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# **Final Authorization**

# **Inter-Island Shipping Fares and Freight Charges** in the Maritime Islands in Fiji



Date Issue: 3 June 2015

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"To promote Competition in the Fijian Markets"

#### 1.0 Introduction

- 1.1 The Fijian cabinet vide the Cabinet Decision (CP (12)162) dated 5 June 2012agreed that a review be undertaken by the Fiji Commerce Commission("FCC")to determine the most feasible and sustainable level of boat fares and freight charges to be levied to the travelling public by private shipping companies and the Government Vessels.
- 1.2 Based on the Fijian Cabinet decision, the Commission completed the comprehensive study of the inter-island shipping industry and submitted the report to the Ministry of Infrastructure and Transport on 4 February 2013 to consider the findings and recommendations of the report and make appropriate recommendations for the cabinet's decision.
- 1.3 Cabinet Decision No.9 of 2013 agreed that the report "Review of the Shipping Fares and Freight Charges" be subject to further discussion between the relevant stakeholders in the maritime industry in order to determine the best way for the implementation of some of its recommendations.
- 1.4 Following the Cabinet Decision above, the Ministry of Infrastructure and Transport appointed a technical working group (TWG) compromising of the Ministry of Finance, FRCA, Maritime Safety Authority of Fiji (MSAF), Ministry of National Planning and the Commission. The TWG conducted public consultations and finalized the comments and prepared the report for consideration by the Ministry of Infrastructure and Transport.
- 1.5 The findings and recommendations of the TWG submitted to the Fijian Cabinet and Cabinet via Cabinet Decision No.361 dated 3 December 2013 agreed with the Commission's recommendation for the introduction of Price Control Order on shipping/passenger fares and the review of the current Price Control on Freight Charges for all shipping services in Fiji.
- 1.6 On 14 January 2014, the Minister approved and gazetted the Commerce (Control of Freight Rates and Passenger Fares) Order 2014 ("Order 2014") for the prices for the supply of all Maritime Shipping Services, passenger fares and freight rates in Fiji are controlled. The Order expires on 1 January 2017 unless the Order is extended or earlier revoked.
- 1.7 Following the Gazettal of the Order 2014, the Commission requested for submissions from the shipping companies and computed the most feasible passenger fares and freight rates for each of the routes.

- 1.8 After three (2012-2015) years of consultations, assessments and analysis, the Ministry of Infrastructure and Transport jointly led Technical Working Group (TWG) with the Fiji Commerce Commission made recommendations to the Honourable Minister seeking Cabinet's endorsement.
- 1.9 Cabinet in its decision vide Cabinet Decision No: 93 dated 4<sup>th</sup> May 2015:
  - 1. Agreed that Fiji Commerce Commission (FCC) Report on the 'Review of the Shipping Fares and Freight Charges for the Fijian Market' be adopted and implemented; and
  - 2. Endorsed that Maritime Safety Authority of Fiji spearhead the implementation of a standard manifest for all cargo to be adopted by ship operators trading in Fiji.
- 1.10 The Government through Ministry of Infrastructure and Transport has announced that the new fares to be authorised by the Commission will come into effect from 1<sup>st</sup> July 2015.
- 1.11 In recognition of the Cabinet Decision No: 93 dated 4<sup>th</sup> May 2015, Commerce (Control of Freight Rates and Passenger Fares) Order 2014 and Section 41 of the Commerce Commission Decree 2010, the Commission has made this authorisation.

#### 2.0 Legal Framework

- 2.1 The Commission is empowered under the Commerce (Control of Freight Rates and Passenger Fares) Order 2014 to control the prices for the supply of all Maritime Shipping Services, passenger fares and freight rates in Fiji.
- 2.2 The Commerce (Control of Freight Rates and Passenger Fares) Order 2014 authorizes the Commission to regulate and control prices for three (3) years which expires on 1 January 2017unless the Order is extended or earlier revoked.
- 2.3 Section 41 of CCD2010 on states that Controlled goods or services not to be supplied except in accordance with authorised price by the Commission.

#### 3.0 Commission's Authorization

- 3.1 The authorised passenger fares are for boat/ship passage only.
- **3.2** The authorised fares are for the economy class only and is not applicable for any other classes of services, provided that economy class seats are made available to the travelling public for all voyages.

Schedule 1: Commission's Maximum Authorized Passenger Fares for Economical Routes

Route	Category	Authorised Passenger Fares (VIP)
Economical Routes		
Suva- Kadavu	Adult	\$46.00
	Student	\$35.00
	Child	\$28.00
	Persons under 5 Years	Free
Buresala- Natovi	Adult	\$22.00
	Student	\$16.00
	Child	\$13.00
	Persons under 5 Years	Free
Natovi- Nabouwalu	Adult	\$47.00
	Student	\$35.00
	Child	\$28.00
	Persons under 5 Years	Free
Suva - Koro	Adult	\$55.00
- Committee of the Comm	Student	\$41.00
	Child	\$33.00
	Persons under 5 Years	Free
Suva - Savusavu	Adult	\$52.00
	Student	\$39.00
	Child	\$31.00
	Persons under 5 Years	Free
Suva - Taveuni	Adult	\$71.00
Java Taveam	Student	\$53.00
	Child	\$43.00
	Persons under 5 Years	Free
Coro- Savusavu	Adult	\$49.00
(O)O" Javusavu	Student	\$37.00
	Child	\$30.00
	Persons under 5 Years	Free
Koro - Taveuni	Adult	\$55.00
COLO - Taveum	Student	\$41.00
	Child	\$33.00
	Persons under 5 Years	Free
Savusavu -Taveuni	Adult	\$30.00
oavusavu - raveum	Student	\$22.00
		\$18.00
	Child	March Control
	Persons under 5 Years	Free
latovi-Savusavu	Adult	\$58.00
	Student	\$43.00
	Child	\$35.00
	Persons under 5 Years	Free
Lautoka-Malau	Adult	\$70.00
	Student	\$53.00
	Child	\$42.00
	Persons under 5 Years	Free

Schedule 2: Commission's Maximum Authorized Passenger Fares for Uneconomical Routes

Route	Category	<b>Authorised Passenger Fares (VIP)</b>
<b>Uneconomical Routes</b>		
Suva -Yasayasa Moala	Adult	\$98.00
	Student	\$49.00
	Child	\$25.00
	Persons under 5 Years	Free
Suva - Rotuma	Adult	\$175.00
	Student	\$87.00
	Child	\$44.00
	Persons under 5 Years	Free
Suva - Upper	Adult	\$116.00
Southern Lau	Student	\$58.00
	Child	\$29.00
	Persons under 5 Years	Free
Suva - Lower	Adult	\$116.00
Southern Lau	Student	\$58.00
	Child	\$29.00
	Persons under 5 Years	Free
Suva - Lomaiviti	Adult	\$71.00
	Student	\$35.00
	Child	\$18.00
	Persons under 5 Years	Free
Suva - Northern Lau II	Adult	\$120.00
	Student	\$60.00
	Child	\$30.00
	Persons under 5 Years	Free
Suva – Northern Lau I	Adult	\$119.00
	Student	\$60.00
	Child	\$30.00
	Persons under 5 Years	Free
Suva - Kadavu	Adult	\$36.00
	Student	\$18.00
	Child	\$9.00
	Persons under 5 Years	Free
Lautoka-	Adult	\$50.00
Yasawa/Malolo	Student	\$25.00
15.1	Child	\$12.00
	Persons under 5 Years	Free

Schedule 3: Commission's Maximum Authorized General Cargo Freight Rates

	Auth	orized General Carg	go Freight Rates
	Per KG (\$)	Per Tonne (\$)	Per Cubic Meter (\$)
	(VIP)	(VIP)	(VIP)
Economical Routes	•		
Suva- Kadavu	0.12	117.00	106.00
Suva- Levuka	0.10	103.00	93.00
Natovi- Buresala	0.02	20.00	18.00
Natovi- Nabouwalu	0.08	84.00	75.00
Suva- Koro	0.16	163.00	147.00
Suva- Savusavu	0.22	223.00	200.00
Suva- Taveuni	0.26	268.00	242.00
Koro- Savusavu	0.08	78.00	70.00
Koro- Taveuni	0.12	113.00	102.00
Savusavu- Taveuni	0.10	99.00	89.00
Natovi-Savusavu	0.15	151.00	136.00
Lautoka-Malau	0.35	350.00	315.00
Uneconomical Franchise I	Routes		
Yasayasa Moala	\$0.08	79.00	71.00
Rotuma	\$0.08	77.00	69.00
Upper Southern Lau	\$0.07	70.00	63.00
Lower Southern Lau	\$0.10	99.00	89.00
Lomaiviti	\$0.14	140.00	126.00
Northern Lau II	\$0.08	84.00	76.00
Northern Lau I	\$0.08	85.00	76.00
Kadavu	\$0.07	70.00	63.00
Yasawa/Malolo	\$0.10	100.00	90.00

## **Goods Measurement Criteria for Freight Rates**

The current price control order allows vessel operators to charge prices for general freight based on either the volume or weight. The vessel operators, at their preference, measure freights in volume or weight, whichever would yield a higher rate.

For equitable and dynamic pricing system that is just and fair to both consumers and traders, the Commission recommends that a defined list of items and measuring method need to be developed and enforced to ensure consistency and fairness in application by various operators.

A classified list of items of commonly transacted and its corresponding measure are provided below:

Table 1: List of General Cargo Items with Measurement Criteria

General Cargo Type	<b>Unit of Measure</b>
All goods packed in Bags or sacks	Tonne
All goods packed in cartons	Tonne
Empty container, cylinder and drums	Tonne
Petroleum products filled in container, drums	Tonne
LPG cylinder filled	Tonne
Copra	Tonne
Yaqona in Bales, bags, sacks, or other container	Tonne
Hardware Items	
Timber	Cubic Meters
Blocks	Tonne
Cladding and Boards	<b>Cubic Meters</b>
Plumbing Pipes	<b>Cubic Meters</b>
Cement	Tonne
Nails and Fasteners	Tonne
Electrical Items (Cartons)	Tonne
Roofing	<b>Cubic Meters</b>
Steel	<b>Cubic Meters</b>
Paint	Tonne
Automobile	
Cars, Vans, Truck of all types	Each
Other Goods	
Frozen Goods of all type	Tonne
Trocas Shell, beche de mer	Tonne
Livestock	Tonne/ Cubic Meter

The Commission mandates the shipping operators to install weighing machine to measure proper weights of the goods in order to have appropriate pricing for the consumers as well for the shipping operator's records.

Schedule 4: Commission's Authorised Vehicle Freight Rates (Maximum)

	Suva- Kadavu	adavu	Natovi- Nabouwalu	bouwalu	Natovi- Buresala	ıresala	Suva- Koro	(oro	Suva- Savusavu	rusavu	Suva- Taveuni	weuni
I.	One Way	Return	One Way	Return	One Way	Return	One Way	Return	One Way	Return	One Way	Return
Vehicle Freight Rates	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)
Cars & Van < 1 ton	200	285	224	320	175	250	163	233	172	245	179	255
1 ton truck	272	387	245	350	210	300	222	316	234	333	243	346
2 ton truck	300	428	315	450	245	350	246	350	259	369	269	383
3 ton truck	316	450	385	550	280	400	258	368	272	388	282	403
3.5 ton truck	389	554	455	650	315	450	318	453	335	477	348	496
5 ton truck	888	1,266	525	750	350	200	725	1,034	764	1,090	794	1,133
9 ton truck	1,166	1,663	1,120	1,600	630	006	953	1,359	1,004	1,432	794	1,133
10 wheeler truck	1,819	2,594	1,260	1,800	910	1,300	1,110	1,583	1,095	1,561	1,100	1,568
12 wheeler truck	2,092	2,984	2,240	3,200	1,050	1,500	1,277	1,820	1,259	1,796	1,265	1,803
Prime Mover & Trailer	2,274	3,243	2,240	3,200	1,050	1,500	1,858	2,650	1,235	1,761	1,430	2,039
$1 \times 20'$ Container & Trailer	2,274	3,243	2,520	3,600	1,120	1,600	1,858	2,650	1,958	2,792	2,035	2,902
Prime Mover & Low												
Loader	2,274	3,243	2,520	3,600	1,120	1,600	1,858	2,650	1,958	2,792	2,035	2,902
Road Grader	1,695	2,418	2,520	3,600	1,400	2,000	1,385	1,975	1,460	2,082	1,517	2,163
1 x 40' Container & Trailer	3,548	5,059	3,360	4,800	1,960	2,800	2,899	4,133	3,055	4,356	3,174	4,527
60 Seater Bus	1,502	2,142	1,150	1,725	930	1,329	1,227	1,750	1,294	1,845	1,344	1,917
D3 Bulldozer	1,359	1,938	2,800	4,000	2,380	3,400	1,110	1,583	1,170	1,668	1,216	1,734
D4 Bulldozer	1,446	2,061	2,800	4,000	2,380	3,400	1,181	1,684	1,245	1,775	1,293	1,844
D6 Bulldozer	2,160	3,081	3,500	2,000	2,730	3,900	1,765	2,517	1,860	2,652	1,933	2,756
D8 Bulldozer	2,537	3,618	3,500	5,000	2,730	3,900	2,073	2,956	2,184	3,115	2,270	3,237

Schedule 4: Commission's Authorised Vehicle Freight Rates (Maximum)(cont...)

											Suva-Cicia-	Cicia-
•	Koro- Savusavu	vusavu	Koro- Taveuni	veuni	Savusavu- Taveuni	Taveuni	Natovi-Savusavu	avusavu	Lautoka-Malau-Suva	alau-Suva	Vanuabalavu	alavu
	One Way	Return	One Way	Return	One Way	Return	One Way	Return	One Way	Return	One Way	Return
Vehicle Freight Rates	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)	(VIP) (\$)
Cars & Van < 1 ton	151	215	156	222	154	219	270	350	299	399	407	580
1 ton truck	205	292	212	302	209	298	270	350	350	466	553	789
2 ton truck	227	323	234	334	231	330	360	480	484	645	612	873
3 ton truck	238	339	246	351	243	347	490	650	863	1,150	643	917
3.5 ton truck	293	418	303	433	299	427	563	750	950	1,250	792	1,129
5 ton truck	699	954	693	886	684	975	585	780	1,120	1,493	1,808	2,578
9 ton truck	879	1,254	910	1,298	868	1,280	700	933	1,538	2,050	2,375	3,386
10 wheeler truck	939	1,339	944	1,346	944	1,346	825	1,100	1,859	2,404	3,705	5,284
12 wheeler truck	1,080	1,540	1,085	1,548	1,085	1,548	825	1,100	1,859	2,404	4,369	6,230
Prime Mover & Trailer	1,060	1,511	1,227	1,750	1,227	1,750	1,350	1,800	2,100	2,800	4,632	6,605
1 x 20' Container & Trailer	1,715	2,445	1,775	2,531	1,751	2,497	1,350	1,800	2,100	2,800	4,632	6,605
Prime Mover & Low						6				ě		
Loader	1,715	2,445	1,775	2,531	1,751	2,497	1,350	1,800	2,100	2,800	4,632	6,605
Road Grader	1,278	1,823	1,323	1,887	1,306	1,862	1,685	2,403	2,184	3,114	3,453	4,924
$1 \times 40'$ Container & Trailer	2,675	3,814	2,769	3,948	2,732	3,896	1,800	2,400	2,700	3,600	7,226	10,303
60 Seater Bus	1,133	1,615	1,172	1,672	1,157	1,650	1,494	2,130	1,937	2,761	3,060	4,363
D3 Bulldozer	1,024	1,461	1,060	1,512	1,046	1,492	1,351	1,927	1,751	2,497	2,767	3,946
D4 Bulldozer	1,090	1,554	1,128	1,609	1,113	1,587	1,437	2,050	1,863	2,657	2,944	4,198
D6 Bulldozer	1,629	2,323	1,686	2,404	1,664	2,372	2,148	3,063	2,785	3,971	4,400	6,274
D8 Bulldozer	1,913	2,728	1,980	2,823	1,954	2,786	2,523	3,597	3,270	4,663	5,167	7,368

#### 4.0 Conditions of this Authorization

- **4.1** For the purpose of Commerce (Control of Freight Rates and Passenger Fares) Order 2014to control the prices for the supply of all Maritime Shipping Services, passenger fares and freight rates in Fiji.
- **4.2** Application of Section 41 of CCD2010 requires that passenger fares and freight rates for all routes in Fiji be authorized by the Commission before implementation.
- **4.3** For any routes which are not included in this authorization or new routes that may evolve in future, the shipping companies are to make submissions to the Commission for the authorization of the passenger fares and freight rates before implementation of any rates or fares.
- **4.4** All operators are required to use and maintain the standard manifest for all cargoes as per Schedules 5, 6 and 7 of this authorization.
- 4.5 The Fiji Commerce Commission and Maritime Safety Authority of Fiji will carry out joint operations from 1<sup>st</sup> July 2015 to ensure the implementation and compliance with this authorization.
- **4.6** The authorised rates must be charged by the service providers and will remain the same and no new charges should be introduced unless authorized by the Commission.
- 4.7 As per the requirement under Section 54 of CCD2010 and for the purpose of this authorization, operators are required to clearly display for the information of the public the authorized passenger fares and freights rates for each routes being serviced by the operator

### Commissioners:

J.A. Inui	Acros
Mr. Firoz Ghazali	Ms. Joann Young
Deputy Chairman/Acting Chair	Commissioner
3 June 2015	3 June 2015

Date of Issue: 3 June 2015 © Fiji Commerce Commission

Schedule 5: PASSENGER MANIFEST

No. 123 Receipt Ref No. \$46 Fare Signature Signature Kadavu ပ Master: Mate: From Email: Suva [Entries For Illustration Purpose Only] Name Name or less) Infant (1 year old PASSENGER MANIFEST (Tick the relevant category) (specify Officer: Master: Child group) age MSAF I certify that this is true and accurate list of passengers on the above vessel (specify Student group) Fax No. age Signature Signature Adult > Route Serviced: Voyage No. Name Name Company Name: Passenger Name Phone No: John Singh Address: Prepared by: Checked by: 0907 Vessel: Date: Š

Schedule 6: GENERAL CARGO MANIFEST

	Company Name:										=	
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	Email:					March Steel	ETA:					
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		Route	6.5									
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Schedule 7: VEHICLE MANIFEST

Master:	Amount Receipt \$ No.		Maste Mate: \$ \$	Measure (M3)	age Seller age	Suva Unloadi ng (Port/ Island) Suva pose Only]	E MANIII  TO:  Loading (Port/ Island)  Vunisea  tration Pur	VEHICL) ABC Company ries For Illus	Fax No.  From: Vunisea  XY 001  Shipper  Company  [Ent	Route Serviced: Vehicle No: Goods Specification (Cartons/ Sacks/ CBM) 3cbm	S of Goods  Qty  3cbm	Address: Phone No: Email: Item Qty Timber 3cbm	8 e: e: Do
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