



Republic of Nauru

Department of Finance

2021-22 Budget at a Glance

BUDGET OVERVIEW

The 2021-22 Budget was brought down on 1 June 2021. It was framed around the theme of 'Building a Resilient Naoero', to respond to the continuing uncertain economic outlook driven by the COVID-19 pandemic and the future of the Regional Processing Centre (RPC).

After a strong performance in 2020-21, economic activity in Nauru is expected to moderate to growth of 0.9 per cent of GDP in 2021-22 reflecting the wind-down of the RPC towards enduring capability. Accordingly, Government revenues are expected to fall and expenditure restraint is required to ensure that Government can work within its means and ensure sustainable services into the future.

BUDGET AGGREGATES

The key budget aggregates for 2019-20, 2020-21 and 2021-22 are shown in Table 1.

Table 1: Overview of budget aggregates year to date (at 22 May 2021)

Description	2019-20	2020-21	2020-21	2020-21 YTD	2020-21	2021-22
	Preliminary Actual	Approved Budget		Actual & Commitments		
	\$	\$	\$	\$	\$	\$
Revenue	269,996,331	210,483,272	317,840,558	240,109,252	287,898,168	244,123,361
Expenditure	242,109,103	210,444,381	317,781,186	219,104,896	268,998,244	244,023,361
Balance	27,887,229	38,891	59,372	21,004,356	18,899,924	100,000

2020-21 BUDGET PERFORMANCE

The 2020-21 Budget was framed against significant uncertainty as to the future of the RPC and the COVID-19 pandemic. Nonetheless, sound budget planning reduced the number of supplementary appropriations required through the year to two, with both reflecting significant changes in the underlying budget assumptions, related to the RPC extension and Aircraft Replacement Program.

Windfall additional revenues were utilised to improve the Republic's balance sheet, with additional contributions to the Nauru Intergenerational Trust Fund (NTF) and resolution of longstanding external and domestic debt, improving Nauru's net asset position and debt sustainability.

POLICY PRIORITIES FOR 2021-22

To mitigate fiscal risks, Government initiatives in the 201-22 Budget focus on building resilience through responsible fiscal management, investing in social and economic infrastructure (especially health and education), managing cost of living pressures and ensuring the continued delivery of services, including an effective COVID-19 response.

The budget meets the three fiscal responsibility ratios and continues contributions to the NTF and implementation of the Debt Action Plan.