

REPUBLIC OF VANUATU

BILL FOR THE MUNICIPALITIES (AMENDMENT) ACT NO. OF 2025

Explanatory Note

This Bill amends the Municipalities Act [CAP 126] ("the Act").

Since its last comprehensive update in 2020, the Act has presented challenges in its implementation and enforcement, particularly following significant administrative and structural changes. The Department of Urban Affairs and Planning (DUAP) was established in April 2021 and now holds administrative oversight over all Municipal councils, a function previously managed by the Department of Local Authorities (DLA). A number of existing provisions in the Act require updating to reflect this shift and to empower DUAP to effectively administer and enforce municipal regulations.

These amendments are essential to address current operational challenges, clarify procedures for council formation and the declaration of municipalities, strengthen decentralization through ward council, and clearly define the roles and responsibilities of the Municipal Clerk and other staff of the Municipality. This Bill also seeks to resolve conflicts with other legislations, review councillor entitlements and streamline quorum procedures at the council meetings.

The proposed amendments will strengthen the overall governance and accountability within municipal areas, improve the efficiency of council operations, ensure better management of urban councils, and contribute to the growth of new urban centres throughout Vanuatu. These changes are vital for effective local governance and align with the National Sustainable Development Plan's objective of strengthening local authorities and decentralised service delivery.

Minister of Internal Affairs



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An Act to amend the Municipalities Act [CAP 126].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Municipalities Act [CAP 126] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF MUNICIPALITIES ACT [CAP 126]

1 Whole of the Act

Delete “Chairman” or “chairman”, substitute “Chairperson” or “chairperson”

2 Section 1

Insert in their correct alphabetical positions:

““clerk” means the Municipal Clerk of the relevant municipal council appointed under section 19 of this Act;

“Community” means a group of people defined either by geographical location or by ethnicity, living within the Ward Area of a municipality;

“Director” means the Director of the Department of Urban Affairs and Planning appointed under the Public Service Act [CAP 246];

“Municipality” means a town or city that has its own Municipal Council;

“Municipal Council” means the legislative body of a municipality depending on the location and classification of the municipality whether it is a Town Council or a City Council established under section 3;

“Ward Area” means the territorial boundary within each municipal boundary;

“Ward Council” means the Ward Council established under section 4A.”

3 Section 4

Repeal the section, substitute

“4. Composition of councils

The Minister may by Order:

- (a) prescribe the composition of a council and the number of councillors;
- (b) provide for the election of a mayor who is to be the Chairperson of the council;

- (c) provide for the election of a deputy mayor from among the councillors;
- (d) prescribe the terms and conditions of councillors including the mayor and the deputy mayor;
- (e) provide for any other matter which may be necessary for the proper establishment of a council.”

4 After section 4

Insert

“4A. Establishment of Ward Councils

Ward Councils within each Ward Area in each Municipality are established.

4B. Composition of the Ward Councils

- (1) The Minister is to, on the recommendation of the relevant Municipal Council, appoint the following persons as members for each Ward Council:
 - (a) a chief nominated by representative bodies of chiefs in the relevant Ward Area; and
 - (b) a representative of women nominated by representative bodies of women in the relevant Ward Area; and
 - (c) a representative of youth nominated by representative bodies of youth in the relevant Ward Area; and
 - (d) a representative of churches nominated by representative bodies of churches in the relevant Ward Area; and
 - (e) a representative of business nominated by representative bodies of businesses in the relevant Ward Area; and
 - (f) a representative of persons with disability nominated by representative bodies of persons with disability in the relevant Ward Area.

- (2) A member for each Ward Council is to be appointed for a period of 4 years and is eligible for reappointment.

4C. Functions of the Ward Councils

The Ward Councils has the following functions:

- (a) to review and consolidate community action plans for each community within that Ward Council Area; and
- (b) to develop a Ward Council Development Plan for the relevant Ward Council Area; and
- (c) to coordinate, monitor and report to the relevant Municipal Council on the implementation of the relevant Ward Council Development Plan.

4D. Meetings of a Ward Council

- (1) A Ward Council is to meet at least 4 times within a year and may hold such other meetings as are necessary for the proper performance of its functions under this Act.
- (2) The quorum for a meeting of the Ward Council is 4 members of the Ward Council present at the meeting.
- (3) A Chief appointed under paragraph 4B(1)(a) is to be the Chairperson of a Ward Council.
- (4) The members appointed under paragraphs 4B(b) to (f) are to nominate from amongst themselves the Deputy Chairperson of a Ward Council.
- (5) The Chairperson is to preside at all meetings of the Ward Council and in his or her absence the Deputy Chairperson.
- (6) A Ward Council is to make its own standing orders.

4E. Sitting allowances for the members of the Ward Councils

The Minister may, by Order, prescribe the sitting allowances for the members of the Ward Councils.”

6 Part 3 (Heading)

Delete the heading, substitute “**ELECTION OF COUNCILLORS AND TERM OF OFFICE**”

7 Sections 6 and 7

Repeal the sections, substitute (in Part 3)

“6. Election of councillors

The election of members of a municipal council is to be held in accordance with the Electoral Act No. 16 of 2023 and the Regulations made under that Act.

7. Terms of office of councillors

Councillors must be elected for a period of 4 years and together with any councillor who fills a vacancy must retire together at the end of such period.”

8 Section 11AB

Repeal the section, substitute

“11AB. Responsibility remuneration

The remuneration of each councilor including the mayor and the deputy mayor is to be determined by the Tribunal under the Government Remuneration Tribunal Act [CAP 250].”

9 After subsection 12(2)

Insert

“(2A) The Clerk is to issue notice for all council and committee meetings.”

10 Subsections 12(3A) and 23(3)

Delete “Local Authorities”

11 At the end of section 12

Add

“(6) A council is to amend or review the process and procedure for its meetings, to align with this Act.”

12 Subsections 13(1),(1A) and (1B)

Repeal the subsections, substitute

- “(1) A council may hold not more than 2 ordinary meetings in a year.
- (1A) Each ordinary meeting must not exceed a period of 5 working days.
- (1B) A council is to approve its budget at its 2nd ordinary meeting, which is to commence in the month of October.
- (1C) Apart from the ordinary meetings, a council may hold not more than 3 extraordinary meetings in a year.
- (1D) Each extraordinary meeting of a council must not be held for more than 3 working days.”

13 Section 14

Repeal the section, substitute

“14. Chairperson of a council

- (1) The mayor is the Chairperson of the meeting of a council and is to preside at all meetings of the council.
- (2) In the absence of the mayor, the deputy mayor is to be the Chairperson of the meeting.
- (3) In the event where the mayor and the deputy mayor are not present, the councillors present at a meeting of a council must elect amongst themselves a member to act as Chairperson for that meeting.”

14 Paragraph 17(1)(a)

After “rates”, insert “and taxes”

15 Subsection 18B(3)

Repeal the subsection, substitute

- “(3) To avoid doubt, a deputy mayor or a councillor who acts as a Chairperson under subsections 14(2) or (3) must be paid the sitting allowance of the Chairperson.”

16 Subsection 19(4)

Delete “Director General”, substitute “Director”

17 Subsections 19(5) and (6)

Repeal the subsections, substitute

“(5) The Council is to submit a quarterly report on the performance of the clerk to the Director.

(6) The Director, upon receiving the report under subsection (5), is to submit the report to the Public Service Commission.

(6A) The Director is to give a copy of the report made under subsection (5) to the Director General.”

18 Subsections 19B(4) and (5)

Repeal the subsections, substitute

“(4) The clerk is to submit a quarterly report on the performance of the deputy clerk and to the Director.

(5) The Director upon receiving the report under subsection (4), is to submit the report to the Public Service Commission.

(5A) The Director is to give a copy of the report made under subsection (4) to the Director General.”

19 Section 19D

Repeal the section.

20 Subsections 19E (4) and (5)

Repeal the subsections, substitute

“(4) The clerk is to submit a quarterly report on the performance of the senior town planner to the Director.

(5) The Director, upon receiving the report under subsection (4), is to submit the report to the Public Service Commission.

(6) The Director is to give a copy of the report made under subsection (4) to the Director General.”

21 After section 19E

Insert

“19EA. Ward administrator

- (1) The Public Service Commission is to appoint in writing a person as a ward administrator of each council and may determine the terms and conditions of the appointment.
- (2) The ward administrator is responsible for the administration of the Ward Council and is to ensure that the ward plans align with the Municipality’s plan.
- (3) The ward administrator is supervised by the clerk and is to act only on the lawful direction of the clerk.
- (4) The clerk is to submit a quarterly report on the performance of the ward administrator to the Director.
- (5) The Director is to submit such report to the Public Service Commission.
- (6) To avoid doubt, the Council does not have the power to remove or suspend the ward administrator under this Act.”

22 Paragraph 20(4)(b)

Delete “cashier and senior town planner”, substitute “senior town planner and ward administrator”

23 Section 22

After “clerk”, insert “, on the advice of the Human Resource Officer of the Municipal and in consultation with the accountant,”

24 Paragraphs 25(1)(a) and (b)

After “;”, insert “and”

25 Paragraph 25(d)

Delete “.”, substitute “; and

- (e) to raise revenue by charging of rates and taxes.”

26 After subsection 36(1)

Insert

“(1A) In addition to subsection (1), a council may, after consultation with and on the approval of the Minister, make by-laws to provide for the following:

- (a) rates and taxes to be paid within the Municipality; and
- (b) licences that are required within the Municipality.”

27 Paragraph 37(2)(c)

Delete “Local Authorities”, substitute “Urban Affairs and Planning”

28 Paragraph 44(a)

After “rates”, insert “and taxes”

29 Subsection 51(1)

Repeal the subsection, substitute

“(1) A council must, within 2 months before the commencement of a financial year, pass detailed estimates of the revenue and expenditure of the council relating to that year.

(1A) The detailed estimates under subsection (1), must be in the form approved by the Minister.”

30 Subsection 51(4)

Repeal the subsection, substitute

“(4) As soon as is reasonable, after the Minister approves the estimates of the council with or without amendment, a copy of the estimates is to be deposited in the office of the council and must be open to public for inspection without payment during reasonable hours.”

31 Section 53

Delete “Provincial Affairs”, substitute “Urban Affairs and Planning”

32 Subsection 55(2)

Delete “fix”, substitute “determine”

33 Paragraph 55(3)(a)

Repeal the paragraph, substitute

- “(a) within 3 months prior to the end of the year, provide to the auditor, all books, deeds, council’s account, contracts, documents, receipts and voucher;

34 Paragraph 55(3)(c)

Delete “to be given”

35 Subsections 55(4),(5) and 6

Repeal the subsections, substitute

- “(4) The auditor is to report to the council once a year on the following matters:
 - (a) such information, explanations and facilities as he or she may have required to enable him or her to perform the duties of an auditor;
 - (b) the accounts of the council are in order and present a true view of the financial position of the council;
 - (c) separate accounts of all undertakings and other accounts required to be kept by the provisions of this Act have been kept;
 - (d) due provision has been made for redemption and repayment of all moneys borrowed by the council;
 - (e) such provision that are required under the provisions of this Act has been made for depreciation or renewal of the assets of the council.
- (5) In addition to subsection (4), the auditor is to report to the Minister, the Minister responsible for finance and the council on any matter which is discovered during the course of the audit and which appears to have been done or performed without due authority.
- (6) The clerk must, within 30 days of receiving the auditor’s report on the accounts of the council for any year:
 - (a) submit the report to the Minister;

- (b) provide to the council during a council sitting, such account for each year together with the auditor's report.
- (7) In the event where there is no council sitting, the Clerk is to provide to the council, the accounts and auditor's report at its next meeting."

36 After section 55

Insert

“55A. Annual statement

- (1) A council is to prepare an annual statement on or before 31st of December of each year showing the financial position of the accounts of the council's funds that were approved by the Minister.
- (2) The annual statement under subsection (1), includes matters such as:
 - (a) the asset and liabilities of the council on the 31st day of December; and
 - (b) the income from all sources and expenditure during the immediately preceding year.
- (3) The statement is to be audited and if deemed correct, be certified by the auditor and a copy be displayed at the Municipal Council Office.”

37 Paragraph 61A(1)(c)

Delete “.”, substitute “; or

- (d) the Council has failed to comply with the instructions of the Minister.”