



STANDING COMMITTEE ON NATURAL RESOURCES



REPORT ON THE MARITIME SAFETY AUTHORITY OF FIJI- 2013 ANNUAL REPORT



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CHAIR'S FOREWORD

I am pleased to present the second report of the Parliament's Standing Committee on Natural Resources on the Maritime Safety Authority of Fiji 2013 Annual Report for Parliament to consider the performance of the Maritime Safety Authority of Fiji for the year 2013.

The Parliamentary Standing Committee under the 2013 Constitution and Parliament Standing Orders aims to enhance and uphold transparency and accountability across all Public Agencies and Officials in the conduct and performance of their duties and responsibilities.

The reforms to restructure the Maritime Safety Authority of Fiji commenced in 2010 with the objective that they enhanced their accountability through a review of the Ministry of Public Enterprises that operations are being streamlined to reduce the MSAF's reliance on government budget, improve service delivery and be self-sustained.

The Maritime Safety Authority of Fiji (MSAF) was established in 2011 through its law and MSAF acts a regulator responsible for Fiji's maritime safety, protection of marine environment, regulation of search and rescue and also hydrographical services.

Since its inception, there were some overlapping provisions of its Acts with the Fiji Ports Limited in terms of the jurisdiction of Fiji Ports Corporation Limited and also where MSAF comes in. Who is the licensing authority, who is the license collecting authority? So there was some clarification needed in the laws of MSAF. The review of the Act resulted in the Maritime Transport Decree and Ships Registration Decree that came into force on the 01st January, 2015 and has replaced the Marine Act of 1986.

The bipartisan Standing Committee unanimously agreed on a timetable to call all relevant stakeholders, and to hear their views and analysis of the MSAF's 2013 Annual Report and performances.

The Report examines all oral and written submissions from the following Ministries and Organisations:

1. Ministry of Public Enterprises
2. Ministry of Infrastructure and Transport
3. Ministry of Rural and Maritime Development & National Disaster Management
4. Small Boat Owners Association
5. Maritime Safety Authority of Fiji
6. Ministry of Infrastructure & Transport - Deputy Secretary Operation
7. Ministry of Lands & Mineral Resources
8. Ministry of Local Government & Environment
9. Ministry of iTaukei Affairs
10. iTaukei Lands Trust Board

11. Fiji Tuna Stakeholders Association

The negative bottom-line performance of MSAF for 2013 was due to a number of reasons as follows:

1. MSAF in 2013 was into its reorganisation phase where the majority of its commitments were towards its physical, material and human establishment;
2. MSAF in 2013 invested in establishing its Offices and accommodation spaces around the country;
3. MSAF in 2013 invested into the refurbishment of a number of existing lighthouses and other existing navigational aids around the country;
4. MSAF in 2013 invested in the construction of three new lighthouses and the erection of new navigational beacons and buoys.

The heavy capital investment commitment of MSAF as highlighted was to bring its maritime and navigational infrastructure services in line with International Maritime Organisation (IMO) standards and conformity to Fiji's obligations as both a Coastal and Port State.

On behalf of the Honourable Members of the Standing Committee on Natural Resources, I would like to sincerely express our gratitude and appreciation to all those Ministries, Departments and Organisations who willingly made oral and written submissions and attended our interviews. This final report is declaration of the voluntary commitment and time of groups and individuals making submissions and appearing before the Committee interviews. This was clearly manifest in the high quality of submissions and answers received during the Committee interview sessions.

I wish to genuinely extend my gratitude and appreciation to the Honourable Members of the Standing Committee on Natural Resources, my Committee colleagues Hon. Ro Kiniviliame Kiliraki MP (Deputy Chair), Hon. Alivereti Nabulivou MP (Member), Hon. Jiosefa Dulakiverata MP (Member) and Hon. Samuela Vunivalu MP (Member). I also wish to acknowledge and thank Hon. Ratu Sela Nanovo MP, Alternate Member for Hon. Jiosefa Dulakiverata.

Finally, I wish to sincerely thank the Committee Secretary, Ms Akanisi Rumasakea and the Committee Secretariat Staff, Mr Kitone Bete, Mr Penijamini Valebuli and Mr Maurice Shute for their steadfast support and assistance with the production of this bipartisan report.


HON. CMDR JOWELI R CAWAKI
CHAIRMAN

LIST OF RECOMMENDATIONS

1. That given the high capital investment initiated by the reform, the authority envisages sustainable growth and financial stability in the medium to long term future.
2. The authority considers classification of fees and licenses in accordance with vessel sizes, vessel use, area of operations and whether for commercial or private use purposes.
3. The inshore fishing vessels, fees levied by “*Qoliqoli*” for granting of consents is standardized in the country.
4. MSAF to ensure total operational, compliant and enforcement coverage to all the coastal and maritime Islands in Fiji.
5. MSAF’s operation to be streamlined to reduce reliance on government budget and to be in a position to improve returns from its operational and capital investment.
6. Also as a regulator, MSAF to generate income from all Maritime Safety aspects and discipline breaches of environmental issues, search and rescue situations and hydrographical services.

LIST OF ACRONYMS

CAAFI	Civil Aviation Authority of Fiji Islands
CSA	Commercial Statutory Authority
FPCL	Fiji Ports Corporation Limited
FPTL	Fiji Ports Terminal Limited
FICL	Fiji Investment Corporation Limited
FHCL	Fiji Harwood Corporation Limited
FRA	Fiji Roads Authority
FCC	Fiji Commerce Commission
GCC	Government Commercial Companies
IMO	International Maritime Organisation
ISPS	International Ships and Ports Security
LTA	Lands Transport Authority
MSAF	Maritime Safety Authority of Fiji
MOF	Ministry of Finance
MARPOL	Maritime Pollution
NOSP	National Oil Spill Plan
PWD	Public Works Department
PAU	Plan Assessment Unit
SOLAS	Safety of Life at Sea
SOE	State Owned Enterprises
STCW	Standards for Training, Certificate and Watch Keeping
WAF	Water Authority of Fiji

1.0 INTRODUCTION

1.1 Background

On the Friday the 6th of March, 2015, the committee first heard presentations from the invited relevant stakeholders that included the various Ministries, Departments and the private organisations such as the Maritime Safety Authority of Fiji and Two Small Boat Owners from Rewa. The relevant stakeholders continued to the 27th to 28th April, 2015 and on the 4th of May, 2015. The presentation was held at the small committee room in Parliament.

1.2 The Standing Committee on Natural Resources

The Committee is a standing committee of the Fijian Parliament and was established under Section 109(2) (c) of the Standing Orders (SO) of the Parliament of the Republic of Fiji. The Committee comprises five Honourable Members, drawn from both the Government and the Opposition parties.

The Committee is mandated to examine matters related to forestry, agriculture, mining environment fisheries, water and marine services and their administration, the Constitution, policing and human rights. Section 110(1) d of the SO mandates the Committee to consider petitions and papers referred to the committee in accordance with Standing Orders 37 and 38.

The House resolved that the petition be committed to the Standing Committee on Natural Resources to review and report back to Parliament as soon as it has completed its considerations and deliberations.

1.3 Procedure and Program

The committee had called in submissions from the various government Ministries and Departments from the 27th April to the 04th May, 2015 who had connections with the Maritime Safety Authority of Fiji to present their organisations overview and how their organisations would relate to the MSAF 2013 Annual report.

1.4 Committee Members

The members of the Standing Committee on Natural Resource Committee:

Hon. Joeli Cawaki, Assistant Minister for Rural and Maritime Development & National Disaster Management MP (Chairman)

Hon. Ratu Kiniviliame Kiliraki MP (Deputy Chairman)

Hon. Alivereti Nabulivou MP (Member)

Hon. Samuela Vunivalu (Member)

Hon. Jiosefa Dulakiverata (Member)

2.0 Oral and Written Submissions

2.1 Summary of all oral submissions

2.1.1 Submission One: Ministry of Public Enterprises

Mr. Shaheen Ali, PS for Public Enterprises
Mr. Mecuisela Lumelume, Deputy Secretary
Ms. Laisa Bolalevu, A/Director Commercialisation
Mr. Sujeet Chand, A/Director Policy Unit
Mr. Viliame Mavoa, Principal Financial Analysis
Mr. Nitesh Chand, Principal Economic Officer

The focus of the Ministry was to ensure that the Ministry continued with the divestment projects with the budgetary implications. It was noted that divestment was not purely to earn revenue but brought about reforms and efficiency and also created strategic partnership as was with the Fiji Ports Terminal Limited where Aitken Spencer PLC and internationally reputable company came and partnered with government and had managed to increase its revenue efficiently and dramatically. Divestment could inject new capital, new cutting edge management style, new technologies and provided a new outlook.

There were a number of projects public enterprises that were earmarked for divestment but it was crucial for the Ministry to revise the Act of 1996. The Public Enterprises Act of 1996 if modernized, it would ensure that the Ministry had tighter and better control over the public enterprises. Some of the reporting obligations needed to be strengthened so that entities would be obliged to report their half yearly reports, their Annual Corporate Plans and their Strategic Plans so that the Ministry could keep a better tap on these enterprises. Perhaps a penalty clause that would strengthen the reporting and compliance.

In terms of achievements the Ministry would continue with the reforms to restructure the Water Authority, the Bio-Security Authority and MSAF that commenced in 2010 with the objective that they enhanced their accountability after a review of the Ministry of Public Enterprises Annual Report. Operations were being streamlined to reduce the MSAF's reliance on government budget, improve service delivery and be self-sustained.

In terms of Maritime Safety Authority of Fiji (MSAF), that was also, a key agency that needed to be examined. It was established in 2011 through its law and MSAF acts a regulator responsible for Fiji's maritime safety, protection of marine environment, regulation of search and rescue and also hydrographical services. Currently its Act had some overlapping with the Fiji Ports Limited in terms of the jurisdiction of Fiji Ports Corporation Limited and also where MSAF comes in. Who was the licensing authority, who was the license collecting authority? So there was some clarification needed in the laws of MSAF. In terms of its budget. In 2015, it had been allocated \$5.2 million budget. Again, operating - \$2.2 million and \$3 million allocated for its capital projects. The Maritime Transport Decree and Ships Registration Decree came into force 1st January, 2015 and had replaced the Marine Act of 1

2.1.2 Submission Two: Ministry of Rural & Maritime Development and National Disaster Management
Mr. Luke Moroivalu -Divisional Commissioner Eastern

The MSAF's delivery of service, the challenges for the people in the maritime areas in the Eastern and also in the Western, the Northern Division, the Central Division, the Ministry had seen that people were faced with a lot of challenges. Although the MSAF services provided a good framework for the people to ensure that those who used the sea for transportation and for communication was for their daily livelihood. It was good, services were provided in the sense that the protection of the people in terms of travelling by boats, however people in the islands still faced difficulties.

One area was the provision of all vessels that would be used for crossing or used in the maritime areas needed to be licensed. Most of the people in the Eastern Division derived their livelihood in fishing, subsistence fishing whereby they used small canoes, small boats and that had been a lifetime practice for these people as traditional fisherman. When these traditional vessels and traditional boats according to MSAF rules and regulations, needed to be licensed and passed with criteria's set up.

Secondly in terms of all fisherman, all boat captains must be licensed and that more time should be given in covering all the maritime areas in Fiji for proper training and provided with certificates. People in Ono-i-Lau people in the remote rural islands did not have plans. Since MSAF was a new organisation within government it should have time to go out in the rural areas to provide training for boats.

It should be tailor made to suit the rural maritime communities and perhaps not taken out from a foreign countries rules and regulations, placed into the country's use. It should be friendly to the people and could be accepted because life needed to continue, people needed to survive and with the absence of economic development and employment in the rural communities it would really be difficult for them to survive on a daily basis.

The Ministry's recommendation was to differentiate the fees and charges that was given to a subsistence fisherman, a subsistence vessel and different from a commercial or semi-commercial vessel, for example a fibre glass used for carrying students on a daily basis to school and a fibre glass that was utilised for a fisherman or for carrying paid passengers from one island to another because one was a business, it was making money and the other was solely for a transportation purpose or for a livelihood purpose and at subsistence level purpose.

2.1.3 Submission Three: Small Local Boat Owners

(1) Mr. Lashmi Narayan (Naivilaca, Rewa)

(2) Mr. Raj Kumar (Lokia, Rewa)

The local boat owner in the Rewa delta, Mr. Raj Kumar stated that he paid a sum of three thousand dollars (\$3,000) annually to the “qoliqoli” owners for approval to fish in the area. For boat registration it cost Mr. Raj a sum of two hundred and seventy (\$270) annually. Mr. Raj stated that boat registration varied from one year to another and depended on the area of fishing.

Mr. Kumar highlighted that fishing in Burebasaga areas cost him about \$500.00 to pay for the licenses and fishing in Kubuna areas was \$3000.00 annually. Another boat owner, Mr. Narayan, stated that he paid \$500.00 for his license to fish in the Levuka waters. Mr. Narayan added that fishing in the deep sea used to be \$110.00 now it has reached \$1,300.00 to get licenses for fishing. Both of the local boat owners had to pay the licenses through the Fisheries Department. Mr. Narayan stated that fisherman in the past used to pay \$500.00 during the time of the Vunivalu then, Ratu George. But the Vunivalu passed away, the “qoliqoli” owners increased the fees.

2.1.4. Submission Four: MINISTRY OF INFRASTRUCTURE AND TRANSPORT

**Commander Francis Kean - Permanent Secretary for
Infrastructure & Transport**

The financial performance of the Ministry over the last four years. In 2011 it was in the red, 100 per cent. The reason being was a misunderstanding into the allocation of the Water Authority of Fiji. In the Budget book it was under the Ministry of Infrastructure and Transport previously known as Ministry of Works, Transport and Public Utilities. However, the Ministry’s attempts during 2011 to correct this was made and that was corrected and as in 2012 onwards the Ministry had not gone into the red because Water Authority actually had the allocation permanently under the Ministry of Public Enterprise, but for 2015 they had come back to the Ministry of Infrastructure and Transport.

Maritime Transport Sector, again, the MSAF was mandated under the Promulgation of 2009 as the regulatory arm of Government for maritime administration, maritime security, maritime safety and most importantly, the protection of the marine environment. As of January 1st this year, the Ministry introduced two new legislations – the Maritime Transport Decree and Ships Registration Decree into the maritime industry, which included 34 Regulations. These new laws actually placed Fiji and the Ministry were benchmarked against international best practices.

Internally, the Ministry and MSAF had also developed a National Oil Spill Plan (NOSP). This Plan was currently with the Solicitor-General’s Office and undergoing final vetting. The Ministry had been waiting for this Plan for some time now, however the whole reason was they wanted the two legislations in place, including the Regulations. Another new initiative by the Ministry was the Sea Route Licensing. This was a very good initiative by the Ministry in consultation again with the

Commerce Commission, as well as MSAF but most importantly, the stakeholders, the shipping operators. It would bring about a lot of things for maritime and safety-wise, reduced congestion on the wharves, it brought about a comprehensive timetable where the ship operators could adhered to, most importantly, it brought about some semblance of confidence to the commuters and other sectors that used the maritime mode of transportation, particularly agriculture.

The tax initiatives by Government was introduced in 2013. One of the reasons these two came about was to attract/lure shipping operators to come into the uneconomical routes because at the moment the Ministry had a shortage of vessels. There was shortage in servicing the uneconomical routes but the Ministry would want to get in vessels, when the Ministry had increased the frequency to fortnightly basis to five of the routes. Those two tax initiatives were very supportive for investments to potential investors that wanted to come into the maritime industry.

Just some of the economic rationale at the bottom, again the maritime transport sector brought about 95 per cent of trade which were transported by sea. The remittances, at the moment the Ministry had about 500 plus of the seafarers currently serving abroad. The maritime, with that 500 plus seafarers, they contributed significantly to the total amount that was there on the table for 2010 and 2014.

2.1.5. Submission Five: MARITIME SAFETY AUTHORITY OF FIJI

- 1) Mr. John Tunidau - Acting CEO**
- 2) Mr. Sunia Lavaki - Acting Chairman**

MSAF was established in 2011 by the MSAF Decree of 2009 (No. 2 of 2010). It was gazetted on the 9th of November, 2011. MSAF was actually the National Maritime Safety Agency with a primary role for maritime safety and maritime security and protection of the marine environment. Supplemental revenue was derived through regulatory services or regulatory fees and levies, which were in the national regulations or the maritime regulations.

The financial problem, the financial performance of 2011 to 2014. In 2011 there was \$3,062,500 because the grant was treated as income under the international standards. It was treated as income so the income for MSAF plus the regulated fees, it came up to \$3,062,500. The expenses for MSAF for that year was \$1,900,000. Looking at the profit and loss, there was a profit in 2011, this must be made clear, that was audited accounts. But from 2012, there was a directive to treat the Government Grant as a grant and not as an income. So it could not be added to the income of MSAF.

The Ministry had an Operating Grant of \$2,800,000 treated as income. Those were the profit and loss.

From 2012 there was a grant that was \$2,858,432 that was put in, so that was the operating loss. Now, in 2013, there was a grant of \$2,200,000, and so the Ministry had a loss of that amount because the income for that year was \$1,294,000. For the income, it was still the same income – a very low margin. The year 2012, \$1,295,921, \$1,294,671 and there was only a small increase in 2014, which would be explained later. But because of the treatment of Government grant as a grant, not as an income, that was why the Ministry had the loss, which must be made clear.

Apart from that, directive was issued from the PS Public Enterprises through a Cabinet decision not to treat Government grant as a revenue or income. This was treated as capital contribution and adjustments made to financial from 2011. Office of the Auditor-General qualified the audit report as treatment of Government grant in the financials was against the accounting standards of IAS 20 – that was the standard that the Ministry worked towards. So those were two contradicting statements, the Ministry had the statement from the Office of the Auditor-General and there was an international standard that the Ministry needed to work on, but the Ministry had to follow that directive. Such qualifications would continue in the audit report until such time that the decision of such treatment was revised by the Ministry of Public Enterprises.

To add to that, the Ministry would also like to bring up this second major factor, the non-commercial activities. The Ministry's Enforcement and Compliance Team were not raking in any fees at all. Their operational cost per year was about \$1 million. Investigation was an obligation by any government who were members to IMO to carry out, and it was very clear under the International Convention Regulations that it could not, as an Authority, levy any fees on investigation because investigation was investigation on any incident, accident or loss of life at sea. It was a cost being borne by MSAF, which was approximately \$60,000.

The question to ask why was there an increase in expenses? It must be made clear in the report that 67 per cent increase in 2012 over 2011. Some of the expenses which led to this increase were, and this was during the transition period from FIMSA to MSAF. Local travelling and accommodation; for your information, in 2011 it was only \$7,000. In 2012, it was \$90,000. This was because of staff movement, deployment, awareness, et cetera.

The consultancy fees, because the Ministry reviewed its legislation, it was \$16,000 in 2011 and \$19,000 in 2012. The increase was because the Ministry had to draft its own legislation. So, while drafting, the Ministry needed legal consultations and there were no lawyers there then to do the work. The Ministry had actually engaged a consultant to do the work in coalition with MSAF Officers.

The 15 per cent increase in 2013 over 2012 were due to the following expenses. Awareness expenses, the Maritime Safety Authority of Fiji did more than what was required, to cover all the areas except for Rotuma and the Lau Groups because of the problems of shipping and flights to these destinations. Therefore, their awareness expenses was quite enormous.

Again, 13 per cent increase in 2014, and there were the reasons given; Board Members Salary Fixed, and prior to this there was per sitting. Hiring and Leasing, outsourcing of IT service, the Ministry had to outsource the database, so there was a cost to that. Hosting of Server and Leasing of Links. Hosting of the Asia Pacific Heads of Maritime Safety Agencies meeting by Fiji, that came up to \$120,000, and for your information that event was for quite earmarked by all the Asia-Pacific Heads of Maritime Safety Agencies that came in to Fiji.

However, there is a Committee within MSAF to review the fees because it has been there from 1990 or 1986. The Ministry had to review the fees, and if the fees needs to be reviewed, it needs to be put back to the operators, the maritime public for their comments.

2.1.6 Submission Six: Ministry of Infrastructure, Works and Transport

Mr. Lui Naisara - Deputy Secretary, Operations

The MSAF had come in to a transitional period, from 2011, 2012 and also 2013. That transitional period, the Ministry was very mindful of Fiji being a maritime island state, the vessels were quite old. So one of the major reason to note in the financial record that came out in 2013 was that the Maritime Safety Authority had undergone this same transitional period, the main target of government was to enforce or get compliance through safety. There was a lot of work that still needed to be done with the competency of the Ministry's seafarers, their safety. Also in terms of the financial audit reports, to note, most of them were qualified reports by the Auditor-General.

The very reason being was that, the Ministry of Public Enterprises had a different interpretation or gave a different decision in comparison to what the Auditor-General does. The Auditor-General worked on an international auditing standard. These standards were totally different from the decision that was given to MSAF where they had to treat the grant as revenue. They treated grant as revenue and then also looked at it from the Auditor-General's perspective, these reports started to conflict each other. This would continue, until such time that the Ministry was still there in Government would have to try and demarcate what would be the right interpretation.

For the Ministry to use the international audit standards, or to adhere to the Ministry of Public Enterprise Cabinet Decision, that decision needed to be done, and the Ministry was currently working with the Ministry of Public Enterprise and the Maritime Safety Authority. This was did not happen with the Maritime Safety Authority, it was also reflected with the Lands Transport Authority, but they had been able to make these amendments. Even the Water Authority of Fiji also faced the same decision. So, it was more or less the commercial statutory authorities that would have to undergo this process, in terms of the demarcation or interpretation of Government Grant being given by the Central government to the commercial statutory authorities. That was one of the biggest reasons what the Ministry was undergoing.

In terms of the Maritime Safety Authority, Fiji in 2013 had 242 registered vessels. In 2014, the Ministry had 332, whereas in 2013, the Ministry had 187 registered vessels. The growth rate had been going on and was an indication of why MSAF was not really going into that money-making mechanism. It was trying to get the local vessels registered and be compliant so that the Ministry could keep track of them. That was very important to Fiji, because if any mishap happened in Fiji, because Fiji had unsafe waters, and the Ministry do not have these compliance, it could be very detrimental to Fiji, the precinct environment, and to the nation as a whole in terms of its economy and the social wellbeing.

2.1.7 Submission Seven: Ministry of Lands and Mineral Resources

- (1) Mr. Tevita Boseiwaqa - Permanent Secretary for Lands & Mineral Resources**
- (2) Mr. Malakai Finau - Director Mineral Resources**
- (3) Mr. William Singh – Assistant Director Lands**
- (4) Mr. David Chang - Surveyor General**

The Ministry of Lands and Mineral Resources had two Departments, the Department of Lands and the Department of Mineral Resources. For the Department of Lands, it administers : First , the State Lands, secondly the Surveying, thirdly the Valuation and fourthly the Geo Special information Management commonly known as this stage GIS or Information System and the Land Bank, that was what the Department of Lands administered . In addition to that which was not here, was the administration of the transfer of Schedule A and Schedule B from Government to Native Lands. On the other hand, the other departments was the department of Mineral Resources. The Ministry had three main divisions, the Geological Services, Geological Survey and the Mining Division.

A quick look through on the roles of the each divisions under the department. For the state land administration, the Ministry administers state land in accordance with the Crown Land Act, leasing of these land, gave consent to transfer mortgage or caveats etc. and also worked on the documentation of lease documents as mentioned. On the Land Bank, of course the Land Bank in short was the designation of the native land into the land bank. Once it was designated, then the Ministry would work on trying to entice or getting investors to develop the land.

Another role of cadastral surveying which came under that was the Plan Assessment. For this one, all surveyors their survey plans had to be submitted through the Plan Assessment Unit. They actually checked, they assess that everything was in accordance with the guidelines so one that would be complied with then it was approved from the Ministry for further processing by the Town and Country Planning.

Another important one was what the Ministry referred to as the Control Survey. Basically this was done by the Ministry's Control section and what they did was to ensure that the Ministry had control reference points where the surveyors, where the shapes, where the airplanes etc. will take their reference once they map their way forward.

Again the divisions , before used to be called FLIS Fiji Land Information System, but the Ministry had moved to another level to keep a breast with the global trend as mentioned that was part of the mission and the Ministry had changed from FLIS to GIMD, Geo Special Information Management Division.

Basically , this where the Ministry information , the data being collected by different institutions on features under the sea, on top of the sea, on land , above land and then these layers of information were integrated, and when they were integrated and it could clearly show , given the different features, the different factors, it helped to make very sound decisions. The Ministry had the Land Information Unit, which the Ministry was working on that now for state land and

then the Ministry had a land use master plan, .The Ministry thanked the government for giving the Ministry a budget of about \$400,000 to acquire a satellite imagery sand work on this land use master plan. The Ministry had a national land register, basically this was consolidated land tenure mapping.

The Ministry worked on state lands, all state lands being mapped and the Ministry also now was about to finish with the freehold lands throughout Fiji and hoped that TLTB would give them maps on all Native land and then the Ministry would have one land register as information based so wherever anyone would like to know an area in Kadavu whether it was state, native or freehold, they could easily go into this database, the information system and know the status of that land.

For Mineral Resources basically they were free, Mining, Geological and Geological Services and the Geological Survey Division. For Mining, mainly deals with Mineral Resources directly on licensing compliance and monitoring. Geological services on consulting services in relation to bore holes and developments assessment and earthquake monitoring The Ministry also worked hand in hand with Disaster Management, DISMAC in relation to the assessment of earthquakes, or Seismological Assessment. The Geological Survey Division prospect mapping.

2.1. 8 Submission Eight: Ministry of Local Government, Housing and Environment

- | | | | |
|----|-------------------------|---|----------------------------------|
| 1) | Mr. Samuela Namosimalua | - | Permanent Secretary |
| 2) | Mr. Selevasio Tagivuni | - | Principal Environment Officer |
| 3) | Mr. Alipate Mataivilia | - | Senior Economic Planning Officer |
| 4) | Ms. Eleni Tokaduadua | - | Principal Environment Officer |
| 5) | Ms. Losana Rokotuibau | - | Director of Town and Country |

The Departments roles and responsibilities were to formulate, coordinate and monitor implementation of national environmental policies, programs and legislations in compliance with international agreements and instruments to ensure sustainable development. In terms of Natural Resources and in the context of the Ministry's mandate or the roles and responsibilities that I had just highlighted, natural resources was defined under the Environment Management Act 2005 as 'natural resources of the Fiji Islands set out in the Natural Resource Inventory (2010).

Under the Environment Management Act, the Department was mandated to apply the principles of sustainable use and development of this natural resources that was highlighted under the Natural Resource Inventory. In terms of the programs that drove the implementation or the scope of work of the Department, the scope of operational level could be best defined by the four Strategic Levels in which this programme were implemented.

The first programme, Guiding Policies one of the core mandate was to formulate Environmental Policies for Fiji which was to guide Fiji's priorities on environment and also allowed the Ministry to identify corresponding management actions. In some of this guiding policies mandated under the Environment Management Act this include the Natural Resource Inventory, the State of Environment Report, the first being formulated in 1992, the National Environment Strategy also

being formulated in 1993, this two reports were currently in its final draft. The National Bio-Diversity Strategy, the National Solid Wastes Strategy and a couple of others.

There were other obligations under the Conventions once the Ministry became party. These Conventions include the Convention on Biological Diversity, Convention of Climate Change, Convention to Combat Land Desertification, Ramsar Convention on Wetlands, Convention on International Trade in Endangered Species, there were wastes related Conventions also such as the Waigani Convention, Regional Convention within the Pacific Region which allows the trans boundary of hazardous wastes to and from Countries, Rotterdam Convention, Stockholm Convention and so on.

As highlighted by the Ministry official, the Department of Town and Country Planning supported significantly to the work of the Department of Environment in the protection of Management of the Natural Resources. The Vision of the Department for the next five years spoke on Spatial Harmony. Spatial being maps or plans and Harmony was simply on the principles of being inconsiderate with each other whether it was policies or whether it was the community or Agencies and Stakeholders. The Mission was to enable attractive investment environment with strategic directions for sustainable growth. To be mindful for the drive for Economical Development of the Country and its people but at the same time the Department was aware of Fiji context being an Island Nation and how important it was to manage the existing Natural Resources that the Ministry had.

The Department had two main laws, the Town Planning Act and the Sub-Division of Land Act based on these two laws it administers Land and Building Development in Fiji. As part of its contribution in managing Natural Resources the urban areas there were areas that had been identified and they were zoned.

On the coastal areas there was a standard requirement and that was covered in the Environment and Impact Assessment for any development. For Town Planning Control the Ministry would like to raise that it was not so much controlled but at least it is a regulating development.

There was a New Programme called the Participatory Urban Village Planning. The Ministry had worked with villages within the urban locality and was an exercise that allowed the village to map out where the reserves were, where their taboos areas were and it would also help them when it was time to design their Bio-laws.

The target was to have a collative and sustainable built environment. Not only in the urban but also in the rural areas particularly in the rural areas, this was where the Ministry controlled what needs strengthening by the Ministry or by the community of Fiji. In the next 5 years, the Department and the Ministry would have zoning that would help the main iTaukei Land Trust Board. It would assist the Ministry of Lands and it would also assist the Infrastructure Agencies when they did their Capital Investment for Fiji.

Further continued, in regulating Development the Ministry would ensure with the public indicating the public how important it was to have plans that were consistent with the current policies, the current laws, and some of which were listed as Environment Management Act, Rivers

as Streams Act, the Sub-Division of Land Act and how important it was to have correct documentation. All the information was critical before the Director determines a development, that was the reason it was important for the Department for Town and Country Planning to have zoning maps for Fiji. The Ministry worked towards its vision but at the same time the Ministry had Economic Development and as it had been related in the Pillars of Sustainable Development for Ecology Environment and Ecology that was where the Ministry was targeting through the Department of Town and Country Planning.

2.1.9 Submission Nine: Ministry of iTaukei Affairs

- (1) Mr. Savenaca Kaunisela - Permanent Secretary iTaukei Affairs
- (2) Ms. Marylyn Korovusere - An Official

The Ministry of iTaukei Affairs was mandated to oversee the governance and welfare of the iTaukei. In 2010, in alignment to the Road Map for Social Economic Development, common vision was adopted and sets the legal aspirations of iTaukei institutions which is “**An Enlightened Vanua for a Progressive Fiji**”. These aspirations were enforced in section 28 to 40 of the 2013 Constitution.

The Ministry adjudicates over lands, chiefly titles and maintains cultural records which were vital to the resolution of disputes referred to earlier as mandated in cap 1- 33 and 1 - 58 of the iTaukei Affairs Act. The Ministry, also facilitates the process of land administered under cap 134.

The Ministry was happy to state that they had built a reputation of sorts ,that corresponds with acknowledgment that successful implementation within the iTaukei required the participation and advise, in this case the Ministry of iTaukei Affairs. Noting the impact of climate change, the Ministry was also at the forefront of building a resilient iTaukei community. This was done in partnership with the Climate Change Division in the Ministry of Foreign Affairs and the National Disaster Management Office.

As stated the Ministry of iTaukei Affairs holds the Deputy Chairman of the National Climate Change Forum which was chaired by the Ministry of Foreign Affairs. Aligned to the 2005 Environment Management Act (EMA), the Ministry appointed an officer to oversee environment issues in 2011, and in 2011 also the Roko Tui were appointed Environmental Officers by the iTaukei Affairs Board, which was later revised to Provincial Conservation Officer under Cap 120.

The Ministry had also established a National iTaukei Resource Owners Committee, made up of 14 representatives from the 14 provinces, including the 14 Provincial Roko Tui's. Established by the National Environment Council in 2012, after various attempts with the assistance of GIZ (in full), a meeting was convened in 2014. The main objective of the forum is to:-

- i. Promote the capacity development of iTaukei to make informed decisions on the sustainable development of their natural resources;

- ii. Ensure the participation of the iTaukei in the decision making process that affect their resources;
- iii. Support efforts to increase resiliency of the iTaukei community to the impacts of climate change and natural disasters.

The Ministry continued to work in partnership with the Ministry of Fisheries and Forests, including Agriculture, and heavily relied on those agencies for technical advice and assistance to the National iTaukei Resource Owners Committee.

Sustainability and duplication of environmental projects was a concern for the Ministry. Lack of effective monitoring in place for individuals and organization that carried out research within Fijian communities to ethically hold them accountable was a concern. The Ministry was in the process of putting in place measures that would require the registration of individuals and organizations. This would ensure that the objectives of the project were achieved, but more importantly that there was sustainability and where appropriate the replication of these viable projects in other communities.

2.1.10 Submission Ten: iTaukei Lands Trust Board

- 1) Mr. Solomone Nata – General Manager, Operations Research & Development
- 2) Manager Central Eastern – Mr. Ela Manuku
- 3) Manager Landowners Affairs – Ms. Kelera Gadolo
- 4) Research Officer – Mr. Irfan Hussain

Also very important was the Conservation and biodiversity in ensuring socio economic development in the country, and conservation should be done in a global phenomenon in Fiji. By way of statutory obligations it always reminded itself of its role, why it was formed?

The two very important section in the iTaukei Land Trust Act, **section 4**: the control of all native land shall be vested in the Board and such land shall be administered by the board for the benefit of the Fijian owners. **Section 9**: No native land shall be dealt with by way of lease or licence under the provision of this Act unless the Board is satisfied that the land proposed to be made the subject lease or licence is not being beneficially occupied by the Fijian owners, and is not likely during the currency of such lease or licence to be required by the Fijian owners for their use, maintenance or support.

In terms of the trust monies that iTLTB collected from the landowners. In 2008, the Ministry had started off with 38m and there had been a progress in this, even last year the Ministry had so far collected 61m. There had been an increase in 2012. This was due to that assets being sold out to cover some profit. So overall, the financial performance of TLTB 2012 had been good and also contained the Auditor General's Report. For 2015, iTaukei Lands Trust Board worked on annual target for this year which was around 14 m.

The aim was to collect around \$14 m by end of this year be distributed to the iTaukei. In terms of growth, the Ministry were targeting 1200 leases, new leases for this year. Lease growth about 3.5 % net growth in terms of the Ministry's portfolio.

The arrears reduction, for the last two years, the company had been doing well for the lease collection. Land ALTA and TALTA renewal, 85% that the right resources by government in terms of the development to the sugar industry. These were the renewal of leases expressed in acquiring the ALTA Leases. They targeted 85 %. So far the organisation had not been able to provide to any landowner. In terms of, say for hotels, when the lease would expire in 20 years' time who would pay for that improvement.

There was nothing, no mechanism in place to foresee and prepare the landowner when to purchase the property or the hotel when the lease expired. Some of the things that iTaukei Lands Trust Board needed to have as information and that was what the organisation did as there were five thousand (5000) land units in villages in Fiji. The sketch of five hundred (500) landowners was such a huge task.

The latest update the organisation found out that the area of improvement on this hoped on the "iTaukei" land to reach 5 million dollar and that was alarming. When the lease had expired under the current law, who would pay for the compensation? iTLTB needed to identify the opportunity the landowners could capture based on their resources. Some of the landowners that had investments needed education in terms of their limited knowledge. Those were things the iTLTB tried to work on creating a database for the landowners.

The **Processing Return Time**, 4 to 6 months, very important, if the landowners provided all the requirements then iTLTB could grant the lease within two weeks or one week but if people do not provide all the requirements, it could go to six months six years.

The **Estates Team structure** deals with cases, two category, Pre 2015 and 2015 cases. The **Processing Lease Expiries to 2020**. iTLTB had no money to really develop the land. iTLTB relied on government for road construction, bridge construction and providing services and TLTB facilitated the land. Once the rural area is opened up, it also enhances the value of iTaukei land and ensured the land owners receives the fair equitable return from it and people must not compromise and understood that TLTB was there as an acting professionalism. People must protect the environment and the biodiversity. It was time to review the TLTB legislation and other associated legislations one of which was ALTA, maybe Town Planning Act etc.

2.1.11 Submission Eleven: Fiji Tuna & Stakeholders Association Mr. John Lee

The Fiji Tuna Stakeholders Association an association made up of companies that had a direct involvement in the tuna industry. Companies that comprises of shipping agents ,freight forwarders, transport companies, ship building, metal workers, fish processes, customs agents, oil and fuel suppliers,hoteliers,travel agents etc.

In 2010, Government imposed the Fiji Levy Tax whereby a levy of \$350/ton was imposed on overseas fishing vessels who were using Fiji as a means to transport their Fish overseas. These fish were caught outside the Fiji Waters.

Also to add to this dilemma was other government departments who imposed their fee on the tuna industry. This year the fisheries department imposed a 11.5c/kg for monitoring and processing fee of fish that went through the fish processing plant.

Other Government regulators like the Ministry of Safety Authority/FIMSA /Immigration were adding their pound of flesh and imposed exorbitant fees which the industry could not sustain.

Questions that were being frequently being asked by those foreign boat owners were:

1. Imposing a tax levy on fish that was caught outside Fiji waters was wrong internationally. It could be compared to passengers who were using Fiji's port/airport to transit before catching the next available boat/flight overseas with a tax or levy to transit
2. Doing Business in Fiji was very expensive with the never ending procedures and red tapes.
3. Government need to seriously look at these factors and ask themselves on the survivability of the tuna Industry.

3.0 CONCLUSION:

It is common in develop countries to privatize the administration and enforcement of maritime licensing (e.g. deck officers, engineers etc.), shipping registry (e.g. Liberia and Vanuatu), sea worthiness certification provision and maintenance of navigation aid/pilotage services (e.g. Trinity in UK and Safety Services (very common in Australia). There must be a change of emphasis away from State funding to user pays – the charges must be structured to meet a budget subject to safeguard for special interest groups' e.g. residents of outlying islands. If going down the privatization route there must be safeguard minimum qualitative and quantitative standards of performance and a review of regular intervals.

A proper publicly accessible ongoing reporting and monitoring regime is required if mariner should be able to ascertain online about navigation aids and being unserviceable , Improve and Eliminate organizational structure.

This would allow Managers to manage and would not cripple them with undue red tape and unnecessary layers of decision makings. In civil service it is not driven by the need to derive a profit or to innovate nonetheless it is worthwhile leaving it open to the Civil Service to complete with their own proposal. If a particular services cannot be provided economically locally it may be better to outsources that overseas where greater economies of scale exist. It was not necessarily to be more efficient to combine all the above functions in one organization e.g. It is not necessarily more efficient to have marine licensing and certification managed by the same people who are managing Search and Rescue.

An open invitation of expression of interest should be called for in respect of all or some of the above functions – that will allow a more select and a refining of the selection criteria.

The MSAF being a Commercial Statutory Authority (CSA) is allocated \$5.2 million in the budget for 2015- \$2.2 million for operation and \$3.0 million for capital projects.

It is challenge and task for MSAF to make a profit and be self-sustainable given its role as an international respected regulator and a provider and promoter of maritime safety and the protection of the environment.

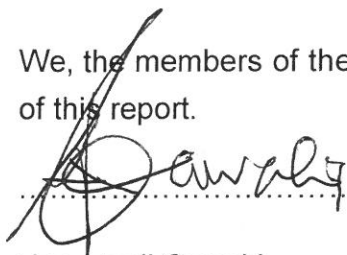
However, to reduce MSAF's reliance on government budget, it must streamline its operation and improve service delivery in its operation to be self-sustainable and be in a profitable position.

Whilst MSAF is obligated to international maritime conventions and protocols, it must also be conscious of the local environment and condition of seafaring population in the maritime islands and coast and those costs of maritime safety compliant are affordable.


SIGNATURES OF MEMBERS OF THE

STANDING COMMITTEE ON NATURAL RESOURCES

We, the members of the Standing Committee on Natural Resources agree with the contents of this report.

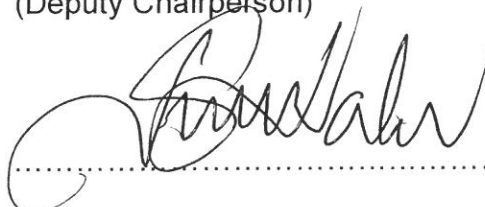

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Hon. Joeli Cawaki

(Chairperson)



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Hon. Alivereti Nabulivou


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Hon. Ratu Kiniviliame Kiliraki

(Deputy Chairperson)


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Hon. Samuela Vunivalu

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Hon. Jiosefa Dulakiverata


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Date

