



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2021-22

9 November 2021

**CIRCULATED BY
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SUPPLEMENTARY APPROPRIATION No.2 2021-22

OVERVIEW

Supplementary Appropriation Bill (No.2) 2021-22 recognises additional Government revenue of \$17.2 million, and \$17.1 million in expenditure, with a small surplus balance of \$0.01 million.

This will bring total expected revenue for 2021-22 to \$293.4 million, and \$293.2 million is appropriated for expenditure, leaving a surplus balance for the year of \$0.2 million.

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

- the first tranche drawdown of the Taiwan EXIM Aircraft Replacement Program loan facility not reflected in the original budget
- government priorities and new commitments that have arisen since start of the financial year

Table 1: Budget Aggregates (\$)

Description	2021-22 Original Budget	2021-22 Supp App 1	2021-22 Supp App 2	2021-22 Revised YTD
Revenue	244,123,361	32,133,332	17,154,242	293,410,935
Expenditure	244,023,361	32,106,784	17,051,819	293,181,964
Balance	100,000	26,548	102,422	228,971

REVENUES

This Bill recognises the following changes to revenue.

12 - Public Debt

	2021-22 Budget
1902 - Exim Loan Proceeds	17,154,242
Total impact on budget	17,154,242

\$17.2 million in additional revenue is recognised to reflect the draw-down of the Taiwan EXIM Aircraft Replacement Program tranche 1 fund. There was considerable delay in the finalization of the loan agreement due to unanticipated changes to the purchase of the aircraft, exacerbated by a surge of COVID 19 cases in Taipei. To manage the timing mismatch between the loan drawdown and the settlement date of the first aircraft, Government provided bridging finance to Nauru Leasing Corporation with the view that this will be reimbursed when the first tranche drawn down is disbursed. Government is in the final stages of executing the loan agreement with Exim Bank with draw down confirmed to be made within this financial year. In this regard, it is proposed that the \$17.2 million first draw down reimbursement to Government of Nauru be recognised as additional revenue for this financial year.

EXPENDITURES

The following expenditure is appropriated.

01 - Presidency

	2021-22 Budget
2075 - Business Travel	100,000
2100 - Entertainment	50,000
2105 - Official Celebrations	150,000
2496 - Building and Structure	200,000
2617 - Donations (Local)	400,000
Total impact on budget	900,000

\$0.4 million is provided for public donations.

\$0.2 million is provided for critical renovation works and upgrade to the Statehouse.

\$150 thousand is provided to mark and commemorate important national events such as Christmas, Independence and Constitution.

\$50 thousand is allocated to cover hosting of official government functions.

02 - Ministerial

	2021-22 Budget
2475 - Nauru Community Housing	7,000,000
2496 - Building and Structure	200,000
Total impact on budget	7,200,000

\$7 million is provided to the Nauru Community Housing to address sanitation and overcrowding issues and improve Nauru's housing stock.

\$0.2 million is allocated to Ministerial for additional work on the Truk memorial site.

09 - Electoral Commission

	2021-22 Budget
2015 - Salary Local	51,080
2030 - Salary Other contracts	69,660
2495 - Plant and Equipment	3,600
2130 - Printing and Stationery	2,400
2072 - Meals and Drinks	13,900
2330 - Telephone and Internet	3,400
2575 - Local Transport	3,280
2050 - Uniform and Protective Clothing	3,000
2230 - Publicity and Awareness	4,800
Total impact on budget	155,120

\$155 thousand is provided to Elections Office to fund salaries for the newly established Electoral Commission positions and to carry out a Poll Survey ahead of the next Parliamentary elections.

16 - Finance Other Payments

	2021-22 Budget
2496 - Building and Structure	672,453
2545 - Debt Repayments Other	400,000
2650 - Nauru Trust Fund (NTF)	1,732,578
2652 - Fiscal Cash Buffer	3,062,048
Total impact on budget	5,867,079

\$3.1 million is provided to the Fiscal Cash Buffer to cover for urgent and unforeseen commitments that may arise during the year.

\$1.7 million is provided as additional contributions to the Nauru Intergenerational Trust Fund, comprising of 10.1% of new revenue in this supplementary.

\$0.7 million is provided to Nauru Rehabilitation Corporation to facilitate purchase of additional capital equipment for the Government Land Rehabilitation project.

\$0.4 million is provided to increase RONWAN minimum payouts to \$500. This is expected to benefit 2,422 Nauruan RONWAN accountholders.

21 CIE

	2021-22 Budget
2101 Secretariat	
2015 - Local Salary	16,727
2495 - Plant and Equipment Purchases	11,200
2102 Agriculture	
2015 - Local Salary	81,319
2185 - R&M Building	3,500
2105 Environment	
2015 - Local Salary	62,986
Total impact on budget	175,732

\$176 thousand is provided to CIE department for salaries, essential equipment purchases and minor repairs to Anabar farm.

22 Climate Change

	2021-22 Budget
2201 Office of Secretary	
2015 - Local Salary	20,000
2185 - R&M Building	40,900
Total impact on budget	60,900

\$20 thousand is provided to Department of Climate Change and Resilience (DCCNR) to accommodate increase in salaries following reclassifications of positions.

\$41 thousand is to cover for additional costs relating to repair and maintenance of the department office premises.

41 Police

	2021-22 Budget
2015 - Local Salary	435,000
2075 - Travel Business	200,000
Total impact on budget	635,000

\$0.4 million is provided to the Police Department to cover for Police Protective Services new recruits since July 1.

\$0.2 million is provided to enable five (5) Nauruan police officers to attend the UNPOL Pre-deployment in Turkey.

61 - Health

	2021-22 Budget
<i>6101- Office of the Secretary</i>	
2475 - Overseas Medical Treatment (OMR)	1,500,000
2575 - Local Transport	150,000
2495 - Plant and Equipment Purchases	140,000
Total impact on budget	1,790,000

\$1.5 million is provided for additional patients` medical and accommodation costs.

\$150 thousand is provided to cover car rent for essential Health staff.

\$140 thousand is provided to purchase critical plant and equipment for hospital operation.

63 - Infrastructure

	2021-22 Budget
2580 - Public Works	100,000
Total impact on budget	100,000

\$100 thousand is provided to Infrastructure to carry out additional tree lopping for the communities to ensure safety and ready development of residential sites.

75 - Foreign Affairs Taiwan

	2021-22 Budget
2075 - Travel Business	41,516
2105 - Official Celebrations	8,000
2565 - Insurance	3,462
2575 - Local Transport	11,200
2600 - Postage	17,570
Total impact on budget	81,748

\$82 thousand is provided to Foreign Affairs Taiwan to enable more active engagement of the Embassy staff with OMR patients.

81 - Internal Affairs

	2021-22 Budget
<i>8101 Office of the Secretary</i>	
2030 - Salary Other contracts	32,640
2075 - Travel Business	60,000
2135 - Stores	67,500
2275 - Local Transport	1,360
2495 - Plant and Equipment Purchases	5,700
2575 - Local Transport	19,040
Total impact on budget	186,240

\$60 thousand is provided to fund travel and allowances for staff to attend the upcoming Culture and Youth Expo in Dubai.

\$126 thousand is provided to cater for Bingo operations for the rest of the financial year.

Table 2: 2021-22 Supplementary Appropriation No.2 – Revenues

Description	2021-22 Original Budget	Supp App 1	Supp App 2	2021-22 Revised Budget
03 - Chief Secretariat	43,665	-		43,665
09 - Electoral Commission	19,904	-		19,904
11 - Finance Secretariat	2,000	-		2,000
12 - Finance -Public Debt	16,245,600	-	17,154,242	33,399,842
15 - Nauru Revenue Office	34,730,000	-		34,730,000
16 - Finance - Other Payments	16,000,351	-		16,000,351
17 - Nauru Customs Office (NCO)	16,514,175	-		16,514,175
18 - Nauru Regional Processing Centre (NRPCC) Corporati	10,000,002	-		10,000,002
21 - CIE	5,000	-		5,000
31 - Fisheries	59,900,000	-		59,900,000
41 - Police	212,640	-		212,640
42 - Dept of Multi Cultural Affairs	86,599,971	32,133,332		118,733,303
43 - Justice - Secretariat	709,756	-		709,756
44 - Judiciary	52,043	-		52,043
45 - Border Control	1,670,444	-		1,670,444
46 - Correctional Services	-	-		-
50 - Directorate of TVET	34,738	-		34,738
61 - Health	59,205	-		59,205
83 - Media Bureau	64,000	-		64,000
84 - Lands & Survey	7,052	-		7,052
85 - Lands Committee	16,900	-		16,900
91 - Department of Transport	1,231,915	-		1,231,915
95 - ICT	4,000	-		4,000
TOTAL	244,123,361	32,133,332	17,154,242	293,410,935

Table 3: 2021-22 Supplementary Appropriation No.2 – Expenditures

Description	2021-22 Original Budget	Supp App 1	Supp App 2	2021-22 Revised Budget
01 - Presidency and State House (including GIO)	2,148,953	-	800,000	2,948,953
02 - Ministerial	10,627,108	4,940,000	7,200,000	22,767,108
03 - Chief Secretariat	17,909,751	558,246		18,467,997
05 - Audit	292,483	-		292,483
06 - Parliament	1,318,376	-		1,318,376
08 - National Emergency Services	1,957,198	-		1,957,198
09 - Electoral Commission	386,677	-	155,120	541,797
11 - Finance Secretariat	2,547,512	-		2,547,512
12 - Finance -Public Debt	20,226,213	-	-	20,226,213
13 - Bureau of Statistics	214,629	-		214,629
15 - Nauru Revenue Office	505,279	-		505,279
16 - Finance - Other Payments	72,563,171	9,445,049	5,867,079	87,875,299
17 - Nauru Customs Office (NCO)	947,948	185,600		1,133,548
18 - Nauru Regional Processing Centre (NRPCC) Corporation	1,425,707	-		1,425,707
21 - CIE	847,257	-	175,732	1,022,989
22 - Climate Change and Resilience	925,138	-	60,900	986,038
31 - Fisheries	3,479,266	-		3,479,266
41 - Police	4,630,357	-	635,000	5,265,357
42 - Dept of Multi Cultural Affairs	20,927,213	11,000,000		31,927,213
43 - Justice - Secretariat	2,964,360	-		2,964,360
44 - Judiciary	2,024,387	-		2,024,387
45 - Border Control	799,941	-		799,941
46 - Correctional Services	920,461	-		920,461
50 - Directorate of TVET	808,565	-		808,565
51 - Education	16,235,228	-		16,235,228
52 - Youth Affairs	284,612	-		284,612
60 - COVID-19 task force	8,300,466	1,303,000		9,603,466
61 - Health	18,512,537	3,500,000	1,790,000	23,802,537
62 - Sports	1,325,740	400,000		1,725,740
63 - Department of Infrastructure Development	3,783,989	600,000	100,000	4,483,989
71 - Foreign Affairs - Secretariat	1,302,146	98,600		1,400,746
72 - Foreign Affairs - Brisbane	1,033,352	-		1,033,352
73 - Foreign Affairs - Suva	662,158	-		662,158
74 - Foreign Affairs - New York	2,083,590	-		2,083,590
75 - Foreign Affairs - Taiwan	521,700	-	81,748	603,448
76 - Foreign Affairs- Geneva	656,450	-		656,450
77 - High Commission India	211,975	-		211,975
78 - High Commission Canberra	730,397	-		730,397
81 - Internal Affairs	3,790,322	76,289	186,240	4,052,851
82 - WASDA	1,010,457			1,010,457
83 - Media Bureau	612,729	-		612,729
84 - Lands & Survey	5,902,841	-		5,902,841
85 - Lands Committee	367,998	-		367,998
86 - Department of Land Management	117,667	-		117,667
87 - Disability Department	180,961	-		180,961
91 - Department of Transport	2,390,019	-		2,390,019
95 - ICT	2,567,339	-		2,567,339
97 - Telecom	40,739	-		40,739
TOTAL	244,023,361	32,106,784	17,051,819	293,181,964