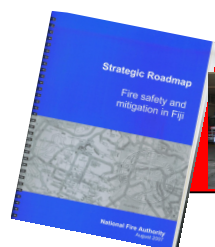


**NATIONAL FIRE AUTHORITY
OF THE REPUBLIC OF FIJI ISLANDS**

Annual Report 2007





CORPORATE INFORMATION

Registered Office:

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Auditors:

Auditor General, Government Buildings, Suva

Bankers:

ANZ Banking Group Limited, Suva

NATIONAL FIRE AUTHORITY

Annual Report 2007

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NFA TODAY

ESTABLISHMENT AND RELEVANT MINISTER

The National Fire Authority (NFA) was established by Government to take effect from 1st February 1995 when it assumed responsibility to provide a national fire service. NFA took over the fire services, which was then operated by the Board of Fire Commissioners of Suva and the Municipal Councils.

NFA has evolved over the last twelve years from informal beginnings to a nation wide emergency service organization, providing a diverse range of risk reduction and fire suppression services to minimize the impact of fires and other emergencies on the community. NFA is wholly committed to prevention, preparedness, and response and recovery phases of emergency situations.

NFA is a statutory authority which reports to the Minister responsible for Urban Development.

NFA is funded through contributions from insurance companies (67%), the State (19%), water levies (3%) and other sources (11%).

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

Under the National Fire Service Act, 1994 ("the NFS Act"), NFA is the responsible agency for:

- The corporate governance of NFA including the establishment of sub-committees.
- General overseeing of the administration and operations of the Authority.
- Establishing strategies and objectives.
- Approvals.
- Monitoring the performance of Management.
- Ensuring effective and efficient communications with all stakeholders.
- Appointment of officers of NFA except for the CEO who is appointed by the Minister.
- Ensuring an effective Human Resources program for the Authority and overseeing the development strategies for senior and high performance officers.

SCOPE OF NFA SERVICE

NFA's operating environment is the metropolitan cities of Suva and Lautoka, urban towns and their *suburban* surrounds including some provincial towns.

NFA is responsible for the provision of fire protection services to every community in the Republic of Fiji Islands (including Rotuma). An expectant gradual increase in fire fighting resources and capability, dependent on funds availability, will enhance NFA's ability to provide fire rescue and emergency services to every community in Fiji.

- NFA is mandated to serve a population of approximately 0.8 million people and to protect more than 421,086 dwellings.
- There is a growing partnership between NFA and the National Disaster Management Office (NDMO) in the operation of Fiji's major emergency coordination centre.

NATURE AND RANGE OF SERVICES PROVIDED

As a Statutory Authority, NFA is a community-based, community focused emergency management organization, providing a diverse range of services to contribute to the safety and well being of the people of Fiji.

NFA's operations rely on the skills of an integrated force of career and volunteer personnel. NFA members are dispersed throughout Fiji, united through a commitment to enabling ***a community well prepared and supported to achieve minimal impact from fire and other emergencies***. NFA is building strategic relationships with the local communities and provides fire and related emergency coordination including:

- Community awareness, education and fire safety and prevention programs.
- Structural fire suppression.
- Transport related fire suppression.
- Road accident rescue.
- Technical rescue such as high angle trench and mine operations.
- Hazardous materials transportation and storage incidents.
- Industrial accident response.
- Other emergency activities including flood evacuation assistance.
- Technical services including building code-related inspections and post incident investigations.
- Fire safety input planning for major community risks.
- Bush and cane fire suppression.

A QUICK LOOK AT NFA

Brigades	
Brigades	42
Road Rescue brigades	3
Regional headquarters rural fire brigades	3
NFA People	
Career firefighters	192
Auxiliary firefighters	12
Administration and Support staff	25
Volunteers	42
Total NFA People	271
Incident Management	
Total number of incidents	1795
Total number of brigade turnouts.	1795
Buildings and Land	
Fire Stations Central/Eastern Division	5
Fire Stations Western Division	6
Fire Stations Northern Division	3
Head Quarters	1
Mechanical Workshop	1
Communications Workshop/Store	1
Residences	3
Vehicle Fleet	
Tanker	6
Pumper	5
Fire Tender	20
Ladder Truck	1
Rescue Vehicles	4
Slip-On Vehicles	2
Hazardous Materials Unit	1
Executive vehicles	3
Communications Infrastructure	
Base Radios	13
Mobile Radios (Vehicle mounted)	41
Smokehouse Unit	1
Sponsored by Goodman Fielder	

CORPORATE STATEMENTS

NFA VISION

A community well prepared and supported to achieve minimal impact from fire and other emergencies.

NFA MISSION

Enhancing Community Safety by:

- Preventing fires and incidents
- Protecting people, property and the environment
- Responding professionally and quickly to incidents
- Building community capability and preparedness
- Ensuring best possible use of the finite resources available

CORPORATE OBJECTIVES

- To prevent fires and promote and coordinate fire safety
- To suppress and extinguish fires
- To render assistance when life and property are at risk from dangers other than fire
- To provide cost effective fire services
- To improve resource management
- To plan the development of the fire service in Fiji
- To be a good employer
- To ensure that the income objectives are met
- To develop and maintain Volunteer Fire Services

CHAIRMAN'S REPORT

Honourable Minister Colonel Samuela Saumatua
Minister for Local Government, Urban Development,
Housing & Environment
Suva

Dear Minister

On behalf of the Board, I am pleased to report on the activities of the National Fire Authority (NFA) under the backdrop of the National Fire Services Act, 1994 for the year ended 31 December 2007.

2007 has been a challenging one for the new NFA Board, appointed by the former Minister responsible for Urban Development, Ratu Jone Navakamocera to ensure good governance, transparent financial management and provide guidance to take the National Fire Authority forward.



The new Board was tasked with key deliverables in line with Cabinet's expectations of Fiji's fire service, aimed at supporting economic growth and development, ensuring community fire safety and well being of the people of Fiji.

Strategic Direction

The development of a strategic plan for the National Fire Authority involved wide consultation with key stakeholders resulting in the formulation of a new strategic Roadmap. This Roadmap addressed a number of immediate and medium to long term issues that would align NFA's service delivery to that of Government's national development priorities.

The Roadmap also provided the potential for growth, improvement and expansion for the benefit of the community, Government and all stakeholders, in line with the NFA Vision of "*A community well prepared and supported to achieve minimal impact from fire and other emergencies*". The alarming trend of eight citizens perishing in fires each year from 2005 to 2007 was too high to simply ignore. Therefore, the importance of preparedness through education and changing of attitudes cannot be over-emphasized.

Set against the challenge to support Government's future economic growth, the Strategic Roadmap identified the immediate need for NFA to address six key strategic priorities. These key priorities are: capacity building, community education, performance analysis, partnerships, legislative reforms and financial sustainability.

Cabinet's endorsement of the new *Strategic Roadmap for fire safety and mitigation in Fiji* in October 2007 set NFA on a course that required a change in its service delivery operations from being just a "fire service" to being part of a "whole of Government" integrated emergency management agency.

Financial Sustainability

A major challenge for the Board would be the inevitable costs associated with the potential growth, improvement and expansion plans for building and stabilizing capacity and service delivery. NFA needs to plan for appliance and equipment upgrades, mechanical service support, upgrade of station facilities including additional staffing, more training, and administration and awareness programs.

With this in mind, there has been an improvement in total income for 2007 with an 18% increase over 2006 and key attributes have been the close monitoring of monthly income and aggressive follow ups on collection of insurance levies. Private fire alarms billings have also recommenced to increase revenue base and cash flow.

NFA is grateful to Government for their support in the timely draw-down of quarterly grants.

Media & Stakeholder Communications

Direct networking through our newly established Corporate Affairs department was organized with the various Media as well as Government's Ministry of Information to educate these organizations on NFA's operations and constraints, being more proactive in alerting the Media on NFA's success stories and on time when defending NFA on negative publicity or criticism. This proactive approach has proven effective with a pleasing increase in positive and supportive media coverage.

Presentations to key stakeholders on structural fire safety and compliance with the Fiji National Building Code resulted in wide support from the stakeholders. NFA's proactive approach on improving relations with stakeholders such as Public Works Department, Ministry of Lands, Fiji Insurance Council, and Airports Fiji Limited has been encouraging.

Legislative Reforms

Public consultations on the proposed amendments to the National Fire Service Act, 1994 were conducted during the year to address areas of legislative weakness in the current NFS Act. The legislative changes will endeavor to accommodate amendments that would strengthen NFA reforms and contribute to legislative reforms with other Acts that impact NFA's role and performance.

Partnerships

The Board recognizes that partnerships are vital for ensuring a unified approach to the future delivery of fire and emergency services and to match Government's plans for economic growth in the years ahead. NFA will build its relationships with other emergency service providers, while expanding and strengthening its engagement in the broader government and business sectors. NFA has begun work with the National Disaster Management Office (NDMO) in the planning of service delivery during natural disasters.

We acknowledge the collaborative assistance and support of international, regional and national agencies such as the Country Fire Authority of Australia, the Government of Japan through JICA and the Japanese Embassy in Fiji, and SOPAC. We also acknowledge the partnerships and support rendered by the local business communities for the various fire safety programs conducted throughout the year; their valuable assistance contributed to the successful delivery of fire safety awareness programs and messages to our diverse communities.

Acknowledgements

The Board is confident that the six strategic elements addressed in NFA's *Strategic Roadmap* will position NFA on a course that will further enhance our service delivery to the people of Fiji and support economic growth.

In restructuring our priorities I would like to acknowledge my fellow Board members for their unrelenting commitment this past year. Also, the concerted efforts and teamwork by the Executive Management Team, Fire Officers, Administration and Support Staff of NFA have been commendable particularly in the implementation of the new Roadmap.

I wish to also recognize and acknowledge the efforts and contributions made by the previous Board members towards NFA's development.

Finally, on behalf of the NFA Board I wish to thank you, Honorable Minister, for the support rendered by your Ministry and to the Government towards assisting NFA in enhancing the delivery of our services to the people of Fiji. I trust that our ensuing reports will provide you with an adequate update of the activities carried out by the Authority in 2007.

Vinaka.


 Chairman

CORPORATE GOVERNANCE

In addition to requirements in legislation, the Authority has formalized the Board and Sub-Committee arrangements in a Governance Framework for the development of strategies that will enable the Authority to reach the agreed objectives and monitor the performance outcomes.

NFA Board

The Board of the National Fire Authority of Fiji is constituted under the National Fire Service Act, 1994. The Board is accountable to the Minister responsible for Urban Development. The National Fire Service Act provides for a Board of 7 members of the Authority comprising of the Chairman, Deputy Chairman and 5 other members, appointed by the Minister for up to three years.

During the year, the Minister made a significant change in the membership and leadership of the NFA Board. The new NFA Board was tasked to raise the profile of NFA to the next level as well as resolve a number of long standing and restrictive issues that have affected NFA's development. The new Board was appointed in April, and held its first meeting in May. The Chairman and Board Members are paid fees and allowances out of its fund as the Minister may determine. In addition to the requirements of the NFS Act, Board members are required to observe NFA's Code of Conduct and other requirements specified by NFA's Governance Framework. Board members are required to disclose any conflict or pecuniary interests.

Board Role

The Board is responsible for NFA's overall performance, ensuring appropriate risk management strategies are in place and that NFA complies with relevant legislation, Government's requirements, and its own corporate objectives in its Strategic Roadmap for Fire Safety and Mitigation and Annual Business Plan.

The Board's primary role involves:

- Developing and implementing strategic plans to meet NFA's legislated responsibility;
- Policy formulation;
- Ensuring systems and processes for proper accountability and managing risk are in place;
- Monitoring the performance of NFA; and
- Ensuring its compliance obligations are met.

Board Sub-Committees

To assist the Board in effectively dealing with complex or specialized issues and fulfilling its decision making role, the Board reviewed the membership, roles and functions of its standing Sub-Committees. The four Sub-Committees are Finance, Human Resource, Legal and Works and they make recommendations for action to the full Board, who retains collective responsibility for decision making.

Capital Works Sub-Committee

The role of the Capital Works Sub-Committee is to monitor, review and report to the Board the adequacy of the capital projects being undertaken by the Authority.

Members:

Azmat Khan (Chairman)
 John Low
 PS Local Govt, Urban Dev & Public Utilities or his representative
 Chief Executive Officer
 Board Secretary (In attendance)

Finance Sub-Committee

The role of the Finance Sub-Committee is to monitor and report to the Board on corporate governance, compliance and risk management processes, including external audit functions of NFA.

Members:

Satish Badal (Chairman)
 John Low
 PS Local Govt, Urban Dev & Public Utilities or his representative
 Chief Executive Officer
 Board Secretary (In attendance)

Human Resource Sub-Committee

The role of the Human Resource Sub-Committee is to take specific responsibility for recommending to the Board, NFA's policy and practice for Executive Officer appointments and remuneration review processes. It is also responsible for reviewing and recommending to the Board remuneration and terms and conditions concerning all non-executive employees.

Members:

Jone Mika (Chairman)
 Azmat Khan
 Senileba Levaci
 John Low
 PS Local Govt, Urban Dev & Public Utilities or his rep.
 Chief Executive Officer
 Board Secretary (In attendance)

Legal Sub-Committee

The role of the Legal Sub-Committee is to assist the Board and Management in dealing with law-related issues including litigation efforts, settlement negotiations, investigations and preparation for future litigations that may be brought by or against the Authority. The Committee also evaluates the application of governance principles adopted by the Board and evaluates, assesses and recommends to the Board appropriate action with respect to related party transactions.

Members:

Mrs Senileba Levaci (Chairman)
 John Low
 Jone Mika
 Satish Badal
 PS Local Govt, Urban Dev & Public Utilities or his rep.
 Chief Executive Officer
 Board Secretary (In attendance)

Attendance by NFA Board Members

The new NFA Board held a total of 9 meetings during the year since their date of appointment on 3 April 2007. However, Mr Gavidi resigned from the Board on 31 August 2007 to take up the NFA Chief Executive Officer post whilst Mr McPherson was appointed on 6 November 2007.

Names of Board Members	Board Meetings Held during Term	Board Meetings Attended
John Low (Chairman)	9	8
Joseva Gavidi	5	5
Jone Mika	9	9
Senileba Levaci	9	7
Cama Tuiloma	9	8
Azmat Khan	9	5
Satish Badal	9	8
Peter McPherson	2	-

Executive Management Team

The Board delegates the responsibility of the management of the Authority to the Chief Executive Officer and his Executive Management Team (EMT) to ensure an efficient and capable fire service. The EMT comprises the:

- Chief Executive Officer (Joseva Gavidi),
- Director Operations/Chief Fire Officer (Mark Reid) and
- Director Corporate Services/Board Secretary (Jone Koroi).

AUTHORITY MEMBERS

The seven-member Authority comprises the NFA Chairman and members appointed by the Minister for Urban Development.



JOHN LOW

Chairman – Appointed 1 April 2007



PETER McPHERSON

Deputy Chairman – Appointed 6 November 2007



CAMA TUILOMA

Member – Permanent Secretary for Local Government, Urban Development and Public Utilities
Appointed 1 April 2007



AZMAT KHAN

Member - Appointed 1 April 2007



SATISH BADAL

Member - Appointed 1 April 2007



SENILEBA LEVACI

Member – Appointed 1 April 2007



JONE MIKA

Member - Appointed 1 April 2007

EXECUTIVE MANAGEMENT REPORT

OVERVIEW

The year 2007 has been one of the most challenging and memorable years in the history of NFA with changes to the NFA Board and the Executive Management team during the year, culminating in the achievement of major milestones towards year end.

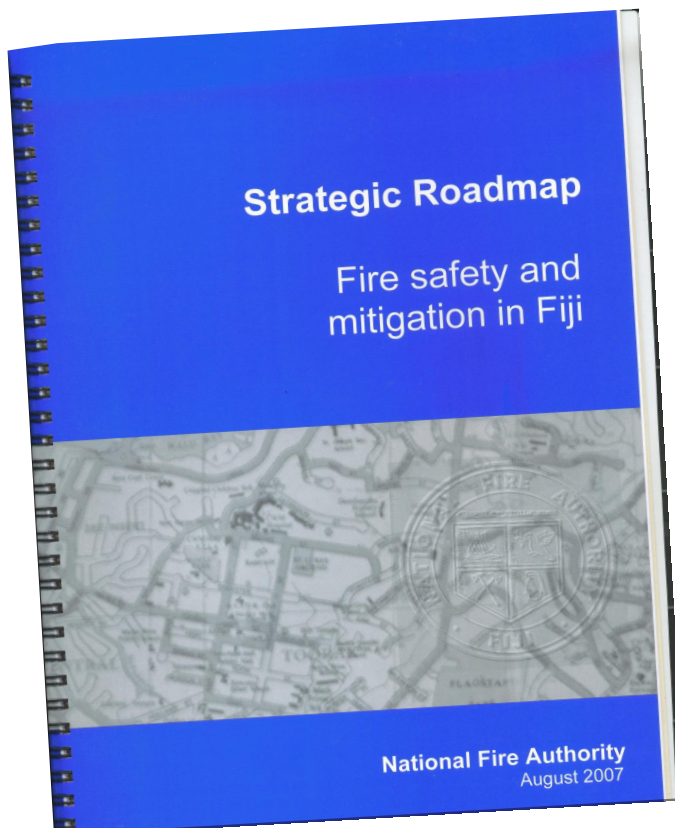
Key Achievements

Strategic Roadmap

The endorsement by Cabinet of the new *Strategic Roadmap for fire safety and mitigation in Fiji* in October 2007 was a major milestone for NFA, paving Government's vision for a 'whole of Government' integrated approach to fire and emergency service provision and the priorities to be addressed over the planning period.

Presentations were made to all key stakeholders outlining NFA's new and emerging roles as defined the Strategic Roadmap and obtain their support for the effective implementation of this document. Also, a first-ever Management Workshop was held to sell the new Roadmap to all the Fire Officers and Team Leaders and discuss the development of NFA's first Business Plan and associated annual Budget.

A philosophical change is the expansion of NFA's role beyond *Fire response and mitigation* to provide a broader emergency management role. NFA has begun this process and is developing and introducing a number of new services: *Hazardous Materials rescue, Road Accident Rescue, Urban Search and Rescue, Natural Disasters, Community Education and Paramedic Response.*



New Sigatoka Fire Station

A historic moment for NFA with the completion and official opening of a new Fire Station complex for Sigatoka by the Minister for Local Government, Urban Development & Public Utilities, Ratu Jone Navakamocesa in October 2007. This new facility is in line with NFA's Strategic Roadmap direction for the modernizing of its aged facilities to project a professional emergency management agency that will facilitate our nation's growth and development.

New 3,000 Litre Capacity Fire Appliance

A brand new Isuzu fire appliance was launched by Minister Ratu Jone Navakamocesa in November 2007. This new appliance was constructed in Australia and has 3,000 litre tank capacity, large capacity fire pump, a firefighting reticulation with lockers for breathing apparatus and other specialist equipment. The launch of this new fire truck is a key result of NFA's commitment to addressing the major roadblocks identified in the Roadmap and the delivery of a first class fire service capability to its stakeholders.

REPORT ON OPERATIONS 2007

EMERGENCY INCIDENT RESPONSES

NFA responded to a total of 1,795 emergency incidents during the year, a decrease of 0.4% compared to the previous year.

These are analyzed by type of emergency call as shown below:

Type of Emergency	2007	2006
Structural Property		
<i>Commercial</i>	127	60
<i>Industrial</i>	5	12
<i>Residential</i>	436	176
<i>Total Structural Property</i>	568	248
Private Fire Alarm	770	703
Rubbish, Bush, Cane	183	611
Motor Vehicle	30	54
Electrical	225	28
False Alarm	-	30
Special Services	13	59
Ship	6	5
Other	-	64
Total	1795	1802

Motor vehicle incidents decreased by 44% from 2006 to a total of 30 Road Accident Rescue (RAR) responses involving the rescuing of trapped persons and cleaning of the area including fuel and oils. No charges are currently being levied and at an estimate of \$500 per call, NFA incurred a cost of around \$15,000 without recovery. The trend is that these turnouts are likely to increase each year based on the number of vehicles now on the road and the high mobility rate of commuters.

Special Services – A total of 13 special services were attended to during the year. This service is slowly increasing as the communities become aware of the Authority's specialist capabilities. Special Services are callouts that are not fire-related; for example rescue from lifts or stand by service at bomb threat locations.

Private Fire Alarms – A total of 770 responses were made to private fire alarm connections, a 9.5% increase from the previous year. At \$300 per callout, these turnouts would cost the Authority around \$231,000.

Year	2007	2006	2005	2004
PFA Calls	770	703	564	387

Rubbish, Bush and Cane Fires - Of the total 1795 calls attended to by the Authority throughout Fiji, 10.2% was attributed to bush, rubbish and cane fires. This is a significant portion of the operations as bush, rubbish and cane fires take a long time to put out due to factors such as terrain, heavy smoke and toxicity of the fumes emanating from rubbish fires.



Structural Property Emergencies

Of the total emergency incidents, 568 responses were for structural property fires which increased drastically from the previous year. Property fires are categorized into Commercial, Industrial and Residential fires and causes of these fires are detailed below:

Fire Cause	2007	2006
Accidental	23	9
Arson	18	25
Candle, Prayer Diya	37	18
Carelessness	18	4
Child playing with matches	15	13
Electrical	225	67
Gas	17	3
Kerosene	36	7
Mosquito Coil	18	6
Overheating	21	10
Sparks/Re-ignition	29	6
Unattended cooking	21	13
Uncontrolled burning	40	14
Unknown/Under investigation	20	51
Vehicle related	30	2
Total	568	248



Electrical – There was a 235% increase in electrical fires compared to the previous year, contributing 40% of the total structural property fires attended by the Authority in 2006. The main causes were short circuit and overloading.

Arson – There were 18 suspected arson-caused fires, a 28% reduction from the previous year and represents 3% of the structural property fires attended by the Authority during the year. All suspected arson Cases are referred to the Police for further investigation and prosecution where necessary.

Negligence in the home contributed 26% of the total structural property fires attended by the Authority in the year. These relate to the following fire causes:

Causes	2007	2006
Candles, Prayer diya	37	18
Carelessness	18	4
Child playing with matches	15	13
Cooking unattended	21	13
Kerosene	36	7
Mosquito coil	18	6
Total	145	61

Major Fire Incidents in 2007

Our people attended a number of significant fire incidents and reported their findings in support of our continued drive to reduce the number of fires and minimize the impact of fire on our communities. Major fires that occurred during the year are recorded below.

March

Four members of a family including a retired senior Fiji army officer died when their home caught fire in the early hours of the morning on 22 March. A prominent Group suffered fire damage when its power plant was gutted by fire on 25 March disrupting all services on the island forcing its temporary closure for repairs.



April

An early morning fire destroyed a large section of the central business district of Savusavu town on 8 April.

July

A Samabula residence was completely destroyed in a fire but positive publicity when the occupants escaped injury following the instructions of a Class 8 student who applied the lessons she learnt at the Smokehouse program held at her school earlier in the week.

August

Sixteen traditionally built bures at the Vacoko settlement at Naboro were completely destroyed by a rapidly moving fire on 11 August. A set of low cost housing flats in Namaka were extensively damaged in a fire on 21 August. NFA managed to confine the damage and saved 3 adjoining flats. A house belonging to a former Judge was completely destroyed in a fire at Pacific Harbour on 25 August.

October

On 8 October, the inter island ferry Sinu I Wasa III caught fire while being refitted at Levuka. The fire took hold of the upper accommodation areas and spread quickly throughout that level due to the prevailing windy conditions.

November

On 3 November, a paper factory at Namaka caught fire (for the second time in 18 months). Quick work by the Nadi brigade ensured that the LTA building next door was protected. Around seven homes suffered fire damage due to prayer diyas during Diwali celebrations.

December

There were three fires in the Central Division involving a partly elevated building in Lavena Road, Nabua on 6 December, a pilot boat on 8 December and a Sawmill at Wainadoi on 14 December.



FIRE SAFETY AWARENESS

Community fire safety awareness programs on basic fire safety education programs were conducted through the year. Firefighters were tasked to conduct a least one community fire safety awareness session per month in their respective region.

The Smokehouse program was launched in March 2007 with *Smokey & the Twisties sponsored* Smokehouse program proving very popular and effective with the children. The Smokehouse Unit participated in a total of 10 events throughout the year and reached approximately 12,000 children with fire safety messages from a total of 41 schools. The children experienced first-hand how to react in a smoke-filled house. This program is proving to be a very effective mode of delivering fire safety messages to the children.



A success story appeared on Fiji TV and the local newspapers when a young female student, Losalini Qaqau of Samabula Primary School saved her grandfather from fire death. She had just attended the Smokehouse program the week before. This was an excellent example of the effectiveness of a practical fire safety awareness exercise. Losalini was commended for her bravery and quick application of fire safety measures through a special presentation at her school.

A second Smokehouse unit has been secured through funding donation by ATH Vodafone Fiji Foundation. The VATH Fiji Foundation confirmed their approval following their meeting on 27th November 2007 and stated their preference for their smokehouse to be used for community awareness programs in the Western Division.

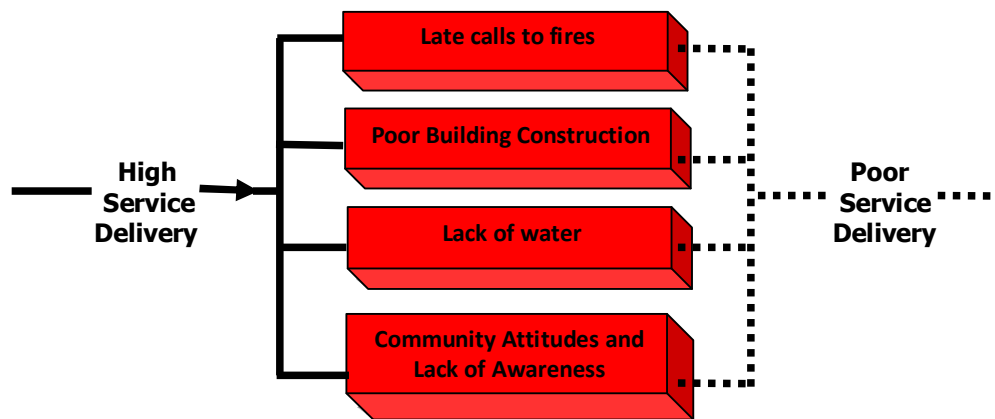


Analysis of Fire Service delivery

The endorsement by Cabinet of the ***Strategic Roadmap for fire safety and mitigation in Fiji*** in October 2007 paved the way for a “whole of Government” integrated approach to fire and emergency service provision in Fiji and identified the strategic priorities for the 5-year planning period. The *Roadmap* clearly sets out NFA’s roles and responsibilities for community safety and wellbeing, economic growth, sustainable development and broader emergency management in Fiji.

There are various external issues that continue to have an impact on NFA’s performance and ability to effectively contain, control and mitigate the effects of fire.

Research into the issues behind all of the large fires that have occurred in Fiji over the last twenty years have all identified one or another of the four main stumbling blocks that continue to frustrate NFA’s effectiveness over and over again – as illustrated below:



Road blocks that impact NFA's ability to deliver effective service

To combat these stumbling blocks, NFA, in consultation with its key stakeholders, identified six strategic priorities which will help improve NFA’s ability to deliver a good and effective emergency service. These six strategies are:

1. Strengthening NFA’s capacity and service delivery

Four key priorities have been identified to strengthen NFA’s capacity and service delivery and these are:

(i) **ensuring availability of water** for effective fire suppression. To attain this, NFA plans to undertake a national review of the existing fire hydrant infrastructure, introduce alternative response tactics, firefighting equipment, techniques and training to ensure the most efficient use of current water supplies at fires, identify static water locations and access, and ensure availability of adequate water supply in new developments.

(ii) **improving structural fire safety.** This requires NFA to integrate with building approval authorities and ensure structural fire safety design and protection compliance measures for commercial, industrial, critical infrastructure and high life-risk public buildings. Review of the fee structure would be necessary to allow a scale of fees based on risk, service and value of development and the need to strengthen structural inspections, compliance and enforcement roles were also important.

(iii) **improving community and home fire safety** by introducing fire safety education into the school curriculum framework, and also introducing a structured and effective community fire safety program for all of Fiji.

(iv) **expansion of fire service delivery models.** This is to be achieved through the introduction of a community, industry, and NFA partnership to deliver a range of flexible fire service models to provide a higher level of fire protection for resorts, prisons, large school dormitories and other high life risk facilities. This would entail the expansion of the existing role of an NFA Officer to manage and service larger catchments. Volunteers are utilized to support the increase in service delivery and capability. NFA's traditional firefighting role is continually being expanded to include Road accident rescue, Hazardous materials rescue, Community safety education, supporting natural disaster agencies and Urban search and rescue.

2. Community education, marketing and engagement

To achieve this priority, NFA plans to implement community fire safety strategies and to increase its ability to communicate internally and externally. A new Corporate Affairs department was established during the year to take greater advantage of the media and profile raising opportunities.

3. Fire service performance monitoring and reporting

Performance reporting will provide an accountability mechanism and the basis for building stakeholder confidence as NFA seeks to broaden its role beyond fire to broader emergency management. Introduction of a new computer aided dispatch centre to receive emergency calls and dispatch of appropriate resources in a timely manner, commissioning of a computerised fire and incident reporting system to capture and report all fire and incident information would need to be implemented to enhance response, performance monitoring and reporting.

4. Partnerships and strong stakeholder relationships

A strong partnership focus is required to realise the synergies of combined efforts and to ensure strong cross agency coordination and commitment to agreed fire safety and mitigation priorities. In relation to this, NFA plans to strengthen and develop external relationships with international fire services who can provide support and expertise to NFA, to grow NFA's leadership role with Pacific island nation's fire services, and to build capacity to provide additional support for volunteer brigades and communities.

5. Appropriate legislative and policy framework

Legislative changes will be required and solid commitment from other agencies will be essential. In respect to this, NFA plans to address areas of legislative weakness in the current National Fire Service Act, 1994. It will also identify legislative changes to accommodate and strengthen NFA's proposed reforms and will also contribute to legislative reforms with other Acts that affect NFA's role and performance.

6. Appropriate and sustainable NFA funding arrangements

NFA will require a stronger funding base to progress with strengthening NFA service delivery and improving fire service performance. Due to this, NFA plans to develop more appropriate fee structures, increase current activities that can generate fees and explore commercial activities relating to NFA's legislated role.

The development of annual Business Plans to immediately progress the implementation of these key priority areas ensured the strategic direction of the work programs for NFA's Management and Staff towards the achievement of the aspirations of the Roadmap.

FINANCIAL SUMMARY

INCOME

Total income for 2007 was \$7,428,645, an 18% improvement over the previous year. The increase in income was attributed to the following:

- Close monitoring of monthly income and aggressive follow ups on collection of insurance levies.
- Recommencement of false alarms billings to increase revenue base and cash flow.

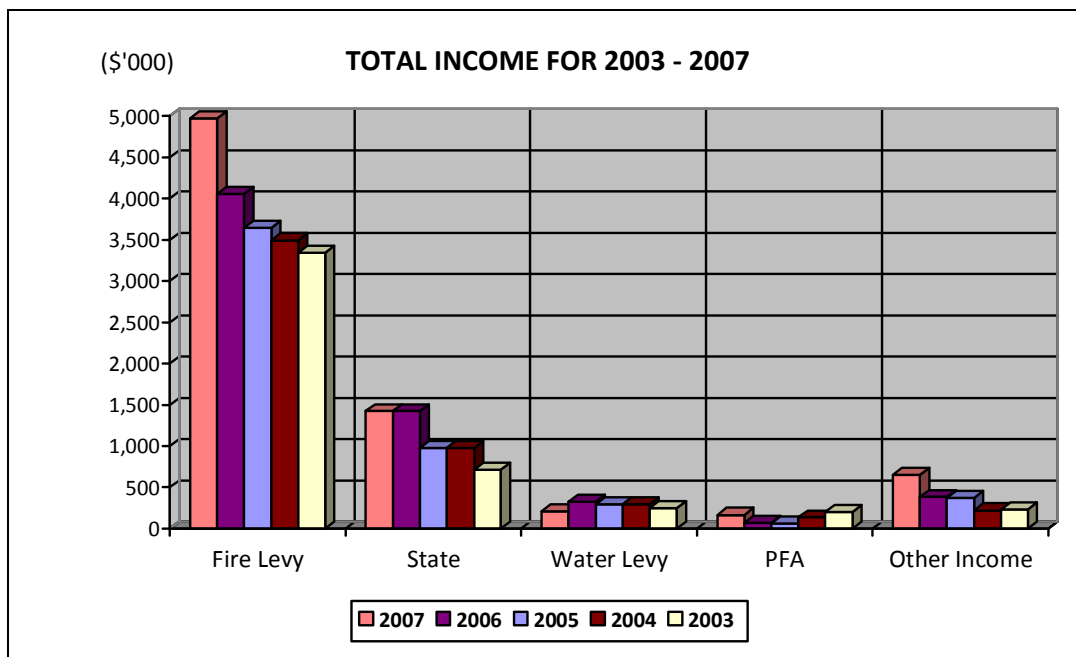


SOURCES OF INCOME

NFA received contributions from Government totalling \$1.4 million VEP, representing 19% of the total income and remained at the same level as the previous year. Government grants are channeled towards the Authority's capital projects.

NFA's annual operating expenditure is funded through income generated from insurance fire levy contributions (67%), water levies (3%) and private fire alarms monitoring and response (2%).

During the year NFA also received funding totalling \$654,371 (9%) from the provision of goods and services to external bodies (2006: \$169,802). These include the provision of external training services, dangerous goods inspections and hazardous material incidents responses.



EXPENSES

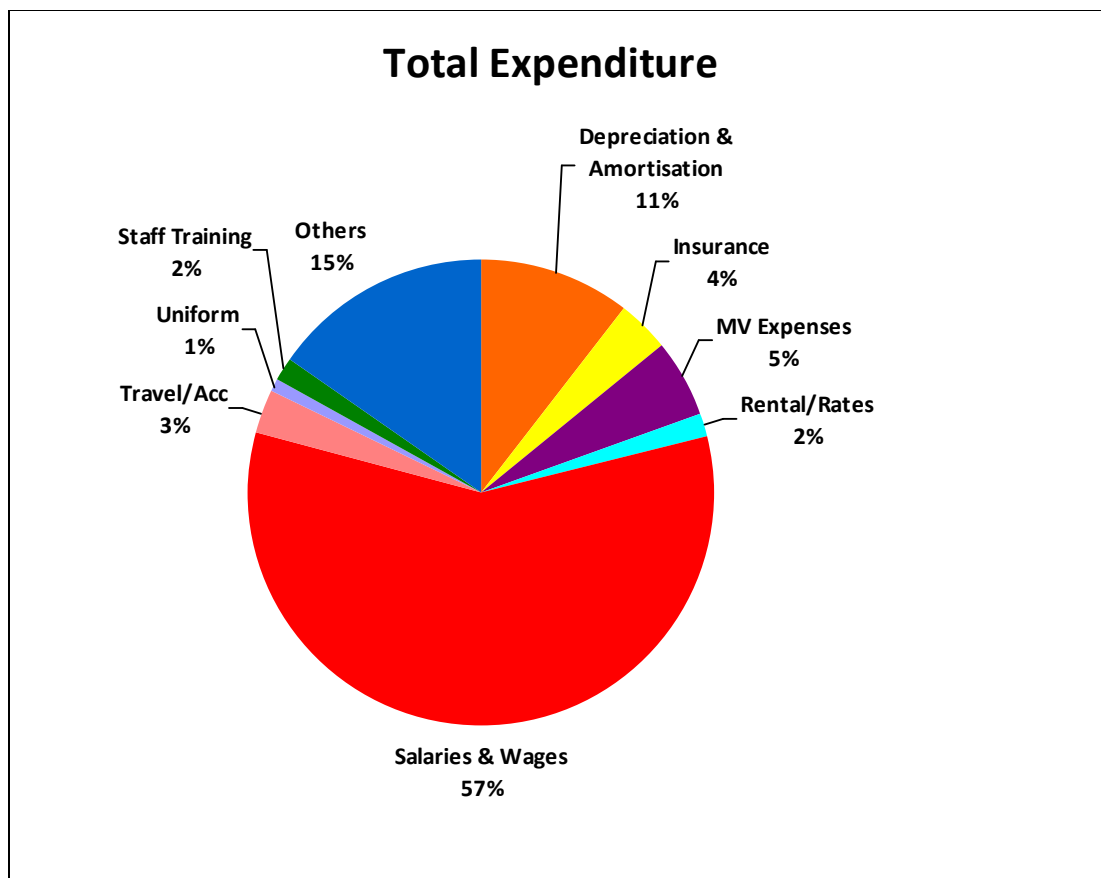
Total expenses for 2007 were \$6.17 million compared to \$6.03 million in the previous year. The increase of \$0.14 million can be attributed mainly to increases in employee benefits and other expenses.

During the year, \$3.58 million (2006: \$3.78 million) was spent on salaries and other employee expenses such as superannuation and employee support activities.

The written down value of NFA's assets at cost or valuation including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$5,208,123. (2006: \$4,427,710). Depreciation expenses totalled \$4,639,842 which is a drastic increase to the corresponding 2006 figure of \$631,604. This has resulted from the increase in the level of Assets held by NFA, which is nearly double the value of Assets held in 2006.

Due to NFA's level of liquidity there were no borrowing costs during the year.

In line with the recommendations by the Auditor General, Management implemented changes that ensured good governance and improved efficiency. The long overdue VAT arrears totalling \$882,000 was paid in full by 15th November 2007. These arrears have been outstanding for a number of years.



ORGANISATIONAL SUPPORT

NFA PEOPLE

There were changes to the NFA Board and the Executive Management team in May 2007 resulting in the appointment of Mr Joseva Gavidu as Chief Executive Officer and recruitment of Mr Jone Koroi as Director Corporate Services and Board Secretary. Mr Mark Reid remained as Director Operations and Chief Fire Officer for the duration of his contract of secondment from Country Fire Authority of Australia.

Manpower numbers at 31 December 2007 increased slightly compared to the previous year due to the recruitment of Key executive and senior management positions during the year to strengthen the Management base of the organization.

Type	2007	2006
Executive Staff	3	2
Career firefighters	192	199
Auxiliary firefighters	12	-
Support and Administration Staff	13	15
<i>Total Permanent Staff</i>	<i>220</i>	<i>216</i>
Temporary staff	9	2
Volunteers	42	63

NFA will continue with its organizational streamlining program to create a much leaner organization through the use of information technology, multi-skilling of workers and better process design and management. The underutilizing of experienced staff and excessive engagement of consultants by the previous Management has now been rationalized, with the new Management team engaging previously redundant staff to participate in NFA's operations and discontinuing the services of unnecessary consultants in order to save costs. The upskilling of structural fire officers and rationalizing of staff utilization during the year ensured the full utilization of manpower and strengthened service delivery.

A long serving senior fire officer Mr Sitiveni Bulunasui died in service after a short illness and our heart-felt condolences go to his family.

We have dedicated employees working in the industry who have an average of 15-20 years of service. Employees are encouraged to take regular annual leave. At year end provision for annual leave was \$100,631. Study leave increased by 5% as the Authority continued to encourage employees to undertake further studies.

A new Gratuity payment policy for retirees was effected in October 2007 and payment is being made on the basis of the officer's years of service and retiring rank. The Housing Rent Policy was revised to set rent ceilings on each category, ie by rank in operations.

TRAINING & DEVELOPMENT

NFA continued to encourage employees to undertake training on both short and long-term basis, towards acquiring necessary academic and professional qualifications. Throughout the year a total of 19 employees, representing 8.63% of the workforce, underwent training programs. Programs included:

Overseas Programs: Fire Rescue Training, AFAC Conference Workshops, Structural Fire Fighting, Road Accident Rescue, Technical Ropes and Rescue.

A two-week intensive training was conducted in October 2007 to increase skills and expertise of structural fire officers. These fire officers from the three divisions are now qualified to certify fire plans for new building constructions and provide fire safety reports required for annual business licenses.

The first ever pass out parade for 12 student cadet firefighter volunteers was conducted in Levuka on 21 December, comprising both female and male cadets.

INDUSTRIAL RELATIONS

The cordial working relationship between Management and the workers continued during the year resulting in no losses due to industrial action.

The new Management team is working to follow closely the spirit of the Memorandum of Agreement for solving disputes, annual interviews and increments with the Workers' Union – Fiji Public Service Association, to reduce instability and losses while at the same time increase productivity.

CAPACITY BUILDING

The Authority recognizes the need to focus on building the capacity and service delivery of NFA in order to maximize the social impact and improve NFA's ability to deliver against our aspirations and Government's expectations. In doing so, the Strategic Roadmap identifies key performance indicators that will ensure the enhancement of NFA's capabilities at all levels, from its people to its systems and structure.

Capital works on the construction of the new Sigatoka Fire Station was completed and officially opened in October 2007. The new facility will complement the growing economic activity in the Sigatoka and Coral Coast area. A new fire truck and six fire appliances came from CFA Victoria, boosting NFA's appliance and equipment capacity.

The Coral Coast Chapter of the Fiji Islands Hotel & Tourism Association pledged a donation of \$50,000 towards the purchase of a new fire appliance to service that area. Details of this donation and its utilization will be finalized in 2008.

The Board and Management had the privilege of joining a Government Ministerial team to China in December to seek out trading and technical opportunities. This visit proved successful as collaborative talks with China Fire Bureau commenced for technical development assistance.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The appointment of a new IT Officer for NFA enabled the development of infrastructure to create a foundation on which NFA's business and operational applications will be built. NFA is pursuing Government's ITC department's offer to develop an intranet facility for NFA. This will be carried out in stages in accordance with cost considerations and will enable NFA HQ to eventually network and link up with its 14 stations. Determination of the scope of this project and its related costs are underway.

Work on the development of NFA's Website has commenced with Government's ITC department. Content gathering for the web pages progresses well and should be ready for testing early in the new year. NFA's new website will be a great marketing and information window to the world and a cheap and effective tool for informing NFA's operational people on the ground.

PUBLIC RELATIONS

NFA's new Corporate Affairs unit has been working closely with the Ministry of Information on the use of their media network to quickly enhance NFA's media relations. It has been encouraging to see positive media coverage about NFA since the engagement of this unit.

Management was proactively building relations with stakeholders through meetings with senior officials of such stakeholders as Public Works Department, Secretariat of the Pacific Community, Ministry of Lands etc.



**AUDITED FINANCIALS
FOR THE YEAR ENDED
31 DECEMBER 2007**

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NATIONAL FIRE AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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NATIONAL FIRE AUTHORITY

BOARD MEMBERS' REPORT

The Board members present their report together with the financial statements of National Fire Authority ("the Authority") for the year ended 31 December 2007 and the Auditors' report thereon.

Board Members

The board members of the Authority during the year were:

Member	Appointed	Term Expired / Retired
Mr John Low	1 April 2007	31 March 2010
Mr. Joseva Gavid	1 April 2007	31 August 2007
Mr. Peter McPherson	6 November 2007	31 March 2010
Mr. Jone Mika	1 April 2007	31 March 2010
Mr. Satish Badal	1 April 2007	31 March 2010
Mrs Senileba Levaci	1 April 2007	30 June 2008
Mr Azmat Khan	1 April 2007	31 March 2010
Mr Jagat Singh	28 July 2008	31 March 2010

State of Affairs

To the best of their knowledge and information, the board members are of the view that the attached balance sheet gives a true and fair view of the state of affairs to the Authority as at 31 December 2007 and that the income statement, statement of changes in funds and cash flow statement give a true and fair view of the result and cash flows of the Authority for the year then ended.

Principal Activities

The principal activities of the Authority during the course of the financial year were to coordinate the units of fire service for the purpose of fire protection and other emergencies and establish courses of training to the members of the fire service.

There were no significant changes in the nature of these activities during the financial year.

Operating Results

The net surplus for the year ended 31 December 2007 was \$1,257,954. (2006: \$224,440)

Dividends

No dividend was declared during the year and the board members recommend that no amounts be paid by way of dividends.

Reserves

The board members recommend that no amount be transferred to or from reserves.

Bad and Doubtful Debts

Members took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of provision for doubtful debts. In the opinion of members, adequate provision has been made for doubtful debts.

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

Current Assets

Members took reasonable steps to ascertain whether any current assets were unlikely to realize in the ordinary course of business their values as shown in the accounting records of the Authority. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize.

As at the date of this report, the members are not aware of any circumstances, which would render the values attributed to current assets in the Authority's financial statements misleading.

Unusual Transactions

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

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year 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

As at the date of this report:

- i no charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- ii no contingent liabilities have arisen since the end of the financial year for which the Authority could become liable; and
- iii no contingent liabilities or other liabilities of the Authority has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the members, will or may substantially affect the ability of the Authority to meet its obligations as and when they fall due.

As at the date of this report, the members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Authority's financial statements, which would make

adherence to the existing method of valuation of assets or liabilities of the Authority misleading or inappropriate.

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

Dated this 13th day of March 2009


Chairman


Deputy Chairman


Board Secretary



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MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the National Fire Authority in accordance with Section 37 of the National Fire Services Act and Section 3 of the Audit Act. The National Fire Authority is responsible for the preparation and presentation of the financial statements and the information they contain.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

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

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

Unqualified Audit Opinion

In my opinion, the accompanying financial statements present fairly the financial position of the Authority as at 31 December 2007 and the results of its operations, movement of funds and its cash flows for the year then ended.



Tevita Bolanavanua
ACTING AUDITOR GENERAL

Suva, Fiji

17 March 2009

**NATIONAL FIRE AUTHORITY
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<u>Note</u>	<u>2007</u>	<u>2006</u>
		\$	\$
Income	2	7,428,165	6,256,320
Less: Operating and Administration Expenses		<u>(6,170,211)</u>	<u>(6,031,880)</u>
Net surplus for the year		<u>1,257,954</u>	<u>224,440</u>

The accompanying notes form an integral part of this income statement.

**NATIONAL FIRE AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Asset Revaluation Reserve	Accumulated Surplus	Total
	\$	\$	\$
Balance as at 31 December 2005	1,263,131	3,569,970	4,833,101
Net surplus for the year	-	224,440	224,440
Balance as at 31 December 2006	1,263,131	3,794,410	5,057,541
Net surplus for the year	-	1,257,954	1,257,954
Balance as at 31 December 2007	1,263,131	5,052,364	6,315,495

The accompanying notes form an integral part of this statement of changes in funds.

**NATIONAL FIRE AUTHORITY
BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents		455,059	418,404
Trade and other Receivables	3	1,144,499	690,563
Inventories	3	31,353	---
Financial assets- short term	4	700,000	1,893,685
Total Current Assets		2,330,911	3,002,652
NON-CURRENT ASSETS			
Financial Assets- Long Term	4	---	100,000
Property, Plant and Equipment	5	5,208,123	4,327,710
Total Non-Current Assets		5,208,123	4,427,710
TOTAL ASSETS		7,539,034	7,430,362
CURRENT LIABILITIES			
Trade and other payables	6	639,579	1,632,646
Provisions	7	117,968	51,248
Total Current Liabilities		757,547	1,683,894
NON-CURRENT LIABILITIES			
Provisions	7	---	45,218
Deferred Revenue	8	465,992	643,709
Total Non-Current Liabilities		465,992	688,927
TOTAL LIABILITIES		1,223,539	2,372,821
NET ASSETS		6,315,495	5,057,541
ACCUMULATED FUNDS			
Asset Revaluation Reserve		1,263,131	1,263,131
Accumulated Surplus		5,052,364	3,794,410
TOTAL ACCUMULATED FUNDS		6,315,495	5,057,541

The accompanying notes form an integral part of this balance sheet.

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



Chairman



Deputy Chairman



Board Secretary

**NATIONAL FIRE AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities	\$	\$
Receipts from customers	5,230,858	4,355,390
Payments to suppliers and employees	<u>(6,423,845)</u>	<u>(5,263,516)</u>
Cash used in operations	(1,192,987)	(908,126)
Government grant received	1,422,222	1,422,222
Interest received	93,412	100,627
Net VAT paid	<u>(62,872)</u>	<u>31,055</u>
Net cash provided by operating activities (Note 9 (a))	<u>259,775</u>	<u>645,778</u>
Cash flows from investing activities		
Proceeds from disposal of assets	18,667	42,500
Payments for property, plant and equipment	(1,535,472)	(916,256)
Payments for investments	<u>100,000</u>	<u>(1,046)</u>
Net cash used in investing activities	<u>(1,416,805)</u>	<u>(874,802)</u>
Net increase/ (decrease) in cash and cash equivalents	(1,157,030)	(229,024)
Cash and cash equivalents at the beginning of the year	418,404	239,143
Short Term Investment at the beginning of the year	<u>1,893,685</u>	<u>2,301,970</u>
Cash and cash equivalents at the end of the year (Note 9 (b))	<u>1,155,059</u>	<u>2,312,089</u>

The accompanying notes form an integral part of this cash flow statement.

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been drawn up in accordance with Fiji Accounting Standards.

The principal accounting policies adopted by the Authority are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

All amounts are stated in Fijian currency.

a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention using the accounting policies described below, except where stated, do not take into account current valuation of non-current assets.

b) Trade Receivables

A provision is made in respect of debts considered doubtful based on a review of outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

c) Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates.

Land and building	10%
Leasehold improvement	Over the unexpired period of the lease
Fire engines	5% - 10%
Motor vehicles	20%
Radio equipment	10%
Fire fighting equipment	10%
Office equipment	20%
Furniture and Fittings	15%
Computer Equipment	20%

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

Property, plant and equipment that is being constructed or developed for future use is classified as work in progress and stated at cost.

Gain or losses on disposal of property, plant and equipment are taken into account in determining the (deficit)/surplus for the year.

d) Trade and other payables

Trade and other payables are stated at cost.

e) Provisions

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

A provision for repairs and maintenance is created based on an assessment of the need for repairs and maintenance on the Authority's property, plant and equipment.

f) Employee Entitlements

(i) Annual leave

Annual leave for salary and wages staff is calculated at balance date based on the current rate of remuneration.

(ii) Long service leave

Long service leave is calculated and accrued to employees who have completed at least 12 years of continuous service.

(g) Income Tax

The Authority is exempt from income tax under the provisions of section 17 [24] of the Income Tax Act [1985].

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

(h) Revenue

Revenue represents income earned from fees charged for fire services, insurance fire levy, water levy and Government grants and is recognized on accrual basis.

(i) Amortization of deferred revenue

The benefits arising from assets acquired by the Authority from Municipal Councils and those received from the Fiji Government and other organisations are credited to income at the rate those assets are depreciated annually.

(ii) Fire levy contributions

Insurance companies in Fiji are required under the National Fire Service [Amendment] Act 1997 to remit to the Authority 0.06% of the total of all sums insured during the year.

(iii) Government grant

Government grants are paid to the Authority in quarterly instalments in accordance with the National Fire Service (Amendment) Act 1997.

(iv) Water levy contributions

All owners or occupiers of properties are charged \$0.50 per water meter per month by the Public Works Department, who then remit the same to the Authority as required under the National Fire Service [Amendment] Act 1997.

NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 2	INCOME	2007 \$	2006 \$
	Amortisation of deferred income	179,806	181,641
	Commission	8,995	10,395
	Excess of Vat provision	253,010	-
	Fire levy contributions	4,974,546	4,055,838
	Government Grants	1,422,222	1,422,222
	Interest Income	93,412	100,627
	Private Fire Alarm rental, attendance and special services	167,176	70,015
	Gain on sale of fixed assets	18,667	32,045
	Rental income	16,880	6,000
	Traning	3,306	26,473
	Water levy contributions	209,850	324,757
	Other income	80,295	26,307
	Total income	7,428,165	6,256,320
NOTE 3	TRADE AND OTHER RECEIVABLES		
	Accounts Receivable	1,133,669	623,593
	Less: Provision for doubtful debts	(17,871)	(26,176)
		1,115,798	597,417
	Interest Receivable	9,076	27,341
		-	-
	Staff advances	7,199	21,595
	Deposits	8,347	10,455
	Prepayments	4,079	33,755
	Total trade and other receivables, net	1,144,499	690,563
	Inventories	31,353	-
NOTE 4	FINANCIAL ASSETS		
	Short Term		
	Short term deposits with Merchant Finance	-	1,100,000
	FDD securities	-	793,685
	Reserve Bank of Fiji Notes	100,000.00	-
	Home Finance Company Limited	200,000.00	-
	Dominion Finance	400,000.00	-
	Total Short Term financial assets	700,000	1,893,685
	Long Term		
	Long Term Bond	-	100,000
	Total Long Term financial assets	-	100,000

NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 5 PROPERTY, PLANT AND EQUIPMENT	2007	2006
	\$	\$
Land and Buildings	3,550,733	2,106,318
Land and buildings - at valuation	-	765,839
Less: accumulated depreciation/ amortisation	(1,155,484)	(879,158)
	<u>2,395,249</u>	<u>1,992,999</u>
 Fire engines - at cost	 3,934,703	 3,368,166
Less: accumulated depreciation	(2,154,461)	(2,018,222)
	<u>1,780,242</u>	<u>1,349,944</u>
 Motor vehicle - at cost	 375,296	 391,543
Less: accumulated depreciation	(113,636)	(147,584)
	<u>261,660</u>	<u>243,959</u>
 Radio equipment - at cost	 443,371	 427,493
Less: accumulated depreciation	(312,202)	(277,991)
	<u>131,169</u>	<u>149,502</u>
 Fire fighting equipment - at cost	 869,568	 810,748
Less: accumulated depreciation	(453,514)	(373,890)
	<u>416,054</u>	<u>436,858</u>
 Office equipment - at cost	 64,289	 63,850
Less: accumulated depreciation	(50,152)	(41,042)
	<u>14,137</u>	<u>22,808</u>
 Furniture and fittings - at cost	 132,715	 301,322
Less: accumulated depreciation	(79,704)	(190,859)
	<u>53,011</u>	<u>110,463</u>
 Computer equipment - at cost	 85,515	 76,650
Less: accumulated depreciation	(65,343)	(55,473)
	<u>20,172</u>	<u>21,177</u>
 Station Requirements - at cost	 12,434	 -
Less: accumulated depreciation	(507)	-
	<u>11,927</u>	<u>-</u>
 Rescue Equipment - at cost	 96,154	 -
Less: accumulated depreciation	(5,563)	-
	<u>90,591</u>	<u>-</u>
 Other Assets - at cost	 179,105	 -
Less accumulated depreciation	(145,194)	-
	<u>33,911</u>	<u>-</u>
Total property, plant and equipment, net	<u>5,208,123</u>	<u>4,327,710</u>

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Land and Buildings	Fire Engines	Motor Vehicles	Radio Equipment	Fire Fighting Equipment	Office Equipment	Furniture & Fittings	Rescue Equipment	Station Equipment	Computer Equipment	Other Assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	2,872,157	3,368,166	391,543	428,478	810,577	63,849	125,757	-	-	76,389	175,572	8,312,488
Additions	678,576	566,537	87,834	14,893	58,992	440	6,958	96,154	12,434	9,125	3,534	1,535,477
Disposal of Assets	-	-	(104,082)	-	-	-	-	-	-	-	-	(104,082)
Disposals of Acc. Depreciation	-	-	104,082	-	-	-	-	-	-	-	-	104,082
Depreciation / Amortisation	(1,155,484)	(2,154,461)	(217,718)	(312,202)	(453,514)	(50,152)	(79,704)	(5,563)	(507)	(65,343)	(145,194)	(4,639,842)
	2,395,249	1,780,242	261,659	131,169	416,055	14,137	53,011	90,591	11,927	20,171	33,912	5,208,123

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 6 TRADE AND OTHER PAYABLES

	2007	2006
	\$	\$
Trade accounts payable and accrued liabilities	587,140	450,433
VAT Payable	<u>52,439</u>	<u>1,182,213</u>
Total trade and other payables	<u><u>639,579</u></u>	<u><u>1,632,646</u></u>

VAT Payable comprises of VAT on fire levy contributions covering the period 1999 to March 2003. This outstanding VAT liability relates to the fire levy contributions received from the insurance companies in prior years which were not included in the VAT returns for the respective periods. The Authority has filed amended VAT returns to FIRCA, while on the same note a letter has been written to the Minister for Finance to have the VAT arrears written off.

NOTE 7 PROVISIONS

Current

Employee Entitlements	100,631	48,960
Repairs and maintenance	<u>17,337</u>	<u>2,288</u>
Total current provisions	<u><u>117,968</u></u>	<u><u>51,248</u></u>

Non-Current

Employee entitlements	-	45,218
Total non-current provisions	<u><u>-</u></u>	<u><u>45,218</u></u>

NOTE 8 DEFERRED REVENUE

Assets acquired from municipal councils	1,137,392	533,392
Assets received in aid from Japanese Government	279,026	279,026
Assets received in aid from Fiji Government	600,000	604,000
Grant received from Fiji Government	300,000	900,000
Assets received from Australia	<u>2,089</u>	
	<u>2,318,507</u>	<u>2,316,418</u>
Less: provision for amortisation	<u>(1,852,515)</u>	<u>(1,672,709)</u>
Total deferred revenue, net	<u><u>465,992</u></u>	<u><u>643,709</u></u>

NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 9 NOTES TO THE CASH FLOW STATEMENT

**a) Reconciliation of Net Cash provided by operating
Activities to Net Surplus**

	2007	2006
	\$	\$
Net surplus	1,257,954	224,440
Adjustments for:		
Amortisation of deferred revenue	(177,717)	(181,641)
Depreciation and amortisation	655,059	631,603
Provision for doubtful debts/ (recovered)	-	9,035
Gain on sale	(18,667)	(32,045)
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(485,289)	(173,431)
(Increase) / decrease in deposits and prepayments	-	-
(Increase) / decrease in other receivables	-	-
Increase / (decrease) in trade payables and accruals	73,835	150,538
Increase / (decrease) in provision for employee entitlements	(1,045,400)	17,279
Increase / (decrease) in other provisions	-	-
Net cash provided by operating activities	<u>259,775</u>	<u>645,778</u>

b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balance with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet

Cash on hand and at bank	455,059	418,404
Short Term Investments	700,000	1,893,685
Total cash on hand and at bank	<u>1,155,059</u>	<u>2,312,089</u>

NOTE 10 SURPLUS FROM OPERATIONS

Surplus from operations has been determined after charging the following expenses:

Auditor's remuneration for Audit fees	5,665	6,989
Accounting Fees	7,500	29,326
Bad debts written off	-	29,556
Depreciation and amortisation	655,059	631,603
Premises rental and rates	103,114	95,358
Provision for Doubtful debts	-	29,556
Provision for Employee entitlements	100,631	9,909
	<u>3,580,836</u>	<u>3,780,790</u>

NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 11 COMMITMENTS

	2007	2006
	\$	\$
Capital Expenditure		
Approved by the board and committed	1,622,222	75,000
Approved by the board and not committed	-	1,200,000
	<u>1,622,222</u>	<u>1,277,006</u>

Operating lease commitments payable is as follows:

Not later than one year	2,453	2,453
Later than one year but not later than two years	2,453	2,453
Later than two years but not later than five years	1,942	1,942
	<u>6,848</u>	<u>6,848</u>

The Authority is committed to minimum annual land lease rentals of \$2,160 on various leases.

NOTE 12 CONTINGENT LIABILITIES

Contingent liabilities as at 31 December 2007 exists in relation to the following:

- (a) The Authority has outstanding VAT payable covering the period 1999 to March 2003. No provision has been made for potential penalties, if any, that may be charged by Fiji Islands Revenue & Customs Authority in future.

NOTE 13 SEGMENT INFORMATION

(a) Business segment

The Authority operates predominantly in providing fire protection and other emergency services

(b) Geographical segment

The Authority operates in Fiji and is therefore one geographical area for reporting purposes.

**NATIONAL FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 14 PRINCIPAL ACTIVITIES

The principal activities of the Authority during the course of the financial year were to coordinate the units of fire service for the purpose of fire protection and other emergencies and establish courses of training to members of the fire

NOTE 15 AUTHORITY DETAILS

Authority Incorporation

The Authority was incorporated in Fiji under the National Fire Service Act, 1994.

Registered Office

The registered office of the Authority is located at:

Argo Street
Walu Bay
P O Box 201
SUVA

Principal Place of Business

The Authority operates predominantly from their head office at Argo Street, Walu Bay. However, there are operational centres at Ba, Labasa, Lautoka, Nadi, Valelevu, Savusavu, Sigatoka, Rakiraki, Navua, Tavua and Levuka.

Number of Employees

As at balance date, total of 229 employees were employed by the Authority.

NOTE 16 COMPARATIVES

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current

**NATIONAL FIRE AUTHORITY
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007**

Disclaimer on Additional Financial Information

The following additional information, being the detailed income statement has been compiled by the management of National Fire Authority and does not form part of the statutory financial statements.

**NATIONAL FIRE AUTHORITY
ADDITIONAL INFORMATION - AUDITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

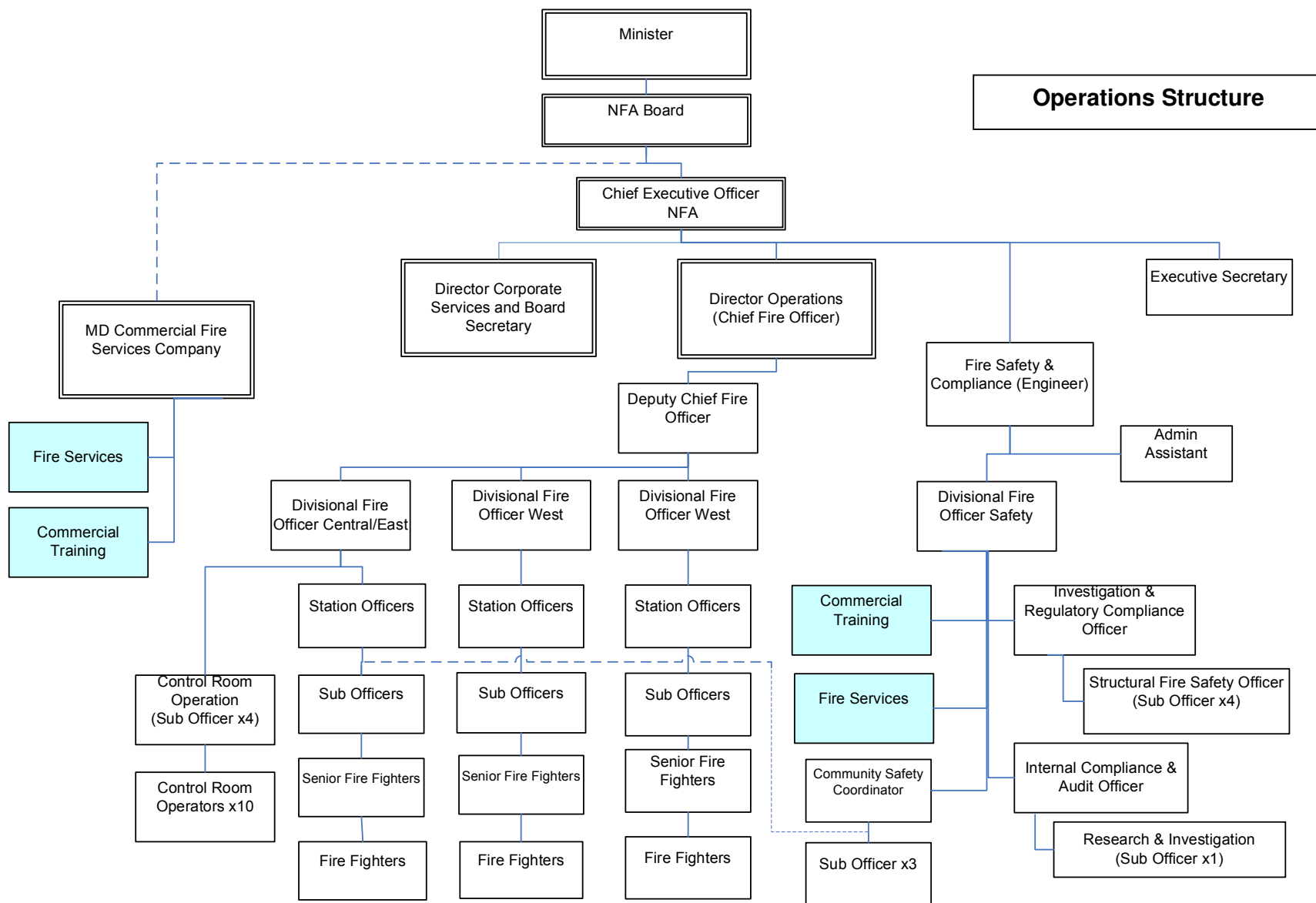
	2007	2006
	\$	\$
Income		
Amortisation of deferred income	179,806	181,641
Commission	8,995	10,395
Excess of Vat provision	253,010	-
Fire levy contributions	4,974,546	4,055,838
Gain on sale of fixed Assets	18,667	32,045
Government grants	1,422,222	1,422,222
Interest Income	93,412	100,627
Private fire alarm rental, attendance and special services	167,176	70,015
Rental income	16,880	6,000
Training	3,306	26,473
Water Levy contributions	209,850	324,757
Other	80,295	26,307
Total Income	<u>7,428,165</u>	<u>6,256,320</u>
Less: Operating and Administration Expenses		
Audit fees	5,665	6,989
Accounting services	7,500	30,337
Advertising	17,052	33,351
Bad and doubtful debts	-	29,556
Bank Charges	5,029	9,554
Board expenses	15,631	22,684
Casual Wages	-	-
Commission	4,050	-
Communication	121,296	96,110
Depreciation and amortisation	655,059	631,603
Electricity	52,441	45,860
Entertainment	7,713	-
Fire Fighting Expenses	11,247	34,208
Fire station expenses	88,752	78,440
FNPF	271,822	-
Gratuity payment	3,900	-
Insurance	222,334	159,073
Meeting expenses	13,546	2,705
Motor Vehicle- fuel and repair	319,713	351,346
Office expenses	3,183	1,235

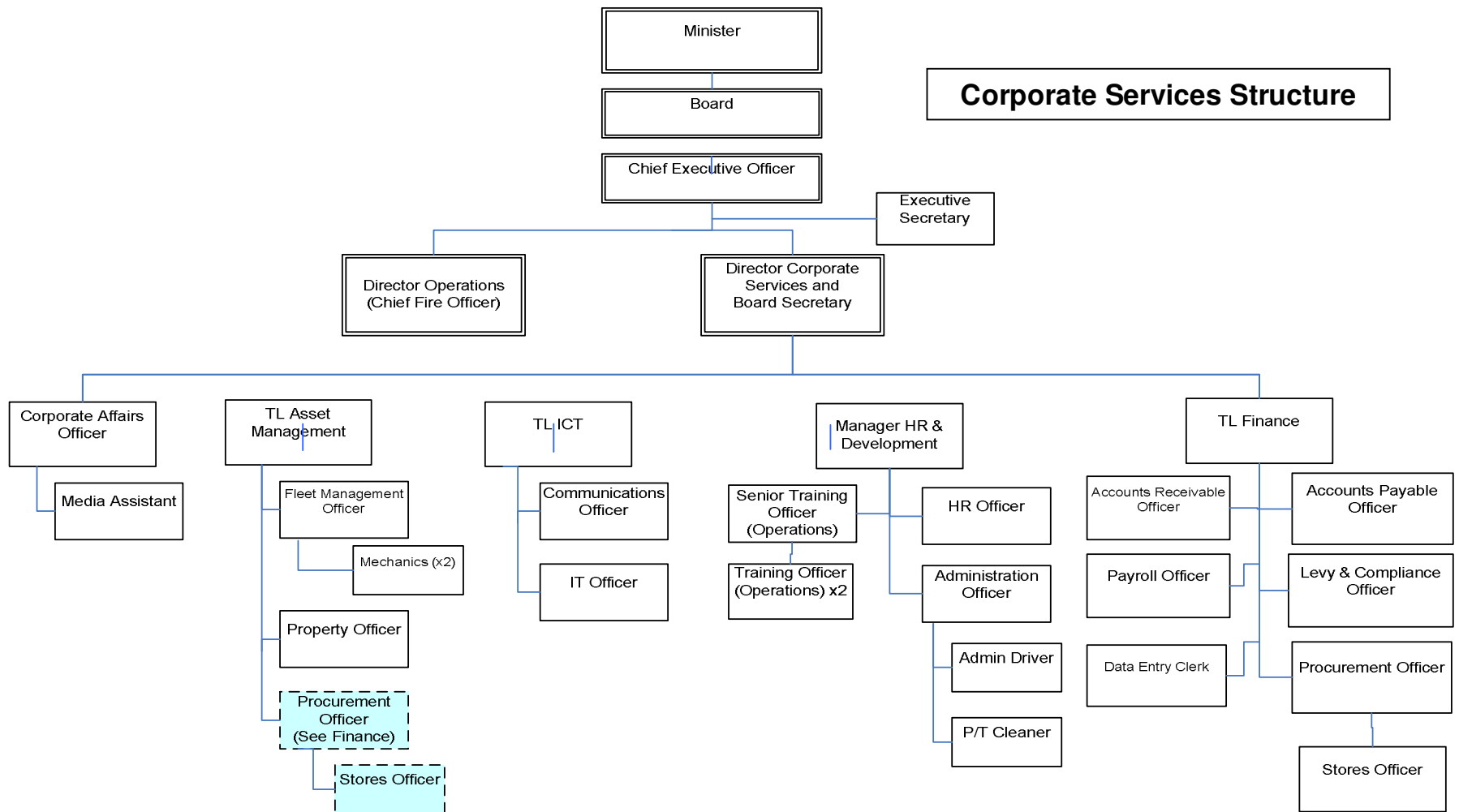
**NATIONAL FIRE AUTHORITY
 ADDITIONAL INFORMATION - AUDITED
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2007**

Cont'd..

Open day expense	5,016	-
Postage and freight	25,070	10,970
Premises rental and rates	103,114	95,358
Printing and stationery	54,157	55,350
Professional fees	37,274	83,339
Legal expenses	10,037	-
Miscellaneous expenses	5,038	880
Repairs and maintenance	56,988	42,606
Staff amenities	1,397	5,301
Salaries and Wages	3,580,836	3,780,790
Subscriptions and donations	6,598	5,482
Subsistence allowance	32,388	-
Staff training	116,264	143,231
Travel and Accommodation	196,325	170,974
TPAF levy	37,523	-
Uniform	39,290	67,895
Volunteer brigade	26,604	30,277
Water	10,359	6,376
Total operating and administration expenses	<u>6,170,211</u>	<u>6,031,880</u>
Net surplus for the year	<u>1,257,954</u>	<u>224,440</u>

SUPPLEMENTARY INFORMATION





NFA STATION LOCATIONS

