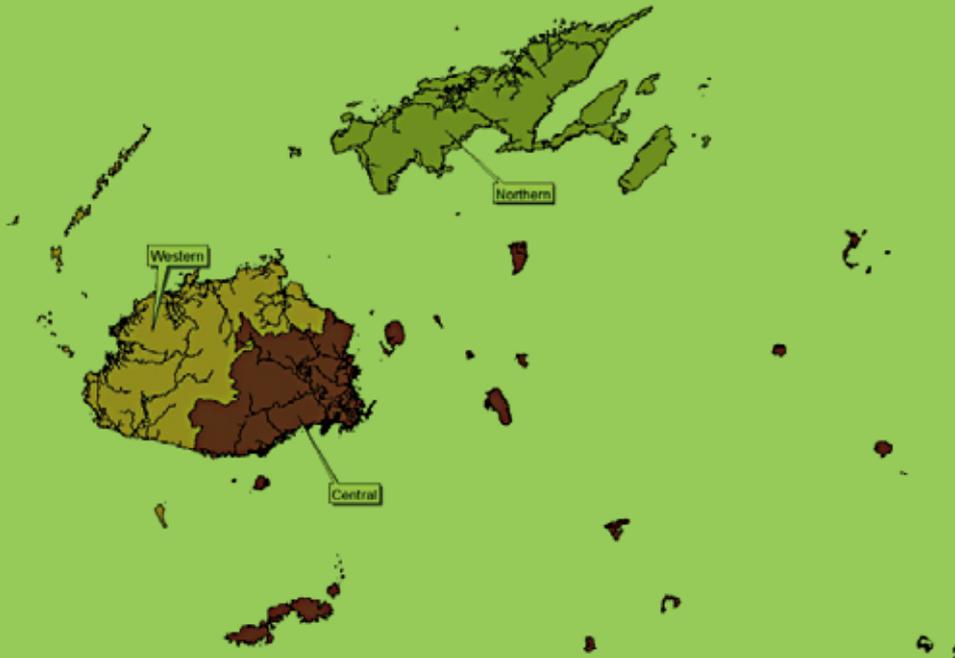




Fiji Roads Authority

**2013 CORPORATE PLAN
AND STATEMENT OF
CORPORATE INTENT**

THE ROAD AHEAD



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 – Vita 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

Although some major development work has been done on Queens and Kings Roads and in one or two other places during the last two years, the general condition of the country's road network is poor and the Government has decided to do something about it. It has reformed the sector in a manner that hasn't been done in Fiji before and as a key aspect of this year's budget theme – 'Investing for the Future' - has allocated the extraordinary sum of \$422m to enable the problem to be confronted. The Fiji Roads Authority's (FRA's) task now is to show the public, especially road users, how the money has been responsibly used to arrest the deterioration and to develop the network in the manner that Fiji's economic development and future prosperity requires.

A restored and better road network managed in a more business-like way is one of the Government's top priorities. We recognise the size of the job it has given us and intend to deliver the results it is looking for.



This document is our Corporate Plan for the next twelve months. In it we explain fairly fully:

- what the 'new' Fiji Roads Authority is;
- what we do;
- what the challenges we're facing are;
- what we're intending to do about them;
- 'how much' it is going to cost;
- where the money's coming from; and
- how we're going to be able to substantiate whether we're succeeding or not.

The plan has been prepared in a way that we trust the public, road users and all involved in the transport industry (including the FRA's consultants, contractors and staff) will find easy to read and understand. We hope that after having digested what we have said readers will be in no doubt at all about our determination and about how transparently accountable for our actions we intend to be.

Pio Tikoduadua

Chairman

Fiji Roads Authority

Date: 5 December 2012

This Corporate Plan was initially adopted at a meeting of the Fiji Roads Authority (the Fiji Roads' Advisory Committee) held on 5 December 2012. Some additional words – to reiterate the Authority's commitment to building local Fijian capacity & capability and include (in Appendix 'A') a copy of the Fiji Road Authority Decree – were inserted at the Authority's meeting on 31 January 2013.

For further information contact neil.cook@fijiroads.org or kavita.verma@fijiroads.org



FROM THE CEO

I am privileged to have been selected as the Fiji Roads' Authority's first CEO and I don't in any way underestimate the magnitude of the task that lies ahead of me.

I also don't come to Fiji with any preconceived intention to impose New Zealand's ways of maintaining and developing the roads here. While of course the basic processes and remedies will be the same every country has its own special needs and ways of doing things. There are several areas though in which I expect to find a lot of similarities. The area I come from has some relatively isolated settlements that are only accessible through rugged terrain (just like Fiji), and the population is 60% Maori. Many of the local people are also quite poor so I am well used to having to justify the necessity for every dollar.

On page 12 of this Plan you will see that a specific direction I have been given is to increase the skills and competence of the local contractors and employees to enable them to assume more responsibility as soon as possible. I assure everyone now that this is an area to which I am not only thoroughly committed but that I am also very interested in and I will be driving the FRA's consultants and contractors very hard in that direction. I certainly intend that by the time it comes for me to leave I will have done enough to make sure the next CEO is a Fijian resident.

As you will also see when you read this plan the challenge the FRA faces is huge. My first priority will be to better understand the history, the problems and the available options for solving them before crystallising my views. I'm certainly not going to come straight in and say things should be immediately changed and done this way or that way. After that my aim will always be the achievement of effective, efficient and timely results that can be publicly proven.

My commencement date, soon, coincides with the changeover from the former DNR method of management to the new 'contracted out' arrangement. I will be expecting significantly improved results on the roads very quickly. Of course it's not possible to fix everything overnight but I'm hoping the fact that real progress is being made will be quite obvious.

I hope that at the end my three year stint in Fiji I will be able to look back on having achieved a lot and with my wife and four children having made many new lifetime friends during our time here.



Neil Cook

Chief Executive Officer
Fiji Roads Authority
Date: 14 December 2012



OUR PLEDGE TO ALL FIJIANS

Our aim is to effectively and efficiently do whatever we can, within the limits of the funds available, to help the Fijian Government achieve *cost effective transport services that are safe and environmentally sustainable, to enhance access to services and markets*¹.

We will never be able to say that our task has been fully accomplished – because there will always be the want or

need for 'more'. However the Government expects, and we intend to deliver, some very significant road improvements within the next two to three years.

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) A 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
P.S¹ Office of the Prime Minister
Chairman



Parmesh Chand
PS Public Service Commission



Elizabeth Powell
PS Public Enterprises & Tourism

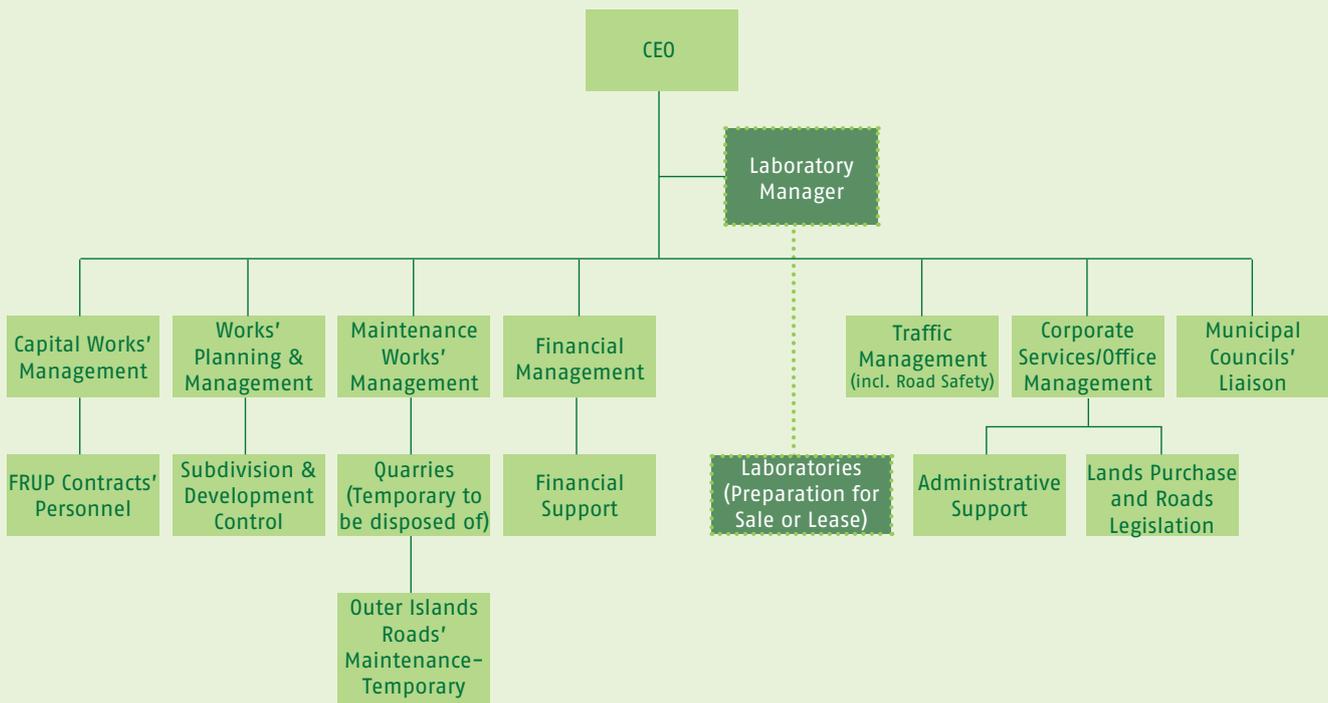


Filimone Waqabaqa
PS Finance



Taina Tagicakibau
PS Local Government

WORK FUNCTIONS



¹Permanent Secretary

OUR MISSION, GOALS AND PERFORMANCE TARGETS



MISSION

A better land transport network for Fiji.

VISION

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

GOALS

- a To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.
- b To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals.
- c To develop capacity and capability at all levels of the 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.

2013 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



1 OVERVIEW

Including:

- The objectives of the Authority;
- The nature and scope of the activities to be undertaken; (and)
- An outline of the Authority's main undertakings

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) is a new corporate entity 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”). Until now the various assets that make up the road network have been managed by a number of different bodies –

- the main roads by the Department of National Roads (DNR);
- urban roads by the municipal councils;
- flood damage work funded by the Asian Development Bank by the Ministry of Strategic Planning;
- major development work funded by the EXIM Banks of China and Malaysia by the Department of National Roads to a degree – but largely from the Prime Minister’s Office; (and)
- the minimally developed sugar cane and ‘other roads’ in rural areas, and jetties, by the Ministry of Provincial Development, the Fiji Sugar Corporation and others.

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 real focus on better value for money.

The network is managed in the three Divisions shown on the map on the first page. Table 1 shows the length of the sealed and unsealed roads in each Division. These figures must be regarded as being approximate only at this stage – especially relating to the FSC roads. Also the FRA is still to decide its approach to the assumption of full responsibility for the Ministry of Provincial Development and FSC roads and where the demarcation point with the Ministry of Sugar should be (see also Section 4 item 8.10).



Stinson Road Bridge in the Suva CBD – Closed to all traffic on safety grounds in October 2012.

Table 1 – Assets Managed Roads

Area	Previous Agency	Sealed	Unsealed	Grand Total
		KM	KM	KM
Central Eastern/Division	Department of National Roads	470	681	1,151
	Municipal Councils	151	2	153
	Ministry of Provincial Development		244	244
Central/Eastern Division Total		621	927	1,548
Northern Division	Department of National Roads	226	1,245	1,471
	Municipal Councils	21		21
	Ministry of Provincial Development		431	431
	Fiji Sugar Corporation (FSC)		1,283	1,283
Northern Division Total		247	2,959	3,206
Western Division	Department of National Roads	452	1,180	1,632
	Municipal Councils	163		163
	Ministry of Provincial Development			N/A
	Fiji Sugar Corporation (FSC)		4,566	4,566
Western Division Total		615	5,746	6,361
TOTAL COUNTRY		1,483	9,632	11,115

N/A – Not yet available

Bridges and Jetties

Area	Bridges-Number				Jetties Number
	Main Roads	Municipal Roads	Cane etc. Roads	Total	
Central Eastern/Division	259	17	-	276	9
Northern Division	324	-	10	334	4
Western Division	285	24	17	326	2
TOTAL	868	41	27	936	15

1.2 THE FUTURE MANAGEMENT APPROACH

2013 is the FRA's first real year of operation as a separate body. For the past twelve months we have been transitioning from a situation where most of the work was done 'In House' by a Government Department with more than 1150 employees to a corporate entity that will ultimately have only about 20 people – accountable to a 'Government appointed' Board. The chart on page 5 illustrates the new staff structure. Initially there will be the former DNR quarries, the laboratories and the roads on the outer islands to manage as well but the FRA intends to dispose of the quarries in the current year, to prepare the laboratories for possible lease or sale within the next 12/18 months and to finalise some other arrangement for management of the outer island roads soon.

Except for one comparatively minor exception, all work on the roads, bridges and jetties is contracted to the private sector.

- (a) MWH (New Zealand) has been appointed as FRA's Principal Professional Engineering Services Adviser for the next four years.
- (b) Three contracts have been let to 'New Zealand based' contractors for maintenance of the network – for the next four/six years starting 1 January this year (2013):

- Central and Eastern Division – Fulton Hogan – Hiways Joint Venture
- Northern Division – Blacktop Ltd
- Western Division – Higgins Group

The municipal councils continue to carry out certain maintenance work (outside the road carriageway) within their areas under the direction of, and on the FRA's behalf.

- (c) New Construction and Renewal Work is undertaken by:
 - (i) the Malaysian company – NAIM;
 - (ii) China Rail No 1;
 - (iii) China Rail No 3;
 - (iv) China Rail No 5;
 - (v) China Gezebou';
 - (vi) the successful parties who tender for work on a project by project basis; and by
 - (vii) the maintenance contractors (whose contracts also include responsibility for some of the renewals).

1.3 KEY CHALLENGES

The key challenges the 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 arrest this decline and over the next 3/4 years progressively restore the road surfaces.

1.3.2. Bridge Condition

Some of the bridges are in a poor condition – to a degree that they are unsafe. In November last year (2012) the FRA found it necessary to close two, impose weight restrictions on seven, impose speed restrictions on four, reduce two to one lane and carry out urgent repairs on another eight – and this after a detailed survey of only 515 of the 936 structures.

Public safety will always be the FRA's most important objective. Being satisfied about the condition of the bridges is another of its top priorities. FRA expects to have to impose similar restrictions on more of the bridges as it becomes more informed about their condition.

1.3.3. The 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, probably never been legalised, aren't 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.

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 current year is to establish an integrated asset management system for capturing asset location, material type, condition, capacity, critically, performance, age and remaining life information.

1.4 Our Recovery Plan

Of course this current state of affairs won't be 'news' to anybody. In his address to the nation about the 2013 budget (in November 2012) the Prime Minister, Commodore Voreqe Bainimarama summarised the problem, and emphasised his Government's determination to fix it, 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."

It is appropriate to reflect why this predicament has arisen.

²Most 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 breakup 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.**

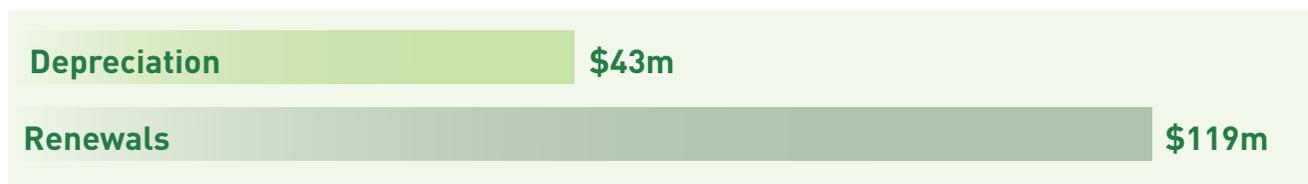
A good way of identifying how well the FRA is keeping abreast of these things is to compare the annual depreciation provision with the expenditure on renewals. Depreciation is the extent to which the network's value is estimated to have been 'used up' through its use and wearing out during the year. Renewals are the extent to which money has been spent rehabilitating 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.**



²Land and road formation the exception.

Table 2 – Depreciation vs. Renewals – 2013

The FRA is intending to improve the network by spending more than two and a half times the depreciation provision during 2013 to reduce the maintenance and renewals backlog.



In addition to this, \$250m has been allocated for upgrading work to make the roads better and safer.

1.5 BUILDING LOCAL CAPACITY

Some may question why so much of the work for the next few years has been allocated to consultants and contractors from New Zealand.

The FRA will always give preference to the employment of local contractors and employees 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”

At the moment however, as evidenced by:

- the adhoc managerial arrangements;
- the general condition of the roads;
- the repeated failure of pot hole repairs and resealing work;
- the lack of a robust asset management plan;
- the poor standard of the support information; (and)
- identified deficiencies at the quarries, laboratories and in the effectiveness of the works’ supervision;

the local contractors and former DNR staff do not have sufficient expertise.

A key consideration in selecting the three maintenance contractors from the twenty-eight who tendered was the extent to which they intend 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 will be working directly with the contractors to ensure the undertakings that each

has given are honoured. It expects to see clear evidence over the next few years of the local workers becoming more and more knowledgeable about why things are done the way that they are, and about more effective ways of performing their daily tasks. When the current maintenance contracts expire the FRA wants to see the local contracting firms and their employees having improved to such an extent that it will be difficult for anybody to argue that the next contracts shouldn’t be awarded to them. In short, the Government (through the FRA) is embarking on a course now to upskill Fijian workers and contractors to make them more able and competitive – this upskilling to 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.

1.6 THE 2013 WORK PROGRAMME

The FRA is budgeting to spend \$428.4m maintaining and improving the roads, bridges and jetties this year – \$201.4m funded by the Government, \$221m from loans

and \$6m by the municipal councils. Table 3 and Figure 1 illustrate the situation. A more detailed list of the planned projects is in Section 3.

Table 3 – Proposed 2013 Work Programme – Summary

Government Funded Work (VIP)	
Management and Maintenance ³	30,332
Emergency Response Contingency	10,000
Bridge Renewals	15,730
Upgrading of Rural Roads	10,320
Fiji Decade of Action for Road Safety	1,660
Jetties' Maintenance and Renewals	5,700
Laboratory Operations & Improvements	750
Renewals & Replacement ⁴	97,454
New Capital Associated with Renewals	2,100
Rt Dovi Rd Investigation & Design	130
Nadi/Lautoka Road Improvement Project	400
Suva Urban Transportation Improvements	9,270
FRUP III (Nadaro to Korovou)	5,000
ADB Emergency Flood Rehabilitation	2,000
Buca Bay/Moto Road Improvement Project	3,000
Sigatoka/Serea Rd Improvement Project	2,930
Queens Highway Upgrade	2,630
Nabouwalu-Dreketi Road Upgrading Project	2,750
Nakasi-Nausori Road Widening	2,500
Nadi Road Widening	2,785
Total Government Funded Work	207,441

Loan Funded Work (VAT zero rated)	
Fiji Road Upgrading Programme (FRUP) III (ADB)	10,000
Emergency Flood Recovery Project (ADB)	15,000
Queens Highway Upgrade – (EXIM Bank of Malaysia)	40,000
Sigatoka/Serea Rd Improvement Project (EXIM Bank of China)	22,000
Buca Bay/Moto Rd Improvement Project (EXIM Bank of China)	24,000
Nabouwalu-Dreketi Road Upgrading Project (EXIM Bank of China)	80,000
Nakasi-Nausori Road Widening (EXIM Bank of Malaysia)	15,000
Nadi Road Widening (EXIM Bank of Malaysia)	15,000
Total Loan Funded Projects	221,000
TOTAL	428,441

³Includes \$3,026 contribution from Municipal Councils

⁴Includes \$2,994 contribution from Municipal Councils

While it is going to take several years to improve the existing sealed roads' surfaces a vastly improved maintenance regime is our first, and most urgent, aim.



From the day the new maintenance contractors start work on the 1st of January our first emphasis will be on a quick reduction in the number of potholes.

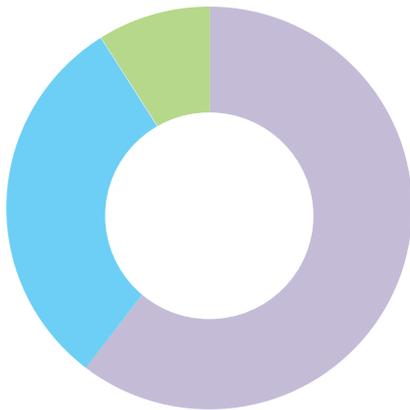
1.7 FINANCIAL FACTS ILLUSTRATED

Figure 1 – Infrastructure Value, Expenditure and Funding

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 (\$5.2b)

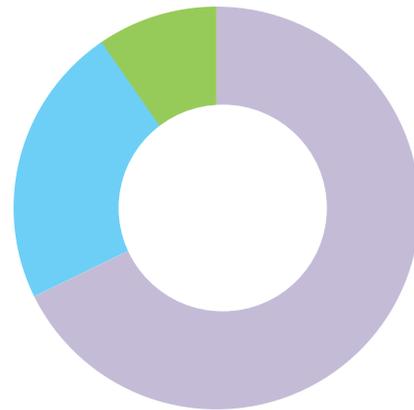
and their current depreciated value (\$4.4b). The next two provide a high level picture of how we intend to spend this year's financial allocation (\$428m) and where the money to fund that expenditure is going to come from.

Infrastructure Value - Replacement Cost



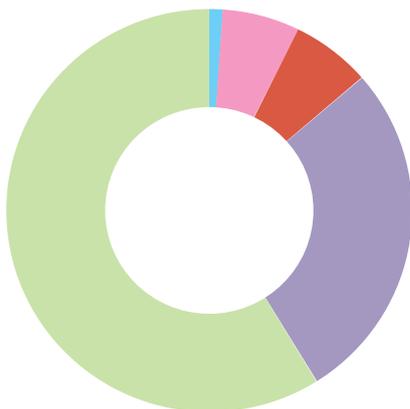
Roads – Land and Formation	\$3,130 m
Roads – Surfacing, etc.	\$1,613 m
Bridges	\$ 454 m
	\$5,197 m

Infrastructure Value - Depreciated Replacement Cost



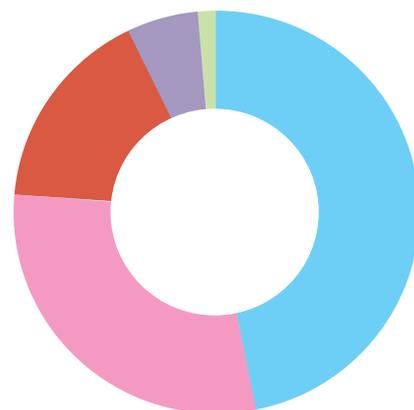
Roads – Land and Formation	\$3,130 m
Roads – Surfacing, etc. ⁵	\$1,047 m
Bridges	\$ 265 m
	\$4,442 m

Expenditure Type



	\$000
Management and Overheads	\$4,960
Maintenance	\$26,322
Flood Damage	\$27,000
Renewals and Replacements	\$118,684
New Capital	\$251,475
	\$428,441

Funding Sources



	\$000
Government Grant	\$201,441
EXIM Bank China	\$126,000
EXIM Bank Malaysia	\$70,000
Asian Development Bank (ADB)	\$25,000
Municipal Councils	\$6,000
	\$428,441

⁵Includes Laboratories and Quarries

1.8 ACCOUNTABILITY – PERFORMANCE MANAGEMENT

The FRA intends to be 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 issue is explained in Section 4. Table 4 summarises the principal performance measures and

targets that are being developed. In some cases it may be 2/3 years before the Authority will have the necessary data and the measure is appropriate. As will be seen the targets are all of an output/outcome type and the CEO reports to the Board quarterly about the progress that is being made.



Table 4 – Abbreviated Performance Targets

Service Area	Performance Target	
Health and Safety	Less fatal and serious injury accidents – total.	
	A reduction in the social cost of all recorded injury crashes.	
	No lost time injuries.	
	No health and safety incidents.	
	Less fatal and serious injury accidents – road a contributing cause.	
	A reduction in the number of black spots (crash locations).	
	>---% of the network above the skid resistance threshold level.	
	>---% of the network meets texture depth standards.	
Risk Management	<5% of non-performing lights at any time.	
	No unforeseen (excluding weather) risk events.	
	Asset Provision, Development, Maintenance and Renewal	An annual reduction in the value of deferred maintenance/ deferred renewals.
		100% planned new capital and renewal projects completed.
		100% planned maintenance work completed.
		A reduction in the number of potholes.
		Roads are being resealed when due.
Roads are being rehabilitated and reconstructed when due.		
Conservation, Environmental Protection and Enhancement	Bridges are being satisfactorily maintained and improved.	
	Jetties are being satisfactorily maintained and improved.	
Service Quality	All conditions of Environmental Assessments and of all discharge permits were met throughout the year.	
	Reduced congestion by route.	
Service Quality	Not less than 40% of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	
	< ___ % of the network has rutting >20mm.	
	> ___ % of the network meets the roughness standards.	
	100% service calls are resolved within the prescribed times.	
	90% telephone calls answered by the operator within 30 seconds.	
	The total number of complaints didn't exceed ____	
	No justified repeat requests for information from the Minister's Office or from other Departments.	
Compliance	100% compliance with all legislative, regulatory and other requirements.	
	No enforcement issues.	
	No abnormal damage caused to roads by overweight vehicles.	
	Up-to-date key management information.	

Service Area	Performance Target
Financial	Total operating costs were within the originally approved total budget.
	100% new capital and renewal projects were completed within the originally approved total budget.
	The cost of maintenance and operations has remained static or has reduced.
	No penalty charges because of late payments.
	All expenditure 100% consistent with the Asset Management Plan.
	An accurate, current, fair valuation of the assets.
	Efficiency – More vehicle kilometres travelled per network kilometre.
	Debt level at the end of the year is as forecasted at the beginning of the year \$...
	Capital costs were as budgeted
	New Capital
	Renewals
	Total capital
	Loss of service potential / depreciation
	The Authority's investment is being protected.
An unqualified audit opinion for 2013.	
No matters raised by Audit as not having been attended to from the previous year.	

See Section 4 on page 35 for details about what we intend to do relating to each of these targets.

KEY

Level 1 Key Outcome Target	Level 2 (Secondary Outcome or Output Target)
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1.9 STAFF

Last year (2012) was a very difficult year for the staff as the organisation moved from the former DNR (with a staff of about 1150) to the 'new' Authority (with about 220 – and eventually to reduce to approximately 20). A good number of our former employees have found continuing employment with the maintenance contractors and we wish them well. At the same time we place on record our thanks to all who have contributed to the former DNR, and more latterly the FRA – in some cases over very many years. Their service is sincerely appreciated.

We step off now into a new era. Our overriding task is to develop a competent organisation for the future – an organisation with clear priorities, a precise plan for implementing them, and an organisation focussed on achieving effective, efficient and timely results.

We can only do this through the selection and appointment of people who not only have the required skills and experience but also have the right attitude. Table 5 lists the values that we will be promoting and expecting 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.



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. Six areas where there is the potential for this to happen are listed in Table 6.

The FRA has also identified about thirty risks that it needs to proactively manage. The most significant of these are listed in Table 7. The situation is continuously monitored and is discussed by the Board quarterly.

Table 6 – Significant Assumptions

No.	Assumption	Likelihood of the assumption eventuating	Comments – Including the likely impact of each assumption
1	A Major Storm Event Won't Occur That the cost of repairing damage caused by any storm event (or other natural hazard event that may occur during the year) won't exceed \$10m VIP.	Low	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. The likelihood of this assumption eventuating is low because there have been some really significant storm events in recent years.
2	Project Costs Will Be As Budgeted That the proposed works listed in section 3 will (accumulatively) be able to be provided to the standard required for not more than their estimated costs.	Medium	If the tendered price for any project is significantly higher than budgeted the FRA may be forced to review its options – which include reprioritising the project, abandoning it, reducing its scope, or deleting some other project in order to release funds to finance it. 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 some they haven't.
3	No Construction Failures That there are no unforeseen construction failures for reasons other than storm damage – or work identified as being urgent that is in addition to that already planned (e.g. bridge surveys identify additional urgent remedial works, a bridge collapses, or a major slip occurs).	Medium	Either an additional funding allocation from government will have to be obtained or other proposed works deleted or their scope reduced in order to provide the required funds. The likelihood of this assumption eventuating is medium because the FRA's knowledge about the network, and especially about the condition of the various assets, is currently not as good as it should be (but is improving rapidly).
4	The Transition Process Will Be Completed Smoothly No unforeseen problems will be encountered in completing the transition from the former Department of National Roads (DNR).	Medium	Unforeseen problems have the potential to delay completion of the transition process; require additional time, effort and cost; cause protracted arguments; and perhaps additional expenditure that may have to be funded by deferring other planned work. The likelihood of this assumption eventuating is medium because numerous managerial problems have been experienced during the last year (especially in the financial area) and there is a possibility that more 'hitherto unknowns' will arise before the transition is complete.
5	Minimal Costs Carried Forward From 2012 That there will be only minimal costs carried forward from 2012	Medium	Costs carried forward from 2012 will have to be funded as a first charge against this year's budget. If these are more than minimal some works that are proposed to be undertaken during 2013 may have to be reduced in scope or deferred to the following year. The likelihood of this assumption eventuating is medium because the FRA has low confidence in the accuracy and completeness of the former DNR's financial information.
6	Additional Staff To Be Managed For a Period That the FRA is going to have to continue to employ more staff than it intended for a period, - being people engaged in the following work areas: <ul style="list-style-type: none"> • Quarries • Laboratories • Outer Islands Roads' Maintenance • Fiji Roads Upgrading Programme (FRUP) • Traffic Signals 	High	Ultimately the FRA will have only about 20 staff. For a little while however, it is going to have to continue to employ about 220. <ul style="list-style-type: none"> • The quarries will be exited in 2013. • The laboratories are being prepared for sale or lease in about 18 months/ 2 years' time • Alternative arrangements are still to be finalised for management of the outer Islands roads, Traffic Lights and FRUP supervision employees. <p>The likelihood of this assumption eventuating is high because it is certain now December 2012 (that this is going to happen).</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. There is a reasonable chance that it won't be – not necessarily to a major extent, but to at least some degree.

Table 7 – Significant Risks

No.	Risk	Impact
1	Poor Data No complete or accurate records are available about asset location, material type, condition, performance, capacity, criticality, age, valuation or remaining life.	Impossible to plan for the future in a meaningful way. Cannot identify the work priorities or the real consequences of particular work if it isn't done. A real possibility that wrong decisions will be made – perhaps even a catastrophe may occur because, for example, a bridge collapses because the extent of its poor condition wasn't known. The lack of accurate and complete data affects formulation of both the long term programme and the procurement programme for each year's work.
2	Natural Hazards Extraordinarily severe weather events – slips, flooding and blocked roads – earthquake - tsunami	Serious interruption to levels of service – people stranded –public safety issues – public health issues – the damage is very costly to repair (other work may have to be deferred and the funds used for repair work). The normal procurement programme may have to be suspended to enable urgent repairs to be undertaken.
3	A Lack of Informed Forward Planning No longer term maintenance and development plan for the network.	In the absence of a plan that clearly documents the levels of service that the FRA is intending to provide in the immediate/medium/longer term, 'how' it is going to do that in a properly organised and prioritised way, 'what' the cost of doing so is forecasted to be and 'how' it is going to be funded it is impossible for the FRA to say whether or not what it is doing now is the most effective and efficient way of carrying out its responsibilities.
4	Loan Funding Problems Failure to satisfactorily resolve certain differences between the EXIM Bank of Malaysia (and potentially others).	The EXIM Bank (or the other parties) lose confidence in the current funding arrangements and decide to discontinue investing.
5	Managing Expectations Government, municipal, provincial and/or public expectations not met.	The Government and road users quite clearly agree that the roads and the way they are managed need urgent improvement and that is the fundamental reason for the major organisation and management changes that have been made. What needs to be clearly understood however is that the existing road and bridge condition (and major development of the network) isn't going to happen overnight. It will be achieved gradually over several years – the essential thing being that it be addressed in a properly structured and prioritised long term way based on careful research and sound decision-making at every step. Effective public relations will be essential if expectation misunderstandings are to be avoided.
6	Contractor Non-performance Major contractor unable to perform/declared insolvent.	Alternative arrangements having to be made. Delays in completion of the work. Probably legal disputes/differences about why this has occurred and about what the FRA's compensation entitlements are. Even if a performance bond is in place, possible (perhaps very significant) additional costs. A special problem if any of the maintenance contractors fail to perform their work to the standard required, within the required timeframes, and/or if reseals and rehabilitation work should fail.
7	Organisational Change – Corruption Loss of IP – Fraud – Theft – Intentional Damage during the change from 'In House' service provision to an outsourcing arrangement.	A (perhaps very significant) financial loss and a great deal of additional time and effort ascertaining and correcting the situation. A lack of trust, and general uneasiness all around. (Corruption is one of the most debilitating matters that an organisation can experience).
8	Excessive Tender Prices – (or no Tenders) Tender prices much higher than anticipated – exorbitant – or no tender for a proposed project received.	Need to consider whether any tender should be accepted. If the FRA can't negotiate a lower price or if no tender is received it may need to decide not to proceed with the project and/or consider other options (Plan 'B'). When prices are too high, one possible option is to reduce the scope but that course of action has to be considered with great care. A reduced scope may mean that the project objectives are not achieved and/or that additional work may be required at a later date. The elimination of one (out of say four) projects altogether and achieving three projects to their original scope may be better than completing four projects – none of which fully achieve their objectives.

No.	Risk	Impact
9	<p>'One Off' Risk Events – Life Threatening</p> <p>A major accident, not relating to a significant natural hazard event, occurs because a bridge unexpectedly collapses, a major slip occurs, signs have been vandalized or because traffic is insufficiently controlled through a project work site.</p>	<p>Perhaps people killed and/or seriously injured. A major loss of public confidence in FRA (Reputation). Protracted legal arguments about alleged 'negligence'. Work priorities have to be changed in order to be able to repair the damage and to stay within the available budget. Significant additional costs.</p>
10	<p>Organisational Change – Culture</p> <p>Difficulties experienced getting FRA employees, PESA employees, the various Contractors, other Consultants and the general public to understand and accept the changed way of operating because it is so different to what they have been used to. Perhaps deliberate attempts by others to undermine and discredit the reorganisation. Especially, continuing confusion about the respective roles of the FRA and its principal Engineering Services Advisor – MWH.</p>	<p>Objectives, improved effectiveness and efficiency not able to be achieved as fast as they should be. Much frustration and unnecessary cost because of the time it is taking to 'get going'.</p> <p>Staff and others unsettled as they try to adjust to the new ways of operating. Poor relationships with some Government Departments, significant misunderstandings, continuously 'fighting fires' instead of being able to focus on the future and the things that matter.</p>

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



3 THE PROPOSED WORK PROGRAMME

Table 8 lists the detailed Works Programme for the year.

Table 8 – 2013 WORK PROGRAMME

1. MANAGEMENT									
Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
	1	MANAGEMENT							
1,500	1.1	Salaries	6	1,500					
	1.2	Professional Services							
530	(a)	Network Controls	6 6 6 6 6	461					
200	(b)	Asset Management Plan	6	174					
100	(c)	Safety Management Plan	6	87					
540	(d)	Project Management and Reporting	6	470					
200	(e)	Budget and Corporate Plan	6	174					
300	(f)	General Support	6	260					
	1.3	Other Costs							
100	(a)	Recruitment	6	87					
100	(b)	Accounting and Finance (including Audit Fees)	6	87					
175	(c)	Vehicles' Hire and Operation	6	152					
85	(d)	Office Expenses – Telephones, Power etc.	6	75					
70	(e)	Rent	6	60					
100	(e)	Legal Fees	6	87					
30	(f)	Insurances	6	26					
30	(g)	Archives – Storage	6	26					
30	(h)	Communications (including website)	6	26					
100	(i)	Data Improvements	6	87					
80	(j)	Asset Management Improvements	6	70					
40	(k)	Training and Development	6	35					
100	(l)	Establishment Costs	6	87					
150	(m)	Contingencies	6	130					
200	1.4	Laboratories' Operation Costs to March	10	174			174		
200	1.5	Contingency	6	174					
4960		Total - Management		4509			174		4,509

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

2. MAINTENANCE

Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
	2	MAINTENANCE							
8,594	2.1	Sealed Roads – Pavements and Surfaces	6			7,473			
3,006	2.2	Sealed Roads - Pavements and Surfaces	MC			2,614			
900	2.3	Unsealed Roads – Pavements and Surfaces	6 6 6 6			782			
750	2.4	Drainage	6			652			
1,535	2.5	Environmental Maintenance (Vegetation Control, Roadsides and Litter)	6			1,335			
500	2.6	Traffic Signals	6			435			
1,000	2.7	Street Lights	6			870			
475	2.8	Bridges and Structures	6			413			
4700	2.9	Traffic Services (Signs, Guardrails and Road Markings etc.)	6			4,087			
3612	2.10	Network and Asset Management	6			3,140			
500	2.11	Materials' Testing	6			435			
	2.12	Jetties							
150	(a)	Nabouwalu	10					130	
80	(b)	Savusavu	10					70	
100	(c)	Vanubalavu	10					87	
100	(d)	Koro	10					87	
100	(e)	Moala	10					87	
120	(f)	Nawaikama	10					104	
100	(g)	Lovonivonu	10					87	
26,322		Total - Maintenance				22,236		652	22,888

3. FLOOD DAMAGE

Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rate	VEP \$000	VEP \$000	VEP \$000	\$000
	3	FLOOD DAMAGE							
10,000	3.1	Emergency Response Contingency	10			8,696			
	3.2	ADB Flood Rehabilitation							
		(a) Regravelling Monasavu and Nadarivatu Roads							
2,063	·	ADB Share	DP		2,063				
407	·	Local Share	10			353			
		(b) Regravelling Koronivia, Lokia and Toga Roads							
457	·	ADB Share	DP		457				
123	·	Local Share	10			106			
		(c) Land Stabilisation Wailevu Wainibuku Slip							

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

702	·	ADB Share	DP	702				
158	·	Local Share	10		137			
	(d)	Land Stabilisation Lomoloma Slip						
615	·	ADB Share	DP	615				
110	·	Local Share	10		96			
	(e)	Rakiraki Bridge						
1,756	·	ADB Share	DP	1,756				
324	·	Local Share	10		281			
	(f)	Namado						
176	·	ADB Share	DP	176				
36	·	Local Share	10		31			
	(g)	Fiji Water Authority Project						
9231	·	ADB Share	DP	9,231				
842	·	Local Share	10		732			
27,000		Total - Flood Damage		15,000	10,432			25,432

4. RENEWALS AND REPLACEMENTS

Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
	4	RENEWALS AND REPLACEMENTS							
31,000	4.1	Reseals	10			26,956			
15,100	4.2	Unsealed Roads' Resheeting	10			13,130			
1,500	4.3	Drainage Renewals	10			1,304			
22,000	4.4	Pavement Rehabilitation by Maintenance Contractors	10			19,130			
9,000	4.5	Pavement Rehabilitation by Others	10			7,826			
300	4.6	Design Services for Pavement Rehabilitation by Others	10			261			
3,000	4.7	Street Lighting	10			2,609			
500	4.8	Materials' Testing	10			435			
15,730	4.9	Bridge Renewals and Replacements	10			13,678			
3,600	4.10	Structural Bridge Repairs	10			3,130			
	4.11	Jetties							
4,000	(a)	Mid Point/Balagu Bay	10					3478	
950	(b)	Vitogo - Naviago Village - New Irish Grossing	10					826	
550	4.12	Laboratories' Renewals	10				478		
6,360	4.13	To be allocated	10			5,530			
2,994	4.14	To be allocated	MC			2,603			
2,100	4.15	Supervision Fees	10			1,826			
118,684		Total - Renewals and Replacements				98,418	478	4,304	103,200

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

5. NEW CAPITAL - FUNDED BY GOVERNMENT GRANT									
Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
	5	NEW CAPITAL							
	5.1	PROVINCIAL RURAL ROADS							
274		(a) Naitala Village Access Road (CD)	10			238			
194		(b) Wainadoi Road Upgrade and Drainage (CD)	10			169			
230		(c) Ginger Farm Road (CD)	10			200			
674		(d) Veinuqa Road Grossing (CD)	10			586			
250		(e) Beqa Steep Hill (CD)	10			217			
355		(f) Daunikoro Farm Road (CD)	10			308			
430		(g) Low Level Grossing (CD)	10			374			
86		(h) Deuba Road Sealing (CD)	10			75			
700		(i) Matakana Access Road (WD)	10			609			
560		(j) Navaga Access Road (WD)	10			487			
600		(k) Nasauvarau Access Road (WD)	10			521			
100		(l) Nabunisoqosoqo Road (WD)	10			87			
300		(m) Sevaci/Korotasere Road (ND)	10			261			
300		(n) Taveuni Island Farm Road (ND)	10			262			
300		(o) Navonu/Natewa Farm Access Road (ND)	10			262			
450		(p) Namuavoivoi Road Access (ND)	10			391			
400		(q) Lagi/Nakusere Road Access (ND)	10			348			
102		(r) Nakoso Road (ND)	10			89			
200		(s) Koroinasolo Road (ND)	10			174			
1,085		(t) Momi Back Road (ND)	10			943			
480		(u) Moala Island Road (ND)	10			417			
1,075		(v) Baulevu Road (ND)	10			935			
575		(w) Nausori Airport to Island (CD)	10			500			
600		(x) Ovalau Island Circular Road (ED)	10			521			
10,320		Subtotal - Provincial Rural Roads				8,974			8,974
	5.2	SUVA TRANSPORTATION URBAN IMPROVEMENTS							
1,150		(a) Intersection Improvements	10			1,000			
1,330		(b) Traffic Signals Improvements	10			1,156			

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5. NEW CAPITAL - FUNDED BY GOVERNMENT GRANT									
Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
500		(c) Study Review - Regional Road	10			435			
500		(d) Lami Town By Pass Investigations	10			435			
3,540		(e) Harris Road Upgrade	10			3,078			
1,750		(f) Kings Road - Samabula - Nakosi Improvements	10			1,521			
500		(g) Kings Road - Street Lighting	10			435			
9,270		Subtotal - Suva Transportation Study				8,060			8,060
	5.3	OTHER CAPITAL IMPROVEMENTS							
		(a) Koro Island/Vanua Levu - Weighing Station							
130		(b) Ratu Dovi Road - Investigation and Design	10			113			
		(c) Fiji Decade of Road Safety Improvements							
80		(i) Safety Audits	10			70			
435		(ii) Black Spots' Improvements	10			378			
5		(iii) RAPs	10			5			
360		(iv) Village Treatments	10			313			
580		(v) Mass Action Plans	10			504			
200		(vi) Traffic Management Plans	10			173			
		(d) Ministerial Requests							
		(e) Peri Urban Footpaths							
		(f) General Street Lighting Improvements							
		(g) Sigatoka to New Project Start							
		(h) Nausori Airport Extension							
400		(i) Nadi - Lautoka	10			348			
		(j) Labasa By Pass							
2,100		(k) New Capital Works associated with renewals	10			1,826			
4,290		Subtotal - Other Capital Improvements				3,730			3,730
23,880		Total - New Capital - Government Grant				20,764			20,764

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6. NEW CAPITAL - PRINCIPALLY LOAN FUNDED

Budget \$000	Ref	Proposed Work	Funding Source	Policy and Management	Roads and Bridges		Laboratories	Jetties	Total VEP
				VEP \$000	VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	\$000
	6	NEW CAPITAL - LOAN FUNDED							
	6.1	EXIM BANK OF CHINA							
		(a) Buca Bay/Moto Road							
24,000		Loan	DP		24,000				
3,000		Local Share	10			2,608			
		(b) Sigatoka/Serea Road							
22,000		Loan	DP		22,000				
2,930		Local Share	10			2,547			
		(c) Nabouwala - Dreketi							
80,000		Loan	DP		80,000				
2,750		Local Share	10			2,391			
134,680		Subtotal - EXIM Bank of China			126,000	7,546			133,546
	6.2	EXIM BANK OF MALAYSIA							
		(a) Nakasi - Nausori Road							
15,000		Loan	DP		15,000				
2,500		Local Share	10			2,174			
		(b) Nadi Widening							
15,000		Loan	DP		15,000				
2,785		Local Share	10			2,422			
		(c) Queens Highway							
40,000		Loan	DP		40,000				
2,630		Local Share	10			2,287			
77,915		Subtotal - EXIM Bank of Malaysia			70,000	6,883			76,883
	6.3	ASIAN DEVELOPMENT BANK (FRUP III)							
		(a) Nadaro to Korovou							
3,120		Loan	DP		3,120				
1,033		Local Share	10			898			
		(b) Retentions Release							
359		Loan	DP		359				
2,967		Local Share	10			2,580			
		(c) Waitoa to Waitotua							
4,010		Loan	DP		4,010				
1,000		Local Share	10			870			
		(d) To be allocated							
2,511		Loan	DP		2,511				
		Local Share	10						
15,000		Subtotal - ADB Bank			10,000	4,348			14,348
227,595		Total - New Capital - Principally Loan Funded			206,000	18,777			224,777

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

7. SUMMARY													
Budget \$000	Ref	Proposed Work	Funding Source VEP \$000	Policy and Management		Roads and Bridges		Laboratories		Jetties		Total VEP	
				VAT Zero rated	VEP \$000	VEP \$000	VEP \$000	VEP \$000	VEP \$000	VEP \$000	VEP \$000		
4,960	1	MANAGEMENT		4,335				174					4,509
26,322	2	MAINTENANCE				22,236				652			22,888
27,000	3	FLOOD DAMAGE			15,000	10,432							25,432
118,684	4	RENEWALS AND REPLACEMENTS				98,418		478		4,304			103,200
23,880	5	NEW CAPITAL - GOVERNMENT GRANT				20,764							20,764
227,595	6	NEW CAPITAL - PRINCIPALLY LOAN FUNDED			206,000	18,777							224,777
428,441		TOTAL		4,335	221,000	170,627		652		4,956			401,570
		VAT		425		25,594		97		743			26,859
				4,760	221,000	196,221		749		5,699			428,429
		FUNDED BY											
		Government Grant - SEG 6	27,326										
		Government Grant - SEG 10	174,115										
		Loans	221,000										
		Municipal Councils	6,000										
		TOTAL	428,441										

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



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.

The schedule on the following pages lists the targets the FRA intends to ultimately monitor and report its performance against. It isn't possible to do this straight away however – principally because of the absence of complete and accurate data, the necessity to review the technical standards, and the time it is going to take to establish and implement an appropriate performance monitoring and reporting regime. The first thing that has to be done is to get a better understanding of exactly what the assets the FRA has to manage are; where they are (especially the 6,000 kms of cane and rural roads that haven't

previously been managed by the DNR) and exactly what their current state and condition is. Only then will we have a sound base to measure our performance against. In some cases this will take more than the current (2013) year.

In this initial year performance results will be able to be reported against only some of the targets and for several of those too, the target this year is 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

Goal	Service Area	Performance Target	2013
1.3	Health and Safety	Less fatal and serious injury accidents – total.	Continuously reducing five year rolling average (in total and per vehicle kilometre travelled) (Results recorded by the Fiji Police now)
1.4		A reduction in the social cost of all recorded injury crashes.	Continuously reducing five year rolling average. Calculated based on internationally recognised 'accident costs'.
1.1		No lost time injuries caused through Health and Safety incidents.	The number of injuries and the total number of days lost.
1.2		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, e.g.: slippery surface; inadequate marking; poor or absent lighting; faulty road alignment or camber; inadequate barrier protection; non-compliant bridge approaches; non-standard clear zone; faulty signage.	Continuously reducing five year rolling average (in total and per vehicle kilometres travelled). (Establish a means of obtaining this information in a reliable way this year).
1.6		A reduction in the number of black spots (crash locations).	Establish the baseline (how many black spots etc.) this year.
1.14		>---% of the network above the skid resistance threshold level.	Establish the % baseline. Later – when better data is available and the network is more in a state of equilibrium.
		>---% of the network meets texture depth standards.	Establish the % baseline. Later – when better data is available and the network is more in a state of equilibrium.
1.16		<5% of non-performing lights at any time.	For the second half of the year. May initially be higher until a new management regime is in place.
1.7		An effective annual road safety programme.	All safety improvements planned for the year were achieved The FRA has a prioritised list of safety improvements that it intends to undertake in future.
1.8		Bridge side protection standards met.	
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.	

KEY

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

Goal	Service Area	Performance Target	2013
1.16		Lighting standards met.	
1.17		Traffic incidents efficiently managed.	
1.18		Weather impacts efficiently managed.	
1.19		Signage standards met.	
2.1	Risk Management ⁶	No unforeseen (excluding weather) risk events.	
2.2		A consistent risk management framework.	Risk register up to date and being continuously maintained. (see also No 8.8)
2.3		A quality business continuity / operations recovery plan.	Business continuity/operations recovery plan embracing both the FRA's business and the process for responding to a severe weather event or other natural hazard event up to date. The plan has been tested within the last six months. . (See also No 8.37)
2.4		A clearly documented climate change management strategy.	An up to date evaluation of climate change risks and vulnerabilities and the Authority's strategy for managing them is documented, has been fully implemented, and is being adhered to.
3.1	Asset Provision, Development, Maintenance and Renewal ⁷	An annual reduction in the value of deferred maintenance / deferred renewals.	The value of deferred maintenance and deferred renewals has reduced. (Establish the baseline and how to calculate this result this year).
3.2		100% planned new capital and renewal projects completed.	To the scope and standard originally intended.
3.4b		A reduction in the number of potholes on the roads.	A continuously reducing number of potholes having to be attended to with each repair cycle.
3.3		100% planned maintenance work completed.	To the scope and standard originally intended.
3.4		Roads are being resealed when due.	Not less than 114kms of roads resealed in 2013 (including AC resurfacing and chipseal).
3.5		Roads are being rehabilitated and reconstructed when due.	Not less than 41 kms of rehabilitation carried out in 2013 (26 kms by the maintenance contractors – 15 kms NAIM). Note: The NAIM figure may reduce depending on the agreed methodology. No less than 62,000cubic metres of re-sheeting.
3.8		Bridges are being satisfactorily maintained and improved.	The number of bridges replaced The number of bridges significantly upgraded An annual reduction in each of the following: The number of single lane bridges The number of bridges subject to weight or other restrictions The number of bridges with faults relating to the condition of the deck, approaches and guard railings which influence vehicle and pedestrians' safety but not necessarily the bridge's structural integrity. The number of bridges that have one or more faults relating to structural components and bridge foundations which could affect their structural integrity. (Establish the baseline this year)

⁶Other than risks that fall under the other six headings. Includes 'Reputation' and 'Security'.

⁷Asset Stewardship.

KEY

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

Goal	Service Area	Performance Target	2013
3.9		Jetties are being satisfactorily maintained and improved.	The number of jetties replaced this year The number of jetties upgraded/reconstructed/rehabilitated this year An annual reduction: The number of jetties with faults relating to their safety, but not their structural integrity The number of jetties with faults relating to their structural integrity. (Establish the baseline this year)
3.10		No adverse impacts caused by subdivision and development	All applications for subdivision and development were processed within 20 working days. No situations where subdivisions' (or developments') access to and exit from the road has been subsequently shown to be inadequate because insufficient conditions of consent were required by the FRA. No situations involving other inadequacies relating to the subdivision and development work (e.g. lighting, signage etc.). No situation where the actual road work carried out for the subdivision has been subsequently shown to have been of an inferior standard (illustrating insufficient design or supervision during its construction). (See also No 8.39)
3.11		Road alignment and camber standards met.	
3.12		Overtaking opportunities standards met.	
3.13		Traffic management (signals, etc.) standards met. No repeat traffic signals' lanterns malfunctioning.	
3.14		Traffic controls (speed limits, etc.) standards met.	
3.15		Pavement width standards met.	
3.16		Signage standards met.	
3.17		Delineation standards met.	
3.18		Drainage standards met.	
3.19		Rest areas' standards met.	
3.20		Car Parking standards met.	
3.21		Footpaths, Walking and Cycling standards met.	
4.2	Conservation, Environmental Protection and Enhancement ⁸	All conditions of all approved Environmental Assessments (with or without additional conditions specified by the Department of Environment) and of all discharge permits were met throughout the year.	See also No 8.41.

⁸Environmental Stewardship.

KEY

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

Goal	Service Area	Performance Target	2013												
4.1		The Authority has approved Environmental Assessments and discharge permits for all situations where these are required.													
4.3		Litter removal standards met.													
4.4		Graffiti removal standards met.													
4.5		All other potential significant negative effects identified and managed.	A plan or policy for the management of each negative effect has been prepared and implemented.												
4.6		A proactively managed demand management policy.													
5.3	Service Quality ⁹	Reduced congestion by route.	Establish the routes and the baseline this year.												
5.9		Not less than 40 % of the stakeholders surveyed (periodically) rate the overall service as 'satisfactory' or 'very satisfactory'.	2013 – 40% 2014 – 50% 2015 – 60% Whatever the initial result is, a significantly improving trend annually after that.												
5.1		< ___% of the network has rutting >20mm.	Establish the baseline - later – when better data is available and the network is more in a state of equilibrium.												
5.2		> ___% of the network meets the roughness standards.	Establish the baseline - later – when better data is available and the network is more in a state of equilibrium.												
5.5		100% service work requests are resolved within the prescribed times.	<table border="1"> <thead> <tr> <th>Type</th> <th>Response</th> <th>Resolved</th> </tr> </thead> <tbody> <tr> <td>Emergency</td> <td>1 hour</td> <td>24 hours</td> </tr> <tr> <td>Urgent</td> <td></td> <td>5 working days</td> </tr> <tr> <td>Routine</td> <td></td> <td>20 working days</td> </tr> </tbody> </table> See also No 8.40	Type	Response	Resolved	Emergency	1 hour	24 hours	Urgent		5 working days	Routine		20 working days
Type	Response	Resolved													
Emergency	1 hour	24 hours													
Urgent		5 working days													
Routine		20 working days													
5.6		90% telephone calls answered by the operator within 30 seconds.													
5.7a		The total number of complaints didn't exceed _____	Establish the baseline this year. Thereafter a reducing number annually – in total and by type: Congestion Road surface condition and marking Bridges Footpaths Signage and traffic signals Safety Jetties Other See also No 8.40												

⁹Includes 'Aesthetics', 'Reliability', 'Responsiveness' and 'Capacity'.

KEY

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

Goal	Service Area	Performance Target	2013
5.7b		A rapid response to all requests from the Minister's Office and from other Departments (e.g. Strategic Planning) for information (e.g. complaints and enquiries from constituents, quarterly reports' information and so forth).	No justified repeat requests.
5.4		Service calls are accepted 24/7.	
5.8		100% complaint letters and emails responded to within 10 working days.	Receipt of every emailed complaint acknowledged upon receipt. (See also No 8.40)
5.10		A 'customer friendly' website.	Everything that could reasonably be expected to be on the website is there. Spot checks throughout the year don't identify information that is no longer relevant or out of date (or incorrect). The number of visitors to the site has increased. A spot survey of customers rates the website as good or better.
5.11		A quality asset management plan.	The overall quality of the plan as assessed against the relevant industry benchmark by a qualified independent reviewer. (See also No 8.2)
6.5	Compliance ¹⁰	100% compliance with all legislative, regulatory and other requirements and no known pending non-compliance issues.	
6.6		No enforcement issues.	
6.7		No abnormal damage caused to roads by overweight vehicles.	Especially by sugar cane trucks. Requires liaison with the Land Transport Authority (Establish the baseline this year). (See also No 8.7)
6.8		Up-to-date key management information.	An accurate, complete and up to date: Asset Management Policy Asset Management Strategy Asset Management Plan Set of Road Standards Roads' Classification Record Financial Management Manual (Green Book) Staff Manual (Yellow Book) Risk Management Manual (Grey Book) General Management Manual (Red Book) Organisational Performance Manual (Blue Book) and no 'issues' during the year regarding the application of any of these documents. (See also Nos 8.2, 8.8, 8.36, and 8.37)

¹⁰Includes 'Training', 'Record Keeping / Data Management' and 'Reporting'.

KEY

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

Goal	Service Area	Performance Target	2013
6.2		Competent Land Management	<p>The Authority has all the land that it requires.</p> <p>No proposed project has had to be delayed beyond its programmed date because of property acquisition matters.</p> <p>A reduction in the number of outstanding legalisation issues. (Establish the baseline this year)</p> <p>The Authority is not holding land for this activity that is surplus to what it requires.</p> <p>Areas of land that are potentially surplus to requirements have been identified and plans for their disposal (or return) are in hand.</p> <p>The land records are accurate and complete.</p> <p>Unable to identify anything in the land records that is incorrect.</p> <p>Unable to identify any property infrastructure information (including leases, rentals, and easements) that isn't in the land records.</p> <p>Unable to identify anything in the land records that should not be there (because the land has been sold, etc.).</p> <p>A good working relationship with the relevant staff in the Ministry of Lands.</p> <p>(See also No 8.35)</p>
6.3		Accurate and complete asset data	<p>An accurate and complete record (including confidence level) of the:</p> <ul style="list-style-type: none"> location capacity material type performance age and remaining life of the assets <p>An accurate and complete:</p> <ul style="list-style-type: none"> Bridges' & Culverts inventory Signs inventory Street lights' inventory Traffic signals' inventory Crossings' inventory <p>An accurate and complete record of traffic volume patterns and other road use, information.</p> <p>As-built information is received within 30 days after construction.</p> <p>No outstanding as-built information.</p> <p>The asset records are up to date.</p> <p>Unable to identify anything in the asset records that is incorrect.</p> <p>Unable to identify anything in the asset records that should not be there.</p> <p>All 'as-built' information received within the last 30 days has been entered in the property records.</p> <p>Note: The current (2012) quality of the data is poor. Establish a plan for achieving all of the above over the next 2/3 years – against which future progress can be adjudged.</p> <p>(See also No 8.1)</p>
6.4		Critical assets identified and managed.	A management plan has been prepared for each critical asset (or group of critical assets) and is being effectively managed.
7.5	Financial ¹¹	Total operating costs were within the originally approved total budget.	
7.6		100% new capital and renewal projects were (accumulatively) completed within the originally approved total budget.	

¹¹Includes 'Economic – Value for Money'.

KEY

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

Goal	Service Area	Performance Target	2013
7.8		The cost of maintenance and operations has remained static or has reduced.	This year's expenditure to establish the baseline.
7.13		No penalty charges have had to be paid because of the late payment of any creditor's account.	
7.1		All expenditure 100% consistent with the Asset Management Plan.	In future years. First Asset Management Plan to be adopted this year.
7.4		Efficiency – More vehicle kilometres travelled per network kilometre.	Establish the baseline this year.
7.7		Debt level at the end of the year is as forecasted at the beginning of the year \$...	Later – see Section 6.4 in this Plan.
7.9		Total capital costs were as budgeted:	New Capital Renewals Total Capital Loss of Service Potential / Depreciation
7.11		An unqualified audit opinion for 2013	Because of the way the former DNR operated a number of issues are likely to be raised in the audit for 2012. Ensure they are addressed and resolved promptly. Includes the FRUP audit
7.12		No matters raised by Audit as having been identified in the previous audit as requiring attention but not having been attended to.	Includes the FRUP audit
7.10		The Authority's investment is being protected	The depreciated replacement cost (or current value) of the network expressed as a percentage of its replacement cost (excluding land and formation) has increased; (2012 = 63.5%) The annual expenditure on renewals compared with the annual provision for depreciation over time.
7.2		An accurate, current 'fair value' valuation of the assets.	Last valuation 2012 Next valuation due 2015
7.3		An accurate, current depreciation record.	Last assessment 2012. Updated annually and will be comprehensively reviewed as an output of the next valuation in 2015.

For further information about the foregoing performance targets, including the performance measure to which each relates, see the FRA's Organisational Manual (Blue Book) Part I.

KEY

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

Goal	Service Area	Performance Target	2013
8.1	Specific Key Tasks	Asset Data <ul style="list-style-type: none"> Significantly improve the accuracy, completeness and usefulness of the FRA's asset data. (Asset location, material type, condition, capacity, critically, performance, age and remaining life and expenditure history). 	This is a major task that in some areas may take several years. Adopt a stepped action plan for progressive improvement. Report progress to the Board against the action plan quarterly.
8.2		Asset Management Plan <ul style="list-style-type: none"> Prepare and adopt an asset management plan that explains the FRA's detailed long term intentions for managing the entire road business in order to deliver the adopted levels of service and performance targets in the most cost-effective way. The asset management plan to have a ten year horizon and to identify the future network needs and priorities (and their likely cost) – in detail for the first three years and in outline form for the remaining seven. 	A significant task. The plan is to be developed in the form outlined in Attachment 'D' of the Financial Management Manual (Green Book) and in accordance with the already adopted Asset Management Policy and Strategy. The first edition to be completed by 30 June 2013 to ensure the information can be used for the Government's 2014 budget round.
8.3		Bridge Renewals and Replacement Priorities <ul style="list-style-type: none"> Ensure the asset management plan includes a detailed, prioritised bridge improvement programme for the future. 	See 8.2. Initial plan by 30 June 2013.
8.4		Jetties' Condition, Maintenance and Renewal <ul style="list-style-type: none"> Ensure the asset management plan includes a detailed jetties' maintenance and renewal programme for the future. 	Considerable work may be required before this can be properly done. Address the matter at least in an interim way by 30 June 2013.
8.5		Roads' Classification <ul style="list-style-type: none"> 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. Review the necessity for the roads to be classified other than in a fairly general way at all. 	By 30 May 2013.
8.6		Technical Service Standards <ul style="list-style-type: none"> Review the current technical service standards. 	By 30 September 2013.
8.7		Overweight, Overwidth and Overlength Permits <ul style="list-style-type: none"> Identify the sufficiency of the current controls regarding overweight, overwidth and overlength vehicles. 	This is currently an LTA responsibility. However Section 6(a) of the Fiji Road Authority Decree 2012 lists as two of the FRA's responsibilities: "The issuing of over-width, height and length (permits)" (and) The enforcement of vehicle load limits to avoid road damage (especially logging trucks and cane trucks). Need to ascertain how this whole matter is to be addressed. Overweight vehicles in particular can cause the FRA to incur significantly higher costs than it should have to pay. (The Vatakaula road from Tarua to the goldmine is a recent good example). By 30 September 2013.
8.8		Risk Management <ul style="list-style-type: none"> Complete implementation of the "already adopted" risk management framework. 	By 30 March 2013 (See the Risk Management Manual – Grey Book).

Goal	Service Area	Performance Target	2013
8.9		Performance Management and Reporting <ul style="list-style-type: none"> Ensure the FRA will be able to list appropriate targets against all of the performance measures listed in parts 1 – 7 of this table next year and by the beginning of the year (2014) have an effective system in place for monitoring and regularly reporting results not only after year end but throughout the year. 	<p>Includes establishing performance measures and targets for six monthly performance reviews of : MWH and other Consultants; The Maintenance Contractors; The Municipal Councils; and Any other major contractors and carrying out the first formal reviews in the manner set out in, and on the dates stated in Section 18 of the Financial Management Manual (Green Book) in 2013. Installation of the master performance measurement and monitoring system will require careful thought. It is essential that it to be done in an integrated way. Establishing the baseline for some of the measures will take some time. Needs to be complete by November 2013. Report progress quarterly. Incorporate all performance management information, and management, via the Organisation Performance Manual.</p>
8.10		Rural Roads – Responsibility For <ul style="list-style-type: none"> Clarify the location, condition, and use of the cane and other roads in the rural area to enable the FRA to more accurately determine those that it should be responsible for (and especially where the demarcation point with the Ministry of Sugar should be). 	<p>There are more than 6,000 kms of cane and other roads. The FRA has agreed in principle to ultimately accept responsibility for those of them that are used as public routes – especially by school buses. Only minimal control has been exercised over these roads in the past and the current situation may be generally described as:</p> <ul style="list-style-type: none"> The DNR and the Ministries have done work on them The adjoining property owners may have carried out 'unauthorised' work on them Many of the 'roads' will never have been declared as roads and will probably be just tracks on private or native land that over time have come to be used to varying degrees by the public; Unauthorised structures often of an inadequate standard and many now in an unsafe (perhaps seriously unsafe) state of disrepair – and perhaps partly on the road and partly on private property – will probably be common; The Utilities providers (water, power and gas) will have used the roads to varying degrees and perhaps not to the standard required had the roads been being managed responsibly by a particular entity and its permission to have first had to have been obtained. <p>Before assuming responsibility for the construction, maintenance and development of any of these roads the FRA needs to better understand exactly where each is, its current legal status, condition and use and if there are any structures (apart from the normal road structures) on it. It also needs to discuss with the Ministry of Sugar where the most appropriate boundary between those roads to be managed by the FRA and the Ministry should be. Ascertaining these matters is going to take some time – years. It will have to be done progressively with the emphasis being initially on those roads where it is intended FRA funds be spent. Should any significant abnormal circumstances be identified the issue will be addressed before public funds are spent. Prepare guidance criteria about how this matter is to be addressed – what information is to be compiled and how it is to be recorded for the long term and a phased course of action. Advise the Board of the intended programme of action by 30 May 2013.</p>

Goal	Service Area	Performance Target	2013
8.11		Rural Roads – Future Strategic Approach <ul style="list-style-type: none"> Finalise a long term strategic approach (ie what the construction and maintenance etc approach is to be) for future management of the approximately 6000 kms of minimally developed (and until now sparsely maintained) cane and other rural roads. 	With the Asset Management Plan – by 30 June 2013. See 8.2.
8.12		Depots <ul style="list-style-type: none"> Exit ownership and management of, or lease to the maintenance contractors, the depots that (because of the change to a ‘contracting out’ environment) are no longer required. 	Final approach agreed by 28 February 2013. Implementation complete by 30 May.
8.13		Quarries <ul style="list-style-type: none"> Exit ownership and management of the quarries. 	Report to the Board in January and then to the Cabinet.
8.14		Plant and Vehicles <ul style="list-style-type: none"> Exit ownership and management of the plant and vehicles that (because of the change to a ‘contracting out’ environment) are no longer required. 	By 30 April 2013. (See the intended policy approach in Section 6.8.5)
8.15		Laboratories <ul style="list-style-type: none"> Continue to prepare the laboratories for possible sale or lease within the next 18 months/ 2 years. Be able to substantiate significant progress by the end of the year. 	The future business approach has already been approved by the Board. Awaiting the appointment of a Laboratories Manager. Laboratories Manager in place by February 2013. Detailed Business Plan by 30 March. The performance against every step in the Business Plan reported to the CEO monthly and to the Board quarterly.
8.16		Disestablishment of the Former Samabula Office <ul style="list-style-type: none"> Complete disestablishment of the Samabula office. 	By no later than 28 February 2013.
8.17		Street Lights <ul style="list-style-type: none"> Decide the future maintenance and management approach for the street lights. 	By 30 August 2013 (or earlier if the interim arrangements with the Municipal Councils are not working satisfactorily). If they are working satisfactorily allow time for them to be proven. Leaving this responsibility with the Municipal Councils permanently is a possible option.
8.18		Traffic Signals <ul style="list-style-type: none"> Decide the future maintenance and management approach for the traffic signals. 	By 30 June 2013.
8.19		Outer Islands – Roads’ Maintenance <ul style="list-style-type: none"> Decide the future maintenance and management approach for roads on the Outer Islands. 	By 20 March 2013. Earlier if possible.
8.20		Municipal Councils – Delegated Responsibilities <ul style="list-style-type: none"> Satisfactorily complete and embed the MOU arrangements with the Municipal Councils. 	The FRA has delegated back to the municipal councils the responsibility for “off carriageway” maintenance works in their areas. The councils also contribute annually towards the FRA’s costs. The arrangement is to be documented in formal MOU agreements that are being negotiated with each council: The MOU process was not completed before the end of 2012. Resolve and finalise all MOU issues by 20 January 2013. After that the Municipal Councils Liaison Officer to report to the CEO promptly if issues arise. The Board to be advised quarterly how the arrangement is working.

Goal	Service Area	Performance Target	2013
8.21		ADB Projects' Management <ul style="list-style-type: none"> • Ensure more appropriate and more robust management of the Asian Development Bank (ADB) projects – including early compliance with the FRA's obligation to provide an audited financial return to the Bank after year end. 	<p>This was a serious problem in 2012. The ADB requires an audited report in a standard format as soon as possible after the close of the calendar year – and not later than 30 June. In 2012 the FRA didn't provide its report until 15 October – and only then after considerable prompting. The report that was delivered was also deficient in a number of areas. In addition, the Auditor-General's audit of the FRUP projects identified several weaknesses. There are also some management issues regarding these projects. The whole matter needs to be addressed in a properly co-ordinated way and an improvement plan that addresses all of the weaknesses agreed and adhered to. The way that the ADB projects have been managed in the past has not been resulting in optimum value for money. Discuss with the ADB. Report to the Board quarterly.</p>
8.22		Maintenance Contracts <ul style="list-style-type: none"> • Ensure the maintenance contracts are implemented as intended and working satisfactorily. 	<p>By far the most significant aspect of the re-organisation has been the change from maintaining the roads almost entirely 'In House' to a totally 'contracted out' approach. The entire network is now maintained in three regions three contractors who have been awarded contracts for four year terms with limited rights of renewal. The Government is expecting to quickly see a major improvement in the way the roads are managed and maintained. Closely monitor the contracts' implementation period. Work closely with the contractors to ensure any teething problems are immediately addressed. Concentrate on the achievement of quick and obvious 'win-wins'. Ensure work is allocated to enable results to be achieved in the most effective and efficient manner. Ensure the Contractors' performance is formally reviewed regularly in the manner specified in Section 18 of the Financial Management Manual (Green Book). For the first six months report progress to the Board monthly – thereafter quarterly.</p>
8.23		Branding <ul style="list-style-type: none"> • Adopt and implement a 'Branding Policy'. 	<p>The Fiji Roads Authority is a new entity – an organisation that has been set up to manage Fiji's roads in an entirely different manner. The way that it is perceived by the public will be extremely important. We need to get the message out there quickly that 'things have changed' and that there is now a new competent body in charge – intent on improving the roads and spending money more wisely.</p> <ul style="list-style-type: none"> • We need to be promoting ourselves in a singular way – 'Fiji Roads' (just like 'Vic Roads' in Australia is internationally known). • This term should be used in all our communications – in the way we answer the phone, in newspaper articles, on road signs and in all our verbal communications – 'Fiji Roads'. • The way in which 'Fiji Roads' is promoted by and through the maintenance contractors will also be extremely important. When people see the contractors working out on the roads they need to 'get the message' that the planning, programming and funding has come from 'Fiji Roads' – similarly the major projects – "That this is another 'Fiji Roads' project." 'Fiji Roads' signs at all major project sites; the 'Fiji Logo' on contractors' plant and vehicles (in addition to their own) and on roadwork signs; and staff uniforms are just some of the ways that this might be done. In addition all references to the Ministry of Works, the former Department of National Roads (DNR), or any other Government Department are to be eliminated immediately. <p>This whole branding matter is to be discussed and agreed with the Maintenance Contractors and the Authority's future policy adopted by 31 March 2013.</p>

Goal	Service Area	Performance Target	2013
8.24		Loan Liabilities <ul style="list-style-type: none"> Decide how EXIM Bank and Asian Development Bank loan funding is to be referenced in the annual accounts (see Section 6.4). 	See section 6.6 of this Corporate Plan. By 30 September 2013.
8.25		Contract Retentions <ul style="list-style-type: none"> Record contract retentions in a more robust way and reconcile the (historical) situation at the beginning of the year (2013). 	See Sections 6-9 of the Financial Management Manual (Green Book). A much more rigorous contracts management system to be installed and adhered to. In the past the DNR has had a retentions account but it hasn't been properly managed and has been unable to be reconciled. The account must be reconciled and then 'closed off' – and replaced with the comprehensive contracts' asset management system described in the Financial Management Manual.
8.26		<ul style="list-style-type: none"> Legal Claims and Disputes Finalise all outstanding claims/legal disputes etc. inherited from the DNR and promptly resolve any new claims or disputes that may arise during the year.	The FRA has inherited a number of historical legal claims and disputes from the DNR. These need to be disposed of as soon as possible. Report to the Board as each claim/dispute is dealt with – and comprehensively quarterly. Ascertain if there are any outstanding claims/disputes relating to the municipal council roads.
8.27		Corruption <ul style="list-style-type: none"> Complete investigations relating to apparent fraudulent activities identified in 2012 and the subject of complaints to the Fiji Independent Commission Against Corruption (FICAC) 	An ongoing matter. FICAC is currently (December 2012) still investigating some matters and has other complaints still to address. The CEO to report progress to the Board as needed and comprehensively quarterly – including about any investigation he may be carrying out himself. The FRA will not tolerate conflicts of interest, fraud, bribery or corruption in any shape or form. It has already put rigid procedures in place to ensure this doesn't happen (see in particular Section 2.2 of the Financial Management Manual – 'Green Book').
8.28		Half- Yearly Report <ul style="list-style-type: none"> Submit the Authority's Half-Yearly Report to the Minister by not later than 30 July. 	The Half-Yearly report is to be prepared in three parts: <ol style="list-style-type: none"> A brief general overview of the progress the FRA is making towards the achievement of its objectives for the year, and an explanation of any problems it is encountering (and what it is doing to solve them.) A detailed listing of expenditure to date against the work items listed in Section 3 (and the identification of any significant variations, or proposed variations) from what was originally proposed. To the extent it is possible to do so a summary of the FRA's performance to date against the performance measures and targets listed in Section 4 (some results can only be reported annually). An overall summary of expenditure to date in the Cost of Service format in Table 8 and a forecast of the Authority's ability to complete its proposed programme of work for the year within the approved budget. (Section 29(2) of the Decree requires the information that is to be included in the half-yearly report to be stated in the Corporate Plan).
8.29		2012 Annual Report <ul style="list-style-type: none"> Complete the Authority's first Annual Report (for 2012) and submit an audited copy of it to the Minister by not later than 20 March 2013. 	Section 30 of the Decree requires the Authority to submit its audited Annual Report to the Minister by 30 March. Target to complete this task by 20 March. The completion of this first Annual Report is likely to be a difficult exercise and the work required to prepare it will need to be carefully planned if the submission date is to be met.
8.30		Corporate Plan and Statement of Corporate Intent <ul style="list-style-type: none"> 2014 Corporate Plan and Statement of Corporate Intent to be completed and adopted by the Board not later than 10 December. 	Following the Government's budget decisions for 2014 (late November 2013)

Goal	Service Area	Performance Target	2013
8.31		Building Local Capacity <ul style="list-style-type: none"> • Be able to substantiate quite clearly at the end of the year the progress that has been made to build local capacity. 	<p>A key objective that underpins the whole reorganisation process has been to put in place a structure for increasing the skills and competence of the local consultants and contractors and their employees. The Authority expects this to be done in a properly thought through, structured and measurable way (see Section 1.5 of this Plan for some of the areas in which it is expecting action). Report progress to the Board after a 'settling in' period – in the half yearly report in July and in the Annual Report. Such reports must be specific, meaningful and measurable and the statements made in them able to be substantiated – not generalisations or platitudes.</p>
8.32		Staff <ul style="list-style-type: none"> • Reduce the total FRA staff complement to about 20 as soon as possible 	<p>The transition process still has a little way to go. On 1 January 2013 the FRA expects to have a total staff complement (including employees engaged on the Outer Islands, and in the Quarries and the Laboratories of about 220). In addition to the separate tasks relating to each of those areas the matter needs to be managed holistically. Report progress to the Board monthly.</p>
8.33		Key Stakeholder Relationships <ul style="list-style-type: none"> • Strengthen relationships with the FRA's key stakeholders and agree improved ways of working with each in future to mutual advantage. 	<p>Strong ongoing relationships with the Authority's key stakeholders are absolutely fundamental to our future success. Each needs to understand what the FRA and its aims and objectives are and how road management in Fiji is going to be so much different in the future. On the other hand the FRA needs to clearly understand too what its stakeholder's intentions are and how it (the FRA) might be able to help them. In addition to the various other Government Departments listed on the last page of this Plan the key parties include:</p> <ul style="list-style-type: none"> - The Fiji Police (traffic management and accident statistics); - The Land Transport Authority (the regulatory body); - The Bus Owners and Operators (special problems in some rural areas getting children to school); - The Provincial Administrators (to examine how roading needs in the rural areas might be able to be better provided for by closer co-operation and co-ordination between the two parties); - The Ministry of Sugar (to agree where the demarcation point between the FRA and The Ministry for management of the Cane Roads should be); <p>Establish a formal 'relationship protocol' with each of FRA's key stakeholders. Complete that task by 30 June 2013 and thereafter ensure adherence. Report any issues to the Board as they arise. Also remember the FRA's principal customers are all of the road users. Ensure they are kept well informed via the news media about matters that are likely to be of interest to them. Keep people whose properties or vehicular movements are likely to be affected by particular roadworks informed about what's proposed, 'when', and for how long. Promote use of the FRA's website and customers' feedback through it.</p>
8.34		Expenditure Control <ul style="list-style-type: none"> • Ensure full compliance with all of the FRA's obligations under the agreement between the Authority and the Government regarding the 'Transfer, Utilisation and Accountability of the 2013 Operational and Capital Grant'. 	<p>The FRA receives its revenue from two principal sources - Government Revenue and loans. Accounts funded by loan are paid directly by the Government. The Government funds are released regularly throughout the year pursuant to a formal agreement that is entered into between the parties. Under that agreement the FRA is required to;</p> <p>within 10 working days of the end of each month provide:</p> <ul style="list-style-type: none"> a detailed monthly statement of expenditure; a bank reconciliation; a written brief on the progress of the operational and capital activities; (and) a request for disbursement of the funds 10 working days before their proposed utilization. <p>ensure that the funds are utilised according to the budget;</p> <p>seek the Government's written approval for any deviation from the budget; and</p> <p>ensure that no misappropriation occurs.</p> <p>While the Board will be receiving regular reports about its financial position the CEO will report to it about its specific obligations under this agreement by exception. In the absence of any advice to the contrary the Board will assume all of the requirements of the agreement have been, and continue to be, satisfactorily met.</p>

Goal	Service Area	Performance Target	2013
8.35		Land Purchase and Roads Legalisation <ul style="list-style-type: none"> Develop and implement a plan for progressive reduction of the roads' legalisation backlog and ensure the necessary land purchase and road legalisation processes for all future projects are completed promptly as a part of the construction project. 	<p>The FRA has inherited a significant backlog of land purchase and roads' legalisation work relating to road construction projects. Land taken for roadworks has not been surveyed and the necessary procedures haven't been completed when they should have been. There are at least forty surveys that haven't been completed and the initial surveys of at least another thirteen may not have been started.</p> <p>The first essential is to make sure that the necessary survey and legalisation work is done as a part of each construction project (and that the project isn't 'signed off' as having been completed until that has been done). The second essential is to ensure the backlog is reduced in a structured fashion over time.</p> <p>The Board to co-ordinate its approach regarding this matter with The Ministry of Lands (Farzana Khan) and to adopt an action plan by 30 May 2013.</p>
8.36		Financial Management Manual <ul style="list-style-type: none"> Complete the Financial Management Manual (Green Book) and consider changing its title to 'Operations Manual'. 	<p>The FRA has already adopted a Financial Management Manual. The manual is however incomplete. It lacks the more detailed requirements relating to the various technical/operational, financial and administrative processes. They were unable to be written until the new financial management, asset management and payroll systems have been installed and the manner in which the new organisation is going to be structured and managed is clear. Provision for their later inclusion has been made in Section 14. The additional material needs to include flowcharts and a clause requiring the various processes' regular review. Consideration is to also be given to changing the name of the document to 'Operations Manual' because it covers more than just financial information. (Should this be agreed there will be some wider implications because the current manual is referred to in many places).</p> <p>All necessary processes to be documented in detail and included in the Manual by 30 October 2013.</p>
8.37		Business Continuity and Operations Recovery Plan <ul style="list-style-type: none"> Develop a Business Continuity and Operations Recovery Plan for both the FRA's business and the process for responding to a severe weather and/or other natural hazard event. <p>See also Section 5.2 of the Financial Management Manual (Green Book) and Target number 2.3 above.</p>	<p>Every organisation should have a business continuity plan that states what is to happen in the event of a major fire or other disaster.</p> <p>In addition to this however the FRA needs a clear plan specifying the action that is to be taken in the case of a major natural hazard event such as a severe storm, earthquake or Tsunami affecting the road network. Severe storms occur regularly in Fiji. The first priority is always public health and safety. The second priority is that there be no doubt at all about what the strategic routes are and to get them back open as soon as possible. The rest of the damage can then be attended to in an orderly, prioritised fashion. Throughout, the recovery process must be completed in a disciplined and co-ordinated way with everyone being quite clear about what their roles are.</p> <p>A plan that addresses all of these things to be adopted by the Board by 30 August 2013.</p> <p>Incorporate in the Risk Management Manual. Ensure close cooperation with the Ministry that overall responsibility for the management of natural hazard events.</p>
8.38		Miscellaneous Revenue – Control <ul style="list-style-type: none"> Ensure sufficient controls are in place for collection of the FRA's miscellaneous revenue 	<p>The Authority obtains almost all its revenue from three main sources – Government Grant, Loans and the Municipal Councils. There are two other sources however that require careful management – revenue from the sale of metal from the quarries and revenue from services provided by the laboratories.</p> <p>Ensure adequate procedures are quickly put in place for accounting for these funds – by 10 January 2013. Thereafter monitor and audit regularly.</p>

Goal	Service Area	Performance Target	2013
8.39		<p>Vested Assets – Roads Built By Others</p> <ul style="list-style-type: none"> Strengthen the process and make clear the FRA's requirements before it will accept roads that have been built by others 	<p>There are a number of Ministries and other government agencies in Fiji that build roads as a part of their normal responsibilities. In addition Subdividers and Developers build new roads to serve their subdivisions and developments or may be required, as a condition of consent, to either upgrade or contribute to the cost of upgrading, an existing road. The whole new road building and 'upgrading by others' process needs to be strengthened. Much more consideration needs to be given in the early stages to matters such as exactly where the proposed new road is to be located, how it will 'fit in' with the existing network, and what the standard to which it is to be built should be. Control of subdivisions and developments needs to be strengthened to make sure all entrance-ways and exit-ways are appropriately sited, street lighting and footpaths are properly provided for, that where necessary sufficient, provision is made for vehicles to pull off the carriageway and so forth – and that the roads are actually constructed to the FRA's standards. If these sorts of conditions aren't imposed from the outset, and rigidly enforced, the end result inevitably is additional costs having to be paid by the FRA.</p> <p>The ways in which this required strengthened process will be applied include:</p> <p>The development of technical standards that clearly stipulate what the FRA's requirements for the construction of new, and the upgrading of existing, roads are;</p> <p>The FRA and the various Ministries working more closely together to ensure a better understanding of what each is proposing or doing, with a view to greater integration of national objectives;</p> <p>More assertive management of the subdivision and development process insofar as roads are concerned by the FRA;</p> <p>The FRA not being prepared to accept any new road or finally sign off on any subdivision unless all of its requirements have been met to its satisfaction.</p> <p>A change of this magnitude is going to take some time. Set a target date (probably in 2014) for completion of a review of the technical standards. In the meantime address the matter of greater integration through the Asset Management Plan and other planning documents and strengthen the subdivision and development approval processes. Distribute a circular explaining the FRA's concerns and what it is intending to do about them to the relevant Ministries and others by 30 March 2013.</p> <p>[See also No 3.10]</p>

Goal	Service Area	Performance Target	2013
8.40		<p>Requests for Service and Complaints Install a centralised system for registering the receipt of, and monitoring the action taken on, all requests for service and complaints.</p>	<p>The way in which any organisation like the FRA receives and processes requests for service and complaints is a major factor in determining whether it will be perceived in public as being a competent business intent on listening to, and doing what it can for its customers (the road users) or just another bureaucracy that it's a waste of time contacting "because they never take any notice anyway".</p> <p>The essential things about requests for services and complaints are:</p> <ul style="list-style-type: none"> (a) That they be promptly acknowledged – that the submitter at least know that his/her request or complaint has been received; (b) That the submitter be told what the FRA intends to do/or has done about the matter that has been raised; (and) (c) That when the FRA has said it is going to do something it actually does so – and within a reasonable period of time. <p>In many cases it won't be possible to do what is being requested or solve what is being complained about. In those circumstances it is important to be quite open and tell the submitter that – and 'why'. It is also important that the types of requests and complaints being received be recorded and analysed for trends – to identify if some sort of higher level action is required.</p> <p>In the 'new operating environment' the FRA can expect to receive requests and complaints via:</p> <ul style="list-style-type: none"> • telephone; • letter; • personal visits; • email; • verbally to officers 'in the field'; and via • the FRA's website. <p>and through:</p> <ul style="list-style-type: none"> • the Minister's Office; • the FRA Office; • the various councils; • the maintenance contractors; and • the FRA's Professional Engineering Services Advisers (MWH). <p>It is essential they all be recorded and tracked (from the time of receipt until 'close out') in a centralised way. Devise and install such a centralised system by 30 May 2013. (See also No's 5.5 and 5.7b).</p>

Goal	Service Area	Performance Target	2013
8.41		<p>Environmental Assessments and Discharge Permits Ascertain exactly what the FRA's Environmental Assessment and Discharge Permit (and any other similar environmental) obligations are and put in place a central system for:</p> <ul style="list-style-type: none"> (a) ensuring that at all times it has all the assessments and permits it requires; (and) (b) for monitoring compliance with all conditions throughout the year. 	<p>Questions have been raised about whether or not the FRA is doing this satisfactorily now. (See also No 4.2)</p>



5 FINANCIAL SUMMARY

Including:

- the borrowings made and proposed to be made by the Authority;
- the corresponding sources of funds;
- a description of the Authority's accounting policies
- a forecast cost of service statement and cash flows for the current and following two financial years.

5.1 COST OF SERVICE STATEMENT

Table 10 – Statement of Cost of Service

2012 Budget	Item	2013 Budget \$000	Forecast 2014 \$000	Forecast 2015 \$000
\$000	Operating Expenditure			
20,835	Management		4,509	4,509
	Roads and Bridges' Maintenance			
	Pavements			
	– Sealed	10,087		
	– Unsealed	782		
	Drainage	652		
	Environmental	1,335		
	Traffic Signals	435		
	Street Lights	870		
	Traffic Services	4,087		
	Emergency Response – Storm Damage	25,432		
	Materials' Testing	435		
	Network and Asset Management	3,140		
44,988	Bridges and Structures	413	47,668	47,868
130	Jetties		652	652
43,060	Depreciation		43,080	43,100
109,013	Total Operating Costs		95,909	96,129
	Capital Expenditure			
	Renewals			
	Roads and Bridges	98,418		
	Laboratories	478		
37,600	Jetties	4,304	103,200	119,986
	New Capital Development			
121,525	Roads and Bridges		245,542	161,541
159,125	Total Capital Expenditure (VEP)		348,741	281,527
15,767	VAT		26,871	28,190
283,905	Total Funding Requirement		471,521	405,846
	Funded by:			
43,060	Unfunded Depreciation	43,080		43,100
131,845	Government Grant	201,441		211,746
109,000	Loans	221,000		145,000
	Contribution-Municipal Councils	6,000		6,000
283,905	Total Funding		471,521	405,846

Notes:

- The forecasts in this table for 2014 and 2015 do not represent the funding that is required if the roads and bridges are to be satisfactorily maintained and restored. The figures shown here are as projected in the Government's "Fiji Budget Estimates 2013". The amount that is really required, and the likely consequences if funding at that level is not provided, will be identified in the ten year asset management plan that is to be prepared during the year.
- Because of the way the former DNR managed its finances the 2012 budget figures cannot meaningfully be compared with those for 2013-20.15

The FRA receives its funding from three principal sources:

- Government Grants
- EXIM Bank and ADB Loans; and
- an annual contribution from the municipal councils.

The Government Grants are received monthly 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 funding needs is shown in Table 11.

Table 11 – Cash-flows Forecast

Work	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Government Funded Work	\$000	\$000	\$000	\$000	\$000
Management	1,344	1,010	1,067	1,088	4,509
Maintenance	4,032	6,491	7,269	5,096	22,888
Flood Damage	4,785	2,343	1,823	1,481	10,432
Renewals and Replacements	13,785	27,669	33,967	27,779	103,200
New Capital					
Provincial Rural Roads	897	2,692	3,590	1,795	8,974
Suva Urban Improvements	1,125	2,485	2,845	1,605	8,060
Other Capital Improvements	482	804	1,366	1,078	3,730
Local Share – Loan Funded Works					
EXIM Bank of China	1,700	1,847	2,400	1,599	7,546
EXIM Bank of Malaysia	2,000	3,295	850	738	6,883
Asian Development Bank	2,200	800	348	1,000	4,348
Subtotal	32,350	49,436	55,525	43,259	180,570
Plus VAT	4,796	7,359	8,272	6,434	26,861
	37,146	56,795	63,797	49,693	207,431
Less Municipal Council Share	1,500	1,500	1,500	1,500	6,000
Total – Government Funded Work	35,646	55,295	62,297	48,193	201,431
Loan Funded Work					
ADB Flood Damage	11,231	2,256	863	650	15,000
EXIM Bank of China	13,000	40,000	50,000	23,000	126,000
EXIM Bank of Malaysia	2,000	27,000	18,000	23,000	70,000
ADB (FRUP III)	5,510	2,370	1,109	1,011	10,000
Total – Loan Funded Work	31,741	71,626	69,972	47,661	221,000

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



6 ACCOUNTING POLICIES AND FINANCIAL INFORMATION

For further information about the way the FRA manages its financial affairs see the Financial Management 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

6.2 REVENUE

The FRA receives its revenue from three principal sources:

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

For an interim period it is continuing to operate the former DNR quarries and as such will receive revenue from the sale of road metal.

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, the EXIM Bank of Malaysia and the Asian Development Bank. Loan funded costs are directly paid by the Government (not the FRA – see 6.6) and the Fiji Revenue and Customs Authority (FRCA) has deemed the VAT component in respect of 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	\$ 177,781,512	\$ 177,781,512	\$ -	\$ -
Formation	\$ 2,951,557,753	\$ 2,951,557,753	\$ -	\$ -
Carriageways				
Sealed Road Surfacing	\$ 188,397,206	\$ 94,198,603	\$ 94,198,603	\$ 12,091,880
Sealed First Coat	\$ 178,340,151	\$ 89,170,075	\$ 89,170,075	\$ 3,190,469
Sealed Base	\$ 170,730,715	\$ 85,365,358	\$ 85,365,358	\$ 3,037,336
Sealed Sub Base	\$ 366,389,361	\$ 296,804,503	\$ 69,584,857	\$ 1,988,139
Unsealed Top Course	\$ 53,918,342	\$ 26,959,171	\$ 26,959,171	\$ 10,783,668
Unsealed Base	\$ 232,384,900	\$ 232,384,900	\$ -	\$ -
Sub Total	\$ 1,190,160,674	\$ 824,882,610	\$ 365,278,064	\$ 31,091,492
Drainage				
Culverts	\$ 144,534,336	\$ 72,267,168	\$ 72,267,168	\$ 1,806,679
Gullypits	\$ 13,577,793	\$ 6,788,896	\$ 6,788,896	\$ 169,722
Surface Water Channels	\$ 132,196,622	\$ 66,098,311	\$ 66,098,311	\$ 1,652,458
Sub Total	\$ 290,308,750	\$ 145,154,375	\$ 145,154,375	\$ 3,628,859
Footpaths	\$ 45,327,568	\$ 28,147,766	\$ 17,179,803	\$ 1,117,498
Traffic Control				
Signs (inc Posts)	\$ 8,140,131	\$ 4,070,065	\$ 4,070,065	\$ 576,115
Markings	\$ 572,265	\$ 572,265	\$ -	\$ -
Traffic Signals	\$ 3,026,884	\$ 1,513,442	\$ 1,513,442	\$ 159,547
Sub Total	\$ 11,739,279	\$ 6,155,772	\$ 5,583,507	\$ 735,661

Bridges				
Large Bridges	\$ 246,779,844	\$ 157,951,028	\$ 88,828,816	\$ 2,199,837
Small Bridges	\$ 121,608,188	\$ 65,034,322	\$ 56,573,865	\$ 1,163,373
Large Culverts	\$ 85,400,662	\$ 42,232,242	\$ 43,168,420	\$ 711,672
<i>Sub Total</i>	\$ 453,788,693	\$ 265,217,592	\$ 188,571,101	\$ 4,074,882
Minor Structures				
Guard Rails	\$ 22,179,142	\$ 11,089,571	\$ 11,089,571	\$ 887,166
Jetties	\$ 22,778,791	\$ 12,123,397	\$ 10,655,393	\$ 341,871
<i>Sub Total</i>	\$ 44,957,932	\$ 23,212,968	\$ 21,744,964	\$ 1,229,036
Street Lighting	\$ 1,197,648	\$ 598,824	\$ 598,824	\$ 33,770
Other				
Laboratories	\$ 6,492,192	\$ 3,246,096	\$ 3,246,096	\$ 108,203
Quarries	\$ 24,186,699	\$ 15,866,586	\$ 8,320,114	\$ 962,168
<i>Sub Total</i>	\$ 30,678,891	\$ 19,112,682	\$ 11,566,210	\$ 1,070,371
Total	\$ 5,197,498,702	\$ 4,441,821,854	\$ 755,676,848	\$ 42,981,571

6.5 DEPRECIATION

The forecasted depreciation provision for 2013 is \$43.08m being:

Table 13 – Depreciation Provision 2013

	\$000	\$000
Roads		
Carriageways	31,091	
Drainage	3,629	
Footpaths	1,117	
Traffic Control	736	
Guard Rails	887	
Lighting	33	
<i>Sub Total</i>		37,493
Bridges		4,075
<i>Sub Total Roads & Bridges</i>		41,568
Jetties		342
Laboratories		108
Quarries		962
Other Assets (Est only)		100
TOTAL		\$ 43,080

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
Traffic Control	
Signs	12
Posts and Markers	20

Asset Category	Total Useful Life (Years)
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 PROJECTS FUNDED BY THE MALAYSIAN AND CHINESE EXIM BANKS

The FRA manages several road upgrading projects that are funded by loans from the Malaysian and Chinese EXIM Banks and by the Asian Development Bank.

The projects that are proposed this year, funded from these sources, are:

Table 15 – Loan Funding

Bank	Budget 2013	
	\$000	\$000
BANK OF CHINA		
Buca Bay/ Moto Road	24,000	
Sigatoka/Serea	22,000	
Nabouwala – Dreketi	80,000	
		126,000
BANK OF MALAYSIA		
Nakesi – Nauson	15,000	
Nadi Widening	15,000	
Queens Highway	40,000	
		70,000
ASIAN DEVELOPMENT BANK (ADB)		
Nodaro to Korovou	3,120	
Retentions Release	359	
Waitoa to Wailotua	4,010	
Capital to be Allocated	2,511	
		10,000
Flood Rehabilitation		
Regravelling Monasavu and Nadirovatu Roads	2,063	
Regravelling Koronivia, Lokia and Toga Roads	457	
Land Stabilisation – Wailevu Wainibuku Slip	702	
Land Stabilisation – Lomaloma Slip	615	
Rakiraki Bridge	1,756	
Namado Bridge	176	
Fiji Water Authority Project	9,231	15,000
		\$221,000

Currently the loans are being repaid directly by the Government and not by the FRA so the loan servicing charges (liabilities) don't show in this Plan while the value of the improvement work (assets) that they have funded does.

The Government and the FRA are still to decide how this matter is to be reflected in the FRA's Annual Accounts.

6.7 FORMER MUNICIPAL COUNCIL LOANS

The FRA has inherited certain loan liabilities from the municipal councils. At the time of issue of this Corporate Plan (5 December 2012) the amount of the loan liability that the FRA has inherited from the municipal councils was still to be finally determined.

6.8 ASSET DISPOSAL POLICY

6.8.1. Introduction

Section 32 (2) (e) of the Fiji Road Authority Decree 2012 (No 2) requires the FRA to include in its Statement of Corporate Intent an outline of its policies and procedures relating to the disposal of major assets.

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, apart from four or five vehicles that it provides for its staff, it doesn’t have the need for any depots, quarries, workshops, plant and machinery or other vehicles.

There are, however, some assets that it has inherited from the former Department of National Roads and these will be disposed of as follows:

6.8.2. Depots

There are 23 depots and 21 sub-depots that have traditionally been used for a range of activities including:

- (a) Quarry operations;
- (b) Laboratory testing;
- (c) Workshops;
- (d) Fuelling stations; and
- (e) Permanent buildings and sleeping quarters

Some of these depots are used by others as well – which may create conflicts if they are transferred or leased to the maintenance contractors in the new ‘contracted out’ environment.

- (a) Where the depot is located at a place that is a vital community link when emergency events occur (e.g. the sub-depots in the outer islands) the maintenance contractor will be required, as a condition of contract, to occupy the property.
- (b) Where the depot is located at a place that is considered to be strategically important to the success of the contracts the contractor will not necessarily be required to occupy the depot but will be required to station forces in that area in order to be able to satisfactorily meet the service delivery response times. If that can best be done by the contractor continuing to occupy the existing depot or sub-depot the depot will be offered to it to lease;
- (c) Where neither of the above apply, and no use conflicts exist, the depot will be offered to the maintenance contractor to lease.

- (d) Where conflicts exist and the contractor wishes to occupy the site either the multiple uses will be separated in order to give the maintenance contractor exclusive physical use of a part of the property or the depot (or sub-depot) will be transferred to the other users and the contractor will have to make alternative arrangements.
- (e) Any depots remaining after all of the above options have been considered will be disposed of or leased in the most appropriate way (after first considering representations from any other Government departments that may have an interest in them).

6.8.3. Quarries

FRA owns one closed and two operating, quarries:

- (a) The Nasinu quarry in the Central Division;
- (b) The Lomolomo quarry in the Western Division;
- (c) The (closed) Korotari quarry at Labasa in the Northern Division.

A paper will be prepared for Cabinet advising of FRA’s intention to offer the quarries for open sale on an ‘as is where is’ basis as soon as possible, subject to no other Government Department having any interest in them and the Cabinet directing that its interest be considered.

6.8.4. Laboratories

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 carry out testing on a charge basis for the private sector. The project laboratories are funded within the relevant project’s costs 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 FRA owned and operated laboratories have many ‘issues’.

FRA will therefore retain the former DNR laboratories in the meantime and immediately put in place a comprehensive plan for their improvement – with a view to possibly selling them as a single going concern at some future time or contracting the management of them out.

6.8.5. Plant and Vehicles

The following table gives a general indication of the range of the plant and vehicles that were previously managed in the plant pool of the Ministry of Works (MWTPU) and hired to the FRA. Those items that were predominantly used on the roads were transferred to ownership of the FRA by the Decree.

Table 17 - Plant Pool Vehicles & Plant

Light Vehicles					
DESCRIPTIONS	CENTRAL/EASTERN	WESTERN	NORTHERN	TOTAL	
CAR	10	0	1	11	
STATION WAGON	6	2	1	9	
HARD TOP	20	8	5	33	
UTILITY	5	7	4	16	
SUZUKI	0	1	0	1	
TWIN CAB	38	24	20	82	
MINI VAN	0	1	0	1	153
Heavy Vehicles					
DESCRIPTIONS	CENTRAL/EASTERN	WESTERN	NORTHERN	TOTAL	
DAIHATSU FLAT TOP	2	1	1	4	
MITSUBISHI FLAT TOP	5	1	1	7	
HOIST TRUCK	4	2	3	9	
HINO FLAT TOP	1	0	0	1	
MAZDA TIP TRUCK	3	6	5	14	
ISUZU TIP TRUCK	6	16	12	34	
MITSUBISHI TIP TRUCK	4	5	2	11	
HINO SERVICE TRUCK	2	0	1	3	
HINO PRIME MOVER	1	1	1	3	86
Plant					
DESCRIPTIONS	CENTRAL/EASTERN	WESTERN	NORTHERN	TOTAL	
DUMP TRAILER	0	1	0	1	
HINO TRAILER	1	1	1	3	
D7	1	0	1	2	
D6	5	2	3	10	
D4	3	1	0	4	
M F LOADER	5	1	3	9	
CLARK LOADER	6	4	3	13	
TCM LOADER	1	0	0	1	
GRADER	15	11	18	44	
FORD TRACTOR	1	1	0	2	
JCB BACKHOE	3	1	4	8	
KATO EXCAVATOR	3	1	0	4	
NISSAN FORKLIFT	1	0	0	1	
CRANE	2	0	0	2	
BADFORD 3 PIN ROLLER	0	1	0	1	
BOMAG ROLLER	1	2	2	5	
DYNAPAC ROLLER	3	3	0	6	

The FRA's policy in respect of the plant and vehicles it has inherited is as follows:

- (a) That the MWTPU be requested to continue to operate the FRA's plant and vehicles in the plant pool on the FRA's behalf until 20 December 2012 – and the FRA take physical possession of the items concerned that day;
- (b) That the plant and vehicles be stored and managed by the respective Maintenance Contractors in each Division at the nearest depot, on the FRA's behalf, until 31 March (or until such earlier or longer time as the FRA may decide);
- (c) That during the period 20 December – 31 March the Contractors enter into commercial lease agreements for any plant and vehicles they may need to commence their contracts – on terms and conditions agreed with the FRA (and in that regard the Chairman, Change Manager, and CEO Designate have power to act);
- (d) That the FRA issue variation orders to the Contractors requiring them to be available to carry out limited work between 20th and 31st December;
- (e) That the Chairman, Change Manager and CEO Designate be authorised to enter into similar lease agreements (as mentioned in (c) above) with other Contractors if appropriate;
- (f) That the Contractors and MWH be invited to submit offers by 28 February 2013 for the plant and vehicles they may wish to purchase. The offers to be made in a form approved by the Change Manager/ CEO Designate;
- (g) That the Chairman, Change Manager and CEO Designate be authorised to consider the offers received and make their recommendations to the Advisory Committee;
- (h) That following the FRA's decision on the offers received the FRA return the surplus plant and vehicle items to the Ministry of Finance.

6.8.6. 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 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 Government initially for road purposes and are no longer to be used by FRA must be reverted back to Government to be disposed back to the native land owners of those roads.

Main Street, Nadi – March 2012 Flood





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	<p>The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.</p>
Asset Disposal Policy	<p>An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Road Authority Decree 2012 (No 2) viz:</p> <p><i>'....the statement of corporate intent shall include....an outline of FRA's policies and procedures relating to thedisposal of major assets'.</i></p> <p>See Section 6.8</p>
Asian Development Bank	<p>'A regional development bank established in 1966 to facilitate the economic development of countries in Asia.</p> <p>From time to time the bank approves grants or loans to the FRA for road purposes. Currently the FRA is receiving from the ADB loan assistance for both flood damage repairs and new capital development.</p>
Authority	<p>The Fiji Roads Authority</p>
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 2013.</p>
Bridge	<p>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 3.4m².</p>
Capital Works	<p>Includes both Renewal Capital Works and New Capital Works.</p>
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 3.2.</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 are to be leased or rented to the maintenance contractors and the balance will be disposed of in a manner still to be decided.
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 Outer Island public wharves and jetties that the FRA has the responsibility to maintain and renew. Central Division <ul style="list-style-type: none"> • Natovi Eastern Division <ul style="list-style-type: none"> • Lakeba • Cica • Moala • Nairai • Koro • Vanua – Balavu • Kadavu (Vunisea) • Kadavu (Kabariki/Nacela)

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	<p>Western Division</p> <ul style="list-style-type: none"> • Yasawa (Pontoon) • Ellington (Rakiraki) <p>Northern Division</p> <ul style="list-style-type: none"> • Savusavu • Taveuni • Nabouwalu • Rabi
Laboratories	<p>The three permanent and four site (or project) laboratories owned by the FRA that provide testing services for soils, bitumen, concrete, and aggregate and carry out site investigations.</p> <p>FRA intends to develop its laboratories into a single business unit and either lease or sell them within a short time.</p>
Land Transport	<p>In the context of this plan means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.</p>
Levels of Service	<p>The defined quality for a particular service against which service performance can be measured.</p> <p>Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost.</p> <p>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.</p> <p>The FRA's adopted levels of service are in Section 4 of this Corporate Plan.</p>
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 'to provide a better land transport network for Fiji'.</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

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- (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; (vi) measurable; (vii) time constrained; and (viii) within the control of the FRA. <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>

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<p>Performance Measure</p>	<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>
<p>Performance Target</p>	<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>
<p>Quarries</p>	<p>The quarries owned and managed by the FRA.</p> <p>The FRA currently (2012) owns two operating quarries (at Nasinu and Lomolomo) and one closed quarry (the Koratai quarry at Labasa) but it intends to dispose of these as soon as possible.</p>
<p>Renewals</p>	<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> <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>
<p>Road (or Roads)</p>	<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;

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

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

Note the inclusion of jetties within this definition.

Road Network

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

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

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

Roadworks Emergency

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

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

Service Area

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

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

The headings are:

- (i) Health and Safety;
- (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety);
- (iii) Asset Provision, Preservation, and Development;
- (iv) Environmental Conservation, Protection and Enhancement;
- (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
- (vi) Compliance (including Training, Record Keeping and Reporting); and
- (vii) Costs.

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

DEFINITIONS

Statement of Corporate Intent (SCI)

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

The Statement of Corporate Intent has to include the information listed in section 3.3.

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

Vested Assets

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

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



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KEY FRA PARTNERS

Auditor	The Fiji Controller & Auditor General.
Legal Advisor	Still to be appointed. (The Solicitor General continues to provide legal advice for the Authority)
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 – Central & Eastern Division) • Blacktop Ltd (Maintenance – Northern Division) • Higgins Group (Maintenance – 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
PUBLISHED BY AUTHORITY OF THE FIJI GOVERNMENT

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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

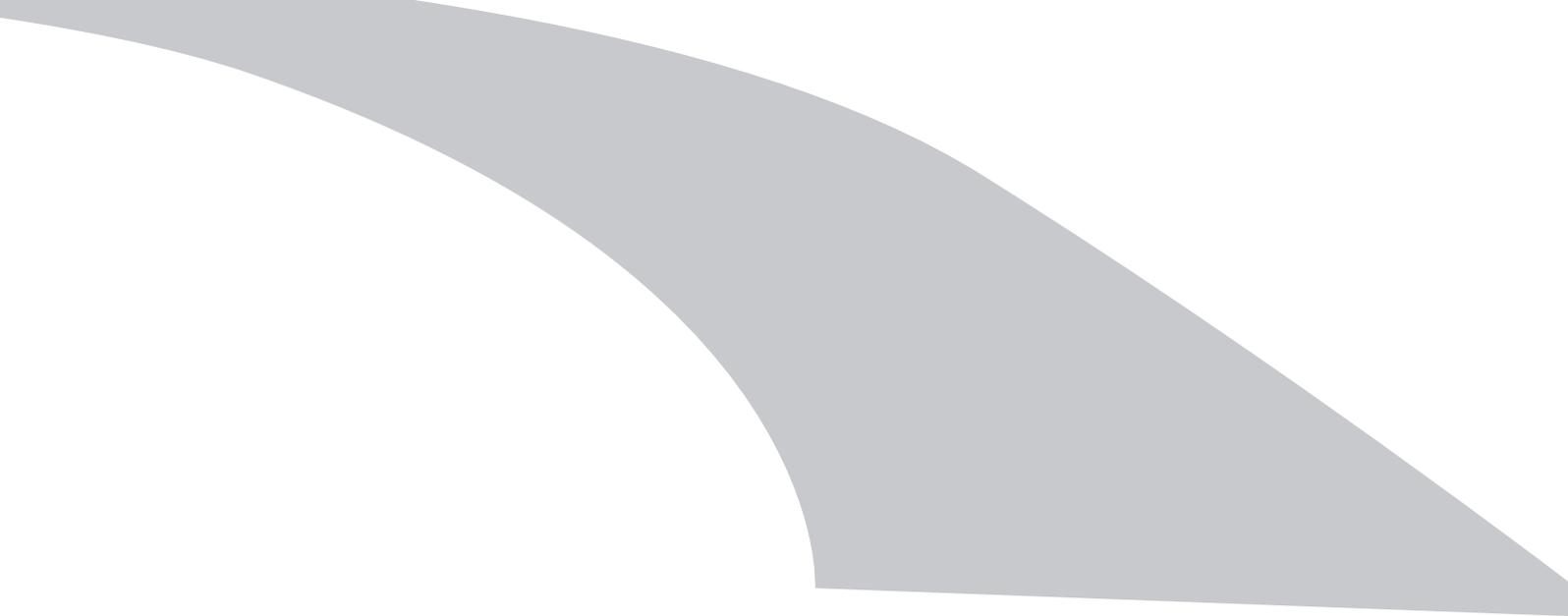
38. The Minister may make regulations to give effect to the provisions of this Decree.

Consequential

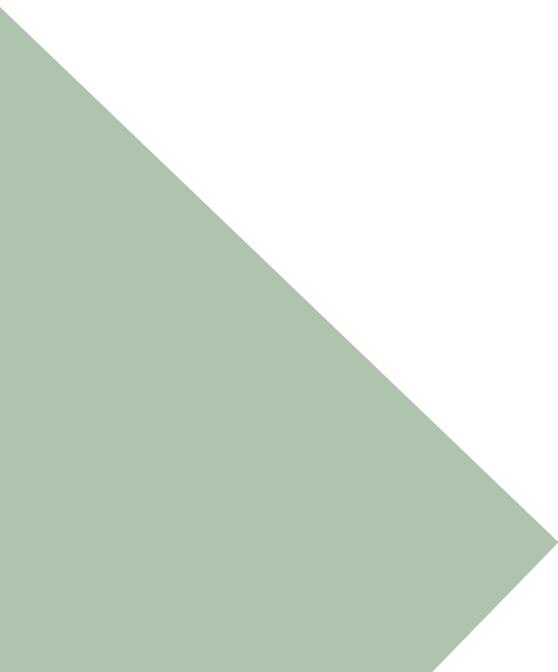
39. This Decree has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Decree and any other written law, this Decree prevails.

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

EPELI NAILATIKAU
President of the Republic of Fiji



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