



**Fiji Roads Authority**

*Better Roads. Better Access. Better Business.*

# 2016 Corporate Plan

& Statement of Corporate Intent



**December 2015**



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**Front Cover: FRA's NASRUP N2 Project (Nadi Airport - Wailoaloa)**

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# Chairman's Introduction

Fiji Roads Authority enters 2016 with a new Board in place and I am honoured to be the Chairman. Our Board, management and staff have a challenging year ahead as we take FRA on the next stage of evolution.


We also farewell the inaugural CEO of Fiji Roads Authority, Neil Cook, who after 3 years with FRA, is returning to New Zealand to take up new challenges. We wish Neil and his Family all the best and thank them for their service to Fiji.

The appointment of a new CEO is a key task for the Board and we hope to make an announcement early in 2016. The new CEO will arrive to take FRA through a transition process that will realign our service delivery. Whilst the delivery model will remain one of high levels of involvement by the private sector, we will be ensuring that the critical functions that must be controlled by the Asset Owner are resourced from within FRA.

We will also be working towards a professional services environment that is more diverse, with more opportunity for a wide range of providers to bid for FRA work. This will start in 2016 with a view to having the transition substantially completed by 2017.

Meanwhile the work on the roads will continue across the country. Through the 2016 budget allocation Government has signalled a stronger investment in creating new assets in 2016 with a heavy emphasis on opening up reliable road access for more Fijians in rural areas. Our emphasis on the maintenance and reconstruction of existing assets during 2016 will be somewhat limited, but nevertheless we will endeavour to deliver in all facets of work to the best of our abilities and everyone's expectations.

On behalf of the Board of Fiji Roads Authority, I look forward to sharing our successes with the public of Fiji throughout 2016.



**Dinesh Patel**  
**Chairman**  
**Fiji Roads Authority**

Date: 24<sup>th</sup> December 2015



# Chief Executive's Review

Fiji Roads Authority has come a long way in the 3 years it has been operating as a stand-alone statutory corporate entity.

The successes and achievements on the roads is only part of the story. Of equal importance is the development of the roading sector as a whole, the people, the companies, the quality of products and services.

We are beginning to see the fruits of the knowledge transfer and capacity building that has been going on within the sector over the past 3 years. Capable Fijians are stepping up into positions of greater responsibility across the board. This will gain more and more momentum throughout 2016 and beyond. Ultimately we want to see the Fijian branches of these international companies being led by Fijians. We are well on the way down this path.

We have been consistent in our messaging that FRA, and Fiji, is on a 7 – 10 year recovery programme to rebuild our failing roads, bridges and jetties. The 2016 work programme continues to apply significant resources to maintenance and reconstruction of existing assets; however a shifted focus in Government's investment towards more new roads in rural areas means that the recovery programme for existing assets will slow down.

There will be a noticeable increase in streetlighting in rural areas, particularly on the Queens Road and Kings Road. This will increase safety in villages and provide the ability for stallholders to operate longer hours if they wish.

As the roads have improved over the past 3 years we have seen more cars on the road. Unfortunately we are also seeing higher speeds and increasing numbers of accidents. Investment in road safety is critical if Fiji is to reverse the recent trend of increasing road deaths.

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**Neil Cook**  
**Chief Executive Officer**  
**Fiji Roads Authority**

Date: 24<sup>th</sup> December 2015

## **Fiji Roads Authority Board Directors**

**Mr Dinesh Patel**  
(Managing Director, RC Manubhai)  
**Chairman**

**Mr Sanjay Kaba**  
(Director HLK Jacob Ltd)

**Ms Preetika Prasad**  
(Acting Director of Lands Dept.)

**Ms Salaseini Serulagilagi**  
(Principal Legal Officer, SG office)

**Mr Aptinko Vaurasi**  
Former Land Transport Authority  
GM Operations

**Mr Neil Cook**  
(Chief Executive Officer, FRA)  
**Ex-Officio Member**



## **OUR MISSION, GOALS AND PERFORMANCE TARGET**

### **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 Roding industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.

### **2016 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. ABOUT THE 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 the probably the most valuable built asset Fiji owns. Years of investment and effort have gone into building up over 7,000 kms of roads and 1,200 bridges and jetties. If this massive infrastructure system is going to serve Fiji's future development needs, then two things have to be done:

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

### ***Fiji Roads Authority was set up to fast track 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" and amendments). Over the last three years we have moved from a standing start to managing a \$600m-plus programme of maintenance, renewal and capital projects.

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.

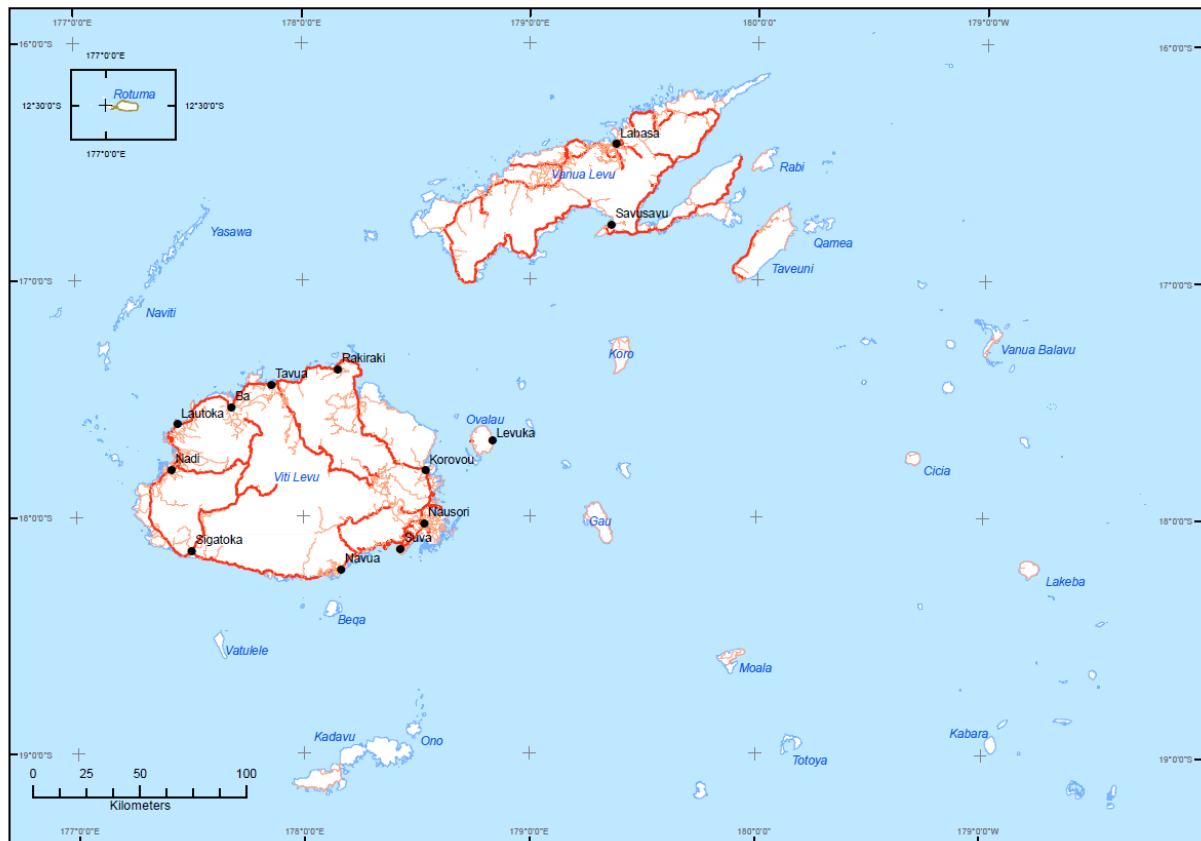
### ***FRA is responsible for Fiji's most valuable built asset***

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 nearly \$7 Billion 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.

In 2015 FRA undertook a comprehensive survey of all of The Authority's assets. The information collected has been incorporated in the FRA's Asset Management System. It will be used to provide more effective forward works planning and to provide an updated valuation of the assets.

The survey revealed that there were some 3,500kms less roads than had been previously included in the Asset Management Plan. The reason for the reduction in road lengths is attributed to the following factors:

- The original 11,000 km length in 2012 was an over-estimate; only the DNR portion (4,200 km) was ever measured accurately, with the remaining lengths being estimates.
- The length of cane access road originally provided to FRA was significantly over estimated. (The FSC is conducting their own inventory of these roads, and have measured 55% of length compared with what was originally supplied.)
- The field data collection carried out by FRA involved a drive over of the entire network. During this exercise, it was discovered that a significant number of cane access roads did not meet the criteria of an FRA road as they only served a single property or were providing seasonal access to cane fields. These roads were not included in the FRA inventory.



**Table 1 - FRA's Assets**

Division	Roads (Kms)			Bridges	Jetties
	Sealed	Unsealed	Total		
Central-Eastern Division	675	1681	2356	427	30
Western Division	677	2,406	3,083	440	4
Northern Division	356	1,730	2,086	384	13
<b>TOTAL COUNTRY</b>	<b>1,707</b>	<b>5,818</b>	<b>7,525</b>	<b>1,251</b>	<b>47</b>

## 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.

The principles of infrastructure asset management outline the following hierarchy for consideration when developing investment strategies for public infrastructure assets (refer to Table 2 for definitions of types of work):

1. Emergency Work
2. Maintenance
3. Renewal, reconstruction or replacement of existing assets'
4. New assets with demonstrable return on investment
5. New assets driven by social, environmental, political, cultural imperatives

The basic premise is that an asset owner should, over the long term, invest sufficiently in the existing asset base to sustain it. Following this it is acknowledged that 'lead infrastructure' investments by Governments can create the economic development head room to allow the economy to grow. This pays itself back over time and the growing economy allows investment in projects that are much needed, but do not have economic rates of return in their own right. These projects allow social and economic connectedness to greater proportions of the nation and can assist in slowing rates of urbanisation etc. which can place greater burdens on other areas of Government spending and resources.

## ***How we manage our work programme***

The FRA manages a programme of work which is made up of over 300 activity areas, many of which represent hundreds of separate sub-activities. In order to manage this huge level of activity and expenditure in a coordinated, open and transparent way, we divide the programme up into 13 categories of work and spending.

**Table 2 - Types of Work and Expenditure**

Activity Area	Description
<b>Operations</b>	
FRA MANAGEMENT AND OPERATIONS	The costs of FRA's staff, premises, equipment, vehicles and other items which are essential to the effective operation of the business.
PROFESSIONAL AND TECHNICAL SERVICES	Includes fees for specialist technical and management support including expenditure on IT systems to improve the efficiency of our network management.
<b>Work Programme</b>	
MAINTENANCE	The work done to keep our existing roads bridges and jetties in working order. This includes minor repairs as well as all the routine works such as vegetation control and keeping drainage systems clear.
EMERGENCY WORKS	Any work that has to be done to repair damage caused by flooding or extreme weather events. This might include stabilising land slips, fixing bridges or repairing damaged drainage systems.
RENEWALS - ROADS AND SERVICES	When assets (roads bridges and jetties) reach a certain level of deterioration they become too expensive to keep on fixing and maintaining. At this point it represents better value to rebuild the asset from scratch. Many of Fiji's roads and bridges have reached this point.
RENEWALS - BRIDGES	
RENEWALS - JETTIES	
NEW CAPITAL (Safety)	<p>New Capital represents the work we do to extend and upgrade the networks. This includes new roads as well as existing ones that we widen or improve substantially.</p> <p>We categorise New Capital according to the primary purpose for building the new asset. For example: projects which are primarily safety fit into that category; projects such as road widening in Suva are primarily about reducing congestion.</p>
NEW CAPITAL (Access)	
NEW CAPITAL (Community)	
NEW CAPITAL (Congestion)	
NEW CAPITAL (Tourism)	
NEW CAPITAL (Resilience)	

One of the ways we measure work is through 'expenditure'. Expenditure is the dollar value of the work that has been done. For example, if one of our contractors is building an embankment for a road and moves 1000m<sup>3</sup> of earth for a particular task, then this work is measured and recorded. It is important to understand that our contractors are only paid for the work they have done and formally agreed with our representatives on site.

Under most of our contractual arrangements the physical work that is done is not paid for until 42 days after the claim for that work has been submitted. This means that we have sufficient time to verify that the work has been completed to the required standard. It also means that, at any time, there is a difference between what we potentially owe and what has been paid and committed. This is why we use 'expenditure' to manage our work - to ensure that all our potential liabilities are captured in our programme management.

## ***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.

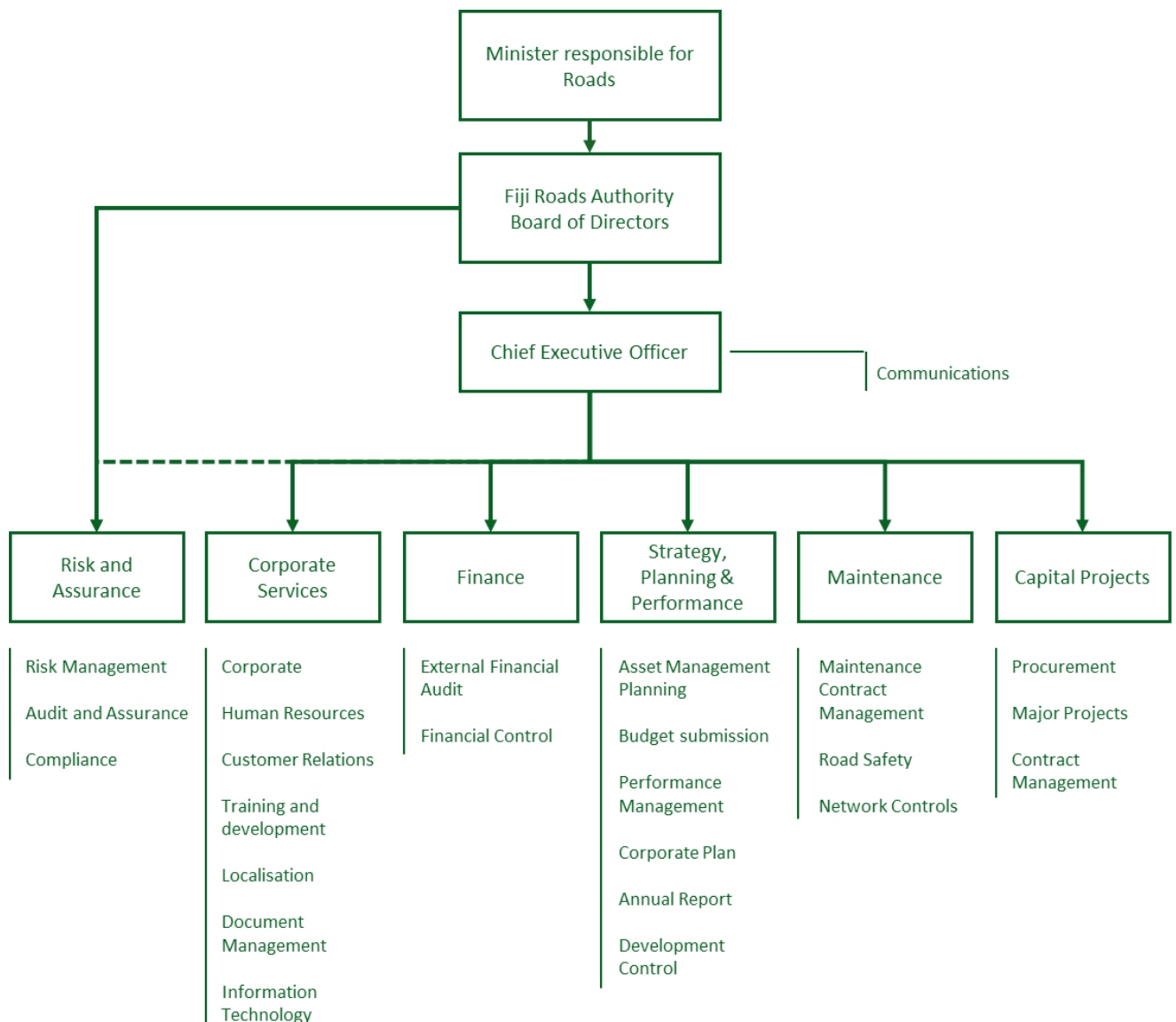
All of our operational practices, planning principles, risk management, reporting frameworks and resource management are set out in an integrated set of manuals. This represents international best practice and we endeavour to maintain these manuals with regular reviews.

## ***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 a Board appointed by the Minister.

Under the CEO there are 5 functional areas, each with a manager reporting directly to the CEO. FRA's structure is illustrated in Figure 2.

**Figure 2 - FRA's Corporate Structure and Government relationship**



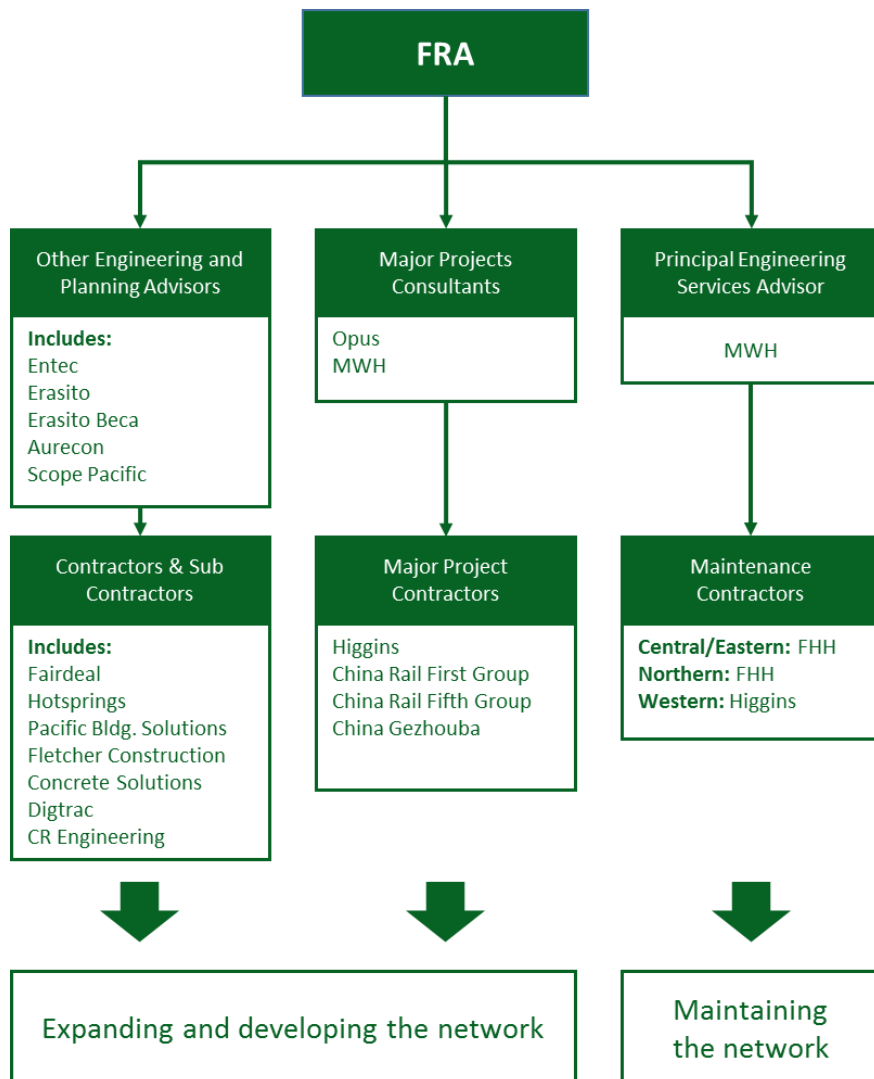
FRA manages the road assets primarily through out-sourced contracts with the private sector. The exception to this is certain maintenance work carried out by Municipal Councils and the management of roads on the Outer Islands which are administered by the Ministry of Rural and Maritime Development under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

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

Over the course of 2013, 2014 and 2015 FRA has been facilitating the development of a sustainable and diverse supply chain to deliver the 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 2016.

The structure and functions of the supply chain is shown in Figure 3. The key to delivering value for money from this supply chain is through competition and effective contract management. In 2016 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 provides opportunities for Fijian companies to get experience in international best practice consulting and contracting projects.

**Figure 3 - 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.

### ***The Capital Budget for 2016***

Out of the \$615m Capital budget allocated to FRA, \$494m is available for expenditure on work to be undertaken in 2016. The \$121m difference represents funds to pay for work that was completed in 2015 for which funds were not available in 2015.

Potentially the most serious implication of this is FRA's ability to fully fund the routine and periodic maintenance of the existing network to a sufficient level to keep it in the current condition. Rather than improving the network, the FRA may have to consider managing the deterioration of the network. This would rapidly translate to a lower level of service with increasing numbers of potholes and more extensive sections quickly deteriorating roads.

Reduced funding for the bridges programme compared to 2015 will also increase the level of public safety risk. Over 100 bridges in Fiji are in critical condition and FRA needs to plan and prepare a pipeline of bridge replacement projects.

To deal with these issues and attempt to prevent further decline in the condition of the assets, FRA has undertaken a detailed review of the overall programme to see where savings can be made to ensure that the basic asset stewardship function will be sufficiently funded to manage these risks, while honouring our commitments to existing contracts. Over the course of 2016 FRA will continue to monitor the condition of the assets and the level of complaints received and will keep the Minister briefed on the impacts of the 2016 investment strategy on the assets.

### ***Fiji is now experiencing an emerging crisis in road deaths***

In 2015 over 60 people have died as a result of vehicle related accidents on Fiji's roads. This is up from 41 in 2013 and 49 in 2014. In the 2014 Annual Report, FRA had signalled concern that the previous downward trend in road deaths was showing signs of reversal. This appears to now be confirmed.

It is the case that this reversal is coincident with significant improvements in road conditions and therefore higher vehicle speeds. This is likely to have been compounded by the introduction of newer, faster vehicles into the vehicle fleet.

The message is that there needs to be a concerted effort to improve the engineering, educational and emergency service responses to this emerging crisis. A reduced allocation for dedicated road safety initiatives of \$1 Million in 2016 compared to \$5 Million in 2015 will present a significant challenge for the FRA's contribution to the whole of Government response to this issue.





### ***Towns and cities in Fiji are experiencing substantially increasing levels of congestion***

Road users are expressing frustration about increasing levels of congestion and delay on the busy roads in our towns and cities. Road traffic congestion also affects the economy, results in increased pollution and creates pressure for more dispersed development, which leads to more congestion.

As Fiji develops and car ownership (and use) increases, the pressure on road space will inevitably result in congestions. This may not just be limited to peak periods. Fiji can't just build its way out of this. The resources are not available and experience in almost every city across the world shows that the new road space fills up quickly.

FRA promotes a more integrated response involving carefully planned road projects, improved public transport and reducing the need to travel through better land use planning. In 2016 FRA will continue with the NASRUP urban road upgrading projects, we will also implement a bus lane trial to assess the public reaction and attempt to quantify the benefits. This trial will help us to decide where and when future bus lanes could be implemented.

We will also continue to work closely with the other Government Agencies LTA and Department of Town and Country Planning to ensure an integrated approach to reducing the impacts of congestion.

### ***Poor coordination between FRA and Utility providers affects FRA road project delivery***

Several of FRA's high profile road projects have been affected by delays in delivery of works undertaken by the utility providers. FRA needs to include the utility work within the road works contract to ensure the most efficient allocation of risks. In 2016 FRA will seek to get the Code of Practice for Utility Providers adopted. This will ensure a more coordinated approach.

### ***Availability of gravel for road construction continues to present a constraint on our delivery***

Throughout 2014 and 2015 our contractors have struggled to secure sufficient gravel and aggregates to deliver projects. This has been as a result of a range of issues, from identifying sources to securing the appropriate consents. Gravel availability has been, and remains, one of the biggest challenges in the transition to the FRA.

We expect that completion of several major road projects in both Viti Levu and Vanua Levu will release gravel resources for other projects. However we expect there to still be difficulties for some contractors in securing supplies. In 2016 FRA will continue to pursue a more streamlined process for obtaining licenses and will also explore all other options to ensure that delivery of our programme remains on track.

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

The GIS based register of all our assets will play a central role in prioritising maintenance, renewals and 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 first established in 2013 and the initial data collection effort is now almost completed. The key challenge will be to implement an Asset Management System with linkages between Project Management, Financial Management and Customer Service. During 2015 we have been scoping this system and will be looking to procure what will become one of FRA's most important management tools.

## 1.4 The 2016 Work Programme

### *This document is our 'Business Plan' for 2016*

The preceding discussion in this overview provides the basis for our spending priorities for 2016.

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 \$520m in 2016 (see Table 3). 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 3 –2016 Work Programme and Operations**

Activity Area	Total VIP
<b>Operations</b>	
FRA MANAGEMENT AND OPERATIONS	\$19,909,283
<b>Sub-Total</b>	<b>\$19,909,283</b>
<b>Work Programme</b>	
MAINTENANCE	\$79,803,582
EMERGENCY WORKS	\$12,370,691
RENEWALS - ROADS , BRIDGES AND JETTIES	\$191,019,647
NEW CAPITAL	\$217,272,712
<b>Sub-total</b>	<b>\$500,466,631</b>
<b>Total</b>	<b>\$520,375,914</b>

## 1.5 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 information is compiled, and we understand our stakeholder's expectations better, we will continue to develop the Performance Management regime over the course of 2016. Further details of the performance management indicators are provided in Section 4 and also in the FRA's Asset Management Plan.

**Table 4 – High Level Performance Targets – Key Performance Indicators Only**

Code	Service Area	Performance Target
1A.1	<b>Health and Safety</b>	Less fatal and serious injury accidents – total.
1A.2		A reduction in the social cost of all recorded injury crashes.
3A.1	<b>Asset Stewardship</b>	An annual reduction in the value of deferred maintenance/deferred renewals.
3A.2		100% planned new capital and renewal projects completed.
3B.7		Bridges condition improved
4C.2	<b>Environmental Stewardship</b>	The FRA has approved environmental assessments and drainage permits for all situations where these are required
5A.1	<b>Service Quality</b>	Reduced congestion by route.
5A.2		Not less than 40% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory' (Increasing to 50% in 2016).
6A.1	<b>Compliance</b>	100% compliance with all legislative, regulatory and other requirements.
7A.1	<b>Financial</b>	Total operating costs were within the approved total budget.
7A.2		New capital and renewal projects were completed within the approved total budget.

## 1.6 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.

In 2015 we were asked to take a step change in delivery with a budget increase of nearly 40% over 2014's budget. Our 2016 budget is also ambitious, especially with the additional work for procurement under ADB finance.

As we go into this final year of the Transition from what used to be the DNR to FRA, we are planning to accelerate the 'in-housing' of functions from the Principal Professional Engineering Services provider. In order to make sure that FRA has the capacity to undertake these additional functions we have identified the need for 45 new technical and non-technical staff.

This will be a significant change in FRA and we look forward to welcoming new people into the organisation. Our recruitment strategy will seek to ensure that as many of these positions as possible will be filled with Fijians. However we must recognise that a number of the positions will need to be filled by people from outside Fiji. We are hoping that these opportunities may attract back some of the Fijian talent currently working in other countries.

Table 5 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 5 – FRA Values**

<b>Personal</b>	<i>Honesty and integrity – personal accountability</i>
<b>Productivity</b>	<i>An organisation focussed on getting things done</i>
<b>Safety</b>	<i>Public safety above all else</i>
<b>Environment</b>	<i>Protection (and where possible enhancement) of the local environment</i>
<b>Planning</b>	<i>Long term, inter-generational thinking – expedient short term decision making avoided</i>
<b>Customers</b>	<i>Road users and others comments and complaints treated seriously and with respect</i>
<b>Expenditure</b>	<i>Value for money in everything we do</i>
<b>Empowerment</b>	<i>Continually and consistently seeking to empower Fijians to upskill</i>
<b>Innovation</b>	<i>Constantly thinking about how to ‘do better’</i>
<b>Openness</b>	<i>‘Tell it as it really is’ – problems and mistakes confronted head on</i>
<b>Results Driven</b>	<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 6.

**Table 6 – Significant Assumptions**

No.	Assumption	Likelihood of the Assumption Eventuating	Comments – Including the Likely Impact of Each Assumption
1	<b>Annual Inflation and Cost Escalation During The Year Will Be Minimal</b>  That annual inflation and cost escalation will be close to zero	Medium	Inflation is the <b>general</b> price level of all goods and services. Cost escalation is the cost price of <b>specific goods or services</b> 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	<b>The FRA Will Receive Sufficient Funding To Enable It To Carry Out Its Proposed Works Programme</b>	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. The key risk is that Government's revenue assumptions a borne out to allow full funding of the programme.
3	<b>Project Costs Will Be As Budgeted</b>  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	<b>No Additional Unforeseen Costs Will be Carried Forward from 2015</b>  That no costs relating to work either already completed in 2015, or not completed in 2015 and carried forward to 2016, other than relating to those projects for which provision has been made for funding in 2016, will have to be funded in 2016.	Medium	The budget for 2016 includes provision for funding December 2015 accruals and also for funding the cost of certain projects carried forward for completion from 2015. It has been assumed that the (actual) 2015 end of year situation will be as was forecasted when calculating the provision that has been made (in 2016) for these costs.  The likelihood of this assumption eventuating is medium because there is a risk that the forecasted end of year position may not be exactly as forecasted



No.	Assumption	Likelihood of the Assumption Eventuating	Comments – Including the Likely Impact of Each Assumption
5	<b>An Extraordinary Major Storm Event Will Occur</b> That the cost of repairing damage caused by any storm event (or other natural hazard event that may occur) will exceed \$3m VIP in 2016	High	<p>Significant storm events are a fact of life in Fiji. The budget includes a provisional sum of \$3m 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	<b>No Other Extraordinary Risk Event Will Occur</b> 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 <b>not</b> 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	<b>No Significant Asset Failures (Or Other Unexpected Costs)</b> 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)	High	<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"> <li>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;</li> <li>b) of some sort of legal dispute; or</li> <li>c) the FRA has a legal obligation of which it was previously unaware.</li> </ul> <p>The likelihood of this assumption eventuating (i.e. there <b>not</b> being any significant asset failures or unexpected costs during the year) is high because the FRA's knowledge about the network, and especially about the condition of the various assets, is much improved. This situation is continuing to improve.</p>
8	<b>Tax Rates (including VAT) Will Not Change</b> 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> <p>In fact VAT has been reduced from 15% to 9% as of 1<sup>st</sup> January 2016.</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.

FRA has a comprehensive system of risk management – including a mitigation plan for every risk. The most significant risks it faces (in order of the potential adverse consequences) are included in Table 7.

**Table 7 – Significant Risks**

Risk No	Risk	Description	Cause	Impact
R001	Inadequate change management	<p>Inadequate business processes, resourcing, and IT systems resulting from the implementation of change initiatives including major projects. The consequences of this risk event may include financial loss as a result of weaknesses in the control environment and non-compliance with regulatory requirements.</p> <p>This risk includes instances of</p> <ul style="list-style-type: none"> <li>- Risk of projects failures, errors or frauds due to inadequate end to end planning &amp; testing</li> <li>- Failures in the transition of projects into BAU e.g No long term maintenance and development plan for the road maintenance network</li> <li>- Required materials not available for roadwork</li> <li>- Planned roadworks aren't completed to the intended scope &amp; standard</li> <li>- Risk of errors due to the volume and complexity of change initiatives e.g utilities' services' location not known, utilities' use of the road reserve in an uncontrolled way, unauthorised encroachments on the road reserve, land purchase for road/ utilities' relocation-delays, etc</li> <li>- Lack of resources with the appropriate skills and experience to operate the business as usual (BAU) processes, i.e FRA doesn't have the capacity to satisfactorily perform its responsibilities</li> <li>- Changed political direction</li> </ul>	<ul style="list-style-type: none"> <li>a) Inadequate change management framework in place</li> <li>b) Inadequate attention to strategic and forward planning</li> <li>c) High volume of change initiatives</li> <li>d) Business unit requirements incorrectly included /not taken into account in the scope of the project / change initiative</li> <li>e) Misalignment of project with business objectives</li> <li>f) Unclear change management responsibilities and accountabilities</li> <li>g) Inconsistent and/or inadequate documentation of "As is" and "To be" business processes, risks and controls</li> <li>h) Ineffective transition from project mode to BAU</li> <li>i) Lack of any/sufficient end to end testing</li> <li>j) Incorrect interpretation of requirements by road developers leading to impact on "as-is" processes</li> <li>k) Undocumented, incomplete and/or poorly documented processes, policies and procedures</li> <li>l) Plans and reports are not completed by their due date or to the expected standard</li> </ul>	<ul style="list-style-type: none"> <li>- FRA not able to deliver work programme</li> <li>- Contractors unable to fulfil contract requirements</li> <li>- Projects not completed to time or budget</li> <li>- Road users inconvenienced</li> <li>- Funds have to be diverted – other jobs delayed</li> <li>- Interruption to levels of service</li> <li>- Line broken during roadworks</li> <li>- Loss of service to connected customers</li> <li>- Disputes about whose fault it is</li> <li>- Delays while the damage is repaired</li> <li>- Disputes about who is going to pay</li> <li>- Ongoing disputes about the quality of the repair work</li> <li>- Work Programme not delivered</li> <li>- Projects not completed to time, cost and quality requirements</li> <li>- Levels of service not delivered in a consistent way</li> <li>- Insufficient funding made available</li> </ul>



Risk No	Risk	Description	Cause	Impact
R002	Failure of data management framework and processes	<p>Errors and inadequacies in the collection, recording, maintenance, testing and / or reconciliation of data, resulting in incomplete or inaccurate management information. The consequences of which include inaccurate data being used for management decision-making and reporting.</p> <p>This would include instances of:</p> <ul style="list-style-type: none"> <li>- Poor general financial management information leading to budget blowouts or lack of allocation or reduced annual funding</li> <li>- Insufficient provision is made for the local share of 'predominantly loan funded' works</li> <li>- No reliable (i.e. complete and accurate) records are available about asset location, material type, condition, performance, capacity, age, valuation or remaining life</li> <li>- Inadequate management of the vehicles that have been purchased via loan funded projects</li> </ul>	<ul style="list-style-type: none"> <li>a) Inadequate / lack of processes for review and approval of data which leads to loan funding problems, insufficient money to do what is required/desired, budget blowout due to works not sufficiently managed and poor budget formulation</li> <li>b) Inadequate procurement planning strategy</li> <li>c) Ineffective data capture, retention and archiving processes</li> <li>d) Inadequate / lack of reconciliation processes</li> <li>e) Data owners / users roles and responsibilities are not clearly defined</li> <li>f) Inadequate data encryption</li> </ul>	<ul style="list-style-type: none"> <li>- A lower standard network</li> <li>- Roads not upgraded and widened as desired</li> <li>- Jetties not able to be maintained and renewed</li> <li>- Roads resealed at a slower rate (meaning rougher roads and or potholes)</li> <li>- Bridges not able to be upgraded and replaced as needed (continuing weight and other restrictions – perhaps additional bridges having to be closed)</li> <li>- Less rehabilitation work done annually (more dilapidated roads)</li> <li>- Required funds not available or an unexpected reduction in either the total amount of funds available annually or for a specific project</li> </ul>
R003	Damage to physical assets	<p>Damages to roads, bridges and jetties as a result of a natural disaster or other events, or act carried out by an external party.</p> <p>Includes instances of:</p> <ul style="list-style-type: none"> <li>- Damages road infrastructure due to natural disasters</li> <li>- Damage to roads by heavy vehicles (e.g. forestry, cane and mining trucks and construction vehicles)</li> <li>- Losses from external sources (e.g vandalism on road sign boards)</li> <li>- Physical asset failure (bridges / jetties damaged or washed away)</li> </ul>	<ul style="list-style-type: none"> <li>a) Extreme weather conditions (e.g. cyclones, flood &amp; earthquake)</li> <li>b) Climate changes</li> <li>c) Over loading</li> <li>d) Undesired vehicles on road</li> <li>e) General Public mind-set to damage road sign boards</li> </ul>	<ul style="list-style-type: none"> <li>- A significantly damaged road (or roads)</li> <li>- Significant unforeseen costs to repair the damage</li> <li>- Funds have to be diverted – other jobs delayed</li> <li>- Other road users inconvenienced and dissatisfied</li> <li>- Serious interruption to levels of service</li> <li>- People stranded</li> <li>- Public health/safety issues</li> <li>- Damage very costly to repair</li> <li>- Normal work may have to be suspended to enable urgent repairs to be undertaken</li> </ul>

Risk No	Risk	Description	Cause	Impact
R004	Business disruption	<p>Unplanned business disruption as a result of a localised physical event, resulting in an inability to carry out normal operations. Occurrence of this risk event may result in invocation of Business Continuity procedures.</p> <p>Includes instances of:</p> <ul style="list-style-type: none"> <li>- Critical assets haven't been identified or have been identified but aren't being properly managed</li> <li>- No up-to-date emergency operations recovery plan</li> <li>- An unforeseen risk event occurs</li> <li>- Remediation costs, staff overtime costs and compensation to contractors</li> </ul>	<ul style="list-style-type: none"> <li>a) Extreme weather conditions (e.g. cyclones, flood &amp; earthquake)</li> <li>b) Power failures</li> <li>c) Public transport delays</li> <li>d) Fire</li> </ul>	- Loss of service
R005	Inadequate contractor, vendor & supplier management	<p>Inadequate due diligence, tender, contract approval and monitoring processes or service expectations / agreements with contractor, vendor and external suppliers.</p> <p>This includes instances of:</p> <ul style="list-style-type: none"> <li>- Systemic contractor poor performance</li> <li>- Poor contractor, vendor or supplier selection</li> <li>- Contractor concentration issues, i.e. too many contractors in a geographic region / overreliance on a single contractor</li> <li>- Poor set up of supplier or alliance PESA (e.g MWH) contracts</li> <li>- Contractor / Vendor sustainability</li> </ul>	<ul style="list-style-type: none"> <li>a) External Contractor framework not documented, approved &amp; communicated</li> <li>b) Staff not aware of and/or not trained on external Contractor framework</li> <li>c) Relevant Business Units have not been engaged on the set-up of an external contractor's governance framework</li> <li>d) Clear contract governance roles and responsibilities have not been established and approved Clear lines of accountability and reporting for contract governance have not been established and approved</li> <li>e) Inadequate/unskilled resources assigned to key contract management roles</li> <li>f) Staff do not have adequate knowledge of the external contracts</li> <li>g) Inadequate management data to effectively monitor external contractor's performance</li> <li>h) Inadequate contract records</li> <li>i) Continuing awareness of services, costs and choices of new / current outsourced services is not maintained</li> <li>j) Lack of monitoring of service delivery against SLA requirements</li> <li>k) Ineffective due diligence, tender and contract approval processes</li> </ul>	<ul style="list-style-type: none"> <li>- Contractors unable to fulfil contract requirements</li> <li>- Disputes about whose fault it is</li> <li>- Ongoing disputes about the quality of the repair work</li> <li>- Work Programme not delivered</li> <li>- Over or under payment of IPCs</li> <li>- Contractors claiming payment outside contractual sum</li> <li>- Projects not completed to time, cost and quality requirements</li> <li>- Road users inconvenienced</li> </ul>

Risk No	Risk	Description	Cause	Impact
R006	Failure of critical systems and IT infrastructure	<p>Instability, poor performance, outages or failure of systems or infrastructure preventing the business from meeting its requirements.</p> <p>This risk captures:</p> <ul style="list-style-type: none"> <li>- Hardware Failures</li> <li>- Software Failures</li> <li>- IT Network / Server Failures</li> <li>- Telecommunications Failures</li> <li>- Utility outage / disruptions</li> <li>- Delivery failures of external IT vendors</li> </ul> <p>This risk covers the business impacts of disruptions due to the failure, unavailability or poor performance of systems and IT infrastructure.</p>	<ul style="list-style-type: none"> <li>a) Underinvestment in IT systems and infrastructure</li> <li>b) Inadequate communication between Technology and the business of strategic plans, objectives and future directions/requirements</li> <li>c) Inadequate system and infrastructure configuration</li> <li>d) Lack of / outdated security architecture / hardware / systems</li> <li>e) Lack of system capacity and capacity monitoring</li> <li>f) Inadequate equipment refresh policy management</li> <li>g) Inadequate IT maintenance and IT process controls</li> <li>h) Inadequate or lack of disaster recovery plans (DRP) in place</li> <li>i) Systems defects undetected</li> <li>j) Inadequate testing of changes introduced</li> </ul>	<ul style="list-style-type: none"> <li>- Loss of network communication</li> </ul>
R007	External fraud, theft and robbery	<p>Loss of FRA funds, physical assets or data through robbery, theft or by deception (fraud) carried out by external parties or professional engineering Service Advisors (PESA).</p> <p>This would include instances of:</p> <ul style="list-style-type: none"> <li>- Fraud through cheques, internet banking, contractors, PESA, credit cards and fraudulent claims</li> <li>- Theft or fraud of physical assets or funds (e.g. cash, credit cards, cheques) or contractor data</li> <li>- Provision of information (e.g. contract information) by third parties with the intention to defraud</li> <li>- Theft of funds / data by third party contractors</li> <li>- Fraudulent billing by Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>a) Ineffective fraud detections systems</li> <li>b) Third party conflicts of interest</li> <li>c) Inadequate physical security</li> <li>d) Inadequate data encryption</li> <li>e) Inadequate contractor / supplier controls</li> <li>f) Poor identity checking procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Contractors unable to fulfil contract requirements</li> <li>- PESA not performing work in the interest of FRA</li> <li>- Work Programme not delivered</li> <li>- Inflated figures on IPCs</li> <li>- Contractors claiming payment outside contractual sum</li> <li>- Unjustified variations</li> <li>- On purpose work delays</li> <li>- Projects not completed to time, cost and quality requirements</li> </ul>



Risk No	Risk	Description	Cause	Impact
R008	Failure to manage and/or respond to regulatory or compliance obligations	<p>Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework, resulting in fines, penalties, litigation and place under closer scrutiny from regulators.</p> <p>This includes Instances of:</p> <ul style="list-style-type: none"> <li>- Failure to identify, manage and monitor the current legal and regulatory requirements e.g FRA (at either board or staff level) makes a decision that is either outside, or contrary to, its legal powers under decree</li> <li>- Failure to identify, interpret, assess, respond and communicate new or proposed regulatory and legislative changes</li> <li>- Ineffective relationships with regulators e.g Government direction causes the FRA to change its works priorities or unreasonable stakeholder expectations (i.e Government, the Municipal Councils, Provincial personnel, road users and/or the public generally have unreasonable expectations of what the FRA is able to achieve)</li> <li>- Failure to update legal documentation to reflect changes in regulations</li> <li>- Failure to have effective management tools in place to respond to external audit queries</li> <li>- Failure to have in place an appropriate framework to deal with customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>a) Inadequate staff training / knowledge of regulatory requirements, obligations, internal policies and procedures</li> <li>b) Inadequate or untimely legal / compliance advice Legal / compliance advice not implemented</li> <li>c) Inadequate staff resources</li> <li>d) Ineffective communication processes e.g inconsistent messages given to government about road network needs</li> <li>e) Inadequate processes in place to identify, assess (relevance / impact) and respond to regulatory and legislative change</li> <li>f) Inadequate monitoring of compliance plans e.g VAT is not correctly charged when accounts are paid.</li> </ul>	<ul style="list-style-type: none"> <li>- Non compliance to FRA Decree 2012</li> <li>- Regularity fines and penalties imposed</li> <li>- Adverse audit reports and management comments</li> <li>- Public out-cry</li> <li>- Having to pay compensation</li> <li>- Serious dispute with another party</li> </ul>
R009	Inappropriate people management	<p>Failure to effectively manage human resources, (e.g. not having the appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve business objectives) including breaches of employee regulations (other than OH&amp;S and anti-discrimination requirements) resulting in a financial losses through compensation payments, litigation costs and/or regulator fines.</p> <p>This would include instances of:</p> <ul style="list-style-type: none"> <li>- Loss of Key Personnel e.g The FRA's commitment to building local capacity isn't producing the desired results fast enough</li> <li>- Key Person Dependency due to insufficiently in skilled personnel</li> <li>- Harassment</li> <li>- Terminations, including tribunals</li> <li>- Industrial activity including Downtime costs associated with a general strike by staff</li> </ul>	<ul style="list-style-type: none"> <li>a) Inadequate training</li> <li>b) Inadequate documented processes</li> <li>c) Inadequate retention or succession strategies in place</li> <li>d) Undefined career paths</li> <li>e) Employee performance below expectation</li> <li>f) Disengaged staff / low morale</li> <li>g) Organisational change or poor change management</li> <li>h) Poor relationship between board, management and staff</li> <li>i) Inadequate policies relation to employee regulations</li> <li>j) Poor staff feedback processes</li> </ul>	<ul style="list-style-type: none"> <li>- Wide public criticism of the FRA as an organisation that is paying lip service only to its commitment to rapidly upskill local Fijians</li> <li>- The necessity to continue to employ outside personnel longer because the local people do not have the necessary skills</li> <li>- Poor delivery of work programs</li> <li>- Unable to manage Staff turnover</li> <li>- Non-Compliance to regulatory requirements</li> </ul>



Risk No	Risk	Description	Cause	Impact
R010	Inadequate design, delivery and maintenance	<p>Inadequate design, delivery and maintenance, resulting in financial loss through litigation costs and / or remediation costs.</p> <p>This includes instances of:</p> <ul style="list-style-type: none"> <li>- New road development and changes to existing road</li> <li>- Misalignment between the offering and actual implementation / delivery design flaws prior to / post product launch of new road</li> <li>- Poor implementation of changes to existing roads / bridges e.g traffic growth continues at pace and the FRA doesn't have a practical plan for addressing the congestion that is getting progressively worse in peak hours</li> <li>- Increasing road congestion with no planned or programmed solution</li> <li>- Ineffective ongoing maintenance of roads</li> <li>- Inadequate documentation of the process, policies and procedures</li> <li>- Ineffective performance monitoring</li> </ul>	<p>a) Poorly designed road / bridges leads to major accident because bridge unexpectedly collapses, there is a major slip, signs have been vandalized or because traffic is insufficiently controlled through a project work site</p> <p>b) Inadequate training to staff resulting in processes not followed / outside authority</p> <p>c) Inadequate legal or compliance review of new roads prior to or post launch</p> <p>d) Systems or processes unable to or does not support new or existing roads which leads to serious accident occurs because the standard of the road (or of how it has been designed) or because of some other action or inaction by the FRA (or its agents) relating to the network's management.</p> <p>e) Undocumented, incomplete and/or poorly documented processes, policies and procedures</p> <p>f) High volume of changes to roads</p>	<ul style="list-style-type: none"> <li>- Inconvenience to road users</li> <li>- Public dissatisfaction</li> <li>- Constrained economic development</li> <li>- FRA not able to deliver work programme</li> <li>- Interruption to levels of service</li> <li>- Non-Compliance to regulatory requirements</li> </ul>



### **3. THE PROPOSED OPERATING BUDGET AND WORK PROGRAMME**

FRA has a planned work programme of \$520m for 2016. The value of work for each activity area is shown in Table 8. (More detailed breakdown is shown in Table 12.)

**Table 8 – Summary of 2016 Work Programme**

Activity Area	Loan VIP	Local VIP	Total VIP
<b>Operations</b>			
FRA MANAGEMENT AND OPERATIONS		\$19,909,283	\$19,909,283
<b>Sub-Total</b>		<b>\$19,909,283</b>	<b>\$19,909,283</b>
<b>Work Programme</b>			
MAINTENANCE		\$79,803,582	\$79,803,582
EMERGENCY WORKS		\$12,370,691	\$12,370,691
RENEWALS - ROADS AND SERVICES	\$39,986,685	\$83,600,038	\$123,586,723
RENEWALS - BRIDGES	\$14,930,541	\$40,311,463	\$55,242,004
RENEWALS - JETTIES		\$12,190,920	\$12,190,920
NEW CAPITAL (Safety)	\$984,586	\$4,315,109	\$5,299,694
NEW CAPITAL (Access)	\$13,073,604	\$57,276,215	\$70,349,819
NEW CAPITAL (Community)	\$14,533,471	\$9,277,700	\$23,811,171
NEW CAPITAL (Congestion)	\$4,529,095	\$52,370,532	\$56,899,627
NEW CAPITAL (Tourism)		\$55,400,000	\$55,400,000
NEW CAPITAL (Resilience)		\$5,512,400	\$5,512,400
<b>Sub-total</b>	<b>\$88,037,982</b>	<b>\$412,428,649</b>	<b>\$500,466,631</b>
<b>Total</b>	<b>\$88,037,982</b>	<b>\$432,337,932</b>	<b>\$520,375,914</b>

FRA was allocated a total capital budget of \$615m and operating budget of \$20m for 2016. \$120m of this capital budget allocation is cash disbursement for work completed in 2015, for which funds were not disbursed in 2015. The breakdown of the funding allocation is shown in Table 9.

**Table 9 – 2016 FRA capital funding allocation**

Capital funding allocation	VIP
FRA Capital Budget (Grant and Loan)	\$615,766,054
For Nabouwalu Dreketi (completed 2015)	-\$53,984,392
Cash for other 2015 completed work	-\$67,814,916
Denarau Bridge Funds	\$6,499,885
<b>Balance available for 2016 work</b>	<b>\$500,466,631</b>

**Table 10 – 2016 Funding Sources**

<b>Funding</b>	<b>VIP</b>
<b>Source</b>	
Local SEG 6 grant	\$19,909,283
Local SEG 10 grant	\$405,928,764
Denarau Bridge (Ministry of Public Enterprises)	\$6,499,885
Loan (ADB/WB TIISP)	\$83,037,982
Loan (EXIM Bank of China)	\$5,000,000
<b>Total</b>	<b>\$520,375,914</b>

**Table 11 – 2016 FRA Operating Budget**

	<b>VEP</b>	<b>VAT</b>	<b>VIP</b>
<b>FRA Management and Operating Budget</b>			
Salaries	\$5,477,451		\$5,477,451
Recruitment	\$176,000	\$15,840	\$191,840
Acc. & Finance	\$100,000	\$9,000	\$109,000
Vehicle Operation	\$198,000	\$17,820	\$215,820
Office Expenses	\$390,191	\$35,117	\$425,308
Rent	\$226,500	\$20,385	\$246,885
Legal Fees	\$50,000	\$4,500	\$54,500
Insurances	\$141,000	\$12,690	\$153,690
Archives - Storage	\$36,000	\$3,240	\$39,240
Communications (including website)	\$490,292	\$44,126	\$534,418
Data Improvements	\$240,000	\$21,600	\$261,600
Asset Management Improvements	\$120,000	\$10,800	\$130,800
Training & Development	\$270,000	\$24,300	\$294,300
Establishment Costs	\$87,000	\$7,830	\$94,830
Travel and Accommodation	\$500,000	\$45,000	\$545,000
Director's Fees	\$80,000	\$7,200	\$87,200
Board Expenses	\$30,000	\$2,700	\$32,700
Professional Fees (Management Activities)	\$3,030,000	\$272,700	\$3,302,700
Asset Management System and Data Imps.	\$1,000,000	\$90,000	\$1,090,000
Tax Expenses (Withholding Tax)	\$5,750,000		\$5,750,000
Historic Claims	\$800,000	\$72,000	\$872,000
<b>Total</b>	<b>\$19,192,434</b>	<b>\$716,848</b>	<b>\$19,909,283</b>





**Table 12 – Detail of 2016 Work Programme**

Project Name	Loan VIP	Local VIP	Total VIP
<b>MAINTENANCE</b>			
All Items Lump Sum and Maintenance Escalation		-\$5,689,800	-\$5,689,800
Sealed Road Maintenance		\$24,105,350	\$24,105,350
Unsealed Roads		\$19,543,700	\$19,543,700
Traffic Services		\$4,905,000	\$4,905,000
Street Lights (Electricity)		\$2,180,000	\$2,180,000
Street Lights		\$2,289,000	\$2,289,000
Traffic Signals		\$463,768	\$463,768
Vegetation, Litter and Environmental		\$5,130,630	\$5,130,630
Bridges		\$4,578,000	\$4,578,000
Crossings		\$2,943,000	\$2,943,000
Armco		\$654,000	\$654,000
Jetties		\$1,125,207	\$1,125,207
Drainage		\$5,079,400	\$5,079,400
Other Government Agencies		\$488,603	\$488,603
Footpaths		\$327,000	\$327,000
Outer Island Road Maintenance		\$3,134,840	\$3,134,840
Professional Services		\$4,460,280	\$4,460,280
Investigation and Independent Verification Testing		\$488,603	\$488,603
Fast Response		\$3,597,000	\$3,597,000
<b>Sub-total</b>		<b>\$79,803,582</b>	<b>\$79,803,582</b>
<b>EMERGENCY WORKS</b>			
Emergency Maintenance		\$2,957,400	\$2,957,400
Cyclone Kofi (TD15F)		\$4,680,821	\$4,680,821
Lomaloma Slip		\$2,943,000	\$2,943,000
Naiborebore & Kasavu Slip Repair FRA 14-50		\$1,027,870	\$1,027,870
Dec 2014 Event - Nayavu Slump		\$261,600	\$261,600
Rakiraki Bridge - Local Share		\$500,000	\$500,000
<b>Sub-total</b>		<b>\$12,370,691</b>	<b>\$12,370,691</b>
<b>RENEWALS - ROADS AND SERVICES</b>			
Sealed Roads Resealing	\$7,567,527	\$14,887,220	\$22,454,747
Sealed Roads Second Coat Sealing		\$2,928,580	\$2,928,580
TAS		\$2,725,000	\$2,725,000
Sealed Roads Rehabilitation		\$23,835,472	\$23,835,472
SARUP	\$19,482,984	\$1,000,000	\$20,482,984
Unsealed Roads (Resheeting/Rehabilitation)	\$9,982,417	\$25,821,746	\$35,804,163
Street Light Renewal	\$2,953,757	\$630,020	\$3,583,777
Drainage		\$3,547,950	\$3,547,950
Urban Drainage		\$1,553,250	\$1,553,250



Project Name	Loan VIP	Local VIP	Total VIP
Services Reinstatement and Renewal		\$1,553,250	\$1,553,250
Outer Island Road Renewals		\$1,520,550	\$1,520,550
Professional Services		\$3,270,000	\$3,270,000
Investigation and Independent Verification Testing		\$327,000	\$327,000
<b>Sub-total</b>	<b>\$39,986,685</b>	<b>\$83,600,038</b>	<b>\$123,586,723</b>
<b>RENEWALS - BRIDGES</b>			
4 Long Bridges		\$7,003,500	\$7,003,500
6 Short Bridges		\$9,660,000	\$9,660,000
Ovalau Bridge Program	\$2,461,465	\$575,000	\$3,036,465
Vatuwaqa Bridge Replacement		\$1,538,085	\$1,538,085
Stinson Parade Bridge Replacement		\$2,102,134	\$2,102,134
Nasese Bridge Replacement		\$1,564,270	\$1,564,270
Denarau Bridge		\$2,135,500	\$2,135,500
Taveuni Bridges (Construction)	\$5,823,122	\$295,714	\$6,118,836
Design of 2017 Bridge Renewals		\$2,139,000	\$2,139,000
Investigations for Bridge Replacements		\$1,212,500	\$1,212,500
Demolition or Re-use of Old Bridges		\$730,000	\$730,000
Nedelei Crossing		\$412,000	\$412,000
Nabena Crossing		\$1,965,000	\$1,965,000
Nakorosule Crossing		\$243,000	\$243,000
Matewale Replacement Crossing	\$2,264,547	\$115,000	\$2,379,547
Wauosi Replacement Crossing		\$2,415,000	\$2,415,000
Solovi 1 and 2 Irish Crossing		\$942,500	\$942,500
Rabaraba Crossing	\$3,396,821	\$170,000	\$3,566,821
Balili Crossing (ex-bridge)	\$984,586	\$150,000	\$1,134,586
Waimari Irish Crossing		\$1,457,260	\$1,457,260
Design for 2017 Crossing Replacements		\$1,069,500	\$1,069,500
Investigations for crossing Replacements		\$1,025,000	\$1,025,000
Construction of Armco Replacements		\$1,391,500	\$1,391,500
<b>Sub-total</b>	<b>\$14,930,541</b>	<b>\$40,311,463</b>	<b>\$55,242,004</b>
<b>RENEWALS - JETTIES</b>			
Nabouwalu Jetty Renewals 2015		\$774,000	\$774,000
Savusavu Jetty Renewals		\$5,676,000	\$5,676,000
Vunisea 2 Jetty Renewals		\$1,672,500	\$1,672,500
Natovi Jetty		\$1,195,000	\$1,195,000
Scoping and Design for Jetty Renewals		\$2,873,420	\$2,873,420
		<b>\$12,190,920</b>	<b>\$12,190,920</b>
<b>NEW CAPITAL (Safety)</b>			
Traffic Management Plans		\$724,850	\$724,850
Black Spot Reduction		\$861,100	\$861,100
Mass Action Plans (ADB/WB)	\$984,586	\$1,439,159	\$2,423,744
Market Areas Safety and Traffic		\$100,000	\$100,000



Project Name	Loan VIP	Local VIP	Total VIP
Traffic Calming Measures		\$1,190,000	\$1,190,000
	<b>\$984,586</b>	<b>\$4,315,109</b>	<b>\$5,299,694</b>
<b>NEW CAPITAL (Access)</b>			
Sawani Serea (EXIM Bank of China)	\$5,000,000	\$1,000,000	\$6,000,000
Nabouwalu Dreketi (Defects Monitoring etc)		\$1,000,000	\$1,000,000
Rural Roads Projects (ADB/WB)	\$8,073,604	\$39,881,765	\$47,955,369
School and Healthcare Access Program		\$1,150,000	\$1,150,000
Traction Sealing on Hills		\$1,107,450	\$1,107,450
Pedestrian Bridges		\$1,440,000	\$1,440,000
Valaga Bay/Mid Point Jetty		\$1,417,000	\$1,417,000
New Jetties Investigation		\$250,000	\$250,000
Access to New Development - Ba Hospital		\$6,730,000	\$6,730,000
Access to New Development - Cakabau Road widening		\$900,000	\$900,000
Access to New Development - Mid-west Sabeto		\$750,000	\$750,000
Access to New Development - Sawani		\$750,000	\$750,000
Access to New Development - Nausori Hospital		\$300,000	\$300,000
Access to New Development - FNPf Greig Street		\$400,000	\$400,000
Access to New Development - Suva Bus Station		\$200,000	\$200,000
	<b>\$13,073,604</b>	<b>\$57,276,215</b>	<b>\$70,349,819</b>
<b>NEW CAPITAL (Community)</b>			
Urban Street Lighting (ADB/WB)	\$4,529,095	\$690,000	\$5,219,095
Rural Village Street Lighting (ADB/WB)	\$10,004,377	\$450,000	\$10,454,377
Village Seal Extension		\$3,321,200	\$3,321,200
Urban Footpaths		\$3,507,500	\$3,507,500
Bus Stops & Bus Shelters		\$759,000	\$759,000
Jetty Waiting Facilities (Lomaloma & Cicia)		\$550,000	\$550,000
<b>Sub-total</b>	<b>\$14,533,471</b>	<b>\$9,277,700</b>	<b>\$23,811,171</b>
<b>NEW CAPITAL (Congestion)</b>			
NASRUP Suva 1 (Nausori - Airport)		\$2,500,000	\$2,500,000
NASRUP Suva 2 (Samabula - Nasinu)		\$8,600,000	\$8,600,000
NASRUP Suva 3 (Nasinu - Nausori)		\$29,259,000	\$29,259,000
Princes Road Improvements		\$800,000	\$800,000
GSTS Projects Roll Out		\$2,000,000	\$2,000,000
Extension Street Link		\$300,000	\$300,000
Transportation Corridor Studies		\$700,000	\$700,000
Traffic Data Collection		\$2,300,000	\$2,300,000
Town Centre Improvement Studies		\$500,000	\$500,000
Passing Lanes- Kings & Queens Rd		\$707,000	\$707,000
Traffic Signals and SCATS Improvement (ADB/WB)	\$4,529,095	\$500,000	\$5,029,095
Lami Right Turn Bay		\$4,104,532	\$4,104,532
Labasa Main Street Improvements		\$100,000	\$100,000



Project Name	Loan VIP	Local VIP	Total VIP
<b>Sub-total</b>	<b>\$4,529,095</b>	<b>\$52,370,532</b>	<b>\$56,899,627</b>
<b>NEW CAPITAL (Tourism)</b>			
NASRUP Nadi 1 (Nadi Wailoaloa - Denerau)		\$19,000,000	\$19,000,000
NASRUP Nadi 2 (Nadi Airport - Wailoaloa)		\$36,100,000	\$36,100,000
Denarau Road Upgrade		\$300,000	\$300,000
<b>Sub-total</b>		<b>\$55,400,000</b>	<b>\$55,400,000</b>
<b>NEW CAPITAL (Resilience)</b>			
Rock Source/Quarry Assessment		\$1,298,500	\$1,298,500
Rewa Delta Flood Resilience		\$436,000	\$436,000
Bridge Load Mgt Posting and Signposting		\$333,500	\$333,500
Kings Rd Culvert Outlet Protection Works		\$392,400	\$392,400
Kings Rd seven High Priority Sites		\$2,180,000	\$2,180,000
Coastal Protection - Ovalau Cawaci & Vuma sites		\$872,000	\$872,000
<b>Sub-total</b>		<b>\$5,512,400</b>	<b>\$5,512,400</b>
<b>Total</b>	<b>\$88,037,982</b>	<b>\$412,428,649</b>	<b>\$500,466,631</b>



#### **4. LEVELS OF SERVICE – 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.

In 2016 we will be undertaking a fundamental review of the FRA's Asset Management Plan. This will include revision of the performance management system to make it more consistent with stakeholder's expectations and the data that is available. The performance management system will enable us to have a comprehensive view of how our organisation is delivering its entire function and make changes where necessary.

The CEO will report performance results to the Board at regular meetings and comprehensively in the Annual Report.

In the following pages we have set out the headline Level of Service and Performance Indicators which we will be using to track progress.

**Table 13 – LEVELS OF SERVICE**  
**Accountability – Headline Performance Targets**

Code	Service Area	Levels of Service				
		Performance Measure	Performance Target			
			Current (2015)	2016	2017	2018
1A.1	<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Less fatal and serious injury accidents – total</li> </ul>	Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well) – baseline established 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"> <li>A reduction in the social cost of all recorded injury crashes</li> </ul>	Continuously reducing five year rolling average			
3A.1	<b>Asset Provision, Development, Maintenance and Renewal (Asset Stewardship)</b>	<ul style="list-style-type: none"> <li>An annual reduction in the value of deferred maintenance/ deferred renewals</li> </ul>	Yes (See Tables 3.7.1 & 3.7.2 Asset Management Plan)			
3A.2		<ul style="list-style-type: none"> <li>The percentage of planned new capital and renewal projects completed</li> </ul>	100%			
3B.7		<ul style="list-style-type: none"> <li>Bridges' condition improved as evidenced by the categorisation changes:               <ul style="list-style-type: none"> <li>High Priority Bridges (No)</li> <li>Medium Priority Bridges (No)</li> <li>Low Priority Bridges (No)</li> </ul> </li> </ul>	TBC	TBC	TBC	TBC

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 (2015)	2016	2017	2018
4C.2	Conservation, Environmental Protection and Enhancement (Environmental Stewardship)	<ul style="list-style-type: none"> <li>The FRA has approved environmental assessments and drainage permits for all situations where these are required</li> </ul>	Yes			
5A.1	Service Quality (Including Aesthetics, Reliability, Responsiveness & Capacity)	<ul style="list-style-type: none"> <li>Reduced congestion by route</li> </ul>	Journey time surveys have been undertaken in 2015. This will provide baseline for assessment in 2016.			
5A.2		<ul style="list-style-type: none"> <li>Not less than __% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'</li> </ul>	40%	50%	60%	80%
6A.1	Compliance (Including Training, Record Keeping, Data Management & Reporting)	<ul style="list-style-type: none"> <li>Compliance with all legislative, regulatory and other requirements</li> </ul>	100%			
7A.1	Financial (Economic Value for Money)	<ul style="list-style-type: none"> <li>Total operating costs were within the approved total budget</li> </ul>	Yes			
7A.2		<ul style="list-style-type: none"> <li>New capital and renewal projects were completed within the approved total budget</li> </ul>	Yes			

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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## 2016 SPECIFIC PERFORMANCE TARGETS

### Governance

1. Appoint CEO
2. Submit the Half-Yearly Report to the Minister by not later than 30 July 2016;
3. Prepare the 2015 Annual Report by 30 April 2016;
4. Adopt the Corporate Plan and Statement of Corporate Intent for 2017 before 31 December 2016;
5. 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);
6. Resolve outstanding issues relating to the Municipal Councils' contributions and delegated functions;
7. Implement the final reorganisation plan for FRA's management and ensure a smooth transition.

### Technical

1. Adopt a new Roads' Classification System;
2. Adopt and complete the implementation of an integrated Enterprise system for asset management, project planning and management and associated functions. (The exact breadth still to be decided);
3. Continue to stress to the Government the urgent need to address the serious damage being done to the roads by overweight vehicles.

### Financial

1. Implement a more 'user friendly' system of reporting expenditure against budget;

### General Management

1. Update the Asset Management Plan to meet the timeframes for the 2017 budget submissions;
2. Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals;
3. Ensure effective processes are in place enabling the reporting of actual performance against the performance measures and targets listed in both the Corporate Plan and in the Asset Management Plan;
4. Agree a programme of Independent Audits of the FRA's work for the year and ensure weaknesses raised in them, and in the Auditor General's (OAG's) Audits (including in the OAG's 'Performance Audit' carried out in 2015), are promptly addressed;
5. Ensure effective management of the Business Improvement Control, the Audit Control and of the Improvement Plan in the Asset Management Plan;
6. Implement (and more assertively manage) a new format for reporting projects' progress.



## 5. FINANCIAL STATEMENT



## 5.1 COST OF SERVICE STATEMENT

**Table 14 – Statement of Cost of Service**

2015 Budget \$000's <sup>1</sup>	Item	2016 Budget \$000's	2017 Forecast \$000's <sup>2</sup>	2018 Forecast \$000's <sup>2</sup>
	<b>Operating Expenditure</b>			
\$17,076	FRA MANAGEMENT	\$18,657	\$19,590	\$20,570
\$81,505	MAINTENANCE - ROADS, BRIDGES AND JETTIES	\$73,214	\$82,000	\$82,000
\$23,550	EMERGENCY WORKS	\$11,349	\$18,700	\$18,700
\$59,031	DEPRECIATION	\$77,472	\$80,000	\$90,000
<b>\$181,162</b>	<b>Total Operating Costs (VEP)</b>	<b>\$180,692</b>	<b>\$200,290</b>	<b>\$211,270</b>
	<b>Capital Expenditure</b>			
\$96,568	RENEWALS - ROADS AND SERVICES	\$116,684		
\$47,562	RENEWALS - BRIDGES	\$51,914		
\$12,085	RENEWALS - JETTIES	\$11,184		
<b>\$156,215</b>	<b>Renewals sub-total</b>	<b>\$179,782</b>	<b>\$180,000</b>	<b>\$180,000</b>
\$5,945	NEW CAPITAL (Safety)	\$4,943		
\$148,261	NEW CAPITAL (Access)	\$65,621		
\$7,127	NEW CAPITAL (Community)	\$23,045		
\$66,162	NEW CAPITAL (Congestion)	\$52,575		
\$71,065	NEW CAPITAL (Tourism)	\$50,826		
\$8,934	NEW CAPITAL (Resilience)	\$5,057		
<b>\$307,493</b>	<b>New Capital sub-total</b>	<b>\$202,068</b>	<b>\$150,000</b>	<b>\$150,000</b>
<b>\$463,708</b>	<b>Total Capital Expenditure (VEP)</b>	<b>\$381,849</b>	<b>\$330,000</b>	<b>\$330,000</b>
	<b>Tax</b>			
\$71,803	VAT	\$35,306	\$33,282	\$33,971
<b>\$71,803</b>	<b>Total Tax Provision</b>	<b>\$35,306</b>	<b>\$33,282</b>	<b>\$33,971</b>
<b>\$716,673</b>	<b>Total Expenditure</b>	<b>\$597,848</b>	<b>\$563,572</b>	<b>\$575,240</b>
	<b>Income</b>			
\$59,031	Unfunded depreciation	\$77,472	\$80,000	\$90,000
\$547,989	Government Grant	\$425,838	\$393,572	\$395,240
\$102,800	Loans	\$88,038	\$90,000	\$90,000
\$6,854	Denarau	\$6,500		
<b>\$716,673</b>	<b>Total Income</b>	<b>\$597,848</b>	<b>\$563,572</b>	<b>\$575,240</b>

**Notes:**

1. It is understood that FRA may not receive the full funding allocated in the 2015 budget. This is not reflected in the figures in this table as there has been no confirmation provided in writing to FRA.
2. The amount that is really required for 2017 and 2018, and the likely consequences if funding at that level is not provided, are identified in the ten year asset management plan.

### **3. 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 2016 business planning purposes. This issue awaits a Ministerial decision and directive.

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

In Table 15 we have estimated the quarterly cash flow forecasts for 2016. 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 15 – Cash-flow Forecast**

Activity Area	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (VIP)
<b>Operations and Work Programme</b>					
FRA MANAGEMENT AND OPERATIONS	\$5,375,506	\$4,778,228	\$4,579,135	\$5,176,414	\$19,909,283
MAINTENANCE	\$19,152,860	\$20,349,913	\$21,147,949	\$19,152,860	\$79,803,582
EMERGENCY WORKS	\$3,463,793	\$3,711,207	\$3,340,086	\$1,855,604	\$12,370,691
RENEWALS - ROADS AND SERVICES	\$22,245,610	\$36,664,061	\$43,667,309	\$21,009,743	\$123,586,723
RENEWALS - BRIDGES	\$7,181,461	\$14,362,921	\$18,229,861	\$15,467,761	\$55,242,004
RENEWALS - JETTIES	\$1,666,092	\$2,560,093	\$3,860,458	\$4,104,276	\$12,190,920
NEW CAPITAL (Safety)	\$635,963	\$1,536,911	\$1,695,902	\$1,430,917	\$5,299,694
NEW CAPITAL (Access)	\$8,441,978	\$14,773,462	\$23,918,938	\$23,215,440	\$70,349,819
NEW CAPITAL (Community)	\$2,857,341	\$10,238,804	\$7,857,687	\$2,857,341	\$23,811,171
NEW CAPITAL (Congestion)	\$20,483,866	\$15,931,896	\$10,241,933	\$10,241,933	\$56,899,627
NEW CAPITAL (Tourism)	\$14,958,000	\$14,958,000	\$14,958,000	\$10,526,000	\$55,400,000
NEW CAPITAL (Resilience)	\$716,612	\$1,212,728	\$1,598,596	\$1,984,464	\$5,512,400
<b>Total</b>	<b>\$107,179,082</b>	<b>\$141,078,224</b>	<b>\$155,095,855</b>	<b>\$117,022,752</b>	<b>\$520,375,914</b>
<b>Funding</b>					
Local SEG 6 grant	\$5,375,506	\$4,778,228	\$4,579,135	\$5,176,414	\$19,909,283
Local SEG 10 grant	\$89,762,517	\$124,710,467	\$121,193,431	\$70,262,349	\$405,928,764
EXIM China Loan	\$5,000,000				\$5,000,000
Loan (ADB Transport Sector Plan)	\$2,491,139	\$9,964,558	\$29,063,294	\$41,518,991	\$83,037,982
Denarau	\$4,549,920	\$1,624,971	\$259,995	\$64,999	\$6,499,885
<b>Total</b>	<b>\$107,179,082</b>	<b>\$141,078,224</b>	<b>\$155,095,855</b>	<b>\$117,022,752</b>	<b>\$520,375,914</b>

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



**Fiji** Roads Authority

## **6. ACCOUNTING POLICIES AND OTHER FINANCIAL INFORMATION**

## **6.1 REPORTING ENTITY**

The Fiji Roads Authority (FRA) is a corporate body established pursuant to the Fiji Roads Authority Decree 2012 and subsequent amendments (see Appendix A)

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 were divested in 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 16 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 carrying out a re-valuation of the assets. This will be complete before the 1<sup>st</sup> Jan 2016.



**Table 16 – Asset Values**

Asset Categories	Replacement Cost	Depreciated Replacement Cost	Accumulated Depreciation	Annual Depreciation
<b>Property</b>				
Lands	\$186,056,338	\$186,056,338	\$0	\$0
Formation	\$2,951,557,753	\$2,951,557,753	\$0	\$0
<b>Sub Total</b>	<b>\$3,137,614,091</b>	<b>\$3,137,614,091</b>	<b>\$0</b>	<b>\$0</b>
<b>Carriageways</b>				
Sealed Road Surfing	\$393,010,082	\$249,403,195	\$143,606,887	\$25,224,527
Sealed First Coat	\$234,882,194	\$135,129,186	\$99,753,008	\$4,201,995
Sealed Base	\$450,335,701	\$353,766,117	\$96,569,584	\$5,129,554
Sealed Sub Base	\$473,441,412	\$396,675,750	\$76,765,662	\$3,204,526
Unsealed Top Course	\$137,121,174	\$74,882,561	\$62,238,614	\$13,712,107
Unsealed Base	\$304,484,111	\$296,706,571	\$7,777,541	\$7,777,541
<b>Sub Total</b>	<b>\$1,993,274,675</b>	<b>\$1,506,563,380</b>	<b>\$486,711,295</b>	<b>\$59,250,249</b>
<b>Drainage</b>				
Culverts	\$155,163,121	\$77,343,057	\$77,820,064	\$1,939,539
Gullypits	\$21,163,449	\$13,786,450	\$7,376,999	\$248,660
Surface Water Channels	\$132,196,622	\$61,364,833	\$70,831,789	\$1,652,457
<b>Sub Total</b>	<b>\$308,523,192</b>	<b>\$152,494,340</b>	<b>\$156,028,852</b>	<b>\$3,840,656</b>
<b>Other Road Assets</b>				
Footpaths	\$52,656,977	\$31,943,983	\$20,712,994	\$1,298,196
Street Lighting	\$28,663,589	\$27,334,788	\$1,328,801	\$662,437
<b>Sub Total</b>	<b>\$81,320,566</b>	<b>\$59,278,771</b>	<b>\$22,041,795</b>	<b>\$1,960,633</b>
<b>Traffic Controls</b>				
Signs (inc Posts)	\$9,825,615	\$3,914,427	\$5,911,188	\$688,896
Markings	\$5,861,459	\$1,300,379	\$4,561,080	\$4,561,080
Traffic Signals	\$5,456,204	\$3,336,074	\$2,120,131	\$287,597
<b>Sub Total</b>	<b>\$21,143,278</b>	<b>\$8,550,879</b>	<b>\$12,592,398</b>	<b>\$5,537,572</b>
<b>Bridges</b>				
Large Bridges	\$251,918,687	\$156,444,549	\$95,474,137	\$2,245,645
Small Bridges	\$126,452,073	\$66,352,488	\$60,099,585	\$1,198,974
Large Culverts	\$102,630,294	\$57,183,278	\$45,447,016	\$855,252
<b>Sub Total</b>	<b>\$481,001,054</b>	<b>\$279,980,315</b>	<b>\$201,020,739</b>	<b>\$4,299,872</b>
<b>Other Structures</b>				
Guard Rails	\$22,179,142	\$8,428,076	\$13,751,066	\$887,165
Jetties	\$23,722,255	\$12,030,509	\$11,691,746	\$352,612
<b>Sub Total</b>	<b>\$45,901,397</b>	<b>\$20,458,585</b>	<b>\$25,442,812</b>	<b>\$1,239,777</b>
<b>Other</b>				
Motor Vehicles	\$2,447,068	\$1,765,820	\$681,248	\$315,559
Plant & Equipment	\$2,082,360	\$1,668,832	\$413,528	\$177,293
Furniture & Fittings	\$815,562	\$603,253	\$212,309	\$127,140
Buildings	\$8,616,020	\$4,560,644	\$4,055,376	\$722,840
Work in Progress	\$657,799,228	\$657,799,228	\$0	\$0
<b>Sub Total</b>	<b>\$671,760,238</b>	<b>\$666,397,777</b>	<b>\$5,362,461</b>	<b>\$1,342,832</b>
<b>Total</b>	<b>\$6,740,538,490</b>	<b>\$5,831,338,139</b>	<b>\$909,200,352</b>	<b>\$77,471,591</b>



## 6.5 DEPRECIATION

The forecasted depreciation provision for 2016 is \$77.5m. The increase in forecast depreciation from 2015 is due to the capitalisation of 2015 Renewals and New Assets.

**Table 17 – Depreciation Provision 2016**

<b>Asset Category</b>	<b>Provision 2016</b>
<b>Roads</b>	
Carriageways	\$59,250,249
Drainage	\$3,840,656
Other Road Assets	\$1,298,195.98
Traffic Control	\$5,537,572
Lighting	\$662,437
<b>Sub Total</b>	<b>\$70,589,110</b>
<b>Structrures</b>	
Bridges	\$4,299,872
Jetties	\$352,611.81
Other Structures	\$887,165
<b>Sub Total</b>	<b>\$5,539,649</b>
<b>Other</b>	
Other Assets	\$1,342,832
<b>Sub Total</b>	<b>\$1,342,832</b>
<b>Total</b>	<b>\$77,471,591</b>

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 18



Table 18 – Assets' Useful Lives

Asset Categories	Replacement Time (years)	Annual Rate
<b>Carriageways</b>		
<b>First Coat seal and Sealed Basecourse</b>		
Rural	50	2.0%
Urban	70	1.4%
<b>Sealed Surfaces (reseals)</b>		
Asphaltic Concrete	17	5.9%
Chip Seal	15	6.7%
Concrete	25	4.0%
<b>Sealed Sub base</b>		
Rural	N/A	
Urban	70	1.4%
<b>Unsealed Pavement Layers</b>		
Wearing Course	5	20%
Sub base	N/A	
<b>Drainage</b>		
Gullypits, culverts and surface water channels	80	1.3%
<b>Footpaths</b>		
Sealed	30	3.3%
Unsealed	40	2.5%
<b>Street Lighting</b>		
Pole and bracket	40	2.5%
Light	20	5.0%
<b>Traffic Controls</b>		
Signs	12	8.3%
Posts and Markers	20	5.0%
Markings	1	100.0%
<b>Signals</b>		
Pole	22	4.5%
Controller	23	4.3%
Board and lantern	12	8.3%
Pedestrian Call Box	15	6.7%
<b>Bridges</b>		
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
<b>Other Structures</b>		
Railings	25	4.0%
<b>Jetties</b>		
Concrete Jetty	50	2.0%
Rock seawall	80	1.3%
<b>Causeway</b>		
Formation	N/A	
Sub base	N/A	
Base course	50	2.0%
Wearing course	5	20.0%
Chip seal	15	6.7%
<b>Other</b>		
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 used to operate two permanent and three site (or project) laboratories. The laboratory services were sold 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

<b>Accountability</b>	Being obliged to answer for one's actions, to justify what one does.  Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.
<b>Annual Budget</b>	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.
<b>Asset Disposal Policy</b>	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:  <i>'.....the statement of corporate intent shall include....an outline of FRA's policies and procedures relating to the ....disposal of major assets'.</i>  See Section 6.8

**Asian Development Bank**

'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.

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.

**Authority**

The Fiji Roads Authority

**Board**

The Fiji Roads Authority's Governing Board.

The new Board comprising a Chairman and four members was appointed by the Minister responsible for roads in 2015.

**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<sup>2</sup>.

**Capital Works**

Includes both Renewal Capital Works and New Capital Works.

**Corporate Plan**

A plan required to be published by the FRA annually pursuant to Section 31 of The Decree.

The Corporate Plan has to include the information listed in section 31 (3).

**Decade of Action on Road Safety**

A global programme of the United Nations on road safety initiatives.

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:

- (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.

In addition, all new projects are to have road safety audits from 2012.

**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**

The 23 depots and 21 sub-depots inherited from the former Department of National Roads.



Some of these depots have since been leased, rented or otherwise disposed of.

**Depreciated Replacement Cost (or Value)**

The replacement cost of an asset less accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation**

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.

**EXIM BANK**

An 'Export-Import' (EXIM) financial institution owned by the Chinese Government.

The Fijian Government receives loan funding assistance for certain major capital road projects from this bank.

**Goal**

(Not to be confused with 'Objective')

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.

The FRA has two principal goals:

- (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)*
- (ii) *To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.*

**Health and Safety Incident**

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.

**Jetties**

The 47 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew.

**Laboratories**

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.

FRA intends to develop its laboratories into a single business unit and either lease or sell them within a short time.

**Land Transport**

In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.



## Levels of Service

The defined quality for a particular service against which service performance can be measured.

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





## **New Capital**

(xiii) Tavua Town Council

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 6,524
  - 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 don't 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 – FRA DECREE AND AMENDMENTS

- Fiji Road Authority Decree 2012
- Fiji Road Authority (Amendment) Decree 2012 (Decree No 46 of 2012)
- Fiji Road Authority (Amendment) Decree 2014 (Decree No 27 of 2014)
- Fiji Road Authority (Amendment) Act 2015

EXTRAORDINARY



# REPUBLIC OF FIJI ISLANDS GOVERNMENT GAZETTE

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## FIJI ROAD AUTHORITY DECREE 2012 (DECREE NO. 2 OF 2012)

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### FIJI ROAD 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 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 others 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;
  - “roads” include all national roads, municipal roads and such other public roads as 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.

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 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 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 Road 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 Road Advisory Committee which shall consist of the Permanent Secretary for the Prime Minister's Office as the 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 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.

##### *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





# REPUBLIC OF FIJI GOVERNMENT GAZETTE

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[545]

## GOVERNMENT OF FIJI

### FIJI ROAD AUTHORITY (AMENDMENT) DECREE 2012 (DECREE NO. 46 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—

## TO AMEND THE FIJI ROAD AUTHORITY DECREE 2012

*Short title and commencement*

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

(2) The Fiji Road Authority Decree 2012 shall be referred to as the “Principal Decree”.

*Amendment to all references of “Fiji Road Authority” in the Principal Decree*

2. The Principal Decree is amended by deleting “Fiji Road Authority” wherever it appears and substituting “Fiji Roads Authority”.

*Amendment to all references of “Fiji Road Advisory Committee” in the Principal Decree*

3. The Principal Decree is amended by deleting “Fiji Road Advisory Committee” wherever it appears and substituting “Fiji Roads Advisory Committee”.

*Section 2 amended*

4. Section 2 of the Principal Decree is amended by deleting the definition of “roads” and substituting the following—

““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.”

*Section 6 amended*

5. Section 6 of the Principal Decree is amended in paragraph (a) by deleting “public roads, bridges and jetties” and substituting “roads”.

*Section 17 amended*

6. Section 17 of the Principal Decree is amended by deleting it and substituting the following—

*“Minister may give directions*

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.”

*Section 18 amended*

7. Section 18 of the Principal Decree is amended by deleting it and substituting the following—

*“Transfer of assets, interests and liabilities*

(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.”

*New section inserted*

8. The Principal Decree is amended by inserting the following new section after section 38—

*“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.”

GIVEN under my hand this 14th day of May 2012.

EPELI NAILATIKAU  
President of the Republic of Fiji



# GOVERNMENT OF FIJI GAZETTE

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[864]

## GOVERNMENT OF FIJI

FIJI ROADS AUTHORITY (AMENDMENT) DECREE 2014  
(DECREE NO. 27 OF 2014)

IN exercise of the powers vested in me pursuant to section 4 of the Office of the Vice-President and Succession Decree 2009 and section 165(4) of the Constitution of the Republic of Fiji, I hereby make the following Decree—

## A DECREE TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

*Short title and commencement*

1.—(1) This Decree may be cited as the Fiji Roads Authority (Amendment) Decree 2014 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Roads Authority Decree 2012 shall be referred to as the “Principal Decree”.

*Section 2 amended*

2. Section 2 of the Principal Decree is amended by—

- (a) deleting the definition of “Change Manager”; and
- (b) deleting the definition of “Minister” and substituting the following—  
““Minister” means the Minister responsible for Roads;”

*Section 6 amended*

3. Section 6 of the Principal Decree is amended by deleting paragraph (d).

*Section 24 amended*

4. Section 24 of the Principal Decree is amended by—

- (a) deleting “other” after “with” in subsection (1); and
- (b) deleting subsection (3).

*Section 26 amended*

5. Section 26 of the Principal Decree is amended in subsection (2) by deleting “and approved by the Minister”.

*Section 30 amended*

6. Section 30 of the Principal Decree is amended in subsection (1) by deleting “3” and substituting “4”.

*Section 34 amended*

7. Section 34 of the Principal Decree is amended in subsection (1) by deleting “the Permanent Secretary for the Prime Minister’s Office as the Chairperson” and substituting “a Chairperson”.

*Section 35 amended*

8. Section 35 of the Principal Decree is amended in subsection (1) by deleting “4” and substituting “3”.

*Section 37 deleted*

9. Section 37 of the Principal Decree is deleted.

*Section 38A amended*

10. Section 38A of the Principal Decree is amended in subsection (1) by deleting all references to “the Change Manager”.

Given under my hand this 5th day of August 2014.

A. H. C. T. GATES  
Chief Justice

## ACT NO. 5 OF 2015



I assent.

E. NAILATIKAU  
President

[14 July 2015]

## AN ACT

### TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

ENACTED by the Parliament of the Republic of Fiji—

#### *Short title and commencement*

- 1.**—(1) This Act may be cited as the Fiji Roads Authority (Amendment) Act 2015.
- (2) This Act shall come into force on the date of its publication in the *Gazette*.
- (3) In this Act, the Fiji Roads Authority Decree 2012 shall be referred to as the “Decree”.

#### *Section 2 amended*

- 2.** Section 2 of the Decree is amended by deleting the definition of “Minister” and substituting the following—

““Minister” means the Minister responsible for the Fiji Roads Authority;”

#### *Section 5 amended*

- 3.** Section 5 of the Decree is amended by inserting the following new subsection after subsection (2)—

“(2A) The Chief Executive Officer shall be an *ex officio* member of the Authority with no voting rights.”



*Section 11 amended*

4. Section 11 of the Decree is amended by inserting the following new subsection after subsection (4)—

“(5) The Authority shall have a minimum of one meeting in each month.”

Passed by the Parliament of the Republic of Fiji this 9th day of July 2015.