



Fiji Roads Authority

2015 Corporate Plan

and Statement of Corporate Intent



19 December 2014

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FROM THE CHAIRMAN



Parmesh Chand
Interim Chairman

Fiji Roads Authority is now well established and we are beginning to see the benefits of the change. The core responsibilities of transparency and accountability are being driven by governance structures which reflect international best practice in service delivery. Value is being ensured through the competitive tendering of outsourced functions.

Continual improvement

In 2015 FRA's management team will be pursuing continual improvement in all these areas. The board and the management team will critically examine every aspect of planning and delivery of maintenance and construction to ensure compliance with the procedures which were established to implement the FRA decree.

A sustainable localised supply chain

A major focus for 2015 will be on the continued nurturing of the supply chain with an emphasis on expanding the breadth and depth of the Fijian road construction industry. The goal is to ensure that there is a sustainable and capable sector to provide a healthy competitive environment.

Completing the transition

One of the key goals for 2015 is to take the FRA 'project' on its final step to completion. This will involve re-defining relationships within the supply chain so that all the core functions are fully 'owned' and directly controlled by the FRA. The capability now exists within the organisation and in 2015 we are embarking on a process of establishing new contractual relationships which reflect the maturity of the Authority.

Coordination across Government

Improving the road network is one part of a coordinated effort to increase the pace of Fiji's development. FRA is working to deliver its share of this effort through a sustained investment programme over the course of the next few years to bring the network up to an appropriate service level. Over 2015 the FRA will continue to build partnerships across Government to ensure that this substantial investment is part of an integrated, cross-sector approach.



Parmesh Chand
Interim Chairman
Fiji Roads Authority

Date: 19 December 2014

FROM THE CHIEF EXECUTIVE



2014 was a year of achievement for Fiji Roads Authority and our partners. New roads are being built and existing roads are being upgraded and improved.

In 2015 we are going to be focussed on outcomes. This means ensuring that all the hard work and investment helps to deliver the Government's objectives for economic and social development.

The FRA's contribution to these objectives is based around two core areas of activity:

- Maintaining and operating the existing road network - to provide more reliable, safer and quicker journeys
- Upgrading and expanding the network - to support development in other sectors

Recovering the network through best practice approaches

The 2015 plan will continue with major investment in the recovery of the network. We are committed to moving away from re-actively fixing problems to a pro-active asset management approach under which we anticipate problems before they become expensive to fix. Experience across the world shows that this is the only way to bring costs under control and provide good quality, sustainable roads.

Developing the network to help build Fiji's future

FRA is engaged in a massive operation to upgrade and build new urban and rural roads to improve access and reduce congestion. Many of these projects have been in planning for years, FRA has picked them up and is now delivering these investments in our network.

However we recognise that for Government it is not just about building roads. In 2015 we will be working in partnerships across all of Government to ensure that these major investments are part of the coordinated effort to transform Fiji's economy and society.

This partnership working will be central to our future network planning function. We will be building on existing relationships and developing new ones. The aim is to ensure that we have transparent and accountable decision processes which reflect Government's overall intentions for development and that these are matched to effort in other areas.



Neil Cook
FIPENZ, CPEng, IntPE, BE (Hons)

Date: 19 December 2014

OUR PLEDGE TO ALL FIJIANS

Our aim is to effectively and efficiently do whatever we can with the resources we have available, to help the Fijian Government achieve *cost effective transport services that are safe and environmentally sustainable, to enhance access to services and markets.*

The task of maintaining a road network is never finished – continual ongoing maintenance is needed to sustain the network. The Government expects, and we intend to deliver, a continuation of the significant road improvements started in 2013.

At the end of the year we will publicly report, fully and truthfully, what we have been able to achieve. If for some reason we have not done everything we say here we are intending to do, we will explain quite openly, 'why'.

These are the key outputs we are seeking to achieve.

- An up to date prioritised plan for improving the network for the next 10 years (our Asset Management Plan)
- A safe network of roads, bridges and jetties
- A well signposted network
- An increasingly better maintained network
- A greater proportion of road and bridges renewals work (reseals etc.) carried out when it is due - and not deferred
- Programmed projects completed to their intended scope and standard, within their intended scheduled time, for not more than their budgeted cost
- Good relationships with the FRA's stakeholders – people understand what is being planned and done and why
- Complaints and requests for service are promptly responded to and, where possible, effectively and efficiently actioned.
- Capacity and capability developed locally so Fijian's are employed at all levels of the road industry.

See our website – www.fijiroads.org – for more information and 'what's happening' throughout the year

FRA Advisory Committee



Parmesh Chand
PS Public Service Commission
Interim Chairman



Samuela Namosimalua
PS Local Government

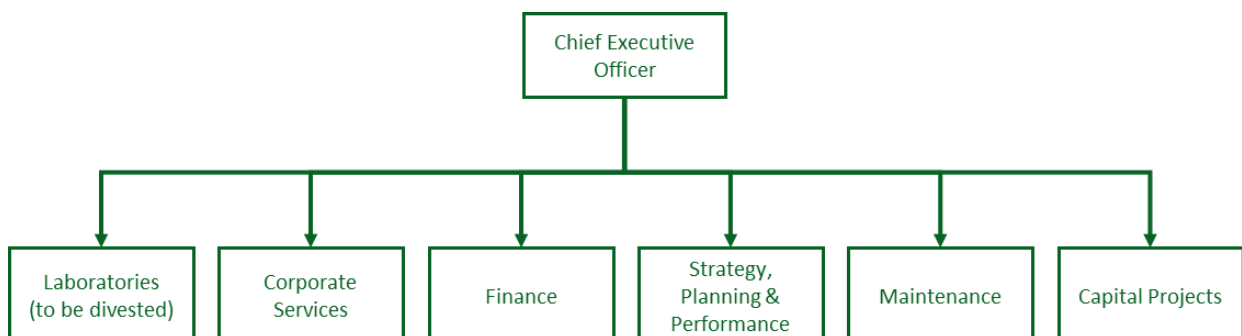


Shaheen Ali
PS Industry and Trade



Naipote Katonitabua
Acting PS Office of the Prime Minister

FRA Corporate Structure



OUR MISSION, GOALS AND PERFORMANCE TARGETS

MISSION

A better land transport network for Fiji.

VISION

An affordable, integrated, safe, responsive and sustainable network of roads, bridges and jetties.

GOALS

- (a) To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.
- (b) To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals.
- (c) To develop capacity and capability at all levels of the Roothing industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.

2014 PERFORMANCE TARGETS

See Section 4.

HOW THE FRA'S MISSION, VISION, GOALS AND PERFORMANCE TARGETS CONTRIBUTE TO FIJI'S OVERALL DEVELOPMENT

The Fiji Government's Key Pillars to which this Mission and Vision and these Goals and Targets contribute are:

- (a) Constitution of the Republic of Fiji 2013 - **Reasonable Access To Transportation.**
- (b) Developing a Common National Identity and **Building Social Cohesion.**
- (c) Enhancing **Public Sector Efficiency, Performance Effectiveness and Service Delivery.**
- (d) Achieving **Higher Economic Growth While Ensuring Sustainability.**
- (e) Developing **an Integrated Development Structure at the Divisional Level.**
- (f) **Reducing Poverty** to a Negligible Level by 2015

1. OVERVIEW OF FIJI ROADS AUTHORITY

1.1 INTRODUCTION

Better transport infrastructure is essential for Fiji's development

The success of Fiji's development is dependent on infrastructure that is reliable enough to encourage people and businesses to invest in the future. Reliability means that the service being delivered by the infrastructure is consistently available without interruption. Infrastructure standards are largely driven by the need for reliability.

The core element of this infrastructure is the road network. It provides the means for the movement of people and goods between businesses and local and international markets. Roads enable people to get to jobs, education and health facilities. Without reliable transport these vital connections will remain fragile and Fiji's development will be constrained.

This road network is probably the most valuable built asset Fiji owns. Years of investment and effort have gone into building up over 11,000 kms of roads and 1,000 bridges and jetties. If this massive infrastructure is going to serve Fiji's future development needs, then two things have to be done:

1. improve the safety and reliability of the existing network; and
2. expand the network to provide the capacity for sustained growth.

Fiji Roads Authority was set up to fasttrack the recovery and expansion of the network

The Fiji Roads Authority (FRA) was established in January 2012 to effectively manage and develop Fiji's road network (See Appendix 'A' for a copy of the "Fiji Road Authority Decree 2012"). Over the last two years we have moved from a standing start to managing a \$600m-plus programme of over 140 projects and contracts.

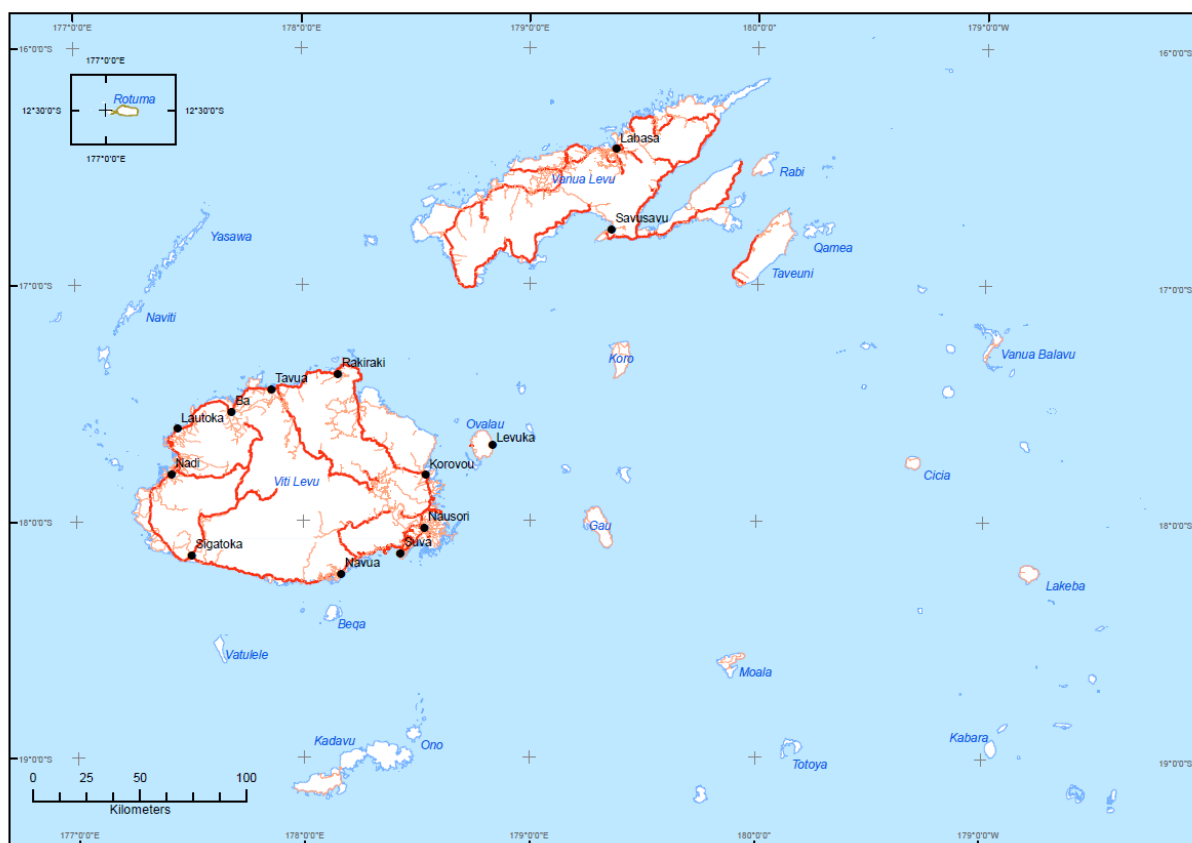
The FRA uses the international best practice of asset management to undertake its function. This is how many other developed and developing countries look after their transport, water, electrical and other infrastructure networks. Asset management involves using long term planning to provide the required service at the best value for money.

FRA is responsible for all roads, bridges and jetties across Fiji

The FRA's 'assets' are all of Fiji's roads, bridges and jetties. This includes the land on which our assets are located, together with all the associated infrastructure such as drainage, street lighting, traffic signals and other street furniture. We also consider our buildings, vehicles and other operational equipment as part of our asset portfolio. They are all managed and maintained using the same principles.

On our latest estimate these assets are worth over \$6billion making the road network Fiji's most valuable built asset. The geographic extent of the FRA's assets are illustrated in figure 1.

Figure 1. FRA assets include roads, bridges and jetties on all of Fiji's islands



To make the network more manageable, it has been divided into three sections consistent with the administrative Divisions of Fiji. Table 1 shows the length of the sealed and unsealed roads in each Division. These figures are under review as we learn more about the condition and extent of the network. FRA are in the process of building a GIS-based Asset Management System which will hold a complete description of all of our roads, bridges and jetties.

Table 1 – FRA's Assets

Area	Roads			Bridges	Jetties
	Sealed (KM)	Unsealed (KM)	Total (KM)		
Central-Eastern Division	621	927	1,548	276	30
Western Division	615	5,746	6,361	334	13
Northern Division	247	2,959	3,206	326	4
TOTAL COUNTRY	1,483	9,632	11,115	936	47

1.2 FRA's MANAGEMENT APPROACH

FRA pro-actively maintains, plans and develops the road network to meet Fiji's immediate and long term needs

FRA has been given the task of developing a road network which meets the needs of a developing Fiji. Our approach is to focus on two core activities:

1. **Maintaining** the road network to keep it in the desired condition
2. **Expanding and developing** the network to meet tomorrow's needs

Maintenance is planned and pro-active. Otherwise, the safety and reliability of the network declines rapidly, or costs spiral out of control. FRA is committed to recovering from the previous decline of the network and getting ahead of the deterioration by carrying out a systematic and routine maintenance programme.

This is standard international practice and is proven to be the only way to bring long term costs under control and provide a safe and reliable network.

We are also engaging in a massive programme of building new roads and widening existing ones. This will provide extra capacity for economic growth as well as connecting isolated parts of the country to economic and social opportunity.

Long term planning is the key to good investment decisions

Expenditure and investment of this magnitude requires careful long term planning to ensure the money is spent properly and wisely. This is why the FRA was set up as a planning and procurement authority with transparency and accountability underpinning everything we do.

All of our operational practices, planning principles, risk management, reporting frameworks and resource management are set out in an integrated set of manuals. This represents international best practice.

FRA procures all work from the private sector under the scrutiny of a Board

As a statutory corporate entity the FRA is accountable to the Minister for Infrastructure and Transport through an appointed Board. FRA is currently governed by the Fiji Roads Advisory Committee (FRAC) who oversee all activities and procurement undertaken by the Authority.

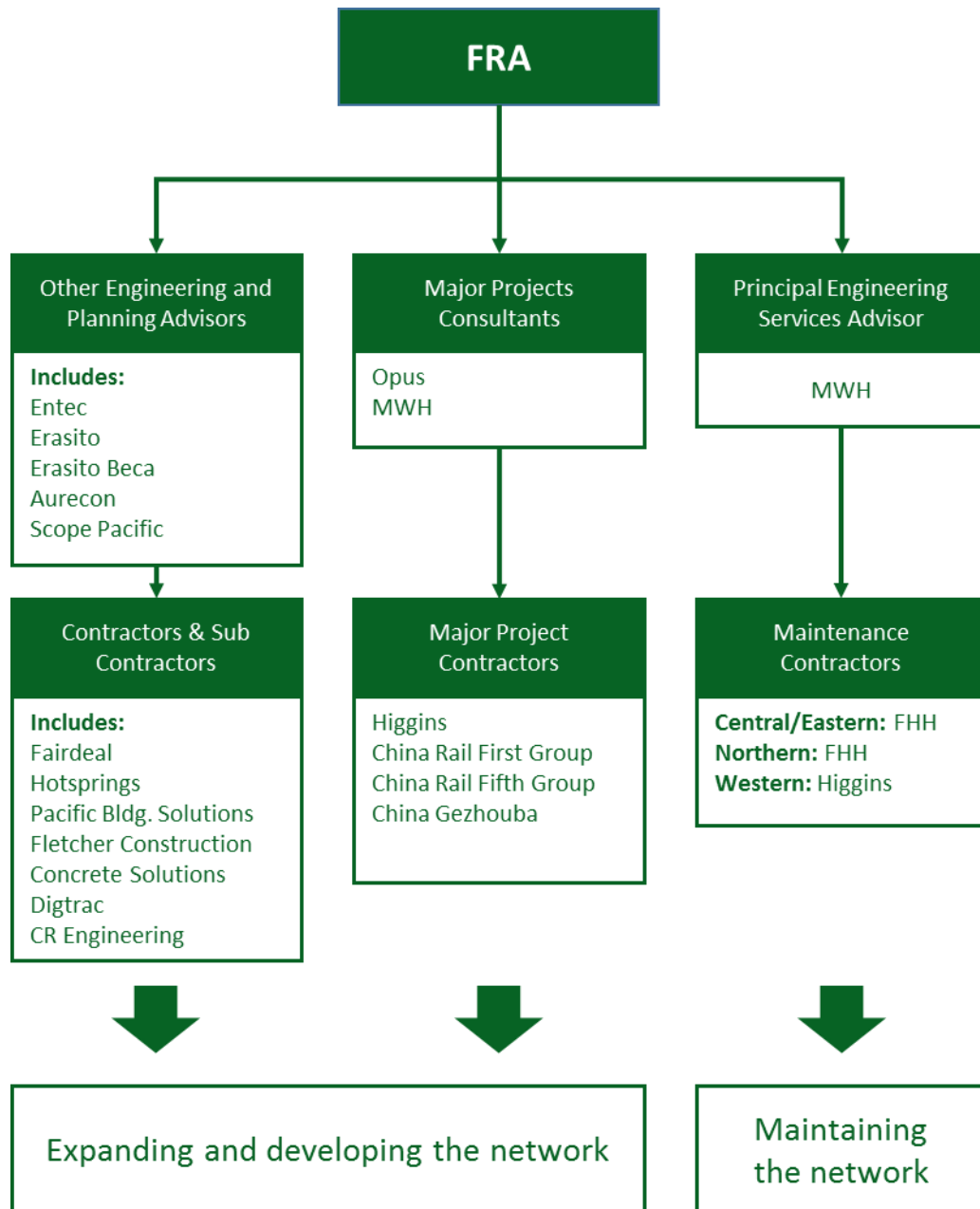
FRA manages the road assets primarily through out-sourced contracts with the private sector. The exception to this is certain maintenance work carried out by Municipal Councils and the management of roads on the Outer Islands which are administered by the Ministry of Rural and Maritime Development under a MoU with FRA.

A competitive and diverse supply chain maintains, designs and builds the network

Over the course of 2013 and 2014 FRA has been facilitating the development of a broad supply chain to deliver this outsourced work. We have made good progress in expanding the role of Fijian involvement and Fijian companies in this supply chain and will continue to make this one of our top priorities in 2015.

The structure and functions of the supply chain is shown in figure 2. The key to delivering value for money from this supply chain is through competition and effective contract management. In 2015 FRA will continue to encourage the entry of new, high quality, participants into our supply chain. We will also be packaging our projects in a way that attracts a diverse range of high quality service providers.

Figure 2 Fiji Roads Authority's Supply Chain



1.3 KEY CHALLENGES

The FRA faces a number of key challenges in our areas of activity. Our priorities for planning and action are based around our commitment to overcoming these in the next few years. We describe some of these challenges below.

Poor condition on some roads will remain at the top of our agenda for the next few years

Since the start of 2013 we have resealed or re-constructed over 260km - nearly 20% of the sealed road network. In 2015 a further 140km will be resealed or re-constructed. This will take the total in our first 3 years of operation to nearly 30% of the sealed network brought up to a sustainable and maintainable state.

This is significant and positive progress however road condition will remain a key challenge for the next 2-3 years as we address the last of the backlog. This means there will still be sections of road that pothole extensively after heavy rain, particularly in the low volume suburban streets.

The safety of our bridges and jetties continue to cause us serious concern

Bridges remain the single biggest risk area for FRA and a major risk to public safety. We have had collapses and failures in the last 2 years. After years of neglect many of the bridges are in very poor condition.

A risk-based approach is taken to assessing bridges. Weight restrictions are put in place where required. In some cases bridges have to be closed until they can be repaired to a safe condition. Many jetties are in a similarly poor condition and the assessment is made more difficult by the often remote location of these structures.

Public safety will always be the FRA's most important objective. Being satisfied about the condition of the bridges is a top priority. 2015 has seen a significant increase in allocation for bridge renewals and jetty renewals.

Reliable accessibility in rural areas be a focus for our planners and engineers

Hundreds of villages across Fiji do not have adequate or reliable road access. There are 9,000 kms of rural unsealed roads in Fiji. Prior to the FRA's establishment, these roads received minimal or no attention. Many are little more than dirt tracks and have not been properly formed, some have not been legalised, many are not usable all year round, have little or no drainage, and may have had privately built structures like bridges and crossings (sometimes unsafe) built on them.

We are committed to working closely with Divisional Commissioners to ensure that resources are targeted at the greatest need. This is not an easy task where the geographic extent of need is so great.

FRA has developed a geographic based Asset Management Information System that will be used to identify areas of poor accessibility for the purposes of prioritising future road construction. The principle driver for this is the constitutional obligation on Government to provide reasonable access to transportation.

Better quality data to ensure that we plan our work more effectively

The integrated Asset Management System is a register of all our assets and will also play a central role in prioritising new road construction. Details and locations of all our assets are recorded in this System including: material type, condition, capacity, criticality, performance, age and remaining life.

This computer based system was established in 2013 and is being populated with known information on a continuous basis. Information comes to FRA from a variety of sources including our own field surveys, contractor feedback, historic records in public agencies and sometimes from the general public. The key challenge in this area is the fact that much of the data is incomplete or inaccurate. During 2015 we will continue to collect and validate the quality of the data with the intention of having a complete dataset by the middle of the year.

FRA continues to develop agreements with other agencies to share data that will benefit all parties.

1.4 OUR RECOVERY PLAN

“We have seen much improvement all around the nation because our roads are better. However, more needs to be done. We still have a huge backlog to clear, and we especially need to upgrade our bridges and jetties, in particular in the maritime areas.”

Fiji Minister of Finance, 2015 Budget speech

Recovering the network needs targeted action

By any international standards Fiji's roads were in very poor condition when the FRA was established. The first task for FRA was to devise a recovery plan. The plan is set out in our Asset Management Plan, one of our set of manuals which guide everything we do. This Plan is reviewed and updated every year to meet changing priorities and new challenges.

We are now in the second year of the 10 year recovery plan. It has been designed to reverse the deterioration of our assets and put them on a sustainable footing. This has been proven around the world to be the only way to create a long term, reliable level of service.

The first few years are critical in reversing the backlog of important work. Our primary 'customer', the Fijian people have seen the benefits from the early days of this effort and the Government is committed to staying with the plan.

Our effort is focussed on two areas:

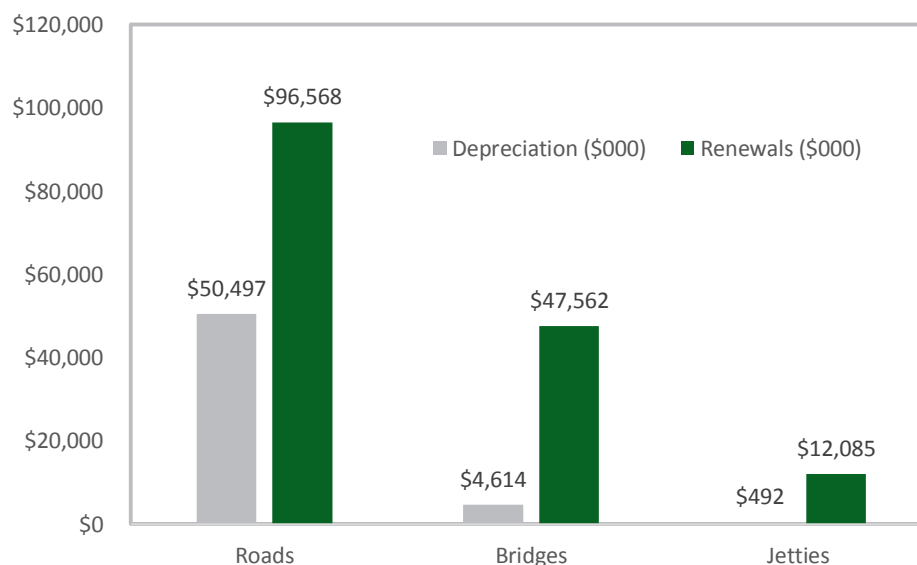
1. Establishing a **preventative maintenance** programme which systematically directs work to where it is required
2. **Renewing infrastructure** that has become obsolete or is degraded to a point where the costs of keeping it going would be more than the cost of renewing it

Positive progress can be measured

One way of measuring how we are making progress is by comparing the decline in value of our assets (depreciation) against the investment we make in replacing (or renewing) worn out infrastructure. If the loss in value of our assets is less than the investment in renewing them, then the condition is improving.

In 2015 we will be spending a total of \$156m on renewals against a depreciation of \$59m. This substantial investment will put us in a very good position to deliver the recovery plan over the next few years. This comparison is shown for our three main asset categories in Figure 3.

Figure 3 Comparison of depreciation and renewal investment for 3 main FRA asset class



We also measure these improvements on the roads themselves by measuring and monitoring road quality across the network. Next year we will start monitoring the public's perception of improvement through a regular assessment of road user opinions.

1.5 BUILDING A FIJIAN ROAD INDUSTRY

The FRA will always give preference to the employment of local people who have the required skills and experience. Our personnel employment policy is consistent with the Constitution and states:

“No appointment of a person who is not a citizen of Fiji will be made to any position unless the requirements of the position cannot be adequately met by the appointment of a citizen of Fiji”

It is undeniable that the work being done on knowledge transfer, capacity and capability building by FRA, Consultants and Contractors is bearing fruit.

Over 60% of active participants in our supply chain are 'home grown' Fijian companies. These include:

- Consultants who design our roads, bridges and jetties
- Contractors who repair and construct these assets
- A broad range of equipment and material suppliers

Fijians are developing in all aspects of the industry and this will continue build in 2015. Some examples of capacity building are described below.

Improving governance

Following on from a successful event at the end of 2013, in 2015 FRA will convene another industry-wide training session to look at governance and legal compliance. Content will include Crimes Decree as it relates to public officers, the Constitution and good governance.

FRA Board members who have not yet undertaken training will be offered governance training from the Australian Institute of Directors where this is available in Fiji.

Localisation of leadership positions

The first two years have been focussed primarily on 'getting the job done'. Within the knowledge transfer field this meant strong focus on developing people's skills to be able to do the job they are in now.

If the reform is to be fully successful, we now need to start focussing on growing the future leaders. We need to identify those who have the ability and the will to develop into more senior roles. By the end of June 2015 the main contractors, consultants and FRA itself will have in place localisation plans that will provide the pathway to populating roles that are currently held by foreign nationals with Fijian citizens.

Building technical capacity

FRA, Consultants and Contractors have training and development plans for individual staff and groups of staff to develop technical skills in their specific areas. Typical training may include operator training, secondments into parent companies in NZ for targeted training, formal qualifications, seminars etc.

Women in Business Networking

Following a successful initial internal event in 2014 FRA will continue to provide opportunities for our female employees to learn from successful women in business and professional practice. In 2015 we will extend this opportunity to employees of our consultants and contractors.

Supplier Development

For the industry to be successful FRA needs to assist the local contractor market to develop. In 2015 we will continue our programme of seminars and training to ensure local contractors can develop the skills they need to prepare effective tender submissions, to inform them of the tender evaluation process, and provide debriefing for unsuccessful tenderers.

We also recognise that we may need to help local contractors to operate effectively in delivering their physical work programmes. Many have a history of being essentially plant and labour hire companies. They now aspire to be contractors in their own right. FRA's approach for the next few years will be to work very closely with

them in terms of programming work and making sure the work meets the specification. Over time these skills will grow and FRA will be able to have a more traditional client-contractor relationship.

A key initiative from FRA is to ensure the supplier market for materials is fully aware of the opportunities that the scale of work programme offers over the next few years. Significant investment is required from the private sector to ensure our contractors have the right quantities of the right quality materials to deliver what we need. FRA, with government support, needs to provide as much certainty as possible to allow private investment decisions to be made.

1.6 The 2015 Work Programme

This document is our 'Business Plan' for 2015

The preceding discussion in this overview provides the basis for our spending priorities for 2015.

In the remaining sections of this document we include details of what we intend to do and how we will fund it. It is very important to remember that this is not a one-off programme of expenditure. It must be seen as part of a long term plan for the recovery of the network and providing new capacity to help Fiji grow.

Overall, the FRA is planning to spend \$658m in 2015 (see Table 2). This expenditure and investment has been funded by Government Grants and Loans, the details of which are included in later sections.

We have put enormous effort into planning this programme to make sure:

- it can be delivered within time and budget (taking into account capacities and risks);
- it represents value for money; and
- it will help deliver the long term goals.

Table 2 – Proposed 2015 Work Programme – Summary

Activity Area	Total VEP	Total VIP
Operations		
FRA MANAGEMENT AND OPERATIONS	\$17,075,966	\$18,234,379
Sub-Total	\$17,075,966	\$18,234,379
Work Programme		
MAINTENANCE	\$81,505,328	\$93,731,127
EMERGENCY WORKS	\$23,549,940	\$27,082,431
RENEWALS - ROADS AND SERVICES	\$96,568,011	\$111,053,213
RENEWALS - BRIDGES	\$47,562,123	\$54,696,441
RENEWALS - JETTIES	\$12,084,838	\$13,897,563
NEW CAPITAL (Safety)	\$5,944,691	\$6,836,395
NEW CAPITAL (Access)	\$148,260,614	\$155,829,706
NEW CAPITAL (Community)	\$7,126,956	\$8,195,999
NEW CAPITAL (Congestion)	\$66,162,461	\$76,086,830
NEW CAPITAL (Tourism)	\$71,064,544	\$81,724,226
NEW CAPITAL (Resilience)	\$8,933,722	\$10,273,781
Sub-total	\$568,763,228	\$639,407,712
Total	\$585,839,194	\$657,642,091

1.7 FINANCIAL FACTS ILLUSTRATED

How much are our assets worth?

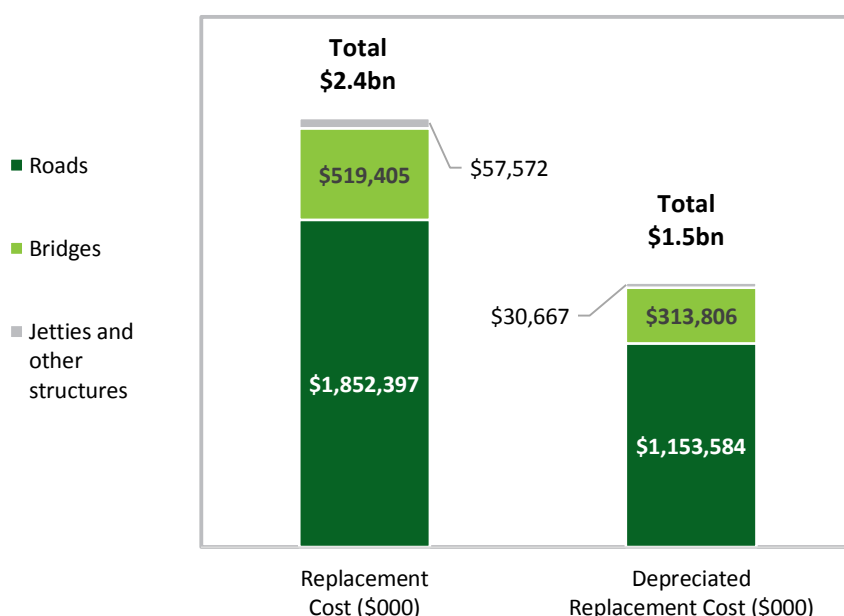
A critical part of running our business involves estimating the value of our assets. This helps us to quantify and plan the amount of investment that is required over time.

In order to estimate the value of our assets we need two important pieces of information.

1. The cost of replacing all the assets with new – **The Replacement Cost**
2. The reduction in value due to age and deterioration – **The Depreciation**

The current value of our assets (The Depreciated Replacement Cost) is therefore The Replacement Cost less the Depreciation. Figure 4 illustrates this assessment for the FRA's most important assets, the roads and structures.

Figure 4 FRA's Built Infrastructure Value



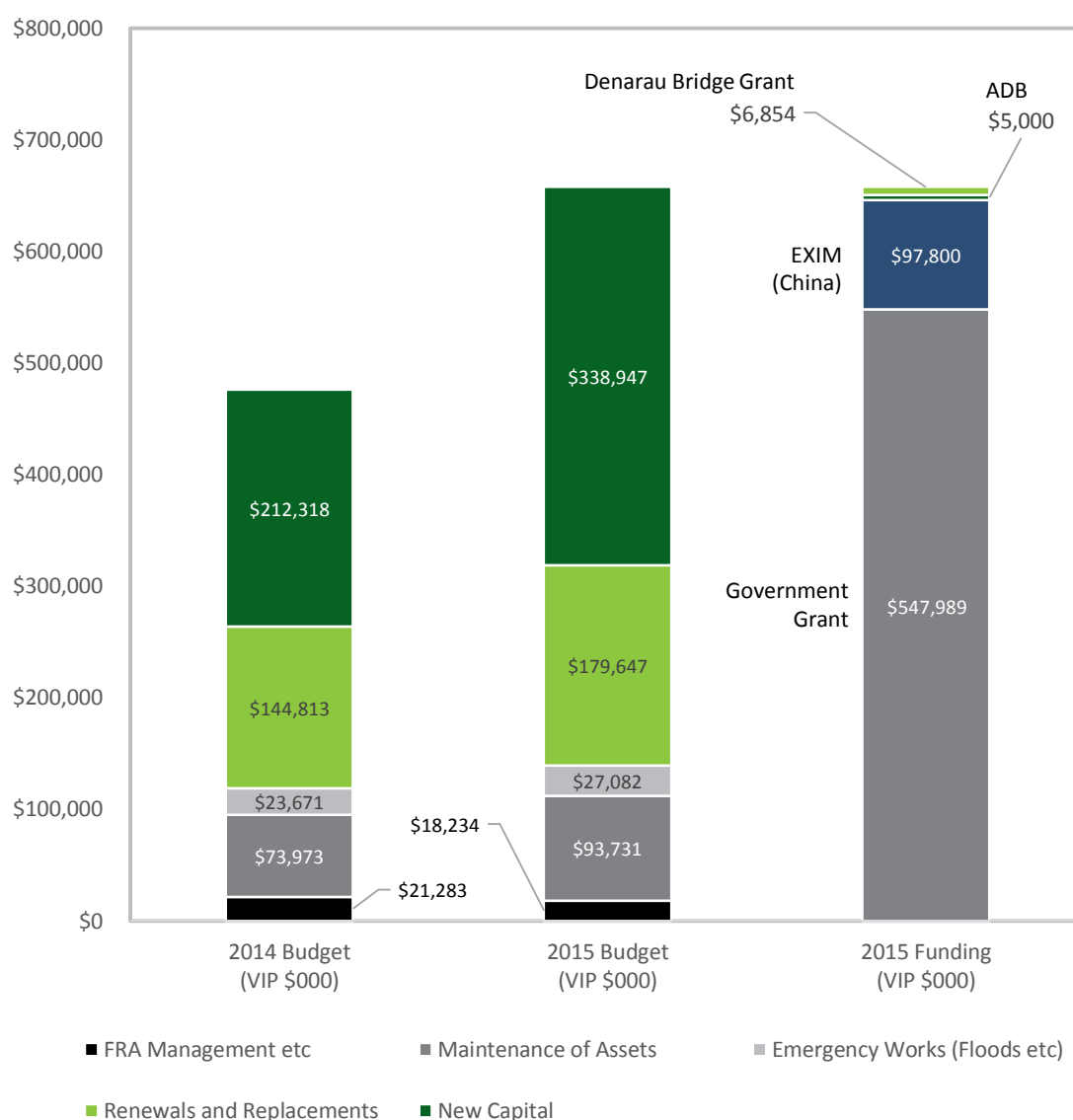
How we intend to spend our allocated budget

FRA will spend a \$658m (VIP) budget in 2015 on maintaining and renewing our assets as well as building new ones. This represents a 38% increase over the 2014 budget and reflects our proven ability to get work done quickly and effectively.

There are increases in all areas of expenditure, most notably in new roads and replacement of bridges. The majority of our funding comes from Government Grant, although several major projects are funded through loans.

The headline budgets for the 2015 programme are illustrated in figure 5. The detail of proposed expenditure items is provided in Section 3.

Figure 5 The 2015 Work Programme Illustrated



1.8 ACCOUNTABILITY – PERFORMANCE MANAGEMENT

The FRA is driven entirely by results and we have a comprehensive plan for monitoring every aspect of our business. The monitoring plan involves objectively measuring performance across a wide range of indicators which will help us to track improvement and make changes where necessary.

As better quality data and information is compiled, we will continue to implement the Performance Management regime over the course of 2015. Further details of the performance management indicators are provided in Section 4.

Table 3 – High Level Performance Targets – Key Performance Indicators Only

Code	Service Area	Performance Target
1.3	Health and Safety	• Less fatal and serious injury accidents – total.
1.4		• A reduction in the social cost of all recorded injury crashes.
3.1	Asset Provision, Development, Maintenance and Renewal	• An annual reduction in the value of deferred maintenance/deferred renewals.
3.2a		• 100% planned new capital and renewal projects completed.
3.3		• 100% planned maintenance work completed.
3.2b		• An annual reduction in the number of pothole complaints.
3.3a		• Proven satisfactory progress in building local skills' capacity.
5.3	Service Quality	• Reduced congestion by route.
5.12		• Not less than 40% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory' (Increasing to 50% in 2016).
6.4	Compliance	• 100% compliance with all legislative, regulatory and other requirements.
7.6	Financial	• Total operating costs were within the approved total budget.
7.7		• New capital and renewal projects were completed within the approved total budget.

1.9 FRA's PEOPLE

FRA is a flagship of Government's reform of the Public Service. It has been established as a stand-alone corporate entity to be governed by an appointed Board that is expected to implement best practice corporate governance.

Over the course of 2014 we have become an effective delivery organisation demonstrating an ability to get things done. A programme of over \$400m of work has been completed and we have made a visible impact on Fiji's roads, bridges and jetties.

In 2015 we have been asked to take another step change in delivery with a budget increase of nearly 40% over 2014's budget. As part of the planning for this increased level of work we are reviewing our functions and also our relationships with our suppliers. In this process we will be seeking to further optimise the effectiveness and efficiency of our operations and those of our supply chain partners.

Table 4 lists the values that we promote and expect all of our employees to respect and adhere to. Standing by these values will remain the continuing success factor for our delivery.

Table 4 – FRA Values

Personal	<i>Honesty and integrity – personal accountability</i>
Productivity	<i>An organisation focussed on getting things done</i>
Safety	<i>Public safety above all else</i>
Environment	<i>Protection (and where possible enhancement) of the local environment</i>
Planning	<i>Long term, inter-generational thinking – expedient short term decision making avoided</i>
Customers	<i>Road users and others comments and complaints treated seriously and with respect</i>
Expenditure	<i>Value for money in everything we do</i>
Empowerment	<i>Continually and consistently seeking to empower Fijians to upskill</i>
Innovation	<i>Constantly thinking about how to ‘do better’</i>
Openness	<i>‘Tell it as it really is’ – problems and mistakes confronted head on</i>
Results Driven	<i>It’s only the results against our targets that matter – and that must be our focus at all levels and at all times</i>

2. SIGNIFICANT ASSUMPTIONS AND RISKS

In preparing this Corporate Plan the FRA has had to make a number of assumptions. Should everything not happen as has been assumed the proposed work programme may be adversely affected. Eight areas where there is the potential for this to happen are listed in Table 5.

The FRA has also identified more than fifty risks that it needs to proactively manage. The most significant of these are listed in Table 6. The situation is continuously monitored.

Table 5 – Significant Assumptions

No.	Assumption	Likelihood of the Assumption Eventuating	Comments – Including the Likely Impact of Each Assumption
1	Annual Inflation and Cost Escalation During The Year Will Be Minimal That annual inflation and cost escalation will be close to zero	Medium	Inflation is the <u>general</u> price level of all goods and services. Cost escalation is the cost price of <u>specific goods or services</u> over a period of time and the two have to be considered carefully because they can differ so much. If prices increase as a result of either, the financial forecasts will have to be increased. The likelihood of this assumption eventuating is medium because there is the possibility that inflation or cost escalation (relating to a significant aspect of the FRA's operations) will occur.
2	The FRA Will Receive Sufficient Funding To Enable It To Carry Out Its Proposed Works Programme	Medium	The likelihood of this assumption eventuating is medium because the Government has already approved the funding for the work listed in this Corporate Plan.
3	Project Costs Will Be As Budgeted That the proposed works will (accumulatively) be able to be provided to the standard required for not more than their estimated costs	Medium	If the tendered price for any project is significantly higher than budgeted the FRA may be forced to review its options – which include reprioritising the project, abandoning it, reducing its scope, or deleting or deferring some other project in order to release funds to finance it. If this happens more than occasionally or more than in just a minor way the effect can be a quite serious ricochet effect on the entire programme (with other proposed projects being significantly delayed and having to be reprogrammed for future years or even not able to be done at all). The likelihood of this assumption eventuating is medium because while preliminary or, in some cases detailed, designs and cost estimates have already been prepared, in others they have not and the forecasted cost can be considered to be little more than a subjective indication at this stage.
4	No Additional Costs Will be Carried Forward from 2014 That the FRA will receive its full grant allocation from 2014 and all 2014 budget items will be completed within the 2014 grant allocation	Medium/High	FRA has planned the 2015 budget under the assumption that the 2014 grant will be provided (in full) to pay for all work items budgeted in 2014. It has been assumed that any work carried over from 2014 will still be funded under the 2014 grant allocation. The likelihood of this assumption eventuating is medium because (although FRA has robust mechanisms to ensure each year's proposed programme is completed and paid for as planned) there have been some delays to programme which necessarily mean work will be carried over.

No.	Assumption	Likelihood of the Assumption Eventuating	Comments – Including the Likely Impact of Each Assumption
5	An Extraordinary Major Storm Event Will Occur That the cost of repairing damage caused by any storm event (or other natural hazard event that may occur) will exceed \$10m VIP in 2015	High	<p>Significant storm events are a fact of life in Fiji. The budget includes a provisional sum of \$10m VIP for storm damage. If more than this is required either an additional funding allocation from Government will have to be obtained or other proposed work plan will have to be deferred or reduced in order to provide the required funds.</p> <p>The likelihood of this assumption eventuating is high because there have been some very significant storm events in recent years.</p>
6	No Other Extraordinary Risk Event Will Occur That no extraordinary risk event will occur – that all identified risks will be able to be avoided or mitigated in the manner recorded in the FRA's Risk Register	Medium/High	<p>Should an extraordinary risk event occur the most likely impact will be an additional funding allocation from the Government will have to be obtained or other proposed works deleted or their scope reduced in order to fund the cost of the risk event.</p> <p>The likelihood of this assumption eventuating (i.e. of an extraordinary risk event not occurring) is medium/high because although the FRA has done a lot of work to identify all potential risks and agree a mitigation strategy for each (and where required make provision for it) there is the possibility that it may have missed something and/or that an event may occur that will have consequences that will require additional funding to resolve.</p>
7	No Significant Asset Failures (Or Other Unexpected Costs) That there are no unforeseen significant asset failures for reasons other than storm damage – or no additional work identified as being urgent or which, for some other reason the FRA is financially liable for, that is in addition to that already planned. (e.g. bridge surveys identify additional urgent remedial works, a bridge collapses or a major slip occurs)	Medium	<p>In preparing this year's work programme the FRA has endeavoured to make reasonable financial provision for all foreseeable needs and obligations. There is always a possibility however that additional non-programmed costs will be incurred because:</p> <ul style="list-style-type: none"> a) any unscheduled work need (including a need caused by a land development project – e.g. forestry harvesting, mining, or major public infrastructure development) of which the FRA was unaware or did not expect) arises; b) of some sort of legal dispute; or c) the FRA has a legal obligation of which it was previously unaware. <p>The likelihood of this assumption eventuating (i.e. there not being any significant asset failures or unexpected costs during the year) is medium because the FRA's knowledge about the network, and especially about the condition of the various assets, is not currently sufficiently developed. This situation is improving rapidly and this likelihood of this assumption will become 'high' in future years.</p>
8	Tax Rates (including VAT) Will Not Change That the Government will not increase VAT – or introduce any new or increase any of the other existing taxes (e.g. taxes payable on plant and other goods that the FRA may need to procure from other countries)	High	<p>If VAT or other relevant taxes are increased the forecasted cost of the work will increase.</p> <p>The likelihood of this assumption eventuating is high because there has been no suggestion the Government is considering increasing VAT or the other relevant taxes – or introducing new taxes that might affect the FRA.</p>

Note: If the 'likelihood of the assumption' eventuating is 'low' there is a high chance the assumption as stated will not be the case. If the rating is 'high' it is probable that the assumption as stated will occur. If the rating is 'medium' the assumption may or may not be correct. 'Certain' likelihood means that the assumption will definitely eventuate.

Table 6 – Significant Risks

No.	Risk	Impact
1	Budget Blowout Budget blowout because works not sufficiently managed or because additional unforeseen costs come to charge	Either additional funding will have to be provided by the Government or other planned works will have to be deferred.
2	Insufficient Money To Do What Is Required/Desired	Depends on the size of the shortfall: e.g. <ul style="list-style-type: none"> ▪ A lower standard network ▪ Roads not upgraded and widened as desired ▪ Jetties not able to be maintained and renewed ▪ Roads resealed at a slower rate (meaning rougher roads and or potholes) ▪ Bridges not able to be upgraded and replaced as needed (continuing weight and other restrictions – perhaps additional bridges having to be closed) ▪ Less rehabilitation work done annually (more dilapidated roads)
3	Unreasonable Stakeholder Expectations That the Government, the Municipal Councils, Provincial personnel, road users and/or the public generally have unreasonable expectations of what the FRA is able to achieve	The roads and the way they have been traditionally managed needs urgent attention and that is the fundamental reason for establishment of the FRA. However 'the whole problem' cannot be fixed overnight - it will take years - and it is essential the work be programmed in a properly structured and prioritised long term way - and not in an ad hoc manner in response to people's complaints. Effective public relations to ensure people understand the situation is essential.
4	Damage Caused To Roads By Natural Hazard Events (Including Climate Change) Extraordinary severe weather events (earthquake, tsunami) – bridges damaged or washed away, slips, flooding and blocked roads	<ul style="list-style-type: none"> ▪ Serious interruption to levels of service ▪ People stranded ▪ Public health/safety issues ▪ Damage very costly to repair ▪ Normal work may have to be suspended to enable urgent repairs to be undertaken
5	Heavy Vehicles Damage Major damage caused to roads by heavy vehicles (e.g. forestry, cane and mining trucks and construction vehicles)	<ul style="list-style-type: none"> ▪ A significantly damaged road (or roads) ▪ Significant unforeseen costs to repair the damage ▪ Funds have to be diverted – other jobs delayed ▪ Other road users inconvenienced and dissatisfied
6	Utilities' Services' Location Not Known When Roadworks Are Being Carried Out A poor understanding of exactly where existing water supply, wastewater, electricity and gas and telecommunication lines are located within the road reserve and/or their size and depth	<ul style="list-style-type: none"> ▪ Line broken during roadworks ▪ Loss of service to connected customers ▪ Disputes about whose fault it is ▪ Delays while the damage is repaired ▪ Disputes about who is going to pay ▪ Ongoing disputes about the quality of the repair work

No.	Risk	Impact
7	Utilities' Use Of The Road In An Uncontrolled Way Use of the roads by Utility Providers in an uncontrolled way for the installation and maintenance and repair of their water supply, wastewater, electricity and gas and telecommunication lines	<ul style="list-style-type: none"> Roads being ripped up again soon after they have been sealed, for utility works Utility lines located in inappropriate places or installed in a substandard or unsafe way Restoration work not to the FRA's required standard
8	The FRA Makes A Decision That is Either Outside, or Contrary To, Its Legal Powers .	The potential for: <ul style="list-style-type: none"> legal challenge the FRA having to pay compensation the FRA to find itself in serious dispute with another party and having to respond to attacks on its reputation
9	The FRA's Commitment To Building Local Capacity Is Not Producing The Results Envisaged Fast Enough	<ul style="list-style-type: none"> Wide public criticism of the FRA as an organisation that is paying lip service only to its commitment to rapidly upskill local Fijians The necessity to continue to employ outside personnel longer because the local people do not have the necessary skills
10	Reduced Annual Funding	Required funds not available or an unexpected reduction in either the total amount of funds available annually or for a specific project

For further information about the FRA's risk management approach see the Risk Management Manual (Grey Book).

3. THE PROPOSED WORK PROGRAMME

Table 7 – Summary of 2015 Work Programme

Activity Area	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
Operations						
FRA MANAGEMENT AND OPERATIONS		\$17,075,966	\$1,158,413	\$18,234,379	\$17,075,966	\$18,234,379
Sub-Total		\$17,075,966	\$1,158,413	\$18,234,379	\$17,075,966	\$18,234,379
Work Programme						
MAINTENANCE		\$81,505,328	\$12,225,799	\$93,731,127	\$81,505,328	\$93,731,127
EMERGENCY WORKS		\$23,549,940	\$3,532,491	\$27,082,431	\$23,549,940	\$27,082,431
RENEWALS - ROADS AND SERVICES		\$96,568,011	\$14,485,202	\$111,053,213	\$96,568,011	\$111,053,213
RENEWALS - BRIDGES		\$47,562,123	\$7,134,318	\$54,696,441	\$47,562,123	\$54,696,441
RENEWALS - JETTIES		\$12,084,838	\$1,812,726	\$13,897,563	\$12,084,838	\$13,897,563
NEW CAPITAL (Safety)		\$5,944,691	\$891,704	\$6,836,395	\$5,944,691	\$6,836,395
NEW CAPITAL (Access)	\$97,800,000	\$50,460,614	\$7,569,092	\$58,029,706	\$148,260,614	\$155,829,706
NEW CAPITAL (Community)		\$7,126,956	\$1,069,043	\$8,195,999	\$7,126,956	\$8,195,999
NEW CAPITAL (Congestion)		\$66,162,461	\$9,924,369	\$76,086,830	\$66,162,461	\$76,086,830
NEW CAPITAL (Tourism)		\$71,064,544	\$10,659,682	\$81,724,226	\$71,064,544	\$81,724,226
NEW CAPITAL (Resilience)		\$8,933,722	\$1,340,058	\$10,273,781	\$8,933,722	\$10,273,781
Sub-total	\$97,800,000	\$470,963,228	\$70,644,484	\$541,607,712	\$568,763,228	\$639,407,712
Total	\$97,800,000	\$488,039,194	\$71,802,897	\$559,842,091	\$585,839,194	\$657,642,091

Table 8 – 2015 Funding Sources

Funding	VIP
Source	
Local SEG 6 grant	\$18,234,379
Local SEG 10 grant	\$529,754,181
Denarau Bridge Grant	\$6,853,531
Loan (ADB Transport Sector Plan)	\$5,000,000
Loan (EXIM China)	\$97,800,000
Total	\$657,642,091

Table 9 – Detail of 2015 Work Programme

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
MAINTENANCE						
Sealed Roads		\$19,742,000	\$2,961,300	\$22,703,300	\$19,742,000	\$22,703,300
Unsealed Roads		\$14,650,000	\$2,197,500	\$16,847,500	\$14,650,000	\$16,847,500
Traffic Services		\$3,850,000	\$577,500	\$4,427,500	\$3,850,000	\$4,427,500
Street Lights (Electricity)		\$2,000,000	\$300,000	\$2,300,000	\$2,000,000	\$2,300,000
Street Lights		\$1,444,806	\$216,721	\$1,661,527	\$1,444,806	\$1,661,527
Traffic Signals		\$457,522	\$68,628	\$526,150	\$457,522	\$526,150
Vegetation, Litter and Environmental		\$3,940,000	\$591,000	\$4,531,000	\$3,940,000	\$4,531,000
Bridges		\$5,827,000	\$874,050	\$6,701,050	\$5,827,000	\$6,701,050
Jetties		\$2,409,000	\$361,350	\$2,770,350	\$2,409,000	\$2,770,350
Drainage		\$4,500,000	\$675,000	\$5,175,000	\$4,500,000	\$5,175,000
Other Government Agencies Maintenance		\$482,000	\$72,300	\$554,300	\$482,000	\$554,300
Investigation and Independent Verification Testing		\$482,000	\$72,300	\$554,300	\$482,000	\$554,300
Contractors Lump Sum and Escalation		\$15,698,000	\$2,354,700	\$18,052,700	\$15,698,000	\$18,052,700
Outer Islands Road Maintenance		\$1,445,000	\$216,750	\$1,661,750	\$1,445,000	\$1,661,750
Footpaths		\$578,000	\$86,700	\$664,700	\$578,000	\$664,700
Professional Services		\$4,000,000	\$600,000	\$4,600,000	\$4,000,000	\$4,600,000
Sub-total		\$81,505,328	\$12,225,799	\$93,731,127	\$81,505,328	\$93,731,127
EMERGENCY WORKS						
Emergency Maintenance		\$8,294,918	\$1,244,238	\$9,539,156	\$8,294,918	\$9,539,156
Cyclone Kofi (TD15F)		\$5,720,633	\$858,095	\$6,578,728	\$5,720,633	\$6,578,728
Naiborebore Slip Repair		\$2,860,317	\$429,047	\$3,289,364	\$2,860,317	\$3,289,364
Kasavu Embankment Construction		\$2,860,317	\$429,047	\$3,289,364	\$2,860,317	\$3,289,364
Rakiraki Bridge		\$3,813,756	\$572,063	\$4,385,819	\$3,813,756	\$4,385,819
Sub-total		\$23,549,940	\$3,532,491	\$27,082,431	\$23,549,940	\$27,082,431

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
RENEWALS - ROADS AND SERVICES						
Sealed Roads Resealing		\$21,220,000	\$3,183,000	\$24,403,000	\$21,220,000	\$24,403,000
Sealed Roads Rehabilitation		\$22,443,000	\$3,366,450	\$25,809,450	\$22,443,000	\$25,809,450
Sealed Roads Rehabilitation (Other)		\$10,021,149	\$1,503,172	\$11,524,321	\$10,021,149	\$11,524,321
Unsealed Roads Resheeting		\$14,700,000	\$2,205,000	\$16,905,000	\$14,700,000	\$16,905,000
Unsealed Roads Rehabilitation		\$7,428,862	\$1,114,329	\$8,543,191	\$7,428,862	\$8,543,191
Traffic Services		\$650,000	\$97,500	\$747,500	\$650,000	\$747,500
Street Lights Renewals		\$578,000	\$86,700	\$664,700	\$578,000	\$664,700
Street Lights Renewals (Others)		\$2,890,000	\$433,500	\$3,323,500	\$2,890,000	\$3,323,500
Traffic Signals Renewals		\$1,252,000	\$187,800	\$1,439,800	\$1,252,000	\$1,439,800
Drainage Renewals		\$3,660,000	\$549,000	\$4,209,000	\$3,660,000	\$4,209,000
Services Reinstatement and Renewal		\$1,400,000	\$210,000	\$1,610,000	\$1,400,000	\$1,610,000
Other Government Renewal		\$482,000	\$72,300	\$554,300	\$482,000	\$554,300
Footpath Renewals		\$2,275,000	\$341,250	\$2,616,250	\$2,275,000	\$2,616,250
Investigation and Verification Testing		\$482,000	\$72,300	\$554,300	\$482,000	\$554,300
Outer Islands Road Renewals		\$1,500,000	\$225,000	\$1,725,000	\$1,500,000	\$1,725,000
Professional Services		\$4,623,000	\$693,450	\$5,316,450	\$4,623,000	\$5,316,450
Second Coat Sealing		\$963,000	\$144,450	\$1,107,450	\$963,000	\$1,107,450
Sub-total		\$96,568,011	\$14,485,202	\$111,053,213	\$96,568,011	\$111,053,213
RENEWALS - BRIDGES						
Vunidilo Construction		\$2,900,076	\$435,011	\$3,335,087	\$2,900,076	\$3,335,087
Vunivaivai Construction		\$1,536,380	\$230,457	\$1,766,837	\$1,536,380	\$1,766,837
Lomawai 1 Construction		\$4,097,871	\$614,681	\$4,712,552	\$4,097,871	\$4,712,552
Cogeloa FSC 1 Construction		\$997,973	\$149,696	\$1,147,669	\$997,973	\$1,147,669
Vuma Box Construction		\$2,686,075	\$402,911	\$3,088,986	\$2,686,075	\$3,088,986
Naganivatu Construction		\$3,805,330	\$570,800	\$4,376,130	\$3,805,330	\$4,376,130
Market Construction		\$488,923	\$73,339	\$562,262	\$488,923	\$562,262
Naisogo Construction		\$1,410,114	\$211,517	\$1,621,631	\$1,410,114	\$1,621,631
Savu 4 Construction		\$487,800	\$73,170	\$560,970	\$487,800	\$560,970
Wainasusu Construction		\$2,590,674	\$388,601	\$2,979,275	\$2,590,674	\$2,979,275
Stinson Parade		\$2,952,292	\$442,844	\$3,395,136	\$2,952,292	\$3,395,136
Vatuwaqa Bridge		\$1,606,545	\$240,982	\$1,847,526	\$1,606,545	\$1,847,526

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
Nasese Bridge		\$629,270	\$94,390	\$723,660	\$629,270	\$723,660
Denarau Bridge Grant		\$5,959,592	\$893,939	\$6,853,531	\$5,959,592	\$6,853,531
Namuavoivoi		\$832,604	\$124,891	\$957,495	\$832,604	\$957,495
Nadelei		\$528,067	\$79,210	\$607,277	\$528,067	\$607,277
Vanuakula		\$2,778,208	\$416,731	\$3,194,940	\$2,778,208	\$3,194,940
Rabaraba Replacement Crossing		\$52,439	\$7,866	\$60,305	\$52,439	\$60,305
Matewale Replacement Crossing		\$52,439	\$7,866	\$60,305	\$52,439	\$60,305
Waivaka		\$2,054,661	\$308,199	\$2,362,860	\$2,054,661	\$2,362,860
Wauosi Replacement Crossing		\$66,741	\$10,011	\$76,752	\$66,741	\$76,752
Nabena		\$1,530,270	\$229,540	\$1,759,810	\$1,530,270	\$1,759,810
Nakama		\$680,714	\$102,107	\$782,821	\$680,714	\$782,821
Vutuni 1 and 2		\$3,066,350	\$459,953	\$3,526,303	\$3,066,350	\$3,526,303
Nakorosule Crossing		\$416,291	\$62,444	\$478,735	\$416,291	\$478,735
Future Crossings Investigations and Design		\$829,492	\$124,424	\$953,916	\$829,492	\$953,916
Design of 2016 Bridge Renewals		\$1,264,064	\$189,610	\$1,453,673	\$1,264,064	\$1,453,673
Future Bridges Investigations and design		\$1,260,870	\$189,130	\$1,450,000	\$1,260,870	\$1,450,000
Sub-total		\$47,562,123	\$7,134,318	\$54,696,441	\$47,562,123	\$54,696,441
RENEWALS - JETTIES						
Nabouwalu Jetty		\$2,526,613	\$378,992	\$2,905,605	\$2,526,613	\$2,905,605
Lomaloma Jetty						
Natovi Jetty New Ramp		\$238,360	\$35,754	\$274,114	\$238,360	\$274,114
Savusavu Jetty Replacement		\$2,459,872	\$368,981	\$2,828,853	\$2,459,872	\$2,828,853
Vunisea Jetty		\$2,517,079	\$377,562	\$2,894,640	\$2,517,079	\$2,894,640
Design for 2016 Jetty Renewals		\$2,626,724	\$394,009	\$3,020,733	\$2,626,724	\$3,020,733
Scoping reports for 2015 design		\$1,716,190	\$257,428	\$1,973,618	\$1,716,190	\$1,973,618
Sub-total		\$12,084,838	\$1,812,726	\$13,897,563	\$12,084,838	\$13,897,563

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
NEW CAPITAL (Safety)						
Village Treatments		\$85,809	\$12,871	\$98,681	\$85,809	\$98,681
Village Treatments		\$495,788	\$74,368	\$570,156	\$495,788	\$570,156
Traffic Management Plans		\$152,550	\$22,883	\$175,433	\$152,550	\$175,433
Traffic Management Plans		\$648,338	\$97,251	\$745,589	\$648,338	\$745,589
Road Safety Audits		\$276,497	\$41,475	\$317,972	\$276,497	\$317,972
Road Safety Audits		\$324,169	\$48,625	\$372,795	\$324,169	\$372,795
Black Spot Reduction		\$95,344	\$14,302	\$109,645	\$95,344	\$109,645
Black Spot Reduction		\$762,751	\$114,413	\$877,164	\$762,751	\$877,164
Route Action Plans		\$95,344	\$14,302	\$109,645	\$95,344	\$109,645
Mass Action Plans		\$286,032	\$42,905	\$328,936	\$286,032	\$328,936
Mass Action Plans		\$1,906,878	\$286,032	\$2,192,909	\$1,906,878	\$2,192,909
Market Areas Safety and Traffic		\$52,439	\$7,866	\$60,305	\$52,439	\$60,305
Market Areas Safety and Traffic		\$286,032	\$42,905	\$328,936	\$286,032	\$328,936
Traffic Calming Measures		\$95,344	\$14,302	\$109,645	\$95,344	\$109,645
Traffic Calming Measures		\$381,376	\$57,206	\$438,582	\$381,376	\$438,582
Sub-total		\$5,944,691	\$891,704	\$6,836,395	\$5,944,691	\$6,836,395
NEW CAPITAL (Access)						
Rural Roads Program		\$17,391,304	\$2,608,696	\$20,000,000	\$17,391,304	\$20,000,000
School and Healthcare Access Program		\$953,439	\$143,016	\$1,096,455	\$953,439	\$1,096,455
Sawani - Serea Roads Upgrade	\$22,800,000	\$6,750,000	\$1,012,500	\$7,762,500	\$29,550,000	\$30,562,500
Buca Bay I and II Roads Upgrade	\$20,500,000	\$14,000,000	\$2,100,000	\$16,100,000	\$34,500,000	\$36,600,000
Nabouwalu - Dreketi Roads Upgrade	\$54,500,000	\$3,500,000	\$525,000	\$4,025,000	\$58,000,000	\$58,525,000
New Jetties Investigation		\$1,906,878	\$286,032	\$2,192,909	\$1,906,878	\$2,192,909
Traction Sealing on Hills		\$953,439	\$143,016	\$1,096,455	\$953,439	\$1,096,455
Valaga Bay Jetty		\$1,668,518	\$250,278	\$1,918,796	\$1,668,518	\$1,918,796
Pedestrian Bridges		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Pedestrian Bridges		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Rural Arterial Upgrades		\$1,906,878	\$286,032	\$2,192,909	\$1,906,878	\$2,192,909
Middle Point Jetty		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Sub-total	\$97,800,000	\$50,460,614	\$7,569,092	\$58,029,706	\$148,260,614	\$155,829,706

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
NEW CAPITAL (Community)						
New Street Lighting		\$3,337,036	\$500,555	\$3,837,591	\$3,337,036	\$3,837,591
Village Seal Extension		\$1,430,158	\$214,524	\$1,644,682	\$1,430,158	\$1,644,682
Footpaths		\$1,430,158	\$214,524	\$1,644,682	\$1,430,158	\$1,644,682
Jetty Waiting Facilities		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Amy Street Retaining Wall		\$452,883	\$67,933	\$520,816	\$452,883	\$520,816
Sub-total		\$7,126,956	\$1,069,043	\$8,195,999	\$7,126,956	\$8,195,999
NEW CAPITAL (Congestion)						
Khalsa Road Improvements		\$953,439	\$143,016	\$1,096,455	\$953,439	\$1,096,455
Princes Road Improvements		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Princes Road Improvements		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
GSTS Projects Roll Out		\$1,001,111	\$150,167	\$1,151,277	\$1,001,111	\$1,151,277
NASRUP Suva 1 (Nausori - Airport)		\$10,730,001	\$1,609,500	\$12,339,501	\$10,730,001	\$12,339,501
NASRUP Suva 1 (Nausori - Airport)		\$436,675	\$65,501	\$502,176	\$436,675	\$502,176
NASRUP Suva 2 (Samabula - Nasinu)		\$12,060,048	\$1,809,007	\$13,869,056	\$12,060,048	\$13,869,056
NASRUP Suva 2 (Samabula - Nasinu)		\$703,638	\$105,546	\$809,184	\$703,638	\$809,184
NASRUP Suva 3 (Nasinu - Nausori)		\$29,083,700	\$4,362,555	\$33,446,255	\$29,083,700	\$33,446,255
NASRUP Suva 3 (Nasinu - Nausori)		\$2,326,391	\$348,959	\$2,675,349	\$2,326,391	\$2,675,349
Town Centre Traffic Studies		\$190,688	\$28,603	\$219,291	\$190,688	\$219,291
Traffic Data Collection		\$667,407	\$100,111	\$767,518	\$667,407	\$767,518
Nadi - Lautoka Capacity Improvements		\$606,878	\$91,032	\$697,909	\$606,878	\$697,909
Nadi - Lautoka Capacity Improvements		\$1,300,476	\$195,071	\$1,495,547	\$1,300,476	\$1,495,547
Nausori North - Korovou Capacity Improvements		\$524,391	\$78,659	\$603,050	\$524,391	\$603,050
Lami Right Turn Bay		\$286,032	\$42,905	\$328,936	\$286,032	\$328,936
Lami Right Turn Bay		\$1,048,783	\$157,317	\$1,206,100	\$1,048,783	\$1,206,100
Labasa Damodar City Centre Design		\$238,360	\$35,754	\$274,114	\$238,360	\$274,114
Labasa Damodar City Centre Design		\$762,751	\$114,413	\$877,164	\$762,751	\$877,164
Labasa Bypass Design		\$2,288,253	\$343,238	\$2,631,491	\$2,288,253	\$2,631,491
Sub total		\$66,162,461	\$9,924,369	\$76,086,830	\$66,162,461	\$76,086,830

Project Name	Loan VIP	Local VEP	Local VAT	Local VIP	Total VEP	Total VIP
NEW CAPITAL (Tourism)						
NASRUP Nadi 1 (Nadi Wailoaloa - Denerau)		\$22,455,392	\$3,368,309	\$25,823,701	\$22,455,392	\$25,823,701
NASRUP Nadi 1 (Nadi Wailoaloa - Denerau)		\$1,001,111	\$150,167	\$1,151,277	\$1,001,111	\$1,151,277
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)		\$43,555,399	\$6,533,310	\$50,088,709	\$43,555,399	\$50,088,709
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)		\$3,099,203	\$464,880	\$3,564,083	\$3,099,203	\$3,564,083
Information and Destination Signs Implementation		\$476,719	\$71,508	\$548,227	\$476,719	\$548,227
Stinson Plaza Upgrade		\$95,344	\$14,302	\$109,645	\$95,344	\$109,645
Denarau Road Upgrade		\$95,344	\$14,302	\$109,645	\$95,344	\$109,645
Suva Seawall and Footpath Upgrade		\$286,032	\$42,905	\$328,936	\$286,032	\$328,936
Sub-total		\$71,064,544	\$10,659,682	\$81,724,226	\$71,064,544	\$81,724,226
NEW CAPITAL (Resilience)						
Coastal Protection		\$1,716,190	\$257,428	\$1,973,618	\$1,716,190	\$1,973,618
Landslip Repairs		\$2,383,597	\$357,540	\$2,741,137	\$2,383,597	\$2,741,137
Walkover Surveys		\$715,079	\$107,262	\$822,341	\$715,079	\$822,341
Rock Source/Quarry Assessment		\$143,016	\$21,452	\$164,468	\$143,016	\$164,468
Rewa Delta Flood Resilience Implementation		\$762,751	\$114,413	\$877,164	\$762,751	\$877,164
Bailey Stock Acquisition and Management		\$2,259,650	\$338,948	\$2,598,598	\$2,259,650	\$2,598,598
Bridge and Jetty Load Mgt Posting and Signposting		\$953,439	\$143,016	\$1,096,455	\$953,439	\$1,096,455
Sub-total		\$8,933,722	\$1,340,058	\$10,273,781	\$8,933,722	\$10,273,781
Total	\$97,800,000	\$470,963,228	\$70,644,484	\$541,607,712	\$568,763,228	\$639,407,712

Table 10 – 2015 FRA Operating Budget

	VEP	VAT	VIP
FRA Management and Operating Budget			
FRA Head Office Operation	\$5,086,966	\$372,563	\$5,459,529
Professional Services (Management Activities)	\$2,700,000	\$405,000	\$3,105,000
Asset Management System and Data Imps.	\$1,350,000	\$202,500	\$1,552,500
Tax Expenses (Withholding Tax)	\$6,750,000	\$0	\$6,750,000
Historical Claims	\$1,189,000	\$178,350	\$1,367,350
Total	\$17,075,966	\$1,158,413	\$18,234,379

4. ACCOUNTABILITY – PERFORMANCE MEASURES AND TARGETS

At the FRA we take our accountability obligations very seriously

We are committed to:

- the belief that the first fundamental of all successful organisations is to have a good business plan against which actual performance is routinely monitored and reported – throughout the year and not just after year end; and
- ensuring that prompt action is taken whenever the results are not as they should be.

One of our specific commitments for 2015 is to complete the task of setting up a fully operational performance management system. This will enable us to have a comprehensive view of how our organisation is delivering its entire function and make changes where necessary.

The CEO reports performance results by exception to the Board at every regular meeting and comprehensively every quarter.

In the following pages we have set out the Level of Service and Performance Indicators which we will be using to track progress. These include the specific targets levels which we are aiming to achieve. Where a date for the achievement of any target is not stated it is the end of the financial/calendar year.

Table 11 – LEVELS OF SERVICE
Accountability – Performance Targets

Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
1A.1	Health and Safety	<ul style="list-style-type: none"> Less fatal and serious injury accidents – total 	Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well) – establish the baseline in 2015. The number of fatalities to be reduced from about 8 per 10,000 vehicles in 2011 to 4 by 2020 and the total number of injury accidents by 5% annually (Ref: Fiji Decade of Action for Road Safety (FDARS)) – Need annual targets for the FDARS.			
1A.2		<ul style="list-style-type: none"> A reduction in the social cost of all recorded injury crashes 	Continuously reducing five year rolling average – establish the baseline in 2015.			
1B.1		<ul style="list-style-type: none"> The number of lost time injuries 	No lost time due to injury by any person engaged on roading activities.			
1B.2		<ul style="list-style-type: none"> The number of health and safety incidents 	No health and safety incidents on the roads or within the FRA office.			
1B.3		<ul style="list-style-type: none"> Less fatal and serious injury accidents – road a contributing cause 	Continuously reducing five year rolling average – establish the baseline in 2015.			
1B.4		<ul style="list-style-type: none"> A reduction in the number of black spots (crash clusters/crash locations) 	Annually reducing – establish the baseline in 2015 and then adopt a more targeted programme.			
1B.5		<ul style="list-style-type: none"> 100% safety improvements planned for the year completed 	Yes			
1B.6		<ul style="list-style-type: none"> >---% of the network above the skid resistance threshold level 	Later – when more accurate data available.			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
1B.7		<ul style="list-style-type: none">>---% of the network meets texture depth standards	Later – when more accurate data available.			
1B.8		<ul style="list-style-type: none">The percentage of non-performing lights at any time	<5%			
1C.1		<ul style="list-style-type: none">Bridge side protection standards met	A programme for review of all technical road standards to be agreed by 30 July 2013.			
1C.2		<ul style="list-style-type: none">Clear zones and roadside protection standards met				
1C.3		<ul style="list-style-type: none">Median barrier standards met				
1C.4		<ul style="list-style-type: none">Bridge width standards met				
1C.5		<ul style="list-style-type: none">Overhead bridge standards met				
1C.6		<ul style="list-style-type: none">Rail crossing standards met				
1C.7		<ul style="list-style-type: none">Lighting standards met				
1C.8		<ul style="list-style-type: none">Traffic incidents efficiently managed	100% compliance with Emergency Operations Plan (TBD) – See Section 2.2 Asset Management Plan.			
1C.9		<ul style="list-style-type: none">Signage standards met	A programme for review of all technical standards to be agreed by 30 July 2014.			
2A.1	Risk Management	<ul style="list-style-type: none">No unforeseen risk events (Excludes Natural Hazard events)	None			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
2B.1		<ul style="list-style-type: none"> An organisation-wide, consistent process for identifying and managing potential risks and the process is operating satisfactorily – all risks have an ‘up-to-date’ mitigation plan that has been/is being implemented 	Yes			
2B.2		<ul style="list-style-type: none"> A quality business continuity/operations recovery plan 	Yes (See Table 2.2.1 Asset Management Plan)			
2B.3		<ul style="list-style-type: none"> A clear climate change management strategy and the climate change risks and vulnerabilities and the FRA’s strategy for managing them have been documented and implemented and are being fully adhered to 	Yes			
3A.1	Asset Provision, Development, Maintenance and Renewal (Asset Stewardship)	<ul style="list-style-type: none"> An annual reduction in the value of deferred maintenance/ deferred renewals 	Yes (See Tables 3.7.1 & 3.7.2 Asset Management Plan)			
3A.2		<ul style="list-style-type: none"> The percentage of planned new capital and renewal projects completed 	100%			
3A.3		<ul style="list-style-type: none"> An annual reduction in the number of pothole complaints 	Yes			
3A.4		<ul style="list-style-type: none"> The percentage of planned maintenance work completed 	100%			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
3A.5		<ul style="list-style-type: none"> Proven satisfactory progress in building local skills' capacity <ul style="list-style-type: none"> FRA MWH Maintenance Contractors Capital Works Contractors Note: Total number of bridges '936 plus' Total inspected and ranked as at June 2013 – 836 	Yes			
3B.1		<ul style="list-style-type: none"> An annual reduction (over the previous year) in the cost of pothole repairs 	\$3M	\$1M	\$1M	-
3B.2		<ul style="list-style-type: none"> Work done to reduce the risk of flood/slip/costal failures 	20km	20km	20km	-
3B.3		<ul style="list-style-type: none"> Not less than __ kms of sealed roads resealed annually 	100km	100km	100km	100km
3B.4		<ul style="list-style-type: none"> Not less than __ kms of sealed roads rehabilitated annually 	50km	50km	50km	50km

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
3B.5		<ul style="list-style-type: none"> Not less than __kms of unsealed roads reconstructed annually: <ul style="list-style-type: none"> Northern Division Central, Eastern & Western (Total) 	>70km >30km	>70km >30km	>70km >30km	TBD TBD
3B.6		<ul style="list-style-type: none"> Not less than __kms of roads in village/settlement areas rehabilitated annually. <ul style="list-style-type: none"> No of Villages & Settlement Areas Length (kms) 	100 TBD	100 TBD	100 TBD	- -
3B.7		<ul style="list-style-type: none"> Bridges' condition improved as evidenced by the categorisation changes: <ul style="list-style-type: none"> High Priority Bridges (No) Medium Priority Bridges (No) Low Priority Bridges (No) 	80 300 456	50 200 586	20 100 716	0 - 836
3B.8		<ul style="list-style-type: none"> New rest areas provided on Kings & Queens Road 	2	2	2	2
3B.9		<ul style="list-style-type: none"> At least 75% of sugar cane harvest transported by rail by 2020 	TBD	TBD	TBD	<75%
3B.10		<ul style="list-style-type: none"> Less substandard jetties 	Yes – a more precise target to be developed when the jetties' condition and remaining life better understood.			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
3C.1		<ul style="list-style-type: none"> No significant adverse impacts caused by subdivision and development 	None			
3C.2		<ul style="list-style-type: none"> All roads classified with an established standard for each classification that is being adhered to 	A programme for the adoption of a new roads classification system agreed by 30 July 2014.			
3C.3		<ul style="list-style-type: none"> Road alignment and camber standards met 	A programme for review of the technical road standards to be agreed by 30 July 2014.			
3C.4		<ul style="list-style-type: none"> Overtaking opportunities standards met 				
3C.5		<ul style="list-style-type: none"> Traffic management (signals, etc.) standards met. No repeat traffic signals lanterns' malfunctioning. 				
3C.6		<ul style="list-style-type: none"> Traffic controls (speed limits, etc.) standards met 				
3C.7		<ul style="list-style-type: none"> Pavement width standards met 				
3C.8		<ul style="list-style-type: none"> Signage standards met 				
3C.9		<ul style="list-style-type: none"> Delineation standards met 				
3C.10		<ul style="list-style-type: none"> Drainage standards met 				
3C.11		<ul style="list-style-type: none"> Rest areas standards met 				
3C.12		<ul style="list-style-type: none"> Car Parking standards met 				
3C.13		<ul style="list-style-type: none"> Footpaths, Walking and Cycling standards met 				

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
4B.1	Conservation, Environmental Protection and Enhancement (Environmental Stewardship)	<ul style="list-style-type: none"> All conditions of all Environmental Assessments and of all discharge permits were met throughout the year 	100%			
4C.2		<ul style="list-style-type: none"> The FRA has approved environmental assessments and drainage permits for all situations where these are required 	Yes			
4C.3		<ul style="list-style-type: none"> Litter removal standards met 	A programme for review of all technical road standards to be agreed by 30 July 2014.			
4C.4		<ul style="list-style-type: none"> Graffiti removal standards met 				
4C.5		<ul style="list-style-type: none"> All potential significant negative effects have been identified and a plan or policy for management of each has been prepared and implemented 	Yes (See Section 4.5 Asset Management Plan)			
4C.6		<ul style="list-style-type: none"> A proactively managed demand management policy 	Yes (See Section 4.4 Asset Management Plan)			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
4C.7		<ul style="list-style-type: none"> No cultural or heritage issues that have not been, or are not being, addressed 	None.			
5A.1	Service Quality (Including Aesthetics, Reliability, Responsiveness & Capacity)	<ul style="list-style-type: none"> Reduced congestion by route 	Indicator to be developed and target set in 2015			
5A.2		<ul style="list-style-type: none"> Not less than __% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory' 	40%	50%	60%	80%
5B.1		<ul style="list-style-type: none"> <__% of the network has rutting >20mm 	Later – when more accurate data available.			
5B.2		<ul style="list-style-type: none"> >__% of the network meets the roughness standards 	Later – when more accurate data available.			
5B.3		<ul style="list-style-type: none"> The percentage of service calls resolved within the prescribed times 	100%			
5B.4		<ul style="list-style-type: none"> The total number of complaints and requests for service received monthly did not exceed: 	200	TBD	TBD	TBD
5B.5		<ul style="list-style-type: none"> The percentage of subdivision & development applications processed in 20 working days 	100%			
5C.1		<ul style="list-style-type: none"> Service calls are accepted 24/7 	Yes			
5C.2		<ul style="list-style-type: none"> Telephone calls promptly answered 	90% answered by the Operator within 30 seconds.			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
5C.3		<ul style="list-style-type: none">No justified repeat requests for information from the Minister’s office or other departments	None			
5C.4		<ul style="list-style-type: none">The percentage of complaint letters responded to within 10 working days	100%			
5C.5		<ul style="list-style-type: none">A friendly customer service website	Yes			
5C.6		<ul style="list-style-type: none">A quality asset management plan that is continuously up-to-date	Yes			
6A.1	Compliance (Including Training, Record Keeping, Data Management & Reporting)	<ul style="list-style-type: none">Compliance with all legislative, regulatory and other requirements	100%			
6B.2		<ul style="list-style-type: none">No significant abnormal damage caused to roads by overweight vehicles	None			
6C.1		<ul style="list-style-type: none">Accurate and complete land records	Yes			
6C.2		<ul style="list-style-type: none">Accurate and complete asset location, condition, capacity, material type, performance, age and remaining life records	The target dates in the FRA’s programme for implementation of an improved asset management system have been achieved. (See Attachment ‘J’ in the ‘Green Book’ – the FRA’s ‘Operations Manual’).			
6C.3		<ul style="list-style-type: none">Critical Assets identified & managed – an ‘up-to-date’ management plan for each critical asset (or group of assets) that has been/is being implemented	Yes – No issues raised at Annual Review (See Table 2.2.1 in Asset Management Plan)			
6C.4		<ul style="list-style-type: none">No enforcement issues	None			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
6C.5		<ul style="list-style-type: none"> Up-to-date key management information and no issues during the year regarding their implementation 	Yes			
7A.1	Financial (Economic Value for Money)	<ul style="list-style-type: none"> Total operating costs were within the approved total budget 	Yes			
7A.2		<ul style="list-style-type: none"> New capital and renewal projects were completed within the approved total budget 	Yes			
7B.1		<ul style="list-style-type: none"> The depreciated replacement (current) value of the network is a progressively greater proportion of their replacement value 	Later – when a more accurate understanding of the assets and their condition (and consequently value) is known.			
7B.2		<ul style="list-style-type: none"> An unqualified annual audit opinion 	Yes			
7B.3		<ul style="list-style-type: none"> No matters raised by Audit as not having been attended to from the previous year 	None			
7C.1		<ul style="list-style-type: none"> All expenditure was 100% consistent with the Asset Management Plan 	Yes – 100%			
7C.2		<ul style="list-style-type: none"> An accurate, current, fair valuation of the assets 	Later – when asset condition and remaining life better understood.			
7C.3		<ul style="list-style-type: none"> An accurate understanding of the annual cost of loss of service potential 	Later – derived from asset values			
7C.4		<ul style="list-style-type: none"> Today's users are paying their fair share 	Loss of Service Potential Fully Funded and Proceeds Used Only For Renewals.			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2014)	2015	2016	2017
7C.5		<ul style="list-style-type: none"> Efficiency – More vehicle kilometres travelled per network kilometre 	Later – when network use better understood.			

Key:

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)	Level 3 (Input / Technical Service Standard/ Routine Operational Type) Target
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2015 SPECIFIC PERFORMANCE TARGETS

Governance

1. Submit the Half-Yearly Report to the Minister not later than 30 July 2014.
2. Prepare the 2014 Annual Report by 30 April 2015.
3. Adopt the Corporate Plan and Statement of Corporate Intent for 2015 before 31 December 2014.
4. Clarify the FRA's Legislative and Regulatory Responsibilities. (Amendments required to the Local Government Act and several other Acts as a result of enactment of the Fiji Roads Authority Decree).
5. Finalise a Memorandum of Agreement with the Maritime Safety Authority Fiji (MSAF) about the two parties' respective responsibilities re the management of jetties.
6. Review the delivery of maintenance works on the outer islands but in particular Ovalau and Kadavu.
7. Resolve outstanding issues with Municipal Council contributions and delegated functions.
8. Ensure a localisation (succession) plan is in place by 30 June 2015 for all management positions in Fiji Roads Authority.
9. Ensure maintenance contractors and the principal consultant have localisation plans in place by 30 June 2015.
10. By 31st March 2015 review the CEO position description and skills needs assessment and finalise process for appointment of CEO when current contract expires (December 2015).

Technical

1. Adopt a new Roads' Classification System (outstanding from 2014).
2. Forward Work Programme in place that identifies when each sealed road needs resealing.
3. Progress all work agreed for 2015 in the technical standards review programme (continues from 2014).
4. Adopt a new Subdivision and Development Policy. (outstanding from 2014)
5. GIS Asset Management System 'live' and able to be viewed from FRA website.
6. Cabinet Paper prepared identifying issues and options for addressing overweight vehicles on Fiji's roads by 31 March 2015.

Financial

1. Identify potential alternative sources of funding for discussion with Government and other affected stakeholders.
2. Ensure personnel are in place to manage ADB and World Bank financed projects by 30 June 2015.
3. All issues raised in 2014 external and internal audits fully addressed by 31 March 2015.
4. Complete an updated valuation of the FRA assets by 31st July 2015.

General Management

1. Update the Asset Management Plan to meet the timeframes for the 2016 budget submissions.
2. Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals.
3. Refine the performance measures and targets at all levels and ensure the necessary monitoring and reporting processes have been implemented and continue to be managed effectively – with prompt action being taken when the results are not as intended.

5. FINANCIAL SUMMARY

5.1 COST OF SERVICE STATEMENT

Table 12 – Statement of Cost of Service

2014 Budget \$000's	Item	2015 Budget \$000's	2016 Forecast \$000's	2017 Forecast \$000's
	Operating Expenditure			
\$7,822	FRA MANAGEMENT	\$9,137	\$12,337	\$12,716
\$9,261	ABNORMAL COSTS (HISTORIC CLAIMS, WITHOLDING TAX)	\$7,939		
\$64,324	MAINTENANCE - ROADS, BRIDGES AND JETTIES	\$81,505	\$82,000	\$82,000
\$20,583	EMERGENCY WORKS	\$23,550	\$18,700	\$18,700
\$1,000	LOAN INTEREST			
\$42,400	DEPRECIATION	\$59,031	\$70,000	\$80,000
\$145,390	Total Operating Costs (VEP)	\$181,162	\$183,037	\$193,416
	Capital Expenditure			
\$76,924	RENEWALS - ROADS AND SERVICES	\$96,568		
\$29,000	RENEWALS - BRIDGES	\$47,562		
\$20,000	RENEWALS - JETTIES	\$12,085		
\$125,924	Renewals sub-total	\$156,215	\$150,000	\$150,000
\$1,738	NEW CAPITAL (Safety)	\$5,945		
\$132,858	NEW CAPITAL (Access)	\$148,261		
\$2,113	NEW CAPITAL (Community)	\$7,127		
\$26,556	NEW CAPITAL (Congestion)	\$66,162		
\$30,751	NEW CAPITAL (Tourism)	\$71,065		
\$2,666	NEW CAPITAL (Resilience)	\$8,934		
\$196,682	New Capital sub-total	\$307,493	\$114,715	\$163,749
\$1,000	LOAN INTEREST			
\$323,606	Total Capital Expenditure (VEP)	\$463,708	\$264,715	\$313,749
	Tax			
\$49,462	VAT	\$71,803	\$55,649	\$63,030
\$49,462	Total Tax Provision	\$71,803	\$55,649	\$63,030
\$518,458	Total Expenditure	\$716,673	\$503,401	\$570,195
	Income			
\$42,400	Unfunded depreciation	\$59,031	\$70,000	\$80,000
\$371,467	Government Grant	\$547,989	\$383,401	\$460,195
\$97,063	Loans	\$102,800	\$50,000	\$30,000
\$7,528	Contribution - Municipal Councils			
	Denarau Bridge Grant	\$6,854		
\$518,458	Total Income	\$716,673	\$503,401	\$570,195

Notes:

1. The forecasts in this table for 2016 and 2017 do not represent the funding that is required if the roads and bridges are to be satisfactorily maintained, restored, and developed. The figures shown here are as projected in the Government's "Fiji Budget Estimates 2015".
2. The amount that is really required, and the likely consequences if funding at that level is not provided, are identified in the ten year asset management plan.

5.2 CASHFLOWS FORECAST

The FRA receives its funding from two principal sources.

- SEG 6 and SEG 10 Government Grants – quarterly payments
- EXIM Bank and ADB Loans – drawn down as expenditure is incurred

Previously we had included a funding income from the Municipal Councils contribution to road maintenance in their areas. However due to persistent non-payment, this income has not been included in our assumptions for 2015 business planning purposes.

There is also additional Government Grant income for the re-construction of Denarau Bridge.

In Table 13 we have estimated the quarterly cash flow forecasts for 2015. It is not possible to provide an exact forecast of the future cash flow requirements for two principal reasons:

- Some aspects of roads' maintenance and construction are highly weather dependent. For instance a severe storm may require an acceleration in expenditure, conversely prolonged wet weather may delay parts of the programme.
- FRA cannot force its construction contractors to meet an expenditure target each month. Once the contract is let their only obligation is to meet the specified project completion date.

Table 13 – Cash-flow Forecast

Activity Area	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (VIP)
Operations and Work Programme					
FRA MANAGEMENT AND OPERATIONS	\$5,284,948	\$4,598,585	\$4,175,423	\$4,175,423	\$18,234,379
MAINTENANCE	\$22,548,590	\$24,423,163	\$24,138,848	\$22,620,525	\$93,731,127
EMERGENCY WORKS	\$4,797,364	\$10,040,518	\$7,410,417	\$4,834,132	\$27,082,431
RENEWALS - ROADS AND SERVICES	\$20,041,294	\$35,436,099	\$39,073,942	\$16,501,878	\$111,053,213
RENEWALS – BRIDGES	\$10,071,153	\$13,239,662	\$18,218,815	\$13,166,811	\$54,696,441
RENEWALS – JETTIES	\$4,762,175	\$4,280,664	\$2,558,283	\$2,296,441	\$13,897,563
NEW CAPITAL (Safety)	\$725,705	\$2,003,212	\$2,188,348	\$1,919,130	\$6,836,395
NEW CAPITAL (Access)	\$51,657,290	\$53,208,011	\$32,669,718	\$18,294,688	\$155,829,706
NEW CAPITAL (Community)	\$909,922	\$3,537,477	\$2,733,112	\$1,015,488	\$8,195,999
NEW CAPITAL (Congestion)	\$27,455,062	\$21,530,096	\$13,918,490	\$13,183,182	\$76,086,830
NEW CAPITAL (Tourism)	\$21,797,795	\$22,092,845	\$21,976,579	\$15,857,006	\$81,724,226
NEW CAPITAL (Resilience)	\$1,297,167	\$2,227,391	\$2,971,316	\$3,777,907	\$10,273,781
Total	\$171,348,466	\$196,617,724	\$172,033,289	\$117,642,611	\$657,642,091
Funding					
Local SEG 6 grant	\$5,284,948	\$4,598,585	\$4,175,423	\$4,175,423	\$18,234,379
Local SEG 10 grant					
Non-loan projects	\$114,651,209	\$143,973,496	\$142,352,224	\$100,889,752	\$501,866,681
Local share (Sawani - Serea)	\$4,600,000	\$1,600,000	\$1,360,000	\$202,500	\$7,762,500
Local share (Buca Bay)	\$8,250,000	\$5,250,000	\$2,000,000	\$600,000	\$16,100,000
Local share (Nabouwalu)	\$1,006,250	\$1,006,250	\$1,006,250	\$1,006,250	\$4,025,000
EXIM China Loan					
Loan share (Sawani - Serea)	\$13,000,000	\$8,800,000	\$1,000,000	\$0	\$22,800,000
Loan share (Buca Bay)	\$12,750,000	\$7,750,000	\$0	\$0	\$20,500,000
Loan share (Nabouwalu)	\$9,500,000	\$20,000,000	\$16,500,000	\$8,500,000	\$54,500,000
Loan (ADB Transport Sector Plan)	\$250,000	\$1,583,333	\$1,583,333	\$1,583,333	\$5,000,000
Denarau	\$2,056,059	\$2,056,059	\$2,056,059	\$685,353	\$6,853,531
Total	\$171,348,466	\$196,617,724	\$172,033,289	\$117,642,611	\$657,642,091

The FRA reviews the situation and advises the Ministry of Finance monthly.

6. ACCOUNTING POLICIES AND FINANCIAL INFORMATION

Note: For further information about the way the FRA manages its financial affairs see the Operations Manual (Green Book).

6.1 REPORTING ENTITY

The Fiji Roads Authority (FRA) is a corporate body established pursuant to the Fiji Roads Authority Decree 2012 (Decree No 2 of 2012) ("The Decree")

The Decree requires us to publish each year:

- a Corporate Plan;
- a Statement of Corporate Intent;
- a Half yearly Report; and
- an Annual Report

This document is the FRA's combined 'Corporate Plan and Statement of Corporate Intent' for the year.

6.2 REVENUE

The FRA receives its revenue from two principal sources:

- Government Grants
- Loans

The former DNR laboratories are expected to have been divested at the end of 2014 or very early 2015.

6.3 VAT

VAT is payable on all FRA expenditure except:

- FRA payroll;
- Withholding Tax;
- EXIM Bank of China Loan; and
- Any other costs exempt under Fiji VAT Decree.

Loan funded costs are directly paid by the Government (not the FRA) and the Fiji Revenue and Customs Authority (FRCA) has deemed the VAT component in respect of EXIM Bank direct payment projects as zero rated (providing the project is VEP by virtue of the contract).

6.4 ASSET VALUES

Table 14 summarises the assets as valued by MWH New Zealand Ltd in July 2012. Due to the lack of reliable data at the time, this valuation has been largely based on stated assumptions. FRA is currently building the necessary database of information to enable a reliable estimate of value to be assessed according to international best practice for road asset management. The assets will be valued again in July 2015.

Table 14 – Asset Values

Asset Categories	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
Property				
Lands	\$178,213,838	\$178,213,838	\$0	\$0
Formation	\$2,951,557,753	\$2,951,557,753	\$0	\$0
Sub Total	\$3,129,771,591	\$3,129,771,591	\$0	\$0
Carriageways				
Sealed Road Surfing	\$297,670,975	\$149,056,685	\$148,614,290	\$16,719,606
Sealed First Coat	\$188,776,142	\$86,352,387	\$102,423,754	\$3,496,687
Sealed Base	\$197,899,207	\$99,906,387	\$97,992,820	\$3,285,230
Sealed Sub Base	\$442,809,034	\$362,455,377	\$80,353,657	\$3,543,920
Unsealed Top Course	\$100,253,353	\$20,984,010	\$79,269,343	\$17,598,707
Unsealed Base	\$257,201,228	\$257,200,840	\$388	\$0
Sub Total	\$1,484,609,939	\$975,955,687	\$508,654,253	\$44,644,151
Drainage				
Culverts	\$146,105,051	\$66,588,242	\$79,516,809	\$1,821,616
Gullypits	\$18,644,096	\$11,049,655	\$7,594,442	\$233,051
Surface Water Channels	\$137,962,538	\$65,415,474	\$72,547,064	\$1,701,887
Sub Total	\$302,711,686	\$143,053,371	\$159,658,314	\$3,756,553
Other Road Assets				
Footpaths	\$45,327,568	\$23,677,773	\$21,649,795	\$1,117,498
Street Lighting	\$4,630,028	\$3,756,551	\$873,477	\$129,114
Sub Total	\$45,327,568	\$23,677,773	\$21,649,795	\$1,117,498
Traffic Controls				
Signs (inc Posts)	\$10,369,983	\$3,842,340	\$6,527,644	\$663,959
Markings	\$2,936,642	\$2,936,642	\$0	\$0
Traffic Signals	\$6,441,282	\$4,118,208	\$2,323,073	\$314,806
Sub Total	\$19,747,907	\$10,897,190	\$8,850,717	\$978,765
Bridges				
Large Bridges	\$261,775,478	\$164,049,738	\$97,725,740	\$2,282,706
Small Bridges	\$137,669,412	\$76,288,924	\$61,380,488	\$1,272,452
Large Culverts	\$119,960,460	\$73,467,469	\$46,492,991	\$1,058,613
Sub Total	\$519,405,349	\$313,806,131	\$205,599,218	\$4,613,771
Other Structures				
Guard Rails	\$22,179,142	\$7,540,911	\$14,638,231	\$887,165
Jetties	\$35,392,784	\$23,126,177	\$12,266,607	\$492,475
Sub Total	\$57,571,926	\$30,667,088	\$26,904,838	\$1,379,640
Other				
Motor Vehicles	\$2,200,601	\$971,119	\$1,229,482	\$557,035
Plant & Equipment	\$3,275,853	\$1,757,691	\$1,518,163	\$152,985
Furniture & Fittings	\$583,369	\$281,970	\$301,398	\$108,114
Laboratories	\$6,710,744	\$2,944,411	\$3,766,333	\$151,914
Buildings	\$16,438,713	\$9,684,351	\$6,754,362	\$1,570,714
Work in Progress	\$854,392,743	\$854,392,743	\$0	\$0
Sub Total	\$883,602,023	\$870,032,286	\$13,569,737	\$2,540,762
Total	\$6,442,747,989	\$5,497,861,117	\$944,886,873	\$59,031,140

6.5 DEPRECIATION

The forecasted depreciation provision for 2015 is \$59,031m. The increase in forecast depreciation from 2014 is due to the capitalisation of 2014 Renewals and New Assets.

Table 15 – Depreciation Provision 2015

Asset Category	Provision 2015
Roads	
Carriageways	\$44,644,151
Drainage	\$3,756,553
Other Road Assets	\$1,117,498
Traffic Control	\$978,765
Lighting	\$129
Sub Total	\$50,497,096
Structures	
Bridges	\$4,613,771
Jetties	\$492,475
Other Structures	\$887,165
Sub Total	\$5,993,410
Other	
Other Assets	\$2,540,762
Sub Total	\$2,540,762
Total	\$59,031,269

Depreciation is provided on a straight-line basis on property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values and over their useful lives. Land is not depreciated. The useful lives and associated depreciation rates of the various classes of assets have been estimated in Table 16

Table 16 – Assets' Useful Lives

Asset Categories	Replacement Time (years)	Annual Rate
Carriageways		
First Coat seal and Sealed Basecourse		
Rural	50	2.0%
Urban	70	1.4%
Sealed Surfaces (reseals)		
Asphaltic Concrete	17	5.9%
Chip Seal	15	6.7%
Concrete	25	4.0%
Sealed Sub base		
Rural	N/A	
Urban	70	1.4%
Unsealed Pavement Layers		
Wearing Course	5	20%
Sub base	N/A	
Drainage		
Gullypits, culverts and surface water channels	80	1.3%
Footpaths		
Sealed	30	3.3%
Unsealed	40	2.5%
Street Lighting		
Pole and bracket	40	2.5%
Light	20	5.0%
Traffic Controls		
Signs	12	8.3%
Posts and Markers	20	5.0%
Markings	1	100.0%
Signals		
Pole	22	4.5%
Controller	23	4.3%
Board and lantern	12	8.3%
Pedestrian Call Box	15	6.7%
Bridges		
Concrete	120	0.8%
Steel /concrete	110	0.9%
Timber	60	1.7%
Timber/concrete	100	1.0%
Timber Steel	80	1.3%
Bridge culverts	120	0.8%

Asset Categories	Replacement Time (years)	Annual Rate
Other Structures		
Railings	25	4.0%
Jetties		
Concrete Jetty	50	2.0%
Rock seawall	80	1.3%
Causeway		
Formation	N/A	
Sub base	N/A	
Base course	50	2.0%
Wearing course	5	20.0%
Chip seal	15	6.7%
Other		
Buildings	60	1.7%
Plant	30	3.3%

The depreciation rates are applied at the component level and the depreciation sum is calculated on the remaining useful life of each component. Where the age or condition is unknown it is assumed the asset is half way through its useful life.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

6.6 ASSET DISPOSAL POLICY

6.6.1. INTRODUCTION

Under Section 32 (2) (e) of the Fiji Roads Authority Decree the FRA is required to provide and outline of its policies and procedures relating to the disposal of major assets.

The FRA will not in future have any major assets to dispose of. Its assets are essentially the roads, bridges, jetties and associated infrastructure that it has to maintain. Apart from small sections of closed-off road that may become surplus to its requirements, these assets can be expected to remain in FRA ownership in perpetuity.

FRA leases its office premises. All work is contracted out therefore we do not have the need for any works depots, quarries, workshops, or plant and machinery (other than vehicles for our staff to use).

There are however some assets that it has inherited from the former Department of National Roads and the FRA plans to deal with them as follows:

6.6.2. DEPOTS

The DNR had 43 depots that were used for a range of activities including:

- Quarry operations
- Laboratory testing
- Workshops
- Fuelling station; and
- Permanent buildings and sleep quarters.

Some of these were also used by other parties.

The FRA has already completed a 'depots' rationalisation exercise.

6.6.3. LABORATORIES

The FRA operates two permanent and three site (or project) laboratories. The laboratory services include soils', bitumen, concrete, and aggregate testing and site investigations. The permanent laboratories perform services principally for the FRA and Government agencies but also perform testing on a charge basis for the private sector. The project laboratories are funded by the relevant projects and their purpose is to complete independent testing of the contractors' materials.

The FRA has transitioned the laboratory operations into a single business with the intention of selling this business to the private sector. Currently the decision to complete the sale rests with the FRA Board. This is an important decision and the Board has chosen to undertake further consultation early in 2015.

6.6.4. LAND NO LONGER REQUIRED FOR ROAD

When pieces of legal road are no longer required the road designation will be uplifted and the land disposed of in such a manner as the Board, with the approval of the Minister, may decide in each case. Normally this will be to offer the property at market value to the adjoining landowner subject to a condition that it is to be incorporated in an existing title.

However roads that were compulsorily acquired by the Government for road purposes and are no longer to be used by the FRA must be reverted back to Government to be disposed back to the native land owners.

7. GLOSSARY

ACRONYMS

ADB	Asian Development Bank
AMP	Asset Management Plan
CEO	Chief Executive Officer
CP	Corporate Plan
DNR	Department of National Roads
FICAC	Fiji Independent Commission Against Corruption
FRA	Fiji Roads Authority
FRCA	Fiji Revenue and Customs Authority
IP	Intellectual Property
LTA	Land Transport Authority
MWH	MWH (New Zealand) Ltd
MWTPU	Ministry of Works, Transport and Public Utilities
PS	Permanent Secretary
SCI	Statement of Corporate Intent
VAT	Value Added Tax
VEP	Vat Exclusive Price
VIP	Vat Inclusive Price

DEFINITIONS

Accountability	<p>Being obliged to answer for one's actions, to justify what one does.</p> <p>Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.</p>
Annual Budget	<p>The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.</p>
Asset Disposal Policy	<p>An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Road Authority Decree 2012 (No 2) viz:</p> <p><i>'.....the statement of corporate intent shall include....an outline of FRA's policies and procedures relating to thedisposal of major assets'.</i></p> <p>See Section 6.8</p>

Asian Development Bank	<p>'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.</p> <p>From time to time the bank approves grants or loans to the FRA for road purposes. Currently the FRA is receiving from the ADB loan assistance for both flood damage repairs and new capital development.</p>
Authority	The Fiji Roads Authority
Board	<p>The Fiji Roads Authority's Governing Board.</p> <p>During the early years of FRA the members of the Board are the Permanent Secretaries of the Public Service Commission (as Chair), Office of the Prime Minister (Acting PS), Industry and Trade and Local Government</p> <p>A new Board comprising a Chairman and four members will be appointed by the Prime Minister and will assume office in 2015.</p>
Bridge	A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than 3.4m ² .
Capital Works	Includes both Renewal Capital Works and New Capital Works.
Corporate Plan	<p>A plan required to be published by the FRA annually pursuant to Section 31 of The Decree.</p> <p>The Corporate Plan has to include the information listed in section 31 (3).</p>
Decade of Action on Road Safety	<p>A global programme of the United Nations on road safety initiatives.</p> <p>Fiji joined the programme in 2011 and agreed a comprehensive set of targets to be achieved by 2020. Those that the FRA is responsible for include the following:</p> <ul style="list-style-type: none"> (i) 30 black spots improved; (ii) 40kms of route action plans in place (e.g. overtaking lanes); (iii) 30 village treatments completed; (iv) 60 mass action plans; (v) 600km major roads marked and delineated; (and) (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes. <p>In addition, all new projects are to have road safety audits from 2012.</p>
Deferred Maintenance	The cost of work required by the practice of allowing infrastructure to deteriorate by not carrying out required repair and renewal work at the optimum time in the asset lifecycle.

Depots	<p>The 23 depots and 21 sub-depots inherited from the former Department of National Roads.</p> <p>Some of these depots have since been leased, rented or otherwise disposed of.</p>
Depreciated Replacement Cost (or Value)	<p>The replacement cost of an asset less accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset.</p>
Depreciation	<p>The wearing out, consumption or other loss of value of an asset, whether arising from use, the passage of time, or obsolescence through technological and market changes.</p>
EXIM BANK	<p>An 'Export-Import' (EXIM) financial institution owned by the Chinese Government.</p> <p>The Fijian Government receives loan funding assistance for certain major capital road projects from this bank.</p>
Goal	<p>(Not to be confused with 'Objective')</p> <p>A general statement defining a desired end result or a statement of intent for the direction of the business – usually long-term, not necessarily quantifiable and perhaps not totally obtainable.</p> <p>The FRA has two principal goals:</p> <ul style="list-style-type: none"> (i) <i>'To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations; (and)</i> (ii) <i>To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.</i>
Health and Safety Incident	<p>An unplanned event that has resulted in, or has the potential to result in, injury, illness, damage or loss to persons or property. It includes accidents and near misses.</p>
Jetties	<p>The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.</p>
Laboratories	<p>The three permanent and four site (or project) laboratories owned by the FRA that provide testing services for soils, bitumen, concrete, and aggregate and carry out site investigations.</p> <p>FRA intends to develop its laboratories into a single business unit and either lease or sell them within a short time.</p>
Land Transport	<p>In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.</p>
Levels of Service	<p>The defined quality for a particular service against which service performance can be measured.</p>

Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost.

Road agencies like the FRA typically define levels of service in terms of the roads' reliability (how assured an intending user can be that he will be able to get to his destination within a given time no matter what day of the week it is, what time of day it is, or what the weather), convenience, and comfort of travel; how safe the roads and footpaths are to travel or walk on; and cost.

The FRA's adopted levels of service are in Section 4 of this Corporate Plan.

Maintenance

The actions required to enable an asset to achieve its expected life.

Maintenance work can be planned or unplanned. Planned maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage.

Includes all of the actions necessary for retaining an asset as near as practicable to its original condition, but excludes Renewals.

Examples: Pothole repairs. Replacing a broken deck on a bridge. Applying protective paint. Removing vegetation to improve driver vision. Reinstating road markings. Cleaning and clearing roadside drains and unblocking culverts. Cleaning and repairing road signs.

Mission

The reason why the organisation exists.

The FRA's mission is *'to provide a better land transport network for Fiji'*.

Municipal Councils

The town and city councils.

There are thirteen municipal councils:

- (i) Ba Town Council
- (ii) Labasa Town Council
- (iii) Lami Town Council
- (iv) Lautoka City Council
- (v) Levuka Town Council
- (vi) Nadi Town Council
- (vii) Nasinu Town Council
- (viii) Nausori Town Council
- (ix) Rakiraki Town Council
- (x) Savusavu Town Council
- (xi) Sigatoka Town Council
- (xii) Suva City Council

(xiii) Tavua Town Council

New Capital

Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential.

Examples: A new bridge. The work done to realign, widen and seal an existing unsealed road.

Objective

(Not to be confused with Goal).

A measurable target that describes the end results that a service or programme is expected to accomplish within a given time period. Objectives flow from, are components of, and lead the FRA towards the achievement of its goals.

Every objective should be:

- (i) linked to a goal;
- (ii) realistic;
- (iii) action orientated;
- (iv) concise;
- (v) attainable;
- (vi) measurable;
- (vii) time constrained; and
- (viii) within the control of the FRA.

Example: (Hypothetical) Complete construction of the new Harris bridge for not more than \$1.63m before 31 March 2015.

Outcomes

(Not to be confused with Outputs)

The actual impact and value of the service delivery

Example: Less deaths because of the safety improvement work that has been done on the roads.

Outputs

(Not to be confused with Outcomes)

The goods and services produced and provided to third parties (i.e. 'service accomplishments').

Examples: The length of the roads resealed or the number of potholes repaired. The number of safety improvements carried out.

Performance Measure

A qualitative or quantitative measure relating to the intended level of service for a particular service area.

Performance measures are the means by which the FRA is able to identify the extent to which it has been able to achieve its objectives – the means for determining whether the levels of service are actually being achieved.

There are three broad elements of performance measures:

- (i) Those that measure service efforts (inputs);
- (ii) Those that measure service accomplishments (outputs and outcomes); and
- (iii) Those that relate service efforts to service accomplishments (efficiency and cost outcomes).

Example: The number of injury and fatal accidents that occur on the roads annually.

Performance Target

The desired level of performance against a performance measure.

A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve.

Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.

Renewals

(Not to be confused with New Capital).

The replacement or rehabilitation of an asset.

Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, and relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. It may reduce operating and maintenance expenditure if completed at the optimum time.

Example: Resealing or rehabilitating a road – or replacing an existing bridge.

It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure.

The rate at which renewal work is being carried out over time compared with the annual provision for depreciation (the cost of consumption) is a good indicator of the extent to which the network is being maintained, improving, or is deteriorating.

Road (or Roads)

The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing.

It includes all land and civil infrastructure constructed by any Municipal Council or Government body, or any other body authorised by a Municipal Council or Government body, that is used or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to:

- (i) the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges, drains and kerbs;
- (ii) road signs, road marker posts and other markings, including pedestrian crossings;

- (iii) traffic islands;
- (iv) bridges and culverts;
- (v) footpaths and pavements adjacent to a vehicle pavement;
- (vi) street lights and traffic signals;
- (vii) parking meters;
- (viii) jetties, and
- (ix) all national roads, municipal roads, and such other public roads as may be determined by FRA.

Source: Fiji Road Authority (Amendment Decree 2012 (No 46) Sec 4

Note the inclusion of jetties within this definition.

Road Network

The network of roads, streets, bridges and footpaths that the FRA has the responsibility to maintain, renew and further develop.

Until the DNR's data can be verified there is some uncertainty about the exact road lengths but the situation is approximately:

- | | |
|---------------------|--------------|
| (i) Roads (Km) | |
| • National | 4,254 |
| • Municipal Areas | 337 |
| • Cane & Provincial | <u>6,524</u> |
| | 11,115 |
| (ii) Bridges (No) | 936 |

Roadworks Emergency

A situation declared to be the case following a major storm or other adverse event. (Not to be confused with Civil Defense Emergency)

During a roadworks emergency the normal procurement requirements do not apply and road materials and other goods may be purchased and plant may be hired to repair the damage (in a manner and to the extent approved by the CEO).

Service Area

Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management.

The headings under which the FRA formulates its levels of service, performance measures and targets in order to be able to decide what it has to do, and to be able to subsequently ascertain how well it is doing.

The headings are:

- (i) Health and Safety;
- (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety);

- (iii) Asset Provision, Preservation, and Development;
- (iv) Environmental Conservation, Protection and Enhancement;
- (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
- (vi) Compliance (including Training, Record Keeping and Reporting); and
- (vii) Costs.

For a fuller explanation of the FRA's levels of service under these headings see Section 4.

Statement of Corporate Intent (SCI)

A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to section 32 of The Decree.

This document is the FRA's combined Corporate Plan and statement of Corporate Intent.

Vested Assets

Assets that are transferred to the FRA's ownership at no cost as a condition of subdivision (or development) approval.

Instead of vesting new assets a subdivider or developer may be required to upgrade (e.g. widen) an existing road or be required to pay a sum of money to enable the FRA to fund the cost of mitigating the impact of the subdivision and or development work (or both).

8. KEY FRA PARTNERS

Auditor The Fiji Controller & Auditor General.

Legal Advisor A panel of Lawyers:

- R Patel Lawyers – Suva
- M C Lawyers – Suva
- Siwatibau & Sloan – Suva
- Young & Associates - Lautoka

Financial Advisor KPMG

Insurance Advisor Marsh

Banker The Bank of Baroda

Professional Engineering Services Provider

MWH (New Zealand)

Key Contractors

- Fulton Hogan-Hiways Joint Venture (Maintenance & Renewals – Central & Eastern Division & Northern Division)
- Higgins Group (Maintenance & Renewals – Western Division)
- NAIM
- China Rail No 1
- China Rail No 3
- China Rail No 5
- China Gezebou

Central Government

- Office of the Prime Minister
- Ministry of Finance
- Ministry of Provincial Development
- Ministry of Lands
- Ministry of Strategic Planning
- Ministry of Local Government
- Ministry for the Environment
- Ministry of Town and Country Planning
- Land Transport Authority
- Fiji Police

Local Government

- Ba Town Council
- Labasa Town Council
- Lami Town Council
- Lautoka City Council
- Levuka Town Council
- Nadi Town Council
- Nasinu Town Council
- Nausori Town Council
- Rakiraki Town Council
- Savusavu Town Council
- Sigatoka Town Council
- Suva City Council
- Tavua Town Council

Others

- The Bus Owners and Operators

Appendix A – Fiji Roads Authority Founding Legislation

- Fiji Road Authority (Amendment) Decree 2012 with amendments:
- Fiji Road Authority (Amendment) Decree 2012 (Decree No 46 of 2012)
- Fiji Road Authority (Amendment) Decree 2014 (Decree No 27 of 2014)

APPENDIX A



REPUBLIC OF FIJI ISLANDS GOVERNMENT GAZETTE

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No. 3

FIJI ROADS AUTHORITY DECREE 2012

(DECREE NO. 2 OF 2012)

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FIJI ROAD~~S~~ AUTHORITY DECREE 2012

(DECREE NO. 2 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

A DECREE TO ESTABLISH THE FIJI ROAD~~S~~ AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS.

PART 1—PRELIMINARY

Short title and commencement

1. This Decree may be cited as the Fiji Road Authority Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

Interpretation

2. In this Decree, unless the context otherwise requires—

“Authority” means the Fiji Road Authority established under section 4;

~~“Change Manager” means the Change Manager appointed by the Minister under section 37;~~

“Chief Executive Officer” means the person appointed under section 24 and includes the person acting in that office;

“Committee” means the Fiji Road Advisory Committee established under section 34 of this Decree;

“Department” means the Department of National Roads;

“Minister” means the ~~Prime~~ Minister responsible for Roads;

~~“roads” include all national roads, municipal roads and such other public roads as determined by the Authority.~~

~~“road” or “roads” means all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—~~

- ~~(a) the vehicle pavement from curb to curb, or where there is no curb, the roadside verges, drains and curbs;~~
- ~~(b) road signs, road marker posts and other markings, including pedestrian crossings;~~
- ~~(c) traffic islands;~~
- ~~(d) bridges and culverts;~~
- ~~(e) footpaths and pavements adjacent to a vehicle pavement;~~
- ~~(f) street lights and traffic lights;~~
- ~~(h) parking meters;~~
- ~~(i) jetties; and~~
- ~~(j) all national roads, municipal roads, and such other public roads as may be determined by the Authority.”~~

Objectives of this Decree

3. The principal objectives of this Decree are to—

- (a) give effect to the re-organisation of the Department of National Roads; and
- (b) make provision for the effective management and administration of the road systems.

PART 2—ESTABLISHMENT, FUNCTIONS AND POWERS

Establishment of the Authority

4. This section establishes the Fiji Road Authority, as a corporate body with perpetual succession and a common seal, and the Authority may—

- (a) sue and be sued;
- (b) acquire, hold and dispose of property;
- (c) enter into contract, agreement or other transactions; and
- (d) do all other acts that may be done in law by body corporate.

Composition of the Authority

5.—(1) The Authority shall consist of a Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and the other members of the Authority shall hold office for 3 years, and are eligible for re-appointment.

(3) The Chairperson and members may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

Functions of the Authority

6. The Authority shall be responsible for all matters pertaining to construction, maintenance and development of roads in Fiji, including but not limited to the following—

- (a) managing (land provision, network planning, designing, constructing, maintaining, renewing and generally managing the use of) all ~~public roads, bridges and jetties;~~
- (b) traffic management (including road design, traffic signs and markings);
- (c) road safety (relating to provision and management of the road);
- ~~(d) the enforcement of vehicle load limits to avoid road damage (especially logging trucks and cane trucks);~~
- (e) the issuing of over-width, height and lengths limits;
- (f) Planning and management of Road Survey and Design;
- (g) Provide advice, programme management services, design, supervision services for Capital Works Programme; and
- (h) For such other matters, as the Minister may direct.

Powers of the Authority

7. The Authority shall have all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions under this Decree and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

Delegation of powers

8.—(1) The Authority may from time to time, by writing under the hand of the Chairperson, delegate to any person or committee any of the Authority's powers under this Decree.

(2) A delegation under this section may be made to a specified person or committee or to the holder for the time being of a specified office or to the holders of a specified class.

(3) A delegation may be made subject to such restrictions and conditions as the Authority thinks fit, and may

be made either generally or in relation to any particular case or class of cases.

(4) Any person or committee purporting to exercise any power of the Authority by virtue of a delegation under this section shall, when required to do so, produce evidence of his or her or its authority to exercise the power.

Resignation and removal

9.—(1) A member of the Authority may resign from his or her office by giving 30 days written notice to the Minister.

(2) The Chairperson and members may be removed by the Minister for inability to perform the functions of the Authority (whether arising from infirmity of body or mind, absence, misbehaviour or any other cause) or may be otherwise removed by giving one months' notice or one months' remuneration in lieu of notice.

Vacation of office

10.—(1) The office of a member shall become vacant if the member—

- (a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority;
- (b) become or has, in Fiji or elsewhere, been declared bankrupt and has not been discharged;
- (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than 1 year; or
- (d) has, in Fiji or elsewhere, been disqualified or suspended from practicing his or her profession by any competent authority by reason of misconduct.

(2) The Authority may act notwithstanding a vacancy in its membership.

Meetings and proceedings of the Authority

11.—(1) The Chairperson shall preside at all meetings of the Authority, and if the Chairperson is not present at a meeting then the members present may for that particular meeting choose a member to preside as the Acting Chairperson in the absence of the Chairperson.

(2) At a meeting, 3 members shall form a quorum.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, or in his or her absence, the member presiding shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

Authority may invite others to meetings

12. The Authority may invite a person to attend a meeting of the Authority for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

Disclosure of interest

13.—(1) A member of the Authority who is, directly or indirectly, interested in a matter under discussion by the Authority shall disclose to the Authority the fact and nature of his or her interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority.

(3) After a disclosure under subsection (1) the member in question—

- (a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but
- (b) may be counted for the purpose of forming a quorum of the Authority.

(4) A member who fails to disclose his or her interest as required by subsection (1) commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 and to imprisonment of 5 years or to both.

Minutes

14.—(1) The Authority shall keep minutes of all meetings in a proper form.

(2) Any minutes, if duly signed by the Chairperson or person presiding, shall, in any legal proceedings, be admissible as evidence of the facts stated in them and a meeting of the Authority in respect of which the minutes have been so signed is deemed to have been duly convened and held and the member present at it to have been duly appointed to act.

Common seal

15.—(1) The Authority shall have a common seal of such design as it may decide.

(2) The common seal shall be kept by the Chairperson and its affixing shall be authenticated by any two members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.

(3) All deeds, documents, and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.

(4) The common seal of the Authority shall be officially and judicially noticed for all purposes.

Procurement process and plan

16.—(1) The Authority shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.

(2) All goods and services procured by the Authority shall be in accordance with the procurement process and plan established by the Authority under subsection (1).

(3) The provisions of the Procurement Regulations 2010 shall not apply to the Authority.

Minister may give directions

~~17. The Minister may, in his discretion, give such directions to the Authority, with respect to the performance of the functions of the Authority by the Committee, and the Committee shall comply with any such directions issued by the Minister.~~

17. The Minister may, in his discretion, give directions to the Authority with respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.

PART 3—TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

Transfer of assets and liabilities

~~18.—(1) As from the commencement of this Decree, all moveable property vested in the State immediately before that date and used or managed by the Department, and all assets, interests, rights, privileges, liabilities and obligations of the State relating to the Department shall be transferred to and shall vest in the Authority without conveyance, assignment or transfer.~~

~~(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority or the State to give notice to any person whose right or liability is affected by the vesting.~~

~~(3) On and after the commencement of this Decree, any agreement relating to any property, rights and liabilities transferred to and vested in the Authority under subsection (1) to which the State was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature~~

~~that rights and liabilities could be assigned by the state, shall have effect as if the Authority had been a party to the agreement.~~

~~(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.~~

Transfer of assets, interests and liabilities

18. – (1) As from the commencement of this Decree, all assets, interests, rights, privileges, liabilities and obligations of—

- (a) the State in relation to the Department; and
- (b) municipal councils in relation to municipal roads,

shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority, the State or any municipal council to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights or liabilities transferred to and vested in the Authority under subsection (1) to which the State or any municipal council was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature those rights and liabilities may be assigned by the State or any municipal council, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

Transfer of employees

19.—(1) As from the commencement of this Decree, all persons employed immediately before that date in the Department shall be transferred to the Authority.

(2) Until such time as terms and conditions, including rules as to the conduct and discipline of its employees are drawn up by the Authority, the terms and conditions of employees shall continue to apply to every person transferred under subsection (1).

Rights of transferred employees

20. For the purposes of every enactment, law, award, determination, contract and agreement relating to the employment of a transferred employee, the contract of employment of that employee is deemed to have been unbroken and the period of employment is for all purposes deemed to have been a period with the Authority.

Existing Contracts

21. All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Decree shall continue in force after that date and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Department.

Continuation of proceedings

22. Any action, arbitration, proceedings or cause of action that relates to a transferred asset, liability or employee and that immediately before the commencement of this Decree is pending or existing by, against, or in favour of the Department, or to which the Department is a party, may be prosecuted and, without amendment of any writ, pleading or other documents, continued and enforced against, or in favour of the Authority.

No benefit in respect of abolition or re-organisation of office

23. A person who is transferred to the Authority is not entitled to claim any benefit on the ground that he or she has been retired from the Department on account of abolition or re-organisation of office in consequence of the establishment and incorporation of the Authority.

PART 4—MANAGEMENT AND FINANCE OF AUTHORITY

Appointment of Chief Executive Officer

24.—(1) The Authority may appoint a suitably qualified person as the Chief Executive Officer of the Authority, in accordance with ~~other~~ terms and conditions the Authority may approve.

(2) The Chief Executive Officer may be appointed for a term not exceeding three years and is eligible for re-appointment.

~~(3) The Chief Executive Officer may be remunerated in a manner and at rates subject to terms and conditions~~

~~determined by the Minister.~~

Functions of the Chief Executive Officer

25.—(1) The Chief Executive Officer shall be responsible to the Authority for the Management of the Authority.

(2) The Chief Executive Officer shall attend every meeting of the Authority, and if he or she, for any reason, is unable to attend a meeting, the Chief Executive Officer may, in consultation with the Chairperson, nominate an officer to attend on his or her behalf.

(3) The Chief Executive Office shall not engage in any other business without the prior consent of the Authority.

Appointment of staff

26.—(1) The Authority shall appoint such officer, servants or agents as it considers necessary for the efficient exercise, performance and discharge of its duties.

(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority ~~and approved by the Minister.~~

Funds of the Authority

27.—(1) The Funds of the Authority for the purposes of this Decree shall consist of—

- (a) any money appropriated by Government;
- (b) rates, fees and other charges received by or on behalf of the Authority by virtue of this Decree; and
- (c) any other money received by or on behalf of the Authority.

PART 5—REPORTING AND ACCOUNTABILITY

Financial year

28. The Authority's financial year shall be from the 1st day of January to the 31st day of December of each year.

Half yearly reports

29.—(1) The Authority shall furnish to the Minister a report on its activities for the first half of each financial year.

(2) The half yearly report shall include the information required by the Authority's statement of corporate intent to be given in the report.

Annual Reports

30.—(1) Within ~~3~~ 4 months after the end of each financial year, the Authority shall in accordance with its statement of corporate intent prepare a report of its activities during that financial year.

(2) The Authority shall send a copy of the Annual Report to the Minister who shall cause it to be laid before Cabinet as soon as practicable.

(3) The annual report required by subsection (1) shall contain, among other things—

- (a) an audited statement of accounts prepared in accordance with generally accepted accounting practice as determined by the Fiji Institute of Accountants;
- (b) a statement of financial performance, including a statement of the financial position of the Authority;
- (c) a statement of cash flows;
- (d) such other information as is required to give a true and fair view of the Authority's financial affairs;
- and
- (e) a copy of the auditor's report.

(4) The Annual Report shall include the information required by the Authority's statement of corporate intent to be given in it.

Corporate Plan

31.—(1) The Authority shall in each year publish a corporate plan setting out plans for the future operations of the Authority and shall act in accordance with it.

(2) The Minister may issue guidelines as to the format and content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.

(3) A corporate plan shall, except as otherwise agreed in writing by the Minister, contain—

- (a) a forecast of profit and loss accounts, balance sheets and cash flows for the current and following 2 financial years; and
- (b) a statement of the assumptions on which the forecasts are based.

(4) The corporate plan shall be consistent with the Authority's statement of corporate intent.

Authority to have statement of corporate intent

32.—(1) The Authority shall, in each year, publish a statement of corporate intent containing a summary of the corporate plan and setting out the financial and non-financial performance targets of the Authority for that year.

(2) In addition to the matters mentioned in subsection (1), the statement of a corporate intent shall include—

- (a) an outline of the objectives of the Authority;
- (b) an outline of the nature and scope of the activities proposed to be undertaken by the Authority;
- (c) an outline of the Authority's main undertakings;
- (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
- (e) an outline of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
- (f) a description of the Authority's accounting policies;
- (g) a description of the financial information to be given to the Minister in the half yearly and Annual Report;
- (h) a description of measures by which the performance of the Authority may be judged in relation to its objectives, in addition to the performance targets required by subsection (1); and
- (i) such other matters as are agreed by the Minister and the Authority or are directed by the Minister to be included in the statement of corporate intent.

(3) The Minister may, in writing, exempt the Authority from including in its statement of corporate intent any matter, or any aspect of a matter, mentioned in subsection (2).

Audit

33.—(1) The Authority is required to be audited at least once a year.

(2) The audit is to be conducted in accordance with the Audit Act (Cap. 70) and the Financial Management Act 2004, except where the audit is conducted by a person appointed by the Authority under subsection 3.

(3) The audit is to be conducted by—

- (a) the Auditor General or a person authorised or contracted under the Audit Act (Cap. 70) to carry it out, unless the Authority is exempted from audit under that Act by the Regulations; or
- (b) a person appointed by the Authority, if the Authority is so exempted from audit under the Audit Act (Cap. 70)

(4) The person appointed by the Authority under section 3(b) is to be—

- (a) a person that the Minister for Finance directs the Authority in writing to appoint; or
- (b) if the Minister for Finance gives no such directions, the person chosen by the Authority.

PART 6—TRANSITIONAL AND SAVINGS

Establishment of the Fiji Roads Advisory Committee

34.—(1) Until such time as the members of the Authority are appointed by the Minister under Part 2 of this Decree, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Roads Advisory Committee which shall consist of ~~the Permanent Secretary for the Prime Minister's Office as the~~ a Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and members of the Committee shall hold office until such time as the Authority is appointed.

(3) The Minister may, in his discretion, give directions to the Committee with respect to the performance of the functions of the Authority by the Committee, and the Authority shall comply with any such directions issued by the Minister.

Meetings and Proceedings

35.—(1) At all meetings, ~~4~~ 3 members shall form a quorum.

(2) The Chairperson shall preside at all meetings of the Committee.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the chairperson, shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

Committee may invite others to meetings

36. The Committee may invite a person to attend a meeting of the Committee for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

Appointment of Change Manager

~~37.—(1) Following consultation with the Committee, the Minister shall, immediately upon the commencement of this Decree appoint a Change Manager on such terms and conditions as determined by the Minister.~~

~~(2) The Change Manager appointed under subsection (1) shall be responsible for the management of the functions of the Authority and exercise such powers and perform such duties as directed by the Committee, including but not limited to the following—~~

- ~~(a) full Executive Management responsibility for the Authority;~~
- ~~(b) recommend a staff structure for the Authority including redundancy plans, and new appointment processes;~~
- ~~(c) identify the future financial management, information technology, asset management systems and records requirements;~~
- ~~(d) identify office accommodation, office furniture, plant and vehicle requirements;~~
- ~~(e) prepare a procurement plan for the Committee's consideration;~~
- ~~(f) review the current road classification system, the continuing appropriateness of the definition of each classification, and the roads that have been allocated to each classification;~~
- ~~(g) review the current technical service standards;~~

~~(h) — review the adequacy or otherwise of, any insurance protection approach, including the clarification~~

~~of any potential liability should the cause of an accident be a result of the road condition;~~

~~(i) — review or prepare a business continuity and emergency response plan; and~~

~~(j) — identify and manage disposal of any surplus assets of the Authority.~~

~~(3) — In the performance of any functions or exercising any powers under the Decree, the Change Manager shall report to and take instructions from the Committee.~~

~~(4) — The Change Manager shall perform such additional functions and exercise such additional powers as the Committee may delegate to the Change Manager in writing.~~

~~(5) — The provisions of this Decree shall be applicable and binding on the Change Manager appointed by the Minister under subsection (1).~~

PART 7— MISCELLANEOUS

Regulations

38. The Minister may make regulations to give effect to the provisions of this Decree.

Indemnity

38A.—(1) Neither the Committee, ~~the Change Manager~~, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, ~~the Change Manager~~ or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any Court, Tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.

(2) Notwithstanding anything contained in subsection (1), the Minister may on an ex-gratia basis grant compensation to any person who has suffered any injury or damage to property, caused either directly or indirectly by any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.

Consequential

39. This Decree has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Decree and any other written law, this Decree prevails.

Given under my hand this 5th day of January 2012.

EPELI NAILATIKAU
President of the Republic of Fiji

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