



Appendices – Review Report on the Performance Audit on the Licensing and Monitoring of River Gravel and Sand Extractions

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Ministry of Lands & Mineral Resources

Responses to Public Accounts Committee (PAC) – Performance Audit on the Licensing and Monitoring of River Gravel and Sand Extractions

No	Issues	PAC Question	Management Comment
1	<p>Theme 1: Database for potential river gravel and sand extraction sites (Page 5 - 8)</p> <p>The audit noted that though there is a centralized system in place for the Ministry of Lands and Mineral Resources as a whole, there is no centralized database for potential river gravel and sand extraction sites. Audit was informed that there have been discussions on carrying out a baseline survey for the river systems in Fiji. The survey would involve collection of information on individual river systems and the resources available in the river. The audit recommended that the Ministry consider collating information for all river gravel and sand extraction sites including potential sites and keeping a database detailing this information which is linked to a National Land Use Plan.</p>	<p>1) Can the Ministry update the Committee on whether this Database has been developed and in operation to assist the Ministry in consolidating all the river systems and the resources available and link it to the National Land Use Plan?</p> <p>2) Will the Ministry go forward with the baseline survey? Has the Ministry made any efforts to secure the necessary funding for this survey? What is the planned timeline for the survey?</p> <p>3) Has the Ministry developed a strategy to implement the audit recommendation related to this</p>	<p>1. The Ministry is currently focusing in finalizing a proper work plan of the actual work required including resources and capacity prior to seeking funding to start with the collection of relevant data. Development of database will entirely depend on the information collected.</p> <p>2. Carrying out Baseline survey on Rivers and streams is a challenging exercise as it will require a lump sum of funding, specialized equipment and technical experts. Additionally, the identification of potential sites for river gravel, the river system, changing morphology and replenishment rate must be considered as it is not static. What can be a potential site today can over time change due to natural processes and other factors such as, climate change, Illegal extractions, flood mitigation projects and resources might not be available. Once the above is in place than only the Ministry will be a better position to pursue baseline survey.</p> <p>3. The Ministry is currently working on the Cabinet Paper for the formulation of the National Development Mineral Policy. Strategies to implement Audit</p>

			theme (Recommendation No. 1 on page 7 of the audit report)?	recommendation will be of the activities the Ministry will pursue later once the NDMP is approved.
Section 4: Licensing System for Extracting River Gravel and Sand				
2	Theme 1: Demand Pull for River Gravel and Sand (Page 9 - 29)	<p>This section of the report made numerous references to the UNDP 2018 baseline assessment report of Fiji’s development minerals, given that it was Fiji’s first comprehensive assessment of development minerals.</p> <p>The Audit recommended that the Ministry strongly consider the following recommendations presented in the UNDP 2018 baseline assessment report:</p> <ul style="list-style-type: none"> - The Ministry should undertake a programme of works to support the development of a network of hard rock quarries in strategic locations, considering the holistic demand for development minerals in Fiji. This programme should consider government incentives and improving access to finance. - The Government of Fiji should develop a detailed implementation plan for the phasing out of river gravel extraction, with the exception of certain areas where it is beneficial to Fijian communities (supported by thorough scientific studies) or is small scale and the transition to a network of hard rock quarries in strategic locations. 	<p>1) Has the Ministry developed a strategy to implement the audit recommendations, a derivative from the UNDP baseline assessment report?</p>	<p>1. A River Gravel Extraction Guideline has been formulated and currently with SG’s office for their vetting. The Guideline is to address the issue of sustainable extraction practices and processes in place for issuing of RGSE licenses.</p> <p>Currently MRD has identified sources of hardrock in Vanua Levu based on desktop analysis of current geological maps and bulletins.</p> <p>A complete phase out of River gravel and sand is not feasible at this stage as these materials are used in the construction industry and due to their properties hard rock material is not as suitable for use in the construction industry at this stage as further studies of hard rock will be required as a suitable material for construction purposes.</p>
3	Theme 2: Well defined and maintained procedural	<p>Firstly, the audit found a provision in the SOP for “<i>Extraction licenses for sand, lime and common-stone</i>” to have not been clear relating to Environmental Impact Assessments (EIA). The SOP requires that</p>	<p>1. Has the Ministry made any efforts, through a proper review process, to:</p> <ul style="list-style-type: none"> - Make clear the provision in the SOP for “<i>Extraction licenses for sand,</i> 	<p>1. Our SOP was reviewed on 26/2/21 and is usually standardized once adopted.</p> <p>The Lands Department SOP is clear in terms of requirements and aggregate volume present</p>

<p>guidance's (Page 29 - 36)</p>	<p>the draft EIA report is submitted with the application and joint inspections to be undertaken with the Department of Environment for comments and recommendations. However, audit was informed that the EIA report accompanying the application is not the draft but is usually the final approved EIA report. Audit was further advised that joint inspections are not carried out with the Department of Environment, rather the draft EIA reports are simply circulated to various stakeholders (which includes the Ministry's Department of Lands as the approving authority) and calls for a review committee as part of the process that is undertake where comments/issues to the EIA report are raised.</p> <p>Secondly, the audit found that there were absence of key procedures in the SOP's for approving extraction license applications. These key procedures included:</p> <ol style="list-style-type: none"> 1. Procedures for renewal of licenses; 2. Joint inspections with iTLTB to ensure the correct license issuer is identified; and 3. Consent by Land Owning Unit for road access to extraction sites. <p>The audit further noted multiple versions of the license approval checklist. The lack of a structured review process was also noted during the audit. Therefore, the audit recommended that the Ministry should consider developing a structured review process for its procedural guidance.</p>	<p>lime and common-stone" as highlighted in the audit report? - Incorporate the procedures that are absent from the SOPs?</p> <p>2. Has the Ministry made any efforts, through a proper review process, to:</p> <p>- Make clear the provision in the SOP for "Extraction licenses for sand, lime and common-stone" as highlighted in the audit report? - Incorporate the procedures that are absent from the SOP's?</p> <p>3. Has the Ministry made any efforts to standardize the checklist for approving license applications? Is this standardized checklist aligned to the requirements in the SOP's?</p> <p>4. How does the Ministry plan to implement the audit recommendations with respect to a structured review process?</p>	<p>on the site applied for , is determined by the Geological survey Section of the Mineral Department.</p> <p>The main issues to be full-filled by applicants include – Waiver of Fishing Rights, Access Agreement, and identification of stockpile area, Approved EIA and payment of Environment Bond.</p> <p>2. Our SOP was reviewed on 26/2/21 and is usually standardized once adopted.</p> <p>The Lands Department SOP is clear in terms of requirements and aggregate volume present on the site applied for , is determined by the Geological survey Section of the Mineral Department.</p> <p>The main issues to be full-filled by applicants include – Waiver of Fishing Rights, Access Agreement, and identification of stockpile area, Approved EIA and payment of Environment Bond.</p> <p>3. Checklists is clear and standard and are to be strictly followed.</p> <p>The processing of RGE licenses goes through the Lands Department and the Environment Division both operating under their respective SOPs.</p>
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4	Theme 3: Requirements of legal infrastructure supported by standard procedures (Page 37 - 40)	<p>It was noted that procedures for servicing extraction of river gravel and sand do not fully represent the requirements of the governing legislation. 17 provisions were not found or not fully captured in the standard procedures. Out of the 17 provisions, audit determined that 7 were critical procedures that needed to be laid out in the standard procedures. The remaining 10 were primarily related to less frequently used provisions 2 of the governing legislations. In addition, audit found a procedure in the SOP's as not being consistent with the State Lands Act 1945. One of the causes that was highlighted in the audit report was that the SOP's had not been holistically reviewed.</p>	<p>5. Does the Ministry have in place plans to review the SOP's and have it aligned to the governing legislations?</p> <p>6. How does the Ministry plan to address the less frequently used provisions of the governing legislations? Will these provisions be included in the revised SOP?</p> <p>7. When does the Ministry plan to complete the review process?</p>	<p>5. SOP has been reviewed in February 2021 and has included mandatory processes and requirements needed for issuing of licenses.</p> <p>6. The 17 provisions highlighted is not relevant to be imposed under the issuing of licenses which is not to be included in the SOP.</p> <p>7. Latest review was undertaken in February, 2021.</p>
5	Theme 4: Business and Information Systems (Page 40 - 44)	<p>The audit noted that there was no publicly available and centralized place/site where key information on regulatory agencies with responsibilities for administering extraction projects can be accessed. The audit recommended that the Ministry should consider leading collaboration work with relevant agencies to develop a centralized place/site where all regulatory processes and information surrounding licensing can be accessed. The site should incorporate information from multiple agencies as necessary and presenting it in a joined up manner. Information maintenance within the Ministry of Lands and Mineral Resources is also isolated. Moreover, in 2018, a request was made by the PS for Lands and Mineral</p>	<p>8. Has the Ministry developed a strategy to implement the audit recommendation relating to the development of a centralized place/site? Has the Ministry considered the work of the Natural Resource Governance Institute (NRGI) in the implementation strategy as they propose the presenting of system information in a joined up manner?</p> <p>9. How does the Ministry plan to maintain information by divisions in a more coordinated and holistic manner. Does the Ministry plan to do this through the reactivation of the Resource Management</p>	<p>8. The Ministry will need to work in collaboration with relevant Stakeholders and map out way forward in addressing the recommendations by the auditors.</p> <p>9. The Divisions through the TA-NRDO's are now coordinating the collection and management of data at divisional level. In addition, a dedicated officer at Head Quarters is responsible for the</p>

		<p>Resources to develop a database, known as the Resource Management Database, which was to be used as a monitoring tool for gravel extraction. Conversely, this effort was futile, as there were no decisions from managers at that time on who was to populate the database. This resulted in the development of other databases.</p> <p>The audit was also informed of a “One Stop Shop” concept which anticipates the centralizing of approving agencies processes as part of the Neglected Development Minerals (NDM) project undertaken by the UNDP in partnership with the Ministry’s Department of Mineral Resources. However, the Natural Resource Governance Institute (NRGI) provides caution on the “One Stop Shop” Concept.</p>	<p>Database, with broadened scope of operations?</p> <p>10. What is the status of discussions or development of the “One Stop Shop” concept?</p>	<p>consolidation of all data received from the three divisions.</p> <p>10. The Ministry will need to work in collaboration with relevant Stakeholders and map out way forward in addressing the recommendations by the auditors.</p>
6	Theme 5: License Application processing (Page 45 - 47)	<p>Overall compliance by the Ministry is set at an average of 68%.</p>	<p>13. What actions has the Ministry taken to ensure that there is full compliance to the procedural guidance?</p>	<p>13. Divisional Managers and responsible processing officers have been instructed to ensure full compliance to the procedural guidance.</p>
7	Theme 6: Significant Environmental Baseline Data (Page 47 - 56)	<p>The audit could not sight volumetric assessments in 11 out of the 30 files reviewed. In the remaining files, where volumetric assessments were found, results significantly varied from approved volumes by the Department of Environment. The audit further noted that, except for one instance, the Ministry’s responsible division did not provide comments on the EIA report regarding the differences in volume estimations, which</p>	<p>14. What actions has the Ministry taken to ensure that:</p> <ul style="list-style-type: none"> - Independent volumetric assessments are carried out by the responsible division in the Ministry? - Necessary comments are provided on any differences noted between volumetric assessments carried out by the Department of Environment and the responsible division in the 	<p>14. Volumetric assessments for clients applying for RGE licenses are conducted by the respective consultants / clients.</p> <p>Ministry through Environment Division and Geological Survey Division will conduct verifications on the volume / quantity of the resources if there are differences</p>

was following the Ministry's responsible divisions independent inspections at the extraction site. This was due to inspections being carried out much later after the EIA approval.

The audit could not sight rock resource assessments in 18 out of the 30 files reviewed. For the remaining 12 files, rock resource assessments were not found in 6 files, while assessments were deemed not applicable for the remaining 6, as they pertained to sand extractions. Moreover, of the 18 files where rock resource assessments were found, it was noted that the Ministry's responsible division did not provide comments or recommendations on 7 of the companies rock resource assessment results, yet applications were still approved.

In addition, for those who carried out rock resource assessments, majority of the companies/applicants collected the rock samples themselves and provided it for testing. The audit raised a potential risk, in which companies providing rock samples would favour their application for extraction licenses. The audit report indicated that the Ministry had generally agreed to the findings.

Furthermore, the audit could not sight water analysis results in 21 out of the 30 files reviewed. For the files that did have water analysis results, the audit found that the Ministry's responsible division mostly carried out physical, oxygen demand and solid tests for the applications. There were no chemical or heavy metal testing's

Ministry irrespective of whether the volumes in the EIA has been approved or not?

15. What actions has the Ministry taken to ensure that:

- Rock resource assessments are carried out prior to extraction license applications being approved?

16. What actions has the Ministry taken to ensure that:

- Water analysis is carried out by the Ministry's responsible division prior to extraction license applications being approved?

- The necessary chemical and heavy metal tests are also carried out to determine chemical composition of water prior to any extractions?

noted in the volume stated in the applications.

15. Yes are carried out prior to RGE approvals Rock resource assessments for clients applying for their RGE license, are conducted by the respective consultants / clients For verification purposes; this is conducted by Environment Division and Geological Survey Division. This is reflected in the checklist for RGE approvals

16. A baseline water quality of physical parameters is conducted as part of the EIA. TA-NRDO's also conduct onsite assessment using Horiba during inspections as part of the file assessments prior to approvals being granted.

		carried out to determine chemical composition of water prior to any extractions.		
8	Theme 7: Land Owning Unit (LOU) Consultations and Consent (Page 56 - 62)	<p>The two main issues raised in this section of the report is:</p> <ul style="list-style-type: none"> - Lack of community representation at the EIA Consultation meeting; and - Risk of forgery on the waiver of fishing rights form. Waiver of fishing rights is a pre-requisite to the licensing approval process. <p>The root cause of the issues are addressed through recommendations 8 and 9 on page 62 of the audit report.</p>	18. How does the Ministry plan to implement the audit recommendations?	18. The Department is carrying out its own consultation with Qoliqoli owners and provincial office to ensure that proper signatories are obtained and witnessed.
9	Theme 8: Environmental Impact Assessments (Page 62 - 70)	Inconsistencies were noted in the EIA reports that were reviewed during the audit. Thus, audit recommended that the Ministry, through the Environment Division, should thoroughly scrutinize EIA reports as an Environment Management Unit (EMU) under Section 15 of the Environment Management Act (EMA), providing relevant comments and recommendations in order to remedy any issues noted in the EIA reports.	19. How does the Ministry plan to implement the audit recommendations?	19. The Review Process for EIA is prescribed under EMA which is the jurisdiction of Department of Environment. The Environment Division thoroughly reviews the reports and does provides their comments as well highlights any inconsistencies in the report to Department of Environment as and when required. Department of Environment has the discretion to take into consideration the comments and request for amendments to the reports based on the comments since the EIA Process is under their jurisdiction.
Section 5: Monitoring of Extraction Operations				
10	Theme 1: Dealing with non-compliance to the terms and conditions of a contract/license	The audit found that while there are actions taken against illegal extraction of river gravel and sand, there is a need for relevant stakeholders to co-ordinate in order to impose harsher penalties on	20. Will the Ministry consider having an MOU with the Ministry of Waterways and Environment on how to deal with matters relating to illegal gravel and sand extractions?	20. The Ministry is currently having discussion with Fiji Police Force on the Draft MOU devised to assist in

	<p>agreement or illegal Operators (Page 71 - 76)</p>	<p>offenders to send a clear message on the consequences of not abiding to laws, terms and conditions</p>	<p>21. Can the Ministry of Lands and Mineral Resources provide an update on the actions taken against the operators that indulge in illegal sand and gravel extractions which were reported to the Ministry of Waterways and Environment and the Fiji Police Force?</p> <p>22. Can the Ministry provide an update on the recommendations that they have in their Monitoring reports? Are there any follow ups done on these recommendations?</p> <p>How can the Ministry strengthen its monitoring mechanisms whilst putting in place an effective deterrent for offenders who are causing degradation and destruction to the environment?</p>	<p>the enforcement of the law / penal code against illegal operators. All illegal extractions is directly referred to Department of Environment for their actions under the Environmental Management Act (EMA).</p> <p>21. The Ministry has taken relevant actions against the individual operators as stipulated in comments provided in the table under Appendix 6. Moving forward, the Ministry is strengthening its lateral approach with other stakeholders such as Fiji Police Force, Department of Environment, Provincial Office and members of the community themselves to assist in curbing this illegal extraction activities.</p> <p>22. The Ministry has taken relevant actions against the individual operators as stipulated in comments provided in the table under Appendix 6. Moving forward, the Ministry is strengthening its lateral approach with other stakeholders such as Fiji Police Force, Department of Environment, Provincial Office and members of the community themselves to assist in curbing this illegal extraction activities.</p>
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11	Theme 2: Verification Processes on Licensee's Self-Reported Information (Page 77 - 78)	<p>The audit found that MLMR had not been collecting and verifying self-reported information of extraction activities by the licensee such as tally records from river gravel and sand extraction companies. The MLMR has also acknowledged that this is something that needs to be improved on as it is part of the license conditions which needs to be complied with.</p>	<p>23. Can the Ministry provide an update on the measures in place to ensure that Company's Self-Reported Information is obtained from sand and gravel extraction operations which is a part of their licensing conditions?</p> <p>24. How is the Ministry using these self-reported information for decision making and to improve their monitoring of license conditions?</p>	<p>23. The current practice is that there are two Tally man (One representing the Company & one for the Qoliqoli owners). The practice is to ensure that the tally sheet provided to the Ministry is consistent and a true reflection of the volume that is extracted. Internally, the Ministry does not have officers to monitor the extractor's daily operations and likewise to collect self-reported information.</p> <p>24. The Divisions TA-NRDO's are only tasked to carry out random monitoring checks to ensure that approved extraction companies operate in alignment to their license conditions.</p>
12	Theme 3: Use of Technology to Detect Unregulated/Illegal River Gravel and Sand Extractions (Page 79 - 86)	<p>The Audit noted that the monitoring mechanism of the Ministry of Lands and Mineral Resources includes physical checking together with the use of certain technologies by site inspectors. Usually, these technologies are used to confirm illegal operation after any unregulated river gravel and sand extraction has been detected by site inspectors during their routine monitoring or after complaints have been received by the Ministry through communities or bystanders. The use of technology for effective monitoring can assist the Ministry detect unregulated/illegal river gravel and sand extractions</p>	<p>25. The Ministry had mentioned of the possible use of technologies such as Lidar to assist in motoring illegal extractions. Can the Ministry provide an update on this technology and if there are plans in place to procure them?</p> <p>26. How has the Ministry utilized the use of technology in the monitoring of river gravel and sand extraction operations?</p>	<p>25. LIDAR or light detection is a remote sensing method and can be used to measure the exact distance of an object on the earth's surface.</p> <p>No plans in place to purchase at the moment.</p> <p>26. The Ministry uses drones and GPS units incorporated into GIS applications for development of maps for monitoring purposes.</p> <ul style="list-style-type: none"> • SPC is developing Digital Earth Pacific Satellite Tool to Monitor Illegal Gravel Extraction. This 'Digital Earth Pacific' earth observation platform will assist the

				<p>Ministry to detect illegal river gravel extraction sites and this tool would help the monitoring team to spot these illegal operators.</p> <ul style="list-style-type: none"> • This tool would also be beneficial in detecting landscape change and spotting unregulated mining activities and change in vegetation cover. • SPC has 3 pilot project sites for this tool: <ul style="list-style-type: none"> ▪ Dawasamu River ▪ Rewa River ▪ Navua River
13	<p>Theme 4: Regular and Effective Monitoring of River Gravel and Sand Extraction Sites (Page 86 - 93)</p>	<p>It was found that regular and consistent inspection of the sites are not being carried out for effective monitoring.</p>	<p>27. How can the Ministry of Lands and Minerals Resources work with other stakeholders such as the Ministry of Waterways and Environment and Fiji Police Force to ensure that Monitoring of gravel and sand extractions are undertaken effectively and on a regular basis?</p> <p>28. Will the Ministry consider drawing up a plan to consider a well-coordinated monitoring mechanism by using both technology and physical manpower to monitor the river gravel and sand extraction activities?</p>	<p>27. The Ministry is currently having discussion with Fiji Police Force on the Draft MOU devised to assist in the enforcement of the law / penal code against illegal operators. All illegal extractions is directly referred to Department of Environment for their actions under the Environmental Management Act (EMA). Moving forward, the Ministry is strengthening its lateral approach with other stakeholders such as Fiji Police Force, Department of Environment, Provincial Office and members of the community themselves to assist in curbing this illegal extraction activities.</p>

				<p>Furthermore, the Ministry has drawn up appropriate mechanism to have a well-coordinated approach of using both physical man power and appropriate technology to monitor the river gravel and sand extraction activities.</p>

[**VERBATIM REPORT**]

**STANDING COMMITTEE ON
PUBLIC ACCOUNTS**

**COMPLIANCE AUDITREPORT
RELATING TO COVID19
RESPONSE (PP NO. 42 OF 2021)**

SUBMITTEE: Ministry of Lands and Mineral
Resources

VENUE: Big Committee Room, Parliament

DATE: Wednesday, 8th June, 2022

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC
ACCOUNTS HELD AT THE COMMITTEE ROOM (WEST WING), PARLIAMENT
PRECINCTS, GOVERNMENT BUILDINGS ON WEDNESDAY, 8TH
JUNE, 2022 AT 10.10 A.M.**

Interviewee/Submittee: Ministry of Lands and Mineral Resources

In Attendance:

- | | |
|---------------------------|-------------------------------------|
| 1. Dr. Raijeli Taga | Permanent Secretary |
| 2. Ms. Irena Nayacalevu | Director of Lands |
| 3. Ms. Meizyanne Hicks | Director Geo-Special
Information |
| 4. Mr. Josefa Vuniamatana | Assistant Director of Lands |
| 5. Mr. Timoci Samisoni | Manager Finance |

Office of the Auditor-General

- | | |
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| 1. Ms. Finau Nagera | Acting Deputy Auditor-
General |
| 2. Mr. Esala Niubalavu | Acting Senior Manager |
| 3. Mr. Samuela Tupou | Audit Manager |
| 4. Ms. Maritina I. Cirikisuva | Senior Auditor |

DEPUTY CHAIRPERSON.- Honourable Members, members of the public, secretariat, dear viewers, ladies and gentlemen, a very good morning to you all and it is a pleasure to welcome everyone especially the viewers who are watching this public hearing session. At the outset, for information purposes, pursuant to Standing Order 111 of Parliament, all Committee meetings are to be open to the

public, therefore please note that this submission is open to the media and is also being aired via the *Walesi* platform and streamed live on Parliament's website and social media platforms.

For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, this can be provided to the Committee either in private or in writing . However, please be advised that pursuant to Standing Order 111, there are only a few specific circumstances that allow for non-disclosure of these items. These include:

- national security matters;
- third party confidential information;
- personnel or human resource matters; and
- Committee deliberations and development of Committee recommendations and reports.

This is a parliamentary meeting and all information gathered is covered under the Parliamentary Powers and Privileges Act. However, please bear in mind that we do not condone slander or libel of any sort and any information brought before this Committee should be based on facts. In terms of the protocols of this Committee meeting, please minimise the usage of mobile phones and all mobile phones to be on silent mode while the meeting is in progress. I also wish to remind honourable Members and guests that all questions asked are to be addressed through the Chair. At this juncture, I would like to introduce Members of this Committee.

(Introduction of Committee Members and Secretariat)

DEPUTY CHAIRPERSON.- Today the Committee will be hearing submission from the Permanent Secretary of Lands & Mineral Resources. This is in relation to the

Performance Audit on the Licensing and Monitoring of River Gravel and Sand Extraction, according to Parliamentary Paper 106 of 2021. For the purpose of the viewers who are joining us this morning, I would like to give a brief explanation on what we will be deliberating on. The deliberation today will be focused on the audit that was carried out by OAG on the Licensing and Monitoring of River Gravel and Sand Extraction.

Before us we have the representatives from the Ministry of Lands & Mineral Resources and I would like to thank them for availing themselves to appear for this hearing and I now invite our guests to introduce themselves and begin their presentation after which there will be a question and answer session. Please note if there are any questions by the Members of the Committee, they may interject or we will wait until the end of the presentation and ask a few questions.

(Introduction of team from the Office of the Auditor-General)

DEPUTY CHAIRPERSON.- Thank you very much. You may start with your presentation.

(Introduction of team from Ministry of Lands and Mineral Resources)

DR. R. TAGA.- Firstly, I would like to thank the Committee for allowing us to come and respond to the audit queries and some of the issues that were raised in regards to the management of River Gravel Extraction.

Just to introduce to the forum in regards to river gravel management and the monitoring of the licensing. It is a very big sector in regards to the end-use of the product. It has been in fact licensed for a long time but it has come to the front of

audit because of the effect of it, the impact of it in terms of economy and also in terms of environmental impacts. That is why it has been brought to the forum because of its impact and that is why we have been asked during the audit on methods of management and also how we are monitoring the licensing of this important sector. It may be a low value mineral in terms of its geology but it has high impact value in terms of the economy and also environmental impacts. To introduce the discussions today, we have provided response to the audit queries and to the questions raised by the Committee and that is what we are going to present today.

To lead the response, I would invite the Director of Lands who is the legal licensor for this process to respond or to present the first response to the queries raised by the Committee.

DEPUTY CHAIRPERSON.- Director, you can go through the questions and respond.

MS. I. NAYACALEVU.- Just on the questions raised by the Committee.

Number one is the need for a database for potential river gravel and sand extraction sites.

Question No. 1 - Can the Ministry update the Committee on whether the database has been developed and in operation to assist the Ministry in consolidating all the river systems and the resources available and link it to the National Land Use Plan?

In response, we are currently focusing in finalising a work plan of the actual work required including the resources and capacity prior to seeking fund to start with the collection of the relevant data. Of course, as we had mentioned, the development of database will depend on the information collected.

Currently what we have at the moment is a consolidated spreadsheet of all active river gravel licenses that has been issued. The three Divisions (Western, Northern and Central Eastern) have their own database (spreadsheets)) where they compile all the information on the river gravel licences that have been issued from the Department.

The river gravel license spreadsheet or excel spreadsheet includes information on who the licensee is, the actual volume that is expected to be extracted and of course the royalty payments that is expected to be obtained or collected from that license. The royalty payments are done every month and this database or this spreadsheet is important for them to keep and to monitor to ensure that these payments are done every month. This is still done manually at every Divisional level but we have a consolidated spreadsheet or database up at headquarters.

For potential sites, this is something that we are actually working on and we need the expertise of our colleagues at the Department of the Mineral Resources, of course, they have the expertise to carry out survey in order to determine the potential sites for extraction.

HON. V. LAL.- Director, before you proceed, I understand that itaukei Land Trust Board also issues licenses. So, in your database are those licensees are also included or just the ones issued by the Department.

MS. I. NAYACALEVU.- Currently, the database that we have are licenses that issued from the Department. Under the Rivers and Streams Act, the Director of Lands is empowered to issue licences that entails or includes extraction from rivers and streams. The iTaukei Land Trust Board does not have any jurisdiction in rivers and streams. They only issue licences on dry land, dry iTaukei land. What we have at the Department is just licences that the Department issues.

HON. A.M. RADRODRO.- Mr. Deputy Chairman, just a clarification Director. So, there are two agencies that give out licences for gravel extraction. Is that right, PS?

DR. R. TAGA.- Yes, Sir. For river gravel that is under the jurisdiction of the Director of Lands, that IS State land and for land base gravel and if it is native land then it is issued by the iTLTB.

HON. A.M. RADRODRO.- How is that related to the land base gravel for the information of the Committee?

MR. J. VUNIAMATANA.- Mr. Deputy Chairman, probably just to clarify. The two agencies do issue licences for extraction. Because the ownership of the State of the resources in the river that is highlighted in section 12 of the Rivers and Streams Act and section 2 of the State Lands Act, for those reasons we issue extraction licence on the river.

The iTLTB also issues extraction licence. They will issue it on dry land concerning iTaukei land. If there is a need to extract resources from an iTaukei land then they will be the entity that issues the extraction licence.

HON. MEMBER.- (Inaudible)

MR. J. VUNIMATAMA.- Dry iTaukei land, the land that is considered to be *mataqali* land.

HON. V. LAL.- Sir, what if the dry land is a State land?

MR. J. VUNIAMATANA.- If the dry land is a State land then the licence will be issued by the Ministry of Lands. If the dry land is freehold land, the consent will need to be given by the freeholder depending on the tenureship of the land. If its native land then definitely iTLTB will need to give the licence. If it is freehold land the freeholder will give the licence.

HON. V. LAL.- So, apart from rivers you also give licence for dry land as long as the land is a State land?

MR. J. VUNIAMATANA.- Yes, Sir.

HON. RO T.V. KEPA.- Mr. Deputy Chairman, just a question to the Director. You mentioned royalty, I declare my interest here, how do you calculate the royalty rate, who is this royalty paid to and how is it paid?

MS. I. NAYACALEVU.- *Vinaka vakalevu*. This is one of the supplementary questions that was asked by the Committee. We have prepared a comprehensive response, for river gravel extraction the assessment of royalty is undertaken according to the approved Cabinet decision on 8th April, 1997. We are still using that rate at the moment. Whatever royalty is assessed, 75 percent of that is retained by State and 25 percent goes to the traditional fishing rights holders.

DEPUTY CHAIRPERSON.- Thank you so much for your response. You may proceed to Question No. 2.

HON. V. LAL.- Mr. Deputy Chairperson, may I? Director, since it has been revealed that there are two agencies issuing licenses, are there any plans to consolidate the license processing by the two agencies, for uniformity purposes?

MS. I. NAYACALEVU.- At the moment, we issue licenses because it is governed under different Acts. The iTLTB has their own iTaukei Land Trust Act when it issues gravel licenses, while we have the State Lands Act and is issued under our regulations.

We do work in collaboration but we cannot consolidate the license processing. In collaboration we have are few processes or a checklist that are common for both agencies. For instance, the EIA but the only difference that we have is the royalty rates at the moment.

HON. V. LAL.- So different processes and different fees and all that is involved?

MS. I. NAYACALEVU.- Yes, Sir.

MR. J. VUNIAMATANA.- Mr. Deputy Chairman, probably to add, also because of the different legislations that the licenses are issued under. For the extraction done on State land, that is issued under the State Lands (Leases and Licenses) Regulations. For iTaukei land they are issued under the iTaukei Lands Trust (Leases

and Licences) Regulations. So there are two different legislations under which these licenses are issued.

DEPUTY CHAIRPERSON.- Thank you very much, you may proceed.

MS. I. NAYACALEVU.-

Question No. 3 - Has the Ministry developed a strategy to implement the audit recommendations which is derivative from the UNDP baseline assessment?

At the moment, the Ministry has developed a River Gravel Extraction Guideline. This has been formulated and is currently with the Office of the Solicitor-General for vetting. This guideline of course will address the issue of sustainable extraction practices and processes to be put in place for effective issuance of River Gravel and Sand Licenses.

The second recommendation is the phasing out of river gravel extractions from the Audit Team where we go out into hard rock extraction. Currently, the Mineral Resource Department have carried out the survey to identify sources of hard rock especially in Vanua Levu. They have done that based on desktop analysis of the current geological maps and bulletins. For us to do a complete phase out of river gravel and sand extraction at the moment is not feasible or is not viable because there is still a high demand for river, gravel extraction from the end users. In this case it is the Fiji Roads Authority and of course the construction or building industry. So that is why we are still processing river, gravel extraction licenses.

HON. A.M. RADRODRO.- Just a supplementary question to the Director of Lands. Going through the audit report, they have highlighted that the Ministry of Lands and Mineral Resources does not maintain data and does not have a centralised database capturing potential river gravel and sand extraction sites except for those which that have been undertaken based on the community requests. Can you just enlighten the Committee in terms of these centralised database system for potential and current sites?

DR. R. TAGA.- Sir, for a centralised database, since the issue was raised by the audit, the Ministry has gone ahead and worked on trying to consolidate all the data that has been collated over the years. Till now, we have worked in trying to advance it to a stage where we map potential sites for gravel extraction so that when license is applied for, we have maps of potential areas for gravel extraction just to ensure that it is sustainably processed and done. Right now, the Ministry is working on consolidating all the data and also is advancing into mapping potential areas for work in the future.

DEPUTY CHAIRPERSON.- Any response or comments from OAG?

HON. A.M. RADRODRO.- Mr. Deputy Chairman, just a supplementary question, the exercise of creating a database. The Ministry of Lands has highlighted that it will require funding and resources. Can you just enlighten the Committee how much funding you are looking at to ensure that this project is carried out fully or is it still work in progress or is yet to be done?

DR. R. TAGA.- *Vinaka* Sir. We had requested for funding in the Budget submission over the years but we have tried to work with what we had been given. In 2017 we were given funding for the appointment of resource officers who monitor license extractions. We were given six and also we were given funding for vehicles which we purchased to help in the monitoring of these resources. Definitely it will need

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funding because of the range of activities where they are carried out and also the time that they are carried out. Some of the extractions are done at night illegally so we need funding to be able to have monitors who go out after working hours or in the weekend to be able to monitor the illegal activities and curb them.

Also, we are working with the Fiji Police Force in trying to get a MOU so that they could help us in trying to monitor illegal activities in this sector. The Ministry is working towards helping the customary fishing rights owners or those license to self-regulate. We are in constant collaboration with the communities and raising awareness so that they know the impacts of the approval or agreement that they have with the operators so that they can self-regulate and understand that the environmental impacts and also the economical benefits that they can obtain from river gravel extraction. We are working with whatever funding that we are given in the budget and also we have a project through the UNDP which is funded by the ACP and EU which is focused on development minerals. We are in Phase 2 of that project which amounts to \$13.1 million for six focal countries, Fiji is the focal country for the Pacific which ends in 2024. With that programme, we are using it to get assistance in trying to establish and get through best practices in this industry from us as licensor and also from the licenced operators.

HON. A.M. RADRODRO.- Mr. Deputy Chairman, just another supplementary question regarding the explanation that the Permanent Secretary has just given about illegal activities that generate out of the extraction of rivers and sand gravels. There have been instances in the past where licences have been given by iTLTB but operations are done on the rivers and streams and there have been reports, as highlighted by the OAG about the disturbances that creates the adverse effects of those operators that were given iTLTB licences but they were operating in rivers.

Can you enlighten the Committee as to what sort of penalties, whether that is the responsibility or jurisdiction of the Ministry of Lands? What sort of actions has the

Ministry undertaken for those illegal operators who were illegally extracting sand and gravels from rivers but they were also given the licences from iTLTB? I think one instance was in Waibau in 2017.

MS. I. NAYACALEVU.- *Vinaka*, Sir for that issue. In 2010 there was a directive from Cabinet for iTLTB to stop issuing licences on rivers and streams because they are not mandated to issue any licences from there.

HON. A.M. RADRODRO.- The licence was given for dry land but the operation was conducted in the river.

MS. I. NAYACALEVU.- At the moment we do not have any penalty in place for those we did not issue licences to. We consider them as an act of crime and we are currently in the process of devising an agreement with the police to help us monitor these kind of operations and bring them to court.

HON. A.M. RADRODRO.- (Inaudible)

DEPUTY CHAIRPERSON.- Director, you may respond later in written form.

(Mr. Chairman resumes his seat)

HON. A.M. RADRODRO.- Mr. Chairman, maybe I can just rephrase this question. So, what sort of actions does the Ministry of Lands give?

MS. I. NAYACALEVU.- At the moment the only thing we can do, we have issued a stop work notices and ensure that they stop operating, they stop all those extractions. However, we cannot penalise them or ask them to pay any compensation because we did not actually issue them any licence to operate in the first instance.

So, the only thing to do is to....

HON. A.M. RADRODRO.- How effective is that stop-order notice?

MS. I. NAYACALEVU.- We have our operators, our resource office operators who usually go out and inspect to ensure that this is carried out. The damages we refer them to the Environmental Division to penalise under the Environmental Management Act.

HON. A.M. RADRODRO.- Just another supplementary question, when you say that you do not issue any penalties to these operators, but over the years river gravel and sand have been part of the construction and the road building industry in Fiji. Can you just enlighten the Committee whether you have plans to provide value to river gravel? Are you in the process of valuing this important raw material?

DR. R. TAGA.- Sir, as I have alluded to earlier, it is regarded as a low value mineral, river gravel but in terms of economy, it has high value impact because of the number of employees in the sector and the use of it, end product. The Ministry with this UNDP programme is working towards regularising all those issues that has been raised in the audit and also that has been encountered by the Ministry over the years.

As I have said also, the first step is to have the Fiji Police on board because for us we do not have our officers everywhere where illegal activities are undertaken. For us we have come to know the impact of this industry and also the benefits to the customary fishing right owners and to the economy. We are getting all those who are stakeholders in the industry to collaborate with and to come up with a better system to process these licenses.

HON. V. LAL.- One supplementary question, Sir. Just listening to what you are saying in terms of monitoring, what you are saying is that you just monitor those sites where the licenses is given by your Department whereas the others like iTLTB, you do not monitor them. Is this the case?

DR. R. TAGA.- That is right, Sir, because we issue licenses by the Director of Lands and those are the only sites that we monitor and that is why I had alluded to having these industries self-regulate so that even the customary fishing right owners have responsibility in monitoring the extraction. It does not only impact State land, the damage cuts across all sectors. So, we are trying to work with all the communities to raise the awareness that they have a responsibility too. If they agree for extraction, with the rights for extraction, then they have a responsibility to monitor and see that it is done in a sustainable manner.

HON. V. LAL.- Mr. Chairman, through you, Sir, I think this is very important that those who are in this field do the right thing in looking at the environment. But my question is, do we have expertise in this field so that we have plenty people who do the right thing?

DR. R. TAGA.- Sir, in the Ministry there are two Departments - the Lands Department and the Mineral Resources Department. For the experts in the field of licensing administration, it is with Lands Department but the technical side of it is with the Mineral Resources Department through our geologists, environmental

officers and also through our resource geologists who quantify or do the volume estimation. We have the experts in the Ministry. And also in collaboration with other stakeholders, we work together with other stakeholders and use and maximise the opportunities it presents in using the expertise that they have.

HON. RO T.V. KEPA.- Mr. Chairman, I thank the PS and Director of Lands for their responses. Supplementary question, in the absence of a centralised database which has been highlighted in the Audit Report how else do you evaluate and observe the development and effectiveness, especially when you are mentioning and highlighted also in the report that there are night time operators. Do you have high tech drones or things like that can monitor them in the absence of people on the ground especially the ones who are going at night and Dawasamu is the one that is highlighted in this report. How do you do that?

MS. M. HICKS.- Mr. Chairman, if I could respond to that question. With regards to the use of technology it has its benefits and limitations specifically for the mention of drones to monitor. They can only be up in the air for a limited period of time. Since this is a very new technology to

the country, we are looking to how we can make full use of drones but it has its benefits and limitations in terms of monitoring river gravel extraction sites.

HON. RO T.V. KEPA.- So you need more two legged drones, I think?

MS. M. HICKS.- Most likely, Ma'am.

HON. V. LAL.- Mr. Chairman, just adding to what honourable Ro Teimumu has asked. I heard somewhere that the department is in the process of Digital Earth Pacific satellite tool. What is the progress like?

MS. M. HICKS.- *Vinaka*, Sir, with regards to this particular platform if I could just explain what it is all about. It is an analysis ready platform that makes use of earth observation otherwise known as Historical Satellite Imagery. The main purpose of that is to look into the past so that you can use it to better plan use of resources, that is the main purpose of that Digital Earth Pacific platform. It is currently in process, there is a steering committee that is developing a business case for the setup of this particular platform.

MR. CHAIRMAN.- Any other supplementary questions?

HON. A.M. RADRODRO.- Mr. Chairman, a question again to the Director of Lands in terms of addressing those illegal operators. What the Office of the Auditor-General has highlighted in some instances where stop order notices have been given but they were ineffective because the operators still operate. And in some instances, the copies of the stop order was not given to the police post nearest to the site and therefore the operators still operate despite the stop order being issued from the Ministry which has resulted in 46 illegal extractions from 2016 to 2021. Those are the issues that has been highlighted by the Office of the Auditor-General. Can you just enlighten us whether the Ministry has improved in terms of addressing these systems and processes that the Ministry has in place?

MS. I. NAYACALEVU.- Sir, recently as alluded to by our PS there is a need to involve the traditional *qoliqoli* rights owners. In our Ministry, we have started going out with the *Roko Tui* and the Provincial Administrators to bring awareness to the various communities especially on the river gravel extraction. Last month we had covered the province of Rewa, our team had gone out and they have done a very comprehensive presentation on the impacts of illegal operations, taking into account that we also have measures from the Ministry of Environment under the Environment Management Act (EMA) where we can penalise them for the destruction of the natural environment.

The second exercise that we are currently working on now is the policing of the hotspots to ensure there is reduced illegal activities and we have involved the police in this instance. We are devising a memorandum of agreement and trying to work with them so that we can actually bring them to court and charge them for the crime that they have committed. But as for the 46 operators that have been identified, we continued going after them but we could not penalise them. We had sought legal advice on this matter, we could not penalise them to pay some sort of compensation.

HON. A.M. RADRODRO.- I think the Auditor-General can further explain on this in terms of the processes that you have. They have highlighted that the orders were given but they were not delivered to the police post. These are instances where it has been highlighted that you may need to improve on your processes going forward because if this trend continues then there will probably be more illegal operators. Illegal operators maybe because of expired licenses. So when they continue to operate, they become illegal or operate without licenses and that will demand the Ministry in terms of its monitoring activities and exercise and how well it is doing its work, but that will come to the next sector of this report. You have done quite a very extensive report with the pictures, maybe you can just elaborate which rivers are these.

AUDIT REP.- We would like to acknowledge the Ministry because they were part of the site visit exercise.

HON. A.M. RADRODRO.- (Inaudible) Maybe the Auditor-General can enlighten for the information of the Committee as well.

AUDIT REP.- Through you Mr. Chairman and Members, this was a site in the Western Division. It was where extraction had expired so we wanted to ascertain whether the extraction work had

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actually seized so when we went to the approved extraction site, there was no disturbance to the creek but when we followed through the track to another site, there was a digger with extraction piles. It was confirmed by one of the villagers who was living adjacent to the village.

HON. A.M. RADRODRO.- (Inaudible)

AUDIT REP.- End of 2020 to the beginning of 2021.

HON. A.M. RADRODRO.- During the pandemic?

AUDIT REP.- We had visits before the pandemic and the lockdown.

HON. A.M. RADRODRO.- Since the Ministry was part of the visitation, can you just enlighten the Committee whether you have taken steps to improve on those kinds of incidence from recurring in the future?

MS. I. NAYACALEVU.- Sir, yes as I have said already, since the audit, we have worked together with the audit team because for us, we take it as an opportunity to improve the processes in regards to the monitoring of river gravel and sand extraction. We have taken measures as we have also explained in trying to minimise illegal extraction and we have worked on the advice given by the audit team in terms of trying to minimise the illegal extraction and also improve in the licensing processes.

If I may, the Ministry is also looking at changing the regulation in terms of having longer licenses for operators to empower the customary fishing right owners to obtain licenses so that they can also contribute, benefit and regulate this sector it as well. That is what we meant by self-regulating, so that they can also self-regulate and monitor. We are working with the SG's office in changing the regulation in terms of giving licenses for a longer term so that operators can get financial support from the banks.

On the other side of the coin, we will need to monitor. We are working on reforming the organisation structure to include those who will monitor these illegal activities and also the licenses.

MR. CHAIRMAN.- Thank you PS for that explanation. With the type of question that has been asked, it seems like the Ministry of Lands and Mineral Resources is being blamed in terms of illegal extraction.

My supplementary question, on one side is monitoring, et cetera and the other side is the people who are extracting. The third side would be the *qoliqoli* owners. Have you come across the Ministry of Lands Mineral Resources revoking a particular license or puts a stop notice but the *qoliqoli* landowners allow the extractors to extract gravel? Is that also a scenario?

DR. R. TAGA.- . Yes, Sir. That is the scenario that is common at times, when we stopped work yet the customary fishing right holders give them access to the rivers. That is the reason we are trying to empower the customary traditional fishing right owners to gain the licences, to apply for licenses so that they can also realise the economic benefit and regulate the industry as well while they are holding their licenses.

MR. CHAIRMAN.- This would be the same scenario why some saw millers were not given the license to log in the North because a proper EIA was not done right. They were doing some side business without iTLTB's knowledge or without an EIA, without any licence to do the logging and doing some cash arrangements with the landowners. This is what we always say, the resource owners, when these people try and bargain, the total royalty they should be receiving might be around \$200,000 but these people try to give only \$20,000 cash. They do not realise because financial literacy is not there, they do not realise the economic benefit that could come if the proper process is followed. The contractors are the ones who mostly try to bend and flex the laws in such away so that it benefits them and not benefit the resource owners.

That is one of the scenarios that I wanted to highlight. It is not only the Ministry that is not doing its part, nor the contractors who are doing the illegal extraction but moreso we need to empower our land and resource owners to see the economic benefit of this.

PS, you mentioned that you do not monitor the places where you do not give license to and those licenses are given to iTLTB. For the information of the Committee and those who are watching, where does iTLTB come in and where does the Ministry of Lands actually steps in?

MR. J. VUNIAMATANA.- Mr. Chairman, as was explained earlier on, the licenses that the Ministry issues are issued under the jurisdiction of the State Lands Act and the Rivers and Streams Act. Under those two legislations defines the ownership of the State for its resources.

We can issue licences for the extraction of the resources from the river and also on dry land if it is state land and iTLTB will issue licences of extraction of materials on dry land if it is iTaukei land meaning *mataqali* land.

MR. CHAIRMAN.- (Inaudible)

MR. J. VUNIAMATANA.- Yes, Sir.

MR. CHAIRMAN.- (Inaudible)

MR. J. VUNIAMATANA.- No, Sir.

HON. V. LAL.- Sir, through you, just wondering if a site is approved, what are the parameters? As you saying that they went to an approved site and nothing was happening there but as they went further down, work was going on. So, what are the parameters, how do you determine that?

MR. J. VUNIAMATANA.- For all gravel extraction licences issued, there are boundaries marked from Point A to Point B where they can extract. These boundaries are actually marked out on the

ground to the licensees before they start extraction. Anything beyond that is not allowed. So, our licences are issued for these boundaries and also together with whether the EIA assessment has been carried out on the ground. With this we give them the licences and there is a licence diagram at the back showing them the boundaries of which they can extract from for that one year.

HON. V. LAL.- (Inaudible)

MR. J. VUNIAMATANA.- Yes, Sir.

MR. CHAIRMAN.- In terms of the cubic metre that is approved, for example, I am approved within a 100 metres to extract, let us say 15,000 cubic metres. I have extracted 15,000 cubic metres in four months' time and my licence expires in another 12 months (with eight months grace months period). If there is a rainfall or anything, can I come back and apply for more extraction from that same place? Is that possible?

DR. R. TAGA.- That is possible, Sir, but we have to work within what the Environment Department has approved in their condition because in the licence there will be a sustainable volume for extraction. Anything above that will not be sustainable but if it is within that, there is a possibility of coming to Director of Lands and just discussing and getting the approval because they will need her consent to extract more.

MR. CHAIRMAN.- I think that is another major confusion, for example, for one year a certain amount of cubic metre is given and when they surpassed that, that is the time they start extracting illegally rather than actually coming back to the Ministry of Lands to discuss and increasing it in a legal context.

HON. RO T.V. KEPA.- Just a question to PS. You talked about community awareness and consultation with the various provinces, provincial councils and Rewa has been mentioned. My question is, have you also thought of putting out or maybe it is already out there short videos. We know that they are more gadgets out there than the population so even people in the village are on their mobiles, do you already have or maybe on *YouTube*, short videos on the work that you

are trying to bring awareness to so that the people in the villages are aware that when there is a stop work notice being given that these people are not supposed to be there or what can the villagers do in terms of when they see a digger out in the stream, no one will go to them and ask them, you know what are you doing here because they believe that it is not their right to do it. Do you have any kind of proactive measures in terms of short videos just to enlighten and bring about an awareness to the people especially in the villages?

MS. I. NAYACALEVU.- Madam, we have not reached the stage of producing videos but we have raised awareness through social media and talk back shows through the radio stations and television stations. That is where we have raised the awareness. Since the audit we have tried to send delegates to attend the Provincial Council meetings because that is where most of the customary fishing rights owners are present and that also is where there can be communication in terms of what is their responsibility and the impacts of giving access to operators who are not licensed. We are also in discussions with the end users, the Fiji Roads Authority and the construction industry to have a sort of check to see that the product that they are using is from a licensed operator. So that is what we are trying to put through in the regulation that the end user should check that whatever they are using is licensed and is complying with the environmental conditions that is set by the Department of Environment.

HON. RO T.V. KEPA.- Through you, Mr. Chairman. PS, we have our provincial council meeting on the 22nd of this month, can you send someone to bring about an awareness to the people?

DR. R. TAGA.- That is noted, Ma'am.

(Inaudible)

HON. RO T.V. KEPA.- You are very welcome to come, also with the Office of the AuditorGeneral to the opening by the honourable Prime Minister on 21st of this month.

MR. CHAIRMAN.- Thank you very much. I think we have sections 4 and 5 left.

HON. A.M. RADRODRO.- Mr. Chairman, just a question to the Ministry of Lands. There is a recommendation by the Auditor-General about the detailed implementation plan for the phasing out of river gravel extraction with the exception of certain areas. Can you just enlighten the Committee, what is the future plan in terms of phasing out of river gravel extraction? Will it be a short-term or long term plan?

DR. R. TAGA.- Sir, phasing out of river gravel will be for the long term because it depends on the end users. At the moment, as alluded to by the Director of Lands, the end users are still requiring river gravel. So to move to hard rock, that will be a transition that will take time because we will need to maintain the construction industry. Also with the regulations that we intend to bring into place, it will help in the transition to move away from river gravel but even if we talk about hard rock sources, there is also environmental impacts on hard rock. So we have to weigh the benefits and the disadvantage of moving from river gravel into hard rock. For environmental impacts, hard rocks will be higher impacts or disturbance because we will cut mountains, slopes and hills but for river gravel there is replenishment during floods and high rainfall. So the move from river gravel to hard rock will depend on the users and the requirements set in their construction or the building code to use, the types of gravel that they will need to use.

HON. A.M. RADRODRO.- Mr. Chairman, a supplementary question. For the operators of those that extract river gravel, what are the requirements? Say if a landowning resource owner wants to explore into that business activity, what are the requirements that the Ministry of Lands requires for any specific operator to extract land in their own fishing area?

MR. J. VUNIAMATANA.- Mr. Chairman, we have a checklist for all who wish to obtain an extraction license regardless of whether they are applying in as a company or an individual or even some members of the *mataqali* who wish to obtain licenses. Probably just very quickly, the checklist maybe will require just a formal application to the Director of Lands and attach with the locality of where they intend to extract, definitely we will need the fishing rights owners' consent known as the Waiver of Fishing Rights. That one needs to be endorsed by the provincial office and rectified by the Chairman of ITLFC to tell us that the signatories numbers are correct and those are the right people who have signed on it. Also, we will need an access agreement and an approved EIA and other documentations.

HON. A.M. RADRODRO.- So those documents are different from those required by the other approving agency – iTLTB? Is the requirement by the Ministry of Lands different from iTaukei Land Trust Board?

MR. J. VUNIAMATANA.- We cannot confirm what the requirements are for iTLTB but we understand that probably the same ones that we have in common is an approved EIA. They will probably get the written consents of the owners of *mataqali* that they wish to extract from and then probably the other requirements like the company TIN and all those.

HON. A.M. RADRODRO.- Can the Ministry of Lands advise the Committee whether there are any success stories that involves the resource owners in terms of this activity?

DR. R. TAGA.- Sir, one of the success stories if we may is the *vanua o* Votua in Ba in terms of Amex dredging iron magnetite river sand. That we have paid out mineral royalty, for that we give them the fair share of mineral royalty that has been paid by Amex. We paid that in February and that was the first payout for river sand extraction royalty. It is not the same as the royalty paid for other river gravel and sand because for that we take it as a mineral, black sand. So we pay out mineral royalty determined by the Director of Mines and that has been paid out. The amount these \$325,000 to the *vanua o* Votua which comprises of three *yavusa* and that was paid out in February.

HON. A.M. RADRODRO.- (Inaudible)

DR. R. TAGA.- It is directly paid to their bank accounts, individual members who are in *Vola ni Kawa Bula*.

HON. RO T.V. KEPA.- Just on that issue of Votua. There is good monetary value to that but in terms of the environment for flooding, what has been the difference in the flooding that has happened in Votua from before Amex arrived on the scene to what it is now in terms of the flooding issues in Votua.

DR. R. TAGA.- Ma'am, I believe the Ba River is always flooded whenever there is a rainfall but during Amex time, their EIA includes processes where they need to mitigate and also use or process the waste that they produced but it is not processed in the Ba River, it is done in Lautoka Port. The Ministry through the Mineral Resources Department is monitoring the river dredging done by Amex in the Ba River .

We have seen in other rivers that dredging has alleviated floods and we hope that that will happen too in the Ba River but we will need to include measures that will deepen the river mouth because it seems that all the sand that has flooded done has blocked the river mouth and that is what is causing the flood. That is under the Department of Environment to impose measures for that to be done.

HON. RO T.V. KEPA.- Thank you PS. Mr. Chairman, can the PS also update us on the sand extraction from the Sigatoka River?

DR. R. TAGA.- Mr. Chairman, the dredging of the Sigatoka River was done by LAWARM then which is the Ministry of Waterways now. It was done for flood mitigation and their stockpile is what we see along the riverbanks. The Ministry of Lands has come in to try and get licensees to remove the stockpile so that it does not go back into the river.

As for your question, Madam, in terms of mining, river dredging for Magma is still an exploration licensee, it has not gone into mining. We have still not given them a mining license, it is still exploration and for them they only take samples, they do not dredge the whole river.

HON. RO T.V. KEPA.- Mr. Chairman, how long will that exercise take?

DR. R. TAGA.- At the moment, Madam, they have reached the feasible study phase but it will take time because they have to prove to the Director of Mines that they can protect the environment and also produce the outcome (return) to the economy as they have promised.

MR. CHAIRMAN.- So, basically that is the difference PS between dredging and mining. For example, when the Ministry of Waterways does the dredging, it is mostly to mitigate the flooding factor but if it is given to a licensed contractor, they will have to follow the whole process in order to start mining, which eventually helps in mitigating floods but they have to go through the proper process.

DR. R. TAGA.- Yes, Sir, because the Mining Act then comes in, the requirements.

MR. CHAIRMAN.- Any other questions?

HON. J.N. NAND.- Mr. Chairman, with regards to SDG14 and SDG15 - Life Below Water & Life on Land. How is the Ministry mitigating and is there a policy developed to ensure that we maintain the progress of SDG?

DR. R. TAGA.- Thank you for the question, Sir. In terms of compliance with SDG the Director of Lands will only issue license in line with the Terms of Reference issued by the Department of Environment. That is the process and for desilting licenses, it is issued to contractors of the Ministry of Waterways but in collaboration with the Director of Lands. Still they have to come to the Director of Lands to gain the consent to be able to extract river gravel or river sand.

HON. A.M. RADRODRO.- Mr. Chairman, just another question to PS regarding the consent given. What OAG has recommended is that the Ministry of Lands should liaise with iTaukei Affairs Board which is responsible for provincial councils in ensuring that the signatures of fishing rights owners are appropriately witnessed at the fishing right owners meeting. There have been instances of forging signatories. Can the Ministry of Lands enlighten the Committee whether they have addressed these issues?

DR. R. TAGA.- Yes, we confirm that there has been instances of forging as highlighted by OAG and the Ministry is now tightening up on that issue and working closely with iTLFC in terms of verifying the signatories. It comes back to what we have alluded to in self-regulation, the responsibility by customary fishing rights owners. If they are aware of the impact of their decision in agreeing that river gravel and river sand is extracted, they will also be honest in giving their signatures or not and not forging. So, we are trying to move into the space of them self-regulating and monitoring because they know the importance of that resource because we are not

everywhere. We are not in the office 24/7 and we will need their assistance in regulating this sector. We are working with iTaukei Land and Fisheries Commission (TLFC) and also we have amended our Standard Operating Procedure (SOP) in terms of this process to better and improve the regulation of the river gravel extraction.

MR. CHAIRMAN.- I believe there are certain questions already being asked and we have discussed from Sections 4 and 5. We can just go through, PS, and if you see anything that has not been covered, you can actually take on those questions.

HON. A.M. RADRODRO.- Mr. Chairman, just one question on No. 10 about the status of development of one-stop-shop concept. Can you just enlighten the Committee on the progress of this?

DR. R. TAGA.- Sir, this is one of the recommendations by the audit team. If I may, could I ask them to elaborate on the one-stop-shop because from the Ministry, as a one-stop-shop, we are working in collaboration with our relevant stakeholders as I have alluded to in trying to get them in to plan with them and also map a way forward with them. For us that is the one-stop-shop so that those who apply for the licences, they do not have to go to different approving agencies to get the approval to extract.

Also there is a Mineral Development Technical Committee where all these agencies meet and that is where we have discussed these issues thoroughly to have a sort of standardised checklist or process for this. I would also like to ask the Office of the Auditor-General in terms of what they see and what they have been discussing in this one-stop-shop issue.

AUDIT REP.- Mr. Chairman, through you I believe this has been picked up by the report as one of the good practices that the Ministry will be implementing in terms of information gathered from the various stakeholders, to have it collated as a one-stop-shop, as PS has stated.

MR. CHAIRMAN.- PS, with regards to that question, for example, how practical would it be if you are getting a business registered, there is a one-stop-shop that we are trying to develop with the

Ministry of Commerce, Trade, Tourism and Transport (MCTTT). This is particularly a total different concept. It is not as simple as getting your company registered for a particular business.

Anyone wanting to obtain a licence, they can go to a particular platform that is provided to get their company registered. In obtaining a particular licence for extraction or mining licence, is it practical to have a one-stop-shop or do they still have to go to other relevant agencies like, Ministry of Environment to obtain an EIA or do we have those kinds of expertise to look after that, who actually monitors? If there is an EIA by the Ministry of Environment, they actually come to this particular agency and then they go to the company that is trying to get the license whether it is practical for them to go directly to EIA or come to this particular umbrella and then go to EIA? Under practical scenario, what would be more feasible?

MR. J. VUNIAMATANA.- Mr. Chairman, it is not practical right now to have a one-stopshop. The reasons being as you had alluded to, the requirements that we need in issuing the licenses, when we need an EIA it goes to the Department of Environment because they are legislated under the Act to issue the EIA. We also refer them to iTLFC because they are the agencies that can verify the signatories on the ground. With those reasons, we refer them to these relevant agencies before they come back to us. But in having all these officers in one set up, I do not think it would be possible right now.

MR. CHAIRMAN.- Basically at this point in time it would be more practical for the Ministry to advocate on the processes and requirements rather than having a one-stop-shop because they have to go to three different agencies, because then they have their own checklist. Merging everything under one as one-stop-shop at this point in time might not be practical. It is just looking at the different scenarios that we have.

HON. A.M. RADRODRO.- (Inaudible)

MR. CHAIRMAN.- Yes, in the future.

HON. A.M. RADRODRO.- So that is the question to Ministry of Lands if they could advise us in going forward, how they intend to utilise the technological space and the world that we are in now.

MR. CHAIRMAN.- We do not want to just support a recommendation per se and then we get to know or response comes from the Ministry that at the moment it is not practical for them to do so. That is why I was asking whether it is practical at this point in time or something that we can look at in the next 5-year and 20 year National Development Plan.

HON. A.M. RADRODRO.- But I think from the perspective of the business owner who wants to apply. That will be very genuine in terms of him or her coming to the Ministry and everything is provided for in the Ministry, rather than going from one Ministry to another and at the end of the day it takes a year or two finally come up with the full requirements. So maybe that is something for the Ministry to consider.

MR. CHAIRMAN.- That is why I was saying, it is very important to advocate on the processes and the requirements of what is actually needed rather than going to the agency three or four times with half-filled documents or half requirements and then complaining that it is taking too much time; that is another thing.

HON. A.M. RADRODRO.- This one-stop-shop process mentioned by the Office of the Auditor-General as good practices, are these the international benchmark standards in terms of these operations?

AUDIT REP.- Through you, Mr. Chairman, the inclusion of this in the report is basically the management comments that was provided by the Ministry. That concept was part of their management comments. So it is how we have included it in the report, we now understand that it is probably a long term proposal so but that was part of the comments that came from the Ministry.

DR. R. TAGA.- If I may, Sir, in terms of using technology in trying to get everything online, that is what the Ministry was looking at when it said “one-stop-shop” but the approval will still have to come from the different legislated authorities of the different legislations as was alluded to by

Assistant Director of Lands. But to ease the process, technology using online applications, processing and also the use of drones for monitoring or historical satellite imagery. So those are some of the direction that the Ministry is working towards in trying to get this industry in order.

HON.V. LAL.- Mr. Chairman, I was just thinking that instead of coming up with a one-stopshop, the Ministry can come up with a sort of river gravel extraction guideline which will provide guide to whoever is interested. All the details will be there so it will be easier for them to go ahead with process.

DR. R. TAGA.- Sir, just to comment on that, at the moment, a River Gravel Extraction Management Guideline is with the SG's office for vetting to be submitted to the Cabinet for approval.

MR. CHAIRMAN.- I believe that covers the questions that were sent to the Ministry.

HON. RO T.V. KEP A.- To Director of Lands, Director, you mentioned at the beginning that royalty and I had mentioned that my vested interest in this, 75 percent was paid to the State, particularly in the waiver of fishing rights, 25 percent was paid to the *qoliqoli* owners. Is that still current today or not?

MS. I. NAYACALEVU.- Mr. Chairman, that is currently the practise. We still are following the approval that was given in 1997 but at the moment the Ministry had devised a review of the royalty and it will now be tabled in Cabinet for approval.

HON. RO T.V. KEP A.- Because Mr. Chairman, some *qoliqoli* owners have mentioned that they have not been receiving any money in the last few years so perhaps you might be able to look into that. If that is the case, then it will bring into light why some of them are not bothered about what is happening on the land. People can just come and extract gravel or whatever because they are not getting any return from it. That might be something that you might want to look into. They have no interest in it, the Government is taking 100 percent, they are not getting anything then perhaps, Mr. Chairman, you might look into that.

MR. CHAIRMAN.- I would be very much interested in that claim that just has been made because as far as I know, with the Ministry of Lands, there is \$3-\$4 per cubic metre that is given to the landowners. This is about the extraction?

(Inaudible)

MR. CHAIRMAN.- *Qoliqoli* owners get around \$6.25 per cubic metre.

HON. RO T.V. KEPA.- You might want to look into that because I am hearing something different.

MR. CHAIRMAN.- Because all the extractors are paying that amount.

HON. RO T.V. KEPA.- Maybe the Government is getting 100 percent and they are not getting that
....

MR. CHAIRMAN.- It cannot be 100 percent to the Government.

HON. RO T.V. KEPA.- Find it out, Mr. Chairman.

MR. CHAIRMAN.- As far as I know it is being paid. That is why I said, at times some of the *qoliqoli* owners allow illegal extraction, part of them know it is an illegal extraction and part of them are sitting and expecting royalties be paid to them not knowing that there was no license issued to the contractor to extract gravel. Again I think advocacy is very important in this one as well.

DR. R. TAGA.- Mr. Chairman, if I may, for clarification, at the moment the rate is still \$2.18, 50 cents to the customary fishing rights owners and \$1.68 to the State. We have reviewed that and seeking Cabinet's approval to increase the rate to be compatible with iTLTB. For the rate for iTLTB, 44 | *Verbatim Report – Ministry of Lands and Mineral Resources*

that is the one you have mentioned but for the State it is still \$2.18. The payment is made out to iTaukei Affairs because the fishing right ownership is held by *mataqali* and *yavusa* and it is paid up to them and they have the responsibility to distribute the royalty payments.

HON. A.M. RADRODRO.- Just a request for an update to the Committee regarding the River Gravel Extraction Guideline and the National Development Mineral Policy Guideline. Can you just enlighten the Committee on the progress of these policies?

HON. V. LAL.- Maybe one final comment, Sir, in regards to the illegal extraction. Once the site is approved, I think what the department can do is to inform the surrounding areas and the duration of the extraction. In that case, people will also keep an eye, if the extraction prolongs then that matter can be reported.

DR. R. TAGA.- That is noted, Sir.

MR. CHAIRMAN.- As I alluded to earlier there are some other businesses going on side which the Ministry of Lands and Mineral Resources cannot be monitoring on a day-to-day basis. They cannot be present there on a daily basis to see how many cubic metres of gravel is extracted from the river. That is the scenario.

Any other final questions, Members?

HON. A.M. RADRODRO.- (Inaudible)

AUDIT REP.- Mr. Chairman, with Performance Audit we normally conduct a follow-up audit after two years to see whether the recommendation has been implemented.

MR. CHAIRMAN.- Any final comments?

AUDIT REP.- The OAG would like to acknowledge the Ministry of Lands and the PS for their willingness to assist the audit. The focus of the audit was also in collaboration with the Ministry and the finalisation of the report and the audit was done during the lockdown. We acknowledge the Ministry of Lands for providing comments during the lockdown, everyone was working from home during that time. We look forward to the assistance of the PS and the Ministry of Lands in the future audits.

DR. R. TAGA.- *Vinaka* Sir. We would like to also thank the OAG for raising these issues as I have said we take it as an opportunity to grow and improve and definitely it will improve. We would also like to thank the Committee for having us here this morning to present and clarify some of the issues that is there but we would like to ask the general public who are watching this that all of us have a responsibility in getting this sector in order because of its environmental impacts and also the benefits to the landowners and to the customary fishing rights owners.

HON. RO T.V. KEPA.- Thank you Mr. Chairman, I would like to first of all thank the OAG for a very good report. I think it is from this report that we have been able to ask high probing questions because of the quality of the report that you put out in a very difficult time during the pandemic.

We hear from the PS of the Ministry of Lands and Mineral Resources how they found this an opportunity too from your report to be able to look into the issues that I think concern all of us, particularly the people that are on the grassroots and those living in villages and settlements.

From the Committee, this is one day we have sat long through all the questions that have risen from the OAG Report and there is going to be a follow-up in two years' time which we also look forward to.

In the mean time we wish you the best OAG and also PS and Director of Lands and your team for being able to respond to our questions in a very affirmative, forward manner and we look forward to the work you are going to be putting in and again we wish you all the best. *Vinaka vakalevu.*

(Vote of thanks – Mr. Chairman)

The Committee adjourned at 11.41 a.m.