



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2018-19

14TH AUGUST 2018

CIRCULATED BY
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MINISTER FOR FINANCE AND SUSTAINABLE DEVELOPMENT

SUPPLEMENTARY APPROPRIATION 2018-19

OVERVIEW

The Supplementary Appropriation Bill (No. 1 2018-19) is required to accommodate several budget expenditure line items which were either under-budget or over-looked during the preparation of the original budget.

This Supplementary Appropriation is made possible through an extra windfall revenue of \$19.36m from fishing revenues. These revenues are related to FSMA and pooling days for prior years and were not included in the original estimates. In addition, \$2.89m is appropriated as reimbursable costs in this Supplementary for the transitional works of RPC. This will be fully reimbursed by ABF under the spirit of the agreed MOU.

The supplementary is to provide an additional \$2.89m to NRPCC to assist with the preliminary works required for the transitioning of the RPC operations. An additional \$1.5m is being provided for the housing scheme with a further \$350k being allocated for hosting the Oceania Power Lifting championship in December. In addition, \$300k has also been provided for the maintenance of government vehicles, \$265k for expatriate house rentals and \$70k is being allocated for the renovation of Parliament building.

Further appropriations have also been made under Finance departments for various purposes. An amount of \$2.78m is being allocated under Public Debt to replenish funds which were used by Government for payments to Ronphos and Wei Tai Holdings for the renovation of Civic Centre conference. In Head 16 – Finance other payments, several adjustments have also been made to accommodate few budget items. A provision of \$400K has been provided under GoN contributions for the building and leasing of ten (10) new homes while \$853k was allocated to replenish funds which were used by Government.

This Supplementary Appropriation also include \$1m for the BON liquidation and a further \$11.12m to the fiscal cash buffer. The appropriating of this further \$11.12m towards the fiscal cash buffer will further increase the liquidity position of Government.

The Department of Infrastrucure is also being allocated with a further \$624k to assist with all the construction works. This will be used to pay the local contractors who are currently doing various construction works around the island.

Overall, this Supplementary Appropriation increase the overall expenditure outlays by \$22.22m. However, with an increased in the total revenue by \$22.26m and following the passage of this Supplementary Appropriation, the revised budget surplus will be \$204K after these changes

Table 1: 2018-19 Domestic Budget Aggregates ('000) {Incorrect see Addendum}

	2018-19 Budget	2018-19 Revised Budget	Variance to Budget
Revenue	154,600,457	154,600,457	0
Expenditure	154,432,501	154,600,457	0
Budget Balance	167,956	167,956	0

REVENUES

The following changes to the budget are required.

Head 16 NRPCCC

Impact on budget balance

	2018-19
(1475) Miscellaneous revenue	2,896,250
Total Impact on Budget	2,896,250

The full amount required by NRPCCC for the transitioning of the RPC operation is to be fully reimbursed by ABF under the spirit of the agreed Memorandum of Understanding (MOU) and hence the appropriation of this extra \$2.89m revenue under NRPCCC.

Head 31 Fisheries

Impact on budget balance

	2018-19
(1072) Purse Seine Revenue	19,365,043
Total Impact on Budget	19,365,043

The additional fishing revenue is related to FSMA and pooling days for the year 2016 and 2017. This was not anticipated during the budget preparation and therefore it was not included in the original estimates.

EXPENDITURES

The following expenditure increases are required in the budget.

Head 02 Ministerial

Impact on budget balance

	2018-19
(2200) Nauru Community Housing	1,500,000
(2695) 50 th Anniversary Independence	350,000
Total Impact on Budget	1,850,000

A further \$1.5m is required to be provided under the Ministerial budget for the Nauru Community Housing. This will ensure that all houses which require immediate improvements are carried out without any delays. Moreover, \$350k has been allocated for hosting the Oceania Power Lifting Championship later this year.

Head 03(02) Chief Sec

Impact on budget balance

	2018-19
(2155) House rental	265,000
(2200) R&M Motor vehicles	300,000
Total Impact on Budget	565,000

Provisions have also been made in this Supplementary for additional expatriate house rental together with the maintenance of government motor vehicles.

Head 06 Parliament

Impact on budget balance

	2018-19
(2185) R&M Buildings	70,000
Total Impact on Budget	70,000

Further appropriation is provided to Parliament to pay for the repairs and maintenance of the Parliament Office complex. The work is required to be undertaken before the APPU meeting later next month.

Head 12 Public Debt

Impact on budget balance

	2018-19
(2545) Debt repayments - Other	2,782,035
Total Impact on Budget	2,782,035

Appropriation is allocated to replenish original budgeted amounts which have been utilised for urgent payments towards Ronphos and Meneng Hotel. The payments made were not included in the original estimates and therefore providing this amount will ensure that original estimates were restated to enable Government meet its debt obligations.

Head 16 Finance – Other Payments

Impact on budget balance

	2018-19
(2030) Salaries – Contract others	58,552
(2651) GoN Contributions	1,253,000
(2652) Fiscal Cash Buffer	11,126,000
(2680) BON Liquidation	1,000,000
Total Impact on Budget	13,437,552

The amounts used to fund government vehicles maintenance and payments towards Wei Tai Construction for the Civic centre conference hall renovation is replenished in this Supplementary Appropriation. Further \$400K was provided under GON contributions for the provision of ten (10) houses to be erected and leased by Government for expatriates at the rate of \$40k/house. In addition, \$1m was given towards payment of the old Bank of Nauru passport holders while \$11.75m is provided to increase the Government fiscal cash buffer.

Head 18 NRPPC

Impact on budget balance

	2018-19
(2015) Staff - local	120,000
(2055) Consultancy	1,929,000
(2495) Plants & Equipment's	847,250
Total Impact on Budget	2,896,250

This amount is allocated to assist NRPPC commence with the preliminary works required for the transitioning of the RPC operations from the current contractor (Canstruct) to Government.

Head 63 Department of Infrastructure

Impact on budget balance

	2018-19
(2496) Building & Structures	624,000
Total Impact on Budget	624,000

The department of Infrastructure is given a further \$624,000 in this Supplementary Appropriation for undertaking construction renovation works around the island before the Forum Island Leaders Meeting next month.

Table 2: 2018-19 Supplementary Appropriation No.1– Revenues

Department	2018-19 Original Budget	Supplementary Budget No. 1	2018-19 Revised Budget
03 - Chief Secretariat	48,380		48,380
07 - GON Warehouse	152,230		152,230
09 – Electoral Commission	162,000		162,000
11 - Finance Secretariat	20,000		20,000
15 - Nauru Revenue Office	29,320,000		29,320,000
16 - Finance - Other Payments	15,423,055		15,423,055
17 - Nauru Customs Office (NCO)	16,414,307		16,414,307
18 – Nauru Regional Processing Centre	16,000,000	2,896,250	18,896,250
21 - CIE	7,500		7,500
31 - Fisheries	33,656,961	19,365,043	53,022,004
41 - Police	120,000		120,000
42 - Department of Multicultural Affairs	34,269,180		34,269,180
43 - Justice - Secretariat	218,000		218,000
44 - Judiciary	102,250		102,250
45 - Border Control	2,842,640		2,842,640
50 – Directorate of TVET	180,000		180,000
51 - Education	-		-
61 - Health	27,000		27,000
62 - Sports	-		-
83 - Media Bureau	30,000		30,000
84 - Lands & Survey	7,000		7,000
85 - Lands Committee	2,000		2,000
91 - Transport Secretariat	3,472,788		3,472,788
93 - Maritime Transport	2,114,606		2,114,606
95 - ICT	10,560		10,560
Total	154,600,457	22,261,293	176,861,750

Table 3: 2018-19 Supplementary Appropriation No.1– Expenditures

Department	2018-19 Original Budget	Supplementary Budget No.1	2018-19 Revised Budget
01 - Presidency and State House	1,548,215		1,548,215
02 - Ministerial	7,356,896	1,850,000	9,206,896
03 - Chief Secretariat	14,246,665	565,000	14,811,665
05 - Audit	345,203		345,203
06 - Parliament	1,254,482	70,000	1,324,482
07 - GON Warehouse	408,552		408,552
08 - National Emergency Services	1,587,800		1,587,800
09 - Electoral Commission	397,684		397,684
11 - Finance Secretariat	1,885,038		1,885,038
12 – Finance Public Debt	4,165,369	2,782,035	6,947,404
13 - Bureau of Statistics	109,797		109,797
15 - Nauru Revenue Office	374,911		374,911
16 - Finance - Other Payments	34,100,097	13,437,552	47,537,649
17 - Nauru Customs Office (NCO)	386,983		386,983
18 – Nauru Regional Processing Centre	2,809,365	2,896,250	5,705,615
21 - CIE	839,197		839,197
31 - Fisheries	2,214,832		2,214,832
41 - Police	2,790,806		2,790,806
42 - Department of Multicultural Affairs	24,749,541		24,749,541
43 - Justice - Secretariat	3,530,727		3,530,727
44 - Judiciary	1,835,302		1,835,302
45 - Border Control	1,048,063		1,048,063
46 - Correctional Services	815,736		815,736
50 – Directorate of TVET	1,542,236		1,542,236
51 - Education	8,302,023		8,302,023
52 - Youth Affairs	155,842		155,842
61 - Health	12,932,699		12,932,699
62 - Sports	276,639		276,639
63 - Department of Infrastructure	363,973	624,000	987,973
71 - Foreign Affairs - Secretariat	1,029,264		1,029,264
72 - Foreign Affairs - Brisbane	907,638		907,638
73 - Foreign Affairs - Suva	518,391		518,391
74 - Foreign Affairs - New York	1,866,142		1,866,142
75 - Foreign Affairs - Taiwan	413,134		413,134
81 - Home Affairs	3,661,961		3,661,961
82 - Women's Affairs	196,707		196,707

Department	2018-19 Original Budget	Supplementary Budget No.1	2018-19 Revised Budget
83 - Media Bureau	448,034		448,034
84 - Lands & Survey	5,386,712		5,386,712
85 - Lands Committee	218,887		218,887
86 - Department of Land Management	89,701		89,701
91 – Department of Transport	2,390,802		2,390,802
93 - Maritime Transport	2,242,669		2,242,669
95 - ICT	2,545,533		2,545,533
97 - Telecom	142,257		142,257
	154,432,501	22,224,837	176,657,342

Addendum Supplementary Appropriation No.1 2018-19 Table 1. Budget Aggregates

Corrected Table 1. Aggregates Supplementary No. 1 2018-19			
	2018-19 Budget	2018-19 Revised Budget	Variance to Budget
Revenue	154,600,457	176,861,750	22,261,293
Expenditure	154,432,501	176,657,338	22,224,837
Budget Balance	167,956	204,412	36,456