

CONSTRUCTION SECTOR

Fact Sheet

BACKGROUND

The construction industry includes the design and construction of residential, commercial, and industrial buildings, sports and recreational facilities, and public amenities. In 2019, the construction sector contributed 2.9 percent to GDP directly, with 66 percent classified as formal construction activity and the remainder as informal construction. The construction industry provides employment to around 10,000 people.

CURRENT STATUS

The construction industry is governed by a broad framework of legislation including the Public Health Act 1935, Public Health Regulations 2004 (National Building Code), Regulations of Building Permit Act 2017, Regulation of Building Permits Regulation 2020, Climate Change Act 2021, Roads Act 2014 and Fiji Roads Authority Act 2017. The construction sector has picked up post-COVID. The total value of building permits issued arose from \$203.8 million in 2010 to \$305.8 million in 2022. The private sector represents more than 65 percent of the construction output and 35 percent from the public sector.

CHALLENGES

1. *Legislative reform:* Need to review legislative and institutional framework to better respond to cross sectoral demand particularly the National Housing Code.
2. *Technological transformation:* Need to improve preparedness to embrace new technologies and innovation to enhance the climate resilience and adopt green building practices.
3. *Price of materials:* Need to address increasing price of building materials and influx of low-quality materials.

4. *Labour shortage:* Need to address shortage of labour and skilled workers.

FUTURE POLICIES AND STRATEGIES

- **Review institutions and legislations:**
 - ✓ Complete the revision of the National Building Code enacted under a new Building Act.
 - ✓ Develop legislations on licensing of builders in consultation with industry leaders.
 - ✓ Establish an agency to implement, monitor and register builders and professionals in Fiji benchmarked against international best practices.
- **Enforce current legislations related to construction sector:**
 - ✓ Identify agency within the government to monitor and enforce compliance with the National Building Code and any other sector regulations.
 - ✓ Raise awareness of the National Building Code and compliance requirements.
 - ✓ Introduce assistance and incentives for compliance with National Building Code particularly for house construction in rural areas.
- **Reduce brain drain of skilled and experienced construction workers:**
 - ✓ Introduce policy to bond workers upon graduation who have been sponsored to obtain qualification to enhance capacity.
 - ✓ Introduce apprenticeship program in government agencies, private sector and training institutes to develop construction skills.
 - ✓ Revise and streamline processes related to immigration laws to allow inflow of foreign specialised skilled workers.
 - ✓ Reform wage structure in the construction sector to retain workers.

➤ **Increase skilled workers for the construction industry:**

- ✓ Initiate construction training centres like Monfort Boys Town with recognition from Fiji Higher Education Commission.
- ✓ Reactivate and introduce apprenticeship programs within Disciplined Forces and Government Agencies related to construction industry skills.
- ✓ Reduce entry level requirements for certificate level programs related to the construction industry which is currently Year 12 pass.
- ✓ Foster partnerships between the government and educational institutions to tailor curriculum and training programs to sector needs.

➤ **Enhance environmental sustainability and climate resilience:**

- ✓ Embrace eco-friendly construction by using energy efficient designs and sustainable materials to reduce impact on the environment.
- ✓ Include measures in construction projects to preserve nature.
- ✓ Design projects with climate change in mind
- ✓ Educate the local communities about sustainable construction practices.
- ✓ Encourage sustainability adoption by offering incentives.
- ✓ Set and enforce clear environment standards for construction projects.

➤ **Reduce the cost of construction materials:**

- ✓ Regulate and limit the mark-up on essential building materials.
- ✓ Create an e-commerce platform to disseminate price information.

➤ **Promote Entrepreneurship:**

- ✓ Encourage entrepreneurship within the construction industry for skilled workers to establish their own enterprises.