



# REPUBLIC OF NAURU

## SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2019-20

30<sup>TH</sup> AUGUST 2019

CIRCULATED BY  
THE HONOURABLE MARTIN HUNT, MP  
MINISTER FOR FINANCE AND SUSTAINABLE DEVELOPMENT

## SUPPLEMENTARY APPROPRIATION 2019-20

### OVERVIEW

This Supplementary Appropriation recognises an additional **7.73 million dollars** in Government revenue along with **7.56 million dollars** in expenditures.

The revenue relates to the net amount of reduce revenue from the Warehouse and Maritime Transport budget heads and increased revenue reimbursement from the Australian Government for continued RPC related expenditures by the Department of Multicultural Affairs.

In this Supplementary Appropriation the Government has removed the remaining appropriations for the Warehouse and Maritime Transport. These operations will now be performed by SoE's (Nauru Post Office and Nauru Ports Authority) that are off-budget.

The Nauru Ports Authority (NPA) operates at a loss and in this Supplementary the Government is providing a **\$1.1 million-dollar** subsidy to the NPA which is based on the original budget deficit of the Maritime Transport budget head.

The Department of Multicultural Affairs anticipated in its budget that RPC Security and Land Rentals would be transferred to Egigu Solutions Corporation (ESC) in the current year. These reimbursable costs were therefore not included in their budget estimates. An additional **\$9.05 million dollars** in appropriation is provided in this budget to meet six-months of the current year expenditures on these operations. This is matched by the same amount of revenue.

Overall this Supplementary Appropriation recognises the additional revenue and provides for expenditures that have arisen since the original budget. With the passing of this Bill the budget remains approximately in balance with an anticipated surplus of \$493K for the financial year.

**Table 1. Domestic Budget Aggregates**

	2019-20 Budget	2019-20 Revised Budget	Variance to Budget
Revenue	146,030,911	157,858,105	11,827,194
Expenditure	145,716,127	157,365,178	11,649,051
Budget Balance	314,784	492,927	178,143

**REVENUES**

This Supplementary Appropriation recognises the following changes to revenues: -

**07 Warehouse Revenue reduction**

	2019-20
1420 - Warehouse sales	199,383
<b>Total impact on budget</b>	<b>199,383</b>

The planned Warehouse revenue in the current year budget has been removed, reducing the estimates by \$199K.

**42 Multicultural Affairs revenue increase**

	2019-20
1578 - DJBC - Reimbursable Costs	(9,805,946)
<b>Total impact on budget</b>	<b>(9,805,946)</b>

Reimbursable costs revenues have been increased by \$9.8 million based on advice provided by the Department of Multicultural Affairs.

**91 Maritime Transport Revenue reduction**

	2019-20
1400 - Port Fees	1,820,689
1475 - Miscellaneous Revenue	58,680
<b>Total impact on budget</b>	<b>1,879,369</b>

The balance of planned Port and Miscellaneous revenue estimates in the current year budget have been removed, reducing the estimates by \$1.9 mil.

**EXPENDITURES**

The following expenditure increases are required in the budget.

<b>07 Warehouse Expenditure reduction</b>		
		2019-20
2015 - Salary - Local		(115,916)
2035 - Overtime - local		(21,120)
2040 - Staff Training		(17,244)
2050 - Uniforms & Protective Clothing		(7,374)
2072 - Meals and Drinks - Staff		(2,400)
2075 - Travel - Business		(7,010)
2100 - Entertainment		(1,050)
2130 - Printing & Stationery		0
2135 - Stores		(220)
2185 - R&M - Buildings		(5,500)
2190 - R&M - Office Equipment		(1,000)
2200 - R&M - Motor Vehicles		(3,000)
2205 - R&M - Plant		(1,080)
2255 - Warehouse Procurement		(150,000)
2495 - Plant & Equipment Purchases		(34,630)
2496 - Building and Structures		0
		<b>(367,544)</b>

The appropriated expenditure for the operation of the Warehouse in the current year budget has been removed from the estimates, reducing expenditures by \$367K.

<b>16 Finance Other Payments expenditure increase</b>		
		2019-20
2616 - Subsidies to SoEs		1,101,147
<b>Total impact on budget</b>		<b>1,101,147</b>

\$1.1 mil dollars has been provided under Head 16 as a subsidy to the Nauru Ports Authority being the current budget deficit under the Maritime Transport budget head.

<b>42 Multicultural Affairs Expenditure increase</b>		
		2019-20
2030 - Salaries - Other Contracts		8,238,146
2075 - Travel - Business		235,000
2160 - Land Rental		1,332,800
<b>Total impact on budget</b>		<b>9,805,946</b>

Under Salaries Other Contracts \$500K is provided to the Department of Multicultural Affairs for roadwork costs and \$7,738,146 is provided for RPC Security costs. This is the expected cost for six-months. \$235K is provided for Travel Business costs and \$1.3 mil for RPC land rental expenses.

<b>91 Maritime Transport Expenditure reduction</b>		
		<b>2019-20</b>
2015 - Salary - Local		(688,084)
2020 - Salary Expatriate		(286,862)
2026 - Directors Fees		(10,900)
2030 - Salaries - Other Contracts		(23,257)
2035 - Overtime - local		(187,189)
2040 - Staff Training		(219,020)
2050 - Uniforms & Protective Clothing		(36,881)
2055 - Consultants fees		(73,048)
2070 - Travel - Staff		(23,207)
2072 - Meals and Drinks - Staff		(76,601)
2075 - Travel - Business		(72,839)
2100 - Entertainment		(30,810)
2130 - Printing & Stationery		(9,772)
2135 - Stores		(37,139)
2185 - R&M - Buildings		(18,484)
2190 - R&M - Office Equipment		(3,000)
2205 - R&M - Plant		(557,157)
2315 - Utilities		(66,529)
2330 - Telephone / Internet		(7,053)
2370 - Membership Fees & Subscriptions		(17,743)
2440 - Scholarships - School & Trade		0
2495 - Plant & Equipment Purchases		(148,423)
2575 - Local Transport		(385,520)
2615 - Other Subsidies & Donations		0
2617 - Donations - local		(1,000)
<b>Total impact on budget</b>		<b>(2,980,516)</b>

The balance of appropriated expenditure for the operation of the Maritime Transport budget head in the current year budget has been removed from the estimates, reducing expenditures by \$2.98 mil.

**Table 2: 2019-20 Supplementary Appropriation No.2– Revenues**

<b>Description</b>	<b>2019-20 Original Budget</b>	<b>Supplimentary Appropriation No.1</b>	<b>Supplimentary Appropriation No,2</b>	<b>Revised Budget</b>
03 - Chief Secretariat	(46,075)	0		(46,075)
04 - Post and Philately	0	0		0
07 - GON WareHouse	(199,383)	0	199,383	0
09 - Electoral Commission	(86,000)	0		(86,000)
11 - Finance Secretariat	(10,000)	0		(10,000)
15 - Nauru Revenue Office	(33,220,000)	0		(33,220,000)
16 - Finance - Other Payments	(19,092,686)	0		(19,092,686)
17 - Nauru Customs Office (NCO)	(14,654,707)	0		(14,654,707)
18 - Nauru Regional Processing Centre (NRPCC) Corporation	(5,000,000)	(4,100,000)		(9,100,000)
21 - CIE	(7,500)	0		(7,500)
31 - Fisheries	(50,532,825)	0		(50,532,825)
41 - Police	(46,800)	0		(46,800)
42 - Department of Multicultural Affairs	(12,256,130)	0	(9,805,946)	(22,062,076)
43 - Justice - Secretariat	(415,000)	0		(415,000)
44 - Judiciary	(15,000)	0		(15,000)
45 - Border Control	(2,240,000)	0		(2,240,000)
50 - Directorate of TVET	(58,500)	0		(58,500)
61 - Health	(47,008)	0		(47,008)
62 - Sports	0	0		0
81 - Home Affairs	0	0		0
83 - Media Bureau	(30,000)	0		(30,000)
84 - Lands & Survey	(7,000)	0		(7,000)
85 - Lands Committee	(2,000)	0		(2,000)
91 - Department of Transport	(5,903,769)	0		(5,903,769)
93 - Maritime Transport	(2,150,528)	0	1,879,369	(271,159)
95 - ICT	(10,000)	0		(10,000)
	<b>(146,030,911)</b>	<b>(4,100,000)</b>	<b>(7,727,194)</b>	<b>(157,858,105)</b>

**Table 3: 2019-20 Supplementary Appropriation No.2– Expenditures**

Description	2019-20	Supplementary	Supplementary	Revised
	Original Budget	Appropriation No.1	Appropriation No.2	Budget
01 - Presidency and State House (including GIO)	1,774,150	152,979		1,927,129
02 - Ministerial	5,908,405	0		5,908,405
03 - Chief Secretariat	18,444,787	44,829		18,489,616
05 - Audit	354,518	0		354,518
06 - Parliament	1,467,979	0		1,467,979
07 - GON Warehouse	367,544	0	(367,544)	0
08 - National Emergency Services	1,495,347	0		1,495,347
09 - Electoral Commission	456,354	0		456,354
11 - Finance Secretariat	1,915,778	0		1,915,778
13 - Bureau of Statistics	115,413	0		115,413
15 - Nauru Revenue Office	513,709	0		513,709
16 - Finance - Other Payments	39,808,697	2,969,644	1,101,147	43,879,488
17 - Nauru Customs Office (NCO)	367,638	0		367,638
18 - Nauru Regional Processing Centre (NRPCC) Corporation	1,168,563	0		1,168,563
21 - CIE	750,805	0		750,805
31 - Fisheries	2,475,930	0		2,475,930
41 - Police	2,791,358	0		2,791,358
42 - Department of Multicultural Affairs	6,401,728	0	9,805,946	16,207,674
43 - Justice - Secretariat	2,999,056	0		2,999,056
44 - Judiciary	1,866,055	0		1,866,055
45 - Border Control	1,000,417	0		1,000,417
46 - Correctional Services	730,860	0		730,860
50 - Directorate of TVET	860,333	0		860,333
51 - Education	10,076,813	5,372		10,082,185
52 - Youth Affairs	174,467	0		174,467
61 - Health	13,392,819	0		13,392,819
62 - Sports	980,886	400,000		1,380,886
63 - Department of Infrastructure Development	422,306	0		422,306
71 - Foreign Affairs - Secretariat	1,215,031	0		1,215,031
72 - Foreign Affairs - Brisbane	1,078,947	63,793		1,142,740
73 - Foreign Affairs - Suva	761,821	21,701		783,522
74 - Foreign Affairs - New York	2,466,884	42,596		2,509,480
75 - Foreign Affairs - Taiwan	515,694	16,262		531,956
76 - Foreign Affairs - Geneva	513,631	0		513,631
77 - High Commission India	274,950	0		274,950
81 - Home Affairs	3,763,305	80,000		3,843,305
82 - Women's Affairs	319,017	0		319,017
83 - Media Bureau	438,629	292,842		731,471
84 - Lands & Survey	5,513,839	0		5,513,839
85 - Lands Committee	214,912	0		214,912
86 - Department of Land Management	85,752	0		85,752
91 - Department of Transport	2,275,910	0		2,275,910
93 - Maritime Transport	3,356,502	0	(2,980,516)	375,986
95 - ICT	3,750,566	0		3,750,566
97 - Telecom	88,024	0		88,024
	<b>145,716,127</b>	<b>4,090,018</b>	<b>7,559,033</b>	<b>157,365,178</b>