



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 3 2021-22

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 3 2021-22

INTRODUCTION

This is the performance report for the third quarter of the 2021-22 Budget year for the Republic of Nauru. It provides revenue and expenditure data recorded by Treasury for the period 1 July 2021 to 31 March 2022. It is based on all available information to Treasury as at 22 April 2022.

- In aggregate, actual year to date performance is in line with expectations, with 77 percent of total expected annual revenue collected and 66 per cent of total expenditure spent to 31 March 2022.
- This reflects the seasonal nature of revenue collections, and the timing of lumpy one-off expenditure payments.

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 upgraded moderately following publication of the International Monetary Fund (IMF) World Economic Outlook in October 21.

Item	2019-20	2020-21	2021-22	2022-23
Real GDP Growth (per cent change)	0.7	1.6	0.9	2.6
Nominal GDP (\$A million)	171	179	184.5	189.6
Consumer prices (period average, per cent change)	0.9	1.2	1.4	1.7

The IMF has acknowledged Nauru's success in being a COVID 19 free nation and efficiently averting an outbreak of COVID 19. The Fund is of the view that diversifying the economy is the way forward. Diversification to obtain new sources of growth will require supporting policies to accelerate investment in human capital and infrastructure, and efforts to improve the business environment. Mitigating the effects of climate change can help the transformation required to raise potential growth and achieve fiscal self-reliance.

With the extension of RPC to mid-year, the IMF anticipates Gross Domestic Product (GDP) for 2022-23 to grow by 2.6 percent year on year, 1 percentage 70 basis point higher than current year growth. The inflation outlook has strengthened to 1.7 percent due to inflationary pressures as global conditions stabilised after COVID 19. The nominal GDP estimate for 2021-22 is \$184.5 million and this is projected to increase to \$189.6 million for 2022-23.

SUPPLEMENTARY APPROPRIATIONS

There was one supplementary appropriation in the quarter, to recognise the additional revenue from the extension of the Regional Processing Centre (RPC) arrangement and expenditure measures not accounted for since the last supplementary was brought down.

- Supplementary Appropriation Bill (No.3) 2021-22 recognised additional Government revenue of \$34.7million, and \$34.7 million in expenditure, with a surplus balance of \$20 thousand.

2021-22 REVISED BUDGET

The Minister for Finance tabled a Supplementary Budget in Parliament for the adoption of the Supplementary Appropriation Bill (No. 3) 2021-2022 during the Quarter. The Bill reflects updated revenue and expenditure estimates to take account of 6-month extension of the RPC agreement with Australia from 31 December 2021 to 30 June 2022, outcome of the mid-year review of budget estimates, and new expenditure measures.

Supplementary 3 provided a total revenue allocation of \$34.7 million and \$34.7 million was appropriated for expenditure taking the total Revised Budget Revenue for the current year to \$328.1 million and Total budget expenditure of \$327.8 million, with a fiscal balance of \$250 thousand, equivalent to 0.13 per cent of Nauru's GDP.

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 Q3 2021-22

Measure	Target	2020-21 Actual	2021-22 Approved Budget	2021-22 Revised Budget	2021-22 YTD Actual
Fiscal balance to GDP	not negative as % of GDP	-8%	0.05%	0.13%	22%
Personnel cost ratio	Personnel cost to current expenditure <30%	14.0%	19%	15%	14%

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 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 Q3 2021-22

	Requirement (\$)	TOTAL FUNDS (\$)	
		As at 31 Dec 2021	As at 31 Dec 2021
Cash Buffer at 31 Dec 2021	36,001,588	138,553,909	
Cash Buffer 31 Mar 2022	39,496,395		150,490,229
<i>of which held in cash buffer accounts</i>		40,070,267	40,098,922

BUDGET AGGREGATES

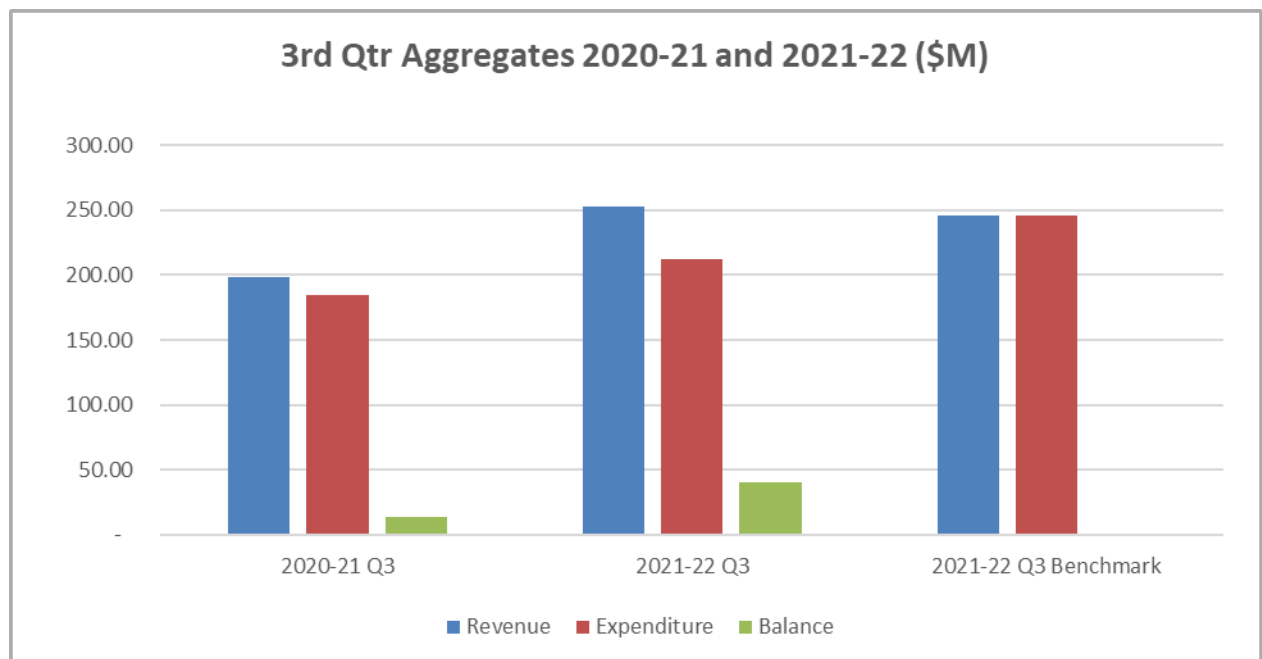
The budget aggregates for the third quarter are shown in Table 3 and Figure 1. Performance has been above expectations. As expected, due to the increased level in both revenue and expenditure estimates in the current year compared to the same period last financial year (up 28%) which has allowed greater capacity to collect and spend, both revenue and expenditure YTD Actual have exceeded that of last year.

A Surplus of \$40.2 million at the end of third quarter was due to lower-than-expected spending partly caused by a slight delay in salary posting by Corporate Services, as well as, slow procurement and a backlog of capital projects across government departments. The current substantial savings caused by this somewhat slower utilization is anticipated to reduce in the last quarter as departments' project implementation and purchases increase with the view to fully utilize appropriation ahead of the financial year end.

Table 3 Aggregate results Q3 2021-22

Description	2020-21		2021-22				2021-22 Revised Budget	2021-22 Actual % collections	2021-22 Remaining Budget
	Preliminary	Actual	Approved Budget	2021-22 Supp Bill 1	2021-22 Supp Bill 2	2021-22 Supp Bill 3			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	265,881,556	244,123,361	32,133,332	17,154,242	34,723,368	328,134,303	252,764,528	77%	75,369,775
Expenditure	279,837,164	244,023,361	32,106,784	17,051,819	34,703,051	327,885,015	212,559,282	65%	115,325,732
Balance	-	13,955,608	100,000	26,548	102,423	20,317	249,288	40,205,246	

Figure 1 Budget aggregate results for the second quarter 2020-21 and 2021-22 (\$ million)



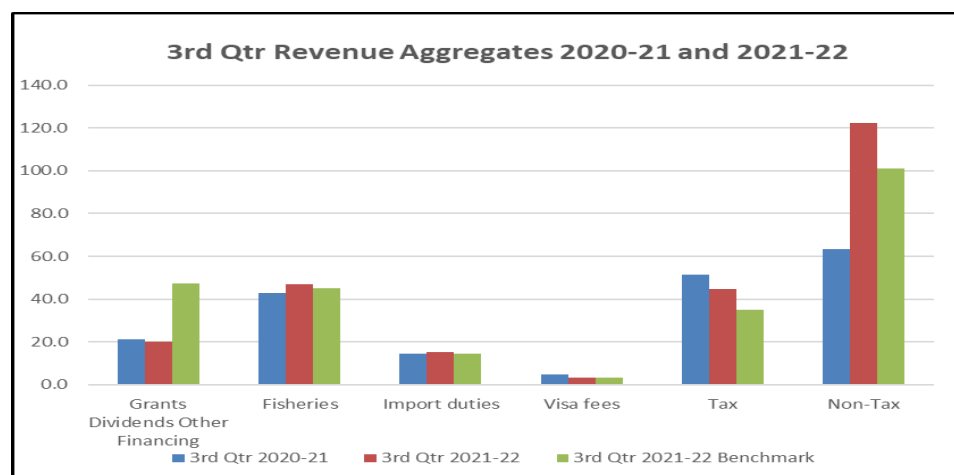
OPERATING REVENUE ANALYSIS

Actual revenues for the quarter are summarised in Table 4 and Figure 2. Revenues are highly seasonal, with most revenue collected particularly during the second quarter. As shown in Table 4, collections for all revenue lines are above the quarter benchmark of 75% except for Grants, Dividend and Other Financing line due to the delay in drawdown of the EXIM loan for NAC Aircraft Replacement program. All documents have now been finalized and drawdown is set to happen in the last quarter.

Table 4: Revenue breakdown Q3 2021-22

Revenue Description	2020-21 Preliminary Actual \$	2021-22 Approved Budget \$	2021-22 2021-22 Supp Bills \$	2021-22 Revised Budget \$	2021-22 Actual \$	Share of total revenue %	2021-22 Actual as % of %	2021-22 Remaining Budget \$
Grants Dividends Other Financing	27,995,249	34,931,567	28,154,242	63,085,809	20,149,651	8%	32%	42,936,157
Fisheries	59,797,774	59,900,000	-	59,900,000	47,005,879	19%	78%	12,894,121
Import duties	19,580,224	16,512,175	2,584,852	19,097,027	15,126,860	6%	79%	3,970,167
Visa fees	5,776,518	1,544,776	2,685,000	4,229,776	3,422,986	1%	81%	806,790
Tax	66,772,183	34,600,000	12,250,000	46,850,000	44,886,748	18%	96%	1,963,252
Non-Tax	85,958,109	96,634,843	38,336,848	134,971,691	122,172,419	48%	91%	12,799,272
Total Revenue	265,880,056	244,123,361	84,010,942	328,134,303	252,764,544	100%	77%	75,369,759

Figure 2 Revenue collections for Q3 2020-21 and 2021-22



Revenue Quarterly Performance

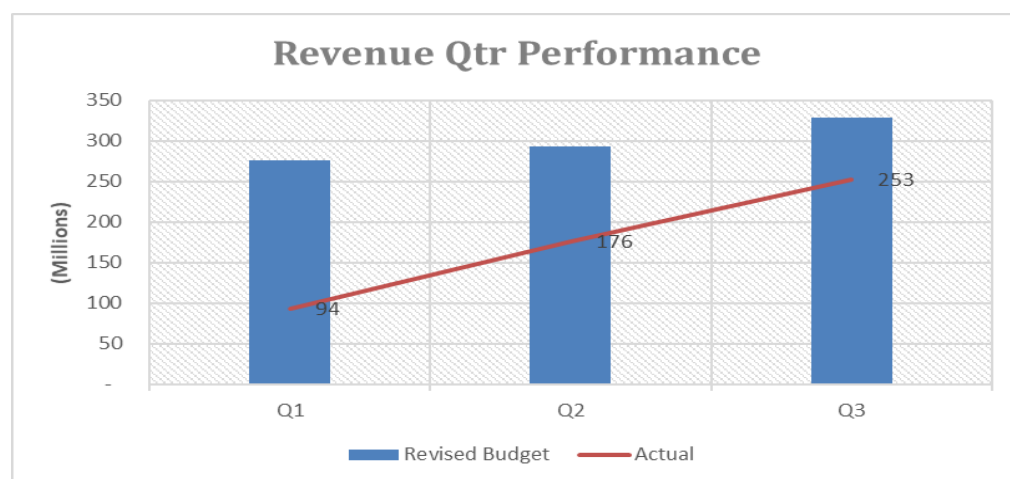
Table 5 and Figure 3 below attempt to show year to date collections by quarter and to demonstrate collection performance for the reported quarter in respect to the previous quarter (Q2).

A total of \$76 million in revenue was received during the Quarter, a 43% increase from Q2, majority of which were from the non-Tax category including \$31.9m for the final drawdown of the Hosting fee, MCA Reimbursables (\$9.2m) and Service fees (\$5m). Other increases were from Taxes (\$13.7m), Fisheries (\$5.9m), Import duties (\$5.2m), and Visa fees (\$1.7m). No change was recorded in the Grants, Dividends and Financing category.

Table 5: Revenue Quarterly Performance Q3 2021-22

Revenue Description	Quarter 1		Quarter 2			Quarter 3			
	Revised Budget	YTD Actual	Revised Budget	YTD Actual	Percent Change	Revised Budget	YTD Actual	Quarter Change	Percent Change
	\$	\$	\$	\$	%	\$	\$	\$	%
Grants Dividends Other Financing	45,931,567	15,000,000	63,085,809	20,149,651	34%	63,085,809	20,149,651	0	0%
Fisheries	59,900,000	240,333	59,900,000	41,123,335	17011%	59,900,000	47,005,879	5,882,544	14%
Import duties	16,512,175	4,082,472	16,512,175	9,916,437	143%	19,097,027	15,126,860	5,210,423	53%
Visa fees	1,544,776	1,037,960	1,544,776	1,746,319	68%	4,229,776	3,422,986	1,676,667	96%
Tax	34,600,000	14,409,785	34,600,000	31,226,457	117%	46,850,000	44,886,748	13,660,291	44%
Non-Tax	117,768,175	58,915,339	117,768,175	72,057,455	22%	134,971,691	122,172,419	50,114,964	70%
Total Revenue	276,256,693	93,685,889	293,410,935	176,219,654	88%	328,134,303	252,764,544	76,544,890	43%

Figure 3 Revenue Quarterly Performance Trend 2021-22 (\$ million)



RPC continued to be the major source of revenue earnings for the country with 71% of total year-to-date collections relating to RPC activities. An additional RPC revenue of \$64.1 million was recognised in Supplementary 3, passed during the quarter to reflect the 6 months extension of the RPC arrangements from December 2021 to June 2022, increasing the share of RPC revenue to 60% of total revenue budget. As percentage of total RPC revenue, 92% has been received at the end of Quarter 3 leaving \$16.5 million to be collected in the remaining three months.

Negotiations are currently underway between the Department of Multicultural Affairs and the Australia Government with a decision expected to be made shortly as to the extension or otherwise of the arrangement beyond June 2022. Should there be no further extension, RPC will enter into a three-year Enduring Capability mode with the revenue level expected to be maintained at the current level for the first year and on reducing balance for second year onwards.

Table 6: RPC Related Revenues Q3 2021-22

Revenue Description	2020-21	2021-22	2021-22	2021-22	2021-22 YTD	2021-22 YTD	2021-22
	Preliminary Actual	Approved Budget	Supp Bills	Revised Budget	Actual	Actuals against Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1335 - Visa Fees - RPC	978,000	0	395,600	395,600	505,000	0%	-109,400
1580 - Visa Fees - RPC Resettlement	3,000,000	0	2,289,400	2,289,400	1,579,000	0%	710,400
1475 - Miscellaneous Revenue	6,382,789	272,840	0	272,840	1,163,933	427%	-891,093
1495 - Service Fees	20,024,359	10,046,902	10,000,002	20,046,904	16,682,580	83%	3,364,324
1577 - DJBC - Operations	3,384,174	2,289,963	1,762,927	4,052,890	3,345,018	83%	707,872
1578 - DJBC - Reimbursable Costs	16,371,079	16,587,342	5,440,587	22,027,929	12,380,708	56%	9,647,221
1598 - Hosting Fee	36,983,331	63,566,666	21,133,332	84,699,998	84,699,998	100%	0
1590 - Employment Services Tax	19,481,155	10,200,000	4,510,000	14,710,000	11,886,712	81%	2,823,288
1591 - Business Profit Tax	43,950,090	21,900,000	7,590,000	29,490,000	31,000,736	105%	-1,510,736
1015 - Income from Investments & Dividends-Others	6,721,656	6,412,143	11,000,000	17,412,143	15,649,509	90%	1,762,634
Total RPC related revenue	157,276,633	131,275,856	64,121,848	195,397,704	178,893,194	92%	16,504,510
Share of total revenue	59%	54%	76%	60%	71%		5%

FISHING REVENUES

The bulk of fishing revenue collections were received during the second quarter following finalization of fishing agreements. An additional \$5.9 million was received at the end of March quarter and Government is confident of recovering the balance of the revenue between now and June, albeit in trickling fashion.

Table 7: Fishing revenues Q3 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22 YTD	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1055 - Support Vessel Charges	426,855	400,000	-	400,000	538,652	135%	-138,652
1071 - Purse Seine Revenue - Licensing	1,393,798	1,500,000	-	1,500,000	1,098,032	73%	401,968
1072 - Purse Seine Revenue - Fishing Days	57,977,121	58,000,000	-	58,000,000	45,369,194	78%	12,630,806
Total Fisheries Revenue	59,797,774	59,900,000	-	59,900,000	47,005,879	78%	12,894,121

TAXATION REVENUE

Taxation revenue collections in the third Quarter have exceeded budget expectations (Table 8), due to a deliberate decision by the Government to not recognise around \$10 million in Taxation revenue from the 6 months extension of the RPC arrangement at the passing of Supplementary 3 in January. This \$10 million was purposely omitted from the Supplementary 3 on the understanding that not recognising it will boost government cash reserves and assist the balance sheet repair following the major fiscal cash deficit recorded in 2020-21.

Table 8: Taxation revenue Q3 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22 YTD	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	3,340,938	2,500,000	150,000	2,650,000	1,999,300	75%	650,700
1590 - Employment Services Tax	19,481,155	10,200,000	4,510,000	14,710,000	11,886,712	81%	2,823,288
1591 - Business Profit Tax	43,950,090	21,900,000	7,590,000	29,490,000	31,000,736	105%	-1,510,736
Total Tax	66,772,183	34,600,000	12,250,000	46,850,000	44,886,748	96%	1,963,252

CUSTOMS AND OTHER IMPORT DUTIES

An increase in consumption and better economic conditions on-island has further driven improved collections across all customs lines with the aggregate Quarter 3 collections surpassing expectations (Table 9). Collections from Petrol and Alcohol is significantly lower than the benchmark. Alcohol imports have dropped significantly due to inconsistency of shipments and delayed order processing/turnaround times during the period of the pandemic whereby suppliers were more obligated to meet domestic demands over exports. This was revealed by Capelle & Partner, the largest alcohol importer on island during a review coordinated by Nauru Customs Office.

Table 9 Customs and other Import duties Q3 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22 YTD	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	7,073,041	5,841,236	855,672	6,696,908	5,695,290	85%	1,001,618
1145 - Customs and Excise Duty - Alcohol	1,956,048	2,040,000	-	2,040,000	1,105,770	54%	934,230
1150 - Customs and Excise Duty - Sugar	1,262,619	1,220,394	-	1,220,394	971,455	80%	248,939
1155 - Customs and Excise - Machinery/Vehide/Equip	1,045,324	830,419	565,345	1,395,764	1,137,259	81%	258,505
1160 - Customs and Excise Duty - Other	2,813,421	2,538,891	733,232	3,272,123	3,042,340	93%	229,783
1165 - Customs and Excise Duty - Petrol Sales	2,654,280	2,341,235	430,603	2,771,838	1,890,881	68%	880,957
1170 - Customs and Excise Duty - Diesel Sales	2,775,493	1,700,000	-	1,700,000	1,283,866	76%	416,134
Total Customs and Excise Duty	19,580,224	16,512,175	2,584,852	19,097,027	15,126,860	79%	3,970,167

VISA FEES

Visa fees collection has surpassed expectation driven by large collections during the quarter after long outstanding invoices were paid by the Government of Australia (see Table 10). An additional \$2.7 million in additional visa revenue was recognised in the January supplementary to reflect the 6 months extension of the RPC arrangements.

Table 10 Visa fees Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	Revised Budget	2021-22 YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1330 - Visa Check up	4,116	4,332	-	4,332	40	1%	4,292
1335 - Visa Fees - RPC	978,000	-	395,600	395,600	505,000	128%	-109,400
1575 - Visa Fees (Other Business)	1,794,402	1,540,444	-	1,540,444	1,338,946	87%	201,498
1580 - Visa Fees - RPC Resettlement	3,000,000	-	2,289,400	2,289,400	1,579,000	69%	710,400
Total Visa Fees	5,776,518	1,544,776	2,685,000	4,229,776	3,422,986	81%	806,790

OTHER REVENUE – DIVIDENDS AND GRANTS

There was no change to Dividends, Grants and Financing during the quarter. The first drawdown of the \$17.2 million EXIM Bank loan support will take place in Quarter 4 along with the second \$4.5 million instalment of the Taiwan Budget Support Grant. The second drawdown of the Aircraft loan will only occur after the drawdown of the first tranche, pending identification of a second aircraft by Nauru Air Corporation. Due to the strict technical inspection requirements relating to the selection of a suitable aircraft, it is highly likely that this will not happen until the second or third quarter of the new financial year, 2022-23.

Table 11 Dividends and Grants Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22 YTD	2021-22 YTD	2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1015 - Income from Investments & Dividends-Others	6,721,656	6,412,143	11,000,000	17,412,143	15,649,509	90%	1,762,634
1660 - General Budget Support	21,273,593	12,273,824	-	12,273,824	4,500,143	37%	7,773,681
1902 - EXIM NAC Loan Proceeds	-	16,245,600	17,154,242	33,399,842	-	0%	33,399,842
Total Dividends , Grants and Other	27,995,249	34,931,567	28,154,242	63,085,809	20,149,651	32%	42,936,157

NON-TAX REVENUE

Strong collections recorded in the Non-Tax revenue category in the year-to-date with the revenue total already exceeding the total collections for the last financial year, 2020-21, the bulk of which was \$31.9 million final drawdown of the current year Hosting fee entitlement.

Service fees (subhead 1495) collections for 9 months (July 2021-March 2022) is now complete and with the extension of the RPC arrangement, an additional 6 months of fees equivalent to \$10 million is anticipated to be collected between January and June. Supplementary 3 passed during the quarter have recognised this additional revenue.

Forecast for the Department of Justice and Border Control (DJBC) operations and DJBC Reimbursables was also increased in Supplementary 3, reflecting 5 months of additional revenue as a result of the RPC extension. Invoicing to Australia is undertaken one month in arrears (contrary to past practises where this was done on a quarterly basis) so June fees will be invoiced in the new financial year 2022-23.

Most revenue lines in this category have surpassed their annual targets at the close of March Quarter.

Table 12 Non-tax revenues Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22 YTD	2021-22 YTD	2021-22
	Preliminary Actual	Approved Budget	Supp Bills	Revised Budget	Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1121 - Curator fees	105,527	-	-	0	10,100	0%	-10,100
1215 - Licenses-Drivers etc	117,198	80,000	-	80,000	130,711	163%	-50,711
1220 - Corporation Fees and Licenses	403,725	500,000	-	500,000	271,343	54%	228,657
1225 - Licenses-Trading	311,578	209,683	-	209,683	233,675	111%	-23,992
1230 - Liquor Licensing Board	42,200	30,141	-	30,141	4,500	15%	25,641
1235 - Gaming / Bingo Licenses	53,250	50,000	-	50,000	112,400	225%	-62,400
1240 - Licenses-Dogs etc	83	73	-	73	0	0%	73
1245 - Drones Licenses	1,500	2,000	-	2,000	1,000	50%	1,000
1260 - Birth Certificate	13,270	11,389	-	11,389	15,795	139%	-4,406
1265 - Death Certificate	870	757	-	757	660	87%	97
1270 - Marriage Certificate	1,700	1,378	-	1,378	1,745	127%	-367
1300 - Registration Fees-Motor Cars	138,979	124,414	-	124,414	127,993	103%	-3,579
1305 - Registration Fees-Motorcycles	24,890	23,994	-	23,994	34,974	146%	-10,980
1310 - Vehicle/Insurance Fees	383,325	339,226	-	339,226	411,605	121%	-72,379
1325 - Passport Fees and Photographs	54,640	50,000	-	50,000	39,330	79%	10,670
1340 - Police Clearance	32,495	45,000	-	45,000	17,515	39%	27,485
1361 - Fuel Levy	0	1,314,384	-	1,314,384	1,521,987	116%	-207,603
1365 - D.C.A.-Departure Taxes	0	-	-	0	0	0%	0
1370 - D.C.A.-Air Navigation Fees	478,904	496,461	-	496,461	68,943	14%	427,518
1375 - D.C.A.-Landing Fees	153,300	161,368	-	161,368	11,756	7%	149,612
1380 - D.C.A.-Rental Fees	17,806	5,552	-	5,552	60,217	1085%	-54,665
1475 - Miscellaneous Revenue	6,382,789	272,840	-	272,840	1,163,933	427%	-891,093
1480 - Bus Services	1,655	900	-	900	3,785	421%	-2,885
1485 - Quarantine Fees	77,556	80,000	-	80,000	51,358	64%	28,642
1490 - Court Fines and Fees	54,828	52,043	-	52,043	24,454	47%	27,589
1495 - Service Fees	20,024,359	10,046,902	10,000,002	20,046,904	16,682,580	83%	3,364,324
1500 - Sale of Maps	7,550	7,052	-	7,052	12,500	177%	-5,448
1501 - Sale of Livestock	0	-	-	0	13,914	0%	-13,914
1520 - Food Handler Check up	11,580	11,600	-	11,600	3,280	28%	8,320
1540 - Advertising Revenue	67,652	64,000	-	64,000	16,880	26%	47,120
1555 - Spectacles,Drugs etc	4,690	5,000	-	5,000	180	4%	4,820
1565 - Medical Services	7,860	8,273	-	8,273	1,126	14%	7,147
1577 - DJBC - Operations	3,384,174	2,289,963	1,762,927	4,052,890	3,345,018	83%	707,872
1578 - DJBC - Reimbursable Costs	16,371,079	16,587,342	5,440,587	22,027,929	12,380,708	56%	9,647,221
1596 - Traffic Infringements	129,160	150,000	-	150,000	115,687	77%	34,313
1597 - TVET Course Fees	29,555	27,538	-	27,538	15,920	58%	11,618
1598 - Hosting Fee	36,983,331	63,566,666	21,133,332	84,699,998	84,699,998	100%	0
1700 - National/District Roll Sales	3,050	1,010	-	1,010	6,630	656%	-5,620
1705 - Electoral Various Fees	82,000	17,894	-	17,894	558,220	3120%	-540,326
Total Non Tax	85,958,109	96,634,843	38,336,848	134,971,691	122,172,419	91%	12,799,272

REVENUE BY DEPARTMENT

Table 13 shows a high-level summary of revenue for the year to date by Departments. MCA accounted for 47 percent of total revenue collected in the year to date, followed by Fisheries at 19%, NRO at 18%, NRPPC at 7% and Customs at 6%.

This revenue funding is not hypothecated to these heads, but rather reflects the revenue classification method used in the financial management information system, where revenues are allocated by function according to departments mandates.

The share of RPC related revenue as reported in Table 6 above is approximately 71%, with 47% collected directly by MCA based on the current RPC contract and MoU with the Government of Australia, however there are other indirect components such as Taxes, Visas and Management fees that exist within other heads of appropriation namely: NRO, Border Control and NRPPC respectively.

Apart from the departments listed in paragraph one above, all other departments are predominantly expenditure or spending heads with nil or extremely limited revenue collections.

Table 13 Revenue by Department Q3 2021-22

Description	2020-21		2021-22 Supp Bills	2021-22 Revised Budget	2021-22 YTD Actual	2021-22 Actual as % of Budget	Share of total revenue	2021-22 Remaining Budget
	Preliminary Actual	2021-22 Approved Budget						
	\$	\$	\$	\$	\$	%	%	\$
03 - Chief Secretariat	59,070	43,665	-	43,665	23,570	54%	0%	20,095
09 - Electoral Commission	85,080	19,904	-	19,904	567,850	2853%	0%	-
11 - Finance Secretariat	761	2,000	-	2,000	3,500	175%	0%	1,500
12 - Finance - Public Debt	-	16,245,600	17,154,242	33,399,842	-	0%	0%	33,399,842
15 - Nauru Revenue Office	66,942,631	34,730,000	12,250,000	46,980,000	45,129,859	96%	18%	1,850,141
16 - Finance - Other Payments	25,368,927	16,000,351	-	16,000,351	6,699,422	42%	3%	9,300,929
17 - Nauru Customs Office (NCO)	19,581,724	16,514,175	2,584,852	19,099,027	15,127,860	79%	6%	3,971,167
18 - Nauru Regional Processing Centre (NRPPC) Corporation	20,001,504	10,000,002	10,000,002	20,000,004	16,666,670	83%	7%	3,333,334
21 - CIE	7,100	5,000	-	5,000	5,940	119%	0%	940
31 - Fisheries	60,252,587	59,900,000	-	59,900,000	47,125,312	79%	19%	12,774,688
41 - Police	176,090	212,640	-	212,640	135,565	64%	0%	77,076
42 - Dept of Multi Cultural Affairs	69,064,584	86,599,971	42,021,846	128,621,817	117,743,724	92%	47%	10,878,093
43 - Justice - Secretariat	822,043	709,756	-	709,756	525,273	74%	0%	184,483
44 - Judiciary	54,828	52,043	-	52,043	24,454	47%	0%	27,589
45 - Border Control	1,926,598	1,670,444	-	1,670,444	1,429,634	86%	1%	240,810
46 - Correctional Services	2,100	-	-	-	13,914	0%	0%	-
50 - Directorate of TVET	37,105	34,738	-	34,738	15,920	46%	0%	18,818
60 - COVID-19 task force	-	-	-	-	25,000	-	0%	-
61 - Health	96,975	59,205	-	59,205	640,913	1083%	0%	581,708
62 - Sports	-	-	-	-	2,000	0%	0%	-
81 - Home Affairs	-	-	-	-	-	0%	0%	-
83 - Media Bureau	67,912	64,000	-	64,000	16,880	26%	0%	47,120
84 - Lands & Survey	7,550	7,052	-	7,052	14,220	202%	0%	7,168
85 - Lands Committee	24,355	16,900	-	16,900	14,190	84%	0%	2,710
91 - Department of Transport	1,291,693	1,231,915	-	1,231,915	805,823	65%	0%	426,092
93 - Maritime Transport	-	-	-	-	-	0%	0%	-
95 - ICT	10,340	4,000	-	4,000	7,035	176%	0%	3,035
Total Revenue	265,881,556	244,123,361	84,010,942	328,134,303	252,764,528	77%	100%	75,369,775

OPERATING EXPENDITURE ANALYSIS

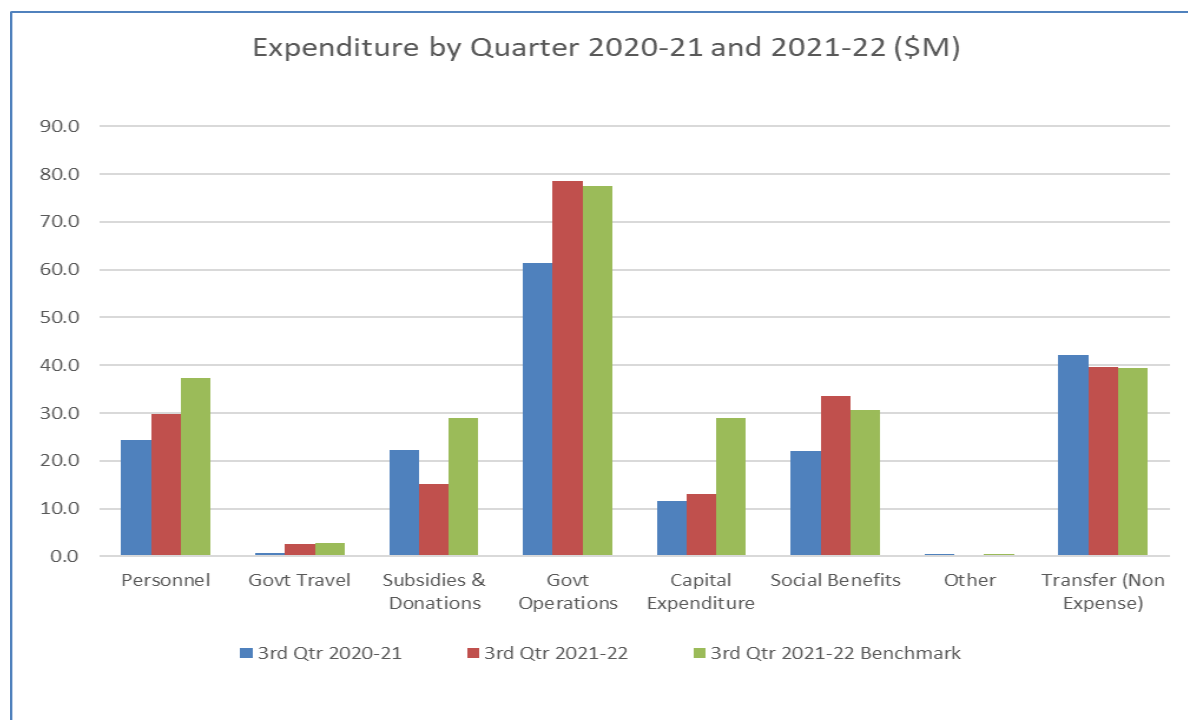
Total expenditure for the year-to-date to the end of the third quarter is shown in Table 14, followed by some analysis of Q3 performance against benchmark as well as against performances for the same period last year. Overall, 65% of the Revised Expenditure budget has been utilized at the close of Quarter 3, with a 10% shortfall compared to the benchmark (75%). Substantial underspending is evident in the Capital Expenditure subhead due to the slow implementation of key capital projects, as well as, Subsidies and Donations due to the delayed disbursement of the EXIM Aircraft loan (pass through) proceeds. Government Operations, Transfer (Non-Expense) are at the expected quarter level whilst Social Benefits has way exceeded the benchmark at 82%.

Table 14 Expenditure by Group Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22	2021-22	2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	2021-22 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
Personnel	39,173,860	47,322,792	3,010,633	-561,496	49,771,930	29,884,312	60%	19,887,618
Govt Travel	1,206,175	1,515,664	1,588,876	645,617	3,750,157	2,594,352	69%	1,155,805
Subsidies & Donations	52,943,008	32,249,456	3,757,430	2,696,300	38,703,186	15,191,097	39%	23,512,088
Govt Operations	89,504,634	86,185,399	16,277,657	822,467	103,285,522	78,429,159	76%	24,856,363
Capital Expenditure	24,325,801	18,864,399	17,084,733	2,518,408	38,467,540	12,974,676	34%	25,492,864
Social Benefits	23,435,567	18,154,615	21,045,000	1,539,868	40,739,483	33,552,317	82%	7,187,166
Other	480,797	727,034	3,462	5,523	736,019	317,542	43%	418,477
Transfer (Non Expense)	48,767,322	39,004,002	21,093,863	-7,666,687	52,431,178	39,615,826	76%	12,815,352
Total Expenditure	279,837,164	244,023,361	83,861,654	0	327,885,015	212,559,282	65%	115,325,733

Figure 4 shows that actual expenditure is exceeding last year and is higher than the same period last year in most categories except for the Transfer (Non Expense) and Subsidies and Donations lines.

Figure 4 Expenditure by group, Q3 2021-22



Expenditure Quarterly Performance

Table 15 and Figure 5 below attempt to depict Year to Date expenditure at the end of each quarter and the change in spending compared to the last Quarter.

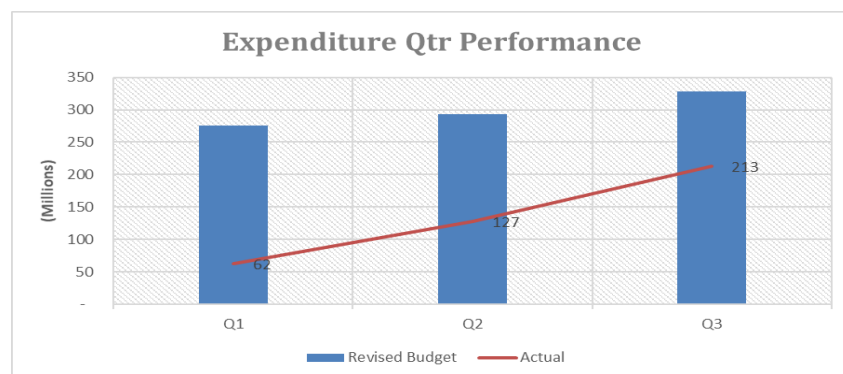
A total of \$85 million in expenditure was recorded during the Quarter, a 67% change compared to Q2 utilization level, the highest percent change of which were from Personnel (182%) following regularization of the payroll postings by Corporate Services, and Government Travel (114%) million reflecting the commencement of international travel.

\$18 million was spent during the quarter on the Transfer (Non-Expense) category, the bulk of which relates to settlement of Nauru's Trust Fund current year remaining contribution plus advance payment for next financial year contributions totalling \$17.3 million; \$5.4 million Subsidies and Donations relating to CSOs and Tug boat support for Nauru Maritime and Port Authority; and Social Benefits \$11.4 million, of which \$9.5 million are towards the Nauru Community Housing Scheme.

Table 15: Expenditure Quarterly Performance Q3 2021-22

	Quarter 1		Quarter 2			Quarter 3			
	Revised Budget \$	YTD Actual \$	Revised Budget \$	YTD Actual \$	Percent Change %	Revised Budget \$	YTD Actual \$	Quarter Change \$	Percent Change %
Personnel	47,370,462	7,831,785	47,955,805	10,584,863	35%	49,771,930	29,884,312	19,299,449	182%
Govt Travel	2,525,514	335,699	2,864,015	1,213,805	262%	3,750,157	2,594,352	1,380,547	114%
Subsidies & Donations	33,056,886	4,890,432	34,996,973	9,770,743	100%	38,703,186	15,191,097	5,420,354	55%
Govt Operations	91,275,215	22,851,187	93,495,861	52,068,694	128%	103,285,522	78,429,159	26,360,465	51%
Capital Expenditure	34,061,438	5,881,456	36,245,679	9,547,664	62%	38,467,540	12,974,676	3,427,012	36%
Social Benefits	23,099,615	11,197,796	31,647,915	22,305,499	99%	40,739,483	33,552,317	11,246,818	50%
Other	727,034	55,466	730,496	164,424	196%	736,019	317,542	153,118	93%
Transfer (Non Expense)	44,013,981	9,444,646	45,245,220	21,575,587	128%	52,431,178	39,615,826	18,040,239	84%
Total Expenditure	276,130,145	62,488,467	293,181,964	127,231,279	104%	327,885,015	212,559,282	85,328,003	67%

Figure 5: Expenditure Quarterly Performance Trend 2021-22 (\$ million)



PERSONNEL COSTS

Expenditure on personnel is slightly lesser than expected in the Third quarter (Table 16).

Personnel costs recorded for the prior quarter (Q2) was also lower, due to the delay in payroll posting by the Corporate Services. Payroll posting has been updated by Corporate Services during this quarter. Due to a number of vacancies still existing in departments, coupled with slow recruitment, utilization is still lower than benchmark.

Table 16: Personnel Expenditure Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22 YTD	2021-22	
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2005 - Salaries & Allowances - (MP's)	1,236,654	1,260,698	20,784	0	1,281,482	637,487	50%	643,995
2010 - HE Salary & Allowances	100,532	105,034	0	0	105,034	70,907	68%	34,127
2015 - Salary - Local	24,911,992	27,190,580	2,107,172	-350,584	28,947,169	18,404,922	64%	10,542,247
2020 - Salary Expatriate	7,450,921	9,216,636	517,977	-335,000	9,399,613	5,505,879	59%	3,893,734
2025 - Allowances - Staff Contract	1,437,640	2,417,907	0	237,762	2,655,669	1,499,693	56%	1,155,976
2026 - Directors Fees	25,250	50,600	0	2,800	53,400	22,040	41%	31,360
2031 - Staff Contract - Ministerial	50,577	520,968	0	0	520,968	198,641	38%	322,326
2035 - Overtime - local	766,565	873,976	28,500	59,125	961,601	778,188	81%	183,413
2040 - Staff Training	730,950	1,755,898	303,000	-173,829	1,885,069	726,869	39%	1,158,200
2041 - Prep & Orientation of Seasonal Workers	0	10,000	0	0	10,000	9,350	94%	650
2045 - Recruitment	4,859	16,000	0	18,530	34,530	20,126	58%	14,404
2050 - Uniforms & Protective Clothing	351,625	486,089	19,300	-6,830	498,559	283,187	57%	215,372
2072 - Meals and Drinks - Staff	286,408	285,490	13,900	-13,470	285,920	206,990	72%	78,930
2651 - GON Contributions	1,819,887	3,132,916	0	0	3,132,916	1,520,033	49%	1,612,883
Total Personnel	39,173,860	47,322,792	3,010,633	-561,496	49,771,930	29,884,312	60%	19,887,618

GOVERNMENT TRAVEL

The Government has been maintaining a no travel policy since March 2020 consistent with Nauru's Capture and Contain strategy with the view to keeping Nauruans safe from COVID 19 potential border transmissions. For the most part, only Canstruct officials are allowed to come to Nauru in line with their personnel exchange requirements.

During the quarter following successful roll-out of the COVID 19 vaccine in Nauru and other countries, a decision was taken to slightly ease travel restrictions. During the quarter Nauruan officials attended several high-level meetings/engagements overseas, including meeting between the President of Nauru and the Prime Minister of Australia, Opening of the Mission Office in Canberra and Cultural Exhibition in Dubai.

A new Travel Safe Program (TSP) was also introduced during the quarter in Brisbane that requires all incoming passengers to stay for 4 days subject to close monitoring and regular PCR/Rapid tests. Passengers are only allowed to travel if they have a clean bill of health at the end of the 4 day period. A total of \$1.4 million travel costs was recorded for the quarter as a result of this change in travel policy.

Table 17 Government Travel Expenditure Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22 YTD	2021-22	
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	360,446	797,704	39,360	-33,269	803,795	330,059	41%	473,736
2075 - Travel - Business	845,729	717,960	1,549,516	678,886	2,946,362	2,264,292	77%	682,070
Total Government Travel	1,206,175	1,515,664	1,588,876	645,617	3,750,157	2,594,352	69%	1,155,805

SUBSIDIES & DONATIONS

Payments of \$5.4 million were recorded during the quarter relating to CSO payments to Nauru Utilities, Nauru Airlines, and Nauru Maritime and Port Authority (NMPA) and for Tug boat hire relating to the safe loading and unloading of phosphate and fuel vessels. The spending rate for CSOs is disbursed on a quarterly basis whilst, tug support is paid to NMPA on an invoice basis. Subsidies include a provision for Ronphos for CAPEX support approved in the original budget and there is currently a balance of around \$0.5 million that is expected to be paid in the last quarter.

The \$16.3 million in the Equity Purchase line relates to funding for the second aircraft for Nauru Airline to be disbursed upon drawdown of the loan proceeds from EXIM Bank. This is not anticipated to materialize until the new financial year.

Table 18 Subsidies & Donations Expenditure Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22 YTD		2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	13,191,700	16,245,600	0	0	16,245,600	0	0%	16,245,600
2616 - Subsidies to SoEs	30,784,485	11,967,713	2,907,430	17,300	14,892,443	9,590,606	64%	5,301,837
2617 - Donations - local	8,965,045	3,929,000	850,000	2,679,000	7,458,000	5,600,150	75%	1,857,850
2618 - Donations - overseas	1,777	107,143	0	0	107,143	342		106,801
Total Subsidies & Donations	52,943,008	32,249,456	3,757,430	2,696,300	38,703,186	15,191,097	39%	23,512,088

CAPITAL EXPENDITURE

Some progress in capital works was achieved during the quarter with around \$3.4 million utilization under this category to progress infrastructure works on the island.

There has been a delay in the disbursement of funding for the Higher Ground Initiative (HGI) as dictated by the progress of physical works by NRC. A few other capital projects - especially for Department of Education (school renovation and amenities - \$1.5 million) and Health (Maternity ward - \$1.5 million) have not been progressed to date contributing to the lower utilization level than expected.

Table 19 Capital Expenditure Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22 YTD		2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2480 - Medical Equipment	622,615	497,250	0	-80,000	417,250	176,395	42%	240,855
2495 - Plant & Equipment Purchases	5,638,836	3,591,852	579,640	-17,679	4,153,813	2,944,313	71%	1,209,500
2496 - Building and Structures	17,766,650	14,293,296	16,405,093	1,771,000	32,469,389	8,748,176	27%	23,721,213
2497 - Land Purchase	0	0	0	845,087	845,087	842,469	100%	2,618
2580 - Public Works	297,700	482,000	100,000	0	582,000	263,323	45%	318,677
Total Capital Expenditure	24,325,801	18,864,399	17,084,733	2,518,408	38,467,540	12,974,676	34%	25,492,864

SOCIAL BENEFITS

The bulk of spending under social benefits were targeted at households and individuals, including new building and house renovation, modification and extensions under the Nauru Community Housing scheme. This accounts for over 93 percent of the YTD budget (Table 20) and reflects the one-off and lumpy disbursements of funds paid to contractors. \$9.1 million additional Housing Funds was approved in Supplementary 3 and the full amount has also been disbursed to contractors during the quarter.

Welfare assistance to aged pensions and disability is largely within the set benchmark and anticipated to continue in the same manner for the remainder of the financial year.

Ex Gratia payments were made to SoEs and Pensioners (Aged and Disable) in Quarter 2 and no further payments were made during this quarter, nor expected for the remainder of the year.

Table 20: Social Benefits Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22 YTD		2021-22	
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	
2220 - Nauru Community Housing	14,888,972	7,050,000	21,000,000	0	0	28,050,000	26,211,694	93%	1,838,306
2390 - Social Welfare - Birth Claims	173,700	192,000	0	0	0	192,000	133,800	70%	58,200
2395 - Social Welfare - Death Claims	168,000	238,000	45,000	0	0	283,000	143,253	51%	139,747
2396 - Back to School Support	353,800	739,800	0	0	0	739,800	497,750	67%	242,050
2400 - Social Services - Aged Pensions	2,896,351	3,808,840	0	0	3,808,840	2,366,295	62%	1,442,545	
2405 - Social Services - Super Contributors	77,641	100,000	0	0	100,000	54,499	54%	45,501	
2420 - Social Services - Disability Payments	1,582,750	1,681,160	0	0	1,681,160	1,350,175	80%	330,985	
2421 - Ex Gratia - Age and Disable	476,000	0	0	548,800	548,800	546,400	100%	2,400	
2422 - Ex Gratia SoEs	1,000,700	0	0	999,500	999,500	998,200	100%	1,300	
2440 - Scholarships - School & Trade	1,817,652	4,344,815	0	-8,432	4,336,383	1,250,252	29%	3,086,131	
Total Social Benefits	23,435,567	18,154,615	21,045,000	1,539,868	40,739,483	33,552,317	82%	7,187,166	

OTHER

Expenditure in this category is in line with expectations (Table 21). Bank charges relate to telegraphic transfer and account keeping fees paid through the year.

Table 21: Other Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22 YTD		2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining budget
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	434,325	538,876	3,462	24,854	567,192	278,352	0	288,840
2570 - Bank Charges	49,039	64,658	0	0	64,658	39,196	1	25,462
2690 - Foreign exchange gains/losses	-2,567	123,500	0	-19,331	104,169	-5	-0	104,174
Total Other	480,797	727,034	3,462	5,523	736,019	317,542	0	418,477

NON-EXPENSE ITEMS

Expenditure in this category is below expectation. A total of \$18m was disbursed from this category during the quarter of which \$17.3 million relates to the Mercer Investment for settlement of Nauru's remaining 50% contribution for the current year (\$8.3m) and advance payment for financial year 2022-23 contribution (\$9m).

Around \$0.7 million was disbursed for further settlement of Bank of Nauru debts to deposit account holders, as well as, the distribution of RONWAN capital to account holders. The majority of RONWAN payments were made in Quarter 2 and payments in this quarter were made to account holders residing overseas. There is around a fund balance of \$3 million of the Bank of Nauru and \$1.2m of RONWAN remaining at the close of Quarter 3 and this is expected to be disbursed in the final Quarter to account holders.

Table 22: Non-expense Items Q3 2021-22

Description	2020-21	2021-22		2021-22		2021-22 YTD		2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	9,411,463	9,813,947	6,233,334	256,217	16,303,498	11,069,030	68%	5,234,468
2650 - Trust Fund	33,717,652	17,335,764	8,485,105	0	25,820,869	25,820,869	100%	0
2652 - Fiscal Cash Buffer	0	10,854,291	1,524,246	-7,922,904	4,455,633	0	0%	4,455,633
2680 - BON Liquidation- Payment	5,638,207	1,000,000	4,851,178	0	5,851,178	2,725,927	47%	3,125,251
2802 - Loan Expenditure Account	0	0	0	0	0	0	0%	0
Total Non-expense items	48,767,322	39,004,002	21,093,863	-7,666,687	52,431,178	39,615,826	76%	12,815,352

GOVERNMENT OPERATIONS

A total of \$26.3 million was spent for the quarter (Table 23), driven largely by high procurement of medical consumables, dialysis and various medical supply lines, reflecting Health Department's procurement approach to stock up essential medical supply and consumables with the view to mitigate supply risks due to potential shipment delays.

Overseas Medical Treatment utilization is close to exhausting the annual provision with the spending rate reaching 90% at the end of the quarter reflecting the high number of patients that are currently receiving medical treatment abroad; covering medical costs, accommodation and allowances.

Additional budget supplementation has been proposed and there is opportunity to repurpose savings in the Building and Structure subhead relating to funds intended for construction of the Maternity ward.

NEAT scheme payment distribution has commenced during the quarter to High School graduates (December 2021 cohort) whom Education has been able to finalise their attendance record and further payments are expected in the last quarter for the remaining graduates.

Table 23 Government Operations Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22 YTD	2021-22	
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2030 - Salaries - Other Contracts	30,863,197	26,877,109	4,946,329	400,460	32,223,898	24,503,508	76%	7,720,390
2055 - Consultants fees	2,204,855	2,156,437	855,000	196,691	3,208,128	2,640,269	82%	567,859
2060 - Legal Fees - External	107,601	537,500	12,500	-59,000	491,000	138,920	28%	352,080
2100 - Entertainment	1,002,734	1,006,088	70,000	61,110	1,137,198	846,558	74%	290,640
2105 - Official Celebrations	848,984	767,168	183,000	36,180	986,347	834,296	85%	152,051
2110 - Protocol	6,409	38,000	0	-20,000	18,000	4,587	25%	13,413
2130 - Printing & Stationery	848,700	1,012,707	6,150	-64,365	954,492	636,243	67%	318,249
2132 - TVET Supplies	139,999	140,000	0	0	140,000	43,372	31%	96,628
2135 - Stores	565,423	514,463	72,500	35,423	622,386	218,195	35%	404,191
2136 - Museum Artefacts	350	4,000	0	0	4,000	870	22%	3,130
2155 - House Rental	10,455,964	11,103,594	563,389	-201,800	11,465,183	9,347,487	82%	2,117,696
2160 - Land Rental	8,581,713	8,593,159	0	0	8,593,159	7,003,607	82%	1,589,552
2165 - Office Rental	811,656	876,653	185,600	9,000	1,071,253	513,303	48%	557,949
2185 - R&M - Buildings	1,997,300	1,424,206	176,134	243,468	1,843,808	1,149,689	62%	694,120
2190 - R&M - Office Equipment	292,244	258,776	8,500	-42,500	224,776	79,635	35%	145,141
2191 - R&M Medical Equipment	28,145	50,000	0	0	50,000	44,671	89%	5,329
2195 - R&M - Office Premises	37,653	7,353	0	20,000	27,353	7,282	27%	20,072
2200 - R&M - Motor Vehicles	594,756	703,774	0	78,725	782,499	653,253	83%	129,247
2205 - R&M - Plant	1,570,504	2,999,527	0	20,000	3,019,527	2,419,676	80%	599,851
2210 - R&M - Aerodrome	64,363	60,000	0	0	60,000	39,626	66%	20,374
2225 - Agricultural Supplies	61,866	61,000	0	0	61,000	45,369	74%	15,631
2230 - Publicity and Awareness	68,676	56,150	4,800	12,060	73,010	37,382	51%	35,628
2275 - Purchase of Petrol	561,730	673,960	6,560	50,000	730,520	467,753	64%	262,767
2280 - Purchase of Diesel	725,083	962,452	0	0	962,452	537,045	56%	425,407
2290 - Purchase of Fuel - Other	5,280	10,793	0	0	10,793	10,742	100%	51
2315 - Utilities	4,692,055	4,883,688	563,970	103,300	5,550,958	3,654,500	66%	1,896,458
2330 - Telephone / Internet	2,383,568	2,823,798	151,160	59,775	3,034,733	2,443,288	81%	591,445
2350 - Freight	2,240,892	2,291,014	815,000	-960	3,105,054	2,065,836	67%	1,039,218
2370 - Membership Fees & Subscriptions	1,094,234	1,080,257	0	-121,723	958,534	336,469	35%	622,066
2372 - Nauru Radio Supplies	16,500	10,300	0	0	10,300	6,600	64%	3,700
2373 - Media TV Supplies	55,301	19,000	0	0	19,000	8,266	44%	10,734
2375 - ICT Supplies	60,372	55,146	0	0	55,146	5,848	11%	49,298
2460 - Medical Expenses	37,193	79,695	6,000	0	85,695	29,381	34%	56,314
2461 - Primary Health Care Services	130,423	259,900	0	-130,500	129,400	105,605	82%	23,795
2462 - NCD Control & Health Promotion	35,032	43,600	0	0	43,600	21,580	49%	22,020
2463 - Environmental Health and Food safety	7,017	10,000	0	10,500	20,500	2,604	13%	17,896
2464 - Management Monitoring & Evaluation	12,865	30,000	0	0	30,000	0	0%	30,000
2467 - Drugs and Medicines	1,099,571	1,100,000	0	0	1,100,000	857,440	78%	242,560
2468 - Dental Supplies	10,312	50,000	0	0	50,000	1,297	3%	48,703
2469 - Dialysis Supplies	249,347	350,000	0	0	350,000	340,242	97%	9,758
2471 - Medical Consumable	647,091	600,000	0	0	600,000	579,532	97%	20,469
2472 - Laboratory supplies	247,987	300,000	0	0	300,000	233,584	78%	66,416
2473 - Radiology Supplies	19,986	25,000	0	0	25,000	6,155	25%	18,845
2474 - Clinical Education Supplies	0	20,000	0	0	20,000	17,035	85%	2,965
2475 - Overseas Medical Treatment	5,348,941	4,000,000	7,200,000	0	11,200,000	10,075,169	90%	1,124,831
2560 - Educational Expenses - Special	119,724	215,694	4,000	8,285	227,979	64,368	28%	163,610
2575 - Local Transport	1,869,089	1,622,661	429,495	54,200	2,106,356	1,763,926	84%	342,429
2585 - Rations	3,928,377	3,609,317	0	-5,000	3,604,317	2,727,011	76%	877,306
2590 - Correctional Services Supplies	7,102	8,160	0	0	8,160	2,741	34%	5,419
2600 - Postage	10,380	20,220	17,570	-2,100	35,690	31,459	88%	4,231
2605 - Library/Periodicals	0	8,500	0	71,000	79,500	75,948	96%	3,552
2610 - Survey Supplies	5,194	1,500	0	3,000	4,500	2,178	48%	2,322
2611 - Children Education Toys and Learning Sup	332,021	710,044	0	0	710,044	453,066	64%	256,978
2620 - Lease & Charter Payments	43,342	57,938	0	-2,762	55,176	31,235	57%	23,941
2625 - Family Court Expenses	3,100	4,800	0	0	4,800	2,200	46%	2,600
2630 - Safe House	160,826	181,660	0	0	181,660	85,088	47%	96,572
2681 - Prior Year Account Payable (GoN)	1,198,036	0	0	0	0	0	0%	0
2700 - Deportee Revomal	0	20,000	0	0	20,000	0	0%	20,000
2705 - NEAT Scheme	162,250	298,639	0	0	298,639	176,170	59%	122,469
2998 - COVID 19 Taskforce	831,324	0	0	0	0	0	0%	0
2999 - Contingency fund	0	500,000	0	0	500,000	0	0%	500,000
Total Government Operations	89,504,634	86,185,399	16,277,657	822,467	103,285,522	78,429,159	76%	24,856,363

EXPENDITURE BY DEPARTMENT

Table 24 shows actual expenditure for the year-to-date by department head. Most of the departments are on track with their spending, although several other department heads have exceeded the benchmark including Presidency, Ministerial, Justice, COVID 19 Taskforce, Lands and Survey, Lands Management and ICT.

High spending in Ministerial and Lands and Survey is due to one-off and lumpy nature of payments toward the Housing scheme and Land Rental. COVID 19 Taskforce spending is also 90% of the allocated budget, however, there is opportunity for use of Donor related funds to meet operations for the remainder of the financial year.

All Mission Offices (Head 72-78) spending are well below benchmark of 75% due to timing delays in submission of acquittal and spending reports by mission offices.

Utilization of funds by Departments are expected to increase during the last quarter (Q4).

Table 24 Expenditure by Department Q3 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
	Preliminary Actual \$	Approved Budget \$	Supp Bills \$	ISHT \$	Revised Budget \$	2021-22 Actual \$	Actual as % of Budget %	Remaining Budget \$
01 - Presidency and State House (including GIO)	2,699,326	2,148,953	800,000	0	2,948,953	2,632,228	89%	316,725
02 - Ministerial	17,903,918	10,627,108	21,254,000	0	31,881,108	29,025,363	91%	2,855,745
03 - Chief Secretariat	17,254,614	17,909,751	572,246	0	18,481,997	13,637,078	74%	4,844,919
05 - Audit	256,249	292,483	5,000	0	297,483	169,694	57%	127,789
06 - Parliament	960,015	1,318,376	163,002	0	1,481,378	35,995	2%	1,445,383
08 - National Emergency Services	1,536,116	1,957,198	0	0	1,957,198	1,326,053	68%	631,145
09 - Electoral Commission	333,261	386,677	155,120	0	541,797	336,428	62%	205,369
11 - Finance Secretariat	2,073,886	2,547,512	524,734	0	3,072,246	1,890,669	62%	1,181,578
12 - Finance - Public Debt	13,191,700	20,226,213	0	0	20,226,213	0	0%	20,226,213
13 - Bureau of Statistics	91,184	214,629	0	0	214,629	97,830	46%	116,799
15 - Nauru Revenue Office	407,601	505,279	0	0	505,279	296,003	59%	209,276
16 - Finance - Other Payments	114,657,442	72,563,171	29,201,386	0	101,764,557	72,309,023	71%	29,455,534
17 - Nauru Customs Office (NCO)	766,884	947,948	185,600	0	1,133,548	658,643	58%	474,905
18 - Nauru Regional Processing Centre (NRPCC) Corporation	1,329,362	1,425,707	285,000	0	1,710,707	1,077,353	63%	633,354
21 - CIE	922,866	847,257	175,732	0	1,022,989	553,734	54%	469,254
22 - Climate Change	743,084	925,138	500,900	0	1,426,038	673,633	47%	752,405
31 - Fisheries	2,652,660	3,479,266	72,000	0	3,551,266	2,762,466	78%	788,800
41 - Police	4,602,616	4,630,357	785,000	0	5,415,357	3,726,229	69%	1,689,128
42 - Dept of Multi Cultural Affairs	25,890,633	20,927,213	17,548,251	0	38,475,464	18,881,258	49%	19,594,206
43 - Justice - Secretariat	3,785,684	2,964,360	0	0	2,964,360	2,368,242	80%	596,118
44 - Judiciary	1,627,035	2,024,387	0	0	2,024,387	1,192,145	59%	832,242
45 - Border Control	894,876	799,941	0	0	799,941	419,600	52%	380,341
46 - Correctional Services	873,168	920,461	0	0	920,461	634,419	69%	286,041
50 - Directorate of TVET	545,538	808,565	0	0	808,565	392,306	49%	416,259
51 - Education	11,294,024	16,235,228	0	0	16,235,228	7,739,180	48%	8,496,049
52 - Youth Affairs	227,644	284,612	0	0	284,612	146,432	51%	138,180
60 - COVID-19 task force	9,016,914	8,300,466	1,883,000	0	10,183,466	9,181,091	90%	1,002,375
61 - Health	16,125,947	18,512,537	7,490,000	0	26,002,537	19,630,771	75%	6,371,767
62 - Sports	1,260,194	1,325,740	400,000	0	1,725,740	1,150,087	67%	575,653
63 - Department of Infrastructure Development	3,133,422	3,783,989	700,000	0	4,483,989	2,619,842	58%	1,864,147
71 - Foreign Affairs - Secretariat	1,090,046	1,302,146	98,600	0	1,400,746	780,160	56%	620,586
72 - Foreign Affairs - Brisbane	869,305	1,033,352	0	0	1,033,352	0	0%	1,033,352
73 - Foreign Affairs - Suva	976,999	662,158	0	0	662,158	270,077	41%	392,081
74 - Foreign Affairs - New York	1,674,063	2,083,590	53,169	0	2,136,759	1,146,043	54%	990,716
75 - Foreign Affairs - Taiwan	359,484	521,700	81,748	0	603,448	461,257	76%	142,190
76 - Foreign Affairs - Geneva	609,636	656,450	0	0	656,450	313,281	48%	343,169
77 - High Commission India	0	211,975	0	0	211,975	22,452	11%	189,523
78 - High Commission Canberra	250,479	730,397	77,137	0	807,534	152,273	19%	655,261
81 - Home Affairs	4,185,849	3,790,322	372,529	0	4,162,851	3,267,598	78%	895,253
82 - Women's Affairs	577,283	1,010,457	67,000	0	1,077,457	552,071	51%	525,386
83 - Media Bureau	1,037,786	612,729	93,000	0	705,729	464,001	66%	241,728
84 - Lands & Survey	5,847,455	5,902,841	20,000	0	5,922,841	5,168,149	87%	754,692
85 - Lands Committee	325,240	367,998	50,000	0	417,998	286,319	68%	131,678
86 - Department of Land Management	156,488	117,667	15,000	0	132,667	115,472	87%	17,195
87 - Disability Department	85,681	180,961	17,000	0	197,961	146,274	74%	51,687
91 - Department of Transport	2,461,369	2,390,019	165,500	0	2,555,519	1,663,277	65%	892,241
95 - ICT	2,234,289	2,567,339	0	0	2,567,339	2,154,763	84%	412,576
97 - Telecom	37,851	40,739	50,000	0	90,739	32,020	35%	58,720
Total Expenditure	279,837,164	244,023,361	83,861,654	0	327,885,015	212,559,282	65%	115,325,733

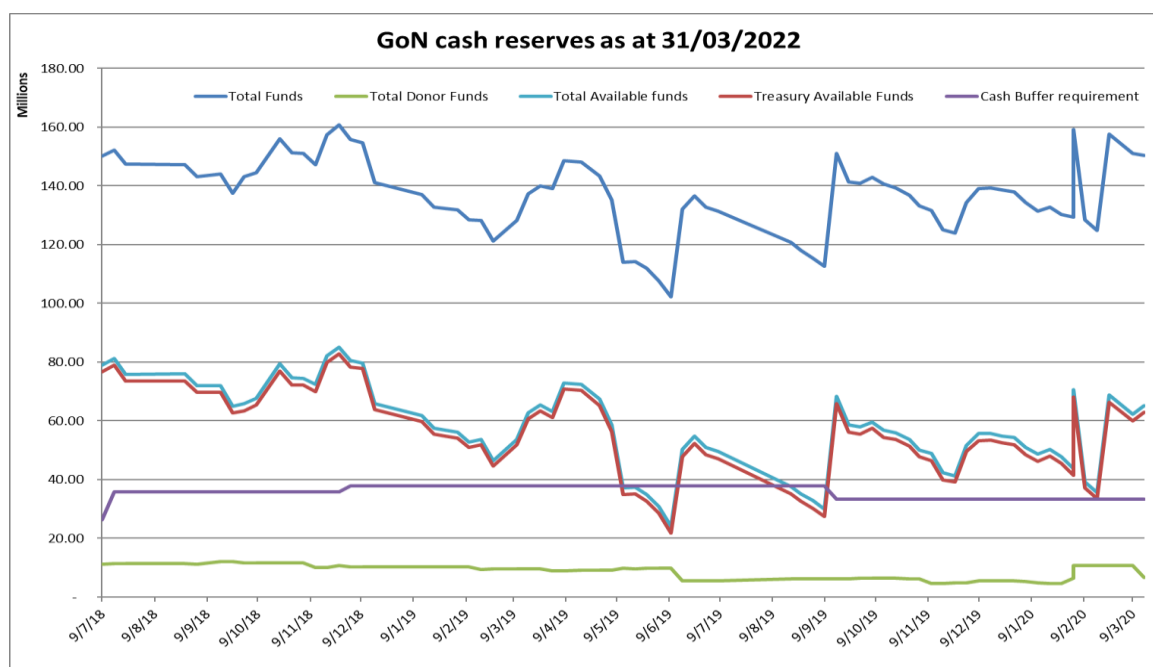
CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 4). At the end of the quarter, total funds were \$150.5 million. The cash buffer requirement of two months of adjusted expenditure was \$39.4 million. Total funds were in excess of the recommended fiscal cash buffer, with \$40.1 million quarantined in separate cash buffer accounts.

There were significant withdrawals from the Treasury account during the Quarter period reflecting top up of the Nauru Trust Fund of \$17.3 million, CSO payments of \$11.4 million and Personnel costs at \$19.2 million to regularise the payroll by Corporate Services.

Despite these huge outflows, the Government was able to maintain its liquidity level due to the matching deposit of \$31.9m from Hosting fee, MCA Reimbursables of \$9.2m and Taxes collection of \$13.7million.

Figure 4 GoN Cash reserves Q3 2021-22



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).