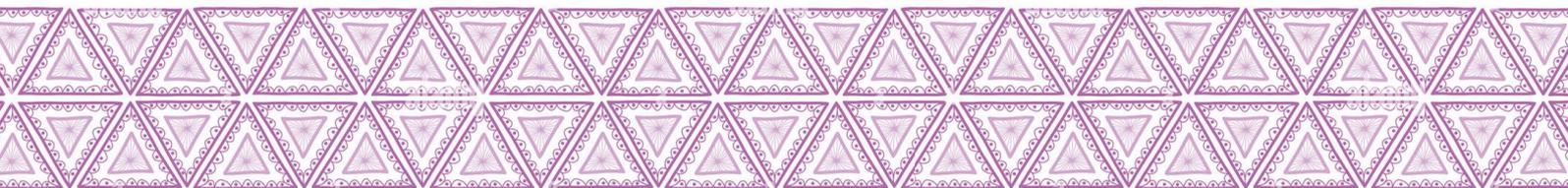




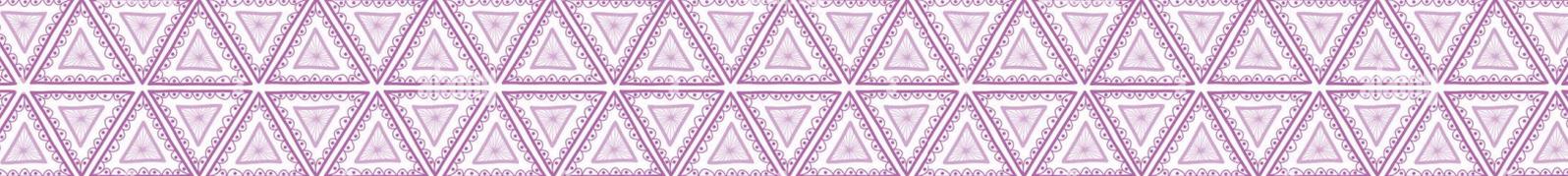
**Ministry Of Housing and Community
Development**

ANNUAL REPORT 2019-2020

Parliamentary Paper No.: 106/25







About this Report

The Ministry of Housing and Community Development (“Ministry”) Annual Report for 2019-2020 is a summary of our operation and financial performance during the 2019-2020 Financial Year. It explains how we work to improve lives and strengthen communities through provision of affordable and adequate housing and quality housing services.

The 2019-2020 Annual Report (“Report”) is a measure of our performance in the last 12 months as a Ministry and helps us assess how well the Ministry is performing and where we need to improve.

The Report has been prepared in accordance with the Financial Management Act and Section 14 of the Amendment of the Public Service Act 1999. It includes programmes and initiatives managed during the financial year, highlights the achievements by the Ministry and Audited Financial Statement for the period ending 31 July 2020.

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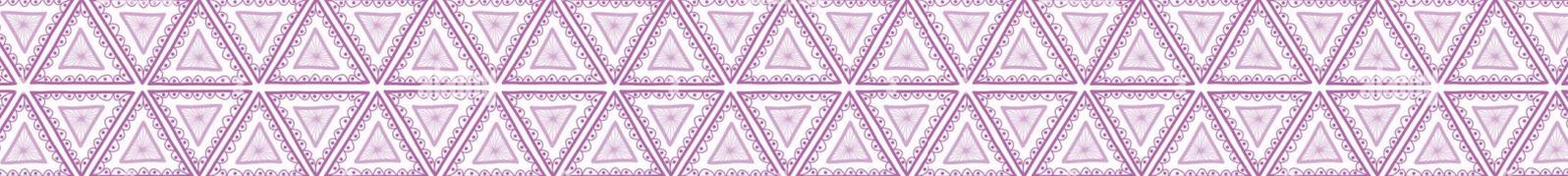


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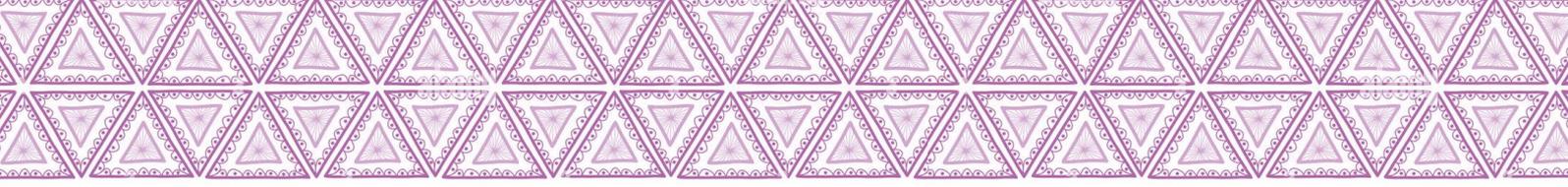
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WELCOME



MINISTRY OF HOUSING &
COMMUNITY DEVELOPMENT



Vision

Accessible and Affordable Housing for All

Mission

Provide Affordable and Safe Housing for All Fijians.

Values

We are committed towards creating and maintaining a high-level value culture and services defined by the following values:

- ❖ **Accountability**
 - We take full responsibility of our actions, decisions and mistakes.
- ❖ **Excellence**
 - The quality of our service delivery is reflected by the pride we take in what we and how we deliver.
- ❖ **Inclusiveness**
 - We ensure the involvement and empowerment of all, where the inherent worth and dignity of all people are recognized alone with their talents, beliefs, backgrounds and culture.
- ❖ **Integrity**
 - We take accountability of our actions and will remain transparent, ethical and fair.
- ❖ **Professionalism**
 - We embody the highest standards of behavior, presentation, competence and ethics that we must always hold ourselves to.
- ❖ **Trust**
 - We build trust by doing the right thing all the time.
- ❖ **Innovation**
 - We continue to innovate with a view to staying in line or ahead of global developments.



Referral Letter from the Permanent Secretary



MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT

01 August 2025

Honourable Minister
Ministry of Housing and Community Development
Korobasaga House
33 Gorrie Street
Suva

Dear Honourable Minister

ANNUAL REPORT 2019-2020

In accordance with the provisions of Section 14 of the Public Service Act 1999 and the Financial Management Act 2004 requirements, I am honoured to submit the performance report of the Ministry of Housing and Community Development for the period from 1st August 2019 to 31st July 2020.

The report provides the Ministry activities and achievements for the Financial Year 2019-2020.

Yours sincerely,


.....
Manasa Lesuma [Mr.]

Permanent Secretary for Housing and Community Development

*All correspondence to be addressed to the Permanent Secretary for Ministry of Housing and Community Development
PO Box 2130, Government Building, Suva, Fiji
Phone: +679 330 9918 emails: infohousing@govnet.gov.fj web: www.housing.gov.fj*



Statement by the Permanent Secretary

It gives me great pride to reflect on the strides taken by the Ministry of Housing and Community Development during the 2019-2020 financial year. Despite navigating a landscape fraught with unprecedented challenges, our commitment to fostering inclusive, safe, and resilient communities remained unwavering. This year's annual report is a testament to the hard work, resilience, and resourcefulness demonstrated by our dedicated staff, stakeholders, and partners.

Throughout the financial year, the Ministry worked tirelessly to empower Fijians from all walks of life by expanding access to affordable and adequate housing. Although our nation faced the extreme challenges in the face of the Covid 19 pandemic, our initiatives have not only supported families in finding secure shelter but have also uplifted communities and prioritized the safety of the most vulnerable in our communities. The achievements detailed in this report are the result of strong partnerships, forward-thinking policies, and a shared vision of housing as a fundamental right for every citizen.

As you review this report, I encourage you to recognize both our milestones and the ongoing journey towards equitable housing. Together, we will continue to innovate and adapt, ensuring that all Fijians can look to the future with confidence—knowing that a safe and dignified home is within reach.

We remain steadfast in our mission and look forward to another year of service, growth, and progress.

Vinaka Vakalevu.

About the Ministry

The Ministry is responsible for strategy, policy, funding assistance, monitoring and regulation of Fiji’s housing system.

The Ministry of Housing and Community Development was established in 2018, following the Government’s announcement in the 2018–2019 National Budget. Its formation consolidated the functions of the former Department of Housing—previously under the Ministry of Local Government—and the Rural Housing Unit from the Ministry of Rural and Maritime Development. The Ministry was entrusted with the mandate to increase home ownership across Fiji by addressing the rising demand for quality, affordable housing and promoting sustainable community development.

We play a lead role in promoting and facilitating the provision of accessible and adequate housing for low- and middle-income households and people living in informal settlements. Through the direct management of core housing programs aligned with Fiji’s National Development Plan, we are committed to ensuring that all Fijians have access to safe, affordable, and inclusive housing solutions.

Our Strategy

Our operations are strategically aligned with Fiji’s commitment to the 2030 Agenda for Sustainable Development supporting Sustainable Development Goal 11 “Making Cities and Human Settlement Inclusive; Safe; Resilient and Sustainable” with a target “ensuring access for all to adequate, safe and affordable housing and basic services and upgrade informal settlements by 2030”.

Our programmes aims to improve housing conditions for Fijians by supporting the progressive achievement of the right to accessible and adequate housing, as enshrined in the Constitution of Fiji (2013) Sec. 35 and the Fijian Government’s vision of “Accessible and adequate housing for All” and further outlined in Fiji’s national Development Plan to increase affordable and quality housing to low and middle income households, those living in informal settlements and the further exploration of well-structured solutions to housing issue



Government's Vision in National Development Plan: Accessible and Adequate Housing for ALL

01

Provide affordable and safe housing to all especially low-income earners

- The First Home Ownership Initiative
- Rural and Social Housing

02

Upgrade Informal Settlements

- Informal Settlement Upgrade & Formalization

03

Strengthen Government-NGO partnership in the provision of housing and land for the poor

- Our Partners



Provide affordable and safe housing to all especially low-income earners

Explore options for housing units under strata titles and increasing access to home insurance for low-income households.

Annual review of government subsidies to housing providers and develop and implement strategies to graduate residents of low-income HART (Housing Assistance & Relief Trust) and PRB housing towards Housing Authority programmes.

Continue with the grant to first Homeowners.

Consider both in kind and cash contributions for standard rural housing schemes.

Support sustainable rural housing



Upgrade Informal settlements

Redevelop informal areas with provision of basic amenities in current informal settlements.

Facilitate leases to those on informal settlements.

Develop housing programmes to reduce the existence of informal settlements and social housing



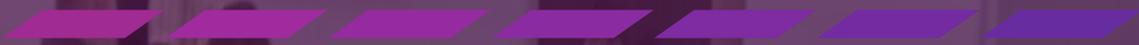
Strengthen Government-NGO partnerships in the provision of housing and land for the poor

Provide support and assistance towards the development of climate and weatherproof low-cost housing in both urban and rural environments

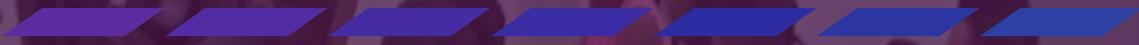
Ministry's Strategic Priorities

Strategic Plan 2021-2024

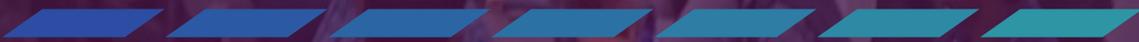
**Excellence in Leadership-Improving
Performance Standards**



Improved Delivery Quality



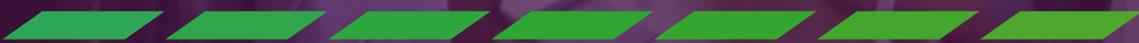
Financial Effectiveness



Improved Business Processes



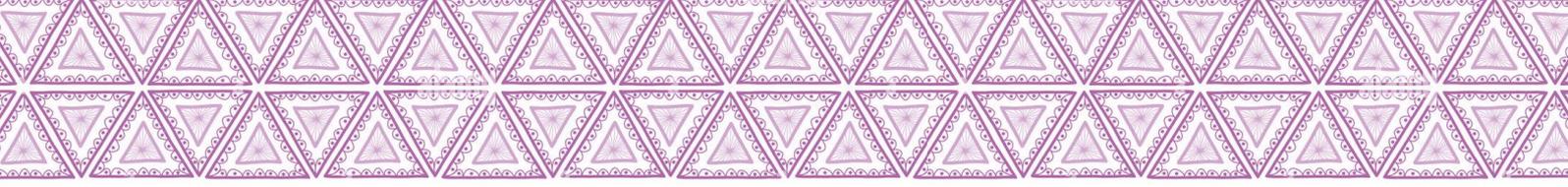
Value Driven Culture



Organization Structure

Each unit of the Ministry has primary responsibility, and we work together to fulfil our services and meet our objectives.





Making Homes Affordable

Assisting Fijian households through the First Home Ownership Initiative

The First Home Ownership Initiative was introduced to increase home ownership opportunities for low- and middle-income earning Fijians. The programme commenced in 2014 and has since been assisting low- and middle-income households to either purchase or construct their first home.

Since 2014, this initiative has supported 2,454 Fijian households with \$21,827,705 in payouts. In 2019-2020 alone, 543 households received grants to secure affordable homes: 177 built their first home, 123 bought their first home, and 243 purchased their first residential land.

	Category 1: Households with combined annual income of \$50,000 and below can apply for either:	Grant of \$15,000 to purchase first home OR Grant of \$30,000 to construct first home	242 Assisted
	Category 2: Households with combined annual income between \$50,001 - \$100,000 can apply for either:	Grant assistance of \$5,000 to Purchase first home OR Grant assistance of \$20,000 to Construct first home	58 Assisted
	Households with combined annual income of \$50,000 and below can apply for:	Grant assistance of \$10,000 to purchase their first residential land	243 Assisted

Regularizing Land Ownership

It was observed that Fijians encountered challenges in conducting surveys required to transition their lease agreements into registered leases on either iTaukei or State land. The Government identified several financial barriers to achieving land and home ownership for Fijians and implemented grants to facilitate the process of regularizing leases and providing greater security and financial support for long-term tenure.

The Ministry allocated funding through the Survey for Regularization of Lease and Land Title programme to support Fijians in obtaining registered land titles.





Access to Adequate Housing

Informal Settlement Upgrading Programme

Access to adequate housing remains a challenge dating back at least 40 years as informal settlements has been a main feature of the Fijian urban life. Households that live in informal settlements are exposed to precarious conditions which pose a threat to their health, safety and security.

The Ministry's Informal Settlement Upgrading Programme (ISUP) is an in-situ initiative aimed at improving informal settlers' lives by providing basic utilities like water, sewerage, drainage, roads, electricity, and secure 99-year leases.



Preparatory Phase

- Topographic surveys
- Environmental Impact Assessment (EIA)
- Geotechnical Survey
- Scheme Plans
- Engineering Plans

Construction Phase

- Water Supply
- Sewerage System
- Footpaths
- Roads
- Drainage
- Electricity



Preparatory Phase

- Sakoca
- Taveta
- Field 4
- Tore
- Vunika A
- Vunika B
- Vuniika
- Tauvegavega
- Delaisaweni
- Nabare
- Lovu Seaside
- Valequwayaya
- Caubati
- Wakanisila
- Nadonumai
- Sasawira
- Tukutora
- Tomuka
- Qauia



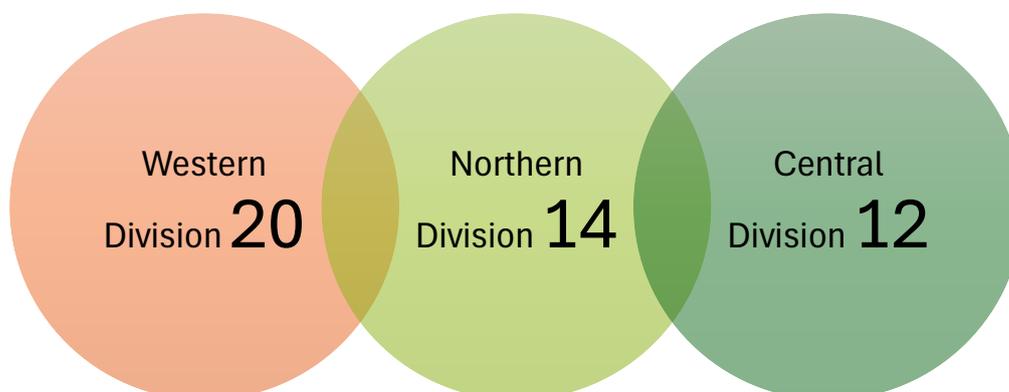
Construction Phase:

- Ledrusasa
- Cuvu
- Waidamudamu

Development Lease

The Informal Settlement Upgrade Programme involves upgrading settlements that have been established mostly through Vaka-Vanua arrangements. However, just like any development that is carried out, consent is sought, especially development on land boundaries. Therefore, in upgrading settlements, the Ministry attained consents to develop through a Development Lease. The Development lease assures the Ministry to carry out upgrade with minimum disturbance to the day-to-day lives of residents.

The Ministry has a total of 46 Development leases for settlements earmarked to be formalized.





Ensuring Housing for All

Rural Housing Assistance

Almost half of Fiji's population lives in rural or maritime areas, making the rural housing programme essential for providing adequate homes. Households earning \$15,000 or less annually are eligible for assistance, which is currently available in two forms.

Scheme One

the applicant pays for the total cost of materials and the Ministry procures and delivers the materials. The applicant benefits from the Government Tender Pricing and free delivery which is a substantial cost components for maritime applicants.

Scheme Two

the applicant pays one-third of the material costs and the Ministry assists with the two-third balance of the material cost, procurement and delivery of materials.

Following the transition of the rural housing programme from the Ministry of Rural and Maritime Development, the Ministry is in the process of completing construction on 48 homes that remain under development.



Public Rental Board

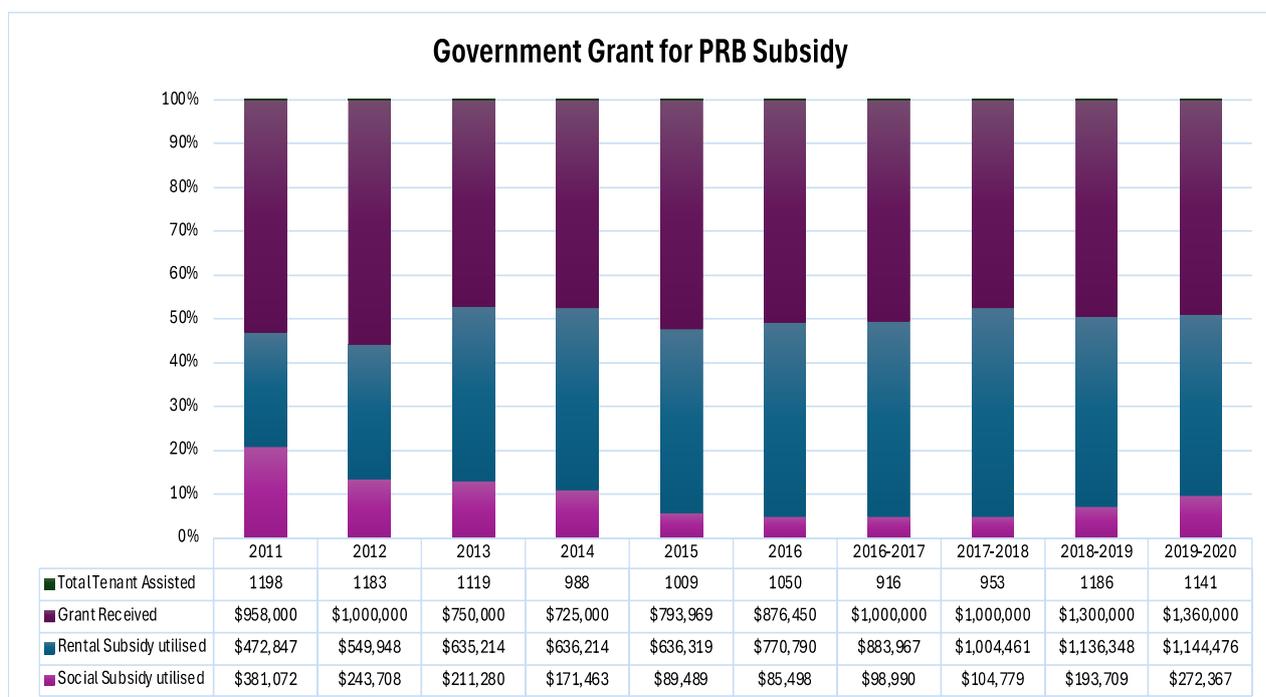
Public Rental housing in Fiji is managed by the Public Rental Board (PRB) since its establishment in 1989. This form of housing aims to provide affordable, quality and adequate rental housing units to low income earning Fijian households with annual income of less than \$13,000 or below \$250 Weekly gross income (WGI).

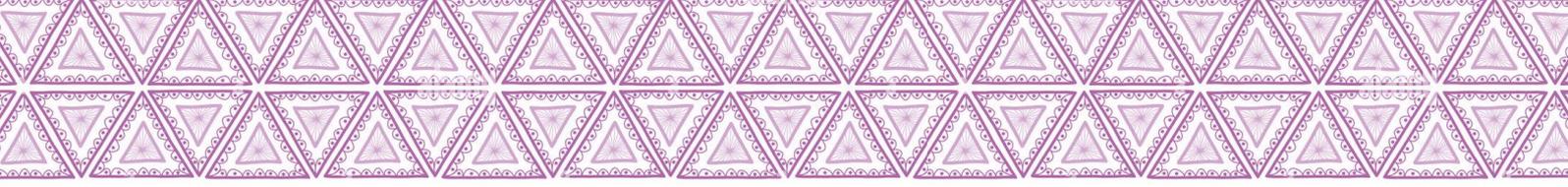
PRB provides 1636 rental flats in 21 estates across Fiji with 11 in the Central Division, 6 in the Western Division and 4 in the Northern Division. Through these public rental flats, PRB receives grants from the Fijian Government for rental and social subsidies. This financial year, PRB received a total of \$1.48 million Government grant for rental and social subsidy for more than 1,114 tenants.

(i) Rental Subsidy – is allocated according to the 2016 subsidy criteria based on the tenant’s WGI.

HH Weekly Gross Income Range	Criteria	Comments
\$0 – \$100 less 8% FNPF	5% of Income	Tenant Contribution = 5% of WGI or \$5 as minimum
\$101 – \$125 less 8% FNPF	8% of Income	Tenant Contribution = 8% of WGI
\$126 – \$150 less 8% FNPF	11% of Income	Tenant Contribution = 11% of WGI
\$151 – \$175 less 8% FNPF	14% of Income	Tenant Contribution = 14% of WGI
\$176 – \$200 less 8% FNPF	17% of Income	Tenant Contribution = 17% of WGI
\$201 – \$250 less 8% FNPF	20 % of Income	Tenant Contribution = 20% of WGI

(ii) Social Cost Subsidy – is the difference between the market rent and PRB maximum rent of \$50. If the rent is more than \$50, the tenant is qualified to receiving social subsidy.





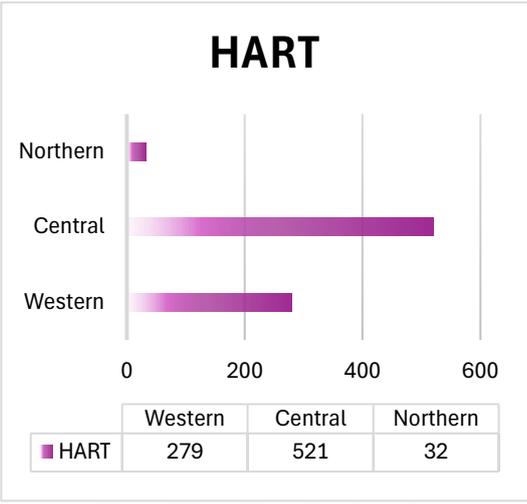
Housing Assistance and Relief

Supporting Vulnerable Families

The Housing Assistance and Relief Trust [‘HART’] is a charitable organization that was established in 1970 and managed by the Fiji Council of Churches.

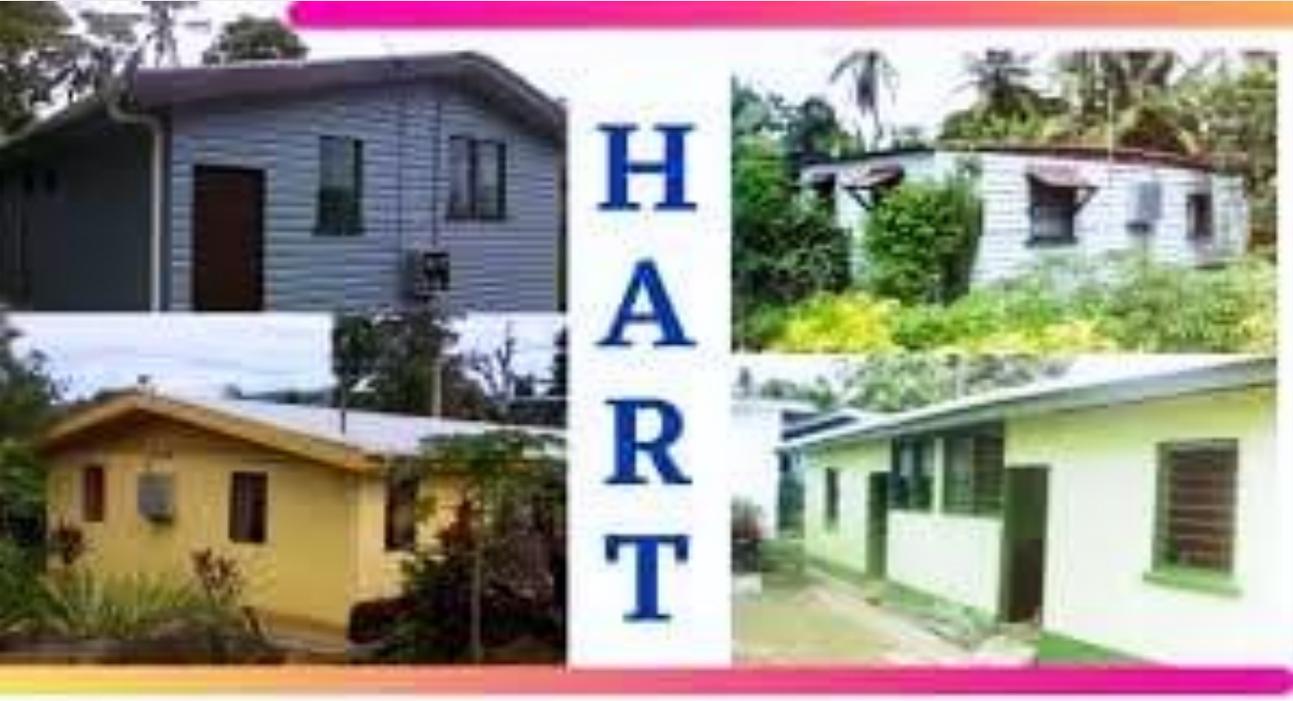
The Fijian Government has assisted HART since 1976 and today the organization provides other support and services annually to 832 families of mainly women and children who have little or no regular source of income and rely on the department of Social Welfare for financial assistance.

The services provided are designed to empower individuals to become resourceful and productive to secure a better life. Government grant assistance provided to HART is to assist in General Maintenance Works, Capital Works and Operational Costs and subsidized rental.



No. of Families Assisted

This year, HART received a grant of \$400,000 to rebuild 44 blocks at Lovu HART in Lautoka and maintain 21 villages.

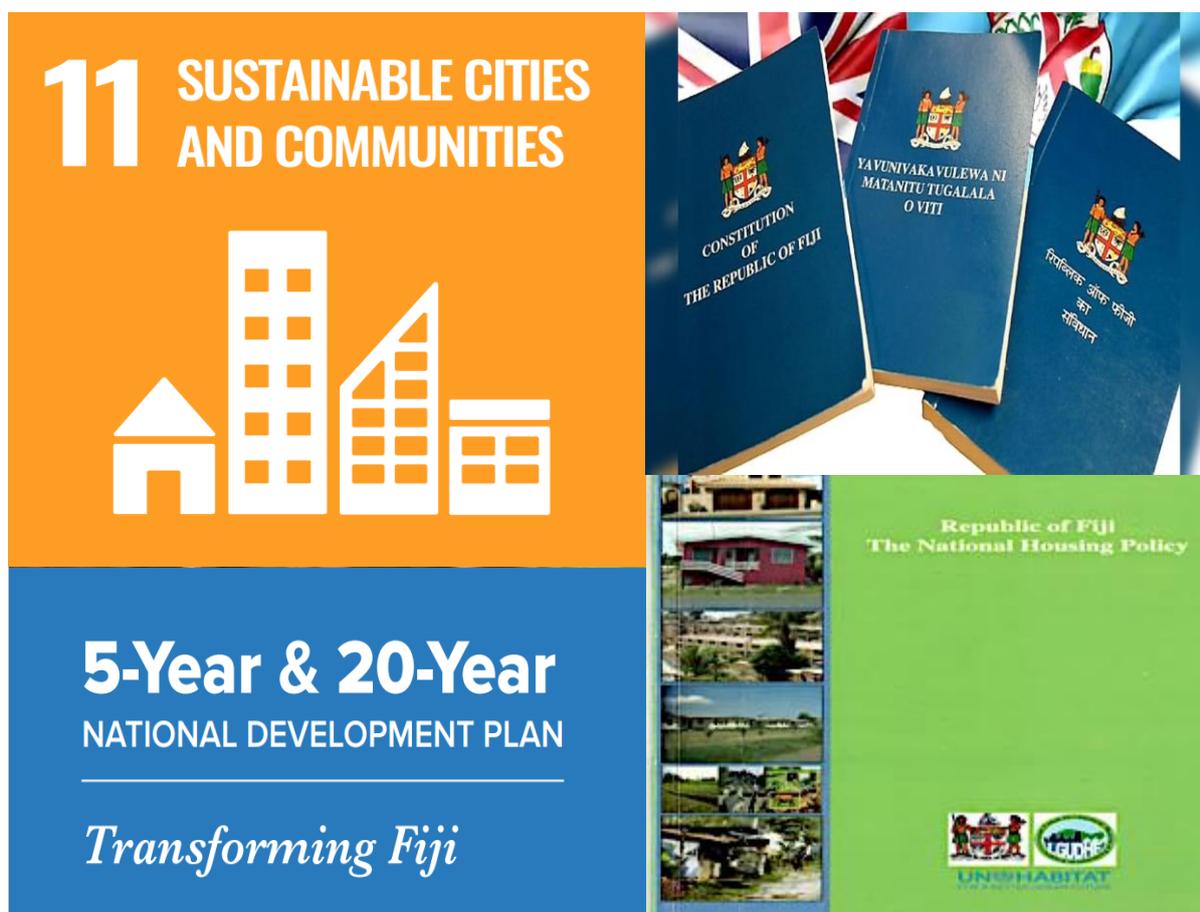


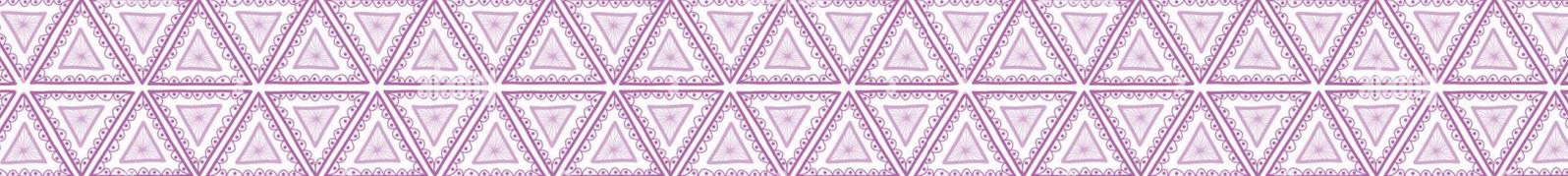
National Housing Policy

The National Housing Policy [“NHP”] was first adopted in 2011 and sets out a vision of “Accessible and Affordable Housing for All” and was an attempt to cohesively address the fragmented approach to housing policy and supply that existed at the time and provide an enabling approach to assist all stakeholders in the housing sector to collectively perform more effectively.

The increasing demand and complexities arising in the housing sector requires a review of the NHP 2011 with an aim of developing an updated strategic vision for the housing sector in Fiji. There is a need to adopt new approaches to the way we deliver our services to create a positive impact on all Fijian lives and grow our portfolio to increase the supply of social and affordable housings for people in need.

This financial year, a Housing Sector Policy Advisor funded by New Zealand Ministry of Foreign Affairs and Trade [“NZMFAT”] was appointed to assist the Ministry with achieving the new objective for the housing sector and ensuring consistency in Government’s commitments as outlined from SDG 11, Fiji Constitution 2013 and the National Development Plan.





Disaster & Climate Resilience

Rebuilding Homes

Homes destroyed by accidental fires are unforeseen and considered a crisis that can be detrimental psychologically to household members. To assist low-income families overcome this devastating disaster of losing a home, the Housing Assistance to Fire Victims was introduced in 2015 to rebuild their homes.

Families with annual household income of \$50,000 and below were assisted with a grant up to \$5,000. To qualify for this assistance, the applicants will need to provide evidence to support the ownership of the destroyed property, is residing in the same property, the house is not insured and submit a Police and National Fire Authority report confirming that the fire was accidental.

This financial year, the Ministry assisted a total of 24 households with a total payout of \$120,000 to enable families who faced such devastation to rebuild their homes.

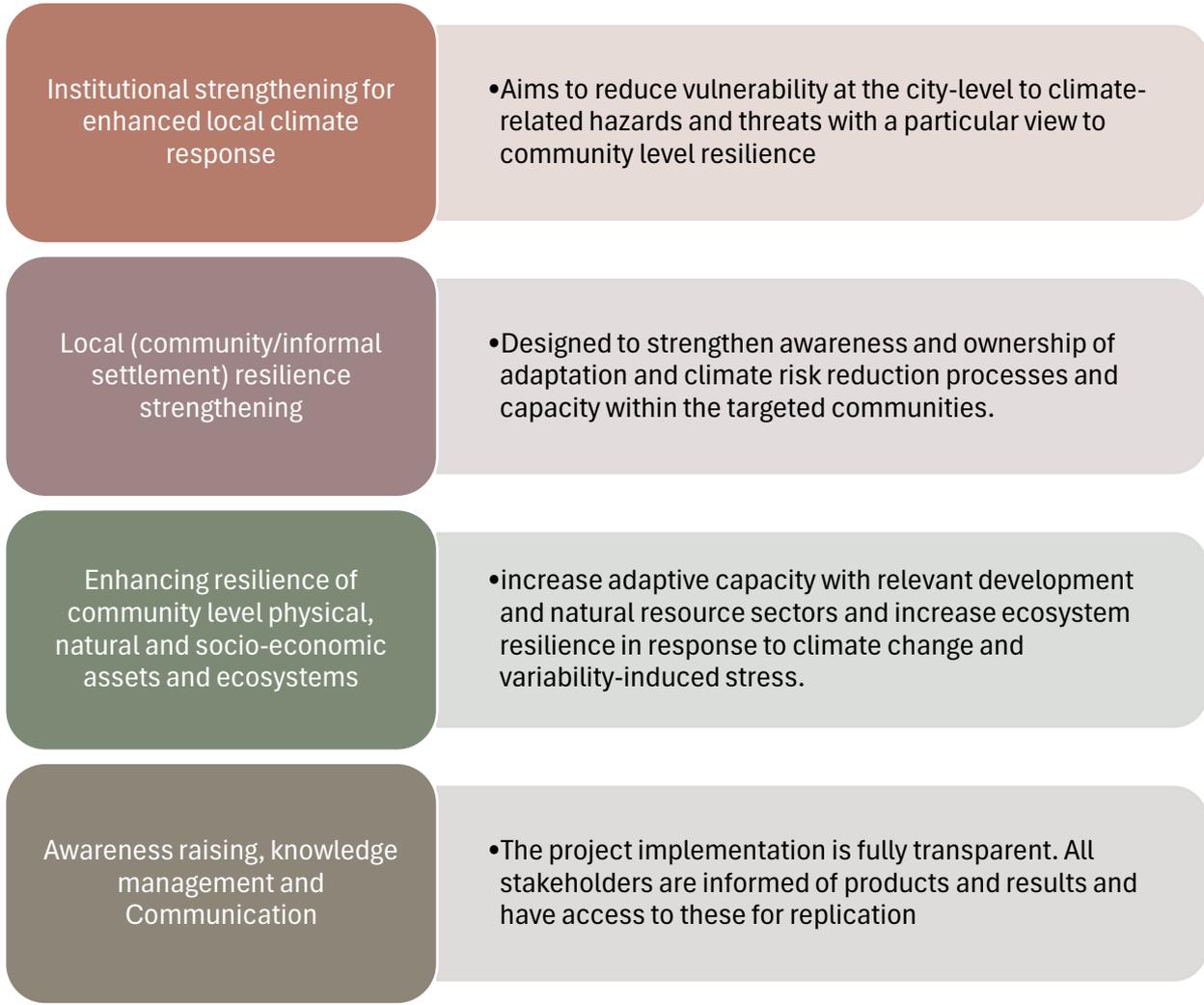
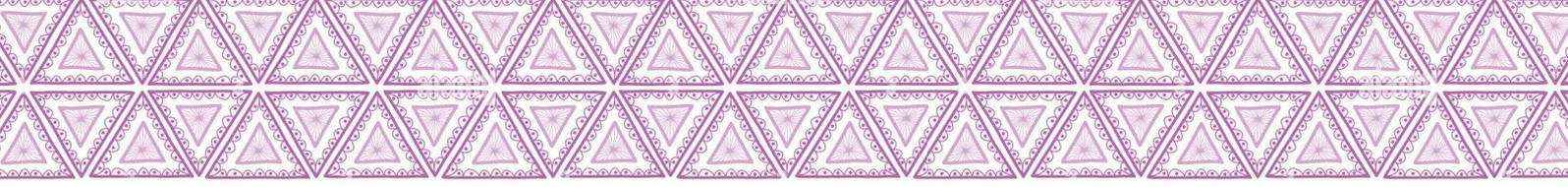
Partnership with UN HABITAT

Climate Resilience in Informal Settlements

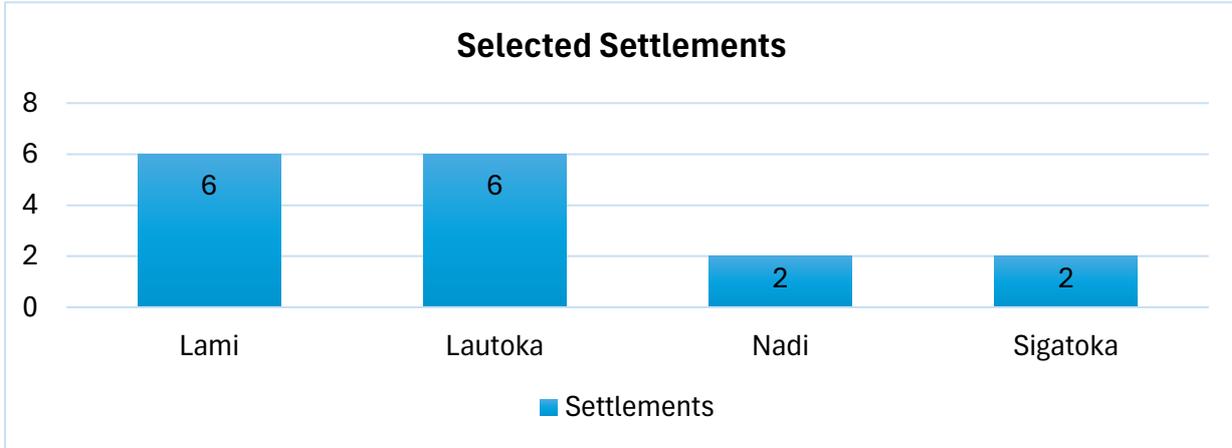
The Ministry in collaboration with UN-Habitat promoted the implementation of the Sustainable Development Goals (SDGs) in particular Goal 11 of “making cities and human settlements inclusive, safe, resilient and sustainable”.

As part of the collaboration focusing on ensuring climate resilience and improving the living standards for informal settlements in Fiji, the ***Fiji Resilient Informal Settlement (FRIS) Programme*** was endorsed in August 2018 by Cabinet with a total funding of US\$4.2million from the International Adaptation Fund.

The FRIS Programme aims to increase resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks. The implementation of the programme is aligned with 4 project components.



The FRIS programme is implemented in 16 informal urban settlements in 4 different municipalities, Nadi, Lautoka, Sigatoka and Lami. The settlements are characterized by a high exposure to multiple climate hazards, especially cyclones and floods.



Capacity Building

In addition to the FRIS Programme, the Ministry and UN-Habitat is also collaborating in the implementation of the **Participatory Slum Upgrading Programme**. The overall goal of PSUP is directly linked to SDG target 11.1 which is to “ensure access for all towards an adequate, safe and affordable housing and basic services and upgrade slums”.

It is aligned with the Fijian Government’s existing policy and strategic direction with regards to upgrading informal settlements as established in the National Housing Policy 2011 and the current National Development Plan 2017.

- ❖ PSUP Phases 1 and 2 have been completed prior to 2018/2019 financial year, however, implementation of the programme continued beyond the 2018/2019 financial year.
- ❖ Phase 1 aimed to identify the most pressing needs at all levels, spotting regulatory, legal, institutional and financial gaps.
- ❖ Phase 2 was to undertake the first assessment on the overall informal settlement situation on Fiji and develop adequate planning tools and realistic mobilization strategies.
- ❖ Phase 3 is yet to be implemented and it aims to strengthen global partnerships and policy dialogue for participatory slum upgrading and prevention.



Phase 1 Outcomes

- 3 Urban profiles for the cities of Suva, Nadi and Lautoka as well as the National Urban Profile
- Preliminary study to review the housing provisions in legislation of Fiji to assist with the formulation of a Fiji Housing Act
- Training of Ministry and council officials on participatory slum upgrading strategies and policies



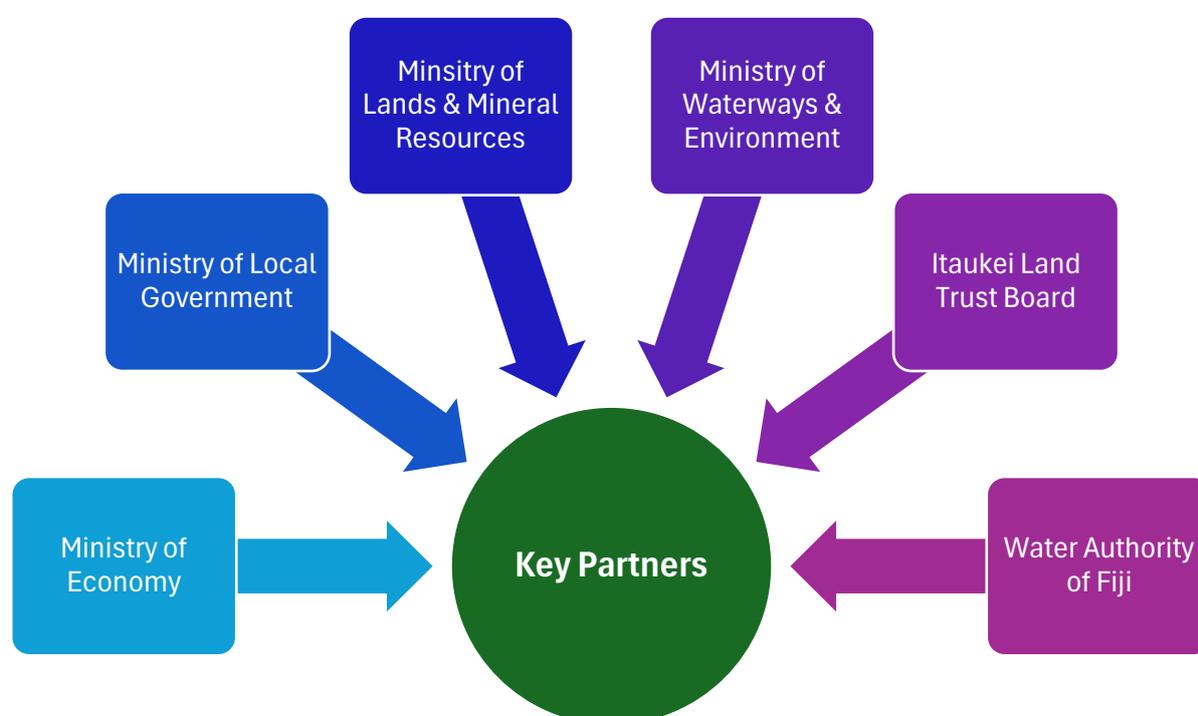
Phase 2 Outcomes

- Fiji Informal Settlement Situation Analysis
- Fiji Citywide Informal Settlement Upgrading Strategy - Concept Notes
- Fiji Islands Citywide Informal Settlement Upgrading Strategy - Concept Notes
- Fiji Island Citywide Informal Settlements Upgrading Strategy - 2015-2025
- Policy and Regulatory Framework;
- Resource Mobilisation Strategy

Bilateral Assistance from Ministry of Foreign Affairs & Trade – New Zealand

Revitalizing Informal Settlement and their Environment (RISE)

Revitalizing Informal Settlement and their Environment (RISE) is a five-year health and environmental health programme, 2020-2025, which aims to be the first to implement a nature-based approach called Water Sensitive Cities (WSC). The nature-based approach is a water management infrastructure that enables communities to easily access clean water, sanitation services and build resilience against climate change.



The design of the program followed thorough research to obtain information to provide evidence that the Water Sensitive Cities approach will improve the health of the people and reduce environment contamination.

There are twelve sites located around the greater Suva area and one demonstration site (Tamavua I Wai) selected for the RISE program. The successful implementation of RISE program will enable approximately 3,600 Fijians living in these twelve project sites to recycle their wastewater, harvest rainwater, create green space food cultivation and water cleansing, restore waterways to reduce vulnerability to flooding and strengthen climate resilience.

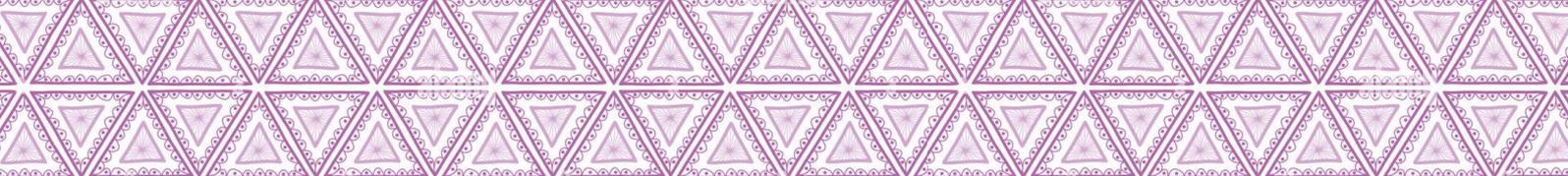
No.	Settlement	Land Tenure	No. of Households
1	Matata	Itaukei	36
2	Muanikoso	Itaukei	36
3	Muanivatu	State	67
4	Nauluvatu	State	55
5	Wailea (Partially- Raiwaqa side)	State	62
6	Komave	State	31
7	Maravu	State	21
8	Lobau	State	62
9	Newtown	State	93
10	Wainivokai	State	20
11	Wainidinu	Itaukei	17
12	Kinoya	Itaukei	84

Koroipita Model Town Charitable Trust

The Koroipita Model Town Charitable Trust is a non-governmental organization established in 2002 and committed to building engineered and serviced subdivisions and cyclone safe houses. The services provided at the completion of the fully serviced subdivisions are wide road access, water supply, electricity, sewerage treatment system, storm water drains and garbage collection system.

The project was co-funded mainly by Rotary clubs in the region and NZ-MFAT. This financial year, 2019-2020, the Fijian Government stepped in and funded the completion of stages 3 and 4 of the project. NZ-MFAT continues to support the project with assistance to cater the operating expenses.





Functions of Each Ministry's Unit

The Ministry operations is carried out by various units that is responsible for respective programmes. These units are:

Executive office

the office of the Permanent Secretary and inclusive of a Senior Secretary and Executive Driver who are responsible for the daily operations of the office.

Policy Unit :

provides policy advise and formulation in addition to ministerial and executive support to the office of the Hon.Minister and office of the Permanent Secretary and includes customer service and complaints sections

Project Management Unit

comprises of all technical officers involved in managing the capital projects of the Ministry across the Central, Northern and Western divisions

Finance Unit

responsible for all financial transactions, budgetary submissions, and financial updates of the Ministry.

Grants Unit

responsible for processing applications of Ministry's grants programmes from First Home Ownership Initiative, housing assistance to fire victims and housing assistance for people living with disability.

Human Resource

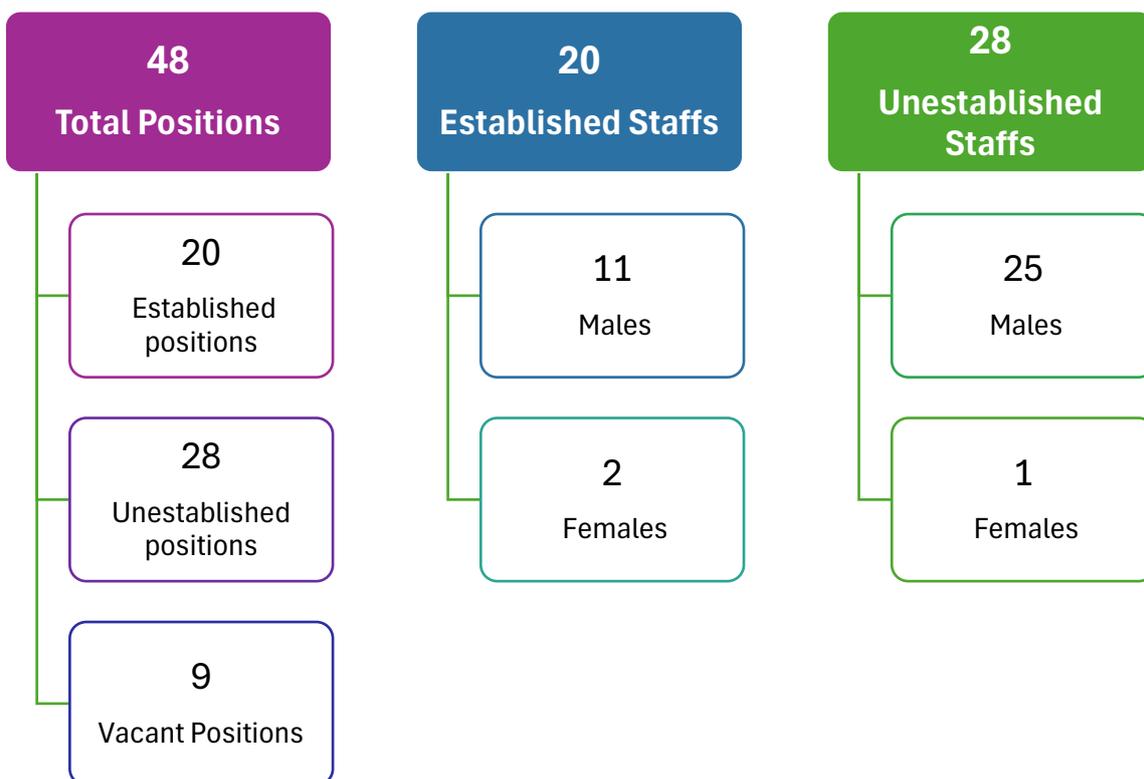
responsible for Ministry staffing welfare, recruitments, capacity development, OHS and monitors staffs' compliance to Ministry Values.

IT Unit

manages all IT services of the Ministry and maintain the Ministry website

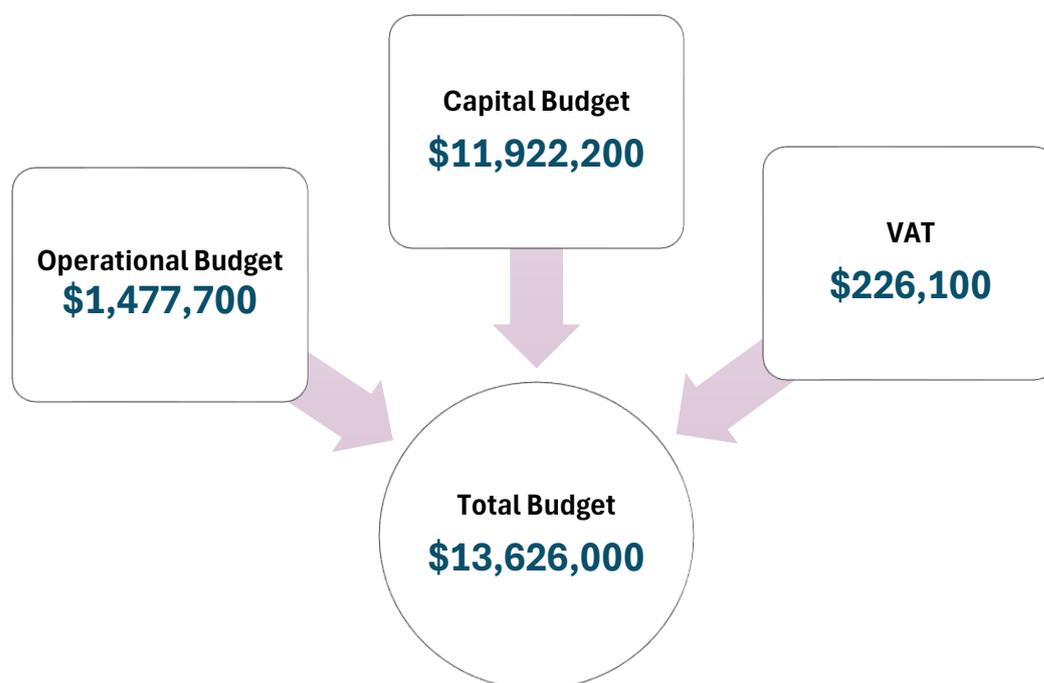


Human Resources



Finance Unit

The Ministry's total budget allocation for 2019-2020 Financial Year is planned for the operations of respective units. The Ministry was allocated \$XX million in the 2019-2020 National Budget.



Allocation	2019-2020 Budget	Utilization %
National Housing Policy Implementation	\$200,000	91%
Formalization of Informal Settlements	\$2,000,000	96%
Public Rental Board Subsidy	\$1,480,000	91%
HART	\$400,000	94%
Housing Assistance to Fire Victims	\$185,000	74%
First Home Purchase CAT 1 (50k Below)	\$3,055,000	65%
First Home Purchase – CAT 2 (\$50K to \$100K)	\$385,000	97%
First Land Purchase	\$2,333,995	100%
Survey for Regularization of Lease and Land Title	\$200,000	99%
Koroipita Model Town	\$713,790	100%
RISE	\$2,878,941	100%
Habitat for Humanity	\$280,000	86%

Total Budget	Total Expenditure	Balance
\$13,626,000	\$12,927,036	\$699,004

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 525/2

15 November 2022

The Honourable Aiyaz Sayed-Khaiyum
Minister for Housing and Community Development
Korobasaga House
Gorrie Street
SUVA

Dear Honourable Sayed-Khaiyum

MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
AUDITED FINANCIAL STATEMENTS - 31 JULY 2020 AND 31 JULY 2021

The audited financial statements of the Ministry of Housing and Community Development for the years ended 31 July 2020 and 31 July 2021 together with my audit reports on them are enclosed.

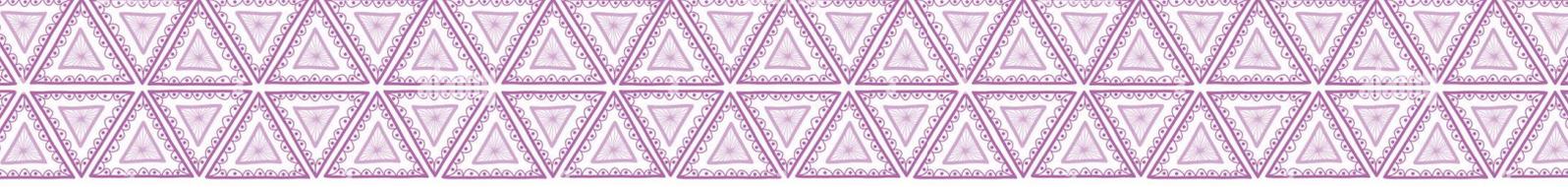
Particulars of the errors and omission arising from the audit have been forwarded to the Management of the Ministry for necessary action.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Sanjeeva Perera, Permanent Secretary for Housing and Community Development, Suva

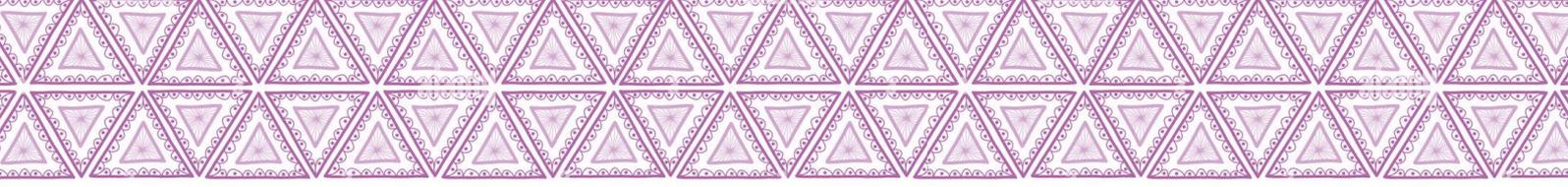
Encl.



MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements of the Ministry of Housing and Community Development

Opinion

I have audited the financial statements of the Ministry of Housing and Community Development which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses for the financial year ended 31 July 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Ministry are prepared, in all material respects, in accordance with the Financial Management Act 2004 and Finance Instructions 2010.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry of Housing and Community Development in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

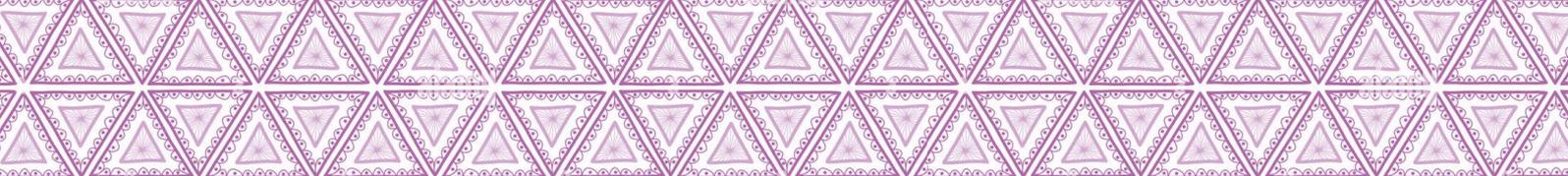
Other Matter

The Ministry recorded deposits received from the public for rural housing assistance of \$575,049 as Unearned Income under the Liability Account (SLG 85) in the FMIS general ledger.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Management are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004 and Finance Instructions 2010, and for such internal control as the Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Ministry of Housing and Community Development.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
15 November 2022

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2020**

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Housing and Community Development for the year ended 31 July 2020; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and Finance Instructions 2010.



Sanjeeva Nekkera
Permanent Secretary



Ronit Sen
Director Housing

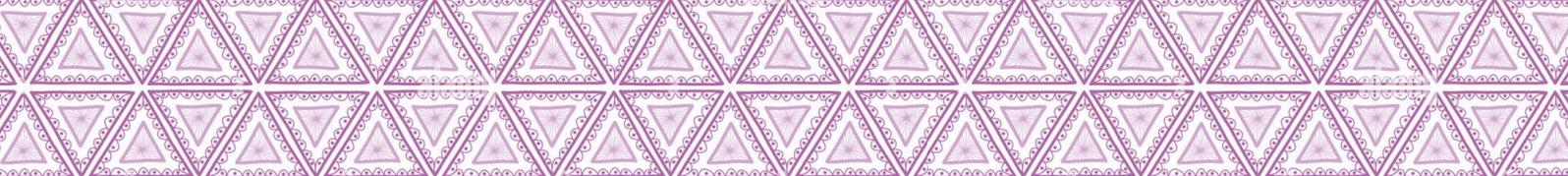
Date: 08-11-2022

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2020**

	Note	2020 (\$)	2019 (\$)
RECEIPTS			
State Revenue			
Commission	3 (a)	1,946	1,002
Total State Revenue		<u>1,946</u>	<u>1,002</u>
Agency Revenue			
Miscellaneous	3 (b)	—	9,167
TOTAL REVENUE		<u>1,946</u>	<u>10,169</u>
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (c)	648,639	447,338
Government Wage Earners	3 (d)	367,825	488,242
Travel & Communication	3 (e)	58,831	99,328
Maintenance & Operations	3 (f)	98,624	83,583
Purchase of Goods & Services	3 (g)	38,223	14,143
Operating Grants and Transfers	3(h)	1,360,000	1,300,000
Special Expenditure	3 (i)	281,833	148,521
Total Operating Expenditure		<u>2,853,975</u>	<u>2,581,155</u>
Capital Expenditure			
Capital Construction	3 (j)	1,911,904	3,228,599
Capital Grants and Transfers	3 (k)	7,957,496	5,984,490
Total Capital Expenditure		<u>9,869,400</u>	<u>9,213,089</u>
Value Added Tax		203,661	192,781
TOTAL EXPENDITURE		<u>12,927,036</u>	<u>11,987,025</u>

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$) (a)	Actual Expenditure (\$) (b)	Carry-Over (\$)	Lapsed Appropriation (\$) (a-b)
	Operating Expenditure						
1	Established Staff	615,069	33,804	648,873	648,639	---	234
2	Government Wage Earners	373,843	496	374,338	367,825	---	6,513
3	Travel & Communication	52,040	6,800	58,840	58,831	---	9
4	Maintenance & Operations	57,061	44,651	101,612	98,624	---	2,988
5	Purchase of Goods & Services	99,720	(81,846)	47,874	38,223	---	9,651
6	Operating Grants & Transfers	1,480,000	(33,804)	1,446,196	1,360,000	---	86,196
7	Special Expenditure	303,000	---	303,000	281,833	---	21,167
	Total Operating Costs	2,980,733	---	2,980,733	2,853,975	---	126,758
	Capital Expenditure						
8	Capital Construction	2,000,000	---	2,000,000	1,911,904	---	88,096
10	Capital Grants & Transfers	8,419,207	---	8,419,207	7,957,496	---	461,711
	Total Capital Expenditure	10,419,207	---	10,419,207	9,869,400	---	549,807
13	Value Added Tax	226,100	---	226,100	203,661	---	22,439
	TOTAL EXPENDITURE	13,626,040	---	13,626,040	12,927,036	---	699,004



**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2020**

Loss of Money

There was no loss of money recorded for the financial period ended 31 July 2020.

Loss of Revenue

There was no loss of revenue recorded for the financial period ended 31 July 2020.

Loss (other than money)

There was no loss of fixed assets for the financial period ended 31 July 2020 except for some wear & tear of fixed assets.

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

NOTE 1: REPORTING ENTITY

The Ministry of Housing and Community Development (MHCD) is responsible for strategy, policy, funding assistance, monitoring and regulation of Fiji's housing system. We play a lead role in promoting and facilitating the provision of accessible and adequate housing for low and middle-income households and people living in informal settlements.

The Ministry was established in 2018 as a dedicated stand-alone line ministry with a singular focus on the housing sector bringing together Fiji's long running urban housing programme, previously overseen by the Department of Housing within a wider Ministry for Local Government, and the rural housing programme that was previously overseen by Ministry for Rural and Maritime Development.

We're working to:

- review the national housing policy and strategy
- increase public and private housing supply
- modernize housing sector legislation
- increase access to affordable housing, for people to rent and buy

We work closely with other central and local government agencies, our partners in the housing sector and our local communities.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting / Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Housing and Community Development is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act 2004 and the requirements of Section 71(1) of the Finance Instructions 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to FRCS. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Revenue Recognition

Revenue is recognised when actual cash is received by the Ministry of Housing & Community Development.

MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2020

NOTE 3: SIGNIFICANT VARIATIONS (Continued...)

- (a) The Commission Revenue amounts to \$1,946 as at July 2020. The government acts on behalf of the financial institutions to pay the monthly deductions of the employees to the financial institutions and in the process earns commission revenues from financial institutions.
- (b) There has been no miscellaneous revenue collected in financial year 2019/2020.
- (c) The Established Staff expenditure amounts to \$646,639 as at 31st July 2020. The said SEG caters for the salaries of Established Staffs. There has been an increase in the said SEG expenditures by \$201,301 or 45%. This is due to the restructure and filling up of vacant positions as part of capacity building for new Ministry.
- (d) The Government Wage Earners cost amounts to \$367,825 as at 31st July 2020. The said SEG caters for the wages for Government Wage Earners. There has been a decrease in the said SEG expenditures by \$120,417 or 25%. This reduction is from the savings made from staff meal allowance through efficient control and from the reduction in wages from the restructure of the SEG 2 person to post during the financial year.
- (e) The Travel and Communications cost amounts to \$58,831 as at 31st July 2020 compared to \$99,328 in the previous financial year. The decrease in the said SEG expenditures by \$40,497 or 41% due to better control cost measures implemented in the financial year. There was no overseas travel during the financial year 2019/2020.
- (f) The Maintenance and Operations costs amount to \$98,624 as at 31st July 2020 compared to previous financial year which was \$83,583. There has been an increase in the said SEG expenditures by \$15,041 or 18% due to the procurement of office supplies for the setting up of the Ministry's new office at Korobasaga House.
- (g) The Purchase of Goods and Services costs amounts to \$38,223 as at 31st July 2020 compared to last financial year expenditure of \$14,143. There has been an increase in the said SEG expenditures by \$24,080 or 170%. This increase is related to the increase in cost of transportation of building materials to Rural Housing Applications during the year 2019/2020.
- (h) The Operating Grants and Transfers amounts to \$1,360,000 as at 31st July 2020. There has been an increase in said SEG expenditures by \$60,000 or 5%. The total payment is to Public Rental Board (PRB) for rent subsidy to the tenants living in PRB low-cost housing. The subsidy is a derivative of the income level of the tenants in each year and varies accordingly.
- (i) The Special Expenditure amounts to \$281,833 as at 31st July 2020. There has been an increase in said SEG expenditure by \$133,312 or 90%. This SEG caters for operational expenses relating to the payment of consultancy fees and other logistics on National Housing implementation and establishment of new office for the Ministry. A significant portion of the increase in this SEG during the year 2019/2020 was attributed to the setting up of the new office at Korobasaga House.
- (j) The Capital Construction expenditure amounts to \$1,911,904 as at 31st July 2020. There has been a decrease in the said SEG expenditures \$1,316,895 or 41%. This expenditure is a derivative of the capital work stages in the upgrade of informal settlements. A number of upgrade projects were in the planning stage in the year 2019/2020 financial year.

MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2020

NOTE 3: SIGNIFICANT VARIATIONS (Continued...)

(k) The Capital Grants and Transfers expenditure amounts to \$7,957,496 as at July 2020. There has been an increase in the said SEG expenditures by \$1,973,006 or 33%. The increase is related to increase in grant payments relating to Rural Housing Assistance, First Home Purchase Grant, Korcipita Model Town Low-Cost Housing Project and Survey of Residential Leases.

The unearned income recorded under the Liability Account (SLG 85) in relation to the deposits received by the Ministry from the public for rural housing assistance (Social Housing Assistance) stated as \$575,049 as at 31st July, 2020.

NOTE 4: APPROPRIATION CHANGES

The Permanent Secretary approved the following virement under delegation from the Minister for Economy.

Virement No.	Transfer From	Transfer to	Amount (\$)	Approval
DV2301	SEG 5	SEG 4	38,602	Permanent Secretary for Housing & Community Development
DV2302	SEG 13	SEG 13	50,792	
DV2303	SEG 5	SEG 3	6,800	
	SEG 5	SEG 4	6,544	Permanent Secretary for Economy
V23001	SEG 10	SEG 10	441,587	
V23002	SEG 10	SEG 10	602,408	
V23003	SEG 2	SEG 2	23,167	
V23004	SEG 6	SEG 1	33,804	
V23006	SEG 4	SEG 2	485	

