

Delivering Reliable Infrastructure



Infrastructure Services Sector
2018-19 Budget Kit



Table of Contents

Ministry of Infrastructure and Transport	3
Ministry of Waterways and Environment	8
Water Authority of Fiji	12
Fiji Roads Authority	15



The Fijian Government

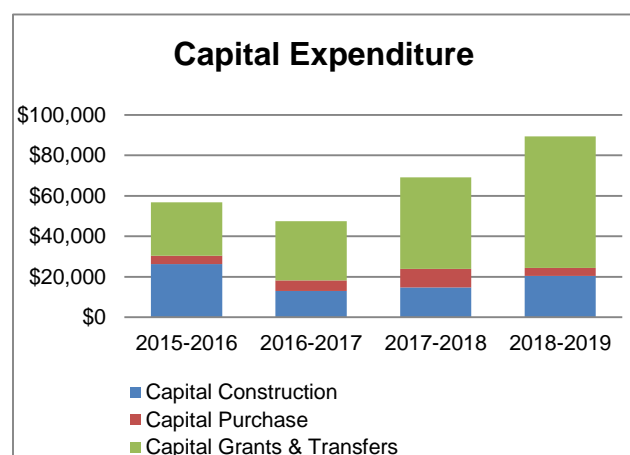
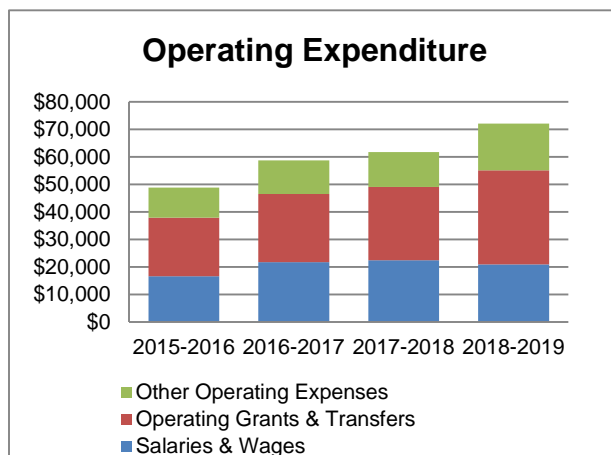
Ministry of Infrastructure and Transport

2018-2019 Budget Highlights

The Ministry of Infrastructure and Transport consists of the Transport Planning Unit, Government Shipping Services, Department of Water and Sewerage, Department of Works and the Department of Energy. The Ministry also administers the grant funds allocated to statutory bodies (Land Transport Authority and the Maritime Safety Authority of Fiji).

Together, these departments and statutory authorities work to efficiently manage Fiji's infrastructure network, which has vastly expanded over the past decade. This network of roads, bridges, ports, jetties and services infrastructure is critical to the well-being of the Fijian people and for the nation's economic development, and the Fijian Government is committed to ensuring reasonable access to reliable infrastructure and essential services for every Fijian citizen.

The Ministry's total budget for the new financial year is **\$165.2 million**, comprising **\$72.2 million** for operating expenditure, **\$89.4 million** for capital expenditure and VAT of **\$3.7 million**.



The increase of **\$31.1 million** in the Ministry's 2018-2019 Budget is attributed to:

- an increase in operating expenditure is attributed to the establishment of 62 new positions that have been created to carry out LTA's enforcement responsibilities, ensuring a safe and reliable infrastructure network. This includes customer service, e-ticketing enforcement, overloading enforcement and road safety enforcement.

- an increase in capital expenditure is largely due to Government's ongoing expansion of the Rural Electrification Programme, in line with Government's commitment to provide affordable, reliable, modern and sustainable energy services for all Fijians with 100% national coverage by 2021.
- ongoing programmes and several new capital initiatives aimed at bringing more Fijians into the fold of economic development.

New Initiatives

- \$1.7 million is allocated to Land Transport Authority for the following new projects:
 - Purchase of a shredder machine for Valelevu (\$82,500);
 - Procurement of two number plate embossing & hot stamping machine (\$330,000);
 - Procurement of two Mobile Caravan trucks for Western & Northern Division (\$240,000);
 - LTA geographical information system project (\$269,400);
 - Disaster recovery solution (\$481,780); and
 - End user equipment (\$231,080).
- \$709,364 has been allocated for the supply and installation of three new generators for the Nabouwalu Rural Government Station and one standby generator for other government stations.
- \$900,000 for the upgrade of Buca Hydro Turbine and \$300,000 for the improvement of Buca Hydro Access Road.
- \$785,000 is allocated for Rural Grid Infrastructure Project from Malhaha to Oinafa in Rotuma.
- \$2.0 million is allocated towards the extension of the electricity grid to Nalawa District, Nasau in Rakiraki while \$2.1 is allocated for the grid extension to Lalakoro, Vunimako, Rokosalase & Daqau Settlement, Seaqaqa.

Ongoing Initiatives

- Promoting safety and efficiency within Fiji's and transport system:

- Operating Grant to the LTA to provide a safe, efficient, and sustainable land transport system (\$28.3 million).
- Capital Grant to the LTA for ongoing capital projects. These include the construction of permanent weighbridge at Karavi, Ba (\$3.0 million); Labasa customer service/admin office reinstatement (\$1.5 million); service & maintenance of fully automated vehicle inspection systems (\$0.2 million); upgrading and refurbishment of LTA buildings (\$827,000); the installation of red light and speed cameras (\$1.5 million); and the procurement of enforcement equipment (\$0.5 million).
- Bolstering Fiji's inter-island transportation network, allowing more Fijians in maritime areas and outer islands to share in the benefits of the nation's growing economic prosperity:
 - Purchase of an additional new Government vessel for the transportation of passengers and cargo to maritime islands (\$3.0 million).
 - Shipping Franchise Scheme: supports cost-effective shipping services to maritime routes that are otherwise considered to be uneconomical (\$2.3 million).
 - Construction of a retaining wall to prevent erosion at the Government wharf at Walu Bay, a ramp area that would increase berthing capacity, and pontoons for berthing of Government vessels (\$3.0 million).
 - Upgrading of Government Wharf: funds the completion of upgrading works at the wharf at Walu Bay (\$1.15 million).
- Ensuring the availability of sufficient data for transport planning, allowing for the creation of a more efficient transportation network:
 - Fiji National Transport Database and Transport Planning Software: allows transportation policy planners to calibrate data to gauge the travel behaviour patterns of the population in terms of passenger and freight movement and their impact on carbon emissions (\$107,668). The allocation will allow for the completion of Phase 2 of the Household Travel Survey.

- Ensuring that proper maintenance and upgrading works are carried out on deteriorating Government buildings:
 - Repair and Routine Upgrade of Public Buildings: the rehabilitation and upgrading of individual elements in public buildings, such as floor tiling/polishing/carpeting, installation of security grills, lighting, mosquito screens and other carpentry works (\$1.0 million).
 - Upgrade of Water Supply and Sewer Line: the installation of PVC pipes to replace cast iron water-service pipes between water meters and buildings and earthenware sewer pipes between septic tanks and buildings (\$500,000).
 - Electrification of Rural Government Stations: completing the construction of the Rotuma Power House (\$293,710) and upgrading of reticulation lines at Lakeba Government Station (\$182,716).
- Providing affordable, reliable, and sustainable energy services for all Fijians:
 - Upgrading of the Gau and Cicia Biofuel Mills: aimed at improving the sustainability of the mills through the production of copra oil and virgin coconut oil (\$350,000).
 - Rehabilitation of Solar Home Systems and Diesel Schemes for the Relocated Villagers and Re-constructed Homes: funds allocated for the rehabilitation of the solar home systems and diesel schemes that were damaged by TC Winston (\$3.8 million).
 - Rehabilitation of Solar Home Systems and hydro lines in Kadavu that were severely damaged during TC Keni (\$931,705).
 - Rural Electrification Project: funds allocated for the major rural electrification activities like grid extension projects, house-wiring projects, installation of new solar home systems, and maintenance of existing solar home systems (\$50.8 million). An additional allocation is provided under Head 50 for the procurement of specialised vehicles to assist DOE with the increased implementation of rural electrification projects (\$330,000).

- Major Grid Extension Projects that will continue include:
 - Grid Extension to Lagalaga settlement, Labasa (\$2.3 million); and
 - Grid Extension to Solove Stage 1, Seaqqa (\$1.02 million).
- EFL subsidy programme (\$4.0 million): Government provides subsidy to domestic customers who consume less than or equal to (\leq) 100 kWh per month, whose combined household income is less than or equal to (\leq) \$30,000 per annum. To date, 22,994 households benefit from the subsidy programme. The budget is allocated under Head 50.
- Stage 2 of the works under the Investigation of Geothermal Power in Fiji, funding for which is being equally matched by the World Bank. The budget is allocated under Head 50 (\$400,000).
- Increase the nation's share of energy produced by green and renewable sources, allowing Fiji to continue to set a global example for sustainable development:
 - Renewable Energy Development Projects: research, assessment and monitoring of renewable energy resources around the country, including wind, solar, hydro, wave, biomass and geothermal energy resources (\$425,649).



The Fijian Government

Ministry of Waterways and Environment

2018-2019 Budget Highlights

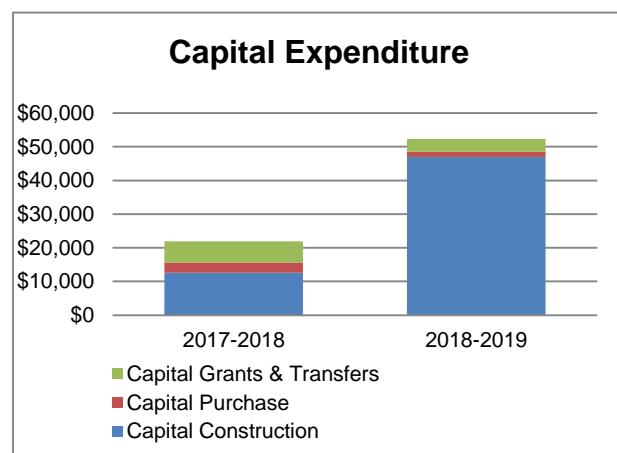
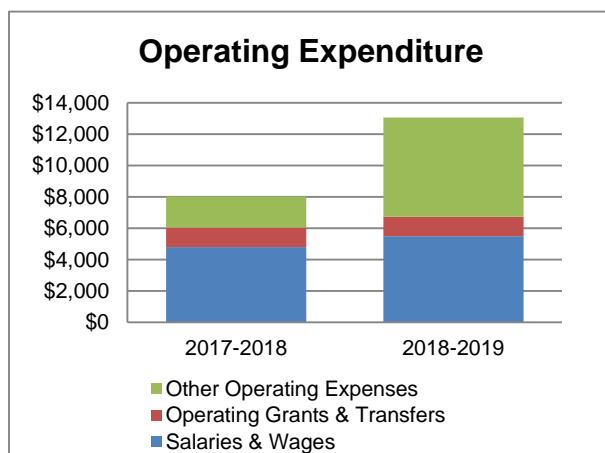
The Ministry of Waterways and the Ministry of Environment have been combined to form the newly-established Ministry of Waterways and Environment, in recognition that waterways management and the preservation of Fiji's natural environment share many inherent linkages. Fiji's waterways share a unique vulnerability to the worsening impacts of climate change. This structural move will streamline Government's ability to direct environmental funding and support to the nation's flood adaptation and resilience efforts.

Duties previously carried out separately by the Ministry of Waterways and the Ministry of Environment will now fall under the purview of the newly-combined Ministry.

The Ministry will maintain drainage systems and manage Fiji's creeks, tributaries and rivers. It will set out the direction for the waterways sector to achieve sustainable development, effectively manage the nation's water resources for economy-wide benefits, and implement activities and policies to mitigate economic loss caused by floods.

The Ministry will also continue to ensure that Fiji's national development does not come at the cost of our natural environment. Through the implementation of coordinated environmental legislations, policies and programmes, it will work to expand public awareness and enforce strict adherence to the laws that preserve Fiji's ecosystem for future generations.

The total budget for the Ministry of Waterways and Environment is **\$69.9 million**



Increases in operating expenditure are attributed to increased operational functions of the newly-expanded Ministry. There are additional increases in both operational and capital expenditures due to the inclusion of the new Ministry of Environment, which is responsible for the implementation and enforcement of environmental protection programmes.

New Initiatives

- \$2.5 million is provided for the Irrigation Support for Farm Development Programme. This initiative aims to improve and effectively maintain drainage systems for all farmland in waterlogged areas.
- \$3.0 million is allocated for Drainage for Rural Residential Areas, a project aimed at alleviating the effects of flooding in rural households.
- \$14.0 million is allocated to prepare and protect Fiji's coastal communities from severe weather events and erosion through the construction of seawalls, groyne and wave breakwaters.
- This year, the German Development Cooperation will also provide a technical assistance team to the Ministry with a mission to identify suitable climate adaptation activities in the Fijian water sector that are in line with national climate, watershed and waterways strategies. It will support the Ministry of Waterways in its current establishment phase by identifying needs, gaps and possible activities within the field of its Integrated Water Resources Management mandate as well as suggesting possible synergies through cross-institutional and cross-sectoral cooperation between Fijian authorities and other relevant stakeholders. The recommendations will also highlight opportunities for the mobilisation of climate finance into Fiji.
- Community beautification programme - aims to empower and encourage Fijian communities to maintain and upkeep their surroundings through cosmetic improvements such as planting flowers, painting, litter pick-up campaigns, light rehabilitation works and other initiatives as deemed appropriate by members of the community (\$150,000).
- Compost Bin Pilot Project – Underdeveloped areas in Nasinu: reduces waste by distributing compost bins to underdeveloped areas in Nasinu. Supplemented with education and training,

this pilot programme aims to encourage Fijians to reduce solid waste while producing fertile planting soil (\$500,000).

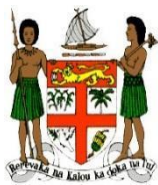
- Purchase of standardised bins: this programme aims to distribute standardised bins to municipal councils throughout Fiji to facilitate more efficient waste removal. The new bins will replace unattractive and inconstant waste receptacles that are often used in municipalities around the country, and are compatible with existing disposal equipment for quick and easy emptying. Their uniformity will allow for more reliable planning of waste pick-ups (\$1.0 million).

Ongoing Initiatives¹

- Maintaining irrigation schemes around the country:
 - Maintenance of Completed Irrigation Schemes: the upkeep of irrigation systems through the installation of new flood and flap gates, desilting of drains and canals and rehabilitation of irrigation structures (\$1.95 million).
- Clearing and improving drainage systems and watersheds for flood control measures:
 - Drainage and Flood Protection: reduces flood risk in low-lying and agricultural farming areas by dredging rivers, carrying out engineering investigations and designs, constructing river bank boulders to prevent coastal erosion and conducting necessary environmental impact assessments (\$14.5 million).
 - Drainage for Farmlands: rehabilitates existing farm drainage systems within the cane-growing and major agricultural farming regions around the country to minimise flood risk and crop damage (\$3.0 million).
 - Maintenance of Drainage - Municipal Councils: for the upkeep of drainage under all municipal councils, upgrades drains and creeks to mitigate flood risk in urban and peri-urban areas (\$3.8 million).
 - Watershed Management: optimises water resources for agricultural production, in tandem with managing domestic usage in drought-prone regions during dry seasons and increasing water yield and quality (\$2.0 million).

¹Ongoing initiatives also include programmes and projects transferred from the Ministry of Environment to the new Ministry of Waterways and Environment.

- Conducting an additional survey for the Nadi Flood Alleviation Project as part of the extensive preparatory works for planned river dredging that will protect the area from flooding. The budget is allocated under Head 50 (\$2.5 million).
- Curbing pollution and conserving Fiji's natural resources, including lakes and rivers, our biodiversity, forests and wildlife:
 - Construction of Naboro Landfill – Stage 2: improves waste management in the Central Division by constructing Stage 2 Cell 2 of the Naboro Landfill, which will provide landfill air-space for an estimated lifespan of two additional years (\$3.3 million).
 - Environment Management Act: assists with the implementation of the Environment Management Act and raises public awareness on the Act's provisions (\$120,000).
 - Litter Awareness: funds assistance to the Municipal Councils to conduct quarterly clean-up campaigns that ensure the safe and proper collection of unwanted white goods, such as damaged television sets, washing machines and old refrigerator machines, which are particularly harmful to the environment when disposed of improperly (\$260,000).
 - 3R Awareness Programme: supports the Reduce, Reuse and Recycle (3Rs) programme by raising awareness in primary and secondary schools, allowing Fijians of all ages to be active climate warriors and participate in our international environmental campaign. Funds will be used to purchase 3Rs bins for all schools located within the boundaries of municipal councils (\$100,000).
 - Phase-out of Methyl Bromide: covers the ongoing training of officers from the Department of Environment, Fiji Ports Authority, Biosecurity Authority of Fiji, and private sector fumigation companies on the Accredited Fumigation standards and procedures. The Ozone Unit within the Ministry will facilitate these trainings (\$40,000).
 - HCFC Phase-out Management Plan: implements programmes outlined in the Hydrochlorofluorocarbon (HCFC) Phase-out Management Strategy that will assist Government to meet its obligation to the Montreal Protocol to maintain the 10% reduction in Fiji's use of ozone-depleting gases (\$40,000).

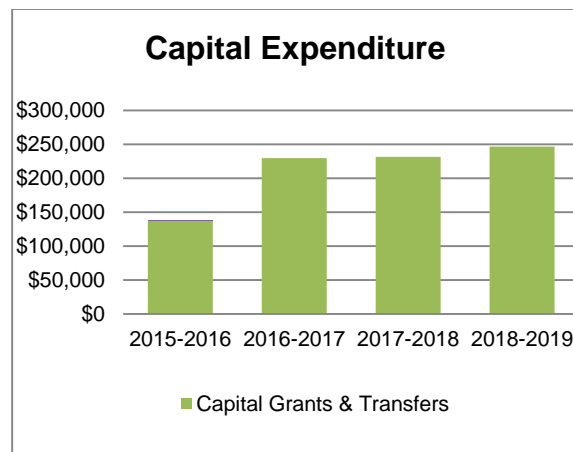
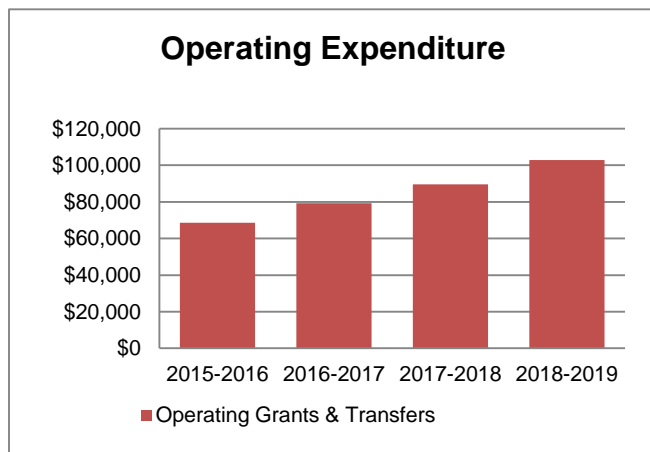


The Fijian Government Water Authority of Fiji 2018-2019 Budget Highlights

Access to clean water is both a fundamental right of every Fijian, as enshrined in the Fijian Constitution, and an essential component of sustainable development. The Water Authority of Fiji ('WAF') is responsible for helping achieve the Fijian Government's vision to give every Fijian household access to clean water and efficient and effective wastewater services. WAF currently provides these services to over 164,000 residential and non-residential metered customers, reaching over 700,000 Fijians nationwide.

WAF has made serious progress in becoming a fully-modernised utility provider due to its continuing investment in human capital, adoption of international best practises across its services, procurement of more modern equipment and efforts to raise public awareness on water conservation.

The total budget for WAF in 2018-2019 is **\$349.3 million**, comprising **\$102.8 million** for operating expenditure and **\$246.5 million** for capital expenditure.



Ongoing Initiatives

- Expanding access to water and wastewater reticulation systems:
 - Water Sources and Water Treatment Plants: constructing and upgrading water-treatment plants to increase capacity in new and existing areas (\$33.7 million).

- Water Distribution System Project: improves and expands WAF's ability to distribute clean and safe drinking water to a growing customer base (\$51.7 million).
- Wastewater Treatment Plant: continually upgrades wastewater treatment plants by expanding capacity in line with sewer-extension projects (\$18.6 million).
- Improvement and Upgrade of Wastewater Distribution System: extends wastewater reticulation systems in line with capacity improvements at wastewater-treatment facilities (\$20.4 million).
- Providing access to safe drinking water in rural and peri-urban areas:
 - Rural Water Supply Programme: covers the provision of safe drinking water to over 129 villages, settlements, schools and health facilities. In addition, 30 more villages will receive access to water through the installation of ecological purification systems (\$27.0 million).
 - Rural Water Carting to Non-Metered Areas: distributes water supplies to non-metered communities that are experiencing intermittent water supply or are affected by worsening drought conditions due to changing weather patterns. The allocation has doubled from \$3.0 million to \$6.0 million, allowing WAF to vastly expand the aid that is provided to affected Fijians (\$6.0 million).
 - Government Subsidy for Rainwater Harvesting Systems: funds a 70% subsidy for systems that will allow for the collection and storage of rainwater by Fijians living in peri-urban and rural areas affected by intermittent water supply. Eligible households that construct the necessary bases and gutter systems will be provided with 5,000L water tanks (\$4.5 million).
- Improving operational efficiency, resilience and sustainability:
 - Integrated Meter Management: replaces defective water meters to reduce billing errors and improve water meter accuracy (\$5.2 million).
 - Non-Revenue Water Reduction Project: reduces the amount of water leakages throughout the water reticulation system (\$8.0 million).

- Water Catchment Management Programme: surveys new water sources by undertaking hydrological studies (\$3.0 million).
 - Electrical Upgrading Project: installs new generators and switchboard systems to ensure sufficient and reliable power supply to WAF facilities and resilience to power disruptions (\$17.6 million).
 - Relocation of Existing Water and Wastewater Pipeline - FRA Road Works: relocates existing water and wastewater pipeline on the major ongoing road works (\$3.1 million).
 - Emergency Response Contingency: carries out immediate repair and rehabilitation works during and after natural disasters (\$5.0 million).
 - WAF Facilities Upgrade: constructs and refurbishes new and existing warehouses, staff quarters, depots and offices to improve service delivery and improve working conditions (\$2.7 million).
- Urban Water Supply and Wastewater Management Project: designed to augment vital urban infrastructure and services to support sustainable growth and development in the Greater Suva Area (GSA) by increasing water-supply capacity by 29% and wastewater-treatment capacity by 164%. As part of the project, a new 40 megalitre treatment plant will be constructed in Viria, Rewa. Funding is also provided by the Asian Development Bank (\$7.6 million), European Investment Bank (\$5.5 million), a grant from Green Climate Fund (\$2.9 million), and local funding (\$21.8 million).



The Fijian Government

Fiji Roads Authority

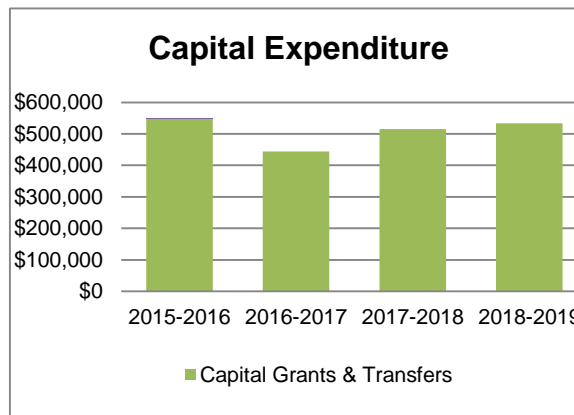
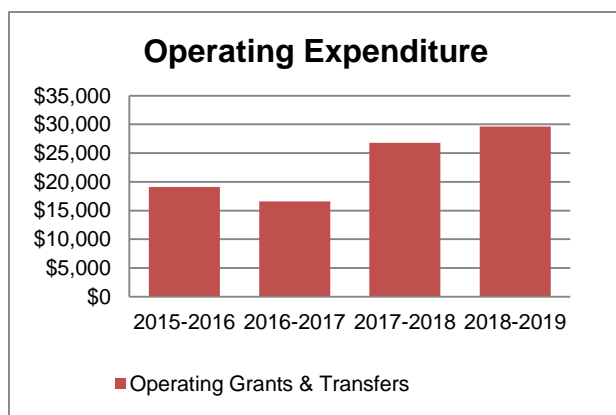
2018-2019 Budget Highlights

The Fiji Roads Authority (FRA) is responsible for the country's entire surface-transportation network which, due to unprecedented funding allocations in recent years, has been massively expanded and upgraded to provide new levels of access and far greater mobility to the Fijian people. As the network that connects our towns, cities, domestic and international ports and rural and maritime communities, FRA's assets facilitate increased flows of goods and services throughout our country.

FRA is tasked with improving and expanding Fiji's roads to fit the needs of a society where a growing number of financially-empowered citizens own motor vehicles. This encompasses a comprehensive approach that involves not only paving new roads, but also rethinking the way that Fijians use those that already exist, and fostering innovations that will streamline the way that Fijians get from place to place.

The Authority is also responsible for implementing the footpaths and street-lighting programmes, which give greater measures of safety and security to roadside communities and pedestrians all across Fiji.

The total budget for FRA in 2018-2019 is **\$563.1 million**, comprising **\$29.6 million** for operating expenditure and **\$533.4 million** for capital expenditure.



The increase of **\$85.5 million** in 2018-2019 is mainly attributed to:

- an increase in staffing from 176 to 240 employees in different divisions to be able to efficiently and effectively deliver the large capital programme.
- an increase in capital expenditures due to an expansion of the Bridges Replacement and Renewal Programme. This also covers an expansion of the Rural Roads Programme, a project that will bring more Fijians into the fold of our national economic development by giving them easier access to markets, education, government offices, healthcare and other services, and allowing them to tap into the lucrative benefits of tourism.

Ongoing Initiatives

- Improving the standard of the existing road network:
 - Maintenance Programme: covers the maintenance of the overall road network (\$69.5 million).
 - Emergency Repairs – Storm Damages/Emergency Response Contingency: covers restoration and rehabilitation work carried out during and after natural disasters (\$11.9 million).
 - Renewals and Replacements Programme: covers the renewal and replacement of existing road assets that have deteriorated (\$74.2 million).
 - Upgrading and Replacement of Bridges – Bridge Renewals: covers the renewal and replacement of existing bridges and crossings (\$67.6 million). This is a more than twofold increase in the allocation.
 - Jetty Maintenance and Renewals: covers the renewal and replacement of existing jetty assets (\$18.2 million).
 - New Capital Resilience Programme: aimed at improving the level of resilience to our road assets to adverse climatic events (\$1.0 million).

- Transport Infrastructure Investment Sector Project: rehabilitates roads, bridges and rural jetties to achieve climate-resilient transport infrastructure, more efficient project management support and effective institutional management. The project is financed through an Asian Development Bank and World Bank loan of US\$100 million and US\$50 million, respectively, spread out over a period of four years, or more if necessary (\$61.7 million).
- Relieving traffic congestion and improving the safety of pedestrians and travellers in rural and urban areas:
 - Fiji Decade of Action for Road Safety: improves traffic services through sign and traffic-light installations in urban and peri-urban areas (\$2.2 million).
 - Capital Community Programme: covers the construction of footpaths and bus shelters, and improves signage in peri-urban and urban areas (\$43.4 million).
 - Small infrastructure works in Nasinu - clearing of drainage and constructing footpaths and streetlights in Nasinu areas (\$1.0).
 - New Capital Tourism: includes the improvement of the road network leading to tourism destinations in Fiji (\$519,500).
 - Streetlight Improvement Programme: covers street lighting installations in rural, peri-urban and urban areas (\$20.5 million).
 - Capital Congestion and Capacity Improvements: aims to address congestion by increasing the capacity of existing road networks (\$46.9 million).
 - Investigation and Design for New Labasa Bypass road and Bridge: aims to address congestion in Labasa town (\$2.0 million).

- NASRUP² Suva 3 (Nakasi to Nausori Bridge Roundabout): covers the ongoing construction of the four-lane road (\$36.1 million).
- Expanding and improving the rural road network access through upgrading, periodic maintenance and construction of new roads and crossings in the rural and maritime areas (\$69.6 million).

² Nadi-Suva Road Upgrading Programme