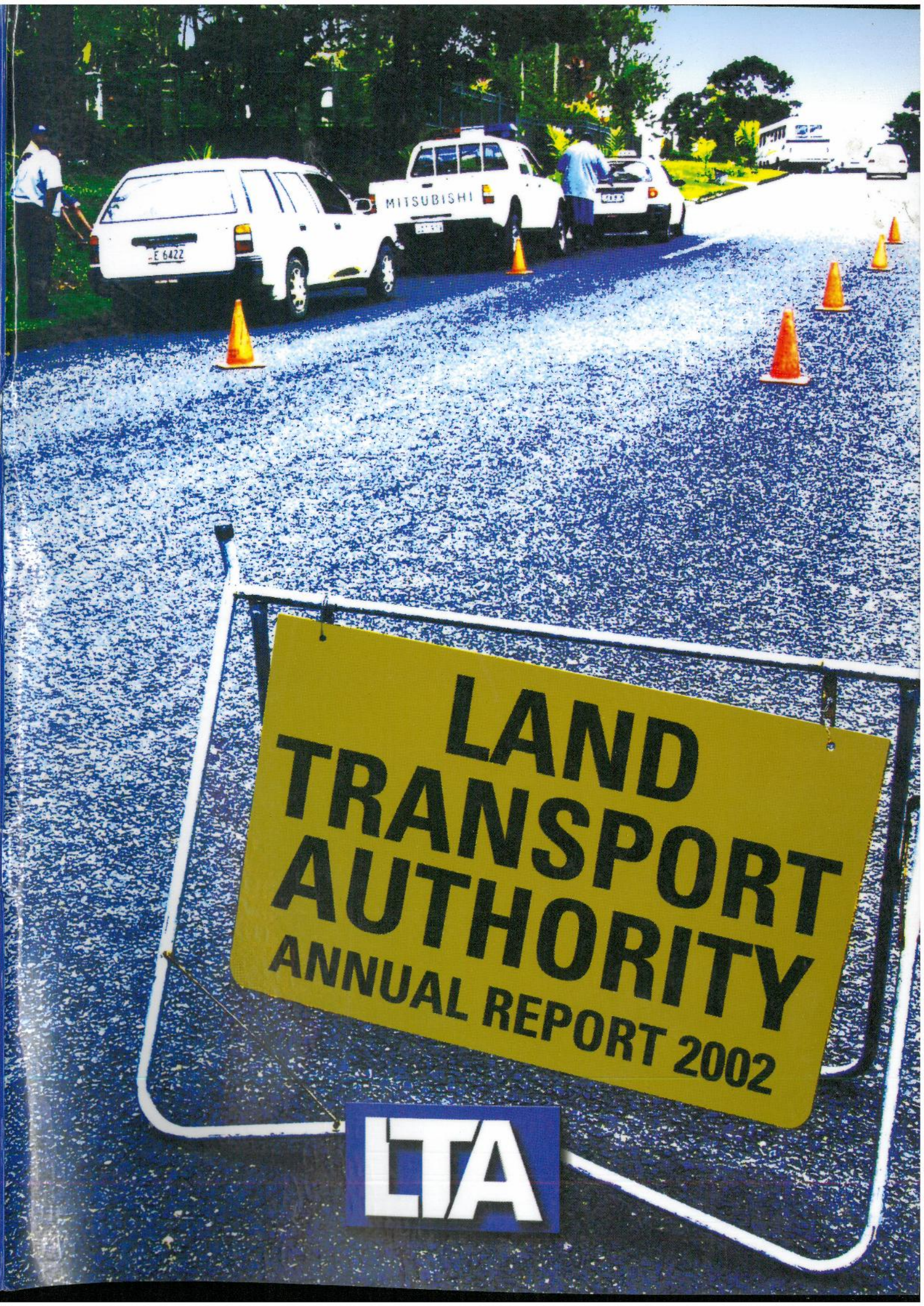
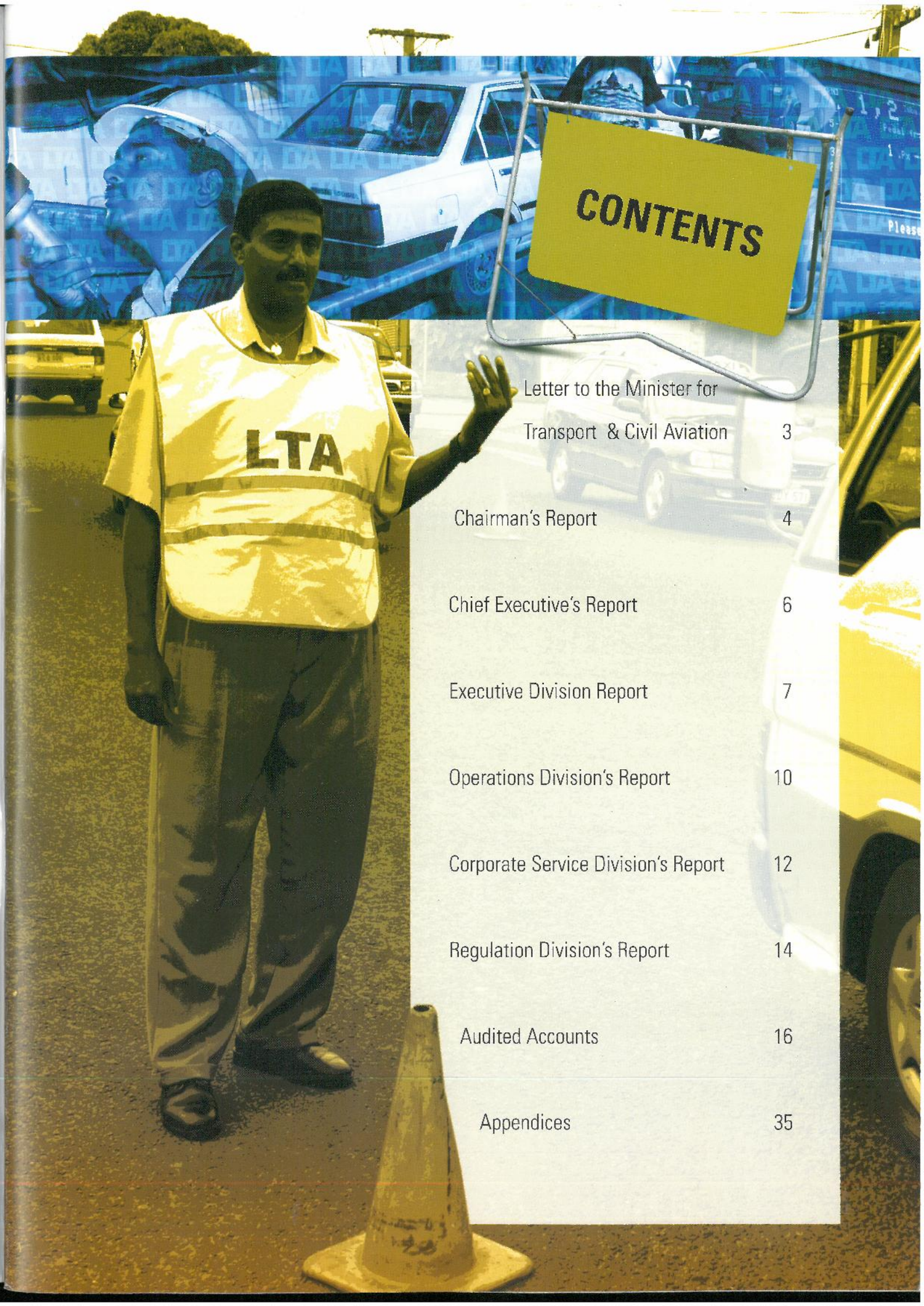




**LAND
TRANSPORT
AUTHORITY**
ANNUAL REPORT 2002

LTA



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Vision

"To provide efficient, effective, safe and quality conscious land transportation services for the Fiji Islands"

Mission

- To develop and administer policies and practices for the land transport sector for the community
- To assist in the economic development of the country by improving the effectiveness and efficiency of the land transport sector
- To provide effective and efficient driver licensing and vehicle registration, revenue collection and driver/vehicle information services
- To reduce the number of accidents on Fiji roads
- To protect the environment by responsible planning all road network

Supporting Values

STAFF

The people are the greatest resource and LTA will clearly define their responsibilities and improve their capabilities and opportunities through performance assessment, training and skills development

CUSTOMERS

LTA values its customers and shall continuously strive to respond to their needs

CONTINUOUS IMPROVEMENT

LTA will continuously strive for improvement in all it does to deliver quality services

EFFICIENCY

LTA is committed to delivering its services efficiently and effectively

IMAGE & ETHICS

LTA is honest and trustworthy in its dealings with people and accepts responsibility for its actions.

Hon. Joseva B. Vosanibola
Minister for Transport & Civil Aviation,
Neptune House,
Walu Bay

SUVA.

Dear Sir,

SUBMISSION OF LTA ANNUAL REPORT 2002

I am pleased to forward, for your attention, the Land Transport Authority Annual Report for the period 1st January 2002 to 31st December 2002, for onward transmission to Parliament, at your leisure.

I apologise for the late submission of this report. Any inconvenience caused is greatly regretted.

Yours faithfully,

Isoa Tamani
Acting Chief Executive.



Robert D. Dods
CHAIRMAN

The Authority met 25 times in 2002 and dealt with 206 new applications for various permits and licences, and apart from some minor matters of procedure, in the Courts, which are dealt with in more detail within the report, the Authority performed to expectations. There are however several outstanding matters that should be highlighted.

The lack of an adequate data base on which the Authority can base important decisions such as the state of the market and over or under supply of public transport services remains an impediment to sound planning and decision making.

It has been this Authority's aim, from its inception, to have such data compiled and readily available. The Asian Development Bank have indicated that it may be able to assist with this project and at the end of 2002 the Transport Planning Unit of the Ministry of Transport was examining the possibility of compiling a demographic survey and gathering all such data pertaining to public transport systems into a composite record.

As a start the Authority instigated a survey of taxi permits, stands and bases throughout Fiji towards the end of 2002 and early indications have revealed that if not carefully monitored and controlled, the taxi industry could experience serious over-supply in some areas.

The control of smoke emission from vehicles remained a frustration for most of the year mainly through the problems with Court procedures. If LTA officers are to be given powers to prosecute, this will certainly alleviate the problem to a large extent.

Overladen vehicles continue to operate without adequate control being exercised causing serious damages to road surface throughout Fiji. Action to curtail such abuse has been frustrated through the absence of roadides platform to be constructed by the PWD, at strategic positions on the highway, which will enable the use of portable platform scales for checking suspected breaches of the loading limits.

Regulation to enable the control of goods vehicles is being drafted and should be completed early in 2003. Amendments of existing Regulations that have emerged over the past two and a half years have been drafted and await promulgation. The delay in bringing these amendments into force has curtailed efforts to control regular offenders and give full effect to the Act.

The refusal of some Magistrates Courts to allow LTA officers to prosecute has caused delay in court proceedings and loss in revenue. This refusal has been challenged and should be resolved, hopefully in favour of LTA in early 2003. Despite these aberrations the Authority performs satisfactorily during the year, as the detailed report will show.

I would take this opportunity to commend the input of the outgoing Chief Executive, Manunivavalagi Korovulavula during his term with the Authority from its inception. His integrity and drive to a large measure enabled the Authority to evolve from what was in reality a Government Department, to a professional business organisation.

To those who have served as members of the Authority viz;

Ratu Nacanieli Uluiviti
Mr. Archie Seeto
Mr. Marika Tukituku
Mr. Thomas Raju
Ms. Anjinish Jokhan
Mr. Seviloni Valenitabua
Ms. Aruna Nagin
Mr. Emitai Boladua

I would acknowledge their important contribution and long hours of deliberation.

The appreciation of the members and myself is extended to the Ministers and Permanent Secretaries with whom the Authority has had the privilege to serve viz;

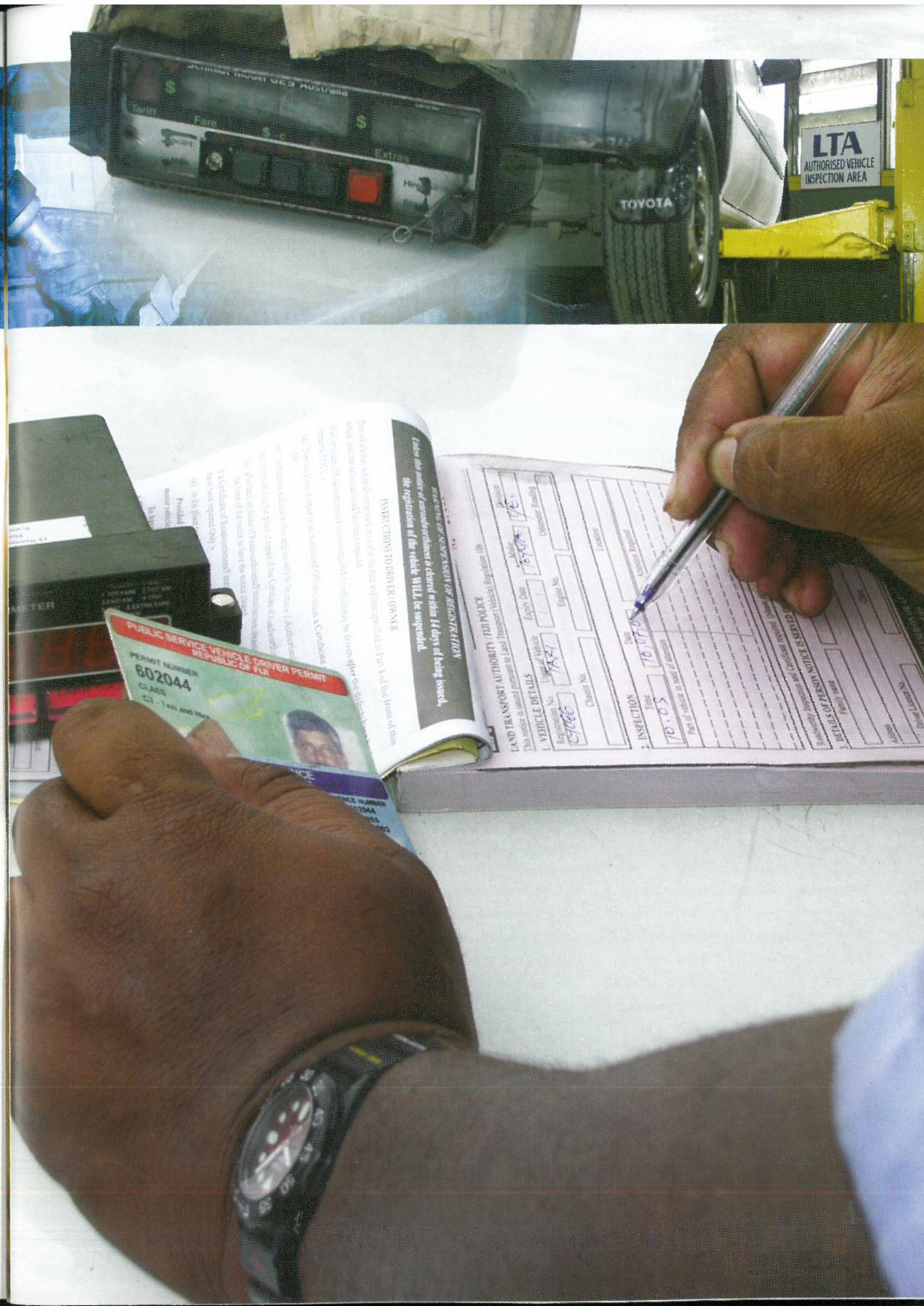
Hon David Pickering
Hon Adi Koila Mara Nailatikau
Hon Jone Koroitamana
Hon Konisi Yabaki
Hon Savenaca Draunidalo
Hon Josefa Vosanibola
Mr. Kolinio Meo
Ratu Napolioni Masirewa
Mr. Vula Vakacegu

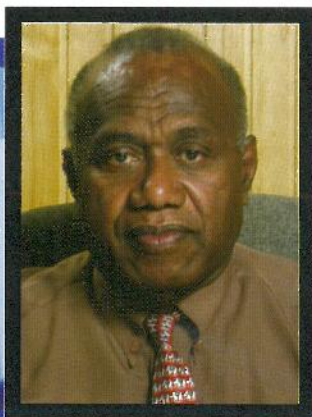
Lastly, I would, on behalf of the Authority, like to thank all the staff for the work they have undertaken over the past year, which has kept the wheels of the Authority turning.

Robert D. Dods

Robert D. Dods
CHAIRMAN

CHAIRMAN'S REPORT





Isoa Tamani
ACTING CHIEF EXECUTIVE

CHIEF EXECUTIVE'S REPORT

2002 saw the consolidation of the Land Transport Authority in terms of its role under the Land Transport Act 1998 and its six Regulations. The Authority, with its vision and mission, continued to focus on issues to ensure the achievement of collective objectives and goals.

The year witnessed the end of an era, when the first LTA Chief Executive, Manunivavalagi Korovulavula's three year contract expired in October. Since then the position of Chief Executive has been shared by General Manager Operations and General Manager Corporate Services.

At this juncture I wish to place on record the Management and staff's appreciation for the long hours he put into the inception of the Authority. His integrity and dedication to the duties entrusted to him made LTA what it is today. His innate knowledge of the workings of the Authority and understanding of Government's needs has been a guiding light since day one.

In its move to enhance customer service, the Authority undertook major renovations at the Labasa office complex. The major problem here is the site of the Complex in close proximity to the Qawa River. Heavy rainfall have resulted in flooding and raised concerns on the viability of the automatic vehicle inspection system and permanent weighbridge to be considered for an alternative site.

In its attempt to operate within its approved budget, the Authority began outsourcing motor vehicle inspections, restricted to private vehicles only, and at the end of 2002 there were three Authorised Motor Vehicle Inspection Businesses running.

Other achievements include the appointment of Municipal Enforcement officers under delegated authority and the signing of a Memorandum of Understanding with the Fiji Island Revenue and Customs Authority.

2002 also witnessed the improvement of motor vehicle registration computerisation with improved turnaround time for customers. The turnaround time for issue of driver licences has been reduced from 8 weeks to 4, with projections for instant printing, at the three regional centres in 2003.

The Authority maintained its services in rural centres as its obligation under the law. This was done despite running these centres at a loss.

The Authority continued to hold meetings with stakeholders in its attempt to ensure that it could respond positively to their needs while ensuring the safety of road users was not compromised.

The control of heavy laden motor vehicles was yet to be fully appreciated by the public. The delay in construction of roadside weighing sites was a case in point. The Authority has continued to carry out enforcement on excessive smoke emission and has set 2005 as a target date to reduce vehicle emission of poisonous gases by 50%.

From the administrative and financial aspects, the Authority reviewed its staff establishment relevant to its functional responsibilities under the Act and in line with achieving its objectives under the Corporate Plan 2002 - 2004.

Job evaluation was approved in 2002, for implementation in 2003 and Hays (NZ) Consultants were appointed to conduct the exercise. This was crucial since the reform of the former Department of Road Transport from July 2000 created a number

of new positions with additional responsibilities to the staff as demanded under the new legislation.

Industrial matters were controlled and amicably resolved with staff associations with fewer matters referred to the Ministry of Labour.

Training was encouraged in the available institutions and staff were encouraged to upgrade skills and qualifications. In-house training continued for staff development and improve customer services.

Public awareness was pursued to disseminate relevant information from the Act.

Senior management's regular meetings continued and provided an effective forum to resolve problems and discuss issues to improve standards in services.

Management feels that the new incumbent in the Chief Executive position of the LTA will spearhead the second phase of the LTA's development programmes leading towards improved commercialisation and customer care.

I wish to thank the Authority, Management and Staff for the support given during the year.

Isoa Tamani
ACTING CHIEF EXECUTIVE

EXECUTIVE DIVISION REPORT

Overview:

This Division is responsible for putting in place policies that will set benchmarks for the good governance of the Authority, and ensuring that the policies and practices are in line with the precepts of the Land Transport Act 1998 and its six Regulations enacted on 1st July 2000.

The Division provided the leadership, farsightedness and set the pace for the Authority's movement into the newest evolutionary stage of the transport sector.

Achievements in 2002

- Payment of \$2,500,000 dividend to Government;
- Processing Amendments to Land Transport Act and Regulations and forwarded to the Ministry of Transport;
- Vetting of Board papers and attendance at all Authority meetings.
- Ensuring targets were met by the Management and Staff to meet its obligations as required by Government;
- Ensuring that while operational targets were met, they were conducted within proper accounting and financial parameters, resulting in 100% dividend paid to Government.

Shortfall in 2002 and Why?

- Traffic Management targets set for the year, which included Red Light and Speed cameras could not be achieved because of non availability of funds for Capital purchase and the ownership of the Traffic Management Devices (TMDs) remained unclear.
- ADB expectations on the control of overlaid vehicles and vehicle smoke

emission, due to the non-availability of infrastructural assets like portable weighing sites and funds for such capital projects.

- Putting in place a Regulation to look after all forms of Commercial vehicles and includes same as an amendment to the Land Transport Act 1998. The delay for completion was the departure of the former CE who was personally handling this.

Where to From Here

The Division's vision encompasses the following:

- LTA is the authority on transport and road network services in the country.
- Consolidation of all transport related needs which bring together all infrastructural design, construction and maintenance works and the enforcement of the Land Transport Act and Regulations.
- Looking at the possibilities of introducing the Build, Own, Transfer (BOT) system of contractual agreements which is the norm in all major international capital works. This will assist in all capital projects that need to be raised in the next decade, at nominal cost to Government, and also doing away with offshore financing.
- To establish and maintain a National Control Centre to oversee the installation and control of all Traffic Management Devices (TMD) at all road junctions. This will centralise traffic direction and control and would bring together all stakeholders in road safety namely: Police, NRSC, PWD, Ambulance Services, Fire fighting services, LTA, Health and Environment.
- Putting in place policies and procedures that will control the type of motor vehicles brought into the country and also address

the road life of vehicles using Fiji roads.

- Aggressively continuing with existing Enforcement operations and improving its customer services.

AUDIT

Responsibilities:

The Internal Audit Unit continued to play a vital role in :

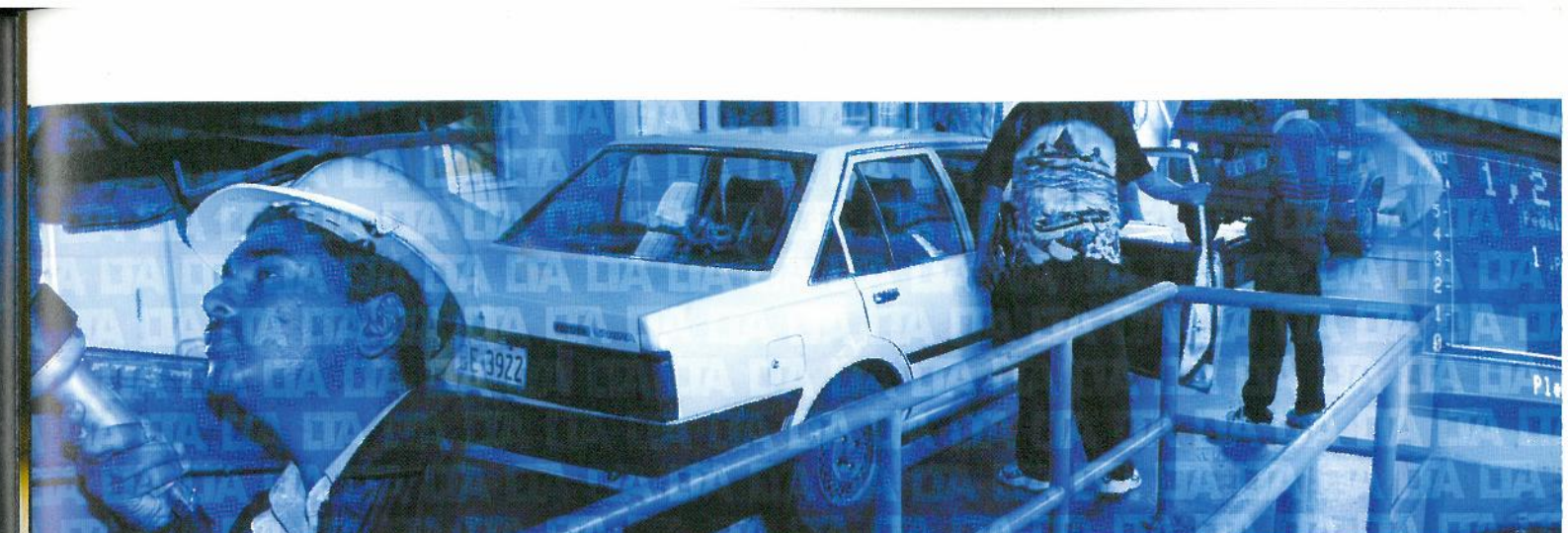
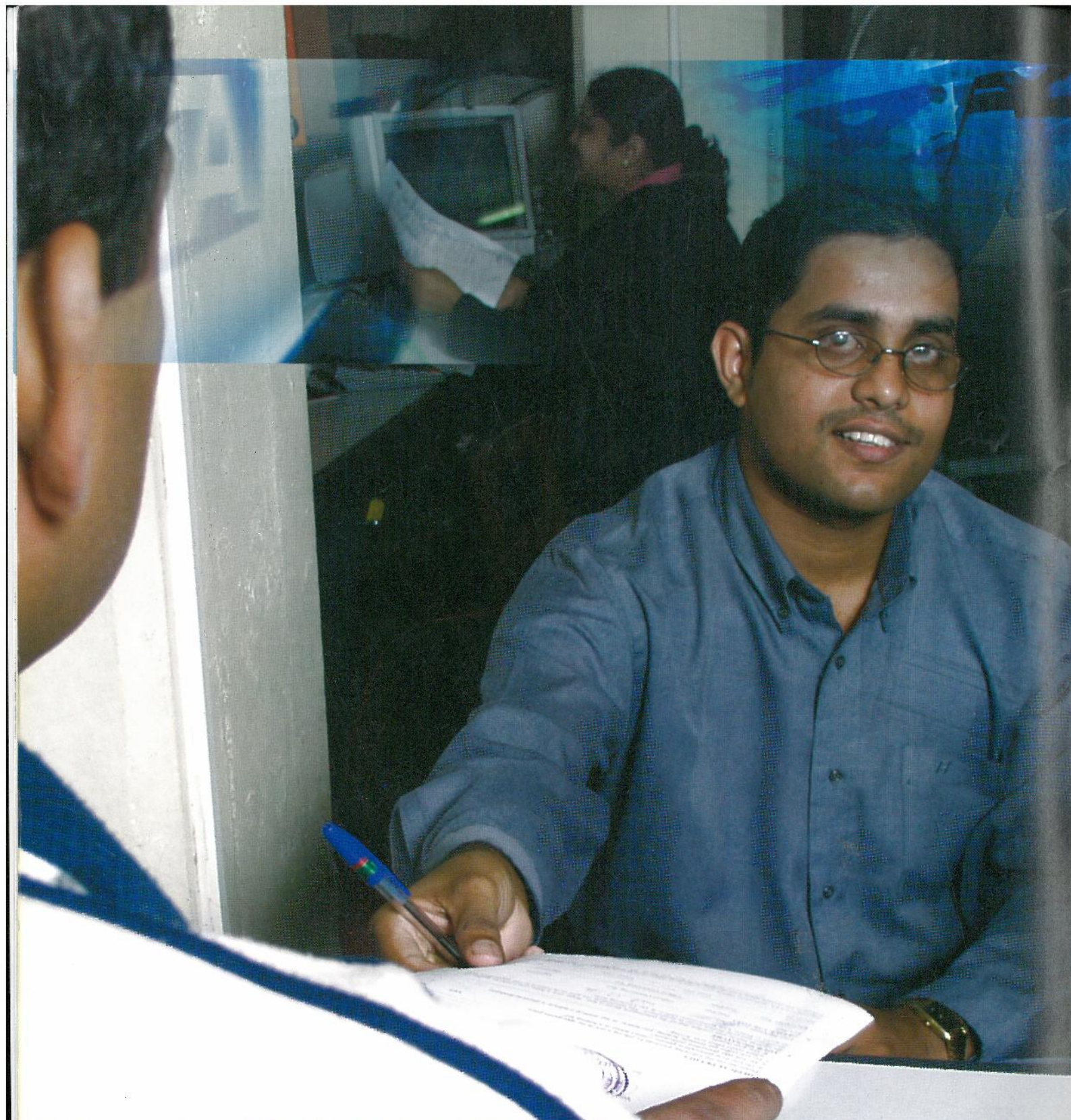
- Assisting the Chief Executive and all levels of LTA Management in effectively discharging their responsibilities through effective control at reasonable costs.

Achievements:

- Centralise the audit team at Head Office.
- Investigation on half-cut vehicles.
- Memorandum of Understanding [MOU] between LTA and FIRCA was signed on 6th September 2002.
- Conducted regular spot checks at various outstations.
- Carried out a review in the Finance & Accounts Division to ensure compliance in accordance with the Fiji Accounting Standards.
- Reviewed procedures for 1st Registration of second-hand vehicles.
- Formulation and adoption of Staff Salary Advance Policy.

Where to From Here:

- To effectively and efficiently assist the Authority in minimising risks that can prevent it from effectively achieving its Corporate objectives.
- To provide a "One Stop Shop" offering advice, guidance, evaluations and reviews of strategic and operational issues.



Traffic Management Services

Responsibilities:

The primary roles of this department is :

- to advise and perform duties as delegated to highway authorities in relation to the Land Transport (Traffic) Regulations 2000.

Achievements:

- Identified strategic locations for portable weighing scale sites,
- Reviewed proposal by Suva City Council under the ESCAP programme for the future planning of Suva as per TUGI,
- Consultation and drafting of the LTA/PWD MOU,
- Consultation and quarterly meetings with Fiji Municipal Association,
- Consultation and meetings with other stakeholders,
- Combined LTA/PWD monitoring of overloading vehicle on Rewa Bridge,
- Quarterly progress report on FRSAPII under NRSC and review updates on the LTA by ADB Mission team and follow up on progress,
- Consultative meetings and inspections of proposed public event sites,
- Training of Northern Police (Traffic Officers), PWD Supervisors and LTA officers on the Code of Practices on Manual Pedestrian and School Crossings;
- Preparation to the South Pacific Games 2003 to organise the transport services and the traffic management schemes to be adopted.

Shortfalls in 2002 and Why?

- Shelving of the monitoring exercise on overloading vehicles on Rewa Bridge,

- Delay in the implementation of the redlight and speed cameras on Fiji roads due to non-finalisation of ownership and the formulation of legislation relating to the devices,
- Non-establishment of MOU's, by PWD and Police, even though the initiative has been made by the Authority,
- Delay in the gazettement of the amendment to Land Transport (Traffic) Regulations 2000 and other related regulations,
- Delay on the establishment of proposed Fiji Road Fund Authority.

Where to From Here?

- The implementation of the National Transport Sector Plan (NTSP) and the Government policies on 50% reduction of vehicle smoke emission by 2005 and to have relevant facilities in place,
- Establishment of Traffic Control Centre (TCC) as the next phase to the redlight and speed camera implementation;
- Conformity to standards as stipulated in the Traffic Schedules by Municipal Councils, PWD and other highway authorities;
- The commercial goods vehicle licensing that links with the road recovery costs.
- Aggressively move towards establishing Fiji Road Fund Authority in consultation with stakeholders and ADB.

LEGAL

Responsibilities:

- To provide legal services to the Authority and is directly accountable and responsible to the Chief Executive.

Achievements:

- Amendments to five Regulations had been identified and submitted to the Ministry for Transport & Civil Aviation, two have been gazetted.
- Resource person during training of Enforcement Officers for the Municipal Authorities,
- Appeared for the Authority on Appeals lodged with the Land Transport Appeals Tribunal and other traffic matters, and also in High Court and Magistrate's Courts.

Challenges:

- The Authority has inherited legal liability of the former Department of Road Transport.
- The Legal Section continues to identify problematic areas for the Authority and find solutions to remedy irregularities.

Where to From Here

The Authority will need to continue to identify areas of improvement in its legislative framework, to include:

- Regulations on Commercial Goods Vehicle
- Red light and Speed Camera Regulations
- Amendment to Fees and Penalties Regulations
- Motor Vehicle Third Party Insurance Regulations
- Regulation to Control Second Hand Vehicles
- Regulation to Control Bicycles (Pedal Cycles)

OPERATIONS DIVISION REPORT

Overview

The Division is responsible for the implementation of core functions of the Land Transport Act and Regulations within the three regions, including enforcement activities.

The Authority's achievements encountered teething problems as expected in any newly established statutory entity. These were addressed, as far as practicable, and to look for more positive and exciting times ahead.

The Authority provided core functional services through the fifteen (15) fully serviced offices, in the districts, and eight (8) Post Fiji agencies in rural areas and outer islands.

Activities

The Operation division activities include Technical Enforcement, and Prosecutions.

TECHNICAL

Responsibilities:

To ensure the Land Transport Act 1998 and sentiments of the Land Transport (Vehicle Construction & Registration) Regulations 2000 are strictly complied with through the provision of the following:

- Motor vehicle inspection and testing facilities readily available to members of the public either through LTA offices or through outsourcing to private sector.
- Availability of Technical Officers to assist LTA Enforcement Officers in policing road networks for vehicles with defects.
- Availability of Technical Officers as and when the need arises to assist the Police in investigations relating to motor vehicle accidents
- Providing technical assistance to the PSV department of the Authority in the registration and licensing of public transport services.

Achievements:

- 52,009 motor vehicles were inspected for Certificate of Roadworthiness (CoRW) and Certificate of Fitness (COF)
- Carried out 10,641 random on-road inspections, to assist the Enforcement Department,
- Inspected a total of 65 buses and trailers that were constructed locally
- Processed and issued licences to 77 Authorised Motor Vehicle Dealers, and approved three Authorised Motor Vehicle Inspection Businesses.
- Thirty-three (33) technical staff were issued Certificates of Competency on Vehicle Inspection,

ENFORCEMENT

Responsibilities

To ensure that the Land Transport Act 1998 and its six Regulations are enforced through the following:

- Vigorous patrolling of major roads
- Issue of Traffic Infringement Notices (TINs) to those who contravene the law.
- Preparation of dockets for prosecution purposes
- Ensure LTA presence on roads
- Assist Municipal Councils in the enforcement of the law within their respective jurisdictions
- Auctioning unregistered motor vehicles impounded by the LTA, and unclaimed by owners after a month.

Achievements:

- Completed review of the department's Code of Practice and Specimen Charges
- Carried out training for Municipal Enforcement Officers

- Carried out several other Enforcement activities.

Shortfalls in 2002 and Why?:

- Constraints on finance for after hours operations.
- Operation confined to off peak hours with minimum results.
- Regular training of personnel owing to planning and funding

Where to From Here?:

- The department will enhance regular operations at strategic locations with a focus on evening and weekend operations.
- Aggressive training in PR and knowledge based

PROSECUTION

Responsibilities:

To prosecute all Traffic Infringement cases which go before the Courts.

Achievements:

- Initiated 8247 TIN cases in courts throughout Fiji,
- Court filing fee was decreased from \$33 to \$11.00, effective 1.5.02.
- Three additional prosecutors were recruited during the year for Sigatoka/Nadi, Lautoka and Labasa.
- Authority to execute Bench Warrants was issued by the Court.

Shortfalls in 2002 and Why?:

- In November the Lautoka High Court upheld the Ba Magistrate's decision not to grant audience to LTA Prosecutors in Ba court.
- Decrease in number of cases initiated in 2002 as against 10,605 in 2001, due to the management decision to book on five

offences under the Land Transport Act, on Director of Public Prosecution's advice on the absence of a provision for the creation of offences. Decision by the Lautoka High Court early to bar LTA Prosecutors from appearing in Magistrate Courts, which lasted almost six months, when Enforcement Officers were again allowed to resume booking on all offences under the specimen charges, after the High Court had ruled that the Land Transport Regulation did create offences.

Table 1 Details of the Prosecution cases

	2002	2001
Initiated	8247	10665
Convicted	3068	2996
Acquitted	2	32
Discharged	183	156
Dismissed	3	2
Withdrawn	71	76
Pending cases	3363	
Bench warrant & Committal warrant	3772	

Table 2 Pending Warrants

Central Eastern	429
Western	3110
Northern	237

Where to From Here

The unit's vision is as follows:

- To be a separate Cost Centre.
- The OPB is to be fully functional and to include all necessary information to make the enforcement of LT Act and Regulations more effective.



CORPORATE SERVICES DIVISION'S REPORT

Responsibilities

LTA as a reformed statutory body is to provide acceptable financial performance based on public sector reform principles. Administratively under the Ministry of Transport & Civil Aviation it delivers of its services and functions under Land Transport Act and Regulations.

Accountability, transparency and generally good governance principles have been implemented in providing a large number of varied services.

Corporate Services, being the main stream support service Division ensures facilitating managing and co-ordinating Human Resources, Management Information Services, Strategic Planning and Media & Community Relations matters.

The Corporate Services Division is headed by a General Manager and assisted by four line Managers in their respective areas of responsibilities, i.e. HR & A, SP, MIS and Media & Community Relations.

Overview

With established positions and established structure carried forward from 2000 to 2001, LTA was operating at 72% staff strength, in 2002. Owing to the introduction of a number of new concepts and a rigid application of various Codes of Practice under the new legislation, the staff shortage was genuinely experienced. Quality services to customers thus suffered.

In addition, a review of the existing structure and associated resources needed consideration to effectively improve the Authority's staff establishment and to ensure the provisions of the core functions under the Act and Regulations were fully met.

Major issues experienced during 2002 were:

- the absence of succession planning at senior levels

- delay in appointment of senior positions such as CE
- reviewing the implementation of Job Evaluation
- constraints in staff recruitment
- review of an effective performance appraisal system
- development and implementation of training programmes
- delay in instituting disciplinary measures against staff
- industrial relations matters with Unions and Ministry of Labour, Industrial Relations and Productivity
- lack of staff and office accommodation needs
- needs and improvements of infrastructure
- dissemination of messages for public awareness through media access and initiatives
- attempting to initiate projects for best customer services
- community relations through participation at provincial, tikina, advisory council levels
- review of corporate plans with revised strategic directions
- introduction of Quality Performance Management (QPM) system
- on-going improvement to registration and licensing system
- upgrading technologies to meet demands in providing efficient services
- processing the introduction of Offence Processing Bureau (OPB)

Achievements

- first review of total staff establishment since 2000
- successful implementation of training programmes in technical and administrative areas
- renovation of Labasa Complex

- completion of Phases 1 and 2 of Fiji Registration and Licensing System
- construction of FEA sub-station transformer at Valelevu
- approval of plans for extension/ renovation of Lautoka Complex
- processing of performance appraisal
- 52 % disciplinary actions resolved.

Where to From Here

To provide more effective and efficient services expected by the customers, following are considered to be of priority in 2003:

- accessibility of major services in Sigatoka town, Nadi, Ba, Rakiraki, Korovou, Levuka, Navua and Taveuni
- improvement of infrastructure at Cuvu, Lautoka, Ba, Valelevu
- policy decisions on purchasing/ leasing of offices and outsourcing of services
- reviewing staff establishment against a revised structure for effective delivery of functions required under the legislation
- finalising an effective measurable Performance Management System
- enhancing development and implementation of appropriate training programmes and succession planning.
- reviewing terms and conditions of employment of all employees under one umbrella
- improved disciplinary procedures for early actions
- finalising the implementation of job evaluation
- processing and finalising contractual employment of managerial positions
- finalising the status on quarters and properties with Government



REGULATION DIVISION'S REPORT

Responsibilities

The Regulations Division is playing a vital role in terms of the Land Transport Act and its Regulations to provide quality services to customers.

The Division headed by a General Manager and assisted by two Line Managers is responsible to oversee that the contents of the Act & Regulations are stringently followed. Codes of Practice have been developed and staff adequately trained.

Achievements

Registration & Licensing

- Codes of practice completed and circulated to all offices.
- Combined regional workshop held to train officers.
- Number Plate printing is done twice a week.
- Unique Number Plate applications are processed in a day.
- Driving test centres have been extended to Lami and Suva City for improved customer services.
- Driving tests are conducted on a daily basis.
- Driving tests for clients over 70 years are carried out without appointments.
- Learners permits tests are carried out on a daily basis without appointments.
- Shortcomings identified in the Regulations have proposed necessary amendments.
- 300 files created on illegal operators operating private vehicles as PSV.

Public Service Vehicle Regulation

- Backlog of PSV applications inherited from DRT have been cleared and disposed off.
- An indefinite freeze was placed on applications for new taxi permit to allow clearance of the backlog.
- Standard bus and taxi fares were being

revised upon application.

- Some of the applicants for new permits are now determined by the CE under delegation of Authority for a better and fast client service.
- Permits have been issued upon Authority approval by Board resolutions.

Targets

Registration & Licensing

- Continued training and workshops for R&L delivery officers will be held for better client services.
- Inter departmental examinations will be organized to appraise officers knowledge, performance and potential.
- Improvement in the system to overcome breakdown and malpractices.
- Printing of number plates on daily basis.
- Tender of Unique Number Plates for better client services and generation of more revenue.
- E-mail requests for printing of number plates from districts and regional offices for effective and efficient customer service.
- Review of driving tests to be undertaken for efficiency.
- Instant printing of Driver License Cards and extending to as many centers as possible for efficient and effective delivery services.
- Commence with hazardous substances vehicle and driver permit activity.
- Review of fees and penalties regulations to increase fees where necessary and identify new fees which are currently not being accommodated for.
- Continued reviews of the Act, Regulations, Codes of Practice and Procedures for improved client services.
- Standardize timeline on each transaction by delivery staff for prompt customer service and also appraise officer's

performance.

- All illegal operators operating as PSV to be taken to task in terms of Regulations.

Public Service Vehicle Regulation

- Determine applications for permits within reasonable time.
- Improved customer relation and service.
- Procedures and guidelines to be continually reviewed.
- Increase the number of meetings to determine and clear backlog of applications.
- Delegate additional powers to RMs to deal with applications for permits and licences.

Appendices:

- The summary of permits dealt with by the Authority at its Public Service Vehicle Regulations meetings during 2002 are shown as **Appendix A**.
- Applications pending to be dealt with by the Authority as at 31.12.2002 is attached as **Appendix B**.
- Applications for re-issue, transfer and new issue of Taxi, Hire & Rental permits, dealt with by Chief Executive is attached as **Appendix C**.
- The total number of all types of permits issued by the Authority as at 31.12.2002 are as shown in **Appendix D**.
- Ethnic Distribution of Taxi permits by Districts in 2002 is shown in **Appendix E**.
- During the year a total of the distribution of driving tests according to classes are at **Appendix F**.
- The summary of driving tests conducted in each district is at **Appendix G**.
- The statistics on various classes of vehicles in above categories are shown in **Appendices H, I and J**.

Authority's Report

In accordance with a resolution of the Authority, the Authority Members submit the balance sheet of the Authority as at 31 December 2002, and the related income statement, statement of recognised gains and losses and statement of cash flows for the year ended 31 December 2002 and report as follows:

Authority's members

The names of the Authority's members in office during the year and or as at the date of this report are:

	Term
Mr. Robert Dods (Chairman)	From 1 January 1999 to 31 December 2002
Mr. Thomas V Raju	From 1 January 1999 to 31 December 2002
Mr. Archie Seeto	From 1 January 1999 to 31 December 2002
Mr. Marika Tukituku	From 1 January 1999 to 31 December 2002
Ms Anjish Jokhan	From 16 October 2000
Mr. Manu D Korovulavula	From 26 October 1999 to 31 October 2002
Mr. Emitai Boladuadua	From 31 January 2002 to 4 December 2002
Ratu Napolioni Masirewa	From 8 January 2001 to 17 February 2002
Mr. Anasa Vocea	From 18 February 2002 to September 2002
Mr. Vula Vakacegu	From October 2002

State of affairs

In the opinion of the Authority members, the accompanying balance sheet gives a true and fair view of the state of affairs of the Authority as at 31 December 2002 and the accompanying income statement, statement of recognised gains and losses and the statement of cashflows gives a true and fair view of the results of the Authority for the year then ended.

Principal activities

The principal activities of the Authority for the year ended 31 December 2002 were regulating, controlling and licensing of all means of land transport, co-ordination of road transport services and improvement of road transport services.

Operating Results

The operating profit after income tax for the year ended 31 December 2002 was \$3,572,782 (2001: profit \$3,282,130).

Reserves

During the year no amounts were transferred to/from reserves.

Authority's Report (cont'd)

Dividends

The Authority paid an interim dividend of \$2,500,000 on 16 October 2002, for the year ended 31 December 2002 pursuant to Section 27 of the Land Transport Authority Act (1998).

Other matters

As at the date of this report:

- The Authority's Members are not aware of any circumstance, which would render the values attributed to current assets in the Authority's financial statements misleading.
- No charge of the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
 - No contingent liabilities have arisen since the end of the financial year for which the Authority could become liable except as disclosed in the financial statement;
 - As at the date of this report, the Authority Members are not aware of any circumstances that have arisen, not other wise dealt with in the report, which would make adherence to the existing method of valuation of assets or liabilities of the Authority's members misleading or inappropriate; and

Apart from the matters specifically referred to in the financial statements, in the opinion of the Authority members the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of an abnormal nature.

Date at Suva this 20th day of June 2003.

For and on behalf of the Authority in accordance with a resolution of the Authority Members.



CHAIRMAN



ACTG CHIEF EXECUTIVE

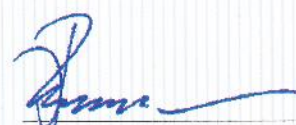
Statement by Authority Members

In accordance with a resolution of the Members of the Land Transport Authority, we state that:

- i) The accompanying balance sheet of the Authority is drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 December 2002.
- ii) The accompanying income statement of the Authority is drawn up so as to give a true and fair view of the result of the Authority for the year ended 31 December 2002.
- iii) The accompanying statement of cash flows are drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2002.
- iv) At the date of this statement there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- v) All related party transactions have been adequately recorded in the books of the Authority.

Date at Suva this 20th day of June 2003.

For and on behalf of the Authority in accordance with a resolution of the Authority Members.



CHAIRMAN



ACTG CHIEF EXECUTIVE



Chartered Accountants

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Independent Auditors' Report

To the Members of Land Transport Authority

Scope

We have audited the financial statements of the Authority for the year ended 31 December 2002, consisting of the balance sheet, income statement, statement of recognised gains and losses, statement of cash flows and accompanying notes, set out on pages 20 to 34. The Authority's members are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Authority.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards, Land Transport Authority Act (1998) and the Public Enterprise Act (1996) so as to present a view which is consistent with our understanding of the Authority's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- (1) proper books of account has been kept by the Authority, so far as appears from our examination of those books.
- (2) the accompanying financial statements of the Authority:
 - (i) are in agreement with the books of account;
 - (ii) to the best of our information and according to the explanation given to us:
 - (a) give a true and fair view of the state of affairs of the Authority as at 31 December 2002 and of the results and cash flows of the Authority for the year ended on that date in accordance with Fiji Accounting Standards;
 - (b) give the information required by the Land Transport Act (1998) and Public Enterprises Act (1996) in the manner so required.

We have obtained all the information and explanation which to the best of our knowledge and belief, was necessary for the purpose of our audit.

Suva, Fiji Islands
20 June, 2003



KPMG, a partnership established under Fiji law, is a member of KPMG International, a Swiss association



KPMG
Chartered Accountants

Resident Partners:
Michael Yee - Joy, Suva
Bruce Sutton, Suva
Lisa Apter, Suva
Robert Cohen, Lautoka

Income Statement

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
Revenue	2	12,334,709	11,240,376
Other operating income		306,110	339,260
(Loss)/gain on disposal of fixed assets		(20,498)	58,700
Personnel expenses	3	(3,746,230)	(3,397,936)
Other operating expenses	4	(3,587,724)	(3,234,533)
Profit from operations		5,286,367	5,005,867
Net financing gain/(costs)	5	7,306	(3,244)
Profit before income tax		5,293,673	5,002,623
Income tax expense	6(a)	(1,720,891)	(1,720,493)
Profit after income tax		3,572,782	3,282,130
Net profit for the year		3,572,782	3,282,130

The income statement is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 23 to 34.

Statement of Recognised Gains and Losses

For the year ended 31 December 2002

	2002 \$	2001 \$
Net profit for the year	3,572,782	3,282,130
Total recognised gains and losses	3,572,782	3,282,130

The statement of recognised gains and losses is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 23 to 34.

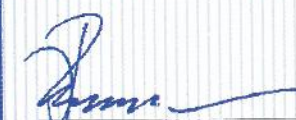
Balance Sheet

As at 31 December 2002

	Note	2002 \$	2001 \$
Non-current assets			
Property, plant and equipment	10	6,435,986	6,035,040
Future income tax benefit	6(c)	108,738	110,896
Total non-current assets		6,544,724	6,145,936
Current assets			
Cash and cash equivalents	7	1,564,284	2,987,044
Other receivables	8	408,268	270,638
Inventories	9	288,373	246,223
Short term deposits	11	1,527,160	2,500,000
Total current assets		3,788,085	6,003,905
Total assets		10,332,809	12,149,841
Capital and reserves			
Capital	12	5,165,189	5,165,189
Retained earnings	12	1,072,782	-
Total capital and reserves		6,237,971	5,165,189
Non-current liabilities			
Creditors and other accruals	13	130,124	363,913
Deferred tax liability	6(d)	153,566	51,964
Total non-current liabilities		283,690	415,877
Current liabilities			
Creditors and other accruals	13	2,529,659	1,763,803
Provisions	16	1,281,489	4,804,972
Total current liabilities		3,811,148	6,568,775
Total liabilities		4,094,838	6,984,652
Total capital, reserves and liabilities		10,332,809	12,149,841
Commitments and contingent liabilities	17, 18		

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 23 to 34.

For and on behalf of the Authority in accordance with a resolution of the Authority members.



CHAIRMAN



ACTG CHIEF EXECUTIVE

Statement of Cash Flows

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
Cash flows from operating activities			
Receipts from customers and employees		13,070,438	12,447,210
Payment to suppliers and employees		(5,985,388)	(4,946,880)
Income tax paid		(1,837,743)	(1,760,345)
Net cash provided by operating activities	20(b)	5,247,307	5,739,985
Cash flows from investing activities			
Payment for property, plant and equipment		(1,582,811)	(1,977,593)
Proceeds from sale of assets		56,918	93,605
(Receipts)/payment for term deposits		972,840	(2,500,000)
Net cash (used in) investing activities		(553,053)	(4,383,988)
Cash flows from financing activities			
Payments of dividends		(5,782,130)	(2,272,327)
Repayment of loans		(334,884)	(201,950)
Net cash (used in) financing activities		(6,117,014)	(2,474,277)
Net increase / (decrease) in cash held		(1,422,760)	(1,118,280)
Cash at beginning of the financial year		2,987,044	4,105,324
Cash at end of the financial year	20(a)	1,564,284	2,987,044

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 23 to 34.

Notes to and forming part of the financial statements

For the year ended 31 December 2002

1. Significant accounting policies

Land Transport Authority (the "Authority") is an authority domiciled in the Fiji Islands.

(a) Statement of compliance

The financial statements of the Authority have been drawn up in accordance with the Fiji Accounting Standards and disclosure requirements of the Fiji Institute of Accountants and the requirements of law.

(b) Basis of preparation

They have been prepared on the basis of historical costs and do not take into account changing money values, except for certain non-current assets which are stated at valuation. The accounting policies have been consistently applied, unless otherwise stated. All amounts are stated in Fiji currency.

(c) 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 year.

Exchange differences relating to amounts receivable and payable in foreign currencies are brought to account as exchange gains or losses in the income statement in the financial year in which the exchange rate changes.

The Authority does not hedge its foreign currency commitments.

(d) Property, plant and equipment

(i) Acquisition and valuation

As at 1 July 2000, the assets of the Department of Road Transport, Principal Licensing Authority, Central Traffic Authority and the Transport Control Board were vested into the Land Transport Authority.

Properties comprising land and buildings were independently valued by Rolle Valuations, registered valuers on 14 February 2001. All other fixed assets that were vested to the Authority at the date of commencement are recorded at Authority's valuation.

All plant and equipment are stated at independent and Authority valuation less depreciation. Acquisitions during the year are stated at historical cost.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

1. Statement of significant accounting policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

Property that is being constructed or developed for future use is classified as work in progress under property, plant and equipment and stated at cost until construction or development is complete.

(ii) Depreciation and amortisation

Items of property, plant and equipment including buildings are depreciated using the straight-line method over their remaining useful life. Land is amortised over the leasehold period.

The depreciation rates used for each class of asset are as follows:

Land	Leasehold period
Buildings	2.5%
Motor vehicles	20.0%
Plant and equipment	20.0%
Computer hardware	33.0%
Computer software	20.0%-33.0%
Office equipment	20%

(iii) Disposal of assets

Gains and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(e) Other receivables

Other receivables include postmaster receivables, payroll recoveries, deferred expenses, interest receivable, prepayments and others. The collectability of debts is assessed regularly and provisions are made for any doubtful balances.

(f) Inventories

Inventories are valued at lower of cost or net realisable value. Cost is assigned on a first in first out basis.

(g) Provision for employee entitlements

The provisions for employee entitlements relating to wages, salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date, at current pay rates in respect of employee services, up to the balance date.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

1. Statement of significant accounting policies (Cont'd)

(h) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Segment information

Industry segment

The Authority operates predominantly in regulating, controlling and licensing all means of land transport, co-ordination of road transport services and improvement of road transport services in Fiji and revenue from other industry segments is not material.

(ii) Geographical segment

The Authority operates in Fiji.

(j) Principal activities

The principal activities of the Authority during the year were regulating, controlling and licensing all means of land transport, co-ordination of road transport services and improvement of road transport services in Fiji.

(k) Revenue recognition

Services rendered

Revenue comprises of income earned from providing licensing and registration of motor vehicles, vehicle inspection services, issuing of permits and licenses to motor vehicles, driver examination and licenses, authorised motor vehicle dealers licenses, regulation of public service vehicles and enforcement activities.

(l) Deferred revenue and expenditure

The Authority's revenue is recognised at time of the receipt except for motor vehicle dealer's license, drivers license renewals for 3 years and 6 years, which are recognised on an accrual basis. The amount of income related to future financial years is recognised in the financial statements as deferred revenue. These revenues are amortised over the life of licenses and brought to account in the relevant financial year.

Incidental costs relating to the deferred revenue are expensed in the period in which the income/revenue for the licenses is recognised.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

1. Statement of significant accounting policies (Cont'd)

(m) Expenses

(i) Net financing costs

Net financing costs comprise interest payable on finance leases and interest receivable on term deposits that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues.

Interest expense component of finance lease payments is recognised in the income statement.

(n) Income tax

The Authority adopts the liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arises from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax.

The Authority is subject to income tax based on a ruling by the Inland Revenue and under the Income Tax Act (1974) CAP 2001.

(o) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

2. Revenue

	2002 \$	2001 \$
Vehicle registration	7,267,064	6,511,947
Vehicle inspection	1,773,976	1,601,741
Driver's license and driver permits	1,803,294	1,773,940
Enforcement	826,933	955,932
Public service permits	305,915	163,137
Regulation of motor vehicle dealers	209,753	151,867
Permits and exemptions	147,774	81,812
	<u>12,334,709</u>	<u>11,240,376</u>

3. Personnel expenses

Wages and salaries	3,474,750	3,139,509
FNPF	240,024	227,850
FNTC levy	31,456	30,577
	<u>3,746,230</u>	<u>3,397,936</u>

The actual number of established employees during the year ended 31 December 2002 was 209 (2001:190) and the actual number of unestablished and casual employees during the year ended 31 December 2002 was 38 (2001:41).

OTHER OPERATING EXPENSES

Advertising	82,318	150,456
Audit fees	9,500	9,500
Accounting fees	5,250	10,739
Bank charges	18,344	18,057
Board members' fees and remuneration	42,066	31,636
Conferences	49,890	14,234
Depreciation and amortisation - acquired assets	605,888	300,812
Depreciation and amortisation - vested assets	498,562	684,446
Electricity	86,807	68,536
Enforcement	107,511	236,114
Insurance	178,728	152,208
Legal fees	140,821	33,640
Motor vehicle expenses	75,641	54,659
Number plates	77,369	29,549
Printing and stationery	318,434	295,979
Radio telephone rental	22,956	15,514
Rent	349,066	63,204
Repairs and maintenance	48,123	60,219
Security hire	73,525	136,296
Telephone and facsimile	365,010	297,171
Others	431,915	571,564
	<u>3,587,724</u>	<u>3,234,533</u>

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
5. Net financing costs			
Interest income		82,512	58,822
Interest expense		(75,206)	(62,066)
		<u>7,306</u>	<u>(3,244)</u>
6(a). Income tax (benefit)/expense			
Prima facie income tax (benefit)/expense @ 32% (2001-34%) on the operating (loss)/profit		1,693,975	1,700,892
Increase in income tax expense due to non tax deductible items:			
Non allowable expenses		23,961	13,274
Effect of change in income tax expense due to change in tax rate		-	4,074
Under provision in prior period		2,955	2,253
		<u>1,720,891</u>	<u>1,720,493</u>
Income tax expense attributable to operating profit			
Total income tax expense attributable to operating profit is made up of:			
Current income tax provision		(1,614,177)	(1,756,293)
Future income tax benefit		(2,157)	38,053
Deferred tax liability		(101,602)	-
Under provision in prior period		(2,955)	(2,253)
		<u>(1,720,891)</u>	<u>(1,720,493)</u>
(b) Provision for income tax			
Balance at the beginning of the year		1,256,293	1,258,092
Under provision in prior period		2,955	2,253
Payments made during the year		(1,837,743)	(1,760,345)
Income tax expense on operating profit		1,614,177	1,756,293
Balance at the end of the year	16	<u>1,035,682</u>	<u>1,256,293</u>

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
6. Income tax (cont'd)			
(c) Future income tax benefit			
Future income tax benefit comprises the future income tax benefit at current income tax rates on the following items:			
Difference in provision for insurance and employee entitlements		108,738	110,896
		<u>108,738</u>	<u>110,896</u>
(d) Provision for Deferred Income Tax			
Provision for deferred income tax comprises the estimated expense at current income tax rates of the following items:			
Difference in depreciation for accounting and income tax purposes	11	153,566	51,964
7. Cash			
Cash at bank		1,559,604	2,982,504
Petty cash		4,680	4,540
		<u>1,564,284</u>	<u>2,987,044</u>
8. Receivables			
Post master receivables		5,649	16,909
Prepayments		60,235	64,258
Deferred expenses		211,989	102,733
Interest receivable		18,012	23,929
Deposits		9,035	4,680
Insurance claim receivable		-	17,486
Staff advance		26,810	13,568
Other		76,538	27,075
		<u>408,268</u>	<u>270,638</u>
9. Inventories			
Computer consumables		142,501	107,740
Stationery		120,064	78,602
Number plates		18,944	14,663
Goods in transit		6,864	45,218
		<u>288,373</u>	<u>246,223</u>

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

10. Property, plant and equipment

	Leasehold land	Buildings	Motor vehicles	Plant and equipment	Furniture and fittings	Computer equipment	Office equipment	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance at 1 January 2001 -									
At cost	16,444	350,286	658,729	119,197	74,231	924,013	164,309	64,488	2,371,697
Balance at 1 January 2001 -									
At valuation	1,081,095	1,689,385	29,000	308,868	52,795	1,773,482	92,696	-	5,027,321
Acquisitions	8,470	318,385	178,948	83,904	29,026	811,361	103,167	67,944	1,601,205
Disposals		(17,618)	(60,300)			(6,900)	(34,136)	(18,475)	(137,429)
Balance at 31 December 2002	1,106,009	2,340,438	806,377	511,969	156,052	3,501,956	326,036	113,957	8,862,794

Depreciation

Balance at 1 January 2001	16,659	68,737	116,651	226,255	43,159	816,489	76,028	-	1,363,978
Depreciation charge for the year	11,133	54,326	165,329	104,957	27,910	677,456	63,339	-	1,104,450
Disposals	-		(30,766)			(274)	(10,580)	-	(41,620)
Balance at 31 December 2002	27,792	123,063	251,214	331,212	71,069	1,493,671	128,787	-	2,426,808

Carrying amount

At 1 January 2001	1,080,880	1,970,934	571,078	201,810	83,867	1,881,006	180,977	64,488	6,035,040
At 31 December 2002	1,078,217	2,217,375	555,163	180,757	84,983	2,008,285	197,249	113,957	6,435,986

An independent valuation of the Authority's leasehold land and buildings was carried out in February 2001 by Rolle Valuation. Other classes of fixed assets that were vested to the Authority at the date of commencement of the Authority are recorded at Authority's valuation.

The titles in relation to the land and buildings are being transferred to the Authority. The Authority is finalising arrangements with the Public Service Commission in relation to ownership and occupation of Government and Institutional quarters and office space rental, which have not been brought to account as fixed assets at balance date. The effects of adjustments, if any, upon completion of the above process may affect the disclosed values of land and buildings.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

11. Short term Deposits

	2002 \$	2001 \$
Credit Corporation (Fiji) Limited	1,011,964	1,000,000
Habib Bank Limited	-	1,000,000
Merchant Bank of Fiji Limited	515,196	500,000
	<u>1,527,160</u>	<u>2,500,000</u>

Term deposit with Credit Corporation (Fiji) Limited matures on 19/01/2003 and attracts an interest rate of 4% per annum.

Term deposit with Merchant Bank of Fiji Limited matures on 20/01/2003 and attracts an interest rate of 3.5% per annum.

12. Capital and reserves

	Capital \$	Retained Earnings \$	Total \$
Balance at 1 January 2001	5,165,189	-	5,165,189
Total recognised gains and losses		3,282,130	3,282,130
Dividends		(3,282,130)	(3,282,130)
Balance at 31 December 2001	<u>5,165,189</u>	<u>-</u>	<u>5,165,189</u>
Balance at 1 January 2002	5,165,189	-	5,165,189
Total recognised gains and losses		3,572,782	3,572,782
Dividends		(2,500,000)	(2,500,000)
Balance at 31 December 2002	<u>5,165,189</u>	<u>1,072,782</u>	<u>6,237,971</u>

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
13. Creditors and other liabilities			
<i>Current</i>			
Trade creditors and accruals		676,658	511,474
Deferred income		1,137,072	853,765
FNPF accrual		46,968	63,037
Rent accrual		261,593	19,800
VAT payable		107,933	81,104
Finance lease liabilities	14	299,435	234,623
		<u>2,529,659</u>	<u>1,763,803</u>
<i>Non-current</i>			
Finance lease liabilities	14	130,124	363,913
		<u>130,124</u>	<u>363,913</u>

The finance lease repayments represents three separate finance leases taken from Credit Corporation Fiji Limited for a total of 18 motor vehicles at an interest rate of 7.25% per annum. During the 2002 financial year the Authority took another finance lease from Merchant Finance for 2 motor vehicles at an interest rate of 12.82% per annum.

14. Finance lease commitments

Included as lease liabilities are the capitalised present values of the future rentals of the leased motor vehicles. Future finance lease rentals of motor vehicles are as follows:

Due:			
		2002 \$	2001 \$
13. Creditors and other liabilities			
Not later than one year		336,270	299,688
Later than one year but not later than two years		135,717	299,688
Later than two years but not later than five years		-	97,748
		<u>471,987</u>	<u>697,124</u>
Less Future lease finance charges		42,428	98,588
		<u>429,559</u>	<u>598,536</u>
Lease liabilities provided for in the financial statements			
Current		299,435	234,623
Non-current		130,124	363,913
		<u>429,559</u>	<u>598,536</u>

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

	Note	2002 \$	2001 \$
15. Employee entitlements			
Annual leave		149,971	176,102
	16	<u>149,971</u>	<u>176,102</u>
Movements in the net liability recognised in the balance sheet			
Net liability at 1 January		176,102	104,177
Expense recognised in the income statement		(26,131)	71,925
Net liability at 31 December		<u>149,971</u>	<u>176,102</u>
The expense is recognised in the following line items in the income statement:			
Other operating expenses		<u>(26,131)</u>	<u>71,925</u>

16. Provisions

	Employee entitlements	Dividends	Income tax	Insurance	SSPP	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2002	176,102	3,282,130	1,256,293	43,912	46,535	4,804,972
Provisions made during the year	-	-	1,617,132	25,836	23,465	1,666,433
Provisions used during the year	(26,131)	(3,282,130)	(1,837,743)	(43,912)		(5,189,916)
Balance at 31 December 2002	<u>149,971</u>	<u>-</u>	<u>1,035,682</u>	<u>25,836</u>	<u>70,000</u>	<u>1,281,489</u>
Current	149,971	-	1,035,682	25,836	70,000	1,281,489
Total	<u>149,971</u>	<u>-</u>	<u>1,035,682</u>	<u>25,836</u>	<u>70,000</u>	<u>1,281,489</u>

17. Commitments

Capital expenditure commitments

Approved by the Board but not contractually committed	158,208	102,981
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18. Contingent liabilities

The Authority was subject to certain charges and legal actions in the ordinary course of business amounting to approximately \$1,504,800 (2001: \$1,511,780). On the basis of advice received from solicitors representing the Authority, it is the opinion of the Authority members that the disposition or ultimate determination of such charges and legal actions will not have a material effect on the result and financial position of the Authority. The Authority is vigorously defending these actions.

Notes to and forming part of the financial statements (cont'd)

For the year ended 31 December 2002

19. Related parties

The Authority is wholly owned by the Government of the Republic of the Fiji Islands. The Authority undertook various transactions with Government owned entities on normal trading terms and conditions.

The Authority provides electricity, water amenities and building space to the National Road Safety Council "NRSC" without any consideration. This allocation is being provided to the NRSC due to similar goals being pursued by the organisation as the Authority.

20. Notes to the statement of cashflows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2002 \$	2001 \$
Cash	1,564,284	2,987,044
(b) Reconciliation of net cash provided by operating activities to operating profit after income tax		
Operating profit after income tax	3,572,782	3,282,130
Depreciation and amortisation	1,104,449	985,258
Interest on finance lease	75,206	62,066
Loss/(gain) on sale	20,498	(58,700)
Change in assets and liabilities:		
Decrease/(increase) in prepayments	4,023	(64,258)
Decrease/(increase) in post masters receivables	11,260	(4,533)
(Increase) in other receivables	(62,705)	(15,483)
(Increase) in deferred expenditure	(109,256)	(102,733)
Decrease/(increase) in interest receivable	5,917	(23,929)
Increase in lease finance	90,701	738,420
(Increase) in deposits	(4,355)	(2,880)
Increase in deferred revenue	283,307	831,265
(Decrease)/increase in employee entitlements	(26,131)	71,925
Increase/(decrease) in VAT payable	26,829	(120,794)
Increase in trade creditors and accruals	396,297	262,148
Increase/(decrease) in future income tax benefit	2,158	(38,054)
(Decrease) in provision for income tax	(220,611)	(1,799)
(Increase) in stock	(42,150)	(60,064)
Increase in deferred tax liability	101,602	-
Decrease in insurance receivable	17,486	-
Net cash provided by operating activities	5,247,307	5,739,985

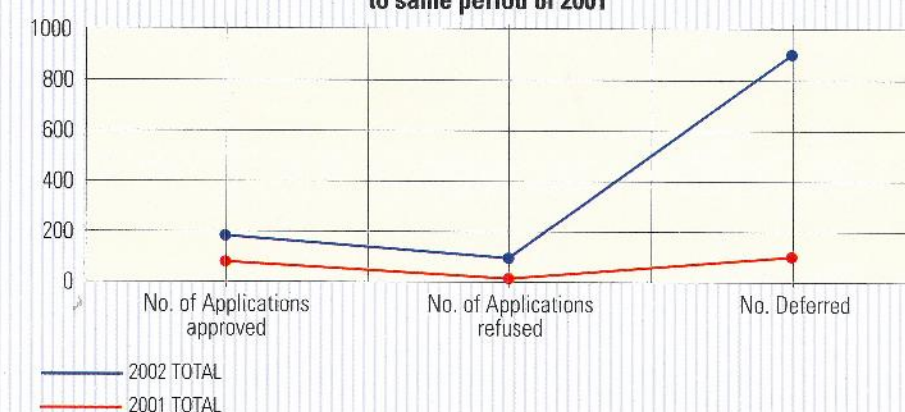
Appendices

APPENDIX A - SUMMARY OF PERMITS DEALT WITH BY THE AUTHORITY

Type of Permit	No. of Applications Approved	No. of Applications Refused	No. Deferred	Total
Road Route Licence (New)	2	2	6	10
Road Route Licence (Amendment)	5	3	13	21
Road Contract Licence	16	-	4	20
Mini Bus	19	6	1	26
Carrier Licence	30	1	35	66
Taxi	12	6	45	63
2002 Total	84	18	104	206
2001 Total	186	98	905	1189
Percentage Change	-54.8	-81.6	-88.5	-87.1

Source : Public Service Vehicle Department, LTA

Distribution of Permits dealt with by the Authority for 2002 as compared to same period of 2001

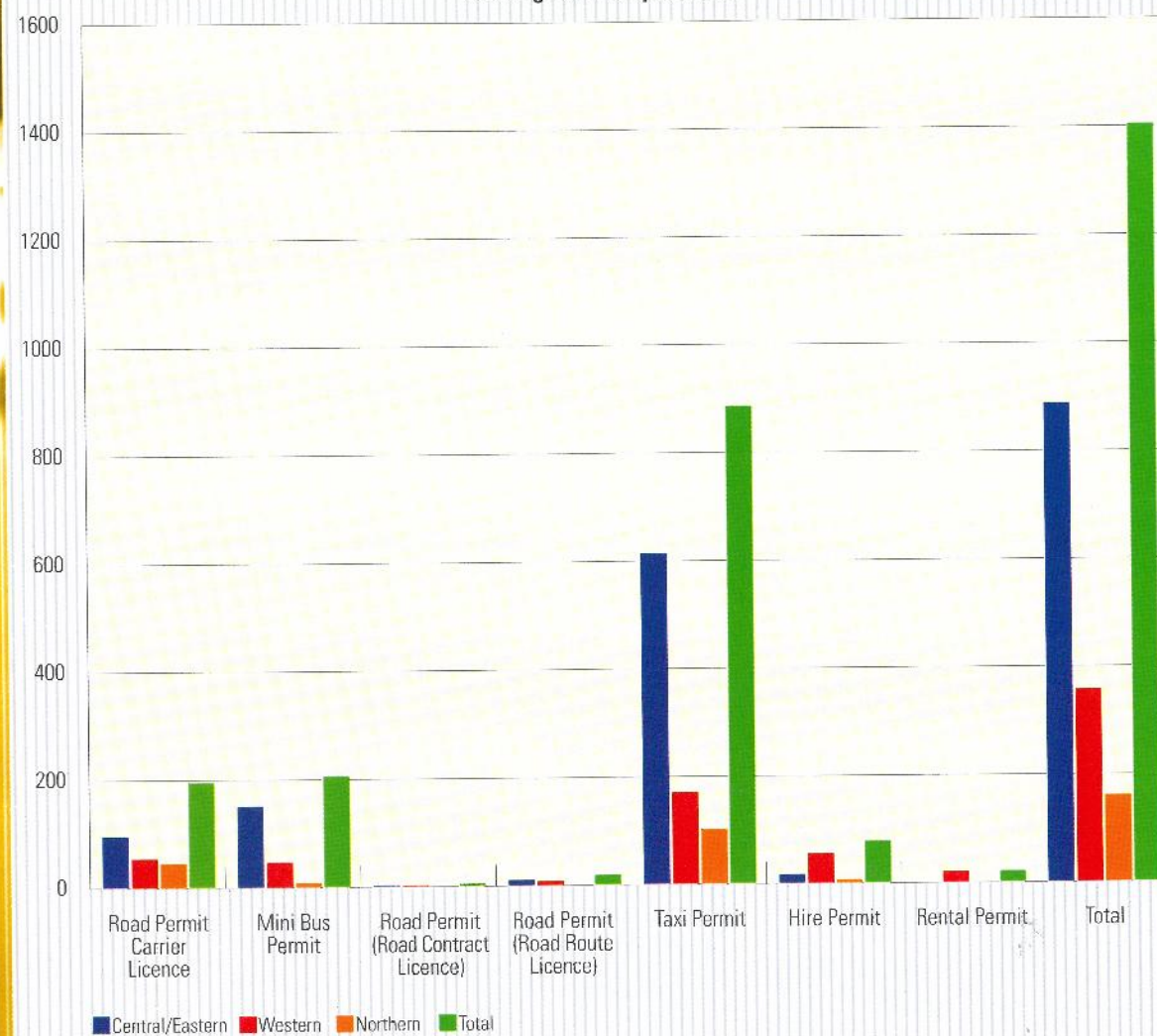


APPENDIX B - PENDING ROAD PERMIT APPLICATIONS TO BE DEALT BY AS AT 31.12.2002.

Type of Permits	Central/Eastern	Western	Northern	Total
Road Permit (Carrier Licence)	95	54	45	194
Mini Bus Permit	150	47	8	205
Road Permit (Road Contract Licence)	2	2	-	4
Road Permit (Road Route Licence)	10	8	-	18
Taxi Permit	613	170	101	884
Hire Permit	16	55	6	77
Rental Permit	-	20	-	20
2002 Total	886	356	160	1402

Source : Public Service Vehicle Department, LTA

Pending Permits by Division



APPENDIX C - PSV APPLICATIONS DEALT WITH BY CE

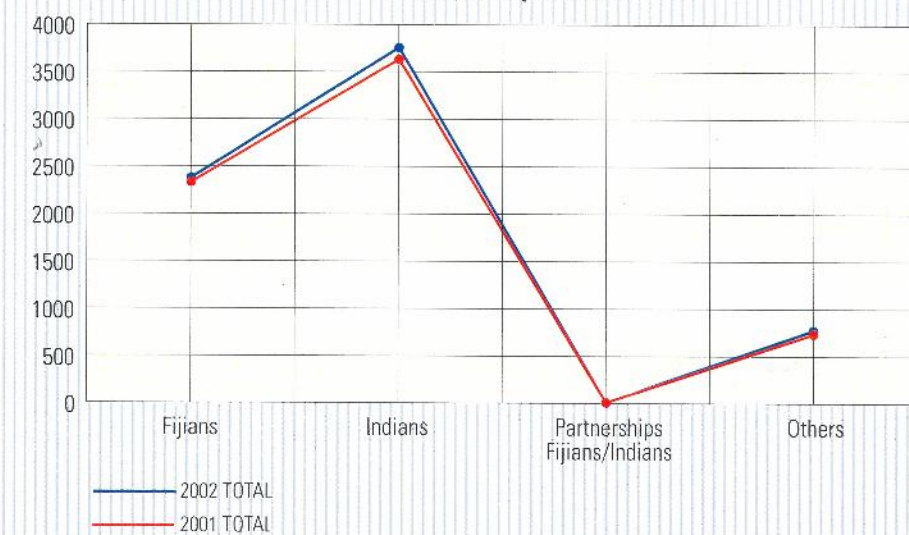
	Approved	Referred to Authority for Refusal under Regulation 5(2)	Total
1. Applications for Re-issue of Taxi Permits	1235	-	1235
2. Applications for Re-issue of Hire Permits	102	-	102
3. Applications for Re-issue of Rental Permits	126	-	126
4. Applications for Transfer of Taxi Permits	145	-	145
5. Applications for Transfer of Hire Permits	1	-	1
6. Applications for Amendment of Taxi Permits (Change of Stand)	211	10	221
7. Applications for Amendment of Hire Permits	2	-	2
8. Applications for New Taxi Permits	114	97	211
9. Applications for New Hire Permits	15	-	15

"APPENDIX D" SUMMARY OF PERMITS ISSUED BY LAND TRANSPORT AUTHORITY AS AT 31/12/02

Type of Permit / Licence	Fijians	%	Indians	%	Number Issued		Others	%	Total
					Partnerships (Fijians / Indians)	%			
Taxi Permits	2082	44.22	2398	50.93	-	-	228	4.85	4708
Rental Permits	33	2.48	838	62.96	-	-	460	34.56	1331
Hire Permits	220	38.87	277	48.94	4	0.71	65	11.48	566
Road Permits (Road Route Licences)	2	1.05	186	97.89	-	-	2	1.05	190
Road Permits (Road Contract Licences)	12	22.64	28	52.83	-	-	13	24.52	53
Road Permits (Carrier Licences)	2	28.57	5	71.42	-	-	-	-	7
Mini Bus Permits	21	52.50	19	47.50	-	-	-	-	40
2002 Total	2372	34.40	3751	54.40	4	0.06	768	11.14	6895
2001 Total	2328	34.78	3630	54.22	5	0.08	732	10.94	6695
Percentage Change	1.9		3.3		-20		4.9		

Source : Public Service Vehicle Department, LTA

Distribution of Public Service Vehicle Permits issued by the Authority for 2002 as compared to 2001



APPENDIX E - ETHNIC DISTRIBUTION OF TAXI PERMITS BY DISTRICT AS AT 31/12/02

District	Indian	Fijian	Others	Total
Suva City	649	486	35	1170
Suva Rural	222	639	19	880
Navua	28	43	13	84
Sigatoka Town	91	41	10	142
Sigatoka Rural	34	30	10	74
Nadi Town	251	30	9	290
Nadi Rural	16	36	4	56
Lautoka City	175	85	12	272
Lautoka Rural	205	62	6	273
Labasa Town	24	46	10	80
Labasa Rural	172	140	12	324
Nausori Town	101	84	7	192
Nausori Rural	31	37	3	71
Korovou Town	3	20	2	25
Rakiraki Town	46	19	5	70
Rakiraki Rural	50	32	5	87
Ba Town	39	27	16	82
Savusavu Town	10	34	16	60
Levuka	10	11	0	21
Deuba	19	15	2	36
Nadi Airport	18	16	2	36
Lami Town	36	50	5	91
Lami Rural	2	6	0	8
Korolevu	4	2	5	11
Taveuni	36	14	1	51
Naitasiri Province	20	24	0	44
Serua	3	12	0	15
Vatukoula	0	15	1	16
Tavua Town	117	26	4	147
Total	2412	2082	214	4708

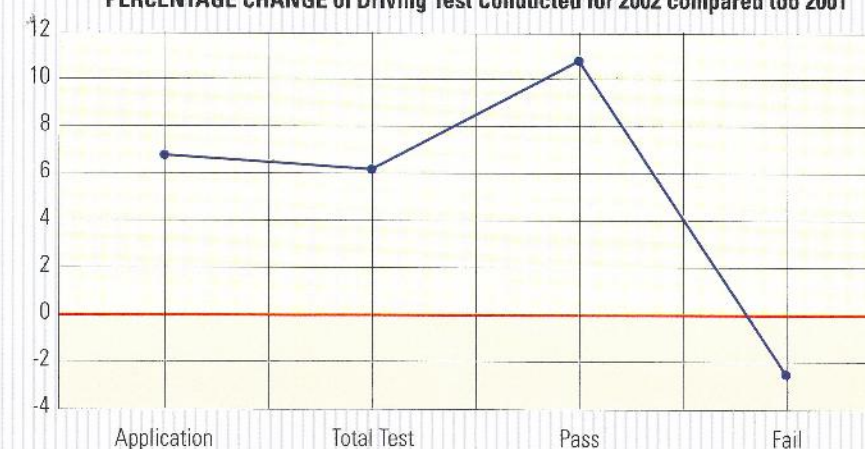
Source : Public Service Vehicle Department, LTA

APPENDIX F - DRIVING TEST CONDUCTED IN DISTRICTS - 2002

NO.	DISTRICT	APPLICATION	TOTAL TESTED	PASSED	FAILED	FAILED TO ATTEND	% PASSED
1	HQ - VALELEVU	2700	2388	1539	849	312	64
2	SUVA	93	86	56	30	7	65
3	LAMI	435	393	260	133	42	66
4	NAUSORI	745	722	497	225	23	69
5	KOROVU	62	58	37	21	4	64
6	LEVUKA	24	24	18	6	0	75
7	KADAVU	6	6	6	0	0	100
8	SIGATOKA	714	714	583	131	0	82
9	NADI	1198	1147	784	363	51	68
10	LAUTOKA	1692	1661	999	662	31	60
11	BA	738	737	428	309	1	58
12	TAVUA	544	544	450	94	0	83
13	RAKIRAKI	249	249	195	54	0	78
14	LABASA	1436	1436	1042	394	-	72
15	SEAQAQA	426	426	306	120	-	71
16	SAVUSAVU	280	279	206	73	1	73
2002 NATIONAL TOTAL		11342	10870	7406	3464	472	68
2001 NATIONAL TOTAL		10747	10369	6776	3593	378	65
PERCENTAGE CHANGE		6.8	6.2	10.8	-2.5		

The records of drivers test application received for the year 2002 increased by 6.8% in comparison to the same period last year. The total test conducted for new drivers increased by 6.2%. The total drivers tested has been an increase by 10.8% in pass rate over the same period last year. This is due to the ammendment of Driving Regulation where a Class 2 and 3 holder can go straight to Class5. Outsourcing of driving test to district offices also contribute to the visible change.

PERCENTAGE CHANGE of Driving Test Conducted for 2002 compared too 2001

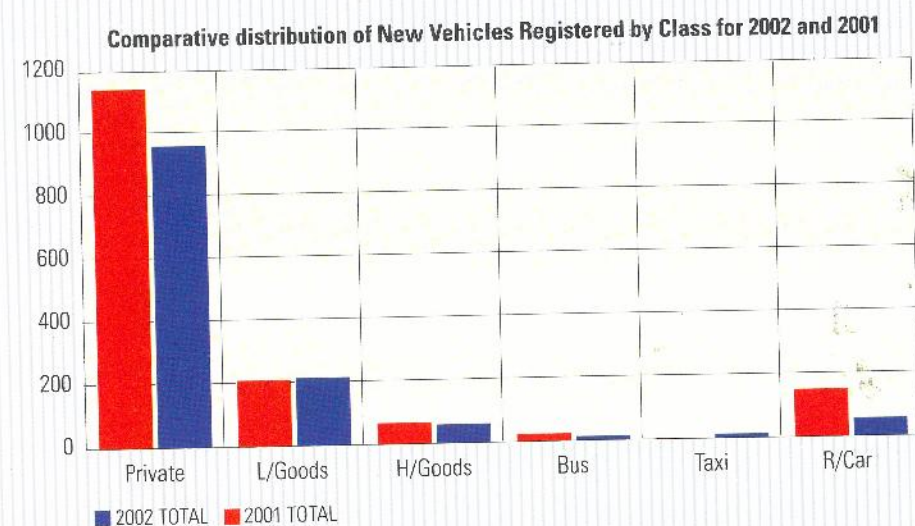


APPENDIX G - NEW VEHICLES REGISTERED FROM JANUARY - DECEMBER 2002

Month	Private	L/Goods	H/Goods	Bus	Taxi	R/Car	H/Car	M/Cycle	Govt. Veh.	Others	Total
January	80	29	02	-	-	02	-	-	02	Golf Car - 01	116
February	69	12	08	01	-	14	-	-	-	-	104
March	123	27	08	01	01	26	05	02	-	-	193
April	65	12	05	02	-	16	01	-	-	-	101
May	95	13	05	03	-	10	-	-	14	-	140
June	98	11	03	-	-	13	01	01	09	-	136
July	86	13	08	04	-	-	-	10	27	-	148
August	121	17	06	03	-	19	01	-	03	-	170
September	102	18	09	01	-	18	-	01	33	-	182
October	81	22	03	02	-	15	-	-	04	-	127
November	93	16	05	02	-	06	01	-	-	-	123
December	127	20	05	04	-	11	-	-	-	-	167
2002 Total	1140	210	67	23	01	150	09	14	92	01	1707
2001 Total	958	215	59	12	12	56	0	31	-	-	1343

The increase is attributed to the fact that people having confidence in Fiji's recovery to normalcy thus increase in Private vehicles. Boost in tourism industry contributes greatly to the increase in Rental cars.

Source : Registration & Licensing, Policy & Practices Department, LTA



Appendix H - NEW & SECOND-HAND/RECONDITIONED VEHICLES REGISTERED FROM JANUARY - DECEMBER 2002

Month	Private	L/Goods	H/Goods	Bus	Taxi	R/Car	H/Car	M/Cycle	Govt. Veh.	Others	Total
January	218	56	07	-	09	06	-	13	02	01	312
February	192	37	16	01	13	15	-	-	-	-	274
March	215	37	13	02	05	29	06	04	-	-	311
April	259	33	13	04	08	26	03	-	-	-	346
May	269	33	20	05	11	22	-	03	14	-	377
June	250	26	22	-	07	15	01	05	09	-	335
July	241	41	31	06	07	01	06	14	27	-	374
August	375	40	31	03	11	21	03	03	03	-	490
September	265	42	16	03	15	19	02	03	33	-	398
October	350	60	19	07	13	16	-	01	04	-	470
November	347	41	26	03	10	08	02	02	-	-	439
December	599	62	28	06	13	23	04	01	-	-	736
Total	3580	508	242	40	122	201	27	49	92	01	4862

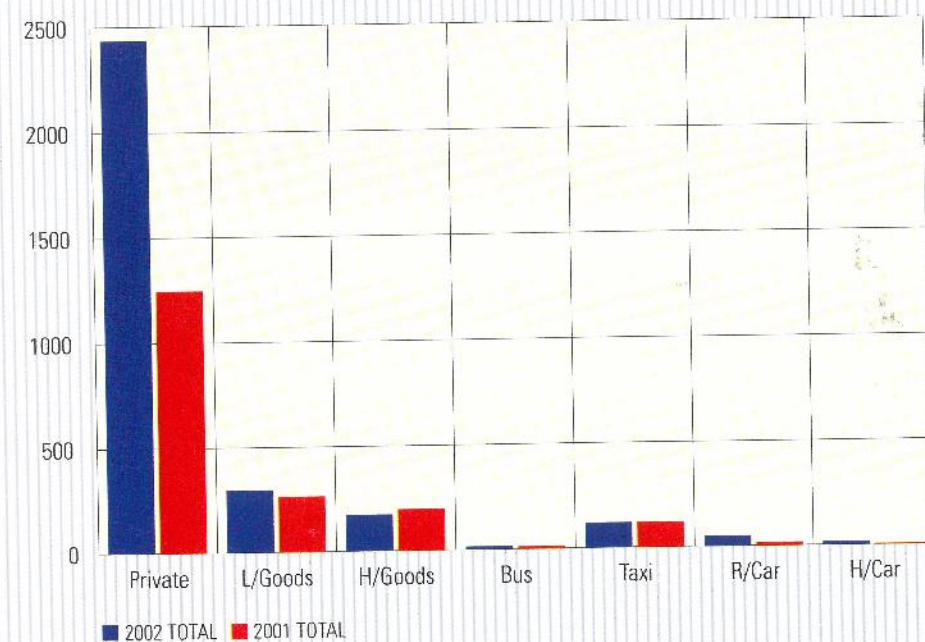
Source : Registration & Licensing, Policy & Practices Department, LTA

**Appendix I - SECOND-HAND/RECONDITIONED VEHICLES REGISTERED FROM
JANUARY - DECEMBER 2002**

Month	Private	L/Goods	H/Goods	Bus	Taxi	R/Car	H/Car	M/Cycle	Govt. Veh.	Others	Total
January	138	27	05	-	09	04	-	13	-	-	196
February	123	25	08	-	13	01	-	-	-	-	170
March	92	10	05	01	04	03	01	02	-	-	118
April	194	21	08	02	08	10	02	-	-	-	245
May	2	20	15	02	11	12	-	03	-	-	65
June	152	15	19	-	07	02	-	04	-	-	199
July	155	28	23	02	07	01	06	04	-	-	226
August	254	23	25	-	11	02	02	03	-	-	320
September	163	24	07	02	15	01	02	02	-	-	216
October	269	38	16	05	13	01	-	01	-	-	343
November	254	25	21	01	10	02	01	02	-	-	316
December	472	42	23	02	13	12	04	01	-	-	569
2002 Total	2268	298	175	17	121	51	18	35	-	-	2983
2001 Total	1249	266	119	14	121	18	6	15	-	-	1808

Source : Registration & Licensing, Policy & Practices Department, LTA

**Comparative Distribution of Second-Hand /Reconditioned Vehicles Registered by
Class for Year 2002 and 2001**



**Appendix J- NEW, SECOND-HAND/RECONDITIONED MOTOR TRACTORS, TRAILERS, MACHINES AND
EARTHMOVING EQUIPMENTS REGISTERED FOR YEAR JANUARY - DECEMBER 2002**

Month	Tractor	Trailer	F/Lift	Grader	Exca- vator	P/Mover	Roller	Loader	Crane	Skidder	Digger	Bull- dozer	Cater- pillar	Others	Total
January	01	03	-	05	01	-	-	-	01	-	-	-	-	01	12
February	02	02	01	-	02	01	-	-	-	-	-	-	01	-	09
March	02	05	01	-	03	-	-	-	-	-	-	01	-	-	12
April	03	02	01	-	06	-	-	-	02	-	-	-	-	-	14
May	07	11	06	-	08	-	-	02	-	-	-	01	-	01	36
June	01	02	03	01	01	-	04	-	-	-	-	02	-	-	14
July	-	02	-	01	11	-	02	-	-	-	02	03	-	-	21
August	04	05	02	-	07	-	02	02	01	-	-	01	-	-	24
September	03	02	-	01	08	-	-	01	-	-	-	04	-	-	19
October	02	-	01	-	03	-	-	-	-	-	-	-	-	-	06
November	01	04	02	01	09	-	-	02	-	01	04	-	-	-	24
December	-	04	02	01	04	03	-	-	-	01	04	01	03	-	23
Total	26	42	19	10	63	04	08	07	04	02	10	13	04	02	214

January : Backhoe - 1

May : Caravan - 1

Source : Registration & Licensing, Policy & Practices Department, LTA