

APPENDICES

Appendix One

Written Evidence by the Housing Authority



**Housing Authority Presentation
to
Standing committee Social
Affairs
2015 Annual Report.**

Date : Tuesday 29th January, 2019
Time : 3.00pm
Venue : Parliament Committee Room (West Wing)

Role & Objectives

- "Helping Fijians own affordable homes"
- Reinforced by Government's vision along with the objective of the Authority

Role & Objectives

- The Housing Act (Cap 267) sec 15 of 1955 with the **principal objective to provide housing accommodation to workers** in Suva, Lautoka and other prescribed areas while the act empowers the Authority to:
 - to acquire land or buildings or any estate or interest therein
 - to **subdivide and develop any land acquired by or vested in it;**
 - to let or lease any land or building vested in it, to be used for the purpose of any factory, warehouse, shop, workshop, school, place of worship or place of recreation which would, in the opinion of the Authority, be to the convenience or benefit of persons occupying houses provided by the Authority;

Role & Objectives

- **by way of loan, guarantee or otherwise, to assist a worker to purchase a dwelling house, or discharge a debt secured on a dwelling-house, or erect, or effect substantial alteration, improvement or extension to.**



Role & Objectives

- Salary threshold or market segment with income level below:
 - ✓ \$7,000.00 per annum from 1960,
 - ✓ \$16,500 per annum from 1995,
 - ✓ \$50,000 per annum from 2003
- Further in Section 16 of the Housing Act stipulates that the Authority;
 - ✓ "Shall not be to make a profit but to enable the workers and their families to obtain accommodation suitable to their needs at the minimum cost without the Authority actually incurring a loss."



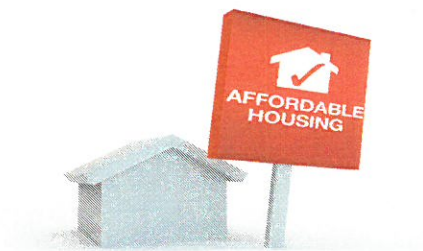
Role & Objectives

Public Enterprises Act, 1996

- The Authority was declared a **Commercial Statutory Authority (CSA)** and to be reorganized pursuant to Section 74 of the Public Enterprise Act 1996 operating along commercial principles. The purpose of the re-organization for the Authority:
- "To become more efficient and productive, more accountable and better organized"

Role & Objectives

- The Ministry of Public Enterprise is charged with the responsibility to monitor performance and some of their key expectations are as follows:
 - ✓ Housing Authority to **operate profitably**
 - ✓ Perform **social obligations** - Government agency
 - ✓ Practise principles of good governance
 - ✓ Operate in a transparent and accountable manner



BUSINESS EXPECTATION

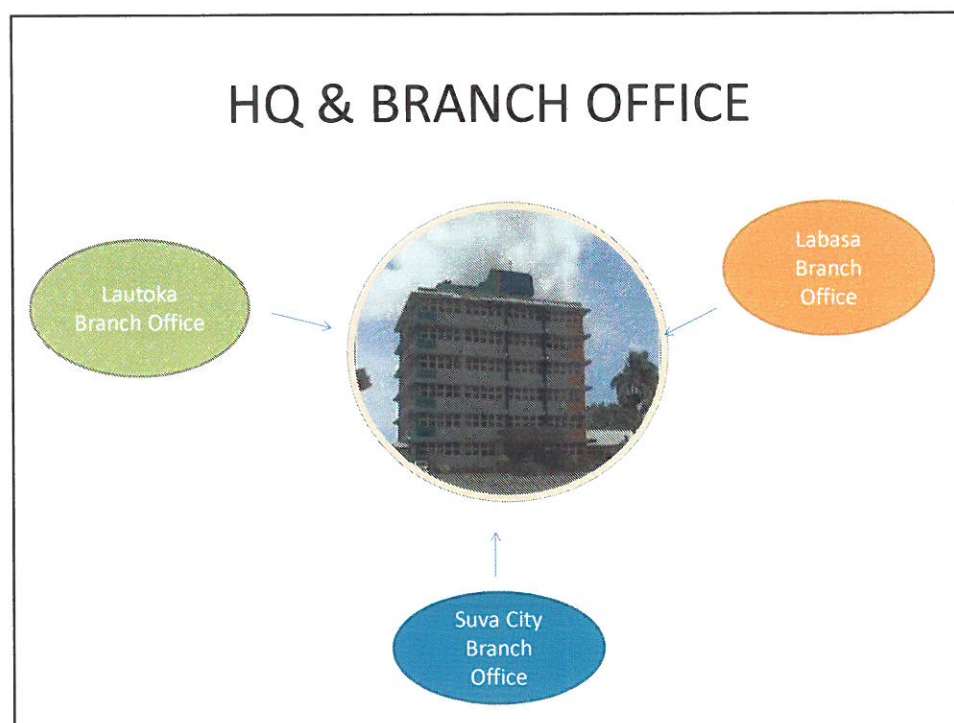
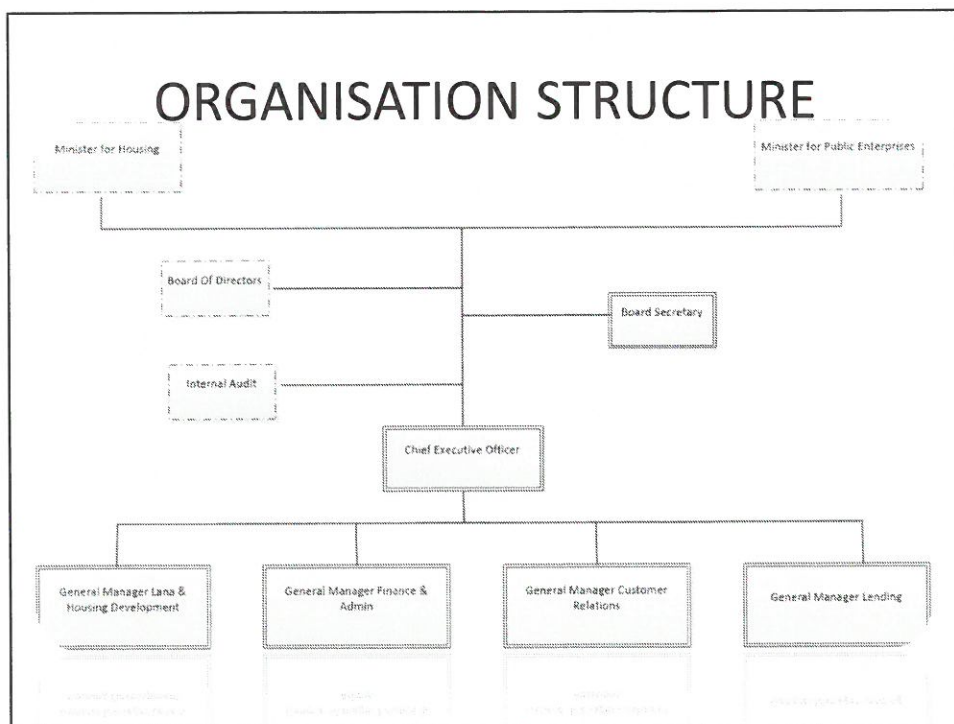
- Provide affordable and equitable land supply and “design & build” houses including strata units.
 - Deliver and offer 1000 fully serviced lots per annum from its projects. -
 - 70% to 80% of the lots subsidized for the low & middle income residents.
 - Design and build houses/strata units are affordable to the low & middle income residents
- Provide innovative housing solutions to build integrated communities in the different urban centres around the country.
- Provide total financial solution for low income earners with household income below \$50,000 per annum.
- **ANS to question 1 of 6**

National Development Plan

- Authority corporate plan and strategic direction is aligned to the Governments 5year & 20 year development
- Supports long tern transformational plan
- Access to **affordable housing** through the construction of new housing units – self build/contractors.
- Ensuring that more land is made available for **home construction** and help increase the supply of housing.
- Government will encourage both public and private investments in the provision of housing units with strata titles
- Vertical villages
- “The Housing Authority and Public Rental Board will ensure that more land is developed for residential lots and more affordable and accessible housing is provided”
- **ANS to question 4 of 6**

HOW HAS THE AUTHORITY ALIGNED ITSELF TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

- Through one of its corporate objectives to develop more land for residential housing that is affordable and accessible to low to middle income families
- Restriction of providing land and house to first home buyers only
- Loan Rehabilitation SchemeTo fulfill the Fijian Governments National Housing Policy and Authority to assists its customers including village housing scheme who have paid more than 1.0 time the principal loan amount but continue to face financial difficulties to fully repay their loans
- Accommodation of HAG Assistance from the government for first home owners who are purchasing land or house and income below the \$50k and \$100k threshold



RECRUITMENT

CATEGORY	TOTAL	MALE	FEMALE	%
EXECUTIVE	5	5	0	
MANAGEMENT	10	9	1	10%
TEAM LEADERS	18	10	8	44%
STAFF	115	76	39	34%
ENGINEERS	6	5	1	16%
TOTAL	154	105	49	31%

ORGANISATION STRUCTURE FIVE DIVISION

➤ Customer Relation

- Customers
- Marketing Team
- Building Inspection team
- Valuation

➤ Lending

- Loans approvals/Compliance
- Conveyancing Team
- Credit management team
- Ground rent /Lease

➤ Land & Housing Development

- Land Acquisition Team
- Land Development Team
- Technical Team
- Property & Estate

ORGANISATION STRUCTURE FIVE DIVISION

➤ CEO Division

- Corporate Direction
- Legal Counsel
- Insurance
- Human Resource

➤ Finance Division

- Finance
- ICT
- Administration support

SOCIAL & COMMERCIAL OBJECTIVES

➤ SOCIAL OBJECTIVES

- ✓ Affordability
- ✓ Cost of Land & House
- Government Subsidy
- Cross Subsidy
- ✓ Lending interest rates
- Government assistance
- ✓ Services
- Free standard house plan
- Documentation fees

➤ COMMERCIAL OBJECTIVES

- ✓ Operating surplus
- ✓ Accountability
- ✓ Productive
- ✓ Efficient

STRATEGIC DIRECTION

- Orbits around the vision, mission and corporate values

» Vision

- "Helping Fijians Own Affordable Homes".

» Mission

- The purpose of Housing Authority is to be the premier producer of affordable and quality housing products and services through;
- - Development of affordable fully serviced lots and construction of affordable homes/units with - Affordable home loan packages to our low income customers - Building happy communities

» Corporate Values

- We will encounter all challenges to be the dynamic leader in housing
- We will provide excellent services promptly, effectively and courteously
- We will be innovative in meeting the needs of our customers and stakeholders
- We will understand, appreciate and involve all staff
- We will do business in a transparent, ethical and honest manner

STRATEGIC DIRECTION

- There are **financial and non-financial targets based on balance score card** structure representing the four perspectives which is aligned towards the strategic direction of the organization
 - to address the housing broken market and breaking barriers that effect **"supply & affordability"**.
 - The focus is to ensure that lot prices and loan package are **"affordable"** and **"easily accessible"** to the low & middle income residents who are struggling to get on the housing ladder.
 - Concentration is to facilitate families earning \$17,500.00 to \$30,000.00.

PLAN - STRATEGIC DIRECTION

- Provide affordable and equitable land supply and “design & build” houses including strata units.
 - Deliver and offer 1000 fully serviced lots per annum from its projects. -
 - 70% to 80% of the lots subsidized for the low & middles income residents.
 - Design and build houses/strata units are affordable to the low & middle income residents
- Provide innovative housing solutions to build integrated communities in the different urban centres around the country.
- Provide total financial solution for low income earners with household income below \$50,000 per annum.

KEY PERFORMANCE INDICATOR (KPI)

- Achieving the corporate objective which are social & commercial

Key Performance Indicator (KPI)	Percentage (%)	Target
Operating Surplus	5%	\$3.116m
Gross Sales Revenue	15%	\$7.33m
Growth Portfolio/Land Bank	10%	114 million/ 200acres
Project Execution	30%	Roll out three projects
Working/Current Ratio	5%	1.85:1
Interest Spread	5%	1.75%
Process Improvement	10%	PROCESS & PROCEDURES SYSTEM UPGRADE
Statutory Obligation	10%	Corporate Plan & Budget – Sept 2019 Annual Report – July 2019 Audited Accounts – June 2019
Customer Satisfaction	10%	ZERO TOLERANCE COMPLAIN
TOTAL	100%	

LAND & INFRASTRUCTURE DEVELOPMENT CAPITAL PROJECTS COMPLETED AND SOLD					
SUBDIVISION	LOCATION	YEAR	DEVELOPMENT COST (\$M)	LOT YIELD	LAND AREA - ACRES
TACIRUA**	NASINU	2010 to 2018	40.00	786	119
WAINIBUKU	NASINU	2010 to 2016	11.34	260	40
MATAVOLIVOLI	LAUTOKA	2016 to 2019	13.91	400	41
			65.25	1446	200

LOT DELIVERY & SALES PROGRESS									
SUBDIVISION	Total Lot Delivered	Lot sale by Year						Sold	Balance
		2013	2014	2015	2016	2017	2018		
Tac Phase 1B	81	39	33	6	1	1		80	1
Tac Phase 3A	166		14	131	18	2		165	1
Wainibuku Phase 1	105			89	14		1	104	1
Wainibuku Phase 2	158			6	144	7		157	1
Tacirua Phase 2	59			10	3	43		56	3
Tacirua Phase 1A	346			165	154	24	1	344	2
Tacirua Phase 1A	120					42	37	79	41
Tacirua Phase 3A	15					13	1	14	1
Matavolivoli	401						12	12	389
Balance	1451	39	47	407	334	132	52	1011	440
WORK IN PROGRESS									
Nepani	170							0	170
Davuillevu	754							0	754
Tavakubu	533							0	533
	1,457							0	1,457
Balance	2,908								1,897

LAND & INFRASTRUCTURE DEVELOPMENT CAPITAL PROJECTS IN PROGRESS									
SUBDIVISION	LOCATION	YEAR	BUDGET (\$M)	ACTUAL UTILISED	BALANCE AS AT	FUNDS UTILISED	WORKS COMPLETED	LOT YIELD	LAND AREA - ACRES
				31/12/2018 (\$M)	31/12/2018 (\$M)				
NEPANI	NASINU	2016 to 2018	12.11	10.23	1.88	84%	100%	176	45
DAVUILEVU	NASINU	2017 to 2019	46.34	13.58	32.76	29%	53%	574	132
TAVAKUBU	LAUTOKA	2017 to 2019	26.09	8.36	17.73	32%	45%	427	70
KORONISALUSAL	TAVUA	2018 to 2019	4.98	3.09	1.89	62%	80%	119	15
			89.52	35.26	54.26			1,296	262

LAND & INFRASTRUCTURE DEVELOPMENT CAPITAL PROJECT AT EVALUATION STAGE						
SUBDIVISION	LOCATION	PROJECT DURATION	PROPOSED DEV COST	PROGRESS	LOT YIELD	LAND AREA - ACRES
			(\$M)			
VEIKOBA	NASINU	2018 to 2021	33.79	Scheme	427	119
COVATA	LABASA	2018 to 2020	4.91	Scheme	108	14
TULALEVU	SIGATOKA	2018 to 2020	5.00	Scheme	106	15
WAQADRA	NADI	2018 to 2020	1.64	Scheme	15	92
			45.34			240

LAND ACQUISITION FOR LAND & INFRASTRUCTURE DEVELOPMENT						
SUBDIVISION	LOCATION	YEAR	PROPOSED DEV COST (\$M)	STATUS	LOT YIELD	LAND AREA - ACRES
KOROVOU	TAILEVU	2018 to 2020	23.00	NEGOTIATION	267	80
VEIKOBA	NASINU	2018 to 2021	24.00	NEGOTIATION	500	80
VEISARI	SUVA-DEUBA	2018 to 2020	29.00	OFFER	600	100
NAQELEDAMU	NAUSORI	2018 to 2020	20.00	OFFER	280	80
NATABUA	LAUTOKA	2019 to 2021	20.00	NEGOTIATION	310	50
NASAU	NADI	2019 to 2021	41.00	NEGOTIATION	620	100
			157.00		2,577	490

CONSTRUCTION - VERTICAL VILLAGES			
SUBDIVISION	LOCATION	YEAR	UNITS
WAINIBUKU	NASINU	2018 to 2020	176
NEPANI	NASINU	2018 to 2021	608
MATAVOLIVOLI	LAUTOKA	2018 to 2020	
DAVUILEVU	NASINU	2019 to 2022	224
VEIKOBA	NASINU	2019 to 2023	110
			1,118

STRATA UNITS

➤ Role as corporate body

- Four strata unit locations
- Edenville, Vesida, Cakau & Rogi

STRATA	LOCATION	BLOCK	UNITS
Edenville	Toorak	7	92
Vesida	Nasinu	6	48
Cakau	Nasinu	6	44
Rogi	Nadera	2	26

RBF HOUSING FACILITY (1%)						
LOAN TERM	FUNDING (\$MILLION)	FUNDING APPROVED (\$MILLION)	FUNDING RECEIVED (\$MILLION)	NO of CUSTOMERS	ON LENT (\$MILLION)	COMMENTS
2013 to 2023	25.00		25.00	625	25	Funded by HA
				88	4.2	
	25.00		25.00	713	29.2	
2018 to 2023	14.33		14.33	160	14.33	Approved by RBF - Utilise in 2019
2019 to 2024	8.37	8.37		91		
	22.7	8.37	14.33	251	14.33	
TOTAL	47.7	8.37	39.33	964	43.53	
2019 to 2024	10			100		New proposal 2019
	57.7			1,064	43.53	

GOVERNMENT INFRASTRUCTURE SUBSIDY		
SUBDIVISION	YEAR	AMOUNT (\$MILLION)
MATAVOLIVOLI	2016	4.90
NEPANI	2017/2018	4.40
DAVUILEVU	2017/2018	3.00
		12.30

PRODUCT PRICE	
Product Type	Interest Rate
DESIRED HOME LOAN	3.95% 12 months 4.20% 48 months 6.99% Variable
Gold Home Loan Package	3.5% 12 months 4.40% 24 months 5.75% 24 months 6.99% Variable
TOSO MAI DUA	3.95% 12 months 4.95% 48 months 6.99% Variable
TOSO MAI RUA	3.95% 12 months 6.99% Variable
TOSO MAI TOLU	5%
TOSO MAI VA	4.75% 12 months 6.99% Variable
Village Scheme	6.99%

INITIATIVES

- Review Loan Products – reduce interest rates
- Review business application to be more efficient....
- New Ministry Of Housing & Community Development..
 - Creating synergies with other developing partners & stakeholders...
 - Reviewing & developing housing framework
- Building community

INITIATIVES

- Taking advantage of funding provided by Government & RBF
- Vertical village concept
 - Explore technology or players
- Construction of new single units...
- Informal settlement – Bulileka

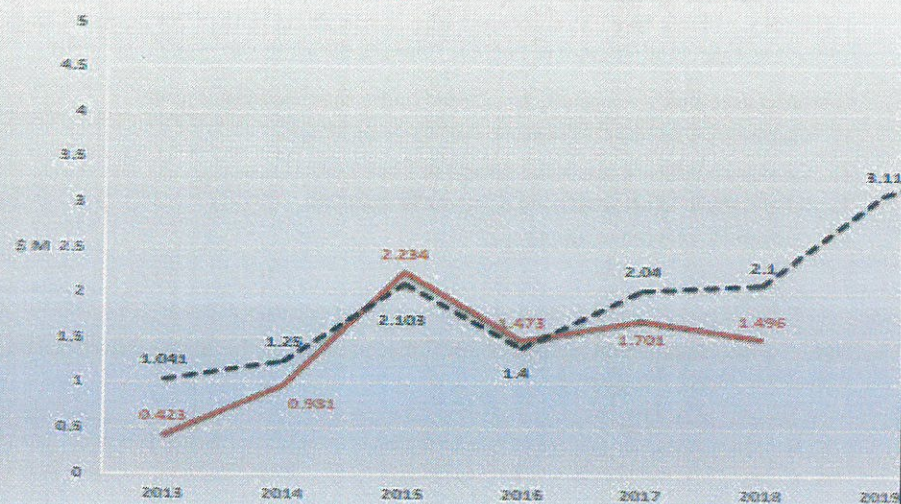
MARKET SEGMENT OVERVIEW

YEAR	REGISTERED INTEREST	INCOMPLETE DATA	ELIGIBLE APPLICANTS
2012 to 2018	9,970	5,038	4,932

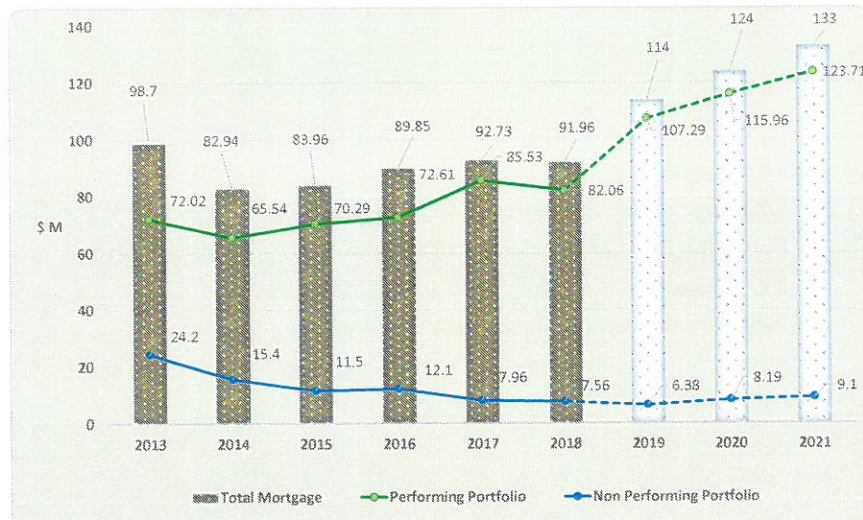
➤ Data Base reporting

- Customers lodge their interest in any HA centres
- Forms are filled and updated in the Stock Management System
- All customers are provided with a registration number
- Advertise expression of interest in the media

PROFITABILITY 2013 – 2018 Projected 2019-2021



MORTGAGE PORTFOLIO (2013-2018) & PROJECTION 2019-2021



SOCIAL HOUSING POLICY

The sole purpose of this policy was to enable the Authority to meet its corporate & social responsibility to assist customers who have paid more than the principal loan amount and yet continue to face genuine financial difficulties to repay their loans.

Customer accounts are carefully scrutinized under the following criteria:

- 1) Customers who have retired and over 55 years of age.
- 2) Customers who are medically proven unfit to work.
- 3) Customers who are physically or mentally disabled.
- 4) Customers who are unemployed.
- 5) Low Income customers - single or combined household annual income of \$10,000.

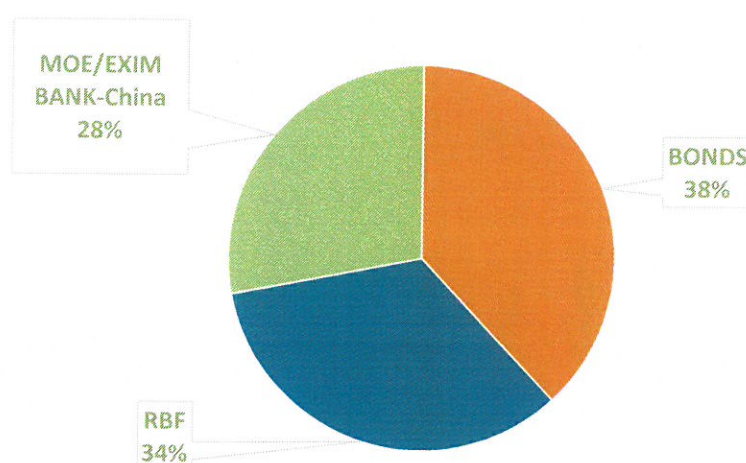
Note: The customer must comply with one or more of the above criteria to be considered under the scheme.

- ANS – question 6 of 6

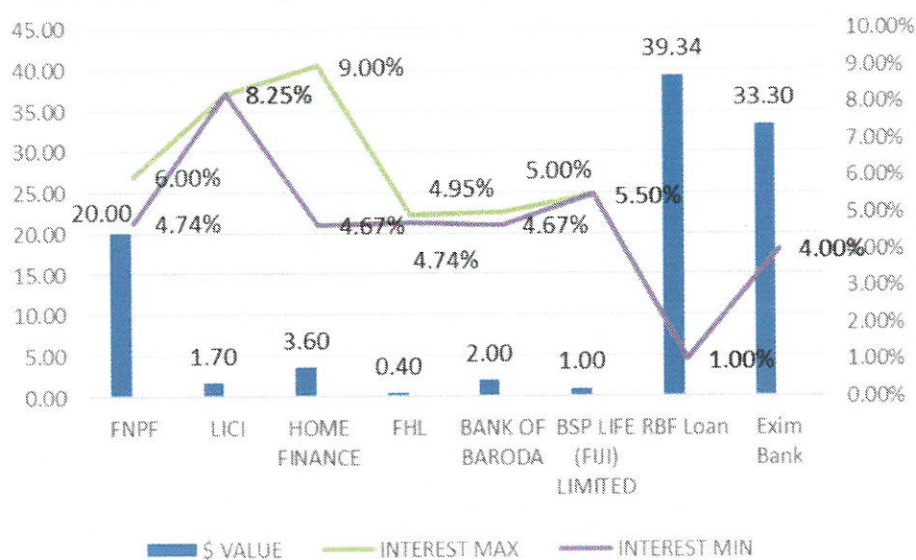
SOCIAL HOUSING POLICY

YEAR	NO	GOVT GRANT ASSISTANCE	HA ASSISTANCE	TOTAL
2011	90	530,483.06	865,823.64	1,396,306.70
2012	146	1,024,191.99	927,565.97	1,951,757.96
2013	73	886,915.77	742,190.57	1,629,106.34
2014	19	143,881.75	134,960.97	278,842.72
2015	30	201,753.31	272,367.53	474,120.84
2016	20	150,857.15	239,374.63	390,231.78
2017	19	160,429.66	405,184.19	565,613.85
2018	8	69,860.37	81,131.65	150,992.02
TOTAL	405	3,168,373.06	3,668,599.15	6,836,972.21

BORROWING PORTFOLIO BY CATEGORY - 2018



BORROWING – VALUE & INTEREST RATES 2018



BORROWING PORTFOLIO / WACC 2013-2018 & Projected 2019-2021



Land Development Projects



Housing Authority

Your complete housing solution

Your complete housing solution



DEVELOPMENT CATEGORIES

Overview of Recent Housing Authority Projects

- * Matavolivoli Subdivision

Strata Projects:

- * Wainibuku Strata
- * Nepani Strata
- * Matavolivoli (FNPF)

Overview of Current Housing Authority Projects


- * Davuilevu Subdivision
- * Tavakubu Subdivision
- * Koronisalusalu Subdivision-Tavua
- * Nepani Subdivision

Land Acquisition:

- * Veisari
- * Nageledamu
- * Korovou


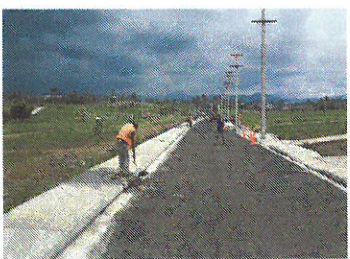

Future Developments


- * Covata Subdivision - Labasa
- * Veikoba Subdivision




RECENT DEVELOPMENT PROJECTS

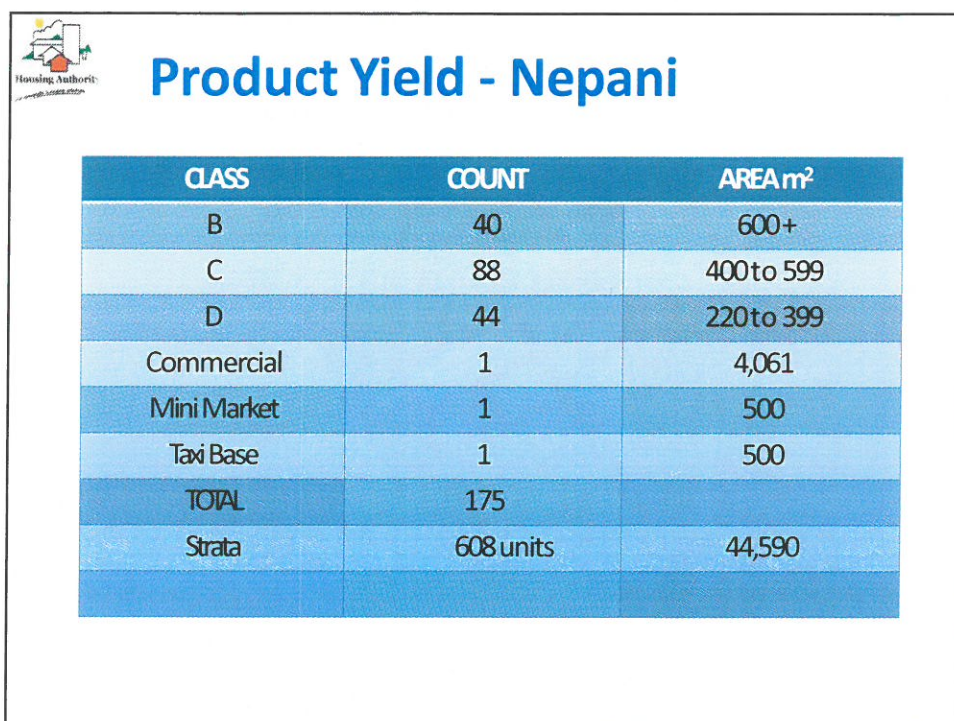
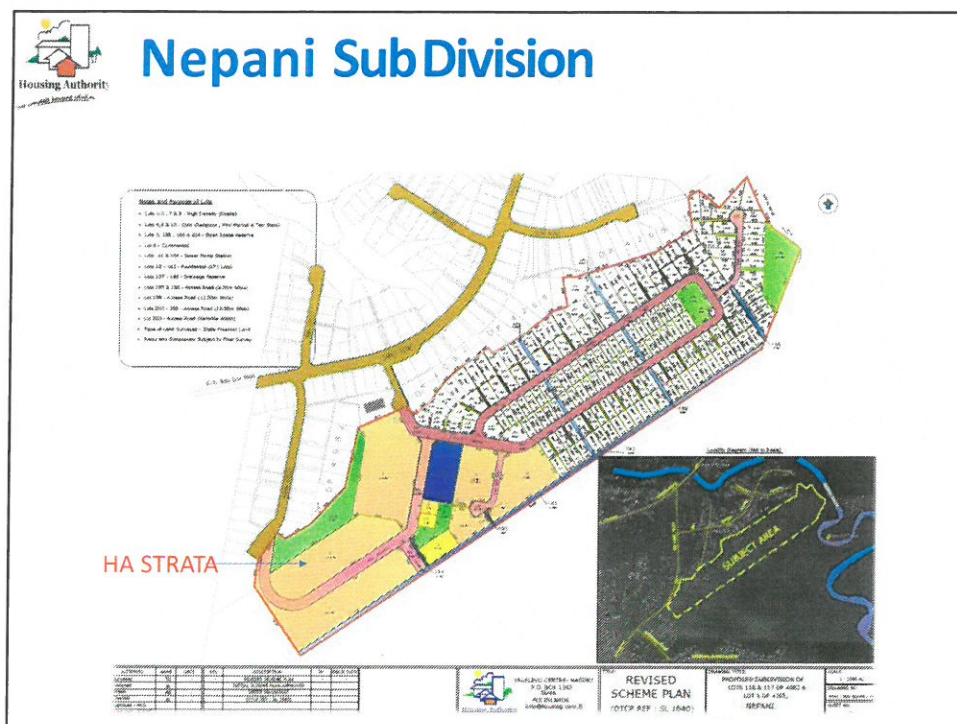
Matavolivoli Subdivision

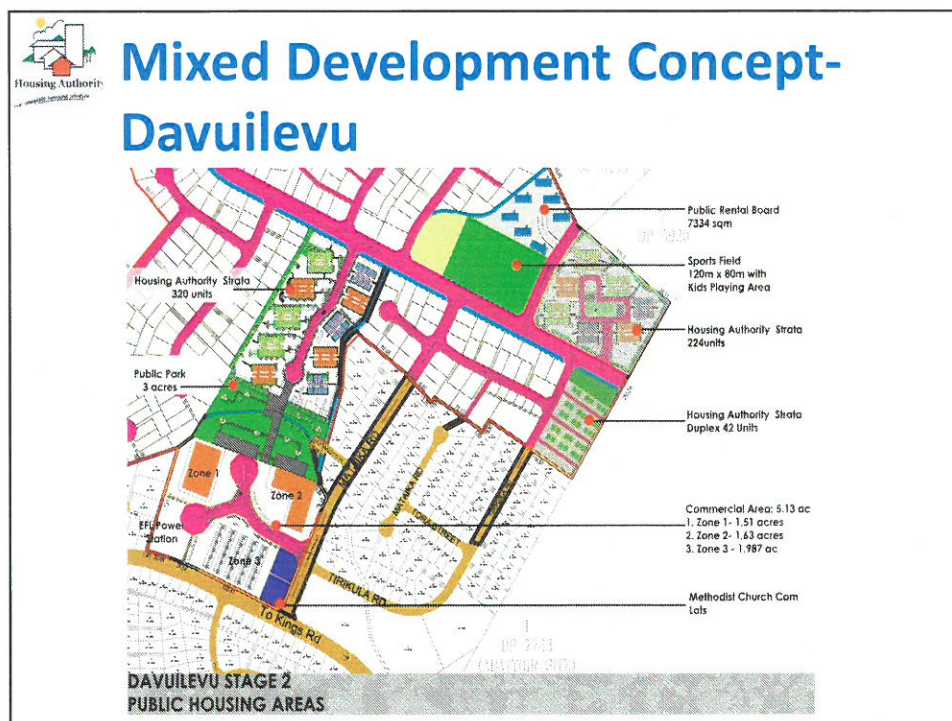
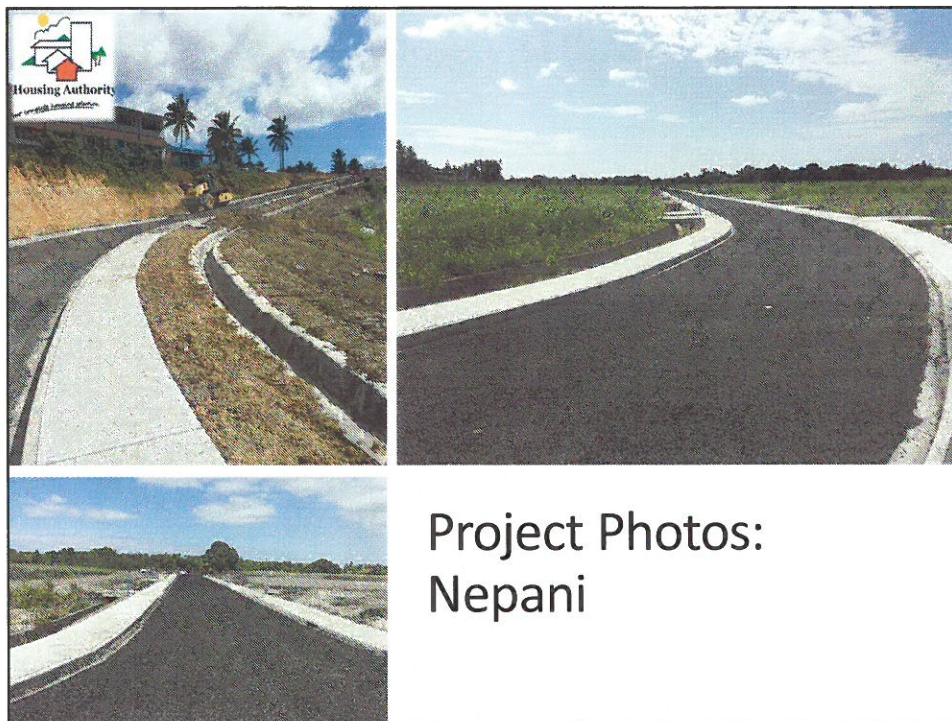


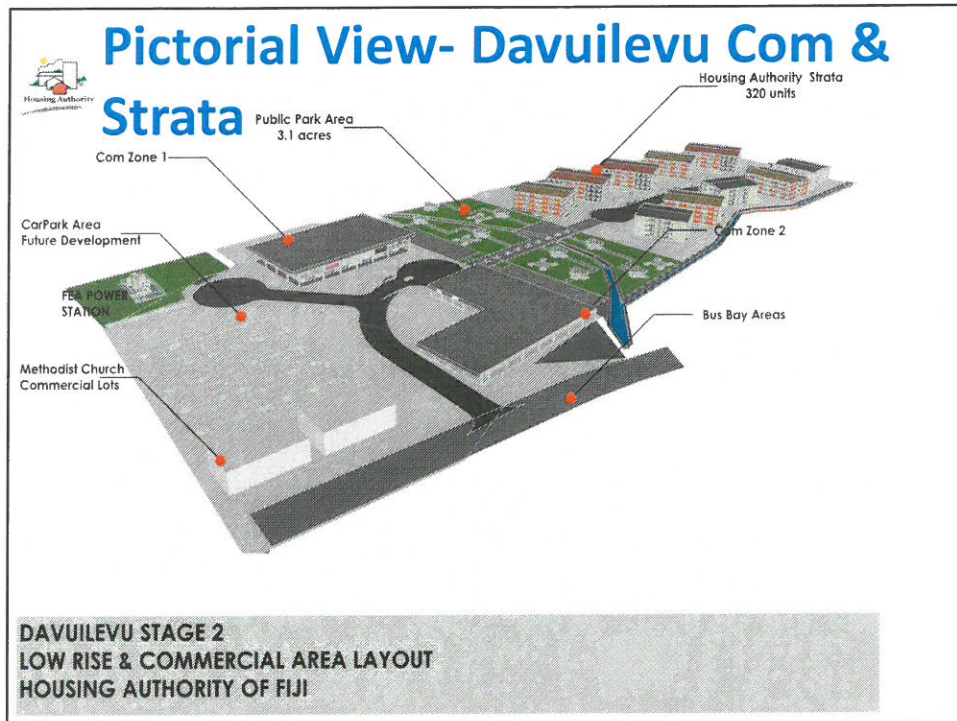


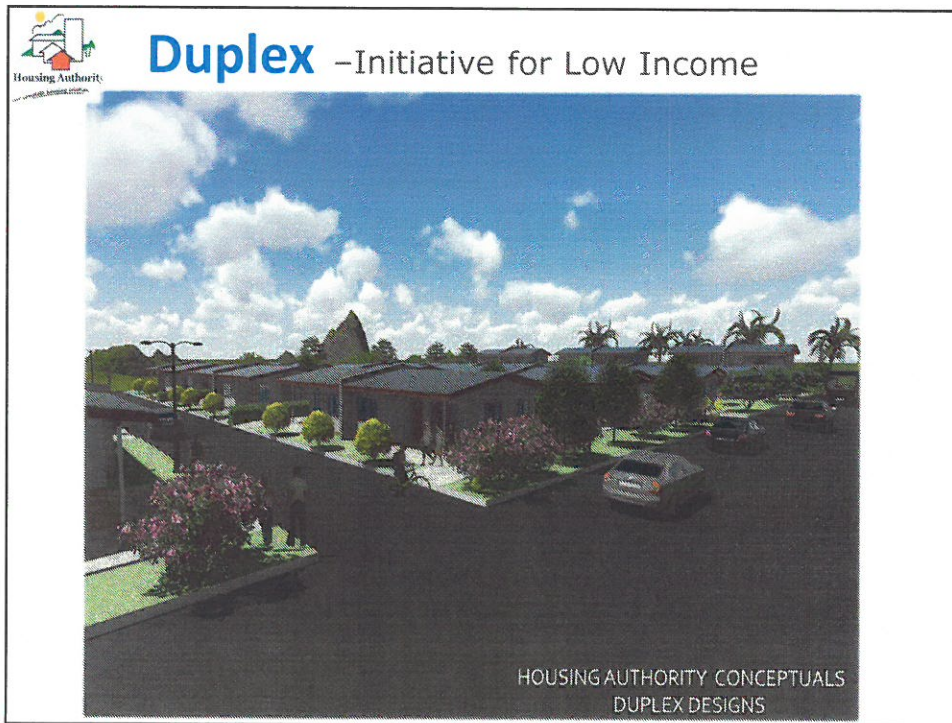
Matavolivoli Stage 1 & 2

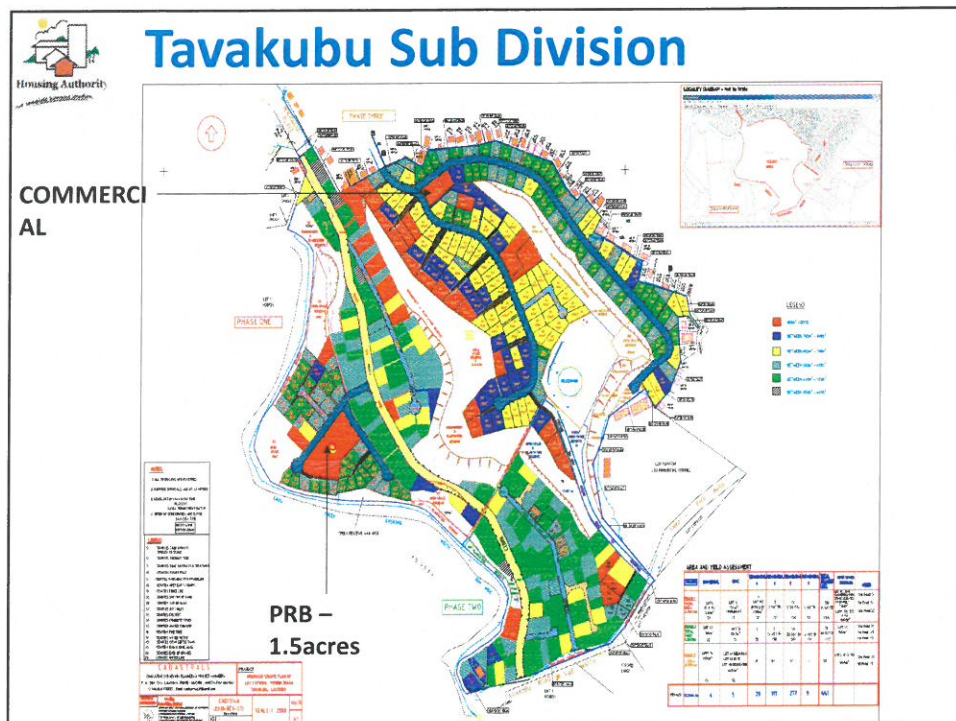







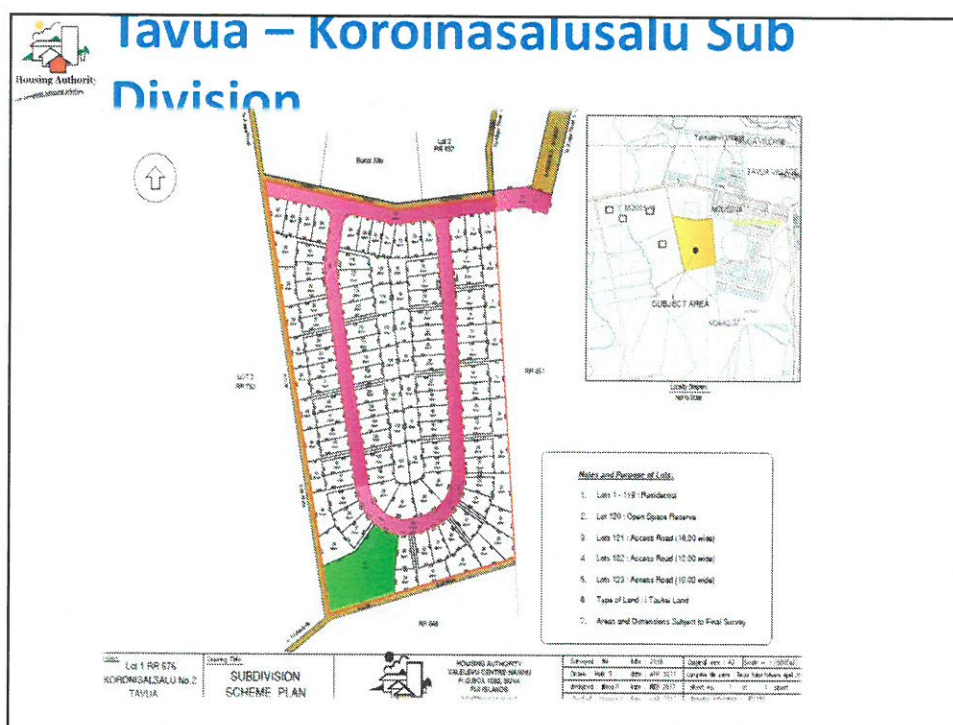






 **Product Yield - Tavakubu**

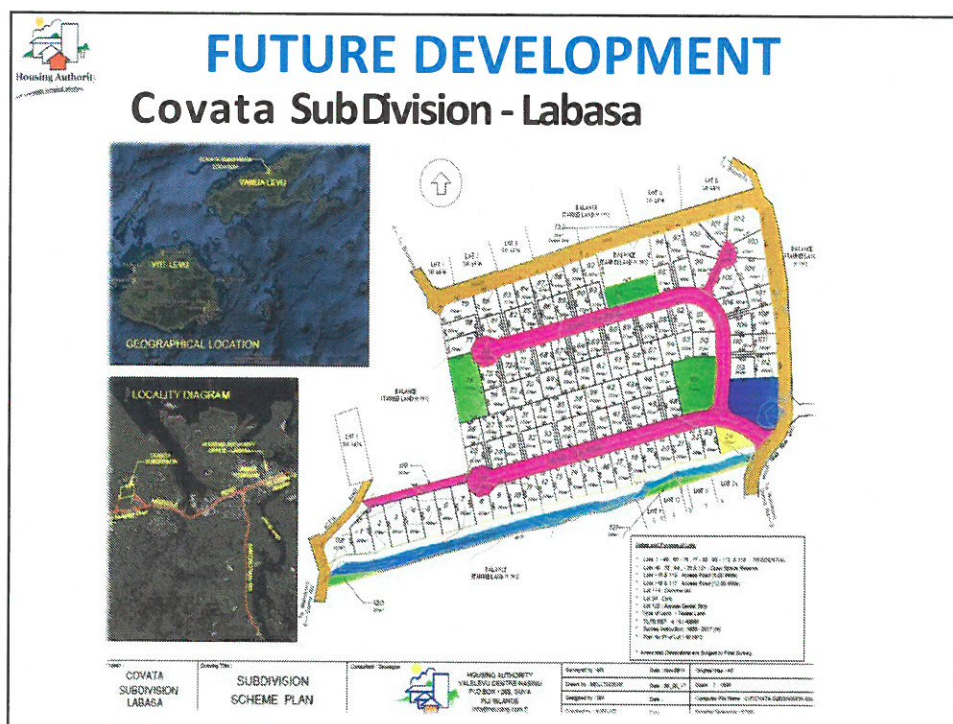
AREAm ²	NO.OF LOTS	NO.OF UNITS
400- 500	183	
501 - 600	94	
601-700	88	
700-900	64	
Religious	1	
Commercial	1	
PRB	1	70
Total	432	
Current Residents	60	





**Product Yield-
Koroinasalusalu**

CLASS	COUNT	AREAm ²
B	1	600+
C	30	400to 599
D	88	307to 399
TOTAL	119	



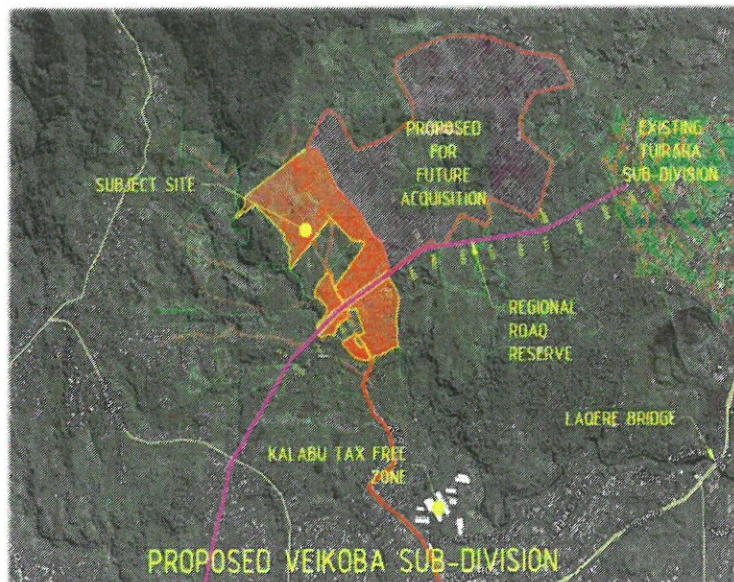


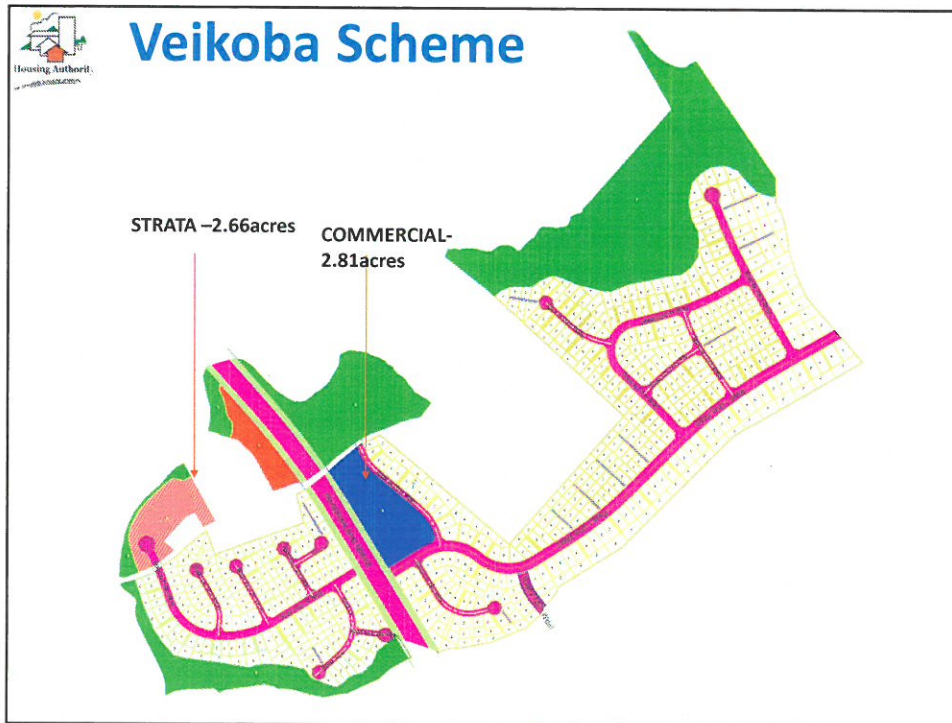
Product Yield - Covata


CLASS	COUNT	AREA m ²
C	22	400 to 599
D	84	220 to 399
TOTAL	106	
Commercial	1	1,409
Civic	1	392
TOTAL	108	



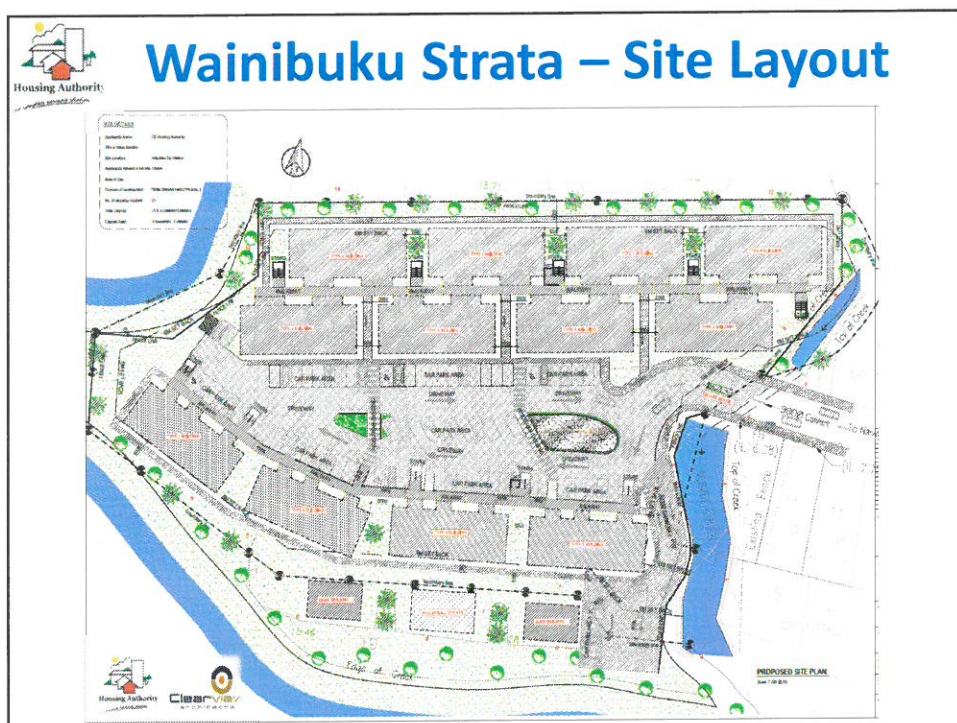
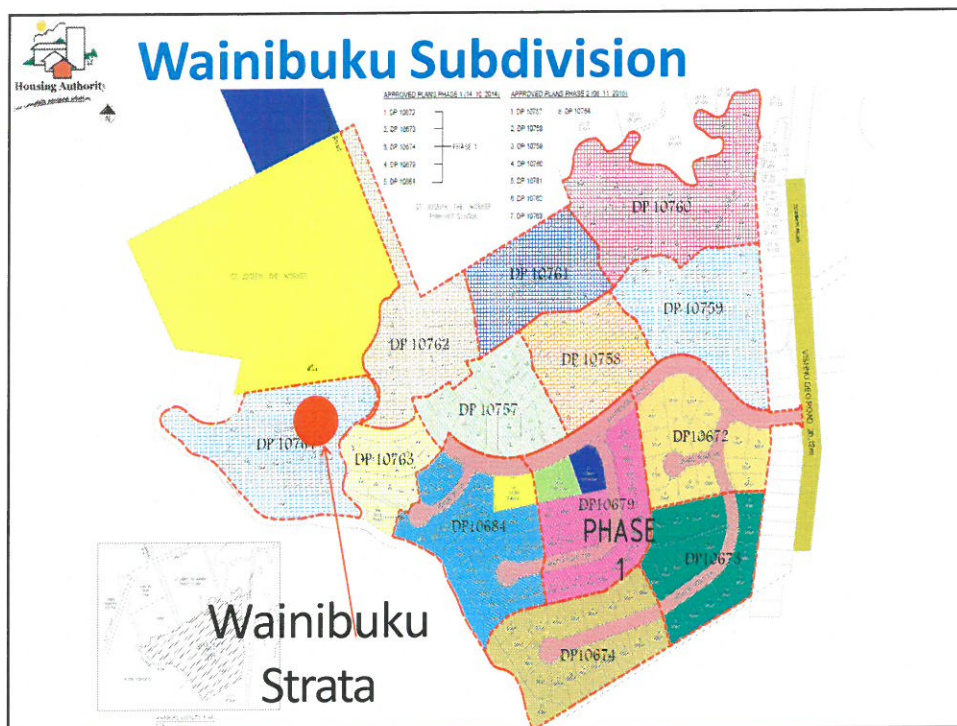
Veikoba Sub Division - Nasinu





 **Veikoba Scheme**

Veikoba Sub Division Summary			
LOTS	LOTS SIZES	NO. OF LOTS	NO. OF UNITS
Res D	250-399	368	
Res C	400-499	133	
	500-599	74	
Res B	600+	35	
Commercial	13998.86	1	
Strata		1	110
Hart	1	1	
Road			
Open Space	1	5	
TOTAL		618	110






Product Yield – Wainibuku Strata

- Total No. Blocks: 12 of 4 storeys
- Total No. Option 4: 128 Units
- Total No. Option 5: 48 Units
- **Total No. Units: 176 Units**

4 Lifts:

- Carparks: Ratio 1:4 (75 Carparks)
- Community Facilities:
- Basketball court
- Volleyball court
- Community Centre



Nepani Strata – 608 Units

FEATURES:

- 1bed /2 bed/3bed options
- Lifts for Disable
- Gated Community
- With Commercial Block
- 405 Carparks
- Community Facilities
- Basketball court
- Volleyball court
- Community Centre

The image is an aerial photograph of the Nepani Strata development. The development consists of several long, white, rectangular building blocks arranged in a U-shape. A central area contains a basketball court, a volleyball court, and a community center. The surrounding area is mostly green with some trees and a few other buildings. A road labeled 'Nepani Rd' runs along the top of the development. A north arrow is located in the top right corner.

HOUSING AUTHORITY
OF THE DISTRICT OF COLUMBIA

RETAIL SPACE
RETAIL SPACE

RETAIL DATA

RETAIL SPACE	RETAIL SPACE	RETAIL SPACE	RETAIL SPACE	RETAIL SPACE	RETAIL SPACE
1	RETAIL SPACE	2	RETAIL SPACE	3	RETAIL SPACE
4	RETAIL SPACE	5	RETAIL SPACE	6	RETAIL SPACE
7	RETAIL SPACE	8	RETAIL SPACE	9	RETAIL SPACE
10	RETAIL SPACE	11	RETAIL SPACE	12	RETAIL SPACE
13	RETAIL SPACE	14	RETAIL SPACE	15	RETAIL SPACE
16	RETAIL SPACE	17	RETAIL SPACE	18	RETAIL SPACE
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Nepani Strata - Artistic Impression



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3




4

IMAGE 1
Looking down the main street of the Nepani subdivision

Image 2
Looking towards recreational area basketball court and volleyball courts

Image 3
Looking back down the main street of the main of the Nepani subdivision

Image 4
Typical view of the end of one of the blocks showing the main linkways and common stairs



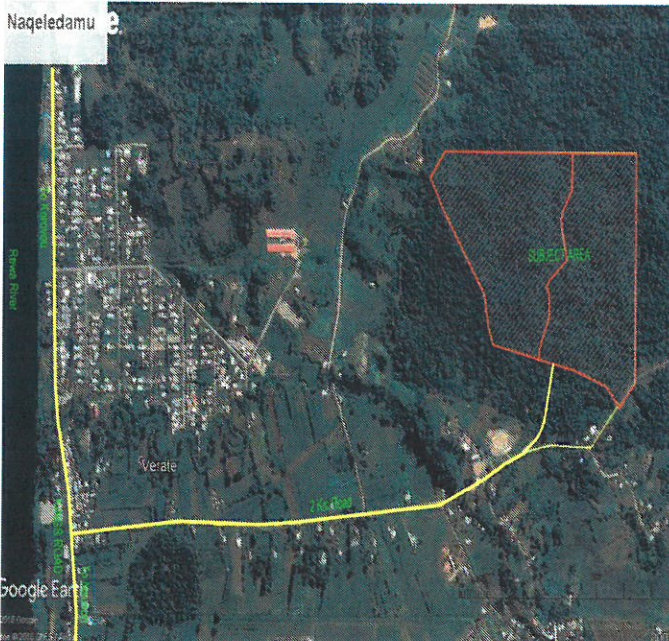
LAND ACQUISITION

NAQELEDAMU

Land Area: 80 acres

Location: Verata, Nausori

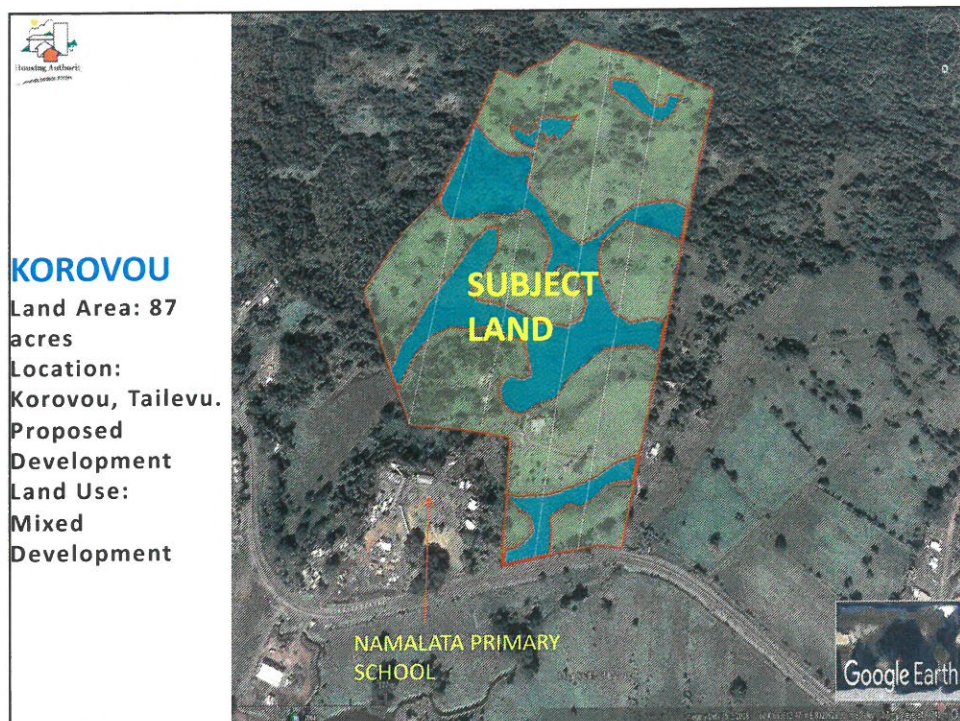
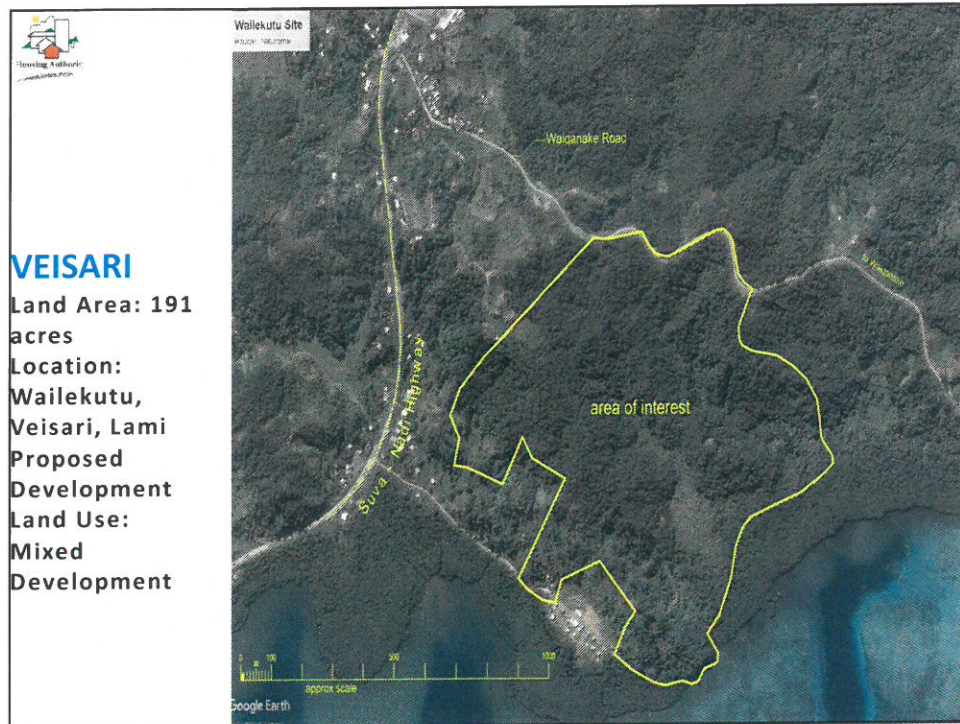
Proposed Development Land Use: Mixed Development



Naqeledamu

Verata

Google Earth



KEY CHALLENGES

- Borrowing cost
 - Bond market rate is around 5% to 7%
 - We need to maintain wacc below 3.50%
 - RBF providing housing facility at 1%
- Recruitment – technical team
 - Engineers
 - Surveyors
 - Experts under grant options
- Increasing infrastructure cost –
 - Increased over the years with limited number of reputable players
- Innovative housing solutions – technology
- Acquire technology to support the Land Development Team.
- Lot production delivery is heavily reliant on external stakeholders' efficiency and support

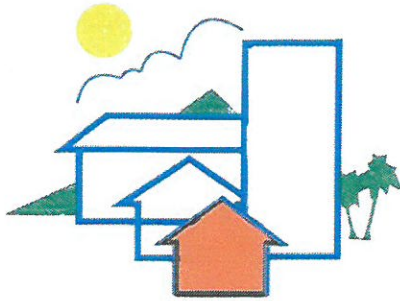
KEY CHALLENGES

- Informal Settlements
- Accessibility to technologies that will allow the Authority to construct affordable housing.
- Lack of suitable raw land for development of affordable housing
- High lease premiums
- Accessing available land through TLTB and Lands and securing 99 year head lease



Thank You

Appendix Two - Supplementary Response



Housing Authority

HEAD OFFICE: HOUSING AUTHORITY BUILDING, SAQA STREET
VALELEVU, NASINU. P.O. BOX 1263, SUVA
TEL: (679) 339 2977
E-mail: info@housing.com.fj, Website: www.housingfiji.com

All correspondences to be addressed to the Chief Executive Officer

1st March, 2019

Our Ref: Mar/2019/3

The Chairman
Social Affairs Committee
Parliament of the Republic of Fiji
Parliament Complex
Constitution Avenue
SUVA

Dear Sir,

Re : **Supplementary Questions – Housing Authority 2015 Annual Report**

We acknowledge receipt of your letter dated 21st February 2019 pertaining to the above subject matter.

Attached herewith is our response to the additional information requested by the Honourable Members of the Social Affairs Committee.

Please feel free to contact the undersigned on Email : pverevakabau@housing.com.fj or mobile number : 9993466 should you require further information or clarification.

Thank you.

Yours sincerely

[Poasa Verevakabau]
For MANAGEMENT COMMITTEE

attach:

Supplementary Questions – Housing Authority 2015 Annual Report

1. Can the Housing Authority clarify as to why the Minister's approval is sought for loan approval for customers earning over \$50,000? The committee would like to know why this is the case as there is a Lending Division within the Authority which is responsible for the assessment and approval of all loans.

ANSWER

The functions and powers of the Authority is stipulated in the Housing act chapter 267 and section 15-(1) refers to :

"The Authority is hereby authorised to provide, in accordance with the provisions of this Act, housing accommodation for workers in the cities of Suva, Lautoka and in any prescribed area and for that purpose the Authority is authorised and shall have power-"

Section 2 – interpretation of the act

Definition of worker - "worker" means a person whose average income does not exceed \$140* per week, or such other sum as the Minister may prescribe.

The changes to the customer income threshold from 1996 were gazette as follows:

- 1958 to 1996 \$7,280.00 per annum (\$140 per week)
- 1996 to 2002 \$16,500.00 per annum
- 2003 to current \$50,000.00 per annum

The Authority's mandate is to assist the middle to low income earners in line with the income threshold of \$50,000.00. Management processes all loan application and lot allocation for customers with household income of \$50,000.00 and below through its due diligent process.

New application from customers above the income threshold insisting to take mortgage loan from the Authority requires special approval from the line Ministry through the Board. This also includes existing customers where the annual income increases above the income threshold during the term of loan repayment when applying for further loan for extension or renovation. Guidance under the act ensures compliance for the Authority to focus on its core target market and assist families earning \$50,000.00 and below. The Authority's mission is to support Government mandate in addressing one of the social issues in

ensuring easy access of affordable quality housing to the low and middle income families.

- 2. In terms of the challenges faced in the Borrowing cost, what has the Authority done to ensure that it keeps up to its core function to its customers in providing affordable housing?**

ANSWER

Affordable housing remains a challenge with high cost of borrowing and development cost. In 2015 the average cost of borrowing was around 4.70% however:

- The borrowing portfolio and business activity is stringently managed to reduce borrowing cost resulting in the following movement: 2016 - 4.52%, 2017 - 4.62% and 2018 - 3.22%.
- Furthermore, the Government's mission to assist the low to middle income resulted in the creation of synergies between RBF and the Banks including Housing Authority
 - Under the national budget 2017/18 Government approved RBF housing facility of \$60 million at 1% for five years with provision to roll over.
 - The Authority has utilized 65% or \$39 million till Dec 2018.
 - The Authority anticipates utilizing \$11 million in 2019 to assist families purchasing lots from the new subdivision.
 - The interest rates offered is 3.95% for the 1st Year, 4.20% for the next 4 years and 6.99% variable
- Government have also provided First Home Owners grant scheme boosting customer's eligibility and expenditure to build their dream homes
- The Government also approved infrastructure subsidy for some of the land development projects – Matavolivoli, Nepani and Davuilevu in Nasinu.
- The initiatives have broken barriers that affect affordability.

- 3. In relation to the high demand for recruitment of technical team, engineers and surveyors, is there any progress in your discussions with the ADB and IFC for assistance through grant options in order for the Housing Authority to hire experts to assist with the housing development?**

ANSWER

The Board and Management continues to research and explore opportunities to assist the Technical team in providing fully serviced lots and affordable houses with sufficient resources with the aim to - break barriers affecting affordability.

There was a preliminary discussion held with Ms Dao of ADB on the technical assistance scheme in early 2018 and in mid-2018 IFC provided a proposition on house construction project engagement through PPE concept covering four new subdivisions anticipating to break barriers affecting affordability. The proposition from the team includes construction new single unit homes

including strata lease title or vertical village. Discussion is currently underway between the Board and respective Government Ministry and IFC.

Furthermore, on 20th February 2019 the management team briefly discussed the need for more technical expertise with one of the Directors from Ministry of Foreign Affairs in charge of the Asia Pacific. The Proposal will be further discussed with the Board and Line Ministry.

4. With respect to increasing infrastructure costs, what innovative housing solutions has the Authority identified to assist in completing majority of the works internally?

ANSWER

The engineers and technical team with their experience have identified the following innovating ideas to improve subdivision layout and attempt to address increasing infrastructure costs.

- (a) ensuring that earthworks is minimised from the planning stages through spending up-front on digital terrain modelling and arranging roadworks and major trunk services along the most appropriate corridors.
- (b) adopting new technology to minimise costs and turn-around time in surveying and design
- (c) ensuring minimum usage of pumps and pressure main on sewers
- (d) utilising all efforts to strategically program works to eliminate double handling and re-works

5. In terms of acquiring technology to support the Land Development Team, does the Authority have the required equipment to complete the scheme and engineering plan on time?

ANSWER

The Engineers and Surveyors provided feedback on their current position compared to 2015:

- (a) Considering our relative position on new global technology, HA is well equipped to handle the needful. The only disparity is the manpower level when compared to the output expected.
- (b) The Authority purchased new set of high tech survey equipment in May 2017
- (c) Training on this equipment is ongoing which includes yearly upgrade.
- (d) The team is proposing to acquire drones for topographical surveys reducing overhead cost including manpower.

6. **Does the Authority have an agreement in place to ensure that Lot production is supported from external stakeholders like Electricity Fiji Limited, Water Authority of Fiji, and Fiji Roads Authority?**

ANSWER

Management with the Technical team - have groups of network in place with other stakeholders while managing the projects. However, with our new line ministry (Ministry of Housing & Community Development) solely responsible for housing, the Management and Board is proposing to form a committee selected from the different stakeholders as steering committee representing the stakeholders with a nominated chair to monitor these development projects, drive delivery of lots within the timelines and resolve issues as and when they arise.

7. **What has the Authority done to assist informal settlements in terms of the construction of affordable housing?**

ANSWER

Housing Authority is at the moment providing fully serviced lots while informal settlement mobilization is currently undertaken by Ministry of Housing and Community Development. The Ministry of Housing & Community Development receive capital funding to upgrade infrastructure in these informal settlements while further Government grant is available to assist tenants to formalize ownership and assist to upgrade their properties. The Authority allows opportunities for those leaving in informal settlements to migrate and purchase lots in the new Subdivisions.

Appendix Three - Verbatim Report

STANDING COMMITTEE
ON SOCIAL AFFAIRS

[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

TUESDAY, 29TH JANUARY, 2019

The Committee resumed at 3.05 p.m.

Interviewee/Submittee: Housing Authority of Fiji (HA)

In Attendance:

- | | | | |
|----|-----------------------|---|---------------------------------|
| 1. | Mr. Maciu Katamotu | - | Acting General Manager, Lending |
| 2. | Mr. Poasa Verevakabau | - | General Manager, Finance |
-

MR. CHAIRMAN.- Thank you, Honourable Members. Welcome back and I would also like to welcome Mr. Maciu Katamotu, the Acting General Manager, Lending; and also Mr. Poasa Verevakabau, General Manager, Finance; both from Housing Authority of Fiji (HA).

Honourable Members, they are here to present to the Committee in regards to the 2015 Annual Report and I believe we have also sent some questions to them. After the presentation they will also respond to the questions and then there will be some follow up questions from our Honourable Members.

Welcome, Sir, to today's meeting and the time is yours now for the presentation. Thank you.

MR. MACIU.- Thank you, Honourable Chairman and Honourable Members. I will proceed straightaway with the presentation. There is a presentation on Housing Authority that was requested based on the questions. I will start off with our roles and objectives which is helping Fijians own affordable homes. I believe when we talk about the Housing Authority we always talk about affordability to our low and middle income earners.

So this is also reinforced by the Government's vision along with the objectives of the Authority. The Housing Authority was enacted under the Housing Authority Act 267 of 1955, and they are empowered to:

- Acquire land or build any estate or interest therein;
- Subdivide and develop land acquired by it or vested in it.

That is our main core function.

Also by way of loan, guarantee or otherwise, to assist a worker or families to purchase a dwelling house or discharge a debt. This is mortgage financing.

Income Threshold - in 1960s, the Housing Authority started off with serving those earning below \$7,000 then it increased to \$16,500. Currently we are assisting those who are earning \$50,000 per annum and below.

It is interesting to know that Housing Authority does not make profit but enable workers and their families to obtain accommodation suitable to their needs. As you may see in our profitability strength, we are not making that much profit but close to around an average of \$1 million to \$2 million dollars every year.

Again in 1996, we have been declared a commercial statutory authority. The whole purpose is to re-organise, be more efficient, productive, more accountable and better organised, to operate

profitability, and at the same time, perform its social obligations as a Government agency, practise good governance in terms of contract and other activities, operate in a transparent and accountable manner.

Business Expectations: We are expected to deliver; we started off with 500 lots per annum and we are stretching this out to ensure that we:

- Deliver 1000 fully serviced lots per annum;
- Out of that 1000 lots, we expect 70% to 80% to be allocated for the low & middle income residents;
- At the same, this is expected to be subsidised;
- Also, we are expected to design and build houses/strata units that are affordable to the low and middle income residents.
- At the same time provide innovative housing solution to build integrated communities in different urban centres around the country; and
- Also to provide financial solutions for low income earners.

I believe, Honourable Chairman and Honourable Members, we have answered Questions 1 of 6 as stated in the Questions. In terms of the National Development Plan, I believe the objective of the Authority is aligned towards this National Development Plan in providing affordable housing and also ensuring that there is more land available for house construction.

Also at the same time, Government will encourage both public and private sector investment in terms of PPE to ensure that we strike some affordable model. Also developing vertical village, this is in relation to strata units.

Housing Authority, together with Public Rental Board, will ensure more land is developed for residential lots and more affordable and accessible housing is provided.

In terms of the Sustainable Development Goals (SDGs), I believe there are 17 Goals and I believe Housing Authority fits in basically at the moment to Goals No. 11 (Sustainable Cities and Communities) and 7 (Affordable and Clean Energy).

I believe there is a plan and discussions with FDB and other Ministries to incorporate solar into this Housing residential.

I believe we are on that track in providing safe and affordable housing and basic services and our plan to upgrade slumps. Furthermore to that, on sustainable transport system, we are also planning to build village-type communities like having residential lots then you have some shopping malls and small restaurants within that subdivision, so creating a sustainable capacity for integrated and sustainable human settlement planning and management in these subdivisions. I believe that is our approach towards the Sustainable Development Goals.

That is basically our organisation structure. We report directly to the Ministry of Housing and Ministry of Public Enterprises in terms of reporting. We have the Board Secretary, the Chief Executive and we have five divisions; one is under CEO; and four are under the other General Managers.

In terms of our office allocation, we have our Headquarters based in Valelevu, we have the Lautoka Branch, Labasa Branch and we have a Branch in Suva City.

In terms of recruitment, that is our recruitment ratio, in terms of our policy, recruitment, hiring, training and promotion. We do not have any Discriminatory Policy in place.

We have an Open Merit Policy and it is based on merit, like we do not allocate positions based on gender.

According to the slide, we have engineers. We hired one engineer (actually a female engineer), late last year. Actually, we hired two, and one moved on, that is the current ratio that we have right now in the organisation.

That is our Organisation Structure as I have mentioned, the different divisions and their responsibilities: customer relation; marketing; building; inspection team and evaluation.

Then we have the land development team, which is our core function that involves land acquisition, land development. The technical team involves surveyors and draftsmen, the property and estates team. Lending, in terms of mortgage financing, they have a conveyancing team, credit management team and our ground rent team.

The other two divisions act as support divisions to the core function of the Authority. These are the social and commercial objectives, we have to strike between the two to ensure that at the end of the day we achieve our competitive edge which is low cost, at the same time, we ensure that we operate profitably, be more accountable, productive and efficient. That is our strategic direction and that is our vision.

Our mission we aspire to be a premier producer of affordable and quality housing, develop affordable and fully serviced lots.

Our core value is that we adhere to ensure that build a strong culture within the organisation.

Our strategic direction is basically based on a balanced score card and there are non-financial and financial targets that we have to achieve to closely monitor our performance.

Also we ensure that we address the housing broken market and breaking barriers that affect supply & affordability". This is to ensure that the prices and the loan package are affordable and easily accessible to the low & middle income earners. Our concentration is to facilitate families earning \$17,500.00 to \$30,000.00 while our income threshold is below \$50,000.

Plan and Strategic direction, I believe I have gone through that already in the previous slide. We have Key Performance Indicators (KPI) from the CEO and the Board and it is cascaded down to the General Managers and their respective departments and these are the ratings that we currently have for the CEO to achieve and this is cascaded to the respective General Managers.

In terms of our production in the previous years from 2008 to 2016, we have managed to develop Tacirua and it is sold, that is 786 lots. Wainibuku, we managed to develop that and it is sold, there are 260 lots in that subdivision. Matavolivoli, 400 lots and the sale is still in progress. We expect to complete the sale of those lots in the first quarter. So, in total there are 1,446 lots.

Lot delivery, this is a breakdown from 2013 in terms of the lots that was delivered and sold from 2013 to 2018. These are our current capital projects at the moment: Nepani, we have 176 lots and this is ready. They are yet to be energised but it is completed. We have Davuilevu coming up, the works completed is about 53 percent. There are 574 lots in this subdivision and we have Tavakubu in Lautoka which has 427 lots and work completed is 45 percent. We have Koronisalusalu in Tavua with 80 percent work completed with 119 lots. We expect these lots to be delivered from the first, second and third quarter of this year (2019).

In terms of the projects that are currently at evaluation stage, we have Veikoba. This is where the team is preparing the Scheme Plan and proceeding with approval for 427 lots that is in Nasinu. We have Covata in Labasa which has 108 lots. We have Tulalevu in Sigatoka of 106 lots and Waqadra which has 92 acres but the team are working on a scheme to start off with 15 commercial lots. So, that is a total of 656 lots.

In terms of business continuity, we ensure that the Land Acquisition Team plays an important role in terms of ensuring that there is business continuity. There is an acquisition plan in place for Korovou that is in Tailevu of 88 acres of land, a lot yield of round about 267 lots. In addition to the existing Veikoba project we have another 80 acres that is under negotiation with the iTLTB and the landowners, that is about 500 lots. At Veisari that is between Suva and Deuba, we have 600 lots, there is a discussion at offer stage. We have Naeledamu at Nausori around the Lakena area, that is round about 280 lots. Natabua in Lautoka, that is 330 lots and Nasau in Nadi that is 620 lots. So, with our acquisition plan we expect a total lot yield of 2,577 lots and this will spread out. We expect a total lot yield of 2,577 lots and this will spread out between this year and next year, the acquisition progress.

In terms of constructing vertical village or strata units, we have lots allocated in various subdivisions. Wainibuku in Nasinu, we have 176 units in this area. Nepani in Nasinu, we have 608 units. It depends on the design and the layout, either it is a one-bedroom or two bedrooms. Nepani is 608 lots while Matavolivolvi in Nadi, this was handed over to FNPF and FNPF is working on this project to develop strata units in this area. Davuilevu in Nasinu, we expect two to four units and Veikoba in Nasinu, 110 units. In total, 1,118 units.

Strata units, these are the current strata units that we have right now. Edenville in Toorak, we have seven blocks there, 92 units. Vesida, we have six, 48 units - Cakau, we have six blocks, 44 units and Roqi is two blocks with 22 units. At the moment, these strata units will need a corporate body to manage the maintenance of the external of the building, also maintenance of the ground. The new ones will be in addition to what we have right now. I think that is in terms of our production of lots or manufacturing side of the business.

In terms of funding these, assisting customers to access these products, we have a certain scheme to assist them with at a very low cost. From RBF, we get 1 percent funding so we received \$25 million in 2013, this is rollover to 2023. We are thankful to RBF for assisting us with that and in addition, in 2017/2018 budget, the Government announced a \$60 million allocation and out of that we have used \$25 million, so we are drawing from \$35 million.

The first approval that we have received is \$14.33 million so we have received that and in addition to that, there is an approval of \$8.37 million which we yet to approve and we have the number of customers that we have assisted. For the \$25 million, we have 5 to 6 customers that we have assisted and when we exhausted the \$25 million, we went on with this package and we assisted an additional 88 customers but we utilised our internal fund.

The proposal for 2019, we anticipate to draw additional \$10 million so in total we will draw \$57 million. So out of the \$60 million, I think what we can say is that Housing Authority is utilising this fund and it is to help its customers to access the products.

In addition to the funding from RBF, we also have Government subsidy to subsidise the development that we undertake during the years. Matavolivoli, we received \$4.9 million; Nepani - \$4 million; Davuilevu - \$3 million and we will be going again to Government to request for additional funding to subsidise the loss so that the lots are affordable and accessible to the low and middle income earners.

These are the interest rates that we offer to our customers. For the ones relating to the RBF are at the top, that is, 3.95 percent for 12 months; 4.20 percent for 48 months; and 6.99 percent variably thereafter. We reduced and the Board approved, the reduction of their interest rate from 7.99 to 6.99 in late 2017 and with the challenge that we have on the Weighted Average Cost of Capital (WACC), it is reducing and the Board might consider reducing this further to assist the low income earners.

We also have a 5 percent package for customers which is "Toso mai Tolu" and that is assisting customers who are facing financial distress and we are revising the interest rate down to 5 percent. It goes on a case by case basis and we look at criteria that qualifies them to be entitled to this scheme.

In terms of further initiatives that needs to be taken, we will further relook at the interest rates to ensure that the very low income families have access to these products. We will review our business application to be more efficient in terms of serving our low end customers.

With the new Ministry in place, creating synergies with other developing partners and stakeholders, we need to strengthen our relationship with other stakeholders to ensure there is a smooth flow in our projects which is a challenge right now. Also together with the Ministry, we are reviewing and developing the Housing framework and will continue with the building community. We will take advantage of the RBF funding and we will continue to request for more in order to assist these low income earners.

In terms of vertical village concept, the cost is a challenge but at the same time we will continue to explore for technology and look for players who are capable of going into this construction venture at a low cost. Construction of new single units, there is also plan to construct single units and duplex to cater for families who find it difficult to go out and build houses or supervise their houses during the construction period.

Formal settlements, we have offered leases to some tenants in Bulileka, round about 50 and I think the team is completing this process to register the lease to the sitting tenants.

In terms of the market segment overview from 2013 to 2018, we have a database and we record customers who are interested to buy a piece of land that will be developed in future. In this database, we have round about 9,970 applicants. The ones that are with incomplete data, we are looking at updating their records so they can be eligible. Currently, we classify them as incomplete data but the legible applicants, we have round about 4,932.

Normally, we do this through demand survey forms and we also advertise it in the papers if they are interested to purchase land from a new housing subdivision and also to the existing customer database applicants, we also request them if they can update their records. In terms of our financial performance as we have mentioned earlier, we are not a profitable organisation but we ensure that

we have some operating surplus to manage our administration. The trend here it is round about, from:

- 2015 - \$2.0 million;
- 2016 - \$1.4 million;
- 2017 - \$1.7 million; and
- 2018 - \$1.4 million.

In terms of our mortgage portfolio, we have a mortgage portfolio of round about \$91 million and our performing loan is \$82 million and our non-performing loan is around \$7.6 million.

According to the 2015 Annual Report we had round about \$11.5 million which has reduced to \$7.56 million. These are customers earning below \$50,000. There are customers who, over the years, have increased their salary over \$50,000 so there is a small percentage. There are some customers who are over 50 but it requires the Minister's approval. They want to take loan from us and we ask them to go to the bank but they prefer to take loan from us, so in that case we always refer their loan application for Minister's approval.

In terms of managing the non-performing loan, we have a social housing policy in place and there are certain criteria that they need to qualify and we have assisted customers over the years. From 2011 until 2018, we assisted round about 400 customers with the total debt of \$6.8 million being written off.

That is our borrowing portfolio, normally business operation does not rely on grant from Government, we generate income internally to sustain the Authority's operation. We have the EXIM Bank loan, we have bonds, and we have the RBF loan.

The highest interest rate for the bond is 9 percent but the value of the loan is less, so our weighted average cost has come down from 4.7 percent from last year to around about 3.5 percent this year.

Last year we had to redeem about \$24 million bonds, which are at the interest rate of around about 10 to 12 percent and with the RBF funding, that has leveraged our WACC down to 3.5 percent.

In terms of affordability, this is where we need this assistance from Government and other institutions in order to assist the low income earners, that is our borrowing portfolio, it is around about \$95 million and of 2018 with the WACC of around about 3.22 percent, and that is our projected till 2021 according to our Corporate Plan. This depends on the progress of the projects that we have in place in terms of infrastructure, land development and building housing units.

Very quickly on land development, basically we have covered all the summaries in our previous slides. These are just the pictorial of what I have explained already - that is Matavolivoli Sub-Division, it is completed now and it is on sale. We have sold close to 150 lots and the sale process is continuing.

That is Nepani (Indicating from slides), we have 176 lots, plus the strata unit will fit in at the lower left. Those are the details.

We have Davuilevu, a mixed development concept where we have shopping centres, restaurants and public facilities.

We are also considering the Green Building Concept, introducing solar-powered street lights and solar system to individual household families. This is still at negotiation stage. We had the first discussion with FDB and we also have an expert at the Ministry of Economy, we are currently at a discussion stage at the moment. However, this all depends on the regulatory requirement.

(Indicating from slides)

That is Tavakubu in Lautoka - the Scheme Plan, those are the details.

Tavua, that is Koronisalusalu, that is the Scheme Plan.

That is our future development, as I mentioned earlier - the Veikoba Scheme Plan in Tovata, Nasinu; the details of the 618 lots.

On Wainibuku, that is the Strata Unit, 17 lots allocated to cater for the Strata Unit Development.

That is Lepani Strata Unit Layout to deliver 608 Units

(Indicating from slides)

That is the land acquisition, that is Naqeledamu, close to Lakena in Nausori; that is Veisari, close to the coastal area; and Korovou in Tailevu.

In terms of key challenges, the Honourable Chair and Honourable Members, one of the challenges we had to face in the past is the borrowing cost. We have to match challenging rate with this borrowing cost. Fifteen years ago, our lending rate was at 11 percent then it reduced to 9 percent, 8 percent, now it is around about 6.99 percent, plus the fixed rates.

For the bond market, right now it is 5 percent to 7 percent and we need to maintain WACC below 3.5 percent, in order to be more affordable to the target market, the RBF will take full advantage of this RBF housing facility at 1 percent.

Recruitment of the technical team, engineers and Surveyors: This is one of the challenges that we normally face where they are in high demand right now, having to seek for top engineers so at times we have to relook straight on their salary scale in order to get good Engineers. But there is discussion in place with ADB and IFC (International Finance Corporation) if they can assist through grant options to get experts to assist with the housing development.

Increasing infrastructure cost: This is one of the main challenges also with the limited number of reputable players in the market. However, we are looking at innovating housing solutions to assist to do bulk of the job internally, especially the preliminary stage. This is especially to assist on the timeframe and in terms of quality delivery to avoid any rework and shrinkages.

Acquiring technology to support the Land Development Team, we will continue to look into these areas especially the drones that were reduced, the time taken to complete the scheme plan and engineering plan.

Lot production is heavily reliant on external shareholders' efficiency and support. We have EFL, Water Authority and FRA so there is a close network required in order to ensure that they really support this initiative and get the production as soon as possible.

Informal settlements: This is one area that we face challenges in but there are discussions with the Ministry on how to assist these informal settlements where Housing Authority development is taking place. Also in terms of construction, we are looking at affordable technologies to assist in constructing affordable housing. Basically, we are looking overseas and there are further research with the team to identify areas or technologies that can assist in constructing houses at very, very affordable prices.

Lack of suitable raw land for development of affordable housing. We continue to build its network with TLTB and Lands Department who have access to land that are suitable for development and it is easily accessed to regional roads. We are currently in discussion with TLTB in securing 99-year head lease. Thank you, Honourable Chair.

MR. CHAIRMAN.- Thank you very much for the presentation. Honourable Members, your questions, Honourable Salote Radrodro?

HON. S.V. RADRODRO.- Thank you, Mr. Chairman, and thank you, Mr. Poasa and Mr. Maciu, for your presentation. I note that in your Report in 2015, the CEO then has moved on to be the CEO for the Ministry of Housing. Do you have a CEO now or is it still vacant? You had changes along the way?

MR. P. VEREVAKABAU.- Yes, there was a new CEO appointed, he left in March, 2018. So, the Board appointed the three-member management committee consisting of Mr. Isikeli Navuda, Mr. Iliesa Rakaseta and myself.

HON. S.V. RADRODRO.- I asked that question because in terms of your strategic directions and also the key challenges that you have highlighted, how have these changes in the leadership role in regards to the CEO role impacted on the overall performance of the HA, bearing in mind, this is the only institution or organisation that is supposed to be providing affordable housing to the general population or to most of our population?

Also in regards to resolving some of those key challenges because in my view with that kind of trend, it is not going to help Housing Authority in terms of achieving its strategic goal. So, can you just enlighten us on how the vacancies or the changes in regards to the CEO position have impacted on the overall performance of the Housing Authority and also in regards to trying to resolve those key challenges that you have highlighted?

MR. P. VEREVAKABAU.- Thank you, Honourable Member. In terms of the changes in the CEO role, what we have noticed, actually I will talk about the performance first: on performance, for the last few years, we were managing two projects concurrently but from this year, we are running three projects concurrently.

In terms of our strategic direction, we are picking up with our expectation to deliver. I think what is supporting this is the board because the current board is still there. So, while the CEO changes, the board still remains and pushing that direction for us to achieve our goals which is also part of their KPIs.

MR. CHAIRMAN.- Thank you for the explanation.

HON. G. VEGNATHAN.- Thank you, Sir. This is with regards to informal settlements. I have noted that there is one in Bulileka, are there other settlements like this you are taking on board?

MR. CHAIRMAN.-Thank you, Honourable Member.

MR. P. VEREVAKABAU.- Thank you, Mr. Chair. That is the first one we have started with last year but there are some in our previous developments like Tacirua. We have assisted with the relocation of these informal settlements to another location close to somewhere around 10 miles. Also we have assisted those who were relocated from Pony Club, somewhere at USP. So, we are involving this process in relocating these informal settlements.

MR. CHAIRMAN.- Honourable Alipate Nagata.

HON. A.T. NAGATA.- Thank you, Mr. Chair. I do not seem to find anything about your Makosoi Estate. Does the Makosoi Estate in Pacific Harbour belong to the Housing Authority?

MR. P. VEREVAKABAU.- Thank you, Sir. Makosoi Estate is part of the Housing Authority lease. It was developed way back in the '70s I believe. So it is still existing.

MR. CHAIRMAN.- Thank you, Honourable Members. I must thank the team from Housing Authority of Fiji. Just one last point as we are going through the 2015 Annual Report, the challenges and the difficulties then and the presentation which you have just done now, it is coming up to the current years. Hopefully, the challenges then and the difficulties have been addressed, I just need some clarifications from you. Because the Committee is dealing with the Annual Report of 2015, have the difficulties and challenges then in 2015 been addressed or you are continuing to address slowly in the future? These were the same challenges in 2015?

MR. P. VEREVAKABAU.- Yes, Mr. Chair. This was the same challenges in 2015 and we are improving but not really at that stage to really fully address it because it continuously

MR. CHAIRMAN.- All right, thank you very much. That will also continue in the future, slowly and slowly, you will be able to improve.

Thank you very much for the presentation, the team from the Housing Authority of Fiji and Honourable Members. We will need further information and our secretariat team will be in contact with you.

Thank you, Honourable Members, and I believe we will meet tomorrow at 1.00 p.m. so thank you very much, Sir, for your time.

The Committee adjourned at 3.46 p.m.