



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 4 2021-22

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT— QUARTER 4 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 30 June, 2022. It is based on all available information to Treasury as at 14 August 2022.

- In aggregate, total actual year performance was on par with expectations, with 94 percent of total expected annual revenue collected and 87 percent of total expenditure spent to 30 June 2022.

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.

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 adoption of the Enduring capability arrangements for the RPC, the IMF anticipates Gross Domestic Product (GDP) for 2022-23 to grow by 2.6 percent year on year, 1 percentage point higher than current year growth. Government is confident of finalizing the revised RPC arrangements with the Australian Government in due course. The inflation outlook has strengthened to 1.7 percent due to inflationary pressures as global conditions stabilized 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 recognize the balance of the windfall revenue from the extension of the Regional Processing Centre (RPC) arrangement from June-December 2022 and expenditure measures not accounted for since the last supplementary was brought down.

- Supplementary Appropriation Bill (No.4) 2021-22 recognized additional Government revenue of \$10.1million, and \$10.1million in expenditure, with a surplus balance of \$47thousand.

2021-22 REVISED BUDGET

The Minister for Finance tabled a Supplementary Budget in Parliament for the adoption of the Supplementary Appropriation Bill (No. 4) 2021-2022 during the Quarter. The Bill reflects updated revenue and expenditure estimates to take account of the remaining of balance of the PC revenue from the 6-month extension of the RPC agreement with Australia from 31 December 2021 to 30 June 2022, and new expenditure measures not recognized in the original estimates and previous supplementary budgets.

Supplementary 4 provided a total revenue allocation of \$10.1 million and \$10.1 million was appropriated for expenditure taking the total Revised Budget Revenue for the current year to \$338.3 million and Total budget expenditure of \$337.5 million, with a fiscal balance of \$796 thousand, equivalent to 0.16 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 cost to current expenditure to be less than 30 percent.

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

Table 1: Fiscal responsibility ratio performance Q4 2021-22

Measure	Target	2020-21	2021-22	2021-22	2021-22
		Actual	Approved Budget	Revised Budget	YTD Actual
Fiscal balance to GDP	not negative as % of GDP	-8%	0.05%	0.16%	13%
Personnel cost ratio	Personnel cost to current expenditure <30%	14.0%	19%	14%	15%

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 Q4 2021-22

	TOTAL FUNDS (\$)		
	Requirement (\$)	As at 31 Dec 2021	As at 30 June 2022
Cash Buffer at 31 Dec 2021	39,946,527	138,553,909	
Cash Buffer 30 June 2022	36,062,965		175,354,029
<i>of which held in cash buffer accounts</i>		40,070,267	40,109,511

BUDGET AGGREGATES

The budget aggregates for the fourth quarter are shown in Table 3 and Figure 1. Performance has been above expectations.

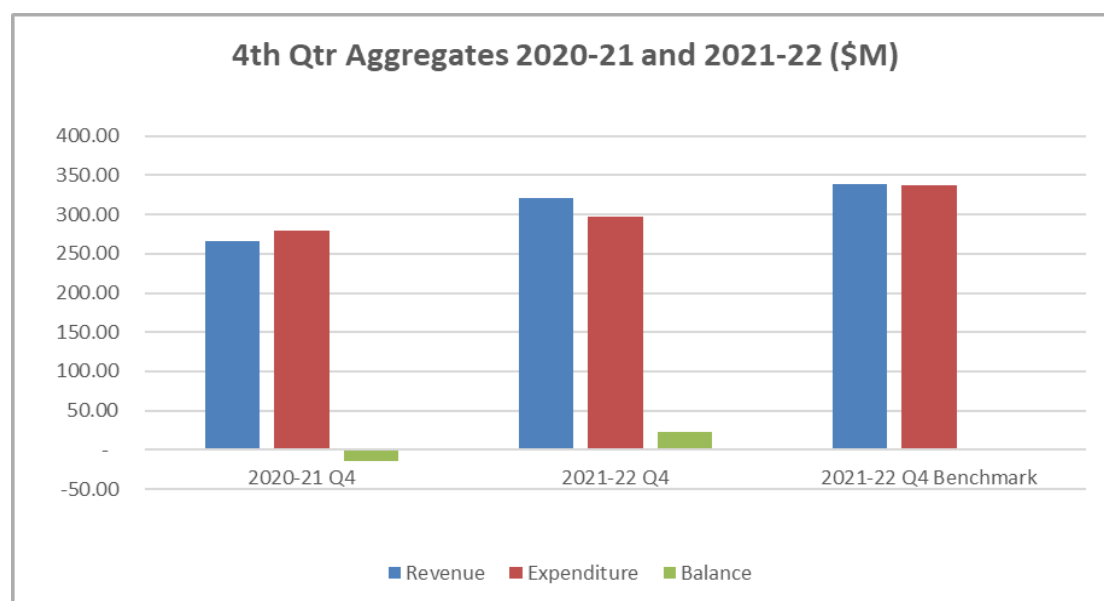
A Surplus of \$23.1 million at the end of fourth quarter was achieved compared with a deficit of \$13.9 million registered in the preceding year. This significant improvement in fiscal balance was a result of prudent and conservative approach taken in setting revenue and expenditure estimates, effective revenue collection measures, better sequencing of spending against revenue collection and sound cash flow management.

Table 3 Aggregate results Q4 2021-22

Description	2020-21		2021-22				2021-22		2021-22 Remaining Budget		
	Preliminary	Actual	Approved Budget	2021-22 Supp Bill 1	2021-22 Supp Bill 2	2021-22 Supp Bill 3	2021-22 Supp Bill 4	Revised Budget			
	\$	\$	\$	\$	\$	\$	\$	\$	% collections	\$	
Revenue	265,918,662		244,123,361	32,133,332	17,154,242	34,723,368	10,140,000	338,274,303	320,348,009	95%	17,926,294
Expenditure	279,837,164		244,023,361	32,106,784	17,051,819	34,703,051	10,092,833	337,977,848	297,198,609	88%	40,779,239
Balance	-	13,918,502	100,000	26,548	102,423	20,317	47,167	296,455	23,149,400		22,852,945

The 2021-22 revenue collections grew by \$54.4 million or 20% compared to the previous year due to new revenue measures relating to the once off first tranche draw-down of the EXIM Loan of \$16.7m for the Nauru Aircraft Replacement program, and recognition of more than usual hosting fee revenue to fund increasing government operational costs.

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



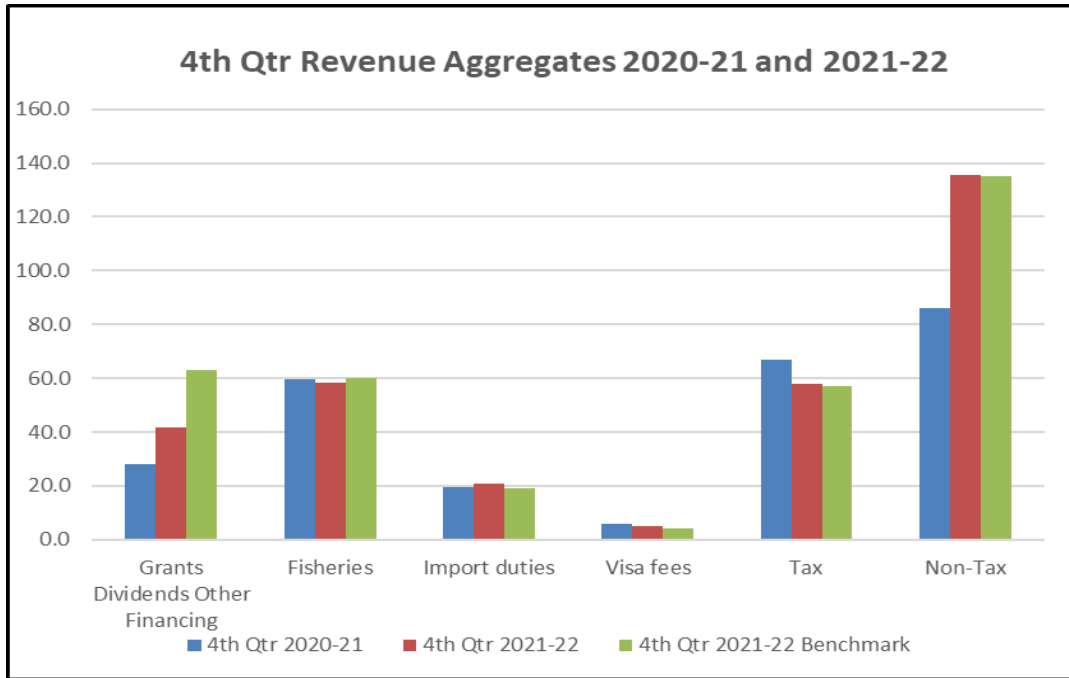
OPERATING REVENUE ANALYSIS

Actual revenues for the quarter are summarized in Table 4 and Figure 2. Revenues are highly seasonal, with most revenue collected during the second quarter. As shown in Table 4, collections for all revenue lines have either exceeded target or close except for Grants Dividends Other Financing having recorded total collections of \$41.7 million or 66% of target due to timing delays of the draw-down of USD 13.65 million (AU \$19.2 million) of the NAC aircraft loan from Exim Bank. The remaining funds relates to the first tranche second advance of USD 2 million and the second tranche fund of USD 11.6 million. The draw-down of the first tranche second advance will be made following perfection of the aircraft mortgage and aircraft pledge and the second tranche drawdown following identification of the second replacement aircraft by Nauru Airlines.

Table 4: Revenue breakdown Q4 2021-22

Revenue Description	2020-21	2021-22	2021-22	2021-22	2021-22	Share of	2021-22	2021-22
	Preliminary	Approved	2021-22	Revised				
	Actual	Budget	Supp Bills	Budget	Actual	revenue	of Budget	Budget
	\$	\$	\$	\$	\$	%	%	\$
Grants Dividends Other Financing	27,995,249	34,931,567	28,154,242	63,085,809	42,363,282	13%	67%	20,722,527
Fisheries	59,797,774	59,900,000	-	59,900,000	58,198,817	18%	97%	1,701,183
Import duties	19,580,224	16,512,175	2,584,852	19,097,027	21,007,457	7%	110%	- 1,910,430
Visa fees	5,776,518	1,544,776	2,685,000	4,229,776	5,061,886	2%	120%	- 832,110
Tax	66,772,183	34,600,000	22,390,000	56,990,000	58,066,656	18%	102%	- 1,076,656
Non-Tax	85,958,109	96,634,843	38,336,848	134,971,691	135,649,912	42%	101%	- 678,221
Total Revenue	265,880,056	244,123,361	94,150,942	338,274,303	320,348,009	100%	95%	17,926,294

Figure 2 Revenue collections for Q4 2020-21 and 2021-22



Revenue Quarterly Performance

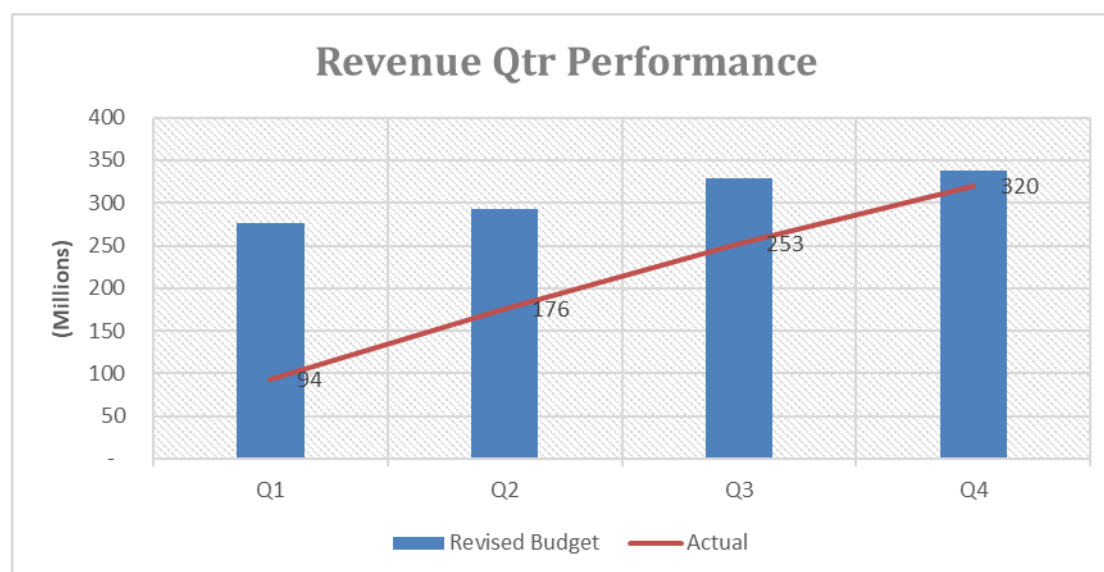
Table 5 and Figure 3 below attempt to show the year-to-date collections by quarter and to demonstrate collection performance for the reported quarter in respect to the previous quarter (Q3).

A total of \$67.6 million in revenue was received during the Quarter, a 27% increase from Q3 level, majority of which were from the Grants Dividend and Other Financing relating to the \$16.5 million first tranche drawn of the Aircraft Loan during the quarter, along with new collections from visa fees, taxes import duties and Fisheries all recording change in collections in the range of 24-48%.

Table 5: Revenue Quarterly Performance Q4 2021-22

Revenue Description	Quarter 1		Quarter 2		Percent Change	Quarter 3			Quarter 4			
	Revised Budget	YTD Actual	Revised Budget	YTD Actual		Revised Budget	Quarter YTD Actual	Percent Change	Revised Budget	Quarter YTD Actual	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%	63,085,809	42,363,282	22,213,630	110%
Fisheries	59,900,000	240,333	59,900,000	41,123,335	17011%	59,900,000	47,005,879	14%	59,900,000	58,198,817	11,192,938	24%
Import duties	16,512,175	4,082,472	16,512,175	9,916,437	143%	19,097,027	15,126,860	53%	19,097,027	21,007,457	5,880,597	39%
Visa fees	1,544,776	1,037,960	1,544,776	1,746,319	68%	4,229,776	3,422,986	96%	4,229,776	5,061,886	1,638,900	48%
Tax	34,600,000	14,409,785	34,600,000	31,226,457	117%	46,850,000	44,886,748	44%	56,990,000	58,066,656	13,179,907	29%
Non-Tax	117,768,175	58,915,339	117,768,175	72,057,455	22%	134,971,691	122,172,419	70%	134,971,691	135,649,912	13,477,493	11%
Total Revenue	276,256,693	93,685,889	293,410,935	176,219,654	88%	328,134,303	252,764,544	43%	338,274,303	320,348,009	67,583,465	27%

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



RPC continued to be the major source of revenue earnings for the government with 64% of total year-to-date collections relating to RPC activities.

An additional RPC revenue of \$10.1 million was recognized in Supplementary 4, passed during the quarter to recognize new tax revenue from the 6 months extension of the RPC arrangements from December 2021 to June 2022, not accounted for in the previous supplementary, increasing the share of RPC revenue to 64% of total revenue budget from 60% at the end of last quarter.

Table 6: RPC Related Revenues Q4 2021-22

Revenue Description	2020-21	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 Actuals against
	\$	\$	\$	\$	\$	%
1335 - Visa Fees - RPC	978,000	0	395,600	395,600	505,000	0%
1580 - Visa Fees - RPC Resettlement	3,000,000	0	2,289,400	2,289,400	2,807,000	0%
1475 - Miscellaneous Revenue	6,382,789	272,840	0	272,840	1,868,318	685%
1495 - Service Fees	20,024,359	10,046,902	10,000,002	20,046,904	20,016,444	100%
1577 - DJBC - Operations	3,384,174	2,289,963	1,762,927	4,052,890	5,089,226	126%
1578 - DJBC - Reimbursable Costs	16,371,079	16,587,342	5,440,587	22,027,929	18,788,295	85%
1598 - Hosting Fee	36,983,331	63,566,666	21,133,332	84,699,998	84,699,998	100%
1590 - Employment Services Tax	19,481,155	10,200,000	6,720,000	16,920,000	15,557,601	92%
1591 - Business Profit Tax	43,950,090	21,900,000	15,520,000	37,420,000	39,846,201	106%
1015 - Income from Investments & D	6,721,656	6,412,143	11,000,000	17,412,143	15,649,509	90%
Total RPC related revenue	157,276,633	131,275,856	74,261,848	205,537,704	204,827,591	100%
Share of total revenue	59%	54%	79%	61%	64%	4%

FISHING REVENUES

The bulk of fishing revenue collections were received during the second quarter following finalization of fishing agreements between the Government and overseas fishing companies. As depicted in Table 5 above, an additional \$11.2 million in fishing revenue was received during the quarter consolidating the total collection for the year to \$58.2m or 97 percent of the target collections which was a great achievement by the Nauru Fisheries and Maritime Authority.

Table 7: Fishing revenues Q4 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		YTD Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1055 - Support Vessel Charges	426,855	400,000	-	400,000	566,692	142%	-166,692
1071 - Purse Seine Revenue - Licensing	1,393,798	1,500,000	-	1,500,000	1,107,848	74%	392,152
1072 - Purse Seine Revenue - Fishing Days	57,977,121	58,000,000	-	58,000,000	56,524,277	97%	1,475,723
Total Fisheries Revenue	59,797,774	59,900,000	-	59,900,000	58,198,817	97%	1,701,183

TAXATION REVENUE

Government recognized an additional \$13.2 million in new tax revenue during the quarter following the passing of supplementary 4 appropriation.

Tax revenue collections have exceeded budget expectations (Table 8), with a \$2.4 million in BPT collections more than exceeding shortfall of \$1.4 million in Employment Services Tax. The future of tax as a major revenue earning stream for Nauru is highly uncertain as it depends on the continuation of RPC corporations on the island.

Table 8: Taxation revenue Q4 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		YTD Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	3,340,938	2,500,000	150,000	2,650,000	2,662,854	100%	-12,854
1590 - Employment Services Tax	19,481,155	10,200,000	6,720,000	16,920,000	15,557,601	92%	1,362,399
1591 - Business Profit Tax	43,950,090	21,900,000	15,520,000	37,420,000	39,846,201	106%	-2,426,201
Total Tax	66,772,183	34,600,000	22,390,000	56,990,000	58,066,656	102%	-1,076,656

CUSTOMS AND OTHER IMPORT DUTIES

An increase in consumption and better economic conditions on-island has further improved collections across all customs lines with the aggregate Quarter 4 collections surpassing forecasts by \$1.9 million (Table 9). Collections from Petrol and Alcohol have improved during the quarter compared to the previous quarter level attributable to increased shipments and consumption on the island.

Table 9 Customs and other Import duties Q4 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22	2021-22 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		YTD Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	7,073,041	5,841,236	855,672	6,696,908	7,577,355	113%	-880,447
1145 - Customs and Excise Duty - Alcohol	1,956,048	2,040,000	-	2,040,000	1,924,643	94%	115,357
1150 - Customs and Excise Duty - Sugar	1,262,619	1,220,394	-	1,220,394	1,400,897	115%	-180,503
1155 - Customs and Excise - Machinery/Vehicle	1,045,324	830,419	565,345	1,395,764	1,728,352	124%	-332,588
1160 - Customs and Excise Duty - Other	2,813,421	2,538,891	733,232	3,272,123	3,957,190	121%	-685,067
1165 - Customs and Excise Duty - Petrol Sales	2,654,280	2,341,235	430,603	2,771,838	2,563,712	92%	208,126
1170 - Customs and Excise Duty - Diesel Sales	2,775,493	1,700,000	-	1,700,000	1,855,307	109%	-155,307
Total Customs and Excise Duty	19,580,224	16,512,175	2,584,852	19,097,027	21,007,457	110%	-1,910,430

VISA FEES

Visa fees collection has surpassed target by the end of the quarter (see Table 10) reflecting timely invoice payments by the Australian Department of Home Affairs.

Table 10 Visa fees Q4 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	840	19%	3,492
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	1,749,046	114%	-208,602
1580 - Visa Fees - RPC Resettlement	3,000,000	-	2,289,400	2,289,400	2,807,000	123%	-517,600
Total Visa Fees	5,776,518	1,544,776	2,685,000	4,229,776	5,061,886	120%	-832,110

OTHER REVENUE – DIVIDENDS AND GRANTS

Dividends, Grants and Financing revenue line has been boosted with an increase of \$22.2million during the quarter following receipt of the Exim Bank Aircraft Loan Tranche 1 Advance 1 of USD 11.3million (AU 16.5million) and \$4.6m from the Taiwan government as part of its first tranche 2022-23 annual grant.

The remaining NAC funds to be drawn down relates to the first tranche second advance of USD 2million and the second tranche fund of USD 11.6 million. The draw-down of the first tranche second advance will be made following perfection of the aircraft mortgage and aircraft pledge and the second tranche drawdown following identification of the second replacement aircraft by Nauru Airlines.

Table 11 Dividends and Grants Q4 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	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1015 - Income from Investments & Dividends	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	10,254,564	84%	2,019,260
1902 - EXIM NAC Loan Proceeds	-	16,245,600	17,154,242	33,399,842	16,459,209	49%	16,940,633
Total Dividends , Grants and Other	27,995,249	34,931,567	28,154,242	63,085,809	42,363,282	67%	20,722,527

NON-TAX REVENUE

An additional \$13.5m in Non-Tax Revenue was collected during the quarter, mostly from RPC related reimbursables and visa fees. \$3.2m of DJBC reimbursable costs remain to be collected in the new financial year 2022-23. NRPC Service fees (subhead 1495) collections for 12 month (July 2021-March 2022) have been paid in full by Australia so as hosting fees.

Miscellaneous Revenue line collections came to \$1.6million more than budget and comprises mainly of COVID 19 test fees and reimbursables from use of quarantine facilities.

Bulk of non-tax revenue lines surpassed their annual targets at the close of June quarter with the exception of few line items directly link to RPC arrangements.

Table 12 Non-tax revenues Q4 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22	2021-22 YTD Actual	2021-22	YTD	2021-22
	Preliminary Actual	Approved Budget		Revised Budget		Actual as % of Budget		Remaining Budget
	\$	\$	\$	\$	\$	%	\$	\$
1121 - Curator fees	105,527	-	-	0	3,438	0%	-3,438	
1215 - Licenses-Drivers etc	117,198	80,000	-	80,000	159,692	200%	-79,692	
1220 - Corporation Fees and Licenses	403,725	500,000	-	500,000	553,418	111%	-53,418	
1225 - Licenses-Trading	311,578	209,683	-	209,683	300,150	143%	-90,467	
1230 - Liquor Licensing Board	42,200	30,141	-	30,141	6,000	20%	24,141	
1235 - Gaming / Bingo Licenses	53,250	50,000	-	50,000	165,300	331%	-115,300	
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	21,250	187%	-9,861	
1265 - Death Certificate	870	757	-	757	770	102%	-13	
1270 - Marriage Certificate	1,700	1,378	-	1,378	2,465	179%	-1,087	
1300 - Registration Fees-Motor Cars	138,979	124,414	-	124,414	155,428	125%	-31,014	
1305 - Registration Fees-Motorcycles	24,890	23,994	-	23,994	48,164	201%	-24,170	
1310 - Vehicle/Insurance Fees	383,325	339,226	-	339,226	552,110	163%	-212,884	
1325 - Passport Fees and Photographs	54,640	50,000	-	50,000	57,923	116%	-7,923	
1340 - Police Clearance	32,495	45,000	-	45,000	27,130	60%	17,870	
1361 - Fuel Levy	0	1,314,384	-	1,314,384	1,735,685	132%	-421,301	
1365 - D.C.A.-Departure Taxes	0	-	-	0	0	0%	0	
1370 - D.C.A.-Air Navigation Fees	478,904	496,461	-	496,461	112,882	23%	383,579	
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	50,375	907%	-44,823	
1475 - Miscellaneous Revenue	6,382,789	272,840	-	272,840	1,868,318	685%	-1,595,478	
1480 - Bus Services	1,655	900	-	900	5,000	556%	-4,100	
1485 - Quarantine Fees	77,556	80,000	-	80,000	66,965	84%	13,035	
1490 - Court Fines and Fees	54,828	52,043	-	52,043	42,442	82%	9,601	
1495 - Service Fees	20,024,359	10,046,902	10,000,002	20,046,904	20,016,444	100%	30,460	
1500 - Sale of Maps	7,550	7,052	-	7,052	18,470	262%	-11,418	
1501 - Sale of Livestock	0	-	-	0	14,814	0%	-14,814	
1520 - Food Handler Check up	11,580	11,600	-	11,600	4,040	35%	7,560	
1540 - Advertising Revenue	67,652	64,000	-	64,000	17,270	27%	46,730	
1555 - Spectacles, Drugs etc	4,690	5,000	-	5,000	220	4%	4,780	
1565 - Medical Services	7,860	8,273	-	8,273	1,256	15%	7,017	
1577 - DJBC - Operations	3,384,174	2,289,963	1,762,927	4,052,890	5,089,226	126%	-1,036,336	
1578 - DJBC - Reimbursable Costs	16,371,079	16,587,342	5,440,587	22,027,929	18,788,295	85%	3,239,634	
1596 - Traffic Infringements	129,160	150,000	-	150,000	219,630	146%	-69,630	
1597 - TVET Course Fees	29,555	27,538	-	27,538	20,930	76%	6,608	
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	7,440	737%	-6,430	
1705 - Electoral Various Fees	82,000	17,894	-	17,894	804,220	4494%	-786,326	
Total Non Tax	85,958,109	96,634,843	38,336,848	134,971,691	135,649,912	101%	-678,221	

REVENUE BY DEPARTMENT

Table 13 shows a high-level summary of revenue for the year to date by Departments.

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 revenue collection mandates.

Department of Multicultural Affairs (MCA – Head 42) accounted for 40 percent of total revenue collected for the year, followed by Fisheries and NRO at 18%, Customs at 7%, NRPC at 6%, Public Debt at 5% and Finance Other at 4%.

The share of the related revenue reported in Table 6 above is approximately 71%, with 40% collected directly by MCA based on the current RPC contract and MoU with the Government of Australia and there are other indirect components such as Taxes, Visas and Management fees that are collected by other departments namely NRO, Border Control and NRPC respectively.

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

Table 13 Revenue by Department Q4 2021-22

Description	2020-21 Preliminary Actual \$	2021-22 Approved Budget \$	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 \$
03 - Chief Secretariat	59,070	43,665	-	43,665	31,515	72%	0%	12,150
09 - Electoral Commission	85,080	19,904	-	19,904	815,350	4096%	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	16,459,209	49%	5%	16,940,633
15 - Nauru Revenue Office	66,942,631	34,730,000	22,390,000	57,120,000	58,391,647	102%	18%	1,271,647
16 - Finance - Other Payments	25,368,927	16,000,351	-	16,000,351	12,793,397	80%	4%	3,206,954
17 - Nauru Customs Office (NCO)	19,581,724	16,514,175	2,584,852	19,099,027	21,008,457	110%	7%	1,909,430
18 - Nauru Regional Processing Centre (N	20,001,504	10,000,002	10,000,002	20,000,004	20,000,004	100%	6%	-
21 - CIE	7,100	5,000	-	5,000	5,940	119%	0%	940
31 - Fisheries	60,252,587	59,900,000	-	59,900,000	58,325,356	97%	18%	1,574,644
41 - Police	176,090	212,640	-	212,640	249,123	117%	0%	36,483
42 - Dept of Multi Cultural Affairs	69,064,584	86,599,971	42,021,846	128,621,817	127,227,519	99%	40%	1,394,298
43 - Justice - Secretariat	822,043	709,756	-	709,756	877,667	124%	0%	167,911
44 - Judiciary	54,828	52,043	-	52,043	42,442	82%	0%	9,601
45 - Border Control	1,926,598	1,670,444	-	1,670,444	1,873,954	112%	1%	203,510
46 - Correctional Services	2,100	-	-	-	14,814	0%	0%	-
50 - Directorate of TVET	37,105	34,738	-	34,738	20,930	60%	0%	13,808
60 - COVID-19 task force	37,106	-	-	-	26,950	0%	0%	26,950
61 - Health	96,975	59,205	-	59,205	1,064,976	1799%	0%	1,005,771
62 - Sports	-	-	-	-	2,000	0%	0%	-
81 - Home Affairs	-	-	-	-	-	0%	0%	-
83 - Media Bureau	67,912	64,000	-	64,000	17,270	27%	0%	46,730
84 - Lands & Survey	7,550	7,052	-	7,052	20,190	286%	0%	13,138
85 - Lands Committee	24,355	16,900	-	16,900	14,720	87%	0%	2,180
91 - Department of Transport	1,291,693	1,231,915	-	1,231,915	1,050,386	85%	0%	181,529
93 - Maritime Transport	-	-	-	-	60	0%	0%	-
95 - ICT	10,340	4,000	-	4,000	10,635	266%	0%	6,635
Total Revenue	265,918,662	244,123,361	94,150,942	338,274,303	320,348,009	95%	100%	17,926,294

OPERATING EXPENDITURE ANALYSIS

Total expenditure for the year-to-date to the end of the fourth quarter is shown in Table 14, followed by some analysis of Q4 performance against benchmark as well as against performances for the same period last year. Overall, 87% of the Revised Expenditure budget was utilized at the close of Quarter 4, with a 13% shortfall compared to the benchmark (100%).

Huge underspending is evident in the Subsidies & Donations, Other and marginal underspending in the Transfer (Non-Expense) subhead line.

Huge underspending is recorded in the Subsidies and Donations subhead due to the non-transfer of the second tranche loan drawdown of USD 11.3 million loan to Nauru Airlines from the EXIM Aircraft loan.

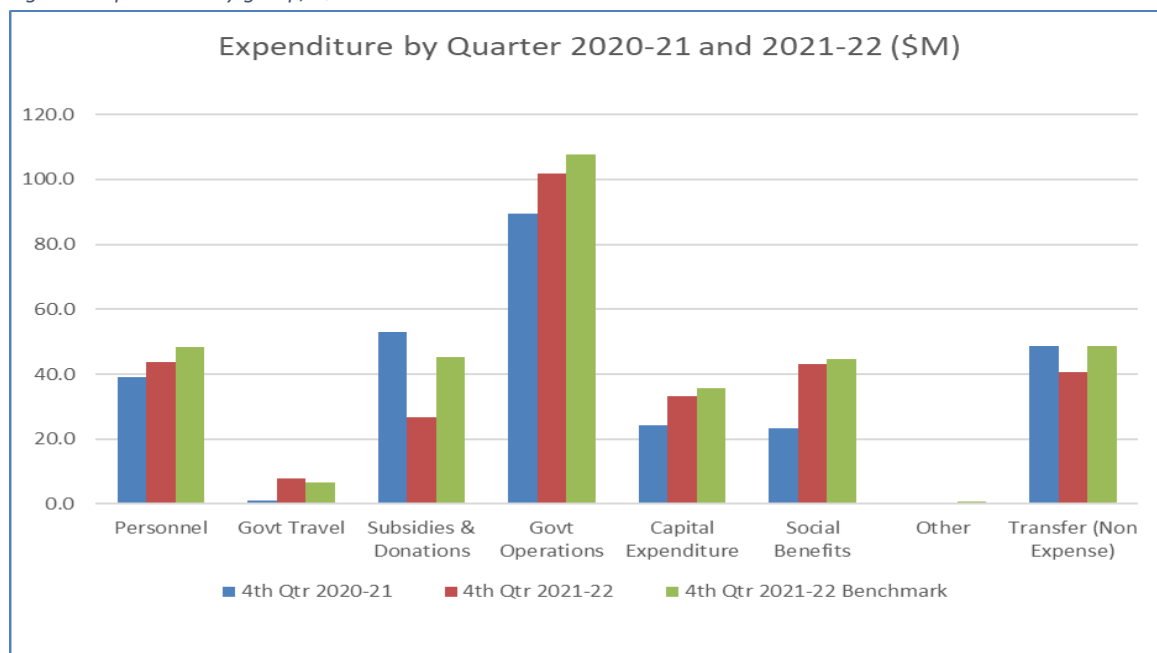
The \$8.1 million underspend in the Transfer (Non-Expense) line partly reflects pending repayments to Taiwan Exim Bank for the Aircraft Loan as 6 months has not passed from the date of the first tranche loan draw down.

There were also marginal underspends in other subhead lines namely Govt Operations (\$7.8m), Personnel (\$4.9m), Capital Expenditure (\$2.5m) and Social Benefits (\$1.6m).

Table 14 Expenditure by Group Q4 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	2021-22 ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
Personnel	39,173,860	47,322,792	2,397,240	-1,347,435	48,372,597	43,610,782	90%	4,761,816
Govt Travel	1,206,175	1,515,664	1,807,286	3,443,144	6,766,094	7,818,956	116%	-1,052,862
Subsidies & Donations	52,943,008	32,249,456	7,343,048	5,606,938	45,199,442	26,609,021	59%	18,590,421
Govt Operations	89,504,634	86,185,399	18,073,955	3,547,532	107,806,885	101,741,732	94%	6,065,153
Capital Expenditure	24,325,801	18,864,399	17,486,733	-544,474	35,806,658	33,285,813	93%	2,520,845
Social Benefits	23,435,567	18,154,615	25,245,000	1,239,366	44,638,981	43,116,574	97%	1,522,407
Other	480,797	727,034	3,362	-53,183	677,213	473,763	70%	203,450
Transfer (Non Expense)	48,767,322	39,004,002	21,597,863	-11,891,887	48,709,978	40,541,968	83%	8,168,010
Total Expenditure	279,837,164	244,023,361	93,954,487	0	337,977,848	297,198,609	88%	40,779,239

Figure 4 Expenditure by group, Q4 2021-22



Expenditure Quarterly Performance

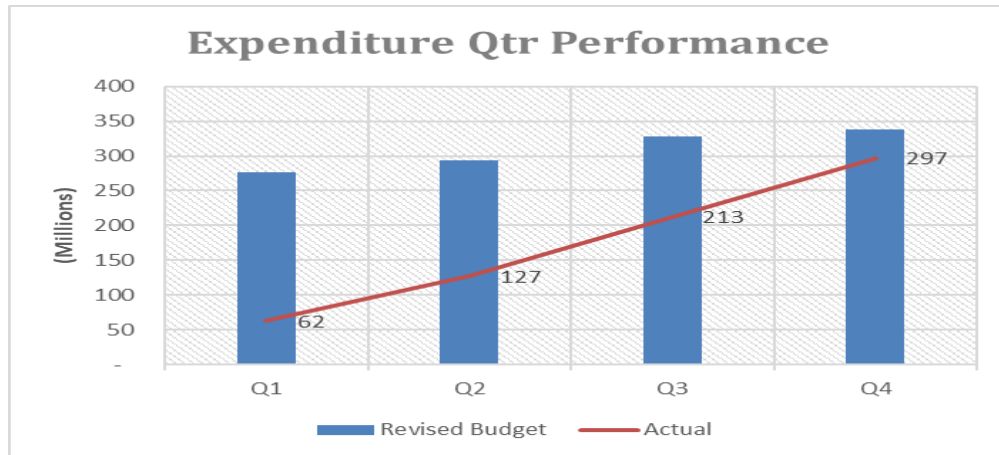
Table 15 and Figure 5 below attempt to depict Year to Date expenditure at the end of each quarter and the change in spending compared to the last Quarter.

A total of \$84.6 million was expensed during the Quarter, 40% change to Q3 utilization level, the highest percent change of which were from Government Travel (201%) and Capital Expenditure (157%) indicating increase in travel and departments effort to disburse capital project payments before end of year and Government

Table 15: Expenditure Quarterly Performance Q4 2021-22

	Quarter 1		Quarter 2			Quarter 3				Quarter 4			
	Revised Budget	YTD Actual	Revised Budget	YTD Actual	Percent Change	Revised Budget	YTD Actual	Quarter Change	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%	48,372,597	43,610,782	13,726,470	46%
Govt Travel	2,525,514	335,699	2,864,015	1,213,805	262%	3,750,157	2,594,352	1,380,547	114%	6,766,094	7,818,956	5,224,604	201%
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%	45,199,442	26,609,021	11,417,924	75%
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%	107,806,885	101,741,732	23,312,573	30%
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%	35,806,658	33,285,813	20,311,137	157%
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%	44,638,981	43,116,574	9,564,257	29%
Other	727,034	55,466	730,496	164,424	196%	736,019	317,542	153,118	93%	677,213	473,763	156,221	49%
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%	48,709,978	40,541,968	926,142	2%
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%	337,977,848	297,198,609	84,639,327	40%

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



PERSONNEL COSTS

Expenditure on Personnel cost for the quarter totaled \$13.7million (as depicted in Table 15 above) is the average quarter expenditure level. The change for the previous quarter (Q3) was much higher at \$19.3million reflecting efforts by theCorporateServices to update pending payroll postings from prior periods.

It is evident from Table 16 that a number of vacancies still exists in departments.

Table 16: Personnel Expenditure 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	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	
2005 - Salaries & Allowances - (MP's)	1,236,654	1,260,698	-351,663	0	909,035	893,798	98%	15,237	
2010 - HE Salary & Allowances	100,532	105,034	0	0	105,034	101,886	97%	3,148	
2015 - Salary - Local	24,911,992	27,190,580	1,985,321	1,053,867	30,229,769	27,852,580	92%	2,377,188	
2020 - Salary Expatriate	7,450,921	9,216,636	265,477	-1,663,055	7,819,059	7,617,725	97%	201,333	
2025 - Allowances - Staff Contract	1,437,640	2,417,907	0	-208,604	2,209,304	2,134,633	97%	74,671	
2026 - Directors Fees	25,250	50,600	0	7,300	57,900	44,990	78%	12,910	
2031 - Staff Contract - Ministerial	50,577	520,968	140,000	-210,000	450,968	378,336	84%	72,631	
2035 - Overtime - local	766,565	873,976	23,500	146,235	1,043,711	927,546	89%	116,165	
2040 - Staff Training	730,950	1,755,898	298,000	-526,478	1,527,420	990,761	65%	536,659	
2041 - Prep & Orientation of Seasonal Workers	0	10,000	0	0	10,000	9,350	94%	650	
2045 - Recruitment	4,859	16,000	-3,500	18,530	31,030	23,135	75%	7,895	
2050 - Uniforms & Protective Clothing	351,625	486,089	29,300	42,175	557,564	504,785	91%	52,779	
2072 - Meals and Drinks - Staff	286,408	285,490	10,805	-7,406	288,889	277,012	96%	11,877	
2651 - GON Contributions	1,819,887	3,132,916	0	0	3,132,916	1,854,244	59%	1,278,672	
Total Personnel	39,173,860	47,322,792	2,397,240	-1,347,435	48,372,597	43,610,782	90%	4,761,816	

GOVERNMENT TRAVEL

Government travel which commenced in Quarter 3 continue to be maintained during the Quarter with frequent travel by officials to attend meetings and official engagements overseas. The Government Pre-Travel requirements or TravelSafeProgram(TSP) introduced during Q3 was maintained during the quarter. A total of \$7.8 million travel costs was recorded following change in government travel policy.

Table 17 Government Travel Expenditure Q4 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	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	
2070 - Travel - Staff	360,446	797,704	33,670	-2,495	828,879	539,554	65%	289,325	
2075 - Travel - Business	845,729	717,960	1,773,616	3,445,639	5,937,215	7,279,402	123%	-1,342,187	
Total Government Travel	1,206,175	1,515,664	1,807,286	3,443,144	6,766,094	7,818,956	116%	-1,052,862	

SUBSIDIES & DONATIONS

Subsidies & Donation payments during the quarter totaled \$11.4 million and this is associated with CSO payments to Nauru Utilities, Nauru Airlines, and Nauru Maritime and Port Authority (NMPA) and Tug boat hire to NMPA for the safe loading and unloading of phosphate and fuel vessels. Funds were also disbursed to Nauru Airlines during the quarter to cover for the fleet rebranding exercise totaling \$2.4m as commissioned by the Cabinet.

The \$16.2 million balance 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 until the new financial year following identification of the second aircraft.

Table 18 Subsidies & Donations Expenditure Q4 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	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	13,191,700	16,245,600	3,400,618	0	19,646,218	3,400,618	17%	16,245,600
2616 - Subsidies to SoEs	30,784,485	11,967,713	2,907,430	2,515,300	17,390,443	15,785,253	91%	1,605,190
2617 - Donations - local	8,965,045	3,929,000	1,035,000	3,091,638	8,055,638	7,322,808	91%	732,830
2618 - Donations - overseas	1,777	107,143	0	0	107,143	100,342	94%	6,801
Total Subsidies & Donations	52,943,008	32,249,456	7,343,048	5,606,938	45,199,442	26,609,021	59%	18,590,421

CAPITAL EXPENDITURE

A total of \$20.3 million in capital related payments were expenses during the quarter bulk of which consist of the \$10 million funds for the Government Building that was transferred to a Trust Fund Account, \$3.4 million to Nauru Airlines to cover part of the freighter conversion cost of XNU and \$3.7m to Nauru Rehabilitation Corporation to cover for the rehabilitation work on portion 230.

Table 19 Capital Expenditure Q4 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	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2480 - Medical Equipment	622,615	497,250	0	-278,580	218,670	218,668	100%	2
2495 - Plant & Equipment Purchases	5,638,836	3,591,852	981,640	2,011,703	6,585,195	6,445,123	98%	140,073
2496 - Building and Structures	17,766,650	14,293,296	16,405,093	-3,122,684	27,575,705	25,206,615	91%	2,369,091
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	572,938	98%	9,062
Total Capital Expenditure	24,325,801	18,864,399	17,486,733	-544,474	35,806,658	33,285,813	93%	2,520,845

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 74 percent of the YTD budget (Table 20) and reflects the one-off and lumpy disbursements of funds paid to contractors. \$4.3 million additional Housing Funds was approved in Supplementary 4 and the full amount has also been disbursed to contractors during the quarter.

As part of the government assistance during the height of the COVID 19 outbreak, two one off ex gratia payments were paid to government workers to ease the impact of COVID 19 on households, mitigating the high cost of living and restoring public confidence. The scope of payment includes GoN employees in departments, statutory bodies and SoEs, pensioner and people living with a disability as well as Board members.

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 Q4 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	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	
2220 - Nauru Community Housing	14,888,972	7,050,000	25,200,000	0	32,250,000	32,218,559	100%	31,441	
2390 - Social Welfare - Birth Claims	173,700	192,000	0	0	192,000	167,900	87%	24,100	
2395 - Social Welfare - Death Claims	168,000	238,000	45,000	0	283,000	151,253	53%	131,747	
2396 - Back to School Support	353,800	739,800	0	0	739,800	678,615	92%	61,185	
2400 - Social Services - Aged Pensions	2,896,351	3,808,840	0	-559,000	3,249,840	3,124,900	96%	124,940	
2405 - Social Services - Super Contributors	77,641	100,000	0	0	100,000	71,095	71%	28,905	
2420 - Social Services - Disability Payments	1,582,750	1,681,160	0	130,000	1,811,160	1,797,230	99%	13,930	
2421 - Ex Gratia - Age and Disable	476,000	0	0	977,800	977,800	974,800	100%	3,000	
2422 - Ex Gratia SoEs	1,000,700	0	0	1,774,500	1,774,500	1,726,400	97%	48,100	
2440 - Scholarships - School & Trade	1,817,652	4,344,815	0	-1,083,934	3,260,881	2,205,822	68%	1,055,059	
Total Social Benefits	23,435,567	18,154,615	25,245,000	1,239,366	44,638,981	43,116,574	97%	1,522,407	

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 Q4 2021-22

Description	2020-21	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	Remaining budget
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	434,325	538,876	3,462	-32,852	509,486	347,664	68%	161,822
2570 - Bank Charges	49,039	64,658	-100	-1,000	63,558	52,979	83%	10,578
2690 - Foreign exchange gains/losses	-2,567	123,500	0	-19,331	104,169	73,120	70%	31,049
Total Other	480,797	727,034	3,362	-53,183	677,213	473,763	70%	203,450

NON-EXPENSE ITEMS

A total of \$0.9 million was expensed under the Non-Expense Items during the quarter comprising of RONWAN and Bank of Nauru related payments.

No payment was raised against the Fiscal Cash Buffer as this is purely an appropriation measure to cover for any urgent and unavoidable pressures in other subheads of which reallocations are undertaken via ISHTs.

Table 22: Non-expense Items Q4 2021-22

Description	2020-21	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	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	9,411,463	9,813,947	6,233,334	-9,783	16,037,498	11,501,330	72%	4,536,169
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	2,028,246	-11,882,104	1,000,433	0	0%	1,000,433
2680 - BON Liquidation- Payment	5,638,207	1,000,000	4,851,178	0	5,851,178	3,219,769	55%	2,631,409
2802 - Loan Expenditure Account	0	0	0	0	0	0	0%	0
Total Non-expense items	48,767,322	39,004,002	21,597,863	-11,891,887	48,709,978	40,541,968	83%	8,168,010

GOVERNMENT OPERATIONS

A total of \$23.3 million was expensed under the Government Operations category during the quarter (Table 23), driven largely by ongoing spending for Salary other contract, Overseas Medical Referrals and House Rental.

Total annual spending was in the order of \$101.7m or 94% of total annual budget.

Table 23 Government Operations Q4 2021-22

Description	2020-21	2021-22	2021-22 Supp Bills	2021-22 ISHT	2021-22	2021-22	2021-22	2021-22
	Preliminary Actual	Approved Budget			Revised Budget	2021-22 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2030 - Salaries - Other Contracts	30,863,197	26,877,109	4,796,329	1,222,174	32,895,612	32,251,256	98%	644,356
2055 - Consultants fees	2,204,855	2,156,437	887,515	441,530	3,485,482	3,203,924	92%	281,557
2060 - Legal Fees - External	107,601	537,500	12,500	-284,080	265,920	265,920	100%	0
2100 - Entertainment	1,002,734	1,006,088	80,000	241,255	1,327,343	1,254,734	95%	72,609
2105 - Official Celebrations	848,984	767,168	176,000	123,426	1,066,593	987,059	93%	79,535
2110 - Protocol	6,409	38,000	-5,000	-20,000	13,000	6,495	50%	6,505
2130 - Printing & Stationery	848,700	1,012,707	-1,020	-18,430	993,257	904,767	91%	88,489
2132 - TVET Supplies	139,999	140,000	0	15,000	155,000	146,529	95%	8,471
2135 - Stores	565,423	514,463	65,432	47,856	627,751	467,538	74%	160,213
2136 - Museum Artefacts	350	4,000	0	0	4,000	3,920	98%	80
2155 - House Rental	10,455,964	11,103,594	527,389	-617,211	11,013,772	10,486,321	95%	527,451
2160 - Land Rental	8,581,713	8,593,159	0	-133,330	8,459,829	8,114,869	96%	344,960
2165 - Office Rental	811,656	876,653	185,600	28,700	1,090,953	889,106	81%	201,846
2185 - R&M - Buildings	1,997,300	1,424,206	114,134	728,034	2,266,374	1,970,070	87%	296,304
2190 - R&M - Office Equipment	292,244	258,776	8,000	-53,993	212,783	170,318	80%	42,464
2191 - R&M Medical Equipment	28,145	50,000	0	-6,400	43,600	43,573	100%	27
2195 - R&M - Office Premises	37,653	7,353	0	20,000	27,353	8,413	31%	18,940
2200 - R&M - Motor Vehicles	594,756	703,774	-13,880	156,127	846,021	782,465	92%	63,556
2205 - R&M - Plant	1,570,504	2,999,527	-6,000	-57,071	2,936,456	2,824,056	96%	112,400
2210 - R&M - Aerodrome	64,363	60,000	0	0	60,000	59,982	100%	18
2225 - Agricultural Supplies	61,866	61,000	0	8,300	69,300	69,290	100%	10
2230 - Publicity and Awareness	68,676	56,150	3,800	73,910	133,860	77,934	58%	55,926
2275 - Purchase of Petrol	561,730	673,960	1,047	45,640	720,647	616,316	86%	104,331
2280 - Purchase of Diesel	725,083	962,452	-31,824	-110,000	820,628	760,779	93%	59,849
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	-50,266	5,397,392	4,733,301	88%	664,090
2330 - Telephone / Internet	2,383,568	2,823,798	303,120	6,120	3,133,038	2,963,135	95%	169,902
2350 - Freight	2,240,892	2,291,014	815,000	886	3,106,900	2,579,589	83%	527,311
2370 - Membership Fees & Subscriptions	1,094,234	1,080,257	-40,000	-320,980	719,277	596,389	83%	122,888
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	-9,700	9,300	12,266	132%	-2,966
2375 - ICT Supplies	60,372	55,146	-3,000	0	52,146	51,951	100%	195
2460 - Medical Expenses	37,193	79,695	6,000	0	85,695	32,937	38%	52,759
2461 - Primary Health Care Services	130,423	259,900	0	-132,500	127,400	126,672	99%	728
2462 - NCD Control & Health Promotion	35,032	43,600	0	0	43,600	41,228	95%	2,372
2463 - Environmental Health and Food safety	7,017	10,000	0	-3,876	6,124	6,124	100%	-0
2464 - Management Monitoring & Evaluation	12,865	30,000	0	0	30,000	29,612	99%	388
2467 - Drugs and Medicines	1,099,571	1,100,000	0	0	1,100,000	1,051,655	96%	48,345
2468 - Dental Supplies	10,312	50,000	0	-7,700	42,300	41,675	99%	625
2469 - Dialysis Supplies	249,347	350,000	0	0	350,000	349,992	100%	8
2471 - Medical Consumable	647,091	600,000	0	84,530	684,530	684,678	100%	-148
2472 - Laboratory supplies	247,987	300,000	0	0	300,000	299,998	100%	3
2473 - Radiology Supplies	19,986	25,000	0	-18,800	6,200	6,342	102%	-142
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	7,700,000	1,079,250	12,779,250	12,858,587	101%	-79,337
2560 - Educational Expenses - Special	119,724	215,694	4,000	1,285	220,979	92,342	42%	128,636
2575 - Local Transport	1,869,089	1,622,661	429,495	493,450	2,545,606	2,432,961	96%	112,644
2585 - Rations	3,928,377	3,609,317	0	614,870	4,224,187	3,915,865	93%	308,322
2590 - Correctional Services Supplies	7,102	8,160	0	-629	7,531	7,530	100%	1
2600 - Postage	10,380	20,220	17,470	-4,734	32,956	32,353	98%	603
2605 - Library/Periodicals	0	8,500	-2,000	85,750	92,250	90,698	98%	1,552
2610 - Survey Supplies	5,194	1,500	0	3,000	4,500	4,018	89%	482
2611 - Children Education Toys and Learning Supplies	332,021	710,044	0	0	710,044	459,093	65%	250,951
2614 - Grants to EBUs		0	1,481,378	0	1,481,378	1,479,753	100%	1,625
2620 - Lease & Charter Payments	43,342	57,938	-1,500	7,238	63,676	48,531	76%	15,145
2625 - Family Court Expenses	3,100	4,800	0	-1,500	3,300	3,300	100%	0
2630 - Safe House	160,826	181,660	0	-89,599	92,061	91,281	99%	780
2681 - Prior Year Account Payable (GoN)	1,198,036	0	0	0	0	0	0%	0
2700 - Deportee Revomal	0	20,000	0	-40,000	-20,000	0	0%	-20,000
2705 - NEAT Scheme	162,250	298,639	0	0	298,639	217,860	73%	80,779
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	18,073,955	3,547,532	107,806,885	101,741,732	94%	6,065,153

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 lump sum nature of payments toward the Housing scheme and Land Rental. COVID 19 Taskforce spending is at 99% of the allocated budget.

Table 24 Expenditure by Department Q4 2021-22

Description	2020-21	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	Share of	2021-22
	Preliminary Actual	Approved Budget	2021-22 Supp Bills	2021-22 ISHT	Revised Budget	2021-22 Actual	Actual as % of Budget	total Expenditure	Remaining Budget
	\$	\$	\$	\$	\$	\$	%		\$
01 - Presidency and State House (including GIO)	2,699,326	2,148,953	1,060,000	0	3,208,953	3,189,144	99%	1%	19,809
02 - Ministerial	17,903,918	10,627,108	25,894,000	0	36,521,108	36,502,052	100%	12%	19,055
03 - Chief Secretariat	17,254,614	17,909,751	572,246	0	18,481,997	18,001,965	97%	6%	480,032
05 - Audit	256,249	292,483	5,000	0	297,483	265,375	89%	0%	32,108
06 - Parliament	960,015	1,318,376	-1,318,376	0	-0	0	0%	0%	0
08 - National Emergency Services	1,536,116	1,957,198	40,000	0	1,997,198	1,876,167	94%	1%	121,030
09 - Electoral Commission	333,261	386,677	155,120	0	541,797	503,501	93%	0%	38,296
11 - Finance Secretariat	2,073,886	2,547,512	524,734	0	3,072,246	2,557,824	83%	1%	514,423
12 - Finance - Public Debt	13,191,700	20,226,213	0	0	20,226,213	0	0%	0%	20,226,213
13 - Bureau of Statistics	91,184	214,629	0	0	214,629	153,637	72%	0%	60,992
15 - Nauru Revenue Office	407,601	505,279	0	0	505,279	443,158	88%	0%	62,122
16 - Finance - Other Payments	114,657,442	72,563,171	34,587,382	0	107,150,553	96,940,040	90%	33%	10,210,513
17 - Nauru Customs Office (NCO)	766,884	947,948	235,600	0	1,183,548	1,108,974	94%	0%	74,574
18 - Nauru Regional Processing Centre (NRPC) Co	1,329,362	1,425,707	285,000	0	1,710,707	1,077,353	63%	0%	633,354
21 - CIE	922,866	847,257	175,732	0	1,022,989	898,392	88%	0%	124,597
22 - Climate Change	743,084	925,138	500,900	0	1,426,038	1,387,759	97%	0%	38,280
31 - Fisheries	2,652,660	3,479,266	72,000	0	3,551,266	3,432,537	97%	1%	118,730
41 - Police	4,602,616	4,630,357	1,285,000	0	5,915,357	5,990,360	101%	2%	- 75,003
42 - Dept of Multi Cultural Affairs	25,890,633	20,927,213	16,998,251	0	37,925,464	36,740,408	97%	12%	1,185,056
43 - Justice - Secretariat	3,785,684	2,964,360	50,000	0	3,014,360	3,498,880	116%	1%	- 484,520
44 - Judiciary	1,627,035	2,024,387	0	0	2,024,387	2,102,722	104%	1%	- 78,335
45 - Border Control	894,876	799,941	0	0	799,941	707,516	88%	0%	92,425
46 - Correctional Services	873,168	920,461	20,000	0	940,461	965,342	103%	0%	- 24,881
50 - Directorate of TVET	545,538	808,565	0	0	808,565	644,381	80%	0%	164,184
51 - Education	11,294,024	16,235,228	0	0	16,235,228	12,549,374	77%	4%	3,685,854
52 - Youth Affairs	227,644	284,612	0	0	284,612	201,597	71%	0%	83,015
60 - COVID-19 task force	9,016,914	8,300,466	1,883,000	0	10,183,466	10,085,399	99%	3%	98,067
61 - Health	16,125,947	18,512,537	7,990,000	0	26,502,537	26,426,231	100%	9%	76,307
62 - Sports	1,260,194	1,325,740	800,100	0	2,125,840	2,079,638	98%	1%	46,202
63 - Department of Infrastructure Development	3,133,422	3,783,989	752,515	0	4,536,504	4,340,633	96%	1%	195,871
71 - Foreign Affairs - Secretariat	1,090,046	1,302,146	98,600	0	1,400,746	1,273,783	91%	0%	126,962
72 - Foreign Affairs - Brisbane	869,305	1,033,352	0	0	1,033,352	504,188	49%	0%	529,164
73 - Foreign Affairs - Suva	976,999	662,158	0	0	662,158	270,077	41%	0%	392,081
74 - Foreign Affairs - New York	1,674,063	2,083,590	53,169	0	2,136,759	1,564,317	73%	1%	572,442
75 - Foreign Affairs - Taiwan	359,484	521,700	81,748	0	603,448	509,174	84%	0%	94,274
76 - Foreign Affairs - Geneva	609,636	656,450	0	0	656,450	368,663	56%	0%	287,787
77 - High Commission India	0	211,975	0	0	211,975	205,102	97%	0%	6,873
78 - High Commission Canberra	250,479	730,397	77,137	0	807,534	276,673	34%	0%	530,861
81 - Home Affairs	4,185,849	3,790,322	392,529	0	4,182,851	4,223,185	101%	1%	- 40,334
82 - Women's Affairs	577,283	1,010,457	67,000	0	1,077,457	1,077,038	100%	0%	420
83 - Media Bureau	1,037,786	612,729	93,000	0	705,729	700,120	99%	0%	5,610
84 - Lands & Survey	5,847,455	5,902,841	20,000	0	5,922,841	5,483,093	93%	2%	439,747
85 - Lands Committee	325,240	367,998	50,000	0	417,998	401,669	96%	0%	16,328
86 - Department of Land Management	156,488	117,667	15,000	0	132,667	172,952	130%	0%	- 40,285
87 - Disability Department	85,681	180,961	17,000	0	197,961	164,087	83%	0%	33,874
91 - Department of Transport	2,461,369	2,390,019	165,500	0	2,555,519	2,538,014	99%	1%	17,505
95 - ICT	2,234,289	2,567,339	205,600	0	2,772,939	2,735,753	99%	1%	37,186
97 - Telecom	37,851	40,739	50,000	0	90,739	60,364	67%	0%	30,376
Total Expenditure	279,837,164	244,023,361	93,954,487	0	337,977,848	297,198,609	88%	100%	40,779,239

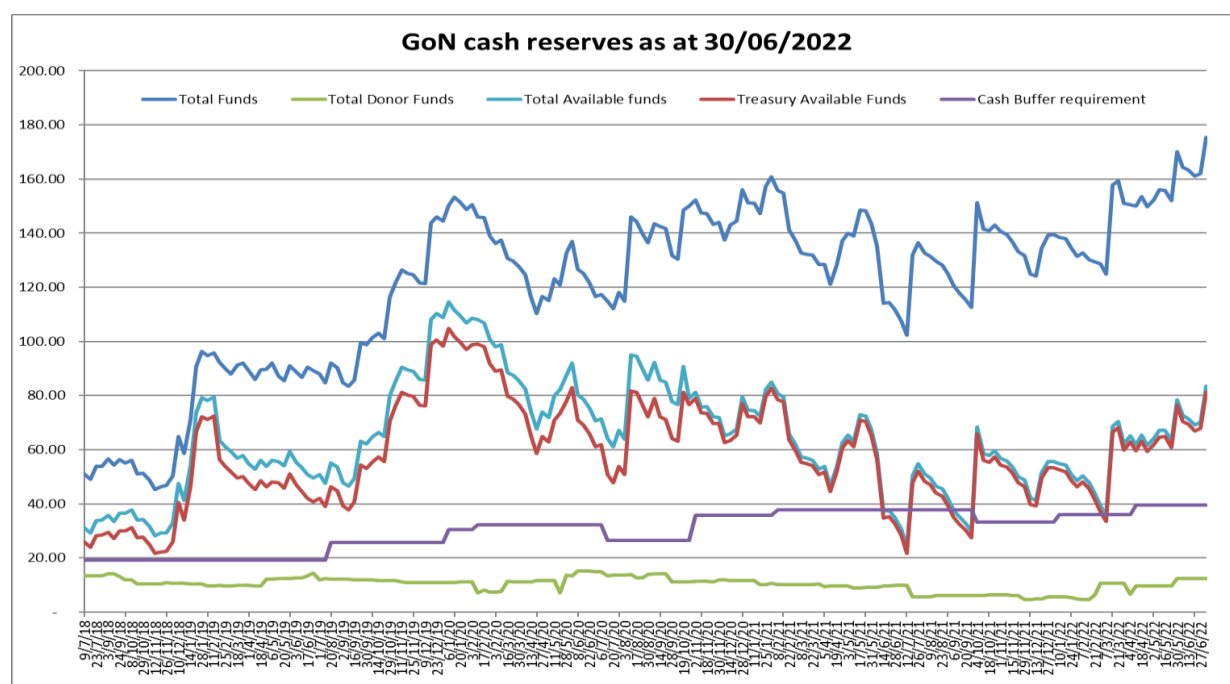
CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 4). At the end of the quarter, total funds were \$175.4 million. The cash buffer requirement of two months of adjusted expenditure was \$36 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 transfer of the Government Building Fund of \$10m to a designated Trust Fund Account, SoE transfers of around \$15m etc.

Despite these huge outflows, the Government was able to maintain its liquidity level due to the matching deposit of \$16.7m from the drawdown of the first tranche advance 1 of the Exim Aircraft loan funds MCA Reimbursables, Fisheries and Taxes and duty collections.

Figure 4 GoN Cash reserves Q4 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).