



# REPUBLIC OF NAURU

## SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2012-13

21 DECEMBER 2012

CIRCULATED BY  
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## SUPPLEMENTARY APPROPRIATION 2012-13

### OVERVIEW

The *Supplementary Appropriation Bill (No. 2) 2012-13* makes a number of adjustments to the 2012-13 Budget estimates of expenditure to provide for events which were unanticipated at the time the 2012-13 Budget and which arose subsequent to the *Supplementary Appropriation Act (No. 1) 2012-13*. This statement also identifies a number of additional revenues.

The total expenditure in this Supplementary Budget amounts to \$1,446,888. Most of this additional expenditure is accounted for under four items:

- \$795,428 for Department of Justice and Judiciary requiring increased capacity to fulfil new RPC obligations;
- \$686,122 for debt repayment to AusAID, paying borrowed AusAID project funds in 2011, which were used to assist procurement of much needed fuel for the island;
- \$300,000 for a loan to Eigigu Holding Corporation; and
- \$191,420 to cover for increased electricity costs across a number of departments.

Revenues are also forecast to increase by \$870,000 with the largest item of \$500,000 being for a 2011-12 AusAID Performance Linked Aid (PLA), that was received in the AusAID account in June 2012, but was only transferred to the Treasury account in 2012-13 financial year.

The original 2012-13 Budget provided for a small surplus of \$25,842. As a result of the *Supplementary Appropriation Act (No. 1) 2012*, the surplus rose to \$2.9 million. Now, as a result of the *Supplementary Appropriation Bill (No. 2) 2012-13*, the surplus is reduced to \$2.4 million. Details are in Table 1.

**Table 1: 2012-13 Domestic Budget Aggregates ('000)**

	2012-13 Budget	2012-13 Revised Budget*	2012-13 Revised Budget**	Variance to Budget
Revenue	52,786.9	60,783.9	61,653.9	870.0
Expenditure	57,101.6	62,190.2	63,637.1	1,446.9
Budget Balance	-4,314.7	-1,406.3	-1,983.2	-576.9
Cash Balance 30 June 2012	4,340.6	4,340.6	4,340.6	0.0
Net Surplus / (Deficit)	25.8	2,934.3	2,357.4	-576.9

\* Revised 2012-13 Budget includes *Supplementary Appropriation Act (No. 1) 2012-13*.

\*\* Revised 2012-13 Budget includes *Supplementary Appropriation Bill (No. 2) 2012-13*.

### DOMESTIC EXPENDITURES

#### Head 03 – Chief Secretary Secretariat – Blue Ocean Workshop

*Impact on budget balance (\$)*

	2012-13
Special Project	90,000
<b>Total Impact on Budget</b>	<b>-90,000</b>

The Government agreed to conduct the Blue Ocean Strategy Workshop for senior Government and State Owned Enterprise (SOE) officials. The workshop was successfully delivered by expert presenters' on-island in October this year.

### **Head 12 – Public Debts - SPC Outstanding Membership**

*Impact on budget balance (\$)*

	2012-13
Public Debts	18,000
<b>Total Impact on Budget</b>	<b>-18,000</b>

The Government has agreed to a repayment plan for outstanding membership balance which accrued in the previous years when Nauru was in a difficult financial situation. SPC has supported Nauru in a number of sectors through technical assistance and direct project grant through the Government systems.

### **Head 15 – Nauru Revenue Office – New Vehicle & Stationeries**

*Impact on budget balance (\$)*

	2012-13
Plants & Equipment	7,500
R&M Office Equipment	5,500
<b>Total Impact on Budget</b>	<b>-13,000</b>

The Government has allocated an additional \$7,500 for a new vehicle for the Nauru Revenue Office (NRO). It is important that the NRO have a reliable vehicle to undertake its functions. These include the carrying of cash from major retailers in Nauru, undertaking mandatory enforcement work (such as with Bingo Licences) as well as future possible increased transport needs resulting from any new revenue measures the Government may introduce.

A further \$5,500 will cover costs of NRO stationeries, including for secure bags that are required for export of mute notes, spare parts for the driver's license machine, including toners and blank ID cards. The work of processing of drivers licenses was only recently transferred to NRO, and its costs were unanticipated during the 2012-13 budget process.

### **Head 16 – Finance Other - Eigigu Loan**

*Impact on budget balance (\$)*

	2012-13
Special Project	300,000
<b>Total Impact on Budget</b>	<b>-300,000</b>

The Government has allocated \$300,000 for the purpose of providing a loan to Eigigu Holdings Corporation (EHC). The purpose of the loan is to assist EHC with their venture with Australian Modular Homes to construct 70 new units to provide accommodation for expatriate workers at the Regional processing Centre. Under the contract EHC has agreed to repay the loan in six

equal payments of \$50,000 commencing January 2013 with the last payment before end June 2013 (see corresponding revenue item below).

### **Head 21 – Department of Commerce, Industry & Environment – Travel**

*Impact on budget balance (\$)*

	2012-13
Travel - Business	7,500
<b>Total Impact on Budget</b>	<b>-7,500</b>

In 2011-12, the Department of CIE was required to send representation to an important Climate Change meeting at the IRENA. The travel request was unforeseen and was therefore not budgeted in the 2011-12 financial year. The travel cost remained outstanding with a travel agent and was only settled utilising 2012-13 budget funding in July 2012. This is now affecting the Department's 2012-13 approved travel plans. A total of \$7,500 is required to add back the funds to ensure that the Department continues with its current year travel commitments.

### **Head 43– Justice & Border Control – additional funding**

*Impact on budget balance (\$)*

	2012-13
Various Accounts	675,575
<b>Total Impact on Budget</b>	<b>-675,575</b>

The Department of Justice and Border Control is seeking to create new legal and other positions in the Department to assist in managing all of the new functions envisaged by processing refugee status determinations and general increase in workload across all areas of the Department generated by the opening of the RPC. A total of \$675,575 is required to fund the increased operations of the Department of Justice and Border Control.

### **Head 44 – Judiciary – additional funding**

*Impact on budget balance (\$)*

	2012-13
Various Accounts	119,853
<b>Total Impact on Budget</b>	<b>-119,853</b>

Judiciary is required to add capacity to meet the expected increase in activity in the courts, primarily due to the establishment of RPC on island. In this regard, Judiciary will be requiring additional funding of \$119,853 across various accounts.

### **Head 62 – Department of Sports – Payment of EK Staff Public Service Entitlements**

*Impact on budget balance (\$)*

	2012-13
Special Project	1,540

<b>Total Impact on Budget</b>	<b>-1,540</b>
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The Department of Sports has recently made changes to the structure of the Australian Sports Commission funded EK Sports Project staff. All the EK project staff were recently put on contract, and as such, required necessary payout of entitlements for the EK staff who were previously employed under EK funding but as Public Servants. A total funding of \$1,540 is now budgeted for this payment.

#### **Head 95 – Department of Telecommunication – Scoping and Design of ICT Relocation**

*Impact on budget balance (\$)*

	2012-13
Special Project	30,000
<b>Total Impact on Budget</b>	<b>-30,000</b>

The Government has agreed to the proposal to relocate the Department of Telecommunications and the ICT unit. The old RONTEL site has been identified for this purpose. At this stage, funding of \$30,000 is provided to undertake scoping and design work for the relocation.

#### **Various Heads – Electricity**

*Impact on budget balance (\$)*

	2012-13
Chief Secretariat	30,000
Post Office	5,800
Audit Office	3,000
Nauru Revenue Office	25,000
Police	54,000
Education	10,200
Transport Secretariat	1,200
Department of Civil Aviation	62,220
<b>Total Impact on Budget</b>	<b>-191,420</b>

The Government has allocated an additional \$191,420 for electricity for a number of departments to cover higher charges resulting from the installation by Utilities of pre-paid electricity meters at the Civic Centre. This has resulted in a significant increase in electricity charges for all Government departments located at the centre.

#### **DOMESTIC REVENUES**

##### **Head 3 – Chief Secretariat – (SOE Fee for the Blue Ocean Workshop)**

*Impact on budget balance (\$)*

	2012-13
Miscellaneous Revenue	70,000
<b>Total Impact on Budget</b>	<b>70,000</b>

In October 2012, the Government agreed to undertake the Blue Ocean Strategy Workshop for senior Government and State Owned Enterprise (SOE) employees. The workshop was held between 16-13 October 2012. The cost of this workshop is partly offset by contributions (of \$70,000) from SOE (see corresponding expenditure item).

#### **Head 16 – Finance Other – (AusAID Performance Linked Aid from 2011-12)**

*Impact on budget balance (\$)*

	2012-13
General Budget Support	500,000
<b>Total Impact on Budget</b>	<b>500,000</b>

AusAID paid \$500,000 PLA in respect of Nauru's procurement reforms into the Operational Account in June 2012, but this was only transferred to the Treasury Fund in November 2012.

#### **Head 16 – Finance Other – (Eigigu Loan Repayment)**

*Impact on budget balance (\$)*

	2012-13
Investments and Dividends - Other	300,000
<b>Total Impact on Budget</b>	<b>300,000</b>

The Government has allocated \$300,000 for the purpose of providing a loan to Eigigu Holdings Corporation (EHC) (see corresponding expenditure item above). Under the contract EHC has agreed to repay the loan in six equal payments of \$50,000 commencing January 2013 with the last payment before end-June 2013.

Table 2: 2012-13 Supplementary Appropriation – Revenue

2012-13 Revenue	Description	Head	2012-13 Supplementary Revenue 2	Revised 2012-13 Revenue
\$ -	Presidency & State House (incl GIO)	1	\$ 70,000	\$ -
\$ -	Ministerial	2		\$ -
\$ 38,059	Chief Secretariat - Secretariat	3		\$ 108,059
\$ 66,220	Post & Philately	4		\$ 66,220
\$ -	Audit	5		\$ -
\$ -	Parliament	6		\$ -
\$ 1,944,020	GoN Warehouse	7		\$ 1,944,020
\$ 44,000	Finance - Secretariat	11		\$ 44,000
\$ 3,119,728	Finance - Public Debt	12		\$ 3,119,728
\$ -	Bureau of Statistics	13		\$ -
\$ 5,396,255	National Revenue Office	15	\$ 800,000	\$ 5,396,255
\$ 24,498,316	Other Payments - Finance	16		\$ 25,298,316
\$ 127,750	Commerce, Industry & Environment	21		\$ 127,750
\$ 9,656,347	Fisheries - (NFMRA)	31		\$ 9,656,347
\$ 6,500	Police	41		\$ 6,500
\$ 70,600	Justice Secretariat	43		\$ 70,600
\$ 12,000	Judiciary	44		\$ 12,000
\$ 12,672,155	Border Control	45		\$ 12,672,155
\$ -	Correctional Services	46		\$ -
\$ 78,747	Education	51		\$ 78,747
\$ -	Youth Affairs	52		\$ -
\$ 41,700	Health	61		\$ 41,700
\$ 2,500	Sports	62		\$ 2,500
\$ -	Foreign Affairs - Secretariat	71		\$ -
\$ -	Foreign Affairs - Brisbane	72		\$ -
\$ -	Foreign Affairs - Suva	73		\$ -
\$ -	Foreign Affairs - New York	74		\$ -
\$ -	Foreign Affairs - Taiwan	75		\$ -
\$ -	Home Affairs & Culture	81		\$ -
\$ -	Women's Affairs	82		\$ -
\$ 50,000	Media Bureau	83	\$ 50,000	
\$ 720	Lands & Survey	84	\$ 720	
\$ 2,000	Lands Committee	85	\$ 2,000	
\$ -	Transport - Secretariat	91	\$ -	
\$ 3,000	Lands Transport	92	\$ 3,000	
\$ 804,634	Maritime Transport	93	\$ 804,634	
\$ 1,362,880	Directorate of Civil Aviation - DCA	94	\$ 1,362,880	
\$ 785,744	Department of Telecommunication	95	\$ 785,744	
\$ -	Fire & Rescue	96	\$ -	
<b>\$ 60,783,875</b>	<b>Total</b>		<b>\$ 870,000</b>	<b>\$ 61,653,875</b>

Table 3: 2012-13 Supplementary Appropriation – Expenditure

<b>Approved 2012-13 Appropriation</b>	<b>Description</b>	<b>Head</b>	<b>2012-13 Supplementary Appropriation 2</b>	<b>Revised 2012-13 Appropriation</b>
\$ 657,583	Presidency & State House (incl GIO)	1		\$ 657,583
\$ 719,269	Ministerial	2		\$ 719,269
\$ 5,613,591	Chief Secretariat - Secretariat	3	\$ 120,000	\$ 5,733,591
\$ 118,279	Post & Philately	4	\$ 5,800	\$ 124,079
\$ 151,465	Audit	5	\$ 3,000	\$ 154,465
\$ 1,029,836	Parliament	6		\$ 1,029,836
\$ 2,013,612	GoN Warehouse	7		\$ 2,013,612
\$ 409,142	Finance - Secretariat	11		\$ 409,142
\$ 9,062,298	Finance - Public Debt	12	\$ 18,000	\$ 9,080,298
\$ 69,033	Bureau of Statistics	13		\$ 69,033
\$ 185,275	National Revenue Office	15	\$ 38,000	\$ 223,275
\$ 19,072,847	Other Payments - Finance	16	\$ 300,000	\$ 19,372,847
\$ 448,966	Commerce, Industry & Environment	21	\$ 7,500	\$ 456,466
\$ 1,121,800	Fisheries - (NFMRA)	31		\$ 1,121,800
\$ 962,340	Police	41	\$ 54,000	\$ 1,016,340
\$ 1,169,883	Justice Secretariat	43	\$ 675,575	\$ 1,845,458
\$ 279,830	Judiciary	44	\$ 119,853	\$ 399,683
\$ 192,004	Border Control	45		\$ 192,004
\$ 440,395	Correctional Services	46		\$ 440,395
\$ 3,989,269	Education	51	\$ 10,200	\$ 3,999,469
\$ 120,973	Youth Affairs	52		\$ 120,973
\$ 4,363,800	Health	61		\$ 4,363,800
\$ 709,109	Sports	62	\$ 1,540	\$ 710,649
\$ 412,949	Foreign Affairs - Secretariat	71		\$ 412,949
\$ 619,215	Foreign Affairs - Brisbane	72		\$ 619,215
\$ 275,899	Foreign Affairs - Suva	73		\$ 275,899
\$ 1,258,912	Foreign Affairs - New York	74		\$ 1,258,912
\$ 203,757	Foreign Affairs - Taiwan	75		\$ 203,757
\$ 86,405	Home Affairs & Culture	81		\$ 86,405
\$ 66,265	Women's Affairs	82		\$ 66,265
\$ 329,371	Media Bureau	83		\$ 329,371
\$ 1,618,632	Lands & Survey	84		\$ 1,618,632
\$ 153,868	Lands Committee	85		\$ 153,868
\$ 68,829	Transport - Secretariat	91	\$ 1,200	\$ 70,029
\$ 1,188,439	Lands Transport	92		\$ 1,188,439
\$ 924,235	Maritime Transport	93		\$ 924,235
\$ 928,933	Directorate of Civil Aviation - DCA	94	\$ 62,220	\$ 991,153
\$ 816,645	Department of Telecommunications	95	\$ 30,000	\$ 846,645
\$ 337,225	Fire & Rescue	96		\$ 337,225
<b>\$ 62,190,178</b>	<b>Total</b>		<b>\$ 1,446,888</b>	<b>\$ 63,637,066</b>