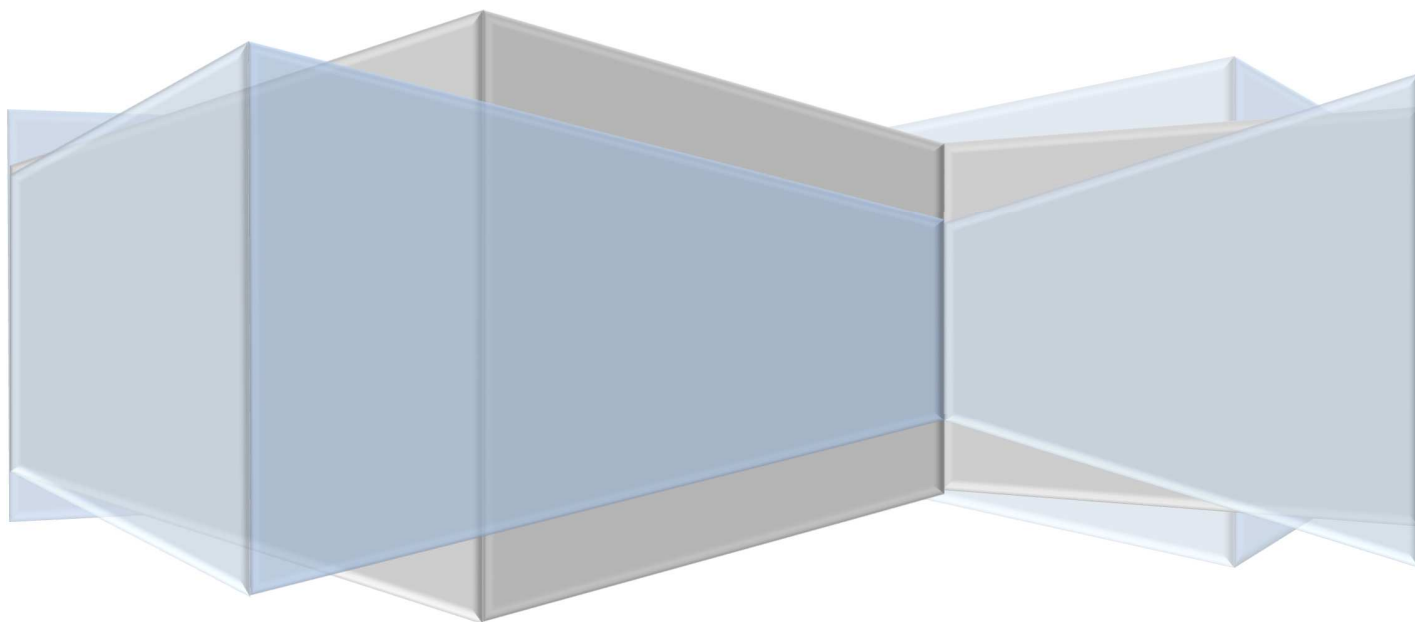


**Ministry of Finance - Treasury**



**Government of Nauru**  
**Mid-Year Budget Review**  
Quarter 2, December 31, 2017

**Release Date: 3<sup>rd</sup> March 2018**



## Contents

Overview.....	2
Key Highlights.....	2
Macroeconomic Assumptions.....	2
Total Original Budget Estimates.....	2
Supplementary.....	2
Operating Revenue Analysis.....	4
Customs Duties.....	4
Fishing Revenue.....	5
Taxation revenue.....	5
Visa revenue.....	6
Other government revenue.....	6
Operating Expenditure Analysis.....	8
Personnel Spending.....	9
Government Travel.....	10
Subsidy and donation.....	10
Welfare Payment.....	10
Government Operations.....	11
Capital Spending.....	13
Other Government Expenditure.....	13
Cash flow Position.....	15

## Overview

The 2017-18 Mid-Year-Budget Review (MYBR) covers the first six months of the 2017-18 Government of Nauru financial year, commencing July 1<sup>st</sup>, 2017 and ending December 31<sup>st</sup>, 2017. It is based on all available information to Treasury from the Government's accounts and departmental sources.

The Macroeconomic assumptions on which the budget was based remain broadly consistent with information available at the mid-year. This report details the major sources of revenue and expenditure and forecast outturns based on the mid-year results. Overall both revenue and expenditures are below half-year expectations.

Two Supplementary Appropriation Bills were passed in the first six-months of the year and these are included in the analysis.

It is important to note that the report only covers general Government operations. Donor expenditures and the operations of State owned enterprises (SoE's) are not included in this report apart from where transfers from the Government have been made to donor projects or as subsidies/loans to SoE's. Likewise receipts from direct budget support donor funding have been included.

## Key Highlights

### Macroeconomic Assumptions

When prepared the 2017-18 budget assumed a 4% reduction in the Nauruan economy resulting from demobilization of some of the expatriate workforce and the resettlement of an unknown number of refugees to the United States. At the mid-year receipts from Customs duties and Visa fees from refugees suggests that the contraction in the economy may not be as large as initially expected.

Domestic inflation in the June 2017 quarter<sup>1</sup> indicates a lowering of inflation towards the expected 2% assumption that was made in the budget,

### Total Original Budget Estimates

The Republic of Nauru 2017-2018 Appropriation Bill provides for revenue totaling approx. \$129.70 mil and expenditure of \$129.64 mil, hence a small surplus of \$63k.

### Supplementary

In addition to Supplementary Appropriation No.1 of August 1<sup>st</sup>, 2017, a second supplementary appropriation (Supplementary Appropriation Bill 2017-18 No.2) was passed by Parliament on the 23<sup>rd</sup> of November 2017. The supplementary appropriation provided for an additional \$25.64 mil in revenue from business profit tax, employment tax and NRPPC management/service fees. With the additional revenue expected total revenue increased to \$155.35 mil. A further \$25.58 mil was provided in additional expenditures associated with the 50<sup>th</sup> anniversary celebrations and capital works to prepare for the forthcoming Pacific Island Forum meeting. With the supplementary total budgeted expenditure was increased to \$155.22 mil. The expected budget surplus was increased to \$123k.

By the end of Quarter 2, 2017, Government total was a surplus of operating balance approximately \$5.9 mil.

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<sup>1</sup> Based on the *June 2017 Quarter* CPI annual inflation was 1.58%

Table 1 Actual vs Revised Budget Aggregates

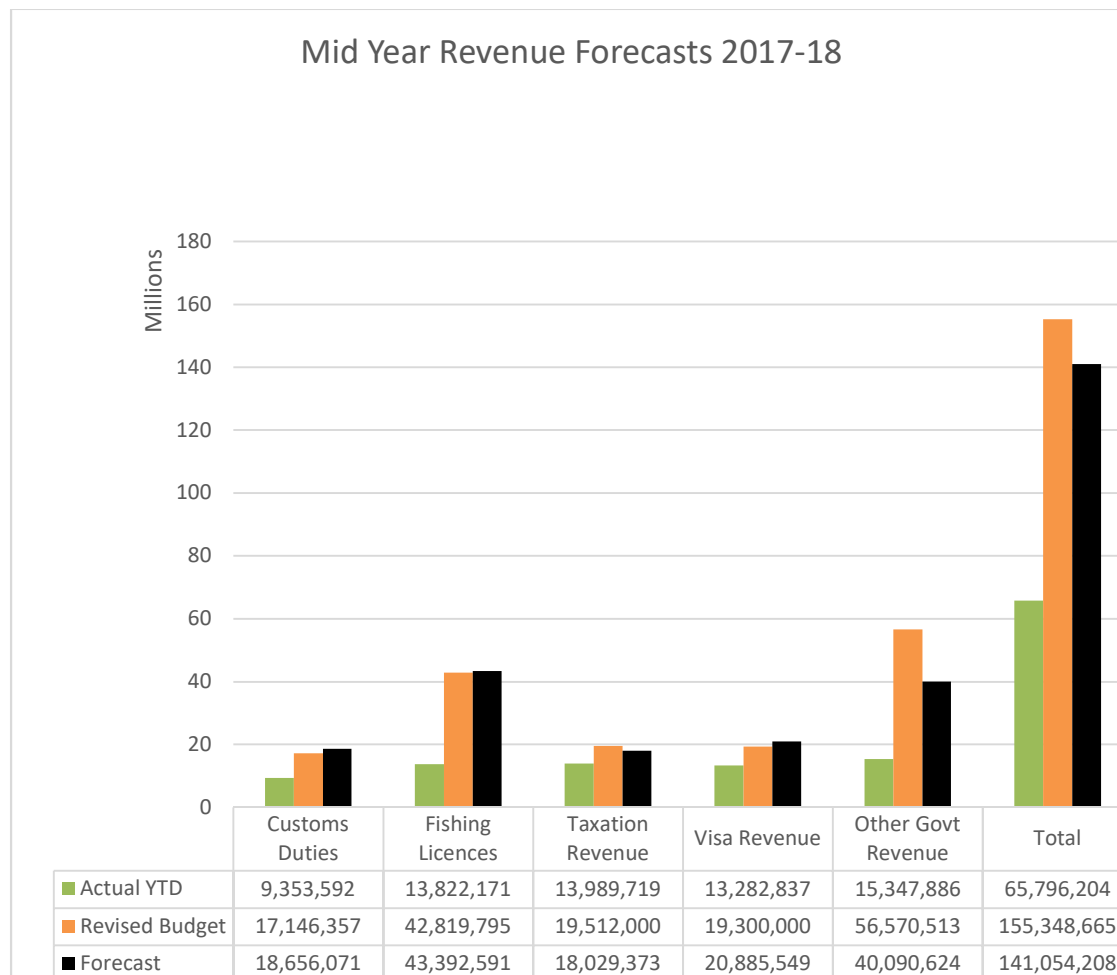
	Revised Budget	Actual YTD	Actual vs Budget (%)	
			2017/18	2016/17
Revenue	155,348,665	65,796,204	42.4%	47.0%
Expenditure	155,224,926	59,864,298	38.6%	38.9%
Surplus/(Deficit)	123,739	5,931,797		

Total revenue collected for first half year (\$65.8 mil) represents 42.4% of total expected revenue for whole year budget. This was a lower than last year. Taxation revenues (\$14.0 mil) represented 21% of collections. Similarly, Visa revenues (\$13.3 mil) comprised 21%; Visa revenue 20% and Customs revenue 14%. Other Government revenue comprised the balance of \$15.4 mil (23%).

In relation to expenditures, total expenditure for Quarter 2 amounted to 40.1% utilization of the government annual budget compared to 41.0% for the same period last year. As in previous years it is expected that spending will increase in the second half of the year.

## Operating Revenue Analysis

Figure 1 Mid-Year revenue forecasts



At the mid-year total collected revenue was \$65.8 mil of which Taxation contributed \$14.0 mil (72%); Fishing \$13.8 mil and Visa fees \$ 13.3 mil. Customs duties (\$9.3 mil) and Other Government revenue (\$15.3 mil) comprised the balance.

At the mid-year taxation collections (72%) and visa revenues (69%) are significantly ahead of budget expectations. Like wise Customs duties (55% collected) are slightly ahead of budget estimates. Fishing licenses at 32% collected and Other Government Revenue (27%) are below expectations.

### Customs Duties

Duties from Tobacco, Alcohol, Machinery and Other are ahead of budget expectations at the half year. Tobacco revenues continued to grow due to on-going compliance efforts from small importers. If the trend continues the revenue estimate will be upgraded. Alcohol whilst higher is likely to be a seasonal spike associated with imports for

the Christmas/New Year period. The high level of duty from Machinery imports is expected to level out in the rest of the year. Revenues from petrol and diesel duties are below expectations and will require monitoring.

Table 2 Customs revenue

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Collected
1140 - Customs and Excise Duty - Tobacco	(2,815,340)	(3,996,691)	(4,500,000)	70.4%
1145 - Customs and Excise Duty - Alcohol	(1,105,747)	(1,768,758)	(2,205,452)	62.5%
1150 - Customs and Excise Duty - Sugar	(345,770)	(642,870)	(689,650)	53.8%
1155 - Customs and Excise - Machinery/Vehicle/Equip.	(471,501)	(512,056)	(940,425)	92.1%
1160 - Customs and Excise Duty - Other	(1,593,193)	(2,602,544)	(3,177,679)	61.2%
1165 - Customs and Excise Duty - Petrol Sales	(1,135,475)	(2,685,706)	(2,264,746)	42.3%
1170 - Customs and Excise Duty - Diesel Sales	(1,849,573)	(4,919,472)	(3,689,039)	37.6%
1175 - Customs and Excise Duty - JetA1	(36,993)	(18,260)	(73,784)	202.6%
1405 - Overtime Recoveries	(1,600)	0	(3,191)	na
1475 - Miscellaneous Revenue	(2,120)	0	(4,228)	na
	<b>(9,357,312)</b>	<b>(17,146,357)</b>	<b>(17,548,195)</b>	

### Fishing Revenue

Fishing revenue occurs primarily in the months of December through to February with the main source from the selling of Purse Seine fishing days. The original budget estimate was downgraded in Supplementary No.2 based on the actual daily returns from sales of fishing days. Licensing of vessels indicate that the overall revenue stream will be met. It is assumed that most of the fishing day revenue will be collected in the third quarter.

Table 3 Fishing revenue

Description	Supplementary Budget	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Collected
1055 - Support Vessel Charges	0	(62,120)	(126,056)	(123,900)	49.3%
1071 - Purse Seine Revenue - Licensing	0	(748,365)	(917,688)	(1,492,640)	81.5%
1072 - Purse Seine Revenue - Fishing Days	1,654,981	(13,011,686)	(41,776,051)	(41,776,051)	31.1%
1475 - Miscellaneous Revenue	0	0	(67,950)	0	0.0%
	<b>1,654,981</b>	<b>(13,822,171)</b>	<b>(42,887,745)</b>	<b>(43,392,591)</b>	<b>32.2%</b>

### Taxation revenue

The original budget estimates for the first returns from the business profits tax were very conservative. Based on the first year six month returns the estimates was increased by \$9.3 mil in Supplementary No.2. Similarly returns from Construct workers required an increase of \$4.0 mil in the employment tax revenue estimates. Overall taxation revenue is well ahead of projections at the half year and may require further adjustment when the next returns for business profits tax are filed.

Table 4 Taxation revenue

Description	Supplementary Budget	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Collected
1215 - Licenses-Drivers etc	0	(46,020)	(50,000)	(91,789)	92.0%
1235 - Gaming / Bingo Licenses	0	(239,681)	(300,000)	(478,052)	79.9%
1300 - Registration Fees-Motor Cars	0	(870)	0	(1,735)	Na
1590 - Employment/Non-resident Withholding Tax	(4,000,000)	(3,073,083)	(7,900,000)	(6,129,373)	38.9%
1591 - Business Profit Tax	(9,300,000)	(9,853,477)	(10,100,000)	(10,100,000)	97.6%
	<b>(13,300,000)</b>	<b>(13,213,131)</b>	<b>(18,350,000)</b>	<b>(16,800,949)</b>	<b>72.0%</b>

### Visa revenue

Visa fees for refugees resettled in the community (Visa Fees -RPC Resettlement) are performing better than budget estimates. The forecast however has not been adjusted as it is understood that in the next quarter some refugees will be resettled in the United States. The costs of the department of Multicultural Affairs (DJBC Operations) that are fully reimbursed by the Australian Government are below budget and it is understood that this is due to arrears in issuing invoices. The proposed revenue from the MCA office rental continues to not be forthcoming.

Table 5 Visa revenue

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Collected
1335 - Visa Fees - RPC	(678,000)	(1,680,000)	(1,352,295)	40.4%
1475 - Miscellaneous Revenue	(700)	(312,000)	(1,396)	0.2%
1577 - DJBC - Operations	(824,266)	(4,060,000)	(4,060,000)	20.3%
1578 - DJBC - Reimbursable Costs	(2,322,282)	(4,530,000)	(4,631,875)	51.3%
1580 - Visa Fees - RPC Resettlement	(10,332,000)	(15,000,000)	(15,000,000)	68.9%
	<b>(14,157,249)</b>	<b>(25,582,000)</b>	<b>(25,045,566)</b>	<b>55.3%</b>

### Other government revenue

Miscellaneous revenue collected in the form of reimbursement for RPC Security costs by the Australian Government represents the largest component of Other Government revenue. At the mid-year the collections were consistent with expectations. The major new revenue in the form of Service fees collected by the newly formed NRPC<sup>2</sup> from the *Canstruct* contract were included in Supplementary No.2. At the mid-year the revenue from this source had not been brought to account. Visa fees (Other Business) is also showing strong revenue collections and is probably due to the collection of arrears and continued requirement for expatriate work visas for topside operations. Telecom tax is also ahead of estimates and may require upgrading in the future.

<sup>2</sup> Nauru Regional Processing Centre Corporation

Port Fees are well below budget expectations and further investigation will be undertaken to determine why in the next quarter. General Budget support revenue has not been brought to account and is therefore showing low actual collections. Overall at 30% collected Other Government Revenue is well below the half-year expectations.

Table 6 Other Government revenue

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Collected
1015 - Income from Investments & Dividends- Others	(558,711)	0	(1,114,369)	Na
1055 - Support Vessel Charges	(62,120)	(126,056)	(123,900)	49%
1121 - Curator fees	(65,384)	0	(130,411)	Na
1190 - Telecom Tax	(1,063,159)	(1,512,000)	(1,800,000)	70%
1225 - Licenses-Trading	(121,770)	(170,000)	(242,875)	72%
1230 - Liquor Licensing Board	(23,510)	(30,000)	(46,892)	78%
1235 - Gaming / Bingo Licenses	(239,681)	(300,000)	(478,052)	80%
1260 - Birth Certificate	(8,950)	(10,000)	(17,851)	90%
1270 - Marriage Certificate	(1,000)	(2,000)	(1,995)	50%
1300 - Registration Fees-Motor Cars	(38,053)	(308,000)	(75,897)	12%
1305 - Registration Fees-Motorcycles	(1,330)	(72,000)	(2,653)	2%
1310 - Vehicle/Insurance Fees	(35,270)	0	(70,347)	Na
1325 - Passport Fees and Photographs	(95,383)	(189,840)	(190,244)	50%
1330 - Visa Check up	(5,497)	(20,000)	(10,964)	27%
1340 - Police Clearance	(28,335)	(45,000)	(56,515)	63%
1360 - D.C.A-Pax Levy	(41,204)	(728,700)	(82,182)	6%
1365 - D.C.A.-Departure Taxes	0	(600,000)	0	0%
1370 - D.C.A.-Air Navigation Fees	(240,599)	(576,000)	(479,884)	42%
1375 - D.C.A.-Landing Fees	(662,742)	(728,688)	(1,321,861)	91%
1380 - D.C.A.-Rental Fees	(8,785)	(211,800)	(17,522)	4%
1400 - Port Fees	(453,721)	(2,623,758)	(904,962)	17%
1420 - Warehouse sales	(400)	(152,230)	(798)	0%
1475 - Miscellaneous Revenue	(9,760,139)	(19,868,498)	(19,466,943)	49%
1485 - Quarantine Fees	(22,540)	(60,000)	(44,957)	38%
1490 - Court Fines and Fees	(4,443)	(102,250)	(8,862)	4%
1495 - Service Fees	278,491	(14,011,900)	555,460	-2%
1520 - Food Handler Check up	(400)	(12,650)	(798)	3%
1525 - PO Box Rentals	(1,360)	(2,500)	(2,713)	54%
1530 - Philatelic Bureau Sales	(1,281)	(3,600)	(2,555)	36%
1540 - Advertising Revenue	(5,108)	(30,000)	(10,189)	17%
1550 - Canteen Fees	(1,300)	(2,000)	(2,593)	65%
1555 - Spectacles, Drugs etc	(1,000)	(5,000)	(1,995)	20%
1560 - International Settlement-Comms Traffic	(4,852)	(12,000)	(9,677)	40%
1565 - Medical Services	(1,446)	(8,000)	(2,884)	18%



<b>Description</b>	<b>Actual YTD</b>	<b>Revised Budget (Annual)</b>	<b>Adjusted Forecast</b>	<b>% Collected</b>
1575 - Visa Fees (Other Business)	(2,267,340)	(2,600,000)	(4,522,290)	87%
1660 - General Budget Support	0	(7,062,749)	(7,062,749)	0%
	<b>(15,548,319)</b>	<b>(52,187,219)</b>	<b>(37,753,916)</b>	<b>30%</b>

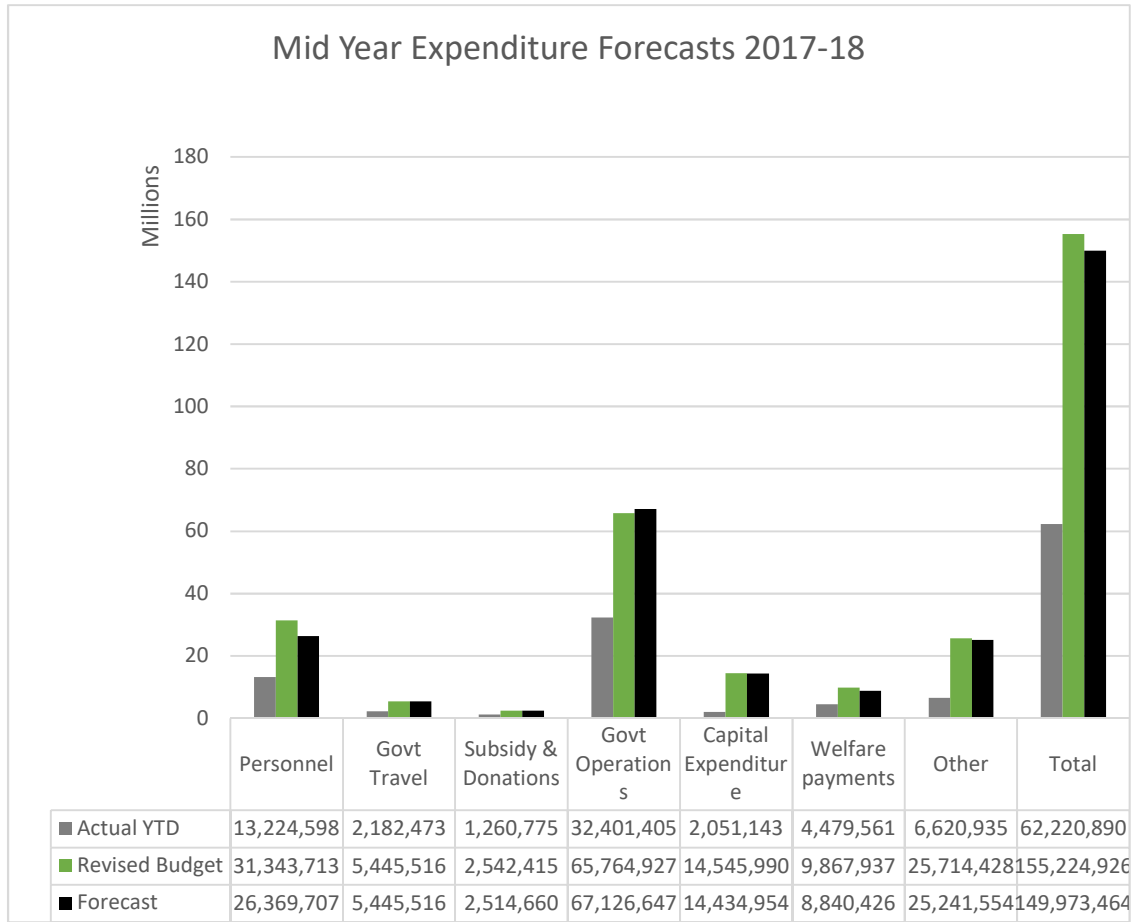
## Operating Expenditure Analysis

Table 7 Operating expenditure summary

<b>Description</b>	<b>Actual YTD</b>	<b>Revised Budget</b>	<b>Forecast</b>	<b>%</b>	<b>% Total</b>
Personnel	13,224,598	28,851,369	25,081,007	46%	21%
Govt Travel	2,182,473	5,445,516	5,445,516	40%	4%
Subsidy & Donations	1,260,775	2,542,415	2,514,660	50%	2%
Govt Operations	32,401,405	65,764,927	67,126,647	49%	52%
Capital Expenditure	2,051,143	14,545,990	14,434,954	14%	3%
Welfare payments	4,479,561	9,867,937	8,840,426	45%	7%
Other	6,620,935	28,206,772	26,530,255	23%	11%
<b>Total</b>	<b>62,220,890</b>	<b>155,224,926</b>	<b>149,973,464</b>	<b>40.1%</b>	<b>100%</b>

Overall expenditure at the half-year is 40.1% of expectations which if it is maintained suggests forecast aggregate expenditure will be approximately \$5 mil dollars less than the revised estimates. Government Operations is the largest contributor to expenditure and is spending consistent to budget. Personnel costs are slightly below budget as are welfare and Government travel costs. Capital expenditure and other payments are well below the expected level at the mid-year.

Figure 2 Mid-Year revenue forecasts



### Personnel Spending

Personnel costs are 42.2% spent at the half year. Most lines are spending below expected levels with local salaries 40.7 % spent. Expatriate salaries are closer to expectations at 47.7% spent. Allowances for contracted staff (53.9% spent) and Directors Fees (61.6% spent) are spending ahead of expectations and will require monitoring.

Table 8 Personnel spending

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2005 - Salaries & Allowances - (MP's)	488,759	1,109,050	974,846	44.1%
2010 - HE Salary & Allowances	46,968	100,032	93,680	47.0%
2015 - Salary - Local	7,165,560	17,622,906	14,291,964	40.7%
2020 - Salary Expatriate	3,817,709	8,059,830	7,614,557	47.4%

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2025 - Allowances - Staff Contract	1,040,071	1,928,052	2,074,459	53.9%
2026 - Directors Fees	19,415	31,500	31,500	61.6%
2035 - Overtime - local	278,061	723,880	554,602	38.4%
2040 - Staff Training	268,616	1,264,029	535,764	21.3%
2045 - Recruitment	14,967	291,380	29,852	5.1%
2050 - Uniforms & Protective Clothing	84,472	213,055	168,483	39.6%
	<b>13,224,598</b>	<b>31,343,713</b>	<b>26,369,707</b>	<b>42.2%</b>

### Government Travel

At 40.1% spent at the mid-year Government travel is spending below budget expectations. Staff travel is well underspent (25.1%). Supplementary appropriations and inter-sub-head-transfers (ISHT) have been made by several agencies. It is expected that the yearly expenditure will be held to the revised budget level.

*Table 9 Government travel*

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2070 - Travel - Staff	181,044	721,306	721,306	25.1%
2075 - Travel - Business	2,001,429	4,724,210	4,724,210	42.4%
	<b>2,182,473</b>	<b>5,445,516</b>	<b>5,445,516</b>	<b>40.1%</b>

### Subsidy and donation

Subsidies and donations are spending consistent with budget expectations with the major expenditure associated with the NUC fuel subsidy projections.

*Table 10 Subsidy and Donation*

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2615 - Other Subsidies & Donations	1,260,775	2,542,415	2,514,660	49.6%
	<b>1,260,775</b>	<b>2,542,415</b>	<b>2,514,660</b>	<b>49.6%</b>

### Welfare Payment

Welfare payments in aggregate at 45.5% are spending below expected levels mainly due to the low level of spending against the Nauru Community Housing scheme. Most benefits are spending close to expected levels however the Aged and Disability pensions are spending above expectations and will need careful monitoring.

Table 11 Welfare payments

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2220 - Nauru Community Housing	2,001,400	5,350,000	3,991,863	37.4%
2390 - Social Welfare - Birth Claims	15,700	30,000	30,000	52.3%
2395 - Social Welfare - Death Claims	74,000	160,000	147,596	46.3%
2400 - Social Services - Aged Pensions	1,118,100	1,924,000	2,230,090	58.1%
2405 - Social Services - Super Contributors	47,055	90,654	93,854	51.9%
2410 - Social Services - Super Ex MP's	55,370	200,000	110,437	27.7%
2420 - Social Services - Disability Payments	478,960	832,000	955,303	57.6%
2440 - Scholarships - School & Trade	688,976	1,281,283	1,281,283	53.8%
	<b>4,479,561</b>	<b>9,867,937</b>	<b>8,840,426</b>	<b>45.4%</b>

### Government Operations

Spending levels for RPC Security costs (2030 Salaries Other contracts) is greater than budget expectations (56.5%) and due to the high cost will require additional appropriation to meet existing spending levels. Similarly, Consultant fees and External legal fees are higher than expected (53.8% and 62.2% spent respectively) however these are expected to be held to budgeted levels. Entertainment costs are also spending ahead of estimates but are to be held to budget.

Overseas Medical Treatment at 70.8% spent is considerably ahead of budget levels and is forecast to require considerable additional funding if spending remains at the current levels.

Table 12 Government Operations

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2030 - Salaries Other contracts	15,585,355	27,597,770	31,085,545	56.5%
2055 - Consultants fees	784,889	1,459,313	1,459,313	53.8%
2100 - Entertainment	277,470	486,532	486,532	57.0%
2060 - Legal Fees - External	715,644	1,150,000	1,150,000	62.2%
2105 - Official Celebrations	135,174	689,516	689,516	19.6%
2110 - Protocol	29,798	63,500	59,433	46.9%
2130 - Printing & Stationery	116,502	466,259	232,367	25.0%
2132 - TVET Supplies	15,630	196,132	31,174	8.0%
2135 - Stores	118,201	748,257	235,756	15.8%
2155 - House Rental	2,987,112	4,982,687	5,957,901	59.9%
2160 - Land Rental	2,369,530	6,963,421	6,963,421	34.0%
2165 - Office Rental	251,404	731,029	731,029	34.4%
2185 - R&M - Buildings	1,394,763	2,419,290	2,419,290	57.7%

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2190 - R&M - Office Equipment	30,403	167,930	60,640	18.1%
2191 - R&M Medical Equipment	50,155	125,000	100,036	40.1%
2195 - R&M - Office Premises	46,532	76,198	76,198	61.1%
2200 - R&M - Motor Vehicles	172,049	486,953	343,157	35.3%
2205 - R&M - Plant	86,034	458,677	171,598	18.8%
2210 - R&M - Aerodrome	48,629	77,900	77,900	62.4%
2225 - Agricultural Supplies	0	24,000	0	0.0%
2235 - Special Projects	0	7,500	0	0.0%
2255 - Warehouse Procurement	199,383	207,000	207,000	96.3%
2275 - Purchase of Petrol	227,698	397,954	397,954	57.2%
2280 - Purchase of Diesel	347,706	599,609	599,609	58.0%
2290 - Purchase of Fuel - Other	60	10,793	120	0.6%
2315 - Electricity	1,371,862	3,871,212	3,871,212	35.4%
2330 - Telephone / Internet	685,399	2,033,249	1,367,053	33.7%
2350 - Freight	666,999	1,100,000	1,330,354	60.6%
2372 - Nauru Radio Supplies	225	3,000	449	7.5%
2373 - Media TV Supplies	1,620	2,000	2,000	81.0%
2375 - ICT Supplies	7,129	76,145	14,218	9.4%
2460 - Medical Expenses	3,661	15,571	7,302	23.5%
2461 - Primary Health Care Services	21,256	140,000	42,395	15.2%
2462 - NCD Control & Health Promotion	7,799	75,000	15,555	10.4%
2463 - Environmental Health and Food safety	32,245	100,000	64,314	32.2%
2467 - Drugs and Medicines	346,266	1,824,944	690,641	19.0%
2468 - Dental Supplies	0	15,864	0	0.0%
2469 - Dialysis Supplies	95,101	350,000	189,681	27.2%
2471 - Medical Consumable	135,282	200,000	200,000	67.6%
2472 - Laboratory supplies	134,255	140,000	140,000	95.9%
2473 - Radiology Supplies	14,266	20,000	20,000	71.3%
2474 - Clinical Education Supplies	0	25,000	0	0.0%
2475 - Overseas Medical Treatment	2,123,394	3,000,000	4,235,185	70.8%
2575 - Local Transport	602,207	1,950,798	1,201,123	30.9%
2590 - Correctional Services Supplies	830	7,040	1,655	11.8%
2595 - Carriage of Mail	0	5,238	0	0.0%
2600 - Postage	1,135	11,658	2,264	9.7%
2605 - Library/Periodicals	242	1,500	484	16.2%
2610 - Survey Supplies	502	5,000	1,001	10.0%
2620 - Lease & Charter Payments	34,885	57,638	57,638	60.5%
2625 - Family Court Expenses	2,900	10,000	5,784	29.0%
2630 - Safe House	121,824	130,850	130,850	93.1%

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
	<b>32,401,405</b>	<b>65,764,927</b>	<b>67,126,647</b>	<b>49.3%</b>

### Capital Spending

Capital spending continues to be well below the expected level at the mid-year. Purchases of medical equipment and plant (1.0% and 22.8%) are considerably below expectations and may be due to the lead-time associated with procurement. The Government also appropriated considerable funding for Buildings and Structures in Supplementary No.2 and this has not been utilized as at the mid-year. It is expected that expenditure will increase in the third quarter.

*Table 13 Capital spending*

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2480 - Medical Equipment	1,185	113,400	2,364	1.0%
2495 - Plant & Equipment Purchases	316,281	1,384,365	1,384,365	22.8%
2496 - Building & Structures	254,287	4,483,176	4,483,176	5.7%
2580 - Public Works	625,764	1,517,400	1,517,400	41.2%
2651 - GON Contributions	853,625	7,047,649	7,047,649	12.1%
	<b>2,051,143</b>	<b>14,545,990</b>	<b>14,434,954</b>	<b>14.1%</b>

### Other Government Expenditure

Other Government expenditure at 25.7% spent is considerably below budget expectations. Debt repayments to Ronphos and NUC have been made since the passing of Supplementary No.2 with the debt to QML only remaining to be expensed. Hospital rations at 53.7% spent will require monitoring. Most other payments such as the Fiscal Cash Buffer and Trust Fund contributions will be expensed according to the contribution schedule.

*Table 14 Other Government expenditure*

Description	Actual YTD	Revised Budget (Annual)	Adjusted Forecast	% Spent
2370 - Membership Fees & Subscriptions	301,959	1,043,712	1,043,712	28.9%
2545 - Debt Repayments - Other	2,000,000	2,310,000	2,310,000	86.6%
2560 - Educational Expenses - Special	29,335	79,954	58,510	36.7%
2565 - Insurance	118,078	418,188	235,512	28.2%
2570 - Bank Charges	8,191	29,356	16,338	27.9%
2585 - Rations	1,410,743	2,626,193	2,813,777	53.7%
2650 - Trust Fund	1,863,567	12,290,441	12,290,441	15.2%
2652 - Fiscal Cash Buffer	0	4,700,000	4,700,000	0.0%

<b>Description</b>	<b>Actual YTD</b>	<b>Revised Budget (Annual)</b>	<b>Adjusted Forecast</b>	<b>% Spent</b>
2690 - Foreign exchange gains/losses	5,000	16,584	9,972	30.1%
2695 - 50th Anniversary Independence	882,328	1,500,000	1,759,835	58.8%
2700 - Deportee Removal	0	100,000	0	0.0%
2705 - NEAT Scheme	1,733	100,000	3,457	1.7%
2999 - Contingency fund	0	500,000	0	0.0%
	<b>6,620,935</b>	<b>25,714,428</b>	<b>25,241,554</b>	<b>25.7%</b>

## Cash flow Position

At the mid-year the Government's overall cash position was good with the balance of treasury available funds at approximately \$37.35 mil. The chart below shows a steadily improving cash position from the beginning of the financial year. This was aided by a large fisheries revenue payment from the previous year US treaty being made in July. On-going revenue flows associated with fisheries have also increased cash reserves since October. The Government has been able to maintain reserves above the recommended Cash Buffer threshold due to this early one-off previous year payment.

Figure 3 Government Cash Position

