



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2015-16

23 OCTOBER 2015

CIRCULATED BY
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SUPPLEMENTARY APPROPRIATION 2015-16

OVERVIEW

The *Supplementary Appropriation Bill (No. 2 2015-16)* makes several of adjustments to the 2015-16 Budget estimates of revenue and expenditure based on updated information and to provide for events, which were unanticipated at the time the 2015-16 Budget.

Since the original estimates were prepared it is expected that the revenue from Employment tax will be \$2.4mil greater than initial estimates.

In respect to Purse Seine Fishing days revenue the Government has received \$8.9mil that was also not included in the original estimates.

Visa fees related to asylum/refugees are estimated to be \$4.3mil higher than original estimates due to the recent changes in the number of each visa category.

Additional reimbursable costs of \$0.7mil have been included associated with the increased numbers of CLO's being employed.

Customs duties are expected to be \$4.0 mil lower than the original estimates.

The anticipated \$1.0mil revenue associated with Bank of Nauru payments from Ronphos is now thought unlikely to occur and has been removed from the estimates.

In the Justice Secretariat the original revenue estimates double counted \$2.4 mil of refugee related visa fee revenue and this has been reversed.

Business visa revenue appears to have been considerably over estimated and has been adjusted downwards by \$4.5mil

Revenue from passenger departure taxes has been adjusted down by \$0.7 mil based on the amounts received to date.

Overall anticipated revenue has grown from \$115.2 mil in the original budget to \$117.8 in the revised estimates an increase of \$2.6 mil.

Table 1: 2015-16 Domestic Budget Aggregates ('000)

| | 2015-16 Budget | 2015-16 Revised Budget* | Variance to revised Budget |
|-----------------------|---------------------------|--|---|
| Revenue | 115,212.7 | 117,843.5 | 2,630.8 |
| Expenditure | 115,072.5 | 117,822.9 | 2,750.4 |
| Budget Balance | 140.2 | 140.2 | 20.5 |

- Revised 2015-16 Budget includes *Supplementary Appropriation Act (No. 1) 2015-16*

DOMESTIC EXPENDITURES

The following expenditure changes are required in the budget.

Head 02 Ministerial

Impact on budget balance (\$)

| | 2015-16 |
|--|----------------|
| (2055) Consultants fees | 50,000 |
| (2185) Repairs & Maintenance Buildings | 200,000 |
| (2235) Special Projects | 272,000 |
| Total Impact on Budget | 522,000 |

The Ministerial budget is seeking an additional \$50,000 to cover the cost of two media consultants; \$200,000 to cover the cost of Government office renovations and \$272,000 to pay for Scholarships, PABX system, Cultural dances and additional Centennial hall renovation costs.

Head 03 Chief Secretariat

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|----------------|
| (2315) Electricity costs | 512,000 |
| Total Impact on Budget | 512,000 |

In this year's budget electricity costs have been centralised under the Chief Secretariat. Based on expenditure to date a further \$512,000 will be required to meet this expense this year.

Head 11 Finance Secretariat

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|----------------|
| (2055) Consultants fees | 240,000 |
| (2350) Freight | 104,000 |
| Total Impact on Budget | 344,000 |

The Finance Secretariat budget is seeking a further \$240,000 to cover the anticipated cost of Consultants for the remainder of the year. In this year's budget all freight costs to Government have been centralised under Finance. Recent vehicle

purchases indicate a further \$104,000 will be required to meet current year freight costs.

Head 31 Fisheries

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|----------------|
| (2075) Travel Business | 150,000 |
| Total Impact on Budget | 150,000 |

The Fisheries budget is projected to require a further \$150,000 for Business Travel this financial year.

Head 41 Police

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|----------------|
| (2015) Local Salaries | 300,000 |
| Total Impact on Budget | 300,000 |

Based on current spending the Police budget will require an additional \$300,000 to provide for the costs of Local Police and Reserves for the remainder of the year.

Head 43 Justice Secretariat

Impact on budget balance (\$)

| | 2015-16 |
|--------------------------------------|------------------|
| (2025) Allowances –Staff Contract | 100,000 |
| (2075) Travel Business | 150,000 |
| (2575) Local Transport | 100,000 |
| (2235) Special Projects | 715,000 |
| Total Impact on Budget | 1,065,000 |

Justice Secretariat seek an additional \$100,000 to provide for Security along with a further \$150,000 for Business Travel and \$100,000 for Local Transport costs. The cost of additional CLO's is estimated at \$715,000 and is a reimbursable expense.

Head 61 Health*Impact on budget balance (\$)*

| | 2015-16 |
|---|----------------|
| (2030) Salaries Other contracts - Expatriate | 200,000 |
| (2475) Overseas Medical Treatment | 500,000 |
| Total Impact on Budget | 700,000 |

The Health budget requires an additional \$200,000 for the continuing provision of locum doctors at the hospital. An additional \$500,000 is also being provided for the cost of Overseas medical treatment this year.

Head 62 Sports*Impact on budget balance (\$)*

| | 2015-16 |
|---|---------------|
| (2030) Printing and Stationary | 3,000 |
| (2235) Special Projects | 6,000 |
| (2615) Other Subsidies and Donations | 47,000 |
| Total Impact on Budget | 56,000 |

The Sports department is seeking an additional \$3,000 to cover printing costs; \$6,000 for Special Projects and \$47,000 to cover the costs of medals and awards for local athletes.

Head 84 Lands & Survey*Impact on budget balance (\$)*

| | 2015-16 |
|-------------------------------|----------------|
| (2235) Special Project | 188,640 |
| Total Impact on Budget | 188,640 |

Lands & Survey seek provision for \$188,640 for Special projects that was approved but not included in the original estimates.

Head 86 Department of Land Management

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|---------------|
| (2015) Salary Local | 15,000 |
| (2055) Consultants fees | 50,000 |
| Total Impact on Budget | 65,000 |

The Department of Land Management seek a further \$15,000 for the salary of a Director and \$50,000 to pay for the provision of consultant legal advice.

Head 45 Border Control

Impact on budget balance (\$)

| | 2015-16 |
|-------------------------------|-----------------|
| (2130) Printing & Stationary | -500,000 |
| Total Impact on Budget | -500,000 |

It is proposed to reduce the current provision of \$930,000 for the printing of travel documents by \$500,000. To date there has been no expenditure against this item and after the reduction \$430,000 will remain to meet any travel document printing needs.

Table 2: 2015-16 Supplementary Appropriation No.2– Revenues

| <i>Dept No.</i> | <i>Dept Description</i> | <i>2015-16 Original Budget</i> | <i>Supplementary #2</i> | <i>2015-16 Revised Budget</i> |
|-----------------|----------------------------|--------------------------------|-------------------------|-------------------------------|
| 03 | Chief Secretariat | 25,700 | - | 25,700 |
| 04 | Post and Philately | 7,700 | 2,280.00 | 5,420 |
| 07 | GON WareHouse | - | 34,602.00 | 34,602 |
| 11 | Finance Secretariat | 1,511,000 | - | 1,511,000 |
| 15 | Nauru Revenue Office | 10,862,500 | 2,424,793.00 | 13,287,293 |
| 16 | Finance - Other Payments | 9,100,688 | 1,000,000.00 | 8,100,688 |
| 17 | Nauru Customs Office (NCO) | 17,374,400 | 3,982,490.00 | 13,391,910 |
| 21 | CIE | - | 845.00 | 845 |
| 31 | Fisheries | 26,312,391 | 8,909,688.00 | 35,222,079 |
| 41 | Police | 10,000 | 2,375.00 | 12,375 |
| 43 | Justice - Secretariat | 10,669,686 | 1,663,000.00 | 9,006,686 |
| 44 | Judiciary | 12,000 | - | 12,000 |
| 45 | Border Control | 29,852,000 | 866,183.00 | 28,985,817 |
| 51 | Education | 5,800 | - | 5,800 |
| 61 | Health | 98,200 | - | 98,200 |
| 62 | Sports | 2,500 | - | 2,500 |
| 83 | Media Bureau | 40,000 | - | 40,000 |
| 84 | Lands & Survey | 2,175,890 | - | 2,175,890 |
| 85 | Lands Committee | 2,405 | - | 2,405 |
| 91 | Transport Secretariat | 250 | - | 250 |
| 92 | Lands Transport | 20,000 | - | 20,000 |
| 93 | Maritime Transport | 2,000,000 | 770,268.00 | 1,229,732 |
| 94 | DCA | | - | |

| Dept No. | Dept Description | 2015-16 Original Budget | Supplementary #2 | 2015-16 Revised Budget |
|------------------|-------------------------|--------------------------------|-------------------------|-------------------------------|
| | | 3,728,700 | 456,381.00 | 3,272,319 |
| 95 | ICT | 1,400,000 | - | 1,400,000 |
| TREASURY REVENUE | | | | |
| TOTAL: | | 115,211,810 | 2,631,701.00 | 117,843,511 |

Table 3: 2015-16 Supplementary Appropriation No.2– Expenditures

| <i>Dept No.</i> | <i>Dept Description</i> | <i>2015-16 Original Budget</i> | <i>Supplementary #2</i> | <i>2015-16 Revised Budget</i> |
|-----------------|--|--------------------------------|-------------------------|-------------------------------|
| 01 | Presidency and State House (including GIO) | 1,479,486 | | 1,479,486 |
| 02 | Ministerial | 7,981,228 | 522,000 | 8,503,228 |
| 03 | Chief Secretariat | 10,357,001 | 512,000 | 10,869,001 |
| 04 | Post and Philately | 161,122 | | 161,122 |
| 05 | Audit | 345,112 | | 345,112 |
| 06 | Parliament | 1,224,959 | | 1,224,959 |
| 07 | GON WareHouse | 235,914 | | 235,914 |
| 08 | National Emergency Services | 892,906 | | 892,906 |
| 11 | Finance Secretariat | 3,608,906 | 344,000 | 3,952,906 |
| 12 | Finance -Public Debt | 2,690,210 | | 2,690,210 |
| 13 | Bureau of Statistics | 88,188 | | 88,188 |
| 15 | Nauru Revenue Office | 266,385 | | 266,385 |
| 16 | Finance - Other Payments | 30,356,491 | | 30,356,491 |
| 17 | Nauru Customs Office (NCO) | 508,025 | | 508,025 |
| 21 | CIE | 329,925 | | 329,925 |
| 31 | Fisheries | 1,625,742 | 150,000 | 1,775,742 |
| 41 | Police | 1,999,093 | 300,000 | 2,299,093 |
| 43 | Justice - Secretariat | 5,522,698 | 1,065,000 | 6,587,698 |
| 44 | Judiciary | 1,147,281 | | 1,147,281 |
| 45 | Border Control | 1,406,180 | 500,000 | 906,180 |
| 46 | Correctional Services | 530,830 | | 530,830 |
| 51 | Education | 7,386,226 | | 7,386,226 |
| 52 | Youth Affairs | | | |

| Dept No. | Dept Description | 2015-16 Original Budget | Supplementary #2 | 2015-16 Revised Budget |
|---------------------------------|-------------------------------|--------------------------------|-------------------------|-------------------------------|
| | | 155,315 | | 155,315 |
| 61 | Health | 10,381,151 | 700,000 | 11,081,151 |
| 62 | Sports | 274,251 | 56,000 | 330,251 |
| 71 | Foreign Affairs - Secretariat | 1,124,784 | | 1,124,784 |
| 72 | Foreign Affairs - Brisbane | 760,678 | | 760,678 |
| 73 | Foreign Affairs - Suva | 421,406 | | 421,406 |
| 74 | Foreign Affairs - New York | 954,541 | | 954,541 |
| 75 | Foreign Affairs - Taiwan | 337,173 | | 337,173 |
| 81 | Home Affairs | 3,253,011 | | 3,253,011 |
| 82 | Women's Affairs | 183,874 | | 183,874 |
| 83 | Media Bureau | 426,070 | | 426,070 |
| 84 | Lands & Survey | 7,025,170 | 188,640 | 7,213,810 |
| 85 | Lands Committee | 176,320 | | 176,320 |
| 86 | Department of Land Management | 279,289 | 65,000 | 344,289 |
| 91 | Transport Secretariat | 84,595 | | 84,595 |
| 92 | Lands Transport | 675,352 | | 675,352 |
| 93 | Maritime Transport | 4,828,549 | | 4,828,549 |
| 94 | DCA | 1,463,447 | | 1,463,447 |
| 95 | ICT | 1,471,406 | | 1,471,406 |
| TREASURY EXPENSES TOTAL: | | 115,062,151 | 3,402,640 | 117,822,929 |