

I hereby certify that the attached document is a fair print of an Act entitled **Supplementary Appropriation Act (no. 3) 2016 – 2017** has been passed by Parliament and is now presented to the Speaker of Parliament for his Certificate under Article 47 of the Constitution



**Clerk of Parliament**  
**23<sup>rd</sup> December 2016**

Pursuant to Article 47 of the Constitution, I, **Cyril Buramen**, Speaker of Parliament, hereby certify that **Supplementary Appropriation Act (no. 3) 2016 – 2017** has been passed by the Parliament.



**Speaker of Parliament**  
**23<sup>rd</sup> December 2016**



REPUBLIC OF NAURU  
**Supplementary Appropriation Act 2016-17 No.3**

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Act No. 60 of 2016

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**REPUBLIC OF NAURU**  
**SUPPLEMENTARY APPROPRIATION ACT 2016-17, No.3**

**Act No. 60 of 2016**

A bill for an Act to provide for the supplementary revenue, withdrawal and expenditure of funds from the Treasury Fund to meet the expenditure of the Republic for the financial year ending on 30 June 2017

*Certified on*

Enacted by the Parliament of Nauru as follows:

**1 Short title**

This Act may be cited as the **SUPPLEMENTARY APPROPRIATION ACT 2016-17, No.3**

**2 Commencement and expiry**

- (1) This Act commences on the day it receives the certificate of the Speaker under Article 47
- (2) This Act expires at the end of 30 June 2017.

**3 Withdrawal of funds from the Treasury Fund**

(1) An amount not exceeding **\$1,592,000** may be withdrawn from the Treasury Fund and expended as authorized in the 4<sup>th</sup> column of the Schedule and detailed in the Supplementary Estimates of Expenditure presented to Parliament on 22nd of December 2016.

(2) The amounts in the Schedule are in addition to and not in substitution for the amounts authorized for withdrawal under the *Appropriation Act 2016-17*.

## Schedule 2: 2016-17 Supplementary Appropriation Act (No.3) Revenue Details

Dept No.	Dept Description	2016-17 Original Budget	Supplementary Budget No.3	2016-17 Revised Budget
03	Chief Secretariat	127,350		127,350
04	Post and Philately	6,200		6,200
07	GON Warehouse	270,000		270,000
11	Finance Secretariat	280,000		280,000
15	Nauru Revenue Office	14,267,100		10,841,300
16	Finance - Other Payments	9,888,000	935,000	20,623,300
17	Nauru Customs Office (NCO)	19,971,885		17,082,685
21	CIE	16,000		16,000
31	Fisheries	33,780,181		42,160,081
41	Police	40,000		40,000
42	Department of Multicultural Affairs	42,653,069		42,653,069
43	Justice - Secretariat	134,000		134,000
44	Judiciary	15,000		15,000
45	Border Control	2,960,000		2,960,000
51	Education	2,000		2,000
61	Health	35,200		35,200
62	Sports	1,000		1,000
83	Media Bureau	40,000		40,000
84	Lands & Survey	8,000		8,000
85	Lands Committee	2,405		2,405
91	Department of Transport	3,257,319		3,257,319
93	Maritime Transport	1,252,532		1,252,532
95	ICT	1,944,154		1,944,154
TREASURY REVENUE TOTAL		130,951,395		143,751,595

### Schedule 3; 2016-17 Supplementary Appropriation Act (No.3): Expenditure Details

Dept No.	Dept Description	2016-17 Original Budget	Supplementary Budget No.3	2016-17 Revised Budget
01	Presidency and State House (including GIO)	1,349,612		1,349,612
02	Ministerial	10,979,986		11,079,986
03	Chief Secretariat	11,968,898		11,968,898
04	Post and Philately	137,538		137,538
05	Audit	369,854		369,854
06	Parliament	1,334,224		1,334,224
07	GON Warehouse	450,143		450,143
08	National Emergency Services	1,501,523		1,501,523
09	Electoral Commission	280,956	57,000	337,956
11	Finance Secretariat	1,943,199		1,943,199
13	Bureau of Statistics	130,629		130,629
15	Nauru Revenue Office	365,843		365,843
16	Finance - Other Payments	30,720,104	1,535,000	49,150,804
17	Nauru Customs Office (NCO)	405,000		405,000
21	CIE	965,201		965,201
31	Fisheries	1,883,213		2,041,213
41	Police	2,689,300		2,689,300
42	Department of Multicultural Affairs	10,568,284		10,568,284
43	Justice - Secretariat	3,595,618		3,595,618
44	Judiciary	1,240,528		1,240,528
45	Border Control	916,969		916,969
46	Correctional Services	595,833		595,833
51	Education	9,875,321		9,875,321
52	Youth Affairs	231,128		231,128
61	Health	13,816,175		13,816,175
62	Sports	274,706		274,706
71	Foreign Affairs - Secretariat	1,082,707		1,082,707
72	Foreign Affairs - Brisbane	818,458		818,458
73	Foreign Affairs - Suva	635,564		635,564
74	Foreign Affairs - New York	1,426,939		1,989,539
75	Foreign Affairs - Taiwan	345,307		390,307
81	Home Affairs	3,927,342		3,927,342
82	Women's Affairs	212,300		212,300
83	Media Bureau	439,189		439,189
84	Lands & Survey	4,867,199		4,867,199
85	Lands Committee	223,460		223,460
86	Department of Land Management	91,452		91,452
91	Department of Transport	2,588,655		2,588,655
92	Lands Transport	-		-
93	Maritime Transport	3,920,041		3,920,041
94	DCA	-		-
95	ICT	1,412,319		1,412,319
TREASURY EXPENSES TOTAL		130,580,717		149,934,017



# **REPUBLIC OF NAURU**

## **SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2016-17**

**22<sup>ND</sup> DECEMBER 2016**

**CIRCULATED BY  
THE HONOURABLE DAVID ADEANG, MP  
MINISTER FOR FINANCE AND SUSTAINABLE DEVELOPMENT**

## **SUPPLEMENTARY APPROPRIATION 2016-17**

### **OVERVIEW**

The *Supplementary Appropriation Bill (No. 3 2016-17)* makes an adjustment to revenue associated with reimbursable cost associated to a free interest loan made to Eigigu Holdings Corporation (EHC) to assist its operations.

A provision is also included for the Electoral Commission to hold a By-Election in the Constituency of Ubenide. It is a single provision of \$57 thousand dollars to conduct the By-Election. It is not matched by additional revenue or savings so will increase the budget expenditure for the year.

Government has also taken initiative to relieve Nauru Rehabilitation Corporation (NRC) from waste collection around the island. We believe in privatisation and promoting of the private sector.

Overall this Supplementary Appropriation will increase aggregate expenditure this year to an anticipated \$149.934 mil an increase of \$19.353 mil on the revised estimates.

With the reimbursable cost from EHC increasing Revenue estimates by \$935,000 total revenue is expected to be \$143,751 mil and a \$6.182 mil deficit is expected for the financial year. The deficit is to be funded from accumulated cash reserves.

**Table 1: 2016-17 Domestic Budget Aggregates ('000)**

	<b>2016-17 Budget</b>	<b>2016-17 Revised Budget</b>	<b>Variance to Budget</b>
<b>Revenue</b>	130,951.3	143,751.5	12,800.2
<b>Expenditure</b>	130,580.7	149,934.0	19,353.3
<b>Budget Balance</b>		(6,182.5)	(5,553.1)

**REVENUES**

The following revenue increase is required in the budget.

**Head 16 Finance Other Payments**

*Impact on budget balance (\$,000)*

	2016-17
(1475) Miscellaneous Revenue	935.0
<b>Total Impact on Budget</b>	<b>935.0</b>

The Government is assisting EHC in its ongoing operations with a free interest loan that will be repaid this financial year. This revenue is matched with the corresponding expenditure under Other Subsidies and Donations under this Head.

**EXPENDITURES**

The following expenditure increases are required in the budget.

**Head 09 Electoral Commission**

*Impact on budget balance (\$,000)*

	2016-17
(2235) Special Project	57.0
<b>Total Impact on Budget</b>	<b>57.0</b>

Appropriation is required into the Special Projects account to fund the costs of hall rentals, website maintenance, election supplies, legal and electoral consultants and payment of officials associated with holding the proposed By-Election.



**Head 16 Finance Other Payments***Impact on budget balance (\$,000)*

	2016-17
(2615) Other Subsidies and Donations	1,535.0
<b>Total Impact on Budget</b>	<b>1,535.0</b>

Appropriation of \$935,000 towards Eigigu Holdings Corporation on a free interest loan for assisting the supermarket and EHC operations and promoting of the private sector and to propose a lump sum of \$600,000 is added to the overall expenditure to cater for the rest of this financial year costs.

Table 2: 2016-17 Supplementary Appropriation No.3– Revenues

Dept No.	Dept Description	2016-17 Original Budget	Supplementary Budget No.3	2016-17 Revised Budget
03	Chief Secretariat	127,350		127,350
04	Post and Philately	6,200		6,200
07	GON WareHouse	270,000		270,000
11	Finance Secretariat	280,000		280,000
15	Nauru Revenue Office	14,267,100		10,841,300
16	Finance - Other Payments	9,888,000	935,000	20,623,300
17	Nauru Customs Office (NCO)	19,971,885		17,082,685
21	CIE	16,000		16,000
31	Fisheries	33,780,181		42,160,081
41	Police	40,000		40,000
42	Department of Multicultural Affairs	42,653,069		42,653,069
43	Justice - Secretariat	134,000		134,000
44	Judiciary	15,000		15,000
45	Border Control	2,960,000		2,960,000
51	Education	2,000		2,000
61	Health	35,200		35,200
62	Sports	1,000		1,000
83	Media Bureau	40,000		40,000
84	Lands & Survey	8,000		8,000
85	Lands Committee	2,405		2,405
91	Department of Transport	3,257,319		3,257,319
93	Maritime Transport	1,252,532		1,252,532
95	ICT	1,944,154		1,944,154
TOTAL REVENUE TOTAL		100,000,000		100,000,000

**Table 3: 2016-17 Supplementary Appropriation No.3– Expenditures**

<b>Dept No.</b>	<b>Dept Description</b>	<b>2016-17 Original Budget</b>	<b>Supplementary Budget No.3</b>	<b>2016-17 Revised Budget</b>
01	Presidency and State House (including GIO)	1,349,612		1,349,612
02	Ministerial	10,979,986		11,079,986
03	Chief Secretariat	11,968,898		11,968,898
04	Post and Philately	137,538		137,538
05	Audit	369,854		369,854
06	Parliament	1,334,224		1,334,224
07	GON Warehouse	450,143		450,143
08	National Emergency Services	1,501,523		1,501,523
09	Electoral Commission	280,956	57,000	337,956
11	Finance Secretariat	1,943,199		1,943,199
13	Bureau of Statistics	130,629		130,629
15	Nauru Revenue Office	365,843		365,843
16	Finance - Other Payments	30,720,104	1,535,000	49,150,804
17	Nauru Customs Office (NCO)	405,000		405,000
21	CIE	965,201		965,201
31	Fisheries	1,883,213		2,041,213
41	Police	2,689,300		2,689,300
42	Department of Multicultural Affairs	10,568,284		10,568,284
43	Justice - Secretariat	3,595,618		3,595,618
44	Judiciary	1,240,528		1,240,528
45	Border Control	916,969		916,969
46	Correctional Services	595,833		595,833
51	Education	9,875,321		9,875,321
52	Youth Affairs	231,128		231,128
61	Health	13,816,175		13,816,175
62	Sports	274,706		274,706
71	Foreign Affairs - Secretariat	1,082,707		1,082,707
72	Foreign Affairs - Brisbane	818,458		818,458
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75	Foreign Affairs - Taiwan	345,307		390,307
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84	Lands & Survey	4,867,199		4,867,199
85	Lands Committee	223,460		223,460
86	Department of Land Management	91,452		91,452
91	Department of Transport	2,588,655		2,588,655
92	Lands Transport	-		-
93	Maritime Transport	3,920,041		3,920,041
94	DCA	-		-
95	ICT	1,412,319		1,412,319
<b>TREASURY EXPENSES TOTAL</b>		<b>130,580,717</b>		<b>149,450,617</b>

**REPUBLIC OF NAURU**  
**CABINET SUBMISSION NO. \_\_\_\_\_/2016**

**2016-17 SUPPLEMENTARY APPROPRIATION No. 3**

**INTRODUCTION**

1. A Supplementary Appropriation is required to provide appropriation to the Electoral Commission to hold a By-Election. The requirement for a By-Election was not foreseen at the time of preparing the original budget.
2. Also there is a funding request made by Eigigu Holdings for its ongoing operations that is refundable over the course of the financial year.

**PROPOSAL**

**Revenue (Increase)**

1. Eigigu Holdings Corporation requested an interest free loan from Government to assist the supermarket and EHC operations. This is refundable throughout the financial year and such is \$935,000 thousand revenue additional to the original estimates. It is however matched to a corresponding expenditure amount.
2. Overall anticipated revenue has grown from \$130.9 mil in the original budget to \$143.7 mil in the revised estimates and increase of \$12.8 mil.

**Expenditure (Increase)**

3. The Electoral Commission is provided additional funding through a Special Project to hold a By-Election in the Constituency of Ubenide. The requirement for the By-Election has arisen from the recent death of the sitting member. It is a single provision of \$57 thousand dollars to conduct the By-Election.
4. Finance Other Payments – Other Subsidies and Donations will increase by \$1,535,000 of that \$935,000 will be reimbursed in full to Government during the course of this financial year.

**Impact on Budget Balance**

5. This provision is will be matched by additional revenue of \$935,000 to be reimburse from the advance made to Eigigu Holdings. The budget expenditure will increase to \$149.934 million for the year.

6. Overall this Supplementary Appropriation increases expenditure more than revenue by \$657k and will result in a forecast budget deficit of \$6.182 mil

## LEGAL REQUIREMENT

1. Article 59(1) of the Constitution states that no money may be withdrawn from the Treasury Fund except to meet expenditure which is charged on the Treasury Fund by the Constitution or in accordance with a law that is recommended to Parliament by the Cabinet.
2. Article 59(3) of the Constitution states that a proposed law for the withdrawal of moneys from the Treasury Fund or any other fund referred to in Article 58 shall not receive the certificate of the Speaker under Article 47 unless the purpose of the withdrawal has been recommended to Parliament by the Cabinet.
3. Section 6(1) of the Public Finance (Control and Management) Act 1997 provides (in part) that if it is necessary in any financial year to provide for expenditure additional to that which was set out in the budget estimates, or expenditure not set out in the estimates, proposals for that expenditure must be presented to Parliament in a Bill for a Supplementary Appropriation Act. The Bill must be accompanied (under section 6(2)) by supplementary estimates of expenditure. If there is an anticipated increase in the revenue shown in the budget estimates, the supplementary estimates of expenditure must also be accompanied by supplementary estimates of revenue (section 6(3)).
4. Any additional expenditure proposed in a Supplementary Appropriation Bill must be approved by Parliament before it can be expended. Withdrawal of money from the Treasury Fund that has not been authorised in advance by an Act of Parliament under Article 59 is a breach of the Constitution, and also a criminal offence under section 3 of the *Treasury Fund Protection Act 2004*.

**RECOMMENDATION**

It is recommended that Cabinet:

1. **Approves** the **increase** in expenditures detailed in paragraphs 3 and 4 of this paper.
2. **Approves** the Schedule for the Supplementary Appropriation (No. 3) Bill 2016-17 (which is attached).
3. **Directs** the Department of Justice to prepare the Supplementary Appropriation (No. 3) Bill 2016- 17 based on the Schedule as approved in (2) above.
4. **Recommends** the purpose of the withdrawals from the Treasury Fund, as proposed in the Supplementary Appropriation (No. 3) Bill 2016-17 to the Parliament.
5. **Directs** the Minister for Finance to introduce the Supplementary Appropriation (No. 3) Bill 2016-17 to Parliament at the next sitting of Parliament.
6. **Approves** the draft Second Reading Speech (which is attached)

**Hon David Adeang, MP.**

Minister for Finance and Sustainable Development

22<sup>nd</sup> December 2016

**2016-17 Supplementary Appropriation Act (No. 3): Revenue Details**

Table 1 Revenues

Dept No.	Dept Description	2016-17 Original Budget	Supplementary Budget No.3	2016-17 Revised Budget
03	Chief Secretariat	127,350		127,350
04	Post and Philately	6,200		6,200
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61	Health	35,200		35,200
62	Sports	1,000		1,000
83	Media Bureau	40,000		40,000
84	Lands & Survey	8,000		8,000
85	Lands Committee	2,405		2,405
91	Department of Transport	3,257,319		3,257,319
93	Maritime Transport	1,252,532		1,252,532
95	ICT	1,944,154		1,944,154
TREASURY REVENUE TOTAL		130,951,395		143,851,595



**Schedule: 2016-17 Supplementary Appropriation Act (No.3)**

Table 2 Expenditure

Dept No.	Dept Description	2016-17 Original Budget	Supplementary Budget No.3	2016-17 Revised Budget
01	Presidency and State House (including GIO)	1,349,612		1,349,612
02	Ministerial	10,979,986		11,079,986
03	Chief Secretariat	11,968,898		11,968,898
04	Post and Philately	137,538		137,538
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92	Lands Transport	-		-
93	Maritime Transport	3,920,041		3,920,041
94	DCA	-		-
95	ICT	1,412,319		1,412,319
TREASURY EXPENSES TOTAL		130,580,717		149,434,017