



# REPUBLIC OF NAURU

## SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2021-22

27 January 2022

CIRCULATED BY  
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MINISTER FOR FINANCE AND SUSTAINABLE DEVELOPMENT

## SUPPLEMENTARY APPROPRIATION No.3 2021-22

### OVERVIEW

Supplementary Appropriation Bill (No.3) 2021-22 recognises additional Government revenue of \$34.7 million, and \$34.7 million in expenditure, with a small surplus balance of \$20 thousand.

This will bring total expected revenue for 2021-22 to \$328.1 million, and \$327.9 million is appropriated for expenditure, leaving a surplus balance for the year of \$0.3 million.

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

- the 6-month extension of the Regional Processing Centre agreement with Australia from 31 December 2021 to 30 June 2022
- outcome of the mid-year review of budget estimates
- government decisions taken since the last supplementary budget was brought down

**Table 1: Budget Aggregates (\$)**

Description	2021-22 Original Budget	2021-22 Supp App 1	2021-22 Supp App 2	2021-22 Supp App 3	2021-22 Revised YTD
<b>Revenue</b>	244,123,361	32,133,332	17,154,242	34,723,368	328,134,303
<b>Expenditure</b>	244,023,361	32,106,784	17,051,819	34,703,051	327,885,015
<b>Balance</b>	100,000	26,548	102,423	20,317	249,288

### REVENUES

This Bill recognises the following changes to revenue.

#### 15 - Nauru Revenue Office

	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Supplementary 3
1190 - Telecom Tax	2,500,000	1,325,061	150,000
1590 - Employment/Non-resident Withholding Tax	10,200,000	7,859,735	4,510,000
1591 - Business Profit Tax	21,900,000	22,032,421	7,590,000
<b>Total impact on budget</b>	<b>34,600,000</b>	<b>31,217,217</b>	<b>12,250,000</b>

\$12.3 million in additional tax revenue is recognised to reflect the six months extension of the RPC arrangement with Australia, coupled with buyout economic conditions in the Nauru in the year to date.

#### 17 - Nauru Customs Office

	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Supplementary 3
1140 - Customs and Excise Duty - Tobacco	5,841,236	3,906,529	855,672
1155 - Customs and Excise - Machinery/Vehicle/Equip.	830,419	706,515	565,345
1160 - Customs and Excise Duty - Other	2,538,891	1,939,927	733,232
1165 - Customs and Excise Duty - Petrol Sales	2,341,235	1,385,919	430,603
<b>Total impact on budget</b>	<b>16,512,175</b>	<b>9,911,280</b>	<b>2,584,852</b>

\$2.6 million in additional revenue is expected to be collected from import duties due to better than expected economic conditions in Nauru in the year to date.

**18 - Nauru Regional Processing Centre**

	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Supplementary 3
1495 - Service Fees	10,002,002	11,666,669	10,000,002
<b>Total impact on budget</b>	<b>10,002,002</b>	<b>11,666,669</b>	<b>10,000,002</b>

\$10 million in additional revenue is recognised from management and services fee as a result of the RPC extension.

**42- Multicultural Affairs**

	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Supplementary 3
1335 - Visa Fees - RPC		0	135,000
1577 - DJBC - Operations	2,289,963	1,509,332	1,762,927
1578 - DJBC - Reimbursable Costs	16,587,342	5,032,439	5,440,587
1580 - Visa Fees - RPC Resettlement		0	720,000
<b>Total impact on budget</b>	<b>118,733,303</b>	<b>75,386,101</b>	<b>9,888,514</b>

\$9.9 million in Reimbursable revenue and Visa fees is recognised to reflect the RPC extension.

**EXPENDITURES**

The following expenditure is appropriated.

**02 - Ministerial**

	2021-22 Supplementary 3
2475 - Nauru Community Housing	9,100,000
<b>Total impact on budget</b>	<b>9,100,000</b>

\$9.1 million is provided to the Nauru Community Housing to address sanitation and overcrowding issues and improve Nauru's housing stock.

**11 - Finance Secretariat**

	2021-22 Supplementary 3
<i>1101 - Treasury Division</i>	
2040 - Staff Training	3,000
2185 - R&M Building	41,734
2496 - Building and Structure	350,000
2330 - Telephone and Internet	5,000
2055 - Consultancy fees	125,000
<b>Total impact on budget</b>	<b>524,734</b>

\$0.4 million is provided to the Department of Finance to cover for urgent refurbishment and extension to Treasury office due to increasing staff number.

\$125 thousand is provided to cover additional consultancy fees.

\$8 thousand is provided for staff training and additional internet costs for the rest of the year.

#### 16 - Finance Other Payments

	2021-22 Supplementary 3
2350 - Freight	500,000
2616- Subsidies to SoEs	2,500,000
2650 - Nauru Trust Fund (NTF)	3,507,060
2652 - Fiscal Cash Buffer	3,882,198
2680 - Bank of Nauru	3,500,000
<b>Total impact on budget</b>	<b>13,889,258</b>

\$3.5 million is provided to facilitate continued settlement of Bank of Nauru outstanding accountholders debts.

\$3.5 million is provided as additional contributions to the Nauru Intergenerational Trust Fund, comprising of 10.1% of new revenue in this supplementary, bringing the total contributions for the year to a record breaking \$25.1 million.

\$3.9 million is provided to the Fiscal Cash Buffer to cover for urgent and unforeseen commitments for the rest of the financial year.

\$2.5 million is provided to cover hire fees for tug boats used in the phosphate and fuel ship operations.

\$0.5 million is provided the centralised freight budget to cover for departments end of year bulk orders.

#### 18 - NRPCC

	2021-22 Supplementary 3
2040 - Staf Training	285,000
<b>Total impact on budget</b>	<b>285,000</b>

\$0.3 million is provided to the Nauru Regional Processing Centre (NRPCC) to facilitate a community wide training targeting working individuals who lack a formal qualification to be upskilled as part of the RPC transition plan.

#### 22 - Climate Change and Resilience

	2021-22 Supplementary 3
<i>2201- Office of Secretaria</i>	
2055 - Consultancy fees	10,000
<i>2203 - Energy</i>	
2055 - Consultancy fees	10,000
<i>2204 - Water</i>	
2055 - Consultancy fees	10,000
2495 - Plant and Equipment Purchases	410,000
<b>Total impact on budget</b>	<b>440,000</b>

\$0.4 million is provided to Department of Climate Change and National Resilience to facilitate purchase of additional water tanks for households ensuring accessibility to clean drinking water.

\$30 thousand in total is provided to cover for additional consultancy fees to enable completion of key work deliverables in the Secretariat, Energy and Water divisions.

#### 42 Multicultural Affairs (MCA)

	2021-22 Budget
2015 - Salary local	348,993
2020 - Salary Expatriate	400,000
2030 - Salaries Other Contracts	4,690,783
2040 - Staff Training	15,000
2050 - Uniform and Protective Clothing	16,000
2055 - Consultancy Fees	50,000
2060 - Legal Fees External	12,500
2070 - Travel Staff	35,000
2100 - Entertainment	20,000
2130 - Printing and Stationery	3,750
2135 - Stores	5,000
2155 - House Rental	66,020
2185 - R&M Building	90,000
2190 - R&M Office Equipment	8,500
2315 - Utilities	446,970
2330 - Telephone and Internet	93,760
2575 - Local Transport	195,975
2617 - Local Donations	50,000
<b>Total impact on budget</b>	<b>6,548,251</b>

\$6.5 million is provided to the Department of Multicultural Affairs to cover for 3-month worth of expenditure measures following confirmation of RPC extension with Australia. MCA was only provided with a 9-month expenditure provision in the original budget to cover operations up to December 2021 and the expected tail out effect up to March 2022. With the recent announcement of the extension, a budget supplementation is required to cover for the remaining 3 months ensuring that the department is fully funded for the year.

#### 60 - COVID 19 Taskforce

	2021-22 Supplementary 3
<i>6002- Quarantine and Isolation</i>	
2155 - House Rental	400,000
<i>6003 - National</i>	
2075 - Travel Business	180,000
<b>Total impact on budget</b>	<b>580,000</b>

\$0.4 million is provided to the COVID 19 Taskforce to cover for operational costs relating to the newly established Stay Safe Accommodation in Brisbane.

\$180 thousand is provided to cover for the cost of an additional charter in February to return Nauruans and expatriate workers that are currently in Fiji. Due to the limited

capacity of the quarantine facility in Nauru and to properly manage the risks of a potential outbreak, one charter flight would not be ideal.

<b>61 - Health</b>	
	<b>2021-22 Budget</b>
<i>6101- Office of the Secretary</i>	
2475 - Overseas Medical Treatment (OMR)	2,200,000
<b>Total impact on budget</b>	<b>2,200,000</b>

\$2.2 million is provided to the Department of Health to cover for additional patients' medical and accommodation costs due to increased number of patients currently attending treatment abroad, bringing the total allocation for the year to \$11.2 million.

<b>74 - New York Mission</b>	
	<b>2021-22 Budget</b>
<i>2155 - House Rental</i>	
2155 - House Rental	53,169
<b>Total impact on budget</b>	<b>53,169</b>

\$53 thousand is provided to New York Mission Office to cover office rent for the new First Secretary, not previously covered in the original estimates.

<b>78 - Canberra Mission</b>	
	<b>2021-22 Budget</b>
<i>2020 - Salary Expatriate</i>	
2020 - Salary Expatriate	69,977
<i>2070 - Staff Travel</i>	
2070 - Staff Travel	4,160
<i>2330 - Telephone and Internet</i>	
2330 - Telephone and Internet	3,000
<b>Total impact on budget</b>	<b>77,137</b>

\$77 thousand is provided to Canberra Mission Office to cover salary cost for the new Administrative Officer including the travel and communication entitlements for the staff.

<b>81 - Internal Affairs</b>	
	<b>2021-22 Budget</b>
<i>8101- Office of the Secretary</i>	
<i>2075 - Travel Business</i>	
2075 - Travel Business	80,000
<b>Total impact on budget</b>	<b>80,000</b>

\$80 thousand is provided to cover additional travel costs and allowances incurred by Internal Affairs Department following a government decision to send additional representatives to the Culture and Youth Expo in Dubai.

<b>91 - Transport</b>	
	<b>2021-22 Budget</b>
<i>9103- Office of the Secretary</i>	
<i>2035 - Overtime local</i>	
2035 - Overtime local	28,500
<i>9102 - DCA</i>	
<i>2135 - Utilities</i>	
2135 - Utilities	117,000
<b>Total impact on budget</b>	<b>145,500</b>

\$29 thousand is provided to Department of Transport for staff overtime due to increased flight operations than expected.

\$117 thousand is provided to increase utilities costs to pre-solar level due to some technical issues with the implementation and roll-out of the department's new solar system.

#### 97- Telecom

	2021-22 Budget
2055 - Consultancy fees	50,000
<b>Total impact on budget</b>	<b>50,000</b>

\$50 thousand is provided to Telecom to engage a consultant to develop a fee framework for the annual fee licensing and other applicable fees for telecommunication operators in Nauru in accordance with the requirement of the Broadcasting and Communication Act 2018.

#### Whole of Government Housekeeping Measure

	2021-22 Supplementary 3
<b>02 - Ministerial</b>	
2015 - Salary Local	14,000
<b>03 - Chief Secretary Office (DBM)</b>	
2015 - Salary Local	14,000
<b>05 - Audit</b>	
2020 - Salary Expatriate	5,000
<b>06 - Office of Parliamentary Services</b>	
2005 - Salaries and Allowances (MPs)	20,784
2015 - Salary local	142,218
<b>31 - Fisheries (Various Divisions)</b>	
2015 - Salary local	72,000
<b>41 - Police</b>	
2015 - Salary local	150,000
<b>81 - Internal Affairs (Secretariat Division)</b>	
2015 - Salary local	30,000
<b>82 - WASDA (various Divisions)</b>	
2015 - Salary local	26,000
2020 - Salary Expatriate	41,000
<b>83 - Media Bureau</b>	
2015 - Salary local	93,000
<b>84 - Lands and Survey</b>	
2015 - Salary local	20,000
<b>85 - Lands Committee</b>	
2015 - Salary local	50,000
<b>86 - Department of Land Management</b>	
2015 - Salary local	15,000
<b>87 - Disability Department</b>	
2015 - Salary local	17,000
<b>91 - Transport</b>	
2015 - Salary local	20,000
<b>Total impact on budget</b>	<b>730,002</b>

\$0.7 million is provided as a Whole of Government measure to supplement departments salary provision covering for:

- appointments to vacant positions due to a government earlier decision that all vacancies to be only provided with a three-month provision
- the three-day additional pay in September 2021 to modify the Government pay cycle to full arrears payroll
- the special COVID 19 Christmas ex-gratia payment in December paid in the first instance from department`s salary budget.



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

Description	2021-22 Original Budget	Supp App 1	Supp App 2	Supp App 3	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	-		12,250,000	46,980,000
16 - Finance - Other Payments	16,000,351	-			16,000,351
17 - Nauru Customs Office (NCO)	16,514,175	-		2,584,852	19,099,027
18 - Nauru Regional Processing Centre (NRPCC) Corporati	10,000,002	-		10,000,002	20,000,004
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		9,888,514	128,621,817
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
<b>TOTAL</b>	<b>244,123,361</b>	<b>32,133,332</b>	<b>17,154,242</b>	<b>34,723,368</b>	<b>328,134,303</b>

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

Description	2021-22 Original Budget	Supp App 1	Supp App 2	Supp App 3	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	9,114,000	31,881,108
03 - Chief Secretariat	17,909,751	558,246		14,000	18,481,997
05 - Audit	292,483	-		5,000	297,483
06 - Office of Parliamentary Services	1,318,376	-		163,002	1,481,378
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	-		524,734	3,072,246
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	13,889,258	101,764,557
17 - Nauru Customs Office (NCO)	947,948	185,600			1,133,548
18 - Nauru Regional Processing Centre (NRPCC) Corporation	1,425,707	-		285,000	1,710,707
21 - CIE	847,257	-	175,732	-	1,022,989
22 - Climate Change and Resilience	925,138	-	60,900	440,000	1,426,038
31 - Fisheries	3,479,266	-		72,000	3,551,266
41 - Police	4,630,357	-	635,000	150,000	5,415,357
42 - Dept of Multi Cultural Affairs	20,927,213	11,000,000		6,548,251	38,475,464
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	-	580,000	10,183,466
61 - Health	18,512,537	3,500,000	1,790,000	2,200,000	26,002,537
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	-		53,169	2,136,759
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	-		77,137	807,534
81 - Internal Affairs	3,790,322	76,289	186,240	110,000	4,162,851
82 - WASDA	1,010,457	-		67,000	1,077,457
83 - Media Bureau	612,729	-		93,000	705,729
84 - Lands & Survey	5,902,841	-		20,000	5,922,841
85 - Lands Committee	367,998	-		50,000	417,998
86 - Department of Land Management	117,667	-		15,000	132,667
87 - Disability Department	180,961	-		17,000	197,961
91 - Department of Transport	2,390,019	-		165,500	2,555,519
95 - ICT	2,567,339	-			2,567,339
97 - Telecom	40,739	-		50,000	90,739
<b>TOTAL</b>	<b>244,023,361</b>	<b>32,106,784</b>	<b>17,051,819</b>	<b>34,703,051</b>	<b>327,885,015</b>