



PARLIAMENT OF THE REPUBLIC OF FIJI

STANDING COMMITTEE ON SOCIAL AFFAIRS

REVIEW OF PUBLIC RENTAL BOARD 2017 ANNUAL REPORT



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COMMITTEE MEMBERSHIP



Chairperson

Hon. Viam Pillay MP
Government Member



Deputy Chairperson

Hon. George Vegenathan MP
Government Member



Member

Hon. Alipate Nagata MP
Government Member



Member

Hon. Salote Radrodoro MP
Opposition Member



Member

Hon. Dr Ratu Atonio Lalabalavu MP
Opposition Member

CHAIRPERSON'S FOREWORD

I am pleased to present the report of the Standing Committee on Social Affairs on the annual review of the Public Rental Board for the year ended 31 December 2017.

In accordance with its established Annual Report review process, the Committee examines Annual Reports of agencies, in order to investigate, inquire into, and make recommendations relating to the agencies' administration, legislative or proposed legislative programme, budget, functions, organisational structure and policy formulation. As part of this process, the Committee conducted public hearings to gather additional information.

The process has proven to be an effective means of gauging its progress and maintaining a high level of scrutiny of the agencies under review.

This review was made in accordance with Standing Order 109(2)(b) which mandates the committee to look into issues related to health, education, social services, labour, culture and media.

The review looked at nine key areas covering the period from 1st January to 31st December 2017, conducted into: The Board's administration; structure; budgetary allocation; programmes and activities; policies; challenges; highlights; priorities for the coming years; and its implementation of the Sustainable Development Goals.

At this juncture, I also wish to thank the Acting General Manager of the Public Rental Board, Mr Patrick Veu, and his staff for their assistance in this review process. I also extend my gratitude to my Committee colleagues namely: Hon. George Vegnathan (Deputy Chairperson), Hon. Alipate Nagata, Hon. Salote Radrodoro, and Hon. Dr. Ratu Atonio Lalabalavu for their contributions as well as to Hon. Simione Rasova for availing himself as an alternate member for those Members who were unable to attend the committee meetings. Finally, I thank the Secretariat, Ms. Sheron Narayan, Mr. Tevita Tuivanuavou, and Ms. Atelaite Leba for the assistance provided during the committee's deliberations.

I, on behalf of the Standing Committee on Social Affairs, commend the *Public Rental Board 2017 Annual Report* to Parliament and request all members of this August House to take note of the committee's Report.



Hon. Viam Pillay
Chairperson

LIST OF ACRONYMS

HA	-	Housing Authority of Fiji
HART	-	Housing Assistance Relief Trust
iTLTB	-	iTaukei Land Trust Board
PPP	-	Public Private Partnership
PRB	-	Public Rental Board
SDGSs	-	Sustainable Development Goals

RECOMMENDATION:

The Standing Committee on Social Affairs has conducted a review of the Annual Report of the Public Rental Board for 2017 and recommends that Parliament take note of its report.

INTRODUCTION

The 2017 Annual Report of the Public Rental Board (PRB) was tabled in Parliament during the August 2019 meeting and referred to the Standing Committee on Social Affairs for its scrutiny.

Standing Orders 109(2)(b) allows Standing Committee on Social Affairs to examine matters related to health, education, social services, labour, culture and media.

Furthermore, Standing Orders 110(1)(c) 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.*

CORE BUSINESS OF THE PUBLIC RENTAL BOARD

The Standing Committee noted that the core business of PRB is to provide public rental housing to low income earners, estate services and building projects.

ISSUES RAISED

HIGH NUMBER OF WAITLISTED APPLICATIONS

PRB has had challenges in meeting the demand for rental flats and has never been able to catch up with waitlisted applications registered with it. Exorbitant construction cost has not assisted PRB in fulfilling the ever-increasing demand. In 2017, PRB had 1602 flats rented out against a waitlist demand of 904 applications.

Given the high number of waitlisted applications, PRB is now encouraging existing tenants to homeownership with Housing Authority and other housing providers. As a result of the partnership with Housing Authority, PRB existing tenants are now given special consideration by Housing Authority for acquiring land. In addition, the Board is planning and constructing new flats. Simla housing project comprising of 36 units is expected to complete by the end of 2020. Further to this, the Board plans to acquire land for development from the Lands Department, iTLTB and land owners.

RECOMMENDATION

1. That PRB continue constructive dialogue with the Ministry/Ministries responsible and other key stakeholders for the construction of affordable housing through Public Private Partnership arrangements.

RENTAL ARREARS

The committee notes that PRB's total rent arrears as at 2017 stood at \$107,534, equivalent to three per cent of its total revenue:

- Active tenants arrears - \$77,809
- Vacated tenants arrears - \$29,725

It is encouraging to see the reduction of rental arrears over the years as depicted below:

Yearly Rent Arrears		
2016		\$156,495
2017		\$107,535
2018		\$91,884

The reduction in cumulative rental arrears was a result of the following debt recovery measures that PRB has in place:

- i. Compulsory Direct deduction for new tenants from source;
- ii. New deduction for household members who have started working;
- iii. Standing orders with banks;
- iv. Consistent follow-up notices to individual tenants on one to one basis;
- v. Regular estate meetings;
- vi. Daily estate visitation;
- vii. Recovery through Small Claims tribunal;
- viii. Rent distress; and
- ix. Eviction through the court as a last resort.

RECOMMENDATIONS

1. That PRB engage in more aggressive debt recovery strategies.
2. That the updated profiling database is made available to key stakeholders so as to maintain high occupancy rate and encourage tenants to find alternative accommodation.

TRANSITIONAL HOUSING POLICY

The Board has faced huge difficulties in carrying out its policy of transitional housing. Tenants have continued to stay for many years and with the perception that their present accommodation is an end in itself. This is despite a three-year tenancy agreement in place with the expectation that the tenant will accumulate enough money to be able to move to homeownership within this time.

On the whole, a contributing factor towards low achievement of transitional housing is the continuing enjoyment of rental subsidy and historical rents by tenants. Furthermore, there has been the lack of housing development appropriate for PRB tenants through HA. This shortfall however, has been resolved through improved communication with stakeholders to ensure continuing availability of housing lots for tenants who may be ready for home ownership. Some formal understanding between the major housing providers namely Department of Housing, HART, HA and PRB will go a long way in ensuring consistency with respect to provision of housing for the public.

RECOMMENDATION

1. That appropriate research be undertaken to facilitate the review of all PRB housing policies.

FUNDING CONSTRAINTS FOR DEVELOPMENT PROJECTS

During its evidence session with PRB, the committee was made aware of the limitations faced by the Board in funding its development projects in-house. As such, through the concept of Public Private Partnership (PPP) program, PRB intends to accelerate development of affordable rental flats for low income earners around Fiji in meeting the increasing demand for affordable rental housing.

Furthermore, PRB intends to increase its rental portfolio by building appropriate rental flats and completing upcoming projects in collaboration with the relevant funding authorities under the PPP scheme. The projects currently identified are in Davuilevu, Tavakubu, Raiwaqa Ex 4 story and Raiwaqa Sewerage sites. Discussions are underway with the International Funding Corporation on the funding of these capital developments.

RECOMMENDATION

1. That the line Ministry/Ministries take the lead role in advancing the Public Private Partnership arrangement for the development projects.

DECLINE IN NET SURPLUS OF PRB

The committee further notes the decline in the net surplus of PRB from 2016 to date.

	2016	2017	2018 (unaudited)	2019 (August)
Net surplus for the year	\$1,749,504	\$851,204	\$771,912	\$654,465

The committee was informed that the decline is due to the rent freeze in place which has meant that the rent has remained the same over the years even as maintenance, construction, and labour costs have increased.

RECOMMENDATION

1. That the Ministry/Ministries responsible pursue the review of the National Housing Policy to address the challenges faced by PRB.

DELAY IN APPOINTMENT OF THE BOARD'S GENERAL MANAGER

We also note with concern that the position of the General Manager is yet to be substantively filled.

RECOMMENDATION

1. That the General Manager position be substantively filled.

SUSTAINABLE DEVELOPMENT GOALS

We note that the Annual Report makes limited reference to the SDGs and does not specify which SDG each of PRB's programmes and activities relate to.

RECOMMENDATIONS

1. The Committee recommends that the Public Rental Board:
 - Change the format/layout of the Report to facilitate understanding of SDG information.
 - Explicitly link results with relevant/priority SDG goals and targets.
 - Include a section explaining how PRB is prioritising action on the SDGs.
 - Report on the challenges faced with the implementation of the SDGs.
2. That PRB work in collaboration with the Ministry of Economy for capacity building of staff to enable a better understanding of issues relating to the Sustainable Development Goals and its linkages to PRB's work.

GENDER ANALYSIS

Gender is a critical dimension to parliamentary scrutiny. Standing Order 110 (2) requires committees to consider gender equality and ensure that the impact on both men and women is explored in all matters.

In 2017, PRB had 14 males and 12 females as Salaried staff and 1 female and 15 males in unestablished employment (this was due to the nature of work as Tradesman, Electricians and Plumbers).

RECOMMENDATION

1. That future Annual Reports present a breakdown of gender equality and participation in the positions held within the Public Rental Board.

CONCLUSION

The Standing Committee on Social Affairs has fulfilled its mandate approved by Parliament which was to examine and review the Public Rental Board's 2017 Annual Report.

In 2017, the provision of quality and affordable rental flats to low income earners continued to be a major focus for PRB. The year also proved to be productive and challenging in relation to the overall performance of the Board. While providing accommodation to low income earners, the Board was also able to achieve a profit of \$851,204.

This report highlights some of the pertinent issues emanating from the Board's operations in 2017 and sets out recommendations to address these issues. The review of the Board's Annual Report was conducted in a very tactful and comprehensive manner. This has enabled the committee for Social Affairs to submit to Parliament a more reliable and a cohesive report.

COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:



Hon. Viam Pillay
(Chairperson)



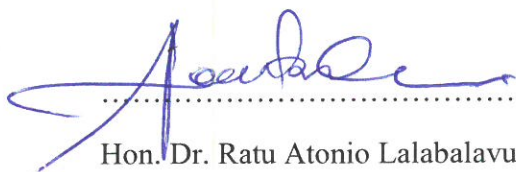
Hon. George Vegnathan
(Deputy Chairperson)



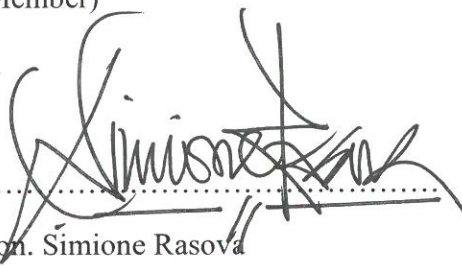
Hon. Alipate Nagata
(Member)



Hon. Salote Radrodro
(Member)



Hon. Dr. Ratu Atonio Lalabalavu
(Member)



Hon. Simione Rasova
(Reserve Member)

APPENDICES

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Parliament website at the following link: <http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

Monday 7 October, 2019

Public Rental Board

Patrick Veu, Acting General Manager, **Shalin Lata**, Manager Finance, Administration and Board Secretary, and **Maloni Daurewa**, Manager Properties, Rental and Customer Service.

Published written evidence

Written evidence and supplementary information was received from the Public Rental Board and can be viewed on the Parliament website at the following link:
<http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>