REPUBLIC OF NAURU

SUPPLEMENTARY APPROPRIATION BILL (NO. 2) 2025-2026

SECOND READING SPEECH

His Excellency Honourable David Adeang MP

23 December 2025

Mr Speaker Sir,

I present before Parliament the *Supplementary Appropriation Bill (No. 2) 2025-2026*.

At the outset, Mr Speaker, I wish to clarify for the House that this Bill is **appropriation-neutral**. It introduces no new revenue, and most importantly, **results in no increase to the total expenditure** previously approved by this August House in Supplementary Appropriation No 1. passed in October.

The purpose of this Bill is twofold:

- first, to recognise a reallocation of funds from our Fiscal Cash Buffer to address emergent and urgent operational pressures across various departments; and

- second, to perform essential “housekeeping” by reallocating surplus funds from specific departments and consolidating Capital Assets and Maintenance resources to improve overall efficiency.

In essence, we are shifting existing resources to where they are most critically needed without altering our overall fiscal ceiling.

Revenue changes

Mr Speaker, there are no revenue changes recognised in this Supplementary Bill.

Expenditure Changes

Mr Speaker, turning to Expenditure, this Supplementary recognises a total expenditure increase of **$5.1 million**.

I wish to reiterate that this total increase is funded entirely by a corresponding reduction in the Fiscal Cash Buffer. Let me now outline the expenditure changes in detail:

- **$1.3 million** is provided to Ministerial to fund essential operational requirements, including personnel costs, consultancies, repairs and maintenance and others.

- **$1.1 million** is provided to the Command Ridge Virtual Asset Authority (CRVAA) to ensure sufficient operational liquidity for the remainder of the fiscal year.
- **$1 million** is provided to the Department of Presidency and State House to cover essential personnel costs, travel, repairs, and other rising operational overheads.
- **$0.7 million** is provided to Public Health to cover 3 months of operational costs following their transition out of the GMSS scope of service.
- **$0.5 million** is allocated to Nauru Police Force to settle outstanding salary arrears, including long-standing payments for police reserves deployed between 2004 and 2009.
- **$0.2 million** is allocated to the Department of Commerce and Foreign Investment to operationalize the Nauru Small Business Enterprise Fund. This funding will enable local entrepreneurs, selected through a stringent merit-based process, to access conditional grants of up to $25,000. This provides the necessary capital to lower the barrier to entry for our people, stimulating small business growth and enhancing economic self-reliance within our community.

- **$0. 1 million** is provided to National Heritage for the upcoming Miss Nauru pageant in January
- **$0.1 million** is distributed across NRPCC, Health and Infrastructure to cover increased cost pressures.

Housekeeping Matters

In addition to these reallocations, this Supplementary bill addresses two housekeeping matters to enhance financial discipline.

1. **Surplus Reallocation**:

We are identifying departments where initial allocations exceeded actual requirements. Specifically, $0.9 million is being reallocated – primarily from the Department of Education and the Nauru Elections and BDM Office – to be returned to the Fiscal Cash Buffer. These are strictly inter-departmental shifts with zero impact on the net budget.

2. **Centralization of Maintenance and Building funds:**

Following a recent Cabinet decision, this Bill centralizes $7.3 million – previously allocated across various departments for Repairs and Maintenance Buildings and Buildings and Structures - under the Department of Infrastructure. This move is aligned with the Department`s core mandate to serve as the central authority for national assets, with a

view to streamlining contracting arrangements and enhancing technical oversight.

Mr Speaker, to summarize, this bill does not seek “new money.” It simply recognises movement of funds between heads of appropriations to better reflect the current needs of the Republic.

With the passing of this Bill, the approved 2025-26 Budget totals remain unchanged from Supplementary Appropriation No 1, at $**378.6 million** in total revenue, and **$378. 5 million** in total expenditure, leaving an estimated surplus of 58 thousand dollars.

Mr Speaker, I commend the Bill to the House.