



# **REPUBLIC OF NAURU**

## **SUPPLEMENTARY ESTIMATES OF EXPENDITURE 2023-24**

12 December 2023

**CIRCULATED BY**

**HIS EXCELLENCY THE HONOURABLE DAVID ADEANG, MP  
PRESIDENT AND MINISTER FOR FINANCE AND SUSTAINABLE  
DEVELOPMENT**

# SUPPLEMENTARY APPROPRIATION No.1 2023-24

## OVERVIEW

Supplementary Appropriation Bill (No.1) 2023-24 recognise additional Government revenue of \$14.4 million and new government expenditure of \$24.3 million. Of the total Expenditure measures, \$14.4 million will be funded by the revenue increase, while \$10 million will be covered through a reallocation from the available savings under the Fiscal Cash Buffer, leaving a budget bottom line balance of \$52 thousand.

This will bring the total expected revenue for 2023-24 to \$293 million, with \$292.8 million earmarked for expenditure, leaving a surplus balance of \$0.3 million for the year.

This Bill reflects updated estimates to:

- Recognise new revenue by repurposing funds that were originally designated for the construction of a new Government office building,
- Recognise budget support funds from the Kingdom of Saudi Arabia
- Allocate funds to cover past government debts and new spending decisions made since the original budget was approved in June

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

	<b>2023-24 Original Budget</b>	<b>2023-24 Supp App 1</b>	<b>2023-24 Revised YTD</b>
<b>Revenue</b>	278,637,509	14,400,923	293,038,432
<b>Expenditure</b>	278,422,918	14,348,996	292,771,913
<b>Balance</b>	214,591	51,927	266,518

## REVENUES

This Bill recognises the following changes to revenue.

### **16 - Finance Other**

	<b>2023-24 Supplementary 1</b>
1660 - General Budget Support	3,022,534
1475 - Miscellaneous Revenue	10,563,154
<b>Total impact on budget</b>	<b>13,585,688</b>

\$3 million is recognised by Finance Other, related to budget support contributions received from the Kingdom of Saudi Arabia.

\$10.6 million is recognised from the repurposing of funds initially earmarked for the construction of a new Government office building. A decision was made to cancel the building project.

**42 - Multicultural Affairs**

<b>2023-24 Supplementary 1</b>	
1578 - DJBC Reimbursable Costs	815,235
<b>Total impact on budget</b>	<b>815,235</b>

\$0.8 million in new RPC funding is recognised by Department of Multicultural Affairs, relating to ongoing processes on the island.

**EXPENDITURES**

The following expenditure is appropriated.

**Expenditure Increases****01 - Presidency**

<b>2023-24 Supplementary 1</b>	
2050 - Uniform & Protective Clothing	20,000
2055 - Consultancy Fees	200,000
2075 - Travel Business	1,287,653
2105 - Official Celebrations	200,000
2185 - R&M Building	50,000
2330 - Telephone and Internet	20,000
2440 - Scholarship Fund	100,000
2495 - Plant and Equipment Purchases	294,371
2575 - Local Transport	40,000
2617 - Donations Local	200,000
<b>Total impact on budget</b>	<b>2,412,024</b>

\$2.4 million is allocated to Presidency to cover increased operational costs for the remainder of the financial year reflecting planned programs and activities of the new Government. This provision includes an allocation of \$0.1 million for the establishment of a scholarship funds under the Office of the President.

**02 - Ministerial**

<b>2023-24 Supplementary 1</b>	
2075 - Travel Business	1,928,389
2330 - Telephone and Internet	30,000
2495 - Plant and Equipment Purchases	1,200,000
2575 - Local Transport	40,000
2617 - Local Donations	4,220,756
<b>Total impact on budget</b>	<b>7,419,145</b>

\$3.2 million is allocated to Ministerial Department to cover ongoing departmental travel and other operational requirements including plant and equipment purchases, local transport and telephone and internet charges for the remainder of the financial year.

\$4.2 million has been allocated in local donations to support community development programs and activities.

#### **09 - Electorate Commission**

<b>2023-24 Supplementary 1</b>	
2015 - Salary Local	18,773
<b>Total impact on budget</b>	<b>18,773</b>

\$18 thousand is allocated to Electorate Commission for increased staff costs.

#### **11 - Finance Secretariat**

<b>2023-24 Supplementary 1</b>	
2020 - Salary Expatriate	43,667
2070 - Staff Travel	10,000
2055 - Consultancy Fees	221,619
2496 - Building and Structure	300,000
2495 - Plant and Equipment Purchases	68,500
<b>Total impact on budget</b>	<b>643,786</b>

\$0.6million is allocated to Finance Secretariat and includes:

- \$0.3 million to cover urgent extension of the Treasury office and related building works
- \$0.2 million for increased expatriate personnel related costs and additional consultancy fees related to the final phase of the Bank of Nauru liquidation exercise; and
- \$69 thousand to settle outstanding procurement debts to Eigigu Procurement Limited

#### **16 - Finance Other**

<b>2023-24 Supplementary 1</b>	
2424 - Unemployment Benefits	104,000
2496 - Building and Structure	1,289,860
2075 - Travel Business	144,156
2376 - Equity Purchase	2,860,000
2421 - Ex Gratia Age and Disable	595,000
2422 - Ex Gratia SoEs	1,633,600
2423 - Ex Gratia Nauru Public Service	1,471,400
<b>Total impact on budget</b>	<b>8,098,016</b>

\$8 million has been allocated to Finance other and include the following:

- \$3.7 million for a government wide ex gratia payment, including departments, SoEs and pensioners
- \$2.9 million in equity financing has been allocated to Nauru Utilities Corporation (NUC) to help repair its balance sheet. This comes after a depletion of cash reserves caused by high fuel prices due to the ongoing Russia-Ukraine war. The funding will allow NUC to address crucial capital and infrastructure maintenance, catch up on outstanding fuel debts to Vital and ensure they have sufficient working capital for daily operations.
- \$1.3 million under Building and Structure to settle recently completed hospital building works (0.3m) and CHEC dump fees (0.9m), incurred by the ongoing Port Redevelopment project. \$50 thousand has also been included for other Port operational expenses
- 0.1 million to pay Nauru Airlines for outstanding repatriation charter flights utilised during the pandemic, and
- 0.1 million to pay an unemployment benefit to COVID 19 Taskforce workers who were laid off following closure of the Taskforce department and COVID 19 operations in June this year

#### **17 - Nauru Customs Service**

<b>2023-24 Supplementary 1</b>	
2055 - Consultancy Fees	72,980
<b>Total impact on budget</b>	<b>72,980</b>

\$73 thousand is allocated to the Nauru Custom Services to cover extension of the Asycuda consultant's engagement, until December 2023.

#### **41 - Nauru Police Force**

<b>2023-24 Supplementary 1</b>	
2035 - Overtime local	200,000
2055 - IT Consultant	71,439
<b>Total impact on budget</b>	<b>271,439</b>

\$200 thousand has been allocated to Nauru Police Force to overtime expenses to support special operations during the upcoming festive seasons. Funds were initially allocated for this purpose in the original budget but were utilised for previous special operations, particularly the UXO activities in July and August this year.

\$71 thousand is also provided to the Nauru Police Force to enable continued funding of their IT consultant when current funding with the Australian Police Force comes to an end in November this year.

**42 - Multicultural Affairs**

<b>2023-24 Supplementary 1</b>	
2030 - Salary Other contracts	815,235
<b>Total impact on budget</b>	<b>815,235</b>

\$0.8 million has been allocated to the Department of Multicultural Affairs for ongoing processes and will cover costs for RSD and RST lawyers and other miscellaneous expenses.

**45 - Border Control**

<b>2023-24 Supplementary 1</b>	
2035 - Overtime Local	124,000
<b>Total impact on budget</b>	<b>124,000</b>

\$0.1 million has been allocated to Border Control to cover additional overtime expenses resulting from a higher volume of flight operations than initially anticipated.

**61 - Health and Medical Services**

<b>2023-24 Supplementary 1</b>	
2475 - Overseas Medical Referral	1,000,000
<b>Total impact on budget</b>	<b>1,000,000</b>

\$1 million has been allocated to Department of Health to cover increased OMR fees.

**63 - Infrastructure**

<b>2023-24 Supplementary 1</b>	
2496 - Building and Structure	495,000
<b>Total impact on budget</b>	<b>495,000</b>

\$0.5 million is allocated to pay NRC for the recently completed seawall project along the Menen shoreline.

**73- Suva**

<b>2023-24 Supplementary 1</b>	
2075 - Travel Business	45,839
2155 - House Rental	18,768
<b>Total impact on budget</b>	<b>64,607</b>

\$65 thousand has been allocated to Suva High Commission to meet increase travel and accommodation needs requirements for the remainder of the current financial year.

**74- New York**

<b>2023-24 Supplementary 1</b>	
2070 - Travel Staff	229,456
<b>Total impact on budget</b>	<b>229,456</b>

\$0.2 million is provided to the New York Embassy to fund travel costs and staff repatriation

**76- Geneva**

<b>2023-24 Supplementary 1</b>	
2015 - Salary local	150,851
2070 - Staff Travel	36,264
2075 - Travel Business	60,000
2155- House Rental	393,817
2165 - Office Rental	45,300
2330 - Telephone and Internet	74,478
2650 - Educational Expenses	58,000
2565 - Insurance	181,290
<b>Total impact on budget</b>	<b>1,000,000</b>

\$1 million is provided to the Geneva Embassy to cover increased operational costs related to the appointment of the new Ambassador and First Secretary, providing a provision for staff contractual benefits and entitlements, not covered in the original estimates.

**82 - WASDA*****Beauty Pageant Project***

<b>2023-24 Supplementary 1</b>	
2030 - Salary Other contracts	101,150
2050 - Uniform and Protective Clothing	25,500
2075 - Travel Business	220,598
2100 - Entertainment	368,850
2130 - Printing and Stationery	
2135 -Stores	17,000
2185 - R&M Building	220,000
2200 - R&M Mortor Vehicle	14,400
2230 - Publicity and Awareness	230,275
2495 - Plant and Equipment Purchase	90,000
2496 - Building and Structure	90,000
<b>Total impact on budget</b>	<b>1,377,773</b>

\$1.4 million is allocated to WASDA to cover costs for the upcoming Beauty pageant that Nauru will be hosting in January, 2024.

### 83 - Media

<b>2023-24 Supplementary 1</b>	
2496 - Building and Structure	39,261
<b>Total impact on budget</b>	<b>39,261</b>

\$39 thousand is allocated to the Department of Media to cover installation costs of two new satellite dishes, covering land clearance, fencing and provision for power access.

### 84 - Lands and Survey

<b>2023-24 Supplementary 1</b>	
2020 - Salary Expatriate	67,500
<b>Total impact on budget</b>	<b>67,500</b>

\$68 thousand is allocated to the Lands and Survey department to cover salary for the newly appointed legal advisor.

### 91 - Department of Transport

<b>2023-24 Supplementary 1</b>	
2035 - Overtime Local	200,000
<b>Total impact on budget</b>	<b>200,000</b>

\$200 thousand is allocated to the Department of Transport to address unexpected overtime costs resulting from a higher number of flight operations than anticipated.

## Expenditure Decrease

### WoG Savings - Reallocation

#### 16- Finance Other

<b>2023-24 Supplementary 1</b>	
2652 - Fiscal Cash Buffer	(10,000,000)
<b>Total impact on budget</b>	<b>(10,000,000)</b>

\$10 million has been reallocated from the Fiscal Cash Buffer to cover expenditure measures in this supplementary.



**Table 2: 2023-24 Supplementary Appropriation No.1 – Revenues**

<b>Description</b>	<b>2023-24 Original Budget</b>	<b>Supp App 1</b>	<b>2023-24 Revised Budget</b>
03 - Chief Secretary Office	40,527	-	40,527
09 - Electoral Commission	84,280	-	84,280
12 - Finance -Public Debt	16,207,451	-	16,207,451
15 - Nauru Revenue Office	10,000,000	-	10,000,000
16 - Finance - Other Payments	13,888,908	13,585,688	27,474,596
17 - Nauru Customs Office (NCO)	18,805,413	-	18,805,413
21 - Environment Management & Agriculture (DEMA)	-	-	-
31 - Fisheries	54,530,000	-	54,530,000
41 - Police	162,564	-	162,564
42 - Multi Cultural Affairs	160,000,000	815,235	160,815,235
43 - Justice - Secretariat	888,692	-	888,692
44 - Judiciary	43,944	-	43,944
45 - Border Control	1,549,359	-	1,549,359
46 - Correctional Services	1,860	-	1,860
50 - TVET	11,412	-	11,412
61 - Health	104,923	-	104,923
83 - Media Bureau	3,456	-	3,456
84 - Lands & Survey	15,840	-	15,840
85 - Lands Committee	2,000	-	2,000
91 - Transport	2,287,340	-	2,287,340
95 - ICT	9,540	-	9,540
<b>TOTAL</b>	<b>278,637,509</b>	<b>14,400,923</b>	<b>293,038,432</b>

**Table 3: 2023-24 Supplementary Appropriation No.1 – Expenditures**

Description	2023-24 Original Budget	Supp App 1	2023-24 Revised Budget
01 - Presidency and State House (including GIO)	3,222,966	2,412,024	5,634,990
02 - Ministerial	7,296,348	7,419,145	14,715,493
03 - Chief Secretary Office	21,452,636		21,452,636
05 - Audit	533,198		533,198
08 - National Emergency Services	2,303,293		2,303,293
09 - Electoral Commission	444,304	18,773	463,077
11 - Finance Secretariat	3,324,056	643,786	3,967,842
12 - Finance -Public Debt	20,572,177		20,572,177
13 - Bureau of Statistics	271,759		271,759
15 - Nauru Revenue Office	565,098		565,098
16 - Finance - Other Payments	89,673,486	(1,901,984)	87,771,502
17 - Nauru Customs Office (NCO)	966,465	72,980	1,039,445
18 - Nauru Regional Processing Centre (NRPCC)	845,807		845,807
21 - Environment Management & Agriculture (DEMA)	1,255,272		1,255,272
22 - Climate Change & Resilience	4,138,681	-	4,138,681
31 - Fisheries	3,573,473		3,573,473
41 - Police	6,511,925	271,439	6,783,363
42 - Multi Cultural Affairs	17,667,506	815,235	18,482,741
43 - Justice - Secretariat	3,817,668		3,817,668
44 - Judiciary	1,572,684		1,572,684
45 - Border Control	1,726,665	124,000	1,850,665
46 - Correctional Services	1,178,604		1,178,604
50 - TVET	1,105,465		1,105,465
51 - Education	16,735,833		16,735,833
52 - Youth Affairs	521,291		521,291
60 - COVID-19 task force	-		-
61 - Health	20,833,752	1,000,000	21,833,752
62 - Sports	2,268,368		2,268,368
63 - Infrastructure Development	12,031,279	495,000	12,526,279
71 - Foreign Affairs - Secretariat	1,713,990		1,713,990
72 - Foreign Affairs - Brisbane	1,155,186		1,155,186
73 - Foreign Affairs - Suva	802,731	64,607	867,338
74 - Foreign Affairs - New York	2,470,514	229,456	2,699,970
75 - Foreign Affairs - Taiwan	788,231		788,231
76 - Foreign Affairs- Geneva	616,183	1,000,000	1,616,183
77 - High Commission India	1,466,350	-	1,466,350
78 - High Commission Canberra	2,421,858		2,421,858
81 - Internal Affairs	4,212,473		4,212,473
82 - Women and Social Development Affairs (WASDA)	1,691,108	1,377,773	3,068,881
83 - Media Bureau	1,114,609	39,261	1,153,870
84 - Lands & Survey	6,510,094	67,500	6,577,594
85 - Lands Committee	362,344		362,344
86 - Land Management	100,376		100,376
87 - People Living with Disability (PLD)	712,682		712,682
91 - Transport	3,225,493	200,000	3,425,493
95 - ICT	2,577,796		2,577,796
97 - Telecom	70,842		70,842
<b>TOTAL</b>	<b>278,422,918</b>	<b>14,348,996</b>	<b>292,771,913</b>