

# Water Authority of Fiji

## 2017 Annual Report

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## VISION

# Clean Water and Sanitation for a Better Life

## MISSION

We are committed to optimising water and wastewater services through:

- ✓ Resilience
- ✓ Innovation
- ✓ Safe Working Practices
- ✓ Engaging Stakeholders
- ✓ Capacity Building
- ✓ Being Environmentally Focussed
- ✓ Modernization

## VALUES

Our key values are:

- ✓ Customer Focus
- ✓ Learning and Growth
- ✓ Integrity
- ✓ Passion
- ✓ Accountability and Transparency
- ✓ Adaptability
- ✓ Respect
- ✓ Teamwork



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ADB	Asian Development Bank	NASRUP	Nadi and Suva Road Upgrading Project
AC Pipes	Asbestos Cement Pipes	NEC	National Employment Center
CAPEX	Capital Expenditure	NDP	National Development Plan
CDM	Clean Development Mechanism	NRW	Non-Revenue Water
CRFG	China Railway First Group	OHS	Occupational Health and Safety
FRA	Fiji Roads Authority	OPEX	Operational Expenditure
FOG	Fats, Oil and Grease	PPE	Personal Protective Equipment
GCF	Green Climate Fund	PPM	Planned Preventative Maintenance
GHG	Greenhouse Gas	PRF	Pressure Reducing Valve
GIS	Geographical Information System	PSIP	Public Sector Investment Program
HASAWA	Health and Safety at Work Act	PWWA	Pacific water and Wastewater Association
ITEC	India Technical and Economic Cooperation	SBU	Strategic Business Unit
JICA	Japan International Cooperation Agency	SDG	Sustainable Development Goals
KECO	Korea Environmental Corporation	UNEP	United Nations Environment Programme
LMCC	Labour Management Consultative Committee	WAF	Water Authority of Fiji
LTW	Liquid Trade Waste	WWTP	Waste Water Treatment Plant

# Letter to the Minister



1 September 2020

Hon Aiyaz Sayed-Khaiyum  
Attorney General and Minister for Economy, Civil Service and Communications  
Attorney General's Chambers  
Level 7 Suvavou House  
400 Victoria Parade  
Suva

Dear Sir,

I hereby submit the Water Authority of Fiji's Annual Report containing the Audited Financial Statements for the 2017 Financial Year.

We continue to clear the backlog of financial statements, with the 2017–2018, 2018–2019 and 2019– 2020 Financial Statements pending audit in the Auditor General's Office.

On behalf of the Water Authority of Fiji, we thank the Government for its ongoing support, and look forward to this continuing into the future.

Yours faithfully,

Bhavesh Kumar  
**CHAIRMAN**

# About the Authority

## Who We Are

The Water Authority of Fiji is a Commercial Statutory Authority (CSA) that was formed by the Government of Fiji, under the WAF Promulgation 2007, in order to provide environmentally sound, sustainable, efficient and effective water and wastewater services.

Following the 2009 Government reforms to strengthen the then Water and Sewerage Department (WSD) in preparation for the transition from Government Department to an autonomous organisation, WAF was established with effect from 1st January 2010 as a new CSA, officially taking over all responsibilities, functions and operations previously undertaken by WSD.

We report to the Minister for Public Enterprise and the Minister for Infrastructure and Transport.

## Our Responsibility

WAF is responsible for providing access to quality drinking water and wastewater services to over 147,000 residential and non-residential metered customers, reaching over 735,000 people nationwide, with an area of operation that covers 18,274 square kilometres with a water and wastewater network of more than 4,200 kilometres of pipes.

## Our Functions

- To harvest, treat and reticulate water supply for our customers,
- To comply with standards in relation to the supply and quality of water in our water system,
- To collect, transport, treat and discharge waste water,
- To establish, operate and maintain systems for the provision of water and sewerage services,
- To maintain any State assets transferred to the Authority and vested in by the Government,
- To provide technical or expert advice to any other person on matters relating to our functions and powers,
- To progressively achieve economic viability in the provision of water supply and sewerage services,
- To be environmentally responsible in the performance of all its activities,
- To assist in protecting, managing and conserving water resources, and
- To assist in the formulation and implementation of national policies or urban and rural land use planning, relating to the use and control of water bodies and resources.

# 2017 Highlights

Water Authority of Fiji launches its new Strategic Plan 2017–2019

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Carbon Credits for Greenhouse Gas Reduction – WAF claims \$350,000 from ADB by reducing emissions at 22,000 tonnes

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WAF receives an award at the 2017 Global Water Awards for its Water Champion Programme

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WAF receives US \$31 million grant from the Green Climate Fund, a component towards US 405 million investments from Fijian Government, ADB and EIB to develop the Suva-Nausori Water Supply system, which would result in improved water services for close to 400,000 people.

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WAF is the first water utility in the Asia-Pacific region to pilot Aquarating, a utility benchmarking tool.

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WAF completes 17 rural projects with installation of Ecological Purification Systems

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# Chairman's Message



I present the Water Authority of Fiji Annual Report containing the Audited Financial statements for the year 2017. (WAF) received \$169.6 million for capital expenditure and \$78.9 million for operational work.

2017 has been a very busy year for the Authority. WAF launched its new Strategic Plan 2017–2019.

It takes a bold approach to the future of the Water Authority of Fiji. It builds on the knowledge attained over time and present experience, together with the Fijian Government's goals to pave the way for the future. The drive towards service excellence in delivering clean water and sanitation for all Fijians is the central guiding theme of this Strategic Plan 2017–2019.

To strive for excellence means not to accept what could be seen as being good enough. This will require a change in the mind-set of all involved. The need to keep improving things continually, build and strengthen teamwork, create greater cohesion, practice respect and apply our values in daily operations, and benchmark our performance against relevant international best practices.

## **Project Delivery Framework**

The Project Delivery Framework was developed in 2017 and it is the latest version of the Capex Procedures Manual 2015 and Project Manual 2012. It merges the two documents and incorporates the best project management

practice.

The purpose of the manual is to guide staff through the capital expenditure approval, review, funding, and delivery processes. It aims to assist WAF in maximising the value of its capital investments.

## **WAF receives an award at the 2017 Global Water Awards**

On 24 April 2017 at the Palacio de Cibeles, Madrid, Spain, the Global Water Intelligence presented a Distinction Award to the Water Authority of Fiji under the Water Leaders Award category. WAF received the Global Water Awards for its "Water Champion" programme, which provided both a theoretical approach to learning about water and wastewater services, and a practical exercise where students and corporate bodies witnessed WAF's operations first-hand.

The programme has become the voice for water conservation in Fiji, while communicating the value of water and wastewater services to a multitude of stakeholders. Champions who have graduated from the programme includes staff from WAF itself, school students, and even members of other utility organisations such as Telecom Fiji.

Other rewards reaped for WAF's strong performance included the Authority's selection by the Asian Development Bank over 500 water utilities in the Asia Pacific region to undertake the Aquarating benchmarking exercise; WAF's receipt of US \$31 million grant from the Green



Climate Fund; and the announcement by Government, ADB and the European Investment Bank that there would be an investment of close to US \$405 million to develop the Suva-Nausori Water Supply system, which would result in improved water services for close to 400,000 people.

WAF continues to assist its rural population and completed 17 new projects with installation of the Ecological Purification Systems.

#### **TC Winston**

Of the 533 villages that were devastated during TC Winston, WAF responded to each one and ensured that they had water, even before their

houses were built or before the debris was cleared.

I would like to thank the Government for investing in water infrastructure upgrades, which has helped the Authority to provide clean, safe, reliable water to all Fijians.



**Bhavesh Kumar**  
**CHAIRMAN**



# WAF Board Members



**Chairman**

Mr. Bhavesh K. Patel



Mr. PL. Munasinghe



Mr. Umarji Musa



Mr. Vijay P. Maharaj



Mr. Hemant Kumar



Mr. Kamal Gounder



Mr. Paul Bayly (Ex-officio)  
Resigned on 17/10/17



# Financial Achievements

## 2017 – 2018 Budget

Access to clean water is both a fundamental right of every Fijian, as enshrined in the Fijian Constitution, and an essential component of sustainable development. The Water Authority of Fiji is responsible for helping achieve Government's vision to give every Fijian household access to clean water and efficient and effective wastewater services.

WAF has made serious progress in becoming a fully-modernised utility provider due to its continuing investment in human capital, adoption of international best practises across its services, procurement of new technology and efforts to raise public awareness on water conservation.

The Government had provided \$169.58 million capital investment to carry out major water projects around the country to achieve 24/7 delivery of water to all Fijians and expand Fiji's sewerage network. As articulated in the 5-Year and 20-Year National Development Plan, Government had undertaken major investments to cater for the country's long-term water supply needs. This includes an investment of \$36.17

million to improve water distribution systems; \$9.34 million to further improve water treatment quality; \$6 million for the replacement of water meters; \$7.91 million for non-revenue water; \$14.17 million for the upgrade of wastewater treatment plants; and \$3.72 million to upgrade the wastewater distribution system to ensure that Fijians within urban centres are connected to the wastewater reticulation system. In addition, Government allocated \$19.25 million to the Rural Water Supply Programme in order to provide access to clean water in rural communities, with a target of 85% access by 2021. \$9.97 million is for electrical works at WAF's water pump and wastewater stations, and \$2.5 million will be utilised to continue improvement of catchment and water source areas.



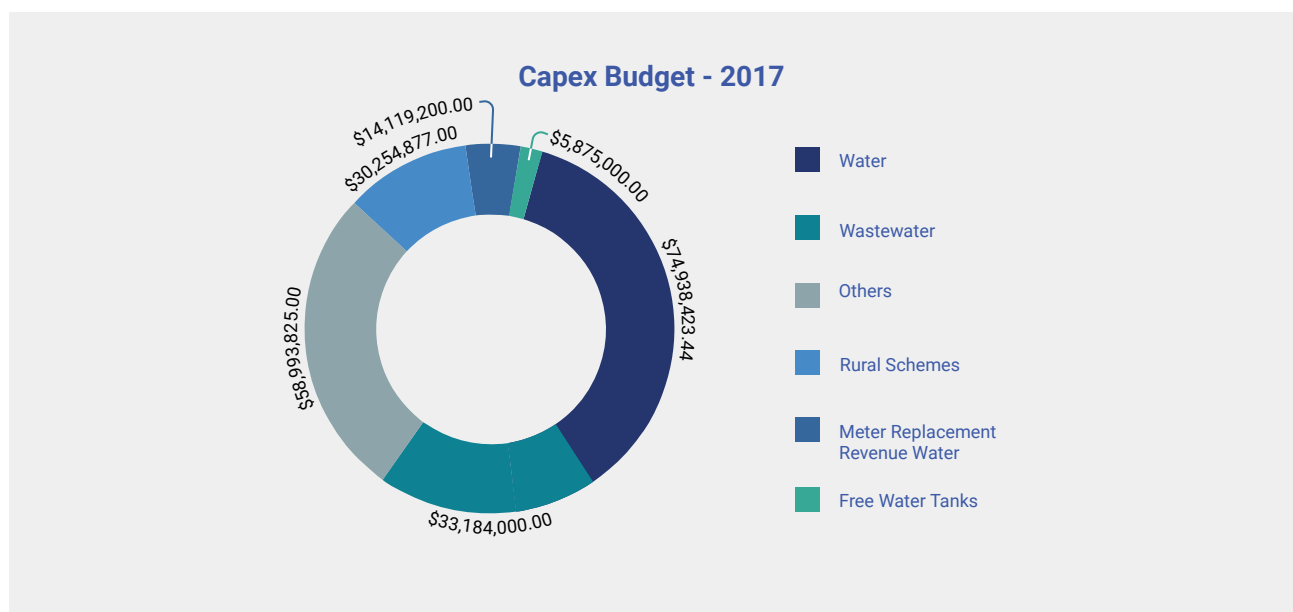
# Projects

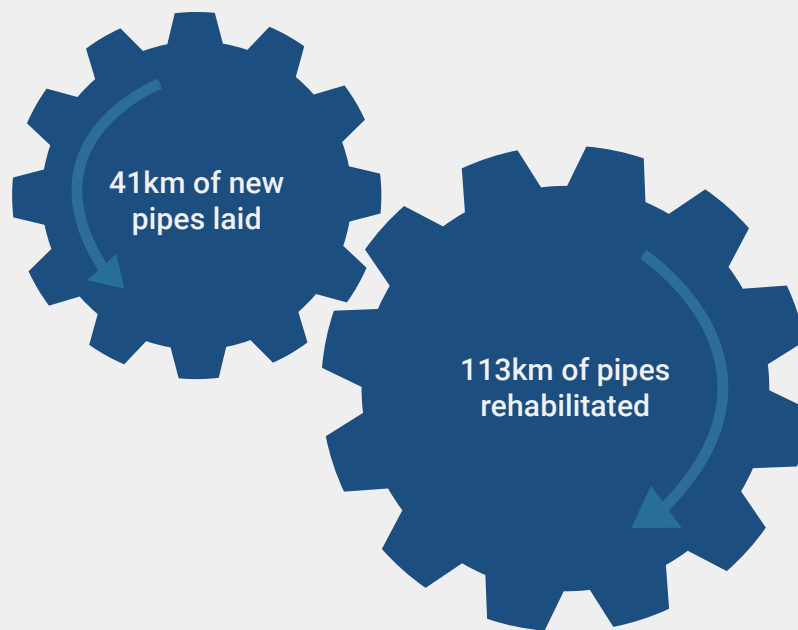
## Projects Update

There were twenty nine projects completed in 2017.

## CAPEX Projects

The CAPEX budget for the financial year 2016 to 2017, which ran from 1 August 2016 to 31 July 2017 to match the Government's changed financial year, was \$225 million. The actual capital grant received for the 2017 calendar year was \$169.6 million.





- Water Treatment Package Plants Balevuto and Namau
- Kaba Peninsula Water Supply System
- Fletcher Road AC Replacement
- Nadi and Suva Road Upgrade Project (NASRUP) Projects
- River Pipeline for Nawamagi Village
- Commissioned North Water Projects Muanidevo, Naiblu, Batiri, Dreketi
- Kiuva Mains Replacement
- Qaraniqio Bridge
- Disraeli Mains Upgrading and Replacements
- Caqiri and Nasole Footpaths Mains Upgrades
- Wailekutu Bridge Minor Rehab Works
- Dradramea 100 mm Main Extension and Upgrading
- Vunivutu to Coloci 100 mm Main Extension
- Wainibokasi Bridge Aerial Extension
- Naboro Main Extension Cut-In
- Vunidawa Raw Water Main
- Mariko Sewer Reticulation
- Vuninokonoko #2 100 mm Mains Extension
- Vunisea Sports Complex
- Veiraisi Mains Extension
- Naria Seaside Mains Extension
- Osonabukete Settlement Mains Extension
- Alivereti Farm Road/ Ram Dutt Feeder Road AC Main Replacement
- Regular Water Supply for Arolevu Settlement
- Water Main Upgrades at Black Rock Camp
- Nakorosule District School to Benefit From Water Project
- UNELCO Explores Partnership Opportunities





# Operations

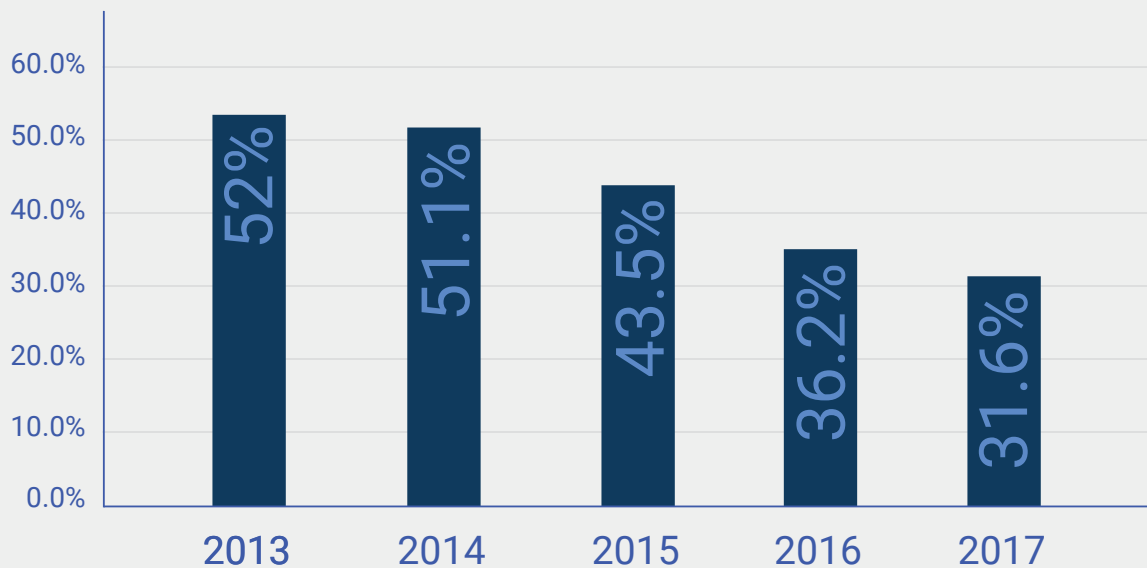
## Non-Revenue Water (NRW)

This unit is responsible for the Water Balance data compilation after each billing cycle, the calculation of non-revenue water percentage for WAF water systems by regions using IWA (International Water Association) standard software, and recommends NRW reduction works program. Rural water cart accounted for (using default percentage) in Water Balance as water exported from WAF System which impacts the water balance calculation.

### WAF Partnership with Fukuoka Reduces NRW

The final seminar for the First Partnership Project on Unaccounted Water Loss, between WAF and the Fukuoka City Waterworks Bureau, Japan, was held at Tanoa Waterfront Hotel Lautoka in May.

### WAF National Average Annual NRW% Trend



The programme contributed to the “remarkable achievement” of reducing NRW from 51.9% to 31.6% in three years.

This was officiated by the First Secretary of the Embassy of Japan in Fiji, the Deputy Secretary of the Ministry of Infrastructure and Transport, and Mr Hideaki Soneda, the Executive Director of General Affairs Department of the Fukuoka City Waterworks Bureau.

WAF now has experts in leak detection at a level previously not available in the country, and is extremely grateful to the Japan International Cooperation Agency (JICA) for funding the partnership for the reduction of WAF’s Non-

Revenue Water (NRW) and to the Fukuoka City Waterworks Bureau for their contribution as well.

Fifteen WAF staff members and one from the Ministry of Infrastructure and Transport received certificates to acknowledge their participation in the three-year programme; attending on-site training in Japan. Fukuoka City Waterworks Bureau staff assisted WAF with capacity building. More than 100 Fukuoka personnel have visited WAF in this regard.

# National Water Quality Laboratory Achievements 2017

The laboratory completed the following:

1. Quality monitoring of the 55 water treatment schemes on a regular basis from weekly, fortnightly to monthly, depending on the population size the plant serves. This ensured that all treatment processes were working as required and ensured they met with the required Fiji National Drinking Water Quality Standards on a weekly, fortnightly and monthly basis.
2. Ensured that the 11 wastewater treatment plants are operating efficiently and discharging quality effluent to the receiving water that adheres to the Environment Management Regulations 2007 and Environment Management Act 2005. Any non-conformances for each treatment plant are reported on a monthly basis for corrective actions. Kinoya Wastewater Plants were monitored on a weekly basis for quality compliance.
3. All 45 water catchment and waters sources were monitored on a quarterly basis. This includes the monthly monitoring of Vaturu Dam for chemical, microbiological, oxygen demand, nutrients, metals and physical properties. The water sources quality data are also reported to the UN Environmental Program the UN indicator for proportion of bodies of water with good ambient water quality.
4. Analysed Bacteriological quality for drinking water, chemical constituents of health significance in drinking water, organic constituents of health significance in drinking water and physical and esthetical quality as samples were received in the lab on a daily basis.
5. The National Water Quality Laboratory was involved in the Algae bloom at Nagado Water treatment plant and the team worked on it with the consultants to work out the solution to the algal bloom by testing for algae. Its presence and samples were sent on a weekly basis to Water Care Laboratory NZ for quantification of the algae.
6. Calibration of all spatial equipment was achieved to ensure proper operation and all instruments used were within the required range of measurement.
7. External audit of the Implementation of required bench techniques, control cultures and aseptic methods took place. This allowed the laboratory staff to reduce uncertainties in results and improve the efficiency as exposure was given to an international laboratory and its aspects were easily implemented and followed. This increased the technical competence of the staff.
8. The National Water quality Lab also serves over 100 external customers for water and wastewater analysis at a service fee which is an avenue for revenue generation for WAF.
9. Monitors shore line of big cities (Suva, Lautoka, Nadi) for level of pollution in relation to wastewater effluent level.
10. Continuous improvement to systems and process for the ISO 17025 accreditation journey. In-house and overseas training to support the ISO 17025 requirements.

## GIS

Geographical Information Systems (GIS) is a tool, which associated with computer based environment, is used for mapping and analyzing things that exist and events that happens around us. It integrates to common database operations such as data analysis using query functions for unique visualisation offered by maps interface. Primarily for the GIS unit, their main objective is to ensure that WAF is able to know the quantity of Infrastructure Assets on the ground and keep it in record that can be used for all purpose.

Updates of all water reticulation networks and all WAF assets associated with it were completed for all of Taveuni, including Naqarawalu, Somosomo Bucalevu, Naselesele and Mua. Ongoing capturing of Burst Main, New Connections and Pipe Replacement work in each region ensured that the GIS system is updated



with the latest information on the ground.

## Integrated Meter Management (IMM)

The IMM unit is responsible for the procurement, distribution and replacement of all meters and accessories. The unit also keeps track of the meter stock level, the monitoring and maintenance of the meters on the field especially in the case of sophisticated smart meters.

## Occupational Health and Safety (OHS)

Region	Meters Replaced
Central Eastern Region	4,390
Western Region	2,810
Northern Region	786
<b>Total 2017</b>	<b>7,986</b>

## OHS Awareness and Review of Policy

The WAF OHS unit conducted awareness at various depots and stations as part of their ongoing training exercise to provide relevant health and safety information to its staff. The OHS awareness training provides a basic understanding of the OHS Act and its subsidiary regulation, it also highlights on employers' duty of care and responsibilities of employees in maintaining their health and safety. This consultation process will enable the OHS



unit to obtain feedback from employees and incorporate important factors in the OHS Policy.

## OHS Audit and Site Visitation

The OHS team conducted an OHS audit and site visitation at various locations to identify hazards, assess risks and implement control measures to mitigate risks to acceptable levels.

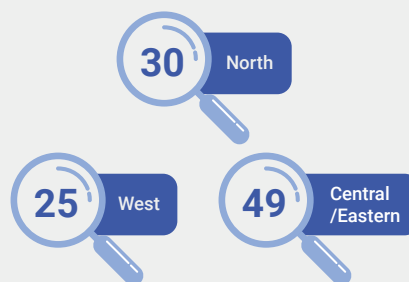
## Health Screening Program

WAF is fully committed to promoting total excellence in the workplace, with the emphasis in providing a safe system of work and healthy work environment through effective OHS management. In doing so, WAF conducts health screening in all regions on a 6 month basis. Health screening is conducted on WAF workers to identify potential disease symptoms that are easier to treat once detected at its early stages. Certain tasks at WAF are very hazardous, hence it is of utmost importance to constantly carry out random health surveillance of staff.

Staff of WAF undergoing health screening exercise as conducted by the Ministry of Health.



## Worksite Inspections 2017





## Mobile Tower Light for Night Operations

In another attempt at promoting total excellence at the workplace WAF purchased six mobile tower lights in 2017 which will be used to carry out work safely and effectively during night operations. Due to the limited set of light sources, the staff working at night had resorted to using torches and other means of light which posed a detrimental risk to the health and safety of them.

## Development and implementation of OHS

A consultant (JTA health & safety specialist)

was engaged to develop and implement an OHSMS at WAF.

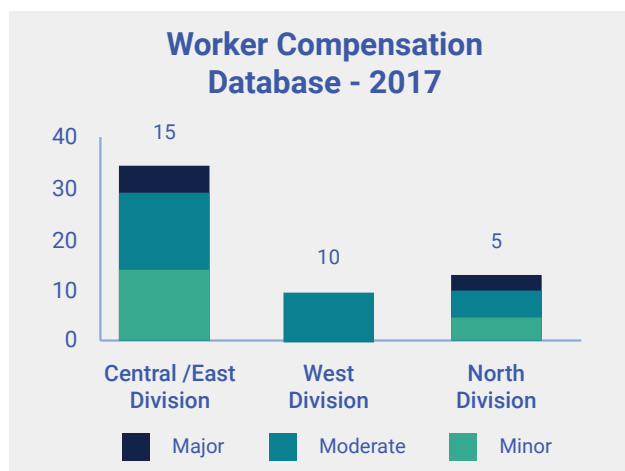
Currently, WAF lacks a well-coordinated OHS management system in all facets of its operations. The system will be developed considering the nature of our operation and other key elements such as contractor management system and working in high risk areas. Documentation such as OHS manuals, policies, procedures, risk assessment guidelines, safe work method statements, inspection checklists, and training matrices will be developed and implemented in all SBU's to have a safer work environment and to comply with relevant legislation and standards.





## Accident Details 2017

Total number of cases reported are tabulated below.



## Personal Protective Equipment for staff

With continuous management support and budget allocation, the OHS unit procured more than thirty types of PPE which was issued to the staff based on the nature and scope of work that is undertaken. Priority is normally given to field workers as they are engaged in high risk activities in day-to-day operations.

The provision of PPE to WAF employees ensured the fulfilment of commitment as outlined within the WAF OHS Policy.

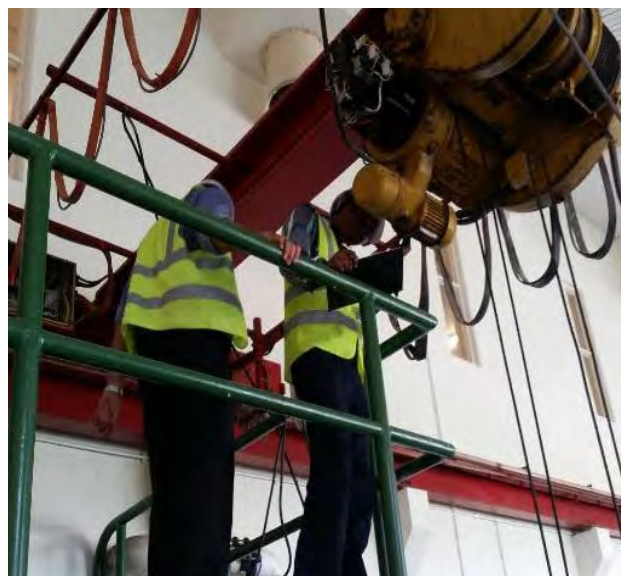


## Statutory Inspection and Certification of WAF Owned Plant and Machineries

The OHS unit is committed to ensuring that all WAF owned plants and equipment are inspected and certified by the Ministry of Labour's field operation team. The inspection examines the critical component of the plant and equipment and determines the extent of wear, deterioration and malfunction which can lead to catastrophic accidents if not properly maintained. WAF OHS unit in consultation with relevant team leaders and supervisors work closely with the Ministry of Labour to ensure risks are mitigated and reduced to acceptable levels.

The ministry's field operation team inspected and certified, inter alia, equipment such as overhead cranes, sling wire ropes, chain blocks:

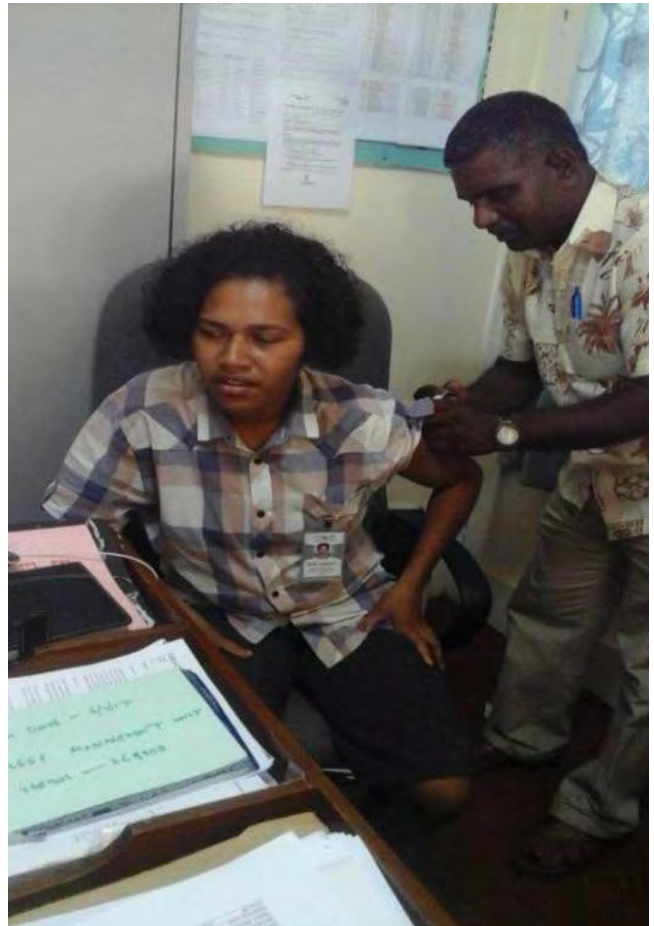
The inspection of these equipment is usually carried out every 6 months to meet the regulatory compliance and also to ensure the safety of our staff.



## Vaccination of Wastewater Staff 2017

Vaccination is usually given to wastewater staff to boost immunity against diseases and viruses and is conducted on a 6 monthly basis for staff who are in direct contact with sewers.

Employees are provided with the Hepatitis A & B injections and Typhoid vaccines to avoid any unwarranted illnesses and diseases caused by direct exposure to wastewater. The most common bacterial pathogens found in untreated wastewater are Salmonella and Shigella. Other bacterial micro-organisms include Vibrio, Clostridium, Yersinia, Campylobacter, and Leptospira.







# Legal Strategic Business Unit

The Legal Unit was formed in 2012 and plays a pivotal role as in house Legal Counsel to advance the needs of Water Authority of Fiji ('WAF'). Their duties are as follows:

- providing legal and policy advice to WAF, its management and employees;
- working collaboratively with other departments to communicate key action items for legal and regulatory compliance as required by the Board of Directors ('Board');
- handling day to day internal legal matters and carrying out consultations with WAF's external legal advisors;
- overseeing the management and review of claims, lawsuits, contracts, filing of easements, filing of legal documents; and
- attending to legal litigation matters against WAF.

## Key Achievement for the Legal Unit in 2017 Litigation

### a. Successful Prosecution - 2017

In 2014 the WAF successfully established the prosecution unit responsible for prosecuting

all cases which included charges for destroying, damaging, tampering and wilful interference with WAF assets or otherwise commonly known as illegal connections. In 2017 WAF instituted a total of 10 cases in the Fiji Courts with the assistance of the Director of Public Prosecution ('DPP') Office. A significant highlight to mention was that all 10 charges initiated was verified by DPP's office and was successfully prosecuted resulting in a 100% success rate in prosecution for the year 2017.

### b. Legal Proceedings instituted against the WAF

WAF defended itself in an illegal connection suit filed by the appellant in the Lautoka High Court (**Bal Krishna Naidu v Water Authority of Fiji (HAA # 112 of 2017)**). This was an appeal by the appellant against WAF, where the appellant appealed the ruling of the magistrate's court. The magistrate's court had ruled that the accused (appellant in the High Court) was guilty of illegal connection and the High Court subsequently upheld the ruling of the magistrate's court in favour of WAF.



residential and commercial property owners within Suva. The project was completed in 2013, however, there was a delay in the payment of compensation, survey of the pipeline route and the registration of the easement certificate over the lots which have been affected by the sewer projects.

In 2017 the WAF Legal Unit following consultation with the Registrar of Titles ('ROT') and the Lands Department commenced the process of regularisation and filing of easements in the Titles Office, whereby WAF registered 20 easement certificates, which were registered on the titles of the properties affected because of the project.

WAF also obtained a ruling in its favour in the case of **Labasa Town Council v Water Authority of Fiji (Criminal Action#548 of 2013)**. In this case, the Labasa Town Council filed a charge against WAF for causing nuisance under the Public Health Act 1935 when WAF attended to burst main repairs. This case considered the powers WAF has under section 8 of the Water Authority of Fiji Act 2007 with respect to the repair works without causing nuisance to the public under the Public Health Act 1935.

#### c. **Employment Relations Matter**

In 2017, an employment grievance claim was filed against WAF for unfair termination (**Maikali Drauna v Water Authority of Fiji (ERT Grievance Action #23 of 2017)**), whereby the grievor contended that WAF failed to comply with the proper procedure during termination. The Employment Relations Tribunal ruled in favour of WAF, that is, proper procedure was followed by WAF in terminating the grievor thus there was no unfair termination.

#### d. **Conveyancing and Easement**

As part of the Government initiative, ADB had funded a sewer construction and realignment project in 2013 namely the 5F, 5G and Nabukalou sewer projects. The construction project involved the laying of sewer pipelines on critical areas in Suva i.e. Suva City main CBD, Domain, Samabula area. The route of these pipelines affected interest of both

#### **Contract**

With the Capex Grant of \$165,317,442.00 a number of critical projects was initiated in 2017. A significant number of these projects required engagements of international contracting firms and consultants. WAF's procurement and contracting strategy required the adoption of International Contracting Standards i.e. FIDIC in engaging these strategic partners. A total of 29 contracts were drafted by the Legal Unit in 2017.



# Internal Audit

The internal Audit Department plays a vital role in the operations of the Water Authority of Fiji. The role of internal audit is to provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively.

Internal Audit Department Achievements for 2017 are as follows:

The Internal Audit department handled 68 cases where by 63 of the cases were Investigation and 5 were Audit Reports. Apart from the above cases, there were frequent spot checks done by the department on stores, cashiers till count, petty

cash and the water cart operation in regions.

Some of the Audit Reports that were submitted were:

- Recruitment Audit
- Special Audit – Plant Hire companies

While the following recommendations were acknowledged by the Management:

- Plant Hire Policy was developed.
- Recruitment team to develop the new procedure to avoid delays in the recruitment process.





# Environment

The Water Authority of Fiji's (WAF) Environment Management Unit's (EMU) major objective is to ensure that WAF's operations are in compliance with the Environment Management Act (EMA) 2005. The purpose of the EMA 2005 is "for the protection of the natural resource and for the control and management of developments, waste management and pollution control and for the establishment of a national environment council and for related matters".

The team is responsible for acquiring Waste Disposal Permits for all (55) WAF's treatment plants from the Ministry of Environment (MoE).

This includes preparation of Waste Management Plans, Waste Disposal Returns Forms, Permit Renewals forms and conducting quarterly inspection of all treatment plant facilities.

The team is also involved in the protection of WAF's catchment areas in order to provide safe drinking water to all. In addition, conducting environmental compliance monitoring, assessment and reporting of PSIP (in-house/outsourced), and rural projects to ensure sustainable development within WAF's operations are also undertaken.

The key achievement by EMU included



undertaking 69 Initial Environment Examinations (IEE), 32 Compliance Monitoring, 43 Water and Wastewater Treatment Plant Inspections, 30 Waste Disposal Permit Renewals, 9 Waste Disposal Permit New Applications and 43 Waste Disposal Permit Returns, Trainings and Awareness, Integrated Water Resource Management and 27 Water Quality Hazard Assessment, etc. This totals to 288 reports being compiled and submitted to the WAF Management by the EMU during 2017. Some highlights during 2017 included the EMA 2005 trainings with WAF's technical staff within the three Divisions with the collaboration of WAF's EMU and Ministry of Environment, issuing of Stop Work Notice to a company that was illegally extracting gravels in Waibau, with the collaboration of Ministry of Lands and Mineral Resources and recycling of plastic bottles that was being piloted in Kinoya Sewerage Treatment plant (KSTP) Depot with the collaboration of EMU and KSTP managements.

Some highlights during 2017 included:

- the EMA 2005 training with WAF's technical staff within the three Divisions with the collaboration of WAF's EMU and Ministry of Environment,
- issuing of Stop Work Notice to a company that was illegally extracting gravels in Waibau, with the collaboration of the Ministry of Lands and Mineral Resources
- recycling of plastic bottles that was being piloted in Kinoya Sewerage Treatment plant (KSTP) Depot with the collaboration of EMU and KSTP management.



# Strategic Planning

Strategic Planning Unit functions as a coordinating body, developing and implementing strategies that meet the objectives of the organisation. SPU is mandated to Construction and Formulation of Key Strategic Documents, Innovation, Identifying Opportunities, Forecasting and Planning, Analysis and Information Presentation to Management for Decision Making and New Business Development. Listed below are some key deliverables of the unit for the first six months of 2017.

- WAF Annual Conference 2017 and Water Authority of Fiji Awards Night
- Workforce Planning and Structure Review
- Submission of Pacific Water & Wastewater Association (PWWA) Benchmarking Report
- Public Sector Investment Program (PSIP) 2017 Submission
- Corporate Documents

## Water Champions Program

As part of the WAF's continuous effort in promoting water conservation awareness in communities, homes and schools, WAF runs the Water Champions programs during the school holiday breaks with school students. Since the inception of the program in 2014, there has been a total of over 80 students that have gone through the program.

The objective of the program is to create

awareness in school children on where water is sourced from, treated and distributed. This program also provides an opportunity for students to explore career options prior to undertaking final year of study in the schools. The program has also been extended to Western and Northern divisions.

The program expansion has also included the corporate sector, social communities and the staff of WAF. The feedback has been very positive and has provided WAF insights in enhancing the program.

The Water Champion program gained global recognition in being awarded a Distinction in the Water Leaders category in the 2017 Global Water Award in Madrid, Spain.







# Corporate Communication

The Corporate Communications Team manages the communication space between WAF, stakeholders and the general public. The year 2017 was filled with activities highlighted below:

- Fiji National Water Forum
- WAF Conference
- WAF Annual Awards Night
- World Water Day in Levuka
- USP Entrepreneurial and Expo Fair 2017
- CEO's site visits
- Code of Practice signing – MOA between utilities
- MOU signing between WAF and the Fiji National University (FNU)
- MOU signing between WAF and Vodafone & Digicel for SMS
- Rural Water Commissioning
- Water Tank Distribution at Latchman Feeder Road
- Water Tank Distribution at Qiolevu Road
- Fiji Corrections Service visit to WAF
- Nasivikoso Rural Water Commissioning
- Liquid Trade Waste Policy & Fabrication & Installation Of Grease Traps And Underground Interceptors Handbook Launch
- Public Consultations at Nasinu Secondary School and Lami Police Post – Bure.







# Human Resources

## WAF signs MOU with the Fiji National University

The Water Authority of Fiji signed the Memorandum of Understanding with Fiji National University on 24th March 2017 to formalise the partnership arrangement in providing industrial attachment to the engineering students of the University to acquire work experience which is a requirement as part of the program.

The Memorandum of Understanding is specifically for industrial attachment in the areas of Civil Engineering, Electrical and Electronics Engineering and Mechanical Engineering. Apart from these areas the students are also accepted in the other areas as well that includes, human resources, finance, project management, national water quality lab, legal etc.

The MOU gives an opportunity for the Authority to help design the engineering curriculum with an industry advisory committee already set up to ensure graduates are fit for employment.

## Employee Relations

The Employee Relations Section is a newly established Sub-unit within the Human Resources SBU. One of the achievements was the establishment of the Labour Management Co-operation Committee to meet, discuss and find ways to solve any issue that arises in the workplace. The membership consists of workers and management representatives.

## Labour Management Consultation Committee (LMCC)

The Water Authority of Fiji strengthens and promotes good employee relations with staff and management through the Labour Management Consultative Committee. The LMCC, including the management and employee representatives, met four times to discuss issues raised by employees and provided its recommendations to the Chief Executive Officer.

The LMCC was established on 19th January

2016, and so far have amicably resolved thirty eight (38) cases.

## Training

Various training and workshops were attended by staff during the year. 19 WAF staff attended Training of Trainers Module 2 (TOT) at FNU, the finance staff attended Fiji Institute of Accountants seminar in Warwick, and 10 WAF staff attended lands survey drafting training at FNU. Occupational Health Safety training was also carried out with the St John Council of Fiji.

## SDG 6 - UN Regional Technical Workshop

The United Nations Environment Programme (UNEP) selected WAF to host the region's first-ever technical training on monitoring and reporting on its Sustainable Development Goal 6, or SDG6, on water and sanitation.

Fiji was amongst only 10 countries around the world and was also the first in the South Pacific to be chosen by UNEP to carry out this technical training.

The two-day hands-on training was conducted by global freshwater ecosystems expert, Dr Chris Dickens from the South Africa-based International Water Management Institute (IWMI).

The workshop reflected UNEP's efforts to help countries like Fiji with its reporting efforts in achieving its SDG6, under which are two additional issues, such as ambient water quality and freshwater ecosystems.

The technical training covered how these issues can be implemented within Fiji with special emphasis on our responsibilities and our plan of action to gather the necessary data in order to submit our SDG report back to the UN.

The workshop was attended by at least 40 senior water officials, as well as policy makers and relevant stakeholders, with discussions on water quality and hydrological monitoring, wetland inventory and setting targets for water variables.

## Traffic management training

Recognising the need to improve its traffic management expertise, 34 WAF operational staff from the Central-Eastern and Northern Divisions were trained in June on the basics of temporary traffic setups, by Fulton Hogan Hiways (FHH) specialist trainer, Mr Eddie Mee.

This assisted WAF to have appropriate temporary traffic management plans and adequate resources to better manage traffic on roads and, subsequently, meet Fiji Roads Authority standards and requirements.

Operational staff were trained to carry out repairs, maintenance and new installations on the roadside without risk to workers, pedestrians and motorists.

## Trainee/Engineer Program

WAF has also introduced Graduate Programs as Engineers are scarce and are in high demand and WAF is afraid of losing them to other organisations or them leaving for greener pastures. These Engineers hold key positions in WAF and carry out the core functions of the organisation.

To retain these skilful Engineers, WAF has introduced the Graduate & Career Progression Program for Engineers where fresh graduates targeted from the University are recruited and trained in different fields of the organisations. A total of 57 recruits have gone through each stage from Graduate Trainee to Graduate Engineer and then to various Engineer pathways.

## Pathway for Graduate Engineers





## Status of Graduate Program - 2017

Current Graduate Trainee		
Position	Location	No
Graduate Trainee	Central Eastern	5
Current Graduate Engineers		
Position	Location	No
Graduate Engineer	Central Eastern	27
	Western	3
Total		30



# Partnership

WAF's partnership with the New Zealand Ministry of Foreign Affairs and Trade (MFAT) has seen 193 employees benefiting from funding of \$832,602 for training in Water and Wastewater Reticulation, Excavation Awareness and Advanced Safety, Graduate Engineer Principles and Trends, Reticulation Water and Wastewater Confined Space, and Water and Wastewater Plant Operator Training.

The twinning arrangement with Hunter Water, Australia has resulted in knowledge transfer in SCADA and System Training, Wastewater Network Modelling, and Water and Wastewater Design, whereas twinning with Sydney Water, Australia has seen the development of the Implementation of Liquid Trade Waste Policy in Fiji.

The twinning arrangement with Water Care Services, New Zealand has provided knowledge transfer in non-revenue water, SCADA, Asset Management, Enterprise Risk Management, Liquid Trade Waste and Wastewater Modelling.

Five WAF employees travelled to India to participate in Indian Technical and Economic Cooperation (ITEC) Programme courses, namely: International Training on Laboratory Quality Management System; Quality System Certificate ISO 9001 Sigma Six Practice for Organisations/Laboratories Testing and Calibration, and International Training Programme on Human Resources Planning and Development. Three staff members attended the world's largest international graduate water education facility, UNESCO-IHE, in Delft, Netherlands. A

fourth staff member, WAF National Water Quality Laboratory Team Leader, Mr Mosese Nariva, is enrolled in the Masters of Science programme at UNESCO-IHE.

The Japan International Cooperation Agency (JICA) contributed to WAF's training schedule, with employees attending the 5th Asia Smart City Conference and participating in programmes such as the ongoing Counterpart Training by Fukuoka City Waterworks Bureau in Reducing Unaccounted Water; the Feasibility Survey on Dirty Water Treatment System; Management of Water Resources and Water Supply Services, and the Operation and Maintenance of Sewerage System.

During 2017, WAF continued to encourage employees to attain recognised skills certification with the FNU Trade Test Programmes, continued to participate in the National Employment Centre (NEC) Attachment Programme and signed a Memorandum of Understanding with FNU on Industrial Attachment.

## WAF's Climate Change Adaptation Journey

Climate Change has posed significant risk and opportunities for the Water Authority of Fiji. WAF has a substantial number of assets located in close proximity to the coastline and major rivers. In previous years, flooding of these assets has been a common occurrence, especially wastewater assets, such as wastewater treatment plants, pump stations and manholes.



This caused wastewater overflow into the local flora and fauna and posed a health hazard for the surrounding communities. Over the last decade, Fiji has been experiencing some major climatic events that have either disrupted provision of service or completely damaged water and wastewater assets. The cost of a quick fix and permanent solution ran into the millions. To date, the Water Authority of Fiji's response to managing risks has been mainly shaped by the:

1. Water Authority of Fiji's Strategic Plan (2014 – 2016, 2017 – 2019)
2. Corporate Plan (2014, 2015, 2016, 2017)
3. Capital Procedures Manual (Revised to Project Delivery Framework 2017)
4. Water Authority of Fiji's 20-Year Masterplan.

The Water Authority of Fiji optimised on the opportunity of a Master Class Training for

Climate Change Adaptation sponsored by the Asian Development Bank (ADB) through its Water Operators Partnership programme. The training was facilitated by Sydney Water and Climate Risk and was a 3-week programme over 12 months. The first Master Class Training was carried out in Sydney Australia in February, 2017 while second Master Class Training was held in Fiji in June, 2017 and the final Master Class Training in October, 2017.

The Master Class training programme's main objectives are:

- Capacity Building in Climate Change Adaptation for Water Utilities
- Formulation of Utility Climate Risk Register
- Compilation of a Vulnerability Assessment Report based on the Climate Risk Register







# Inclusiveness

## Strides in Gender Inclusiveness

2017 saw several strides made in WAF's efforts to be gender inclusive, making strong headway and meeting milestones towards that goal.

## WAF Best Woman Professional

To honour and recognise the role women employees play at WAF, the Authority introduced its first-ever Best Woman Water Professional of the Year Award at the 2016 Staff Excellence Awards event held in January 2017.

The first recipient of this Award was Mrs Nanise Tuwai, WAF Team Leader, Water Network Modelling, presented by the Chief Guest, Late Honourable Madam Speaker of the House, Dr Jiko Luveni, a "role model" for women in Fiji and the Pacific.

With a workforce of only 12% women, WAF is actively encouraging women to take up careers at WAF. The Authority also endorses strong advocacy for gender equality through recruitment, promotion, training and policy.



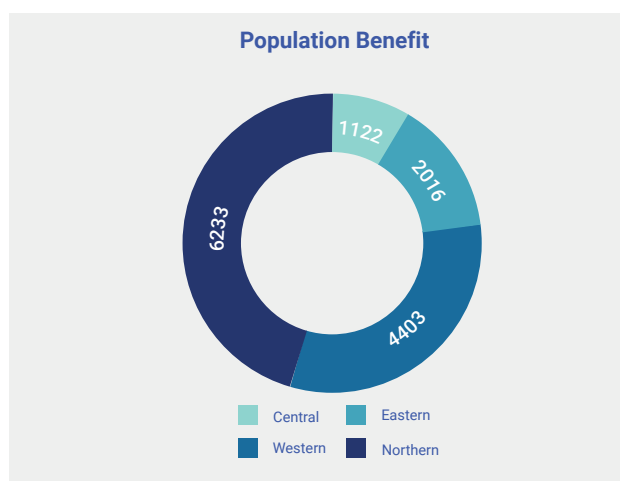
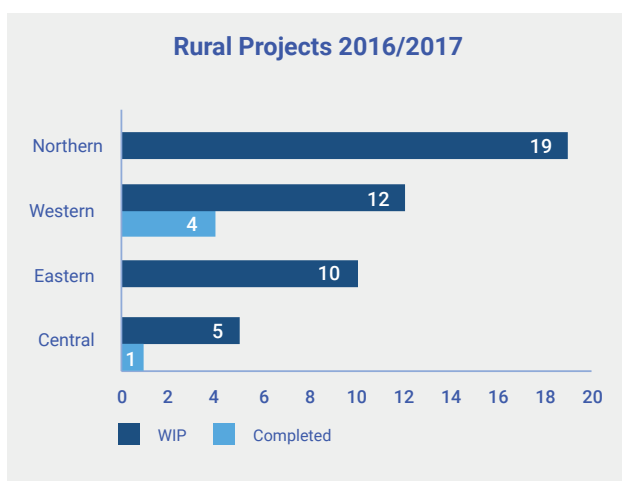


## Rural and Maritime

The Rural Water Projects programme continued to prove effective when each registered village received, for most, their first-ever reliable water source. This, with the enormous amount of work accomplished under the CAPEX projects, proved our ability to meet challenges head on and succeed.

request projects, benefiting 13,776 people. This was the largest number of projects carried out by the unit in years. This number was greatly divided by scope of works namely; construction of new water schemes and upgrading works. There were 57 new scheme projects and 119 upgrading projects.

PSIP 2017/2018 saw Rural units undertaking 176 water projects and 2 urgent ministerial





# Government Initiatives

## Free Initiatives

Under the 2017 budget, the government continued funding on three free initiatives, Free Water Allowance for households with incomes

under \$30,000, Rainwater Harvesting and Free Water tanks for intermittent supply areas.

## Free Water Allowances

Customer Awareness programs were carried out in respective regions to promote free water allowance to those customers who meet the criteria to qualify for the allowance. Under this

scheme, customers are provided with 91,250 litres of water free annually. Customers that exceed this amount will have to pay for their extra usage.

Region	Approved	Population Impact	Annual Value of Water
Central	10,049	50,245	\$141,449.72
Western	12,400	62,000	\$174,542.40
Northern	3,358	16,790	\$47,267.21
<b>Total</b>	<b>25,807</b>	<b>129,035</b>	<b>\$363,259.33</b>



## Rainwater Harvesting

Government through the Water Authority of Fiji's Rainwater Harvesting Scheme distributed 4,373 x 5,000 litre tanks throughout rural areas in Fiji.

Region	Distributed	Population Impact
Central	1,686	8,430
Western	1,933	9,665
Northern	754	3,770
Total	4,373	21,865

## Free Water Tanks

Free water Tank distribution is mostly distributed to rural and intermittent supply areas. Key requirements for the household applying is to build a water tank base and have roof guttering in place to meet the criteria for approval.

Region	Distributed	Population Impact
Central	114	570
Western	1	5
Northern	0	0
Total	115	575





# Wastewater

The Wastewater Management Unit was recently established to allow the unit to provide an effective and efficient wastewater collection and treatment process.

The unit is responsible for the operations and treatment of domestic and industrial wastewater ensuring that standards are met before discharging. This is to ensure:

- The efficient operation of the existing wastewater collection and treatment system
- The ongoing maintenance program for the Wastewater system
- The upgrading works as per the recommendation of the operation team
- The monitoring of the level of infiltration into the Wastewater system
- The extension of coverage and wastewater treatment facilities as per the recommendation of the Master Plan Studies

The unit coordinates closely with the Planning, Design and Construction SBU with the extension of coverage that is conducted yearly for WAF.

## **Desludging and Odour Control (Kinoya Wastewater Treatment Plant)**

With 11 operating wastewater treatment plants in Fiji, WAF is committed to providing efficient and effective wastewater services to the people of Fiji in accordance with World Health Organization (WHO) guidelines, including installing and maintaining wastewater collection and treatment facilities.

WAF's anaerobic ponds and sludge lagoons in some of these treatment plants have, over the years, accumulated excessive amounts of sludge, which has led to reduced treatment efficiency and capacity, and increased level of odours emanating from the plant.

Kinoya WWTP desludging was completed in 2017 which has improved the plant efficiency levels, capacity and reduced odour levels. Desludging of other wastewater treatment plants will also be carried out in the next phase of plant improvements.



# Liquid Trade Waste

Liquid Trade Waste (LTW) teams are based in all divisions and their key role is to sample the businesses that discharge liquid trade waste into the WAF Wastewater system. Moreover, some other key roles are to disseminate results to businesses and explain on their performance on wastewater discharge, assist businesses in suggesting pre-treatment, and collecting information on businesses that discharge trade waste and to get them connected to WW lines if they are within 30 meters of the WW boundary.

- Monitoring of wastewater pump stations
- Creating awareness and education on waste management and water conservation
- All Trade Waste staff trained by Sydney Water under the twinning program
- LTW policy got approved on 15th February 2017
- Handbook on Fabrication and Installation of Grease Trap and Grease Interceptors was written through various consultation processes launched on 27th June 2017
- Issued 61 Provisional Permits for LTW has been given to the businesses
- Created awareness and education through workshops and face to face discussions with the stakeholders
- 3 staff were trained on natural resource management and climate change from

India under ITEC scholarship for short term training

- Procurement of sufficient awareness materials and promotional items
- Procurement of sampling resources
- Production of documentary CD on water conservation and production of documentary CD on waste management is in progress
- Built a strong stakeholder relationship and gained a lot of support for the trade waste program. This is a continuous process and 4 inspection chambers have been installed for 4 different types of businesses (FMF, Viti Foods Limited, Fiji Dairy Limited, Paradise Beverages) and the installation of inspection chambers for 4 more businesses are in progress

## Liquid Trade Waste Achievements

The Water Authority of Fiji implemented the Liquid Trade Waste programme in March 2013 with one team leader, three technical officers, five service technicians and two trade assistants for each region, positioned in the National Office. The Liquid Trade Waste Unit was established to monitor and regulate the wastewater discharge from commercial and industrial businesses that are connected to WAF's wastewater infrastructure and was officially inaugurated in 2014. Technicians congregated and compiled data and created awareness by conducting on-ground business verification, LTW sampling,

tanker sampling, and stakeholder and in-house presentations.

The Liquid Trade Waste policy was approved by Cabinet on 15th February, 2017 and, on 27th June, 2017 two handbooks were launched;

1. Fabrication and Installation of Grease Traps and Underground Grease Interceptors
2. Liquid Trade Policy







# Demand Management

Here in Fiji, we are very aware that climate change is real. If we are to protect water for future generations, then we must act now. Focused primarily on the WAF's domestic customers who comprise 92 per cent of the total, the Demand Management Team (DMT) was created this year to promote the importance of water conservation. Team members comprise representatives from WAF's various departments.

One of the DMT's key strategic objectives for the next three years is to reduce the per capita use of water per day from 220 litres to 180 litres. Globally, families with an average of five individuals per household survive on 220 litres per day. Comparatively, in Fiji, one person uses 220 litres. There is a lot of wastage. The responsible consumption of water is a collaborative effort

between WAF and consumers.

Fiji's low tariff rates contribute to the lack of conscious water saving. The average water bill per household is around \$25 for three months. If you equate that to a daily basis, each family only needs five cents to pay their bill. It would be a more manageable cost for consumers; however, people are wasting this resource and the DM Team wants to address this. A key challenge is instilling a behavioural change. The Team has begun water audits on residential customers to examine consumption habits.





# Customer Service

The Water Authority's customer service team interacts with customers of the organisation to provide them with information to address inquiries regarding services provided by the organisation. In addition, they deal with and help resolve any customer complaints. There are three major complaint categories, as follows:

- Billing Complaint
- Production Complaint
- Project Metering Complaint

The table below shows the regions and the total complaints received and closed within the timeline.

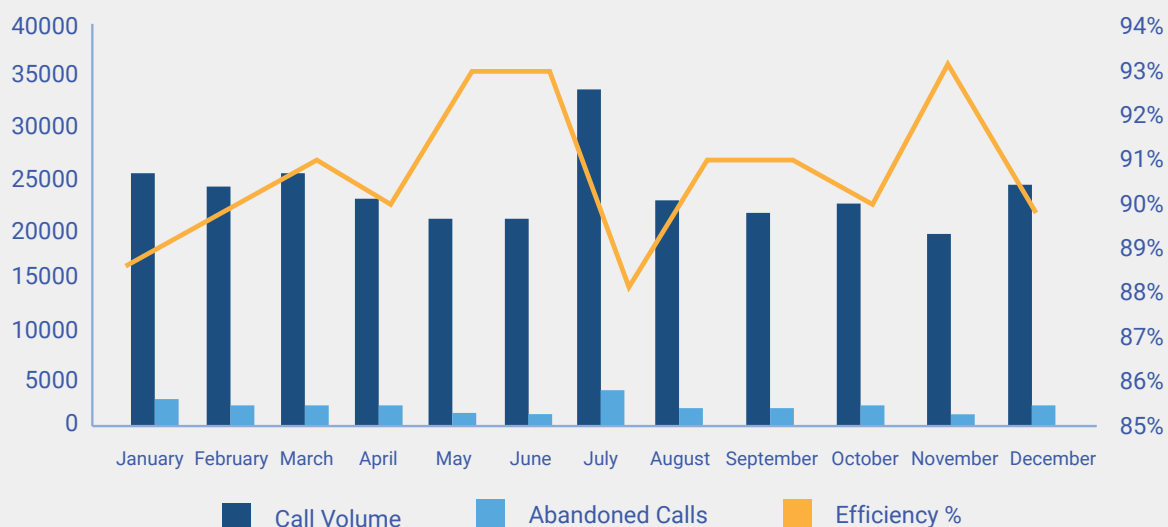
Total Complaints 2017	
Region	2017 Total
Central/Eastern	25,775
Western	18,512
Northern	5,666
Unstructured	46,661
<b>Total Complaints Received</b>	<b>96,614</b>

## Call Centre

### Call Centre Service Level

The target for Call Centre service level is 80% and all calls to be answered within 20 seconds. WAF's national call centre is a one stop shop and operates 24 hours, 7 days a week, to respond to queries and complaints. There are 14 trained customer care officers rostered over a 24-hour period shift who are able to access the customers billing history online to answer account queries. They liaise closely with the technical staff so that accurate information can be given to customers regarding water cuts or shortages in their area.

### WAF Call Centre Performance 2017



### Contact Emails - Call Centre

One of the responsibilities for the call centre team is to look after contact emails. That is another platform where our customers enquire about WAF services. All the emails are acknowledged and feedback is given within 24 hours.

### Contact Emails 2017



### Customer Care Centres

WAF has 11 customer care centres Fiji wide. The major customer care centres are National office, Labasa office, Lautoka office, Namaka office and Nausori office. Currently WAF has installed an Electronic Qmatic system in some of their customer care centres to monitor the service level target in comparison with the serving time. The grade of service for serving customers in the frontline is 80%. This means that the total number of walk-in customers must be served within 15 minutes of waiting time. It measures the efficiency of the service and also reduces the customer waiting time.

WAF Customer Care unit is in a process of installing Qmatic systems in other centres as well in the next quarter.

## Challenges - Way to Move Forward Strategy

1. Qmatic National office	Qmatic national office tower to be changed in the next quarter.
2. Timelines on service requests are not met, especially for new connections	Monitor weekly the pending new connections that are more than 15 days old and regularly follow up with the DMA team.
3. Gentrack Training	To be thoroughly conducted throughout the regions and to ensure that the data entry is 100% accurate, especially when updating customer information
4. Community Education and Awareness	"All regions take a lead role in the community engagement and Government roadshows. Queries and application forms received from customers should be processed with feedback being provided to customers. This platform is the voice of the customer.

## Customer Care Connections – 2017

Meter Connections - Water as at 31.12.2017				
Account Group	Central	West	North	Total
Residential - Water	70,589	49,315	12,484	132,388
Commercial - Water	4,687	3,662	1,046	9,395
Institutional - Water	1,369	568	408	2,345
<b>Total</b>	<b>76,645</b>	<b>53,545</b>	<b>13,938</b>	<b>144,128</b>

Meter Connections - Waste Water as at 31.12.2017				
Account Group	Central	West	North	Total
Residential Waste Water	13,945	9,969	1,224	25,138
Commercial Waster Water	2,056	2,093	425	4,574
Institutional Waste Water	322	133	53	508
<b>Total</b>	<b>16,323</b>	<b>12,195</b>	<b>1,702</b>	<b>30,220</b>



## Customer Service 3-Day Billing Process

Due to delayed processes in the Gentrack billing system, a 3-day billing process programme was introduced in customer service whereby a route would be read on the first day, the process conducted on the second day, and a bill sent through Post Fiji on the third day. This process adoption went very smoothly, improving billing time for customers.

## On-Time Disconnections

A change in the disconnection programme was introduced, whereby readers only read from the 2nd of the month to 10 consecutive days; thereafter, all readers focus on disconnection only. The new process was a positive change and improved revenue collection from \$3m to \$4m per month.

## myBill Info Card

The Water Authority of Fiji launched its myBill Info Card on July 25<sup>th</sup>. The card, which is free of charge, enables WAF customers to easily access account details with just one scan of the card at any authorised agent, such as Morris Hedstrom (MH), Post Fiji Limited or at any WAF cashier located at any Customer Service Centre outlet nationwide. The card was designed in order to resolve the issue of missing water bills and to reduce the inconvenience of being disconnected. This was in direct response to the customer complaints.

Customers may now make instant payments through internet banking or through Vodafone M-PAISA or Digicel Mobile Money. The card compliments WAF's SMS (Short Message Service) billing service that was launched on April 4<sup>th</sup>. A Memorandum of Understanding was signed between WAF and authorising agents, MH and Post Fiji in July. By mid-October, more than 500 cards were issued, with positive feedback received from their users. By the end of October, WAF Customer Services recorded approximately 5,800 under the registration process, with 3,100 on e-mail billing and another 2,700 on Short Message Service (SMS) billing services.

## Community Service

The Customer Care and Call Centre and LTW teams took the time to pick up rubbish and strategically place 6 rubbish bins in Natadradave and three other bins in Delakado Village during an informal customer service awareness programme.

WAF also participated in Fiji Maritime – Customer Awareness, whereby free water allowance forms were distributed, along with arrears waiver forms, and rainwater harvesting and new connection queries were fielded.

## Customer Service Forum

### Inaugural Customer Forum

The Water Authority of Fiji also held its first-ever 'Customer Forum'. This was an opportunity to formally engage with customers, and is expected to be repeated on a regular basis.

WAF CEO said that the main aim of the forum was to foster trust, value and understanding for WAF's customers, providing the opportunity for discussions with the Authority's commercial and domestic customers, as well as with representatives of institutions.

The forum was designed to transmit information and create awareness in a timely, cost effective and organised manner, in terms of water conservation, waste management, and WAF services as a whole.

## Business Customer Forum

Liquid Trade Waste conducted consultations on the Fabrication and Installation handbook with all town councils in the region and customer service business forums for Central, Western and Northern Divisions, where WAF updated its business customers on the WAF 20-year master plan, current issues, new projects and customer forum charter.

## Fiji National Water Forum

The first Fiji National Water Forum was held at the Novotel Convention Centre on 25th January 2017. The objectives of the forum were to:

- promote knowledge sharing on national and global water challenges and solutions
- work towards meeting Sustainable Development Goal #6 (Ensure availability and sustainable management of water and sanitation for all)
- enhance sector coordination and governance.

The Minister for Local Government, Housing and Environment, Mr Parveen Kumar, was the chief guest and, in his statement, commended the efforts by WAF board and management on organising the forum. Mr Kumar added that the forum would allow stakeholders in the water sector to discuss issues at the national level.





# Milestone Achievements

## Gas Flare Project

Kinoya Sewage Treatment Plant adopted the technology titled “Clean Development Mechanism” (CDM). This involves capturing and destroying methane emissions generated from

decomposing organic sludge at the wastewater facility. Methane is a greenhouse gas (GHG) and has 25 times more global warming potential than carbon dioxide (CO<sub>2</sub>).





Water Authority of Fiji

# Financial Statements

For the year ended 31 December 2017

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# Directors' Report

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of Water Authority of Fiji (the "Authority") as at 31 December 2017 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date. The Water Authority of Fiji was established 1 January 2010 as a commercial statutory authority in accordance with the Water Authority of Fiji Promulgation of 2007.

## Directors

The names of directors in office at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

Board Members	Appointed	Resigned
Mr Bhavesh K Patel (Chairman)	01/03/2018	Current
Mr P.L. Munasinghe	01/03/2018	Current
Mr Umarji Musa	28/02/2018	Current
Mr Vijay P Maharaj	01/03/2018	Current
Mr Hemant Kumar	24/04/2018	Current
Mr Kamal Gounder	13/10/2016	Current
Mr Paul Bayly (Ex-officio)	13/10/2016	17/10/2017

## State of affairs

In the opinion of the directors, the accompanying statements of financial position give a true and fair view of the state of affairs of the Authority as at 31 December 2017 and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Authority for the year then ended.

## Trading results

The net loss for the year amounted to \$61,773,206 (2016: \$58,749,247).

## Dividends

The directors recommend that no dividends be declared or proposed for the year.

## Principal activity

The principal activity of the Authority during the course of the financial year was to harvest, treat and reticulate water for supply to its customers and to establish, operate and maintain systems for the provision of water and waste water services.



# Directors' Report

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## Current assets

The directors took reasonable steps before the Authority's financial statements were prepared to ascertain that the current assets of the Authority were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

## Current assets continued

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

## Non-current assets

Upon establishment of the Authority, under the Water Authority of Fiji Promulgation 2007 ("the Promulgation"), Property, plant and equipment were vested in the Authority under the Promulgation amounting to \$1,888,909,608. The valuation of these Property, plant and equipment was carried out in 2006 and this value became the 'deemed cost' to the Authority as at 1 January 2010.

The Authority has not subsequently carried out an independent valuation of the Property, plant and equipment as it is the Directors view that the costs associated with such an exercise would outweigh the benefits to be achieved. Hence in the opinion of the Directors, the deemed cost of Property, plant and equipment is considered an appropriate measure.

## Prior Year Adjustment

The Directors' of the Authority have made adjustments & re-instatement to the Financial Statement to derecognise the recording of water and wastewater revenue on the face of the financial statements. The correction has resulted in restating accumulated losses, contributed equity, trade and other receivables of prior year accounts.

In the current year, the revenue relating to the water and waste water revenue has not been recorded in the statement of comprehensive income. Further information on the correction is set out in note 25(1)."

## Other Receivables

The directors took reasonable steps before the Authority's financial statements were made out to ascertain that all receivable was recorded and adequate allowance was made for impairment losses.

At the date of this report, the directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

# Directors' Report

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## Going Concern

The financial statement of the Authority have been prepared on a going concern basis. We consider the application of going concern principle to be appropriate in the preparation of this financial statement and we believe that the Authority has adequate funds to meet its liabilities as and when they fall due in the next 12 months.

## Related party transactions

All related party transactions have been adequately recorded in the financial statements.

## Events subsequent to balance date

Subsequent to year end, the World Health organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International concern". The impact of COVID-19 outbreak on public health and the economy in Fiji and globally is expected to affect the overall operation of the Authority including liquidity and cash flows for subsequent years. Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2017 financial statements is not expected to be material.

## Other circumstances

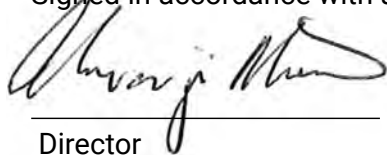
The results of the Authority's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

## Directors' interests

No Director of the Authority has, since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the Authority's financial statements) by reason of a contract made with the Authority or a related corporation with the director or with a firm of which he or she is a member, or in a Authority in which he/she has a substantial financial interest.

Dated at Suva this 1st day of March 2021.

Signed in accordance with a resolution of the Directors.

  
Director

  
Director

## Statement by Directors

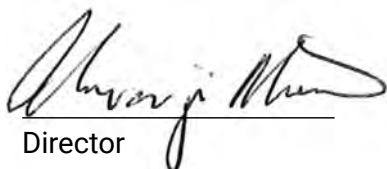
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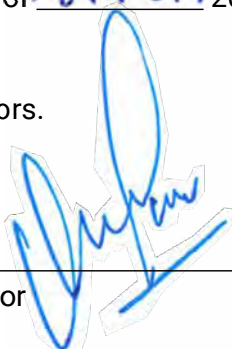
In the opinion of the Directors of Water Authority of Fiji:

- a. 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 2017;
- b. 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 2017;
- c. 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 2017;
- d. 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 2017;
- e. at the date of this statement there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due; and
- f. all related party transactions have been adequately recorded in the books of the Authority.

Dated at Suva this 1st day of March 2021.

Signed in accordance with a resolution of the Directors.

  
Director

  
Director



# Independent Auditors Report

For the year ended 31 December 2017

## OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Website: <http://www.oag.gov.fj>



### INDEPENDENT AUDITOR'S REPORT

To the Directors of Water Authority of Fiji

Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Water Authority of Fiji ("the Authority"), which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Water Authority of Fiji as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### Basis for Qualified Opinion

1. Opening balance of Property, Plant and Equipment amounting to \$1,888,909,608 for the year ended 31 December 2010 was not subject to valuation at the time of the transfer to Water Authority of Fiji. The valuation of these assets was carried out in 2006. Consequently, I am unable to confirm the value of the opening balance of property, plant and equipment when it was transferred in 2010.
2. Included in the property, plant and equipment (Note 13), is leasehold land amounting to \$209,204,157. The Authority has not obtained the legal ownership of the land as at 31 July 2017. While the Authority uses the leasehold land for its operations, no amortization has been recorded against the value of the land. Consequently, I was unable to determine if any adjustment that would be required in respect to the amortization of the land and the impact that it will have on the carrying amount of the land in the statement of financial position and the amortization expense in the income statement.
3. The Authority has not undertaken a full review on impairment of assets with zero book values totaling \$5,527,649 include in its property, plant and equipment, (Note 13). It is yet to carry out a review of the depreciation rates and the remaining economic useful lives of individual major classes of plant and equipment in a progressive and structured manner for consideration and review by the Directors.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



# Independent Auditors Report

For the year ended 31 December 2017

## Emphasis of Matter

I draw attention to Note 26 (a) where management has disclosed impact of COVID-19. The management has stated that there is nil impact of the virus on the amounts and estimates reported or used in the preparation of 2017 financial statements.

My opinion is not qualified in respect of this matter.

## Other Matters

- Internal Audit carried out by contracted Accounting Firm have highlighted some serious issues relating to the plant hire relating to 2017 which indicates possible fraud. I was unable to access the internal audit report and therefore, I am unable to determine the exposure of any fraud and its implication on the 2017 financial statements. Accordingly, I have not modified my opinion relating to this matter.
- IT Governance policies which includes Disaster Recovery Plan was noted to be in the review stage. These policies needs to be updated for good governance and protection of valuable data of the Authority.

## Responsibilities of the management and those charged with governance for financial statements

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

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# Independent Auditors Report

For the year ended 31 December 2017

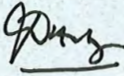
## Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Water Authority of Fiji Act 2007 in all material respects, and:

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit except for those discussed under "Other Matters" paragraph above; and
- b) the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.

  
Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
04 March 2021



# Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017	2016 (Restated*)
		\$	\$
Revenue	5	78,899,685	72,071,657
Other income	6	48,747,566	49,326,460
Total Revenue		127,647,251	121,398,117
Personnel expenses	8	(33,950,443)	(26,026,267)
Operating expenses	7	(98,732,047)	(94,936,223)
Profit from operations before depreciation, amortization and finance income		(5,035,239)	435,627
Depreciation & amortization	13 & 14	(56,892,377)	(59,288,328)
Finance income	9	154,410	103,454
<b>Loss for the period</b>		<b>(61,773,206)</b>	<b>(58,749,247)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(61,773,206)</b>	<b>(58,749,247)</b>

\* Refer note 25 for details

The accompanying notes form an integral part of the statement of comprehensive income.

# Statement of Changes in Equity

For the year ended 31 December 2017

	Note	Contributed equity (Restated)	Accumulated losses (Restated)	Total
		\$	\$	\$
Balance at 1 January 2016, as previously reported	25	1,747,699,848	(232,852,610)	1,514,847,238
Correction Adjustment - Revenue Recognition	25	661,493	(10,228,693)	(9,567,200)
<b>Restated balance at 1 January 2016</b>		<b>1,748,361,341</b>	<b>(243,081,303)</b>	<b>1,505,280,038</b>
Loss for the year		-	(58,749,247)	(58,749,247)
Correction Adjustment - Revenue Recognition				-
Transfer of water and sewerage bills collected to Government of Fiji Consolidated Fund Account		(1,909,063)	3,448	(1,905,615)
<b>Restated balance at 31 December 2016</b>		<b>1,746,452,278</b>	<b>(301,827,102)</b>	<b>1,444,625,176</b>
Loss for the year		-	(61,773,206)	(61,773,206)
Transfer of water and sewerage bills collected to Government of Fiji Consolidated Fund Account		(11,463)	-	(11,463)
<b>Balance at 31 December 2017</b>	<b>27</b>	<b>1,746,440,815</b>	<b>(363,600,308)</b>	<b>1,382,840,507</b>

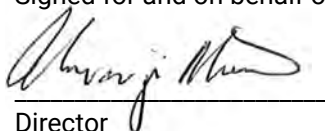
The accompanying notes form an integral part of the statement of changes in equity.

# Statement of Financial Position

For the year ended 31 December 2017

	Note	2017	2016 (Restated)
		\$	\$
<b>Non-current assets</b>			
Property, plant and equipment	13	1,769,830,071	1,746,069,527
Intangible asset	14	825,440	967,501
Total non-current assets		1,770,655,511	1,747,037,028
<b>Current assets</b>			
Cash and cash equivalents	10	62,578,916	34,241,532
Trade and other receivables	11	22,246,585	6,818,766
Inventories	12	31,273,648	28,939,985
Held-to-maturity investments	15	1,326,710	1,323,742
Other assets and prepayments	16	922,430	887,838
Total current assets		118,348,289	72,211,863
<b>Total assets</b>		<b>1,889,003,800</b>	<b>1,819,248,891</b>
<b>Equity</b>			
Contributed equity		1,746,440,815	1,746,452,278
Accumulated losses		(363,600,308)	(301,827,102)
Total equity		1,382,840,507	1,444,625,176
<b>Current liabilities</b>			
Obligations under finance lease	21	-	91,458
Trade and other payables	17	28,938,966	18,820,909
Provision for employee entitlements	20	405,078	775,140
Deferred revenue - capital grant	18	43,891,010	47,512,310
ADB funded grant	19	3,807,243	1,613,149
Total current liabilities		77,042,297	68,812,966
<b>Non-current liabilities</b>			
Deferred revenue – capex grant	18	365,701,621	239,025,086
ADB funded grant	19	63,419,376	66,785,663
Total non-current liabilities		429,120,997	305,810,749
Total liabilities		506,163,294	374,623,715
<b>Total equity and liabilities</b>		<b>1,889,003,800</b>	<b>1,819,248,891</b>

Signed for and on behalf of the Board of Directors



Director



Director

\* Refer note 25 for details

The accompanying notes form an integral part of the statement of comprehensive income.



# Statement of Cash Flows

For the year ended 31 December 2017

		2017	2016
	Note	\$	\$
<b>Operating activities</b>			
Receipts of Government Revenue		45,673,267	36,753,022
Receipt from Government Grant & Other Income		78,899,685	72,071,657
Payment to suppliers and employees		(140,218,285)	(92,628,548)
Payment to Government – Consolidated Fund Account		(45,673,267)	(36,753,022)
<b>Net cash flows used in operating activities</b>		<b>(61,318,600)</b>	<b>(20,556,891)</b>
<b>Investing activities</b>			
Receipt from Government – capital grant		169,576,635	104,576,413
Receipt from rural entities – rural projects		-	3,738
Payments for property, plant and equipment		(79,983,603)	(84,606,430)
<b>Net cash flows from investing activities</b>		<b>89,593,032</b>	<b>19,973,721</b>
<b>Financing activities</b>			
Repayment of finance lease		(91,458)	(419,443)
Proceeds from interest income		154,410	103,454
<b>Net cash flows from/(used in) financing activities</b>		<b>62,952</b>	<b>(315,989)</b>
Net increase/(decrease) in cash and cash equivalents		28,337,384	(899,159)
Cash and cash equivalents at 1 January		34,241,532	35,140,691
<b>Cash and cash equivalents at 31 December</b>	<b>24</b>	<b>62,578,916</b>	<b>34,241,532</b>

The accompanying notes form an integral part of the Statement of cash flows.

# Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2017

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## 1. Reporting Entity

Water Authority of Fiji (the "Authority") is a corporate body with perpetual succession and a common seal established under the Water Authority of Fiji Promulgation 2007 in Fiji. The address of the Authority's registered office is Kings Road, Nasinu.

The principal activity of the Authority during the course of the financial year was to harvest, treat and reticulate water for supply to its customers and to establish, operate and maintain systems for the provision of water and waste water services. Other functions of the Authority are stated in section 7 of the Water Authority of Fiji Promulgation 2007.

## 2. Basis of preparation

### a. Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and the requirements of the Water Authority of Fiji Promulgation 2007. The financial statements were approved by the Board of the Directors on 1st March 2021.

*New standards and interpretations not yet adopted.*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Authority.

### b. Basis of measurement

The financial statements have been prepared on a historical cost basis except where stated. The accounting policies have been consistently applied by the Authority.

### c. Functional and presentation currency

The financial statements are presented in Fiji dollars, which is the Authority's functional currency. All financial information presented in Fiji currency has been rounded to the nearest dollar.

### d. Use of estimates and judgments

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

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

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

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Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3(b) - Property, plant and equipment

Note 3(c) - Financial instruments

Note 3(f) - Impairment

## 3. Significant accounting policies

### a. Foreign currency transactions

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Fiji dollars at the exchange rate at that date. The foreign currency gains or losses on translation are recognised in profit or loss.

### b. Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment inherited by the Authority from the Water and Sewerage Department prior to 1 January 2010 are measured at optimised replacement cost and additions thereafter are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

#### Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Authority and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

#### Depreciation

Property, plant and equipment including leasehold land, building, furniture and fittings, plant & equipment and motor vehicles, but excluding freehold land is depreciated using the straight line method, at rates which will write off the costs of those assets over their expected useful



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

lives. Leasehold land is amortised over the period of lease. The method of write off and the rates used are those considered appropriate to each class of asset.

The depreciation rates for each class of assets are as follows:

Buildings and improvements	1.25% - 2.5%
Water Distribution Equipment	1% - 5%
Sewerage Equipment	1% - 5%
Furniture and fittings	7% - 12%
Office Equipment	3% - 12%
Motor vehicles	20%
Computers	33%
Leasehold land	Over term of lease

## c. Financial instruments

### Non-derivative financial assets

The Authority initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Authority becomes a party to the contractual provisions of the instrument.

The Authority derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Authority is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and other assets excluding prepayments.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

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## Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Authority initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Authority becomes a party to the contractual provisions of the instrument.

The Authority initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Authority becomes a party to the contractual provisions of the instrument.

## Cash and cash equivalents

The Authority derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Authority has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

## Trade payables, provisions and other payables

Trade and other payables are stated at cost. A provision is recognised in the statement of financial position when the Authority has legal or constructive 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## **d. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of construction overheads based on normal operating capacity.

Cost also may include transfers from other comprehensive income of any gain or loss on

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

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qualifying cash flow hedges of foreign currency purchases of inventories.

## e. Leased assets

Leases in terms of which the Authority assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

## f. Impairment

The carrying amounts of the Authority's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Authority's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

## g. Employee benefits

### Superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss.

### Short-term benefits



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

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Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided.

A liability is recognised for the amount to be paid under short-term benefits if the Authority has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

## **h. Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts, and foreign exchange gains and losses arising on sales transactions. Revenue is recognised for the major business activities as follows:

### Government Grants

Unconditional government grant related operating expenses are recognised in profit or loss as income when the grant becomes receivable.

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

## **i. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

## **j. Finance income and finance costs**

Finance income comprises interest income on short - term bank deposits and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and changes in the fair value of financial liabilities at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## **k. Income tax**

The Authority's revenue is exempted from Income tax as per a letter from Fiji Revenue & Customs Authority, dated 3rd February 2017. The letter states the Authority's revenue is an exempt income under Part 1(2) of the Income Tax Regulation 2016.

Value Added Tax (VAT)

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

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Revenue, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT) except

- i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- ii) For trade receivables and trade payables which are recognised inclusive of VAT.

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

- iii) The tariff rates charged to customers for water and wastewater are exempted from VAT.

## **I. Change in accounting policy and disclosures**

In March 2016, the Government of Fiji announced that the Government Fiscal Year will now begin on 1st August and end on 31st July. The previous financial year was based on the calendar year starting from 1st January till 31 December. The change in government fiscal year had a significant effects on the financial statement of the authority as it received Government Grant.

Due to this change the authority is re-instating 2017 audited opening balances under IAS 8. Work In Progress balances reported as Assets relating to projects which were expense in nature needs to be closed on 31 December 2016. These projects do not increase the Authority's asset upon completion but is closed of as expense. The re-instatement has nil effects on the profit & loss reported as at 31 December 2016.

"The Directors' of the Authority have made adjustments & re-instatement to the Financial Statement to derecognise the recording of water and wastewater revenue on the face of the financial statement's. The correction has resulted in restating accumulated losses, contributed equity, trade and other receivables of prior year accounts. Further information on the correction is set out in note 25(1). In the current year, the revenue relating to the water and waste water revenue has not been recorded in the statement of comprehensive income."

## **m. Comparative figures**

Comparative figures have been amended where necessary, for changes in presentation in the current year.

## **n. Standards issues but not yet effective**

A number of new standards and amendments to standards are effective for the annual periods 1 January 2015, however, the Authority has not applied the following new or amended standards in preparing these financial statements:

The Authority has no plans to adopt the standards early and the extent of the impact has not been determined.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

IFRS 9 amendments	Financial Instruments	(effective 1 January 2018)
IFRS 15	Revenue from Contracts with Customers	(effective 1 January 2018)

## 4. Financial risk management

### Overview

The Authority has exposure to the following risks:

- i) Credit risk;
- ii) Liquidity risk;
- iii) Market risk; and
- iv) Capital management.

This note presents information about the Authority's exposure to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk, and the Authority's management of capital. Further quantitative disclosures are included throughout these financial statements.

### Risk management framework

The executive management is responsible for managing the risks of the Authority on a daily basis. There are established policies and procedures for the key business to manage the risks and develop a strong control environment.

#### a. 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 cash at bank and receivables.

The Authority does not require collateral in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk at reporting date is as follows:

	\$	\$
Cash at bank	62,567,386	34,232,502
Other Receivables	22,246,585	6,818,766
Other assets excluding prepayments	105,925	393,279
	<b>84,919,896</b>	<b>41,444,547</b>



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## b. 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.

	Carrying amount	6 months or less	6 - 12 months	More than 1 year
<b>31 December 2017</b>	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	62,894,097	62,894,097		
Other receivables	22,246,585	20,949,694	1,296,891	
Other assets excluding prepayments	105,924			105,924
	85,246,606	83,843,791	1,296,891	105,924
<b>Financial liabilities</b>				
Trade and other payables	28,938,966	571,965	28,367,001	-
	28,938,966	571,965	28,367,001	-
<b>31 December 2016</b>	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	34,565,274	34,565,274	-	-
Other receivables	6,818,766	6,158,429	660,337	
Other assets excluding prepayments	393,279	393,279	-	-
	41,777,319	41,116,982	660,337	-
<b>Financial liabilities</b>				
Trade and other payables	18,820,909	6,961,626	11,859,283	-
	18,820,909	6,961,626	11,859,283	-

## c. 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 holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Authority does not have any significant risks in these areas.

### Price risk

The Authority does not have investments in equity securities and hence is not subject to equity securities price risk.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## Cash flow interest rate risk

As the Authority's interest bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates.

## d. Capital management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Authority monitors capital on the basis of the gearing ratio. The gearing ratios at 31 December 2017 and 2016 were as follows:

	2017	2016
	\$	\$
Total liabilities excluding deferred income and employee entitlements	28,938,966	18,912,367
Total assets	1,889,003,800	1,819,248,891
<b>Gearing ratio</b>	<b>1.53%</b>	<b>1.04%</b>

## 5. Revenue

		(Restated)
Government grant	78,899,685	72,071,657
	<b>78,899,685</b>	<b>72,071,657</b>

## 6. Other income

Transfer from deferred revenue	47,698,253	49,125,459
Other income	1,049,313	201,001
	<b>48,747,566</b>	<b>49,326,460</b>

## 7. Operating expense

Chemical usage	2,123,106	2,223,771
Directors fees	35,954	28,536
Water and electricity	22,532,211	18,152,881
Fuel and oil	1,891,873	1,669,869
Plant and equipment hire	14,192,790	9,872,304
Loss on disposal of fixed assets	-	22,876
Professional fees	3,379,654	2,180,284
Repairs and maintenance	44,144,269	53,482,492

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

	2017	2016
	\$	\$
Travel and accomodation	915,033	393,023
Land compensation	645,374	-
Insurance	877,000	711,329
Office supplies, printing, stationery and upkeep	625,163	474,645
Rent and security	1,748,123	1,510,533
Advertising and awareness	276,281	118,301
National Fire Authority refunds	404,380	343,047
Others	2,532,573	1,799,514
	98,732,047	94,936,223

## 8. Personnel expenses

Salaries and wages	29,190,577	21,390,775
Annual leave	1,337,073	1,636,110
Fiji National Provident Fund	2,582,425	1,813,482
Staff welfare	840,368	1,185,900
	33,950,443	26,026,267

The number of employees during the year was:

1,207      1,168

## 9. Finance income and expenses

Interest income on short-term bank deposits	154,410	103,454
	154,410	103,454

## 10. Cash and cash equivalents

Cash at bank	62,567,386	34,232,502
Petty Cash	11,200	8,700
Cash on hand	330	330
	62,578,916	34,241,532

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. Short term deposits are made from varying periods of between one day and three months, depending on the immediate cash requirements of the Authority, and earn interest at the respective short term deposit rates.



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

At 31 December 2017, the Authority had a \$31.8m LC facility with BSP to comply with the contractual obligations of its several major Capital projects. In addition, the Authority held cash of \$276,172 (2016: \$330,135) on Billpay accounts with ANZ, WBC and Bred bank that is restricted to be deposited to the Government of Fiji Consolidated Fund account as collection received on water and waste water revenue. Furthermore, the Authority has \$1.2m held as Retention for Outsource contractual works, performance bond of \$53,720 and tender deposits held amounting to \$849,965.

## 11. Other receivables

	2017 \$	2016 \$ (Restated)
VAT receivable	6,902,562	3,042,271
Other receivables	15,344,023	3,776,495
	22,246,585	6,818,766

## 12. Inventories

	\$	\$
Spare parts and tools	32,221,148	29,887,485
Less: provision for stock loss	(947,500)	(947,500)
Balance as at 31 December	31,273,648	28,939,985

### 13. Property, plant and equipment

Cost	Land and Buildings	Water and Distribution Equipment	Sewerage Equipment	Motor Vehicles	Office Equipment	Office Computers	Furniture and Fittings	Work in Progress - Capex	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2016	407,878,620	1,345,690,022	275,389,532	11,060,276	3,686,236	3,147,479	371,300	78,584,996	2,125,808,461
Additions	53,688	2,008,638	68,062	363,941	1,946,293	409,177	28,577	78,703,708	83,582,084
Disposals	-	-	-	(205,287)	-	-	-	-	(205,287)
Transfer	309,666	23,878,721	4,442,615	1,069,809	-	-	-	(70,390,473)	(40,689,662)
Reclassification	-	(440,463)	-	440,463	-	-	-	-	-
<b>At 31 December 2016</b>	<b>408,241,974</b>	<b>1,371,136,918</b>	<b>279,900,209</b>	<b>12,729,202</b>	<b>5,632,529</b>	<b>3,556,656</b>	<b>399,877</b>	<b>86,898,231</b>	<b>2,168,495,596</b>
Additions	788,166	1,268,447	114,240	168,807	4,595,278	554,602	78,216	113,185,860	120,753,616
Disposals*	-	-	-	-	-	-	-	(40,258,657)	(40,258,657)
Transfer	-	14,857,984	2,694,196	-	741,871	-	193,179	(18,998,294)	(511,064)
Reclassification	-	-	-	-	-	-	-	-	-
<b>At 31 December 2017</b>	<b>409,030,140</b>	<b>1,387,263,349</b>	<b>282,708,645</b>	<b>12,898,009</b>	<b>10,969,678</b>	<b>4,111,258</b>	<b>671,272</b>	<b>140,827,140</b>	<b>2,248,479,491</b>
Depreciation and impairment									
At 1 January 2016	125,544,422	194,358,794	36,697,182	4,691,064	691,673	1,960,388	149,652	-	364,093,175
Depreciation/amortization charge for the year	22,809,891	26,772,196	5,465,202	2,352,448	504,830	463,656	39,574	-	58,407,797
Reclassification	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(74,903)	-	-	-	-	(74,903)
<b>At 31 December 2016</b>	<b>148,354,313</b>	<b>221,130,990</b>	<b>42,162,384</b>	<b>6,968,609</b>	<b>1,196,503</b>	<b>2,424,044</b>	<b>189,226</b>	<b>-</b>	<b>422,426,069</b>
Depreciation/amortization charge for the year	19,610,380	27,213,137	5,521,424	2,092,715	983,367	724,440	77,888	-	56,223,351
Reclassification	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31 December 2017</b>	<b>167,964,693</b>	<b>248,344,127</b>	<b>47,683,808</b>	<b>9,061,324</b>	<b>2,179,870</b>	<b>3,148,484</b>	<b>267,114</b>	<b>-</b>	<b>478,649,420</b>
Net book value									
<b>At 31 December 2016 (Restated)</b>	<b>259,887,661</b>	<b>1,150,005,928</b>	<b>237,737,825</b>	<b>5,760,593</b>	<b>4,436,026</b>	<b>1,132,612</b>	<b>210,651</b>	<b>86,898,231</b>	<b>1,746,069,527</b>
<b>At 31 December 2017</b>	<b>241,065,447</b>	<b>1,138,919,222</b>	<b>235,024,837</b>	<b>3,836,685</b>	<b>8,789,808</b>	<b>962,774</b>	<b>404,158</b>	<b>140,827,140</b>	<b>1,769,830,071</b>

\* This disposal includes rural projects handed over to communities and projects expensed upon completion. During the year, \$10.7m was allocated by the Authority for rural projects and project costs of \$2,717,464 (2016: \$2,110,815 ) was released from work in progress and deferred income in relation to completed rural projects.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## 14. Intangible asset

Cost	\$
At 1 January 2016	1,925,442
Additions	1,024,759
<b>At 31 December 2016</b>	<b>2,950,201</b>
Additions	526,965
<b>At 31 December 2017</b>	<b>3,477,166</b>
Amortisation and impairment	
At 1 January 2016	1,102,169
Amortisation	880,531
<b>At 31 December 2016</b>	<b>1,982,700</b>
Amortisation	669,026
<b>At 31 December 2017</b>	<b>2,651,726</b>
Net book value	
<b>At 31 December 2016</b>	<b>967,501</b>
<b>At 31 December 2017</b>	<b>825,440</b>

Intangible assets includes licenses acquired previously by WAF for MapInfo system and Private Automated Branch Exchange (PABx) system currently used by the Customer Service department, Unlimited Pipe Modelling for the waste water modelling team, Sage 300 ERP and PayGlobal system used in Finance department and development costs for the Gentrack system.

## 15. Held-to-maturity investments

	2017 \$	2016 \$
<b>Current</b>		
Term Deposit	1,326,710	1,323,742
	<b>1,326,710</b>	<b>1,323,742</b>

Term deposit held with Westpac Banking Corporation Limited has a term of 365 days with interest rate of 1% per annum (2016: 1%).

## 16. Other Assets and Prepayments

	\$	\$
Prepayments	816,505	494,559
Other assets	105,925	393,279
	<b>922,430</b>	<b>887,838</b>



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

**17. Trade and other payables**

	\$	\$ (Restated)
<b>Trade payables</b>	571,965	6,961,626
<b>Other payables and accruals</b>	28,367,001	11,859,283
	<b>28,938,966</b>	<b>18,820,909</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms; and
- Other payables are non-interest bearing and have an average term of 90 - 180 days.

**18. Deferred revenue - capital grant**

	<b>2017</b> \$	<b>Restated</b> <b>2016</b> \$
At 1 January	286,537,396	231,992,329
Grant received during the year	169,576,635	104,580,151
Refund of village contribution on rural projects	(77,670)	(411,959)
Transfer to ADB funded grant	-	-
Reversal of completed fully funded/ rural projects	(2,552,720)	(2,110,815)
Released to the statement of comprehensive income	(43,891,010)	(47,512,310)
At 31 December	<b>409,592,631</b>	<b>286,537,396</b>
Deferred Grant Capex is Represented by:		
Non current liability	365,701,621	239,025,086
Current Liability	43,891,010	47,512,310
	<b>409,592,631</b>	<b>286,537,396</b>

All Government grants were used to fund the Authority's capital works. Annual depreciation and amortization is charged directly to the property, plant and equipment costs and a corresponding transfer from government grant to income is made each year to provide for amortization of the grant.

**19. ADB funded grant**

	\$	\$
At 1 January	68,398,812	70,011,961
Direct Payments by ADB	2,635,050	-
Transfer from Deferred revenue - capital grant	-	-
Released to the statement of comprehensive income	(3,807,243)	(1,613,149)

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

At 31 December	67,226,619	68,398,812
Deferred Grant Capex is Represented by:		
Non current liability	63,419,376	66,785,663
Current Liability	3,807,243	1,613,149
	67,226,619	68,398,812

Suva Nausori regional water supply and sewerage project funded from Asian Development Bank original loan number 2055 – FIJ dated 27 November 2003. The Project Management Unit at Water Authority of Fiji and Ministry of Public Utilities & Infrastructure Development implements the project, effecting payments through the Ministry of Finance and National Planning.

In 2009 Government of Fiji requested supplementary funding for Suva – Nausori regional water supply and sewerage project. The ADB on 23 November 2009 approved supplementary loan of US\$23 million through loan number 2603 – FIJ. The project completion date was from 30 June 2012 to 31 December 2014. The Project Management Unit at Water Authority of Fiji and Ministry of Public Utilities & Infrastructure Development implements the project, effecting payments through the Ministry of Finance and National Planning.

The Fiji Project Design Advance for Urban Water Supply and Waste Management Project began in December 2016. The project will also support government to develop and implement policy and regulatory reforms in water and sewerage to make WAF a more sustainable and accountable institution.

A capacity development technical assistance was provided to prepare for the project. During the year payments of \$2,635,050.00 which was directly paid by ABD has been recognised as consultancy expenses and the same amount being recognised as Deferred Income in current year Profit & Loss Statement

## 20. Provision for employee entitlement

During the year, employees of WAF were entitled to annual leave that is accrual of 15 days per annum after completion of 3 months probation for new staff.

	\$	\$
At 1 January	775,140	683,010
Movement during the year	(370,062)	92,130
At 31 December	405,078	775,140

## 21. Obligations under finance lease

The above lease facility were arranged with Westpac Banking Corporation at the rate of 6.25% for a term of 48 months. Refer to Note 22(c) for the commitment detail.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

Current	\$	\$
WBC loan account no. 9804538750	-	7,455
WBC loan account no. 9804596634	-	8,922
WBC loan account no. 9804463488	-	29,005
WBC loan account no. 9804438951	-	17,348
WBC loan account no. 9804438985	-	22,900
WBC loan account no. 9804201722	-	5,828
<b>Total current</b>	-	<b>91,458</b>
<b>Total</b>	-	<b>91,458</b>

## 22. Contingencies and commitments

The directors are not aware of any contingent asset or contingent liabilities as at balance date

### a. Capital expenditure

Total capital commitments as at balance date is \$31,618,993 (2016: \$34,787,002) for capital projects.

### b. Operating leases

Future operating lease rentals of the Authority's offices not provided for in the financial statements and payable:

	\$	\$
Within one year	1,167,313	1,501,341
Later than one year but not later than five years	1,129,459	3,368,816
	<b>2,296,772</b>	<b>4,870,157</b>

### c. Land lease

The Authority has leased land listed as its assets. The verification of all state land, iTaukei lease and freehold land has been completed and the report on them have been submitted to the Director of Lands for validation. Additionally, co-shared land are undergoing survey before a final submission is made to the Director of Lands.

### d. Contingent Liability

The Authority is subject to certain claims made during the year. Any financial commitments relating to these case is yet to be determined by the Court.

At the end of the financial year, guarantees given by the Authority's bank on behalf of the Authority totaling \$110,000 remained. These guarantee facility were held for the Suva/ Nausori Sewerage 5F Project Samabula Ward for \$50,000, Suva/Nausori Sewerage 5G Project Muanikau/Laucala Bay Ward for \$50,000 and accommodation services at Cathay Hotel for



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

\$10,000. The Suva/Nausori sewerage projects have been completed and the Authority is no longer using Cathay Hotel for its accommodation services. These guarantee facility is yet to be discharged at financial year end.

## e. Finance lease commitments

The Authority has entered into commercial leases on several 4x4 motor vehicles. These lease have an useful life of 4 years with renewal option included in the contracts but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under finance leases together with present value of the net minimum lease payments are as follows:

	2017		2016	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	-	-	92,723	87,128
After one year but not more than five years	-	-	-	4,330
More than five years	-	-	-	-
Total minimum lease payments	-	-	92,723	91,458
Less amounts representing finance charges	-	-	(1,265)	-
Present value of minimum lease payments	-	-	91,458	91,458

## 23. Related parties

The Authority has related party relationship with its directors, key management personnel and the Government of Fiji.

### a. Directors

The following were directors of the Authority during the year:

<b>Mr Bhavesh K Patel (Chairman)</b>	current
<b>Mr Umarji Musa</b>	current
<b>Mr PL Munasinghe</b>	current
<b>Mr Bhavesh K Patel</b>	current
<b>Mr Vijay P Maharaj</b>	current
<b>Mr Hemant Kumar</b>	current
<b>Mr Kamal Gounder</b>	current
<b>Mr Paul Bayly</b>	resigned

Directors' remuneration for services as employees is disclosed under Note 7.

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## b. Parent authority and ultimate parent authority

The Authority is a statutory body constituted by Water Authority of Fiji Promulgation of 2007 and the transactions with the Government of Fiji during the year are as follows:

	2017	2016
	\$	\$
Grant received	248,476,320	176,186,578
Deposits to the Government Consolidated account	(45,673,267)	(36,753,022)
	202,803,053	139,433,556

## c. Transaction with key management personnel

Key management personnel comprises of:

<b>Mr Opetai Ravai</b>	Chief Executive Officer	Ended on 13 December 2017
<b>Mr Samanmal Ekanayake</b>	Chief Operating Officer	Appointed on 15 October 2015
<b>Mr Pita Waqanivalu</b>	Acting Chief Financial Officer	Ended on 5 February 2017
<b>Mr Michael Lal</b>	Chief Financial Officer	Appointed on 6 February 2017
<b>Mr Sosiveta Turagaiviu</b>	General Manager Wastewater	Appointed on 13 April 2016
<b>Mr Taitusi Vakadravuyaca</b>	General Manager Special Projects	Appointed on 9 June 2016
<b>Mr Sekove Uluinayau</b>	General Manager Customer Service	Appointed on 16 November 2015
<b>Mr Seru Soderberg</b>	Acting General Manager Planning, Design and Construction	Ended on 3 April 2017
<b>Mr Nemani Waqanivalu</b>	General Manager Planning, Design and Construction	Appointed on 4 April 2017

Transactions with key management personnel are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

The aggregate remuneration and compensation paid to key management personnel, for the year ended 31 December was:

	2017	2016
	\$	\$
Short-term employee benefits	835,133	882,541

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## d. Other related parties

	\$	\$
Fiji National Provident Fund - member contribution	2,582,425	1,813,482

**24. Notes to the Statement of cash flows**Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

	\$	\$
Cash at bank	62,567,386	34,232,502
Petty Cash	11,200	8,700
Cash on hand	330	330
	62,578,916	34,241,532

**25. Prior Year Adjustment****1. Work-in-Progress**

The adjustment is relating to projects which were expense in nature and needed to be closed off as at 31 December 2016. These projects do not increase the Authority's assets upon completion but is closed off as an expense.

The revenue recognition treatment & work in progress has been restated as follows:

Statement of Financial Position	As Previously Reported	Adjustments	"As Restated 31/12/2016"
<b>a. Assets</b>			
Property Plant & Equipment- WIP	1,756,373,289	(10,303,762)	1,746,069,527
<b>b. Liabilities</b>			
Deferred Income Capex Grant	296,841,158	(10,303,762)	286,537,396
Statement of Comprehensive Income	As Previously Reported	Adjustments	"As Restated 31/12/2016"
<b>c. Expenditures</b>			
Repair & Maintenance	43,178,729	10,303,762	53,482,491
<b>d. Revenue</b>			
Transferred to grant income	38,821,696	10,303,762	49,125,458



# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## 2. Revenue Recognition and Treatment

The Authority have made adjustments & re-instatement to the Financial Statement to derecognise the recording of water and wastewater revenue on the face of the financial statement's. The correction has resulted in restating accumulated losses, contributed equity, trade and other receivables of prior year accounts.

Statement of Financial Position 1 January 2016	As Previously Reported	Adjustments	"As Restated 01/01/2016"
Trade & Other Receivables	12,235,959	(10,228,693)	2,007,266
Other	1,821,078,149	-	1,821,078,149
Total Assets	1,833,314,108	(10,228,693)	1,823,085,415
Trade & Other Payables	15,268,669	(661,493)	14,607,176
Others	303,198,201	-	303,198,201
Total Liabilities	318,466,870	(661,493)	317,805,377
Accumulated Losses	(232,852,610)	(10,228,694)	(243,081,304)
Contributed Equity	1,747,699,848	661,493	1,748,361,341
Total Equity	1,514,847,238	(9,567,201)	1,505,280,037
Statement of Financial Position 31 December 2016	As previously reported	Adjustments	"As Restated 31/12/2016"
Trade & Other Receivables	5,466,277	1,352,489	6,818,766
Property Plant & Equipment (Note 25.1)	1,756,373,289	(10,303,762)	1,746,069,527
Others	66,360,598	-	66,360,598
Trade & Other Payables	15,610,201	3,210,708	18,820,909
Deferred Income Capex Grant	296,841,158	(10,303,762)	286,537,396
Others	69,265,410	-	69,265,410
Total Liabilities	381,716,769	-7,093,054	374,623,715
Accumulated Losses	(264,463,432)	(37,367,119)	(301,830,551)
Contributed Equity	1,711,608,319	34,847,407	1,746,455,726
Total Equity	1,447,144,887	(2,519,712)	1,444,625,175
Impact of Revenue Recogniton & WIP Adjustment			
Statement of Comprehensive Income 31 December 2016	As Previously Reported	Adjustments	"As Restated 31/12/2016"
Revenue	114,125,502	(42,053,845)	72,071,657
Other Income (Note 25.1)	39,022,697	10,303,762	49,326,459
Operating Expenses	(89,319,186)	(5,617,036)	(94,936,222)
Others	(85,211,141)	-	(85,211,141)
Loss for the period	(21,382,128)	(37,367,119)	(58,749,247)

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

## 3. Events subsequent to year end

### a. Impact of COVID-19 pandemic

Subsequent to year end, the World Health organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International concern". The impact of COVID-19 outbreak on public health and the economy in Fiji and globally is expected to affect the overall operation of the Authority including liquidity and cash flows for subsequent years. Whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2017 financial statements is not expected to be material.

### b. Change in financial year

Following the change of financial year of government from 1st August and end on 31st July, the Authority, as it receives Government Grant will now change its financial year in line with government in subsequent years.

### c. Vacant Position of Chief Executive Officer

The Chief Executive Officer position was vacated in December 2017 and remained vacant until subsequently filled in December 2019.

## 26. Contributed Equity

The amount reflects the cost of assets when transferred from the Department of Water and Sewerage in 2010. During the year, the Authority transfers water and sewerage rates to the Government's consolidated fund account and charges this transfer against the contributed equity.

## 27. Agency transaction administered for the Government

The Authority charges and collects water and waste water rates and deposits these rates to Government Consolidated Fund Account. During the year, the following rates and charges billed to the water and waste water customers:

### i) Billing

	\$	\$
Water	40,357,604	36,959,496
Waste water	4,143,910	4,649,850
Others*	3,434,807	3,042,419
	<u>47,936,321</u>	<u>44,651,765</u>

### ii) Collection

Water and waste water collected and deposited into the Government Consolidated account during the year was:

# Notes to and Forming Part of the Financial Statements *continued*

For the year ended 31 December 2017

	\$	\$
Water, waste water charges and Others*	45,695,548	38,058,201

## iii) Rates owed to Government

	\$	\$
Water, waste water charges and Others* owed to Government	38,577,874	37,740,884

\*Others relates to reconnection fee, fire service levy, new connections, re-location of meter , re-printing of bill, special reading fee and meter testing fee.





# Water Authority of Fiji

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