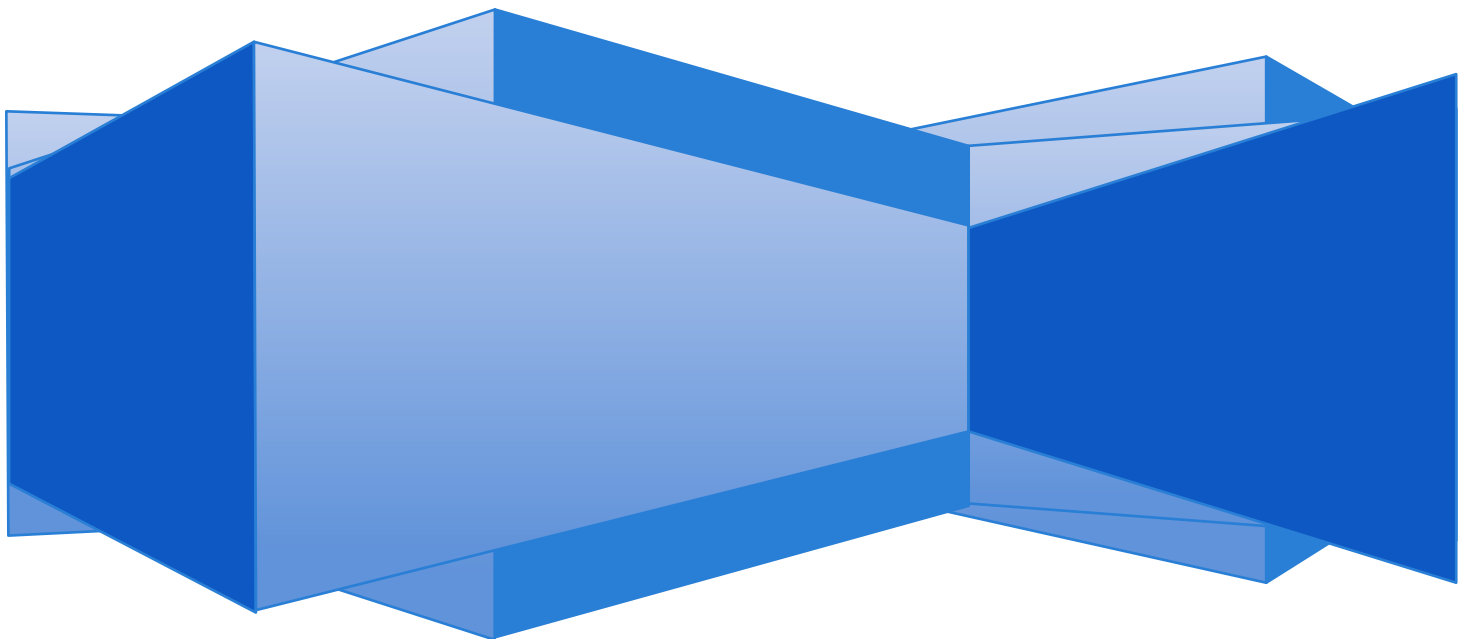


Ministry of Finance - Treasury



Government of Nauru
Quarterly Budget Performance Report
Quarter 4, 2018-19 Outturn report
Release Date: 6th August 2019



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Overview

This is the fourth quarter 2018-19 budget report and provides revenue and expenditure data recorded by Treasury for the period 1st April 2018 to the 30th June 2019. It is based on all available information to Treasury from the Government's accounts and departmental sources.

In the fourth quarter of the financial year the fifth and sixth Supplementary Appropriations were passed by Parliament. Supplementary Appropriation No.5 (2018-19) was passed by Parliament on the 10th of May and the Supplementary Appropriation No.6 (2018-19) was passed on the 14th of June, the same day as the passing of the 2019-20 Appropriation.

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

As at April 2019 the IMF have maintained the macro-economic assumptions for the fiscal year adopted in the preparation of the budget¹. These were growth would be flat (zero growth) in the current financial year. The October revised estimates continued to propose an increase in domestic inflation (from 2% to 2.5% annually). The March 2019 Quarter CPI released by the Nauru Statistics Office indicate that annual inflation is 4% well above the IMF estimate.

Based on the revenue flows to Government and corresponding expenditure the economy is performing better than the macro-economic assumptions.

Total Original Budget Estimates

The Republic of Nauru 2018-2019 Appropriation Bill provided for revenue totaling approx. \$154.60 mil and expenditure of \$154.43 mil, hence a small surplus of \$167k.

Supplementary

Supplementary No.5 recognised a further \$7.5 mil in revenue from NRPC Service fees and increased expenditure by \$7.5 mil. These outlays were to the Nauru Community Housing Scheme (NCHS); Electoral Commission; Overseas Medical Treatment; participation in the Pacific Games and additional funds towards the fiscal cash buffer. Supplementary No.6 recognised a further \$2.8 mil in fisheries revenue and provided for \$2.8 mil in additional expenditure on NCHS; subsidies to the Nauru Phosphate Revenue Trust (NPRT) and a loan to *Ronphos*. It also provided funds to the department of Infrastructure for public works.

¹ IMF WEO Nauru, Apr 2019

Total Budget Aggregates

The total budget aggregates for the year are shown in Table 1.

Table 1 Aggregate results Qtr. 4 2018-19

	Original Budget	Supplementary Budgets	Revised Budget	Actual	Variance	Var %
Revenue	154,600,457	63,339,603	217,940,060	217,099,983	(840,077)	0%
Expenditure	154,432,501	63,466,092	217,898,593	208,502,756	(9,395,837)	-4%
Outturn	<u>167,956</u>	<u>(126,489)</u>	<u>41,467</u>	<u>8,597,227</u>	<u>8,555,761</u>	

At the end of the fourth quarter the Government recorded an operating surplus of \$8.56 mil. This result is slightly lower than the third quarter forecast result (\$13.89 mil).

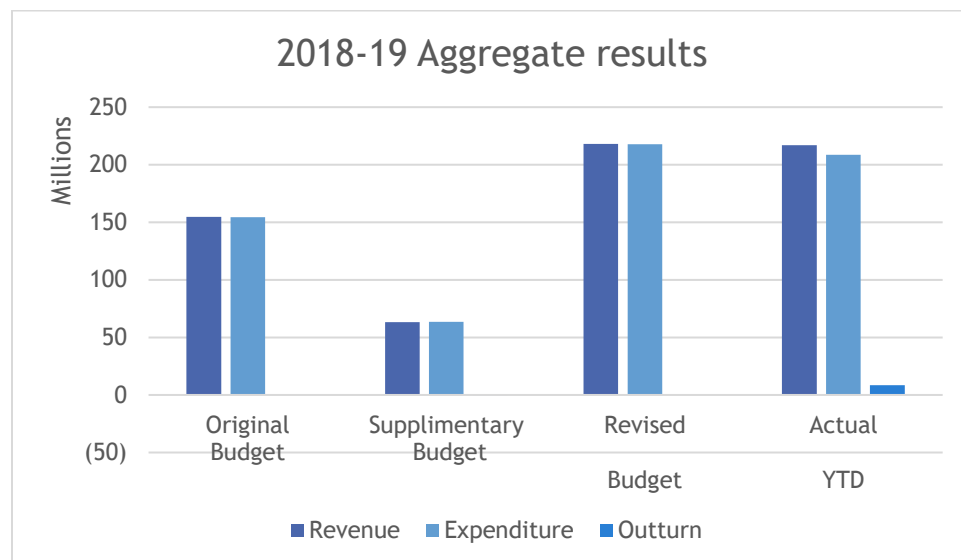


Figure 1 Aggregate budget results 2018-19

Contributions to the Nauru Trust Fund (NTF) each year are based on the previous year's actual revenue less any revenues that are provided as reimbursed costs associated with refugees/asylum seekers on the island. Similarly with respect to IMF recommendations that the Government should maintain the equivalent of two (2) months, non-RPC related expenditure as a Fiscal Cash Buffer, this is calculated based on actual expenditure during the year less the costs of operating the department of Multi-cultural Affairs (MCA) and non-expense items (loans to SoE's; contributions to the NTF and Fiscal Cash Buffer)

The calculated revenue for the 2019-20 NTF contribution and Fiscal Cash Buffer requirement is shown in Table 2.

Table 2 Nauru Trust Fund (2019-20) revenue calculation and Fiscal Cash Buffer requirements.

	Actuals
Actual Revenue	217,099,983
Less Pass-Through Revenue	
Loan receipts	(7,033,156)
MCA Operations 42-1577	(5,116,398)
MCA Reimbursable costs 42-1578	(14,978,678)
	<u>(27,128,232)</u>
<u>Government Revenue for NTF 2019-20</u>	<u>189,971,751</u>
Actual Expenditure	208,502,756
Less RPC expenditures and non-expense items	
Loan payments	7,033,155
Head 42 Multicultural Affairs costs	26,652,706
NTF contribution 2018-19	14,572,309
Fiscal Cash Buffer contribution	5,330,000
	<u>53,588,170</u>
<u>Government expenditure excluding RPC and non-expense items</u>	<u>154,914,586</u>
Average Monthly non-RPC expenditure	12,909,549
Two Month Cash Buffer requirement	<u>25,819,098</u>

Operating Revenue Analysis

During the year revenues have been increased by \$63.3 mil over the original budget estimates by the passage of the six Supplementary Appropriations. Actual revenue collections (\$217.1 mil) were consistent with the revised budget estimates. However, the 2018-19 revenue result is exceptional and inflated due to the prior-year fisheries revenues and windfall revenues associated with the extension of the *Canstruct* contract and unexpected service fees paid to Government.

During the fourth quarter other Government revenue; fishing licenses; taxation revenue and Customs duties were the highest revenue areas. Actual collections from taxation; fishing; visa fees and customs duties exceeded the revised budget estimates. Other Government revenue whilst high was slightly (\$772K) less than the revised budget.

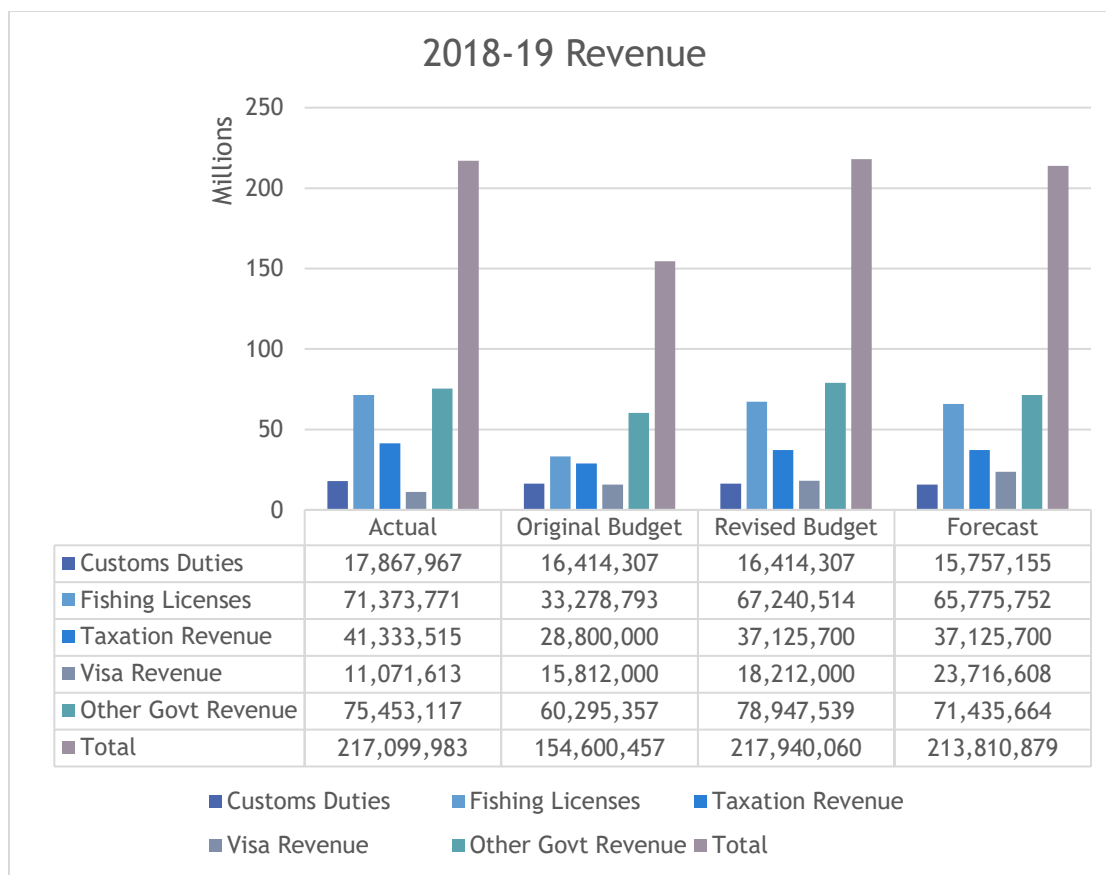


Figure 2 Revenue by major groups 2018-19

Fishing Revenues

Purse Seine fishing revenue estimates were increased by \$2.8mil in Supplementary No.6 from Parties to the Nauru Agreement (PNA) pooled days revenues being transferred from the PNA Secretariat. Actual collections exceeded this revised target by \$4.0 mil. Actual revenues were almost double the original budget estimates due to fishing revenues associated with pooled days under various agreements from prior years being paid to Government. In addition, there was some over selling of the fishing days allocated to Nauru. This was an exceptional revenue result and the expectation is that it will fall to budgeted levels in 2019-20.

Table 3 Fishing revenues 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
1055 - Support Vessel Charges	(278,483)	(126,056)	(237,392)	41,091
1071 - Purse Seine Revenue - Licensing	(1,447,472)	(882,392)	(1,361,928)	85,544
1072 - Purse Seine Revenue - Fishing Days	(69,647,816)	(32,270,345)	(65,641,194)	4,006,622
	<u>(71,373,771)</u>	<u>(33,278,793)</u>	<u>(67,240,514)</u>	4,133,257

Non-tax

Actual Other Government non-tax revenue collections of \$75.4 mil have been recorded and this group represents the highest area of Government revenue in 2018-19. The largest contribution to the group is from Service fees (\$27.0 mil) charged by the NRPC to *Canstruct*. Whilst this was the highest revenue item in the group and the estimate was increased by \$7.5 mil in Supplementary No.5 it collected approximately \$1.5 mil less than estimates.

Reimbursable costs associated with the department of Multi-cultural Affairs is the second largest revenue items contributing to the group. DJBC Operations (1577) exceeded budget expectations by \$2.6 mil whilst DJBC-reimbursable costs (1578) were \$3.3 mil below expectations. Similarly, Miscellaneous revenue was \$626K below revised estimates mainly due to MCA invoicing associated with office rentals that was not received.

Income from investments and dividend were \$1.4 mil greater than budget from Digicel dividend payments. Fees associated with DCA charges were collectively \$2.4 mil higher than budget due to Nauru Airlines paying previous year arrears.

Port fees (1400) were \$825K lower than original budget estimates due to failure to recover Port dues mainly from *Ronphos*.

Table 4 Non-tax revenues 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
1121 - Curator fees	(175,562)	0	0	175,562
1015 - Income from Investments & Dividends-Others	(1,746,867)	0	(300,000)	1,446,867
1215 - Licenses-Drivers etc.	(80,345)	(100,000)	(100,000)	(19,655)
1220 - Corporation Fees and Licenses	(177,625)	(20,000)	(20,000)	157,625
1225 - Licenses-Trading	(345,604)	(198,000)	(198,000)	147,604
1230 - Liquor Licensing Board	(28,629)	(29,500)	(29,500)	(871)
1235 - Gaming / Bingo Licenses	(378,173)	(420,000)	(420,000)	(41,827)
1260 - Birth Certificate	(26,410)	(16,730)	(16,730)	9,680
1265 - Death Certificate	(720)	(480)	(480)	240
1270 - Marriage Certificate	(3,050)	(1,670)	(1,670)	1,380
1300 - Registration Fees-Motor Cars	(68,207)	0	0	68,207
1305 - Registration Fees-Motorcycles	(4,965)	0	0	4,965
1310 - Vehicle/Insurance Fees	(182,313)	0	0	182,313
1325 - Passport Fees and Photographs	(315,117)	(197,640)	(197,640)	117,477
1340 - Police Clearance	(49,095)	(45,000)	(45,000)	4,095
1360 - D.C.A-Pax Levy	(1,845,600)	(968,700)	(968,700)	876,900
1365 - D.C.A.-Departure Taxes	(1,746,500)	(879,600)	(879,600)	866,900
1370 - D.C.A.-Air Navigation Fees	(984,842)	(684,000)	(684,000)	300,842
1375 - D.C.A.-Landing Fees	(1,073,036)	(728,688)	(728,688)	344,348
1380 - D.C.A.-Rental Fees	(133,098)	(211,800)	(211,800)	(78,702)
1400 - Port Fees	(1,239,511)	(2,065,106)	(2,065,106)	(825,595)
1420 - Warehouse sales	(30,158)	(152,230)	(152,230)	(122,072)
1475 - Miscellaneous Revenue	(5,268,304)	(3,884,660)	(5,894,955)	(626,651)

Description	Actual	Original Budget	Revised Budget	Difference
1480 - Bus Services	(2,364)	0	0	2,364
1485 - Quarantine Fees	(46,650)	(45,000)	(45,000)	1,650
1490 - Court Fines and Fees	(855,118)	(480,418)	(790,376)	64,742
1495 - Service Fees	(27,035,253)	(16,008,900)	(28,508,900)	(1,473,647)
1500 - Sale of Maps	(9,820)	0	0	9,820
1520 - Food Handler Check up	(6,000)	(5,000)	(5,000)	1,000
1540 - Advertising Revenue	(6,044)	(30,000)	(30,000)	(23,956)
1550 - Canteen Fees	(500)	0	0	500
1555 - Spectacles, Drugs etc.	(880)	(5,000)	(5,000)	(4,120)
1565 - Medical Services	(4,401)	(5,000)	(5,000)	(599)
1577 - DJBC - Operations	(5,116,398)	(2,460,860)	(2,460,860)	2,655,538
1578 - DJBC - Reimbursable Costs	(14,978,678)	(18,308,320)	(18,308,320)	(3,329,642)
1660 - General Budget Support	(4,256,757)	(12,183,055)	(8,650,984)	(4,394,227)
1675 - Repayment of Business loans(CIE)	(750)	0	0	750
1700 - National/District Roll Sales	(3,600)	(10,000)	(10,000)	(6,400)
1705 - Electoral Various Fees	(193,020)	(150,000)	(150,000)	43,020
1901 - Exim Loan Equipment Receipt	(7,033,156)	0	(7,064,000)	(30,844)
	<u>(75,453,117)</u>	<u>(60,295,357)</u>	<u>(78,947,539)</u>	(3,494,422)

Taxation revenue

Taxation revenues performed well above original estimates and exceeded the revised budget estimates by \$4.2 mil due to better than expected Employment/Withholding tax returns and higher Telecom tax receipts. The continuation of the *Canstruct* contract and higher than expected levels of expatriate employment have boosted the result.

Table 5 Taxation revenue 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
1190 - Telecom Tax	(2,158,401)	(1,800,000)	(1,800,000)	358,401
1590 - Employment/Non-resident Withholding Tax	(16,975,366)	(12,000,000)	(13,025,700)	3,949,666
1591 - Business Profit Tax	(22,199,748)	(15,000,000)	(22,300,000)	(100,252)
	<u>(41,333,515)</u>	<u>(28,800,000)</u>	<u>(37,125,700)</u>	4,207,815

Visa Fees

Visa fees revenue was \$7.1 mil below the revised budget estimates. Item 1580 (Visa Fees -RPC Resettlement) collections were \$7.0 mil short of estimates. This result is lower than the original budget estimate. The original estimate was increased by \$2.4 mil-in Supplementary No.3 based on advice from MCA that ABF had agreed to pay previous year fees, this apparently did not eventuate. Similarly 1335 (Visa Fees -RPC) were \$432K below the original budget estimates presumably due to lower numbers of asylum seeker residing on the island. Other Business (1575) collected \$276K more than the estimates.

Table 5 Visa Revenues 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
1330 - Visa Check up	(8,621)	(12,000)	(12,000)	(3,379)
1335 - Visa Fees - RPC	(768,200)	(1,200,000)	(1,200,000)	(431,800)
1575 - Visa Fees (Other Business)	(2,876,362)	(2,600,000)	(2,600,000)	276,362
1580 - Visa Fees - RPC Resettlement	(7,418,430)	(12,000,000)	(14,400,000)	(6,981,570)
	<u>(11,071,613)</u>	<u>(15,812,000)</u>	<u>(18,212,000)</u>	(7,140,387)

Import Duties

Overall Customs revenues were \$1.5 mil higher than the unchanged original budget estimates. Duties on Tobacco; Machinery and Diesel were higher than the estimates whilst Alcohol and Other duties were lower.

Table 6 Import duties 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
1140 - Customs and Excise Duty - Tobacco	(5,338,101)	(4,772,288)	(4,772,288)	565,813
1145 - Customs and Excise Duty - Alcohol	(1,133,629)	(2,019,600)	(2,019,600)	(885,971)
1150 - Customs and Excise Duty - Sugar	(851,084)	(642,419)	(642,419)	208,665
1155 - Customs and Excise - Machinery/Vehicle/Equip.	(1,096,543)	(680,000)	(680,000)	416,543
1160 - Customs and Excise Duty - Other	(2,676,933)	(3,000,000)	(3,000,000)	(323,067)
1165 - Customs and Excise Duty - Petrol Sales	(2,238,392)	(2,200,000)	(2,200,000)	38,392
1170 - Customs and Excise Duty - Diesel Sales	(4,323,557)	(3,000,000)	(3,000,000)	1,323,557
1175 - Customs and Excise Duty - JetA1	(209,729)	(100,000)	(100,000)	109,729
	<u>(17,867,967)</u>	<u>(16,414,307)</u>	<u>(16,414,307)</u>	1,453,660

Operating Expenditure Analysis

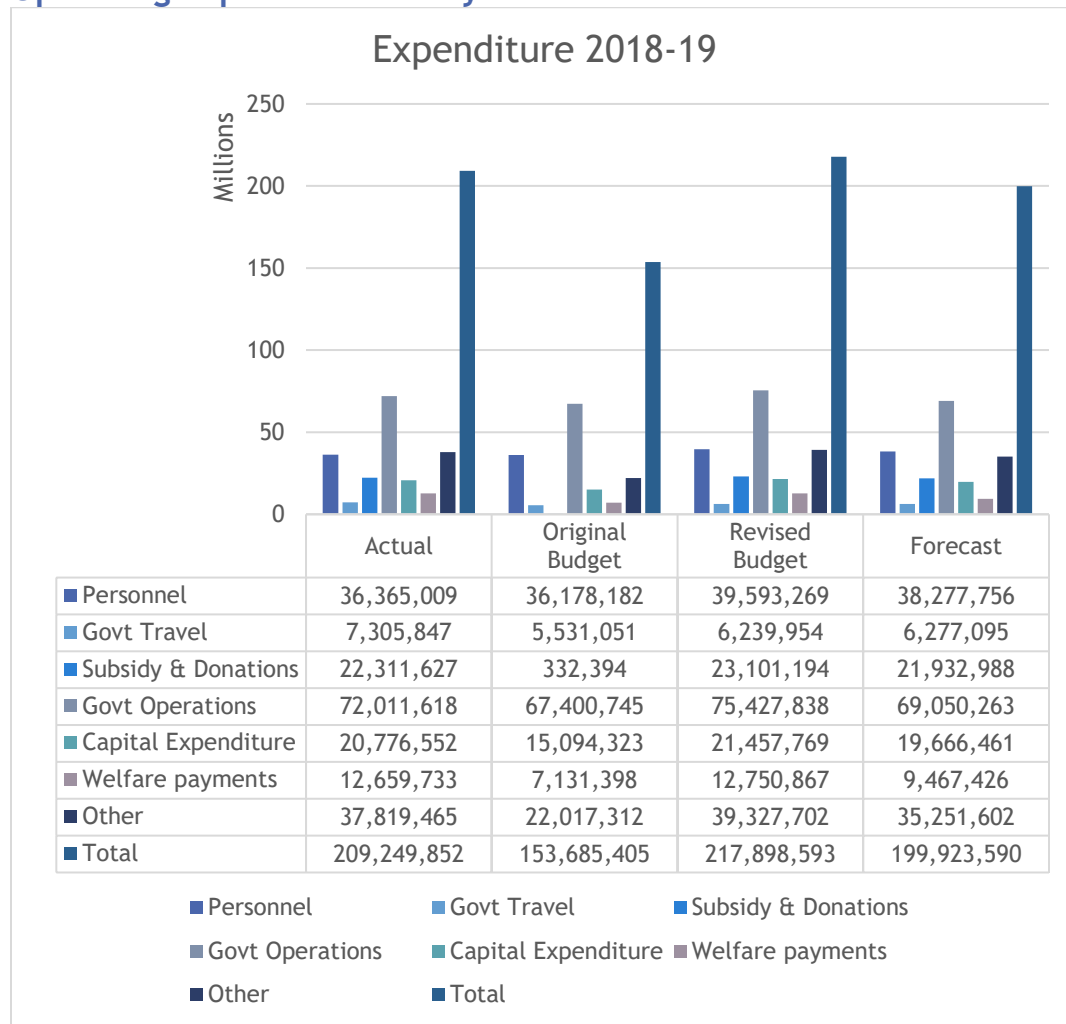


Figure 3 Expenditure by major groups 2018-19

The grouping of expenditures has been aligned with those used in the preparation of the budget document and the Government's Fiscal Management Model (FMM). This has been done to improve reporting consistency across in-year budget reporting and to allow easier comparison between documents. Differences in the groupings can be determined from comparison of the spending tables.

Expenditure on Goods and Services as represented by Government operations was the largest area of expenditure representing and at \$72.0 mil accounted for 34% of total spending. Overall it was \$3.4 mil underspent. Other spending was the second highest area of outlays (18% and \$1.5 mil underspent). This grouping of expenditure however includes loan disbursement and non-expense items such as NTF contributions and additions to the Fiscal Cash Buffer. Personnel costs were 17% of outlays and were \$3.2 mil underspent.

Expenditure on Subsidies and donations increased from 5% of outlays at the mid-year to 11% (\$22.3 mil) at the year end. This was due to subsidies having to be paid to maintain the operations of SoE's during the year. Capital expenditure increased and represented 10% of spending.

In aggregate Welfare payments were 6% of outlays and Government Travel was 3% of outlays with Travel expenditure about \$1.0 mil more than the revised budget².

Personnel Spending

Overall Personnel spending costs were \$3.2 mil less than revised budget estimates. The largest underspent items were Local Salaries (2015) and GON Contributions to superannuation (2651). The only item that was in aggregate overspent was Salaries Expatriate (2020). The overspending occurred in Health; Home Affairs; CIE and MCA.

Table 7 Salaries and Wages expenditure 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2005 - Salaries & Allowances - (MP's)	996,228	1,164,139	959,939	36,289
2010 - HE Salary & Allowances	100,032	105,034	105,034	(5,002)
2015 - Salary - Local	20,437,099	18,706,672	22,188,217	(1,751,117)
2020 - Salary Expatriate	8,669,984	9,264,667	8,410,147	259,838
2025 - Allowances - Staff Contract	1,702,546	2,018,263	1,989,360	(286,814)
2026 - Directors Fees	14,070	54,150	35,370	(21,300)
2035 - Overtime - local	784,219	819,930	874,230	(90,011)
2040 - Staff Training	845,341	1,442,674	1,060,093	(214,753)
2045 - Recruitment	30,991	79,000	80,600	(49,609)
2050 - Uniforms & Protective Clothing	280,057	362,653	387,689	(107,632)
2072 - Meals and Drinks - Staff	88,126	0	88,590	(464)
2651 - GON Contributions	2,416,316	2,161,000	3,414,000	(997,684)
	<u>36,365,009</u>	<u>36,178,182</u>	<u>39,593,269</u>	(3,228,260)

Goods and Services

Spending on Goods and Services was in aggregate \$3.4 mil below revised budget estimates. The largest savings were in Legal fees; Salaries Other Contracts; House Rentals and Utilities. Overseas Medical Referrals (2475) was provided a further \$1.8 mil in Supplementary No.5 which was close to fully expended.

Table 8 Goods and Services expenditure 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2030 - Salaries - Other Contracts	27,372,493	27,269,166	27,739,450	(366,957)
2055 - Consultants fees	5,708,896	2,028,795	5,919,692	(210,796)
2060 - Legal Fees - External	143,552	1,100,000	664,545	(520,993)
2061 - Incorporation fees	2,575	0	2,575	0
2100 - Entertainment	766,463	628,656	852,202	(85,739)
2105 - Official Celebrations	358,957	377,475	394,278	(35,321)

² The over-expenditure resulted from *Our Travel* expenditure not being brought to account on the FMIS. However, the actual travel expenditure has been adjusted to incorporate the un-recorded expenditure.

Description	Actual	Original Budget	Revised Budget	Difference
2110 - Protocol	85,284	63,500	88,500	(3,216)
2130 - Printing & Stationery	640,086	670,305	798,695	(158,609)
2132 - TVET Supplies	525,222	527,000	527,000	(1,778)
2135 - Stores	427,481	546,844	536,374	(108,893)
2155 - House Rental	4,802,028	5,847,505	5,095,874	(293,846)
2160 - Land Rental	7,550,058	7,656,460	7,581,739	(31,681)
2165 - Office Rental	418,781	580,158	451,909	(33,128)
2185 - R&M - Buildings	1,545,772	1,205,548	1,785,646	(239,874)
2190 - R&M - Office Equipment	70,942	152,479	109,329	(38,387)
2191 - R&M Medical Equipment	82,841	247,230	47,230	35,611
2195 - R&M - Office Premises	55,543	39,335	54,160	1,383
2200 - R&M - Motor Vehicles	300,607	133,411	346,151	(45,544)
2205 - R&M - Plant	182,925	323,421	231,901	(48,976)
2210 - R&M - Aerodrome	118,581	68,400	118,845	(264)
2225 - Agricultural Supplies	24,564	28,000	28,000	(3,436)
2255 - Warehouse Procurement	85,205	200,000	200,000	(114,795)
2275 - Purchase of Petrol	583,767	478,229	621,032	(37,265)
2280 - Purchase of Diesel	922,193	629,206	954,123	(31,930)
2290 - Purchase of Fuel - Other	1,703	10,793	1,703	0
2315 - Utilities	3,686,165	4,097,364	4,147,539	(461,374)
2330 - Telephone / Internet	2,246,620	2,558,525	2,521,867	(275,247)
2350 - Freight	1,957,647	2,000,000	2,000,000	(42,353)
2372 - Nauru Radio Supplies	11,687	13,000	13,000	(1,313)
2373 - Media TV Supplies	23,700	25,050	29,422	(5,722)
2375 - ICT Supplies	60,927	74,105	64,105	(3,178)
2460 - Medical Expenses	11,846	15,571	15,571	(3,725)
2461 - Primary Health Care Services	52,599	52,731	54,231	(1,632)
2463 - Environmental Health and Food safety	70,085	50,000	70,500	(415)
2464 - Management Monitoring & Evaluation	2,772	20,000	5,800	(3,028)
2467 - Drugs and Medicines	800,000	700,000	800,000	0
2468 - Dental Supplies	69,417	90,000	90,000	(20,583)
2469 - Dialysis Supplies	359,109	350,000	350,000	9,109
2471 - Medical Consumable	699,050	700,000	700,000	(950)
2472 - Laboratory supplies	399,283	348,000	398,000	1,283
2473 - Radiology Supplies	19,996	20,000	20,000	(4)
2474 - Clinical Education Supplies	19,266	20,000	20,000	(734)
2475 - Overseas Medical Treatment	5,029,654	2,000,000	4,997,567	32,087
2575 - Local Transport	954,089	1,335,871	1,041,732	(87,643)
2585 - Rations	2,557,796	2,013,771	2,670,244	(112,448)
2590 - Correctional Services Supplies	6,823	13,122	8,032	(1,209)
2600 - Postage	3,515	12,269	13,489	(9,974)
2605 - Library/Periodicals	0	2,000	770	(770)

Description	Actual	Original Budget	Revised Budget	Difference
2610 - Survey Supplies	1,215	2,000	1,450	(236)
2620 - Lease & Charter Payments	55,689	56,500	56,500	(811)
2625 - Family Court Expenses	3,000	6,000	4,118	(1,118)
2630 - Safe House	133,153	12,950	182,950	(49,797)
	<u>72,011,618</u>	<u>67,400,745</u>	<u>75,427,838</u>	(3,416,220)

Social Expenditure

Social spending was slightly less (\$91K) below expectations. With the exception of Disability Payments (2420) all items were underspent. Disability payment spending exceeded the revised budget by \$55K.

Table 9 Social Expenditures 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2220 - Nauru Community Housing	6,817,608	2,050,000	6,832,194	(14,586)
2390 - Social Welfare - Birth Claims	33,500	30,000	35,000	(1,500)
2395 - Social Welfare - Death Claims	156,720	130,000	170,000	(13,280)
2400 - Social Services - Aged Pensions	2,075,950	2,080,000	2,080,000	(4,050)
2405 - Social Services - Super Contributors	84,632	130,000	130,000	(45,368)
2410 - Social Services - Super Ex MP's	956,390	120,000	970,000	(13,610)
2420 - Social Services - Disability Payments	835,370	780,000	780,000	55,370
2440 - Scholarships - School & Trade	1,699,563	1,811,398	1,753,673	(54,110)
	<u>12,659,733</u>	<u>7,131,398</u>	<u>12,750,867</u>	(91,134)

Capital spending

Capital spending was underspent by \$681K with most of the underspending in the area of Plant and Equipment purchases (2495). It is thought that this level of underspending is due to on-going issues with procurement. The largest capital expenditure was \$16.4 mil for Buildings & Structures (2496) most of which was for the the Government's required contribution to the Port Project

Table 10 Capital Expenditure 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2480 - Medical Equipment	311,260	113,400	313,400	(2,140)
2495 - Plant & Equipment Purchases	2,444,346	1,471,386	2,911,187	(466,841)
2496 - Building and Structures	16,439,291	13,456,237	16,611,779	(172,488)
2580 - Public Works	1,581,655	53,300	1,621,404	(39,749)
	<u>20,776,552</u>	<u>15,094,323</u>	<u>21,457,769</u>	(681,217)

Subsidies and Donations

During the quarter the Government provided in Supplementary No.5 for a \$500K to Sports as a local donation for participation in the Pacific games in Samoa. In Supplementary No.6 it provided a \$1.5 mil

subsidy to the Nauru Phosphate Royalty Trust (NPRT) to enable the trust to pay some of its outstanding *Ronwan* debt.

Table 11. Subsidies and Donations 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2376 - Equity Purchases	8,900,000	0	8,900,000	0
2615 - Other Subsidies & Donations	2,167,456	332,394	2,258,214	(90,758)
2616 - Subsidies to SoEs	10,653,834	0	11,260,506	(606,672)
2617 - Donations - local	590,337	0	682,474	(92,137)
	<u>22,311,627</u>	<u>332,394</u>	<u>23,101,194</u>	<u>(789,567)</u>

Other Government spending

Other Government spending includes debt repayments and non-expense item spending such as contributions to the Nauru Trust Fund (NTF). The largest expense item in the group is NTF contributions (2650) and the full \$14.6 mil was expensed and included a \$2.0 mil pre-payment of the 2019-20 contributions.

The Exim Equipment Loan (2801) funds to *Ronphos* was almost fully expended during the quarter. In Supplementary No.6 a further \$500K loan was provided to *Ronphos* (2802). Cabinet is to determine the conditions of the loan. The debt repayments represent arrears payments made to NUC and the settlement of Health arrears associated with Overseas Medical Referrals. Funds provided for BoN liquidation payments have been slightly overspent.

Table 12 Other Expenditures 2018-19

Description	Actual	Original Budget	Revised Budget	Difference
2370 - Membership Fees & Subscriptions	700,467	934,373	838,405	(137,938)
2545 - Debt Repayments - Other	3,447,260	4,165,369	3,947,404	(500,144)
2560 - Educational Expenses - Special	30,112	61,696	45,504	(15,392)
2565 - Insurance	386,269	447,590	445,938	(59,669)
2570 - Bank Charges	26,342	29,865	30,015	(3,673)
2650 - Trust Fund	14,572,309	12,000,000	14,573,000	(691)
2652 - Fiscal Cash Buffer	5,330,000	1,000,000	5,330,510	(510)
2680 - BON Liquidation- Payment	824,859	0	1,000,000	(175,141)
2690 - Foreign exchange gains/losses	0	10,184	47,283	(47,283)
2695 - 50th Anniversary Independence	4,819,189	2,669,000	4,838,000	(18,811)
2700 - Deportee Removal	12,008	30,000	22,000	(9,992)
2705 - NEAT Scheme	137,495	169,235	145,643	(8,148)
2801 - Exim Loan Equipment Expenditure	7,033,155	0	7,064,000	(30,845)
2802 - Loan Expenditure Account	500,000	0	500,000	0
2999 - Contingency fund	0	500,000	500,000	(500,000)
	<u>37,819,465</u>	<u>22,017,312</u>	<u>39,327,702</u>	<u>(1,508,236)</u>

Cash Flow Position

Total Funds declined during the quarter from \$86.1 mil to \$84.7 mil at the year end. Receipt of Fisheries; Business Profits Tax revenues and receipt of Service Fee revenue accounted for the major cash flows during the quarter. Treasury Available funds declined from \$52.7 mil to \$47.6 mil). The Government will commence the 2019-20 year meeting the 25.6 mil IMF recommendation to provide for 2 months non-RPC spending.

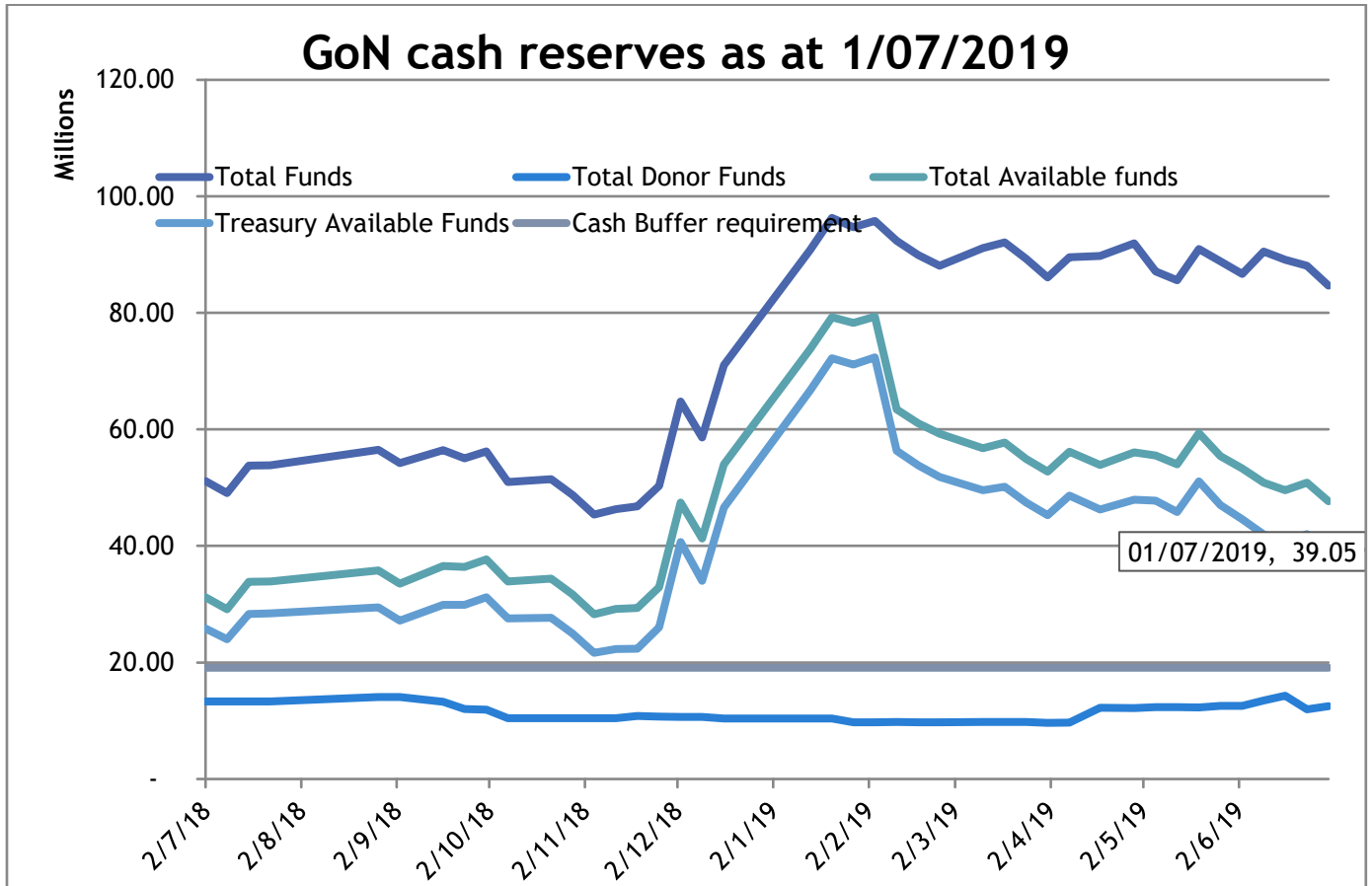


Figure 4 GoN Cash Flow 2018-19