



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2015-16

10TH MARCH 2016

CIRCULATED BY
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SUPPLEMENTARY APPROPRIATION 2015-16

OVERVIEW

The *Supplementary Appropriation Bill (No. 5 2015-16)* makes an adjustment to revenue associated with reimbursable costs of supplying security services to the RPC's. Several adjustments to the revised 2015-16 Budget estimates of expenditure are also detailed to provide for events and policy decisions which have arisen and which were unanticipated at the time the 2015-16 Budget.

The Government has made provision in this Supplementary Appropriation to provide \$3.0 million in counterpart funding for the replacement of the deep water mooring system. With this contribution a further \$3.0 million will be contributed from the private sector enabling a resolution of this long-running problem.

This Supplementary Appropriation provides additional \$46.6 thousand dollars for the repatriation costs of the Ambassador to Taiwan. . A further \$150.0 thousand dollars has been appropriated as a project in the Chief Secretariat area to fund the costs of the general election later this year. Recognising the Government's decision to provide for a separate department to handle refugee and asylum seeker affairs this Supplementary provides funds to establish the department and its operation for the remainder of the financial year. This will be a cost neutral policy decision with the funds to provide for the department coming from savings within the existing Justice Secretariat budget.

The Government has also provided a further \$550 thousand dollars to the Nauru Community Housing Scheme under the Ministerial budget. Education also receives \$100 thousand in special project funds to clean school facilities.

In addition this Supplementary Appropriation provides Finance –Other Payments a total of \$4.870 million to reimburse the Subsidies & Donations account for cover unbudgeted expenditures that have occurred from this area. \$2.991 million is a reimbursable cost for Security services to the three RPC's. It is necessary to reimburse these funds to allow for the subsidy to NUC for fuel purchases to continue for the remainder of the year.

Overall these additional outlays will increase aggregate expenditure this year to an anticipated \$131.632 mil an increase of \$8.567 mil on the revised estimates.

With the reimbursable costs for security services increasing Revenue estimates by \$2.991 mil total revenue is expected to be \$125.435 mil and a \$6.197 mil deficit is expected for the financial year. The deficit is to be funded from accumulated cash reserves.

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

	2015-16 Budget	2015-16 Revised Budget*	Variance to Budget
Revenue	115,212.7	125,434.7	10,222.0
Expenditure	115,072.5	131,631.7	16,559.2
Budget Balance	140.2	(6,197.0)	(6,337.2)

- Revised 2015-16 Budget includes *Supplementary Appropriation Act (No. 1) 2015-16; Supplementary Appropriation Act (No. 2) 2015-16; Supplementary Appropriation Act (No. 3) 2015-16 and Supplementary Appropriation Act (No. 4) 2015-16*

REVENUES

The following revenue increase is required to the budget.

Head 16 Finance Other Payments

Impact on budget balance (\$,000)

	2015-16
(1475) Miscellaneous Revenue	2,991.0
Total Impact on Budget	2,991.0

The Government is paying for security costs at the RPC's on a reimbursable cost basis. For the current financial year this is expected to be \$2.991 mil. This revenue is matched with the corresponding expenditure under Salaries – Other Contracts in this Head.

EXPENDITURES

The following expenditure increases are required in the budget.

Head 75 Foreign Affairs Taiwan

Impact on budget balance (\$,000)

	2015-16
(2014) Salaries & Allowances	15.6
(2070) Travel -Staff	19.3
(2350) Freight	11.7
Total Impact on Budget	46.6

The Consulate in Taiwan is seeking a total of \$19.3k for airfares and daily subsistence allowances for the Ambassador and his spouse to return to Nauru at the

conclusion of his tenure. A further \$15.6k is sought to pay unexpended recreational leave entitlement. \$11.7k is sought for shipment costs for the Ambassador's return.

Head 03 Chief Secretariat

Impact on budget balance (\$,000)

	2015-16
(2025) Allowances –Staff Contract	60.0
(2030) Salaries –Other Contracts	74.0
(2130) Printing & Stationary	10.0
(2275) Purchase of Petrol	5.0
(2600) Postage	1.0
Total Impact on Budget	150.0

A total of \$150k has been provided under a distinct project fund in the Chief Secretariat's Head to fund the cost of running the forthcoming elections. \$60k has been provided to provide allowances with existing staff involved in the election and a further \$74k to provide for contracted staff to assist in the election. \$16k is provided in incidentals.

Head 02 Ministerial

Impact on budget balance (\$,000)

	2015-16
(2235) Special Projects	550.0
Total Impact on Budget	550.0

The Government has provided a further \$550 thousand in funding for the Nauru Community Housing Scheme for this financial year.

Head 51 Education

Impact on budget balance (\$,000)

	2015-16
(2235) Special Projects	100.0
Total Impact on Budget	100.0

\$100 thousand dollars has been provided under a project in Education to mitigate and improve school facilities such as toilets and sanitary facilities.

Head 42 (New) Refugees and Asylum Seeker Affairs

Impact on budget balance (\$,000)

	Head 43	Head 42	2015-16
(2015) Staff Local	(51.4)	51.4	0
(2020) Salaries Expatriate	(258.6)	258.6	0
(2040) Staff Training	(6.0)	6.0	0
(2045) Recruitment	(1.0)	1.0	0
(2070) Travel -Staff	(60.3)	60.3	0
(2075) Travel -Business	(30.0)	30.0	0
(2100) Entertainment	(5.0)	5.0	0
(2130) Printing & Stationary	(15.0)	15.0	0
(2135) Stores	(5.0)	5.0	0
(2185) R&M Buildings	(20.0)	20.0	0
(2190) R&M Office Equipment	(10.0)	10.0	0
(2205) R&M Plant	(3.0)	3.0	0
(2235) Special Projects	(410.0)	410.0	0
(2330) Telephone/Internet	(3.0)	3.0	0
(2495) Plant & Equipment Purchases	(35.0)	35.0	0
(2575) Local Transport	(20.0)	20.0	0
Total Impact on Budget	(996.2)	996.2	0

The Government has decided to create a new Department of Refugee and Asylum Seeker Affairs. A total of \$996k has been provided for the establishment and operation for the remainder of the financial year. It is to be funded from savings within the existing Justice Secretariat (Head 43) budget. The policy decision will be cost neutral with respect to the budget balance.

Head 93 Maritime Transport

Impact on budget balance (\$,000)

	2015-16
(2235) Special Projects	3,000.0
Total Impact on Budget	3,000.0

The Government has made provision in this Supplementary Appropriation to provide \$3.0 million in counterpart funding for the replacement of the deep water mooring

system. With this contribution a further \$3.0 million will be contributed from the private sector enabling a resolution of this long-running problem.

Head 16 Finance Other Payments

Impact on budget balance (\$,000)

	2015-16
(2615) Other Subsidies & Donations	4,720.3
Total Impact on Budget	4,720.3

\$4.720 million is provided to reimburse the Subsidies & Donations account for cover unbudgeted expenditures that have occurred from this area. \$2.991 million is a reimbursable cost for Security services to the three RPC's. It allows for the continued provision of fuel to NUC following the payment of these unexpected costs.

Table 2: 2015-16 Supplementary Appropriation No.5– Revenues

<i>2015-16 Budget</i>	<i>Dept No.</i>	<i>Dept Description Revenue</i>	<i>Supplementary Budget No 5</i>	<i>2015-16 Revised Budget</i>
25,700	03	Chief Secretariat		25,700
5,420	04	Post and Philately		5,420
34,602	07	GON Warehouse		34,602
6,111,000	11	Finance Secretariat		6,111,000
13,287,293	15	Nauru Revenue Office		13,287,293
8,100,688	16	Finance - Other Payments	2,991,246	11,091,934
13,391,910	17	Nauru Customs Office (NCO)		13,391,910
845	21	CIE		845
35,222,079	31	Fisheries		35,222,079
12,375	41	Police		12,375
9,006,686	43	Justice - Secretariat		9,006,686
12,000	44	Judiciary		12,000
28,985,817	45	Border Control		28,985,817
5,800	51	Education		5,800
98,200	61	Health		98,200
2,500	62	Sports		2,500
40,000	83	Media Bureau		40,000
2,175,890	84	Lands & Survey		2,175,890
2,405	85	Lands Committee		2,405
250	91	Transport Secretariat		250
20,000	92	Lands Transport		20,000
1,229,732	93	Maritime Transport		1,229,732
	94	DCA		

2015-16 Budget	Dept No.	Dept Description Revenue	Supplementary Budget No 5	2015-16 Revised Budget
3,272,319				3,272,319
1,400,000	95	ICT		1,400,000
TREASURY REVENUE				
122,443,511		TOTAL:	2,991,246	125,434,757

Table 3: 2015-16 Supplementary Appropriation No.5– Expenditures

<i>2015-16 Budget</i>	<i>Dept No.</i>	<i>Dept Description Expenditure</i>	<i>Supplementary Budget No 5</i>	<i>2015-16 Revised Budget</i>
1,619,775	01	Presidency and State House (including GIO)		1,619,775
11,118,980	02	Ministerial	550,000	11,668,980
10,519,439	03	Chief Secretariat	150,000	10,669,439
164,819	04	Post and Philately		164,819
349,382	05	Audit		349,382
1,249,369	06	Parliament		1,249,369
288,787	07	GON Warehouse		288,787
905,096	08	National Emergency Services		905,096
4,366,389	11	Finance Secretariat		4,366,389
2,690,210	12	Finance -Public Debt		2,690,210
90,348	13	Bureau of Statistics		90,348
271,355	15	Nauru Revenue Office		271,355
28,856,491	16	Finance - Other Payments	4,720,324	33,576,815
518,762	17	Nauru Customs Office (NCO)		518,762
424,034	21	CIE		424,034
1,775,742	31	Fisheries		1,775,742
2,339,625	41	Police		2,339,625
	42	Refugee & Asylum Seeker Affairs	996,184	996,184
7,254,472	43	Justice - Secretariat	(996,184)	6,258,288
1,160,559	44	Judiciary		1,160,559
912,312	45	Border Control		912,312
546,306	46	Correctional Services		546,306

2015-16 Budget	Dept No.	Dept Description Expenditure	Supplementary Budget No 5	2015-16 Revised Budget
7,481,648	51	Education	100,000	7,581,648
158,568	52	Youth Affairs		158,568
13,630,305	61	Health		13,630,305
333,271	62	Sports		333,271
1,139,037	71	Foreign Affairs - Secretariat		1,139,037
760,678	72	Foreign Affairs - Brisbane		760,678
421,406	73	Foreign Affairs - Suva		421,406
1,177,541	74	Foreign Affairs - New York		1,177,541
337,173	75	Foreign Affairs - Taiwan	46,590	383,763
3,267,800	81	Home Affairs		3,267,800
186,655	82	Women's Affairs		186,655
436,704	83	Media Bureau		436,704
7,224,080	84	Lands & Survey		7,224,080
183,262	85	Lands Committee		183,262
348,463	86	Department of Land Management		348,463
86,065	91	Transport Secretariat		86,065
679,472	92	Lands Transport		679,472
4,828,549	93	Maritime Transport	3,000,000	7,828,549
1,483,190	94	DCA		1,483,190
1,478,675	95	ICT		1,478,675
123,064,791		TREASURY EXPENSES TOTAL:	8,566,914	131,631,705