

The National Housing Policy Republic of Fiji

1. THE NEED FOR A HOUSING POLICY

1.1 Introduction

1.1.1 The population in Fiji Islands was 837,000 in 2010. Against a drop in the rate of growth of the population (0.7%), urbanization in Fiji has continued rather rapidly during the period 2002 – 2008. As a result, the urban share of the population has grown to 51 percent, an increase of nearly 5 percent since 2002. Correspondingly, the number of urban households has grown by nearly 12 percent compared to a low 3 percent increase of rural households during the five year period, increasing the share of urban households to 51 percent of the total¹. The two larger cities of Suva and Nasinu are home to over 40 percent of the urban population. However, the population density remains low at 42 persons per km².

1.1.2 The incidence of poverty has decreased since 2002, yet remains high at 31 percent of the population. It is important to note that urban poverty (19%) has decreased, while the poverty in rural areas (43%) has grown significantly during the period. The total household incomes in rural areas have decreased by 11 percent against a substantial increase of 59 percent in urban areas during 2002 and 2008. These indicators are signaling a potential for a higher rural–urban drift which would lead to serious implications on the already unsatisfactory housing conditions of the urban poor². Underperforming rural economies and the promise of a better future in the city have been the main drivers of rapid urban growth,

1.1.3 Accordingly, the number of people living in squatter settlements in Fiji has seen a sharp growth in recent years. It is estimated that close to 7 percent of Fiji's population and nearly 15 percent of the urban population live in over 200 squatter settlements around the country. The greater Suva area has the highest number of squatters, with Nasinu dubbed the "Squatter Town". The Suva/Nausori corridor is expected to grow to accommodate a population of about 100,000 placing a large strain on the entire urban infrastructure³.

1.2 Housing in National Planning Frameworks

1.2.1 Shelter is a basic need and a key indicator of development and social well being of a nation. Experience has shown that housing contributes to economic growth and employment and promotes equity and distribution. As such, housing had been a development priority of the Fiji Islands since her independence as shown in her key national development frameworks, and the government has formulated and implemented housing policies and strategies under its National Development Plans and National Strategic Plans.

¹ Key Statistics –March 2010: Fiji Island Bureau of Statistics and Preliminary Report: Poverty and Household Incomes in Fiji in 2008-09. September 2010

² Preliminary Report: Poverty and Household Incomes in Fiji in 2008-09. September, 2010

³ Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) 2009 -2014

1.2.2 The broad vision in the government’s “Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) 2009-2014 is “A Better Fiji for All”. Under its social agenda, the RDSSSED identifies social-cultural development as an important component of this broad vision and the government recognizes the importance of shelter in its responsibility to provide decent living and existence. The government under Pillar 6 of the People’s Charter for Change, Peace and Progress and the Ministry of Local Government, Urban Development, Housing and Environment in its sectoral responsibilities under the Roadmap and Strategic Framework for Change has an important mission. This is to formulate and implement sustainable affordable housing policies to facilitate the achievement of the housing vision. These are further supported by the Urban Policy Action Plan (UPAP) that seeks to ensure a robust land market that will facilitate urban development and affordable housing.

1.2.4 The National Housing Policy is tailored to support the national development priorities of the People’s Charter and the Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) 2009-2014 which aspires to provide “equitable access to the benefits of development including access to basic needs and services”. The primary vision of the National Housing Policy is the provision of “Affordable and decent housing for all, the key to building better communities”.

1.2.5 The National Housing Policy will also contribute to national poverty alleviation, the overarching objective of global development in the new millennium. It follows principles and guidelines of the United Nation’s Habitat Agenda adopted by the global community in Istanbul in 1996. The policy will also contribute to the achievement of the time bound targets of the United Nations Millennium Development Goals (MDGs) endorsed in the 2000 Millennium Summit, particularly its Goal 7 Target 11, “Ensure Environmental Sustainability”. If successfully implemented, due to its links with the broader economy, the policy will also contribute to raise the relative ranking of Fiji’s Human Development Index. The policy in recommending its policy mediations have drawn inspiration from global best practices in human settlements development, particularly in Asia and the Pacific region.

1.3 Housing: A key sector of the economy

1.3.1 For the proposed Policy on National Housing to be effective, there is a clear need for a change in the perception of the housing sector. Housing is often seen as a component of the social welfare system of the country where the emphasis is on the transfer of limited public resources to help the poor to house themselves, an investment believed to have little or no return to the national economy. On the contrary, housing is a key productive sector of the economy. A better understanding must be acquired on how the supply and demand sides of the housing market can be made to work through efficient management of its components such as land, finance, residential construction industry and building materials. This will help to improve the overall performance of the housing sector and increase its contribution to broader economic and social development objectives of the nation.

1.3.2 Housing is an important economic activity of the on-going urbanization process. Paucity of information on housing outcomes and investments makes it difficult to make a detailed analysis of the contribution housing sector makes to the national

economy in Fiji Islands. However, investment in housing comprises 4.2 percent of the GDP in Fiji Islands and with the contribution made by the flow of services, the share of housing in GDP can be expected to reach over 10 percent. Housing is the most valuable family asset of an average household, and collectively makes a significant share of the reproducible wealth of the nation. A widely recognized fact is that housing is also a major source of motivation for increased household savings. Further, the construction industry of which housing forms a key component contributes nearly 3.5 percent to the GDP and generates employment to the urban poor. It also has a significant multiplier effect because of the demand it creates for building materials and other household products. Therefore, the national housing policy takes the view that housing is more than the act of producing shelter that drains productive resources, but a sector when well managed, is able to contribute to the overall economic performance of a nation.

1.4 Policy Formulation Methodology

- 1.4.1** The National Housing Policy (NHP) has been prepared as mandated by the Government in the Roadmap and Strategic Framework for Change. Work on the formulation of the policy commenced in mid June 2009 but did not make much progress until February 2010. The Minister appointed a Steering Committee to reactivate the work comprising of all key housing stakeholders providing public and social housing, infrastructure authorities, municipal council's representatives, NLTB, Lands Department, Ministry of Provincial Administration, Ministry of Indigenous Affairs and some Financial Institutions.
- 1.4.2** The Committee was guided by the Peoples Charter the RDSSSED and the Strategic Framework for Change in agreeing on the vision, objectives and strategies. It also considered the housing issues, objectives, policies and strategies covered in the Urban Policy Action Plan (2006 – 2014). These three documents provided overall guidance in the formulation of the National Housing Policy.
- 1.4.3** The preparatory work involved wide consultations through three series of stake holders' workshops. The first was the general stakeholders' workshop held on 7th April 2010, in which all key public and social housing stakeholders presented the public and social housing issues as well as infrastructure and financing issues. Two key thematic groups were also identified. The first was the public housing, which covered both home ownership and home rental, and the second that covered social housing, home ownership and social rental housing. The first Thematic Group workshop on Social Housing was held on 23rd April, 2010 and the second on Public Housing was held on 7th May 2010.
- 1.4.4** The Steering Committee met again in May 2010 and was updated on the outcomes of the main workshop and the two thematic workshops. A draft format of the policy report was discussed and generally accepted by all the members. The writing of the draft report commenced in towards the last week of May. The Ministry with the full financial assistance of UN Habitat appointed a Housing Consultant to work on the formulation of the NHP in November 2010 and the Ministry also appointed a local consultant after the first follow up workshop on 13th January 2011 to complete the first draft of the policy for discussion. Another Steering Committee and key stakeholders' meeting was convened on 9th February 2011 to discuss the formulated draft polices and strategies with the intention of incorporating their final comment into the policy.

1.5 Major Housing Problems and Issues in the Republic of Fiji

1.5.1 Republic of Fiji has a total housing stock of 173,000 units. Given its population of 837,000 and the average family size 4.7, the country is not battling a critical shortfall in housing. The vast majority of the people are housed, yet housing conditions vary considerably. The population growth rate is 0.7 and both the growth rate and average family size have shown a healthy decline over the last five years⁴. Fiji Islands is a middle income country with an economy that has shown resilience growing at an average of over 5 percent at current prices (1.8 percent at constant prices) during the last decade and a GDP per capita of 5800 FJD⁵. The growth rate which had slowed down the last few years is expected to increase from the current year.

1.5.2 For the purpose of the housing policy, the future is a two-fold challenge. In the short to medium term, a particular challenge that has impeded past efforts is the housing needs of the urban poor. It is clear that future additions to the national population will be largely taking place in its cities, led primarily by the in-migrants from villages. Past policies have fallen short of meeting their needs of housing, resulting in a rapid growth of squatter settlements. Since better housing is every family's dream, increased income to the lower income groups is the real solution, as higher incomes will turn their latent demand for housing into an effective demand. However, in a situation where benefits of economic growth are not equitably distributed, they are likely to remain poor. Therefore the poverty and affordability of this group who form the neediest sections of the population has important policy consequences.

1.5.3 In the medium to long term however, the challenge is to improve the quality of the existing housing stock both urban and village, improve access to services, and plan for the growing demand for urban housing, new family formations and age replacement of the current stock. The challenge is to capture these positives for increased investment in housing through the creation of a well functioning housing sector. In a growth economy housing markets can be helped to go a considerable distance in meeting housing needs of the people. The government through policy reform and appropriate interventions will improve the performance of the different components of the housing sector such as the land, infrastructure, finance, and regulatory and institutional framework, and enable a larger section of the population to access the inputs for housing them better. Since it is incumbent on the government to assist them to be adequately housed, the national housing policy proposes to introduce a series of special interventions to help them to improve their housing circumstances through collective efforts.

Since the country context is crucial for drawing ideas for effective policies and strategies, following sections attempt to sketch the prevailing problems and issues in the performance of the housing sector in Fiji, in order to stress the areas of focus of the new national housing policy.

1.5.4 Urban Growth: The growth of the population (0.7%) has decreased significantly from the high levels of growth experienced in 1960s (3.3%) followed by a significant

⁴ Preliminary Report: Poverty and Household incomes in Fiji in 2008-09. September 2010

⁵ World Bank and Key Statistics –March 2010: Fiji Island Bureau of Statistics

reduction in urban poverty (19%). However, the discrepancy between rural and urban incomes has become wider with the average income of an urban household reaching twice that of a rural household (2895:5879). With urban centres presenting themselves as places of opportunity, there will be an inevitable growth in trends of rural-urban migration. The expected growth of the urban population to reach 70 percent of the total population within the next five years will increase the demand for urban housing, create a shortfall of the urban housing stock and place a heavy burden on the already stretched urban services.

1.5.5 Quality of Housing: The magnitude of the housing backlog is not a reliable indicator of the actual housing need of the population. However, national housing policies often use the figure as a measure of the challenge ahead. The total number of housing units in Fiji Islands is estimated to be 173,500. On the basis of the current average family size of 4.7 persons per family, the numbers appear adequate. The focus of the new policy should therefore be on the quality improvement of the present housing stock, replacement needs and the demand from new family formations. The current stock is equally divided between urban and rural areas. Please see Table 1 below. Of the urban housing stock 73 percent is made of permanent materials while in rural housing 52 percent of the stock is of permanent materials. Traditional and temporary materials are being used less and less in house building and houses built with such material currently represent a little over 3 percent of the total housing stock. The balance 30 percent of the stock is made of tin and iron sheets. 12,630 units or 7 percent of the housing represent squatter housing, some of which are also built with permanent materials.

Table 1: Distribution and Quality of the Housing Stock

Type of Structure	Urban	Rural	Total	Percentage
Concrete	46,353	21,758	68,111	39
Wood	18,307	23,458	41,765	24
Tin & Iron	23,203	35,250	58,453	34
Bure Material;	186	2,966	3,152	2
Make;hft Material;	279	817	1,096	0.6
Other Material;	124	756	880	0.5
Total	88,452	85,505	173,457	100

Source: Bureau of Statistics Provisional Household Characteristics Survey 2007

In terms of secure tenure for housing, it is noted that 93 percent of the total households in Fiji sit on secure tenure. Of them, 109,849 (63%) households live on freehold and leasehold land. Village housing makes up 29 percent of the total household tenure and is secure in relation to community status. This is a very good indicator on security of tenure in relation to housing, which shows that overall Fiji's housing sector is on sound ground.

1.5.6 Growth of Squatter Settlements: In the above background, growth of squatter settlement appears to be a bleak aspect of the housing status in the country. All national planning frameworks referred to in earlier sections of this paper refer to the unchecked growth of squatter settlements. The rural–urban migrant started moving to urban areas, especially Suva city, from the 1950's. Most of the new migrants could not afford reasonable and secure housing and had no option but to settle in informal settlements and even squat in convenient places in the urban areas. The continued urban growth and the increase of population since then have exacerbated the problem which in Fiji's situation is real and critical. An estimated population of 60,000 people comprising of over 14 percent of the urban population are believed to live in about 200 squatter settlements.

1.5.7 The majority of them are people living below the poverty line. The poor however are not a homogenous group with poverty incidence varying from household to household, from community to community and from rural to urban. Addressing their need for improved housing constitutes one of the major considerations in the formulation of the future housing policy and requires adapting the strategies to suit their particular circumstances. The squatter settlements are a legacy of the past policies that failed to address the specific needs of the urban poor. As such, the future policy envisages fundamental and far-reaching conceptual changes that go beyond the provision of housing to creating viable communities that are able to contribute their collective energies to the effort of the government to house them better.

1.5.8 Rural and Village Housing: Nearly half of the population of Fiji lives in its villages. Of the total 50,978 households in the villages 68.5% live in the central and western divisions. This can be attributed to the convenience of location which gives them easy access to urban centres and the services. Access to finance to upgrade homes or build new ones is another contributory factor. Of the rural households, 29 percent have secure tenure. Even though they live on native lands which do not offer freehold rights, they have a security assured under the customary practices. Majority of the housing in villages (56%) are single family detached houses. House structures are generally of a good quality with nearly 53 percent of rural houses built with concrete or wood and considered permanent. In past decades, a major shift in Fijian villages and rural farmsteads has been to move from having *bure* type homes to other permanent housing types. The 2007 Census noted that only 2 percent of homes are of this material and an important reason for this change is the structural durability to withstand natural disasters as well as its conduciveness to benefit from services such as water, electricity and telecommunication etc. given the widespread provision of these services in the country. An emerging concern is the sub-division of allocated native lands by its tenants to accommodate new families, which if left unchecked could lead to overcrowding and disruption of the established village residential patterns.

1.5.9 Land for Housing: Fiji Islands has a low population density of 42 persons per km²; yet, land for housing has been a key development issue. The Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) 2009-2014, calls for enduring solutions to the issue of access to land for productive economic and social purposes. It has asserted that land is in abundance in Fiji and the key issue regarding land is one of access and improving utilization and not ownership⁶.

⁶ The Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) 2009-2014

However, the complex patterns of ownership call for policy interventions to increase the supply of land to the land market. Of the three different systems of land tenure - native, freehold, and state land- the market demand for urban housing is mostly on the last two categories. The high demand has increased the prices of land in these two categories, making land unaffordable to the needy sections of the population. In the meantime, the high premium levied on native land by Native Land Owning Units has been a serious deterrent to broaden the sources of supply and increase the supply of native land for urban housing.

1.5.10 Housing Finance: The limited resources and the capacities available to the government make it difficult for providing housing solutions to people on the scale needed. Using the limited public funds to focus on the housing needs of a segment of the population creates distortions in the housing market contributing to inefficiencies in the overall performance of the sector. Access to finance therefore is a major factor in facilitating housing production, maintenance and growth in the sector. Due to high interest rates, stringent conditions imposed on the borrowers, and the risk averse banking practices, the formal financial institutions have not been able to reach down to the poor. The irregular incomes of the poor and their inability to provide collateral make it difficult for them to qualify for institutional finance under standard banking practices.

1.5.11 Basic Residential Infrastructure: Indicators of access to basic services present a positive picture in general. Over 73 percent of the households in rural and urban areas have access to flush toilets, most of which are individually owned and only 5 percent shared between families. Of the balance, 13 percent have water sealed toilets. The type of toilets also indicate a more than satisfactory system of piped water distribution with 67 percent of the total and 37 percent of the rural households provided with metered pipe borne water. Electricity is the main source of power supply in most Fijian homes with only 11 percent of homes yet to be connected to a supply network.

While the basic infrastructure in Fiji Islands is good and reasonably well distributed, improvements are desired in the area of residential infrastructure provision to squatter settlements. The manner infrastructure agencies apportion investments costs to new housing also needs review, because the capital costs charged to the developer are passed down to the new owners, making the costs of housing unaffordable to the population. An important area of focus is also the increase of serviced land to house builders which will also help reduce speculative land prices, Much could be achieved by coordinating the investments of individual infrastructure agencies, and getting them to focus less on narrow physical objectives such as miles paved, lengths of pipes laid etc. and more on opening up serviced residential land for housing development.

1.5.12 Building Materials: The inflation and high cost of imports have increased the cost of building materials. The inflexibility of incomes and the high cost of day to day living reduce the affordability of a larger section of the population to pay for housing. The need to reduce monopolistic practices, improve local production, substitution with local materials and import duties need to be reviewed with a view to increasing the availability of building materials and reducing market prices.

1.5.13 Construction Industry: Performance of the construction industry of which housing forms an important activity is a factor that should come within the purview of a

future housing policy. Presently, the industry capacity is constrained by the shortage of professional staff and skilled workers. Bringing in foreign contractors to bridge the gap will tend to increase the cost of construction. A programme to support the local contractors and train skilled workers needs consideration. Construction industry also creates employment for large numbers of the urban poor, contributing to improvement of their family incomes and levels of affordability.

Perhaps what a programme of housing needs most are skilled construction workers, self-employed artisans and small scale contractors whose assistance is often hired by individual families for building houses. Policy interventions are recommended for assisting their entry to the industry and improving their capacities.

1.5.14 Physical and Environment Planning and Building Code: The Town Planning Act provides the legal framework for physical planning and applies to all declared town planning areas in Fiji, including declared municipal areas, rural town planning areas and General Town Planning areas. The control of site development is dictated by the development regulations in the Town and Country Planning Act, Public Health Act and the Local Government Act. Regional plans are available for the two main growth areas namely Greater Suva area and Nadi–Lautoka corridor. A main criticism of planning is its failure to avoid the formation of socially stigmatized neighbourhoods. This was an indirect outcome of the application of rigid and inflexible standards, lack of consultations during the planning process at the local level, and the failure to reflect the needs of the urban poor in the plans, thereby missing the opportunity to proactively plan for the prevention of squatter settlements. More planning attention also needs to be paid to the urban fringe, where concentrations of unplanned development are taking place.

Planning and Building Code standards and approval procedures need to be rationalized and simplified. Coordination of functions and capacity within agencies concerned with the built environment i.e. municipality, health and other authorities, and building their capacities should be considered. At present the Ministry of Health under the Public Health Act administers the Building Code in consultation with line agencies. While it applies mostly to permanent structures for insurance purpose, the requirements cannot be met for less permanent structures that are common in rural areas and villages as well as squatter/ informal settlements. To facilitate this, amendments to the Building Code is necessary.

1.5.15 Climate Change: Fiji Islands is highly vulnerable to a wide range of natural disasters. Tropical cyclones, floods and droughts have caused serious losses to the nation's economy and the lives of its people. The damage caused by tropical cyclones alone has been estimated at half a billion dollars in the last decade, and the droughts have seriously affected the sugarcane cultivation impacting seriously on the economy of the rural population. In the past few years, both the frequency and the intensity of the disasters have increased. To the long list of disasters the nation had battled in the past, a new one has now to be added: climate change.

As the globe warms, the weather is expected to become more extreme. Fiji with its fragile environment because of its location, geographical isolation and endemic vegetation and life forms is likely to be affected more seriously than others by the change. Heat waves and droughts will become more frequent and intense. As rainfall patterns shift, floods and cloudbursts will increase. Sea levels are expected to rise and storms are expected to become more severe.

1.5.16 Legal and institutional Frameworks: The Housing Authority administers the Housing Act. However, the powers vested in the Authority under the Act are limited to administering the public housing developments of the Authority. It does not cover issues on actual physical land developments and home construction which are regulated by the Town Planning Act, the Subdivision of Land Act, Public Health Act and Local Government Act. In proclaimed Fijian villages housing is administered by the Fijian Affairs Act. A serious gap here is the absence of an agency to review the overall performance of the housing sector and how its key components are governed by policy, institutions and legal frameworks to clear factors that hinder its efficient performance, to ensure its contribution to the national economic growth as a key sector of the economy.

On the legal side, there are about 14 principle legislations that impact on housing development in Fiji. The supply of land is governed by several laws that deal with land tenure, namely, Crown Lands Act (Cap 132), Native Lands Act (Cap 133), Land Transfer Act (Cap 131), and the Property Law Act (Cap 130), while land development for housing is administered under the Town Planning Act (Cap 139), Subdivision of Land Act (Cap 140), Public Health Act (Cap 111), Local Government Act (Cap 125), Water Act (Cap 144), Roads Act (Cap 175) and the Environment Management Act (Cap 141b). In addition to these there are other legislations that cover the operations and management of housing and this includes the Housing Act (Cap 267), Fair Rents Act (Cap 269), Fijian Affairs Act (Cap 120) and the Public Enterprise Act No. 35 of 1996.

The range of legislations reflect the different authorities that administer them and this to some extent contributes to the disjointed and uncoordinated development efforts, and to inordinate delays experienced by the public in accessing land for housing and securing approvals. They even delay governments own programmes for supplying houses for the population.

2.0 THE DIRECTION AND CONCEPTS OF THE NEW NATIONAL POLICY

- 2.1** The vision of the new policy is to create a future with equal access and opportunities to all income groups, to enable them to meet their respective housing needs and realize the objective of “Affordable and Decent Housing for All”.
- 2.2** The goal of the housing policy is to harness the resources and initiatives of the state, private sector and the communities, to address within the next 10 years, tenure rights and basic service improvements of all squatter settlements integrating them in the mainstream housing process. It will also prevent the formation of squatter settlements in the future, and enable all sections of the population to improve the quality of housing, meet the new demand for housing, and replace the present housing, where necessary.
- 2.3** In the first place, the policy paper aims to create a positive view of the housing sector and its place in the national economy. Housing is a key sector of the national economy, capable of delivering real socio - economic outcomes in the development of a nation and should not therefore be perceived as a welfare sector in which scarce physical and financial resources are invested without a return.
- 2.4** However, for it to contribute its potential, the government needs to manage the sector as a whole and move away from the present practice of investing all its energy and resources on producing houses for a small section of the population, ignoring the real needs of most of the population. The focus should be on overseeing the performance of the sector as a whole and coordinating the agencies that influence housing sector performance through appropriate and selective policy interventions.
- 2.5** The policy recognizes the reality of limited supply of public resources which will compel the government efforts to a limited housing agenda of the traditional form. The policy therefore advocates a policy shift from limited, project based support to public sector agencies engaged in production and financing of housing to one of enabling, where the government will be a catalyst and facilitator of all formal and informal actors, and develop partnerships between the various tiers of government, the private sector and the communities.
- 2.6** Fiji is a growing economy and has the potential to improve private investment both of the households and that of the private sector in housing. The experience has shown that investment flows to housing as well as choice between owning and renting could be influenced by incentives and tax rationalization, and how income tax treats mortgage interest and depreciation. The policy seeks to review and improve such fiscal incentives.
- 2.7** Of all resources, nothing compares with the latent energy of our people. The housing policy aims to unleash that energy, ingenuity and resilience of the people

not only to get better houses on the ground but also give meaning to a development drive which places people at the centre.

- 2.8** The policy recognizes that poverty and affordability levels of a large percentage of the population will make it hard for them to benefit from the public housing effort. It also recognizes that the resource limitations of the government will prevent it from reaching out beyond a point to assist them. The policy believes that this calls for an honest an open process, where people are consulted and made equal partners of the housing development effort, enabling them to contribute their collective energy to complement government assistance to improve their housing circumstances.

3.0 RECOMMENDED POLICY MEASURES

3.1 Public and Social Housing

3.1.1 Issues and Concerns: Since the present housing numbers meet the overall needs of the population and the country is not faced with a problem of homelessness or a serious backlog, the focus of the policy will be on quality improvement of the existing stock including rural housing, providing for growing urban demand and new family formation, and the age replacement of the current stock. Rental housing is often a neglected sector because of a general bias in policy towards home ownership. Rental housing is important as a cost effective housing accommodation for the new entrants to the city particularly the poor and also as a means of supplementing family incomes of the house owning poor. Much of this could be achieved through efficiencies created in the housing sector performance, and through appropriate, selective and innovative policy interventions. Since the government has moved many of its programmes in a complementary direction, the policy measures suggested here are proposed to build on the existing good practices and improve their effectiveness.

The demand for public housing in Fiji will continue in parallel with the constant growth of urbanization and the urban population. While it presently concentrates in urban areas and peri-urban areas, this is expected to extend to rural areas if major integrated hotel developments and major investment projects in rural areas are developed. The demand and supply of affordable public and rental housing by HA and PRB to meet the need of the targeted population and the competing mandates of HA and PRB need to be reviewed. The need for both providers to involve the private sector in their land development and construction activities should be explored. Other issues and concerns are the high management and maintenance costs of the rental housing stock of PRB, the need to balance its social and commercial responsibilities ensuring the viability of its operations, and the need to encourage those who can afford to graduate to market rented units or home ownership, allowing more deserving tenants for whom the houses were meant to come in.

The emphasis to provide, accessible decent and affordable housing with specific focus on the low income groups will continue to be a challenge to the government given the increasing number of households with very low income levels. The joint Government and Non Government Organizations attempt to provide minimum standard housing through subsidized programmes shows that many low income households are incapable of paying for even the basic standard rental units provided for them. The main constraints are their poverty, low incomes and unpredictable earning capacities.

While the continued government assistance through grants is well intended, the subsidies should be managed to prevent tenants who can afford to move out from blocking the entry of genuine deserving tenants.

3.1.2 Policy Measures:

- A distinct policy shift towards principles of enablement is recommended. The Ministry will re-examine its policies with a objective to move away from a narrow development agenda of implementing housing projects to support based housing and overseeing the performance of the sector;
- Empower all stakeholders and build partnerships, particularly with local authorities and other tiers of the government, the private sector, non-governmental organizations and community-based organizations, to enhance their role and contribution in housing development;
- Create opportunities for land development for housing and home construction by the public, semi private and private sectors to facilitate affordable housing;
- Initiate the development of formal systems of mortgage finance in consultation with the commercial banks and social security funds;
- Promote the rental housing market as an attractive investment for both low and other income groups;
- Analyse and determine the financial viability of both HA and PRB in meeting their social obligations at the same time commercially and profitably viable;
- Review the present housing subsidy policies;
- Target subsidies only to the deserving poor;
- Discourage speculation on land through tax measures;
- Transfer the maintenance cost of public housing to tenants due to the cost of maintenance;
- Review rentals of public housing towards economic rents to avoid distortions in the rental market and improve cost recovery of public housing for reinvestment;
- Promote disaster / climate change resilient housing amongst all income groups;
- Monitor the housing sector performance on a regular basis;
- Provide technical and financial advisory services to prospective house builders

3.2 Squatter /Informal Settlements:

3.2.1 Issues and Concerns: An area of special focus should however be the spread and increase of densities in squatter settlements. Despite several programmes implemented to improve and upgrade, the squatter settlements remain a neglected area in the Fiji Islands and numbers and densities have increased. With urban growth set to grow unabated, urgent action is needed to arrest their further growth and also prevent their future formation. The numbers of squatter dwellers or their living conditions are not serious compared to many other countries in Asia and Africa, where they had been reluctant to accept urban reality. The reading however, is clear that timely action is needed to avoid a replication of the experience of other countries that would degrade the lives of a large section of our productive and economically active urban population.

The squatter settlements have resulted from a complex mix of problems that include rural urban migration, city growth and informal arrangements on native land or incomplete subdivisions on state land that attract people to settle in these areas. Others are poor policy responses, and skewed income distribution, aggravated by poverty and affordability levels of the households. In addition to legitimizing their tenure and right to stay in the city, to prevent their future formation, policy action must also be taken to correct the underlying causes that lead to the creation of squatter settlements. This requires forward planning,

addressing issues of equity and improving the viability of rural economies as a measure to stop further growth of squatter and informal settlements.

In the immediate term, though it is incumbent upon the Government to take urgent measures to improve the situation in squatter settlements, finding substantial increases in public resource allocations to address the scale will always be a challenge. Experience has also shown that the poor may not be reached with conventional approaches, due to their affordability levels and poor incomes. As such, their situation has important policy consequences that call for creative and innovative approaches on the part of the policy makers. We could learn from global best practice, of which there are many examples, and adopt an honest and open process to overcome the resource limitations by educating the poor, working in partnership with the beneficiary communities and even sharing the cost of development with family savings and sweat equity. It could be a process of development driven within the community, under the leadership of the beneficiaries, where the government encourages and supports their collective efforts. Squatter upgrading policies need to reflect the urban reality and respond proactively to rapid and unplanned urban growth, addressing problems of poor housing, over-crowding, need for basic services and security of tenure.

3.2.2 Policy Measures:

- Provide security of tenure as a priority and acknowledge their right to tenure, recognising that 'illegality' is a reality forced on them due to policies that refused to recognise their right to live and work in the city, despite their being key contributors to the economy;
- Squatter upgrading programme to be implemented in partnership with mobilised communities responding to their needs on a demand driven basis;
- Mobilise poor communities for regular consultation, assist them to form into community organisations, and build their capacities to identify and prioritise their needs agreed through a community consultative process;
- Introduce community action plans, community contracts, participatory land mapping, and community based savings and credit arrangements;
- Promote inclusive neighbourhoods to prevent the growth of haphazard stigmatised settlements;
- Discourage and stop incomplete subdivisions, establishment of new vakavanua settlements and new squatter settlements on state and freehold land;
- Make the Government a catalyst and facilitator in squatter improvement, recognising and actively supporting initiatives emerging from communities, and promoting collective action;
- Recognize the rights of the community to choose and prioritize from a given menu of interventions, and encourage communities to complement such assistance through their collective action for better housing outcomes;

- Strengthen the role of NGOs and informal sector intermediaries in low income housing improvement; The NGOs have a strong tradition of mobilizing communities for giving them a voice in development. Making them collaborative partners of a large squatter development programme could prove to be the most effective way of reaching scale with limited resources and capacities;
- International NGOs such as Asian Coalition for Housing Rights (ACHR) have many years of experience of having worked with the urban poor in many countries in Asia, Africa and the Pacific including Fiji Islands. They would make excellent partners in a programme of training of local NGOs and selected community leaders for replicating their approach, based on their international best practice;
- Encourage the role and leadership of women in mobilized communities, as they have proved to be effective community leaders in settlement upgrading in other countries. Their engagement would also give them a voice in the community decision making process and empower them in community interactions;
- Recognise the process of incremental building as the affordable way the poor access housing the world over, given the obstacles placed against them to access housing credit including those who can afford to pay. This will enable households to access institutional finance commensurate with the means at their disposal.

3.3. Village Housing

3.3.1 Issue; and Concerns: Village housing refers to housing in proclaimed *i Taukei* villages located both in urban and rural areas. Private housing together with public and social housing share communally owned land. The land is partly secure and free of cost but is not eligible to raise mortgage finance from a commercial bank for home construction or improvement. The only financial avenues available are Fiji National Provident Fund and Housing Authority for village housing scheme. On the other hand, the communal ownership of land results in reserve land disputes.

Village housing was covered by the Fijian Affairs Act By Law that was repealed in the 1950's and this regulated home construction at that time. While Public Health Act and its Building Regulations as well as the Town Planning Act have regulating measures for building and planning, both are not applicable in a *Taukei* village. The Building Code under the Public Health Act is stringent and not conducive to home construction in the villages. The change in home structure, utility provisions and other services provided in a village warrants proper planning and home construction regulating. Except for the Environment Act (2005), Public Health Act is the only legislation that covers environmental matters in a village.

3.3.2 Policy Measures

- Well planned regulated and controlled development in villages that are environmentally safe and disaster/climate change resilient;
- Clear demarcation of village reserves and extension areas to address village reserve disputes;

- Promote individual/community based savings and credit facility for individual or community housing schemes.

3.4 Land for Housing

3.4.1 Issues and Concerns: Fiji Islands is a country with a low population density, yet, land for housing is both difficult and expensive particularly in the urban areas, and unaffordable by the poor. One reason is the inability of state infrastructure agencies to coordinate their investments according to a plan to increase the supply of developed land to the land market. The second is the high premium demanded by Native Land Owning Units for the lease of native lands for development. As a result, the demand for land is concentrated on state lands and lands owned under free hold rights. As most lands fall under the native land ownership, the supply is limited, and the high demand and speculation on land have increased the cost. There is a need for a land bank to regulate supply of supply of land, including those belonging to the state. There is also a need for the Government to work with the Native Land Trust Board (NLTB) to intervene in the market with increased supply of land for housing and development.

Land market operations are hindered by varying levels of legality of these ownership forms and by defective titles, cost of access, development costs, transaction delays, and time delays in development approvals that do not enable land markets to operate in an efficient, equitable or transparent manner. Policy interventions are needed to clear them, including legal delays, to improve the supply of land to the market. Delays, inefficiencies and corrupt behaviour in land registration also make promotion of tenure rights further difficult. All this adds up to a system that works to the disadvantage of the poor. The resultant increases in land prices, unchecked speculation and secretive administrative criteria make it difficult for the poor to compete in land markets.

For people living in a city, particularly to the poor, shelter is a precondition for access to other benefits, such as livelihoods, services and credit. Tenure therefore forms the foundation on which, any effort to improve living conditions has to be built. Since tenure systems are complex due to historical and cultural factors, and need to be changed to modern day needs, policy responses must address such country specific needs. A special focus of such policies should be to correct the grievous wrongs made to the poor for whom 'illegality' is a forced reality in the present system of tenure arrangements.

Private developers are also affected, because of the practice of infrastructure agencies that charge the full capital cost of investment on residential infrastructure provision, to the developer, which in turn gets charged to the buyer, making houses unaffordable to many. Recovery of the capital investment through tariffs, user charges and property taxes made on the end consumer, would be both a viable and feasible arrangement to bring down the cost of the land for housing and the cost of houses marketed by developers.

3.4.2 Policy Measures

- Implement UPAP recommendations for improving land supply for urban development;

- Introduce measures to rationalize high lease rents charged by Native Land Owning Units for the lease of land for development, as they make land prices unaffordable to the poor, a factor contributing to increased squatting;
- Improve tenure of the poor by regularising informal settlements;
- Initiate planning for urban expansion. Update land use plans in present cities as well as in urbanising towns and villages;
- Recognise the diversity of land ownership systems, and create frameworks for such lands to be traded in the land markets;
- Modernise land administration system with the introduction of computerized land records and GIS and digital mapping;
- Improve records and administration of government owned land and use of the land bank to regulate land market operations and to prevent indiscriminate squatting of state owned land;
- Introduce regulations to curb speculation of land and property;
- Encourage land assembly, development and disposal in the public as well as in the private sectors;
- Promote inclusive neighbourhoods to prevent the growth of haphazard stigmatised settlements;
- Explore innovative ways to promote secure tenure through other forms of ownership, in addition to conventional free hold right to tenure;
- Allow housing on smaller parcels in low income areas to increase affordability.

3.5 Housing Finance

3.5.1 Issues and Concerns: Fiji Islands has a well developed Banking system, dominated mostly by the foreign owned banks. Information available on their depth of coverage or the diversity of the portfolio is imprecise. The Fiji Development Bank (until its closure), Commercial Banks, Housing Authority, Home Finance Company, Fiji National Provident, and Insurance Companies have provided housing mortgages. Commercial Banks are the largest lenders for housing and their combined portfolio is larger both in numbers and value than the mortgage lending by all other agencies.

Availability of housing finance is important for housing markets to flourish and to enable a larger section of the population to access housing without direct government support. Accordingly, a well functioning mortgage sector is important for the success and effectiveness of an enabling policy. As economic development proceeds, there will be a greater monetisation of the Fijian economy, and the financial institutions will seek to diversify their portfolios, increasing their share of investment in mortgage lending. Learning from the experience in other countries, the potential for growth could be as high as 25 percent of their loan portfolio. The government needs to support this process by improving the systems of property registration, titling and foreclosure, to help lending institutions to ensure the collateral security of mortgage loans.

Experience has shown that a large percentage of the poor are able to afford to access credit if institutional credit is available. Finding ways and means of unlocking credit to the poor for housing is an important policy need of the future. There are several successful experiences such as community savings and credit, intermediation through micro credit agencies that Fiji can learn from. Credit supplemented with

savings can enable a large proportion of people in need of housing to acquire formal starter housing.

3.5. 2 Policy Measures:

- Introduce innovative risk management procedures such as a mortgage indemnity scheme (MIS) under which the Government will indemnify financial institutions for losses due to default (e.g. Hardship related default) for mortgages given to low income families;
- Engage non traditional retail lenders such as micro credit groups, community savings and credit associations as financial intermediaries of institutional lenders to unlock credit to those amongst the poor who can afford credit. The poor have a long history of accessing high cost credit and honouring re-payment. The cost of institutional finance will be much cheaper;
- Optional/compulsory housing savings by FNPF similar to pension scheme;
- Introduce savings linked credit schemes in consultation with Banks and mortgage lenders to increase a poor family's ability to contribute to equity in the property, and for developing a savings habit of setting aside money for future housing;
- Encourage providers of housing finance to better reach down to low income target groups by experimenting with new lending instruments and alternative repayment schemes such as ballooning repayment schemes;
- Promote responsible savings and borrowing behavior amongst the poor through community based savings and credit associations, particularly in squatter settlements, as they have proved to be a valuable source of funding in slum and squatter upgrading in other countries;
- Encourage lending to house improvements and incremental building;
- Avoid subsidies that distort the functioning of the housing market to the disadvantage of the majority;
- Adopt a more flexible and innovative approach in relation to credit appraisal to reflect irregular earning patterns of the poor;
- Private sector participation in housing to be supported through innovative housing products directed at low and middle income earners and further enhanced by the appropriate incentives and concessionary packages. Better targeting of benefits must be ensured; Housing finance provided by the Housing Authority be made cost effective;
- Since budgetary resources are limited, the Government to work in partnership with the local governments, funding agencies and developers, on a range of potential new funding sources for increasing the supply of affordable housing;
- Reorganize and strengthen the financial institutions with funds, manpower and enabling legal framework, learning from the experience of successful housing banks in other countries, to enable them to lend for housing;
- Develop a broad set of mortgage instruments in consultation with banks to cover owner occupied as well as rental housing;
- Arrange monthly mortgage payments to be deducted by the employers to reduce defaults in mortgage repayments;
- Encourage Housing Financial Institutions to float long term bonds at market rates to mobilize higher level of resources for housing finance;
- Housing finance institutions be able to borrow from international sources;

- Establish a housing refinance window for multilateral agencies at the Reserve Bank;
- Encourage social security funds to invest a part of their portfolio in the housing sector including long term housing bonds;
- Encourage Banks to provide bridging finance to the private sector for housing projects;
- Provide tax incentives to encourage investment in housing;
- Encourage lending for supply of rental housing and review rent controls, to avoid them being disincentives to investment in rental housing as well as in the maintenance and upkeep of the existing housing stock;
- Wide promotion of micro business, cottage industry and small scale subsistence agriculture.

3.6 Residential Infrastructure:

3.6.1 Issues and Concerns: In Fiji, government authorities and departments such as WSD, FEA, NLTB, PWD, WAF, and some City and Town Councils are responsible for the supply of residential infrastructure services. Central Government expenditure in these activities has shown a healthy increase over the last five years⁷. A national housing policy should focus on coordinating their investments to improve coverage of residential infrastructure. Coordinated provision of basic infrastructure helps increase the supply of buildable serviced land, promote efficient land market operations and therefore reduce speculative land prices. On the other hand, if infrastructure provision is unresponsive to demand, the supply of serviced land will become inelastic, increasing the price of land and housing. Availability of services attracts investment in housing, improve housing quality and reduce the cost of housing.

Provision of infrastructure in low income settlements is an efficient entry point, as demonstrated in other countries as well, for mobilizing the poor. Their shared interest in accessing basic services will promote people's participation and self governance in communities. A primary reason for the neglect and the squalor of low income settlements is the absence of basic infrastructure. The environmental quality of settlements suffers when pathways, drains, and waste disposal systems are unavailable. Together with tenure, availability of infrastructure will leverage household savings and investments in housing.

Investments in **trunk infrastructure** also help to open new land for urban development and stabilize the price of land for housing. Trunk infrastructure attracts new economic investment and leads to economic growth and new income opportunities. As we know shortages of land, increases economic and political pressure to evict the poor from "illegal" settlements that house them. The public infrastructure agencies also could increase the supply of serviced land by focusing their new investments in selected areas within a coordinated development plan. Their focus should be on coordinated provision of services for land development

⁷ Key Statistics –March 2010: Fiji Island Bureau of Statistics

than on agency based linear physical outputs (e.g. miles of road, water pipes) which do not have the same effect.

The efficient **operation and maintenance** of infrastructure will improve the real benefits of the services provided. Engagement of communities in the provision of settlement infrastructure could help to reduce the cost of investment, improve community ownership of the facilities created, and improve community maintenance of the investments. Similarly, user charges, recovery of costs and demand management of services need greater focus than what they receive now as they increase the per capita investment cost of services and limit network expansion.

3.6.2 Policy Measures:

- Open new land for housing through the provision of trunk infrastructure;
- Encourage infrastructure agencies to invest within a coordinated plan in the provision of services to optimize the benefits of investment;
- Investigate on a function by function basis, the opportunities for privatization of services;
- Review cost recovery and user charges;
- Reduce unaccounted for water ;
- Introduce programmes for settlement upgrading through the provision of basic infrastructure services;
- Promote community action planning for participatory identification of priorities and needs for the improvement of basic services in poor settlements;
- Involve community organizations early in the planning of infrastructure services in poor settlements to prioritize needs, stimulate the local economy through community contracts and to improve the community ownership of the services provided;
- Encourage the role and leadership of women in mobilized communities, since they have proved to be effective community leaders in other countries;
- Launch awareness campaigns to mobilize communities and to encourage women to participate in housing development and delivery processes;
- Minimize through participatory community planning, the displacement of the poor households to make way of service provision;
- Encourage civic society organizations to assist the urban poor in community infrastructure improvement programmes;
- Promote appropriate local and affordable sanitation alternatives;
- Enable the urban poor to access basic services despite their status of 'illegality';
- Review infrastructure standards to rationalize investment costs and to prevent displacing the original poor residents by creeping market forces and gentrification;
- Delegate to local authorities the authority to manage the basic services of new and improved settlements within their authority.

3.7 Building Materials and Construction Industry

3.7.1 Issues and Concerns: Construction Industry in Fiji contributes around 3 percent of the GDP at current prices. When added the investment made in the owner occupied dwellings, the overall contribution reaches almost 7.5 percent of the

national GDP, without counting the tourist infrastructure, signifying the importance of the sector to the national economy. Construction industry is considered the cutting edge of national development and should be equipped to meet the heavy demands placed on it by a growing economy. The industry, together with its informal actors is the mainstay of new housing construction and also infrastructure provision, and its responsiveness is critical to the growth of the sector.

Capacity development of the industry should therefore be actively supported under the new policy. The industry in Fiji is affected by a shortage of professional workers and needs to be addressed. Limited capacity of the construction industry and scarcity of building materials are factors that contribute to the high cost and delays in housing and infrastructure projects. Growth of the industry creates a cyclic effect downstream, creating demand for materials and income generation opportunities. The performance of the industry is also important from the point of view of the target group of the housing policy, because of its latent potential to create livelihoods for the urban poor and contribute to improve their family incomes. The absence of competition in the construction industry and barriers to entry, particularly for new and smaller firms that mostly serve housing industry, are factors that limit the capacity of the construction industry. On the building material side, the high cost of materials, limited choice in the available materials, monopolistic trading, high cost of transport, and scarcity of supply are factors that need to be addressed by a national policy on housing.

Residential construction practices vary according to local practices. Materials readily available in the area generally dictate the construction materials used (e.g. brick versus stone, versus timber) and are a determinant of construction costs. The tendency in Fiji for families to move away from the use of *Bure* materials to more permanent materials will increase the cost of housing to the user. The need to build safe and better in a disaster prone country also leads to an increase in the demand for more permanent materials. Availability of skilled workers and the facilities for training craftsman also influence the efficiency and standards of performance.

3.7.2 Policy Measures:

- Extend bank credit facilities to finance working capital of firms as well as for modernization and replacement of machinery used for housing and construction industry;
- Promote bridging finance for the real estate industry to reduce the cost of capital to the developers;
- Remove obstruction to entry for small firms;
- Promote artisans groups who could undertake housing construction for owner builders;
- Review stamp duties and registration fees, retention fees and mobilization advances currently enforced, to lower the threshold of fiscal burden imposed on a firm by present construction industry practices;
- Review duties and taxes on major construction materials to make construction more affordable;
- Treat local contractors on par with foreign contractors in all financing matters relating to contracts, i.e. guarantees and bonds, terms of payment, penalties, etc.;

- Review and rationalize arbitration laws to ensure expeditious resolution of disputes;
- Promote disaster resilient construction;
- Support building research to promote wider use of traditional building materials and low cost construction technologies and to increase the choice of materials available to the builder;
- Prevent shortages and scarcities of building material supplies to the market;
- Prevent monopolistic practices in the supply and distribution of building materials;
- Train local builders in new technologies and in efficient construction management;
- Create facilities for skills training in construction to meet the growing demands of the construction industry. A successful training approach is modular training for skilled workers, where after the first few modules the trainee is able to be a wage earner under a skilled artisan and gain practical experience;
- Promote community contracting in basic service civil works in squatter settlements, to develop community construction skills and stimulate the local economy.

3.8 Planning, Environment and Climate Change

3.8.1 Issues and Concerns: The challenge of urban planning in the present social and economic context goes beyond controlling urban growth to ensure that social, economic and environmental needs are addressed within economic growth. Planning should provide a framework for public and private initiatives to promote growth and citizens' welfare.

Urban and land use planning must reflect the current urban reality. They must plan for the housing needs of the urban poor who are contributors to the city economy. The regulations and standards should not be guided by purely on the basis of design and aesthetic, and be reviewed from the economic merit and costs from the perspective of the people and what they are able to afford. In other words, the plans must reflect the real needs and priorities of the people, agreed through a process of open and honest consultations with the people both before and after planning.

Urban planning should cover present cities and also plan for future expansion. In addition to updating the existing land use and zoning plans of cities, urban planning in Fiji should also cover their urban fringes where urbanizing pressures are visible, and haphazard land sub divisions are predominant. They also must cover rapidly urbanizing towns and villages to prevent contiguous development of lands that makes the subsequent provision of trunk infrastructure and creation of recreation spaces difficult and expensive. Planning should ideally seek to promote efficient land use through mixed-use housing, avoid the formation of socially stigmatized neighbourhoods, promote inclusive neighbourhoods and prevent future slum growth by increasing the supply of land for housing of the poor. It should also consider safe-guarding fertile land by ensuring that housing developments do not encroach on to good agriculture land.

The changing weather patterns resulting from climate change will have serious impact not only on the natural world but also on the built environment. In preparing for it we need to review the tolerance levels that are being used in the

construction of houses and vital infrastructure, and adapt the built environment to the effects of climate change. A concern here will be the extra cost in investment it entails. The experience in the Pacific Islands however has shown that investment in prevention and mitigation saves money to the economy compared to the cost of rebuilding and reconstruction after disaster.

3.8.2 Policy Measures:

- Shift the focus of planning from 'policing' (development control) to 'enabling' to encourage private initiatives;
- Extend urban planning to all urban centres to ensure development activity is given a wider dispersion and reduce pressures on a few urban centres;
- Urban planning also to include the urban fringes to prevent haphazard development;
- Undertake landuse planning in consideration of other land uses.
- Encourage development authorities and local governments to periodically update their Master Plans and Zoning Plans;
- Land use plans should provide for housing and basic services for the urban poor including residential upgrading zones and squatter upgrading;
- Avoid the formation of socially stigmatized neighbourhoods and plan for the prevention of growth of slums in the future;
- Promote balanced urban-rural planning by following a Regional Planning approach;
- Develop participatory tools and methods to make city planning participatory by engaging the private sector and the community organizations, to ensure that citizens' needs are reflected;
- Review building regulations to reduce standards to a level affordable by people;
- Appoint a Committee of Persons comprising of subject matter specialists and housing and infrastructure professionals to report on measure to be taken for adapting the built environment to climate change;
- Review the building codes and standards prescribed to ensure disaster resistant construction practices and methodologies are used in the construction of new buildings and residential units;
- Initiate a survey of settlements to ascertain the vulnerability of settlements in marginal land to climate change, and take adaptation measures to improve their safety including, resettlement, flood defenses, sea walls, dykes etc.;
- Identify natural defenses against climate change such as restoration of wetlands and marshes, minimize storm and surface water runoff by reducing paved spaces, increasing green spaces etc.

3.9 Regulatory and Institutional Reform

3.9.1 Issues and Concerns: Under the enabling strategy, improvements of legal and institutional environments are the most direct policy instruments the government has to achieve its goals and objectives. The large number of agencies and the plethora of laws and regulations implemented by them provide a wide area of influence to the government to make the housing sector to be vibrant and function efficiently.

For this to be realized these agencies need to function, and laws and regulations under them need to be implemented in the spirit embodied in the national housing policy. To be specific, this would mean in actual practice, creating healthy competition within all sub sectors, e.g. housing finance, contractors, developers, building material suppliers and producers, real estate and land assembly, maintenance and repairers etc. in order to transfer the benefits of the competition to the house owner, by providing him/her more choices and options. Similarly, these institutions and regulations should help to minimize transaction costs, resolve conflicts inexpensively and speedily, minimize delays in approvals, registrations and issue of certificates, create tax and fiscal incentives, remove bureaucratic bottlenecks and improve transparency and accountability in decision making. In the same spirit, the public institutions have a responsibility to take the policy lead to development of housing market operations, increase the supply of serviced land for housing by planning and coordinating their infrastructure programmes and investment budgets, help housing finance agencies to raise mortgage capital and minimize their risks of lending, review and revise the planning standards and building codes etc.

3.9.2 Policy Measures

- Establish a National Housing Council at the Ministry of Local Government, Urban Development, Housing and Environment charged with the responsibility for implementing the National Housing Policy;
- The National Housing Council will be responsible for the development of a time bound implementation action plan for the implementation of the policy and development of implementation strategies for each sub sector;
- Formulate a National Housing Act with powers under a National Housing Board for overseeing the performance of the housing sector. This will bring the housing sector in line with Urban Development, Environment and Local Government Divisions under the Ministry that have their own Acts with overall supervisory responsibility over the sector;
- Vest the Squatter Settlement Upgrading Unit under the Ministry with powers and resources commensurate with its task;
- Systematically review the regulations and legal frameworks that have a direct impact on national housing outcomes to identify the changes in regulations, laws, practices, and values and standards to bring them in line with overarching objectives of enabling principles underlying the new housing policy;
- Introduce regular progress review and monitoring mechanism;
- Encourage research and training for the performance improvement of the sector;
- Review the mandates and the financial viability of both Housing Authority & Public Rental Board and determine the need to restructure them in line with the spirit of the new policy for efficient performance and coordination;
- Explore the possibility to bring public funded housing projects and programmes implemented by all agencies under the coordination of the Ministry, to enable them to be aligned with the objectives and spirit of the new housing policy.

4.0 Issues, Policy Measures and Policy Intervention Matrices.

4.1 Matrix 1.0: Public & Social Housing.

Issues	Policy Measures	Policy Intervention /Strategies
1) The narrow role of the MLGUDH&E in housing and the dispersed responsibilities.	1) A distinct policy shift toward the principles of enablement; the MLGUDH&E to broaden its present housing implementing role to overseeing the performance of the sector.	1) Initial setting up of a National Housing Task Force that is upgraded to a Board to be responsible in overseeing the performance of the sector. (refer to Matrix 9.0).
2) High demand for home ownership and rental accommodation against the low supply provided by HA & PRB.	1) Accelerate housing land development and home construction by the public, semi private sectors and private sectors to facilitate accessible decent and affordable housing.	1) Accelerate the development of land under Development Lease /lease available to HA, PRB and NGOs for provision of fully serviced lots and construction of rental units. 2) That the State and NLTB deliver an effective and timely supply of affordable zoned land for housing (refer to Matrix4.0). 3) Secure available and affordable freehold land in other urban areas outside the Suva Nausori corridor for future developments. 4) Promote and reactivate the provision of built homes and rental flats in newer housing subdivisions. 5) Encourage and promote joint venture arrangement with entrepreneurs, land developers, freehold property owners and land owning units for active participation in integrated housing developments and home construction. 6) Provide more opportunities or more private sector involvement in land development and construction as well as commercial and industrial developments. 7) Promote low cost rental units for new migrants to the city to discourage squatting. 8) Initiate the development of formal systems of mortgage finance in consultation with the commercial banks and social

Issues	Policy Measures	Policy Intervention /Strategies
		<p>security funds.</p> <p>9) Promote the rental housing market as an attractive investment for both low and other income groups.</p> <p>10) Review the present housing subsidy policies.</p> <p>11) Target subsidies only to the deserving poor.</p> <p>12) Monitor the housing sector performance on a regular basis.</p> <p>13) Provide technical and financial advisory services to prospective house builders.</p>
<p>3) The conflicting nature of the key responsibilities of HA under the two legislations.</p> <p>3a) The need to refocus PRB's role that is predominantly socially focused to one that can be commercially viable.</p>	<p>1) Determine and establish the financial viability of both HA & PRB in meeting their social obligations, at the same time commercially and profitably viable.</p>	<p>1) Merger of HA & PRB as a cost reduction measure.</p> <p>2) Review of their individual operations to identify issues and measures to address their social and commercial obligation.</p> <p>3) Transfer the maintenance cost of public housing to tenants due to the cost of maintenance.</p> <p>4) Review rentals of public housing towards economic rents to avoid distortions in the rental market and improve cost recovery of public housing for reinvestment.</p>
<p>4)Ensure that those in middle to higher income brackets move onto home ownership that they can afford so that rental flats are freed up for those that really need them as an interim housing measure.</p> <p>4a) Inability of HART to provide supply of destitute housing on demand due to very low rate of graduating tenants.</p>	<p>1) Facilitate the graduation of tenants who can afford market rent/home ownership to vacate economic rent rental units or social rental home units to ensure that economic rental stock is available for genuine deserving tenants.</p>	<p>1) Clear policies and guidelines on the ratio of market rents and economic rents for PRB's social obligation.</p> <p>2) HA/PRB merger to facilitate the provision of market rent accommodation vs. facilities for economic rent.</p> <p>3) Public awareness exercises to well inform tenants; set up of stringent measures to facilitate graduation to market rented facilities/ home ownership and regular policing and monitoring to determine tenants to graduate.</p>
<p>5) Contribution and effective participation of other stakeholders housing.</p>	<p>1) Empower all stake holders, particularly local authorities and, the private sector, non-Governmental organizations and community-based organizations, to play an effective role in shelter and human settlements planning and management.</p>	<p>1) Facilitate the strengthening of social housing programmes of the implementing agencies (NGOs).</p> <p>2) Fully utilize the opportunities available with NGOs in providing affordable low income homes.</p> <p>3) Support the services provided by</p>

Issues	Policy Measures	Policy Intervention /Strategies
		<p>Rotahomes and encourage other NGOs, community groups to participate in social housing provision.</p> <p>4) Promote and expand the services and assistance provided by CSO firstly to its members and encourage and extend their active participation and contribution in housing to others.</p> <p>5) Develop land under CSO for secured land tenure and housing and the expansion of their assistance on other parcels of land to other tenures to ensure proper development.</p> <p>6) Assist government's implementing social housing agencies to be effective in executing their social responsibilities.</p>
6) Effect of Real Estate operations and ballooning of housing cost and its impact on affordability of housing.	1) Discourage speculation on land and houses.	1) Setting of Tax measures to address high land and house cost.

4.2 Matrix 2.0: Informal Housing.

Issues	Policy Measures	Policy Intervention /Strategies
1) Non full recognition of squatters/informal settlers in urban areas.	1) Social recognition and inclusion.	1) Central and local government to recognize and accept the current squatters as part of our urban community, hence their efforts to accommodate them formally. 2) Build communities through stronger social development and management capacity. 3) Integrate housing with community, civic development, and micro finance developments as a measure to build sustained communities.
2) Informal settlement upgrading capital projects to facilitate secure tenure.	1) Provide security of tenure as a priority to acknowledge their right to tenure. 2) Central government be the catalyst & facilitator in settlement upgrading. 3) Recognise the process of incremental building as the affordable way the poor access housing.	1) Upgrading projects to accommodate genuine settlers only. 2) Promote inclusive neighborhoods to prevent the growth of haphazard stigmatized settlements. 1) Intensification of present squatter settlement upgrading and resettlement if warranted and need to increased funding initially by government with community contribution. 1) Relevant laws to be amended to facilitate the process.
2) Reduction and stopping the further growth of squatter/ informal settlements.	1) Discourage and stop incomplete subdivisions, establishment of new vakavanua settlements and new squatter settlements on state and freehold land;	1) Discourage and ensure that subdivisions done by Ministry of Lands and NLTB are fully completed to avoid refinancing by government. 2) Proactive role of NLTB and Ministry of I Taukei Affairs in discouraging the growth of vakavanua settlements. 3) Proactive role of Lands Department and freehold owners to discourage squatting on state and freehold land.

Issues	Policy Measures	Policy Intervention /Strategies
2) The need to share the cost and involve and empower communities to contribute and actively participate in settlement upgrading.	1) Adopt the principles of enablement and participatory approach in the settlement upgrading projects.	1) Mobilize poor regular consultation; assist in forming community organization, and build their capacities to identify and prioritize their needs agreed through a community consultative process. 2) Squatter upgrading programme in partnership with mobilized communities. 3) Introduce community action plans, community contracts, participatory land mapping. 4) Recognize the rights of the community to choose and prioritize from a given menu of interventions, and encourage communities to complement such assistance through their collective action for better housing outcomes. 5) Encourage and empower the role and leadership of women in mobilized communities, as they have proved to be effective community leaders in settlement upgrading in other countries.
3) Need for NGO's contribution and participation in settlement upgrading.	1) Strengthen the role of NGOs and informal sector intermediaries in low income housing improvement.	1) The NGOs to actively participate in mobilizing communities and making them collaborative partners of a large squatter development programme as an effective way of reaching scale with limited resources and capacities. 2) Enhance the contribution and participation of International NGOs e.g. Asian Coalition for Housing Rights as partners in upgrading programmes based on their international best practice.

4.3 Matrix 3.0: Village Housing.

Issues	Policy Measure	Policy Intervention /Strategies
1. Proper village development.	1) Well planned regulated and controlled development in villages that are environmentally safe and disaster / climate change resilient.	1) Adoption of village planning for clear demarcation of village reserve area and formulation of schematic plan showing house sites and building setbacks, access ways etc. 2) Formulation of Building By Laws or the application of Public Health Building Regulations to regulate building construction.
2. Village reserve land dispute.	1) Clear demarcation of village reserves and extensions.	1) Educational awareness on the importance of village reserves and purposes by the I Taukei Ministry and other responsible stakeholders. 2) Identify means of reserve demarcation and undertake GPS or cadastral surveys to define present and future boundaries
3. Village housing finance.	1) Promote individual community based savings and credit facility for individual or community housing schemes.	1) Refer to Matrix 5.0. Housing Finance.

4.4 Matrix 4.0: Housing Land

Issues	Policy Measure	Policy Intervention /Strategies
<p>1) The demand and supply of housing land and difficulty in accessing urban & peri-urban serviced land.</p>	<p>1) Implement UPAP recommendations for improving land supply for urban development.</p> <p>2) Recognize the diversity of land ownership systems, and create frameworks for such lands to be traded in the land markets</p> <p>3) Introduce measures to rationalize high lease rents charged by Native Land Owning Units for the lease of land for development, as they make land prices unaffordable to the poor, a factor contributing to increased squatting;</p>	<p>1) Freehold owners to be encouraged to participate in public & social housing development in partnership with present public housing providers i.e. HA, PRB, NGOs.</p> <p>2) Land developers undertaking major integrated projects to contribute a reasonable percentage of their land for public and social housing.</p> <p>1) Cost effective measures to be formulated by government in consultation with freehold owners, housing providers to provide opportunities in their increased participation and contribution.</p> <p>2) Enhance the administration of state owned land and use the land bank to regulate land market operations and demand.</p> <p>3) Increase where possible the proportion of state land and native land made available annually for HA/PRB/NGOs.</p> <p>4) Ensure that NLTB delivers an effective and timely supply of cost effective affordable native land for housing development.</p> <p>5) Pro active land use planning and infrastructure services to open up underserviced/non serviced areas for housing.</p> <p>1) Introduce regulations to curb speculation of land and property.</p> <p>2) Advance and pro active planning to identify suitable freehold land outside the Greater Suva area that could be lower in price for development.</p> <p>3) Public & social housing providers to have Memorandum of Understanding with NLTB on premiums and leases.</p> <p>4) Awareness programs by NLTB, Ministry of I Taukei Affairs on the importance of security of tenure and proper release of</p>

Issues	Policy Measure	Policy Intervention /Strategies
		<p>land for housing development.</p> <p>5) Encourage and provide land owning units with alternative development packages to develop their land for formal housing.</p> <p>6) Joint ventures with NLTB, landowners, housing providers, infrastructure authorities etc on housing development.</p> <p>7) Provision of government subsidies / grants for social housing land to be purchased or leased for upgrading or relocation.</p> <p>8) Provision of land in new large HA developments to cater for public rental and social housing for HART and other NGOs.</p>
	<p>4) Improve records and administration of government owned land and use of the land bank to regulate land market operations and to prevent indiscriminate squatting of state owned land.</p>	<p>1) Present operation of Ministry of Lands Land Bank & Land Use Planning to be expanded and strengthened to regulate land market operations.</p> <p>2) Encourage land assembly, development and disposal both in the public and private sectors.</p>
<p>2) Informal Settlements occupying prime housing land in urban and peri-urban areas due to poor promotion of security of tenure.</p>	<p>1) Improve tenure of the poor by regularizing informal settlements.</p>	<p>1) Review and modify policy planning, implementation and cost recovery parameters / standards of informal settlements upgrading approach.</p> <p>2) Expand coverage of upgrading projects per annum using stepped up budgetary provision, cost sharing provision and an enhanced upgrading approach as contribution to formal housing land stock.</p> <p>3) Identify and impose appropriate tenure lease conditions / restrictive covenants to avoid sale of allotment for higher value after a settlement is upgraded.</p>

Issues	Policy Measure	Policy Intervention /Strategies
		4) Consider the time bound tenure, may be ten years, as precondition to housing development and a motivation to save for housing and longer lease on community coming together and complying with the responsibilities agreed for collective action including the payment of service charges and maintenance of community infrastructure
3) Incomplete subdivisions	1) Discourage incomplete subdivisions and promote fully completed subdivisions on state and native land to avoid re financing of subdivisions.	1) Both NLTB & Ministry of Lands to ensure that housing subdivision undertaken with lots issued under Approval notices to Lease/ Agreement for Lease are fully completed to avoid re pouring of government funds for their upgrading. 2) NLTB & Ministry of Lands to issue Development Leases for proper housing developments instead of undertaking developments without completing construction works.
4) Challenges and issues of communally owned village land.	1) Ensure that village land is safe and secure in terms of tenure ship for housing.	1) Proper planning of villages to earmark vacant house sites (yavu) for home construction, future expansion areas of a village reserve and schematic layout of home site allotments. 2) Public awareness by Ministry of I Taukei Affairs on 3) importance of understanding village setup and present communal tenure 4) Village plans to identify areas that can be leased for residential, Residential/ subsistence agriculture for villagers interested in secure leases for mortgaged purposes.
5) The need to respond and address issues of climate change and natural disasters for housing developments.	1) Ensure that housing areas are located in safe areas.	1) Squatter settlements in foreshore (tiri) areas to be relocated for safety reasons. 2) Villages located on foreshores and subject to risk of sea level rise be relocated or measures set in place to address this risk.

Issues	Policy Measure	Policy Intervention /Strategies
		3) Natural hazard areas be developed with mitigation measures in response to natural hazards.

4.5 Matrix 5.0: Housing Finance

Issues	Policy Measure	Policy Intervention/ Strategies
1) High Agency and Funding cost.	1) Consider appropriate and reasonable costs agency cost and funding costs to ensure that project is financially viable and a final cost to the housing recipient is affordable.	1) Reorganize and strengthen the financial institutions with funds, manpower and enabling legal framework, learning from the experience of successful housing banks in other countries, to enable them to lend for housing.
2) The customer base nature of the operation is of high risk and is prone to instability.	1) Reduce/ avoid high risk and instability.	1) Introduce innovative risk management procedures such as a mortgage indemnity scheme (MIS) that Government will indemnify financial institutions for losses due to default (E.g. Hardship related default) for mortgages given to low income families. 2) Arrange monthly mortgage payments to be deducted by the employers to reduce defaults in mortgage repayments. 3) Develop a broad set of mortgage instruments in consultation with banks to cover owner occupied as well as private rental housing. 4) Introduce policies and risk under writing mechanisms such as housing guarantee fund and community intermediation to help banks to reach down market without risking their capital.
3) Access to housing finance.	1) Identify avenues of housing finance.	1) Introduce policies to improve access to mortgage finance, home improvement credit to all income groups and unlock housing credit to those who can afford. 2) Improve institutional credit for incremental housing. This will enable households to access Institutional finance commensurate with the means at their disposal. 3) Encourage social security funds to invest a part of their portfolio in the housing sector including long term housing bonds. 4) Encourage Banks to provide bridging finance to the private

Issues	Policy Measure	Policy Intervention/ Strategies
		<p>sector for housing projects.</p> <ol style="list-style-type: none"> 5) Encourage Housing Financial Institutions to float long term bonds at market rates to mobilize higher level of resources for housing finance. 6) Housing finance institutions are able to borrow from international sources. 7) Reorganize and strengthen the financial institutions with funds, manpower and enabling legal framework, learning from the experience of successful housing banks in other countries, to enable them to lend for housing. 8) Establish a housing refinance window for multilateral agencies at the Reserve Bank. 9) Introduce cross subsidization mechanisms to defray capital costs to households and improve affordability of low and low middle classes to better housing. 10) Optional/compulsory housing savings by FNPF similar to pension scheme.
<ol style="list-style-type: none"> 4) Continued government financial assistance. 	<ol style="list-style-type: none"> 1) Financial assistance through exemption of government duty and tax, Grant and subsidies. 	<ol style="list-style-type: none"> 1) Provide tax incentives to encourage investment in housing. 2) Avoid subsidies that distort the functioning of the housing market to the disadvantage of the majority. 3) Review the current social and economic subsidies of the public sector to housing and basic services to optimize the use of scarce capital, improve cost recovery, improve targeting and ensure better maintenance. 4) Avoid subsidies that distort the functioning of the housing market to the disadvantage of the majority. 5) Review the current social and economic subsidies of the public sector to housing and basic services to optimize the use of scarce capital, Cost recovery, improve targeting and ensure better maintenance.

Issues	Policy Measure	Policy Intervention/ Strategies
5) Need to reduce development costs and home construction.	1) Promote and adopt cost cutting measures in land development and construction.	1) Encourage private investment in public rental and home ownership housing. 2) Undertake projects on PPP arrangement or Joint Venture with contribution of other key stakeholders e.g. NLTB / Ministry for Lands and infrastructure providers.
6) Financial viability of Rural Housing Scheme.	1) Review the current social and economic subsidies of the public sector to optimize the use of scarce capital.	1) Determine recipients viable and realistic contribution that should be levied and adopt cost recovery measures.
7) Informal Settlement /Village housing Financing for the poor.	1) Promote responsible savings and borrowing behavior amongst the poor through community based savings and credit associations in informal settlements.	1) Engage nontraditional retail lenders such as micro credit groups, community savings and credit associations as financial intermediaries of institutional lenders to unlock credit to those amongst the poor who can afford credit. 2) The poor have a long history of accessing high cost credit and honoring re-payment. 3) The cost of institutional finance will be much cheaper. 4) Introduce savings linked credit schemes in consultation with Banks and mortgage lenders to increase a poor family's ability to contribute to equity in the property, by developing a basic services to optimize the savings habit of setting aside money for future housing. 5) Encourage providers of housing finance to better reach down to low income target groups by experimenting with new lending instruments and alternative repayment schemes such as ballooning repayment. 6) Promote responsible savings and borrowing behavior amongst the poor through community based savings and credit associations, particularly in squatter settlements as a source of funding. 7) Encourage lending to house improvements and incremental building.

Issues	Policy Measure	Policy Intervention/ Strategies
	<p>2) Wide promotion of micro business, cottage industry and small scale subsistence agriculture.</p>	<p>8) Adopt a more flexible and innovative approach in relation to credit appraisal to reflect irregular earning patterns of the poor.</p> <p>9) Introduce policies and innovative practices to unlock housing credit to those among the poor who can afford credit.</p> <p>10) Promote Community Savings and Credit to encourage the savings habit with the poor and enable them to invest credit supplemented with savings for starter housing schemes.</p> <p>1) Relocation of informal settlers to agricultural land for farming as a source of income and employment.</p> <p>2) Creation of economic activities in rural areas or growth centres.</p>

4.6 Matrix 6.0: Residential Infrastructure.

Issue	Policy Measure	Policy Intervention/ Strategies
<p>1) High infrastructure cost and its flow on effect on development cost and cost of housing lots and homes.</p>	<p>1) Encourage infrastructure agencies to invest within a coordinated plan in the provision of services to optimize the benefits of investment.</p> <p>2) Open new land for housing through the provision of trunk infrastructure.</p> <p>3) Subdivided under developed areas to be provided with reticulated sewerage systems.</p> <p>4) Promote appropriate local and affordable sanitation alternatives.</p> <p>5) Housing provider to share infrastructure and service costs with infrastructure agencies.</p>	<p>1) Infrastructure planning to be undertaken in close consultation with planning agencies and stakeholders based on Development Plans/Master Plans and Urban Structure Plans and Local Area Plans.</p> <p>1) Trunk infrastructure and extension works to be undertaken on the basis of identified present and future housing areas and housing developments.</p> <p>2) HA to phase and undertake major developments in perception of present and closest infrastructure network present in or near a development site to reduce cost.</p> <p>1) Ensure that sewerage reticulation is provided and existing house sites are connected to the system to increase development density.</p> <p>1) Installation of other Central Board of Health acceptable cost effective systems to be provided in housing areas that are not provided with sewerage reticulation.</p> <p>1) Memorandum of Understanding on cost sharing mechanism to be formulated and adopted.</p>
<p>2) High cost of Infrastructure provision in social housing projects.</p>	<p>1) Subsidize infrastructure and service costs on social housing.</p>	<p>1) Memorandum of Understanding between Infrastructure and service providers and social housing providers e.g. NGOs on reduced cost measures.</p>

Issue	Policy Measure	Policy Intervention/ Strategies
<p>3) High infrastructure cost on informal settlement upgrading projects.</p>	<p>1) Formulate and adopt cost cutting measures for upgrading projects.</p>	<ol style="list-style-type: none"> 1) Involve communities in the provision of services to stimulate the local economy and improve the community ownership of the services provided. 2) Encourage civic society organizations to assist in community infrastructure improvement programs. 3) Minimize through participatory community planning the displacement of poor households to make way of service provision. 4) Review infrastructure standards to rationalize investment costs and to prevent the displacement of original poor residents by creeping market forces and gentrification. 5) Encourage the role and leadership of women in mobilized communities. 6) Awareness campaign shall be launched to mobilize communities and to encourage women to participate in housing development and delivery processes. 7) Minimize through participatory community planning, the displacement of the poor households to make way of service provision. 8) Encourage civic society organizations to assist the urban poor in community infrastructure improvement programmes.

4.7 Matrix 7.0: Building Materials and Construction Industry

Issue	Policy Measure	Policy Intervention/ Strategies
<p>1) Challenge to construct homes at high cost as cost is transferred owners/ tenants and issue of affordability arises.</p>	<p>1) Review fiscal and tax policies on building materials and machinery.</p> <p>2) Determine fees charged to be levied.</p>	<p>1) Review present duties and taxes levied on construction materials to determine lowering of duty/tax or exemption of certain taxes / duties.</p> <p>2) Basic building materials to be under price control.</p> <p>3) Relief income tax on annual interest for first home buyers.</p> <p>1) Review stamp duties, registration fees, retention fees and mobilization advances presently enforced to lower the threshold of fiscal burden imposed on a firm by present construction industry practices.</p>
<p>2) Suitable and affordable homes for lowest income groups.</p>	<p>1) Reduce labour cost.</p> <p>2) Encourage the use of local building material and construction technologies.</p> <p>3) Promote and encourage the gradual upgrading of homes.</p>	<p>1) Promote artisans group who could undertake housing construction for owner builders.</p> <p>2) Encourage and enhance the practice of 'sweat equity'.</p> <p>3) Train local settlement builders in new technologies and efficient construction man agent.</p> <p>1) Support building research to promote wider use of traditional building materials or new cheaper materials and low cost construction technologies.</p> <p>1) Community group with the contribution in Community Banking or Credit facility be fully supported to undertake gradual upgrading of homes i.e. Corrugated to timber to concrete.</p>

4.8 Matrix 8.0: Planning, Environment and Climate Change

Issue	Policy Measure	Policy Intervention/ Strategies
1) Land approval process and strict standards.	1) Review building regulations and standards to cater for different and changing circumstances. 1) Adopt consultative and participatory planning techniques. 2) Building regulations to provide for reduced / flexible standards to a level affordable by people.	1) Formulate more flexible building standards and zones to facilitate different housing needs. 2) Adopt the more flexible zones already formulated and approved i.e. Comprehensive Development Zone and Residential Upgrading zone. 1) Develop participatory tools and methods to make city planning involve and engage the private sector, the community organizations, to ensure that citizens needs are reflected. 1) Review Public Health building Regulations and Building Codes and Town Planning building standards to facilitate residential upgrading projects and home construction.
2) Need for proactive and advance land use planning.	1) Formulation or revision of different levels of plans addressing environmental and climate change issues to guide housing development now and in the long term future. 2) Undertake landuse planning in consideration of other land uses.	1) Periodic updates of present Town Planning Schemes, Local Area Plans, -Master Plans, Regional Plans etc. 2) Formulation and adoption of a National Land Use Plan. 3) Strict compliance of environmental and climate change mitigation measures indicated on physical development plans and building plans. 1) Planning for housing to seriously take into consideration the need to protect good agriculture land.
3) Urban planning and development of other urban centres.	1) Promote balanced urban – rural planning by following a Regional Planning approach.	1) Extend and disperse urban planning to all urban centres to reduce its concentration and pressure on a few main centres and urban migration to these centers.
4) Unplanned and haphazard developments.	1) Implementation and proper development controls of areas zoned for developments.	1) Regional Plans Local Advisory Plans, Scheme Plans etc to be closely implemented and developments to be monitored and policed.

Issue	Policy Measure	Policy Intervention/ Strategies
5) Concerns on the state of the environment and effect of climate change on housing.	1) Planning and development for housing to be undertaken in consideration of important environmental issues and effect of climate change.	<ul style="list-style-type: none"> 1) Appoint a Committee of Persons comprising of subject matter specialists and housing and infrastructure professionals to report on measure to be taken for adapting the built environment to climate change; 2) Review the building codes and standards prescribed to ensure disaster resistant construction practices and methodologies are used in the construction of new buildings and residential units. 3) Initiate a survey of settlements to ascertain the vulnerability of settlements in marginal land to climate change, and take adaptation measures to improve their safety including, resettlement, flood defenses, sea walls, dykes etc. 4) Identify natural defenses against climate change such as restoration of wetlands and marshes, minimize storm and surface water runoff by reducing paved spaces, increasing green spaces etc.

4.9 Matrix 9.0: Regulatory and Institutional Reform.

Issue	Policy Measure	Policy Intervention/ Strategies
1) Diverse laws governing housing development.	1) Consolidate / formulate / review legislations to provide a framework that is consistent and effectively administered.	1) Consolidate/ formulate new legislation for overall administration of all housing and developments. 2) Systematically review the regulations and legal frameworks that have a direct impact on national housing outcomes to identify the changes in regulations, laws, practices, and values and standards to bring them in line with overarching objectives of enabling principles underlying the new housing policy. 3) Introduce condominium law for improved management and maintenance of housing estates.
2) Implementation of the National Housing Policies.	1) Adopt a holistic approach on the effective implementation of the National Housing Policy.	1) Set up a National Housing Council in the Ministry of Local government Urban Development Housing and Environment to guide and oversee the implementation of the housing policies and strategies as an interim arrangement until relevant legislation is enacted. 2) The NHC be revamped to a National Housing Board to focus on coordination, review / formulation of policies and implementation strategies in response to changing situations and the overall administration of the Housing Legislation. 3) Introduce regular progress review and monitoring mechanisms. 4) Explore the possibility to bring public funded housing projects and programmes implemented by all agencies under the coordination of the Ministry, to enable them to be aligned with the objectives and spirit of the new housing policy.

Issue	Policy Measure	Policy Intervention/ Strategies
3) Reviewed Reformed and strengthened Institution.	1) Institutional strengthening and capacity building of the Department of Housing. 2) Merger of HA and PRB.	1) Vest the Squatter Settlement Upgrading Unit under the Ministry with powers and resources commensurate with its task. 1) Review the mandates and the financial viability of both Housing Authority & Public Rental Board and determine the need to restructure them in line with the spirit of the new policy for efficient performance and coordination.
4) Shortage of technical and professional staff.	1) Capacity Building for professional and technical cadre to address the shortage of manpower in these areas.	1) Incentives to retain professional and technical staff. 2) Training in consultation with government and Training providers to also include informal community. 3) Encourage research and training for the performance improvement of the sector.

5.0 Policy Implementation, Monitoring and Evaluation.

The full realization of this National Housing Policy depends heavily on its successful implementation, monitoring and evaluation. With the completion of this first part of the Policy document that identify relevant policies to guide Fiji's housing development, the second phase will cover the preparation of Strategies for Implementation which will be formulated and deliberated in detail by the proposed National Housing Council before it is endorsed and implemented

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Annexure

HOUSING SECTOR PROFILE

7.0 HOUSING POLICY CONTEXTUAL SETTING.

7.1 Housing Vision and Mission.

In the government's **"Roadmap for Democracy and Sustainable Socio Economic Development (RDSEED) 2009 -2014** the broad vision is ***"A Better Fiji for All"***. Under the social agenda, the RDSEED identifies social cultural development as an important component of the broad vision and the government recognizes the importance of individual rights and their responsibilities to provide decent living and existence of which shelter is a necessity. The government under Pillar 6 of the Charter and the Ministry of Local Government Urban Development Housing and Environment in its sectoral responsibilities under the Roadmap and Strategic Framework for Change has to formulate and implement sustainable affordable housing policies to facilitate the achievement of the housing vision.

Amongst the focal areas that the government has identified, one of them is housing. Proper, decent and affordable housing contributes to progress, prosperity and decent living standards. The overriding vision of the National Housing Policy is tailored to support the Charter and the "Roadmap for Democracy and sustainable Socio Economic Development (RDSEED) 2009 -2014 and is *"Affordable and Decent Housing for All, the key to Building better communities"*

7.2 Housing Linkages to Sectoral Strategies and Policies.

The National Council for Building a Better Fiji (NCBBF) in its *The State of the Nation and the Economy Report (2008)* asserts that for decades Fiji's housing policy framework concentrated on building sustainable communities that offer people places they prefer to live and work in. While the intention has been good it has not satisfactorily met the intention of past government policies. Evidence of this is apparent in the increasing number of informal settlements which is a real challenge.

The government in identifying the present housing status in the RDSEED states that approximately 9000 low and middle income families need safe, decent and affordable housing immediately. To address these needs the availability of mixed income housing is considered as a key social and economic goal that have bearings on other important sectors.

Policy objectives and strategies that have bearing and cross cutting effects on housing are listed in Table 1.0 In the RDSEED the linkage of housing and urban development is emphasized noting that they are identified together as a single social development indicator.

Table 1.0 RDSSD POLICIES RELEVANT TO HOUSING.

Strategic Priorities; Sector Cross Sector Issues	Goal	Policy Objective	Strategies Relevant to Housing
1. Land Resources Development and Management.	Proper land use planning and management to support economic development.	Resource owners and land users securing long term incomes from environmentally sustainable land development and management.	Strengthen co ordination between agencies involved in land development to ensure land is put to its most productive use.
2. Water and Sewerage	Increasing access to continual safe drinking water and appropriate sanitary waste.	The community is served by access to reliable and adequate supplies of safe water in both urban and rural centres and to sanitary and environmentally safe sewerage waste systems and treatment facilities	Expanding the rural water supply schemes and extending and upgrading major urban and regional water schemes to include rural areas as outlined in their respective Master Plans. Expansion of the sewer reticulation network and sewerage treatment facilities and promoting the need for care of the environment
3. Poverty Alleviation.	Reducing poverty to a negligible level by 2015.	All categories of the poor are able to meet their basic needs.	Review and develop poverty targeted policies and implement appropriate programs in housing, national insurance and social security and National Integrated Poverty Eradication Framework.
4. Urban Development	Access to adequate, quality and affordable accommodation for all citizens.	An efficient, effective and sustainable urban sector.	Implementation of Urban Policy Action Plan (UPAP) and Urban Growth Management Plan. Responsive institutional regulatory and policy frameworks for management of urban development. Legislative reviews and preparation and enforcement of relevant regulations.

7.3 Current Housing and Urban Development Policies and Strategies.

Housing is closely linked with urbanization and the continued increase and growth of urbanization has a parallel effect on housing demand. In past Strategic Plans as well as the current one (RDSEED), emphasis is placed on urban housing hence its close tie with urban development policies in the Urban Policy Action Plan (UPAP) (2007) that specifically covers urban planning and management policies in its different facets. The current housing and urban development issues identified by the NCBBF (2008) claim that:

- i. There is an unclear definition of sustainable, integrated housing/community linked to complementary infrastructure sectors.
- ii. Integrated residential/community development underpins the long term viability and success of the huge investment made on infrastructure both public utilities and amenities.
- iii. Affordability to fully meet a big number of household need especially low income earners is a critical issue given the increasing numbers every year and the government role to support and provide for this group.

The RDSEED Housing and Urban Development Policies are on Table 1.1

Table 1.1: Housing & Urban Development Policies and Strategies in RDSEED.

Goal	Policy Objectives	Strategies.
Access to adequate, quality and affordable accommodation for all citizens.	To facilitate for accessible, decent and affordable housing for all citizens with a particular focus on low income groups and the poor.	<ul style="list-style-type: none"> ▪ Facilitate for the strengthening of the social housing programmes of various implementing agencies e.g. Rotahomes & Habitat for Humanity. ▪ Assist Government's implementing agencies i.e. PRB, HART and HA towards the effective execution of their social responsibilities. ▪ Facilitate for accessible and affordable mortgage financing for both rural and urban communities. ▪ Up scaling of the Ministry's Squatter Settlement upgrading program towards the regularisation of existing squatter settlements and completion. ▪ Facilitate for the graduation of clients from transitional housing e.g. rental accommodation towards home ownership. ▪ Strengthen existing relationships and facilitate for increased public, private and community partnerships in the delivery of low cost housing. ▪ Facilitate for a more consultative and participatory approach in the provision of housing,
	An efficient, effective and sustainable urban sector.	<ul style="list-style-type: none"> ▪ Legislative reviews and preparation and enforcement of relevant regulations. ▪ Expanded capacity of local and central government in meeting mandates and stakeholders needs. ▪ Improved urban infrastructure and services

Goal	Policy Objectives	Strategies.
		<ul style="list-style-type: none"> including affordable land supply. ▪ Implementation of Public private Partnership policy at local government level.

NCBBF (2008) further identified three (3) contributing factors and these are:

- i. The slow growth of the economy has not generated opportunities for the poor to earn income;
- ii. The concentration of employment opportunities and services in urban areas which is a primary reason for the rural –urban drift and this has been intensified by the expiry and non renewal of rural native leases
- iii. The high cost of acquiring land in urban areas for housing development

The UPAP identified three (3) Thematic Development Areas and these are;

- i. Urban Land Market Development.
- ii. Housing Market Development.
- iii. Urban Infrastructure and Services Development.

Housing development comprise approximately 70 – 80% of the total development in an urban and peri urban area hence a very significant component of urban planning and management. In Fiji the presence of villages and vakavanua settlements in the main urban centre and their peri urban area results in a form of housing that should be considered very carefully in the policy report as it is not the normal classical housing offered in an urban area but one that is centered on community type housing.

The UPAP policies and strategies that are linked to housing under the three (3) Thematic Development policies are on Table 1.2.

Table 1.2: Housing Policies and Strategies in the UPAP.

Thematic Development Area and Goal.	Policy Objectives	Strategies.
<p>1. Urban Land Market.</p> <p><i>Goal:</i></p> <p><i>To ensure that an adequate supply for land is available to facilitate urban development, a robust land market and affordable housing.</i></p>	<p>a. Formal land supply by NLTB.</p>	<ul style="list-style-type: none"> ▪ Ensure that NLTB delivers an effective and timely supply of affordable native lands for urban development. ▪ Provide landowners with alternative development packages to formally develop their lands. ▪ Strengthen and develop partnerships between NLTB and landowners, HA, private sector, local and central government. • Create and ensure awareness on the roles, responsibilities and obligations of stakeholders in the urban development process.

Thematic Development Area and Goal.	Policy Objectives	Strategies.
	<p>b. Informal urban land development sector.</p> <p>c. Private Sector Land Development.</p> <p>d. Planning process for land Supply.</p>	<ul style="list-style-type: none"> • Promote the need for security of tenure and provision of services and infrastructure in informal developments. • Provide opportunities for increased formal private sector development. • Enhance the enabling environment in which formal private sector development takes place. • Strengthen partnerships between central government, private sector, local government and landowners. • Develop effective national, metropolitan and local government planning processes to ensure adequate land supply. • Establish mechanisms to ensure key stakeholders involvement in the land supply process.
<p>2. Housing Market Development.</p> <p>Goal:</p> <p><i>Affordable Housing for all.</i></p>	<p>a) Urban Area Upgrading</p> <p>b. New Urban housing.</p> <p>c) Institutional Coordination</p>	<ul style="list-style-type: none"> • Enhance cost effectiveness of urban informal area upgrading approach. • Reduce the number of squatter households by 5% per annum. • Expand the supply of affordable new housing lots for low income families. • Enhance cost effectiveness of urban land development for new housing. • Ensure sustainable supply of low income rental housing as part of the social safety net. • Establish improved co ordination mechanisms for housing development to ensure better utilization of scarce institutional capacity. • Improve the targeting of housing and housing related subsidies.
<p>1. Urban Services and Infrastructure.</p> <p>Goal:</p> <p>Durable and affordable infrastructure and services for all.</p>	<p>a. Responsibilities of Standards and assets.</p> <p>b. Infrastructure and Service Planning and Management on Sanitation.</p>	<ul style="list-style-type: none"> • Development and adoption of agreed standards for the provision of infrastructure and services appropriate for and affordable to the urban poor. • Provision of appropriate and affordable sanitation as the key to improved urban environment and increased housing densities.

8.0 HOUSING SECTOR BACKGROUND.

8.1 National Population and Households.

Fiji's total population as at the 2007 Census was 837, 271; the urban population of 424,846 (51%) of the total population while the rural population was 412425(49%) of the total population. The breakdown of the division and provincial population as at 2007 is shown on Table 2.0

Table 2.0: Division and Provincial Population.

Division & Province	Urban	Rural	Total
Central	248,486 (58%)	93,900 (23%)	342,386 (41%)
Rewa	88,763	12,024	100,787
Tailevu	17,823	37,869	55,692
Naitasiri	135,033	25,727	160,760
Namosi	0	6,898	6,898
Serua	6867	11,382	18,249
Western	135,572 (32%)	184,039 (45%)	319,611 (38%)
Nadroga - Navosa	9622	48765	58,387
Ba	120,998	110762	231,760
Ra	4952	24512	29,464
Northern	36,391(9%)	99,570 (24%)	135,961(16%)
Macuata	28,765	43676	72,441
Cakaudrove	7034	42310	49,344
Bua	592	13584	14,176
Eastern	4397 (1%)	34,916 (8%)	39,853 (5%)
Lomaiviti	4397	12064	16,461
Kadavu	0	10167	10,167
Lau	0	10683	10,683
Rotuma	0	2002	2,002
Fiji Total	424,846	412425	837,271

Forty one percent (41%) of the total population live in the Central Division comprising 58% of the total urban population. Of this 57% live in the Greater Suva area with the highest concentration (54%) in the Suva Nausori Corridor. On the total rural population only 23% live in the Central Division and is lower than the Western and Northern divisions. The

Western Division population is 38% of the total population; its urban population is 32% of the total urban. Eighty nine (89 %) is located in Ba province in Lautoka City, Nadi, Ba and Tavua Towns. Rural population is the highest in the Western Division (45% of the total rural) and this is attributed not only to the number of villages but the rural population in the cane belt area. The northern division with its two main towns and the two unincorporated towns make up 9% of the total urban population. Its rural population (24%) is higher than the Central division and again reflects the village and rural settlements in the cane belt areas.

8.2 Household Characteristics

The national average household size is 4.91, with slightly larger family size 5.04 in rural areas and 4.75 for urban areas. With this national household size the total number of households in 2007 Census is 173,457; 88452 in urban areas and 85005 in rural areas.

Corresponding to the nature and distribution of the national population (refer to Table 2.1), the highest number (51%) of the total households live in the urban areas. Of the total urban households, 58% are in the Greater Suva area, namely the Suva- Nausori corridor, 32% in the Western Division 9% in the Northern division and 1% in Eastern division. Of the total 85,005 rural household, 45% are in the Western Division, 24% in the Northern division, 22% in the Central Division and 9% in the Eastern Division. Overall, while the Central Division has over half of the total urban household its low rural household number compared to half of the rural household in the Western division closely offset their total percentage of household which is 40% for the Central division and 39 % for the Western division.

Table 2.1: Distribution of Households

Division & Province	Urban	Rural	Total
Central	50,521 (57%)	18,278 (22%)	68,799 (40%)
Rewa	18,653	2,272	20,925
Tailevu	3,612	7,223	10,835
Naitasiri	26,735	5,216	31,951
Namosi	0	1,343	1,343
Serua	1,521	2,224	3,745
Western	29,225 (33%)	38,577 (45%)	67,802(39%)
Nadroga - Navosa	2,085	10,069	12,154
Ba	26,067	23,397	49,464
Ra	1,073	5,111	6,184
Northern	7,905 (9%)	20,597 (24%)	28,502(16%)
Macuata	6,321	9,178	15,499
Cakaudrove	1,464	8,545	10,009
Bua	120	2,874	2,994
Eastern	801 (1%)	7553 (9%)	8354 (5%)

Lomaiviti	801	2,593	3,394
Kadavu	0	2,236	2,236
Lau	0	2,276	2,276
Rotuma	0	448	448
Fiji Total	88,452 (51%)	85,005 (49%)	173,457

Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

8.3 Overview of Housing Development Trend and Characteristics in Fiji.

The 2007 Provisional Housing Characteristics Survey covers in detail important information on housing in Fiji and includes the distribution of households on the three main land tenure, the types of living quarters, types of structures, tenure of living quarters, toilet facilities, water supply, electricity and lighting. From this information the housing types and services available with them as well as their distribution in the provinces and in urban and rural areas is established.

8.4 Housing by Land Tenure.

The distribution of the 17, 3457 household per land tenure in the four divisions is shown on Table 2.2 and Figure 1.0

Table 2.2: Household location tenure per Division.

Division	Freehold	Leased	Squatter	Village	Total
Central	18,983	24,348	7,121	18,347	68,799
Western	13,082	33,858	4,239	16,623	67802
Northern	5,435	12,563	1,183	9,321	28,502
Eastern	1,225	355	87	6687	8354
Total	38,725 (22%)	71,124(41%)	12,630(7%)	50,978(29%)	173,457

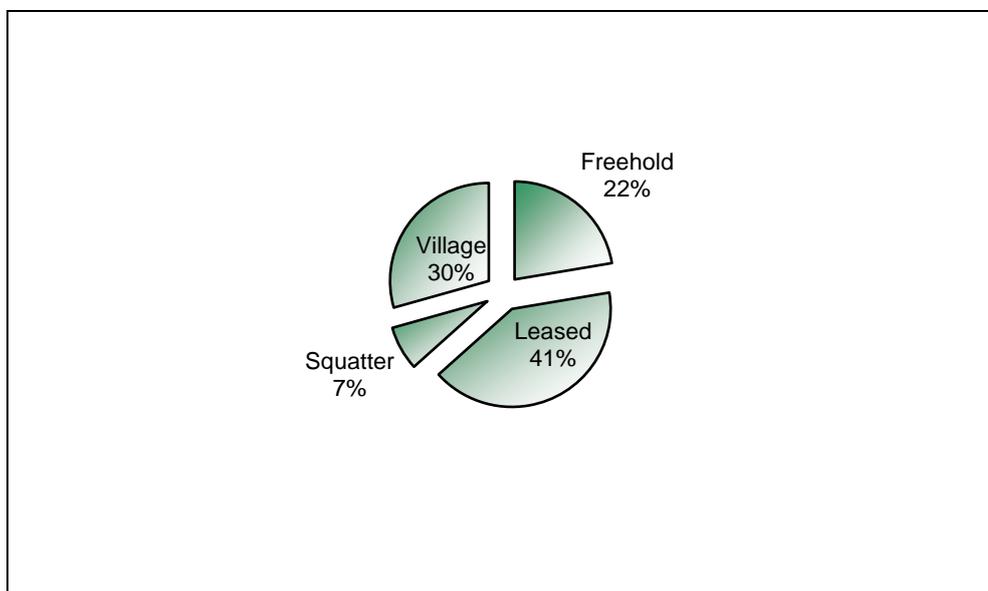
Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

In terms of secure tenure for housing, it is noted that 93% of the total households in Fiji sit on secure tenure; this include households on proclaimed villages Of the ninety three percent (93%) 109,849 (63%) live on freehold and leased land. Village housing makes up 29% of the total household tenure and is secure in relation to community status. This is a very good indicator on security of tenure in relation to housing which shows that overall Fiji's housing sector is on sound ground. Of the total 50,978 households in the villages 68.5% live in the central and western divisions and this can be attributed to village location and easy access to urban and service areas and people's ability to travel from their villages to work, market, attend education facilities in the main urban areas. Access to finance to upgrade homes or build new ones is another positive contributing factor.

Squatter development is a critical issue that is identified in the Charter and the Strategic Framework for Change that should be alleviated and addressed. Seven percent (7%) of Fiji's total households live in squatter settlements in the country and over half of these are in

the Central Division. Similar to villages near urban centres and those in easy reach, the concentration of squatter settlements in the Central and Western division is evident of the attraction to these urban areas and their housing affordability level

Figure 1.0: Percentage of household per Tenure.



Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

8.5 Type of Living Quarters.

The different types of living quarters identified in the 2007 population household characteristics census consist of eight different types and their distribution in both urban and rural areas is on Table 2.3. and Figure 2.0

Table 2.3: Type of Living Quarters.

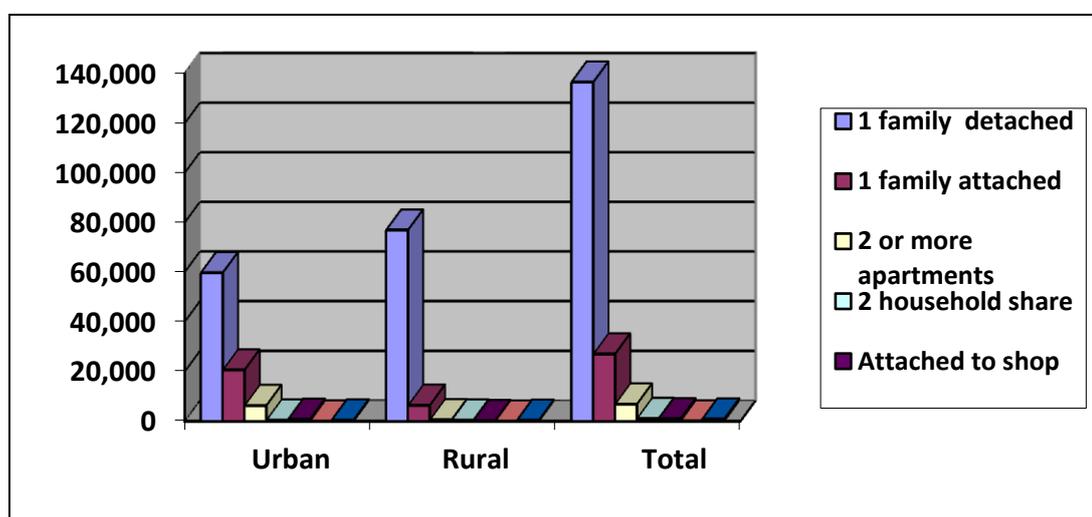
Type	Urban	Rural	Total
1 family detached	59,650	76,911	136,561
1 family attached	20,598	6,407	27,005
2 or more apartments	6,295	584	6,879
2 household share	445	445	1,101
Attached to shop	750	233	983
Hotel	50	35	85
Others	453	390	843
Total	88,452	85,005	173,457

Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

On the types of dwelling house, it is noted that 79% of the total house types are detached with single family. This shows that the present housing development density in Fiji is low and there is high preference for single detached homes for single families in both urban and rural areas. One family attached dwelling homes and over two apartments in a block of building is high in urban areas and this correlates to the need to intensify housing developments in urban areas in response to low land supply. A total of 76,911 households (56%) who reside in rural areas are in one family detached dwellings and this indicates the type of residential setting they live in either in farm lands or villages.

The 2007 Household Survey show that home ownership in Fiji is high. Seventy four percent (74%) (128,476) households have their own dwelling houses and this is more in rural areas (55%) compared to the urban areas that have 45% of the total homes owned. Rented living quarters comprise both private and public rented homes and were 27,454 (16%) households in 2007. Rented homes are very popular in urban areas and are mostly private rents (82% of the total national private rented homes). Public rented homes are low at only 2863 households and 77% of this are in urban areas. In rural areas only 632 households (23%) live in public rented quarters. These figures show the high preference of home ownership compared to the demand for rented homes.

Figure 2.0: Types of Living Quarters.



Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

The 2007 Household Survey show that home ownership in Fiji is high. Seventy four percent (74%) (128,476) households have their own dwelling houses and this is more in rural areas (55%) compared to the urban areas that have 45% of the total homes owned. Rented living quarters comprise both private and public rented homes and were 27,454 (16%) households in 2007. Rented homes are very popular in urban areas and are mostly private rents (82% of the total national private rented homes). Public rented homes are low at only 2863 households and 77% of this are in urban areas. In rural areas only 632 households (23%) live in public rented quarters. These figures show the high preference of home ownership compared to the demand for rented homes.

8.6 Types of Structures and Utilities.

i) Structures.

With the distribution of households in the four broad tenures, types of building structures vary too. From the 2007 household characteristic data five main types of structures exist with a breakdown of the number of bedrooms per division. These are summarized in Table 2.4. and clearly states that people have opted for better and durable houses that are safe and can withstand natural disasters. The 39%

household with concrete structures also show household affordability level. Wooden buildings at 24% reflect the lower preference of wooden homes for households and this could be its durability to withstand natural disasters and also the cost.

Table 2.4: Types of Dwelling House Structures in Urban and Rural Areas.

Type of Structure	Urban	Rural	Total	Percentage %
Concrete	46,353	21,758	68,111	39
Wood	18,307	23,458	41,765	24
Tin & Iron	23,203	35,250	58,453	34
Bure Materials	186	2,966	3,152	2
Makeshift Materials	279	817	1,096	0.6
Other Materials	124	756	880	0.5
Total	88,452	85,505	173,457	100

Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

Tin and iron building has a higher percentage than timber buildings. Out of the 58,453 households with this type of structure 60 % are located in rural areas and this is a strong indicator of their affordability level. Forty percent of this is in urban areas which not only reflect their affordability levels but their location in informal settlements where households do not have secure tenure that enables them to build permanent structures of concrete or timber. In past decades a major shift has been noted in Fijian villages and rural farmsteads in the move from having bure type homes to other more permanent type. The 2007 Census noted that only 2% of homes are of this material and an important reason for this is the structural durability to withstand natural disasters as well as its conduciveness to cater for services such as water, electricity and telecommunication supply etc given the widespread provision of this service in our country.

ii) Toilet Facilities.

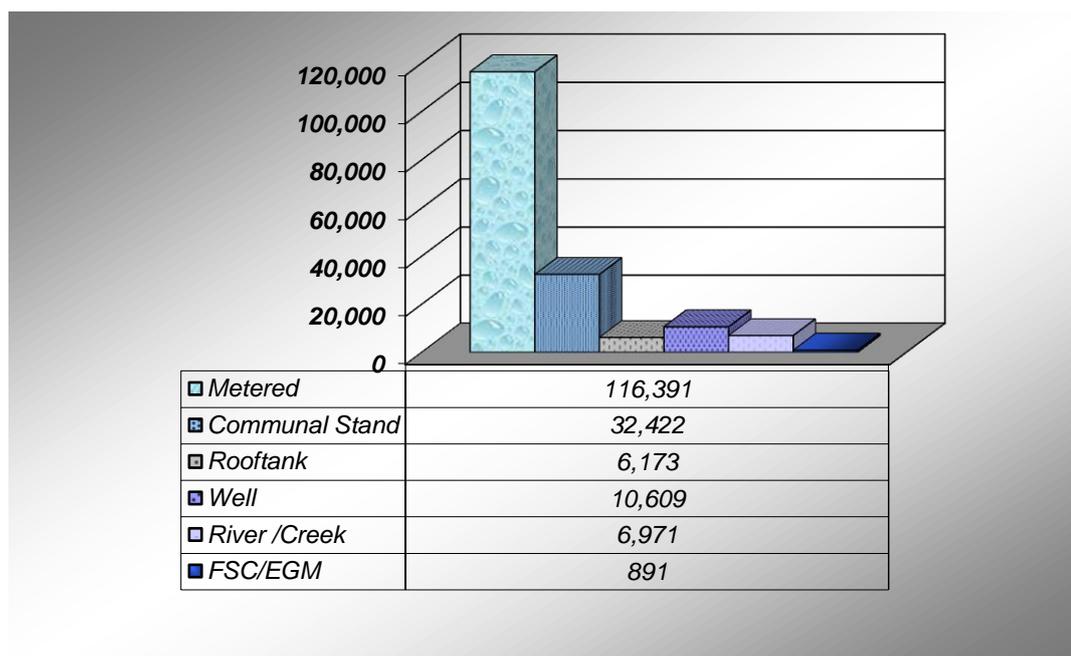
The 2007 household characteristics survey showed that of the 173,457 households, seventy three percent (73%) have flush toilets; sixty eight (68%) are individually owned by households and five percent (5%) are shared between households. Water seal facilities and latrines comprise thirteen percent (13%) each of the total toilet facilities for households with about 1% that have other forms or have none at all. In terms of distribution, sixty three (63%) of the total house-holds with flush toilets areas are in urban areas and thirty seven percent (37%) are in rural areas. Water seal and latrines are very common in rural areas. About 20% each of these two types of facilities are in urban areas and reflects on the types of substandard structures present in urban areas which are mostly in informal settlements and urban villages. The types of facilities available reflect both the extent of water reticulation available for homes which facilitates flush system and also affordability for those in rural areas. Overall, the statistics show that the high number of households with flush toilets is again a very good indicator of the reasonable state of dwelling houses that we have in Fiji.

iii) Utilities.

a) Water Supply.

The main type of water supply provided for households in Fiji as established from the Household Survey Data 2007 is reticulated metered water supply provided by government and now by the Water Authority Board from the end of 2009. There are other forms of water supply available to households and a summary of this is on Figure 3.0. The number of households with reticulated metered water supply as at 2007 is 116,391 (67%) of the total household number.

Figure 3.0: Types of Water Supply Provided for Households.



Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

The rural area is also reasonably serviced by metered water both through the government system or the rural water supply system and in 2007; thirty seven percent (37%) of the total metered system is in the rural area. Communal water supply is very high in rural areas and was ninety seven percent (97%) of the total communal stand supply in 2007. Rural areas other main water supply source to households is roof tank, well and rivers/streams.

Overall with metered water supply making up 67% of the total water supply source for the total households and an additional 19% on communal system proper and wholesome water supply source serves a total of 86% of Fiji's households. This is strong evidence of good and wide provision of proper water supply for most of Fiji's households.

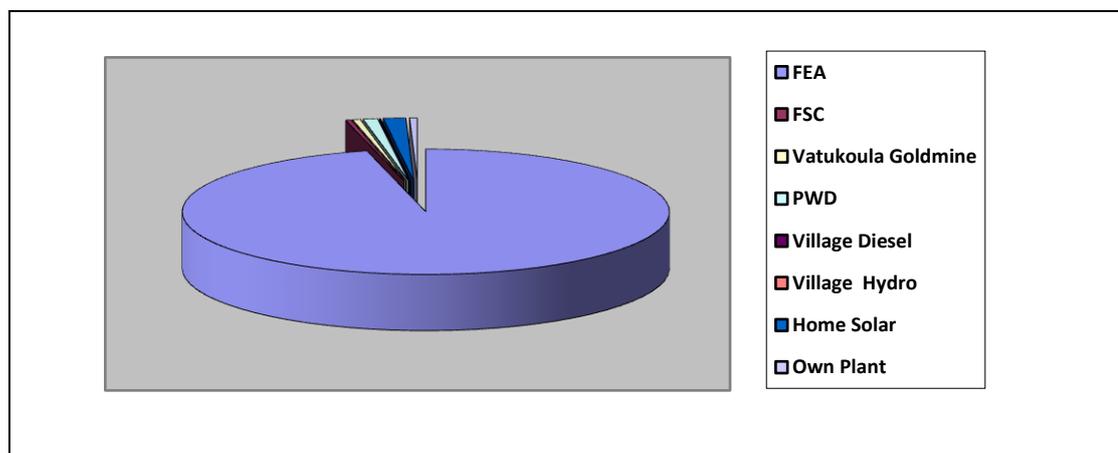
b) Power Supply.

Table 2.5 and Figure 4.0 give a summary of the proportion of electricity power supplied to households.

Table 2.5 & Figure 4.0:

	FEA	FSC	Vatukoula Goldmine	PWD	Village Diesel	Village Hydro	Home Solar	Own Plant
Urban	88452	328	474	885	33	17	1360	469
Rural	85005	186	63	1079	11210	728	201	7888

Source of Electricity Supplied to Households in Urban & Rural Areas



Source: Bureau of Statistics Provisional Household Characteristic Survey 2007

Electricity supply is the main form of power supply in most of Fiji's households. These are from different providers with Fiji Electricity Authority being the main supplier. As at 2007, seventy five percent (75%) of the total power supplied to households is from FEA. Other smaller suppliers include Fiji Sugar Corporation, Vatukoula Goldmine and PWD. For villages, village diesel supply is common and 6.5% of the households have this power source. About 5% of the total households have their own power source and 1.3% have solar and village hydro power which are environment friendly power sources. Only 11% of the total households do not have electricity; this is a very good indicator of the high state of power supply available to households in the country.

9.0 Housing Providers and Thematic Development Areas.

The main housing thematic development areas are public and social housing, informal housing and village housing as discussed below:

9.1 Public Housing Home Ownership.

i) Housing Authority(HA)

Housing Authority is the main public housing provider in the country, mandated under the Housing Act (1955) and began operations in 1958. The objective is to enable workers and their families to obtain housing accommodation suitable to their needs at the minimum cost without incurring a loss to Housing Authority. It assists customers whose average household income does not exceed \$50,024 per annum with special focus on low income earners below \$16,500 per annum. The objective and aim of HA expanded after the enactment of the Public Enterprise Act (1996) in which HA was declared a Commercial Statutory Authority (CSA) and expected to also operate commercially in addition to its

social obligation. Under this HA is expected to operate profitably and achieve a minimum of ten percent (10%) return to its stakeholders, be more efficient in its service to its customers, improve its performance and be more accountable. It began with the development and construction of rental flats and built homes beginning with Raiwaqa and Raiwai then moved to development of serviced lots. In addition to this HA has identified a total of 19 major housing projects including Raiwaqa Commercial site. This is expected to yield 7363 fully serviced lots to meet the demand of housing lots and these projects were earmarked from 2009 - 2013.

HA has been progressing reasonably well in providing public housing as there are policies in place that proved to work in the past 55 years, the support by Government on Bank Guarantee and the decentralized services in locations around the country. There is a huge demand for housing and there is sufficient land stock for 2 -3 years and beyond for development. Huge opportunities on demand for housing are a strong driving force on public housing provided land stock is available for future developments. Also there are opportunities for more private sector involvement in land development and house construction as well as commercial and industrial development.

However the current Housing legislation is considered outdated and should be reviewed together with the present systems of operations. The authority is unable to meet the market demand and there is a critical lack of skilled people. The customer base nature of the operation is of high risk and is prone to instability. There is increase in informal settlements due to urban drift and they have occupied prime areas earmarked by HA for developments.

Issues and challenges that need to be addressed to ensure the proper deliverance of its services are as follows:

- **High cost of land** acquired for development results in low supply of developed lots. Acquiring freehold land is too high and has direct effect on the cost of the project. The same applies too for native land where lease premiums and rentals are also very high.
- **High infrastructure costs.** At the time of development, the tender prices received from the contractors for infrastructure is very high and this leads to spiraling development costs and overheads.
- **Absence of infrastructure reticulation** viz sewerage in urban/peri urban growth areas.
- **High agency costs.**
At present Housing Authority has a sanction of \$7million from Fiji National Provident Fund in which charges levied are \$35,000 for processing fees and \$1000 administration fees per quarter. EXIM Bank of China charges 1% as management fees and 0.755 as commitment fees for \$70 million loan Chinese soft loan sanctioned. NLTB charge lease insurance fees of \$20,000 and \$250 consent fees per lot.
- **High funding costs.**
The impacts of its Commercial objectives that results in a high weighted average costs of funds and interest rates and non availability of funds in the market
- **The conflicting nature of the key responsibilities** under the two legislations that requires HA's focus on low income need and demand against the high social costs of operations.
- **Government Duty/ Tax.**
- **Strict standards by land development approving authorities.**
- **Lack of suitable consultants and civil contractors.**
- **Absence of government grant/subsidy.**

- ***The high level of nonperforming loans and arrears, competition and high level of debt borrowing.***

All these issues translate to housing cost and should be addressed to ensure that homes are affordable.

ii) Rural Housing.

Ministry of Provincial Development & Multi Ethnic Affairs also provide housing assistance to rural dwellers and villagers who do not qualify for loans from financial institutions. It has two schemes and these are the payment of the cost of transporting building materials to a site and the second one is its two third contributions on the cost of constructing a home (24ft x 16ft) with the balance one third by the home owner. Rural housing caters for home ownership and most build with the assistance of family members and the community which reduces labour cost.

The extent and scale of this housing assistance since it began is not very clear and information is not made available by the Ministry of Provincial Development. What is known is housing assistance is provided usually to rehabilitate homes or build new homes after a natural disaster. This program could be successful noting that 26% of the total national households have substantial structures located in rural areas. Another contributor could be the financial housing assistance offered by Fiji National Provident Fund and Housing Authority in their schemes. Insufficient funds restrict its service delivery to cope with the continued demand for housing in rural areas and villages. Its long term sustainability needs close examination given that at present the government is also heavily subsidizing without recovering a cost to make it a profitable venture and properly extend its services.

Issues & Challenges. noted are:

- The viability of rural /village housing in terms of financial returns to the government.
- The opportunity available for it to expand and intensify its assistance in partnership with other CSO and NGO.
- The irregular transportation to communities in the maritime zone.
- The varying interpretation of policies and procedures.
- The uncoordinated and non-consolidation of housing data to set clear guide on its area of work.
- The available human resource capacity in the Ministry to effectively carry out this task.
- The internal delay in the review of its Rural Housing Unit program.

9.2 Rental Public Housing.

Rental public housing was provided and managed by HA initially up till 1989 when the Public Rental Board was set up under the Housing Amendment Decree No 12 to manage the rental housing portfolio of Housing Authority. Its main purpose is to provide rental accommodation of economic benefits to tenants hence a non commercial obligation.

There are 19 estates all together, Central Division (10), Western Division (5) and Northern Division (4) with a total of 1318 flats as at the beginning of 2010. Table 3.0 shows the number of tenants within the eight rent categories. The rental rate ranges from \$8 - \$80 per week and the target group that PRB presently serves ranges from \$15 - \$1166 gross income per week. Over 56% of the tenants receive a gross weekly income of \$101 - \$200, 19% fall within the \$15 - \$100 per week and 17% earn \$ 201 - \$300. Eight percent (8%) earn between \$301 – over \$1000 + gross weekly income.

Table 3.0: No. and Percentage of Tenants in the Economic Rent Categories

Economic Rent Rental Range	No of Tenants	Percentage
\$8 - \$10.	305	23%
\$11 - \$15	97	7%
\$16 - \$20.	261	19%
\$21 - \$25	337	25%
\$26 - \$30	201	15%
\$31 - \$35	46	3%
\$41 - \$45	83	6%
\$46 - \$50	21	2%

Source: PRB's Tenants Records 2010.

The highest numbers of tenants occupy flats at the range of \$8 - \$10 per week (23%) and flats with rentals ranging from \$21 - \$25 per week (25%), followed by flats on rental ranges of \$16 - \$20 and those on \$26 - \$30 per week. The general range of rental rate available and occupied is from \$8 - \$30 per week. These percentages reflect the availability of the types of flats and affordability in terms of their weekly incomes. The lower percentages are the \$31 - \$50 per week rent which is the highest economic rent levied

A comparison of the economic rent paid, to market rent (refer to Table 3.1) shows that no tenant is charged the market rent but most pay the economic rent that ranges from 41% to 96% of the market rent. The higher the economic rent and market rent the higher the percentage of the economic rent paid by the tenants and again reflects income levels and affordability. Overall the current economic rents as well as the market rent charged are still low and this needs to be properly analysed to reduce the government grant allocated annually to assist PRB.

It is very clear from the records that 8% of the tenants with \$300 - \$1000+ gross weekly income can easily afford to graduate to home ownership provided by HA as they fall within its \$16,500 annual salary and this could also include some in the \$201 - \$300 weekly income category. A comparison of the economic rent paid, to market rent (refer to Table 3.1) shows that no tenant is charged the market rent but most pay the economic rent that ranges from 41% to 96% of the market rent. The higher the economic rent and market rent the higher the percentage of the economic rent paid by the tenants and again reflects income levels and affordability. Overall the current economic rents as well as the market rent charged are still low and this needs to be properly analysed to reduce the government grant allocated annually to assist PRB. It is very clear from the records that 8% of the tenants with \$300 - \$1000+ gross weekly income can easily afford to graduate to home ownership provided by HA as they fall within its \$16,500 annual salary and this could also include some in the \$201 - \$300 weekly income category.

Table 3.1: Weekly Economic Rent Paid by Tenants.

Economic Rent	Market Rent	Tenant Contribution	Percentage to Market Rent	No. of Tenants
\$8	\$15.93	\$8	50%	17
\$9.60	\$26.84	\$9.60	35%	65
\$9.70	\$17.31	\$9.70	35%	169
\$10.70	\$18.57	\$10.70	57%	5
\$10.80	\$24.23	\$10.80	57%	49
\$11.80	\$26.31	\$11.80	45%	43
\$14.80	\$27.69	\$14.80	53%	24
\$15.60	\$38.08	\$15.60	41%	30
\$16.50	\$25.38	\$16.50	65%	119
\$17.00	\$27.69	\$17.00	63%	22
\$17.40	\$31.15	\$17.40	56%	19
\$17.60	\$31.15	\$17.60	56%	21
\$18.50	\$31.15	\$18.50	59%	35
\$19.50	\$31.50	\$19.50	62%	5
\$19.60	\$38.08	\$19.60	62%	24
\$19.70	\$27.60	\$19.70	62%	16
\$21.00	\$38.09	\$21.00	55%	110
\$22.00	\$34.62	\$22.00	64%	33
\$23.90	\$34.50	\$23.90	69%	19
\$25.00	\$39.81	\$25.00	63%	175
\$26.10	\$34.62	\$26.10	75%	5
\$26.50	\$31.84	\$26.50	75%	117
\$27.40	\$39.81	\$27.40	75%	6
\$27.50	\$39.81	\$27.50	75%	56
\$29.50	\$42.46	\$29.50	70%	16
\$30.00	\$38.77	\$30.00	77%	1
\$33.80	\$43.85	\$33.80	77%	46

Economic Rent	Market Rent	Tenant Contribution	Percentage to Market Rent	No. of Tenants
\$42.90	\$53.08	\$42.90	81%	83
\$47.00	\$49.20	\$47.00	96%	21

Source: PRB's Tenants Records 2010.

PRB has a total of 3000 applicants registered, which is double the number of flats available to meet the need. This indicates that PRB has an important urgent task to deliver in supplying rental homes. Rental flats are managed through Tenancy Agreements and PRB is responsible for their general maintenance and any urgent maintenance that arises. In addition to these it consults the tenants in estate meetings, builds and manages community centres and halls in the estates. PRB's ready market on the high demand for rental space, the strategic locations of their properties with available infrastructure and services, Government support through capital grants which is available annually for its projects are its strength and opportunities

Debt recovery and payment of rentals are the main weaknesses faced by PRB. and the irresponsible culture of some tenants in the up keeping of the infrastructure provided by PRB. Another critical area is the weak policy in place on tenancy cycle that has encouraged tenants to remain comfortably in these low cost rental homes for decades without making any effort to upgrade and move to home ownership. The continuous maintenance of flats and high costs incurred due to the irresponsible attitude of tenants on the upkeep of the infrastructure provided by PRB is an added cost to its operation construction of new flats and the maintenance of existing ones. There is also the increasing demand by applicants on the concept and design of flats to address privacy and this is expected to increase the cost of providing new flats.

The following issues and challenges have been identified:

- High Cost of Land is a primary issue; with the very high cost of freehold land at suitable locations and the scarcity of affordable state land, native land is now available. Similar to HA lease premiums and rentals charged by NLTB is considered very high for projects to be viable with high costs transferred to tenants.
- Construction cost is critical and a challenge for PRB, and an increase or decrease in the cost of constructing flats determines affordability.
- The need to focus PRB's services to those who can afford to pay market rents instead of the highly subsidised economic rent presently paid.
- The urgent need to ensure that those in middle to higher income brackets move onto home ownership that they can afford so that rental flats are freed up for those that really need them.
- The need to consider the type of homes suitable and affordable for the lowest income group to avoid high government subsidy.
- The need for PRB to secure available funds with the assistance of government

9.3 Social Housing Home Ownership.

i) Habitat for Humanity Fiji (HFHF)

Habitat for Humanity Fiji's objective is to improve living conditions of families that are in need. It is a nonprofit non Government organisation with the mission to build safe, decent and affordable homes for the needy families. Its main role is home construction and managing projects. Securing plots of housing land to build on is the responsibility of home

owners. Since its establishment in 1991 HFHF has built 700 homes up to the end of 2009. Habitat for Humanity has built affordable homes throughout Fiji on a volunteer “sweat equity” family contribution and family financial contribution to construction costs, a scheme that discourages hand out assistance policy.

The target groups are those in rural areas and villages. It is also involved in squatter upgrading projects and construction of new low income housing and communities. Its current projects include the construction of budget one bedroom home at the value of \$15,000 and a two bedroom home at \$18,000 which are affordable and disaster mitigation/hurricane proof homes. Other housing related projects undertaken include home repairs and upgrading, installation of water systems in villages, provision of village sanitation systems, waste management systems and improving living conditions of families in need.

Lack of properly developed secure land for home construction slows down its construction works. HFHF has to contend with the expected high cost of securing native land for development and the flow on effect of this on home cost. However, HFHF has the management capacity in housing administration and management as well as its available technical expertise and the capacity to develop native land and build low income homes.

The challenges and issues identified are:

- The need to properly and fully utilize the opportunities available with HFHF in providing affordable low income homes.
- The shift of their services that is presently concentrated in rural areas to urban areas and its active participation in building homes as part of squatter upgrading.
- The wide promotion of its “Hand Up” methodology to encourage people to build proper homes at affordable price.
- The best and cheaper means of securing native land for development.

ii) Civil Society Organisations (CSO).

The CSOs are another provider of social housing home ownership and provides a leading role in the provision of affordable houses either as advocates for social housing or providing shelter for the poor. One of these is the Fiji Muslim League (FML) that has set up a trust for the primary purpose of assisting the poor people in the Muslim community with housing and concentrates its services and help in facilitating the construction of affordable homes on its land. Others are Christian denominations, Arya Pratindi Sabha, TISI Sangam and Ram Krishna Mission. Although these are on small scale at present and confined to its members, they make some contribution to low cost home ownership housing. CSOs have the management set up and ability to offer such assistance to their members. They have not expanded their services to a wider area but confined it to their members on their own plots of land. In terms of opportunities land owned by the various organisations are available to cater for their services and their ability to assist members with temporary shelters in squatter settlements.

Challenges and issues noted are:

- The need to promote and expand the services and assistance provided by CSO firstly to its members and their active participation in housing.
- The proper development of their land for secured land tenure and housing.
- The expansion of their assistance on other parcels of land to other tenures to ensure proper development

9.4 Social Rental Housing.

i) Housing Assistance Relief Trust (HART).

HART's core role is to build low cost housing units to accommodate the destitute and very poor families in our society and has a total of seven hundred and seventy two (772) flats which are located throughout the country. The demand for homes has always been very higher than the supply despite the active program of home construction.

The flats are rented at \$0.50, \$1.00 or \$5.00 per family per week depending on the types of homes they live in and the time they were accommodated in HART. Tenants accommodated before June 1993 signed Agreements to pay fifty cents (50c) per week, those that follow pay \$1.00 per week while those who join recently and accommodated in more secure permanent modern concrete flats (e.g. at Lovu, Wainibuku and Kalabo) pay \$5.00 per week. Rentals have not increased in the past ten years because of the poverty level of tenants.

With this status, HART is fully financed by government through grants allocation from the Ministry of Local Government Urban Development Housing and Environment and in the past years up till 2010, \$1,000,000 has been allocated yearly to HART as capital grants. In some years this funds were not fully utilized to enable HART to supply the rental homes that its clients need.

Weaknesses noted include the very low proportion of tenants that graduate to public rental homes when their children are employed and the present very low rentals levied which is not reviewed to a more realistic rate in accordance with the cost of living. Opportunities that HART had in past years since it began operation was the supply of land within the Housing Authority's Estates to cater for its land supply need. This changed later when it was required to negotiate and secure vacant land itself and its inability to secure urban or peri urban land that are already subdivided and serviced.

The issues and challenges noted are:

- The increase in poverty levels of families and inability to secure proper homes which in turn increases the demand for HART homes needed.
- The stagnant income of tenants against the cost of living resulting in very minimal returns.
- The need to undertake a nationwide survey of all tenants to determine their affordability and to establish and justify the need to review the very low rentals being charged.
- Identifying and encourage tenants that can graduate to public rental accommodation or even home ownership.
- Difficulty in accessing urban and peri urban serviced land to develop.
- High prices of urban and peri urban land.

ii) Rotahomes.

Rotary Club of Lautoka initiated and started this project in Lautoka with the initial objective of eliminating sub human living conditions in West Viti Levu by providing cyclone resistant shelters, clean water and living essentials for destitute families. Its second objective is to demonstrate how quickly and cheaply it develops legal subdivisions with full services and cyclone resistant homes. Their main target group is those whose income is below \$122 per week. Since it commenced, it has built eight hundred homes in the Western Division for individual households. It also developed, manage and service Koroipita 1 settlement which is now managed by the Model Towns Charitable Trust (MTCT), a NGO of the Rotary Club. The settlement has 86 homes mostly of one bedroom with separate kitchen, combined toilet / shower room on plots of 350 sq metres per family to enable them to grow food and

be self sufficient. These were developed and constructed through the local assistance of the Ministry of Local Government, Urban Development Housing & Environment, on land acquisition and rent during the development stage and overseas assistance by New Zealand Aid at design stag, and international and local Rotary members during construction stage.

Initial work has commenced on the development of its second stage which is a 25 acres of land for 153 homes spread over a period of five years. MTCT forecasts a modest 10% increase per year of families to be served. Over a period of 5 years based on the present 2007 figure an expected additional 6315 squatter families need to be housed by 2015. MTCT's forecasted contribution in this is 827 homes a year for ten years. At Koroipita Stage 2 the Trust expects to provide 1.6% of the total national need and to expand on this, it has to start other projects.

The weekly rental levied as town fees is \$7.00; this covers the cost of native land rent, water supply, garbage collection, maintenance and other services provided by the MTCT. The \$7.00 levy per family is affordable for the management of the settlement to be sustainable as well as for the families to manage. MTCT sees that any significant increase would be difficult for them as some families struggle with \$7.00 and this is the group that falls in MTCT's fourth estate and has many welfare recipients who receive \$60 - \$100 per month. With a monthly levy a balance of \$30 - \$70 is left to support the family and a rental allowance paid directly to the town fee is a possible solution

At present the Trust incur a great ongoing cost on native land rent and this is an area that should be considered very well in this housing policy as it affects all housing developers and providers. The other impact on affordability is land development and construction. While this was low for Stage 1, Koroipita Stage 2 will cost \$6.5 - \$7m if it has to comply with all design and approvals processes.

Other major contributing factors to the expected high cost of future developments are:

- National and International financial factors on the increase of any imported material.
- The cost of houses due to economies of scale and material cost or types of materials used to reduce cost.
- The cost of providing local infrastructure that should be part of the national infrastructure as it will benefit other developments in the same locale.

The strength of MTCT is its well established operation and management setup, its clear objective and the international and local assistance that it receives. Weak areas noted are the expected increasing costs of managing the settlements with minimal returns from tenants and the high cost of its future developments to enable the Trust to best achieve its targets. The opportunity available is the success of its developments and contribution to national targets which can be an influential factor to both international donors and the government for their continued support and assistance. The securing of reasonable priced land for development especially native land is expected to be a threat to the Trust in its future developments.

Issues and challenges include the following:

- The need to provide decent shelter for those migrating to urban areas.
- The increasing level of poverty and MTCT's effort to contribute to the housing of the destitute who at times struggle to meet their weekly/monthly dues.
- The low employment/ unemployment of tenants and financial hardships.
- The low health and welfare of tenants.
- The life skills, behaviour, expectations and cultural traditions that impact and defeats the good intention of the Trust in caring for them.

- Acquisition of land namely high costs and low availability of freehold land for development and also high costs of native land.
- Land development approval process and standards that is not flexible to promote this type of developments.
- The need for continued and increased government support and partnership in development.

iii) People's Community Network.

The People's Community Network (PCN) focuses on the housing of the poor and those in squatter settlements. Unlike other housing stakeholders that now provide housing, PCN is at the very early stages in providing houses. At present it is working on its first pilot project, (Lagilagi) which is a part of the present Jittu Estate that has been progressively upgraded by the Ministry of Local Government Urban Development Housing & Environment. Besides this project PCN is very pro active in the recognition, participation and contribution of informal settlers in improving their settlements and their well being. Work presently undertaken are:

- Conducting socio economic surveys in squatter and poorer settlements throughout the country and provide government with the information.
- Urge national and local government to engage people in decision making for more co operation so that decision and action are bottom up.
- Promote the concept of building communities.
- Promoting community leases rather than individual titles as means of making housing cheaper, promote the building of community and enable people to own homes but not the land as it can result in land speculation.
- With government, promote farming projects where squatters who wish to return to the land are trained and relocated to farms.

The PCN at this initial stage has identified important issues and challenges that it will try to address and build on in order to contribute effectively on the housing of the poor. These are:

- The need for central government and local government to change their attitude and accept squatters as part of our urban community, hence their efforts to accommodate them formally.
- The need to address the prevailing planning problems that include the present centralized approach and control on housing of the poor and squatter dwellers.
- Peoples/ community involvement and participation in planning, decision making and implementation of upgrading projects and management of projects.
- The importance of any proposed change in housing to be demand driven.
- The emphasis placed on the development control measures and the necessity of more flexible development regulations to cater for the housing need.
- The need to also build communities through stronger social development and management capacity.

10.0 Informal Housing

As at 2007, seven percent (7%) (12,630 households) of Fiji's total household with an approximate population of 63,655 live in approximately 200 informal settlements in Fiji. This is expected to continue to increase in size with additional ones sprouting if the underlying causes are not addressed quickly. Squatter /informal settlements throughout Fiji occupy freehold, state and native land as well as vulnerable foreshore areas. A major contributor to informal settlements is the housing developments on native land under the

vakavanua (customary) arrangement. A total of 26 informal vakavanua settlements exist in both Viti Levu and Vanua Levu with some especially in the Greater Suva areas occupied for decades with up to four generations. Despite the fact that house plots are very cheap to acquire through this system and an easy way out of the lengthy and high cost of getting secured tenure, the arrangement does not guarantee the land right of the tenant as well as the financial avenues available to him if he is on a secured tenure.

Informal settlements in all the three tenures have developments that are not controlled, haphazard in nature and in a lot of instances crowded and a public health and environmental hazard.

Squatting/ informal settlement is the result of a number of issues and these are:

- a) Rural – urban migration for education, employment and available services.
- b) Lack of incentives for rural living to retain people.
- c) Lack of regular, accessible and affordable accommodation in urban and peri urban areas.
- d) Blood ties/connections with landowners.
- e) Landowners, who move out of their village to settle on their native reserve or native land, accommodate non landowning unit members to be part of their settlement.
- f) Inability to afford proper housing.

It is argued that supportive policies and measures of settlement upgrading are the most appropriate forms of programming social and economic development of low income communities. Repressive policies on the other hand like public housing, settlement clearance and relocation of whole communities have not produced the desired effects of improving living conditions. While it is contended that some of these settlements take up prime urban land, rehabilitation and upgrading could provide more feasible solutions. Some of these are:

- The burden on public funds can be much lesser than public housing and relocation, if upgrading programs are designed using the principles of affordability by the residents.
- The provision of security of tenure and access to credit and people's participation in terms of savings and labour can be mobilized and directed to upgrading activities.
- Because of the insecure nature of the informal sector activities (Community dependency, location etc) relocation removes people from employment sources and reduces their capacity for economic survival, hence it would be difficult for informal sector activities to survive in public housing and apartment blocks.
- Social and economic survival of informal communities depends largely on community organization and neighborhood relationships. Relocation and public housing destroys the social fabric of poor urban settlements.

Relocation if undertaken should be considered very carefully and should be done for settlements that sit on disaster prone areas e.g. foreshore, earthquake fault lines, and landslide and flood prone areas only.

The squatter upgrading commenced with the Ministry of Lands in the 1990's after government noted that evicting them and relocation is a cumbersome exercise. The MLGUDH&E took up the responsibility from Lands Department in 1995/96 and concentrated on the physical upgrading of the incomplete subdivisions occupied by both squatters and some state lessees. The Ministry's present policy with its squatter /informal settlement upgrading and resettlement programs are aimed at alleviating poverty in settlements by improving substandard living conditions and to provide secure tenure for settlers. The main functions are:

- a) Facilitate squatter settlement upgrading and resettlement programs that involve the provision of basic infrastructure and services in settlements /incomplete subdivisions identified by Lands Department.
- b) Administer and monitor government grant allocated to housing implementing agencies.
- c) Undertake socio economic surveys of squatter settlements/
- d) Assist in resolving conflicts and disputes among settlers in partnership with other stakeholders viz community police.

It is estimated that if the programs to address the squatter informal settlements remain static by 2014 the Greater Suva area will have in excess of 15,000 squatter households with more than 100,000 people. This will place a greater strain on the entire urban infrastructure such as water, sewerage, electricity roads municipal services and civic and social services. The assessment done by the Ministry estimated that approximately 10 – 12% of settlers can afford proper homes in subdivisions that are available in the market and are not eligible for any assistance.

All the current projects and future projects up till 2014 are subdivisions developed by Lands Department in the past 10 – 20 years but remain incomplete. This has resulted in lessees issued with Approval Notice to Lease or Tenancy at Will who occupy lots and subdivisions that are not fully serviced and in addition to this it has attracted squatters to move in and occupy whatever vacant land they can build on. Hence in most of these incomplete subdivisions there is a mixture of dwellers paying land rentals and those that do not. This is a critical issue and a challenge to the government as funds were spent earlier on to develop for proper subdivisions and government is now re pouring funds to complete, fully service and legalise these subdivisions.

The strengths of the Ministry are the government allocations on capital projects for the upgrading of informal settlements and its capacity to monitor the funds and work progress of other agencies involved in rental public and social housing. A weak area that should be addressed is the coordination and monitoring of projects with the key housing stakeholders to ensure that projects are well planned and executed within the set time frame and within the allocated budget. The present establishment in the Ministry needs to be restructured to have a clear definition of its roles. The lack of good consultants and contractors is a hindrance to undertake projects and complete them in t time.. Like other forms of public and social housing discussed, likely threats are the high cost of land to be secured for resettlement purposes and high cost of building materials and non availability of funds if our current economic situation continues.

The issues and challenges identified are:

- The incomplete state of subdivisions on state land that are expected to be upgraded and fully serviced and completely developed to provide for secure tenure.
- The extension of the upgrading projects to cover vakavanua settlements and those on freehold land.
- The high cost of upgrading projects and long timeframe to complete due to the slow and time consuming nature of minimizing the risks to the sitting squatters.
- Set up community savings and credit facilities to enable communities to raise finance and contribute to the cost of the upgrading / resettlement programs.
- Intensification of squatter settlement upgrading and resettlement and the need for increased funding.
- Ensure that government housing assistance is available for genuine deserving people only and cost is recovered for all developments to avoid handouts.
- Identify settlers with reasonable income who can afford house sites and build homes in developed subdivisions and encourage them to move out.

- Sites owned by tenants who rent out homes but do not live in the settlement to be given up for genuine ones who need home sites.
- To encourage joint ventures with NGO's and foreign donors to relieve government on the development cost.
- The need to integrate housing with community, civic development, and micro finance developments as a measure to build sustained communities.
- Adopt the present development controls measures set by the Department of Town & Country Planning on Residential Upgrading rather than developments based on the other zoning categories that are restrictive and not flexible to properly address the real situation.

11.0 Village Housing.

The lands on which proclaimed villages occupy are on village reserves within native reserved land. The village boundaries are determined at a distance in the most outer dwelling house. For each tokatoka (family unit) their yavu (house site) are known to the villagers themselves and remain the site for that particular family. As families expand new house sites are required and this results in the extension of village reserves. In instances especially in villages closer to urban and peri urban areas families have moved out of village reserves and form family settlements on their parcels of native reserves where they build homes and cultivate the land for subsistence use.

With the communal ownership rights, building sites are not individually legalized as they fall within reserved areas. While villagers are fortunate to have free home sites, access to finance home construction is not available except from FPNP and HA in their village housing scheme and also from Ministry of Provincial Administration. Despite this constraint villagers have made a lot of efforts to build good homes through their personal funding or assistance from the three agencies as well as the Ministry of Social Welfare and Poverty Alleviation. This has improved the type of permanent home structures built in the villages that can withstand natural disasters. In the absence of demarcated surveyed village boundaries and house sites the Ministry of Taukei Affairs sees the need to work on this to ensure that extended boundaries are not subject to land owning units disputes. There is also the need to develop village scheme plans to guide and direct housing development and other village community uses within a village reserved area and areas for future extensions.

At present the By-laws in the Fijian Affairs Act that control housing developments is outdated and was repealed in the late 1950,s or early 1960.s and has not been used for proper layout and sitting of buildings. Public Health Act requirements and Town Planning requirements on building construction do not apply in village reserves hence the structural safety of homes is debatable.

The strengths noted is the communal sharing of land and free house sites that do not incur any cost. Against this strength a weakness is the inability to use the house plot as a mortgaged item to secure finance for decent and safe houses. An opportunity that is readily available is the presence of available land to accommodate house plots for home construction. Expected threats are disputes amongst landowning units on the extensions of village reserves into their native reserves parcels of land and location of most villages on disaster prone areas especially those that can be affected by climate change.

Issues and challenges identified are:

- The importance of clearly demarcating village reserves and their boundaries and house sites.
- Encouraging village community financial contribution for housing developments and the continued communal help in house construction.
- Promote and encourage community savings with internal access to loans and grants similar to the arrangement recommended by PCN.
- Continued support of the present agencies in funding home construction in villages and assistance of NGO's in arranging building materials and house construction.