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ANNUAL REPORT 2012

Vision

"Steering Fiji Safely"

"Steering Fiji Safely" was reached after exhaustive discussions involving the Board, Management, Staff and Stakeholders. The vision encapsulates what we believe to be core to what the LTA stands for. It is an organisation set up to improve land transportation and ensuring road safety is enhanced above all else.

The escalating death toll must be taken on board as a benchmark to work from. The word "steering" epitomizes the niche activity of the LTA as the principal licensing Authority for all forms of land transportation, irrespective of whether it is driven on private or public road and the key role it occupies in ensuring adequate, effective, efficient and safe land transportation throughout Fiji.

Mission

To provide a safe, efficient, customer focused, economical, sustainable and environmentally friendly land transport system for the nation in partnership with Stakeholders, Government and the community.

Values

- Honesty
- Teamwork
- Customer Focus
- Courage to do right
- Innovation and creativity

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Board of Directors



Commander Francis B. Kean
Permanent Secretary for Works,
Transport & Public Utilities



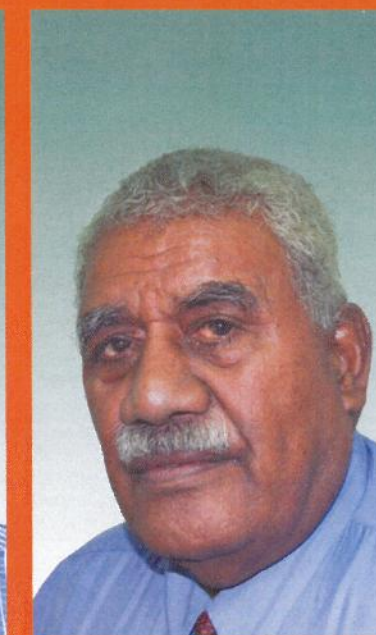
Vijay Maharaj
Board Member



Commander Mosese Semi
Board Member

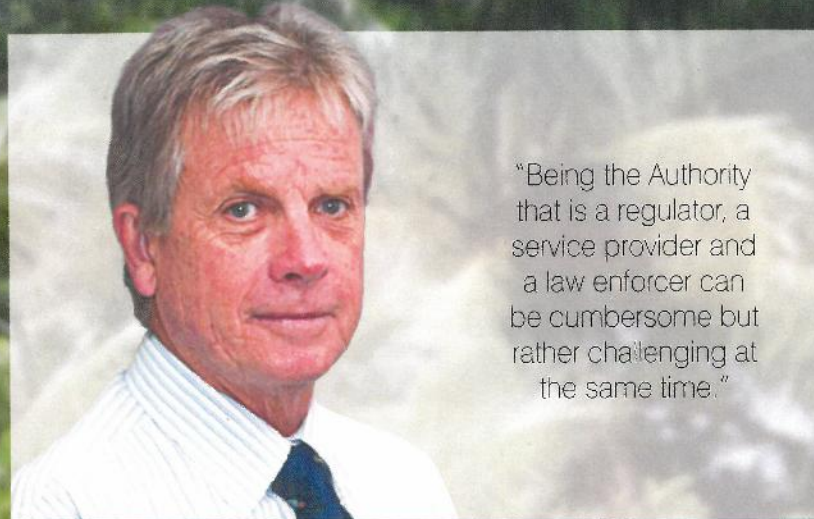


Colonel Inia Seruiratu
Board Member



Tomasi Tui
Board Member

Chairman's Report



"Being the Authority that is a regulator, a service provider and a law enforcer can be cumbersome but rather challenging at the same time."

The role of the Board is to ensure that the Authority performs its functions as stipulated under the Land Transport Act 1998 with a vision to 'Steering Fiji Safely'. Being the Authority that is a regulator, a service provider and a law enforcer can be cumbersome but rather challenging at the same time.

The land transport industry is a demanding area and one that is consistently affected by external forces like political, economical and technological factors, which subsequently compels us to keep changing how we run the Authority. Therefore during the tenure of this current Board under my chairmanship we have endorsed and implemented a number of policies and regulations that will influence such changes.

Our significant growth as reflected by the Auditor General's Audit Report 2012 depicts the allegiance shown at all levels of the Authority. The report has also revealed an enormous improvement from where we were in 2011 and what we have actually achieved in 2012.

I would like to acknowledge the Hon. Minister for Works, Transport and Public Utilities Captain (Navy) T L Natuva for his tremendous support throughout the financial year.

I also wish to register my sincere thanks to my fellow Directors, the Management team and the staff members of the Authority as all our plans would have been futile without their dedications and hard work.

Greg Lawlor
Board Chairman



Management Team



Naisa Tuinaceva
Chief Executive



Josefa Vosanibola
General Manager Operation



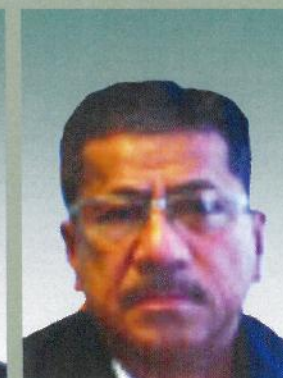
Elena Wakolo
Financial Controller



Miliana Vulakouvaki
Manager Audit



Faiyum Ali
Manager Standards & Compliance



Aptinko Vaurasi
Manager Enforcement /
Public Service Vehicle



Timoci Satakala
Manager Community Relations,
Education & Training



Sairusi Ratulomai
Manager HR



Isoa Tawake
Regional Manager North



Eric Vilsoni
Regional Manager West



Uday Raj Singh
Regional Manager
Central/Eastern



Rajeshwar Prasad
Manager ICT



Faranise Kinivuwai
Manager Legal



Isoa Karavakibau
Acting Manager Traffic
Management Systems



Ilai Masi
Manager Registration,
Licensing & Driving

Chief Executive's Report



"To strive for perfection we have put our aim by saying "it's not how good we are but how good we want to be" hence our desire is to remain relevant and compactible to our customers' needs"

We exist for the people of Fiji and without them we believe there is no Land Transport Authority (LTA). We strongly consider that our service is our brand, the image we wear is a reflection of our service and we will strive to go the extra mile to ensure that we provide an exceptional customer focused service.

To strive for perfection we have put our aim by saying "it's not how good we are but how good we want to be" hence our desire is to remain relevant and compactible to our customers' needs. As such, we have identified nine (9) goals in our Corporate Plan that encompasses our activities in achieving our corporate goals.

For each goal we have outlined our objectives, strategies and targets whereby corporate, departmental and individual staff performance and deliverables are being monitored and measured by way of our Performance Management System.

LTA has achieved, through concerted effort of its entire stakeholder, exceptionally well in 2012 in both the Operational and Financial areas. We have seen remarkable growth in our Vehicle Registration, Vehicle Inspection, Road Safety Enforcement, Public Service Permits and Regulation of Authorized Motor Vehicle Dealers activities.

For the first time ever in twenty five (25) years, LTA recorded the lowest road deaths in 2012. It was a historical year for us in achieving this, which was attained through the numbers of campaigns, educational and awareness programs, joint operations with Police and engagement with stakeholders. The key was to get everyone on board to take up ownership on road safety.

For the first time as well in 2012, a 3-year Strategic Plan was devised. We believe in being visionary, dream about the future and benchmarking with the international best practices. Already as part of our long term plan we have laid down the foundation for our twenty (20) years master plan. Our future generation deserves to know what kind of land transport system that will be awaiting them by the year 2032.

Looking ahead, we would be continuing to develop workplace knowledge to the highest level and aim to revolutionize the Authority through innovation and technological advancements. Our intention is to become more vibrant and dynamic with our services to meet the diverse needs of our customers and stakeholders.

We will continue to pursue in achieving our vision to "Steering Fiji Safely" by striving to excel in promoting land transport functions under the Land Transport Act 1998 with passion, commitment and professionalism.

We would like to acknowledge the support given to us by the Government, our Stakeholders and our Board of Directors. Their guidance and motivation has been our strength and pillar of success to cope with the challenging times.

Naisa Tuinaceva
Chief Executive



Operations & Technical

REGISTRATION & LICENSING (RnL) AND DRIVING

Two (2) RnL customer service outlets were opened:

- Labasa Town Office – handover of the new office at the Telecom complex was done on 1st December 2012. Plans for the office are being drawn up for fit out works to begin in January 2013;
- Sigatoka Town Office – opening of the office at Matamata, Sigatoka.

Review of Driving Process to Streamline Delivery

Some of the pressing issues that affected customer satisfaction were the cumbersome processes and legal aspects involved, however, these are being addressed through policy, procedures and legislative reviews, respectively:

Introduction of Class B driver's license for maritime islands except Ovalau and Tavuni. Drivers with Class B licence are only permitted to drive on the islands, however if such drivers would like to drive on Viti Levu and Vanua Levu (including Taveuni and Ovalau), then such drivers would have to be tested at these particular centers. The reason of Class B license was lack of proper signage and route to test the applicant for full competency. Implementation is awaiting legislation amendment;

Review of the Driving Test process to remove unsatisfactory process currently seen as not in line with road safety in terms of accidents and driver behavior. The main focus

was on the types of vehicles to be used for each class of test. The next phase under review was the system in which driving tests are conducted hence it was made compulsory that learner drivers must go through the DKTS (Driving Knowledge Test System); and

Review of Regulations to allow suitably qualified applicants undergo driving test for Class 9 which is heavy machinery and specialized vehicle without obtaining other class of license. Regulations have been amended to effect necessary changes.

DRIVING	CENTRAL EASTERN	WEST	NORTH	TOTAL
LEARNER PERMIT	6,354	4,701	816	11,871

DRIVING TEST	CENTRAL EASTERN	WEST	NORTH	TOTAL
PASS	6,201	4,436	3,460	15,459
FAIL	153	265	944	1,362

TECHNICAL	CENTRAL EASTERN	WEST	NORTH	TOTAL
Application PSV	6,213	3,488	988	10,689
Issue PSV	5,344	3,037	833	9,214
Application O/C	20,211	23,911	8,651	52,773
Issue O/C	18,144	23,161	7,522	48,827
TOTAL	49,912	53,597	17,994	121,503

INFRINGEMENT PROCESSING UNIT (IPU)

The Unit facilitates the inputs of all Traffic Infringement Notices (TINs) by LTA and Police into the RnL database. The final outcome of these TINs from the Courts are also updated against the driver and

vehicle involved in the RnL database. The Unit also verifies with customers on their TIN updates in terms of renewal of driver licenses and vehicle registration clarification.

REGIONS	TINs ENTERED
Central Eastern	41,629
Northern	13,863
Western	15,301
Total	70,793

REGIONS	DEFECT ORDERS ENTERED
Central Eastern	4,124
Northern	1,175
Western	9,075
Total	14,374

PUBLIC SERVICE VEHICLE (PSV)

Public transportation forms one of the main core functions of LTA. LTA is duty bound to initiate and devise measures for the proper coordination, improvement of

economic operations of passenger and goods transport by road.

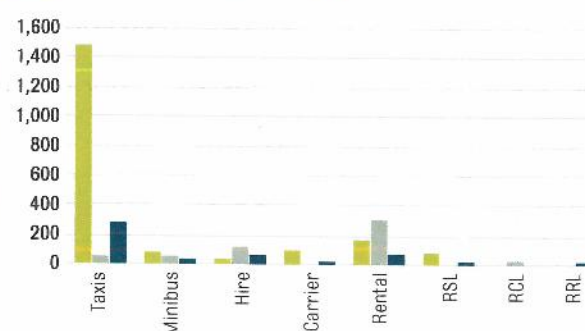
The revitalization of the PSV Department includes various reforms in customer

service area, policies and practices for conducive outcomes. The PSV Survey is underway and position of Manager Public Transport has been advertised externally to assist in the restructure process.

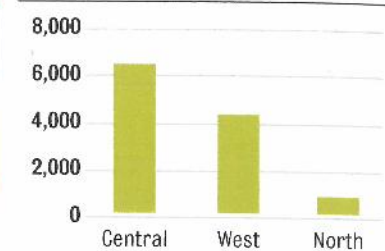
RENEWAL	CENTRAL EASTERN	WEST	NORTH	TOTAL
Taxis	1,468	54	298	1,820
Minibus	51	44	1	96
Hire	21	128	6	155
Carrier	69	0	2	71
Rental	198	325	10	533
RSL	26	0	6	32
RCL	0	3	0	3
RRL	0	0	3	3
TOTAL	1,833	554	326	2,713

2012 PSV Permit Renewal

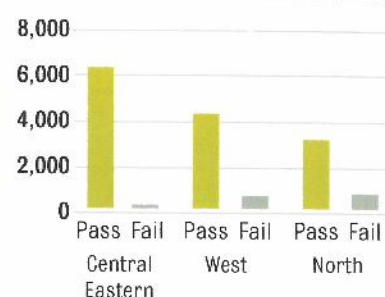
Central Eastern West North



2012 Learner Permits Issued

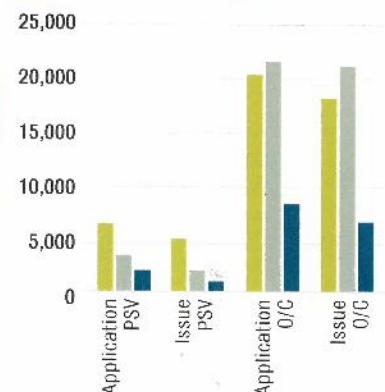


2012 Driving Tests Conducted



2012 Technical Activities

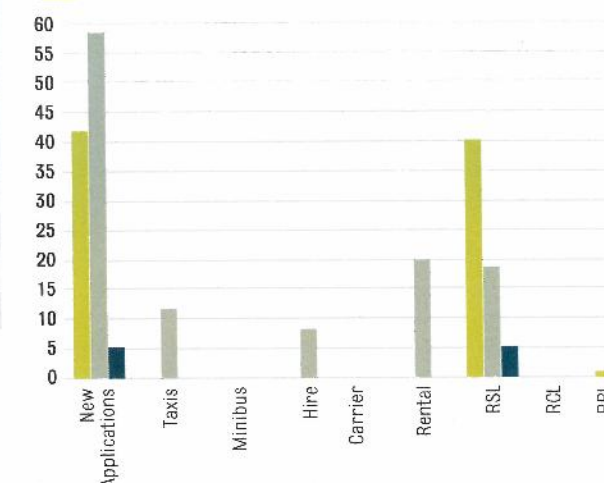
Central Eastern West North



PSV (New Applications)	CENTRAL EASTERN	WEST	NORTH	TOTAL
Taxis	0	12	0	12
Minibus	0	0	0	0
Hire	0	8	0	8
Carrier	0	0	0	0
Rental	0	20	0	20
RSL	40	18	5	63
RCL	0	0	0	0
RRL	2	0	0	2
TOTAL	42	58	5	105

2012 New PSV Permits

Central Eastern West North



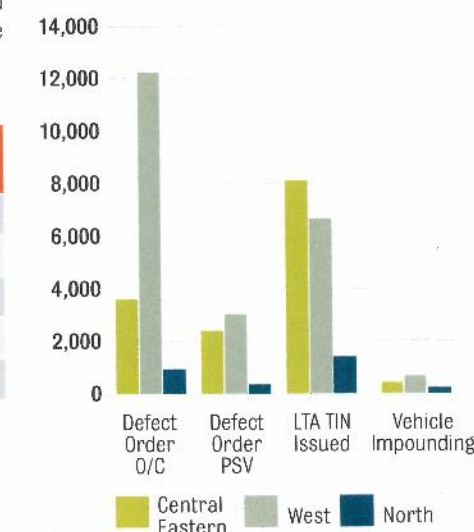
ENFORCEMENT

The enforcement of traffic laws, and the careful monitoring of road users behavior and motor vehicles are important. The two (2) stakeholders, LTA's Enforcement Department and the Fiji Police, work

closely in its effort to ensure compliance levels are maintained and more importantly, lives are saved on all Fiji Roads.

ENFORCEMENT	CENTRAL EASTERN	WEST	NORTH	TOTAL
Defect Order O/C	3,644	12,244	992	16,880
Defect Order PSV	2,399	3,077	295	5,771
LTA TIN Issued	8,072	6,677	1,427	16,176
Vehicle Impounding	469	685	48	1,202
TOTAL	14,584	22,683	2,762	40,029

2012 Enforcement Activities



PROSECUTION UNIT

This is the arm of the enforcement that will complete the process of the Traffic Infringement Notices (TINs) to Court. The LTA Transport Act 1998 and LTA Regulation

2000 legislates that an offender is allowed to pay the fine within twenty-one (21) days however, not following this would then proceed to Court.

The Traffic Writer in the Unit is responsible to process all documentations to the Court as in accordance to the boundary of the TINs which is inclusive of all timelines from issuance to Court date together with the filing process.

PROSECUTION	CENTRAL EASTERN	WEST	NORTH	TOTAL
No. TINs filed	4,816	4,467	1,456	10,739
Not Convicted	2,760	3,059	2,014	7,833
Not Filed in Court	21	111	30	162
Not Paid within 21 days	1,630	2,951	182	4,763
TOTAL	9,227	10,588	3,682	23,497

The Unit is also responsible to advise the IPU of the results of the Court decision in order to update the RnL database.



STANDARDS & COMPLIANCE

The Standards & Compliance Department is responsible for drafting, reviewing and implementing standard policies and procedures, and making necessary changes to suit the LTA's business processes for continuous improvements. Internal and external audits were also undertaken to identify anomalies and shortfalls in the practices.

Another important function of the Department is to conduct training workshops for up-skilling of staff, customers and stakeholders. Internal & external investigations were conducted to deal with complaints and secondary checks carried out on operational areas, for example, hire/rental permit applications, half cut vehicles, tampered chassis, to name a few. The Department also provided policy guidance on processes, procedures and COP (Code of Practice).

Below are some of the achievements that the Department encountered in 2012 and the future prospects that the Department anticipates:

Achievements

- Internal Training / Workshops
- External Training / Workshops – revenue generated was \$74,658.50 {Dangerous Goods \$22,908.50 / Driving Instructor's Permit \$51,750.00}
- Research:

- Spare parts standards
- Tyre standards
- Automated vehicle inspection
- Fuel standards
- Vehicle / Motor Bike policy
- On-line vehicle importation / registration
- Vehicle de-registration
- Taxi standards
- Outsourcing of vehicle inspection
- Bus construction
- Fiji design safety standards
- COP – vehicle inspection
- COP – chassis modification
- LC (Carrier License) fare structure
- COP – new {De-registration} and reviews {Driving / Technical / PSV}
- Internal / external meetings
- Accreditation programmes
- West / North tours
- Field operations / outreach
- Internal / external investigations
- 2nd checks – PSV / Driving Schools
- Internal / external audits including taxi and bus fleet checks
- Vehicle inspector permits – new / renewals
- Attending court case
- Certifying officer appointments – new / upgrades
- Board papers
- Joint operations with LTA Enforcement / Police
- Outreach
- Radio talk back shows

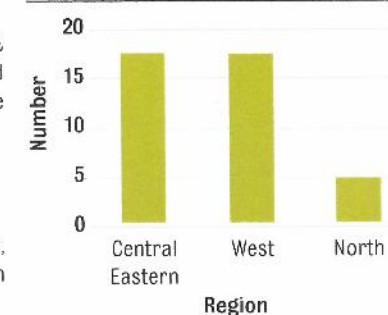
- Unit budget / structure for 2013
- Key Performance Indicators for 2013
- Part of interview panels
- Exemption / bus plans
- Vehicle smoke emission
- Launchings:
 - QAMS (Quality Assurance Maintenance System) for buses, together with emergency bus brief and bus information (timetable / route), launched by Minister for Works, Transport & Public Utilities on 23/02/2012 at Suva City Council chambers.
 - Litter bags in buses – launched by the President of Fiji, His Excellency, Ratu Epeli Nailatikau on 06/03/2012 at the Suva bus stand (Litter bags distributed to bus companies).
 - Sunbeam buses launched by Niranjans
 - EFTOS (Westpac)
 - New buses (Island Buses)
 - Sun & Bright Ltd (Vehicle Scrapping)
- Projects:
 - E-ticketing
 - Red light camera
 - Anti-Litter Decree
 - Fuel standards completed
 - Taxi standards
 - Road code for other classes
 - Vehicle de-registration

- Review of vehicle inspection test result sheet
- Waste paper recycling
- QAMS
- Stickers for road safety pasted on buses, taxis, minibus in all regions
- Passenger code of conduct
- Emergency bus briefs
- PSV display stand
- Public Consultations in all three (3) regions:
 - LC / RSL Fare Structure
 - QAMS
 - Vehicle de-registration
 - Taxi meters with in-built printers
 - Shuttle services
 - Smoke / Load Management
 - TOR (Terms of Reference):
 - Hydraulic ramps
 - Fully automated vehicle inspection system
 - Fact finding
 - Master plan (RRL)
 - Driving section restructure
 - PSV reform

Revenue Projection		
	Number	FJD\$
Total Defects	3,158	63,055.00
TINs	152	31,502.50
Restoration	116	2,332.00
Impounding	19	1,389.00
Arrears		687.00
Total Projection for 2012		\$98,965.50

2012 Authorized Motor Vehicle Dealers (AMVDs)		
Compliant Dealers		
Regions	Number	
Central Eastern	16	
West	16	
North	5	
TOTAL	37	

2012 Compliant Dealers



Future Prospects

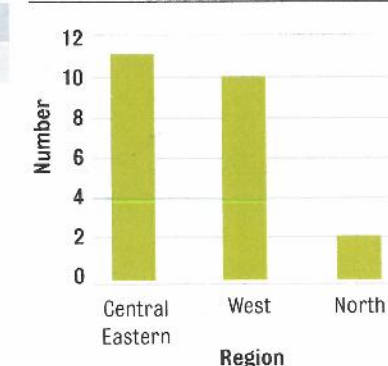
- Projects {E-ticketing / Red Light & Speed Cameras / Fully Automated Vehicle Inspection System / Vehicle Smoke & Load Management}
- Overseas training / attachment
- More emphasis on research
- Engagement of consultants
- New Key Performance Indicators, for example, Engineering Research Centre

Analyses:

2012 Defect Orders Issued			
Other	Number	PSV	Number
Private	1,012	Taxi	913
Light Goods	321	Omnibus	302
Heavy Goods	428	Minibus	72
Others	69	RSL	25
		Others	1
TOTAL	1,830	TOTAL	1,313

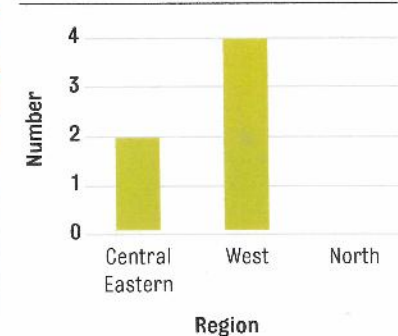
2012 Authorized Motor Vehicle Dealers (AMVDs)		
Non-Compliant Dealers		
Regions	Number	
Central Eastern	11	
West	10	
North	2	
TOTAL	23	

2012 Non-Compliant Dealers



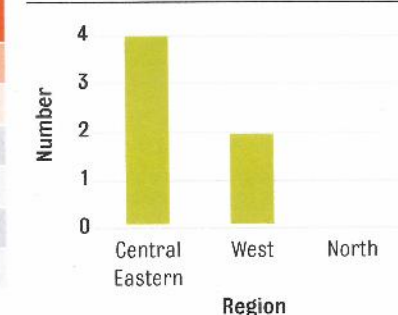
2012 Authorized Motor Vehicle Dealers (AMVDs)		
Cancelled Dealers		
Regions	Number	
Central Eastern	2	
West	4	
North	0	
TOTAL	6	

2012 Cancelled Dealers



2012 Authorized Motor Vehicle Dealers (AMVDs)		
Pending		
Regions	Number	
Central Eastern	4	
West	2	
North	0	
TOTAL	6	

2012 Pending Process



TRAFFIC MANAGEMENT SERVICES

The Traffic Management Services (TMS) Department develops and implements traffic management strategies and practices consistent with the needs of road users and the objectives of road safety in conjunction with the highway Authorities and Stakeholders. The highway Authorities consist of the Municipal Councils, Government Agencies or any person responsible for road maintenance plus LTA Management and the Department of National Roads (now known as the Fiji Roads Authority).

The main project looked after by the TMS Department was the procurement and installation of red light and speed cameras. This was successfully completed in July 2012 with the installation of all the equipment including one fixed sited at the Nabua intersection behind Westpac Bank. However, the use of this photographic speed and red light enforcement system at Nabua was on hold due to delays in the gazette of the Regulations.

The Weighbridge Project was completed with the operation of Saweni, Savusavu and Tabia axle weighers in the month of June 2012. However, the LTA Labasa weighbridge reinstatement was on hold due to tender process requirements.

All Traffic Orders Amendment proposals for gazette submitted by the Municipals during the year remain to gazette by the LTA Legal Department, which is responsible for drafting the proposals prior to submission to the Attorney General's office for vetting, after which the Minister of Works, Transport & Public Utilities endorses for gazettal.

The TMS Department has represented LTA in various Committees and Municipal Councils, mentioned below:

- Nausori Airport Extension Committee
- Nausori Market and Bus station Relocation Committee
- Suva City Traffic Committee
- Other Municipal meetings as requested e.g. Lami, Nasinu and Sigatoka Town Councils

The Key Performance Indicators for the TMS Department in 2012 included:

- **Road Pricing** – exploring the concept of road pricing as a means of controlling road congestion and traffic flow. A document presenting an overview of this concept plus the inclusion of a number of international experiences was submitted as an Information Paper to the Board. It is intended to pursue more into this issue next year.

• **Fiji Road Rules** – a draft document intended to be the Fiji Road Rules was completed and also submitted as an Information Paper to the Board. This document shall undergo further review by selected stakeholders in the future.

• **Speed Limit Review** – the Terms of Reference (TOR) for a Speed Limit Review on all main roads in Fiji was completed but due to reforms that was being carried out in the Department of National Roads to form the Fiji Roads Authority, this review will be addressed when the reform completes in 2013. The Fiji Roads Authority is now the main stakeholder in this particular area of traffic management.

• **Road Safety Audits** – the Department managed to carry out two (2) existing road safety audits along the following road areas:

- i) Lami Town to Suva to Nausori Town through the Queens Highway road, Ratu Mara Road and the Kings Highway road;
- ii) Nadi Town to Lautoka City through the Queens Highway and Drasa Avenue road.

This area of traffic management concerning road safety needs to be further executed to a higher and more professional level from 2013.

COMPLAINTS SERVICES UNIT

The Unit was established as part of the National Operation Center activities in mid-2011 under the leadership of the Manager Traffic Management Services. It is responsible for the collation and dissemination of complaints received on a daily, weekly, fortnightly, monthly and annual basis.

The Center has one (1) toll free line together with short code phone contacts for easy reference by the public. Apart from the telephone communications, there is also an LTA website and email links for the public to air their grievances of the Public Service Vehicles (PSV), road conditions, PSV drivers, non-PSV drivers, LTA Officers or share suggestion on improving LTA services.

The assessment of complaints is based on the time that complaints are lodged, response time, actions taken and reviewing of LTA logistics to improve its services.

REGIONS	COUNT	%
Central Eastern	897	82
Western	130	12
Northern	65	6
TOTAL	1092	100

CODE OF CONDUCT AFFECTED	COUNT	%
Driver Behavior	162	15
Driver Attire	8	1
Passenger Safety	48	4
Stopping & Vehicle Positioning	5	0.5
Service Information	319	29
Fares and Ticketing	105	10
Staff Complaint	88	8
Driver Distraction	0	0
Penalty	354	32
Driver Assistance	3	0.3
TOTAL	1092	100

TIME	COUNT	%
Morning Rush	429	39
Day Cruise	146	13
Afternoon Rush	144	13
Public Concern	312	29
Night Cruise	61	6
TOTAL	1092	100

PSV TYPES	COUNT	%
Bus	443	40
Taxi	297	27
LM (Minibus)	51	5
Others	213	20
LTA	88	8
TOTAL	1092	100

Road Safety Education & Awareness

The Road Safety Department has continued to focus on programs in line with the Corporate Plan 2012. Education programs are planned for maximum impact taking into consideration the interests and needs of Fijian road users. Public Campaigns Forecasts on nine (9) strategies based on the concept of creating a safety conscious generation of road users who respect and consider others on the road.

The introduction of safer road users' behaviour on roads is three fold namely, Engineering, Education and Enforcement. The major thrust of the campaign is driver behaviour, safer journey to and from schools, adult responsibilities and community acceptability. All Education programs are well planned, implemented and evaluated.

The Road Safety programs endeavours to introduce the road safety culture through public education, community awareness, and road safety interventions for all Fijian road users. Ninety percent (90%) of urban road users understand the basic road safety rules; however, the system does not encourage them enough to comply.

2012 Accident Statistics:

By the end of December 2012, the road fatal statistics stands at forty-one (41) compared to fifty-four (54) for the same period in 2010 and fifty-two (52) for the same period in 2011.

Period	2007 - 2011	2012 Forecast
Annual Average	55.4	55
December Average Only	5.6	6
2012 Target	2012 Actual	2012 Achievement
20% Reduction of 2006 Figure (53)	46	30% Reduction
Actual Figure	41	53.9 % Reduction

Road Safety Education in Schools

This program deals with children's traffic education through formal education to improve the safety consciousness of children. The target is to reach all children and teachers through education, information and awareness raising activities about the need to establish a new road safety culture in Fiji.

Annual Target	Actual To Date	Achievement To Date (%)
400 School Visitations	447	112

Bus Ministry

More than ninety percent (90%) of the travelling public use the bus as their main mode of transport. This road safety intervention focuses on safer bus behaviour on all bus journeys. It also works very closely with bus operators on the provision of safer buses for the bus travelling public of Fiji.

Annual Target	Actual To Date	Achievement To Date (%)
5,000 Bus trips	10,466	209

Home-to-Home Intervention

Everything begins at home. This program attempts to meet the road users at the home front. The program is about systematically presenting the Road Safety message at home.

Annual Target	Actual To Date	Achievement To Date (%)
5,000	14,551	291

Arrive Alive Snapshot Campaign

This campaign covered sudden behavioural changes in fatality and accident trends that appear during the year. There may be needs to re-mobilise and attend to driver safety, pedestrian safety at strategic locations that warrants immediate response.

Annual Target	Actual To Date	Achievement To Date (%)
24	25	104

Defensive Driving Course

The program deals with driver training and emphasises the responsibility held by all drivers and passengers of motorised vehicles.

Annual Target	Actual To Date	Achievement To Date (%)
10,000	10,493	105

Instructors Workshop

Road Safety Instructors workshops were planned, coordinated and conducted for all segments of the community in an attempt to increase safety consciousness.

Annual Target	Actual To Date	Achievement To Date (%)
15	15	100

Community Outreach

Rural outreach programs were planned, coordinated and conducted for the community in an attempt to increase safety consciousness.

Annual Target	Actual To Date	Achievement To Date (%)
10	27	270

National Campaigns with Stakeholders

Under the "Working Together" strategy, it is prudent that LTA works together with its mainline stakeholders in the promotion of road safety strategies.

Annual Target	Actual To Date	Achievement To Date (%)
6	9	150

Community Awareness on Road Safety (CARS)

This program focusses on identified high-risk community groups in both rural and urban centres. The program's goal is to increase road safety consciousness in the community.

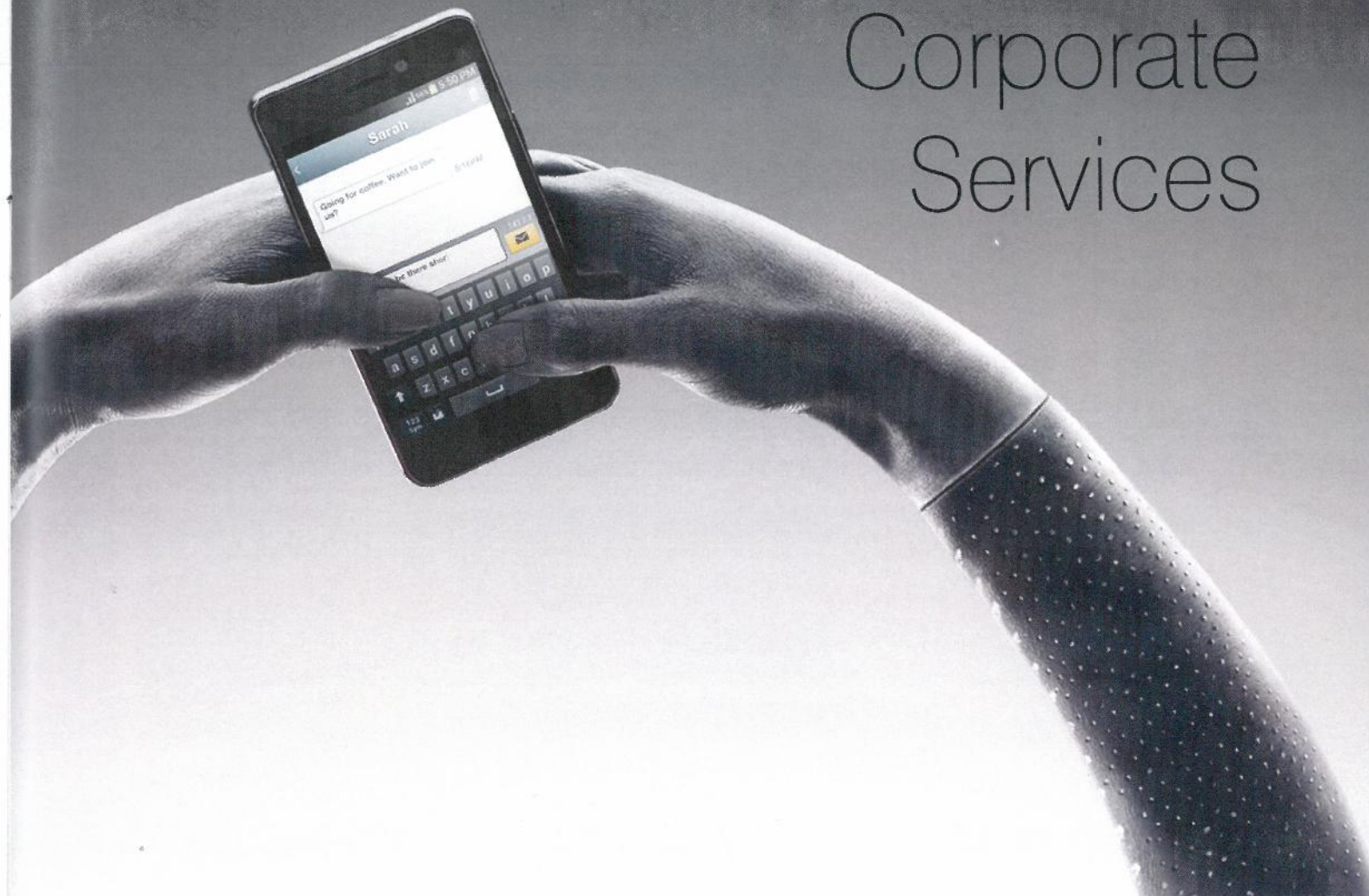
Annual Target	Actual To Date	Achievement To Date (%)
48	48	100

Expansion of Road Marshall Clubs

The Road Marshalls are our eyes and ears on the ground. This is all about community involvement and unsafe road user behaviours on our roads.

Annual Target	Actual To Date	Achievement To Date (%)
6 Urban	7	117
12 Rural	18	150

Corporate Services



FINANCIAL OVERVIEW

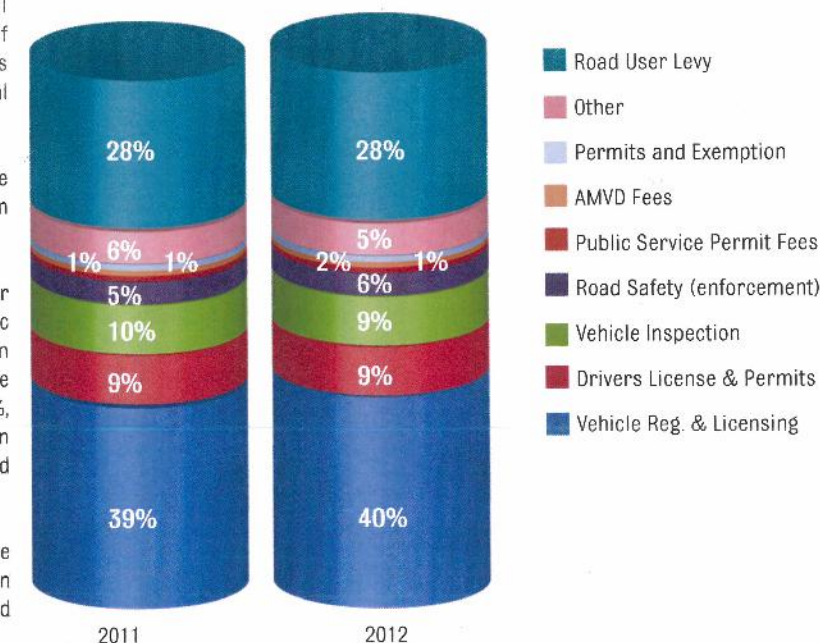
The Land Transport Authority continued to administer functions where the revenue is taken directly to the Government Consolidated Fund Account. The total administered revenue at the end of financial year to 31 December 2012 was \$31.62m, 2% increase than the total revenue of \$31.05 in the previous year.

The financial performance continued the trend of positive results we have seen in the recent years.

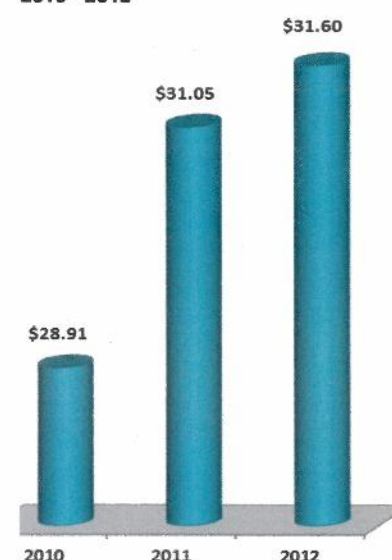
The increase of 2% in total revenue over the previous year was mainly from Public Service Permit fees which represent an increase of 25%, Fees from Motor Vehicle Dealers represent an increase of 20%, Enforcement fees and fine represent an increase of 16% and Driver Licenses and Permits represent an increase of 7%.

The largest contribution to revenue collection is from the Vehicle Registration & Licensing then followed by the Road User Levy (RUL).

Revenue by Source



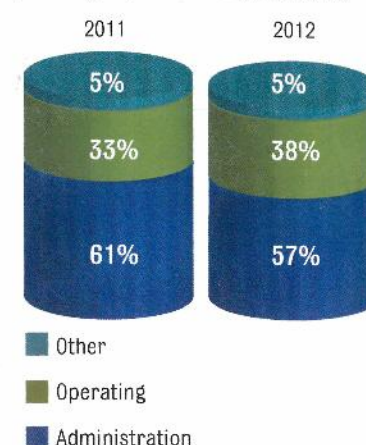
**Revenue Trend (\$m)
2010 - 2012**



The operating budget increased by 11%, with operating spending representing 38% of total expenses. Administration activities made up of 57% while other expenses were made up of 5% of total expenditure.

The capital expenditure budget was \$2m on major capital works. This is in line with the investment to replace and upgrade the depreciating property, plant and equipment for delivery of high level services. The procurement included computer equipment of \$0.93m, motor vehicles of \$0.22m, building upgrade and office refurbishment of \$0.85m.

Operating Expenditure by Category



The total value of assets was \$15.0m, representing 8% more than the previous year which mainly reflected the \$2m invested in capital projects.

Five - Year Financial Summary Selected Data

	2008	2009	2010	2011	2012
Operating Results					
Revenue - Fees and Fines	\$18,641,616	\$17,047,619	\$20,713,150	\$22,287,004	\$22,765,301
Revenue - Road User Levy			\$8,202,829	\$8,768,062	\$8,856,869
Operating Expenses	12,223,644	10,500,862	\$8,598,226	\$9,551,876	\$11,338,485
Property, Plant and Equipment	9,803,955	10,090,441	\$9,255,146	\$9,660,300	\$10,897,565
Net Assets	11,022,480	11,607,299	\$11,315,560	\$10,396,843	\$9,253,121

INFORMATION & COMMUNICATION TECHNOLOGY (ICT)

The Information & Communication Technology (ICT) Department provides ICT Services to LTA in all fields of work related to hardware, software, networks, help desk services and ICT Project Management. The provision of hardware support across LTA entails:

- part replacement
- inventory
- testing
- maintenance
- repairs
- installations and configuration

The provision of software support includes database design, systems analysis, database programming, statistical report generation, installation of software systems, installation of in-house developed software and 3rd party software, data backups and software updates.

The provision of network support includes 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 provision of Help Desk support services includes providing end-users a central point to receive help on various computer related issues. In addition to providing ICT Support Services the Department also initiates, manages and implements ICT related projects.

Strategic Highlights

The Department for the year undertook several strategic ICT projects for implementations. These included the implementation of the Integrated Human Resources & Payroll System including the implementation of the Employee Self-Service module for the employees to apply leaves online, check on leave balances and pay details. Other implementations included upgrade of Epicor Financial Management Information System, implementation of bandwidth optimization technology, implementation of Endpoint Protection System.

The Department provided vast technical contribution towards the introduction of the Red-light and Speed Camera Project as well as the introduction of the Bus Electronic Ticketing Project. For the first time ever, the Department formulated a 5 year strategic plan for LTA indicating clear

focus and commitment by the Department in taking its services to next level and benchmarking to international level and standard. The intention is to provide a guideline and a plan for delivering better ICT Services for less cost, work towards the consolidation of ICT assets, and improve performance, monitoring and increase the use of shared services through automation.

Operational Highlights

On the operation front, the Department ensures that ICT Systems and Services are available to end users when and where needed. The Department achieved an average of more than ninety-five percent (95%) uptime for its ICT Infrastructure Systems including the Communication and Server Systems.

The Department also continued to provide critical improvements through use of conferencing and remote presentation capabilities leveraging the use of Internet and Internet Protocol Technologies. The Department continued to provide valuable statistical information on timely and regular basis to Board, Management and even the staffs to enable them to make informed decision and guide them in formulating strategies for improvement.

The Department initiated the issuance of Notices to expired vehicle owners which provided for some monitoring, verifications and contributed towards the LTA's bottom line as well.

Challenges

While ensuring that all ICT Systems and Services are always performing at acceptable level, proactive and preventive maintenance, upgrades and updates need to be performed and managing all these within tight budgets is being one of the major challenges for the Department. With advancement in technology and

improvements that comes with it, the Department is faced with the challenge of performing rapid evaluation of these technologies and ascertains the fit to the LTA. On daily basis the Department's time and effort is utilized in ensuring security threats do not cause risk to ICT Services while at the same time ensuring that every customer is served within and acceptable times. Training is another area that the LTA needs to greatly focus on as advancement to technologies are rapid and keeping abreast with these technologies would definitely see the advancement to ICT Services as well as keeping the ICT Environment secure and stable.

Looking Ahead

The Department has already planned for automation of various ICT Services including the computerization of manual processes that are yet to be computerized. The Department has already begun with the design and development of an integrated LTA Software (LTASOFT) System that would replace existing application which is more than a decade old. The software would bring about improved processes, controls and advanced reporting facilities with the phase 1 of the implementation of the project.

HUMAN RESOURCES

2012 was a busy year for the Human Resources (HR) Department as it saw the unfolding of major activities that contributed to general organisational culture change and positive performance. The year started off with the Job Evaluation, which was quite a laborious exercise in coordinating all regional offices and getting the final report endorsed by the Board in early 2013.

For the first time, LTA's HR software was implemented integrating with the Payroll data which has shortened processes that relates to Staffs' data, claims, and payroll and has significantly increased productivity. This implementation also ushered in the implementation of the Online Recruitment which has revolutionised the recruitment process and reduced costs significantly.

In conjunction with the Corporate Plan, the HR Department introduced a new Performance Management System (PMS) to manage and monitor corporate performance which is tied also to the new Bonus system that has been introduced. The same performance measure will be used also to determine the annual merit increment for staffs, which will come into place once the Job Evaluation budget has been approved by the Ministry of Finance.

Another significant highlight is the initiatives taken to merge the two (2) Staff agreements that exist in the Authority, i.e., Collective Agreement and the Partnership Agreement for contracted staffs. The HR Department has been spear-heading this initiative and the next phase now is the negotiation with LTA Management on the terms of the merged Collective Agreement, which has been set to be completed in 2013.

For the year, the HR Department has had three (3) mediations sessions, i.e., two (2) in the North and one (1) in Suva. All these mediations ended in a dead-lock and have been referred to the Employment Tribunal. The handling of the Internal Employment relation issues have improved and the environment has settled compared to the volatile status experienced in previous years.

For 2012, the HR Department has had only one (1) suspension case and there was no dismissal case as the HR Department have been vigilant in exhausting mechanisms in place under the law and in building a positive environment where staffs take responsibility of their daily conduct.

To this end, the HR Team holding the fort before the commencement of the current Manager HR in December 2011 should be commended also for the initial work done on the Employment relations environment in LTA.

The review of current HR policies was carried out and in light of the complexity and sensitivity of this document, several workshops were done to facilitate the review – the completion date has been shifted to 2013. The HR Department structure review was approved also by the Board in order to address pressing issues and to demarcate roles that will increase focus on the different areas of services that the HR Department provides.

In light of the new structure, recruitment of new HR positions commenced in 2012 and is to be completed by early 2013. A Training Needs Analysis (TNA) was introduced also to strategically allocate training funds on critical areas and to consequently foster LTA's Succession Planning process.

The HR Department has been engaged in other activities including the mobilising of social teams to take part in Business House Netball, Volleyball, Soccer tournaments and other community based initiatives. All these were based on the concept that social engagements will assist in team solidarity which will improve the commitment of staffs to organisational objectives.

The HR Department has set higher targets for 2013 and are confident that these targets will usher the HR Team further in achieving its long term goals for the LTA.



PROPERTIES

The Properties Department embark on office refurbishment costing over half a million dollars in budget, for all its offices on Viti Levu with the exception of Nausori in the Central Eastern region and the Nadi and Ba offices in the West.

The main objective being the rejuvenation of the run-down paint work and image on the existing buildings, improving the service to its customers and the creation of a modern working environment that is enthusiastic for our staff to operate in.

The refurbishments were aimed at improving staff morale in carrying out their duties whilst creating a more secure complex to withstand cyclone conditions.

Highlights

The following were achievements for the Department:-

1. The opening of a new Sigatoka Town office
2. Receiving of Board endorsement to purpose build a new Nadi office
3. Successfully tendering for new town offices for Nadi and Lautoka
4. The opening of a new Suva office that is commercially visible to the customers.
5. The construction of a new ramp being built in the Tavua Branch in association with the Tavua Landlord
6. The construction of a new shelter over the ramp for Cuvu Sigatoka Extensions to the existing Technical Building at Cuvu
7. Face-lift to the Lautoka Counter service area
8. Face-lift to the Information Center at Valelevu
9. Facelift of the Board Room at Valelevu

Looking Ahead

The Department is expected to embark on achieving its short term goals as follows:-

- The opening of new Nadi and Lautoka town offices
- The revamping of the Admin reception area for Valelevu
- The refurbishment of the whole Labasa complex
- Providing portable shelters for our soon to be introduced hydraulic ramps

Looking beyond 2013, the Department is excited about the prospect of implementing environmentally friendly solutions towards creating healthy workplaces for not only our staff but also the general public as a whole.

QUALITY ASSURANCE

A Quality Assurance Officer was recruited from late December 2011 with the objective to coordinate, facilitate and develop efficient and effective organizational systems for the Authority. This would be possible through the development of a highly efficient and effective Quality Management System (QMS), whose Key Performance Indicators were:

- The review and approval of policies and procedures
- ISO (International Organization for Standardization) Certification
- Identification and implementation of QMS tools
- Fiji Business Excellence Awards (FBEA) participation

The development and review of policies and procedures for a number of Departments were carried out to align to existing practices whilst taking into consideration the relevant laws, and also to streamline internal processes for a more effective and efficient QMS and delivery of high quality customer services. It requires however a lot of time to review and finalize due to the process of making Managers / Team Leaders involved, consultation and legal vetting in most cases, including Executive Management review and Board approval.

In total, three (3) policies were developed by respective Managers and approved by Board. Towards the end of the year,

a number of policies were still in the process of drafting and review. Hence together with ISO Certification and other Departmental policies yet to be approved by Board, these have been moved to 2013 for completion, as ISO Certification mainly requires an organization's policies and procedures to be adequately in place and functioning in all facets of the organization.

The Quality Control Circle (QCC) concept is a new initiative undertaken by the Authority to effect improvement in quality (meeting or exceeding customer expectations and requirements), productivity (efficiency and effectiveness) and staff motivation (improvement in

staff morale, informed & proper trained workforce that can solve problems faster, etc.)

An internal workshop on QCC was held for Managers and Team Leaders from all three (3) regions. Efforts to carry out further staff training below Team

Leader level were challenging due to limited manpower and budget resources. Similarly, with the FBEA program application, these resources including staff commitment is much needed from all quarters of the organization for the successful implementation and continuation of these initiatives.

Generally, the year mostly involved awareness of these initiatives and the review of policies and procedures which establishes the platform for ISO Certification, QCC and FBEA programs. Other adhoc activities involved in were the E-Ticketing project and providing Secretarial services to the Authority's Tender Committee.

INTERNAL AUDIT

The Internal Audit services continues to play a vital role in providing assistance and assurance to the Chief Executive, the Board and all levels of LTA Management by measuring and evaluating the effectiveness of controls in achieving the Authority's approved objectives. The complements of staff in the Department were two (2) for the year 2012, with three (3) vacant posts namely the Team Leader Audit, the Internal Auditor and the Audit Assistant positions.

Achievements:

The Internal Audit achievements for the year 2012 are as follows:

- YTD of ten (10) audit reports
- YTD of six (6) spot check reports
- YTD of seventy-four (74) referral reports
- YTD of eleven (11) investigation reports for the three (3) quarters
- YTD of ten (10) Key Performance Indicator updates reports submitted to the Chief Executive and Board

Apart from its normal auditing activities, the Department was also involved in the:

- a) drafting and compilation of the following policies:
 - Records Review & Disposal Policy
 - Record Disposal Authority
- b) The review of the following policies:
 - PSV Manual
 - Vehicle Policy
 - Tender Policy

LEGAL SERVICES

The Legal Department is responsible the provisions of Legal Services both to internal and external customers of the Authority. The Department is divided into two (2) main sections:

- Litigation
- Policy/Administration and Operations

Litigation

The Litigation Section of the Department is solely responsible for the dealing of all cases within the different jurisdictions of the Judicial System. The Department attends to Litigation cases representing the Authority in the:

- Magistrates Court
- High Court
- Court of Appeal
- Supreme Court
- Employment Relations Tribunal
- Public Service Vehicle Appeals Tribunal

Policy/Administration and Operations

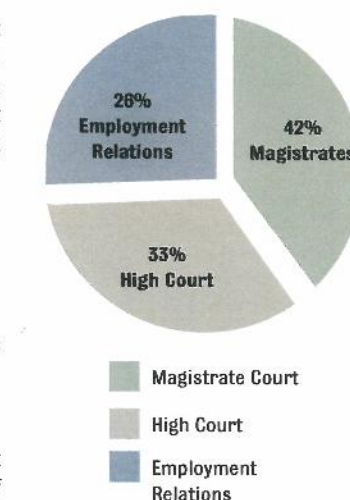
This Section of the Legal Department is responsible for the provision of administrating the Authority's policies in respect of its Legislations and Standards of Practice. The Section was set up in 2011 to monitor and manage the Authority's policies in line with its Legislations and Subsidiary Legislations.

The Department was actively involved in the Authority's planning, review and development of internal policies in line with the relevant legislations. This

Section is also responsible for the review of the Land Transport Legislations both internally and externally.

Analyses:

Magistrates Court	High Court	Employment Relations
13	10	8



Employment Tribunal Cases first filed in years 2009 and 2010. The Western Division however records a high number of Civil Cases as compared to the other regions. The increase in cases is a result of increased Appeals to the High Court pertaining to Land Transport Authority (LTA) Appeals Tribunal cases relevant to Public Service Vehicle Permits. Consequently, most civil cases recorded with the Department are a result of allegations of Breach of Statutory Duty and Negligence.

LTA Appeals Tribunal

As at January 2012, the Tribunal recorded the following cases in the three (3) regions:

CENTRAL EASTERN	WEST	NORTH	TOTAL
59	17	22	98

As at 31st December 2012, the LTA Appeals Tribunal recorded the following in terms of the conclusion of Tribunal Cases:

Cases	Number
Total Appeal Dismissed	25
Total Appeal Granted	6
Total Judgment Delivered	31

The Legal Department recorded a total of thirty-one (31) Civil Cases as at 31st December 2012, which is an increase from 2011. Upon analyzing the cases, the results show that a high number of cases are recorded in the Central Eastern Region and Western Division.

A majority of the cases recorded in the Central Eastern Region are mainly

More attention.
Less accidents.

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Land Transport Authority

For the year ended 31 December 2012

Members' Report

In accordance with a resolution of the Authority's members, the members submit the statement of financial position of the Authority as at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and report as follows:

Authority's members

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

Mr Greg Lawlor - Chairman
Mr Vijay Maharaj
Commander Francis Kean
Mr Tomasi Tui

Principal activities

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

Operating results

The operating loss after income tax for the year ended 31 December 2012 was \$1,164,292 (2011 restated: \$450,933).

Dividends

No dividends were declared or paid during the year.

Reserves

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

Bad and doubtful debts

Prior to the completion of the Authority's financial statements, the members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the allowance for doubtful debts. In the opinion of the members, adequate provision has been made for doubtful debts.

As at the date of this report, the members are not aware of any circumstances, which would render the amount written off for bad debts, or the allowances for doubtful debts in the Authority, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Authority, the members took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of the business compared to their values as shown in the account records of the Authority. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize. As at the date of this report, the members are not aware of any circumstances, which would render the values attributed to non-current assets in the Authority's financial statements misleading.

Basis of accounting

The members believe the basis of the preparation of the financial statements is appropriate and the Authority will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Members' Report *(continued)*

Unusual transactions

In the opinion of the members, the results of the operations of the Authority during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the members, to affect substantially the results of the operations of the Authority in the current financial year, other than those reflected in the financial statements.

Events subsequent to balance date

As per the Employment Tribunal's ruling, compensation payments were made to some former employees of the Authority subsequent to the end of the financial year. The cumulative balance of the payments made was \$79,091.

Other circumstances

As at the date of this report:

- (i) no charge on 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. Some cases especially the Industrial Relation cases judgment has been given during the financial year. However, the payments have been made after financial year and has been on-going.
- (iii) no contingent liabilities or other liabilities of the Authority has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the members, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

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

Members' benefits

Since the end of the previous financial year, no member has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by members shown in the financial statements) by reason of a contract made by the Authority with the member or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this 14th day of November 2013.

Chairperson

Member

Statement by Authority's Members

In accordance with a resolution of the members of the Authority, we state that:

- (i) the accompanying statement of comprehensive income of the Authority is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2012;
- (ii) the accompanying statement of changes in equity of the Authority is drawn up so as to give a true and fair view of the changes in equity of the Authority for the year ended 31 December 2012;
- (iii) the accompanying statement of financial position 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 2012;
- (iv) 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 2012;
- (v) 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
- (vi) all related party transactions have been adequately recorded in the books of the Authority.

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.

Dated this 14th day of November 2013.

Chairperson

Member



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

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INDEPENDENT AUDIT REPORT

LAND TRANSPORT AUTHORITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

I have audited the accompanying financial statements of Land Transport Authority, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 23.

Directors and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Land Transport (Amendment) Decree 2010. This responsibility include: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Qualifications

1. The Authority recorded property, plant and equipment ("PPE") at a written down value ("WDV") of \$10,897,565 at 31 December 2012. Included in this balance is an amount of \$1,256,807 that could not be substantiated in prior years and formed the basis of the qualification of the WDV of the Authority's PPE in the previous year. I have not been provided with a proper reconciliation of the amount, and consequently not able to substantiate it. Due to the amount involved, I am unable to ascertain the accuracy, completeness, and existence of PPE as at 31 December 2012.

2. The depreciation charge for the financial year ended 31 December 2012 was \$1,036,815. I was not provided with a proper reconciliation for depreciation, consequently, was not able to ascertain the accuracy and completeness of the depreciation charge for the year ended 31 December 2012.

Qualified Audit Opinion

In my opinion, except for the matters discussed in the qualification paragraphs, and the adjustments on the financial statements, if any, the financial statements present fairly, in all material respects, the financial position of the Land Transport Authority as at 31 December 2012, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Land Transport (Amendment) Decree, 2010.

Tevita Bolanavanua

Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji
19 November 2013



Land Transport Authority

For the year ended 31 December 2012

Statement of Comprehensive Income

	Notes	2012 \$	Restated 2011 \$
Revenue			
Grant received	2	9,891,516	8,945,821
Other income	3	282,677	155,122
Expenses			
Administrative expenses	4	(6,458,913)	(5,845,693)
Operating expenses	5	(4,275,773)	(3,183,591)
Other expenses	6	(603,799)	(522,592)
Loss before income tax from operations		(1,164,292)	(450,933)
Income tax expense	1 (i)	-	-
Loss after income tax continuing operations		(1,164,292)	(450,933)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,164,292)	(450,933)

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

Land Transport Authority

For the year ended 31 December 2012

Statement of Changes in Equity

	Capital \$	Retained Earnings \$	Total \$
Balance as at 1 January 2011	1,650,146	9,453,181	11,103,327
Adjustment to equity relating to amounts due to Government Consolidated Account	-	(234,981)	(234,981)
Restated total comprehensive loss for the period	-	(450,933)	(450,933)
Restated balance as at 31 December 2011	1,650,146	8,767,267	10,417,413
Balance as at 1 January 2012	1,650,146	8,767,267	10,417,413
Total comprehensive loss for the period	-	(1,164,292)	(1,164,292)
Balance as at 31 December 2012	1,650,146	7,602,975	9,253,121

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

Statement of Financial Position

	Notes	2012 \$	Restated 2011 \$
CURRENT ASSETS			
Cash and cash equivalents	7	2,028,927	2,200,113
Receivables	8	1,733,626	1,402,876
Inventories	9	416,033	555,443
Total current assets		4,178,586	4,158,432
NON-CURRENT ASSETS			
Property, plant and equipment	10	10,897,565	9,660,300
Total non-current assets		10,897,565	9,660,300
TOTAL ASSETS		15,076,151	13,818,732
CURRENT LIABILITIES			
Creditors and other accruals	11 (i)	1,493,865	1,040,314
Owing to Government consolidated account	11 (ii)	686,473	447,214
Provisions	13	642,540	445,671
Total current liabilities		2,822,878	1,933,199
NON-CURRENT LIABILITIES			
Capital grant	12	3,000,152	1,468,120
Total non-current assets		3,000,152	1,468,120
TOTAL LIABILITIES		5,823,030	3,401,319
NET ASSETS		9,253,121	10,417,413
CAPITAL AND RESERVES			
Capital		1,650,146	1,650,146
Retained earnings		7,602,975	8,767,267
TOTAL CAPITAL AND RESERVES		9,253,121	10,417,413

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

Signed for and on behalf of the Authority and in accordance with a resolution of the Authority's members.


Chairperson


Member

Statement of Cash Flows

	Note	2012 Inflows/ (Outflows) \$	2011 Inflows/ (Outflows) \$
OPERATING ACTIVITIES			
Receipts from government for operational expenditure		9,891,516	8,945,821
Payments to suppliers and employees		(9,468,593)	(9,927,861)
Receipts collected on behalf of Government		239,259	234,981
Net cash provided by/(used) in operating activities		662,182	(747,059)
INVESTING ACTIVITIES			
Receipts from government for capital expenditure		1,738,247	1,488,690
Payments for property, plant and equipment		(2,571,615)	(449,412)
Net cash (used in)/provided by investing activities		(833,368)	1,039,278
Net (decrease)/increase in cash held		(171,186)	292,219
Cash and cash equivalents at the beginning of the year		2,200,113	1,907,894
Cash and cash equivalents at the end of the year	7	2,028,927	2,200,113

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

Notes to and Forming Part of the Financial Statements

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Land Transport Authority (the "Authority") is a statutory body established under the Land Transport Act, 2008. The financial statements were authorized for issue with a resolution of members on 14th November, 2013.

The principal activities of the Authority are described in Note 17.

Set out below is a summary of the significant accounting policies adopted by the Authority in the preparation of the financial statements. These policies have been consistently applied to all the years, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of preparation

These financial statements have been prepared under historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated.

(c) Foreign currency

All foreign transactions are translated to Fijian dollars 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 transactions are recognized 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 statement of comprehensive income in the financial year in which the exchange rate changes.

The Authority does not hedge its foreign currency commitments.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term constructions projects, if the recognition criteria are met. All other repairs and maintenance costs are recognised in the statement of comprehensive income as incurred.

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.

Depreciation and amortization

Items of property, plant and equipment including buildings are depreciated using the straight line method over their remaining useful life. Leasehold 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.

Notes to and Forming Part of the Financial Statements

- (continued)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

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.

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Authority as a lessee

Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

(f) Other receivables

Other receivables include postmaster receivables, payroll receivables, deferred expenses, interest receivable on short term deposit, prepayments and others. The collectability 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) Annual leave

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 recognized in the statement of financial position 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) Revenue recognition

Revenue comprises grants received when due.

(k) Expenses

Net financing costs

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

Interest income is recognized in the statement of comprehensive income as it accrues. The interest expense component of finance lease payments is recognized in the statement of comprehensive income.

(l) Income tax

The Authority is not subject to income tax under the Fiji Income Tax Act (1974), CAP 201 (Section 17(70)).

(m) Value Added Tax

Revenue, expenses and assets are recognized net of the amount of Value Added Tax ("VAT") except: - where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the acquisition of the asset or as part of the expense item as applicable; and - receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to and Forming Part of the Financial Statements

- (continued)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Capital grant**

Capital grants received in respect of the purchase of non-current assets are treated as a deferred credit and amortized to the statement of comprehensive income annually over the useful economic life of the related asset.

(o) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current year amounts. Certain restatements have been made to previously reported amounts for the year ended 31 December 2011. The restatement adjustments are disclosed in detail in Note 19.

2 REVENUE

	2012 \$	2011 \$
Fiji Government grant received	9,891,516	8,945,821

3 OTHER INCOME

Release of capital grant revenue	206,215	20,570
Other income	76,462	134,552
	282,677	155,122

4 ADMINISTRATION EXPENSES

Annual leave	459,101	83,357
Audit fees	12,100	12,000
Bank charges	8,448	8,200
Board members' fees and remuneration	24,813	29,004
Consultancy charges	8,100	23,517
Fiji National Provident Fund contributions	433,801	421,881
Fiji National University levies	65,917	47,752
Insurance	604,052	308,299
Legal fees	24,109	35,034
Staff training	45,071	20,916
Wages and salaries	4,773,401	4,855,733
	6,458,913	5,845,693

5 OPERATING EXPENSES

Accommodation hire	74,323	56,572
Advertising	63,713	51,272
Conferences	10,818	8,077
Depreciation	1,036,815	17,447
Driver license consumables	-	70,592
Electricity and water	332,247	326,320
Enforcement	92,203	102,504
Entertainment	35,800	18,632
Inventory consumption	600,244	445,910
Motor vehicle expenses	658,257	620,648
Number plates	2,127	16,473
Printing and stationery	37,540	248,523
Radio telephone rental	28,493	22,236
Rent and rates	382,202	391,511
Repairs and maintenance	194,860	203,850
Security hire	158,769	144,542
Telephone equipment lease charges	240,531	38,182
Telephone and facsimile	186,416	294,882
Travelling	121,764	95,146
Uniforms	18,651	10,272
	4,275,773	3,183,591

Notes to and Forming Part of the Financial Statements

- (continued)

6 OTHER EXPENSES

	2012 \$	2011 \$
Commission expense	13,096	6,009
Hire charges	38,716	27,128
Internet expenses	29,722	17,991
Maintenance computer software	231,883	265,581
Meals and catering	195,568	174,696
Miscellaneous	23,316	(40,754)
Occupational health and safety	4,142	102
Pest control	-	664
Postage, postal, courier, freight and cartage	33,046	32,181
Sanitation and cleaning	31,641	27,822
Subscription	2,274	3,860
Transfer allowance	395	7,312
	603,799	522,592

7 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	\$	\$
Cash at bank	2,017,961	2,190,038
Cash on hand	10,966	10,075
	2,028,927	2,200,113

8 RECEIVABLES

VAT receivable	1,469,425	1,003,198
Prepayments	97,756	316,372
Deposits	34,638	32,338
Staff advances	73,910	15,984
Postmaster receivables	(61,041)	(60,243)
Other	118,938	95,227
	1,733,626	1,402,876

9 INVENTORIES

Stationery	208,296	265,655
Computer consumables	23,716	249,812
Number plates	34,389	39,976
Goods in transit	149,632	-
	416,033	555,443

Notes to and Forming Part of the Financial Statements

- (continued)

10 PROPERTY, PLANT AND EQUIPMENT									
Cost	Leasehold land	Building	Motor Vehicle	Plant & Equipment	Furniture & Fittings	Computer equipment	Office equipment	Work in Progress	Total
Balance at 1 January 2012	1,274,046	6,680,470	947,227	986,933	189,863	2,686,291	601,533	1,226,491	14,592,954
Acquisitions	3,706	319,675	140,891	390,093	16,771	1,459,377	241,096	-	2,571,615
Disposals	-	-	-	-	-	-	-	-	-
Unreconciled difference	231,750	2,946	18,401	(9,519)	-	(154,674)	19,577	(406,016)	(297,535)
Balance at 31 December 2012	1,509,502	7,003,091	1,106,519	1,367,507	206,640	3,990,994	862,306	820,475	16,867,034
Depreciation									
Balance at 1 January 2012	53,996	762,675	946,845	625,576	156,729	1,917,657	469,176	-	4,932,654
Depreciation and amortisation	16,928	184,525	15,517	69,085	2,791	565,102	71,364	-	925,312
Disposals	-	-	-	-	-	-	-	-	-
Unreconciled difference	19,458	234,342	(187,981)	(195,537)	(45,371)	411,425	(124,833)	-	111,503
Balance at 31 December 2012	90,382	1,181,542	774,381	489,124	114,149	2,884,184	415,707	-	5,969,469
Carrying amount									
At 31 December 2011	1,220,050	5,917,795	382	361,357	33,134	768,634	132,457	1,226,491	9,660,300
At 31 December 2012	1,419,120	5,821,549	332,138	868,383	92,491	1,096,810	446,599	820,475	10,897,565

Notes to and Forming Part of the Financial Statements

- (continued)

10 PROPERTY, PLANT AND EQUIPMENT (continued)									
Cost	Leasehold land	Building	Motor Vehicle	Plant & Equipment	Furniture & Fittings	Computer equipment	Office equipment	Work in Progress	Total
Balance at 1 January 2011	1,274,046	6,897,724	946,749	921,828	187,602	2,351,948	589,732	1,000,724	14,170,353
Acquisitions	-	24,640	478	65,105	2,261	340,580	16,348	300,634	750,046
Disposals	-	(241,894)	-	-	-	(6,237)	(4,447)	(74,867)	(327,445)
Balance at 31 December 2011	1,274,046	6,680,470	947,227	986,933	189,863	2,686,291	601,633	1,226,491	14,592,954
Depreciation									
Balance at 1 January 2011	53,996	761,646	946,749	620,724	156,729	1,908,007	467,356	-	4,915,207
Depreciation and amortisation	-	1,029	96	4,852	-	9,650	1,820	-	17,447
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2011	53,996	762,675	946,845	625,576	156,729	1,917,657	469,176	-	4,932,654
Carrying amount									
At 31 December 2010	1,220,050	6,136,078	-	301,104	30,873	443,941	122,376	1,000,724	9,255,146
At 31 December 2011	1,220,050	5,917,795	382	361,357	33,134	768,634	132,457	1,226,491	9,660,300

Notes to and Forming Part of the Financial Statements
- (continued)

11	CREDITORS AND OTHER ACCRUALS	2012 \$	2011 \$
(i)	Trade creditors	367,026	110,634
	Accruals and other payables	1,126,839	929,680
		1,493,865	1,040,314
	Terms and conditions of the above financial liabilities:		
	- Trade payables are non-interest bearing and are normally settled on 60 days terms; and		
	- Other creditors, sundry and accruals are non-interest bearing and have an average term of six months.		
(ii)	Owing to Government consolidated account		
	Balance at 1 January	447,214	212,233
	Fees, levies and charges collected	239,259	234,981
	Transfer to Government consolidated account	-	-
	Balance at 31 December	686,473	447,214

The Authority, under Promulgation 49 of 2007 and Promulgation 1 of 2009, is responsible for the collection of all revenues mentioned in Note 18, which are deposited directly by the Authority into the Government's Consolidated Account. The Authority does not receive these funds in its bank account except for those fees, levies and charges collected in Taveuni. Government's Consolidated Account, is maintained with the Westpac Banking Corporation ("WBC"). WBC does not operate a branch in Taveuni. The Authority opened an account with the Bank of South Pacific ("BSP") in Taveuni under its name (account number 3095514) to deposit all revenues collected in Taveuni. No transfer has been made to the government consolidated account for the balance as at 31 December 2012.

12	CAPITAL GRANT	\$	\$
	Balance at 1 January	1,468,120	-
	Grant received during the year	1,738,247	1,488,690
	Release of capital grant revenue	(206,215)	(20,570)
	Balance at 31 December	3,000,152	1,468,120

Under the Ministry of Works and Transport's approved 2012 budget, the Authority received \$1,998,987 (VAT Inclusive Price) for capital purchases. The Authority actually received \$1,738,250 (VAT Exclusive Price). Capital grant was approved for the following capital purchases:

	Total (VAT Exclusive Price)
Motor Vehicle	175,250
Computer Hardware and Software	803,731
Buildings	759,269
	1,738,250

13	PROVISIONS	Employee Entitlements	Payroll	Total
	Balance at 1 January 2012	396,307	49,364	445,671
	Provisions made during the year	6,007,841	-	6,007,841
	Provisions used during the year	(5,810,972)	-	(5,810,972)
	Balance at 31 December 2012	593,176	49,364	642,540

Employee Entitlements

Provision for employee entitlements is recognized in accordance with the policy noted in 1(h).

Payroll

Provision for payroll is recognized in accordance with the policy noted in 1(i).

Notes to and Forming Part of the Financial Statements
- (continued)

14	COMMITMENTS AND CONTINGENCIES	2012 \$	2011 \$
(a)	Capital expenditure commitments	-	711,900
	Capital expenditure approved but not contractually committed	1,056,726	370,106
(b)	Operating lease commitments		
	Within one year	643,793	422,400
	After one year but not more than five years	-	-
	More than five years	-	-
	Total operating lease commitments	643,793	422,400
(c)	Contingent liabilities	1,585,538	575,595

The above denotes total possible liabilities that the Authority can incur from cases brought against it. The Authority is confident that it will be able to defend the cases and hence, the balance has not been provided in the Authority's books of accounts.

15 RELATED PARTIES

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

Authority's members

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

Mr Greg Lawlor - Chairman
Mr Vijay Maharaj
Commander Francis Kean
Mr Tomasi Tui

The board fees and remuneration for the year ended 31 December 2012 was \$24,813 (2011: \$29,004).

Key Management Personnel

Mr Naisa Tuinaceva
Ms Elena Wakolo
Mr Josefa Vosanibola

Chief Executive Officer
General Manager Finance and Administration
General Manager Operations

Compensation of key management personnel of the Authority

	2012 \$	2011 \$
Short-term employee benefits	210,800	210,800
Housing and other allowances and benefits	33,000	33,000
Fiji National Provident Fund contributions	19,504	19,504
	263,304	263,304

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal financial liabilities comprise of trade payables. The main purpose of these financial liabilities is to raise finance for the Authority's operations. The Authority has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Authority's financial statements are market risk, credit risk, and liquidity risk. The Authority's members reviews and agrees policies for managing each of these risks which are summarized below:

Notes to and Forming Part of the Financial Statements

– (continued)

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Political climate

The Authority operates in Fiji and changes to Governments and the policies they implement affect economic situation and ultimately the revenues of the Authority.

(b) Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from customers.

The Authority has no significant concentrations of credit risk.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

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

	2012 \$	2011 \$
Cash and cash equivalents (Note 7)	2,028,927	2,200,113
Receivables (Note 8)	1,733,626	1,402,876
	3,762,553	3,602,989

(c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the authority's financial liabilities at 31 December based on contractual undiscounted payments.

Year ended 31 December 2012	On demand	Later than 3 months	Total
Creditors and other accruals (Note 11)	1,493,865	-	1,493,865
	1,493,865	-	1,493,865
Year ended 31 December 2011			
Creditors and other accruals (Note 11)	1,040,314	-	1,040,314
	1,040,314	-	1,040,314

(d) Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a healthy capital ratio in order to support its business objectives. The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes for the year ended 31 December 2011.

Notes to and Forming Part of the Financial Statements

– (continued)

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	2012 \$	2011 \$
Creditors and other accruals (Note 11)	1,493,865	1,040,314
Less: cash and cash equivalents (Note 7)	(2,028,927)	(2,200,113)
Net debt	(535,062)	(1,159,799)
Equity	9,253,121	10,417,413
Total capital	9,253,121	10,417,413
Capital and net debt	8,718,059	9,257,614
Gearing ratio	-6%	-13%

17 PRINCIPAL ACTIVITIES

The principal activities of the Authority in the course of the financial year were regulating, controlling and licensing of all means of land transport, ensuring safety for all road users, co-ordination of road transport services and improvement of road transport services.

18 EVENT SUBSEQUENT TO BALANCE DATE

As per the Employment Tribunal's ruling, compensation payments were made to some former employees of the Authority subsequent to the end of the financial year. The cumulative balance of the payments made was \$79,091.

19 RESTATEMENT OF PRIOR YEAR OTHER INCOME AND OTHER EXPENSES

The balances of other income and other expenses reported for the year ended 31 December 2011 were incorrectly stated. Adjustments have been made to restate the balances of other income and other expenses. The adjustments resulted in an increase in other income by \$155,122, a decrease in capital grant by \$20,570 and a decrease in other comprehensive income by \$134,552 for the previous year. This is depicted below:

	Previously reported \$	Restated \$
Statement of comprehensive income		
Other income	-	155,122
Other comprehensive income	134,552	-
Statement of financial position		
Capital grant as at 31 December 2011	1,488,690	1,468,120

The above restatements have been made to the comparatives of other income, other expenses and other comprehensive income (in the Statement of Comprehensive Income), and capital grant (in the Statement of Financial Position) for the Authority.

20 AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT

Effective from 2008, the Authority under Promulgation 49 of 2007 is to be responsible for the collections of the following revenues which are 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 recognized on receipt. A comparison in relation to revenue collected and deposited directly into Government's Consolidated Fund are as follows:

Notes to and Forming Part of the Financial Statements

- (continued)

20 AGENCY TRANSACTION ADMINISTERED FOR THE FIJI GOVERNMENT (continued)

	2012 \$	2011 \$
Revenue		
Vehicle registration	12,507,630	12,160,249
Vehicle inspection	2,930,820	2,742,780
Driver's License and driver permit	2,923,299	2,997,519
Road safety enforcement	1,944,144	1,675,902
Public service permits	478,696	384,320
Regulation of motor vehicle dealers	185,920	155,382
Permits and exemptions	339,645	377,233
Other revenue	1,455,147	1,793,619
	<u>22,765,301</u>	<u>22,287,004</u>

Effective from 1st January 2009, the Authority under Promulgation 1 of 2009 had been given the powers to administer, implement, and control the collection of Road User Levy for the road infrastructure, maintenance, upgrade, and development of roads to ensure the safe transporting of passengers and goods.

The Authority shall deposit the Road User Levy into the infrastructure Rehabilitation and Development Fund Account to be held by the Authority for the Ministry responsible for Transport.

The total Road User Levy collected in 2012 was \$8,856,869 (2011: \$8,768,062).



