

**Votes and Proceedings
Of the
Twentieth Parliament**

No. 4

**First Sitting of the Fourth Meeting
Tuesday, 18th November 2010**

10:00 a.m.

- 1) The House met at 10:00a.m in pursuance to its resolution of Monday 1st November, 2010.
- 2) Hon. Landon Deireragea M.P (Deputy Speaker) took the Chair and read Prayers.
- 3) **Notices of Motion**
 - (a) Hon. R. Akua (Minister for Transport) gave notice that at the next sitting of Parliament, he shall move to present the following Bills;
 - a. Civil Aviation Bill 2010
 - b. Telecommunications Bill 2010
 - (b) Hon. M. Batsiua (Minister for Health, Sports and Justice) gave notice that the next sitting of Parliament, he shall move to present the following Bills;
 - a. Counter Terrorism and Transnational Organized Crime (Amendment) Bill 2010
 - b. Republic Proceedings (Amendment) Bill 2010
 - c. Passports Bill 2010
 - d. Interpretation (Amendment) Bill 2010
 - e. Statute Law Revision Bill 2010
 - f. Acts Publication Bill 2010
 - (c) His Excellency the President, Hon. Marcus Stephen gave notice that at the next sitting of Parliament; he shall move to present the following Bills;
 - a. Electoral (Amendment) Bill 2010
 - b. Administrative Arrangements Bill 2010

4) Questions Without Notices were asked

5) Ministerial Statements and Tabling of Papers

a) His Excellency the President made the following statement to the House in relation to his recent trip to Taiwan;

Honorable Members,

I wish to provide this August House with a brief report on my trip to Taiwan which I undertook earlier this month.

On the 3rd of November I departed Nauru for Taiwan in order to attend the “20¹⁰ Taipei International Flora Exposition”. I am pleased to inform you that this visit was at the express invitations of His Excellency President Ma Ying-Jeou and was fully funded by the government of the Republic of China (Taiwan). Also accompanying me on this trip was the Deputy Speaker, the Honorable Landon Deireragea, another Member of Parliament, the Honorable Sprent Dabwido, my wife, Private Secretary and Aide-de-camp to the President.

For Members’ information the “2010 Taipei International Flora Exposition” is a very prestigious event and one that the people of Taiwan are rightfully proud of. Not only is this particular event considered by many to be the “Olympics” of all floral shows but it is also the very first time for Taiwan to win International Hosting rights.

The Opening Ceremony took place on the 5th of November and was well – attended by many dignitaries and high – level representatives from Taiwan’s ally countries. Also in attendance were my two colleagues from the Pacific, His Excellency President Jurelang of the Marshall Islands and President Toribiong of Palau. I believe this expo will be a resounding success and take this opportunity to congratulate the government and people of Taiwan, through the Taiwan Embassy here on Nauru.

I am further pleased to report that I had two high – level meetings during my stay in Taiwan; the first being a meeting with President Ma and the second was held with Taiwan’s foreign Minister, Mr. Timothy Yang. These bilateral meetings were very positive and were centered on current and existing technical cooperative programs under our M.O.U. agreement. We also discussed some proposals for new areas of cooperation but these have not been finalized as yet and will be announced in full at a later date.

I take this opportunity to extend my personal thanks and appreciation to our Taiwan Ambassador, His Excellency Mr. Jason Wan,

His wife Dianna and staff Members at the Taiwan Embassy in Nauru for their excellent arrangements and preparations for my trip to Taiwan. As a result of their efficiency and professionalism, my trip to Taiwan was very successful and enjoyable.

Thank you Deputy Speaker.

b) Hon. Frederick Pitcher (Minister for CIE) made the following statement to the House in relation to CIE activities;

Mr. Speaker, and Honorable members,

I wish to provide you with a brief on activities undertaken by the Department of Commerce, Industry and Environment. The report is broken down into the 3 sectors of Environment, Agriculture and Commerce that make up the Department:

1. ENVIRONMENT DIVISION

Climate Change: National Adaptation Plan of Action (NAPA)

The first quarter of this year we were able to receive Dr Graham Sem for consultation on the Vulnerability & Assessment on climate change impacts and Greenhouse Gas Inventory training to collect emissions data. It was during this consultation where all stakeholders were invited to contribute to Nauru's strategy to adapt to climate change – which has subsequently been completed and named RONAdapt.

CLIM

Training was done with stakeholders on a simulation software from CLIMSystems (a well-renowned company for developing computer-model systems) to examine effects of climate variability and change over time and space. The benefits of their work is to enable Nauru to: describe baseline climates, examine current climate variability and extremes, assess present & future risks, investigate present & future adaptation, create scenarios of climate and sea-level change, conduct sensitivity analyses, project sectoral impacts of climate and sea level change, examine risks and uncertainties; and facilitate integrated impact analyses.

SOPAC HYCOS

The Pacific Hydrological Cycle Observation System (aka HYCOS) has been working closely with this Department in the water sector. The

objective of the project is to provide assistance in measuring Hydrological parameters through capacity and technical equipment support. The following are some of the key activities to date:

- 1. Setting up of Bacteriological Water Quality Equipment at RON Hospital and Training of Staff;*
- 2. Inspection of some rainwater harvesting collecting system at community level.*
- 3. Installation of a TB3 (Tilting Bucket) Automatic Rain Gauge system at topside Field Workshop.*
- 4. Water Quality sampling, potential risk assessment from desalination plants, Bulk storages, delivery trucks and all community tanks and some domestic tanks.*
- 5. GIS ground validation of roof tops & water tanks*
- 6. Snap shot of Nauru's ground water resources.*
- 7. GIS plotting of domestic wells and household sanitary systems.*
- 8. Ground/Cave water quality sampling of all accessible water wells, testing for salinity levels and water contamination.*
- 9. Community Workshop to present preliminary results of report and provide advice on well protection and reducing contamination.*

I am pleased to say that the Final HYCOS report has recently been completed and presented to Government. This report will provide very useful advice and guidance on the protection and management of Nauru's water resources.

Groundwater Vulnerability

CIE received two consultants Mr. Louie Bouchet and Mr. Kasenga Hara early this year for three months to assess the vulnerability of our groundwater resource. The survey specifically looked at the contamination of the waterlens caused by e-Coli bacteria. The main

source of such contamination was seen to be human fecal waste from underground septic tanks.

The study also proposed recommended methods for Nauru to address the e-coli contamination, two such methods being the compost toilet and twin-chamber septic tanks.

As a result of this study, the department is proposing to seek funding under the Integrated Water Resource Management (IWRM) Project and the Pacific Adaptation to Climate Change (PACC) to implement a project to replace existing cesspits with twin-chamber septic tanks around some parts of the island. The Department will also be testing and demonstrating a solar water purification system to be installed in some highly contaminated areas. Additionally, we are looking at ways and means of improving Location is existing water pipes and underground tanks in Location.

Sustainable Land Management (SLM):

The goal of this Project is to contribute to maintaining and improving ecosystem stability, integrity, functions and services while enhancing sustainable livelihoods. This will be done by building Nauru's capacity to implement a comprehensive regime for sustainable land management and to ensure that SLM is mainstreamed into all levels of decision-making. The Sustainable Land Management (SLM) Project has concentrated on the following activities so far this year:

- 1. Breadfruit Nursery: The Sustainable Land Management Project prioritized the request for assistance from the Directorate of Agriculture for assistance to help implement the establishment of a Breadfruit Nursery;*
- 2. National Action Plan (NAP): A National consultation was conducted in April 2010, whereby a draft NAP was completed and is currently awaiting finalization through the development of an integrated financial strategy;*
- 3. GIS Training Workshop: was carried out this month with over 30 relevant stakeholders taking part at the Tomano Room. The course provided GIS software free to participants as well as intensive training on the use of the software.*

GEF Small Grants Programme

The Department has been progressing dialogue with UNDP to improve the SGP project, which provides funding for small projects that benefit communities. US\$1.2million has been allocated to the project under GEF5, with a focus to include projects in rainwater harvesting and groundwater vulnerability. It is expected that the Water Tank project will receive funding under this scheme, and will provide tanks to the remaining households that have not received their new tanks yet. We hope to get this project underway early in 2011.

Japan PEC Fund

The Department with the assistance of Utilities is drafting a concept note to tap into the funding of \$4 million USD from this Japanese grant managed by the Forum Secretariat. The objective of this is to fund a new Solar-powered Reverse Osmosis plant, as well as fund an additional water truck and a large distribution tank for community/individual access.

2. AGRICULTURE DIVISION

National Nursery Project (Breadfruit)

This project is in its implementation stage and is being funded under the SLM project. The purpose of the project is to build a national nursery for fruit trees and root crops that will house and care for the plants before distribution to the community. The project has identified land at Aiwo district situated at the old Golf House, and land negotiations are in process. Whilst this is in progress, already CIE has distributed its first 20 breadfruit plants to interested individuals.

Food Security and Sustainable Livelihoods Programme (FSSLP)

FAO has called an inception workshop to commence in 2 weeks in Apia, Samoa, inviting the new Project Coordinator for this new project. The key outcomes of the project will be to build better capacity at the national level for food security and rural livelihoods programme development, participatory planning management and strong monitoring and evaluation of projects addressing food security and sustainable livelihoods under the FSSLP. FAO will be providing significant funding under this programme.

Agriculture Development Fund (ADF)

In collaboration with the Taiwan Technical Mission (TTM), CIE will be establishing an Agriculture Development Fund, which will be funded by sales from the TTM of produce and eggs. The ADF will be used as a revolving fund to support the TTM farms, and also to act as a form of small-scale grant to farmers who may require financial support for their own farms. It is proposed that grants of up to \$500 each will be provided to community and individual farms and gardens under the ADF.

3. COMMERCE AND BUSINESS DEVELOPMENT

Nauru Entrepreneurship Development Centre (NEDC)

The NEDC is tasked building and strengthening the entrepreneurial capacity of Nauruans to engage in group or individual enterprises that will provide a sustainable livelihood to those who are currently unemployed or underemployed. Particular focus will be given to empowering women and young people to engage in dignified work and self-employment.

The NEDC provides training and mentoring to aspiring entrepreneurs, and so far 42 Nauruans have undergone a 6 week training course on small business management, thanks to the expert advice and support provided by the centre's resident long-term consultant. The NEDC also provides microfinance to qualifying business proposals, and so far 7 entrepreneurs have received business loans of up to \$2,000. A further batch of business proposals will soon be awarded loans by the centre's Board comprising Government, donors and local businessmen.

Microfinance Facility

The Department has also been working closely with Taiwan's ICDF in drafting a proposal for a \$200,000 grant to establish a microfinance facility that will augment the NEDC's small business loans. A particular focus will be on agribusiness projects, and will provide loans of up to \$4,000 per project.

Mr. Speaker and honorable members, the Department of CIE is committed to working with communities and individuals across a wide range of sectors to improve access to donor funding, and is committed to delivering projects that benefit the wider community.

Thank You

Mr. Amwano (Ubenide) moved that the Paper be noted.

c) Hon. R. Kun (Minister for Education) made the following statement to the House on the Department of Education activities;

Education Bill- *Drafting of the Education Bill is in progress and it is anticipated that the Bill may be tabled this year. This Bill will greatly enhance the department's ability to more effectively deliver a high quality education and service, through a range of policy initiatives. Key features of the Bill will be the establishment of an Education Board and Curriculum Board which will provide advice to the Minister. A key initiative of the Bill is that of compulsory age of education being raised to 18. This is aimed at retaining young people in school and ensuring that they are engaged in learning via a range of educational pathways, including Technical and Vocational Education and Training. The Bill also outlines that with compulsory education the responsibility of parents of ensuring students attend school.*

Extending School Hours- *The Department of Education will be extending school hours from the beginning of 2011 school year. The hours of school will now be 8.30 am to 3.00 pm for prep, primary and secondary students. The hours of attendance for Play Centre and Pre-School (3 hours) shall remain the same. This initiative will see Nauru become aligned with all other countries in the region. It is anticipated that this move to standard school hours will contribute significantly towards improving student learning outcomes. This initiative was announced publicly by Secretary of Education on November 12th. A public awareness campaign has commenced with the release of the More School Time Better Education information brochure.*

The Department has commenced addressing logistical issues such as transport and is coordinating with the Department of Transport around this.

Pacific Education Development Framework (PEDF)- *With the finalization of the PRIDE project, Forum Ministers endorsed the Pacific Education Development Framework in Nuku'alofa, Tonga March 2009. The PEDF is "aligned with and is grounded in the core planning principles and concepts of the Pacific Plan". The strategic goals via the vision and mission aim to:*

- *Achieve universal and equitable participation and access to Pacific Education and training*
- *Improve quality and outcomes*
- *Achieve efficient and effective utilization of resources ensuring balanced and sustained development of Pacific education systems.*

At the recent Forum Education Ministers Meeting a range of regional initiatives were supported and include:

- *Monitoring and improving teacher competencies and effectiveness*
- *Development and implementation of Teacher and Principal Professional Standards*
- *Benchmarking education quality for results in Pacific Education*
- *Proposes strategy to strengthen education planning and policy in the region*

The Prime Minister, Honorable, Grand Chief, Michael Somare announced at the opening of the FEdMM the provision by the Government of Papua New Guinea of 20 full Scholarships each year for five years to other Pacific member countries. This generous offer was warmly welcomed and appreciated by all members. This provides a wonderful opportunity for enhanced capacity building within the region.

Review of Strategic Plan- *to ensure alignment with NSDS 2009 – DoE has completed a review of its Strategic Plan “Footpath II” to ensure that it clearly reflects and promotes the 2009 NSDS strategies. In undertaking this review the Department has also taken into consideration the relevancy of a number of the activities within the plan. A number of changes have been made in strategic focus so that the plan more accurately reflects current issues and needs within education and amongst stakeholders.*

This reviewed Strategic Plan has informed the development of the Department’s Annual Operational Plan and sub level work plans of Directors and Managers.

In parallel to the process of strategic planning the Department of Education is also implementing a reform of its budgeting processes. This will involve strategies such as establishing a departmental budget committee, development of a cost regime for the department that will

inform future budgeting processes and improved reporting and monitoring procedures.

RON Scholarships. *The RON scholarships have been completed and Cabinet has approved the list of scholarship winners. Successful candidates and their parents attended an information evening on November 11th.*

Results from the scholarship exams continue to reflect limited levels of achievement in Social Science and particularly in Mathematics and Science. The average score in English was 40 approaching the mean of 50.

Infrastructure Road Map- *The Department of Education has completed collating data and evidence related to infrastructure for the Nauru Infrastructure Strategy and Investment Plan funded by the Asian Development Bank and provided this to AMU.*

Australian Senior Curriculum. *The Department has undertaken a comparative analysis of a number of Australian States and Territories senior curriculum with the intent of entering into a licensing agreement. This agreement will see NSS deliver an Australian senior curriculum with students receiving a senior certificate from the Australian State/Territory accrediting authority. For those students who take a TVET pathway it is anticipated that they will be able to receive a senior certificate or certificate of attainment that recognizes their TVET qualifications. These students are also eligible to receive their individual TVET qualification from the Australian RTO provider. This will be recognized with the Australian Qualifications Training Framework.*

Partnership Agreement Meetings- *Partnership Agreement discussions are planned for December with Donor Partner AusAID. It is anticipated that the Nauru-Australia Partnership for Development Improved Education Implementation Strategy will see this important and significant agreement formalized. NZAID representative Ms Marion Ferguson will also be visiting 29th November to engage in discussions with Department of Education on its current program.*

Thank You

Mr. Amwano (Ubenide) moved that the Paper be noted.

d) Hon. R. Akua (Minister for Transport) made the following statement to the House in relation to his recent trip to Tarawa;

Honorable Members,

I wish to present a statement on a recent to trip undertaken by myself and the Our Airline board members to Tarawa.

On Monday the November 15, I led a delegation trip to Tarawa, consisting of the Our Airline board members. All members were present and also accompanying the group was Honorable Sprent Dabwido M.P. in an advisory role.

The reason behind the trip was an agreement was made to Air Kiribati that every year, both board would meet to discuss issues that arose that affects the operation between the two partners. The idea is to improve ways to make the Our Airline & Air Kiribati under the joint partnership, viable or even better to operate profitability.

I must give commendation to the Chairman Kevin Powers and even more so with the CEO Karam Chand. Under the chairman's leadership in conducting the board meetings at both level joint and local. He was always conducting the meeting that ensures that issues what could've blown out to become argumentative was kept under control and were thrashed out in a civil and cordial manner.

Under the CEO guidance he ensured that issues affecting the flight operation were always at the foremost of his submissions. And I must say it was an effect that both parties of the board members that is Our Airline and Air Kiribati responded positively to the issues as clear and concise as possibly could. To give an example of one topic; the CEO pointed out to Air Kiribati board members that it was Kiribati who approached Nauru for another air service to Fiji in conjunction with what they had which was Air Pacific, the submission ensured that the response from Air Kiribati is to take ownership of their sector. In which I am too happy to say that they did.

I also must add that the Our Airline board members were always present at every meeting and deserves, in every way, a mention here in this august House.

I also met with the Kiribati Minister for Transport and he ensures me that where there's possible the GoK would lend its utmost support.

Also along with the same meeting but on a different time line, the Minister for Transport from the Marshall Islands came in his own plane bringing up a delegation mainly from the private sector.

Although there was no mention of inputting money to cover the losses to operate the Marshall, Tarawa and Fiji sector, they outlined the

many reasons from their past experience with this sector, of a good and balanced profit margin. The outcome from this meeting was to put together a working group from both parties to sit down and thrash out further issues. The time frame of this would be handled by OUR AIRLINE C.E.O Karam Chand.

Further of this matter will be informed to this august House as it progressed.

Thank you.

Mr. Dowiyogo (Ubenide) moved that the Paper be noted.

e) Hon. Frederick Pitcher (Minister for Utilities) made the following statement to the House relating to Nauru Utilities activities;

Mr. Speaker and members of the House,

I wish to take this opportunity to provide a brief on the performance of the Nauru Utilities for period January to October 2010.

From the outset Mr. Speaker, let me say that the Nauru Utilities have been able to sustain all services across the board with a certain degree of efficiency despite the difficulties and challenges our community have endured in the last eight months.

Power production and distribution

The electricity supply for the island was sustained and as of today, four generation units are operational and the fifth one will be rebuilt once necessary resources are available. During the course of past months some power disruptions occurred, due to mechanical breakdown of the engines at the power station. Other times disruptions occurred due to a fault in the distribution and transmission lines during bad weather or chronic wear and tear of the infrastructure.

Effort is being made to improve the protection system for the power generation in attempt to reduce the island wide blackouts that experience from time to time. In July, a specialist was brought in for a week to install the first line of protection and he will return to install the second line of protection plus the relevant instrumentation.

Mr. Speaker, work on replacing power poles in vulnerable and exposed spots around the island (particularly Ijuw, Anibare, and Meneng) has started and it will take some time to complete this project. Urgent repairs and maintenance of the distribution lines, transformers

and sub-stations have also been carried out when and where necessary. On occasions of system breakdowns, staff worked tirelessly around the clock, to restore the power supply to affected areas.

The waste oil leak from the power station to the sea which had caused much concern for the community has now been controlled, after an intensive clean up of the drainage system and improved housekeeping measures to ensure that waste oil in the power station is contained and causes no further damage to our environment.

Mr. Speaker, you may have recalled references made in the government budget statement that the EU assistance to Nauru in the next four years is directed towards support to the Utilities to improve energy efficiency through supply side and demand side management. This assistance is equivalent to an agreed budget of 2.3 million euro (or 3.2m AUD) for a period of four years. Mr. Speaker, we would expect from this assistance a significant reduction in power disruptions; increased knowledge and participation of our community in energy efficiency initiatives at all levels; better planning and management by Utilities; and better appreciation of Nauru's wind resource potential. Part of this funding is now available from the imprest account for work to commence.

The performance of the solar grid connected system at the Nauru College is satisfactory. Opportunities for additional systems with similar or bigger capacity are being explored through regional and international funding mechanisms.

Water production and dispatch

The water production and distribution Mr. Speaker experienced its fair share of achievements and challenges. For the most part, the production was maintained by three RO units with a combined capacity of 360kL per day.

The three water tankers with a combined capacity of 24kL that were donated by the Government of Japan distributed water to households and businesses around the island.

Mr. Speaker, the prolonged dry period during the months of May through to August this year seriously tested the capacity of the Utilities to deliver. Fortunately the support provided by the Meneng Hotel and its RO unit made a difference during a very stressful time.

The work to refurbish the water storage tanks (C1-C4) is in progress. We expect the contractor to arrive on island sometime soon to construct the shelter over the tanks. Repairs to the leaks in the tanks

will follow suit. This work is being funded by the EU Disaster Risk Management program that is implemented through SOPAC.

Mr. Speaker, water is a necessity and it remains at the top of our national development agenda. A team of experts are currently on island to assist the Government developed the Nauru Infrastructure Strategy and Implementation Plan. We anticipate that water will feature prominently in this Plan.

Fuel Storage and Distribution

Mr. Speaker, fuel continues to be a lifeline for our economy and much progress has been realized in this regard. The repair to the pipeline is in train and we would expect to comply with international and industry standards by the end of the year. This will bring opportunities for Medium Range Tankers to deliver our fuel and hence cheaper prices for our community.

Cleaning of the aviation storage tanks and replacing of the refueling mobile unit is in progress also, and Our Airline plans to start refueling on Nauru again next month and it hopes to purchase fuel at a competitive price.

Mr. Speaker, outsourcing the operation of Tank Farm has been considered by Government. The Nauru Utilities and the Ministry of Finance team have been preparing the ground work for this to occur. This outsourcing arrangement means that an external supplier will take over the importation of fuel and its related services for an agreed period of 3 years with opportunity for extension. This project will bring revenue to government and more importantly remove the financial burden on its budget.

Administrative Initiatives

Mr. Speaker, much work has also been happening at the administrative level. The financial software program (MYOB) has been upgraded to allow for effective reporting, staff salary processing, and daily management of the Utilities budget. Relevant staffs have been trained on the application of the new version.

The Cashpower revenue performance continues to remain on track and new Cashpower customers continue to grow. A consultant is expected to arrive next week to service the Cashpower computers and relevant equipment as well as provide further training for the billing and meter reading teams.

The EU has provided funding for Utilities to purchase new units for the Location Block that are unmetered. This fund is now available and preparation will be made to ensure that the Location Block is complete.

Mr. Speaker, the progress on corporatizing the Nauru Utilities has been rather slow due to limited capacity on island. However, to date a working group consisting of Utilities, AMU, CIE and Office of the Parliamentary council has been established. A draft policy framework has been developed and now awaiting ADB Technical Assistance to progress this work. We anticipate that the work on this will run into the first half of next year.

Training and developing of local staff capacity across technical and management operations have been ongoing. A number of staffs have been awarded scholarships and training secondments, while short attachments have been secured for targeted employees.

Overall Mr. Speaker, the Utilities' performance has been satisfactory given the limited resources it has access to. Its staffs are committed to various initiatives that addresses our community's needs so we as members of the House need to continue providing them the necessary support. In concluding this statement, I wish to thank you and members of this House, for the support you have rendered to the Nauru Utilities.

Tubwa.

Mr. Amwano (Ubenide) moved that the Paper be noted.

f) Hon. Dr. Keke (Minister for Finance) laid on the Table of the House, the Report on Expenditure of Funds for the period 1st July to 30th October 2010 along with the following statement;

Mr. Speaker and Honorable Members,

As required under paragraph 4 of the Presidential Order 20 issued on 15 September 2010 under the State of Emergency powers, the Minister for Finance shall as soon as practicable after the lapse of that Order lay before Parliament a full account of actual expenditure of the funds withdrawn. That Order lapsed on 1 November 2010 when the State of Emergency was lifted following the election of the President.

Presidential Order 20 had authorized expenditure of funds from the Treasury Fund in the order of \$27,893,246 to meet the Republic operations and services for the period 1 July 2010 to 31 December 2010.

This Order 20 had superseded Presidential Order 9 dated 30 June 2010 which provided for supply for the period 1 July 2010 to 30 September 2010. Therefore, this report covers an account of expenditures for the period 1 July 2010 to 30 October 2010 as per the Presidential Order 20.

The attached Schedule provides the details of expenditures and revenues for the said period.

Table 1: 2010-11 SOE- Budget Aggregate ('000)

	2010-11 SOE- Budget	2010-11 SOE- Actuals	Variance to revised Budget
Expense	27,893,246	10,917,006	16,976,240
Revenue	29,925,309	10,516,780	19,408,529
Budget Balance	2,032,063	(400,226)	2,432,289

2010-11 Expense by Head

Head	Description	2010-11 SOE- Budget	2010-11 SOE- Actuals	Variation
1	Presidency and State House	114,965	162,843	47,878
2	Ministerial	277,834	170,756	(107,078)
3	Chief Secretary- Secretariat	996,203	446,791	(549,412)
4	Post and Philately	61,441	27,787	(33,654)
5	Audit	56,372	25,279	(31,093)

6	Parliament	355,421	193,299	(162,122)
7	GON Warehouse	426,201	91,110	(335,091)
11	Finance – Secretariat	3,803,859	90,025	(3,713,834)
12	Finance Public Debt	714,878	80,130	(634,784)
13	Statistics	25,194	9,936	(15,259)
14	Directorate of Payments	48,161	19,238	(28,923)
15	National Revenue Office	100,000	-	(100,000)
16	Finance – Other Payments	5,021,538	1,973,286	(3,048,252)
21	Commerce, Industry & Environments	138,136	227,505	89,369
31	Fisheries	532,223	179,214	(353,009)
41	Police and Prisons	685,559	359,006	(326,553)
43	Justice – Secretariat	363,735	131,024	(232,711)
44	Judiciary	84,482	45,444	(39,038)
45	Justice – Border Control	92,890	44,809	(48,081)
46	Prisons & Correctional Service	277,617	181,588	(96,029)
51	Education	2,236,914	767,893	(1,469,021)
52	Directorate of Youth Affairs	41,996	21,888	(20,108)

61	Health	2,806,898	1,817,154	(989,744)
62	Sports	35,404	37,380	(1,976)
71	Foreign Affairs - Secretariat	145,930	68,214	(77,716)
72	Foreign Affairs – Brisbane	224,330	79,319	(145,011)
73	Foreign Affairs – Suva	114,124	50,630	(63,494)
74	Foreign Affairs – New York	242,995	82,494	(160,501)
75	Foreign Affairs – Taiwan	109,767	66,024	(43,743)
81	Home Affairs and Culture	28,297	21,416	(6,881)
82	Women’s Affairs	21,112	10,177	(10,935)
83	Media Bureau	252,737	56,703	(196,034)
84	Lands and Survey	879,621	110,718	(768,903)
85	Lands Committee	64,349	38,107	(26,242)
91	Transport – Secretariat	656,040	505,990	(150,050)
92	Land Transport	353,258	73,276	(279,982)
93	Maritime Transport	4,532,857	2,377,095	(2,155,762)
94	Directorate of Civil Aviation	358,515	136,765	(221,750)
95	Information Communication & Technology	487,771	88,673	(399,098)

96	Fire & Rescue	123,622	48,021	(75,601)
		27,893,246	10,917,006	(16,976,240)

<u>2010-11 Revenue by Head</u>				
Head	Description	2010-11 SOE- Budget	2010-11 SOE- Actuals	Variation
1	Presidency and State House	-	-	-
2	Ministerial	-	-	-
3	Chief Secretary- Secretariat	492,189	11,545	(480,644)
4	Post and Philately	52,600	-	(52,600)
5	Audit	-	-	-
6	Parliament	49,175	-	(49,175)
7	GON Warehouse	494,814	18,583	(476,231)
11	Finance – Secretariat	4,964,286	354,395	(4,609,891)
12	Finance Public Debt	500,00	-	(500,00)
13	Statistics	-	-	-
14	Directorate of Payments	70,000	86,263	16,263
15	National Revenue Office	-	-	-
16	Finance – Other Payments	2,817,972	5,847,413	3,029,441
21	Commerce, Industry & Environments	3,999,749	300,296	(3,699,453)

31	Fisheries	3,286,528	325,196	(2,961,332)
41	Police and Prisons	74,370	2,080	(72,290)
43	Justice – Secretariat	394,563	135,798	(258,765)
44	Judiciary	6,000	2,448	(3,552)
45	Justice – Border Control	2,200,347	1,327,962	(872,385)
46	Prisons & Correctional Service	-	-	-
51	Education	1,779,357	2,170	(1,777,188)
52	Directorate of Youth Affairs	-	-	-
61	Health	1,980,165	103,482	(1,876,683)
62	Sports	14,516	475	(14,041)
71	Foreign Affairs - Secretariat	-	-	-
72	Foreign Affairs – Brisbane	-	-	-
73	Foreign Affairs – Suva	-	-	-
74	Foreign Affairs – New York	-	-	-
75	Foreign Affairs – Taiwan	-	-	-
81	Home Affairs and Culture	-	-	-
82	Women’s Affairs	9,616	-	(9,616)
83	Media Bureau	165,000	52,877	(112,123)

84	Lands and Survey	101,017	779	(100,238)
85	Lands Committee	750	769	19
91	Transport – Secretariat	4,914,281	1,186,242	(3,728,039)
92	Land Transport	23,865	19,431	(4,434)
93	Maritime Transport	439,056	131,733	(307,323)
94	Directorate of Civil Aviation	568,036	344,585	(223,451)
95	Information Communication & Technology	524,559	262,258	(262,300)
96	Fire & Rescue	2,500	-	(2,500)
		29,925,309	10,516,780	(19,408,529)

g) His Excellency the President laid on the Table of the House the Referendum Procedures (Proxy Voting) Regulations 2010 along with the following statement;

Mr. Deputy Speaker,

I am pleased to table in this House today the Referendum Procedures (Proxy Voting) Regulations 2010.

The Referendum Procedures Act 2009 applies certain provisions of the Electoral Act 1965-2007 to the conduct of a referendum. Section 13(3) of the Referendum Procedures Act provides that, if a method is prescribed under the Electoral Act for a person to vote in an election where the person is unable to attend a polling place, the method applies, with the necessary and appropriate modifications, to voting in a referendum.

Under the Electoral Act, a method is prescribed for voting by proxy in an election if a person is unable to attend a polling place because the person is outside of Nauru on polling day. The method for voting by proxy is prescribed by the Electoral (Proxy Voting) Regulations 2004.

These Regulations prescribe modifications to the Electoral (Proxy Voting) Regulations 2004 for the purpose of the application of those Regulations to voting in a referendum.

The modifications specify that certain terms used in the Regulations are taken to mean corresponding terms for a referendum. For example, a reference to an election is taken to be a reference to a referendum. These modifications are designed to ensure there is no confusion about the application of the proxy voting method to a referendum. These Regulations were made just prior to the referendum that was held on 27 February this year, in order to facilitate the orderly conduct of that referendum, but like the Referendum Procedures Act 2009, the Regulations apply to all referendums – which means not just the one that was held in February 2010, but to any referendum that maybe held in future.

The Regulations were made under section 29 of the Referendum Procedures Act 2009, which provides that Cabinet may take Regulations prescribing matters that are necessary or convenient to give effect to the Act. Section 29(2) of the Act the specifically provides that the regulations may prescribe modifications to the Electoral Act. Under section 33 of the Interpretation Act 1971, a reference to an Act includes a reference to subsidiary legislation made under the Act. This means the regulations may also prescribe modifications to regulations made under the Electoral Act. Because section 13(3) the Referendum Procedure Act provides that proxy voting method applies with the necessary and appropriate modifications to voting in the referendum, there is no requirement for the modifications to be prescribed by regulation. However, the modifications have been prescribed to avoid ambiguity about how the proxy voting system applies to a referendum,

These regulations were made by Cabinet on 19 February 2010 and will publish in the gazette as required under Section 26 (1) of the interpretation act 1971 – 1997 in gazette No.19 of 2010 on 19 February.

Mr. Deputy Speaker, I'm tabling the referendum procedures proxy voting regulations 2010 in this house today in satisfaction of the requirement under Section 29 (1A) of the interpretation act. These regulations are already available on online at [www. Paclii. org.](http://www.Paclii.org) and will soon be available on Nauru's on legal information website.

Thank you Mr. Deputy Speaker.

h) Hon. Dr. Keke (Minister for Finance) laid on the Table of the House the 2009 – 2010 Statutory Reports relating to the Bank of Nauru, Nauru Insurance Corporation, Government Loans Fund and the Nauru Superannuation Fund along with the following statement;

Deputy Speaker, Honorable Members,

There are numbers of entities within the finance portfolio that are required to report annually to Parliament. A number of these entities are essentially in active and so cannot produce reports as required and there is being no reporting on their financial state for some time.

However rather than totally ignore the legal requirements I wish to table a reports on the entities within my portfolio responsibility and trust the House will accept these as complying with the statutory reporting requirements.

These entities are:

- the Bank of Nauru,*
- Nauru Insurance Corporation,*
- Government Loans Fund; and*
- The Nauru Superannuation board and Fund.*

Mr. Speaker,

The reports to table today explains the status of these Corporations and entities over the last financial year, as well as the current status as well as an outline of actions and plans being progressed by the Stephen government in relation to each of them.

Whilst this report is not tabled to the House audited annual financial statements and Annual Reports from the relevant Board of Directors, I trust the Members will accept the reasons why this is not possible and that the House will therefore accept these reports as meeting the statutory reporting requirements for the Financial Year ending June 2010, for each and all of them.

Bank of Nauru

Annual reports for the year ending June 2010

Under section 31 of the Bank of the Nauru Act 1976, the bank is required to report to Cabinet during the month of August on the financial situation of the bank and this report is to be tabled in Parliament.

While the bank has provided the valuable cash handling and payment service for Government in recent years, it became insolvent in the late 1990's and has not operated as a full commercial Bank for many years. Depositors are not able to withdraw cash from their accounts and the Bank has no funds to provide loans or to pay interest on accounts. There are no prospects for the bank to be recapitalized and resume functioning as a Bank. At the same time the Bank of Nauru has not been developing annual budgets and has not maintained financial statements, let alone have there been any audited reports submitted to Cabinet.

The Government has made a policy decision to formally close and liquidate the Bank of Nauru. With the enactment of the Payments Directorate act 2008 the Bank of Nauru is now effectively a dormant entity. It is not undertaking any activities as the Bank of Nauru and the last remaining service it was providing such as the cash handling functions on behalf of Government and certain Corporations have been transferred to the Directorate of Payments within the Department of finance.

As part of the winding up process, the Government has formally closed the Bank of Nauru's overseas accounts held with Westpac and elsewhere, and has transferred the funds to the Government's own accounts within Westpac.

The aims of the winding up and liquidation work include a major focus on consolidating all former individual bank accounts, securing all the related account and bank records, to enable the Government, with the assistance of Consultants, to assess options of what may be done to recover personal savings that were lost by former government's abuse of the bank.

AusAid has agreed to provide funding supports toward the process of closing and liquidating the Bank of Nauru, this is expected to be a time consuming and complex task, but one that Government wants to ensure is done properly and completely. Deloitte Touche Tohmatsu accounting firm were engaged in early 2009 to scope and design the liquidation process. Given the extent of the Bank of Nauru assets and liabilities, the consultants estimated that recoverability of the Bank of Nauru advances remained extremely uncertain and that it could take longer than a year for the liquidation process and corporate closure of the Bank of Nauru to be completed. The report also estimated that it would cost another \$2 million in fees to complete the liquidation process. Given the financial cost of this exercise, Government is assessing options of undertaking the liquidation process in a more cost effective manner.

Meanwhile, the Government has entered into discussions with Digicel about a mobile-wallet project, where consumers and private businesses can secure and save their money electronically and transfer money through their mobile phones. This will provide an easy and secure way for people to manage their money as well as help develop a more favorable business environment on Nauru. The Republic of China (Taiwan) has availed \$300,000 to support this mobile-wallet project.

***Nauru Insurance Corporation
Annual Report for the Year ending June 2010***

The Nauru Insurance Corporation has not been active since it ceased operations in 2006, subsequent to a Cabinet decision. There are therefore neither annual financial statements nor reports of its activities for any of the financial years since. Its last set of accounts for which audit has been undertaken was for 2002-2003.

The Department of Finance is working with the Bank of Hawaii for the return of funds from Guam that held in Nauru Insurance Corporation accounts, which represent the last of the Corporation's known assets. It is expected that this process will be concluded before the end of this financial year.

Given the need for insurance services, Government is assessing options to enable provision of insurance services on Nauru. This includes the option of formally winding up and dissolving the Nauru Insurance Corporation with some of its functions being assumed by the Government on an interim basis. Assessment is currently underway on the possibility of the Department of Finance managing vehicle insurance as a start. Under current vehicle registration regulations, vehicle owners are required to have third party insurance before their vehicles can be registered. However, given the absence of any insurance service provider this aspect of the law cannot be enforced on Nauru. Thus, the Government is assessing options for some of these insurance services to be provided through a Government entity while arrangements are made to secure a longer term solution for provision of insurance services on Nauru.

The possibility and benefits of attracting a foreign commercial insurer to operate on Nauru will continue to be explored as an option for providing insurance services on Nauru and will help inform a final decision by Government regarding the future or otherwise of the Nauru Insurance Corporation.

***Government Loans Fund
Annual Report for the Year ending June 2010***

Under the Government Loans Act 1972 the Government Loans Fund was established to receive all loan moneys on behalf of the Republic. Under section 8 of that Act the Minister was to present a report on all loans raised and not fully repaid. This reporting has not formally occurred for many years.

However, the Budget Papers from 2007-2008 and onwards include extensive discussion of the Government's debt management strategy and the current

Three loans are being serviced indirectly through grant funding from the Republic of China (Taiwan). These donor funds are not received by Nauru but are paid directly by the Republic of China to the financial institutions. These are for the PALCO loan used to acquire the aircraft VH-INU which is leased to and operated by Nauru Air Corporation for air services to Nauru and other destinations. The other two are old loans incurred in the 1990's; one which was used to refurbish the Menen Hotel and the other for general Government expenditures.

Nauru also took out a loan with the Asian Development bank some time ago, the bulk of which was paid off by the Australian Government. The balance is being gradually repaid on annual basis and is also accounted for in the Budget.

The Government owned entity, YALCO, also has an active loan with Getax Pacific Finance Ltd which was used to finance the purchase of the second aircraft, VH-NLK. This aircraft is also leased to Nauru Air Corporation and is primarily used to service the contract Our Airline has with Norfolk. Revenue generated by this contract services the majority of the monthly repayments, and Government contributes up to US\$115,000 per month to these repayments. These payments are also accounted for in the Budget and Treasury accounts. This loan will be fully repaid and cleared in May 2011.

These five loans are the only formal loans which were active during the period of the last financial year.

Payments of certain specific informal debts which have been made from the Treasury Fund during the last financial year will be included in the Final Budget Outcome report and will be tabled to Parliament as soon as it is completed.

During the course of the next Financial Year, the Government intends to amend the Public Finances (Control & Management) Act and envisages that in the course of the review it will likely repeal the Government Loans Act 1972 by providing updated laws in relation to government debt and its reporting as part of the amended act.

Nauru Superannuation Act Annual Report for the Year ending June 2010

Section 14 of the Superannuation Act requires the Board to submit annual reports to the Minister on its administration and it's working. The Nauru Superannuation Board is not currently functioning as a Superannuation Fund and has not being for many years.

In order to address this and the uncertainty for remaining beneficiaries, Government is very close to finalizing all the outstanding Statements of Accounts and the outstanding Tax Returns required by the

Australian Taxation Office for the Nauru Superannuation Board related entities in Australia. A set of complete annual financial statements for all of these entities covering the last 11 years for the period from July 1997 to June 2008 has now been completed and have recently been submitted to the Minister for Finance.

The required and outstanding tax returns for these entities have also been submitted to the Australian Tax Office and due to cumulative losses, it is expected that there will be no tax liability in Australia.

The 11 years worth of financial statements will now be provided to the Director of Audit, who will be able to provide a report for submission to Parliament.

Separately, the Government is working towards updating beneficiary data for the Nauru Superannuation Fund, which includes calculating the amounts owed to beneficiaries for contributions they have personally made to the Fund.

With the update of these statements this will enable the Government to work with NPRT to assess whether any residual balance is due to the Nauru Superannuation Board, and the Government will then be able to assess what payments can be made to beneficiaries.

In order to prevent the past mistakes happening again where beneficiaries' hard earned Superannuation savings were lost by misappropriation by former governments, the Stephen Government is planning to formally wind up the Nauru Superannuation Board and Fund and introduce a new superannuation scheme for Nauru, most likely in conjunction with reputable existing superannuation schemes operating in other countries.

This new Superannuation structure will enable the Nauruans to save for their retirement, secure in the knowledge that their funds are being invested and managed by professionals and that they are safe and out of reach of being abused by others.

Thank you Mr. Deputy Speaker.

i) Hon. M. Batsiua (Minister for Health, Sports and Justice) made the following statement to the House on Sexually Transmitted Infection control in Nauru;

Honorable Speaker and Members of Parliament,

For years, my Ministry has consistently provided services of raising awareness in the prevention of Sexually Transmitted Infections (STI's), as well a testing and treatment to our citizens and despite our very best attempts, STI's have continued to plague our communities. In fact, it has managed in some quarters to evade capture and eradication

because of its social stigma and understandable non-compliance from our people.

However, as a responsible Ministry of this forward looking Government, tasked with championing our collective health and well being, my Ministry and I cannot continue to idly watch these diseases consume our people, our men and women, our mothers and young people, our children and even newborns. For it is on record that from the womb to middle aged adulthood, these diseases are ravaging our productive population as well the youths who are our future.

Though understandable, these diseases are claiming and maiming and stealing our quality of life because we shelter them through our ignorance, lack of knowledge and shame and in some instances, they hold us back from freely sharing the God given gift of the physical relationship of love and affection.

It is therefore time that we ‘take the bull by the horns’ as they say, and take our control measures to a higher level with a different approach – a controlled approach that is aimed at taking back our life and freedom – freedom from the enslavement of these sexually transmitted infections.

In this regard, my Ministry has mapped out an ambitious plan of actively raising awareness throughout our communities and providing treatment for all our concerned people. We are mindful of our cultural inhibitions and the stigma that is associated with individually singling out each infected persons, which is why we are proposing to concentrate on treating all individuals between the ages of 15 – 44 years, in what is called Presumptive Treatment. This approach will shelter those who have the infections thus removing to a great extent the notion of being indentified and stigmatized.

This is not a ‘stand-alone’ strategy as it will be accompanied by a carefully packaged approach which will include:

- 1. Strategic Health Communication (SHC) over couple of months to educate everyone and dispel myths.*
- 2. Syndromic Management of Symptomatic STI’s for those who come forward seeking early treatment.*
- 3. Expanded testing for Chlamydia and Other STI’s for pregnant mothers and their spouses/partners including others who may voluntarily seek testing.*
- 4. Epidemiological Treatment (or presumptive treatment) of Chlamydia*
- 5. Monitoring and Evaluation to keep track of the diseases and success of the programme.*

Donors have been approached and are willing to support us with funding and technical assistance and in this regard, we are not alone as

other countries in the world as well as the region are taking steps to take control of STI's.

Though the task maybe daunting, we believe that it is possible given the success we recently achieved in the mass vaccination against H1N1 influenza – an achievement that few countries could boast about.

We therefore bring this plan before this Honorable House and seek your humble support to hold hands with my Ministry in reaching out to our communities for the healing of our nation. Our responsibility confronts us in fulfilling our role to our people as well as achieving our targets for the Millennium Development Goals in maintaining and improving the health of our people.

Thank you Mr. Deputy Speaker.

j) His Excellency the President laid on the Table of the House the Electoral (Proxy Voting) (Amendment) Regulations 2010 along with the following statement;

Mr. Deputy Speaker,

It gives me great pleasure to table this House today the Electoral Proxy Voting Amendment Regulations 2010.

The Electoral (Proxy Voting) Regulations 2004 (the “principal Regulations”) prescribe a method for proxy voting in an election under the Electoral Act 1965 – 2009. Section 13(3) of the Referendum Procedures Act provides that, if a method is prescribed under the Electoral Act for a person to vote in an election where the person is unable to attend a polling place, the method applies, with the necessary and appropriate modifications, to voting in a referendum.

Cabinet has already prescribed modifications to the principal Regulations for the purpose of their application to voting in a referendum. However, certain amendments to the principal Regulations were desirable for the conduct of both elections and referenda. The principal Regulations require an application to vote by proxy to be witnessed by a person specified in Part III, First Schedule. However, the list of persons was previously limited to representatives of Nauru, in Nauru Brisbane, Suva, Taipei, New York, Auckland, London, Kiribati, Marshall Islands and Bangkok.

These Regulations have amended the Electoral (Proxy Voting) Regulations 2004 to allow Cabinet to authorize other persons not listed in Part III, First Schedule, to witness applications to vote by proxy. This allows Cabinet to authorize persons in major Nauruan population centers not currently accounted for, and anywhere else required, on a case by case basis. In addition, the list of persons in the new First Schedule includes a person in another country who is a legal

practitioner, notary public, commissioner for oaths or justice of the peace under the law of the country.

A further amendment to the principal Regulations clarifies that the application to vote by proxy can be delivered to the Returning Officer by electronic means, such as e-mail.

Mr. Deputy Speaker, these regulations were made by Cabinet on 24 February 2010, and were published in the Gazette, as required under section 26(1) of the Interpretation Act 1971 – 1997, in Gazette No. 24 of 2010 on 24 February.

I am tabling these regulations in Parliament today in accordance with section 29(1) of the Interpretation Act. These regulations are already available on the Pacific Islands Legal Information Institute website, which can be found at www.paclii.org, under the Nauru subsidiary legislation collection. Early next year the principal Regulations, as amended by the Electoral (Proxy Voting) (Amendment) Regulations 2010 and by all earlier amendments, will be available as a consolidated electronic reprint on our own Nauru online legal database.

Thank you Mr. Deputy Speaker.

k) Hon. R. Kun (Minister for Fisheries) made the following statement on NFMRA activities;

Mr. Deputy Speaker and Honorable colleagues,

I wish to update the House on developments in fisheries during the first quarter of 2010 – 2011 financial year.

Relocation of NFMRA HQ

Following the expiry of the lease on the NFMRA office next to the port, NFMRA Oceanic staffs are being relocated to the Civic Centre. The location close to telecommunications providers will assist with the development of the electronic Vessel Monitoring System, and improve communications with foreign fishing vessels and regional service providers generally.

Review of NFMRA structure

An ISP-funded consultant (Jonathan Peacey – ex head of the New Zealand fisheries department visited last month and has submitted recommendations on options to optimize staffing to implement NFMRA work plans. Phase 2 of this project, to implement structural changes and review the staff duty statements, will take place in the new year, after

further discussions with the consultant during the forthcoming PNA meeting in Majuro.

Fisheries Investment Prospects

*NFMRA is working with Kiribati and Tuvalu fisheries departments, with advice from FFA, to develop a **template** for the minimum conditions for expressions of interest from investors in potential joint-venture fishing companies. If the three “smallest-island” nations PNA nations work together it provides a lot more leverage and competitive advantage than Nauru working alone, but avoids the complications and conflict of interest of a whole-of-PNA venture.*

NFMRA-hosted PNA meeting

Nauru hosted the meeting of the Parties to the Nauru Agreement in September – the first time Nauru has hosted since the original Nauru Agreement was signed in 1982. Decisions made at the meeting included agreement on updated Palau Arrangement to include a Longline Vessel Days Scheme in addition to the Purse-seine VDS, and agreement of text to implement the PNA leaders decision on a further high seas closure.

PNA-Korea consultation on fisheries development

Nauru also hosted the PNA-Korea consultation on fisheries development in September, just before the PNA meeting. This was an opportunity for the Korean fishing industry and government to see the investment opportunities, constraints and needs of Nauru at first hand, as well as discussing regional co-operation with the whole of PNA.

Nauru-Japan fisheries access consultation

Nauru hosted the Nauru-Japan fisheries access consultation in October. This was the first comprehensive review of Nauru’s Agreement with Japan since 1994, and the first consultation to be held in Nauru. The agreement will be signed in December, but we have agreed an increase in the minimum access fee for Japanese Purse-seiners by 20% and an increase in the longline access fee by 50%. The Agreement was updated to conform with the latest fisheries legislation and the monitoring provisions were tightened up.

Bilateral subsidiary agreement under the Niue Treaty

A bilateral subsidiary agreement under the Niue Treaty has been settled between the Federated States of Micronesia and Nauru, which now permits Nauru to make occasional use of the FSM patrol boat and crew to patrol Nauru EEZ for illegal fishing, and enables access to Australia Pacific Patrol Boat programme funding for operational costs. It also enables to Nauru to participate in future multi-country surveillance exercises organized by FFA.

Temporary closure of Nauru EEZ to certain purse-seiners

NFMRA closed the Nauru EEZ to foreign purse-seine tuna fishing by bilateral licensed vessels from September-December, because they had already done more fishing in the first 8 months of the year than they had in the whole of 2009. Vessels who pay for additional access will be allowed to fish additional periods, and several vessels have already bought extra “vessel –days” entitlements, which NFMRA has arranged to be transferred from other PNA countries. The possibility of this zone closure had been agreed last December with these fleets. The purpose of this closure is to help Nauru live up to its international commitments to limit the level of foreign fishing in its zone to sustainable levels, but it also serves to increase the value of Nauru fish.

Note that Nauru will have gained considerable kudos in the region for being the first PNA country to restrict fishing after reaching its EEZ foreign fishing effort quota for the year, and to require vessels to pay extra to buy days from other zones. This action has broken the “roadblock” within the PNA on vessel-days trading, and has probably saved the whole PNA Vessel Days Scheme from being discredited internationally as a toothless management measure, a possibility that was otherwise likely to be raised at the WCPFC meeting in December.

Good conditions for fishing

Probably related to the recent strong El Nino event, 2010 has been an exceptionally good year for tuna fishing in the Nauru EEZ. The regional climate has moved into a strong La Nina event now, with fishing concentrated more towards the west (PNG). But since we are selling most of our foreign access “by the license” instead of “by the day” or “by the tonne” we should still get paid almost as much, although there is likely to be much windfall income next year.

Longliner fishing

Still on the subject of foreign tuna fishing, it may be noted that Nauru has had almost no foreign longliners licensed to fish in zone for nearly 20 years, but this year there has been new interest, and 4 Japanese longlining trips have been licensed so far, with good catch rates. The economic prospects for small-scale longline fishing for export remain depressed however, with quite a few Pacific Island longliners still on the market in other countries. Although the large foreign freezer longliners don't get such a high price for their fish, the price they receive for frozen fish is much less volatile than the price for the fresh tuna landed by small domestic longliners, and their transport costs are much lower. Frozen fish can be sea-freighted, but fresh fish has to be air-freighted.

Aquaculture

In aquaculture, taking a step at a time, and beginning with milkfish farming, the milkfish fry centre is set up and already operational. It received its first consignment of milkfish fry on 3 November 2010 from Tarawa and some already been distributed to milkfish farmers who have procured their first batch. More fry are expected and whilst progress is being made, there are still some outstanding operational issues that are being addressed to ensure efficiency is achieved.

Community Fisheries

Consultation with district communities continues under the Community-based Approach to Fisheries Management (CBFM) with 5 communities already consulted. Advancement has been made to include eco-systems approach to fisheries management which will be incorporated into the CBFM consultations. Results of these consultations will be considered in improving management of our coastal resources.

Under Coastal Fisheries

1. Scuba Dive Upgrade

Fisheries are in the process of upgrading their divers and will be ready to train people interested in scuba diving in future.

2. FAD deployment

Three in-shore FADs made with assistance from SPC (William Sokimi) were deployed and one off-shore FAD has been constructed and awaiting deployment. New FAD materials are being ordered for future deployment by NFMRA.

3. Canoe Building Project

A container of canoe building materials and tools was received and broken into while still in port and the stolen items have been a major setback to canoe-building project for communities funded under ISP and GEF SGP. Fisheries are working with the relevant authorities, organizations and stakeholders to resolve this problem.

Acknowledgement

To close on a good note, I would also like to take this opportunity to acknowledge and congratulate Mr. Delvin Thoma on his high achievement. Mr. Thoma through his training is now a qualified scuba dive instructor, a first for Nauru. Mr. Thoma was funded through the Ausaid Institutional Strengthening Programme (ISP) and graduated with flying colours. Congratulations to Mr. Thoma.

Tubwa Kor Deputy Speaker.

Mr. Amwano (Ubenide) moved that the Paper be noted.

The Chair suspended the sitting and to resume when the Bell rings

Resumed.

6) Motion: Leave Sought For

Hon. M. Batsiua (Minister for Health, Sports and Justice) sought leave of the House to move and present the Counter Terrorism Bill 2010.

Leave was granted.

First Reading:

The Bill was presented and read a first time.

7) Motion: Second Reading

Hon. M. Batsiua (Minister for Health, Sports and Justice) moved that the Bill be now read a second time.

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

Second reading speech ensued.

Under SO159 debate on the Bill was adjourned to a future date.

8) Motion to Suspend Standing Order 159

Hon. M. Batsiua (Minister for Justice) moved that SO159 be suspended to enable the second reading debate to on the Bill to proceed forthwith.

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

Question Put and Passed.

Second Reading debate ensued.

Question Put and Passed.

The Bill was read a second time.

9) Leave Sought for Third Reading

Hon. M. Batsiua (Minister for Justice) sought leave of the House to enable him to move for the third reading of the Bill.

Leave was granted.

10) Motion – Third Reading

Hon. M. Batsiua (Minister for Justice) moved that the Bill be now read a third time.

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

Question Put and Passed.

The Bill was read a third time.

11) Motion: Leave Sought For

Hon. M. Batsiua (Minister for Justice) sought leave of the House to move and present the Republic Proceeding Amendment Bill 2010.

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

Leave granted.

First Reading:

The Bill was presented and read a first time.

12) Motion: Second Reading

Hon. M. Batsiua (Minister for Justice) moved that the Bill be now read a second time.

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

Second reading speech ensued.

Under SO159 debate on the Bill was adjourned to a future date.

13) Motion

Mr. S. Dabwido (Meneng) moved that the following motion: *“That, under section 12 of the Constitution Review Committee Act, this august House refers the following matters to the Standing Committee on Constitutional Review:*

- 1. The preparation and introduction of amendments to the Electoral Act 1965 – 2009, including an increase in the number of members for the constituency for Meneng; and*
- 2. The preparation and introduction of consequential amendments to the Constitution of Nauru (Parliamentary Amendments) Act 2009 that will enable that Act, and all of the constitutional amendments*

therein, including the election by Parliament of Speaker who is not a member of Parliament, to commence in conjunction with the abovementioned amendment of the Electoral Act; and

That the House urges the CRC to consider and attend to the items hereby referred as a matter of great urgency.

Mr. D. Tabuna (Yaren) seconded.

Debate ensued.

The Chair with concurrence of the House suspended the sitting and to resume when the bell rings.

Resumed.

Debate continued.

14) Amendment Motion

Hon. Dr. K. Keke (Minister for Finance) moved the following amendments;

“That in the paragraph numbered “1”, the words in the first line “preparation and introduction” be replaced by the word “consideration” and that in the paragraph “2” the words “to commence in conjunction with the above mentioned of the Electoral Act” be deleted and that in the last line of the motion, the words “and attend to” be deleted.

Debate on the original motion and the amendment continued.

The motion of amendment was put and passed.

The original motion as amended was put and passed.

15) Motion – Leave Sought For

Hon. M. Batsiua (Minister for Justice) sought leave of the House to enable him to go back to the Republic Proceedings (Amendment) Bill 2010 in order to suspend SO159 and for second debate to ensue forthwith.

Leave was granted.

16) Motion: Suspension of Standing Orders

Hon. M. Batsiua (Minister for Justice) moved that SO159 be suspended to enable the second reading debate on the Republic Proceedings (Amendment) Bill 2010 to proceed forthwith.

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

Question Put and Passed.

Debate ensued.

Question Put and Passed.

The Bill was read a second time.

17) Motion: Leave Sought For

Hon. M. Batsiua (Minister for Justice) sought leave of the House to enable him to move for the third reading of the Bill.

Leave was granted.

18) Motion

Hon. M. Batsiua (Minister for Justice) move that the Bill be now read a third time.

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

Question Put and Passed.

The Bill was read a third time.

19) Motion: Leave Sought For

Hon. F. Pitcher (Minister for CIE) sought leave of the House to move a matter of privilege.

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

Leave was granted.

20) Matter of Privilege.

Hon. F. Pitcher (Minister for CIE) raised a matter of privilege which read as follows:-

“whereas on 29 October, 2010 the Opposition released a media statement through the Australian office of a Mr. Lyall Mercer, which release was titled ‘Nauru opposition slams bogus Australian media claims & massive government rotting’ and which, in accordance with Standing Order 87, is appended to this motion;

And whereas the said opposition media release contained the following false and malicious allegations, all of which were attributed to Hon. Aloysius Amwano:

- *That there was evidence of ‘gross mismanagement by the government of President Marcus Stephen’;*
- *That President Stephen ‘was making false accusations to local and foreign media’;*
- *That Nauru was enhancing Iran’s nuclear capability by selling phosphate containing uranium to Iran;*
- *That President Stephen was placing the sovereignty of Nauru and the Security of the region in danger due to his ‘flirting with the possibility of handing over control of the phosphate industry to Morocco....or Russia’; and*
- *That the Minister for Ronphos and his brother, as signatories to the Ronphos account, are misappropriating funds from Ronphos and have made ‘sudden and conspicuous displays of personal wealth since Ronphos resumed commercial exports’;*

And whereas Erskine May’s Treatise on the Law, Privileges, Proceedings and Usage of Parliament (21st ed) states that it is a ‘high violation of the rights and privileges of the House’, and therefore a contempt of the House of Commons, ‘to print or publish any libels reflecting upon any Member of the House for or relating to his service therein’, and by virtue of section 21 of the Parliamentary Powers, Privileges and Immunities Act 1976, such practice applies also to this House;

And whereas the last of the listed allegations attributed to Hon. Aloysius Amwano makes libelous imputations against my character and conduct as a Member of Parliament and Minister of Nauru, and therefore constitutes a contempt of parliament and breach of privilege;

And whereas, in relation to the punishment of Members for contempt, the Australian House of Representatives Practice states:

'In respect of Members whom the House determines have committed contempt's, the House's power to punish includes commitment or reprimand but has a further dimension, namely, suspension for a period from service of the House. In some cases an apology by the Member concerned may forestall further action';

And whereas, notwithstanding Standing Orders 83 and 84, in this instance, because an apology and retraction may forestall further action, I wish to seek first an apology and retraction and, only if these are not forthcoming or not adequate, then to have the matter referred to the Privileges Committee;

Now therefore I move:

- a. that the Member for Ubenide, Hon. Aloysius Amwano, be required to make an unconditional apology to the Minister for Commerce, Industry & Environment, the Hon. Frederick Pitcher in the presence of this House, and;*
- b. that the apology include a full retraction of the false and libelous allegations against the Minister, and;*
- c. that an official retraction be sent to all the local and international news outlets who received the original media release; and*
- d. that if the Member should refuse to provide the apology and retraction required of him by this House, or should he provide an apology and retraction that are deemed by the Minister or any other member not to be genuine or sincere, then the matter of the false and malicious statements made by Hon. Amwano be referred to the Privileges Committee for inquiry into whether the Member has committed a contempt and what punishment is appropriate.*

Hon Dr Keke (Minister for Finance) seconded.

Debate ensued.

Question Put and Passed.

21) Motion Fixing the Date for the next sitting

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

Hon Dr Keke (Minister for Finance) seconded.

Question Put and Passed.

22) Adjournment

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

Hon Dr Keke (Minister for Finance) seconded.

Debate ensued.

23) Leave of Absence Sought For

Mr. Waqa (Boe) sought leave of absence for Mr. Dube (Aiwo) who is away overseas.

Leave was granted.

Adjournment debate continued.

Question Put and Passed.

And then the House at ten minutes after ten o'clock pm adjourned until a time and date to be fixed by the Chair.

Members Present:

All Members were present at sometime during the sitting except;

- * Mr. Dube
- Mr. Thoma
- Mr. Adeang
- Mr. Scotty

**Frederick Cain
Clerk of Parliament**

* Leave of Absence