

Ministry of Infrastructure and Public Utilities (MIPU)

Quarter 1, 2019 - National Revenue Update

Background

The Ministry of Infrastructure and Public Utilities (MIPU) is budgeted to collect **VT 685.8 million** in form of fees and charges. This is **2.6%** of total budgeted Government revenue. The main contribution to revenue collection is through Registration Charge Recoveries and industrial permit and registration fees.

The Ministry of Infrastructure and Public Utilities (MIPU) comprises of the Public Works Department, the Civil Aviation Authority Department and the Ports & Marine Department. The Ministry is responsible for other Government Statutory Bodies and State Own Enterprises like AVL, Air Vanuatu, Vanuatu Post and Stevedoring and Maritime College.

- The Ministry has a role in improving the quality of life of Vanuatu citizens through effectively planning, developing, implementing and administering approved national transportation infrastructures include supporting maintenance of national roads and bridges, ports and harbours and aviation infrastructure facilities.
- Secondly, through strict enforcement and regulations of Vanuatu aviation and maritime industry while complying to internationally recognized and sound standards.
- Thirdly, develop and provide advice to government on policies relating to telecommunications including policies to maximize the benefits of telecommunication to all citizens of Vanuatu.
- Lastly, develop the relevant skills, knowledge, experiences and policies to optimize social and economic developments and benefits within the ministry's different portfolios.

Percentage share of MIPU revenue collected by each Department is:

1. Department of Ports and Harbours – **90.8%**
2. Department of Public Works – **8.0%**
3. Civil Aviation Authority – **1.2%**

This report provides an update on the revenue performance of different departments of MIPU in the first quarter of 2019.

Brief Summary – Q1 Target Budget vs. Actuals

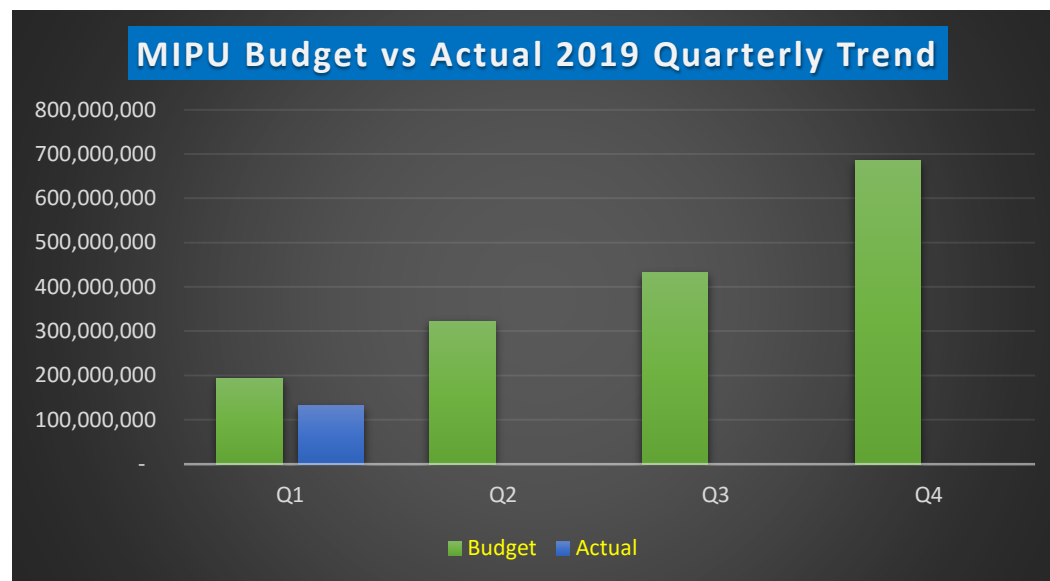
Departments	Annual Budget Revenue	Q1 Budget	Q1 Actuals	Variance
Department of Ports and Harbours	622,898,700	166,091,984	109,134,284	(56,957,700)
Department of Public Works	54,845,200	26,281,553	21,535,189	(4,746,364)
Civil Aviation Authority	8,100,000	1,881,023	1,396,578	(484,445)
Total	685,843,900	194,254,559	132,066,051	(62,188,508)

Q1 Revenue Update

At the end of Quarter 1 of 2019, revenue collected by MIPU stood at VT 132.1 million which is 19.3 per cent of MIPU's annual revenue budget. Budgeted collections for first quarter were forecasted at VT 194.3 million which is 28.3 per cent of annual revenue budget of MIPU. Actual collections for this quarter lagged quarter 1 budget target by 32.0 per cent.

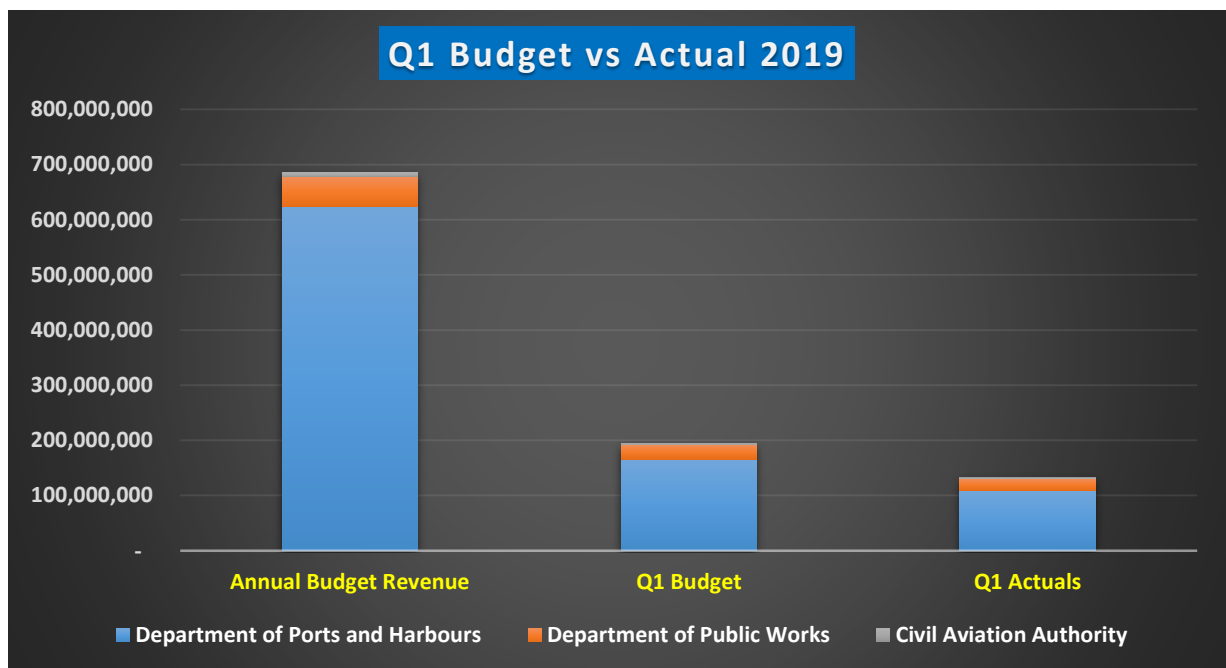
Chart 1 shows cumulative revenue budgeted for MIPU for each progressive quarter against the actual revenue collected.

Chart 1: MIPU Quarterly Budget Revenue Vs Actuals



On the Departmental front, Department of Public Works, Department of Ports and Harbour and Civil Aviation Authority registered sluggish collections from port dues, wharfage tax, landing charges and inspections recoveries. The overall Ministry's Revenue collection only collected 68 per cent of the quarter 1 budget target. The Revenue Policy Unit will monitor their collections to ensure they meet their annual target in the coming months.

Chart 2 – Quarterly Budget vs. Actuals of Departments in MIPU



Conclusion

Overall, recurrent revenue collected by Ministry of Infrastructure and Public Utilities in the first quarter of 2019 is below the budget line. The revenue may pick up in the remaining quarters of 2019.

Annex 1 - Revenue performance of each Department by revenue items

Department	2019 Budget	Q1 Budget	Q1 Actuals	Variance (Actual - Budget)
Department of Ports and Harbours	622,898,700	166,091,984	109,134,284	-56,957,700
Marine Fees Charges	9,866,000	2,753,703	4,873,805	2,120,102
		2,753,703		
Pilotage Charges	65,944,700	22,858,642	15,503,357	-7,355,285
Light Dues Charges	253,151,500	60,333,324	19,848,049	-40,485,275
Other Fees	1,685,100	444,276	458,900	14,624
Quay Dues	45,587,400	9,459,628	5,049,849	-4,409,779
Port Dues	213,414,300	68,159,302	45,892,219	-22,267,083
Wharfage Tax	33,249,700	2,083,107	17,399,410	15,316,303
Department of Public Works	54,845,200	26,281,553	21,535,189	-4,746,364
Equipment Hire Recoveries	288,000	53,479	46,162	-7,317
Inspections Recoveries	49,164,500	25,131,981	21,045,711	-4,086,270
Other Recoveries	230,000	73,941	31,080	-42,861
Testing Charges Recoveries	5,162,700	1,022,152	373,400	-648,752
Water Charges Recoveries	-	-	38,836	38,836
Civil Aviation Authority	8,100,000	1,881,023	1,396,578	-484,445
Landing Charges	2,600,000	888,995	384,300	-504,695
Miscellaneous Charges	4,400,000	784,747	723,153	-61,594
Aircraft Pilot Licenses	1,100,000	207,281	289,125	81,844
TOTAL	685,843,900	194,254,559	132,066,051	-62,188,508