



REPUBLIC OF NAURU

SUPPLEMENTARY APPROPRIATION BILL (NO. 2) 2023-2024

SECOND READING SPEECH

His Excellency Honourable David Adeang MP

5 April 2024

Mr Speaker Sir,

I present before Parliament the *Supplementary Appropriation Bill (No. 2) 2023-2024*.

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

- The impact of Government`s decision to formally re-establish diplomatic relations with the People`s Republic of China
- Outcome of the mid-year review of budget estimates
- Government decisions taken since the last supplementary

Mr Speaker,

The revenue changes in the Supplementary Appropriation Bill (No 2 2023-24) include:

- 16.2 million dollars reduction in loan proceeds from EXIM Bank due to the non-receipt of the second tranche fund for the Nauru Airlines second aircraft purchase
- 20.4 million dollars increase in taxation revenue, reflecting better than expected economic outcomes and sustained RPC activities due to arrival of new refugees
- 30 million dollars in budget support from additional foreign aid
- 6.8 million dollars reduction in budget support from Taipei Province of China, that remain undrawn at the time of our diplomatic transition, comprising of a 5 million dollars second tranche annual grant and 1.7 million dollars in loan repayment support for the Nauru Airline aircraft and Ronphos equipment loans.
- 2.5 million dollars reduction in Fisheries revenue, reflecting unsold days due to lower demand than expected, influenced by El-Nino effects

The updated estimates in this Supplementary accounts for new expenditure that have arisen since the passing of Supplementary Appropriation No 1 in December:

Expenditure

Mr Speaker,

I will now outline the detailed expenditure changes included in the *Supplementary Appropriation Bill (No. 2) 2023-2024*.

Expenditure highlights include:

- 0.6 million to the Presidency department for additional travel, official celebrations on Constitution Day, vehicle purchase and office repairs
- 5.8 million to Ministerial department for local donations to support community development programs, entertainment, and official travel for the rest of the financial year
- 0.1 million for Nauru Electoral Office for vehicle replacement and essential office renovation ahead of the next elections
- 6.5 million earmarked for Finance Other comprising of:
 - 3.4 million for continuation of training under the Alternative Pathway Program

- 1.2 million grants to Eigigu Solutions Corporation (ESC) for increased RPC related activities due to new arrivals
- 0.9 million working capital grant to support Eigigu Supermarket
- 0.8 million grants to Nauru Post to address past debts, urgent building repairs, and vehicle replacement
- 0.3 million loans to Nauru Post to establish a new warehouse in Brisbane
- 0.6 million to Department of Climate Change and Resilience for additional engineering costs for Portion 230
- 0.1 million to Correctional Services to cover increased staff costs and inmates` rations
- 0.7 million to Department of Education to acquire vehicles for directors and managers, a new conference room and urgent school building works, supporting improved learning outcomes
- 1.3 million to Health for additional OMR and utilities costs for the rest of this financial year
- 2.9 million for the Department of Sports to pay NRC for completed works for the Micronesian Games track and field stadium project, and return charter flights for the upcoming Micronesian Games in Majuro

- 0.3 million to Department of Infrastructure for completed seawall works
- 84 thousand for the Department of Foreign Affairs and Trade for Commonwealth Secretariat membership fees, not budgeted for previously
- 64 thousand for the Suva High Commission to replace an aged vehicle
- 0.1 million for the New York Office to extend the secondment of the NORI legal officer
- 0.4 million for WASDA to host the Minister for Women`s meeting in Nauru later this month
- 36 thousand to Media department for a new satellite dish and receiver to enhance broadcasting coverage
- 0.1 million for the Department of Lands and Survey for staff travel expenses and costs related to negotiations with landowners for the proposed Location development project.
- 54 thousand to Transport department for additional overtime and essential purchases
- 0.7 million to ICT to cover increased internet and telephone bills
- In line with maintaining Nauru`s fiscal responsibility targets, 1.9 million has been allocated to the Fiscal Buffer for urgent and unavoidable

expenses for the remainder of the financial year. Additionally, 2.5 million has been allocated to the Nauru Trust Fund as prepayment of next year's contributions, accounting for 10.1% of the net revenue increase in this supplementary.

- Mr Speaker, this Supplementary Appropriation recognises additional revenue and provides for expenditures that are priorities for the Government.

With the passing of this Bill, the approved 2023-2024 Budget will recognise additional revenue of 24.9 million dollars. Expenditure of 24.8 million dollars will be appropriated, leaving a surplus balance of 0.2 million dollars.

Mr Speaker, I commend the Bill to the House.