

**REPUBLIC OF NAURU**  
**NAURU AIR CORPORATION (AMENDMENT) BILL 2016**

**EXPLANATORY MEMORANDUM**

The *Nauru Air Corporation (Amendment) Bill 2016* is a Bill for the *Nauru Air Corporation (Amendment) Act 2016*.

**EXPLANATION OF CLAUSES**

**Clause 1** provides that, once enacted, the short title of the Bill will be the *Nauru Air Corporation (Amendment) Act 2016*.

**Clause 2** sets out when the Bill's provisions will commence.

**Clause 3** is the enabling provisions for the amendment of the *Nauru Air Corporation Act 1995*.

**Clause 4** inserts the new definition of 'Acting Chief Executive Officer' that has been inserted in a new section 23A under clause 12 of the amending Act.

**Clause 5** amends section 7 by increasing the number of ex officio members of the Board from one to two. The ex officio members consist of two people, one of whom is appointed under section 8(1A) and the second a senior officer employed in the Ministry of Finance. One change here is that *ex officio* members will not be eligible to vote and they will not be entitled to receive any allowance that other Board members may be entitled to.

**Clause 6** amends section 8(1A) by omitting the current section and replacing it with a provision that complies with the other changes in the Act.

**Clause 7** is an amendment to section 13 by omitting subsection (3) which deals with the disclosure of interest of members of the Board. This new section covers those members of the Board who are public servants.

**Clause 8** amends section 14(3) by increasing the number of members required for a quorum from four to five. This is a subsequent result of the increase in ex officio members of the Board from one to two.

**Clause 9** is an amendment of section 14A by widening the current singular 'ex officio' member to a plural so there is consistency with the other provisions of the Act that create another ex officio position. This section allows the ex officio members to delegate to someone else to sit in a meeting of the Board. This can only be done with the approval of the Minister.

**Clause 10** amends section 15 (a) by inserting the words, 'subject to section 15A'. This is important as section 15A prohibits ex officio members from voting at meetings of the Board. So with this change, it is clear that ex officio members cannot vote at any meeting of the Board.

**Clause 11** inserts a new section 15A dealing with the power to vote by ex officio members. As explained in clause 9, ex officio members attending meetings of the Board no longer have the power to vote at these meetings.

**Clause 12** creates the new section 19A that states that any employee, and this will include the Chief Executive Officer of the Corporation, who intends to submit their nomination as a candidate to stand in the national general elections or by-elections must at least three months before submitting their nomination, submit their resignation from the Corporation.

**Clause 13** creates a new section similar to the previous clause dealing with employees. This clause provides that Board Directors who intend to stand as candidates in the national elections must resign from their position on the Board at least three months before the day they submit their nomination as a candidate.

**Clause 14** provides an exception to clause 13 by exempting public service employees. This is because public service employees are covered by the provisions of the Public Service Act 2016.

**Clause 15** amends section 23 of the Act and the change moves the power of appointment from the Board to the Cabinet. This again ensures consistency not only within this Act but with other similar legislation in Nauru.

**Clause 16** inserts a new section 23A that deals with the appointment of an acting CEO. The current Act does not make any provision for such an appointment. The terms and conditions of an appointment made by Cabinet under this clause is determined by Cabinet when making the appointment.