



REPUBLIC OF NAURU
GOVERNMENT GAZETTE
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Nauru

G.N.No. 437/1996

REPUBLIC OF NAURU
EXECUTIVE ORDERS (CAPITAL)
DEBT RESTRUCTURING AND ASSET ENHANCING STRATEGY

THE FINANCIAL CRISIS

The financial position of the Republic of Nauru is grave.
 The causes of financial difficulties spring from-

- (a) inadequate financial information
- (b) no effective controls

Nauru has suffered from both.

Both the Government and its instrumentalities must take immediate action as the executive orders outlined below required in order to avoid unilateral action taken by bankers and other lenders and consequent further depletion in the value of Nauru's overseas assets.

An absolute pre-requisite to any further financial accommodation whether from commercial banks, international organisations, or perhaps even aid agencies is to undertake the policy requirements or actions detailed in the Executive Orders.

The Republic and all its instrumentalities including the Nauru Island Council are to produce accurate and timely information on their financial positions. Nauru should not undertake new investment activity unless and until its capacity to undertake them is clearly understood. High rise investments by Nauru should cease. Care must be exercised and the fiduciary role clearly understood in any negotiations involving creditors or potential creditors. In the end, Nauru must balance its budget.

The matters of significance which require constant attention are outline below. These are listed and described in the nature of Executive Orders. Such Orders come direct from Cabinet and each department and instrumentality of the State is required to adhere to the Orders and organise its affairs accordingly.

G.N.No. 437/1996 (cont'd)

ORDER 1

COOPERATION, ACCOUNTABILITY AND TRANSPARENCY

1. In order to restore CONTROL over the nation's assets within and without the country during the crucial time, the Nauru Government requires COOPERATION which must be two fold:
 - (a) from and amongst all departments, instrumentalities and by personnel
 - (b) coordination of effort between contiguous agencies (eg. Ronfin and NPRT, Treasury and Bank of Nauru.
2. Currently, a number of government instrumentalities do not prepare, and do not have the capability to prepare financial statements. To gain control of its assets, of its external debt management and of its spending, the Nauru Government including each of its instrumentalities must be ACCOUNTABLE. This will require the preparation of timely financial statements and cash flows, establishment of appropriate performance benchmarks and controls, and where appropriate, appointment of qualified and experienced managers and accountants. All entities must be TRANSPARENT, and information provided by them must be able to be consolidated to establish the overall financial position of the Republic.

ORDER 2

ASSET AND REVENUE ENHANCEMENT

1. NPRT has been the main source of assets available to the Republic as collateral security for it and Ronfin's borrowings to service Government requirements. Owing to the fact that considerable assets of the NPRT that were collateral had to be sold in repayment of loans of Ronfin, the resource of NPRT have diminished considerably. There are, therefore, limited remaining assets that can either be sold or encumbered to secure funds. This is critical at a time when the phosphate export is all but finished.
2. It is absolutely critical to the Government's ASSET ENHANCEMENT STRATEGY that NPC and NPRT increase their profitability. This can result in part from the development of a coordinated plan to manage the cash requirement of the Republic. A detail review, however, is now required of NPRT's individual assets and management expertise. Where necessary, additional expertise may need to be sourced.
3. The capacity of the Republic and its instrumentalities to derive revenues has dramatically decreased due to two main factors -
 - (a) the decline in phosphate earnings,
 - (b) the reduction in the asset base which produced revenue due to the sale of assets to fund losses and budget deficits.

As a first step in addressing this, NPC must step-up its marketing and sales of phosphate to INCREASE THE REVENUE BASE. New source of revenue must be sought, and other current source such as Fisheries, Philately, and tourism must be regarded to attract maximum revenue.

G.N.No. 437/1996 (cont'd)

ORDER 3
CONTROLS ON EXPENDITURE

1. To complement the Republic's revenue enhancement strategy, **CONTROLS IN SPENDING** must be imposed immediately across the board both within Government and its instrumentalities. Nauru needs to reduce fixed costs in order to curb its deficit. Spending should be encouraged only when it is to achieve higher returns.

The Government and its instrumentalities must not undertake any new investments or projects without demonstrating the ultimate benefit to be received by Nauru.

The Government and its instrumentalities must not undertake any new loans without first identifying the manner in which principal and interest is to be repaid without encumbering assets.

ORDER 4
BANKING REFORMS

The Bank of Nauru borders on insolvency. A recapitalization program for the Bank needs to be set in motion, requiring a capital injection from Government as well as measures aimed at reforming the banking policies of Government and its instrumentalities so that all bank with Bank of Nauru in the future. Policies must be directed to ease the bank's liquidity problem and thus arresting the movement of hard currency out of the country. This is a major priority. In strengthening the Bank, it will restore private sector confidence in the Bank of Nauru which is essential.

ORDER 5
AIR NAURU REFORMS

Correctly structured and managed, Air Nauru may have the potential to break even or make even a modest profit. to this point, however, Air Nauru is the largest contributing factor to the annual deficit of the Government. It is estimated that Air Nauru will incur a cash flow loss of approximately \$25 million for the year ending 30 June 1995. Air Nauru operations have been reviewed, planes sold and restructured scheduling. Air Nauru is now with parliamentary support about to become a statutory corporation looking after its own affairs, yet accountable to the Minister and Parliament. It is urgent that it becomes quickly commercially viable.

ORDER 6
DEBT RESTRUCTURING

1. The Republic and Ronfin are currently in default on external loans. the risk is clear that Nauru may be proceeded against by its creditors under the loans with the result that it would be forced into an asset sale. It is necessary to present this so that there is a need to renegotiate the debt currently or shortly to become due. To achieve this, it will be essential for the Government to demonstrate its control of the economy and to have a long term and integrated financial management plan.

G.N.No. 437/1996 (cont'd)

- 2. In the immediate future, negotiations must take place with the Japanese bondholders. Nauru will need an effective team to carry out these negotiations. The lenders will need to be assured and have tangible evidence that steps are properly in place for the ultimate repayment of the debt. Nauru's resolve and a clear programme implementing the changes embraced in these Executive Orders will lend significant credibility to Nauru in its negotiations.

ORDER 7
COORDINATION OF CONTROL

Some institutional changes are required to ensure that the orders are successfully implemented.

Given the current financial crises, Cabinet has resolve to form itself into a committee which will be responsible for the suspension and cordination of all asset and revenue enhancement efforts, as well as cost-cutting measures and expenditure controls.

Through its executive power, Cabinet will put in place a structure to ensure the adherence to the required control.

In future, all Government entities will need to provide sufficient financial information and evidence consistent with the overall plan developed for the Republic before there can be a distribution of funds or any approval for new borrowings.

LEO D. KEKE
SECRETARY TO CABINET

G.N.No. 438/1996

PUBLIC SERVICE ACT 1961-1971
NOTICE OF DISMISSAL-SECTION 63

It is notified for general information that the following Officers are hereby dismissed from the Public Service with effect from 18th October, 1996.

DEPARTMENT OF FINANCE
(Directorate of Post)

<u>NAME</u>	<u>DESIGNATION</u>	<u>SALARY SCALE</u>
Mr. Riot Ratabwiy	Mail Officer	M1.
Mr. Celso Dageago	Mail Officer	M1.

DATED this 21st day of October, 1996.

LEO D. KEKE
**CHIEF SECRETARY/
PUBLIC SERVICE COMMISSIONER**

NAURU POLICE FORCE ACT 1972**APPOINTMENT**

It is hereby notified for general information, that I, **ALEX R. DEIYE**, Acting Director of Police, and pursuant to Section 6(3) of the Nauru Police Force Act 1972, **APPOINT** the following Police Officers to substantive ranks as indicated, effective 14th October 1996:

SERGEANT FIRST CLASS : DONEKE KEPAE
NORIO TEBOUWA
BERNARD JUNIOR DOWIYOGO
ROYDEN HIRAM

SERGEANT SECOND CLASS : JOHN DETAGEOUWA
DAVID DETAGEOUWA
JOHN DAIGAN AKUBOR
COREY CALEB
SKIPPER HIRAM
GREGORY APPI

SENIOR CONSTABLE : KANE TAMAKIN
HARDEN DETAGEOUWA
JACHIN BOP
SIONE FOILAPE
LANCE AGIR
KAKIBAR ADEANG
KNOX TULENOA
MALIE BOTELANGA

CONSTABLE FIRST CLASS : RALPH HIRAM
FRANCIS DEIRERAGEA
CLIFFORD EOBOD
RENE NAMADUK
SAM TANNANG
DANIO BAGADAWA
MALCOLM ABUGAIYO
EMDEN AMWANO
TUI HAULANGI
MARGIE AMWANO
SHEEVA PEO
MARGARET AGIGO

ALEX R. DEIYE
ACTING DIRECTOR OF POLICE

BIRTHS, DEATHS AND MARRIAGESORDINANCE 1957-1967

Births, Deaths and Marriages registered the week ended 11th October, 1996
were:-

BIRTHS1. NAURUAN:

NAME	DATE OF BIRTH	SEX	TRIBE	REG'D DISTRICT	MOTHER'S NAME
Boss, Beiyeniko, Patrick, Mawrin, Bartholomew	26/5/96	M	Ranibok	Ewa	Loretta Dekarub
Benamo, Isaiah, Campizi, Tommy, Spizer, Captain Bligh, Conquerer, Jet-Zmac, Pamato	29/7/96	M	Eamwit	Denig	Jamillah Keppa
Equanango, Carry Bunnie, Akisi, Eiydanni, Margarita, Eve, Blue-Eyes, Baby- Yaya	25/8/96	F	Eamwitmwit	Anetan	Liana Apadinuwe
Zarric, Jake, Anteny- Orion-Sacona, Axē, Aditur, Jeroci, Wongs, Jeka, Sonnie, Ledwaine, Jazoni, Maynne, Greyage, Chango, Swy-B, Jay-B	11/9/96	M	Eamwit	Buada	Ginnie Auriom
Purity, Fantasia, Setarah, Bibelina, My-Ann, Major-Lina, Fashion, Shaneez, Buanna, Precious, Genuine, Japonica	13/9/96	F	Eamwit	Boe	Joline Harris
Kahiko, Raymond, Horizon, Keith, Barrier, Oanani, Douglas, Baily, Elijah, New-Guy, Cash, Richardo, Riko, Cooper, Ludwyk, Genius, Sky-Land, Boeing My- One, Re.Aar, Moment, Bison, Dominum, Lakatu	29/9/96	M	Eamwitmwit	Boe	Ricka Harris
Roseana-Zinette	15/9/96	F	Eamwit	Ijuw	Juliana Detagob

2. O.P.I.:

- N I L-

3. CHINESE:

NAME	DATE OF BIRTH	SEX	RESIDENCE
Mo Chi LOU	6/10/96	M	NPC Location

G.N. No. 440 /1996 (cont'd)

DEATHS1. NAURUAN

<u>NAME</u>	<u>DATE OF DEATH</u>	<u>SEX</u>	<u>AGE</u>	<u>TRIBE</u>	<u>REG'D DISTRICT</u>
Deigob Marsh BILL	18/8/96	M	61yrs	Iruwa	Aiwo
Rota TEMAKI	5/10/96	M	53yrs	Emea	Meneng
Gumwer JONE	10/10/96	M	60yrs	Eamwit	Yaren

2. O.P.I.:

- N I L -

3. CHINESE:

- N I L -

MARRIAGE

ZANDRO PULVERA from Phillipines and JULITA NARVAEZ from Sydney, Australia, on the 10th October, 1996, by the Acting Registrar of Births, Deaths & Marriages, Angie Itsimaera, at the Office of the Registrar, Yaren District, Nauru.

M.B. CAIN
DEPUTY REGISTRAR,
BIRTHS, DEATHS & MARRIAGES

G.N.No. 441/1996

SUCCESSION, PROBATE AND ADMINISTRATION ACT 1976
NOTICE UNDER SECTION 55 OF THE ACT
DECEASED ESTATE

The Nauru Lands Committee has determined that the personalty estate of the hereunder named deceased to be distributed in the following manner:

<u>DECEASED</u>	<u>SOURCE OF INCOME</u>	<u>BENEFICIARY</u>	<u>SHARE</u>
Daingirob Simon	All monies due, Rentals Ron Wan Interest (if any).	Clifford Simon	1/5
		Simpson Simon	1/5
		Sylvia Simon	1/5
		Sylvester Simon	1/5
		Sydney Kephass	1/5
	Rentals due from Oden Aiwo Hotel area.	Simpson Simon	1/3
		Sylvia Simon	1/3
		Sydney Kephass	1/3

The distribution of the above estate was made in accordance with the Will made by the late Daingirob Simon.

Noella Aiyunge	All monies due from Rentals and Ron Wan Interest derived from her father's estate.	Russell Aiyunge	1/6
		Roch Aiyunge	1/6
		Nathan Aiyunge	1/6
		Loretta Degia	1/6
		Yvonne Ika	1/6
		Maureen Gabouwa	1/6
	All monies due from Rentals and Ron Wan Interest derived from her mother's estate.	Russell Aiyunge	1/8
		Roch Aiyunge	1/8
		Nathan Aiyunge	1/8
		Loretta Degia	1/8
		Yvonne Ika	1/8
	Maureen Gabouwa	1/8	
	Andrew Roland	1/8	
	Beneno Solomon	1/8	

NOTE: The personalty estate inherited from the estate of Domodinedu Dabadauw vide Government Gazette No.34 of 1996, G.N.No.229/1996, should be divided equally between Trojan Ekwona and Myeva Grundler as provided in Domodinedu Dabadauw's Will.

Any person who is dissatisfied with the distribution of the estate (s) may appeal to the Court within Twenty one (21) day of this notice.

T. LATASI
DEPUTY CURATOR OF INTESTATE ESTATE