

APPENDICES

Appendix One

Written Response by Fiji Ports Corporation
Limited

FIJI PORTS CORPORATION LTD

Briefing for the Parliament Standing Committee on Social Affairs

Presentation by FPCL Management - 15 July 2019

This Presentation is best viewed in Microsoft PowerPoint 2010 or Versions Above



Q1

What are the functions of the Fiji Ports Corporation Limited and elaborate on its organization structure?

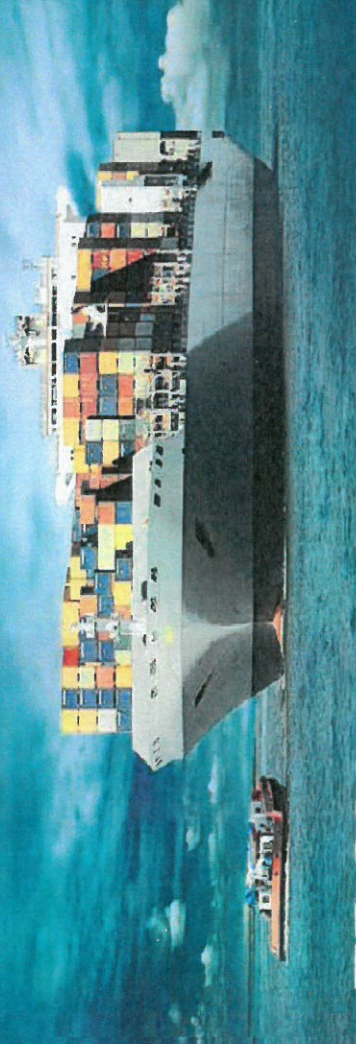
Our Vision, Mission & Values

MISSION

"To develop, maintain and improve key seaport and ship repair facilities to enhance the economic growth and prosperity of Fiji "

VALUES

Professionalism | Commercial | Stewardships | Strategic
Innovation | Progressive Leadership | Corporate
Citizenship | Employee Well Being and Diversity



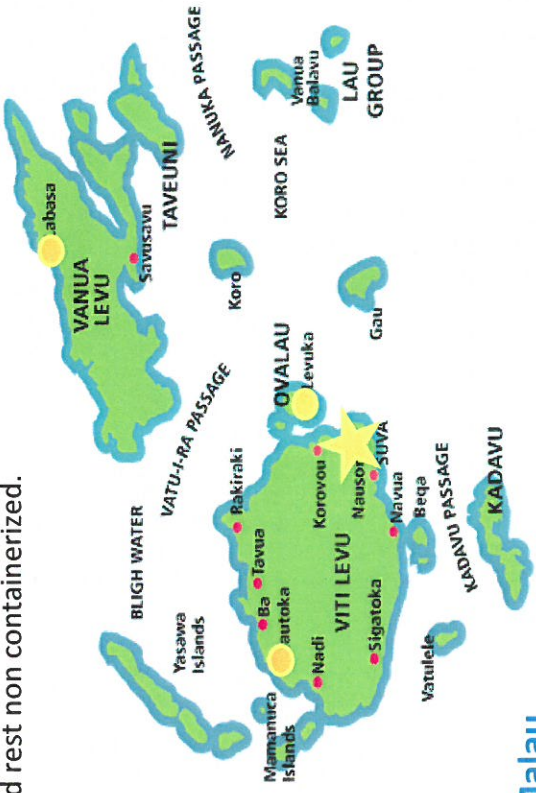
FPCL's vision is to be the
maritime gateway

in the Pacific region through facilitating

waterborne transport,
trade ^{and} commerce

Main Ports of Entry

Fiji Ports owns and carries out maritime operations in four main ports of:

- **Suva**
 - Handles **54%** of the total Fiji's export and import cargo.
 - Comprised of **72%** containerized , **25%** both liquid & dry bulk and rest non containerized.
- 
- **Malau**
 - Handles **3%** of the total cargo throughput.
 - Comprised of **49%** liquid bulk and **51%** dry bulk.

- **Lautoka**
 - Handles **42%** of the total export and import.
 - Comprised of **38%** containerized rest **62%** liquid & dry bulk cargo.
 - Vuda - a liquid bulk terminal which handles the bulk of the liquid bulk cargo.
- **Levuka**
 - A fishing port handling **0.22%** of the total import & export cargo.
 - This constituted **75%** frozen fish for the government owned tuna canner with the balance being liquid bulk.

Second Tier Ports & Local Wharves

SECOND TIER PORTS

These are ports of entry with specialized functions but is administered by FPCL for statutory requirements like ISPS, etc.

Wairiki

- A dedicated woodchips terminal commenced operations in 2012.

Rotuma

- Established through the Fiji Government's initiative in assisting the Micronesian countries in the Pacific for exportation of root crops with shipping schedules covering Fiji / Rotuma / selected Micronesian countries / Rotuma / Fiji.



LOCAL WHARVES

Suva

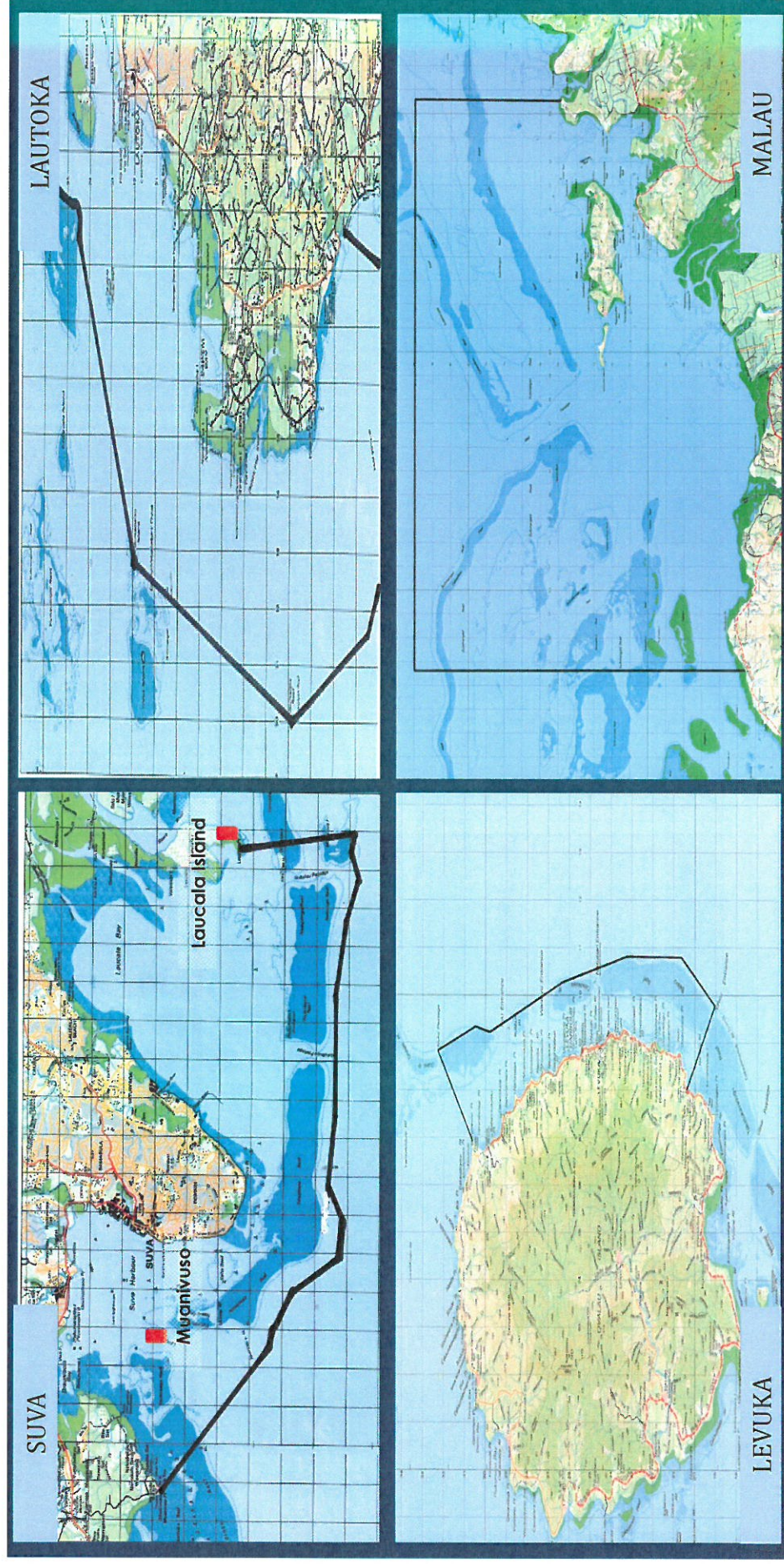
- ☐ Mua i Walu 1 – dedicated fishing vessel facility
- ☐ Mua i Walu 2 – Local vessels berthing

Lautoka

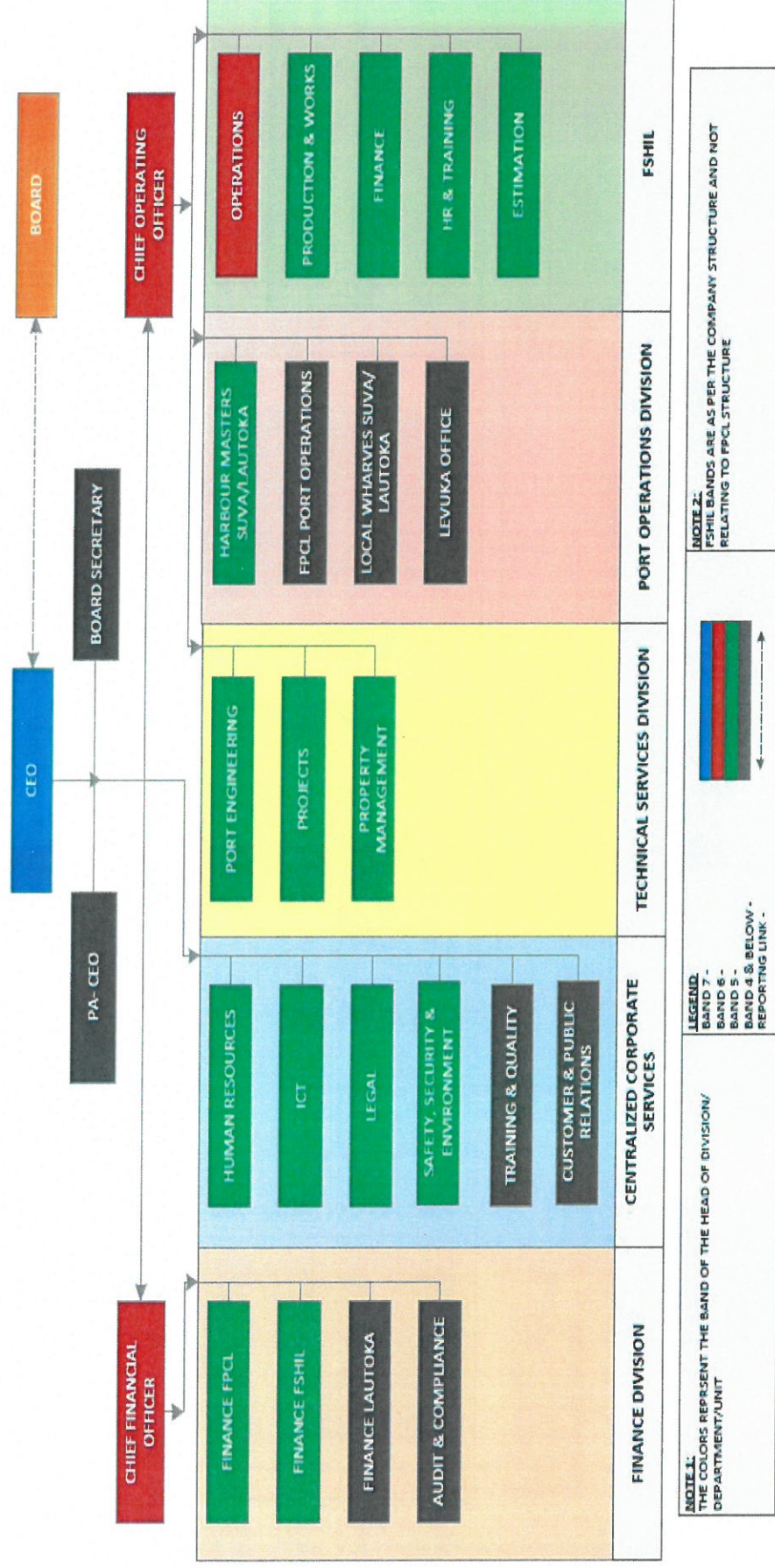
- ☐ Cater for vessels servicing the islands in the Mamanuca and Yasawa group



Suva, Lautoka, Levuka and Malau Port Boundaries

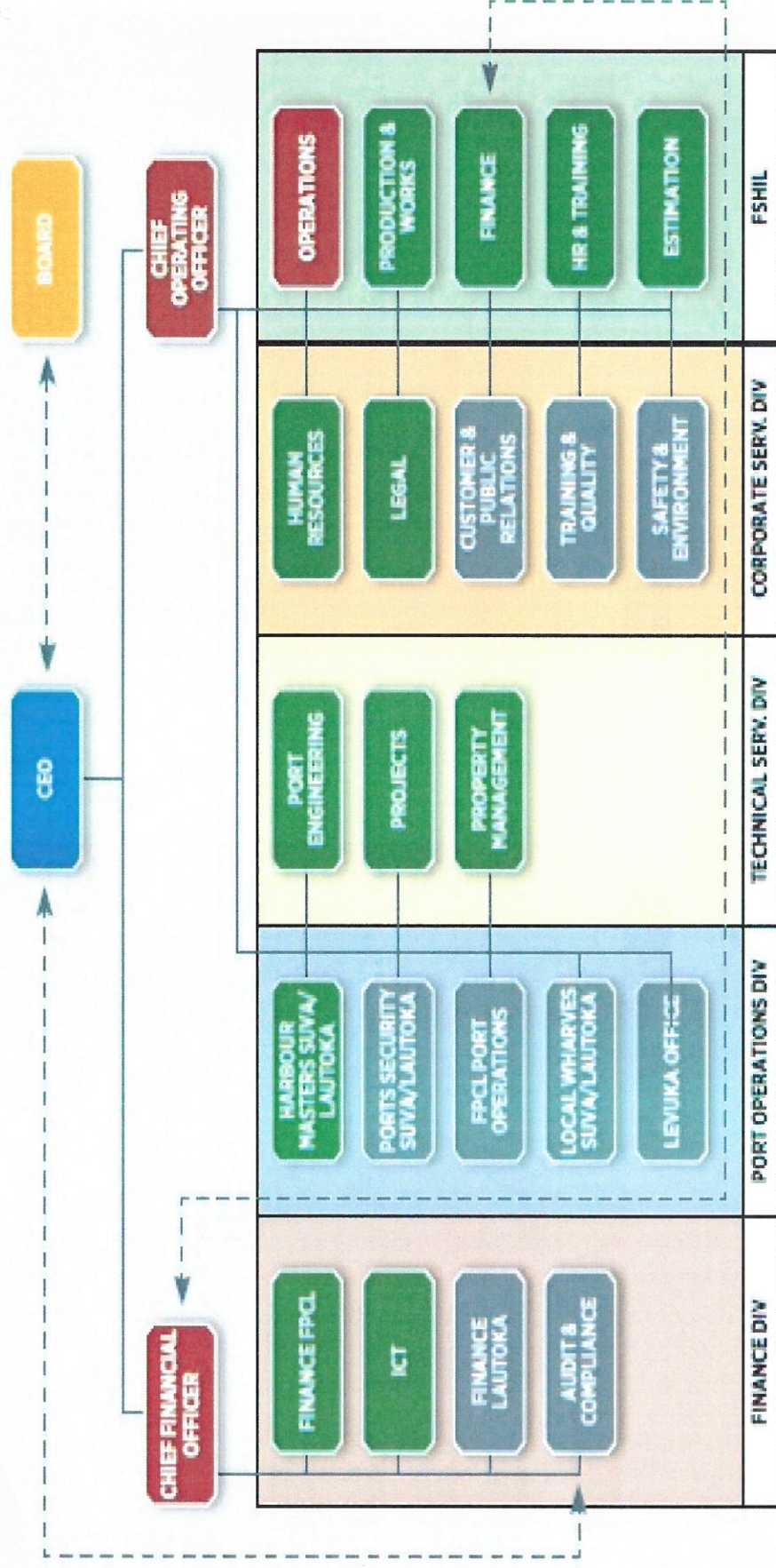


FPCL Organizational Chart - Centralization of Services (2016)

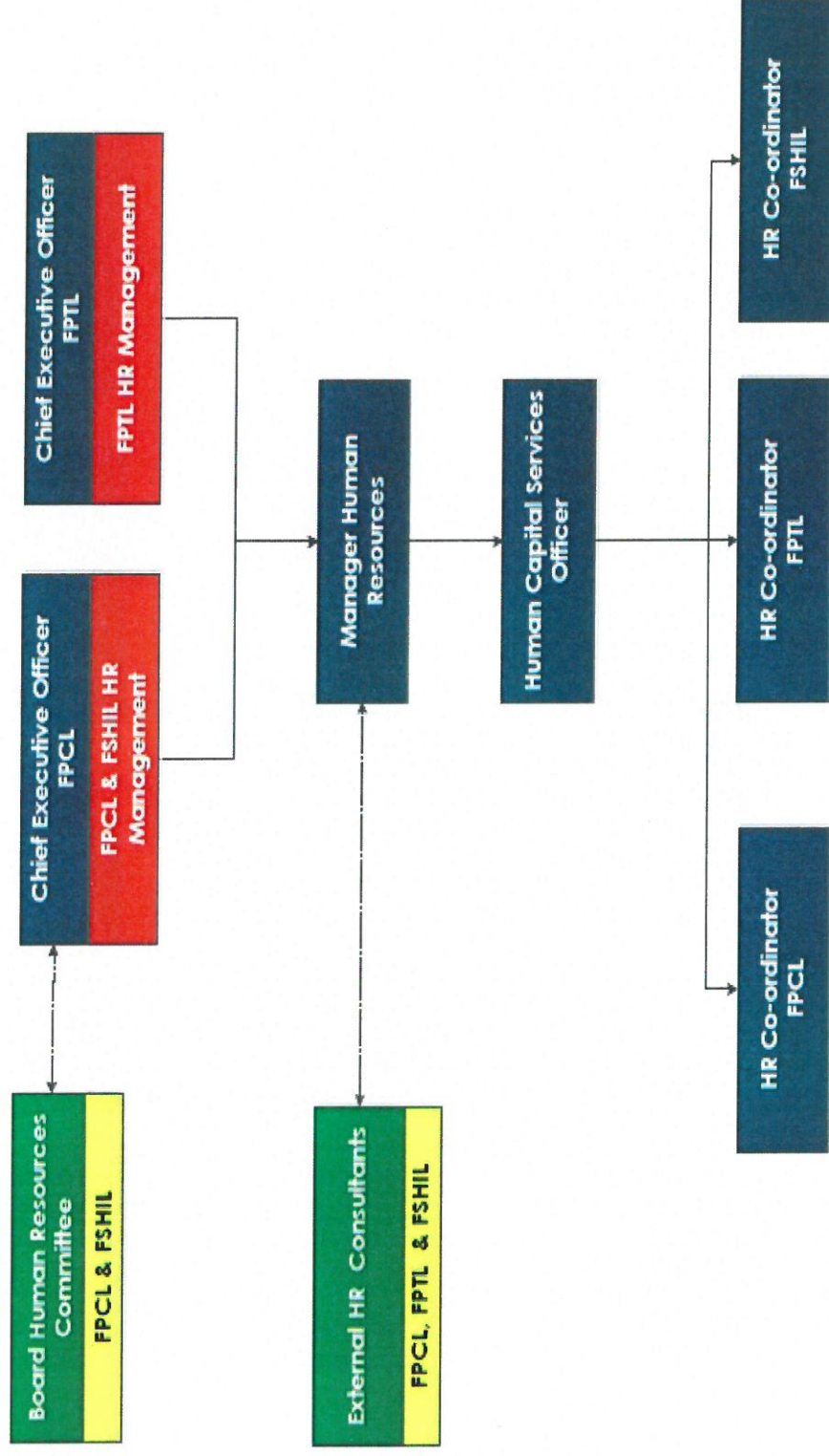


New Position (Proposed): Manager Safety, Security and Enforcement

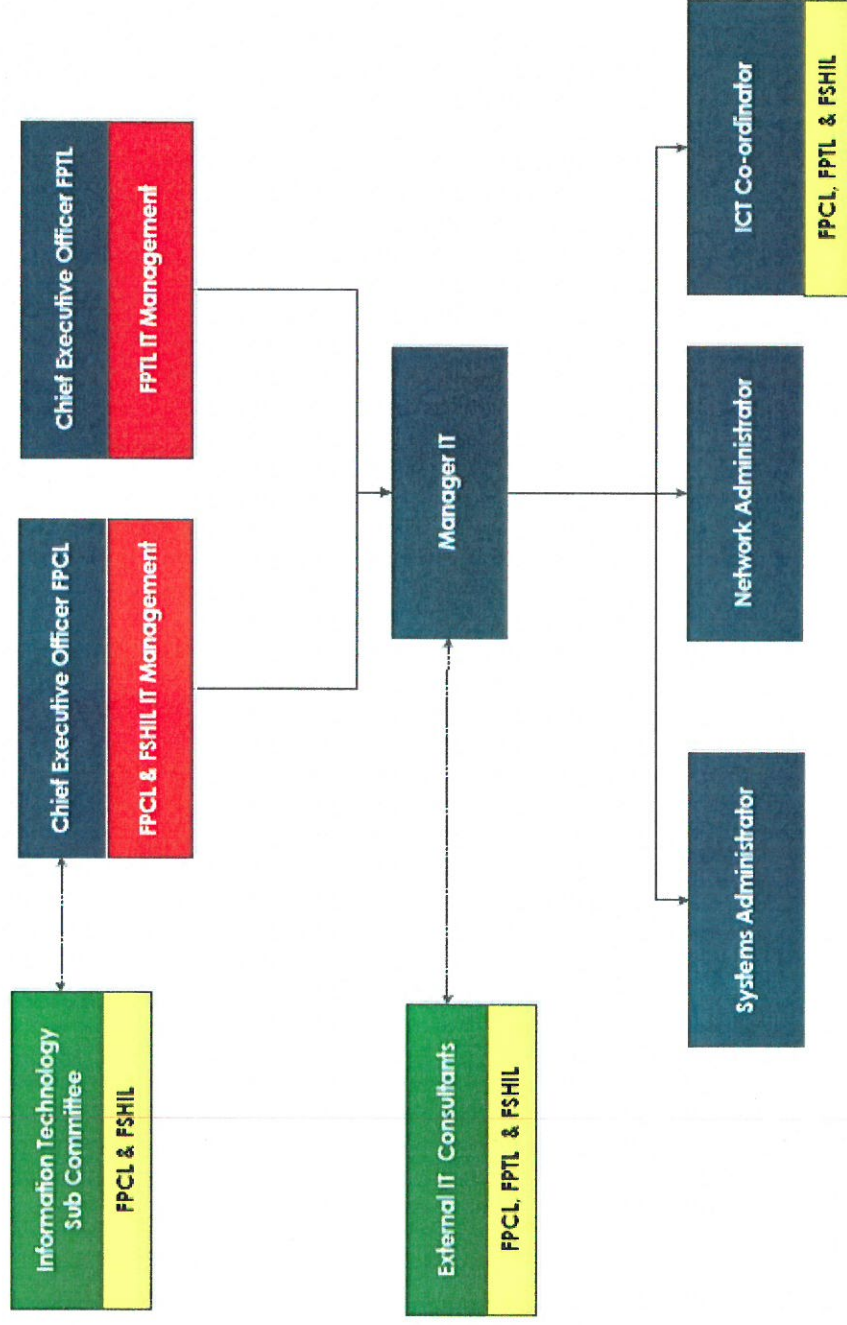
FPCL Organizational Chart - Centralization of Services (2018)



Centralized HR Management System for FPCL, FPTL & FSHIL - 2016



Centralized ICT Management System for FPCL, FPTL & FSHIL - 2016



Q2

Elaborate on the relationship between FPCL, its subsidiary (FSHIL), and its associate company (FPTL)?

Changes in 2013 & 2015




FIJI PORTS CORPORATION LTD (FPCL)

	GOVT	41%
	FNPF	39%
	ASPLC	20%



FIJI PORTS TERMINAL LIMITED (FPTL)

An associate company of FPCL that manages the Cargo Terminals in Suva and Lautoka ports.

	ASPLC	51%
	FPCL	49%



FIJI SHIPS & HEAVY INDUSTRIES LTD (FSHIL)

A subsidiary of FPCL providing slipway and ship repair services and Heavy Industry work.

	FPCL	100%
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Services Provided by FPCL, FPTL & FSHIL

FPCL		FPTL		Engineering
Main Services	Ancillary Services	Main Services		
▪ Harbormaster's Function	▪ Shifting	▪ Stevedoring	▪ Marine electrical services, industrial electrical services ▪ Service & repair of electrical generators & motors ▪ Auto electrical (marine, industrial & heavy mobiles) ▪ Re-winding generators & motors, refrigeration & control systems	
▪ Pilotage (percentage of services subcontracted to private company)	▪ Incineration	▪ Cargo Handling Machinery		
▪ Tugboat Operations (Subcontracted)	▪ Fumigation	▪ Storage		
▪ Mooring Services (Subcontracted)	▪ Weighing	▪ Receiving and Delivery		
▪ Dredging (Administered by FPCL –Work carried out by private contractor)	▪ Supply of Water & Shore power	FSHIL		Timber & Fiber-Glass
▪ Port Security / Safety Management	▪ Waste Management	Main Services		
▪ Vessel Traffic Services and Anchorage	▪ Container Cleaning	Slipping of Vessels	▪ Ship repair and commercial outfitting ▪ Interior refurbishment ▪ Machining & installation of timber decking ▪ Industrial & marine paint services ▪ Fiber-glassing ▪ Wooden boat building ▪ Building and office construction, renovations & fit-outs	
▪ Cruise Liner Services	▪ Bunkering	Afloat repairs		
▪ Repair and Maintenance of Infrastructure	▪ Pollution Prevention	Heavy Industrial works		
		▪ Ship construction & general heavy industry (steel & aluminum) ▪ Hull repairs (steel & aluminum) ▪ Industrial structural fabrication, heavy machinery welding ▪ Blasting & Painting ▪ Grit/water blasting ▪ Spray painting		
		Technical		Technical
		▪ Ship design & calculations		
		▪ Conducting inclining experiments		
		▪ Compiling stability data		
				▪ Hull ultrasonic (thickness) gauging

Q3



Provide further information on the financials, reporting channel, and the Board members of FPCL's associate company?

Fiji Ports Terminal Limited Share Allocation



FIJI PORTS TERMINAL LIMITED (FPTL)

An associate company of FPCL that manages the Cargo Terminals in Suva and Lautoka ports.

	ASPLC	51%
	FPCL	49%

Fiji Ports Terminal Limited - Board Members

	Dr Parakrama Dissanayake
	Ms Nilanthi Sivapragasam
	Mr Iqram Cuttilan
	Mr Mohammed Isfahan
	Mr Hasmukh Patel Chairman
	Mr Vilash Chand
	Mr Jonathan Moore

Q4

Inform the committee of the key challenges FPCL faces whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges.

Q17

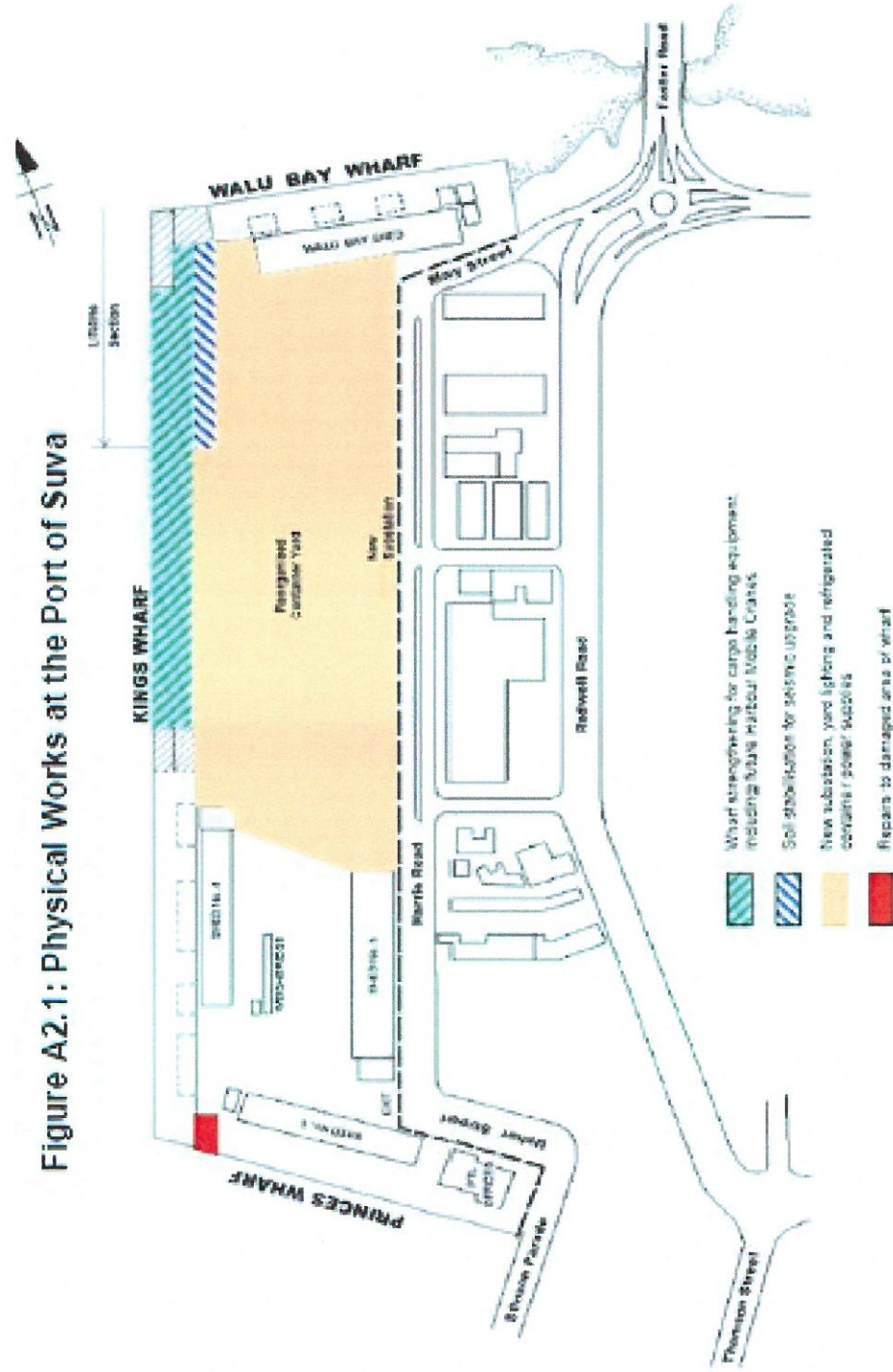
In light of the increasing number of vessels in our ports each year, what challenges does FPCL face with respect to infrastructure and staffing and how has it managed to resolve these challenges?

Q29

What have been some of the challenges regarding the implementation of FPCL's Risk Management Policy?

Kings Wharf Current Cargo Handling Area

Figure A2.1: Physical Works at the Port of Suva



New Plan to Address Challenges

The challenges regarding regulations and governance include:

- > Ports of entry responsibilities and / or national standards and oversight
- > Declared ports vs types of operations
- > Port boundaries / Limits and development approvals
- > Wrecks
- > Insurances
- > Environment beyond the port gate impacting on Port
- > Pricing / Tariffs (regulated pricing 'structure') and certainty
- > BAF prioritization / working infrastructure (working well but enshrine for future)
- > Nautical charting / Hydrographic Survey and expanded mapping
- > Oil Spill Response and prosecution / recovery
- > Anchorages within Port other than port-related vessels
- > FPCL vs Assets Fiji roles / responsibilities / ownership, future benefits vs standard of development and divestment condition
- > Pilotage vs standards / investment / oversight
- > Foreign exchange / duty and tax concessions (i.e. export service e.g. ship repair / operations offshore etc)
- > Access undertaking for wharf use / mixed use
- > Legacy assets vs Environmental responsibility
- > Integrated planning at all levels around relevant ports, jurisdictions, regions and precincts

The challenges regarding infrastructure include:

- > Asset condition – next steps / risk model
- > Planning, forecasting and National Benefit
- > Port Business cases (i.e. Levuka)
- > Cruise demand and foreseeable future vs services vs part time infrastructure vs other vessels (i.e. research, military etc)
- > Ship repair vs construction (building limited to ~15m vs 'ships') vs infrastructure vs environment and known market vs location vs dry dock/ship lift
- > Transhipment and capacity overall
- > Design vessels / Hubbing in South Pacific context etc
- > Asset condition vs ownership and investment
- > Future ports / development
- > Flat growth vs future opportunities / service expansion (i.e. pilotage, port services incl local wharves, management/operational capacity and skills, weighbridge, passenger services, incineration of medical etc, Dedicated barge facility, deepening local wharf, parking (day), shore power etc
- > Other infrastructure (i.e. boats vs standards)

The challenges regarding financial performance include:

- > Introduction of strategic key performance indicators
- > Profitability vs CSR and / or National Interests / subsidies
- > Financial performance vs reinvestment (depreciation in particular) vs dividends
- > Financial model and recovery / user pays / benchmarking

The challenges regarding Organisation / Capacity include:

- > Growth and development requirements
- > Broader / historical Organisational / Capacity constraints / performance / future requirements / retention of key skills
- > Employee Share Schemes, Employee Assistance Programs / other services
- > Business Development focus and funding

The challenges regarding Environment include:

- > Port Sustainability Guidelines
- > GreenPort / SmartPort
- > Waste and pollution management (offsite)

Change Management Process - FPCL

Envelope Approach: Defining Expectations for Reporting



Target is what a competent incumbent should be able to achieve. This is the expectation for the role.

• **High** is the stretch point. Where performance pay is paid then this is full performance pay for that particular measure.

• **Danger** Point defines the point we do not want to go below. While between Target and High was exception management, between Target and Danger is intervention management. Below Norm is serious intervention.

Q5

How does FPCL ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?

Recruitment Summary

- ❑ FPCCL is an equal opportunities employer.
- ❑ In terms of recruitment we hired people based on competency level irrespective of gender , religious, ethnicity etc.
- ❑ As long it is proven in the interview report that they are competent then they are hired.
- ❑ A very good example is the appointment of FPCCL's first female Transport Assistant.
- ❑ FPCCL has a robust performance management system in place that will ensure fairness in evaluation of performance.



A6 Local

PLUS A WIREMENT, MARCH 11, 2023
www.fijiherald.com

Childhood Upbringing Shapes Hanfakaga's Career



Stella Hanfakaga, the first female supervisor at the local wharf, is seen with her family and friends. Photo: Stella Hanfakaga

By Nacanieli Tuilevuka

STELLA HANFAKAGA, the first female supervisor at the local wharf, is seen with her family and friends. Photo: Stella Hanfakaga

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Stella is first female Local Wharf Supervisor



Ms. Stella Hanfakaga

Fifty-eight year-old Stella Hanfakaga has become the first woman appointed as Supervisor Local Wharf. She was promoted as replacement to Mr. Marika Korni who retired in February after 31 years of service with the company.

She is responsible for monitoring all administrative and operational activities of the two local wharves in Suva. They are Port Muni-Wale 1 which is for locally registered fishing vessels and Port Muni-Wale 2 that caters for the inter-island vessels.

Stella is regarded as a high achiever and having spent the past 8 years as Personal Assistant to 3 different management staff, she is well versed and familiar with the operational activities and is competent for the job.

Previously, she was employed by Blue Lagoon Cruises Limited for 12 years before joining the then Ports Authority of Fiji.

She is originally from Rotuma and attended Naitabua High School in Lomaka. Stella is an active member of Women in Maritime Fiji and is currently pursuing a Diploma in Business Management at the University of the South Pacific.

SHIPPING

Change Of Mind Set Crucial In Recognising Women In Maritime Sector

Women have significantly contributed to the maritime sector says Women in Maritime Association (WIMA) president Jane Koi. WIMA in Fiji was launched by the Minister for Women, Children and Poverty

By Nacanieli Tuilevuka

21 Mar 2018 11:00



Standing from left: Mavis Joseph-Loparatu (legal adviser), Asena Silela (executive member), Nanise Kabakoro (PRCO executive), Stella Hanfakaga (member), Capra Susana Balekana (vice president), Maria Naiveli (member), Asthika Chand (executive member). Sitting from left: Jeanette Rama (treasurer), Jane Koi (president), Anaseini Tukana (MSAF rep), Michelle Rama (secretary). Photo: WIMA Fiji

Comparison of UN Port Performance Indicators “Mean” with FPCL (2017)

(Based on “Linking Performance Indicators to Strategic Objectives, Copyright @ United Nations 2016)

INDICATOR	UN PORT PERFORMANCE “Mean” 2016	FPCL	VARIANCE BETWEEN UN PORT PERFORMANCE “Mean” vs. FPCL	COMMENTS
Female Participation Rate	21%	21%	same as UN Port Performance “Mean”	<p>This is a positive result given the reality and perception that women in this region are not engaged in operation (port) jobs.</p> <p>Recently, there was a delegation from Sweden with the participation of Daniel Klasander, First Secretary to the Embassy of Sweden.</p> <p>At his visit to Suva Port with the other delegation, he was delighted that FPCL has a female trainee Port Engineer Coordinating major engineering projects.</p>

Q6

Does FPCL align itself to any of the Sustainable Development Goals? If so, can you further enlighten the Committee on this?

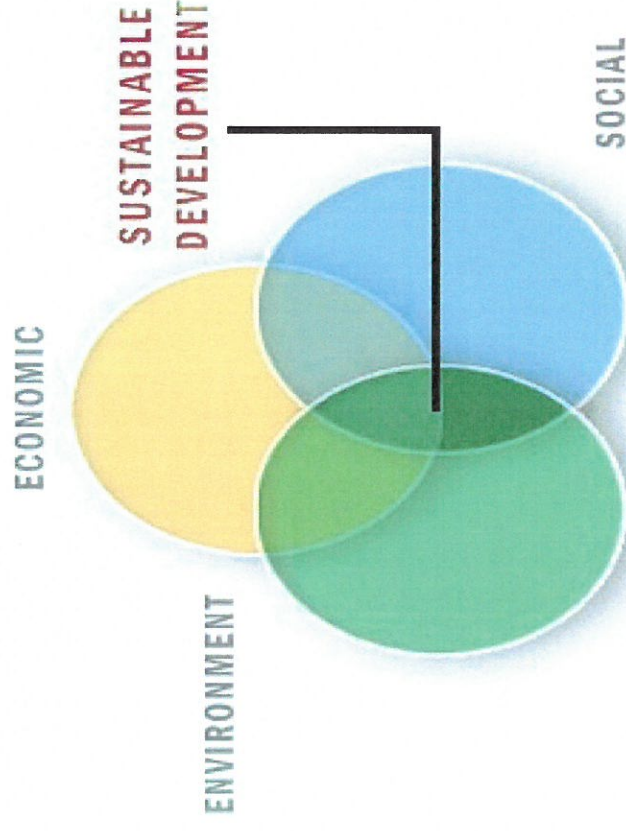
Sustainability Initiatives at Fiji Ports


Current

- ☐ Port Environmental Policy
- ☐ Port Green Energy Policy
- ☐ Management of Hazardous and non-Hazardous waste generated by port / Tenants' activities
- ☐ Sustainability and Stewardship of FPCL Assets
- ☐ Port Energy Policy
- ☐ Port Environmental Management Plan

Planned


- ☐ Port Sustainability Plan
- ☐ Port Energy Plan
- ☐ Wider Stakeholder Engagement





FNU

FIJI NATIONAL UNIVERSITY



FPCL

FIJI PORTS AND CRUISE SERVICES

ASSESSMENT OF ENVIORNMENTAL CONDITIONS AT
LAUTOKA AND SUVA PORTS OF FIJI ISLANDS FOR DEVELOPMENT
OF AN ENVIRONMENTAL MANGEMENT PLAN

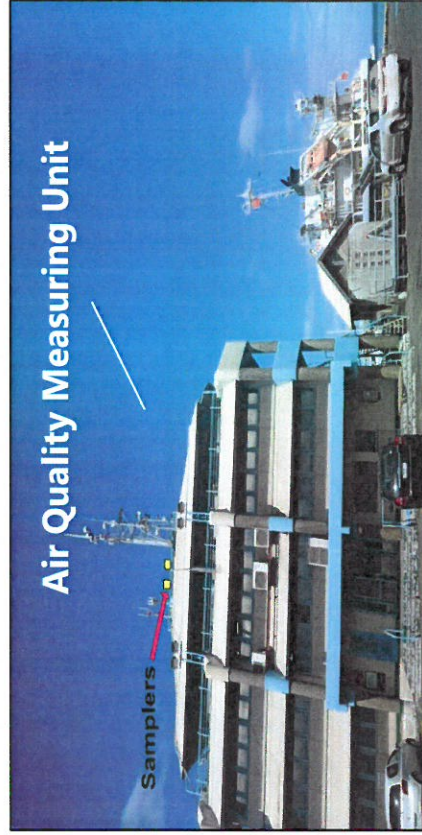


Report compiled on behalf of Fiji National University by
Dr. (Mrs.) Alantha Perera
Assistant Professor in charge in the Department of Environmental Science of
Fiji National University- Lautoka Campus

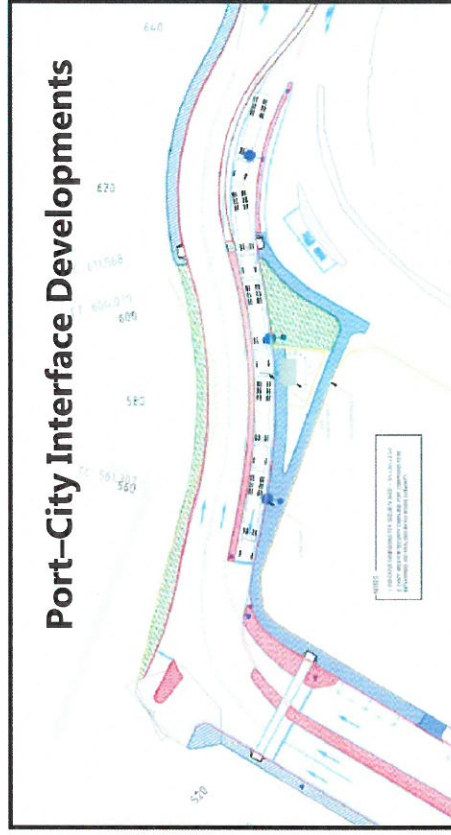
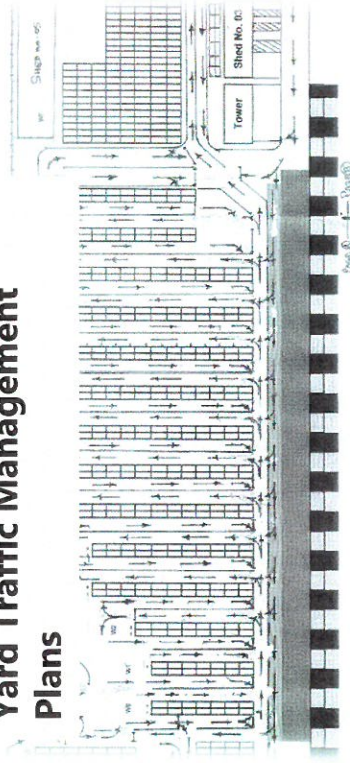
RESULTS AND OBSERVATIONS
SITE 1

Intervals (m)	Sample	Types of plankton
0	1	<ul style="list-style-type: none">• Phylum annelid<ul style="list-style-type: none">➢ Class Polychaeta- worms Later larval stage• Phylum arthropoda –<ul style="list-style-type: none">➢ Subphylum Crustacea<ul style="list-style-type: none">➢ Class Ostracod• Blue green algae
	2	
	3	<ul style="list-style-type: none">• Copepod <0.1 (Cyclopoid copepod)• Copepod <0.25 (calanoid copepod)
25	1	<ul style="list-style-type: none">• Phylum Arthropoda <0.5<ul style="list-style-type: none">➢ Class Malacostraca<ul style="list-style-type: none">➢ Order Amphipoda [Amphipods]]• Amphipods <5-25mm<ul style="list-style-type: none">➢ Class Crustacea<ul style="list-style-type: none">➢ Order Amphipoda)• None
	2	
	3	
50	1	<ul style="list-style-type: none">• Phylum Arthropoda<ul style="list-style-type: none">➢ Subphylum Crustacea<ul style="list-style-type: none">➢ Class malacostraca<ul style="list-style-type: none">➢ Order Decapoda<ul style="list-style-type: none">➢ Infraorder Brachyata [crabs]- Larval form) <0.25 pre-zoea• Blue green Algae• None
	2	
	3	
75	1	<ul style="list-style-type: none">• Amphipods <5-25mm<ul style="list-style-type: none">➢ Class Crustacea<ul style="list-style-type: none">➢ Order Amphipoda)• Filamentous green algae <1mm• Copepod• Class Crustacea<ul style="list-style-type: none">➢ Order Amphipoda)
	2	
	3	
100	1	<ul style="list-style-type: none">• Copepod <0.1 (Cyclopoid copepod)• Filamentous green algae• Phylum annelid (Later larval stage)
	2	
	3	

Air Quality, Energy Efficiency and Traffic Management

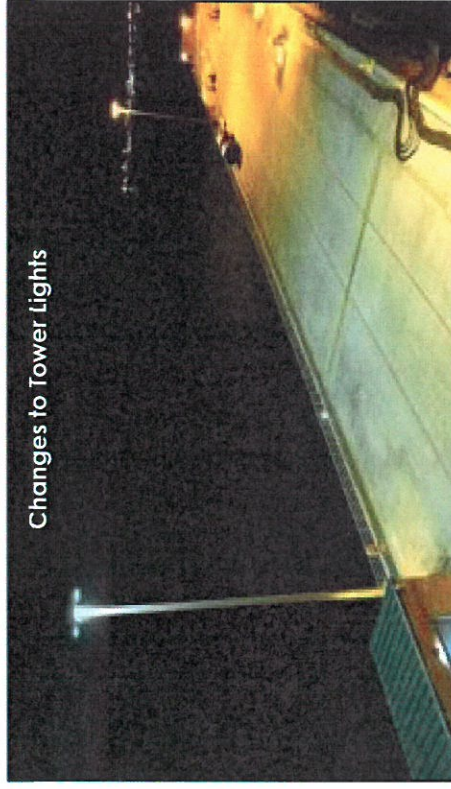


Yard Traffic Management Plans



The MWH Global engineers' drawing showing the changes to be made to the access and exit at the Port of Sava North gate.

Changes to Tower Lights



Environmental Protection vital in oil spill response



Neami Farahiki, Neami Rafehi and Lariani Tagidilo with MSAF's Captain Philip 2017

The importance of protecting the environment during oil spill management response was one of the key aspects learnt by the Fiji Ports Corporation Limited (FPCL) officers who attended the workshop conducted by the Maritime New Zealand Authority in February.

FPCL enforcement officer, Captain Pauliasi Vakaloloma said the workshop enhanced their knowledge in dealing with oil spills.

"One of the missing aspects is environmental protection dealing with how spills are drained. The workshop also ensures the safety and security of those involved in managing spills," Captain Vakaloloma said.

The workshop is an obligation for the Maritime New Zealand Authority in trying to stop oil spills in the Pacific.

Workshop On Oil Spill Response



Workshop participants after a demonstration at the Princess Wharf in Suva last Thursday. Photo: MSAF

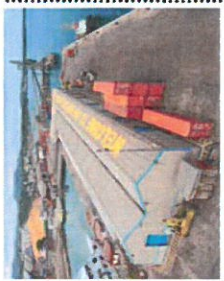
February 28 14:31 2018

by 1 Print This Article Share it With Friends

An oil spill could devastate the ecosystem around the spill site and have negative effects on other sectors such as tourism, says Maritime and Safety Authority of Fiji (MSAF) chief executive officer John Tunidau.

Mr Tunidau made the comment following MSAF's On-scene Command Training Workshop funded by the Government of New Zealand and facilitated by experts from the Maritime New Zealand.

FPCL and FNU sign environmental research MOU



Lauvaka Peru will allow knowledge from the 'matters' research

This follows the signing of the Memorandum of Understanding between FPCL and FNU on the 23rd of April this year to promote cooperation in the field of scientific research for the students enrolled in the FNU Bachelor of Science Degrees in Environmental Science and Environmental Management.

Dr Ajantha Perera, Assistant Professor, Department of Environmental Science, FNU, said that the students have been given permission by FPCL to obtain samples of flora, fauna, water and sediment for testing and analysis from the environment adjoining the Ports of

Suva, Lautoka and other wharves under the authority of FPCL. The students' reports resulting from this training assistance will be used by FPCL to ensure that the Corporation is following the Department of Environment's regulations.

"Such collaborations also provide opportunities for students to gain expertise in the field of environmental monitoring, which will increase their chance of gaining a position once they graduate," said Dr Perera.



Students Collecting Water Samples

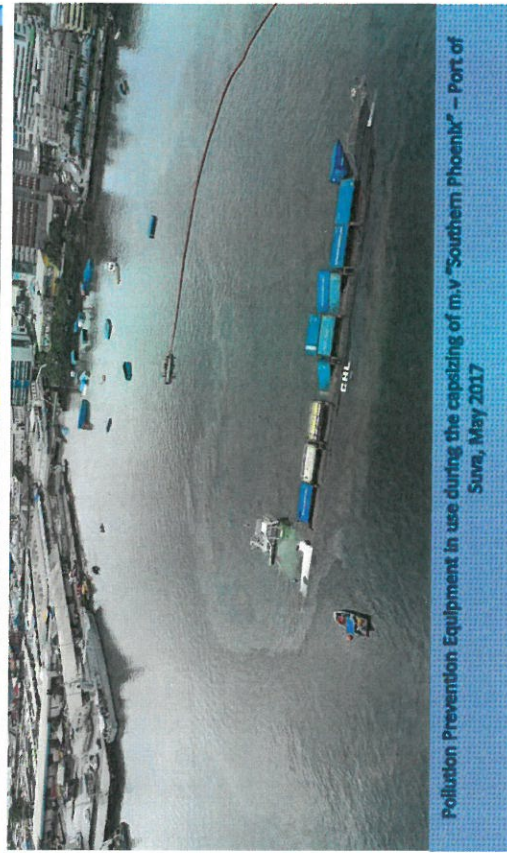


Students Collating Test Results

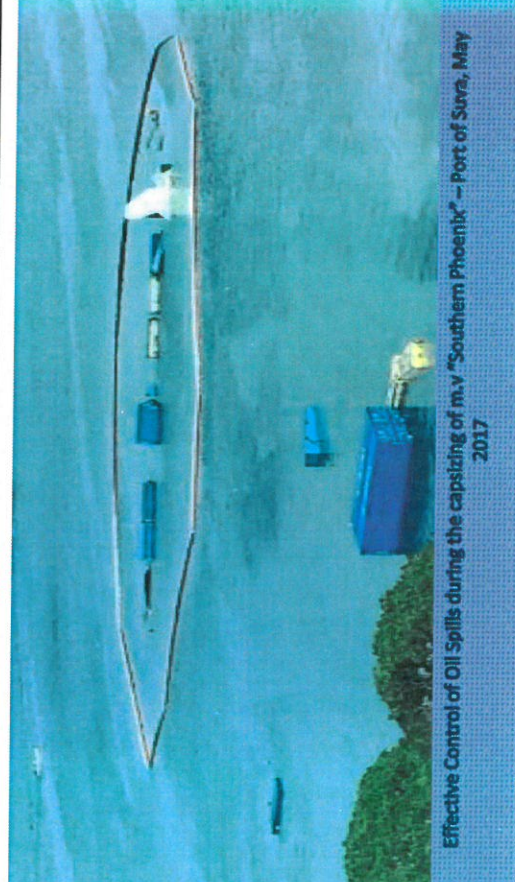


FNU Environmental Award presented to FPCL by US Ambassador 2016

Effective Pollution Prevention Measures



POLLUTION CONTROL FUND AS AT 31.07.15						
Date	Shipping Agent	Vessel Name	Amount	Date	Shipping Agent	Amount
31-Aug-13	TIAN YI	LU WEI YUAN YU 488	10,000.00	14-Jun-14	THANK GOLD MARINE	8,895.65
31-Aug-13	ADAMANA - OIL SPILL DEPOSIT	YUFEA 201	10,000.00	14-Jun-14	THANK GOLD MARINE	5,000.00
30-Sep-13	ZHAOSHAN HAI XING	HAIXING 716	10,000.00	20-Jun-14	RITUNA FISHERIES	10,000.00
16-Oct-13	ZHONG FEI	DONG YU 1508	15,000.00	20-Jun-14	ZHONG FEI SHIPPING	5,000.00
25-Oct-13	YU H YOW FISHERIES	YU H FA 1	10,000.00	26-Jun-14	ZHONG FEI SHIPPING	20,000.00
23-Dec-13	SEAFRESH	ZHONGSHUI 802	10,000.00	8-Jul-14	CPK FISHING	15,000.00
31-Dec-13	PACIFIC AGENCIES	PALANCA MONTERDO	5,425.94	8-Jul-14	CPK FISHING	20,000.00
2-Apr-14	SEARFRESH FISHING LTD	CHANG XING	10,000.00	15-Aug-14	ZHONG FEI SHIPPING	15,000.00
28-Jun-14	SUNSHINE FISHERIES	LU RONG YU 2222	20,000.00	15-Sep-14	TIAN YI SHIPPING	15,000.00
28-Jun-14	ZHONG FEI	SHUN SHING 605	10,000.00	15-Sep-14	CPK FISHING	15,000.00
12-Mar-14	TIAN YI	LIAN XING 1	10,000.00	16-Sep-14	ZHONG FEI SHIPPING	15,000.00
31-Mar-14	ZHONG FEI	LU RONG YUAN YU 789	5,000.00	31-Jan-15	PACIFIC SHIPBOARDING	10,000.00
2-Apr-14	ZHONG FEI	LU RONG YUAN YU 788	5,000.00	31-Jan-15	ZHONG FEI SHIPPING	5,000.00
9-Apr-14	ZHONG FEI	TONGAO 51	5,000.00	14-Feb-15	ZHONG FEI SHIPPING	5,000.00
9-Apr-14	ZHONG FEI	HAI SHANG 32	5,000.00	7-Apr-15	ZHONG FEI SHIPPING	5,000.00
9-Apr-14	ZHONG FEI	HAI SHANG 38	5,000.00	21-Apr-15	ZHONG FEI SHIPPING	8,000.00
9-Apr-14	ZHONG FEI	PING TAI RONG 49	15,000.00	21-Apr-15	ZHONG FEI SHIPPING	5,000.00
29-Apr-14	SERVICES MARINE	DAE JIN	5,000.00	21-Apr-15	PING TAI RONG 68	5,000.00
5-May-14	WILLIAM GOOLING	AMA TOLA SEA	5,000.00	28-Apr-15	TIAN YI SHIPPING	5,000.00
6-May-14	THANK GOLD MARINE	LU WEI YUAN YU 688	10,000.00		TOTAL	\$ 392,321.59



Port Waste Management System

- Port Waste Management Plan.
- Operation of Incinerator in compliance with International Standard to burnout all waste within the port premises (incinerators operating in both Suva and Lautoka)
- Port Waste Reception Facility System will be implemented in collaboration with external parties - Tender being awarded to a local company.
- Active participation in National Action Plan for Oil Pollution Response.
- Ports oil pollution team does boom containment and dispersing chemical to clean up pollution slick and residue.
- Management focuses on making Suva a Green Port. (Initiatives already being implemented)

PROJECT IMPLEMENTATION

The timeframe for this project is four years, projected from 2018 to 2021.

The targeted countries will be those among members of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP) with ports engaged in improving the efficiency of their operations, reducing their carbon footprint and protection the environment.



Clean-up Campaign



Q7

Update the committee on FPCL's future & initiatives.

Q14

How has FPCL focused on establishing the necessary consolidation to build a strong foundation and how does this impact future phase of development?

Q16

Does FPCL have a strategic plan in place?

Q31

Brief us on the 15-year Fiji Ports Development Plan.

5 Year Strategic Plan

Strategic Plan (2019-2023) includes six Strategic Goals.



Strategic Goal 1 – Governance

"Protect shareholder integrity and transparency while achieving a balance between commercial and social deliverables"



Strategic Goal 2 – Infrastructure

"Invest strategically to ensure necessary availability of fit for purpose facilities while investigating future asset options for long term efficiency and productivity"



Strategic Goal 3 – Financial Performance

"To spearhead the Commercial and Financial stewardship of FPCL and to ensure that shareholder value is enhanced, in the midst of implementing capital intensive projects"



Strategic Goal 4 – Organizational Capacity

"Align organizational structure to objectives and capacity requirements, while promoting gender equality and retention"



Strategic Goal 5 – Environment

"Implement Port Sustainability Guidelines and Energy Management to become a Green Port in the Pacific"



Strategic Goal 6 – Safety, Security and Technology

"Adopt Smart Port initiatives to achieve best practice in International Port Security and safe working environment"



FPCL six strategic goals explained

Strategic Goal 1 - Governance

To enhance its governance process through best practices by aligning external/regulatory functions to effectively facilitate governance framework ensuring the organization achieves a balance between commercial and social deliverables required by Shareholders. The framework covers improvements in enforcement standards, safety & security and sustainability applied across all maritime entry point and registered Ports.

Strategic Goal 2 - Infrastructure

This is focused on monitoring the status of its critical infrastructure by implementing rehabilitation measures to maintain an optimum condition level of FPCL assets. FPCL will ensure that the new port development project is implemented to improve efficiency by benchmarking against world-class international operational standards. FPCL will collaborate with key stakeholders/agencies in all port development aspects in the relocation plan for Suva Port.

Strategic Goal 3 - Financial Performance

To spearhead the Commercial and Financial stewardship of FPCL to ensure that shareholder value is retained. In the midst of implementing strategic development initiatives, such as the Suva Cargo Port relocation. Facilitate long term funding options and provide financial insights to ensure that annual agreed financial outcomes are achieved while evaluating and supporting options to finance all the projects outlined in the 5 Year Strategic Plan. Develop and introduce customer-centric systems and processes to optimize customer experience and be a catalyst to progress towards earning recognition as the Smart and Green Port of the Pacific.

Strategic Goal 4 - Organizational Capacity

This involves optimizing of a new organizational structure in alignment with the strategic objectives through rigorous requirements processes. It is committed to providing capacity building and development, supporting staff retention strategies, promoting gender equality and maintaining integrity through a professional workforce.

Strategic Goal 5 - Environment

Committed to assessing and implementing Port Sustainability Guidelines and Green Port initiatives.

Strategic Goal 6 - Safety, Security and Technology

Continue to enhance the review of safety and security procedures to meet and exceed the required International Ship and Port Facility Security (ISPS) and adopt a safe workplace culture. FPCL is focused to implement advanced technology / systems to enhance its operational capabilities to be a leading "Smart Port" in the region.

5 Year Strategic Plan Background



The strategic goals evolve from the objectives of the previous Strategic Plan for the period of 2016 -2018. These goals of the Strategic Plan (2016 -2018) were.

Regional leadership in maritime transport facilities

Objective: To become a modern seaport operator and transform the Port of Suva into a "HUB PORT" in the South Pacific by 2020.

Maximize shareholder value

Objective: To enhance Fiji Ports financial performance and position by improving return on invested capital, income optimisation and prudent cost management.

Environmental stewardship

Objective: To achieve environment friendly Port status with all Fiji Ports facilities.

Port facilities that operate safely and securely

Objective: Achieve zero incident status in Occupational Health & Safety and full compliance in Security in all Port facilities.

A port that public understands, trusts and values

Objective: To build public and stakeholder confidence through enhancing overall value proposition through transparency and accountability.

A port with an innovative and motivated workforce

Objective: To ensure that Fiji Ports is an employer of choice with human assets effectively managed to optimise human capital value addition.

A customer focused port that continuously improves operational performance

Objective: To enhance the operational performance of all business units within Fiji Ports by optimising the value chain and effective use of technology.

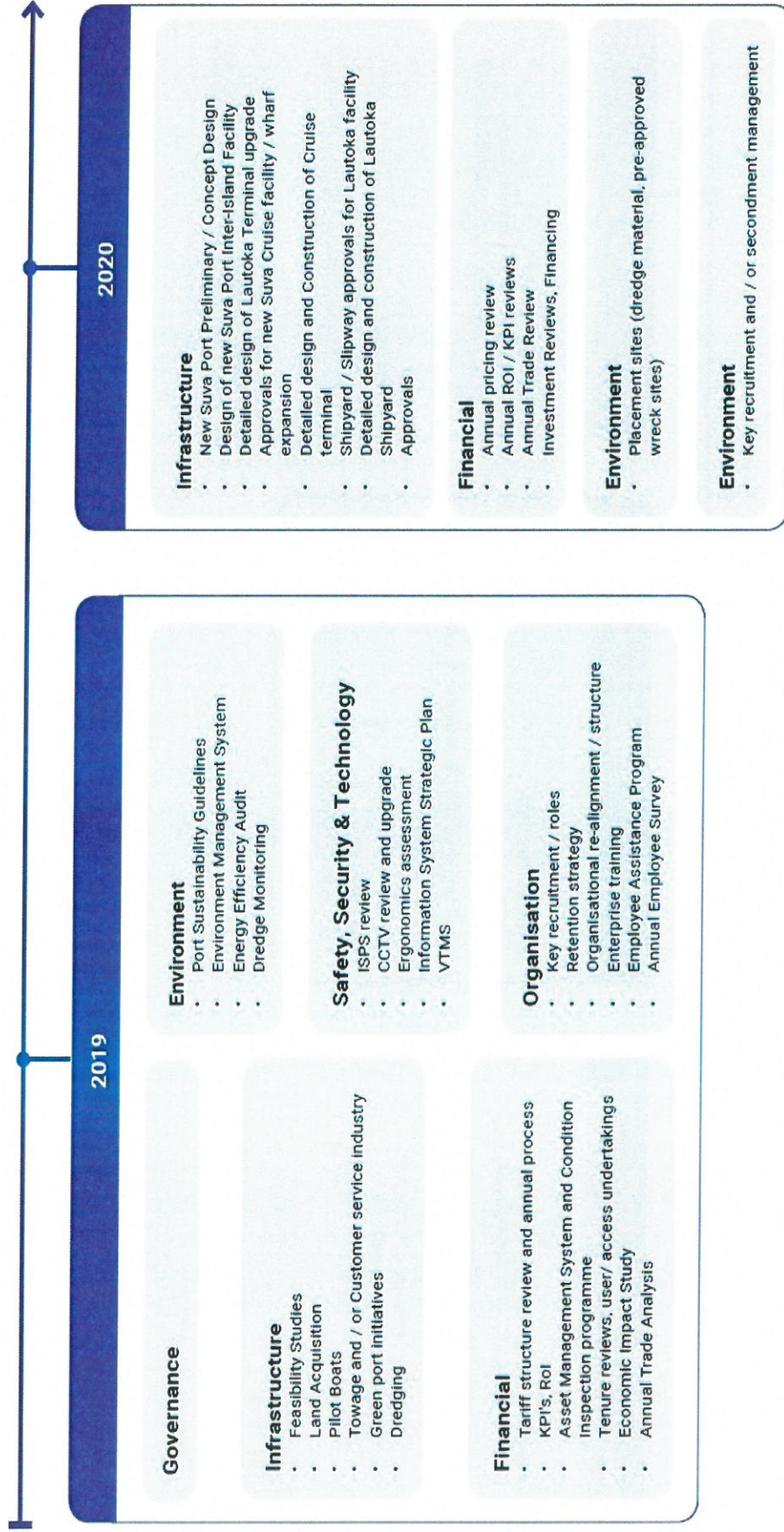
Regional leadership in ship repairs

Objective: Improve FSHIL's efficiency and operational outcome through enhanced capacity and productivity.

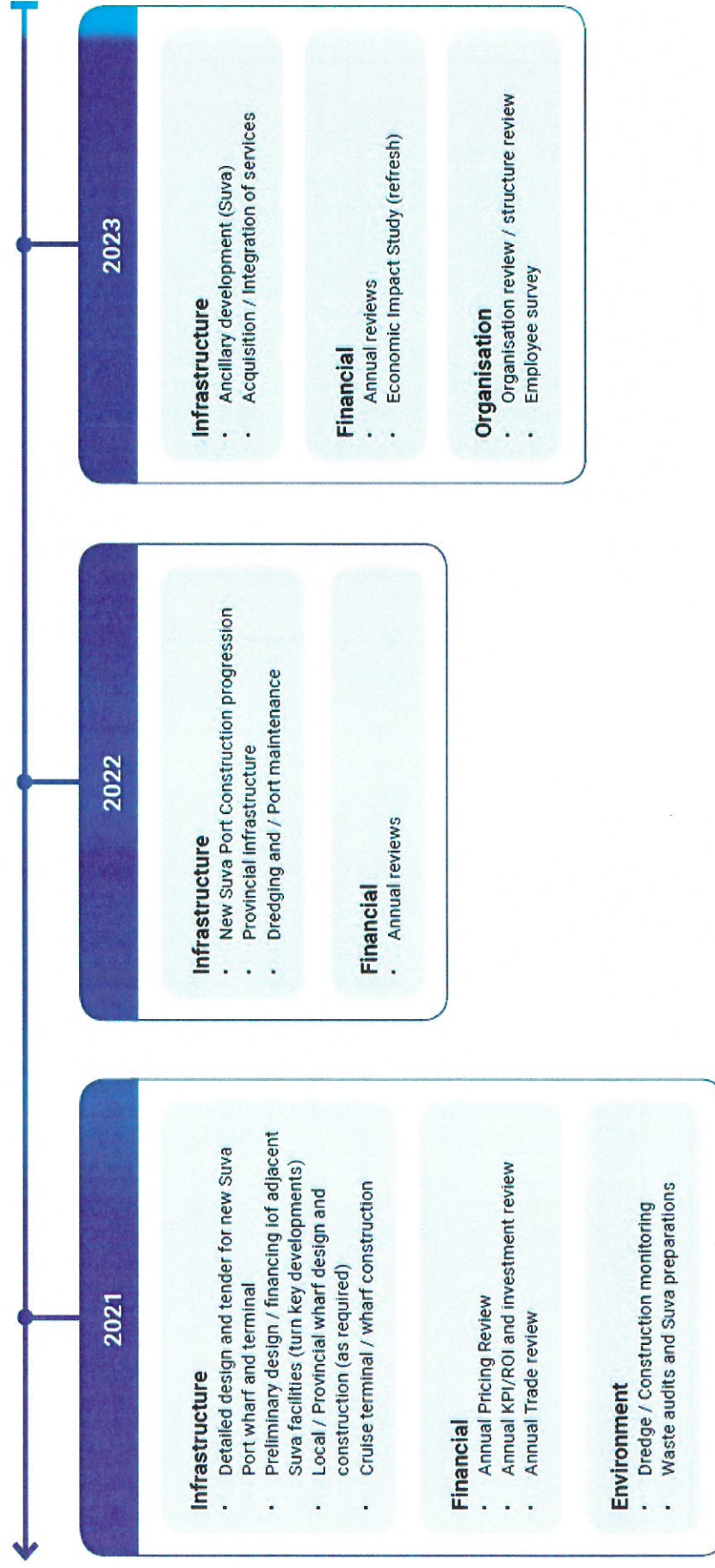
Infrastructure modernization and capacity building

Objective: Improve FSHIL's infrastructure and competitiveness through improvement and expansion projects. Excellent progress was made with respect to these objectives over the past 3 years. This results in a refocusing now on growth and infrastructure as a result, as well as now progressing various regulatory deficiencies that have increasingly become known since the divestment as a state-owned enterprise.

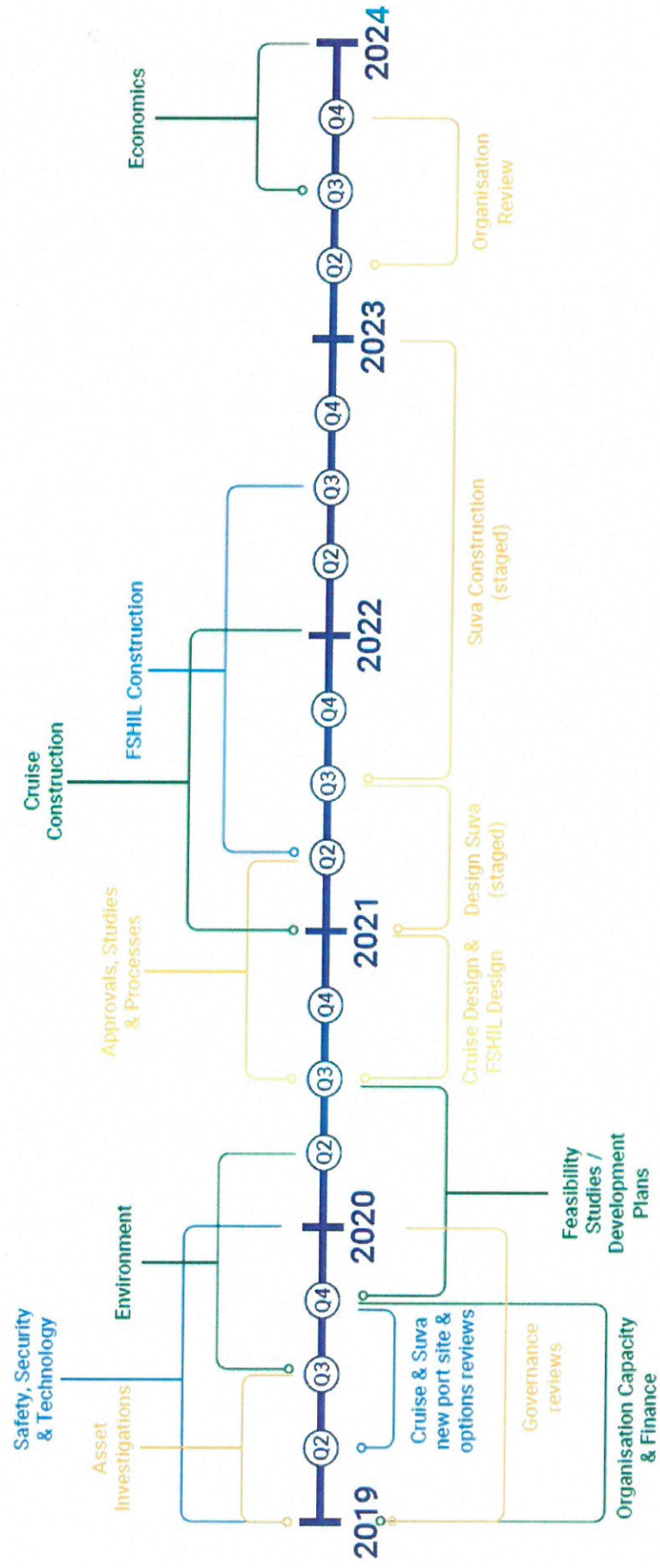
Yearly Summation



Yearly Summation continued....



5 Year Strategic Plan – Program Summary



Q8

Brief the committee on the maintenance works carried out at the major wharves in the country and the future plans with respect to the expansion of these wharves.

Deck Overlay Project



PHOTO 1: PLACEMENT OF STEEL REINFORCEMENT AND FORMWORK FOR THE BEAM REPAIR WORKS (PHOTO TAKEN ON 24/05/2019).



PHOTO 2: STEEL REINFORCEMENT AND FORMWORK FOR THE 250mm THICK DECK OVERLAY FOR PHASE 1 SECTION (PHOTO TAKEN ON 27/05/2019).

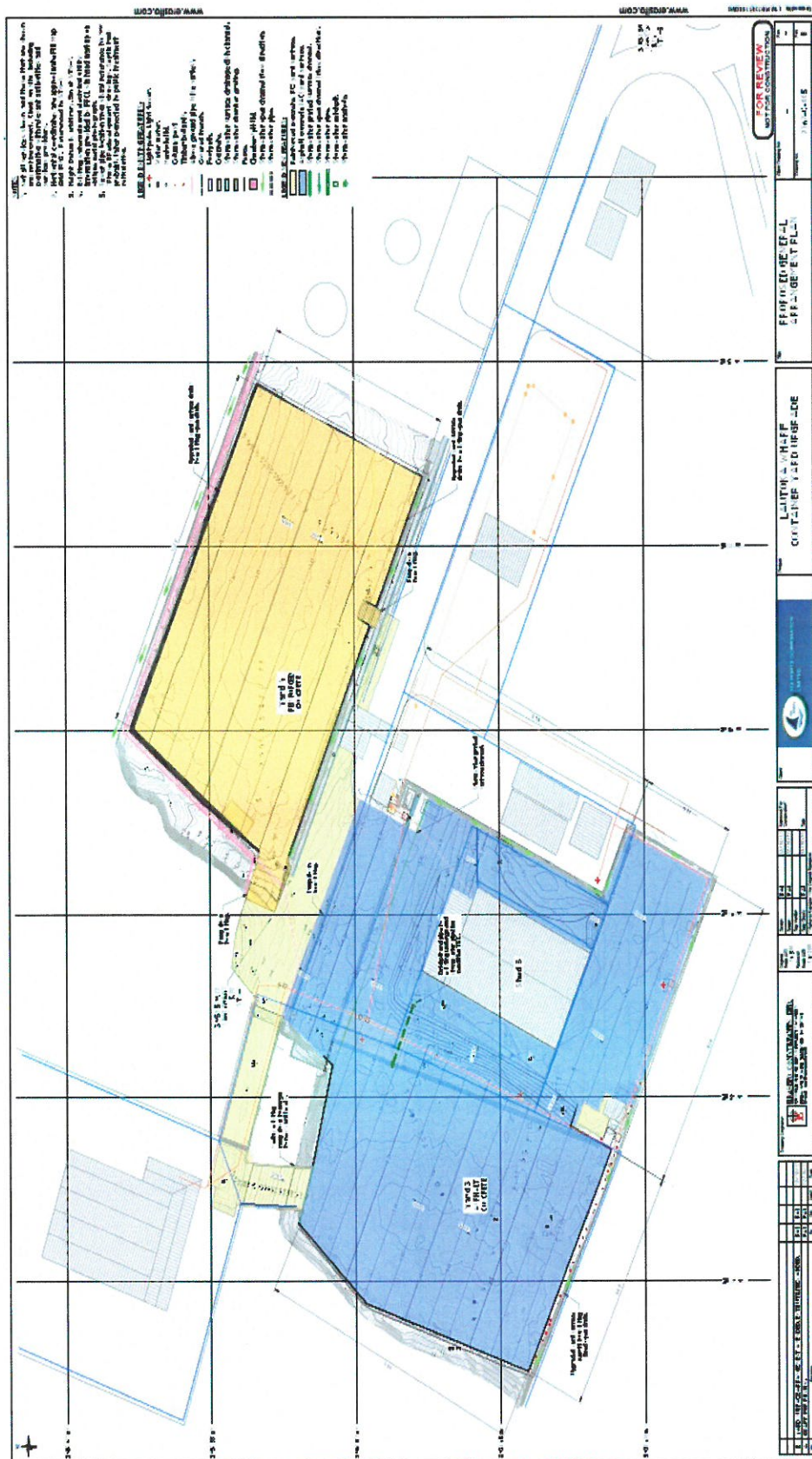


PHOTO 3: CONCRETE POUR UNDERTAKEN ON THE 250mm THICK DECK OVERLAY FOR THE PHASE 1 SECTION (PHOTO TAKEN ON 03/06/2019).



PHOTO 4: COMPLETED DECK OVERLAY FOR THE PHASE 1 SECTION OF THE WORKS (PHOTO TAKEN ON 13/06/2019).

Lautoka Yard 3 & 4 Development Plan – In progress

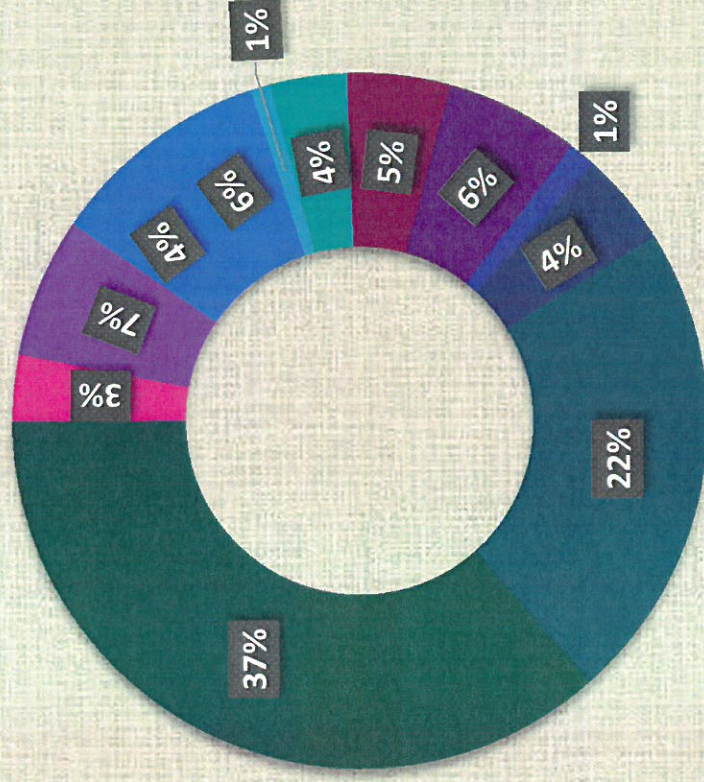


Q9

Provide details of the project works carried out in 2017 and a breakdown of the costs incurred.

Project and Cost Breakdown of FPCL Projects

Project Works - 2017



Q10

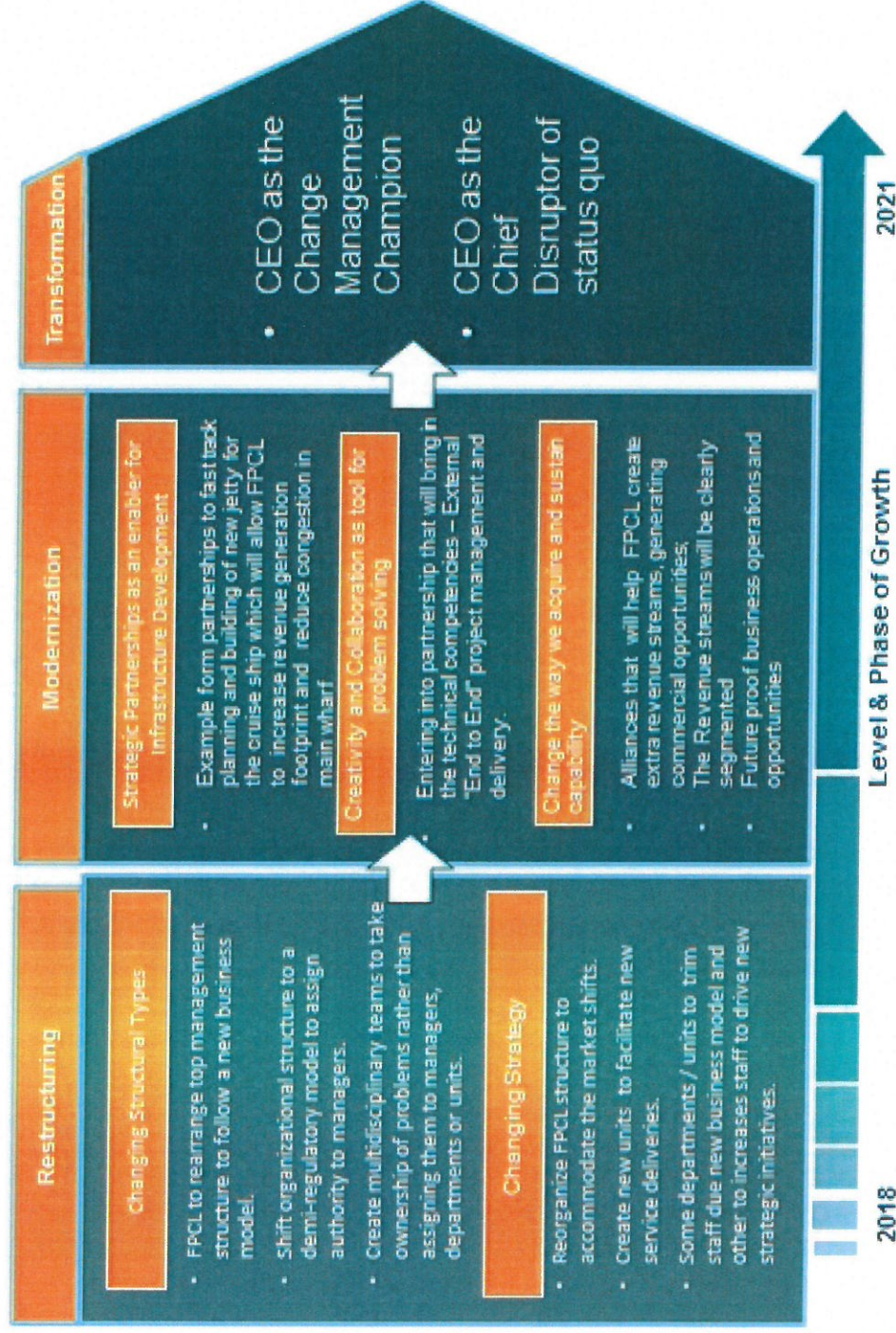
How has FPCL developed in its role as a landlord Port since the PPP in 2013? Identify the problems which were existing under FPCL and how have these challenges been addressed since becoming a Landlord Port in 2013?

“Another reform trend is the promotion by policymakers of the landlord model.

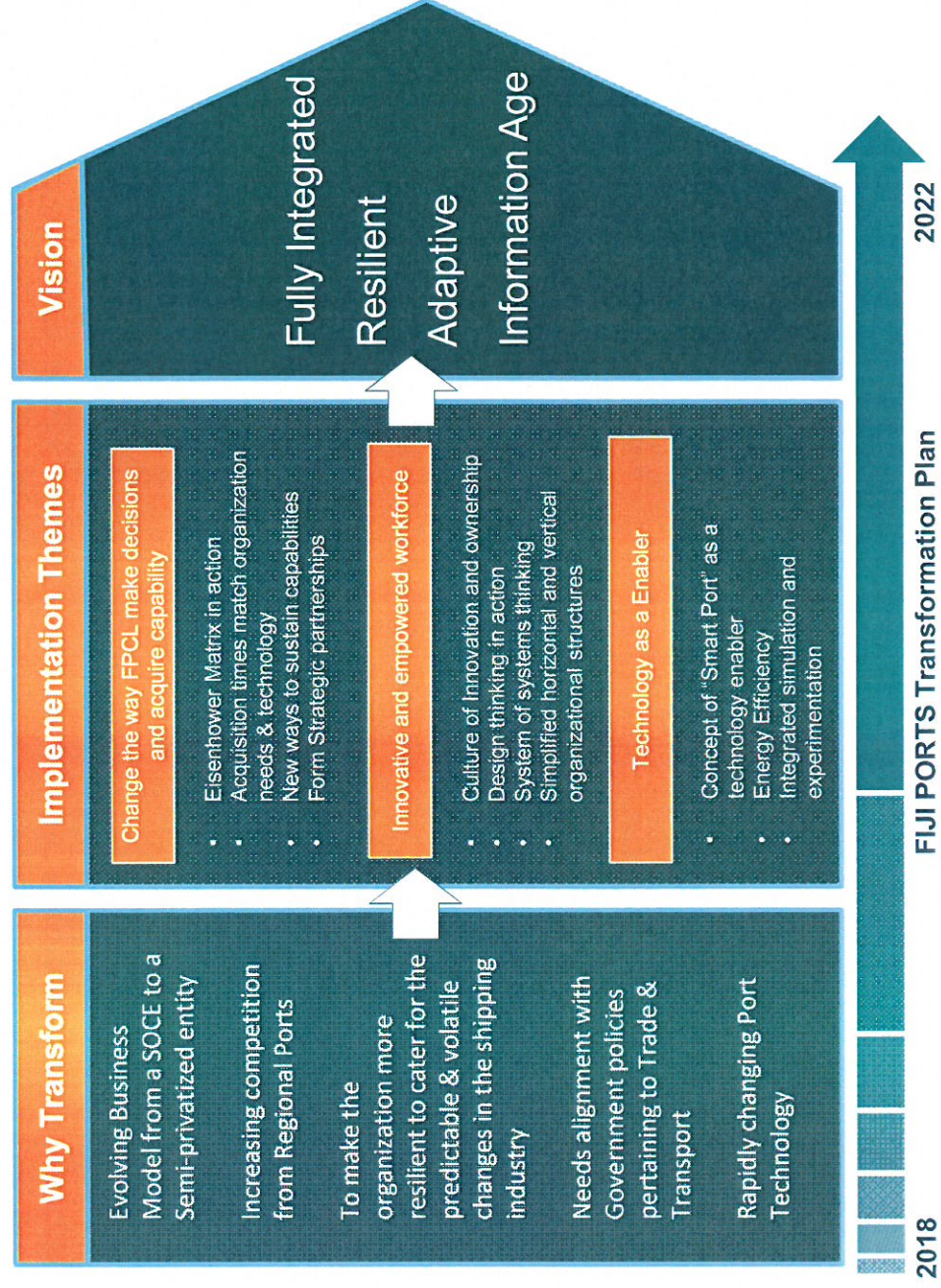
This leads to the provision of cargo handling and other port services by the private sector; the port authority becomes responsible for regulatory matters, estate management and the provision of port infrastructure.

This is a difficult model to apply in practice, as a port may have a different strategy for each cargo mode.”

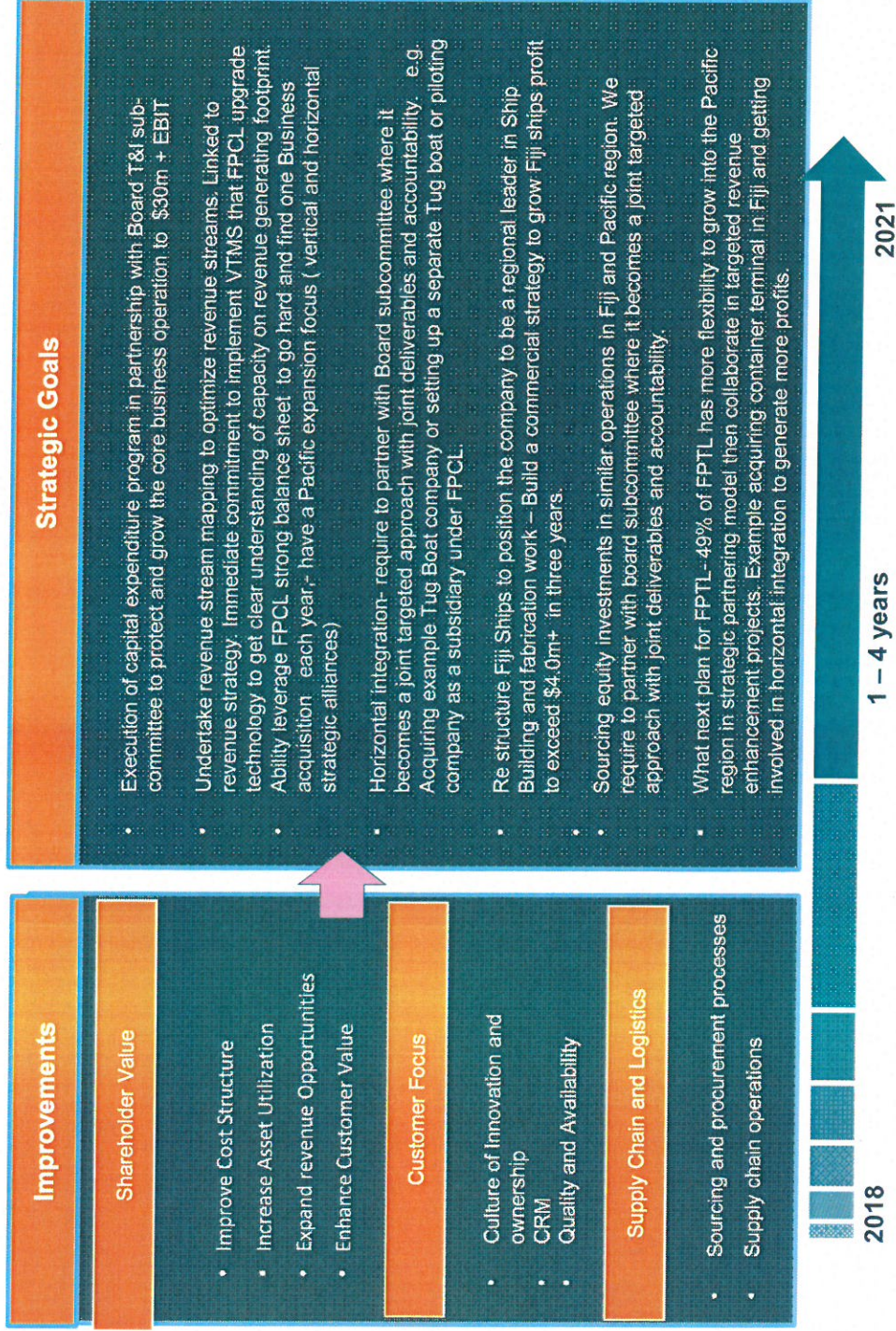
The Strategy and Execution



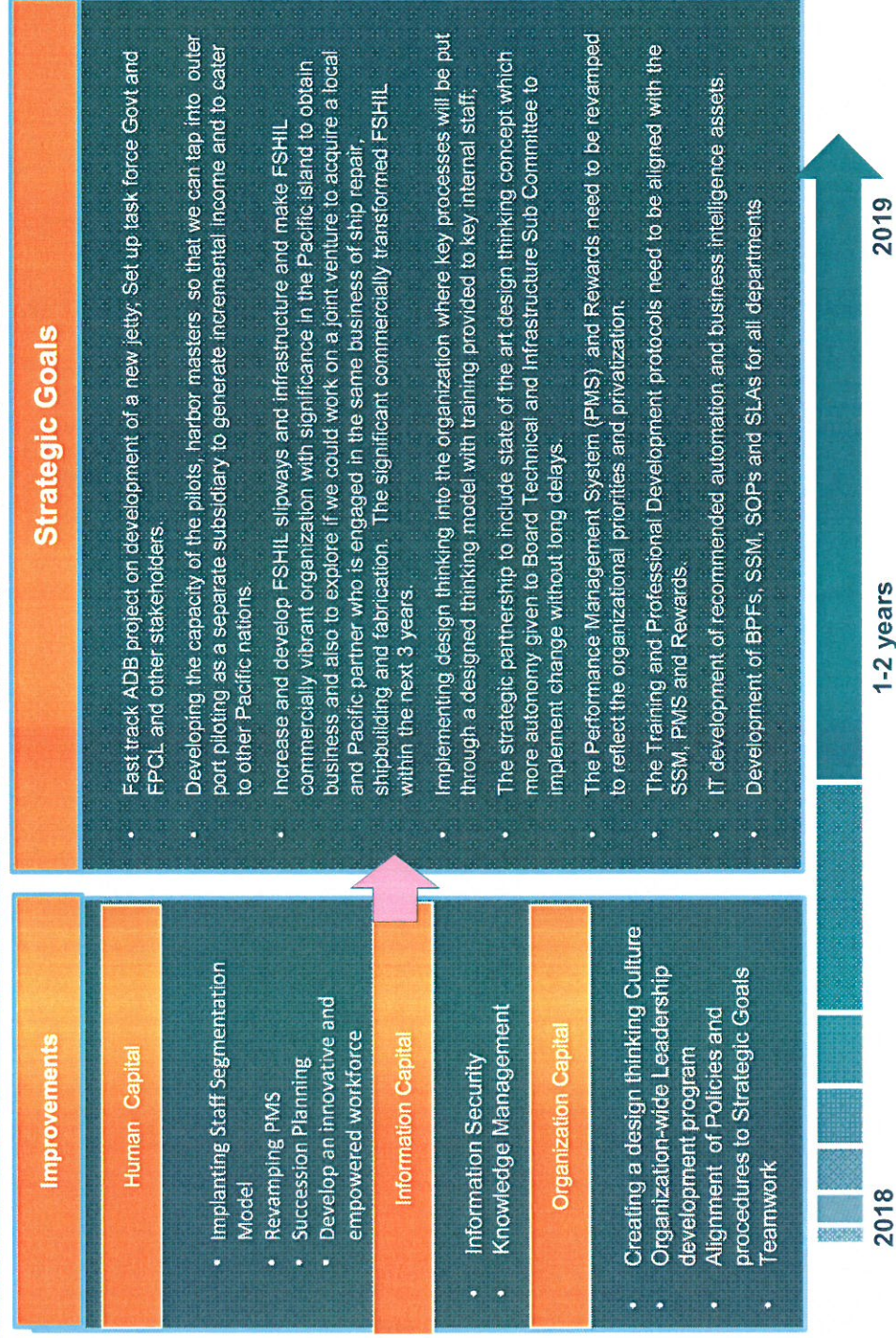
The Plan



Short and Medium-term Goals for FPCL



Short and Medium-term Goals for FPCL Cont.



- **FPCL is the Port Operator**, creation of KPIs to measure efficiency enhancement is a relatively complex process.
- **FPCL's Corporate Culture** (the way we see and do things around here) develops around the organizational structure, and a **culture change will be required to change the firm's structure**.
- Although FPCL may have its "own unique culture", like many large organizations there are co-existing or **conflicting subcultures** exist and each subculture is linked to a different management team. Therefore, **re-vamping these units was a priority**.
- **Restructuring is only one element** that contributes to achieving FPCL's desired outcomes. Therefore, organizational structure can remain, but the organizational culture can change if management changes how workers are assigned to roles in the same structure.
- The **Modernization and Transformation** are the other two strategic elements and latter requires a strong **Transformational Leadership**.
- Addressing issues pertaining to **post privatization** is a key priority and for next 2 -3 years FPCL should continue with the **Modernization and Transformation** initiatives before undertaking a comprehensive **Corporate Re-structure**.
- While FPCL's **short and medium-term goals** are very clear, the **long-term goals** should be formulated in line with **Government's Policy frameworks and Development Plans**.

Learning from Fiji Airways

THE STRATEGIC ROLE OF FIJI AIRWAYS IS TO BE A PROFITABLE NATIONAL AIRLINE





One of only a few National Carriers who successfully manage to do both

Q11

The committee notes that FPCL properties were transferred to Assets Fiji Limited to be leased back to FPCL. Has this process been completed?

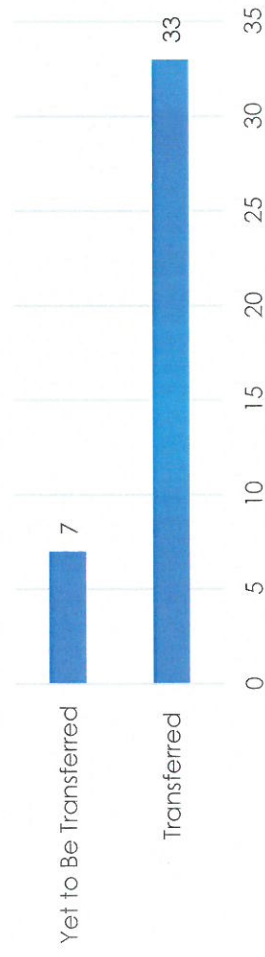
Asset Transfer Summary

Organization		No. Titles
	FPCL	38
	FSHIL	2
Total		40

- 2 original titles were missing, and Provisional titles were issued which are now in the process of transfer to AFL.

- 5 required to be resurveyed which is also in process.

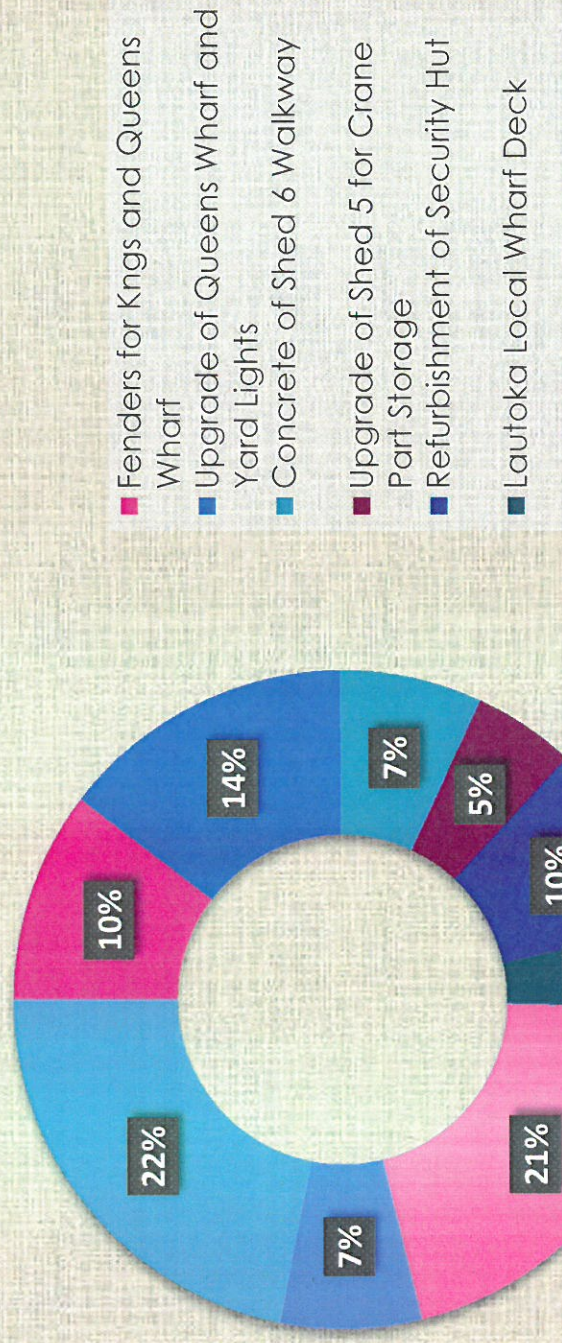
Transfer of Assets to Asset Fiji Limited (AFL)



Q12

How does the FPCL Group's strong financial standing impact on Port Planning and maintenance of port infrastructure?

Maintenance Work - 2017



Q13

How well trained are the staff in handling the latest intelligent IT systems of the 'smart ports?'

Automatic Identification System (AIS)

AIS aids identification

THE installation of the state-of-the-art Automatic Identification System (AIS) at the Port of Suva has changed the way the Harbour Master coordinates and manages incoming and departing vessels.

"We can see any ship that is approaching Suva Harbour, and can even zoom in for a closer look," said FPCL Harbour Master, Captain Joji Takape.

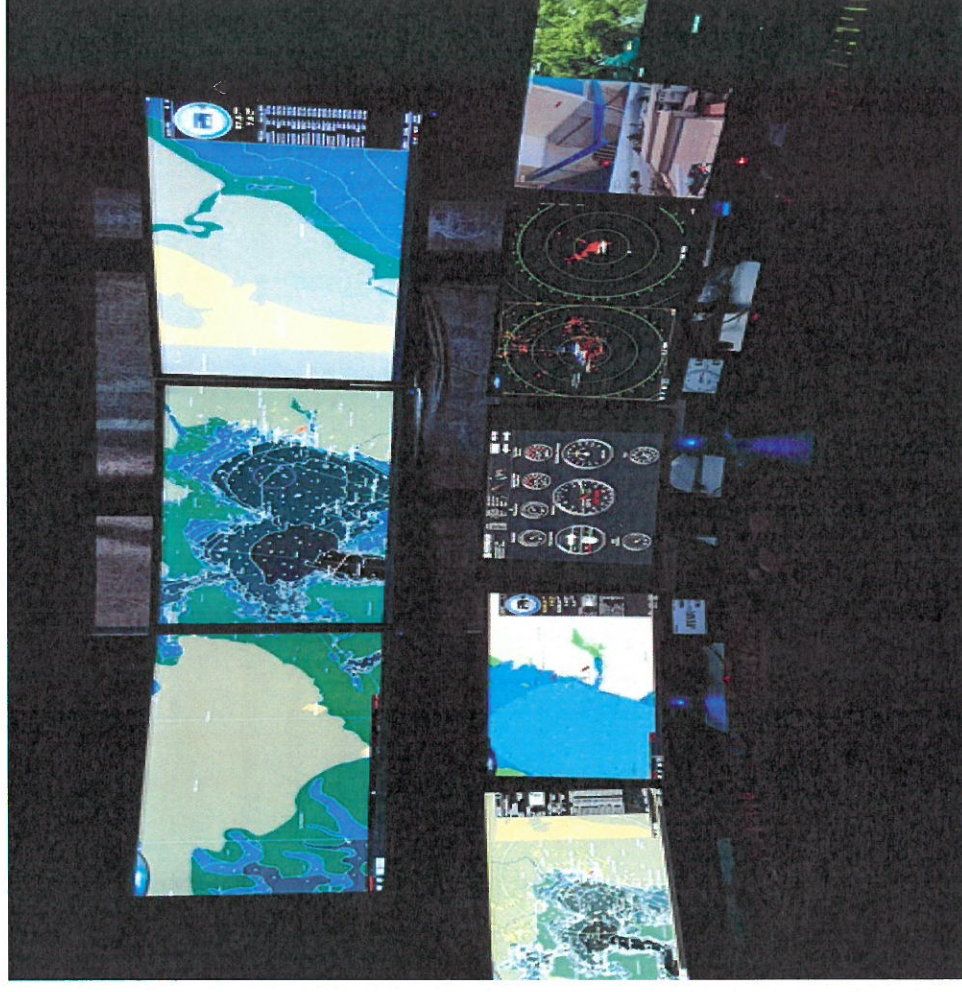
AIS is an automatic tracking system that identifies and locates vessels through the exchange of information between ships, AIS base stations, such as the Harbour Master's control tower, and satellites.

The information includes the vessel's unique identification code, its position,

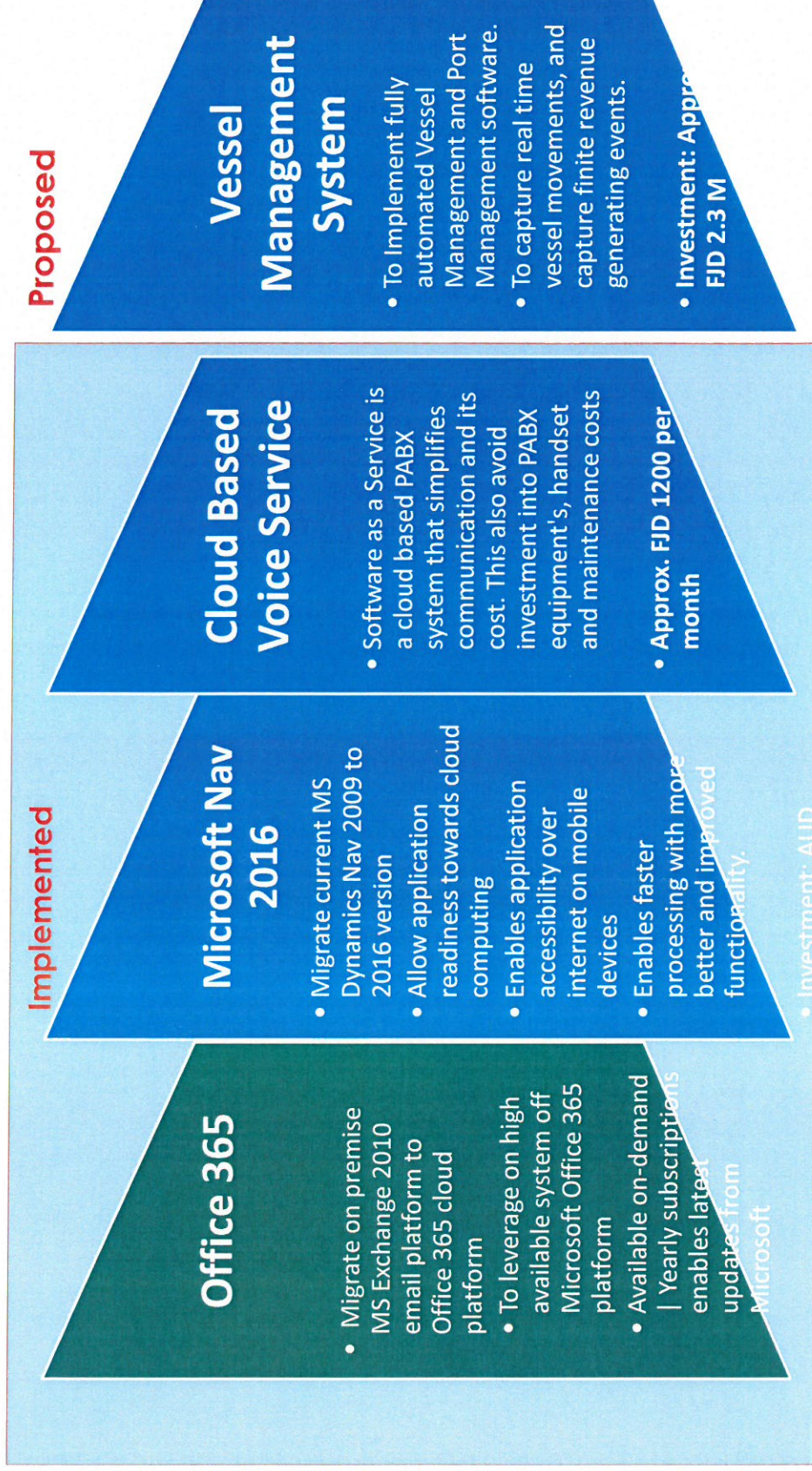
course and speed. Once a vessel has berthed, the captain updates the ship's system to show this.

All information is displayed in real time on a screen in the control tower. Additional data such as the size and type of vessel can be accessed by clicking on the vessel's identification code.

"With the system operating 24/7, there is no longer any possibility of vessels illegally entering the port," said Captain Takape.



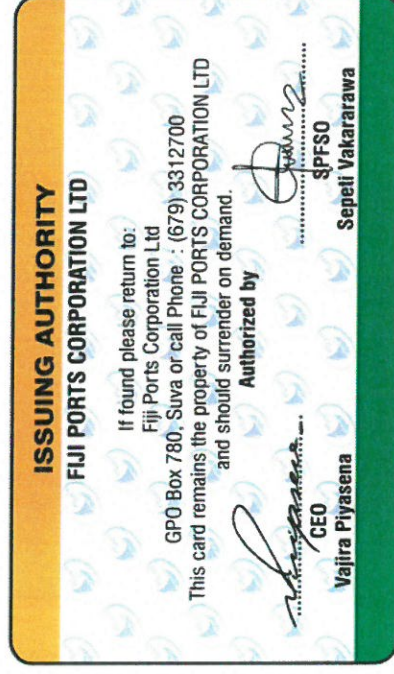
Current and Proposed Technology Initiatives



Q15


What security measures and monitoring mechanisms does FPCL have in place to curb the high entry of drugs into the country?

Modernization of Access Control



Barcoded Port User ID's

FPCL Approach to Continual Improvement – Structured Reviews



FUJI PORTS CORPORATION LIMITED

SECURITY REVIEW

30 JUNE 2016

Prepared by: **RISK & COMPLIANCE UNIT**

1.0 INTRODUCTION

Part of FPCL's obligation is to provide a safe and secure environment for people, cargo, and infrastructure assets. In view of this, the security of port facilities is of major importance. The Security Review is a structured process designed to assess the current level of security of port facilities and to identify areas for improvement. The review is conducted by the Risk & Compliance Unit, in conjunction with the relevant port facilities. The review is conducted by the Risk & Compliance Unit, in conjunction with the relevant port facilities. The review is conducted by the Risk & Compliance Unit, in conjunction with the relevant port facilities.

2.0 PURPOSE OF THE REVIEW

The purpose of the review is to assess the current security arrangements within the port facilities and to identify areas for improvement. The review is conducted by the Risk & Compliance Unit, in conjunction with the relevant port facilities. The review is conducted by the Risk & Compliance Unit, in conjunction with the relevant port facilities.

3.0 OBJECTIVES

The objectives of the Security Review are to:

- Assess the security of port facilities;
- Review the regulatory requirements and its implementation status;
- Review the effectiveness of the current security level;
- Identify level of risk associated to the port facilities;
- Determine measures for improvement.

4.0 REVIEW TEAM COMPOSITION

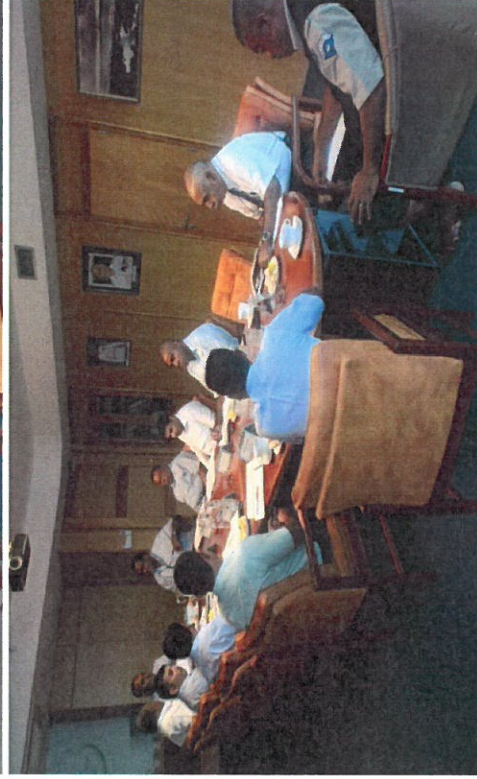
The team consists of:

- Chief Executive Officer;
- Chief Operating Officer;
- Chief Financial Officer;
- Senior Port Facilities Security Officer;
- Risk & Compliance Analysts and
- Any other relevant parties in CEO's discretion.

5.0 FREQUENCY OF THE REVIEW

The Security Review will be carried out annually and updated each year with corrective action for implementation.

Page 1 of 3



Investing in training

UPGRADING the skills and knowledge of the Company's workforce is an investment rather than an expense.

The most obvious example would be the cost effectiveness of having properly trained crane and lorry drivers who will not misuse and damage equipment.

However, Ports also recognises the importance of effectively and efficiently upgrading the skills of all workers, thus improving their opportunities for advancement within the Company.

To this end, the Company has an across-the-board policy that releases staff to undertake relevant tertiary studies at the University of the South Pacific or the Fiji National University, or to pursue on-line Information Technology courses.

Staff members successfully completing papers, diplomas or degrees have their fees reimbursed by the Company, on the understanding that they will be bonded to work for the Company for an appropriate length of time that is decided on a case-by-case process.

As people with the potential for future advancement can



Asdrin Gaudar from NPTC/FNU conducts a leadership training session at FSHL.

be identified and mentored, effective succession planning can be put in place, and employees are able to explore different employment possibilities within the Company, such as, for example, moving from a clerical position in the Financial Department to a position in the Human Resources Department as a result of studying Industrial Relations.

This win-win policy maintains a skilled and qualified workforce employed at Ports, and assists staff to attain qualifications while fully employed.

OHS strengthens hazard identification process



FPCL OHS Officer, Mr Lindsay Fong (2nd left), conducts an induction and hazard reporting training with FPCL officers in Levuka. Mr Solomon Ravotovo (left), Mr Asneli Vanalagi (2nd right), and Officer in Charge, Mr Meli Volau (standing).

WORKING towards achieving ISO 45001 certification standards, the Fiji Ports Corporation Ltd (FPCL) is tightening its Occupational Health and Safety (OHS) procedures.

Since his Lautoka audit earlier this year, FPCL OHS Officer, Lindsay Fong, says that there has been "good improvement in Lautoka; 43.75 percent of the issues identified from the last audit have been rectified with the remaining 56.25 percent being progressively resolved."

While Mr Fong is urging FPCL and FPTL personnel to "adhere to all safety requirements of the Port facilities", the OHS department is strengthening its hazard reporting procedures.

Mr Fong has conducted an introductory hazard reporting training in Lautoka, Suva and Levuka for both FPCL and FPTL staff. The training also involved awareness on the procedures to follow once a hazard is identified.

Proposed Comprehensive Security System

Integrated Access Control System

PROJECT ELEMENTS

Vehicle Access Control System

Cameras (Fixed and PTZ)

Automatic Security Barriers

Signal Lights

Security Cabins

Speed Humps

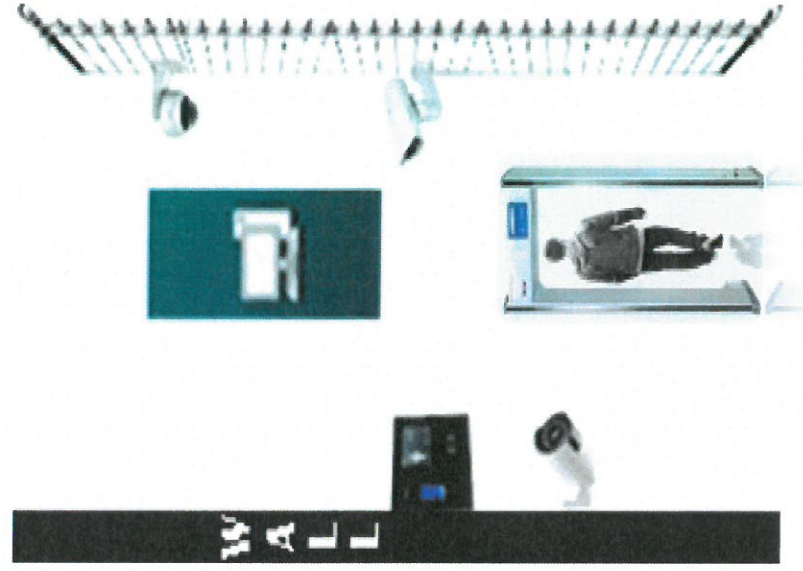
Pedestrian Access Control System

Walk Through Gate

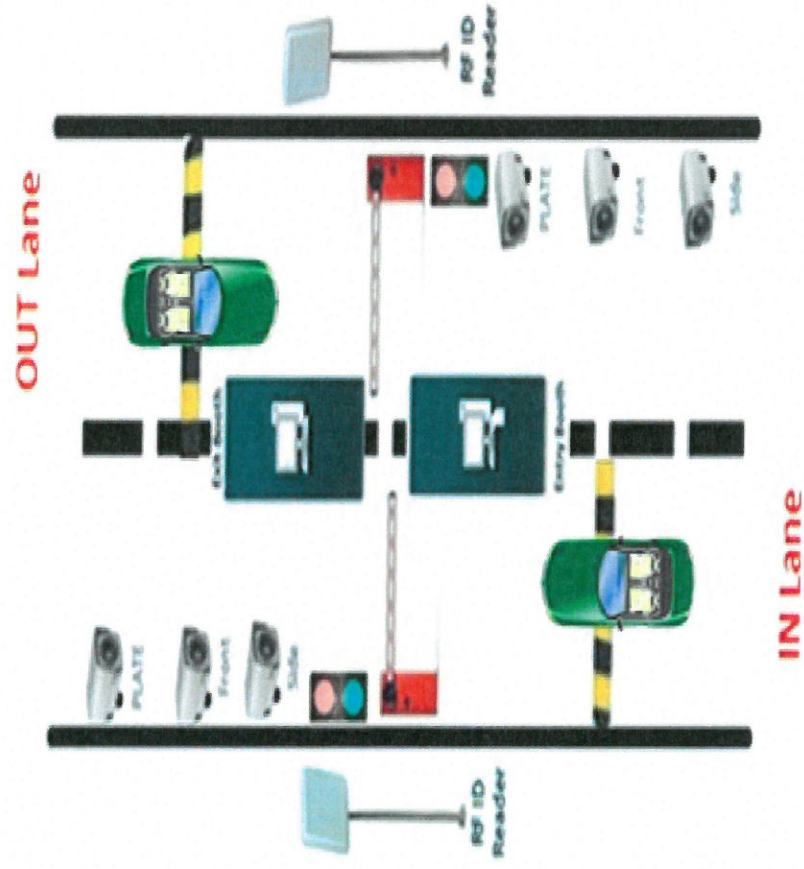
Facial Recognition System

Integrated Access Control System

PEDESTRIAN



GATE



FPCL Approach to Risk Management

ANNEXURE 2 - RISK REGISTER

Risk No.	Name of Risk	Risk Description	Risk category	Business Unit	Contributing Factors (Cause)	Risk Likelihood	Risk Consequence (Impact)	Inherent Risk Rating	Current Mitigation Control (controls in place)	Current Control Rating	Residual Risk Rating	Risk Tolerance (Appetite) Level	Risk Treatment Plan (Action for Improvement)	Person Responsible (Risk Owner)	Timeline for Completion	Date risk last updated
1	Strategic Risk	Risk that affects the achievement of strategic objective.	Burnout/Risk	Directorate	1) Lack of strategic planning; 2) Incorrect turnover assumption has been made; 3) The business objective have been incorrectly assessed; 4) Inefficient resources; 5) Lack of staff contribution; 6) Budget constraint; 7) Under KPIs delay achievement of objective	Likely	Major	High	1) Hire Consultant to develop Strategic Plan; 2) Amend strategic workshop for senior staff; 3) Strategic Plan approved by Board; 4) Review of strategic objective by Ministry	Average	Medium	TBD	1) Alignment of strategic objective to department and individual KPI; 2) Implement monitoring mechanism e.g. Compliance Framework; 3) Quarterly review by Executive Management; 4) Implement realistic timeline for achievement	Executive Management	Dec-15	
2	Recruitment Risk	Risk of poor recruitment process or inability to recruit suitable employee	Operational Risk	Human Resource	1) No reference check; 2) No police & medical clearance; 3) Not met minimum qualification; 4) No aptitude test; 5) No proper interview conducted; 6) Contract do not meet specific; 7) Part not do size; 8) Part not approved by Board; 9) Lack of proper policy; 10) "Whom You Know" criteria applied; 11) Interview panel not	Likely	Major	High	1) Recruit part do size; 2) Proper interview conducted; 3) Selected candidate met minimum requirement as per interview; 4) Proper contract document prepared and signed by CEO; 5) HR Policy in place; 6) Appointment is based on merit	Average	Medium	TBD	1) Reference check to be documented; 2) Police & Medical clearance must be obtain before the employee commence work; 3) To carry out aptitude test; 4) Carry out market research and provide better remuneration package; 5) Utilize Maccormack to appoint key position	Manager Human Resource	Ongoing	
3	High turnover of employee	Risk of employees leaving the organization for better opportunity	Operational Risk	Human Resource	1) Poor remuneration package; 2) Lack of career review; 3) Lack of performance review; 4) Poor staff benefit; 5) Hazardous structure; 6) No team at the workplace; 7) Workload due to vacant position not filled; 8) Poor employment term and condition.	Likely	Medium	Moderate	1) Documented contract in place for all employees; 2) Annual performance review; 3) Attractive benefit such as bonus, insurance, medical, company phone, vehicle allowance etc; 4) Salary structure according to the market rates; 5) Professional working environment.	Effective	Low	TBD	1) Fill vacant position; 2) Carry out annual review and payment of bonus on time; 3) Review salary as per market rates;	Manager Human Resource	Ongoing	
4	Executive risk/loss	Risk of staff taking excessive risk	Operational Risk	Human Resource	1) Workload and under pressure; 2) Unhappy working	Likely	Medium	Moderate	1) Check KPIs for individual staff; 2) Flexible hours of work;	Effective	Low	TBD	1) Fill vacant position; 2) Provide clear KPIs & JD; 3) Carry out regular	Manager Human Resource	Ongoing	

Q18

Derelict Removal:

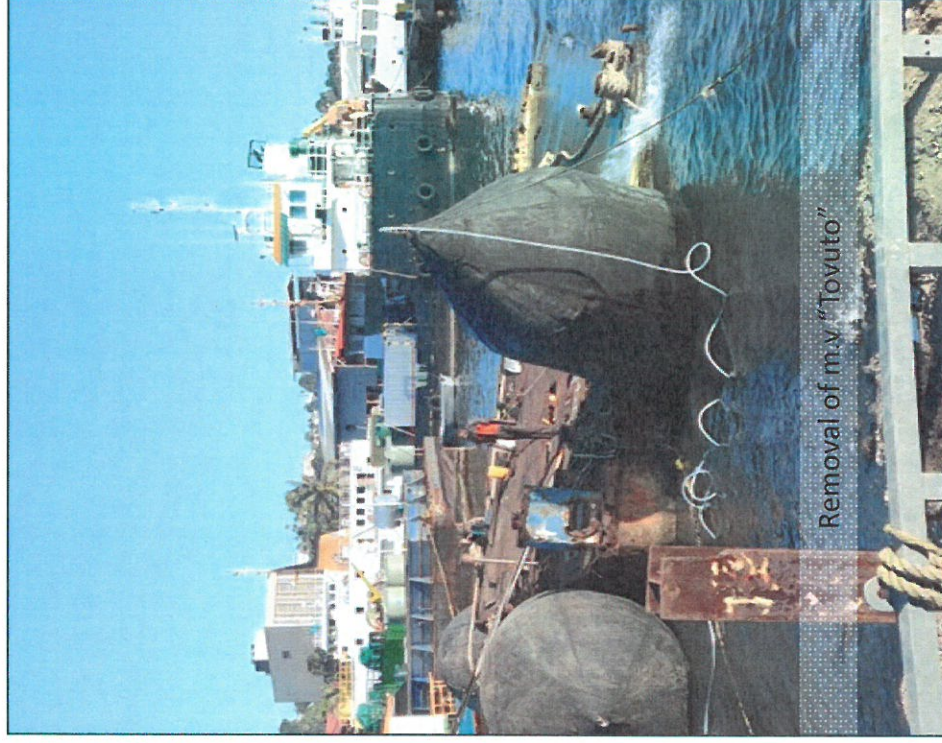
- a. *What progress has been made in regard to the removal of derelict and dangerous vessels and what has been the associated costs of their removal? How many of the derelict ships are fishing vessels.*
- b. *How many abandoned vessels has FPCL put up for tender?*

Q32

What has been the progress on the achievement of the following key strategic objectives of FPCL:

- *Development of a plan to remove all derelict vessels in the port boundary*
- *Development of the Port Emergency Operations Contingency Plan*

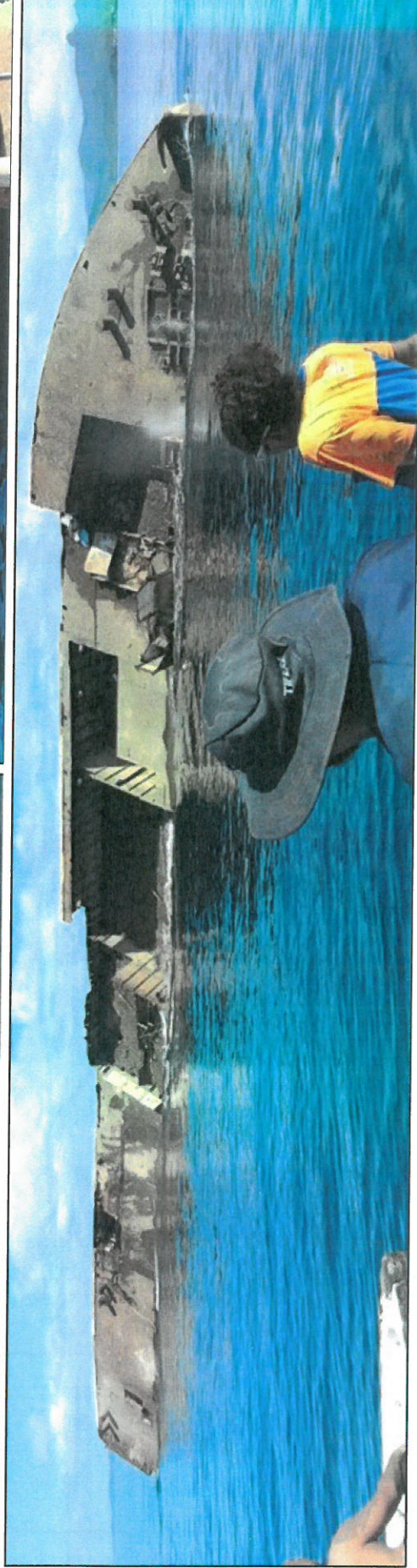
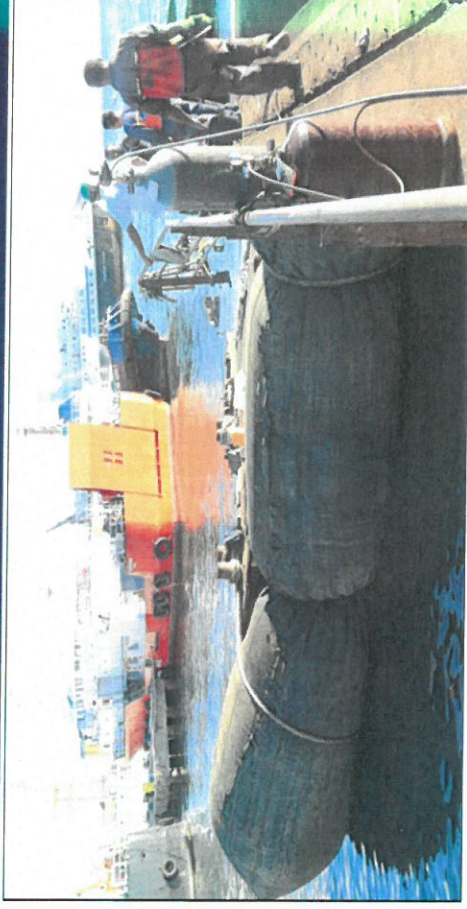
Derelict Removal (2015/2016)



- 2015/2016, two (2) derelict vessels were removed from Suva Harbour (GSS area).
- Total Removal Cost is over \$305,000
 - m.v. "Tovuto" - Over \$220,000
 - m.v. "Sea Love" - Over \$85,000
- m.v. "Southern Phoenix" is not included as the vessel sank on 6th May, 2017 .

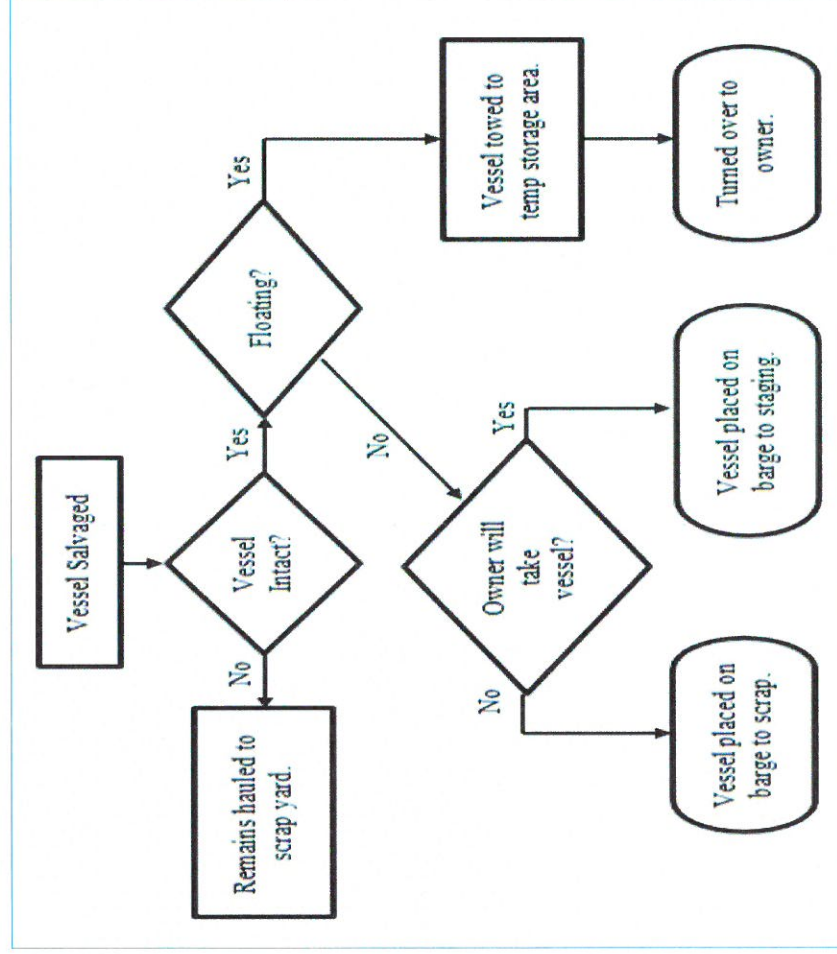
**Southern Phoenix has been removed successfully
without impacting the navigational passage**

Removal of m.v "Tovuto" & m.v Sea Love



ADB Derelict Removal Report

Action Plan for Wreck Disposal



Financial Estimates of Wreck Removal

VESSEL NAME / TYPE	LOCATION	REMOVAL COST US\$ (EST).
MV Tovuto / research ship	Govt Shipping Walu Bay	150,000
Rising No.26 / fishing	Port limits Suva	50,000
Sinu-I-Wasa I / ferry	Levuka harbour	1,500,000
Sinu-I-Wasa III / ferry	Toki village beach, Ovalau	350,000
RFNS Kiro / patrol	Belcher Rocks, Makuluva	1,250,000
Sullivan / ferry	Suva harbour	50-100,000,000
Goita-Go	Lautoka foreshore	250,000
Victory II / fishing	Suva harbour	50,000

Derelict Vessels Record



FPCL DERELICT VESSEL RECORD

Last updated: 05/06/17

No./ Priority	Vessel Name	Status	Location	Coordinates	Navigational Hazards	Environmental Hazards	Comments
1/M	DOLPHIN FREE	Steel hull vessel, sunk	Near Navotel Hotel	Lat: 18° 06.834'S , Long: 178° 23.632'E	Navigational Hazards for vessels proceeding to and out from Mosquito Island.	May pose environmental hazard.	Vessel is owned by a New Zealand national. Who has not replied to our e-mail or letter. Vessel was found to be sunk during inspection.
2/L	OMIOO 1	Timber hull vessel, floating	Fiji Fish Jetty	Lat: 18° 06.419'S , Long: 178° 23.413'E	Vessel no longer pose as risk or a Navigational Hazard for vessels proceeding to or out of Cruz Holding berthing area	Does not pose any environmental hazard	Vessel is owned by Fiji Fish and maintained by the Company for future use as stated by e-mail to CEO (23/04/15) Vessel is now berthed alongside Company wharf at Lami awaiting decision for scuttling 30/04/17
3/L	SASALU - NI - WATUJI	Fibre glass vessel, floating	Fiji Fish Jetty	Lat: 18° 06.419'S , Long: 178° 23.413'E	Vessel no longer pose as risk or a Navigational Hazard for vessels proceeding to or out of Cruz Holding berthing area	Does not pose any environmental hazard	Vessel is owned by Fiji Fish and maintained by the Company for future use as stated by e-mail to CEO (23/04/15) Vessel now berthed alongside Company wharf at Lami 30/06/15. Vessel is currently being repaired by Fiji Fish for fishing operation (06/04/16)
4/L	MAAN	Steel hull vessel, floating	Near Cruz Holding Loading Area	Lat: 18° 06.270'S , Long: 178° 23.407'E	Vessel is not a Navigational Hazard since it is beached ashore near Cruz Loading Area	Does not pose any environmental hazard	Vessel is owned by Ika Vuka Limited and in the process of being sold to an offshore buyer from Vanuatu. Meeting held with (04/06/15). Company requested to provide an update on the issue on 30/10/15. Sale of vessel to be finalised soon. Part of the outstanding Mooring Charges had been paid by the Company (\$4000.00) to FPCL. The vessel is currently being repaired & berthed at Fiji Fish Wharf (30/06/16) and now subject of discussion between FPCL and Bank of Barots. Bank of Barots currently exploring opportunity to remove the vessel as discussed on 03/03/17
5/M	ONEMATO	Steel hull vessel, half sub merged	Near Lami (Uduya Pt)	Lat: 18° 06.728'S , Long: 178° 23.371'E	Navigational Hazards for vessels navigating in Darunibota around Uduya Point.	May pose environmental hazard	Owner of vessel is unknown. The vessel itself is half submerged, removal will be an expensive exercise. Management to decide on action to be taken.
6/M	PACIFIC NOMAD	Steel hull vessel, half sub merged	Near Lami (Uduya Pt)	Lat: 18° 06.940'S , Long: 178° 23.139'E	Navigational Hazards for vessels navigating in Darunibota around Uduya Point.	May pose environmental hazard	Owner of vessel is unknown. The vessel itself is half submerged, removal will be an expensive exercise. Management to decide on action to be taken.

Record of Derelict Vessels Removed



FPCL DERELICT VESSEL REMOVED

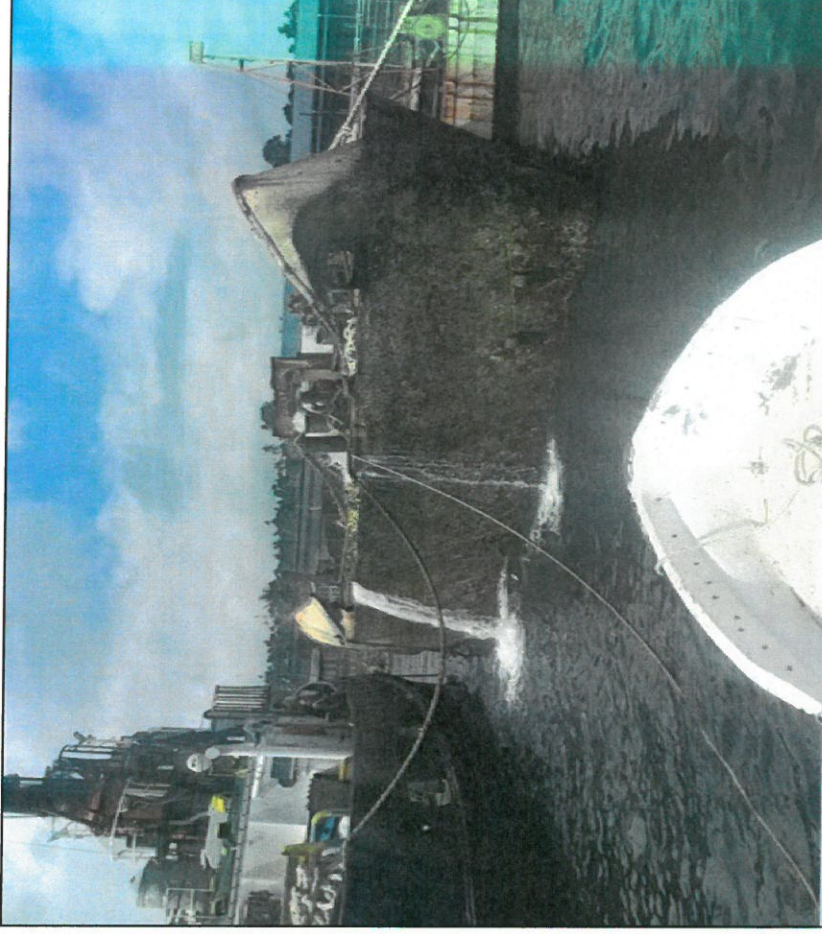
Last update 05/06/17

No	Vessel Name	Status	Location	Coordinates	Navigational Hazards	Environmental Hazards	Comments
1	GALLANT SPIRIT	Steel hull vessel half sub merged before removal	Near Fiji Fish Jetty	N/A	N/A	N/A	Vessel has been scrapped and removed by APEL at no cost to FPCL
2	ISLAND NAVIGATOR	Steel hull vessel floating & unmanned before removal	Near Fiji Fish Jetty	N/A	N/A	N/A	Vessel is owned by Fiji Fish and has been converted as a pontoon for berthing of 12 vessels which is in operation. Conversion at no cost to FPCL
3	TREVALA	Steel hull vessel floating & unmanned before removal	Near Fiji Fish Jetty	N/A	N/A	N/A	Vessel has been scrapped and removed by FPCL Holding at no cost to FPCL
4	HU YU 817	Steel hull vessel grounded before removal	Fiji Ship - Shipyard	N/A	N/A	N/A	Vessel was scuttled in March 2013 at no cost to FPCL
5	DTAMS - SK 7	Steel hull vessel floating & unmanned before removal	Fiji Ship - Shipyard	Lat: 18° 11.30'S, Long: 178° 03.7'E	N/A	N/A	Vessel was scrapped by APEL which has completed 75% of the work required. The remain of the hull was scuttled on Friday 23/10/17 at Latitude: 18° 11.3'S Longitude 178° 03.7'E no cost to FPCL
6	NAVIGATOR	Fibre glass vessel, floating	Fiji Ship - Shipyard	Lat: 17° 10.246'S, Long: 177° 11.212'E	N/A	N/A	Vessel was owned by Taurus Pacific Ltd of Cook Island which went bankrupt in 2014. Disclaimer issued by RIC Cook Island on 13/07/15. Approved by CEO for the vessel to be removed for cleaning and scuttling. (15/12/15) Vessel was inspected by NSAF and scuttled at Latitude 17° 10.246'S, Longitude 177° 11.212'E on Wednesday 10/02/16. Cleaning and scuttling of the vessel was covered by FPCL at \$16,350.00
7	GLORY 1	Fibre glass vessel, floating	Fiji Ship - Shipyard	Latitude 17° 10.246'S, Long 177° 11.212'E	N/A	N/A	Vessel was owned by Taurus Pacific Ltd of Cook Island which went bankrupt in 2014. Disclaimer issued by RIC Cook Island on 13/07/15. Approved by CEO for the vessel to be removed for cleaning and scuttling. (15/12/15) Vessel was inspected by NSAF and scuttled at Latitude 17° 10.246'S, Longitude 177° 11.212'E on Wednesday 10/02/16. Cleaning and scuttling of the vessel was covered by FPCL at \$16,350.00

Removal of m.v. "Tovuto" & m.v. "Sea Love" from GSS area



**REMOVAL COST
OVER \$290,000**



**REMOVAL COST
OVER \$45,000**

Derelicts Priority Listing

NO	NAME OF VESSEL	POSITION	STATUS	REMARKS	OWNER/ AGENT
1.	Tunatuki	18° 07.362'S, 178° 25.446'E	Steel Hull, Sunk at a depth of 4-5 meters	FDB Fund project	FDB (receivership)
2.	Western Pacific	18° 07.411'S 178° 25.676'E	Steel Hull, Sunk at a depth of 1-2 meters 90% of the hull and structure has been removed	PACTOW proposal \$450K	
3.	Tug 7	18° 07.687'S 178° 25.534'E	Steel hull, Sunk at depth of 10-12 meters	PACTOW proposal \$450K	Government Shipping
4.	Shan Yu #16	18° 07.724'S 178° 25.578'E	Steel hull, Partly submerged at a depth of 2-3 meters Fiji Ships Slipway	PACTOW proposal \$450K	Zhong Fei Shipping
5.	Sunstar	South Anchorage	Fully submerged		
6.	Sealink	North Anchorage	Buoy		Seaview Shipping

Q19

What assistance does FPCL provide in overseeing the operations and ISPS requirements of the following ports?

- *Malau Wharf*
- *Rotuma Port*
- *Wairiki Wharf*
- *Vuda*

Port of Malau

- Malau is already a Port of Entry.
- FPCCL currently has no plans to develop the Malau Port as it is privately owned by Fiji Sugar Corporation and Mobil.
- Also other privately owned ports are Wairiki and Vuda.
- FPCCL is only responsible for marine activities and collection of relevant charges under the Seaport Management Act 2005.



What standard requirements need to be met by port owners in the maintenance of ports?

Q20

Port Owner Standard Requirement

Governance

Infrastructure

- Feasibility Studies
- Land Acquisition
- Pilot Boats
- Towage and / or Customer service Industry
- Green port initiatives
- Dredging

Environment

- Port Sustainability Guidelines
- Environment Management System
- Energy Efficiency Audit
- Dredge Monitoring

Safety, Security & Technology

- ISPS review
- CCTV review and upgrade
- Ergonomics assessment
- Information System Strategic Plan
- VTMS

Financial

- Tariff structure review and annual process
- KPI's, RoI
- Asset Management System and Condition Inspection programme
- Tenure reviews, user/ access undertakings
- Economic Impact Study
- Annual Trade Analysis

Organisation

- Key recruitment / roles
- Retention strategy
- Organisational re-alignment / structure
- Enterprise training
- Employee Assistance Program
- Annual Employee Survey

Environment

- Key recruitment and / or secondment management

Infrastructure

- New Suva Port Preliminary / Concept Design
- Design of new Suva Port Inter-Island Facility
- Detailed design of Lautoka Terminal upgrade
- Approvals for new Suva Cruise facility / wharf expansion
- Detailed design and Construction of Cruise terminal
- Shipyard / Slipway approvals for Lautoka facility
- Detailed design and construction of Lautoka Shipyard
- Approvals

Financial

- Annual pricing review
- Annual ROI / KPI reviews
- Annual Trade Review
- Investment Reviews, Financing

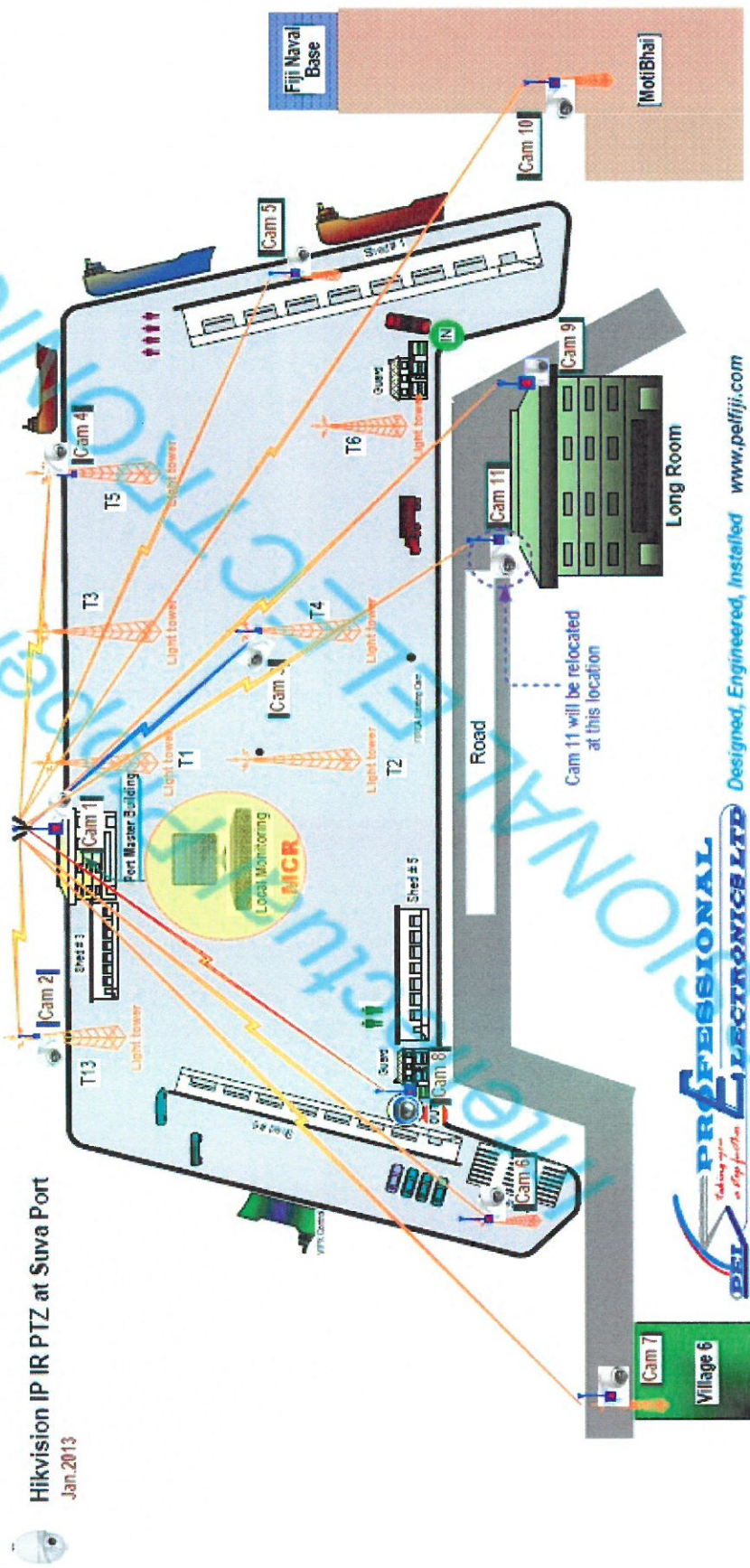
Environment

- Placement sites (dredge material, pre-approved wreck sites)

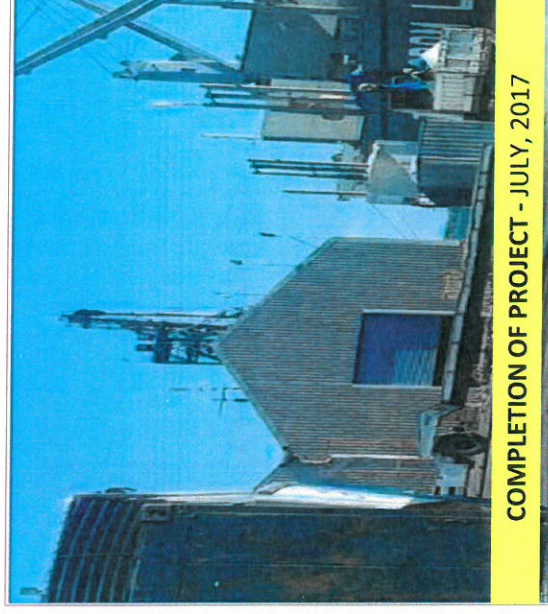
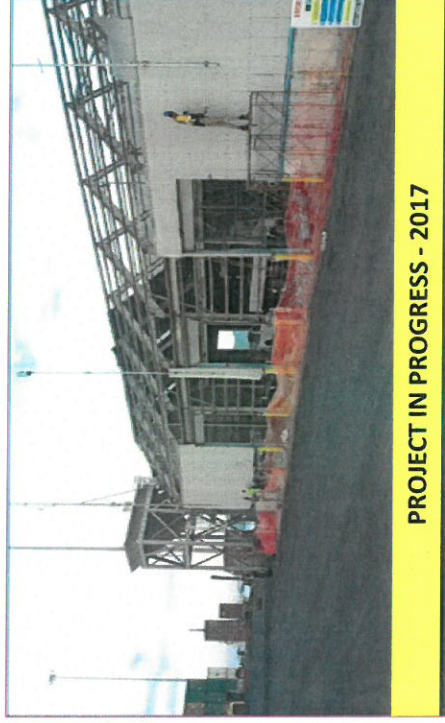
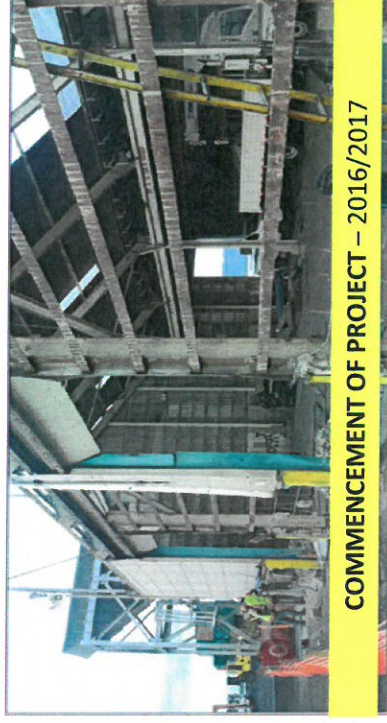
Local Wharf Safety Improvements



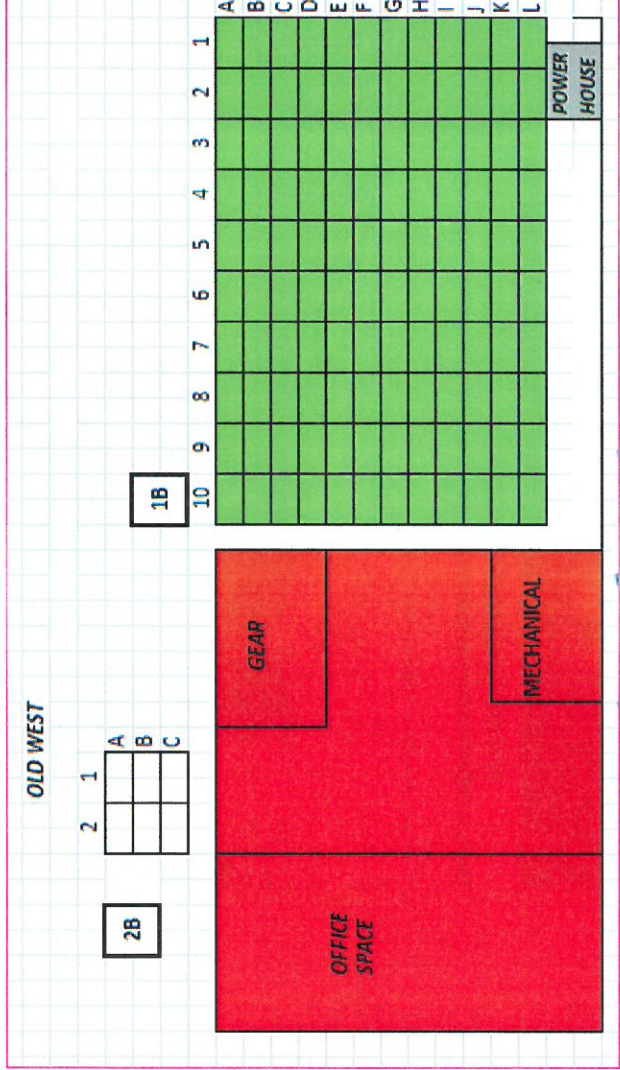
CCTV System - Suva



Demolition of Shed 2 & 3 in Lautoka to create additional Yard Space



Additional Cargo Space Created after Demolition of Shed 2



LOCATION: New 1B
(shed no. 11 demolition area)

LAYOUT: 10(L) x 12(W) x 4(H)

CAPACITY: 460 TEU

The revised site location for Bay 1B can accommodate **460 TEU** at full capacity. The new storage area has had positive impact storage wise enabling FRTL operations team to also stack break-bulk time and steel when space is available.

The only disadvantage is Bay 1B is located on the Old West side of the main wharf – No condition assessment has been done and presently only empty containers can be storage in Bay 1B. Handling and stacking of full containers by the forklifts is not permitted.

Q21

In light of the increasing size of cruise vessels and tourist numbers in Fiji, does FPCL have any plans in place to allocate berthing specifically for cruise vessels?

Port of Suva - Proposed Cruise Terminal Plan



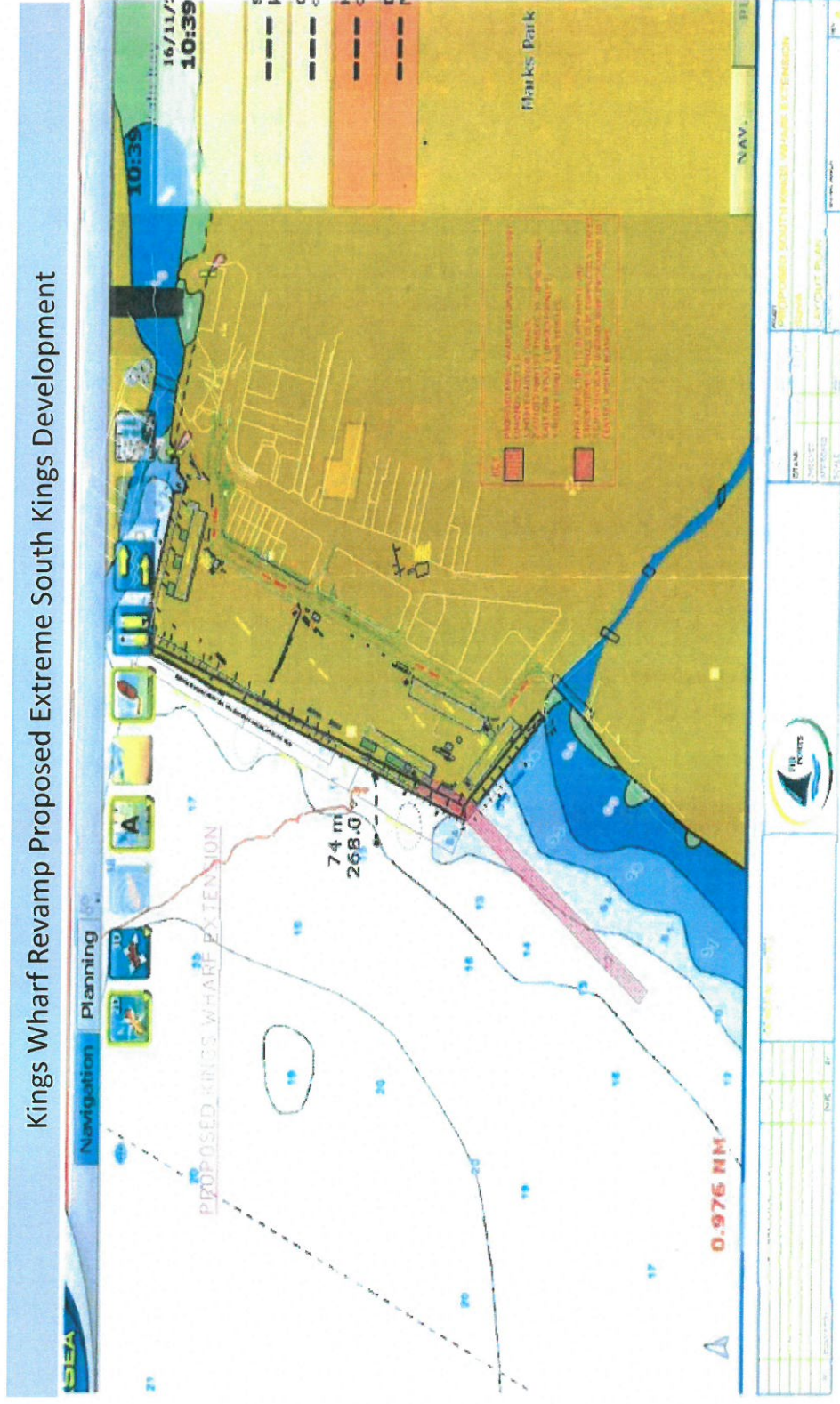
Port of Suva - Proposed Cruise Terminal Plan cont..



Port of Suva - Proposed Cruise Terminal Plan cont..

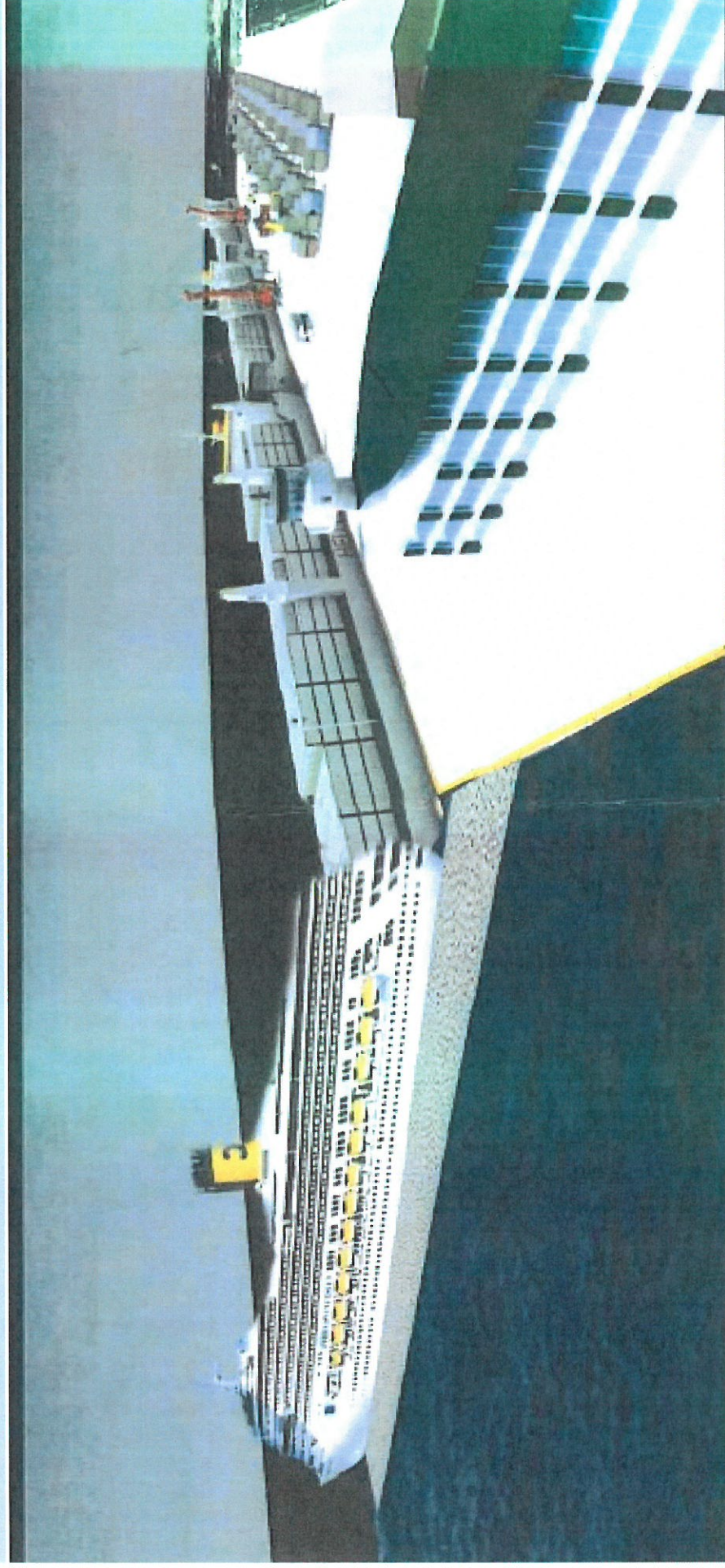


Suva Port Layout - Proposed Cruise Terminal (Alternate Plan)



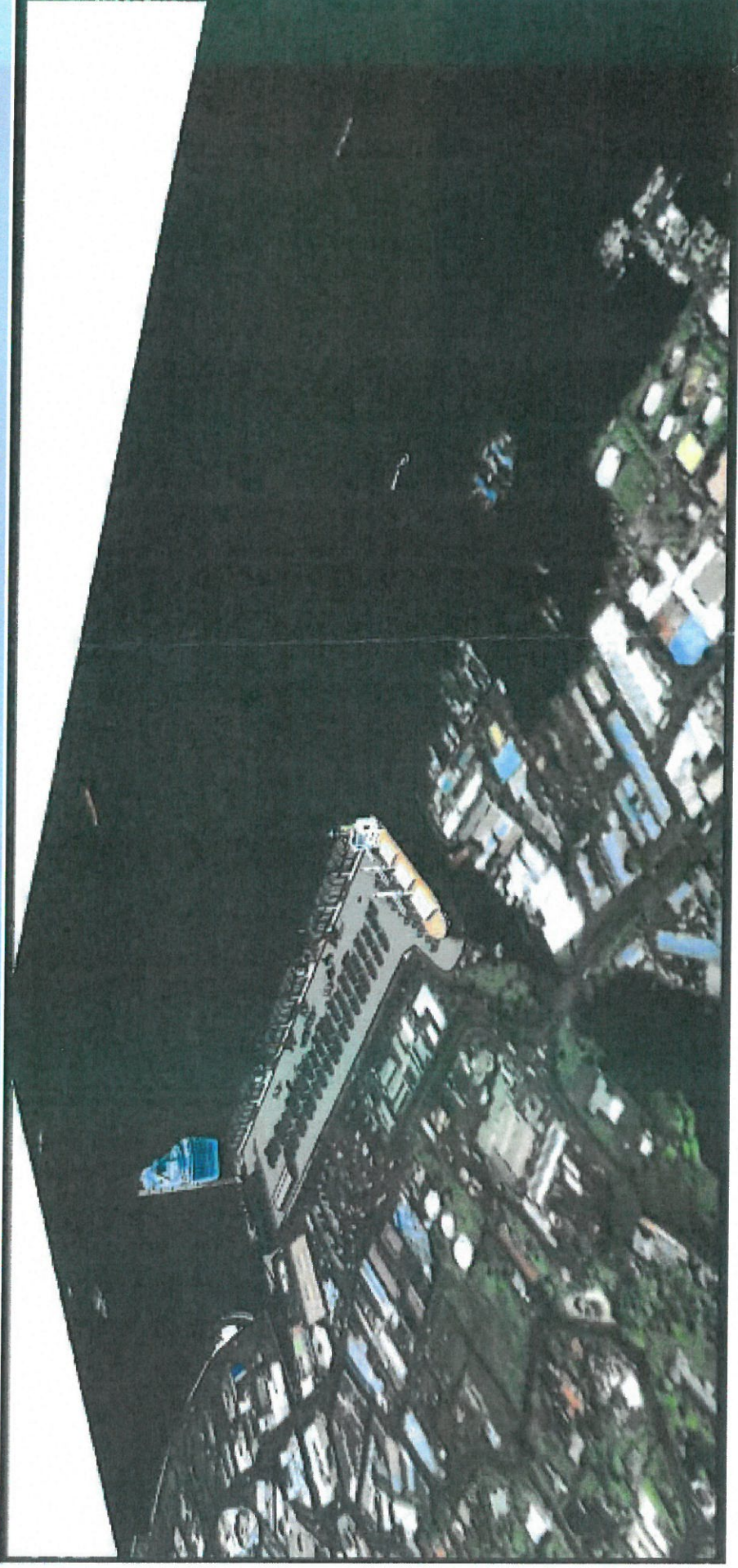
Suva Port Layout - Proposed Cruise Terminal (Alternate Plan)

Kings Wharf Revamp Proposed Extreme South Kings Development



Suva Port Layout - Proposed Cruise Terminal (Alternate Plan)

Kings Wharf Revamp Proposed Extreme South Kings Development

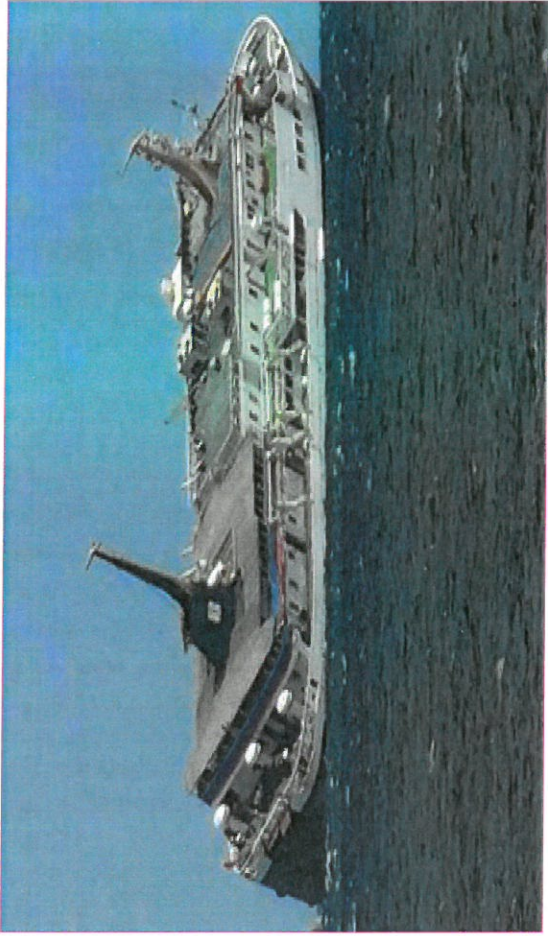


Q22

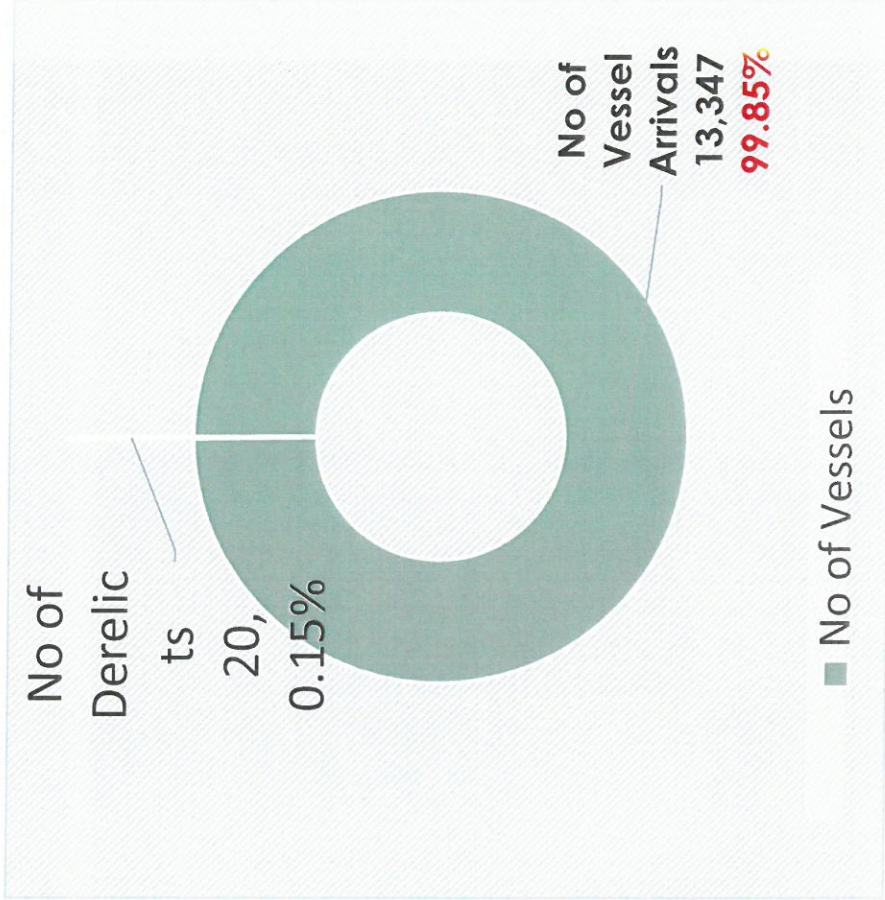
Could the Southern Phoenix accident have been avoided? What is FPCL doing to avoid such accidents in the future? Was any compensation paid by Cruz Holdings Limited to FPCL regarding environmental damages caused?

Derelict Vessels

Suva/Lautoka Vessels Arrivals vs. Derelicts		
No. of Vessel Arrivals 2010-2017		13,347
No. of Derelicts as at 25/05/18		20
Percentage of Derelict Vessels compared to total vessel arrivals (2010 – 2017)		0.15%



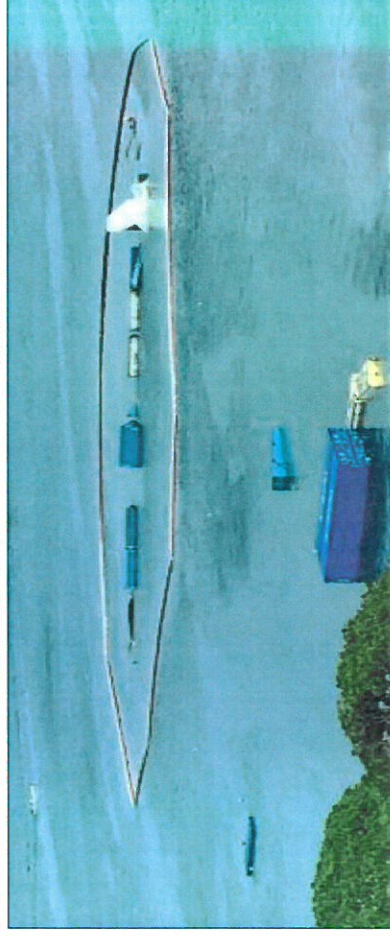
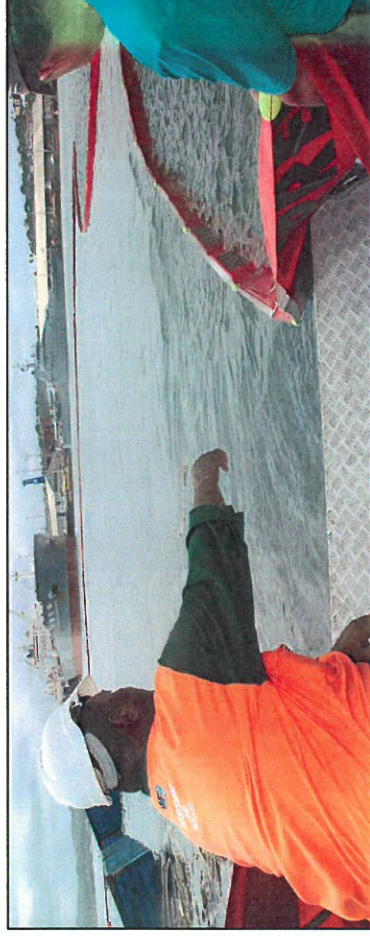
Sourced: Fijivillage.com



Southern Phoenix Oil Spill Containment Exercise



Pollution Prevention Equipment in use during the capsizing of m.v "Southern Phoenix" –
Port of Suva, May 2017



Effective Control of Oil Spills during the capsizing of m.v "Southern Phoenix" –
Port of Suva, May 2017

Q23

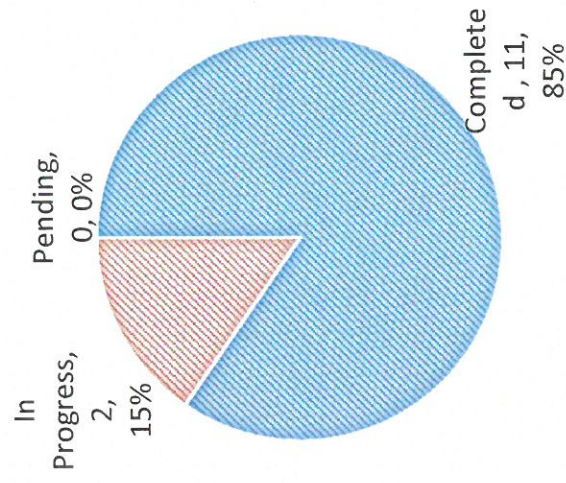
Pages 37 and 38 of Annual Report (Technical Services — Engineering Highlights) Provide confirmation on whether the pending works as mentioned in pages 37 & 38 have been completed

Q30

Page 61 of Annual Report — How many of the 13 key priorities for 2017 was FPCL able to achieve?

Job Evaluation Exercise	Completed
Engineering Conditioning Assessment	Completed
Upgrade of Shed 6	Completed
General Upgrade of Wharf Structure (Suva & Lautoka)	In Progress
Partial dismantling of Shed 2	Completed
Executed Lautoka Ramp Repair	Completed
Upgrade of Staff Quarters in Levuka	Completed
Renovation of HM Office Suva	Completed
Muaiwalu House Structural Assessment	Completed
Muaiwalu 1 Repairs	Completed
Energy Audit and Management Project	Completed
Strengthening of Piloting Internal Resourcing	Completed
Recruitment	In Progress

KEY PRIORITIES UPDATE - PROJECT STATUS



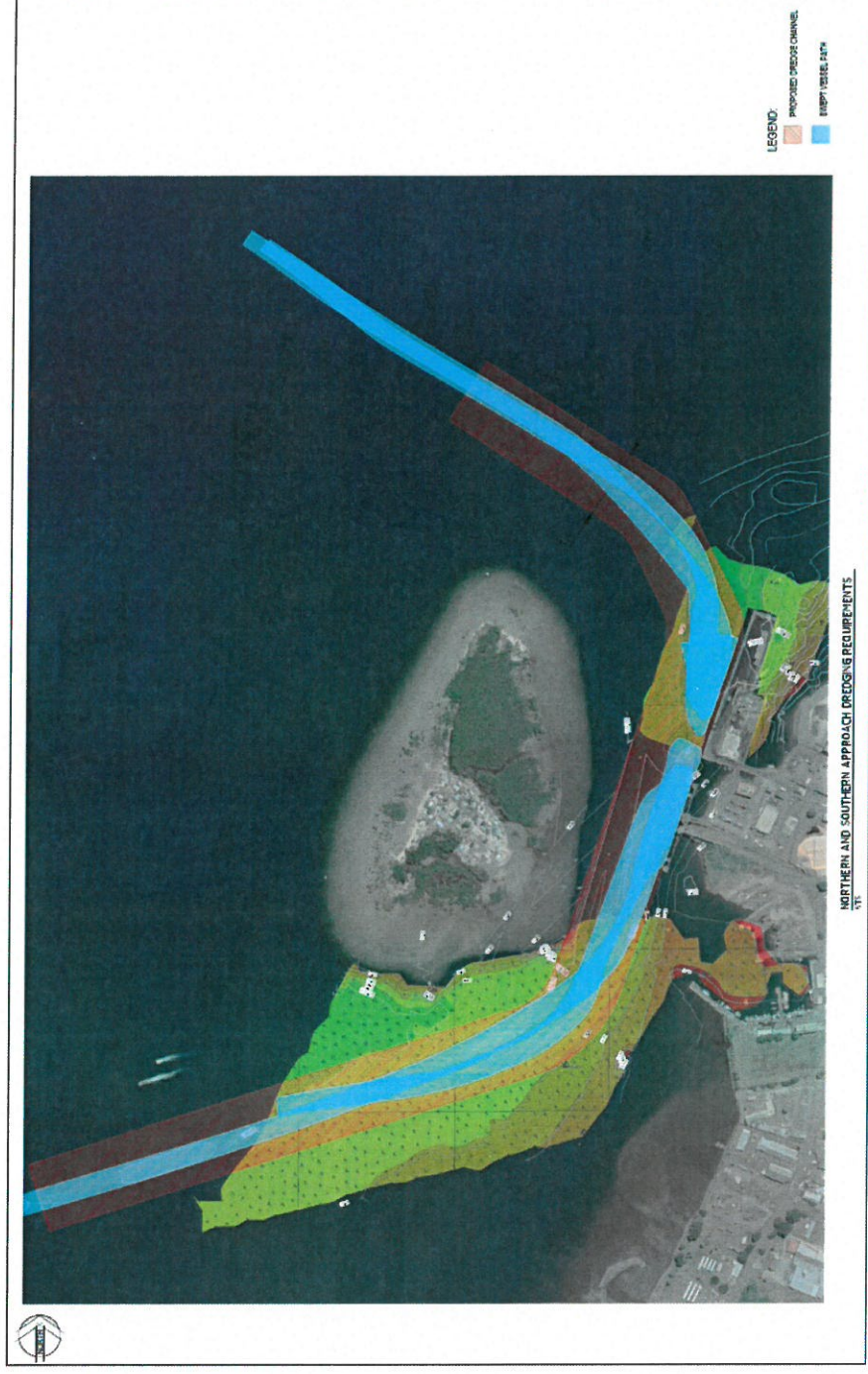
Status Update Engineering Projects

Engineering Highlights		Status	Remarks
Harbor Masters Office Renovations		Completed	
Relocation of Security Office to Shed 6		Completed	
Painting of walkway within Kings Wharf		In progress	Part of maintenance program every 4-5 months
Installation of Standby Generator for Tower		Completed	
Replacement of Steel Drain Covers		Completed	
Removal of Dynamite House		Pending	
Removal of Dolphins in Suva Harbor		In Progress	LPO issue to contractor, start date TBC
Structural Review - Muaiwalu House		Completed	Final stages
Replacement -Mobile Bunker Pipelines which runs to Princess Wharf		In Progress	
Yard 3 and Yard 4 Project		In Progress	Design review stage
Shed 2 Removal		Completed	
Lautoka Local Wharf Deck Rehabilitation		Completed	

Q24

Which company has FPCL appointed to provide dredging services to maintain enough draft in the harbors of Fiji's Ports of Entry?

Dredging Works facilitated by AMEX – Lautoka



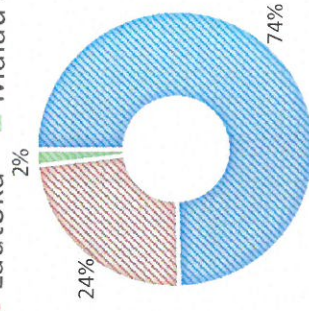
Q25

Provide further information on the categories of contract staff employed by FPCL and whether there is an impact on service delivery as a result of these staff being on contracts?

Employee Distribution by Locations & Contract Type

Staff Distribution by Location

■ Suva ■ Lautoka ■ Malau & Levuka

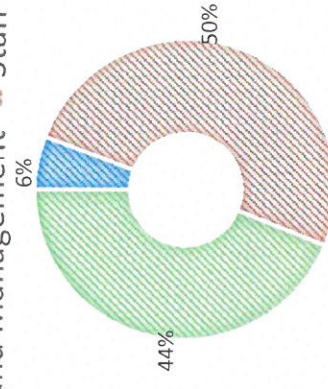


FPCL STAFF DISTRIBUTION BY LOCATION - 2019		
Suva	117	
Lautoka	37	
Malau & Levuka	1	
Total	157	

Staff Distribution by Contract Type

■ Executive and Management ■ Staff ■ Support Staff

FPCL STAFF DISTRIBUTION BY CONTRACT TYPE	
Executive and Management	9
Staff	79
Support Staff	69
Total	157



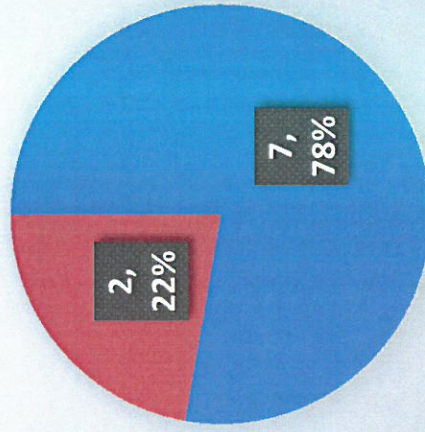
Employee Staff Distribution by Gender - 2019



Q26

With respect to Executive appointments, how many positions are held by expatriates and what Human Resource planning strategies are in place to ensure that succession planning is in place so that management positions are not left unfilled when contracts come to an end?

FPCL Management by Recruitment



FPCL has a succession plan in place to ensure that locals are ready to take up these positions in the future.

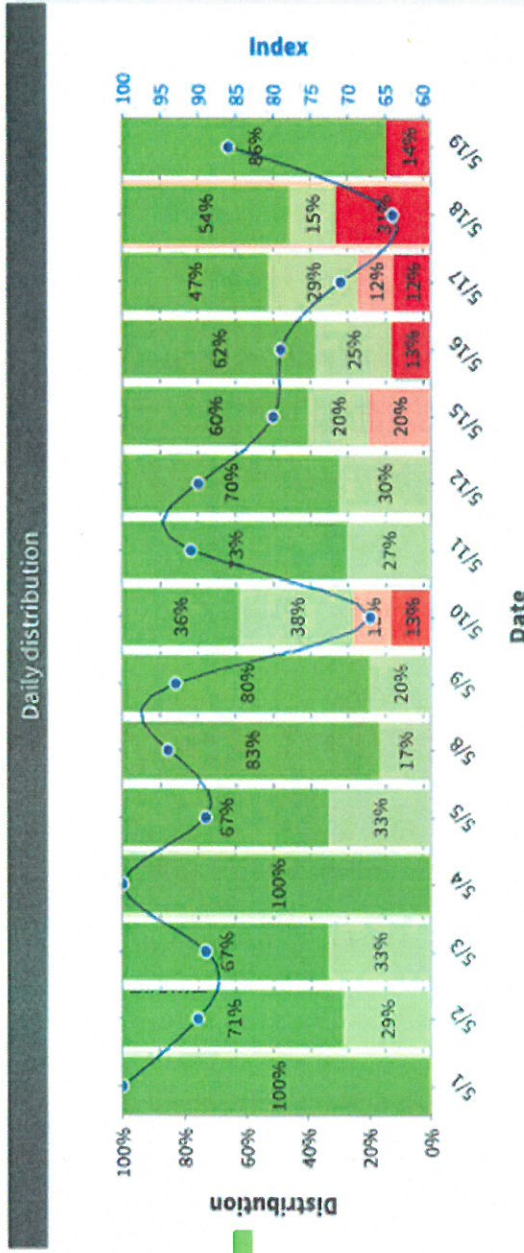
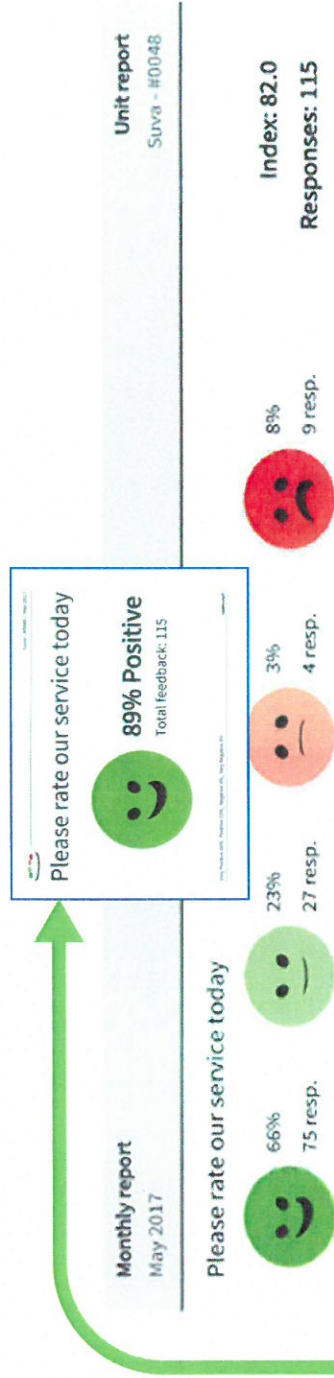
Example:

- Harbor Master Suva, Captain Laisiasa Gonedai is acting in the position of Chief Operating Officer (COO) upon the resignation of FPCL's previous expatriate COO in 2016
- In the absence of Chief Financial Officer (CFO), Manager Finance acts in the position of CFO.

Q27

What are the main customer complaints as gathered from customer feedback forms and customer surveys and how has FPCL strived to address these grievances?

"Happy Or Not" Customer Feedback System



Walk-in Customers Feedback - Happy or Not Machine Results



Fiji Ports Corporation Limited / 01/01/18 - 05/07/18

Please rate our service today



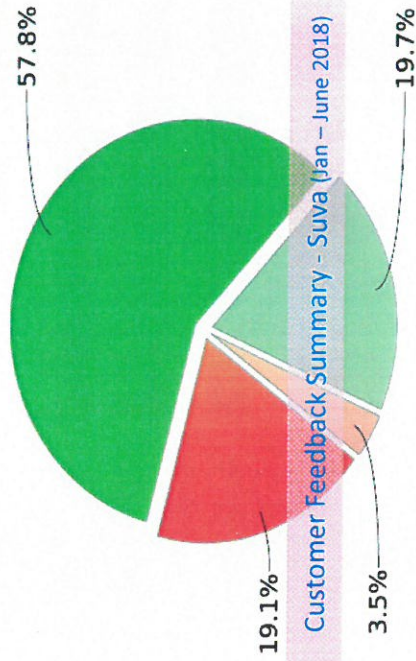
73% Positive

Total feedback: 757

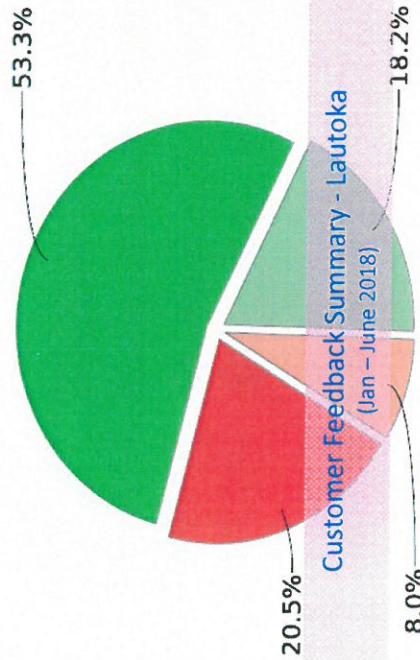


Percentage Positive Feedback (Jan - June 2018)

Very Positive 55%, Positive 18%, Negative 7%, Very Negative 20%

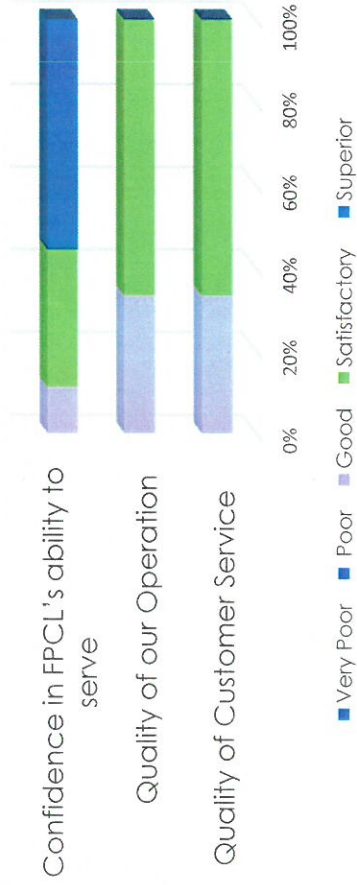


Management Report (Jan - June 2018)

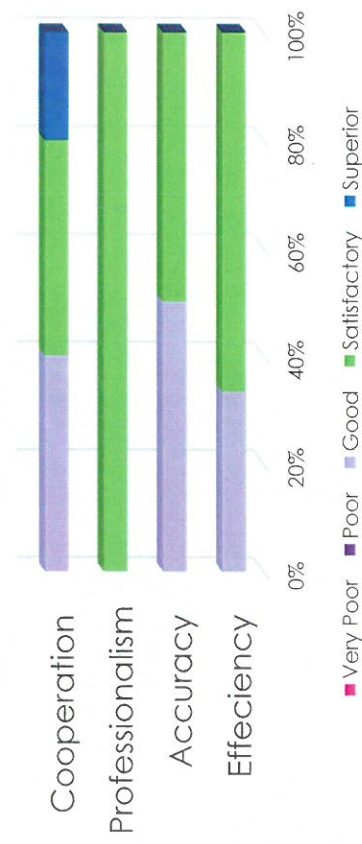


FPCL Customer Survey Results – 2018

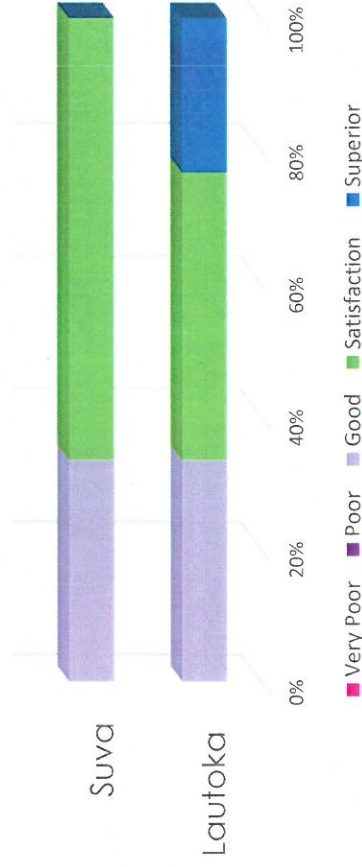
SATISFACTION WITH FPCL SERVICES



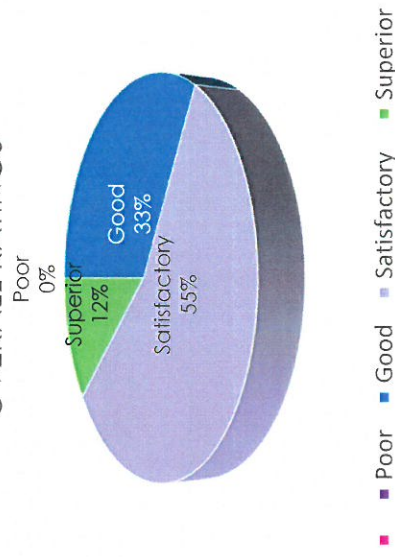
SATISFACTION WITH SERVICES/OFFICERS



LAUTOKA vs SUVA SATISFACTION RATING



OVERALL RATINGS



Q28

Explain the marked increases in the consolidated expenses in 2017 as compared to 2016:

- *Marine services charges*
- *Employee expenses*
- *Other operating expenses*

Consolidated Expenses Summary - 2017

- **Marine Service Charge**
The increase is mainly due to increase in the number of overseas vessels with bigger GRT visiting ports in 2017
- **Employee Expenses**
Job evaluation salary increment provision was booked in the accounts, as there was an expectation of an increase in staff base salary, based on Job Evaluation Exercise. The increase in staff base salary has an impact on other staff benefits dependent on salary, such as bonus, FNPf, sick leave and long service leave.
- **Other Operating Expenses**
Major crane repairs on shore crane Mika and Roba were undertaken in 2017. There was also an increase in doubtful debts, advertising and publicity expenses.



Q33

Enlighten the committee on the Dolphin removals project and whether it has been activated.

Dolphin Removal Project – Status Update

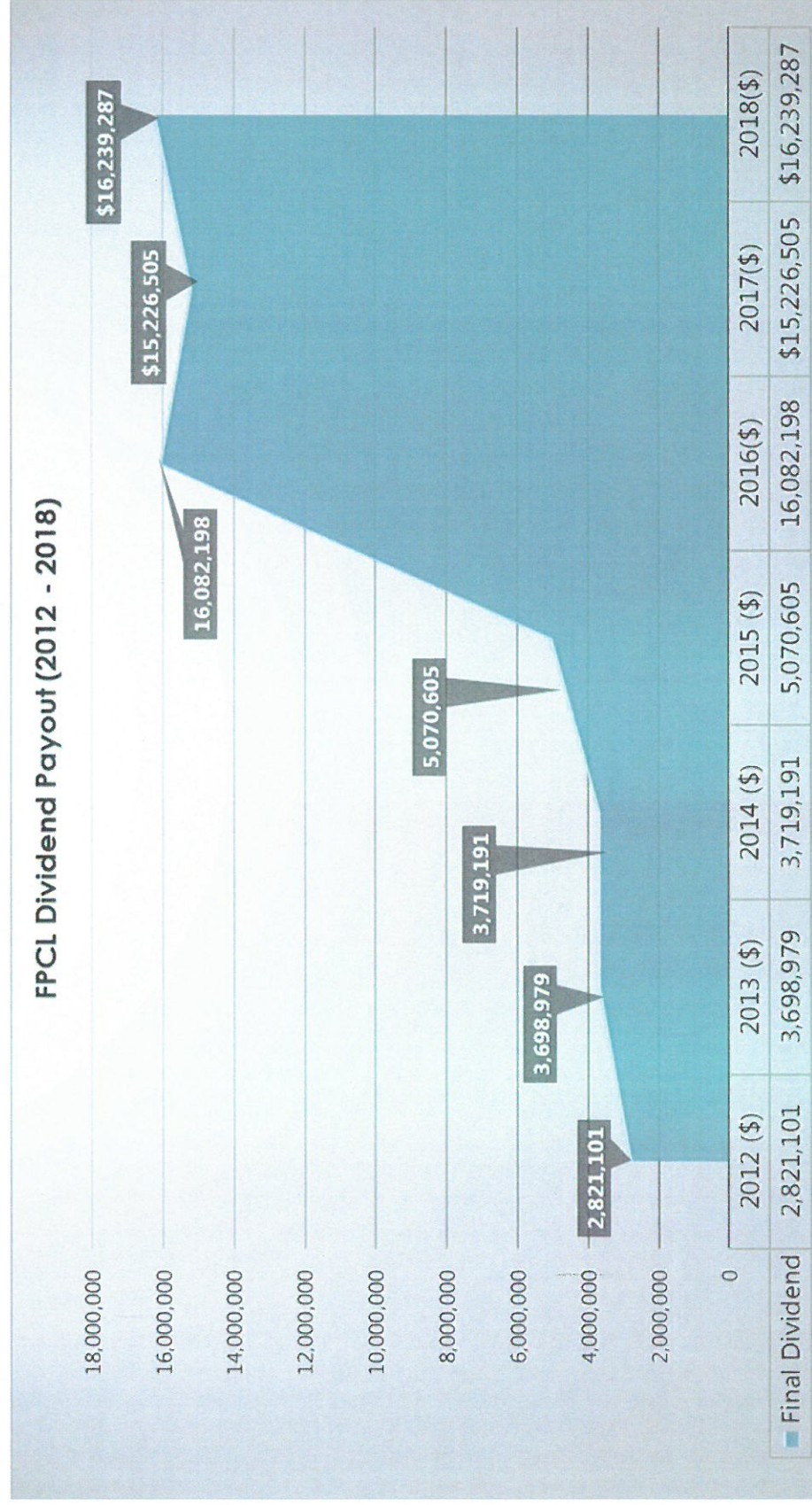


- The project has been activated and is in progress
- Considering the prices from the two contractors, Management has decided to award the contract to All Engineering (Fiji) Ltd to proceed with the removal of Dolphins from Walu Bay.
- The Initial Tender was of a significantly high cost.
- Current Contracted to All Engineering (Fiji) Ltd

Q34

What major achievements have been made as a result of the declaration of FPCL and FSHIL as re-organized enterprises under the privatization and divestment initiative of the Government?

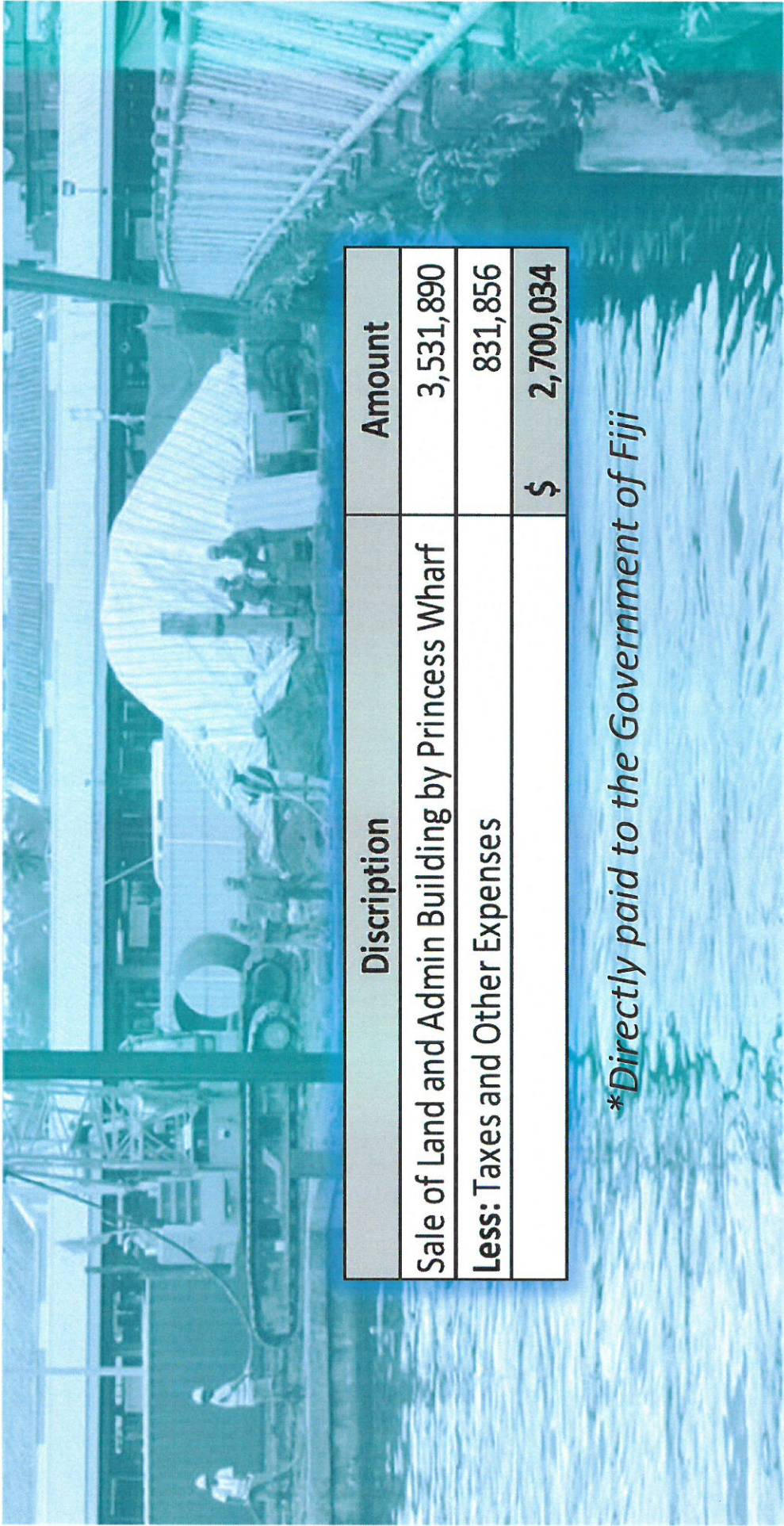
Increased Dividend Payout to Shareholders



Q35

Provide a breakdown of the \$2, 700,034 revenue made on the sale of assets in 2016.

Breakdown on the Sale of Revenues Building - 2016



Discription	Amount
Sale of Land and Admin Building by Princess Wharf	3,531,890
Less: Taxes and Other Expenses	831,856
	\$ 2,700,034

**Directly paid to the Government of Fiji*

Appendix Two

Verbatim Report

STANDING COMMITTEE ON
SOCIAL AFFAIRS

Presentation by: Fiji Ports Corporation Ltd (FPCL)

.....

[Verbatim Report of Meeting]

HELD IN THE
COMMITTEE ROOM (EAST WING)
ON
MONDAY, 15TH JULY, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE SMALL COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON MONDAY, 15TH JULY, 2019 AT 1.41 P.M.

Interviewee/Submittee: Fiji Ports Corporation Limited (FPCL)

In Attendance:

- 1) Mr. Roshan Abeyesundere : Chief Financial Officer
 - 2) Mr. Laisiasa Gonewai : Acting Chief Operating Officer
 - 3) Ms. Karalaini Tukana : Board Secretary
 - 4) Mr. Anare Leweniqila : Human Capital Service Officer
-

MR. CHAIRMAN.- Thank you, Honourable Members and once again, welcome.

Also, on behalf of the Standing Committee on Social Affairs, I would like to welcome the Chief Financial Officer, Mr. Roshan Abeyesundere from Fiji Ports Corporation Limited; we also have Mr. Anare Leweniqila who is the Acting Chief Operating Officer, welcome, Sir; and also Karalaini Tukana; and Laisiasa Gonewai, welcome.

Honourable Members, for your information, the team is here to present to the Committee in regards to the 2017 Annual Report.

For your information, we have gone through the Report page by page, and then we have formulated the questions which have been sent to you. We have received your written response which is with us. I will request you to take us through all the questions and then after your presentation, I will ask our Honourable Members for supplementary questions.

So, thank you very much for your time and welcome. I will now give the time to you to do your presentation. Thank you.

MR. R. ABEYESUNDERE.- Mr. Chairman and Honourable Members, thank you for giving Fiji Ports Corporation Limited the opportunity to come and present on our 2017 Annual Report.

Question No. 1: What are the functions of the Fiji Ports Corporation Limited; and elaborate on its organizational structure?

We are a very, very strategically important organisation. Our vision is:

“To be the maritime gateway in the Pacific Region through facilitating waterborne transportation, trade and commerce.”

We have a strong vision:

“To develop, maintain and improve key seaport and ship repair facilities to enhance the economic growth and prosperity of Fiji - through our 100 percent subsidiary company, Fiji ships and heavy industries.”

We have some very significant core values which we practice very vigorously across the organisation which we could talk through later in the presentation. Now, I hand over the presentation to our Acting Chief Operating Officer as well as the Harbour Master to take you through our functions.

MR. L. GONEWAI.- Thank you, Honourable Members. Fiji Ports have five declared ports, which are managed by FPCL. The four major ones are:

- 1) Suva;
- 2) Lautoka;
- 3) Malau; and
- 4) Levuka; and
- 5) Wairiki is a special port for woodchips.

Suva Ports:

- Handles 54 percent of the total Fiji's export and import cargo;
- Comprised of 72 percent containerised, 25 percent both liquid & dry bulk and rest non-containerized.

Likewise Lautoka:

- Handles 42 percent of the total export and import;
- Comprised of 38 percent containerised rest 62 percent liquid and dry bulk cargo.

Malau (Our third major port):

- Handles 3 percent of the total cargo throughput;
- Comprises of 49 percent liquid bulk and 51 percent of dry bulk.

Levuka (A fishing port):

- Handling 0.22 percent of the total import and cargo export.
- This constitutes 70 percent of frozen fish for the government-owned tuna canner with the balance being liquid bulk.

Wairiki (Specialised for woodchips):

- A dedicated woodchips terminal, commenced operations in 2012, export for woodchips for Japan and Chinese markets.

Second Tier Ports and Local Wharves: Our Second Tier Ports are Wairiki and Rotuma. Wairiki commenced operations back in 2012 and is a private-owned infrastructure under Tropik Pine of Fiji.

The Local Wharf in Rotuma started back in 2010 and handles most of the Regional Shipping Routes, mainly, Tuvalu and Kiribas through to Micronesian countries.

Our Local Wharves, mainly the Suva Wharves: include Mua-i-Walu 1, dedicated for fishing vessels; and Mua-i-Walu 2, facilitates most of the larger passenger vessels going in from Suva out to the Northern and Eastern Islands in the Lau Group.

For the Lautoka Local Wharf, we have two sites: one is under FPCL, which services the small islands in the Mamanuca and the Yasawa Islands; the second site is under the Fisheries Department, which caters for the local fishing industry.

Suva, Lautoka, Levuka and Malau Port Boundaries: These port boundaries fall under Fiji Ports' jurisdiction, under the Sea Port Management Act. We conduct patrol and surveillance within these boundaries. Any illegal activities are being reported to border securities and penalty fines are also issued if anyone is caught conducting illegal activities and also conducting any sort of oil pollution. So, that being said, Fiji Ports Corporation Limited has an enforcement arm and a security department under the International Ship and Port Security (ISPS) which looks into the port boundaries and enforces its responsibilities and objectives.

For our Organisation Chart, I will now hand over to Mr. Roshan.

MR. R. ABEYESUNDERE.- Thank you, Acting Chief Operating Officer. We have evolved over time in our organisation and we have also done a lot of systematic changes to improve efficiencies and then we have centralised the chart functions. Our Human Capital Services Officer, Mr. Anare Leweniqila, who is here has oversight on our Fiji ships, in particular, and IT. We have also centralised it so that we can have the IT infrastructure across the entire organisation.

So, over time the organisation has evolved and even in 2019, we are now taking it to another level which I could talk about as part of another question. Mr. Chairman, let us move on to Question No. 2.

Question 2: Elaborate on the relationship between the Fiji Ports Corporation Ltd (FPCL), its subsidiary, the Fiji Ship & Heavy Industries Ltd. (FSHIL) and its associate company, the Fiji Ports Terminal Limited (FPTL)?

FPCL is 41 percent-owned by the Government; 39 percent-owned by FNPF; and 20 percent by Aitken Spence. We also own 100 percent of our shipbuilding and repair facility - Fiji Ships & Heavy Industries Limited. As part of the divestment, some time ago we would know that the Terminal Operator has divested to Aitken Spence 51 percent, but yet we have 49 percent control over the Terminal.

Our functions mainly are Harbour Master functions, pilotage, tugboat functions, mooring, unmooring, dredging, port security, vessel traffic management, cruise liner services, repairs and maintenance of the infrastructure, shifting, incinerating, weighting, supply of water and shore power, waste management, container cleaning, bunkering and pollution prevention.

Mr. Chair and Honourable Members, it may be worthwhile to note that we have a very humbling situation when it comes to piloting in the Pacific Region. The other countries do not have sufficient professionally trained pilots to bring these big ships in and out of their countries' ports but Fiji, we are very blessed, I would say, extremely blessed.

Under Captain Lai, we have almost 11 trained pilots, and not only that because piloting is a core to bring those big ships safely into the wharf and take it back again.

In the Lautoka Port, we have Captain Peni Jiko as our Harbour Master and we have Captain Mosese as the Deputy Harbour Master, both are Class 1 pilots. What that means is that, any size of ship they are able to bring it in. Similarly, Suva Harbour Master, Captain Lai can bring in any size of ship into our port and take it safely outside which is very humbling because we know from our other brother and sister nations around the Pacific, they are struggling to maintain capacity so we have achieved quite a lot in that space.

FPTL (the associate company) does the stevedoring, cargo-handling machinery, storage, receiving and delivery of the containers. Then, of course, we have the other subsidiary which does the shipbuilding operations. Mr. Chair, can I move to the next question.

Question 3: Provide further information on the financials, reporting channel, and the Board members of FPCL's associate company?

I have already touched that. That point - 51 percent-owned by Aitken Spence and 49 by the Corporation and their directors are given there. The next set of questions, for time sake, I have put quite a number of questions together. These questions include;

Question 4: Inform the Committee on the key challenges FPCL faces whilst trying to achieve its strategic objectives and how it is planning to overcome these challenges.

I will go through and spend some time because I think that is an important thing, Mr. Chair, for the Committee to know about our challenges, and in light of the increasing number of vessels into our ports and how are we coping with those challenges.

Question 17: In light of the increasing number of vessels in our ports each year, what challenges does FPCL face with respect to infrastructure and staffing and how has it managed to resolve these challenges?

Question 29: What have been some of the challenges regarding the implementation of FPCL's Risk Management Policy?

One of our key challenges as you are aware is the aging infrastructure of our ports. It is very significant so over the years, we have done a lot of assessments. In another question, I will give more details on what are the projects as per the 2017 Annual Report, we have elaborated and done that very successfully in the 2018 Annual Report. Also, we have taken it to another step further. So as we are dealing with 2017, we have undertaken a lot of wharf assessments and looked at risk matrixes because everything is to do with the return and investment risk as well. So we have cleared a lot of space so that more containers can be handled in Lautoka.

We are taking that to another level to develop our infrastructure in Lautoka, especially because we want to very quickly get into a cargo ports separation for Suva. As you know, the Suva Port is in a very strategic location, so we want to convert the Suva Port to a Tourism Port like for cruise ships (which is in another question which I will cover in detail), and then migrate the Suva Port into a specialised cargo location (which is dealt with in detail in some of my other response to questions).

What we also would do is to change the organisation capacity. We are partnering with a local consultancy company and looking across all functional areas to improve our efficiency, Mr. Chairman and Honourable Members. Because we had a culture that everyone gets a bonus in the past, but going forward, the Board of Directors are very conscious that we put in a very robust mechanism. We have already put that in place for the 2018 financial year. We will fine tune it in the 2019 financial year so that, for example, each role has to demonstrate what are the key projects or key value drivers that they have provided in that section. We have documented in a PMS System, where our Human Capital Services Manager, in another question could probably elaborate.

Question 5: How does FPCL ensure that both male and female employees are treated equally in recruitment, training, hiring and promotion?

I guess proof of the pudding is just to look at some of what we have done. Today, we have brought to this location today our Transport Assistant to meet with the Committee who is a female staff member, this is very rare in a Port environment. If you look, there is a very big succession plan, a Personnel Assistant working for Captain Lai, Stella has been there for many years. Now she is running our Local Wharf after Marika retired after many, many years.

We have not been complacent, we have benchmarked our organisation with United Nations Port Performance Indices. This is just one indicator relevant to this question, because of time, I will not go through the other indicators but across the board, we have benchmarked and we are happy to share that with the Committee. In the Pacific Region, all the misconception that ladies are not in a Port environment, we have employed and we are consciously employed and have also carried a progression path for a lot of ladies in our organisation.

One of the challenges, Mr. Chairman, that you may want to consider is to retain. One of our young engineers, Nanise, was an excellent engineer but we are unable to retain them because they go overseas for scholarships and to provide better life and opportunities. That is the challenge, but again we keep on the recruitment process robust to get whatever staff that we can with gender neutrality and traditional neutrality.

Question No. 6: Does FPCL align itself to any Sustainable Development Goals? If so, can you further enlighten the Committee on this?

We have an Environmental Policy which is very strong, we are part of making a Green Port which we will discuss in length later on. We have Green Energy, another consultant across us which we are implementing - Green Energy Project. We are having an internal engineer who is again in charge of the Green Energy. Nanise was in charge of that project before but now we have replaced her as she has moved on. So a lot of initiatives to manage the environment, expect a lot of training in Air Quality Management. For example, our lighting in our wharves are all done with new technology and all energy efficient lighting, and then we have a lot of training done in collaboration with other agencies to protect social and environmental outcomes that really need to happen. You can see in one of these snapped photographs that our CEO has got even an award for the environment from the US Embassy.

Then when certain unforeseen catastrophe, like the Southern Phoenix happened, we have planned that we would sort of get into gear and support clean-ups in various specific area, like Captain Laisiasa touched on this as well, how to mitigate that risk. We have very structured programme under Energy Management and Environment doing energy audits, Waste Management Pollution Control Training and Audits, which is part and parcel of what we do in our day-to-day work.

Of course, on a practical contents, we do a lot of clean-up work. We get together and it is a very socially responsible and an engaging way of the staff to get our staff involved in collecting plastics and working with sort of other agencies in this particular photograph. You can see we are working with Captain Hill and that is myself there and the whole team collecting plastics and the rubbish. That was the project with MSAF.

Question No. 7: Update the Committee on FPCL's future plans and initiatives.

How we are focusing to establish necessary focused on strategy and Strategic Plans, do we have Strategic Plans? Yes, definitely, we have a Strategic Plan and that has now been brought into another level. I would want to spend a bit more time on these pictures, I guess the Honourable Members and Mr. Chairman would be very interested to know what we are doing as an organisation for the future of the country and the Port. We have formulated the six pillars strategy to go forward. For example, under governance to protect shareholding integrity and transparency while achieving a balance between commercial and social deliverables.

Under infrastructure, which is a key area, invest strategically to ensure necessary availability and fit for purpose facilities while investigating future asset options for long term efficiency and productivity.

Under finance, to spearhead the commercial and financial stewardship of FPCL and to ensure the shareholder value is enhanced in the midst of implementing capital intensive projects.

Mr. Chairman and Honourable Members, this is not just words for the sake of words, the next page has more details and as well as each of these key strategies have a number of deliverables, for example, the finance deliverable has 18 activities under finance that we have to commit. We have already committed to deliver for the next five years. Similarly, in the infrastructure area, which is quite critical, the operations team, headed by Captain Laisiasa, have gone out and looked at alternate sites for the cargo port which is navigationally possible to do. Now we have to do a higher level of feasibility because when you are building a new port, it has to have a lot of other details looked into, like navigationally on the sea route, it will be all right which we have done that, but how about the internal challenges that we can face, the land issues and the mobility of containers, all those are worked through in our next stage of this feasibility where we are engaging with the ADB and the likes at the Government level also to get assistance.

So what we are doing here is that in the plan we have broken into areas, for example, in 2021, we note that we had to do a detailed design, so that we take some of this work, identify the location, try and complete a feasibility and then try and do a detailed design on the infrastructure for the Cargo Port.

This is just a nutshell that I am presenting to the Committee, Mr. Chair. There is a huge depth of work beneath these initiatives in detail that we have mapped out. We have to carry out each of these initiatives one by one. For example, wharf assessment, structural assessment, we have Cardno Australia to come because we do not have the local expertise to do a structural assessment to the existing infrastructure, and then we have got them to prioritise it based on risk, so that risk will be mitigated, how can we mitigate by spending for the maintenance work.

So we know in the next phase, we have to spend about \$9.2 million for the high risk activities to strengthen some of the piling in Kings Wharf and the Princess Wharf area. But at the same time we know we have challenges. Now, we are taking the dolphins out from the Walu Bay area, but we cannot do the dredging because it is not strong enough to do the dredging, because if you dredge your wharf structure it can just get jeopardised. There are competing priorities, Mr. Chairman and Members, that we are navigating across.

Question 8: Brief the Committee on the maintenance works carried out at the major wharves in the country and the future plans with respect to the expansion of these wharves.

If I may move on, Mr. Chairman, what are the works carried out at the major wharves area? We are given some photographs at the moment, this is a very interesting photograph about what we are doing there at our Local Wharf.

Mr. Chairman and Members, the Social Committee, we know that we have spent a significant amount of money on our Local Wharf, and our return is almost nothing. For example, if a Lomaiviti Princess Vessel comes and docks there for 24 hours and do whatever they do, we earn only \$200 for 24 hours. Each passenger is charged \$70, I was told, each truck is charged \$1,500, and I can table this even, Lomaiviti Princess I, \$200, it is so small. Some of these are embarrassing even to mention these rates per 24-hour window.

If you visit our Local Wharf, I have some photographs put there as well, maybe at a later stage, I will show you. We have done that waiting area, all the toilets are maintained by us, all the security is maintained by us. We have, I think, over 12, quite a significant amount about security and we have Captain Pau who is overlooking that, Stella, managing the Team. So we do a lot for the Social and at a significant loss, and that is overcome, of course, by the international vessels. Captain Lai and the Team bringing over 2,100 international vessels a year in all our ports, not only Suva, 2,100 international vessels, it is a big number so we get the money from there and we spend a lot in our Local Wharf area.

Also we are developing Yard 3 and Yard 4 in Lautoka. We have commissioned AECOM, which is a large Australia infrastructure company. Both the yards are about a \$12-million project. The idea there is Lautoka Region, because the initiatives are growing, we want to be future-ready or future-proof, so this project is already on the go. We have tenders, now Yard 3 is in the tender evaluation stage, so that when the country grows, the West hopefully would expect to be growing faster and then that region can be catered by our Lautoka Port while we take time to build our new cargo port to replace the Suva Port.

Question No. 9: Provide details of the work carried out in 2017 and a breakdown of the costs incurred.

We have done:

- Computer Upgrades;
- CCTV Upgrades;
- Fabrication of Mooring Buoys;
- Upgrading of Pilot Boat Engine;
- Revamping of FPCL website; and
- Shed 6 Office Upgrade.

We have a lovely facility now. If you could take the time to come and see the Harbour Master's Office, it is very professionally done.

Then we have also a pilots' lounge which was recently done. There were some photographs in the papers, so that has been constructed, the pilots lounge and the tourists lounge as well. We have done a quite a bit of conditional assessments, as I earlier touched on.

Question 10: How has FPCL developed in its role as a landlord Port since the PPP in 2013? Identify the problems which were existing under FPCL and how have these challenges been addressed since becoming a Landlord Port in 2013?

The United Nations says (and this is not my saying) that, "It is a challenging thing to do a landlord environment in a current context." But having said that, we have managed very significantly as you can see in transforming this organisation where our CEO and Management play a very strong role with our internal team. The vision for us is to be an intergraded facility with more modern technology adopted.

Quite a lot of new technology is adopted, and I will cover that in another slide. Our challenge, as you know, is like, national interest and profitability. There is a slide on this where even Fiji Airways has the same challenge to make profitability but to have the national interest at heart, like how I explained to you, Mr. Chairman and Honourable Members. The classic example is the investment, maintenance and operational cost of our local wharf because our Return on Investment (ROI) and Internal Rate of Return (IRR) that we get is hardly anything and there are some challenges relating to that.

Question 11: The Committee notes that FPCL properties were transferred to Assets Fiji Limited to be leased back to FPCL. Has this process been completed?

Asset Fiji Limited, as you know, now owns our properties. Out of the 40 properties that we used to own, now 33 were transferred. Two properties have a bit of title issues, missing titles which we are working on, and five properties required to be resurveyed which is also in the process.

Question 12: How does the FPCL Group's strong financial standing impact on Port Planning and maintenance of port infrastructure?

Again, just to give some of those, this is very relevant to the 2017 Annual Report, but after that we have done a lot of work. Refurbishment of Security Huts and there are a few photographs later on as well, to see how we have cleared our sites and include cargo-handling capacity.

We have built a lot of steel drains and work on the wharfs and developed some of the local wharfs, even in Lautoka.

Question 13: How well-trained are the staff in handling the latest intelligent IT systems of the 'smart' ports?

This is a very important area which I myself is very passionate about, so that we have a fair significant investment on IT. We are proud and very humbled to say that we are on the cloud now, I do not know whether you gentlemen and lady may have seen, so we are up with the big countries.

We are working on Microsoft 365 and we have adopted those technologies into our organisation. So anywhere we are, recently I was overseas, and I was able to connect into my network and do my work as if I was in Fiji. It did not take me three minutes to get into the network. If the Wi-Fi network is happy, I can bring my laptop and connect from here to my network. So, Office 365 migration is 100 percent complete, client and security application is 100 percent complete, and internet band with upgrade, because to do all these, you have to have a big bandwidth so that is why we struggle when we go to another location. We do not have bandwidth, so we have improved the bandwidth.

Help desk solutions; we have got internal helpdesk, monitoring all the requirements of our staff and liaising with the human resources whenever a new staff is recruited. They train them very well on how to use that. So all the firewalls for security have been upgraded, office meeting rooms and all the cabling to the infrastructure, not only the technology. You cannot just go on the cloud, you had to get the infrastructure, so all those have been developed and how the Wi-Fi system across the organisation has also been improved.

The domain has been upgraded, network vulnerability assessments are also being carried out and even our internal space. If you visit our Mua-i-Walu House, Level 5, we have now redesigned it to a modern office where the IT Department is. You get on screen, each area of complaints, when someone calls from Lautoka or even Malau, it is logged in and resolved, like a very professional environment setup. Even the voice area, the phone system is also very modern which goes with cloud-based technology.

Our next step in this journey which we have spent a lot of time on is the Vessel Traffic Management System. To introduce the Vessel Traffic Management System which is already out for tenders, we are in the evaluation stage. Some of these large projects take a lot of time because when we try to implement it, there are a lot of critical challenges at the moment that we are navigating through, by the end of this year we should be able to have that actually mobilised because we have to work through all the challenges of the Vessel Traffic Management System.

Question No. 15: What security measures and monitoring mechanisms does FPCL have in place to curb the high entry of drugs into the country?

Mr. Chairman, we have quite a lot of systems improvements done with security control and access control. We have to be in compliance with the Information Systems Security Policy (ISSP), the international

security agencies around the world to get accreditation which we are accredited to and then there is a team reporting to Captain Lai, who manages all that.

We have regular training which is there in our presentation. We have access control systems, cameras and authentic security barriers, signal lights, security cabins and speed humps and especially, Mr. Chairman, access controls. There is a photograph of the latest integrated access control system that we have implemented and I encourage the Honourable Members and Mr. Chairman to visit our office so that we can give you a demonstration.

This is, again, for the local wharf where we do not get any ROI or IRR, and we are hoping that Christmas time congestion next year even will reduce. I think this year, it was better than the previous year so it is continuous improvement, Mr. Chairman and Honourable Members, so we have put a very sophisticated access control mechanism for the local wharf with cameras and barriers.

We also have a good risk register and the entire risk register is now maintained. We have a Risk Expert Mr. Jope, whom we have recently recruited to do that.

Would you like to speak on the derelict removal on Question No. 18?

MR. L. GONEWAI.- Thank you, Mr. Chairman.

Question No. 18: Derelict Removal:

(a) What progress has been made in regard to the removal of derelict and dangerous vessels and what has been the associated costs of their removal? How many of the derelicts are fishing vessels?

We started off this campaign back in 2011 and from 2013 to-date, we have removed about 28 derelicts from the port boundary of Suva and scuttled them in the approved position given by the Maritime Safety Authority of Fiji (MSAF) out into the open seas.

Recently, we removed two major derelicts from the Government Shipping Services area, namely, the *MV Tovuto* and *MV Sea Love*. It took us about three-and-a-half months to remove it. We engaged a local company to do this removal for us. The cost of removing the *MV Tovuto* was around \$220,000 and *MV Sea Love* was \$85,000.

The other major one that we removed this year was the *MV Southern Phoenix*. It is well-known that it went down in 2017 and in exactly two years, we had it removed in May by an international salvage company.

As it is, there is a total of 22 wrecks inside the Suva Boundary, 14 wrecks have been identified as priority and seven wrecks have been identified as high priority. We had earlier requested assistance from the Government through MSAF on the usage of the environmental levy. We have put out tenders for the removal of these 14 wrecks which amounted to \$6.4 million.

Then we prioritised and reduced the number to seven. It was also tendered and we did receive a tender from overseas, an international company and we did request another assistance from Government through the usage of the environment levy. It cost us around FJ\$2.3 million.

To date, Sir, we have not received anything from MSAF or the Government. At the moment, we are liaising with some of the local counterparts, if they can streamline and assist us on the removal of these smaller wrecks.

MR. R. ABEYESUNDERE.- Thank you, Captain Lai, and thank you, Mr. Chairman. Just to add to the removal, it is a very complicated issue because it is generally done by the insurers and the insuring companies can become very difficult to manage for the shipowners. Some of the shipowners, who do not even have insurance, although we manage the international way very strongly.

This is something that FPCL really has navigated strongly. There is another slide in your pack. We have brought 13,000 ships safely from 2010 to 2017. But there is, as Captain Lai said, only 21 vessels that have gone under, so it is relatively a very small amount.

All those vessels which are derelict vessels, have a story behind them where, either the owners have deserted the vessels and we cannot locate the owner or the insurer, but as you can see, proactively using FPCL's own funds, we have removed quite a number of vessels already. There are few more which we are working very closely with the other agency MSAF, in particular, to see whether we can get some joint funding where we also contribute and try and see whether we can sort out the entire issue of other few derelicts. But as you see, every year we are at least focussed on two or three and two vessels and the big one, *MV Southern Phoenix* is now a non-issue.

Question 19: *What assistance does FPCL provide in overseeing the operations and ISPS requirements of the following ports?*

- *Malau Wharf*
- *Rotuma Port*
- *Wairiki Wharf*
- *Vuda*

We have like an overarching responsibility and having said that, we have no strong plans to develop the other ports as such because we are concentrating heavily on Lautoka and the Suva Port, mainly because now it is about ROI and IRR and all that type of thing and also we have to cross-subsidise some of the social initiatives like what I have mentioned to the Committee. The Board is contributing significantly to the social initiatives as I have shown in the slides and then over and above that if you are to do all the other smaller wharves, that will not be economically viable to our organization.

Question 20: *What standard requirements need to be met by port owners in the maintenance of ports?*

There again we have touched on that a bit based on the Annual Plan. There are a lot of areas; ASPS requirements and there is the environmental issue that we need to do.

In the next page, you could see a visual that I had mentioned earlier the Mua-i-Walu local area, how we have fenced and access-controlled it and improved that environment for pedestrians as well as on the other side we have waiting sheds managed by our staff. We have our cleaners, security people, wharf attendants - all paid by FPCL; quite a significant number working in that environment. Then we do CCTV monitoring and also provides space for the container facilities. These photographs are mainly in Lautoka; all these are now cleaned. These are removed to provide space.

Air Quality Monitoring, demolishing of sheds, all that type of work is carried out as a landlord operator.

Question 21: In light of the increasing size of cruise vessels and tourist numbers in Fiji, does FPCL have any plans in place to allocate berthing specifically for cruise vessels?

What we have been doing, we have many designs to convert the cargo terminal plus cruise terminal in Suva to a dedicated cruise terminal. So we are evaluating a number of options alongside taking the cargo port away, that again is quite a complex scenario. We were even planning a little arm which is in one of the slides to do an extension, just going to the restaurant site and now to do something like that is quite a significant investment. So, just to demonstrate that, we have looked at so many options. It is now highly likely that maybe it is better off to do the main wharf to convert that into a cruise terminal rather than adding because although we would love to add another extension pier, the challenge is the environmental risk, the investment risk and then also you have to attract multiple cruise liners to cover the cost of building a specialized arm on the water. So instead of spending the money on the water, it is more cost-effective to spend the money on the existing wharf structure which we have.

We have done small steps already, like the Cruise Terminal that we have just opened so that we have that facility for passengers, toilets for the passengers and then for the pilots. They do not have to go home if they have to work back to back; some accommodation if they want to stay for the next run because some of the pilots travel quite a bit. We are looking at quite a few options there for the cruise which is now moving into the five-year strategic plan.

Question 22: Could the MV Southern Phoenix accident have been avoided? What is FPCL doing to avoid such accidents in the future? Was any compensation paid by Cruz Holdings Limited to FPCL regarding environmental damages caused?

Probably, I would love to say, "Yes", but having said that, as I earlier said that we have done through the great team that Captain Laisiasa is leading - 12 pilots, all locally trained pilots who have safely brought 13,000 international ships from 2010 to 2017, Mr. Chairman and Honourable Members. So, yes, we have a few which really goes, it is unfortunate circumstances can happen but it should be noticed that in the region, this is even a stronger issue because there are a lot of older vessels moving in our region. We are, at the moment, having controlled mechanisms to protect the older vessels coming in and see that we can "nip the problem in the bud", but because of the sheer quantum to monitor that, is a challenge. But now we are enforcing some of the insurance protocols stronger, we have beefed up our risk and compliance area, we have beefed up our area of internal project management, we have brought a civil engineer who was an ex-Major in the Fijian Army who comes with a lot of experience to help us in looking at a holistic management approach of delivery of projects and implementing some of the controls. So that is how we want to progress that matter.

Question Nos. 23 and 30: Pages 37 and 38 of Annual Report (Technical Services - Engineering Highlights)
Provide confirmation on whether the pending works as mentioned in Pages 37 & 38 have been completed.

It is specifically for Technical Service - Engineering Highlights. Provide confirmation on the 13 key priorities and how we are moving on with that. I have given there a table, these are very directly relevant to the 2017 Annual Report. So most of those projects - Harbour Master' Office is really modern now, it is completed; Security Offices is completed; painting is an going process; installation of standby generator is done; replacement of steel drain is completed; then, of course, the dynamite house (we have a bit of challenge there), it is pending; however, the rest, we have moved to do and complete most of those; or the others are in progress because of either feasibility or the complexity of the projects.

We have also done a Job Evaluation Exercise, again, I think in Page 61, you have picked that up from our Annual Report, which is a very good question, Mr. Chairman and the Honourable Members. That was a very extensive exercise and we are very humbled and proud to report that in our organisation, we have benchmarked

Fiji Ports with 111 Fijian organisations. We have brought our staff onto the top quartile; the top 25 percent of the 111 companies in Fiji. Then we have moved the Staff Salaries to the 80 percent of that top quartile and now we have a system that we are progressively bringing them up to even 100 or 115 percent of the top quartile.

So, Mr. Chairman, some of our staff soon or even now will be very well looked after. Our security guards' hourly rate is \$5.38, the Cleaners are also on that, when you add FNPF and all that (that is the lowest level), they get about \$7 plus of the other benefits and they get overtime and all that. So we have systems to look after our staff.

Question 24: Which company has FPCL appointed to provide dredging services to maintain enough draft in the harbors of Fiji's Ports of Entry?

This is about dredging. We have facilitated a project for Lautoka with the AMEX Dredging Project. But again the dredging will be purely on the IRR and the ROCs of a project because these are very expensive items to mobilise and as you would know, it is not like spending \$10 million on a dredging project.

There is a thing, Mr. Chairman and Members, called "silting". So as soon as you dredge something, it silts even if you go to a little river, when we were young I could remember, we used to dig a hole in the river and soon after a while it can get silted. The same principle applies, even if you dredge a hole in the sea. So that mechanism can yield negative benefits for organisations if you do not spend extensive money to protect it and also you have to consider looking at the other structural impacts that it will have on the environment and to the existing facilities. So we have navigated, we have plans but these are only implemented if they can yield a return on investment sufficiently.

Question 25: Provide further information on the categories of contract staff employed by FPCL and whether there is an impact on service delivery as a result of these staff being on contracts?

MR. R. ABEYESUNDERE.- Mr. Chairman, I will hand over to the Human Capital Services Officer.

MR. A. LEWENIQILA.- Thank you, Mr. Chairman. For us, we have two sets of staff: one is our contract staff who are paid on a fortnightly basis and the second one whom we call "support staff" are paid on a weekly basis, they provide support to the team. Currently, we have a total manpower of 157 with the contract staff: 61 males; and 27 females (70 percent of the contract staff are males; and 30 percent are females). For support staff: males, 61; and the females, 8 (89 percent of the support staff are males, 11 percent are females). So for us going back to the equal employment opportunities, we are really promoting ladies (women) to this male-dominated field.

MR. R. ABEYESUNDERE.- I will just pick up from there, Mr. Chairman. On expatriates, we have only two expatriates in our organisation, the rest of the entire organisation are local.

Question 27: What are the main customer complaints as gathered from customer feedback forms and customer surveys; and how has FPCL strived to address these grievances?

What are the main customer complaints gathering process? So we have again quite a lot of technology we use, about like; "please, rate me" when they come to our reception; and then we monitor these statistics and give the feedback to our cashiers and our people who are at the front as well as at the back if it is relating to operations, finance or technology issue. That is going into the Performance Management System (PMS) and we manage that very tightly through the Performance Management System.

Question 28: Explain the marked increases in the consolidated expenses in 2017 as compared to 2016:

- **Marine services charges**
- Employee expenses
- Other operating expenses

Explain the marked increase in the Consolidated Expenses in 2017: Mr Chairman and Members, this is relevant to the 2017 Annual Report.

Marine service charges: the increase is mainly due to the increase in number of overseas vessels with bigger Gross Registered Tonnage (GRT). Gross Tonnage vessels are measured in the size of their tonnage, so there is significant increase on a bigger number of vessels coming in.

Employment Expenses have significantly gone up. Again, as I said earlier, we have implemented a Job Evaluation Exercise. The salary increased across all the grades from Band 1 to Band 8. Every grade has been increased to market rates and over market rates. Now we have a system that we are rewarding staff based on their performance on how they create value. Even very recently, there were two batches that the Management will give them letters and a morning tea, and also an increase in their salary because they have proven:

1. They are competent, because they have gone through a competency assessment programme;
2. In their PMS, they have done very, very well. So we have brought in staff from all areas including our staff members from Levuka and Lautoka are coming in and then we thank them.

So all that expense of increases have gone into the 2017 Annual Report, we started that; in 2018, actually, it is even more. So we are in a journey to re-energise the organisation, to make, as I earlier mentioned, in the technology area we are developing, and operations, we are at a higher level, we are benchmarked with the UN Indicators. But, we also want to attract the right talent into the organisation which is again a bit challenging, Mr. Chairman and Members, and retain the right talent, and we are paying fine excess of the normal market rate as I explained. As you have said, our cleaners and security guards are earning like the minimum is \$5.38 without overtime, without FNPF and without all the other benefits that they are given, I was explaining that earlier as well, Sir.

Operating Expenses have increased mainly because we have been repairing these cranes and that crane expenditure has been quite significant.

Question 33: Enlighten the Committee on the Dolphin removals project and whether it has been activated.

About the removal of Dolphins in the Walu Bay area, this was written in the 2017 Annual Report as well. The challenge there was the cost, it was a significant cost to remove the dolphins from Walu Bay. But, the good news is now we have engaged and contracted All Engineering (Fiji) Ltd, and in the next two or three months, they will remove it at a lesser cost. Even that is over \$100,000, but initially it was multiples of that, that was quoted to remove those dolphins.

Question 34: What major achievements have been made as a result of the declaration of FPCL and FSHIL as re-organized enterprises under the privatization and divestment initiative of the Government?

How we have helped in the initiatives after the privatization - A lot of these benefits which I spoke about have evolved because of the initiatives that had happened in 2013 and 2015. Progressively, the Management and the Board have been able to energise and re-invigorate the staff and outputs. It could be noticed, of course, the Port in itself is an efficient operation compared to what it was probably some years back, and I give this example Mr. Chairman and the Members, when I get the opportunity to speak to a lot of forums that we take it for granted that even in the offices that we sit in, 95 percent of this stuff, Captain Lai and the Team, have brought inside and

have arrived in our offices and even in this room. So all that efficiency related to that was happening before, but now the turnaround time and all that has increased quite significantly.

We are not hamstrung because of any one given reason, and we have a very committed team. Mr. Chairman and Honourable Members, Fiji Ports Corporation Limited, I could say “hand on heart” that we are like a family. I can give you a lot of examples of how we have worked as a team and developed those initiatives, and the results speak for themselves. We have given back to the shareholders over time significant amount of returns that we have done.

So, coming back to the final question, thank you for your patience, Mr. Chairman and Honourable Members.

Question No. 35: Provide a breakdown of the \$2, 700,034 revenue made on the sale of assets in 2016.

What happened to the \$2.7 million revenue made from the sale of assets in 2016? That is where the Chinese friendship bridge is, so we got \$2.7 million and immediately we gave that to the Government, that is what happened to that money, because that is not our money. The Treasury was given that money. Thank you, Mr. Chairman and Honourable Members for your patience and listening to us.

MR. CHAIRMAN.- Thank you, CFO for Fiji Ports Corporation Limited and also the Acting Chief Operations Officer, together with the Team for your presentation. I must thank you for providing all the answers as per the questions that were sent. And for your information, we are happy with your performance. We must thank you for whatever you are doing.

As a Committee, it is our duty upon receiving an Annual Report to scrutinise and report back to Parliament. That is why we have raised so many questions and there will be more questions that will be coming in, but I would like to tell you that we are happy with your performance.

The first question that I would like to ask is in regards to the 28 derelicts that were removed. Who paid for the cost of those 28 derelicts that were removed as per your information?

MR. R. ABEYESUNDERE.- The Ports Fiji Limited paid for the derelicts and *MV Southern Phoenix* was removed by the insurance money that the *MV Southern Phoenix* got.

MR. CHAIRMAN.- Who should be paying; who is responsible; is it the shipowners?

MR. R. ABEYESUNDERE.- Yes, the shipowners.

MR. CHAIRMAN.- So, you were not able to locate the shipowners, that is why you are going to the government for the 7 high priorities and the 14 priorities to be removed?

MR. R. ABEYESUNDERE.- Yes, not necessarily Government. We will work with MSAF because MSAF also have some funds, and then jointly we will try and do that. We have other options as well. We have been speaking to certain governments which can help us. We have also spoken to certain development agencies under their economic environmental banner for the Pacific, whether we can draw down some funds. So, a lot of options are explored, yes.

MR. CHAIRMAN.- Thank you. Also for your information, we would like to come and visit the Ports. We will see if we are not tabling this Report during this coming Parliament Session, definitely we will be visiting the Ports and our Secretariat Team will be in touch with you. We want to actually see it for ourselves because

when you spoke about the dolphins while going through the Report, we thought, “Why should we remove the dolphins, it should be attractive to our tourists?”

(Laughter)

We need to know about our ports. So, definitely we will see how we can make it to the Ports and see for ourselves how we are doing. Honourable Members, questions or supplementary questions.

HON. S.R. RASOVA.- Thank you, Mr. Chairman and thank you lady and gentlemen. Thank you very much for a very well presented Report, given that we have always argued about Fiji Ports Corporation in Parliament. As I am a Member of the Opposition, we go and hunt things about your company because of the small complaints that come to us. Given that you have reported directly to me, now I know a bit of story in there which is a very, very high profile Rreport that I wish to assist.

Take for example, the derelict removal. The resource owners are out there at sea, you have taken those derelicts and you have put it back into the sea. Is there any way that it can be taken to land to stop the poisoning or whatever

MR. R. ABEYESUNDERE.- Mr. Chairman, Captain Lai can explain the scuttling process.

HON. S.R. RASOVA.- Thank you.

MR. L. GONEWAI.- Thank you, Honourable Member and Mr Chairman. On the scuttling or the removal of these derelict vessels, a feasibility study had been conducted by MSAF. They have identified that the proper area to scuttle these vessels is more than 1000 metres depth of water. So for us to go into scuttling operation, we normally put application for that, and that has also been in consultation with the Department of Environment. The Department of Environment have given their consent as well regarding the scuttling of these vessels but to be more than 1000 metres in water depth.

For the removal to be brought onshore, we still do not have any local company that conducts scuttling for shore-based because a couple of years back, there was this overseas company, they came in for the cutting up of ships to be filled into containers and re-send to Asian markets for recycling, that was back in 2012 or 2013, I remember. But after that, the market cost for that went down then they returned to their countries. At the moment, we do not have any local company that does shore-based scuttling.

MR. CHAIRMAN.- Thank you for that information. How is it done in other countries, both land and sea?

MR. L. GONEWAI.- Yes, in other countries, they do both, land and sea.

MR. CHAIRMAN.- All right. Thank you. Honourable Salote Radrodoro.

HON. S.V. RADRODRO.- Thank you, Mr. Chair and thank you for your presentation. My first question is on the sale of land and administration building by Princess Wharf. If you can just provide more information on that. As I ask that question, I am thinking about the limited space in the wharf area in regards to future extension, infrastructural development, I am interested to know why would you sell a piece of land that is near to the wharf and could be very useful in the extension and those kind of infrastructural extension of the wharf? Thank you.

MR. CHAIRMAN.- Thank you, Honourable Member. Yes, CFO.

MR. R. ABEYESUNDERE.- Madam, the land was sold to the Road Development Project because that land was obstructing the making of the bridge. Maybe the Board Secretary can add to that.

MS. K. TUKANA.- The Fiji Roads Authority applied for the land because they wanted to build a bridge there, so we were required to remove our building from there, so the Government, through the Lands Department, has already approved the construction of the road and removal of that building.

MR. CHAIRMAN.- So there was a construction of road and the bridge?

MS. K. TUKUNA.- Yes.

MR. CHAIRMAN.- And this particular property or the land was obstructing?

MR. R. ABEYESUNDERE.- Obstructing it, so I think the bridge, Honourable Member and Mr. Chair, has brought in quite a lot of benefit to the congestion. We were obstructing that, we gave that over then.

MR. CHAIRMAN.- Thank you, Honourable Member. Yes, Honourable Rasova.

HON. S.R. RASOVA.- This is the one near the Suva Market, that piece of land.

MR. A. LEWENIQILA.- Yes, the Stinson Bridge.

HON. S.R. RASOVA.- All right.

MR. A. LEWENIQILA.- A few years back it was closed. The Government requested FPCL if we could sell that FRTL Building just opposite the market, together with that portion.

MR. CHAIRMAN.- That is the new bridge that has been constructed?

MR. A. LEWENIQILA.- Yes.

MR. CHAIRMAN.- All right.

HON. S.R. RASOVA.- There is still a piece of land there, who does it belong to now?

MR. A. LEWENIQILA.- It is still under (FRA) but Ports have written if we can acquire that small piece of land.

MR. CHAIRMAN.- Whatever is left after the construction?

MR. L. GONEWAI.- Yes.

MR. CHAIRMAN.- All right. Honourable Nagata?

HON. A.T. NAGATA.- Thank you, Mr. Chairman, and thank you for your presentation.

MR. CHAIRMAN.- What about the ports in Korea and other places?

(Laughter)

HON. A.T. NAGATA.- Can you tell us more about Aitken Spence?

MR. R. ABEYESUNDERE.- Yes, Honourable Member and Mr. Chairman. Aitken Spence creates the role in the divestment of the Fiji Ports Terminal where 51 percent of Fiji Ports Terminal is now owned by Aitken Spence. Of course, we have 49 percent share of that and then, of course, in the Private Public Partnership (PPP), Aitken Spence also got the opportunity to invest. I believe the synergy is because there are large conglomerate in Sri Lanka and also have exposure to shipping and maritime for many, many years.

I know the LLOYDS Agency has been there for more than 150 years with Aitken Spence. It was originally by two British men, namely "Aitken" and "Spence" who were their names. It is about a 150-year old company but, of course, now owned by the locals because it is long gone that Ceylon or Sri Lanka being a British colony, so a very large conglomerate there has come in and done this investment in the Terminal, in particular.

MR. CHAIRMAN.- Thank you, CFO. The other question is in regards to the local ships, as you have mentioned, compared to the ships coming from overseas, the amount of port fees maybe they are paying, the charges and compared to examples given like Goundar Shipping, standing there for 24 hours and paying \$200. There are other fishing vessels that are coming in, other vessels that are moving around Fiji, smaller vessels too, are you thinking of any review that will be taking place?

MR. R. ABEYESUNDERE.- Yes, we are in the process of putting up a proposal. You would know, Mr. Chairman and Honourable Members, our tariffs are governed by the Fiji Competition and Consumer Commission (FCCC) and, of course, we have the MTD as well, that is again another law. But for this purpose, it will be FCCC.

We are right in the process of putting up a proposal to increase some of those tariffs. Again, even if you do a 100 or 200 percent increase, it will not give us any ROI because we spend so much for those operations. While we will be putting these processes but will take a bit of time but we are very cognisant that that is something that we need to do and we are, right now, putting up a proposal.

We had a proposal done already some time ago (that was last year or the year before), but that got stalled after a lot of discussions, but I think now we want to push it strongly and our Board is also very supportive of that.

MR. CHAIRMAN.- Thank you, CFO. Yes, Honourable Salote Radrodro.

HON. S.V. RADRODRO.- Thank you, Mr. Chairman. Just on the question, again, on the removal of derelict ships because I note there were two ships where the owners were unable to be identified, and it was also mentioned that it is very expensive to remove these ships.

Having said that and also you mentioned how the small revenue that you get from the local ports, I see the removal of a derelict ship as a reactive strategy. What would be a proactive strategy by the organisation, to ensure that we do not have derelict ships at the port because I notice in Auckland and in Wellington, they do not have that? They do not have it in Singapore, they do not have it in Netherlands. I mean, most of the overseas ports that I have visited do not seem to have these derelict ships at their ports, which definitely they must have some kind of proactive measures in place to prevent having these derelict ships or ships, like I look at it sometimes, they look old. They just cannot come and dump it on our foreshore.

Having that, to me, you are using a lot of money on the removal and that money could be used for the benefit of our local ports because we have a big portion of our population that are considered users of those local ports. Yes, it is our social obligation and that is why I am asking; what would be a proactive strategy? So that

we do not waste that money in the removal but rather divert that money into the improvement of our local ports for the benefit of our local travelling population. Thank you.

MR. CHAIRMAN.- Thank you, Honourable Member.

MR. R. ABEYESUNDERE.- Thank you. The Honourable Member's question is very, very pertinent and good. Yes, we have been doing quite a lot like, trying to put in an insurance scheme so that they would have insurance. But again, to imply and implement that, it has become quite a challenge. Captain Lai has been trying to implement that for a long time as well now, so much so that we are trying to pay the premium ourselves because if we try to get the local operators, it will go nowhere, because there are so many local operators from the FPCL.

But I think this had to be dealt in a different level. We have highlighted this on a number of occasions, Honourable Member, that regulation is the only way to prevent that. MSAF is the agency that regulates the waters, they should regulate that any ship over 20 years cannot come, I mean, if it is older than 20 years where some of those ships, Maivalu or *Lomaiviti V* is older than myself, it was built in 1964. When I was speaking to some of the people who had brought that in, the engineers from Canada, all these are like crap (sorry to use that word), Mr. Chairman, from another country coming and dumped in that region.

We have been very vocal. I think I have been very vocal on this because I am very passionate about the good people of this country. I have said, the only thing which has avoided catastrophe in this country is that, it has really God-fearing and God-loving people. Otherwise, these are moving time bombs. It has happened in Kiribati and in so many other countries. It is just a matter of time, but I would say it will not happen because most of these people on these boats are really God-fearing, God-loving people.

My dad used to say, "It is divine providence, you cannot always say that and do nothing." Coming back to the Honourable Member's question, some regulations through MSAF really require us to put in very stringent controls so that the old ships cannot come into our waters and be registered in our waters.

MR. CHAIRMAN.- So the information is there that a lot of old ships are coming in and out and there is a lot of risk that more derelicts can be seen within our waters, and then more and more money needs to be there to remove that. Some regulations need to be there by MSAF to control this. Is this the message?

MR. L. GONEWAI.- Yes, Mr. Chairman. MSAF did that under the MTD in 2013, it was passed that not more than 20 years of age of ships to be brought into the country.

MR. CHAIRMAN.- So you mean to say, still there are ships that are older

MR. L. GONEWAI.- But that clause was later revoked.

MR. CHAIRMAN.- There is no timeline for ships?

MR. L. GONEWAI.- Yes, Sir.

MR. CHAIRMAN.- So your suggestion was that, they should be about 20 years?

MR. L. GONEWAI.- Yes.

MR. CHAIRMAN.- All right, thank you. Yes, Honourable Simione?

HON. S.R. RASOVA.- Ladies and gentlemen, I will just ask some questions. I am from Kadavu; Honourable Radrodro is from Vanuabalavu, they are from the highlands. Going abroad is a weekly thing for us. For me, I go to Kadavu almost every week. Going to Walu Bay, we like big boats, given that our divine direction that we have to get on board, we know that we will reach our destination and that is fine with us. So whatever happens later, that can be debated.

But given the 24 hours, you said, they only pay \$200. Most of us do not have money, but the ones that have money they could go back and forth and we pay for our relatives to go. The charges that are implemented at the port, I took a picture the other day because I went there, they said, "You pay \$1 here and you are going to stay there." I said, "I have to unload", so up to 15 minutes I have to pay \$1; up to 30 minutes, I have to pay \$6; up to 45 minutes, I have to pay \$11; for 60 minutes, \$15; and more than 60 minutes, I have to pay \$20 if I have to stay there. If I lose my card at the corner when I get out (my receipt), I will pay another \$30.

MR. CHAIRMAN.- Pay to whom, Honourable Member, to the boat company?

HON. S.R. RASOVA.- No, at the ports.

MR. CHAIRMAN.- Just to stay at the port?

HON. S.R. RASOVA.- Yes. I said to them, "Please, just give \$15, I will...."

MR. CHAIRMAN.- Which port?

HON. S.R. RASOVA.- At the Narayan Jetty. Most of the things have been implemented there. I got a shock because all this time

MR. CHAIRMAN.- CFO, you also charge people to stay there?

MR. R. ABEYESUNDERE.- Mr. Chairman, if I may, yes, Honourable Member, you are right because that is new. As I said, for the reasons, now we have put in to enter the access control some systems so that we can control the people going in and out. It is the same thing, for example, if you go to the airport, and if you want to park your car inside, you will have to pay. I mean, we are giving it free for the first 15 minutes.

This is after a long time of losses and also this is to also protect our social thing, I must say. Now, because we allowed everyone to go free. In the past, not only the passenger, all the passengers' relations and everyone come in so many cars and it is a big traffic jam there. So we had to put some controls to reduce that.

Now, if you take another country, even Auckland as the Honourable Member earlier referred to, you cannot just go into the port with so many cars and then people are coming in and coming out. So recently to manage that traffic as well (this is not earning us very much money), so we did that.

MR. CHAIRMAN.- Thank you, CFO. I believe you increase a little bit.

(Laughter)

If one person is going to Kadavu, a lot of vehicles come in. Thank you very much for your information. But CFO I believe I have also been around ports here in Suva, and I must say that the way you people are handling the ships that are coming from overseas bringing tourists, container ships, fishing vessels and so many times I thought of coming in to have a look, but definitely this time around we will bring our Committee there.

We have seen that it is very clean and you are managing in a very small area, and your report says of the money value that is coming out, you really have improved the work that you are doing. Hopefully, Honourable Members, we will see how we can go and have a look. For Honourable Nagata's information, the dolphins need to be taken out. They already have the plans and they will move the dolphins out.

HON. MEMBER.- But do not kill them.

MR. CHAIRMAN.- Yes, please, do not kill them, but, remove them safely. We were very worried when we heard that you were taking out the dolphins.

HON. S.R. RASOVA.- The Management from Ports, the only thing that I asked over there was that I wanted to drink grog inside and they said, "No, you can't, we are on camera." I brought my grog, but I was just waiting for them. But, then I said, "No, you have to go there, they will be changing the one that you have set there." Is that true what they told me that you are going to ban drinking grog at the restaurant area?

MR. CHAIRMAN.- Honourable Member, they are also worried about NCDs and they are trying to control people.

MR. L. GONEWAI.- Yes, only for my relatives in Kadavu.

(Laughter)

No, Honourable Member, most probably we will leave it as it is for the general public.

MR. CHAIRMAN.- They do not stop having grog but, Honourable Member, we need to understand that with the small area, if you alone are going to Kadavu, obviously 20 more people will be there sitting with you.

HON. S.V. RADRODRO.- Just the last question on the structural assessment, is this an annual activity or how often do these structural assessments take place?

MR. R. ABEYESUNDERE.- Thank you, Mr. Chairman and thank you, Honourable Member. It is a good question, it is not an annual thing, it is a very expensive exercise. So this is a comprehensive exercise done by an Australian company that we have given it over. This exercise has already been done and there are a few things to tighten, but, after that we really do not need it for the next five years because part of this initiative, we will also get their professional opinion that if we do the repairs then the wharf structures which are the high risk structures will survive for another 5 years to 10 years at least, so that is the undertaking. So, it will not be done every year, definitely not, but it will be done again in another five years' time or so.

MR. CHAIRMAN.- Thank you, CFO. Honourable Nagata, any complaints about the wharf in Navosa?

HON. A.T. NAGATA.- No.

MR. CHAIRMAN.- Okay, CFO and the Team, do you have anything else to add before we close?

MR. R. ABEYESUNDERE.- Mr. Chairman, thank you. There was a question on the dolphins, let me put a photograph, I will just explain what the process there is and why we are removing the dolphins.

There is a little contraction is that, when we do that, we are then able to get the Walu Bay berth. At the moment, the Walu Bay berth has those dolphins by the Bay.

MR. CHAIRMAN.- That is the dolphin.

MR. L. GONEWAI.- It is a mooring structure for mooring ropes from the ships to get that stop. It is not the real dolphins.

(Laughter)

MR. CHAIRMAN.- CFO, you can take them all out but, please, make sure they are safe.

(Laughter)

MR. R. ABEYESUNDERE.- We will take that out for the Walu Bay berth, so that the captain and his good team can bring more ships to that side, at the moment that is obstructing it. So what we are trying to do is, generally we are getting a lot of visiting friendly ships from other countries, so they have to be on anchor because we have to do our cargo unloading on the main phase of the wharf, so that particular place where the dolphins are can then be used for other ships instead of them being anchored and that is one of the strategies that we would want to increase our revenue streams because we know that the tourism market, although it is booming because of certain areas which are beyond our control, like some of the cruise liners they decide in years ahead.

They have removed our ships and taken them Europe for definite tours. They are in Europe, so we are losing 22 cruise liners, about \$2.2 million, most of that is profit. So to re-coup that, while taking the dolphin off, we can get any visiting friendly vessels, military vessels coming and getting alongside that.

MR. CHAIRMAN.- CFO, why is it named “Dolphin”? Why have you given the name “Dolphin”?

MR. L. GONEWAI.- Mr. Chairman, it was invented and brought in by the British during the sailing days.

MR. CHAIRMAN.- You could have been in big trouble, my friend, because...

(Laughter)

Anyways, CFO and the team, thank you very much. We really appreciate your presentation and we are very happy for your being here with your team and presenting to us in regards to the 2017 Annual Report, providing us with all the answers and clarifications. Hopefully, we will take out time to be there at the Ports, but we are happy and we really appreciate the work you have been doing. Thank you very much and thank you very much for your time. *Vinaka*.

Should we need any further information, our team will contact you. Thank you very much for your time.

Honourable Members, we will adjourn for 15 minutes. Thank you.

The Committee adjourned at 3.16 p.m.