

**MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT, HOUSING AND
ENVIRONMENT**

2009 ANNUAL REPORT



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1. ACRONYMS

CDM	Clean Development Mechanism
CITES	Convention on International Trade of Endangered Species of Flora and Fauna
DLG	Department of Local Government
DOE	Department of Environment
DOH	Department of Housing
DTCP	Department of Town and Country Planning
EIA	Environment Impact Assessment
EMA	Environment Management Act
EPS	Endangered and Protected Species Act
FPD	Forward Planning Division
GHG	Green House Gas
JICA	Japan International Cooperation Agency
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NBSAP	National Biodiversity Strategy and Action Plan
NCSA	National Capacity Self-Assessment
NEC	National Environment Council
NFA	National Fire Authority
ODS	Ozone Depleting Substances
UNDP	United Nation Development Programme
UNFCCC	United Nation Framework Convention on Climate Change
USP	University of the South Pacific

2. LETTER TO THE MINISTER

Colonel Samuela Saumatua

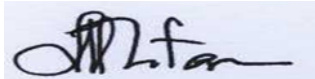
Minister for Local Government, Urban Development, Housing and Environment
Fiji Football Association Building
SUVA

Dear Minister,

I am pleased to present the Annual Report for the Ministry for Local Government, Urban Development, Housing and Environment for the financial years ending 31st December, 2009.

This report is produced in accordance with the public service reporting requirements in particular the Financial Management Act 2004.

Yours sincerely,



Maraia Ubitau

Acting Permanent Secretary for Local Government, Urban Development, Housing & Environment

FOREWORD BY THE PERMANENT SECRETARY



The Ministry 2009 working year was a challenging one. Despite these challenges, the Ministry managed to effectively deliver Minister's key deliverables to the Prime Minister under its agency targeted outcomes. These are: Improved local governance, Greater human security for all human dwellers, Improving facilitation of land development approval, Improving living conditions of squatter settlement communities and low income urban families and Sustainable use, management and protection of the environment.

The five targeted outcomes are part of the Urban Policy Action Plan that was approved by Cabinet on 13th February, 2007 with its three pronged aims of economic growth, spatial equity and poverty reduction.

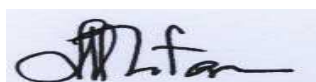
With these objectives in mind, and in the absence of UPAP Implementation Action Plan, the Ministry still managed to continue to implement part of the policy as reported in the Annual Report. This includes the capacity building of local government in financial management, leadership, strategic and corporate planning, and promotion of private, public partnership on infrastructure & investment project through the Challenge Fund.

The Ministry prepared three strategic planning documents for Vuda, Navua and Lovu for the proper co-ordination of development within urban areas. It also facilitated the 28 percent increase in subdivision of land approval consisting of 1,254.33 hectares of land for residential, commercial and agriculture, 70 percent of the approved building development for residential and commercial development to cater for increasing demand for housing, investment and employment opportunities.

Furthermore the Ministry also facilitated the completion of one squatter settlement project and six settlement upgrading project reaching 90 percent practical completion. This is to improve the living conditions of squatter settlement communities and low income urban families.

The Department of Environment (DOE) continued with the enforcement of the Environmental Management Act, Environment Protected Species Act, carrying out environment enforcement, compliance and awareness to ensure Fiji's sustainable environment is maintained. DOE continued its effort in fulfilling Fiji's obligations under regional and international conventions and treaties.

The Ministry has experienced challenges that it faced during the year and noted the areas for improvement and it looks forward to another year of hard dedicated service to deliver the corporate target. Finally I take this opportunity to thank all the staff for their support and contribution in the year 2009 and look forward to a better concerted team work in 2010.



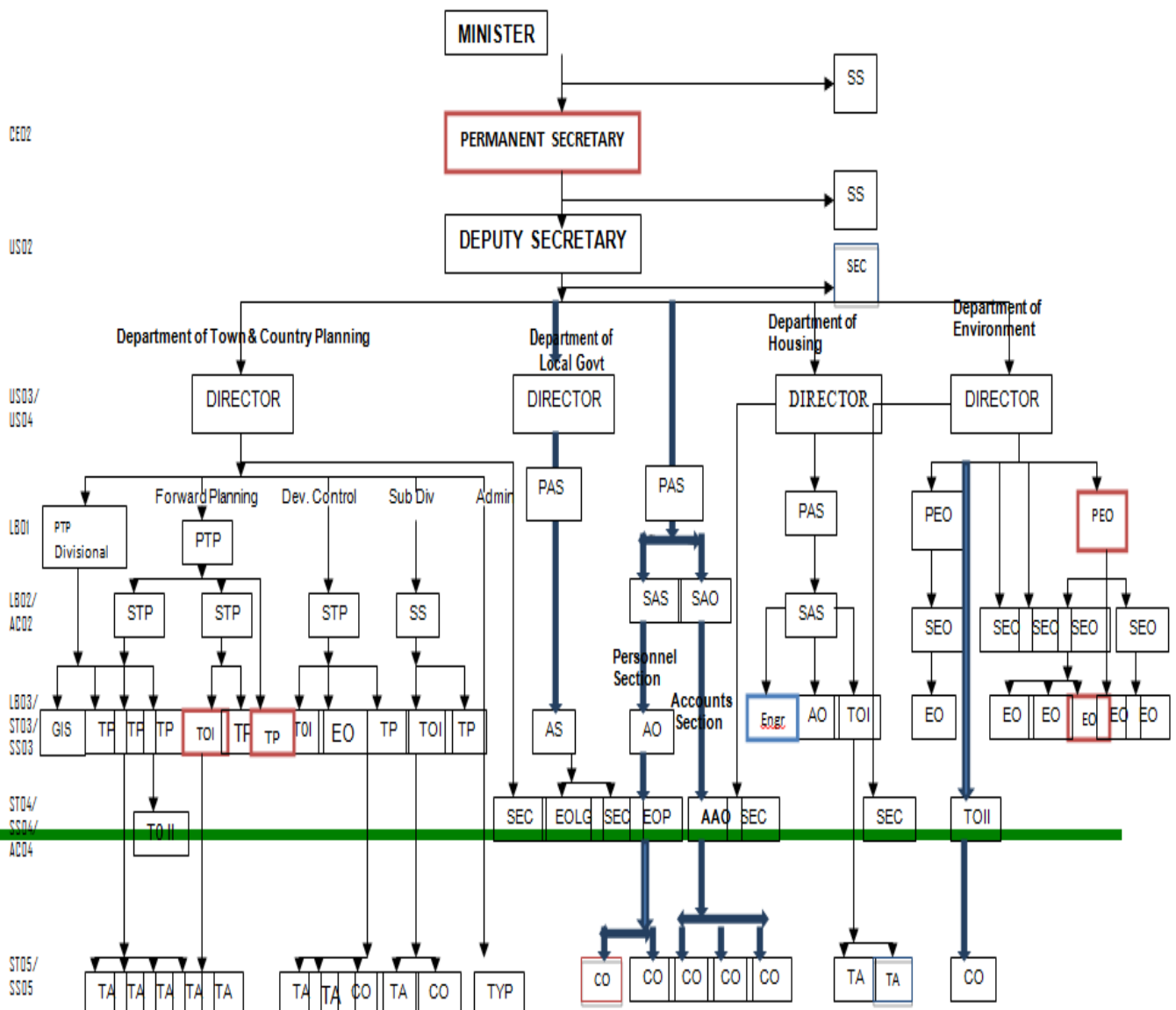
Mrs. Maraia Ubitau

Acting Permanent Secretary for Local Government, Urban Development, Housing and Environment

Introduction

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

- Department of Environment has six [6] divisions Resource Management Unit, Climate Change Unit, Ozone Depleting Substance Unit, Environmental Impact Assessment Unit, Awareness Unit and Waste Management Unit.



OVERVIEW

Vision

Empowered and inclusive communities through innovative sustainable urban and environmental planning and management

Mission

To contribute to Fiji's economic growth, improve living standards and spatial equity in an environmentally sustainable manner by invigorating leadership and service delivery in partnership with stakeholders.

Values

- ❖ Innovative Leadership
- ❖ Accountability and Transparency
- ❖ Integrity and Honesty
- ❖ Respect and Fairness
- ❖ Human rights and Responsibility
- ❖ Customer Focus
- ❖ Environmental Sustainability
- ❖ Teamwork and Commitment
- ❖ Flexibility
- ❖ Civic pride
- ❖ Safety and Security

ROLES AND RESPONSIBILITIES OF THE MINISTRY

The Ministry is responsible for the formulation and implementation of Local Government, Urban Planning & Management, Housing and Environment policies. The ministry is responsible for monitoring the function of Housing Authority, Public Rental Board, Housing Assistance Relief Trust, National Fire Authority of Fiji and the Municipal Councils. The specific responsibilities include:

Corporate Services

Implementation of policy decisions for the overall administration of the Ministry's budgeting, planning, financial and accounting control and managing human resources.

Local Government

Monitor the performance of local government and National Fire Authority by providing advice to the Minister in terms of the Local Government Act Cap. 125 and National Fire Act (1995) and support services through the Permanent Secretary.

Department of Town & Country Planning

Overall administration, planning and regulating of land use in Fiji through the Town Planning Act Cap 139 and Subdivision of Land Act Cap 140

Department of Housing

Formulate and implement housing policy, carry out Squatter Settlement Upgrading Project and administer and monitor Government Grants for Public and Social Housing.

Department of Environment

Formulate, coordinate and monitor the implementation of Fiji's national environmental policies, programs to ensure sustainable environment in accordance with the Ozone Depleting Substances Act 1998, Endangered and Protected Species Act 2002, Environmental Management Act 2005 and Litter Promulgation Decree 2008.

Ministerial Responsibility

The Minister for Local Government, Urban Development, Housing and Environment is responsible for the Ministry.

Executive Management

Executive Management of the Ministry consists of:

- Permanent Secretary for Local Government, Urban Development, Housing and Environment; and the
- Deputy Secretary for Local Government, Urban Development, Housing and Environment

Senior Management

Senior Management of the Ministry consists of Director Local Government, Director Town and Country Planning, Director Housing, Director Environment and Principal Administrative Officer Corporate Service Division.

MINISTRY PERFORMANCE

The performance of the Ministry of Local Government, Urban Development, Housing and Environment is summarized in the organization structure involving four [4] Departments and their respective outputs:

Department of Local Government

- a. Portfolio Leadership and Advice.
- b. Delivery an improved System of Local Government.

Department of Town and Country Planning

- a. Portfolio Leadership and Advice.
- b. Licensing, Compliance & Monitoring –Urban and Rural Planning.

Department of Environment

- a. Portfolio Leadership and Advice.
- b. Develop, coordinate and monitor the implementation of Fiji's national and international environmental policies and programme and enforcement of environmental legislations.

Department of Housing

- a. Portfolio Leadership and Advice.
- b. Housing, Squatter Settlement Upgrading/ Resettlement and Management

MINISTRY OUTPUTS AND OUTPUT PERFORMANCE TARGETS

Table 1.0: Ministry's Outputs with Government Targeted

Targeted Outcomes			Outputs
1.0	Improved Governance	Local	<ol style="list-style-type: none"> 1. Portfolio Leadership, Policy Advice and Secretariat Support 2. Local Governance Administration & Reforms
2.0	Greater Security for all	Human dwellers	<ol style="list-style-type: none"> 1. Implementation of Urban Policy Action Plan
3.0	Improved approval in	Facilitating Land Development	<ol style="list-style-type: none"> 1. Compliance and Monitoring – Urban and Regional Environmental Planning
4.0	Improving Conditions of Settlement Communities and low income urban families	Living Squatter	<ol style="list-style-type: none"> 1. Upgrading proper service settlements. 2. Legalizing Land Ownership and secure tenure; 3. Community empowering and participation
5.0	Sustainable use, management and protection of the environment.		<ol style="list-style-type: none"> 1. Enforcement and Awareness of the following legislations (EP\$ Act; EMA; OD\$ Act; Litter Promulgation) 2. Environmental Awareness. 3. Implementation of National and International Policies and Programmes.

Source: [MLG, UD, H&E 2009.

FUNCTIONS

The main function of the Department is to monitor and ensure the delivery of an improved system of local government for the twelve (12) municipalities through its five (5) Strategic Priority areas and the National Fire Authority.

The 5 strategic priority areas

- (a) Implementation of Urban Policy Action Plan
- (b) Efficient and cost effective management and operation of municipal councils
- (c) Capacity building and good local governance and democracy
- (d) Forging Strategic Partnerships through cost efficient utilization to Challenge Fund for municipal development
- (e) Enhanced performance of the National Fire Authority

2009 ACHIEVEMENTS

Implementation of part of urban policy action plan

At this stage, the Department of Local Government implemented two components of this policy as follows;

- (a) Challenge Fund - Municipal Councils were financially assisted with their major project works whereby funding on a 50/50 basis was being given by the National Government through the department.
- (b) Capacity Building for Municipal Councils - training was conducted for Special Administrators and Chief Executive Officers with the financial assistance of the Commonwealth Local Government Forum and the support of the Fiji Local Government Association. This was to enhance capacities of Special Administrators and councils' staff. The trainings included Local Elected Leadership, Financial Management System, Strategic and Corporate Planning.

The remaining components of UPAP will be implemented from year 2010.

1. EFFICIENT & COST EFFECTIVE MANAGEMENT & OPERATION OF MUNICIPAL COUNCIL

Monthly reports, annual & financial reports

This was carried out through timely submission of Council's reports on their Monthly minutes of meetings and their Annual and Financial reports. These reports were duly analyzed by the department identifying issues of concern. In other cases, appropriate recommendations were made through the Permanent Secretary for the Minister's endorsement.

Change to accrual accounting

This is still in transition. Training and capacity building continued this year to allow councils adopt the changes from cash accounting to accrual accounting. As at the end of 2009, only Suva, Lautoka, Nadi and Sigatoka municipalities have changed to accrual accounting system.

Public private partnership

Councils pursued Private Public Partnership.

Improved ethical & conduct of elected representative

All Councils have adopted the Code of Conduct. Codes of conduct offer an invaluable opportunity for responsible organizations to create a positive public identity for themselves which can lead to a more supportive political and regulatory environment and an increased level of public confidence and trust among important constituencies and stakeholders.

2. CAPACITY BUILDING & GOOD GOVERNANCE

Local Government Forum

The Department through major funding from the Commonwealth Local Government Forum together with the support of the Fiji Local Government Association carried out workshops and training for Municipal Council. This is with the view of improving and enhancing capacities of Special Administrators and councils' staff. The trainings were mainly in the areas of Leadership, Financial Management System, Strategic and Corporate Planning.

Fiji Local Government Association Annual Convention

Apart from training, an Annual Convention organized by the Fiji Local Government Association was held from 3rd to 5th December, 2009 at the West Motor Inn in Nadi.

The program was tailor-made for the Special Administrators and the Chief Executive Officers and included issues on Natural Disasters & Flooding, Urban Planning and Urban issues, Building and Land Subdivision, Gender, Urban Profiling, Accrual Accounting and Municipal Markets.

Special Administrators and CEO Workshop

The Special Administrators (SA) and Chief Executive Officers workshop that was organized by the Ministry was held at the Suva City Council Chamber from 25th to 27th November 2009.

It was an avenue whereby Special Administrators were advised of their Roles, duties and obligations, the SA's Terms of Reference and their relationships with their Chief Executive Officers and staff of Municipal Councils.

The Forum also discussed the impact of the National Strategic Framework for Change on Local Government and the implementation of the recommendations of the Local Government Review/Reform.

Financial Management Training

Financial Management Training Workshop was held from 22/7/09 – 30/7/09. The Department of Local Government with the support of the CLGF Pacific Project jointly coordinated the implementation of this training in 2009.

The training comprised five (5) phases or modules addressing both basic and advanced concepts of financial management including financial policy making, managing the operating budget and capital investment plan, accounting, procurement, asset management, performance management and citizen participation.

The CLGF Pacific Project assisted the Department of Local Government in appointing an Australian (VIDA) Volunteer.

The purpose of the placement is to assist the Department of Local Government in the facilitating the updating of strategic plans of the twelve municipal councils.

Municipal council's 5 Year Strategic Plan

All 12 councils have submitted their 5 Year Strategic Plan.

3. FORGING STRATEGIC PARTNERSHIP THROUGH COST EFFICIENT UTILISATION OF CHALLENGE FUND FOR MUNICIPAL DEVELOPMENT

A matching fund facility namely the Challenge Fund was established for local councils to draw on for specific capital works, financed with government on shared basis with local councils. Preference was given for investments for squatter settlement upgrading and peri urban infrastructure provision. An approved budget of \$600,000 was allocated to the Fund.

The fund assisted six councils in their projects as tabulated below.

Table 2.0: Challenge Fund Projects for 2009

COUNCIL	AMOUNT (\$)	PROJECT
Tavua Town Council	27,298	Infrastructure Upgrading – Market Circular Road, Nasivi Street.
Savusa vu Town Council	35,000	Upgrading of Housing Road; – at Naqere, Savusavu.
Lami Town Council	40,000	Road Upgrading – Naimawi Street, Nakula Street, Qauia Street, Bulou Road, Baka Drive and Yasi Road
Labasa Town Council	35,000	Upgrading of Footpaths; – Road and other connecting areas & Main Street Labasa.
Levuka Town Council	25,000	Road Upgrading – Church Street
Nausori Town Council	24,990	Upgrade of Road; – Rambissessar Road, Manoca Industrial Subdivision and Lal Singh Road.
TOTAL		\$187,288



Figure 2.0: Renovation of Church Street under the Challenge Fund



Figure 3.0: A total of \$35,000 was allocated from the Challenge Fund for the upgrading of footpath along Nakula road in Labasa

The fund also supported the necessary institutional strengthening of councils through the establishment of Special Administrators as per Cabinet Decision.

4. ENHANCED PERFORMANCE OF THE NATIONAL FIRE AUTHORITY



Figure 4.0: National Fire Authority Headquarters in Walu Bay

The Department played a key role to National Fire Authority's (NFA) performance by providing effective guidance through regular attendance to all NFA Board and Sub-Committee Meetings, Timely disbursement of NFA's quarterly grants and vetting of its related acquittals were duly carried out.

Furthermore, effective guidance was provided to NFA relating to its Strategic Plan aspect of its Road Map on Fire Mitigation in Fiji.

DEPARTMENT OF TOWN AND COUNTRY PLANNING

FUNCTIONS

The Department of Town and Country Planning (DTCP) is responsible for the overall administration, planning and regulating of land use in Fiji through the Town Planning Act Cap. 139 and Subdivision of Land Act Cap. 140. The key functions of DTCP are:

- ❖ Approve planning schemes and the amendments
- ❖ Determine and decide conditional developments and relaxation on development requirements in approved town planning scheme areas.
- ❖ Determine development applications in Town Planning Areas which do not have approved Town Planning Schemes
- ❖ Determine and decide applications on subdivision of land
- ❖ Prepare or Revise town planning schemes at the request of the local authorities
- ❖ Offer physical planning advice to the overall decision making process of government and private sector.

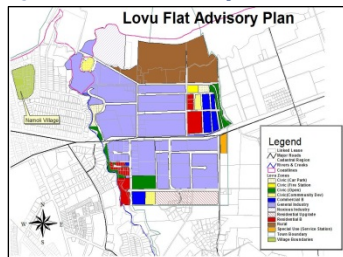
FORWARD PLANNING

The Forward Planning Division prepare, revise and amend town planning schemes, local advisory plans of potential growth areas, determine rezoning proposals from rural town planning areas, consider foreshore development proposals and make appropriate recommendations, provide planning advice to town councils, rural local authorities, government authorities and statutory bodies, stakeholders, private sector, the public and internally to both Subdivision and Development Control Sections.

Major Achievements: Strategic Planning Projects

The Forward Planning Division [FPD] prepared the Vuda Regional Plan, Navua Centre Plan, Naqara-Waiyevo and Lovu Local Areas Advisory Plan, of which two (2) were completed i.e. Navua and Lovu, which is shown in the figure below.

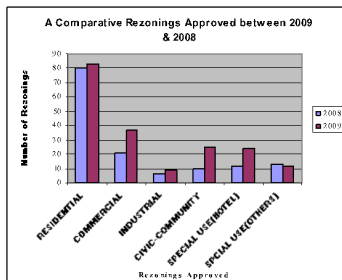
Figure 5.0: Lovu Flat Advisory Plan



Scheme Amendments and Rural Rezoning

A total of 186 rezoning applications were received in 2009 compared to 142 in 2008. This is an increase of 30%. The range of zonings proposed sees 83 for residential, 37 commercial, 25 civic community development, 24 special use, Industrial and 12 others.

Table 3.0: Rezoning Approvals

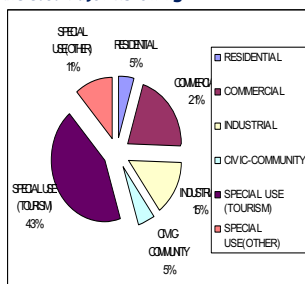


With the exception of special use (others), uses such as substation or service station, demand for changes in zoning increased in 2009 as shown in the bar graph above.

Major Rezoning

There were 24 major rezoning applications in 2009 compared to 30 in 2008. However, despite this decrease a total of 50 were approved, 26 of which were pending from between the period of 2008-2009. The breakdown of major rezoning is illustrated in the charts below.

Figure 6.0: Major Rezoning



The country experienced this growth, reflecting investor confidence and more investment and employment creation at national, regional and local level

Foreshore Applications

The Director of Lands referred a total of 19 foreshore applications to DTCP for policy advice in 2009 as compared to 32 foreshore applications in 2008. Tourism or tourism related activities remained the dominant land use followed by industrial proposals.

SUBDIVISION OF LAND

All land subdivision proposals are determined by the DTCP through the

Subdivision of Land Act and Town Planning Act General Order (1971) with the exception of the cities of Suva and Lautoka who operate under their own Subdivision of Land By-Laws. DTCP regulates land subdivision through determining subdivision of land applications, engineering plans, clears survey plans for approval and provides advice to land developers & consultants on land subdivision matters

Major Achievements

A total of 327 subdivisions of land applications were received in 2009 as compared to 353 in 2008, of which 278 applications were approved to facilitate creation of lots for development. Majority of subdivision proposed were for tourism and agricultural purpose. Table 3 shows the breakdown of subdivision of land by uses and by each division.

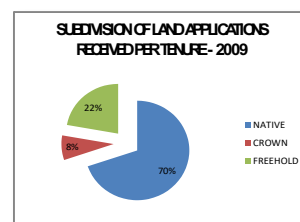
Agriculture, residential and commercial land uses received the highest number of applications in terms of various types of land uses for both 2009 and 2008. This depicts the increase demand for housing agricultural and commercial land on the urban periphery for convenience and economy in the central and western division.

Table 4.0: Subdivision of Land Applications

USES	CENTRAL	WESTERN	NORTHERN	EASTERN	TOTAL
Residential	248	573	193	0	1014
Commercial	23	142	11	0	176
Industrial	6	34	14	0	54
Civic-Community	2	14	0	0	16
Special Use (Hotel & Others)	8	60	19	20	107
Open Space	2	7	7	0	16
Agriculture	8	19	10	0	37
Subsistence/Agriculture	27	15	72	0	114
Road	23	57	20	1	101
TOTAL	347	921	346	21	1635

There were 33 major subdivisions of which 67% were for tourism purposes followed by 34% on residential. The total land area proposed for subdivision in 2009 is 1210.40 hectares and distribution per tenure is shown in the chart below where 70% of total land proposed is native, 22% is freehold and 8% being state land.

Figure 7.0: Subdivision of Land Applications Received - 2009



Survey Plans

Clearance of survey plans indicates land being released for development and the type of uses intended. A total of 183 survey plans were received, 197 cleared and 57 deferred.

Engineering Plans

There were no engineering plans received, however 4 from 2008 were approved to allow civil-construction works to proceed. The majority of these engineering plans were notably for tourism and residential subdivision.

DEVELOPMENT CONTROL

The regulatory and development control role sees DTCP processing application for developments (land, building, activities and on-site operations) in constituted town planning areas without approved planning schemes, from rural local authorities in Fiji and from municipal councils seeking relaxation from the provisions of an approved scheme or those suspended from the operative scheme for the Director's determination.

All municipal councils in Fiji have an approved town planning scheme to consider building development except Nasinu Town Council and the extended area of Nausori Town, which are under Interim Development Control and including Nadi Airport area that is under Central Board of Health.

Building Applications

A total of 1,055 applications were received in 2009 compared to 1230 in 2008 reflecting a slight decline. A breakdown of building applications in 2009 is summarized in table 4 below:

Table 5.0 Building Development Applications Use Per Division

PURPOSE	Central	Western	Northern	Eastern	Total
Residential	435	142	62	0	639
Commercial	12	13	5	0	30
Industrial	0	0	1	0	1
Civic-Community	49	70	4	2	125
Special Use (Other)	0	33	1	1	35
Civic-Taxi Base	57	60	3	1	121
Signboard	3	6	0	0	9
Dairy Shop	13	0	1	0	14
Hotel/Tourist Dev.	0	13	5	5	23
Other	25	20	4	3	52
TOTAL	594	357	85	10	1055

In terms of division, 56% are in Central Division, 34% in Western Division, 8% are in Northern Division and 2% in Eastern Division. On the same token, 624 were approved, 54 refused and 292 were deferred. The

detail breakdown is shown in Table 5.

Table 6.0: Decisions on Building Development Applications Received & Considered in 2009

ACTIVITY	Central	Western	Northern	Eastern	Total
Consented to subject to condition	374	188	54	8	624
Refused	25	26	3	0	54
Deferred	166	97	22	7	292

The number of building applications deferred and refused has been reduced from 542 in 2008 to 346 in 2009 because of intensive training and awareness programme for rural local authorities and the general public.

Major Development

The Development Control Division received a total of 58 major building applications with an approximate development value of \$43.6 million in 2009. This is a decrease of 17 major applications with total development value of \$111.4 million when compared to 2008 statistics. Of all the major developments, residential development dominates 50% of which majority were from the Western region, particularly in Lautoka –Nadi corridor.

Table 7.0 Major Developments received and considered in 2009

Use/Division	Central	Western	Northern	Eastern	Total
RESIDENTIAL	4	19	6	0	29
COMMERCIAL	2	5	1	0	8
INDUSTRIAL	3	3	0	0	6
CIVIC	2	4	0	0	6
TOURISM	2	4	0	0	6
OTHERS	2	1	0	0	3
TOTAL RECEIVED	15	36	7	0	58

Source: DTCP (2009)

TOWN PLANNING FEES

The revenue received by the department is derived from fees charged under the Town Planning Act Cap 139 and the Subdivision of Land Act Cap 140. Department of Town and Country Planning collected a total fee of \$130,195.23 and summary shown in Table 7.

Table 8.0: Total Fees Collected in 2009

Activity	Revenue
Forward Planning	\$ 24, 624.52
Subdivision of Land	\$ 66, 736.00
Development Control	\$ 38, 834.71
TOTAL	\$ 130, 195.23

Source: DTCP (2009)

INFORMATION SYSTEM

DTCP does not have a designated Geographical Information System (GIS) facility, however it has designed and piloted an internal registry database.

The first phase of the 3-year GIS Plan (2009-2011) was

implemented seeing all officers equipped with a computer by mid-year, access to govnet account and GIS application training enabling technical staff to efficiently produce maps and plans professionally.

DTCP Development Application Status Tracking System and DTCP Website are currently in progress and should be finalized for adoption and trial-use by the end of first quarter of 2010.

AWARENESS, ADVOCACY & TRAINING

The Department of Town and Country Planning Training and Awareness Programs was two-fold with the notion for capacity building and networking to improve the department's service delivery as it is continually subjected to public scrutiny. The purpose of the awareness programs is to increase greater understanding on town planning in Fiji with respect to themes at conferences and seminar requiring the department's contribution.

At the pre-employment-entry level, participation was to advocate demand in the interest in the field of planning given the very low level of professional planners in the country.

Table 9.0: Training engagements in 2009

IN- DTCP HOUSE	DTCP AND PARTNERS, STAKEHOLDERS	PLANNING ADVOCACY
Mapinfo & GIS Application	Processing & Assessment skills and specific topics on internal operations	Every Monday afternoon from January-April Every Friday afternoon from February-August
PSC Civil Service Procedures, Regulation and Decrees	Delegation of Powers of the Director on Minor Relaxation and Conditional Development	5 2-day workshop with all municipal councils (under same Special Administrator) having Approved Town Planning Scheme from June-July
DTCP and the Environment Management Process	DTCP and the Environment Management Process	Contributor/Speaker to DOE's workshop in July
Development Application Submission Policy	Stakeholder/Referral Agency on Process and Timelines	Professionals and consultants in November
Town Planning Approval Process in Community-based Tourism	Tikina of Beqa Meeting in April Northern Tourism Conference in Savusavu - September	
Strategic Planning of Kioa Island (PM Initiative) - Phase I	Urban Planning & Urban Issues and Fiji Rapid Urban Profiling	Kioa Island - September FLGA Convention in December
Career Expo and Employer Career-Seminar	GIS Application in DTCP	University of the South Pacific in August Contributor/Speaker at GIS User Conference, USP in December

Source: DTCP (2009)
Source: DTCP (2009)

FUNCTION

The responsibility of Department of Housing is to formulate and implement housing policy, carry out Squatter Settlement Upgrading Project and administer and monitor Government Grants for Public and Social Housing.

The key functions of DOH are:

- Preparation and implementation of the National Housing Policy;
- Facilitate for the timely provision of the Government's Grant to its designated implementing Agencies; and
- Management of Squatter Settlement Upgrading programs.

MAJOR ACHIEVEMENTS

Management of Squatter Settlement Upgrading Projects [2009]

The Department of Housing carried out six [6] squatter settlement upgrading projects namely; Badrau (Ba), Vatoa (Narere), Bangladesh (Nasinu), Omark (Narere), Lakena Hill 2 (Nausori) and Lagilagi (Jittu Estate) Housing Project as shown in Table 9.

Table 10.0: Squatter Settlement Upgrading Project 2009

Project location	Description of general scope of work	Approximate Cost (\$)	Duration (yrs.)	No. of direct beneficiary households	Project Status/Comment
1.0 Badrau (Ba)	Provision of water, sewer, electricity and roads	300,000	1	75	Project was 80% completed by the end of December and is to be completed in the first quarter 2010
2.0 Vatoa (Narere)	Provision of a sanitary sewerage reticulation system	900,000	2	105	Sewer reticulation completed by contractor and approved by WSD in the third quarter – currently under defects liability/maintenance period. Roadwork commenced soon after and projected to be completed in first quarter 2010
3.0 Bangladesh (Nasinu)	Provision of water, electricity and roads	15,000	1	60	PWD only commenced repair works on the sewer pump station in December despite earlier requests. WSD repaired sewer pump and station to enable it to be operational to meet requirement of Nausori Town Council to enable it to release subdivision clearance/completion correspondence to Lands Department

Project location	Description of general scope of work	Approximate Cost (\$)	Duration (yrs.)	No. of direct beneficiary households	Project Status/Comment
4.0 Omark (Narere)	Provision of water, sewer, electricity and roads	2,500,000	4	77	Consultant delay in the completion of the Engineering documentation for submission to TCP. Project construction forecasted to commence in 2010
5.0 Lakena Hill 2 (Nausori)	Provision of water, sewer, electricity and roads	100,000	1	140	(Construction completed) Consultant delay in feedback to the Ministry on progress of requisitions/amenities to Final LT survey documentation for resubmission to Lands Department for Final approvals
6.0 Lagilagi (Jittu Estate) Housing Project		1,400,000	3	100	One conditional development lease issued to PCN. Scheme Plan for the project was conditionally approved by SCC. Development of floor plan layouts for different options for various buildings was carried out – plans taken to the PCN members for comment. Plans to be finalized to enable finalization of the master plan. Management plan for completed project to be developed

Source: Department of Housing [2009]

Socioeconomic Surveys

The Department of Housing carried out six [6] squatter settlement socio economic surveys. Through this survey, 3 settlements were identified to be relocated: Nanuku settlement, Veidogo Settlement (Vatuwaqa), and Kilikali settlement in Nasinu. Another 3 settlements were identified to be upgraded and these were Navakai settlement in Nadi, Vatoa settlement in Nasinu and Badrau (Nasinu).



Figure 8.0 Nanuku Settlement recommended for relocation from the Socio Economic Survey conducted

According to the Report, 80% of the squatter / informal settler populations located within peri-

urban areas or city and town boundaries have access to basic utilities of either piped water and / or electricity and also with septic tank systems. Since there are no garbage collection services, household waste are mostly burned, piled away from the settlement or on the rare occasion, buried.

Most of dwelling structures are made of corrugated iron and timber or whole wooden buildings.

Table 11.0: Socio Economic Survey of Squatter Settlement

Squatter Settlement	Month	No. of Households	Land Tenure	Division	Remarks
Nanuku	Oct Nov	331	Freehold	Central	Squatters to be relocated
Veidogo (Vatuwaqa)	October November	107	Freehold	Central	Squatters to be relocated
Badrau (Ba)	December	45	Crown	Western	Settlement currently been developed.
Vatoa (Nasinu)	August	105		Central	Squatters reside on their respective plots. Sewer reticulation completed. Road sealing pending.
Kilikali (Nasinu)	July	12	Crown	Central	Squatters have been relocated to Sasavira State land.
Navakai (Nadi)	May - June	160	State	Western	Option for Squatter Upgrading Development.
Total		760			

Source: Department of Housing [2009]

Administration of grants:

A total of \$2million housing grant was budgeted for Public and Social Housing where \$1m was allocated to Public Rental Board to assist in the rental subsidy for PRB customers and \$1m was allocated to Housing Assistance Relief Trust for renovations and maintenance of houses for destitute families. Further details provided below:

Table 12.0 Government Grant to Housing Providers

Housing Providers	Budget Allocated	Budget Utilized	Number of People Assisted
Public Rental Board	\$1m	\$750,000	1,364
HART	\$1m	\$	750
TOTAL	\$2m		2,114

The Department of Environment responsible is to formulate, coordinate and monitor the implementation of Fiji's national environmental policies, programs and legislations to ensure sustainable environment in accordance with the Ozone Depletion Substances Act 1998, Endangered and Protected Species Act 2002, Environmental Management Act 2005 and Litter Promulgation 2008.

ENFORCEMENT OF THE ENVIRONMENT MANAGEMENT ACT

Policy

The National Environment Council (NEC) is established under the Act to provide policy direction to the department and one meeting was facilitated for the council in the year.

The Natural Resource Inventory (NRI) formulation commenced in 2009 through consultancy services and the Integrated Coastal Management Committee was established to review the Mangrove Management Plan.

The Environment Tribunal as per the Environment Management Act 2005, is established to hear and determine any appeal referred to it under the Act. The rules and procedures of the Environment Tribunal were developed to initiate this establishment.

Waste Management and Pollution Control

Majority of the applications were facilitated for Waste Disposal Permit and Waste Recycling Permit under the following categories: Solid Waste, Liquid Waste, Livestock, Air Pollution and Hazardous Waste Endorsement, Batteries Handling, Waste Transport and Waste Recycling.

Table 13.0: Waste Permits Issued

Waste Category	Permit	No. of Permits
Waste Permit	Disposal	46
Waste Permit	Recycling	24

Source: DOE (2009)

Complaints Received

DOE responded to 28 complaints ranging from oil spill, sewerage overflow, improper disposal of household waste by companies, noise/dust pollution, open-burning, pig waste nuisance and illegal dumping by industries in residential areas.

ENFORCEMENT OF THE OZONE DEPLETING SUBSTANCES ACT 1998

Policy

Codes of Practice for Methyl Bromide, Phosphine and Hydrogen Cyanide was endorsed in October, 2009, with the review of ODS Regulations 2000.

ODS Permits

Table 14.0: ODS Permits Issued

		Licenses/Permits
Licensing and Permit System	New application License	60
	Renewal of License	245
	New Permit to store application	22
	Renewal of permit to store	140
	Permit to import	25
Inspections	Facility	185
	Spot	12 (5 successful)
	Vehicle	281
	Vessel	5

Source: DOE (2009)

ENFORCEMENT OF THE ENDANGERED AND PROTECTED SPECIES ACT 2002

Policy

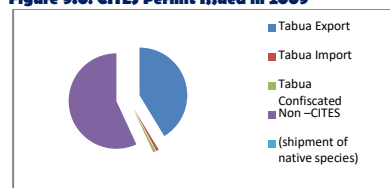
DOE commissioned the 'Green Iguana Survey' Report to the Fiji CITES Management Authority in its effort to address the presence of these invasive species in Fiji.

Registration

72 companies registered to trade under the EPS Act.

CITES Permits

Figure 9.0: CITES Permit Issued in 2009



Source: DOE (2009)

Biodiversity Initiatives

The NBSAP steering committee was established to prepare the NBSAP Implementation and Monitoring Framework for 2010-2014 and Action Plan for 2010.

The department managed the Global Environment Fund project on Protected Areas (POWPA) and further accessed funding to build Fiji's Clearing House Mechanism for biodiversity.

Conservation

The department identified 6 priority wetland sites to be considered for nomination under the Ramsar Convention on Wetlands of International Importance.

AWARENESS

Environment Week Celebration

This year campaign focused on addressing Climate Change as one of the emerging issues of environmental concern. In Ba Environment Week was celebrated with the theme: 'Your Planet Needs You! Unite to Combat Climate Change'. While in Nausori the campaign was celebrated with the theme 'Climate Change is Real, Act Now to save our Island Home.'



Figure 10.0: Environment Week Exhibition in Ba.

The Ozone Week campaign (14th – 18th Sep, 2009) was celebrated at Nausori with the theme: 'Understanding Ozone Depletion and Climate Change: An investment for our Future'.

In partnership with other relevant stakeholders, the Department participated at various campaigns including the International Customs Day, World Wetland Day, Civil Service Excellence Week, Ozone Day, USP Open Day, World Maritime Day, Arbor Day and Earth Hour.

Resource Centre

The information Centre stores more than 20,000 records of environment reports and provides services to the public during office hours as indicated below.

Table 15.0: Services Provided by the Resource Centre

Medium Used	Number
Written Requests	6
Library Users	25
Electronic mail	10
Verbal requests	15

Source: DOE (2009)

TRAINING

Training of Enforcement Officers

CITES training was undertaken for Border enforcement officers, Quarantine officers, Customs Officers, and government enforcement officers. Furthermore, a Fiji CITES Enforcement Manual was developed to assist enforcement officers in their role as authorized officers under the EPS Act.

Specialised training were conducted for the effective implementation of the ODS Act and EMA as per table below.

Table 16.0 Officers trained under specialised training

Programme	No. of Officers Trained
Good Refrigerators Training programme	88 technicians
Establishment of Environment Management Units	160

Environment Inspectors along with Police Officers were trained in the field of Critical Risk Management.

Table 17.0 Officers trained under Critical Risk Management

Programme	No. of Officers Trained
ODS	19
EMA (Env Inspectors)	10
EMA (Police Officers)	85

Source: DOE (2009)

HIGHLIGHTS

Initiative on combating Climate Change

As per the country's obligation under the United Nations Framework Convention on Climate Change, the Second National Communication was developed and the Carbon Trading Technical Team was established for the formulation of Clean Development Mechanism Policy Guideline. The Clean Development Mechanism (CDM) is one of the flexibility mechanisms defined in the Kyoto Protocol (IPCC, 2007) that provides for emissions reduction projects

The CDM is defined in Article 12 of the Protocol, and is intended to meet two objectives: (1) to assist developed countries that are parties to the agreement in achieving sustainable development and in contributing to the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC), which is to prevent dangerous climate change; and (2) to assist developed country or one with an 'economy in transition' (parties to the agreement) in achieving compliance with their quantified emission limitation and

reduction commitments (greenhouse gas (GHG) emission caps).

Improving coordination with stakeholder agencies

A Memorandum of Agreement (MOA) was signed between the Department of Environment and the Fiji Police Force on 20th July, 2009 for a more effective and efficient enforcement of the EMA and its regulations namely: [Environment Management (Waste Disposal and Recycling) Regulations 2007 and the Environment Management (EIA Process) Regulations 2007].

Reports compiled under the GEF funded National Capacity Self Assessment (NCSA) project including reports on Inception, Stocktake, Thematic Assessment, Crosscutting and NSAP were completed and made available on the newly launched NCSA website (www.ncsafiji.com).

Non- Compliance Campaign

A non-compliance campaign for the central division facilities was conducted on the 14th – 16th October, 2009 in the Suva City and Suva Rural Local Authority Boundary and on the 8th – 11th December, 2009 in the Navua Rural Local Authority, Vunidawa, Lami Town Council, Nasinu Town Council, Nausori Town Council and Korovou Rural Local Authority areas whereby a total of 1862 Non-compliance notices was issued.

This campaign is exclusively dedicated to:

- Helping the commercial and industrial facilities become aware of the requirements of the Environment Management Act 2005.
- Ensuring that these commercial and industrial facilities understand the full spectrum of the requirements that govern the permit system under the Waste Disposal and Recycling Regulations 2007.



Figure 11.0: Team De-brief session during the Non Compliance Campaign.

Naboro Landfill

The construction of naboro landfill Stage 1 phases 1b(i) and 1b(ii) started in May 2009. The total value of the Phase 1b construction contract was \$1.6 million and the outcome was the opening up of 160,000 cubic meters of space for placing wastes. The Space is expected to last anywhere between two to three years.

An independent review of Naboro Landfill Operations was commissioned by the Department of Environment and conducted by an Independent Committee led by Mr. Peni Gavidi purposely to review the entire status and future options for the Naboro Landfill project. The Naboro Landfill Health audit was undertaken by Corerega Environmental Consultants aimed to review the Health nuisance arising from operations of the landfill.

Implementation of 3R (Reduce, Reuse, Recycle) Project

In collaboration with the Japan International Cooperation Agency (JICA), a waste minimisation project commonly known as 3R was piloted in Nadi and Lautoka. The main objective of the project is to encourage recycling of waste through sorting of rubbish by individual household. The ultimate goal of the project is to change people's mentality towards rubbish.

Review of Litter Promulgation 2008

The Litter Promulgation 2008 was reviewed to establish immediate apprehension and penalizing of litterers. The main purpose of the Litter Promulgation is to discourage citizens from throwing rubbish in public places through applying fines to offenders.



Figure 12.0: Director Environment, Mr. Epeli Nasome during the Consultation Workshop for the Review of the Litter Promulgation 2008.

Establishment of a Beverage Recycling System for Fiji

An agreement was established between government through the department and UNDP for the implementation of a Container Deposit Legislation Project in 2010.

CORPORATE SERVICE DIVISION

FUNCTION

The Ministry for Local Government, Urban Development, Housing and Environment Corporate Services Division is responsible for human resource management and financial support services.

Human Resource Division

The Human Resource Division is responsible for processing of appointments, leave and leave allowance, manage and submit disciplinary cases to PSC, management of registry, in service training, executive support and control of media and communication services.

MAJOR ACHIEVEMENTS

In 2009, the Corporate Service Division concentrated on serving the public, keeping proper management of financial asset and human resource. It also ensured that all needs of professional staff were met.

The Division facilitated professional staff in organizing of meetings, delivering of mails, providing logistic support and administrative arrangement such as booking of venue, vehicles and other travel arrangements.

The division ensured that accurate information and advice was given to the Permanent Secretary. All the Temporary and Acting appointments were extended after seeking approval from PSC.

The Account Section consistently met its deadline and targeted output for the year in contributing towards the Ministry achievement.

Proper accountability was ensured as reflected in the Auditor Financial Statement for 2009.

For transparency and accountability, the Division assesses the number of audit queries and disciplinary cases, processing timelines and financial reporting; and OHS & General Workforce complaints

Staff Establishment

The Ministry's staff establishment as at 31st December 2009 is shown in Table

Table 13.0: Ministry Staff Establishment

Department	Approved 2009 Provision		No of Posts Filled	
	Established	Unestablished	Established	Unestablished
CSD	13	4	3	1
DLG	4	1	1	-
DTCP	29	2	6	-
DOH	10	1	4	-
DOE	16	1	1	-
DLG Project	2	-	-	-
DOE Project	11	-	-	-

Source: MLG, UD, H&E 2013

ASSET MANAGEMENT

The Ministry occupies three floors of the Fiji Football Association House situated at 4 Gladstone Road, Suva and one Floor at 90 PD Patel Building, Raojibhai Patel Street, Suva as follows:

- ❖ First Floor – Department of Town & Country Planning
- ❖ Second Floor – Deputy Secretary's office, Department of Housing, Administration and Accounts Section
- ❖ Third Floor – Minister's Office, Permanent Secretary's Office and Department of Local Government
- ❖ Level 1, Raojibhai Patel Building – Department of Environment

Vehicle

The Ministry has a total of ten [10] vehicles and breakdown is shown in Table 14.

Table 14.0: Ministry Vehicle Distribution

VEHICLE	MINISTRY	DTCP	DOH	DOE
Pajero/CRV	-	2	-	2
Honda Sonata	1	-	-	-
Toyota Corolla	1	-	-	1
Daihatsu	-	-	1	-
Hyundai	-	-	1	-
Twin Cab	-	-	-	1

Source: MLG, UD, H&E 2013

Training / Workshops

The following number of staffs was trained in each Department:-

Table 15.0: Ministry's Training/Workshop

Training	CSD	DLG	DOH	DTCP	DOE
Overseas	3	-	-	2	25
Local	1	1	1	2	3
Workshop (Local)	-	3	6	2	5

Source: MLG, UD, H&E 2013

FINANCE SECTION

The Ministry's Finance Section is responsible for:

- i. the preparation of budget,
- ii. payment of salaries and wage, payments of accounts and claims, ensure internal & external audits are conducted,
- iii. maintenance of the Ministry's ledger accounts,
- iv. financial statements and reports, ensure that accurate financial records are maintained at all times,
- v. ensure cash flow statements are produced on monthly basis, allocation of approved funds to vote controllers,
- vi. monitor and control expenditures in compliance with approved financial regulations and instructions; and preparation of timely Annual budget and Capital projects.

MAJOR ACHIEVEMENTS

The Ministry's Finance Section produced the New Financial Management Information System (FMIS) and trained accounting staff trained to use FMIS, timely production of financial reports on monthly, quarterly and annual budget and capital projects to Ministry of Finance.

AUDITED AGENCY FINANCIAL STATEMENTS



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

INDEPENDENT AUDIT REPORT

To the: Minister for Local Government, Urban Development, Housing and Environment

Scope

I have audited the special purpose financial statements which have been prepared under the cash basis of accounting and notes thereon of the Ministry of Local Government, Urban Development and Housing for the year ended 31 December 2009, as set out on pages 5 to 13. The financial statements comprise the following:

- (i) Statement of Receipts and Expenditures;
- (ii) Statements of Output Costs;
- (iii) Appropriation Statement; and
- (iv) Statement of Losses;

The Ministry of Local Government, Urban Development and Housing is responsible for the preparation and presentation of the special purpose financial statements and the information contained therein. I have conducted an independent audit of these special purpose financial statements in order to express an opinion on them to the Minister.

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the special purpose financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the special purpose financial statements and evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the special purpose financial statements are fairly stated and in accordance with government policies in Note 2, the Audit Act and the Financial Management Act, so as to present a view which is consistent with my understanding of the financial performance of the Ministry of Local Government, Urban Development and Housing the year ended 31 December 2009.

The audit opinion expressed in this report has been formed on the above basis.

Unqualified Audit Opinion

In my opinion, the financial statements present fairly, in accordance with the accounting policies stated in Note 2, the financial performance of the Ministry of Local Government, Urban Development and Housing for the year ended 31 December 2009.

I draw attention to Note 2 (c) of the financial statements which describes the inability of the Ministry to accurately determine the actual costs under each Budget Output. The Ministry has eight outputs under the 2009 Budget out of which only four outputs were prepared. /mef

Tevita Bolanavanua
AUDITOR GENERAL



Suva, Fiji

Date:

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

MANAGEMENT CERTIFICATE

We certify that the financial statements:

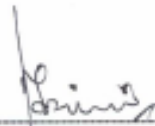
- (a) fairly reflect the financial performance of the Ministry of Local Government, Urban Development and Housing and its financial position for the financial year ending December 2009; and
- (b) Have been prepared in accordance with the requirements of the Financial Management Act 2004, the Finance Instructions and Finance Circular 16/2006.



Ms. Taina Tagicakibau

Permanent Secretary

Date: 20/08/10



Mr. Malakai Sosiceni

Senior Accountant

Date: 12/8/10

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF RECEIPTS AND EXPENDITURE FOR 2009

	Notes	2009 \$	2008 \$
RECEIPTS			
State Revenue			
Indirect Taxes		6,070	48,624
Town and Country Planning Fees		96,560	353,909
Commission		3,673	1,364
Total State Revenue	3(a)	<u>106,303</u>	<u>403,897</u>
Agency Revenue			
Miscellaneous Revenue	3(b)	11,819	1,350
Total Agency Revenue		<u>11,819</u>	<u>1,350</u>
TOTAL REVENUE		<u>118,122</u>	<u>405,247</u>
EXPENDITURE			
Operating			
Established Staff	3(c)	1,138,182	994,888
Unestablished Staff	3(d)	77,026	86,281
Travel & Communication		102,486	101,434
Maintenance & Operations	3(e)	123,622	168,816
Purchase of Goods & Services		64,221	61,473
Operating Grants & Transfers	3(f)	2,350,000	2,600,000
Special Expenditure		0	0
Total Operating Expenditure		<u>3,855,537</u>	<u>4012,892</u>
Capital Expenditure			
Construction	3(g)	1,235,346	2,272,285
Purchases		28,016	17,000
Grants & Operations	3(h)	1,573,710	1,104,750
Total Capital Expenditure		<u>2,837,072</u>	<u>3,394,035</u>
Value Added Tax		191,131	325,349
TOTAL EXPENDITURE		<u>6,883,740</u>	<u>7,732,276</u>

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF OUTPUT COSTS FOR 2009: PORTFOLIO LEADERSHIP, POLICY ADVICE & SECRETARIAT SUPPORT

	Notes	2009 \$	2008 \$
EXPENDITURE			
Operating Costs			
Established Staff		363,437	338,857
Unestablished Staff		38,686	46,274
Travel & Communication		52,478	38,661
Maintenance & Operations		53,793	65,737
Purchase of Goods & Services		13,781	13,408
Operating Grants & Transfers		0	0
Special Expenditure		0	0
Total Operating Costs		<u>522,175</u>	<u>502,937</u>
Capital Costs			
Construction		0	0
Purchases		0	0
Grants & Transfers		0	0
Total Capital Costs		<u>0</u>	<u>0</u>
Value Added Tax		13,659	13,978
TOTAL COSTS		<u>535,834</u>	<u>516,915</u>

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF OUTPUT COSTS FOR 2009: DELIVERING AN IMPROVED SYSTEM OF LOCAL GOVERNMENT

	Notes	2009 \$	2008 \$
EXPENDITURE			
Operating Costs			
Established Staff		99,065	114,240
Unestablished Staff		9,187	9,819
Travel & Communication		3,676	3,849
Maintenance & Operations		283	1,455
Purchase of Goods & Services		15,743	9,947
Operating Grants & Transfers		1,600,000	1,600,000
Special Expenditure		0	0
Total Operating Costs		1,727,954	1,739,310
Capital Costs			
Construction		0	0
Purchases		0	0
Grants & Transfers		573,710	135,907
Total Capital Costs		573,710	135,907
Value Added Tax		2,427	1,524
TOTAL COSTS		2,304,091	1,876,741

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF OUTPUT COSTS FOR 2009: LICENSING, COMPLIANCE & MONITORING –URBAN & REGIONAL PLANNING

	Notes	2009 \$	2008 \$
EXPENDITURE			
Operating Costs			
Established Staff		560,745	410,839
Unestablished Staff		19,398	20,367
Travel & Communication		28,590	42,611
Maintenance & Operations		45,416	61,497
Purchase of Goods & Services		12,156	15,129
Operating Grants & Transfers		0	0
Special Expenditure		0	0
Total Operating Costs		666,305	550,443
Capital Costs			
Construction		0	0
Purchases		28,016	17,000
Grants & Transfers		0	0
Total Capital Costs		28,016	17,000
Value Added Tax		13,527	17,362
TOTAL COSTS		707,848	584,805

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF OUTPUT COSTS FOR 2009: HOUSING SQUATTER UPGRADING AND MANAGEMENT

	Notes	2009 \$	2008 \$
EXPENDITURE			
Operating Costs			
Established Staff		114,935	130,952
Unestablished Staff		9,755	9,821
Travel & Communication		17,743	16,313
Maintenance & Operations		24,129	40,127
Purchase of Goods & Services		22,541	22,990
Operating Grants & Transfers		750,000	1,000,000
Special Expenditure		0	0
Total Operating Costs		<u>939,103</u>	<u>1,220,203</u>
Capital Costs			
Construction		1,235,346	0
Purchases		0	2,272,285
Grants & Transfers		1,000,000	968,843
Total Capital Costs		<u>2,235,346</u>	<u>3,241,128</u>
Value Added Tax		161,518	292,484
TOTAL COSTS		<u>3,335,967</u>	<u>4,753,816</u>

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

APPROPRIATION STATEMENT FOR 2009

SEG	Item	Budget Estimate \$	Appropriation Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry- Over \$	Lapsed Appropriation \$
1	Established Staff	1,270,400	0	1,270,400	1,138,182	0	132,218
2	Unestablished Staff	105,900	0	105,900	77,026	0	28,874
3	Travel & Communication	150,400	0	150,400	102,486	0	47,914
4	Maintenance & Operations	185,000	0	185,000	123,622	0	61,378
5	Purchase of Goods & Services	71,800	0	71,800	64,221	0	7,579
6	Operating Grants & Transfers	2,605,000	0	2,605,000	2,350,000	0	255,000
7	Special Expenditure	0	0	0	0	0	0
	Total Operating Costs	4,388,500	0	4,388,500	3,855,537	0	532,963
	Capital Expenditure						
8	Construction	2,000,000	0	2,000,000	1,235,346	0	764,654
9	Purchases	30,000	0	30,000	28,016	0	1,984
10	Grants & Transfers	1,600,000	0	1,600,000	1,573,710	0	26,290
	Total Capital Expenditure	3,630,000	0	3,630,000	2,837,072	0	792,928
13	Value Added Tax	304,700	0	304,700	191,131	0	113,569
	TOTAL EXPENDITURE	8,323,200	0	8,323,200	6,883,740	0	1,439,460

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

STATEMENT OF LOSS FOR 2009

Loss of Money

There was no loss of money recorded for the year 2009

Loss (other than money)

There was no loss of fixed asset recorded for the year 2009.

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 REPORTING ENTITY

The Ministry of Local Government, Urban Development and Housing is responsible for the formulation and implementation of local government and urban planning policies and the formulation and implementation of housing and integration of programmes to eradicate poverty. It also has responsibilities for National Fire Services. The Ministry's functions are categorized into the following programme areas: General Administration Section, Local Government, Department of Town and Country Planning and the Housing Department.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting

In accordance with Government accounting policies, the statement of financial operation of the Ministry 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 and the requirements of Section 82(1) of the Finance Instructions 2005. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies.

b) Accounting for Value Added Tax (VAT)

All income is inclusive of VAT while the expenses are VAT exclusive. The Ministry of Finance is responsible for paying VAT on all government revenue collected by the Ministry. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Finance. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

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

c) Use of Estimates

The facility to allow the measurement and accounting of output costs has yet to be integrated in the Financial Management Information System (FMIS) of Government.

The preparation of the Statement of Output Costs requires Ministry of Local Government and Housing to make judgements on the estimates of costs under each Budget Output. Actual results may differ from these estimates.

d) Revenue Recognition

Revenue is recognised when actual cash are received by the Ministry.

MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT'D)

NOTE 3 SIGNIFICANT VARIATIONS

- a) The decrease in State Revenue by \$297,594 or 73% in 2009 was mainly attributed to the general decline in developments around the Country.
- b) The Miscellaneous Revenue account is overstated by \$10,000 resulting from a misposting that the Department of Energy had been reluctant to adjust in their books.
- c) The increase in Established staff costs was mainly attributed to 23 vacancies filled during the year while only 4 staffs retired during the year.
- d) The slight decline in Unestablished staff costs was due to the retirement of the Messenger while the Minister's driver's position remained vacant.
- e) The decline in the Maintenance and Operation cost were mainly attributed to strict strategies being adopted to curtail the expenditure in accordance to the PSC circular number 18/2009.
- f) The decrease in Operating Grants and Transfers was due to withholding of the fourth quarter grant as a result of the late submission of the third quarter acquittal report by the Public Rental Board.
- g) The decrease in Construction Expenditure was attributed to the delay in implementation of certain phases of construction works due to specific requirements of agencies such as Ministry of Works, Department of Lands and Municipal Councils.
- h) The increase in Capital Grants and Operation Cost was mainly attributed to the following:
 - Creation of a new allocation (Miscellaneous Capital Grants) to provide financial assistance to the HART organisation in the construction of additional buildings for residents
 - Increase in the Challenge Funds allocation to accommodate the salaries of the Special Administrators and provide financial assistance to the Municipal Councils in carrying out their capital works on dollar to dollar basis.