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CHAIRPERSON’S FOREWORD

I am pleased to present the Standing Committee on Social Affairs report on *the Consolidated Review Report of Suva City Council 2016-2018 Annual Reports*.

As mandated under Standing Orders 109(2) (b), the Committee looks into issues related to health, education, social services, labour, aviation, culture, and media.

The Committee reviewed the Annual Reports and identified important issues, which were then brought to the attention of Suva City Council for their necessary action.

Apart from its primary function of collecting rates and providing services to ratepayers, the Suva City Council now faces many other challenges. These include the drug situation, the city's security situation, and dealing with street dwellers.

The Committee is of the view that, given the current situation, the municipal council must review its functions and operational procedures as a matter of urgency to address the serious social issues within the municipality.

Furthermore, the Ministry of Local Government will need to provide guidance and oversight to the Suva City Council for its operations' compliance, operational efficiency, and effectiveness.

I would like to sincerely thank the Chairman and Special Administrator of Suva City Council and his team, the Permanent Secretary of the Ministry of Local Government, and her officials for their valuable contributions to this review process.

Finally, I would like to thank the Hon. Members of the Standing Committee on Social Affairs, Hon. Ratu Rakuita Vakalalabure, Hon. Sashi Kiran, Hon. Ioane Naivalurua, and Hon. Viam Pillay, for their valuable input and support. I would also like to thank Hon. Joseph Nand and Hon. Alipate Tuicolo for the assistance they rendered on several occasions as alternate standing committee members.

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



.....
Hon. Iliesa Vanawalu

Chairperson

ACRONYM

Acronym	
CEO	Chief Executive Officer
MP	Member of Parliament
SO	Standing Order

COMMITTEE REMIT AND MEMBERS

The Standing Committee on Social Affairs (**‘Committee’**) is established under Section 70 of the Constitution and SO 109. The Committee’s mandate and functions are provided under SO 109 (2) and 110 (1) (a)-(d) & (f). The Committee consists of the following members:



Chairperson
Government Member



Deputy Chairperson
Government Member



Member
Government Member



Member
Opposition Member



Member
Opposition Member

1. INTRODUCTION

The Suva City Council Annual Reports 2016, 2017, and 2018 were tabled in Parliament on 15th April 2024 and referred to the Standing Committee on Social Affairs.

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

1.1. Committee Procedures

Deliberations on the Suva City Council began in late October 2024. The Committee read through the reports and prepared clarifications on key issues of interest, which were then sent to the Suva City Council.

The Committee held a Public Submission with the Suva City Council on 4th November 2024.

Upon receipt of all relevant information on the committee's queries, it was subsequently endorsed on 28th November 2024.

The Committee received the responses from the Suva City Council can be viewed at the following link. <https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

2. SUVA CITY COUNCIL

2.1 Background

Suva City Council is a proclaimed City (7th October 1953) under the Local Government Act (1972). The Council is a statutory authority, and the Administration Act is the Local Government Act (1972). As a Local Government, the Council has been delegated authority through associated Acts to support the Council's service delivery. The Council Member structure is under the Local Government Act (1972). The composition of Council members was amended in 2009 allowing the appointment of Special Administrators.

The Suva City Council provides the following services.

1. Engineer Services Department
2. Health Services Department
3. Administration and Operations
4. Finance Department

2.2 Committee Deliberation and Analysis

The committee noted and deliberated on the Suva City Council's undertaking to improve its operations and service delivery.

- The proposed Strategies and plans, if implemented, would improve the Suva City Council's overall operations. The key to its success will require the Ministry of Local Government's close monitoring and oversight.
- Social Issues can best be addressed effectively through close collaborations with other key stakeholders. Empowering the Suva City Council staff through capacity building and understanding the changing environment and situation is essential to addressing social issues.
- It is also critical to review the relevant legislation and regulations to empower the Suva City Council.
- The investment by the Suva City Council on technology to improve its operations is commendable.
- As the Capital City, the Suva City Council should be the model for all other municipal councils by setting proper standards and procedures in all facets of municipal operations.

3. KEY FINDINGS

Below are the key findings that the committee compiled through its deliberations.

1. **Rate Arrears:** The Committee noted the increase in rate arrears, which stands at \$36 million to date. The council has adopted strategies to improve its rate collections.
2. **Status of Recreational Parks and Public Conveniences:** The Committee noted that 69 recreational parks and public conveniences in the Suva City municipality are in a poor state. Suva City Council confirmed that they are in the process of working on improving and developing all the recreational parks.
3. **Natural and Man-Made Disaster Risk Plan:** The Committee noted that the Council does not have an existing Disaster Risk Management Plan. The Council is in the process of formulating a draft Disaster Risk Management Plan for Suva City.
4. **Financial Management:** The Suva City Council had a qualified opinion for the period under review. However, the Auditor General has highlighted three areas of concern in the report. These three areas are;
 - a) Category of fees, charges and rental income
 - b) Inventory Category
 - c) Value Added Tax.The Suva City Council is taking measures to address the above issues.
5. **Capacity Building for Staff:** The Committee noted that there is a great need to empower all municipal staff through workshops and training to understand the changing and evolving environment to improve on the council's service delivery. The Suva City Council will review the code of conduct with the assistance of the Commonwealth Local Government forum.
6. **Collaboration and Networking:** The Committee noted that there is a need to improve the coordination and collaboration between the Ministry of Local Government and the Suva City Council. To improve its service delivery the Suva City Council must establish its Standard Operating Procedures (SOP) and strengthen its network with other key agencies.
7. **Fight against Drugs:** The Committee noted that the council has no effective strategy and plans to address the fight against drugs within Suva municipality. The fight against drugs requires closer collaboration with key stakeholders. The Council has an MOU with the Fiji Police, and discussions are on installing CCTV cameras at the hot spots.
8. **Street Dwellers:** The Committee noted that there is an increase in street dwellers. The Suva City Council's City Rangers (Enforcement) under the Corporate Services Division deals with street dwellers on a daily basis.

9. **Security Plan for the City:**

The Committee noted that with the rise of crimes within the municipality, there needs to be a Plan for a more secure, safer, peaceful, and welcoming environment for the city. The Suva City Council is developing a security plan to address the security issues.

10. **State of Albert Park:** The Committee noted that Albert Park was opened in 2016.

After 8 years of service to the public, the park's condition has deteriorated and requires major maintenance work. The Council is currently reviewing its maintenance schedule and long-term plans and has engaged a landscape consultant to rehabilitate the turf. Furthermore, the council also faced issues with members of the public not adhering to the park's rules and regulations.

11. **Informal Settlement:** The Committee noted that extending the city boundaries comes with other added responsibilities. The council's experience with increasing the city boundaries comes with challenges, such as informal settlements, as they do not pay the city rates and abuse the services provided by the council.

12. **Review of Legislations:** The Committee noted that The Council is also in the process of amending legislation and bylaws to allow the Council to explore revenue streams such as Business Licences and Parking Meters Fees, to sustain its operations, and plan for all future capital investments.

13. **Standardized Reporting:** The Committee scrutinizes the reports of municipalities and noted the inconsistency of the Annual Reports format. The Suva City Council is working with the Ministry of Local Government to improve its reporting format process and procedures.

4. COMMITTEE RECOMMENDATIONS

The Committee recommends the following:

- 3.1 That Suva City Council expedite the review of its outdated legislation, regulations and by-laws so that it is aligned to its operations.
- 3.2 That the Ministry of Local Government strengthen its oversight and supervision for all municipalities.
- 3.3 That the Suva City Council take measures to fully comply with the financial regulations and procedures.
- 3.4 The Committee supports the Suva City Council's efforts through various legal means to reduce its outstanding rate arrears.
- 3.5 The Committee strongly recommends that the Suva City Council put a Disaster Risk Management Plan in place urgently.
- 3.6 That the Suva City Council empowers its workforce to meet the challenges of the changing times.
- 3.7 For a safer, secure, and clean city, the Committee strongly recommends that the Suva City Council must strengthen its collaborations and network with stakeholders and agencies to effectively confront social issues like drugs, loitering, informal settlements and other criminal activities.
- 3.8 That the Suva City Council improve the state of all the recreational parks and public conveniences within the municipality as a matter of priority.
- 3.9 That the Suva City Council adopt a more responsive action with its key stakeholders to effectively deal with street dwellers in the city.
- 3.10 The Committee strongly recommends that the Suva City Council renovate and improve the current state of Albert Park urgently. Furthermore, the management of the park must ensure that the ground rules is strictly observed.

5. SUSTAINABLE DEVELOPMENT GOALS:

The Council had partnered with UNESCAP and the University of Melbourne to present the Voluntary Local Review Report on Sustainable Development Goals. The report is work in progress and is expected to be finalized by January 2025. The report on local review is a first for the South Pacific.

In terms of SDG 5 Gender Equality. The Council is currently undertaking a wider Consultation and literature review to capture data concerning gender issues such as equality, social issues, and sexual harassment. The Council has zero tolerance for sexual harassment and drug-related cases. The Council does have a Disciplinary policy that defines the procedures for addressing reported cases of non-compliance to workplace code of conduct. Cases that relate to criminal conduct are referred to the Fiji Police.

6. CONCLUSION






Suva City is the Nation's Capital. In line with the vision of the Suva City Council it must demonstrate to be a model for a safe, secure, clean and peaceful city for its dwellers and visitors.

The challenges of the 20 Fast Century will demand of the Suva City Council the ambition, commitment, and energy to achieve its noble goals.

The Committee after having reviewed the Suva City Council Consolidated Reports is of the opinion that the directions and plans set by the Council is on track to achieve its intended goals.

COMMITTEE MEMBERS' SIGNATURE

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

Committee Member	E-Signature
Hon. Ilesia Vanawalu Chairperson	
Hon. Ratu Rakuita Vakalalabure Deputy Chairperson	
Hon. Sashi Kiran Member	
Hon. Viam Pillay Member	
Hon. Ioane Naivalurua Member	
Date: 28 th November 2024	

ANNEXURE

Published evidence

Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link:

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



Suva City Council

Response to the Suva City Council Annual Reports

2016, 2017 & 2018 Questions

Standing Committee on Social Affairs

Parliament of the Republic of Fiji

4th November 2024

Suva City Council Annual Reports 2016, 2017 and 2018 Questions & Responses

Question No. 1	Responses No. 1
<p>What are some of the challenges faced by the Council in meeting its strategic objectives and how is it planning to address these challenges?</p>	<p>There is a considerable delays in the implementation of fully a digital platform. The last upgrade was in 2012. The finance platform includes; - complete e-billing function, fully cashless facility at all centres electronic filing, record keeping, back up and up to date accounting information system. Some reasons for delay are: -</p> <ul style="list-style-type: none"> - Outdated Server System which requires hardware and software upgrade. - Outdated Accounting and Billing system which requires upgrade. - Huge cost involved in implementing end to end digital platform at all Council centres. <p>The Council has recently approved its 5-year Digital Transformation Roadmap to address the legacy hardware and software systems. It has also approved its IT Vendor, DU2NET to carry out the first phase of the IT hardware system transformation.</p> <ul style="list-style-type: none"> - The current policies need to be reviewed to address new amendments to regulations, and legislations. The need to include new policies to address pertaining issues – drug related cases, sexual harassment at workplace, gender inequality, governance issues. <p>The Council is currently undertaking a review process to identify and stocktake all pasts, present and possible new policies.</p> <ul style="list-style-type: none"> - Collective Agreements with Trade Unions to be amended, and consider removing fixed term conditions which restricts negotiation and, not susceptible to changing economic environment or according the Employment Relations Act 2007. <p>The Council is currently negotiating with the National Union of Municipal Workers.</p> <p>The Council is also reviewing majority of its archaic by-laws in order to align and perhaps consider user fees modality compatible to what the market benchmarks for similar services offering.</p>
Question No. 2	Response No. 2

<p>Provide a list of all open spaces, grounds, and recreational areas within the Suva boundary. What is the current status and what are the future plans?</p>	<p>There is a total of sixty-nine (69) registered recreational parks classified into pocket, neighbourhood, suburban and destination parks. Please refer to ANNEX 1 for the total list of the parks, etc.</p> <p>The Council is also in the process of establishing a criteria on the development of parks such as beautification programmes and so forth and looking to invest in the open space with partners to generate revenue.</p>
<p>Question No. 3</p>	<p>Response No. 3</p>
<p>Does the Council have a risk management policy, assets capitalization policy, and disaster recovery plan/business continuity plan to govern aspects of its operations and activities?</p>	<p>An asset capitalization policy is in place.</p> <p>The Council is currently reviewing the policy.</p> <p>There is risk management policy in place.</p> <p>The Council is currently working on an enterprise risk management with the New Zealand PacificTA Team. This review will consider new technological risks and the exposure to changes in climate patterns as well.</p> <p>The Council recently reviewed its organization structure in an effort to mitigate scarcity of human capital resources through migration, thus been exposed to vulnerability of crafting sound strategic decision making.</p> <p>The Council is in the process of amending legislation and by-laws to allow back Council's revenue streams such as Business Licenses and Parking Meters Fees in order to sustain its operations, and planned for more capital investment.</p>
<p>Question No. 4</p>	<p>Response No. 4</p>
<p>Provide a breakdown of the following information for 2016 to 2018:</p> <ul style="list-style-type: none"> • Number of ratepayers; • Rates collected for each year (monetary value); • Rental arrears for each year (provide the monetary value); and • Total arrears up until the present time. 	<p>Refer ANNEX 2 showing the required breakdown.</p> <p>The Council has appointed an Arrears Steering Committee to look into ways and means to strategically reduce the current arrears figures. In the coming weeks, the Ratepayers will be asked to visit the Council and negotiate on the current arrears that they owe.</p>

<p>a) What are the causes of the accumulation of rate arrears?</p>	<p>The causes of the accumulation of rate arrears are:</p> <ul style="list-style-type: none"> - Ratepayers reluctant to pay of deteriorating services over years. - Genuine hardship cases. The Council is conducting means test to validate for waiver approval purpose. - Deceased ratepayers, vacant lots, absentee landlords, properties under disputes, unemployment, destitute cases. - Difficulty locating owners of vacant lots and vacant houses, absent landlords, dispute on ownership (probate cases) and unresolved lease issues. - The 11% interest charged on arrears amount was compounded and became too high over the years, basically the interest accumulated is more than the Rates Struck. <p>The Council is now taking drastic measures to recover rates arrears, which was not been undertaken in the past years.</p>
<p>b) What are the challenges faced in the collection of rate arrears and their method(s) of collection?</p>	<p>The issues and challenges faced by Suva City Council, in regards to high rates arrears and collection can be divided into four areas:-</p> <ul style="list-style-type: none"> - High interest charged on outstanding city rates (11% compound interest charged on the overdue accounts); - Administration and management (lack of resources to effectively manage the arrears accounts, limited information available on some of the rate payer’s accounts, limited avenues and options available to provide assistance to the outstanding debt holders, disputes on accounts and financial constraints faced by the Ratepayers remains a drawback); - Legal Aspects (lack off severe penalties imposed on rigid rates payers. Ratepayers know that the actions or penalties that can be taken by Council are merely to civil claims in court); and - Attitude and Economic Aspects (Ratepayers are not satisfied with the service provided. Ratepayers dissatisfied with maintenance of drains and roads, improvements street lights in residential parks and others. Ratepayers also arguing that it is unfair for them to pay assessment rates if the fund is used by city Council to provide and improve the service to residents but the defaulting Ratepayers are also enjoying).

<p>c) Has the Council conducted a survey or research on the reasons for non-payment or delayed payment of town rates?</p>	<p>The Council have not invested in formal survey or research due to lack of expertise and resources. The rates collection officers have been asking questions during their interactions with Ratepayers and investigation and found out the reasons for non-payments as highlighted above.</p> <p>As indicated earlier the Council through its Arrears Committee are now looking at the issues in detail in order to have an informed strategies to collect arrears outstanding in the timely manner.</p>
<p>d) What is the Council's plan to address this issue and what punitive and non-punitive measures are taken against non-compliant rate payers?</p>	<p>Encourage ratepayers to enter into weekly / quarterly / monthly arrangement and source deduction. We have MOU with agencies to update ratepayers detail and improve collection.</p> <p><i>Non – punitive measures taken are:</i></p> <ul style="list-style-type: none"> - Issue rates notice / invoice in the first month of the new financial year; - Offer discount on current rates upon full payment during the discounting periods; - Payment of rates by instalments under an agreement; - Send text messages , Call reminders, email reminders , billboards , TV, radio and newspapers advertisement, social media platforms reminding ratepayers to pay their rates; - Liaising with the Ministry of Lands and Housing Authority as landlords of a large number of rate able lots; - Offering various modes of payments; - Not processing building plans until rates are cleared or arrangements are made and clearance upon settlement; - Developers are required to clear their rates owed to the Council prior any further development being approved. This is now a mandatory check prior to accepting building applications. - Under take Name and Shame approach. <p><i>Punitive measure taken are:</i></p> <ul style="list-style-type: none"> • Legal action to recover the rates; • Issue of demand notice;

	<ul style="list-style-type: none"> • Small Claims (less than \$5000) and Magistrate Court (more than \$5000) for non-compliant; and • Placing of charge against the properties.
e) How is the non-collection of full town rates impacting the service delivery of the Council?	<p>The non-payment by the ratepayers leads to a decline in the City Council available funds which results in the Council not being able to improve the service delivery in terms of garbage collection, maintaining the drainage system, upgrading the parks and gardens, improving all market structures, bus stations and other Council properties and most importantly running the Council affairs as a whole.</p> <p>The Council is looking at other strategic means such as reviewing the outdated fees to boost revenue; taking on equity and property investments opportunities to support annual cashflows and so forth.</p>
f) Provide details of vacant lots in the municipality?	There are 123 vacant lots within the Suva City boundary. Refer ANNEX 3 (a) & (b).
Question No. 5	Response No. 5
Collection of arrears:	Refer ANNEX 4 of the grievances received from the Health & Waste Management Services Division.
a) What improvements have been brought about in the collection of arrears by the Suva City Council? Provide relevant statistics.	
b) What measures have been put in place to promptly address the grievances of ratepayers? How many grievances were recorded from 2016 to 2018 and what were the nature of these complaints?	<p>An integrated grievance management system has been put in place with the appointment of a customer advocate officer. This was carried out to ensure efficiency and accountability.</p> <p>The Council is currently reviewing all Standard Operating Procedures (SOPs) for all Divisions/Sections/Units.</p>
c) How have the following services and facilities provided to ratepayers in the municipality been enhanced:	<p>Maintenance of public amenities:</p> <ul style="list-style-type: none"> - Regular maintenance program and Overall upgrade of the Market public convenience planned. - Gradually shift from Free to user-pay in order to control vandalism and damages. Currently 80% user-pay.

	<ul style="list-style-type: none"> - Development of a maintenance schedule for all facilities and also have an assets management policy. <p>(a) Rubbish collection and grass cutting – considering there are numerous complaints from ratepayers on rubbish not collected on certain days:</p> <ul style="list-style-type: none"> - Effective monitoring programs for grass cutting, street cleaning, drain cleaning and green waste collection contracts to ensure the services are delivered efficiently and satisfactorily in a timely manner. - Strengthened awareness sessions and community meetings and consultations with ratepayers on the proper schedule of collection. <p>(b) Road maintenance and drainage - seeing as certain roads are not maintained on time as evidenced by potholes on roads within the municipality:</p> <ul style="list-style-type: none"> - Work in collaboration with Fiji Roads Authority by reporting road, footpath and drain defects for their intervention. - Intervene in flash flooding when response from FRA is slow for example blocked underground culverts that require immediate flushing. - All roads are administered by Fiji Roads Authority. The Council do notify the FRA for improvement of road conditions. - Council also take the initiative in it areas such as improving access into the Bus stand which is a Capital Project earmarked for the second quarter of the 2024-2025 financial year. <p>(c) How had service delivery in the following areas been enhanced?</p> <ul style="list-style-type: none"> - As indicated in (a) above. <p>(d) Health and Hygiene:</p> <ul style="list-style-type: none"> - Recruitment of extra manpower (health inspectors) to boost inspections and ensure compliance to the relevant food and health legislations.
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	<ul style="list-style-type: none"> - Continuous training and awareness programs for food handlers to uplift the food safety standards. - Increased and thorough inspections of public places to ensure a safe environment for the people. - Collaboration the Ministry of Health on disease surveillance especially on Leptospirosis, typhoid, dengue etc within the city. <p>(e) Security and Safety:</p> <ul style="list-style-type: none"> - designing of public landscaping with security purpose e.g. CEPTED (Crime Prevention Through Environmental Design)criteria for landscaping, public spaces and building design <p>(f) Impacts of climate change/environment:</p> <ul style="list-style-type: none"> - Engaged in sustainable practices in solid waste management like market waste composting - Review of all bylaws and legislation to cater for Climate Change e.g. Review of the National Building Codes. - incorporating climate change in subdivisions approval - Encouraging energy efficient, green buildings and water retention structures or building. <p>(g) Poverty & Squatter settlements within town boundaries:</p> <ul style="list-style-type: none"> - Enhancement of market services at the main Suva Market. - Collaboration with UN Women for women vendors. - Collaboration Ministry of Trade on the support of SME's. - Work with NGO's in managing informal settlement in areas of waste and sanitation management, provision of water and power connection, collection of kitchen, green and white goods waste e.g. RISE Project – managing of sanitation and waste disposal in coastal settlements.
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	<ul style="list-style-type: none"> - Collaborating with government department such as Department of Lands, DTCP in formalising informal settlements e.g. formalising of community lease for Nauluvatu Settlement, the Former PCN project in Jittu Estate. <p>(h) Disaster risk analysis:</p> <ul style="list-style-type: none"> - Collaboration with National Disaster Committee. - Formulation of Draft Disaster Risk Management Plan for Suva City (in process). <p>(i) Gender mainstreaming:</p> <ul style="list-style-type: none"> - Council promotes gender equality in the workplace. - Gender Equality policy. - Equality for Women in decision-making.
Question No. 6	Response No. 6
<p>We note that the Auditor General issued a disclaimer of opinion on page 6 of the audited financial statements for 2016, 2017 and 2018 annual reports. What measures has the Council undertaken to address all this issues and what internal controls are in place to prevent their re-occurrence?</p>	<p>With respect to question 6, there is a correction that is to be noted. The audit opinion issued by the Office of the Auditor General for 2016, 2017 and 2018 is "Qualified Opinion" and not "Disclaimer" as mentioned in the question.</p> <p>The Council is now working to address the issues rendered in the three Annual Reports. The review of the policies, review of the fees, and so forth are issues been strategically undertaken by the Council. As of now, there are only three (3) material issues that the Council is going to address respectively. This is outlined in Annex 5.</p>
Question No. 7	Response No. 7
<p><u>Subdivisions:</u> What are the key criteria that town planning authorities consider when approving subdivision applications?</p>	<p>The Suva Subdivision By-laws guides the requirements and criteria for subdivision within the city boundaries and some key criteria include; - Zoning, size of lots, availability of utilities such as roads, power, water and sewerage.</p>
<p>In terms of refused applications for subdivisions, what were the most common reasons for the refusal in 2016 - 2018?</p>	<p>The non-compliance of by-laws.</p>

<p>For applications held in abeyance, what does it mean for a subdivision application to be held in abeyance? Can the Council elaborate and how does this status affect owners/applicants?</p>	<p>The Council cannot reach a final decision on the application because of absence of information or the applicant is collecting required information related to the application. Further, the Council is carrying out some works for the area affected by the application, therefore the application cannot be finalised until Council finalised its work.</p>
<p>Question No. 8</p>	<p>Response No. 8</p>
<p>The Committee noted on the Auditor General’s report, on page 29 of 2016 and 2017 annual reports and page 35 of 2018 annual report regarding the Council’s exposure to the following risks:</p> <ul style="list-style-type: none"> • Credit risk; • Liquidity risk; and • Market risk. <p>Can the Council provide further details on this matter?</p>	<p>Credit Risk – is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council’s receivables from the ratepayers and other debtors.</p> <p>For the Council, credit risk exposure is in terms of financial assets that are held with financial institutions. The Council holds cash at banks with multiple banks. Council also held a term deposit – held to maturity of \$5,000,000.00 in 2017. The credit risk exposure could be that the financial institution fails to safe guard the financial assets held with the party.</p> <p>Credit risk from the Council’s end could be that Council is unable to pay its trade and other payables and borrowings.</p> <p>To mitigate the exposure on credit risk, Council has opted to diversify its cash holding over number of banks. Therefore, the credit risk is spread over the number of financial institutions.</p> <p>Additionally, Council opts to do business with financial institutions that are reputable and have a good credit rating.</p> <p>Credit risk exposure for Council is also evident in ageing trade and other receivables. Council employs various strategies that are within their control to mitigate the increase in arrears. Some ways in which Council has resorted to are:</p> <ul style="list-style-type: none"> - Reaching out to ratepayers by way of visitation, phone calls, emailing, public notices and creating awareness through community outreach. - Providing payment options, source payments such as payroll deduction and providing option of payment arrangement. - Taking stricter action such as enforcing hold on issuing permits, completion certificates and other forms of services until arrears are cleared.

	<ul style="list-style-type: none"> - Placing charge and caveat. - Taking legal action against defaulting ratepayers. <p>Liquidity risk - is the risk that Council will encounter difficulty in meeting its financial liability obligations. Council adheres to its payment policy and ensures timely payments are made so that cash flow is maintained and spread over evenly.</p> <p>Council has a strong base of capital assets that would ensure that there is a consistent flow of income to cater for normal condition operations as well as unforeseen circumstances.</p> <p>Market Risk – is the risk that changes in market prices such as interest rates will affect the Council’s income or value of its holding financial instruments.</p> <p>To mitigate market risk, Council regularly assesses the fluctuations within the market and monitors any price fluctuations.</p>
Question No. 9	Response No. 9
What are the Council’s plans for clean-up and maintenance of the drains?	Council will develop a drainage master plan in the 2 nd year of the 5yr strategic plan and currently drainage maintenance is carried out on a need basis
Question No. 10	Response No. 10
What are the Council’s plans for the maintenance and upkeep of Albert Park?	Council is currently going through its three (3) months maintenance schedule and for long term we will engage landscaping consultant to rehabilitate the turf.
Question No. 11	Response No. 11
a) What is the current status of the recreational facilities and public spaces?	Council has a total of sixty-nine (69) registered recreational parks classified into pocket, neighbourhood, suburban and destination parks. Council also have its plans for the parks which sets criteria on the development of parks. Refer ANNEX 1 .
b) Does the Council have plans to create new inclusive recreational facilities and public spaces to cater for gender needs?	Affirmative. The Council is in the process of identifying possible areas whereby the public convenience are constructed is caters for male and female respectively. Secondly, the Council will work with Ministry of Youth and Sports in developing multipurpose courts for use of both genders.
Question No. 12	Response No. 12

<p>What is the Council’s policy on Gender?</p>	<p>In the absence of a policy, the Council is currently undertaking a wider consultation and literature review in order to capture data in respect of gender issues such as including equality, social issues and sexual harassment.</p> <p>The Council has zero tolerance on sexual harassment and drug related cases. The Council do have a Disciplinary policy which defines the procedures in addressing reported cases of non-compliance to workplace code of conduct. Cases that relates to criminal conduct are referred to the Fiji Police to administer through the penal code.</p>
<p>Question No. 13</p>	<p>Response No. 13</p>
<p>In terms of the Sustainable Development Goals (SDGs), how is it relevant and achieved during the years under review?</p>	<p>The Council had partnered with UNESCAP and University of Melbourne to present the Voluntary Local Review Report on Sustainable Development Goals.</p> <p>The report is in work in progress and is expected to be finalised by January 2025. The report on local review is a first for the South Pacific.</p>
<p>Question No. 14</p>	<p>Response No. 14</p>
<p>When will the Council submit the outstanding Annual Reports?</p>	<p>An expression of interest has been advertised for the preparation of the pending annual accounts. Council had experienced system outage in August 2024 which had affected the reconciliations that had been prepared.</p> <p>Considering the severity of the matter, Council is currently assessing its position on the system outage. Subject to full recovery of information, Council tentatively of the view that the pending annual accounts will be submitted by July 2025.</p>

Park ID	Park Name	Locality	Park Category	Use Observation
1	Parshotam Park	Muanikau	Neighbourhood	Low
2	Takashi Suzuki Park	Muanikau	Destination	High
3	Sea Breeze Walkway	Muanikau	Destination	High
4	My Suva Park	Muanikau	Destination	High
5	Vuivui Park	Muanikau	Neighbourhood	Medium
6	Barker Park	Muanikau	Pocket	Medium
7	Raghwan Park	Muanikau	Neighbourhood	Medium
8	Vaivai Park	Flagstaff	Neighbourhood	High
9	Susan Douglas Park	Flagstaff	Suburb	Medium
10	Kauvesi Park	Raiwai	Suburb	High
11	Kolikata Park	Raiwai	Neighbourhood	High
12	Koroivuki Park	Raiwai	Neighbourhood	Medium
13	Peni Raiwalui Park	Raiwai	Pocket	High
14	Health Center Park	Raiwai	Pocket	Low
15	Bryce Park (Vunidawa Park)	Raiwai	Pocket	Medium
16	Nailaga Park	Raiwai	Pocket	Low
17	Somosomo Park	Raiwai	Pocket	Medium
18	Naborisi Park (Basketball Court)	Raiwai	Neighbourhood	High
19	Vonosagai Park	Raiwaqa	Neighbourhood	Medium
20	Davui Park (Cokanasiga Park)	Raiwaqa	Pocket	Medium
21	Vunisayawa Park	Raiwaqa	Neighbourhood	High
22	Talbot Park	Raiwaqa	Pocket	High
23	Tilak Park	Raiwaqa	Pocket	Medium
24	Cockburn Park	Raiwaqa	Neighbourhood	High
25	Swann Park	Raiwaqa	Neighbourhood	High
26	Dobui Park	Raiwaqa	Suburb	Medium
27	Milverton Park	Raiwaqa	Pocket	Medium
28	Saumaki Park	Viria	Neighbourhood	Medium
29	Ratu Basalusalu Park	Viria	Neighbourhood	Medium
30	Vatuwaqa Park	Viria	Suburb	Medium
31	Sukhu Park	Raiwaqa	Suburb	High
32	Jittu Mahajan Park	Raiwaqa	Neighbourhood	Low
33	Mukta Ben Park	Vatuwaqa	Neighbourhood	Low
34	Coriakula Park	Raiwaqa	Neighbourhood	Medium
35	Statham Park	Vatuwaqa	Neighbourhood	High
36	Bulsara Park	Laucala Bay	Neighbourhood	Medium
37	Apted Park	Laucala Bay	Destination	High
38	Col. Navunisaravi Park	Laucala Bay	Neighbourhood	Low
39	Bhika Park	Flagstaff	Suburb	High
40	Setareki Nasilivata Park	Flagstaff	Neighbourhood	Low
41	St Lukes Park	Toorak	Suburb	Medium
42	Marks Park	Toorak	Suburb	Medium
43	Terry Walk	CBD	Pocket	High
44	Sukuna Park	CBD	Pocket	High
45	Albert Park	CBD	Destination	High

Park ID	Park Name	Locality	Park Category	Use Observation
46	Thurston Garden	CBD	Destination	High
47	Umaria Park	CBD	Neighbourhood	High
48	Borron Park	Samabula	Suburb	Low
49	Ram Lakhan Park	Samabula	Suburb	High
50	Ratu Uluiviti Park	Walu Bay	Pocket	Low
51	Votua Park	Samabula	Neighbourhood	Medium
52	Komo Park	Samabula	Suburb	Medium
53	Tubou Park	Samabula	Neighbourhood	Low
54	Bose Park	Bay View	Suburb	Low
55	Ratu Koka Park	Samabula	Neighbourhood	High
56	Evetts Park	Mead Rd	Suburb	Low
57	Pillay Park	Mead Rd	Neighbourhood	Medium
58	Foiakau Park	Namadi	Neighbourhood	Low
59	Dhani Lal Park	Namadi	Suburb	High
60	Kaikai Park	Namadi	Neighbourhood	Low
61	Bulai Park	Namadi	Neighbourhood	Medium
62	Mapa Park	Namadi	Neighbourhood	Medium
63	Ratu Jone Caginiliwalala Park	Namadi	Suburb	High
64	Nacuva Park	Namadi	Suburb	Medium
65	Mucunabitu Park	Namadi	Neighbourhood	Medium
66	Bhindi Park	Nabua	Neighbourhood	Low
67	Tudia Park	Nabua	Suburb	High
68	Cerewale Park	Nabua	Neighbourhood	High
69	Ratu Ravoka Park	Nabua	Suburb	High

ANNEX 1 – LIST OF THE SUVA CITY COUNCIL PARKS – NOVEMBER 2024

Annex 2 – Total Number of Ratepayers, Collection & Arrears: 2016-2018

Rates	2016	2017	2018
Number of Ratepayers	11,398	11,398	11,401
Rates Collected	\$17,382,672	\$17,120,231	\$17,551,952
Rates arrears for each year	\$19,224,164	\$20,676,431	\$21,793,727
Total arrears till 30th September 2024			\$37,728,904
Rental Arrears	\$349,681.21	\$222,083.43	\$229,799.21
Total arrears till 30th September 2024			\$229,799.21
Total Rates and Rental arrears till 30th September 2024			\$37,958,703.21

Annex 3 – Summary of the 123 Vacant Lots

(a) By Lease Types & Wards

<i>Leases</i>	Wards					Total
	Muanikau	Samabula	Suva Extension	Suva	Tamavua	
<i>Crown</i>	1	9	-	1	9	20
<i>Freehold</i>	3	5	7	3	41	59
<i>Housing</i>	9	8	1		15	33
<i>Native</i>	-	1	8		2	11
<i>Total</i>	13	23	16	4	67	123

(b) By Wards & Arrears

<i>Wards</i>	Total	Arrears
<i>Muanikau</i>	13	106,330.59
<i>Samabula</i>	23	388,349.53
<i>Suva Extension</i>	16	230,117.50
<i>Suva</i>	4	34,236.70
<i>Tamavua</i>	67	1,518,322.95
Total	123	2,277,357.27

Annex 4 – Total Number of Complaints (HWMSD): 2016-2018

NATURE OF COMPLAINTS (Health Services)	YEAR		
	2016	2017	2018
Public Health nuisance	67	255	156
Drainage/flash flooding	265	678	380
Solid Waste Management	320	545	213
Stray dogs & dog related	54	378	256
Building related	21	218	56
Waste water disposal	34	57	34
Maintenance Contract performance	45	245	156
General	18	234	121
Total No. of Complaints	824	2610	1372

Annex 5 – Years: 2016, 2017 & 2018: OAG Qualified Opinion & SCC Strategies

Category	Basis of Opinion	Strategies/ Actions taken
Fees, Charges and Rental Income	Included in fees, Charges and Rent income caption of (\$7,374,439 – 2016), (\$7,648,881 – 2017) and (\$7,689,857 – 2018) is revenue relating to Mini Markets, Stalls, Car park, Pool and Public Conveniences totaling (\$3,184,220 -2016), (\$3,764,079 - 2017) and (\$3,630,371 – 2018). These amounts were received by the Council on a cash collection basis with limited controls over the collection process, accordingly I was not able to obtain sufficient appropriate evidence over completeness and accuracy of this revenue and my audit procedures with respect to income from these sources had to be restricted to the amounts recorded in the financial statements. As a result, I am unable to express an opinion whether income from these sources is complete.	<p>Council will be investing in digital platform for revenue collection. This has been incorporated in the capital budget for 2024/2025.</p> <p>Invoicing system will be implemented for centres that are on cash collection basis.</p> <p>Cashiers will also be stationed at the Suva market to eliminate the manual collection system.</p> <p>Removing the cash handling and manual processes will ensure that the matter does not reoccur.</p>
Inventory	Included in the Statement of Financial Position is an Inventory balance of (\$375,918 – 2016), (\$293,282 – 2017) and (\$366,204 – 2018). I did not observe the counting of physical inventory at 31 December 2016, 2017 and 2018. Furthermore, I was unable to satisfy myself by alternative audit procedures concerning the inventory quantities held as at 31 December 2016. Accordingly, I am unable to determine the impact of the limitations, if any, to the inventory balances as at 31 December 2016, 2017 and 2018.	Council has ensured that the physical count of the inventory is undertaken at the end of the Financial year. Additionally the Office of the Auditor General is invited to be part of the physical count of inventory. Furthermore, proper record keeping by way electronic form of the inventory count will be maintained.
Value Added Tax	The Council recorded Provision for Value Added Tax and Value Added Tax (VAT) Payable of (\$2,743,893 – 2016), (\$2,832,061 – 2017) and (\$2,864,235 – 2018) and (\$587,763 – 2016), (782,121 – 2017) and (\$803,100 – 2018) respectively in the Financial Statements (Note 17) as at 31 December 2016, (Note 18) as at 31 December 2017 and 2018. However, the Council had not reconciled the taxable supplies as per the VAT returns to the revenue balances recorded in the general ledger and the Statement of Tax Account provided by the Fiji Revenue and Customs Service. As a result, we are unable to determine whether any adjustments to these amounts were necessary.	<p>The VAT reconciliation has been part of the scope of accounting services for 2016 to 2019 which was awarded to Ernst & Young. Due to the volume and magnitude of the VAT general ledger accounts and in consideration of the time to deliver the financial statements for audit, Ernst & Young had treated the VAT reconciliation as a separate exercise.</p> <p>The Council (Finance) had met with EY and had discussed at length the scope and specific requirements of the VAT reconciliation. EY team has already commenced work on the reconciliation.</p>

[VERBATIM REPORT]

STANDING COMMITTEE ON SOCIAL AFFAIRS

ANNUAL REPORT

2061-2017 and 2018 Annual Reports

SUBMISSION: Suva City Council

**VENUE: Big Committee Room, Government
Buildings, Suva**

DATE: Monday, 4th November, 2024

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 MONDAY, 4TH NOVEMBER, 2024, AT 11.01 A.M.

Interviewee/Submittee: Suva City Council (SCC)

In Attendance:

1. Mr. Tevita Boseiwaqa - Chief Executive Officer/Chairman
2. Mr. Wally Atalifo - Acting Director
3. Ms. Raijieli Naua - Secretary
4. Mr. Maciu Lumelume - Manager, Evaluation & Monitoring
5. Ms. Shaleen Nair - Acting Director Finance
6. Ms. Iva Bakalevu - Assistant City Planner
7. Mr. Navneel Kishore - Senior Rates Manager

Ministry of Local Government

1. Ms. Seema Sharma - Permanent Secretary
2. Ms. Bindula Devi - Director Local Government
3. Ms. Saidi Nazrana - Principal Accounts Officer

MR. CHAIRMAN.- Honourable Members, members of the media and the public, the Secretariat, viewers, ladies and gentlemen; a very good morning to you all. It is my pleasure to welcome you all to this public hearing session.

At the outset, for information purpose, pursuant to Parliament Standing Order 111, all Committee meetings are open to the public. Therefore, please, note that this meeting is open to the public and the media, and will not be aired live in the Parliament Channel on the Walesi platform, as well as not be streamed live on the Parliament *Facebook* platform. I believe we have got some issues with our ICT, so I already made myself clear on the live streaming, apart from the recording purposes that is in front of us.

For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, this can be provided to the Committee either in private or in writing. However, please, be advised that pursuant to Standing Order 111, there are only few specific circumstances that allow for non-disclosure and these include:

1. National security matters;
2. Third party confidential information;
3. Personnel or human resources matters; and
4. Committee deliberation and development of the Committee's recommendations and reports.

This is a Parliamentary meeting, so all information gathered is covered under the Parliamentary Powers and Privileges Act. However, please, bear in mind that we do not condone slander or liable of any sort, so any information brought before this Committee should be based on facts.

In terms of other protocols of this Committee meeting, please, minimise the usage of mobile phones and all mobile phones are to be on silent mode while the meeting is in progress. I wish to

also remind all honourable Members and our guests that all questions to be asked are to be addressed through the Chairperson.

I would like, at this time, to introduce the Members of the Standing Committee. I shall ask the honourable Members to introduce themselves.

[Introduction of Committee Members]

Today, the Committee will be hearing submission from the Chairman and Acting Chief Executive Officer, Mr. Tevita Boseiwaqa, and his Team from the Suva City Council. This is in relation to the Suva City Council Report 2016-2017 and 2018 Annual Reports.

We acknowledge the presence of the Permanent Secretary for the Ministry of Local Government, Ms. Seema Sharma. Thank you, Madam, for your presence here this morning. I would like to thank you all for availing yourselves and being present here today.

Now, I invite our guests from the Suva City Council to introduce themselves and then begin with your presentation straight away, after which there will be a Question and Answer session. Please, note that if there are any questions from the Members of the Committee, they may interject, or we will wait till the end of the presentation to ask your questions. On that note I thank the team from the Council, and the floor is yours.

MR. T. BOSEIWAQA.- Mr. Chairman and honourable Members of the Standing Committee on Social Affairs, the Permanent Secretary and those who are present today, thank you very much for the invitation and for us to come and brief the Committee on issues of importance, especially on the Audit Reports, et cetera, where we were given questions.

(Introduction of Officials from the Suva City Council)

Before, we begin, first of all, I would say that the current Administrators, this is our eight to nine months serving, and as has been mentioned by Mr. Chairman, I am the Chairman of the Special Administrators and also Acting CEO. Even though we have just been served, but we are governed by responsibilities - the fact that we need to ensure completion of pending annual accounts of the Councils, auditing of the Council's accounts and backlog of the pending Annual Reports. So, we are still accountable to that, and we need to see that it is implemented. Also, the implementation of Audit recommendations to avoid future audit queries and anything to do with Suva City Council. *Vinaka vakalevu, Sir.*

MR. CHAIRMAN.- Thank you very much, Mr. Boseiwaqa. I believe the floor is open for your presentation.

MR. T. BOSEIWAQA.-

Question No. 1

What are some of the challenges faced by the Council in meeting its strategic objectives and how is it planning to address these challenges?

Mr. Chairman, we are taking the approach that it is best to hear from the horse's mouth. We will ask our Acting Director Finance to respond to the questions and when it comes to arrears, then Mr. Kishore will attend to that. The others, like waste management, et cetera, they will come on

board to present their views. I now invite Ms. Nair, the Acting Director Finance, to take us through. *Vinaka*.

MS. S. NAIR.- *Vinaka*, Acting CEO and Chairman of the Suva City Council.

The challenges that the Council faces is the implementation of our fully digitalised platform. The last upgrade of our hardware, which is the server system, was in 2012 which is not a full upgrade.

The Finance platform would include our complete e-billing function, fully cashless facility at all centres, we will also want to implement the electronic filing system and record keeping system, our backup system and accounting information system.

The following are some reasons for the delay in the digital system, the:

- outdated server system which requires hardware and software upgrade.
- outdated accounting and billing system which requires upgrade. Our Billing and Accounting systems are both 2009 version, hence, the site is outdated until to date.
- huge cost involved in implementing the end-to-end digital platform at the Council centres.

The Council had recently approved its five-year Digital Transformation Roadmap to address this legacy hardware and software system issues. It has also approved its IT Vendor which is DU2NET to carry out the first phase of the IT hardware system transformation.

The Council is also reviewing its policies that are there so that it can lobby for new amendments to regulations and legislations which relate to drug-related issues, sexual harassment at workplace, gender inequality and governance issues.

The Council is also currently undertaking a review process to identify and stocktake all past, present and possible new policies.

The other challenge that impact the Council to meet its strategic objectives are the Collective Agreements with Trade Unions that need to be amended and which it needs to consider removing some of the fixed term conditions that restrict negotiation and changes to the economic environment and the Employment Relations Act 2007.

The Council is currently negotiating with the National Union of Municipal Workers. The Council is also reviewing majority of its archaic bylaws in order to align and, perhaps, consider user fees modality compatible to what the market benchmarks for similar services offered.

HON. J.N. NAND.- Mr. Chairman, through you, thank you Madam for your presentation. The question I want to ask is, from my experience in the Public Accounts Committee, we have seen the digital platform that you are trying to illustrate which is very good. It is modernised and the idea is to keep Fiji modern. Will it be replicated to other Town Councils so that we are aligned together? The reason is because I have seen previously the Sigatoka Town Council's accounting networking quality. Probably, is there any way out where other Town Councils can sit down together and replicate that, or is it only for Suva City Council?

MR. T. BOSEIWAQA.- For Suva City Council, we are getting this new infrastructure in place and it is very modern. We are going to come up with all facts, with the help from this partner

from New Zealand. We are prepared to share it with our fellow Municipal Councils, if the Ministry is alright with that.

MS. S. SHARMA.- Mr. Chairman, just to respond to the question, obviously, all Councils have different level of ability in terms of infrastructure and their capability in terms of funding such online services or digital services when it comes to financial management.

The Ministry, with the support of the Lautoka City Council, Suva City Council and Nasinu Town Council, these Councils are actually up-funding an assessment of the capabilities of all the Councils, especially looking at digital platforms for financial management, collection of rates and other things. The work is basically in the final stages of finalising the contract with the agency to come and undertake this assessment of the infrastructure and the capabilities of the Councils, and then to recommend what could be the way forward.

HON. I. NAIVALURUA.- Through you, Mr. Chairman, let me first say, 'thank you', to the Suva City Council for a well presented report. When the Committee sat and examined your reports, compared to the other Municipal Councils, I think yours is one of the top. My question this morning is, is it possible to bring and converge together a standard template format that the others can follow using Suva as a model or as an example, and how you can reach out to the other Councils?

The issues that have just been discussed rest basically on that, the ability to converge and bring things together so that there is a standard format and process so that when we scrutinise, it is easy for us when we do it. At this stage, we have a few other Councils coming tomorrow, that is, Nasinu Town Council, Lautoka City Council and Nausori Town Council. All the reports vary in sizes, forms and in templates. My point is simply, the idea that has been raised, standardising the process and system and at the same time the formatting of reports that will really help and bring together the convergence of the Councils and the work that they do.

MR. T. BOSEIWAQA.- Yes, for Suva City Council, we are referred to sometimes by other Municipal Councils as the mother. So, just like what a mother does, we are willing to share but the one that will bring us together is the Ministry. So, if the Ministry is willing to do that, we are prepared to share with others and come up with a standard template.

MR. CHAIRMAN.- Still on Question No. 1 on the Collective Agreements with the unions. I believe it has been a challenge for everyone. How is the Council planning to resolve this issue as way forward?

MR. T. BOSEIWAQA.- This is one of our biggest challenges - from the union, looking at the rights and also the privileges that are to be given to our staff. We found out that one of the major challenges is that sometimes it is not consist to the interest of the ratepayers. So, right now we are sitting with them and we have given them our proposed amendments to the Collective Agreement.

I believe on the 8th, we will be sitting again to discuss this Collective Agreement so that it is fair and no one loses out. Our main players are the ratepayers and, obviously, our employees, to strike the balance.

MS. S. NAIR.-

Question No. 2

Provide a list of all open spaces, grounds and recreational areas within the Suva boundary. What is the current status and what are the future plans?

There are 69 registered recreational parks classified into pocket neighborhoods, suburbs and destination parks. Please refer to Annex 1 for the total list of the parks.

The Council is also in the process of establishing a criterion on the development of the parks such as beautification programmes, leasing options, hiring options and creating awareness to the community so that there can be more use of the parks and that would also give opportunities for the Council to generate revenue. We are also looking into investing in some open spaces with some partnership options. That will also generate revenue for the Council.

HON. I. NAIVALURUA.- Mr. Chairman, when are we going to see these recreational parks cleaned and upgraded? Will we see progress on year 1, year 2 or year 3. Some of these parks of the 69 out there really just need a bit of touch up, cleaning-up. Once we talk about the strategic direction, Mr. Chairman, my call this morning to our colleagues here from the SCC that work could be done to some of these because it helps in not only keeping the space clean but overall, keeping our young people occupied in something that they can do instead of going off-track and doing other things.

MR. T. BOSEIWAQA.- Mr. Chairman, just for your information, this fiscal year, SCC is just focusing on maintenance and renovations, improvements and installation of areas that needs to be installed, like the parking meters, et cetera. At least, we can improve on those already existing. Perhaps, in the next fiscal year, then we will start planning. Some of those planning will be done this year but basically. the focus will be on that and one of those is the parks.

You will see that when this question comes on board, we already have the list. We have already done it, and we are looking at all the parks. One way to improve is that we are trying to work with the communities now. We will be visiting those communities that use the park and try and ensure that they feel that they are taking ownership of their parks.

With that, we also have our role to play, which is the cleanup of the parks and we must admit that there are a lot of work to be done, so be rest assured that that is one of our focused areas in this fiscal year - improvement of parks and also its public conveniences.

MS. S. NAIR.-

Question No. 3

Does the Council have a risk management policy, assets capitalization policy and disaster recovery plan/business continuity plan to govern aspects of its operations and activities?

Yes, the Council has an asset capitalization policy which is in place. The assets capitalization policy for the Council has a threshold of \$500 and anything above \$500 is capitalised and anything below is expense.

The Council is currently reviewing its policy of risk management policy. It is in place but there is still a review going on in conjunction with the New Zealand Pacific Team. This Team will be reviewing the technological risks and exposure to changes of climate patterns.

The Council also recently reviewed its organization structure to mitigate the scarcity of human capital resources through migration, thus been exposed to vulnerability of crafting sound strategic decision-making. The Council is also in the process of amending legislation and bylaws to allow the Council to explore revenue streams such as Business Licences and Parking Meters Fees, in order to sustain its operations, and plan for all future capital investments.

MR. CHAIRMAN.- Still on Question No. 3, the Council is in the process for amending its legislation and bylaws. Are there any timelines, moving forward, for the Accounts to be able to do all these amendments and legislations so that we are all talking on the same page?

MR. T. BOSEIWAQA.- Mr. Chairman, the point is that, these reviews of bylaws or legislations is done by the Ministry. We have discussed this in one of our forums where all Municipal Councils attended, and we mentioned that we are reviewing and we have agreed that we continue reviewing the Acts or bylaws but will be referred to the Ministry to look at it and maybe it will be standardised. So, we are not discouraged, we continue reviewing and I think already, there were one or two visits made by our partner from overseas on reviewing the bylaws.

MS. S. SHARMA.- Mr. Chairman, with regards to the review of the legislation bylaws, the Ministry has already undertaken a holistic assessment of the Local Government Act and we are working with development partners, such as the New Zealand Local Government, who has already started undertaking the review.

As pointed out by the Acting CEO, there needs to be a standardization of these bylaws because every Town Council has been doing their own thing and we are working on a number of standardizations.

In terms of those assets such as the Parking Meters, the parking meter (P) is being retained by the Councils because as per the amendments in 2012 which led to the formation of the Fiji Road Authority.

In addition to that there are other assets also that the Ministry has developed a Cabinet Paper and circulated to Councils to provide feedback where certain assets would be returned to the Councils and they could generate fee on it. So, we are awaiting feedback from all the Councils. We have yet to receive written feedback from the Councils in terms of what they are thinking on the proposals that we have made.

We are also liaising with the Ministry of Transport because it is going to have an impact on other agencies and also the Ministry of Agriculture and Waterways because there are a number of different assets. So, we are looking at footpaths, so when you get footpaths back to the Councils, what work can Councils do? It would mean, apart from the revenue, there is an expense associated with it. How do we deal with it? So, that requires a number of across agency amendments.

Mr. Chairman, if I could just add on, through the Ministry, obviously, a number of policies and manuals have been provided to the Councils. We are looking at Financial Management, Human Resource, Disaster Recovery Risk Management and a number of other policies. So, what the Ministry is doing in this financial year is a review of the Financial Management Manual, looking at inclusion of guidelines for outsourcing services, provision of formalising transfer of grants and a critical one, if it is missing with other Councils, is looking at Asset Capitalisation Policy to be included. We are doing a holistic review also looking at the Code of Conduct and we have got the Commonwealth Local Government Forum providing us with assistance in this area.

HON. J.N. NAND.- Thank you, PS, a very good response, but what I am interested in is that we understand the review is in place and we appreciate that. Has there been any timeframe on when you can achieve that?

MS. S. SHARMA.- Mr. Chairman, if I may, we are actually looking at this financial year to, at least, have some of these amendments and reforms roll out. As you know, legislation does require

a bit of a process and if you have a legislation that was put in place 40 odd years ago, it takes time to make certain amendments. So, we are working on it, but we want to complete it in this financial year.

MR CHAIRMAN.- *Vinaka*, we will continue to Question No. 4.

MR. N. KISHORE.-

Question No. 4

Provide a breakdown of the following information for 2016 to 2018:

- **Number of ratepayers;**
- **Rates collected for each year (monetary value);**
- **Rental arrears for each year (provide the monetary value); and**
- **Total arrears up until the present time.**

I would like to take this opportunity to take us on to Annexure 2 on the table which provides details of collection arrears from 2016 to 2018.

The number of ratepayers for 2016 was 11,398. In 2017, it was the same and 2018 was 11,404. Rates collected in those respective years was \$17.3 million in 2016; \$17.1 million in 2017; and \$17.5 million in 2018. Rental arrears, the same as the respective years - 2016 was \$349,681.21; 2017 was \$222,083.43; and 2018 was \$229,799.21. The total rental arrears as at September this financial year is \$229,799.21, and during the same period the rates was \$37.728 million. Town rates and rental as in September was around \$37.9 million. So, that is how the total arrears are made up in terms of rates rental for Suva City Council.

(a) What are the causes of the accumulation of the rate arrears?

The causes for the accumulation of rate arrears are as follows:

- Ratepayers were reluctant to pay the deteriorating services over years. Ratepayers were not happy with the services provided by the Council, so they were reluctant to pay.
- Genuine hardship cases. The Council is conducting means test to validate the waiver approval purpose. We also note that there are very genuine hardship cases that are there in which the Council is working on those.
- Deceased ratepayers. We have noted that there are vacant lots, absentee landlords, properties that are also under disputes, unemployment and destitute cases, like the customers are very poor and as a result, they are not able to pay the City rates.
- Difficulty in locating the owners of vacant lots and houses, which resulted in the decreased amount of City rates.
- The 11 percent interest charged on the arrears amount was compounded and became too high over the years. Basically, the interest accumulated is more than the Rates Struck. The Rates Struck is two cents in a dollar and the interest is 11 percent, which is compounded and charged on a daily basis over a period of time, which resulted in a huge amount of rate arrears accumulating over the years.

If you look at the table, it has gone from \$19 million to almost \$37 million and through the analysis, we have noted that 58 percent of them are just interest component, and 42 percent are principle amounts.

As you go higher in terms of more than six years, we noted that almost \$21 million is sitting in over six years. So, these are the reasons behind these rate arrears, but they continue not to make payments and as a result, they are affecting our books, and the arrears continue to increase. The interest continues to be charged on those outstanding accounts.

(b) What are the challenges faced in the collection of rate arrears and their method(s) of collection?

The issues and challenges faced by Suva City Council in regard to high rates arrears and collection can be basically divided into four main areas:

- (1) The high interest charge of 11 percent compound.
- (2) Administration and management issues where there was lack of resources to effectively manage the arrears. The Council did not have sufficient resources to really tackle those accounts. Also, limited information available on some of the ratepayers' accounts. Limited avenues and options were also provided to the ratepayers to resolve the outstanding rates. We also noted financial constraints faced by the ratepayers remains a drawback to the Council. The effect of COVID-19 also puts us through a lot of trouble and challenges in terms of recovery of those rates and the ratepayers are still recovering from COVID-19.
- (3) Legal aspects. As we have discussed, the lack of severe penalties imposed on ratepayers. Ratepayers know that the actions or penalties that can be taken by Council are merely civil claims to court, so they take advantage of this and did not come forward and make payments.
- (4) Attitude and economic aspects of the ratepayers. We have noted that ratepayers are dissatisfied with the services that the Council has been providing in terms of maintenance of drains and roads, and improvement with lights. Ratepayers are also arguing that it is unfair for them to pay rates because the fund is used by the Council to provide and improve the services to ratepayers and residents whilst defaulting ratepayers are also enjoying. Basically, they are arguing that they are paying it but the other ratepayers are not doing any payments, although enjoying the same services. So, they are dissatisfied with the services that the Council had been providing and are reluctant to pay the City rates.

(c) Has the Council conducted a survey or research on the reasons for non-payment or delayed payment of town and city rates?

The Council has not invested in a formal survey or research due to lack of expertise and resources. The Rates Collection Officers have been asking questions during their interactions with ratepayers and investigation, and found out the reasons for non-payments as highlighted above.

Basically, the reasons that we have highlighted above were the main reasons we have noted. The Council has not actually invested into a formal survey. There are plans in place where we are taking into consideration for investing into a formal survey to find out what are the other reasons that ratepayers are not able to pay the City rates.

As indicated earlier, the Council, through its Arrears Committee, is now looking into the issues in detail in order to have an informed strategies to collect outstanding arrears in a timely manner. The Council also has a Standing Committee in terms of rates collection, which is also looking into these matters in more detail now.

HON. J.N. NAND.- Mr. Chairman, through you, you have very correctly stated that you lack resources and expertise. What are these areas you are talking about, if any measures are taken to address this so that we can move on?

MR. T. BOSEIWAQA.- Mr. Chairman, through our discussions, especially in the Council and the Standing Committee, we have come up with about five strategies and out of those, three have been ongoing.

First, is the waiver of interest on city rates arrears. So, you will note that he had mentioned about 11 percent. I think in June or July this year, it went down to 5 percent.

Second, is the waiver of city rates which the honourable Minister has the authority to waive. We are assessing that and will be submitted to the Minister through a special committee to actually see and verify that they are actually facing hardship. That goes through the Council and once the Council approves it, then it is submitted to the Minister for approval.

Third, is the rate profiling. We are conducting a rate profiling by a group of unemployed youths. They go around and do the profiling, and we just need to complete that. So, from there, we can see the biodata. So, we are really moving down to actually see the details - the profiles of those who owe to the Council.

We are also talking now about coming up with partnership with stakeholders to share information and improve collection, such as EFL, the banks. We have been talking to the banks. They have agreed, like ANZ, so once a ratepayer who owes money goes for the loan in the bank, these arrears can be packaged in the loan. So, once that is approved, he pays the arrears through this loan package.

May be soon and very soon we are going to come up with another approach which is the 'name and shame' approach where simply we are going to let the public know that we are going to publish those who owe arrears. That will kind of encourage them to come, and we will ask them to come and make arrangements for payments. Otherwise, we will publish. We need to really get a legal opinion on that before publication.

Those are some of the strategies that we are currently undertaking and the ones that we are going to pursue.

MS. S. SHARMA.- Mr. Chairman, if I may, just to add on to the strategies that the Councils are engaging, since 2018 there were five amnesties or waivers given on interest rates by the Minister, generally letting the public know that if they pay their principle, they forgo the interest, and that is for residential ratepayers. In July this year, the amendment to the Local Government Act came into effect which brought down the compound methodology of the interest collection to simple, and it reduced the interest rate from 11 percent to 5 percent.

In addition to that, in July this year, the Ministry actually put down a circular to the Council reminding them of the powers under Part 11 of the Local Government Act - of what kind of actions they can take for those ratepayers who are habitual non-payers of the rates. Some of the things we

encourage Councils to do is to put the charge or caveat against properties with the Titles Office, so there cannot be a title transfer until someone clears their rates.

Other things, we have also encouraged Councils to do is looking at their powers under section 78(8), where they can look for direct deductions from source, like how Civil Servants pay certain amount of their loans. That would be in consultation with the ratepayers to say that there will be direct deduction from source.

So, those are some of the ways we thought would be able to help the Councils. We work with the Councils to also see their aging ratepayers. A number of them have a lot of ratepayers who have not been able to pay their rates for more than 10 years. I think SCC have somewhere between \$21million to \$25 million in arrears. There are about 2,800 ratepayers in Suva who are facing genuine hardship.

So, those are things we need to work with the SGs office and see what could be the waivers, with the SG's Office and Ministry of Finance to see how these rates could be waived and allowing Councils to have a cleaner sheet because if people cannot pay in 10 years, they probably will not be able to pay at all.

MR. N. KISHORE.-

(d) What is the Council's plan to address this issue and what punitive and non-punitive measures are taken against these non-compliant rate payers?

We are encouraging ratepayers to enter into weekly, quarterly and monthly arrangements and under salary deductions. We are also having MOU with agencies to update ratepayers' details and improve the collection.

Now, the non-punitive measures taken by Councils are basically the -

- issue of rates notice.
- invoicing in the first month of the new financial year, ensuring that ratepayers are able to take advantage of the discount. So, we are also offering discounts on current rates upon full payment during the discounting periods.
- payment of rates by installments under an agreement. We also send text messages, we also do call reminders, email reminders, we are also taking advantage of the billboards, TV, radio and newspaper advertisements and also with the advantage of social media platforms, reminding ratepayers to take advantage and pay the rates on a timely manner.
- The Council is also liaising with the Ministry of Lands and Housing Authority and other stakeholders, as landlords of a large number of lots.
- We are also offering various modes of payment for customers to take advantage of. With the digital world now, MPAiSA and MyCash are also available with the Suva City Council now.
- Majority or nearly all the banks are in partnership with us. We are giving options for ratepayers to take advantage of all the banks.
- Not processing building plans until rates are cleared or arrangements are made to clear rates upon settlement. So, the Council is taking this stand. We are not processing any building plans unless payment has been done.
- We are also restricting developers. They are required to clear their rates owed to the City Council prior to any further development plan be approved. This is now

mandatory prior to accepting any building applications. So, the Council is putting this restriction in place for the building developers.

- As the CEO has already mentioned, we are also going towards the 'name and shame' approach in terms of the non-punitive measures.

In terms of the punitive measures taken by Councils, there are basically legal actions to recover the rates. We issue a 30-days' demand notice to the ratepayers to come forward and make arrangements. Failure to do that, the Council will execute the notice. For less than \$5,000, we are filing with Small Claims and above \$5,000, we are filing to Magistrates Court for non-compliance.

We are also placing charge against the properties to secure the debts. In the event of customers intending to selling the property, they have to get clearance from the Council and make settlement before they can proceed with the sale of property.

(e) How is the non-collection of full town city rates impacting the service delivery of the Council?

The non-payment by ratepayers leads to decline in the City Council's available funds which results in the Council not being able to improve their service delivery in terms of garbage collection, maintaining the drainage system, upgrading of parks and gardens, improving all market structures and bus stations and other Council properties, and most importantly, running the Councils' affairs as a whole.

That puts a lot of challenges to the Council. The Council is looking into other strategic means, such as reviewing the outdated fees to boost their revenue, also taking an equity in property investment, an opportunity to support annual cashflow, et cetera. So, those are the options that we are taking into consideration now, despite the challenges we are facing.

(f) Provide details of vacant lots in the municipality council?

There are currently 123 vacant lots within the Suva City boundary and full details of that is in Annexure 3(a) and (b) in terms of the Wards. So, we have broken them down into the least component, as well as by Wards, and we have noted that 59 properties are vacant within the freehold zone, Housing Authority has got 33 and 20 under Crown.

Similarly, if you move to the Ward side, we note that majority are within the Tamavua Ward. Around 67 properties are vacant, and it is almost \$1.5 million arrears in that particular area.

The Council is also looking now into exploring section 93 of the Local Government Act 1972, which is going towards mortgage sale, especially in these vacant properties because it is very difficult for the Council to get hold of the owners and we are also taking legal means in terms of how we can proceed towards that sale of property and get the money out. Thank you, Sir.

MR. T. BOSEIWAQA.- In addition to that, Mr. Chairman, we are facing a lot of challenges here - the non-payment of rates and also the increase in the boundaries. We used to have Suva City Council but now, we have peri-urban areas, and we have informal settlements or the squatters settlements who are not paying rates. So, there are lots of demands.

As has been mentioned, some ratepayers are refusing to pay because they do not see the services coming. It is true that the Government is giving some funds, but it is not adequate to cover those areas that need to be subsidised by Government. For example, the waste management alone from the AusAID Report, it is about \$6 million a year just to pay for the waste management collection. This is basically paid for by the ratepayers. That is a big challenge for all Municipal Councils, I suppose. I just want to add on to that. *Vinaka*.

MR. CHAIRMAN.- Thank you. Shall we continue to Question No. 5?

MR. N. KISHORE.-

Question No. 5

(a) On collection of arrears, what improvements have been brought about in the collection of arrears by the Suva City Council? Provide relevant statistics?

Unfortunately, Annexure 4 is not attached here but I have the facts here with me, I can present it while Annexure 4 is not here. Sir, in terms of improvement, what we have noted is that in the past, the collection was around \$15 million to \$16 million but as you go higher from 2021, 2022, 2023 and 2024, what we have noted is that collection has increased significantly from \$15 million to almost \$18.6 million as of July last financial year.

The billing itself is around \$19 million in a financial year and of that, we are almost collecting around 85 percent, which is around \$15 million, and the arrears collection is ranging from \$3 million to \$4 million. However, as we are going to put more strategies in place, we expect to have this number significantly increased from \$18 million towards \$20 million. That is the target that we are moving towards for this financial year.

MR. M. LUMELUME.-

(b) What measures have been put in place to promptly address the grievances of ratepayers? How many grievances were recorded from 2016 to 2018 and what were the nature of these complaints?

I believe, honourable Members, if we go to Annexure 4, it will show us the nature of complaints and the number of complaints received during these three years. In Annexure 4, you can see the types of complaints. For Suva City Council, we have had an integrated Grievance Management System in place. We have also had the appointment of a Customer Advocate Officer. This was carried out to just ensure the efficiency of complaint management and have some accountability in terms of dealing with customer grievances.

The Council is currently reviewing all Standard Operating Procedures (SOPs) for all Divisions, Sections and Units. That is currently being carried out now by our Monitoring and Evaluation Team.

(c) How have the following services and facilities provided to ratepayers in the municipality been enhanced?

(i) Maintenance of public amenities

- We have had in place regular maintenance programmes and there is a major overall upgrade programme scheduled for the market public convenience, which is planned for the next fiscal year.
- We have also planned to gradually shift from free to user pay in order to control vandalism and damages. Currently, 80 percent of our public conveniences are user pay. We are trying to accommodate for the other public conveniences which are free in order to account for the damages that we continuously encounter in these hotspot areas.
- We have also developed a maintenance schedule for all facilities and also have an Assets Management Policy. My apologies, honourable Members, if we could go back to Annexure 4, probably you will have questions in relation to the nature of complaints. Basically, the nature of complaints are:
 - (i) public health nuisance complaints. You can see that over the years, the number of complaints increased.
 - (ii) drainage and flash flooding complaints.
 - (iii) solid waste management complaints which increased in 2017.
 - (iv) stray dogs and dog-related complaints, which you can also see increased in 2017. The issue of stray dogs is common.
 - (v) building-related complaints. In 2017, we also had a large increase, and you can see it from the table. There was a huge increase in the number of complaints received from 2016 to 2017 - 824 in 2016 and a total of 2,610 in 2017.
 - (vi) Wastewater disposal, the figures are given there.
 - (vii) maintenance contract performance, which also increased in 2017.
 - (viii) general complaints, which are not included in the categorised complaints.

Basically, that is the breakdown of the complaints that were received by the Council for those three years.

HON. I. NAIVALURUA.- Mr. Chairman, through you, a general question, to fast forward these statistics to 2024, has the trend continued to increase or has it decreased?

MR. M. LUMELUME.- The trend is the same for most of the complaints. For example, for solid waste management issues, we are receiving a lot of complaints regarding solid waste management. As you can see from 2018, the Council has also embarked on the extended boundaries, so the Council is also catering for the approved extended boundaries. There was also a marked increase in the solid waste management complaints.

Stray dogs, yes, this complaint is common in most of the Councils in Fiji. The number of complaints, I would say, is still increasing.

The other complaint is drainage and flash flooding. That is one complaint that the Council is facing over the years.

HON. I. NAIVALURUA.- Mr. Chairman, if I may ask another general question to do with the city. It is the impression as a city, through you, do you have statistics on usage of drugs in the nature of the work that you do at the Council? Would you be able to keep a record on loitering, the usage of drugs, et cetera? Does it come under the role of the City Council or can it be recorded

somewhere? Just a general question because, Mr. Chairman, this is the impression that you see in the city.

MR. T. BOSEIWAQA.- Mr. Chairman, we are just looking into that now. We have signed an MOU with the Fiji Police Force to look into these drugs and for us we are also having plans on where drugs have been transported from here and there. To look into our minibus bases with CCTV and we have just talked with the Fiji Police that this be captured and be monitored by the Fiji Police through our CCTV cameras.

However, coming back to the statistics, we do not really have the statistics since we are just going into that area which is very important but as you are aware, Mr. Chairman, it requires a holistic collaborative approach.

We are doing what we can do to, at least, know. We are beginning with our staff, starting from Jerusalem. We are engaging one health company or agency, to test the drugs whether we are taking it or our staff are taking it or not. We are already discussing to try and address and get rid of this..

MR. CHAIRMAN.- We shall continue.

MR. M. LUMELUME.-

(ii) Rubbish collection and grass cutting

Considering there are numerous complaints from ratepayers on rubbish not collected on certain days, we have effective monitoring programmes for grass cutting, street cleaning, drain cleaning and green waste collection contracts, to ensure the services are delivered efficiently and satisfactorily in a timely manner. For Suva, we have the normal kitchen waste collection which is carried out three times a week in the residential areas and it is seven days a week in the CBD area. We also have the green waste collection which occurs once a month, and then the white goods collection which happens every quarter.

We have also strengthened awareness sessions and community meetings and consultations with ratepayers. The Team is currently undertaking this, going out to the community and having discussions with them on how the Council can improve in terms of providing services, like grass cutting, and we get the feedback from the ratepayers on how the Council is actually performing.

In addition to that, the Council is part of the neighbourhood *Viber* groups. The feedback from the neighbourhood groups helps us to improve our services in the areas around the city.

(iii) Road maintenance and drainage

Seeing as certain roads are not maintained on time as evidenced by potholes on roads within the municipality, we are working in collaboration with Fiji Roads Authority (FRA) by reporting roads, footpaths and drains that is defective for their intervention.

We also intervene in flash flooding when response from FRA is a bit slow, for example, blocked underground culverts that require immediate flushing, the Council undertakes the flushing just to safeguard our ratepayers.

All roads are administered by FRA. The Council do notify the FRA for improvement of road conditions.

The Council also takes the initiative in areas such as improving access into the bus station which is a capital project earmarked for the second quarter of this fiscal year.

(iv) How had service delivery in the following areas been enhanced?

That was outlined in part (b) above.

(v) Health and Hygiene

- Firstly, the Council have recruited extra manpower. We have more Health Inspectors since last year, just to boost inspections and ensure compliance to the relevant food and health legislations.
- There is continuous training and awareness programmes for food handlers to uplift the food safety standards.
- We have also increased thorough inspection of public places to ensure safe environment for the people.
- We also work in collaboration with the Ministry of Health on disease surveillance, especially on this Leptospirosis, Typhoid, Dengue and Diarrhoea (LTDD) within the city.

(vi) Safety and Security

Designing of public landscaping with security purposes. There is crime prevention through environmental design criteria for landscaping, public spaces and building design.

(vii) Impacts of Climate Change and Environment

- We engage in sustainable practices in solid waste management, like market waste composting.
- Also as mentioned before, the review of all bylaws and legislation to cater for climate change, as well as the review of the National Building Code.
- We also incorporate climate change in subdivision approvals and encourage energy efficient, green buildings and water retention structures or buildings to be carried out on Council infrastructure.

(viii) Poverty and Squatter Settlements within town boundaries

- Enhancement of market services at the main Suva Market. This encourages the people from these areas to come and be part of the market.
- Collaboration with UN Women for women vendors.
- Collaboration with Ministry of Trade on the support of SMEs.
- Work with NGOs in managing informal settlements in areas of waste and sanitation management; provision of water and power connection.
- Collection of kitchen waste and all types of waste, for example, the RISE Project; and managing of sanitation and waste disposal in coastal settlements.
- Collaboration with Government Departments such as the Department of Lands and Director Town and Country Planning in formalising informal settlements, for example, formalising of community lease for Nauluvatu Settlement and the former PCN Project in Jittu Estate.

- (ix) Disaster Risk Analysis
Collaboration with National Disaster Committee in the formulation of draft Disaster Risk Management Plan for Suva City. This is currently in process.
- (x) Gender Mainstreaming
The Council promotes gender equality in the workplace. Gender equality policy and also equality for women in decision-making.

MS. S. NAIR.-

Question No. 6

We note that the Auditor-General issued a disclaimer of opinion on page 6 of the audited financial statements for 2016, 2017 and 2018 Annual Reports. What measures has the Council undertaken to address all this issues and what internal controls are in place to prevent their re-occurrence?

Mr. Chairman, firstly, I would like to point out a correction. The correction is that the Audit opinion by the Office of the Auditor-General for 2016-2017 and 2018 is a qualified opinion and not a disclaimer opinion.

The Council is working to address the issues rendered in the three Annual Reports. The review of the policies, review of its fees, et cetera, are issues that have been strategically undertaken by the Council.

As of now there are three material issues that the Council is going to address respectively. These issues are outlined in Annexure 5. The three main issues that formed the basis of opinion of the Auditor-General are:

(1) Category of fees, charges and rental income

The issue that they had pointed out was the fees that was included in the category of fees, charges and rental income was around \$7.373 million for 2016, \$7.64 million for 2017 and \$7.68 million for 2018. Those were revenues relating to mini-markets, stalls, carpark, pool and conveniences which amounted to \$3.1 million for 2016, \$3.7 million for 2017 and \$3.6 million for 2018. These amounts were received by the Council on cash collection basis with limited controls over the collection process.

Accordingly, the Auditor could not obtain sufficient appropriate evidence of the completeness and accuracy of this revenue. Thus, the audit procedures in respect to the income from these sources had to be restricted to the amounts recorded in the financial statements. As a result, the Auditor was not able to express the opinion whether income from these sources is complete. So, we noted this comment from the Auditor-General.

The Council, at the moment, has a number of sectors where cash is the mode of collection. There is a cash handling process that goes on with some of the sectors. Some of the main sectors for the Council are the market, curio handicraft, pool, carparks, et cetera.

Our Council is trying to invest in digital platform for revenue collection. This also has been incorporated in our fiscal year budget which is 2024 and 2025 budgetary provisions. But the Council is trying to implement an invoice system for these sectors where cash collection is the basis of payment.

The Council is also currently working on implementing a cashier to be stationed at the Suva Market, to eliminate the manual collection system. The Council will be doing this in phases, considering the resources and the time that needs to be taken, but it has been budgeted for so I think the Council will be phasing off the Suva Market and the curio handicraft in this financial year, and then we will be moving on to the smaller sectors. This will remove the cash handling and the manual process, and will ensure that this will not reoccur.

(2) Inventory category

Included in the statement of the financial position is the inventory balance of \$375.9 million in 2016, \$293.2 million in 2017 and \$366.2 million in 2018. The Auditor could not observe that the counting of the fiscal inventory as at 31st December, 2016, 2017 and 2018.

Furthermore, the Auditor was not able to satisfy him or herself by alternative audit procedures concerning the inventory quantities held as at 31st December, 2016, 2017 and 2018. Accordingly, the Auditor was unable to determine the impact of the limitations, if there were any, to the inventory balances as well as of those years - December 2016, 2017 and 2018.

The Council, in response, has ensured the fiscal count of the inventories undertaken at the end of each financial year. Additionally, the Council invites the Office of the Auditor-General to be part of the fiscal count of inventory. The Council is now also keeping an electronic form of inventory count, so that it does not lose out on its records.

(3) Value Added Tax

The Council recorded a provision of Value Added Tax (VAT) and VAT payable of \$2.7 million in 2016, \$2.8 million in 2017 and \$2.8 million in 2018. Sir, \$587,000 in 2016 is payable for VAT; \$782,000 in 2017; and \$803,000 in 2018 respectively in the financial statements (Note 17) as of those years in 2016, 2017 and 2018.

However, the Council had not reconciled the taxable supplies as per VAT returns to the revenue balances recorded in the General Ledger and the Statement of Tax Account provided by the Fiji Revenue & Customs Service (FRCS). As a result, the Auditor was unable to determine whether any adjustments to these amounts were necessary.

The VAT reconciliation has been part of the scope of accounting services for 2016 to 2019, which was awarded to Ernst & Young. The Council is actually facing issues with the reconciliation of VAT because from the first time the accounting system was implemented in 2009, from their opening balances there has been no reconciliation done for the VAT account till to date. Hence, what the Council had done is that, in its expression, it had sought services from the accounting services firm to provide reconciliation for 2016 to 2019, which was awarded to Ernst & Young. So, Ernst & Young, at the moment, is working with the Council to get reconciliations done for the General Ledger and the payables VAT account.

HON. J.N. NAND.- Mr. Chairman, in terms of misappropriation, does the Council have any figure of how much money is mishandled or is not there in the office that was supposed to be? If you want to disclose.

MS. S. NAIR.- Mr. Chairman, we do not have information on the theft figure which may have been as a result of their cash handling, but we have a few issues which were red-handed caught issues, for which receipting had not been done. These are minor issues that had cropped up and actually recorded in our books, which is about \$500.

MR. T. BOSEIWAQA.- Mr. Chairman, may I add on that, talking about now, we have seen some red spots and our Audit Team, through the new revised organisational structure, the first one is overtime and they have done an analysis on that, they are still going down.

The overtime at Suva City Council incurred over the years ranges from \$1.5 million to \$2 million a year. What has been found in just one section, there are two depots - one is Works and the other one is Health, one of them incurred about \$240,000 plus in the last fiscal year up to June, when it was analysed. So, we are now trying to put in place ways that this can be controlled because that is one of the SA's main key responsibilities, to ensure that the funds are utilised and managed well.

Secondly, we are moving into this collection. So, the Audit Team will go in on this type of collection and do a survey.

The third one is on leave. We have seen that leave too needs to be actually audited, because there are so much encashment of leave, whether it is long service leave or annual leave. These are just some areas that we are moving in now to clean up and to clear. But, again, when you want to clear things, you are facing challenges, and that is one of the main challenges that we are facing now. However, that will not stop us, we want a clean Suva City.

MR. CHAIRMAN.- Shall we continue to Question No. 7, if I am correct?

MS. R. NAUA.-

Question No. 7

(a) What are the key criteria that town planning authorities consider when approving subdivision applications?

The SCC has a Subdivision Bylaws. This entails where any subdivision that is less than five acres is approved or processed by the SCC. This Bylaws guides the requirement and criteria for subdivisions within the Suva City boundary and some key criteria include the zoning, the size of lots, availability of utilities such as roads, power, water and sewerage.

(b) In terms of refused applications for subdivisions, what were the most common reasons for the refusal in 2016-2018?

The non-compliance of applications to the bylaws. This was entailed, again, if it did not match the zoning, if it did not match the sizes of lots, for example, if a lot is 1,000 meters squared and is subdivided in two lots, the minimum for that lot would be 600 in which this subdivision did not meet, so the subdivision application would be refused.

(c) For applications held in abeyance, what does it mean for a subdivision application to be held in abeyance? Can the Council elaborate and how does this status affect owners/applicants?

Held in abeyance means the Council cannot reach a final decision on the application because of the absence of information or the lack of information, or the applicant is collecting the required information related to the application.

Further, the Council is carrying out some works for the area affected by the application. Therefore, the application cannot be finalised until the Council finalises its work.

MS. S. NAIR.-

Question No. 8

The Committee noted on the Auditor-General's Report on page 29 of 2016 and 2017 Annual Reports and page 35 of 2018 Annual Report regarding the Council's exposure to the following risks:

- (1) Credit risk;**
- (2) Liquidity risk; and**
- (3) Market risk.**

Can the Council provide further details on this matter?

- (1) The Credit Risk is the risk of financial loss to the Council if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Council's receivables from ratepayers and other debtors.

For the Council, credit risk exposure is in terms of the financial assets that are held with financial institutions. The Council holds cash at bank with multiple banks. The Council also held a term deposit held to maturity of \$5 million in 2017. The credit risk exposure could be that the financial institution fails to safeguard the financial assets held by the party.

The Credit Risk also for the Council could be that the Council would end up not being able to pay its trade and other payables and borrowings. To mitigate the the exposure on the Credit Risk, the Council has opted to diversify its cash holding over a number of banks. Therefore, the credit risk is spread over a number of financial institutions. Additionally, the Council opts to do business with financial institutions that are reputable and have a good credit rating.

Credit risk exposure for the Council is also evident in ageing trade and other receivables. The Council employs various strategies that are within their control to mitigate this risk in arrears. Some ways in which the Council has resorted to are:

- (a) Reaching out to the ratepayers by way of visitation, phone calls, emailing, public notices and creating awareness through community outreach.
- (b) Providing payment options, source payments such as payroll deduction and providing option of payment arrangement.
- (c) Taking stricter action such as enforcing hold on issuing permits, completion certificates and other forms of services until arrears are cleared.
- (d) Placing charge and caveats.
- (e) Taking legal action against defaulting ratepayers.

- (2) Liquidity Risk is that the Council will encounter difficulties in meeting its financial liability obligations. The Council adheres to its payment policy and ensures timely payments are made so that the cash flow is maintained and spread over evenly.

The Council has a strong base of capital assets that would ensure that there is consistent flow of income to cater for normal condition operations as well as unforeseen circumstances.

- (3) Market Risk is the changes in market prices such as interest rates that would affect the Council's income or value of its holding financial instruments. To mitigate market risk, the Council regularly assesses the fluctuations within the market and monitors any price fluctuations, and then accordingly, adjusts and realigns it to the budgetary provisions.

MS. R. NAUA.-

Question No. 9

What are the Council's plans for clean-up and maintenance of the drains?

The Council will develop a drainage master plan in the second year of the first 5 Year Strategic Plan and currently, drainage maintenance is carried out on a need basis.

Question No. 10

What are the Council's plans for the maintenance and upkeep of Albert Park?

The Council is currently going through its three months maintenance schedule, and for long term, we will engage a landscaping consultant to rehabilitate the turf.

HON. I. NAIVALURUA.- Mr. Chairman, through you, my question is from the perspective of the public, this is one of the most used and utilised park in the whole of Fiji and, of course, the capital here in Suva. My question is, how long will that plan take place? When are the plans going to be implemented? Are you still planning? What is the alternative when you are going to renovate this park, and more importantly, the cost? I understand that the cost of building this place was quite a huge cost. So, those are the questions I want to pose to the CEO and his Team.

MR. T. BOSEIWAQA.- Mr. Chairman, as you see here, the plan for landscaping, we really need to get a landscaper to then improve on that. I think it is just for the next fiscal year, we are trying to plan that. Meanwhile, what we are trying to do is to control the usage. We have come up with so many challenges. In one of the Government engagements, it was the Civil Service Day, we can even see the Government vehicles running through and parking at Albert Park.

The other challenge is that even when we put the "no play" notice, they continue playing and some of these people are from the Government or statutory bodies and agencies. Whenever we tell them not to play here and there, we are told, "Your job is to clean it up. Your job is not to stop anyone from playing."

So, we are looking into something similar to the National Stadium, where we have fence around, but it might work, it might not work. So, those are some alternatives that we are looking at.

Again, those who are using the Park are not really keen or not committed to, at least, follow the "no playing" notice. I was quite touched when I saw that even one lady with her two children playing around the "no playing" signage with the ball. The mother actually supervising them and

were playing around that signboard. So, that is the challenge we are facing. However, that will not stop us, we will try and see what can be done, apart from the landscaping, but we will pursue the landscaping, Mr. Chairman.

Do you have any suggestions that we can take on board, honourable Member?

HON. I. NAIVALURUA.- Mr. Chairman, through you, the state of the Park is really in a pathetic state, and we all know that. Things that should normally be done there, we break the rules and regulations and that is why it is in that state right now.

As I have said earlier, huge amounts of money. This is a state-of-the-art Park, it is just not like an ordinary park down the road. Therefore, the conditions, the guidelines and the rules that need to be applied needs to be enforced through you, Mr. Chairman. Not that I know how to do it, but I am just saying that it is a sad state of Albert Park at this point. We have one of the most beautiful parks in the whole Pacific and as it is right now, unfortunately, it is not as it was when it was intended to be.

I just want to make that statement again, through you, Mr. Chairman, and I think will say that you are the Team who will have to get a bit stronger and enforce certain regulations. “If you use the Park, these are the conditions. If you damage and found there, you pay this and that.” So, the downpayment of using the park, et cetera, is perhaps something we should conduct business to repair the Park. But I just want to encourage the CEO and your Team that that Park needs to be repaired. It is very important, and it is where everyone comes and gathers and plays every evening. Thank you.

MR. T. BOSEIWAQA.- Mr. Chairman, I think we just have to go back and also look at the guidelines of how it is used, so that we can be a bit more strict on how the Park is used according to the guidelines. So, we are going to revise our guidelines to safeguard the Park. *Vinaka*.

MR. CHAIRMAN.- Thank you shall we move on to Question No. 11?

MS. I. BAKALEVU.-

Question No. 11

(a) What is the current status of recreational facilities and public spaces?

As highlighted in Annexure 1, the Council has a total of 69 registered recreational parks and these are classified into pocket, neighbourhood, suburban and destination parks. The Council also has plans for the parks which sets criteria on the development of the parks.

(b) Does the Council have plans to create new inclusive recreational facilities and public spaces to cater for gender needs?

Yes, the Council is in the process of identifying possible areas whereby the public convenience constructed caters for male and female respectively. Secondly, the Council will work with the Ministry of Youth and Sports in developing multipurpose courts for use of both genders.

MR. CHAIRMAN.- Shall we continue to Question No. 12?

MS. I. BAKALEVU.-

Question No. 12

What is the Council's Policy on gender?

In the absence of a Policy, the Council is currently undertaking a wider consultation and literature review in order to capture data in respect of gender issues, such as equality, social issues and sexual harassment. The Council has zero tolerance on sexual harassment and drug-related cases.

The Council does have a Disciplinary Policy which defines the procedures in addressing reported cases of non-compliance to workplace code of conduct. Cases that relate to criminal conduct are referred to the Fiji Police Force to administer through the Penal Code.

MS. S. NAIR.-

Question No. 13

In terms of the Sustainable Development Goals (SDGs), how is it relevant and achieved during the years under review?

Mr. Chairman, the period under review - 2016 to 2018, there was no implementation of the SDGs. However, the Council has partnered with the UNESCAP and the University of Melbourne to present its voluntary local review report on SDGs. The Report is in work in progress and is expected to be finalised by January 2025. This Report on local review will be the first in the South Pacific.

Question No. 14

When will the Council submit the outstanding Annual Reports?

An Expression of Interest (EOI) has been advertised for the preparation of pending Annual Accounts. The Council had experienced system outage in August 2024, which affected the reconciliations that had already been prepared. Hence, a new EOI will be advertised so that we can come up to par.

Our plans are to get the accounts for 2021, 2022, 2023 and 2024 by next July. Hence, the Council, at the moment, is assessing the position of the system outage, and subject to full recovery of the information, the Council tentatively is of the view that the pending Annual Accounts will be submitted by July, as I have said, Sir.

HON. J.N. NAND.- Mr. Chairman, I think this is the mother of all the questions; your readiness to the Town Council Elections, how are the Town Councils gearing in anticipation of the Town Council Election that was announced by the honourable Minister? Any timeline or date on that?

MR. T. BOSEIWAQA.- Basically, we are preparing for the Elections, in accordance with our responsibilities that we are given. So, with these responsibilities about the organisational structure, the review, et cetera, we see that it is a preparation for the Municipal Council Election. We are committed to that, to ensure that the platform is there before the elected councillors come in and just build the house. We are more or less preparing the foundation now, governed by the honourable Minister's advice for us through the responsibilities of the SAs.

HON. J.N. NAND.- Perhaps, the PS can shed some light on that?

MS. S. SHARMA.- Mr. Chairman, there is work currently underway with regards to the preparations to the Local Government Elections. The commencement date of the amendments to the Local Government Act came into effect around mid of this year. That sort of triggered all the relevant activities and we are in the process of updating the Cabinet on the work that has been undertaken, and then Cabinet would, obviously, decide the way forward in terms of the future. But we are working very closely with the Fijian Elections Office, the Office of the Solicitor-General and other relevant agencies in terms of the preparatory works towards the Election.

HON. I. NAIVALURUA.- Mr. Chairman, my last question is related to making Suva the most beautiful, the cleanest, the safest, and in relation to drugs - a drug-free city; in relation to opportunities to the young men and women for a family oriented city where we could go to and spend our time as a family; the question is really to the CEO, whether there are plans in place to set the platform and the base for that? The focus, I believe, at this point in time, if I may, Mr. Chairman, is on the fight against drugs. What is your fight against drugs here in City of Suva?

MR. T. BOSEIWAQA.- Mr. Chairman, to be frank, we are just going into it and we are now committed to this because we have seen that it is really affecting the image of Suva, but we really need to work with the Ministries and agencies concerned. What we are committed with is, we will do what is within our turf, meaning the controls of drugs in the markets. Some vendors they are selling food and also what we have found out with that goes the drugs. We have identified some of those red spots.

We have also identified that drugs have been peddled in some of the minibus bases. So, we are just identifying this, then we will work with the Fiji Police Force and other agencies on how to tackle this problem. Hopefully, one that will come, the owner of that control, then we can just easily fit into that formula.

MR. CHAIRMAN.- Thank you very much, CEO and Team from the Council; PS and Team from the Ministry of Local Government; honourable Members and the Secretariat; at this juncture, I wish to sincere thank you all for availing yourselves to this meeting.

We thank you for your time and hope that you will avail yourself for any further queries or clarifications that the Committee may have on these Annual Reports.

With those concluding remarks, this meeting is now closed.

The Committee adjourned at 9.27 a.m.