



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF REVENUES & EXPENDITURES 2017-18

05TH JUNE 2018

**CIRCULATED BY
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SUPPLEMENTARY APPROPRIATION 2017-18

OVERVIEW

The *Supplementary Appropriation Bill (No. 5/2017-18)* makes an adjustment to accommodate the increase in both telecom service tax and employment service tax as well as the need to provide additional funding towards the Nauru Community Housing and the School Feeding programmes for the last month of current financial year. Several adjustments to the revised budget expenditures have to be made in order to fund these expenditures by way of re-appportioning of funds within the whole of Government budget.

Supplementary Appropriation Bill (No.5/2017-2018) provides additional funding to the following Heads;

- Ministerial (\$1.4 mil) for the Nauru Housing Scheme
- Finance – Others (\$500,000) for the Trust fund payment; and
- Education (\$131,500) for the School Feeding Program.

This supplementary is made possible through a combination of additional revenues and re-appportioning of funds within government line agencies. Overall, the Supplementary Appropriation Bill (No. 5/2017-18) will have no impact on the overall revised budget and therefore the small surplus of \$62,071 will still be maintained.

Table 1: 2017-18 Domestic Budget Aggregates

	2017-18 Budget	2017-18 Revised Budget*	Variance to Budget
Revenue	129,703,646	167,608,198	37,904,552
Expenditure	129,640,377	167,546,126	37,905,749
Budget Balance	63,269	62,071	(1,197)

- Revised 2017-18 Budget includes Supplementary Appropriation Acts (No. 1- 4).

Revenues

The following changes to the budget are required.

Head 15 Nauru Revenue Office

Impact on budget balance

	2017-18
(1190) Telecom Tax	140,000
(1590) Employment Tax	340,000
Total Impact on Budget	500,000

Based on the average monthly collections to date, it is expected that the above revenue sub-heads will generate additional revenues before end of financial year.

Expenditures

The following expenditure increases are required in this supplementary Appropriation budget.

Head 02 Ministerial

Impact on budget balance

	2017-18
(2200) Nauru Community Housing	1,400,000
Total Impact on Budget	1,400,000

An additional amount of \$1.4 mil is required to be provided under the Ministerial budget for the Nauru Community Housing for the month of June. This will ensure that all the houses which require immediate improvements are renovated before end of financial year.

Head 16 Finance – Others

Impact on budget balance

	2017-18
(2650) Trust Fund	500,000
Total Impact on Budget	500,000

Provision has also been made in this Supplementary for a further payment of the Trust Fund as pre-payment for the up-coming financial year total required contribution.

Head 51 Education

Impact on budget balance

	2017-18
(2585) Rations	131,500
Total Impact on Budget	131,500

A further \$131,500 is also required to be provided for the school feeding program until end of financial year. The current balance is inadequate to cater for the remaining weeks of the financial year and this additional funding will allow Education to have sufficient funds to pay for the school children's meals.

With this Supplementary Appropriation also made possible through funds reallocation, the following expenditure decreases are therefore required to fund the above requirements.

Head 12 Public Debt

Impact on budget balance

	2017-18
(2545) Debt repayment	200,000
Total Impact on Budget	200,000

A total of \$200,000 is to be transferred to cater for these urgent requirements from Head 12.

Head 16 Finance – Others

Impact on budget balance

	2017-18
(2350) Freight	281,500
Total Impact on Budget	281,500

With most of the outstanding freight invoices already processed, the likely savings of \$281,500 is to be transferred to accommodate the needs in other departments. The remaining balance for freight after moving this amount is adequate to cater for the freight invoices from now until end of the month.

Head 18 NRPCCC

Impact on budget balance

	2017-18
(2055) Consultants – fees	200,000
Total Impact on Budget	200,000

Based on their spending to date, \$200K has been identified as potential savings under the NRPCCC consultancy fee and therefore recommend to transfer out of this head to cater for the urgent needs of the Nauru community housing and the school feeding programmes.

Head 42 Multicultural Affairs

Impact on budget balance

	2017-18
(2030) Salaries – contract others	440,000
(2040) Staff training	40,000
(2055) Consultants fees	20,000
(2155) House rental	40,000
(2496) Building & Structures	200,000
Total Impact on Budget	740,000

The above stated sub-heads within the MCA budget have significant savings in this year's budget and part of the current underutilised amounts are now being requested to be reappropriated to other priority areas.

Head 93 Maritime

Impact on budget balance

	2017-18
(2035) Overtime -local	60,000
(2185) R&M building	50,000
Total Impact on Budget	110,000

These funds have been identified as potential savings under Maritime budget and therefore required to be transferred to the Ministerial budget. This will allow Government to fund the requirements of the Nauru Community housing for the last month of current financial year.

Table 2: 2017-18 Supplementary Appropriation No.5– Revenues

Department	2017-18 Original Budget	Suppl Budget No's 1-3	Suppl Budget No. 4	Suppl Budget No. 5	2017-18 Revised Budget
03 - Chief Secretariat	43,350				43,350
04 - Post and Philately	18,100				18,100
07 - GON Warehouse	152,230				152,230
11 - Finance Secretariat	50,000				50,000
15 - Nauru Revenue Office	5,050,000	14,812,000	8,427,464		28,289,464
16 - Finance - Other Payments	26,338,337		3,000,000	500,000	29,838,337
17 - Nauru Customs Office (NCO)	17,146,357		(1,865,615)		15,280,742
18 - NRPCC	0	14,000,000			14,000,000
21 - CIE	16,800				16,800
31 - Fisheries	44,542,726	(1,654,981)			42,887,745
41 - Police	65,000				65,000
42 - Department of Multicultural Affairs	25,582,000		1,112,773		26,694,773
43 - Justice - Secretariat	212,000				212,000
44 - Judiciary	102,250				102,250
45 - Border Control	2,849,840		1,084,910		3,934,750
51 - Education	3,000				3,000
61 - Health	45,650				45,650
62 - Sports	1,000				1,000
83 - Media Bureau	30,000				30,000
84 - Lands & Survey	10,000				10,000
85 - Lands Committee	2,000				2,000
91 - Transport Secretariat	3,275,188				3,275,188
93 - Maritime Transport	2,648,258				2,648,258
95 - ICT	1,519,560	(1,512,000)			7,560
Total	129,703,646	25,645,019	11,759,532	500,000	167,608,197

Table 3: 2017-18 Supplementary Appropriation No.5– Expenditures

Department	2017-18 Original Budget	Suppl Budget Nos. 1-3	Suppl Budget No. 4	Suppl Budget No. 5	2017-18 Revised Budget
01 - Presidency and State House	1,367,794	571,414			1,939,208
02 - Ministerial	9,421,117	96,476	500,000	1,400,000	11,417,593
03 - Chief Secretariat	12,616,958	1,200,000			13,666,958
04 - Post and Philately	136,023	(21,414)			0
05 - Audit	301,985				301,985
06 - Parliament	1,405,268				1,405,268
07 - GON Warehouse	382,223				382,223
08 - National Emergency Services	2,141,404				2,141,404
09 - Electoral Commission	323,773				323,773
11 - Finance Secretariat	1,883,470	191,247	50,000		2,124,717
12 – Public Debts	0	2,300,000	1,020,000	(200,000)	2,120,000
13 - Bureau of Statistics	129,335				129,335
15 - Nauru Revenue Office	312,693				312,693
16 - Finance - Other Payments	38,879,765	9,822,200	7,000,000	(781,500)	52,920,465
17 - Nauru Customs Office	412,090	35,000			447,090
18 – NRPC	0	1,815,020		(200,000)	1,415,020
21 - CIE	765,342				765,342
31 - Fisheries	1,940,362	180,000			2,120,362
41 - Police	2,339,953				2,339,953
42 - Department of Multicultural Affairs	9,541,815	1,500,000		(740,000)	10,301,815
43 - Justice - Secretariat	3,373,094				3,373,094
44 - Judiciary	1,546,929				1,546,929
45 - Border Control	1,078,667				1,078,667
46 - Correctional Services	499,535	120,687			620,222
51 - Education	8,229,440			131,500	8,229,440
52 - Youth Affairs	173,408				173,408
61 - Health	9,330,299	3,586,944	1,000,000		13,917,243
62 - Sports	225,612	1,671,000			1,896,612
63 - Department of Infrastructure development	78,236	1,515,000	1,667,500		3,260,736
71 - Foreign Affairs - Secretariat	937,209				937,209
72 - Foreign Affairs - Brisbane	869,949	282,980			1,152,929
73 - Foreign Affairs - Suva	515,047	115,132			630,180
74 - Foreign Affairs - New York	1,664,248	434,070			2,098,318
75 - Foreign Affairs - Taiwan	407,827	62,493			470,320
81 - Home Affairs	3,237,032	120,000	460,000		3,817,032
82 - Women's Affairs	185,671	35,000			220,671
83 - Media Bureau	356,639				356,639
84 - Lands & Survey	4,832,787				4,832,787

85 - Lands Committee	226,195				226,195
86 - Department of Land Management	90,406				90,406
91 - Transport Secretariat	2,463,761				2,463,761
93 - Maritime Transport	3,362,138			(110,000)	3,252,138
95 - ICT	1,654,879				1,654,879
Total	129,640,378	25,708,249	11,697,500	-500,000	167,546,126