



STANDING COMMITTEE ON SOCIAL AFFAIRS

THE CONSOLIDATED REPORT NO. 1 ON THE REVIEW CONDUCTED ON THE FOLLOWING LIST OF ANNUAL REPORTS:

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports
3. Fiji National Provident Fund (FNPF) 2014 Annual Report
4. Ministry of Health and Medical Services 2014 Annual Report
5. Ministry of Infrastructure and Transport 2014 Annual Report
6. Fiji Roads Authority (FRA) 2014 Annual Report
7. The Fiji Public Trustees Corporation Limited (FPTCL) 2014 Annual Report
8. Airports Fiji Limited (AFL) 2012, 2013 and 2014 Annual Reports
9. Fiji National University (FNU) 2014 Annual Report
10. Consumer Council of Fiji (CCoF) 2014 Annual Report
11. Ministry of Local Government, Urban Development, Housing and Environment 2009, 2010 and 2011 Annual Reports
12. Land Transport Authority (LTA) 2013 Annual Report
13. Housing Authority (HA) 2013 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 21 of 2017

21st March, 2017

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CHAIRMAN'S FOREWORD

I am pleased to present the consolidated review report 1 for the 19 Annual Reports that were scrutinised by the Committee. This report covers 19 Annual Reports for the years ranging from 2009 to 2014 from the 13 institutions. The 19 Annual Reports includes:

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports;
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports;
3. Fiji National Provident Fund (FNPF) 2014 Annual Report;
4. Ministry of Health and Medical Services 2014 Annual Report;
5. Ministry of Infrastructure and Transport 2014 Annual Report;
6. Fiji Roads Authority (FRA) 2014 Annual Report;
7. The Fiji Public Trustees Corporation Limited (FPTCL) 2014 Annual Report;
8. Airports Fiji Limited (AFL) 2012, 2013 and 2014 Annual Reports;
9. Fiji National University (FNU) 2014 Annual Report;
10. Consumer Council of Fiji (CCoF) 2014 Annual Report;
11. Ministry of Local Government, Urban Development, Housing and Environment 2009, 2010 and 2011 Annual Reports;
12. Land Transport Authority (LTA) 2013 Annual Report; and
13. Housing Authority (HA) 2013 Annual Report.

The reviews of these Annual Reports were done in accordance with Section 109 (2)(b) of the Standing Orders of Parliament, in which the Standing Committee on Social Affairs is mandated to look into issues related to health, education, social services, labour, culture, media and their administration.

The Social Affairs Standing Committee had invited all these institutions to present their performance as highlighted in each annual report. The key areas of the review are the department's financial performance, legislation, administration and organisational structure, major achievements and challenges.

This Committee's review Report is a bipartisan one which has the input of both sides of the Committee. The Standing Committee on Social Affairs had reviewed the 13 institutions Annual Reports which range from 2009 to 2014 and have noted the contents of the reports, and due to the time that has lapsed, the Committee anticipates that corrective actions have been taken by the respective line Departments/Ministry to address the challenges and issues that were faced during those business years.

I would like to thank all the institutions who provided oral and written submissions to the Committee and further in clarifying all other issues raised by Members in relation to their Annual Reports. Also would like to acknowledge the Members of the Committee and all their substantial effort in the formulation of this bipartisan report.

Finally, I would like to also thank the Secretariat Team for their continuous support towards the compilation of this bipartisan report.

On behalf of the Committee, I commend this Report to Parliament.



Hon. Viam Pillay

Chairperson of the Social Affairs Standing Committee

RECOMMENDATION:

The Standing Committee on Social Affairs has conducted a review of the 13 Annual Reports which ranges from 2009 to 2014 and have noted the contents of the reports, and due to the time that has lapsed, the Committee anticipates that corrective actions have been taken by each institution to address the challenges faced.

INTRODUCTION

BACKGROUND

This report contains the findings of the review that were conducted on the following eighteen (18) Annual reports which are outlined below:

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports;
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports;
3. Fiji National Provident Fund (FNPF) 2014 Annual Report;
4. Ministry of Health and Medical Services 2014 Annual Report;
5. Ministry of Infrastructure and Transport 2014 Annual Report;
6. Fiji Roads Authority (FRA) 2014 Annual Report;
7. The Fiji Public Trustees Corporation Limited (FPTCL) 2014 Annual Report;
8. Airports Fiji Limited (AFL) 2012, 2013 and 2014 Annual Reports;
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12. Land Transport Authority (LTA) 2013 Annual Report; and
13. Housing Authority (HA) 2013 Annual Report.

REVIEW MANDATE

The resolution from Parliament on these Annual Reports was in line with the Standing Orders 109(2) (b) which allows the Standing Committee on Social Affairs to look into matters related to health, education, social services, labour, culture and media.

REVIEW OBJECTIVES & SCOPE

The review was confined to the following areas identified in the Section 110 (1) (c) of the Standing Orders of Parliament which authorises the Standing Committee to scrutinise the government departments with responsibility within the Committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's

administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.

REVIEW METHODOLOGY

The following methodologies were utilised to gather information for the review:

DOCUMENTARY REVIEWS – NINETEEN (19) ANNUAL REPORTS (2009 TO 2014)

The reviews were undertaken through assessment of each annual report that was tabled in Parliament and referred to the Committee. The documents include:

- Annual Reports;
- Annual Reports Summaries & Analysis from Research Unit;
- PowerPoint presentation from each institution; and
- Verbatim Notes from Hansard Office.

CONSULTATIONS

The Committee during its consultations invited each institution to present and brief the Members on their performance for those years as well as to provide responses on some pertinent issues raised by Members which was found in their Annual Reports.

The Committee had scrutinised each Annual Report before these institutions were called in for a brief on their performance. The review of these Annual Reports was carried out through close consultations with each line institution and during the institutional brief by each institution; they were also requested to clarify on pertinent issues of their annual reports which are of concern to the Members.

The institutions were assessed based on their key performance indicators and during the review process the Members agreed to highlight in this consolidated report only the major achievements of these thirteen (13) institutions and the key issues and challenges that had affected their deliverables.

The assessments made by the Committee revealed that majority of the institutions had faced similar issues relating to financial constraints that affected the carrying of their mandated roles and responsibilities. However, the Committee commended the major achievements recorded for each institution and noted the major challenges faced by these institutions for those past years. The Committee on its recommendation raised that due to the time lapsed, the Committee anticipates that the issues and challenges faced are addressed through implementation of proper planning, sound policies, processes and best practices by these institutions.

FINDINGS OF THE REVIEW

Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports

Overview

This report has been prepared after scrutinising the FPCL reports for 2013 and 2014. The presentation made by FPCL highlighted some key aspects of its operation where they formed Public Private Partnership for Ports Terminal Limited, key developments in trainings, avoidance of redundancies, changes of organisational structure, corporate Website launched and FPCL brand repositioning.

Achievements:

2013

- Pollution Prevention – Launch of oil pollution boat
- Lautoka waiting shed – Social Obligation
- Port developments – local wharf revamp
- Derelict vessel & wreck removal
- New website launch

2014

- Completion of FPCL's first Human Resource Plan;
- Audit for HR processes
- Overall improvement in personnel recruitment processes, and introduction of recruitment competency assessment processes;
- Online leave application system
- Recruitments of important positions
- Inaugural payment of the company's bonus and salary increment based on Performance Management System (PMS) outcome.
- Payglobal system extended to cover HR services – online system where employees can track their employment records.

Challenges

- Oil pollution from vessels
- Climate change
- Limited Resources

Public Rental Board (PRB) 2013 and 2014 Annual Reports

Overview

Public Rental Board had highlighted its mandate and that includes the provision of rental accommodation, Non-commercial Obligation-Provide Rental Economic Benefits to Tenants, provide corporate plan to line Ministry. Also, PRB had highlighted some of its key achievements and challenges faced in 2013 and 2014.

Achievements:

Development of Rental Units

- 1995 – 1998 – 114 terraced one bed room flats were built (Newtown, Kalabu, Raiwaqa, Raiwai, Kia)
- 2003 – 5 one bedroom flats was built (Kalabu)
- 2005 – 43 two bedroom flats were built (Macfarlane Rd)
- 2006 - 27 one bedroom flats were built (Kia St.)
- 2009 – 12 one bedroom flats were built (Savusavu)
- 2014 – 210 flats Raiwai were built (110 one b/r; 100 two b/r)
- Way forward – construction of new flats
- Around 900 waitlist applicants
- Number of flats – 1,553 flats
- Upcoming projects :
 - Raiwai, Suva
 - Kalabu, Nasinu
 - Simla, Lautoka
 - Namaka, Nadi
 - Namaka, Nadi
 - Votua, Korolevu
 - Raiwaqa Ex – 4 Storey & - Sewerage sites

Challenges:

- Financially, due to some short falls of Raiwai flats intake PRB could not achieve a revenue target of \$2.9 million.
- Shortcoming of profit was also noted during year, this was due to capitalisation of the asset and depreciation expense also increased.
- Rental arrears from existing tenants were one of the major challenges faced by the Board in past years.
- Meeting customers' demands in regards to new accommodation was also one of the on-going challenges.

Fiji National Provident Fund (FNPf) 2014 Annual Report

Overview

The presentation by the FNPf highlighted some of the important aspects of its organisations operation, such as its functions and responsibilities, reform update, financial reform, strategic issues and some of the strategy used in order to improve productivity and efficiency. Some of these key aspects will be highlighted in their achievements, challenges and issues faced during the period.

Achievements:

- FNPf had collected an average of about \$40 million per month for over 200,000 members from over 9,770 employers. It processed an average of 5,000 applications on a monthly basis for withdrawals. It also looks after the welfare of over 7,000 pensioners and 400,000 members are yet to be retired from the fund.
- It manages close to \$5 billion worth of investments in various asset classes including project development and offshore investments.
- It was also found that FNPf is the largest landlord in Fiji with 19 properties, 200 development and approximately 200 tenants in all FNPf buildings. In terms of staffing, there are 420 staff located in its four branches in Suva, Lautoka, Nausori and Labasa. It also has four agencies in Sigatoka, Nadi, Ba and Savusavu.
- In terms of the benefits and withdrawals in 2014 and 2015, it was revealed that the money that FNPf paid out to its members in 2015 were \$123.1 million and these goes to those who had reached 55 and over. FNPf also paid \$58 million in partial withdrawals, for housing - \$59.5 million, for those that were paid through death - \$14.5 million and disability - \$3.2 million, migration - \$32.3 million and special death benefit - \$9 million. These numbers when compared between 2014 and 2015, reflect the aging number of members that FNPf had. Further, in 2016 alone FNPf had paid out \$275.5 million for *Tropical Cyclone Winston* assistance to eligible members.
- In terms of the reform achievements and updates, FNPf had achieved a significant change to the pension scheme. According to the FNPf it now has a pension scheme that is sound and age-based in terms of conversion rate.

- For Investment rehabilitations – FNPF had conducted a lot of changes including the Fiji National Provident Fund Investments Limited, Grand Pacific Hotel (GPH), Savusavu Harbour Site, Bayview, Natadola Residential and Momi Hotel reconstruction which are currently in progress.
- On the operational front, FNPF had also implemented a new IT System which replaces the old legacy system that FNPF used before which now improved FNPF services to its members.
- On the financial performance, in 2015 the Fund received \$432.2 million in terms of contributions from members which was a big increase from 2014. It was noted that this was mainly because of the increased in the rate of deduction.
- For Withdrawals – FNPF had paid out \$291.1 million in those forms that are already mentioned. Investment income was \$310 million, investment portfolio excluding cash was \$4.1 billion, total assets were \$4.9 billion, and interest rate credited to members was 6 percent in 2015. In 2016 it was 6.25 percent. FNPF's total membership is 403,316 and 9,770 employers.
- For Investment – this in terms of the asset allocation, it was noted that most of the investments, 43 percent of the investments were Government securities. Term deposits – 14 percent, commercial lending – 10 percent, equities – 19 percent, et cetera. So it is shared amongst all the asset classes of investments.

Challenges:

In the review, the Committee noted FNPF's achievement but was also briefed on some of the challenges that it faced:

- **Issues:** A lot of members have very low balances; only 4 percent of FNPF members have balances above \$50,000 and 75 percent have balances below \$10,000. This is a huge dilemma that FNPF needs to address. And 27 percent of this membership are those age of above 45 which means that there are very little that FNPF can do to ensure that they have an adequate balance for their retirement.
- **Resolution:** This has been addressed primarily by preserving 70 percent of members' account. It was noted that in the past members could access up to two thirds of their balances while they were still working. The 70 percent preservation means that members can only withdraw on the available 30 percent while they are still working. The benefit or the outcome of this policy will be noticeable in 10 or 15 years' time. It is a long-term strategy but it was noted that FNPF are beginning to see the acceleration of accumulation when people preserve their balances.
- **Issue:** It was also found that there is also very low pension take-up rate. A lot of members once they reach 55, they opted to take their money out, basically because of the low balances that they have. FNPF noted that with the very low balance which should be a starting point in terms of how members plan their retirement; it is very hard to plan a retirement with low balances.

Ministry of Health and Medical Services (MoHS) 2014 Annual Report

Overview

The Ministry of Health and Medical Services highlighted its organisational structure, budgetary allocation, policies, projects and its way forward in regards to its functions and operation. Some of the key aspects emphasised by the Ministry were the roles of its divisions which involves the public health services, finance and support services.

Achievements:

- Winning service excellence prize
- New Operating Theatre, which is now operational in CWM Hospital;
- CWM also has a Cath laboratory now and Liquid Based Cytology Machine to upgrade our laboratory services, Maternity Unit Renovations, Lithotripter Machines and the Wellness Centre for Women facility at the Oxfam Clinic in CWM Hospital was quite a major achievement for that year targeting women's health in general;
- Opening of the New Navua Hospital;
- Opening of the Cuvu and Vatukarasa Health Centers in that particular year in terms of improving accessibility to service; and of course;
- Ground breaking ceremony for Rotuma and Ba Hospitals which are projects and still continuing at the moment.

Expansion of services:

- Dialysis due to the increase in diabetic cases where related complication. Renal Dialysis has become an area that requires a lot of investment and expansion. So, we were happy that the Dialysis Unit in Labasa came into operation in September 2014;
- Oncology, we also have growing cases of cancer now so establishment of an Oncology Unit for Chemotherapy (treatment of cancer) and Palliative Supportive Care at Labasa Hospital;
- First cohort of 200 additional nursing positions and more are recruited on a year-out year-in basis.

Challenges:

- Climate change has come into the picture so the focus was to look at the implications of that.
- Improving service quality.
- Productive health workforce.
- Issues with accessibility of medicine and the availability to meet population health needs so this is an area we are trying to put a lot of focus on.
- Looking at universal health coverage, that there is no out of pocket payment and most of the health care is provided by Government. So there is a bit of research in that area where we need to improve on further

Ministry of Infrastructure and Transport (MoIT) 2014 Annual Report

Overview

The presentation by the Ministry of Infrastructure and Transport highlighted its departmental role, corporate strategic direction, and some of its key points regarding latest development, achievements and challenges faced throughout the year.

Achievements:

- The overall budget utilisation level of the Ministry was 95percentage
- PSC Service Excellence award and FMS Fiji Business Excellence Award
- Upskilling of staff both locally and overseas.
- Departments transport planning improved
- Reduction of road fatality 44 from 52 in 2013
- 10 lighthouse completed
- Construction of 3 seawalls at Votua Lilai, Tagaqe and on Beqa Island
- 4 hydro monitoring sites installed on the development of renewable energy source at Naruwai, Bua; Navitau,Saqani, Cakaudrove; Kedra, Macuata; Bouma, Taveuni
- 2774 households energised through rural electrification project
- 5 biogas plants installed at Waidau, Toko, Navutulevu, Navuso and Lakena.
- 527 rural water schemes were tested and verified
- Establishment of National Water Resources database
- National Climate telemetry system upgrade at Korolevu, Keiyasi and Levuka
- Replacement of 10 automatic weather climate stations
- 10 outer island stations installed with solar power systems; Matuku, Udu, Lakeba, Vanuabalavu, Ono-i-Lau, Rotuma, Vunisea, Viwa, Yasawa, Nabouwalu

Challenges:

- Providing consistent and reliable shipping services to the maritime islands
- Limited resources financially to assist the Fiji Roads Authority to provide its services in maintaining good road condition, up keeping of jetties, bridges.
- Climate change – Tropical depressions, cyclones, landslides and sea level rise.

Fiji Roads Authority (FRA) 2014 Annual Report

Overview

The presentation made by FRA highlighted the 2014 performance in regards to its summary of performance and achievements, organisational structure, expenditure summary and analysis.

Achievements:

Over the 12 months period, FRA had completed the following projects:

- Over 17,000km road graded – 250% of road network
- 280,000 potholes patched;
- 148,000 m² sealed road pavement repairs;
- 152,000 m³ gravel laid;
- 40km road reconstructed;
- 100km road resealed
- 510km drains and water tables cleaned with over 2,215m new culverts built
- 2,270km line markings painted
- 4,600 streetlights repaired
- 50% of asset base
- 63 Bridges and 4 Jetties were repaired
- Sigatoka valley road, commenced 2011, completed 2014;
- Moto road completed
- Nabouwalu - Dreketi project - worth of \$228M and 60% of the work completed
- Denarau bridge - FRA assumed control of project
- Regular road maintenance and road upgrade projects on Viti Levu, Vanua Levu, Taveuni, Kadavu and the outer islands provided improved access for communities, farmers; economic development benefits and overall social improvement.
- Greater Suva Transportation Study completed.

Challenges:

The Committee noted that three notable areas were under expenditure and these include the following:

1. **Bridge renewals - \$10m under-expenditure.**
 - It was noted that a proportion of this was due to holdups with land acquisition ; and
 - Several projects where the contractor or consultant was slow to complete the work.
2. **New Capital Congestion - \$18m under expenditure.**
 - Some of this was due to delays on these complex urban projects (NASRUP major projects).
 - However the required advance payments for these contracts offset most of the unspent budget.
3. **New Capital Tourism - \$6m under - expenditure.**
 - Due to delays on the Nadi NASRUP major projects.

The Fiji Public Trustees Corporation Limited (FPTCL) 2014 Annual Report

Overview

The Fiji Public Trustee Corporation Limited was formally known as the Public Trustee Office which was a department under the Judicial Department and this particular Department was then corporatised in April, 2006. It is a state owned entity and not to be profitable which falls under the Ministry of Public Enterprise and are legislated to pay back dividends to Government as per the Public Enterprise ACT.

Achievements:

- In 2014, FPTCL was self –funded and income generated from its core business in this particular year which was declined by 5 percent. However, investment income increased by 2 percent. There was a declined in trust business due to changes in the Fiji Public Trustee Corporation Limited Act of 2006.
- The Trust administration service, one is the Fiji National Provident Fund and the other one is the compensation funds where a group, for example, currently the FPTCL looks after children from Monasavu whose funds were received as part of the compensation from FEA and the institution currently continue to provide that service.

Challenges:

- The Committee noted from FPTCL that the administration services of an estate were not an easy role, mainly due to family issues that were raised and a lot of issues from extra marital affairs that exist as well. It was all part and parcel of what an administrator will have to handle in trying to distribute the estate equally. So that was the estate administration portion of it.
- FPTCL also faced a loss in the administration of (Fiji National Provident Fund) nominee funds and reduction of interest from investments resulted in similar decrease.

Airports Fiji Limited (AFL) 2012, 2013 and 2014 Annual Reports

Overview

AFL in its presentation highlighted few key areas of its three (3) year annual reports and these includes its profitability, previous administration before AFL was established in 1996, its coverage of work, stakeholders, achievements and challengers.

AFL is currently looking after about 6.1million square kilometers of airspace, upper space. This is not only covered the Fiji region but goes from Kiribati, New Caledonia, Vanuatu, Fiji and touching upon the Tongan space which was known as the Fiji Flight Information Region.

Achievements:

- In 2014, AFL processed about 1.75 million passengers, means that in and out and also including the transit passengers. In 2015, the number had increased to about 1.9million.
- Despite losing 75 percent of the commercial space in international space in 2014 for major construction works but AFL still managed to increase its revenue from the 25 percent of the space available.
- Revenue increase in 2014, positive cash flows

Challenges:

- Nadi International Airport building structure being 70 years old, more capital investments and strategies was need to improve the facilities and thus this project is regarded as one of the challenges for the organisation.
- Back log of some of the projects due to the resources it needs, and some of the projects are not that feasible to spend a significant amount of resources.

Fiji National University (FNU) 2014 Annual Report

Overview

The 2014 Annual report of Fiji National University (FNU) highlighted major discipline areas of education, inclusion of National Productivity Organisation, dual nature of FNU and National Training Productivity Centre and the Vision of integrating post-secondary system.

Achievements:

- Significant change in Senior Management.
- New academic programmes.
- Upgrading of diplomas to degrees
- Launch of Bachelor of Veterinary Science

Challenges:

- Attraction and retention of professional expertise in relevant academic disciplines.

Consumer Council of Fiji (CCoF) 2014 Annual Report

Overview

Consumer council of Fiji highlighted some of the key aspects of its performance in 2014. The presentation included an overview of administration, structure, budget, policies, programmes & projects, achievements and challenges faced during the year. The Council focus is providing the best service to its consumer by protecting its rights and interests through monitoring, implementing policies and procedures. Thus in 2014, the council made various effort on providing consumer with knowledge and skills, disseminate information, mount campaigns on key consumer issues and providing consumer awareness.

Achievements:

- Setting up taskforce to monitor price on duty reduced items
- Establishment of a Consumer Compensation Tribunal.
- Government imposes 5 cents per litre excise duty on sugar-sweetened drinks in an effort to reduce non-communicable diseases (NCDs)
- Zero fiscal duty on adult sanitary diapers to assist elderly.
- Reduction of stamp duty for residential tenancy from \$500 to \$10.

Challenges:

- Traders and service providers are well organised, whereas consumer are disorganised and unaware of their rights.
- Consumers often lack the will to bring their complaints to fore. Most often complainants do not want their cases/issues to be publicised.
- Fijian consumers lack the initiative to take actions in solidarity. Thus the burden falls heavily on the Council.
- Redress mechanism is limited or unavailable in some instance other alternative are expensive.
- No provision for compensation
- Funding
- High staff turnover.

Ministry of Local Government, Urban Development, Housing and Environment 2009, 2010 and 2011 Annual Reports

Overview

The presentation from Ministry of Local Government, Urban Development, Housing and Environment highlighted some the keys outputs from 2009 to 2011. The Ministry looks into 5 departments which are Local Government, Housing, Town & Country Planning, Environment and corporate services.

Achievements:

Department of Local Government:

- Implementation of Urban Policy
- Efficient and cost effective management and operation of municipal councils
- Capacity building and good local governance and democracy
- Forging strategic partnerships through cost efficient utilisation to challenge fund for municipal development
- Enhanced performance of the National Fire Authority

Housing Department:

- Implementation of National Housing policy.
- Facilitate for the timely provision of the government grants to its designated implementing agencies.
- Management of squatter settlement upgrading programmes.

Town & Country Planning:

- Contribution towards development in Fiji.
- Prepare or revise town planning schemes at the request of the local authorities.

Environment:

- Enforcement and awareness of the following environment legislation; EPS Act; EMA; ODS Act; Litter Promulgation

Challenges:

Local Government

- Less grant provided.
- Technical capacity support.
- Infrastructure capacity
- New Governance structures
- Utility capacity

Housing Department:

- Cabinet withdrawal of the formulation and development of the National Housing Enabling Act.
- Merger of Housing Authority and Public Rental Board not completed by Ministry of Public Enterprise.
- Strengthening and restructure of the squatter settlements upgrading units.
- Upgrading of the National Housing Council into the National Housing Board.

Town & Country Planning:

- Human and Financial resources challenges
- Technology constraints
- Centralisation challenges

Environment:

- Department capacity
- Amount of international cooperation
- Enforcement challenges
- Communications
- Funding constraints

Corporate Services:

- Human resource constraints
- Assets management
- Fleet services
- Policies and procedures
- Monitoring & Evaluation – Plans and Budget
- Office space.

Land Transport Authority (LTA) 2013 Annual Report

Overview

The presentation made by LTA on its 2013 Annual Report had highlighted the regulatory structure of the organisation, followed by its budgetary allocation, regulations and policies, programmes and projects with some of its key achievements.

Achievements:

- In 2013, it was noted that the revenue forecasted was \$33million while the actual revenue collected was \$34million, with a positive surplus of \$940,000 in variance.
- In terms of expenditure for 2013 Budget, it was set at \$11 million while the actual was \$12 million, with a negative variance of \$230,000. This basically means that the revenue collected in 2013 was greater than what was actually budgeted for, however in terms of expenditure, the spending was more than what was budgeted for.
- The programmes and projects that were undertaken which was recorded in 2013:
 - 1) Purchase of 8 new fully equipped operational vehicles;
 - 2) Road Safety Programmes (this can be found on page 16 of the Annual Report for 2013);
 - 3) Online Recruitment System;
 - 4) Implementation of Red Light and Speed Camera;
 - 5) Purchase of Portable Wheel-Wares;
 - 6) Purchase of the LTA Bus for Road Safety Awareness and Education; and
 - 7) Installation of Hydraulic Inspection Rams (which still today access a backup for vehicle inspection).
- Our achievements in 2013 are as follows:
 - 1) The road fatality was at 41, the same for 2012 and the lowest in the last 25 years;
 - 2) Revenue collection increased by 9 percent as compared to 2012;
 - 3) Initiation of the ISO Quality Management System;
 - 4) Attainment of the achievement award in the Fiji Business Excellence Award; and
 - 5) Merger of Collective and Partnership Employment Agreement.

Challenges:

- It was confirmed by LTA that in 2013 LTA they were lacked in resources in terms of manpower, hardware or software to fulfil its mandated roles for the general public across Fiji.

Housing Authority (HA) 2013 Annual Report

Overview

The presentation made by Housing Authority on their 2013 performance covers their mandates, financial performance, major projects and the major challenges that were faced throughout the year.

Achievements:

- i. Financial performance or operating profit after tax for 2013 is around \$423k compared to the budget of \$1,041k or 40% of the budget
- ii. Interest income of \$9.6million compared to budget of 10.2million
- iii. Sales target/lot delivery not achieved affecting loan portfolio growth
- iv. Total fees & charges from sales & loan portfolio amounts to \$2.7 million compared to budget of \$2.1 million. Despite the slow portfolio growth, other fees complemented the achievement are collections of :
 1. Breach of the Building clause in the lease
 2. Valuation Exercise
 3. Ground rent revenue is around 2 million.
 4. Sales revenue amounts to \$0.547 million compared to budget of \$3.5 million.
 5. Expected 400 lots from Tacirua Stage 2 in 2013
 6. & 261 lots from Wainubuku in 2013
 7. But Delivered in 2014.
- v. Other operating income classified as sundry is around \$1.3 million against budget of \$0.39 million.
- vi. **Social Housing Policy:**
 - Assisted number of 309 families since 2011.
 - Government provides grant of \$1million every year.
 - Customers assessed through strict criteria
 - Those have paid their loan principle specific number of times
 - Retired
 - Proven medically unfit to work
 - Those facing financial difficulties
 - 73 families assisted in 2013

vii. Customer loans approved in 2013:

- 443 customers were provided new housing assistance
- 124 are low income families or below threshold of \$16,500.00/ annum. 27% of total customers assisted in 2013
- Gold Package & Toso Mai package

viii. The Gold Home Loan Package was launched in February 2013 to target the customers/families earning below \$16,500

- Interest rates:
 - (i) 3.5% first year
 - (ii) 4.45% for the next two years
 - (iii) 5.75% for the fourth year
 - (iv) 7.5% variable thereafter

ix. RBF Loan facility of \$25 million (1%):

- \$10m received in February 2013 was anticipated to attract customers/families earning below \$16,500
- However utilisation was slow since most customers taking opportunity to buy and build or purchasing property earn above \$16,500 per annum.
- Therefore it was decided and discussed with RBF to revise income threshold to \$25,000.00 for this particular scheme.
- After reviewing the threshold the number of utilisation increased; additional fund of \$15million received in Sept 2014.
- The loan package was revised in 2013 – “Toso Mai”
- 3.95% first year
- 4.95% for the next four years
- 7.5% variable thereafter
- In addition the assistance extended to existing customers earning below \$10,000.00 per annum.
- Interest rates reduced from 7.5% to 5%
- Reviewed portfolio and assisted 95 families in 2013.

x. Portfolio:

- The Total mortgage loan portfolio is around \$98.7 million compared to \$110.16 in 2012 due to natural run offs and slow development of lots
- Total active loan accounts are around 4,160 while 18% or 773 accounts are in non-performing category.
- Performing portfolio is around \$72.02 million
- Non- performing portfolio is around \$24.21million.

xi. Recovery Action –Mortgage Portfolio

- There are stringent policy and procedures in place to monitor defaulting accounts.
- Issue of arrears notices as soon as customer default
- Visiting customers & discuss arrangement to pay arrears.
- Rescheduling of loan accounts in accordance with retirement age
- Assess for rehabilitation assistance grant scheme
- Assist to transfer FNPF funds to reduce or pay off arrears.

xii. Development Projects:

Tacirua Stage II:

- Tacirua development projects commenced in 2011.
- Area of 184 acres along upper Khalsa Road.
- Total lot yield is expected to be around 1,114 lots.

Wainibuku:

- The Project was on hold and recommenced in Jan 2013.
- Total area is around 60 acres, located at 9 half miles Nasinu behind Rups Complex.
- Development completed in 2015. Phase 1 was delivered to the sales team in January 2015 while Phase 2 delivered in December 2015.
- Lot yield: 261 lots. Class B – 62 lots Class C & D -197. 1 Commercial & 1 religious lot
- Lots all sold in 2015 & 2016 except for the commercial lot
- Seventeen lots reserved for strata unit producing around 160 units

Matavolivoli:

- Development was advertised for tender in 2011 but the contract price substantially affected affordability level of price per unit.
- Re-tendered in 2014 subsequently achieved the affordability threshold hence land development/infrastructure works commenced in June 2015
- Total area – 45 acres; producing 400 lots.
- 95% of the lots falls in class C & D.
- Project completion - 2017.
- Government grant(subsidy) approved for this project (\$4.9million)
- Provision for strata unit in this development to produce around 120 units

Nepani:

Land development/infrastructure works commenced in mid- 2016

- Total area – 40 acres; producing 175 lots.
- 95% of the lots falls in class C & D.
- Project completion is 2017.
- Provision for strata units

xiii. New Acquisition & Preliminary

1. Sites acquired for development:
 - (i) Davuilevu – 130 acres – yield 990 lots
 - (ii) Veikoba – Naveiwakau – 119 acres – yield 840
 - (iii) Covata – Labasa - 15 acres – yield 120 lots
1. Preliminary:
 - (i) Tavakubu Lautoka – 65 acres – yield 550 lots
 - (ii) Koronisalusalu – Tavua – 16 acres – yield 110 lots

Issues & Challenges:

- Adverse weather conditions
- Infrastructure cost affecting affordability level
- Lack of technical expertise:
 - Engage in cadet training program
- Lack of commitment from respective stakeholders
- High borrowing rates to fund developments.
- Low cost funding to assist affordable Lending facility (RBF facility).
- High valuation rate in the market which may affect affordability level to low income customers. (acquisition of raw land)
- Squatters sitting in HA subdivision
- We have 11,000 customers earning below \$25k in the data base

Possible Solutions:

- Provision to subsidise Infrastructure by Government
- Acquire Cheaper Source of Funds
- Priority Approval from Government Agencies for HA Developments
- Joint Venture, MOU, PPP
- Continued Government Loan Guarantee
- Squatter Upgrading Schemes – Joint venture initiative with MOH
- Temporary Urban Villages e.g Sasawira – Joint venture with MOH
- Joint Ventures with NGOs/Foreign Donors

CONCLUSION

The review that was conducted by the Committee on these nineteen (19) Annual Reports was conducted in a very tactful and comprehensive manner which covers all the aspects of these Annual Reports. This has enabled the Committee on Social Affairs to submit to Parliament a comprehensive report.

The issues raised by the Members were discussed during the inquiry with the 13 institutions and most of the issues raised by the Members are currently being dealt by these institutions and through a written response from these institutions.

The responses from these institutions were positive in which they manage to clarify on all the issues which were raised by the Members during the inquiry. Moreover, given the time lapsed the Committee does not have any recommendation but hope that these 13 institutions has resolved and address all the issues and challenges that were faced and highlighted by the Committee during the scrutiny process.

The Standing Committee on Social Affairs has fulfilled its mandates approved by Parliament which were to scrutinise the nineteen (19) Annual Reports. The Committee had consulted these 13 institutions and collected all the information that were needed to scrutinise the 19 annual reports and have no further comments with regards to the review that were undertaken.

Finally, the Committee is satisfied with the assessment done on these 19 Annual Reports and noted the overall performance of each institution.

**SIGNATURES OF MEMBERS OF THE SOCIAL AFFAIRS STANDING
COMMITTEE**

.....
Hon. Viam Pillay
(Chairperson)

.....
Hon. Veena Bhatnagar
(Deputy Chairperson)

.....
Hon. Salote Radrodro
(Member)

.....
Hon. Anare T. Vadei
(Member)

.....
Hon. Ruveni Nadalo
(Alternate Member for Hon. Mohammed M. A Dean)

APPENDICES

Institutions – Written Submissions received

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports
3. Fiji National Provident Fund (FNPF) 2014 Annual Report
4. Ministry of Health and Medical Services 2014 Annual Report
5. Ministry of Infrastructure and Transport 2014 Annual Report
6. Fiji Roads Authority (FRA) 2014 Annual Report
7. The Fiji Public Trustees Corporation Limited (FPTCL) 2014 Annual Report
8. Consumer Council of Fiji (CCoF) 2014 Annual Report
9. Ministry of Local Government, Urban Development, Housing and Environment
2009, 2010 and 2011 Annual Reports
10. Land Transport Authority (LTA) 2013 Annual Report
11. Housing Authority (HA) 2013 Annual Report

Institutions – Oral Submissions received

1. Airports Fiji Limited (AFL) 2012, 2013 and 2014 Annual Reports
2. Fiji National University (FNU) 2014 Annual Report

APPENDIX 1: POWERPOINT PRESENTATION/SUBMISSION BY THE 11 INSTITUTIONS

