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REPUBLIC OF VANUATU

**VANUATU PRIMARY PRODUCERS AUTHORITY  
ACT NO. 18 OF 2018**

**Arrangement of Sections**

**PART 1 PRELIMINARY**

1	Interpretation.....	4
2	Purpose.....	6

**PART 2 ESTABLISHMENT OF THE VANUATU PRIMARY  
PRODUCERS AUTHORITY**

**Division 1 Establishment, Membership, Functions and Powers of the  
Authority**

3	Establishment of the Vanuatu Primary Producers Authority.....	7
4	Membership of the Authority .....	7
5	Functions of the Authority .....	7
6	General directions of the Minister .....	9
7	Powers of the Authority .....	10

**Division 2 Establishment, Membership, Functions and Meetings of  
the Vanuatu Primary Producers Authority Board**

8	Establishment and Membership of the Vanuatu Primary Producers Authority Board .....	10
9	Board has overall responsibility .....	11
10.	Chairperson and Deputy Chairperson of the Board.....	12
11	Meetings of the Board.....	12
12	Secretary of the Board .....	13

**Division 3 Appointment of Chief Executive Officer, other staff and  
Chief Financial officer**

13	Chief Executive Officer .....	13
14	Functions of the Chief Executive Officer .....	14
15	Other staff .....	15

16	Chief Financial Officer .....	15
<b>PART 3 ESTABLISHMENT OF THE VANUATU PRIMARY PRODUCERS NATIONAL FORUM</b>		
<b>Division 1 Establishment, Composition and Functions of the Vanuatu Primary Producers National Forum</b>		
17	Establishment of the Vanuatu Primary Producers National Forum.....	17
18	Functions of the National Forum .....	17
<b>Division 2 Establishment, Composition and Functions of a Vanuatu Primary Producers Provincial Forum</b>		
19	Establishment of a Vanuatu Primary Producers Provincial Forum .....	19
20	Composition of a Provincial Forum.....	19
21	Functions of a Provincial Forum .....	20
<b>Division 3 Meetings of National Forums or Provincial Forums</b>		
22	Definition .....	20
23	Chairperson and Deputy Chairperson of a forum.....	21
24	Meetings of a forum.....	22
25	Reimbursement of costs of forum members .....	22
<b>PART 4 PROVINCIAL PRIMARY PRODUCT GROUPS</b>		
26	Board to establish a provincial primary product group .....	23
27	Composition of a provincial primary product group .....	23
28	Additional requirements for establishing a provincial primary product group .....	23
29	Functions of a provincial primary product group .....	25
30	Costs related to provincial primary product group members .....	25
31	Removal of a provincial primary product group .....	25
<b>PART 5 AREA PRIMARY PRODUCT GROUP</b>		
<b>Division 1 Formation and membership of an area primary product group</b>		
32	Formation of an area primary product group .....	26
<b>Division 2 Application for registration with the Authority</b>		
33	Application for registration of an area primary product group.....	26
34	Board may register an area primary product group .....	26
35	Requirements for registration of an area primary product group .....	26
36	Area primary product group to determine own meeting procedures .....	28
37	Functions of an area primary product group.....	28
38	Removal of an area primary product group .....	29
<b>PART 6 SUB-COMMITTEES OF THE BOARD</b>		
39	Appointment of sub-committees.....	30
40	Board to specify terms of reference for a sub-committee.....	30
<b>PART 7 LEVIES AND MEMBERSHIP FEES</b>		

41	Minister to impose levy on primary producers .....	32
42	Membership fees.....	33
43	Levy on primary product group activities.....	34
44	Levies on imported primary products.....	35
45	Other sources of funds and specified primary product activities.....	35
46	Government may collect levies.....	35
46A	Incentives for primary producers .....	36

**PART 8 MISCELLANEOUS PROVISIONS**

47	Offences and penalties .....	37
48	Board to prepare financial statements.....	37
48A	Grants and donations .....	37
48B	Bank account.....	38
48C	Estimates of annual income and expenditure .....	38
49	Audit of financial statements .....	38
50	Annual report .....	39
51	Performance review of the Authority .....	39
52	Assets of the Authority .....	40
53	Protection from personal liability .....	40
54	Disclosure of interest by a member .....	40
55	Minister’s power to make Regulations .....	42
55A	Repeal .....	42
56	Commencement .....	42

# REPUBLIC OF VANUATU

**Assent:** 06/07/2018  
**Commencement:** 28/08/2018

## VANUATU PRIMARY PRODUCERS AUTHORITY ACT NO. 18 OF 2018

An Act to provide for the establishment of the Vanuatu Primary Producers Authority and for related matters.

Be it enacted by the President and Parliament as follows-

### PART 1 PRELIMINARY

#### 1 Interpretation

In this Act unless the contrary intention appears:

**area** means the area council division or districts within a Provincial Government Region as defined in section 4A of the Decentralization Act [CAP 230];

**area primary product group** means the area primary product group formed in an area under subsection 32(1);

**Authority** means the Vanuatu Primary Producers Authority established under section 3;

**Board** means the Vanuatu Primary Producers Authority Board established under subsection 8;

**financial year** means a period starting from 1 January and ending on 31 December each year;

**Minister** means the Minister responsible for Agriculture, Livestock, Forestry, Fisheries and Biosecurity;

**Ministry** means the Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity;

**National Forum** means the Vanuatu Primary Producers National Forum as established under subsection 17(1);

**person** means a natural person or a body corporate;

**primary producer** means a person who owns or leases an operation that produces a primary product, regardless of whether the operation is commercial or semi-commercial;

**primary product group** means a group of primary producers in an area or province, producing one or similar types of a primary product such as kava (one type) and root crops (similar types), and registered with the Authority in accordance with this Act;

**primary product** means:

- (a) a primary product or output from the agricultural, fisheries, forestry, horticultural or livestock operation whether from a commercial or semi-commercial operation; and
- (b) and any primary product which is the result of primary or secondary processing that occurred from within the vicinity or boundaries of the relevant operation of a primary producer;

**Provincial Forum** means the Vanuatu Primary Producers Provincial Forum as established under section 19;

**provincial primary product group** means the provincial primary product group as established under subsection 26;

**sector** means primary processing or production but does not include secondary processing of a primary product that occurs from outside the vicinity or boundaries of the relevant operation;

**sub-committee** means a sub-committee appointed by the Board under subsection 39;

**specified primary product activity** means:

- (a) any activity that the Authority proposes to undertake, or a primary product group or group of product groups that have requested the Authority to undertake, for the benefit of their primary producers; and

- (b) a majority of those primary producers who have agreed to support the proposal by voting in favour of the proposal at a meeting of those primary producers.

**sub-sector** means a distinct section of the primary production sector such as aquaculture, cattle farming, forestry, kava, cocoa or coffee;

## **2 Purpose**

The purposes of this Act are:

- (a) to establish the Vanuatu Primary Producers Authority and its associated forums; and
- (b) to enable Vanuatu primary producers, by area, to register their primary product groups with the Authority; and
- (c) to enable Vanuatu primary producers to collaborate on matters critical to the development and advancement of Vanuatu's primary production sector; and
- (d) to provide for the funding of the Authority, and its activities.

## **PART 2 ESTABLISHMENT OF THE VANUATU PRIMARY PRODUCERS AUTHORITY**

### **Division 1 Establishment, Membership, Functions and Powers of the Authority**

#### **3 Establishment of the Vanuatu Primary Producers Authority**

The Vanuatu Primary Producers Authority is established.

#### **4 Membership of the Authority**

- (1) A primary producer may become a member of the Authority if:
  - (a) he or she is a member of an area primary product group registered with the Authority under subsection 34(1); and
  - (b) if he or she has paid his or her annual membership fee determined under paragraph 42(1)(a) to an area primary product group.
- (2) The Minister may on the advice of the Board prescribe a fee under paragraph 1(b) at a discount rate payable by a primary producer who is a member of more than 1 primary product group.

#### **5 Functions of the Authority**

- (1) The Authority has the following functions:
  - (a) to represent, advocate and promote the sector and its sub-sectors to the general public, the Government, aid agencies, and the domestic and international markets as a vital and growing sector of major social and economic significance to Vanuatu; and
  - (b) to advocate and promote the collective views of the sector on issues of importance and significance to the sector; and
  - (c) to take a strategic approach to maximise the best short and long-term interests of the sector; and

- (d) to engage with the Government, aid agencies and primary producers on opportunities for the advancement of the sector, including in relation to the following industry-good activities:
  - (i) research and development; and
  - (ii) animal, plant and soil health; and
  - (iii) biosecurity; and
  - (iv) education and skills; and
  - (v) technology transfer; and
  - (vi) access to micro-finance; and
  - (vii) market development; and
  - (viii) co-ordinating market access; and
  - (ix) primary product promotion; and
- (e) to implement any agreed quality or grade standards, and production practices in compliance with relevant standards approved by the Government; and
- (f) to collect, maintain, and distribute information to the sector on:
  - (i) Government initiatives, policies and requirements; and
  - (ii) production practices; and
  - (iii) market access and requirements; and
- (g) to collect, maintain, and provide data on the sector to the Government, including for official statistics and planning; and
- (h) to affiliate with and accept affiliation from any organisation having similar objects to the Authority pursuant to criteria prescribed by the Regulations made under this Act; and



- (i) to promote the sector through various means, including media releases, articles, publications, holding or participating in shows, field days, exhibitions, or conferences for the benefit of the sector; and
  - (j) to foster the development of primary product groups within the sector; and
  - (k) to implement any Government initiatives and policies in line with policies approved for the sector by the Council of Ministers; and
  - (l) to account to the Government and primary producers on the Authority's activities and the carrying out of its functions and powers; and
  - (m) to undertake any other activity, including coordinating production, marketing, or any commercial or trading activity, if those primary producers so request and upon the approval of the Council of Ministers; and
  - (n) to carry out such other functions as may be conferred on the Authority under this Act or any other Act.
- (2) In this section, **industry-good activities** means types of activities that produce goods and services:
- (a) that one primary producer's use of that good or service will not reduce the ability of another primary producer from using it; and
  - (b) that one person cannot prevent another person from using that good or service; and
  - (c) that most primary producers in an industry will benefit from that good or service whether they pay for it or not.

## **6 General directions of the Minister**

The Minister may, after consultation with the Board, make directions in writing not inconsistent with this Act on the discharge of the functions of the Authority.

**7 Powers of the Authority**

- (1) The Authority has the power to do all things that are necessary or convenient to be done for or in connection with the performance of its functions under this Act or any other Act.
- (2) Without limiting subsection (1) the Authority may purchase, hold, manage and dispose of real or personal property or carry out any act required for the proper performance of its functions under this Act.

**Division 2 Establishment, Membership, Functions and Meetings of  
the Vanuatu Primary Producers Authority Board**

**8 Establishment and Membership of the Vanuatu Primary Producers  
Authority Board**

- (1) The Vanuatu Primary Producers Authority Board is established.
- (2) The Board consists of the following members:
  - (a) 6 members of the National Forum elected by that Forum other than any of the person referred to under paragraphs 17(2)(b),(c),(d),(e) and (f); and
  - (b) the Director General of the Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity; and
  - (c) the Director General of the Ministry of Finance and Economic Management; and
  - (d) the Director General Ministry of Lands and Natural Resources; and
  - (e) the Director General of the Ministry of Tourism, Commerce, Industry and Ni-Vanuatu Business.
- (3) The members elected under paragraph (2)(a) must represent each province of Vanuatu.
- (4) The members referred to under paragraphs (2)(b),(c),(d) and (e) may nominate in writing a delegate to represent them at any meetings of the Board or for any matter of the Board.

- (5) In electing the members under paragraph 2(a), the National Forum must ensure that the persons elected represent:
- (a) different primary product groups; and
  - (b) interests of primary producers of different levels of commercialisation.
- (6) A person elected under paragraph (2)(a):
- (a) must concurrently be a member of the National Forum during his or her term of office, unless the person is retiring from the Board within 3 months of ending his or her term of office on the National Forum; and
  - (b) is to hold office for a period of not more than 2 years; and
  - (c) must not hold office for more than 2 consecutive terms.

**9 Board has overall responsibility**

- (1) The Board is responsible for the proper performance and exercise of the functions and the powers of the Authority under this Act or any other Act
- (2) The Board may perform all or any of the functions of the Authority under this Act either:
- (a) on its own initiative or through one or more of its sub-committees appointed under subsection 39(1); or
  - (b) alone or in partnership with one or more of its primary product groups; or
  - (c) by any other person or persons.
- (3) Any partnership agreement or arrangement for the performance of the functions of the Authority with any person referred to under paragraphs (2)(a),(b) or (c) must be made in writing and be for a specified period determined by the Board.

**10. Chairperson and Deputy Chairperson of the Board**

- (1) The Board is to elect from amongst its members, the Chairperson and Deputy Chairperson of the Board.
- (2) The Chairperson, or in his or her absence the Deputy Chairperson is to preside at all meetings of the Board.

**11 Meetings of the Board**

- (1) The Board is to meet at least 3 times in a year and is to hold such other meetings as are necessary for the proper performance of the functions of the Authority or its functions under this Act or any other Act.
- (2) At a meeting of the Board, a quorum is 6 members present at the meeting.
- (3) The decisions of the Board is made by a majority vote of members present and voting.
- (4) If there is a tie vote at a meeting of the Board, the Chairperson or the Deputy Chairperson, (whichever is presiding at that meeting), has a casting vote.
- (5) Despite subsection (3), a decision of the Board may be made by letter, fax, or electronic message by the majority of the members of the Board. Such decision is valid and effective as if it had been passed at a meeting of the Board duly constituted.
- (6) If:
  - (a) a telephone or video conference is held and a majority of the members of the Board are present at the conference; and
  - (b) a resolution is reached by a majority of the members participating in the conference,the resolution is valid and effective as if it had been passed at a meeting of the Board duly constituted.
- (7) The Board may determine and regulate its own procedures.

**12 Secretary of the Board**

- (1) The Board is to appoint a person as the Secretary of the Board on such terms and conditions as the Board may determine.
- (2) The Secretary has the following functions:
  - (a) to attend all meetings of the Board; and
  - (b) to take minutes and keep proper records, of all meetings of the Board; and
  - (c) to keep and maintain in safe custody the seal and all documents of the Board; and
  - (d) such other functions as may be assigned on the Secretary by the Board.

**Division 3 Appointment of Chief Executive Officer, other staff and Chief Financial officer**

**13 Chief Executive Officer**

- (1) The Board may in writing appoint a Chief Executive Officer of the Authority for a period of not more than 5 years and may be eligible for re-appointment only once.
- (2) The Board is to determine the terms and conditions of the employment of the Chief Executive Officer.
- (3) In making the appointment under subsection (1), the Board must:
  - (a) develop the job description of the position in consultation with an independent human resource and accounting expert; and
  - (b) advertise the position widely; and
  - (c) include an independent human resource or accounting expert in the interview panel for the recruitment of the position.
- (4) subsection (The appointment of the Chief Executive Officer must follow a fair and transparent selection process and must be based on merit.

- (5) A person must not be appointed under subsection (1), unless the person possesses the relevant qualification and experience as approved by the Board.
- (6) The Chief Executive Officer ceases to hold office if he or she:
  - (a) becomes permanently incapable of performing his or her functions under this Act; or
  - (b) resigns from his or her office by notice in writing addressed to the Board; or
  - (c) is terminated by the Board for a serious breach of the terms and conditions of his or her employment.

**14 Functions of the Chief Executive Officer**

- (1) The Chief Executive Officer has the following functions:
  - (a) to attend to all meetings of the Board; and
  - (b) to ensure that all decisions of the Board are implemented effectively and efficiently; and
  - (c) to manage the day to day administration and affairs of the Authority; and
  - (d) to carry out such other functions as may be assigned to him or her by the Board.
- (2) The Chief Executive Officer must attend all meetings of the Board and if he or she is unable to attend a meeting, he or she may nominate a senior staff of the Authority to attend the meeting on his or her behalf.
- (3) The Chief Executive officer does not have any voting rights at a meeting of the Board.

**15 Other staff**

- (1) The Board may employ other staff of the Authority as it considers necessary for the proper and efficient performance of the functions of the Authority.
- (2) The Board is to determine the terms and conditions of employment of other staff of the Authority.
- (3) The employment of other staff of the Authority under subsection (1) must follow a fair and transparent selection process and must be based on merit.

**16 Chief Financial Officer**

- (1) The Board is to appoint a Chief Financial Officer of the Authority for a period of not more than 5 years, and the person is eligible for reappointment.
- (2) The Board is to determine the terms and conditions of employment of the Chief Financial Officer.
- (3) The appointment of the Chief Financial Officer under subsection (1) must follow a fair and transparent selection process.
- (4) In making the appointment in subsection (1), the Board must ensure that the process under subsection 13(3) is complied with.
- (5) The Chief Financial Officer has the following functions:
  - (a) to report to the Chief Executive Officer; and
  - (b) to ensure that the best accounting practices are applied to financial matters of the Authority; and
  - (c) to prepare the annual budget of the Authority; and
  - (d) to prepare financial reports; and
  - (e) to perform such other functions as may be assigned to him or her by the Board.

- (6) The Chief Financial Officer ceases to hold office if he or she:

- (a) becomes permanently incapable of performing his or her functions under this Act; or
- (b) resigns from his or her office by notice in writing addressed to the Board; or
- (c) is terminated by the Board for a serious breach of the terms and conditions of his or her employment.



**PART 3 ESTABLISHMENT OF THE VANUATU PRIMARY PRODUCERS NATIONAL FORUM**

**Division 1 Establishment, Composition and Functions of the Vanuatu Primary Producers National Forum**

**17 Establishment of the Vanuatu Primary Producers National Forum**

- (1) The Vanuatu Primary Producers National Forum is established.
- (2) The National Forum consists of the following persons:
  - (a) 3 members of a provincial forum elected from amongst the members of each provincial forum; and
  - (b) the Director of the Department of Agriculture; and
  - (c) the Director of the Department of Livestock; and
  - (d) the Director of the Department of the Forestry; and
  - (e) the Director of the Department of Fisheries; and
  - (f) the Director of the Department of Biosecurity.
- (3) The Board may invite a Director of a Government Department not being the persons referred to in paragraphs (2)(b), (c),(d), (e) or (f) or any other person, to the National Forum.
- (4) The persons appointed under paragraphs (2)(b),(c),(d),(e) and (f) are not eligible to be elected as members of the Board.
- (5) A Director invited under subsection (3) has no voting rights at the National Forum.

**18 Functions of the National Forum**

- (1) The National Forum has the following functions:

- (a) to represent and advocate on matters relating to the functions of the Authority to the Board and the Government on behalf of:
    - (i) their provinces, primary product groups and primary producers; and
    - (ii) the sector; and
  - (b) to report on the activities of the Authority back to relevant:
    - (i) provincial forums; and
    - (ii) primary product groups; and
    - (iii) primary producers; and
  - (c) to provide feedback to the Board on:
    - (i) the priorities, activities and budget of the Authority for the next financial year; and
    - (ii) the performance of the Authority as required under this Act; and
    - (iii) the Authority's financial and annual reports; and
    - (iv) the Authority's five-yearly independent performance reviews.
- (2) The National Forum may undertake any of the functions of the Authority specified in this Act on behalf of the Board, as agreed in writing between the Board and the National Forum.
- (3) In electing the members under paragraph 17(2)(a), a provincial forum must ensure that the persons elected, represent the interests of a range of different primary producers of different:
- (a) levels of commercialisation; and
  - (b) primary products; and

- (c) areas.
- (4) A person elected under paragraph 17(2)(a) is to hold office for a period of not more than 2 years and is eligible for re-appointment only once.

## **Division 2 Establishment, Composition and Functions of a Vanuatu Primary Producers Provincial Forum**

### **19 Establishment of a Vanuatu Primary Producers Provincial Forum**

A Vanuatu Primary Producers Provincial Forum is established within each province of Vanuatu.

### **20 Composition of a Provincial Forum**

- (1) Subject to subsection (2), a Provincial Forum consists of not more than 2 persons elected from amongst the members of each provincial primary product group to be members of a Provincial Forum.
- (2) The Board may determine whether a provincial primary product group may elect 1 or 2 of its members to be a member of a Provincial Forum depending on the scale of commercial production of a primary product in which they represent.
- (3) In electing the members under subsection (1), a provincial primary product group must take into account the need for a balanced representation of interests of primary producers of different levels of commercialisation and of an area or island.
- (4) The Board may appoint a primary producer to be a member of a Provincial Forum for a period of not more than 12 months if due to the geographical location, the primary producer is unable to form or become a member of a provincial primary product group established by the Board.
- (5) In making an appointment under subsection (4), the Board must ensure that a primary product of a primary producer is commercially produced in significant quantities in that province.
- (6) A primary producer appointed under subsection (4):
  - (a) does not have a voting right in a relevant Provincial Forum in which he or she is appointed to be a member; and

- (b) is not eligible to be elected as a member of the National Forum.

## **21 Functions of a Provincial Forum**

A Provincial Forum has the following functions:

- (a) to represent and advocate to the Board and the Government, through the National Forum, for:
  - (i) their provinces, primary product groups and primary producers; and
  - (ii) the sector; and
- (b) to advocate on opportunities for the advancement of the sector including on matters set out under paragraph 5(d); and
- (c) to report on the Authority's activities back to their provincial and area primary product groups and primary producers; and
- (d) to consider and provide feedback to the National Forum on:
  - (i) the Authority's priorities, activities and budget for the next financial year; and
  - (ii) the Authority's performance against its functions and priorities; and
  - (iii) the Authority's financial and annual reports; and
  - (iv) the Authority's five-yearly independent performance reviews; and
- (e) to undertake any of the functions of the Authority under this Act on behalf of the Board, as agreed between the Board and a Provincial Forum.

## **Division 3 Meetings of National Forums or Provincial Forums**

### **22 Definition**

In this Division unless a contrary intention appears:

**forum** means the National Forum or a Provincial Forum.

**23 Chairperson and Deputy Chairperson of a forum**

- (1) At the start of its first meeting each year, a forum must elect its Chairperson and Deputy Chairperson from amongst the members of the relevant forum.
- (2) The Chairperson and Deputy Chairperson are to hold office for a period of 1 year until the date of the election of Chairperson and Deputy Chairperson at the first meeting of the relevant forum, the following year, unless they vacate their offices earlier.
- (3) A person must not be elected as a Chairperson or a Deputy Chairperson of a forum for more than 2 consecutive terms.
- (4) A person must not be elected as a Chairperson or a Deputy Chairperson of the forum unless:
  - (a) for the National Forum:
    - (i) the persons nominated for the two positions are primary producers from different provinces and producing different primary products; and
    - (ii) the persons nominated are not from the same province and are not producing the same primary product as the outgoing Chairperson and Deputy Chairperson.
  - (b) for a Provincial Forum:
    - (i) the persons nominated for the two positions must be primary producers originating from different areas and producing different primary products; and
    - (ii) the persons nominated are not be from the same area and producing the same primary product as the outgoing Chairperson and Deputy Chairperson.

**24 Meetings of a forum**

- (1) The Board must determine the policies and procedures for all forum meetings, including:
  - (a) frequency and location of a forum meeting; and
  - (b) businesses to be conducted at a meeting of a forum; and
  - (c) procedures for the election of:
    - (i) the members of the Board by the National Forum; and
    - (ii) Provincial Forum representatives to the National Forum by members of the relevant Provincial Forum.
- (2) The quorum for a meeting of a forum is a simple majority of members of the relevant forum present at the meeting.

**25 Reimbursement of costs of forum members**

The Authority must meet any reasonable travel expenses of members attending relevant forum meetings in which they are members.

## **PART 4 PROVINCIAL PRIMARY PRODUCT GROUPS**

### **26 Board to establish a provincial primary product group**

- (1) The Board is to establish a provincial primary product group for a primary product in a province.
- (2) The Board must not establish a provincial primary product group under subsection (1), unless it is satisfied that:
  - (a) the primary product of a provincial primary product group is commercially produced in reasonable quantities in that province; and
  - (b) the proposed primary product group would not duplicate another primary product group already established in the same province for the same purpose.

### **27 Composition of a provincial primary product group**

- (1) A provincial primary product group consists of not more than 15 primary producers elected by a registered area primary product group:
  - (a) in proportion to the value or volume of commercial production of that primary product in that province as determined by the Board; and
  - (b) with no more than 3 representatives from any one area.
- (2) A provincial primary product group may co-opt up to 3 non-primary producer members for their technical or marketing knowledge to its primary product group as non-voting members.

### **28 Additional requirements for establishing a provincial primary product group**

- (1) In establishing a provincial primary product group under section 26, the Board must ensure that the rules of the proposed primary product group comply with the requirements of the Act, including:

- (a) the processes for the primary product group's communications with its provincial forum and its member area primary product groups, if any; and
  - (b) the composition of primary product group represents a range of primary producers, covering different levels of commercialisation, and primary product and geographical spread; and
  - (c) the process for electing its primary product group members, including assigning of voting rights is only available to members who have paid an annual membership fee; and
  - (d) procedures and requirements for primary product group meetings; and
  - (e) the roles and functions of the primary product group; and
  - (f) the primary product group members' terms of office which must be restricted to 2 years, with a maximum of 3 consecutive terms; and
  - (g) grounds for removal from office of primary product group members which must be similar to those applying to the members of the Board; and
  - (h) adequate systems and provisions for financial and annual reporting to the Authority and to its primary producers, of its activities and the receipt and expenditure of any funds received; and
  - (i) procedures for electing or nominating its representatives to its provincial forum; and
  - (j) requirements for the disclosure and management of conflicts of interests of primary product group members; and
  - (k) the proposed primary product group has paid a membership fee for a provincial primary product group to its provincial forum.
- (2) The Board may develop a template for its requirements, policies and procedures for the purposes of subsection (1).



**29 Functions of a provincial primary product group**

A provincial primary product group has the following functions:

- (a) to represent and advocate for their primary product group to a provincial forum and the Board; and
- (b) to initiate any activity under paragraph5(1)(d) on behalf of its primary product group and members to the Board; and
- (c) to inform their area primary product groups and primary producers of the activities of the Authority; and
- (d) to make inputs into the activities of any sub-committees established by the Board for any activities specific to the primary product group and its primary producer members; and
- (f) to undertake any other functions of the Authority under this Act on behalf of the Board, as agreed between the Board and a provincial primary product group.

**30 Costs related to provincial primary product group members**

The Authority must meet any reasonable travel expenses of members attending a meeting of a provincial primary product group in which they are members.

**31 Removal of a provincial primary product group**

The Board may remove a provincial primary product group if the product group:

- (a) fails to comply with the requirements, policies and procedures set by the Authority for a provincial primary product group; or
- (b) is no longer representing the interests of its primary producers; or
- (c) no longer has the support of its area primary product groups; or
- (d) has voluntarily requested the Board to do so.

## **PART 5 AREA PRIMARY PRODUCT GROUP**

### **Division 1 Formation and membership of an area primary product group**

#### **32 Formation of an area primary product group**

- (1) An area primary product group may be formed in an area by a group of primary producers for the same primary product.
- (2) The Board may make rules, not inconsistent with this Act, for a single primary producer in an area that does not have an area primary product group.

### **Division 2 Application for registration with the Authority**

#### **33 Application for registration of an area primary product group**

- (1) An area primary product group may apply to the Board for registration with the Authority.
- (2) The application must be in a prescribed form and be accompanied with an annual membership fee determined by the Board, payable to its provincial primary product group.

#### **34 Board may register an area primary product group**

- (1) The Board may register or refuse to register an area primary product group.
- (2) The Board may issue a certificate to an area primary product group if the Board is satisfied that the area primary product group meets all the requirements for registration under section 35.

#### **35 Requirements for registration of an area primary product group**

- (1) The Board must not register an area primary product group unless it is satisfied that:
  - (a) the primary producers of a primary product in an area generally support the registration of that primary product group, as agreed at a general meeting of the primary product group; and

- (b) the primary product is commercially produced in reasonable quantities in that area; and
- (c) the benefits to those primary producers would outweigh the disadvantages to them from registering their primary product group with the Authority; and
- (e) the primary product group, by virtue of its structure, membership, and composition of its committee will represent adequately the views and interests of those primary producers; and
- (f) the proposed primary product group would not duplicate another primary product group already registered under this Act for the same purpose; and
- (g) the proposed primary product group's rules comply with the requirements of the Act and any additional requirements as approved by the Board, including:
  - (i) payment of a membership fees of an area primary product group to the provincial primary product group under paragraph 42(1)(b) ; and
  - (ii) the composition of its committee represents range of primary producers, covering different levels of commercialisation; and
  - (iii) the process for electing its committee, including assigning voting rights is only available to members who have paid their membership fee to the area primary product group; and
  - (iv) adequate systems are established for financial and annual reporting to the Authority and to its primary producers of its activities and receipt and expenditure of any funds received; and
  - (v) established procedures and requirements for committee and primary product group meetings; and
  - (vi) established procedures for electing or nominating its representatives to its provincial primary product group; and

- (vii) requirements for the disclosure and management of conflicts of interests of committee members.
- (2) The Board may develop a template for its requirements, policies and procedures for the purposes of subsection (1).

**36 Area primary product group to determine own meeting procedures**

- (1) An area primary product group may determine and regulate its own procedures.
- (2) Without limiting subsection (1), an area primary product group may:
  - (a) restrict voting rights to only members who have paid their annual membership fee to the relevant area primary product group; or
  - (b) allow a primary producer who has not paid a fee under paragraph (a) to be an observer status in any meeting of the area primary product group; or
  - (c) allow processors, exporters and marketers of the primary product as associate members of an area primary product group with no voting rights in any of its meeting.

**37 Functions of an area primary product group**

An area primary product group has the following functions:

- (a) to represent and advocate for their primary producers to their provincial primary product group and the Board; and
- (b) to initiate any activity under paragraph 5(1)(d) of this Act on behalf of its members to the Board; and
- (c) to inform its members of the activities of the Authority; and
- (d) to participate in the activities of any sub-committees established by the Board for any activities specific to the primary product group and its primary producer members; and

- (e) to undertake any of the functions of the Authority under this Act on behalf of the Board, as agreed in writing between the Board and an area primary product group.

**38 Removal of an area primary product group**

The Board may remove an area primary product group if the primary product group:

- (a) fails to comply with requirements, policies and procedures approved by the Board for an area primary product group; or
- (b) fails to submit to the Authority any amendments made to its rules within 6 months of passing of the amendment; or
- (c) is no longer representing the interests of its primary producers; or
- (d) no longer has the support of its primary producers; or
- (e) has voluntarily requested the Authority to do so.

## **PART 6 SUB-COMMITTEES OF THE BOARD**

### **39 Appointment of sub-committees**

- (1) The Board may appoint sub-committees as it considers appropriate:
- (a) on the Board's own initiative; or
  - (b) at the request of the National Forum, the Provincial Forum, a provincial primary product group or an area primary product group;

for purposes of this Act.

- (2) The Board may establish sub-committees under subsection (1) for purposes of cross-sector and sub-sector issues and opportunities.
- (3) The sub-committees under subsection (1) are to comprise of Board members and alternative members depending on their background, expertise and leadership skills.

### **40 Board to specify terms of reference for a sub-committee**

- (1) The Board may specify the terms of reference, policies and procedures for each sub-committee, including:
- (a) the appointment of the Chairperson and Deputy Chairperson; and
  - (b) reimbursement of members' costs; and
  - (c) reporting and accountability to the Board and to their primary producers; and
  - (d) management of sub-committees' funds; and
  - (e) appointment and removal of Chairperson, Deputy Chairperson, and members; and
  - (f) the process for removing a sub-committee.

- (2) The Board must report on all sub-committee activities, and their funding in the Board's own financial statements and annual reports.

## **PART 7 LEVIES AND MEMBERSHIP FEES**

### **41 Minister to impose levy on primary producers**

- (1) The Minister may, on the advice of the Board, by Order, impose a levy on primary producers.
  
- (2) The Order may provide for all or any of the following matters:
  - (a) the primary produces on which levies are to be imposed;
  - (b) the basis on which the amounts of levies may be calculated or ascertained, based on one or more of the following:
    - (i) production of the commodity;
    - (ii) the value of the commodity produced;
    - (iii) the area of land devoted to the production of the commodity;
    - (iv) the number, quantity, or capacity, of a thing or things of a specified kind used in connection with the production of the commodity, such as the number of breeding stock, or trees;
    - (v) any other matter as may be determined by the Board after consultation with a primary product group of a relevant primary product;
  - (c) when and how the levy is to be collected;
  - (d) who is responsible to collect the levy;
  - (e) the maximum rate of levy applicable to each primary produce each year;
  - (f) the due dates for payment of the levy;
  - (g) any penalties for late or non-payment, including additional payment for each month the levy is overdue;



- (h) what the levies may be spent on, subject to the Board's consultation with the National Forum;
  - (i) provisions for compliance audits of levy payers and levy collectors;
  - (j) record keeping by levy payers, levy collectors, and the Authority;
  - (k) requirement on annual reporting on how the levy was spent by the Board to the National Forum and the Minister.
- (3) The Board may in consultation with the National Forum determine the actual rate of levy imposed on a primary product each year which must not exceed the maximum rate of levy determined by the Minister under paragraph 2(e) for such primary product.

#### **42 Membership fees**

- (1) The Minister may, on the advice of the Board, prior to the start of the Authority's financial year, prescribe an annual membership fee, payable by:
- (a) a primary producer to the area primary product group to become a member of the area primary product group and the Authority; and
  - (b) an area primary product group to a provincial primary product group to become a member of that provincial primary product group; and
  - (c) a provincial primary product group to a provincial forum to become a member of the provincial forum; and
  - (d) a provincial forum to the national forum to become a member of the national forum.
- (2) If the Board does not set any new fee for the following year, the fees set for the preceding year continue to apply.
- (3) The fees prescribed under this section must be paid on or before 31st January of each financial year.
- (4) The Board may impose penalties for late payment of fees.

**43 Levy on primary product group activities**

- (1) The Minister may, on the recommendation of the Board and on the advice of a primary product group or group of primary product groups, make an Order imposing a levy to fund a specified primary product activity.
- (2) In making an Order under subsection (1), the Minister must be satisfied that:
  - (a) the benefits to those primary producers would outweigh the disadvantages to them of the imposition, collection, and payment of the levy on that primary produce; and
  - (b) the Authority has adequately consulted with potential levy payers on the proposed levy; and
  - (c) the Authority would have an adequate system and provisions to oversee the collection and spending of those funds on the specified primary product activity; and
  - (d) the Authority has adequate systems and provisions for accounting and reporting to potential levy payers and the relevant primary product groups, on the proposed spending.
- (3) The Board is responsible for the collection and spending of a levy to fund a specified primary product activity under subsection (1).
- (4) The Board may delegate the management of funds collected to fund a specified primary product activity to a sub-committee comprising of its own members and co-opted members of that primary product group and co-opted technical or industry experts.
- (5) The spending of levies collected pursuant to subsection (1) must be on the specified activities only, but the Board may recover its costs from those funds for administering those funds and activities, at a rate determined by the Board in consultation with the relevant primary product groups.
- (6) If the Ministry is required to monitor or implement the specified primary product activity, the Ministry may seek to recover its costs at a rate determined by the Minister in consultation with the Board.

**44 Levies on imported primary products**

- (1) The Board may request the Minister or the Minister may on the approval of the Council of Ministers' impose an import tariff on a particular primary product, for purposes of developing that sub-sector in Vanuatu.
- (2) Any revenue collected from the import tariff under subsection (1) must be spent on the development of that sub-sector.
- (3) The Government may recover its costs of administering this levy on imported primary products.

**45 Other sources of funds and specified primary product activities**

- (1) The Authority may seek funding from other sources to:
  - (a) fully or partly fund its activity; or
  - (b) fully or partly fund any of its specified primary product activity.
- (2) The Authority must not take loans from private sources, unless approved by the Minister.
- (3) Any approval by the Minister under subsection (2) is subject to the Public Finance and Economic Management Act [CAP 244].

**46 Government may collect levies**

- (1) The Ministry may collect levies prescribed under this Act on behalf of the Authority.
- (2) All levies collected under subsection (1), must be kept in a trust account operated by the Ministry of Finance and Economic Management for the Authority pursuant to the Public Finance and Economic Management Act [CAP 244].
- (3) Monies collected under this section may be expended as approved by the Board pursuant to this Act.
- (4) The Ministry may recover any reasonable costs for collecting levies of the Authority under this Act.

**46A Incentives for primary producers**

The Minister may, on the advice of the Board and with the prior approval of the Council of Ministers, prescribe incentives for primary producers under this Act.

## **PART 8 MISCELLANEOUS PROVISIONS**

### **47 Offences and penalties**

- (1) A person commits an offence if the person:
  - (a) fails to make payment of a levy imposed under sections 41 and 43;  
or
  - (b) under-pays the levy amount required to be paid under sections 41 and 43.
- (2) A person who commits an offence under subsection (1) is liable on conviction to a fine not exceeding VT5,000,000 or imprisonment for a term of not more than 5 years, or both.

### **48 Board to prepare financial statements**

- (1) The Board must keep proper accounts and records of all its transactions, including those of its forums and sub-committees.
- (2) The Board must prepare in respect of each financial year a statement of accounts in accordance with generally accepted accounting principles and practices.

### **48A Grants and donations**

- (1) The Authority may receive grants or other donations in kind from the Government, or any organisation or body within or outside of Vanuatu.
- (2) Subject to subsection (4), a grant received under subsection (1) is to be governed by an agreement between the grantor and the Authority.
- (3) Without limiting subsection (2), the agreement is to specify:
  - (a) the respective rights and obligations of the parties; and
  - (b) the allocation of funds; and
  - (c) the means of making a report on the use of funds; and

- (d) the frequency of producing a report; and
  - (e) the person who is entitled to receive the report.
- (4) The Authority must not enter into an agreement with a grantor unless it has obtained prior approval of the Board to do so.

**48B Bank account**

- (1) The Ministry of Finance is to open and maintain such bank accounts on behalf of the Authority pursuant to the Public Finance and Economic Management Act [CAP 244].
- (2) All monies payable to the Authority in terms of this Act or any other Act or Agreement must be deposited into the account referred to under subsection (1).
- (3) The Board must approve any payment to be made out of the monies of the Authority in connection to the performance of the functions of the Board or as required by this Act.

**48C Estimates of annual income and expenditure**

- (1) The Board must, not later than 2 months before the commencement of each financial year, prepare estimates of income and expenditure of the Authority in respect of that year.
- (2) The Board must, as soon as practicable, give the Minister a copy of the estimates for each financial year referred to in subsection (1).

**49 Audit of financial statements**

- (1) The financial statements of the Authority for each financial year must be audited by a suitably qualified external auditor, appointed by the Minister on the recommendation of the Board.
- (2) The Board must submit its audited financial statements together with its annual report to the National Forum, for its consideration.
- (3) The Board must pay the auditor remuneration for auditing the financial statements at a rate agreed between the Board and the auditor.

**50 Annual report**

The Board must, within 6 months from the end of the financial year to which it relates, submit to the Minister for tabling in Parliament:

- (a) the Authority's audited financial statements and the auditor's report on them; and
- (b) the Authority's annual report on the activities and operations of the Authority and its sub-committees; and
- (c) the National Forum's response to the Authority's most recent audited financial statements and annual report.

**51 Performance review of the Authority**

- (1) The Minister must ensure that on the fifth year from the date of the commencement of this Act and every fifth year thereafter, a review of the Authority be carried out to assess the performance of the Authority.
- (2) Without limiting subsection (1), the review relates to the following:
  - (a) the current performance of the Authority ; and
  - (b) its prospective future performance; and
  - (c) its performance over the preceding 5 years prior to the date of the review.
- (3) The Minister must after consultation with the Board:
  - (a) approve the terms of reference for every performance review; and
  - (b) appoint the independent reviewer for every performance review.
- (4) The Authority is responsible to meet the remuneration of the independent reviewer and any associated costs incurred by the reviewer at the time of making the review.
- (5) The independent reviewer, must submit the final report, with an executive summary, including recommendations, to the Minister within 3 months of the reviewer's appointment to conduct a review under this section.

- (6) The Minister must forward a copy of the independent reviewer's report to the Board for its consideration.
- (7) The Board must report to the Minister within 3 months from receiving the report, its response to the reviewer's findings and recommendations.
- (8) The Minister must, within 1 month of receiving the Board's response:
  - (a) table the independent reviewer's report and the Board's response in Parliament; and
  - (b) give a copy of the independent reviewer's report and the Board's response to the Chairperson of the National Forum for circulation to the members of the National Forum.

## **52 Assets of the Authority**

Any asset of the Authority belong ultimately to the members of the Authority, and are for the time being held and administered by the Board for the benefit of its members.

## **53 Protection from personal liability**

A member of the Board or any of its sub-committees, and an officer or employee of the Authority, is not personally liable for any action of the Authority or the Board or for any act done or omitted by the Authority or the Board in good faith in pursuance of the functions or powers of the Authority or the Board under this Act.

## **54 Disclosure of interest by a member**

- (1) In this section:

**matter** means:

- (i) the Board's performance of its functions or exercise of its powers;  
or
- (ii) an arrangement, agreement, or contract made or entered into, or proposed to be entered into, by the Board.



**member** means a member of the Vanuatu Primary Producers Authority Board established under subsection 9(1).

- (2) A member who is interested in a matter before the Board must disclose details of the nature and extent of his or her interest:
  - (a) in a register of interests kept by the Board; and
  - (b) to the Board at a meeting of the Board.
- (3) A member is interested in a matter if the member:
  - (a) derives a financial benefit from the matter; or
  - (b) is the spouse, child, or parent of a person who may derive a financial benefit from the matter; or
  - (c) may have a financial interest in a person to whom the matter relates; or
  - (d) is a business partner, director, officer, board member, or trustee of a person who may have a financial interest in a person to whom the matter relates; or
  - (e) is otherwise directly or indirectly interested in the matter
- (4) A member is taken not to be interested in a matter if the member's interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the member in carrying out the member's responsibilities under this Act.
- (5) The member must disclose his or her interest as soon as practicable after the member becomes aware of such interest.
- (6) The details of the interest disclosed must be recorded in the minutes of the meeting of the Board held immediately after the disclosure.
- (7) A member who is interested in a matter must not vote or take part in making any decision of the Board (or any sub-committee) relating to the matter, or otherwise participate in any activity of the Board (or any sub-committee) that relates to the matter.

**55 Minister's power to make Regulations**

- (1) The Minister may, on the approval of the Council of Ministers, make Regulations:
- (a) for or with respect to any matter that by this Act is required or permitted to be prescribed; or
  - (b) that is necessary or convenient to be prescribed for the better carrying out or giving effect to the Act.
- (2) Without limiting subsection (1), the Regulations may prescribe criteria for affiliation of the Authority with any other Organization or such entity to affiliate with the Authority.

**55A Repeal**

The Vanuatu Chamber of Agriculture Act No. 19 of 2010 is repealed.

**56 Commencement**

This Act commences on the date on which it is published in the Gazette.