



REPUBLIC OF NAURU

SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2021-22

26 MAY 2022

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

SUPPLEMENTARY APPROPRIATION No.4 2021-22

OVERVIEW

Supplementary Appropriation Bill (No.4) 2021-22 recognises additional Government revenue of \$10.1 million, and \$10.1 million in expenditure, with a small surplus balance of \$47 thousand.

This will bring total expected revenue for 2021-22 to \$338.3 million, and \$338 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:

- Taxation revenue as a result of the 6-month extension of the Regional Processing Centre agreement with Australia from 31 December 2021 to 30 June 2022 not accounted for in the last supplementary
- 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 Supp App 4	2021-22 Revised YTD
Revenue	244,123,361	32,133,332	17,154,242	34,723,368	10,140,000	338,274,303
Expenditure	244,023,361	32,106,784	17,051,819	34,703,051	10,092,833	337,977,847
Balance	100,000	26,548	102,423	20,317	47,167	296,456

REVENUES

This Bill recognises the following changes to revenue.

15 - Nauru Revenue Office

	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Supplementary 4
1590 - Employment/Non-resident Withholding Tax	14,710,000.00	13,007,303	2,210,000
1591 - Business Profit Tax	29,490,000	39,740,401	7,930,000
Total impact on budget	44,200,000	52,747,704	10,140,000

\$10.1 million in additional tax revenue is recognised to reflect the six months extension of the RPC arrangement with Australia, not accounted for in the last supplementary budget.

EXPENDITURES

The following expenditure is appropriated.

01 - Presidency

	2021-22 Budget
2050 - Uniforms and Protective Clothing	10,000
2100 - Entertainment	50,000
2617 - Donations (Local)	200,000
Total impact on budget	260,000

\$260 thousand is provided to Presidency to cover departmental operational costs, relating to uniforms, entertainment and local community donations.

02 - Ministerial

	2021-22
	Supplementary 4
2220 - Nauru Community Housing	4,200,000
2495 - Plant and Equipment Purchases	300,000
Total impact on budget	4,500,000

\$4.2 million is provided to the Nauru Community Housing to address sanitation and overcrowding issues and improve Nauru's housing stock.

\$0.3 million is provided to the Ministerial department to cover fleet upgrade and furniture replacement for the old cabinet room.

06 - Office of Parliamentary Services

	2021-22
	Supplementary 3
2005 - Salaries & Allowances - (MP's)	(372,447)
2015 - Salary - Local	(477,851)
2020 - Salary Expatriate	(52,500)
2030 - Salaries - Other Contracts	(150,000)
2035 - Overtime - local	(5,000)
2040 - Staff Training	(5,000)
2045 - Recruitment	(3,500)
2055 - Consultants fees	(20,000)
2070 - Travel - Staff	(5,690)
2072 - Meals and Drinks - Staff	(3,095)
2100 - Entertainment	(40,000)
2105 - Official Celebrations	(7,000)
2110 - Protocol	(5,000)
2130 - Printing & Stationery	(7,170)
2135 - Stores	(7,068)
2155 - House Rental	(36,000)
2185 - R&M - Buildings	(62,000)
2190 - R&M - Office Equipment	(500)
2200 - R&M - Motor Vehicles	(13,880)
2205 - R&M - Plant	(6,000)
2230 - Publicity and Awareness	(1,000)
2275 - Purchase of Petrol	(5,513)
2280 - Purchase of Diesel	(31,824)
2330 - Telephone / Internet	(53,640)
2370 - Membership Fees & Subscriptions	(40,000)
2375 - ICT Supplies	(3,000)
2495 - Plant & Equipment Purchases	(48,000)
2570 - Bank Charges	(100)
2600 - Postage	(100)
2605 - Library/Periodicals	(2,000)
2617 - Donations - local	(15,000)
2620 - Lease & Charter Payments	(1,500)
Total impact on budget	(1,481,378)

The full Parliament budget of \$1.5 million is to be transferred to Head 16 Finance Other to recognise its status as an autonomous Parliamentary Services independent of the other branches of the Government.

Parliament operates as a standalone unit consistent with its constitutional autonomy and funding will be through block grant from Department of Finance. In accordance with Parliamentary Service Act 2020, the Clerk shall provide quarterly financial reports to the Secretary for Finance on the expenditure of the Office for the purposes of accountability and financial planning.

16 - Finance Other Payments

	2021-22 Supplementary 4
2376 - Equity Purchase	3,400,618
2614 - Grants to EBUs	1,481,378
2652 - Fiscal Cash Buffer	504,000
Total impact on budget	5,385,996

\$3.4 million is provided to Sunco to partly fund conversion of the current passenger aircraft VH-XNU into a freighter aircraft, bringing the total freighter fleets to three. It is envisaged that having three freighter aircrafts will improve the reliability of services to Nauru and position Nauru Airline Corporation as the operator of the aircraft to secure full-time commercial charter contracts (Non-Brisbane - Nauru services) ensuring higher profits for the business in the long term.

The total work is estimated at \$5.6 million and the provision in this supplementary will enable Sunco to meet the deposit requirement of AEI Miami and part of the conversion costs. Advance payment of deposit will guarantee a slot in February 2023 for conversion works to commence. AEI Miami is a reputable company and they have carried out the first two conversions on NAC fleet. The balance of the conversion program cost will be settled in the new financial year.

\$1.5 million is allocated as grant provision to Parliament offset by a reduction of the same amount from the Parliamentary Head 06.

\$0.5 million is allocated to the Fiscal Cash Buffer to meet urgent and unavoidable expenditure measures that may arise for the remainder of the year, particularly relating to international travel and procurement.

61 - Health

	2021-22 Supplementary 4
2475- Overseas Medical Referral	500,000
Total impact on budget	500,000

\$0.5 million is provided to the Department Health to cover for additional OMR costs for the remainder of the year.

62 - Sports

	2021-22 Supplementary 4
2495 - Sports Equipment	150,000
2075 - Travel Business	224,100
Total impact on budget	374,100

\$150 thousand is provided for purchase of additional sports equipment for local gyms.

\$0.2 million is provided to fund the travel costs for Team Nauru to attend the 2022 Pacific Mini Games in Saipan, Northern Marianas from the 16th to 25th of June, 2022. This allocation will secure a chartered direct return flight.

63 - Infrastructure

	2021-22 Supplementary 4
2055 - Consultancy	52,515
Total impact on budget	52,515

\$53 thousand is provided to the Department of Infrastructure for engagement of consultants to support the Smart Housing Project.

95 - ICT

	2021-22 Supplementary 4
2330- Telephone and Internet	205,600
Total impact on budget	205,600

\$0.2 million is provided to the ICT Department to cover for an increase in telephone and internet charges due to new sim cards issued during the year.

Whole of Government Measure

	2021-22 Supplementary 4
02 - Ministerial	
2031 - Staff Contract Ministerial	140,000
08 - NES (Secretariat)	
2015 - Salary local	40,000
17 - Customs	
2015 - Salary local	50,000
41 - Police	
2015 - Salary local	500,000
42 - Multicultural Affairs	
2015 - Salary local	(350,000)
2020 - Salary Expat	(200,000)
43 - Justice Secretariat	
2015 - Salary local	50,000
46 - Correctional	
2015 - Salary local	20,000
62 - Sports	
2015 - Salary local	26,000
81 - Internal Affairs (Secretariat)	
2015 - Salary local	20,000
Total impact on budget	296,000

A net amount of \$0.3 million is allocated as a whole of government measure to adjust departments salary budget to reflect year to date spending. Salary budgets has been reduced where there is potential savings for the year.

The net amount of \$0.3 million will be taken out against the Fiscal Cash Buffer where 9 months of departments` provision for vacant positions were held on the understanding that it will be to be rolled out to departments when needed.

Table 2: 2021-22 Supplementary Appropriation No.4 – Revenues

Description	2021-22 Original Budget	Supp App 1	Supp App 2	Supp App 3	Supp 4	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	10,140,000	57,120,000
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) Corporation	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
TOTAL	244,123,361	32,133,332	17,154,242	34,723,368	10,140,000	338,274,303

Table 3: 2021-22 Supplementary Appropriation No.4 – Expenditures

Description	2021-22 Original Budget	Supp App 1	Supp App 2	Supp App 3	Supp App 4	2021-22 Revised Budget
01 - Presidency and State House (including GIO)	2,148,953	-	800,000		260,000	3,208,953
02 - Ministerial	10,627,108	4,940,000	7,200,000	9,114,000	4,640,000	36,521,108
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	-			40,000	1,997,198
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	5,385,996	107,150,553
17 - Nauru Customs Office (NCO)	947,948	185,600			50,000	1,183,548
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	500,000	5,915,357
42 - Dept of Multi Cultural Affairs	20,927,213	11,000,000		6,548,251	(550,000)	37,925,464
43 - Justice - Secretariat	2,964,360	-			50,000	3,014,360
44 - Judiciary	2,024,387	-				2,024,387
45 - Border Control	799,941	-				799,941
46 - Correctional Services	920,461	-			20,000	940,461
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	500,000	26,502,537
62 - Sports	1,325,740	400,000			400,100	2,125,840
63 - Department of Infrastructure Development	3,783,989	600,000	100,000	-	52,515	4,536,504
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	20,000	4,182,851
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	-			205,600	2,772,939
97 - Telecom	40,739	-		50,000		90,739
TOTAL	244,023,361	32,106,784	17,051,819	34,703,051	10,092,833	337,977,848