

**Votes & Proceedings  
Of the  
Eighteenth Parliament**

**No. 14**

**Second Sitting of the Tenth Meeting  
Thursday, 12<sup>th</sup> March 2009**

**10.00 a.m.**

1. The House met at 10 a.m. pursuant to adjournment.
2. Hon. Riddell Akua, M.P., Speaker of Parliament, took the Chair and read Prayers.
3. **Statement from Chair**

Hon. Speaker made the following statement to the House as follows:-

*‘Honourable Members, a small statement before beginning the business of the House. A resolution of the House stands as is and until dealt with shall be closed and filed away.*

*Standing Order 62 clearly states that no Member may reflect upon any vote of the House except that such vote be rescinded. With the resolution of the House to the matter of the Member’s suspension is a vote of the House. May I add also that Standing Order 64 is in regard to personal reflections, it goes on to state that all imputations of improper motives and all personal reflections on Members shall be considered highly disorderly.*

*As to prompting the DPP department with respect to the Parliament’s recommendation in matters relating to the Privileges Report, it is inappropriate for the Speaker to intervene in any manner whatsoever. Parliament has resolved upon the issue and those recommendations of the Privileges Report on matters relating to breach of privileges are now within the DPP jurisdiction. As to the point where the DPP has not responded can only mean one thing to me, the issues in question are in his boundaries and there is no time-frame as to when the matter should be dealt with. I am in full trust the DPP will handle the issue with pure independence.*

*We do have our Standing Orders as guide-lines to the businesses conducted in this august House and as Speaker, I have been very lenient in the way and manner that Honourable Members have conducted themselves in this august House. However that is not to say that my leniency is because I lack courage to enforce rules. My lack of action against unruly behaviour and speeches, to state the least, encourages Honourable Members to debate and put forth across to members of Cabinet their issues, so important matters that concern our people are sorted out. I must kindly inform Members that everything said is recorded and on file.*

*Misleading the House is a matter worthy of the Privileges Committee’s mandate and I trust all Honourable Members conduct themselves in this august House worthy of their titles. Thank you.’*

4. **Leave of Absence**

(i) His Excellency President Marcus Stephen sought leave of absence for Hon. Thoma and Hon. Deireragea who are absent due to ill health.

Leave was granted.

(ii) Mr. Waqa (Boe) sought leave of absence for Mr. Bernicke (Buada) who is away overseas. Leave was granted.

5. **Notices of Motions**

(i) His Excellency President Marcus Stephen gave notice that at the next sitting of Parliament he shall move to present the NPRT (Amendment) Bill 2009.

Hon. Dr. Kieren Keke (Minister for Finance) seconded.

(ii) Hon. Mathew Batsiua (Minister for Justice) gave notice that at the next sitting of Parliament, he shall move to present the Correctional Services Bill 2009.  
Hon. Sprent Dabwido (Minister for Transport) seconded.

6. **Questions Without Notice** were asked.

The sitting was suspended for lunch and to resume at 3.00 p.m.

**Resumed.**

## 7. **Ministerial Statements & Tabling of Papers**

(i) Hon. Dr. Kieren Keke (Minister for Finance) made the following statement relating to the 2007-2008 Final Budget Outcome, which reads as under:-

*Mr. Speaker and honourable colleagues, today I have much pleasure in tabling before the Parliament the 2007-08 Final Budget Outcome (FBO). I should note that these accounts are yet to be fully audited, but they do represent the Government's full set of revenue and expenditure transactions for the financial year ended 30 June 2008. I am pleased to announce that these accounts have been presented to the Director of Audit.*

*In line with this government's push for an environment of transparency and accountability, this document provides analysis and explanations of all significant variations from the forecasts that were provided in the 2007-08 Budget.*

### ***Budget Aggregates***

*Honourable Speaker, in the 2007-08 Budget a forecast budget surplus of \$38,424 was announced. Today I am pleased to inform the House that the actual budget balance was in surplus to the order of \$3.54 million.*

*This surplus in 2007-08 was primarily a result of overall 2007-08 expenditures being lower than anticipated at the time of the 2007-08 Revised Budget and was in fact recorded despite lower than expected revenue collections during the year.*

### ***Revenues***

*In 2007-08, two-thirds of government's revenue came from two sources –*

- *Donor assistance in the form of cash grants; and*
- *Fisheries revenue from the sale and management of fishing licences.*

*Total funding support from donors was \$16,988,080 and total own source revenue was \$13,583,207. The total revenue collected in 2007-08 was \$4.034 million less than expected at the time of the 2007-08 Revised Budget. Some major revenue items that were lower than expected were –*

- *Revenue of \$5.97 million was budgeted in 2007-08 for fishing licences but actual revenue was \$4.04 million. Fishing revenue is notoriously difficult to predict, being reliant on catch data for specific years and being subject to exchange rate fluctuations.*
- *Royalties from RONPHOS were estimated at \$810,950. Due to lower than anticipated shipments of phosphate, royalties ended up at \$739,012.*
- *Revenue from petrol sales was estimated at \$2.6 million but only \$2.02 million was collected.*
- *Revenue from diesel sales was estimated at \$2.65 million but only \$1.92 million was collected.*

*There were also a few revenue items where variations were higher than expected.*

- *Customs and excise duty of \$1.81 million was budgeted but total receipts were \$2.24 million. The increase is largely due to increased economic activity on Nauru.*
- *Air navigation fees were estimated at \$280,000 but actual revenue was \$327,629.*

- Revenue from visa fees were \$128,810 which was significantly higher than the budget estimate of \$44,000.

### **Expenditures**

At the time of the 2007-08 budget expenditures were expected to be \$24,656 million, which increased to \$35.561 million through Supplementary Appropriation Act 2007-08 and the Supplementary Appropriation Act (No. 2) 2007-08. The actual expenditure result for 2007-08 was \$27,031,418.

During 2007-08, the main areas of government expenditure were –

- Salaries, including for local public servants - \$5,957,727, expatriate staff - \$920,911 and consultants \$578,318. These expenses were much higher than in previous years, reflecting the commitment of the government to paying full wages on the new scale.
- Fuel and oil purchases – petrol, diesel and Jet A1 – the majority of which was used for power generation. A proportion of diesel and all petrol is sold to the public while Jet A1 fuel was sold to Our Airline. Total expenditure on fuel and oil purchases was \$8,814,971.
- Travel by Ministers, parliamentarians and public servants - \$847,033.
- Social welfare payments, including for unemployment benefits, superannuation payments and contributions, aged pension, subsidies to non-Republic school, death claims and birth claims - \$675,331.
- Rental payments to landowners for land utilised by government - \$470,716.

In 2007-08 no department exceeded its appropriation limit. This result is an indication that the Department of Finance's ability to track and control spending has improved and also demonstrates that the majority of departments are becoming increasingly aware of the need to comply with Parliament agreed spending limits.

This is an improvement compared to 2006-07 when two departments exceeded their appropriations and is indicative of department's preparedness to work with the Department of Finance in ensuring spending is within appropriation limits.

Mr. Speaker, the fiscal outcome for 2007-08 was a positive result that showed that fiscal restraint can produce results, even when revenues are lower than expected. With the 2008-09 budget we introduced clearer reporting of donor revenue and expenditure, and this will help to clarify the contribution of donor and own source revenues and expenditures to future budget outcomes.

The result for 2007-08 is not a signal that we can afford to relax our efforts in 2009. We are likely to have a more difficult task ahead of us this year. With the collapse of the world phosphate market, Nauru's revenue stream will be adversely affected.

Mr. Speaker, these fiscal results have demonstrated the importance of fiscal discipline in the interests of a sustainable future for our country. As the result of mismanagement and corruption by successive administrations of the past, Nauru's situation is very difficult and will require continued resolve and discipline to address. We thank the people of Nauru for their support during this difficult time of transition.

*I commend the 2007-08 Final Budget Outcome report to the Parliament.'*

- (ii) Hon. Dr. Kieren Keke (Minister for Finance) laid on the Table of the House inter-subhead transfers as approved by Cabinet at its meeting held on 5<sup>th</sup> February 2009, pursuant to its powers under Section 4, sub-section 3 of the Appropriation Act 2008-09.

## **8. Motions**

His Excellency President Marcus Stephen, as Leader of Government Business, moved that consideration of motions 1, 2, 3, 5, 6, 7 and 8 be adjourned and made orders of the day at the next sitting.

Hon. Dr. Kieren Keke (Minister for Finance) seconded.

Question put and passed.

9. **Motion Seeking Leave**

Hon. Mathew Batsiua (Minister for Health) sought leave of the House to move a motion. Leave was granted.

10. **Motion – Tobacco Control Bill 2009**

Hon. Mathew Batsiua (Minister for Health) moved to present the Tobacco Control Bill 2009. Hon. Sprent Dabwido (Minister for Transport) seconded.

**First Reading** - The Bill was presented and read a first time.

11. **Motion – Second Reading**

Hon. Mathew Batsiua (Minister for Health) moved that the Bill be now read a second time. Hon. Sprent Dabwido (Minister for Transport) seconded. Second reading speech ensued.

Under Standing Order 159 further debate on the Bill was adjourned to a future date.

12. **Motion Seeking Leave**

His Excellency President Marcus Stephen sought leave of the House to move a motion. Leave was granted.

13. **Motion – NPRT (Amendment) Bill 2009**

His Excellency President Marcus Stephen moved to present the NPRT (Amendment) Bill 2009. Hon. Dr. Kieren Keke (Minister for Finance) seconded.

**First Reading** - The Bill was presented and read a first time.

14. **Motion – Second Reading**

His Excellency President Marcus Stephen moved that the Bill be now read a second time. Hon. Dr. Kieren Keke (Minister for Finance) seconded. Second reading speech ensued.

Under Standing Order 159 debate on the Bill was adjourned to a future date.

15. **Motion Seeking Leave**

Hon. Dr. Kieren Keke (Minister for Finance) sought leave of the House to move a motion. Leave was granted.

16. **Motion**

Hon. Dr. Kieren Keke (Minister for Finance) moved the following motion –

*‘Recognising the human resource and administrative constraints within the Department of Finance, in particular, the absence of a senior accountant and*

*the change of Australian in-line officials within the Ministry during the relevant periods;*

*Also recognising the ongoing efforts and real improvements in the administration of the Department of Finance both in terms of human resource capacity and in relation to the Department's accounting systems;*

*Further recognising that the statements and accounts of the Republic have not been transmitted to the Director of Audit for many years prior;*

*And with the advice that the statements and accounts for the financial year ending June 2008 have now been compiled and are now being transmitted to the Director of Audit;*

*As the Minister responsible for the public accounts of the Republic, I therefore move the following motion, seeking the agreement of the House to an extension of the period within which the statements and accounts are required to be transmitted to the Director of Audit;*

*"That in accordance with the provisions of section 10 of the Audit Act 1973, the House resolves to appoint a period of up to nine months after the end of the financial year ending June 2008, as the period within which the Minister for Finance shall transmit to the Director of Audit the statements and accounts provided for under this section of the Audit Act; and*

*That in accordance with the provisions of section 11 of the Audit Act 1973, the House resolves to appoint a period of up to eleven months after the end of the financial year ending June 2008, as the period within which the Director of Audit shall report his examination and audit of all accounts to the Minister for tabling to Parliament pursuant to section 11 (2) of the Audit Act 1973."*

His Excellency President Marcus Stephen seconded.

Debate ensued.

Question put and passed.

## **17. Motion**

Hon. Dr. Kieren Keke (Minister for Finance) moved to present the Supplementary Appropriation (No. 3) Bill 2008-09.

His Excellency President Marcus Stephen seconded.

**First Reading** - The Bill was presented and read a first time.

## **18. Motion – Second Reading**

Hon. Dr. Kieren Keke (Minister for Finance) moved that the Bill be now read a second time.

His Excellency President Marcus Stephen seconded.

Second reading speech ensued.

Under Standing Order 159 debate was adjourned to a future date.

## 19. Motion

Hon. Dr. Kieren Keke (Minister for Finance) moved that Standing Order 159 be suspended to enable the second reading debate to ensue forthwith.  
His Excellency President Marcus Stephen seconded.  
Question put and passed.

The House was suspended until the bell rings.

## Resumed.

Debate ensued.  
Question put and passed.  
The Bill was read a second time.

## 20. Letter of Recommendation

The Chair informed the House that he had received the Letter of Recommendation from His Excellency the President which reads as follows:-

*“ I Marcus Stephen, President of the Republic of Nauru as Chairman of the Cabinet and in pursuant of the resolution of the Cabinet hereby notify the Parliament that the purpose of the withdrawal from the Treasury Fund has proposed by the Supplementary Appropriation Bill 2008-09 No: 3 is recommended to the Parliament by the Cabinet.”*

*Dated this 12<sup>th</sup> day of March, 2009.*

*(signed) Marcus Stephen, President and Chairman of the Cabinet’*

## 21. Motion Seeking Leave

Hon. Dr. Kieren Keke (Minister for Finance) sought leave of the House to enable him to move for the third reading of the Bill.  
Leave was granted.

## 22. Motion – Third Reading

Hon. Dr. Kieren Keke (Minister for Finance) moved that the Bill be now read a third time.  
His Excellency President Marcus Stephen seconded.  
Question put and passed.

## 23. Order of the Day No. 1 – Shipping Bill 2008

That the House resolves itself into the Committee of the Whole for further consideration of the Bill.

His Excellency President Marcus Stephen moved that the Bill be adjourned and made an Order of the Day at the next sitting, as the Minister is not in the House as he had to attend to some personal matters.  
Hon. Dr. Kieren Keke (Minister for Finance) seconded.

Question put and passed.

**24. Order of the Day No. 2 – Ministerial Statement & Tabling of Papers**

That the statement made by the Minister for Transport on 10<sup>th</sup> March 2009, be noted. (V. Dowiyogo)

His Excellency President Marcus Stephen moved that Order of the Day No. 2 be adjourned and made an Order of the Day at the next sitting as the concerned Minister is not in the House for reasons given above.

Hon. Dr. Kieren Keke (Minister for Finance) seconded.

Question put and passed.

**25. Order of the Day No. 3 – Constitution of Nauru (Parliamentary Amendments) Bill 2008 and Constitution of Nauru (Referendum Amendments) Bill 2008**

That the House resolves itself into the Committee of the Whole for further consideration of the above Bills.

**26. Motion**

Mr. Amwano (Ubenide), as Chairman of the Select Committee on Constitutional Amendment Bills, moved that consideration of the two Bills be adjourned and made an Order of the Day at the next sitting.

Mr. Tabuna (Yaren) seconded.

Question put and passed.

**27. Withdrawal of Leave of Absence**

His Excellency President Marcus Stephen sought concurrence of the House to withdraw his request for the leave of absence sought for Mr. Thoma (Aiwo) as the Member is now present in the House.

This was agreed to by the House.

**28. Motion Fixing the Date for the Next Sitting**

His Excellency President Marcus Stephen moved that Parliament at its rising do adjourn until a time and date to be fixed by the Chair.

Hon. Dr. Kieren Keke (Minister for Finance) seconded.

Question put and passed.

**29. Adjournment**

His Excellency President Marcus Stephen moved that the House do now adjourn.

Hon. Dr. Kieren Keke (Minister for Finance) seconded.

Debate ensued.

**30. Motion – That the Member be Further Heard**

His Excellency President Marcus Stephen moved that all relevant Standing Orders be suspended to allow him to speak a second time to enable him to reply to some queries raised by Mr. Tsitsi (Aiwo).

Mr. Tsitsi (Aiwo) seconded.

Question put and passed.

Debate continued.

And then the House at forty-five minutes past nine o'clock p.m. adjourned until a time and date to be fixed by the Chair.

**Members Present**

All Members were present at some time during the sitting, except –

- \* Mr. Deireragea
- \* Mr. Bernicke
- \*\* Mr. Adeang

Freddy Cain  
**Clerk of Parliament**

- \* Leave of absence
- \*\* Suspension