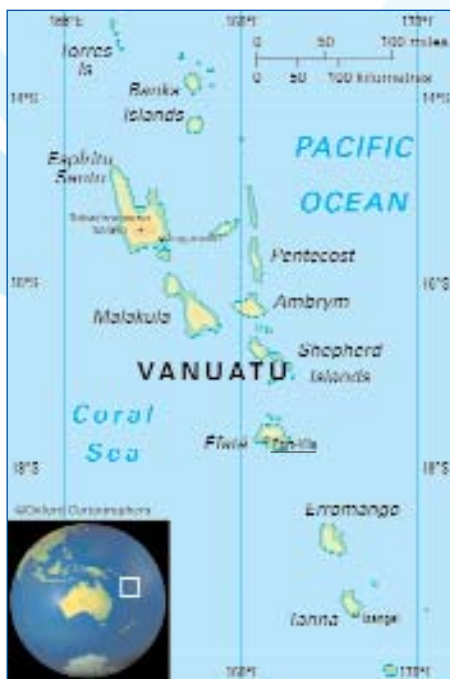


THE LOCAL GOVERNMENT SYSTEM IN

VANUATU



1 INTRODUCTION

The Republic of Vanuatu is a unitary state located in the south Pacific. It is an archipelago of some 80 islands, 65 of which are inhabited. Its total population is 211,971¹ and its land mass 12,190 sq km. It has two official languages, English and French.

The head of state is a non-executive president elected by an electoral college comprising the members of parliament and the presidents of the provincial councils. The president's term of office is five years. The prime minister is the head of government and appoints the 12-member cabinet from amongst the members of parliament. Parliament, which sits in the capital Port Vila, is unicameral with 52 members elected directly by the first-past-the-post system in single-member constituencies for terms of up to four years.

There are six provinces – Malampa, Penama, Sanma, Shefa, Tafea and Torba. Local government comprises provincial councils and area councils.

Local government contribution to GDP was 1% in 2003/2004.

2 POLITICAL AND ORGANISATIONAL STRUCTURE OF VANUATU

2.1 Position of local government in Vanuatu
Governance policy in the past decade has

sought to rationalise the local government sphere, consolidating the local government councils into the provincial councils and amalgamating some of the single-island authorities. Also, executive powers have been removed from the presidents of the provincial councils to the secretaries-generals, who are public officers.

The last general election was held in July 2004, producing a hung parliament. There is currently a coalition government comprised of the National United Party (NUP), the Vanuatu Party (VP), the Vanuatu Republican Party (VRP), the National Community Association (NCA), the People's Action Party (PAP) and the Labour Party (LP).

The minister responsible for local government (Deputy Prime Minister and Minister for Home Affairs) ensures that provincial councils operate in accordance with government policy. This ministry is also the ministry responsible for submitting any legislation regarding local-level governance. The minister is empowered under the following legislation: Decentralisation Act and its amendments, Municipalities Act, Physical Planning Act, Foreshore Development Act and Produce Cess Act.

There have been occasions on which the minister has suspended a council and appointed commissioners to run an authority.

3 LEGAL BASIS FOR LOCAL GOVERNMENT

3.1 Constitutional provisions

Both local government and decentralisation are enshrined in the constitution. Section 82 states that the 'Republic of Vanuatu, conscious of the importance of decentralisation to enable the people fully to participate in the government of their Local Government Region, shall enact legislation necessary to realise that ideal'. Section 83 provides 'for the division of the Republic of Vanuatu into Local Government Regions and for each region to be administered by a Local Government Council on which shall be representatives of custom chiefs'.

3.2 Main legislative texts

The main piece of legislation pertaining to local government is the Decentralisation and Local Government Regions Act 1994. It has been amended twice. The provincial councils

and the Department of Local Authorities within the Ministry of Home Affairs are responsible for administering this Act.

4 LOCAL GOVERNMENT ORGANISATIONAL STRUCTURE

4.1 Main divisions

There is no substantial division. There are municipalities to govern the two urban centres while rural communities are served by local government councils.

The six provincial councils are the only sphere of local government. Each has a central administration, plus local areas headed by an area secretary who resides in the villages and reports to the secretary-general (chief executive officer) of the provincial council.

4.2 Distribution of local governments and population

The smallest local government council is Torba with a population of 7,750. The largest is Malampa with a population of 32,700. 20% of the population lives in urban areas.

5 DEMOCRATIC AND POLITICAL STRUCTURES IN LOCAL GOVERNMENT

Councils are elected through an open constituency system for a term of four years. On average there is one representative for every 1,500 citizens. There is no ward system. The mayor is elected by the councillors from amongst themselves on an annual basis. Councils operate through a committee system that makes recommendations to full council for approval.

The Minister of Internal Affairs appoints representatives to the council from amongst the women, youth, chiefs and churches. There are no elected women councillors.

5.1 Provincial councils

No committees are required by law. However, provincial councils have the discretion to establish committees as they see fit. The composition of these committees must reflect the political proportionality of the council as a whole. Many establish finance committees and physical planning committees.

5.2 Local government staffing

Staff of the local government council are recruited by the council. It has the right to

hire, discipline and fire employees. However, the secretary-general, who is the head of the paid service, is seconded from the Public Service Commission. He/she is a public servant paid by government, thus incurring no cost to councils in personal emoluments.

The provincial accountant, also a public servant, is mandated by law and seconded from the Public Service Commission. The council has the power to appoint a treasurer and other officers as it considers necessary for the proper performance of its function.

The typical staffing structure features the president as head or chairman of the council, a

2004 for local government was Vt340,022,713 (US\$2.96m)². The primary sources of revenue are:

1. Government grant	54%
2. Business licences	26%
3. Other income	14%
4. Vehicle income	2%
5. Waterfront development	2%
6. Physical planning fees	2%

While local government can alter the fees charged for various services, it has no authority over the level of taxes.

Local governments are not permitted to set deficit budgets.

8 ORGANISATIONS OF LOCAL GOVERNMENT

The Local Authorities Association of Vanuatu was established to ensure that cooperation between the local governments is maintained and to share experiences and skills and promote peer learning. It is in the process of being registered under the law following which it will be able to affiliate to international organisations.

It is a voluntary body financed by member subscriptions.

The secretariat of the association currently rests with Port Vila Municipal Council but rotates amongst the councils in accordance with its constitution.

9 INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are conducted largely through the decentralised departments that exist in the provincial councils.

10 E-GOVERNMENT

The Department of Local Authorities currently has an email network and it is intended to extend this in the near future to include the provincial councils. Many of the departments have already extended their email links to include the decentralised offices. Internet access is currently considered prohibitively expensive for the benefits that would accrue at present.

In 2004 there were an estimated 7,500 internet users, representing 4% of the population.²

11 ENVISAGED REFORMS

The Decentralisation Review Commission is to report and it is expected that this will influence reforms to be introduced over the medium and long term.

12 MISCELLANEOUS

12.1 Traditional leaders

Chiefs are appointed members of the provincial councils and make their input into local governance through this forum.

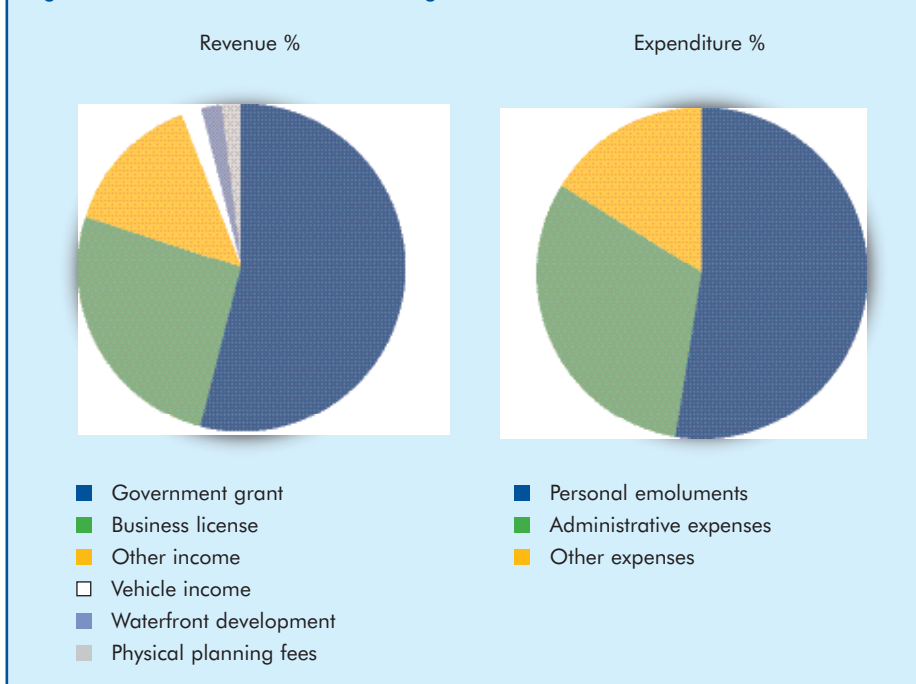
13 SUMMARY

Local government in Vanuatu comprises provincial and area committees. The decentralisation programme in Vanuatu is expected to introduce further reforms following the reporting of the Decentralisation Review Commission.

References

- 1 CIA World Factbook 2007
- 2 Vt114.8=US\$1
- 3 CIA World Factbook 2007.

Figure 1. The financial structure of local government in Vanuatu



secretary-general, an accountant to manage the council's finances and other council staff including assistant secretary-general, economist, planner, treasurer, secretary-typists, and casual labourers.

5.3 Independent scrutiny

Independent scrutiny is provided by two bodies – the Ombudsman and the Auditor General. These are empowered by the Ombudsman Act, the Auditor General's Act, the Leadership Code Act and the Public Accounts Act.

6 DISTRIBUTION OF SERVICE DELIVERY COMPETENCE

Local government is responsible for pre-school and primary education, primary healthcare, regional planning, roads, refuse collection and disposal, cemeteries and crematoria, parks and open spaces and the promotion of tourism.

7. FINANCE

7.1 Revenue

The estimated total aggregate revenue for

7.2 Revenue-sharing

The substantial transfer payments made from central to local government are subject to annual budgetary provisions and do not follow a set formula. The grants are generally specific and fall into two broad categories.

About 70% of the grants go towards budgetary support for administrative expenses and the remaining 30% is earmarked for small capital projects.

Central government pays the salaries and allowances of the secretaries-general and the accountants of the provincial governments.

7.3 Expenditure

The estimated total aggregate expenditure for 2004 was Vt 340,022,713 (US\$2.96m). The primary lines of expenditure are:

1. Personal emoluments	52%
2. Administrative expenses	31%
3. Other expenses	16%