**Vanuatu**

Perceived lack of government action on various issues and indecisiveness or lack of coordination within the governing coalition led to three proposed motions of no confidence against Prime Minister Ham Lini during 2006. While Lini survived all of these challenges, the price of the government’s survival was high. Large pay increases were awarded to public servants and police, while the Vanuatu Commodities Marketing Board (VCMB) declared price increases for the purchase of copra and kava.

The Lini-led coalition government was first established in December 2004. Throughout 2005 there were several changes to the coalition. By February 2006 the government consisted of eight political parties, including the National United Party (NUP) and the Vanua’aku Party (VP); People’s Progressive Party (PPP); National Community Association Party (NCAP); Melanesian Progressive Party (MPP); Vanuatu Republican Party (VRP); People’s Action Party (PAP); and two backbenchers from the Union of Moderate Parties (UMP) (PVPO, 21 Feb 2006).

The first major challenge the government faced in 2006 was a motion of no confidence in March. By early March all the Green Confederation (GC) members of Parliament and the Melanesian Progressive Party had left the governing coalition. These two parties, along with the Union of Moderate Parties, formed an opposition bloc that supported Sela Molisa as the new prime minister (PVPO, 21 March 2006). Although politics in Vanuatu frequently appears to be dominated by personalities rather than policies, in this instance there were clear policy motives for the proposed motion. They included “the delay in appointing a police commissioner (for more than 18 months), [the failure to resolve] Air Vanuatu/Vanair’s strike and the Vanuatu Commodities Marketing Board (VCMB) saga [relating to listing kava as a prescribed commodity]” (PVPO, 14 March 2006).

Other issues included “unresolved issues such as unsuccessful motions of non confidences that cost a lot to the people of Vanuatu, illegal terminations from the government . . . high school fees, the issue of the two new Chinese donated ships awaiting routes, the late start to operations of Pekoa International Airport and the court case of the termination of the former chief executive officer of Air Vanuatu that is costing millions of vatu in compensation” (PVPO, 21 Feb 2006). Underlying all of these issues was the perception that the Lini-led government was indecisive or unable to make decisions when needed. This is at least in part due to the need to gain agreement of all members of the coalition before decisions can be made.

There were some legal maneuverings prior to parliamentary debate on the motion of no confidence, with the government proposing a counter motion to censure the members involved. This was ruled to be uncon-
stitutional (VDP, 18 March 2006) on the grounds that “A motion of no confidence is not serious misconduct within the standing orders of the parliament and a member cannot be suspended or disciplined for filing, signing or supporting a motion of no confidence against the prime minister of the republic” (PVPO, 29 March 2006). The motion of no confidence failed, largely because kava was taken off the list of prescribed commodities the day before the motion was debated in Parliament, and this was one of the main policy changes that the opposition was seeking (VDP, 20 March 2006).

In May, kava was relisted as a prescribed commodity, and in early June there was talk that another motion of no confidence would be lodged, although this did not ultimately eventuate (PVPO, 3 Aug 2006). A 20–25 percent pay increase for civil servants that was paid from early August helped to ensure that support for the Lini government was maintained. There had reportedly been no review of public servant pay scales in ten years, so an upward adjustment was warranted, but such a large increase will be difficult to cover (IB, Jan 2007).

The final motion of no confidence for 2006 was lodged on 8 December. In response, the government increased the Vanuatu Commodities Marketing Board’s copra purchasing price to 31,000 vatu per ton (VDP, 15 Dec 2006). (During 2006, one US dollar averaged 108 vatu.) This increase, which benefits rural communities and therefore strengthens the position of government members of Parliament, ensured that no members would cross the floor and support the motion of no confidence. Additionally, the Parliament (Members’ Expenses and Allowances) (Amendment) Act 2006 was passed in the final session of Parliament. This act (which was seen as giving in to government backbenchers’ demands for an increase in allowances in order to prevent any of them from crossing the floor) increased monthly traveling allowances from 34,000 vatu to 70,000 vatu. The motion therefore lost support and was withdrawn (VDP, 16 Dec 2006).

Of the policy issues underpinning the various no confidence motions, three are particularly noteworthy: the lack of action over the appointment of a police commissioner; instability within Air Vanuatu; and questions as to the future role of the Vanuatu Commodities Marketing Board, particularly in relation to the export of kava.

Issues relating to the police commissioner and Air Vanuatu were detailed in the 2005 Vanuatu political review. The position of police commissioner had been filled by an acting commissioner since September 2004, when Robert Diniro Obed lost his position after being involved in an attempted arrest of then Prime Minister Serge Vohor. The lack of leadership led to dissatisfaction within the police force, and the government was subject to much criticism over being slow to act in the appointment of a new police commissioner. The situation was resolved in August with the appointment of Lieutenant Colonel Patu Lui of the Vanuatu Mobile Force. In addition to resolving issues relating to leadership, other causes of dissatisfaction within the police force, including low pay and lack of incentives, were also addressed. In April police claims
for underpayment of salaries from 1998–2004 were settled (VDP, 8 April 2006), and in August the remainder of the underpayment claim was resolved (PVPO, 14 Aug 2006). The Government Remuneration Tribunal determination of police salaries was finalized in December, and police salaries increased from 1 January 2007. There was also some restructuring of the police force, with a new Department of Correctional Services being established to look after the running of prisons (Correctional Services Act 2006), and in November, thirty new police recruits began training (VDP, 21 November 2006). This was the first intake of new recruits to the police force in seven years.

Strike actions in relation to Air Vanuatu escalated toward the end of 2005, when some staff were laid off. Airline management stated that their terminations were part of an ongoing restructure and that the terminations were legal. In December 2005, forty-eight Vanuatu National Workers Union (VNWU) members were arrested and charged with a variety of offenses in relation to unlawful picketing. The government later endorsed the Air Vanuatu Board’s decision to terminate various staff (VDP, 6 Jan 2006). The union was obviously unhappy with the arrest of some of its members, and in January 2006 this group filed in court, claiming that their constitutional rights had been breached, although this claim did not succeed (VDP, 4 Jan 2006). Other VNWU workers then began to raise grievances, with representatives of Unelco, Vanuatu’s only power company, issuing a notice of a strike action. One of the reasons for this was that one of their staff members had been suspended for participating in 2005 in a solidarity action staged to support Air Vanuatu workers. The matter went to mediation on 27 January 2006 and was ultimately solved through arbitration without any disruption of services.

Vanuatu Abattoirs Ltd (VAL) had also been the subject of disputes in 2005, and another significant “union action” (which was not officially authorized by the VNWU) was the taking hostage of the abattoir manager and some overseas workers who had been brought in to update the computer system. While no one was harmed in the incident, the workers had come armed with bush knives and steel rods. The VAL manager had previously been the subject of death threats, which added to the gravity of the incident (TVNZ, 25 Feb 2006; VDP, 1 March 2006). The threat of major disruptions by the union then gradually quieted down, with the Labour Department continuing to work with all parties to resolve disputes through arbitration. By September, when at least twenty VNWU workers were found guilty of various crimes in relation to the illegal strike action of December 2005, very little attention was given to the judgment (VDP, 18 Sept 2006).

Concerns about the financial situation of Air Vanuatu continue to be raised, although management maintains that the merger of Air Vanuatu and Vanair is responsible for creating many of the financial difficulties, and that the airline is being managed appropriately and the debts it owes are gradually being repaid (VDP, 31 Aug, 4 Dec 2006).

The Vanuatu Commodities Marketing Board, which regulates various
agricultural products, has not recently been discussed in this journal’s Vanuatu political reviews. However, it is also no stranger to scandal, and in the 1990s it had been the subject of several ombudsman reports. The reports examined alleged misappropriation and mismanagement by VCMB members and agents, and political interference in the appointment of the board. In 2005, following its de-prescription in 1997, kava was relisted as a prescribed commodity. In January, the marketing board declared that no one could export kava without a license and that no licenses would be issued to private individuals—essentially giving the board a monopoly over kava. The obligation for inspecting kava exports also appeared to shift from the Vanuatu Quarantine Inspection Service to the marketing board, raising concerns about quality controls on the export of kava. This soon raised questions in relation to Vanuatu’s obligation under the Melanesian Spearhead Group agreement and the Pacific Island Countries Trade Agreement, as intensified trade or export restrictions are prohibited under both agreements (VDP, 24 Jan 2006). Private sector operators were also obviously troubled. Despite figures demonstrating a boom in kava exports after kava was taken off the list of prescribed commodities in 1997 (VDP, 25 Feb 2006), the government maintained that the policy would be in the best interest of kava growers as, by forming cooperatives, they could “fix the price of these valuable commodities with the buyer” (PVPO, 28 Feb 2006). However, the media reported that some farmers claimed they received better prices for their kava from exporters than from the Vanuatu Commodities Marketing Board (PVPO, 28 Feb 2006). This issue looked set to topple the Lini government in March, so kava was again removed from the prescribed commodities list, but as soon as the immediate crisis was over, kava was again listed (Order 14 of 2006; gazetted 8 May 2006), and the VCMB purchase price for dried kava set at 1,000 vatu per kilogram (VDP, 25 May 2006). Exporters were given until 20 May to export any stock, and were told that they might forfeit any stock they attempted to export after that date (VDP, 30 May 2006).

The kava dispute began to affect New Caledonia as well, after the marketing board signed an agreement with Maison du Vanuatu to be the sole importer and distributor of Vanuatu kava in New Caledonia. By July 2006 there were reports that kava dealers in Vanuatu were picketing the Vanuatu Consular Office in Nouméa over the agreement with Maison du Vanuatu and shortages in the supply of kava (VDP, 6 July 2006). Although the government committed itself to reviewing the position in respect of Maison du Vanuatu (VDP, 13 July 2006), by the end of the year Maison du Vanuatu remained the sole importer of Vanuatu kava into Nouméa (VDP, 28 Nov 2006). Issues relating to the export of kava, and more generally what the VCMB role should be in relation to prescribed commodities, are far from resolved, and can expect to continue into 2007.

There were a number of other recurring issues in 2006. As in 2005, difficulties in local government structures were apparent. In 2005 the main focus was on the Port Vila Municipal
Council, and allegations of corruption and mismanagement within it. In 2006 it was the Luganville Municipal Council that was in the spotlight. Again there were allegations of mismanagement and abuse of public funds, and problems due to outstanding debts. In January, Minister of Internal Affairs George Wells gave the council two months to sort out its financial situation, warning that if issues were not resolved, the council would be suspended (VDP, 14 Jan 2006). The council was finally suspended in late November, with the minister stating that he deliberately let matters “hit rock bottom before deciding yet again to suspend it to prove to the courts that his decision is not biased” (VDP, 11 Dec 2006). Wells had attempted to suspend the Luganville Municipal Council in 2005, but the courts had not allowed this suspension to stand.

The Sanma Provincial Council also continued to find itself in trouble. In August the principal electoral officer sent a paper to the Council of Ministers recommending the dissolution of this council, as half of its members had been absent from more than three consecutive meetings (VDP, 2 Sept 2006). These absences were not the only matters that prompted the ultimate dissolution of the Sanma Provincial Council; there were also allegations of mismanagement and corruption. Interference by the Sanma Provincial Council and the Penama Provincial Council in the running of the Northern Island Stevedoring Company Ltd was a particular issue, with an audit of the company showing that more than 46 million vatu had been misused (VDP, 10 June, 12 July 2006).

Another theme in public debate in 2006 was land. Land in Vanuatu is owned by the custom owners, but can be leased, thus enabling others to “own” land for the duration of the lease and to potentially trade that lease. Increasingly, land on Efate, particularly coastal land, has been leased, and the boom in real estate development has generated many concerns, including that unscrupulous land dealers might not give custom owners a fair price for the lease; that lease terms might require the leaseholder to be compensated for improvements when the lease expires, but custom owners might not have the money to pay the compensation; and that people are losing customary access to the shore and reefs. In early 2006, it was reported that the prime minister “received a petition from chiefs demanding the government ban all sale(s) of indigenous land” (VDP, 4 Jan 2006). In September, Vanuatu held a National Land Summit. It was reported that there were over 1,000 recommendations from this summit, but 20 resolutions were finalized (VDP, 30 Sept 2006). These resolutions covered a range of matters, including the need to review laws relating to determining the true custom owner of the land; to review land lease conditions; to have leases in Bislama and to take more steps to ensure the true consent of the custom owners; to regulate real estate agents through mechanisms such as a code of fair practice; to revise land rents; to incorporate social impact assessments into any proposed new leases; to ensure public access to beaches, rivers, and lakes is guaranteed; and to create a national subdivision policy.

The National Land Summit has not quelled all land disputes in Port...
Vila. In October a group from Tongoa calling itself the Vete Association went around spray painting on various buildings that they were claimed by the association. While the targeted buildings have mainly been unoccupied government buildings, some private homes were also marked (VDP, 30 Oct 2006; PVPO, 6 Dec 2006).

The dissatisfaction of people from Tongoa is at least in part prompted by the handling of a sublease of land by the Port Vila marketplace that was made by Ifira Land Trustees to a private company. Chiefs of Tongoa who thought they had at least some claim to the land placed namele leaves (cycad palm leaves) signifying a custom ban on the site in March, only to have these leaves thrown into the sea by an officer of Ifira Land Trustees. This action, which indicated considerable disrespect for custom, created an angry response, with people from Tongoa cutting the fence around the site and attempting to disturb work there (VDP, 27 May, 30 May 2006).

By the end of 2006 little development had taken place on this site and it is unclear whether any resolution as to its future has been reached.

Santo has also been the location of disputes related to land. In late July there were security concerns in Luganville as violence, largely directed at a family from Paama, broke out. Initial reports suggested that disputes related to the Northern Island Stevedoring Company Ltd, but it soon became apparent that the underlying issue was the existence of a memorandum of understanding to establish a free trade zone in Santo (VDP, 4 Aug 2006). This memorandum was between Maxime Carlot Korman as the Vanuatu government’s representative and a US-based investment group (VDP, 28 Aug 2006). It was also signed “on behalf of the landowners” by a man from Ambraym and a man from Paama (VDP, 9 Aug 2006). This created anger among the actual landowners in Santo, both because the true custom owners were not consulted, and because the free trade zone proposal involves the creation of freehold land (VDP, 28 Aug 2006). The Council of Ministers has approved, in principle, a study into the costs and benefits of a free trade zone in the Big Bay area of Santo (VDP, 17 Aug 2006). Given the way the memorandum of understanding is worded, the free trade zone “may have internally applicable laws, local government, freedom of official currency selection, immigration, passports etc.”—so it would essentially become an autonomous state (VDP, 28 Aug 2006). It is not the first time that such an idea has been raised, with the Santo Rebellion in 1980 having similar roots. More recently, a similar memorandum was signed in 1999 between government officials and the Mondragon Group. It is interesting to note that Michael Oliver, who was instrumental in the Santo rebellion, was also found to be behind the Mondragon Group’s proposals (Ombudsman’s Office 2001). It is not clear at this point exactly who is driving the latest free trade zone proposal.

A land issue that could be very costly for the government was the dispute over the development of Kakula Island Resort. The development was approved in 2001, and in 2004, following a request by the Environment Unit, an environmental impact assessment statement was submitted. The
director of the Environment Unit then stopped the development for reasons that are unclear, and made a number of defamatory statements to a meeting of Efate chiefs. Kakula Island Resorts Ltd then sued both the government and the director of the Environment Unit personally for damages, for trespass, negligence, injurious falsehood, defamation and breach of confidence, and general damages and exemplary damages. The Supreme Court ruled in favor of Kakula Island Resorts Ltd and ordered the government to pay 7,453,163,344 vatu in damages. The director of the Environment Unit was ordered to pay 7,000,000 vatu personally, due to his actions (Kakula Island Resorts Ltd v Government of the Republic of Vanuatu [2006] VUSC 33). While this decision could potentially add further strain to government finances, it is reportedly being appealed (ADB 2006, 10).

Tourist ships gave rise to a number of incidents in 2006. The first relates to dissatisfaction on the part of bus and taxi drivers over a local company, Adventures in Paradise, being the sole tour operator. In February ongoing resentments resulted in a number of assaults on Adventures in Paradise staff, and P&O Cruises threatened to cancel all cruise ships, although this was soon reversed after police guaranteed that they would have a presence at the wharf in order to keep the peace (VDP, 16 Feb, 18 Feb 2006). Similar incidents occurred in May, when passengers on a National Geographic vessel could not leave the wharf on their prepaid organized tours due to tour buses being blocked by angry bus and taxi drivers who felt they had wasted their time waiting for potential passen-

gers. Vanuatu has now been removed as a destination for the National Geographic tours (VDP, 29 May 2006). The potential damage to tourism and retail businesses in Port Vila if incidents like these recur is something of a concern, as the cruise ships provide a valuable source of customers.

P&O found itself in trouble toward the end of 2006, when it was found that they had dumped oil from one of their cruise ships into the Etas landfill, located on the outskirts of Port Vila (VDP, 17 Oct 2006). There are no facilities in Vanuatu to properly process waste oil, and the dumping has resulted in the need for an oil-spill cleanup operation. At the time of writing it appears that the cleanup has been effective but it is not clear who authorized this oil dumping to take place.

Another incident of violence marred the end of the year, with members of the Vanuatu Fisherman’s Association—who were allegedly unhappy with slow payment of outstanding money from Taiwanese ventures they had worked with—“kidnapping” a partner from the accounting firm that was handling the funds (VDP, 12 Dec 2006). Several days later, the newly appointed president of the fishermen’s association was shot in the leg when members had gathered outside the Port Vila Courthouse for a court hearing (VDP, 18 Dec 2006).

The apparently increasing trend toward expressing frustrations through violence is worrying, but two developments in 2006 may help to alleviate tensions. First, the initial payment from the Millennium Challenge Account (MCA) was received by Vanuatu. MCA projects will commence
in 2007, leading to more jobs and improved infrastructure. Second, while the Australian government has not been willing to consider allowing temporary workers from Vanuatu or other Pacific Islands entrance to Australia, the New Zealand government established a seasonal workers scheme for Vanuatu citizens in late 2006 (VDP, 20 April 2006). People under this scheme are engaged in fruit picking, an area in which New Zealand suffers labor shortages. Initial reports indicate that the scheme is working successfully, and it is hoped that the work opportunities and remittances generated by this scheme will help reduce frustrations.

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