

**Implementation Guideline  
for  
Subsidy for Air-Bag Trailers**

**Ministry of Economy  
17 September 2021**

## **1.0 Introduction**

- 1.1 In the 2020-2021 Budget, Government had announced a new subsidy called ‘Subsidy for Air-Bag trailers for Trucks’. The initiative will continue in the 2021-2022 Budget.
- 1.2 Potential purchasers can access a grant of up to \$20,000 towards the purchase of air suspension/ air-bag trailers. A total budget of \$300,000 has been allocated for this initiative for the 2021-2022 financial year.
- 1.3 The deterioration of roads caused by overloaded vehicles cost Fijian taxpayers around \$50 million last year alone. To keep Fiji’s roads in good condition, the Fijian Government has announced a new initiative to subsidise the purchase of air-bag suspension systems for trucks.
- 1.4 Air-bag suspension systems — or air-bag trailers — are good for roads, good for drivers and good for trucks. They put less strain on roading infrastructure by preventing deterioration by evenly distributing the weight of truckloads. By reducing the vehicle vibration, the systems also grant better braking and axle loads, which help truck drivers stay safe. They also result in less wear and tear on truck components and tyres, and allow for steadier driving speeds which reduce overall travel time.
- 1.5 Application forms to apply for the assistance (hard copies) will be made available and can be submitted at any of the LTA office. All required documents stipulated in the application form and the guideline must be provided. The application form and detailed guideline will also be available online at:

## **2.0 Trailers with Air Suspension System**

### **2.1 Benefits**

#### **a) Improving Roll Stability**

- A vehicle’s ability to resist rollover determines its roll stability. A vehicle loses its ability to resist rollover when the tires on one side lift off the ground. Many elements of a vehicle’s design play a factor in determining its roll stability. Roll stability for a trailer can largely be determined by the height of the center of mass of the trailer and the axle track. These factors can have the greatest impact on the roll stability of the trailer. With air suspension.
- The vertical stiffness of a leaf-spring suspension is usually much greater than air suspension. Since air suspensions provide a considerably softer ride than leaf-spring suspensions, they must rely on other means to achieve roll stiffness. This other means, commonly referred to as “auxiliary roll stiffness,” comes from the axle on trailers with air suspensions.

#### **b) Ride height**

- Ride height is defined as the measurement from the suspension-mounting surface (the bottom of trailer frame or slider box) to the center of the axle. Air suspensions are designed to operate at specific ride heights. Maintaining a suspension’s proper ride height is a critical element of air suspension trailer performance. The main feature of any air suspension system is the height control valve (HCV). The HCV

maintains the trailer at its designed ride height by automatically adding and exhausting air to the trailer's suspension to compensate for changes in the trailer's load. Operating an air suspension at an incorrect ride height can create improper load equalization, reduce ride quality, damage cargo / vehicle and result in premature suspension and component wear.

- Air suspensions set too high will cause shocks and air springs to be over extended. A suspension with a ride height set too low experiences a harsh ride due to the constant thumping against the air spring bumpers. When height control valves and ride height settings are improperly adjusted or otherwise tampered with, premature component wear may occur. To operate properly, suspensions must ride at their specifically designed ride height. An extended ride height will also adversely affect the trailer stability and could alter the center of gravity which could have dangerous consequences.
- c) Reduced noise, vibration and harshness
    - This provides comfort for the driver as noise, vibration and harshness tends to cause driver fatigue and discomfort. Additionally, reduced vibration and harshness means better wear on other components in the truck. Trailers tend to last longer when on air suspension as the components don't suffer as much vibration. In short-wheelbase trucks it reduces the tendency to bounce over rough terrain when the truck is empty.
  - d) Less damage to road surfaces
    - There are actual benefits to the road network as it causes less damage to the road and bridges. Less vibration is transmitted into neighboring buildings and structures.
  - e) More versatile on certain types of terrain
    - Others benefits include improved fuel consumption, versatility, improved component life.

### **3.0 Compliance**

3.1 The intending purchaser must adhere to the following:

- a) Compliance to Regulation 37 of the Land Transport (Vehicle Registration & Construction) Regulations;
- b) Certification by relevant Statutory Authorities from the country of manufacture to attest to compliance with international or local safety and design standards;
- c) Manufacturers Specification (including a general arrangement drawing) must be provided to LTA stating the load rating of each air suspension unit in accordance with the trailer axle weight and gross vehicle weight;
- d) Suspension system should support load sharing;
- e) Height control system must be equipped and always functional;
- f) Manufacturers Specification should demonstrate roll stability improving features;
- g) Prior written approval must be obtained from the LTA before importation takes place;
- h) Trailer tyres must be new and conform to the correct load and speed rating with correctly matched tread depth and pattern;
- i) Trailer braking system must be fully functional at all times;
- j) Offenders who have pending fines (excess loading) will need to clear all fine with LTA in order to qualify for the grant; and
- k) Self-import trailers do not qualify for the Government Grant.

#### **4.0 Requirements for Government Grant**

4.1 To qualify for the Government grant, potential buyers must adhere to the following specifications:

- a) Complete Air Suspension system. i.e. no hybrid system with a combination of air suspension and other types of suspensions.
- b) Trailer length must be not less than 10 metres long.
- c) Full and Complete Compliance in accordance with Regulation 37 and the provisions of paragraph 3.1 (a-k) above.
- d) Demonstrated weight reduction in comparison to having other types of suspension systems to allow for a higher payload within the legal GVM.
- e) Rear lighting units which need to be of all LED illumination including rear number plate illumination.
- f) Side (flank) rear and end outline marker lights must be fitted and of LED type.
- g) Any trailer over a length of 10 meters (trailer only) must have a reflective "Long Vehicle" marking fitted to the rear.
- h) Where the trailer has a floor or is an insulated/refrigerated body this must be constructed using lightweight composite materials and insulation for refrigerated bodies. If the trailer is fitted with a refrigeration unit this must incorporate a digital temperature tachograph.
- i) Where the trailer has a bulk liquid tanker mounted, the tanker must be constructed using lightweight composite materials (e.g. Aluminum alloys, fiber reinforced polymers, etc.) with certification to indicate compliance to local or international standards.
- j) The trailer cross-members, floors, roof bows must be manufactured using lighter weight advanced high strength steels and composite materials. Where lighter weight materials are used in the construction of a trailer a certificate of use of lightweight components must be provided and authenticated by the trailer manufacturer in English (specifying the name of the components used in the trailer construction and the weight saving gained over a trailer constructed using traditional materials) failure to provide this authenticated certificate will render invalid any claim for the Government grant.
- k) A recipient can apply for grant maximum of three (3) times or for three (3) trailers.

#### **5.0 Processing of Government Grant**

5.1 After the air suspension/ air-bag trailers are assessed/inspected by LTA and requirements are met, successful applicants will be entitled to receive a \$20,000 grant (per trailer) from Government provided that they fully comply with specifications required by Government, LTA will undertake the necessary inspections and provide formal endorsements on approved applications.

5.2 LTA will make submission to Ministry of Economy providing the list of successful recipients who qualify to receive the \$20,000 grant to request for the purchase of each air suspension/ air-bag trailer.

5.3 The recipients will receive the grant directly into their respective bank accounts from LTA once necessary processing has been carried out and all documents are in order.

5.4 The grant will be given to recipients on a "first come, first serve" basis as \$300,000 is available in the 2021-2022 Budget. A recipient can apply for grant maximum of three (3) times or for three (3) trailers.

## **6.0 Conditions and Utilisation of Government Grant**

- 6.1 Subject to the terms and conditions of this guidelines, the Government agrees to make available the Government Grant to the Grant Recipient (Land Transport Authority of Fiji).
- 6.2 The Grant Recipient must submit to the Government requests for disbursement of the Government Grant. Such requests must be signed by the person(s) authorised by the Grant Recipient to do so.
- 6.3 The Government Grant must be paid as specified in clause 3.1 and 4.1.
- 6.4 The Government Grant recipients must submit to the Government acquittal reports.
- 6.5 The Government Grant is to be used by the Grant Recipient for the sole purpose outlined in the guideline.
- 6.6 The Government may state conditions precedent to disbursement of Government Grant for a particular purpose, in excess of a specified amount or after a certain time and unless the Government and the Grant Recipient agree otherwise in writing, the Grant Recipient must satisfy the stated conditions, in form and substance satisfactory to the Government, before the Government will authorise disbursement of the relevant funds.

## **7.0 Exemption of Value Added Tax**

- 7.1 The Government Grant is VAT inclusive.
- 7.2 The Grant Recipient must be registered with the Fiji Revenue and Customs Service.

## **8.0 Bank Account and Interest**

- 8.1 The Grant Recipient must establish a dedicated bank account for the Government Grant and payments must be made to the account.
- 8.2 The Government must ensure that any bank in which the Government Grant is deposited is fully compliant with all applicable local and international banking standards and regulations, including capital adequacy requirements.
- 8.3 Any interest on the Government Grant, if any, disbursed by the Government to the Grant Recipient under this guideline or by the Grant Recipient must be accounted for and used solely for the purposes of the Government Grant.

## **9.0 Audits and Records**

- 9.1 The Grant Recipient must maintain proper files and accounting records relating to this grant ('records'), adequate to show, without limitation, all costs incurred under this initiative. The recipients should submit a acquittal report including all documents to show that the subsidy has been used for the purpose allocated for.
- 9.2 Unless the Government advises the Grant Recipient otherwise in writing, the records must be furnished by the Grant Recipient to the Government.
- 9.3 The records must cover all funds and activities financed under the Government Grant for that interval. In addition, the Grant Recipient must furnish to the Government any other relevant information at such times as the Government may reasonably request. The

Government will from time to time specify in implementation letters or other means the guidelines for the contents and formats of the records.

- 9.4 The Grant Recipient must make the records available to the Government or the Auditor-General upon request.
- 9.5 The Grant Recipient must provide to the Government a final audit report in accordance with this clause no later than three months after the period under audit.
- 9.6 All records relating to this agreement must be retained and made available by the parties for examination by duly authorised law enforcement officials and agencies of the Government of the Republic of Fiji for a period of seven years. If an issue is raised during this time period, the parties must retain such records until the audit is concluded and all issues resolved.

#### **10.0 Site Visits**

- 10.1 The Government may, upon reasonable notice to the Grant Recipient and applicants conduct site visits, to review and comment on the utilisation of the Government Grant.

#### **11.0 Refunds**

- 11.1 Notwithstanding the availability or exercise of any other remedies, the Government may require the Grant Recipient to immediately refund to the Government any disbursement of the Government Grant in the currency in which it was disbursed, but allowing for time to honour commitments, in any of the following circumstances:
  - a) this initiative has been suspended;
  - b) there has been a breach by the Grant Recipient or applicants;
  - c) an Event of Default occurs;
  - d) the Government has disbursed an amount to the Grant Recipient in error;
  - e) the Grant Recipient has made a material misrepresentation with respect to any matter related to this initiative;
  - f) if there remains any unutilised funds in relation to the Government Grant by the Grant Recipient; and
  - g) if the Government Grant is used for a purpose other than a purpose set out in this guideline.