



The Government of the
Republic of Vanuatu

Annual Report 2025

Ministry of Infrastructure and Public Utilities



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Message from the Minister

I am pleased to present to Parliament the Annual Report of the Ministry of Infrastructure and Public Utilities (MIPU) for the 2025 fiscal year. This report provides an overview of a year of significant progress, during which we continued to advance the government's agenda for a safe and integrated transportation infrastructure network that forms the foundation of Vanuatu's prosperity.

Policy Direction and National Priorities

In 2025, our policy focus has yielded tangible results that will shape the sector for years to come. The launching of the 2025 edition of the Vanuatu National Building Code (VNBC)—the first update since 2017— marks a milestone in our commitment to building safety and climate resilience. This new building code provides the clear, modern standards that our builders and communities need to construct safer and more resilient buildings.

In addition, we have strengthened our aviation regulatory framework and amended the regulation on fees and charges to ensure that our regulatory authority is financially sustainable and able to meet international standards. Our collaboration with France in launching the Performance-Based Navigation (PBN) project once again underscores our commitment to modernizing airspace management in Vanuatu.

Strategic Partnerships for National Development

The government's close ties with our international partners have yielded tangible results for the people of Vanuatu. Through our partnership with Australia, we have advanced the development of critical road infrastructure on the islands. With Japan, we have secured funding for the reconstruction of the Tagabe Bridge. From China, we received seven high-speed boats to improve inter-island connections and disaster relief, as well as support for major road repair projects. These partnerships reflect the confidence our international allies have in Vanuatu's vision for sustainable development.

Accountability and Service Delivery

I would like to commend the leadership and staff of the MIPU for their dedication throughout the year. The Ministry's financial results—with a 51% increase in total revenue—demonstrate improved efficiency in the delivery of public services. Our progress in strengthening the legal and regulatory framework for infrastructure development lays the foundation for safer and more reliable public services that all people can rely on.

Looking Ahead

Looking ahead to 2026, the government remains committed to ensuring that infrastructure development reaches every corner of Vanuatu. We will continue to prioritize resilient building standards, improve connectivity between our islands, and ensure that our public utilities effectively serve all communities. I thank our development partners, stakeholders, and the people of Vanuatu for their continued trust and support.



Hon. Harry Emmanuel Xavier (MP) Minister
Ministry of Infrastructure and Public Utilities

Message from the Director General

I am delighted to present to you the operational highlights and key performance indicators of the Ministry of Infrastructure and Public Utilities for the 2025 fiscal year. This year, our teams have put policy directives into practice and achieved tangible results across Vanuatu.

Operational Delivery Across Departments

Our departments have risen to the challenge of 2025 and achieved strong results. The Ports and Harbors recorded a 71% increase in revenue from its shipping support services, demonstrating improved efficiency in revenue collection and compliance. The department also played a key role in post-earthquake recovery by establishing a temporary cruise ship berth and overseeing cleanup efforts following the landslide on Port Vila Wharf Road.

The Vanuatu Civil Aviation Authority maintained strict oversight throughout the year, certified nine foreign airlines, and issued separate aerodrome certificates for our three international airports—an important step toward more targeted safety oversight. The Authority also entered two new aircraft into the Civil Aircraft Register and registered drones as a new revenue source.

The Public Works Department has carried out infrastructure projects across the archipelago. In Santo, we completed the Navaka Bridge, the largest steel truss bridge in Vanuatu, alongside the 64km South Santo Road and 14 bridges under a World Bankfunded project. In Shefa, the Nguna Island Road was completed with a wheelchair-accessible footpath. In Sanma, our Force Account Team completed the Artache New Road. In Pentecost, the Ranputor to Point Cross road clearance is opening up communities previously reliant on boat access. Recently, the South Tanna Road Project III was officially handed over. The Malekula Road is progressing with pavement works between PRV and Vao.

Building Our Workforce

Our commitment to our people remained strong in 2025. We offered permanent positions to 37 employees to provide stability and recognize their contributions. We launched the MIPU “Women in Leadership” program with 20 participants in collaboration with USP and VIPAM. We also signed a memorandum of understanding with the Vanuatu Institute of Technology to offer local training for female employees and build national capacity.

Addressing Challenges

The year was not without its challenges. The aftermath of the December 2024 earthquake required ongoing reconstruction efforts, including structural assessments of critical infrastructure. Our budget utilization rate of 55% highlights the need to improve efficiency in project execution and procurement. Staffing shortages in key technical areas also impacted operations, and we continue to work with the PSC to fill vacant positions.

Looking Ahead

In 2026, our focus will be on improving budget execution, strengthening internal systems and workforce capacity, and continuing to invest in staff development. We remain committed to delivering the infrastructure Vanuatu needs for a prosperous future.

I would like to express my sincere gratitude to the dedicated MIPU staff for their hard work and perseverance throughout the year.



Mr. Henry Worek
Director General

Corporate Structure

The Ministry of Infrastructure and Public Utilities (MIPU) is structured to deliver its mandate through a clear governance structure, consisting of executive leadership, technical departments, and administrative support units.

Governance Structure

Departments and Administrative Units

The Minister and the Cabinet

The Minister of Infrastructure and Public Utilities represents the Ministry at the highest level of government within the Council of Ministers. This role involves advocating for the Ministry's priorities, presenting new funding proposals and policies for approval, and ensuring that the Ministry's strategic objectives align with national development goals. The Minister's engagement ensures that the Ministry's aspirations and work plans are represented in the central government's decision-making process.

MIPU's operational functions are delivered through three main technical departments and one core administrative unit:

- **Public Works Department (PWD):** As the largest department under MIPU, the PWD is primarily responsible for the country's transportation infrastructure, including roads, ports, and airports. This department is governed by the Public Roads Act and the Buildings Act and is responsible for managing the national road network, maintaining and expanding ports and airports, and overseeing public buildings. To ensure a nationwide presence, the PWD has

The Director General is the highest-ranking executive official in the Ministry, responsible for overall administration, providing policy advice to the Minister, and leading the Ministry's strategic direction. The Director General leads the Executive Management Team, which consists of the directors of technical departments and executive officials from the Corporate Services Unit. This committee oversees day-to-day operations, monitors progress on strategic priorities, and ensures that challenges are identified and resolved in a timely manner.

established regional offices in all six provinces, each led by a division manager.

- **Department of Ports and Harbors (PHD):** Under the Maritime and Ports Act, the PHD is responsible for regulating import ports, inland ports, and maritime activities in Vanuatu. With the goal of achieving safer seas and cleaner oceans, the Ministry focuses on effective port regulation and ensuring that all maritime services are safe, accessible, and sustainable. Its activities are centred on the main ports in Port Vila and Luganville.

- **Vanuatu Civil Aviation Authority (CAAV):** CAAV is the regulatory authority for Vanuatu's civil aviation system and operates under the Civil Aviation Act. Its mission is to ensure that all civil aviation activities within the country's airspace comply with national laws, international obligations, and best practices. CAAV oversees safety and security at more than 30 airports and airstrips across Vanuatu's more than 65 inhabited islands.

- **Corporate Services Unit (CSU):** The CSU reports directly to the Director General and serves as the primary administrative and operational backbone of the entire ministry. This

unit oversees central functions such as human resources, finance, policy coordination, and communications. The CSU is responsible for ensuring the efficient and effective management of the ministry's affairs and plays a key role in the development and implementation of the ministry's overall plans.

Statutory Bodies

The Ministry also maintains close ties with several legal entities under its jurisdiction. The Director General or senior officials from the Ministry often serve as board members of these entities, thereby ensuring alignment with government policy. These entities include:

1. Airports Vanuatu Ltd
2. Ifira Wharf and Stevedoring

These institutions prepare their own annual reports, thereby contributing to the Ministry's overall accountability framework.

Corporate Overview

Our Mandate:

The Ministry of Infrastructure and Public Utilities (MIPU) is the lead government agency in Vanuatu responsible for the planning, development, maintenance, and regulation of the country's critical infrastructure. Our work spans the vital transportation sector and ensures that all Ni-Vanuatu are connected by land, sea, and air. We are the custodian of the national road network, the regulatory authority for our airspace and ports, and the key partner in building resilient public utilities. Our mission extends beyond the construction of physical infrastructure to include laying the groundwork for a stable, sustainable, and prosperous Vanuatu.

Our Vision, Mission, and Values

Our actions are guided by a clear vision and a mission that places the needs of our people at the forefront.

Our Vision:

A safe and integrated transport infrastructure network for a prosperous Vanuatu.

Our Mission:

To provide the high-quality infrastructure and services needed to support the country's economic and social development. In pursuing this mission, MIPU will:

1. Maintain and upgrade transport networks to serve all rural and urban communities through inclusive and effective partnerships.
2. Implement safety and security systems in compliance with Vanuatu laws and international conventions.
3. Provide leadership, governance, and the necessary legal framework to ensure effective infrastructure development.
4. Utilize resources and assets efficiently while adhering to principles of accountability and transparency.

Our Values:

Our work is underpinned by core values that ensure we operate with integrity and a focus on service: Service and Equity, Partnership, Teamwork and Collaboration, Professionalism, Transparency and Accountability, Compliance, and Innovation and Adaptability.

Our Corporate Goals & Alignment with the National Sustainable Development Plan (NSDP)

Our Corporate Plan is structured around four interconnected goals, which are directly aligned with the vision and policy objectives of the NSDP, also known as The People's Plan.

- Goal 1: A legal framework that provides clear rules governing infrastructure development and operations. This supports the NSDP's objective for responsive and capable state institutions (SOC 6) and an enabling business environment (ECO 4).
- Goal 2: An environment that allows people to perform effectively. This contributes to the society pillar by fostering a capable and motivated public sector workforce (SOC 6).
- Goal 3: Infrastructure networks and operations that serve people safely, securely and efficiently. This is the core of our contribution to the economy pillar, driving economic growth through reliable transport (ECO 2), strengthening the rural economy (ECO 3), and building resilience against climate change and natural disasters (ENV 3).
- Goal 4: Maximum benefits to communities through coordination and partnerships. This supports the society and economy pillars by promoting inclusive development and partnerships that ensure no community is left behind (SOC 4, ECO 2).

Our Key Activities and Performance in 2025

In 2025, our efforts were focused on delivering on these goals through targeted activities across our three main departments: Public Works (PWD), Civil Aviation Authority (CAAV), and the Department of Ports and Harbour (DoPH). The allocation of our total budget of VT 6.37 billion was focused on delivering key outcomes across the nation.

Goal 1: Advancing the Legal and Policy Framework

A significant achievement for the year was the strengthening of the legal and regulatory environment. This directly supports Goal 1 and the NSDP's focus on good governance and institutional capacity.

- **Vanuatu National Building Code (VNBC) 2025 Edition:** In a major step forward for building safety, the Ministry of Internal Affairs, in close collaboration with MIPU and other key partners, launched the VNBC 2025 Edition in December. This is the first update to the building code since 2017. Over the past eight years, Vanuatu has experienced rapid urban growth, new construction technologies, and increasing climate risks. The new code provides clear, practical, and internationally aligned guidelines for builders, engineers, and planners. Its launch

followed the December 2024 earthquake, which reinforced the urgent need for strong building standards to protect lives and communities. The code was developed with broad collaboration, including the Pacific Region Infrastructure Facility (PRIF), technical experts, and the Building Code Technical Working Group.

- **Strengthening the Civil Aviation Framework:** The Civil Aviation Authority of Vanuatu (CAAV) successfully reviewed and amended the Fees and Charges Regulation Order, a crucial piece of legislation that modernizes revenue collection. This amendment introduced new revenue streams, including charges for Remotely Piloted Aircraft Systems (drones), and ensures the financial sustainability of the Authority's regulatory functions. In a separate milestone, CAAV issued three separate CAR Part 139 Aerodrome Certificates for the three international airports (Pekoa, Port Vila, Whitegrass). This move from a single certificate to separate certifications allows for more focused and efficient safety oversight for each airport.
- **Upper Airspace Disbursement Framework:** A new framework was established via a Council of Ministers (COM) decision to govern the use of funds generated from Vanuatu's upper airspace. This ensures that revenue from this national asset is systematically

reinvested in the aviation sector to support safety and development initiatives.

- **Regional Cooperation for Aviation Safety:** MIPU facilitated a significant regional partnership with the signing of a Memorandum of Understanding (MoU) between the Papua New Guinea Accident Investigation Commission (AIC) and the Pacific Aviation Safety Office (PASO). This MoU, signed in Port Vila, strengthens technical cooperation and supports Pacific states in meeting ICAO Standards, enhancing accident investigation capacity across the region.
- **Memorandum of Understanding for Local Skills Development:** The Ministry signed an MOU with the Vanuatu Institute of Technology (VIT) to provide training for PWD operators and Ports and Harbour staff. This initiative, supported by the Australia Skills & Partnership initiative, is a landmark in building local capacity. VIT has developed accredited modules, enabling our staff to receive essential technical training locally, strengthening the national workforce and reducing dependence on overseas training.

Goal 2: Investing in Our People

Our ability to deliver infrastructure is directly tied to the capacity and well-being of our workforce. Our focus in 2025 was on building an environment that allows people to perform effectively.

- **Strengthening the Workforce with Permanent Appointments:** A significant step toward workforce stability was taken with the conversion of 37 staff to permanent positions. This included 23 staff from the Ports and Harbour Department following a restructure, and 14 staff from PWD (including 2 interns and 12 direct appointments). These permanent appointments provide job security and reflect the Ministry's confidence in its dedicated team.
- **Investing in Leadership and Inclusion:** The MIPU Women in Leadership Program (WILP) was launched in September with 19 female and 1 male champion, representing a powerful commitment to gender equality in a traditionally male-dominated sector. Supported by the Australian Government, the program is a collaboration between the Public Service Commission (through VIPAM), the University of the

South Pacific (USP), and MIPU. The participants undertook a three-week accredited leadership course designed to strengthen their skills and confidence to take on leadership roles within their workplaces, families, and communities. The program's graduation in November celebrated the achievements of this first cohort.

- **Building Skills and Knowledge:** Throughout the year, MIPU invested in the skills of its workforce through various training initiatives. This included a Performance Management Training facilitated by the Public Service Commission (PSC) and VIPAM to strengthen performance systems across the public service. CAAV staff benefited from specialized training, including a medical certificate course in collaboration with the Singapore Aviation Academy and an onsite assessment by the ICAO Combined Action Team (CAT). A Universal Social Safeguards (USS) workshop was held in Sanma, bringing together PWD staff, contractors, and key stakeholders from the Ministry of Justice and the Department of Women's Affairs to ensure infrastructure works are safe, inclusive, and respectful of community rights.
- **Acknowledging and Supporting Staff:** The Ministry recognized the dedication of its staff through various initiatives. A farewell and retirement celebration was held for Mr. Patrick Sarginson, a qualified operator who served PWD Shefa for 15 years, marking his 60th birthday and his years of service. The Corporate Services Unit (CSU) staff were presented with certificates of appreciation by the Director General for their hard work and dedication throughout the year. A blood donation drive organized by the Ministry also saw staff volunteer to support the Vila Central Hospital's blood bank, demonstrating MIPU's commitment to the broader community's well-being.

Goal 3: Delivering Infrastructure Networks that Serve People Safely

This goal represents the core of our operational work, focusing on tangible outcomes that impact the daily lives of all Ni-Vanuatu. The following are key achievements from 2025:

Some of the achievements by the Public Works Department (PWD) are below:

- **National Road Projects:**
- **South Santo Road Navaka Bridge:** A monumental achievement for the nation was the official opening of Package 1 of the Vanuatu Climate Resilient Transport Project (VCRTP), which included the Navaka Bridge. This 210-meter steel truss bridge is the largest of its kind in Vanuatu and a centerpiece of the 14 bridges constructed under the project. The 64km South Santo Road, connecting Nakava Bridge to Saint Michel, is a vital lifeline for communities, improving access to markets, schools, and health services. This USD 142.8 million project, funded by the World Bank, represents a transformative investment in Santo's connectivity and climate resilience.
- **Nguna Island Road:** A historic moment for Nguna Island was the opening of its new climate-resilient road in December. Funded by the Australian Government with a total investment of 185 million Vatu, this project has transformed daily life for the island's 1,800 residents. A key feature of the project is the wheelchair-accessible footpath, which was designed following advocacy from local individuals with disabilities, ensuring the road connects the community to the Silimoli Health Centre, schools, and the Area Council office in a safe and inclusive manner. Following the road's completion, a formal MOU was signed between the Nguna Community and PWD to establish a shared responsibility for its maintenance, a model for community ownership and sustainability.
- **Pele Road Improvement Project (Tongoa):** The people of Tongoa celebrated the opening of a 300-meter climate-resilient road connecting Pele Airport to villages across the island. The project, with a budget of 28 million Vatu, was built by the local contractor Mataru Building Construction, employing around 30 local workers. This project, the first Australian Government infrastructure investment in the Shepherd Islands, strengthens local skills, resilience, and economic opportunities.
- **Pentecost Road Projects:** On Pentecost, a groundbreaking ceremony was held for the Pentecost Road line 2 and Melsisi Wharf Project, a 23.9 km road rehabilitation and new wharf valued at 3.24 billion Vatu. The project is part of a larger vision, with the Minister confirming that Phase 3 will extend the road to North Pentecost. In South Pentecost, PWD continued work on the Ranputor to Point Cross Road, a new 10km road clearance linking communities that previously relied on boat access. This project is a direct result of community advocacy and government commitment to improving rural connectivity.
- **Tanna Road Projects:** The South Tanna Road Rehabilitation Project (Phase III) was officially handed over, with the 11km project featuring double-surface asphalt pavement. The Isangel Loop Road was also officially opened, providing a critical 1.8km link to the Provincial Government Headquarters. The White Grass Airport night lighting system was launched, enabling night landings for the first time, a major boost for tourism and emergency services on the island.
- **Roads Across Other Provinces:** PWD's impact was felt across the archipelago. In Sanma, the Artache New Road (6.4km) was completed by the PWD Force Account Team, and the Monix Hill concrete pavement project was finished, improving access to Fanafo and Santo Big Bay. In Malampa, contracts were signed for the Norsup-Vao Road Improvement Project, a 1.5km fiber-reinforced concrete upgrade funded by the Australian Government.
 - In Penama, PWD supported the Lare Community Support Project, supplying materials for 400m of concrete pavement. In Tafea, the road on Futuna Island was extended, and work on the Aneityum Road project commenced. In Shefa, the Erakor Road sealing project and the Ohlen Whitewood concrete works progressed, alongside the citywide urban road rehabilitation in Port Vila.
- **Airport Upgrades:**
- **Malolo Airport (Maewo):** The upgrade of Malolo Airport was officially launched, with 800 meters of runway being upgraded to improve air access, safety, and reliability for the island.

- **Olal Airport (Ambrym):** A groundbreaking ceremony was held for the new Olal Airport, with the project set to provide a Category C aerodrome for the island.
- **Norsup Airport (Malekula):** Work continued on the Norsup Airport upgrade, with Phase 2 of the project (runway extension) approximately 33% complete.
- **Aromai Airport (Emae) and Pele Airport (Tongoa):** CAAV and PWD conducted inspections and maintenance works, ensuring these vital domestic airports remained operational.

Civil Aviation Authority (CAAV) Achievements:

- **Oversight and Certification:** CAAV maintained strong regulatory oversight, certifying nine foreign air operators, including Qantas, Jetstar, and Virgin Australia. The Authority issued 46 new licenses and renewed 67 existing ones for aviation professionals, contributing an estimated revenue of 1.7 million Vatu. A critical milestone was the issuance of three new Aerodrome Certificates to Airports Vanuatu Limited, enabling independent surveillance audits for each of the three international airports.
- **Aviation Safety and Efficiency:** A landmark achievement was the initiation of the Performance-Based Navigation (PBN) Project in partnership with the French Government. This project will design more accurate and efficient flight routes for Port Vila, Santo, and Tanna, significantly enhancing safety and reducing fuel consumption. New air traffic management software was also implemented at Port Vila International Airport, resulting in improved real-time flight tracking.
- **Strengthening Aviation Security:** CAAV hosted a five-day Universal Security Audit Programme (USAP) Consultation Workshop in collaboration with PASO to revise and strengthen national aviation security programs. This workshop, funded by the New Zealand Government, followed an ICAO audit in 2024 and focused on aligning with global security standards.

Department of Ports and Harbour (DoPH) Achievements:

- **Revenue and Service Delivery:** The Department achieved a 71% increase in total revenue for its Shipping Support Services, reaching VT 534 million. This was driven by improved invoicing systems and compliance mechanisms. The Shipping Support

Services program also expanded its routes to underserved areas in Penama, Malampa, and Shefa provinces, ensuring remote islands have better access to essential goods and services.

- **Operational Enhancements and Asset Upgrades:** A key milestone was the deployment of seven high-speed crafts, a donation from the Chinese Government, to improve connectivity and disaster response in all six provinces. The acquisition of two new tug boats strengthened port operations in Port Vila and Santo, ensuring adherence to standard port regulations. A significant capital investment of VT 109 million was made to enhance port infrastructure and Marine Aids to Navigation (AtoNs), with upgrades and new buoy installations in Port Vila, Luganville, and Mystery Island.
- **Strengthening Maritime Security:** The ISPS program successfully enhanced maritime security by conducting comprehensive training for port security officers in collaboration with the Vanuatu Maritime College and Vanuatu Maritime Safety Authority. Regular security drills and exercises were also undertaken to improve threat detection and emergency preparedness.
- **Earthquake Recovery and Resilience:** Following the December 2024 earthquake, DoPH played a crucial role in recovery efforts. This included establishing a temporary cruise ship berth at the Port Vila seafront to support the tourism industry. The Department also signed a VT 189 million contract for the Wharf Road Landslide Clearance Project, funded by the Australian Government, which will clear landslide debris and install rock protection fencing to reopen and secure this critical access route.

Goal 4: Fostering Community Benefits and Partnerships

Our projects are designed to deliver maximum benefits to communities. This is achieved through inclusive design, local engagement, and strong partnerships.

- **Inclusive and Community-Led Projects:** The Nguna Island road project was a landmark example of inclusive infrastructure. Following advocacy from individuals like Leitangi Solomon, the road's design included a wheelchair-accessible footpath directly connecting the

community to the Silimoli Health Centre. This was celebrated on the International Day of Persons with Disabilities as a powerful example of how community input can shape more equitable infrastructure.

- **Local Skills and Economic Development:** The Pele Road Improvement Project on Tongoa, built by local contractor Mataru Building Construction with around 30 local workers, is a model for how infrastructure investment can circulate within the local economy. Similarly, the Artache New Road in Sanma was built by the PWD Force Account Team, demonstrating the capacity of our own staff to deliver high-quality projects. The Norsup-Vao Road Improvement Project in Malampa also engaged a local contractor, New Vision Construction, further strengthening local construction capacity.
- **Engaging Youth and the Public:** MIPU actively engaged with the public and youth through initiatives like the PSC Career Day, where the Ministry's booth in Sanma won 2nd Place for Best Booth Layout. In Tanna, the MIPU booth also won 2nd place, featuring a detailed infrastructure model of the island that captured the public's imagination. A Youth Contest in Sanma saw young people showcase bold ideas for safer, more inclusive infrastructure, demonstrating the next generation's engagement with nation-building.
- **Strengthened Development Partnerships:** In 2025, MIPU solidified its partnerships with key development partners. A VT1.9 billion funding agreement was formalized with the Australian Government for infrastructure projects over five years. New agreements were also signed with the Japanese Government for the reconstruction of Tagabe Bridge (2 billion Vatu) and with the Chinese Government for the renovation of key government buildings (6.8 billion Vatu) and the donation of seven high-speed crafts. The Minister also attended the Pacific Infrastructure Conference 2025 in Brisbane, meeting with potential Australian investors and strengthening business links.
- **Acknowledging Leadership and Service:** The Ministry recognized the contributions of its leadership and staff. The Honorable Xavier Emmanuel Harry, Minister for MIPU, and two long-serving PWD staff, Disline Nakou Johnson (29 years) and Tousavi John Garae (30 years), were awarded

Presidential Medals for their service to the nation. The Ministry also formally welcomed Mr. Henry Worek as the new Director General in September 2025.

New Policies, Legislation, and Conventions in 2025

- **Vanuatu National Building Code (VNBC) 2025 Edition:** Launched in December 2025, this updated code sets new standards for building safety and resilience.
- **Fees and Charges Regulation Order (CAAV):** Amended to modernize revenue collection, including drone registration fees.
- **Upper Airspace Disbursement Framework:** Established via a Council of Ministers (COM) decision to govern the use of funds generated from upper airspace.
- **Performance-Based Navigation (PBN) Project:** A major project aligned with ICAO standards, representing a significant step in adopting new aviation procedures and conventions.

Risks and Challenges in 2025

Despite our achievements, the Ministry faced significant challenges that tested our resilience and adaptability.

- **The December 2024 Earthquake and Its Aftermath:** The 7.3 magnitude earthquake in December 2024 caused widespread damage to critical infrastructure, including the Wharf Road landslide, the Klems Hill area, and the Tagabe Bridge. The recovery efforts dominated much of 2025, requiring extensive structural assessments, geotechnical investigations, and the urgent mobilization of resources to repair and reopen key transport routes. The earthquake also damaged CAAV's office building, causing operational disruptions, and closed the Construction Material Testing Laboratory.
- **Adverse Weather and Climate Impacts:** Throughout the year, adverse weather and cyclone seasons disrupted shipping services, delayed road works, and threatened the stability of key infrastructure sites like Klems Hill, where continuous rainfall increased the risk of landslides.

- **Infrastructure Vandalism:** A concerning trend emerged with reports of damage to newly built road furniture and signs, particularly on the South Santo Road. This is a violation of the Public Roads Act and poses a serious risk to

Looking Ahead

In 2025, MIPU demonstrated its critical role in Vanuatu’s development by delivering key infrastructure projects, strengthening its legislative framework, and investing in its people. Despite the challenges posed by natural disasters and resource constraints, the Ministry road safety. PWD Sanma issued a public notice reminding the community that damaging road infrastructure is an offense.

- **Resource and Funding Constraints:** The Ministry’s budget utilization rate of 55% reflects the challenges in executing the full work plan. This was partly due to delays in procurement, contract management, and the availability of external funding. The under-utilization of resources, especially within the Public Works Department, remains a critical risk to the timely delivery of our work plan. The Department of Ports and Harbour also noted that its revenue target was not met, largely due to slower-than-expected commercial activity and disruptions affecting maritime traffic.
- **Human Resource Gaps and Skills Shortages:** The CAAV and DoPH faced challenges in maintaining adequate personnel to manage their workloads. CAAV’s Flight Operations Unit struggled with staffing issues, and the ANS department had a heavy workload due to staffing limitations. The Ports and Harbour Department noted that HR recruitment was incomplete, and technical training for lighthouse surveys and operations was delayed. The high vacancy rate remains a constraint on our ability to deliver services effectively. remained resilient and focused on its core mission. As we move forward, we will continue to strengthen our partnerships, improve budget execution, and invest in our workforce to build a safer, more connected, and prosperous Vanuatu for all.

Human Resources

Workforce Composition

In 2025, the Ministry’s total workforce increased to 345 staff, representing a 6% increase from 327 employees in 2024. This growth reflects ongoing efforts to strengthen the Ministry’s capacity to deliver on its infrastructure mandate.

The workforce composition by employment type is as follows:

- Permanent Staff: 282 (82% of total)
- Contract Staff: 28 (8%)
- Interns: 15 (4%)

Recruitment and Selection

In 2025, MIPU continued to invest in workforce development through targeted recruitment. Key staffing activities included:

- **Direct Appointments:** 23 staff from Ports and Harbour received permanent appointments following a restructure. In Public Works, 2 interns and 12 staff received direct appointments, totaling 37 permanent appointments.
- **New Recruits:** 19 new employees were recruited, consistent with the 2024 intake.
- **Temporary Staff:** 2 (1%)
- **Other Staff (OSA, Students):** 18 (5%)

Compared to 2024, the proportion of permanent staff decreased from 86% to 82%, while the inclusion of “Other Staff” as a new category accounts for this shift.

The gender ratio remains at one female for every three male employees (1:3), unchanged from 2024, indicating persistent gender disparity that will be a focus for future workforce planning.

- **Staff Departures:** 11 staff members departed the Ministry, including one termination, four deaths in service, two medical retirements, one age retirement, one contract completion, and one resignation.

These recruitment efforts align with the Ministry's Corporate Plan objective of establishing an environment that allows people to perform effectively (Goal 2), particularly by filling technical and managerial positions to strengthen operational capacity.

Retirements and Separations

A significant number of staff transitions occurred in 2025, reflecting a maturing workforce:

- **Age Retirements:**
 - Hannah Liunakwalau (CSU, Finance Manager)
 - Patrick Sarginson (PWD Shefa, Qualified Operator)
 - Robert Vateni (PWD Sanma, Qualified Auto Technician)
- **Medical Retirements:**

Leave Accrual Analysis

As of 31 December 2025, leave balances continue to require active management. While detailed leave data for 2025 is not provided, the 2024 baseline indicated an average of 33 days of outstanding leave, with a

Training and Development

In 2025, training activities were impacted by operational priorities. New employees continued to

Performance Management and Staff Benefits

MIPU continued to prioritize staff welfare and recognition in 2025:

- **Salary and Benefits:** Staff continued to benefit appointments demonstrates the Ministry's from the new salary scales implemented in commitment to workforce stability and career 2024. progression.
- **Severance Payments:** Partial severance pay-

These initiatives support the Corporate Plan's Goal 2. 37 staff to permanent positions following the Ports and Harbour restructure and PWD direct appointments were made to 34 long-serving staff, repby fostering a stable, motivated, and well-supported resenting a substantial investment in workforce workforce capable of delivering on the Ministry's transition. infrastructure priorities.

- Walter Lehina (PWD Penama, Qualified Operator)
- James William (PWD Shefa, Tool Room Officer)
- Alick Lecky (PWD Malampa, Qualified Auto Technician)
- **Resignation:**
 - Elise John (PWD Road Worthy Section, Admin Officer)
- **Deaths in Service:**
 - Jimmy Dinh (PWD Sanma)
 - George Yata Tasso (PWD Road Worthy Section)
 - Late Simon Bihu, Late Edstone Sogari, Late Paul Alguet (Ports and Harbour)

Additionally, 34 staff received partial severance payments in 2025, covering those with over 10 years of service across PWD (Torba to Tafea), CSU, Ports and Harbour, and Civil Aviation. This reflects a significant financial commitment to long-serving employees.

undergo induction programs to familiarize them with Ministry strategy, policies, and expectations. However, wide range between the lowest and highest balances (spanning 407 days). The Ministry will continue to emphasize leave management to reduce excessive accumulation and support workforce well-being. as noted in 2024, flight disruptions and competing priorities affected the delivery of planned provincial training programs.

Financial Statements

Statement of Representation

For the year ended 31 December 2025

We have reviewed the Statement of Financial Performance and the Statement of Appropriations for the Ministry of Infrastructure and Public Utilities for the year ending 31st December 2025 and provided the required schedules as outlined in the Financial Circular 7 of 2009. We verify that:

- The Statement of Financial Performance and Statement of Appropriations fairly reflect the Ministry of Infrastructure and Public Utilities financial activities for the period 1st January – 31st December 2025;
- All LPOs were verified as being valid as of 31st December 2023 and any duplicate, invalid or erroneous LPOs have been cancelled;
- All Standing and Accountable imprests due before 31st December 2025 have been retired and fully accounted for;
- Employee leave transactions have been updated and the list of outstanding annual leave balances provided is valid and complete;
- All known commitments, contingent liabilities and contingent assets have been identified and information submitted;
- All adjustment journals have been made and passed onto the Department of Finance for approval.



Mr. Henry Worek
Director General
Ministry of Infrastructure and Public Utilities



Hannah Liunakwalau
Finance Manager
Ministry of Infrastructure and Public Utilities

Expenditure Variance Summary

Program/Activity	Final Budget(VT)	Actual Expenditure(VT)	Variance(VT)	% Spent	Key Observations
Ministerial Cabinet Support	90,946,954	78,288,858	12,658,096	86.1 %	
Portfolio Coordination (MUAA)	90,946,954	78,288,858	12,658,096	86.1 %	Cabinet Operations under-utilized by VT12.7 million; planned activities likely delayed.
Executive Management & Corporate Services	149,553,638	111,898,777	37,654,861	74.8 %	
Director General & Corporate Services (MUBA)	149,553,638	111,802,507	37,751,131	74.8 %	Significant underspend; corporate initiatives not fully implemented.
MIPU Corporate Services (73BB)	0	96,270	-96,270	N/A	Unbudgeted activity; minor over-expenditure requires review.
Civil Aviation Authority	166,283,066	154,485,538	11,797,528	92.9 %	
Civil Aviation Management & Admin (MUCA)	166,283,066	154,485,538	11,797,528	92.9 %	Strong execution rate; minor underspend reflects prudent management.
Shipping Services	330,567,953	325,959,040	4,608,913	98.6 %	
Ports Administration (MUEA)	330,567,953	325,959,040	4,608,913	98.6 %	Excellent overall execution; Ports & Marine overspent by VT7.4 million, offset by underspending elsewhere.
Public Works	5,629,340,827	3,492,394,431	2,136,946,396	62 %	
Development & Maintenance of Government Infrastructure (MUFA)	0	1,525,654	-1,525,654	N/A	Unbudgeted expenditure; minor over-expenditure.
Airport Maintenance (MUFB)	728,726,526	614,406,066	114,320,460	84.3 %	Underspend driven by slow project execution in Head Office.
Government Contribution to Projects (MUFC)	2,921,705,754	1,265,611,487	1,656,094,267	43.3 %	Critical variance; major project delays.
Urban Roads Developments & Maintenance (MUFD)	1,144,474,857	805,388,015	339,086,842	70.4 %	Underspend; road project executed slower than planned.
Policy & Administration (MUFE)	710,597,048	684,223,803	26,373,245	96.3 %	Strong execution.
Building (MUFF)	46,985,627	45,562,692	1,422,935	97 %	Strong execution.
Fleet Management (MUFG)	65,626,015	65,171,410	454,605	99.3 %	Excellent execution.
Roadworthy Unit (MUFH)	11,225,000	10,505,304	719,696	93.6 %	Good execution.
GRAND TOTAL	6,366,692,438	4,163,026,644	2,203,665,794	65.4 %	Overall underspend driven by Public Works delays.

Revenue Variance Summary

Program	Department	Actual Revenue (VT)	Budget (VT)	Variance (VT)	% of Budget	Key Observations
Civil Aviation Authority (MUC)		8,581,898	9,000,000	-418,102	95.40%	
Aircraft Pilot Licenses (7NLE)		1,145,830	1,000,000	145,830	114.60%	Slight over-performance.
Other Licenses (7NLO)		0	0	0	N/A	Cash received VT 450,750 suggests timing differences.
Other Fees (7NFO)		7,436,068	8,000,000	-563,932	93.00%	Minor shortfall.
Public Works (MUF)		77,623,006	51,000,000	26,623,006	152.20%	
Equipment Hire Recoveries (7NOE)		376,572	400,000	-23,428	94.10%	Minor shortfall.
Inspections Recoveries (7NOI)		75,898,156	50,550,000	25,348,156	150.20%	Major over-performance.
Other Recoveries (7NOO)		19,927	0	19,927	N/A	Unbudgeted but collected.
Testing Charges Recoveries (7NOT)		1,103,029	0	1,103,029	N/A	Unbudgeted but collected.
Water Charges Recoveries (7NOW)		10,436	0	10,436	N/A	Unbudgeted but collected.
Value Added Tax (7TVA)		23,696	0	23,696	N/A	Unbudgeted but collected.
Other Fees (7NFO)		14,741,185	0	14,741,185	N/A	Unbudgeted but collected.
Miscellaneous Charges (7LCV)		8,910,391	5,000,000	3,910,391	178.20%	Strong over-performance.
Rentals Charges (7LCN)		6,708,891	0	6,708,891	N/A	Unbudgeted but collected.
Surcharge Fee (7NFI)		382,962	0	382,962	N/A	Unbudgeted but collected.
Other Fines (7NIO)		165,000	0	165,000	N/A	Unbudgeted but collected.
Traffic Fines (7NIT)		15,000	0	15,000	N/A	Unbudgeted but collected.
Passport Fees (7NFP)		30,490	0	30,490	N/A	Unbudgeted but collected.
Rents & Leases Recoveries (7NOR)		3,941,292	0	3,941,292	N/A	Unbudgeted but collected.
Ports and Harbour (MUE)		353,041,957	753,953,000	-400,911,043	46.80%	
Landing Charges (7LCL)		2,058,600	4,500,000	-2,441,400	45.70%	Significant shortfall.
Marine Fees Charges (7LCM)		3,878,901	8,950,000	-5,071,099	43.30%	Significant shortfall.
Pilotage Charges (7LCO)		83,243,352	400,920,000	-317,676,648	20.80%	Largest variance.
Storage Charges (7LCS)		10,158,002	24,000,000	-13,841,998	42.30%	Significant shortfall.

Revenue Variance Summary (continued)

Program/Department	Actual Revenue(VT)	Budget(VT)	Variance(VT)	% of Budget	Key Observations
Light Dues Charges(7LCU)	90,865,171	150,000,000	-59,134,829	60.60 %	Moderate shortfall.
Quay Dues(7TOO)	14,326,823	15,623,000	-1,296,177	91.70 %	Minor shortfall.
Port Dues(7TOP)	111,254,966	200,800,000	-89,545,034	55.40 %	Major shortfall.
Wharfage Tax(7TOW)	6,193,960	20,000,000	-13,806,040	31.00	Major shortfall.
VMA Fees(7NFM)	0	0	0	N/A	Cash received VT14.6 million suggests timing differences.
Other Fees(7NFO)	0	0	0	N/A	Cash received VT22.1 million suggests timing differences.
Corporate Services(MUB)	8,581,898	9,000,000	-418,102	95.40 %	Minor shortfall.
Cabinet(MUA)	0	0	0	N/A	No revenue recorded.
GRAND TOTAL	442,888,700	887,393,000	-444,504,300	49.90 %	Overall revenueshortfalldrivenby maritimesector.