

APPENDICES

Appendix I

Written Response by the Housing Authority

Housing Authority Presentation

to the Standing Committee on Social Affairs 2016 & 2017 Annual Accounts

Date : 16 June, 2022

Time : 1.00 pm

Venue : Parliament Committee Room 2 (East Wing)

Roles & Objectives

- “Helping Fijians own affordable homes”
- Reinforced by Government’s vision along with the objective of the Authority

Roles & 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;

Roles & 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, dwelling-house, upon such terms and conditions as the Authority may deem fit.**



Roles & 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
 - ✓ Provision for high income earners
- 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.**”



AFFORDABLE HOUSING

Business Expectation

- Provide affordable and equitable land supply and “design & build” houses including strata units.
 - Deliver and offer 500 to 1,000 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.

National Development Plan

- Authority corporate plan and strategic direction is aligned to the Governments 5 year & 20 year development
- Supports long term 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”

Capital Projects - NDP

PROGRAMME	ANNUAL TARGET				TOTAL OUTPUT EXPECTED	LEAD AGENCIES
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
Development, Caubati Sub- Division, Nasinu (lots)		212				212 HA
Lot Development , Waqadra Sub- Division, Nadi			793			793 HA
Lot Development, Rara Sub-Division, Labasa		25				25 HA
Housing Authority Nepani Stage II	175 lots/150 housing units					175 lots/150 housing units HA
Housing Authority- Davuilevu Phase 1 (Lots)	301					301 HA
Housing Authority-Covata, Labasa (Lots)	108					108 HA
Housing Authority- Koronisasalu, Tavua (Lots)	119					119 HA
Housing Authority- Tavakubu, Lautoka (Lots)	541					541 HA

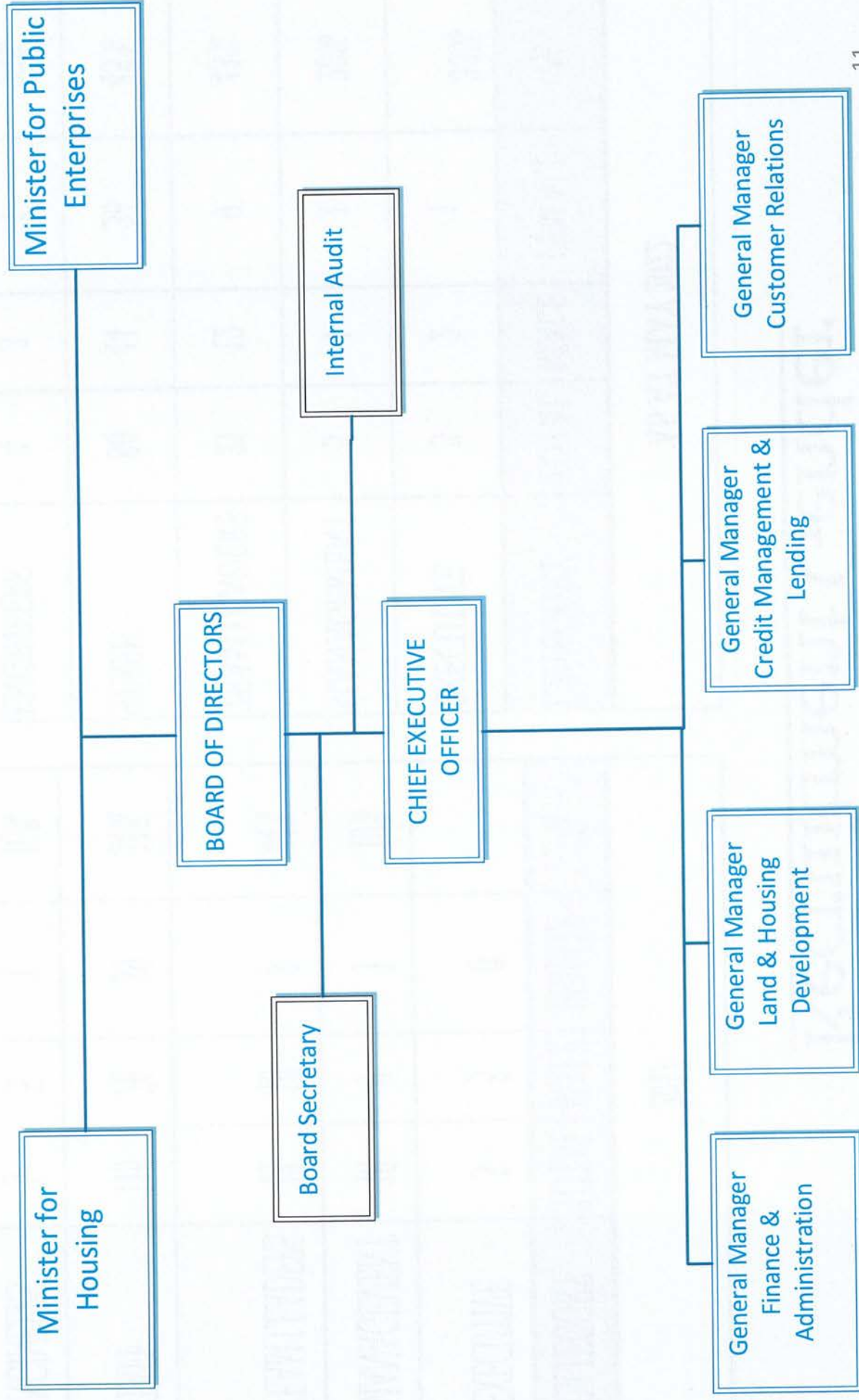
Sustainable Development Goals (SDGs)



HQ & Branch Offices



ORGANISATION STRUCTURE



Recruitment Gender

2017				
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%

AS AT MAY 2022				
CATEGORY	TOTAL	MALE	FEMALE	%
EXECUTIVE	3	2	1	33%
MANAGEMENT	5	4	1	20%
TEAM LEADERS	21	12	9	43%
STAFF	80	44	36	45%
ENGINEERS	4	3	1	25%
TOTAL	113	65	48	42%

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 \$20,000.00 to **\$30,000.00**.

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

Key Performance Indicator (KPI)

- Achieving the corporate objective which are social & commercial
- Focus on sustainability, growth/productive and service delivery

Key Performance Indicator (KPI)	Percentage (%)	Target
Operating Surplus	5%	\$2.04m
Sales Revenue	15%	\$3.62m
Growth Portfolio/Land Bank	10%	31 million/ 200acres
Project Execution	30%	Roll out three capital projects
Working/ Current Ratio	5%	1.50:1
Interest Spread	5%	2.00%
Process Improvement	10%	PROCESS & PROCEDURES SYSTEM UPGRADE
Statutory Obligation	10%	Corporate Plan & Budget – April Annual Report – Feb Audited Accounts – Feb
Customer Satisfaction	10%	ZERO TOLERANCE COMPLAIN
TOTAL	100%	

Question 1/7

1. Who are the current Board members of the Housing Authority?

Under section 3(2) of the Housing Act, the Authority currently has six (6) Board Members. They are:

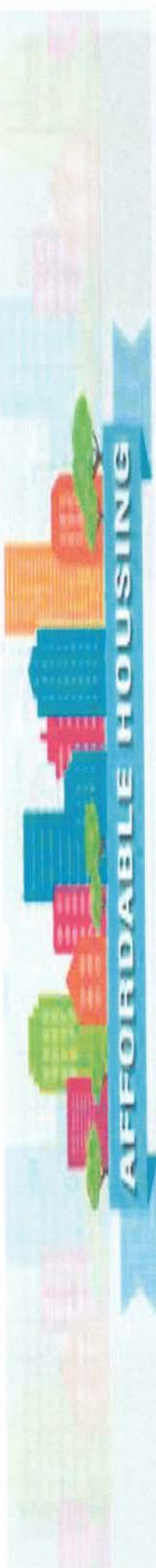
- Mr Viliame Vodonaivalu - Chairman of the Board;
- Mr Saud Minam - Deputy Chairman of the Board;
- Ms Florence Takinana - Member;
- Ms Susan Naidu - Member;
- Ms Renee Duguivalu - Member;
- Mr Anil Prasad - Member.

Question 2/7

2. Page 6 of Annual Report (Strategic Plan) – We note the allocation of vacant space in Wainibuka and Nepani subdivisions for construction of approximately 784 mixed strata units with one, two and three bedrooms. Provide an update on this and whether it has been completed. What is the estimated cost of this project?

While the ground development has been completed, the construction of the strata units at the Wainibuku & Nepani strata sites have been assigned to the World Bank's International Financing Corporation (IFC) through MOE who will work on the design and planning of the construction of these mixed strata units.

Our initial projection for Strata units is provided in the next three (3) slides



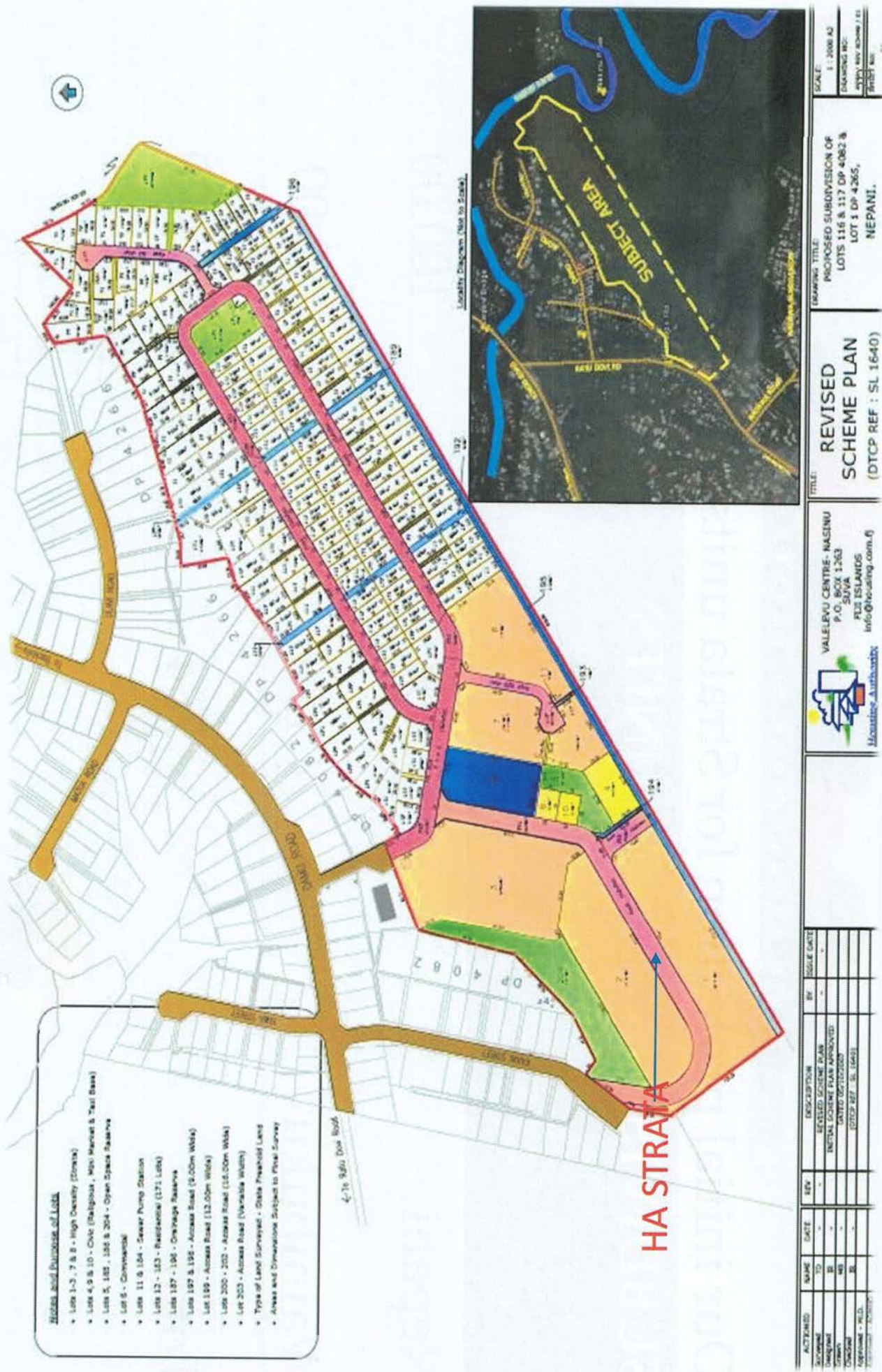
Our initial projection for Strata units

SUBDIVISION	UNITS	ESTIMATED COST (VEP) (\$M)
Nepani	608	100.00
Wainibuku	176	33.00
Total	784	133.00





Complete human skeleton



QUESTION 3/7

3. What progress has been made on the Tavakubu, Davuilevu, Nepani, Veikoba and Tavua projects and inform us of the details of these projects and their estimated cost.

Summary - Project

PROJECT	TAVAKUBU (\$M)	DAVUILEVU (\$M)	NEPANI (\$M)	TAVUA (\$M)	TOTAL (\$M)
Budget (\$)	24.86	46.87	14.09	6.94	92.76
Utilized (\$)	24.82	35.19	10.49	6.49	77.00
Balance (\$)	0.04	11.68	3.60	0.45	15.76
Completion	100%	75%	74%	94%	
Government Grant		2.75	4.03		6.78
Civil Work	Completed	Completed	Completed	Completed	
Compliance	<ul style="list-style-type: none">FRA - roadWAF - water & sewer	<ul style="list-style-type: none">FRA - roadWAF - water & sewer	<ul style="list-style-type: none">FRA - road	FRA - road	

Lot Yield/Output

PROJECT	TAVAKUBU	DAVUILEVU	NEPANI	TAVUA	TOTAL
Zoning	Lot Count				
Res D	6	50	44	71	100
Res C	321	321	89	38	744
Res B	149	149	39		375
Duplex		42			42
Strata (Land Parcel)*		3	5		8
PRB (Land Parcel)**	1	1			2
Civic	3	3	3	1	10
Commercial	3	4	1	3	11
Total	425	573	181	113	1,292
*Strata (Land Parcel)		544	608		1,152
**PRB (Land Parcel)	77	160			237

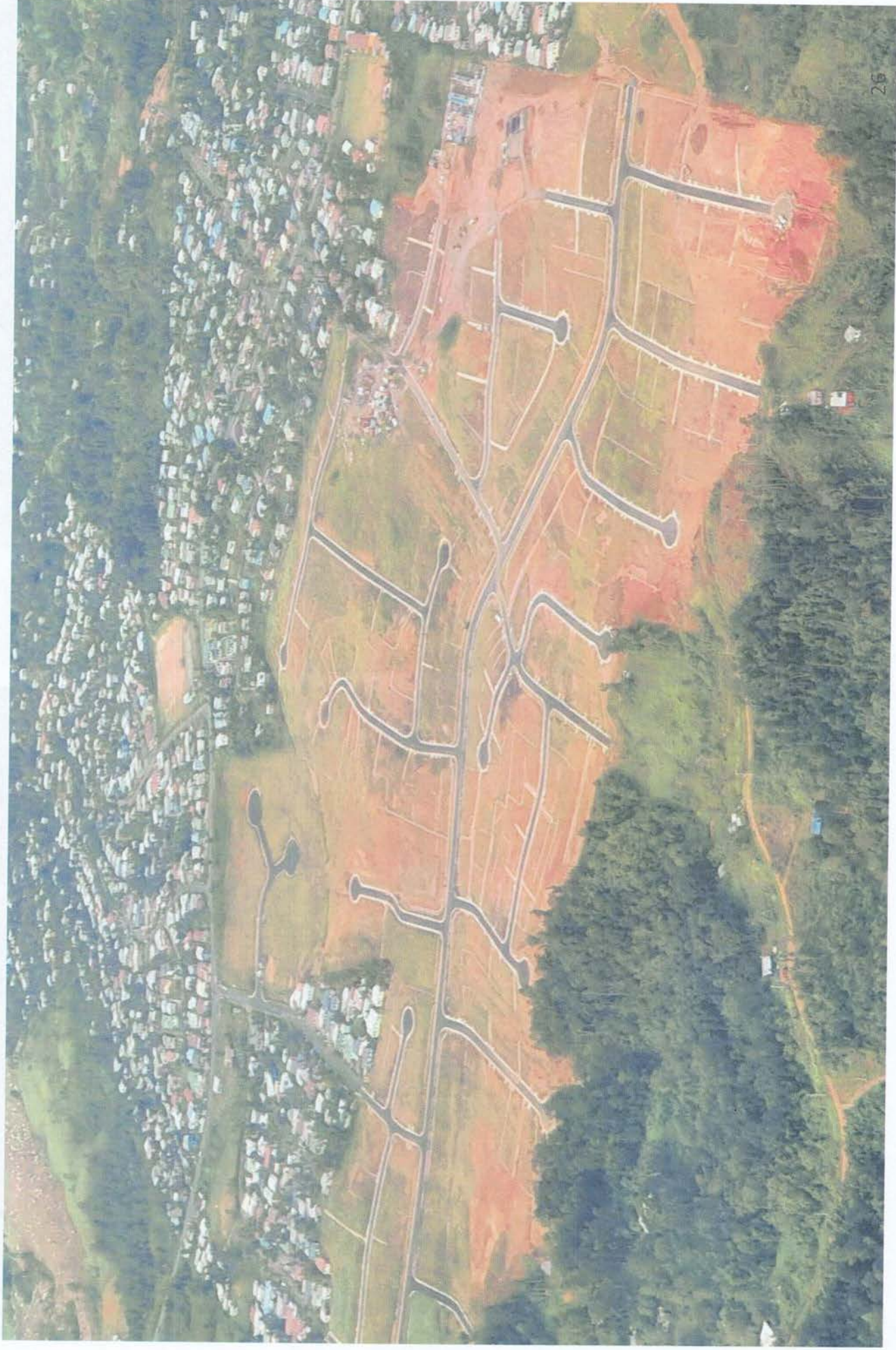
Nepani Project



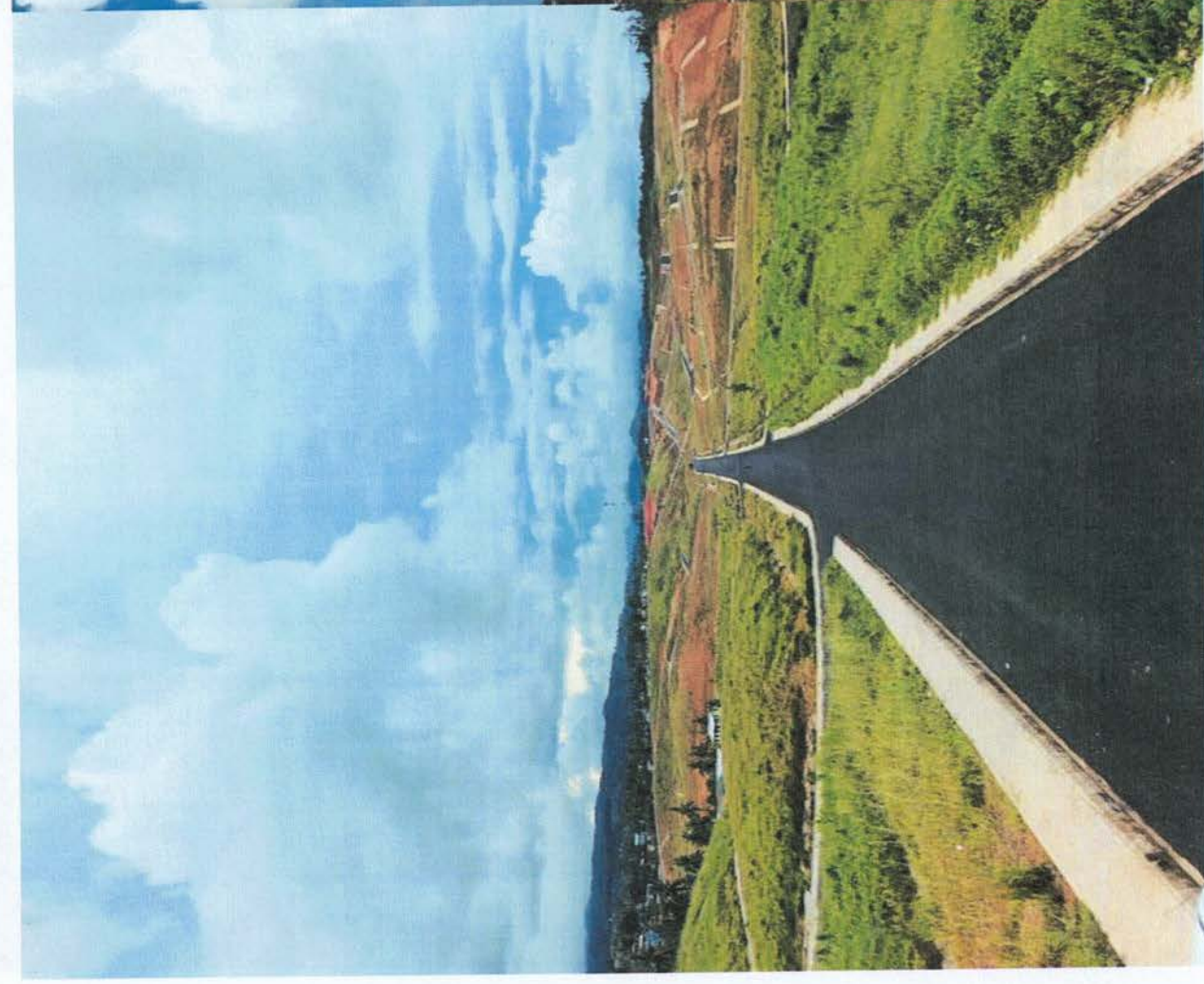
Nepani Project



Davuilevu Project



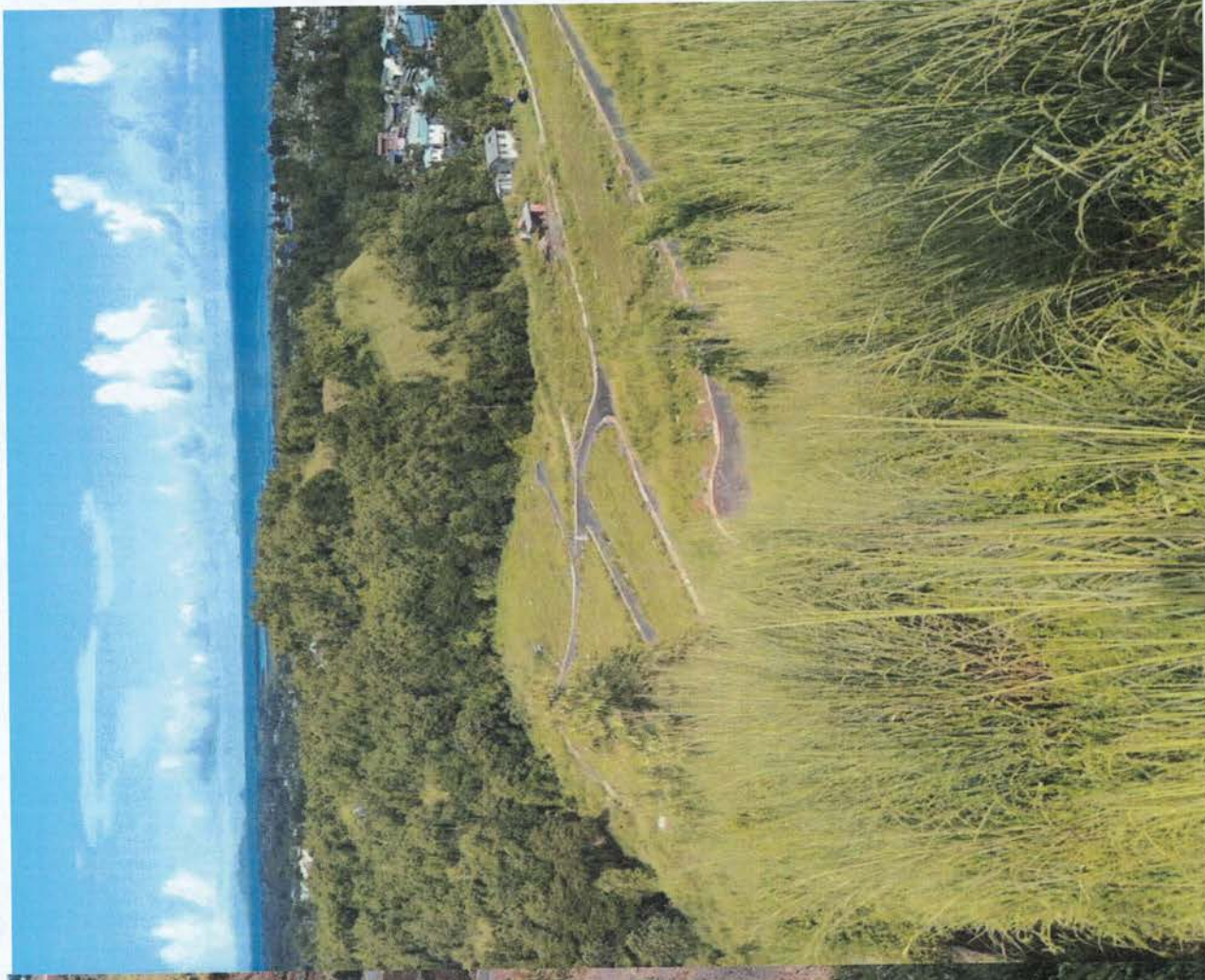
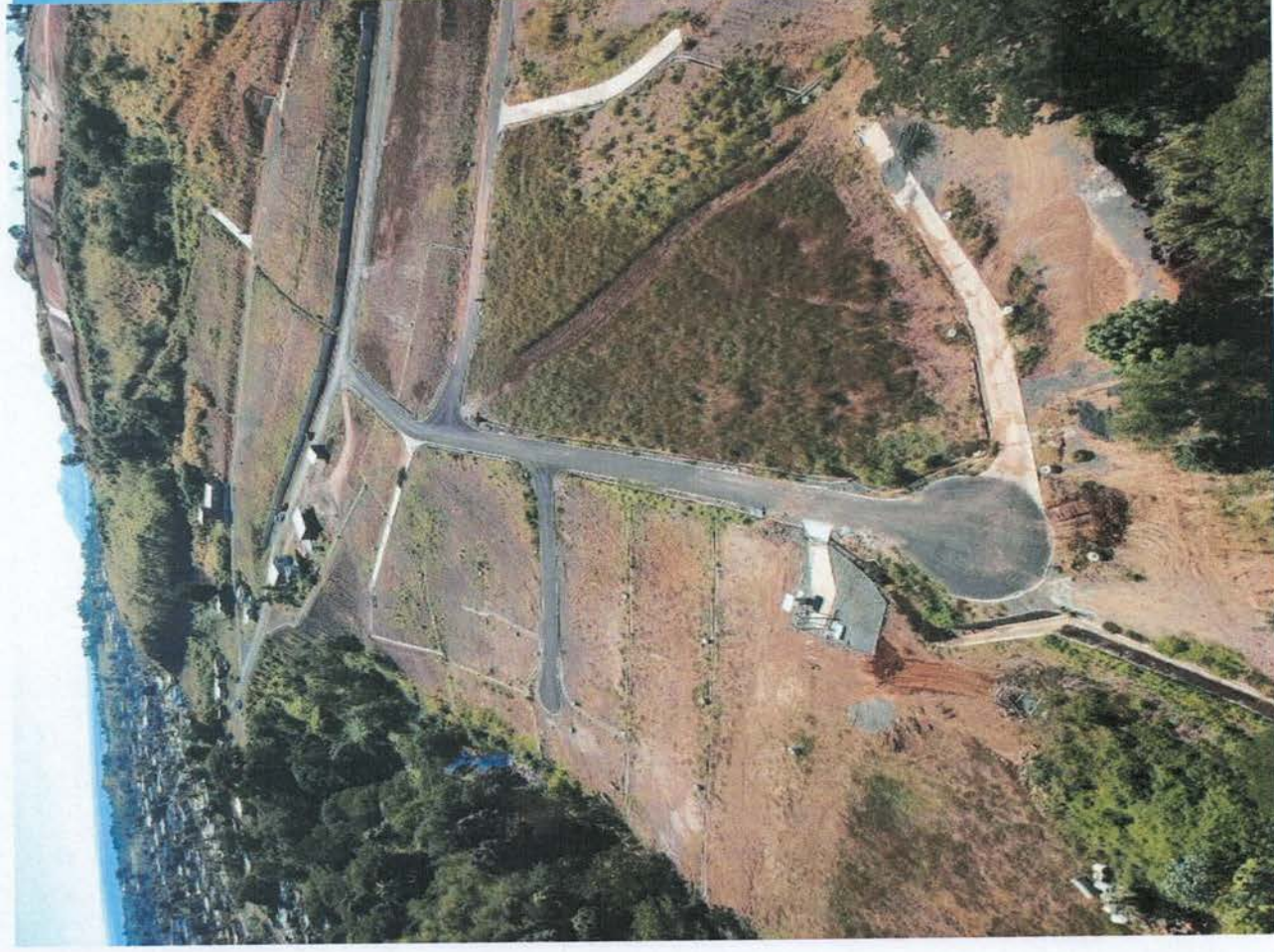
Davuilevu Project



Tavakubu Project



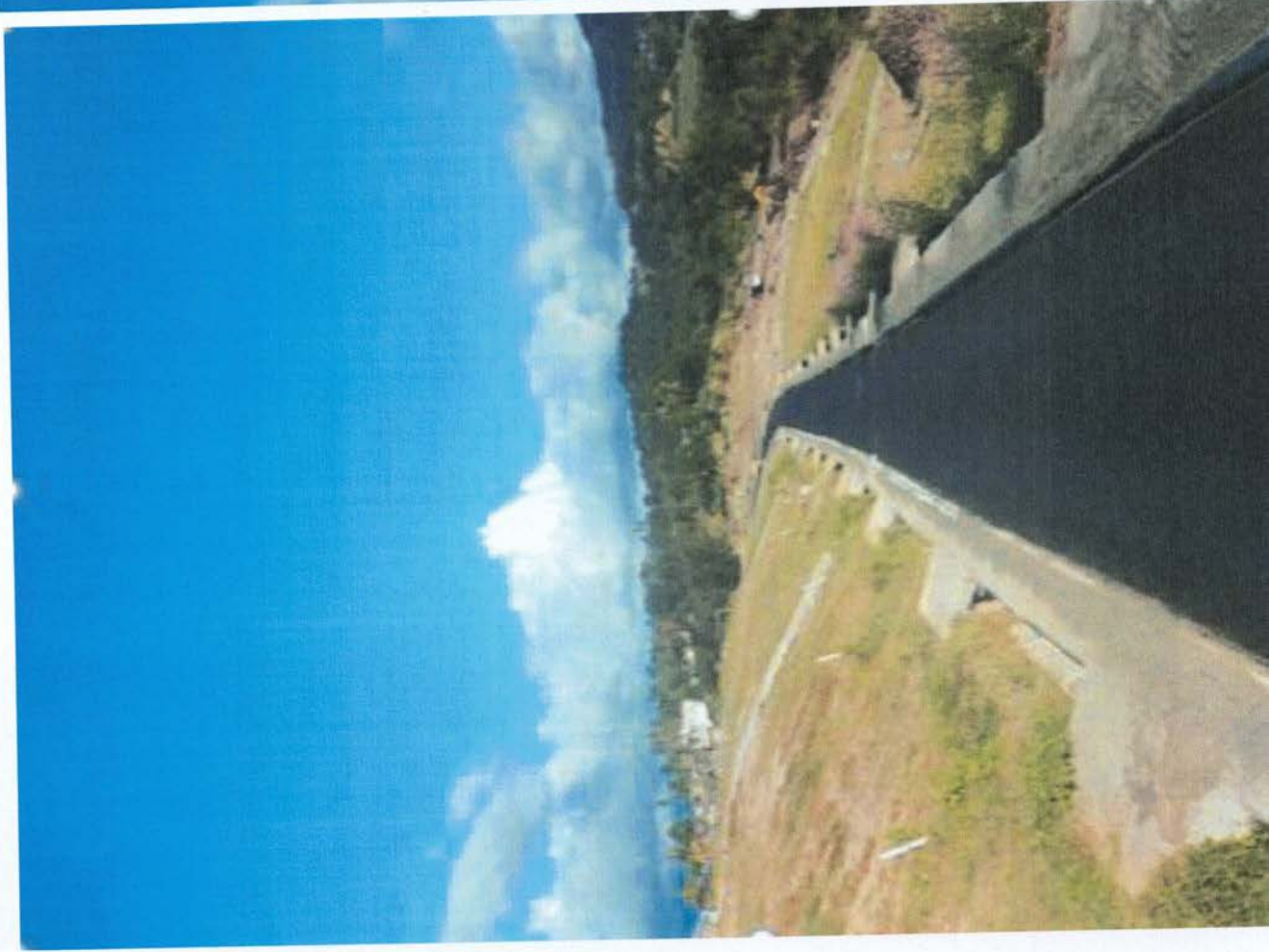
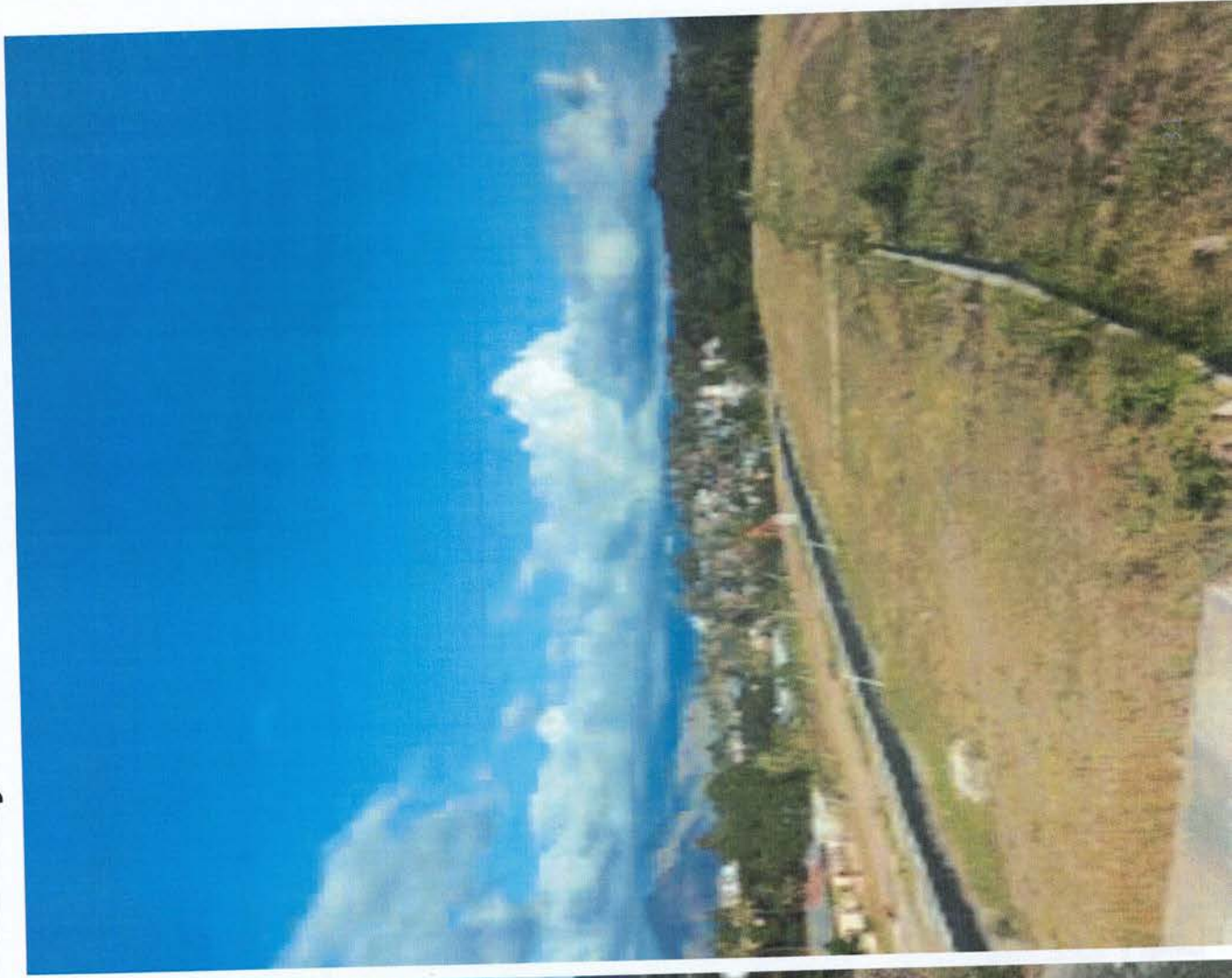
Tavakubu Project



Tavua Project



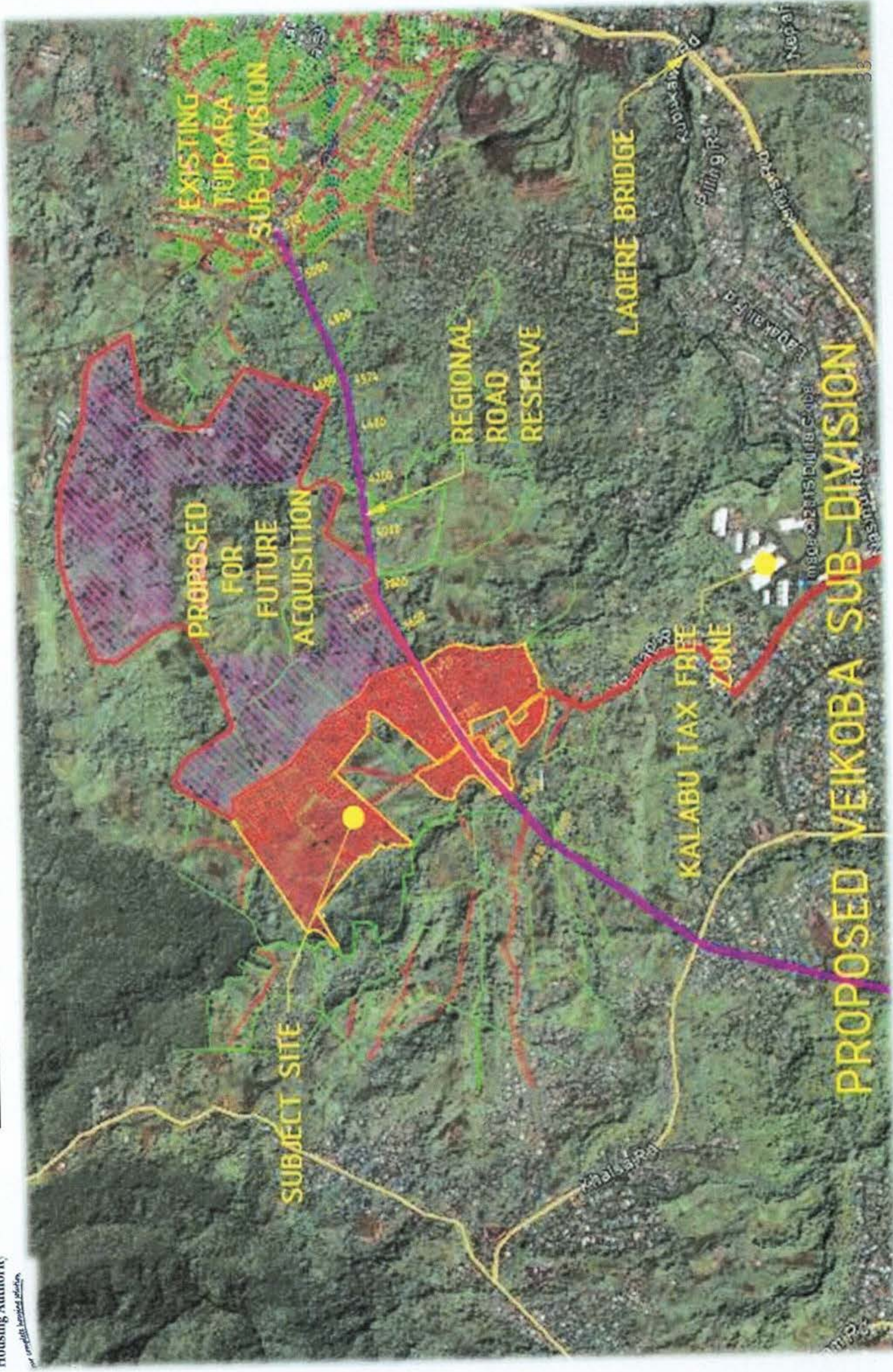
Tavua Project

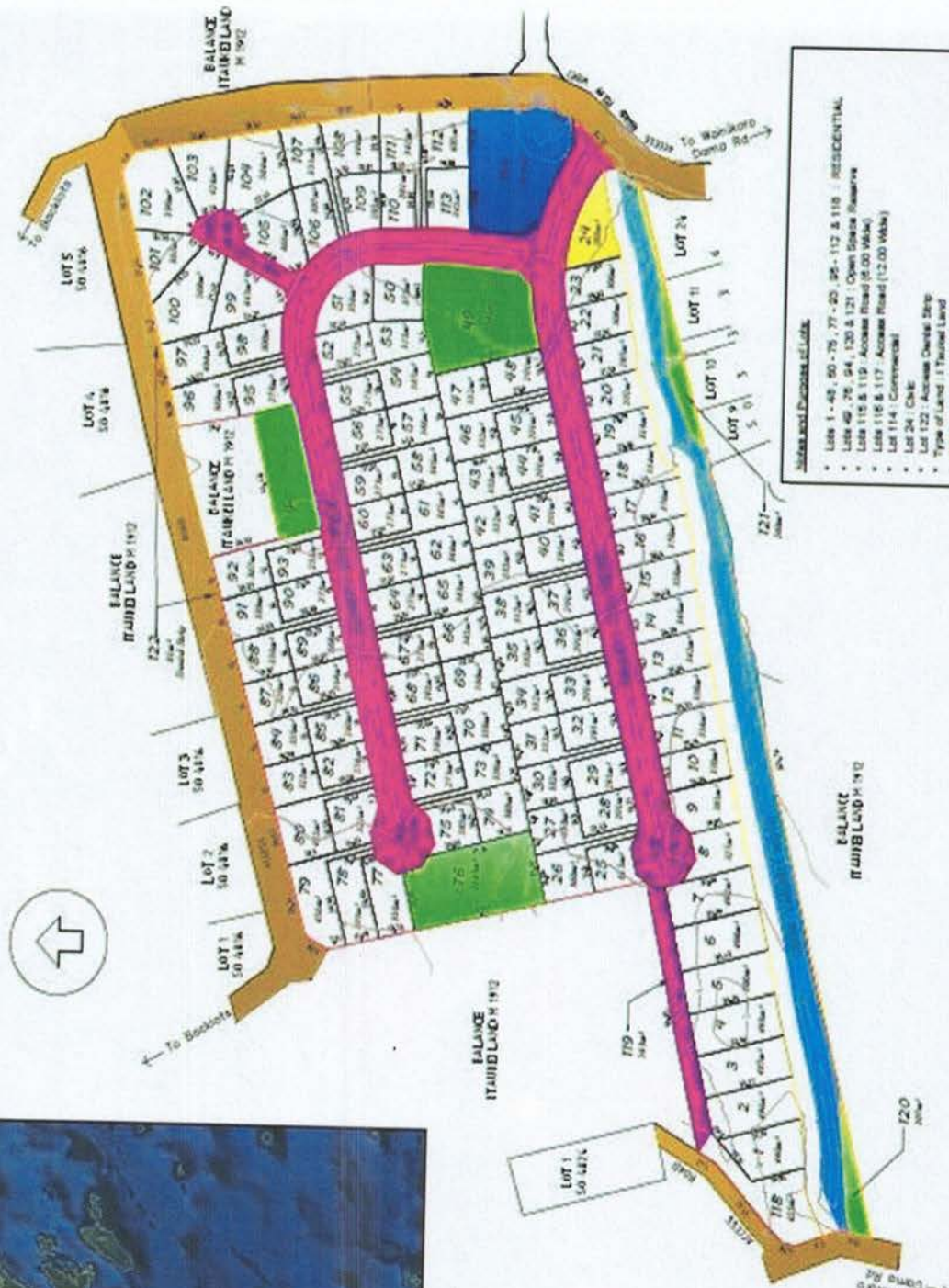


New Projects

PROJECT	COVATA	MOKOSOI	TAVAKUBU INFILL	VEIKOBA	TOTAL
Location	Labasa	Deuba	Lautoka	Nasinu	
Land Area (Acres)	15 Acres	5 Acres	5 Acres	119 Acres	144 Acres
Lot Yield	108	35	19	643	805 Lots
Estimated Development Cost	\$4.29M	\$2.1M	\$1.91M	\$42.58M	\$50.88M
Progress	In construction phase	Tender for Civil work awarded		Consultancy stage for: <ul style="list-style-type: none"> EIA Scheme Plan & Engineering Plan 	
Ground Breaking	Was held on 1 st June 2022	Expected by end of June 2022		Nov 2022	
Lot Delivery	Jan 2023	Dec 2022	Jan 2023	Feb 2024	

Veikoba Sub Division - Nasinu





- Notes and Disclosures of Lots:**
- Lots 1 - 48: 50, 75, 77, 20, 95 - 112 & 118 - RESIDENTIAL
 - Lots 49, 76, 94, 130 & 121 - Open Space Reserve
 - Lots 115 & 119 - Access Road (5.00 Meters)
 - Lots 116 & 117 - Access Road (12.00 Meters)
 - Lot 114: Commercial
 - Lot 24: Civic
 - Lot 122: Access/Service Strip
 - Type of Land: 1/191 Land
 - T1/191 REF: 4/191/40600
 - Survey Instruction: M003/2017 (N)
 - Plan for Pt of Lot 1: M 1912

Project : COVATA SUBDIVISION LABASA	Drawing Title : SUBDIVISION SCHEME PLAN		Consultant / Developer	* Areas and Dimensions are Subject to Final Survey.		
				Started by : M/V	Date : Nov 20 18	Original Size : A3
				Drawn by : MELI TUOIRE	Date : 20.06.17	Scale : 1 : 1000
				Designed by : DM	Date :	Computer File Name : C:\COVATA SUBDIVISION DWG
				Checked by : AUM/LUD	Date :	Drawing Reference : F006

Question 4/7

4. Highlight the progress of the arrangement and collaboration between Housing Authority and FNPf in ensuring strategies are developed to make housing more affordable to its customers.

The HA team had initial discussion with FNPf investment team to fund Davuilevu Capital Project & Tavakubu Capital Project civil works. There were option to also venture into house construction which will now be undertaken and reviewed by MOE with IFC focusing on affordability.

Partnership

- FNPF – Discussion with –
 - Initial stages of the projects (Davuilevu & Tavakubu)
 - Consider house construction or design & build phase
- FDB
 - Accredited direct access entity by Green Climate Fund (GCF)
 - Meeting with consultant – GGGI (Global Green Growth Institute)
 - Housing residential upgrade for climate resilience
- RBF
 - RBF Housing Funding Scheme at the rate of 1%
 - Reduced to 0.25%

Question 5/7

5. We note that the Housing Authority assisted 19 families and had their loans forgiven under the Social Housing Policy. Enlighten the Committee on the criteria developed by the Authority to ensure that genuine customers are assisted with funds from the Government Grant. Is the budget allocation provided for this grant same for every financial year or are there adjustments depending on the targets set by the Authority?

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.

Social Housing Policy

The conditions that apply are:

1. Occupation of the property by the registered owner(s).
2. The assistance does not apply to land only accounts without any dwellings/improvements (vacant land).
3. The assistance does not apply to customers who have wholly sublet their properties.
4. The Authority places a caveat on the property for a period of ten years and can be withdrawn subject to full repayment of the financial assistance provided if the customers wish to dispose of the property within the 10-year caveat period.
5. The Caveat is withdrawn at the expiry of the 10year period.
6. No further loans granted to customers under this scheme within the 10 years Caveat period unless the whole amount is repaid.

Social Housing Policy

- When the Authority is pursuing recovery action on an account, the account is put through the repayment test to check if the principal loan has been paid at least 1.0 time, and if customers qualify for social housing assistance based on the criteria already listed.
- When the Authority is pursuing recovery action on an account, the account is put through the repayment test to check if the principal loan has been paid at least 1.0 time, and if customers qualify for social housing assistance based on the criteria already listed.

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

Question 6/7

6. In relation to the borrowings of the Housing Authority as provided on pages 12 & 13 of the Annual Report, provide an update on the progress of the repayment of these loans and how the Authority will see to it that loan repayments are made on time and at the same time ensure that its service delivery is not impacted?

Borrowing Portfolio Movement

	BALANCE - 31/12/2017 (\$M)	PAYMENT 2018-21 (\$M)	NEW BORROWING 2018-21 (\$M)	BALANCE 30/04/22 (\$M)
BONDS Total	38.70	(58.70)	45.00	25.00
2018		(25.00)	15.00	
2019		(5.20)	10.00	
2020		(8.00)		
2021		(20.50)	20.00	
RBF Loan Total	25.00	0.00	31.66	56.66
2018			14.34	
2019			17.33	
EXIM LOAN Total	37.26	(5.96)		31.30
2018/20		(5.96)		
MOVEMENT	100.96	(64.66)	76.66	112.96 ⁴³

Borrowing Portfolio Movement

- Annual budget incorporates borrowing plan capital projects & mortgage financing
- Three year plan
- Maturity loan profile schedule
- Cash flow monitored monthly
- \$150 million government guarantee deed approved by Government expiring in 2024.

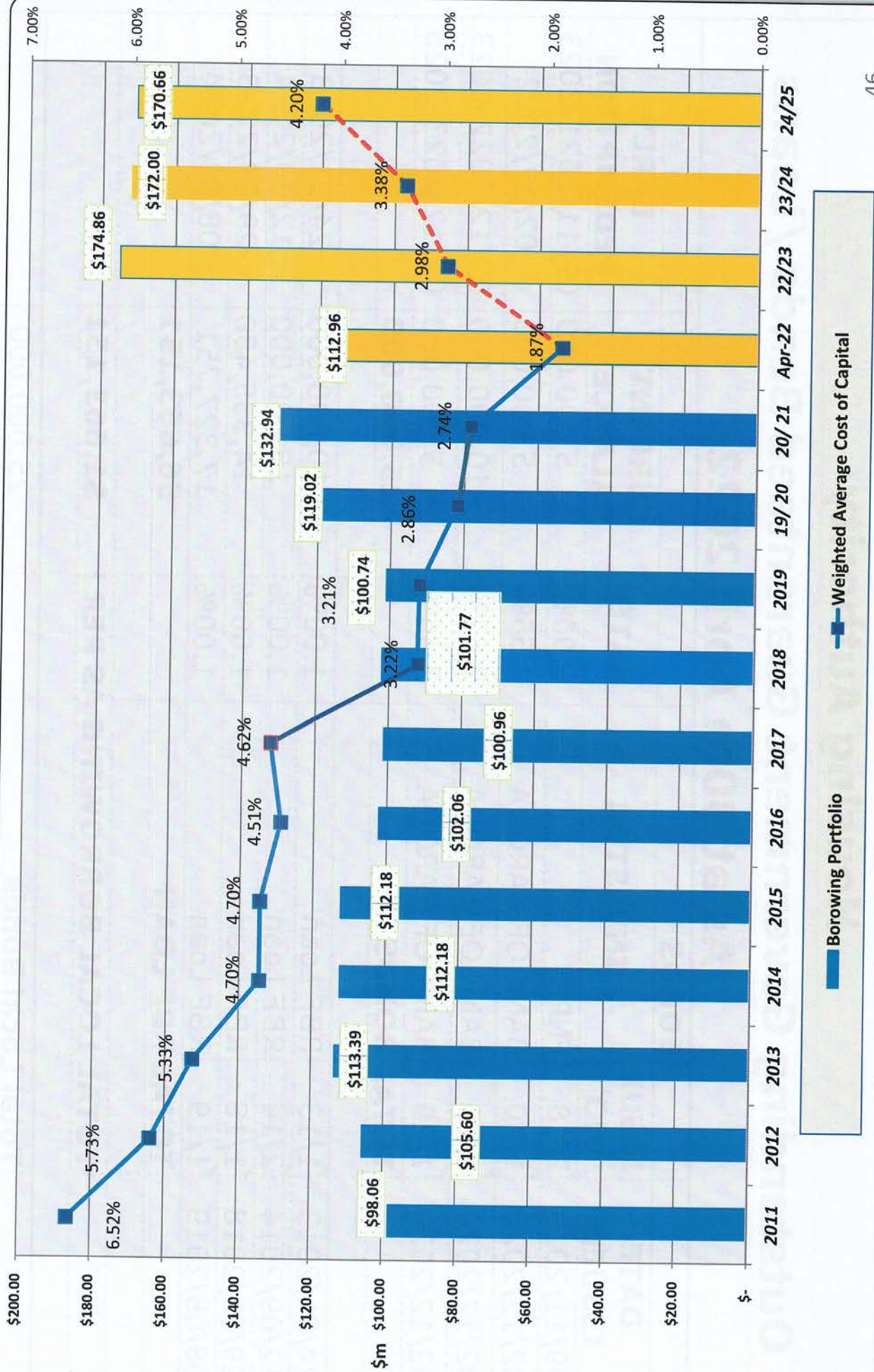
Housing Authority

Outstanding Government Guaranteed Bonds / Loans

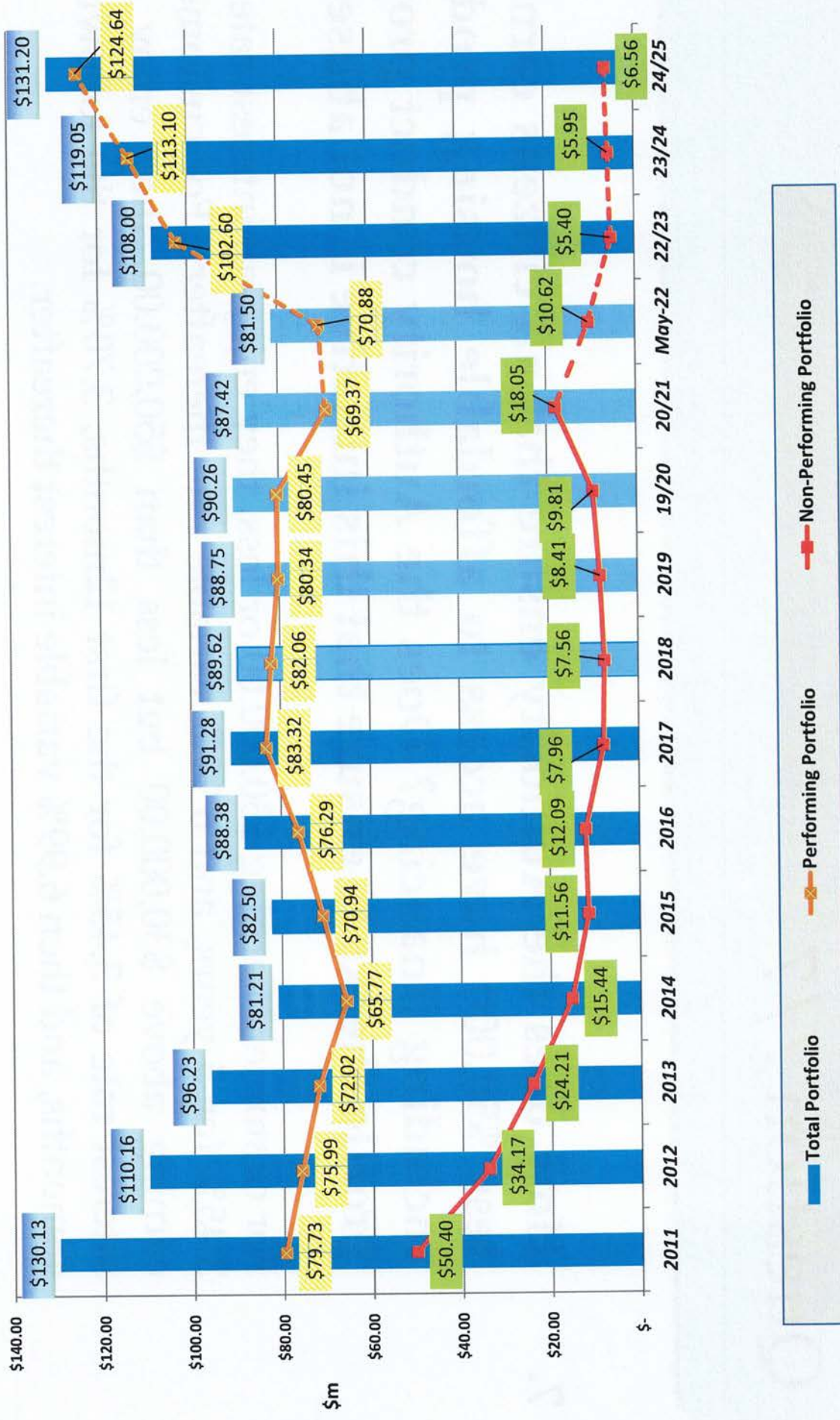
As at 30th April, 2022

		BONDS					
DATE ISSUED	ISSUE NO	INVESTOR	RATE	CURRENT BALANCE	EARLY REDEMPTION		
09/11/2018	2/18	FNPF	6.00%	5,000,000	09/11/2021-2023		
02/12/2020	1/20	BANK OF BARODA	2.66%	5,000,000	02/12/2022		
02/12/2020	1/20	BANK OF BARODA	2.82%	10,000,000	02/12/2022-2023		
02/12/2020	1/20	BANK OF BARODA	3.36%	5,000,000	02/12/2023-2025		
		TOTAL BONDS		25,000,000			
24/01/2013	1/13	RBF Loan	1.00%	10,000,000	24/01/2023		
12/09/2014	2/14	RBF Loan	1.00%	15,000,000	12/09/2024		
29/08/2018	1/18	RBF Loan	1.00%	14,335,400	29/08/2023		
08/08/2019	1/19	RBF Loan	1.00%	17,327,751	08/08/2024		
		TOTAL RBF LOAN		56,663,151			
		TOTAL LOCAL BORROWING AS PER		81,663,151			
		Total Local Bonds		25,000,000			
		RBF Loan		56,663,151			
		Exim Bank Loan		31,299,205			
		Total Borrowings As per Balance Sh		112,962,356			45

Borrowing Portfolio & WACC (2011-2020/21) & Projections 2021/22/25



Mortgage Portfolio (2011-2020/21) & 2022 -25



Question 7/7

7. **How does the Authority ensure that all citizens earning less \$50,000 have access to affordable housing product including financing? Does the Authority conduct proper profile checks to ensure that this initiative is not abused?**

For customers earning \$30,000.00 or less, they enjoy an interest rate of 3.45% for 5 years, and 6.25% variable rate thereafter. For customers earning above \$30,000.00 but less than \$50,000.00, they enjoy an interest rate of 3.45% for the first 12months, 3.70% for the following 48months, and then 6.99% variable interest thereafter.

Expressions of Interest (EOI) are called for the purchase of lots when they become available. To ensure independence of processes, these EOI are opened by a Tender Committee that refers all EOI to an independent Tender Evaluation Committee that assesses all submissions received, and makes recommendations for award. The whole process is then audited thereafter by our internal audit team.

With existing MOUs we have with FNPf and FRCS, we carry out due diligence background checks to confirm the pay slips provided by customers regarding their salaries, are correct. These checks have proved to be effective in rooting out unscrupulous applicants who try to beat the system.



Housing Authority

Your complete housing solution

Thank You

RESPONSE TO PARLIAMENTARY STANDING COMMITTEE ON SOCIAL AFFAIRS: CLARIFICATION QUERIES ON HOUSING AUTHORITY - 2017 ANNUAL REPORT

1. Who are the current Board members of the Housing Authority?

Under section 3(2) of the Housing Act, the Authority currently has six (6) Board Members. They are:

- i. Mr Viliame Vodonaivalu - Chairman of the Board;
- ii. Mr Saud Minam – Deputy Chairman of the Board;
- iii. Ms Florence Takinana – Member;
- iv. Ms Susan Naidu – Member;
- v. Ms Renee Duguivalu – Member;
- vi. Mr Anil Prasad – Member.

2. Page 6 of Annual Report (Strategic Plan) – We note the allocation of vacant space in Wainibuku and Nepani subdivisions for construction of approximately 784 mixed strata units with one, two and three bedrooms. Provide an update on this and whether it has been completed. What is the estimated cost of this project?

While the ground development has been completed, the construction of the Wainibuku & Nepani strata sites have been assigned to the World Bank's International Financing Corporation (IFC) who will work on the design and planning of the construction of these mixed strata units.

Our initial projection for Strata units is provided in the table below:

Project	Units	Estimated (\$VEP)	Cost
Nepani Strata	608	100M	
Wainibuku Strata	176	33M	
Total	784	133M	

3. What progress has been made on the Tavakubu, Davuilevu, Nepani, Veikoba and Tavua projects and inform us of the details of these projects and their estimated cost.

The following four projects are also assigned to IFC:

PROJECT	NEPANI	TAVAKUBU	DAVUILEVU	KORONISALUSALU	TOTAL
Budget (\$)	14,090,952	24,863,706	46,872,096	6,939,072	92,765,827
Utilised (\$)	10,493,293	24,822,591	35,194,138	6,490,472	77,000,494
Balance (\$)	3,597,659	41,116	11,677,958	448,600	15,765,333
% Utilised	74%	100%	75%	94%	83%
Govt Grant Received (\$)	4,026,761	2,752,294			6,779,054
Project Status					
• Civil Work	Completed in Jul 2018	Completed	97% Completed	Completed in Aug 2021	
Lot Yield/Zoning	Lot Counts				
Residential Class D	44	6	50		100
Residential Class C	89	263	321	71	744
Residential Class B	39	149	149	38	375
Duplex			42		42
Strata (Land parcel)*	5		3		8
PRB**		1	1		2
Civic	3	3	3	1	10
Commercial	1	3	4	3	11
Total Lots(Excluding Strata & PRB)	176	424	569	113	1282
*Strata (No of Units)	608		544		1152
**PRB (No of Units)		77	160		237

4. Highlight the progress of the arrangement and collaboration between Housing Authority and FNPF in ensuring strategies are developed to make housing more affordable to its customers.

We currently have an MOU in place with FNPF that allows us to seek confirmation on whether a potential customer for lot allocation, is a current paying member of the Fund, which would confirm to us that the potential customer is earning a salary.

In addition to that, a major component of our loan requirement, is the provision of FNPF Housing Eligibility Statement, which we take into account when calculating a customer's loan eligibility with us. The FNPF Housing Eligibility is taken as part of the customer's equity, which means that actual loan taken by the customer is reduced, and gives them more eligibility to take further loan to construct and/or renovate.

Also, the team had initial discussion with FNPF investment team to fund Davuilevu Capital Project & Tavakubu Capital Project civil works. There were option to also venture into house construction which will now be undertaken and reviewed by MOE with IFC.

We work hand-in-hand with FNPF in settling customers loans upon their reaching retirement (provided they have enough funds left in their FNPF account) as well as debt reduction. During COVID19, when a lot of people lost their jobs or were on reduced hours, FNPF assistance through debt reduction, ensured that accounts did not fall into arrears, and cushioned the impact of the pandemic on our customers.

5. **We note that the Housing Authority assisted 19 families and had their loans forgiven under the Social Housing Policy. Enlighten the Committee on the criteria developed by the Authority to ensure that genuine customers are assisted with funds from the Government Grant. Is the budget allocation provided for this grant the same for every financial year, or are there adjustments depending on the targets set by the Authority?**

For assistance under the Social Housing Policy, the primary driver is that the customer should have repaid the principal loan amount 1.0 time (after fees & charges paid by Authority to external parties such as rates to town councils, and ground rent to head lessors like TLTB) and faced financial difficulties. Besides the repayment test, clients need to fulfil one of the following criteria:

- a. Customers who have retired and are over 55 years of age;
- b. Customers who are medically proven unfit to work;
- c. Customers who are physically or mentally disabled;
- d. Customers who are currently unemployed; and/or
- e. Low Income earners – either single or combined household income of \$10,000 per annum.

The conditions that apply are:

1. Occupation of the property by the registered owner(s).
2. The assistance does not apply to land only accounts without any dwellings/improvements (vacant land).
3. The assistance does not apply to customers who have wholly sublet their properties.
4. The Authority places a caveat on the property for a period of ten years and can be withdrawn subject to full repayment of the financial assistance provided if the customers wish to dispose of the property within the 10-year caveat period.
5. The Caveat is withdrawn at the expiry of the 10-year period.
6. No further loans granted to customers under this scheme within the 10 years Caveat period unless the whole amount is repaid.

When the Authority is pursuing recovery action on an account, the account is put through the repayment test to check if the principal loan has been paid at least 1.0 time, and if customers qualify for social housing assistance based on the criteria already listed.

As for budget allocation, the Authority provides a provisional list of customers that may qualify for assistance under the Social Housing Policy to the Ministry of Housing. The

outstanding debt that may require budget allocation is included and it varies each year based on the number of customer accounts provisionally identified.

6. In relation to the borrowings of the Housing Authority as provided on pages 12 & 13 of the Annual Report, provide an update on the progress of the repayment of these loans and how the Authority will see to it that loan repayments are made on time and at the same time, ensure that its service delivery is not impacted?

Borrowings are managed through the Authority's annual budget.

	31/12/2017			30/04/2022		
	Closing Balance	Paid (2018-2021)	New Borrowing (2018-2021)	Closing Balance	Net Change	
Bonds	38,700,000.00	-58,700,000.00	45,000,000.00	25,000,000.00	-13,700,000.00	-35%
2018		- 25,000,000.00	15,000,000.00			
2019		- 5,200,000.00	10,000,000.00			
2020		- 8,000,000.00				
2021		- 20,500,000.00	20,000,000.00			
RBF loan	25,000,000.00	0.00	31,663,151.23	56,663,151.23	31,663,151.23	127%
2018			14,335,400.16			
2019			17,327,751.07			
Exim Bank of China	29,650,967.39	-5,816,622.57		23,834,344.82	-5,816,622.57	-20%
Credit Exposure	7,611,760.79	-146,900.39		7,464,860.40	-146,900.39	-2%
2018		-2,566,484.64				
2019		-2,166,758.62				
2020		-1,083,379.31				
Total	100,962,728.18	-64,663,522.96	76,663,151.23	112,962,356.45	11,999,628.27	12%

The table presents borrowing portfolio movement between 2017 and April 2022.

The HA annual budget includes borrowing plan to cover the borrowings for capital projects and mortgage financing.

HA also prepares three year financial projects/plan with Cash flow monitored on a monthly basis.

The Authority was also approved Government Guarantee of \$150 million for five years expiring in 2024.



7. How does the Authority ensure that all citizens earning less than \$50,000.00 have access to affordable housing product including financing? Does the Authority conduct proper profile checks to ensure that this initiative is not abused?

For customers earning \$30,000.00 or less, they enjoy an interest rate of 3.45% for 5 years, and 6.25% variable rate thereafter. For customers earning above \$30,000.00 but less than \$50,000.00, they enjoy an interest rate of 3.45% for the first 12months, 3.70% for the following 48months, and then 6.99% variable interest thereafter.

Expressions of Interest (EOI) are called for the purchase of lots when they become available. To ensure independence of processes, these EOI are opened by a Tender Committee that refers all EOI to an independent Tender Evaluation Committee that assesses all submissions received, and makes recommendations for award. The whole process is then audited thereafter by our internal audit team.

As part of our assessment, whether it be for lot allocation or loans to purchase and/or build, customers are required to submit salary slips, letter from employer confirming their salary/wages (if employer does not provide salary slips) and bank statements, so we can verify their salary per annum. With existing MOUs we have with FNPf and FRCS, we carry out due diligence background checks to confirm the documentation provided by customers regarding their salaries, are correct. These checks have proved to be effective in rooting out unscrupulous applicants who try to beat the system.

APPENDIX II

Supplementary Response by the Housing Authority

RESPONSE TO PARLIAMENTARY STANDING COMMITTEE ON SOCIAL AFFAIRS: SUPPLEMENTARY QUESTIONS

- 1. We note that the *Tavakubu, Davuilevu, Nepani, Veikoba, Tavua and Wainibuku* projects have been assigned to the IFC. Specify how the IFC will be involved in each of these projects and whether it has provided funding towards these projects. What activities were undertaken as part of the project civil works?**

The civil works for Nepani commenced in 2016 while civil works for Tavakubu, Davuilevu and Tavua commenced in late 2017 & early 2018. All the projects are nearing completion. In late 2018 IFC through the Ministry of Economy approached the Authority to arrange for Public Private Partnership (PPP) concept for house construction projects focusing on affordability to the low income earners. The IFC inspected the project sites and had access to the respective scheme plans subsequently pursuing feasibility study, developing financial model incorporating cross subsidy concept to subsidise the low income earners.

Discussions on the proposal for PPP is currently in progress (COVID-19 had delayed the process). The Authority funded the civil works for all the project sites while funding option for the house construction will be reviewed by the MOE, IFC and the Housing Authority.

Wainibuku civil works was completed in 2015. Around two (2) acres was allocated for strata title units. The EOI was advertised for concept drawings and tender for construction. The proposal and pricing proposal exceeded the affordability expectation hence the site was also assigned to IFC.

Veikoba was acquired in 2018 and the project progress is currently at preliminary stage. This project site was not assigned to IFC.

- 2. What is the arrangement between the Housing Authority and Public Rental Board in the development and sale of lots? Are the strata and duplex units of the Housing Authority only available for rent or can they can be purchased? What are the eligibility requirements for rental of units and their purchase?**

The Authority has a policy in-place to graduate PRB tenants to home ownership with first option to purchase lots from the new subdivision subject to eligibility.

The Authority develops fully serviced residential lots which was sold to the target market or those earning \$50,000.00 and below. The Public Rental Board manages the rental portfolio providing strata units and barrack type dwellings for rental to those earning below \$22,500.00 per annum with set of eligibility requirements.

3. Is the Village Housing Scheme still in place? What are the requirements to apply for financing of homes under this scheme? How many individuals were assisted under this scheme in 2016 & 2017?

Village Housing Scheme ('scheme') has been suspended due to accumulated default in repayment by the scheme over the years. The last loan for such scheme was provided in year 2012. As at 31 May 2022, there are a total of 21 schemes with loan value of \$2.54 million (arrears \$1.1 million: 43% of debt owed) while repayment from three schemes are consistent (loan value: \$0.83 million).

The Authority has reviewed the defaulting accounts and will be discussing with the i-Taukei Land Trust Board on the scheme and its impact as per the 2011 Equal Rent Distribution policy.

The requirement to provide loan for the scheme included: Deed of trust, consent of at least 60% of members of Land Owning Unit ('LOU') registered on Vola ni Kawa Bula ('VKB') and of 18 years of age or above and the approval of the Minister of i-Taukei Affairs Board. For the assessment of loan, last three years' statement on yearly rental income and that projected for the following 5 years for the LOU was required.

4. Is there an indication on when the merger of the Housing Authority and Public Rental Board will be finalized? What current gaps will this synergy address in the provision of affordable, quality and appropriate housing for Fijians?

Finalisation of the Merge will come through after Cabinet has placed a Bill in Parliament, amending the Housing Act. This will require consultation with Fiji Competition and Consumer Commission (FCCC) as the body tasked with providing oversight on merges in conjunction with Ministry of Housing.

Currently, there is a Memorandum of Understanding (MOU) between the Authority and PRB, where operationally, certain functions have been synergised such as legal, audit, and maintenance. As we progress, other synergies will be added onto the list until the legislated merger is finalised.

APPENDIX III

Verbatim Report on the Housing Authority Public Submission

The Committee resumed at 12.53 p.m.

Interviewee/Submittee: Housing Authority

In Attendance:

1. Mr. Ritesh Singh - Chief Executive Officer
 2. Mr. Poasa Verevakabau - General Manager Finance
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MR. CHAIRMAN.- Welcome to the second meeting for the day. We will now take evidence from the Housing Authority in relation to its operational and financial performance for the 2016-2017 financial years.

I remind everyone in this room that mobile phones are to be switched off. Witnesses are reminded that the evidence given to the Committee is protected by Parliamentary Privileges. It is important for the witnesses to be aware that giving false or misleading evidence to the Committee may constitute contempt of Parliament. If, at any stage, a witness wishes to give part of their evidence in camera, they should make that request to me, as Chairman, and the Committee will consider the request.

Today, we have with us the Chief Executive Officer (CEO) for Housing Authority, Mr. Ritesh Singh. Welcome, CEO, we have an hour with you. As is the practice, I will now let the honourable Members of the Committee to introduce themselves.

(Introduction of Committee Members)

MR. CHAIRMAN.-The normal procedure is that, we invite submittees to make an open statement and introduce themselves. I believe you have a presentation prepared so, please, go through that. Then we will hear your response to the Committee's queries which were sent earlier and then you can make yourself available for the questions from our honourable Members. Thank you.

MR. R. SINGH.- Thank you, Mr. Chairman. *Bula vinaka*. My name is Ritesh Singh, I am the CEO for Housing Authority. I have been on the role for the last four months and it has been a privilege to be on this role and to serve the community.

I have long background, the last three decades of working in Fiji and around Asia Pacific. Today with me, I have my colleague, who is the General Manager Finance and Admin, Mr. Poasa Verevakabau. He has been a long seasonal staff with Housing Authority and he will lead the presentation with me, and I will be then happy to take the questions and answers after that. Thank you, Mr. Chairman.

MR. P. VEREVAKABAU.- Thank you, Mr. Chairman and honourable Members. I will just quickly go through the presentation that we have prepared.

Just on the roles and objective of the Housing Authority, helping Fijians own affordable homes and that is reinforced by Government's vision along with the objective of the Authority. We are governed by the Act where we acquire land and we normally do that from other landowners like iTLTB, Methodist Church of Fiji and the Lands Department. We also subdivide and develop any land that is acquired or vested upon us. Further to that, we also provide mortgage financing to our customers in accordance with the Act.

In terms of the income threshold or the market segment that we serve, starting from the 1960s we have served those earning below \$7,000. From 1995, it increased to \$16,500 and from 2003 - \$50,000, and we are still maintaining that income threshold.

Further to that, under section 16 of the Housing Act, we shall not make a profit but enable workers and families to obtain accommodation and without the Authority actually incurring a loss.

Our business expectation – we expect to deliver about 500 to 1,000 lots and we always manage up to round about 500, and we are pursuing our plans and strategic direction to achieve and, at least, meet the demand that is out there in the market.

In terms of bigger developments, we have 70 percent to 80 percent of the lots subsidised while the other 20 percent to 30 percent is for high income earners and this structure will enable the low income earners to buy lots at Government subsidised cost.

In terms of the National Development Plan (NDP), we also contribute towards the planning by the Government and you have noticed, Mr. Chairman, that we have eight projects that were outlined in the NDP from 2017. Right now, we are about to complete four and one has commenced in late 2018 but due to COVID-19, there was a standstill. However, we are preparing to complete that project later this year. Those are the three projects that are still pending and we are still working on those projects.

We also observe the SDGs which is SDG 11 – Building Sustainable Cities and Communities. We try and align our strategies according to that, like putting away pressure from the main urban centres.

In terms of our business operation, we had three Branches but in late 2018 and 2019, we closed the Suva Branch Office just before COVID-19.

We also have our organisational structure. In 2017, we used to report to the Minister for Public Enterprises and also Minister for Housing and we have the hierarchy where we have the Board of Directors, CEO and the General Managers.

In terms of gender, in 2017, we had 31 percent females who were employed by the Authority and 2022, it increased to 42 percent.

In terms of the strategic direction, I believe that, that is outlined in the Annual Report where we have our Vision, Mission, with our Corporate Plans. In terms of the strategic direction, one of our purpose or goal is to address the housing broken market and breaking barriers that affect the supply and affordability.

The focus is to ensure that lot prices and loan packages are affordable and is easily accessible by those who are earning below \$50,000 and our concentration are for those earning between \$20,000 to \$30,000 per annum.

In terms of our social and commercial objective, we have our social objective which is affordability and cost of the land. We used to get Government subsidy, but instead of that, Government is providing grant directly to the customers which is also providing them in terms of equity, which is making lots affordable for them to purchase.

In terms of Cross Subsidy, this is in regards to big developments where we cross subsidise within the subdivision. We also review our lending rates annually, and we also look forward to Government assistance in terms of assisting customers who are facing financial difficulties during the term of serving their loan.

For other services, we also provide a free standard house plan with our minimum documentation fee in assisting our customers. We have also mentioned about commercial objectives, this is when we were reporting to the Ministry of Public Enterprises but from 2019, we no longer report to that Ministry, and that is the reason why we put a cross over that.

In terms of Key Performance Indicators (KPIs), while preparing our budget, we always prepare our KPIs and this is in reference to Question No. 16 where we have been asked to explain about our borrowing and our plans on borrowing. So, that is just to give an indication that we have a budget plan, we also have our KPIs which incorporates the borrowing plan for the financial year and the next three years.

That was just a brief overview of our operations. I will go on to the Questions.

Question No. 1: Who are the current Board members of the Housing Authority?

Under section 3(2) of the Housing Act, the Authority currently has six Board members and they are:

- | | | | |
|----|-------------------------|---|-------------------------------|
| 1. | Mr. Viliame Vodonaivalu | - | Chairman of the Board; |
| 2. | Mr. Saud Minam | - | Deputy Chairman of the Board; |
| 3. | Ms. Florence Takinana | - | Member; |
| 4. | Ms. Susan Naidu | - | Member; |
| 5. | Ms. Renee Duguivalu | - | Member; and |
| 6. | Mr. Anil Prasad | - | Member. |

Question No. 2: Page 6 of the Annual Report (Strategic Plan), we note the allocation of vacant space in Wainibuku and Nepani Subdivisions for construction of approximately 784 mixed strata units with one, two and three bedrooms. Provide an update on this and whether it has been completed. What is the estimated cost of this project?

The civil works in these two Subdivisions have been completed. Nepani has almost completed and there were plans for the Housing Authority to work on the construction of the strata units. There were some estimated costs of roundabout for Nepani 608 units - \$100 million and Wainibuku 176 units - \$33 million.

Looking at the cost and the price, one would analyse that it will be expensive if Housing Authority had continued. So, in that line, you would have noted that MOE with IFCS pitched in to assist in terms of affordability. So, the sites are available right now and they are currently in discussion with MOE and IFCS to pursue these projects.

It is not only focusing on these two Subdivisions, I believe in terms of affordability, there is also focus on economies of scale in order to bring the cost of construction down or other innovative technological aspects of construction that is focussed in providing affordable units for our low income earners.

Question No. 3: What progress has been made on the Tavakubu, Davuilevu, Nepani, Veikoba and Tavua projects and inform us of the details of these projects and their estimated cost?

We have provided the details of the estimated costs of the four projects, except for Veikoba which is currently nearing completion stage so what is left is compliance with the Fiji Roads Authority (FRA), Water Authority of Fiji (WAF) and Energy Fiji Limited (EFL). In terms of civil works, it is almost completed but we will need to work with FRA, WAF and EFL on the issuing of compliance certificates in terms of handing over the infrastructure.

We have also provided details of the lot yield for those Subdivisions. For Tavakubu Subdivision, in terms of the 425 lots, that includes a parcel of land that will be allocated for Public Rental Board (PRB) to build rental flats. For Davuilevu Subdivision, we have 573 lots which includes three parcels of land that will be allocated for strata unit building, and PRB has been allocated one lot for them to construct rental flats. For Nepani Subdivision, we have 181 lots and five parcels land lots which is around 10,000 square metres that is allocated for strata units. For the Tavua Subdivision, we have 113 lots and it is purely lots rather than provision of strata units and PRB flats due to the size of the subdivision. So in total, we have 1,292, lots including the lots that are allocated for PRB and the strata units.

In the last two lines states that we also provide the units of the strata units as discussed earlier which is roundabout 544 for Davuilevu, 608 for Nepani, including 174 units in Wainibuku, with a total of 1,326 units. But for PRB, the total units will be roundabout 237.

Question No. 4: Highlight the progress of the arrangement and collaboration between Housing Authority and FNPF in ensuring that strategies are developed to make housing more affordable to its customers.

In terms of development, Housing Authority initially had a discussion with the FNPF investment team way back in 2018 in terms of funding these projects. There were also options to venture into house construction project. We had sufficient funding at that time to run the project and there were plans to look at house construction.

While the Ministry of Economy also pitched in to assist with the house construction in terms of looking at the volume, not only looking at Davuilevu but including Tavakubu and Nepani, with this economy of scale for single units, the focus is on affordability. However, the Ministry will look at the four projects and looking at the economies of scale, in order to achieve that affordability that is required to assist our low income earners.

Just to add further on that, in terms of partnership, Mr. Chairman, we also have some arrangements with the Fiji Development Bank (FDB), such as creating a direct access entity to bring climate fund and there was joint meeting held with the consultant from the Global Green Growth Institute (GGGI) and the focus is to look at upgrading the existing housing residential lots to meet Category 5 cyclone.

From history, before the 1990s, house construction was completed without an Engineer's Certificate. From the late 1990s to early 2000, the requirement came in for every construction to provide Engineer's Certificate. Our focus is on those residential lots without Engineer's Certificate and also the deteriorating residential properties. There are discussions currently underway and funding will be provided through FDB.

Also in terms of partnership with the Reserve Bank of Fiji (RBF), RBF is assisting Housing Authority in terms of the RBF Housing Funding Scheme. They were providing a rate of 1 percent, which was reduced to 0.25 percent from 20 and 25 and the concessional interest rate is passed on to the customers. The total funds that is with us from RBF is round about \$56 million.

Question No. 5: We note that Housing Authority assisted 19 families and had their loans forgiven under the Social Housing Policy. Enlighten the Committee on the criteria developed by the Authority to ensure that genuine customers are assisted with funds from the Government Grant. Is the budget allocation provided for this grant the same for every financial year, or are there adjustments depending on the targets set by the Authority?

This grant, Mr. Chairman and honourable Members, is allocated to assist customers who are facing financial difficulties and we have outlined the conditions. Those who have been serving their loans may be after 10 years or 15 years, they are no longer working or are unfit to work or are physically or mentally disabled, those are the criteria that we look at, as outlined in our response. The criteria are as follows:

1. Customers who have retired and are over 55 years;
2. Customers who are medically proven unfit to work;
3. Customers who are physically or mentally disabled;
4. Customers who are unemployed; and
5. looking at the low income customers with single or combined household income below \$10,000.

There are also conditions attached to that, as follows:

1. Customers seeking this assistance should be occupying the property and property should be registered under their name.
2. The assistance does not apply to those who only have land and have not constructed a house.
3. We do not provide assistance to those who have sublet their property.
4. The Authority places a caveat on the property for a period of 10 years and can be withdrawn, subject to full repayment of the assistance as provided, if the customer wishes to dispose of the property within the 10-year caveat.
5. The caveat is withdrawn at the expiry of the 10-year period.
6. No further loans are granted to customers under the Scheme within the 10-year caveat period, unless the whole amount is repaid.

We have provided assistance that we have provided over the years from 2011 and so far, we have assisted 405 customers while in 2017, we assisted nine customers.

Question No. 6: In relation to the borrowings of the Housing Authority as provided on pages 12 & 13 of the Annual Report, provide an update on the progress of the repayment of these loans and how the Authority will see to it that loan repayments are made on time and at the same time, ensure that its service delivery is not impacted?

We presented a borrowing portfolio movement for the period 2017 to 2022. So in 2017, it was round about \$100 million. As of April 2022, it was \$112 million.

The borrowing, Mr. Chairman and honourable Members, we have a budget process that we go through annually, so we prepare our annual budget and the borrowing. We also have a borrowing

plan incorporated in this budget, which is based on the projects or the development that our Land and Housing Development Team will carry out within the next three or five years' term. It is a five-year development plan and we normally work out our borrowing in terms of the capital projects that we are going to carry out.

So we have a five-year Development Plan and we also have a three-year Financial Plan, so we calculate the borrowing forecast for those three years. Also we have the maturity profiling and we ensure that the loans or the bonds are paid out on time as it is due. The cash flow is monitored on a monthly basis and this is also presented and discussed with the Board, together with our monthly financial accounts.

We also have \$150 million Government guarantee approved by Government and will expire in 2024. We also present this schedule of our borrowing portfolio. We also attach the borrowing portfolio movement from 2011 and there is also a forecast in 2024 and 2025. Together with the borrowing portfolio, we also align the mortgage financing or the mortgage portfolio. We have draft details from 2011, which also include our forecast from 2024 to 2025.

Question No. 7: How does the Authority ensures that all citizens earning less than \$50,000 have access to affordable housing products, including financing? Does the Authority conduct proper profile checks to ensure that these initiative is not abused?

We have two streams of customers that we look at - those who are earning from \$30,000 to \$50,000 and those earning below \$30,000, because of the different interest rates that we offer to these groups of customers. So, we receive their payslips and we ensure that we go through the process. We also have an MOU with Fiji Revenue and Customs Service (FRCS) and FNPF to carryout due diligence checks and it has proved to be right. We have detected some customers where they have produced their payslip which is below but when we crosscheck it, it is above \$50,000.

In terms of the EOI in the allocation of lots, we have some stringent processes now in place and going forward where we have committees reviewing the EOIs received. We have two separate committees that will be assessing the applications that are received from customers to ensure that we are serving customers that we are supposed to serve and those customers who are earning below \$50,000, especially concentrating on those who are below \$30,000.

Mr. Chairman, those are the seven questions.

MR. CHAIRMAN.- Thank you, CEO – Mr. Ritesh Singh and also the General Manager Finance – Mr. Poasa Verevakabau for the presentation and also for the responses to questions that was sent. I will now allow honourable Members to ask questions.

HON. G. VEGNATHAN.- Thank you, Mr. Chairman, for allowing me to ask a question and it refers to Question No. 5 on the conditions and one of them states, "The assistance does not apply to customers who have wholly sublet their properties."

My idea was that, these lots are available for anyone who does not have a place to stay and they would like to build a home and stay there. Is there any condition with regards to that? Do you check whether that customer has a property prior to purchasing this or applying to get a property?

MR. P. VEREVAKABAU.- Mr. Chairman, yes, we do have a process where we check if customers are owning another property, so we have a title search done to ensure that they do not own

another property. We have done a few checks and it shows that they own a few other properties so we do not proceed further while assisting.

HON. S.V. RADRODRO.- Mr. Chairman, with regards to all the new sub-divisions that have been drawn up, do you have spaces allocated for recreational purposes, for example, parks or playing grounds, because that seems to be one of the challenges that housing communities have, the lack of recreational spaces?

MR. R. SINGH.- Mr. Chairman, it is certainly one of those requirements now under the EOI that we put aside 5 percent open spaces that caters for parks and open spaces and another 5 percent for civic and commercial blocks in all those communities. With all our intentions, we are also trying to create an integrated community where the community will be able to sustain itself or, kind of, get into the major commercial centres. Just as an example, we have just launched our Duavata Subdivision in Labasa with 106 blocks, we have two open spaces for parks which we have assigned to Labasa Town Council and they will be taking over those parks and a commercial block. Hopefully, we can have a supermarket or any other commercial entity coming in there to serve that community.

HON. A.T. NAGATA.- Mr. Chairman, just a follow up question to Question No. 2, for the Wainibuku and the Nepani Subdivisions, are you only targeting the low and middle income earners on this project?

MR. R. SINGH.- Mr. Chairman, yes, it is targeted for what we call, our Category B, C and D customer base. As our Finance Manager has alluded to, this is one project that we are working very closely with the Ministry of Economy and IFC to create a subdivision which possibly will go slightly out of what the tradition has been, which is basically a piece of block and building a house to coming up with projects for PRB and also introducing strata titles, which is going to make it more affordable for our community to own a property.

HON. RATU T. NAVURELEVU.- Mr. Chairman, the question is about your roles and objectives. I think the objective and role is to help Fijians own affordable homes, and the Authority is not to make profit. Can you enlighten the Committee on the cost of homes or blocks in each Subdivision? Are they recognised as affordable for the people?

MR. R. SINGH.- Mr. Chairman, that is certainly our objective in terms of making house affordable and the core part of our business is the middle income segment and the below middle income segment where we can create those affordable houses. Certainly, our challenge are the two main factors that are driving the cost of development, firstly, it is obviously our land acquisition. We make sure that our landowners are getting a fair deal in terms of the land they are providing to us. Secondly, the development cost which is certainly becoming a challenge these days in terms of the rising cost of development.

Together with that, you will also note that all developments that we are doing now, we are making sure that we are putting in the best of the utilities facilities. Just as an example, Mr. Chairman, is, we ensure we have the best, proper road conditions, we have two-metre footpaths on both sides of the road, all the utilities are provided underground, including optic fibre cables. So, trying to find the balance between the two is obviously our challenge and how do we make it affordable. So we do very closely work with all our utility providers to make sure that we are able to sustain that loss.

As General Manager Finance has alluded to, when we do those Subdivisions, we also try to have the upper category blocks that we call is Block A(s) which are the top-end blocks. So, those

blocks are sold at a premium price and they are able to subsidise for the low-end blocks which are Block C(s) and D(s), smaller sized blocks which fits into our core objective.

Again, I would like to reiterate that we are very thankful indeed for the Government grant that we are getting to our customers, the \$30,000, \$15,000 and \$10,000 respectively, and also to RBF for providing us very concessional interest rates on our borrowings. We provide the best lending facility in the market for those categories, \$30,000 and \$50,000, and also with very extended loan facility up to retirement age for repayments. All those contribute towards our customers owning their first home. Thank you, Mr. Chairman.

HON. G. VEGNATHAN.- Mr. Chairman, my question is with regards to Question No. 5. I can see the criteria for the Social Housing Policy that says that whoever is retired and is over 55 years of age and is unable to pay, you assist through the Government grant that is given. We know that we have people who are going to be facing difficulty, have you planned any insurance, sort of, with the Board so that people who hold these properties have a, sort of, insurance, if they fail on their part due to poor health or disability or whatever as mentioned in this criteria that the insurance can pay up for them?

MR. R. SINGH.- Thank you, honourable Member. Yes, we have a mortgage protection insurance which has a two-way cover. It covers for medical insurance also, should something happen to our customer during this period and requires any medical treatment and secondly, should some unforeseen circumstances happen and the customer loses life, that is also protected for. Again, the premium is charged on a monthly basis which is added to your principal repayment, so it helps the customer throughout the lending period. We are very grateful to that policy that we hold because it has helped a number of customers both, with medical and life insurance to repay their loans. Thank you, Mr. Chairman.

HON. S.V. RADRODRO.- Mr. Chairman, my question is on the affordability aspect and that is like your core role. In regards to PRB and Housing Authority, what kind of working arrangement do you have in place that would, sort of, bridge the requirements of those in PRB to be able to come up to something that is more nearer to Housing Authority requirements? Also, we note that there are quite a number of developments going on which is commendable but then, at the same time, we also have this big growth of informal squatting happening almost near Housing Authority blocks or communities that you are developing or have already developed. What can Housing Authority do to be able to work with Government to address this big number of population that are in this type of housing arrangement?

MR. R. SINGH.- Thank you, Mr. Chairman, and honourable Member. Regarding the first part of your question, I am just letting the Committee know that PRB and Housing Authority are now seated together in the same building and we are now awaiting Government's next move in merging these two entities officially, so we will then become one entity and working together. The merger is going to bring through a lot of synergies that will allow us to work together in addressing this big gap which you have highlighted.

First and foremost, coming together is creating a journey for our customers where they are able to become a tenant to owning a piece of block to build a house. This is like what the Government is working on with us now to involve strata titles which is affordable.

Currently, what we see is affordability for our customers to have that capital to borrow money, and to go into their first home is the biggest challenge. So, as a starting point, what we have done is that all the developments that Housing Authority will be doing, we have reserved 10 percent of those

lots for our PRB customers, as you have seen in our plan. So, there is a transition of you becoming a tenant to becoming an owner of your first dream home. That is the first thing that we are doing that will create the journey.

On the point on informal and squatter settlements, we are very much aware. All of us faced the same challenges here and I think we will be working more and more with the Government, with our partners, to see how we can continue to create a journey for our customers - building more PRB flats and then building more strata title flats which we have not done much in the past. We have got just a few strata titles but as we continue to take our people through this journey, we continue to create capital so that they can afford their next bigger and better properties. It is a journey, I would say, and we will need more partnership with the private sector to come up with more of the developments so it enables our people to own their first dream home.

HON. A. NAGATA.- Just a supplementary question to Question No. 7, you were referring to customers earning \$30,000 or less. For these customers, are you referring to one person's earning \$30,000 or less income or a combined household income?

MR. R. SINGH.- Mr. Chairman, it is a combined household income and the same will apply to the \$50,000. Thank you.

HON. RATU T. NAVURELEVU.- Mr. Chairman, I have two supplementary questions to Question No. 7, with regards to the expression of interest when lots are available. How do you advertise or consult so that they can show their interest? The second question refers to the tender board and the tender evaluation committee. Are committee members from the institution or are they nominated from other institutions?

MR. R. SINGH.- Thank you, Mr. Chairman and honourable Member. The first question on the expression of interest, this has been very contentious and we have really improved our process on this. The number one thing we do is, we advertise in our dailies and as an example, that we are coming up with 106 blocks in Labasa and these are the categories of blocks we are coming up with. All the customers that meet the criteria that we have set out is to apply by submitting all the necessary documentation.

We collect all those documentation, we go through a vetting process and as General Manager Finance has alluded to, we do further checks on those through FRCS and the Lands Department to ensure that no one person who already owns a home gets a second one, so we do those sanity checks to make sure that we have ticked all the boxes.

We are going one step further on this, Honourable Members. We definitely have a high demand and a no supply right now, so we may sometimes get in three or four times more number of people applying for those number of blocks.

To make it very transparent, we then go ahead and advertise in the dailies of the people that have qualified for those blocks and further to that, then for the selection process, we go into a barrel draw to make it very, very fair. So, once we have done all the checks and put all the names in the different barrels because we have Block A, B, C and Ds which is different affordability range and different loan criteria, then we pick up the names and we put it to the respective blocks to do the selection. So, making it absolutely transparent so that everyone gets to see what the processes we are using for our expression of interest.

For our tender committee, the tender committee, of course, is for all the large projects that we do that come through our suppliers. We have got a process in place, we have got a tender committee and we also have a Board member that comes and does the tender opening. Once all the tenders are opened, then we go through an evaluation process. All the tenders are evaluated and then before we even award the tender to the successful developer, we do our own due diligence on that particular supplier.

We also work very closely with the Construction Implementation Unit (CIU) Department to also get a peer review so that we have picked the right developer that is going to help us to do these Subdivisions.

MR. CHAIRMAN.- CEO, in regards to the units or flats, the question is it disability friendly? What are your plans for future developments?

MR. R. SINGH.- These units that we we speak about is in consultation with CIU and the Ministry of Economy. We will be working with the IFC also. We are yet to finalise these plans, but we will certainly take a lot of those into consideration.

We are not fully ready yet for running strata title business, Housing Authority needs to develop its infrastructure also. We will certainly look at all those and I am sure it is all very much part of the compliance.

HON. A.T. NAGATA.- Through you, Mr. Chairman, can you discuss in brief about the Lagilagi Housing Units.

MR. R. SINGH.- Housing Authority has nothing to do with Lagilagi Housing. We have not been involved at all with that.

HON. S.V. RADRODRO.- My question is on rural and village housing assistance. We note that this is all for urban centres but what kind of assistance does Housing Authority have in place or maybe planning to have in place to address these communities that are engaged in farming and they have a good source of income to be able to access financial assistance for them to build their houses in the village, bearing in mind it is communally-owned the land? They do not have individual titles which may meet your criteria. However, having said that, is there a way that they could be assisted, particularly when we have mentioned about having houses to be Category 5 proof, et cetera?

Also, post-COVID, a lot of indigenous *iTaukei* people are going back to their villages, particularly when they have lost their jobs. It is a sector that maybe could be assisted through Housing Authority, so what kind of arrangement is there in place?

MR. P. VEREVAKABAU.- Thank you, Mr. Chairman and honourable Member, for that question. We used to have a scheme in place or village scheme where we assist them as a group, but we always liaise directly with iTaukei Land Trust Board (iTLTB) in terms of their income stream.

That was in place but there was a challenge we faced where income was not coming in and it billed them with a lot of arrears, so that scheme was suspended. It is currently being reviewed, like you have correctly mentioned where we have to really look at the construction of houses where it should meet those cyclone criteria and most of our rural communities are vulnerable to cyclones affecting them.

A good example was one scheme in the Western Division so when one of the cyclones hit the Division, a number of houses that was constructed in that village was not affected and that was constructed through Housing Authority through this village scheme, but there are plans for the team to revisit that scheme.

MR. CHAIRMAN.- Honourable Members, any final question?

HON. G. VEGNATHAN.- Thank you, Mr. Chairman. There are cases where people would be able to acquire a lot and then they decide that perhaps, they do not need it now. What is the process, can they sell it off or what is the process they have to go through?

MR. R. SINGH.- Thank you, honourable Member. Yes, that is one of the criteria that we use, again, to really scrutinise all applicants and make sure that they genuinely would like to acquire land and build their first home. Once we have picked those criteria, we have seen and we have experienced that there are some who are selling it off for genuine reasons but there are few who are profiting from it by quickly selling it because these are subsidised blocks either by the Government or subsidised by Housing Authority.

We do recover our subsidies as part of their settlement process. At this point in time, we are also reviewing our processes. One of the good examples we have seen is that iTLTB has got a very good criteria set in place. Should the member sell the block without constructing dwellings on it, iTLTB charges 25 percent off the selling price and they also have got penalty clauses attached to it.

We are reviewing our processes because we do sell it at a subsidised price which we recover but I think if someone is profiting from it, then we need to cap a share of that profit back to Housing Authority which we can re-invest for the other subdivisions. So we are certainly looking at our process to tighten it up so that we do not come to those situations.

HON. S.V. RADRODRO.- Just another question on those sites that have been developed with blocks of land, for example, the one at Veikoba. What opportunity do people who are already on that piece of land have in regards to applying for a block in that area?

MR. R. SINGH.- Thank you, honourable Member. We do a survey of all the sitting tenants in those blocks. We do take into account their income level. We, first of all, try to accommodate them in that space that they occupy. So if the tenants are able to afford that particular piece of block, then we do assign those blocks to them,

Having experienced the cost of construction of roads and all other facilities that are earlier attached on, if their income level does not commensurate with the value of the piece of block that they are sitting on, then we try to fit them to the lower end which is the smaller block that you call Blocks C and D which are subsidised blocks to help them resettle on those blocks. Should they not be able to even fit in that criteria, then we also look at the options of assigning them a PRB flat, again, with the view to progressing things through the journey of owning their own lots.

It is certainly becoming a challenge for us wherever there are sitting tenants because quite a number of these sitting tenants are illegally sitting tenants in most of those subdivisions that we do work out. Thank you.

HON. RATU T. NAVURELEVU.- I welcome the idea of the institution to revisit the policy on village housing. I just want to propose an idea because most of the landowning units go into the scheme. If we can propose to iTLTB to change their policy because the problem was that, as you

have rightly said, there was no income coming but now they are being equally distributed, if they can change the policy agree collectively with the *mataqali*.

MR. R. SINGH.- Certainly a good feedback. We are working with iTLTB, I can assure you that. On the existing setting village schemes that we have, for your information, we have an exposure of about \$2 million right now. So we are working with iTLTB to recover that and I am sure that discussion will allow us to look at other sources of income that can help us to do more of the development. Thank you.

MR. CHAIRMAN.- Thank you, CEO. Honourable Members, that concludes our meeting with the Team from Housing Authority.

On behalf of the Committee, I thank the CEO - Mr Ritesh Singh and also the General Manager Finance – Mr. Poasa Verevakabau, for their appearance here and express our gratitude for the support rendered to the Committee in its scrutiny process. CEO, the Secretariat will be in contact with you if honourable Members have any further queries. Do you have any closing remarks to make?

MR. R. SINGH.- Thank you, Mr. Chairman, thank you honourable Members. I would like to thank you for your questions and contributions. I am sure we are getting passionate about our community in developing more affordable housing. We look forward to working with you, with the Government, as we continue in our journey of providing rental flats, strata flats and satisfying everyone's first dream homes. Thank you.

MR. CHAIRMAN.- Thank you, CEO. Honourable Members, we will now suspend proceedings and resume at 2.15 p.m. to take evidence from the Public Rental Board. *Vinaka*.

The Committee adjourned at 1.47 p.m.