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G.N.No. 1028/2026

PUBLIC ENTERPRISES (TERMS AND CONDTIONS OF BOARD OF DIRECTORS) REGULATIONS 2026

SL No. 42 of 2026

Notified:

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The Cabinet makes the following Regulations under Sections 46 and 85 of the *Public Enterprises Act 2019*:

1 Citation

These Regulations may be cited as the *Public Enterprises (Terms and Conditions of Board of Directors) Regulations 2026*.

2 Commencement

These Regulations commence on the date they are notified in the Gazette.

3 Objective

The objective of these Regulations is to prescribe the terms and conditions of appointment and remuneration of Board of directors.

4 Remuneration and allowances of Board of Directors

- (1) Subject to Regulation 5, Regulation 12 and subregulation (2), the remuneration to be paid to a Chairperson, director and secretary of a Board of a public enterprise and its subsidiaries are set out in Schedule 1.
- (2) A Chairperson, director or secretary of a Board of a public enterprise or a subsidiary of a public enterprise who is also employed within a Department, public enterprise or instrumentality of the Republic:
 - (a) shall be paid sitting allowance as set out in Schedule 2; and
 - (b) where he or she is also appointed to another Board of a public enterprise, subsidiary or instrumentality, he or she shall only be entitled to be paid sitting allowance for his or her appointment on the public enterprise or subsidiary he or she is first appointed to.

5 Request for special rate

- (1) Where a public enterprise or its subsidiary considers that its Chairperson, director or secretary is entitled to receive a special rate remuneration other than that prescribed under these Regulations, the public enterprise or the subsidiary may submit a proposal for special rate to the Public Enterprises Monitoring Unit.
- (2) Upon receiving a proposal under subregulation (1), the Public Enterprises Monitoring Unit shall assess the proposal and consider the following matters:
 - (a) the person's qualification and experience;
 - (b) a report from the public enterprise on the performance of the person and milestones achieved by the public enterprise or subsidiary during such person's tenure of appointment on the public enterprise or subsidiary's Board of directors;
 - (c) whether the Chairperson, director or secretary is involved in daily operation and executive duties for the public enterprise or subsidiary;
 - (d) whether the public enterprise or subsidiary has submitted audited financial accounts during the tenure of such person's appointment; and

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- (e) whether the public enterprise or subsidiary has submitted and implemented its statement of corporate intent during the tenure of such person's appointment.
- (3) Upon completing its assessment, the Public Enterprises Monitoring Unit shall refer such proposal to the Accountable Minister for his or her review and deliberation.
- (4) In reviewing the proposal, the Accountable Minister shall consider the Public Enterprises Monitoring Unit's assessment in conjunction with the key objectives provided in the Act.
- (5) Upon completion of his or her review, the Accountable Minister shall make a recommendation to the Cabinet to either approve or reject the proposal.
- (6) The Cabinet in considering a proposal submitted under subsection (5) shall consider the:
 - (a) matters provided under subregulation (2); and
 - (b) recommendation from the Accountable Minister.
- (7) Where the Cabinet approves the proposal from a public enterprise or subsidiary, the Chairperson, director or secretary shall be paid the remuneration or allowance as approved by Cabinet.
- (8) Any special rate of remuneration approved by the Cabinet under subregulation (7) applies exclusively to the specific individual for whom the proposal was made, in accordance with the terms and conditions approved by the Cabinet.
- (9) Upon the cessation of that individual's appointment, the special remuneration rate for the position approved under subregulation (7) shall immediately revert to the rate prescribed in Schedule 1.
- (10) Should a replacement Chairperson, director, or secretary seek a remuneration rate higher than the rate prescribed in Schedule 1, a new and separate proposal shall be submitted in accordance with this Regulation.

6 Meetings of Board of Directors

- (1) The Board of directors of a public enterprise or subsidiary shall hold a maximum of 12 meetings each financial year.
- (2) There shall be at least 1 Board meeting per month.
- (3) Notwithstanding subregulations (1) and (2), the Board of directors may hold extraordinary meetings as required.
- (4) A report of meetings undertaken within each financial year shall be included in the annual report.
- (5) A copy of such report shall be provided to the Public Enterprises Monitoring Unit.

7 Overseas travel

A Chairperson or Chief Executive Officer before he or she travels outside of the Republic for any reason, shall:

- (a) obtain approval from the Cabinet; and

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- (b) propose the appointment of an Acting Chairperson or Acting Chief Executive Officer.

8 Other benefits

A Chairperson, director or secretary shall not be entitled to any other benefits unless approved by the Cabinet.

9 Charge on each respective Public Enterprises Accounts

The amount of remuneration to be paid to a Chairperson, director or secretary under these Regulations shall be paid from each public enterprises' or subsidiary's respective accounts.

10 Employment and services tax

A Chairperson, director or secretary who is paid remuneration under these Regulations shall be subject to the provisions of the *Employment and Services Tax Act 2014*.

11 Applicable policies, procedures and guidelines

In assessing a proposal under these Regulations, such assessment shall comply with applicable policies, guidelines or assessment criteria approved by the Department of Finance and Sustainable Development.

12 Transitional provision

- (1) The terms and conditions of Chairpersons, directors or secretaries of public enterprises and subsidiaries of such public enterprises appointed prior to the commencement of these Regulations, shall be subject to these Regulations.
- (2) Notwithstanding subregulation (1), a public enterprise or subsidiary of a public enterprise who has been paying a higher remuneration or allowance other than that prescribed under these Regulations to a Chairperson, director or secretary prior to the commencement of these Regulations, shall submit a proposal to Public Enterprises Monitoring Unit setting out reasons as to why such Chairperson, director or secretary shall continue to be paid such higher remuneration or allowance.
- (3) Where the Public Enterprises Monitoring Unit receives a proposal under subregulation (2), the Public Enterprises Monitoring Unit shall refer such proposal to the Accountable Minister for his assessment.
- (4) Where the Accountable Minister receives a proposal under subregulation (3), he or she shall assess the proposal and make a recommendation to Cabinet to either approve or reject the proposal.
- (5) The Accountable Minister in assessing a proposal shall consider the following matters:
 - (a) the person's qualification and experience;
 - (b) a report from the public enterprise on the performance of the person and milestones achieved by the public enterprise during such person's tenure of appointment on the public enterprise or subsidiary's Board of directors;
 - (c) whether the Chairperson, director or secretary is involved in daily operation and executive duties for the public enterprise or subsidiary;

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- (d) whether the public enterprise or subsidiary has submitted audited financial accounts during the tenure of such person's appointment; and
- (e) whether the public enterprise or subsidiary has submitted and implemented its statement of corporate intent during the tenure of such person's appointment.
- (6) Once the Accountable Minister has completed his or her assessment, he or she shall provide to Cabinet his or her recommendation to either approve or reject such proposal.
- (7) The Cabinet in making a decision to approve or reject a proposal submitted under subregulation (6), shall consider:
 - (a) the matters provided under subregulation (5); and
 - (b) recommendation from the Accountable Minister.
- (8) Where the Cabinet approves the proposal from a public enterprise or subsidiary, the Chairperson, director or secretary shall continue to be paid the higher remuneration or allowance he or she was paid prior to the commencement of these Regulations.
- (9) Where the Cabinet rejects a proposal made to it under this Regulation, the remuneration or allowance shall be paid at the rate prescribed under Schedule 1.

13 Consequential amendment

Schedule 1 of the Act is deleted and substituted with:

'SCHEDULE 1

[Section 9]

DEEMED PUBLIC ENTERPRISES

1 State-owned enterprises

The following entities are State-owned enterprises for the purposes of this Act:

- (a) Cenpac Corporation;
- (b) Eigigu Holdings Corporation;
- (c) Naoero Air Corporation;
- (d) Naoero Leasing Corporation;
- (e) Naoero Maritime and Ports Authority;
- (f) Naoero Postal Services Corporation;
- (g) Naoero Rehabilitation Corporation;
- (h) Naoero (RPC) Corporation;
- (i) Naoero Sports Development Inc;

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- (j) Naoero Utilities Corporation;
- (k) RONPHOS; and
- (l) Sunco Pty Ltd Holding Incorporation.

2 Government controlled enterprises

The following entities are Government controlled enterprises for the purposes of this Act:

- (a) Naoero Fisheries and Marine Resources Authority; and
- (b) Naoero Seabed Minerals Authority.

SCHEDULE 1**Remuneration rates for Board of directors and secretaries of public enterprises and their subsidiaries***[Regulation 4(1)]*

Public Enterprises	Chairperson	Directors	Ex-Officio	Secretary to Boards
SOEs or STATE-OWNED ENTERPRISES				
Tier 1				
Eigigu Holdings Corporation and its subsidiaries	\$26,000 salary per annum (\$1,000 per fortnight)	\$10,400 salary per annum (\$400 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Air Corporation and its subsidiaries	\$26,000 salary per annum (\$1,000 per fortnight)	\$10,400 salary per annum (\$400 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Tier 2				
Naoero Maritime and Ports Authority and its subsidiaries	\$20,000 salary per annum (\$769.23 per fortnight)	\$9,100 salary per annum (\$350 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Rehabilitation Corporation and its subsidiaries	\$20,000 salary per annum (\$769.23 per fortnight)	\$9,100 salary per annum (\$350 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Utilities Corporation and its subsidiaries	\$20,000 salary per annum (\$769.23 per fortnight)	\$9,100 salary per annum (\$350 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting

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RONPHOS and its subsidiaries (if any)	\$20,000 salary per annum (\$769.23 per fortnight)	\$9,100 salary per annum (\$350 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Tier 3				
CENPAC Corporation and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Postal Services Corporation and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero (RPC) Corporation and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Sports Development Inc	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Naoero Leasing Corporation and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Sunco Pty Ltd Holding Corporation and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
GCEs or GOVERNMENT CONTROLLED ENTERPRISES				
Tier 1				

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Naoero Fisheries and Marine Resources Authority and its subsidiaries	\$26,000 salary per annum (\$1,000 per fortnight)	\$10,400 salary per annum (\$400 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting
Tier 3				
Naoero Seabed Minerals Authority and its subsidiaries	\$15,000 salary per annum (576.92 per fortnight)	\$6,500 salary per annum (\$250 per fortnight)	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting

SCHEDULE 2

Sitting allowances for salaried Government employees on Boards of public enterprises and subsidiaries

[Regulation 4(2)]

	Chairperson	Directors	Ex-Officio	Secretary to Boards
If the Chairperson, director or secretary is receiving salary from other departments, public enterprises or instrumentalities	\$300 sitting allowance per meeting	\$200 sitting allowance per meeting	\$200 sitting allowance per meeting	\$200 sitting allowance per meeting