



REPUBLIC OF NAURU

NAURU TOURISM CORPORATION ACT 2019

No. 2 of 2019

An Act to establish the Nauru Tourism Corporation, to provide for its functions and powers and for related purposes

Certified: 22nd March 2019

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Enacted by the Parliament of Nauru as follows:

PART 1 – PRELIMINARY

1 Short Title

This Act may be cited as the *Nauru Tourism Corporation Act 2019*.

2 Commencement

This Act commences on certification by the Speaker.

3 Interpretation

In this Act:

‘Board’ means the Nauru Tourism Corporation Board established under section 11;

‘Corporation’ means the Nauru Tourism Corporation established under section 7;

‘Minister’ means the President of the Republic.

PART 2 – APPLICATION OF THE ACT

4 General objectives of the Act

The general objectives of the Act are to:

- (a) establish a legal and administrative framework to promote tourism development in the Republic;
- (b) establish the Nauru Tourism Corporation, its functions and powers;
- (c) empower the Corporation to carry out and promote the sustainable development of tourism in the Republic through effective planning and promotion; and
- (d) ensure the participation of relevant government and community stakeholders in the development of tourism policies and the resolution of issues arising as a result of tourism development.

5 Guiding principles

In the interpretation and application of this Act in developing and promoting the tourism industry, the following guiding principles shall be given effect to:

- (a) provision of sustainable socio-economic benefit of all stakeholders;
- (b) recognition and respect for existing traditions and customary practices and contribution to inter-cultural understanding and tolerance;

- (c) conservation and management of natural, social and cultural resources, biodiversity and waste management;
- (d) support economic, socio-cultural and environmental protection through governance and infrastructure;
- (e) international or regional commitments of the Republic in particular relating to ecotourism and Blue Ocean Strategy;
- (f) public safety and security are to be preserved; and
- (g) be consistent with the written laws of the Republic.

PART 3 – NAURU TOURISM CORPORATION

7 Establishment of Corporation

- (1) The Nauru Tourism Corporation is hereby established.
- (2) The Corporation is a body corporate with perpetual succession and shall have a common seal.
- (3) The Corporation may:
 - (a) sue and be sued;
 - (b) enter into contracts and legal obligations;
 - (c) acquire, hold, manage and dispose of real and personal properties; and
 - (d) perform all powers, functions, duties and responsibilities of a corporation under the Corporations Act 1972 and this Act.

8 Functions of the Corporation

The functions of the Corporation shall include:

- (a) to promote and market tourism;
- (b) to carry out and give effect to any policy directions of the Minister and the Cabinet in relation to developing the tourism industry;
- (c) to prepare each a short and a long term tourism action plan;
- (d) to engage all sectors and stakeholders to work together to contribute to tourism development;
- (e) to develop and implement marketing strategies including prioritised market segments;
- (f) to establish a brand or market distinct from other tourism destinations to be competitive both in the regional and the international tourism markets;

- (g) to drive the increase in the contribution of tourism for ongoing economic benefits through increases in tourist arrivals, tourism receipts and tourism investments;
- (h) to make recommendations and advise the Minister on matters connected with its functions; and
- (i) to perform such other functions or exercise such other powers conferred on the corporation under the Act.

9 Powers of the Corporation

The Corporation shall have the power to do all things necessary, convenient or appropriate to be done, whether in the Republic or elsewhere, for carrying out its functions.

10 Directions of Minister

- (1) The Corporation is responsible to the Minister.
- (2) The Minister may give directions to the Corporation as to the performance of its functions and powers to which the Corporation shall give effect to.
- (3) The Minister may require the Corporation to provide information in the custody, power or control of the Corporation.
- (4) The Corporation shall comply with the request under subsection (3).
- (5) In this section '*information*' includes digital records, any tape, disk, drive or other device or means of recording or storing information.

11 Board of Directors

- (1) The Board shall consist of 7 members who shall be appointed by the Cabinet on the recommendation of the Minister.
- (2) The members of the Board shall consist of:
 - (a) the Chief Commercial Officer of Nauru Airlines or other Executive nominated by the Minister for Nauru Air Corporation;
 - (b) a private sector representative of the hospitality industry;
 - (c) a representative from the Menen Hotel;
 - (d) a community representative; and
 - (e) three ex officio members who shall be the:
 - (i) Secretary for Home Affairs or his or her nominee;
 - (ii) Secretary for Multicultural Affairs or his or her nominee; and

- (iii) Secretary for Commerce, Industry and Environment or his or her nominee.
- (3) The Minister in consultation with the Cabinet shall appoint a member of the Board to be the Chairperson of the Board.
- (4) The term of the members of the Board shall be for 2 years and may be eligible for reappointment.
- (5) The members shall be appointed on such terms and conditions as approved by the Minister in consultation with the Cabinet.
- (6) The Board is vested with and shall exercise all such functions and powers of the Corporation.

12 Qualifications of Directors

- (1) The Cabinet in appointing Directors must have regard to whether the Directors of the Board will collectively possess the appropriate knowledge, skills and experience to assist the Corporation to perform its functions and exercise its powers effectively.
- (2) A person is disqualified to be or from being a Director if he or she is:
 - (a) an undischarged bankrupt or an individual who has an arrangement with any of his or her creditors;
 - (b) an individual who has been sentenced to imprisonment for a term of 12 months or more by a Court of the Republic or any other country and has not received a pardon in or outside of the Republic;
 - (c) an individual who lacks capacity in respect of his or her duties as a Director within the meaning of the Mentally-disordered Persons Act 1963; or
 - (d) a holder of an elected office.

13 Meetings of the Board

- (1) Subject to this Act, the Board shall regulate its own procedure for meetings.
- (2) The Board shall hold meetings as are necessary for performing its responsibilities and duties.
- (3) The Chairperson shall appoint the times and places of the meetings of the Board and the secretary may serve written notice of such meetings to all the Directors.
- (4) A meeting of the Board may be held by a quorum of 4 Directors assembled together at the time and place appointed for the meeting.

- (5) The Chairperson, and in his absence any Director appointed by the Minister, shall preside at the meeting of the Board.
- (6) Each Director has one vote and the decision of the Board shall be by majority votes.
- (7) The Chief Executive Officer or in his or her absence an authorised officer of the corporation shall be required to attend meetings of the Board.
- (8) The Board shall appoint an officer which may include the Chief Executive Officer to be the secretary of the Corporation.
- (9) The secretary shall maintain records of all minutes, records and proceedings of Board meetings.

14 Responsibilities and duties of Directors

- (1) The Directors shall severally and jointly at all times:
 - (a) act bona fide in the best interests of the Corporation;
 - (b) exercise reasonable care and diligence in the performance of his or her responsibilities, duties and functions;
 - (c) take reasonable steps through the processes of the Board to obtain sufficient information and advice about all matters to be decided by the Board to enable him or her to make conscientious and informed decisions; and
 - (d) exercise discretion with respect to all matters to be decided by the Board.
- (2) A Director does not commit a breach of the responsibilities and duties under this section by acting in accordance with a direction or requirement of the Minister under this Act.

15 Vacation of office

- (1) The Cabinet on the recommendation of the Minister may revoke the appointment of a Director.
- (2) The Minister shall by notice in the Gazette declare the office of a Director vacant if the Director:
 - (a) becomes bankrupt, applies to take the benefits of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors to assign his or her remuneration for their benefit;
 - (b) resigns from office in writing to the Minister;
 - (c) is elected to public office;

- (d) is absent from 2 successive meetings of the Board except on leave granted by the Minister;
- (e) fails to comply with his or her duties under the Act;
- (f) is considered by a board of not less than 2 health practitioners, appointed by the Minister, to be incapable of performing his or her responsibilities and duties efficiently; or
- (g) is convicted of any offence involving fraud or dishonesty punishable on conviction with imprisonment for a term of 12 months or more.

16 Remuneration of the Board

A Director is not entitled to fixed remuneration but shall be paid a reasonable allowance determined by the Cabinet to enable the Director to perform his or her responsibilities, duties and functions under this Act.

17 Disclosure of interest

- (1) A Director who has any interest relating to the objectives, functions and powers of the Corporation must disclose the details of his or her interest in accordance with this section as soon as practicable after the Director becomes aware that he or she has an interest.
- (2) A Director who has an interest in a relevant matter relating to the objectives, functions and powers of the Corporation must disclose details of the interest:
 - (a) in the case of the Chairperson, to the Chief Executive Officer, Board and the Minister; or
 - (b) in the case of any other Directors, to the Chief Executive Officer and the Chairperson.
- (3) The Chief Executive Officer shall ensure that every disclosure under this section is:
 - (a) recorded in a register of interests kept by the Corporation; and
 - (b) brought to the attention of the Chairperson presiding at a meeting of the Corporation that relates to the relevant matter.
- (4) A disclosure under subsection (1) shall be recorded in the minutes of the Board meeting and the Director shall:
 - (a) not take part after the disclosure in any deliberation or decision of the Board in respect of that matter; and
 - (b) be disregarded for the purposes of constituting a quorum of the Board in that deliberation or decision.

18 Liability of Directors

- (1) A Director shall not be personally liable for any act or omission done or made in his or her capacity as Director in good faith and in the exercise of reasonable care and diligence in the course of the operations of the Corporation.
- (2) In respect of any liability incurred in connection with any act or omission referred to in subsection (1), the Director shall be indemnified by the Republic.

PART 4 – ACCOUNTS AND AUDIT

19 Account keeping

The Corporation shall:

- (a) keep proper accounts and other records in relation to its operations;
- (b) prepare monthly statements of account and reports which shall be provided to the Minister and to the Chief Executive Officer; and
- (c) prepare annual statements of account and reports.

20 Funds of the Corporation

- (1) The Corporation shall have and operate its own bank account with nominated signatories for the purposes of banking transactions.
- (2) The Board shall approve the signatories for the purposes of subsection (1).

21 Audit of accounts

- (1) The accounts of the Corporation are subject to inspection and audit by the Auditor.
- (2) The Corporation must provide to the Auditor the accounts of the Corporation for a financial year within:
 - (a) 2 months after the end of the year; or
 - (b) another period determined by Parliament.
- (3) The Auditor must:
 - (a) audit the accounts; and
 - (b) report to the Corporation on the accounts within:
 - (i) 3 months after receiving the accounts; or
 - (ii) another period determined by Parliament.

22 Annual reports and accounts

- (1) The Corporation shall, in accordance with the prescribed procedures, cause to be prepared an annual report of its activities during the previous financial year.
- (2) The Corporation shall forward a copy of its annual report to the Minister who must table it in Parliament.
- (3) The Minister shall lay the annual reports and accounts before Parliament.
- (4) The annual report of the Corporation shall incorporate its audited accounts.

PART 5 – CHIEF EXECUTIVE OFFICER AND OFFICERS

23 Chief Executive Officer

- (1) The Minister in consultation with the Cabinet shall appoint the Chief Executive Officer on the recommendation of the Board.
- (2) The Chief Executive Officer shall hold office on the terms and conditions determined by the Board at the time of the appointment.
- (3) The Chief Executive Officer shall be responsible for the administration and management of the operations and business of the Corporation and the administrative control of its officers.

24 Officers

The Corporation may employ persons to assist the Corporation in the exercise of its powers and the performance of its functions on terms and conditions determined by the Chief Executive Officer.

PART 6 – MISCELLANEOUS

25 Breach of confidentiality

- (1) A Director shall not for any purpose use or knowingly disclose any information, document or communication of which he or she becomes aware through his or her connection with the Corporation, except to the extent:
 - (a) that the use or disclosure is authorised or required under this Act or any other written law;
 - (b) that the person providing the information authorised its disclosure at the time of providing the information;
 - (c) necessary to enable the Minister, the Board or the Chief Executive Officer to publish statistical information concerning the subject matter of the functions and powers of the Corporation; or
 - (d) necessary to enable the Board to give advice to the Minister.

- (2) A Director who contravenes subsection (1) commits an offence and is liable upon conviction to a fine not exceeding \$50,000 or to a term of imprisonment not exceeding 5 years or both.
- (3) A Director who is convicted of an offence under subsection (1) is liable to the Corporation for any profit made in consequence of any damage suffered by the Corporation as a result of the commission of the offence, in addition any criminal penalty that may be imposed.

26 Election candidates – Board of Directors

Any Board Director, including the Chairperson and Chief Executive Officer, who intends to submit a nomination as a candidate:

- (a) in the country's general elections, must at least three months before he or she submits his or her nomination, resign from his or her position as a member of the Board;
- (b) in an election as a consequence of earlier dissolution of Parliament than its full term of three years under Article 41(7) of the Constitution, he or she must resign within 5 days from the date the writ of elections is published under section 56 of the Electoral Act; and
- (c) in a by-election, he or she must resign within 5 days from the date the writ of elections is published under section 56 of the Electoral Act.

27 Jurisdiction of Court

The District Court shall have jurisdiction to hear and determine all offences under this Act and, shall have power to impose the full penalty or punishment in respect of the offences under this Act.

28 Regulations

Cabinet may make regulations prescribing all matters necessary or convenient to be prescribed for giving effect to this Act.