



REPUBLIC OF NAURU  
DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT  
QUARTER 4 2020-21

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# QUARTERLY BUDGET PERFORMANCE REPORT

## – QUARTER 4 2020-21

### INTRODUCTION

This is the performance report for the fourth 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 30 June 2021. It is based on all available information to Treasury as at 15 July 2021 and is bound to change subject to outcome of the Treasury reconciliations and of course audit of the national accounts.

- To 30 June 2021, 84 per cent of total expected annual revenue had been collected and 88 per cent of total expenditure outlaid. This is slightly below the budget ceiling, against a 20 per cent of budget benchmark.
- Lower than expected revenue mainly from a substantial drop in Grants, Financing and dividends revenue which was below 50 percent in actual outturn. The main contributing factor is the delayed timing of the proposed EXIM Bank loan for the aircraft replacement program which has also impacted on lower revenue and expenditure. Lower revenue collections is also due to slower than expected RPC reimbursements for MCA activities.

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 April 2021.

The IMF is projecting a stronger recovery in 2021 and 2022 for the global economy compared to the previous forecast, with growth projected to be 6 per cent in 2021 and 4.4 per cent in 2022.

There remains significant uncertainty on this outlook due to the pandemic. The IMF notes that the outlook presents daunting challenges related to divergences in the speed of recovery both across and within countries and the potential for persistent economic damage from the crisis.

For Nauru, the growth forecast has been upgraded, with growth in 2021 now expected to be 1.6 per cent (up from 1.3 per cent), reflecting global conditions and the extension of RPC arrangements, Port construction, and Nauru remaining COVID-19 free. With the anticipated wind-down in RPC activity, growth is expected to decline to 0.9 per cent in 2022 and 0.5 per cent in 2023. Inflation remains flat at 1.2 per cent in 2021 and 2 per cent in the out years.

The nominal GDP estimate for 2020-21 is now \$179 million.

#### SUPPLEMENTARY APPROPRIATIONS

There was no supplementary appropriation during the quarter compared with \$54.6 million in the previous quarter to recognise additional Government revenue through the extension of the RPC.

## 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 with exception of the Fiscal balance which registered a negative at the end of the quarter. Details are shown in Table 1 and Table 2.

**Table 1: Fiscal responsibility ratio performance Q4 2020-21**

Measure	Target	2019-20	2020-21	2020-21	2020-21 YTD Actual
		Actual	Approved Budget	Revised Budget	
Fiscal balance to GDP	not negative as % of GDP	16%	0.02%	0.03%	-7.8%
Personnel cost ratio	Personnel cost to current expenditure <30%	19%	28%	20%	14%

The ability to achieve macroeconomic stability is an important factor in executing budget deliverables. Government has not deviated from this goal, with responsible and disciplined economic management necessary to achieve lasting prosperity. The negative Fiscal balance reflected the commitment by Government to pay an advance to support the Nauru Airlines aircraft fleet upgrade program ahead of the loan being finalised with Exim. \$34.9 million was provided in the revenue for this year in anticipation of the loan agreement to be finalised by June 2021 and the same amount was provided in expenditure with the view to pass this through to NAC for the aircraft purchase.

With delays in the identification of aircraft to be purchased and the vigorous processes that the new plane has to go through prior to finalization; urgency to expedite loan finalization was beyond government control. Loan administration was again pushed back due to a surge in Covid19 in ROC (Taiwan) which led to the Government having to source funds from within to settle the plane deal in anticipation that Exim Bank of Taiwan will reimburse loan proceeds in the next financial year. The negative fiscal balance is a temporal fiscal position and the 2021-22 projects a better fiscal position as the reimbursements from the aircraft will be treated as additional revenue to the Government.

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 8.

Table 2: GON Liquidity and fiscal cash buffer Q4 2020-21

	Cash Buffer		Total Funds (\$)			
	Requirement (\$)	As at 30 Sept 2020	at 31 Dec 2020	at 31 Mar 2021	at 31 June 2021	
Cash available at 30 Sept 2020	26,408,403	130,507,799				
Cash available at 31 December 2020	35,763,229		151,287,939			
Cash available at 31 March 2020	39,063,613			128,308,946		
Cash available at 30 June 2021	38,742,613				115,263,382	
<i>of which held in cash buffer accounts</i>		34,957,902	40,029,844	40,063,564	40,070,266	

## BUDGET AGGREGATES

The budget aggregates for the year to date are shown in Table 3. Actual year to date performance is below expectations, for both revenue and expenditure.

Table 3 Aggregate results Q4 2020-21

Description	2019-20		2020-21		2020-21 Supp		2020-21 Revised		2020-21 Projected		2020-21 Actual
	Preliminary	Actual	Approved	Budget	Supp Bill 1	Bill 2	Budget	Actual	Actual		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	269,996,331		210,483,272	52,792,293	54,564,991		317,840,556.00		287,898,168.00		265,881,556.39
Expenditure	242,109,103		210,444,381	52,771,812	54,558,869		317,775,061.85		268,998,244.45		279,837,433.39
Balance	\$ 27,887,229		\$ 38,891	\$ 20,481	\$ 6,122		\$ 65,494		\$ 18,899,924		-\$ 13,955,877

The revenue receipts were below expectations and this is explained by the significant decline in grants and financing revenue which was below 50 percent, this was mainly due to non-realization of the Exim Bank of Taiwan aircraft loan and slower than expected RPC reimbursement from Australian Border Force for MCA expenditure. Expenditure outturn at 88 per cent of the total annual expected budget, adjusted for the loan, comparable to 100 per cent at the same time last year.

The pattern of collections by quarter is shown in Figure 1. Revenues have performed well with exceptions to Fisheries and Equity which dropped with expenditure tracking well when compared against budget.

Figure 1 Budget Aggregates by Quarter

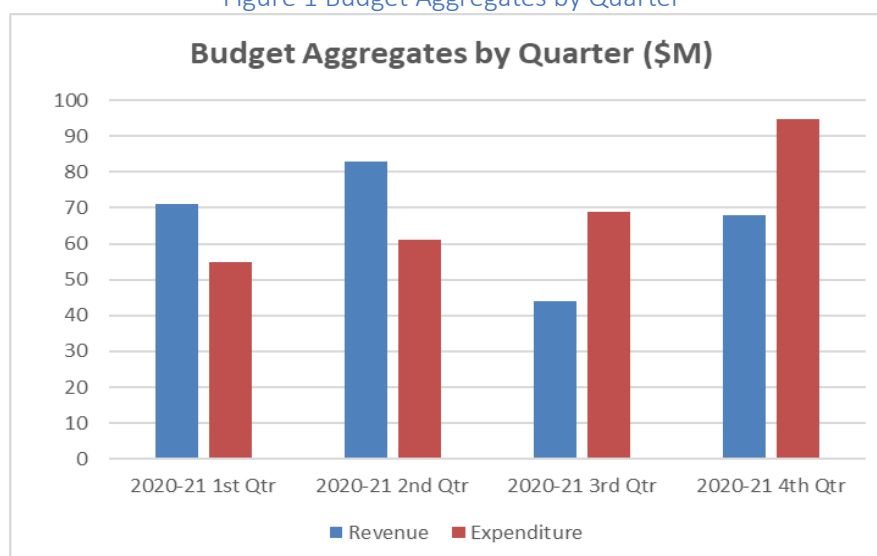
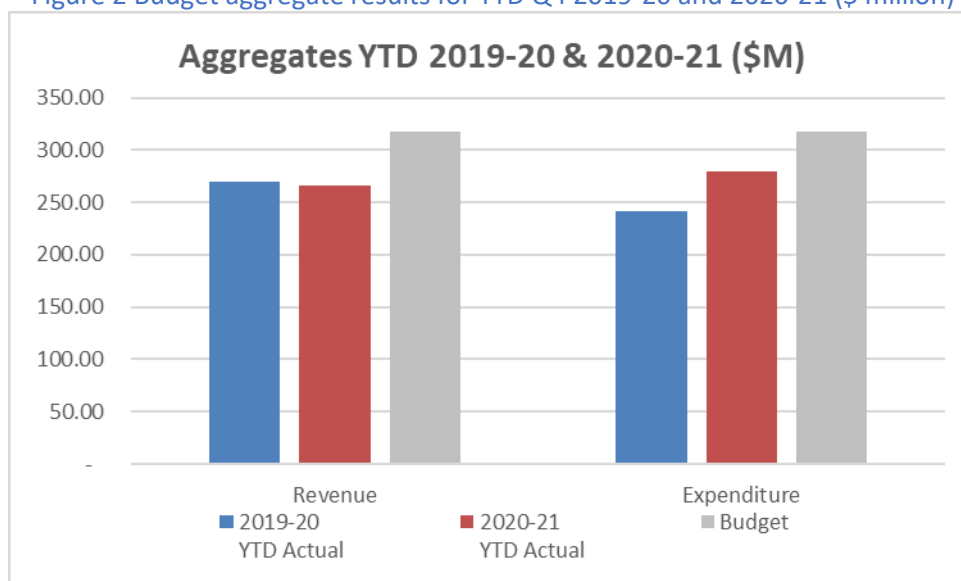


Figure 2 compares year to date total actual aggregate performance against the same period last year and budget. The revenue trend is the same when compared to the previous year, while expenditure year to date for this year is higher than the same period last year.

Figure 2 Budget aggregate results for YTD Q4 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 bulk of the revenue collected during the second half of the year especially around December marking the due date for payment of per seine fishing licenses for the new fishing year starting in January. Overall revenue collections are below expectations, the reduced Grants and Financing being major contributors to the lower outturn.

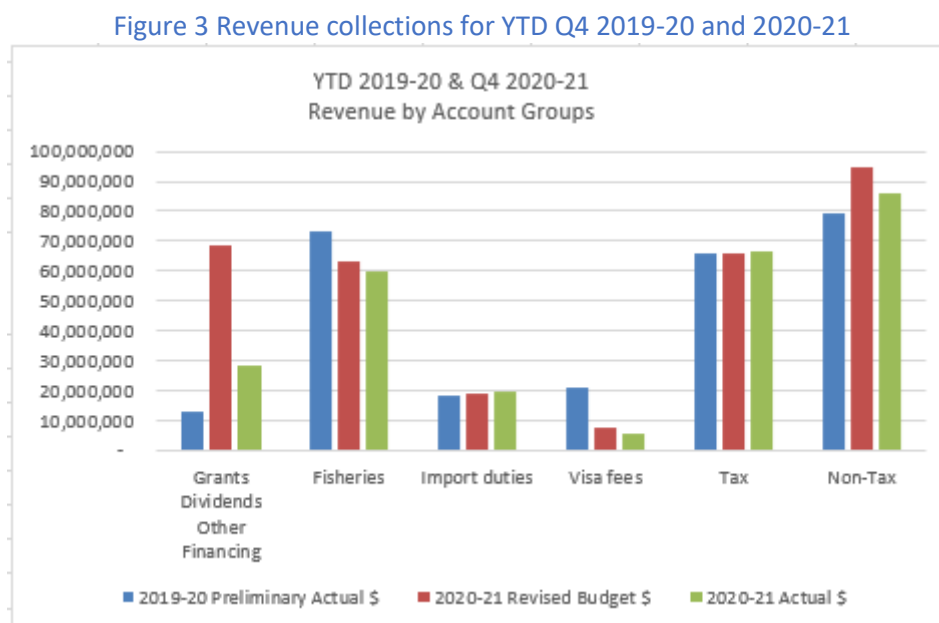
Revenue estimates are determined by the assumptions in place at the time of the 2020-21 Budget in June 2020. A key assumption was that the RPC would cease operations in December 2020, and this assumption mainly impacted on tax and non-tax revenue estimates. The RPC has now been extended until 31 December 2021, and this is reflected in an improvement in non-tax revenue towards last quarter of the year. Hosting fee drawdown of \$5m did not eventuate until June and this along with the \$4m Taiwan first tranche 2021 annual grant from ROC Taiwan contributed to the high revenue collections during quarter 4.

The EXIM Bank loan for the new aircraft did not come through mainly due to delays in the identification of aircraft and the COVID 19 lockdown in Taipei. This delayed the finalisation of the of the loan agreement for the first aircraft and have now pushed the drawdown into the next financial year, 2021-22. This reflects a slower than expected process to secure the aircraft to be purchased.

Table 4: Revenue breakdown Q4 2020-21

Revenue Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
Grants Dividends Other Financing	12,712,181	24,990,000	43,667,293	68,657,293	27,995,249	41%	40,662,044
Fisheries	73,279,152	54,530,000	8,395,000	62,925,000	59,797,774	95%	3,127,226
Import duties	18,015,111	16,136,746	2,437,952	18,574,698	19,580,224	105%	1,005,526
Visa fees	21,123,902	5,986,505	1,680,000	7,666,505	5,776,518	75%	1,889,987
Tax	65,535,380	33,480,000	32,135,742	65,615,742	66,772,183	102%	1,156,441
Non-Tax	79,330,606	75,360,021	19,041,299	94,401,320	85,958,109	91%	8,443,211
<b>Total Revenue</b>	<b>269,996,331</b>	<b>210,483,272</b>	<b>107,357,286</b>	<b>317,840,558</b>	<b>265,880,056</b>	<b>84%</b>	<b>51,960,502</b>

Figure 3 illustrates revenue collections for the year to date compared to the same period last year, reflecting the lower-than-expected fisheries revenue, grants financing & dividends, visa fees and non-tax particularly miscellaneous revenue and MCA reimbursables.



Activity on the island is boosted by the presence of the RPC facility, which 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. The agreed extension of RPC arrangements to 31 December 2021, has boosted RPC related revenue and collections to almost reach 100 percent at the end of Quarter 4. All these revenues are at risk as the RPC winds down towards an enduring capability, especially tax receipts.

Revenue Description	2019-20 Preliminary Actual \$	2020-21 Approved Budget \$	2020-21 Supp Bills \$	2020-21 Revised Budget \$	2020-21 Actual \$	2020-21 Actual % of budget %	2020-21 Remaining Budget \$
1335 - Visa Fees - RPC	2,013,000	480,000	480,000	960,000	978,000	102%	-18,000
1580 - Visa Fees - RPC Resettlement	16,852,434	3,600,000	1,200,000	4,800,000	3,000,000	63%	1,800,000
1475 - Miscellaneous Revenue	32,337,225	7,370,900	1,354,000	8,724,900	6,382,789	73%	2,342,111
1495 - Service Fees	19,453,145	10,088,678	10,088,678	20,177,356	20,024,359	99%	152,997
1577 - DJBC - Operations	3,369,827	2,289,963	763,321	3,053,284	3,384,174	111%	-330,890
1578 - DJBC - Reimbursable Costs	18,935,023	15,257,699	5,085,900	20,343,599	16,371,079	80%	3,972,520
1598 - Hosting Fee	0	36,983,331	0	36,983,331	36,983,331	100%	0
1590 - Employment Services Tax	19,944,619	9,200,000	10,637,081	19,837,081	19,481,155	98%	355,926
1591 - Business Profit Tax	43,002,075	22,280,000	20,273,077	42,553,077	43,950,090	103%	-1,397,013
<b>Total RPC related revenue</b>	<b>155,907,348</b>	<b>107,550,571</b>	<b>49,882,057</b>	<b>157,432,628</b>	<b>150,554,977</b>	<b>96%</b>	<b>-1,041,087</b>
Share of total revenue	58%	51%	46%	50%	57%		

## FISHING REVENUE

Fishing revenue is one of Nauru's main income source over the years. As a result of the pandemic, the operational arrangements surrounding signing agreements were difficult to administer. At the end of Quarter 4, Fisheries revenue collected stood at \$59.8 million, which is 95 percent of the budget. Fisheries collections are highly seasonal, with the majority of revenue usually being received in the second quarter (Table 6). Government anticipates the same collections (actual) in the next financial year.

Table 6 Fisheries Revenue Q4 2020-21

Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1055 - Support Vessel Charges	326,526	230,000	70,000	300,000	426,855	142%	-126,855
1071 - Purse Seine Revenue - Licensing	1,745,909	1,300,000	200,000	1,500,000	1,393,798	93%	106,202
1072 - Purse Seine Revenue - Fishing Days	71,206,717	53,000,000	8,125,000	61,125,000	57,977,121	95%	3,147,879
<b>Total Fisheries Revenue</b>	<b>73,279,152</b>	<b>54,530,000</b>	<b>8,395,000</b>	<b>62,925,000</b>	<b>59,797,774</b>	<b>95%</b>	<b>3,127,226</b>

## TAXATION REVENUE

Taxation revenues outperformed budget estimates during the year (Table 7), reflecting more buoyant economic conditions than was anticipated during budget, due mostly to the RPC extension.

Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	2,588,686	2,000,000	1,225,584	3,225,584	3,340,938	104%	-115,354
1590 - Employment Services Tax	19,944,619	9,200,000	10,637,081	19,837,081	19,481,155	98%	355,926
1591 - Business Profit Tax	43,002,075	22,280,000	20,273,077	42,553,077	43,950,090	103%	-1,397,013
<b>Total Tax</b>	<b>65,535,380</b>	<b>33,480,000</b>	<b>32,135,742</b>	<b>65,615,742</b>	<b>66,772,183</b>	<b>102%</b>	<b>1,156,441</b>

## CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections continued to be strong over the quarter, reflecting more buoyant economic conditions than anticipated in the original budget, the increased import volumes supported by the weekly Nauru Airlines freighter service, and higher frequency of sea cargo deliveries with the commencement of the Nauru Shipping Line (Table 8). Collection from diesel sales way exceeded budget (163%) despite the government duty exemption granted to NRC and Ronphos, The good collections from diesel sales is attributable to the increased demand on island due to the high volume of vehicles imports during the year.

Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	5,886,456	5,726,746	925,703	6,652,449	7,073,041	106%	-420,592
1145 - Customs and Excise Duty - Alcohol	1,429,190	2,040,000	0	2,040,000	1,956,048	96%	83,952
1150 - Customs and Excise Duty - Sugar	929,814	920,000	623,075	1,543,075	1,262,619	82%	280,456
1155 - Customs and Excise - Machinery/Vehicle/Equip	1,059,210	830,000	0	830,000	1,045,324	126%	-215,324
1160 - Customs and Excise Duty - Other	2,475,068	2,100,000	1,043,423	3,143,423	2,813,421	90%	330,002
1165 - Customs and Excise Duty - Petrol Sales	2,294,837	1,800,000	845,751	2,645,751	2,654,280	100%	-8,529
1170 - Customs and Excise Duty - Diesel Sales	3,940,535	2,700,000	-1,000,000	1,700,000	2,775,493	163%	-1,075,493
1175 - Customs and Excise Duty - JetA1	0	20,000	0	20,000	0	0%	20,000
<b>Total Customs and Excise Duty</b>	<b>18,015,111</b>	<b>16,136,746</b>	<b>2,437,952</b>	<b>18,574,698</b>	<b>19,580,224</b>	<b>105%</b>	<b>1,005,526</b>

## VISA FEES

Budget projections for visa fees were well below levels registered last year, due mainly to the winding down of the RPC. Total revenue from visa fees this year is 25 percent below the benchmark (see Table 9).

Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	% of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1330 - Visa Check up	10,469	6,505	0	6,505	4,116	63%	2,389
1335 - Visa Fees - RPC	2,013,000	480,000	480,000	960,000	978,000	102%	-18,000
1575 - Visa Fees (Other Business)	2,247,999	1,900,000	0	1,900,000	1,794,402	94%	105,598
1580 - Visa Fees - RPC Resettlement	16,852,434	3,600,000	1,200,000	4,800,000	3,000,000	63%	1,800,000
<b>Total Visa Fees</b>	<b>21,123,902</b>	<b>5,986,505</b>	<b>1,680,000</b>	<b>7,666,505</b>	<b>5,776,518</b>	<b>75%</b>	<b>1,889,987</b>



## OTHER REVENUE – DIVIDENDS, GRANTS AND OTHER

With exception of the aircraft loan proceeds, revenue in this category was in line with expectations (Table 10) with income from investments and dividends registering a 200 percent increase when compared to the preceding year.

The EXIM Bank loan for new aircraft will be delayed into next financial year due to both the vigorous processes that the new plane has to go through prior to finalization of LOI and the surge in COVID-19 in Taiwan. This reflects a slower than expected process to identify and secure the aircraft to be purchased. Related donor grants to meet anticipated principal and interest payments are also not expected to be received in 2020-21, as their timing will match the loan schedule.

Table 10 Dividends, Grants and Other Q4 2020-21

Description	2019-20 Preliminary Actual \$	2020-21 Approved Budget \$	2020-21 Supp Bills \$	2020-21 Revised Budget \$	2020-21 Actual \$	2020-21 Actual % of budget %	2020-21 Remaining Budget \$
1015 - Income from Investments & Dividends-Others	2,250,330	7,150,000	-	7,150,000	6,721,656	94%	428,344
1660 - General Budget Support	10,461,850	17,840,000	8,737,293	26,577,293	21,273,593	80%	5,303,700
1902 - EXIM NAC Loan Proceeds	-	-	34,930,000	34,930,000	-	0%	34,930,000
<b>Total Dividends , Grants and Other</b>	<b>12,712,181</b>	<b>24,990,000</b>	<b>43,667,293</b>	<b>68,657,293</b>	<b>27,995,249</b>	<b>174%</b>	<b>40,662,044</b>

## NON-TAX REVENUE

Non-tax revenue collections in the year to date were broadly in line with expectations. Reimbursable costs associated with the RPC were paid in during the quarter and passenger levies and departure taxes improved slightly (Table 11).

Table 11 Non-tax revenues Q4 2020-21

Description	2019-20	2020-21 Approved	2020-21 Supp	2020-21 Revised	2020-21	2020-21	2020-21
	Preliminary Actual	Budget	Bills	Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1121 - Curator fees	50,843	5,000	0	5,000	105,527	2111%	-100,527
1215 - Licenses-Drivers etc	106,502	80,000	0	80,000	117,198	146%	-37,198
1220 - Corporation Fees and Licenses	125,855	120,000	180,000	300,000	403,725	135%	-103,725
1225 - Licenses-Trading	585,560	500,000	0	500,000	311,578	62%	188,422
1230 - Liquor Licensing Board	15,628	16,000	9,000	25,000	42,200	169%	-17,200
1235 - Gaming / Bingo Licenses	224,166	280,000	0	280,000	53,250	19%	226,750
1240 - Licenses-Dogs etc	0	0	200	200	83	42%	117
1245 - Drones Licenses	0	0	2,000	2,000	1,500	75%	500
1260 - Birth Certificate	23,000	22,000	0	22,000	13,270	60%	8,730
1265 - Death Certificate	880	650	0	650	870	134%	-220
1270 - Marriage Certificate	3,100	2,800	0	2,800	1,700	61%	1,100
1300 - Registration Fees-Motor Cars	84,978	68,000	52,000	120,000	138,979	116%	-18,979
1305 - Registration Fees-Motorcycles	6,525	5,500	14,500	20,000	24,890	124%	-4,890
1310 - Vehicle/Insurance Fees	270,540	200,000	100,000	300,000	383,325	128%	-83,325
1325 - Passport Fees and Photographs	164,070	170,000	0	170,000	54,640	32%	115,360
1340 - Police Clearance	54,560	40,000	0	40,000	32,495	81%	7,505
1361 - Fuel Levy	0	0	1,000,000	1,000,000	0	0%	1,000,000
1360 - D.C.A-Pax Levy	948,575	580,000	0	580,000	0	0%	580,000
1365 - D.C.A.-Departure Taxes	811,450	500,000	0	500,000	0	0%	500,000
1370 - D.C.A.-Air Navigation Fees	326,563	220,000	280,000	500,000	478,904	96%	21,096
1375 - D.C.A.-Landing Fees	761,482	250,000	0	250,000	153,300	61%	96,700
1380 - D.C.A.-Rental Fees	124,460	46,000	0	46,000	17,806	39%	28,194
1400 - Port Fees	357,684	0	0	0	0	0%	0
1475 - Miscellaneous Revenue	32,337,225	7,370,900	1,354,000	8,724,900	6,382,789	73%	2,342,111
1480 - Bus Services	1,855	1,200	0	1,200	1,655	138%	-455
1485 - Quarantine Fees	43,601	36,000	14,000	50,000	77,556	155%	-27,556
1490 - Court Fines and Fees	25,809	17,000	23,000	40,000	54,828	137%	-14,828
1495 - Service Fees	19,453,145	10,088,678	10,088,678	20,177,356	20,024,359	99%	152,997
1500 - Sale of Maps	11,730	7,000	0	7,000	7,550	108%	-550
1520 - Food Handler Check up	8,360	6,000	0	6,000	11,580	193%	-5,580
1540 - Advertising Revenue	7,309	30,000	20,000	50,000	67,652	135%	-17,652
1555 - Spectacles,Drugs etc	2,910	2,000	2,000	4,000	4,690	117%	-690
1565 - Medical Services	4,110	2,300	2,700	5,000	7,860	157%	-2,860
1577 - DJBC - Operations	3,369,827	2,289,963	763,321	3,053,284	3,384,174	111%	-330,890
1578 - DJBC - Reimbursable Costs	18,935,023	15,257,699	5,085,900	20,343,599	16,371,079	80%	3,972,520
1596 - Traffic Infringements	0	50,000	50,000	100,000	129,160	129%	-29,160
1597 - TVET Course Fees	0	30,000	0	30,000	29,555	99%	445
1598 - Hosting Fee	0	36,983,331	0	36,983,331	36,983,331	100%	0
1700 - National/District Roll Sales	5,530	2,000	0	2,000	3,050	153%	-1,050
1705 - Electoral Various Fees	77,750	80,000	0	80,000	82,000	103%	-2,000
<b>Total Non Tax</b>	<b>79,330,606</b>	<b>75,360,021</b>	<b>19,041,299</b>	<b>94,401,320</b>	<b>85,958,109</b>	<b>91%</b>	<b>8,443,211</b>

## REVENUE BY DEPARTMENT

Table 12 shows revenue for the year to date by department head. These revenue even though collected by these department are not hypothecated to the operation of these appropriation heads but rather reflects the revenue classification method used in the financial management information system. The departments against which the revenue are recorded are responsible for the administration including negotiation, formulation of contracts and agreement and invoicing of customers

Table 12 Revenue by Department Q4 YTD 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	Revised Budget	Actual	Actual % of budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
03 - Chief Secretariat	139,537	41,450	9,000	50,450	59,070	117%	(8,620)
09 - Electoral Commission	113,710	84,000	0	84,000	85,080	101%	(1,080)
11 - Finance Secretariat	0	10,000	0	10,000	761	8%	9,240
12 - Finance -Public Debt	0	0	34,930,000	34,930,000	0	0%	34,930,000
15 - Nauru Revenue Office	65,866,049	33,840,000	32,135,742	65,975,742	66,942,631	101%	(966,889)
16 - Finance - Other Payments	13,203,617	24,230,000	9,737,293	33,967,293	25,368,927	75%	8,598,366
17 - Nauru Customs Office (NCO)	18,015,111	16,136,746	2,439,952	18,576,698	19,581,724	105%	(1,005,026)
18 - Nauru Regional Processing Centre (NRPCC) Corporation	21,434,985	10,067,050	10,088,678	20,155,728	20,001,504	99%	154,224
21 - CIE	5,275	5,000	0	5,000	7,100	142%	(2,100)
31 - Fisheries	73,421,288	54,530,000	8,395,000	62,925,000	60,252,587	96%	2,672,413
41 - Police	121,991	91,800	50,000	141,800	176,090	124%	(34,290)
42 - Dept of Multi Cultural Affairs	68,241,754	66,672,993	8,883,221	75,556,214	69,064,584	91%	6,491,630
43 - Justice - Secretariat	762,758	625,000	180,200	805,200	822,043	102%	(16,843)
44 - Judiciary	25,809	17,000	23,000	40,000	54,828	137%	(14,828)
45 - Border Control	2,455,670	2,106,000	14,000	2,120,000	1,926,598	91%	193,402
46 - Correctional Services	0	0	0	0	2,100	0%	(2,100)
50 - Directorate of TVET	31,724	30,000	0	30,000	37,105	124%	(7,105)
61 - Health	44,346	36,533	2,000	38,533	96,975	252%	(58,442)
62 - Sports	2,815	0	2,700	2,700	0	0%	2,700
81 - Home Affairs	24,041	0	0	0	0	0%	0
83 - Media Bureau	7,309	30,000	20,000	50,000	67,912	136%	(17,912)
84 - Lands & Survey	11,730	7,000	0	7,000	7,550	108%	(550)
85 - Lands Committee	3,370	2,000	0	2,000	24,355	1218%	(22,355)
91 - Department of Transport	3,386,323	1,910,700	446,500	2,357,200	1,291,693	55%	1,065,507
93 - Maritime Transport	417,857	0	0	0	0	0%	0
95 - ICT	2,259,264	10,000	0	10,000	10,340	103%	(340)
<b>Total Revenue</b>	<b>269,996,331</b>	<b>210,483,272</b>	<b>107,357,286</b>	<b>317,840,558</b>	<b>265,881,556</b>	<b>84%</b>	<b>51,959,002</b>

## OPERATING EXPENDITURE ANALYSIS

Total expenditure for the year to date is shown in Table 13. Overall, expenditure is less than expected, 88 percent of the budget was spent. The main reallocations occurred from the Fiscal Cash Buffer (non-expense items) to cover urgent and unforeseen expenditure, mainly related to subsidies to State Owned Enterprises, the port redevelopment and debt repayments.

Table 13 Expenditure by Group Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual+Commitment	Actual+Commitment % of	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
Personnel	36,439,593	44,489,279	1,716,697	-4,476,462	41,729,514	39,173,860	94%	2,555,654
Govt Travel	7,631,964	2,556,955	283,825	-1,323,258	1,517,522	1,206,175	79%	311,347
Subsidies & Donations	48,343,229	20,916,602	38,006,669	17,381,654	76,304,925	52,943,008	69%	23,361,917
Govt Operations	83,236,075	76,124,736	9,886,341	7,378,467	93,389,544	89,504,903	96%	3,884,641
Capital Expenditure	22,272,737	18,260,271	8,257,354	856,387	27,374,012	24,325,801	89%	3,048,211
Social Benefits	15,949,163	15,082,397	9,150,000	-196,042	24,036,355	23,435,567	98%	600,788
Other	601,264	693,715	0	-4,095	689,620	480,797	70%	208,823
Transfer (Non Expense)	27,635,078	32,320,426	40,029,795	-19,616,651	52,733,570	48,767,322	92%	3,966,248
<b>Total Expenditure</b>	<b>242,109,103</b>	<b>210,444,381</b>	<b>107,330,681</b>	<b>0</b>	<b>317,775,062</b>	<b>279,837,433</b>	<b>88%</b>	<b>37,937,628</b>

Figure 4 shows expenditure by quarter for 2020-21 by group. Expenditure in the last quarter for Social Benefits and Non-expense items reflected lumpy payments provided for Community Social obligations, Nauru Trust Fund contributions and debt repayments (non-expense items), as well as, Nauru Community Housing (social benefits). Personnel costs grew in the last quarter and this is mostly associated with new appointments, consultancy and salary advancements. There were barely any expenditure on government travel due to continued travel restrictions. Travel budget allocated at the start of the year to cover for high level priority travel particularly the planned Micronesian Presidency Summit were reallocated to fund other expenditure priorities. Other payments were also very small.

Figure 4 Expenditure by group by quarter, Q4 2020-21

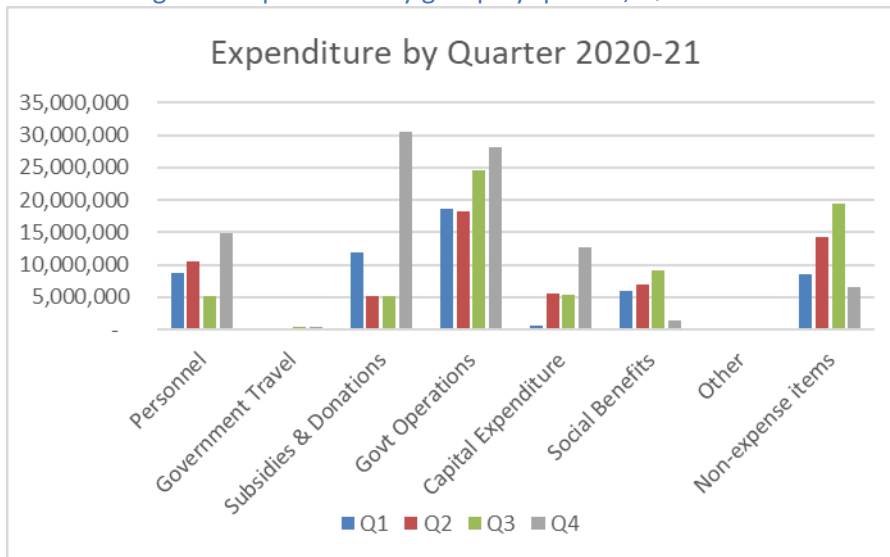
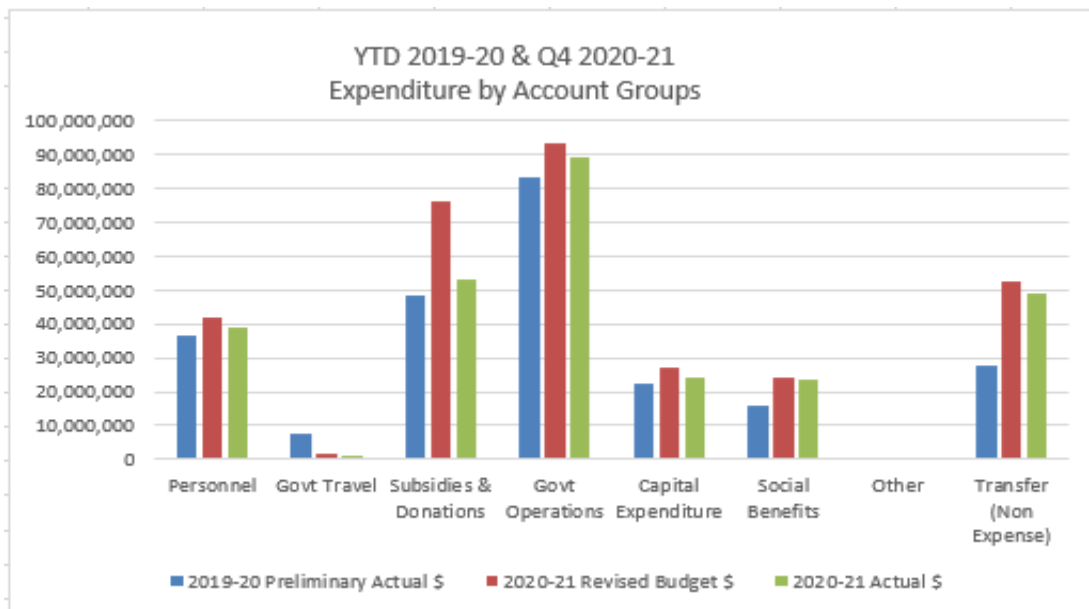


Figure 5 compares expenditure in the year to date at the end of the last quarter, against the same period last year and the 2020-21 budget. Compared to the same period last year, only government travel is lower in 2020-21. In all other groups, the actual outturn for 2020-2021 is higher than the previous year as this reflects more programs were implemented as everyone is on the island and the impact of travel restrictions due to the Coronavirus pandemic.

All categories are at or below the expected budgeted level. Expenditure on subsidies and non-expense items reflects lumpy expenditure timing, payments are based on actual invoices which is lower than assumptions in the budget finalisations.

Figure 5 – Expenditure Year to Date Q4 by Group 2020-21



### PERSONNEL COSTS

Expenditure on personnel costs for Q4 surpassed the other quarters due to new appointments, as well as, increases in overtime and allowances during the quarter (Table 14). Actual spending on Local and expat salaries was around 90 percent of total budget, which reflects in part the ambitious recruitment plans at the start of the financial year that have not been delivered. 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 Costs Q4 2020-21

Description	2019-20 Preliminary Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 Actual+Commitment	2020-21 Actual+Commitment % of	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2005 - Salaries & Allowances - (MP's)	1,450,712	1,260,698	0	0	1,260,698	1,236,654	98%	24,044
2010 - HE Salary & Allowances	105,033	105,034	0	0	105,034	100,532	96%	4,502
2015 - Salary - Local	21,838,315	27,974,432	1,404,359	-2,644,416	26,734,374	24,911,992	93%	1,822,382
2020 - Salary Expatriate	7,801,658	9,702,826	24,000	-2,045,594	7,681,232	7,450,921	97%	230,311
2025 - Allowances - Staff Contract	1,426,872	1,380,394	8,000	87,124	1,475,518	1,437,640	97%	37,878
2026 - Directors Fees	20,500	39,300	0	6,350	45,650	25,250	55%	20,400
2031 - Staff Contract - Ministerial	0	0	0	102,788	102,788	50,577	49%	52,211
2035 - Overtime - local	802,102	664,104	155,700	42,654	862,458	766,565	89%	95,893
2040 - Staff Training	894,984	1,020,661	14,900	-218,532	817,029	730,950	89%	86,079
2041 - Prep & Orientation of Seasonal	0	100,000	0	-61,500	38,500	0	0%	38,500
2045 - Recruitment	14,999	30,000	0	-22,141	7,859	4,859	62%	3,000
2050 - Uniforms & Protective Clothing	369,746	244,874	51,060	104,579	400,513	351,625	88%	48,888
2072 - Meals and Drinks - Staff	176,340	134,040	58,678	104,325	297,043	286,408	96%	10,635
2651 - GON Contributions	1,538,330	1,832,916	0	67,902	1,900,818	1,819,887	96%	80,931
<b>Total Personnel</b>	<b>36,439,593</b>	<b>44,489,279</b>	<b>1,716,697</b>	<b>-4,476,462</b>	<b>41,729,514</b>	<b>39,173,860</b>	<b>94%</b>	<b>2,555,654</b>

## GOVERNMENT TRAVEL

Expenditure on Government Travel (Table 15) reflects COVID-19 travel restrictions.

Table 15 Government Travel Expenditure Q4 2020-21

Description	2019-20 Preliminary Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 Actual+Commitment	2020-21 Actual+Commitment % of	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	494,215	596,210	5,000	-51,698	549,512	360,446	66%	189,066
2075 - Travel - Business	7,137,748	1,960,745	278,825	-1,271,560	968,010	845,729	87%	122,281
<b>Total Government Travel</b>	<b>7,631,964</b>	<b>2,556,955</b>	<b>283,825</b>	<b>-1,323,258</b>	<b>1,517,522</b>	<b>1,206,175</b>	<b>79%</b>	<b>311,347</b>

## SUBSIDIES & DONATIONS

Expenditure on Subsidies & Donations was \$30 million in the last quarter, compared with \$22 million across the prior three quarters which reflects reallocations from the Fiscal Cash Buffer to supplement the Subsidies to SOEs (Table 16). The equity purchase provision relates to the Government's support for the Nauru Airlines aircraft replacement program. The timing of this payment is dependent on Nauru Airlines securing an aircraft to purchase. There was a substantial increase in Donations Local budget during the year to cater for increased demands for housing requests for all constituencies.

Table 16 Subsidies & Donations Expenditure Q4 2020-21

Description	2019-20 Preliminary Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 Actual+Commitment	2020-21 Actual+Commitment % of	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	9,500,000	0	34,930,000	0	34,930,000	13,191,700	38%	21,738,300
2615 - Other Subsidies & Donations	2,469	0	0	0	0	0	0%	0
2616 - Subsidies to SoEs	35,921,645	18,465,560	1,437,454	12,232,043	32,135,057	30,784,485	96%	1,350,572
2617 - Donations - local	2,913,839	2,344,000	1,639,215	5,249,611	9,232,826	8,965,045	97%	267,781
2618 - Donations - overseas	5,276	107,042	0	-100,000	7,042	1,777	25%	5,265
<b>Total Subsidies &amp; Donations</b>	<b>48,343,229</b>	<b>20,916,602</b>	<b>38,006,669</b>	<b>17,381,654</b>	<b>76,304,925</b>	<b>52,943,008</b>	<b>69%</b>	<b>23,361,917</b>

As part of improving service delivery and ensuring the general public don't bear the full brunt of costs as a result of the pandemic and rising in costs of doing business, the Government continued to provide

subsidies to SOEs. Figure 6 shows subsidies to SOEs (2616) by entity. Payments to Nauru Airlines (NAC) supported planned investment in an aircraft freighter conversion and the community service obligation (CSO) to provide weekly air freight services, as planned in the 2020-21 Budget. Payments to NUC and Port also relate to planned CSOs for a lifeline electricity tariff and port service charges. Payments to the Nauru Shipping Line (NSL) and Ronphos (tug boat costs) were partially planned at budget, with additional expenditure met through supplementary appropriations and reallocation from the Fiscal Cash Buffer.

Figure 6 Subsidies to SOEs by entity Year to Date Q4 2020-21 (\$m)

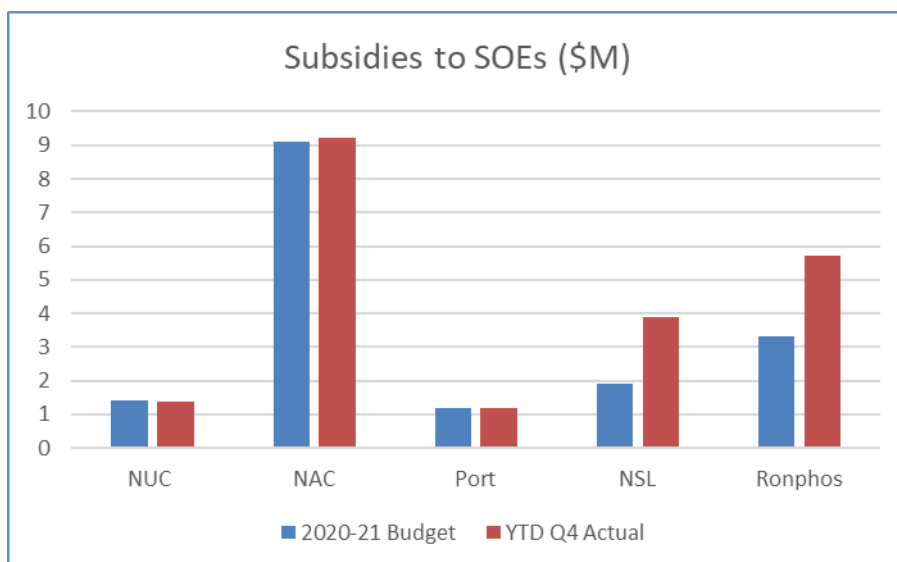
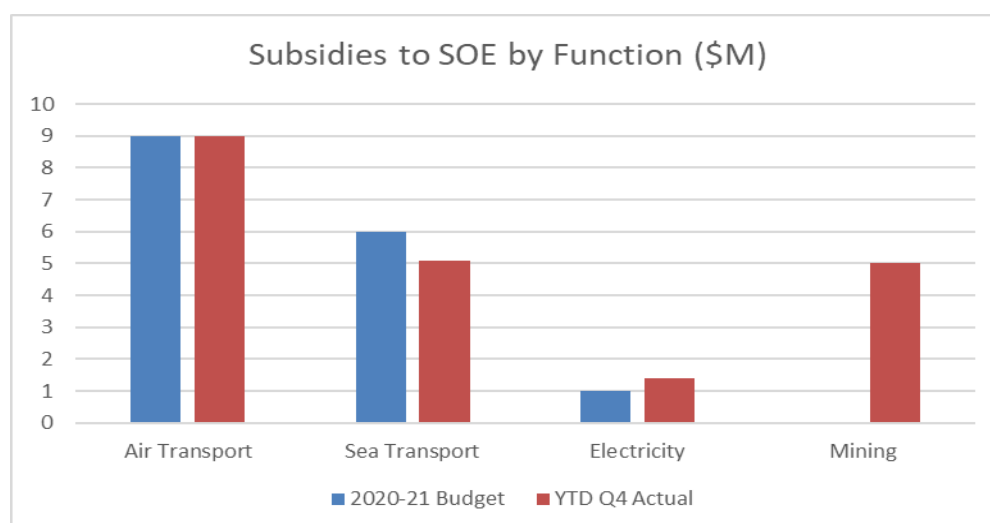


Figure 7 shows subsidies to SOEs by function, compared to the original 2020-21 Budget provisions. Subsidy payments support the mitigation of transport security risks to ensure regular and affordable sea freight and air freight services that impact on food and supply security. Sea transport also includes the costs related to tug boat hire and port charges to load phosphate ships (tug boats are required due to the damaged moorings).

The CSO for electricity assists in alleviating cost of living pressures for households, by facilitating access to a minimum amount of electricity at an affordable price.

The subsidy to mining includes payment of land rental arrears related to extracting phosphate, and cash flow support to enable Ronphos to meet its commitments to pay workers and suppliers. The Government’s decision to exempt selected SOEs from paying diesel excise is not included in this figure

Figure 7 Subsidies to SOEs by Function Q4 2020-21 (\$M)



## CAPITAL EXPENDITURE

Overall capital expenditure was as expected (Table 17), for Q4 with government alone spending \$12.4 million to improve infrastructure. Infrastructure works in progress includes port construction, improvement to existing infrastructure for schools and the RON Hospital.

Most of the funding in 2496 - Building and Structures relates to financial provision for the Government's contribution to the construction of the new Port, as required in the Grant agreement with the Asian Development Bank. This includes provision for maintenance of USD1.5 million and contingency funding of USD6.6 million.

Given the delays in the project, the Government will ensure implementations of port projects progress smoothly and all pending payments are settled in the next financial year.

Table 17 Capital Expenditure Q4 2020-21

Description	2019-20 Preliminary Actual	2020-21 Approved Budget	2020-21 Supp Bills	2020-21 ISHT	2020-21 Revised Budget	2020-21 Actual+Commitment	2020-21 Actual+Commitment % of	2020-21 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2480 - Medical Equipment	272,575	115,000	480,368	53,551	648,919	622,615	96%	26,304
2495 - Plant & Equipment Purchases	10,194,741	1,143,744	1,605,089	3,367,312	6,116,145	5,638,836	92%	477,310
2496 - Building and Structures	10,612,808	16,519,527	6,121,897	-2,385,685	20,255,739	17,766,650	88%	2,489,089
2580 - Public Works	1,192,613	482,000	50,000	-178,791	353,209	297,700	84%	55,508
<b>Total Capital Expenditure</b>	<b>22,272,737</b>	<b>18,260,271</b>	<b>8,257,354</b>	<b>856,387</b>	<b>27,374,012</b>	<b>24,325,801</b>	<b>89%</b>	<b>3,048,211</b>

## SOCIAL BENEFITS

Expenditure on social benefits is as expected (Table 18). Inter-Head Sub Transfers provide additional allocation for the Nauru Community Housing, with outlays brought forward to purchase construction materials. In support of the NSS, Government has paid all dues associated with employee contributions.

Table 18 Social Benefit Expenditure Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual+Com mitment	Actual+Com mitment % of budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2220 - Nauru Community Housing	7,556,343	5,650,000	9,150,000	88,974	14,888,974	14,888,972	100%	2
2390 - Social Welfare - Birth Claims	111,800	192,000	0	0	192,000	173,700	90%	18,300
2395 - Social Welfare - Death Claims	222,000	238,000	0	0	238,000	168,000	71%	70,000
2396 - Back to School Support	0	739,800	0	-182,301	557,499	353,800	63%	203,699
2400 - Social Services - Aged Pensions	3,102,328	3,865,000	0	-745,000	3,120,000	2,896,351	93%	223,649
2405 - Social Services - Super Contributors	93,843	100,000	0	0	100,000	77,641	78%	22,359
2420 - Social Services - Disability Payments	1,101,336	1,625,000	0	0	1,625,000	1,582,750	97%	42,250
2421 - Ex Gratia - Age and Disable	507,200	0	0	476,000	476,000	476,000	100%	0
2422 - Ex Gratia SoEs	986,800	0	0	1,000,700	1,000,700	1,000,700	100%	0
2440 - Scholarships - School & Trade	2,267,513	2,672,597	0	-834,415	1,838,182	1,817,652	99%	20,530
<b>Total Social Benefits</b>	<b>15,949,163</b>	<b>15,082,397</b>	<b>9,150,000</b>	<b>-196,042</b>	<b>24,036,355</b>	<b>23,435,567</b>	<b>98%</b>	<b>600,788</b>

### Other Expenditure

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 Expenditure Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual+Com mitment	Actual+Com mitment % of budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	408,839	579,591	0	-12,095	567,496	434,325	77%	133,171
2570 - Bank Charges	50,446	56,636	0	9,969	66,605	49,039	74%	17,567
2690 - Foreign exchange gains/losses	141,979	57,488	0	-1,969	55,519	-2,567	-5%	58,086
<b>Total Other</b>	<b>601,264</b>	<b>693,715</b>	<b>0</b>	<b>-4,095</b>	<b>689,620</b>	<b>480,797</b>	<b>70%</b>	<b>208,823</b>

### Non-Expense Items

Expenditure in this category was in line with budget projections. During the quarter, the Government made investment in the Nauru Inter- generational Trust Fund and payments to address outstanding legacy debt with Bank of Nauru (BON).

Table20 Non-Expense Items Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual+Com mitment	Actual+Com mitment % of budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	0	5,833,334	3,539,572	4,000,000	13,372,906	9,411,463	70%	3,961,443
2650 - Trust Fund	23,921,732	16,585,947	16,625,735	505,970	33,717,652	33,717,652	100%	0
2652 - Fiscal Cash Buffer	0	8,901,145	15,864,488	-24,765,633	0	0	0%	0
2680 - BON Liquidation- Payment	3,013,346	1,000,000	4,000,000	643,012	5,643,012	5,638,207	100%	4,805
2802 - Loan Expenditure Account	700,000	0	0	0	0	0	0%	0
<b>Total Non-expense items</b>	<b>27,635,078</b>	<b>32,320,426</b>	<b>40,029,795</b>	<b>-19,616,651</b>	<b>52,733,570</b>	<b>48,767,322</b>	<b>92%</b>	<b>3,966,248</b>

The Government paid the balance of \$6.2 million to the Nauru Trust Fund during the Quarter, which is provision for pre- payment of the 2021-22 contribution, quarantined from additional windfall revenue received in 2020-21.

During the quarter, further progress was made on addressing legacy debt related to the Bank of Nauru (BON) liquidation with payment close to \$300,000. Round 6 of BON liquidation payments provided for payment of outstanding creditor balances of up to \$20,000 to individual bank book holders who had a



verified balance with no unresolved debts to BON, and had provided up to date bank account details to the Department of Finance.

The BON went into liquidation in the mid-2000s, with the Deloitte report to the District Court in 2014 providing the source of truth for outstanding BON account balances and obligations. From time to time, the Government takes the opportunity to make payments to creditors, when it has fiscal capacity to do so. These are considered ex gratia payments at the discretion of the Government.

To support fiscal responsibility and ensure that provision is made to manage fiscal risks including those related to urgent, unavoidable and unforeseen expenditure requirements or realisation of contingent liabilities, the Government includes a Fiscal Cash Buffer in its budget appropriation.

Total allocation to this buffer in the year to date was \$24.7 million, or 8 per cent of revised total expenditure, following Supplementary No 2. Whilst this buffer would be considered high by the IMF benchmark standard of 3 per cent, over the year to date, the buffer provisions have supported Government to be agile and respond to changes in expenditure priorities without the need to return to Parliament for additional appropriation.

In the year to date, transfers from the Fiscal Cash Buffer have supported additional payments to SOEs, including emergency cash flow support for Ronphos and the Nauru Shipping Line, ex-gratia payments for pensioners and the disabled, as well as, addressing land rental arrears and legacy debt obligations. It has also been used to top-up whole of Government payment provisions for freight and staff superannuation payments.

### Government Operations

Overall, expenditure on government operations was consistent with expectations (Table 21). Common good items were fully spent and similarly for NEAT Scheme scholarships and expenditure associated with Correctional services department. Spending on overseas Medical Referrals (OMR) far exceeded budget, this is mainly due to lack of capacity on the island and patients having to be evacuated abroad. Lower than budgeted expenditure on repairs and maintenance of plant, reflect delays related to the tendering of the new fuel contract impacting on planned upgrades to the tank farm.

Table 21 Government Operations Expenditure Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual+Com mitment	Actual+Commi tment % of budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2030 - Salaries - Other Contracts	30,247,099	24,045,646	6,063,570	1,157,687	31,266,903	30,863,197	99%	403,706
2055 - Consultants fees	1,695,080	1,943,336	576,500	-227,322	2,292,514	2,204,855	96%	87,659
2060 - Legal Fees - External	548,818	537,500	12,500	-442,399	107,601	107,601	100%	0
2100 - Entertainment	764,466	779,049	29,333	286,194	1,094,575	1,002,734	92%	91,842
2105 - Official Celebrations	1,120,376	547,564	212,600	135,540	895,704	848,984	95%	46,719
2110 - Protocol	99,333	90,000	0	-27,600	62,400	6,409	10%	55,991
2130 - Printing & Stationery	623,326	789,258	43,101	91,437	923,796	848,700	92%	75,096
2132 - TVET Supplies	236,003	0	140,000	0	140,000	139,999	100%	1
2135 - Stores	452,789	487,379	56,935	135,546	679,859	565,692	83%	114,167
2136 - Museum Artefacts	0	0	2,000	0	2,000	350	18%	1,650
2155 - House Rental	5,002,501	6,791,743	4,497,697	-531,122	10,758,318	10,455,964	97%	302,354
2160 - Land Rental	8,622,617	7,368,307	1,349,643	-49,183	8,668,767	8,581,713	99%	87,054
2165 - Office Rental	638,971	762,257	36,000	173,092	971,349	811,656	84%	159,693
2185 - R&M - Buildings	2,130,580	853,690	671,150	723,286	2,248,126	1,997,300	89%	250,826
2190 - R&M - Office Equipment	217,597	209,148	38,700	85,129	332,977	292,244	88%	40,733
2191 - R&M Medical Equipment	165,305	100,000	0	-62,820	37,180	28,145	76%	9,035
2195 - R&M - Office Premises	84,569	20,253	0	20,321	40,574	37,653	93%	2,921
2200 - R&M - Motor Vehicles	545,739	537,305	91,475	33,626	662,406	594,756	90%	67,650
2205 - R&M - Plant	1,898,475	2,727,671	0	-1,133,563	1,594,108	1,570,504	99%	23,604
2210 - R&M - Aerodrome	101,039	60,000	0	4,549	64,549	64,363	100%	186
2225 - Agricultural Supplies	22,207	21,000	0	42,240	63,240	61,866	98%	1,374
2230 - Publicity and Awareness	7,544	28,800	20,000	26,129	74,929	68,676	92%	6,253
2275 - Purchase of Petrol	489,142	607,744	24,545	-2,000	630,289	561,730	89%	68,559
2280 - Purchase of Diesel	713,034	926,639	9,458	-159,800	776,297	725,083	93%	51,214
2290 - Purchase of Fuel - Other	4,224	10,793	0	0	10,793	5,280	49%	5,513
2315 - Utilities	3,941,850	4,693,549	135,575	-28,998	4,800,126	4,692,055	98%	108,071
2330 - Telephone / Internet	2,218,706	2,193,235	122,968	181,226	2,497,428	2,383,568	95%	113,861
2350 - Freight	1,387,380	1,500,000	75,000	1,185,300	2,760,300	2,240,892	81%	519,408
2370 - Membership Fees & Subscriptions	2,757,682	1,115,819	15,612	172,372	1,303,803	1,094,234	84%	209,569
2372 - Nauru Radio Supplies	7,000	10,300	5,000	1,200	16,500	16,500	100%	0
2373 - Media TV Supplies	32,190	19,000	5,000	31,320	55,320	55,301	100%	19
2375 - ICT Supplies	80,581	50,202	0	10,261	60,463	60,372	100%	91
2460 - Medical Expenses	46,717	80,825	0	-27,231	53,594	37,193	69%	16,401
2461 - Primary Health Care Services	14,361	303,400	0	-172,978	130,422	130,423	100%	-1
2462 - NCD Control & Health Promotion	3,717	43,600	0	0	43,600	35,032	80%	8,568
2463 - Environmental Health and Food sa	27,561	10,000	0	0	10,000	7,017	70%	2,984
2464 - Management Monitoring & Evalua	15,530	31,000	0	-18,135	12,865	12,865	100%	0
2467 - Drugs and Medicines	772,771	750,000	350,000	0	1,100,000	1,099,571	100%	429
2468 - Dental Supplies	46,778	50,000	0	-39,688	10,312	10,312	100%	-0
2469 - Dialysis Supplies	248,706	350,000	0	-99,800	250,200	249,347	100%	853
2471 - Medical Consumable	674,488	790,000	50,000	-170,312	669,688	647,091	97%	22,597
2472 - Laboratory supplies	366,152	248,000	0	0	248,000	247,987	100%	13
2473 - Radiology Supplies	9,320	20,000	0	0	20,000	19,986	100%	14
2474 - Clinical Education Supplies	16,911	20,000	64,004	-84,000	4	0	0%	4
2475 - Overseas Medical Treatment	5,766,504	2,000,000	1,000,000	2,433,800	5,433,800	5,348,941	98%	84,859
2560 - Educational Expenses - Special	179,078	198,293	0	-7,000	191,293	119,724	63%	71,569
2575 - Local Transport	1,599,637	1,236,363	187,975	575,625	1,999,963	1,869,089	93%	130,874
2585 - Rations	2,969,961	2,889,284	0	1,072,511	3,961,795	3,928,377	99%	33,418
2590 - Correctional Services Supplies	7,473	10,000	0	-2,898	7,102	7,102	100%	0
2600 - Postage	15,042	20,649	0	6,193	26,842	10,380	39%	16,462
2605 - Library/Periodicals	0	0	0	0	0	0	0%	0
2610 - Survey Supplies	2,838	1,500	0	3,700	5,200	5,194	100%	6
2611 - Children Education Toys and Learn	0	332,022	0	0	332,022	332,021	100%	2
2620 - Lease & Charter Payments	89,674	66,686	0	0	66,686	43,342	65%	23,344
2625 - Family Court Expenses	3,400	6,000	0	-2,700	3,300	3,100	94%	200
2630 - Safe House	152,361	196,660	0	-35,834	160,826	160,826	100%	0
2681 - Prior Year Account Payable (GoN)	0	0	0	1,260,000	1,260,000	1,198,036	95%	61,964
2700 - Deportee Revomal	360	20,000	0	-15,000	5,000	0	0%	5,000
2705 - NEAT Scheme	133,420	123,268	0	39,243	162,511	162,250	100%	261
2998 - COVID 19 Taskforce	0	6,000,000	-6,000,000	831,324	831,324	831,324	100%	0
2999 - Contingency fund	3,217,092	500,000	0	0	500,000	0	0%	500,000
<b>Total Government Operations</b>	<b>83,236,075</b>	<b>76,124,736</b>	<b>9,886,341</b>	<b>7,378,467</b>	<b>93,389,544</b>	<b>89,504,903</b>	<b>96%</b>	<b>3,884,641</b>

## COVID-19 TASKFORCE

The COVID-19 Taskforce oversees the budget under Head 60, which contains provisions for improvements to buildings and structures, medical equipment, salaries - other contracts, salaries local, as well as, freight lines, quarantine and hospital preparedness expenses. 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. Nauru commenced its vaccine roll-out on 9 April 2021 and to date approximately 97 percent of the adult population has been fully vaccinated.

Natural Account	Description	Cashflow (YTD)	Supplimentary Budget	ISHT Movements	Donor Budget	Revised Budget (YTD)	Actual YTD	Commitments (YTD)	Available Funds (YTD)	Annual Budget (original)	Annual Budget (revised)
<b>Revenue by Natural Account</b>											
Total Revenue		-	-	-	-	-	-	-	-	-	-
<b>Expense by Division - 6001</b>											
2015	Salary - Local	-	70,000	64,900	-	134,900	99,594	-	35,306	-	134,900
2050	Uniforms & Protective Clothing	-	25,000	15,000	-	10,000	6,612	-	3,389	-	10,000
2185	R&M - Buildings	-	25,000	25,000	-	-	-	-	-	-	-
2471	Medical Consumable	-	50,000	20,000	-	30,000	22,788	-	7,212	-	30,000
2474	Clinical Education Supplies	-	64,004	64,000	-	4	-	-	4	-	4
2480	Medical Equipment	-	330,368	14,500	-	315,868	311,479	-	4,389	-	315,868
2495	Plant & Equipment Purchases	-	-	23,000	-	23,000	22,955	-	45	-	23,000
2496	Building and Structures	-	2,549,533	830,000	-	1,719,533	1,663,968	-	55,565	-	1,719,533
Total Expense by Division		-	3,113,905	880,600	-	2,233,305	2,127,395	-	105,910	-	2,233,305
<b>Expense by Division - 6002</b>											
2030	Salaries - Other Contracts	-	1,283,787	197,800	-	1,085,987	1,085,664	-	323	-	1,085,987
2135	Stores	-	4,057	75,000	-	79,057	31,326	-	47,731	-	79,057
2155	House Rental	-	4,299,677	593,500	-	4,893,177	4,815,347	-	77,830	-	4,893,177
2315	Utilities	-	71,873	140,000	-	211,873	211,873	-	0	-	211,873
2575	Local Transport	-	2,500	25,500	-	28,000	17,840	-	10,160	-	28,000
2617	Donations - local	-	194,215	5,000	-	189,215	188,869	-	346	-	189,215
Total Expense by Division		-	5,856,109	631,200	-	6,487,309	6,350,919	-	136,390	-	6,487,309
<b>Expense by Division - 6003</b>											
2015	Salary - Local	-	127,382	21,400	-	148,782	143,288	-	5,494	-	148,782
2030	Salaries - Other Contracts	-	-	-	-	-	-	-	-	-	-
2072	Meals and Drinks - Staff	-	8,678	14,000	-	22,678	22,673	-	6	-	22,678
2075	Travel - Business	-	45,000	279,000	-	324,000	323,816	-	184	-	324,000
2130	Printing & Stationery	-	14,927	8,000	-	6,927	5,968	-	959	-	6,927
2135	Stores	-	-	2,000	-	2,000	1,435	-	565	-	2,000
2275	Purchase of Petrol	-	9,545	-	-	9,545	9,536	-	9	-	9,545
2280	Purchase of Diesel	-	9,458	-	-	9,458	9,458	-	-	-	9,458
2330	Telephone / Internet	-	5,000	15,000	-	10,000	1,844	-	11,844	-	10,000
2350	Freight	-	75,000	45,500	-	29,500	19,242	-	10,258	-	29,500
2370	Membership Fees & Subscriptions	-	612	1,500	-	2,112	1,340	-	772	-	2,112
Total Expense by Division		-	295,602	249,400	-	545,002	538,600	-	6,402	-	545,002
Total Expense		-	9,265,616	-	-	9,265,616	9,016,914	-	248,702	-	9,265,616

## EXPENDITURE BY DEPARTMENT

Table 23 shows actual expenditure for the year to date by department head. Most departments spending is within proximity of total budget, with notable exceptions being Ministerial (lumpy Nauru Community Housing payments) and Lands related heads (after adjustments for land rental payments). Underspending by overseas missions reflects delays in recording quarterly reconciliations in the FMIS and shelving of key programs due to COVID-19.

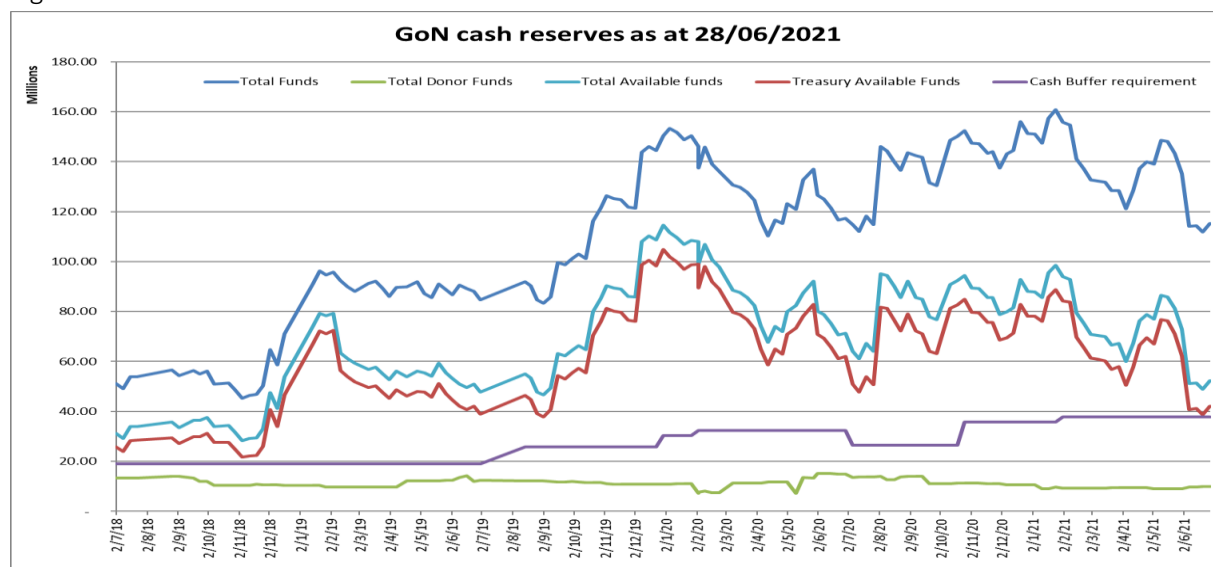
Table 23 Expenditure by Department Q4 2020-21

Description	2019-20	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual	Actual+Comm itment % of budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
01 - Presidency and State House (including GIO)	3,385,848	1,848,704	861,900	0	2,710,604	2,699,326	100%	11,278
02 - Ministerial	13,922,366	8,816,585	9,150,000	0	17,966,585	17,903,918	100%	62,666
03 - Chief Secretariat	19,478,738	17,631,670	0	0	17,631,670	17,254,614	98%	377,057
05 - Audit	302,870	333,514	0	0	333,514	256,249	77%	77,265
06 - Parliament	1,899,308	954,986	10,000	0	964,986	960,015	99%	4,971
08 - National Emergency Services	1,455,515	1,481,242	130,000	0	1,611,242	1,536,116	95%	75,126
09 - Electoral Commission	448,417	354,617	20,000	0	374,617	333,261	89%	41,356
11 - Finance Secretariat	2,083,608	2,384,130	0	0	2,384,130	2,073,886	87%	310,244
12 - Finance -Public Debt	0	0	38,469,572	0	38,469,572	13,191,700	34%	25,277,872
13 - Bureau of Statistics	118,555	142,953	0	0	142,953	91,184	64%	51,769
15 - Nauru Revenue Office	432,207	484,213	0	0	484,213	407,601	84%	76,612
16 - Finance - Other Payments	95,308,394	86,398,812	34,227,677	0	120,626,489	114,657,442	95%	5,969,047
17 - Nauru Customs Office (NCO)	518,422	704,541	300,000	0	1,004,541	766,884	76%	237,657
18 - Nauru Regional Processing Centre (NRPCC) C	1,689,674	1,380,343	285,000	0	1,665,343	1,329,362	80%	335,981
21 - CIE	1,222,504	1,036,452	(122,692)	0	913,760	922,866	101%	(9,106)
22 - Climate Change	0	0	785,771	0	785,771	743,084	95%	42,687
31 - Fisheries	3,121,256	2,349,944	586,000	0	2,935,944	2,652,660	90%	283,284
41 - Police	2,841,086	3,324,176	1,277,800	0	4,601,976	4,602,616	100%	(641)
42 - Dept of Multi Cultural Affairs	27,137,861	19,673,538	7,112,935	0	26,786,473	25,890,633	97%	895,840
43 - Justice - Secretariat	3,629,635	3,531,685	88,822	0	3,620,507	3,785,684	105%	(165,177)
44 - Judiciary	1,884,211	1,260,649	250,000	0	1,510,649	1,627,035	108%	(116,386)
45 - Border Control	904,722	950,294	0	0	950,294	894,876	94%	55,417
46 - Correctional Services	709,396	872,658	0	0	872,658	873,168	100%	(510)
50 - Directorate of TVET	675,302	445,583	140,000	0	585,583	545,538	93%	40,045
51 - Education	10,308,052	11,541,216	0	0	11,541,216	11,294,024	98%	247,192
52 - Youth Affairs	171,357	229,964	0	0	229,964	227,644	99%	2,319
60 - COVID-19task force	0	0	9,265,616	0	9,265,616	9,016,914	97%	248,702
61 - Health	16,471,894	15,040,755	1,585,000	0	16,625,755	16,125,947	97%	499,808
62 - Sports	1,795,354	660,801	550,000	0	1,210,801	1,260,194	104%	(49,393)
63 - Department of Infrastructure Development	2,928,519	2,883,774	603,448	0	3,487,222	3,133,422	90%	353,800
71 - Foreign Affairs - Secretariat	1,501,366	1,217,776	147,000	0	1,364,776	1,090,046	80%	274,730
72 - Foreign Affairs - Brisbane	1,111,158	1,117,338	0	0	1,117,338	869,305	78%	248,033
73 - Foreign Affairs - Suva	718,697	714,180	500,000	0	1,214,180	976,999	80%	237,181
74 - Foreign Affairs - New York	2,846,868	2,398,303	0	0	2,398,303	1,674,063	70%	724,240
75 - Foreign Affairs - Taiwan	477,347	486,228	0	0	486,228	359,484	74%	126,745
76 - Foreign Affairs- Geneva	798,331	855,242	0	0	855,242	609,636	71%	245,606
77 - High Commission India	0	144,350	0	0	144,350	0	0%	144,350
78 - High Commission Canberra	130,244	571,746	0	0	571,746	250,479	44%	321,267
81 - Home Affairs	4,153,383	4,383,248	(254,000)	0	4,129,248	4,185,849	101%	(56,602)
82 - Women's Affairs	312,138	283,493	304,000	0	587,493	577,283	98%	10,210
83 - Media Bureau	568,804	546,627	508,828	0	1,055,455	1,037,786	98%	17,669
84 - Lands & Survey	5,931,491	5,822,293	64,400	0	5,886,693	5,847,455	99%	39,238
85 - Lands Committee	209,603	302,171	0	0	302,171	325,240	108%	(23,069)
86 - Department of Land Management	94,076	98,522	0	0	98,522	156,488	159%	(57,966)
87 - Disability Department	0	0	163,080	0	163,080	85,681	53%	77,399
91 - Department of Transport	2,959,688	2,509,055	150,000	0	2,659,055	2,461,638	93%	197,417
93 - Maritime Transport	346,486	0	0	0	0	0	0%	0
95 - ICT	4,986,841	2,129,634	170,524	0	2,300,158	2,234,289	97%	65,869
97 - Telecom	117,513	146,378	0	0	146,378	37,851	26%	108,527
<b>Total Expenditure</b>	<b>242,109,103</b>	<b>210,444,381</b>	<b>107,330,681</b>	<b>0</b>	<b>317,775,062</b>	<b>279,837,433</b>	<b>88%</b>	<b>37,937,628</b>

## CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 8). At the end of the quarter total funds were \$116 million. The cash buffer requirement of two months of adjusted expenditure was \$38 million, an increase to reflect Supplementary No 2 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 8 – GoN Cash Reserves



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.