water authority of fiji

Clean Water & Sanitation for a Better Life



WATER AUTHORITY OF FIJI
ANNUAL REPORT 2018-2019

Parliamentary Paper No: 75 of 2022

Our Vision

Clean Water and Sanitation
for a Better Life

Our Mission

We are committed to optimizing
water and wastewater services through:
Resilience
Innovation
Safe Working Practices
Engaging Stakeholders
Capacity Building
Being Environmentally Focused
Modernization

Our Values

Our key values are:
Customer Focus
Learning and Growth
Integrity
Passion
Accountability and Transparency
Adaptability
Respect
Teamwork

CONTENTS

Letter To The Minister	3
About The Authority	5
Chairman's Message	8
Board Members	9
WAF Activities Report	11
Projects	11
Water Operations	11
Rural And Maritime	15
Wastewater	15
Customer Service	17
Liquid Trade Waste (LTW)	18
Strategic Planning	19
Legal	19
Corporate Communication	20
Human Resources	20
Corporate Governance	22
Financial Statments	23

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

LETTER TO THE MINISTER

01 August 2022

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

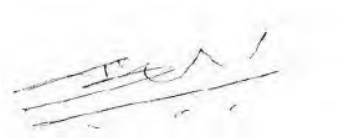
Dear Sir,

I hereby submit the Water Authority of Fiji's Annual Report containing the Audited Financial Statements for the year ending 31st July 2019.

This report will be the authority's first revised financial year following the government's new financial year from August to July established in 2016.

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



2018/2019 HIGHLIGHTS

The government announced WAF's budget amounting to $151,547,889 CAPEX and $73,428,409 OPEX.

Completion of the following projects:

Pipe Laying

- Nadi Airport ATS to Fiji Airways Hanger
- Tokatoka to Neelfield Road

Pipe Extension

- Nadi Bay Road (1,702m)
- Denarau Extension, Denarau By-pass - Phase 1 (1,800m)
- 150mm Newtown Road (1,490m)
- Ramsami to Vauyalewa extension

Pipe Replacement

- 600mm DICL Mains Upgrading from Lal Singh Road to Rewa Bridge
- Four-miles Nabua bridge sewer line replacement

Commencement of the following projects:

Wastewater

- Kinoya Treatment Plant Consolidation Works
- Design works for the Navakai Treatment Plan

Water

- Construction of new PackagedTreatment Plants at Nabouwalu, Waiwai, Deuba, Levuka, Savusavu & Nagado
- Master Plans for Reticulation Gaps for Viti Levu Island, Deuba and Sigatoka; Sigatoka and Nadi; Lautoka and Ba; Ba and Tavua; Tavua and Rakiraki; Korovou and Rakiraki

ABOUT THE AUTHORITY

Who We Are

The Water Authority of Fiji is a Commercial Statutory Authority (CSA) formed by the Government of Fiji, under the WAF Promulgation 2007, 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 a government department to an autonomous organization, WAF was established with effect from 1st January 2010 as a new CSA, officially taking over the responsibilities, functions and operations previously undertaken by the WSD.

We report to the Minister for Infrastructure and Transport in consultation with the Minister responsible for Public Enterprises and the Minister responsible for Finance.

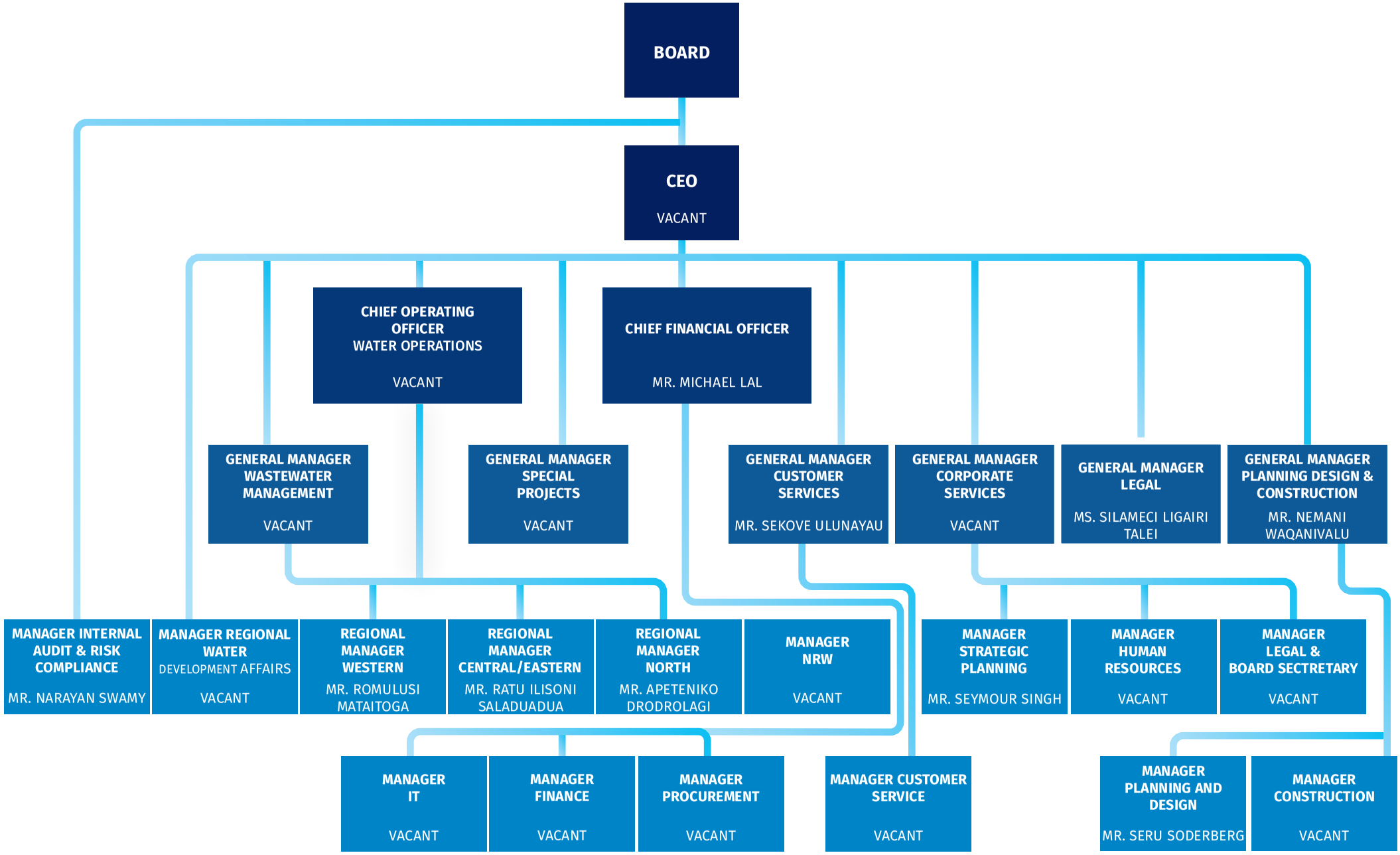
Our Responsibility

WAF is responsible for providing access to quality drinking water and wastewater services to over 168,000 residential and non-residential customers reaching over 840,000 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 for supply to 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 wastewater,
- 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,
- 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.

ORGANISATIONAL STRUCTURE



The Authority is organised into five Strategic Business Units (SBUs) as follows:

Corporate SBU

Headed by the CEO, the Corporate SBU is responsible for driving the Authority in achieving the corporate vision, assisted by the following supporting units:

- Human Resources Unit
- Internal Audit Unit
- Legal Unit
- Security Unit
- Strategic Planning Unit
- Rural and Outer Island Water Schemes Unit
- Corporate Communications Team

Production SBU

Headed by a General Manager, and overseen by the Chief Operating Officer, the Production SBU is responsible for the monitoring, maintenance and operations of the Authority's assets and resources and is supported by the activities of the following sub-units to ensure the effective and efficient use of WAF assets:

- Water Operations Units – DMA (District Metering Area), NWRM (National Water Resources & Management), Bulk, Treatment Plants & Reservoirs
- Wastewater Unit
- Planning, Design & Construction
- National Control Centre
- Environment Unit
- National Water Quality Laboratory (NWQL)
- Non-Revenue Water & GIS Unit

Special Projects SBU

This Unit is responsible for the implementation of all major and minor capital projects funded by the Government of Fiji and donors, such as the Asian Development Bank. It is headed by a General Manager, overseen by the Chief Operating Officer, and is comprised of two sub-units:

- Capital Works Project
- ADB-Funded Projects

Finance SBU

Responsible for all financial aspects of all of the Authority's WAF business operations, the Unit is divided into sub-units that encompass the financial reporting standards overseen by the Chief Finance Officer. The specific roles of the sub-units are:

- Financial Accounting Team
- Management Accounting Team
- Revenue Accounting Team
- Project Accounting Team
- Fleet Management Team
- Procurement Unit
- Information Communication Technology (ICT) Unit

Customer Services SBU

Headed by a General Manager, the Customer Services SBU has the key aim of delivering cost-effective, efficient customer services, 24/7 to commercial and residential customers in the Central/Eastern, Western and Northern Divisions. Customer Services is responsible for strategic relations and communications, billing, debt management and compliance. Supporting units within this SBU are:

- Customer Accounts Unit/Billing
- Customer Care-includes 24/7 Call Centre
- Liquid Trade Waste Unit
- Technical Services

CHAIRMAN'S MESSAGE



I present the Water Authority of Fiji's Annual Report containing the Audited Financial Statements for the 12 months ending 31st July 2019. This will be the Authority's first full financial year report ending July 31st after aligning to the Government's new accounting period from balance dated 31st December to 31st July.

Capex and Opex Budget

WAF received from the government $151,547,889 in capital grants to execute its projects while $73,428,409 was received for operational expenses for the twelve months ending 31st July 2019.

In 2018/2019 there were 125 urban capital projects works and 131 rural projects. The rural projects used a total of $20,648,293 to carry out the works associated with bringing water close to our rural residents at home benefitting 24, 930 people.

The Capex budget allocation saw the start of new major projects including the Kinoya Wastewater Treatment Plant (WWTP) Consolidation Works; Volivoli - Phase 1; the Nabouwalu, Waiwai, Deuba, Levuka, Savusavu & Nagado Packaged Water Treatment Plants; Master Plans for Water Supply Reticulation Gaps for Viti Levu Island and the Navakai Wastewater Treatment Plant Design Works. WAF also completed the Nadi Airport ATS to Fiji Airways ; Hanger Nadi Bay Road (1,702m); Denarau Extension; Denarau By-pass - Phase 1 (1,800m); 150mm Newtown Road (1,490m); Tokatoka to Neelfield Road; 600mm DICL Mains Upgrading from Lal Singh Road to Rewa Bridge; Ramsami to Vatuyalewa extension; 4 miles Nabua bridge sewer line replacement.

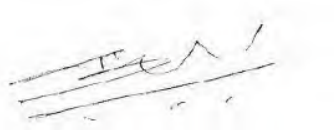
New Rewa River Water Supply Scheme to provide Sustainable Water Supply

The new Rewa River Water Supply Scheme project is progressing. This project will see the construction of a new 40-megalitre treatment plant on the Rewa River to meet the increasing demand for water in the greater Suva and Nausori areas. This project will impact the lives of more than 300,000 residents, most of whom face intermittent water supply. The total cost of the project has been calculated at around $270 million.

Acknowledgements

I would like to take this opportunity to thank the staff and the Authority's Management Committee for steering the organisation through the past 12 months and the Board for responding well to the Authority's call.

Finally, on behalf of the Authority, I salute the government for its ongoing support and funding towards the Authority's Capex and Opex Budget to help finance the delivery of Clean Water and Sanitation to the people of Fiji.



Bhavesh Kumar
CHAIRMAN

BOARD MEMBERS



Mr PL Munasinghe



Mr Umarji Musa



Mr Vijay P Maharaj



Mr Kamal Gounder



Mr Hemant Kumar



Minister Usamate commissions $71,388.88 Nadovu water project

WAF ACTIVITIES REPORT

PRODUCTION SBU

The Production and Construction team is responsible for the implementation of all major and minor projects funded by the Government of Fiji and partners such as the Asian Development Bank and is comprised of Capital Work Projects, ADB Funded Projects, the Flood Recovery Projects and Land Management Unit.

Capital Projects

During the reporting period, WAF has committed to one hundred and twenty-five (125) urban project works with the $151,547,889 Capex grant received. From this budget, one hundred and thirty-one (131) rural projects were completed that cost $20,012,494 benefiting 24,648,293 people living in 5,420 households. Some of the Project's achievements were as follows:

CAPAEX BUDGET 2018/2019



Special Projects Management Unit

The new Rewa River Water Supply Scheme, consultancy contract, construction management and supervision of the Rewa River Water Supply Scheme, were awarded to SMEC International Pty Limited. Key components of the contract included: Loan governance compliance; General project supervision; Performance evaluation; Training; Supervising Consultant - DBO (Design Build Operate), Gravity Mains; Design Review; Performance evaluation; Quality assurance.

The two construction contracts, DBO and Gravity Mains, were awarded to Sino Hydro HDEC JV. The major works included: construction of intake to be located on the bank of Rewa River near Viria Village (above expected limits of saline water intrusion and potential copper/gold mining activities); Water Treatment Plant to be approximately 150 metres uphill of the intake site; Stage 1 is 40 ML/day (upgradeable to 80ML/day); 10ML Reservoir located near Waitolu village along the Sawani-Serea Road; 26km of DN900 steel pipeline along the Sawani–Serea and Princess Road.

The Construction Management Plan (CEMP) for the Gravity Mains Contract and the DBO contract were lodged with the Department of Environment for Approval.



Figure 1- RRWSS Water Treatment Plant site at Viria.



Figure 2-RRWSS Reservoir site at Waitolu

Water Operations

The Water Operations Department is responsible for monitoring, maintenance and operations of the Authority's assets and resources. It is supported by the activities of the Water Asset, Wastewater, Environment, National Water Quality Laboratory and Technical Services sub-units to ensure the effective and efficient use of WAF assets.

Central Eastern Region Supply Scheme

The Central-Eastern Supply System consists of 17 x Water Sources, 8 x Water Treatment Plants, 38 x Storage Reservoirs, 6 x Booster Pump Stations and 3 x Raw Water Pumping Stations to cater for the water needs of the immense urban and rural population of the Central Division. The total water production for the Central Eastern Division, which consists of the Suva-Nausori system, Navua-Deuba system, Korovou system, Naboro and Levuka system recorded at approximately 172.4 megalitres per day. The minor systems are located in the maritime islands of Rotuma, Kadavu, Moala and Lakeba in Lau.

Suva-Nausori Water Supply Scheme

This system is by far the largest and oldest supply scheme in the region supplying water to over 70,000 metered connections. Total water production recorded for the Suva-Nausori system for the year ended 31 July 2019 was 60,418 megalitres.



Re-alignment of 200mm PVC pipe between Duilomaloma and Corbett Avenue junction.

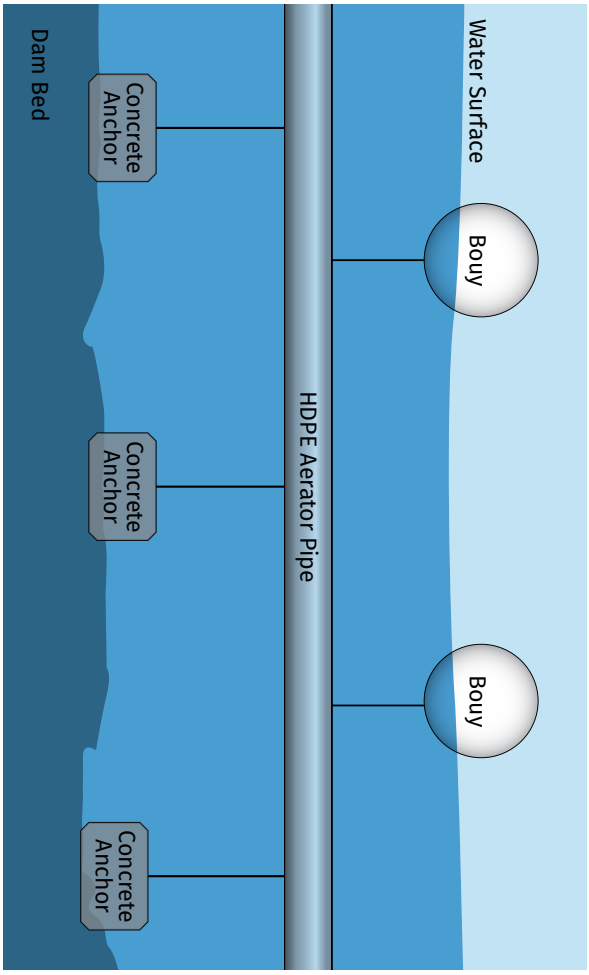
Western Region Water Supply System

The major component of the Nadi-Lautoka bulk supply is the Vaturu Dam which is currently 521.59 meters above mean sea level and with a capacity of 20 gigalitres and which supplies the Nagado Water Treatment Plant with a capacity of 103 megalitres per day. From the Nagado WTP, our bulk network pipes treated water to the Nadi and Lautoka major reservoirs. The bulk reservoirs are the Kashmir Reservoir (20 megalitres capacity) in Lautoka and the Votualevu Reservoir (1.14 megalitres capacity) in Nadi which feed the other service reservoirs in the Nadi-Lautoka water supply system.

A major project conducted was the design and installation of 4 additional aerators at the Vaturu



Vaturu Dam



Schematic of aerator operation work completed at Vaturu Dam

Dam. This continuous 24/7 aerator operation was done to ensure aeration and oxidation to improve the DO (Dissolved Oxygen) levels in the dam water and oxidize Fe (Iron) and Mn3 (Manganese) minerals thus improving water quality monitoring and act also as backup aerators in case of an emergency.

Major Works for Nadi/Lautoka Regional Bulk Supply

Focussed attention was a key component in delivering another successful commissioning of the new DN 600 pipeline and system balancing on the Nadi-Lautoka system. Consequently, restoration of water supply to elevated areas that were affected following the third Nagado WTP shutdown was carried out around the same period.



Commissioning of the new DN600 pipeline and system balancing

Northern Region Water Supply Scheme

The water supply systems in the northern region include the Labasa wider area system comprising the Benau, Nasalasala, Nabekavu, Vunicuicui Nasarava, Vunika and Vunicuicui. Seaqaqa system has its own Seaqaqa and Vunimanuca systems. Further along, the main highway is the Dreketi system before the Vunivau and Nabouwalu systems in Bua. Savusavu has its own system while Taveuni island is made up of the Qarawalu, Mua, Somosomo and Waiyevo systems.

Labasa Water Supply Scheme

The system in Labasa produces around 8,964 Megalitres of water annually while burst mains and leaking service pipes remain the top complaints being attended to. Due to the old infrastructure which contributes to leaking service pipes and line breaks, water loss remains high a top priority for the North operations team.

On Taveuni island, attending to burst mains and leaking service pipes which contribute to water loss, are key functions of the Waiyevo Depot operations team.


Attending to burst-mains at Nagasau Estate in Taveuni.



SCADA (Supervisory Control and Data Acquisition) Operations

A total of one hundred and twenty-five (125) SCADA sites are now being monitored from the National Control Centre in Wailoku.


National Control Center in Wailoku


The team installing peer-to-peer communications


SCADA team installation and configuration at the Namau package plant and Reservoir.


Survey of the Namau Package Plant and Reservoir.

PWWA Conferfence

At the PWWA (Pacific Water and Wastewater Association) conference held in Noumea, New Caledonia from 06-10/08/2018, WAF presented five abstracts based on WAF experiences on the following topics:

i. Kinoya Wastewater Treatment Plant Methane Gas Capture Project using the Clean Development Mechanism Technology by Kirti Chandra.
ii. WAF Enterprise Risk Management Framework by Akesa Davuiqalita
iii. WAF Climate Change Adaptation Vulnerability Assessment Report by Akesa Davuiqalita and Seru Soderberg
iv. Saving Water through Optimized Pressure Management Program-Drop by Drop, Bit for Byte by Fred Fuakilau
v. WAF SCADA System – Benefits by Thomas Hughes.



WAF presenters at the PWWA conference in Noumea.



Young Water professionals at the PWWA conference in Noumea.

Non-Revenue Water (NRW) Unit

The NRW unit is tasked with reducing water that is lost during transmission from the reservoirs to the customers. A Water Balance table is compiled every quarter which shows the percentage level of water lost in a particular system. It is based on IWA (International Water Association) standard software used globally.

A budget of $4.7 million was received in 2018/2019 to carry out NRW reduction works that assisted the NRW unit in reducing pipe leakages.

Integrated Meter Management Unit:

The unit is responsible for the ordering, installation and maintenance of all WAF meters. The IMM program also includes the installation of Data Loggers to assist Operation teams in the region. An aspect of their job function focussed on system behaviour and optimizing hydraulics with a robust Pressure Reduction Management program that assisted in the overall reduction of NRW.

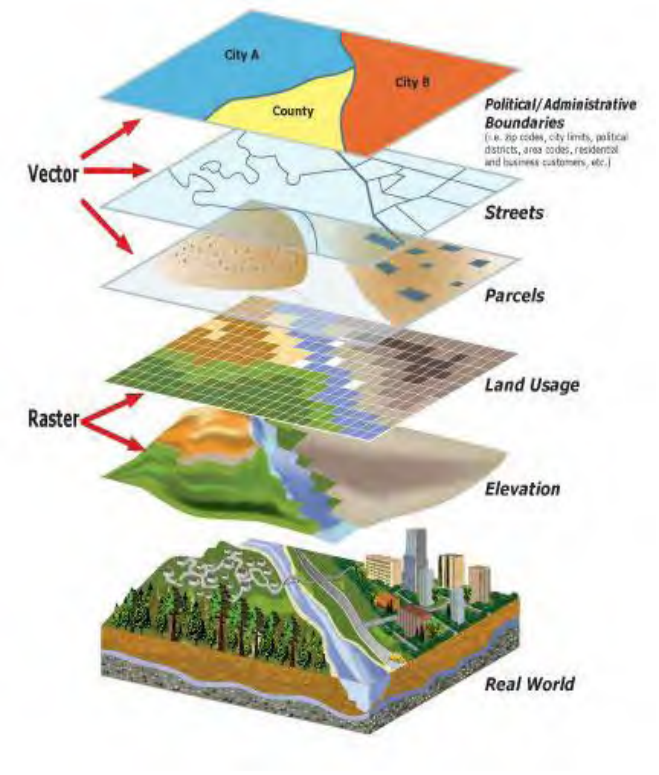
The meter replacement program is another core job function which assists in the NRW water balance calculation for billing data (metered/unmetered). The following action plans under the Meter Replacement scope of works had an impact on the reduction of NRW through apparent losses;

- Replacement of domestic customer meters
- Upgrading E5/E4 code meters which are underwater/buried
- Installation of DN15 lockable valves
- Replacement of commercial E1 code, aged meters

Geographical Information System (GIS) Unit:

The Geographic Information System (GIS) unit catalogues all of the organization's systems assets and infrastructure and displays all of this information on a mapping system. These assist staff members in determining where its pipes are laid out and details about the pipe types, as well as mapping out areas that will be affected in the event that a water system shutdown takes place. Considering the significant capital projects that the organization handles annually, GIS assists in securing funding by providing knowledge-based information for business cases to strengthen and reinforce projects in investing in our systems that would have the greatest impact. In 2019, the GIS Team concentrated significantly on obtaining data for project closure reports, which included the extension of 25 kilometres of pipes for Kiuva, Visama, Ratu Kadavulevu Road, and Waitovu.

A graphic interpretation of a Geographic Information System (GIS) is shown on the following page.



Geographic Information System (GIS)

Rural and Maritime

The rural team administrates all the rural water projects done in villages including the maritime islands. Through regular attendance at Tikina and/or provincial council meetings throughout the regions, the team keeps all the customers abreast of developments within their region.



PM Bainimarama commissions the Wailotua water project in Tailevu.

The maritime zone consists of five minor metered schemes from five remote Islands, namely Vunisea (Kadavu), Naroi (Moala), Vanuabalavu, Lakeba and Rotuma.

These islands in totality have five hospitals, sixteen schools, government stations, administration centres and around fifty villages with a total of just over 1,500 metered connections for approximately 6,431 consumers. Vanuabalavu island system is however excluded from the total connected meters as the consumers are unmetered but the authority still manages two boreholes which supply treated water to those connected to the system.



Wastewater

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

- 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.

Augmentation Works - involves the construction (extension) of the existing WWTP to accommodate the increase in demand for the extension of wastewater coverage. There have been plans for some augmentation works which would include the installation of some of the new/modern WWTP in Suva and other urban centres.

The Upgrading/Augmentation works are programs in line with our Master Plan to ensure that we would be able to meet the requirement of our regulators as we progressively complete stages of our project implementation.



Natabua Wastewater Treatment Plant in Lautoka

Collection-System is the maintenance of our collection system. Our wastewater network around the country is maintained by our wastewater team to ensure that all complaint from customers are attended to at the earliest possible time and customers are satisfied

with it. All complaints are monitored through the Gentrack System.

Verification Works consists of a team undertaking the work of verifying that all stormwater systems in houses are not connected to our system.

Planned Preventative Maintenance program involves the carrying out of a planned maintenance program of all our wastewater assets. This is to ensure that all valves and major fittings are serviced/replaced when needed. This also includes oil changes and paintings.
Disposal System is the disposing of all effluents from WWTP into receiving waters such as seas and rivers. It is essential that the effluent meets the standard as stipulated by our regulators and the Environment Management Act (EMA). Although WAF struggled to meet standards due to the overloading of plants and delay in the consolidation and augmentation works, the unit continues to work towards achieving the best quality of effluent as required of us and the EMA.

Green House Gas Emission Reduction Project at the Kinoya WWTP (CDM Project)

- The sludge being produced from the sewer is pumped into the anaerobic digesters for anaerobic decomposition. Through decomposition of the sludge matter, methane gas was produced.
- The biogas being generated in the anaerobic digesters is captured and flared in an enclosed biogas flaring unit
- Methane is a greenhouse gas (GHG) and has 25 times more global warming potential than carbon dioxide (CO2).
- By recovering and destroying methane, the project leads to Green House Gas (GHG) mitigation. It is the first successful methane capture and combustion project using the wastewater system in the Pacific.

Benefits of the Project Activity

- These emission reductions are equivalent to carbon credits through data submission which generates revenue for WAF.
- Our First Issuance has been successfully approved by the UN and WAF will be receiving the first carbon funding the for reduction of approximately 22,000 tonnes of carbon dioxide equivalent using our wastewater system.
- Active participation in climate change activity by reduction of methane gas.
- Contribution towards sustainable development.
- Future Plans- use the same concept and convert the biogas for electricity generation.

Wastewater Verification

Inflow - occurs when rainwater is misdirected into the sanitary sewer system from roof connections, improper inspection chamber lids, cracked manhole lids and cross connections from storm drains.
Infiltration - occurs when groundwater seeps into the sanitary sewer system through cracks or leaks in sewer pipes. The cracks or leaks may be caused by age-related deterioration and loose joints from pipes.

Source Identification - sources are identified in the field through various tests and activities. Prior to field testing, residence and business owners will be notified. Some activities that will be conducted in the field are;

- House-to-house inspection for roof connections to the sanitary system
- Dye testing
- CCTV investigation and pipe condition assessment
- Defective manhole and private inspection chamber covers
- Flow measuring at wastewater pumping stations
- Monitoring and recording of overflows during rainy weather
- Rain and flow monitoring
- House basement pump connection to the sanitary sewer system
- Quantifying the amount of stormwater discharged into the system.

Remediation - once the source of Inflows & Infiltration is confirmed a 'Notice of Violation' will be issued to the land/house owner to remove all roof connections or any other storm connection to the sanitary sewer system within 14 days or further legal actions will be taken should the land/house owner failed to adhere.



Nakavika village rural water project commissioned

CUSTOMER SERVICE SBU

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

1. Billing Complaint
2. Production Complaint
3. Project Metering Complaint



WAF Customer forum in Suva

The following tables show the regions and the major complaints closed within the timeline.

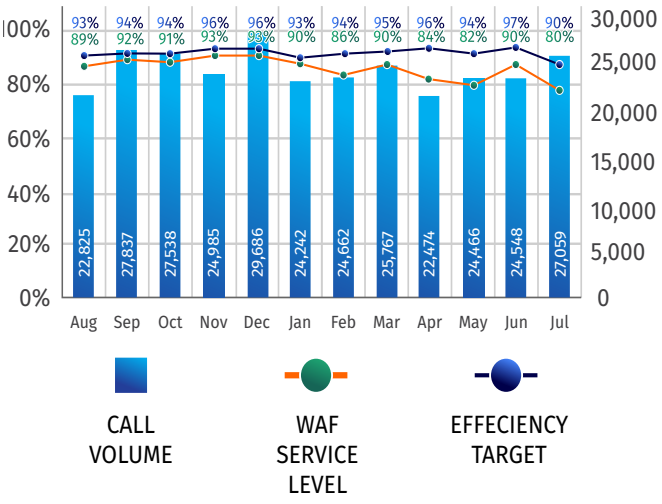
Call Centre Service Level

The target for the Call Centre service level is 80 % and all calls are to be answered within 20 seconds. WAFs 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, able to access the customers billing history online to answer account queries.

Customer Care Centres

WAF has customer care centres in Suva, Labasa, Namaka and Nausori. These centres' have Electronic Qmatic systems installed 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.

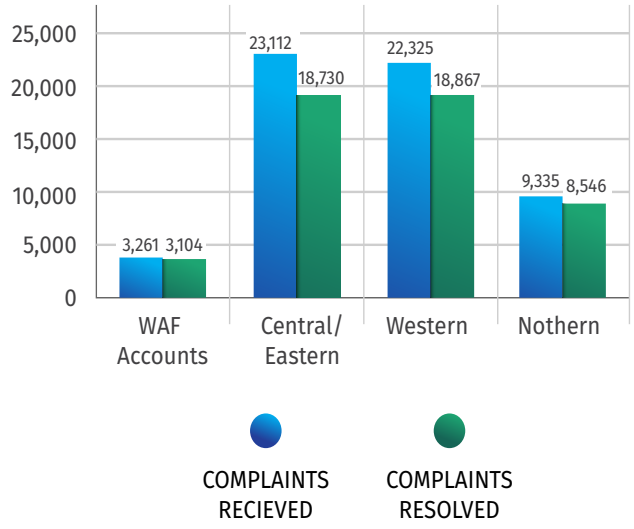
WAF CALL CENTRE LEVEL



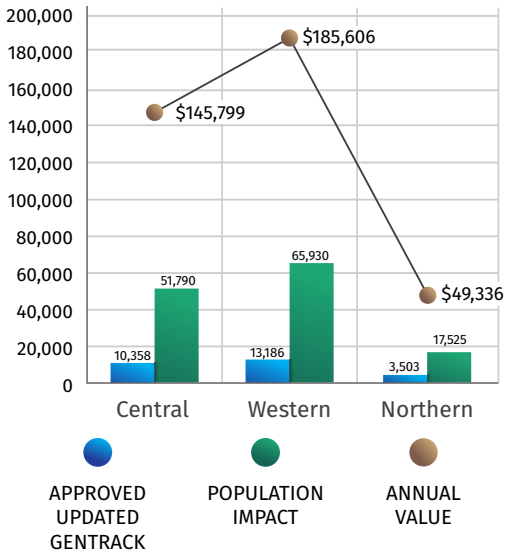
Government Initiative Programs - Free Water Allowance

A total of 27,049 applications were approved for the year for free water allowance with an annual value of $180,741.

CUSTOMER COMPLAINTS RESOLUTION



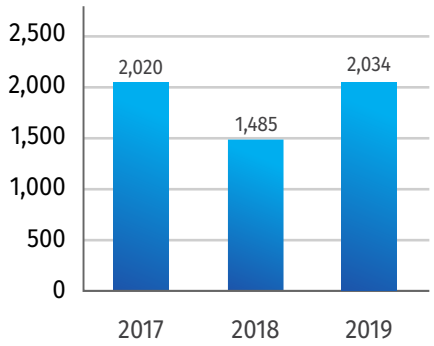
FREE WATER ALLOWANCE



Customer Care New Connections

A total of 2,020 meters were installed by the year ending 31 July 2019 with the highest number recorded in the Central region. There are more meters connected compared to last year.

TOTAL METERS INSTALLED



Liquid Trade Waste (LTW)

Before discharging liquid trade waste into WAF's wastewater system, businesses are required to obtain a Provisional Permit. The duration of the permit depends on the business's compliance with the standards and permit conditions. Industrial businesses are monitored every 6 months whereby samples of discharge are collected in order to determine the industry's compliance with the national discharge standard. On the other hand, commercial businesses are monitored through their grease trap compliance therefore if a business complies and has a required volume and the grease trap is clean, monitoring will be done annually whereas for those that do not comply are monitored every 6 months.

A total number of 263 permits were issued during the year.

Community Engagement

The authority's community engagement unit focuses on informing and disseminating information that will build community capacity to enhance decision-making. Consultations are held mainly to encourage the participation of stakeholders in customer activities which allows empowerment. From communities to schools, to public consultations with stakeholders and during festivals, the engagement team maximised these opportunities to reach out to our valued customers. This engagement also involved water carting to all communities and the distribution of rainwater harvesting tanks.







A Lautoka resident, gives his feedback during the question and answer session at the Public Consultation in Lautoka.

CORPORATE OFFICE SBU

Strategic Planning

Strategic Planning Unit (SPU) functions as a coordinating body, developing and implementing strategies that meet the objectives of the organisation. SPU is mandated to carry out the Construction and Formulation of Key Strategic Documents, identifying Innovation, identifying Opportunities, Forecasting and Planning, Analysis and Information Presentation to Management for decision making and new Business Development.



WAF representatives at the 12th Pacific Water & Wastewater Association Conference in Port Vila, Vanuatu.

Listed below are some key deliverables of the unit for the period up to the year ending July 2019.

Adoption of the reviewed Strategic Plan 2017-2019

After the 1st year review of the 2017-2019, Strategic Plan, changes were adopted and inserted/amended into the 2017-2019 Strategic Plan. Monthly monitoring and evaluation were ongoing with Key Result indicators (KRI) and Key Action Items (KAI) continued.

Submission of PWWA Report

The annual data gathering of the benchmarking data for WAF was verified before submitting it to the Pacific Water and Wastes Association (PWWA). The PWWA report after the closure of these submissions is then published on the PWWA website where one can view and make comparisons of the utility results.

Public Sector Investment Program (PSIP) 2019/2020 Submission

In coordination with the Planning, Design and Construction, WAF's PSIP 2019/2020 submission to the government was prepared for the allocation of budget towards WAF projects.

Legal

The Legal Unit plays a pivotal role as in-house Legal Counsels who act in a professional capacity and serve primarily to advance the needs of the Authority. The functional role of the Legal Unit is as follows:

- Providing legal advice and guidance to WAF, its management and employees;
- Work collaboratively with other strategic business units to communicate key action items for legal and regulatory compliance as required by the WAF Board of Directors;
- Handle day-to-day internal and external legal affairs;
- Overseeing the management of claims, lawsuits, contracts, filing of easements, filing of legal documents and reviews; and
- Effective representations of WAF's interests to internal and external stakeholders ensuring WAF's legal interests are maximised and decisions are consistent with overall WAF strategic objectives.

Litigation – Successful Prosecution

WAF instituted a total of 6 cases in the Fiji Criminal Courts with the guidance of the Director of Public Prosecution ('DPP') Office. All charges verified by DPP's office were successfully prosecuted resulting in a 100% success rate in prosecution for the year.

Legal Proceedings instituted against the WAF

WAF defended itself against two Civil suits in the Lautoka High Court Civil Jurisdiction in which one of the claims was struck out as rules of procedure ('High Court Rules') to move the matter was not followed and time lapsed for proceedings to be moved by the Plaintiff.

Conveyancing and Easement

As part of the continuous clearance of the Easement Backlogs the Legal Unit continued to do the following:

- Property consultations,
- Surveying;
- Drafting of Easement Certificates and

- Obtaining Titles for registration.

In consultation with the Registrar of Titles ('ROT') the authority completed the filing of 31 Easement Certificates which were registered against personal titles of properties of lot owners affected under the project with the office of ROT.

Contract

With the Capex Grant in 2018/2019, a number of critical projects were initiated within the financial year which saw a total of 30 Contracts compiled by the team.

Internal Audit, Risk and Compliance Unit

The unit was renamed from Internal Audit to Internal Audit, Risk and Compliance unit in January 2019 with added role mainly to provide independent assurance and consulting activity to add value and improve the organization's operations. It also intended to bring in a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, compliance, internal controls and governance processes.

The unit reports administratively to the CEO and functionally to the Board through their Audit Risk Board Subcommittee.

A summary of achievements completed under their new unit name included:

- Handled 25 cases of Special Investigations.
- Frequent spot/surprise checks conducted for Plant Hiring, Stores, Stocktakes, Cashier Till Counts, Petty Cash and Water carting operations in the regions.
- Followed up on the external Audit works.
- Compliance checks were carried out to ascertain the accuracy of the information provided by the supplier and to mitigate any fraudulent and collusive activity.

Corporate Communication

The Corporate Communications team played an active role in the engagement between WAF and other stakeholders on the awareness of matters relating to water and wastewater. The team assisted the CEO and other board members in being the spokesperson for the organisation at all media engagements.

Major events were covered by the team during the year from press conferences, WAF Campaigns, workshops, and World Water Day to Customer awareness in the regions.

Human Resources

The unit persevered in its efforts to execute training programs for the authority during the year and major achievements were:

Study Tour – New Zealand

This study tour to Water Care Services Limited, New Zealand was attended by four key senior management staff. The trip was also part of the twinning program between WAF and Watercare New Zealand and which covered the following topics:

- Enterprise Risk Assessment
- NRW
- Asset Management
- SCADA
- Liquid Trade Waste
- Water Network Modelling
- Water & Wastewater Reticulation

Oz Water Conference

Ozwater is Australia's most prominent international annual water conference and exhibition and the authority was privileged to have three key staff at this conference. The conference offered a comprehensive and inspiring three-day program and the most extensive water exhibition in the Southern Hemisphere.

Water Leaders' Summit

The Water Leaders' Summit 2018, hosted by The Water Council was held in Singapore for five (5) days where WAF was represented where WAF was represented by a senior executive.



JICA Program

The program with JICA focussed on strengthening the water supply services on the Nadi-Lautoka supply system wherein staff were allowed to upgrade their skills and knowledge. A major outcome was the training trip to Japan's water utilities in Japan. Six (6) staffs underwent a seventeen (17) day tour to Fukuoka, Japan's water and wastewater utility where the delegation held their training.





Water Source Analysis Training & Lab Practices

The authority was allowed to be part of one of the best training on Water Analysis which was delivered by the external training provider, Powerchina, in Fiji for ten (10) days where a total of 34 participants were part of from different authorities and where WAF sent 25 participants to make the most from out of that training. The training was held from the 5th–16th November 2018 at the Nasese Training Centre in Suva.
Memorandum of Understanding (MOU) between WAF and Ministry of Employment.

A MOU for an Increase in Work Attachment Allowance was signed on 31st August 2019, between WAF and the National Employment Center (NEC) under the Ministry of Employment.

Women in Leadership Workshop

The workshop was held to promote women to key leadership roles by proving them with opportunities to listen to and interact with women who shared their experiences and journeys by inspiring confidence.
The authority was represented by seven female staff which was held in Suva. This conference was also an avenue to boost the confidence of women leaders at the Water Authority of Fiji and also increase their capacity in terms of high productivity levels and sound decision-making skills.

USAID Training

The Authority sent ten (10) of its staff to complete Certificate IV in Project Management Practice from USP which was sponsored by USAID.



WAF ACHIEVES ISO17025 ACCREDITATION

CORPORATE GOVERNANCE



Role of the Board

The Board is responsible for establishing the Authority's strategic direction, setting objectives, policy guidelines and goals for management, and monitoring the achievement of these matters. The Board also reviews the Business Plan, the Corporate Plan and Statement of Corporate Intent, the Industrial Relations Plan and approval of the Operating and Capital Budgets each year.

Composition of the Board

The Chairman and the five other members of the WAF Board of Directors are appointed by the Minister responsible for Infrastructure and Transport in consultation with the Minister responsible for Economy. Board members are appointed for a term not exceeding three years and are eligible for re-appointment at the end of that term.

Duties and Obligations of the Board

All Directors shall act at all times in a manner to advance the interests of the Authority and its customers, comply with the obligations of Directors under the WAF Act 2007 and implement any Government policy, consistent with the functions of the Authority, given to the Board by the Minister No Director will publicly disclose any matter relevant to the Board's deliberations unless authorised to do so or as required by law.

Disclosure of Interest

Directors will disclose any direct or indirect interest they may have in any matter that is being considered or is about to be considered by the Board. Any such disclosure will be recorded in the meeting's minutes and while the matter is under discussion, the Board member will leave the meeting, without affecting the quorum for the meeting.

Board Meetings

The Board held regular meetings during the period that ended 31 July 2019. The Board's regular business during its meetings was concerned with corporate governance, financial performance, risk management and strategic matters.



WAF FINANCIAL STATEMENTS

For the year ending 31 July 2019

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits

Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva. Fiii

Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj

File: 1277

13 July 2022

Mr. Bhavesh K Patel
The Chairman
Water Authority of Fiji
Manohan Building
NASINU

Dear Mr. Patel

WATER AUTHORITY OF FIJI
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

The audited financial statements for Water Authority of Fiji for the year ended 31 July 2019 together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audit have been forwarded to the management of Authority for necessary action.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Dr. Amit Chanan– The Chief Executive Officer, Water Authority of Fiji

Encl.

CONTENTS

Directors' Report	**26-28**
Statement by directors	**29**
Independent auditor's report	**30-32**
Statement of comprehensive income	**33**
Statement of changes in equity	**34**
Statement of financial position	**35**
Statement of cash flows	**36**
Notes to forming part of the financial statements	**37-54**

Directors' report

For the year ended 31 July 2019

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 July 2019 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the twelve months 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 Act 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 member	Appointed	End of Contract
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	01/03/2021
Mr Hemant Kumar	24/04/2018	Current
Mr Kamal Gounder	13/10/2016	Current
Ms Lyanne Vaurasi	14/02/2021	Current

State of affairs

In the opinion of the directors, the accompanying statement of financial position give a true and fair view of the state of affairs of the Authority as at 31 July 2019 and the accompanying statements 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 period ending 31 July 2019 amounted to $47,924,224 (2018: Loss $33,936,225).

Dividends

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

Principal activity

The principal activity of the Authority during the course of the financial period 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.

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.

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 Act 2007 ("the Act"), Property, plant and equipment were vested in the Authority under the Act 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.

On 10 June 2021, the Board of Directors passed a resolution for management to carry out an evaluation of the Authority's property, plant and equipment.Tender FIN 066/2022 was called on 17 March, 2022 for the engagement of a consulting firm that will assist WAF in determining a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and

asset management procedures. The following works will be undertaken as part of the valuation exercise:

- Assess sectoral and entity issues on the development of an asset management plan
- Review and analyse assets inventory which includes proper accounting of capital assets, together with its remaining useful economic life and review of depreciation rates
- Review the fixed assets policies and procedure including gaps analysis on the asset inventory and revaluation and identify appropriate knowledge and expert needed to support asset valuation
- Implement a comprehensive capacity strengthening program & network
- Value assets in accordance with International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS).
- Preparation of a complete, detailed and accurate report all WAF assets
- Develop a corporate procedure for periodic physical verification of the condition and location of assets.

This exercise is expected to address the qualification raised by the Auditor General on the opening balance of property, plant and equipment of $1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the qualification raised on plant and equipment with zero book value.

The Authority is working to obtain legal ownership of leasehold land amounting to $209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007 (the Act), leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 1996, relating to the transfer of assets.

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

Going Concern

The financial statements 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 these financial statements and we believe that the Authority has adequate funds to meet its liabilities as and when they fall due in the next 12 months, with the support of quartely RIE contributions from Government.

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 2019 financial statements is not expected to be material.

The Chief Executive Officer position was vacated in December 2017 and subsequently filled in December 2019. On 19 May 2021, the CEO position became vacant again and later filled in 28 March 2022.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

Other circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the accounts to be misleading.

The results of the Authority's operations during the financial year have not in the opinion of the directors been

Directors' report continued

For the year ended 31 July 2019

substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Change in Accounting period

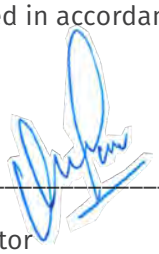
The Government changed its accounting period from calendar year to balance date 31 July in 2016. Accordingly to align with Government accounting period, the Authority changed its balance date from 31 December to 31 July. Hence, these Financial Statements cover a period of 12 months from 1 August 2018 to 31 July 2019 while the comparative amounts are for the period of 7 months (1 January 2018 to 31 July 2018).

Directors' interests

No Director of the Authority has, since the end of the financial period, 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.

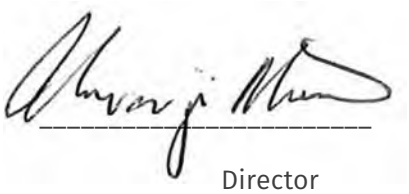
Dated at Suva this 8th day of July 2022.

Signed in accordance with a resolution of the Directors.



_____

Director



_____

Director

Water Authority of Fiji

Statement by Directors

For the year ended 31 July 2019

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 twelve month period ending 31 July 2019;

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 twelve month period ending 31 July 2019;

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 July 2019;

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 seven month period ending 31 July 2019;

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 8th day of July 2022.

Signed in accordance with a resolution of the Directors.

Director

Director

OFFICE OF THE AUDITOR GENERAL
Promoting Public Sector Accountability and Sustainability through our Audits
Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva. Fiji
Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj

INDEPENDENT AUDITOR'S REPORT

WATER AUTHORITY OF FIJI

Report of 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 July 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 July 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

I 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 other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

1. The 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. Note 13 to the financial statements discloses the Board's decision to engage a consulting firm to undertake the valuation exercise of its critical assets. As disclosed under Note 13, the Authority on 17 March, 2022 called for tender for the engagement of a consulting firm to determine a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and asset management procedures.

2. Note 25 (a) has disclosed the impact of COVID-19 pandemic. The Management has stated that there is nil impact of the virus on the amounts and estimates reported or used in the preparation of 2019 financial statements.

My opinion is not qualified in respect of these matters.

Other information

The Directors and Management are responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

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

In preparing the financial statements, the Directors and Management 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 intend to cease operations, or have no realistic alternative but to do so.

The Directors and Management 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.

- 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.

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

- 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; and

b) the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.

Sairusi Dukuno
ACTING AUDITOR-GENERAL

AUDITOR - GENERAL FIJI

Suva, Fiji
13 July 2022

Water Authority of Fiji

Statement Of Comprehensive Income

For the year ended 31 July 2019

	Note	2019	2018
		12 months	7 months
		$	$
Revenue	5	73,728,409	49,165,008
Other income	6	76,328,413	45,100,303
Total Revenue		150,056,822	94,265,311
Personnel expenses	8	(47,417,239)	(26,648,438)
Operating expenses	7	(105,011,417)	(75,264,245)
Loss from operations before depreciation, amortization and finance income		(2,371,834)	(7,647,372)
Depreciation & amortization	13 & 14	(46,190,218)	(26,813,495)
Finance income	9	**637,828**	**524,642**
Loss for the period		**(47,924,224)**	**(33,936,225)**
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		**(47,924,224)**	**(33,936,225)**

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

Water Authority of Fiji

Statement Of Changes In Equity

For the year ended 31 July 2019

	Note	Contributed equity	Accumulated losses	Total
		$	$	$
Balance at 1 January 2018		**1,746,440,814**	**(363,600,308)**	**1,382,840,506**
(Loss) for the 7 months period		-	(33,936,225)	(33,936,225)
Transfer of bill pay to Government Contributed Equity		3,097,476	-	3,097,476
Balance as at 31 July 2018		**1,749,538,290**	**(397,536,533)**	**1,352,001,758**
(Loss) for the year		-	(47,924,224)	(47,924,224)
Transfer of bill pay to Government Contributed Equity		590,105	-	590,105
Balance at 31 July 2019		**1,750,128,395**	**(445,460,757)**	**1,304,667,638**

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

Water Authority of Fiji

Statement Of Financial Position

For the year ended 31 July 2019

	Note	2019	2018
		12 months	7 months
		$	$
Non-current assets			
Property, plant and equipment	13	1,787,541,855	1,786,429,457
Right of use of assets	13a	5,690,057	6,513,160
Intangible assets	14	102,925	435,174
Total non-current assets		1,793,334,837	1,793,377,791
Current assets			
Cash and cash equivalents	10	78,205,709	82,720,856
Other receivables	11	2,998,940	6,113,393
Inventories	12	24,872,704	28,123,685
Held-to-maturity investments	15	1,332,131	1,328,739
Other assets and prepayments	16	1,609,212	679,331
Total current assets		109,018,696	118,966,004
Total assets		1,902,353,533	1,912,343,795
Equity			
Contributed equity		1,750,128,395	1,749,538,290
Accumulated losses		(445,460,757)	(397,536,533)
Total equity		1,304,667,638	1,352,001,757
Current liabilities			
Trade and other payables	17	12,125,831	24,385,149
Provision for employee entitlements	20	450,384	723,614
Deferred revenue – capital grant	18	74,711,153	44,364,944
ADB funded grant	19	951,714	555,167
Lease liability	21	1,026,497	964,561
Total current liabilities		89,265,579	70,993,435
Non-current liabilities			
Deferred revenue – capital grant	18	438,792,208	417,599,274
ADB funded grant	19	64,768,024	66,116,285
Lease liability	21	4,860,084	5,633,044
Total non-current liabilities		508,420,316	489,348,603
Total liabilities		**597,685,895**	**560,342,038**
Total equity and liabilities		**1,902,353,533**	**1,912,343,795**

Signed for and on behalf of the Board of Directors

_____
Director

_____
Director

The accompanying notes form an integral part of the Statement of financial position.

Water Authority of Fiji

Statement Of Cash Flows

For the year ended 31 July 2019

	Note	2019	2018
		12 months	7 months
		$	$
Operating activities			
Receipts of Government Revenue		44,327,314	26,907,006
Receipt from Government Grant & Other Income	5&6	74,393,954	49,345,200
Payment to suppliers and employees		(184,227,895)	(85,986,435)
Payment to Government – Consolidated Fund Account	27 (ii)	(44,327,314)	(26,907,006)
Net cash flows used in operating activities		**(109,833,941)**	**(36,641,235)**
Investing activities			
Receipt from Government – capital grant		151,547,889	99,222,635
Refund for Rural Contribution Projects		(8,635)	(25,932)
Payments for property, plant and equipment		(45,957,254)	(42,463,257)
Net cash flows from investing activities		**105,582,000**	**56,733,452**
Financing activities			
Repayment of finance lease		(901,034)	(474,919)
Proceeds from interest income		637,828	524,642
Net cash flows from financing activities		**(263,206)**	**49,723**
Net increase in cash and cash equivalents		(4,515,147)	20,141,940
Cash and cash equivalents at 1 January		82,720,856	62,578,916
Cash and cash equivalents at end of financial period/year	24	**78,205,709**	**82,720,856**

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 July 2019

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 Act 2007 in Fiji. The address of the Authority's registered office is the Corner of Wainivula Road, Nasinu.

The principal activity of the Authority during the course of the financial period 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 Act 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 Act 2007. The financial statements were approved by the Board of the Directors on 8 July 2022 .

New standards and interpretations Adopted
The authority has adopted the following new standards effective from 1 January 2018:
IFRS 16 - Leases

New standards not applicable.
IFRS 15 - Revenue from Contracts with Customers (Not relevant due non -recognition of water & waste water charges as the authority's revenue)

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.

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 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:

Feeder Roads, Access Roads, Foothpaths, Sealed Roads, Gravel, Conreate Driveways, Gravel Driveways, Crossings, Entrance Roads, Track from Main Road	14.29%
Water Distribution Equipment	1% - 5%
Sewerage Equipment	1% - 5%
Furniture and fittings	7% - 12%
Office Equipment	3% - 12%
Motor vehicles	20%
Office Computers	33%
Intangibles	33%
Leasehold Lands	Over the Lease Period
Building Improvements - Timber	1.25% - 2.5%
Building Improvements - Concrete	3.34% - 6.67%
Building Improvements - Steel	1.25% - 4.5%

3. Significant accounting policies Cont'd
b) Property, plant and equipment Cont'd
Depreciation Cont'd

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Financial instruments

i) 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.

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 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.

Notes to and forming part of the financial statements *continued*

For the year ended 31 July 2019

3. Significant accounting policiers Cont'd

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 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 for the employees retirement benefits. Costs are included in profit or loss.

Short-term benefits

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:

3. Significant accounting policiers Cont'd
h) Revenue Cont'd

Government Grants

Unconditional government grant related to 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.

Government Revenue

The Authority has determined that it is an agent for the Government to administer the supply of water and waste water services. As a result, amounts collected from customers for the provision of water and waste water services is not considered revenue for the Authority. Amounts collected from water and waste water customers are deposited in the Government Consolidated Fund Account.

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.

i) Value Added Tax (VAT)
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 waster water are zero rated.

l) Change in accounting policy and disclosures

IFRS 16 Leases

The Authority early adopted IFRS 16 Leases with a date of initial application of 1 January 2018. As a result, the Authority has changed its accounting policy for lease contracts as detailed below.

The Authority applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2018. The details of the changes

3. Significant accounting policiers Cont'd
l) Change in accounting policy and disclosures Cont'd
IFRS 16 Leases Cont'd

in accounting policies are disclosed below.

i) Definition of a lease

Previously, the Authority determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Authority assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Authority elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2018.

ii) As a lessee

As a lessee, the Authority previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Authority decided to apply the recognition exemption to short-term leases of property and leases for which the underlying asset is of low value.

For leases of assets, which were classified as operating under IAS 17, the Authority recognised right-of-use assets and lease liabilities.

a) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Authority's incremental borrowing rate as at 1 January 2018. Right-of-use assets are measured at either:

- their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application - the Authority did not apply this approach; or

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments - the Authority applied this approach to all leases.

The Authority used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with similar characteristics.

- adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.

- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

- excluded initial direct costs from measuring the right of use asset at the date of initial application.

- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3. Significant accounting policiers Cont'd
l) Change in accounting policy and disclosures Cont'd

b) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2018 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. The Authority had no finance leases under IAS 17.

iii) As a lessor

The Authority is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

iv) Impact on financial statements

On transition to IFRS 16, the Authority recognised $7,071,654 of right-of-use assets and $7,071,654 of lease liabilities.

Leases policy note
The Authority has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes.

Policy applicable from 1 January 2018
At inception of a contract, the Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Authority and the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Authority has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Authority has the right to direct the use of the asset. The Authority has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Authority has the right to direct the use of the asset if either:
  - the Authority has the right to operate the assest; or
  - the Authority designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2018.

At inception or on reassessment of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i) As a lessee

Under IFRS 16

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policiers Cont'd
l) Change in accounting policy and disclosures Cont'd
i) As a lessee Cont'd
Under IFRS 16 Cont'd

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Authority's incremental borrowing rate. Generally, the Authority uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Authority is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, or if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Authority presents right-of-use assets and lease liabilities separately in the statement of financial position.

m) Comparative figures

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

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.

i. 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.

4. Financial risk management Cont'd

ii) Liquidity risk Cont'd

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.

	2019	2018
	12 months	7 months
	$	$
Cash at bank	78,193,769	82,709,416
Other Receivables	2,998,940	6,113,393
Other assets excluding prepayments	104,656	88,456
	81,297,365	88,911,265

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

ii. 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 is 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.

31 July 2019	Carrying amount	6 months or less	6 - 12 months	More than 1 year
Financial assets	$	$	$	$
Cash and cash equivalents	78,205,709	78,205,709	-	-
Other receivables	2,998,940	534,418	-	2,464,522
Other assets excluding prepayments	104,656		-	88,456
	81,309,305	78,740,127	-	2,569,178
Financial liabilities	$	$	$	$
Trade and other payables	12,125,831	1,444,428	10,681,403	-
	12,125,831	1,444,428	10,681,403	-
31 July 2018				
Financial assets	$	$	$	$
Cash and cash equivalents	82,720,856	82,720,856	-	-
Other receivables	6,113,393	76,971	4,934,950	1,101,472
Other assets excluding prepayments	88,456		-	88,456
	88,922,705	82,797,827	4,934,950	1,189,928
Financial liabilities	$	$	$	$
Trade and other payables	24,385,149	2,279,039	22,106,110	-
	24,385,149	2,279,039	22,106,110	-

4. Financial risk management Cont'd

iii. 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.

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.

iv. 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 July 2019 and 31 July 2018 were as follows:

	2019	2018
	12 months	7 months
	$	$
Total liabilities excluding deferred income and employee entitlements	18,012,412	30,982,754
Total assets	1,902,353,533	1,912,343,795
Gearing ratio	**0.95%**	**1.62%**

5. Revenue

Government grant	73,728,409	49,165,008
	73,728,409	49,165,008

6. Other income

Transfer from deferred revenue	75,662,868	44,920,111
Other income	665,545	180,192
	76,328,413	45,100,303

7. Operating expenses

Chemical usage	2,576,385	1,787,599
Directors fees	82,250	50,773
Water and electricity	21,875,997	12,163,934
Fuel and oil	1,772,274	1,477,599
Plant and equipment hire	32,375,569	14,875,673
Professional fees	1,589,377	139,891
Repairs and maintenance	35,987,116	38,739,116
Telephone and communication	2,994,950	1,587,490
Travel & accomodation	989,535	1,081,564
Land compensation	224,316	185,035

7. Operating expenses Cont'd

Insurance	483,166	466,996
Office supplies, printing, stationary and upkeep	688,543	455,192
Rent & security	1,050,056	539,340
Advertising & awarness	550,826	320,650
National Fire Authority refunds	395,488	214,110
Others	1,375,569	1,179,283
	105,011,417	75,264,245

8. Personnel expenses

	2019	2018
	12 months year ended	7 months period ended
	$	$
Salaries and wages	41,005,357	22,803,400
Annual leave	2,504,991	1,565,657
Fiji National Provident Fund	2,168,439	1,182,818
Staff welfare	1,738,452	1,096,563
	47,417,239	26,648,438
The number of employees during the year was:	1,168	1,207

9. Finance income and expenses

Finance income		
Interest income on short-term bank deposits	637,828	524,642
	637,828	524,642

10. Cash and cash equivalents

Cash at bank	78,193,769	82,709,416
Petty Cash	11,700	11,200
Cash on Hand	240	240
	78,205,709	82,720,856

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.

At 31 July 2019, the Authority had a $9.61m LC facility with BSP to comply with the contractual obligations of its several major Capital projects. In addition, the Authority held cash of $1.09m (2018: $620,216) 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 $2.67m held as Retention for Outsource contractual works, performance bond of $151,315 and tender deposits held amounting to $133,980.

11. Other receivables

VAT receivable	2,893,750	5,518,417
Other receivables	105,190	594,976
	2,998,940	6,113,393

12. Inventories

Spare parts and tools	25,820,204	29,071,185
Provision for Spare & tools	(947,500)	(947,500)
Stock on Hand	24,872,704	28,123,685

13. Property, plant and equipment

	Land and Buildings	Water and Distribution Equipment	Sewerage Equipment	Motor Vehicles	Office Equipment	Office Computers	Furniture and Fittings	Work in Progress - Capex	Total
Cost	$	$	$	$	$	$	$	$	$
At 1 January 2018	409,030,646	1,387,260,041	282,711,153	12,898,009	10,969,680	4,111,259	672,142	140,827,140	**2,248,480,070**
Additions	822,783	1,586,724	58,609	316,000	1,631,060	343,871	114,487	76,584,598	**81,458,132**
Disposals	-	-	-	-	-		-	(38,994,881)	**(38,994,881)**
Transfer	-	45,499,133	8,178,835	-	-	-	-	(53,677,968)	**-**
Reclassification	-	-	-	-	-		-	-	**-**
At 31 July 2018	**409,853,429**	**1,434,345,898**	**290,948,597**	**13,214,009**	**12,600,740**	**4,455,130**	**786,629**	**124,738,889**	**2,290,943,321**
Additions	17,408	1,854,078	209,751		3,160,489	249,396	49,376	134,696,616	**140,237,165**
Disposals*	-			(49,131)	-	-		(94,270,852)	**(94,319,983)**
Transfer	37,615	23,696,095	6,080,376		40,260	55,479		(29,909,825)	**0**
Reclassification						-			**-**
At 31 July 2019	**409,908,452**	**1,459,896,071**	**297,238,724**	**13,164,878**	**15,801,489**	**4,760,005**	**836,005**	**135,254,828**	**2,336,860,452**
Depreciation and impairment									
At 1 January 2018	167,964,693	248,343,836	47,683,808	9,061,324	2,179,870	3,148,484	267,984	-	**478,649,999**
Depreciation & amortization charge for the year	4,657,844	15,767,945	3,202,216	1,026,866	800,552	363,834	45,479	-	**25,864,735**
Reclassification	-	-	-	-	-	-	(870)	-	**(870)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 July 2018	172,622,537	264,111,781	50,886,023	10,088,190	2,980,422	3,512,318	312,593	-	**504,513,864**
Depreciation & amortization charge for the year	7,488,145	27,867,912	5,635,155	1,523,273	1,672,835	577,119	80,468	-	**44,844,856**
Reclassification								-	**-**
Disposals				**(40,123)**				**-**	**(40,123)**
At 31 July 2019	180,110,682	291,979,693	56,521,178	11,571,340	4,653,204	4,089,437	393,061	-	**549,318,597**
Net book value									
At 31 July 2018	**237,230,892**	**1,170,234,117**	**240,062,54**	**3,125,819**	**9,620,318**	**942,812**	**474,036**	**124,738,889**	**1,786,429,457**
At 31 July 2019	**229,797,770**	**1,167,916,378**	**240,717,546**	**1,593,538**	**11,148,283**	**670,568**	**442,944**	**135,254,828**	**1,787,541,855**

* This disposal includes rural projects handed over to communities and projects expensed upon completion. During the year, $23m was allocated by the Authority for rural projects and project costs of $25,288,958 (2018: $2,460,172) 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 July 2019

13. Property,plant and equipment Cont'd

On 10 June 2021, the Board of Directors passed a resolution for management to carry out an evaluation of the Authority's property, plant and equipment.Tender FIN 066/2022 was called on 17 March, 2022 for the engagement of a consulting firm that will assist WAF in determining a true and fair value of all WAF water supply, sanitation, sewerage, water distribution network assets, prepare impairment model and asset management procedures. The following works will be undertaken as part of the valuation exercise:

- Assess sectoral and entity issues on the development of an asset management plan
- Review and analyse assets inventory which includes proper accounting of capital assets, together with its remaining useful economic life and review of depreciation rates
- Review the fixed assets policies and procedure including gaps analysis on the asset inventory and revaluation and identify appropriate knowledge and expert needed to support asset valuation
- Implement a comprehensive capacity strengthening program & network
- Value assets in accordance with International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS).
- Preparation of a complete, detailed and accurate report all WAF assets
- Develop a corporate procedure for periodic physical verification of the condition and location of assets

This exercise is expected to address the qualification raised by the Auditor General on the opening balance of property, plant and equipment of $1,888,909,608 for the year ended 31 December 2010. Further, this exercise is also expected to address the qualification raised on plant and equipment with zero book value

The Authority is working to obtain legal ownership of leasehold land amounting to $209,204,157. Nevertheless, the Authority notes that under section 6(1) of the Water Authority of Fiji Act 2007 (the Act), leasehold land under the control and management of the Water and Sewerage Department were transferred to and vested in the Authority at the commencement of the Promulgation, without further assurance and conveyance, or in accordance with the provision of the Public Enterprise Act 1996, relating to the transfer of assets.

13a. Right of Use of Assets

	2019	2018
	12 months	7 months
	$	$
Cost	7,071,654	-
Additions during the period	190,010	7,071,654
Balance	**7,261,664**	**7,071,654**
Amortisation and impairment		
Opening Balance	558,494	-
Amortisation	1,013,113	558,494
Balance	**1,571,607**	**558,494**
Net book value	**5,690,057**	**6,513,160**

14. Intangible asset

Intangible assets includes licenses acquired previously by WAF for MapInfo system and Private Automated

Cost	3,477,166	2,950,201
Additions during the period	-	526,965
Balance	**3,477,166**	**3,477,166**
Amortisation and impairment		
Opening Balance	3,041,992	2,651,726
Amortisation during the period	332,249	390,266
Accumlated Amoritisation and Impairment	**3,374,241**	**3,041,992**
Net book value	**102,925**	**435,174**

Notes to and forming part of the financial statements *continued*

For the year ended 31 July 2019

14. Intangible assets Cont'd

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

	2019	2018
	12 months	7 months
	$	$
Current		
Term Deposit	1,332,131	1,328,739
	1,332,131	1,328,739

Term deposit held with Westpac Banking Corporation has a term of 365 days with interest rate of 1% per annum (2018: 1%).

16. Other Assets and Prepayments

Prepayments	1,504,556	590,875
Other assets	104,656	88,456
	1,609,212	679,331

17. Trade and other payables

Terms and conditions of the above financial liabilities:

Trade payables	1,444,428	2,279,039
Other payables and accruals	10,681,403	22,106,110
	12,125,831	24,385,149

- 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

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.

Begining of period	461,964,218	409,592,631
Grant received during the period	151,547,889	99,222,635
Refund of village contribution on rural projects	(8,635)	(25,932)
Reversal of completed fully funded/ rural projects	(25,288,958)	(2,460,172)
Released to the statement of comprehensive income	(74,711,153)	(44,364,944)
Balance at the end of the period	513,503,361	461,964,218
Defered Grant Capex is Represented by:		
Non current liability	438,792,208	417,599,274
Current liability	74,711,153	44,364,944
	513,503,361	461,964,218

19. ADB funded grant

	2019	2018
	12 months	7 months
	$	$
Beginning of period	66,671,452	67,226,619
Released to the statement of comprehensive income	(951,714)	(555,167)
At 31 July	65,719,738	66,671,452
Defered Grant Capex is Represented by:		
Non current liability	64,768,024	66,116,285
Current liability	951,714	555,167
	65,719,738	66,671,452

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.

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.

20. Provision for employee entitlement

Beginning of period	723,614	405,078
Movement during the period	(273,230)	318,536
At end of period/year	450,384	723,614

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.

21. Lease Liability

Balance end of period/year	5,886,581	6,597,605
Lease Liability is Represented by:		
Non current liability	4,860,084	5,633,044
Current Liability	1,026,497	964,561
	5,886,581	6,597,605

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 $22,690,741 (2018: $47,407,254) for capital projects.

b) 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.

c) 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.

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 period up to date of these Financial Statements:

- Mr Bhavesh K Patel (Chairman) - current
- Mr PL Munasinghe - current
- Mr Umarji Musa - current
- Mr Vijay Maharaj - contract ended on 01/03/2021
- Mr Hemant Kumar- current
- Mr Kamal Gounder- current
- Ms Lyanne Vaurasi - current

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

	2019	2018
	12 months	7 months
	$	$
Grant received (Opex & Capex))	225,276,298	148,387,643
Deposits to the Government Consolidated account	(44,327,314)	(26,907,006)
	180,948,984	121,480,637

b) Parent authority and ultimate parent authority

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

c) Transaction with key management personnel

Key management personnel comprises of:

i)	Mr Samanmal Ekanayake (Chief Operating Officer)	Resigned on 15th August 2018
ii)	Mr Michael Lal (Chief Financial Officer)	Resigned on 15th September 2020
iii)	Mr Sosiveta Turagaiviu (General Manager Wastewater)	Ended on 10th May 2019

23. Related parties Cont'd
c) Transaction with key management personnel Cont'd

iv)	Mr Taitusi Vakadravuyaca (General Manager Special Projects)	Resigned on 25th March 2019
v)	Mr Sekove Uluinayau (General Manager Customer Service)	Appointed on 16th November 2015
vi)	Mr Nemani Waqanivalu (General Manager Planning, Design and Construction)	Resigned on 24th December 2020

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 period was:

	2019	2018
	12 months	7 months
	$	$
Short-term employee benefits	546,782	470,874

d) Other related parties

Fiji National Provident Fund - member contribution	1,880,276	2,203,971

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	78,193,769	82,709,416
Petty Cash	11,700	11,200
Cash on hand	240	240
	78,205,709	82,720,856

25. 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 2019 financial statements is not expected to be material.

b) Vacant Position of Chief Executive Officer

The Chief Executive Officer position was vacated in December 2017 and subsequently filled in December 2019. On 19th May 2021, the CEO position became vacant and later filled on 28th March 2022.

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.

27. Revenue Administered on Behalf of the Government

The Authority charges water & waste water rates on behalf of the Government. During the period the following rates and charges was billed to the water & waste water customers:

i) Billing

	2019	2018
	12 months	7 months
	$	$
Water	41,349,767	25,054,249
Waste Water	3,940,082	2,344,281
Others*	3,243,984	1,720,986
	48,533,833	29,119,516

ii) Collection

Water & waste water collected and deposited into the Government Consolidated account during the year/period is noted below:

Water, Waste water charges & others*	44,327,314	26,907,006

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

28. Debt Administered on Behalf of the Government

The authority has a Debt Management Unit (DMU) that administers the collection of water, waste water and other charges on behalf of the government. The department carries out the following activities:

- following and sending reminders for payments for customers with overdue accounts
- carrying out revenue assurance activities
- processing of billing adjustments and bill waivers
- resolving billing disputes and customer site visitation
- implementing debt management strategies

Domestic	36,004,631	34,048,308
Commercial	4,577,875	4,180,891
Government	1,583,409	1,179,654
	42,165,915	39,408,853

Rates owed to Government

The ageing of trade receivables at the reporting date was:

	Current	> 1 Year	> 2 Years	> 3 Years	> 4 Years	Total
	$	$	$	$	$	$
2019	10,311,891	3,754,342	5,057,943	3,652,959	19,388,780	**42,165,915**
2018	10,512,811	3,794,514	4,561,020	3,317,106	17,223,402	**39,408,853**

29. Change in Accounting period

The Government change its accounting period from calendar year to balance date 31 July in 2016. ccordingly to align with Government accounting period, the Authority changed its balance date from 31 December to 31 July. Hence, these Financial Statements cover a period of 12 months from 1 August 2018 to 31 July 2019 while the comparative amounts are for a period of 7 months (1 January 2018 to 31 July 2018) .







water authority of fiji

Clean Water & Sanitation for a Better Life

ANNUAL REPORT 2018-2019