



STANDING COMMITTEE ON SOCIAL AFFAIRS

Review of the:

Public Rental Board 2018 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 63 of 2022

August 2022

Published and printed by the Department of Legislature, Parliament House, Government Buildings, SUVA

TABLE OF CONTENTS

COMMITTEE MEMBERSHIP	3
CHAIRPERSON'S FOREWORD.....	4
RECOMMENDATION:	5
1.0 INTRODUCTION	5
1.1 Committee Procedure	5
2.0 ABOUT THE PUBLIC RENTAL BOARD.....	6
3.0 COMMITTEE'S OBSERVATIONS.....	6
4.0 COMMITTEE RECOMMENDATIONS	7
5.0 CONCLUSION.....	7
COMMITTEE MEMBERS' SIGNATURE	8
APPENDIX.....	9
Published written evidence.....	9

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 2018.

This review was undertaken 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 committee first met to deliberate in May of this year and formulated questions pertaining to the Annual Report, which were sent to the Public Rental Board for its response. Upon receipt of all relevant information on the committee's queries, the committee compiled its findings and subsequently endorsed its report in June.

For the Public Rental Board, the year in review mainly focused on planning and re-strategizing to deliver on Government's vision of providing affordable, quality and appropriate rental housing for all Fijians. As such, the Board focused its efforts on developments to deliver one of the most basic needs to low- and middle-income families.

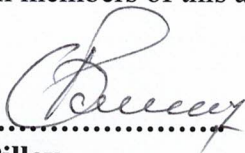
The Board recorded a total comprehensive income of \$764,772 in 2018 as compared to \$851,207 in 2017. The total operating revenue increased by 1.24% in 2018, similarly the total expenditure increased in 2018 by 4.17% as compared to 2017. The Board also implemented the Job Evaluation recommendation for its staff members undertaken by PWC in 2017.

The Board continued to promote and sustain Community Developments through estate meetings, community awareness and estate beautifications. These have enabled the estate communities to form youth groups, women groups and estate committees.

We note that the 2018 year also presented some challenges to PRB. Amongst others, the most notable were the rising maintenance costs of PRB flats and the difficulty faced in sourcing finance from the financial markets to fund planned capital projects.

At this juncture, I wish to thank the General Manager of the Public Rental Board, Mr. Timoci Naleba, and his staff for their timely assistance in this review process. I also extend my gratitude to my Committee colleagues namely: Hon. George Vagnathan (Deputy Chairperson), Hon. Alipate Nagata, Hon. Salote Radrodoro and Hon. Ratu Tevita Niumataiwalu who substituted for Hon. Dr. Ratu Atonio Lalabalavu, for their contributions during the committee's deliberations.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and request all members of this august House to take note of the Report.



.....
Hon. Viam Pillay
Chairperson

RECOMMENDATION:

The Standing Committee on Social Affairs has conducted the annual review of the Public Rental Board for 2018 and recommends that the House take note of its report.

1.0 INTRODUCTION

The 2018 Annual Report of the Public Rental Board was tabled in the May 2022 sitting of Parliament 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.*”

1.1 Committee Procedure

We first met in May to deliberate on and formulate questions pertaining to the Annual Report of PRB, which were sent to the entity for its response.

Upon receipt of all relevant information on the committee's queries, we compiled our findings on the Annual Report and subsequently endorsed it in the early part of June.

We received written response from the Public Rental Board for this annual review. It is available on the Parliament website, at the following link:

<http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

2.0 ABOUT THE PUBLIC RENTAL BOARD

The principal activities of the Board are to provide public rental housing to low income earners, estate services and building projects.

3.0 COMMITTEE'S OBSERVATIONS

- 3.1 The Annual Report of the PRB stated that the objective of the Board was to construct 1,000 flats per annum. We, however, note that this target has not been achieved due to funding constraints and unavailability of buildable land. The number of flats constructed in recent years is as follows:

<i>Year completed</i>	<i>Number of flats constructed</i>	<i>Project</i>
2017	48	Savusavu Housing Project
2018	36	Kalabu Housing Project
2021	36	Simla Housing Project

- 3.2 Major issues faced by the Board include tenants staying in PRB flats who already own properties; breach of rules in relation to the number of people allowed to stay in flats and accommodating illegal occupants; and a rise in criminal activities involving youth and children staying in PRB flats such as engaging in brawls, theft, drug possession etc.

As such, we are of the view that the re-profiling exercise of all tenants needs to be strengthened to ensure that only those meeting eligibility requirements are given rental properties. Timely and regular estate meetings should be conducted to remind tenants of their contractual obligations and necessary visits and inspections made to rental properties to ensure compliance to rules and regulations.

- 3.3 We also note that the auditor issued an unqualified audit opinion on the 2018 accounts of the Board on the following grounds:

1. The Board's Risk Management Policies were not implemented;
2. The financial statements included an amount of credit balances in receivables of \$465,295. The Board was in the process of reconciling tenant's accounts and refunding excess payments where applicable; and
3. The Board breached the Grant Agreement signed between the Board and the Ministry of Local Government, Housing and Environment dated 11 October 2017 by investing grant funds of \$2,000,000 in Term Deposits which was provided for capital projects. Ministerial approval was not obtained for this variation of the grant agreement.

Upon enquiring the Board on these issues, we were informed that the Risk Management Policy has been implemented in March 2020 and PRB maintains a risk register, which is

updated on a monthly basis. Secondly, the credit balances in receivables are due to four weeks advance rent as per the Board's flat allocation policy.

Regarding the third issue, we were informed that the Simla Project was on hold due to technical delays therefore, the Board thought it prudent to invest the funds to earn interest. The investment decision yielded enough return to meet project costs as well as variations. Subsequently, the Board submitted all relevant documents pertaining to this decision to the Ministry of Housing and Ministry of Economy.

4.0 COMMITTEE RECOMMENDATIONS

1. That the Public Rental Board strengthen its profiling and monitoring of customers to effectively enforce tenancy terms and conditions.
2. That the Public Rental Board work closely with Land Owning Units and relevant stakeholders to identify available land on which to construct rental properties.
3. That the Public Rental Board reinforce its partnership with the Housing Authority to acquire more lots for eligible tenants and for construction of strata units.
4. That the Public Rental Board continue to pursue partnerships with alternative funding agencies to finance its capital projects.
5. That the Public Rental Board strengthen its internal control measures to comply with necessary administrative and financial requirements in line with audit recommendations.
6. That the Public Rental Board consider partnering with relevant stakeholders in addressing social issues of unemployment and crime rates in certain PRB properties.

5.0 CONCLUSION

The committee has fulfilled its mandate to review the 2018 Annual Report of the Public Rental Board. As part of its review process, the committee received a written response from the Board.

In this review report, the committee has highlighted its findings on the Board's financial and operational performance for 2018. Recommendations have also been made for the Board to consider in the further improvement of its work.

COMMITTEE MEMBERS' SIGNATURE

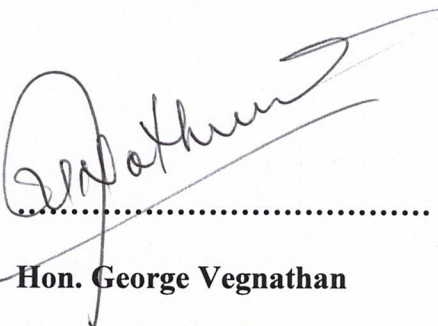
We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:



.....

Hon. Viam Pillay

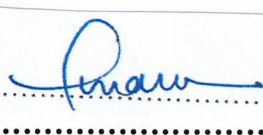
(Chairperson)



.....

Hon. George Vignathan

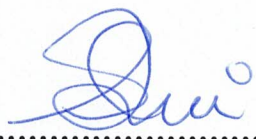
(Deputy Chairperson)



.....

Hon. Salote Radrodru

(Member)



.....

Hon. Alipate Nagata

(Member)



.....

Hon. Ratu Tevita Niumataivalu

(Alternate Member)

APPENDIX

Published written evidence

Written evidence was received from the Public Rental Board, which together with the transcript of the public hearing, can be viewed on the Parliament website at the following link:
<http://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>