



NAURU MARITIME AND PORT AUTHORITY

STATEMENT OF CORPORATE INTENT
FY 2023 – 2024

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PURPOSE OF THE STATEMENT OF CORPORATE INTENT

The Statement of Corporate Intent (***SCI***) is prepared in accordance with Part 5 of the Public Enterprises Act 2019 (***the Act***) and outlines the direction of the Nauru Maritime and Port Authority (NMPA) over the financial year 1 July 2023 to 30 June 2024.

1. FROM THE CHAIRMAN

The Nauru Maritime and Port Authority's (NMPA) construction works for the new port development project is still in progress with revised scheduled completion now forecasted in 2024. The completion of the new port will introduce the Nauru port as an international port and will open doors to new opportunities and ventures to operate as a regional hub.

As we look forward to the completion of the port and becoming an international port, it is important to review and reflect our mission of creating a safe and efficient port for Nauru. Since the start of the new port development, NMPA has been building its workforce through training and capacity building to raise the level of quality and performance of its workforce and services. Once the new port is complete, there are anticipated challenges ahead, including keeping up with international port standards and regulations, new technology and equipment to maintain and fulfill our commitments to ensuring the efficient service for shipping and trade of container imports, which is the country's lifeline.

Despite these challenges, we continued to show resilience, especially during the COVID-19 pandemic. NMPA continued its adjusted and introduced new operational procedures that ensured no contact at vessel and wharf interface to reduce the risk or spread of COVID-19 between the port and vessel crew. I have faith and confidence in our future. Together we will create better, cleaner, greener, safer opportunities for Nauru's people and ocean.

LINK UERA
CHAIRMAN

2. STRATEGIC OBJECTIVES

The strategic objects for FY 2023-2024 are summarised as follows: -

- a) to operate as a regional hub port, supporting the regional shipping trade services
- b) to attract and receive direct port calls with the use and access to berthing and fuel pipeline at the new wharf.
- c) to establish a Maritime Single Window by 1st January 2024 as required by the International Maritime Organization (IMO).
- d) to bunker vessels directly from fuel pipeline at the port wharf.
- e) to tender out bids for concessionaire of the port services and equipment and other assets.
- f) for employees to complete or undergo new identified courses for staff career advancement and succession planning.
- g) to secure funding to build a new ship lift and a mariner to be able to accommodate vessels, particularly domestic vessels that operate within Nauru waters.
- h) for NMPA to operate commercially and be financially viable resulting in with a profit each year.

3. PERFORMANCE MEASURES AND OBLIGATIONS

3.1 Key performance indicators

The measures and targets for key performance indicators for FY 2023-2024 are as detailed below.

PERFORMANCE	2023-2024
a) Operate as a regional hub port	Expansion of port as a regional hub servicing direct calls for vessels around the region.
b) New direct vessel calls	Market the new completed wharf to attract direct port calls.
c) Establish a Maritime Single Window platform (comes into effect by 1 st January 2024 as per IMO requirement)	Set up of electronic online data system that assists procedures associated with the arrival, stay and departure of vessels. Terminal Operating System (TOS) properly functioning and reliable, and streamlined to incorporate and support Maritime Single Window functions.
d) New fuel pipeline	Bunkering of vessels through new fuel pipeline at the new port wharf.
e) Tender for Concessionaire	Tender for concessionaire bids and operate as a landlord and lease services to concessionaire.
f) Port Reform program	Identify new training course packages for staff training and career advancement/development and succession planning.
g) New ship lift and mariner	Secure donor/sponsor funding to build a new ship lift and mariner.
h) Financial management	Maximizing revenue streams and managing expenditure.

3.2 Financial accounts

PERFORMANCE 2023-2024
<p>Since 2019, NMPA has implemented the Cloud Based Accounting software XERO which continues to be used to date. It has the necessary and useful functions required for the timely transactions of all revenue and expenditure transactions for NMPA, including timely submissions of:</p> <ul style="list-style-type: none"> • Year to date financial reports on a monthly basis; • Half yearly and annual financial reports; • Updating of operational accounts to the Board and CEO; • Recording and disbursement of project related donor funds; • Fortnightly payrolls; • Processing of payment vouchers and receipts; • Budget submissions <p>Since then, NMPA operated its own existing bank accounts separate from the Government Department of Finance and will therefore continue to ensure its financial affairs are well managed, resulting with a profit each year.</p> <p>Recruitment of additional staff in Finance is necessary to support the extensive functions of the finance section, including additional functions of the Travel and Accommodation, Procurement and Stores Inventory, increased number of land leases, Project related financing, etc.</p>

❖ Projected Financial Statement (2023-2026)

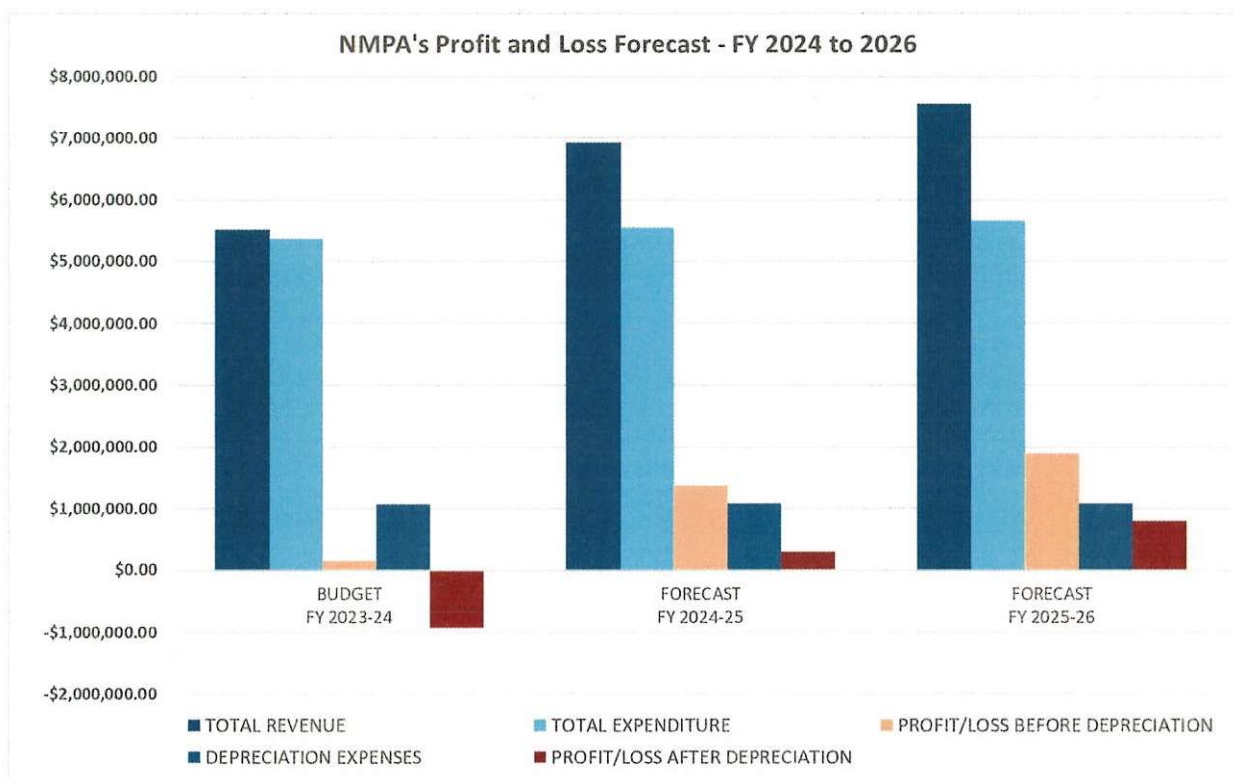
The financial projections use existing or estimated financial data to forecast our business's future income and expenses. The assumptions and different scenarios considered enable us to see how changes to one aspect of our finances (such as reduced or increased demand and /or lower or higher operating expenses) which might affect NMPA's sustainability and ability to deliver the services.

The financial projections over the next 3-year period are set out below.

Statement of Corporate Intent FY 2023-2024

NAURU MARITIME & PORT AUTHORITY - THREE-YEAR BUSINESS PLAN

DESCRIPTIONS	BUDGET FY 2023-24	FORECAST FY 2024-25	FORECAST FY 2025-26
REVENUE			
PORT FEES RELATED TO CARGO SHIPS	\$2,538,019.92	\$4,884,985.66	\$4,982,685.37
PORT FEES RELATED TO FUEL SHIPS	\$193,670.66	\$225,070.66	\$231,822.78
PORT FEES RELATED TO PHOSPHATE SHIPS	\$375,302.20	\$361,576.40	\$354,344.87
MISCELLANEOUS REVENUE	\$2,409,860.00	\$1,445,916.00	\$1,489,293.48
REVENUE FROM FISHING VESSELS	-	-	\$498,268.54
TOTAL REVENUE	\$5,516,852.78	\$6,917,548.72	\$7,556,415.04
EXPENDITURE			
STAFF SALARY, SUPER & OVERTIME EXPENSES	\$2,076,350.66	\$2,158,843.19	\$2,126,633.31
OTHER STAFF RELATED EXPENSES	\$646,644.00	\$684,517.40	\$687,166.59
DIRECTORS FEES	\$16,250.00	\$16,250.00	\$16,250.00
SECURITY & OTHER CONTRACTS	\$640,432.00	\$672,453.60	\$706,076.28
CONSULTANT FEES	\$6,000.00	\$6,000.00	\$6,000.00
TRAVEL BUSINESS	\$205,000.00	\$215,250.00	\$226,012.50
LAND RENTAL	\$179,055.00	\$179,055.00	\$232,771.50
ENTERTAINMENT	\$68,500.00	\$70,555.00	\$74,082.75
REPAIRS & MAINTENANCE EXPENCES	\$423,625.00	\$443,306.25	\$465,471.56
PURCHASE OF PETROL	\$23,270.00	\$24,433.50	\$25,655.18
PURCHASE OF DIESEL	\$361,400.00	\$379,470.00	\$398,443.50
ADMINISTRATION EXPENDITURE	\$486,807.00	\$493,884.41	\$502,940.68
MEMBERSHIP FEES & SUBSCRIPTIONS	\$28,620.00	\$30,051.00	\$31,553.55
PLANT & EQUIPMENT PURCHASE	\$182,500.00	\$136,875.00	\$123,187.50
LOCAL TRANSPORT (HIRE OF EQUIPMENTS/VEHICLES)	\$20,000.00	\$20,000.00	\$21,000.00
DONATIONS - LOCAL	\$12,000.00	\$12,500.00	\$13,125.00
TOTAL EXPENDITURE	\$5,376,453.66	\$5,543,444.35	\$5,656,369.90
PROFIT/LOSS BEFORE DEPRECIATION	\$140,399.12	\$1,374,104.37	\$1,900,045.14
DEPRECIATION EXPENSES	\$1,075,290.73	\$1,082,134.48	\$1,088,293.86
PROFIT/LOSS AFTER DEPRECIATION	-\$934,891.61	\$291,969.89	\$811,751.28



3.3 Ministerial Reporting

Articles 74 & 75 under the Public Enterprises Act 2019 requires the Responsible Minister, in this case the Minister for Ports to table the NMPA Annual Report within 15 days after receiving the report.

Furthermore, NMPA must submit the half yearly report of the operations of NMPA for the first half of the FY 2023-2024 not later than February 2024, or by a later date approved by the Board.

3.4 Community Service Obligation (CSO)

The stevedoring charges are being billed to the consignees at the old rates and the difference between the old rates and the new rates are being subsidized by the Government through the Community Service Obligation (CSO) as provided for under the Public Enterprises Act 2019.

NMPA will continue with the application of the CSO during the FY 2023-2024 until such time in the future when the full 100% port tariffs can be charged to the consignees once the new port is completed and fully operational in 2024.

Actual amounts of Government subsidy for the CSO for port stevedoring, wharfage, and container handling charges concession to consignees in FY 2023 – 2024 are included in the NMPA Annual Report for FY 2023-2024, since the CSO mechanism was implemented in July 2020.

The CSO subsidy for FY 2023-2024 will be based on estimated costs of stevedoring and wharfage charges, excluding container handling charges, for 12 cargo ship voyages per year with an average of 175 TEU's per voyage.

END

 
Signature.....
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21/12/2023


Signature.....
NMPA Chairman