

**VERBATIM NOTES OF MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD IN THE COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS,
GOVERNMENT BUILDINGS ON THURSDAY, 1ST FEBRUARY, 2018, AT 9.35 A.M.**

Submittee: Fiji Roads Authority

In Attendance:

- a) Mr. Robert Sen - Chief Finance Officer.
 - b) Mr. Sonal Gounder - Financial Controller.
 - c) Mr. Ripon Baral - Quantity Survey Engineer Project.
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DEPUTY CHAIRPERSON.- Good morning and a very warm welcome to everyone. On behalf of the Public Accounts Committee I would like to extend a warm welcome to the gentlemen and the officials who are representing the Fiji Roads Authority. Leading the team is Mr Sen together with two colleagues Mr Baral and Mr Gounder, I welcome you gentlemen to the meeting of the Public Accounts Committee dated 1st February 2018.

There was not much issues in regards to the *Special Project of 2014* that the Committee wish to discuss. On this note I would like to thank the members of the media for their presence. The reason why no devices is allowed in here is that we do not want it to interfere with the main sound system and that is why we encourage the recording devices on that side. My apologies we have had problems with the system so we are allowing devices to be there.

Without further ado I believe the discussions will be led by Mr Sen so if you can introduce your team, their roles and responsibilities and begin discussions of the *2014 Special Projects of Fiji Road Upgrading Project*.

MR. R. SEN.- Thank you Chair. I am Robert Sen, Chief Financial Officer of Fiji Roads Authority, Mr Ripon Baral is the Manager Contract Controls and Contracts, and Sonal Gounder is our Financial Controller. The first section of this report is Emergency Flood Recovery Project.

DEPUTY CHAIRPERSON.- I believe there were two special projects?

MR. R. SEN.- Yes.

DEPUTY CHAIRPERSON.- One was the Emergency Flood Recovery Project.

MR. R. SEN.- Yes.

DEPUTY CHAIRPERSON.- The other one is the Fiji Road Upgrading Project.

MR. R. SEN.- Yes, Chair. Section one is the Emergency Flood Recovery Project, this project is funded by the Asian Development Bank. The loan was provided to Fiji Government in rehabilitating the flood damaged public infrastructure in January 2009. There were a number of roads and bridges identified that had been damaged by that flood, to rehabilitate Kings Road from Rakiraki to Tavua; re-graveling of Nadarivatu Road which is 6 kilometres, Monasavu 10 kilometres, re-graveling of Koronivia Road which is 3.8, Lokia...

HON. A.M. RADRODRO.- Chair, do you have a copy of the written response?

DEPUTY CHAIRPERSON.- Since there were only two issues they wanted to verbally discuss. Do you have a print-out with you?

MR. R. SEN.- No, Chair, I took this from our reports, but I can prepare a summary and forward it to the Committee.

DEPUTY CHAIRPERSON.- Perhaps in the meantime we can just take notes while the discussion is going along and FRA can answer supplementary questions as well. This project was concentrated especially in Korovou?

MR. R. SEN.- Yes.

DEPUTY CHAIRPERSON.- Right to Tavua, Rakiraki.

MR. R. SEN.- Chair, Rakiraki to Tavua.

DEPUTY CHAIRPERSON.- The road also going to Nadarivatu?

MR. R. SEN.- Yes, Chair. I think after the heavy flooding, the road structure failed and there were slips, ADB assisted the Government in getting this flood recovery loan then most of these roads were rehabilitated with re-sheeting, re-graveling and minor slips were repaired. I think there was one slip, Lomaloma Land Slip. The total expenditure up to 2012 was \$9.5million and in 2013 was \$7.4million. This project was initiated from the Department of National Roads, when FRA came into existence in late 2012, Fiji Roads Authority prepared the reports that were submitted to ADB

DEPUTY CHAIRPERSON.- This project started in 2009?

MR. R. BARAL.- It was approved in 2009.

DEPUTY CHAIRPERSON.- It was ongoing until there was a paradigm shift when the Department of Roads became the Fiji Roads Authority?

MR. R. BARAL.- Yes Sir.

DEPUTY CHAIRPERSON.- How about records did they submit all the necessary records, I am sure there must have been when leadership and management changed.

MR. R. SEN.- Unfortunately I was not here at that point of time, but I understand from staff the processes was there to provide all the information. However there was some delay in retrieving some information but at the end most of the required information was provided to FRA to prepare this report.

HON. A.M. RADRODRO.- Chair just a question in terms of the particular areas that you covered in the rehabilitation of public infrastructure, you basically mentioned the Western areas. Do you have a list of all the projects undertaken and completed under this programme; can you submit that list to the Committee?

MR. R. SEN.- Yes, we could give you the list of the projects that has been completed under the Emergency Flood Recovery Project.

HON. A.M. RADRODRO.- How many bridges and how many roads you rehabilitated from this funding?

MR. R. SEN.- Two bridges.

MR. R. BARAL.- For this project in total we have completed two roads.

HON. A.M. RADRODRO.- Can you speak up we cannot hear you.

MR. R. BARAL.- We completed two roads, one bridge, one slip, one bridge was not needed and MWH cancelled that bridge. This is the bridge in Namado Village, according to the designers in 2009 and this is the consultant, an Indian Company, in 2012 the MWH checked the two bridges and stated no need for the bridge, according to the same location to have two culverts. Drawing was done by Fiji Roads at their own cost. ADB fund was cancelled and that money was transferred to Rakiraki Village. The original cost for Rakiraki Village is \$2.6 million, after completion MWH redesigned the village and the total cost came to \$11 million and something. We converted that money to Rakiraki Village – MWH redesigned at that time.

DEPUTY CHAIRPERSON.- I am sorry, what was the initial cost for Rakiraki?

MR. R. BARAL.- \$2.6 million.

DEPUTY CHAIRPERSON.- And from that it became

MR. R. BARAL.- \$11.8 million.

DEPUTY CHAIRPERSON.- Which Rakiraki bridge are we talking about here the one inside the town?

MR. R. BARAL.- The main road near Rakiraki Village.

MR. R. SEN.- Deputy Chair, the cost has gone up due to the design of the bridge, to rehabilitate the bridge was just \$2 million, the current bridge is a totally new structure a new bridge.

DEPUTY CHAIRPERSON.- Does this design also address the issue of flooding? There has been a huge increase as we understand from the initial financial proposal to build that, and since we have a lot of flooding issues in Rakiraki part of that they are saying is the creek which goes through the main bridge gets flooded easily. Is this increase in costs attributed to solve this problem as well?

MR. R. SEN.- Deputy Chair, currently the bridge will cater for the main arterial road which is the Kings Road. Currently the bridge has not gone under water but the other areas where it is low lying that may get flooded but they have raised the road so the Kings Road crossing the Rakiraki Bridge would not get flooded.

DEPUTY CHAIRPERSON.- Which bridge are we are talking about here, is it inside the town?

MR. R. SEN.- It is on the Kings Road.

DEPUTY CHAIRPERSON.- That newly constructed bridge?

MR. R. SEN.- Yes.

DEPUTY CHAIRPERSON.- So that is the bridge we are talking about, I thought you were talking about the one inside the town. The funds from that area was diverted to that bridge?

MR. R. BARAL.- Yes, we cancelled that bridge. We have to divert that money to another bridge.

HON. A.M. RADRODRO.- Just a supplementary question. The listing of bridges the area that you mentioned that was going to be rehabilitated includes Nadarivatu area. There is one bridge that was also damaged during this flooding in Natawa Village somewhere in the highlands in Nadarivatu. Until todate the villagers are still waiting for rehabilitation, that is why I asked for the listing of bridges and roads that you have covered under this programme. Are there any plans to put right the bridges that were damaged in that village?

MR. R. SEN.- Honourable Member, I would need to check and verify this. In FRA, we have a list of bridges that needs to be replaced or high priority or low priority, medium priority. I need to check because there are couple of bridges and crossing that we are now replacing when you put a new road there and that could be part of our plan. I would be able to check and let the Committee know the timeframe of this particular bridge.

DEPUTY CHAIRPERSON.- Thank you, you can continue.

MR. R. SEN.- Deputy Chair, that is all I have for this section on Emergency Flood Recovery Project.

Moving onto the next item, Fiji Road Upgrade Project (FRUP) Stage III. Again this project in Kings Road and Lodon Road was initially contracted out to a contractor called COVEC.

DEPUTY CHAIRPERSON.- Local or overseas contractor?

MR. R. SEN.- It is an overseas contractor, a Chinese contractor.

DEPUTY CHAIRPERSON.- Are these contractors the ones who left all those equipment?

MR. R. SEN.- Yes.

DEPUTY CHAIRPERSON.- Alright, interesting.

MR. R. SEN.- I think at that point management saw the contractor was taking a lot of time and was a bit slow so their contract was terminated. The contract was reissued as packages to other contractors namely China Railway 5th Group, China Railway 1st Group, Black Top, Naim, and a local contractor Fairdeal for a smaller package. That is where the work was able to complete in 2012.

The project started in 2009 and completed at a total cost as at 2012 is \$26.5 million. There was a slight issue in terms of VAT which was not adjusted to the account because of the

direct payment from the ADB to the contractor which was reinstated for the 2012 account. The period from 18 months to 30th June 2014 when all the works and the payments was completed to the contractor was \$18.2 million.

We also noted in the audit comment Part B, the control, there was a late payment of ADB portions relating to the 2012 claims.

DEPUTY CHAIRPERSON.- I am very sorry for the interruption. Before you proceed to Part B, just interested to know about the policy arrangements. Here it says re-calculation on VAT was due to the direct payments by ADB to the China Railway 1st Group. We can see there is an absence of control and communication in Fiji Roads Authority. We understand it is the main regulator, the main policy provider in terms of how these deals and arrangements will be made even though the funding is from overseas there should be some sort of involvement in between. Why in a case like this FRA was bypassed then it was between ADB and the contractor?

MR. R. SEN.- Deputy Chair, let me explain. What really happens is Fiji Roads Authority or the Department of Roads will be fully engaged in this process. For payment, the contractor will put the claim and by that time would be the Department of Roads then the engineer would review the claim, they will certify the claim and upon certifying the claim get all the documentation like copy of an invoice and all those things then they will submit those documents to ADB.

DEPUTY CHAIRPERSON.- ADB?

MR. R. SEN.- Yes, then ADB will review those documents where they will see the claimer is correct then will pay directly to the contractor, and the processes and policies fully documented.

DEPUTY CHAIRPERSON.- Between this process of reviews and the work carried out that process of monitoring is done by Fiji Roads Authority?

MR. R. SEN.- Yes. The only thing is in the preparation of accounts I think the total figure was taken as a project cost, the VAT was not taken which I think was highlighted by the Auditor General, then in 2012 account when it was prepared by FRA it was reinstated and corrected. Thank you.

DEPUTY CHAIRPERSON.- You can move onto control issues.

MR. R. SEN.- Moving onto control issues, we noted the Auditor General has picked up the late payment from ADB portion relating to 2012 claims. In this loan facility 78.5 percent share is ADB's and 22.5 percent was Fiji Government's share. All these expenditure were certified by the engineer, Fiji Government would pay 22.5 percent which was then paid as listed in Table 2.1 by the Fiji Government or at that point in time it was the Department of Roads within the few weeks of the claim being certified.

I think in late December 2012 when FRA was formed the transfer of information from Department of Roads to Fiji Roads Authority, at that point of time I would say the Fiji Roads

was getting on their feet and getting the processes correctly done and verified. There was a lot of checks and balances done then, and that took a little while for Fiji Roads Authority to send their claims back to ADB for the contractor. It normally takes about a month for ADB to process that claim. At that point in time I think it was all done manually, preparation of all the documentation and send through the mail. Now, Chairperson, the system has changed, ADB is all web based, electronic system which takes lesser time for them to pay the contractor. That is why it took about five months for the ADB portion to be paid to the contractor.

DEPUTY CHAIRPERSON.- Honourable Members, I believe that was a very short discussion due to the fact that there were not many audit issues highlighted and it was an unqualified report. Any questions?

HON. A.M. RADRODRO.- Deputy Chairperson, just a question on the follow ups regarding the work which has already been completed but in terms of compliance to the agreement. This involves *Lodoni Road*, part of the condition was the provision of a rugby playing ground in *Natovi*. Todate, that part of the deal by the contractor is yet to be realised, a proper playing ground for the school in *Natovi*. Furthermore, the yard of the previous contractor, is FRA going to tender out all those vehicles and machines that are being kept at the yard? Who is looking after that yard?

MR. R. SEN.- Honourable Deputy Chair, first of all for the playground we will get our team to review and see what is the contract and whether that work has been done, then will let the Committee know what FRA is doing. For the old machinery, that has already been done at public tender and sold out where possible all the machinery the contractor left. The yard is all clean.

HON. A.M. RADRODRO.- Secondly, these road upgrades that are currently happening around the Suva-Nausori CBD, do you have any completion timeline or completion schedule or when will it be completed?

MR. R. SEN.- Thank you Honourable Radrodro for bringing this up. There are a lot of contracts being issued, we have started the *SARUP 3 (Suva Arterial Road Upgrade)* which is S3, the four-lane project of *Nausori*. That is scheduled to complete in late 2018, but the project could be delayed due to the weather and unforeseen circumstances.

HON. A.M. RADRODRO.- *Nausori*?

MR. R. SEN.- Yes *Nausori*, which is four lanes.

The *SARUP 1 (Suva Arterial Road Upgrade 1)* project is funded by ADB. We are rehabilitating and putting the new seal onto the existing *Kings Road* and it will also be part of the road from *Tamavua-i-wai Bridge* to *Lami Town*. At this stage we are looking at whether we upgrade and rehabilitate the current two lane or it will be better for us to maximise the same time to make a four lane due to the number of motor vehicles and traffic congestion.

The ADB project of rehabilitating *Queen Elizabeth Drive* plus the *Kings Road*, three miles and four miles, should be able to complete by May, 2018.

HON. A.M. RADRODRO.- The roundabout at *Grantham Road* and all these road upgrades?

MR. R. SEN.- *Grantham Road and Gaji Road* should be completed within a month's time. What we did was we closed most of the roads during the school holidays now the lanes are open and same as the *Nabua Roundabout* we have opened it but it is not fully completed, we are looking at some block days in the weekends where we can close and complete it.

DEPUTY CHAIRPERSON.- Just a general question, since there is a lot of focus on environmental issues, whilst we travel the *Kings Road* we can see those extractive sites where they take out the top soil and the natural materials used on the construction of these roads, we notice in some of these areas there has been a bit of landslide, slips and all that, especially the places where the mountains were cut to cater for these resources. What are the environmental plans for Fiji Roads Authority in scenarios like this, any plan in place?

MR. R. SEN.- Deputy Chairperson, I think it will come down to a case by case basis where if this particular road was built some 20 to 30 years ago and together with climate change a lot of things happen, We have our in-house Environmental Analyst, and he looks at those areas like slip or landslip and advise the remedial work that FRA needs to take.

Also when we are doing a new road, a rural road or any road, a proper environmental study is being done and forwarded to the Department of Environment before we start awarding the tender to a contractor. Once that is approved then we follow that process.

DEPUTY CHAIRPERSON.- What I am trying to reiterate here is that because of the construction we can see landslides and slips have occurred in certain areas. I am talking about places near those river tributaries and also the mountains on the other side which were used for extraction of the resources to be used. Is there any work on the ground by FRA to protect the environment in those areas or FRA is still waiting for some assessments?

MR. R. SEN.- Mr. Deputy Chairperson when FRA gets the license to extract the river gravels or something, this has been documented by the Department of Roads and they assess the quantities that we can extract from that particular place. The Department of Environment sets the policies or procedures of what FRA or our contractors can extract from the river. We need to get proper license before we touch these river gravels.

HON. A.M. RADRODRO.- You have not fully detailed the schedule of completion of the rehabilitation. You just mentioned Koronivia, Nausori but what about Laqere rehabilitation? In all these rehabilitation works how has FRA considered the travelling public to ensure that they do not cause unnecessary traffic congestions in the morning and in the afternoons when they travel from home to the workplace?

MR. R. SEN.- Honourable Member are you speaking about what is happening now? What we do is we conduct a lot of public awareness and notices go to the media, we inform the public where FRA will be working or the close of road or bridge, and we try to put information in our website.

HON. A.M. RADRODRO.- Mr. Deputy Chairperson, just for clarification what do you cover in the public awareness because people still travel and take longer than normal to come to work? I am basically asking whether you work with other stakeholders to ensure the flow of traffic, public awareness is not going to resolve this congestion.

MR. R. SEN.- We have also put a condition on the contracts, some of the contractors who are working on the high volume traffic areas they cannot be on the site from 6.00am to 8.00am in the morning and from 4.00pm to 7.00pm, which means they are not supposed to be working on the site so that the public can travel at those peak period. We also look at the scenarios where possible night work could happen we allow them to do night work. We have regular meeting with other stakeholders in terms of LTA and Police where we see the major traffic congestion, sometimes there are unforeseen reasons where we have the Water Authority contractors working on a burst water pipe, after they have worked through then FRA has no choice but to make the road good.

DEPUTY CHAIRPERSON.- Since we were discussing about Water Authority we received a submission from them yesterday and one thing that was highlighted was the importance of working together with other entities especially when a major project is in place. We hope other authorities are working closely together with Fiji Roads Authority as well. We understand that certain projects require concurrent work by all the entities concerned Water Authority, FEA and Fiji Roads Authority just like the one in Nadi. Is this engagement still in place?

MR. R. SEN.- Yes, Mr. Deputy Chairperson, there is a monthly meeting with all the infrastructure stakeholders and each of these utilities provide a progress of the particular project and future outcome of the project. If there is any major works like in Nadi, a committee is formed where we had Telecom, Water Authority and FEA, all the FEA cables were underground and Water Authority cables, sewerage and pipeline and the telecom cables. Similar meetings are currently in progress for the major project for Suva arterial roads which is again funded by ADB. It is in the design and early stage of the project and we should be getting somewhere in May to start.

HON. A.M. RADRODRO.- I think yesterday we were discussing with Water Authority of Fiji about the pipes that are laid below the road and also the pump stations that are installed alongside the road. In terms of ownership who owns all these infrastructure that are placed below the road and also on the roadside?

MR. R. SEN.- Mr. Deputy Chairperson, as per our current FRA Act the road is with Fiji Roads Authority whereas the pipes or the pumping stations et cetera would be for Water Authority. But we work very closely in terms of rebuilding any road, we check with Water Authority, FEA and Telecom. We understand that most of the Water Authority water pipes are obsolete or pretty old, it is cost effective for the whole operation as they replace the pipes. Sometimes it is based on one contract, FRA contractor will dig it up, they supply the pipe and technical expert, they lay the pipe and then we bury it up and build the road on top.

HON. A.M. RADRODRO.- A question regarding the listing of roads earlier requested. Do you have a current listing of all the bridges in Fiji and the current status? I am sure you might not be aware of the Natawa Bridge that is very critical to the villages, currently they are

using that bridge but they have to wade through the waters to travel to and fro. Do you have a current listing of all the existing bridges around Fiji?

MR. R. SEN.- Honourable Member, yes we have our Asset Management System and also the listing of all the bridges, these bridges are being categorised as high priority, medium and low, and that is the way FRA is planning to get our funding and replacing those bridges. We can supply this to the Committee.

DEPUTY CHAIRPERSON.- You mean the high priority et cetera.

MR. R. SEN.- Yes

DEPUTY CHAIRPERSON.- Specifically under this project?

MR. R. SEN.- Yes

DEPUTY CHAIRPERSON.- Thank you Honourable Members, members of the media and in particular resource personnel from Fiji Road Authority for your contribution and discussion. We do acknowledge the fact that not only did you highlight the issues from the 2014 Audit Report of the Special Projects but you managed to accommodate supplementary and general questions from us as well and we thank you for those responses.

There are certain important written requests I hope you have taken note of especially the extra information requested by the Honourable Members and the Committee. Hopefully you will suffice us with those responses as soon as possible. Once again I thank you for your indulgence and your time. We know that the challenges are many especially for an entity like yours and we do hope that in time to come as early as possible the challenges are met with ease and less complaints from the public.

Without further ado I would like to just give my words of appreciation to the entity to continue your work as you have been doing. Before we ask Mr. Sen to make some final comments, I would like all of you to join us for tea. Thank you.

MR. R. SEN.- Thank you Mr. Deputy Chairperson, as you have mentioned I think it is a very challenging role in FRA for us to rehabilitate or to build or to repair current roads to make the public safe to travel and to make our contractors safe too and also to be alert in terms of emergency and providing access as soon as possible for the general public. At FRA the team is working very hard in providing that and also providing an update in terms of bridges and street lights and footpath coming up with FRA's project this year. That is a huge challenge to provide all those especially the updates for this financial year and we are sure that FRA will be able to deliver that. Thank you.

DEPUTY CHAIRPERSON.- Thank you. Please join us for tea.

The Committee Interview adjourned at 10.17 a.m.

