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VANUATU**  
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VANUATU**  
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**NOTIFICATION OF PUBLICATION**

**ORDER**

**CONSOLIDATION OF THE FRENCH AND  
ENGLISH TEXTS OF THE LAWS OF VANUATU  
ACT [CAP 295]**

- APPROVAL OF THE ENGLISH TEXT OF THE FORESHORE DEVELOPMENT CONSOLIDATION EDITION 2019 ORDER NO. 42 OF 2019
- APPROVAL OF THE ENGLISH TEXT OF THE MUNICIPALITIES CONSOLIDATION EDITION 2019 ORDER NO. 43 OF 2019
- APPROVAL OF THE ENGLISH TEXT OF THE DECENTRALIZATION CONSOLIDATION EDITION 2019 ORDER NO. 44 OF 2019



## REPUBLIC OF VANUATU

### CONSOLIDATION OF THE FRENCH AND ENGLISH TEXTS OF THE LAWS OF VANUATU ACT [CAP 295]

#### Approval of the English Text of the Foreshore Development Consolidation Edition 2019 Order No. 42 of 2019

In exercise of the powers conferred on me by subsection 9(1) of the Consolidation of the French and English Texts of the Laws of Vanuatu Act [CAP 266], I, the Honourable DON KEN, Minister of Justice and Community Services, make the following Order:

**1 Approval of the English Text of the Foreshore Development Consolidation Edition 2019**

The English Text of the Foreshore Development Consolidation Edition 2019 is approved.

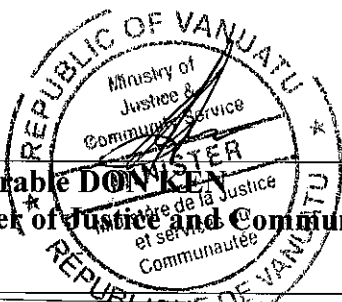
**2 Appointed day**

The appointed day for the coming into operation of the Foreshore Development Consolidation Edition 2019 is the day on which this Order is made.

**3 Commencement**

This Order commences on the day on which it is made.

Made at Port Vila this Thursday day of 16 May, 2019.

  
Honourable **DON KEN**  
Minister of Justice and Community Services

Approval of the English Text of the Foreshore Development Consolidation Edition 2019 Order  
No. 42 of 2019

Commencement: 17 September 1976



## CHAPTER 90

# FORESHORE DEVELOPMENT

JR 31 of 1975  
Act 17 of 2013

### ARRANGEMENT OF SECTIONS

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## FORESHORE DEVELOPMENT

**To regulate the carrying out of works on the foreshore.**

### **1. Interpretation**

For the purpose of this Act:

“development” means the carrying out of any building, engineering, mining or other operations in, on, over or under the land, or the making of any material change in the use of buildings or other land whether or not such land is covered by water;

“Director” means the Director of the Department responsible for Physical Planning;

“enforcement officer” means an officer of the physical planning unit of a Local Authority and any other person appointed in writing by the Director from time to time;

“foreshore” means the land below mean high water mark and the bed of the sea within the territorial waters of Vanuatu (including the ports and harbours thereof) and includes land below mean high water mark in any lagoon having direct access to the open sea;

“Local Authority” means the relevant Local Government Council established under the Decentralization Act [CAP 230] or a Municipal Council established under the Municipalities Act [CAP 126];

“Minister” means the Minister responsible for town and country planning.

### **2. Consent of Minister required for foreshore development**

- (1) A person must not undertake, cause or permit to undertake any development on the foreshore of the coast of any island in Vanuatu without the written consent of the Minister.
- (2) A consent granted by the Minister under subsection (1) is also subject to any requirements set out in any other Act in relation to any development.

### **3. Application for consent**

- (1) An application for the consent of the Minister to the undertaking of such development shall be in the form set out in the Regulation and the applicant shall supply all particulars required to be given in such form with the prescribed application fee.
- (2) The applicant shall deliver a copy of his application to the relevant Local Authority in which the development is to take place who shall arrange for the same to be publicly displayed for a period of not less than 14 days following the day that the application is received.
- (3) The applicant must advertise publicly, sufficient particulars of the proposed development in a manner determined by the relevant Local Authority.
- (4) An advertisement required under subsection (3) must state that an application is available for inspection at the office of the Local Authority.

### **4. Decision of the Minister**

- (1) Upon receiving an application under subsection 3(1), the Minister acting on the advice of the Director may:
  - (a) grant the consent; or
  - (b) refuse to grant the consent; or
  - (c) grant the consent subject to such other conditions.

- (2) The Minister must not grant his or her consent under this section if the prescribed fee is not paid.

**5. Lapse of consent**

- (1) A consent granted by the Minister under section 4 has no effect if:
- (a) a development has not commenced within 1 year from the date on which the consent is granted; or
  - (b) a development has not been completed within 2 years from the date on which the consent is granted; or
  - (c) a development has not been completed within such period as specified by the Minister.
- (2) A consent granted by the Minister under section 4 expires after a period of 10 years from the date on which the consent is granted.
- (3) A person must pay a prescribed occupation charge for each 10 years period after consent has expired as provided for under subsection (2) on any foreshore development.

**6. Powers of an enforcement officer**

- (1) For the purposes of implementing, enforcing or ensuring compliance with the provisions of this Act and its regulation, an enforcement officer has the following powers:
- (a) to enter any land; and
  - (b) to enter private premises after notifying the owner of his or her intention to do so; and
  - (c) to examine any plant, facility or construction activity; and
  - (d) to take pictures, photographs or measurements or make sketches or recordings in any form; and
  - (e) to require the production of records and information relevant to the requirements of this Act and its Regulation, and to make and take copies of such records and information; and
  - (f) to order that the construction activity to be stopped for reason of breaching a condition of the consent or for not obtaining consent for the development; and
  - (g) to interview any person for the purposes of inspection; and
  - (h) to exercise any other powers conferred upon him or her under this Act or any other Act.
- (2) Any document or information collected under paragraph (1)(d) or (e) must not be disclosed unless the document or information is disclosed:
- (a) for official purposes; or
  - (b) with the consent of the person who provided the document or information or to whom the information relates; or
  - (c) in a court or tribunal; or
  - (d) in the public interest.
- (3) A civil or criminal action must not be taken against an enforcement officer in respect of anything done or omitted to be done by the officer in good faith in the execution or purported execution of his or her powers under this section.
- (4) A person must:

- (a) give the enforcement officer any assistance to enable the enforcement officer to exercise his or her powers under this Act; and
- (b) provide any document or information required by the enforcement officer for the purposes of implementing, enforcing or ensuring compliance with the provisions of this Act and its Regulation.

(5) In this section:

“facility” includes a building or place that provides a service or is used for a particular industry;

“plant” includes any machinery, equipment, tool or any of its components.

#### **7. Minister’s power to make reinstatement or removal of unsafe abandoned developments**

The Minister may, on the advice of the Director, make an order:

- (a) to reinstate or remove unsafe abandoned developments; and
- (b) to require the leaseholder of the adjacent land title to undertake such reinstatement or removal in accordance with the order.

#### **8. Registration of existing developments**

A person who has not obtained consent of the Minister for an existing development on the foreshore must apply for registration of their existing development within 2 years from the commencement of this Act.

#### **9. Offences**

(1) A person who undertakes, causes or permits any development for which the consent of the Minister is required under this Act, if such consent has:

- (a) not been obtained; or
- (b) lapsed; or
- (c) imposed conditions that have been breached,

commits an offence and is liable on conviction to a fine not exceeding VT 5,000,000 or a term of imprisonment of 5 years.

(2) A person who knowingly or deliberately, conceals the location or existence of any machinery, document or information from an enforcement officer, commits an offence and is liable on conviction to a fine not exceeding VT 2,000,000 or a term of imprisonment of 2 years.

(3) A person who fails to comply with a request of an enforcement officer under section 6 commits an offence and is liable on conviction to a fine not exceeding VT 1,000,000 or a term of imprisonment of 1 year.

(4) A person who fails to cease any development activity under paragraph 6(1)(f) commits an offence and is liable on conviction to a fine not exceeding VT 5,000,000 or a term of imprisonment of 5 years.

#### **10. Minister’s power to make Regulations**

(1) The Minister may make Regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed.

(2) Without limiting subsection (1), the Minister may make Regulations to provide for:

- (a) fees or other charges to be payable with respect to any matter done or required to be done under this Act;

- (b) forms and the application process to be used for the purposes of the Act;
- (c) particulars to be included in the prescribed forms;
- (d) institutional arrangements required to administer the Act including the establishment of an Ad Hoc Advisory Panel to make recommendations to the Director who will submit the recommendation to the Minister;
- (e) the design and standards to be used to assess applications including the assessment of risks in relation to a development.

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**Table of Amendments (since the Revised Edition 1988)**

1	<i>Amended by Act 17 of 2013</i>
2	<i>Substituted by Act 17 of 2013</i>
3(1)	<i>Amended by Act 17 of 2013</i>
3(2)	<i>Amended by Act 17 of 2013</i>
3(3)	<i>Amended by Act 17 of 2013</i>
4 – 6	<i>Substituted by Act 17 of 2013</i>
7 – 10	<i>Inserted by Act 17 of 2013</i>



## REPUBLIC OF VANUATU

### CONSOLIDATION OF THE FRENCH AND ENGLISH TEXTS OF THE LAWS OF VANUATU ACT [CAP 295]

#### Approval of the English Text of the Municipalities Consolidation Edition 2019 Order No. 43 of 2019

In exercise of the powers conferred on me by subsection 9(1) of the Consolidation of the French and English Texts of the Laws of Vanuatu Act [CAP 266], I, the Honourable DON KEN, Minister of Justice and Community Services, make the following Order:

**1 Approval of the English Text of the Municipalities Consolidation Edition 2019**

The English Text of the Municipalities Consolidation Edition 2019 is approved.

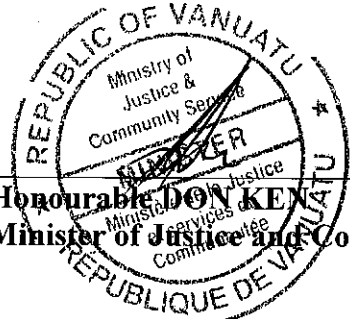
**2 Appointed day**

The appointed day for the coming into operation of the Municipalities Consolidation Edition 2019 is the day on which this Order is made.

**3 Commencement**

This Order commences on the day on which it is made.

Made at Port Vila this Thursday day of 16 May, 2019.

  
Honourable **DON KEN**  
Minister of Justice and Community Services



Commencement: 8 December 1980



## CHAPTER 126

### MUNICIPALITIES

Act 5 of 1980  
Order 7 of 1982  
Act 30 of 1983  
Act 11 of 1995  
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Act 23 of 2010  
Act 11 of 2013  
Act 29 of 2014  
Act 5 of 2015  
Act 12 of 2018

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3. Municipal councils
4. Composition of councils
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**SCHEDULE – Powers of Municipal Councils**

## MUNICIPALITIES

**To provide for the establishment of municipalities, elections to municipal councils, the powers of municipalities and other matters related thereto.**

### PART 1 – INTERPRETATION

#### 1. Interpretation

In this Act –

“Council” means a Municipal Council established under section 3 of this Act;

“Director General” means the Director General of the Ministry of Internal Affairs appointed under the Public Service Act [CAP 246].

“Electoral Commission” means the Electoral Commission established by Article 18 of the Constitution;

“Minister” means the Minister responsible for the Municipalities;

“Principal Electoral Officer” means the Principal Electoral Officer established by Article 19 of the Constitution and includes a deputy principal electoral officer.

### PART 2 – MUNICIPAL COUNCILS

#### 2. Declaration of municipalities

The Minister may by Order –

- (a) declare any area to be a municipality;
- (b) give a name to a municipality;
- (c) define the boundaries of any municipality and alter such boundaries;
- (d) declare that any area shall cease to be a municipality.

#### 3. Municipal councils

- (1) In every municipality there shall be established by the Minister, by Order, a municipal council which shall perform such duties and may exercise such powers as are imposed or conferred on such council by this or any other Act.
- (2) Every council shall be a body corporate by the name of the municipal council with perpetual succession and power –
  - (a) to sue and be sued in its corporate name; and
  - (b) to purchase, acquire, hold, manage and dispose of movable and immovable property.

#### 4. Composition of councils

The Minister may from time to time by Order –

- (a) prescribe the composition of a council and the number of councillors;
- (b) divide a municipality into territorial wards and vary the boundaries of any such wards;
- (c) prescribe the number of councillors to be elected in respect of each ward;
- (d) provide for the election of a mayor who shall be chairman of the council;
- (e) provide for the election of a deputy mayor from among the councillors;

- (f) prescribe the terms and conditions of office of councillors including the mayor and the deputy mayor;
- (g) provide for any other matter not hereinbefore specified which may be necessary for the proper establishment of a council.

**4A. Reserved seat for female councillors in each ward in a municipality**

- (1) In each ward in a municipality, one seat is reserved for a female councillor.
- (2) The female candidate:
  - (a) who was not declared by the Electoral Commission as the winning candidate for a seat other than the seat referred to in subsection (1); and
  - (b) who has achieved the highest number of votes from other female candidates in that ward,is to be declared by the Electoral Commission as the winning candidate for the seat referred to under subsection (1).
- (3) To avoid doubt, the operation of subsections (1) and (2) are not affected, if a female candidate is declared by the Electoral Commission as the winning candidate for a seat other than the seat referred to under subsection (1).

**5. Municipal seal**

- (1) A council is to have a seal that is approved by the council.
- (2) The seal is to be used only by the clerk on documents approved and authorized by the council.

**6. Election of councillors**

- (1) Where by any Order made under the provisions of section 4 provision is made for the election of councillors, such election shall be held in accordance with Orders made under the provisions of section 7.
- (2) The election of any person as mayor, deputy mayor or as a councillor shall be notified in the Gazette:  
  
Provided that an omission so to do shall not invalidate any such election.

**6A. Ward for contesting**

A person may only contest as a candidate in a Municipal election, in the ward in which he or she is registered to vote in.

**PART 3 – TERM OF OFFICE AND ELECTION OF COUNCILLORS**

**7. Terms of office of councillors and elections**

- (1) Councillors shall be elected for a period of 4 years and together with any councillor elected at a by-election shall retire together at the end of such period.
- (1A) The election of councillors must be held not earlier than 30 days and not later than 60 days after the end of their term.
- (1B) The Electoral Commission must, after consultation with the Minister, determine the date of the election of the councillors.
- (2) Subject to the provisions of the Constitution and this Act the Electoral Commission may by Order provide for the regulation and conduct of elections to be held under the provisions of this Act and, without prejudice to the generality of the foregoing, may provide for –

- (a) *(repealed)*;
- (b) the qualifications and disqualifications of electors;
- (c) the registration of electors in any municipality or in any territorial ward of any municipality;
- (d) the ascertainment of the qualification of election as councillors;
- (e) the method of making and disposing of claims or objections in connection with the procedure for the nomination of candidates for election as councillors;
- (f) the procedure for the nomination of candidates for election as councillors;
- (g) the method of election in any municipality or in any territorial ward of any municipality;
- (h) the determination of any question which may arise whether any person has been elected as a councillor;
- (i) the nature of corrupt and illegal practices in connection with elections and penalties in relation thereto:  

Provided that no penalty prescribed by any Order made under this paragraph shall exceed imprisonment for a period of 5 years or a fine of VT 100,000, or both;
- (j) such forms as he may consider necessary to be used in connection with elections.

**8. Disqualification for election as a municipal councillor**

The following persons shall not be qualified for election as a municipal councillor –

- (a) the President of the Republic;
- (b) judges and magistrates;
- (c) members of Parliament;
- (d) members of the police force;
- (e) members of the National Council of Chiefs;
- (f) any member of district council of chiefs, island council of chiefs, and area council of chiefs, who holds the position of chairman, vice-chairman, secretary or treasurer, shall not be qualified for election as a member of a municipal council;
- (g) members of the teaching service;
- (h) members of local government councils;
- (i) the legal adviser or auditor of the council or the partner or employee of such legal adviser or auditor;
- (j) a person who is in the service of the council;
- (k) a person who, being engaged in a profession, is disqualified or suspended from practising such profession;
- (l) a person who is in default of payment of any rates, charges or other debts due to the council for a period exceeding 2 months after the same shall have become due;
- (m) a person having a contract with the council to provide municipal services.

**8A. Arrangement for payment of any rates, charges or other debts due to the council**

- (1) For the purposes of paragraph 8(l), an arrangement with the council for payment of any rates, charges or other debts due to the council after the period set out in that paragraph does not qualify a person for election as a municipal councillor.
- (2) A person must provide to the Electoral Commission, an original copy of the receipt certifying that the council has received such payment referred to in paragraph 8(l).
- (3) In addition to subsection (2), the council must submit to the Electoral Commission a bank statement of the municipal council showing proof of the receipt of any payment made for the purposes of paragraph 8(l).

**9. Acts valid despite defects in election or appointment**

All acts of a council or of any person acting as mayor, deputy mayor, councillor, clerk or other municipal officer, as the case may be, shall, notwithstanding that it be discovered that there was some defect in the election or appointment of any such person or that he was disqualified or unqualified for election or appointment, be as valid and effectual as if such person had been duly elected or appointed and qualified.

**10. Vacation of office**

If any councillor –

- (a) is found to have been unqualified or disqualified for election to a council;
- (b) is by any circumstances arising so placed that if he were not a councillor would cause him to be disqualified from election as such;
- (ba) is convicted of an offence set out in section 27 of the Leadership Code Act [CAP 240];
- (bb) is physically or mentally incapacitated;
- (bc) is bankrupt;
- (c) resigns from the council;
- (d) retires from the council in accordance with any terms and conditions that may be prescribed under the provisions of section 4;
- (e) fails to attend 3 consecutive meetings of the council or of any committee of the council of which he is a member, unless he has obtained the prior permission of the council to absent himself throughout such period,

he shall cease to hold office as a councillor.

**11. Filling of vacancies**

- (1) Whenever a vacancy occurs in the office of a councillor an election shall be held in accordance with Orders made under the provisions of section 7.
- (2) Notwithstanding the provisions of subsection (1) if –
  - (a) a vacancy occurs in the office of a councillor within 6 months preceding the date on which such councillor would ordinarily retire; and
  - (b) the total of unfilled vacancies does not exceed a third of the total number of councillors; and
  - (c) if no ward will thereby be unrepresented,an election to fill such vacancy shall not be held under the provisions of this section and such vacancy shall remain unfilled until the time of the next ordinary election.
- (3) A person elected under the provisions of this section to fill a vacancy shall hold office until the date upon which the person in whose place he is elected would ordinarily have retired, and he shall then retire.

## PART 3A – ALLOWANCES, GRATUITIES AND HOUSING PROVISIONS

### 11A. Allowances

Each member of the council including the mayor and deputy mayor are entitled to such allowances as may be prescribed by the Minister by Order.

#### 11AA. Constituency allowance

- (1) Each member of a council including the mayor and deputy mayor are entitled to a constituency allowance of up to and not more than VT1,500,000 per annum.
- (2) Subject to the availability of funds from the Government, the Minister is to determine when the allowance is to be paid and determine the rate of the constituency allowance.

#### 11AB. Responsibility remuneration

- (1) Each member of a council other than the mayor and deputy mayor are entitled to an annual responsibility remuneration as set out in the table below:

Minimum	Midpoint	Maximum
1	2	3
VT1,345,100	VT1,434,600	VT1,482,500

- (2) Subject to the availability of funds from the Government, the Minister is to determine when the Grades set out in the table in subsection (1) are to be paid and to determine the rate of the responsibility remuneration.

#### 11AC. Take home pay entitlements

- (1) A member of a council is not entitled to any form of take home pay entitlements as from the date on which this Act commences.

- (2) For the purposes of this section:

“take home pay entitlements” includes all of the following allowances:

- (a) child, family, spouse allowances; and
- (b) cost of living allowance; and
- (c) entertainment allowance; and
- (d) fuel allowance; and
- (e) housing allowances; and
- (f) telephone allowance.

#### 11AD. Housing provision

A mayor of a municipal council is entitled to the housing provisions determined by the Government Remuneration Tribunal under the Government Remuneration Tribunal Act [CAP 250].

### 11B. Gratuities

Each member of the Council including the mayor and deputy mayor are entitled to a gratuity payment at the rate of one month salary for each year during which the person holds office and pro rata for each uncompleted year.

## PART 4 – MEETINGS OF COUNCILS AND COMMITTEES

### 12. Standing orders

- (1) Subject to the provisions of this Act every council shall make standing orders for –

- (a) the regulation and conduct of the meetings of the council and its committees;
  - (b) the authentication of all documents required to be sealed with the seal of the council; and
  - (c) such other matters as may be necessary for the purposes of this Act or as may be directed by the Minister.
- (2) The clerk shall cause a certified true copy of the standing orders of a council and of all amendments to such standing orders to be forwarded to the Minister.
- (3) Subject to subsection (3A), the standing orders of a council shall not have effect until approved by the Minister and all variations and revocations of such orders shall likewise be subject to his approval.
- (3A) The Minister may consult the Director of Local Authorities, before approving the standing orders of a council.
- (4) If any council fails within a reasonable time to make standing orders which have been approved by the Minister under the provisions of this section the Minister may direct the council by letter addressed to the council to make standing orders.
- (5) If within 60 days of receipt of such letter the council has not made such standing orders, the Minister may make standing orders for the council and such standing orders shall be the standing orders for the purposes of subsection (1).

### **13. Meetings of the council**

- (1) A council may convene not more than 6 ordinary meetings in a year.
- (1A) A council is to approve its budget at its 6th ordinary meeting, which is to commence in the month of October.
- (1B) Apart from the ordinary meetings, a council may hold not more than 3 extraordinary meetings in a year.
- (2) Every meeting of a council shall be open to the public and to representatives of the press:
- Provided that the chairman of any such meeting may –
- (a) exclude or require to withdraw from such meeting any person who, in his opinion, is behaving in a disorderly manner; and
  - (b) call upon any police officer or any officers or servants of the council to eject any such person refusing to withdraw from such meeting.
- (3) No meeting of any committee of a council shall be open to the public or to representatives of the press unless the council otherwise directs.
- (4) The clerk or his representative shall attend every meeting of the council and its committees but shall not be entitled to vote thereat.

### **14. Chairman of meetings of a council**

- (1) Save as provided in subsection (2) the mayor shall preside at all meetings of a council.
- (2) In the absence of the mayor and of the deputy mayor the councillors present at any meeting of a council shall elect one of their number to act as chairman for the purpose of such meetings.

### **15. Proceedings of a council**

- (1) The quorum for any meeting of a council shall be –



- (a) in the case of a council composed of twelve members or less, one third of the total membership; and
- (b) in the case of a council composed of over twelve members, one half of the total membership:

Provided that vacancies in the membership of a council and the offices of councillors granted leave of absence by a council under section 10(a) shall for the purposes of paragraph (b) of this subsection, be excluded from the total membership.

- (2) All acts of a council and all matters coming before a council for decision shall be done and decided by a majority of the councillors present and voting.
- (3) The person presiding at any meeting of a council shall in addition to his ordinary vote have a casting vote in the case of an equality of votes.

**16. Minutes of council and committee meetings**

- (1) Minutes of the proceedings of all meetings of a council and of any committee of a council, including the names of all councillors present shall be drawn up and entered in a book kept for that purpose and shall be signed at the next meeting of the council or committee by the person presiding thereat, and any minutes purporting to be so signed, or any extract from the minute book purporting to be certified in writing by the clerk to be a true copy of any entry in the minute book, shall be received in evidence without further proof.
- (2) Until the contrary is proved, a meeting of a council or of a committee of a council in respect of the proceeding wherefore a minute has been made and signed in accordance with the provisions of subsection (1) shall be deemed to have been duly convened and held, and all councillors present at such meeting shall be deemed to have been duly qualified, and, where such proceedings are proceedings of a committee it shall be deemed to have been duly constituted and to have had power to deal with the matters to which reference is made in such minute.

**17. Committees of councils**

- (1) A council may from time to time appoint and dissolve committees for any general or special purpose which in the opinion of the council would be better regulated and managed by a committee and may delegate to such a committee with or without restrictions or conditions, any power conferred upon the council under this Act or any other law except –
  - (a) the power to levy rates;
  - (b) the power to borrow money; or
  - (c) any other power which by this Act or any other law or an Order made by the Minister may not be exercised by a committee of a council.
- (2) In no case shall any act of any committee of a council be binding upon the council until submitted to and approved by the council except in any case where the council has, by resolution, authorised a committee to manage, regulate or conclude any matter.
- (3) A committee is to consist of the following members which are to be appointed by the council:
  - (a) 5 councillors; and
  - (b) 2 persons not being councillors.
- (4) The chairman of any committee shall be a councillor who shall be appointed either by the council or, in default of such appointment, by the members of the committee from

among their number. The members of any committee may also appoint a deputy chairman from among their number.

- (5) A committee, other than a finance committee, may include persons who are not councillors to a number not exceeding one-third of the membership of such committee and any such persons shall be entitled to vote at meetings of such committee.
- (6) Every member of a committee of council who at the time of his appointment to such committee is a councillor shall, upon ceasing to be a councillor, cease to be a member of such committee.

**18. Finance committee**

- (1) A council is to appoint a finance committee for the purposes of formulating the financial policies of the council.
- (2) A finance committee is to consist of not more than 5 councillors.
- (3) The quorum at a meeting of the finance committee is 5 members present at that meeting.
- (4) The finance committee is to regulate its own proceedings.
- (5) The finance committee must not interfere with the financial administration of a council.

**18A. Town planning committee**

- (1) The town planning committee is to consist of 5 councillors.
- (2) The town planning committee may request a staff of the Physical Planning Unit or a Civil Engineer of the Ministry of Infrastructure and Public Utilities to advise the committee on any matter.
- (3) The council is to determine the term of office of the members of the town planning committee and determine the areas of the Municipality by which they are to exercise their functions.
- (4) The quorum for a meeting of a town planning committee is 3 members present at the meeting.
- (5) The town planning committee is responsible for assessing applications for permit to build an infrastructure or building within the relevant Municipality.

**18B. Sitting allowance**

- (1) In any meeting of a council or any committee set up by a council, the mayor, deputy mayor and councillors are entitled to a sitting allowance, which is to be determined by the council and must not exceed:
  - (a) for the mayor - VT10,000 for each day's meeting that he or she attends;
  - (b) for the deputy mayor - VT7,000 for each day's meeting that he or she attends;
  - (c) for a councillor - VT5,000 for each day's meeting that he or she attends.
- (2) The sitting allowance is to be paid to the mayor, deputy mayor and a councillor only if the mayor, deputy mayor or councillor has been present throughout the period of a day's meeting.
- (3) To avoid doubt a councillor who has been elected as mayor or deputy mayor must be paid the sitting allowance of mayor or deputy mayor only and must not receive a sitting allowance as a councillor.

## **PART 5 – OFFICERS AND STAFF**

### **19. Municipal clerk**

- (1) The Public Service Commission is to appoint in writing a person as a clerk of the Council, not being a councillor and may determine the terms and conditions of the appointment.
- (2) The clerk is to be the chief executive officer of the council and is to be responsible for the day to day administration of the council.
- (3) The clerk may, subject to the general directions of the council, exercise the powers of the council and all acts done by him in the exercise of such powers shall be considered to have been done by the council.
- (4) Despite subsection (3), the Clerk is to be supervised by the Director General in exercising his or her duties under this Act.
- (5) The Council is to make a report on the performance of the clerk to the Public Service Commission for each quarter of the year.
- (6) The Council must give a copy of the report made under subsection (5) to the Minister.
- (7) To avoid doubt, the Council does not have the power to remove or suspend the clerk.

### **19A. Municipal wardens**

- (1) A council may appoint fit persons, not being councillors, to be municipal wardens upon terms and conditions as it may determine.
- (2) The municipal wardens shall, under the direction of the council of each municipality –
  - (a) be responsible for the enforcement of municipal by-laws;
  - (b) exercise such powers and perform such duties as are by law conferred or imposed on municipal wardens.
- (3) For the avoidance of doubt –
  - (a) members of the Vanuatu Police Force shall continue to exercise their normal powers and duties within a municipality;
  - (b) neither this provision nor any by-law shall confer on a warden any power of search, arrest or other compulsion in respect of a civil matter (for example, a debt), unless such action is permitted to be taken by a person other than a police officer in respect of such matter by the provisions of the Criminal Procedure Code Act [Cap. 136] or such action is taken pursuant to an order of the Court.
- (4) Members of the Vanuatu Police Force may be seconded to act as municipal wardens in accordance with the provisions of the Police Act [Cap. 105].
- (5) The Minister on the advice of the council may by Order prescribe the design and colour of the uniform of a municipal warden which must be different to that of the members of the Vanuatu Police Force.

### **19B. Deputy Clerk**

- (1) The Public Service Commission is to appoint in writing a person as a deputy clerk of a Council, not being a councillor and may determine the terms and conditions of the appointment.
- (2) The deputy clerk is to assist the clerk in carrying out his or her duties under this Act.
- (3) The deputy clerk is to be supervised by the clerk and is to act only on the lawful direction of the clerk.

- (4) The Council is to make a report on the performance of the deputy clerk to the Public Service Commission for each quarter of the year
- (5) The Council must give a copy of the report made under subsection (4) to the Minister.
- (6) To avoid doubt, the Council does not have the power to remove or suspend the deputy clerk.

**19C. Accountant**

- (1) The Public Service Commission is to appoint in writing a person as an accountant of the Council and may determine the terms and conditions of the appointment.
- (2) The accountant is responsible for the general management and supervision of all the accounting operations of the council.
- (3) The accountant is to be supervised by the clerk and is to act only on the lawful direction of the clerk and in accordance with the Financial Regulations of the Council made under this Act.
- (4) To avoid doubt the position referred to in this section used to be referred to as "treasurer" before the commencement of this Act.
- (5) The Council is to make a report on the performance of the accountant to the Public Service Commission for each quarter of the year.
- (6) The Council must give a copy of the report made under subsection (5) to the Minister.
- (7) The Council does not have the power to remove or suspend the accountant under this Act.

**19D. Cashier**

- (1) The Public Service Commission is to appoint in writing a person as a cashier of the Council, not being a councillor and may determine the terms and conditions of the appointment.
- (2) The cashier is to assist the accountant in carrying out his or her duties under this Act.
- (3) The cashier is to be supervised by the accountant and is to act only on the lawful direction of the accountant.
- (4) The Council is to make a report on the performance of the cashier to the Public Service Commission for each quarter of the year
- (5) The Council must give a copy of the report made under subsection (4) to the Minister.
- (6) To avoid doubt, the Council does not have the power to remove or suspend the cashier under this Act.

**19E. Senior town planner**

- (1) The Public Service Commission is to appoint in writing a person as a senior town planner of the Council, not being a councillor and may determine the terms and conditions of the appointment.
- (2) The senior town planner is responsible for development planning and all matters relating to physical planning of the municipal boundary.
- (3) The senior town planner is to be supervised by the clerk and is to act only on the lawful direction of the clerk.
- (4) The Council is to make a report on the performance of the senior town planner to the Public Service Commission for each quarter of the year.
- (5) The Council must give a copy of the report made under subsection (4) to the Minister.

- (6) To avoid doubt, the Council does not have the power to remove or suspend the senior town planner under this Act.

**19F. Transitional provision for persons occupying the positions under sections 19, 19B, 19C 19D and 19E**

A person who is occupying any of the positions referred to in section 19, 19B, 19C, 19D, or 19E immediately before the commencement of this Act must cease to hold that office upon the appointment of a person to the office by the Public Service Commission, unless he or she is appointed by the Public Service Commission to the relevant position.

**20. Other staff**

- (1) Other staff of the council are to be appointed by the council following a fair and transparent selection process.
- (2) The clerk is to appoint the members of a selection panel which are to consist of the following persons:
- (a) a person nominated by the council;
  - (b) a person nominated by the Public Service Commission;
  - (c) a person nominated by the General Manager of the Chambers of Commerce and Industry of Vanuatu.
- (3) The selection panel is to conduct interviews and make a recommendation to the council on the successful candidate for the relevant position.
- (4) To avoid doubt:
- (a) the clerk may appoint a selection panel whenever necessary to undergo the process of recommending a person to the council for an appointment under subsection (1).
  - (b) this section does not apply to the positions of the clerk, deputy clerk, accountant, cashier and senior town planner.
- (5) The council is to determine the terms and conditions for the appointment of the staff of the council.
- (6) A person who has been appointed by a council as a staff of the administration of the council immediately before the commencement of this Act, is to continue to occupy his or her position as if he or she were appointed under this section.

**21. Councillor not to interfere with administration of a council**

- (1) Unless provided under this Act, a councillor must not:
- (a) interfere either directly or indirectly in the management or administration of the council; or
  - (b) interfere, disturb or obstruct any staff of the council in the course of carrying out their duties in the administration of the council; or
  - (c) encourage or assist any staff of the council to commit a conduct that would have adverse effects on the administration of the council.
- (2) A councillor who is not satisfied with:
- (a) the conduct or performance of the duties of a staff of any department within the administration of the council; or
  - (b) any matter involving the management or administration of a department of the council,

is to direct his or her concerns to the clerk.

**22. Power to engage staff**

The clerk may from time to time employ on such terms and conditions as he or she, may determine such agents, servants and workmen on a temporary basis as may be necessary for the proper performance of the functions of the council.

**23. Staff manual**

(1) Subject to this Act and regulations made under this Act, a council may make a staff manual to provide for all or any of the following:

- (a) grades and salary scales;
- (b) appointments, promotions, leaves, termination of appointments and dismissals;
- (c) maintenance of discipline;
- (d) disciplinary offences;
- (e) interdiction and payment of salary or wages during any period of interdiction;
- (f) punishments in respect of disciplinary offences including the withholding or deferment of increments, fines, reductions in rank or salary and deductions from salary in respect of damage to property of the council by reason of misconduct or breach of duty by an officer, servant or employee;
- (g) training;
- (h) payment of allowances and the making of advances; and
- (i) terms and conditions of service generally, including matters relating to procedure and the duties and responsibilities of officers, servants and employees.

(2) Subject to subsection (3), the staff manual takes effect on the date on which the Minister approves it.

(3) The Minister is to consult the Director of Local Authorities prior to approving a staff manual.

**24. Pension schemes**

(1) A council may –

- (a) establish and maintain or join with other councils or authorities in establishing and maintaining a pension or superannuation scheme;
- (b) contribute to a pension or superannuation scheme established and maintained by the Government; or
- (c) make other arrangements,

for the payment of pensions or superannuation benefits to persons retiring from the service of the council, or to any dependent of any deceased person who at the time of his death was in or had retired from the service of the council.

(2) A scheme or arrangement established or made, or into the establishment and maintenance of which a council has joined, or to which a council contributes under the provisions of subsection (1) may make provision for a contribution by the council or by persons in the service of the council to whom such scheme or arrangement applies or by both the council and such persons to a fund controlled by the council or by some other person approved by the Minister for such purpose.

- (3) A council may establish and maintain or join with other councils or authorities in establishing and maintaining or otherwise arrange for a provident fund scheme for the benefit of persons retiring from the service of the council who are not entitled to or eligible for the payment of a pension or superannuation benefit under the provisions of subsection (1).
- (4) A council may establish and maintain a scheme for the payment of gratuities, retiring allowances or other benefits to persons who retire from the service of the council or to any dependents of any deceased person who at the time of his death was in or had retired from the service of the council, and any such scheme may be in addition to or in lieu of any scheme or arrangement made under the provisions of subsection (1) or subsection (3).
- (5) A scheme established under the provisions of subsection (4) may, in addition to any other provisions, provide for the payment of compensation for loss or abolition of office arising from reorganisation, redundancy or any other cause whatsoever.
- (6) Every scheme or arrangement under the provisions of this section shall be subject to the prior approval in writing of the Minister.
- (7) No pension, provident fund payment, gratuity or other allowance or benefit payable under the provision of this section shall be assignable or transferable or liable to be attached or levied upon for or in respect of any debt or claim except a debt due to or a claim made by the council.

## **PART 6 – DUTIES AND POWERS OF COUNCILS**

### **25. General duties**

- (1) Subject to and in accordance with the provisions of this Act relating to the duties of the council, it shall be the duty of the council –
  - (a) to control, manage and administer the municipality;
  - (b) to safeguard public health;
  - (c) to develop, control and manage land taken on lease from any statutory land authority including any housing estates thereon; and
  - (d) to administer education, medical and health services as the Minister may after consultation with the responsible Minister by Order declare.
- (1A) In carrying out its duties, a council must ensure that it upholds national policies in relation to public health, land and education.
- (2) If the Minister is satisfied that a council is incapable by reason of insufficiency of staff or facilities, of administering any of the services referred to in subsection (1)(d) he may, by Order, direct such council to appoint the Government as its agent for the purpose of administering such service and such service shall thereafter be administered by the Government at the expense of such council.

### **26. General powers**

- (1) Subject to subsection (2) and to any law specifically providing for any matter, a council may, in addition to any powers for which specific provision is made by this or any other law, exercise all or any of the powers contained in the Schedule.
- (2) The Minister may, in relation to any particular council, by Order, restrict the exercise of its scheduled powers.
- (3) The Minister may, by Order, from time to time vary the Schedule.

**27. Contracts**

- (1) Subject to the provisions of subsection (2), to any regulation made under section 57 and to any conditions or limitations imposed by its standing orders, a council may enter into contracts for the purpose of any works, services or other matters which it is required or empowered to undertake, carry out or manage.
- (2) Except as may be permitted by its standing orders a council shall not enter into any contract –
  - (a) for the supply of any goods or materials; or
  - (b) for the execution of any works or provisions of any services, other than professional services, to or for the council, except after publicly calling for tenders for the same.
- (3) A contract purporting to be made by a council which is –
  - (a) sealed with the seal of the council; or
  - (b) signed by an officer of the council duly authorised in that behalf by any resolution or standing order of the council,

shall not be invalid by reason only of any failure to observe any standing order made under the provisions of this Act.

**28. Agent for Government**

At the request of the Minister, a council may –

- (a) act as the agent of the Government for the collection of Government revenue upon such terms and conditions as to payment of commission or otherwise as may be agreed; or
- (b) perform and do such other acts, matters and things on behalf of the Government as may be agreed.

**PART 7 – LAND, STREETS AND PUBLIC PLACES**

**29. Interests in land**

All interests in land acquired by a council shall be held in the name of the council.

**30. Acquisition of interests in land**

- (1) A council may with the consent of the Minister acquire any interest in or over land whether within or outside the municipality for the purpose of any of its functions.
- (2) The consent of the Minister shall not be required in respect of the acquisition of any interest, any lease of or easement over any land vested in a statutory land authority.

**31. Power of sale and lease of interests in land**

- (1) A council may, with the consent of the Minister –
  - (a) sell any lease or interest in land of the council which is not required for the purpose for which it was acquired or is being used;
  - (b) exchange any lease or interest in land of the council for another lease or interest whether with or without paying or receiving any money for equality of exchange.
- (2) Where any lease or interest in land of a council is sold or exchanged the proceeds of such sale or exchange shall be credited to the capital account of the council or otherwise applied in such manner as the Minister may approve.



- (3) Subject to the provisions of the Land Reform Act [Cap. 123] and the Land Leases Act [CAP 163], a council may sublease or permit the use by any person of any land leased by the council.

**32. Control of roads, streets, etc.**

- (1) A council shall have the general control and care of all roads, including any streets or bridges, other than those maintained by the Government, of all public open spaces and of all gardens, parks and other enclosed spaces within a municipality which have been or shall at any time hereafter be set apart and appropriated for the use of the public and the same shall be vested in the council for the use and benefit of the inhabitants of the municipality.
- (2) Subject to the Constitution and any law the Minister responsible for the administration of roads may from time to time by Order declare that all or any of the roads, including any streets or bridges, maintained by the Government which lie within a municipality shall be under the general control and care of the council and thereupon such roads, streets or bridges shall be held by the council for the use and benefit of the inhabitants of the municipality.
- (3) A council may –
- (a) make, construct, alter, repair and, if necessary temporarily close all roads, streets, bridges, ferries, sewers, drains and culverts vested in the council or under its control;
  - (b) make new roads, streets, bridges, open spaces, ferries, dams, sewers, drains and culverts within the municipality; and
  - (c) if necessary, for any of the purposes mentioned in paragraph (b), carry sewers, drains and pipes through and across any land after giving notice to the owner or occupier of any such land.
- (4) A council may erect and maintain on any land leased, held or occupied by the council building for public purposes and may set apart any such land for any purpose which the council may from time to time determine.

**33. Closure of roads and open spaces**

- (1) Subject to the provisions of subsection (2) a council may divert or close or alter any road, street or thoroughfare or any public open space or garden, park or other enclosed space leased, held or occupied by the council.
- (2) The following provisions shall apply to the exercise by the council of the powers contained in subsection (1) –
- (a) no such power shall be exercised except in pursuance of a resolution of the council or on a motion of which not less than 14 days notice has been given to councillors;
  - (b) the council shall prepare a plan showing the nature of the closure, diversion or alteration proposed and shall give notice in the Gazette and in 1 or more newspapers if any, circulating in the municipality as well as by placing such number of placards as it deems necessary on or near the road, street, thoroughfare, public open space, garden, park and other enclosed space which it is proposed to close, divert or alter –
    - (i) of its intention, after the expiration of 1 month from the date of publication of such notice in the Gazette to carry out such closure, diversions or alteration;
    - (ii) specifying the place and times during which such plan shall be open for inspection by the public;

- (c) the council shall cause a copy of such notice to be served by post –
  - (i) upon all persons known to be custom owners or their acknowledged representatives and on all persons registered under the law as proprietors of an interest in any lands contiguous with such road, street, thoroughfare, public open space, garden, park or other enclosed space; and
  - (ii) upon the Minister;
- (d) if –
  - (i) any person mentioned in paragraph (c); or
  - (ii) any other person aggrieved by such proposed closure, diversion or alteration;

at any time within the period mentioned in paragraph (b) serves notice in writing on the clerk of any objection to such closure, diversion or alteration, then unless such objection is withdrawn such closure, diversion or alteration shall not be carried out without the consent of the Minister;

- (e) the Minister may, of his own motion, or on an application made by the council, appoint one or more persons to enquire into the proposed closure, diversion or alteration and to report thereon; and on receiving such report the Minister may make an Order disallowing such closure, diversion or alteration or allowing the same with or without such modifications as he may deem necessary.
- (3) Nothing in this section shall be construed so as to confer upon a council –
- (a) any power for the compulsory acquisition of any interest in land; or
  - (b) any power to undertake works in contravention of any scheme under any law providing for urban or rural planning.
- (4) Notwithstanding the provisions of subsection (2) a council may, on such days, not exceeding 12 in any 1 year nor 4 consecutive days on any 1 occasion, as it may think fit –
- (a) close to the public any public open space, garden, park or other enclosed space; and
  - (b) use, or permit the use, with or without payment by any other person of any such place for any agricultural, charitable, educational, horticultural or public purpose or for any trade exhibition; and
  - (c) limit or permit such other person to limit the right of admission to any such place to any person or class or persons; and
  - (d) charge for admission to any such place or authorise any such person permitting the use of such place so to charge.

#### **34. Compensation and betterment**

- (1) Any person who is the owner of any land or interest in land which is injuriously affected by the execution of any works under the provisions of sections 32 or 33 shall, if he makes a claim within 1 year of the date of completion of such works, be entitled to recover as compensation from the council executing such works the amount by which the value of such land or interest in land has diminished or the amount of any damage suffered by such owner not amounting to a diminution in value.
- (2) Where by the execution of any works mentioned in subsection (1), any land affected by such works is increased in value, the council may, within 1 year of the date of

completion of such works, recover from the owner of such land the amount of such increase.

- (3) A sum recoverable under the provisions of subsection (2) may be set off against a claim made under the provisions of subsection (1).
- (4) The Minister may by Order provide for –
  - (a) the manner in which claims for compensation and betterment under this section shall be made;
  - (b) the determination and disposal of claims under this section;
  - (c) any other matter necessary to be prescribed for the purposes of this section.

**35. Provisions relating to traffic**

Subject to the provisions of any traffic laws a council may –

- (a) erect, place and maintain upon any public road, street, or bridge, such refuges, shelters, islands, fences, posts, notices, signs or lights as may be necessary for the safety, guidance and direction of vehicular traffic or pedestrians;
- (b) set aside, use, authorise for use or forbid as a parking or stopping place for vehicles or any class of vehicles, any street or part thereof or any open space.

**PART 8 – BY-LAWS**

**36. Power to make by-laws**

- (1) Subject to the provisions of this Part a council may from time to time make by-laws in respect of all such matters as are necessary or expedient for –
  - (a) the safety of the inhabitants of the municipality; or
  - (b) the maintenance of the health, well-being and good order and government of the municipality; or
  - (c) the prevention and suppression of nuisances in the municipality.
- (2) In particular, and without prejudice to the generality of subsection (1) a council may make by-laws necessary for carrying out the powers conferred upon the council by this or any other law and for such additional purposes as may be prescribed by the Minister.
- (3) By-laws made under the provisions of this section may apply to the whole or any part of the municipality.

**37. Procedure relating to by-laws**

- (1) The following provisions of this section shall apply to all by-laws of a council made in exercise of the powers conferred by this or any other law.
- (2) The council shall –
  - (a) publish in the Gazette a notice of its intention to make a by-law and by such notice invite representations in writing from any person who objects to the making of such by-law;
  - (b) cause a copy of such notice and of the proposed by-law to be exhibited for a period of 1 month in a prominent place at or near the main entrance to the offices of the council;
  - (c) send a copy of the notice to the department of Local Authorities.

- (3) After the end of 1 month from the date on which the copy of a proposed by-law was first exhibited in accordance with the provisions of subsection (2) the council shall forward to the Minister –
- (a) a copy of the proposed by-law;
  - (b) a copy of any written representations from any person who objects to the making of the by-law; or
  - (c) where no representations have been received a statement to that effect signed by the clerk.
- (4) The Minister may approve, alter or reject any proposed by-law.
- (5) Where the Minister approves, whether with or without alteration, a proposed by-law, the council shall make such by-law only in accordance with the terms of such approval.
- (6) Every by-law shall be made under the seal of the council which shall be affixed in the presence of the mayor or deputy mayor, the clerk and one other councillor all of whom shall sign the by-law.

**38. By-laws not to conflict with Acts or Orders**

Nothing in this Act shall empower a council to make any by-law which is in conflict with or derogates from the provisions of any Act or Order for the time being in force in Vanuatu; and to the extent that any by-law conflicts with or derogates from any such Act or Order it shall be void and of no effect.

**39. Publication of by-laws**

Every by-law shall be published by notification in the Gazette and shall have the force of law in the municipality as from the date of such publication or if a later date is provided in such by-law, as from that date.

**40. Penalty for contravention of by-laws**

- (1) A by-law may provide that in respect of any contravention of or failure to comply with any of the provisions thereof the person convicted of such contravention or failure shall be liable to a fine, not exceeding VT 100,000 or to a period of imprisonment not exceeding 2 years.
- (2) In addition to the penalties for which provision is made by subsection (1) a by-law may provide that any expenses incurred by the council because of any contravention of or failure to comply with any of the provisions thereof shall be recoverable by the council from the person convicted of such contravention or failure.

**41. Power to enforce making of by-laws**

- (1) If the Minister is satisfied that a council is not making adequate by-laws under the provisions of section 36 he may direct the council to make such by-laws as he shall specify.
- (2) If a council having received a direction under subsection (1) fails, within such time as the Minister considers in the circumstances to be reasonable, to obey such direction, the Minister may make by-laws to the effect specified in such directions and for that purpose he may exercise all the powers conferred upon the council under the provisions of section 36.

**PART 9 – REVENUE AND EXPENDITURE**

**42. Financial year**

The financial year of a council is to be for a period of 12 calendar months commencing on 1 January and ending on 31 December of that year.

**43. Division of municipality budget into recurrent and extraordinary parts**

Items of revenue and expenditure which by their nature appear unlikely to recur each year shall be included in the extraordinary part of a municipality budget.

**44. Recurrent revenue**

The recurrent revenue of a council shall consist of –

- (a) all rates lawfully levied by the council;
- (b) such part as the Minister may determine of any fees and charges payable in respect of licences and permits which have been lawfully issued or authorised for issue by the council, whether under this or any other law;
- (c) all other fees, charges, rents and dues payable to or recoverable by the council or to which the council is entitled under the provisions of this or any other law;
- (d) all fines imposed by a court of competent jurisdiction within the municipality in respect of any contravention of or failure to comply with the provisions of any municipal by-law;
- (e) except as may be otherwise prescribed by the Minister, all charges or profits arising from any trade, service or undertaking carried on by the council in exercise of the powers vested in it;
- (f) interest on moneys invested by the council except where other provision is made in respect thereof under the provisions of this or any other law;
- (g) all recurrent grants paid by the Government;
- (h) all rents from lands leased by the council;
- (i) such other revenues as the Minister may declare in writing to be revenues for the purposes of this section.

**45. Extraordinary revenue**

The extraordinary revenue of a council shall consist of –

- (a) special grants paid to it by Government;
- (b) loans;
- (c) gifts and legacies;
- (d) proceeds from sale of municipal property;

- (e) any other unusual or temporary income.

**46. Expenditure**

A council may, subject to the provisions of this Act or any other law expend moneys in the proper exercise of its duties and powers and in the proper performance of matters necessarily incidental thereto or arising therefrom, and for the purpose of meeting its lawful debts and obligations.

**47. Capital and renewal account**

It shall be the duty of every council to keep such capital, renewal and other special accounts as the council may consider necessary, or as the Minister may, after consulting the Minister responsible for finance and the council, direct and to make provision to the satisfaction of the Minister for the annual setting aside by the council of amounts necessary to create adequate funds in such accounts.

**48. Power to raise loans**

- (1) A council may from time to time, with the prior consent in writing of the Minister, raise loans by way of mortgage, issue of stock, or any other method, in such amounts and on such conditions as the Minister may approve and all such loans shall be charged upon the revenues and assets of the council and shall rank equally without priority.
- (2) Any financial liability to the Government lawfully incurred by a council for the purpose of acquiring any interest in land or any works, schemes, undertakings or assets from the Government, and not discharged by immediate payment, shall be deemed to be a loan granted by the Government.

**49. Temporary loans**

Where a council has lawfully incurred expenditure which was approved in the estimates of the council, it may—

- (a) pending the receipt of moneys in respect of revenue; or
- (b) pending the raising of a loan under the provisions of section 48 to which the Minister has consented,

obtain advances of money by way of a temporary loan or overdraft for the purpose of defraying such expenditure, and any such advance and the interest thereon shall constitute a debt due by the council and be charged upon the assets and revenues thereof and until repaid shall rank as if it were a loan raised under section 48.

**50. Investment of surplus funds**

A council may, with the consent of the Minister, do any of the following with surplus funds of the council:

- (a) deposit the funds into a financial institution approved by the Minister of Finance and Economic Management; or
- (b) invest the funds in the Vanuatu Government securities as provided for under the Reserve Bank of Vanuatu Act [CAP 125]; or
- (c) use the funds in any other manner as approved by the Minister of Finance and Economic Management.

**51. Annual estimates**

- (1) Every council shall on a date which, in default of appointment by the Minister, is not later than 2 months before the commencement of the financial year, pass detailed estimates, in such form as the Minister may approve, of the revenue and expenditure of the council for the ensuing year.

- (2) The estimates of a council shall be submitted to the Minister who may subject to the provisions of subsection (3) and after consultation with the Minister responsible for finance –
  - (a) approve such estimates without amendment; or
  - (b) disallow or amend any item or part of any item therein which, in his opinion, is unlawful, excessive or unnecessary; or
  - (c) disapprove such estimates.
- (3) The power of disallowance, amendment or disapproval conferred on the Minister by the provisions of subsection (2) shall not be exercised by the Minister until he has allowed the council an opportunity of making representations on any proposed disallowance, amendment or disapproval.
- (4) As soon as is reasonable after the Minister has approved the estimates of the council, whether with or without amendment a copy of such estimates shall be deposited in the offices of the council and shall at reasonable hours be open to public inspection without payment.
- (5) Where additional financial provision is required during the course of any year supplementary estimates shall be passed, submitted and otherwise dealt with in the same manner as estimates.
- (6) A summary of the estimates and any supplementary estimates as approved by the Minister shall be recorded in the minutes of the council.

**52. Incurring expenditure not in accordance with estimates**

- (1) No expenditure shall be incurred by a council unless it can be properly charged to an item in the approved estimates or in approved supplementary estimates.
- (2) Subject to the provisions of any regulations made under section 57 and notwithstanding the provisions of subsection (1) and section 51(5) a council may by resolution authorise the expenditure of not more than VT 500,000 or 25 per cent, whichever is the less of funds appropriated for any one purpose in approved estimates, on any other purpose therein contained:

Provided that no expenditure on such authorisation shall take place without the consent of the Minister –

- (a) for any purpose in respect of which provision has not been made in the approved estimates; or
  - (b) for any purpose the proposed expenditure on which has been reduced by the Minister.
- (3) Notwithstanding the provisions of subsection (1) of this section, a council may –
    - (a) prior to the approval of its estimates, authorise expenditure on recurrent items to an amount not exceeding half that provided in the approved estimates for the preceding year; and
    - (b) prior to the approval of its estimates or any supplementary estimates, grant to its officers increase of salary or wages in accordance with approved scales.

**53. Bad debts**

A council may on the advice of the Director of the Department of Provincial Affairs authorise the writing off as irrecoverable of any sum due by any person to the council on –

- (a) the ground that such person has insufficient means to pay such sum; or
- (b) any other ground which seems sufficient to the council;

to the extent and in the manner prescribed in the standing orders of the council.

**54. Accounts**

- (1) A council shall cause proper books and accounts to be kept and true regular records entered therein of all financial transactions of the council.
- (2) Subject to any directions of the Minister, such books and accounts shall be kept in such form and by such method as the council may approve.
- (3) All books, accounts and records of a council must be kept in accordance with national and international accounting standards.

**55. Audit**

- (1) The Auditor-General or a person approved by him and appointed by a council shall be the auditor of the council, at such rate of remuneration as the council may determine for the purpose of auditing and reporting on the accounts of the council.
- (2) If the Auditor-General so directs, the council shall reimburse to the Government such sum in respect of the Auditor-General's expenses as the Minister may fix.
- (3) The council shall –
  - (a) produce to the auditor within 3 months of conclusion of the year to which they relate all the books and accounts of the council together with all deeds, contracts, documents, receipts and vouchers relating thereto;
  - (b) permit the auditor to inspect all stores and other assets of the council as he may require; and
  - (c) give to the auditor such information, explanations and facilities as he may require to be given to enable him to perform the duties of an auditor.
- (4) It shall be the duty of the auditor to report to the council not less than once in each year separately in respect of each of the following matters, that –
  - (a) he has obtained all such information, explanations and facilities as he may have required to be given to enable him 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 as may be required under the provisions of this Act has been made for depreciation or renewal of the assets of the council.
- (5) In addition to the report required under subsection (4) the auditor shall report to the Minister and to the Minister responsible for finance and to the council any matter or thing which is discovered during the course of the audit and which appears to have been done or performed without due authority.
- (6) The clerk shall –
  - (a) within 30 days of the receipt of the auditor's report on the accounts of the council for any year submit the accounts together with such report to the Minister; and
  - (b) lay the accounts of the council for each year together with the auditor's report thereon before the council within 30 days of the receipt of such report, or if the council is not sitting, at its next meeting;



and thereafter such extracts from such accounts and such reports as the Minister may approve shall be deposited in the offices of the council and shall at all reasonable hours be open to public inspection without payment. A notice of such deposit shall be published in the Gazette.

**56. Inspection of accounts**

A copy of every account or part of an account of a council which is subject to audit, duly made up and balanced, shall for 7 clear days before the audit, be open at all reasonable hours to the inspection of all persons ordinarily resident within the municipality, and any such person shall be at liberty to make copies of or extracts from such accounts without payment.

**57. Financial regulations**

(1) The Minister may after consultation with the Minister responsible for finance make regulations not inconsistent with any of the provisions of this Act for the purpose of –

- (a) controlling and managing the financial business of councils;
- (b) regulating the procedure and duties of the treasurers, and accounting staff of councils;
- (c) providing for the receipt, safe-handling, recording, safe custody and disposal of cash or stores;
- (d) empowering councils to surcharge members of their staff responsible for loss of money or loss of or damage to stores and providing for the manner in which surcharges shall be made;
- (e) regulating the procedure for dealing with tenders;
- (f) requiring contracts made by councils to be in accordance with such regulations and in particular requiring, in the case of contracts for the supply of goods or materials or for the execution of works to the value of VT 1,000,000 or more or such higher minimum value as the Minister may specify in respect of any council or councils to enter into, the contract shall be published and tenders invited and regulating the manner in which such notice shall be published and such tenders accepted; and
- (g) generally for carrying the provisions of this part into effect.

(2) Regulations made under this section may be applied either generally or with respect to any particular council and shall be observed and obeyed by the council to which they apply.

**58. Rates**

The Minister may, after consultation with the Minister responsible for land matters, by Order provide for –

- (a) the manner of assessment of rates that may be levied by councils; and
- (b) the method of levying such rates.

**PART 10 – INSPECTIONS, DISALLOWANCE, SURCHARGE AND SUSPENSION**

**59. Inspections**

(1) The Minister may at any time, by notice published in the Gazette, appoint any person to be an inspector for the purpose of inspecting the observance and performance of a council of the duties and powers imposed or conferred upon it by the provisions of this Act or any other law.

(2) An inspector may –

- (a) attend any meeting of the council or any committee of the council;
  - (b) upon giving due notice to the clerk of his intention so to do, inspect any books, records, documents, contracts, stores or other assets and any undertaking of the council.
- (3) An inspector shall report to the Minister the result of an inspection made by him.

**60. Disallowance and surcharge**

- (1) If, on receipt of the report of the auditor or an inspector, the Minister is satisfied that expenditure has been incurred without proper authority he may either sanction or disallow such expenditure and if he disallows such expenditure, he may, subject to the provisions of section 67 by directive in writing surcharge any person responsible for such expenditure for the whole or any part thereof.
- (2) If, on receipt of the report of an auditor or an inspector, the Minister is satisfied that –
- (a) any failure to collect money due to the council; or
  - (b) any loss of money or property; or
  - (c) any damage to property;
- has occurred by reason of any wilful or wrongful act or any negligence by any councillor or person in the service of the council, the Minister may, subject to the provisions of section 67 by Order in writing surcharge such councillor or person for the whole or any part thereof.
- (3) Any sum surcharged on any person under the provisions of this section shall be a debt to the council and shall be payable by such person within 1 month or such longer period as the Minister may approve of the date of service upon him of the Order of the Minister.
- (4) Any person aggrieved by an Order of surcharge may appeal to the Supreme Court which may confirm, set aside or vary such Order and the decision of which shall be final.
- (5) The Chief Justice may make rules providing for the manner in which appeals under this section shall be made and the procedure on the hearing of any such appeals.

**61. Inquiries and suspension**

- (1) If the Minister –
- (a) has cause to suspect that a council has failed to observe and perform any of the duties and powers conferred or imposed upon it by the provisions of this Act or any other law; or
  - (b) has cause to suspect that a council has done or performed any act, matter, or thing without due authority; or
  - (c) is otherwise of the opinion that an investigation should be made into the affairs of a council;
- he may in his discretion, appoint a person or persons to inquire into such matter.
- (2) If upon an inquiry under this section the Minister is satisfied that the council has done or suffered any of the act, matter and things contained in paragraphs (a) and (b) of subsection (1), he may by directive in writing require the council to remedy the same within such time as he may appoint.
- (3) If a council fails to comply with the terms of a directive of the Minister made under subsection (2) or if the Minister, having appointed a person or persons to make an inquiry under subsection (1) considers it expedient so to do, the Minister may in addition to any other powers conferred upon him by the provisions of this Act –

- (a) suspend the exercise by the council of any of the powers conferred upon it by this or any other act for such period as he may think fit

and, confer upon a person known as a Commissioner, the exercise of any powers so suspended for such period as the Minister considers expedient which must not exceed the expiry of 12 months following the date on which the term of the council so suspended expired.

- (3A) If the exercise of any of the powers of a council is suspended under paragraph (3)(a), the mayor, deputy mayor and councillors are not entitled during the period of such suspension, to receive any allowances which are payable to them under this Act.

- (4) The expenses incidental to –

- (a) any inquiry under this section; or  
(b) the exercise of any of the powers of the council under this section;

shall be a debt due by the council to the Government and shall be paid and discharged out of the funds or revenues of the council in such manner as the Minister shall direct. Any such direction may include a direction that the expenses shall be deducted from any grant payable by the Government to the council.

**61A. Dissolution of a Municipal Council and election for a new Council**

- (1) The Minister is to issue an Order to dissolve a Council if:

- (a) for any reason half of the seats of a Council become vacant; or  
(b) the normal running of the Council is impeded such as being unable to sit for three consecutive sittings for lack of quorum; or  
(c) in the opinion of the Minister, the Council has not carried out a proper performance of its functions under this Act.

- (2) If dissolution is made under subsection (1), the election must be held after 2 months from the date on which the dissolution is made.

- (3) The Clerk is to be responsible for the day to day on-going business of the Council until such time that a new Council is elected, if the Minister issues an Order for dissolution of a Council under this section.

**62. Reduction or refund of grants**

- (1) If on receipt of the report of an auditor, or of an inspector appointed under the provisions of section 59 the Minister is satisfied that any duty or power of a council is being exercised in an improper or inefficient manner the Minister may in respect of any such duty or power reduce or withhold any further grants to such council or any part of such grants until he is satisfied that the duty or power will be exercised in a proper manner.

- (2) In any case where the Minister has reduced or withheld a further grant or part of such grant under the provisions of subsection (1) it shall be in the Minister's discretion at the time he restores the grant whether he restores any part of the grant that was reduced or withheld.

- (3) The Minister before reducing or withholding a grant under subsection (1) shall give the council an opportunity of making representations to him why such grant should not be reduced or withheld.

## **PART 11 – MISCELLANEOUS**

### **63. Financial interest of councillors**

(1) If any councillor –

- (a) has any financial interest, direct or indirect, in any contract or proposed contract or any other matters; and
- (b) is present at any meeting of the council or any committee of the council at which such contract or other matter is the subject of consideration;

he shall at such meeting disclose such interest and shall not take part in any consideration or discussion of or vote on any question relating to such contract or other matter, and if the chairman so directs he shall withdraw from such meeting during such consideration, discussion or voting:

Provided that the foregoing provisions of this section shall not apply to a financial interest which a councillor may have as ratepayer or taxpayer only.

- (2) Any person who fails to comply with the provisions of subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding VT 80,000 unless he establishes to the satisfaction of the court that he did not know –
  - (a) that he had a financial interest in the contract, proposed contract or other matter; and
  - (b) that the contract, proposed contract or other matter was the subject of consideration at the meeting.
- (3) No prosecution for an offence under this section shall be commenced without the consent of the Public Prosecutor.

### **64. Representation of a council in courts**

- (1) In any prosecution by or on behalf of a council, the council may, subject to any directions of the Public Prosecutor, be represented by the clerk or by any officer of the council authorised by him in writing so to do.
- (2) Where a council is a party to any civil cause or matter the council may be represented by the clerk.

### **64A. Legal representation**

- (1) A council may retain the services of a private legal practitioner to represent it in any legal proceedings.
- (2) A councillor or an officer of the council must not use the council's lawyer to pursue their personal matters.
- (3) A council must notify the Minister on any matters that might give rise to legal proceedings.
- (4) A council must notify the Minister on the progress of any pending legal proceedings, against the council or lodged by the council.

### **65. Entry to premises**

The clerk and any officer of a council authorised by him in writing may enter any premises within the municipality between the hours of 8 a.m. and 6 p.m. –

- (a) for the purpose of inspecting any premises licensed under the provisions of this Act; or
- (b) generally for the purpose of carrying out any of the duties or powers imposed or conferred upon such council.

**66. Power of officers to require persons to give name and address**

- (1) Any officer of a council, duly authorised in writing by the council, may require any person to give his name and address whom he reasonably suspects of having committed within the area of the municipality an offence under this Act or any other law which the council is lawfully empowered to enforce, and if any person so required fails to give his name and address or gives a name and address which the officer has reason to believe is false, he may arrest such person without a warrant.
- (2) The provisions of any law relating to criminal procedure shall apply in the case of a person arrested under the provisions of this section.

**67. Immunity from proceedings**

No act, matter or thing done or committed by –

- (a) any councillor;
- (b) any officer or other person in the service of a council; or
- (c) any person acting under the directions of a council;

shall if such act, matter or thing was done in good faith in the execution of his duty, render any such councillor, officer or person personally liable to any action, liability, claim or demand whatever.

**68. By-laws applicable to subdivided municipality**

Whenever an area is severed from a municipality and established as a separate municipality, the Minister may, by Order declare that all or any of the by-laws or any rules in force in such area prior to such severance shall continue to apply to such area until such time as other provision is made.

**69. General penalty**

- (1) Any person who contravenes or fails to comply with any of the provisions of this Act is guilty of an offence and, except where a penalty is specifically provided, shall be liable on conviction to a fine not exceeding VT 1,000,000 or to imprisonment for a period not exceeding 5 years, or to both.
- (2) Where any person is convicted of an offence under the provisions of subsection (1) and where such offence consists of –
  - (a) failing to obtain a licence or permit; or
  - (b) contravening or failing to comply with any condition, subject to which a licence or permit has been issued to such person under the provisions of this Act or of any Order made hereunder;

the court may, in addition to or in substitution for any other penalty which it may impose, cancel the licence or permit and may order that such person shall for a period not exceeding 12 months from the date of such conviction be disqualified from holding or obtaining any such licence or permit.

**70. Regulations**

The Minister may by Order make regulations not inconsistent with this Act, for and in respect of matters necessary for the better carrying out of the provisions of this Act.

**SCHEDULE**

(section 26)

**POWERS OF MUNICIPAL COUNCILS**

1. Generally to do and perform all such matters and things as are necessary for carrying out the duties imposed on a council by the provisions of this Act.
2. To establish, acquire, erect, maintain, promote, assist and control –
  - (a) systems of lighting for streets and public places;
  - (b) fire services;
  - (c) clinics, dispensaries, health and inoculation centres;
  - (d) cemeteries, crematoria and mortuaries and ancillary services and to provide for the burial of bodies of destitute persons and of unclaimed bodies;
  - (e) bus stations and related office accommodation, cafes, restaurants, refreshment rooms and other buildings;
  - (f) offices, stores, workshops, depots and other buildings for the purposes of the council;
  - (g) public halls, libraries, art galleries and museums;
  - (h) cold storage facilities and premises for the inspection or processing of milk, meat or hides and skins;
  - (i) markets and piers, jetties and landing places for the use of canoes and other vessels;
  - (j) botanical and zoological gardens;
  - (k) public baths and swimming pools;
  - (l) laundries and other places for the washing of clothes;
  - (m) canteens, social centres, clubs and hotels including such facilities for employees and staff;
  - (n) public lavatories and urinals;
  - (o) pounds for stray animals and clinics for the treatment of sick animals;
  - (p) camping and grazing grounds;
  - (q) disinfecting stations;
  - (r) public weighing machines;
  - (s) public monuments;
  - (t) sanitary services for the removal and disposal of night soil, rubbish, carcasses of dead animals and all other kinds of refuse and effluent.
3. To establish, maintain or control public parks, gardens and recreation grounds on any land held by the council and in connection with or for the purposes of any such public park, garden or recreation ground to –
  - (a) establish, erect, maintain and control aquariums, aviaries, piers, pavilions, cafes, restaurants, refreshment rooms and such other buildings or erections whatsoever as the council may deem necessary;
  - (b) reserve any portion of such public park, garden or recreation ground for any particular game or recreation or for any other specific purpose; to exclude the public from such portion and provide for the renting and hiring thereof to the public, clubs or other organisations; and
  - (c) provide or permit any other person to provide any apparatus, equipment or other amenity.
4. To prohibit, restrict, regulate or licence –
  - (a) the holding of religious services, meetings, rallies, demonstrations or processions in any street or public place;

- (b) the sale or hawking of wares or the erection of stalls on any street, or the use of any part of a street or public place for the purpose of carrying on any trade, business or profession;
  - (c) the depositing on any street, public place or unoccupied land of any refuse, rubbish, derelict vehicles or parts of vehicles, or any other material or thing whatsoever and to provide for the removal and disposal thereof;
  - (d) street decorations and the erection of shelters, temporary buildings, platforms, seats and other structures at any entertainment, procession, exhibition, ceremony or display whether in a public place or not;
  - (e) the placing of banners, wires, ropes or any other impediments over or across any street or public place;
  - (f) the collection of money or goods in any public place for any charitable or other purpose;
  - (g) the public exhibition of any monstrosity, freak of nature or abnormal person or animal;
  - (h) singing, dancing, drumming, the playing of musical instruments, the reproduction of music or the making of any noise whatsoever likely to disturb any person, or any performance for profit in any public place;
  - (i) the storage or stacking of firewood or other fuel;
  - (j) the washing or drying of clothes other than on private premises;
  - (k) the quarrying and transport and dumping of earth, coral, stone, lime, clay or other material;
  - (l) the keeping of dogs, animals and poultry, and to provide for the seizure and destruction of ownerless, unlicensed, diseased or dangerous dogs and the seizure and disposal of stray animals and poultry;
  - (m) billiard saloons, gaming machine parlours, dance halls and other places of public resort;
  - (n) lodging houses;
  - (o) the burning of rubbish and grassland.
5. To lay out and adorn any street, square or open space vested in the council by the erection of statues, fountains or other structure or any other manner whatsoever.
  6. To decorate streets and public buildings, erect shelters, temporary buildings, platforms, seats and other structures in public places.
  7. To clear, level and maintain public and unoccupied land taken on lease by the council and to plant, trim, protect, and remove flowers, trees and shrubs in or from any public place.
  8. To identify streets and other public places by assigning names thereto and to cause such names to be exhibited on posts or pillars or be painted or otherwise exhibited on any building or other erection fronting thereon.
  9. To number, or otherwise identify any buildings fronting on any street or other public place, and cause such identification to be exhibited on any such buildings or require the owner thereof, at his own expense to cause such identification to be exhibited on the building.

10. To require the owner or occupier of any premises to –
  - (a) remove or lower any fence or wall;
  - (b) remove, lower or trim any tree, hedge or shrub overhanging any street or interfering with the passage of traffic or pedestrians;
  - (c) remove, lower or trim any tree, hedge or shrub which in the opinion of the council is a danger or nuisance to any traffic or pedestrians;
  - (d) remove or alter any wires or other works or perform such other removal or trimming which may be necessary for public safety;
  - (e) remove any tree, shrub or plant which may be declared in any by-law of the council to be a noxious tree, shrub or plant.
11. To require the fencing of plots and restrict the use of barbed wire, broken glass or any similar substances on fences and walls.
12. To preserve public decency, and to prevent offences against public order in streets and public places, and to prevent damage to or defacement of property of the public or of the council.
13. To prevent and extinguish fires, to remove buildings in order to prevent the spread of any fire and to compensate the owner of any buildings so removed.
14. To take a census of the inhabitants of the municipality or to contribute to the cost of taking any such census.
15. To establish, maintain, hire, support or control bands and orchestras and generally to provide for musical entertainment at public places and functions.
16. To undertake private works and services and to charge and recover costs thereon.
17. At the request of the owner of land situated within the municipality to construct in such manner as the council may think fit, by its servants or by contract, a footway or pavement along any street contiguous with such land or vehicular crossings over any footway or pavement and to recover the whole or any part of the cost of such construction, including the cost of supervision, plant, machinery and tools from such owner in such manner as it may think fit.
18. To sell all by-products resulting from the carrying on by or on behalf of the council of any works or services.
19. To promote publicity for the municipality.
20. To promote schemes of health education and road safety propaganda.
21. To make provision for the return of destitute persons to their homes.
22. To arrange for the insurance of all assets of the council and against financial risks of any kind to which the council may be subject.
23. Subject to the approval of the Minister to establish, acquire or take over housing schemes for the inhabitants of the municipality and for such purpose to –
  - (a) lay out land and provide and maintain necessary public services;
  - (b) erect and maintain dwelling houses, flats and out-buildings appertaining thereto;
  - (c) convert buildings into dwelling houses or flats and to alter, enlarge, repair and improve the same;
  - (d) sell or lease any plots of land or any buildings thereon; and
  - (e) let on rent to tenants any dwelling houses, flats, rooms or other accommodation.
24. To erect, acquire, lease and maintain dwellings for the accommodation of officers and servants of the council.
25. Subject to the approval of the Minister to make advances of money on the security of immovable property for the purpose of enabling persons including the officers and servants of the council, to acquire land within the municipality and erect dwellings thereon and to recover any such advances with interest thereon by installments or otherwise.



26. To aid and support, whether by the grant of money or otherwise the establishment and maintenance of schools, hospitals, libraries, art galleries, museums, musical or scientific institutions, homes for the aged, destitute or infirm, or for orphans and to provide bursaries to assist in the education of the children of persons residing in the municipality, to make donations to charitable and philanthropic, welfare and youth organisations and to make presentations to other local authorities or public bodies.
27. To provide –
- (a) gowns, chains and badges of office for councillors and officers of the council;
  - (b) badges, medallions or scrolls for presentation to persons who have given meritorious service to the municipality.
28. To entertain visitors, sponsor, promote and assist in arranging conferences, meetings, lectures and exhibitions of a local government nature or of benefit to the municipality, and meet the reasonable out-of-pocket expenses of councillors and officers appointed by the council to attend conferences and meetings or when engaged on the council's business and pay such subsistence, attendance or other allowances to councillors when attending meetings of the council as may be approved by the Minister.
29. To regulate, control, manage, administer, promote or license any of the things or services which the council is required or empowered to do, establish, maintain, carry on, control, manage or administer, to prescribe the forms in connection therewith, and with the approval of the Minister to fix any fees or charges to be made in respect thereof.
30. To assist the Government or any regional authority to control building and to administer town and country planning schemes in any area within 2 miles of the boundaries of the municipality.
31. To provide, control and manage the following services –
- (a) sporting and recreational facilities and programmes of informal education for both adults and young people, including the provision and running of community centres;
  - (b) the development of social work among adults;
  - (c) remedial social welfare programmes aimed at the alleviation of social distress;
  - (d) the welfare of children.
32. To control, restrict, regulate or license public transport services.

**Table of Amendments (since the Revised Edition 1988)**

1	<i>Amended by Act 23 of 2010</i>	18	<i>Substituted by Act 11 of 2013</i>
4(e)	<i>Amended by Act 11 of 2013</i>	19(1)	<i>Substituted by Act 23 of 2010</i>
4A	<i>Inserted by Act 11 of 2013</i>	19(2)	<i>Substituted by Act 11 of 2013</i>
4A	<i>Substituted by Act 5 of 2015</i>	19(4)	<i>Substituted by Act 23 of 2010</i>
5	<i>Substituted by Act 11 of 2013</i>	19A(5)	<i>Inserted by Act 11 of 2013</i>
6A	<i>Inserted by Act 1 of 2001, removed as spent (relating to 2001 Council only)</i>	19(5) – (7)	<i>Inserted by Act 23 of 2010</i>
6A	<i>Inserted by Act 29 of 2014</i>	19A	<i>Inserted by Act 11 of 1995</i>
7(1A), (1B)	<i>Inserted by Act 1 of 2001</i>	19B – 19F	<i>Inserted by Act 11 of 2010</i>
7(2)	<i>Amended by Act 29 of 2014</i>	20	<i>Substituted by Act 11 of 2013</i>
7(2)(a)	<i>Repealed by Act 1 of 2001</i>	20(1)	<i>Amended by Act 23 of 2010</i>
7(2)(i)	<i>Repealed by Act 11 of 2013</i>	21	<i>Repealed by Act 23 of 2010</i>
7(2)(j)	<i>Repealed by Act 11 of 2013</i>	21	<i>Inserted by Act 11 of 2013</i>
8A	<i>Inserted by Act 5 of 2015</i>	22	<i>Amended by Act 11 of 2013</i>
10(ba) – (bc)	<i>Inserted by Act 11 of 2013</i>	23	<i>Substituted by Act 11 of 2013</i>
Part 3A	<i>Inserted by Act 11 of 2013</i>	25(1A)	<i>Inserted by Act 11 of 2013</i>
Part 3A (Heading)	<i>Amended by Act 12 of 2018</i>	31(3)	<i>Amended by Act 11 of 2013</i>
11AA – 11AD	<i>Inserted by Act 12 of 2018</i>	37(2)(b)	<i>Amended by Act 11 of 2013</i>
12(3)	<i>Amended by Act 11 of 2013</i>	37(2)(c)	<i>Inserted by Act 11 of 2013</i>
12(3A)	<i>Inserted by Act 11 of 2013</i>	40(1)	<i>Amended by Act 11 of 2013</i>
13(1)	<i>Substituted by Act 11 of 2013</i>	42	<i>Substituted by Act 11 of 2013</i>
17(3)	<i>Substituted by Act 11 of 2013</i>	44(d)	<i>Amended by Act 11 of 2013</i>

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50	<i>Substituted by Act 11 of 2013</i>	61(3)(a)	<i>Amended by Act 23 of 2010</i>
52(2)	<i>Amended by Act 11 of 2013</i>	61(3A)	<i>inserted by Act 11 of 2013</i>
53	<i>Amended by Act 11 of 2013</i>	61A	<i>Inserted by Act 23 of 2010</i>
54(3)	<i>Inserted by Act 11 of 2013</i>	64A	<i>Inserted by Act 11 of 2013</i>
57(f)	<i>Amended by Act 11 of 2013</i>	69(1)	<i>Amended by Act 11 of 2013</i>
61(3)	<i>Amended by Act 23 of 2010</i>	70	<i>Inserted by Act 11 of 2013</i>
61(3)(b)	<i>Repealed by Act 23 of 2010</i>		



## REPUBLIC OF VANUATU

### CONSOLIDATION OF THE FRENCH AND ENGLISH TEXTS OF THE LAWS OF VANUATU ACT [CAP 295]

#### Approval of the English Text of the Decentralization Consolidation Edition 2019 Order No. 44 of 2019

In exercise of the powers conferred on me by subsection 9(1) of the Consolidation of the French and English Texts of the Laws of Vanuatu Act [CAP 266], I, the Honourable DON KEN, Minister of Justice and Community Services, make the following Order:

**1 Approval of the English Text of the Decentralization Consolidation Edition 2019**

The English Text of the Decentralization Consolidation Edition 2019 is approved.

**2 Appointed day**

The appointed day for the coming into operation of the Decentralization Consolidation Edition 2019 is the day on which this Order is made.

**3 Commencement**

This Order commences on the day on which it is made.

Made at Port Vila this Thursday day of 16 May, 2019.

  
Honourable **DON KEN**  
Minister of Justice and Community Services

Commencement: 11 July 1994



## CHAPTER 230

# DECENTRALIZATION

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Act 13 of 1997	Act 16 of 2013
Act 17 of 1998	Act 37 of 2013
Act 17 of 2000	Act 35 of 2017
Act 41 of 2000	Act 14 of 2018
Act 7 of 2007	
Act 24 of 2010	

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## DECENTRALIZATION

**An Act to make provisions for the decentralization and establishment of Provincial Government Regions and for matters connected therewith.**

### PART 1 – DEFINITIONS

#### 1. Definitions

In this Act, unless the context otherwise requires:

“accountant” means the Public Servant seconded to a Provincial Government Council under section 18F;

“administration subsidy” means a subsidy provided by the Executive to a Provincial Government Council for administration purposes such as salaries, accounting and office systems and office equipment;

“by-law” means a by-law made by each Provincial Government Council under the provisions of this Act;

“Department” means the Department of Local Authorities;

“equipment grant” means a grant by the Executive to a Provincial Government Council for development purposes such as agricultural, construction and maritime projects;

“Executive” means the Executive under Article 39(1) of the Constitution;

“Minister” means the Minister for the time being responsible for local government or any Minister acting on his behalf;

“Provincial Government Council” means a Council established under section 4 comprising representatives of each Provincial Government Region;

“Provincial Government Region” means a region declared under section 3(1)(a);

“Provincial Government Region Executive Officer” means an officer appointed under section 19 of this Act;

“Secretary General” means the public servant seconded to a Provincial Government Council under section 18E.

#### 2. *(Repealed)*

### PART 2 – CREATION OF PROVINCIAL GOVERNMENT REGIONS

#### 3. Establishment of Provincial Government Regions

(1) The Prime Minister may by Order:

- (a) declare a Provincial Government Region;
- (b) give a name to a Provincial Government Region;
- (c) define the boundaries of a Provincial Government Region and alter them.

(2) The number of Provincial Government Regions to be so declared under subsection (1) shall not be less than 4 and not more than 6.

#### 4. Establishment of Provincial Government Councils

When the Prime Minister declares a Provincial Government Region under section 3(1), he shall in the Order establish a Provincial Government Council for that Region.

**4A. Division of Provincial Government Region into Area Council Divisions**

The Minister on the advice of each Provincial Government Council shall by order divide a Provincial Government Region into area council divisions or districts and may alter those divisions or districts.

**4AA. Functions of an area council**

The functions of an area council are to:

- (a) review and consolidate community action plans for each community within that area council division or district; and
- (b) develop an area council Strategic Development Plan for the relevant area council division or district; and
- (c) coordinate, monitor and report to the relevant Provincial Government Council on the implementation of the relevant area council Strategic Development Plan.

**4AB. Appointment of members of an area council**

- (1) The Minister may by Order, upon the recommendation of the relevant Local Government Council, appoint members for each area council in the relevant Local Government Region.
- (2) The members of an area council appointed under subsection (1) consist of:
  - (a) chiefs appointed by the relevant Provincial Government Council from amongst persons nominated by representative bodies of chiefs in the relevant area council division or district; and
  - (b) women representatives appointed by the relevant Provincial Government Council from amongst persons nominated by representative bodies of women in the relevant area council division or district; and
  - (c) youth representatives appointed by the relevant Provincial Government Council from amongst persons nominated by representative bodies of youth in the relevant area council division or district; and
  - (d) church representatives appointed by the relevant Provincial Government Council from amongst persons nominated by representative bodies of churches in the relevant area council division or district; and
  - (e) business representatives appointed by the relevant Provincial Government Council from amongst persons nominated by representative bodies of businesses in the relevant area council division or district.
- (3) A member appointed under subsection(1) is to hold office for period of 4 years and is eligible for reappointment.

**4AC. Conduct of business of an area council**

- (1) The Minister may by order and upon the recommendation of the relevant Local Government Council designate an office space to be the headquarter of the relevant area council.
- (2) An area council must hold its meetings in public at the headquarter of the relevant area council.
- (3) An area council must hold its meetings at least 4 times each year.
- (4) Despite subsection (3), an area council may hold extraordinary meetings at the request of the relevant Provincial Government Council or of more than half of the members of the area council.

- (5) The Chairperson of an area council must be a Chief appointed under paragraph 4AB(2)(a).
- (6) The Chairperson is to preside at all meetings of an area council.
- (7) If the Chairperson is absent, the Deputy Chairperson is to chair the meetings of an area council.
- (8) The members appointed under paragraphs 4AB(2)(b) to (e) are to nominate from amongst themselves a member to be the Deputy Chairperson of an area council.
- (9) An elected member of a Provincial Government Council may attend a meeting of an area council on the request of that area council.
- (10) The Chairperson and members of an area council are entitled to the following sitting allowances:
  - (a) Chairperson –VT5,000 per sitting;
  - (b) member –VT 3,000 per sitting.
- (11) An area council is to make its own standing orders.

**4AD. Funds of an area council**

- (1) The funds of an area council consist of:
  - (a) monies received from the relevant Provincial Government Council; and
  - (b) monies received from other sources.
- (2) An area council is to open its own bank account in any financial institution provided for under the Financial Institutions Act [CAP 254].

**4B. Provincial Government Councils to be bodies corporate**

A Provincial Government Council shall be a body corporate with perpetual succession and power to:

- (a) sue and be sued in its corporate name; and
- (b) purchase, acquire, hold, manage and dispose of movable and immovable property.

**4C. Seal**

Each Provincial Government Council shall have a seal of a design approved by such Provincial Government Council which shall be kept in the custody of the Secretary to the Provincial Government Council.

**4D. Establishment of Technical Advisory Commission**

- (1) The Technical Advisory Commission is established within each Local Government Region.
- (2) The Commission consists of the following members:
  - (a) the Secretary General of a Provincial Government Region, who is to be the Chairperson of the Commission; and
  - (b) heads of government departments based in a Provincial Government Region.
- (3) The functions of the Commission are to:
  - (a) review and consolidate action plans for each area council in the relevant Local Government Region; and
  - (b) develop a Provincial Government Region Strategic Development Plan for the relevant Provincial Government Region; and



- (c) coordinate, monitor and report to the relevant Provincial Government Council on the progress of implementation of the relevant Provincial Government Region Strategic Development Plan; and
  - (d) assist the relevant Secretary General in the coordination of Government services in the relevant Provincial Government Region.
- (4) The Commission must hold its meeting once in each month and may hold such other meetings as may be requested by the Chairperson.
  - (5) The quorum at a meeting of the Commission is a simple majority of the members present at that meeting.
  - (6) The Commission may regulate its own procedures.
  - (7) A Provincial Government Region Strategic Development Plan must be approved by the relevant Provincial Government Council before it can be implemented.

### **PART 3 – COMPOSITION, NAME AND DUTIES OF PROVINCIAL GOVERNMENT COUNCILS**

#### **5. Composition of Provincial Government Councils**

Each Provincial Government Council shall be composed of elected members and appointed members.

#### **6. (Repealed)**

#### **7. Appointment of members of Provincial Government Councils**

- (1) The Minister may by Order provide for appointed members of each Provincial Government Council in respect of its Provincial Government Region and such members shall consist of:
  - (a) chiefs appointed by the Minister from among persons nominated by representative bodies of chiefs;
  - (b) women appointed by the Minister from among persons nominated by representative bodies of women;
  - (c) youth representatives appointed by the Minister from among persons nominated by representative bodies of youth;
  - (d) church representatives appointed by the Minister from among persons nominated by representative bodies of churches.
- (2) The appointed members –
  - (a) shall hold office for a period of four years and shall be eligible for reappointment; and
  - (b) shall be consulted on any matter, question or issue coming before the Provincial Government Council for its decision.
- (3) The appointed members shall not be entitled to vote at the meetings of the Provincial Government Councils.
- (4) The appointed members shall not be more than half the number of elected members.

#### **8. Conduct of business**

- (1) The Provincial Government Council shall hold its meetings in public at the Headquarters of the Provincial Government Region. The Headquarters shall be designated through an order to be issued by the Minister upon the recommendation of the Provincial Government Council.

- (2) The Provincial Government Council shall hold two ordinary meetings during one calendar year. The first ordinary meeting, being the budgetary meeting, shall commence on the first working day in the month of November and may last for a period not exceeding ten days.
- (3) The second ordinary meeting, being the administrative meeting, shall commence on the first working day in the month of May and may last for a period not exceeding ten days.
- (4) Apart from such meetings, the Provincial Government Council may hold extraordinary meetings at the request of the Minister or if more than half of the elected members so request.
- (5) The duration of an extraordinary session shall not exceed three days.
- (6) The Provincial Government Council shall meet by right on the first Thursday following the publication of the official results of the Provincial Government Council election. Members of the Provincial Government Council shall appoint among themselves a Chairman and no more than three deputy chairmen. They shall be appointed by a majority voting. The voting shall be done by secret ballot.
- (7) The Chairman and deputy chairmen shall hold office for a term of two years.
- (8) *(Repealed)*
- (9) The Chairman shall preside at all meetings in compliance with the provisions of the Standing Orders of the Council. Upon evidence of his absence or incapacity, one of the deputy chairmen shall, in the order of their appointments, replace him. The Chairman or the deputy chairman substituting for him may, if he deems necessary, request the assistance of any Police Officer to restore order in the meeting chamber.
- (10) Members of Parliament elected within the Provincial Government Region may at the request of the Provincial Government Council of that region attend and address any meeting of that Council on any specific matter or issue.

#### **9. Procedure for enacting by-laws**

- (1) The Provincial Government Council shall deal with draft by-laws tabled by any member of the Provincial Government Council with the Chairman of the Council.
- (2) Draft by-laws and proposals shall be voted on by the Council after having heard the opinion of the appointed members.

#### **10. Standing orders**

- (1) Each Provincial Government Council shall make its own standing orders.
- (2) The Provincial Government Council shall vote on the approval of the standing orders of the Council after having heard the views of the appointed members. The Chairman shall draw up the Order of Business.

#### **11. Setting up of a committee**

A Provincial Government Council may, from time to time, from among its members, appoint and dissolve a committee responsible for matters relating to draft by-laws or for any general or specific purposes which in the opinion of the Provincial Government Council would be better regulated and managed by a committee. The composition of such a committee shall be proportional to the various opinions held within the Council.

#### **12. Voting and quorum**

- (1) All decisions shall be determined by a majority of the votes of the elected members present. Each elected member present shall have the right to cast only one vote.

- (2) The quorum required for meetings of the Council shall be more than half of the total number of elected members.
  - (3) In case of a tie vote, the Chairman shall have a casting vote.
- 13. New election, dissolution of Provincial Government Council and delegation of responsibility**
- (1) If for any reason half of the seats of a Provincial Government Council become vacant, a new election shall be called within the two months following the date the latest seat became vacant.
  - (2) If this latest vacancy occurs in the last six months of the normal term of the Council, the Prime Minister shall, upon the recommendation of the Minister, issue an order to dissolve the Provincial Government Council.
  - (3) Day-to-day on-going business shall then be attended to by the Minister or he may delegate this responsibility to a public servant or another person with suitable qualification or experience.
- 14. Dissolution of Provincial Government Council and election of new Council**
- (1) Should the normal running of a Provincial Government Council be impeded, such as being unable to sit for three consecutive sittings for lack of a quorum, the Prime Minister shall, upon recommendation from the Minister, issue an order to dissolve the Council for cause.
  - (2) Elections for a new Council shall be held not later than six months following the date on which the order was published in the Official Gazette. During this period, the day-to-day on-going business shall be attended to by the Minister or he may delegate this responsibility to a public servant or another person with suitable qualification or experience.
  - (3) No dissolution shall be made within the next twelve months following the election of a new Provincial Government Council which is taking over from the one dissolved. However, if during this period the running of the Council is again impeded on similar grounds as those in subsection (1) of this section, the Prime Minister may, upon recommendation of the Minister, issue an order to temporarily suspend the Council for a period not exceeding six months. During this period of suspension the day-to-day on-going business shall be attended to by the Minister or he may delegate this responsibility to a public servant.
- 15. Approved by-laws**
- (1) The Chairman of the Provincial Government Council shall submit at the earliest opportunity a copy of all approved by-laws to the Provincial Government Region Executive Officer and shall have a copy displayed on the Provincial Government Region headquarters notice board.
  - (2) During fifteen days following the display of the by-law on the notice board, the population of the Provincial Government Region concerned and the Provincial Government Region Executive Officer may submit their complaints on the legality or relevancy of the said by-law to the Chairman of the Provincial Government Council.
  - (3) At the end of this fifteen-day period the Chairman of the Provincial Government Council may then either:
    - (a) submit the by-law to the Minister for publication in the Official Gazette if no compliant has been received;

- (b) if a complaint is received in that period –
  - (i) and he thinks that the complaints made may be justified, convene a meeting of the Council to debate the issue;
  - (ii) but if he thinks that the complaint is not justified or is substantially similar to matters already considered, he shall notify the complainant in writing and may then submit the by-law to the Minister as in paragraph (a) at the expiry of 15 days from such notification.

**16. Publication and commencement of by-laws**

- (1) Subject to the provisions of section 18 upon receiving the by-law submitted to him under section 15(3)(a), the Minister shall ensure its publication in the Official Gazette. This by-law shall come into force as from the date of its publication in the Official Gazette.
- (2) Within the fifteen days following the commencement date of the by-law, if a person feels that the by-law was unfair to him or if he feels that the content of the said by-law contradicts the essence of the Constitution or existing laws, he may request an enquiry to be conducted on the legality of the said by-law by a competent court.
- (3) The filing of such a request shall not prevent the by-law from being implemented.

**17. Supreme Court to assess the legality of by-laws**

The Supreme Court shall be the competent judicial body to assess the legality of by-laws enacted by Provincial Government Councils.

**18. Procedure on receipt of by-laws by the Minister**

- (1) Where the Minister receives a by-law under the provisions of section 15(3) above, he may either:
  - (a) proceed with the publication of the said by-law according to the conditions and with the consequences provided for under section 16 above; or
  - (b) request the Supreme Court to assess its legality. In this case he shall not proceed with the publication of the by-law and shall immediately inform the Chairman of the Provincial Government Council which enacted the by-law in question.
- (2) The Supreme Court may either:
  - (a) rule out the whole text or part thereof; or
  - (b) confirm the legality of the said by-law. In the latter case the Minister shall therefore ensure the official publication of the by-law within eight days following the date of the Supreme Court's decision. The by-law shall henceforth be enforced according to the conditions specified under section 16, and no other request for assessment of the legality of the said regulation shall be received by the Supreme Court from any persons or body corporate.

**PART 3A – TERM OF OFFICE OF MEMBERS OF PROVINCIAL GOVERNMENT COUNCILS**

**18A. Term of office of members of Provincial Government Councils and elections thereto**

- (1) Members of Provincial Government Councils shall be elected or appointed as the case may be for a period of 4 years and together with any councillor elected or appointed to fill a vacancy shall retire together at the end of that period
- (2) *(Repealed)*

- (3) *(Repealed)*
- (4) Subject to the provisions of the Constitution and this Act, the Electoral Commission may by Order provide for the regulation and conduct of elections to be held under the provisions of this Act and, without prejudice to the generality of the foregoing, may provide for the regulation and conduct of elections to be held under the provisions of Act and, without prejudice to the generality of the foregoing, may provide for –
- (a) the date for election of elected members of a Provincial Government Council. If the Electoral Commission fails to fix such date the election shall take place on a date that is 1 calendar month before the end of the term of office of the members presently in office. If the date is a Saturday, Sunday or public holiday the election shall take place on the next preceding day that is not one of those days;
  - (b) the qualifications and disqualifications of electors;
  - (c) the registration of electors in any Provincial Government Region or in any area council division;
  - (d) the ascertainment of the qualifications and disqualifications of candidates for election as members of Provincial Government Councils;
  - (e) the method of making and disposing of claims or objections in connection with the registration of electors;
  - (f) the procedure for the nomination of candidates for election as members of Provincial Government Councils;
  - (g) the method of election in any Provincial Government Region;
  - (h) the determination of any question which may arise whether any person has been elected as a member of a Provincial Government Council;
  - (i) the nature of corrupt and illegal practices in connection with elections and penalties in relation thereto:  

Provided that no penalty prescribed by any Order made under this paragraph shall exceed imprisonment for a period of 5 years or a fine of VT 100,000 or, both such imprisonment and fine;
  - (j) such forms as the Commission may consider necessary to be used in connection with elections.
- (5) Election of members of Provincial Government Councils under this Act shall be on the bases of direct universal franchise which shall include an element of proportional representation.

**18AB. Constituencies and number of elected councillors**

- (1) The Minister may by Order in writing divide each Provincial Government Region into several constituencies for the purposes of a Provincial Government Council election.
- (2) Subject to subsection (3), the Minister may by Order in writing prescribe the number of elected members for each Provincial Government Region on the basis that each member for each constituency must represent at least 1,500 people in that constituency.
- (3) If the Minister is satisfied that the rule in subsection (2) cannot be complied with for one or more constituencies in a Provincial Government Region, the Minister may by Order in writing prescribe the number of members for that constituency based on each island or island group in that region being fairly represented in the Provincial Government Council.

**18AC. Election deposits**

- (1) Subject to subsection (2), the Minister may by Order in writing prescribe an amount to be deposited by each candidate in a Provincial Government Council election.
- (2) The amount prescribed cannot exceed VT 20,000.

**18B. Disqualification for election or appointment as member of Provincial Government Council**

- (1) The following persons shall not be qualified for election or appointment as members of Provincial Government Councils –
  - (a) the President;
  - (b) Judges and Magistrates;
  - (c) members of Parliament;
  - (d) members of the police force;
  - (e) members of the National Council of Chiefs;
  - (f) public servants;
  - (g) members of the teaching service;
  - (h) a person who is in the service of the Provincial Government Council; and
  - (i) a municipal councillor;
  - (j) a person who is in default of payment of any rates, charges or other debts due to the council for a period exceeding 2 months after the same is due.
- (2) Any member of the district council of chiefs, island council of chiefs and area council of chiefs who holds the position of chairman, vice-chairman, secretary or treasurer, shall not be qualified for election as a member of a Provincial Government Council.
- (3) A Council member shall vacate his seat if any circumstances arise that, if he were not a member of the Council would cause him to be disqualified from election or appointment as such.

**18BA. Arrangement for payment of any rates, charges or other debts due to the council**

- (1) For the purpose of paragraph 18B(1)(j), an arrangement with the council for payment of any rates, charges or other debts due to the council after the period set out in that paragraph disqualifies a person for election to a Provincial Council.
- (2) A person must provide to the Electoral Commission, an original copy of the receipt certifying that the council has received such payment referred to in paragraph 18B(1)(j).

**18C. Vacation of office**

If any member of a Provincial Government Council –

- (a) is found to have been unqualified or disqualified for election or appointment to a Provincial Government Council;
- (b) does, or permits or suffers any act, matter or thing which would, under the provisions of section 18B disqualify him for appointment or election;
- (c) resigns from the Provincial Government Council;
- (d) fails to attend 3 consecutive meetings of the Provincial Government Council or of any committee of the Provincial Government Council of which he is a member, unless he

has obtained the prior permission of the Provincial Government Council to absent himself throughout such period,

he shall cease to hold office.

**18D. Filling of vacancies**

- (1) Whenever a vacancy occurs in the office of an elected member of a Council such vacancy shall be filled in accordance with Orders made under the provisions of section 18A.
- (2) Notwithstanding the provisions of subsection (1), if –
  - (a) a vacancy occurs in the office of a councillor within 6 months preceding the date on which such councillor would ordinarily retire;
  - (b) the total of unfilled vacancies does not exceed a third of the total number of councillors; and
  - (c) no local council division will thereby be unrepresented;such vacancy shall not be filled under the provisions of this section and such vacancy shall remain unfilled until the time of the next ordinary election.
- (3) A person elected under the provisions of this section to fill a vacancy shall hold office until the date upon which the person in whose place he is elected would ordinarily have retired, and he shall then retire.
- (4) Whenever there is a vacancy in the office of an appointed member of a Provincial Government Council the Minister shall appoint another person to fill that vacancy in accordance with subsection (3).

**PART 3B – OFFICERS AND STAFF**

**18E. Secretary to Provincial Government Council**

- (1) The Public Service Commission shall appoint a fit person, who is a public servant, to be Secretary for each Provincial Government Council.
- (2) The Secretary shall be the Chief Executive Officer of the Provincial Government Council for which he is appointed and shall have the charge and custody of and be responsible for all books, records and other documents of the Provincial Government Council.
- (3) The Secretary General is to be the senior public servant in the Provincial Government Region and is responsible for coordinating the services and activities of all other public sector agencies within that Region.
- (4) For the avoidance of doubt, no Provincial Government Council shall have power to suspend or dismiss the Secretary.

**18EA. Assistant Secretary General**

- (1) The Public Service Commission is to appoint in writing an Assistant Secretary General and may determine the terms and conditions of the appointment.
- (2) The Assistant Secretary General for each Provincial Government Council has the charge and responsibility to assist in carrying out the duties of the Secretary General.
- (3) The Assistant Secretary General is to be supervised by and to act only on the lawful direction of the Secretary General.
- (4) To avoid doubt, the Provincial Government Council does not have the power to remove or suspend the Assistant Secretary General.

**18F. Accountant to Provincial Government Council**

- (1) The Public Service Commission shall appoint a fit person, who is a public servant, to be accountant for each Provincial Government Council.
- (2) For the avoidance of doubt, no Provincial Government Council shall have power to suspend or dismiss the accountant.

**18FA. Cashier**

- (1) The Public Service Commission is to appoint in writing a Cashier and may determine the terms and conditions of the appointment.
- (2) The cashier is to assist the accountant in carrying out his or her duties under this Act.
- (3) The cashier is to be supervised by the accountant and is to act only on the lawful direction of the accountant.
- (4) To avoid doubt, the Provincial Government Council does not have the power to remove or suspend the cashier.

**18G. Treasurer and other officers**

- (1) Subject to subsection (3), a Provincial Government Council shall appoint a treasurer.
- (2) A Provincial Government Council may appoint such other officers, as it may consider necessary for the proper performance of its functions, upon such terms and conditions as it may determine and may define the powers and duties of such officers.
- (3) Until such time as the Minister is satisfied that suitable persons are otherwise available the treasurer and such other officers as he may consider necessary shall be seconded to a Provincial Government Council from the public service.

**18GA. Planner**

- (1) The Public Service Commission is to appoint in writing a Planner and may determine the terms and conditions of the appointment.
- (2) The planner is responsible for the development planning and all matters relating to physical planning of the Local Government boundary.
- (3) The planner is to be supervised by the Assistant Secretary General and the Secretary General, and to act only on their lawful directions.
- (4) To avoid doubt, the Provincial Government Council does not have the power to remove or suspend the planner.

**18GB. Area Council Administrator**

- (1) The Public Service Commission is to appoint in writing an Area Council Administrator.
- (2) The provisions of the Public Service Act [CAP 246] apply in relation to this appointment.

**18H. Power to engage staff**

Subject to section 18G(3), a Provincial Government Council may from time to time employ, on such terms and conditions as it may determine, such agents, servants and workmen as may be necessary for the proper performance of its functions.

**18HA. Transitional provision for persons occupying the position under sections 18EA, 18FA, 18GA**

A person who is occupying any of the positions referred to in section 18EA, 18FA or 18GA immediately before the commencement of this Act must cease to hold that office upon the appointment of a person to the office by the Public Service Commission, unless he or she is appointed by the Public Service Commission to the relevant position.



**18HB. Staffing structure**

The Minister may make staffing structure of a Provincial Government Council on the recommendations of that Council acting on the advice of the Department.

**18I. Staff regulations**

- (1) A Provincial Government Council shall make staff regulations, which, subject to the provisions of this Act, may make provision for all or any of the following matters relating to persons in the service of the Council other than persons seconded to it –
- (a) grades and salary scales;
  - (b) appointments, promotions, leave, termination of appointments and dismissals;
  - (c) maintenance of discipline;
  - (d) disciplinary offences;
  - (e) interdiction and payment of salary or wages during any period of interdiction;
  - (f) punishments in respect of disciplinary offences including the withholding or deferment of increments, fines, reductions in rank or salary and deductions from salary in respect of damage to property of the Provincial Government Council by reason of misconduct or breach of duty by an officer, servant or employee;
  - (g) training;
  - (h) payment of allowances; and
  - (i) terms and conditions of service generally including matters relating to procedures and the duties and responsibilities of officers, servants and employees.
- (2) Staff regulations made under the provisions of subsection (1) shall be published in the Gazette.

**18IA. Staff Regulations**

The Minister may make staffing regulations of a Provincial Government Council on the recommendation of that Council acting on the advice of the Department.

**PART 3C – POWERS AND DUTIES OF COUNCILS**

**18J. General powers and duties of Councils**

- (1) Every Provincial Government Council shall be generally responsible for the good government of its Provincial Government Region and shall do all such things as it lawfully may and as it considers expedient to promote and plan for the health, welfare, economic and social development of the people in the Provincial Government Council Region.
- (2) The provisions of this Act relating to the powers and duties of Provincial Government Councils are in addition to, and not in derogation of, the provisions of any other written law relating to such powers and duties and in the exercise of their powers and the performance of their duties in relation to any matter for which provision is made by other law, a Provincial Government Council shall act in conformity therewith.

**18K. Contracts**

- (1) Subject to the provisions of subsection (2), to any order made under section 35 and to any conditions or limitations imposed by its Standing Orders, a Provincial Government Council may enter into contracts for the purpose of any works, services or other matters which it is required or empowered to undertake, carry out and manage.

- (2) Except as may be permitted by its Standing Orders, a Provincial Government Council shall not enter into any contract –
- (a) for the supply of goods or materials; or
  - (b) for the execution of any works or provision of any services, other than professional services to or for the Provincial Government Council;
- except after publicly calling for tenders for the same.
- (3) A contract purporting to be made by a Provincial Government Council which is –
- (a) sealed with the seal of a local government;
  - (b) signed by an officer of the Provincial Government Council duly authorized in that behalf by any resolution or standing order of the Provincial Government Council,
- shall not be invalid by reason only of any failure to observe any Standing Order made under the provisions of this Act.

### **PART 3D – INQUIRIES AND SUSPENSIONS**

#### **18L. Inquiries and suspension**

- (1) If the Minister –
- (a) has cause to suspect that a Provincial Government Council has failed to observe and perform any of the duties and powers conferred or imposed upon it by the provisions of this Act or any other law; or
  - (b) has cause to suspect that a Provincial Government Council has done or performed any act, matter, or thing without due authority; or
  - (c) is otherwise of the opinion that an investigation should be made into the affairs of a Provincial Government Council;
- he may in his discretion, appoint a person or persons to inquire into such matter.
- (2) If upon an inquiry under this section the Minister is satisfied that the Provincial Government Council has done or suffered any of the act, matter or thing contained in paragraphs (a) and (b) of subsection (1), he may by directive in writing require the Council to remedy the same within such time as he may appoint.
- (3) If a Provincial Government Council fails to comply with the terms of a directive of the Minister made under subsection (2) or if the Minister, having appointed a person or persons to make an inquiry under subsection (1) considers it expedient so to do, the Minister may in addition to any other powers conferred upon him by the provisions of this Act –
- (a) suspend the exercise by the Council of any of the powers conferred upon it by this or any other Act for such period as he may think fit; or
  - (b) dissolve the Council and, in his discretion, appoint or direct the election of new councillors;
- and during such period, or, as the case may be, pending the appointment or election of new councillors, confer upon a public servant or another person with suitable qualification or experience the exercise of any powers so suspended or of the powers of the Council so dissolved.
- (4) The expenses incidental to –
- (a) any inquiry under this section; or

(b) the exercise of any of the powers of the Council under this section;

shall be a debt due by the Provincial Government Council to the Government and shall be paid and discharged out of the funds or revenues of the Council in such manner as the Minister shall direct. Any such direction may include a direction that the expenses shall be deducted from any grant payable by the Government to the Provincial Government Council.

**18M. Reduction or refund of grants**

- (1) If on receipt of the report of an auditor, or of an inspector appointed under the provisions of section 18L(1) the Minister is satisfied that any duty or power of a Provincial Government Council is being exercised in an improper or inefficient manner the Minister may in respect of any such duty or power reduce or withhold any further grants to such Council or any part of such grants until he is satisfied that the duty or power will be exercised in a proper manner.
- (2) In any case where the Minister has reduced or withheld a further grant or part of such grant under the provisions of subsection (1) it shall be in the Minister's discretion at the time he restores the grant whether he restores any part of the grant that was reduced or withheld.
- (3) The Minister before reducing or withholding a grant under subsection (1) shall give the Provincial Government Council an opportunity of making representations to him why such grant should not be reduced or withheld.

**PART 4 – (Repealed)**

**PART 5 – POWERS OF PROVINCIAL GOVERNMENT COUNCILS TO MAKE BY-LAWS**

**20. Power to make by-laws**

As from the dates they are established, Provincial Government Councils are empowered to make by-laws, on the matters listed below:

- (1) Choose the location and be responsible for constructing, maintaining and managing public facilities such as: primary schools, health facilities, bridges and roads (except road network under the responsibility of the national government), water supply, wharves and jetties, commercial centres, libraries, museums and cultural centres;
- (2) Management and control of public market places;
- (3) Rules and regulations governing matters relating to hygiene and public health in compliance with the general conditions set out under the law;
- (4) Rules and regulations governing professional activities relating to the issuing of licences payable to Provincial Government Councils;
- (5) Rules and regulations governing fishing and conditions relating to the issuing of fishing licences covering six nautical miles as from the low tide foreshore of all islands making up the Provincial Government Region;
- (6) Set out conditions of the issuing of licences for operating cinemas, commercial businesses, individual or group land or sea transport services within the Provincial Government Region;
- (7) *(Repealed)*
- (8) Clearly set out the economic development policies and plans of the Provincial Government Region;

- (9) Outline, create and draw up regulations governing the environmental protection zones (natural parks, natural reserves or tourist-attraction areas) subject to any legislation creating environmental protected areas in the national interest;
- (10) Decide on penalties to be imposed on persons involved in breaking the by-laws approved by the Provincial Government Council. The maximum amount for such penalties shall not exceed VT 50,000 for each conviction.

**21. Power to make by-laws fixing rates and taxes for issue of licences**

- (1) The Provincial Government Councils shall have the power to make by-laws fixing:
  - (a) rates and taxes payable for the issue of licences for professional activities as stated in section 20(5) and (6); and
  - (b) rates and taxes payable for the landing and take-off of aircraft, landing of ships and boats.

Revenue from these rates and taxes shall be paid directly to the Provincial Government Councils.

- (2) Where the Government rates and taxes exist regarding international connections, the Provincial Government Councils shall have the power to make by-laws for additional amounts which may not exceed 10% of the existing tax. These by-laws must be specifically endorsed by the Minister after consultation with the Minister of Finance.

**22. Power to make by-laws specifying rates and taxes for local purposes**

Provincial Government Councils shall have the power to make by-laws specifying rates and taxes for local purposes on the people, properties and services within their area of jurisdiction.

**PART 6 – ALLOWANCES**

**23. Allowances to members**

- (1) Members of Provincial Government Councils and the members of any committees set up by the Provincial Government Councils are entitled to an allowance the amount of which shall be determined by the Council but shall not exceed the maximum amount of VT 5,000 per day's sitting.
- (2) Members of Provincial Government Councils and the members of any committees set up by the Provincial Government Councils are entitled to a refund of their travelling expenses when travelling to attend Council or committee meetings as the case may be. Reimbursement shall not be paid unless proof of payment is provided. Procedures for reimbursement and calculation of attendance shall be specified in the Council's standing orders.
- (2A) A member of a Provincial Government Council and a member of any committee set up by a Provincial Government Council (other than the President) is entitled to a reasonably affordable rented apartment for the duration of a Council or committee meeting.
- (2B) In the event that the entitlement under subsection (1) is not available, the member of a Provincial Government Council and a member of any committee set up by the Provincial Government Council, is to be paid an allowance of up to and not more than VT7,500 per day to meet his or her accommodation for the duration of a Council or committee meeting.
- (3) A member of a Provincial Government Council is entitled to a constituency allowance of up to and not more than VT1,500,000 per annum.

- (4) Subject to the availability of funds from the Government, the Minister is to determine when the constituency allowance is to be paid and is to determine the rate of the constituency allowance.
- (5) A member of the Provincial Government Council is entitled to an annual responsibility remuneration as set out in the table below:

Minimum	Midpoint	Maximum
1	2	3
VT1,345,100	VT1,434,600	VT1,482,500

- (6) Subject to the availability of funds from the Government, the Minister is to determine when the Grades set out in the table in subsection (5) are to be paid and determine the rate of the responsibility remuneration.
- (7) A member of a Provincial Government Council is not entitled to any form of take home pay entitlements as from the date on which this Act commences.
- (8) For the purposes of this section:  
“take home pay entitlements” includes all of the following allowances:
- (a) child, family, spouse allowances; and
  - (b) cost of living allowance; and
  - (c) entertainment allowance; and
  - (d) fuel allowance; and
  - (e) housing allowances; and
  - (f) telephone allowance.

### **23A. Housing provision**

A President of a Provincial Government Council is entitled to the housing provisions determined by the Government Remuneration Tribunal under the Government Remuneration Tribunal Act [CAP 250].

### **24. Payment of gratuities**

- (1) Elected and appointed members of Provincial Government Councils shall receive, at the end of their term of office, a payment of gratuity and the rate of that gratuity shall be determined by the by-laws made by the Provincial Government Councils.
- (2) The gratuity payable to each elected and appointed member under subsection (1) shall not exceed an amount equal to 15 per cent of all monthly allowances received by such member during his term in office.

## **PART 7– FUNDING OF PROVINCIAL GOVERNMENT COUNCILS**

**25.** *(Repealed)*

### **26. Determination of administration subsidy**

- (1) The amount of the administration subsidy shall be determined by the Executive, after consultation with the Minister, each year during the budget session.
- (2) The Minister may, by written instrument, stipulate the amount of the subsidy to be allocated to each Provincial Government Region and when and to where the funds are to be distributed in accordance with substantiated accounts provided by the Provincial Government Council.

**27. Grants for material supplies**

- (1) The amount of the equipment grant shall be determined by the Executive, after consultation with the Minister, each year during the budget session.
- (2) The Minister may, by written instrument, stipulate the amount of the grant to be allocated to each Provincial Government Region and when and to where the funds are to be distributed, provided however such sums may only be distributed to projects previously approved by the Minister and in accordance with substantiated accounts provided by the Provincial Government Council.

**27A. Financial year**

The financial year of a Provincial Government Council shall be a period of 12 calendar months commencing on 1 January.

**27B. Local Government Fund**

There shall be for every Provincial Government Council a fund to be called the "Local Government Fund".

**27C. Particulars of the Fund**

The fund of a Provincial Government Council shall consist of –

- (a) all local taxes lawfully levied by the Provincial Government Council;
- (b) fees and charges payable in respect of licences and permits which have been lawfully issued or authorized for issue by the Provincial Government Council, whether under this or any other Act;
- (c) all other fees, charges, rents and dues payable to or recoverable by the Provincial Government Council or to which the Provincial Government Council is entitled under the provisions of this or any other law;
- (d) all fines, penalties and forfeitures recovered by the Council under the provisions of this Act or any other written law or declared to form part of the revenues of or directed to be paid to the Council by the provisions of any written law;
- (e) all charges or profits arising from any trade, service or undertaking carried on by the Provincial Government Council in exercise of the powers vested in it;
- (f) interest on moneys invested by the Provincial Government Council, except where other provision is made in respect thereof under the provisions of this or any other law;
- (g) grants paid by the Government under sections 26 and 27;
- (h) all rents from lands leased by the Provincial Government Council;
- (i) such other revenues as the Minister responsible for finance may declare in writing to be revenues for the purposes of this section;
- (j) all moneys received by way of a duly authorized loan;
- (k) gifts and legacies;
- (l) proceeds from the sale of Provincial Government Council property;
- (m) any other unusual or temporary income.

**27D. Expenditure**

A Provincial Government Council may, subject to the provisions of this or any other law, expend moneys in the proper exercise of its duties and powers and in the proper performance of matters necessarily incidental thereto or arising there from, and for the purpose of meeting its lawful debts and obligations.

**27E. Power to raise loans**

- (1) A Provincial Government Council may from time to time, –
- (a) with the consent of the Minister responsible for finance;
  - (b) and with the approval of the Head of the Department of Finance, which approval may only be made on the Head being satisfied that a study has shown that the project for which the loan is being sought is viable,
- raise loans by way of mortgage, issue of stock, or any other method, in such amounts not exceeding VT 100,000,000 (one hundred million) and on such conditions as the Minister responsible for finance in each case, may approve and all such loans shall be charged upon the revenues and assets of the Provincial Government Council and shall rank equally without priority.
- (2) Any financial liability to the Government lawfully incurred by a Provincial Government Council for the purpose of acquiring any interest in land or any works, schemes, undertakings or assets from the Government, and not discharged by immediate payment, shall be deemed to be a loan granted by the Government.

**27F. Trust Fund**

- (1) There is hereby established a fund to be known as the "Trust Fund" for each Provincial Government Council.
- (2) Not less than 5% of the National Government grant to each Provincial Government Council each year shall be deposited in the Trust Fund.
- (3) The purpose of the Trust Fund is to provide guarantee for loans provided for under section 27E.
- (4) Interest accumulating from the Trust Fund shall be taken to be part of the Fund and shall not be used in any way whatsoever.

**27G. Bank account**

- (1) All moneys belonging to a Council shall be paid into such bank as the Council may from time to time appoint.
- (2) Subject to the provisions of section 27H, all moneys paid by a Council shall be drawn from the Council's bank by cheque signed by –
- (a) the Chairman; or
  - (b) the deputy chairman; or
  - (c) one councillor authorized in that behalf by the Council,
- and countersigned by the Secretary.

**27H. Imprest account**

- (1) A Council may by resolution establish an imprest account which shall be kept at the bank at which the Local Government Fund account is kept.
- (2) The imprest account shall be held jointly in the names of, and operated by, the Secretary and the treasurer.
- (3) The Council shall from time to time fix the maximum amount that may be held at any time in an imprest account.
- (4) Moneys in the imprest account shall be available only for the payment of casual wages and for emergency expenditure.
- (5) A statement of all payments made from the imprest account shall be submitted to the Council at its first ordinary meeting after such payments have been made.

**27I. Estimate of expenditure**

- (1) Every Provincial Government Council shall on or before the annual meeting to be held during the month of November in every year, prepare and approve an estimate of the income and expenditure of the Council for the next succeeding year. Such estimate must comprise a balanced budget.
- (2) Every Provincial Government Council may at any time during the year for which an estimate has been made cause a revised or supplementary estimate to be prepared and, where appropriate submitted for approval.
- (3) Re-appropriation of funds referred to in an estimate may be made from time to time with the approval of the Council.
- (4) No expenditure of local government funds shall be incurred except by or under a law.

**27J. Failure to approve estimate of expenditure**

Where a Provincial Government Council's estimate of expenditure for its succeeding financial year remains not approved by 31 December the Minister with the approval of the Minister of Finance shall by order issue the draft estimate as the approved estimates of the Provincial Government Council for its ensuing year.

**27K.** *(Repealed)*

**28.** *(Repealed)*

**PART 7A – ACCOUNTS AND AUDIT**

**28A. Accounts**

Every Provincial Government Council shall –

- (a) cause proper books and accounts to be kept and true regular records entered therein of all financial transactions of the Provincial Government Council;
- (b) have a general account which shall be kept and credited with all moneys not required by this Act or otherwise to be carried to any other account and debited with expenditure in payment of the general debts and liabilities of the Council which are not included in any special appropriation and of the general expenses incident to the administration of this Act and the affairs of the Provincial Government Council;
- (c) have separate accounts which shall be kept of all moneys raised or levied for or appropriated or allocated to or held in trust for any special purpose.

**28B. Transfer from general fund to meet deficiencies**

If the balance in any of the separate accounts referred to in paragraph (c) of section 28A is at any time insufficient to meet the lawful charges thereon, the Council may, subject to the approval of the Minister, transfer such sums as are necessary from the general account to meet such charges and may at any time repay such advances out of any excess in the receipts over the liabilities of any such account, but no transfer shall be made from any one to any other of such separate accounts.

**28C. Audit**

- (1) A Provincial Government Council may subject to the approval of the Auditor-General appoint a fit and proper person to be the auditor of the Provincial Government Council at such rate of remuneration as the Provincial Government Council may determine for the purpose of auditing and reporting on the accounts of the Provincial Government Council.



- (2) If the Auditor-General so directs, a Provincial Government Council shall reimburse to the Government such sum in respect of the Auditor-General's expenses as the Minister may fix.
- (3) A Provincial Government Council shall –
  - (a) produce to the auditor within 3 months of the conclusion of the year to which they relate all the books and accounts of the Provincial Government Council together with all deeds, contracts, documents, receipts and vouchers relating thereto;
  - (b) permit the auditor to inspect all stores and other assets of the Provincial Government Council as he may require; and
  - (c) give to the auditor such information, explanation and facilities as he may require to be given to enable him to perform the duties of an auditor.
- (4) It shall be the duty of the auditor to report to a Provincial Government Council not less than once in each year separately in respect of each of the following matters, that is to say, whether or not –
  - (a) he has obtained all such information, explanation and facilities as he may have required to be given to enable him to perform the duties of an auditor;
  - (b) the accounts of the Provincial Government Council are in order and present a true view of the financial position of the Provincial Government 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 Provincial Government Council;
  - (e) due provision has been made for depreciation or renewal of the assets of the Provincial Government Council.
- (5) In addition to the report required under subsection (4) the auditor shall report to the Minister and to the Provincial Government Council any matter or thing which is discovered during the course of the audit and which appears to have been done or performed without due authority.
- (6) The Secretary shall –
  - (a) within 30 days of the receipt of the auditor's report on the accounts of the Provincial Government Council for any year submit the accounts together with such report to the Minister; and
  - (b) lay the accounts of the Provincial Government Council for each year together with the auditor's report thereon before the Provincial Government Council within 30 days of the receipt of such report or if the Council is not sitting, at its next meeting.

**28D. Powers of auditor to require production of documents**

- (1) For the purpose of any audit, an auditor may by notice in writing require any person holding or accountable for any books, records, accounts, vouchers, deeds, contracts or other documents which he may require for the purpose of such audit or examination to appear before him at the time and place specified in the notice and to produce any such document as aforesaid for his inspection.
- (2) Any such person who fails without reasonable cause to appear and produce any such documents when required so to do shall be guilty of an offence and shall be liable on conviction to a fine not exceeding VT 50,000.

**28E. Auditor to report errors and deficiencies**

If the auditor finds the account or statement submitted for audit to be erroneous or deficient in any particular, he shall –

- (a) report thereon, and forward a copy of his report and findings, to the Minister; and
- (b) forward a copy of his report by registered post to the Secretary.

**28F. Matters required to be mentioned in report**

The auditor shall, in respect of the accounts for the full financial year, satisfy himself –

- (a) whether or not in his opinion –
  - (i) due provision has been made for the repayment of loans;
  - (ii) the value of assets has, so far as the auditor can judge, been in all cases fairly stated;
  - (iii) due diligence and care has been shown in the collection and banking of income;
  - (iv) the expenditure incurred has been duly authorized, vouchered and supervised;
  - (v) any of the moneys or others properties of the Council have been misappropriated or improperly or irregularly dealt with; and
- (b) as to any other matters which in his judgment call for special notice or are prescribed.

**28G. Auditor may take legal advice**

The auditor may at the expense of the Council obtain and act upon legal opinion on a question arising in the course of an audit.

**28H. Destruction of any books, etc.**

A Provincial Government Council may, with approval of the auditor, destroy used or obsolete receipt books, bank pass books or statements, cheque books, registers, cash books and documents relating to the accounts of the Council if they have not been in use for more than six years.

**28I. Annual statement**

An annual statement showing the financial position as regards the general and special accounts of the local government fund in a form approved by the Minister shall be prepared by each Council on or before the 31<sup>st</sup> day of May in every year showing the assets and liabilities of the Council on the 31<sup>st</sup> day of December immediately preceding and the income from all sources and expenditure during the immediately preceding year. This statement shall be audited and if found correct shall be certified by the auditor as correct and a copy thereof shall be displayed at the Provincial Government Council office.

**PART 8 – PROVINCIAL GOVERNMENT COUNCIL BUDGET**

**29. Preparation and approval of budget**

The Provincial Government Councils shall approve their own budget in the form of an order. The draft budget, as has been prepared by the Chairman, shall be tabled with the Provincial Government Council not later than 1<sup>st</sup> October of each year.

**30. Council to approve true balanced budget**

The Council shall approve a true balanced budget. No additional expenditure shall be allowed unless it is offset by new revenue or an equivalent cut in the approved budget.

**31. Failure to approve budget**

- (1) If the Provincial Government Council fails to approve the budget during its budgetary meeting or, at the latest, by midnight on 31<sup>st</sup> December, the Minister shall issue an order duly countersigned by the Minister responsible for Finance to release the draft budget.
- (2) The ministerial order shall come into force on the date of its publication in the Official Gazette.

**PART 9– MISCELLANEOUS AND TRANSITIONAL PROVISIONS**

**32. Election and appointment of members**

- (1) Elections for Provincial Government Councils shall be held during 1994.
- (2) Appointment of members of the Provincial Government Councils shall be made within 3 weeks following the date of the election under subsection (1).
- (3) The Prime Minister may in order to provide for election for the Provincial Government Councils under this Act, dissolve any Provincial Government Council which continues to be in existence after the commencement of this Act, in pursuance of section 36 of this Act.
- (4) The date for the elections of the Provincial Government Councils shall be established by the Electoral Commission in consultation with the Minister.

**33. Department to assist and advise the Minister**

The Department shall be responsible for assisting the Minister and advising Provincial Government Councils on matters relating to this Act.

**34. Provisions not to be applicable within Municipalities and their boundaries**

- (1) The provisions of this Act shall not apply within Municipality boundaries and Municipalities are deemed not to be included in any Provincial Government Region.
- (2) In subsection (1) "Municipality" means a municipality established under the Municipalities Act [Cap. 126].

**35. Regulations made by the Minister**

The Minister may make regulations not inconsistent with this Act, for and in respect of matters necessary for the better carrying out of the provision of this Act.

**36. Repeal and savings**

- (1) The Decentralization Act [Cap. 127] is hereby repealed.
- (2) Notwithstanding the repeal of the Decentralization Act [Cap. 127]:
  - (a) Provincial Government Councils established under that Act shall continue to be in existence and the members of those Councils shall continue to remain in office until those Councils are dissolved by the Prime Minister under section 32(3) of this Act;
  - (b) All regional laws and any statutory orders made under the Decentralization Act [Cap. 127] and in force immediately prior to the coming into operation of this Act, shall so far as they are not inconsistent with the provisions of this Act, continue in force until amended or replaced by by-laws or statutory orders, as the case may be, made under this Act.

**Table of Amendments**

Title of Act	Substituted by Act 13 of 1997	18J(1)	Amended by Act 24 of 2010
1	Substituted by Act 13 of 1997; amended by Act 17 of 1998; Act 24 of 2010	18L(3)	Amended by Act 7 of 2007
		19	Repealed by Act 13 of 1997
2	Repealed by Act 13 of 1997	20(7)	Repealed by Act 13 of 1997
3	Inserted by Act 24 of 2010; Renumbered by Act 24 of 2010	23(1), (3)(i), (3)(ii)	Amended by Act 13 of 1997
4A, 4B, 4C	Inserted by Act 13 of 1997	23(2)	Amended by Act 14 of 2018
4AA – 4AD	Inserted by Act 16 of 2013	23(2A) and (2B)	Inserted by Act 14 of 2018
4D	Inserted by Act 16 of 2013	23(3)(a)	Amended by Act 16 of 2013
6	Repealed by Act 13 of 1997	23(3)	Substituted by Act 14 of 2018
8(2), (3)	Amended by Act 13 of 1997	23(4) – (8)	Inserted by Act 14 of 2018
8(2), (3)	Amended by Act 7 of 2007	23A	Inserted by Act 14 of 2018
8(8)	Repealed by Act 13 of 1997	25	Repealed by Act 13 of 1997
13(3)	Amended by Act 7 of 2007	26	Substituted by Act 17 of 1998
14	Amended by Act 13 of 1997	27	Substituted by Act 17 of 1998
14(2)	Amended by Act 7 of 2007	27A-27K	Inserted by Act 13 of 1997
18A-18M	Inserted by Act 13 of 1997	27K	Repealed by Act 7 of 2007
18A(2),(3)	Repealed by Act 41 of 2000	28	Repealed by Act 13 of 1997
18AB, 18AC	Inserted by Act 41 of 2000	28A-28I	Inserted by Act 13 of 1997
18B(1)(i)	Inserted by Act 7 of 2007	31A-31J	Inserted by Act 17 of 2000
18B(1)(j)	Substituted by Act 35 of 2017	Part 8A	Repealed by Act 24 of 2010
18BA	Inserted by Act 35 of 2017	31A	Inserted by Act 24 of 2010
18E	Inserted by Act 24 of 2010	31A	Repealed by Act 17 of 2012
18FA	Inserted by Act 24 of 2010	33	Amended by Act 24 of 2010
18GA	Inserted by Act 24 of 2010	Whole of the Act	Amended by Act 37 of 2013
18GB	Inserted by Act 35 of 2017		Local Government Council replaced with Provincial Government Council; Local Government Region replaced with Provincial Government Region
18HA & 18HB	Inserted by Act 24 of 2010		
18IA	Inserted by Act 24 of 2010		