



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT QUARTER 2 2020-21

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 2 2020-21

INTRODUCTION

This is the performance report for the second quarter of the 2020-21 Budget year for the Republic of Nauru. It provides revenue and expenditure data recorded by Treasury for the period 1 July 2020 to 31 December 2020. It is based on all available information to Treasury as at 11 January 2021.

- In aggregate, actual year to date performance is in line with expectations, with 59 per cent of total expected annual revenue collected and 44 per cent of total expenditure spent to 31 December 2020.
- This reflects the seasonal nature of revenue collections, the timing of lumpy one-off expenditure payments, and the better than expected economic conditions over the first half of the financial year.

This report covers General Government operations. It does not include donor expenditures nor the operations of State-owned enterprises (SoE's), except where transfers from the Government have been made to donor projects or as subsidies/loans to SoE's. It includes receipts from direct budget support donor funding. All figures are in Australian dollars.

OVERVIEW

MACROECONOMIC ASSUMPTIONS

The macro-economic assumptions for Nauru have been updated following publication of the International Monetary Fund (IMF) World Economic Outlook in October 2020.

The IMF has acknowledged Nauru's success in deploying containment efforts rapidly and comprehensively, averting an outbreak of COVID-19. This success, together with the size of the public sector as a source of aggregate demand and employment, has led to the IMF upgrading its growth forecast for Nauru.

Instead of a contraction of 1.7 per cent of Gross Domestic Product (GDP) in 2020 as expected at the time the 2020-21 Budget was prepared (April 2020), the IMF now expects the economy to expand by 0.7 per cent year on year (October 2020). The inflation outlook has also softened to around 1 per cent. The nominal GDP estimate for 2020-21 is now \$178 million.

SUPPLEMENTARY APPROPRIATIONS

There was one supplementary appropriation in the quarter, to recognise the Government's decision to support Nauru Airlines Corporation to purchase replacement aircraft, to be funded from a new loan from Exim Bank supported by the Republic of China (ROC), Taiwan. It also recognised an update to expected revenue from the issue of fishing licence days, and expenditure decisions made since the 2020-21 Budget.

- Supplementary Appropriation Bill (No.1) 2020-21 recognised additional Government revenue of \$52.8 million in 2020-21, and \$52.8 million in expenditure was appropriated for 2020-21, with a surplus balance of \$20 thousand.

FISCAL RESPONSIBILITY RATIOS

The Government has adopted the following fiscal responsibility ratios:

- Fiscal balance to GDP ratio must not be negative – budget must at least be in balance
- Fiscal cash buffer – cash reserves up to the equivalent of two months non-RPC related expenditure must be available
- Personnel costs to current expenditure to be less than 30 per cent.

All ratios were met at the end of the quarter, as shown in Table 1 and Table 2.

Table 1: Fiscal responsibility ratio performance Q2 2020-21

Measure	Target	2019-20 Actual	2020-21 Approved Budget	2020-21 Revised Budget	2020-21 YTD Actual
Fiscal balance to GDP	not negative as % of GDP	16%	0.02%	0.03%	22%
Personnel cost ratio	Personnel cost to current expenditure <30%	19%	28%	22%	22%

The IMF recommends that Nauru hold a cash buffer of two-months current Government expenditure to manage liquidity risks. The buffer target is calculated by taking total budgeted expenditure less RPC expenditure (using a proxy of the MCA Budget) and non-expense items. The level of the buffer changes when the expenditure estimates are updated, usually after a supplementary appropriation. The most recent balances are shown in Table 2.

Government liquidity has continued to improve and is now in a sound position. The cash buffer accounts hold more than the minimum two months of adjusted expenditure. More detail on cash balances is shown in Figure 4.

Table 2: GON Liquidity and fiscal cash buffer Q2 2020-21

	Cash Buffer	Total Funds (\$)		
	Requirement (\$)	at 1 July 2020	at 30 Sept 2020	at 31 Dec 2020
Cash available at 1 July 2020	26,408,403	117,281,211		
Cash available at 30 Sept 2020	26,408,403		130,507,799	
Cash available at 31 December 2020	35,763,229			151,287,939
<i>of which held in cash buffer accounts</i>		<i>29,306,119</i>	<i>34,957,902</i>	<i>40,029,844</i>

BUDGET AGGREGATES

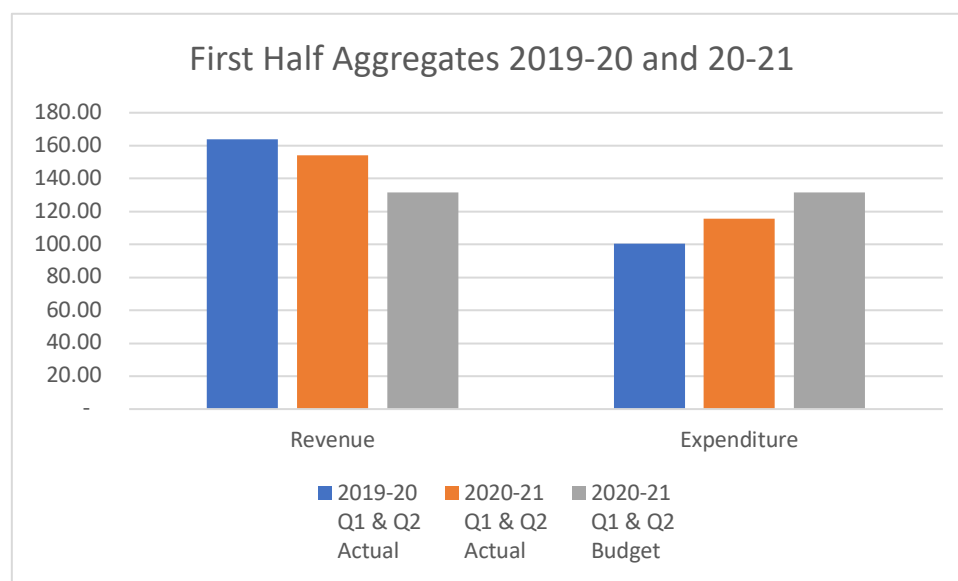
The budget aggregates for the year to date are shown in Table 3 and Figure 1. Performance has been in line with expectations. Revenue collections in the year to date were lower than the same period last year, mainly reflecting lower than usual fisheries revenue receipts to December 2020, due to pandemic related delays in signing agreements, offset by better than expected economic conditions in Nauru impacting tax and customs receipts. Fisheries revenue is expected to recover in the next quarter.

Expenditure was higher than the same period last year, but consistent with the higher budget allocation and tendency for expenditure to accelerate as the year progresses.

Table 3 Aggregate results Q2 2020-21

	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$		\$
Revenue	269,410,139	210,483,272	52,792,293	263,275,565	154,136,230	59%	109,139,335
Expenditure	241,988,863	210,444,381	52,771,812	263,216,193	115,593,465	44%	147,622,728
Balance	27,421,276	38,891	20,481	59,372	38,542,765	-	38,483,393

Figure 1 Budget aggregate results for H1 2019-20 and 2020-21 (\$ million)



OPERATING REVENUE ANALYSIS

Actual revenues for the year to date are summarised in Table 4. Revenues are highly seasonal, with most revenue collected in the first half of the year. Overall revenue collections are as expected, with some delays in fisheries revenue collections due to the logistics of operating in a pandemic environment, offset by better than expected economic conditions in Nauru impacting tax and customs receipts.

Revenue estimates are determined by the assumptions in place at the time of the 2020-21 Budget in June 2020. A key assumption was that the RPC would cease operations in December 2020, and this assumption mainly impacted on tax and non-tax revenue estimates. The RPC has now been extended until 30 June 2020, and these estimates will need to be updated at the next opportunity to reflect six months of additional collections.

The new item in Other and the boost to expected grants revenue in Supplementary No 1, reflects the expected revenue from a loan from Exim Bank to support the aircraft replacement program. This loan is expected to be funded once new aircraft are purchased, as they will be collateral for the loan. This is expected before the end of the financial year.

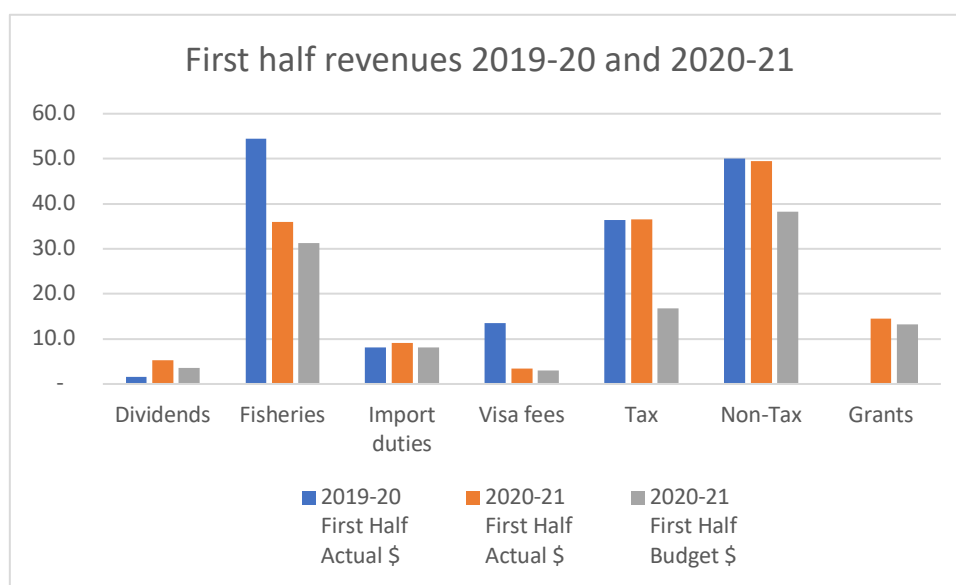
Table 4: Revenue breakdown Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
Dividends	2,250,330	7,150,000	-	7,150,000	5,318,810	74%	1,831,190
Fisheries	73,279,152	54,530,000	8,125,000	62,655,000	35,944,107	57%	26,710,893
Import duties	17,840,137	16,136,746	-	16,136,746	9,053,803	56%	7,082,943
Visa fees	21,086,732	5,986,505	-	5,986,505	3,376,130	56%	2,610,375
Tax	65,383,946	33,480,000	-	33,480,000	36,484,409	109%	(3,004,409)
Non-Tax	79,107,991	75,360,021	1,000,000	76,360,021	49,439,150	65%	26,920,871
Grants	10,461,850	17,840,000	8,737,293	26,577,293	14,519,822	55%	12,057,471
Other	-	-	34,930,000	34,930,000	-	-	34,930,000
Total	269,410,139	210,483,272	52,792,293	263,275,565	154,136,230	59%	109,139,335

Figure 2 illustrates revenue collections for the year to date compared to the same period last year.

Revenue collections in the first half of 2020-21 were overall not as strong as the same period last year. Lower fisheries revenues received during the period reflected delays in signing agreements, and should recover in the next quarter. Visa fee revenue reflects the wind-down of RPC. Import duty collections reflect better than expected economic conditions than anticipated at budget.

Figure 2 Revenue collections for H1 2019-20 and 2020-21



The RPC is a key source of economic activity and revenue for the Government, as illustrated in Table 5. The 2020-21 Budget estimates assumed only six months of revenue for these lines. All these revenues are at risk as the RPC winds down towards an enduring capability. With the extension of RPC arrangements to 30 June 2021, all these revenue lines will be boosted.

Table 5: RPC Related Revenues Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1335 - Visa Fees - RPC	2,013,000	480,000	-	480,000	717,000	149%	(237,000)
1580 - Visa Fees - RPC Resettlement	16,816,434	3,600,000	-	3,600,000	1,572,000	44%	2,028,000
1475 - Miscellaneous Revenue	32,119,611	7,370,900	-	7,370,900	4,960,864	67%	2,410,036
1495 - Service Fees	19,453,145	10,088,678	-	10,088,678	8,345,865	83%	1,742,813
1577 - DJBC - Operations	3,369,827	2,289,963	-	2,289,963	2,005,582	88%	284,381
1578 - DJBC - Reimbursable Costs	18,933,723	15,257,699	-	15,257,699	5,954,917	39%	9,302,782
1598 - Hosting Fee	-	36,983,331	-	36,983,331	26,416,665	71%	10,566,666
1590 - Employment/Non-resident Withholding Tax	19,914,790	9,200,000	-	9,200,000	9,918,540	108%	(718,540)
1591 - Business Profit Tax	42,880,470	22,280,000	-	22,280,000	24,953,077	112%	(2,673,077)
Total RPC related revenue	155,500,999	107,550,571	-	107,550,571	84,844,510	79%	22,706,061
Share of total revenue	58%	51%		41%	55%		21%

FISHING REVENUE

Fishing revenue collections are highly seasonal, with the majority of revenue usually being received in the second quarter (Table 6). Fishing day revenues were below what would usually be received up to December 2020, reflecting the administrative difficulties of operating in a pandemic environment and delays in signing agreements. They are expected to recover in the next quarter.

Table 6: Fishing revenues Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1055 - Support Vessel Charges	326,526	230,000	-	230,000	218,497	95%	11,503
1071 - Purse Seine Revenue - Licensing	1,745,909	1,300,000	-	1,300,000	1,311,042	101%	(11,042)
1072 - Purse Seine Revenue - Fishing Days	71,206,717	53,000,000	8,125,000	61,125,000	34,414,568	56%	26,710,432
Total Fisheries Revenue	73,279,152	54,530,000	8,125,000	62,655,000	35,944,107	57%	26,710,893

TAXATION REVENUE

Taxation revenues exceeded expectations in the quarter (Table 7), reflecting more buoyant economic conditions than anticipated in the 2020-21 Budget. The RPC extension for another six months will further boost these revenue lines in coming quarters.

Table 7: Taxation revenue Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	2,588,686	2,000,000	-	2,000,000	1,612,792	81%	387,208
1590 - Employment/Non-resident Withholding Tax	19,914,790	9,200,000	-	9,200,000	9,918,540	108%	(718,540)
1591 - Business Profit Tax	42,880,470	22,280,000	-	22,280,000	24,953,077	112%	(2,673,077)
Total Tax	65,383,946	33,480,000	-	33,480,000	36,484,409	109%	(3,004,409)

CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections were better than expected in the year to date, due to more buoyant economic conditions and compliance activity (Table 8). Lower diesel excise revenue reflected a Government decision to exempt Ronphos and NRC from paying these duties.

Table 8 Customs and other Import duties Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	5,716,626	5,726,746	-	5,726,746	3,326,225	58%	2,400,521
1145 - Customs and Excise Duty - Alcohol	1,429,190	2,040,000	-	2,040,000	763,678	37%	1,276,322
1150 - Customs and Excise Duty - Sugar	929,814	920,000	-	920,000	771,537	84%	148,463
1155 - Customs and Excise - Machinery/Vehicle/Equip.	1,058,734	830,000	-	830,000	427,026	51%	402,974
1160 - Customs and Excise Duty - Other	2,470,400	2,100,000	-	2,100,000	1,571,711	75%	528,289
1165 - Customs and Excise Duty - Petrol Sales	2,294,837	1,800,000	-	1,800,000	1,322,876	73%	477,124
1170 - Customs and Excise Duty - Diesel Sales	3,940,535	2,700,000	-	2,700,000	870,750	32%	1,829,250
1175 - Customs and Excise Duty - JetA1	-	20,000	-	20,000	-	0%	20,000
Total Customs and Excise Duty	17,840,137	16,136,746	-	16,136,746	9,053,803	56%	7,082,943

VISA FEES

Total revenue from visa fees was broadly in line with expectations, with higher revenue from Visa Fees – RPC than expected at budget (see Table 9). This reflected a higher number of refugees on Nauru than anticipated in the budget estimates.

Table 9 Visa fees Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1330 - Visa Check up	10,469	6,505	-	6,505	1,218	19%	5,287
1335 - Visa Fees - RPC	2,013,000	480,000	-	480,000	717,000	149%	(237,000)
1575 - Visa Fees (Other Business)	2,246,829	1,900,000	-	1,900,000	1,085,912	57%	814,088
1580 - Visa Fees - RPC Resettlement	16,816,434	3,600,000	-	3,600,000	1,572,000	44%	2,028,000
Total Visa Fees	21,086,732	5,986,505	-	5,986,505	3,376,130	56%	2,610,375

OTHER REVENUE – DIVIDENDS, GRANTS AND OTHER

Revenue in this category was in line with expectations (Table 10).

The new item in Other from Supplementary No 1, reflects the expected revenue from a loan from Exim Bank to Nauru to support the aircraft replacement program being implemented by Nauru Airlines Corporation.

The Aircraft replacement program includes, amongst other things, the purchase of two Boeing 737-700 aircraft to replace and upgrade the existing Boeing 737-300 passenger aircraft, to provide safer, more reliable, more cost-efficient aircraft and a better passenger experience for all travelling on Nauru Airlines.

In October 2020, the Government and Parliament approved the investment of USD \$24.95 million in the Aircraft Replacement Program, through the raising of a finance facility of USD \$24.95 million with the Taiwan Exim Bank, with an indicative term of 12 years and indicative interest being six months LIBOR + 0.8%.

The loan is expected to be financed once suitable aircraft have been purchased, as the aircraft will be collateral for the loan. Loan re-payments for the first three years will, in large part, be met from additional donor support from ROC Taiwan.

Table 10 Dividends, Grants and Other Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1015 - Income from Investments & Dividends-Others	2,250,330	7,150,000	-	7,150,000	5,318,810	74%	1,831,190
1660 - General Budget Support	10,461,850	17,840,000	8,737,293	26,577,293	14,519,822	55%	12,057,471
1903 - EXIM NAC Loan Proceeds	-	-	34,930,000	34,930,000	-	-	34,930,000
Total Dividends , Grants and Other	12,712,181	24,990,000	43,667,293	68,657,293	19,838,632	29%	48,818,661

NON-TAX REVENUE

Non-tax revenue collections in the year to date were in line with expectations, and reflect lumpy payments related to RPC Hosting fees and outstanding navigation fees due to Nauru from Air Services Australia (ASA), as well as better than expected economic conditions (Table 11). Vehicle insurance and registration fees are ahead of budget, reflecting time lags related to vehicles purchased at the end of the 2019-20 financial year.

Table 11 Non-tax revenues Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1121 - Curator fees	50,843	5,000.00	-	5,000.00	1,474	29%	3,526
1215 - Licenses-Drivers etc	106,502	80,000	-	80,000	65,284	82%	14,716
1220 - Corporation Fees and Licenses	125,855	120,000	-	120,000	234,900	196%	(114,900)
1225 - Licenses-Trading	582,560	500,000	-	500,000	163,015	33%	336,985
1230 - Liquor Licensing Board	15,628	16,000	-	16,000	19,936	125%	(3,936)
1235 - Gaming / Bingo Licenses	224,166	280,000	-	280,000	19,000	7%	261,000
1240 - Licenses-Dogs etc	-	-	-	-	83		(83)
1246 - Drones Licenses	-	-	-	-	1,200		(1,200)
1260 - Birth Certificate	22,980	22,000	-	22,000	5,840	27%	16,160
1265 - Death Certificate	880	650	-	650	380	58%	270
1270 - Marriage Certificate	3,100	2,800	-	2,800	760	27%	2,040
1300 - Registration Fees-Motor Cars	84,978	68,000	-	68,000	96,199	141%	(28,199)
1305 - Registration Fees-Motorcycles	6,525	5,500	-	5,500	16,530	301%	(11,030)
1310 - Vehicle/Insurance Fees	270,540	200,000	-	200,000	244,875	122%	(44,875)
1325 - Passport Fees and Photographs	163,910	170,000	-	170,000	35,260	21%	134,740
1340 - Police Clearance	54,560	40,000	-	40,000	13,075	33%	26,925
1362 - Fuel Levy	-	-	1,000,000	1,000,000	-	0%	1,000,000
1360 - D.C.A-Pax Levy	948,575	580,000	-	580,000	-	0%	580,000
1365 - D.C.A-Departure Taxes	811,450	500,000	-	500,000	-	0%	500,000
1370 - D.C.A-Air Navigation Fees	326,563	220,000	-	220,000	445,411	202%	(225,411)
1375 - D.C.A-Landing Fees	761,482	250,000	-	250,000	153,300	61%	96,700
1380 - D.C.A-Rental Fees	124,460	46,000	-	46,000	5,275	11%	40,725
1475 - Miscellaneous Revenue	32,119,611	7,370,900	-	7,370,900	4,960,864	67%	2,410,036
1480 - Bus Services	1,855	1,200	-	1,200	620	52%	580
1485 - Quarantine Fees	43,081	36,000	-	36,000	46,850	130%	(10,850)
1490 - Court Fines and Fees	25,809	17,000	-	17,000	33,546	197%	(16,546)
1495 - Service Fees	19,453,145	10,088,678	-	10,088,678	8,345,865	83%	1,742,813
1500 - Sale of Maps	11,730	7,000	-	7,000	5,335	76%	1,665
1520 - Food Handler Check up	8,360	6,000	-	6,000	2,220	37%	3,780
1540 - Advertising Revenue	7,309	30,000	-	30,000	39,785	133%	(9,785)
1555 - Spectacles,Drugs etc	2,910	2,000	-	2,000	2,830	142%	(830)
1565 - Medical Services	4,110	2,300	-	2,300	4,550	198%	(2,250)
1577 - DJBC - Operations	3,369,827	2,289,963	-	2,289,963	2,005,582	88%	284,381
1578 - DJBC - Reimbursable Costs	18,933,723	15,257,699	-	15,257,699	5,954,917	39%	9,302,782
1596 - Traffic Infringements	-	50,000	-	50,000	77,135	154%	(27,135)
1597 - TVET Course Fees	-	30,000	-	30,000	13,230	44%	16,770
1598 - Hosting Fee	-	36,983,331	-	36,983,331	26,416,665	71%	10,566,666
1700 - National/District Roll Sales	5,530	2,000	-	2,000	360	18%	1,640
1705 - Electoral Various Fees	77,750	80,000	-	80,000	7,000	9%	73,000
Other non tax	357,684	-	-	-	-		-
Total Non Tax	79,107,991	75,360,021	1,000,000	76,360,021	49,439,150	65%	26,920,871

REVENUE BY DEPARTMENT

Table 12 shows revenue for the year to date by department head. This funding is not hypothecated to these heads, but rather reflects the revenue classification method used in the financial management information system.

Table 12 Revenue by Department Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$
03 - Chief Secretariat	139,517	41,450	0	41,450	27,346	66%	14,104
09 - Electoral Commission	113,710	84,000	0	84,000	7,360	-	76,640
11 - Finance Secretariat	-	10,000	0	10,000	761	-	9,240
12 - Finance - Public Debt	-	-	34,930,000	34,930,000	-	-	34,930,000
15 - Nauru Revenue Office	65,714,614	33,840,000	0	33,840,000	36,568,693	108%	(2,728,693)
16 - Finance - Other Payments	12,986,977	24,230,000	9,737,293	33,967,293	16,201,491	48%	17,765,802
17 - Nauru Customs Office (NCO)	17,840,137	16,136,746	0	16,136,746	9,055,003	56%	7,081,743
18 - Nauru Regional Processing Centre (NRPPC) Corp	21,434,985	10,067,050	0	10,067,050	8,333,935	83%	1,733,115
21 - CIE	5,275	5,000	0	5,000	4,000	80%	1,000
31 - Fisheries	73,421,288	54,530,000	8,125,000	62,655,000	36,249,421	58%	26,405,579
41 - Police	121,991	91,800	0	91,800	103,515	113%	(11,715)
42 - Department of Multicultural Affairs	68,204,454	66,672,993	0	66,672,993	44,858,164	67%	21,814,829
43 - Justice - Secretariat	759,758	625,000	0	625,000	399,852	64%	225,148
44 - Judiciary	25,809	17,000	0	17,000	33,546	197%	(16,546)
45 - Border Control	2,453,820	2,106,000	0	2,106,000	1,168,022	55%	937,978
50 - Directorate of TVET	31,724	30,000	0	30,000	20,680	69%	9,320
61 - Health	44,186	36,533	0	36,533	26,463	72%	10,070
83 - Media Bureau	7,309	30,000	0	30,000	39,785	133%	(9,785)
84 - Lands & Survey	11,730	7,000	0	7,000	5,335	76%	1,665
85 - Lands Committee	3,370	2,000	0	2,000	12,530	-	(10,530)
91 - Department of Transport	3,385,523	1,910,700	0	1,910,700	1,019,929	-	890,771
95 - ICT	2,259,264	10,000	0	10,000	400	4%	9,600
Other (Sports, Home Affairs, Maritime Transport)	444,698	-	-	-	-	-	-
Total	269,410,139	210,483,272	52,792,293	263,275,565	154,136,230	59%	109,139,335

OPERATING EXPENDITURE ANALYSIS

Total expenditure for the year to date is shown in Table 13. Inter Sub-Head Transfers (ISHTs) that reallocate budget between natural accounts accounted for 4 per cent of the total approved budget in the year to date.

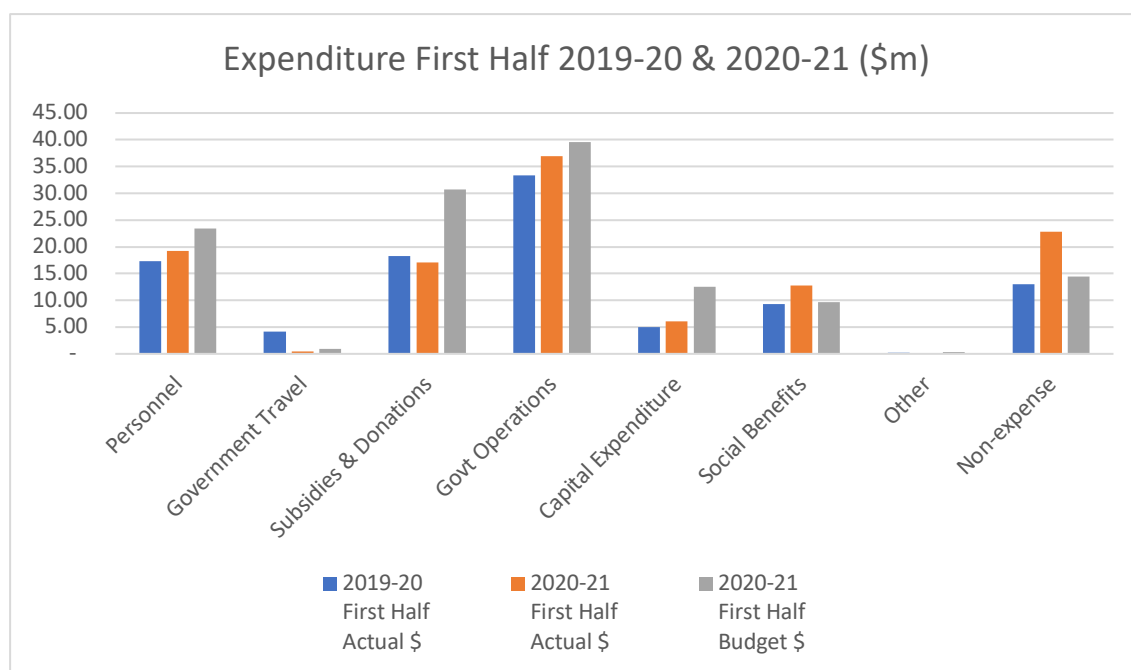
Table 13 Expenditure by Group Q2 2020-21

Description	2019-20 Preliminary Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
Personnel	36,433,969	44,489,279	786,875	1,639,312	46,915,466	19,273,819	41%	556,768	27,084,879
Government Travel	7,633,510	2,556,955	89,325	(815,945)	1,830,335	416,602	23%	89,920	1,323,813
Subsidies & Donations	48,327,379	20,916,602	36,450,919	3,963,281	61,330,802	17,133,000	28%	24,961	44,172,841
Govt Operations	83,135,741	76,124,736	1,811,239	1,228,698	79,164,673	36,935,248	47%	1,167,581	41,061,844
Capital Expenditure	22,269,885	18,260,271	6,672,257	142,399	25,074,927	6,105,974	24%	6,536	18,962,417
Social Benefits	15,949,163	15,082,397	2,500,000	1,660,600	19,242,997	12,795,330	66%	68,978	6,378,689
Other	600,899	693,715	-	0	693,715	150,342	22%	109,197	434,176
Non-expense items	27,638,318	32,320,426	4,461,197	(7,818,345)	28,963,278	22,783,150	79%	22,045	6,202,173
Total	241,988,863	210,444,381	52,771,812	-	263,216,193	115,593,465	44%	2,001,896	145,620,833

Figure 3 compares first half expenditure against the same period last year and the 2020-21 Budget. Actual expenditure is higher than the same period last year and consistent with increased budget allocations, in all categories except subsidies and donations, non expense items and government travel.

Expenditure ahead of budget reflects lumpy payments related to Nauru Trust Fund contributions (non-expense items) and Nauru Community Housing (social benefits), rather than any underlying structural trend.

Figure 3 Expenditure by group, Q1 2020-21



PERSONNEL COSTS

Expenditure on personnel was as expected in the quarter (Table 14). Higher than budgeted expenditure on meals and drinks for staff reflects a decision by Health to provide meals for all shifts, rather than the night shift only.

Table 14 Personnel Expenditure Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2005 - Salaries & Allowances - (MP's)	1,450,712	1,260,698	-	-	1,260,698	622,827	49%	-	637,871
2010 - HE Salary & Allowances	105,033	105,034	-	-	105,034	50,516	48%	-	54,518
2015 - Salary - Local	21,842,428	27,974,432	524,537	(344,037)	28,154,932	12,484,812	44%	257,916	15,412,205
2020 - Salary Expatriate	7,791,067	9,702,826	-	12,537	9,715,363	3,158,921	33%	244,369	6,312,073
2025 - Allowances - Staff Contract	1,426,872	1,380,394	-	(6,050)	1,374,344	667,588	49%	46,623	660,134
2026 - Directors Fees	20,500	39,300	-	6,350	45,650	8,000	18%	200	37,450
2031 - Staff Contract - Ministerial	-	-	-	600,000	600,000	577	0%	-	599,423
2035 - Overtime - local	802,971	664,104	155,700	76,500	896,304	419,457	47%	3,639	473,209
2040 - Staff Training	894,984	1,020,661	4,900	5,500	1,020,061	231,919	23%	1,180	786,962
2041 - Prep & Orientation of Seasonal Workers	-	100,000	-	26,200	73,800	-	0%	-	73,800
2045 - Recruitment	14,999	30,000	-	-	30,000	21	0%	-	29,979
2050 - Uniforms & Protective Clothing	369,746	244,874	43,060	25,712	313,646	142,150	45%	1,736	169,760
2072 - Meals and Drinks - Staff	176,340	134,040	58,678	-	192,718	167,384	87%	1,106	24,228
2651 - GON Contributions	1,538,315	1,832,916	-	1,300,000	3,132,916	1,319,648	42%	-	1,813,268
Total Personnel	36,433,969	44,489,279	786,875	1,639,312	46,915,466	19,273,819	41%	556,768	27,084,879

GOVERNMENT TRAVEL

Expenditure on Government Travel (Table 15) continues to be significantly impacted by COVID-19 travel restrictions.

Table 15 Government Travel Expenditure Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2070 - Travel - Staff	494,215	596,210	5,000	(72,000)	529,210	39,214	7%	43,227	446,769
2075 - Travel - Business	7,139,294	1,960,745	84,325	(743,945)	1,301,125	377,388	29%	46,692	877,044
Total Government Travel	7,633,510	2,556,955	89,325	(815,945)	1,830,335	416,602	23%	89,920	1,323,813

SUBSIDIES & DONATIONS

Expenditure on Subsidies & Donations was higher than expected in the quarter (Table 16). This reflected an unexpected payment to Ronphos to cover land rental payment arrears, funded from the Fiscal Cash Buffer. The equity purchase provision relates to the Government's support for the Nauru Airlines aircraft replacement program.

Table 16 Subsidies & Donations Expenditure Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2376 - Equity Purchases	9,500,000	-	34,930,000	-	34,930,000	-	-	-	34,930,000
2615 - Other Subsidies & Donations	2,469	-	-	-	-	-	-	-	-
2616 - Subsidies to SoEs	35,905,795	18,465,560	416,704	3,670,791	22,553,055	15,630,073	69%	-	6,922,982
2617 - Donations - local	2,913,839	2,344,000	1,104,215	292,490	3,740,705	1,502,927	40%	23,856	2,213,922
2618 - Donations - overseas	5,276	107,042	-	-	107,042	-	0%	1,105	105,937
Total Subsidies & Donations	48,327,379	20,916,602	36,450,919	3,963,281	61,330,802	17,133,000	28%	24,961	44,172,841

CAPITAL EXPENDITURE

Overall capital expenditure was as expected (Table 17). Expenditure on buildings and structures has been impacted by pandemic related travel and supply restrictions.

Table 17 Capital Expenditure Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2480 - Medical Equipment	272,575	115,000	480,368	-	595,368	376,132	63%	-	219,236
2495 - Plant & Equipment Purchases	10,194,989	1,143,744	1,012,356	224,054	2,380,154	1,098,026	46%	6,536	1,275,592
2496 - Building and Structures	10,612,808	16,519,527	5,129,533	(81,655)	21,567,405	4,446,256	21%	-	17,121,149
2580 - Public Works	1,189,513	482,000	50,000	-	532,000	185,560	35%	-	346,440
Total Capital Expenditure	22,269,885	18,260,271	6,672,257	142,399	25,074,927	6,105,974	24%	6,536	18,962,417

SOCIAL BENEFITS

Expenditure on social benefits is as expected (Table 18), with outlays on Nauru Community Housing brought forward to purchase construction materials. Ex Gratia payments related to the once-off Covid-19 Christmas Ex Gratia payment made in December 2020.

In December 2020, the Government agreed to the payment of a once-off Special Covid-19 Christmas Ex Gratia payment to all Nauruan GON workers (public service, overseas missions, statutory bodies, temporary employees), SOEs, aged and disabled pensioners, to ease the impact of Covid-19 on households, and support Covid-19 preparations. The aim was to boost consumer confidence and ease cost of living pressures.

The amount of the Ex Gratia payment was based on income level, with the aim to provide a greater benefit to the lowest paid workers who would be less likely to have the discretionary income available to prepare for a COVID-19 outbreak than those on higher incomes.

Those on a fortnightly income of less than \$500 a fortnight were paid \$800; \$501 to \$800 were paid \$600; and a fortnightly income of more than \$801 were paid \$500. Pensioners received \$800. The total cost of the payment was \$2.8 million (see Table 22).

Ex Gratia payments for personnel are recorded in 2015 - Local Salary (Table 14) and are usually absorbed within existing budget allocations. Supplementation for SOEs is shown in 2422- Ex Gratia SOEs and for pensions in 2421 – Ex Gratia Age and Disable, as shown in Table 18.

Table 18 Social Benefits Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2220 - Nauru Community Housing	7,556,343	5,650,000	2,500,000	84,000	8,234,000	7,730,803	94%	-	503,197
2390 - Social Welfare - Birth Claims	111,800	192,000	-	-	192,000	89,100	46%	4,500	98,400
2395 - Social Welfare - Death Claims	222,000	238,000	-	-	238,000	60,000	25%	2,000	176,000
2396 - Back to School Support	-	739,800	-	-	739,800	84,600	11%	-	655,200
2400 - Social Services - Aged Pensions	3,102,328	3,865,000	-	-	3,865,000	1,458,051	38%	33,900	2,373,049
2405 - Social Services - Super Contributors	93,843	100,000	-	-	100,000	40,614	41%	1,028	58,357
2420 - Social Services - Disability Payments	1,101,336	1,625,000	-	-	1,625,000	752,350	46%	17,250	855,400
2421 - Ex Gratia - Age and Disable	507,200	-	-	526,400	526,400	526,400	100%	-	-
2422 - Ex Gratia SoEs	986,800	-	-	1,050,200	1,050,200	1,000,700	95%	-	49,500
2440 - Scholarships - School & Trade	2,267,513	2,672,597	-	-	2,672,597	1,052,711	39%	10,300	1,609,586
Total Social Benefits	15,949,163	15,082,397	2,500,000	1,660,600	19,242,997	12,795,330	39%	68,978	6,378,689

OTHER

Expenditure in this category is in line with expectations (Table 19). Bank charges relate to telegraphic transfer and account keeping fees paid through the year.

Table 19 Other Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2565 - Insurance	408,839	579,591	-	-	579,591	133,998	23%	104,869	340,724
2570 - Bank Charges	50,081	56,636	-	-	56,636	16,344	29%	6,894	33,397
2690 - Foreign exchange gains/losses	141,979	57,488	-	-	57,488	-	0%	(2,567)	60,055
Total Other	600,899	693,715	-	-	693,715	150,342	22%	109,197	434,176

NON-EXPENSE ITEMS

Expenditure in this category was consistent with expectations (Table 19). High actual expenditure on Nauru Trust Fund payments related to the timing of the annual contribution, with 100 per cent paid in the first half of the fiscal year, consistent with the Government's commitment to make the annual contribution as early as possible in the financial year, where cash balances allow. The remaining balance relates to provision for pre-payments for the 2021-22 financial year, quarantined from additional windfall revenue received in 2020-21.

The ISHT from the Fiscal Cash Buffer mainly related to the payment of additional subsidies to SOEs (Ronphos), Ex Gratia payments, and topping up freight and GON contribution (staff superannuation payments) natural accounts to reflect actual expected expenditure.

Table 20 Non-expense Items Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2545 - Debt Repayments - Other	-	5,833,334	3,539,572	-	9,372,906	4,552,767	49%	(22,045)	4,842,184
2650 - Trust Fund	23,921,732	16,585,947	921,625	505,970	18,013,542	17,091,916	95%	-	921,626
2652 - Fiscal Cash Buffer	-	8,901,145	-	(8,624,315)	276,830	-	0%	-	276,830
2680 - BON Liquidation- Payment	3,016,586	1,000,000	-	300,000	1,300,000	1,138,467	88%	-	161,533
2802 - Loan Expenditure Account	700,000	-	-	-	-	-	-	-	-
Total Non-expense items	27,638,318	32,320,426	4,461,197	(7,818,345)	28,963,278	22,783,150	79%	(22,045)	6,202,173

GOVERNMENT OPERATIONS

Overall, expenditure on government operations was consistent with expectations (Table 21). Higher than expected Salaries - other contracts mainly relates to higher than expected expenditure on security contracts. Expenditure on Overseas Medical Referrals (OMR) is also running ahead of budget, with the plan to replace OMR with on-Island capacity not yet eventuating.

COVID-19 Taskforce expenditure was allocated a separate expenditure head in Supplementary No 1, and is covered in the next section.

Table 21 Government Operations Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2030 - Salaries - Other Contracts	30,237,831	24,045,646	1,337,787	-	54,629	25,328,804	63%	51,108	9,337,256
2055 - Consultants fees	1,688,747	1,943,336	91,500	(114,578)	1,920,258	719,476	37%	35,250	1,165,532
2060 - Legal Fees - External	548,818	537,500	-	-	537,500	10,850	2%	-	526,650
2100 - Entertainment	763,705	779,049	10,000	63,130	852,179	376,473	44%	15,671	460,034
2105 - Official Celebrations	1,120,437	547,564	12,600	62,480	622,644	370,956	60%	7,103	244,585
2110 - Protocol	99,493	90,000	-	(27,600)	62,400	3,354	5%	-	59,046
2130 - Printing & Stationery	622,482	789,258	19,351	(100,131)	708,478	311,983	44%	32,125	364,370
2132 - TVET Supplies	236,003	-	-	-	-	-	-	-	-
2135 - Stores	452,859	487,379	46,247	13,100	546,726	112,679	-	6,829	427,218
2136 - Museum Artefacts	-	-	2,000	-	2,000	-	0%	-	2,000
2155 - House Rental	5,002,501	6,791,743	4,299,677	-	11,091,420	5,021,662	-	202,710	5,867,047
2160 - Land Rental	8,623,196	7,368,307	-	(56,083)	7,312,224	2,087,768	29%	2,480	5,221,976
2165 - Office Rental	638,971	762,257	-	33,655	795,912	134,997	17%	121,644	539,270
2185 - R&M - Buildings	2,130,580	853,690	259,900	82,749	1,196,339	353,281	30%	14,542	828,516
2190 - R&M - Office Equipment	217,597	209,148	200	(1,500)	207,848	56,136	27%	3,464	148,248
2191 - R&M Medical Equipment	165,305	100,000	-	-	100,000	8,380	8%	-	91,620
2195 - R&M - Office Premises	84,569	20,253	-	-	20,253	810	4%	60	19,383
2200 - R&M - Motor Vehicles	545,739	537,305	8,475	24,550	570,330	313,168	1	126,039	131,123
2205 - R&M - Plant	1,898,475	2,727,671	-	5,960	2,733,631	23,528	1%	10,081	2,700,022
2210 - R&M - Aerodrome	101,039	60,000	-	-	60,000	20,181	34%	-	39,820
2225 - Agricultural Supplies	22,207	21,000	-	19,100	40,100	35,636	89%	-	4,464
2230 - Publicity and Awareness	7,544	28,800	20,000	22,731	71,531	17,061	24%	-	54,470
2275 - Purchase of Petrol	489,142	607,744	9,545	-	617,289	274,546	44%	15,788	326,955
2280 - Purchase of Diesel	713,034	926,639	9,458	-	936,097	366,857	39%	9,448	559,792
2290 - Purchase of Fuel - Other	4,224	10,793	-	-	10,793	3,635	34%	-	7,158
2315 - Utilities	3,941,850	4,693,549	88,395	(1,560)	4,780,384	2,187,356	0	34,445	2,558,583
2330 - Telephone / Internet	2,218,232	2,193,235	43,988	2,600	2,239,823	998,488	45%	191,081	1,050,254
2350 - Freight	1,387,380	1,500,000	75,000	700,800	2,275,800	931,790	41%	171	1,343,839
2370 - Membership Fees & Subscriptions	2,756,113	1,115,819	612	343,654	1,460,085	287,119	20%	14,671	1,158,295
2372 - Nauru Radio Supplies	7,000	10,300	5,000	(700)	14,600	12,205	84%	-	2,395
2373 - Media TV Supplies	32,190	19,000	5,000	1,000	25,000	20,918	84%	3,500	583
2375 - ICT Supplies	80,581	50,202	-	-	50,202	39,310	78%	3,972	6,920

Table 21 Government Operations Q2 2020-21 continued

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
2460 - Medical Expenses	46,717	80,825	-	(5,000)	75,825	608	1%	24,782	50,435
2461 - Primary Health Care Services	14,361	303,400	-	(10,000)	293,400	27,831	9%	14,554	251,014
2462 - NCD Control & Health Promotion	3,717	43,600	-	-	43,600	15,799	36%	-	27,801
2463 - Environmental Health and Food safety	27,561	10,000	-	-	10,000	2,000	20%	-	8,000
2464 - Management Monitoring & Evaluation	15,530	31,000	-	-	31,000	11,105	36%	-	19,895
2467 - Drugs and Medicines	772,771	750,000	350,000	-	1,100,000	590,819	54%	(96)	509,277
2468 - Dental Supplies	46,778	50,000	-	-	50,000	1,375	3%	-	48,625
2469 - Dialysis Supplies	248,706	350,000	-	-	350,000	-	0%	-	350,000
2471 - Medical Consumable	674,488	790,000	50,000	-	840,000	224,244	27%	-	615,756
2472 - Laboratory supplies	366,152	248,000	-	-	248,000	167,486	68%	-	80,514
2473 - Radiology Supplies	9,320	20,000	-	-	20,000	18,493	92%	-	1,508
2474 - Clinical Education Supplies	16,911	20,000	64,004	-	84,004	-	0%	-	84,004
2475 - Overseas Medical Treatment	5,682,308	2,000,000	1,000,000	-	3,000,000	2,237,704	75%	112,276	650,020
2560 - Educational Expenses - Special	179,078	198,293	-	-	198,293	42,411	21%	13,681	142,202
2575 - Local Transport	1,601,877	1,236,363	2,500	212,470	1,451,333	718,725	50%	70,487	662,121
2585 - Rations	2,969,961	2,889,284	-	-	2,889,284	1,764,586	61%	2,059	1,122,639
2590 - Correctional Services Supplies	7,473	10,000	-	-	10,000	1,802	18%	342	7,856
2600 - Postage	15,042	20,649	-	8,000	28,649	6,099	21%	536	22,014
2605 - Library/Periodicals	-	-	-	2,000	2,000	-	-	-	2,000
2610 - Survey Supplies	2,838	1,500	-	2,500	4,000	2,732	68%	-	1,269
2611 - Children Education Toys and Learning Su	-	332,022	-	-	332,022	-	0%	-	332,022
2620 - Lease & Charter Payments	89,674	66,686	-	-	66,686	2,967	4%	25,590	38,129
2625 - Family Court Expenses	3,400	6,000	-	-	6,000	1,900	32%	-	4,100
2630 - Safe House	152,361	196,660	-	-	196,660	54,516	28%	1,187	140,957
2700 - Deportee Revomal	360	20,000	-	-	20,000	-	0%	-	20,000
2705 - NEAT Scheme	133,420	123,268	-	-	123,268	1,005	1%	-	122,263
2998 - COVID 19 Taskforce	-	6,000,000	(6,000,000)	-	-	-	0%	-	-
2999 - Contingency fund	3,217,092	500,000	-	-	500,000	-	0%	-	500,000
Total Government Operations	83,135,741	76,124,736	1,811,239	1,228,698	79,164,673	36,935,248	47%	1,167,581	41,061,844

COVID-19 TASKFORCE

Expenditure related to the Government's COVID-19 response is mainly spent through the COVID-19 Taskforce expenditure head. The Government also supports transport connectivity measures to manage risks to food security, including through an annual community service obligation (CSO) payment to support air freight as well as initiatives to support sea cargo deliveries.

From time to time, the Government also makes Ex Gratia payments to Government workers and pensioners, to boost consumer confidence and support households prepare for a COVID-19 outbreak.

Table 22 summarises expenditure related to COVID-19 in the year to date. Expenditure by the COVID-19 Taskforce in the year to date is ahead of budget, mainly related to high fixed costs to secure quarantine accommodation, and staff related costs.

Table 22 COVID-19 Taskforce expenditure Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$	\$
DIVISION 6001- HOSPITAL PREPAREDNESS									
2015 - Salary - Local	-		70,000	-	70,000	59,869	86%	-	10,131
2050 - Uniforms & Protective Clothing	718,436		25,000	-	25,000	10,969	44%	-	14,031
2185 - R&M - Buildings	-		25,000	-	25,000	-	0%	-	25,000
2471 - Medical Consumable	298,631		50,000	-	50,000	-	0%	-	50,000
2474 - Clinical Education Supplies	118,773		64,004	-	64,004	-	0%	-	64,004
2480 - Medical Equipment	638,380		330,368	-	330,368	190,208	58%	-	140,160
2496 - Building and Structures	457,800		2,549,533	-	2,549,533	1,257,317	49%	-	1,292,216
Subtotal	2,232,020	-	3,113,905	-	3,113,905	1,518,362	49%	-	1,595,543
DIVISION 6002 - Quarantine and Isolation									
2030 - Salaries - Other Contracts	602,567		1,283,787	-	1,283,787	800,441	62%	7,479	475,867
2135 - Stores	2,413		4,057	-	4,057	3,467	85%	-	591
2155 - House Rental	1,129,684		4,299,677	-	4,299,677	2,107,255	49%	10,640	2,181,782
2315 - Utilities	37,707		71,873	-	71,873	56,189	78%	-	15,684
2575 - Local Transport	1,920		2,500	-	2,500	-	0%	-	2,500
2617 - Donations - local	287,749		194,215	-	194,215	184,719	95%	-	9,496
Subtotal	2,062,039	-	5,856,109	-	5,856,109	3,152,072	54%	18,119	2,685,918
DIVISION 6003 - Quarantine Measures									
2015 - Salary - Local	34,920		127,382	-	127,382	75,948	60%	-	51,434
2072 - Meals and Drinks - Staff	19,904		8,678	-	8,678	8,212	95%	-	467
2075 - Travel - Business	394,182		45,000	-	45,000	21,331	47%	-	23,669
2130 - Printing & Stationery	8,733		14,927	-	14,927	372	2%	-	14,556
2275 - Purchase of Petrol	5,783		9,545	-	9,545	5,146	54%	142	4,257
2280 - Purchase of Diesel	878		9,458	-	9,458	6,047	64%	255	3,156
2330 - Telephone / Internet	8,254		5,000	-	5,000	1,277	26%	-	3,723
2350 - Freight	618,557		75,000	-	75,000	1,423	2%	-	73,577
2370 - Membership Fees & Subscriptions	168		612	-	612	581	95%	-	31
Subtotal	1,091,379	-	295,602	-	295,602	120,338	41%	397	174,868
Total Taskforce Expenditure	5,385,438	6,000,000	9,265,616	-	9,265,616	4,790,771	52%	18,516	4,456,329
Other measures									
Nauru Airlines Cash Flow support	5,130,000	-	-	-	-	-	-	-	-
Nauru Airlines CSO (transport connectivity)	-	4,680,000	-	-	4,680,000	2,340,000	50%	-	2,340,000
Nauru Shipping Line (transport connectivity)	689,828	2,173,147	-	-	2,173,147	2,173,147	100%	-	-
COVID-19 Ex Gratia Payment	2,862,608	-	-	2,789,800	2,789,800	2,755,200	99%	-	34,600
Health Building & Structure (Health-2496)	375,089	-	-	-	-	-	-	-	-
Total Other measures	9,057,526	6,853,147	-	2,789,800	9,642,947	7,268,347	75%	-	2,374,600
Total COVID-19 Expenditure	14,442,963	12,853,147	9,265,616	2,789,800	18,908,563	12,059,118	64%	18,516	6,830,929
As a share of GDP	8%	7%	5%	2%	11%	7%	0%		4%
Donor contributions	1,676,759	5,145,288	929,559	-	6,074,847	4,355,293	72%		1,719,554

EXPENDITURE BY DEPARTMENT

Table 23 shows actual expenditure for the year to date by department head. Most departments are on track, except for Ministerial (lumpy Nauru Community Housing payments) and lands related heads (after adjusting for land rental payments).

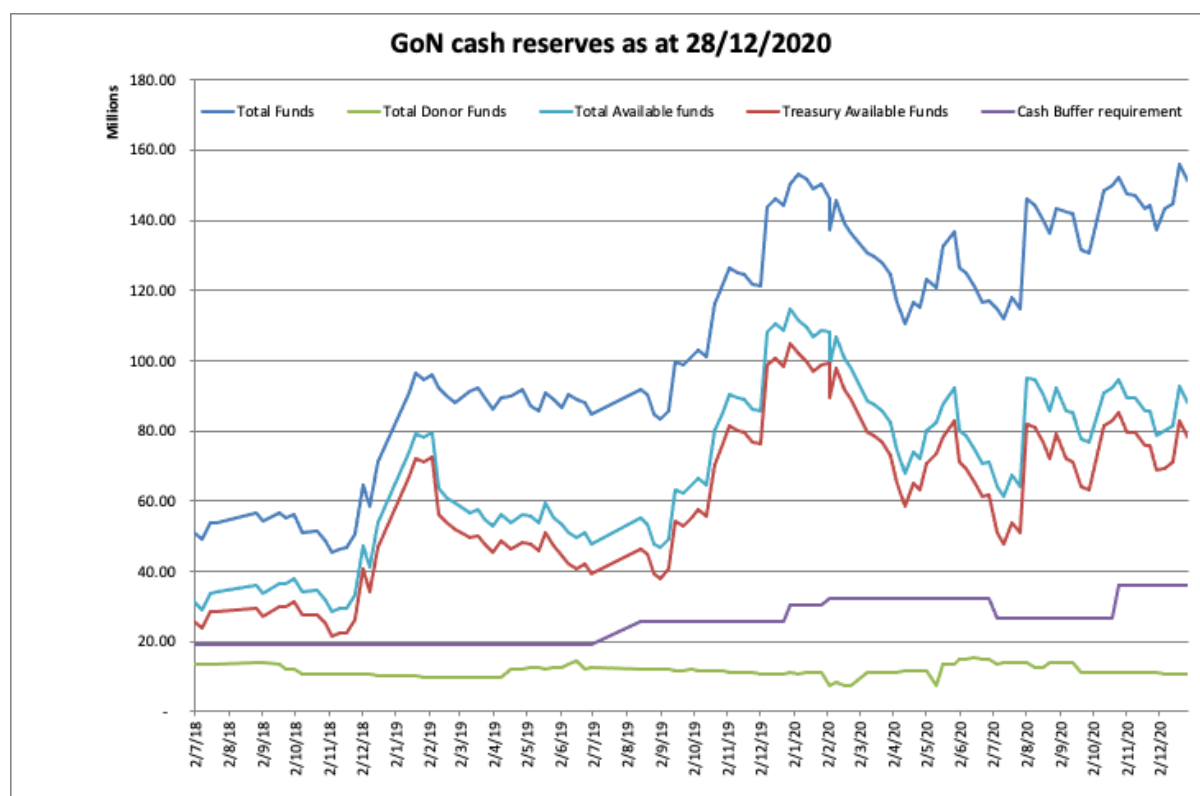
Table 23 Expenditure by Department Q2 2020-21

Description	2019-20 Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 Revised Budget	2020-21 YTD Actual	2020-21 YTD Actual % of budget	2020-21 Commitment	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	%	\$	\$
01 - Presidency and State House (includi	3,385,746	1,848,704	86,900	1,935,604	1,142,870	59%	58,446	734,288
02 - Ministerial	13,922,534	8,816,585	2,500,000	11,316,585	8,967,436	79%	3,100	2,346,049
03 - Chief Secretariat	19,475,638	17,631,670	0	17,631,670	8,726,136	49%	173,698	8,731,837
05 - Audit	302,870	333,514	0	333,514	127,966	38%	-	205,548
06 - Parliament	1,899,263	954,986	10,000	964,986	428,573	44%	-	536,413
08 - National Emergency Services	-	1,481,242	0	1,481,242	804,617	54%	7,140	669,485
09 - Electoral Commission	1,455,515	354,617	20,000	374,617	133,558	36%	3,191	237,869
11 - Finance Secretariat	448,417	2,384,130	0	2,384,130	709,448	30%	3,055	1,671,627
12 - Finance -Public Debt	2,071,055	0	38,469,572	38,469,572	0	0%	-	38,469,572
13 - Bureau of Statistics	118,555	142,953	0	142,953	32,502	23%	-	110,451
15 - Nauru Revenue Office	430,638	484,213	0	484,213	177,591	37%	2,676	303,947
16 - Finance - Other Payments	95,295,769	86,398,812	(2,361,671)	84,037,141	48,205,354	57%	35,805	35,795,982
17 - Nauru Customs Office (NCO)	518,422	704,541	0	704,541	214,990	31%	-	489,551
18 - Nauru Regional Processing Centre (C	1,690,997	1,380,343	0	1,380,343	532,914	39%	97,853	749,576
21 - CIE	1,223,040	1,036,452	(142,692)	893,760	414,746	46%	780	478,234
22 - Climate Change	-	-	635,771	635,771	216,066	34%	1,499	418,206
31 - Fisheries	3,121,505	2,349,944	586,000	2,935,944	1,089,252	37%	13,934	1,832,758
41 - Police	2,841,086	3,324,176	175,800	3,499,976	2,053,327	59%	1,450	1,445,198
42 - Department of Multicultural Affairs	27,133,047	19,673,538	0	19,673,538	12,482,881	63%	3,779	7,186,878
43 - Justice - Secretariat	3,629,397	3,531,685	0	3,531,685	1,239,286	35%	1,555	2,290,843
44 - Judiciary	1,884,124	1,260,649	250,000	1,510,649	697,327	46%	32,020	781,302
45 - Border Control	904,972	950,294	0	950,294	303,541	32%	3,505	643,248
46 - Correctional Services	709,606	872,658	0	872,658	416,108	48%	2,401	454,148
50 - Directorate of TVET	675,302	445,583	0	445,583	206,549	46%	3,483	235,550
51 - Education	10,314,027	11,541,216	0	11,541,216	5,162,292	45%	19,873	6,359,051
52 - Youth Affairs	171,357	229,964	0	229,964	110,742	48%	-	119,221
60 - COVID-19 task force	-	-	9,265,616	9,265,616	4,790,771	52%	18,516	4,456,329
61 - Health	16,379,317	15,040,755	1,585,000	16,625,755	7,800,955	47%	144,024	8,680,776
62 - Sports	1,795,354	660,801	400,000	1,060,801	360,586	34%	3,932	696,284
63 - Department of Infrastructure Devel	2,928,519	2,883,774	603,448	3,487,222	1,053,024	30%	1,550	2,432,648
71 - Foreign Affairs - Secretariat	1,501,526	1,217,776	0	1,217,776	506,874	42%	230	710,672
72 - Foreign Affairs - Brisbane	1,111,158	1,117,338	0	1,117,338	0	0%	271,134	846,204
73 - Foreign Affairs - Suva	718,697	714,180	0	714,180	45,025	6%	122,644	546,511
74 - Foreign Affairs - New York	2,846,868	2,398,303	0	2,398,303	280,191	12%	680,364	1,437,748
75 - Foreign Affairs - Taiwan	477,347	486,228	0	486,228	106,199	22%	75,884	304,145
76 - Foreign Affairs- Geneva	798,331	855,242	0	855,242	169,368	20%	45,267	640,607
77 - High Commission India	-	144,350	0	144,350	0	0%	-	144,350
78 - High Commission Canberra	130,244	571,746	0	571,746	15,942	3%	-	555,804
81 - Home Affairs	4,153,383	4,383,248	0	4,383,248	2,227,509	51%	2,230	2,153,508
82 - Women's Affairs	312,138	283,493	50,000	333,493	87,616	26%	4,978	240,898
83 - Media Bureau	568,804	546,627	186,464	733,091	398,430	54%	6,556	328,106
84 - Lands & Survey	5,929,856	5,822,293	0	5,822,293	786,585	14%	-	5,035,508
85 - Lands Committee	209,603	302,171	0	302,171	174,963	58%	1,788	125,419
86 - Department of Land Management	94,076	98,522	0	98,522	80,038	81%	-	18,484
87 - Disability Department	-	-	163,080	163,080	28,124	17%	-	134,956
91 - Department of Transport	2,959,923	2,509,055	150,000	2,659,055	978,279	37%	4,397	1,676,379
95 - ICT	4,986,841	2,129,634	138,524	2,268,158	1,082,825	48%	149,159	1,036,175
97 - Telecom	117,513	146,378	0	146,378	24,090	16%	-	122,288
93 - Maritime Transport	346,486	-	-	-	-	-	-	-
Total	241,988,863	210,444,381	52,771,812	263,216,193	115,593,465	44%	2,001,896	145,620,832

CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 4). At the end of the quarter total funds were \$151.3 million. The cash buffer requirement of two months of adjusted expenditure was \$35.8 million, an increase to reflect Supplementary No 1 measures. Total funds were significantly in excess of the recommended fiscal cash buffer, with \$40 million quarantined in separate cash buffer accounts (see Table 2).

Figure 4 GoN Cash reserves Q2 2020-21



Total Funds includes all accounts available to Government, including donor and project funds.

Total Available Funds comprises Total Funds, less term deposits, donor funds and those quarantined for a specific purpose, such as unclaimed land rental.

Treasury Available Funds comprises at call funds where Government has full discretion over use. It comprises Total Funds, less term deposits, donor, SOE and project funds (including quarantined funds).

There are three accounts that form the 'cash buffer'. Cash Buffer 1 and 2 are term deposits. Cash Buffer 3 is an at call account.