

2023 FINANCIAL REGULATIONS REVENUE REPORT

MINISTRY OF INTERNAL AFFAIRS

1. INTRODUCTION

The Ministry of Internal Affairs (MoIA) is in charge of implementing significant policies related to the country's internal administration. The goal is to improve government by coordinating services across provincial headquarters through Area Council Secretaries and Municipal Wards. Among its responsibilities, it must ensure that the electoral, civil status, and passport services provide enough identity control for planning and budgeting. Another of its responsibilities is to ensure that immigration and labour services continue their essential role in border control. Improving security and border services, as well as improving access to those services, is a top focus for the ministry. It is also in charge of planning and implementing government-funded projects and for coordinating and implementing donor-funded projects at the local level. The Ministry regularly monitors religious matters and the work of non-governmental organisations (NGOs).

The Ministry is composed of the following departments:

- The Department of Local Authorities which is responsible for the administration and supervision of the Provincial and Municipal councils;
- The Department of Immigration which is in charge of the immigration status regulations and of making sure that the border controls are effective and secure; The Labour Department is ensuring the new labour laws are compliant with the international labour standards;
- The Electoral office supervises the registration of the electors and conducts all elections in Vanuatu;
- The Department of Civil Status is registering all the legal events such as registration of Births, Marriages, Deaths and Foetal Deaths, under the laws of the Republic of Vanuatu CAP 60 –Marriage and CAP 61;
- The Vanuatu Police Force was established to enforce law and order and to maintain security to the country, its people and properties and development.

The following report aims at analysing the Ministry's revenue performance in the financial year 2023.

The Ministry of Internal Affairs' original revenue budget for the fiscal year 2023 was VT 1,014.5 million. This accounts for 2.9% of the total anticipated national revenue. Residency permits contribute the most to this revenue, followed by passport fees, work permits, and Honorary Citizenship Program Fees, which differs from the previous year.

Table 1. Describes the percentage of revenue attributed to each department of the Ministry for the year 2023.

Table 1. Breakdown of revenue collection by Departments within MoIA

Department	2023 Revenue Budget (in VT)	Total Ministry % Share of Revenue
Civil Registry Office	56,679,373	5.6%
Department of Immigration	620,353,660	61.2%
Department of Labour	213,781,304	21.1%
Department of Provincial Affairs	1,804,200	0.2%
Electoral Office	3,000,000	0.3%
Internal Affairs Cabinet	45,000,000	4.4%
Vanuatu Police Force	73,859,174	7.3%
700 - Department of Urban Affairs and Planning		

This table shows that the Department of Immigrations is the largest contributor to yearly revenues, collecting more than half of it, followed by the Department of Labour, which collects 26% of the overall revenue target.

2023 REVENUE UPDATE:

Figure 1. Below shows cumulative revenue budget for the Ministry of Internal Affairs (MoIA) for each progressive quarter against the actual revenue collected.

At the end of 2023, the Ministry of Internal Affairs (MoIA) collected VT 1,623.6 million which is 160.0 percent more than its revenue budget target.

Figure 1. MoIA Cumulative Quarterly Revenue Budget vs. Actual

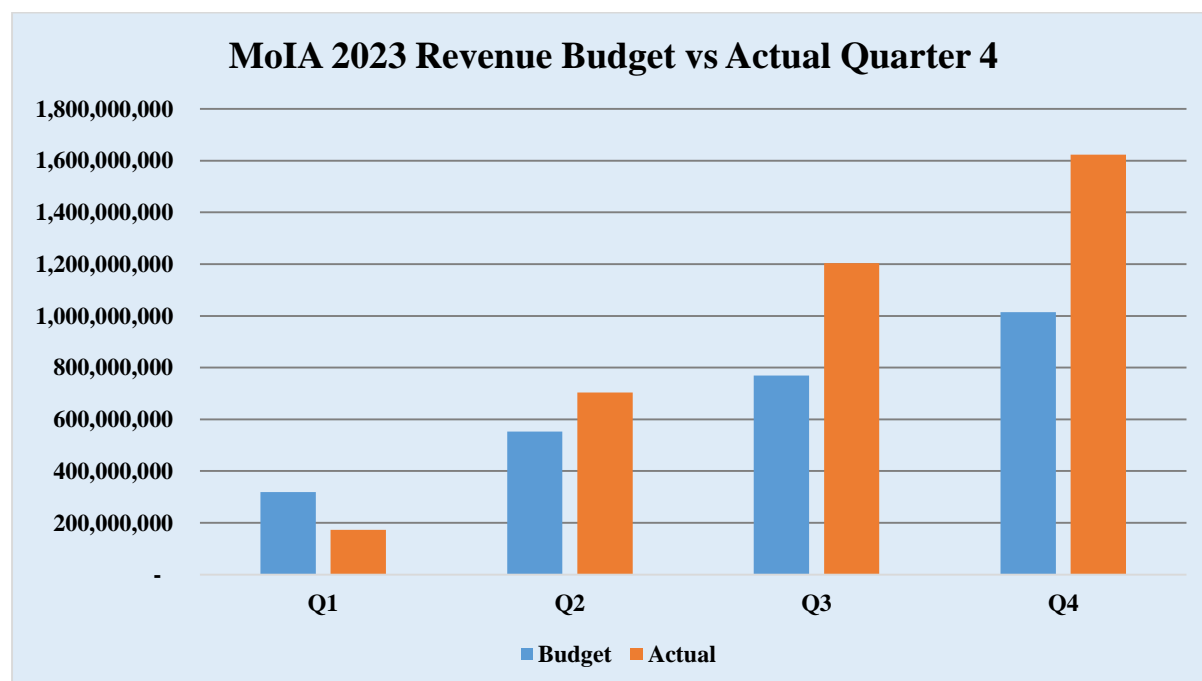


Figure 2. MoIA non-cumulative Quarterly Revenue Budget vs. Actual

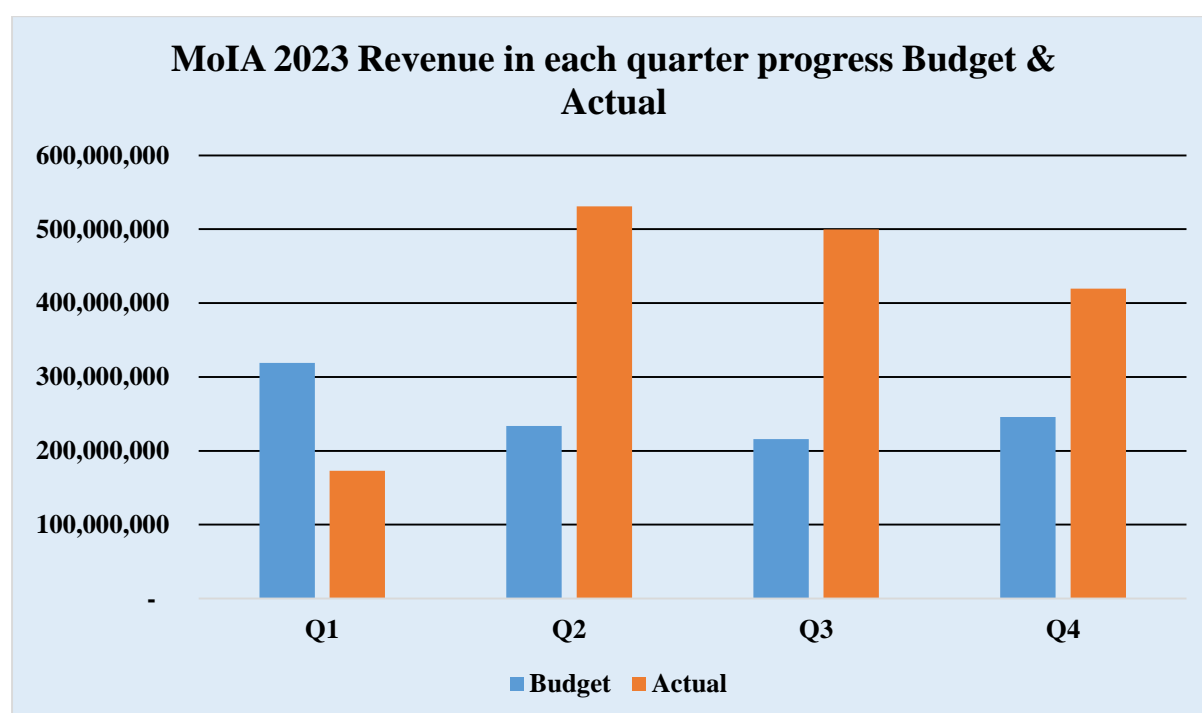


Figure 2. Figure 2 shows the quarterly revenue budget, which is not cumulative like Figure 1's actual revenue. When compared to quarters 1 and 4, the revenue collection is highest in quarters 2 and 3 of each quarterly progress report.

2. GENERAL DISCUSSION: REVENUE COLLECTION BY DEPARTMENTS WITHIN MOIA

Annex 1 of this report provides an overview of the specific revenue collected within MoIA in the 2023 financial year.

Revenue Collections by individual Departments within Ministry of Internal Affairs are presented in the following table.

Table 2. Brief Summary – 2023 Revenue Budget vs. Actuals

Department	2023 Annual Revenue Budget	2022 Actuals	Variance	Percentage of Annual Revenue Budget collected
Civil Registry Office	56,679,373	128,829,204	72,149,831	227.3%
Department of Immigration	620,353,660	969,468,022	349,114,362	156.3%
Department of Labour	213,781,304	212,300,724	-1,480,580	99.3%

Department of Provincial Affairs	1,804,200	377,363	-1,426,837	20.9%
Electoral Office	3,000,000	1,981,300	-1,018,700	66.0%
Internal Affairs Cabinet	45,000,000	45,595,929	595,929	101.3%
Vanuatu Police Force	73,859,174	246,255,149	172,395,975	333.4%
Department of Urban Affairs and Planning		18,750,890	18,750,890	0.0%
Total	1,014,477,711	1,623,558,581	609,080,870	160.0%

2.1 Civil Registry Office

The Department of Civil Status has a budget of VT 56.7 million in 2023. However, the real revenue collected by the end of the year was VT 128.8 million. The department exceeded its revenue projections by 127.3 percent. The Honorary Citizenship Program fees account for 90.8 percent of this earnings. The Registration Charge Recovery scheme also generates a large amount of cash, although much less than the Honorary Citizenship program. To summarize, the department performed well and beyond expectations in 2023.

2.2 Department of Immigration

The Department of Immigration collects the majority of the Ministry's revenue. In all, the Department's budget was set at VT 620.4 million for 2023. The main revenue streams for this Department were residency permit and passport fees, both of which are closely tied to Honorary Citizenship Program fees and revenue from passport booklet sales. The actual revenue collected was VT 969.5 million, 56% more than the revenue budget target. The residency permit, which is the key revenue-generating item within the Immigration department, has seen an increase in real collection compared to previous years, and passport fees have also increased. Passport fees are increasing through the Seasonal Worker Program, and through the Honorary Citizenship Program.

2.3 Department of Labour

Since work permits accounted for 74.2 percent of the Department's total revenue, they are the most significant revenue category. Then come Application Charges Recoveries (which include fees for work permits, work permit exemptions, and work permits for religious institutions), temporary permits, company licenses and registration (which includes the application fee for employment agencies), and other fines (spot fines).

By the end of 2023, the Department had collected VT 212.3 million, or 99.3% of its budgeted amount, compared to a budget of VT 213.8 million.

2.4 Department of Provincial Affairs

Department of Local Authorities (Provincial Affairs) oversees local governments, consisting of six provincial councils and three city councils. Local governments have the right to change service fees, but not tax rates.

The Department aimed to collect VT 1.8 million in total, but the actual revenue was VT 377,363, which is only 20.9% of the budget objective.

2.5 Electoral Office

The Vanuatu legislative framework establishes an independent electoral administration organization with two interconnected institutions: the Electoral Commission (EC) for policy-making and oversight, and the Vanuatu Electoral Office (VEO) for operational activities. The VEO collects election costs from those seeking to run for various elections.

In 2023, the VEO was expected to collect an annual budget of VT 3 million, primarily from election fees. Actual receipts at the end of 2023 totalled VT 1.9 million, representing barely 66.0% of the revenue projection.

2.6 Internal Affairs Cabinet

The Public Land Transport Authority (PLTA), part of the Internal Affairs Cabinet, manages public land transport in Vanuatu and collects driver's permit fees and penalties. It is also the agency that collects the majority of the Cabinet's revenue from Land Transport Permit Fees, which is 90% revenue of the Cabinet. The entire department is expected to collect VT 45 million in 2023. The Cabinet exceeded its budget objective by 1.3%, collecting VT 45.6 million by the end of the year.

2.7 Vanuatu Police Force (VPF)

According to the Police Act CAP 105, the Vanuatu Police Force (VPF) is responsible for maintaining peace and order, protecting lives and property, enforcing laws, preventing and detecting crimes, and bringing criminals to justice. The Police Act Regulations specify the fees that might be levied for specific duties.

Police clearance fees are by far the greatest revenue-generating sector within VPF. Traffic fines and driver licenses are the next most budgeted things. The Regional Seasonal Employment scheme and increased international travel have led to a surge in demand for

police clearance documents in Vanuatu. In 2023, the VPF raised more than 200% of its projected budget. Initially the VPF predicted VT 73.9 million in total revenue, however it collected VT 246.3 million. This rise in revenue is the result of Honorary Citizenship Program fees, which are consistent with the Police Force's due diligence.

2.8 Department of Urban Affairs and Planning

The Department of Urban Affairs and Planning is a newly established department within the Ministry of Internal Affairs. The department has no revenue budget target, however actual money collected in 2023 recorded at VT 18.7 million. Fines and applications fees are the main revenue stream for the newly establish department.

3. OVERALL PERSPECTIVE ON 2023 REVENUE PERFORMANCE

Overall, the Ministry of Internal Affairs' revenue collections are 160% higher than the anticipated target for 2023. The Civil Registry Office, Immigration Department, Internal Affairs Cabinet through the Land Transport Authority, and Vanuatu Police Force account for the majority of the revenue increase. This department exceeded its revenues budget objective in fiscal year 2023, boosting overall Ministry revenue collection.

Given the nature of the services they offer, the Ministry of Internal Affairs and its departments have a great deal of potential for generating revenue. Nonetheless, one of their key challenges continues to be compliance. The Ministry is believed to be able to observe a consistent yearly growth in revenue collection if these areas are enhanced.

ANNEX

Department	2023 Revenue Budget	2023 Revenue Actual	Variance	Collection Percentage %
Civil Registry Office	56,679,373	128,829,204	72,149,831	227.3%
290 7NDF Furniture & Fittings Disposal		9,600	9,600	
290 7NFF Honorary Citizenship Program Fees	50,000,000	117,000,000	67,000,000	234.0%
290 7NOG Registration Charge Recoveries	6,679,373	11,819,604	5,140,231	177.0%
Department of Immigration	620,353,660	969,468,022	349,114,362	156.3%
450 7LCV Miscellaneous Charges			-	
450 7NDF Furniture & Fittings Disposal		30,400	30,400	
450 7NFD Honorary Citizenship Program Fees (VERP)			-	
450 7NFF Honorary Citizenship Program Fees	15,384,600	160,590,257	145,205,657	1043.85
450 7NFP Passport Fees	50,000,000	252,168,632	202,168,632	504.3%
450 7NIO Other Fines	166,769,060	21,290,000	-145,479,060	12.8%
450 7TLF Fishing Licences & Registration			-	
450 7TLR Residency Permits	388,200,000	501,952,367	113,752,367	129.3%
450 7TLL Liquor Licences & Registration			-	
450 7NFB Certificate Fees		7,000	7,000	
450 7NFC Capital Investment Immigration Plan Fees		33,429,366	33,429,366	
Department of Labour	213,781,304	212,300,724	-1,480,580	99.3%
270 7NDE Equipment Disposals		24,900	24,900	
270 7NDF Furniture & Fittings Disposal		8,500	8,500	
270 7NFO Other Fees		20,000	20,000	
270 7NIO Other Fines		1,950,000	1,950,000	
270 7NIS Spot Fine	1,800,000		-1,800,000	0.0%

270 7NOA Application Charges Recoveries		35,901,400	35,901,400	
270 7NOP Permits Recoveries		-100	-100	
270 7TLB Business Licences & Registration		-987,000	-987,000	
270 7TLQ Temporary Permit		9,773,000	9,773,000	
270 7TLW Work Permits	211,981,304	157,440,000	-54,541,304	74.3%
270 7NLO Other Licenses		8,170,024	8,170,024	
270 7NOI Inspections Recoveries			-	
Department of Provincial Affairs	1,804,200	377,363	-1,426,837	20.9%
240 7QMS Miscellaneous Contributions	4,500		-4,500	0.0%
240 7NDF Furniture & Fittings Disposal	634,440	3,000	-631,440	0.5%
240 7NFO Other Fees	200,000	113,288	-86,712	56.6%
240 7NOA Application Charges Recoveries	98,260	90,956	-7,304	92.6%
240 7NOP Permits Recoveries	867,000	170,119	-696,881	19.6%
Electoral Office	3,000,000	1,981,300	-1,018,700	66.0%
280 7NDE Equipment Disposals		394,500	394,500	
280 7NDF Furniture & Fittings Disposal		16,400	16,400	
280 7NFE Election Fees	3,000,000	1,570,400	-1,429,600	52.3%
Internal Affairs Cabinet	45,000,000	45,595,929	595,929	101.3%
230 7LCV Miscellaneous Charges			-	
230 7NDE Equipment Disposals			-	
230 7NDF Furniture & Fittings Disposal		17,000	17,000	
230 7NFV Land Transport Permit Fees	45,000,000	41,010,683	-3,989,317	91.1%
230 7NFZ National Symbols		4,478,246	4,478,246	
230 7NOG Registration Charge Recoveries		90,000	90,000	
Vanuatu Police Force	73,859,174	246,255,149	172,395,975	333.4%
260 7NDE Equipment Disposals		2,134	2,134	

260 7NFK Police Clearance	51,803,000	57,222,150	5,419,150	110.5%
260 7NFO Other Fees	213,030	915,661	702,631	429.8%
260 7NIO Other Fines	120,000	430,555	310,555	358.8%
260 7NIT Traffic Fines	8,065,144	25,696,607	17,631,463	318.6%
260 7NLD Driving Licenses	10,025,000	18,604,165	8,579,165	185.6%
260 7NLF Firearms Licenses	3,589,000	3,522,072	-66,928	98.1%
260 7NOA Application Charges Recoveries	24,000	108,068	84,068	450.3%
260 7NOT Testing Charges Recoveries	20,000	207,000	187,000	1035.0%
260 7NFC Capital Investment Immigration Plan Fees		33,240,356	33,240,356	
260 7NFF Honorary Citizenship Program Fees		106,306,381	106,306,381	
700 - Department of Urban Affairs and Planning		18,750,890	18,750,890	
700 7NIO Other Fines		13,000,000	13,000,000	
700 7NOA Application Charges Recoveries		5,222,391	5,222,391	
700 7NOP Permits Recoveries		528,499	528,499	
Total	1,014,477,711	1,623,558,581	609,080,870	160.0%