



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2018-19

18TH DECEMBER 2018

CIRCULATED BY
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SUPPLEMENTARY APPROPRIATION 2018-19

OVERVIEW

The *Supplementary Appropriation Bill (No. 3 2018-19)* recognises additional revenue from two sources. Multicultural Affairs is expected to negotiate a further **\$2.4 million** in unpaid visa fees from the Australian Border Force (ABF). Along with this, Government anticipates **\$300k** being dividend income from the newly established Eigu Solution Corporations (ESC) Limited.

Several adjustments to the revised expenditure are also provided in this supplementary. Capital funding is provided to allow purchase of seven new government vehicles for the Honourable Ministers and one for the Embassy of Nauru in Taiwan. The seven vehicles for the Ministers were purchased using funds under the 50th Anniversary celebration budget and this supplementary appropriation will reimburse that cost accordingly.

In this supplementary, funds are allocated toward needed renovation works at the President and Ministers` offices along with refurbishment of the Foreign Affairs Office in Suva.

Increased operating costs are also provided for. The Office of the Chief Secretary receives funds for the establishment of the Labour Mobility unit. Additional funding is provided to Brisbane Consulate to accommodate salaries for two new procurement staffs and superannuation contributions for existing officers not provided for in the original budget. A provision is made to the Embassy of Nauru in Taiwan to facilitate staff`s official travel and students` transport allowances to attend national events hosted by the Embassy. This supplementary also includes a provision to make partial repayment of outstanding Ronwan debts.

As part of the Nauru 50th year anniversary celebration, new funding is allocated in this supplementary for hosting of the Weightlifting and Powerlifting Tournament both to be held in Nauru in 2019. The Government is also providing funds for purchase of fireworks for Christmas and Independence Day closing ceremony.

An amount is allocated to host the much anticipated visit of the President of the Republic of (China) Taiwan and his 100 delegates in March 2019.

This supplementary provides an additional expenditure of **\$4.99 million**. This will be fully funded through a reduced contribution of **\$2.29 million** to the Fiscal Cash Buffer along with the expected additional revenue of **\$2.7 million**.

The overall impact of this supplementary on the bottom line (surplus/deficit) is therefore nil and the forecast budget surplus of **\$222k** is maintained for the year.

Table 1. Domestic Budget Aggregates

	2018-19 Budget	2018-19 Revised Budget	Variance to Budget
Revenue	154,600,457	185,587,450	30,986,993
Expenditure	154,432,501	185,364,910	30,932,409
Budget Balance	167,956	222,540	54,584

REVENUES

The following revenue increases is required to the budget.

16 Finance Other increase	
2018-19	
1015 SoEs Dividend	300,000
Total impact on budget	300,000

It is anticipated that additional revenue will be collected in the form of Dividend from Eigu Solutions Corporations (ESC).

42 Multicultural Affairs Revenue increase	
2018-19	
1580 Visa Resettlement	2,400,000
Total impact on budget	2,400,000

It is anticipated that a further \$2.4 million will be negotiated with the Government of Australia for unpaid RPC visa fees.

EXPENDITURES

The following expenditure increases are required in the budget.

02 Ministerial Expenditure increase	
2018-19	
2695 - 50th Anniversary Independence Celebrations	1,460,000
2185 - R & M Building	115,000
Total impact on budget	1,575,000

\$1m is provided under Ministerial to cater for the upcoming Powerlifting and Weight Lifting championships in January, Christmas and Independence Day celebrations and hosting of the Taiwan delegation in March 2019. The remaining \$460k is reimbursements for the seven Ministerial cars purchased earlier by government. Additional funding is provided for renovation work at the President and two Ministers 'Offices.

03 Chief Secretary Expenditure increase		
	2018-19	
2015 - Salary Local		13,000
2495 - Plant and Equipment Purchases		10,000
Total impact on budget		23,000

Additional funding is provided to the Office of the Chief Secretary for the establishment of the Pacific Labour Mobility program.

12 Public Debt Expenditure increase		
	2018-19	
2545 - Debt Repayments Other		3,000,000
Total impact on budget		3,000,000

A total of around \$3 million is set aside to allow partial repayments of Ronwan outstanding debts.

72 Foreign Affairs Brisbane Expenditure increase		
	2018-19	
2020 - Salary Expatriate		138,179
Total impact on budget		138,179

A provision is made under the Brisbane Consular Office to accommodate two new procurement staffs salaries. They were not included in the original budget as their appointment came after the budget announcement.

73 Foreign Affairs Suva Expenditure increase		
	2018-19	
2185 - R&M Building		188,767
Total impact on budget		188,767

Additional fund is provided to the Foreign Affairs office in Suva for needed repairs and refurbishment works of the office area.

75 Foreign Affairs Taiwan Expenditure increase		
	2018-19	
2075 - Travel Business		20,544
2495 - Plant & Equipment Purchases		52,000
Total impact on budget		72,544

Embassy of Nauru in Taiwan receives additional travel budget for staffs` and students official travelling within and outside the Taipei area. A further provision is allocated for purchase of a new vehicle for the Embassy.

The following expenditure reduction is proposed in this supplementary to fund the additional expenditure:

16 Finance Other Expenditure decrease		
		2018-19
2652 - Fiscal Cash Buffer	-	2,297,490
Total impact on budget	-	2,297,490

A reduced contribution will be made to the Fiscal Cash Buffer to fund the increase in expenditures in this supplementary.

Table 2: 2018-19 Supplementary Appropriation No.3– Revenues

Description	2018-19 Original Budget	Supplementary Budget No.1 & 2	Supplementary Budget No.3	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)	(1,025,700)		(30,345,700)
16 - Finance - Other Payments	(15,423,055)	0	(300,000)	(15,723,055)
17 - Nauru Customs Office (NCO)	(16,414,307)	0		(16,414,307)
18 - Nauru Regional Processing Centre (NRPCC)	(16,000,000)	(7,896,250)		(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	(2,400,000)	(36,669,180)
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)
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)
93 - Maritime Transport	(2,114,606)	0		(2,114,606)
95 - ICT	(10,560)	0		(10,560)
	(154,600,457)	(28,286,993)	(2,700,000)	(185,587,450)

Table 3: 2018-19 Supplementary Appropriation No.3– Expenditures

Description	2018-19 Original Budget	Supplementary Budget No.1 & 2	Supplementary Budget No.3	2018-19 Revised Budget
01 - Presidency and State House (including GIO)	1,548,215	0		1,548,215
02 - Ministerial	7,356,896	1,940,000	1,575,000	10,871,896
03 - Chief Secretariat	14,246,665	565,000	23,000	14,834,665
05 - Audit	345,203	0		345,203
06 - Parliament	1,254,482	349,119		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	3,000,000	9,947,404
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	15,937,552	(2,297,490)	47,740,159
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	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	280,000		8,582,023
52 - Youth Affairs	155,842	0		155,842
61 - Health	12,932,699	477,816		13,410,515
62 - Sports	276,639	0		276,639
63 - Department of Infrastructure Development	363,973	1,827,300		2,191,273
71 - Foreign Affairs - Secretariat	1,029,264	0		1,029,264
72 - Foreign Affairs - Brisbane	907,638	0	138,179	1,045,817
73 - Foreign Affairs - Suva	518,391	0	188,767	707,158
74 - Foreign Affairs - New York	1,866,142	198,876		2,065,018
75 - Foreign Affairs - Taiwan	413,134	0	72,544	485,678
76 - Foreign Affairs - Geneva (New)	0	311,363		311,363
77 - Foreign Affairs - New Delhi (New)	0	332,125		332,125
81 - Home Affairs	3,661,961	106,573		3,768,534
82 - Women's Affairs	196,707	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
	154,432,501	28,232,409	2,700,000	185,364,910