



FIJI PORTS CORPORATION PTE LTD

The Smart, Green Gateway for Trade in the Pacific region



MANAGING RISK & CHARTING A SMART, GREEN PATH FOR THE FUTURE



Vajira Piyasena
Chief Executive Officer

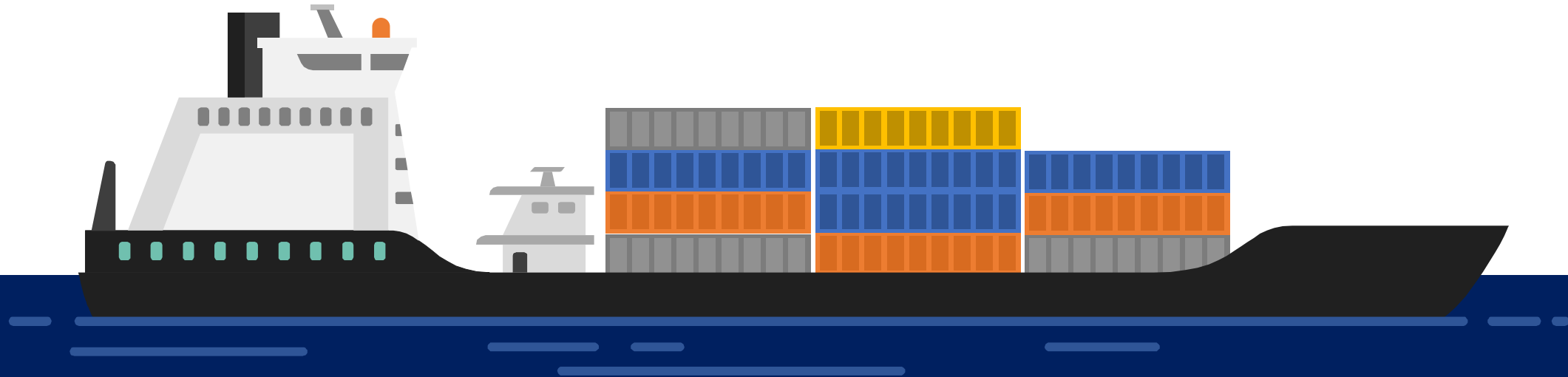


Roshan Abeyesundere
Chief Financial Officer

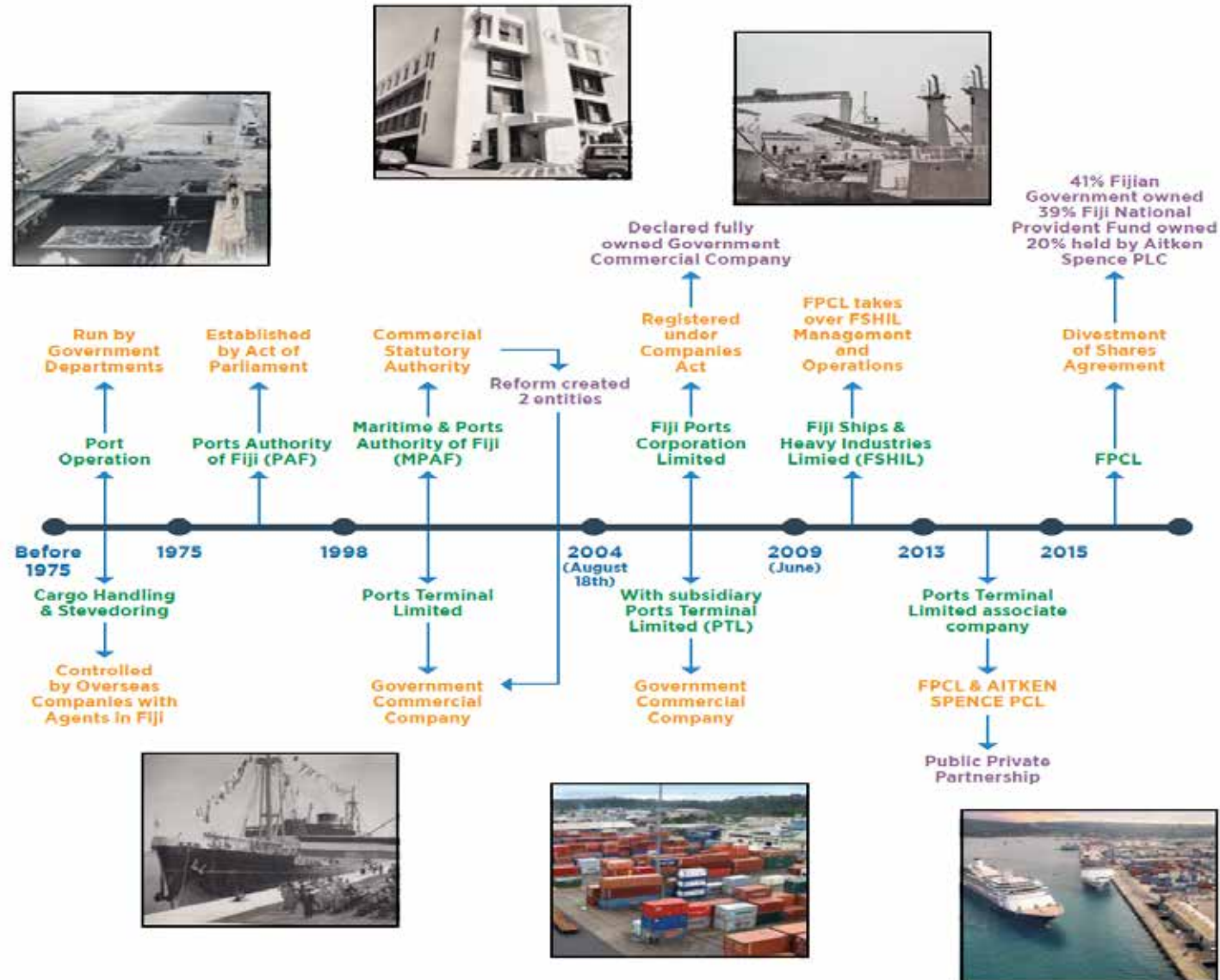
Presentation to
The Association of Pacific Ports (APP)
Winter Conference 2023



CONTENTS



OUR HISTORY



FPCL - "To be the Smart, Green Gateway for Trade in the Pacific region."

ABOUT FPCL



VISION

To be the Smart, Green Gateway for trade in the Pacific region.

MISSION

To investigate significantly in new and upgraded seaport and ship repair facilities to support and enhance the economic growth and prosperity of Fiji, as well as providing key economic and lifestyle linkages throughout Fiji and our Pacific region. We will provide expertise to drive regional safety and capacity in respect of maritime infrastructure.

CORPORATE CULTURE

Our working environment is defined by openness and maximising the benefits - often unrecorded and unseen – that flow from having a positive workplace.

VALUES

Professionalism
Progressive Leadership
Corporate Citizenship

Strategic Innovation
Commercial Stewardship
Employees Well Being / Diversity



SHAREHOLDING STRUCTURE



**Fiji Ports
Corporation
Limited (FPCL)**

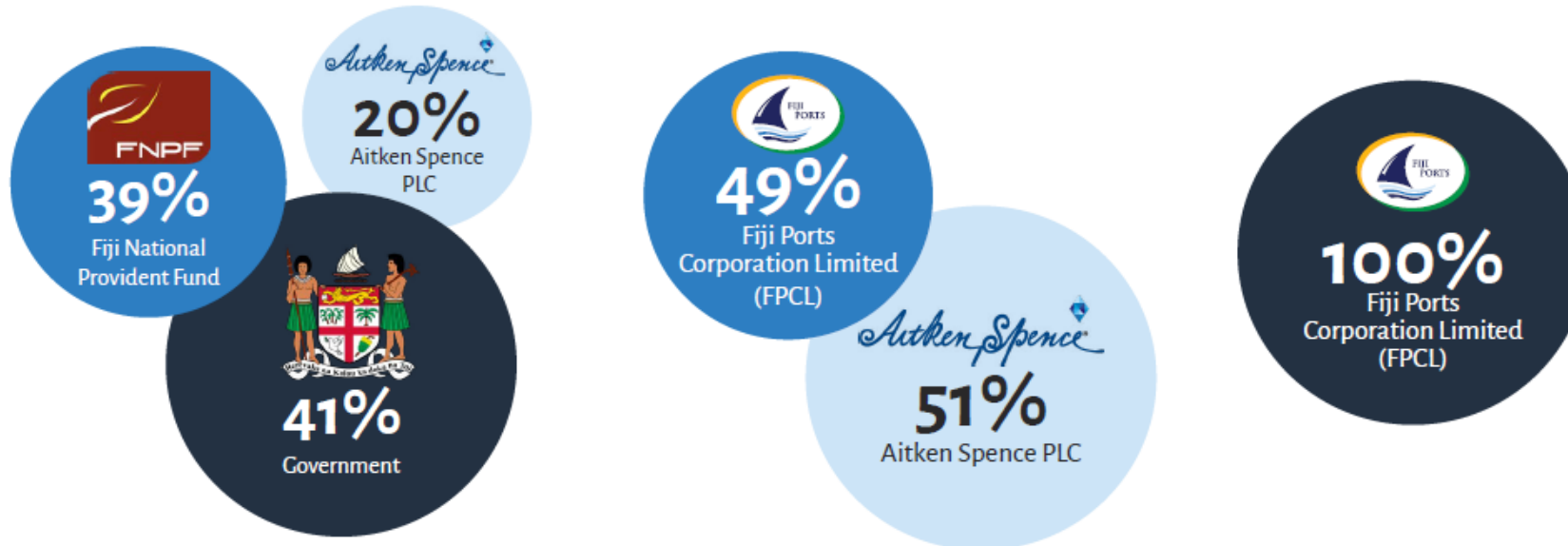
A Port Management Company in Fiji



An Associate Company of FPCL
that manages the Cargo Terminals
in Suva and Lautoka ports.

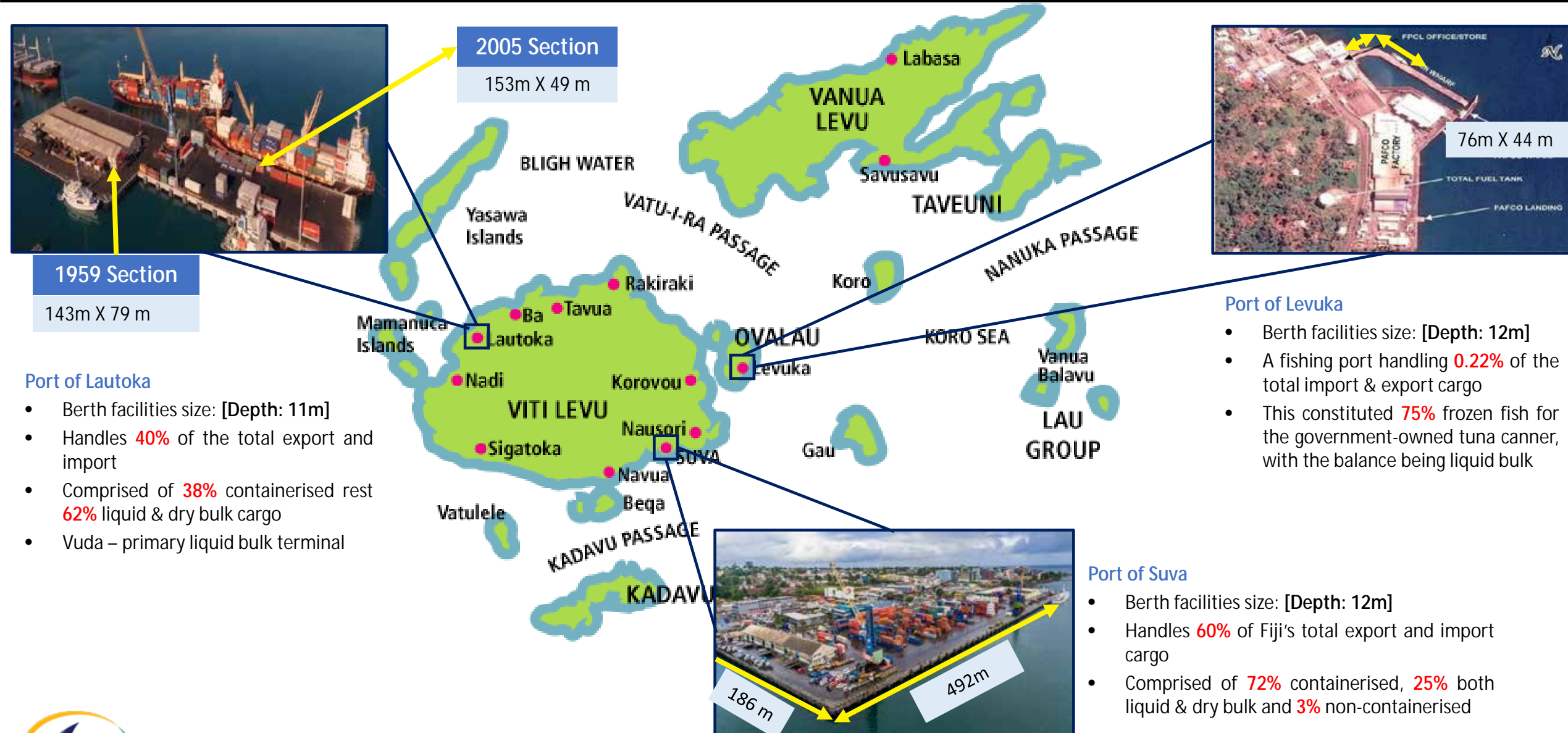


A Subsidiary of FPCL providing
Slipway and Ship repair Services
and Heavy Industry work



FPCL - "To be the Smart, Green Gateway for Trade in the Pacific region."

MAIN PORTS OF ENTRY





SECONDARY PORTS OF ENTRY & LOCAL WHARVES

As a Port Management Company, Fiji Ports oversees the operations and International Ship and Port Facility Security (ISPS) requirements for Fiji's secondary ports of:

Malau



Wairiki



Vuda



Fiji Ports also oversees operations of local wharves:

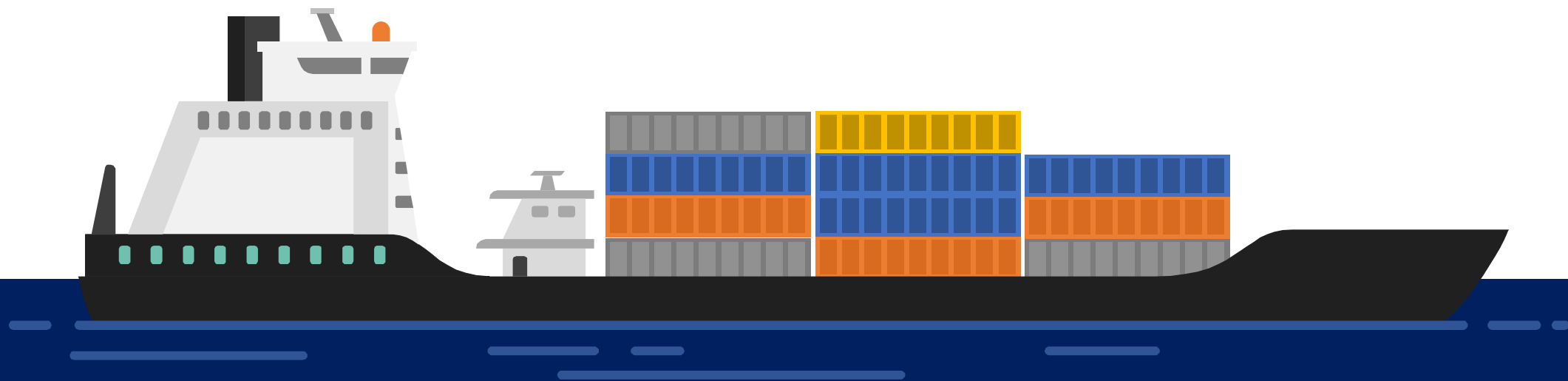
Suva



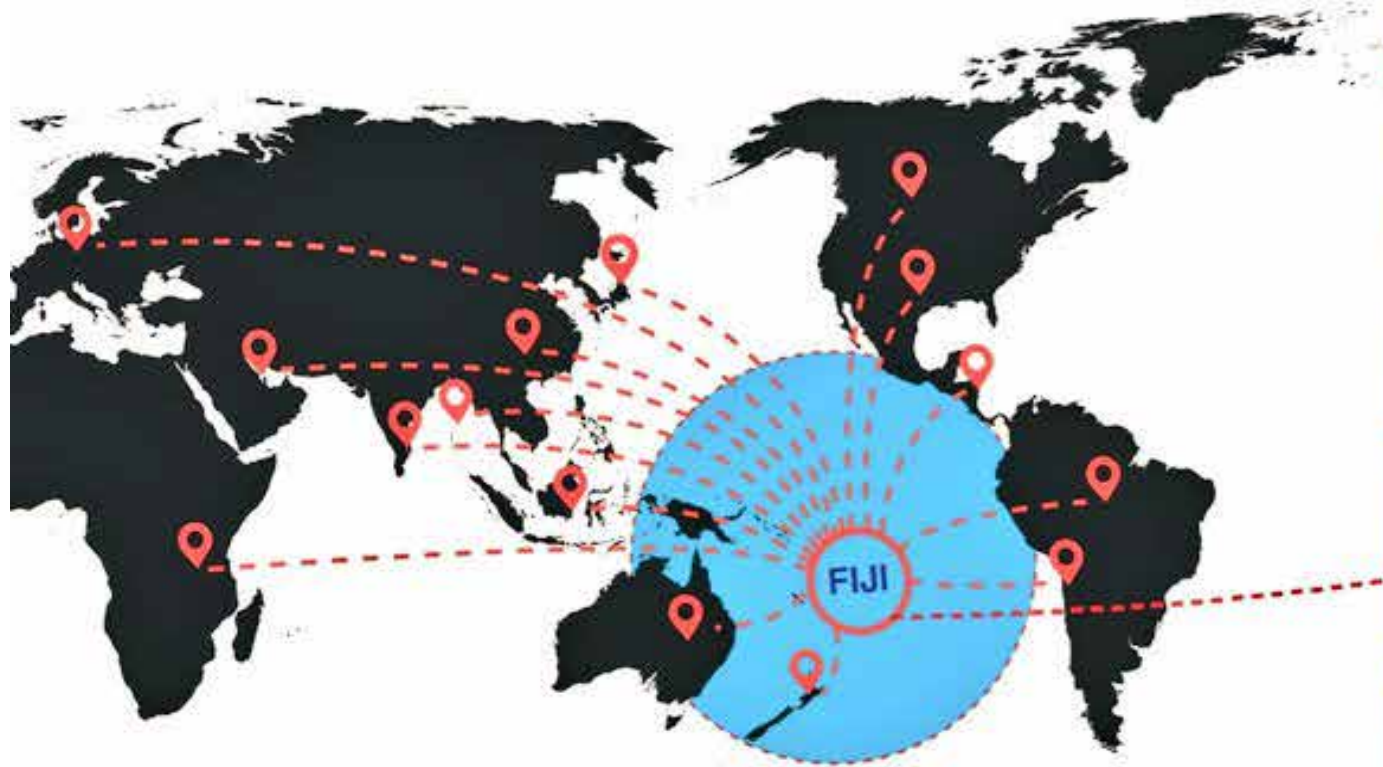
Lautoka



5-YEAR STRATEGIC PLAN



"Transforming Fiji" – into a hub for Trade, Transportation & Communication



THE TOP EXPORT DESTINATION FOR THE FIJIAN EXPORTS:

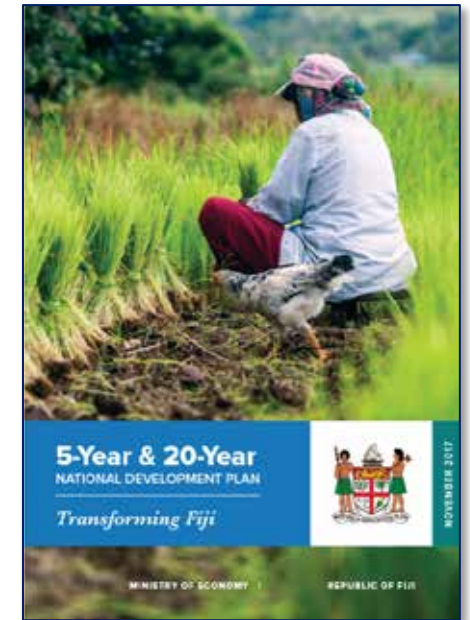
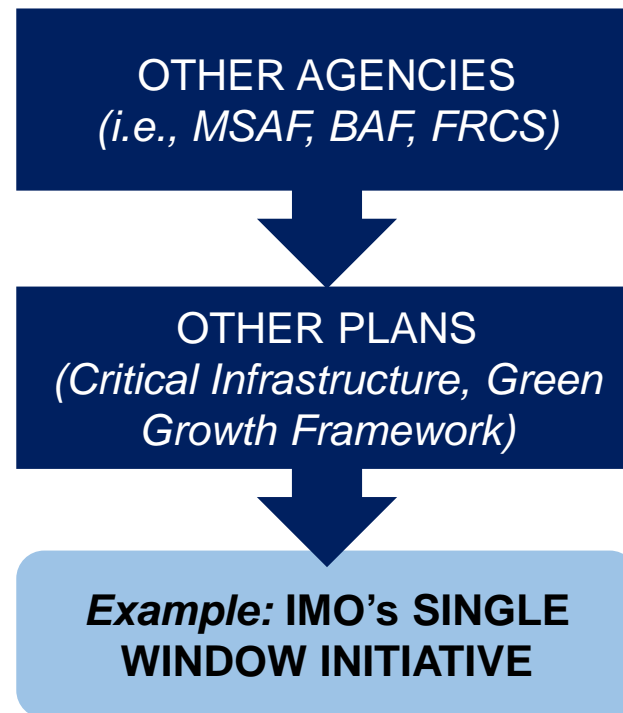
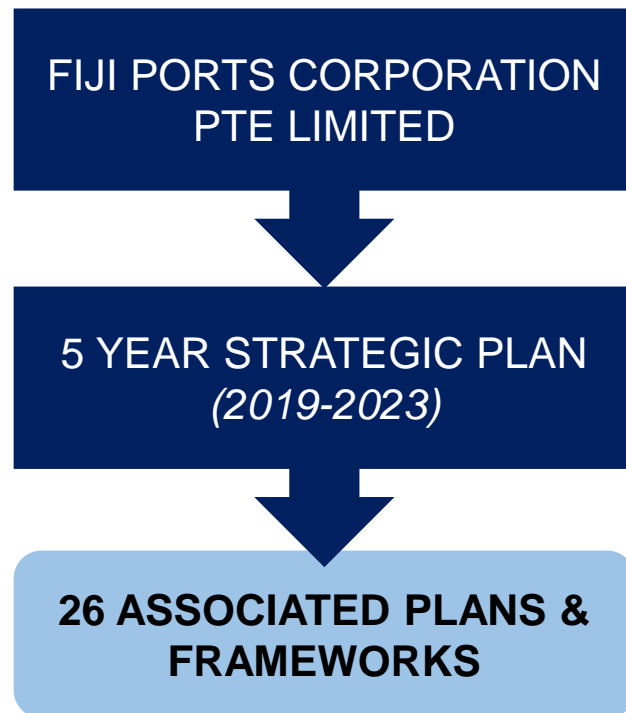


PACIFIC COUNTRIES

FPCL's STRATEGIES ALIGNED TO THE NATIONAL STRATEGY

FIJI's 5-YEAR & 20-YEAR NATIONAL DEVELOPMENT PLAN (2017-2036)

The 20-Year Development Plan provides a forward-looking vision for “*Transforming Fiji*” towards an even more progressive, vibrant and inclusive society. It outlines a framework that encompasses strategic policy manoeuvres, new approaches to development and the aspirations of all Fijians.



5 YEAR STRATEGIC PLAN

The 5-Year Strategic Plan (2019-2023) encompasses six key **Strategic Perspectives (SP)** for FPCL & FSHIL that will be the **Road Map** for the future

SP 1



GOVERNANCE

SP 2



INFRASTRUCTURE

SP 3



FINANCE

SP 4



ORGANISATION
CAPACITY

SP 5



ENVIRONMENT &
SUSTAINABILITY

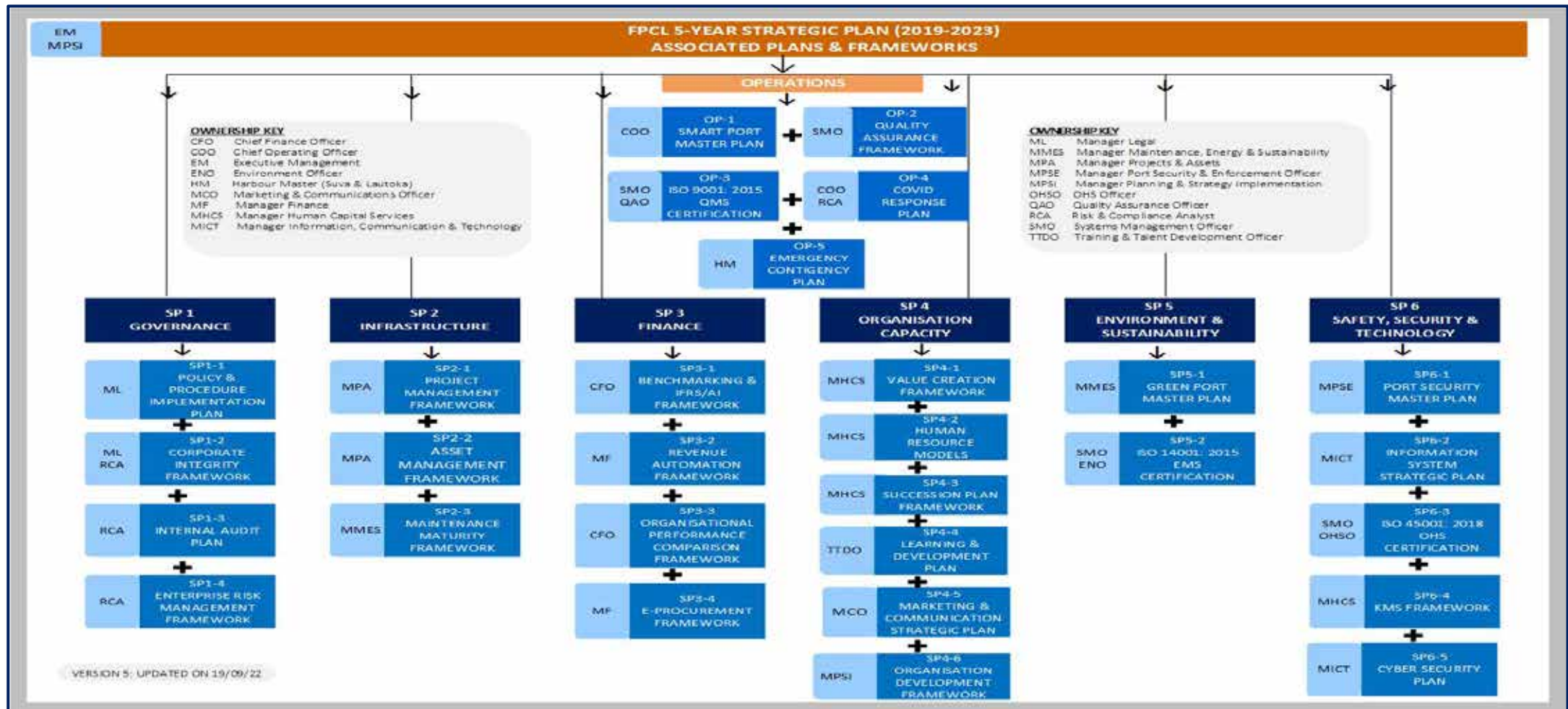
SP 6



SAFETY, SECURITY &
TECHNOLOGY

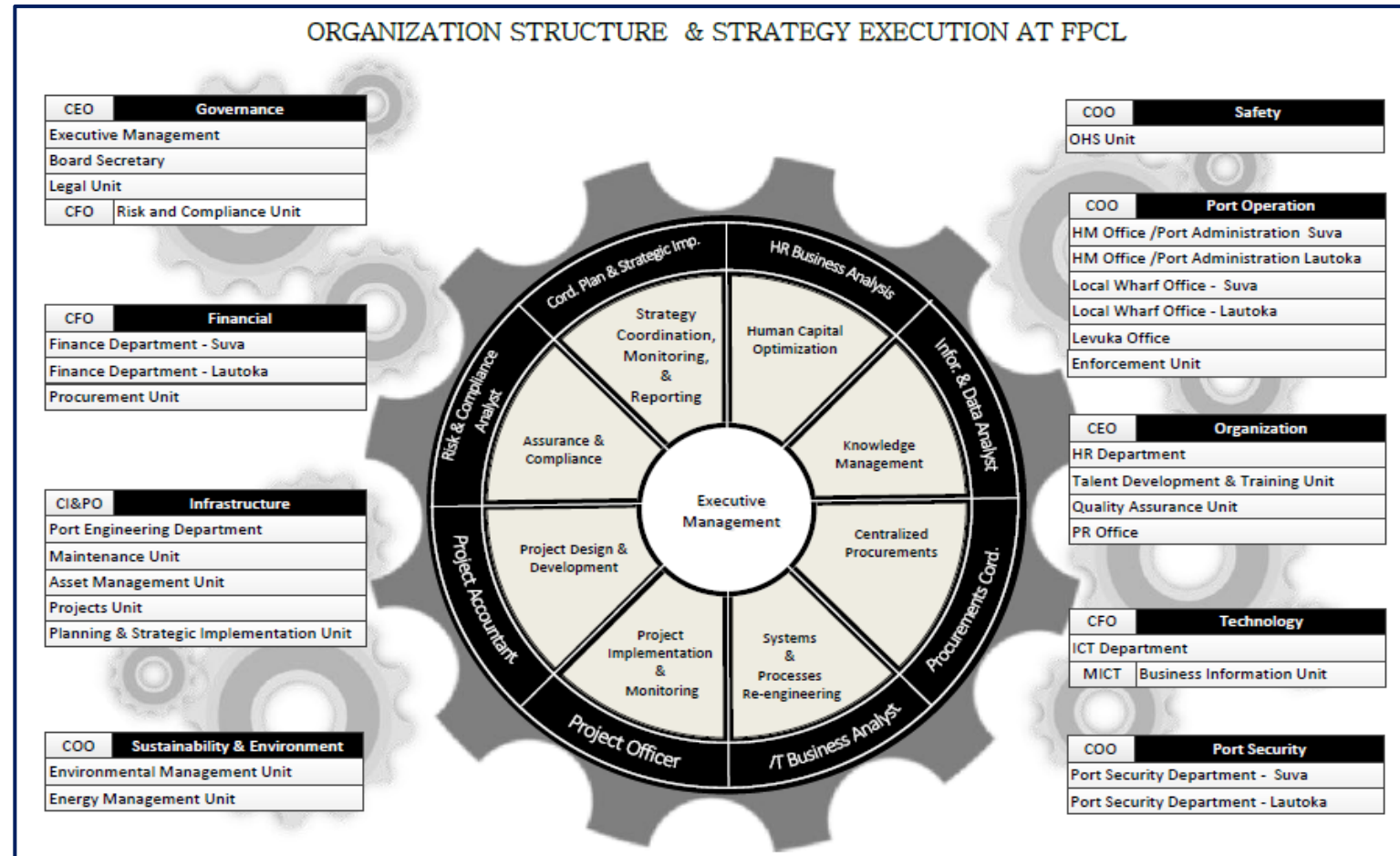
ASSOCIATED PLANS & FRAMEWORKS

26 Associated Plans & Frameworks derived from the 5-Year Strategic Plan are put in place for Effective Implementation at an Operational Level



ORGANISATION STRUCTURE & STRATEGY EXECUTION

All Depts and Units are **Aligned** to Strategic Perspectives linked to **75 Strategies**, and we have created an **Innovative Strategy Execution Mechanism**

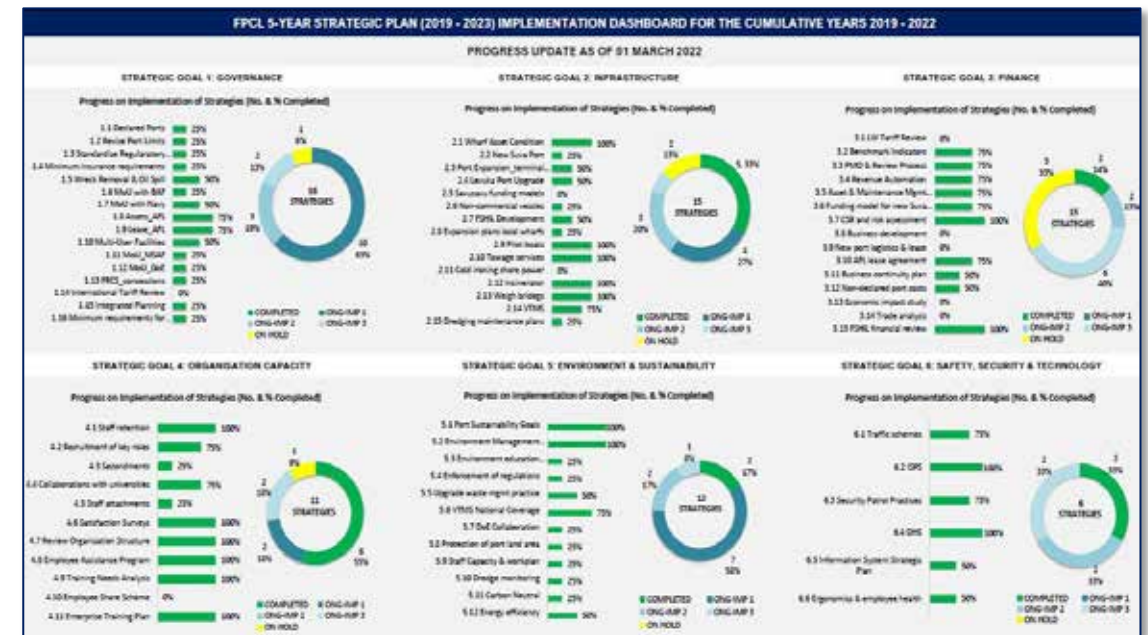
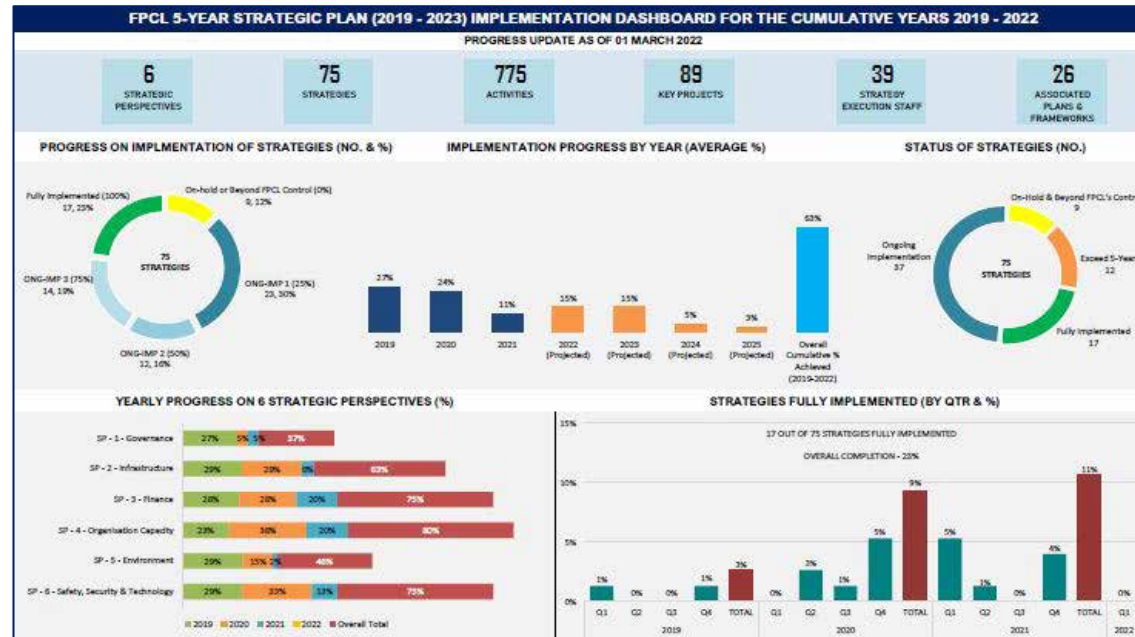


PRIORITISATION METHODOLOGY – EISENHOWER MATRIX

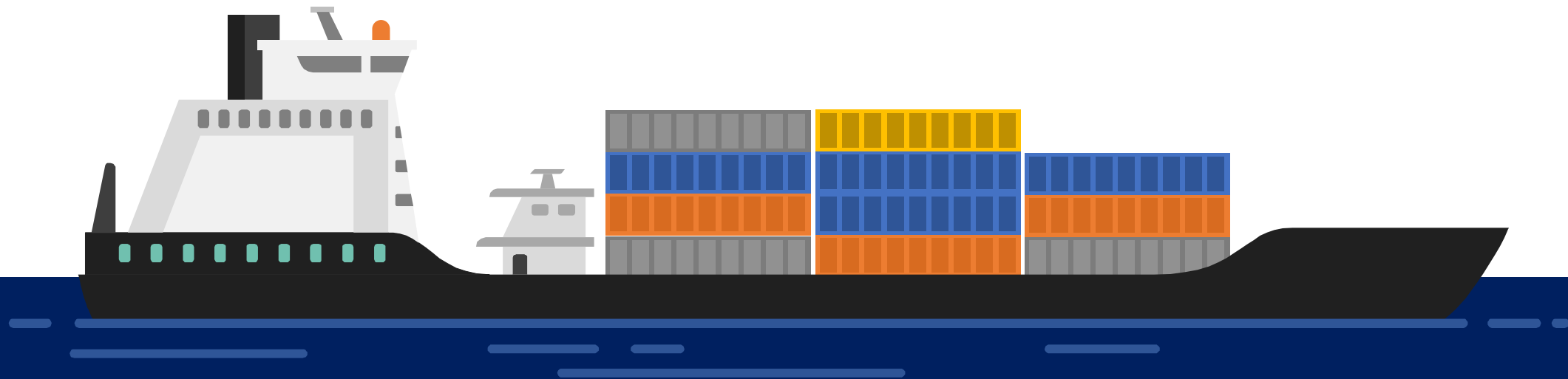
CORPORATE STRATEGIC GOALS - ACTION ITEM WORKPLAN - 2021																								
SP	STG NO.	STRATEGY	CATEGORISATION AGAINST EISENHOWER MATRIX					ORGANISATION RESPONSIBILITY		2022												STATUS UPDATE & OUTCOME	% COMPLETION	COMMENTS
			URGENT	IMPORTANT	NOT URGENT	NOT IMPORTANT	PRIORITY	CORP	DEPT	Q 1			Q 2			Q 3			Q 4					
										JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
	1.1	Review FPCL's primary functions and operations at its declared ports and identify limitations for non-cargo ports (i.e. FPCL does not assume full responsibility for everything)	N	Y	Y	N	HIGH	ACOO	OPS RISK & COMP												ONG-IMP 1	25%	Currently Management is reviewing its port operations at declared ports and having discussions with relevant stakeholders.	
	1.2	Harmonize ports of entry listing and port limit extents according to operations and risks	N	Y	Y	N	MEDIUM	ACOO	OPS RISK & COMP												ONG-IMP 1	25%	Management is reviewing this in line with 1.1 and having discussions with relevant stakeholders.	
	1.3	Standardise regulatory functions at all declared ports of entry in Fiji with FPCL's administration for all commercial activities	Y	Y	N	N	HIGH	ACOO	OPS SECURITY												ONG-IMP 1	25%	Management is reviewing this in line with 1.1 & 1.2 and having discussions with relevant stakeholders.	
	1.4	Establish minimum insurance requirements for all vessels entering port limits (a) Approval conditions (b) Insurance levels and / or underwriting (for local vessels)	Y	Y	N	N	HIGH	ACOO CFO	OPS FIN												ONG-IMP 2	50%	Insurance not applicable to local vessels due to age and cost for wreck removal.	
	1.5	Wreck removal / Oil Spill Response (a) Establish criterias by which the Port versus other regulators are responsible for costs for wreck removal (b) Establish criterias for Port assistance and / or funds for oil spill response, prosecution etc (c) Establish standard operating requirements for wreck disposal including environment and to aid in efficient disposal practices (d) Review / revise definitions around abandoned vessels, bonds requirements, owners registration details , declaration of sale or disposal etc	Y	Y	N	N	HIGH	CEO ACOO ML	OPS LEGAL ENVIRO MGMT												ONG-IMP 2	50%	RCA & ML to schedule a meeting with MSAF.	
	1.6	Formalise existing working arrangements with BAF around prioritisation for cleared vessels at berth	Y	Y	N	N	HIGH	CEO ACOO ML	OPS LEGAL												ONG-IMP 1	25%	RCA & ML to discuss with HM/ACOO on BAF's operational process, then schedule meeting with BAF.	

OUR REPORTING SYSTEMS

Several Dashboards developed as Information Management Tools are used for High Level & Integrated Reporting



KEY FOCUS AREAS



KEY FOCUS AREAS

FPCL'S focus on 4 Key Areas for Charting a Smart, Green Pathway – introduced in 2022 and continuing in 2023

VALUE CREATION



INFRASTRUCTURE
& PEOPLE

IMPROVEMENT
OF FACILITIES

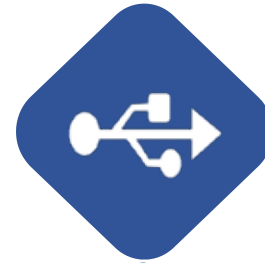
SUSTAINABILITY



GREEN PORT
MASTER PLAN

INITIATIVES AND
ACHIEVEMENTS

DIGITAL TRANSFORMATION



INFORMATION
SYS. STRAT PLAN

SMART PORT
INITIATIVES

WORK-LIFE BALANCE



LEARNING
MANAGEMENT

WELLBEING AND
MENTAL HEALTH

A. Resilient

B. Clean

C. Green



FPCL - "To be the Smart, Green Gateway for Trade in the Pacific region."



Key Infrastructure Projects:

Port of Suva

- Suva Port Relocation Feasibility Study
- Dredging & Geo-technical study
- Wharf Rehabilitation

Port of Lautoka

- Wharf Rehabilitation Remediation / Construction
- Container Yard Development

Port of Levuka

- Condition Assessment & Development Options



Key People Relating Projects:

- Performance Management System with an emphasis on Value Creation
- Learning Management System
- Knowledge Management System



- Lautoka Yard 3 & Yard 4 Container Storage Upgrade
- Lautoka Wharf Foreshore Development
- Muaiwalu Inter-Island Passenger Terminal Project
- Local Wharf Facilities Upgrade
- Fiji Ships & Heavy Industries Slipway Rehabilitation
- Port Maintenance & Dredging in Suva & Lautoka

Lautoka Port Yard 3 Project



Before



After



Muaiwalu Inter-Island Terminal



Fiji Ships & Heavy Industries Slipway



The project is undertaken in four stages, with the following objectives

- **STAGE 1** – Review of Existing Maritime Policy and Regulatory Framework
- **Stage 2** – Assessment of Current Suva Port Condition and Operation
- **STAGE 3** – Port Development Options – Scoping and Identification
- **STAGE 4** – Project Preparatory Activities

Stage 3 Deliverables Update

1	Stage 3 Mid-term Report
2	Stakeholder Engagement & Communications Strategy
3	Multi-Criteria Analysis Framework
4	Port Development Options
5	Port Concept Design at Five Long-Listed Sites
6	Wave Transformation Modelling Study for Navua Site
7	Market Study
8	Financial Analysis
9	Economic Analysis
10	Environment Scoping Assessment
11	Social Scoping Assessment
12	Report on Workshops with Government – November 2022



Fiji Ports is **first Pacific Port** to conduct **Level 1 Energy Audit** in **2016**, carried out by 8020 Green Consultant, and commissioned by the Secretariat of the Pacific Community (SPC).

Identification

Six cost-saving projects were identified and quantified:

1. Power tenants from the primary source and not sub-metering.
2. Install power factor correction to the reefer energy supply.
3. Upgrade internal lighting to LED.
4. Upgrade Port Yard/Security lighting with LED (follow a lighting design).
5. Install solar systems on roofs with minimum shading.
6. Replace office air conditioning system.

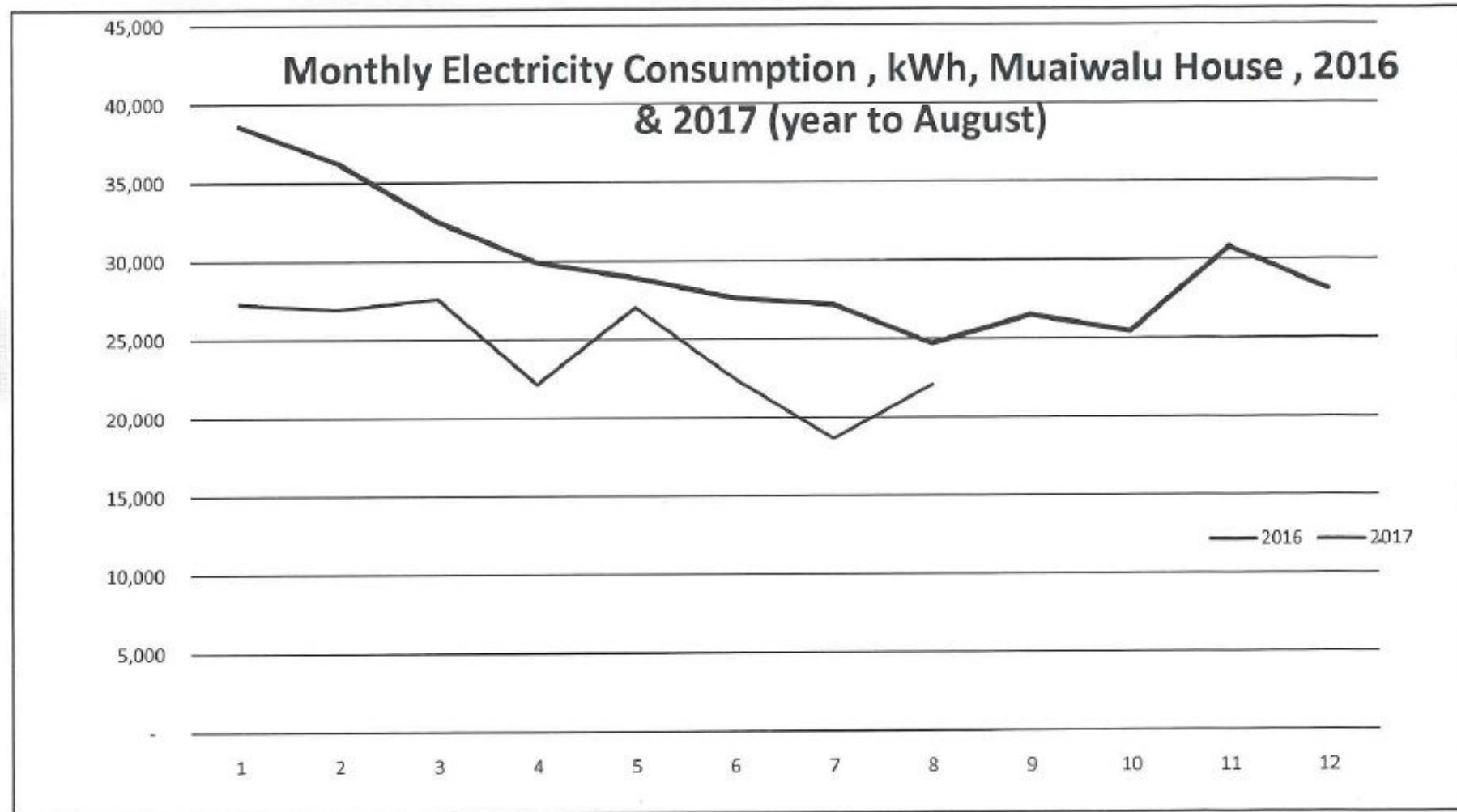
Action Items

1. Upgrade internal lighting to LED.
2. Meet with EFL to discuss the possibility of installing solar PV systems.
3. Power factor correction is being discussed with EFL to have it rectified.
4. Upgrade of Yard lighting is in the design process, with a trial to begin in December 2017.

Implementation

1. In 2017, electricity consumption dropped at Muaiwalu House by 21% compared with 2016.
2. Lighting was upgraded to LED from December 2016 to March 2017.
3. Forecast of savings: \$31k & 32 tons of GHG emissions.
4. Actual cost of Light Upgrades: under \$23k
5. LED lights have already paid for themselves.
6. Lights have a 3-year warranty.







To **reduce** energy consumption, along with any associated greenhouse gas emission reductions.

Energy Policy

- To realize economic and environmental benefits by optimising and continually improving the performance over which FPCL has direct control and that of the Terminal Operator(s) and others working on behalf of FPCL.
- Improvement Target: reduce energy usage by 30% by 2022 compared with 2016.

Energy Management Plan

- FPCL uses energy in the form of electricity, diesel, and petrol; energy plays an essential role in powering and enabling our operations.
- Enhance organisational performance through improved energy management, leading to business improvement:
 - Profitable operations
 - Care for the local environment
 - Greenhouse gas abatement
- Target for 2018: reduce overall energy usage by at least 5%.
- FPTL to achieve savings of at least 5%.

Data Management

- Monthly Report showing consumption, cost, and GHG.
- A customized spreadsheet to be used.
- Include fuel usage for pilot boat, incinerator, generator and office vehicle fuel cards.

DEVELOPMENT OF GREEN PORT MASTER PLAN 2019



- This plan has been prepared to describe the approach FPCL will implement from 2019 to 2023 to reduce its environmental impact.
- This masterplan is independent of but aligns with FPCL's Strategic Plan 2019 to 2023 and will assist FPCL in contributing to achieving several Sustainable Development Goals (SDGs).



Development of the Green Port Master Plan (2019-2023) & Procurement Sustainability Guidelines



GREEN PORT – INITIATIVES & ACHIEVEMENTS



Green Port initiatives were implemented to operate more **Efficiently** and with greater **Sustainability** in line with global trends to **Optimise** business outcomes.

INITIATIVES



First Pacific Port to conduct Energy Audit & Tracker (2016)



Installation of an Electric Incinerator to meet international requirements



Upgrading of facilities with energy-efficient LED lighting



Achievement of ISO Certifications
ISO 9001: 2015 QMS
ISO 45001: 2018 OHS
ISO 14001: 2015 EMS



Establishment Carbon Neutral Facility (2021)

GREEN PORT – INITIATIVES & ACHIEVEMENTS



INITIATIVES



Establishment of Green & Recreational Space Endeavors



Addition of a new modern & environment-friendly Pilot Boat



Aligning to the Pacific Ports Recognition Framework & Indicators (2030 – 2050)

ACHIEVEMENTS



Recipient of Akiyama Award for Climate & Energy under Green Port Initiatives (2022)



Recipient of Green Award for Protection of the Environment presented by Green Scouts Movement Fiji Islands (2016)

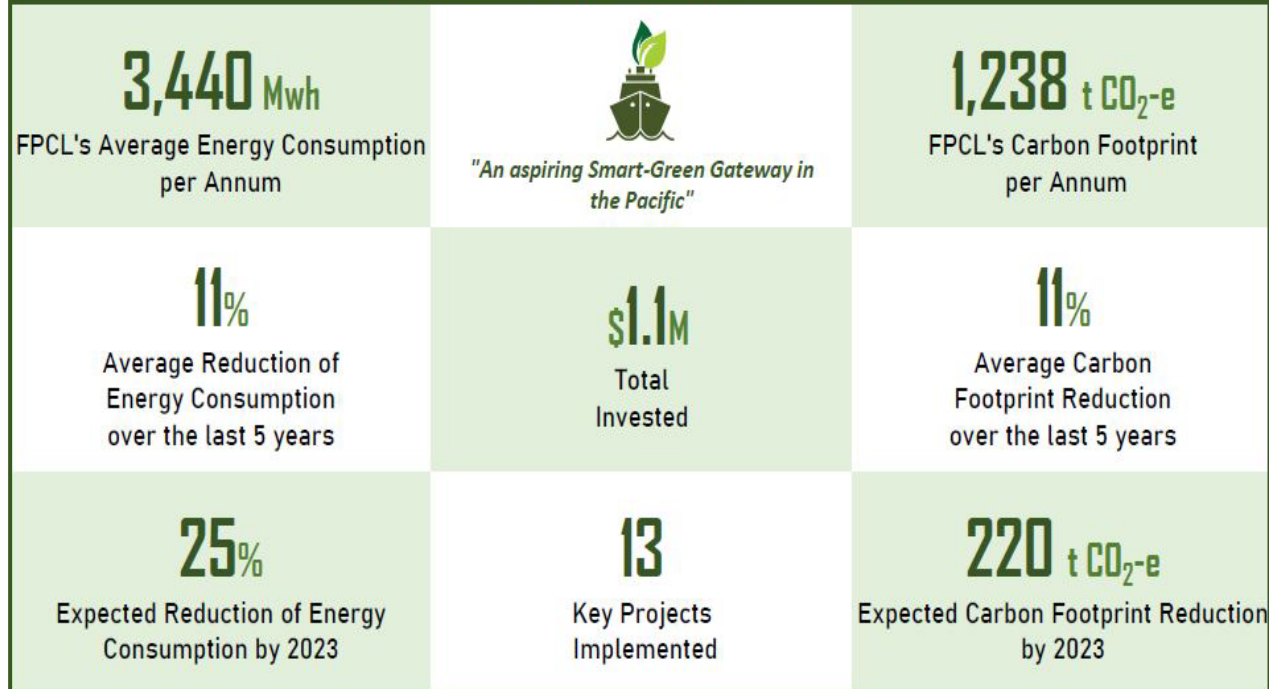


DATA CAPTURING, MONITORING & REPORTING



FPCL has seen an 11% average reduction in Energy Consumption and an 11% average Carbon Footprint reduction over the last five years

FPCL GREEN PORT DASHBOARD - DECEMBER 2022



FPCL's ENERGY REDUCTIONS

Yearly energy reductions

Years	Total Energy Consumption (kWh)
2016	4,878,685
2017	3,881,869
2018	3,134,608
2019	3,058,574
2020	3,079,528
2021	1,468,522

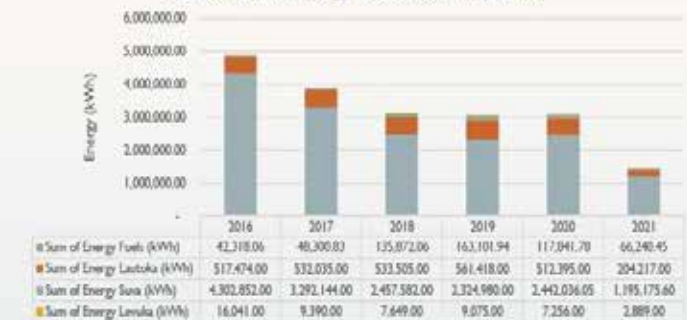
FPCL tracks and monitors its energy consumption and GHG emissions through a dedicated energy tracker.

Yearly GHG reductions

Years	Total GHG emissions (t CO ₂ -e)
2016	1,747.96
2017	1,390.50
2018	1,108.61
2019	1,114.66
2020	1,091.22
2021	519.98

N.B. - 2021 data is up to the month of June only.

Reduction of Energy Consumption (kWh)



Reduction of GHG emissions (t CO₂-e)





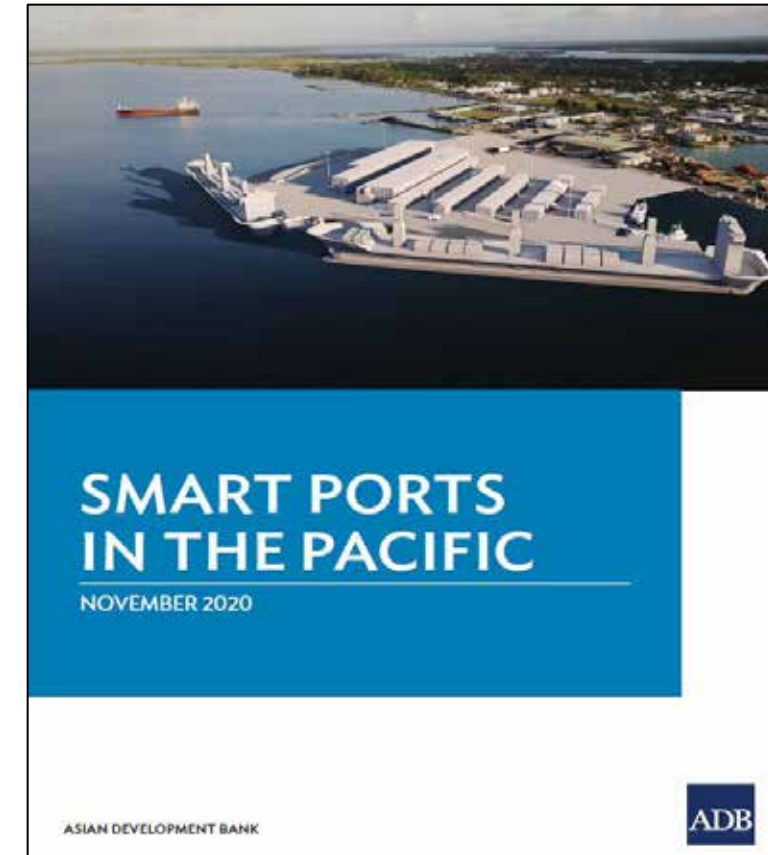
§ The Study was commissioned in 2020, as a part of ADB's regional technical assistance, *Trade and Transport Facilitation in the Pacific*.

§ Ports assessed were:

- 1) Queen Salote International Wharf, Tonga
- 2) Honiara Port, Solomon Islands.
- 3) Suva Port, Fiji

Summary of **Key Challenges** from the Study:

- § Low level of digital maturity
- § Lack of written standard operating procedures
- § Reactive vessel planning
- § Customs and quarantine operations exacerbating the bottleneck
- § Limited planned maintenance
- § Occupational safety hazards



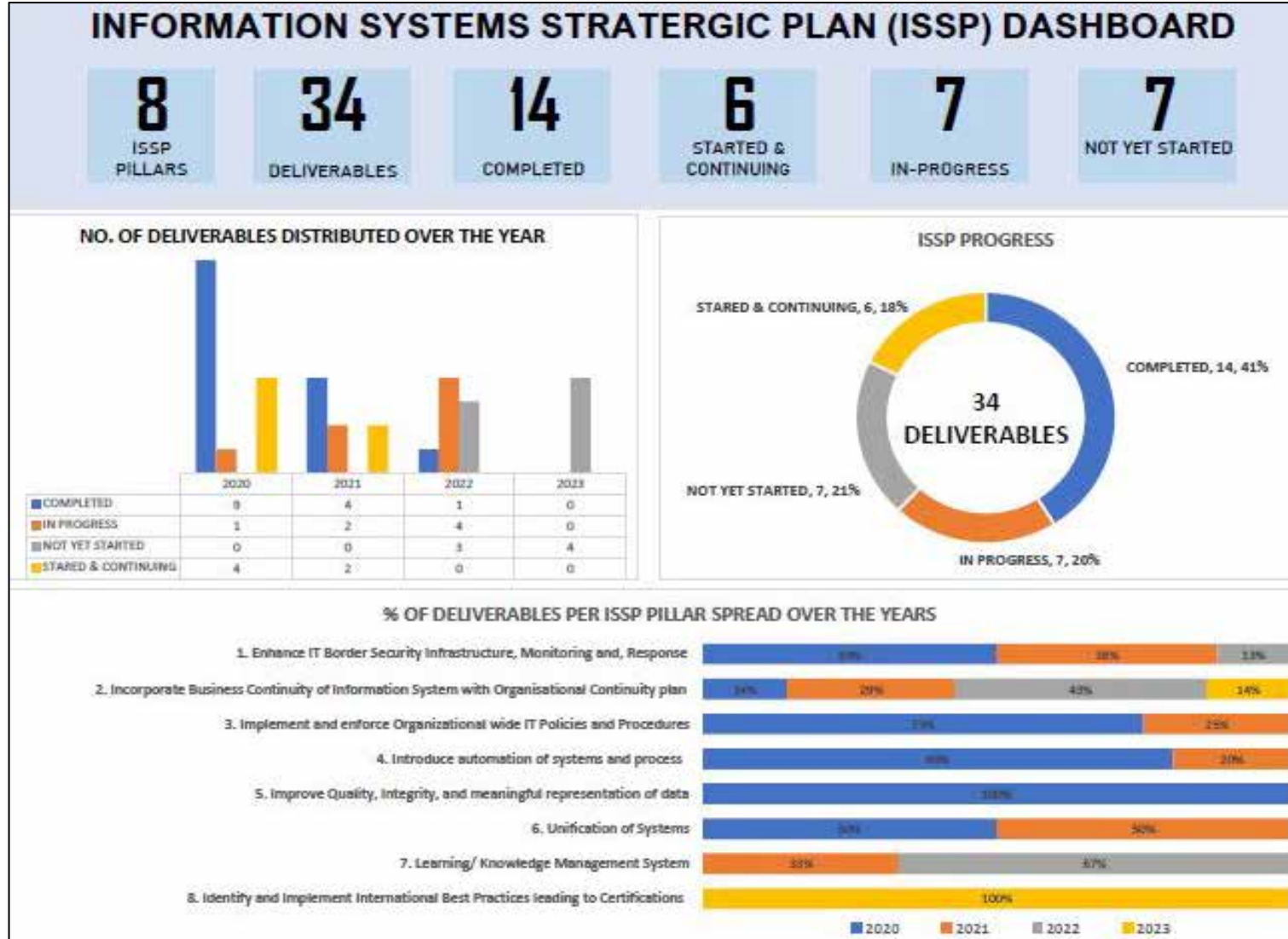


Development of Information System Strategic Plan

- As part of Fiji Ports' 5-Year Strategic Plan, technology has been identified as one of the key strategic goals to *"Adopt Smart Port initiatives to achieve best practice in International Port Security and safe working environment"*.
- The objectives are embedded in Fiji Ports' Information Systems Strategic Plan with the vision of being the business enabler on the digital frontier, aiding Fiji Ports to implement **Smart Port Initiatives**.



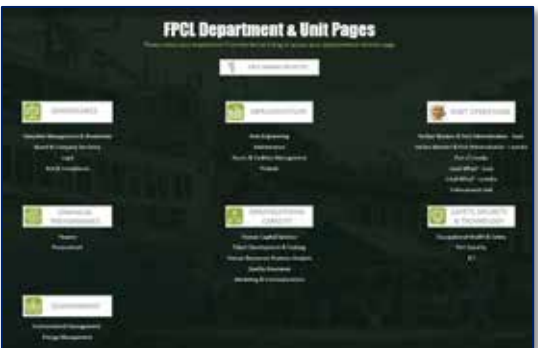
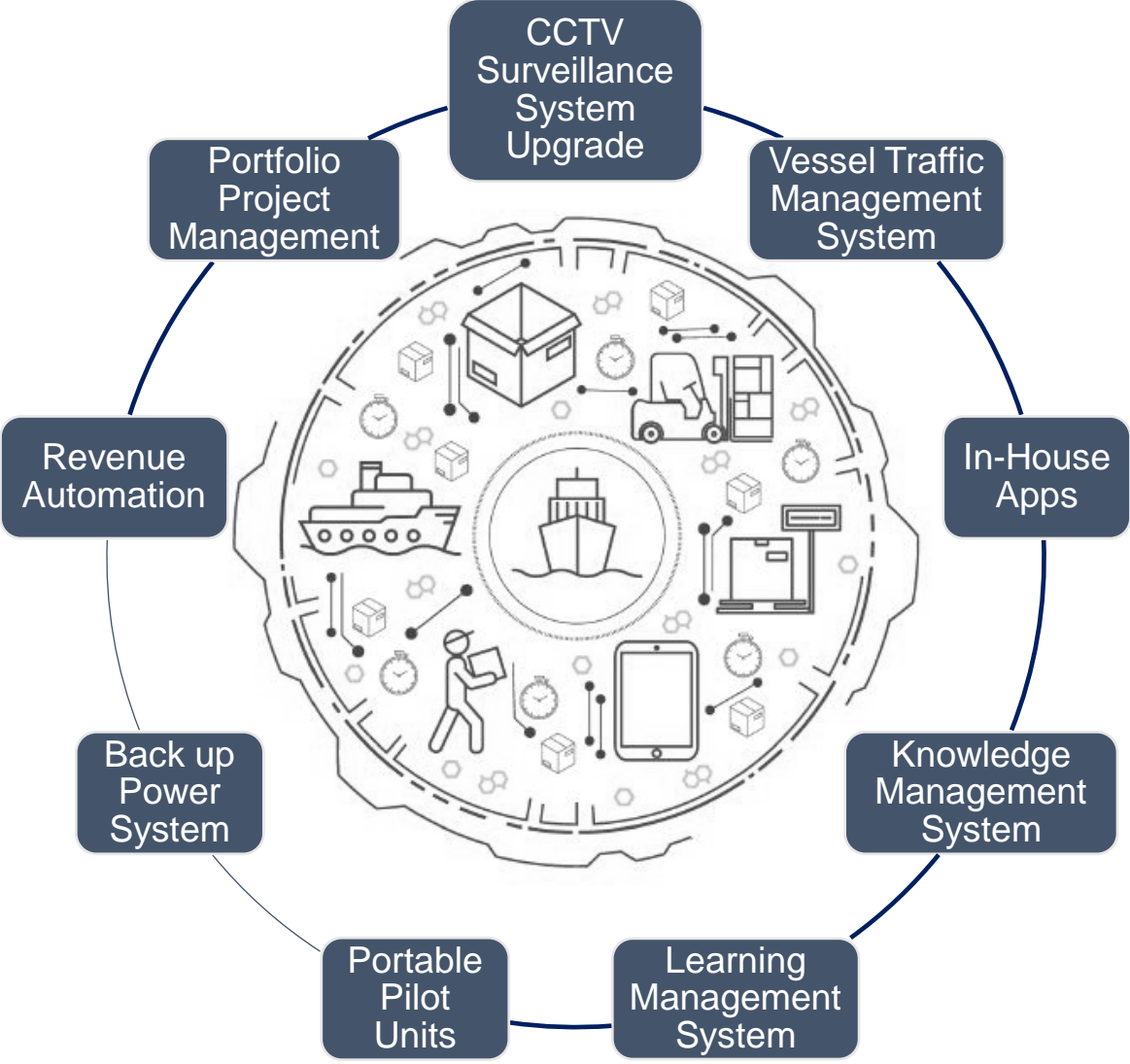
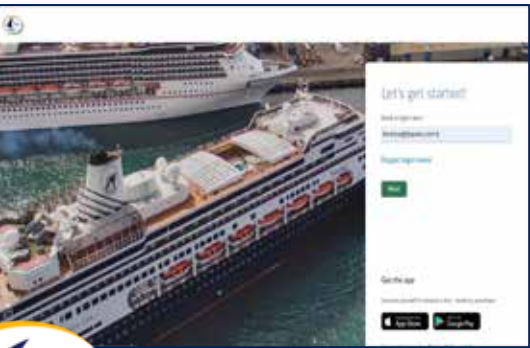
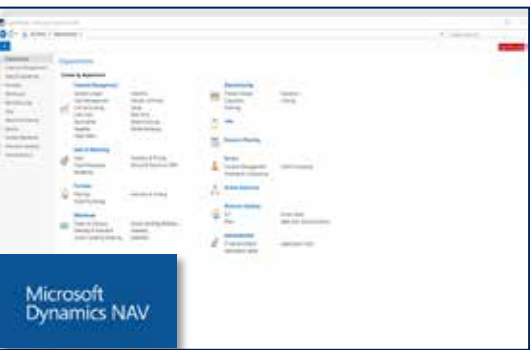
ISSP IMPLEMENTATION PROGRESS



SMART PORT – INITIATIVES



DIGITAL TRANSFORMATION



“ The key is not to prioritise what's on your schedule but to schedule your priorities ”
- Steven Covoy

Learning Management



Diversity & Inclusion Training



VTMS Training



OHS Training



Toolbox Meeting



Fire Drill Training



Incinerator Training



Family Fun Day



CSR – Tree Planting



CSR – Pintober Walk



Gala Night



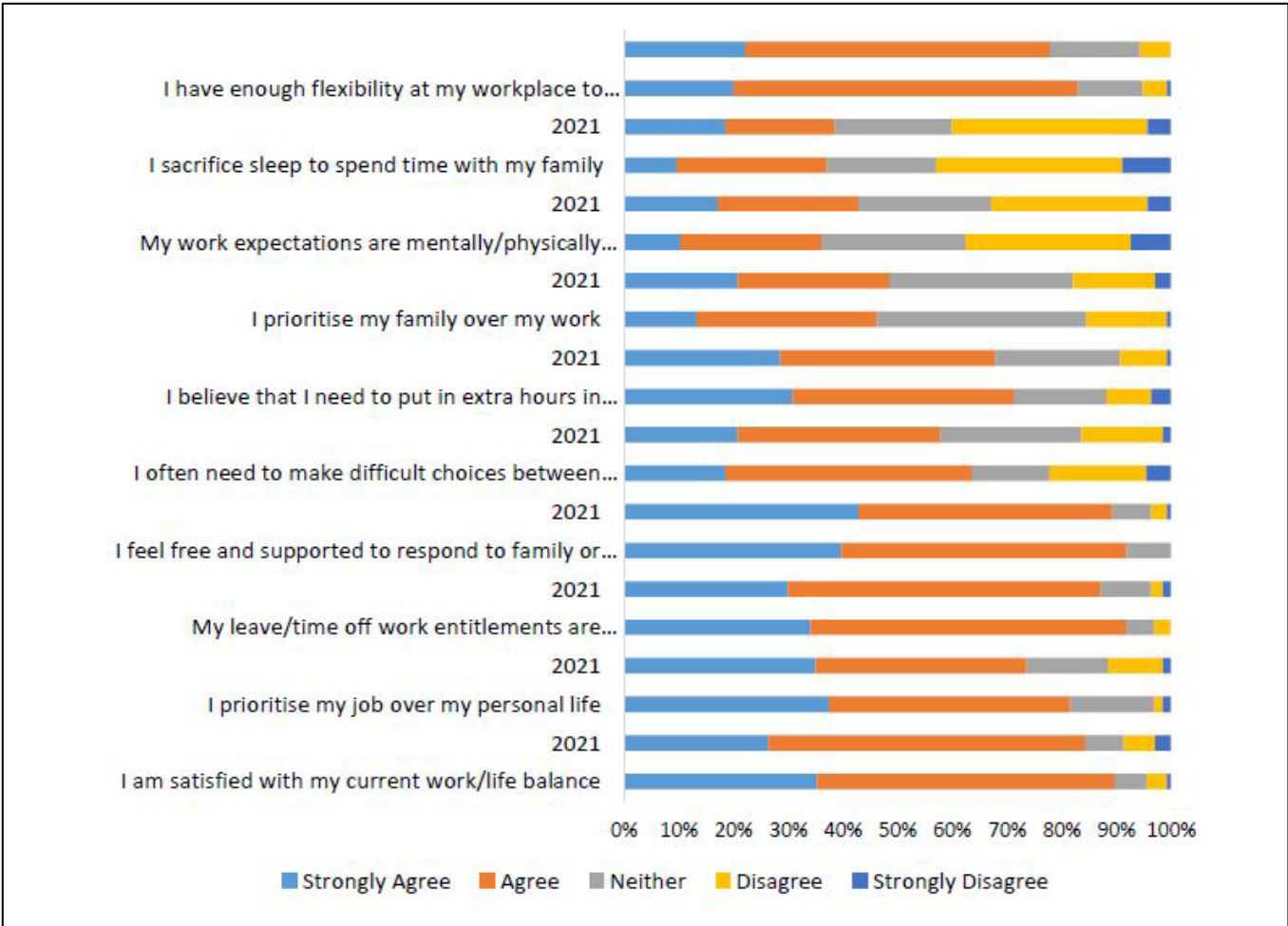
Fiji Day Celebration



CSR – Blood Donation



Staff Climate Survey Report 2022



Source: Maxumise (Fiji) Pte Ltd





- § 2022 is the second year in which **Work-Life Balance** has been used in FPCL's Staff Climate Survey.
- § *"I feel free and supported to respond to family or personal emergencies during work hours",* recorded the highest number of positive responses for this section (89%) although it is a slight decrease of 3% from 2021.
- § Also compared to last year, the above statement did not receive any negative responses. In 2022, however, 80% of negative responses for this statement were from respondents in the age group 34 to 49.
- § There was an increase of 19% of positive responses for the statement, *"My work expectations are mentally/physically draining, and I am too tired to do any personal activities when I return home".* Of these responses, 27% were female.

CREATING SYNERGY



The **Interconnectivity** between the organisation's major Strategic Initiatives/Elements **Creates Synergy** capable of moving us to the next level

LINKING PERFORMANCE MANAGEMENT SYSTEMS WITH STRATEGIC INITIATIVES & FRAMEWORKS

FPCL has Developed and Implemented an Innovative Performance Management System to measure **Value Creation** by Employees.

Performance Measurement System



Shareholder Value Creation



External Customer Value Creation



Internal Customer Value Creation



Public & Stakeholder Value Creation

Strategic Plan

Strategic Plan (SP) and Performance Measurement Tool (PMT) are directly linked under the Value Creation categories to extensively measure employee performance relating to the implementation of SP projects.

Org. Structure & Strategy Execution

Individual JD's and detailed JD's of employees are directly linked to strategic objectives of Depts/Units, while Organisation Structure encompasses all Depts/Units.

Calendar

Dept Calendars provides information relating to activities planned by Depts/Units/individual employees, and the timelines of these plans form the basis of Performance Assessment.

Associated Plans & Frameworks

PMT encompasses the achievements of projects connected to all Associated Plans & Frameworks (HOD's have been given the ownership of various Plans & Frameworks).

IMS

PMT is designed also to measure employees' performance which is linked to compliance/non-conformities/improvements relating to the implementation of IMS/Certification.

Revenue & Cost Driver Optimisation

In PMT, minimising costs and generating revenue are measured under the Shareholder Value Creation category.

KMS

PMT also captures employee's compliance relating to updating of company Intranet that encompasses the KMS.

Compliance & Risk Mgmt

PMT is designed to capture and measure employee's activities relating to Enterprise Risk Management/internal & external Audits.

Monitoring & Reporting System

Under the Internal Customer Value Creation category of PMT, how employees maintain monitoring and reporting responsibilities are captured and measured (HOD's – designated employees have the direct responsibilities of updating dashboards).

Benchmarking

Once Management conducts the benchmarking exercise, a re-evaluation process takes place to review the PMS and address any high-level gaps (to raise the performance measurement levels).

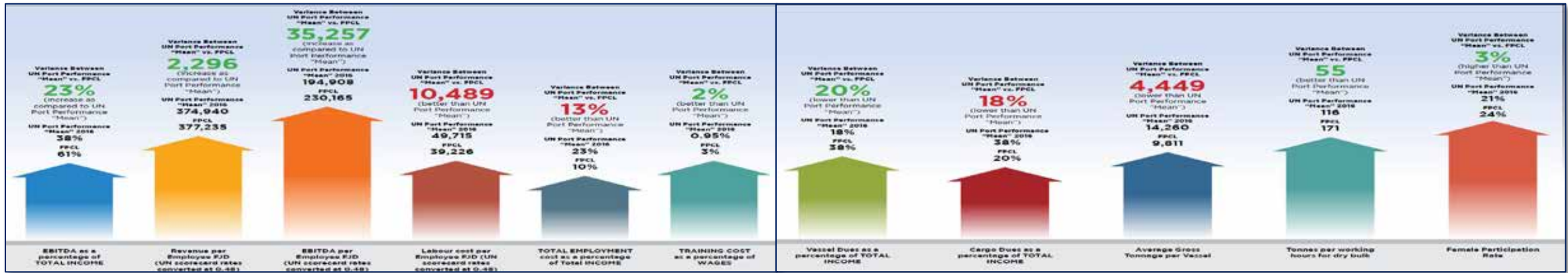
LMS

Based on the results of individual performance measurement, further training development needs are directly addressed in the LMS (i.e. Training Needs Analysis Report).



BENCHMARKING

Management uses International, Regional & Local Benchmarks for Performance Comparability (i.e., UN Port Performance Mean, Major Ports in NZ, Top Fijian Companies, Staff Climate Survey)



FPCL & UN Port Performance Mean Comparison

	FJI PORTS CORPORATION LIMITED		FIJIAN HOLDINGS LIMITED AND SUBSIDIARY COMPANIES		ANALANATED TELECOM HOLDINGS LIMITED AND SUBSIDIARY COMPANIES		FMI FOODS LIMITED AND SUBSIDIARIES		PLEASANT GLOBAL LIMITED		FUSION INVESTMENTS LIMITED		COMMENT
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Ratio													
NPAT	\$10,74	\$12,247	\$11,917	\$1,440	\$43,724	\$43,724	\$1,76	\$10,74	\$1,71	\$1,64	\$7,40	\$9,74	FPCL Group Profit After Tax was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
EBITDA/Revenue	31%	40%	31%	31%	80%	80%	81%	81%	81%	81%	81%	81%	FPCL's EBITDA/Revenue ratio was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Return on Invested Capital	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	FPCL's Return on Invested Capital was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Return on Equity	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	FPCL's Return on Equity was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Current Liquidity Ratio	16.26	16.26	6.43	6.43	6.79	6.79	2.40	2.40	1.33	1.33	4.06	2.43	FPCL's Current Liquidity Ratio was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Employee Expenses as a percentage of NPAT	130%	130%	130%	130%	130%	130%	130%	130%	130%	130%	130%	130%	FPCL's Employee Expenses as a percentage of NPAT was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.

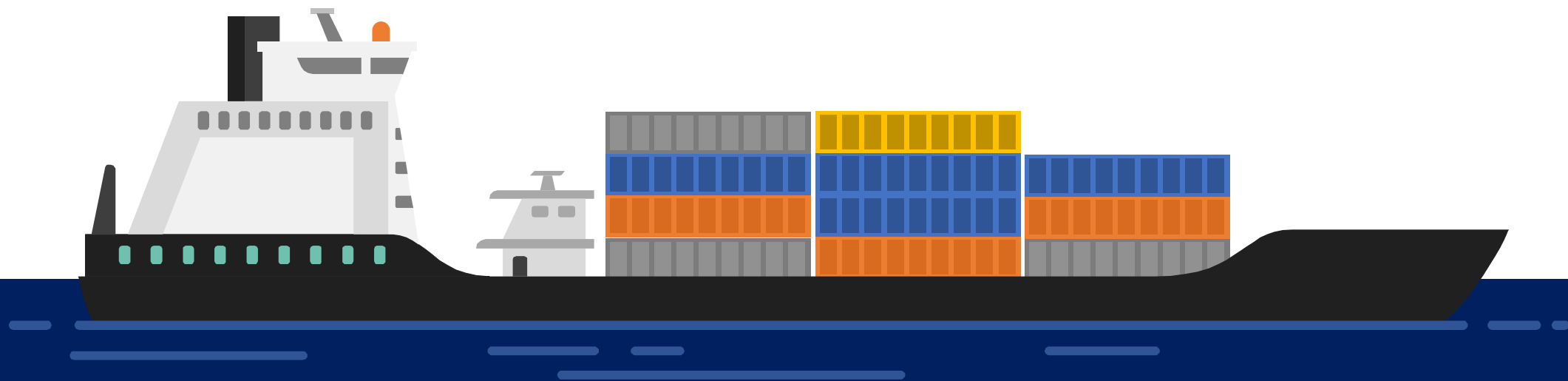
Top Fijian Companies

	FJI PORTS CORPORATION LIMITED		PORT OF AUCKLAND		PORT OF TANGIERA		LITTLETON PORT COMPANY		RAPID PORT		COMMENT
Ratio	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
NPAT	\$11,74	\$12,247	\$4,874	\$13,41	\$40,718	\$11,479	\$18,475	\$482,712	\$13,14	\$13,40	FPCL's NPAT was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
EBITDA/Revenue	31%	40%	31%	31%	40%	40%	31%	31%	31%	31%	FPCL's EBITDA/Revenue ratio was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
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Return on Equity	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	FPCL's Return on Equity was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Current Liquidity Ratio	16.26	16.26	1.09	6.99	9.23	9.23	5.27	5.27	5.15	5.15	FPCL's Current Liquidity Ratio was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.
Employee Expenses as a percentage of NPAT	130%	130%	130%	130%	130%	130%	130%	130%	130%	130%	FPCL's Employee Expenses as a percentage of NPAT was 10% lower in 2021 than in 2020. This is due to the impact of the COVID-19 pandemic on the company's operations.

Major Ports in NZ

FPCL - "To be the Smart, Green Gateway for Trade in the Pacific region."

RISK MANAGEMENT



HOW WE MANAGE RISK

Risk Management is an **Integral** part of the **Governance System** for development and **Protecting** the company from **uncertainty** in the future.

FPCL Board & Board Sub-Committees

Provide review and drive accountability & transparency of business operations



Executive Management

Actions to achieve business and strategic objectives

FPCL Enterprise Risk Management

First Line

- Policies
- SOPs
- Workflows
- Checklist
- Internal Controls

Second Line

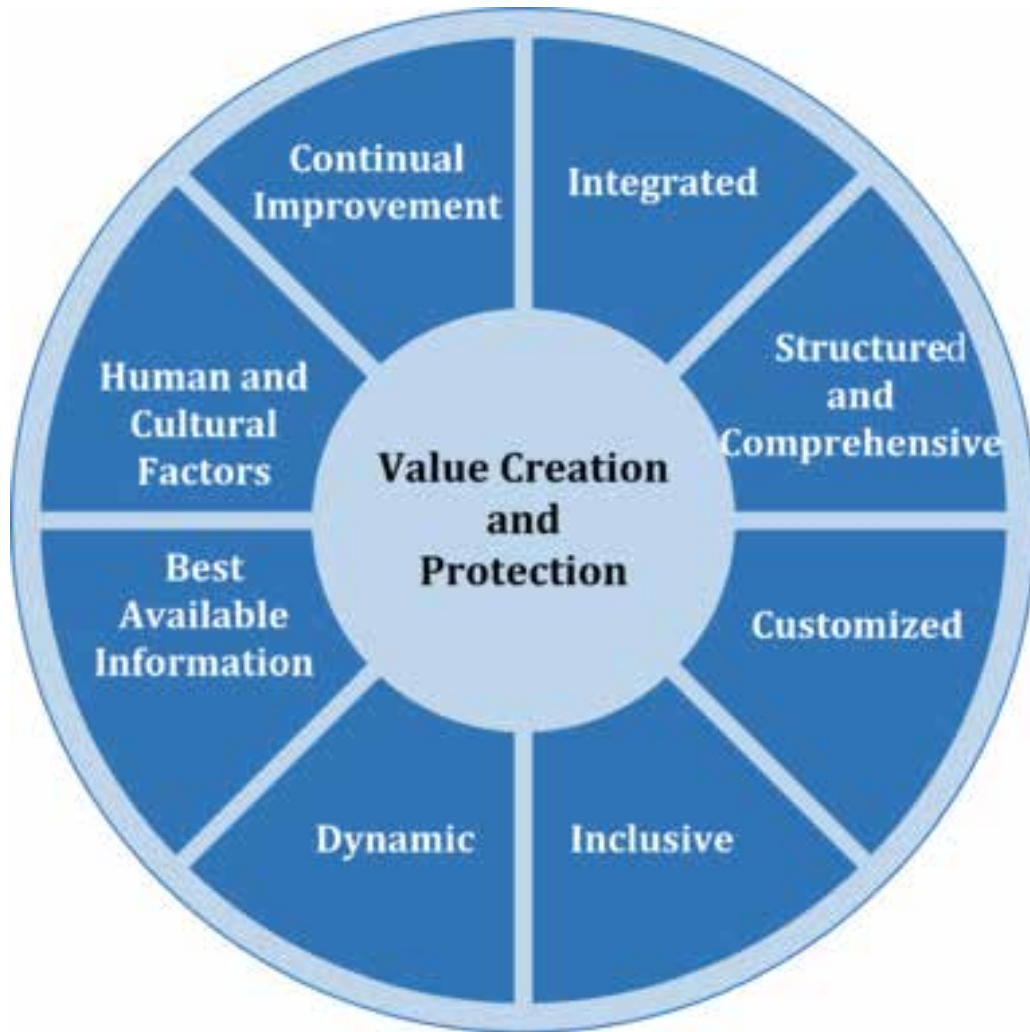
- Quality Assurance
- Enterprise Risk Management
- Internal Compliance Review
- Audit Tracker

Third Line

- External Audit
- Internal (External) Audit
- Business Continuity Plans
- Disaster Recovery Plans



WE FOLLOW ISO 31000:2018



PRINCIPLES



FRAMEWORK

Source: ISO.org

RISK MANAGEMENT FRAMEWORK

- Discussion and Identification of Risks
- Risk analysis
 - Assess Consequence vs Likelihood
 - Impact probability analysis
 - Confirm the contributing factors
 - Determine Inherent Risk rating
- Risk evaluation
- Identify the controls by sighting documents
- Confirm the existing control factors
- Identify the residual risks
- Prepare Risk Treatment plans and Timeline
- Report to Management/Board
- Monitor and close the risks



Source: ISO.org

RISK MANAGEMENT PROCESS

In 2019, the following processes were followed to develop the Risk Register:

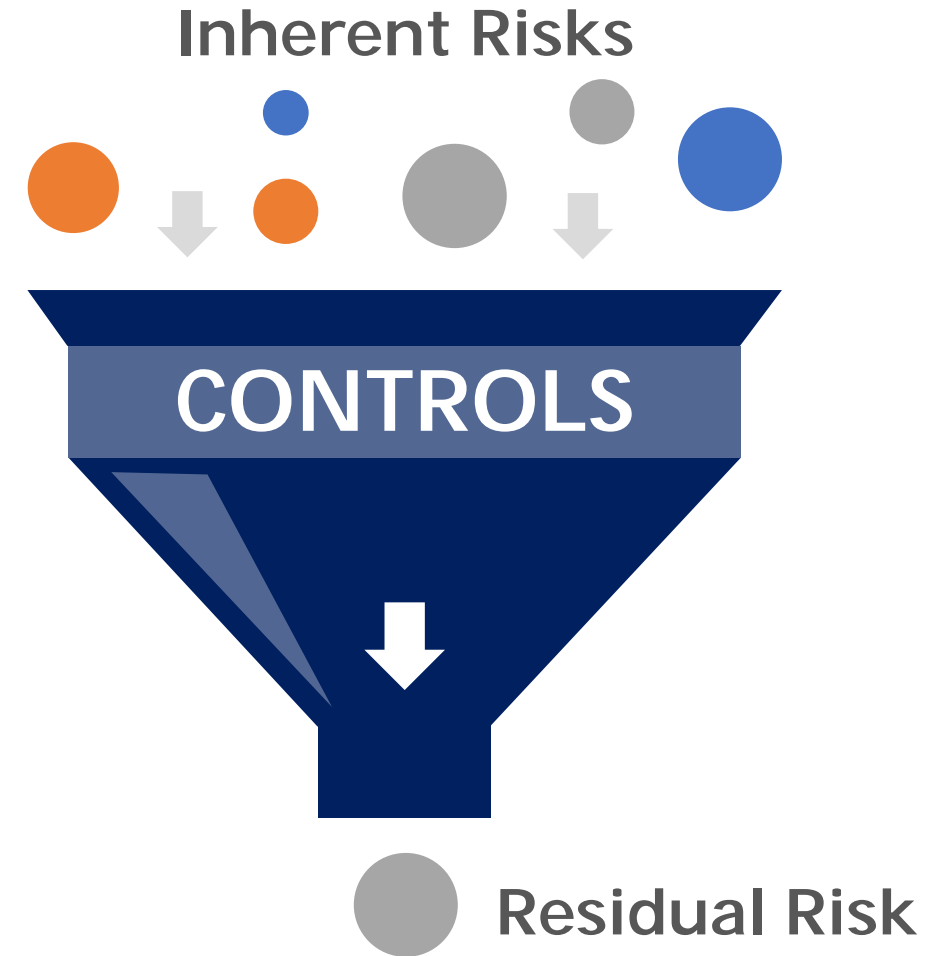
- a) Discussion and identification of risks
- b) Confirm the contributing factors
- c) Determine inherent risk rating
- d) Assess Consequences vs Likelihood:
 - impact probability analysis
 - identify the residual risks
- e) Prepare Risk Treatment plans and Timeline
- f) Develop Risk Register:
 - report, monitor and close the risks



Source: <https://www.wolterskluwer.com/>

ENTERPRISE RISK MANAGEMENT (ERM)

- ERM encourages a culture of risk-based decision-making by providing a holistic view of risks across the organisation
- Focuses on **6 Strategic Perspectives** from the Strategic Plan
- Implemented in 2018 and updated in 2022
- Currently being revised and developed



RISK IDENTIFICATION & ASSESSMENT

Staff identify the key areas which can give rise to risks in their Business Unit and assess the Likelihood and Consequence of the risk to determine the Inherent Risk Rating.

No	Identify Risk and Definition	Strategic Objective Link	Contributing factors	Assessment of Evidences
1	<p>EXAMPLE</p> <p>Risk: Mooring Vessels alongside berth results in Injury</p> <p>Category: Safety</p>	Safety Security and Technology	<ul style="list-style-type: none">• Using Mooring bitts for more than 1 mooring line• Wet or slippery quay surfaces• Lack of communication between ship and shore• Trapping hands in mooring ropes• Parting of rope due to too much load applied	<ul style="list-style-type: none">• Procedure does not exist• Procedure on Mooring not followed• Mooring deck guidelines/Procedure outdated• Lack of training



LIKELIHOOD & CONSEQUENCES ASSESSMENT

STEP 1: Assess Likelihood (Probability)	
Almost Certain	Will occur in most circumstances (i.e., occurs once every 1-3 months)
Likely	Will probably occur in most circumstances (i.e., occurs once every 3-6 months)
Possible	May occur within the future or medium term (i.e., occurs once every 6-9 months)
Unlikely	May occur at some time but unlikely to occur in the foreseeable future (i.e., occurs once every 9-12 months)
Rare	Will only occur in exceptional circumstances (i.e., occurs less than once a year)

STEP 2: Assess Consequence (Impact)	
Extreme	Above \$100,000 financial loss, or ½ day closure of business or reputational damage
Major	Between \$75,000 - \$100,000 financial loss, or 1 hour closure of business or reputational damage
Moderate	Between \$35,000 to \$75,000 financial loss or reputational damage
Minor	Between \$25,000 to \$35,000 financial loss or reputational damage
Low	Up to \$25,000 financial loss or reputational damage

INHERENT RISK RATING

CONSEQUENCE	Extreme	LOW	MODERATE	Mooring	HIGH	HIGH
	Major	LOW	LOW	MODERATE	HIGH	HIGH
	Moderate	LOW	LOW	LOW	MODERATE	HIGH
	Minor	LOW	LOW	LOW	LOW	MODERATE
	Negligible	LOW	LOW	LOW	LOW	LOW
		Rare	Unlikely	Possible	Likely	Certain
LIKELIHOOD						



CONTROL ASSESSMENT

Existing Controls

Policies

Procedures

Systems

Financial Frameworks

Workflows / Process Maps

Assess using
definitions

No	Measure	Definition
1	Weak	Poor controls
2	Needs improvement	Basic controls
3	Average	Control in place to manage basic risks
4	Effective	Control in place and mitigate or detect risk
5	Excellent	Control in place prevent risk from happening

RESIDUAL RISK RATING

CONTROL RATING	Weak	MODERATE	HIGH	HIGH
	Needs Improvement	MODERATE	MODERATE	HIGH
	Average	LOW	MODERATE	MODERATE
	Effective	LOW	LOW	Mooring
	Excellent	LOW	LOW	LOW
		Low	Moderate	High
INHERENT RISK RATING				



CATEGORISATION OF RISK

Risks are categorised into the following Strategic Perspectives in the Company's Strategic Plan and key operational areas:

Governance	Port of Entry responsibilities and oversight, wrecks, insurance, environment, tariffs, and integrated planning at all ports.
Infrastructure	Asset Condition/Risk Model, Cruise demand and future, Future Ports development, Ships repair building limitations, Design Vessels/ Hub in South Pacific Context, and Service expansion.
Financial Performance	Introduction of strategic KPIs, profitability vs National Interest, Financial Performance, and financial model/user pays.
Organisational Capacity	Focus on growth and development, retention of key skills, competency, and Business development and funding.
Environment & Sustainability	Port sustainability guidelines, Green Port/Smart Port, and Waste and pollution management.
Safety, Security & Technology	OHS, IT and Security.
Operations	These includes FPCL main operations that focused mostly on Harbor Master, Local Wharf and Engineering maintenance operations.



ERM MONITORING TOOL

- The Risk Management Process will be used to develop the company's **ERM RISK REGISTER**
- This register will be used for ongoing monitoring and reporting on the implementation of the Treatment plan

ERM Monitoring Tool			
Risk	Mooring Risk		
Risk Definition	Mooring Vessels alongside berth results in Injury		
Risk Owner	Operations Manager		
Risk Category	Operational		
CONTRIBUTING FACTORS		EXISTING CONTROL	
Using Mooring bitts for more than 1 mooring line		Procedure does not exist	Likelihood Likely
Wet or slippery quay surfaces		Procedure on Mooring not followed	Consequence Major
Lack of communication between ship and shore		Mooring deck guidelines/Procedure outdated	Inherent Risk HIGH
Trapping hands in mooring ropes		Lack of training	Control Rating Effective
Parting of rope due to too much load applied			Residual Risk Rating MEDIUM
MITIGATING PLAN		PERSONAL RESPONSIBLE	
Revise Procedure		Manager Operations	Timeline Sep-19
Training of all Operational Staff		Human Resources Manager	Dec-19

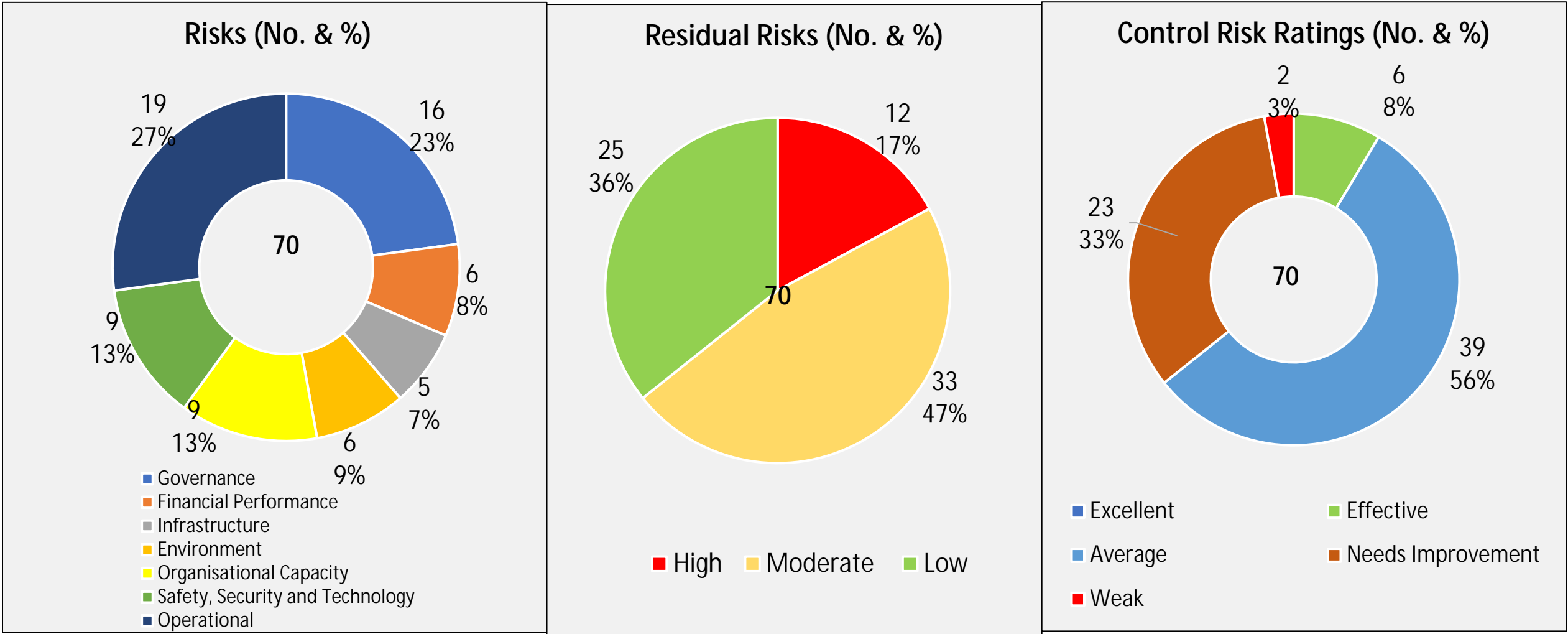
TREATMENT PLAN & TIMELINES

Where a risk has been identified and assessed, there is a duty to take action to eliminate the risk or, if elimination cannot be achieved, minimise the risk and set a timeline for implementation.

No	Identify Risk and Definition	Treatment Plan	Timeline
1	<p>EXAMPLE</p> <p>Risk: Mooring Vessels alongside berth results in Injury</p> <p>Category: Safety</p>	<ul style="list-style-type: none">• To conduct safety training to all staff• Review and update SOP• Ensure port operations area is clean and tidy	June 2023



2022 ENTERPRISE RISK MANAGEMENT DASHBOARD





HIGH PRIORITY RISKS

Summary from ERM

- Wharf Conditions (Ageing Conditions) – All Ports
- Risk Culture (Depth & Complexity of Roles, Outcomes)
- Future Ports Development
- Pollution – Grounded Vessels
- Derelict Vessel
- Submerged Vessels - All Ports
- Project – Delay in implementation
- Business Continuity Plan – BCP
- Tugs Service Provider
- Port Housekeeping
- Social Unrest
- Fraud



THE WAY FORWARD – PLAN FOR 2023-24



KEY CHALLENGES



CHALLENGES RELATING TO RISK MANAGEMENT

- Unwillingness to take Ownership
- Risk Culture within the Organisation
- Individuals' Attitude / Complacency
- Strategy and Risk Alignment
- Sourcing of Expertise in Risk Management



KEY CHALLENGES BEING ADDRESSED

1

**Ageing
Infrastructure**

2

**Skills & Competency
Gaps**

3

**Sourcing Technical
Expertise**

4

Funding

5

**Timelines for New
Port Development**

6

**National vs
Commercial Interest**





THANK YOU

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