



REPUBLIC OF NAURU

INTER-SUBHEAD TRANSFER BUDGET 2011-12

DECEMBER 2011

CIRCULATED BY
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INTER SUB-HEAD TRANSFERS 2011-12
STATEMENT DELIVERED ON 20TH DECEMBER 2011

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MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

Introduction

Mr Speaker and Honourable Colleagues,

Today I table before Parliament the updated report of inter sub-head transfers (ISHTs) approved by Cabinet for the period between 25th October 2011 to 20th December 2011.

Department of Chief Secretary – Head 03

There was insufficient fund under natural account 2075 for business travel following the Procurement Officer, Mr Michael Angelo's unbudgeted travel to attend the Procurement workshop in Singapore. His travel was covered under Chief Secretariat as it was not provided for under the Warehouse budget. This resulted in insufficient fund to cover for the travel of Ms Darice Gadabu, Administration Manager, to attend the Management workshop under the SIDS Technical Cooperation Program. Hence an increase of \$5,000 was sought to cover for this travel as well as to cater for future travel expenses under Chief Secretary. An expected savings from natural account 2315 for Electricity was transferred to replenish the travel budget.

Department of Finance Secretariat – Head 11

Increases:

The natural account 2070 for staff travel provisioned for Treasury division's expatriate staff Bank Officer is insufficient to cover for the recreational travel costs. It is higher than was initially budgeted for, thus a provision of \$3,400 is sought to cover for the leave travel entitlements of the Bank Officer.

Treasury Office and the new Deputy Secretary for Planning and Aid Division have been allocated government vehicles for office use since September and November 2011, respectively. Weekly fuel allocations for these vehicles were not budgeted for, thus a budget provision of \$1,155 under natural account 2275 for the purchase of petrol is sought to accommodate this additional requirement.

The new Deputy Secretary for Planning and Aid Division position has been recruited under a Government contract and requires a government-allocated mobile telephone for official use. The former Deputy Secretary, who was under an AusAID contract, was provided a telephone which was funded by AusAID, and which is no longer available for office use. Therefore a budget provision of \$120 under natural account 2330 for Telephone / Internet is sought to allow for a telephone allocation for the new Deputy Secretary.

Decreases:

The natural account 2015 for Salaries – Local includes a budget provision for a Budget Director which is still vacant. It is envisioned that this position may not be filled on a substantive basis this year, thus savings of \$3,000 from this budget will contribute to meeting the required additional expenditures in other line budgets.

Savings of \$1,000 have been realised from under natural account 2075 for travel-business to enable attendance of a representative of Finance at the Forum Economic Ministers Meeting (FEMM) in Samoa earlier this year. The airfare was funded by the Forum Secretariat, thus the budget of \$4,000 for this travel was not completely utilized.

A new laptop for the Chief Accountant was budgeted at \$2,000 under natural account 2495 for Plant and Equipment. However the new FMIS project funded by AusAID has provided for the procurement of the laptop thus enabling savings under this line budget. A decrease of \$675 is being proposed under the 2495 natural account to replenish other budget lines.

Department of Finance – Other Payments – Head 16

The Government originally budgeted for only one bulk fuel purchase in the 2011-12 financial year with the expectation that the supply of fuel to the island will be outsourced by December 2011 onwards. Given the delay with this proposed new arrangement, the Government has made a second bulk fuel purchase in December 2011 in the amount of \$1,918,451 to ensure there is sufficient stock of fuel on island that should last until end of February 2012.

There is a budget provision of \$600,000 under the natural account 2280 for diesel, and it has a balance of \$553,676 unutilised. Therefore the top-up amount still needed is \$1,364,775 that consists of \$1,075,286 for diesel and \$289,489 for petrol.

The approved 2011-12 Budget has a provision for Subsidies in the total amount of \$3,304,667. This amount has been set aside as the projected cost of the electricity subsidy that would need to be paid in cash to Utilities for the second half of the year on the expectation that the outsourcing arrangement will commence by the end of December 2011. However, because of the delay in the outsourcing of the tank farm, the allocation for Subsidies under this natural account 2615 will enable to meet the required amount for the fuel purchase totalling \$1,364,775.

SUMMARY OF INTER-SUBHEAD TRANSFERS

Increases

Head	Department	Natural Account	Item	Increase (\$AUD)
03	Chief Secretary	2075	Travel - Business	5,000.00
11	Finance Secretariat	2070	Travel -staff	3,400.00
11	Finance Secretariat	2275	Petrol	1,155.00
11	Finance Secretariat	2330	Telephone / Internet	120.00
16	Finance -Other Payments	2280	Purchase of Diesel	1,075,286.00
16	Finance -Other Payments	2275	Purchase of Petrol	289,489.00
	Total			1,374,450.00

Decreases

Head	Department	Natural Account	Item	Decrease (\$AUD)
03	Chief Secretary	2315	Electricity	5,000.00
11	Finance Secretariat	2015	Salary - Local	3,000.00
11	Finance Secretariat	2075	Travel - Business	1,000.00
11	Finance Secretariat	2495	Plants & Equipment	675.00
16	Finance -Other Payments	2615	Other Subsidies & Donations	1,364,775.00
	Total			1,374,450.00