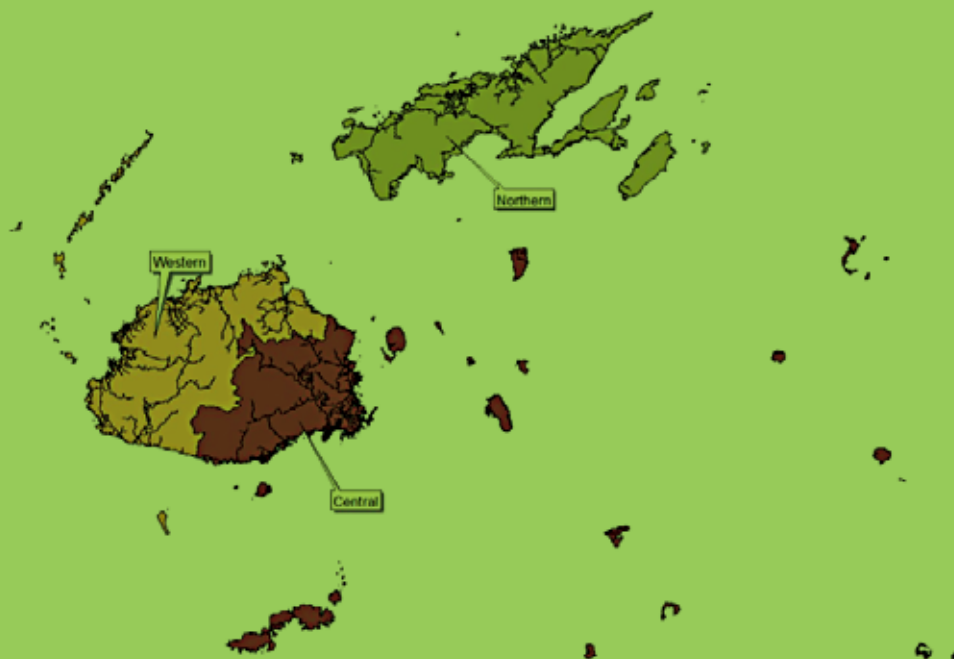




Fiji Roads Authority

2014 CORPORATE PLAN AND STATEMENT OF CORPORATE INTENT



Fiji comprises 332 islands of which 110 are permanently populated. Its total land area is 18,300 sq. kilometres. 87% of the country's population of about 890,000 live on the two major islands – Viti Levu (in the south) and Vanua Levu.

Most Fijians reside on Viti Levu's coast, either in greater Suva which is the capital (and with a population of 370,000 the largest urban area) or in smaller villages. There are more than 11,000 kms of roads and 936 bridges that are managed in three geographic divisions. Half the roads are of a standard normally expected in a developed country. The other half are cane and rural roads of a minimal (sometimes very minimal) standard.

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FROM THE CHAIRMAN

It has been two years since the Fiji Roads Authority was established by Decree on 5th January 2012. The first year, 2012, was one of transition; transition from the old way of doing things as a government department to a new world of outsourced contracting to the private sector. 2013 was the year in which we established the 'FRA organisation proper'. The CEO took up his role in early January and during the ensuing twelve months the Senior Management Team was appointed, the final steps of closing out the DNR were taken, and the future structure and direction of FRA signalled through the development of the first Asset Management Plan.

Out on the roads the people of Fiji have started to witness the transformation from the inefficiencies of the past, to the 'do it once, do it right' practices of the new road maintenance contractors.

2014 will bring its own challenges. With the budget increasing to \$476 Million there is an extraordinary amount of planning and execution to be done to ensure FRA delivers maximum value for every dollar spent. This document, the Corporate Plan for the next 12 months, outlines in detail:

- What the work programme is for 2014
- 'How much' the various aspects of the work programme are forecasted to cost
- How we will measure performance – 'how well FRA is doing'

The Fiji Roads Authority remains committed to its ideals of accountability and transparency in the use of public funds and this plan has been prepared with a wide audience of stakeholders in mind. We hope everyone who reads it will find it easy to understand and easy to relate to our reporting against the plan throughout the year.



A handwritten signature in blue ink, which appears to read 'Pio Tikoduadua', written over a dotted line.

Pio Tikoduadua

Chairman

Fiji Roads Authority

Date: 19 December 2013



Knolly Street, Suva

FROM THE CEO

Fiji Roads Authority has come a long way in the two years since its establishment. We are now a fully functioning statutory corporate entity and as an organisation we are looking forward to making even greater strides in 2014.

The key successes of 2013 such as development of the first Asset Management Plan, the establishment of the FRA team and the commencement of our out-sourced road maintenance contracts will be consolidated and built upon as we strive to exceed expectations in both our service delivery and performance.

The challenge of establishing functioning supply chains to service the needs of the roading sector remains a large one; but we are buoyed by the commitment being shown by many suppliers to improve the quality of their products and services. Those who rise to meet our standards will thrive, those who do not will have to find other markets because FRA will not compromise the quality we require be delivered for the people of Fiji.

Fijians, through government funding of the FRA, are investing heavily in the rebuilding and expansion of the country's roads to create an appropriate world standard network - a network that will enable economic and social development for all. We take that responsibility very seriously and remain cognisant at all times that we are here to deliver for all of Fiji.

At FRA we look forward to hearing more and more stories of the improvement that comes to ordinary Fijians' lives through better access to markets, schools, health services, and other government and non-government services. This plan highlights the many and varied projects we will be delivering throughout the year and into the future.



Neil Cook

FIPENZ, CPEng, IntPE, BE (Hons)

Date: 19 December 2013



Malabe Village, Kings Road, Tailevu

OUR PLEDGE TO ALL FIJIANS

Our aim is to effectively and efficiently do whatever we can with the resources we have available, to help the Fijian Government achieve cost effective transport services that are safe and environmentally sustainable, to enhance access to services and markets¹.

The task of maintaining a road network is never 'finished' – because of course ongoing maintenance is needed to sustain

the network. The Government expects, and we intend to deliver, a continuation of the significant road improvements that were started in 2013.

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

The key outputs we are seeking to achieve are:

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

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

¹Fiji Government Priority Outcome 2010 – 2014

BOARD MEMBERS



Pio Tikoduadua
Permanent Secretary
Office of the Prime Minister
Chairman



Parmesh Chand
PS Public Service Commission



Elizabeth Powell
PS Public Enterprises &
Tourism

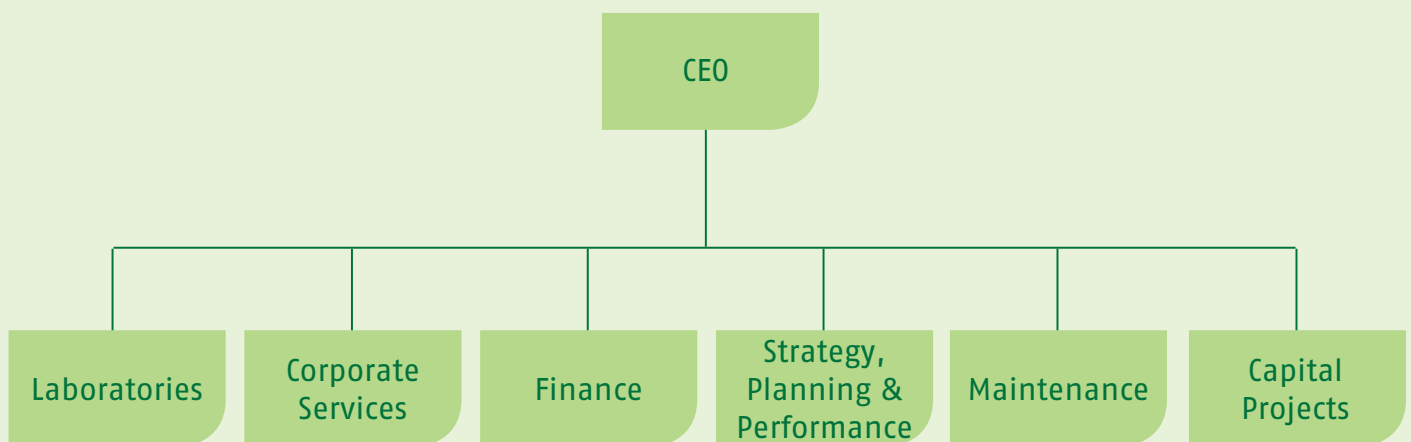


Filimone Waqabaca
PS Finance



Samuel Namosimalua
PS Local Government
(appointment to be confirmed)

WORK FUNCTIONS



OUR MISSION, GOALS AND PERFORMANCE TARGETS



Domain Road, Suva

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.

2014 PERFORMANCE TARGETS

See Section 4.

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

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

- a Developing a Common National Identity and **Building Social Cohesion**.
- b Enhancing **Public Sector Efficiency, Performance Effectiveness and Service Delivery**.
- c Achieving **Higher Economic Growth While Ensuring Sustainability**.
- d Developing an **Integrated Development Structure at the Divisional Level**.
- e **Reducing Poverty** to a Negligible Level by 2015



Moto Bridge, Ba

1 OVERVIEW

1.1 INTRODUCTION

Good roads are the life blood of every country.

"Accessibility, whether it is to markets, a hospital or doctor, or to school – to places of worship and community centres in the rural areas or to the nearest town or city – is a precondition of almost every economic or social need. Roads provide the ability to transport goods and services, partake in activities and visit destinations. Roads both define and create the opportunity to improve social and economic well-being. Isolation or the lack of good road access is one of the five key characteristics of poverty. Poor roads mean not only people being cut off from supplies, services, facilities and information, but higher vehicle operating costs as well."

Source: Adapted from United States National Research Council – 'The Promise of Rural Roads' Transport Research Circular E – C167 September 2012

The Fiji Roads Authority (FRA) was established in January 2012 to effectively manage and administer the country's roads. (See Appendix 'A' for a copy of the "Fiji Road Authority Decree 2012"). Prior to establishment the various assets that make up the road network were managed by a number of different bodies, most notably the Department of National Roads (DNR) and the Municipal Councils. Some major projects were managed through ministries with little technical expertise in the road construction field.

The FRA's task is to devise and implement a plan for management of the whole public network in the most effective, efficient, properly prioritised and integrated way possible – with a strong focus on better value for money.

The network is managed in three Divisions. Table 1 shows the length of the sealed and unsealed roads in each Division. These figures are still approximate because of the lack of information on the extent and condition of road assets. This deficiency is being addressed on a continual basis with FRA's GIS-based Asset Management Information System developing through inspections and field surveys.

Table 1 – Assets

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

1.2 FRA's MANAGEMENT APPROACH

2013 was the FRA's first year of operation as a separate body after a year of transition from a Government Department with more than 1150 employees to a corporate entity that will remain a relatively small entity focussed on management and policy. As a statutory corporate entity the FRA is accountable to the Prime Minister via an appointed Board. FRA is currently governed by the Fiji Roads Advisory Committee (FRAC) and a key activity for the first part of 2014 is to complete the process of appointing a Board of Directors.

Part of the transition from being a government department involves the divestment of 'non-core' activities. During 2013 the former DNR quarries ceased operations whilst the testing laboratories have been structured as a business unit within FRA for the purpose of ultimately divesting them as a going concern. That is expected to happen during 2014.

FRA manages the roading 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. The key areas of activity and the contractor undertaking each are listed below.

(a) MWH (New Zealand) has been appointed as FRA's Principal Professional Engineering Services Adviser through to 31 December 2016.

(b) Three maintenance contracts are in place for periods of four – six years commencing 1 January 2013:

- **Central and Eastern Division**
 - Fulton Hogan Hiways Joint Venture
- **Northern Division**
 - Fulton Hogan Hiways Joint Venture²
- **Western Division**
 - Higgins Group

(c) New Construction and Renewal Work is undertaken by various contractors including:

- (i) China Rail First Group
- (ii) China Rail Fifth Group
- (iii) China Gezhouba
- (iv) the successful parties who tender for work on a project by project basis; and by
- (v) the maintenance contractors (whose contracts also include responsibility for some of the renewals).

1.3 KEY CHALLENGES

The key challenges FRA faces, include:

1.3.1. Road Condition

There is widespread acknowledgement that the network is not in a good shape. The sealed surfaces have deteriorated markedly in recent times mainly due to resealing work not being done when it should have been. A top priority is to halt this decline and over the next 3

to 4 years progressively restore the road surfaces. 2013 saw over 100km of road surface restored whether through resealing or reconstruction of the pavement. The 2014 target is for at least 100km of resealing and 40km of reconstruction.

1.3.2. Bridge and Jetty Condition

Bridges are one of the key risk areas for FRA. We have had collapses and failures in the last 2 years and many bridges are in very poor condition. A risk-based approach is taken to assessing bridges with weight restrictions put in place where required and in some cases bridges are closed until they can be repaired to a safe condition. Many jetties are in a similarly poor condition and the assessment is made more difficult by the often remote location of the structures,

Public safety will always be the FRA's most important objective. Being satisfied about the condition of the bridges is a top priority. 2014 has seen a significant increase in allocation for bridge renewals and jetty renewals.

1.3.3. Roads in the Rural Area

There are over 6,000 kms of cane and other roads in the rural area – most of which have received only minimal or no attention for years. Many are little more than dirt tracks and haven't been properly formed, some have not been legalised, many are not usable all year round, have little or no drainage, and may have had private structures (sometimes unsafe) built on them.

Properly understanding the extent of this problem, what needs to be done to address it (especially to enable children to get to school), and identifying the most appropriate option for doing so, is going to take some time. It will be a gradual process over a period of several years to determine a course of action for all roads. The initial focus is on roads that service public transport vehicles and key economic routes.

1.3.4. Data Quality

In order to be able to make 'the right' decisions accurate and complete data, is essential. The quality (accuracy, completeness and usefulness) of the information about the assets that the FRA has inherited from the DNR, the Municipal Councils and others, is very poor.

A significant task for the first few years of operation is to establish an integrated asset management system for capturing asset location, material type, condition, capacity, critically, performance, age and remaining life information. The system was built in 2013 and is being populated with known information on a continuous basis. Information comes to FRA from a variety of sources including our own field surveys, contractor feedback, historic records in public agencies and sometimes from the general public.

FRA has recently signed an agreement with the Department of Lands to share geospatial information. This will significantly improve the usability of our asset information system.

²Fulton Hogan Hiways took over this contract in November following the Receivership of Blacktop

1.4 OUR RECOVERY PLAN

The deplorable state of the road network FRA inherited was best summarised by the Prime Minister, Commodore Voreqe Bainimarama during his address to the nation about the 2013 budget (in November 2012), when he said:

“Every Fijian knows how bad our roads are. It isn’t just the time it takes to get anywhere or the punishment our vehicles are receiving. The dreadful state of our roads is holding the country back. It is hampering our economic development. They must be fixed. Successive governments have put this in the ‘too hard basket’. But my government has decided to act. And act decisively. We are not going to continue to have road crews filling in pot-holes just to have them reappear again every time it rains. We are not going to have corruption and incompetence blocking our path any longer. We are going to start from scratch and give the whole country the same standard we are seeing on the Kings Road in northern Viti Levu – an international standard. Roads that boost both the local economy and the national economy. Roads we can all be proud of.”

As FRA’s work programmes gradually restore the road network and people begin to forget how bad it really was, it is important to always remain cognisant of how the roads fell into such a deplorable state – to ensure it doesn’t happen again.

Most parts of the network have finite lives. Physical assets deteriorate with use and over time – and do so faster if not properly maintained. If a road isn’t resealed about every 15 years it will start to pothole, and eventually break up because of the water that is able to penetrate its surface. A well-constructed concrete/steel bridge should last 100+ years if repairs are done regularly and appropriate care is taken to protect it from nature’s elements. Delaying the work also costs more money. **In fact it can cost up to five times as much to do the work later compared with the cost of doing it at the optimum time in its lifecycle.**

A good way of identifying how well the FRA is keeping abreast of these things is to compare the annual depreciation provision with the expenditure on renewals. Depreciation is the extent to which the network’s value is estimated to have been ‘used up’ through its use and wearing out during the year. Renewals are the extent to which money has been spent reconstructing and resealing the roads and restoring or replacing the bridges. If the two values are **about the same over time** the network’s condition will continue to be about the same as it is now. If depreciation is greater than the renewals expenditure the network’s condition will get worse – at an accelerating rate. **If the annual renewals expenditure is more than the depreciation the deferred backlog is being addressed and overall network condition will gradually improve.**

Table 2 – Depreciation vs. Renewals – 2014

The FRA is intending to spend almost three and a half times the depreciation provision during 2014 to reduce the renewals backlog.

| | |
|-----------------|---------------|
| Renewals | \$145m |
|-----------------|---------------|

| | |
|---------------------|--------------|
| Depreciation | \$42m |
|---------------------|--------------|

In addition to this \$212m (VIP) has been allocated for upgrading work to make the roads better and safer.

²Land and road formation the exception.

1.5 BUILDING LOCAL CAPACITY

Some have questioned why so much of the work for the next few years has been allocated to consultants and contractors from New Zealand. Put simply, the capability of the local market has declined over the years and there simply is not the capacity locally to undertake all the work that is required.

FRA's procurement practices select the best contractor for any given project in an objective way. One of the considerations in assessing the 'attributes' of each contractor is the provisions they are making to employ local people and develop local capability through direct employment or sub-contract arrangements. But the quality of the outputs and the ability to deliver the project on time and to budget must remain the most important criteria.

In accordance with the 2013 Constitution the FRA will always give preference to the employment of local people who have the required skills and experience. Our personnel employment policy says:

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

Furthermore, appointments are required by our Decree to be approved by the Prime Minister.

A key consideration in selecting the maintenance contractors was the extent to which they intended to work with the local contractors, the number of local people they intend to employ, and how they intend to involve, train and transfer their knowledge to them. The FRA works closely with the contractors to ensure the undertakings that each has given are honoured.

We are already seeing considerable improvement in the work practices not only of the direct employees of the main contractors but also in their sub-contractors. In fact this has been one of the areas of most positive feedback from stakeholders and the general public. In short, the Government (through the FRA) is embarking on a course to upskill Fijian workers and contractors to make them more able and competitive – this upskilling will include:

- a documented mentoring arrangement for each of the three works' regions;
- the staff arranged in a way that provides for locally employed persons to understudy the appropriate people in the contracted firms;
- a planned phase of localization of expat positions to local people;
- liaison with the relevant government authorities for targeted scholarships of pre-service, as well as existing, employees;
- liaison with the local schools to provide work experience opportunities for students; (and)
- the FRA and the contracting firms providing inputs into the TRET institutions to ensure they are targeting the right skills;

Another result the FRA expects from the outsourcing arrangement is greater job satisfaction and more pride in their work by all involved. Again, this is something that is already clearly in evidence after the first 12 months of operation.



Laucala Bay Road, Suva

1.6 THE 2014 WORK PROGRAMME

The FRA is budgeting to spend \$476m maintaining and improving the roads, bridges and jetties this year – \$371.4m funded by the Government, \$97.1m from loans

and \$7.5m by the municipal councils. Table 3 and Figure 1 illustrate the situation. A more detailed list of the planned projects is in Table 8 in Section 3.

Table 3 – Proposed 2014 Work Programme – Summary

| | \$000 (VIP) |
|--|----------------|
| Management | 8,633 |
| Municipal Councils' Loan Interest | 2,000 |
| Abnormal Costs (Historical Claims and Contract Retentions) | 10,650 |
| Maintenance | 73,973 |
| Flood Damage | 23,671 |
| Renewals and Replacements | |
| o Roads & Services | 88,463 |
| o Bridges & Jetties | 56,350 |
| New Capital | |
| o Safety Improvements | 1,999 |
| o Access Improvements & Economic Stimulation | 138,920 |
| o Community Amenity Improvements | 2,430 |
| o Congestion & Capacity | |
| - Suva | 8,105 |
| - General Improvements | 22,434 |
| o Tourism, Amenity & Access | 35,364 |
| o Risk Reduction, Resilience & Asset Preservation | 3,066 |
| Total | 476,058 |

While it is going to take several years to improve the existing sealed roads' surfaces, good progress was made during 2013 and we will be building on that, and accelerating, in 2014.



Newtown, Nausori



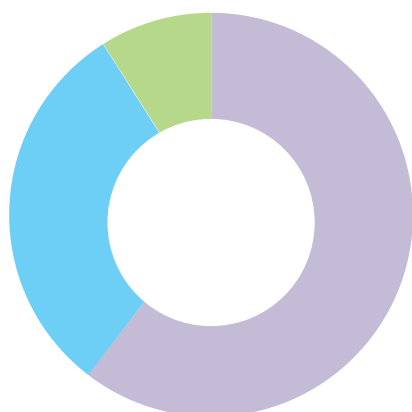
Nadi Town

1.7 FINANCIAL FACTS ILLUSTRATED

These charts illustrate the situation regarding three fundamental aspects of our business – the value of the assets that we have to manage and protect, expenditure and funding. The first two charts show what the roads and bridges would cost if they had to be replaced now (\$5.4b)

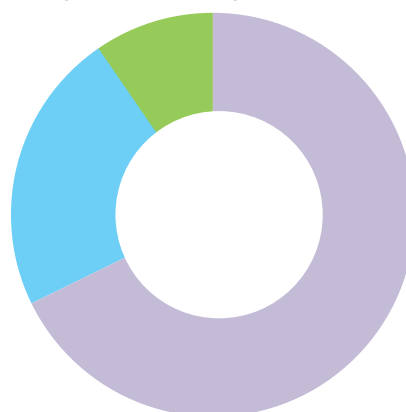
and their current depreciated value (\$4.6b). The next two provide a high level picture of how we intend to spend this year's financial allocation (\$476m) and where the money to fund that expenditure is going to come from.

Infrastructure Value - Replacement Cost



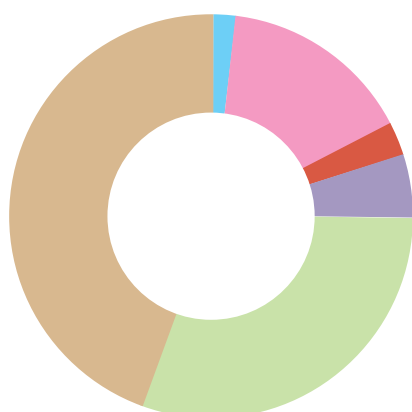
| | |
|----------------------------|------------------|
| Roads – Land and Formation | \$3,146 m |
| Roads – Surfacing, etc. | \$1,766 m |
| Bridges | \$ 454 m |
| | \$5,366 m |

Infrastructure Value - Depreciated Replacement Cost



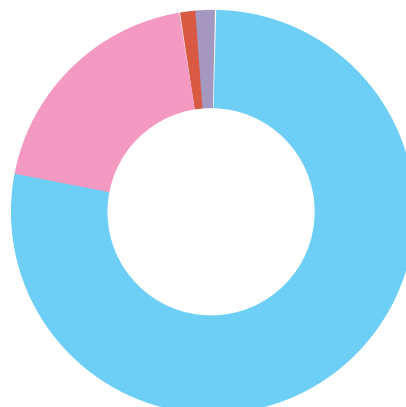
| | |
|----------------------------|------------------|
| Roads – Land and Formation | \$3,144 m |
| Roads – Surfacing, etc. | \$1,172 m |
| Bridges | \$ 261 m |
| | \$4,577 m |

Expenditure Type



| | |
|--|------------------|
| | \$000 (VIP) |
| Management and Overheads | \$8,633 |
| Maintenance | \$73,973 |
| Abnormal Costs (Historical Claims, Retentions & Loan Interest) | \$12,650 |
| Flood Damage | \$23,671 |
| Renewals and Replacements | \$144,813 |
| New Capital | \$212,318 |
| | \$476,058 |

Funding Sources



| | |
|------------------------------|------------------|
| | \$000 (VIP) |
| Government Grant | \$371,467 |
| EXIM Bank China | \$92,444 |
| EXIM Bank Malaysia | \$4,619 |
| Asian Development Bank (ADB) | \$7,528 |
| | \$476,058 |

1.8 ACCOUNTABILITY – PERFORMANCE MANAGEMENT

The FRA is driven entirely by results. However, in some areas precise performance measures and targets to enable us to accurately see ‘how we are doing’ can’t be

finalised until we have better data. Our programme for addressing this is explained in Section 4. Table 4 lists the key performance indicators.



Table 4 – Abbreviated Performance Targets – Key Performance Indicators Only

| Code | Service Area | Performance Target |
|------|--|--|
| 1.3 | Health and Safety | ☐ Less fatal and serious injury accidents – total. |
| 1.4 | | ☐ A reduction in the social cost of all recorded injury crashes. |
| 3.1 | Asset Provision, Development, Maintenance and Renewal | ☐ An annual reduction in the value of deferred maintenance/deferred renewals. |
| 3.2a | | ☐ 100% planned new capital and renewal projects completed. |
| 3.3 | | ☐ 100% planned maintenance work completed. |
| 3.2b | | ☐ An annual reduction in the number of pothole complaints. |
| 3.3a | | ☐ Proven satisfactory progress in building local skills’ capacity. |
| 5.3 | Service Quality | ☐ Reduced congestion by route. |
| 5.12 | | ☐ Not less than 40% of the stakeholders surveyed (periodically) rate the overall service as ‘satisfactory’ or ‘very satisfactory’ (Increasing to 50% in 2015). |
| 6.4 | Compliance | ☐ 100% compliance with all legislative, regulatory and other requirements. |
| 7.6 | Financial | ☐ Total operating costs were within the approved total budget. |
| 7.7 | | ☐ New capital and renewal projects were completed within the approved total budget. |

1.9 STAFF

Fiji Roads Authority Staff



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.

Our task for 2014 is to ensure that FRA consolidates its establishment as a competent organisation for the future. We have clear priorities; we have a precise plan for

implementing them; and we have an organisation focussed on achieving effective, efficient and timely results.

The 2014 work programme is huge. Much larger than ever envisaged when FRA was established in 2012. To achieve the required outcomes we must select and appoint people who not only have the required skills and experience but also have the right attitude. Table 5 lists the values that we promote and expect all of our employees to respect and adhere to.

Table 5 – FRA Values

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



Babavoce Hill bypass, Kings Road, Tailevu

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.

The FRA has also identified more than fifty risks that it needs to proactively manage. The most significant of these are listed in Table 7. The situation is continuously monitored.

Table 6 – Significant Assumptions

| No. | Assumption | Likelihood of the assumption eventuating | Comments – Including the likely impact of each assumption |
|-----|--|--|---|
| 1 | <p>Annual Inflation and Cost Escalation During The Year Will Be Minimal</p> <p>That annual inflation and cost escalation will be close to zero</p> | Medium | <p>Inflation is the general price level of all goods and services. Cost escalation is the cost price of specific goods or services over a period of time and the two have to be considered carefully because they can differ so much</p> <p>If prices increase as a result of either, the financial forecasts will have to be increased.</p> <p>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.</p> |
| 2 | <p>The FRA Will Receive Sufficient Funding To Enable It To Carry Out Its Proposed Works Programme</p> | High | <p>The likelihood of this assumption eventuating is high because the Government has already approved the funding for the work listed in this Corporate Plan.</p> |
| 3 | <p>Project Costs Will Be As Budgeted</p> <p>That the proposed works will (accumulatively) be able to be provided to the standard required for not more than their estimated costs.</p> | Medium | <p>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).</p> <p>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 haven't and the forecasted cost can be considered to be little more than a subjective indication at this stage.</p> |
| 4 | <p>Minimal Costs Will be Carried Forward from 2013 (or into 2014)</p> <p>That the FRA will complete and fully pay for all projects in the year for which they have been programmed.</p> | Medium | <p>When projects aren't fully completed (and/or fully paid for) in the year for which they have been programmed the effect can be the necessity to (perhaps significantly) defer or delete (or reduce in scope) projects from the following year's programme in order to fund the deferred projects' completion and/or cost. (Contract retentions are a different issue).</p> <p>The likelihood of this assumption eventuating is medium because although the FRA has robust mechanisms to ensure each year's proposed programme is completed and paid for as planned – inflation, cost escalation, unforeseen difficulties or higher than budgeted contract prices may mean that all work that was programmed wasn't able to be done.</p> |
| 5 | <p>An Extraordinary Major Storm Event Won't Occur</p> <p>That the cost of repairing damage caused by any storm event (or other natural hazard event that may occur) won't exceed \$10m VIP in 2014.</p> | Medium | <p>Significant storm events are a fact of life in Fiji. The budget includes a provisional sum of \$10m VIP for storm damage. If more than this is required either an additional funding allocation from government will have to be obtained or other proposed work will have to be deleted or reduced in order to provide the required funds.</p> <p>The likelihood of this assumption eventuating is medium because there have been some really significant storm events in recent years.</p> |
| 6 | <p>No Other Extraordinary Risk Event Will Occur</p> <p>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.</p> | Medium/ High | <p>Should an extraordinary risk event occur the most likely impact will be an additional funding allocation from the Government will have to be obtained or other proposed works deleted or their scope reduced in order to fund the cost of the risk event.</p> <p>The likelihood of this assumption eventuating (i.e. of an extraordinary risk event not occurring) is medium/high because although the FRA has done a lot of work to identify all potential risks and agree a mitigation strategy for each (and where required make provision for it) there is the possibility that it may have missed something and/ or that an event may occur that will have consequences that will require additional funding to resolve.</p> |

| No. | Assumption | Likelihood of the assumption eventuating | Comments – Including the likely impact of each assumption |
|-----|---|--|--|
| 7 | <p>No Significant Asset Failures (Or Other Unexpected Costs)</p> <p>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).</p> | Medium/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"> - an 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; - of some sort of legal dispute; or - the FRA has a legal obligation of which it was previously unaware. <p>The likelihood of this assumption eventuating (i.e. there not being any significant asset failures or unexpected costs during the year) is medium/high because the FRA's knowledge about the network, and especially about the condition of the various assets has improved a lot during the last two years and is continuing to do so.</p> |
| 8 | <p>Tax Rates (including VAT) Won't Change</p> <p>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).</p> | High | <p>If VAT or other relevant taxes are increased the forecasted cost of the work will increase.</p> <p>The likelihood of this assumption eventuating is high because there has been no suggestion the Government is considering increasing VAT or the other relevant taxes – or introducing new taxes that might affect the FRA.</p> |

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

Table 7 – Significant Risks

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

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

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



Mat St, Suva

3 THE PROPOSED WORK PROGRAMME

Table 8 – 2014 Work Programme

| SUMMARY | | \$ 000 VIP | \$ 000 VEP | \$ 000 VAT |
|--|--|----------------|----------------|---------------|
| MANAGEMENT | | 21,283 | 19,083 | 2,200 |
| MAINTENANCE | | 73,973 | 64,324 | 9,649 |
| FLOOD DAMAGE | | 23,671 | 20,583 | 3,088 |
| RENEWALS AND REPLACEMENTS - Roads | | 88,463 | 76,924 | 11,539 |
| RENEWALS AND REPLACEMENTS - Bridges & Jetties | | 56,350 | 49,000 | 7,350 |
| NEW CAPITAL | | | | |
| Safety Improvements | | 1,999 | 1,738 | 261 |
| Access Improvements and Economic Stimulation | | 138,920 | 132,858 | 6,062 |
| Community Amenity Improvements | | 2,430 | 2,113 | 317 |
| Congestion and Capacity Improvements | | 30,539 | 26,556 | 3,983 |
| Tourism Amenity and Access Improvements | | 35,364 | 30,751 | 4,613 |
| Risk Reduction, Resilience and Asset Preservation | | 3,066 | 2,666 | 400 |
| TOTAL (VIP) | | 476,058 | 426,596 | 49,462 |
| FUNDED BY: | | | | |
| SEG 6 | | 19,283 | | |
| SEG 10 | | 352,184 | | |
| Loan (ADB) | | 4,619 | | |
| Loan (EXIM China) | | 92,444 | | |
| Sub-total – Government | | 468,530 | | |
| Municipal Councils' Contribution | | 7,528 | | |
| TOTAL | | 476,058 | | |

| Activity Area | | Budget \$000's (VIP) |
|--|-------------|----------------------|
| 1 | Management | \$ |
| FRA Head Office Operation | | 4,048 |
| Professional Services (Management Activities) | | 2,700 |
| Asset Management System and Data Maintenance and Improvement | | 1,000 |
| Laboratory | | 74 |
| Historical Claims | | 6,300 |
| Release of Retentions (Historic) | | 2,961 |
| Municipal Council Loans Repayment & Loan Interest | | 2,000 |
| Total Before VAT | | 19,083 |
| Value Added Tax (VAT) | | 2,200 |
| Sub-total (VIP) | | 21,283 |
| 2 | Maintenance | \$ |
| Sealed Roads | | 28,280 |
| Unsealed Roads | | 9,000 |
| Traffic Services | | 7,353 |
| Street Lights (Electricity) | | 3,300 |
| Street Lights | | 940 |
| Traffic Signals | | 453 |

| Activity Area | | Budget \$000's (VIP) |
|---------------|--|----------------------|
| 2 | Maintenance | \$ |
| | Vegetation, Litter and Environmental | 1,698 |
| | Bridges | 4,000 |
| | Jetties | 1,000 |
| | Drainage | 4,000 |
| | Other Government Agencies | 500 |
| | Professional Services | 3,300 |
| | Investigation and Independent Verification Testing | 500 |
| | Total Before VAT | 64,324 |
| | Value Added Tax (VAT) | 9,649 |
| | Sub-total (VIP) | 73,973 |
| 3 | Flood Damage | \$ |
| | Emergency Response Contingency | 8,696 |
| | ADB Flood Rehabilitation | |
| | Land Stabilisation Lomoloma Slip | |
| | • ADB Share | 1,552 |
| | • Local Share | 2,755 |
| | Rakiraki Bridge | |
| | • ADB Share | 1,555 |
| | • Local Share | 4,513 |
| | Fiji Water Authority Works | |
| | • ADB Share | 1,512 |
| | • Local Share | |
| | Total Before VAT | 20,583 |
| | Value Added Tax (VAT) | 3,088 |
| | Sub-total (VIP) | 23,671 |
| 4 | Renewals and Replacements - Road and Services | \$ |
| | Sealed Roads | 42,000 |
| | Unsealed Roads (Resheeting) | 11,000 |
| | Unsealed Roads (Rehabilitation) | 13,000 |
| | Traffic Services | 750 |
| | Street Lights | 600 |
| | Traffic Signals | 800 |
| | Drainage | 2,274 |
| | Services Reinstatement and Renewals | 2,000 |
| | Other Government Agencies | 1,000 |
| | Professional Services | 3,000 |
| | Investigation and Independent Verification Testing | 500 |
| | Total Before VAT | 76,924 |
| | Value Added Tax (VAT) | 11,539 |
| | Sub-total (VIP) | 88,463 |

Key: 6 = Ministry of Finance Codes - Seg 6, 10 = Seg 10, DP = Direct Payment, MC = Municipal Councils

| Activity Area | | Budget \$000's (VIP) |
|---------------|---|-------------------------|
| 5 | Renewals and Replacements - Bridges and Jetties | \$ |
| | Bridge Renewals | 29,000 |
| | Jetties Renewals | 20,000 |
| | Total Before VAT | 49,000 |
| | Value Added Tax (VAT) | 7,350 |
| | Sub-total (VIP) | 56,350 |
| 6 | New Capital | \$ |
| 6A | Safety Improvements (Decade of Road Safety) | |
| | Village Treatments | 313 |
| | Traffic Studies | 130 |
| | Safety Audits | 130 |
| | Black Spot Reduction | 474 |
| | Route Action Plans | 187 |
| | Mass Action Plans | 504 |
| | New Safety Improvements | |
| | Total Before VAT | 1,738 |
| | Value Added Tax (VAT) | 261 |
| | Sub-total (VIP) | 1,999 |
| 6B | Access Improvements and Economic Stimulation | |
| | New Rural Roads | 8,696 |
| | School and Health Access | 1,435 |
| | Jetty's | |
| | Balaga Bay Jetty | 4,087 |
| | Qarani Jetty (Gau) | 2,348 |
| | Savusavu Waiting Shed | 104 |
| | Taveuni Waiting Sheds | 104 |
| | Mid Point | 870 |
| | Sawani/Serea Road | |
| | • Loan | 14,230 |
| | • Local Share | 5,406 |
| | Rehabilitation of Kings Road (ADB) | |
| | • Loan | |
| | • Local Share | 589 |
| | Buca Bay I and II | |
| | • Loan | 17,508 |
| | • Local Share | 10,500 |
| | Sigatoka Valley Road | |
| | • Loan | |
| | • Local Share | 3,838 |
| | Moto Road | |
| | • Loan | |
| | • Local Share | 680 |
| | Nabouwalu - Dreketi | |
| | • Loan | 60,706 |
| | • Local Share | 1,757 |
| | Total Before VAT | 132,858 |
| | Value Added Tax (VAT) | 6,062 |
| | Sub-total (VIP) | 138,920 |

| Activity Area | | Budget \$000's (VIP) |
|---------------|--|-------------------------|
| 6C | Community Amenity Improvements | |
| | Seal Extensions in Villages | 1,435 |
| | Peri-Urban Footpaths | 339 |
| | Urban Footpaths (incl. Kerb and Channel) | - |
| | Street Light | 339 |
| | Total Before VAT | 2,113 |
| | Value Added Tax (VAT) | 317 |
| | Sub-total (VIP) | 2,430 |
| 6D | Congestion and Capacity Improvements | |
| | Greater Suva Urban Improvements | |
| | Intersection Improvements | 1,000 |
| | Traffic Lights Improvements | 722 |
| | Transportation Study Review | 609 |
| | Lami Town By Pass Investigations | 543 |
| | Kings Road - Samabula - Nakosi Improvements | 652 |
| | Kings Road - Street Lighting | 261 |
| | Khalsa Road Improvements | 500 |
| | Princess Road Improvements | 500 |
| | Davuilevu Road Improvements | 435 |
| | Ratu Dovi Road - Investigation and Design | 1,826 |
| | General Improvements | |
| | Queens and Kings Road Speed Limit Increase Program | 374 |
| | Queens and Kings Road Passing Opportunity Improvements | 539 |
| | Sigatoka to New Project Start | 91 |
| | Nausori Airport Extension | 1,635 |
| | Nadi - Lautoka | 478 |
| | Labasa By Pass | 548 |
| | Nasinu to Nausori Four Laning | 15,843 |
| | Total Before VAT | 26,556 |
| | Value Added Tax (VAT) | 3,983 |
| | Sub-total (VIP) | 30,539 |
| 6E | Tourism, Amenity and Access Improvements | |
| | Pre-feasability Study, Viti Levu Cross-Island Highway | 100 |
| | Nadi Four Laning | 30,130 |
| | Signs and Information | 122 |
| | Rest Areas | 357 |
| | Seal Extension Investigations and Implementation | 42 |
| | Total Before VAT | 30,751 |
| | Value Added Tax (VAT) | 4,613 |
| | Sub-total (VIP) | 35,364 |

| Activity Area | | Budget \$000's (VIP) |
|---------------|---|-------------------------|
| 6F | Risk Reduction, Resilience and Asset Preservation | |
| | Flood Damage Risk Reduction | 1,609 |
| | New Weigh in Motion Weight Stations | 757 |
| | Climate Change Adaptation and Policy Development and Implementation | 300 |
| Activity Area | | Budget \$000's (VIP) |
| | Total Before VAT | 2,666 |
| | Value Added Tax (VAT) | 400 |
| | Sub-total (VIP) | 3,066 |
| | Total - All New Capital Projects (VIP) | 212,318 |



Stinson Parade Bridge, Suva

4 ACCOUNTABILITY – PERFORMANCE MEASURES AND TARGETS

The FRA takes its accountability obligations very seriously. It is committed to:

- (a) 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)
- (b) to ensuring that prompt action is taken whenever the results are not as they should be.

In these initial years of operation performance results will be able to be reported against only some of the targets and for several of those too,

the target in the first 2-3 years may be a lower level of performance than will be required in future years.

After the baseline for each measure has been established the FRA will concentrate on the performance trends – at all levels. Results reported in isolation aren't of much value. What we need to know is if the various services we are providing are improving or deteriorating – and if they are deteriorating 'why' and what we are going to do about it?

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

Where a date for the achievement of any target isn't stated it is the end of the financial/calendar year.

Table 9 – LEVELS OF SERVICE
Accountability – Performance Targets

| Code | Service Area | Levels of Service | | | | |
|------|-------------------|--|---|------|------|------|
| | | Performance Measure | Performance Target | | | |
| | | | 2014 | 2015 | 2016 | 2024 |
| 1.3 | Health and Safety | Less fatal and serious injury accidents – total. | Continuously reducing five year rolling average (in total initially and when more accurate information available per vehicle kilometre travelled as well) – establish the baseline in 2014. 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. | | | |
| 1.4 | | A reduction in the social cost of all recorded injury crashes. | Continuously reducing five year rolling average – establish the baseline in 2014. | | | |
| 1.1 | | The number of lost time injuries. | No lost time due to injury by any person engaged on roading activities. | | | |
| 1.2 | | The number of health and safety incidents. | No health and safety incidents on the roads or within the FRA office. | | | |
| 1.5 | | Less fatal and serious injury accidents – road a contributing cause. | Continuously reducing five year rolling average – establish the baseline in 2014. | | | |
| 1.6 | | A reduction in the number of black spots (crash clusters/crash locations). | Annually reducing – establish the baseline in 2014 and then adopt a more targeted programme. | | | |
| 1.7 | | 100% safety improvements planned for the year completed | Yes | | | |
| 1.14 | | >---% of the network above the skid resistance threshold level. | Later – when more accurate data available. | | | |
| 1.15 | | >---% of the network meets texture depth standards. | Later – when more accurate data available. | | | |
| 1.17 | | The percentage of non-performing lights at any time. | <5% | | | |
| 1.8 | | Bridge side protection standards met. | A programme for review of all technical road standards to be agreed by 30 July 2014. | | | |
| 1.9 | | Clear zones and roadside protection standards met. | | | | |
| 1.10 | | Median barrier standards met. | | | | |
| 1.11 | | Bridge width standards met. | | | | |
| 1.12 | | Overhead bridge standards met. | | | | |
| 1.13 | | Rail crossing standards met. | | | | |
| 1.16 | | Lighting standards met. | | | | |
| 1.18 | | Traffic incidents efficiently managed. | 100% compliance with Emergency Operations Plan (TBD) | | | |
| 1.19 | | Signage standards met. | A programme for review of all technical standards to be agreed by 30 July 2014. | | | |

KEY

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

| Code | Service Area | Levels of Service | | | | |
|------|---|---|--------------------|-------|-------|-------|
| | | Performance Measure | Performance Target | | | |
| | | | 2014 | 2015 | 2016 | 2024 |
| 2.1 | Risk Management | No unforeseen risk events (Excludes Natural Hazard events). | None | | | |
| 2.2 | | An organisation-wide, consistent process for identifying and managing potential risks and the process is operating satisfactorily – all risks have an 'up-to-date' mitigation plan that has been/is being implemented. | Yes | | | |
| 2.3 | | A quality business continuity / operations recovery plan. | Yes | | | |
| 2.4 | | A clear climate change management strategy and the climate change risks and vulnerabilities and the FRA's strategy for managing them have been documented and implemented and are being fully adhered to. | Yes | | | |
| 3.1 | Asset Provision, Development, Maintenance and Renewal (Asset Stewardship) | An annual reduction in the value of deferred maintenance/ deferred renewals. | Yes | | | |
| 3.2A | | The percentage of planned new capital and renewal projects completed. | 100% | | | |
| 3.2B | | An annual reduction in the number of pothole complaints. | Yes | | | |
| 3.3 | | The percentage of planned maintenance work completed. | 100% | | | |
| 3.3A | | Proven satisfactory progress in building local skills' capacity o FRA o MWH o Maintenance Contractors o Capital Works Contractors. Note: Total number of bridges '936 plus' Total inspected and ranked as at June 2013 – 836. | Yes | | | |
| 3.3B | | An annual reduction (over the previous year) in the cost of pothole repairs. | \$3M | \$1M | \$1M | - |
| 3.3C | | Work done to reduce the risk of flood/slip/costal failures | 20km | 20km | 20km | - |
| 3.4 | | Not less than __ _ kms of sealed roads resealed annually. | 100km | 100km | 100km | 100km |
| 3.5 | | Not less than __ _km of sealed roads rehabilitated annually. | 50km | 50km | 50km | 50km |

KEY

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

| Code | Service Area | Levels of Service | | | | |
|------|--------------|--|---|------------------|------|------------|
| | | Performance Measure | Performance Target | | | |
| | | | 2014 | 2015 | 2016 | 2024 |
| 3.5A | | Not less than __kms of unsealed roads reconstructed annually: o Northern Division o Central, Eastern & Western (Total) | >70km >30km | >70km >30km | | TBD TBD |
| 3.5B | | Not less than __kms of roads in village/settlement areas rehabilitated annually. o No of Villages & Settlement Areas o Length (kms) | 100 TBD | 100 TBD | | - |
| 3.6 | | Bridges' condition improved as evidenced by the categorisation changes: o High Priority Bridges (No) o Medium Priority Bridges (No) o Low Priority Bridges (No) | 80 300 456 | 50 200 586 | | 0 836 |
| 3.6A | | New rest areas provided on Kings & Queens Road | 2 | 2 | | 2 |
| 3.6B | | At least 75% of sugar cane harvest transported by rail by 2020. | TBD | TBD | | <75% |
| 3.7 | | Less substandard jetties. | Yes – a more precise target to be developed when the jetties' condition and remaining life better understood. | | | |
| 3.8 | | No significant adverse impacts caused by subdivision and development. | None | | | |
| 3.9 | | All roads classified with an established standard for each classification that is being adhered to. | A programme for the adoption of a new roads classification system agreed by 30 July 2014. | | | |
| 3.10 | | Road alignment and camber standards met. | A programme for review of the technical road standards to be agreed by 30 July. 2014. | | | |
| 3.11 | | Overtaking opportunities standards met. | | | | |
| 3.12 | | Traffic management (signals, etc.) standards met. No repeat traffic signals lanterns' malfunctioning. | | | | |
| 3.13 | | Traffic controls (speed limits, etc.) standards met. | | | | |
| 3.14 | | Pavement width standards met. | | | | |
| 3.15 | | Signage standards met. | | | | |
| 3.16 | | Delineation standards met. | | | | |
| 3.17 | | Drainage standards met. | | | | |
| 3.18 | | Rest areas standards met. | | | | |
| 3.19 | | Car Parking standards met. | | | | |
| 3.20 | | Footpaths, Walking and Cycling standards met. | | | | |

KEY

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

| Code | Service Area | Levels of Service | | | | |
|------|--|--|--|------|------|------|
| | | Performance Measure | Performance Target | | | |
| | | | 2014 | 2015 | 2016 | 2024 |
| 4.2 | Conservation, Environmental Protection and Enhancement (Environmental Stewardship) | All conditions of all Environmental Assessments and of all discharge permits were met throughout the year. | 100% | | | |
| 4.1 | | The FRA has approved environmental assessments and drainage permits for all situations where these are required. | Yes | | | |
| 4.3 | | Litter removal standards met. | A programme for review of all technical road standards to be agreed by 30 July 2014. | | | |
| 4.4 | | Graffiti removal standards met. | | | | |
| 4.5 | | All potential significant negative effects have been identified and a plan or policy for management of each has been prepared and implemented. | Yes | | | |
| 4.6 | | A proactively managed demand management policy. | Yes | | | |
| 4.7 | | No cultural or heritage issues that haven't been, or aren't being, addressed. | None. | | | |
| 5.3 | Service Quality | Reduced congestion by route. | TBD | | | |
| 5.12 | (Including Aesthetics, Reliability, Responsiveness & Capacity) | Not less than __% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'. | 40% | 50% | 60% | 80% |
| | | | | | | |

KEY

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

| Code | Service Area | Levels of Service | | | | | |
|------|---|---|---|------|------|------|--|
| | | Performance Measure | Performance Target | | | | |
| | | | 2014 | 2015 | 2016 | 2024 | |
| 5.1 | | < ____ % of the network has rutting >20mm. | Later – when more accurate data available. | | | | |
| 5.2 | | > ____ % of the network meets the roughness standards. | Later – when more accurate data available. | | | | |
| 5.5 | | The percentage of service calls resolved within the prescribed times. | 100% | | | | |
| 5.7 | | The total number of complaints and requests for service received monthly didn't exceed: | 200 | TBD | TBD | TBD | |
| 5.9 | | The percentage of subdivision & development applications processed in 20 working days. | 100% | | | | |
| 5.4 | | Service calls are accepted 24/7. | Yes | | | | |
| 5.6 | | Telephone calls promptly answered | 90% answered by the Operator within 30 seconds. | | | | |
| 5.8 | | No justified repeat requests for information from the Minister's office or other departments. | None | | | | |
| 5.10 | | The percentage of complaint letters responded to within 10 working days. | 100% | | | | |
| 5.11 | | A friendly customer service website. | Yes | | | | |
| 5.13 | | A quality asset management plan that is continuously up-to-date. | Yes | | | | |
| 6.4 | | Compliance (Including Training, Record Keeping, Data Management & Reporting) | Compliance with all legislative, regulatory and other requirements. | 100% | | | |
| 6.6 | | | No significant abnormal damage caused to roads by overweight vehicles. | None | | | |
| 6.1 | Accurate and complete land records. | | Yes | | | | |
| 6.2 | Accurate and complete asset location, condition, capacity, material type, performance, age and remaining life records. | | The target dates in the FRA's programme for implementation of an improved asset management system have been achieved. [See Attachment 'J' in the 'Green Book' – the FRA's 'Operations Manual']. | | | | |
| 6.3 | Critical Assets identified & managed – an 'up-to-date' management plan for each critical asset (or group of assets) that has been/is being implemented. | | Yes – No issues raised at Annual Review | | | | |
| 6.5 | No enforcement issues. | | None | | | | |
| 6.7 | Up-to-date key management information and no issues during the year regarding their implementation. | | Yes | | | | |

KEY

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

| Code | Service Area | Levels of Service | | | | |
|------|---|--|---|------|------|------|
| | | Performance Measure | Performance Target | | | |
| | | | 2014 | 2015 | 2016 | 2024 |
| 7.6 | Financial (Economic Value for Money) | Total operating costs were within the approved total budget. | Yes | | | |
| 7.7 | | New capital and renewal projects were completed within the approved total budget. | Yes | | | |
| 7.8 | | The depreciated replacement (current) value of the network is a progressively greater proportion of their replacement value. | Later – when a more accurate understanding of the assets and their condition (and consequently value) is known. | | | |
| 7.10 | | An unqualified annual audit opinion. | Yes | | | |
| 7.12 | | No matters raised by Audit as not having been attended to from the previous year. | None | | | |
| 7.1 | | All expenditure was 100% consistent with the Asset Management Plan. | Yes – 100% | | | |
| 7.2 | | An accurate, current, fair valuation of the assets. | Later – when asset condition and remaining life better understood. | | | |
| 7.3 | | An accurate understanding of the annual cost of loss of service potential. | Later – derived from asset values. | | | |
| 7.4 | | Today’s users are paying their fair share. | Loss of Service Potential Fully Funded and Proceeds Used Only For Renewals. | | | |
| 7.5 | | Efficiency – More vehicle kilometres travelled per network kilometre. | Later – when network use better understood. | | | |

KEY

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

2014 SPECIFIC PERFORMANCE TARGETS

1. Governance

- 1.1 Submit the Half-Yearly Report to the Minister not later than 30 July 2014.
- 1.2 Prepare the 2014 Annual Report by 31 March 2015.
- 1.3 Adopt the Corporate Plan and Statement of Corporate Intent for 2015 before 31 December 2014.
- 1.4 Clarify the FRA's Legislative and Regulatory Responsibilities. (Amendments required to the Local Government Act and several other Acts as a result of enactment of the Fiji Roads Authority Decree)
- 1.5 Finalise a Memorandum of Agreement with the Maritime Safety Authority Fiji (MSAF) about the two parties' respective responsibilities re the management of jetties.
- 1.6 Review how well the arrangement with the Ministry of Provincial Development for the development and management of roads on the outer islands is working and update the Memorandum of Understanding.
- 1.7 Adopt a strategy and the future maintenance and management approach for the jetties that the FRA is responsible for (including a detailed maintenance and renewals programme).
- 1.8 Ensure the Municipal Councils' MOAs are operating satisfactorily.
- 1.9 Ensure provable progress is made re the FRA's key objective to upskill the local workforce at all levels – FRA Management, MWH (the FRA's Professional Engineering Services Advisers) and the Maintenance Contractors.
- 1.10 Complete a plan for divestment of the FRA's laboratories business by 31 March 2014 – and subsequently achieve the required actions by the target dates stated in the plan.

2. Technical

- 2.1 Significantly improve data quality across the Board (including robust roads' and bridges' inventories).
- 2.2 Adopt a new Roads' Classification System.
- 2.3 Establish a programme for review of the technical standards and ensure the work agreed for 2014 is completed.
- 2.4 Adopt a new Subdivision and Development Policy.
- 2.5 Identify on a map the exact rural roads that the FRA has taken responsibility for (and their status).
- 2.6 Identify the sufficiency of the current controls regarding overweight, over-width and over-length vehicles.

3. Financial

- 3.1 Identify potential alternative sources of funding for discussion with Government and other affected stakeholders.
- 3.2 Achieve the revenue results forecasted in the Laboratories Business Plan.

4. General Management

- 4.1 Update the Asset Management Plan to meet the timeframes for the 2015 budget submissions.
- 4.2 Complete the annual review of the 'Operations', 'Staff' and 'Risk Management' manuals.
- 4.3 Refine the performance measures and targets at all levels and ensure the necessary monitoring and reporting processes have been implemented and continue to be managed effectively – with prompt action being taken when the results aren't as intended.



FRA staff with Nazhat Shameem



Waimanu Road, Suva

5 FINANCIAL SUMMARY

5.1 COST OF SERVICE STATEMENT

Table 10 – Statement of Cost of Service

| 2013 Budget | Item | 2014 Budget | | Forecast 2015 | Forecast 2016 |
|----------------|--|-------------|---------|------------------|------------------|
| | | \$000 | \$000 | \$000 | \$000 |
| | Operating Expenditure | | | | |
| 7,649 | Management | | 7,822 | 7,000 | 7,000 |
| | Abnormal Costs (Historical Claims & Contract Retentions) | | 9,261 | | |
| 19,748 | Road, Bridges & Jetties Maintenance | 64,324 | | | |
| 25,432 | Flood Damage | 20,583 | 84,907 | 70,000 | 60,000 |
| | Loan Interest | | 1,000 | 1,000 | 1,000 |
| 43,080 | Depreciation | | 42,400 | 43,000 | 44,000 |
| 95,909 | Total Operating Costs (VEP) | | 145,390 | 121,000 | 112,000 |
| | Capital Expenditure | | | | |
| | Renewals & Replacements | | | | |
| | ▢ Roads | 76,924 | | | |
| | ▢ Bridges | 29,000 | | | |
| 103,200 | ▢ Jetties | 20,000 | 125,924 | 125,924 | 125,924 |
| | New Capital Development | | | | |
| | ▢ Safety Improvements | 1,738 | | | |
| | ▢ Access Improvements & Economic Stimulation | 132,858 | | | |
| | ▢ Community Amenity Improvements | 2,113 | | | |
| | ▢ Congestion & Capacity Improvements | 26,556 | | | |
| | ▢ Tourism, Amenity & Access Improvements | 30,751 | | | |
| 245,542 | ▢ Risk Reduction, Resilience & Asset Preservation | 2,666 | 196,682 | 70,431 | 25,040 |
| | Loan Repayments – Roads | | 1,000 | 1,000 | 1,000 |
| 348,742 | Total Capital Expenditure (VEP) | | 323,606 | 197,355 | 151,964 |
| 26,871 | VAT | | 49,462 | 42,945 | 36,451 |
| 471,522 | Total Funding Requirement | | 518,458 | 361,300 | 300,415 |
| | Funded by: | | | | |
| 43,080 | Unfunded Depreciation | 42,400 | | 43,000 | 44,000 |
| 201,442 | Government Grant | 371,467 | | 280,300 | 237,007 |
| 221,000 | Loans | 97,063 | | 30,000 | 11,408 |
| 6,000 | Contribution-Municipal Councils | 7,528 | | 8,000 | 8,000 |
| 471,522 | Total Funding | | 518,458 | 361,300 | 300,415 |

Notes:

- The forecasts in this table for 2015 and 2016 do not represent the funding that is required if the roads and bridges are to be satisfactorily maintained, restored, and developed. The figures shown here are as projected in the Government's "Fiji Budget Estimates 2014".
- The amount that is really required, and the likely consequences if funding at that level is not provided, are identified in the ten year asset management plan.

5.2 CASHFLOWS FORECAST

The FRA receives its funding from three principal source - Government Grants, EXIM Bank and ADB Loans, and an annual contribution from the municipal councils.

The Government Grants and the Municipal Councils' contributions quarterly. The EXIM Bank and ADB loans are drawn down as the expenditure is incurred.

Because some aspects of roads' maintenance and construction are so 'weather dependent' it is very difficult to provide an accurate forecast of the FRA's future cash

flow requirements. For instance a severe storm may require a sudden cash injection while prolonged wet weather may delay the resealing programme for months. Also the 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.

The FRA's best estimate of its cash flow requirements is shown in the following table.

Table 11 – Cash-flow Forecast

| Work | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|---|---------------|----------------|---------------|---------------|----------------|
| Government Funded Work | | | | | |
| Management | 5,565 | 5,664 | 4,793 | 3,061 | 19,083 |
| Maintenance | 16,609 | 18,569 | 14,859 | 14,287 | 64,324 |
| Flood Damage | 3,000 | 3,000 | 2,000 | 696 | 8,696 |
| Renewals and Replacements: | | | | | |
| • Roads & Services | 16,475 | 32,725 | 14,725 | 12,999 | 76,924 |
| • Bridges & Jetties | 11,750 | 18,500 | 14,000 | 4,750 | 49,000 |
| New Capital | | | | | |
| Safety Improvements | 573 | 778 | 275 | 112 | 1,738 |
| Access Improvements & Economic Stimulation | 4,430 | 7,898 | 3,648 | 1,668 | 17,644 |
| Community Amenity Improvements | 950 | 1,163 | | | 2,113 |
| Congestion & Capacity Improvements | | | | | |
| Greater Suva Urban Improvements | 1,672 | 3,522 | 1,594 | 260 | 7,048 |
| General Improvements | 5,955 | 8,010 | 4,993 | 550 | 19,508 |
| Tourism Amenity and Access Improvements | 9,087 | 11,380 | 10,154 | 130 | 30,751 |
| Risk Reduction, Resilience and Asset Preservation | 246 | 1,110 | 1,190 | 120 | 2,666 |
| Local Share – Loan Funded Works | | | | | |
| Asian Development Bank | 2,700 | 3,400 | 1,618 | 139 | 7,857 |
| EXIM Bank of China | 6,150 | 8,268 | 5,450 | 2,313 | 22,181 |
| Subtotal (VEP) | 85,162 | 123,987 | 79,299 | 41,085 | 329,533 |
| Plus (VAT) | 13,346 | 18,914 | 11,138 | 6,065 | 49,462 |
| Subtotal (VIP) | 98,508 | 142,901 | 90,437 | 46,950 | 378,795 |
| Less Municipal Council Share | 1,882 | 1,882 | 1,882 | 1,882 | 7,528 |
| Total – Government Funded Work | 96,626 | 141,019 | 88,555 | 45,268 | 371,467 |
| Loan Funded Work | | | | | |
| ADB Flood Damage | 2,550 | 2,069 | - | - | 4,619 |
| EXIM Bank of China | 20,500 | 32,250 | 25,758 | 13,936 | 92,444 |
| ADB (FRUP III) | - | - | - | - | - |
| Total – Loan Funded Work | 23,050 | 34,319 | 25,758 | 13,936 | 97,063 |

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



Princess Rd, Suva

6 ACCOUNTING POLICIES AND FINANCIAL INFORMATION

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

6.1 REPORTING ENTITY

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

The Decree requires it 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 three principal sources:

- Government Grants;
- Loans; and
- An annual contribution from the Municipal Councils

The former DNR laboratories are being prepared for sale or lease and are managed as a self supporting (ultimately profitable) business unit with revenue generated by the provision of testing services for soils, bitumen, concrete, and aggregate and from carrying out site investigations.

6.3 VAT

VAT is payable on all FRA expenditure except that funded by the EXIM Bank of China. 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

The following table summarises the assets as valued by MWH New Zealand Ltd in July 2012. Because of the lack of reliable data this valuation has had to be based on a lot of assumptions. The database is to be developed and significantly improved over the next few years and the assets will be valued again in July 2015.

Table 12 – Asset Values

| ASSET CATEGORIES | Replacement Cost | Depreciated Replacement Cost | Accumulated Depreciation | Annual Depreciation |
|-----------------------------|-------------------------|------------------------------|--------------------------|----------------------|
| Land & Buildings | \$ 4,646,039 | \$ 2,064,211 | \$ 2,581,828 | \$ 210,807 |
| Formation | \$ 2,951,557,753 | \$ 2,951,557,753 | \$ - | \$ - |
| Carriageways | | | | |
| Sealed Road Surfacing | \$ 229,683,032 | \$ 123,032,447 | \$ 106,650,585 | \$ 12,091,880 |
| Sealed First Coat | \$ 178,340,151 | \$ 85,979,607 | \$ 92,360,544 | \$ 3,190,469 |
| Sealed Base | \$ 170,730,715 | \$ 82,328,021 | \$ 88,402,694 | \$ 3,037,336 |
| Sealed Sub Base | \$ 6,389,361 | \$ 294,816,365 | \$ 71,572,996 | \$ 1,988,139 |
| Unsealed Top Course | \$ 53,918,342 | \$ 16,175,503 | \$ 37,742,839 | \$ 10,783,668 |
| Unsealed Base | \$ 232,384,900 | \$ 232,384,900 | \$ - | \$ - |
| Sub Total | \$ 1,231,446,501 | \$ 834,716,843 | \$ 396,729,658 | \$ 31,091,492 |
| Drainage | | | | |
| Culverts | \$ 144,534,336 | \$ 70,460,489 | \$ 74,073,847 | \$ 1,806,679 |
| Gullypits | \$ 13,577,793 | \$ 6,619,175 | \$ 6,958,618 | \$ 169,722 |
| Surface Water Channels | \$ 132,196,622 | \$ 64,445,853 | \$ 67,750,769 | \$ 1,652,458 |
| Sub Total | \$ 290,308,751 | \$ 141,525,517 | \$ 148,783,234 | \$ 3,628,859 |
| Footpaths | \$ 45,327,568 | \$ 27,030,267 | \$ 18,297,301 | \$ 1,117,498 |
| Traffic Control | | | | |
| Signs (inc Posts) | \$ 8,140,131 | \$ 3,493,951 | \$ 4,646,180 | \$ 576,115 |
| Markings | \$ 572,265 | \$ 572,265 | \$ - | \$ - |
| Traffic Signals | \$ 3,026,884 | \$ 1,353,895 | \$ 1,672,989 | \$ 159,547 |
| Sub Total | \$ 11,739,280 | \$ 5,420,111 | \$ 6,319,169 | \$ 735,662 |

| | | | | |
|---------------------------------|-------------------------|-------------------------|-----------------------|----------------------|
| Bridges | | | | |
| Large Bridges | \$ 246,779,844 | \$ 155,751,191 | \$ 91,028,653 | \$ 2,199,837 |
| Small Bridges | \$ 121,608,188 | \$ 63,870,950 | \$ 57,737,238 | \$ 1,163,373 |
| Large Culverts | \$ 85,400,662 | \$ 41,520,570 | \$ 43,880,092 | \$ 711,672 |
| Sub Total | \$ 453,788,694 | \$ 261,142,711 | \$ 192,645,983 | \$ 4,074,882 |
| Minor Structures | | | | |
| Guard Rails | \$ 22,179,142 | \$ 10,202,405 | \$ 11,976,737 | \$ 887,166 |
| Jetties | \$ 25,452,868 | \$ 14,437,777 | \$ 11,015,091 | \$ 341,871 |
| Sub Total | \$ 47,632,010 | \$ 24,640,182 | \$ 22,991,828 | \$ 1,229,037 |
| Street Lighting | \$ 1,197,648 | \$ 565,054 | \$ 632,594 | \$ 33,770 |
| Motor Vehicles | \$ 1,233,958 | \$ 1,068,796 | \$ 165,162 | \$ 165,162 |
| Furniture & Fittings | \$ 25,740 | \$ 20,988 | \$ 4,752 | \$ 4,752 |
| Laboratories | \$ 6,492,192 | \$ 3,137,893 | \$ 3,354,299 | \$ 108,203 |
| Work in Progress | \$ 137,673,89 | \$ 137,673,896 | \$ - | \$ - |
| | | | | |
| Total | \$ 5,373,070,030 | \$ 4,580,564,221 | \$ 792,505,808 | \$ 42,400,124 |

6.5 DEPRECIATION

The forecasted depreciation provision for 2014 is \$42.4m being:

Table 13 – Depreciation Provision 2014

| | \$000 | \$000 |
|--------------------------------------|--------|------------------|
| Roads | | |
| Carriageways | 31,091 | |
| Drainage | 3,629 | |
| Footpaths | 1,117 | |
| Traffic Control | 736 | |
| Guard Rails | 887 | |
| Lighting | 34 | |
| Sub Total | | 37,494 |
| Bridges | | 4,075 |
| Sub Total Roads & Bridges | | 41,569 |
| | | |
| Jetties | | 342 |
| Laboratories | | 108 |
| Buildings | | 211 |
| Other Assets (Est only) | | 170 |
| | | |
| TOTAL | | \$ 42,400 |

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 as follows:

Table 14 – Assets’ Useful Lives

| Asset Category | Total Useful Life (Years) |
|--|---------------------------|
| Computer Equipment | 4 |
| Office Equipment | 10 |
| Furniture & Fittings | 5-10 |
| Vehicles | 5-8 |
| Land | N/A |
| Formation | N/A |
| Carriageways | |
| First Coat seal and Sealed Basecourse | |
| Rural | 50 |
| Urban | 70 |
| Sealed Surfaces (reseals) | |
| Asphaltic Concrete | 17 |
| Chip Seal | 15 |
| Concrete | 25 |
| Sealed Sub base | |
| Rural | N/A |
| Urban | 70 |
| Unsealed Pavement Layers | |
| Wearing Course | 5 |
| Sub base | N/A |
| Drainage | |
| Gullypits, culverts and surface water channels | 80 |
| Footpaths | |
| Sealed | 30 |
| Unsealed | 40 |

| Asset Category | Total Useful Life (Years) |
|---|---------------------------|
| Traffic Control | |
| Signs | 12 |
| Posts and Markers | 20 |
| Markings | 1 |
| Signals | |
| Pole | 22 |
| Controller | 23 |
| Board and lantern | 12 |
| Pedestrian Call Box | 15 |
| Street Lighting | |
| Pole and bracket | 40 |
| Light | 20 |
| Minor Structures | |
| Railings | 25 |
| Jetties | |
| Concrete Jetty | 50 |
| Rock seawall | 80 |
| Causeway | |
| Formation | N/A |
| Sub base | N/A |
| Base course | 50 |
| Wearing course | 5 |
| Chip seal | 15 |
| Bridges | |
| Concrete | 120 |
| Steel /concrete | 110 |
| Timber | 60 |
| Timber/concrete | 100 |
| Timber Steel | 80 |
| Bridge culverts | 120 |
| Other (quarries, plant, buildings) | |
| Buildings | 60 |
| Plant | 30 |

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

Section 32 (2) (e) of the Fiji Roads Authority Decree in its Statement of Corporate Intent (SCI) an 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, and jetties that it has to maintain – and apart from small pieces of ‘stopped road that may become surplus to its requirements from time to time these can be expected to remain in its ownership in perpetuity. It leases its office premises and because all work is contracted out, apart from vehicles that it provides for its staff it doesn’t have the need for any works depots, quarries, workshops, or plant and machinery. (It has already disposed of the plant and vehicles that were transferred to it from the Ministry of Works Plant Pool and the quarries).

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 were used by other parties as well.

The FRA has already completed a ‘depots’ rationalisation exercise.

6.6.3. LABORATORIES

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

There is a need for urgent significant improvement in this area of the FRA’s responsibilities. While there are some private laboratories they don’t have the capabilities in the short term to be able to provide all the services that FRA requires – and the FRA owned and operated laboratories have many ‘issues’.

The FRA will therefore retain the former DNR laboratories in the meantime and it has already put in place a comprehensive plan for their improvement with a view to selling the business as a single going concern or contracting the management of them out. This is being progressed in 2014.

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 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.

6.6.5. FORMER ASSET DISPOSAL POLICY REPLACED

The foregoing replaces the FRA’s previous Asset Disposal Policy in Section 16 of the Green Book – the FRA’s “Operations Manual”.



Domain Road, Nasese, Suva

7 GLOSSARY

The words and terms listed here, all of which have been used in this Corporate Plan, have the meanings shown.

ACRONYMS

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

DEFINITIONS

| | |
|---------------------------------|---|
| Accountability | <p>Being obliged to answer for one's actions, to justify what one does.</p> <p>Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.</p> |
| Annual Budget | 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. |
| Asset Disposal Policy | <p>An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Road Authority Decree 2012 (No 2) viz:</p> <p><i>'.....the statement of corporate intent shall include.....an outline of FRA's policies and procedures relating to thedisposal of major assets'.</i></p> <p>See Section 6.8</p> |
| Asian Development Bank | <p>'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.</p> <p>From time to time the bank approves grants or loans to the FRA for road purposes. Currently the FRA is receiving from the ADB loan assistance for both flood damage repairs and new capital development.</p> |
| Authority | The Fiji Roads Authority |
| Board | <p>The Fiji Roads Authority's Governing Board.</p> <p>During the transition period (2012) the members of the Board are the Permanent Secretaries of the Prime Minister's Office (as Chair) and of the Public Service Commission, Public Enterprises, Finance and Local Government.</p> <p>A new Board comprising a Chairman and four members will be appointed by the Prime Minister and will assume office in early 2014.</p> |
| Bridge | A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than 3.4m ² . |
| Capital Works | Includes both Renewal Capital Works and New Capital Works. |
| Corporate Plan | <p>A plan required to be published by the FRA annually pursuant to Section 31 of The Decree.</p> <p>The Corporate Plan has to include the information listed in section 31 (3).</p> |
| Decade of Action on Road Safety | <p>A global programme of the United Nations on road safety initiatives.</p> <p>Fiji joined the programme in 2011 and agreed a comprehensive set of targets to be achieved by 2020. Those that the FRA is responsible for include the following:</p> <ul style="list-style-type: none"> (i) 30 black spots improved; (ii) 40kms of route action plans in place (e.g. overtaking lanes); (iii) 30 village treatments completed; (iv) 60 mass action plans; (v) 600km major roads marked and delineated; (and) (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes. <p>In addition, all new projects are to have road safety audits from 2012.</p> |

DEFINITIONS

| | |
|---|---|
| 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 | 'Export-Import' (EXIM) financial institutions owned by the Malaysian Government and the Chinese Government. The Fijian Government receives loan funding assistance for certain major capital road projects from these two banks. |
| 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) <i>'To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations; (and)</i> (ii) <i>To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.</i> |
| Health and Safety Incident | 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. |

DEFINITIONS

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| Maintenance | <p>The actions required to enable an asset to achieve its expected life.</p> <p>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.</p> <p>Includes all of the actions necessary for retaining an asset as near as practicable to its original condition, but excludes Renewals.</p> <p>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.</p> |
| Mission | <p>The reason why the organisation exists.</p> <p>The FRA's mission is <i>'to provide a better land transport network for Fiji'</i>.</p> |
| Municipal Councils | <p>The town and city councils.</p> <p>There are thirteen municipal councils:</p> <ul style="list-style-type: none"> (i) Ba Town Council (ii) Labasa Town Council (iii) Lami Town Council (iv) Lautoka City Council (v) Levuka Town Council (vi) Nadi Town Council (vii) Nasinu Town Council (viii) Nausori Town Council (ix) Rakiraki Town Council (x) Savusavu Town Council (xi) Sigatoka Town Council (xii) Suva City Council (xiii) Tavua Town Council |
| New Capital | <p>Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential.</p> <p>Examples: A new bridge. The work done to realign, widen and seal an existing unsealed road.</p> |
| Objective | <p>(Not to be confused with Goal).</p> <p>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.</p> <p>Every objective should be:</p> <ul style="list-style-type: none"> (i) linked to a goal; (ii) realistic; (iii) action orientated; (iv) concise; (v) attainable; |

DEFINITIONS

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| | <p>(vi) measurable;</p> <p>(vii) time constrained; and</p> <p>(viii) within the control of the FRA.</p> <p>Example: (Hypothetical) Complete construction of the new Harris bridge for not more than \$1.63m before 31 March 2013.</p> |
| Outcomes | <p>(Not to be confused with Outputs)</p> <p>The actual impact and value of the service delivery</p> <p>Example: Less deaths because of the safety improvement work that has been done on the roads.</p> |
| Outputs | <p>(Not to be confused with Outcomes)</p> <p>The goods and services produced and provided to third parties (i.e. 'service accomplishments').</p> <p>Examples: The length of the roads resealed or the number of potholes repaired. The number of safety improvements carried out.</p> |
| Performance Measure | <p>A qualitative or quantitative measure relating to the intended level of service for a particular service area.</p> <p>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.</p> <p>There are three broad elements of performance measures:</p> <ul style="list-style-type: none"> (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). <p>Example: The number of injury and fatal accidents that occur on the roads annually.</p> |
| Performance Target | <p>The desired level of performance against a performance measure.</p> <p>A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve.</p> <p>Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.</p> |
| Renewals | <p>(Not to be confused with New Capital).</p> <p>The replacement or rehabilitation of an asset.</p> <p>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.</p> <p>Example: Resealing or rehabilitating a road – or replacing an existing bridge.</p> <p>It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure.</p> |

DEFINITIONS

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| | <p>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.</p> |
| Road (or Roads) | <p>The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>Source: Fiji Road Authority [Amendment Decree 2012 (No 46) Sec 4</p> <p>Note the inclusion of jetties within this definition.</p> |
| Road Network | <p>The network of roads, streets, bridges and footpaths that the FRA has the responsibility to maintain, renew and further develop.</p> <p>Until the DNR's data can be verified there is some uncertainty about the exact road lengths but the situation is approximately:</p> <ul style="list-style-type: none"> (i) Roads (Km) <ul style="list-style-type: none"> • National 4,254 • Municipal Areas 337 • Cane & Provincial 6,524 (ii) Bridges (No) 936 |
| Roadworks Emergency | <p>A situation declared to be the case following a major storm or other adverse event. (Not to be confused with Civil Defense Emergency)</p> <p>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).</p> |
| Service Area | <p>Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management.</p> <p>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.</p> |

DEFINITIONS

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| | <p>The headings are:</p> <ul style="list-style-type: none"> (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. <p>For a fuller explanation of the FRA's levels of service under these headings see Section 4.</p> |
| Statement of Corporate Intent (SCI) | <p>A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to section 32 of The Decree.</p> <p>The Statement of Corporate Intent has to include the information listed in section 3.3.</p> <p>This document is the FRA's combined Corporate Plan and statement of Corporate Intent.</p> |
| Vested Assets | <p>Assets that are transferred to the FRA's ownership at no cost as a condition of subdivision (or development) approval.</p> <p>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).</p> |



Babavoce Hill, Kings Road, Tailevu

8 KEY FRA PARTNERS

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|---|--|
| Auditor | The Fiji Controller & Auditor General. |
| Legal Advisor | A panel of Lawyers: |
| | <ul style="list-style-type: none"> • R Patel Lawyers – Suva |
| | <ul style="list-style-type: none"> • M C Lawyers – Suva |
| | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • The Bus Owners and Operators |

Appendix A

– Fiji Roads Authority Founding Legislation

- A1 – Fiji Road Authority Decree 2012
(Decree No. 2 of 2012)
- A2 – Fiji Road Authority (Amendment) Decree 2012
(Decree No 46 of 2012)



EXTRAORDINARY



REPUBLIC OF FIJI ISLANDS GOVERNMENT GAZETTE

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[3]

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 otherwise requires—

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

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

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

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

“Department” means the Department of National Roads;

“Minister” means the Prime Minister;

“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



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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

BEFORE & AFTER

Kadavu - Drainage – Cleaning existing water channels along this 7km road.

Before



After



Bucabay Bridge

Before



After



Vunivau Temple Road

Before



After



BEFORE & AFTER

Pundit Mahabu Rehab



BEFORE & AFTER

Godfrey Rehab



BEFORE & AFTER

Slip repairs, Namosi Rd, Taunovo/Naqali (highlands) Area

Before



After



Culvert Headwall Construction, Wainivesi Rd, Korovou Area

Before



After



Grading, Nasali Road, Rewa Area

Before



After



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Fiji Roads Authority