



2024 Annual Report

Utilities Regulatory Authority



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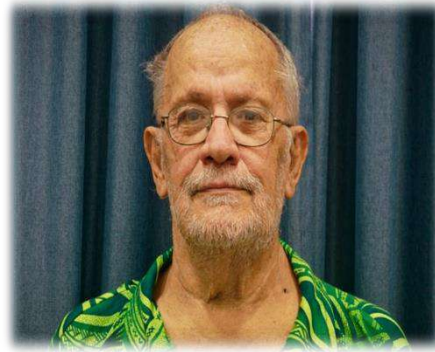
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2 Message from the Chairperson

Mr. John Roy Chaniel, Chairperson / Commissioner

I am excited to present to you the 2024 Annual Report including the 2024 Audited Financial Statements.

Looking back at the year 2024, I'm pleased with the achievements of the Authority despite the work challenges and natural disaster impacting work arrangements. Our team remained committed and steadfast in achieving our 2024 Business Plan which contributed to the goals and objectives of the 5-year URA Strategic and Action Plan 2022 – 2026.



We were fortunate to have Mr. Jesse Benjamin, a former Director General (DG) of the Ministry of Climate Change as the new Chief Executive officer (CEO) in August 2024 after a thorough and transparent recruitment process. I acknowledge the support of Mr Louis Vakaran, our Legal Advisor and Commission Secretariat who was officer in charge during the absence of a CEO. I applause our qualified, strong and energetic team at the URA for being the driving force behind the success of the Authority.

I also wanted to thank our stakeholders in particular the Water and Electricity Utility Providers such as UNELCO, Vanuatu Utility Infrastructures (VUI) Ltd, Department of Water Resources, VANPAWA and the other small water and electricity operators in the country. Your collaboration and support are invaluable to our work and operations.

To the Government and all paying electricity and water customers in Vanuatu, you are the reason the Authority exist. We ensure that your needs are served in an equitable, fair, affordable and sustainable manner. Your faithfulness in paying your utility bills contributes to the URA financial sustainability and enables the Authority to sustain its operations.

May I also thank the Commission Members, Mr. Lloyd M. Fikiasi Part-Time Commission and CEO Jesse Benjamin for their sound advice and support to the Commission meetings throughout 2024. Your contributions have enabled the Commission to issue key strategic decisions to progress the work of the Authority forward.

I recommend you read this 2024 Annual Report to discover the Authority achievements in 2024 including the challenges that the Authority has faced.

Sincerely,

John Roy CHANIEL

Chairperson, Utilities Regulatory Authority Commission

3 Message from the Chief Executive Officer

Mr. Jesse Benjamin, Chief Executive Officer



Balancing the interest of the Utilities, the Utility Customers and the Government requires complex tools and analysis to ensure that the Government policies are achieved, the Utility continues to operate sustainably with reasonable profits and utility customers are satisfied with the services they are paying. Finding the right intersecting point for the three broad stakeholders is what the Authority was established to focus on.

Although I only joined in August 2024, I'm pleased to share some of the wonderful achievements of the Authority which demonstrates the commitment and dedication of all URA Staff and the Commission members.

With less than 10 staff by the end of 2024, yet the Authority was able to achieve among many the remarkable achievements below:

Although I only joined in August 2024, I'm pleased to share some of the wonderful achievements of the Authority which demonstrates the commitment and dedication of all URA Staff and the Commission members. With less than 10 staff by the end of 2024, yet the Authority was able to achieve among many the remarkable achievements below:

- Determination and Commission approval 78.06 vt/kwh as maximum price of electricity for the Loltong Hydr Electricity customers in North Pentecost. The Loltong Hydro electricity network is operated by the Loltong Hydro Committee, a community-based utility.
- Determination and Commission approval of the solar connection charge of 45.26 vatu/kwh for the VUI customers who have grid-tied rooftop solar PV. However, customers only pay 23vt/kwh as VUI is absorbing the other 50% charge as part of their risk sharing with customers.
- Determination and Commission approval of 68.89vt/kwh as maximum price of electricity for Malekula and Tanna Electricity Concession Area as operated by the VANPAWA.
- Determination and Commission Approval of 60.75vt/kwh as maximum price of electricity for VUI managed concession areas that includes Santo (Luganville), Maewo (Talise), Ambae (Saratamata, Lolowai, Longana) and Banks (Sola, Mosina)
- Determination and Commission Approval of the Maximum Price of 127.87vt/m3 for the Belview and Beverly Hills water customers supplied by the Belview and Beverly Hills Water Supply.

- Maximise access to regulated utility services through the construction of 2 community-based water supply system in Emae (Marae) and Vanua Lava (Lalnetak)
- Development of an internal URA Database Management System to improve the performance and efficiency on reporting and utility and data analysis. It is anticipated that the work will also include human resource and project management system

Some key internal policies of the Authority were also amended and updated improve efficiency and effectiveness of URA's operations and regulatory functions. That includes:

- Refining the URA organisational structure and establishing a salary scale for the URA staff
- Updated the Finance Policy for the Authority
- Updated the Health Policy for the Authority

I wish to thank the Government particularly the Ministry of Climate Change Adaptation, Meteorology, Geo-hazards, Energy, Environment and Disaster Management (MCCA), Ministry of Lands and Natural Resources (MLNR) and other important Ministries of the Government for their continuous support towards the Authority. My sincere thanks to Honourable Johnny Koanapo Rasu, Deputy Prime Minister and Minister for Finance and Economic Management to which the Authority reports to.

The collaborative approach between the Authority and the Utility Providers for both electricity and water is very much appreciated too. We thank Unelco, VUI, Department of Water Resources and other small utilities operating in Vanuatu for your willingness to collaborate.

Nevertheless, there are challenges with the Authority some of which includes:

- Resignation of URA CEO and Part-time Commission, Mr Paul Kaun End of contract for Mr Floyd Fikiasi as part-time commissioner
- Resignation of three (3) URA staff

On that note, I wish to thank the outgoing commission members and staff for their contributions and support to the work of the Authority prior their departure. The achievements of 2024 are also attributed to each of you.

As we look forward to step into 2025, we are adamant that the Authority will continue to excel in its aspiration and achieve greater heights for the betterment of Vanuatu's economic and sustainable development.

Sincerely,
Jesse Benjamin
Chief Executive Officer, Utilities Regulatory Authority



WHO WE ARE

The Utilities Regulatory Authority (the "URA") was established under the Utilities Regulatory Authority Act No. 11 of 2007 (the "URA Act") as a statutory body to regulate water supply and electricity services in Vanuatu. The URA formally came into existence on 11th February 2008.



OUR PURPOSE

- To ensure the provision of safe, reliable and affordable regulated services to the customers;
- To maximize access to regulated services throughout Vanuatu; and
- To promote the long-term interest of consumers.



OUR MISSION

'To enhance quality of life and business growth in Vanuatu by ensuring sustainable, safe and reliable energy and water services at reasonable prices, accessible to all who demand it.'



OUR VISSION

'To improve access to energy and water services and to protect the long-term interests of consumers with regards to price, access, affordability, sustainability, safety, quality and reliability of energy and water services, throughout Vanuatu.'



OUR VALUES

our day-to-day activity is centered around these values:

- Professionalism & Accountability
- Teamwork & Cooperation
- Integrity
- Effectiveness & Efficiency
- Transparency



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4 OUR FUNCTIONS

The functions of the URA as set out under the URA Act are:

- to exercise the functions and powers conferred by this Act or by any other Act in furtherance of the purpose of this Act
- to provide advice, reports and recommendations to the Government relating to utilities
- to inform the public of matters relating to utilities
- to assist consumers to resolve grievances
- investigate and act upon offences under this Act
- to monitor, review and determine price for regulated services
- to conduct research, trials and pilot programs to identify strategies to make regulated services more affordable, increase access to regulated services and increase competition
- to represent the interests of consumers and utilities in relation to overcharging or undercharging, non-compliance with regulated prices and other disputes between utilities and consumers, including where appropriate seeking compensation on behalf of consumers
- to oversee the administration of concession contracts and deeds entered between the Government and a utility in respect of a regulated service • to carry out regulatory audit on utilities
- to exercise the functions of an arbitrator or mediator in any disputes relating to regulated services
- such other functions as are conferred on by this Act or any other Act

5 Profile of URA Commissioners

The Authority's Commission is the primary decision-making body of the Authority. Members are appointed by the Minister responsible for Finance & Economic management, on the recommendation of the Evaluation Committee pursuant to an open and competitive selection process outlined in the URA Act.

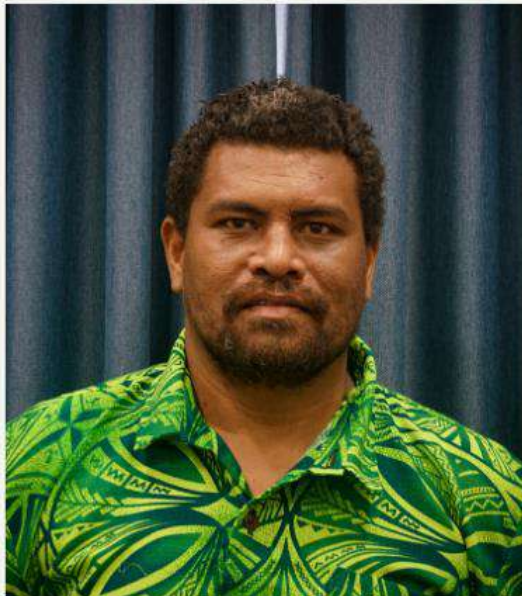
The Commission comprises a chairperson, a Commissioner and the Chief Executive Officer, supported by staff led by a Chief Executive Officer.



Chairman - Mr. John Roy Chaniel

Mr. John Roy Chaniel was appointed to the role of Chairperson and Commissioner on 14th August 2020 for a 5 year contract.

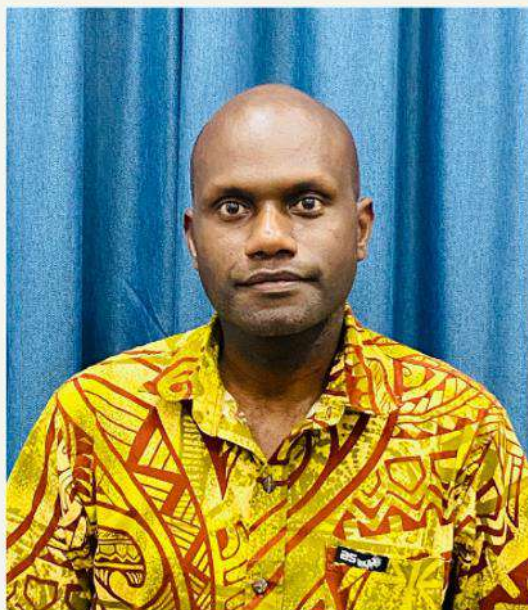
Mr. Chaniel, a former Board Director and General Manager of UNELCO Engie, holds over 40 years' of experience in engineering ranging from Airport engineering to Construction engineer, Design and Water Engineer. He holds a Bachelor of Civil Engineering from the Queensland University of Technology and has vast international experience with a number of years working in Vanuatu, Australia, and New Caledonia. He possesses skills in concession management, contract negotiations, leadership and management and industry focus. He holds membership in various associations and committees some of these significant ones included being the first Chairperson of the Pacific Water and Wastewater Association (PWWA) and a Board Member of the Pacific Power Association (PPA).



Part-Time Commission - Mr. Lloyd M. Fikiasi

Mr. Lloyd M. Fikiasi holds the position of Executive Commissioner for the URA since 11th October 2019 for a 3 years contract and extended for other 2 years ending 2024.

A former staff of the URA, Mr. Fikiasi currently holds the position of Deputy Commissioner International with the Vanuatu Maritime Safety Authority. Originally from the Solomon Islands, Mr. Fikiasi, a Lawyer by profession has successfully been awarded citizenship in Vanuatu. With over 15 years of experience in public utilities regulation, Mr. Fikiasi is well versed in the framework and legal requirements in the sector of Electricity, Water, and Telecommunications. Mr. Fikiasi possess a Bachelor's degree in Law from the University of the South Pacific and a Certificate PURC Advanced International Practices Program on Telecom Policy and Regulation for NGN with the University of Florida, USA.



Chief Executive Officer - Mr. Jesse Benjamin

Mr. Jesse Benjamin was appointed as the Chief Executive Officer of the Authority on 08th August 2024.

Mr. Benjamin has over 18 years of working experience in energy, environment, climate change, inclusive green growth and sustainable development sectors nationally, regionally and internationally. He has previously occupied high government positions as the Director of the Energy Department and Director General of the Ministry of Climate Change.

Mr. Benjamin brings a wealth of market experience and technical skills in engineering, project management and corporate administration. CEO Benjamin is a Master's Degree holder, specialising in the field of Engineering majoring in Energy Policy and Planning from the University of Technology, Sydney (UTS) and is also a Bachelor's Degree holder in Electrical Engineering from the University of the South Pacific.

6 URA DIVISIONS AND STAFF IN 2024

To ensure efficiency at the strategic and operational levels, the Utilities Regulatory Authority has three major divisions headed by Divisional Managers.

i) **Regulatory Economics and Accounting Division (READ)**

The Regulatory Economics and Accounting Division (READ) leads the Authority's Economic and Financial Analysis of Tariff setting, analysing and ensuring fair and equitable tariff setting for the utilities, the customers and the Government. The team comprises mainly of the following staff:

1. READ Manager – Ms. Maureen Malas
2. Senior Regulatory Economist – Mr. Edmond Tambisari
3. Regulatory Financial Analyst – Mr. James Temakon

ii) **Engineering and Consumer Care Division**

The Engineering and Consumer Care Division (ECCD) focused mainly on the engineering aspects of electricity and water services including developing reliability and safety standards and ensuring compliance by utilities (water and electricity). The ECCD staff are also heavily involved in addressing customer complaints especially when customers felt that they are not being treated fairly by the utility providers. The Division also supports tariff review exercises by providing technical insights as required and lead customer education program on regulatory matters.

The team comprises mainly of the following staff:

1. ECCD Manager – Mr. Romney Marum
2. Senior Regulatory Engineering Officer – Mr. Keith Vusi
3. Regulatory Engineering Officer – Mr. Junior Natu
4. Regulatory Technician – Mr. Joseph Wassab

iii) **Regulatory and Legal Division**

The **Corporate and Legal Division** directly supports the Chief Executive Officer and the team in all organizational matters including finance management and procurement, HR management and admin management, legal support and enforcement.

The team comprises mainly of the following staff:

1. Legal Advisor and Commission Secretary – Mr. Louis Vakaran
2. Manager Admin – Ms. Belinda Reuben
3. Accountant – Ms. Naomi Vurobaravu

2024 Recruitments

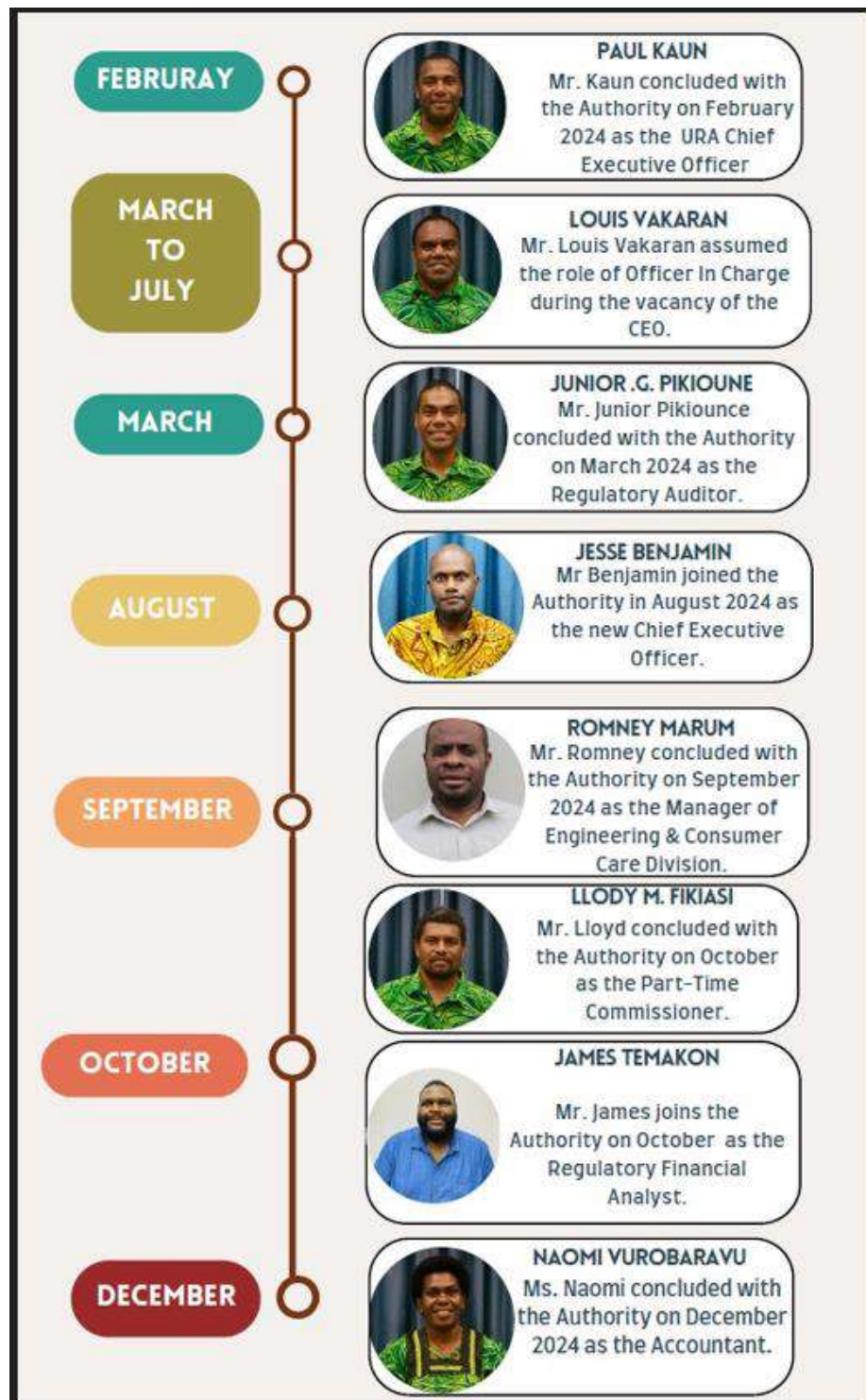
In 2024, the Authority has advertised for recruiting some key positions to undertake its functions.

- Accountant
- Administrative Assistant
- Manager Engineering and Consumer Care Division
- Regulatory Financial Analyst
- Technical and Administrative Office
- Water Expert
- Part Time Commissioner
- Consultancy to conduct a mid-term review of the existing URA Strategic Action Plan 2022 to 2026.

These recruitments were commenced towards the end year 2024 but expected to be concluded by early 2025.

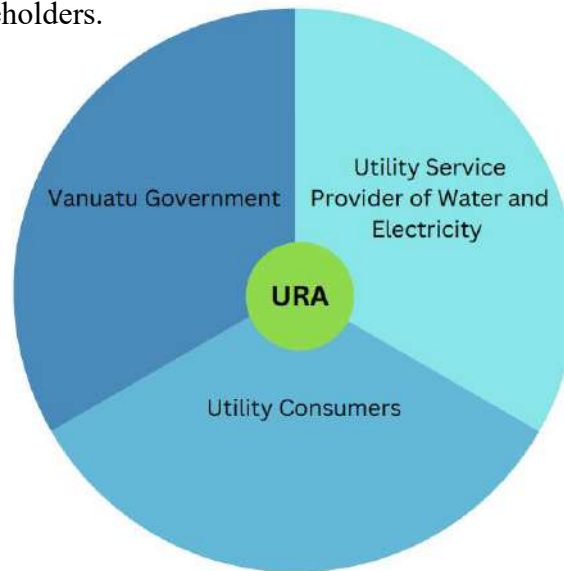
7 Staffing update

This section outlines an update on staffing at the Authority, particularly those who joined and/or left the Authority in 2024.



8 Our Stakeholders

The URA is committed to being independent, transparent, accountable and engaging with the Government Departments, Utilities and Utility's Consumers. As the Regulator for electricity and water, the URA consult and clearly communicate its decision to utilities and customers and kept close relations with the stakeholders.



Vanuatu Government

The URA is an independent statutory body and is accountable to the Vanuatu Government and Parliament. The URA provides advice, reports and recommendations to the Government relating to the utilities and its regulated services.

Utility Services

The primary role of the URA is to ensure utilities charge an affordable and reasonable price of electricity and water services to its customers. The Authority also ensures that the Utility gets a fair return on their investments and collects sufficient revenue to sustain its operations.

Utility Consumer

The Authority is responsible for assisting customers to resolve any grievances that they may have with their electricity or water utility. Section 19 (1), (2), and (3) of the URA Act highlights that the Authority, if requested by a person or utility, the Authority may act as a mediator to resolve any dispute between the person and the utility.

The Consumer Complaints and Dispute Resolution Rules and Procedures (CCDR) provides a transparent and clear understanding of the consumers' and utilities' respective rights and obligations as well as the powers and obligations of the URA.

9 Corporate Financial Summary

The Authority's total approved budget for 2024 stands at VUV 134,722, 544. The composition of the income and expenditure components are outlined as follows:

- **Income**

The main revenue sources for the Authority's 2024 budget are grants from the government and assessment fees from utilities. In 2024, the Authority received an approved annual Government grant of Vt67,226,100 which was paid into URA accounts on a monthly basis and is subject to submission of monthly financial statements.

The other major source of revenue is from assessment fees paid by regulated electricity and water utilities. These utilities are invoiced on a quarterly basis based on the approved levy of 1.5% of their respective gross revenues for 2023.

- **Expenditure**

The Authority's operating budget is financed primarily from revenue received from assessment fees. The main operating expenditure is Salaries & Wages, which consume around 51% of the overall operating budget. Other operating expenses include office expenses – office rental and utility bills, depreciation, severance provision, consultancies and travels.

Fees and Levies

Levies assessment of 1.5% was imposed on consumers of electricity and water bills paid by utilities. Throughout 2024, a total amount of VT61,639,077 was received by the Authority.

10 Strategic Objectives & Action Plan 2022 – 2026

URA's Strategic Objectives & Action Plan 2022-2026 document, launched by the URA Commission on 29 September 2022. The document outlines URA's strategic objectives and action plans to achieve its regulatory functions for five-year period.



11 Achievements in 2024

This section outlines the Utilities Regulatory Authority's (URA) achievements under each of its strategic priorities and key activities and in line with the Divisional workplans.

a) New URA Structure

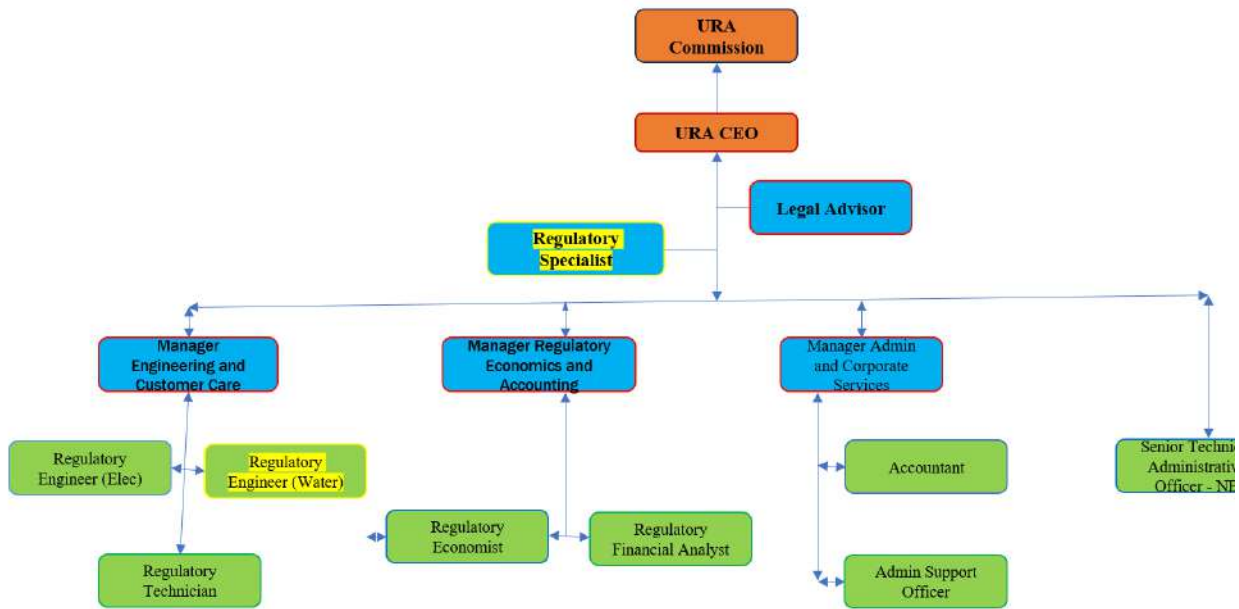
Strategic Objective 1: Improve effectiveness and efficiency of URA regulatory functions.

Implemented

The new URA structure approved by the Commission in June 2023 became effective on 01st of January 2024. There was a reduction of staff from a total of 16 staff to 11 full-time staff under the new structure. The structure was again refined and approved by the Commission on November 28, 2024, as seen below.



URA Team 2024



Revised and approved URA organisational structure

b) Loltong Mini Grid – Determination of Maximum Price of Electricity

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved

The maximum price of electricity charged by the Loltong Hydro Committee to its customers is set at **78.06 VT/kWh** tariff period from May 2024 to May 2025.

The Authority successfully conducted a site visitation of the Loltong mini grid from 27th April to 3rd May 2024 to identify any issues and to consult with the Loltong Hydro Committee and provide any assistance and recommendations where necessary.

The main concern raised is regarding the management of the mini grid whereby the Authority is recommending that during this tariff period, the Loltong Hydro Committee will require the Department of Energy's (DoE) oversight to assist with technical support on site, technical training for village technician, and for regulatory recording and reporting of technical data.

The Loltong mini-grid electricity system was funded by UNDP with support from the Vanuatu Government through the Barrier Removal for Achieving the National Energy Road Map Targets of Vanuatu (BRANTV) project.

c) Revised Vanuatu Utilities Infrastructure (VUI) Limited Connection Charge for Rooftop Solar Photovoltaic System

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved

In February 2024 the Authority issued a revised uniform base tariff of 60.75 Vt/kWh to the Vanuatu Utilities and Infrastructure Ltd (VUI) for a period of three years, effective from the month of February 2023 to December 2026. Due to the increasing cost imposed on VUI by the growing number of grid-tied rooftop Solar PV, the URA also issued a solar connection charge of 45.26 Vt/kWh to be implemented three months from the effective date of the tariff. This was later revised down to 23 VT/kWh as an agreement was reached between VUI and the URA on demand risk sharing.



d) VANPAWA Limited – Determination of Maximum Price of Electricity for Malekula and Tanna Concession Area

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved



URA and VANPAWA staff site inspection

The Authority has authorised the Vanuatu National Power and Water Authority (VANPAWA) Limited to continue charging the current uniform tariff of 64.89 VT/kWh to its customers until completion and issuance of new electricity tariff determination for the concession area. The determination of price is set out in schedule Notice No.22 of 2023. The utility has request to delay conducting the process of reviewing the electricity tariff review.

In April 2024, the URA team also undertook a site visit and assessment on the operations of VANPAWA to assist with technical reporting for regulatory monitoring. From then a production spreadsheet was created and shared with the VANPAWA staff to enable accurate reporting of data required for the Monthly energy support report.

e) Vanuatu Utilities Infrastructure (VUI) Limited Determination of Maximum Price of Electricity

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved

In January 2024, URA successfully undertook and completed the tariff review of VUI allowing it to charge 60.75 VT/kWh to its customers on Luganville, Port Olry, Ambae, Maewo, and Vanua Lava concession from the period of February 2024 to December 2026.

The VUI tariff application of 19th October 2023 was concluded by the Authority on December 2023 and accepted accordingly. The consultation on the new electricity price was undertaken in January 2024.

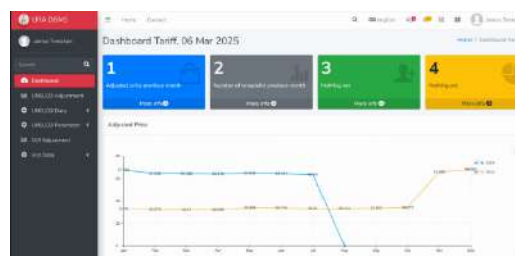
In parallel with the Tariff consultations between the 15th of January through to the 27th of January 2024, the URA team also conducted a brief technical inspection of the VUI mini grids. The findings and recommended actions were shared with VUI, encouraging close working collaborations with URA.

f) Establishment of a URA Database Management System

Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

Approved

The URA engaged a consultant to develop an internal management database system to improve the performance and efficiency on reporting and utility data analysis. An internal HR and project management portal will also be included.



The database system will enable data submission from utility companies regarding electricity generation, water production, cost and other relevant metrics, automating the workflow and generating comprehensive required reports.

g) URA Santo Office Relocation

Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

Implemented

The URA North Branch office in Luganville, Santo has been relocated from the top floor of Wong Sze Sing (WSS) Bakery Building to the VNPF first floor next to Etech office.

URA's Northern Branch Office has been operating since 2018. The URA Commission decision to relocate the Office is to enable ease of access for utility customers. Within this new office

location, the general public including electricity and water customers of VUI Limited and the Department of Water can access services provided by the URA and obtain available information on tariff, electricity/water use management, understanding an electricity/water bill and others.

h) First Step that the Authority Sets Tariff for Community Water Supply System

Strategic Objective 5 - maximize access of regulated utility services throughout Vanuatu

As part of its commitment to improve access to regulated utility services, the Authority undertook key initiatives in 2024 to support rural communities in Vanuatu to have reliable access to clean water. This is in line with the Strategic Objective 5 of the URA Strategic and Activity Plan 2022 - 2025 to maximize access of regulated utility services throughout Vanuatu.

In 2024, the URA built community water systems in these two communities: The Lalnetak Community on Vanua Lava Island and the Marae Community on Emae Island.

URA successfully secured financing from the Latter-Day Saints (LDS) of around Vatu 11.3 million in total to build the water networks for Lalnetak and Marae Communities in 2024.

i) Lalnetak Water Supply Committee – Determination of Maximum Price of Water

Strategic Objective 5 - maximize access of regulated utility services throughout Vanuatu

Launched

The system was proudly launched by the TORBA Provincial President, Mr Edgar Howard on April 30th, 2024, in the presence of the Lalnetak Community, Chiefs of surrounding villages, representatives from the Department of Water Resources (DoWR) and the Utilities Regulatory Authority (URA).

The construction works of the water supply system commenced on the 16th of March 2024 after three months of



planning and material procurement prior to building the water system and commissioning of the water system.

The Authority aided in setting up the Lalnetak Water Committee as the operator of the water system and issuing a fixed Operations and Maintenance (O&M) fee of 1515vt per household to be charged each quarter to cover the operational costs of the system. The Lalnetak Water Committee will start collecting fees from households in July 2024. The charge applied will be reviewed after 12 months from July 2024.



j) Marae Water Community

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Implemented



In December 2024, the URA also managed to install another community water system in Marae, Emae Island. The works on this project happened as follows: a site visit was conducted in September to verify the system's design, followed by the procurement and shipment of materials. Construction commenced in November and by early December the system is nearly completed and operational. The system is now operated by the water committee of Marae community with oversight by the URA, and each household who use water from the system pays 300vt per month.

k) Wintua / Lorlow Electrical Cooperative Society Limited - Determination of Maximum Price of Electricity

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved

The URA issued a base tariff of 51 VT/kWh for the Wintua/Lorlow Electrical Cooperative Society Limited for the one-year period from June 2024 to June 2025. This PV solar mini grid was commissioned at the end of 2020 and the Authority recognizes the incremental management improvements made by the operator.

The URA Senior Regulatory Engineer visited the mini grid to follow up on safety issues identified by URA during its 2023 visit. The visit concluded that all safety issues have been addressed, and other recommendations were communicated to the Department of Energy and Department of Cooperatives for their respective actions.

l) Green Lake Water Supply – Operation and Management Tariff

Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved



On-site visit to the water pump station

The Authority issued a flat tariff of 160 Vatu/m³ to be applied by Green Lake Water Supply to its customers for each unit of water consumed. This tariff is effective for a six-months period and is subject to revision based on actual operational and network technical data obtained during this period.

There are no customer classes nor customer category tariff(s) issued in this tariff determination for the operator's first six months of operations (July-December 2024) as there is no actual historical customer demand data to use.



On-site visit to the water pump station

In May 2024, the Owners through their liaison Finance Consultant, approached the Authority to inform the regulator of its intention to supply water, hence requested the Authority to issue a tariff.

Green Lake Water Supply is a newly established water utility that will be supplying water, for the first time, to its customers in phase (stage) 1 of Green Lake Estates on Efate. As informed by the Owners of the Company, the water network will commence operation in July 2024.

Consultations with the owner occurred during the early stages of the tariff review process which included an on-site visit to the water pump station and along the water network. Data and information were shared with the Authority including advice provided to the operator on certain aspects of operation.

m) Bellevue and Beverley Hills Water Supply – Determination of Maximum Price
Strategic Objective 4: Identify means to enable regulated services to become more affordable.

Approved

In October, the URA issued a uniform tariff determination for Bellevue and Beverley Hills Water Supply Limited (BBHWS). The maximum price that BBHWS is allowed to charge to its customers on a quarterly basis is set at 127.87 VT/m³.

On 01st November 2024, the URA conducted awareness sessions in the areas of Beverley Hills and Bellevue to inform BBHWS customers of the newly URA determined price and provide answers to questions raised. A meeting was later organized with BBHWS management on 8th November to discuss the outcome of the awareness and raise customer concerns brought up during the awareness and ways to address these concerns. BBHWS management will continue to work closely with the URA to improve the reliability and quality of water supply services to its customers.



URA Engineer undertaking inspection

n) Amendments to URA Internal Policies

Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

Approved

- The new URA Salary Scale/Structure providing clarity on the salary bands for different positions within URA.
- Updated the Finance Policy for the Authority which gives clarity on the use of petty cash, clear and transparent procurement process including accountability on threshold of approvals for funds within URA.
- Updated Health Policy with an increase in health benefits for staff from VT50,000 to VT100,00 and for annual medical check-up costs up to VT 55,000.
- A revised URA organisational structure that is endorsed by the commission. The structure was fine-tuned and included two new positions which increased to a total of 12 staffing at the URA.

12 Highlights and General Performance of 2024

Strategic Objective 3: Promote reliability and enhance quality of regulated services.

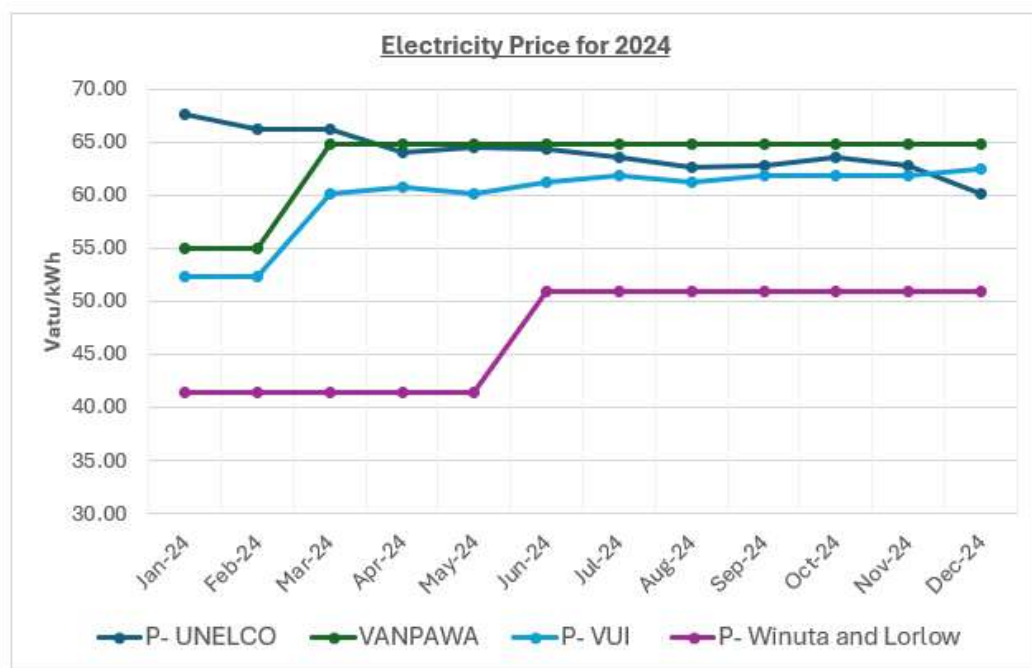
Strategic Objective 5 - maximize access of regulated utility services throughout Vanuatu

During the year 2024, the Authority performed various activities as required in its functions to provide regulatory oversight ensuring the electricity and water utilities network are reliable, safe, affordable, and accessible to the public and its customers.



Electricity Sector

Below is a graph illustrating the electricity price for the year 2024



Brenwei Hydro Emergency stoppage

The Brenwei Hydro was commissioned on 18th December 2023 with only one of the generators operational. The other generators could not be restored prior to commissioning and on the 06th of January 2024 all the hydro generator shutdown on an emergency stop alarm.

On 20th January 2024 the URA staff visited the Hydro, identified the issue and informed the MoCC who had requested a meeting on the 24th of January 2024 between the VPMU, DoE, URA and VANPAWA. The meeting concluded and it was agreed that VPMU is going to facilitate the restoration of the hydro with VORTEX, the subcontractor that built the hydro. Furthermore, training was going to be done with VANPAWA staff to ensure they were technically equipped to address issues at the hydro with support from Vortex under a Technical Support and Training agreement.

Luganville Electricity Network

During the CEO's visit to stakeholders in Luganville in October 2024, the CEO and URA staff also conducted an inspection of the VUI electricity network in Luganville. The inspection did not reveal any major issues except for a reliability concern related to the new extension to Port Olry grid. This was communicated to the VUI General Manager for consideration and improvement.

VUI advised to install circuit breakers and fault detectors along the transmission lines to Port Olry to enhance its protection systems, improve reliability and troubleshooting in times of power cuts thus enabling faster power restoration.

Transfer of the UNELCO Streetlight

After a meeting with Mr Leith Veremaito - Director General of the Ministry of Internal Affairs, Mr David Hopa - Clerk of Port Vila Municipal Council (PVMC) and other officials regarding the Port Vila Street lighting due to high electricity bills and poor and/or insufficient street lighting in Port Vila, it was decided for PVMC to transfer street lighting back to UNELCO. URA supported the development of the Policy paper for the transfer and was approved by Council of Ministers on Friday 11th October 2024.

Biofuels in energy mix for Port Vila

Crude coconut oil referred to as biofuel (CNO), was utilized in the generation mix to produce electricity by UNELCO since 2014, however due to volatile prices of fuel and global demand for coconut oil had led to a 'stop and go' demand for coconut oil required for electricity generation that eventually led to UNELCO seizing its utilization in 2020.

In November of 2023, The Vanuatu Coconut Oil for Fuel Strategy commissioned by New Zealand Ministry of Foreign Affairs and Trade (MFAT) and carried out by Castalia Advisory Group was launched. The Strategy determined both the financial and economic feasibility of utilising coconut oil for electricity generation especially in Port Vila where there are limited renewable energy

sources available, as well as outline the risks and actions to mitigate these risks. And based on these findings, the Government through the Department of Energy (DoE), the URA, electricity service producers and millers had worked together to progress this initiative.

In 2024, the DoE, URA, and UNELCO held discussions to agree in principle to the treatment of CNO investments, reasonable efficiency and price stabilization mechanisms. The next steps were to finance the CNO gensets, and according to financing options available, two gensets of 0.8MW capacity were to be purchased per year beginning 2025 to allow UNELCO to reach 100% electricity generation from renewable energy by 2030.

National Force Majeure Trust Fund - Financial Management Policy Guideline

The Vanuatu National Force Majeure Fund is made up of contributions collected through electricity tariff charged to electricity customers throughout Vanuatu. URA approved base tariff constitutes customer contribution into force majeure fund, therefore, has worked on a draft outline to administrative procedures and processes on the management and use of Vanuatu's National Force Majeure Trust Fund. It also provides assurance to the Vanuatu Government, the URA, the regulated electricity utilities and electricity customers on the governance structure of money collected from electricity utility customers and deposited by utilities into the trust fund. With effective implementation of this guideline for the management and use of Trust Fund money, there should not be any embezzlement of fund money.

Vanuatu Utilities Infrastructure (VUI) Concession Fee

Section 5 of the VUI Concession Deed requires VUI to pay the Grantor (the Government) a concession fee comprising of 2% of its audited gross operating revenue for the year. This amount is due within 3 months post end of the relevant year.

In 2023, the concession fee paid by VUI amounts to VT 15,792,671. The amount due for the year ending 2024 is yet to be paid to the Government.

URA Advise to the Government on Financial Subsidy option to reduce tariff for VUI Ltd's Customer Category 2 & 3

The Utilities Regulatory Authority (URA) in February 2024 revised Vanuatu Utilities and Infrastructure Limited's (VUI) uniform base price from a government subsidized tariff of 52.32 Vt/kWh to 60.75 Vt/kWh via a formal request from the Minister of Climate Change to provide feasible options to reduce the tariff for business electricity customers.

URA's recently determined uniform tariff of 60.75 vatu/kWh incorporating the customer category billing structure, enables customers who have meter subscriptions with VUI for businesses (customer category 2&3) of which over 90% reside in Luganville to cross subsidize small

households (customer category 1) by an annual amount of Vt 51.4M across all VUI concession areas of Santo, Maewo, Ambae, and Vanua Lava.

URA's approach taken is aligned with the Government's policy objectives as outlined in the National Energy Road Map (NERM) and the National Sustainable Development Plan (NSDP). Furthermore, URA has also taken into consideration the Government's policy direction to make Luganville an Economic hub while maintaining affordable and accessible electricity services for other VUI concession areas of Maewo, Ambae, and Vanua Lava as well as encouraging businesses to set up in these concession areas.

The recommended option was discussed with VUI and accepted as the most efficient and effective approach to implementing a tariff reduction for business customers without adversely affecting other customer categories.

Key Performance Indicators for Electricity Utilities

In 2024, the Utilities Regulatory Authority (URA) developed a guideline on Key Performance Indicators (KPIs) to assess the performance of electricity utilities. This activity supports key targets under the Strategic Objectives 3 and 4 of the URA's 2022–2026 Action Plan—specifically those related to improving reliability and quality of electricity services (Objective 3.2) and supporting performance-based tariff reviews (Objective 4.1 and 4.3). Going forward, URA will publish performance reports based on this guideline to identify areas for improvement and guide discussions with utilities, particularly during tariff reviews. This will help ensure utilities invest appropriately and deliver efficient, high-quality, and affordable services to consumers.

URA Advisory on the Power Purchase Agreement for a Tanna Solar Grid connected System

In December 2024, the URA provided some advice to the General Manager of VANPAWA regarding a proposed Power Purchasing Agreement (PPA) between the utility and Lenakel Community Solar Project and its implications on the Tanna and Malekula tariff as well as the Government request for MFAT funded RESSET solar PV project on Tanna to cease.

The URA had recommended that the Government allow the RESSET project to continue as the benefits provided by the project will lead to VANPAWA reaching the renewable energy objective of 100% electricity generation from renewable sources by 2030 and contribute to lower tariffs for both Malekula and Tanna electricity customers. Furthermore, for the PPA to provide the intended benefit of tariff reduction to VANPAWA electricity customers, the PPA rate for solar power purchased by VANPAWA should not exceed the utility's cost for generation utilising diesel.

The URA urges VANPAWA to reconsider the PPA provisions to align with the URA requirements set ensuring that its electricity customers benefit from this arrangement.

Electricity Regulatory Reporting Requirement (RRR)

The electricity RRR was revised by the URA allowing it to obtain relevant and useful data and information in specified format in line with current regulatory principles that can be used for regulatory purposes as highlighted under Section 12 of the URA Act. The URA Commission had endorsed the revised electricity RRR in July 2023 and shared with electricity concessionaires towards end of year for their reporting.

UNELCO and VUI have complied with the reporting requirements for their 2024 reporting of 2023 technical and financial data and information. VANPAWA has yet to implement the electricity RRR for its 2025 reporting of 2024 data and information.

Inspect Networks, Installation Safety and Reliability

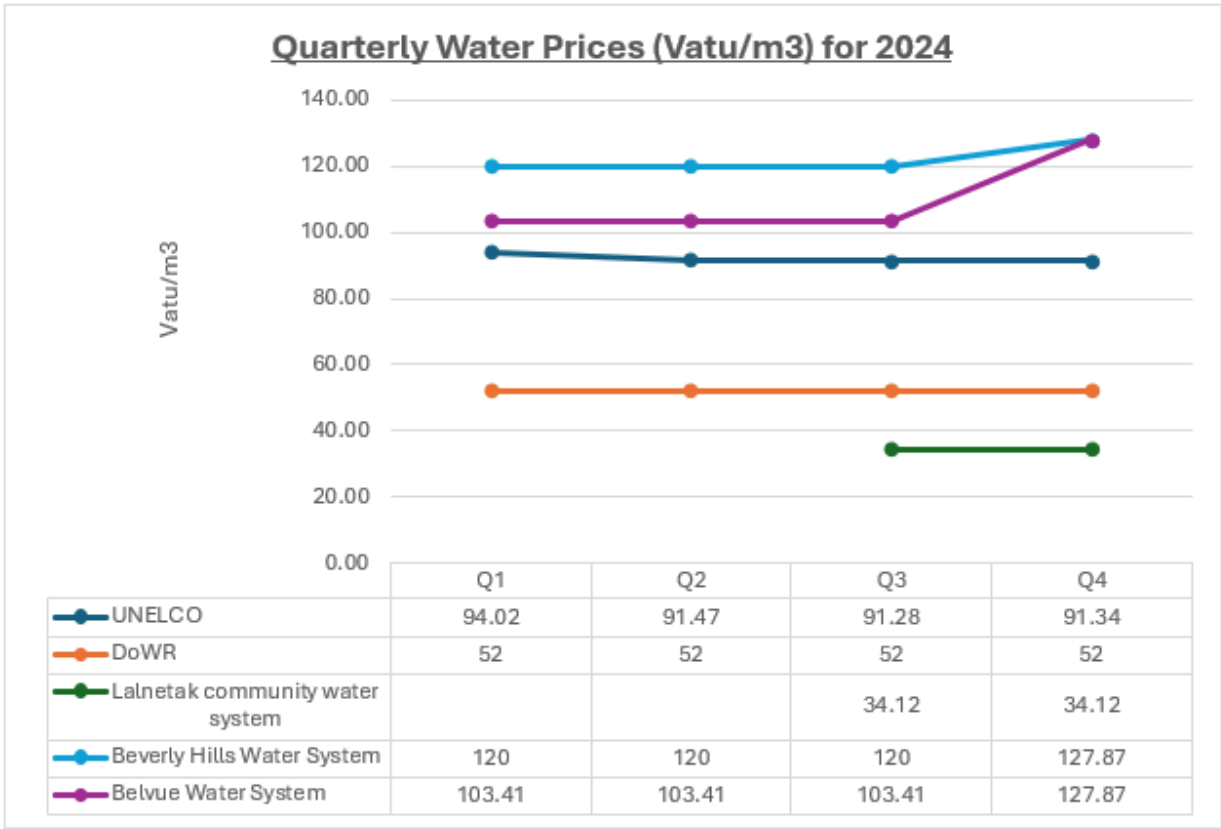
The Authority undertakes inspections in response to public concerns or customer complaints or as planned.



Water Sector



Below is a graph illustrating the water price for the year 2024



Strategic Objective 3: Promote reliability and enhance quality of regulated services.
Strategic Objective 5 - maximize access of regulated utility services throughout Vanuatu

Teouma Water Supply Limited

The private water operator supplying water to the residents of Narpow Point Area, Efate, has faced operational challenges during the year from on-going water outages for prolonged durations (leakage), increase electricity bills to lack of data recordings.

A review on tariff was initiated on May 27, 2024 and meetings were held with the water network Manager on required data and information.

Due to lack of sufficient quality data and the operator's plans to upgrade its water network with new solar powered pumping system in July 2025, a base tariff of Vatu/m³ 160 was issued by the Authority on 3rd of March 2025.

The operator is required to keep its financial and technical network data and information updated in readiness of a complete tariff review by the Authority in July 2025.

Luganville Water Network

During the CEO's visit to stakeholders in Luganville in October 2024, the CEO and URA staff also inspected the Luganville water network. The inspection revealed major reliability and safety concerns that had been previously identified by the URA team in late 2022 but never been addressed. One critical issue observed was the lack of security around the reservoirs — fencing and gates were not maintained, leaving the facilities vulnerable to theft and posing a risk to water safety.

Following this, several meetings were held with the Director and Director General of the Ministry of Lands and Natural Resources to raise these concerns. The URA subsequently issued a formal letter to the Director of the Department of Water Resources (DoWR), urging immediate corrective action. In the letter, the URA warned that failure to act would result in the issuance of an infringement notice, in accordance with the URA Act

Smart metering system for Port Vila Water customers

UNELCO intends to broaden the range of its suppliers of water meters to ensure durability therefore seeks appropriate approval from the Authority on August 30, 2024. The URA conducted a limited survey with a few customers currently using smart meters to gather and assess their feedback on using the newly installed meter.

Overall, the URA is supportive of smart meter technology due to its advanced features, including real-time data monitoring, leak detection, remote reading, and reduced water loss potentially all of which provide significant benefits to customers.

Port Vila Water Concession Agreement

The Authority has requested the Ministry of Lands & Natural Resources to provide policy guidelines on the use of Addendum 6 Fund under the Port Vila Water Concession Agreement. Port Vila Water customers are contributing to the Addendum 6 Fund and need to know how the funds are being spent. URA can be the custodian of the Addendum 6 Fund of the Port Vila Water Concession however a Policy Decision is needed on this.

Port Vila Water Tariff Review

Discussions were held between the URA and the Minister responsible for Water Hon. Rick Tchamako Mahe including the Director and DG of Water Department to discuss the tariff review for the Port Vila water concession managed and operated by Unelco. The Port Vila water tariff review is overdue and the Ministry responsible for water is yet to appoint the negotiating team to spearhead the water tariff review for Port Vila. URA stands ready to assist.

Establishment of a Working Group by the Government to support the 2025 Water Tariff Review for Port Vila is important. Working Group members to consist of representatives from MFEM, MoLNR, URA and PMO.

Water Systems Service Level Requirement

The Authority's objective is to develop the Service Level Requirement of Small Water Systems (SWS) in Vanuatu to address provision of sections 14 and 17 of the URA Act obliging the Authority to issue Safety and Reliability Standards, respectively.

The Service Level Requirements is split into two documents. The first document is titled "Safety and Reliability Standards of SWS in Vanuatu" & the second document is titled "Accessibility, Affordability and Sustainability Guidelines of SWS in Vanuatu". The documents await further review and approval by the Commission.

Inspect Networks, Installation Safety and Reliability

The Authority undertakes inspections in response to public concerns or customer complaints or as planned.



13 Ongoing Task Undertaken by the Authority

Other ongoing and operational tasks includes the following:

Reoccurring Activity	Frequency
UNELCO Electricity Tariff Adjustment Verification	Monthly

The Authority by subsection 13(1) and section 18 of the Utilities Regulatory Authority Act No.11 of 2007 (as amended) and in light of the Arbitration Panel Award of 5th June 2021 in the Matter of the 2020 Arbitration between Union Electrique du Vanuatu Ltd and the Government of the Republic of Vanuatu (Represented by the Utilities Regulatory Authority), the Authority makes the following approval of UNELCO's monthly adjusted electricity price for the concession of Port Vila.

UNELCO Water Tariff Adjustment Monitoring	Quarterly
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UNELCO's billing frequency is quarterly and the water tariff that the operator applies is determined in accordance with the Contract for the Management and Operation of the Water Supply Service in Port Vila. Due to legislative restrictions in place, the Utilities Regulatory Authority (the Authority) currently neither reviews nor approves UNELCO's quarterly adjusted water tariffs. However, UNELCO does inform the Authority of its adjusted water tariff each quarter.

VUI Electricity Tariff Adjustment Verification	Monthly/Annually
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In exercise of the powers conferred upon the Authority by subsection 13(1) and section 18 of the Utilities Regulatory Authority Act No.11 of 2007 (as amended), the Authority provides approval of VUI Ltd's monthly adjusted electricity price for the concession of Santo, Ambae, Maewo, and Vanua Lava.

Energy Snapshot Reports	Monthly
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Strategic Objective 2: Strengthen and monitor price and safe provision of regulated services.

This report provides an update of the electricity market in Vanuatu for electricity utilities that are regulated by the Authority. It also shows the trend of renewable energy contribution from solar energy and hydro production, total power sold and production.

These reports are available on the URA's website.

Regulatory Auditing of Funds under Water Concession Contract: Article 8 (Water Development Fund)	Annually
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The Utilities Regulatory Authority (the ‘Authority’) is mandated to publish annual reports on the use of any fund defined in a contract between the Vanuatu Government and utility company providing water or electricity services. This mandate is pursuant to section 34 (3) of the Utilities Regulatory Authority’s Act (the ‘Act’) No. 11 of 2007 (as amended).

Regulatory Auditing of Funds under Electricity Concession: Article 6 (Investment Fund) and Article 5.1 (RMM), National Green Energy Fund payouts from VUI and VUI Concession Fee payout	Annually
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This report is prepared to detail the collections, and use of the “Investment Support Fund,” as defined and established under the “Article 6” of the convention relating to the concession for the generation and public supply of electric power in Port Vila between UNELCO and the Government of Vanuatu.

Customer Complaint	Ongoing
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Strategic Objective 3: Promote reliability and enhance quality of regulated services.

The Authority is responsible for assisting customers to resolve any grievances they may have with their electricity or water utility. Section 19 (1), (2), and (3) of the URA Act highlights that the Authority, if requested by a person or utility, may act as a mediator to resolve any dispute between the person and the utility.

The Consumer Complaints and Dispute Resolution Rules and Procedures (CCDR) provides a transparent and clear understanding of the consumers’ and utilities’ respective rights and obligations as well as the powers and obligations of the URA.

Throughout the year 2024, the URA received and addressed a total of 32 customer complaints and inquires. The complaints covered a range of issues including billing discrepancies, high electricity bills, meter inaccuracies, water supply disruptions, safety concerns with meters and electricity disconnections, infrastructure challenges like fallen cables and malfunctioning streetlights, leakages before water meters, property damage claims, and high service connection costs.

So far, Utilities have not provided any update regarding any extensions on the network that would require updating the database. The Authority will be requesting any GIS Data to be from UNELCO regarding 2024 GIS in case some extensions have been carried out on the network as of 2024. VUI have provided google earth files that will need to be converted and uploaded into the database before any analysis can be done. Otherwise, mini grids like Loltong and Wintua still need to be updated in case of any changes to the existing infrastructure.



GIS of Port Vila Water & Electricity Network

Community Water Systems administered by the Authority such as Laingetak on Vanua Lava & Marae community in Emae island are also included in the database. The network is plotted using Google Earth Pro to clearly indicate assets installed throughout the community.

UNELCO Penalty Outage Invoicing	Semesterly
<i>Strategic Objective 3: Promote reliability and enhance quality of regulated services.</i>	

Section 20 of the Utilities Regulatory Authority (URA) Act assigns the contractual rights exercisable by the Government of Vanuatu to the *Utilities Regulatory Authority* with regards to electricity concession contracts for Port Vila.

Sections 18 and 29 of the Port Vila electricity concession contracts state that if electricity services are interrupted without justification, the Concessionaire shall be liable for the following penalties:

- (a) Unjustified interruptions:
 - (i) Throughout the network: a fine equal to 500 x P per hour of interruption.
 - (ii) At one transformer: a fine equal to 50 x P per transformer per hour of interruption

In 2024, URA issued two penalty notices to UNELCO to pay the Government for unjustified outages that have occurred on its network. The first notice imposed a penalty of VUV 144,105 for unjustified outages during Semester 2 of 2023 and the second notice imposed a penalty of VUV 929,821 for outages that occurred during Semester 1 of 2024

Preparation of Annual Budget	1st Quarter
<i>Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.</i>	

For the ensuing year and following its 5-year strategic plan, the Authority's workplan requires that it requests approval in accordance with the Financial Management Act for the Government of Vanuatu commitment to the Annual Budget. The fundings approved by the Government has enabled the Authority to successfully engage in capacity building of its current staffing, committing to monthly utilities bills and consumer advocacy activities. Budget for 2025 was successfully submitted to the Ministry of Finance, approved by the Ministerial Budget Committee and was submitted to Parliament for appropriation.

Year End Financial Audit	1st Quarter
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Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

The Authority must keep full and proper books of accounts, and it is to prepare and submit to the Minister responsible for Finance, a financial report in respect of each financial year. The report must be audited and certified by the Auditor General in accordance with the Expenditure Review and Audit Act (CAP 241).

Financial Statement	Quarterly
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Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

The Authority is required to submit financial statement three (3) months in arrears. The financial statements for Quarter 1 to Quarter 3 of 2024 has been submitted to MFEM. The financial statements for Q4, 2024 will be submitted in Q1 of 2025.

VAT Return Statement**Quarterly**

The Authority prepares and submits Quarterly VAT returns.

Assessment Fee Invoicing**Quarterly**

Strategic Objective 1: Improve effectiveness and efficiency of URA's regulatory functions.

Pursuant to Section 29(B) & (3) of the URA Act No 19 of 2016 (Amendment) and Rule 4(2) of the URA Assessment Fee Rules, the Authority requests utilities to provide previous year audited financial statements. The Authority utilizes this information to determine the annual regulatory Assessment fees to be applied to each regulated utility, and issues invoice to the Utility on a quarterly basis. There are 28 invoices issued to the utilities a total of VUV 61,639,077 in 2024.

CEO's Reports to Hon. Minister of Finance and Senior Government Stakeholders**Bi-Monthly**

In 2024, the CEO had fulfilled its obligation of submitting and keeping the Honourable Minister of Finance and other relevant senior Government Stakeholders abreast with the URA's activities. This Bi-Monthly Activity Report presents the deliverables achieved and activities undertaken for each respective two months by the Utilities Regulatory Authority (the Authority) staff, Chief Executive Officer.

The November and December 2025 monthly report was submitted on February 2025 after the URA office has settled into its relocated office from the earthquake of the December 17th, 2024.

2024 – 2025 End of Year Planning Retreat**November 2024**

On 21st and 22nd November 2024, the URA Commission members and the staff attended a retreat to review the works of 2025 and implement the 2025 work plan. Each division will be provided with an opportunity to present on the achievements, challenges and lessons learnt by implementing their 2024 Workplan. The objective is to highlight what works well and what doesn't work so well, the challenges and lessons learnt that can be taken on board when developing and implementing the 2025 Work Plan/ Business Plan.

Improvement in Stakeholder Relations**Ongoing**

Regular and frequent publishing of information and data through the URA's website and official Facebook page ease accessibility by consumers and stakeholders. Media releases which involved providing information to public announcing the approved report decisions.

The staff during the year facilitated meetings and discussions virtually, face to face meetings and reach out to the Authority via email.

Public Consultation**Ongoing**

The Authority is committed to pursuing transparency, impartially and fairness in decision making through public consultation. The stakeholders and consumers have sufficient and fair opportunity to provide input on the decision-making processes. The has held several consultations in 2024 on the approved tariffs.

14 Other Activities

CNO for fuel Council of Ministers (COM) paper: URA provided feedback to the draft COM paper on biofuel (CNO) initiative to increase its use in electricity generation (increasing renewable energy) and also highlighted plausible implications on implementation.

National Electrification Masterplan documents: URA reviewed and provided its feedback to the Department of Energy on two important documents: the draft Technical Regulation Framework and the Tariff and Approval Procedures Report.

OPERA Technical Assistance: URA provided technical assistance and guidance in tariff setting and energy matters to the following regional regulatory bodies: Tonga Energy Commission, Tuvalu Department of Energy and the Solomon Islands Department of Energy.

National Trade Development Committee: The CEO and the Senior Regulatory Officer attended the NTDC meeting in Santo on 26th November. URA presented on the URA's role to facilitate and improve trade and business growth in Port Vila and Santo. Recommendation was for the Government to provide subsidy to alleviate the business customers in Luganville from the high cost of electricity. The business customers are currently subsidising the small customers in Luganville

Review of URA Strategic and Action Plan of 2022 – 2026

The URA engaged a short-term consultancy to conduct a mid-term review of the existing URA Strategic Action Plan 2022 to 2026, highlighting the effectiveness and efficiency of achieving the vision, mission, goals and objectives of the Strategic Plan and its alignment with the URA Act and the Vanuatu National Sustainable Development Goals 2030

15 Legal

Legislation: *Amendment to the URA Act (Phase 1)*

The Phase 1 of amendments to the URA Act deals with the organisational structure of the Authority, mainly the provision surrounding the members of the Commission. The current Act does not clearly set out the respective responsibilities for the Commission and those of the Chief Executive Officer. The amendment is to ensure the allocation of roles and responsibilities between the Commission and the Chief Executive Officer be clearly defined including their levels of decision making.

The policy for this amendment has been approved by COM in 2023¹ however the drafting of the Bill has just begun this year. The political instability and 3 changes in Government in 2023 could be behind the delay the Attorney General took to start work on this amendment. However, at the request of the Attorney General's Office, we have provided to them drafting instructions and matrix that outlines the key amendment to be made to the Act.

Litigation

2024 has been clear from any litigation.

However, on 22nd May 2024, the Authority received a letter from Geoffrey Gee and Partners dated 21st May 2024 threatening to sue the Authority in relation to the Authority decision on the VUI Solar PV Connection Charge, a component of the VUI Tariff Determination². The allegation brought up in this letter are founded on misleading information in respect of the solar charge.

On 28th May 2024, the Authority responded to this letter clarifying the scope of power of the Authority in relation to such determination and the group of VUI customers that will be affected by the determination, which are those who have a solar system that is physically connected to the electricity grid.

There was no further response from Geoffrey Gee and Partners. The Authority did not incur any legal costs and the response to Geoffrey Gee and Partners was handled internally.

¹ COM decision No. 175 of 2023

² Determination of Maximum Price of Electricity for Vanuatu Utilities and Infrastructure (VUI) Ltd Commission – Notice No.9 of 2029

16 Institutional Capacity Building

During the year, the following workshop, training and capacity building activities were undertaken:

- The URA participated in the 2nd National Trade Development Committee (NTDC) meeting for 2024.
- Mr. Louis Vakaran participated in the Blue Planet Alliance's Fellowship Program, which took place in Honolulu, Hawaii, between May 5-10, 2024. The Blue Planet Alliance Fellowship Program brings together representatives from islands around the world to Hawaii. The Vanuatu Team to Hawaii was made up of the Director of the Department of Energy, Mr Anthony Garae, Mr Paul Kaun, representing VANPAWA and Mr Daniel Yawah, Mana Pacific representative. During the meeting, the team witnessed also the signing of the Blue Planet Climate Agreements between Director DoE representing the Vanuatu Government and Blue Planet Alliance pledging to the transition to 100% renewable energy.
- On September 2024 the CEO Mr. Jesse Benjamin and Legal Advisor Mr. Louis Vakaran received invitation from the Solomon Islands Government and participated in the National Energy Summit for Solomon Islands where they presented the lessons learnt on the legislative and regulatory framework for regulation water and electricity services in Vanuatu.
- Mr Edmond Tambisari, Senior Regulatory Economist within URA attended a 1-week training in Fiji on Integrated Energy System Planning using ADB developed MESSAGE tool from 30th September to 4th October. Funding was provided by the Asian Development Bank.
- Innovating Renewable Energy Integration and Efficiency through Advance Technology and Evidence based policies regional knowledge sharing workshop on green transformation to stimulate policy was attended by Maureen Malas. A dialogue and collaboration on green transformation between technical experts from Singapore and the Pacific (and among Pacific counterparts with each other) to share best practices, lessons learned, and policy recommendations.

17 Challenges in 2024

While the Authority commemorates the achievements in 2024, a few challenges were encountered by the URA during the year which includes:

Political Instability and Delay Responses from Government

The political instability in Vanuatu deters the government from progressing in many respects including policies, legislations and regulations related to energy and water. Two URA amendments are yet to be formally listed for Parliament. The dissolution of Parliament on 18th November 2024 brings the government to a caretaker mode and the country will have to go through another snap election.

Devastating Earthquake

The main office in Port Vila was closed almost seven (7) weeks from the devastating earthquake of 17 December 2024 has surely disrupted the Authority's services and operation. With no electricity, water and telecommunications, the office is forced to close its doors. Given the structural damage caused by the earthquake on the URA Office at the VNPF compound, the building was considered unsafe for use. Finding a new office space is therefore paramount and on top of the priority list. Unfortunately, finding a new office space could not be done earlier because of the two weeks State of Emergency being issued over the Port Vila area. The post dramatic stress caused by the earthquake has a daunt on staff as some of their relatives and families were injured and killed by the earthquake.

Recruitment Process

Some of the URA recruitments were not completed by end of December 2024, due to some panel members unavailability. The Part-time Commissioner also was not completed in 2024 and should be completed by first quarter of 2025. The similar challenge occurs during the recruitment of the CEO where the position was vacant for almost five (5) months.

URA North Branch Office, Santo

The URA Santo office is functional with no dedicated staff to manage the office. During January to July 2024 the main office staff did a rotation schedule to manage and provide service to the customers in the Santo Office. The new position of Technical and Administrative Officer for the Santo Office is expected to complete recruitment commences in March 2025

18 Financial Statements for Year Ending 31 December 2024



Utilities Regulatory Authority of Vanuatu

Financial Statements

For the year ended 31 December 2024

Utilities Regulatory Authority of Vanuatu
Financial Statements
For the year ended 31 December 2024

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Utilities Regulatory Authority of Vanuatu

Commissions' Report

For the year ended 31 December 2024

(Expressed in Vatu)

The Utility Regulatory Authority (URA) Commission present their report together with the audited financial statements for the year ended 31 December 2024.

Authority

The Chief Executive Officer and Commissioners of the Authority during the financial year and in office at the date of this report were:-

	<u>Appointed</u>	<u>Resigned</u>	<u>Contract</u> <u>Expire</u>
Jesse Benjamin (CEO)	19/08/2024	-	-
Paul Kaun (CEO/PT Commissioner)	02/08/2021	09/02/2024	-
John Chaniel (Chairman/PT Commissioner)	17/08/2020	-	16/08/2025
Lloyd Fikiasi (PT Exec. Commissioner)	11/10/2019	-	10/10/2024

Principal activities

The principal activity of the Utilities Regulatory of Vanuatu are set out in the Utilities Regulatory Authority Act No. 11 of 2007. By 31 December 2024, the service industries regulated by the Authority were electricity and water. The primary activities include the regulation and monitoring of the operation of certain utilities to provide safe, reliable and affordable regulated services and to maximize access of regulated services throughout Vanuatu. The primary objective of the Authority is to promote the long-term interests of Vanuatu's consumers of electricity and water services with respect to the price, quality, safety, reliability and to access to connection.

Result

The net operating surplus for the year was Vt68,227,409 (2023: surplus of Vt39,162,747).

Commissioners' benefits

The Commissioners received salaries and benefits which were paid by the URA from its sustainable funding mechanism and partly through grant from the Government of Vanuatu.


The Commissioners serving during the year had no financial interests in the activities of the URA of Vanuatu.


State of Affairs

In the opinion of the Commission there were no significant changes in the state of affairs of the Authority that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Dated this 10th day of July 2025.

Signed in accordance with a resolution of the Commission, in consultation with the office of the Auditor General.:


John Chaniel
Chairman / PT Commissioner


Jesse Benjamin
Chief Executive Officer

Utilities Regulatory Authority of Vanuatu

Commissioners' Statement

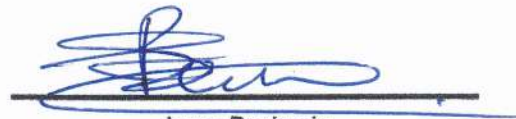
For the year ended 31 December 2024

In the opinion of the Commissioners of the Utilities Regulatory Authority of Vanuatu (URA);

- a) the accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Authority for the year ended 31 December 2024;
- b) the accompanying Statement of Changes in Funds and Statement of Financial Position of the Authority are drawn up so as to give a true and fair view of the state of affairs of the Authority for the year ended 31 December 2024;
- c) the accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flows of the Authority for the year ended 31 December 2024;
- d) at the date of these statements, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due and payable and that the going concern presumption is therefore appropriate; and
- e) all related party transactions have been adequately recorded in the books of the Authority.

Dated this 10th day of July 2025.



John Chaniel
Chairman / PT Commissioner

Jesse Benjamin
Chief Executive Officer

UTILITIES REGULATORY AUTHORITY OF VANUATU

Independent Auditor's Report To The Commissioners of the Authority

The Auditor-General is the auditor of the Utilities Regulatory Authority of Vanuatu (URA). The Auditor-General has appointed Moores Rowland Vanuatu to undertake the audit of Utilities Regulatory Authority of Vanuatu.

Audit Opinion

We have audited the accompanying financial statements of **Utilities Regulatory Authority of Vanuatu (URA)** (herein referred to as the "Authority"), for the year ended **31 December 2024**, as set out on pages 8 to 18, which comprise the statement of Comprehensive Income, Statement of Changes in Funds, Statement of Financial Position as at 31 December 2024 and the Statement of Cash Flow for the year then ended and Notes to the financial statements.

In our opinion,

- (a) the financial statements of **Utilities Regulatory Authority of Vanuatu** have been properly prepared:
 - i) so as to give a true and fair view of the state of affairs of **Utilities Regulatory Authority** as at **31 December 2024** and of its result for the year then ended;
 - ii) in accordance with the provisions of the Utilities Regulatory Authority Act No.11 of 2007 of the Republic of Vanuatu, and
 - iii) in accordance with International Financial Reporting Standards.
- (b) we have been provided with all information and explanations required.
- (c) proper accounting records have been kept by the Authority.

Basis for Opinion

We have conducted an independent audit of these financial statements in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described under *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of ethics for Professional Accountants* that are relevant to our audit of the financial statements in Vanuatu. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than in our capacity as auditor we have no relationship with, or interests in the Authority.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that no additional key audit matters need to be communicated in our report.

Independent Auditor's Report (cont'd)

Responsibility of the Chief Executive Officer (CEO) & the Commission for the Financial Statements

The CEO and the Commission of the Authority are responsible for the preparation of the financial statements, and the information they contain, in accordance with International Financial Reporting Standards (IFRS), and the Utilities Regulatory Authority Act No.11 of 2007 and for devising and maintaining a system of internal controls to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the CEO and the Commission are responsible for assessing the ability of the Authority to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioners;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (cont')

- Obtain sufficient appropriate audit evidence regarding the financial information of the activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Authority audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MOORES ROWLAND
Chartered Accountants

Qualified pursuant to Section 130
of the Companies Act No.25 of 2012
of the Republic of Vanuatu.

Dated this 11th day of July 2025.

Utilities Regulatory Authority of Vanuatu

Statement of Comprehensive Income

For the year ended 31 December 2024

(Expressed in Vatu)

	Note	2024	2023
Revenue	4	160,966,351	158,784,523
Operating Expenses	5	(92,738,942)	(119,621,776)
Operating surplus		<u>68,227,409</u>	<u>39,162,747</u>
Net surplus		<u>68,227,409</u>	<u>39,162,747</u>

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Utilities Regulatory Authority of Vanuatu

Statement of Changes in Funds

For the year ended 31 December 2024

(Expressed in Vatu)

	2024	2023
Balance at beginning of year	126,769,901	87,607,154
Net surplus for the year	68,227,409	39,162,747
Balance at end of year	<u>194,997,310</u>	<u>126,769,901</u>

The Statement of Changes in Funds should be read in conjunction with the Notes to the Financial Statements.

Utilities Regulatory Authority of Vanuatu

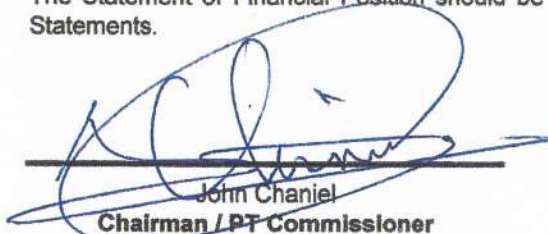
Statement of Financial Position

As at 31 December 2024

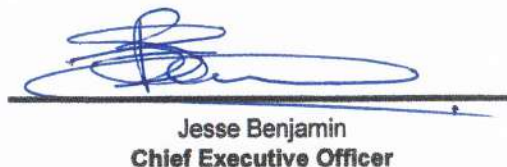
(Expressed in Vatu)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	6	151,399,570	81,473,346
Receivables	7	38,587,673	36,401,550
Other assets	8	2,837,458	4,976,082
Total current assets		192,824,701	122,850,978
Non-current assets			
Plant and equipment	9	10,904,366	14,284,010
Total non-current assets		10,904,366	14,284,010
Total Assets		203,729,067	137,134,988
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	10	871,000	4,328,866
Other payables	11	933,500	973,188
Provisions - employee benefits	12	971,742	896,790
Total current liabilities		2,776,242	6,198,844
Non-current liabilities			
Provision - employee benefits	12	5,955,515	4,166,243
Total non-current liabilities		5,955,515	4,166,243
Total liabilities		8,731,757	10,365,087
Funds			
Accumulated surplus		194,997,310	126,769,901
Total Funds		194,997,310	126,769,901
Total Liabilities and Funds		203,729,067	137,134,988

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.


John Chaniel
Chairman / PT Commissioner

Date: 10th July 2025


Jesse Benjamin
Chief Executive Officer

Date: 10th July 2025

Utilities Regulatory Authority of Vanuatu

Statement of Cash Flows

For the year ended 31 December 2024

(Expressed in Vatu)

	Note	2024	2023
Operating activities			
<i>Cash was provided from:</i>			
Receipts from customers		79,999,313	73,837,476
Receipts from -Vanuatu Govt -grants		78,600,039	75,930,872
Interest received		16,344	7,693
		<u>158,615,696</u>	<u>149,776,041</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(88,552,693)	(107,983,178)
Net cash from operating activities	13(a)	<u>70,063,003</u>	<u>41,792,863</u>
Investing activities			
Purchase of plant & equipment		(301,311)	(9,270,309)
Proceeds from sale of Fixed Assets		164,532	3,720,000
Net cash (used in) investing activities		<u>(136,779)</u>	<u>(5,550,309)</u>
Net increase in cash & cash equivalents		69,926,224	36,242,554
Cash & cash equivalents at beginning of year		81,473,346	45,230,792
Cash & cash equivalents at end of year	13(b)	<u>151,399,570</u>	<u>81,473,346</u>

The Statement of Cash Flow should be read in conjunction with the Notes to the Financial Statements.

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

1. General information

The Utilities Regulatory Authority of Vanuatu (URA) was established by an Act of Parliament and operates as a Statutory body with independent decision-making powers. The office was established on 11 February 2008.

The financial statements of the Authority are for the year ended 31 December 2024.

2. Basis of Preparation of Financial Statements

2.1 Statement of compliance

The financial statements of the Authority are prepared in accordance with applicable International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the requirements of the URA Act No.11 of 2017 of the Republic of Vanuatu.

2.2 Basis of measurement

The financial statements have been prepared on an accrual basis and a historical cost basis, and do not take into account changing money values nor, except where stated, current valuations of non-current assets.

2.3 Functional and presentation currency

The financial statements are presented in Vanuatu currency -Vatu.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Plant and equipment

i) Property, plant & equipment

Items of plant and equipment are recorded at cost, less accumulated depreciation. The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount at the balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount.

ii) Depreciation & amortisation

Depreciation is calculated on a straight line basis for all assets; to recognise the consumption of economic benefits of an asset over its useful life.

The depreciation rates used for items of plant and equipment assets are as follows:

Motor Vehicles	20%
Office Equipment	25%
Furniture and Fittings	20%

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

3.2 Impairment

The carrying amount of the Authority's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is realised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are realized in the statement of comprehensive income.

The recoverable amount of assets is the greater of their net selling price and value in use.

3.3 Foreign currencies

Assets and liabilities denominated in foreign currencies have been translated at the approximate rates of exchange ruling at the balance date except that where forward exchange cover has been obtained the forward exchange rate has been used. Transactions in foreign currencies are translated at the exchange rates prevailing on transaction dates.

Foreign exchange translation gains or losses arising on current account balances and unhedged foreign currency borrowings are reflected in the results for the year.

3.4 Provision for employee benefits

i) Annual leave

Annual leave is calculated on employee leave at balance date, at the current rate of remuneration.

ii) Severance provision

Severance allowance is calculated using the present value of the estimated future cash outflows to be made by the employer resulting from employees' services to balance date.

Severance allowance is calculated at the rate of one month salary for each year of service. Under the Authority's recently approved internal Severance Policy, staff members are paid out their accumulated severance every 3 years of employment.

iii) Vanuatu National Provident Fund (VNPF)

Contributions to the VNPF are expensed as incurred.

3.5 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the organisation and can be measured reliably.

Revenue includes grant income from the Government of Vanuatu and levies paid by regulated utilities. These are recognised in the statement of comprehensive income as they are earned.

3.6 Income tax

The Authority is incorporated in the Republic of Vanuatu. Under the laws of the Republic of Vanuatu, no income tax or capital gains tax is levied on companies, trusts or individuals.

3.7 Value added tax (VAT)

Where applicable, the statement of comprehensive income has been prepared so that all components are stated exclusive of VAT. All items in the statement of financial position are stated net of VAT, with the exception of receivables and payables which include VAT invoiced.

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

3.8 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9 Accounts receivable

Accounts receivable are recorded at their estimated realisable value after providing for doubtful and uncollectable debts.

3.10 Payable

Payables are stated at their cost.

3.11 Statement of cash flows

The following are definitions of the terms used in the statement of cash flows:

(a) Cash comprises cash on hand, current bank balances and short term deposits that can be converted to cash within two working days, net of bank overdraft.

(b) Operating activities includes all transactions and other events that are not investing or financing activities.

(c) Investing activities are those relating to the acquisition, holding and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.

(d) Financing activities are those activities that result in changes to the size and composition of the entity's capital structure. This includes both equity and debt not falling within the definition of cash.

3.12 Changes in accounting policies

There have been no changes in accounting policy.

3.13 Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amount and other disclosure.

3.14 Going concern

The financial statements of the Authority have been prepared on a going concern basis which assumes continuity of normal Authority activities, realisation of assets and the settlement of liabilities in the ordinary course of its operations. The URA Commission consider the going concern principle to be applicable in the preparation of these financial statements given the Authority is able to pay its debts as and when they become due and payable. The continuing operations of the Utilities Regulatory Authority are contingent upon the ongoing financial support of the Vanuatu Government and it is assumed that this support will continue.

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

	2024	2023
4. Revenue		
Revenue have been broken down into the following segments.		
Grant- Vanuatu Government	67,225,990	62,226,099
Grant- LDS	11,374,049	-
Assessment Fees	82,185,436	92,830,731
Interest received	16,344	7,693
Gain on disposal of fixed assets	164,532	3,720,000
	<u>160,966,351</u>	<u>158,784,523</u>

Grant- Vanuatu Government

The Authority received during the year an approved annual Government grant of Vt67,225,990 (2023: Vt62,226,099) which was used to cover it's operating expenses.

Assessment Fees

The Authority's primary source of revenue was from it's assessment fees. Regulated electricity and water utilities were invoiced during 2024 at 1.5% (2023: 1.5%) of their respective gross revenues due 1st March 2024, 1st June 2024, 1st September 2024 and 1st December 2024. Separate to these fees were penalties for non-compliance.

Breakdown of income (Levy):

2024

Levies Revenue by Utilities	4 Qtrs	Penalty	Surcharge (1%)	Total
Bellevue & Beverly Hills Water	384,376	-	-	384,376
Bukura Water Supply	29,356	-	-	29,356
Dept. of Water Resources	604,992	-	-	604,992
Teouma Water Supply	50,664	-	-	50,664
UNELCO- Electricity	57,127,468	-	-	57,127,468
UNELCO- Water	9,254,932	-	-	9,254,932
VANPAWA - Electricity	1,297,376	-	-	1,297,376
VUI Limited- Electricity	13,436,272	-	-	13,436,272
Total	<u>82,185,436</u>	<u>-</u>	<u>-</u>	<u>82,185,436</u>

2023

Levies Revenue by Utilities	4 Qtrs	Penalty	Surcharge (1%)	Total
Bellevue & Beverly Hills Water	538,771	-	-	538,771
Bukura Water Supply	24,849	-	-	24,849
Dept. Of Energy	443,622	-	-	443,622
Dept. of Water Resources	750,615	-	-	750,615
REST Development Water Supply	10,012	-	-	10,012
Teouma Water Supply	65,441	-	-	65,441
UNELCO- Electricity	71,260,789	-	-	71,260,789
UNELCO- Water	10,292,316	-	-	10,292,316
VANPAWA - Electricity	1,297,374	-	-	1,297,374
VUI Limited- Electricity	8,146,942	-	-	8,146,942
Total	<u>92,830,731</u>	<u>-</u>	<u>-</u>	<u>92,830,731</u>

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

4. Revenue (con't)

Interest received

The amount represents bank interest on it's Term Deposit account.

5. Operating Expenses

	2024	2023
Advertising	271,730	530,744
Auditors remuneration	530,000	700,000
Consultation- local	2,427,997	2,324,219
Depreciation	3,680,955	3,622,924
Employee annual leave and severance	5,360,048	5,353,749
Office rent	5,218,407	4,402,424
Salaries and wages	40,801,720	75,308,050
Staff Amenities	160,770	215,096
Subsistence and other allowances	4,760,000	5,437,500
Telephone and fax	1,669,080	1,336,882
Training- local	25,000	561,780
Training- International	157,772	761,358
Vehicle expenses	804,634	1,907,221
VNPF Contributions	1,609,114	2,540,596
Travels	5,211,025	5,482,051
Utility expenses	2,455,266	1,294,849
IT expenses	2,393,825	2,971,238
Other expenses	14,822,330	4,871,094
	<hr/> 92,359,673 <hr/>	<hr/> 119,621,775 <hr/>

6. Cash and cash equivalents

Cash	1,295	6,245
Bank balances	143,223,077	73,308,247
Term Deposit	8,175,198	8,158,854
	<hr/> 151,399,570 <hr/>	<hr/> 81,473,346 <hr/>

7. Trade receivables

Vanuatu Govt	18,041,314	17,408,295
Assessment Fees	20,546,359	18,993,255
	<hr/> 38,587,673 <hr/>	<hr/> 36,401,550 <hr/>

8. Other assets

VAT receivable	2,037,604	3,521,378
Other assets	673,529	661,579
Prepayments	57,379	788,961
Employee advance	68,946	4,164
	<hr/> 2,837,458 <hr/>	<hr/> 4,976,082 <hr/>

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

9. Plant and equipment

2024	Cost	Acc Depn	NBV
Furniture & Fittings	2,058,350	1,742,732	315,618
Office equipment	7,890,587	6,345,011	1,545,576
Motor vehicle	12,339,690	3,296,518	9,043,172
Infrastructure upgrade	1,986,986	1,986,986	-
	<hr/> 24,275,613	<hr/> 13,371,247	<hr/> 10,904,366
2023			
Furniture & Fittings	2,058,350	1,594,793	463,557
Office equipment	7,959,617	5,255,314	2,704,303
Motor vehicle	12,173,914	1,093,079	11,080,835
Infrastructure upgrade	1,986,986	1,951,671	35,315
	<hr/> 24,178,867	<hr/> 9,894,857	<hr/> 14,284,010

Reconciliation of property, plant & equip.

	2024	2023
Net book value brought forward	14,284,010	8,636,625
Additions	467,779	9,270,309
Disposals at written down value	(166,468)	-
Depreciation	(3,680,955)	(3,622,924)
	<hr/> 10,904,366	<hr/> 14,284,010

10. Trade payables

Trade payables	871,000	4,328,866
	<hr/>	<hr/>

11. Other payables

Accrued charges	403,500	443,188
Accrued -audit fee	530,000	530,000
	<hr/> 933,500	<hr/> 973,188

12. Employee benefits

Current		
Provision for annual leave	971,742	896,790
	<hr/>	<hr/>
Non-current		
Provision for severance pay	5,955,515	4,166,243
	<hr/>	<hr/>

The calculation of severance pay is outlined in note 3.4.

Utilities Regulatory Authority of Vanuatu

Notes to the Financial Statements

For the year ended 31 December 2024

(Expressed in Vatu)

13. (a) Reconciliation of net surplus for the year to net cash from operating activities

	2024	2023
Net surplus for the year	68,227,409	39,162,747
<i>Adjustments for non-cash items:</i>		
Depreciation & amortisation	3,680,955	3,622,924
Prov for severance mvmt	1,864,224	193,468
<i>Cashflow included in investing activities:</i>		
Gain on disposal of assets	(164,532)	(3,720,000)
	5,380,647	96,392
<i>Add/(Less) Movements in Working Capital Items:</i>		
Trade receivables	(2,186,123)	(5,288,482)
Other assets	1,780,510	4,612,171
Trade payables	(3,457,866)	3,789,987
Other payables	(39,688)	(579,953)
	(3,903,167)	2,533,723
Net cash from operating activities	69,704,889	41,792,863

13. (b) Reconciliation of Cash

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash	1,295	6,245
Bank balances	143,223,077	73,308,247
Term Deposit	8,175,198	8,158,854
Cash as per statement of cash flows	151,399,570	81,473,346

14. Employees

The number of permanent employees as at 31 December 2024 - 12 (2023: 12).

15. Contingent liabilities

The URA Commissioners are not aware of any contingent liabilities as at the date of signing the Commissions Report (2023: Nil).

16. Subsequent events

No events have occurred since the balance date which would require any adjustment to or disclosure in the financial statements.

Utilities Regulatory Authority of Vanuatu

Disclaimer

The additional financial data presented on pages 20 and 21 are in accordance with the books and records of the **Utilities Regulatory Authority** which have been subjected to the auditing procedures applied in our statutory audit of the Authority for the year ended **31 December 2024**. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

The additional financial data has been prepared at the request of and exclusively for the use and benefit of the Authority only, and neither the firm nor any employee of the firm accept any responsibility whatsoever to any other party.



MOORES ROWLAND
Chartered Accountants

Qualified pursuant to Section 130
of the Companies Act No.25 of 2012
of the Republic of Vanuatu

Dated this 11th day of July 2025.

Utilities Regulatory Authority of Vanuatu

Detailed Income Statement

For the year ended 31 December 2024

(Expressed in Vatu)

	2024	2023
<u>Income</u>		
Grant - Vanuatu Govt	67,225,990	62,226,099
Grant - LDS	11,374,049	-
URA Assessment fees	82,185,436	92,830,731
Interest received	16,344	7,693
Gain on assets disposed	164,532	3,720,000
Total Income	160,966,351	158,784,523
<u>Expenses</u>		
Human Resources:		
Salaries & wages - admin	40,801,720	75,308,050
VNPF	1,609,114	2,540,596
Staff amenities	160,770	215,096
Training- local	25,000	561,780
Training-International	157,772	761,358
Consultation- local	2,427,997	2,324,219
Annual leave & severance	5,360,048	5,353,749
Subsistence & other allowances	4,760,000	5,437,500
Corporate Wear	-	(32,609)
Medical	942,453	1,385,799
Total Human Resources	56,244,874	93,855,537
Travels:		
Travels - local	2,435,566	1,466,812
Travels - international	2,775,459	4,015,240
Total Travels	5,211,025	5,482,051
Audit & Consultancy:		
Audit fee	530,000	700,000
Consultancy -Firms	1,414,783	301,300
Total Audit & Consultancy	1,944,783	1,001,300
Transport:		
Vehicle repairs	96,143	622,193
Vehicle fuel	149,716	561,540
Vehicle insurance	507,590	540,674
Travelling - bus fares	51,185	182,814
Total Transport	804,634	1,907,221
Office Expense:		
Rent-Office lease	5,218,407	4,402,424
Legal fees	-	182,800
Repairs & maintenance	98,852	17,907
Telecommunication	1,669,080	1,336,882
Electricity	2,455,266	1,294,849
Cleaning	131,394	173,157
Kitchen supplies	93,380	175,170

Utilities Regulatory Authority of Vanuatu

Detailed Income Statement

For the year ended 31 December 2024

(Expressed in Vatu)

	2024	2023
Office Expense (con't):		
Office supplies	107,489	133,602
Vat adjustments	358,114	467,529
Other expenses	(382,223)	-
Water	-	12,550
	-----	-----
Total Office expense	9,749,759	8,196,869
	-----	-----
Materials		
Stationeries	143,363	317,573
IT Equipment	43,086	6,640
IT Software	-	346,718
IT Support	2,207,376	2,300,306
	-----	-----
Total Materials	2,393,825	2,971,238
	-----	-----
Communications:		
Advertisement	271,730	530,744
Postage	178,586	97,460
Printing	389,302	354,816
Official Entertainment	771,872	456,647
Social Responsibility expense	250,000	1,053,578
	-----	-----
Total Communications	1,861,490	2,493,245
	-----	-----
Financial Expense:		
Bank charges	44,692	91,390
	-----	-----
Depreciation Expense:		
Depreciation & amortisation exp	3,680,955	3,622,924
	-----	-----
Water Project:		
Laingetak Water Project	6,517,568	-
Marae Water Project	4,285,337	-
	-----	-----
	10,802,905	-
	-----	-----
Total Expenses	92,738,942	119,621,776
	-----	-----
Net Surplus	68,227,409	39,162,747
	=====	=====