

Consumer Council of Fiji



Submission to

Local Government Review Committee

On the

Review/ Reform of Local Government

15th September 2008

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The Consumer Council of Fiji is a not-for-profit organisation and exists to safeguard the interest of consumers in the market place and aims to build a conscious and assertive consumer movement in Fiji.

Executive Summary

The Local Government (LG) has a pivotal important role to play in the implementation and development of Fiji because of its close proximity to the local communities. In fact, with its capacity to draw community groups, business houses, industries and State at the local level, the LG has an added advantage or ability to recognize, understand and respond to individual community needs for civic development, progress and enjoyment.

The Consumer Council of Fiji (CCOF) hopes to see positive changes that will deliver a stronger, more efficient and modern local government system that has a greater ability to deliver quality services and infrastructure to Fiji's ratepayers, while bringing about change management with in the ssystem.

CCOF makes the following recommendations for considerations by the Committee, particularly in view of our oral submission made on *Monday, 15th September 2008*.

Recommendation 1:

Make LGs apolitical organization. Only registered ratepayers should be allowed to vote based on a fair and equitable electoral poll when choosing Councilors.

Recommendation 2:

Devise systems and processes for resource sharing to reduce overhead costs incurred by LG.

Recommendation 3:

The Councils should engage in an open budget initiative and disclose to the ratepayers their review and expenses annually. There is a critical need for accountability and transparency in the use of rates paid by the ratepayers. With open budget system in place the ratepayers will gauge the performance of the municipal Councils in their local areas.

Recommendation 4

Separation of the role of the elected Councilors from management team is vital. There must be a separation of powers of the Councilors from the actual management and administration of the Council mandates. Council Charter should be developed to guide the role and responsibilities of councilors and the management.

Recommendation 5

Removal of Rural Local Authority from the Ministry of Health to the Ministry of Local Government to centralize similar service delivery and to make the Rural Local Authority resourceful to serve rural population through rates and fees and charges.

Recommendation 6

Move the current Municipal boundaries to make Municipal Councils of a particular size for cost effectiveness. Smaller sized municipal Councils incur high overhead costs leaving insufficient funds for service delivery. Smaller Municipal Councils should merge to reduce costs.

Recommendation 7

The Supervisor of Elections to prepare Electoral rolls and conduct the elections of the municipalities rather than the Municipal Council's itself.

Recommendation 8

To make Municipal Councils accountable, it is important that the ratepayers should freely access information on decision making process and that is only possible through "Right to Information laws".

Recommendation 9

There should be a Consumer Tribunal where ratepayers can take their case for redress rather than to the Minister of to the Ministry of Local Government.

1.0 Introduction

The Terms of Reference generally requires submission on the following areas:-

1. Adherence to good governance and accountability principles of municipalities;
2. Developing and strengthening administrative and technical capacity for efficient, effective and responsive delivery of service; and
3. Recognizing and implementing internationally recognized standards to bring about quality service delivery within the municipalities.

CCOF, as a statutory body established under the ***Consumer Council of Fiji Act 1976 (Cap 235)*** is pleased to make this submission to the Review Committee in regards to the review and reform of local governments in Fiji.

CCOF is mandated to act in the best interests of its consumers to provide external pressure as a watchdog to protect and promote rights and interests of consumers, in particular the disadvantaged groups, rural poor and women by identifying and articulating the policy issues that are important to consumers. CCOF conducts rigorous research and policy analysis on key consumer issues. The Councils insight to consumer needs is a powerful tool for influencing decision-makers and making change happen.

CCOF implores with the Committee that the review should not be considered in isolation with a focus to only improving our local municipalities and its service delivery but we must consider other ancillary issues where the State has to account to the people of Fiji by doing their part to fill in the gaps where municipalities fail to deliver, albeit due to constraint of resources; inadequate funding; lack of understanding of governing laws; confusion regarding the boundaries and so on.

CCOF recognizes that this review is a difficult task given the complexities of the institutions and structures in place; the archaic nature of laws and regulations; the lack of expertise and knowledge of the substantive topical issues and laws; and so

forth. Therefore, CCOF applauds the Interim Government for taking this important step which has been long overdue towards improving the service delivery of the Municipal Councils, while also reforming archaic laws, systems and processes as well as doing away with old-fashioned practices that lacks transparency, accountability and enforcement.

This is also a crucial exercise in the wake of recent economic and social hardships faced by the people of Fiji due to mainly global price hikes of essential products and services. It is then critical that the consumers or ratepayers in this instance are not placed with added pressure to fork out extra money to obtain basic services such as garbage collection, street lights, improvements to infrastructure such as drains, footpaths, roads, etc when they are already taxpayers and subsidizing State guaranteed services which we have become accustomed to. In that sense, the State has a social responsibility to assist its people to ease the burden and justify to the consumers that if they are paying for a service, it should be worth their money.

1.1 Social & Political Problems Associated with Service Delivery

At the outset, the emergence of effective LGs can create a broader participation of its ratepayers and bring with it a chance for greater accountability to its ratepayers. In turn, user-pay system will generate much needed revenue to rehabilitate the municipalities to uplift ratepayers' and the LGs' morale equally, to justify the money sought for the service delivery.

Whilst we must acknowledge the growing economic problems facing Fiji due to global price influences, social, political, and cultural issues cannot go unmentioned as such conditions have fundamentally collided with the urban population demanding for service delivery within restricted budget, institutions and regulatory framework of the LGs that cannot practically cater for the needs of the genuine ratepayers. Urbanization and rural-drift for employment opportunities provided by the urban economy has been an inevitable response to deteriorating conditions in rural areas and outer islands. Land lease expiration has also pushed rural farmers to adapt to peri-urban squatter styled accommodation to make ends meet via working in the city or town areas. Education and other opportunities available only in the urban centers have also drawn a significant level of population to influx our cities/towns. However, the LGs are not designed to adequately meet the social and economic challenges produced by these factors that adversely impact our genuine ratepayers from receiving a level of service delivery that is of quality and standard despite the these ratepayers subsidize the cost of living for the "outsiders" such as the squatters.

Urbanization has its own benefits if only the policy-makers understand and implement a range of economic, political, social, cultural, and environmental factors that affect urbanization. For example, Government policies in many developing countries promote industrialization and international capitalist economies and transnational corporations benefit from such policies. Despite such benefits, policymakers in Fiji continue to view cities and towns with concern, if not alarm.

Only when Fiji moves away from politicizing its governance albeit at the local level, will the visible changes come about. It is time that LGs rule based on the needs and interests of the local communities and not what the political agendas are.

1.2 CCOF's role in addressing consumer complaints against Municipalities

CCOF has been a voice and mouthpiece for consumers for many years and with its complaints handling and redress powers, the Council has been able to engage with ratepayers as well as the Ratepayers Association (Nasinu) to address poor service delivery (or lack of it) by the municipalities which remains the biggest problem today. (refer to Attachment 1A & 1B). Indicated in table 1 below are several complaints that CCOF has received in the past few years.

Table 1: Complaints received by CCF against Municipal Councils

Year	Municipal Council	Case Type	Nature of Complaint	Outcome
2006	Suva City Council	Food Issues	Sale of rusty canned mutton and beef and slimy sausages by Eagle Ridge Company located at Walu Bay.	SCC health inspectors have been informed of the operation but no one has visited it yet. Hence, the Company continues to sell the products from a container placed on its premises.
2006	Suva City Council	Herbal skin and health supply and operation	A Herbal supplier is confirmed to be operating in the Samabula residential area without a business license.	SCC business section was informed and the Korean herbalist is confirmed to be operating currently without a business license.
2006	Suva City Council	Expired products	Ahmed & Co in Toorak have been selling 4 year old expired Indian spices.	Council carried out investigations on the complaints received and had informed the SCC Health Section. The Company continues to sell expired products.
2006	Suva City Council	Restaurants	Many restaurants through a market survey were found to be operating in unhygienic conditions, where spoils produce are used, the restrooms are filthy, the floor is dirty and slippery, cats and dogs are found roaming around and cockroaches eggs were found in drinks.	Council carried out its own investigation into the issue, which was also referred to SCC's Health Section. The issue still persists.
2006	Suva City Council	Proposed garbage fee hike survey	Individual ratepayers and business owners contacted the Council to address the issue and seek explanation from SCC.	Council wrote a letter to the SCC Lord Mayor seeking explanation but no response came. Council had also issued a Press Release to

				inform consumers.
2006	Suva City Council	Drainage	Drains and culverts have not been cleared out despite many complaints by the residents of Cunningham to SCC	No action taken by SCC despite CCOF contacted them.
2007	Suva City Council	Rubbish Collection	Household garbage was not collected from areas along Princess Road, Tamavua and to certain parts of Tacirua. Tree cutting, grass and other bigger lawn rubbish was also not collected due to the change in schedule of the SCC. Ratepayers were not informed of the change in collection days	Council discussed the issue with SCC and informed complaints of the change in garbage collection days.
2007	Suva City Council	Poor road conditions	Potholes along Nabua, Vatuwaqa areas that caused damages to complaint's vehicles.	Council referred the matter to SCC for redress.
2007	Suva City Council	Delay in approving building plans	Ratepayers who intend to build or renovate their homes and have submitted their building plans to SCC are forced to wait for more than a year to get the approval. There is no specific timeframe in terms of providing the services.	Council had discussions with SCC on the issue to understand the approval system. No subsequent change was brought to the old practice.
2007	Nasinu Town Council (NTC)	No service delivery by Nasinu Town Council	<p>There were a host of complaints registered by the Nasinu Ratepayers Association:-</p> <ul style="list-style-type: none"> • Street lights are only available at street junctions from July 2006. • Blocked public drains and overgrown with bushes. • Some of us are cleaning it to save our properties from flood damage. • Poor road conditions, potholes and washed away surfaces • Footpath, residents are cutting the grass due to negligence by the Council • Green waste, residents are burning their green waste on the road side in the absence of scheduled collection by the council. • Duplication of house numbering in the same street. • Household garbage. This is the only service regularly provided but the exorbitant rate of \$81.00 per bin subject of 	<p>The following were conveyed by NTC:</p> <ul style="list-style-type: none"> • The NTC has limited funds but it cuts overgrown grass on a 4 weekly basis. He explained that initially • NTC had applied for a grant from Local Government to install street lights in identified parts of Nasinu Town. The intention was to install 900 lights per year since 2004. NTC was allocated \$20,000 only but the total installation cost was \$175,000. • NTC then imposed a 0.001 cent charge to ratepayers based on their property value. It has further applied for \$500,000 loan from the bank. • The Council advertises the collection of green waste on certain days

			dispute after clarification by the Attorney General Office; the correct rate is still not implemented.	<p>which is FOC.</p> <ul style="list-style-type: none"> The garbage rate hike from \$47-\$81 was a directive from the Local Government Authority after the relocation of garbage to Naboro Landfill. This directive was gazetted (although the process was bypassed). The new rate was implemented in January 2006 and it remains the same this year.
2008	Nasinu Town Council	<ul style="list-style-type: none"> No garbage collection Poor road conditions Connection of water meter and FEA wiring with no NTC help 	<ul style="list-style-type: none"> No garbage collection Poor road conditions Resident connected his water meter from the main road costing him \$1326.00 Resident connected his FEA wiring from the main road costing him \$3150.00 because of three pine posts and electrician fees. 	<p>A field research was carried out and the following issues were found:</p> <ul style="list-style-type: none"> There was no garbage collection in the feeder roads, only main road (Caubati) was serviced by the garbage truck as it was tasseled and the feeder road was not. The appalling condition of the road, mostly gravel with no drains, street lights, etc for which NTC still were charging residents known as the special fees in the bill. The matter was referred to NTC and but they argue that the residents still have to pay rates from rates 2001 despite no services have been delivered.

Source: Consumer Council of Fiji, 16th September 2008

These complaints over the years demonstrate a type of governance that lacks professionalism, expertise and management skills to run municipalities with a focus to deliver best and efficient services demanded by the ratepayers and in turn, seeking timely rate payments to continue the cycle of service delivery.

Such analysis, no doubt portrays that the LG is in dire need of reform that is essentially responsible for ensuring the delivery of economic, social and environmental outcomes at the local level and has an intimate knowledge of local communities as well as the diversity of their residents living within the municipal

boundary. It is expected that LG should provide services and programs that are flexible and locally appropriate to the needs of local communities. This will enable community participation in local decision-making and support the development of community networks but according to the number of complaints that we have received each year, it is reasonable to say that municipalities are highly malfunctioned. Refer to Attachment 2 which clearly indicate the attitude of the MC. Ministry of Local Government is equally ineffective and unable to provide solutions when cases are referred to the Ministry for redress.

1.3 The need for holistic reform

CCOF strongly believes that a holistic reform in planning and strategizing trends will require a significant change in the way organization thinks and does its business. The Council is calling for a shift from bureaucratic behaviour to a more service-oriented and entrepreneurial styled municipalities.

The new trends in planning are not only about civic building (the need for infrastructure, creation of employment and services) but also Council-building (the need for increased capacity to perform). This means that structures, processes and contextual reforms must be in place to support a Council's capability to integrate with all the players in the city-building process, including involving ratepayers in the policy and regulatory framework and any related changes and implementations such as the recent *green waste policy* implemented by SCC. Suffice to say, the draconian approach, whereby there was no consultation with the ratepayers and the attitude by SCC that we can do anything without seeking anybody's views is contrary to the intention and purpose of establishing such municipalities who is there to serve the needs of the local people. Such attitude is also contrary to **s88 of the Local Government Act** where functions and duties of LGs are to "... *promote the health, welfare and convenience of the habitants...*"

CCOF would then like to see the level and quality of services provided to the local communities by the LGs to improve drastically while modernizing the institutions, systems and processes, and policy and legal framework for better enforcement and redress in order to adapt to the changing economic and social demands of the population. This must also include the establishment of their targets that realistically reflect community expectations.

2.0 CCOF's position with regard to the Terms of Reference

Considering the **Terms of Reference** articulated in the Local Government Reform, CCOF hereby provides the following views for deliberation. The subject matter of this inquiry has long been an issue of concern and CCOF appreciates the opportunity to be able to contribute and voice consumers concerns.

Issue 1:

Review and Examine the current local government legislation and to determine whether such legislation can be amended and/or repealed and

replaced by alternate legislation that will be more responsive to the demands of ratepayers and the Interim Government

2.1.1 Powers and Functions

The powers and duties of the Council are provided in **Section 88 of the Local Government Act** which reads:

Section 88

(1) *“Every Council shall do all things as it lawfully may consider expedient to promote the health, welfare and convenience of the inhabitants of the municipality and to preserve the amenities and credit thereof.*

At the outset, there is no harm to call for a comprehensive legislation that meets the needs of the consumers/ratepayers in the current times. In fact, if the Review Committee is swayed to believe that the current planning, management and governance structure needs a total overhaul in the view to modernizing the municipalities, then the old legislation will definitely need to be reformed to bring it in conformity with the new structures and systems in place. A more simplified but comprehensive legislation with ratepayers issues and concerns including enforcement powers should be consolidated into one piece of legislation.

However, in the meantime, the Local Government Act addresses the practical issues of revenue generation and collection although in other areas (see below) there is need for reform. For example, to provide funds to carry out duties, section 58, 59, 74 and section 122 governs the respective roles of the local government and central government in the provision of the funds to allow LGs to carry out their duties. Section 58 sanctions the LGs to make and levy a general rate not exceeding in any one year 10cents in a dollar on the unimproved capital value of the rate able land. Section 59 deals with the levying of special rates for projects which should not exceed 5 cents in the dollar of the unimproved value of land. As far as government contribution is concerned, section 74 provides that the Ministry of Finance may direct the payment from the consolidated fund in each year special rates on crown land not leased or licensed. In other words if its leased or licensed the leaseholders are responsible for the payment of these rates, section 122 empowers the Council to make by laws for the prescribed fees to be charged by the LGs but such by laws would have to be approved by the Minister responsible for local Government,

The Local Government Act has been amended on two occasions; in 1997 and in 2006 in the last 11 years. Eighteen sections were amended in the Local Government Bill in the year 2006.

In sum, the Act gives the municipality jurisdiction over 32 laws in Fiji but most of the powers are exercised by the government. These laws are:

- Local Government
- Public Health
- Town Planning
- Subdivision of land
- Litter Control
- Business Licensing
- Land Transport Authority
- Advertisement
- Burial and Cremation
- Dogs

- Drainage
- Employment
- Factories
- Fair Rents
- Hotels and Guest Houses
- Liquor
- Petroleum
- Public Order
- Public safety
- Roads
- Sewerage
- Rivers and Streams
- Methlylated Spirits
- Cinematographic films
- Shop regulation
- Tobacco
- Occupation Health and Safety
- Marine
- Public Private Partnership

Some of these Acts are archaic and ambiguous and needs amendments. For example, the Methylated Spirit Act, Cap. 193 indicate that the business licence fee is a \$1.00. The Act is controlled by the Minister for Justice and the licensing authorities are the LGs according top Cap. 204 of the Business Licensing Act.

2.1.2 CCOF Views and Recommendation

CCOF believes that the current legislation has been failing in its intention to provide a level of satisfaction that is desired by the ratepayers. The legislation must be reviewed to clearly stipulate what the LG's should do and what the State can do.

There are a number of responsibilities given to the LG'S which is extremely difficult for the ratepayers to fund. Stated below are the following recommendation CCOF considers relevant.

1. **Qualification as Councilors** – CCOF believes that there should be a provision stated in the Act whilst appointing/choosing a Councilor based on merits and educational background. They should also house a young professionals training period that would give our young and educated youths the exposure and the required experience to some day step in the Councilors position.
2. **Ratepayers in the Electoral rolls** – provisions should be made so that all ratepayers are registered under a fair and equitable system so that only genuine ratepayers are allowed to vote and demand adequate service delivery.
3. **Conduct of Elections** - the 2006 amendment to the Act requires the Supervisor of Elections to prepare Electoral rolls and conduct the elections of the municipalities. CCOF is in favour of this amendment. However, the electoral system has to walk away from the political scene to a more transparent system of choosing Councilors.

Issue 2:

Examine the role, functions and responsibilities of each municipal Council under the Act.

2.2.1 Role of Municipalities

It clearly states in the Local Government Act, under Section 88 (1) that it is the Councils duty to **"promote the health, welfare and convenience of the residents of each municipality."** They have to provide a standard of service to the residents of their municipalities which are consistent with the Councils policies and the requirements of relevant statutes, regulations and By-Laws. There is also a vital need for promotion of good public relations while in contact with the public and outside the authorities and organizations. The Council's task is to be proactive in seeking improvements in the current practices, methods and up-skilling via technology innovation in the best interest of the ratepayers.

According to the Act, the roles and functions are similar across the board and do not give any one municipal Council more powers than another.

Whilst urban municipality such as Suva City Council has more allocated funds, the smaller municipalities functions with a lesser amount in order for it to operate and provide the relevant services which is reflected by the state and outlook of these areas.

There are 12 Municipal Councils that serves less than half the population of Fiji. Some municipalities have been created by default like Nasinu Town Council (NTC) because of intense migration from rural areas to the city in the last 20 years. However, clearly the mass area in the heart of Suva city was not enough to cater for the increasing dwellers, hence the move towards Nasinu periphery. Now we have a much larger mass of population living within the NTC boundary and it is no surprise the population mass is increasing on every day basis, surpassing the count for Suva dwellers. The question here is then, can such municipalities meet the increasing demands of the ratepayers created due to population increase who are non rate payers (squatters)? What sort of contingency plans (if any) do such MCs have in place to tackle such obvious problems? Again strategic planning is important.

Table 2 clearly shows that LG revenues are heavily skewed towards the urban municipalities, in this case Suva City.

Table 1: Budget allocation to each municipality

Municipality	Allocated Budget (\$)
Suva	22 million
Nasinu	4 million
Lami	1.5 million
Nausori	2 million

There are also some small municipalities with about 300 ratable properties with an annual operating budget of \$500,000 and on the other end of the spectrum, we have Councils with 13,000 properties operating with an annual budget of \$22 million. According to the Act, the classification of towns and cities qualify with more that 20,000 population to be declared as a city, as we have Suva and Lautoka City but the statutory and the regulatory functions remain same for all the town councils and cities irrespective of their size and level of operations. It may not be wise to consider

this for larger municipalities like NTC but the best recommendation here would be to merge Small Municipal Councils to reduce overhead costs and create savings to provide efficient, affordable and timely service. For example, Lami Town Council can easily merge with Suva City Council given the close proximity of the mass area and size of the population.

2.2.2 Consumer Councils Views and Recommendation

LGs are responsible for a number of functions including the provision and delivery of public services to its residents – the ratepayers.

Issue 3:

Examine the role, functions and administrative effectiveness of the Department of Local Government under the Local Government Act.

2.3.1 Role, functions and administrative effectiveness

The municipalities are answerable to the Department of Local government (DLG) as proposed in the Act. Under the Local Government Act there is nothing like the Department of Local Government. This department exists as a ministerial arrangement to facilitate and assist the minister in his functions and also to assist the Ministry of Local Government.

The Minister has greater discretionary powers under the LGA and also under the TPA, but these powers are observed by the DLG for administration and enforcements.

2.3.2 Consumer Councils Views and Recommendation

CCOF sees the Department of Local Government as incompetent, poorly resourced and inexperienced with unqualified personnel who are unfamiliar with the scope of work and what is actually required for the satisfaction of the local rate payers.

The Consumer Council had referred a number of cases to the Department of Local Government regarding poor performance of Municipal Councils or issues related to non- gazetted of garbage fees. (see Attachment 3A & 3B)

In addition, Local Government Act is not the only law under which the Municipalities function; there are many other laws to which the DLG is not conversant with, hence the failure to monitor and assess the whole performance of the MCs.

In this respect, CCOF recommends that the DLG should be involved in policy making and let MC's implement this policy. There should be a consumer tribunal where ratepayers can take their case for redress.

CCOF also sees the opportunity for the review team to:-

1. Formulate a single, comprehensive legislation that would govern the Municipal Councils (MCs). This would consolidate all other legislations into a single, but

most effective piece of legislation streamlining jurisdiction and enforcement issues.

2. For all future vacancies to be posted and advertised in the open market so that qualified people are in the workforce to ensure the effectiveness of the MCs.

Issue 4:

Review the current institutional, structural, financial, and administrative workings of municipal councils.

2.4.1 Current Systems in Place

The main sources of Municipal Funds are:

- Rates
- Market Fees
- Taxi and Carrier Base fees
- Building Application Fees
- Grants of allocated
- Business licensing Fees
- Parking Meter Fees and charges
- Garbage fees
- Rental

Given the level of consumer dissatisfaction and on-going problems due to visibly poor or lack of infrastructure development, enforcement and implementation of above areas pertained under the Act for revenue collection, obviously the present institutional, structural, financial and administrative machineries are not adequate for ensuring sustainable LG in Fiji. It appears that the policies are devised and implemented in a piece-meal basis by a number of agencies with little or no coordination.

Simply, a city or town cannot function without a strategic framework. Such a framework needs creative but firm leadership, ideas and innovation, based on realistic assessments of what can and cannot be achieved. Although few Municipal Councils has developed strategic framework, its instruments and statutes have not changed. Tremendous change is required to improve the quality, efficiency and the effectiveness of services to the city dwellers which creates the climate for better urban management and strategic planning.

2.4.2 Consumer Councils Views and Recommendation

CCOF believes that transparency and accountability are central components of this strategic framework. The first and main thrust of the institutional reform in LG is the strengthening of 'voice' as a mechanism for promoting accountability. Secondly, to avoid fraud and other misconduct, there should be rotation of duties amongst the financial and administrative departments. Regular training, education and up-skilling

is important. Another suggestion that is continuously stated in this submission is that MCs should be accountable to its residents and not to the Central Government. We have examined the functions and responsibilities of MCs under the LGA and other pieces of legislation including the Town Planning and Subdivision of Land Act and the Pacific Health Act. Therefore, the Council strongly recommends a consolidation of all the pieces of legislations so that powers, enforcement, offences and penalties are effectively carried out through a single administrative structure.

Issue 5:

Evaluate the financial performance of municipal councils, in particular the ratio of funds expended on capital projects against operating costs.

2.5.1 Financial performance of municipal councils

According to the Municipal Councils most revenue is used for meeting operational cost because it is hardly enough to be kept aside for any capital works or civic infrastructure development. In fact, any “capital works” are normally undertaken under special rating system. The financial performances of most of these Councils are poor as it is dependent on the town rates and residents (ratepayers) often choose not to pay rates because of poor service delivery.

2.5.2 Consumer Councils Views and Recommendation

CCOF recommends that the LGs put in place an open budget initiative which will allow ratepayers to scrutinize and monitor developments in the city as well have a clear idea as to how the MCs are using the allocated funds or revenue generated via rate collection in the progressive years. This will create and lead to better understanding and appreciation of how important the roles and functions of the MCs are in uplifting civic pride with regular developments while justifying user-pay system. (refer to Attachment 4)

Issue 6:

Examine ways in which service delivery to ratepayers can be better enhanced.

2.6.1 Current nature of service delivery to ratepayers

CCOF has received an array of complaints as stated in **Table 1 above**. These complaints mostly relate to public health issues, poor infrastructure, illegal buildings erected and lack of vigilant inspection, illegal business operations, licensing issues, Green Waste Issues, no street lights, unsafe or unhygienic food conditions in the supermarkets, unavailable and helpful MCs staff to listen and assist ratepayers which all points to relevant issues contained under **Issue 4** above.

2.6.2 Consumer Councils Views and Recommendation

Local Government should recognize that consumer satisfaction is a key indicator of Council performance and therefore, amendments to the Local Government Act should

include all Councils to introduce a **customer service charter**. One of the matters to be addressed is the periods within which complaints are to be dealt with. There should be a legislative requirement regarding timely complaint redress and resolution and it should be anticipated the different Councils report against these timeframes in their annual reports with the ensuing outcomes to improve service delivery.

Expanding resources for local governments helps to institutionalize the inter-governmental assignment of functions, provides incentives for communities to participate in decision-making and to hold these authorities to account. It also provides incentives for local governments to strengthen their core capabilities in relation to functions they actually perform.

Other factors that need to be considered are:-

- The performance of the Council should be improved with the right education, attitude and expertise of the elected Councilors, management and ground staff. Each Council should have competent and dedicated staff to serve the ratepayers in the residence with service-oriented focus and attitude – not treat these people as though MCs are doing them a favour by opening up the Council.
- The Council must be stringent in terms of the statutory functions (to enjoy balanced enforcement as well as generation of income through rates).
- MCs should develop the right aptitude and attitude to facilitate the right tasks as stated in the governing laws.
- All vacancies at any levels should be advertised in the open market and abuse of office, resources and funds should be curbed with checks and balances in place.
- Each staff members must be subject to annual assessment through KPIs, etc to ensure MCs become a robust and efficient service provider as expected by the ratepayers. There should be a performance plan for each staff.

Issue 7:

Evaluate all operational aspects of Municipal Councils.

2.7.1 Current Status of the Operational Aspects.

The MCs are responsible for the provision and maintenance of wide range of services. These services include garbage collection, provision of street lights, building and land development applications, providing advice on town and country planning and public health issues. It also deals with provision of sanitation services, provision and maintenance of roads and car parks, issuing and maintenance of gardens, parks, public recreational facilities such as the municipal library, market, civic auditorium.

All these services are supposedly financed by rates, fees and charges with the exception of capital projects which MCs are stating that it is financed from loan funds.

Under section 57 of the LGA, the Council is required to prepare annual statements before 31st of May each year showing the assets, liabilities, income and expenditure of the MCs till the 31st of December in the proceeding year. The annual statements are supposed to be audited and certified by the Auditor General. However, these statements are treated with strict confidentiality by the MCs as indicated to CCOF in one instance where SCC refused to disclose annual statements for scrutiny.

2.7.2 Consumer Councils Views and Recommendation

It is clear that the efficiency of the Councils has to be improved with modern technology and other means in order to reduce operational costs which could be easily strategized with innovative thinking. For example, instead of hiring a team of man power to cut trees with basic cane knives in the residential areas that may have fallen on the roads or drains, modern technology and equipment should be used for quick and efficient service delivery. In one case, CCOF observed 6 men cutting up a tree for 3 days with cane-knives when a chain-saw could have easily taken care of the problem in one day while saving emoluments and re-using the same equipment in the future.

Thus it is highly recommendable that all MCs should be assessed from time to time through perhaps, periodic assessment and evaluations. This is also establish accountability of the institution and its systems and processes leading to small but frequent reforms and changes for enhanced service delivery. Rather than allowing any impediments to develop into a larger problem that will waste unnecessary ratepayers money to fix the problems, regular evaluations is key to healthy functioning of the institution that will reduce operational costs in the long run whether it involves consumer satisfaction; staff issues of performance and delivery or the quality of service demanded by the ratepayers – all these issues have to be dealt with as they come along.

Issue 8:

Examine and Assess how the Local Government machinery can be best shaped promote good governance and well being of the ratepayers, with a view of building modern regional cities and towns in line with established principles of Urban Development.

2.8.1 The current situation

The machinery of the local government is well established but it is the internal mechanisms that require fine tuning so that the Councils perform to the rate payers satisfaction.

The MCs have to move away from old practices and adapt modern methods for better, enhanced and professional service delivery.

2.8.2 Consumer Councils Views and Recommendation

The Councils must appreciate a consumer right to information and hence develop websites with all relevant information to be available on the internet. They should also look into formulating checklists, for example, business licenses, land development and so on whereby ratepayers are well aware of the requirements and would avoid all the unnecessary hassle. Governance ensures a clear-cut process of decision-making by which decisions affecting ratepayers are implemented. Good governance assures that corruption is minimized and the views of the minorities are taken into account and the voices of the most vulnerable in community are heard in decision-making process. It is also responsive to the present and future needs of communities.

In reality, **good governance** is an ideal which is difficult to achieve in its totality.

To that end, to try and at least reach a certain level, we should act upon each day. Simply the Local Council should take each day as a challenge. For any query or complain by the public it should be taken into task immediately or promptly. Delivering efficient, adequate and quality service to ratepayers will promote good governance in the end.

Issue 9:

Examine the procedure and criteria for the election/appointment of councilors/administrators and to identify a fairer and more democratic model of election and representation.

2.9.1 Election or Appointment of Councilors/Administrators

All ratepayers should be on the Electoral role and be able to have a say in the operation and management of the Council as part of a democratic election process. The LG would be facilitators of the ratepayers' voice through this sort of Electoral process. There would be appropriate checks and balances in place to monitor the delivery mechanism of LG services to its residents and voter could base their decisions on past and present performance.

Issue 10:

Assess the Urban Policy Action Plan (UPAP) and Urban Growth Management Action Plan (UGMAP) and its adoption in any proposed Local Government machinery.

2.10.1 The purpose of UPAP and UGMAP

UPAP has been subjected to a thorough process of involving all stakeholders and approval was continuously sought in its various stages from the government as the work progressed. The UPAP and UGMAP have been approved by the Cabinet. There are three thematic development areas which are pivotal to the UPAP plans and these include:-

- Urban Land market development
- Housing market development

- Urban infrastructure and service development

The seven cross-cutting policy elements identified that are fundamental to improving the effectiveness and efficiency of the urban sectors are :

- Urban environmental management
- Urban economic development and urban poverty reduction
- Urban planning and management
- Financing of urban services
- Institutional framework and governance
- Legal and regulatory issues

The goal and purpose of UPAP and UGMAP is to assist in achieving an efficient effective and sustainable urban sector that can make optimal contribution to the social, economic and environmental development in Fiji. CCOF suggests to the Committee to take a good look at the budget allocated for LGs in the Government Budget Estimate for 2008 - it is found under pages 180 and 181 under the Programme 1 Activity 2. The total budget estimate for 2008 is \$2.036m, a reduction from \$2.48m allocate in the year 2007.

According to the LGs, \$300,000 is allocated as a challenge fund, a component of UPAP for their capital projects.

2.10.2 Consumer Councils Views and Recommendation

The Council believes that UPAP is the way forward for the development of our urban areas and the implementation should assist the local government machinery to promote good governance and well-being of the ratepayers in the country. There should be a definite time line and resources committed to the implementation of UPAP. The UPAP is also seen to build capacity of LGs in order to make them more effective in urban management and development. The Challenge Fund is a good initiative that should be encouraged.

Issue 11:

Determine whether an Urban Planning Authority or Regional Authorities would be able to perform the role and functions of current municipal councils.

2.11.1 The Role of Urban Planning Authority or Regional Authorities

Supposedly, if the UPA or RA is to perform the roles of the MCs, then resource sharing will create financially stronger UPA with stronger resource base with the ability to achieve operating cost savings from economies of scale. All Councils should be linked up together to gain greater efficiency and productivity.

2.11.2 Consumer Councils Views and Recommendation

• **Resource Sharing – staff, machinery, equipment and new technologies**

Benefits that come from resource sharing result from the capacity of the Council to defray or share administrative charges across member organizations. The increased capacity and activity also provides the ability to attract and maintain necessary professional staff, i.e. rather than each of the organizations trying to attract relevant qualified staff this can be achieved by one staff member in a Council providing the necessary expertise for all member Councils. This helps to overcome one of the most difficult staffing aspects for regional and remote Councils, being our ability to attract and retain qualified staff.

• **Possible Future Sharing Arrangements**

Keeping in mind the above benefits of resource sharing, coupled with the possibility of creating specialist centres with career structures that would assist in attracting and retaining professional staff, the following areas have been identified as possible avenues for resource sharing:-

- Engineering Design covering Waste and Water, Urban Infrastructure and Traffic;
- Project Management;
- Open Space Development/Co-ordination;
- Environmental Engineering;
- Environmental Health;
- Building Inspection;
- Town Planning;
- Human Resources;
- Financial Management
- Geographic Information Systems (GIS);
- Information Technology;
- Economic Development.

All of the above require professional staff input and are areas that are proving difficult for smaller regional and remote Councils to attract qualified experienced staff. For effective service delivery, Councils will need to establish reciprocal sharing arrangements.

• **Amalgamation**

There is significant interest to warrant amalgamation between the two municipalities- Lami and Suva.

➤ ***Assessment of a Possible Merger between Suva and Lami***

1. Financial

The combined budget will result in significant benefits being derived from the reduction of overheads, economies of scale and increased purchasing capacity. Other opportunities would be improved such as resource usage, ability to take on larger projects and increased ability to attract additional external funding. Some of the issues to overcome would be the need to upgrade the financial system, cost of implementation and the remoteness of operating centres.

2. Level of service

The benefits being a greater range of expertise including planning, administration and project management and the capacity to undertake a greater level of research is unable to be achieved with current individual structures. The problems that will be overcome would be the remoteness of administration because of the very large area to serve and the consequent issue of communication with decision-makers.

3.0 Conclusion

In response to the Governments expressed desire for reform in Local Government in Fiji, CCOF undertook consultations with a few neighbouring Councils to gauge their reaction to the reform issue. The result of those discussions was that Local Government Association indicated their agreement to the possibility in undertaking a feasibility study on a merger between Suva and Lami Councils.

There is a broad understanding of the Government's desire for reform and the need for municipalities to be part of any necessary changes. CCOF is of the strong belief that there would be benefit in reform, but believes that more extensive investigation, assessment and consultation is required to determine the most beneficial changes both financially and for the delivery of better services to the community.

In a nutshell, CCOF has made the following recommendations for considerations by the Committee:-

Recommendation 1:

Make LGs apolitical organization. Only registered ratepayers should be allowed to vote based on a fair and equitable electoral poll when choosing Councilors.

Recommendation 2:

Devise systems and processes for resource sharing to reduce overhead costs incurred by LG.

Recommendation 3:

The Councils should engage in an open budget initiative and disclose to the ratepayers their review and expenses annually. There is a critical need for accountability and transparency in the use of rates paid by the ratepayers. With open budget system in place the ratepayers will gauge the performance of the municipal Councils in their local areas.

Recommendation 4

Separation of the role of the elected Councilors from management team is vital. There must be a separation of powers of the Councilors from the actual management and administration of the Council mandates. Council Charter should be developed to guide the role and responsibilities of councilors and the management.

Recommendation 5

Removal of Rural Local Authority from the Ministry of Health to the Ministry of Local Government to centralize similar service delivery and to make the Rural Local Authority resourceful to serve rural population through rates and fees and charges.

Recommendation 6

Move the current Municipal boundaries to make Municipal Councils of a particular size for cost effectiveness. Smaller sized municipal Councils incur high overhead costs leaving insufficient funds for service delivery. Smaller Municipal Councils should merge to reduce costs.

Recommendation 7

The Supervisor of Elections to prepare Electoral rolls and conduct the elections of the municipalities rather than the Municipal Council’s itself.

Recommendation 8

To make Municipal Councils accountable, it is important that the ratepayers should freely access information on decision making process and that is only possible through “Right to Information laws”.

Recommendation 9

There should be a Consumer Tribunal where ratepayers can take their case for redress rather than to the Minister of to the Ministry of Local Government.

The Review Committee is encouraged to base its recommendations ultimately, keeping in mind the paramount interests and needs of the ratepayers (consumers) with a view of making this sector highly service-oriented to a level that would be comparable to the private sector service delivery. The user-pay concept is only effective if there is balanced service delivery which is efficient, timely and affordable with enforcement and redress policies in place. All these critical factors are currently lacking.

The Consumer Council of Fiji, in its role as the de-facto complaints-handler relating to municipalities and its service delivery has the practical experience to meaningfully contribute to the development of any new or modern legislation, policies, systems and processes to ensure that it provides maximum protection to consumers. This Submission is the first step in that holistic process and the Council remains committed to reforming this area and providing whatever practical and technical contributions as it can.

Yours sincerely

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Premila Kumar
Chief Executive Officer