



Ministry Of Housing and Community
Development



2020–2021 ANNUAL REPORT

PARLIAMENTARY PAPER NO.

146/25



**Ministry of Housing &
Community Development**



About this Report

The Ministry of Housing and Community Development (“Ministry”) Annual Report for 2020-2021 is a summary of our operation and financial performance during the 2020-2021 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 2020-2021 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 2021.

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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 along 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

O5 November 2025

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

Dear Honourable Minister

ANNUAL REPORT 2020-2021

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 2020 to 31st July 2021.

The report provides the Ministry activities and achievements for the Financial Year 2020-2021.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Manasa Lesuma', written over a dotted line.

Manasa Lesuma [Mr.]
Permanent Secretary for Housing and Community Development

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



Preface by the Permanent Secretary

It is my privilege to present the Annual Report for the Ministry of Housing and Community Development for the financial year 2020-2021. This report reflects a period marked by both significant challenges and remarkable resilience, as Fiji continued to navigate the impacts of the global pandemic while remaining steadfast in our commitment to improving the lives of all Fijians through accessible, adequate, and affordable housing.

Throughout the year, the Ministry has worked diligently to advance the Government’s vision of “Accessible and Adequate Housing for All,” guided by the principles enshrined in the Constitution of Fiji and aligned with the Fiji National Development Plan. Our dedicated team has collaborated with partners and stakeholders to implement strategic initiatives designed to support low- and middle-income households, upgrade informal settlements, and contribute to the broader goals of the 2030 Agenda for Sustainable Development.

Despite unprecedented obstacles, we have made significant progress in enhancing housing policies, strengthening regulatory frameworks, and delivering vital support to those most in need. I extend my sincere gratitude to our staff, partners, and the communities we serve for their unwavering dedication and collective efforts in making these achievements possible.

As we look ahead, the Ministry remains committed to building on these foundations, ensuring that every Fijian has the opportunity to live in a safe, resilient, and inclusive community. Together, we will continue to pursue innovative solutions to housing challenges and uphold our shared vision for a better future for all.

Vinaka vakalevu.


Permanent Secretary
Ministry of Housing and Community Development



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 is a community housing provider established in 2018 after the Government announced changes in the 2018-2019 National Budget. This led to the consolidation of the Department of Housing's functions into the Ministry of Local Government and Rural Housing Unit, formerly part of the Ministry of Rural and Maritime Development. The Ministry is tasked with increasing the home ownership rate to address demand for quality housing at affordable prices in Fiji.

The Ministry supports and coordinates efforts to provide accessible and adequate housing for low- and middle-income households and residents of informal settlements. It manages core programmes in line with the Fiji National Development Plan, with the goal of making adequate, affordable, and accessible housing available to all Fijians through various housing initiatives.

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

Excellence in Leadership-Improving Performance Standards



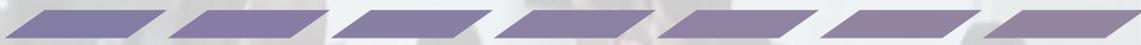
Improved Delivery Quality



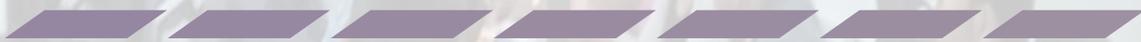
Financial Effectiveness



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.



National Housing Policy

The National Housing Policy (NHP), first introduced in 2011, articulated the vision of “Accessible and Affordable Housing for All.” Its primary objective was to unify the previously fragmented housing policy landscape and establish an enabling framework to support all stakeholders in enhancing sector performance.

Given the growing demand and increasing complexities within the housing sector, a review of the 2011 NHP is warranted to develop a refreshed, strategic direction for Fiji’s housing sector. It is essential to embrace new methodologies in service delivery in order to improve outcomes for all Fijians and expand the supply of social and affordable housing for those in need.

A Housing Sector Policy Advisor—funded by the New Zealand Ministry of Foreign Affairs and Trade (NZMFAT)—was appointed to assist the Ministry in achieving updated objectives for the housing sector and to ensure alignment with the Government’s commitments under SDG 11, the Fiji Constitution 2013, and the National Development Plan.

Informal Settlement Upgrade Programme Lot Allocation Policy Review

In response to the changing requirements of Fijian communities and insights gained from previous housing programmes, the Ministry of Housing is conducting a thorough review of the Lot Allocation Policy. Initially developed to facilitate the fair distribution of residential plots to eligible families, the policy is now being re-evaluated to enhance transparency, equity, and responsiveness to the unique challenges experienced by vulnerable populations.

The review process encompasses extensive stakeholder consultations across various divisions, the incorporation of best practices from regional counterparts, and the utilization of data-driven methodologies to ensure that support reaches those families with the greatest need. Special attention is given to low-income households, women-led families, and individuals residing in informal settlements. This initiative seeks to establish a more equitable allocation framework, minimize procedural obstacles, and offer families a clearer path to secure tenure and eventual home ownership.

By aligning the revised Lot Allocation Policy with overarching national housing strategies, including commitments to the Sustainable Development Goals and the principles enshrined in the Fiji Constitution, the Ministry is committed to promoting inclusive growth and sustainable urban development. The anticipated outcome is improved accessibility for marginalized groups, increased community involvement, and strengthened neighbourhood resilience throughout Fiji.



Public Consultations on the Review of the Lot Allocation Policy

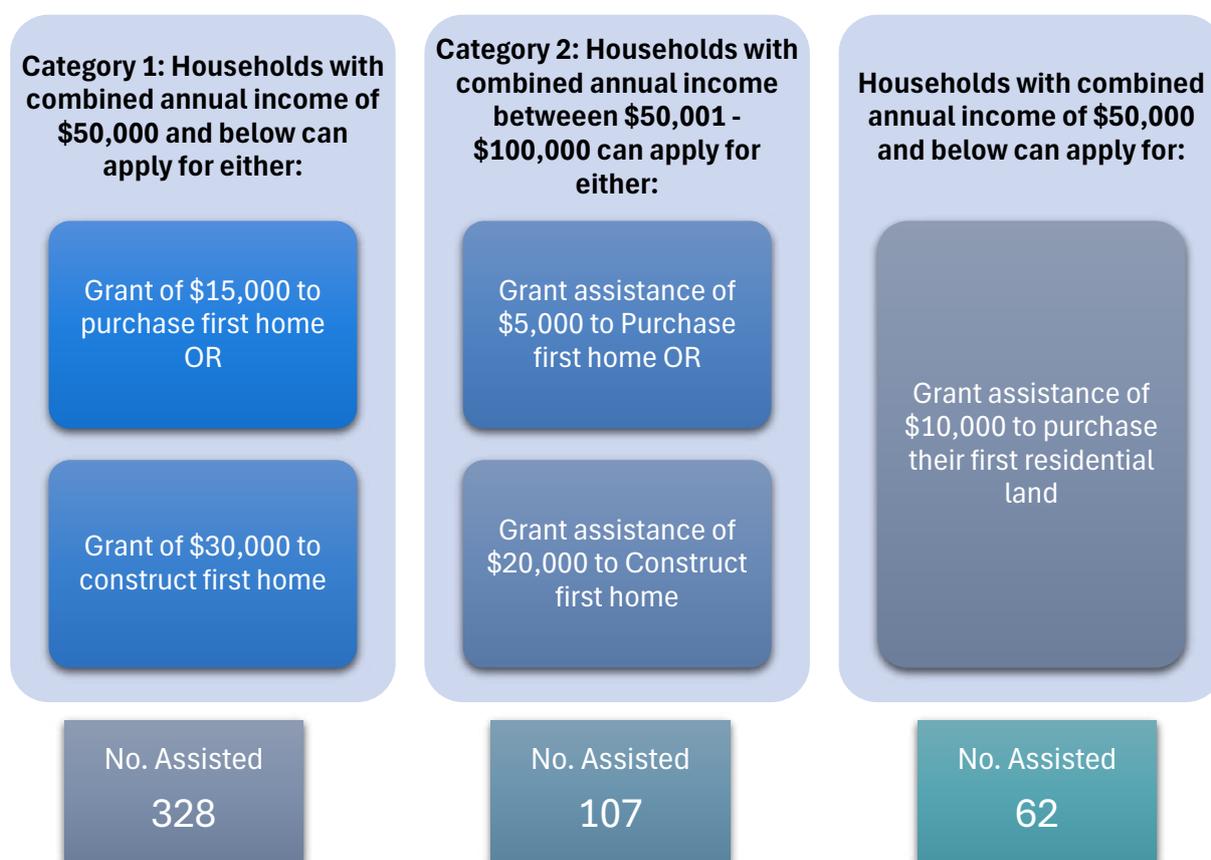


First Home Ownership Initiative

Empowering Fijian Families with the First Home Ownership Initiative

The First Home Ownership Initiative was established to expand homeownership opportunities for Fijians with low to middle incomes. Launched in 2014, the programme has supported eligible households in purchasing or constructing their first residence.

Since its inception, the initiative has assisted 3,141 Fijian households, with total disbursements amounting to \$31,707,455. Throughout the 2020–2021 financial year, the Ministry offered grants aimed at increasing access to affordable, quality housing for Fijians, benefiting a total of 497 qualified households. Of these recipients, 282 constructed their first home, 153 purchased their first home, and 62 acquired their first residential land.



Regularizing of Land & Lease Title

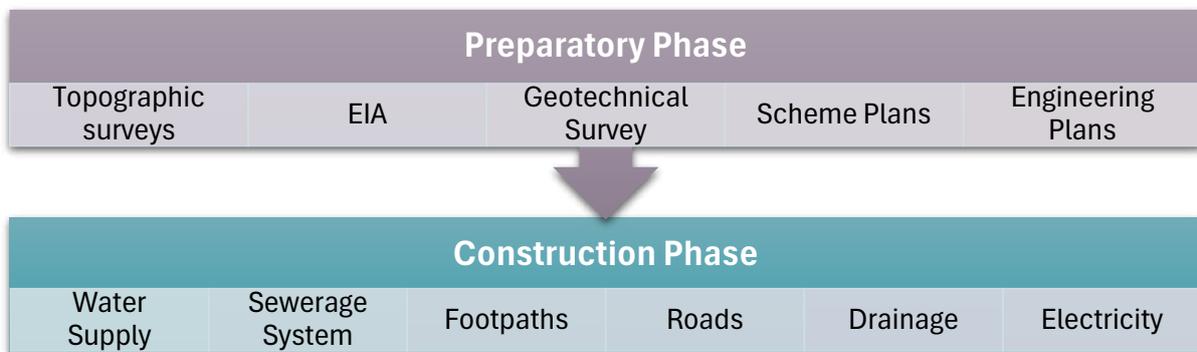
It was observed that Fijians experienced challenges in conducting surveys required to transition their lease agreements into registered leases on iTaukei or State land. The Government identified several financial barriers to achieving land and home ownership and introduced grants to facilitate regularization,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

Ensuring 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 capital program targeted towards improving the livelihoods of informal settlers. This programme improves the livelihoods of informal settlers by providing access to basic utilities such as water, sewerage, drainage, roads, electricity and securing long term tenureship with 99-year lease.



The Ministry is carrying out construction works for Ledrusasa Informal Settlement in Nadi, Cuvu Informal Settlement in Sigatoka and Waidamudamu Informal Settlement in Nausori. There are currently 452 households that have been captured in the Ministry's socio-economic survey that were conducted in these settlements. The households are earmarked to benefit from this programme.

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.





Social Housing Assistance

With nearly half of Fiji's population residing in rural and maritime areas, the rural housing programme plays a critical role to ensuring proper homes are constructed. Fijian households with annual household income of \$15,000 or below qualified for this assistance. The current programme was offered in two types of assistance consisting of:

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.

Upon the transfer from Ministry Rural and Maritime Development, the Ministry is currently completing construction of 16 homes that were still in progress.



Access to Affordable Housing

Public Rental Board

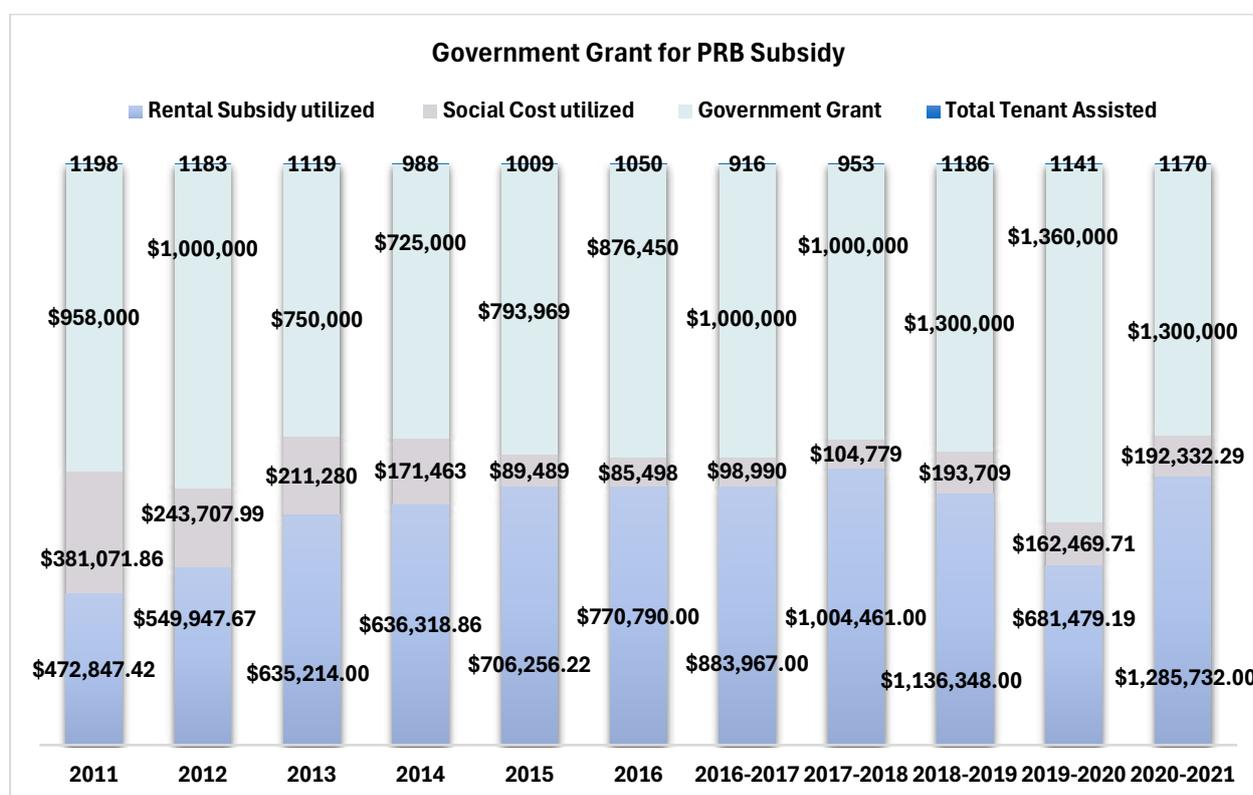
The Public Rental Board (PRB) has managed public rental housing in Fiji since it was founded in 1989. Its main goal is to offer affordable, high-quality, and suitable rental homes to Fijian households earning less than \$13,000 annually or under \$250 weekly in gross income.

PRB oversees 1,636 rental flats spread across 21 estates throughout Fiji—11 in the Central Division, 6 in the Western Division, and 4 in the Northern Division. The Fijian Government supports PRB with grants that help cover rental and social subsidies. In this financial year alone, PRB received a total government grant of \$1.3 million for these subsidies, benefiting 1,170 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
\$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.



Disaster & Climate Resilience

Rebuilding Homes Grant Assistance to Fire Victims

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 29 households with a total payout of \$145,000 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.

Institutional strengthening for enhanced local climate response

- Aims to reduce vulnerability at the city-level to climate-related hazards and threats with a particular view to community level resilience

Local (community/informal settlement) resilience strengthening

- Designed to strengthen awareness and ownership of adaptation and climate risk reduction processes and capacity within the targeted communities.

Enhancing resilience of community level physical, natural and socio-economic assets and ecosystems

- increase adaptive capacity with relevant development and natural resource sectors and increase ecosystem resilience in response to climate change and variability-induced stress.

Awareness raising, knowledge management and Communication

- The project implementation is fully transparent. All stakeholders are informed of products and results and have access to these for replication

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.

Selected Settlements



■ Lami ■ Lautoka ■ Nadi ■ Sigatoka

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

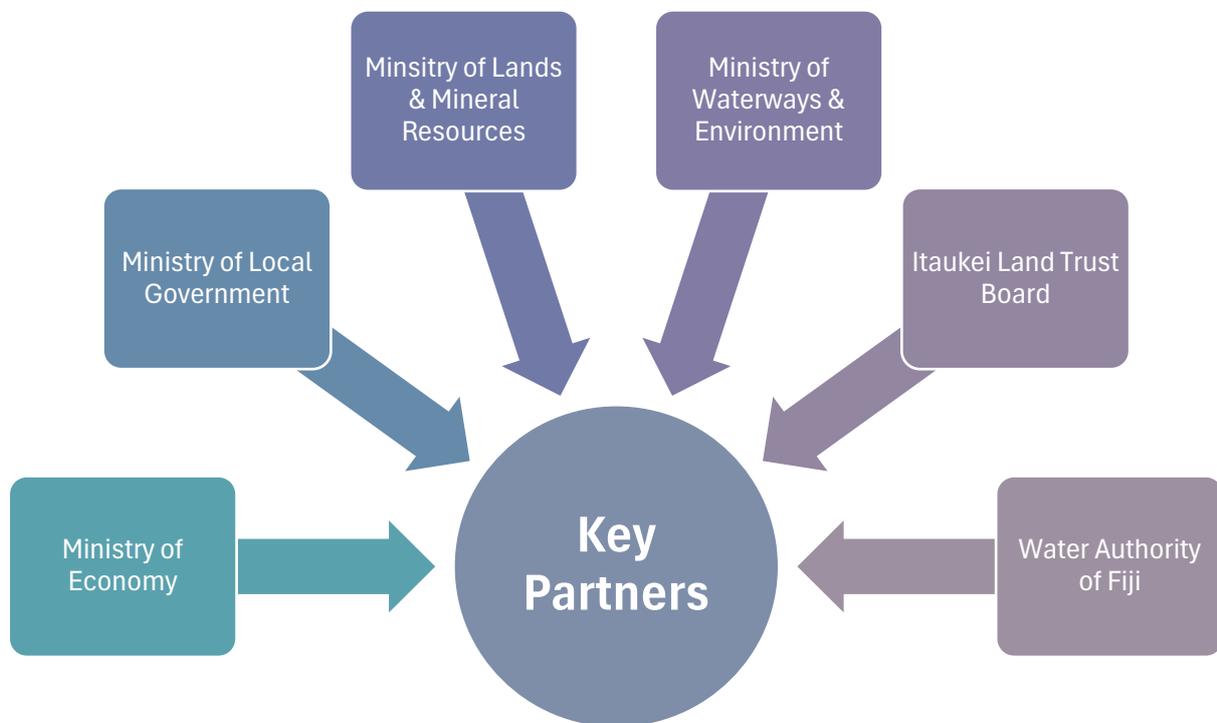


Bilateral Support

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, 2020-2021 the Fijian Government stepped in and provided funding of \$500,000 to support the civil works and construction of houses for K3 and K4. The NZ-MFAT continues to support the project with assistance to cater the operating expenses.



Administration & Finance

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

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.

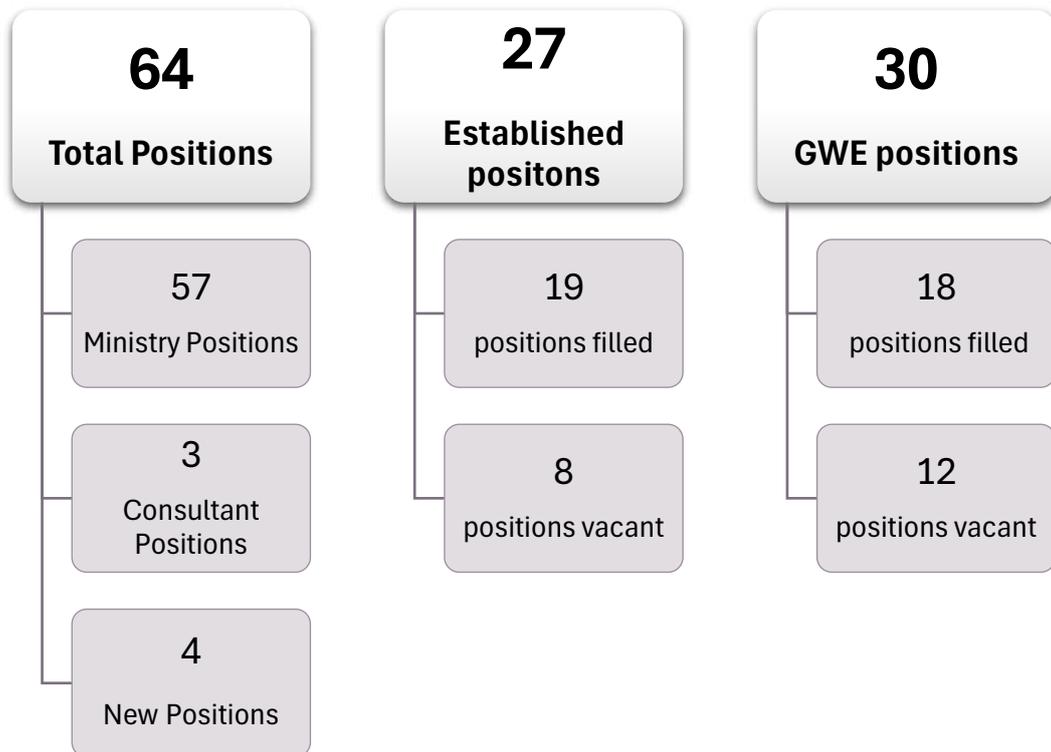
Human Resource

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

IT Unit

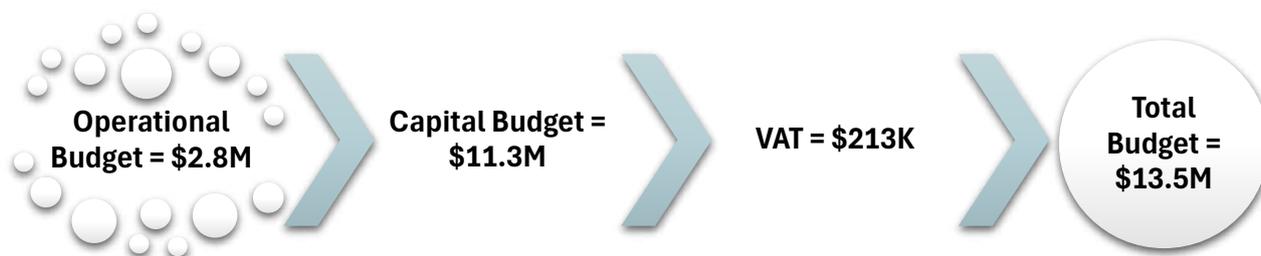
manages all IT services of the Ministry and maintain the Ministry website

Human Resources



Finance Unit

The Ministry's total budget allocation for 2020-2021 Financial Year is planned for the operations of respective units. The Ministry was allocated \$13.5 million in the 2020-2021 National Budget.



Allocation	2020-2021 Budget	Utilization %
National Housing Policy Implementation	\$97,000	91
Formalization of Informal Settlements	\$1,600,000	93
Public Rental Board Subsidy	\$1,300,000	99
HART	\$400,000	100
Housing Assistance for Persons Living with Disability	\$50,000	0
Housing Assistance to Fire Victims	\$150,000	97
First Home Purchase CAT 1 (50k Below)	\$6,175,000	99
First Home Purchase – CAT 2 (\$50K to \$100K)	\$1,355,000	97
First Land Purchase	\$600,000	94
Survey for Regularization of Lease and Land Title	\$200,000	70
Koroipita Model Town	\$500,000	100
Social Housing Assistance	\$300,000	55

Total Budget After Redeployment	Total Expenditure	Balance
\$14,327,843	\$13,525,021	\$802,822

An additional allocation of \$860,000 was provided from Head 24, Ministry of Women, Children and Poverty Alleviation, resulting in an increase to the Ministry's total budget, totalling to **\$14,327,843**.

Redeployment No	Transfer From	Grant	Amount
REDY02	Head 24	FHP (less than \$50K)	\$690,000
		FHP (\$50K - \$100K)	\$170,000
Total			\$860,000



**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Website: www.oag.gov.fj



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 2021, 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 Accountant's 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 \$490,556 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 skepticism 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 2021**

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 2021; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and Finance Instructions 2010.



Sanjeeva Perera
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 2021**

	Note	2021 (\$)	2020 (\$)
RECEIPTS			
State Revenue			
Operating Revenue	3 (a)	90,000	—
Commission	3 (b)	1,136	1,946
TOTAL REVENUE		<u>91,136</u>	<u>1,946</u>
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (c)	658,622	648,639
Government Wage Earners	3 (d)	291,514	367,825
Travel & Communication	3 (e)	58,337	58,831
Maintenance & Operations	3 (f)	75,727	98,624
Purchase of Goods & Services	3 (g)	74,238	38,223
Operating Grants and Transfers	3(h)	1,285,731	1,360,000
Special Expenditure	3 (i)	88,628	281,833
Total Operating Expenditure		<u>2,532,797</u>	<u>2,853,975</u>
Capital Expenditure			
Capital Construction	3 (j)	1,489,680	1,911,904
Capital Grants and Transfers	3 (k)	9,333,265	7,957,496
Total Capital Expenditure		<u>10,822,945</u>	<u>9,869,400</u>
Value Added Tax		169,279	203,661
TOTAL EXPENDITURE		<u>13,525,021</u>	<u>12,927,036</u>

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2021**

Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$) (a)	Actual Expenditure (\$) (b)	Carry-Over (\$)	Lapsed Appropriation (\$) (a-b)
Operating Expenditure						
1 Established Staff	736,159	—	736,159	658,622	—	77,537
2 Government Wage Earners	379,262	—	379,262	291,514	—	87,748
3 Travel & Communication	45,000	19,000	64,000	58,337	—	5,663
4 Maintenance & Operations	60,400	24,000	84,400	75,727	—	8,673
5 Purchase of Goods & Services	183,792	(60,000)	123,792	74,238	—	49,554
6 Operating Grants & Transfers	1,300,000	—	1,300,000	1,285,731	—	14,269
7 Special Expenditure	80,000	17,000	97,000	88,628	—	8,372
Total Operating Expenditure	2,784,613	—	2,784,613	2,532,797	—	251,816
Capital Expenditure						
8 Capital Construction	2,000,000	(400,000)	1,600,000	1,489,680	—	110,320
10 Capital Grants & Transfers	8,470,000	1,260,000	9,730,000	9,333,265	—	396,735
Total Capital Expenditure	10,470,000	860,000	11,330,000	10,822,945	—	507,055
13 Value Added Tax	213,230	—	213,230	189,279	—	43,951
TOTAL EXPENDITURE	13,467,843	860,000	14,327,843	13,525,021	—	802,822

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2021**

Loss of Money

There was no loss of money recorded for the financial period ended 31 July 2021.

Loss of Revenue

There was no loss of revenue recorded for the financial period ended 31 July 2021.

Loss (other than money)

There was no reported loss of assets (other than money) recorded for year ended 31 July 2021.

Following the 2020 – 2021 Board of Survey, items worth \$3,568 were written off as approved by the Permanent Secretary for Economy.

The items have been grouped into categories and the totals of the same have been captured.

Assets	Amount (\$)
Office Equipment	1,921
Furniture & Fittings	1,647
Total	3,568

**MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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.

MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2021

(c) Revenue Recognition

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

NOTE 3: SIGNIFICANT VARIATIONS

- (a) Operating Revenue amounting to \$90,000 for the financial year 2020/2021 relates to receipt of refunds of unused grant payments made in the prior years.
- (b) The Ministry collected Commission Revenue amounting to \$1,136 during the year ended 31st July 2021. The government acts on behalf of the financial institutions to pay the monthly deductions of the employees to the financial institutions and in process earns commission revenues from financial institutions.
- (c) The Established Staff expenditure amounts to \$658,622 as at 31st July 2021. The said SEG caters for the salaries for Established Staffs. There has been an increase in said SEG expenditures by \$9,983 or 2% as a result of movement in established staff numbers during the financial year.
- (d) The Government Wage Earners costs amounts to \$291,514 as at July 2021. The said SEG caters for the wages for Government Wage Earners. There has been a decrease in the said SEG expenditures by \$76,311 or 21%. This reduction is a result of reduction in Government Wage Earners in the current financial year to realign the organisation structure with the Ministry Strategic Plan.
- (e) The Travel and Communications costs amounts to \$58,337 as at 31st July 2021. This cost has been maintained at the same level as in previous financial year through careful cost control measures. There is a marginal reduction of \$494 or 1% in this vote in the current financial year.
- (f) The Maintenance and Operations costs amount to \$75,727 as at 31st July 2021. There has been a decrease in the said SEG expenditures by \$22,897 or 23% mainly due to reduction in the Maintenance of Office Equipment, Office Stationery and Printing and Office Supplies.
- (g) The Purchase of Goods and Services cost amounts to \$74,238 as at 31st July 2021. There has been an increase in the said SEG expenditures by \$36,015 or 94% due to expenditure for Information Technology Upgrades relating to new Office Building in the current financial year. A total investment of \$38,710 was spent in current financial year for a telephone system, Govnet connection and similar upgrades to the Ministry Head Office during the year.
- (h) The Operating Grants and Transfers amounts to \$1,285,731 as at 31st July 2021. There has been a decrease in the said SEG expenditures by \$74,269 or 5% and the reduction is in line with the subsidy requests submitted by Public Rental Board during the financial year.
- (i) The Special Expenditure amounts to \$88,628 as at 31st July 2021. There has been a decrease in the said SEG expenditure by \$193,205 or 69%. The reduction in this SEG is mainly due to the savings from discontinuation of the services of an expatriate consultant engaged by the Ministry in the previous years for the Informal Settlement Upgrade programme, with successful replacement from within the Ministry staffing.

MINISTRY OF HOUSING AND COMMUNITY DEVELOPMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2021

NOTE 3: SIGNIFICANT VARIATIONS (Continued...)

- (j) The Capital Construction expenditure amounts to \$1,489,680 as at 31st July 2021. There has been a decrease in the said SEG expenditures by \$422,224 or 22%. This SEG caters for payments for Informal Settlement Upgrade and lease rentals for development leases. The reduction in expenditure is mainly due to the delays experienced in the capital works during quarter four as a result of the COVID-19 pandemic.
- (k) The Capital Grants and Transfers expenditure amounts to \$9,333,266 as at 31st July 2021. There has been an increase in said SEG expenditures by \$1,375,769 or 17%. This SEG caters for grant programmes for First Home Purchase, First Land Purchase, Assistance for Fire Victims, Social Housing, HART, Koroipita Model Town and Housing Assistance for Persons Living with Special Needs. The increase in Capital Grants is mainly due to the increase in the payment for First Home Purchase Applicants.

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 \$490,556 as at 31st July, 2021.

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
V23001	SEG 10	SEG 10	815,000	Permanent Secretary for Economy.
V23002	SEG 10	SEG 10	50,000	
V23003	SEG 10	SEG 10	1,270,000	
	SEG 8	SEG 10	400,000	
DV2301	SEG 5	SEG 3	12,000	Permanent Secretary for Housing and Community Development.
DV2302	SEG 5	SEG 3	7,000	
DV2302	SEG 5	SEG 4	24,000	
DV2302	SEG 5	SEG 7	17,000	

The Ministry had received \$860,000 through redeployment of funds for the First Home Purchase Programme as follows:

Redeployment No.	Transfer from	Transfer to	Grant	Amount (\$)
REDY02	Head 24	1-23201-23999-100251	First Home Purchase (less than \$50,000)	690,000
		1-23201-23999-100252	First Home Purchase (\$50,000 - \$100,000)	170,000
Total				860,000

