



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2020-21

23 OCTOBER 2020

**CIRCULATED BY
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MINISTER FOR FINANCE AND SUSTAINABLE DEVELOPMENT**

SUPPLEMENTARY APPROPRIATION No 1 2020-21

OVERVIEW

Supplementary Appropriation Bill (No.1) 2020-21 recognises additional Government revenue of \$52.8 million in 2020-21, and \$52.8 million in expenditure is appropriated for 2020-21, leaving a surplus balance of \$20 thousand.

This Bill reflects updated revenue and expenditure estimates to take account of the Government's decision to support Nauru Airlines to replace its ageing aircraft, as well as some changes since the 2020-21 Budget was brought down in June 2020.

Table 1: Budget Aggregates (\$)

Description	2020-21 Original Budget	2020-21 Supp App 1	2020-21 Revised YTD Budget
Revenue	210,483,272	52,792,293	263,275,565
Expenditure	210,444,381	52,771,811	263,216,191
Balance	38,891	20,482	59,374

REVENUES

This Bill recognises the following changes to revenues.

12 - Public Debt

	2020-21 Budget
1902 Exim Loan Equipment Receipt	34,930,000
Total impact on budget	34,930,000

ROC Taiwan and EXIM Bank have agreed to loan the Republic of Nauru USD25.0 million or AUD 34.9 million to support Nauru Airlines purchase replacement aircraft. The loan term is for 12 years with interest payable every six months at a rate of LIBOR plus 0.8 percent.

16 - Finance Other Payments

	2020-21 Budget
1361 Fuel Levy	1,000,000
1660 General Budget Support	8,737,293
Total impact on budget	9,737,293

\$1 million is recognised as additional revenue from the fuel levy that was previously used by Vital maintains the tank farm.

\$8.7 million in General Budget Support recognises additional revenue provided by donors to support the aircraft replacement program and COVID-19 response.

Of this, \$3.4 million is additional donor support from ROC Taiwan to cover re-payment of principal and interest charges related to the new EXIM Loan for the replacement aircraft.

The remaining \$5.3 million is additional donor support for COVID-19 measures, and includes:

- \$2.8 million from Australia to contribute to the costs of maintaining transport connectivity by sea and air.
- \$1.5 million from ROC Taiwan in support of building works in the hospital as well as purchase of medical equipment and test kits.
- \$950 thousand from the Asian Development Bank to support COVID-19 measures, including the costs of quarantine and purchase of essential medical supplies.

31 - Fisheries Revenue

	2020-21 Budget
1072 Purse Seine Revenue - Fishing Days	8,125,000
Total impact on budget	8,125,000

\$8.1 million is additional fisheries revenue to reflect pledges for fishing days received since the last estimates update.

EXPENDITURES

The following expenditure is appropriated.

01 - Presidency

	2020-21 Budget
2136 Museum artefacts	2,000
2200 R&M Plant and Equipment	8,000
2495 Plant & Equipment Purchases	26,900
2496 Building and structure	50,000
Total impact on budget	86,900

\$87 thousand is provided to Presidency to support museum conservation projects.

02 - Ministerial

	2020-21 Budget
2220 Nauru Community Housing Scheme	2,500,000
Total impact on budget	2,500,000

\$2.5 million is provided for the Nauru Community Housing scheme to address overcrowding and sanitation issues.

06 - Parliament

	2020-21 Budget
2617 Local donations	10,000
Total impact on budget	10,000

\$10 thousand is provided to the Parliament for local donations.

09 - Electoral

	2020-21 Budget
2230 Publicity and Awareness	20,000
Total impact on budget	20,000

\$20 thousand is provided to the Electoral Commission to conduct a civic education and curriculum project.

12 - Public Debt

	2020-21 Budget
2376 Equity Purchase	34,930,000
2545 Debt Repayments	3,539,572
Total impact on budget	38,469,572

\$34.9 million is provided to recognise the pass through disbursement of the proceeds from the EXIM Bank loan for the aircraft replacement program to Nauru Airlines (or its Asset holding company), in exchange for additional equity to the Government equivalent to the loan proceeds value.

\$3.5 million is provided to cover the first year principal and interest repayments of the EXIM Bank loan, partially offset by the ROC Taiwan grant of USD2.4 million (AUD3.4 million).

16 - Finance Other Payments

	2020-21 Budget
2496 Building and Structure	2,300,000
2616 Subsidies to SOEs	416,704
2650 Nauru Trust Fund	921,625
2998 COVID-19 Taskforce	(6,000,000)
Total impact on budget	(2,361,672)

\$2.3 million is provided to cover the costs of relocating residents of Location due to disruption related to the Port Project. The allocation covers temporary accommodation and construction of permanent dwellings for residents.

\$417 thousand is provided to address Ronphos debt arrears to the Nauru Maritime and Port Authority.

\$922 thousand has been allocated for the Nauru Trust Fund.

\$6 million has been reallocated to a new expenditure head (60) for the COVID-19 Taskforce.

21 - CIE

	2020-21 Budget
Climate Change Division	
2015 Salary - Local	(68,058)
2040 Staff Training	(1,000)
2100 Entertainment	(1,000)
2105 Official Celebrations	(1,600)
2190 R&M - Office Equipment	(1,000)
Energy Division	
2015 Salary - Local	(12,722)
2020 Salary Expatriate	(42,636)
2040 Staff Training	(1,500)
2100 Entertainment	(2,800)
2105 Official Celebrations	(1,000)
2190 R&M - Office Equipment	(400)
2495 Plant & Equipment Purchases	(8,976)
Total impact on budget	(142,692)

\$143 thousand is reallocated from the Department of Commerce Industry and Environment budget to partially fund the transfer of two of its divisions to the new Climate Change Department.

22 - Climate Change Division

	2020-21 Budget
Secretariat Division	
2015 Salary - Local	44,318
2040 Staff Training	3,000
2055 Consultants fees	50,000
2070 Travel - Staff	5,000
2075 Travel - Business	10,000
2100 Entertainment	3,000
2105 Official Celebrations	4,000
2130 Printing & Stationery	3,000
2135 Stores	1,500
2495 Plant & Equipment Purchases	55,505
Climate Change Division	
2015 Salary - Local	37,021
2040 Staff Training	1,000
2100 Entertainment	1,000
2105 Official Celebrations	1,600
2190 R&M - Office Equipment	1,000
Energy Division	
2015 Salary - Local	19,603
2020 Salary Expatriate	42,636
2040 Staff Training	1,500
2100 Entertainment	2,800
2105 Official Celebrations	1,000
2190 R&M - Office Equipment	400
2495 Plant & Equipment Purchases	8,976
Water Division	
2015 Salary - Local	53,037
2040 Staff Training	1,000
2100 Entertainment	1,000
2105 Official Celebrations	1,600
2495 Plant & Equipment Purchases	281,275
Total impact on budget	635,771

\$636 thousand is provided for a new department of Climate Change including \$278 thousand dollars allocation to the Water Division to purchase 50 new water tanks. \$142 thousand of the new department's budget is funded through re-allocation of existing provisions from the Department of Commerce, Industry and Environment.

31 - Fisheries

	2020-21 Budget
2185 R&M Building	160,000
2495 Plant & Equipment Purchases	426,000
Total impact on budget	586,000

\$586 thousand is provided to Fisheries to purchase new trailers and outboard motors for communities and to construct a new work shed.

41 - Police

	2020-21 Budget
2035 Overtime-Local	130,000
2050 Clothing and Uniform	14,000
2495 Plant & Equipment Purchases	31,800
Total impact on budget	175,800

\$176 thousand is provided to purchase new ceremonial uniforms for Police, communication devices, and to cover overtime for the new Police recruits that are providing security at the various COVID-19 Quarantine sites.

44 - Judiciary

	2020-21 Budget
2495 Plant & Equipment Purchases	20,000
2496 Building and Structure	230,000
Total impact on budget	250,000

\$250 thousand is provided to Judiciary to refurbish the court house to support remote working, and purchase video conferencing equipment.

60 - COVID-19 Taskforce

	2020-21 Budget
2015 Salaries Local	197,382
2030 Salaries Other Contracts	1,283,787
2050 Uniforms & Protective Clothing	25,000
2072 Meals and Drinks Staff	8,678
2075 Travel Business	45,000
2130 Printing & Stationery	14,927
2135 Stores	4,057
2155 House Rental	4,299,677
2185 R&M - Buildings	25,000
2275 Purchase of Petrol	9,545
2280 Purchase of Diesel	9,458
2315 Utilities	71,873
2330 Telephone/Internet	5,000
2350 Freight	75,000
2370 Membership Fees & Subscriptions	612
2471 Medical Consumable	50,000
2474 Clinical Education Supplies	64,004
2480 Medical Equipment	330,368
2496 Building and Structures	2,549,533
2575 Local Transport	2,500
2617 Donations - local	194,215
Total impact on budget	9,265,615

\$9.3 million is provided to the new COVID-19 Taskforce Head to support the Government's response to COVID-19.

\$6 million is funded through reallocation of the existing provision for the Taskforce under Head 16 – Finance Other Payments.

\$3.3 million is additional funding provided for the Government's response to COVID-19 through the Taskforce, including increased provision for significant building and construction works at the hospital and quarantine costs.

61 - Health

	2020-21 Budget
Office of the Secretary	
2475 Overseas Medical Treatment (OMR)	1,000,000
RON Hospital	
2072 Meals and Drinks - Staff	50,000
2467 Drugs and Medicine	350,000
2480 Medical Equipment	150,000
2495 Plant & Equipment Purchases	35,000
Total impact on budget	1,585,000

\$1.6 million is provided to Health for overseas medical referrals, purchase of medical equipment and drugs, as well as meals for health care workers.

62 - Sports

	2020-21 Budget
2617 Local Donations	400,000
Total impact on budget	400,000

\$400 thousand is provided to the Department of Sports for additional building works on community gyms and all-purpose courts.

63 - Infrastructure

	2020-21 Budget
2015 Salary local	53,448
2580 Public Works	50,000
2617 Local Donations	500,000
Total impact on budget	603,448

\$603 thousand is provided to the Department of Infrastructure for additional staff establishments, completion of road works at NPC and donations to districts to support more household foundation, cesspit and roofing works.

82 - Women`s Affairs

	2020-21 Budget
2495 Plant & Equipment Purchases	50,000
Total impact on budget	50,000

\$50 thousand is allocated to Women`s Affairs to purchase furniture for the refurbished safe house.

83 - Media Department

	2020-21 Budget
2015 Local salaries	110,464.0
2035 Overtime	6,000.0
2055 Consultants	40,000.0
2372 Radio equipment	5,000.0
2373 TV equipment	5,000.0
2495 Plant & Equipment Purchases	20,000.0
Total impact on budget	186,464

\$186 thousand is provided to expand the Media Department, including additional staff and equipment and to engage Mercer PR.

87 - Disability Department

	2020-21 Budget
2015 Salaries Local	90,044
2035 Overtime-Local	2,700
2040 Staff Training	900
2050 Clothing and Uniform	60
2055 Consultant Fees	1,500
2075 Travel Business	29,325
2100 Entertainment	6,000
2105 Official celebrations	7,000
2130 Printing and Stationary	1,424
2135 Stores	1,310
2185 R&M Buildings	2,000
2190 R&M Office Equipment	200
2200 R&M Motor Vehicles	475
2315 Utilities	11,722
2330 Telephone and Internet	3,120
2495 Plant & Equipment Purchases	5,300
Total impact on budget	163,080

\$163 thousand is provided to establish a new Department of Disability.

91 - Transport Department

	2020-21 Budget
Transport Secretariat Division	
2135 Stores	36,880.00
Civi Aviation Division	
2030 Salary Other Contracts	54,000
2035 Overtime	17,000
2135 Stores	2,500
2185 R&M Building	21,000
2330 Telephone and Internet	1,344
2495 Plant & Equipment Purchases	9,491
Land Transport Division	
2185 R&M Building	1,900
2315 Utilities	4,800
2495 Plant & Equipment Purchases	1,085
Total impact on budget	150,000

\$150 thousand is provided to the Transport Department to pay off outstanding debts to Eigigu Transport Services, purchase office equipment and cover additional overtime and store items due to increased flights. A provision is allocated to tighten security of navigational aid equipment at the Non Directional Beacon (NDP) site.

95 - ICT Department

	2020-21 Budget
2050 Uniform and Protective Clothing	4,000
2185 R&M Building	50,000
2330 Telephone and Internet	34,524
2495 Plant & Equipment Purchases	50,000
Total impact on budget	138,524

\$139 thousand is provided to the ICT Department to support repair of the burnt office, purchase staff uniforms and a new equipment to improve server efficiency.

Table 2: 2020-21 Supplementary Appropriation No.1 – Revenues

Description	2020-21 Original	Supp App 1	Revised YTD Budget
03 - Chief Secretariat	(41,450)	-	(41,450)
09 - Electoral Commission	(84,000)	-	(84,000)
11 - Finance Secretariat	(10,000)	-	(10,000)
12 - Public Debt	-	(34,930,000)	(34,930,000)
15 - Nauru Revenue Office	(33,840,000)	-	(33,840,000)
16 - Finance - Other Payments	(24,230,000)	(9,737,293)	(33,967,293)
17 - Nauru Customs Office (NCO)	(16,136,746)	-	(16,136,746)
18 - Nauru Regional Processing Centre (NRPC)	(10,067,050)	-	(10,067,050)
21 - CIE	(5,000)	-	(5,000)
31 - Fisheries	(54,530,000)	(8,125,000)	(62,655,000)
41 - Police	(91,800)	-	(91,800)
42 - Department of Multicultural Affairs	(66,672,993)	-	(66,672,993)
43 - Justice - Secretariat	(625,000)	-	(625,000)
44 - Judiciary	(17,000)	-	(17,000)
45 - Border Control	(2,106,000)	-	(2,106,000)
50 - Directorate of TVET	(30,000)	-	(30,000)
61 - Health	(36,533)	-	(36,533)
83 - Media Bureau	(30,000)	-	(30,000)
84 - Lands & Survey	(7,000)	-	(7,000)
85 - Lands Committee	(2,000)	-	(2,000)
91 - Department of Transport	(1,910,700)	-	(1,910,700)
95 - ICT	(10,000)	-	(10,000)
	(210,483,272)	(52,792,293)	(263,275,565)

Table 3: 2020-21 Supplementary Appropriation No.1 – Expenditures

Description	2020-21 Original Budget	Supp App 1	Revised Budget
01 - Presidency and State House (including GIO)	1,848,704	86,900	1,935,604
02 - Ministerial	8,816,585	2,500,000	11,316,585
03 - Chief Secretariat	17,631,670	-	17,631,670
05 - Audit	333,514	-	333,514
06 - Parliament	954,986	10,000	964,986
08 - National Emergency Services	1,481,242	-	1,481,242
09 - Electoral Commission	354,617	20,000	374,617
11 - Finance Secretariat	2,384,130	-	2,384,130
12 - Finance - Public Debt	-	38,469,572	38,469,572
13 - Bureau of Statistics	142,953	-	142,953
15 - Nauru Revenue Office	484,213	-	484,213
16 - Finance - Other Payments	86,398,812	(2,361,672)	84,037,141
17 - Nauru Customs Office (NCO)	704,541	-	704,541
18 - Nauru Regional Processing Centre (NRPCC) Corporation	1,380,343	-	1,380,343
21 - CIE	1,036,452	(142,692)	893,760
22 - Climate Change	-	635,771	635,771
31 - Fisheries	2,349,944	586,000	2,935,944
41 - Police	3,324,176	175,800	3,499,976
42 - Department of Multicultural Affairs	19,673,538	-	19,673,538
43 - Justice - Secretariat	3,531,685	-	3,531,685
44 - Judiciary	1,260,649	250,000	1,510,649
45 - Border Control	950,294	-	950,294
46 - Correctional Services	872,658	-	872,658
50 - Directorate of TVET	445,583	-	445,583
51 - Education	11,541,216	-	11,541,216
52 - Youth Affairs	229,964	-	229,964
60 - COVID-19 Taskforce	-	9,265,615	9,265,615
61 - Health	15,040,755	1,585,000	16,625,755
62 - Sports	660,801	400,000	1,060,801
63 - Department of Infrastructure Development	2,883,774	603,448	3,487,222
71 - Foreign Affairs - Secretariat	1,217,776	-	1,217,776
72 - Foreign Affairs - Brisbane	1,117,338	-	1,117,338
73 - Foreign Affairs - Suva	714,180	-	714,180
74 - Foreign Affairs - New York	2,398,303	-	2,398,303
75 - Foreign Affairs - Taiwan	486,228	-	486,228
76 - Foreign Affairs - Geneva	855,242	-	855,242
77 - High Commission India	144,350	-	144,350
78 - High Commission Canberra	571,746	-	571,746
81 - Home Affairs	4,383,248	-	4,383,248
82 - Women's Affairs	283,493	50,000	333,493
83 - Media Bureau	546,627	186,464	733,091
84 - Lands & Survey	5,822,293	-	5,822,293
85 - Lands Committee	302,171	-	302,171
86 - Department of Land Management	98,522	-	98,522
87 - Department of Disability	-	163,080	163,080
91 - Department of Transport	2,509,055	150,000	2,659,055
95 - ICT	2,129,634	138,524	2,268,158
97 - Telecom	146,378	-	146,378
	210,444,381	52,771,811	263,216,191