

REPUBLIC OF NAURU
COMMERCIAL OPERATIONS AND SERVICES FUND BILL 2018

EXPLANATORY MEMORANDUM

The Commercial Operations and Services Fund Bill is a Bill for the *Commercial Operations and Services Fund Act 2018*.

This memorandum provides an explanation of the Bill and is only intended to indicate the general effect.

EXPLANATION OF CLAUSES

PART 1—PRELIMINARY

Clause 1 provides that once enacted the short title of the Act will be the *Commercial Operations and Services Fund Act 2018*.

Clause 2 sets out when the Bill's provisions will commence which shall be on certification by the Speaker.

Clause 3 provides for the objective of the Bill which is to establish a specific purpose fund under Article 58 of the Constitution:

- (a) for the purposes of commercial operations and services at the Regional Processing Centres and Settlement;
- (b) as separate and distinct from the Treasury Fund;
- (c) providing for the depositing and withdrawal of funds; and
- (d) providing for predict reporting of the fund.

The Fund will not require any appropriation but will be made readily available by the Department of Multicultural Affairs and Eigu Solutions Corporation to cater for the daily operations of the Regional Processing Centres and Settlements. This expenditure will be strictly monitored and controlled without any repercussion on the Treasury Fund.

Clause 4 provides for the interpretation of terms used in the Bill.

PART 2 – COMMERCIAL OPERATIONS AND SERVICES FUND

Clause 5 establishes the Commercial Operations and Services Fund which makes provision for monies which do not form revenue or funds of the Republic. These monies are the payments for contractual or other amount of monies by the Commonwealth of Australia to

the Government of the Republic of Nauru for the provision of commercial and operational services by the Eigigu Solutions Corporation or by any other instrumentality of the Republic. These monies are paid directly into the Fund and consist of contractual or other amount of monies for the provision of commercial and operational services, any amount appropriated from the Treasury Fund; any amount received by the Republic by way of interest from the deposit of the Fund in an interest bearing account with a financial institution in the Republic or a foreign country or any amount reimbursed for an amount withdrawn from the Fund.

Clause 6 provides for the withdrawal of funds which will be with the approval of the Secretary for Multicultural Affairs who under section 16(1) of the Asylum Seekers (Regional Processing Centre) Act 2012 is empowered to enter into service agreements with service providers. The withdrawal once approved by the Secretary for Multicultural Affairs, will require the Minister for Multicultural Affairs' approval. As a further safety mechanism, there are 2 co-signatories for the Fund whom are the Secretary for Multicultural Affairs and Secretary for Finance.

Clause 7 provides that the Fund will be inspected and audited by a qualified auditor within 2 months of the end of the financial year or another period determined by Parliament. The audit report shall be made to the Cabinet by the auditor within 3 months of receiving the accounts or another period determined by Parliament annual reporting requirements. The audited accounts are to be submitted to the Parliament at the completion of the financial year.

PART 3 - MISCELLANEOUS

Clause 8 provides the regulation making power of the Cabinet.