



STANDING COMMITTEE ON NATURAL RESOURCES

Review Report on the Petition for Government to Provide Reliable, Safe and Affordable Shipping Services for the Lau Group



Parliamentary Paper No: 132/19

July 2020

Published and Printed by the Department of Legislature, Parliament House, Suva.

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Chairperson's Foreword



I stand to present the Review Report of the Standing Committee on Natural Resources on the *Petition “Government to Provide Reliable, Safe and Affordable Shipping Services for the Lau Group”*.

The Committee conducted a public consultation with the people of Lau for four (4) days in July, 2019 and collected evidences to quantify its findings on the grievances stated in the Petition. Upon the tour, the village communities gathered in numbers at the demarcated village halls to share their views in regards to the Shipping Services provided in the Lau Group.

The stakeholders and individual submissions were also received by the Committee in Parliament as evidences. Two (2) public consultations were held in the populated Lau communities in the Lami and Nasinu areas where a large number attended.

Upon its final scrutiny, the Committee noted that the Government Shipping Services was provided a total budget allocation of around \$2.3 million for the 2018-2019 budget to accommodate subsidies for the non-economical routes in Fiji and the same amount was allocated in the 2019-2020 budget. This was the intention of Government to increase the government shipping fleet to 13 vessels by 2020 to cater for the servicing of the nine (9) routes in the remote islands of Fiji termed as the Non-Economical Routes. A sum of \$3 million is set aside for the purchase of a new vessel by 2020 as announced in the 2019-2020 budget. This is in line with the 5 Year and 20 Year National Development Plan (NDP) for the Ministry of Infrastructure and Transport.

Areas of concern has been identified by the Committee during the review process that vessel owners and the relevant stakeholders needed to address in order to improve the shipping services in the Lau group. However, it is noted that the Government of the day has been comprehensive and diligent in providing and supporting private entities in providing the transportation services as per the Constitution.

The limitations to provision of an efficient, safe and comfortable services are some failures on the part of the Passenger Boat Owners. In this report, the Committee has articulated other factors related to the shipping services in the Lau group. The Committee further aligned its report to the respective Sustainable Development Goals (SDGs) in its effort to be inclusive in achieving the targets as set out in the 5 Year and 20 Year National Development Plan for Fiji, including the Lau Group and the maritime islands. The targets is to improve transport and digital connectivity all throughout the

country including the maritime zones that will support human capital development, commerce and trade hence leaving no one behind.

The Committee appreciates the Government initiative in increasing shipping franchise scheme to fifteen (15) years and coastal license to twenty (20) years.

Government's advocacy of the "*Look North Policy*" has been very successful. The committee suggests Government advocates a "*Look East Policy*".

I extend my appreciation to the Honourable Members and the Secretariat who were involved in this bipartisan report.

My Committee colleagues are Hon. Jale Sigarara (Deputy Chairperson), Hon. Alexander O'Connor (Member), Hon. Peceli Vosanibola (Member) and Hon. Mitieli Bulanauca while Hon. Jese Saukuru, Hon. Selai Adimaitoga and Hon. Mikaele Leawere were Alternate Members.

On behalf of the Standing Committee on Natural Resources, I commend this report to Parliament.



Hon. Sanjay Kirpal
Chairperson

Committee Membership

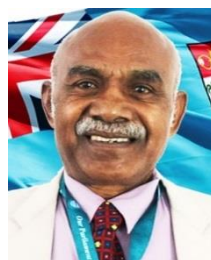
The substantive and alternate members of the Standing Committee on Natural Resources are as follows:



Hon. Sanjay Kirpal, Chairperson



Hon. Jale Sigarara, Deputy Chairperson



Hon. Mitieli Bulanauca, Opposition Member



Hon. Alexander O'Connor, Government Member



Hon. Peceli Vosanibola, Opposition Member



Hon. Jese Saukuru, Alternate Opposition Member

Acronyms:

FCCC	Fijian Competition & Consumer Commission
FDB	Fiji Development Bank
FRA	Fiji Roads Authority
GSS	Government Shipping Services
MSAF	Maritime Safety Authority of Fiji
MV	Marine Vessel
NDP	National Development Plan
POC	Ports of Call
SDGs	Sustainable Development Goals
SO	Standing Orders
SISS	South Island Shipping Services

RECOMMENDATIONS

1. RELIABILITY

- 1.1 To increase franchise services trips (twice a month) where applicable e.g. in the lower southern Lau.
- 1.2 All vessels to be equipped with proper functioning freezer and cooler facilities to accommodate small goods i.e. dairy and meat products for the islands, fish and crustaceans on the return voyage.
- 1.3 Educate the travelling public to avoid willful damaging of ship property due to frustration, known only to them. Frustration on poor handling of cargo or lack of customer service.
- 1.4 All ship owners must ensure that all officers and crews are provided with uniforms throughout the entire journey to distinguish between passenger and crew.
- 1.5 All ship owners must ensure that they adhere to the scheduled departures which are to be strictly monitored by Maritime Safety Authority of Fiji (MSAF).
- 1.6 Ensure every franchise port has a Franchise Officer who is responsible for ensuring all cargo is released to the rightful owner or consignee upon the production of shipping documents.

2. SAFETY

- 2.1 Safety briefing of passengers is to precede all departures and consideration be given to have **ABANDON SHIP** and **MAN OVER BOARD** practical drills.
- 2.2 All loading / unloading of cargo and passengers are carried out in daylight hours unless there is provision of lights.
- 2.3 Life jackets are to be used during transfer of passengers to and from the ships.
- 2.4 Ship owners should ensure that safety of the vulnerable groups such as women, children, elderly and disabilities are taken care of during the voyage.

- 2.5 Proper provision of walk way (gangway) for disembarking of passengers.
- 2.6 The Marine Checker must ensure that the approved number of passenger board the vessel in any voyage.
- 2.7 Ensure that smoke free law is enforced.

3. AFFORDABILITY

- 3.1 To improve ship selection that meets modern inter-island shipping standards. MSAF to strictly monitor the use of old vessels particularly former fishing vessels being converted into passenger boats.
- 3.2 Standardise quality inboard service in terms of accommodation, food and passenger safety.
- 3.3 Provide shipping franchise subsidy that ensures economic viability of service providers.
- 3.4 Standardise cargo rates and ensure compliance.

4. POLICY

- 4.1 **MSAF** as a regulator must ensure:
 - 4.1.1 Safety equipment is approved and certified and made available to the travelling public;
 - 4.1.2 Life jackets are matched against the number of the carrying capacity;
 - 4.1.3 Ensure data/information are available at all times;
 - 4.1.4 Reviewing the Commerce Control of Freight Rates and Passenger Fares Order of 2016 as the Order expires in December 2019; and
 - 4.1.5 De-register ships exceeding 55 years old upon inspection.

4.2 **MINISTRY OF INFRASTRUCTURE AND TRANSPORT**

- 4.2.1 To constantly review sectorial policies and regulations with the view of upgrading all services provided;
- 4.2.2 To effectively introduce best practices with the aim of improving the quality and standards of the core sector, thus providing the customers with the highest possible services;
- 4.2.3 Government to seriously reconsider reviving the ship building industry to create employment opportunity and nullify the cost of importation of vessels from abroad;
- 4.2.4 Increasing the franchise tenure; (has been implemented by Government prior to announcement of 2019-2020 budget);
- 4.2.5 Yearly review of the Franchise Rates and the Coastal License; and
- 4.2.6 Government to provide proper amenities i.e. waiting sheds, port lights and ablution blocks at all sea ports.

4.3 **FIJIAN COMPETITION & COMMERCE COMMISSION (FCCC)**

- 4.3.1 Educate the travelling public on how to raise complaints to Law Enforcement Agencies;
- 4.3.2 Provision of prescribed or gazetted charges on all cargoes and fares to the travelling public and village headmen and carry out periodical monitoring;
- 4.3.3 Consideration of fifty percent (50%) discount be given to passengers sixty (60) years and above in line with the social welfare bus fare scheme; and
- 4.3.4 Consider calculation of freight rates to be either weight, volume in cubic meters, whichever is greater.

5. ENVIRONMENTAL ISSUES

- 5.1 Provisions of mooring buoys to avoid damage to coral heads through the continuous use of ships anchor **(SDG 14-Life Below Water)**.
- 5.2 Prior to all sailings, MSAF is to ensure sanitary facilities are operational and in good condition **(SDG 6-Clean Water and Sanitation)**.

6. TRADE “SDG 8-Decent Work and Economic Growth”

- 6.1 The Committee noted to improve the viability of shipping services in Lau Group; the following economic activities need to be considered:
 - (i) Copra Farming
 - (ii) Sandalwood Farming
 - (iii) Pine Planting
 - (iv) Marine resources
 - (v) Tourism
 - (vi) Handicrafts
 - (vii) Minerals
 - (viii) Other commodities such as dalo, yaqona, yam, etc.

Note: Under the *5 Year and 20 Year NDP 3.2.12 for Non-Sugar Agriculture (pages 108-112)*, the targets and key performance indicators are already identified for Ministries and the relevant stakeholders to implement.

7. INFRASTRUCTURE DEVELOPMENT

- 7.1 Maintenance of roads from ports to villages and vice versa.
- 7.2 Construction of jetties in line with SDG 9-Build resilient infrastructure, promote, inclusive and sustainable developments.

- 7.3 Need to upgrade and carry out maintenance works on the existing jetties. These jetties are located at Lomaloma in Vanuabalavu, Cicia, Tubou in Lakeba, Moala, Matuku and Totoya.
- 7.4 The proposed Wainiyabia jetty located in Tubou, Lakeba has been surveyed by Fiji Roads Authority to replace the existing Tubou, Lakeba jetty. Wainiyabia is much safer and more suitable for all vessels.
- 7.5 The existing jetty in Naroi, Moala is to be re-engineered to cater for both roll-on roll-off and conventional ships.
- 7.6 Roads are recommended to be constructed in Fulaga alongside the Marina Projects, to connect the three villages of Naividamu, Muana-i-Ra and Muana-i-Cake.

1.0 Introduction

The Standing Committee on Natural Resources had concluded its deliberations on the Petition for Government to Provide Reliable, Safe & Affordable Shipping Services for the Lau Group. In its review, the Committee had put forward recommendations that highlight the courses of action for the owners of the two vessels, MV Brianna and MV Liahona should consider in order to improve its shipping services to the islands in the Lau Group.

The Petition was referred to the Standing Committee on Natural Resources by the Hon. Speaker for its scrutiny and deliberation and report back its findings in a future sitting of Parliament. The Petition was presented to Parliament by the Hon. Anare Jale on 3rd April, 2019 during the Parliament Sitting.

Pursuant to the Parliament *Standing Order (SO) 37 (1-6)*, *the petition deserves to be presented to Parliament is respectful, does not promote disharmony and also needs to conformed to the requirements as of the SO of Parliament.*

The Petition requested Government to address the plight of the people of the Lau Group and the travelling public in providing reliable, safe and affordable shipping services.

1.1 Background

The Lau Group is one of the remote Maritime Provinces in Fiji that very much depends primarily on shipping services for the transport of passengers and goods from the Suva wharf to the islands and vice versa. The group of islands are to the East of Fiji and are located widely from Vanuabalavu to the North East and Ono i Lau to the South.

Currently, shipping services to the Lau Group are by a system of "franchise" operated by the Government. Under this arrangement the "*MV Brianna-Victoria Marine Limited*" service the Northern Lau and "*MV Liahona-South Island Shipping Services*" service the Southern Lau. The Committee noted that these two ships are old, lack passengers' comfortable space and insufficient space to hold dry cargos and refrigeration is not in good operational condition. The travelling public have to endure inhumane conditions where they have to find a space to lay their heads and in the process blocking passengers to public convenience and movement around the boat. The condition during inclement weather is shocking and discomfort to the travelling passengers when succumb to sea sickness which restrict movements.

On Wednesday 22nd May 2019, the Committee had conducted a boat survey to the MV Brianna and MV Liahona and noted that MV Liahona was grounded by MSAF at the time of the Committee visit. The inspection was carried out to allow the Committee to physically inspect and confirmed the plights of the people of Lau which were articulated in the Petition.

1.1.1 MV Brianna

MV Brianna is owned by Victoria Marine Limited (VML) and is a local shipping company based at 9 Freestone Road, Walu Bay, Suva. The vessel engages in passenger and cargo transportation in Fiji. The company also owned a Tug and Barge boat that operates locally and regionally in transporting cargoes and other logistics tasks as and when required.

In 2015, the owner of the Seaview Shipping Services Limited had approached the current director of VML and offered to sell MV Lady Sandy. MV Lady Sandy was found to be in a good condition, satisfactory and below value. VML bought the boat and renamed it as MV Brianna. The vessel started servicing the Lau Group under the Government Franchise Scheme till to date. The vessel was built in Japan in 1993 and now is 26 years old.

VML was established in 2014 with the objective to contribute to the maritime industry by providing an affordable and safe shipping service to the outer islands within the Republic of Fiji and the region. It is to also provide logistical advice when required in support of Government and Non-Governmental initiatives.

The Government currently has awarded-franchise route for *MV Brianna* to the Southern Lau which includes Vanuavatu, Nayau, Lakeba, Oneata, Moce, Komo, Namuka and Kabara. MV Brianna has lately extended its services to the Northern Lau Group includes Ono-i-Lau, Vatoa and etc.

The vessel is licensed for 200 passengers, however, during non-peak period it carries approximately 40 to 45 percent passengers and peak periods it carries approximately 80 to 90 percent.

1.1.2 MV Liahona

The South Island Shipping Services (SISS) was purchased in January 2009, refurbished to provide services to its passengers to the maritime islands of Kadavu and then the islands in the Lau Group. The vessel was operating for 4 years until 2013 when the Government Shipping Services (GSS) did not have the capacity to provide the services to the maritime islands especially to the Lau Group.

The fact of the matter was the uneconomical route to the Lau Group, whereby no vessel was willing to service the Lower Southern Lau Group. The SISS stepped in to cater for the demand under the franchise shipping scheme and serviced the uneconomical routes in the maritime islands on behalf of Government.

The vessel first franchise trip to the Lower Southern Lau and then to Northern Lau was in 2013. The *MV Liahona* took over when the *MV Lau Trader* ceased to operate and the *MV Lady Sandy* had a three months breakdown. The refurbishment cost was initially financed within and later with Fiji Development Bank (FDB).

1.2 Committee Remit and Composition

The Members and Alternate Members of the Standing Committee on Natural Resources are:

1. Hon. Sanjay Kirpal - Chairperson (Government MP);
2. Hon. Jale Sigarara - Deputy Chairperson/Assistant Minister for Agriculture, Waterways, Rural and Maritime Development (Government MP);
3. Hon. Alexander O'Connor - Member/Assistant Minister for Health and Medical Services (Government MP);
4. Hon. Mitieli Bulanauca - Member (Opposition MP);
5. Hon. Peceli Vosanibola - Member (Opposition MP);
6. Hon. Selai Adimaitoga - Alternate Member/Assistant Minister for iTaukei Affairs (Government MP)
7. Hon. Jese Saukuru, - Alternate Member (Opposition MP); and
8. Hon. Mikaele Leawere - Alternate Member (Opposition MP).

1.2.1 In the Parliament SO 110 (1)(d) under the functions of Standing Committees, *it must consider petitions and papers referred to the committee in accordance with SO Orders 37 and 38.*

1.3 Procedure and Programme

The Petition “*Government to Provide Reliable, Safe and Affordable Shipping Services for the Lau Group*” was advertised through the two (2) local newspapers on the dates tabulated below:

No:	Date	Company
1	15 th May – 17 th May, 2019 - 3 days	Fiji Sun
2	15 th May – 17 th May, 2019 - 3 days	Fiji Times

The Petition mainly targeted the people in the Lau Group who are regularly travelled in the MV Brianna and MV Liahona as a means of transport to Lau and back under the government franchise shipping scheme.

Oral and written submissions were received from interested individuals who wished to comment on the Petition.

1.3.1 Program

The Committee first conducted its meeting on Wednesday 21st May, 2019 to discuss its work plan and considered the activities to be carried out in examining the Petition “*Government to Provide Reliable, Safe and Affordable Shipping Services for the Lau Group*”. The Committee began its review by inviting submissions from individuals who were affected by the franchise shipping services who resided in the Central and Eastern Division. Subsequently, invitations were also sent out to the relevant stakeholders for their oral and written submissions which were noted by the Committee. In its review, the Committee put together a final list of submissions with the suitable dates for submissions.

1.3.1.1 On Wednesday 14th May, 2019, the Committee conducted a boat inspection on MV Brianna and MV Liahona at the Narayan jetty in Walu Bay and left for Parliament to continue with its deliberations.

1.3.1.2 In accordance with the Committee’s work plan for May and June 2019, the relevant stakeholders and individuals were invited to present their oral and written submissions to the Committee.

1.3.1.3 **Tabulated below is the list of submissions received by the Standing Committee on Natural Resources:**

No.	Date	Government Ministries/Departments	Organisation/Individual
1	21 /5/19		<ul style="list-style-type: none"> • Leba Ciriyaawa Halofaki Mataitini-Vulaga, Lau.
2	22/5/19	<ul style="list-style-type: none"> • Fijian Competition & Commerce Commission • Maritime Safety Authority of Fiji 	<ul style="list-style-type: none"> • Victoria Marine Limited
3	23/ 5/19	<ul style="list-style-type: none"> • Ministry of Infrastructure, Transport, Disaster Management and Meteorological Services • Ministry of Rural and Maritime Development & National Disaster Management 	<ul style="list-style-type: none"> • Mr. Enele Malele • Mr. Tevita Tuikabara
4	28/5/19		<ul style="list-style-type: none"> • South Island Shipping Services • Lau Provincial Office
5	29/ 5/19		<ul style="list-style-type: none"> • Mr. Paula Vakadrano • Uate Soko – Mata ni Tikina o Lakeba
6	30/5/19		<ul style="list-style-type: none"> • Hon. Anare Jale (Petitioner)
7	16/7/19		<ul style="list-style-type: none"> • Victoria Marine Limited
8	18/7/17		<ul style="list-style-type: none"> • Goundar Shipping Services

1.3.1.4 A round of discussions were held on 5th and 6th July, 2019, at the populated Lau areas in the Central and Eastern Division whereby the Committee held discussions in the community halls to hear the views of the people of Lau. tabulated below:

No.	Date	Targeted area	Approximate Number of Attendance (%)
1	5/6/19	Dranotalia Methodist Hall, Nakasi, Nasinu.	Men-50% Women-25% Youth-25%
2	6/6/19	Namuka-i-Lau Hall, Veisari, Lami.	Men-50 % Women-50%
		Navesi Methodist Church Hall, Nadonumai, Lami	Men-50% Women-25% Youth-25%
3	8/7/19	Levukana Village Hall, Vanuabalavu, Lau.	Men-75% Women-5% Youth-20%
		Mavana Village Hall, Vanuabalavu, Lau.	Men-70% Women-15% Youth-15%
4	9/7/19	Bose-ko-Viti Hall, Tubou Village, Lakeba, Lau.	Men-50% Women-25% Youth-25%
		Yadrana Village Hall, Lakeba, Lau.	Men-65% Women-15% Youth-20%
5	10/7/19	Naikeleyaga Village Shed, Kabara, Lau.	Men-80% Women-5% Youth-15%
6	11/7/19	Naroi Village Hall, Moala, Lau.	Men-85% Women-5% Youth-10%

2.0 Gender Analysis

The Committee would like to encourage all shipping stakeholders in Fiji to promote gender equality in the industry as per SDG 5. The participation of women in the shipping industry is to increase women involvement and empowerment where appropriate. Generally, there is a positive shift of women working in the maritime sector promoted to senior positions. Women expressed their opinions and contribute effectively to decision making towards the economic development of the industry and the country as a whole. Prior to the above, the Committee noted that a female officer was an engineer on a boat that the Committee chatted to the Lau Group while conducted public consultation. This confirms that women hold high technical positions in the male dominant industry.

3.0 Sustainable Development Goals (SDGs):

The Committee has considered the relevant SDGs’ pertaining to the Petition for the Lau Group as listed in the table below. This is detailed further in the Committee recommendations.

No:	SDG Goal No:	Detail
1	8	Decent Work and Economic Growth
2	9	Industry, Innovation and Infrastructure
3	11	Sustainable Cities and Communities
4	14	Life Below Water

- 3.1 SDG 8 (Decent Work and Economic Growth)** - this is to revive the economic activities in Lau thus can provide the shipping routes economical.
- 3.2 SDG 9 (Industry, Innovation and Infrastructure)** - continuous improvement to jetties, roads and communication systems and et cetera in the maritime islands.
- 3.3 SDG 11 (Sustainable Cities and Communities)** - to improve economic developments in the Lau group and the maritime islands a “*Look East Policy*” towards Eastern Development Policy may be appropriate.
- 3.4 SDG 14 (Life below Water)** - to protect coral and marine life in the Lau group of islands and stringent sustainable measures to be undertaken by the Department of Environment.

4.0 2013 Constitution

- 4.1** Under Chapter 2 (Bill of Rights) Section 34(1) states “the State must take reasonable measures within its reasonable resources to achieve the progressive realization of the right of every person to have reasonable access to transportation. In line with 5 Year and 20 Year NDP, it highlights the need to improve transport and digital connectivity in the rural areas.
- 4.2** The Committee noted there was limited access to proper transportation and so Government’s focus is leave no one behind.

5.0 Committee Deliberation and Analysis

5.1 Committee Findings

- 5.1.1 The Committee strongly felt that there is a need to improve the shipping services through franchise program.
- 5.1.2 Economic development in the islands should be improved.
- 5.1.3 The need to improve every level of infrastructure such as the construction of jetties, roads and communication systems.
- 5.1.4 The people of Lau are not aware of the existence of FCCC and other stakeholders on the lodgment of their grievances.
- 5.1.5 Irregular shipping schedules.
- 5.1.6 Non provision of passengers waiting sheds on all jetties.
- 5.1.7 Non provision of food and bottled water in the passenger vessels during the voyage.

6.0 Summary of Oral and Written Submissions Received

Submission One: Mrs. Leba Mataitini

Mrs Leba Mataitini stated that there was a critical need for marinas in *Vulaga* and all the islands nearby with no marina or wharf for ships to berth next to each island.

Mrs. Mataitini pleaded on behalf of the people of *Vulaga* including *Ogea* and all the islands in the Lau Group that do not have marinas. Her view was the need to build marinas and wharves for safe disembarking of passengers and cargoes. This was to be a joint venture between Government and people in the island.

Submission Two: Victoria Marine Limited

VML alluded that the Ship was contracted by Government to service Northern Lau, Eastern Lau and up to Southern Lau with occasional opportunity to do alternative routes or charters.

VML viewed the lack of suitable jetties for conventional vessel or mooring facilities. Furthermore, the lack of accessibility at low tide for ships and workboats to get to shore or cross reefs caused long delays resulted in high expenditure of fuel ration and extended turnaround time. Long voyages resulted in passengers staying on board for lengthy period causing discomfort and inconvenience.

Maintaining economic viability was a challenge to the company and it was crucial that cost factors were considered. Providing service during off-peak periods was costly to the operators and there should be serious consideration in finding alternative solutions to minimise the negative effect. There was insufficient subsidy provided for the areas that *MV Brianna* servicing. The subsidy provided under the Franchise Scheme needed to be revisited and relooked at.

Submission Three: Fijian Competition and Consumer Commission

The current Commerce Control Order of freight rates and passengers fares outlines the prices that apply to all maritime shipping services, passenger fares and freight rates in Fiji which are subject to regulation. In order to ascertain the market dynamics, further reviews were carried out in 2016. The current Order will expire on 1st January, 2020. FCCC will undertake a thorough review exercise during this phase.

The issues highlighted as far as the Petition is concerned, FCCC were able to ascertain three main areas of concern that were highlighted:

1. Reliability of shipping services;
2. Safety of passengers using shipping services;
3. Affordability or inability of people to pay for these shipping services.

The appropriate authority to have such information for these two services of reliability would generally be the *Ministry for Infrastructure and Transport* that currently administers the Government Franchise Scheme and monitors the frequency of services. However, FCCC, being the consumer protection enforcement agency has currently not received complaints pertaining to these two vessels not being able to deliver services on time.

FCCC being the consumer protection enforcement agency was also an avenue for consumers to launch complaints or raise concerns.

Highlighted issue on affordability, which relates to the ability of people to pay fares and rates. This was currently regulated and reviewed to ascertain its relevance. The issues generally dealt with old or lack of comfortable space for cabin, passengers and insufficient space to hold the cargo and refrigerated goods.

With respect to the Petition from the people of the Lau Group and the travelling people in providing reliable, safe and affordable shipping services, the FCCC will be reviewing the Commerce's Control of Freight Rates and Passenger Fares Order of 2016 as the Order expires in December 2019. In reviewing the Order, FCCC conducted consultations and called for submissions from the general public. As such, FCCC highly recommends that a proper submission be provided by those who felt that more needed to be done.

Submission Four: Maritime Safety Authority Fiji

As stated by MSAF, the issue of safety was concerned, this generally fell under the purview of *Maritime Safety Authority of Fiji*.

Safety falls in two major categories:

1. Vessel seaworthiness; and
2. Relevant safety standards for all vessels and passengers safety.

While this was regulated and monitored by MSAF officers, who ensured that an issue such as overloading was mitigated by proactive enforcement.

MSAF further allude that *MV Brianna* had two incidents on the 11th May, 2019, at 1030 hours; there was a main engine failure at about 80 nautical miles East, South East of *Nairai*. The boat managed to recover the engine power and then sailed to *Qarani*, where they unloaded passengers and cargoes and returned to Suva on the 16th May, 2019.

MSAF further stated that the vessel was still undergoing engine repairs till to date and would notify the Authority once it was completed. The Authority would be conducting another special engine survey, where MSAF officer would have to run the ship out of the harbour, at full steam to see whether the power was really back to 100 percent. Those were actions taken to recover those deficiencies.

The other one was *MV Liahona*, which was a famous one. On the 19th, the ramp detached en-route to *Dravuni* and down to *Kavala*. Again, the vessel was detained because it did not have any ramp so the Authority has stopped it from operation until the boat owner refitted another new ramp.

The Authority would again conduct the special surveys to ensure that the ramp was fully functional and was secured to prevent the incident from reoccurring.

The Authority future plan was to also reduce accidents and incidents. Fiji inherited quite an aged fleet at the moment. The Authority had inherited from the previous organisations but was trying to put in measures to minimise accidents and incidents of these old ships.

The other one was the reduction of age of second hand import ships to 15 years. In the current legislation, they had cut-off of 20 years. However, it also had an opening where any vessel above 20 years, after an

Assessment from the Authority, they could make recommendation to the Minister to import these vessels. So the Authority did not have a clear cut-off and still had opening on vessels that were older than 20 years that could still be imported into the country. The Authority had plans to try and ask the Government to reduce years to 15 instead of 20 years. Of course, this would also require some incentives from Government for shipowners to be able to afford to purchase ships that were less than 15 years.

The Authority had enforcement of safety management system which had not been applied into any of the ships; some had applied part of it. It was like a quality management system for ships, whereby there was a trail of what was being done, what had not been done, who was responsible for what, and when there was an accident, they would be able to track who had not been doing their duty, and it also tied in the ship-owner.

Stringent measures put in place for older ships, for example, the new ones to go through a four-year cycle of periodical surveys. During that fourth year, new boat went up on dry dock, but the older ones depending on what its age bracket. Anything above thirty years, were placed on the slipway every year with stringent measures on the inspections, because with any ship that was built, after twenty years the strength of the steel becomes weakened because of the chemical reaction that has gone into the steel due to salt concentrated contents that the steel absorbed.

Submission Five: Ministry of Infrastructure, Transport, Disaster Management and Meteorological Services

The Ministry representatives, under the information on the Government Shipping Franchise Scheme stated that, this was established in 1997 with its main aims to:

- (i) introduce a shipping service to service uneconomical sea routes to maritime islands which would otherwise be un-serviced;
- (ii) promote private shipping operators and internal traders for movement of cargos and goods;
- (iii) encourage the transportation of maritime public between outer islands and major urban centres; and
- (iv) Incentivise transport operators through the support of Government subsidies to service uneconomical routes.

The Government Shipping Services provided a total budget allocation of around \$2.3 million for the financial year of 2018 to 2019 to accommodate subsidies for the nine uneconomical routes in Fiji.

These nine routes, with their respective subsidies were:

- (i) Northern Lau (the Government provides \$18,000 a month per trip in this area);
- (ii) *Yasayasa Moala* (\$11,000 per month pertrip);
- (iii) Upper Southern Lau (\$13,000);
- (iv) Lower Southern Lau (\$18,000);
- (v) North Eastern Vanua Levu (\$13,500);
- (vi) *Lomaiviti* (\$11,000);
- (vii) *Kadavu* (\$9,000);
- (viii) *Yasawa* (\$7,000); and
- (ix) *Rotuma* (\$25,000).

Five (5), out of the nine routes highlighted above, were serviced twice a month. These were; Northern Lau, *Yasayasa Moala*, Upper Southern Lau, *Lomaiviti* and *Kadavu*. The remaining four (4) routes were serviced once a month.

The contract duration of this Government shipping services is provided through the franchise scheme. The contract duration of the vessel (that was between the Ministry and the Company) was two years. The contract period was subject to a performance review of six months to ensure adherence to terms and conditions of the contract.

Current Franchise Routes and status of the *MV Brianna*: The Ministry further that the *MV Brianna* was registered under the Victoria Marine Limited and is currently serving the Rotuma Franchise Routes, the upper Southern Lau and the Northern Southern Lau.

The *MV Liahona*, registered under the Brighton Holdings Limited (*T/A South Island Shipping Services*) was currently serving the lower Southern Lau and the Kadavu route.

Government Shipping Franchise Scheme:

A brief background on how the government shipping franchise scheme came to being: The Government Shipping Franchise Scheme, as mentioned earlier, was established in 1997. It was based on the 1993 Fiji National Transport Sector Plan and Government assistance in the form of subsidies. Nine routes were identified under the scheme; 14 trips undertaken in a month with six shipping services, including the Government Shipping Services have been provided; checks had been done to the ships through the MSAF; and Government had provided \$2.31 million on an Annual Budget for this Franchise Scheme to be able to be operating.

Looking at the current status of the contracted vessels, the Northern Lau was also serviced by *MV Brianna* in the Northern Lau area. The route was serviced by two companies, *Lomaiviti Princess II* and *MV Brianna*. The route ships take and the islands that they looked at, in terms of *Yacata, Vanuabalavu, Cikobia, Tuvuca and Cicia*, five (5) Ports of Call (POC) and the subsidy by Government on this individual trip was \$18,000 per trip per month.

Services provided at the Upper Southern Lau, as stated by the Ministry, seven (7) POC ships travelling were the *MV Brianna* and *MV Civa*. They travelled to *Vanuavatu, Lakeba, Nayau, Oneata, Moce, Komo and Namuka-i-Lau*, and for all these trips, Government was subsidising \$13,000 per month per trip.

The Ministry further alluded that the services provided for the Southern Lau, five (5) POC was serviced by *Liahona*. It also serviced the *Ono-i-Lau, Vatoa, Ogea, Vulaga and Kabara*. The Government provided \$18,000 per month per trip for the service.

The fact that the Lau group of islands is scattered and is too far-out and it is uneconomical in nature.

The proposal was to have a Government vessel based in *Vanua Balavu* which was proposed to be the port of entry and also to be the hub for that proposed piloted project. The government vessels would be visiting each islands on a weekly basis in terms of obtaining or promoting economic activities within these islands and then bringing to *Vanua Balavu* as a port of entry or as the hub and then there was this direct vessel with capacity from Suva that goes directly to *Vanua Balavu* and then back to *Suva* for trading purposes. That was very roughly and very briefly what the commercial hub concept was about.

Submission Six: Mr. Luke Moroivalu-Divisional Commissioner, Eastern Division

The following issues listed below were raised by the *Mata-ni-Tikina*:

- (i) the franchise vessels, *MV Brianna* and *MV Liahona* were old, the conditions were unhealthy and space provided were not suitable for long voyage;
- (ii) the two vessels did not comply to proposals made to stop offloading on Sunday;
- (iii) the two vessels who offload cargoes in the night was a risk to passengers and crews as well;
- (iv) the two vessels did not comply with franchise offloading points, therefore, materials were missing; the franchise offloading points were already de-furnished;
- (v) these were the points where the vessels needed to offload cargoes, but sometimes people have raised that these vessels do not comply with these unloading and loading points;
- (vi) company does not reimburse the people with the money when materials went missing; and
- (vii) the people of Lau requested for Government vessels to replace the franchise service provided by the two vessels.

These were the recommendations:

- (i) Construction of new jetties to increase franchise services;
- (ii) Upgrade and maintenance of existing jetties in the province of Lau and other outer islands;
and
- (iii) Increase Government franchise subsidy allocation to service non-economical routes.

The Commissioner Eastern has put in place development priorities for the Eastern Division which also included the construction of jetties, roads and other infrastructures development. The existing jetties in Lau, were located in *Lomaloma, Cicia, Tubou, Moala, Matuku* and *Totoya*. The proposed jetties that the Eastern Division was planning to construct in the years to come were the *Wainiyabia* Jetty in *Lakeba*, to replace the existing *Tubou, Lakeba* Jetty which was currently not servicing the roll-on and roll-off boat. For this reason, the survey has been completed by Fiji Roads Authority (FRA) and was waiting for funding to be provided so that they could go ahead with the construction of jetties.

Submission Seven: Mr. Enele Malele

Mr. Malele, a frequent traveller, made the following recommendations before the Committee:

1. Boats built for human passengers, and not for fishing boats:

Mr. Malele stated that the boats at the wharf were meant for fishing (mother ships and ships). They brought their catch in containers and bags into the mother ship to be delivered to the market. These boats were not for passengers to travel by but for fish.

2. Inconsistence in Departure Time:

Mr. Malele stated there were always a delay in departure time whereby majority of the times were inconsistent. Boat departure times given to the travelers kept on changing from time to time. For example announcement on departure time at 3.00 pm, then would move to 4.00pm, but the boat will depart at 5.00pm or 6pm. Thus, people do not have time for proper lunch nor dinner before they go on board to sail in the open seas.

3. Condition of the boat:

He further stated that these boats were built small in nature and crew and passengers found it hard to move around. Boats were not in good condition, old and damaged whereby patches made out of cement-mix was used to patch the damages in the boat.

4. Freight charges:

Mr. Malele alluded that passengers found it difficult to meet exorbitant charges. Most of the passengers found their way back to their village by the next boat as the freight charges had been quite expensive.

There was a case where a live pig was brought in on board and caged, the owner of the pig was charged for \$400.00. After the owner complaint he was finally told to pay \$100.00 but with a condition to remove the cage. The pig was left uncaged and this was one of the issues that the people experienced as they arrived in Viti Levu for a family function.

5. **Franchise should be increased in view of the uneconomical routes:**

Mr. Malele alluded that the Lau group of islands were scattered with not much availability of products and only rocky islands. Regular shipping should be considered and to also increase the franchise so that it could be more affordable to the people.

6. Another recommendation put forward by Mr Malele was the safety briefing of passengers while on board the boats. Passengers should be briefed on the use of life jackets as soon as they board the boats as most of them were not aware of it.
7. There was no proper dining room on board. A lot of the spaces were taken up by the extra bags of food. Boat owners should be asked to see that meals were affordable. The meals on board were sold at \$7 or \$8 and even \$10.00 which were similar to a restaurant in the mainland.
8. Dishonesty of crews on board and the boat owner. Sometime passengers had to pay the boat owners and crews for their overtime to sail on the exact day and time and even in the night. Mr. Malele once took a group church to sail to Lau for a church event but was delayed several times. They had to pay \$100.00 to the crews to pay for their overtime. They were able to depart at midnight that same night. Recommended that corrupt elements in the shipping industry to be looked at seriously by those in authority.

Submission Eight: Mr. Tevita Tuikabara

Mr. Tuikabara made a submission to the Committee on the *MV Liahona* for the *South Island Shipping Services*. *MV Liahona* was the only boat under the Government Franchise Scheme serviced the Lower Southern Lau includes *Kabara, Ogea, Vulaga and Ono-i-Lau* for many years from now.

Request was made for Government to allocate another vessel for franchise trip to at least service the Lower Southern Lau twice a month.

Submission Nine: South Island Shipping Services

Some of the technical challenges faced by the SISS vessel were:

1. Difficulties in obtaining spare parts locally, especially for aged equipment and machinery and for fitting new engines. SISS were glad that they were up to par with MSAF's requisites and the SISS was currently reviewing it and would be finalised in June, 2019;
2. High cost of repairs at the slipway and of course, the substandard workmanship in ship repairs; and

3. The other irony that SISS faced was the local vessels actually pay the same rates as the foreign vessels. Their standard rates were exorbitantly high and not equitably quantified.

Some challenges faced by the Boat Owner:

1. The SISS stated that the local vessels pay the same rate as the foreign vessels during any work that was done at the slipway. SISS were requesting the Government to actually look at these rates, especially for the local vessels that looked after our maritime islands. From the 130 plus boats that went to the slipway, there was only about 20 or less local vessels and local boat owners had to pay the same rate as these foreign fishing boats. It cost hundreds of thousands to put up a vessel on the slipway for one year and that was very high. SISS recently did some work in the last few months which went over to \$200,000, that was just for maintenance cost and the work needed to be done in accordance with MSAF requirements because of safety issues. Fiji Ships & Heavy Industries Limited had done their rates and had been gazetted. SISS made a request through Government to actually look into this issue.
2. It further stated that when SISS purchased the Liahona, the vessel had a bigger engine. The engine and generators had been designed to carry out fishing in open waters, SISS have re-engineered one of the vessels and put a smaller engine.
3. There was constricted and unavailability of space at the wharf when vessels were scheduled for trips. When the bigger vessels were berthed, two vessels were enough to take the whole chunk of the wharf and other boats had to find its own mooring and that became an impediment when ready to set sail.
4. The significant expenditure requisite needed to ensure compliance with the new regulations by MSAF. MSAF is a Government entity where boats have to be subservient to the rules and regulations. Government's prompt reciprocity to committing the funds required to make those subsidiary payments for the full period of the franchise. It normally took 40-50 days sale outstanding and that was a big challenge.

SISS future plans:

1. The saying that, "*It will not keep raining, the sun will definitely shine*", SISS were looking at it that way. They were keen to stay committed, to providing the franchise services as and when the Government felt. SISS could still be partner with MSAF and the challenges to keep improving on the fleets that the company has. SISS was satisfied of their current operations.

Submission Ten: Chairman - Lau Provincial Council Representative – Mr. Ilisoni Taoba

1. Economical Contribution of the Lau Province to the National Economy

Mr. Taoba stated that the contribution from the Province of Lau to the national economy were mainly through agriculture, forestry, fisheries and other income-generating activities were always insignificant. However, the major contribution to the total population from the province in terms of human capital, tax payments and foreign exchange earnings, those who had been overseas were sent in remittance but in trying to measure its contributions to the national economy was quite difficult.

2. Challenges faced by the People of Lau on Inconsistence Shipping Service Provider

He stated that the poor quality of service in terms of accommodation and inboard services, frequent vessel breakdown prior to scheduled travelling hence caused inconvenience to passengers and food suppliers to island retailers. The cargo charges were high especially for the route that covered Lakeba. If the vessel did not go in two weeks, there was short supply of goods and people from the islands always call for help because there was nothing sold in shops.

The following were the suggested solutions raised by Mr Taoba to the problems mentioned:

- (i) to improve ship selection and to meet modern inter-island shipping standards, was to avoid old, converted deep sea fishing vessels or second-hand vessels over for a period of three (3) years;
- (ii) the issues on importing of cars to Fiji that are not allowed to be imported over two years could be done for shipping vessels as well;
- (iii) standardise quality inboard service in terms of accommodation, food and passenger safety;
- (iv) provide shipping franchise subsidy that ensures economic viability of service providers;
- (v) standardise cargo rates and ensure compliance;
- (vi) educate customers and crews to avoid wilful damaging of ship due to frustration, known only to them. Sometimes they were frustrated because of the cargo or lack of service; they damaged expensive parts of the vessels. This would result in the deterioration of the vessel thus provided poor service. Customers/passengers needed to be educated; and

- (vii) provide public awareness program and shipping service users and their responsibilities, liaising with the enforcement agencies; educate public customers to raise complaints to Law Enforcement Agencies and other hand users were also to be educated to refrain from dishonest behaviours.

Submission Eleven: Presentation by the Petitioner-Hon. Anare Jale

Hon. Anare Jale stated that shipping was an essential service for the people of Lau. People of Lau transported essential basic food items in the boats. They depended on the boats and the ships to take their fuel for their generators in the islands, kerosene for cooking and other domestic needs. He stated that the Province of Lau main access to the islands was the sea. Boat vessels were a cheap mode of transport for most people in Lau.

The vessels carried their food items to and from the main land to the villages. These boats also transported their goods such as mats, pandana (*voivoi*) leaves, sea foods, farm produce, copra and pine logs to sell in the Suva market to sustained their livelihood and improve economic activity. Without reliable and affordable shipping services people in the islands found it very difficult to sustain themselves because of lack of economic activities to support their day to day needs.

Hon. Jale further stated that the house building materials were purchased from Suva, so they depended mostly on the shipping services to pick the materials up and transported them to the islands.


The issue of evacuating sick patients to Suva. The only way to move them was by ship. There were some islands that did not have airports or airstrips, the only way to move the patients around or the people that needed medical services was just shipping.

Lastly, Hon. Jale strongly stated that the responsibility for essential service particularly, shipping, rests with the Government.

7.0 Signature of Members



Hon. Sanjay Kirpal
Chairperson



Hon. Jale Sigarara
Deputy Chairperson



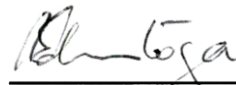
Hon. Alexander O'Connor
Member (Government MP)



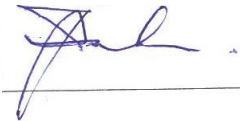
Hon. Mitieli Bulanauca
Member (Opposition MP)



Hon. Peceli Vosanibola
Member (Opposition MP)



Hon. Selai Adimaitoga
Alternate Member (Government MP)



Hon. Jese Saukuru
Alternate Member (Opposition MP)



Hon. Mikaele Leawere
Alternate Member (Opposition MP)

8.0 Conclusion

Government is doing its level best to provide safe and better shipping services to all maritime areas. However, the Committee noted the failure of the passenger shipping owners to comply with shipping policies and regulations. Maritime Safety Authority of Fiji to ensure that all ship owners to comply with their requirements and stringent measures to be taken against those who are non-compliance.

Appendices

Witnesses

The list of witnesses and its transcripts can be viewed on the Parliament website at the following link:
<http://www.parliament.gov.fj/committees/standing-committee-on-natural-resources/>

Published written evidence

Written evidence received from the public consultation can be viewed on the Parliament website at the following link: <http://www.parliament.gov.fj/committees/standing-committee-on-natural-resources/>