

Shining a light on local level government in PNG

by Maholopa Laveil

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A sea ambulance service is provided by the Balopa local level government in Manus province

Photo Credit: Ngenge Sasa

PNG is finally holding its local level government (LLG) elections this year. The result of these elections is important, as LLGs are PNG's lowest tier of government and provide services directly to communities. Sadly, not much is known about how LLGs function beyond standardised elections, which are held in each "ward" under a LLG electorate roughly mid-way through each national election cycle.

LLGs were introduced as a tier of government in 1995 when the [Organic Law on Provincial and Local Level Governments \(OLPLLG\)](#) was passed. In 2014, PNG added districts as another tier of government, bringing the number of tiers of government to four: national, provincial, district, and then LLGs. LLGs are crucial in providing essential government services such as water supply, roads and health services jointly with the provinces and are overseen by the Department of Provincial and Local Government Affairs (DPLGA).

PNG's wards and LLGs have grown since 2011 (16% and 20% respectively), but not as fast as the population, which has [grown by 87%](#). Rapid population growth has [entrenched malapportionment](#), which was already severe in 2011: the largest LLG then was 69 times larger than the smallest. [By 2021](#), the largest LLG (Louisade in Milne Bay) became 123 times larger than the smallest (Aua Wuvulu in Manus). Even more concerning, in 2021, 24 LLGs were larger than Manus, PNG's smallest province.

Of PNG's 386 LLGs, only 37 are urban while the rest are rural. LLGs are declared urban according to [four criteria](#): area of alienated land, value of unimproved land, concentration of people, and the adequate provision of water, electricity and other public services. Districts are permitted, [at most, one urban LLG](#) and all districts have complied save Kerema in Gulf which has two. For rural LLGs, each district (excluding the National Capital District, as it doesn't have LLGs, and Bougainville, as it is governed by a different law) is by law [limited to three](#), save in exceptional circumstances. The average number of LLGs across the 90 districts under the OLPLLG, however, is actually 3.8. It is difficult to believe that there are "exceptional

circumstances” for all the 42 districts that have more than three rural LLGs.

Table 1: PNG’s subnational governments, 2025

Region	Provinces	Districts	LLGs (rural)	LLGs (urban)	LLGs (total)	Wards
Highlands	7	36	115	12	127	2,394
Islands	5	13	62	7	69	860
Momase	4	26	99	10	109	2,157
Southern	6	21	73	8	81	1,596
National	22	96	349	37	386	7,007

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Provinces can propose new wards and LLGs which must then be **approved** by the DPLLGA minister. It is important to note that Bougainville has a different subnational government structure, so the wards and LLGs reported are designations from the 2011 census. Outside Bougainville, all provinces have added new wards and all except Manus and Chimbu have created new LLGs since 2011. While Morobe has the highest number of LLGs and is the **most populous**, the distribution of wards and LLGs across province does not in general follow size. Strangely, Gulf has more than doubled their wards and LLGs since 2011 (creating most of these **in 2023**) and is likely to **capture more benefits** from the upcoming Papua LNG project. Hela’s six new LLGs have also probably come into existence in order to secure a share of royalties from an earlier PNG LNG project.

Table 2: LLGs and wards in 2011 and 2025, districts and provincial population in 2021

Province	Ward			LLGs			Districts	Population
	2,011	2,025	Increase	2,011	2,025	Increase		
Morobe	521	605	16%	33	36	9%	10	1,139,789
Southern Highlands	465	517	11%	20	22	10%	5	927,306
Madang	428	451	5%	18	21	17%	6	797,807
Eastern Highlands	259	287	11%	24	25	4%	8	784,535
Hela	260	297	14%	12	18	50%	4	765,142
Milne Bay	391	415	6%	16	18	13%	4	748,196
East Sepik	626	667	7%	26	27	4%	6	681,518
Bougainville	81	81	0%	12	12	0%	3	641,431
Enga	366	403	10%	15	20	33%	6	571,060
Chimbu	311	351	13%	20	20	0%	6	535,457
Western Highlands	284	316	11%	9	11	22%	4	531,402
NCD	9	12	33%				3	513,918
East New Britain	370	386	4%	18	23	28%	4	457,169
Jiwaka	190	223	17%	6	10	67%	3	451,496
West Sepik	336	434	29%	17	22	29%	4	421,470
Central	202	288	43%	13	16	23%	5	362,768
West New Britain	106	120	13%	11	12	9%	3	356,343
Western	282	389	38%	14	20	43%	4	315,543
Oro	158	165	4%	9	11	22%	3	271,193
New Ireland	138	142	3%	9	10	11%	2	232,351
Gulf	143	327	129%	9	15	67%	2	201,388
Manus	122	131	7%	12	12	0%	1	74,547
National	6,048	7,007	16%	323	386	20%	96	11,781,829

Source: 2025 LLGs and wards sourced from PNG Province Budget Database; 2011 LLGs and wards sourced from National Statistics Office.
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LLG malapportionment has implications for the distribution of wards and grants provided by the national government. First, there is no clear relationship between

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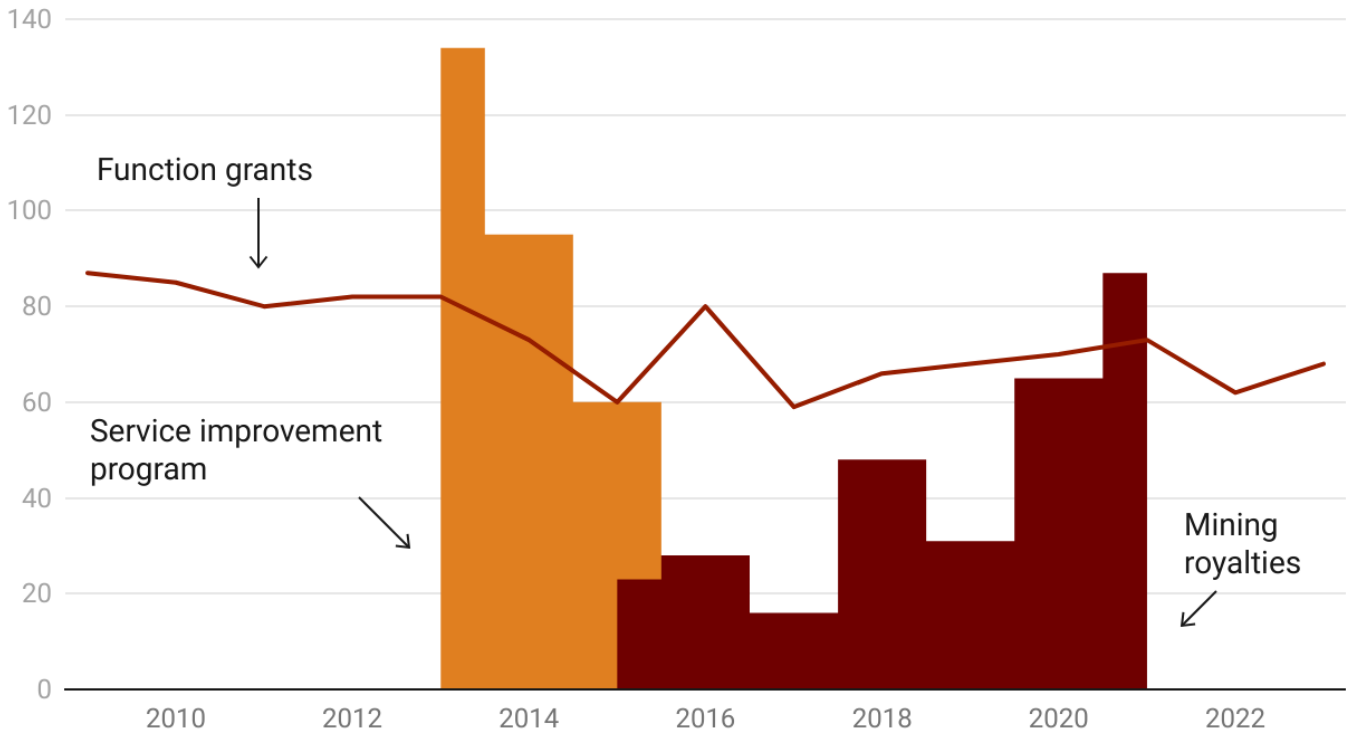
ward numbers and **LLG population**, meaning larger LLGs don't always have more wards. Given ward councillors collectively form the **LLG assembly** and participate in decision-making, further research is required to study if LLGs with more wards perform better in terms of governance. Second, there was a strong, positive relationship ($r = 0.93$) between urban LLG size and **grant levels** in 2023 but it doesn't hold for rural LLGs. People in large rural LLGs on average received less on a per capita basis than those in smaller rural LLGs. This suggests that the national government responds more adequately to the needs of urban LLGs, which is problematic given 90% of PNG's LLGs are rural. In 2023, the **median grant** provided to a LLG was K144,800. ([View more information on grant distribution](#)).

LLGs have received three different **funding streams** since 2009: grants from the national government discussed earlier, a temporary services improvement program (LLGSIP) fund, and royalties to a handful of LLGs for which resource projects are located. The total LLG grant funding previously accounted for **11% of provincial grants** and this increased to **15% in 2024**. In 2013, LLGSIP funding of K500,000 was allocated to each LLG. However, the disbursed amounts fell as national government revenues **struggled in 2015 and 2016** and these grants were discontinued in 2017.

Real (adjusted for inflation) LLG grants have fallen over the same period that the number of LLGs (and population) has grown. It remains to be seen if the 2024 increase to 15% as a share of provincial funds will arrest the decline (2024 data is unavailable as grants are **reported with a two-year lag**). On the other hand, **mining royalties** to certain LLGs in New Ireland, Western, Enga, Eastern Highlands and Madang have risen to exceed grants in 2021. It is difficult to track royalties from oil and gas projects to LLGs in Hela and Southern Highlands as these are **not reported consistently**. Mining royalties have made a few LLGs very wealthy (equalling 8% of provincial revenue in 2021), worsening the inequitable distribution of resource benefits within these provinces and nationally.

Figure 1: Real funding streams to local level governments, 2009-2023

Figures in millions of Kina and 2023 prices



Source: LLG grants sourced from PNG Province Budget Database; LLG SIP funds sourced from the Performance Audit Report on Payments and Acquittals of SIP (2016); LLG mining royalties sourced from PNG EITI reports 2015-2021 (data for LLG royalties does not exist for years prior to 2015 and after 2021).

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In summary, while ward and LLG numbers have grown since 2011, rapid population growth has worsened LLG malapportionment leading to rural LLG grants not being disbursed on an equal per capita basis. Total grant funding from the national government has also fallen as more LLGs have been created. A handful of LLGs with resource projects have become wealthy on the back of royalty payments worsening the unequitable distribution of resource benefits.

As PNG prepares to celebrate 50 years of independence, it is vitally important that more is done to understand how LLGs can be made to function better.

The data analysed in this blog is now available on the [ANU-UPNG PNG Budget Database](#). The author would like to thank Dr Thiago Oppermann, Dr Colin Filer, and Dr Terence Wood for comments on earlier drafts.

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Link: <https://devpolicy.org/shining-a-light-on-local-level-government-in-png-20250612/>