



# REPUBLIC OF NAURU

## SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2018-19

4<sup>TH</sup> OCTOBER 2018

CIRCULATED BY  
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## **SUPPLEMENTARY APPROPRIATION 2018-19**

### **OVERVIEW**

The *Supplementary Appropriation Bill (No. 2 2018-19)* recognises additional revenue from two sources. NRPCC is expecting to negotiate a further \$5.0 mil in management fee payments from Canstruct and from the Employment/Withholding tax has been an agreement to pay from arrears by the Australian Border Force from previous years. Overall, we are anticipating approximately a further \$6.02 mil in revenue from these sources.

From this revenue the Government will fund increased capital spending in storage space for the Government offices, laptops for Parliamentarians, refurbishing the paediatric ward at the hospital, public works infrastructure including funding improvements to the “Maqua” cultural site and removal of the old cantilever shore bins at Aiwo.

Increased operational costs are funded in the Parliament associated with travel and weekend allowances to Police Officers. Funding is provided to Education to offer a further seven students scholarships to study in Australia. Women’s Affairs receives funds from the import duties imposed on alcohol for funding of the Safe House.

In this Supplementary budget the Government intends to provide for additional emphasis on Foreign Affairs. The Bill provides funding to establish a new permanent mission of the United Nations in Geneva and a High Commission in New Delhi. It is anticipated that this will improve reporting and implementation on humanitarian and disarmament treaties and access support from the UN for capacity building. It will also provide additional funds for the operation of the Foreign Affairs mission in New York.

New expenditure in this Supplementary total is \$6.007 mil.

Overall this Supplementary Appropriation will result in a potential budget surplus of \$222k..

**Table 1. Domestic Budget Aggregates**

	<b>2018-19 Budget</b>	<b>2018-19 Revised Budget</b>	<b>Variance to Budget</b>
Revenue	154,600,457	182,887,450	28,286,993
Expenditure	154,432,501	182,664,911	28,232,409
Budget Balance	167,956	222,539	54,584

**REVENUES**

The following changes to revenue are required in the budget.

<b>15 NRO Revenue increase</b>		
		2018-19
1590 - Employment/Withholding tax		1,025,700
<b>Total impact on budget</b>		<b>1,025,700</b>

There has been a payment of tax arrears from the Australian Border Force for staff working on the island.

<b>18 NRPCC Revenue increase</b>		
		2018-19
1495 - Service Fees		5,000,000
<b>Total impact on budget</b>		<b>5,000,000</b>

It is anticipated that a further \$5.0 mil will be negotiated in management fees in this financial year with Canstruct.

**EXPENDITURES**

The following expenditure increases are required in the budget.

<b>02 Ministerial</b>		
		2018-19
2496 Buildings & Structures		90,000
<b>Total impact on budget</b>		<b>90,000</b>

Funding is provided for the demolition of concrete stumps and the construction of a new storage building at the Government compound.

<b>06 Parliament</b>		
		2018-19
2075 Travel Business		235,119
2495 - Plant & Equipment Purchases		44,000
<b>Total impact on budget</b>		<b>279,119</b>

Additional funding is provided to Parliament to allow for travel to Ukraine, Geneva, Canberra, Melbourne and the Cook Islands by the Speaker this financial year. It also

settles payment arrears from previous trips to South Ossetia. The provision also includes funding for the purchase of 22 laptop computers for Parliamentarians.

<b>16 Finance Other Payments</b>		
	2018-19	
2496 Buildings & Structures		1,800,000
2652 Fiscal Cash Buffer		700,000
<b>Total impact on budget</b>		<b>2,500,000</b>

A provision has been made under Finance Other Payments for the removal of the old Aiwo cantilever shore bins. The Fiscal Cash buffer has also been added to consistent with IMF recommendations.

<b>41 Police</b>		
	2018-19	
2015 - Salary Local		58,400
<b>Total impact on budget</b>		<b>58,400</b>

Provision is made to pay Saturday and Sunday on-duty allowances for Police Officers and Reservists.

<b>51 Education</b>		
	2018-19	
2440 Scholarships School & Trade		280,000
<b>Total impact on budget</b>		<b>280,000</b>

Provision is made for the Education department to offer an additional 7 students RONSS year 9 scholarship study in Australia.

<b>61 Health</b>		
	2018-19	
2496 Buildings & Structures		477,816
<b>Total impact on budget</b>		<b>477,816</b>

Funding is provided in the Health budget to refurbish the Paediatric ward at the RON Hospital.

<b>63 Infrastructure</b>		
	2018-19	
2580 Public works		1,203,300
<b>Total impact on budget</b>		<b>1,203,300</b>

Additional funding is provided to the Infrastructure department for funding footpaths, retaining walls and various other public works.

<b>74 Foreign Affairs New York</b>		
	2018-19	
2070 - Travel Staff		20,862
2075 - Travel Business		66,288
2370 - Membership fees & Subscriptions		73,627
2690 - Foreign exchange gains/losses		38,099
<b>Total impact on budget</b>		<b>198,876</b>

Further funding is provided for the operation of the Foreign Affairs mission in New York through until the end of the financial year.

<b>76 Foreign Affairs Geneva (New)</b>		
		2018-19
2015 - Salary Local		311,363
<b>Total impact on budget</b>		<b>311,363</b>

Appropriation is provided to establish a new overseas mission to the United Nations office in Geneva.

<b>77 High Commission India (New)</b>		
		2018-19
2015 Salary Local		332,125
<b>Total impact on budget</b>		<b>332,125</b>

Funding is provided to establish a new High Commission in New Delhi (India).

<b>81 Home Affairs</b>		
		2018-19
2496 Buildings & Structures		106,573
<b>Total impact on budget</b>		<b>106,573</b>

Provision is made to the Ministry of Home Affairs to construct infrastructure and provide maintenance to the "Maqua" subterranean water cave.

<b>82 Womens Affairs</b>		
		2018-19
2630 Safe House		170,000
<b>Total impact on budget</b>		<b>170,000</b>

Women's Affairs has been provided with funding for the Safe House associated with the hypothecation of alcohol import duties.

**Table 2: 2017-18 Supplementary Appropriation No.4– Revenues**

Description	2018-19 Original Budget	Supplimentary Budget No.1	Supplementary Budget No.2	2018-19 Revised Budget
03 - Chief Secretariat	(48,380)	0		(48,380)
07 - GON Warehouse	(152,230)	0		(152,230)
09 - Electoral Commission	(162,000)	0		(162,000)
11 - Finance Secretariat	(20,000)	0		(20,000)
15 - Nauru Revenue Office	(29,320,000)	0	(1,025,700)	(30,345,700)
16 - Finance - Other Payments	(15,423,055)	0		(15,423,055)
17 - Nauru Customs Office (NCO)	(16,414,307)	0		(16,414,307)
18 - Nauru Regional Processing Centre (NRPCC) Corporation	(16,000,000)	(2,896,250)	(5,000,000)	(23,896,250)
21 - CIE	(7,500)	0		(7,500)
31 - Fisheries	(33,656,961)	(19,365,043)		(53,022,004)
41 - Police	(120,000)	0		(120,000)
42 - Department of Multicultural Affairs	(34,269,180)	0		(34,269,180)
43 - Justice - Secretariat	(218,000)	0		(218,000)
44 - Judiciary	(102,250)	0		(102,250)
45 - Border Control	(2,842,640)	0		(2,842,640)
50 - Directorate of TVET	(180,000)	0		(180,000)
51 - Education	0	0		0
61 - Health	(27,000)	0		(27,000)
83 - Media Bureau	(30,000)	0		(30,000)
84 - Lands & Survey	(7,000)	0		(7,000)
85 - Lands Committee	(2,000)	0		(2,000)
91 - Department of Transport	(3,472,788)	0		(3,472,788)
92 - Lands Transport	0	0		0
93 - Maritime Transport	(2,114,606)	0		(2,114,606)
95 - ICT	(10,560)	0		(10,560)
	<b>(154,600,457)</b>	<b>(22,261,293)</b>	<b>(6,025,700)</b>	<b>(182,887,450)</b>

**Table 3: 2017-18 Supplementary Appropriation No.4– Expenditures**

Description	2018-19 Original	Supplimentary	Supplementary	2018-19 Revised
	▼ Budget	▼ Budget No.1	▼ Budget No.2	▼ Budget
01 - Presidency and State House (including GIO)	1,548,215	0		1,548,215
02 - Ministerial	7,356,896	1,850,000	90,000	9,296,896
03 - Chief Secretariat	14,246,665	565,000		14,811,665
05 - Audit	345,203	0		345,203
06 - Parliament	1,254,482	70,000	279,119	1,603,601
07 - GON WareHouse	408,552	0		408,552
08 - National Emergency Services	1,587,800	0		1,587,800
09 - Electoral Commission	397,684	0		397,684
11 - Finance Secretariat	1,885,038	0		1,885,038
12 - Finance -Public Debt	4,165,369	2,782,035		6,947,404
13 - Bureau of Statistics	109,797	0		109,797
15 - Nauru Revenue Office	374,911	0		374,911
16 - Finance - Other Payments	34,100,097	13,437,552	2,500,000	50,037,649
17 - Nauru Customs Office (NCO)	386,983	0		386,983
18 - Nauru Regional Processing Centre (NRPCC) Corporation	2,809,365	2,896,250		5,705,615
21 - CIE	839,197	0		839,197
31 - Fisheries	2,214,832	0		2,214,832
41 - Police	2,790,806	0	58,400	2,849,206
42 - Department of Multicultural Affairs	24,749,541	0		24,749,541
43 - Justice - Secretariat	3,530,727	0		3,530,727
44 - Judiciary	1,835,302	0		1,835,302
45 - Border Control	1,048,063	0		1,048,063
46 - Correctional Services	815,736	0		815,736
50 - Directorate of TVET	1,542,236	0		1,542,236
51 - Education	8,302,023	0	280,000	8,582,023
52 - Youth Affairs	155,842	0		155,842
61 - Health	12,932,699	0	477,816	13,410,515
62 - Sports	276,639	0		276,639
63 - Department of Infrastructure Development	363,973	624,000	1,203,300	2,191,273
71 - Foreign Affairs - Secretariat	1,029,264	0		1,029,264
72 - Foreign Affairs - Brisbane	907,638	0		907,638
73 - Foreign Affairs - Suva	518,391	0		518,391
74 - Foreign Affairs - New York	1,866,142	0	198,876	2,065,018
75 - Foreign Affairs - Taiwan	413,134	0		413,134
76 - Foreign Affairs - Geneva (New)	0	0	311,363	311,363
77 - Foreign Affairs - New Delhi (New)	0	0	332,125	332,125
81 - Home Affairs	3,661,961	0	106,573	3,768,534
82 - Women's Affairs	196,707	0	170,000	366,707
83 - Media Bureau	448,034	0		448,034
84 - Lands & Survey	5,386,712	0		5,386,712
85 - Lands Committee	218,887	0		218,887
86 - Department of Land Management	89,701	0		89,701
91 - Department of Transport	2,390,802	0		2,390,802
93 - Maritime Transport	2,242,669	0		2,242,669
95 - ICT	2,545,533	0		2,545,533
97 - Telecom	142,257	0		142,257
	<b>154,432,501</b>	<b>22,224,837</b>	<b>6,007,572</b>	<b>182,664,911</b>