



# REPUBLIC OF NAURU

## SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2011-12

DECEMBER 2011

CIRCULATED BY  
THE HONOURABLE DAVID ADEANG, MP  
MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

## Supplementary Expenditure 2011-12

The Second Supplementary Appropriation Bill makes a number of adjustments to the 2011-12 Budget estimates of expenditure to provide for events which were unanticipated at the time the 2011-12 Budget and the First Supplementary Appropriation 2011-12 was considered by Parliament.

### Domestic Revenues

#### Fisheries – Head 31

*Impact on budget balance (\$)*

Various Accounts	2011-12
Fisheries Revenue	2,259,582
<b>Total Impact on Budget</b>	<b>2,259,582</b>

*A negative "Impact on Budget" indicates a net increase in government expenditures.*

*Description*

The recent introduction of the new Vessel Day Scheme (VDS) auction scheme as the basis for the licensing framework agreement for access to Nauru's Exclusive Economic Zone is proving to be successful which has resulted in generating higher fishing license revenues for this financial year. The Nauru Fisheries and Marine Resources Authority (NFMRA) have projected an additional \$2,259,582 in licensing revenue this financial year bringing the total fisheries revenue to \$7,556,483 compared to the approved budget amount of \$5,296,901.

### Domestic Expenditures

#### Finance – Public Debts – Head 12

*Impact on budget balance (\$)*

Account 2515	2011-12
Public Debts	-621,897
<b>Total Impact on Budget</b>	<b>-621,897</b>

*A negative "Impact on Budget" indicates a net increase in government expenditures.*

*Description*

The Government has agreed to provide an additional \$621,897 in funding for the Pending Salaries 2011 payout, bringing the total pending salaries budget to \$1,621,897. This is to allow for the inclusion of former Eigigu and Rontel staff under the Government pending salaries debt, and further allow for the increase of the percentage component of pending salaries to increase from 2.2% last year to 4% this year.

#### Finance – Other Payments – Head 16

*Impact on budget balance (\$)*

Account 2615	2011-12
Subsidies and Donations	-12,000

<b>Total Impact on Budget</b>	<b>-12,000</b>
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*A negative "Impact on Budget" indicates a net increase in government expenditures.*

*Description*

The Government has agreed to provide goodwill donations to all churches in Nauru. Each church group will be provided \$500 for the occasion of celebrating Christmas this year. The total amount required for this purpose is \$12,000.

**Women's Affairs – Head 82**

*Impact on budget balance (\$)*

Account 2235	2011-12
Special Projects	-32,550
<b>Total Impact on Budget</b>	<b>-32,550</b>

*A negative "Impact on Budget" indicates a net increase in government expenditures.*

*Description*

The Government has agreed to provide new funding of \$32,550 to renovate the Safe House for Women. The funding provides for a more secured facility for the protection of Nauruan women in need of support and protection. Note that this project was included in the Development Fund Annual Projections 2011-12, but due to the delay in securing donor funds the Government has decided to provide for this from its domestic budget resources.

**Transport Secretariat – Head 91**

*Impact on budget balance (\$)*

Account 2235	2011-12
Plants & Equipment	-1,466,866
<b>Total Impact on Budget</b>	<b>-1,466,866</b>

*A negative "Impact on Budget" indicates a net increase in government expenditures.*

*Description*

The Government has agreed to provide additional funding of \$1,466,866 to support the financing of heavy maintenance costs associated with one of the Our Airline aircrafts (VH-INU). These heavy maintenance costs include the procurement of a replacement engine and for the C-check. The replacement of the aircraft engine was not anticipated by the Our Airline to occur this year, but based on an engineering survey carried out it was realised that the extent of the damage to the engine has been quite severe and it required to be replaced immediately. The Government was expecting to secure donor funding for both the C-check and engine replacement, however this has not materialised and the payments to the suppliers are overdue. The Government therefore has no choice but has to provide the needed funding to enable the release of the aircraft for continued operation before the end of December 2011. A total of \$466,866 has already been advanced by the Government towards payment of these costs, and it is expected that the balance of \$1 million will need to be paid out by 23 December 2011.

**Overall Impact on Budget**

The total expenditure in this Supplementary Budget covering the four proposed activities amounts to \$2,133,313. There is additional revenue estimated at \$2,259,582 to be collected in this year in the form of additional fisheries license revenues, which would more than offset the additional expenditure proposed under this Supplementary Budget.

2011-12 SUPPLEMENTARY APPROPRIATION - REVENUE ADJUSTMENTS				
Head	Description	Natural Account	2011-12 Supplementary Appropriation 2	Revised 2011-12 Appropriation
31	Fisheries - (NFMRA)	Various	\$ 2,259,582	\$ 7,556,483
	<b>Total</b>		\$ 2,259,582	\$ 7,556,483

2011-12 SUPPLEMENTARY APPROPRIATION - EXPENSE				
Head	Description	Natural Account	2011-12 Supplementary Appropriation 2	Revised 2011-12 Appropriation
12	Finance - Public Debt	2515	\$ 621,897	\$ 2,931,468
16	Other Payments - Finance	2615	\$ 12,000	\$ 5,257,629
82	Women's Affairs	2235	\$ 32,550	\$ 78,254
91	Transport - Secretariat	2495	\$ 1,466,866	\$ 1,501,163
	<b>Total</b>		<b>\$ 2,133,313</b>	<b>\$ 9,768,514</b>