# **APPENDICES**

# Appendix 1 Written response received from Public Rental Board (PRB)

#### Page 10

1. In 2020, public rental board, continued construction on its Low-Cost Housing Project at Simla, Lautoka, consisting of 36 rental units of one (1) bed room. What is the progress of this housing project?

Yes the project has been completed successfully commissioned by the PRB Deputy Board Chairman Mr. Saud Minam on March 2022 and is being occupied by 36 families.

2. Public Rental Board recorded an operating profit of \$1,533,853 for the year ending 31st July 2020. Can PRB elaborate on the revenue recorded with breakdown?

Please find attached, also included in Annual report page 29.

FOR THE YEAR ENDED 31 JULY 2020		SIVE INCOME	
TOR THE TEAR ENDED 31 JOET 2020			
	Notes	For the 12 months ended 31 July 2020	For the 7 months ended 31 July 2019 (Restated)
		\$	\$
Revenue			
Rental revenue		4,398,156	2,537,644
Other operating income	2	183,745	171,642
		4,581,901	2,709,286
Expenses			
Amortisation and depreciation expense		(956, 190)	(545,619
Amortisation of right-of-use assets	19	(12,518)	(7,174
Employee benefit expenses	3	(1,162,991)	(629,458
Other operating expenses	4	(1,284,783)	(759,275
Total operating expenses		(3,416,482)	(1,941,526
Profit from operations		1,165,419	767,760
Finance income/(cost)	5	368,434	(55,708
Net profit for the year/period		1,533,853	712,052
Write off Prior years WIP		-	(268,318
Total comprehensive income for the year/period		1,533,853	443,734

#### **Breakdown of Revenue:**

FO	R THE YEAR ENDED 31 JULY 2020		
		12 months ended 31 July 2020	7 months ended 31 July 2019
2.	Other operating income	\$	\$
	Amortisation of deferred revenue from government grants	16,404	9,569
	Taxi base income	19,170	12,760
	Community income	17,815	15,170
	Maintenance income	12,093	4,155
	Billboard income	39,950	23,943
	Market stall fees	695	135
	Gain on sale of property, plant and equipment	24,160	63,340
	Expected credit loss reversed	-	16,996
	Miscellaneous income	8,198	7,466
	Rental - others	45,260	18,108
		183,745	171,642

3. Can PRB enlighten the committee with evidence on how successful is the community development in Fiji through estate meetings, community awareness and estate landscaping?

Estate meetings, community awareness, media, etc are the major medium of communication that PRB uses to engage with tenants. Through these meets, PRB encourages healthy living, education, community cohesiveness, home ownership initiative and savings, etc. The results were:

- Decrease rental arrears.
- Decrease behavioural issues.
- Improved cleanliness at our estates during most part of the financial period.

However, the COVID-19 pandemic which movement restrictions started in February 2020 disturbed the continuity of these community engagements.

Lately, PRB appointed a full time Community Officer. His main duties is to ensure that our estate committees are active, ongoing literacy and life skills training for tenants, organising estate community meetings, other stakeholder engagement and many others. This has also resulted in more youth engagements with setting up of youth clubs with a number of youth's attending vocational schools and active participation in sports, etc. A lot of estate mothers clubs are now active and are pursuing different ways to upskill members. A number of financial literacy training courses have been conducted at the estates.

4. Can PRB enlighten the committee on the measures in place to encourage home ownership for tenants?

The problem – There is not enough affordable lot/homes available in the market.

Solution:

Policy Level – Review of the National First Home Initiative/Assistance Policy to include rent to own.

This will qualify most of PRB tenants to access government assistance to purchase homes as they rent. The house finally awarded after tenant pays off the house.

Strategic Level – Partnership with Institutions that provides funding for developing nations to fulfil SDG's.

The PRB is currently working to establish its relationship through strategic partnerships empowered through its strategic plans and objectives and align itself to green climate funds (to fund green field residential development concepts).

Micro Level – PRB currently conducts financial capability assessment for each tenants. This determines savings plans for tenants during their tenure with PRB and to purchase a housing lot/house from Housing Authority or other developers selling affordable properties.

5. Can PRB provide statistics on how many of its tenants have graduate to home ownership?

Please find homeownership data below for the last 3 years.

Division	2019	2020	2021	2022	Total
North	0	0	4	1	5
West	0	1	0	3	4
Central	10	13	5	5	33
Totals	10	14	9	9	42

#### Page 11

6. For the period under review, PRB stated that 152 application were on waitlist demand which will be reviewed, explain further on this statement?

PRB maintains an updated waitlist and which is reviewed very six months due to the availability of vacant flats.

PRB needs to continuously review its waitlist to ensure that applicants listed remain credible and genuine to rent a flat. Applicants' family rent need circumstances can change for example through migration or moved back to the village, etc.

7. Can PRB elaborate on the turnovers, what has transpired from the turnover of flats?

The turnover of flats has a target of 5 days from the date the keys are received to the date the flat can be reallocated. But these depends on whether the material needed for renovation is all readily available at the stores, after a joint exit inspection by PRB and the outgoing tenant. If the materials are unavailable, then it may take longer than 5 days for the vacant flat to be made ready for allocation as PRB must sought 3 quotations and to process procurement of the materials needed according to the PRB procurement policies. A special reading water bill needs to be applied and

generated by WAF during the vacated period and deducted from the rent bond deposit of the vacating tenant. These are the process for any turnover of flats.

8. Can PRB provide a list of all 21 estates around the country?

Divisions	Estates	Flats	Totals
North	Tuatua	24	
	Vunimoli	23	
	Naodamu	72	
	Savusavu	85	204
Central	Charles Street	94	
	Mead Road	168	
	Kia	81	
	Macfarlane	79	
	Raiwai Project	210	
	Nadera	142	
	Newtown	72	
	Kalabu	108	
	Makoi	1	
	Votua	58	
	Levuka	24	1037
Western	Simla	105	
	Natokowaqa	140	
	Natabua	54	
	Vakatora	61	
	Golf Link	24	
	Namaka	48	432
Total			1673

#### Page 13

9. The 2016 subsidy criteria had identified the income range and criteria. How effective is the monitoring of these tenants under the income range provided?

PRB conducts annual income survey for its tenants. From the income data collected, it is able to verify whether tenants continue to qualify to be assisted with rental subsidy or the assistance need to be terminated.

For any tenants earnings that is beyond the \$201-\$250 weekly gross income what happens to these tenants?

The tenant that earns beyond the income criteria of \$201-\$250 for subsidy qualification will pay the full economic rent for the flat which ranges between \$23 - \$50 weekly.

10. How effective is PRB in profiling the status of its tenants?

The 2019 pandemic which movement restriction were in place also affected the ongoing tenant profiling during the period. However, to date a number of tenants continue to refuse to submit income survey information annually. PRB vigorously pursue these tenants and is developing

innovative ways such as providing incentives for tenants that submit survey early. The last resort of eviction under grounds of non-submission will be pursued when tenants withhold income information over a prolonged period. This is covered under the Tenancy agreement.

#### Page 14

11. PRB has a three year tenancy agreement with the tenants, can there be explanation on the compliance, and does this exceed, what are the determinants of its extension?

PRB has a 6 year tenancy period only for all tenants and continues to advocate on the need for this policy. The 2019 COVID-19 pandemic also affected a good number of tenants employment during the period as they were either on reduce hours or made redundant. All those tenants that expired during this period were automatically renewed. Before an eviction, other factors such as employment and children's education, etc. needs to be considered. If a tenant does not voluntary vacate after 6 years, PRB will need to pursue a court order. Court eviction remains a lengthy and expensive process and arbitrary eviction can also contribute to the increase in informal settlements and homelessness.

12. PRB still yet to renew 733 Tenancy Agreement, what has transpired from this renewal?

The COVID-19 pandemic affected the continuity of these renewal exercise. A lot of tenants fell into rental arrears during the pandemic period, and they are still under repayment arrangement to date. Zero arrears is a prerequisite to any tenancy renewals. These slow repayment arrangements have affected these tenancy renewals.

#### Page 18

13. A job evaluation was conducted in 2022. What is the update of this evaluation?

Maxumise is currently engaged and undertaking the JEE as PRB now has its own Board of Directors. The commencement date is May 2023 with a proposed completion date of 31/07/2023.

FOR THE YEAR ENDED 31 JULY 2020			
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Total comprehensive income for the year/period	I	1,533,853	443,734

#### Page 23

14. Can PRB elaborate on the Emphasis of Matter? What steps did PRB undertake to ensure that the issue is addressed?

PRB has incorporated this matter in Financial Statement 2022 as below for \$50m.

NC	BLIC RENTAL BOARD OTES TO FINANCIAL STATEMENTS continued OR THE YEAR ENDED 31 JULY 2022		
	N THE TEAR ENDED 31 JULY 2022		
		31 July 2022	31 July 2021
6.	Property, plant and equipment	\$	\$
	Land and buildings		
	Cost:		
	At 1 August	43,555,024	43,564,632
	Additional/Deletion	121,185	(9,608)
	Revaluation of buildings	50,225,327	-

#### General Questions - Sustainable Development Goals

PRB is now undertaking for the first time a strategic planning exercise aligning to the SDG's which is further elaborated in number 17.

### 15. Can PRB enlighten the committee on its contribution to SDG 11 – Sustainable Cities and Communities?

Urban migration can create overcrowding and poverty in cities. Sustainable cities and communities concentrate on reducing poverty in cities. PRB is contributing to this goal by creating affordable housing units so that low-income earners can afford. This also contribute to reducing population in squatters.

The achievement and challenges?

#### Achievement:

Due to scarcity of buildable land, PRB has developed some balance of land within its existing estates namely Savusavu, Simla and Kalabu. A total of 120 flats were built within these three estates with buildings ranging from three to four storeys high.

#### Challenges:

- a. while building high rise is the current solution, it is also expensive with the rise in costs of materials and labour.
- b. The availability of buildable land within the urban areas is quite scarce.
- c. Access to funding for PRB to meet its maximum yield is the biggest challenge.

#### 16. The Housing Development project is it disable friendly?

Yes, we have dedicated all ground floor flats with disable friendly facilities (i.e. 12 flats) for the new Simla housing project and will continue for all future projects.

Elaborate with statistics on its project work for Housing Development?

Pubic Rental Board Master Development Plan - Revised April 2023																									
Proposed Projects	Land Area (Acres)	Development Cost	Total No of one & two bedroom units		2023				2024 -					202	6	2	026	-202	7		2027	7 -20	28	No of Lots/Units	Estimated Cost
				Q1	Q2	Q3	Qŧ	Q1	Q2	Q3	Qέ	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Qŧ		
Narere Barracks (Subdivide & Sale)	2.5	500,000	50 Lots						50															50	\$ 500,000.00
Lagilgi Project		3,000,000	36 flats two BR							36											I			36	\$ 3,000,000.00
Matavolivo li Apartments	2.5	\$ 20,000,000.00	40 two BR and 36 one BR														76							76	20,000,000
Naila Green Field	30	Yet to be determined	150 lots (2 BR)																150					150	Yet to be determined
Naimelimeli Green Field	10	Yet to be determined	Yet to be determined																		Г				
Korovou Green Field	10	Yet to be determined	Yet to be determined																			Г			
Raiwaqa Ex 4 storey	5	\$ 138,289,140.18	104 two bedroom 48 one BR																				198	198	\$138,289,140.18
Raiwaqa Ex-Sewer - Civil	5	Funded By IFC	Will Be determined by IFC																					Will Be determined by IFC	Funded By IPC
Yaqara Project	30	Yet to be determined	Yet to be determined																						
Davuilevu Housing	4	\$ 24,000,000.00	100 two BR and 100 BR																					200	\$ 24,000,000.00
Tavakubu Housing	1.8	\$ 15,840,000.00	54 two bedroom 72 one BR				L																	126	\$ 15,840,000.00
To	Total Number of Units Per Annum								50	36	$\overline{}$	$\neg$	$\neg$				76		150		$\vdash$	Т	198	200 , 636	\$201,629,140.18

17. Can PRB highlight its contribution (challenges and achievement) towards: -

#### a. SDG 1 - No Poverty;

PRB contributes by reducing poverty as the flat rent is affordable to low income earners this is made possible through the government subsidy grant.

#### b. SDG 5 - Gender Equality;

PRB have over the years evolved in terms of its operations and have had ensured to maintain gender equality in all its departments however this is challenge due to the nature of work especially in the Properties and Development department. Please refer to clause 11 on page 17.

#### c. SDG 6 - Clean Water and Sanitation;

All PRB estates are built in town and cities with established water system. For Votua estate, PRB supply's water to the 58 families meeting safety standards through a borehole system. There are also plans of implementing rain water harvesting systems its new and existing developments.

#### d. SDG 7 - Affordable and Clean Energy; and

All PRB estates are built in town and cities with established electrical system, however there are plans of implementing alternative power source in its new and existing developments through solar grid panels which is still under planning stage.

#### e. SDG 13 - Climate Action

Climate Action is about combating climate change and its impact. All PRB flats are built to cyclone standards. There are also halls built in most estates to assist with evacuation during any emergencies. We have also started implementing solar streetlights in some estates to reduce dependency on fossil fuel. New development sites are focused on keeping green which tries to preserve as much trees as possible.

# Appendix 2 Verbatim Report

## [VERBATIM REPORT]

## **ON THE**

## MEETING OF THE SELECT COMMITTEE ON SOCIAL AFFAIRS

### **ANNUAL REPORT**

**Public Rental Board 2020 Annual Report** 

**INSTITUTION:** Public Rental Board (PRB)

**VENUE:** Big Committee Room, Parliament Precincts,

Government Buildings, Suva.

**DATE:** Tuesday, 15<sup>th</sup> August, 2023

# VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD AT THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON TUESDAY, 15<sup>TH</sup> AUGUST, 2023 AT 9.10 A.M.

Interviewee/Submittee: Public Rental Board [PRB]

#### <u>In Attendance</u>:

1. Mr. Timoci Naleba - General Manager

2. Mr. Maloni Daurewa - Manager Properties, Rental and Customer Services

3. Ms. Vasemaca Drova - Manager Finance

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DEPUTY CHAIRPERSON.- Honourable Members, members of the media and the public, Secretariat, viewers, ladies and gentlemen; a very good morning to you all. It is my absolute pleasure to welcome everyone this morning, especially the viewers who are watching this session.

I am privileged to Chair this meeting of the Standing Committee on Social Affairs, which is being aired live on the Parliament Channel through the *Walesi* platform and livestreamed through Parliament's *Facebook* page.

At the outset, for information purpose, pursuant to Standing Order 111 of the Parliament of Republic of Fiji, all Committee meetings are to be open to the public. Therefore, this meeting is open to the public and the media, and will also be aired live, as I had mentioned earlier.

However, for any sensitive information regarding this meeting that cannot be disclosed in public, this can be provided to the Committee either in private or in writing but, please, do note that this will only be allowed for a few specific circumstances, namely:

- 1. National security matters;
- 2. Third party confidential information;
- 3. Personal or human resources matters; and
- 4. Meetings where the Committee deliberates on all issues before it develops its recommendations and reports.

I wish to remind honourable Members and our invited submittees that all comments and questions asked are to be addressed through the Deputy Chairperson. Also be mindful that only invited submittees will be allowed to ask questions or give comments to the Committee. This is a parliamentary meeting and all information gathered is covered for under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament.

Please, note that the Committee does not condone liable, slander or any allegations against any individual that is not present today to defend themselves. In terms of other protocols, please, be advised that whilst the meeting is in progress, movement within the room will be restricted. Therefore, there should be minimal use of mobile phones whereby answering of phones should be done outside this room, and all mobile phones are to be on silent mode.

With us this morning, honourable Members and members of the public, we have

representatives from the Public Rental Board (PRB), who have been requested to provide a submission on the Public Rental Board 2020 Annual Report. Thank you very much for joining us.

The Committee, in its deliberations, formulated questions and sought clarifications. The responses to the questions will be presented today by Officials from PRB. This process will assist the Committee in making its recommendations in its Committee Report that will be tabled in Parliament for its noting.

I now take this time to invite our guests to introduce themselves before we proceed with the submission. please, note that if there are any questions by members of the Committee, this will take place after the presentation. You have the floor, Sir.

[Introduction of PRB Officials]

DEPUTY CHAIRPERSON.- We will go straight into our presentation proper and I will give this time to the Officials from PRB for your presentation. I believe we have sent over some questions and I now give you this time.

MR. T. NALEBA.- We have been asked to answer few questions, so I will answer them as they are being presented to us.

#### **Question No. 1**

In 2020, PRB continued construction on its Low Cost Housing Project at Simla, Lautoka, consisting of 36 rental units of one-bedroom. What is the progress of this housing project?

Yes, we have completed that project in Simla, Lautoka.

#### **Question No. 2**

The PRB recorded an operating profit of \$1,533,853 for the year ending 31<sup>st</sup> July, 2020. Can PRB elaborate on the revenue recorded with breakdown?

We have presented particulars as highlighted in our responses. That is also reflected on page 29 of our Annual Report.

#### **Question No. 3**

Can PRB enlighten the Committee with evidence on how successful is the community development in Fiji through estate meetings, community awareness and estate landscaping?

In 2020, we experienced a lot of difficulties in terms of accessing our estates because of the pandemic. We also had a slight decrease of rental arrears and also there was a slight decrease in behavioural problems as normally happens in our estate. I am not really quite sure whether this is attributed to the community work that we do but during that year, there was also restrictions to movement as well, so that could probably contributed to that as well. However, those were some visible improvements, yet those are problems that we face everyday and it is ongoing.

#### **Question No. 4**

Can PRB enlighten the Committee on the measures in place to encourage home ownership for tenants?

Yes, that is currently the greatest challenge that PRB is facing. Although this Report was tabled for 2020, we still have that problem currently.

The word that is very common to you is 'affordable housing' and for them to transit, the property that they are supposed to be buying should be affordable. We cover the threshold of people having a combined income of \$30,000 and below. So, buying or purchasing a property is quite a challenge for them especially if they were to loan, they need security and with security they should have some sort of asset. They should own a property first so they can qualify but that is hardly something that our tenants have, so that is one major problem.

We would think that this problem is not impossible to solve, if there can be some other initiative. An example would be a Rent to Own Programme whereby tenants come to rent and then pay their payments, they could actually have the property at the end of a few years. That is still in discussion with the Ministry of Housing, so once that is approved, that could probably be one of the best ways to move forward with having people to transit or graduate to home ownership.

#### **Question No. 5**

Can PRB provide statistics on the number of its tenants who have graduated to home ownership?

It is really a challenge to say that we have been successful in this space. No, the average is five every year, some have nil. Again, this problem here has a solution to it, as I have already alluded to.

#### **Question No. 6**

For the period under review, PRB stated that 152 applications were on waitlist demand which will be reviewed. Explain further on this statement.

We have some waitlist applicants. People continue to apply and we review their application every six months and also annually, simply because we do not have flats - we do not have available space or stock. Although there are plans to build, but currently we do not have that much rental flats.

#### **Question No. 7**

Can PRB elaborate on the turnovers, what has transpired from the turnover of flats?

Whenever we have an empty flat, it is five days turnover. As soon as someone moves out, we have five days to have that flat available, simply because we have some maintenance to do before the next tenant comes in.

#### **Question No. 8**

#### Can PRB provide a list of all 21 estates around the country?

Yes, in the North, we have a total of 204 flats. In the Central Division, we have 1,037 flats and in the Western Division, we have 432 flats, a total of 1,673 flats.

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#### Question No. 7

The 2016 subsidy criteria had identified the income range and criteria. How effective is the monitoring of these tenants under the income range provided?

As I have alluded to earlier, we conduct surveys every six months and also annually. Sometimes we do it randomly, once we suspect that some of our tenants have earned more than what they had earlier declared.

For any tenant's earning that is beyond the \$201-\$250 weekly gross income, what happened to these tenants?

For tenants earnings beyond \$250 weekly, we normally ask them if they can qualify for other flats that have a threshold from \$25,000 to \$30,000. For example, if someone is living in Nadera, they are earning more than that, they will move to Raiwai. So we give them other flats, if they do not opt to move out of the market.

#### **Question No. 10**

How effective is PRB in profiling the status of its tenants?

We have a database for all our tenants that includes whether they have children in school and children in tertiary education. We collate all these details and also we work in partnership with FNPF and Fiji Revenue and Customs Service. We normally partner with them in order to access income reports for our tenants. In that regard, we have signed an MOU with them.

#### **Question No. 11**

The PRB has a three-year Tenancy Agreement with the tenants. Can there be an explanation on the compliance and does this exceed? What are the determinants of its extension?

Normally, we give them six years as full term but this six years is broken up into two - three years each, simply because after the first three years, we want to assess whether they have earned enough to move out or to move to other flats. We have some difficulties in establishing whether they are capable enough to move, although we have partnership with FNPF and other organisations that we can access statements from in terms of their salary but we still could not establish the accurate information of our tenants and sometimes they do not allow us to access them. We hope that through other programmes, we should be able to have that maximum of six years.

If we do simple arithmetic on this duration of time of tenancy, if someone is earning \$30,000 and below, if they are renting with us and Government subsidy is about 5 percent or 10 percent, at least, they should be saving about \$2,000 in the first three years. It is something that they have said, although with \$2,000 it might not be enough to start them off. So, we are actually trying to work back to see if there are other things that we can add value to that, although we have those three years because the movement is stagnant right now. Many people have been living in our flats for more than 10 years or 20 years, and some have been there since it was built 50 years ago.

Yes, this is what we have provided our tenants but at the same time, we want to come with something more empowering for them so that they are able to step out themselves and not be policed

by the Tenancy Agreement. We want them to actually have the initiative to be able to step up.

#### **Question No. 12**

The PRB is still yet to renew 733 Tenancy Agreement, what has transpired from this renewal?

Yes, this was difficult for us to do because of the pandemic but yes, this has been rolled out and we have managed this.

#### **Question No. 13**

A job evaluation was conducted in 2017, what is the update of this evaluation?

We have just completed the Job Evaluation Exercise (JEE) that was done by Maxumise.

#### **Question No. 14**

Can PRB elaborate on the Emphasis of Matter? What steps did PRB undertake to ensure that the issue is addressed?

This is to do with our \$50 million evaluation of our properties. We have included that in our 2022 Annual Report.

#### **Question No. 15**

Can PRB enlighten the Committee on its contribution to SDG 11 – Sustainable Cities and Communities?

We are doing this in partnership with other Ministries. We have buildings in urban areas, the most recent one was Simla, classified as an urban area. It is not totally a green initiative but we hope that with that project, we should be able to, at least, contribute to the growth of Lautoka City sustainably. We have followed all the procedures that was supposed to be followed before and after the building was built.

#### The achievement and challenges?

We have provided answers here but to add to that, we need quite a lot of funding to be able to build. The cost of building nowadays is huge. So, realistically in the market right now, you cannot buy a one-bedroom or two-bedroom house with less than \$230,000, unless that house is really run down, then they will sell it to you for more or less than \$100,000, because the value of the land itself is more than \$100,000 in urban areas.

Yes, we need the funding. We have been provided funding by the Government and we are grateful for that. We are earning revenue but we rent below market value, so we have enough to sustain the company and do our services, but this is a challenge that we are facing - to build new buildings.

To build new buildings, we need to build the current buildings that we have so that they can come up with more revenue. If the Government is able to give us that allowance, then it is good, otherwise we will keep knocking and also ask our partners, those who can contribute, to look after the segment of the society that we look after.

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#### **Question No. 16**

#### The Housing Development project, is it disabled-friendly?

For all our high-rise flats, we allocate the bottom flats for our disabled tenants, and we also ensure access to wheelchairs. Most of our car parking is very close to the door of that particular flat, to provide easier access to our tenants.

The last set of questions was on the SDG goals.

#### **Question No. 17**

Can PRB highlight its contribution (challenges and achievements) towards:

- (a) SDG 1 No Poverty;
- (b) SDG 5 Gender Equality;
- (c) SDG 6 Clean Water and Sanitation;
- (d) SDG 7 Affordable and Clean Energy; and
- (e) SDG 13 Climate Action?
- (a) We are trying to address poverty with the Government. As I have said, the rent is much lower than the market value and then we have the subsidy by the Government. For example, someone in Nadera would be paying \$15 for a flat, and some would be paying \$25, whereas the market value for that is about \$50 a week, so the gap is paid by the Government but \$50 is lower than the market valuation. For New Town, for a two-bedroom, at the market would be \$400 a month but for our tenants, they are paying \$250 a month. Yes, we are contributing to alleviate that so that tenants could get more exposable income.
- (b) With the flats that we have, we have taken out some data. We have 3,745 male tenants. It is the population that are in our flats. We have 3,140 female and 3,940 children. We have a balance of how we get our tenants to ensure, but most of our tenants are single mothers.
  - With our staffing, we face a challenge here we have only 17 female and 35 male. We are trying to balance that as well, but it is very difficult nowadays, even our female technical people are leaving and going offshore.
- (c) We currently engage with the Water Authority of Fiji (WAF) but with some of our estates, especially Vatoa, we utilise the borehole, which is also safe as well.
- (d) Again, we are thinking of going along this path as well with our new buildings. We are proposing to utilise solar energy, but that is yet to be done, especially with most of our high-rise buildings, we can convert those roof and just putting the solar. Just yesterday, we were talking with Energy Fiji Limited's Acting CEO.
- (e) This is something that is the big part of our new planning, especially with all our new developments, to ensure that we address this and we are compliant with the green energy initiative that the Government is spearheading, especially with the design of our buildings. Not only that, but to create enough space for recycling of our waste. This is what the honourable Minister for Housing has also emphasised with our new developments.

I think, Mr. Chairman, that is, very briefly, how we have answered the questions.

DEPUTY CHAIRPERSON.- Honourable Members, I believe the floor is now open for supplementary questions to answers that have been given by Mr. Naleba and his Team.

If I may start off, given that this is the 2020 Annual Report and is very old because we are in 2023 now, and with the new Government coming in, what are the plans in place for the PRB in next few years because there is a new leadership? What is PRB's doing going forward for the next few years?

MR. T. NALEBA.- I am excited to hear that question because the answer would require the support of the Government. According to the deman, we would like to build, at least, 1,000 homes a year. In 2017 alone, the number of squatters from Lami to Nausori is 29,000. If you translate that household and divide it by 4.5, it comes to almost 6,000 homes and to be alleviated, build 1,000 homes a year. That is for this corridor alone and not the whole of Fiji.

MR. CHAIRMAN.- It is quite a big challenge for you and your Team.

I have a follow up question. From your answers, there is a Master Development Plan revised in April 2023. Can you just take us through what we are looking at here, because there is something funded by IFC, who is IFC?

MR. T. NALEBA.- I will ask our Property Manager to answer that.

MR. M. DAUREWA.- Mr. Chairman, this is our Master Development Plan that we have outlaid till 2028. For the listed projects, some we have managed to acquire, for example, the Narere Barracks. This was successfully transferred to the PRB late last year. There are plans. If you look at column number 4, there is a total number of units that we can get out from these particular developments.

In terms of development costs, this was something that we have derived from current construction costs in the market, and those are the projects that we have put forward as part of this submission.

In terms of funding, we continue to seek for funding through Government grant, and that is what we have been given from prior years. I think the challenge now for us is to acquire enough funding to meet the demand. That is the reason why we have articulated the costs and IFC, as we all know, is International Funding Corporation, they are actively involved in trying to mitigate this issue with the lack of affordable housing and not only in Fiji, but I believe all around the world.

Deputy Chairperson, Sir, I would also like to bring to your attention some of the green field initiatives that PRB is embarking upon, as we speak, and this is the development that we want to take to the rural areas. Since most of our housing estates are within the urban areas, we have noted that due to the lack of buildable land within these urban areas, we will try and decentralize our services to the rural community where we will be having these semi-developed lots and also try and integrate with rent to own and also rental models for those who will be housed within these developments.

Basically, Deputy Chairperson, Sir, that is what we have laid out for the Committee's information on the projected developments that we have outlaid till 2028.

DEPUTY CHAIRPERSON.- Just one last question from me, is there a reason for the different colour coding?

- MR. T. NALEBA.- My apologies, Deputy Chairperson, yes, in terms of the colour coding, green is when we intend to implement; with yellow and the others, those are all the preparatory/preliminary stages that we will be putting forward; and black is the actual civil works involved to prepare a subdivision.
- HON. V. PILLAY.- Deputy Chairperson, firstly, I would like to thank the General Manager, Mr. Timoci Naleba, for their presentation. My question is in regards to your earlier presentation when we last met, where you did mention Public Private Partnership (PPP). If you can provide some information on that, how successful it is and its status at the moment?
- MR. T. NALEBA.- Through your, Deputy Chairperson, we have been in discussion with a few companies on PPP, honourable Pillay. However, with those discussions and the amount that we have on the table requires us that we also must have the Government supporting that.

We have been in discussion with the Board and a few consultants to prepare a paper for the Minister to take through to Cabinet to be able to provide that Government guarantees some of those monies. So, yes, we are still awaiting the consultants full report on how physical that would be for PRB to take on board those partnerships with the value that we have wanted. If not, then we would not be able to do that after say, another two years. We have some internal funds that we can use right now but, at the same time, we will see what the outcomes would be from the consultants.

HON. V. PILLAY.- As we are aware, the demand is very high. As far as rental flats are concerned with 152 families in the waiting list, you definitely need to pursue with the PPP. The Government will continue to provide the funding but that is another aspect where you can look into.

I have another question. In 2020, the PRB's Head Office shifted to Housing Authority building at Valelevu, in line with the proposed operational merger of the two entities, ensuring to improve their service delivery. Can you provide some information on how effective and efficient or is there any improvement as far as service delivery is concerned to our tenants through this merger and shifting of the office to Valelevu?

MR. T. NALEBA.- Deputy Chairperson, Sir, I joined PRB last year and there were a lot of discussions with how we can improve our services once we are under one roof. It was in the planning stages only.

Although we had started with merging some of our policies together and sharing and trying to get our back-office operations merged, that really did not come through but for your information, we are now back in our Raiwaqa Office.

For service delivery, we see the turnover when we came back to Raiwaqa. Our customers were quite happy about it because of the access to our services so in terms of that, yes, we saw some improvements from our customers having to have easy access to our office in terms of payments and in terms of having their needs addressed immediately.

That is what I have observed when we were at Housing Authority and also that we are now in Raiwaqa. However, that does not, in any way, took away the partnership that we had already. Yes, we now are sharing information and the sharing of information is continuous.

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- HON. K.K. LAL.- Deputy Chairperson, Sir, and honourable Members, I have so many questions for the PRB Team, but I will ask a few. I understand you had stated that most tenants are single mothers. With respect to the new Government and new leaders in place, given that a significant portion of the tenants are single mothers, what target support programmes or resources does the PRB offer to assist them in managing their household expenses while raising their families?
- MR. T. NALEBA.- Deputy Chairperson and honourable Members, yes, that is another question that really expanded our duty because as mandated by the Government, we are to provide homes. My understanding was that we build the house, they occupy the house, they pay the rent and we maintain the facility. The common part of it is that we have to expand ourselves in there. Yes, it is a huge responsibility and, yes, we will try and manage these things. Sir, PRB is really expanding itself in trying to manage that.
- HON. K.K. LAL.- I think my question was, what target support programmes do you have in place? Do you have anything in place at the moment?
- MR. T. NALEBA.- Currently, all we are doing is inviting organisations to conduct training for them, especially if they are not working, in terms of financial literacy. Just recently, we had the Ministry of Trade coming in to conduct programmes for them.
  - HON. K.K. LAL.- Even Ministry of Women as well, are they involved with you?
- MR. T. NALEBA.- Yes, I think last month, we had the honourable Minister visiting us at Mead Road and they are really supporting us with whatever ways they could.
- HON. K.K. LAL.- With regards to youth, how has PRB incorporated youth empowerment initiatives into its housing programme? Are there specific measures aimed at assisting young people in accessing affordable housing?
- MR. T. NALEBA.- Yes, firstly, in sports. We are now working with the Ministry of Youth and Sports to get their programme over to our estates because we can organise them better there.

Secondly, in terms of employment, we are working with the Ministry of Employment, especially with the programmes that they have right now for overseas work. So, we have them and we have also encouraged other organisations that come in to recruit but they have to show us evidence that they have followed the proper process through Government.

- MR. K.K. LAL.- Deputy Chairperson, with the recent increase in VAT from 9 percent to 15 percent, what has been the observed impact on the affordability of rental units within the PRB portfolio?
- MR. T. NALEBA.- We have noticed that our tenants continue to pay simply because they have those subsidies by Government to top-up any gaps that are there. So, we are working on having to, again, discuss this with our Minister and the Board so that we can always make sure that they pay their rent in terms of having Government subsidy to cover any increase in terms of hardship. Not in rent, we do not increase rent.
  - HON. K.K. LAL.- So, this subsidy was provided previously as well?
  - MR. T. NALEBA.- Yes, every year.

HON. K.K. LAL.- It has continued to this year again. But that subsidy was with respect to VAT being at 9 percent because when there is a VAT increase, there is an increase in cost of goods and services at the same time. So, that subsidy would have been with respect to 9 percent VAT at that particular time. So, is there a review coming up for that subsidy by Government?

MR. T. NALEBA.- Yes, not by Government, but through the Board where we have to do our survey first to see the movement in the market as well, especially with the salaries of our staff.

HON. K.K. LAL.- Right.

- MR. T. NALEBA.- You know, we need to do that as well their salary increase, plus our subsidy because subsidy is always given through the salary levels. That is the criteria but, yes, I take your point that if we have to review the subsidy criteria because of the increase in VAT, yes, we will definitely do that.
- HON. K.K. LAL.- My final question with respect to the response given on the questions that were sent to them, your response to Question No.9 was that PRB conducts annual income survey for its tenants. How is this income survey conducted, is it online, digital, manual or you go door to door campaign or something like that?
  - MR. T. NALEBA.- Honourable Lal, I will ask Mr. Maloni Daurewa to answer that question.
- MR. M. DAUREWA.- Deputy Chairperson, through you, honourable Lal, we conduct door to door surveys. So, within that survey, we also take note of the household inventory of each flat. They submit to us certain documents in order for us to asses each individual household's financial capacity. Based on those information, we then allocate the subsidy based on those information that we gather.

Just lately, we are trying to also introduce online surveys because we are moving towards digitalisation now and also for the ease of our tenants where they just upload and fill online forms. So, yes, at the moment, we are doing manual door to door visitations just because of the inventory that we want to verify those information.

- HON. K.K. LAL.- You have stated that you do a house inspection as well with items inside the house or rooms?
  - MR. M. DAUREWA.- Deputy Chairperson, through you, yes, we do.
  - HON. K.K. LAL.- So, you go in every room or just a normal evaluation of their surroundings.
- MR. M. DAUREWA.- We normally hold discussions in the living room. It is a dialogue that we have with the tenants and they are forthcoming with that information. We verify as and when the interviews are conducted.
  - HON. K.K. LAL.- Alright, that is really helpful. So, far I have no further questions.
- HON. V. PILLAY.- Through you, Deputy Chairperson, Mr. Naleba, you have stated that the PRB Headquarters is in Raiwaqa. You are operating from Raiwaqa?
  - MR. T. NALEBA.- Yes, currently.

HON. V. PILLAY.- But there is information here from your Chairpersons Report on Page 9, it says that in August 2020, the Head Office of the PRB shifted to the Housing Authority Building in Valelevu. So, you are back to Raiwaqa now.

MR. T. NALEBA.- Yes, back to Raiwaga now.

DEPUTY CHAIRPERSON.- When did you move back to Raiwaqa, Mr. Naleba, this year or last year?

MR. T. NALEBA.- This year.

HON. V. PILLAY.- What was the reason for that? You shifted to Valelevu and then back to Raiwaqa. According to your Chairperson, he said that the shift to Raiwaqa was in line with the proposal of traditional measure and also to see that there is an effective and efficient service delivery. So, in 2020, you shifted to Valelevu and back to Raiwaqa. What was the reason for that?

MR. T. NALEBA.- At the first stage, there is a property in Raiwaqa that belongs to PRB. Firstly, PRB does not have any rental payment if they have to move back. Secondly, it is very close to its tenants in Raiwaqa. So, the services to the tenants are more closer to their homes when they are in Raiwaqa compared to Valelevu.

At the same time in terms of efficiency and having to collaborate with Housing Authority, most of our collaboration now is through digital platform and the fact that we were there, actually sharing information to move back to Raiwaqa does not take away that platform, so it is still effective. I think the most important one is to have the office just to its customers. Most of our customers are in the Raiwaqa, Raiwai and Mead Road areas.

Even when we moved back there, the feedback was good from our customers. They said it was more accessible and easy for them to come by just as and when they required to come by. So, I think those are some of the reasons why.

DEPUTY CHAIRPERSON.- I just have a follow-up question from honourable Lal, how often do you do your survey, quarterly or annually?

MR. M. DAUREWA.- We do it every six months, Sir.

HON. V. PILLAY.- Through you, Deputy Chairperson, from my observation from the presentation by the General Manager for PRB, graduation to home ownership is very low, as he had said, it is five per year. Can you advise or inform the Committee as to what all that needs to be done because you have 152 families on the waiting list?

They are looking for flats, affordable homes. You have also mentioned there is a lot of issues as far as the cost of building and still you are negotiating through public and private partnership. We are looking forward for the Government funding that needs to come in.

You also mentioned there, "looking forward to make thousand flats per year" and here, we have very less graduation to home ownership. How can we increase this number? What work needs to be done may be in collaboration with Housing Authority so that more flats are available to assist those in the waiting list and more of our people graduate to home ownership?

MR. T. NALEBA.- Honourable Member, firstly, the thousand homes we are anticipating, we are hoping to have that but as I have already alluded to, some of the initiatives, like rental homes, that particular initiative would really have a greater impact on people moving to home ownership simply because when you rent, you pay your rent and over the years, you have to own the property that you are renting in because most of what we have seen and told our customers, "See, you have at least paid us more than \$16,000. Imagine if you have been paying for your own house."

As I have said, the Ministry is considering that to be included in our First Home Policy Review which was done previously, to include that in the policy and having PRB to manage it so that they too can qualify for the Government Grant of \$30,000. If that comes into play, you will see this number improve dramatically.

HON. K.K. LAL.- Deputy Chairperson, thank you for the response to the honourable Member, Mr. Naleba. My next question would be based on your response to Question No. 11. The response states, if a tenant does not voluntary vacate after six years, PRB will pursue the court order.

Court eviction remains a lengthy and expensive process and arbitrary eviction can also contribute to the increase in informal settlements and homelessness. Was this the case with the recent media issue that came up?

MR. T. NALEBA.- The recent case that we have now is Mead Road. The Mead Road case is different. It is about structural deficiency, meaning that that particular Block 5 is structurally unstable. It is unsafe so that is why they were asked to vacate simply because of safety issues, not because of any other reason.

For the information of the Committee, through you, Mr. Chairman, they have been given other flats. They have been transferred to other flats and some have opted to move to the village and we are preparing some packages for them to assist them move to their villages.

- HON. K.K. LAL.- Deputy Chairperson, a follow up question on that, you mean to say that it is not structurally safe so the whole building is unsafe. What was the engineer's report about, was it a foundation problem or the building is OHS hazard? What was the explanation from the engineers or authorities?
- MR. T. NALEBA.- Deputy Chairperson and honourable Members, I will answer the first half of the question which is the conceptual part of it and our Property Manager will elaborate on the technical part.

Once the engineer writes in the report that it is unsafe, it is our duty to inform the tenant and also to ask the tenant to vacate the building because it is structurally unsafe. There are other tests that will be conducted but those tests cannot be conducted if the building is inhabited. It has to be cleared, then the test can be conducted because it is going to be moving the building, so those tests are yet to be conducted.

- HON. K.K. LAL.- The engineers have already said that it is unsafe but tests are not done yet?
- MR. T. NALEBA.- That is correct, because those assessments was done by just having to view the cracks in the building which are quite substantive enough for them to state it is unsafe.
  - HON. K.K. LAL.- So the cracks were the reason that the engineers concluded it is unsafe?

MR. T. NALEBA.- Yes, the cracks and the actual freckles on the rebars. The rebars are the ones that hold the cement together. The cracks will appear once the rebar is no longer strong so once that happens, it is waiting for disaster to happen.

- HON. K.K. LAL.- Once these particular tenants vacate or they have gone to their villages or you have relocated them to their homes, once this flat or this building is again safe for tenants to move in, will you allow the same tenants to come back in? Will they be given the first chance?
- MR. T. NALEBA.- Yes, normally tenants are given the first right of refusal. At the same time, we would like to ensure that we add value to the current buildings that are there and also not to blend in the type of community that the Local Government is planning to have. But yes, and still make it affordable if that is possible, otherwise we will increase our stock elsewhere and have them the first stint of preference to take it.
- MR. M. DAUREWA.- Mr. Chairman, in terms of what was alluded to earlier by Mr. Naleba, yes, the building has been declared unsafe for human habitation. That is the reason why we are no longer taking any risks in terms of removing these families and relocating them elsewhere within PRB estates. We have managed to relocate more than half the number because there are 24 families that we have in this building, so there is more than half that we have managed, and we are targeting towards the end of this month to completely vacate the building.

In terms of the tests that will be conducted by the engineer, that is still unclear at the moment in terms of the type of machinery or the tools that will be required. But the Board is not wanting to take any risks nor any liability in terms of tenants getting hurt in the process which is why we have met, together with our line Minister, with the tenants, and we have assured them of the relocation to other estates.

We have also looked at some of our community halls where we intend to convert temporarily if there are no longer any flats available. That is where we will hold them temporarily until a flat is made vacant.

I believe some of the tenants have voluntarily moved in terms of moving into other estates, for example, Raiwai because at the same time, we have undertaken the household income survey so we have that data with us. Few tenants have graduated to Raiwai, meaning they have moved to the next phase prior to moving out of PRB, so we see that as a transition within PRB. There were around three or four tenants from Mead Road who have now successfully moved to Raiwai.

HON. K.K. LAL.- Mr. Chairman, while this movement is happening, have you identified whether they have school children. I am sure there must be school children and since they are in the Mead Road structure, they would be going to the nearest school, which is just opposite the road, if I am correct.

Once they are moved to another school, have you spoken to the Ministry of Education with respect to their re-enrollment? I am sure they will be facing difficulties with regards to bus fare. Are they given support of any kind?

I am sure there must be secondary school students as well because down the road, you have Suva Muslim College. Has that been discussed by your authorities, your Minister and the Minister for Education with regards to the education of those children?

MR. T. NALEBA.- Mr. Chairman, that discussion did not happen because if they moved within five kilometres from where they were (at Mead Road), that was not necessary for now. Yes, definitely, that discussion will come into play if we have to move them right to Namelimeli or up to Nausori.

MR. CHAIRMAN.- Mr. Naleba, I just have one final question. The reputation of PRB has been really tarnished by criminal activities that have been going on throughout your flats throughout the years and it has been an issue. It has even become a national issue and PRB flats have been seen as haven for criminals conducting their activities.

Given that PRB is the landlord, what are some mechanisms in place for such criminals who have misled PRB to come and stay at a house but conduct criminal activities which has been a concern? Are there mechanisms in place? What other steps does PRB, as landlord, take when such criminal activities are happening at PRB flats?

MR. T. NALEBA.- Deputy Chairperson, preventatively, we normally do counselling, we get other organisation to speak on drugs. Also, we go to other Ministries for support in terms of social services, mostly training of young parents and youth through the Ministry of Youth and Sports. These are preventative activities but, at the same time, yes, we do have in place zero tolerance on any criminal or violent activity. Once they are identified to have been engaged, they are asked to vacate or given notice to vacate, and we alert the authorities about that.

DEPUTY CHAIRMAN.- Since there are no other questions, thank you very much honourable Members. Are there any final remarks from the General Manager and Team from PRB?

MR. T. NALEBA.- Deputy Chairperson, thank you very much for this time. We hope that we have given the Committee enough information. Before I came in, I was asking myself "after this Committee, then what would happen?"

I know I have my line Ministry that is fully supportive of our initiative with this housing challenge and is a national issue that we need to look at it together. The issue about Mead Road, having 24 families to relocate is a huge responsibility for PRB to handle alone. Right now, we are working with the Permanent Secretary for Housing to come up with a relocation policy that will encourage all Ministries to be involved whenever we have that disaster. That is something that we really want the Committee to assist us with in any way possible but thank you very much for this opportunity.

(Vote of Thanks by Deputy Chairperson)

The Committee adjourned at 10.13 a.m.

# Appendix 3 Additional information obtained from the site visitation

From: Timoci Naleba <timocin@prb.com.fj>

**Sent:** 17 November 2023 12:21 **To:** Tevita W. Tuivanuavou

Subject: Fwd: Simla Subsidy Details 2023

Bula Tevita, the subsidy details you requested is attached.

Vinaka

Timoci Naleba General Manager Public Rental Board

Begin forwarded message:

From: William Ciriduadua <williamc@prb.com.fj> Date: 17 November 2023 at 11:23:06 AM GMT+12

**To:** Timoci Naleba <timocin@prb.com.fj> **Cc:** Waisea Rokobera <waisear@prb.com.fj>

**Subject: Simla Subsidy Details 2023** 

Bula GM

Simla rent subsidy assistance details hereunder

Total annual subsidy assistance \$108,092.00

Vinaka William

Estate Code	Estate	Total Flats	Weekly Total Subsidy	Weekly Total Social Cost	Annual Subsidy Assistance		
521	Simla Old	69	528.69	0	27491.9		
526	Simla New Project	36	0	1550	80600		
Total		105	528.69	1550	108092		