



OFFICE OF THE OMBUDSMAN

PUBLIC REPORT

**ON THE TENANCY AGREEMENT
BETWEEN MINISTER XAVIER HARRY
AND VANUATU TOURISM OFFICE [VTO]**

Date: 9 APRIL 2026



REPUBLIC OF VANUATU

OMB25/0029/2026/01

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1. PURPOSE

The purpose of the Investigation is to determine whether Minister Xavier Manuel Harry (Minister Xavier Harry) breached the Constitution, the Leadership Code Act, and the Government Contracts and Tenders Act when he entered into a tenancy agreement with the Vanuatu Tourism Office (VTO) for the VTO to rent his property at Beverly Hills in Port Vila.

2. SCOPE OF THIS INVESTIGATION

The scope of the investigation is:

- (a). To determine whether Minister Xavier Harry was a leader holding the position of a Minister at the time of entering into the tenancy agreement.
- (b). Whether the tenancy agreement is in breach of the Government Contracts and Tenders Act.
- (c). Whether the tenancy agreement was entered in breach of Article 66 (1) (a) of the Constitution.
- (d). Whether the tenancy agreement entered was in breach of Article 66 (1) (c) and (d) of the Constitution.
- (e). Whether the tenancy agreement was entered in breach of Article 66 (2) of the Constitution.
- (f). Whether the tenancy agreement was entered in breach of section 13 of the Leadership Code Act.
- (g). Whether Minister Xavier Harry had a conflict of interest as per section 7 of the Leadership Code Act when entering the tenancy agreement with Vanuatu Tourism Office.

3. ISSUES

The following issues arise in this matter:

- (i) Whether Minister Xavier Harry had a conflict of interest when entering the tenancy agreement with the Vanuatu Tourism Office.
- (ii) Whether the tenancy agreement is a valid agreement.

4. OUTLINE OF EVENTS

1. On 17 December 2024, a magnitude 7.3 Earthquake struck Port Vila resulting in numerous deaths and causing substantial property destruction. Many Businesses were forced to find new premises outside the main business district of Port Vila to continue with their business.

2. On 30 October 2024, Xavier Harry registered Island dream housing with the Vanuatu Financial Service Commission (VFSC)
3. On the 11th day of February 2025 Mr Xavier Harry was appointed by the Prime Minister, Hon. Jotham Napat as the Minister responsible for Infrastructure and Public Utilities.
4. On or around February 2025, Lumu Design advertised a property at Beverly Hills belonging to Minister Xavier Harry.
5. On 1 March 2025 a rental agreement was signed between Minister Xavier Harry and Mrs Adela Issachar Aru on behalf of the Vanuatu Tourism Office.
6. On Wednesday 28 May 2025, a transaction of VT2,400,000 was made to Island Dream Housing, a company belonging to Minister Xavier Harry.
7. On 26 June another amount of VT600,000 was made to Island Dream Housing.
8. On 15 July 2025, another rental fee of VT600,000 was made to Island Dream Housing.
9. On 16th October 2025 a final rental fee covering the month of August, September and October was made to Island Dream Housing with a total of VT1,771,566.

5. DISCUSSIONS

The first issue arising in this matter is whether Minister Xavier Harry had a conflict of interest when entering the tenancy agreement with the Vanuatu Tourism Office.

On the 16th of February 2023, Xavier Harry purchased a property (Land) Title N0.12/0912/729 from Beverly Hills Limited for an amount of VT10,000,000 to Latitude Real Estate, selling the land on behalf of Beverly Hills Real Estate.

On 8 April 2024, the Bred Bank Vanuatu made a payment of VT200,000 as transfer fee to Joseph Obed from Beverly Hills Estate. Joseph Obed worked for Beverly Hills Real Estate.

On 26 April 2024, a deed of mortgage with Bred Bank Vanuatu, limited Principal sum of VT31,100,000 was issued to Xavier Harry by the Ministry of Lands.

On the 11th day of February 2025, Prime Minister, Hon. Jotham Napat appointed Xavier Harry as the Minister responsible for Infrastructure and Public Utilities, his instrument of appointment was issued by the Office of the Attorney General under Order N0.15 of 2025.

On or around the month of February 2025, Ronald Lumu, Owner of Lumu Company, on behalf of the Minister Xavier Harry advertised the two (2) unit House on land title

N0. 12/0912/729. On 1st of March 2025, a rental agreement was signed between Mrs Adela Issachar Aru on behalf of the Vanuatu Tourism Office and Minister Xavier Harry.

The relevant evidence comes from several Sources. Firstly, from Ronald Lumu, Owner of Lumu Design Company The relevant part of his statement goes as follows:

“Mi confirm se mi advertise building blong Minister. Tourism Office oli save se mi stap advertise ol building blong mi, so oli askem, mi se ufla go luk wan blong mi and go luk blong Minister we hemi almost complete. Mi go luk Henry Kekuki (VTO Finance Officer) mi talem stret se hemi blong Minister From olgeta sta deal direct wetem mi ia nao”.

Another question asked to Ronald Lumu whether he sought the consent from the Minister before advertising his property.

“Yu bin askem Minister bifo yu advertise building blong hem”?

Ronald Lumu. *“Yes, time mi advertisem, Tourism I go checkem afta oli kam bak oli talem se oli likem hemia long Beverly Hills”.*

Another statement comes from Minister Xavier Harry. The relevant part of his statement goes as follows;

“ Building hemi no bin finis, construction I sta go yet. Mi no bin authorisem hem (Lumu) blong hemi advertisem, be hem nao I kam talem long mi se ol man oli interest”.

The Minister mentioned that he did not authorise Lumu to advertise the building.

The Minister Xavier Harry denied authorizing Lumu to advertise his building, a statement which Lumu contradicted. Minister Xavier further explained that he had not previously sought a loan and viewed the Vanuatu Tourism Office’s offer to rent his property as an opportune moment.

Section 6 of the Leadership Code Act talks about the meaning of interest as follows:

“6. Meaning of "interest”

A leader has an interest in a matter in either a business or personal capacity if the leader or his or her close family, either alone or with someone else:

(a) owns, directly or indirectly, property, or other assets of any kind related to the matter; or

(b) in the case of a company or other body corporate related to the matter owns shares in the company or body; or

(c) is in a position of control in relation to the matter”.

The leader, Minister Xavier Harry, has an interest in the offer from Vanuatu Tourism Office to rent his property as this will help him. The property (rental) apartment was built on land title No. 12/0912/729. Minister Xavier Harry was in total control of the land and property.

Why did the Minister have an interest in the Offer?

The property (building) was still on loan for an amount of around VT10,000,000 with the Bred Bank Vanuatu. His interest is for Vanuatu Tourism Office to rent the two Building worth VT600,000 monthly so that he can repay his loan. The Minister confirmed in his statement as follows:

“Mi never mekem wan loan olsem long bigfala ground, worry blong mi from fes time mi mekem wan loan, be I happened se VTO I agri, mi ting se mi gat opportunity blong repayem back loan blong mi. Mi agri blong VTO I rentem”.

The third evidence, confirming the purchasing price of the land and home comes from David Russet. Owner of Beverly Hills Estate. The relevant part of his statement goes as follows;

“Mi confirm long yu se I gat wan graon wetem title number 12/0912/729. Mifla I confirm se amount hemi pem hemi VT10,000,000. Hemi pem directly I go long Latitude Estate. Final payment blong Xavier Harry hemi long namba 8 April 2024. Hemi pem full amount blong VT10,000,000”.

Another statement comes from Adela Isacher Aru, Chief Executive Officer of the Vanuatu Tourism Office. The relevant part of her statement goes as follows;

“Reason why Lumu hemi putum advert hemi from oli talem se olgeta nao oli managem mo oli buildim. At that time mifla ino aware se Building hemi blong Honorable Minister. Lumu I bin talem se I stret bae mifla I lias wetem client blong mifla ale get back long ufla . Be mifla I bin agri se bae hemi contract blong ten (10) months nomo from mifla I nogat budget blong continue blong stap pem rent. Taem we contract I offered long mifla nao, mi notem se person we bae hemi sign long contract was Honorable Minister, so mi contactem olgeta blong talem se building hemi blong Minister”.

Lumu confirmed in Mrs Adela’s statement that , *“ bae mifla I liase wetem client blong mifla ale get back long ufla”.* Who was Lumu’s client that time? It was the Minister, Hon. Xavier Harry. Lumu confirmed approval from the Minister, and that was clear in his statement mentioned above.

Article 66 (1) of the Constitution states the following.

“66. Conduct of leaders

(1) Any person defined as a leader in Article 67 has a duty to conduct himself in such a way, both in his public and private life, so as not to –

- (a) place himself in a position in which he has or could have a conflict of interests or in which the fair exercise of his public or official duties might be compromised.*
- (b) demean his office or position;*
- (c) allow his integrity to be called into question; or*
- (d) endanger or diminish respect for and confidence in the integrity of the Government of the Republic of Vanuatu”.*

Minister Xavier Harry, as a leader, engaged in a rental agreement to lease his personal property to the Vanuatu Tourism Office, a government agency. This action constitutes

a clear conflict of interest and is prohibited under the Government Contracts and Tenders Act, which disallows a Minister from being awarded a government contract under section 2A of the Government Contract and Tenders Act. By directly benefiting from public funds through the tenancy agreement, he violated his duty to act fairly, honestly, and avoid personal gain, as required of leaders.

Furthermore, Minister Xavier Harry's integrity is called into question under Article 66(1)(c) of the Constitution. The public posting of the contract agreement on social media brought the transaction under intense public scrutiny, leading to widespread doubts and questions concerning his honesty, ethics, and adherence to the duties and responsibilities imposed by the Leadership Code and the Constitution.

CEO Adela Issachar Aru confirmed that in her statement as follows:

“Mifala I bin approach before a social media post hemi kam aot, team blong Leader blong Opposition oli bin approachem mifla be mifla I talem se we have nothing to hide, we have entered into a 10 months agreement and will be vacating by December”.

As a leader, Minister Xavier Harry's actions undermined public respect for and confidence in the integrity of the Government of the Republic of Vanuatu, directly violating the duties outlined in Article 66(1)(d) of the Constitution and section 3 of the Leadership Code Act.

Section 3 of the Leadership Code Act states;

“3. Leader's behaviour

A leader holds a position of influence and authority in the community. A leader must behave fairly and honestly in all his or her official dealings with colleagues and other people, avoid personal gain, and avoid behaviour that is likely to bring his or her office into disrepute. A leader must ensure that he or she is familiar with and understands the laws that affect the area or role of his or her leadership”.

Minister Xavier Harry, in his capacity as the Minister responsible for Public Utilities, failed to act fairly and honestly when entering into the tenancy agreement with the Vanuatu Tourism Office.

Section 7 of the Leadership Code Act states:

“7. Conflict of interest

- (1) A leader has a conflict of interest in a matter if the matter relates in any way to:*
- (a) property the leader directly or indirectly owns or controls; or*
 - (b) property owned or controlled, directly or indirectly, by a member of the leader's close family; or*
 - (c) property in which the leader has a beneficial interest of any kind, whether through a trust or otherwise.*
- (2) A leader has a conflict of interest in a matter if the leader, or a member of the leader's close family, could benefit directly or indirectly from a decision on the matter, except as a member of a community or group”.*

Minister Xavier Harry, as a leader, owns a property located at land title No. 12/0912/729, which includes a building. He directly benefited from rental payments made by the Vanuatu Tourism Office for this property, with these payments going towards the repayment of his VT10,000,000 loan with Bred Bank Vanuatu.

Section 13 of the Leadership Code Act states.

“13. Duties of leaders

(1) A leader must:

(a) comply with and observe the law;

(b) comply with and observe the fundamental principles of leadership contained in Article 66 of the Constitution.

(c) comply with and observe the duties, obligations and responsibilities established by this Code or any other enactment that affects the leader; and

(d) not influence or attempt to influence or exert pressure on or threaten or abuse persons carrying out their lawful duty”.

As a leader, Minister Xavier Harry failed to comply with his duties under Section 13 of the Leadership Code Act, specifically by not observing the law, the fundamental principles of leadership contained in Article 66 of the Constitution, and the duties and responsibilities established by the Code.

Section 16 of the Leadership Code Act states:

“16. Disclosure of personal interest

(1) A leader who has a personal business interest in a matter which he or she has to deal with in his or her official capacity as a leader, or who is likely to have a conflict of interest in relation to the matter, must disclose in writing that interest:

(a) if the leader is a minister or member of Parliament, to the Parliament”.

As a leader, Minister Xavier Harry had failed to disclose his interest in the offer by Vanuatu Tourism Office to rent his property. His failure to disclose his interest, in line with section 16 of the Leadership Code Act, makes the offence of conflict of interest complete, in my view. There is no evidence before me that the Minister had disclosed his property to Vanuatu Tourism Office before signing the tenancy agreement. I only have evidence before me that shows the Minister has signed the tenancy agreement.

Section 19 of the Leadership Code Act states.

“19. Breach of Leadership Code

A person who does not comply with Part 2, 3 or 4 is guilty of a breach of this Code and is liable to punishment in accordance with Part 6”.

In the context of this matter, Part 2 requires leaders to –

(a) comply with and observe the law and other duties required by section 13; and

(b) disclose their personal interest in a matter and not personally act in relation to the matter under section 24.

In both situation Minister Xavier Harry failed to uphold the law in my view.

The second issue raised in this matter is whether the tenancy agreement is a valid agreement.

On 1 March 2026 a tenancy agreement was signed between Minister Xavier Harry and Adela Issachar Aru on behalf of the Vanuatu Tourism Office.

The relevant parts of the rental agreement are set out as follows.

*“Owner: Xavier Harry
Erakor Half road
Port Vila
Vanuatu.*

Tenant: Vanuatu Tourism Office

Property Description

The Owner leases to the tenant the following residential properties located at Beverly Hills Area Port Vila

- *House 1*
- *House 2*

Furnishings

- *1 x fridges*
- *1x stove*
- *2x inbuilt wardrobes*

1. Rental amount

- *Monthly rent for House 1: VT300,000*
- *Monthly rental for House 2: VT300,000*
- *Total monthly rent: VT600,000*

Term

The term of this agreement shall commence on March 1, 2025, and terminate on December 31, 2025. (10 Months)

Governing Law

This document shall be governed by the laws of the Republic of Vanuatu.

Entire Agreement

The document constitutes the entire agreement. No prior or oral written terms not included herein are valid.

Modification

Any change to this agreement must be in writing and signed by both parties. Verbal modifications are invalid.

IN WITNESS WHEREOF, the parties execute this agreement as of the date first written above

Xavier Harry, Owner
Date: 01/03/2025

Adela Aru. Vanuatu Tourism
Date:01/03/2026”.

The evidence available comes from several sources. First from Adela Isacher Aru. The relevant part of her statement goes as follows:

“Taem we contract I offered long mifla nao, mi notem se person we bae hemi sign long contract was Honorable Minister, so mi contactem olgeta blong talem se building hemi blong Minister, so mi recall back long incident se beharps due diligence and procurement from our side given that mifla I save procurer and that not need blong go long wan tender process. Procurement blong mifla I go to that extend that the person or the client hemi wan Minister. We were just excited that lets move out from Holiday Inn”.

Mifla I bin approach before lo social media post hemi kam aot, team blong Leader blong Opposition oli bin approachem mifla be mifla I talem se we have nothing to hide, we have entered into a 10 months agreement and we will be vacating by December.

Inogat Board I bin sitdaon long time ia, mi go back long email nomo, and long that time, Chairman I bin stap long Tanna and mi bin sendem Email long Deputy Chairman”.

Section 3 of Government contracts and Tenders Act states;

“Section 3 Government Contracts

(6) A Government Contract must not be awarded to:

- (a) a public servant; or
- (b) a minister; or
- (c) a Member of Parliament; or
- (d) a leader as defined under the Leadership Code Act [CAP 240]; or
- (e) in the case of a Government Contract with a value of VT 10,000,000 or above – a person that does not have a tax clearance certificate issued under section 51 of the Tax Administration Act No. 37 of 2018”.

“Section 2A Government Contracts defined

(1) *Subject to subsections (3) and (4), each of the following is a Government Contract:*

(a) *a contract or arrangement for the supply of goods or services or the execution of public works in consideration of payment out of public moneys;*

(b) *a contract or arrangement for the disposal of an asset of the Government;*

(c) *a concession or franchise granted by the Government.*

(2) *Any subcontract made in relation to any contract or arrangement mentioned in subsection (1)(a) or (1)(b) is also a Government Contract"*

A leader under section 6 (b) above is Minister Xavier Harry. He has entered into a tenancy agreement with the Vanuatu Tourism Office. The agreement was in breach of the above provision.

A tenancy agreement is a form of government contract under Section 2A (c).

Another evidence comes from Minister Xavier Harry. The relevant part of his statements when answering questions put to him goes as follows:

1. *"Yu save confirm se long date 1 March 2025 yu signem rental agreement wetem Vanuatu Tourism Office?"*

Hon. Xavier Harry: Yes

2. *Yu save confirm se rental agreement ia I stap on yet?"*

Hon. Xavier Harry: Yes

3. *Yu save confirm se mani we VTO I stap pem I go long Bank account blong housing business ia?"*

Hon. Xavier Harry: Yes

4. *Taem oli karem rental agreement I kam blong yu signem, yu bin aware se yu wan Minister and yu no bin gat tingting blong rejectem VTO Ofis?"*

Hon. Xavier Harry: Blong talem stret long ufla, smol part ia, mi no bin aware long hem".

It appears that Minister Xavier Harry confirmed entering into the rental agreement, which is considered a Government contract under section 2A(1)(a) of the Government Contracts & Tenders Act as stated above:

The tenancy agreement entered between Minister Xavier Harry and the Vanuatu Tourism Office in my view falls within "for the supply of services" in section 2A (1) (a).

He stated that he was not aware of his ministerial status or perhaps rather that he was not aware of the law (Section 3 (6) (b) of the Government Contracts and Tenders Act) prohibiting him as a Minister to enter such an arrangement. However, the assessment suggests that the Minister was indeed aware of his position and may have

chosen not to disclose it, potentially with the aim of using the funds to repay his loan with Bred Bank.

6. RESPONSE BY THOSE WITH FINDINGS AGAINST THEM

Before starting this investigation, the Ombudsman notified all people or bodies complained of and gave them the right to reply. Also, a working paper was provided prior to preparation of this Public Report to give the individuals mentioned in this report another opportunity to respond.

No one responded to the Working Paper

7. FINDINGS

Finding 1: BREACH OF ARTICLE 66 OF THE CONSTITUTION

Article 66 of the Constitution mandates that leaders, including Ministers, conduct themselves in a way that avoids conflicts of interest, does not demean their office, maintains their integrity, and upholds public confidence in the government. It specifically prohibits using office for personal gain.

As a Minister, breaching this article means that he has failed in his fundamental duty to act ethically and uphold the integrity of his high office and the government. This calls his trustworthiness and suitability for the role into question.

Finding 2: BREACH OF SECTION 7 OF THE LEADERSHIP CODE ACT

Section 7 provides that “a leader has a conflict of interest in a matter if the leader, or a member of leader’s close family, could benefit directly or indirectly from a decision on the matter...” By leasing his personal property to a government entity (Vanuatu Tourism Office) while being a Minister, he directly benefits from the contract.

This creates a clear conflict between his private financial interests and his public duties, compromising the impartiality of his office.

Finding 3: FAILURE TO ACT FAIRLY AND HONESTLY. BREACH OF SECTION 3 OF THE LEADERSHIP CODE ACT

Section 3 requires a leader to behave fairly and honestly in all official dealings, avoid personal gain, and prevent bringing their office into disrepute.

Entering into a contract that financially benefits him personally with a government body, especially when such contracts are prohibited for Ministers to engage in, is in my view an unfair and dishonest decision by the Minister. This in my view undermines public trust in his official dealings and demeans his position.

Finding 4: FAILURE TO COMPLY WITH DUTIES. BREACH OF SECTION 13 OF THE LEADERSHIP CODE ACT

Section 13 outlines the general duties of leaders, including complying with and observing the law, the fundamental principles of leadership in the Constitution (Article 66), and other enactments.

This is a broad range of duties imposed on leaders to uphold at all times. By breaching section 13 of the Leadership Code Act other specific laws and constitutional provisions, he inherently fails in his overarching obligation to uphold all legal and ethical standards applicable to his ministerial role.

Finding 5: FAILURE TO DISCLOSE INTERESTS. BREACH OF SECTION 16 OF THE LEADERSHIP CODE ACT

Section 16 mandates that a leader with a personal business interest or a conflict of interest in an official matter must disclose it in writing to the appropriate body (e.g., Parliament for a Minister).

His failure to disclose his rental agreement interest prevents transparency and accountability. It suggests an attempt to conceal the conflict, which further erodes public confidence and violates a core principle of ethical leadership for a Minister.

Finding 6: BREACH OF SECTION 19 OF THE LEADERSHIP CODE ACT

Section 19 states that failing to comply with various parts of the Leadership Code constitutes a breach and makes the person liable for punishment.

These finding aggregates all the specific breaches of the Leadership Code (Sections 3, 7, 13, 16). It means that his cumulative actions violate the Leadership Code entirely, making him subject to the penalties outlined in the Act, which can include dismissal from office and disqualification from holding government positions.

Finding 7: BREACH OF GOVERNMENT CONTRACTS AND TENDERS ACT SECTION 3 (6) (B)

Section 3(6)(b) of the Government Contracts & Tenders Act explicitly prohibits a Government contract from being awarded to a Minister.

By entering into a rental agreement (defined as a government contract for services) with the Vanuatu Tourism Office, Minister Xavier Harry

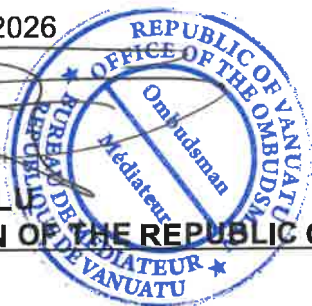

directly contravened a specific law designed to prevent corruption and conflicts of interest in government procurement. This is a serious breach that makes the contract itself improper and exposes him to legal penalties under this Act.

8. RECOMMENDATIONS

I make the following recommendations:

1. The Prime Minister consider a reshuffle of the Hon. Minister Xavier Harry from his current ministerial portfolio. Such measure would serve to uphold the high standard of integrity expected of a leader.
2. The Minister, Xavier Harry be prosecuted for breaching the Constitution, the Leadership Code Act and the Government Contracts and Tenders Act to deter others from breaching their duties under the Constitution, the Leadership Code Act and the Government Contract and Tenders Act.

Dated 9 April 2026



Hamlison BULU
OMBUDSMAN OF THE REPUBLIC OF VANUATU