

Republic of Fiji

The National Housing Policy

1.0 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 from 3.3% in 1960's to 0.7%, Fiji has experienced a rapid urban growth 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. During the five-year period, compared with a low 3 percent increase of the households in rural areas, the number of urban households has grown by nearly 12 percent¹. 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 poverty level in Fiji remains high with 31 percent of the population living in poverty. It is important to note that urban poverty (19%) has decreased, while the poverty in rural areas (43%) has grown significantly. During 2002 and 2008, the household incomes in urban areas have shown a substantial increase of 59 percent while in rural areas incomes have decreased by 11 percent. Underperforming rural economies and the promise of a better future in the city are the main drivers of rapid urban growth. Therefore these indicators signal a potential for a higher rural–urban drift that are likely to have serious implications on the already unsatisfactory housing conditions of the urban poor².

1.1.3 The number of people living in squatter settlements in Fiji has already shown a sharp growth in recent years. It is variously estimated that close to 7 percent of Fiji's total population and nearly 15 percent of the urban population live in over 200 squatter settlements around the country. Some argue that actual numbers could even be higher. 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, as shown in the nation's key planning and development frameworks, housing had been a

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 (RDSSD) 2009 -2014

development priority of the Fiji Islands since her independence and the government has formulated and implemented housing policies and strategies under its National Development Plans and National Strategic Plans.

1.2.2 The broad vision in the government's Roadmap for Democracy and Sustainable Socio Economic Development (RDSEED) 2009-2014 is "A Better Fiji for All". Under its social agenda, the RDSEED 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. 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, the government is committed to an important mission. This will be to formulate and implement sustainable and affordable housing policies to facilitate the achievement of the nation's housing vision embodied in the above national planning frameworks. The Urban Policy Action Plan (UPAP) complements this and seeks to ensure a robust land market that will facilitate urban development and affordable housing.

1.2.4 **The** National Housing Policy proposed here is tailored to support the national development priorities of the People's Charter and the Roadmap for Democracy and Sustainable Socio Economic Development (RDSEED) 2009-2014. 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 be in compliance with priorities of global development in several respects. The policy will contribute to national poverty alleviation, the overarching objective of global development in the new millennium. It is built on the principles and guidelines of the United Nation's Habitat Agenda adopted by the global community in Istanbul in 1996 and will 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, because of the positive links housing has with the wider economy, a well functioning housing sector will promote economic growth and improvements in life quality of the people, and help to raise the relative ranking of Fiji's Human Development Index. In recommending its policy mediations, the National Housing Policy has 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 role 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 scarce public resources to help the poor to house themselves - an investment believed to bring little or no return to the national economy. On the contrary, housing is a key productive sector of the economy. The new housing policy must be derived from a better understanding of how the supply and demand sides of the housing market can be made to work better through efficient management of its components such as land, finance, residential construction industry and building materials. This will 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 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. They included, providers of public and social housing, infrastructure authorities, representatives of municipal councils, Native Land Trust Board, Lands Department, Ministry of Provincial Administration, Ministry of Indigenous Affairs and some Financial Institutions.

1.4.2 As discussed previously, in agreeing on the vision, objectives and strategies of the policy, the Committee was guided by the Roadmap for Democracy and Sustainable Socio Economic Development (RDSSSED) and the Strategic Framework for Change. It also considered the housing issues, objectives, policies and strategies covered in the Urban Policy Action Plan (2006 – 2014). These three documents provided the overall guidance in the formulation of the National Housing Policy.

1.4.3 The preparatory work involved wide consultations managed through a series of three stakeholders' 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 covered social housing, 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 towards the last week of May. The Ministry with the financial assistance of UN-Habitat appointed a Housing Advisor to assist in 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 policies and strategies with the intention of incorporating their final comment into the policy.

1.5 Major Housing Problems and Issues in Fiji Islands

1.5.1 Fiji Islands has a total housing stock of 173,000 units. Given its population of 837,000 and the average family size of 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 over the last five years both the growth rate and average family size have shown a healthy decline⁴. Fiji Islands is a middle-income country with a GDP per capita of 5800 FJD⁵ and an economy that has shown resilience during the last decade growing at an average of over 5 percent at current prices (1.8 percent at constant prices). The growth rate that had slowed down during 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, the challenge is in meeting the housing needs of the urban poor – an area where recent efforts of the government have found to be inadequate. Future additions to the national population will be largely taking place in its cities, led primarily by the in-migrants from villages. Past policies however, have failed to meet growing needs of housing of this people, resulting in a rapid growth of squatter settlements. Since better housing is a dream of every family, housing conditions of the poor will improve over time with increased incomes, with higher incomes turning their latent demand for housing into an effective demand. However, in a situation where benefits of economic growth are not equitably distributed, the low incomes of the urban poor will continue to restrict their ability to house themselves better. Therefore the poverty and the limited affordability of this group who form the section of the population most in need of housing will continue to have important policy consequences. Since it is incumbent on the government to assist all its population to be adequately housed, the national housing policy proposes to introduce a series of special interventions to help the sections of the poor to improve their housing circumstances through collective efforts.

1.5.3 In the medium to long term the housing policy will address the housing needs of all sections of the population by improving their accessibility to housing resources. The challenge facing the government in this area is to meet the resource needs for bridging the shortfall of urban housing, the new demand created by family formations, improving the quality of the existing housing stock, age replacement of the current stock, and improving the access to services. The unmet demand for better housing of the population living in squatter settlements is a long neglected

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

area of need, which will receive special focus of the policy. In doing so, it is important to capture the advantages of the socio-economic positives of the country to increase investments in housing. 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 land, infrastructure, finance, and regulatory and institutional framework. A well functioning housing market will enable a larger section of the population to access the inputs for housing them better.

1.5.4 The country context is crucial for drawing ideas for effective policies and strategies. In the following sections an attempt is made to sketch the prevailing problems and issues in the performance of the housing sector in Fiji, in order to be able to delineate the areas of focus of the new national housing policy.

1.5.5 Urban Growth: The growth of the population (0.7%) has decreased significantly from the high levels of growth experienced in 1960s (3.3%). This was followed by a significant 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. Accordingly, the urban population is expected to reach 70 percent of the total population within the next five years. This will increase the demand for urban housing, create a significant gap in the supply and demand in urban housing and increase the burden on the already stretched urban services.

1.5.6 Quality of Housing: The magnitude of the housing backlog in general is not a reliable indicator of the actual housing needs 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 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 the permanent material use is around 52 percent. The balance 30 percent of the stock is built of tin and iron sheets. Traditional and temporary materials are being used less and less in house building and this is evident from the fact that houses built with such materials represent a little over 3 percent of the total housing stock at present. Squatter housing numbers available are considered unreliable but estimated to be around 12,630 units or 7 percent of the housing stock, 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
Bore Materials	186	2,966	3,152	2
Make-shift 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 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 their ownership is secure under customary law. 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.

1.5.7 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 discuss the unchecked growth of squatter settlements. The rural migrants began moving to urban areas, especially Suva city, around 1950's. Since most of the new migrants could not afford reasonable and secure housing, they had no option but to settle in informal settlements or squat in locations convenient to their places of work in the urban areas. The continued urban growth and the increase of population since then have exacerbated the problem, which has over time grown into a critical social issue that needs early policy attention. An estimated population of 60,000 people comprising of nearly 15 percent of the urban population are believed to live in about 200 squatter settlements so created.

1.5.8 The majority of the people living in them are poor. The poor however are not a homogenous group. Their poverty incidence varies not just between urban and the rural poor, but from community to community and from household to household. Addressing the housing needs of the poor is a key objective of the housing policy. To achieve this, shelter strategies will be adapted to suit their particular circumstances. The experiences in other countries have shown that squatter settlements are largely a legacy of the past policies that failed to address the specific needs of the urban poor. The future policy will be far more inclusive and will attempt to mainstream them in the national housing process. It will help them to access better housing through means affordable to them and form them into viable communities that are able to contribute their collective energies to complement the effort of the government to house them better.

1.5.9 Rural and Village Housing: Nearly half the population of Fiji Islands lives in its villages. Of the total of 50,978 households in the villages, 68.5 percent live in the central and western divisions of the country. This can be attributed to the convenience of location that gives them easy access to urban centres and the services. Better access to finance to upgrade homes or build was another contributory factor. Of the rural households, 29 percent have secure tenure. Even though they live on native lands that do not offer freehold rights, they enjoy 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, Fijian villages and rural farmsteads have gradually moved from building *bure* type homes to building with permanent materials. The 2007 Census noted that only 2 percent of the homes are of the *bure* type. An important reason driving this shift was the need to improve the structural strength of the house to withstand natural disasters. Another factor is that Fiji has improved its national coverage in the provision of settlement infrastructure services, and the houses built with permanent materials are better able to qualify to access services such as water, electricity and telecommunication etc. 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.

1.5.10 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 (RDSEED) 2009-2014 called for enduring solutions to the issue of access to land to promote productive economic and social investments. It has asserted that land is in abundance in Fiji and the key issue regarding land is one of access and improving utilization.⁶ 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 for land for housing 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.

1.5.11 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 institutional finance by families wanting to build or improve houses and by the private developers therefore is a major motivator in enabling housing production, maintenance and growth in the sector. Housing mortgage market needs to be further developed and its operations are made more creative in order to enhance its coverage. 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 also make it difficult for them to qualify for institutional finance under standard banking practices.

1.5.12 Basic Residential Infrastructure: Indicators of access to basic services in Fiji in general present a positive picture. Over 73 percent of the households in rural and urban areas have access to flush toilets, most of which are individually owned with only 5 percent shared by 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

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

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.

1.5.13 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 cost of housing unaffordable to the population. An important area of focus is also the increase of serviced land to house builders that will also help reduce speculative land prices. Much could be achieved by coordinating the investments of national infrastructure agencies, and getting them to focus less on narrow physical objectives such as miles/kilometers paved, lengths of pipes laid etc. and more on opening up serviced residential land for housing development.

1.5.14 Building Materials: The inflation and high cost of imports have increased the market price 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. With rising costs of materials the affordability levels of the majority will be further eroded. Cheaper building materials will help a larger number of poor families to access better housing solutions. The need to reduce monopolistic practices, improve local production, explore opportunities for substitution with locally produced materials and possibility of the reduction of current import duties need to be reviewed with a view to increasing the availability of building materials and reducing market prices.

1.5.15 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, review tender procedures and regulations, classify contractors according to their performance and capacities 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.

1.5.16 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.

1.5.17 Physical and Environment Planning and Building Code: The Town Planning Act provides the legal framework for physical planning and its provisions apply to all declared town-planning areas in Fiji, including declared municipal areas, rural town planning areas and general town planning areas. Site development is regulated 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 areas of growth 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 resultant 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.

1.5.18 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. The code applies mostly to permanent structures for purposes of insurance. However, the standards set in the Building Code appear unrealistic since they cannot be met by less permanent structures that are common in rural areas and villages as well as in squatter/ informal settlements that make the majority of the nation's residential units. To overcome this weakness and to make standards affordable to lower income groups, a review of the Building Code and customizing it to suit local needs is necessary.

1.5.19 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 in the last decade has been estimated at half a billion dollars, and the droughts have seriously affected agriculture including the sugarcane cultivation impacting seriously on the economy of the rural population. An increase of both the frequency and the intensity of the disasters have been observed in the recent years. To this long list of disasters the nation had battled in the past, a new one has now to be added: climate change. As the global warming increases the weather patterns are expected to change and become more extreme. Fiji has a fragile environment because of its location, geographical isolation and endemic vegetation and life forms. They make the country vulnerable and the expected change is likely to affect Fiji more seriously than others. 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.

1.5.20 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 undertaken by the Authority. It does not cover issues on actual physical land developments and home construction that are regulated by the Town Planning Act, the Subdivision of Land Act, Public Health Act and Local Government Act. In proclaimed Fijian villages the Fijian Affairs Act administers housing. A serious gap here is the absence of an agency to review the overall performance of the housing sector as a whole and monitor how its key components are governed by policy, institutions and legal frameworks to clear hindrances to its efficient performance, to increase the potential contribution the sector will make to national development as a key sector of the economy.

1.5.21 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 14th0), 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.

- 1.5.22** These legislations are administered by different authorities and contribute to the disjointed and uncoordinated development. They are also the cause for inordinate delays experienced by the public in accessing land for housing and securing approval and even delay government's own programmes designed to supply houses to the population.

2.0 THE DIRECTION AND CONCEPTS OF THE NEW NATIONAL POLICY

- 2.1** The vision of the new policy is to provide “Affordable and Decent Housing for All”. It will take targeted measures to enable all income groups to realise their respective housing needs, and create better access to resources through a supportive policy environment. Primarily, the policy aims to improve the performance of the housing sector to bridge growing gap in the supply of urban housing, improve the quality of housing, meet the new demand for housing, and replace the aged stock of housing, where necessary.
- 2.2** In addition, the housing policy will place emphasis on improving the quality of life of the people living in squatter settlements. It will harness the resources of the state, private sector and the initiatives of the communities, to address within the next 10 years, tenure rights and basic service improvements of all squatter settlements and integrate them in the mainstream housing process. It will also take measures to prevent the formation of squatter settlements in the future.
- 2.3** To achieve these ends, the policy paper aims to create a positive view of the housing sector and improve its contribution to the national economy. Housing is a key sector of the national economy, and the policy will enable the key components of the sector to perform better and impact on the key socio-economic outcomes contributing to national development.
- 2.4** However, for it to contribute its potential, the government recognizes the need for a distinct shift from its past policies to focus on managing the housing sector as a whole. It will move away from the present practice of investing all its energy and resources on producing houses for a small section of the population, missing out on the opportunity to serve the larger 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 that will compel the government to confine its efforts to a limited housing agenda of the conventional form. The policy therefore advocates a 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 at our disposal, nothing compares with the latent energy of our people. The housing policy aims to unleash that energy, ingenuity and resilience not only to get better houses on the ground but also to make them partners of development in 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 public housing effort of a traditional nature. It also recognizes that the resource limitations of the government will prevent it from reaching out to assist them beyond a point. The policy believes that this calls for an honest and 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 three areas of need discussed in the previous sections; namely, 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 towards home ownership. Rental housing is a cost effective option to the new entrants to the city to find better quality accommodation. For the poor in particular, availability of affordable space to rent is a better alternative to being forced into a life in squalor of a marginal settlement. Developing this market by additions of space to existing units could also be 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 to grow in parallel with the growth of urbanization and the increase of its urban population. While the demand is presently concentrated in urban and peri-urban areas, this is expected to grow in rural areas as well if integrated hotel development and major investment projects proposed in rural areas materialize. The role of the Housing Authority (HA) and the Public Rental Boards (PRB) to meet this demand for public and rental housing and the competing mandates of HA and PRB need to be reviewed. Both Agencies must explore the potential for engaging the private sector in their land development, construction and management activities. Other issues and concerns are the high management and maintenance costs of the rental housing stock of PRB, and the need to balance its social and commercial responsibilities ensuring the viability of its operations. It must also encourage those who can afford to graduate to market rented units or home ownership, to allow more deserving tenants for whom the houses were meant to come in.

The present policy of the government to provide accessible, decent and affordable housing to low income groups will continue to be a challenge in view of the large number of low income households and their limited affordability. The past experience of the Government and Non Government Organizations attempts 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.

The past attempts of the government to provide grants and subsidies were well intended. However unless subsidies are well managed and targeted, they tend to distort the market as experienced in Fiji with tenants who can afford to move out continuing to block the entry of genuine and more 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 delivery of housing 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 and resolve the conflict in their mandates, e.g. the need to remain commercially viable while delivering subsidised public housing;
- 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 of the policy will be the growth of squatter settlements and the problems arising from increasing densities of people living in them. Despite several programmes implemented to improve and upgrade, largely, the squatter settlements remain a neglected area in the Fiji Islands. With urbanisation set to grow unabated, urgent action is needed to improve their conditions and also policy measures to prevent their future formation. The numbers of squatter dwellers in Fiji or their living conditions are not serious compared to many other countries in Asia and Africa, where they had been much slower in waking up to the urban reality. The Government of Fiji has been sensitive to their situation and as reflected in their on-going programmes have recognized their need to stay in the city. The reading however, is clear that timely action and more strategic interventions to address the issues of scale are needed to avoid a replication of the experience of other countries that would further degrade the life quality of a large section of our productive and economically active urban population.

The squatter settlements have resulted from a complex mix of problems. They include rural-urban migration, natural population growth and informal

arrangements on native land or incomplete subdivisions on state land that attract people to settle in these areas. Many external factors such as delayed policy responses, skewed income distribution, income poverty of the people and the affordability levels of the households have also contributed to aggravate the situation. In addition to legitimizing their tenure and recognizing their right to stay in the city, if their future formation is to be prevented, 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 and the magnitude of the problem 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, and adopt an honest and open process to overcome the resource limitations by working in partnership with the poor. This would mean mobilising the poor, building their capacities, 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 by the communities, under the leadership of the beneficiaries, where the government encourages and supports their collective efforts. These approaches reflect the urban reality and are attempts to respond proactively to rapid and unplanned urban growth, in the face of resource limitations of the government and the poor levels of affordability of those living in squatter settlements.

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 them 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. Recognise and support initiatives emerging from communities, and promote collective community 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 and 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, in the face of the obstacles placed against them to access housing credit including by 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 Issues 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 does not provide a collateral to the occupant to raise mortgage finance for home construction or improvement. The only financial avenues available for village housing schemes are the Fiji National Provident Fund and the Housing Authority. The communal ownership of land however, results in reserve land disputes that also call for government intervention.

The Fijian Affairs Act covered village housing and by-laws under the Act regulated home construction at the time. This was repealed in the 1950's. 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 standards set in the Building Code under the Public Health Act are too stringent and not relevant to most houses built in the villages. At the same time, the quality, material use and service coverage of village houses have improved and are able to benefit from more realistic planning guidance and better regulation. 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 has 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 serviced 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 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. Further the cost of access, cost of development, transaction delays, and time delays in development approvals do not enable the land markets to operate in an efficient, equitable or transparent manner. Policy interventions are needed to clear them, including legal delays, and improve the supply of land to the market. Delays, inefficiencies and corrupt behaviour in land registration also make promotion of tenure rights 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 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 by these 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 transferred 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, as well through higher taxes on land of which the values have improved because of infrastructure services 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 that contributes 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 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 and the private sectors;
- Promote inclusive neighbourhoods to prevent the growth of haphazard and 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;
- Introduce optional/compulsory housing savings by Fiji National Provident Fund (FNPF);
- Introduce savings linked credit schemes in consultation with Banks and mortgage lenders to increase a poor family's ability to contribute to equity, 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;
- Widen promotion of micro business, cottage industry and small-scale subsistence agriculture to improve livelihood opportunities to the poor.

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 to 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

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

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, increase the 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 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 coordinated 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 wastage in the distribution and losses resulting from 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 responsibility 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 the investment made in the owner occupied dwellings is added, the overall contribution reaches almost 7.5 percent of the national GDP, without counting the tourist infrastructure. These indicators signify the importance of the construction sector to the national economy. Construction industry is considered the cutting edge of national development and should be equipped with capacity and the competence to meet the heavy demands a growing economy places on it. The industry, together with its informal actors is the mainstay of housing construction and also infrastructure provision and its capacity to respond 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 this need must 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 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. More research on the use, production and durability of local materials will assist in the reduction of costs of construction. The need to build safe and better in a disaster prone country also leads to an increase in the demand for more permanent materials. Further, availability of skilled workers and the facilities for training craftsman are factors that influence their efficiency and standards of performance and need to be addressed.

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 civil works in the provision of basic services in squatter settlements, to develop community construction skills, improve income-earning opportunities to the poor 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 supported to promote 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 present and future housing needs of the urban poor who are contributors to the city economy. The regulations and standards should not be guided by purely on design and aesthetics, 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 before, during and after planning.

Urban planning should cover present statutory boundaries of cities while also planning for its future growth and 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 subdivisions are predominant. They also must cover rapidly urbanizing towns and villages to prevent contiguous development of lands without the economies of scale required for the provision of services, making 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 safeguarding fertile land by ensuring that housing developments do not encroach on to good agriculture land because of unregulated green field conversions.

The changing weather patterns resulting from climate change will have serious impacts 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 land use planning in consideration of the demand for urban land from other users and economic activities.
- 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 owners, by providing them with 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 wide range of responsibilities to create a well functioning housing market. The public sector agencies must be made to take the policy lead to develop housing market operations through enabling

measures such as increase of the supply of serviced land for housing, plan and coordinate the investment budgets and implementation programmes of infrastructure agencies, help housing finance agencies to raise mortgage capital and minimize their risks of lending, review and revise the planning standards and building codes, monitor the performance of the housing sector, and initiate research and knowledge management to enhance the overall performance of the sector.

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 performance monitoring mechanisms;
- 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 /Strategy
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 NLG deliver an effective and timely supply of affordable zoned land for housing (refer to Matrix 4.1). 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 and 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 and discourage squatting. 8) Initiate the development of formal systems of mortgage finance in consultation with the commercial banks and social security funds. 9) Promote the rental housing

Issues	Policy Measures	Policy Intervention /Strategy
		market as an attractive investment for both low and other income groups. 10) Review the present housing subsidy policies. 11) Target subsidies only to the deserving poor. 12) Monitor the housing sector performance on a regular basis. 13) Provide technical and financial advisory services to prospective house builders.
3) The conflicting nature of the key responsibilities of HA under the two legislations. 3a) The need to refocus PRB's role that is predominantly socially focused to one that can be commercially viable.	1) Determine and establish the financial viability of both HA & PRB in meeting their social obligations, at the same time commercially and profitably viable.	1) Merger of HA & PRB as a cost reduction measure. 2) Review of their individual operations to identify issues and measures to address their social and commercial obligation. 3) Transfer the maintenance cost of public housing to tenants due to the cost of maintenance. 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.
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. 4a) Inability of HART to provide supply of destitute housing on demand due to very low rate of graduating tenants.	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.	1) Clear policies and guidelines on the ratio of market rents and economic rents for PRB's social obligation. 2) HA/PRB merger to facilitate the provision of market rent accommodation vs. facilities for economic rent. 3) Public awareness exercises to 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.
5) Contribution and effective participation of other stakeholders housing.	1) Empower all stakeholders, 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.	1) Facilitate the strengthening of social housing programmes of the implementing agencies (NGOs). 2) Fully utilize the opportunities available with NGOs in providing affordable low-income homes. 3) Support the services provided by Rotahomes and encourage NGOs, community groups to

Issues	Policy Measures	Policy Intervention / Strategies
		participate in social housing provision. 4) Promote and expand the services and assistance provided by CSO firstly to its members encourage and extend their active participation and contribution in housing to others. 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. 6) Assist government's implementing social housing agencies to be effective in executing their social responsibilities.
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 / Strategy
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 an urban community, hence the 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 settlements upgrading capital projects to facilitate secure tenure.	1) Provide security of tenure as a priority to acknowledge their right to tenure. 2) Central government to 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 <i>vakavanua</i> 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>I Taukei</i> Affairs in discouraging the growth of <i>vakavanua</i> 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 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 low 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 /Strategy
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 clear demarcation of village reserve area and formulation schematic plan showing house sites and building setbacks, access ways etc. 2) Formulation of Building By L 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) Raise awareness on the importance of village reserve and purposes by the <i>I Tauke</i> 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 / Strategy
1) The demand and supply of housing land and difficulty in accessing urban & peri-urban serviced land.	1) Implement UPAP recommendations for improving land supply for urban development.	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. 2) Land developers undertaking major integrated projects to contribute a reasonable percentage of their land for public and social housing.
	2) Recognize the diversity of land ownership systems, and create frameworks for such lands to be traded in the land markets	1) Cost effective measures to be formulated by government in consultation with freehold owners, housing providers to provide opportunities for the increased participation and contribution. 2) Enhance the administration of state owned land and use the land bank to regulate land market operations and demand. 3) Increase where possible the proportion of state land and native land made available annually for HA/PRB/NGOs. 4) Ensure that NLTB delivers an effective and timely supply of cost effective affordable native land for housing development. 5) Pro-active land use planning and infrastructure services to open up underserved/non serviced areas for housing.
	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;	1) Introduce regulations to curb speculation of land and property. 2) Advance and pro active planning to identify suitable freehold land outside the Greater Suva area that could be lower in price for development. 3) Public & social housing providers to have Memorandum of Understanding with NLTB on premiums and leases. 4) Awareness programs by NLTB Ministry of / I Taukei Affairs on

Issues	Policy Measure	Policy Intervention /Strategy
		the importance of security of tenure and proper release of land for housing development 5) Encourage and provide land owning units with alternative development packages to develop their land for formal housing. 6) Joint ventures with NLTB, landowners, housing providers infrastructure authorities etc on housing development. 7) Provision of government subsidies / grants for social housing land to be purchased or leased for upgrading or relocation. 8) Provision of land in new large HA developments to cater for public rental and social housing for HART and other NGOs.
	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.	1) Present operation of Ministry Lands Land Bank & Land Use Planning to be expanded and strengthened to regulate land market operations. 2) Encourage land assembly, development and disposal both in the public and private sectors.
2) Informal Settlements occupying prime housing land in urban and peri-urban areas due to poor promotion of security of tenure.	1) Improve tenure of the poor by regularizing informal settlements.	1) Review and modify policy planning, implementation and cost recovery parameters /standards of informal settlements upgrading approach. 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. 3) Identify and impose appropriate tenure lease conditions/ restrictive covenants to avoid sale of allotment for higher value after a settlement is upgraded. 4) Consider the time bound tenure may be ten years, as precondition to housing development and a motivation to save for housing and long lease on community coming

Issues	Policy Measure	Policy Intervention / Strategy
		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 issued under Approval notice to Lease/ Agreement for Lease are fully completed to avoid pouring of government funds for their upgrading. 2) NLTB & Ministry of Lands to issue Development Leases for proper housing development instead of undertaking developments without completing construction work
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 (<i>yavu</i>) for home construction future expansion areas of a village reserve and schematic layout of home site allotment 2) Public awareness by Ministry of <i>Taukei</i> 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 (<i>tiri</i>) areas to be relocated for safety reasons. 2) Villages located on foreshores subject to risk of sea level rise relocated or measures set in place to address this risk. 3) Natural hazard areas are developed with mitigation measures in response to natural hazards.

4.5 Matrix 5.0: Housing Finance

Issues	Policy Measure	Policy Intervention/ Strategy
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 functional 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 institution 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 employers to reduce defaults 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 writing mechanisms such as housing guarantee fund and community intermediation to help banks to reach down market without risking their capital.

Issues	Policy Measure	Policy Intervention/ Strategy
3) Access to housing finance.	1) Identify avenues of housing finance.	1) Introduce policies to improve access to mortgage finance, home improvement credit to income groups and unlock housing credit to those who cannot 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 sector for housing projects. 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 should be able to borrow from international sources. 7) Reorganize and strengthen the financial institutions with human 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.

Issues	Policy Measure	Policy Intervention/ Strategy
4) Continued government financial assistance.	1) Financial assistance through exemption of government duty and tax, Grant and subsidies.	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.
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 / Mini 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 a realistic contribution that should be levied and adopt cost recovery measures.

Issues	Policy Measure	Policy Intervention/ Strategy
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 bank services to optimize the saving habit of setting aside money for future housing. 5) Encourage providers of housing finance to better reach down 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. 8) Adopt a more flexible and innovative approach in relation to credit appraisal to reflect irregular earning patterns of the poor. 9) Introduce policies and innovative practices to unlock housing credit to those among the poor who can afford credit. 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.

Issues	Policy Measure	Policy Intervention/ Strategy
	2) Wide promotion of micro business, cottage industry and small-scale subsistence agriculture.	1) Relocation of informal settlers to agricultural land for farming as a source of income and employment. 2) Creation of economic activities in rural areas or growth centres.

4.6

Matrix 6.0: Residential Infrastructure.

Issue	Policy Measure	Policy Intervention/Strategic
1) High infrastructure cost and its flow on effect on development cost and cost of housing lots and homes.	1) Encourage infrastructure agencies to invest within a coordinated plan in the provision of services to optimize the benefits of investment. 2) Open new land for housing through the provision of trunk infrastructure. 3) Subdivided underdeveloped areas to be provided with reticulated sewerage systems. 4) Promote appropriate local and affordable sanitation alternatives. 5) Housing provider to share infrastructure and service costs with infrastructure agencies.	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. 1) Trunk infrastructure and extension works to be undertaken on the basis of identified present and future housing areas and housing developments. 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. 1) Ensure that sewerage reticulation is provided and existing house sites are connected to the system to increase development density. 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. 1) Memorandum of Understanding on cost sharing mechanism to be formulated and adopted.
2) High cost of Infrastructure provision in social housing projects.	1) Subsidize infrastructure and service costs on social housing.	1) Memorandum of Understanding between Infrastructure and service providers and social housing providers e.g. NGOs on reduced cost measures.
3) High infrastructure cost on informal settlement upgrading	1) Formulate and adopt cost cutting measures for upgrading projects.	1) Involve communities in the provision of services to stimulate the local economy and improve

Issue	Policy Measure	Policy Intervention/Strategies
projects.		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/ Strategy
1) Challenge to construct homes at high cost as cost is transferred owners/ tenants and issue of affordability arises.	1) Review fiscal and tax policies on building materials and machinery. 2) Determine fees charged to be levied.	1) Review present duties and taxes levied on construction materials to determine lowering of duty/tax or exemption of certain taxes / duties. 2) Basic building materials to be under price control. 3) Relief income tax on annual interest for first homebuyers. 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.
2) Suitable and affordable homes for lowest income groups.	1) Reduce labour cost. 2) Encourage the use of local building material and construction technologies. 3) Promote and encourage the gradual upgrading of homes.	1) Promote artisans group who could undertake housing construction for owner builders. 2) Encourage and enhance the practice of 'sweat equity'. 3) Train local settlement builders in new technologies and efficient construction management. 1) Support building research to promote wider use of traditional building materials and new cheaper materials and low cost construction technologies. 1) Community group with the contribution in Community Banking or Credit facility be supported to undertake gradual upgrading of homes i.e. Corrugated to timber to concrete.

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 Code 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 land use 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.	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/ Strategy
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 and enabling principles underlying the new housing policy. 3) Introduce condominium law to improve 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, enable them to be aligned with the objectives and spirit of the new housing policy.
3) Reviewed, Reformed and strengthened Institution.	1) Institutional strengthening and capacity building of the Department of Housing.	1) Vest the Squatter Settlement Upgrading Unit under the Ministry with powers and

Issue	Policy Measure	Policy Intervention/ Strategy
	2) Merger of HA and PRB.	resources commensurate with 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.