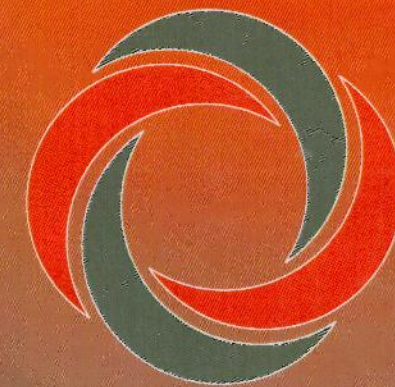
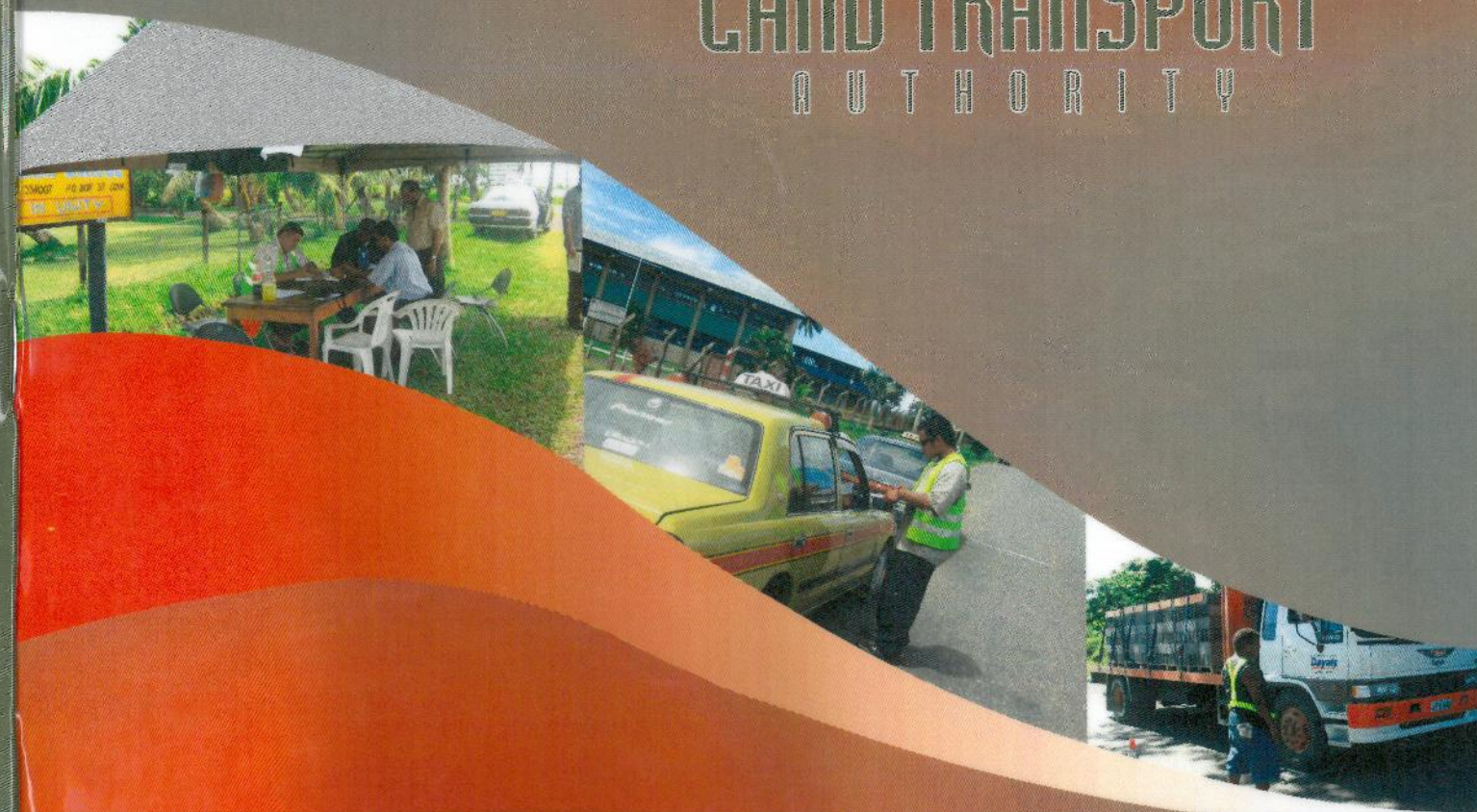


# 2008

## Annual Report



LAND TRANSPORT  
AUTHORITY



LAND TRANSPORT  
AUTHORITY



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## Letter to the Minister

31 May 2009

**Timoci Lesikivatukoula Natuva,**  
Minister for Works, Transport & Public Utilities,  
Nasilivata House,  
Samabula,  
SUVA.

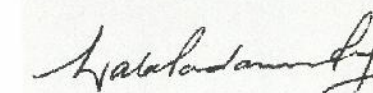
Dear Sir,

In accordance with Section 31 of the Land Transport Act 1998, I am pleased to present to you the Land Transport Authority Annual Report for the period ending 31<sup>st</sup> December 2008.

The report is presented for your perusal and its onward transmission to the Interim Government.

May I also take this opportunity to thank your good office and government, as a vehicle, for the support that the Authority had received throughout the year and that we look forward to the future with confidence.

Yours faithfully,



**Padam R. Lala (JP)**  
Chairman



## Members of the Authority



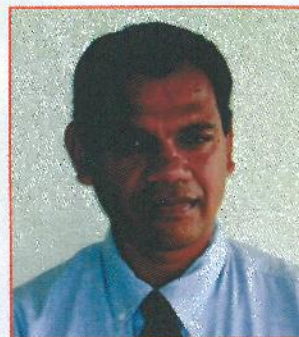
*Padam R. Lala*



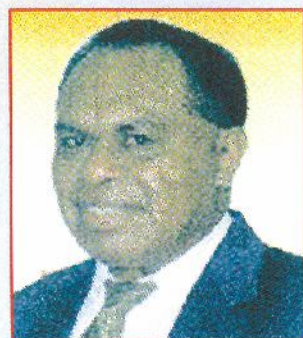
*Anand Kumar*



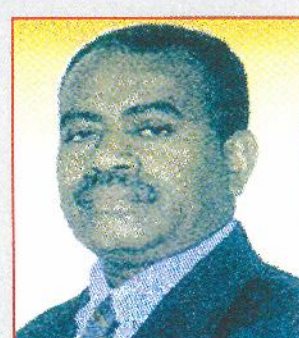
*Simon Narayan*



*Viliame Volavola*



*Panapasa Matailevu*



*Joseva Vosanibola*



*Vijay Maharaj*

## Executive Management



*Etuate Cikaitoga Koro*  
Chief Executive



*Aptinko Vaurasi*  
General Manager Business Development



*Naisa Tuinaceva*  
General Manager Standards & Compliance



*Jokatama Bola*  
General Manager Regulations



*William Wong*  
Financial Controller



*Uday Raj Singh*  
Regional Manager Central Eastern



*Isikeli Lagilagi*  
Regional Manager Western



*Mosese Cava*  
Regional Manager Northern





## Chairman's Report

2008 was a year of change and challenges, not only for the Authority, as it became a budget item for the first time since its inception in 2000, but also for the Board.

I assumed the chairmanship of the Board in February and must, at this juncture, thank and congratulate my predecessor, Nellie Buadromo for the sterling effort she had put in since she took the reins of this Board.

Towards the end of May the contracts for three Board members expired, namely, Paras Sukul, Humphrey Chang and Josefa Kanaenabogi. They were replaced in early June by Simon Narayan, Vijay Maharaj and Viliame Volavola.

I would like to take this opportunity to also thank these three gentlemen for the advice and guidance afforded to me during our short stint together.

In keeping with the efforts of the previous Board and in line with the focus of the Ministry of Transport, the Authority, adhering to the functions of the Authority as espoused through section 8 of the Land Transport Act 1998, focused on the provision of safe, affordable and sustainable passenger transport for the people of Fiji.

Keeping this firmly in mind the Authority, with the assistance of the Ministry of Transport looked at means whereby the transportation needs of the rural people, especially those in areas with no PSV services or the service was intermittent.

This gave birth to the Rural Service Licence, which was finally gazetted in September.

Prior to that the Minister had directed, through powers

vested in him through section 10 of the Act, for the deregulation of Regulations 3, 4 and 5 of the Land Transport (PSV) Regulation 2000.

This effectively meant that applicants were exempted from certain requirements mandated for all PSV permit applications thereby making it easier.

Another area of concern has been the deteriorating road conditions and how the Authority, as a stakeholder in road safety can do its part to ensure our roads are safeguarded.

To these ends the LTA together with the Department of National Roads have been working together to construct weighbridges on main trunk routes around the country to ensure compliance with the law on loading.

I believe these will be commissioned during the first half of 2008.

The Authority is also looking at proposing for an increase in fines for overloaded trucks. The idea behind this move is to discourage hauliers from taking excessive loads, which are causing corrugation of the road surface, which in turn leads to the loosening of the tarmac ergo, potholes are formed.

The Board's work has been well complemented by the instructions and policy directives from the Ministry of Transport, which has resulted in our involvement in very serious and high level decision making.

The formation of the Board's HR and Finance Subcommittee was an effort at streamlining current

processes to ensure more informed and timely decisions were made when it was needed.

Other issues handled by the Board in 2008 included the putting together of the Terms of Reference for the Taskforce on the Bus fare Index, the Corporate Plan 2008 - 2011, opening and deliberation on tenders, and a meeting with the FBOA in February leading to the revision of bus fares in June.

Before I conclude, I would like to take this time to humbly thank the Honorable Minister for Transport for the confidence he had in appointing me to this position and his full support and that of his PS, who acted most ably as my assistant on several occasions.

To the board members my unequivocal thanks for the support and camaraderie shown to me throughout the year.

Last and by no means the least to the Chief Executive, senior management and staff of the LTA I have enjoyed the past ten months and hope that the future will be even brighter for all of us, and more so for road safety, as we strive ever forward to "Steering Fiji Safely."

Padam R Lala  
Chairman





## Chief Executive's Report

The Government set up the Land Transport Authority in its own wisdom to spearhead the improvement to our Land Transport system, with its mission in mind to provide the traveling public of Fiji a safe, efficient and affordable transport system.

A good transport system will not come easy, but achieving it, is not impossible if we get our basics right, dare to try out bold and imaginative solutions and have the political will to carry them out.

It is important that we succeed in achieving a good standard of transport system because having a well organized transport system in a country enhances the quality of life, good for the economic growth and help us maintain our competitive edge.

Over the last eight years since the inception of the Land Transport Authority, the demand for transport in Fiji has been explosive. We have become a more mobile and physically dispersed society. The increase is not surprising, given rising levels of income, educational attainment, changes in life style and host of other demographic and social developments.

The transport system for Fiji in the next few years to come will have to meet not only the increase demand for transport, but also rising expectations for quality transport.

During the year under review LTA took on many challenges:

- (i) Design and use the Cost Index Model to determine fare applications on public service vehicles;
- (ii) Put together a project paper on the Speed, Red Light and Surveillance Camera for use on our roads;

- (iii) Set up programme for Technical Audit activities on vehicle inspection, Driving Schools and Motor Vehicle Authorised Dealers.
- (iv) Develop Codes of Practices to govern the:
  - a) Temporary roadworks carried out by other stakeholders under the supervision of our Manager Traffic Management;
  - b) Driving Schools Vehicle Advertising Board;
  - c) Construction, Modification Phase Inspection Guideline;
- (v) Conduct the Vehicle Smoke Emission Campaign with the Ministry of Health, Police and Department of Environment which incorporates awareness and public education with the ultimate aim to reduce the Opacity level from 70% to 50%;
- (vi) Re-activate the Accreditation programme for Engineering Workshops and reputable garages to carry out technical (Construction) work in line with the LTA Act and Regulation.
- (vii) Submit for approval for the following Regulation amendments on:
  - a) Use of Taxi Meter which makes it mandatory to switch it on when hired
  - b) Fines and Penalty on offences on overloading vehicles based on its permissible GVW
  - c) Bus ticket issuance making it mandatory for bus drivers to issue tickets to all passengers
  - d) Increase of Fines and higher level Road Safety offences that may cause death or long term injuries to drivers, passengers or pedestrians as a form of deterrent.

In addition to challenges, LTA implemented other areas of priorities, the Deregulation an initiative of Government aimed at providing public service vehicle permits to vehicle owners to service rural dwellers in

areas identified not being serviced by public transport. The amnesty of vehicle registration to assist vehicle owners who found it difficult to renew vehicle registration.

Apart from being one of the receipts of the Fiji Business Excellence Award organized by TPAF in 2007, LTA once again proved that we can do better in 2008. The two top awards for the Department that achieved the most output in the Corporate Plan and the award for the most outstanding department within the Ministry of Works, Transport and Public Utilities comprising of 12 large departments.

Without the dedication, hardwork, the togetherness and the sustained efforts of each staff member, the two awards may never be received.

The ill-fated bus fire RBL001 owned by Raiwaqa Buses Company Limited was indeed an eye opener NOT just for the Authority but for other stakeholders. Appropriate actions were taken to ensure safety to travelling public on public service vehicles.

Our Technical Officers had been undergoing continuous and vigorous training as we strive to uplift standards of all omnibuses, taxis and other public service vehicles in Fiji. The Authority was also embarking on forensic vehicle accidents investigations and also on the Quality Assurance Maintenance Program for bus operation in Fiji.

LTA will continue to work with the Ministry of the Environment, Health, the Traffic Police and the NRSC to keep our roads safe and the air clean. This will be done through regular reviews of vehicle standards, public education and enforcement program. In addition we will pay more attention to noise alleviating measures and the possibility to amend the relevant law.

On road safety, LTA cannot do it alone. We will need the co-operation, understanding and support of the travelling public.

LTA will face lots of new challenges ahead, and our people in Fiji must be prepared for the changes that is to come. We must start solving tomorrow's transport problems today.

I would like to express my gratitude and appreciation to our Minister and the Ministry of Works Transport & Public Utilities for their continuous support and assistance throughout the year. To our Board Chairman and Board Members for their assistance and invaluable guidance on policy matters.

To our Management and staff who worked tirelessly and with dedication and commitment, I sincerely thank you all as without your team work and contribution we would not have been able to make 2008 a memorable and rewarding year.

I also take this opportunity to thank all our stakeholders especially the Fiji Police Department and National Road Safety Council for their usual commitment in our joint operations.

I look forward in working closely with you all as we stride for greater efficiency and effectiveness in Steering Fiji Safely as we fulfill our objectives on functional areas under the LTA Act and Regulations.

**Etuate Cikaitoga Koroi**  
Chief Executive Officer





## General Manager Business Development Reports

The Business Development Division, with its broad base, demarcates the current core and aligned businesses for the development of new businesses, thus increasing the revenue base for the Authority, based primarily on innovations, which included the following:

- Current businesses include the review of Code of Practices, existing procedures and processes, MOU/MOA, Road Code and other areas to streamline customer servicing and make the Authority more customer friendly.
  - New Business was an area for innovation as the unit looked at current activities and selected those, which could be expanded upon to generate revenue, such as:
    - **Marketing** - An important area being vigorously pursued and includes the following:
      - MOU/MOAs by Stakeholders/Municipalities
      - Road shows for ease of services and creation of awareness
      - Public awareness outreach to villages, settlements and institutions, and
      - Radio Talkback
- to name a few.
- **Projects** - This targets revenue generating areas looking at avenues with which they could be enhanced, not only for the generation of revenue, but more importantly to ensure that the Authority is more in tune with the needs of the public. Major projects completed under the period review are:
    - (i) Process Mapping & Re-engineering
    - (ii) PSV Process and Administration
    - (iii) New Road Code Draft
    - (iv) Data Base for Licensing and Registration
    - (v) Number plate database
    - (vi) Taxi Screen Line Survey
    - (vii) Data Veracity and
    - (viii) Review of Corporate Plan

Projects that had to be passed on to the New Year are:

- (i) Road Safety Bill Boards, and
- (ii) Outreach Programme on Deregulation Policy for PSV. Permits in rural areas.

### Call Centre

Due to financial constraints, was disbanded and renamed Telephone Operation Centre with reduction to its staffing strength. Complaints had to be redirected to relevant Team Leaders for necessary actions.

### Infringement Processing Unit

Continued its work, but services to Municipalities were on hold due to assessments to be done to LTA/Council MOU (Memorandum of Understanding).

The Unit was decentralized for ease and convenience of information and work reporting.

### Conclusion

Due to organization restructure and streamlining of new work areas the Department was decentralized and short-lived, with its core functions reverting to Regional Managers.

The unit became non operational in November 2008.

### OPERATIONAL ACTIVITIES

Vehicle Registration & Licensing is one of the core functions of the Land Transport Authority, coupled with the enforcement of Traffic Laws and the regulations of Public Service Vehicles.

The year 2008 was a period for re-assessment with a better cohesive approach to targeted areas of operations.

Operations were aligned to meet our focus areas mainly incorporated in the Organizations Corporate Plan and implemented by Regional Offices.

Upholding the values of LTA was the hallmark of the regions' effort to strive for excellence in the performance of its tasks.

The three (3) Regional Managers (Central/Eastern, Western and Northern) are accountable to the General Manager Registration & Licensing and their primary role involve daily managing, controlling and overseeing organizational functions and activities.

Summarized below are some events and activities in 2008, which targeted improvement in service levels and road safety.

1. Decentralization of driver license card printing to district offices
2. Decentralization of Infringement Processing Unit to regional offices
3. Commencement of Road Safety Bill board Projects
4. Joint Operation with the Police and Department of National Roads on vehicle overloading
5. Increasing of overloading penalties and fines
6. Introduction of Deregulation Policy for utilization of PSV permits in rural areas
7. Combine weekly meetings of Management and Ministerial departmental heads
8. Staff restructure process for better performance and greater output, conducive to Corporate Plan requirements
9. Completion of Technical and PSV Manuals
10. Winning Best Department Award at the Ministerial Awards Night 2008
11. Awarded for achieving most of its Corporate Plan projects in 2008

### Technical

The following summarizes the inspection activities for the year 2008:

- 58,839 motor vehicles were inspected for Certificate of Roadworthiness (CORW) and Certificate of Fitness (COF) an increase of 6.1% from 2007.



Region	2007		2008	
	CORW	COF	CORW	COF
Central/Eastern	16,224	4,678	16,582	6,751
Western	23,108	3,014	23,342	3,006
Northern	7,368	842	8,361	797
<b>Total</b>	<b>46,700</b>	<b>8,534</b>	<b>48,285</b>	<b>10,554</b>

- 48,285 privately owned motor vehicles were issued with Certificate of Roadworthiness.
- 10,554 public service vehicles were issued with Certificate of Fitness.

#### Registration & Licensing

A total of 2,484 new motor vehicles and 1,304 second-hand motor vehicles were registered in 2008. Tabulated below is the distribution of vehicles as per type and classifications.

*Vehicles registered as at 31st December 2008*

Class/Type of Vehicle	New Vehicles	Second-hand Vehicles	Total
Private	1,610	736	2,346
Light Goods	350	203	553
Heavy Goods	103	196	299
Bus	17	8	25
Taxis	2	60	62
Hire	17	10	27
Rental	208	13	221
Mini Bus	9	1	10
Motor Cycle	90	15	105
Excavators	12	50	62
Others	66	12	78
<b>Total</b>	<b>2,484</b>	<b>1,304</b>	<b>3,788</b>

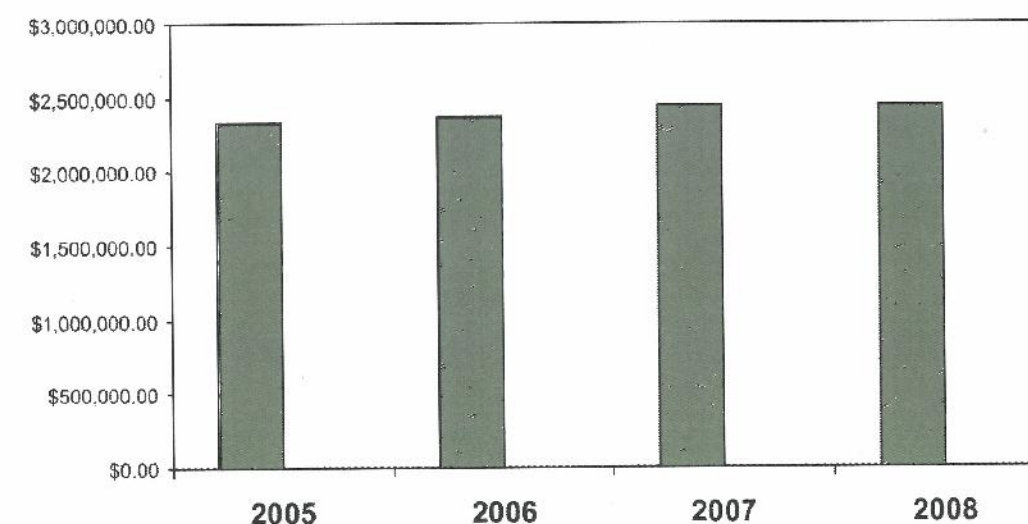


#### Driver Licensing

The following is a breakdown of driving tests undertaken during the period under review:

	C/Eastern	Western	Northern	Total
<b>Total Applications</b>	6,723	7,111	1,496	15,330
<b>Pass</b>	5,818	4,768	992	11,578
<b>Pass Rate</b>	86%	67%	66%	76%
<b>Failed</b>	758	2,237	446	3,441
<b>Failed to Attend</b>	147	106	58	311

#### Driver License & Permits Revenue



#### Road Safety Enforcement

Random checks on motor vehicles were carried out during the year. During these joint enforcement and technical operations 10,187 defect orders were issued to privately owned motor vehicles, whilst, 2,333 defect orders were issued against Public Service Vehicles (PSV). A total of 33,552 Traffic Infringement Notices were issued with 2,046 motor vehicles impounded for various reasons.





The following table provides a summary of regional activities.

Enforcement Activities	C/Eastern	Western	Northern	Total
Vehicles checked	6,713	10,141	4,016	20,870
Defect Orders / Other Classes of vehicles	2,487	7,208	492	10,187
Defect Orders / PSV vehicles	1,324	821	188	2,333
Traffic Infringement Notices Issued	13,877	14,552	5,123	33,552
Impounded Vehicles (seized)	1,146	768	132	2,046

### Aptinko Vaurasi

#### General Manager Business Development



## General Manager Standards & Compliance Reports

We acknowledge the guidance of the Board and Management team for the year 2008.

The unit has witnessed dramatic changes in regards to compliance observations on most major activities we therefore recognized the contribution and efforts of everyone within the organization who positively impacted on our tasks in one way or another.

In the past three years the Unit was able to develop and formulate Codes of Practice which was only possible through concerted team effort.

### Brief History

The Standard and Compliance unit was set-up in 2003, the outcome of other management positions which were in place during the inception of the LTA in 2000, being merged together namely, Manager Enforcement Policy, Manager Technical Services and Manager Registration.

### Objective

The Unit's primary function is to ensure that all Authority activities are standardized.

Furthermore the unit is to see that all standards, procedures, codes of practice, processes etc are to be observed accordingly.

### Activities Covered Under Corporate Plan

#### 1<sup>st</sup> Quarter

#### a. Standards & Codes of Practice Formulated

- Revised code of practice for Authorized Motor Vehicle Dealing Business
- Draft code of practice for driving schools
- Draft code of practice for temporary traffic management
- Code of practice for technical construction and inspection
- Code of practice for taxi meter sealing
- Vehicle accident investigation

#### b. Process Mapping

- for failing and re-inspection of vehicle
- technical modification

#### c. Audit

- Driving schools
- Vehicle inspection works



**d. Project undertaken**

- Formulation of project statements
  - red light and speed cameras
  - processing and assessing of tender documents for weighbridge projects

**e. Major impact enforcement operations**

- Vehicle overloading
- Vehicle emission clampdown
- Illegal PSV operations

**2<sup>nd</sup> Quarter****a. Capital Projects**

- Re-commencement of the Lami Weighbridge
- Tender assessment for Lautoka and Valelelu Weighbridge
- Tender assessment for compliance equipment
- Road survey on strategic spots for Speed and Red Light camera

**b. Manuals Formulation**

- PSV manual
- Tender procedure manual
- National driving curriculum

**c. Enforcement Operations****Impact**

- Vehicle Smoke
- Vehicle Overloading
- Illegal PSVs

**Normal**

- Driving license
- Unregistered vehicles
- Traffic and road signs violation
- Defective vehicles
- Safety devices usage
- Careless and dangerous driving

**d. Code of Practice**

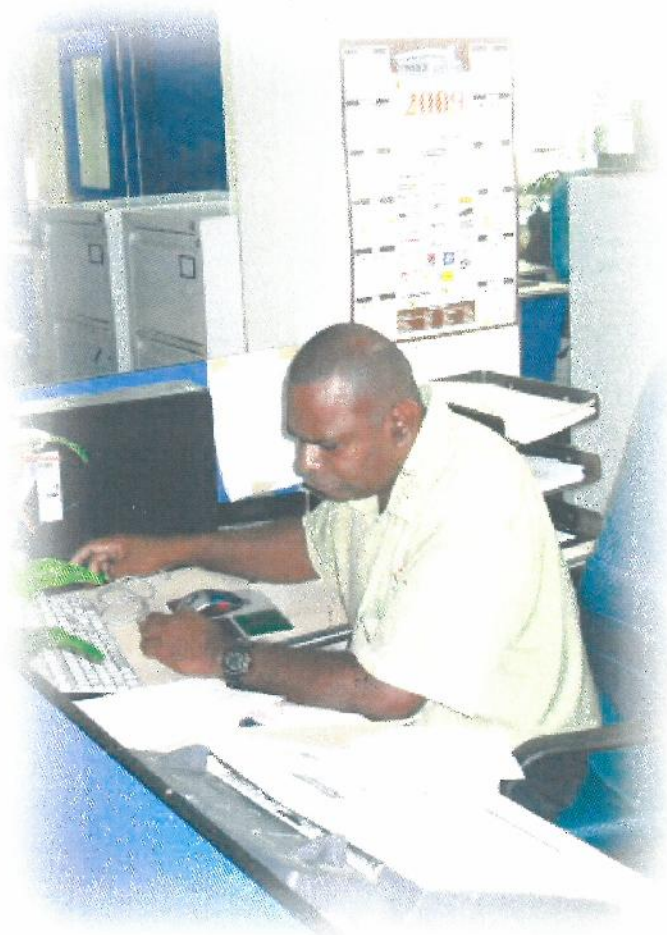
- Document consolidating exercise

**3<sup>rd</sup> Quarter****a. Audit**

- National bus audit
- AMVD audit

**b. Accreditation Programme**

- Authorized Tinters
- Authorized Canopy Construction Workshops
- Authorized Vehicle Smoke Repairers

**c. Enforcement Operations****Impact**

- Vehicle Smoke
- Vehicle Overloading
- Illegal PSVs

**Normal**

- Driving license
- Unregistered vehicles
- Traffic and road signs violation
- Defective vehicles
- Safety devices usage
- Careless and dangerous driving

**4<sup>th</sup> Quarter****a. Capital Projects**

- Awarding of Lautoka and Valelelu Weighbridge Contract
- Awarding of Compliance Equipment Contract

**b. Other Projects**

- Amending of Regulation 52 and 57 PSV Regulation 2000 as mandatory for those applying for license group 3, 4, 5 and 6 to firstly obtain a first aid and fire drill certificate prior to undergoing tests.
- Amend fees and penalties regulation for new vehicle inspection fees
- Establishing temporary driving instructors permit for group 3, 4, 5, 6, 7, 8 driving license.
- Drawing Framework for accident database
- R&L database alignment to address vehicle gross and net weight irregularities

**c. Code of Practice and Documents**

- Finalizing and full endorsement of Temporary Traffic Management Code of Practice.

**d. Audit**

- Round off National Bus Audits

**e. Enforcement Operations****Impact**

- Vehicle Smoke
- Vehicle Overloading
- Illegal PSVs

**Normal**

- Driving license
- Unregistered vehicles
- Traffic and road signs violation
- Defective vehicles
- Safety devices usage
- Careless and dangerous driving



- Roadside enforcement
- Driver tests
- Construction inspection and approval
- Complaints investigations
- Exemption application processing
- Driving schools, AMVDs renewal inspections
- Accident investigations
- Review and draw COPs
- Meeting customers and stakeholders
- Provide advise
- Formulate technical policies and directives

#### Naisa Tuinaceva

General Manager Standards & Compliance



## Information Technology

### Function

The Information Technology Department in liaison with ICT Service providers provides support services to the Authority in all fields of work related to hardware, software, networks and help desk.

### Hardware

The provision of hardware support across the Authority which entails, parts replacement, inventory management, testing, maintenance, repairs, installations and configuration. The following was achieved during the year:

- Procurement and installation of additional desktop computers and printers for use in cashier counters to serve customers better.
- Procurement and installation of License Card printers to enable printing of Driver License cards in most of the LTA offices nationwide.

### Software

The provision of software support including database design, systems analysis, database programming, statistical reports, installation of operating systems, installation of in-house developed software and 3rd party software, data backups and software updates. The following was achieved during the year:

- Implementation of the Road User Levy into the Registration and Licensing software.
- Completion of LTA Website redesign.
- Integration of the new PSV driver license template into the License Card printing software.
- Upgrading of the Epicor Financial Software to include the Asset Management and Inventory modules.
- Re-configuration of the Security settings of users in the Registration and Licensing system.
- Programming of Card statistics template to replace the manual reporting template.
- Programming of wheel tax transaction reports for internal audit purposes.
- Installation of a desktop computer with an Offline Registration and Licensing system at the Central Police Station in Suva.

### Network

The installation of network wires and sockets, connections to all hardware related to network (LAN & WAN), phone system, network design and restructuring, E-mail and Internet connections, computer virus protection and access control. The following was achieved during the year:

- Setting up Voice and Data Connectivity for PSV booths in Valelevu office.
- Reconfiguration of Labasa and Taveuni phone systems.

### Help Desk

The Help Desk provides end-users a central point to receive help on various computer related issues.

#### Alfredo Ferrer

Acting Manager IT





## Legal Services

The Legal Services Department comprises of 5 staff, 3 Legal Officers and 2 Litigation Officer where the main aim of the Department was to provide an efficient and effective Legal Service to both internal and external customers and all its litigation cases.

The Legal Department makes legal representations in the following Judicial and quasi Judicial Institutions;

- Magistrates Court/ High Court/ Court of Appeal/ Supreme Court;
- Arbitration Tribunal
- Appeals Committee
- Appeals Tribunal



The Legal Department comprises of the following;

- Litigation
- Policy
- Prosecution
- Legal Support/ Advice to all other Departments within the organization.

The Department is responsible for all Civil Proceedings and provides assistance to the Prosecution Section in Criminal Proceedings.

The Highlight of 2008 for the Department is the efficient dealing of Tribunal Cases and representations before the Land Transport Appeals Tribunal;

Total Number of Cases before Tribunal	208
Total Number of Cases Heard in 2008	151
Total Number of Decisions	46
Total Number of Decisions Pending	105

Apart from attending to Civil Cases and assisting the Prosecution, the Legal Department was also tasked with the following;

- providing legal advice;
- drafting and vetting contracts;
- drafting gazettes and regulations;
- Attending to legal queries;
- Attending to company and title searches;
- Interpreting and applying the law;
- provide legal support and advice for the operations of the various departments in the Authority;

The following reflects the report on Prosecution Cases in all 3 regions for 2008;

	2007	2008
Convicted	17 975	18 172
Acquitted	5	16
Discharged	38	32
Dismissed	13	0
Withdrawn	339	177
Pending	17 708	7 171

**Tirath Sharma**  
*Manager Legal*





## Human Resources

Like any corporate organization, the Authority's ability to achieve its desirable goals and outputs is dependent on the optimum size of its staffs, bench-marking high quality service delivery and providing technically proficient human resources. These are critical for its future success and sustainable growth.

The HR department is implementing high standards Human Resources Management Planning System. This begins at the initial staff entry point; at the recruitment level, towards the first six (6) months probationary period, thence induction and confirmation process. Consequently, staffs have to undergo suitable training relevant for their substantive posts. Also, the department earmarks officers as suitable candidates to undergo specific training in line with the Authority's overall succession planning for critical high level management positions. The natural exit point is through retirement of staffs reaching age of sixty (60) years or resignation, termination or deceased.

### Staff Employment Level

As at 31 December 2008 the total aggregate number of staff was 265 personnel. This comprised a total of 63 staffs at Headquarters, 80 staffs at Central Eastern, 86 staffs at Western and 36 staffs accounted for the Northern region.

A total of 45 vacancies existed at the beginning of the year and only 5 of these positions were filled.

There were 13 resignations recorded in 2008 highest recorded at HQ followed by CE and 1 in the Western Region. The reasons for resignation can be traced to migration and better job offers.

Two staffs were terminated in the Western Region.

Table 1: Staff figures entries

Region	HQ	CE	West	North	TOTAL
No. of staff	63	80	86	36	265
Vacant Position	8	13	11	8	40
New Appointments from outside	2	2	5	-	9
Resignation	7	5	1	-	13
Termination	-	-	2	-	2
Expired contract	-	-	-	-	0
Deceased	-	-	-	-	0

**Note:** The gender and ethnic distribution are reflective of the capturing of equal employment opportunity embedded in the Employment Promulgation 2007 at all the core functional areas of the Authority.

Table 2: Gender Distribution

GENDER DISTRIBUTION			
Region	Male	Female	TOTAL
HQ	31	32	63
CE	50	30	80
WEST	58	28	86
NORTH	25	11	36
TOTAL	164	101	265

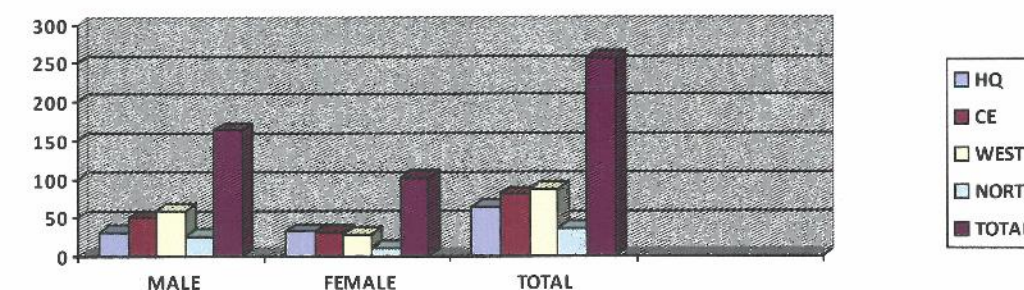


Table 3: Ethnic Distribution

ETHNIC DISTRIBUTION				
Region	Fijian	Indian	Others	TOTAL
HQ	37	19	7	63
C/E	54	19	7	80
WEST	49	32	5	86
NORTH	21	13	2	36
TOTAL	161	83	21	265

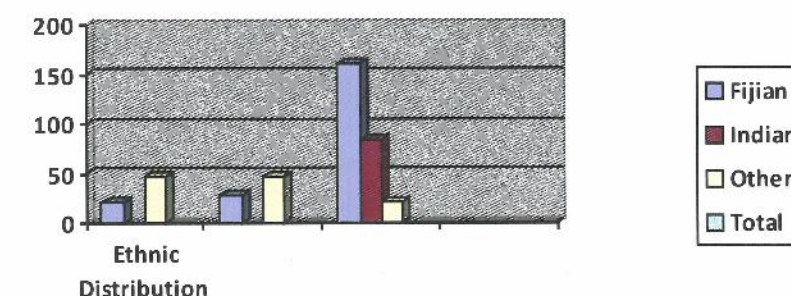


Table 4:

Managers	13
Other Technical/Admin	248
Unestablished	4
TOTAL	265

### Industrial Relations

The Industrial relation issues require maintaining a positive working environment and the need to spontaneously eradicating undesirable corrupt practices. These are the fundamentals in enhancing the principles of good governance and the occupational health and safety practices at the workplace.

Comparatively, more staffs favor the partnership agreement from the collective agreement as shown on Table 5 below;

Table 5: Comparative Analysis on Partnership Vs Collective Agreement

Year	2003	2004	2005	2006	2007	2008
Partnership Agreement	15	94	107	127	156	134
Collective Agreement	261	158	162	154	123	131
TOTAL	276	252	269	281	279	265
Difference	246	64	55	27	(33)	(3)

Note: PA take over CA beginning 2007 & 2008. This trend is likely to continue into the future.



Table 6: Unionized Employees

Union	No. of Members
Fiji Public Service Association	104
Viti National Union of Taukei Workers	17
Total Unionized employees	121

### Training

The Authority continues its Staff up-skilling programme. This is to ensure high productivity and enhance the career development and subsequently improve customer service satisfaction. This is successfully provided in spite of the limited financial training budget allocation.

A total of 20 training courses were conducted of which 17 were in-house(internal) and 2 in-service (external) and 1 overseas training.



### In House (Internal) Training

#	Course	Duration (Days)	Participants	Facilitator
1	Driving Instructor	4	16 Outsiders/Police	LTA
2	Dangerous Goods	1	11 West	LTA
3	Weighman's Licence	1	11	Min of Com
4	Weighman's Licence	2	15 LTA/12 DNR	Min of Com
5	Weighman's Licence	1	13 West	Min of Com
6	Weighman's Licence	1	12 West	Min of Com
7	Driving Instructor	4	18 West	LTA
8	Driving Instructor	3	8 North	LTA
9	Vehicle Construction Modifications	1	15 C/Eastern	LTA
10	Vehicle Construction and Modifications	1	20 North	LTA
11	Vehicle Construction and Modifications	1	30 West	LTA
12	Police/MOH/LTA Training	2	27	LTA
13	Dangerous Goods Course	1	20 Outsiders 3 LTA	LTA
14	Charter	1	20	NCBBF
15	Police/MOH/LTA Training	1	11	LTA
16	Epicor Training	1	9	Link Business
17	Induction Training	1	4	LTA

### In - Service (External)

#	Course	Duration (Day)	Participants	Facilitator
1	Levy/Grant Scheme Awareness Workshop	1	2	TPAF
2	Decision Making Model and Techniques for Managers	2	1	TPAF

### In - Service (Overseas)

#	Course	Duration (Day)	Participants	Facilitator
1	Introduction of Training Class on Auto Testing and Fault Diagnosis Technology	1 month	1	PSC / Chinese Government



Region	HQ	CE	WEST	NORTH	TOTAL
No of staff	63	80	86	36	265
Vacant Position	8	16	13	8	45
New Appointments from outside	2	2	5		9
Resignation	7	5	1		13
Termination			2		2
Expired Contract					0
Deceased					0



*All statistics provided through IT Section, LTA HQ, Valelevu.*

## Financial Statements

### LAND TRANSPORT AUTHORITY

#### Financial Statements

Year Ended 31 December 2008

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## LAND TRANSPORT AUTHORITY AUTHORITY'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

In accordance with a resolution of the Authority, the members submit the balance sheet of the Authority as at 31 December 2008, and the related income statement, statement of changes in equity and statement of cash flows for the year ended 31 December 2008 and report as follows:

### Authority's members

The names of the Authority's members in office during the year are:

	Status
Mr Padam Lala (Chairman)	Appointed
Mr Simon Narayan	Appointed
Mr Josefa kanaenabogi	Resigned
Mr Paras Ram	Resigned
Mr Vijay Maharaj	Appointed
Mr Viliame Volavola	Appointed
Mr Joseva Vosanibola	Appointed
Representative (Ministry of Works, Transport & Utilities)	

### State of affairs

On 1 January 2008, the authority's powers under the LTA Act was amended by Promulgation 49 of 2007. The promulgation required the Authority to close all its bank accounts and redirect all revenue collected under the LTA Act to the government consolidated account. The authority now receives budgeted grants to meet its operating and capital expenditure requirements on an annual basis from the government. An amendment was also made to the Income Tax Act to exempt the authority from corporate income tax.

There were no other significant changes in the state of affairs of the Authority that occurred during the financial year under review not otherwise disclosed in this report or the financial statements; and the accompanying balance sheet gives a true and fair view of the state of affairs of the Authority as at 31 December 2008 and the accompanying income statement, statement of changes in equity and statement of cash flows gives a true and fair view of the results of the Authority and its cash flows for the year then ended.

### Principal activities

The principal activities of the Authority for the year ended 31 December 2008 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 loss after for the year ended 31 December 2008 was \$1,187,399 (2007 profit after tax: \$4,155,833).

### Reserves

There were no amounts transferred to or from reserves during the year.

## LAND TRANSPORT AUTHORITY AUTHORITY'S REPORT (Cont) FOR THE YEAR ENDED 31 DECEMBER 2008

### Dividends

There was no dividend paid during the year (2007: \$2,890,349).

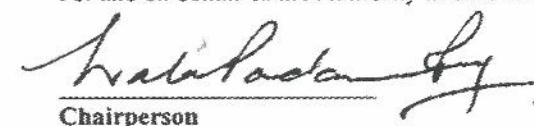
### Other matters

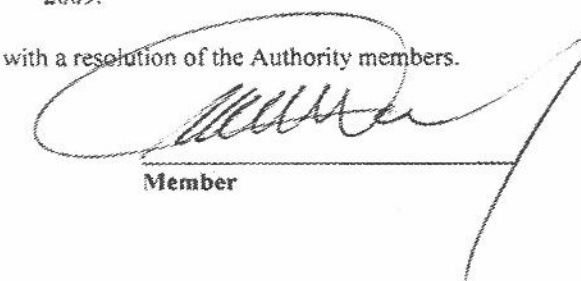
As at the date of this report:

- (a) 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.
- (b)
  - (i) 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;
  - (ii) 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 statements;
  - (iii) 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 misleading or inappropriate; and
  - (iv) 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.

Dated at Suva this 27<sup>th</sup> day of May 2009.

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

  
Chairperson

  
Member



**LAND TRANSPORT AUTHORITY  
STATEMENT BY AUTHORITY MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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 2008;
- 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 2008;
- iii) The accompanying statement of cash flows of the Authority is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2008;
- 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.

Dated at Suva this 27th day of May 2009.

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

  
Chairperson

  
Member

**REPUBLIC OF THE FIJI ISLANDS  
OFFICE OF THE AUDITOR GENERAL**



8th Floor, Ratu Sukuna House,  
MacArthur Street,  
P. O. Box 2214,  
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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LAND TRANSPORT AUTHORITY  
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of Land Transport Authority for the year ended 31 December 2008 in accordance with section 30 of the Land Transport Act 1998 and section 13 of the Audit Act. The financial statements consist of the Income Statement, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and the accompanying notes. The Board of the Authority is responsible for the preparation of the financial statements and the information they contain. My responsibility is to express an opinion on these financial statements based on my audit.

My audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of the accounting policies and significant accounting estimates. These procedures were undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the International Financial Reporting Standards, Land Transport Act 1998 and other statutory requirements so as to present a view which is consistent with my understanding of the Authority's financial position, the results of its operations and cash flows.

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

**Audit Opinion**

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, and
  - b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
    - ii) are in agreement with the books of accounts;
    - iii) to the best of my information and according to the explanations given to me:
- a) give a true and fair view of the state of affairs of the Land Transport Authority as at 31 December 2008 and of the results, movement in reserves and cash flows of the Authority for the year ended on that date; and
  - b) give the information required by the Land Transport Act 1998 in the manner so required.

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



Tevita Bolanavanua  
Acting Auditor General

Suva, Fiji  
28 May 2009





**LAND TRANSPORT AUTHORITY  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 \$	2007 \$
Revenue	2	8,958,176	17,694,385
Other operating income	3	-	720,918
<b>Total operating income</b>		<b>8,958,176</b>	<b>18,415,303</b>
Personnel expenses	4	(5,521,846)	(6,666,791)
Depreciation	12	(1,069,892)	(1,158,236)
Other operating expenses	5	(3,553,837)	(4,398,618)
(Loss)/ profit from operations		(1,187,399)	6,191,658
Net financing income	6	-	226,314
(Loss)/ profit before income tax		(1,187,399)	6,417,972
Income tax expense	7(a)	-	(2,262,139)
<b>Net (loss)/ profit after income tax for the year</b>		<b>(1,187,399)</b>	<b>4,155,833</b>

*The income statement is to be read in conjunction with the notes to and forming part of the financial statements.*

**LAND TRANSPORT AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

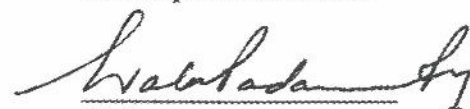
	Notes	2008 \$	2007 \$
<b>Capital</b>			
Balance at the beginning of the financial year		1,650,146	1,650,146
Movements during the year		-	-
Balance at the end of the financial year		<u>1,650,146</u>	<u>1,650,146</u>
<b>Retained earning</b>			
Balance at the beginning of the financial year		10,347,421	9,081,937
Net (loss)/profit after income tax for the financial year		(1,187,399)	4,155,833
Total available for appropriation		<u>9,160,022</u>	<u>13,237,770</u>
Dividends paid		-	(2,890,349)
Effect of change in accounting policies	22	1,685,481	-
Balance at the end of the financial year		<u>10,845,503</u>	<u>10,347,421</u>
<b>Total equity</b>		<u>12,495,649</u>	<u>11,997,567</u>

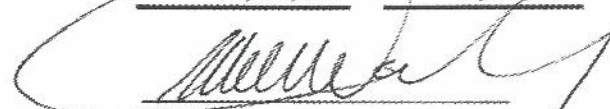
*The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements.*



**LAND TRANSPORT AUTHORITY  
BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Notes	2008 \$	2007 \$
Current assets			
Cash and cash equivalents	8	3,522,361	2,831,088
Receivables	9	125,439	489,375
Inventories	10	494,051	617,948
Short term investments	11	-	3,396,488
		<u>4,141,851</u>	<u>7,334,899</u>
<b>Total current assets</b>			
Non-current assets			
Property, plant and equipment	12	9,527,848	9,803,955
<b>Total non-current assets</b>		<u>9,527,848</u>	<u>9,803,955</u>
<b>Total Assets</b>		<u>13,669,699</u>	<u>17,138,854</u>
Current liabilities			
Creditors and other accruals	13	775,781	916,163
Deferred revenue	16(a)	-	845,476
Provision for income tax	7(b)	-	1,352,767
Other provisions	14	398,269	957,532
<b>Total current liabilities</b>		<u>1,174,050</u>	<u>4,071,938</u>
Non-current liabilities			
Deferred revenue	16(b)	-	1,069,349
<b>Total non-current liabilities</b>		<u>-</u>	<u>1,069,349</u>
<b>Total Liabilities</b>		<u>1,174,050</u>	<u>5,141,287</u>
<b>Net Assets</b>		<u>12,495,649</u>	<u>11,997,567</u>
Capital and reserves			
Capital	Page 7	1,650,146	1,650,146
Retained earnings	Page 7	10,845,503	10,347,421
<b>Total capital and reserves</b>		<u>12,495,649</u>	<u>11,997,567</u>

  
Chairperson

  
Member

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements.

**LAND TRANSPORT AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 \$	2007 \$
Cash flows from operating activities			
Receipts from customers		9,279,835	18,332,152
Payment to suppliers and employees		(9,869,312)	(11,391,491)
Income tax paid		(1,321,952)	(2,069,216)
Interest income		-	226,314
<b>Net cash (used in)/provided by operating activities</b>	17(b)	<u>(1,911,429)</u>	<u>5,097,759</u>
Cash flow from investing activities			
Payment for property, plant and equipment		(793,785)	(348,783)
Proceeds from sale of property, plant and equipment		-	68,397
Proceeds from disposal of investment		3,396,487	2,182,567
Payment for investments		-	(3,388,202)
<b>Net cash (used in) investing activities</b>		<u>2,602,702</u>	<u>(1,486,021)</u>
Cash flow from financing activities			
Payment of dividends		-	(2,890,349)
<b>Net cash provided by/(used in) financing activities</b>		<u>-</u>	<u>(2,890,349)</u>
Net increase in cash held		691,273	721,389
Cash at beginning of the financial year		2,831,088	2,109,699
<b>Cash at the end of the financial year</b>	17(a)	<u>3,522,361</u>	<u>2,831,088</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.



**LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**1 Statement of significant accounting policies**

Land Transport Authority (the "Authority") is a fully owned Government of Fiji entity domiciled in the Fiji Islands. The financial statements were authorised for issue with a resolution of the directors on 27th May 2009.

The significant accounting policies which have been adopted in the preparation of these financials statements are:

**(a) Statement of compliance**

The financial statements of the Authority have been drawn up in accordance with International Financial Reporting Standards (IFRS) and the requirements of the law.

**(b) Basis of preparation**

They have also been prepared on the basis of historical costs. All amounts are stated in Fiji currency.

**(c) Change in status of the Authority**

On 1 January 2008, the authority's powers under the LTA Act was amended by Promulgation 49 of 2007. The promulgation required the Authority to close all its bank accounts and redirect all revenue collected under the LTA Act to the government consolidated account. The authority will now receive budgeted grants to meet its operating and capital expenditure requirements on an annual basis from the government. An amendment was also made to the Income Tax Act to exempt the authority from company income tax.

Accordingly, the Authority has not recognised as income in these financial statements all revenue received on behalf of government in accordance with IFRS as recognised in previous years as the economic benefits from these no longer flow to the authority from 1 January 2008. Deferred expenses and revenue arising out of the authority's issue of licenses and expenditure have been derecognised from the balance sheet on 1 January 2008.

The Authority has also not recorded income tax expense for the year and derecognised all deferred tax assets and liabilities on 1 January 2008 due to the amendment to the Income Tax Act to exempt the Authority from company income tax.

**(d) Foreign currency**

All foreign transactions are translated to Fiji currency at the rates of exchange ruling at the dates of 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 of 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.

**1 Statement of significant accounting policies (continued)**

**LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**(e) Property, plant and equipment**

**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 the Authority's valuation. All plant and equipment were stated at independent and Authority valuation less depreciation until 31 December 2005.

Acquisitions during the year are stated at historical cost.

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.

Due to the change in accounting policy outlined in (c) and (d) above, the fair value of revalued assets have been regarded as their deemed costs at 1 January 2006.

**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:

Leasehold land	Leasehold period
Buildings	2.50%
Motor vehicles	20%
Plant and equipment	20%
Computer hardware	33%
Computer software	20% - 33%
Office equipment	20%

**Disposal of assets**

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

**Impairment**

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

**1 Statement of significant accounting policies (continued)**



**LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**(f) Other receivables**

Other receivables include postmaster receivables, payroll receivables, deferred expenses, interest receivable on short term deposits, prepayments and others. The collectibility of debts is assessed regularly and provisions are made for any doubtful balances.

**(g) Inventories**

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

**(h) Provision for employee entitlements**

The provision for employee entitlements relate to amounts expected to be paid to employees for annual leave and is measured at balance date at current employee pay rates.

**(i) 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.

**(j) Segment information**

*(i) 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.

*(ii) Geographical segment*

The Authority operates 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.

Beginning 1 January 2008, revenue comprises grant received when due.

*Recognition*

The Authority's revenue is recognised at time of receipt except for motor vehicle dealer's license and 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.

**LAND TRANSPORT AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Beginning 1 January 2008, the authority does not recognise deferred revenue and expenses in relation to accrued license renewals.

**1 Statement of significant accounting policies (continued)**

**(l) Expenses**

*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. The interest expense component of finance lease payments is recognised in the income statement.

**(m) Income tax**

*Current Income Tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

The Authority is subject to income tax based on a ruling by the Inland Revenue and under the Income Tax Act (1974) CAP 201. Effective 1 January 2008, the Authority is no longer subject to income tax due to an amendment to the Act.

*Deferred Income Tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity and not in profit or loss.

Deferred income tax liabilities are recognised for all taxable temporary differences. Effective 1 January 2008, the Authority no longer recognises deferred income tax liabilities as it is no longer subject to income tax.

**(n) Comparative information**

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



**LAND TRANSPORT AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>2 Revenue</b>		
Vehicle registration	-	10,358,218
Vehicle inspection	-	1,947,168
Driver's license and driver permits	-	2,441,412
Road safety enforcement	-	2,265,480
Public service permits	-	301,762
Regulation of motor vehicle dealers	-	161,416
Permits and exemptions	-	218,929
Grant Received	8,958,176	-
	<u>8,958,176</u>	<u>17,694,385</u>
<b>3 Other operating income</b>		
Gain on sale of asset	-	11,440
Search fees	-	237,524
Other revenue	-	471,954
	<u>-</u>	<u>720,918</u>
<b>4 Personal Expenses</b>		
Wages and salaries	4,988,434	6,091,615
FNPF	480,043	521,339
TPAF levy	53,369	53,837
	<u>5,521,846</u>	<u>6,666,791</u>
<b>5 Other operating expenses</b>		
Advertising	55,838	182,596
Accommodation hire	34,674	62,297
Annual leave	1,858	48,628
Audit fees	23,055	63,362
Bank charges	9,545	19,225
Board members' fees & remuneration	62,488	67,243
Conferences	11,920	9,239
Consultancy	39,586	43,072
Electricity and water	200,670	211,978
Enforcement	200,004	336,929
Entertainment	33,425	60,520
Insurance	500,384	539,397
Telecom equipment lease charges	62,052	61,915
Legal fees	135,682	87,916
Driver licence consumables	150,289	135,529
Motor vehicle expenses	205,414	279,920
Number plates	62,663	82,390
Printing & stationery	295,101	386,828
Radio telephone rental	21,053	24,759
Rent	345,521	303,601
Repairs & maintenance	87,729	152,875
Security hire	125,417	214,688
Staff training	5,041	23,369
Telephone & facsimile	408,938	530,834
Traveling	73,221	76,507
Uniforms	8,227	21,384
Others	394,042	371,617
	<u>3,553,837</u>	<u>4,398,618</u>
<b>6 Net financing income</b>		
Interest income	-	226,314
	<u>-</u>	<u>226,314</u>

The average number of established employees during the year ended 31 December 2008 was 265 (2007: 268) and the average number of unestablished and casual employees during the year ended 31 December 2008 was 4 (2007: 4).

**LAND TRANSPORT AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>7 Income Tax</b>		
(a) <u>Income tax expense</u>		
Prima facie income tax expense @ 31% on the operating profit	-	1,989,571
Increase in income tax expense due to non tax deductible items:	-	-
Non allowable expenses	-	27,254
(Over)/Under provision in prior year	-	(18,865)
Effect of change in tax status	(c) -	264,179
Income tax expense attributable to operating profit	<u>-</u>	<u>2,262,139</u>
Total income tax expense attributable to operating profit is made up of:		
Current income tax	-	2,084,974
Deferred tax asset	-	6,906
Deferred tax liability	-	(75,055)
(Over)/Under provision in prior year	-	(18,865)
Effect of change in tax status	(c) -	264,179
	<u>-</u>	<u>2,262,139</u>
(b) <u>Provision for income tax</u>		
Balance at the beginning of the year	-	1,346,794
(Over) provision in prior year	-	(18,865)
Payments made during the year	-	(2,069,216)
Current income tax expense on operating profit	-	2,084,974
Other	-	9,080
Balance at the end of the year	<u>-</u>	<u>1,352,767</u>
<u>Income tax</u>		
A provision is recognized for the authority's current year tax liability based on applicable tax rules in Fiji. The provisions are confirmed after assessment of the authority's return of income in the subsequent year and any variances are adjusted accordingly.		
(c) <u>Deferred tax asset</u>		
Deferred tax asset comprises the future income tax benefit at current income tax rates on the following items:		
Employee entitlements and payroll provisions	-	-
	<u>-</u>	<u>-</u>
(d) <u>Deferred tax liability</u>		
Difference in depreciation for accounting and income tax purposes	-	-
	<u>-</u>	<u>-</u>
(e) Section 17 of the Income Tax Act was amended on 24 December 2007 through Promulgation No.49 of 2007 to designate the Authority's income earned after 1 January 2008 as not taxable. As a result, the deferred tax asset and liability carried in the books of the Authority will not be realised or paid. Balances carried up to the date of enactment of the amendment have been de-recognised.		
<b>8 Cash and cash equivalents</b>		
Cash at bank	3,512,245	2,820,860
Cash on hand	10,116	10,228
	<u>3,522,361</u>	<u>2,831,088</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents for the Authority at balance date is \$3,522,361 (2007: \$2,831,088).



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	2008	2007
<b>9 Receivables</b>	\$	\$
Deferred expenses	-	217,880
Other	16,165	98,035
Interest receivable on short term deposit	-	73,918
Prepayments	45,890	36,650
Deposits	31,839	35,269
Postmaster receivables	29,670	23,001
Staff advances	1,875	4,622
	<b>125,439</b>	<b>489,375</b>

As at 31 December 2008, no impairment expense relating to receivables was recorded in the income statement.

<b>10 Inventories</b>		
Stationery	377,305	384,515
Goods in transit	-	136,168
Computer consumables	82,065	58,429
Number plates	34,681	38,836
	<b>494,051</b>	<b>617,948</b>

**11 Short term investments**

Held-to-Maturity Financial Assets

Deposits at Westpac	-	888,202
Deposits at FDB	-	500,000
Deposits at Home Finance	-	500,000
Merchant Finance & Investment Company Ltd	-	1,500,000
	<b>-</b>	<b>3,388,202</b>

Financial Assets at Fair Value through Profit or Loss

Units in unit trust:		
Fijian Holdings Unit Trust	-	8,286
	<b>-</b>	<b>8,286</b>

<b>Total</b>	<b>-</b>	<b>3,396,488</b>
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Short term deposits are made for varying periods of between 3 months - 9 months, depending on the cash requirements of the Authority and earn interest at the respective short-term deposit rates. These deposits and units with trusts are carried at fair value through profit or loss.

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12	Property, Plant & Equipment	Leasehold Land	Buildings	Motor vehicles	Plant & Equipment	Furniture & Fittings	Computer equipment	Office equipment	Work in progress	Total
	Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Balance at 1 January, 2008	1,042,296	6,534,827	946,749	483,402	141,957	4,788,867	363,675	735,512	12,017,285
	Acquisitions	-	319,372	-	358,687	39,054	178,895	103,750	97,636	1,097,394
	Disposals	-	-	-	-	-	-	-	(303,609)	(303,609)
	Balance at 31 Dec. 2008	1,042,296	6,854,199	946,749	842,089	181,011	4,967,762	467,425	529,539	12,831,076
	Depreciation									
	Balance at 1 January, 2008	22,342	274,753	413,798	252,506	65,883	1,020,930	183,118	-	2,233,330
	Depreciation & amortisation	11,172	181,664	341,299	120,839	31,391	291,747	91,780	-	1,069,892
	Disposals	-	-	-	-	-	-	-	-	-
	Balance at 31 Dec. 2008	33,514	456,417	755,097	373,345	97,274	1,312,677	274,898	-	3,303,222
	Carrying amount									
	At 31 December 2008	<b>1,008,782</b>	<b>6,397,782</b>	<b>191,652</b>	<b>468,744</b>	<b>83,737</b>	<b>655,085</b>	<b>192,527</b>	<b>529,539</b>	<b>9,527,848</b>
	At 31 December 2007	1,019,954	6,260,074	532,951	230,896	76,074	767,937	180,557	735,512	9,803,955



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**13 Creditors and other accruals**

	2008	2007
	\$	\$
Current		
Trade and other creditors	748,466	383,976
Sundry and accruals	-	392,029
VAT payable	27,315	140,158
	<u>775,781</u>	<u>916,163</u>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other creditors, sundry and accruals are non-interest bearing and have an average term of six months.
- VAT payable is non-interest bearing if settled before the statutory payment date.

**14 Other provisions**

	Employee Entitlements	Payroll	Total
	\$	\$	\$
Balance at 1 January, 2008	334,613	622,919	957,532
Provisions made during the year	1,858	-	1,858
Provisions used during the year	-	(561,121)	(561,121)
Balance at 31 December 2008	<u>336,471</u>	<u>61,798</u>	<u>398,269</u>

Employee Entitlements

Provision for employee entitlements is recognised in accordance with the policy noted in 1(i).

Payroll and General

Provision for payroll is recognised in accordance with the policy noted in 1(j).

**15 Commitments and contingencies**

	2008	2007
	\$	\$
(a) Capital expenditure commitments		
Capital expenditure approved but not contractually committed	<u>1,251,050</u>	<u>1,251,050</u>
(b) Operating lease commitments		
Not later than 1 year	249,536	7,706
Later than 1 year but not later than 5 years	249,536	-
Later than 5 years	748,608	-
	<u>1,247,680</u>	<u>7,706</u>

(c) As at 31 December 2008, there were no contingent liabilities (2007: Nil).

**16 Deferred revenue**

	2008	2007
	\$	\$
(a) <u>Current</u>		
Deferred revenue - 3 year licenses	-	561,673
Deferred revenue - 6 year licenses	-	283,803
	<u>-</u>	<u>845,476</u>
(b) <u>Non Current</u>		
Deferred revenue - 3 year licenses	-	396,730
Deferred revenue - 6 year licenses	-	672,619
	<u>-</u>	<u>1,069,349</u>
	<u>-</u>	<u>1,914,825</u>

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**17 Notes to the statement of cash flows****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:

	2008	2007
	\$	\$
(a) Cash on hand	10,116	10,228
Cash at bank	<u>3,512,245</u>	<u>2,820,860</u>
	<u>3,522,361</u>	<u>2,831,088</u>

**(b) Reconciliation of net cash provided by operating activities to operating profit after income tax:**

Operating profit after income tax	(1,187,399)	3,944,908
Depreciation	1,069,892	1,386,477
Provision for employee entitlements	1,858	48,627
Gain on disposal of fixed assets	-	(11,440)

**Change in assets and liabilities:**

Decrease/(increase) in receivables and other assets	321,657	(71,711)
Decrease/(increase) in inventories	123,897	(283,419)
Decrease in accounts payable and accruals	(358,261)	(21,166)
Decrease in provision for payroll creditors	(561,121)	(70,905)
(Decrease)/increase in income taxes payable	(1,321,952)	236,344
Decrease/(increase) in deferred tax asset	-	(10,562)
Decrease in deferred tax liability	-	(49,394)

Net cash provided by operating activities	<u>(1,911,429)</u>	<u>5,097,759</u>
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**18 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.

	2008	2007
	\$	\$
<b>Compensation of key management personnel of the Authority</b>		
Short-term employee benefits	189,778	431,885
Post-employment pension and medical benefits	33,440	34,816
Termination benefits	-	36,146
<b>Total compensation paid to key management personnel</b>	<u>223,218</u>	<u>502,847</u>



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**19 Financial risk management objectives and policies**

The Authority's principal financial liabilities comprise trade and other payables. The Authority has various financial assets such as trade receivables, other receivables, cash and short-term investments which arise directly from its operations.

The main risk arising from the Authority's financial instruments is credit risk.

The Authority monitors receivables balances on an ongoing basis with the result that the Authority's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Authority.

**20 Financial instruments**

The fair value of financial instruments have been calculated using market interest rates. The carrying amount of financial instruments are equal to their fair values.

**21 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.

**22 Adjustment to retained earnings**

Due to the change in the Authority's designation on 1 January 2008 and the exemption from income tax, previously deferred assets and liabilities have been de-recognised from the Balance Sheet as the economic benefits of these do not flow to or from the entity from that date.

**23 Agency Transaction Administered for the Fiji Islands Government**

Effective from 2008, the Authority under the Promulgation 49 of 2007 to be responsible for the collections of the following revenues to be deposited directly by the Authority into the Government's Consolidated Fund.

The Authority does not receive these funds in its bank account. Government revenue is recognised on receipt.

A comparison in relation to revenue collected and deposited directly into Government's Consolidated Fund in 2008 and revenue retained by the Authority in 2007 are as follows:

Revenue	2008 \$	2007 \$
Vehicle Registration	10,210,376	10,358,218
Vehicle Inspection	2,450,657	1,947,168
Driver's License and driver permits	1,934,418	2,441,412
Road safety enforcement	1,308,174	2,265,480
Public service permits	353,568	301,762
Regulation of motor vehicles dealers	111,357	161,416
Permits and exemptions	179,521	218,929
Other revenue	480,224	720,918
	<u>17,028,295</u>	<u>18,415,303</u>