



REPUBLIC OF NAURU

SUPPLEMENTARY APPROPRIATION BILL (NO. 1) 2023-2024

SECOND READING SPEECH

His Excellency Honourable David Adeang MP

12 December 2023

Mr Speaker Sir,

I present before Parliament the *Supplementary Appropriation Bill (No. 1) 2023-2024*.

This Bill reflects updated estimates to account for new revenue and expenditure measures:

- the new revenue measures include repurposing of the balance of funds originally earmarked for construction of a new government office building, bilateral budget support and RPC reimbursable revenue not already recognised in the original estimates, and

- New expenditure decisions since the passing of the original budget in June.

Mr Speaker,

The revenue changes in the *Supplementary Appropriation Bill (No 1.) 2023-24* include:

Revenue

- 10.6 million dollars from repurposing of funds originally earmarked for construction of a new government office building
- 3 million dollars in budget support from the Kingdom of Saudi Arabia
- 0.8 million dollars from Department of Home Affairs, Australia for reimbursable revenue relating to ongoing RPC processes

Expenditure

Mr Speaker, Sir,

The Fiscal cash buffer account under Head 16 Finance Other included an allocation of 17 million at the start of the financial year that is not committed and is available to be reallocated when needed. There is an opportunity to reallocate part of the Buffer balance to fund priority expenditure measures of the government in this supplementary.

New expenditure measures have arisen since the passing of the original budget in June and must be funded due to their operational nature.

I will now outline the expenditure changes included in the *Supplementary Appropriation Bill (No. 1) 2023-2024* in detail.

- 4.2 million dollars is provided to Ministerial department in local donations to support community development programs and activities.
- 3.7 million dollars is provided under Finance Other to pay a one-time Christmas ex gratia payment to all Government employees. This payment will cover departments, overseas missions including SoEs, statutory bodies, pensioners and people living with a disability, CLOs, Teacher, and Health trainees. The payment amount will be based on employee fortnightly earnings – employees earning up to \$500 per fortnight will receive \$1,000, Employees earning between \$501 and \$800 will receive \$800 and Employees earning \$801 and above will receive \$600.
- 3.2 million dollars has been provided to the Ministerial department to cover various expenses for the remainder of this financial year. These expenses include business travel (1.9 million), plant and equipment purchases relating to new vehicles (1.2 million) and other operational costs such as local donations (40 thousand) and telephone and internet charges (30 thousand)

- 2.9 million in equity financing is provided to Nauru Utilities Corporation to help restore 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 infrastructure maintenance and repairs, catch up on outstanding fuel debts, and ensure they have enough working capital for daily operations.
- 2.4 million dollars is provided to the Presidency department to cover business travel, local donations, official celebrations, and other operational needs for the remainder of this financial year. This allocation includes 0.1 million dollars for the establishment of a scholarship fund
- 1.4 million is provided to the Department of Women and Social Affairs for the hosting of the Pacific Beauty Pageant to be held in January, next year
- 1.3 million dollars is allocated to Finance Other for Building works. Of this amount, 0.3 million dollars relates to the recently completed works at the RON hospital, 0.9 million dollars for dump fees incurred by the ongoing Port Redevelopment project and 50 thousand to cover other Port operational expenses

- 1 million dollars is provided to the Geneva mission to fund personnel and contractual related costs for the newly appointed Ambassador and First Secretary
- 1 million dollars is provided to the Department of Health to cover additional expenses associated with the Overseas Medical Referral program
- 0.8 million dollars is provided to the Department of Multicultural Affairs for ongoing processes related to RPC, which includes legal expenses.
- 0.5 million dollars is provided to the Department of Infrastructure to pay NRC for a completed seawall project along the Menen shoreline
- 0.3 million dollars is provided to the Finance Secretariat department for urgent office refurbishment and building works to accommodate increased staff number
- 0.2 million dollars is provided to the Department of Finance to cover additional consultancy fees related to the final phase of the Bank of Nauru Liquidation exercise
- 0.2 million dollars is provided to the New York Mission Office to fund travel and staff repatriation costs
- 0.2 million dollars is provided to the Nauru Police Force to address overtime expenses over the upcoming festive seasons

- 0.2 million dollars is provided to the Department of Transport to cover additional overtime costs due to increased flight operations not anticipated at the start of the financial year
- 0.1 million dollars is provided under Finance Other to settle outstanding repatriation charter bills to Nauru Airline Corporation, incurred during the COVID 19 pandemic
- 0.1 million dollars is also provided under Finance Other to cover unemployment benefits to COVID 19 Taskforce workers that have been made redundant following the closure of the COVID 19 operations in June of this year
- 0.1 million dollars is provided to Department of Finance to fund additional expatriate personnel related cost as well as to settle purchase debts to Eigigu Procurement Limited
- 73 thousand dollars is provided to Nauru Customs Service to facilitate a four-month extension of the engagement with the Asycuda consultant
- 71 thousand dollars is provided to the Nauru Police Force to enable continued funding of their IT Consultant, when the current funding arrangement with the Australian Police Force comes to an end by the end of this month

- 68 thousand dollars is provided to the Department of Lands and Survey to cover salary for the newly appointed legal advisor
- 39 thousand dollars is provided to the Department of Media to cover installation costs of two new satellite dishes
- 18 thousand dollars is provided to Election Office to cover increased staff costs

Mr Speaker, this Supplementary Appropriation recognises additional expenditure that are priorities for the Government.

With the passing of this Bill, the approved 2023-2024 Budget will recognise an additional revenue of 14.4 million dollars and appropriate additional expenditure of 24.3 million dollars.

The expenditure measures in this supplementary will be funded by a 10 million dollars reallocation from savings in the Fiscal Cash Buffer, with the remaining 14.4 million covered by the revenue increase, leaving a small budget balance of 52 thousand

Mr Speaker, I commend the Bill to the House.