

REPUBLIC OF VANUATU

BILL FOR THE UTILITIES REGULATORY AUTHORITY (AMENDMENT) ACT NO. OF 2025

Explanatory Note

This Bill amends the Utilities Regulatory Authority Act No. 11 of 2007 (“the Act”).

The Government recognises the importance of utilities in Vanuatu to ensure that all utilities operating in Vanuatu are to be treated fairly and equally under the Act.

The Government also recognises the importance of strengthening the Authority’s governance framework and to enhance its regulatory powers over utilities and regulated services.

This Bill provides for the following:

- it defines the term of “Minister” to mean the Minister responsible for Public Finance and Economic Management; and
- it improves clarity and removes redundant language in sections 3 and 21; and
- it empowers the Minister to appoint the Chairperson from amongst the Commissioners who hold non-executive positions in the Authority; and
- provides that out of the 3 Commissioners, two must be non-executive Commissioners and one must be the executive Commissioner (“Chief Executive Officer”). The term of the Commissioners is clearly set at 5 years and may be reappointed only once; and
- provides that the Authority when determining the electricity price for a utility must take into account electricity purchased or electricity available for purchase by a utility from an independent power producer; and
- it deletes the requirement under section 3 of the Act that “the Authority when making its decision or when applying the Act, must not diminish the economic entitlement of a utility to any concession agreement made under the Electricity Supply Act [CAP 65] or the Water Supply Act [CAP 24] on or before the commencement of this Act.” This change is made to allow all utilities operating in Vanuatu to be regulated fairly and equally under the Act; and

- provides that an individual person or a utility who supplies a regulated service for payment must have the approval of the Authority before charging a price for a regulated service; and
- it deletes obsolete provisions such as section 29A and removes tables in the schedule that are irrelevant.

Minister of Finance and Economic Management



REPUBLIC OF VANUATU

**BILL FOR THE
UTILITIES REGULATORY AUTHORITY
(AMENDMENT)
ACT NO. OF 2025**

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REPUBLIC OF VANUATU

BILL FOR THE UTILITIES REGULATORY AUTHORITY (AMENDMENT) ACT NO. OF 2025

An Act to amend the Utilities Regulatory Authority Act No.11 of 2007.

Be it enacted by the President and Parliament as follows-

1 Amendment

The Utilities Regulatory Authority Act No. 11 of 2007 is amended as set out in the Schedule.

2 Commencement

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

SCHEDULE

AMENDMENTS OF UTILITIES REGULATORY ACT NO. 11 OF 2007

1 Section 1

Insert in its correct alphabetical position:

“**Minister** means the Minister responsible for Public Finance and Economic Management;”

2 References to “Minister responsible for finance” or “Minister of Finance and Economic Management”

Delete all references to “Minister responsible for finance” or “Minister of Finance and Economic Management” (wherever occurring), substitute “Minister”

3 Subsection 5(2)

Repeal the subsection, substitute

“(2) In addition to subsection (1):

- (a) 2 Commissioners are to hold non-executive positions of the Authority; and
- (b) the other Commissioner is to hold the executive position as the Chief Executive Officer of the Authority.”

4 Subsection 6(1)

Repeal the subsection, substitute

“(1) The Minister must appoint one of the Commissioners referred to in paragraph 5(2)(a) as the Chairperson.”

5 Subsection 9(1)

Delete “and, if applicable, subsection 40(3)”

6 Subsections 9(2) and (3)

Repeal the subsections, substitute

“(2) A Commissioner is to hold office for a period of 5 years and is eligible for reappointment only once.”

7 Subsection 10(2)

Repeal the subsection.

8 Subsection 18(4)

Repeal the subsection, substitute

- “(4) The maximum price determined under subsection (1) in respect of the supply of electricity by a utility to a consumer must take into account:
- (a) the least cost generation for that utility; or
 - (b) the electricity purchased or electricity available for purchase by the utility from an independent power producer pursuant to the power purchase agreement made under the Electricity Supply Act [CAP 65].
- (5) An individual person or a utility must have the approval of the Authority before charging a price for a regulated service.”

9 Subsection 21(1)

After “utility”, insert “or an individual person”

10 Subsection 21(6)

After “subsection”, insert “13(2) or”

11 Section 29A

Repeal the section.

12 Subsection 33(1)

Delete “responsible for public utilities”

13 Paragraph 40(2)(b)

Delete all the words from and including “, provided that the remuneration of the Chairperson” to and including “Reserve Bank of Vanuatu at any time”

14 Subsection 40(3)

Repeal the subsection.

15 Table A1 of the Schedule

Repeal the fifth and sixth row.

16 Part C of the Schedule

Repeal the third and fourth row of the table.