



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2020-21

28 January 2021

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

SUPPLEMENTARY APPROPRIATION No.2 2020-21

OVERVIEW

Supplementary Appropriation Bill (No.2) 2020-21 recognises additional Government revenue of \$54.6 million in 2020-21, and \$54.6 million in expenditure is appropriated for 2020-21, with a balance of \$6 thousand.

This will bring total expected revenue for 2020-21 to \$317.8 million, and \$317.8 million is appropriated for expenditure, leaving a surplus balance for the year of \$65 thousand.

This Bill reflects updated revenue and expenditure estimates to take account of:

- the six month extension of the Regional Processing Centre (RPC) agreement with Australia from 31 December 2020 to 30 June 2021,
- the outcome of the mid-year review of budget estimates that reflects the impact of better than expected economic conditions in the year to date, and
- Government decisions taken since the last supplementary appropriation.

Table 1: Budget Aggregates (\$)

Budget Aggregates				
	2020-21 Approved Budget	Supp No 1	Supp No 2	2020-21 Revised Budget
Revenue	210,483,272	52,792,293	54,564,991	317,840,556
Expenditure	210,444,381	52,771,812	54,558,869	317,775,062
Balance	38,891	20,481	6,122	65,494
Share of GDP	0.02%	0.01%	0.00%	0.04%

REVENUES

This Bill recognises the following changes to revenues.

15 NRO Revenue				
	2020-21 Budget	Actual YTD	Change	New estimate
1190 - Telecom Tax	2,000,000	1,612,792	1,225,584	3,225,584
1590 - Employment/Non-resident Withholding Tax	9,200,000	9,918,540	10,637,081	19,837,081
1591 - Business Profit Tax	22,280,000	24,953,077	20,273,077	42,553,077
Total impact on budget	33,480,000	36,484,409	32,135,741	65,615,741

\$32.1 million in additional revenue is recognised from tax collections, due to the six month extension of the RPC agreement with Australia, and better than expected economic conditions in Nauru in the year to date.

17 Customs

	2020-21 Budget	Actual YTD	Change	New estimate
1140 - Customs and Excise Duty - Tobacco	5,726,746	3,326,225	925,703	6,652,449
1150 - Customs and Excise Duty - Sugar	920,000	771,537	623,075	1,543,075
1160 - Customs and Excise Duty - Other	2,100,000	1,571,711	1,043,423	3,143,423
1165 - Customs and Excise Duty - Petrol Sales	1,800,000	1,322,876	845,751	2,645,751
1170 - Customs and Excise Duty - Diesel Sales	2,700,000	870,750	(1,000,000)	1,700,000
Total impact on budget	13,246,746	7,863,099	2,437,952	15,684,698

\$2.4 million in additional revenue from customs and excise duty collections is recognised, reflecting better than expected economic conditions in Nauru in the year to date, partially offset by a reduction in expected revenue from Customs and Excise Duty – Diesel Sales as a result of the Government's decision to exempt Ronphos and Nauru Rehabilitation Corporation from paying the duty.

18 NRPCC Revenue

	2020-21 Budget	Actual YTD	Change	New estimate
1495 - Service Fees	10,088,678	8,345,865	10,088,678	20,177,356
Total impact on budget	10,088,678	8,345,865	10,088,678	20,177,356

\$10.1 million is recognised in additional revenue from service fees related to the RPC extension.

31 Fisheries Revenue

	2020-21 Budget	Actual YTD	Change	New estimate
1055 - Support Vessel Charges	230,000	218,497	70,000	300,000
1071 - Purse Seine Revenue - Licensing	1,300,000	1,311,042	200,000	1,500,000
Total impact on budget	1,530,000	1,529,539	270,000	1,800,000

\$270 thousand in additional fisheries revenue is recognised to reflect better than expected collection performance in the year to date.

42 MCA Revenue

	2020-21 Budget	Actual YTD	Change	New estimate
1335 - Visa Fees - RPC	480,000	717,000	480,000	960,000
1475 - Miscellaneous Revenue	4,062,000	4,192,000	1,354,000	5,416,000
1577 - DJBC - Operations	2,289,963	2,005,582	763,321	3,053,284
1578 - DJBC - Reimbursable Costs	15,257,699	5,954,917	5,085,900	20,343,599
1580 - Visa Fees - RPC Resettlement	3,600,000	1,572,000	1,200,000	4,800,000
Total impact on budget	25,689,662	14,441,499	8,883,221	34,572,883

\$8.9 million in additional revenue for visa fees, RPC related operational and reimbursable cost receipts and miscellaneous revenue is recognised to reflect the six month RPC extension.

Non-tax revenue

Natural Account	Head	2020-21 Budget	Actual YTD	Change	New estimate
1220 - Corporation Fees and Licenses	43 - Justice	120,000	234,900	180,000	300,000
1230 - Liquor Licensing Board	03 - Chief Sec	16,000	19,936	9,000	25,000
1240 - Licenses-Dogs etc	43 - Justice	0	83	200	200
1246 - Drones Licenses	17 - Customs	0	1,200	2,000	2,000
1300 - Registration Fees-Motor Cars	91 - Transport	68,000	96,199	52,000	120,000
1305 - Registration Fees-Motorcycles	92 - Transport	5,500	16,530	14,500	20,000
1310 - Vehicle/Insurance Fees	93 - Transport	200,000	244,875	100,000	300,000
1370 - D.C.A.-Air Navigation Fees	94 - Transport	220,000	445,411	280,000	500,000
1485 - Quarantine Fees	45 - Border Ctrl	36,000	46,850	14,000	50,000
1490 - Court Fines and Fees	44 - Judiciary	17,000	33,546	23,000	40,000
1540 - Advertising Revenue	83 - Media	30,000	39,785	20,000	50,000
1555 - Spectacles,Drugs etc	61 - Health	2,000	2,830	2,000	4,000
1565 - Medical Services	62 - Health	2,300	4,550	2,700	5,000
1596 - Traffic Infringements	41 - Police	50,000	77,135	50,000	100,000
Total impact on budget		766,800	1,263,829	749,400	1,516,200

\$749 thousand in additional non-tax revenue is recognised to reflect better than expected collections in the year to date, following the mid-year review of budget estimates.

EXPENDITURES

The following expenditure is appropriated.

01 Presidency and State House

	2020-21 Budget
2105 - Official Celebrations	200,000
2130 - Printing and Stationary (for printing of booklets)	20,000
2185 - R&M - Buildings	100,000
2495 - Plant & Equipment Purchases	205,000
2496 - Building and Structures	150,000
2617 - Donations - local	100,000
Total impact on budget	775,000

\$775 thousand is provided to Presidency comprising \$675 thousand to support the commemoration of the 75th anniversary of the Return from Chuuk and 53rd anniversary of Nauru's Independence, as well as \$100 thousand for repairs and maintenance at the State House.

02 Ministerial

	2020-21 Budget
2220 - Nauru Community Housing	6,650,000
Total impact on budget	6,650,000

\$6.7 million is provided for the Nauru Community Housing scheme to address overcrowding and sanitation issues.

08 Nauru Emergency Services

	2020-21 Budget
2185 - R&M - Buildings	50,000
2200 - R&M - Motor Vehicles	80,000
Total impact on budget	130,000

\$130 thousand is provided to Nauru Emergency Services for truck and building maintenance.

16 Finance Other Payments

	2020-21 Budget
2616 - Subsidies to SOEs	1,020,750
2650 - Trust Fund	15,704,110
2652 - Fiscal Cash Buffer	15,864,488
2680 - BON Liquidation- Payment	4,000,000
Total impact on budget	36,589,348

\$1 million is provided to support the Nauru Shipping Line to cover the costs of hiring a larger cargo ship to mitigate risks to Nauru's food security.

\$15.7 million is provided to the Nauru Trust Fund comprising \$10.4 million as a 20 per cent bonus contribution from the windfall revenue recognised in this Bill, and \$5.3 million as a prepayment for next year's contribution.

\$15.9 million is allocated to the fiscal cash buffer to provide for urgent and unforeseen expenditure over the rest of the year.

\$4 million is provided for the Bank of Nauru liquidation, to enable a further payment round to bank book holders that were creditors to the Bank of Nauru.

17 Customs

	2020-21 Budget
2030 - Salaries - Other Contracts	5,000
2055 - Consultants fees	160,000
2165 - Office Rental	36,000
2315 - Utilities	20,000
2330 - Telephone / Internet	500
2370 - Membership Fees & Subscriptions	15,000
2495 - Plant & Equipment Purchases	63,500
Total impact on budget	300,000

\$300 thousand is provided to Customs to support the Customs Modernisation Project.

18 Nauru Regional Processing Centre Corporation (NRPCC)

	2020-21 Budget
2617 - Donations - local (training)	285,000
Total impact on budget	285,000

\$285 thousand is allocated to NRPCC to fund 100 participants to complete a Certificate IV in Leadership and Management.

21 CIE

	2020-21 Budget
2496 - Building and Structures	20,000
Total impact on budget	20,000

\$20 thousand is provided to CIE to clear land in Menen for a new market garden that will include breadfruit trees and root crops.

22 - Climate Change

	2020-21 Budget
2617 - Donations - local (construction)	150,000
Total impact on budget	150,000

\$150 thousand is provided to the Department of Climate Change to dredge 30 underground water storage facilities at households in Nauru.

41 Police

	2020-21
2015 - Salary - Local	822,000
2495 - Plant & Equipment Purchases	280,000
Total impact on budget	1,102,000

\$1.1 million is provided to cover the cost of new police recruits and the purchase of new vehicles and trailers.

42 MCA

	2020-21 Budget
2030 - Salaries - Other Contracts	4,720,783
2040 - Staff Training	10,000
2050 - Uniforms and protective clothing	4,000
2055 - Consultants fees	325,000
2060 - Legal Fees - External	12,500
2075 - Travel - Business	47,500
2100 - Entertainment	19,333
2130 - Printing & Stationery	3,750
2135 - Stores	3,188
2155 - House Rental	198,020
2160 - Land Rental	1,349,643
2185 - R&M - Buildings	111,250
2190 - R&M - Office Equipment	38,500
2315 - Utilities	27,180
2330 - Telephone / Internet	78,480
2495 - Plant & Equipment Purchases	24,733
2575 - Local Transport	139,075
Total impact on budget	7,112,936

\$7.1 million is provided to Multicultural Affairs to cover costs related to the extension of the RPC agreement with Australia. The 2020-21 original budget included provision for nine months of costs, and this additional provision will ensure the department is fully funded for the year.

43 Justice - Secretariat

	2020-21 Budget
2015 - Salary - Local	39,822
2050 - Uniforms and protective clothing	4,000
2135 - Stores	7,500
2200 - R&M - Motor Vehicles	3,000
2275 - Purchase of Petrol	15,000
2495 - Plant & Equipment Purchases	19,500
Total impact on budget	88,822

\$89 thousand is provided to Justice to establish a new dog management unit.

50 Directorate of TVET

	2020-21 Budget
2132 - TVET Supplies	140,000
Total impact on budget	140,000

\$140 thousand is provided to purchase supplies for TVET courses, including courses in hospitality, welding, automotive and carpentry.

62 Sport

	2020-21 Budget
2195 - R&M - Office Premises	150,000
Total impact on budget	150,000

\$150 thousand is provided to support the Sports Department to move its operations into the National Sports Centre.

71 Foreign Affairs - Secretariat

	2020-21
2075 - Travel - Business	147,000
Total impact on budget	147,000

\$147 thousand is provided to cover aircraft charter and other business travel costs related to the Micronesia Presidents Special Meeting in Palau from 29 September 2020 to 2 October 2020.

73 Foreign Affairs - Suva

	2020-21 Budget
2496 - Building and Structures	500,000
Total impact on budget	500,000

\$500 thousand is provided to support the renovation of the Nauru High Commission in Fiji.

81 Department of Internal Affairs

Division 8106 - Child Protection	2020-21 Budget
2035 - Overtime Local	(29,800)
2100 - Entertainment	(1,000)
2105 - Official Celebrations	(5,500)
2130 - Printing & Stationery	(1,000)
2135 - Stores	(597)
2205 - R&M Plant	(600)
2630 - Safe House	(83,250)
Subtotal	(121,747)
Division 8106 - Child Protection - Project 00515 Child Protection Centre for 0-3 years	
2030 - Salaries - Other Contracts	(280)
2100 - Entertainment	(15,000)
2135 - Stores	(8,000)
2496 - Building and Structures	(50,220)
Subtotal	(73,500)
Division 8107 - Gender Mainstreaming Unit	
2015 - Salary - Local	(51,906)
2130 - Printing & Stationery	(1,847)
2185 - R&M - Buildings	(1,225)
2495 - Plant & Equipment Purchases	(3,775)
Subtotal	(58,753)
Total impact on budget	(254,000)

\$254 thousand is reallocated from the Department of Internal Affairs to reflect the Government's decision to transfer the Child Protection Unit and Gender Mainstreaming Unit to the Department of Women's and Social Development Affairs.

82 Department of Womens and Social Development Affairs

Division 8202 - Child Protection	2020-21 Budget
2035 - Overtime Local	29,800
2100 - Entertainment	1,000
2105 - Official Celebrations	5,500
2130 - Printing nand Stationaries	1,000
2135 - Stores	597
2205 - R&M Plant	600
2630 - Safe House	83,250
Subtotal	121,747
Division 8202 - Child Protection - Project 00515 Child Protection Centre for 0-3 years	
2030 - Salaries - Other Contracts	280
2100 - Entertainment	15,000
2130 - Printing & Stationery	-
2135 - Stores	8,000
2496 - Building and Structures	50,220
Subtotal	73,500
Division 8203 - Gender Mainstreaming Unit	
2015 - Salary - Local	51,906
2130 - Printing & Stationery	1,847
2135 - Stores	-
2185 - R&M - Buildings	1,225
2495 - Plant & Equipment Purchases	3,775
Subtotal	58,753
Total impact on budget	254,000

\$254 thousand is reallocated from the Department of Internal Affairs to reflect the Government's decision to transfer the Child Protection Unit and Gender Mainstreaming Unit to the Department of Women's and Social Development Affairs.

83 Media Bureau

	2020-21 Budget
2496 - Building and Structures	322,364
Total impact on budget	322,364

\$322 thousand is provided to meet the final instalment payment for the construction of the new media building. The total cost of the contract with Reliable Construct for the building construction was \$1,611,820.

95 - ICT

	2020-21 Budget
2020 - Salary Expatriate	24,000
2025 - Allowances - Staff Contract	8,000
Total impact on budget	32,000

\$32 thousand is provided to ICT to support the recruitment of additional expatriate staff.

84 Lands & Survey

	2020-21 Budget
2015 - Salary - Local	18,000
2575 - Local Transport	46,400
Total impact on budget	64,400

\$64 thousand is provided to Lands and Survey to meet additional staff and car hire costs.

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

Description	Original 2020-21 Budget	2020-21 Supplementary No 1	2020-21 Supplementary No 2	Revised 2020-21 Budget
03 - Chief Secretariat	(41,450)	-	(9,000)	(50,450)
09 - Electoral Commission	(84,000)	-		(84,000)
11 - Finance Secretariat	(10,000)	-		(10,000)
12 - Finance -Public Debt	-	(34,930,000)		(34,930,000)
15 - Nauru Revenue Office	(33,840,000)	-	(32,135,741)	(65,975,741)
16 - Finance - Other Payments	(24,230,000)	(9,737,293)		(33,967,293)
17 - Nauru Customs Office (NCO)	(16,136,746)	-	(2,439,952)	(18,576,698)
18 - Nauru Regional Processing Centre (NRPCC) Corporation	(10,067,050)	-	(10,088,678)	(20,155,728)
21 - CIE	(5,000)	-		(5,000)
31 - Fisheries	(54,530,000)	(8,125,000)	(270,000)	(62,925,000)
41 - Police	(91,800)	-	(50,000)	(141,800)
42 - Department of Multicultural Affairs	(66,672,993)	-	(8,883,221)	(75,556,214)
43 - Justice - Secretariat	(625,000)	-	(180,200)	(805,200)
44 - Judiciary	(17,000)	-	(23,000)	(40,000)
45 - Border Control	(2,106,000)	-	(14,000)	(2,120,000)
50 - Directorate of TVET	(30,000)	-		(30,000)
61 - Health	(36,533)	-	(4,700)	(41,233)
83 - Media Bureau	(30,000)	-	(20,000)	(50,000)
84 - Lands & Survey	(7,000)	-		(7,000)
85 - Lands Committee	(2,000)	-		(2,000)
91 - Department of Transport	(1,910,700)	-	(446,500)	(2,357,200)
95 - ICT	(10,000)	-		(10,000)
TOTAL	(210,483,272)	(52,792,293)	(54,564,991)	(317,840,556)

Table 3: 2020-21 Supplementary Appropriation No.2 – Expenditures

Description	Original 2020-21 Budget	2020-21 Supplementary No 1	2020-21 Supplementary No 2	Revised 2020-21 Budget
01 - Presidency and State House (including GIO)	1,848,704	86,900	775,000	2,710,604
02 - Ministerial	8,816,585	2,500,000	6,650,000	17,966,585
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	-	130,000	1,611,242
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	(2,361,671)	36,589,348	120,626,489
17 - Nauru Customs Office (NCO)	704,541	-	300,000	1,004,541
18 - Nauru Regional Processing Centre (NRPPC) Corporation	1,380,343	-	285,000	1,665,343
21 - CIE	1,036,452	(142,692)	20,000	913,760
22 - Climate Change	-	635,771	150,000	785,771
31 - Fisheries	2,349,944	586,000		2,935,944
41 - Police	3,324,176	175,800	1,102,000	4,601,976
42 - Department of Multicultural Affairs	19,673,538	-	7,112,936	26,786,474
43 - Justice - Secretariat	3,531,685	-	88,822	3,620,507
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	-	140,000	585,583
51 - Education	11,541,216	-		11,541,216
52 - Youth Affairs	229,964	-		229,964
60 - COVID-19 task force	-	9,265,616		9,265,616
61 - Health	15,040,755	1,585,000		16,625,755
62 - Sports	660,801	400,000	150,000	1,210,801
63 - Department of Infrastructure Development	2,883,774	603,448		3,487,222
71 - Foreign Affairs - Secretariat	1,217,776	-	147,000	1,364,776
72 - Foreign Affairs - Brisbane	1,117,338	-		1,117,338
73 - Foreign Affairs - Suva	714,180	-	500,000	1,214,180
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 - Internal Affairs	4,383,248	-	(254,000)	4,129,248
82 - Womens and Social Development Affairs	283,493	50,000	254,000	587,493
83 - Media Bureau	546,627	186,464	322,364	1,055,455
84 - Lands & Survey	5,822,293	-	64,400	5,886,693
85 - Lands Committee	302,171	-		302,171
86 - Department of Land Management	98,522	-		98,522
87 - Disability Department	-	163,080		163,080
91 - Department of Transport	2,509,055	150,000		2,659,055
95 - ICT	2,129,634	138,524	32,000	2,300,158
97 - Telecom	146,378	-		146,378
TOTAL	210,444,381	52,771,812	54,558,869	317,775,062