



**EIGHTH REGULAR SESSION**  
**FINANCE AND ADMINISTRATION COMMITTEE**  
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**Housing for Professional Staff**

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**WCPFC8-2011 –FAC5/14b Rev 1**  
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**Introduction**

1. This paper provides a report on the experience and lessons learned from implementing the housing policy of the Commission over the past six years and makes some recommendations for the consideration of the Finance and Administration Committee. The paper presents a brief background to the current Commission's Housing Policy; lessons learned from implementing the policy and some suggestions for consideration by the Committee in addressing these issues.

**Background**

2. When the Commission was first established in Pohnpei one of the issues facing the Executive Director and staff was the availability of suitable housing for professional staff in Pohnpei. This is still the case today and while the Secretariat has, within the current rental policy, established a limited portfolio of suitable housing the situation is far from adequate.

3. WCPFC3 endorsed an approach of securing staff housing through rental policy for at least the immediate future. This was done rather than attempt to develop a housing compound. The Secretariat was then to monitor the availability and cost of housing.

4. In order to provide adequate professional staff housing, the Commission has entered into leases with landlords on a long term basis. These long-term leases put the responsibility on the lessee (Commission) to bring the houses up to standard and to maintain them with the advantage that it effectively keeps the rent low. As such, the Commission invests in the repairing of houses and provides security upgrades to ensure as far as possible staff safety and security of their assets. The maintenance of houses by the lessee is a standard practice in Pohnpei.

**Current Housing Policy**

5. The current staff policy for house rental is that the Commission provides each professional staff member an allowance of up to USD1,125 per month. Under the current policy, leases that have been entered into that are less than the USD1,125 per month result in the staff member being paid the balance of the entitlement. This practice appears to have been in place in the Commission since the beginning. The Commission leases the house for the Executive Director and can lease up to a value of USD2,000 per month.

6. The current policy was put in place in 2006 following WCPFC3. The Secretariat continues to monitor the price of rents in Pohnpei for housing professional staff and although limited, the lease costs continue to increase. Recently the Commission leased two 3 bedroom units unfurnished at USD1,200 per month. This is a standard cost now in Pohnpei for a reasonable standard of accommodation.

### Issues Arising

7. In order to secure long term rentals, the Secretariat has had to invest in houses in order to bring them up to an acceptable level. This typically involves installing security bars, replacing rotten materials, upgrading electrical systems and providing a basic set of furniture. Once the initial investment in the house has been made, long term rents have been established at a rate lower than the market value. In order to maintain the low rate, landlords expect the Secretariat to provide all maintenance on the houses.

8. Until recently when the Secretariat terminated the lease on one house, the Secretariat has two houses that cost USD900 per month. The costs for maintenance and security upgrades paid by the Commission for these two houses was USD18,100. The final cost to the commission was USD27,000 in housing allowance paid to two staff members plus the USD18,100 for maintenance. This averaged out to USD1,875 per month per house paid by the Commission. The difference between the Housing Allowance and the rent is kept by the staff member. In this case, the total amount kept by each staff member was USD2,700. In another two houses, the Secretariat had to invest in furniture and security upgrade. If houses are rented under individual leases, the money invested into upgrades is lost once the staff member decides to leave Pohnpei or move to another house.

### 2011 Costs

House	Rent per Month	Housing Allowance per Year	Maintenance/ Security Upgrades	Total Cost to Commission per Year	Total Cost to Commission per Month	Cost to Renter per Year
Nankowm 1	900	13,500	10,398	23,898	1,991	-2,700
Nankowm 3	900	13,500	7,300	20,800	1,733	-2,700
H&E 1	1,200	13,500	2,650	16,150	1,346	900
H&E 2	1,200	13,500	2,650	16,150	1,346	900
Ahi 1	1,500	13,500	0	13,500	1,125	4,500

### Proposals for Consideration

9. The Commission needs to retain a suitable portfolio of adequate housing for all non-locally engaged staff at the Commission. The housing should be of an adequate standard, be safe and secure. Having lived with the housing issues now for the last 6 years in Pohnpei and monitored the rental situation the Secretariat proposes the following changes for consideration by the Committee.

- a. That the Secretariat be responsible for maintaining a portfolio of adequate housing for Commission staff and the rental allowance be no longer applied.
- b. The rental amount, excluding the Executive Director, be set at a maximum of USD1,500 per month and be adjusted to meet the market each 3 years.
- c. The amount for the Executive Director is currently set at USD2,000 per month be adjusted to meet the market each 3 years.

**Estimated Cost**

10. The estimated costs for implementing this change are:

2012 – 0

2013 – 1,800

2014 – 1,800

**Recommendation**

11. The Committee is invited to recommend to the Commission that:

(i) consider this proposal and make the necessary recommendation to the Commission