



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 4 2022-23

Release date: 20 July 2023

Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 4 2022-23

INTRODUCTION

This report provides an overview of the performance for the fourth quarter of the 2022-23 Budget year for the Republic of Nauru. The data presented covers revenue and expenditure for period 1 July 2022 to 30 June 2023, based on all information available to Treasury as of July 20 2023.

- In aggregate, actual year to date performance is a surplus \$8.3 million. Revenue performance stood at 93% of the expected annual collection with 91% expenditure utilization against the budget limit.
- The Q4 surplus position might have been improved but expected remaining bank deposits related to Fisheries and the second tranche of the budget support funds from the Republic of China Taiwan were delayed to early July, and will be recorded as part of the 2023-24 revenues in accordance with the Government’s cash basis accounting system. Additionally, the drawdown of the remaining Hosting Fees and remaining RPC reimbursables has been deferred as they are included in the 2023-24 revenue estimates.

This report covers general Government operations only and does not include donor expenditures or the operations of State-owned enterprises (SoE’s). However, transfers from Government to SoEs, are included. 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 April 2023.

Item	2020-21	2021-22	2022-23
Real GDP Growth (per cent change)	2.750	2.957	1.019
Nominal GDP (\$A million)	195.000	208.000	223.000

The real GDP growth for 2021 was higher than expected, reaching to be 2.750% compared to the initial estimation of 1.6%. Similarly, the actual growth for the fiscal year 2021-22 exceeded expectations, reaching 2.957% compared to the estimated 0.9% in the last IMF outlook publication in 2021. The growth was largely driven by the extension of RPC services, which had a greater impact on local economic activity than anticipated.

Looking ahead, there is still expected growth beyond 2023, albeit at a slower rate. This growth is estimated to be around 1.019%, reflecting the wind-down of RPC services as the arrangement transition to a contingent state.

Global inflation projections for 2022 stood at 5.7% in advanced economies and 8.7% in emerging market and developing economies.

The IMF has adjusted its growth projections for Nauru due to developments in public spending mostly in improving infrastructure, subsidies to SOEs as well as ensuring the smooth operation of the public sector.

The local inflation outlook is limited to 4.2% due to inflationary pressures as global conditions stabilised after COVID-19. The nominal GDP estimate for 2022-23 is \$223 million which is an increase from \$208 million as of fiscal year 2021-22.

Supplementary Appropriations

One Supplementary appropriation budget was passed during the quarter to reallocated potential COVID 19 savings following the change in the COVID 19 situation on the island. The supplementary recognises the winding down of the COVID-19 Taskforce services following the announcement by WHO on May 5 2023 that COVID-19 “...no longer constitutes a public health emergency of international concern.”

The underspends of \$3.3 million from the COVID 19 Taskforce was reallocated for various Departments’ critical operational expenditures.

FISCAL RESPONSIBILITY RATIOS

The Government has adopted three fiscal responsibility ratios as follow:

- 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.

The condition for the positive fiscal balance to GDP ratio has been positive in Quarter 3 and 4, indicating that the deficits recorded in earlier quarters were one-time occurrences related to timing issues.

The Personnel cost ratio is within the required benchmark of 30% by the end of the Quarter 4.

All ratios are shown in Table 1 and Table 2 below.

Table 1: Fiscal responsibility ratio performance Q4 2022-23

Measure	Target	2021-22	2022-23	2022-23	2022-23
		Actual	Approved Budget	Revised Budget	YTD Actual
Fiscal balance to GDP	not negative as % of GDP	13%	0.00%	0.16%	3%
Personnel cost ratio	Personnel cost to current expenditure <30%	14.3%	21%	18%	19%

The IMF recommends holding a cash buffer of two-months current Government expenditure to manage liquidity risks. The cash buffer target is calculated by taking the 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.

The cash buffer accounts currently hold more than the minimum required balance. In earlier quarter reports, the cash buffer balances held lesser than the required balance, however this has been addressed in this final quarter by increasing the Cash Buffer holdings. More detail on cash balances is shown in Figure 7.

Table 2: GON Liquidity and fiscal cash buffer Q4 2022-23

	TOTAL FUNDS (\$)		
	Requirement (\$)	As at 1 July 2022	As at 30 June 2023
Cash Buffer at 1 Jul 2022	33,322,228	141,929,507	
Cash Buffer 30 June 2023	41,083,443		130,109,829
<i>of which held in cash buffer accounts</i>		40,109,511	46,895,073

BUDGET AGGREGATES

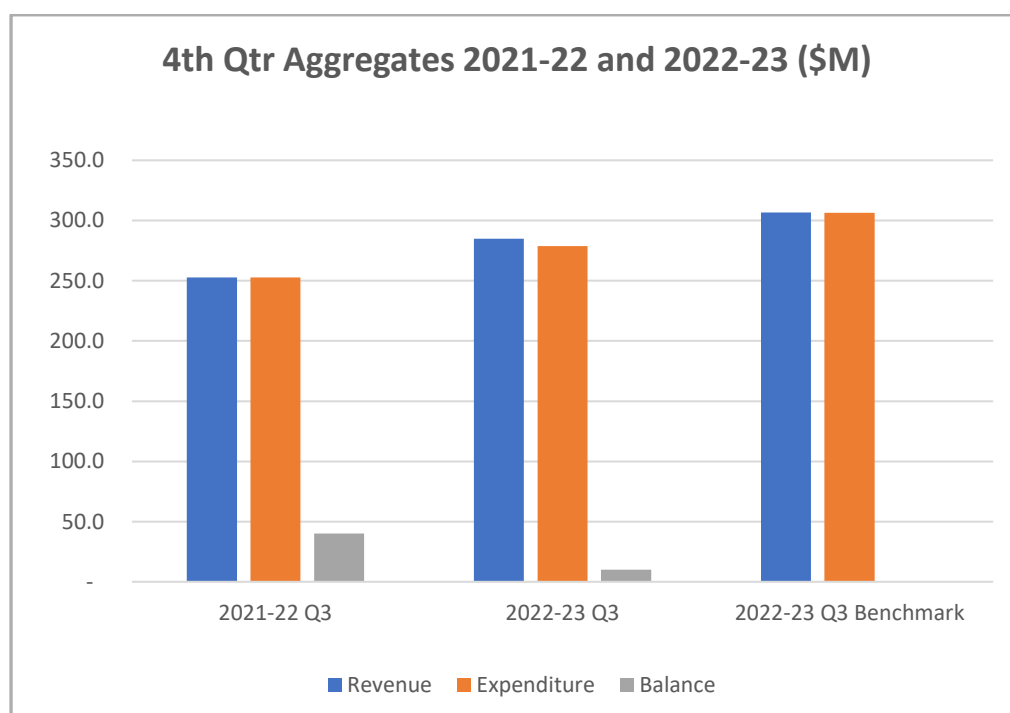
The budget aggregates for the fourth quarter are shown in Table 3 and Figure 1 below. The actual performance for the year has largely aligned with expectations. During the quarter, a total of 287.1 million of revenues were collected, which accounts for 93% of the total revenue target for the year. While this is close to the benchmark for the quarter, it falls short of the revenue collected for the same period last year, which amounted to \$320.3m.

In terms of expenditure utilisation, \$278.8m was recorded, accounting for 91% of the total budgeted expenditure limits. This level of utilization is lower compared to the expenditure recorded during the same period last year, which was at \$298.4m.

Table 3 Aggregate results Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	%	2022-23
	Preliminary Actual	Approved Budget	Supp Bill 1	Supp Bill 2	Supp Bill 3	Supp Bill 4	Revised Budget	Actual	collections	Remaining Budget	
	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
Revenue	320,348,009	253,329,350	22,164,742	17,690,828	14,000,000	-	307,184,920	287,148,494	93%	20,036,426	
Expenditure	298,389,973	252,779,965	22,065,304	17,574,590	13,992,768	81,353	306,331,274	278,814,126	91%	27,517,148	
Balance	21,958,036	549,385	99,438	116,238	7,232	81,353	853,646	8,334,368		7,480,722	

Figure 1 Budget aggregate results for the fourth quarter 2021-22 and 2022-23 (\$ million)



OPERATING REVENUE ANALYSIS

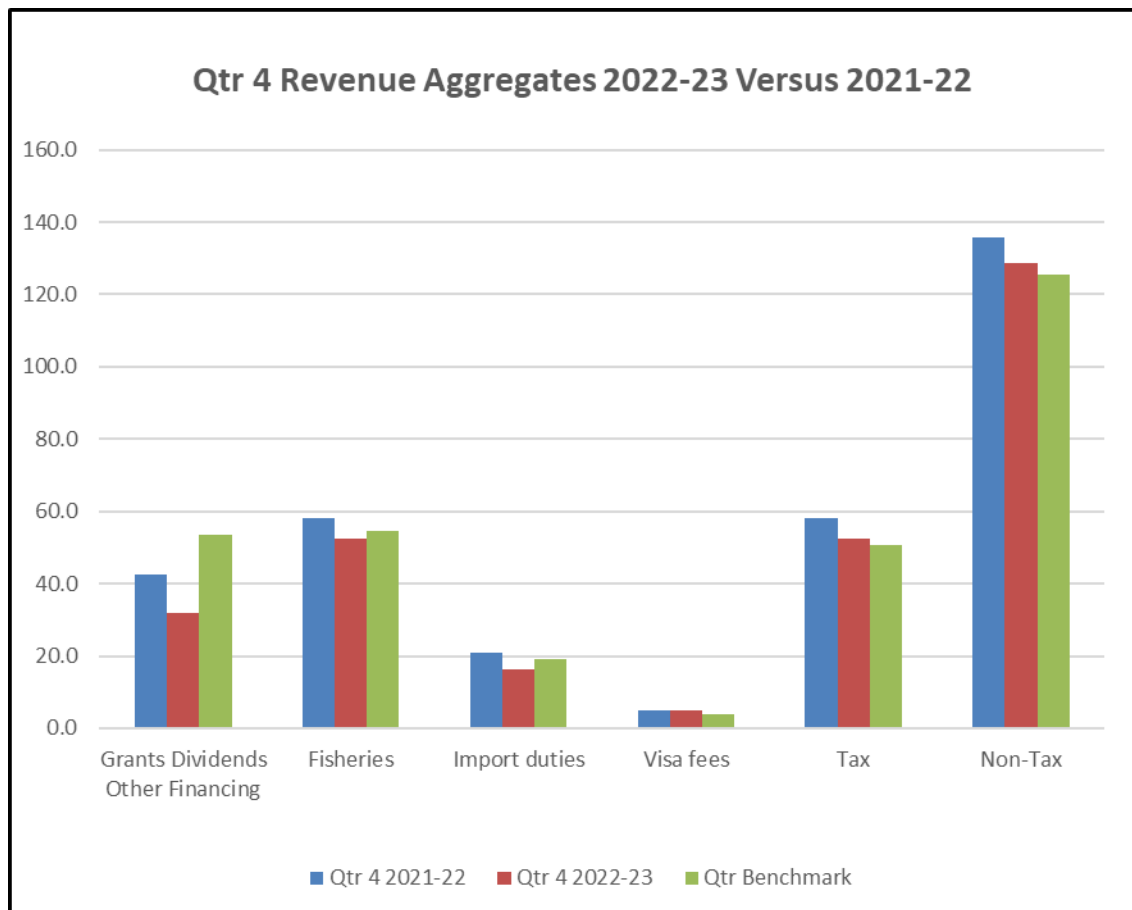
Table 4 summarizes the actual revenues for the year up to Quarter 4. Most of the collections came from Non-tax (including RPC related revenue), Taxes, Fisheries and Grants and Dividends.

Table 4: Revenue breakdown Q4 2022-23

Revenue Description	2021-22 Preliminary Actual \$	2022-23 Approved Budget \$	2022-23 Supp Bills \$	2022-23 Revised Budget \$	2022-23 YTD Actual \$	Share of total revenue %	2022-23 Actual as % of Budget %	2022-23 Remaining Budget \$
Grants Dividends Other Financing	42,363,282	34,778,938	18,881,636	53,660,574	32,044,697	11%	60%	21,615,877
Fisheries	58,198,817	54,530,000	-	54,530,000	52,507,773	18%	96%	2,022,227
Import duties	21,007,457	19,285,128	-	19,285,128	16,410,113	6%	85%	2,875,015
Visa fees	5,061,886	2,838,196	921,000	3,759,196	5,079,955	2%	135%	1,320,759
Tax	58,066,656	34,600,000	16,040,000	50,640,000	52,420,174	18%	104%	1,780,174
Non-Tax	135,649,912	107,297,088	18,012,934	125,310,022	128,685,781	45%	103%	3,375,759
Total Revenue	320,348,009	253,329,350	53,855,570	307,184,920	287,148,494	100%	93%	20,036,426

Figure 2 below presents a comparison between Quarter 4 of the current financial year, 2022-23 and the same period of the previous financial year (2021-22). Except for Visa fees, the revenue collections in this year's quarter were lower compared to the previous year, resulting in a total net variance of \$33.2m. The reduction in revenue collections reflects the wind down of RPC services to a contingent state.

Figure 2 Revenue collections for Q4 2021-22 and 2022-23



Revenue Quarterly Performance

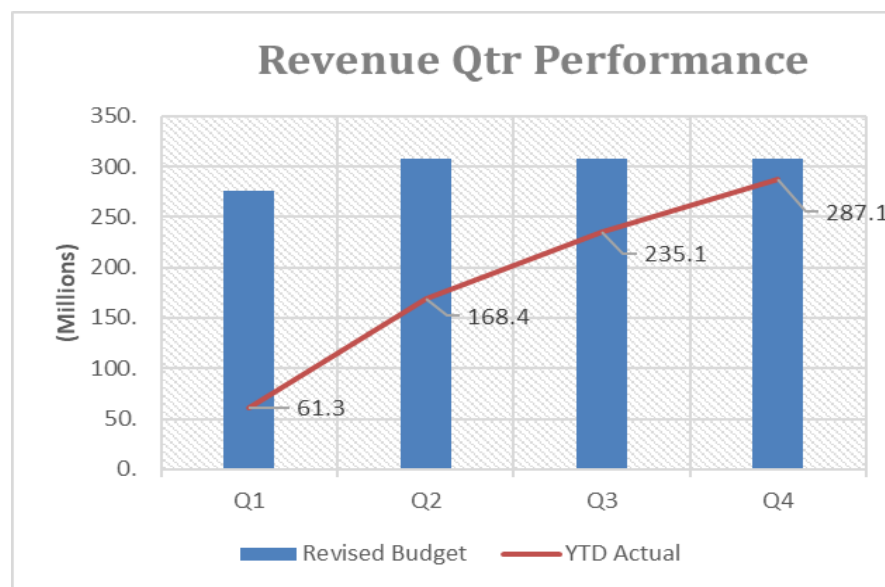
Table 5 and Figure 3 below aim to demonstrate the year-to-date quarterly collections and the collection performance of the reported quarter relative to the previous quarter (Q3).

In Quarter 4, a total of \$52 million in revenue was received, representing an approximately 22% increase from the collection recorded in Q3. Most of the revenue collected included non-Tax (14.1m), Fisheries (13.1m) and Tax (11.2m).

Table 5: Revenue Quarterly Performance Q4 2022-23 (millions)

Revenue Description	Q1		Q2				Q3				Q4			
	Revised Budget	YTD Actual	Revised Budget	YTD Actual	Qtr Change	% Change	Revised Budget	YTD Actual	Qtr Change	% Change	Revised Budget	YTD Actual	Qtr Change	% Change
Grants Dividends Other	35.7	0.	53.7	5.6	5.6	24206%	53.7	23.6	18.	321%	53.7	32.	8.4	36%
Fisheries	54.5	0.4	54.5	36.1	35.7	8659%	54.5	39.4	3.3	9%	54.5	52.5	13.1	33%
Import duties	19.3	3.4	19.3	7.9	4.5	132%	19.3	12.2	4.3	55%	19.3	16.4	4.2	34%
Visa fees	3.8	0.7	3.8	3.	2.3	309%	3.8	4.2	1.1	38%	3.8	5.1	0.9	22%
Tax	50.6	16.4	50.6	29.2	12.8	78%	50.6	41.2	12.1	41%	50.6	52.4	11.2	27%
Non-Tax	111.6	40.3	125.3	86.7	46.3	115%	125.3	114.5	27.9	32%	125.3	128.7	14.1	12%
Total Revenue	275.5	61.3	307.2	168.4	107.1	175%	307.2	235.1	66.7	40%	307.2	287.1	52.	22%

Figure 3 Revenue Quarterly Performance Trend Q4 2022-23 (millions)



The RPC remains the major source of economic activity and revenue for the government, accounting for 53% of the total revenue for the original budget of 2022-23 and 61% for the Revised budget after the passage of four Supplementary Appropriations passed so far, this fiscal year. Out of the total revenue collections for Quarter 4, \$194.7m or 68% is RPC related.

The 2023-24 original budget took a conservative approach on the estimations of tax streams and MCA reimbursables due to the expected winddown of RPC services earlier in the year. Supplementary budgets were made during Quarter 1 and 2 to reflect the confirmation of extensions of services.

Table 6: RPC Related Revenues Q4 2022-23

Revenue Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	Revised Budget	YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1335 - Visa Fees - RPC	505,000	0	0	0	3,150	0%	-3,150
1580 - Visa Fees - RPC Resettlement	2,807,000	0	921,000	921,000	2,578,000	0%	-1,657,000
1475 - Miscellaneous Revenue	1,868,318	0	0	0	0	0%	0
1495 - Service Fees	20,016,444	16,500	0	20,016,504	20,002,281	100%	14,223
1577 - DJBC - Operations	5,089,226	0	1,057,755	1,057,755	4,224,842	399%	-3,167,087
1578 - DJBC - Reimbursable Costs	18,788,295	0	3,264,351	3,264,351	13,412,453	411%	-10,148,102
1598 - Hosting Fee	84,699,998	101,242,500	13,690,828	94,933,324	84,533,328	89%	10,399,996
1590 - Employment Services Tax	15,557,601	10,200,000	1,390,000	11,590,000	12,836,803	111%	-1,246,803
1591 - Business Profit Tax	39,846,201	21,900,000	14,650,000	36,550,000	36,820,032	101%	-270,032
1015 - Income from Investments & Dividends-Others	15,649,509	1,200,000	18,000,000	19,200,000	20,341,443	106%	-1,141,443
Total RPC related revenue	204,827,591	134,559,000	52,973,934	187,532,934	194,752,332	104%	-7,219,398
Share of total revenue	64%	53%	98%	61%	68%		-36%

FISHING REVENUES

Table 6 presents a detailed breakdown of Fishing revenue collections at the end of Quarter 4. As indicated in the earlier section above, an additional \$13.1m in Fishing revenues was collected during the Quarter, taking the total Fishing revenue for the year, 2023-24 to \$52.5m, or 96% of the total annual target. There was an uncollected balance of \$2m under the Fishing revenue category at the end of the quarter, which was due to a slight delay in collection in one of the invoices from a fishing company. \$4.1m was finally paid on July 14 and will be reflected as revenue for the new financial year 2023-24, consistent with the Government's cash accounting regime.

Table 7: Fishing revenues Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	Revised Budget	YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1055 - Support Vessel Charges	566,692	230,000	-	230,000	246,909	107%	-16,909
1071 - Purse Seine Revenue - Licensing	1,107,848	1,300,000	-	1,300,000	2,623,409	202%	-1,323,409
1072 - Purse Seine Revenue - Fishing Days	56,524,277	53,000,000	-	53,000,000	49,637,455	94%	3,362,545
Total Fisheries Revenue	58,198,817	54,530,000	-	54,530,000	52,507,773	96%	2,022,227

TAXATION REVENUE

Taxation revenues have surpassed the quarterly benchmark (Table 7), thanks to consistent collections from all tax categories', driven by the extension of the RPC arrangements. Taxation revenue estimates for the new financial year, 2023-24 are forecasted to be significantly reduced, to reflect the transition of the current active status RPC arrangements to a Contingent state from July 1.

Table 8: Taxation revenue Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	Revised Budget	YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	2,662,854	2,500,000	-	2,500,000	2,763,340	111%	-263,340
1590 - Employment Services Tax	15,557,601	10,200,000	1,390,000	11,590,000	12,836,803	111%	-1,246,803
1591 - Business Profit Tax	39,846,201	21,900,000	14,650,000	36,550,000	36,820,032	101%	-270,032
Total Tax	58,066,656	34,600,000	16,040,000	50,640,000	52,420,174	104%	-1,780,174

CUSTOMS AND OTHER IMPORT DUTIES

As expected, and indicated in past quarter reports, Customs and excise duty collections fell short of the annual benchmark. The collections from the Customs and Excise duty accounted for 85% of the revised year to date budget, leaving a shortfall of \$2.9m which is not going to be recovered. This below-average performance was anticipated, primarily due to decreased cargo volumes in both air and sea freight, caused by the gradual reduction of RPC services on the island.

Table 9 Customs and other Import duties Q4 2022-23

Description	2021-22	2022-23	2022-23 Supp Bills	2022-23	2022-23 YTD Actual	2022-23	2022-23 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	7,577,355	6,696,908	-	6,696,908	6,526,761	97%	170,147
1145 - Customs and Excise Duty - Alcohol	1,924,643	1,540,000	-	1,540,000	1,226,723	80%	313,277
1150 - Customs and Excise Duty - Sugar	1,400,897	1,464,480	-	1,464,480	852,996	58%	611,484
1155 - Customs and Excise - Machinery/Vehicle/Equip	1,728,352	1,586,424	-	1,586,424	1,182,429	75%	403,995
1160 - Customs and Excise Duty - Other	3,957,190	3,894,000	-	3,894,000	2,996,683	77%	897,317
1165 - Customs and Excise Duty - Petrol Sales	2,563,712	2,424,840	-	2,424,840	1,990,239	82%	434,601
1170 - Customs and Excise Duty - Diesel Sales	1,855,307	1,678,476	-	1,678,476	1,634,282	97%	44,194
Total Customs and Excise Duty	21,007,457	19,285,128	-	19,285,128	16,410,113	85%	2,875,015

VISA FEES

Visa fees (other business) encompasses fees collected from employees of various businesses on the island, such as MTC, Capelle's, Chinese retailers, and others.

By the end of the quarter, Visa collections have surpassed the total revised budget. The 280% overcollections under Visa Fees RPC Resettlement is attributed to the extension of the RPC services, the impact of which was not reflected in the estimates.

Table 10 Visa fees Q4 2022-23

Description	2021-22	2022-23	2022-23 Supp Bills	2022-23	2022-23 YTD Actual	2022-23	2022-23 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1330 - Visa Check up	840	-	-	-	10,034	0%	-10,034
1335 - Visa Fees - RPC	505,000	-	-	-	3,150	0%	-3,150
1575 - Visa Fees (Other Business)	1,749,046	2,838,196	-	2,838,196	2,488,771	88%	349,425
1580 - Visa Fees - RPC Resettlement	2,807,000	-	921,000	921,000	2,578,000	280%	-1,657,000
Total Visa Fees	5,061,886	2,838,196	921,000	3,759,196	5,079,955	135%	-1,320,759

OTHER REVENUE – DIVIDENDS AND GRANTS

Collections from Dividends and Grants totalled \$32 million for the quarter, accounting for 60% of the total revised budget for the year. The under collection of \$9.8m under General Budget Support is attributed to two reasons. Firstly, the delay in the drawdown of the second tranche budget support funding from ROC Taiwan. The cash transfer totalling \$5.2m was received in the bank on July 6. As per the government cash accounting system, it will be reflected as part of revenues for the 2023-24 fiscal year. Secondly, there was a delay in receiving ADB policy Grant of USD 5 million. The finalization and payment of this grant was postponed to the next financial year, 2023-24 as certain conditions, specifically social related outcomes, have not been fully met. It is anticipated that the grant will be paid around January 2024 once all grant conditions have been fulfilled.

Since the last quarter report, there have been no new developments on the identification of a second aircraft by Nauru Airlines. The search for a suitable and affordable aircraft is still underway but the procurement has become increasingly difficult due to competing demands in the market. Specifically, passenger aircraft in the 700 and 800 range are in high demand and have become more expensive. Finding an aircraft that aligns with the loan facility has proved challenging. The loan facility has a remaining balance of USD 11.2 million that can be utilised for the purchase of the second aircraft. NAC is looking at securing a passenger aircraft with a purchase price not exceeding USD 18 million, with the view that the entity will cover the shortfall in funding.

According to the aircraft loan agreement, the funds will be received by the Government and then directed to Nauru Airlines, for the aircraft's purchase.

Table 11 Dividends and Grants Q4 2022-23

Description	2021-22	2022-23	2022-23 Supp Bills	2022-23	2022-23 YTD Actual	2022-23	2022-23 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		YTD Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1015 - Income from Investments & Dividends-Others	15,649,509	1,200,000	18,000,000	19,200,000	20,341,443	106%	-1,141,443
1660 - General Budget Support	10,254,564	17,562,375	881,636	18,444,011	8,621,929	47%	9,822,082
1902 - EXIM NAC Loan Proceeds	16,459,209	16,016,563	-	16,016,563	3,081,325	19%	12,935,238
Total Dividends , Grants and Other	42,363,282	34,778,938	18,881,636	53,660,574	32,044,697	60%	21,615,877

NON-TAX REVENUE

Non-tax revenue collections in the year to date have exceeded the quarter benchmark as depicted in Table 11. This is primarily due to higher collections from RPC Reimbursable lines as a result of RPC extensions. The revenue impacts of these extensions were not initially accounted for in the estimates due to arrangements not being able to be confirmed at the start of the year.

Drawdowns for hosting fees are typically made based on the cash position of the Commercial bank account. However, during this quarter, even though there was a balance of \$29 million in the bank by the close of the quarter, a decision was made by the Government not to draw the remaining budget revenue of \$10.3m but instead chose to shift its recognition to the new financial year, 2023-24.

DCA related fees such as Departure Taxes, Pax Levy, and Navigation Fees fell short of their set collections targets and can be attributable to lower flight activities than expected. Similar trends were observed for the Gaming Bingo licenses, Traffic Infringements, Vehicle Insurance Fees and Sale of Livestock.

Table 12 Non-tax revenues Q4 2022-23

Description	2021-22	2022-23	2022-23 Supp Bills	2022-23	2022-23 YTD Actual	2022-23	2022-23 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		YTD Actual as % of Budget	
	\$	\$	\$	\$	\$	%	\$
1121 - Curator fees	3,438	-	-	-	34,653	0%	-34,653
1215 - Licenses-Drivers etc	159,692	70,000	-	70,000	161,417	231%	-91,417
1220 - Corporation Fees and Licenses	553,418	311,424	-	311,424	467,451	150%	-156,027
1225 - Licenses-Trading	300,150	319,464	-	319,464	409,605	128%	-90,141
1230 - Liquor Licensing Board	6,000	6,852	-	6,852	14,508	212%	-7,656
1235 - Gaming / Bingo Licenses	165,300	80,004	-	80,004	42,860	54%	37,144
1240 - Licenses-Dogs etc	0	73	-	73	-	0%	73
1245 - Drones Licenses	1,000	1,000	-	1,000	300	30%	700
1260 - Birth Certificate	21,250	21,480	-	21,480	33,620	157%	-12,140
1265 - Death Certificate	770	780	-	780	1,050	135%	-270
1270 - Marriage Certificate	2,465	2,448	-	2,448	4,490	183%	-2,042
1300 - Registration Fees-Motor Cars	155,428	171,744	-	171,744	121,524	71%	50,220
1305 - Registration Fees-Motorcycles	48,164	49,884	-	49,884	51,692	104%	-1,808
1310 - Vehicle/Insurance Fees	552,110	589,392	-	589,392	540,309	92%	49,083
1325 - Passport Fees and Photographs	57,923	54,576	-	54,576	204,628	375%	-150,052
1340 - Police Clearance	27,130	25,020	-	25,020	28,815	115%	-3,795
1360 - D.C.A-Pax Levy	0	921,600	-	921,600	474,925	52%	446,675
1361 - Fuel Levy	1,735,685	-	-	-	-	0%	0
1365 - D.C.A.-Departure Taxes	0	873,246	-	873,246	390,850	45%	482,396
1370 - D.C.A.-Air Navigation Fees	112,882	492,420	-	492,420	307,425	62%	184,995
1375 - D.C.A.-Landing Fees	11,756	552,195	-	552,195	578,605	105%	-26,410
1380 - D.C.A.-Rental Fees	50,375	73,800	-	73,800	167,137	226%	-93,337
1475 - Miscellaneous Revenue	1,868,318	899,177	-	899,177	1,294,483	144%	-395,306
1480 - Bus Services	5,000	10,099	-	10,099	4,345	43%	5,754
1485 - Quarantine Fees	66,965	70,932	-	70,932	151,779	214%	-80,847
1490 - Court Fines and Fees	42,442	52,043	-	52,043	51,532	99%	511
1495 - Service Fees	20,016,444	16,500	-	20,016,504	20,002,281	100%	14,223
1500 - Sale of Maps	18,470	18,348	-	18,348	15,725	86%	2,623
1501 - Sale of Livestock	14,814	18,552	-	18,552	1,700	9%	16,852
1520 - Food Handler Check up	4,040	4,272	-	4,272	6,858	161%	-2,586
1540 - Advertising Revenue	17,270	19,500	-	19,500	4,623	24%	14,877
1555 - Spectacles,Drugs etc	220	216	-	216	1,820	843%	-1,604
1565 - Medical Services	1,256	1,507	-	1,507	2,055	136%	-548
1577 - DJBC - Operations	5,089,226	-	1,057,755	1,057,755	4,224,842	399%	-3,167,087
1578 - DJBC - Reimbursable Costs	18,788,295	-	3,264,351	3,264,351	13,412,453	411%	-10,148,102
1596 - Traffic Infractions	219,630	218,700	-	218,700	133,322	61%	85,378
1597 - TVET Course Fees	20,930	24,060	-	24,060	11,311	47%	12,749
1598 - Hosting Fee	84,699,998	101,242,500	13,690,828	94,933,324	84,533,328	89%	10,399,996
1700 - National/District Roll Sales	7,440	5,520	-	5,520	29,910	542%	-24,390
1705 - Electoral Various Fees	804,220	77,760	-	77,760	767,550	987%	-689,790
Total Non Tax	135,649,912	107,297,088	18,012,934	125,310,022	128,685,781	103%	-3,375,759

REVENUE BY DEPARTMENT

Table 12 presents revenue for the year to date categorised by department head. It is important to note that this funding is not specifically allocated to these department heads but rather reflects the revenue classification method used in the FMIS. This classification aligns with the administrative functions of each department in terms of revenue. The functional mandate of revenue collections is vested in the Nauru Revenue Office (NRO).

Throughout this report, it has been highlighted that revenue collections were below expectations for Finance - Other. This was due to the delay in receiving the second tranche budget support funds from ROC Taiwan.

Similarly, for the Department of Multicultural Affairs, the Government decided to defer the recognition of the remaining Hosting fee to the new financial year, 2023-24.

Collections for Department 31 Fisheries also came below target due to a delay in the settlement of one of the invoices, which was only received in the new financial year, specifically in the first week of July. Additionally, Customs did not reach its target collections, with around \$3.4m remaining uncollected by June 30th. This decline has been expected early in the year due to a significant reduction in cargo volumes from local importers than anticipated.

Table 13 Revenue by Department Q4 2022-23

Description	2021-22	2022-23	2022-23 Supp Bills	2022-23	2022-23 YTD Actual	2022-23	Share of total revenue	2022-23 Remaining Budget
	Preliminary Actual \$	Approved Budget \$		Revised Budget \$		Actual as % of Budget %		
03 - Chief Secretary Office	31,515	31,560	-	31,560	56,703	180%	0%	25,143
09 - Electoral Commission	815,350	84,280	-	84,280	795,660	944%	0%	711,380
11 - Finance Secretariat	3,500	2,000	-	2,000	-	0%	0%	2,000
12 - Finance -Public Debt	16,459,209	16,016,563	-	16,016,563	3,081,325	19%	1%	12,935,238
15 - Nauru Revenue Office	58,391,647	34,750,004	16,040,000	50,790,004	52,624,511	104%	18%	1,834,507
16 - Finance - Other Payments	12,793,397	18,762,375	881,636	19,644,011	8,820,721	45%	3%	10,823,290
17 - Nauru Customs Office (NCO)	21,008,457	19,286,128	-	19,286,128	16,413,453	85%	6%	2,872,675
18 - Nauru Regional Processing Centre (NRPCC)	20,000,004	-	-	-	-	0%	0%	-
21 - Environment Management & Agriculture (5,940	5,000	-	5,000	-	0%	0%	5,000
31 - Fisheries	58,325,356	54,530,000	-	54,530,000	52,912,789	97%	18%	1,617,212
41 - Police	249,123	246,420	-	246,420	165,187	67%	0%	81,233
42 - Multi Cultural Affairs	127,227,519	101,242,500	36,933,934	138,176,434	145,402,067	105%	51%	7,225,633
43 - Justice - Secretariat	877,667	630,961	-	630,961	955,595	151%	0%	324,634
44 - Judiciary	42,442	52,043	-	52,043	51,532	99%	0%	511
45 - Border Control	1,873,954	2,963,704	-	2,963,704	2,846,228	96%	1%	117,476
46 - Correctional Services	14,814	18,552	-	18,552	1,700	0%	0%	16,852
50 - TVET	20,930	24,060	-	24,060	12,077	50%	0%	11,983
51 - Education	-	-	-	-	4,200	0%	0%	4,200
60 - COVID-19 task force	26,950	-	-	-	40	0%	0%	40
61 - Health	1,064,976	775,639	-	775,639	98,829	13%	0%	676,810
62 - Sports	2,000	-	-	-	-	0%	0%	-
83 - Media Bureau	17,270	19,500	-	19,500	4,623	24%	0%	14,877
84 - Lands & Survey	20,190	18,348	-	18,348	15,725	86%	0%	2,623
85 - Lands Committee	14,720	16,500	-	16,500	2,280	14%	0%	14,220
91 - Transport	1,050,386	3,849,213	-	3,849,213	2,873,156	75%	1%	976,057
95 - ICT	10,695	4,000	-	4,000	10,093	252%	0%	6,093
Total Revenue	320,348,009	253,329,350	53,855,570	307,184,920	287,148,494	93%	100%	20,036,426

OPERATING EXPENDITURE ANALYSIS

Table 13 displays the total operational expenditure for the second quarter, which falls within the quarterly utilization benchmark.

Table 14 Expenditure by Group Q4 2022-23

Description	2021-22	2022-23	2022-23				2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	2022-23	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Revised	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	%	\$
Personnel	44,171,114	52,166,928	7,451,663	-4,255,743	55,362,848	51,849,321	94%	3,513,527
Govt Travel	6,907,521	6,034,849	2,578,038	5,196,866	13,809,753	13,089,545	95%	720,208
Subsidies & Donations	26,609,021	36,163,980	2,095,953	13,553,358	51,813,292	38,896,597	75%	12,916,695
Govt Operations	103,267,464	91,990,504	15,095,774	-353,583	106,732,695	102,362,032	96%	4,370,663
Capital Expenditure	33,313,167	12,490,986	2,915,782	786,405	16,193,173	14,550,783	90%	1,642,390
Social Benefits	43,039,716	21,382,919	4,884,300	452,009	26,719,228	26,098,102	98%	621,126
Other	540,994	708,800	111,720	28,421	848,941	592,227	70%	256,714
Transfer (Non Expense)	40,540,976	31,840,998	18,418,079	-15,407,732	34,851,345	31,375,520	90%	3,475,825
Total Expenditure	298,389,973	252,779,965	53,551,309	0	306,331,274	278,814,126	91%	27,517,148

In this period, a total of 250 Inter-subhead transfers was processed, amounting to around \$10.6m, accounting for around 3.5% of the total revised budget.

Similarly, to previous years, it is common to observe a high number ISHTs being processed during the final quarter, relative to any other quarters. This trend highlights department's rush to utilise their budget before the close of the financial year. In Quarter 4, the number of ISHTs processed accounts for approximately 55% of the total number of ISHTs for the year, accounting for around 35% of the total value. Refer to Table 15 and Figure 4 below.

Table 15 ISHTs and Payment Vouchers by month FY 2022-23

Month	ISHTs				Purchase Vouchers			
	ISHTs No	Value (\$mil)	% No to Total	% Value to Total	PV No	PV value (\$mil)	% No to Total	% Value to Total
Jul	9	2.3	2%	7%	935	24.9	7%	11%
Aug	15	5.9	3%	18%	969	29.9	7%	13%
Sep	20	3.2	5%	10%	1063	24.2	8%	10%
Oct	4	1.6	1%	5%	1162	19.6	8%	8%
Nov	16	1.0	4%	3%	1311	14.6	10%	6%
Dec	18	1.8	4%	6%	1120	34.7	8%	15%
Jan	36	1.6	8%	5%	1120	18.2	8%	8%
Feb	13	0.4	3%	1%	984	9.2	7%	4%
Mar	49	3.6	11%	11%	1396	13.4	10%	6%
Apr	55	3.8	13%	12%	967	10.1	7%	4%
May	185	6.5	43%	20%	1456	15.9	11%	7%
Jun	10	0.4	2%	1%	1277	19.8	9%	8%
	430	32	100%	100%	13760	234	100%	100%
Monthly average	36	3			1147	20		
Weekly average	9	1			287	5		
Daily average	2	0			57	1		

Figure 4 ISHT and PV tend by month 2022-23

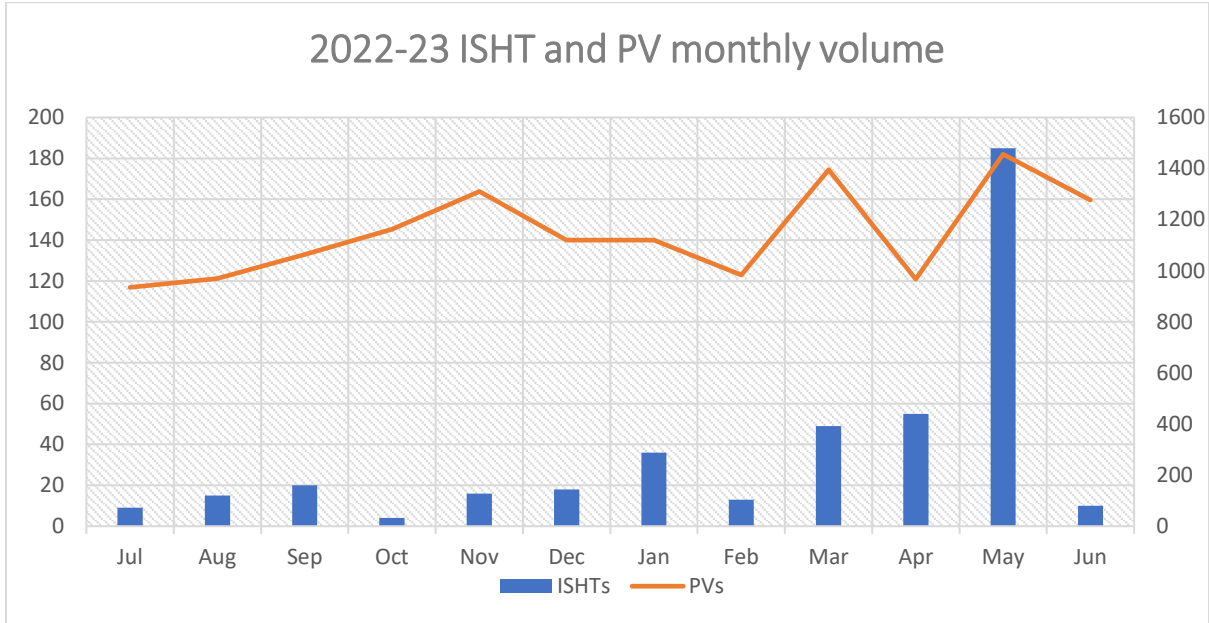


Figure 5 provides a comparison of expenditure utilization for the fourth quarter of the current fiscal year, 2022-23, with the same period last year (FY 2021-22). The total Expenditure for this quarter was \$278.8m compared to \$298.4m last year.

Except for Capital Expenditure, Social Benefits, and Transfer Non-Expense, the actual expenditure in all the lines this year is lesser compared to 2021-22, reflecting a net variance of \$19.6 million.

Figure 5 Expenditure by group, Q4 2022-23

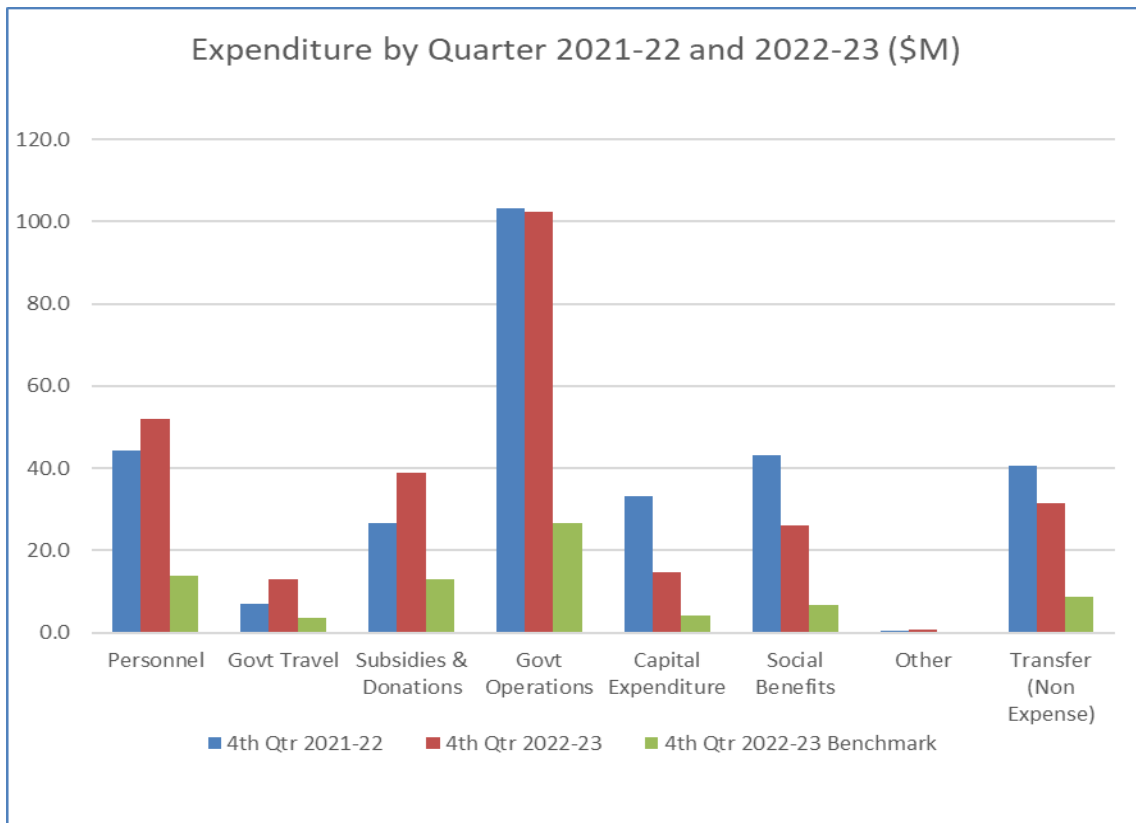


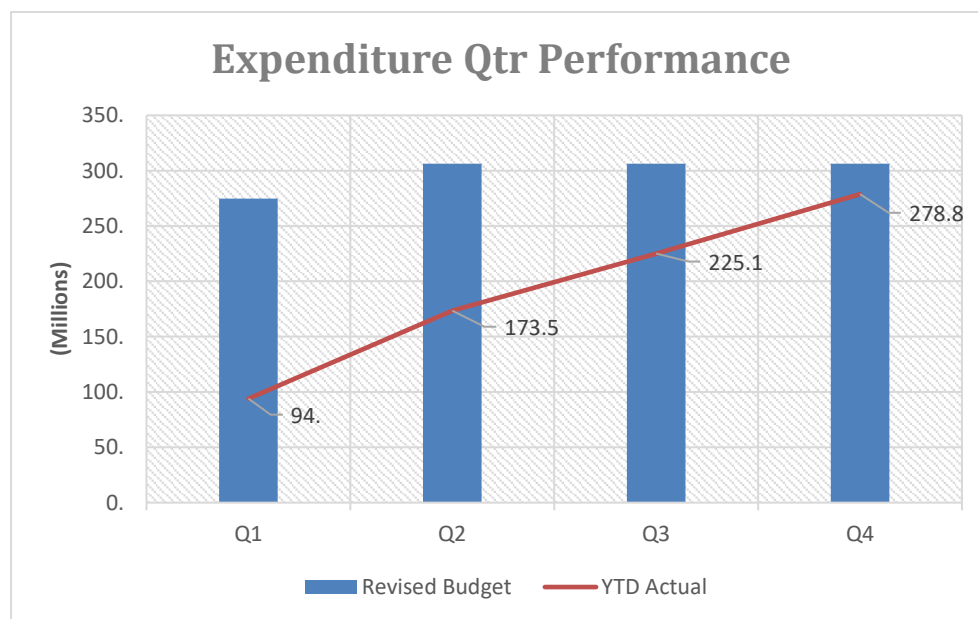
Table 16 and Figure 5 below demonstrate year to date expenditure at the end of each quarter and the change in spending compared to the previous Quarter.

During the Quarter, a total of \$53.7 million in expenditure was recorded, accounting for approximately 24% increase from the utilization level of Quarter 3. The major utilization variances were seen in Government operations (\$21.3m), followed by Personnel Expenditure (\$10.7m), and Subsidies and Donations (\$5.6m).

Table 16: Expenditure Quarterly Performance Q4 2022-23 (millions)

Expenditure Description	Quarter 1		Quarter 2				Quarter 3				Quarter 4			
	Revised Budget	YTD Actual	Revised Budget	YTD Actual	Qtr Change	% Change	Revised Budget	YTD Actual	Qtr Change	% Change	Revised Budget	YTD Actual	Qtr Change	% Change
Personnel	53.7	14.5	56.7	29.2	14.7	101%	56.4	41.2	12.0	41%	1.8	51.8	10.7	26%
Govt Travel	7.7	3.3	10.2	7.2	3.9	118%	11.4	10.3	3.1	43%	-0.5	13.1	2.8	27%
Subsidies & Donations	44.9	18.6	48.1	28.6	10.	54%	49.2	33.3	4.7	16%	-35.1	38.9	5.6	17%
Govt Operations	99.1	25.7	109.5	57.7	32.	125%	109.0	81.1	23.4	41%	-7.3	102.4	21.3	26%
Capital Expenditure	14.3	3.3	16.	5.7	2.4	72%	15.6	10.9	5.2	91%	-13.0	14.6	3.6	33%
Social Benefits	22.4	13.6	26.4	20.4	6.8	50%	26.4	23.6	3.2	16%	-7.4	26.1	2.5	11%
Other	0.7	0.1	0.7	0.4	0.3	469%	0.8	0.5	0.1	25%	0.1	0.6	0.1	19%
Transfer (Non Expense)	32.1	14.9	39.	24.3	9.4	63%	37.6	24.3	0.0	0%	-18.3	31.4	7.1	29%
Total Expenditure	274.8	94.	306.4	173.5	79.5	85%	306.4	225.1	51.7	30%	-79.7	278.8	53.7	24%

Figure 6 Expenditure Quarterly Performance Trend 2022-23 (millions)



PERSONNEL COSTS

According to Table 17, expenditure on Personnel is within the expected limits. However, there are varying utilization rates across different subheads. Expenses on Salaries and Allowances MPs, Allowances HE and Allowances Staff Contract have exceeded budget limits. These will be investigated by Treasury and HR with the view to determine causes of overspending and recommend measures to rectify anomalies ahead of the annual audit.

On the other hand, subheads such as Directors Fees, Staff Training, Recruitment and Uniforms are well below the budget, like previous quarters. The various reasons for underspending will be reviewed to inform future decisions. It is envisaged that departments leverage on critical salary lines as such to aim for approval of their budgets only to reallocate them to other measures during the year.

There was an underspend in the GoN super contributions account under Head 16 Finance Other. This amount was reallocated during the quarter to fund travel and other urgent commitments.

Table 17 Personnel Expenditure Q4 2022-23

Description	2021-22	2022-23	2022-23				2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	Budget	Budget
							%	\$
2005 - Salaries & Allowances - (MP's)	893,798	952,835	0	0	952,835	1,078,492	113%	-125,657
2010 - HE Salary & Allowances	101,886	110,286	0	0	110,286	110,327	100%	-41
2015 - Salary - Local	28,096,554	29,884,143	4,654,184	-909,262	33,629,065	31,671,299	94%	1,957,766
2020 - Salary Expatriate	7,923,457	9,475,005	602,620	-1,190,475	8,887,150	8,679,423	98%	207,726
2025 - Allowances - Staff Contract	2,138,837	1,427,116	400,000	-749,254	1,077,863	1,089,113	101%	-11,251
2026 - Directors Fees	44,990	63,800	0	-36,200	27,600	16,750	61%	10,850
2031 - Staff Contract - Ministerial	378,336	520,968	150,000	0	670,968	628,194	94%	42,773
2035 - Overtime - local	926,388	1,440,685	192,368	51,640	1,684,693	1,517,984	90%	166,709
2040 - Staff Training	996,691	2,262,644	8,000	-614,990	1,655,654	1,241,878	75%	413,776
2041 - Prep & Orientation of Seasonal Workers	9,350	10,000	0	0	10,000	9,168	92%	833
2045 - Recruitment	23,135	35,000	0	0	35,000	32,320	92%	2,680
2050 - Uniforms & Protective Clothing	506,400	579,277	4,000	-149,302	433,975	378,947	87%	55,028
2072 - Meals and Drinks - Staff	277,012	351,769	-30,909	-7,900	312,960	298,905	96%	14,055
2423 - Ex Gratia Nauru Public Service	0	1,471,400	1,471,400	0	2,942,800	2,409,448	82%	533,352
2651 - GON Contributions	1,854,281	3,582,000	0	-650,000	2,932,000	2,687,071	92%	244,929
Total Personnel	44,171,114	52,166,928	7,451,663	-4,255,743	55,362,848	51,849,321	94%	3,513,527

GOVERNMENT TRAVEL

Travel subheads were replenished during the quarter through ISHTs and Supplementary to align budget to the rate of utilization and to ensure travel can continue for the rest of the financial year, see Table 18 below.

Table 18 Government Travel Expenditure Q4 2022-23

Description	2021-22	2022-23	2022-23				2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	667,838	997,017	152,205	-3,505	1,145,717	1,121,084	98%	24,634
2075 - Travel - Business	6,239,682	5,037,832	2,425,833	5,200,371	12,664,036	11,968,461	95%	695,575
Total Government Travel	6,907,521	6,034,849	2,578,038	5,196,866	13,809,753	13,089,545	95%	720,208

SUBSIDIES & DONATIONS

Subsidies and Donations are within the benchmark for the quarter, as shown in Table 19. Key development during the quarter includes transfer of CSOs funding to State Owned Entities (SoEs), expenses related to tug boat hire, operational grant payouts to SoEs.

Table 19 Subsidies & Donations Expenditure Q4 2022-23

Description	2021-22	2022-23	2022-23				2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	3,400,618	16,016,563	0	2,000,000	18,016,563	6,405,920	36%	11,610,643
2615 - Other Subsidies & Donations	0	0	0	24,000	24,000	3,180	13%	20,820
2616 - Subsidies to SoEs	15,785,253	15,154,967	875,000	0	16,029,967	15,161,790	95%	868,177
2617 - Donations - local	7,322,808	3,901,866	720,953	11,360,603	15,983,422	15,899,985	99%	83,437
2618 - Donations - overseas	100,342	107,143	0	0	107,143	1,860	2%	105,283
2619 - Grants to SoEs	0	983,442	500,000	168,755	1,652,197	1,423,861	86%	228,336
Total Subsidies & Donations	26,609,021	36,163,980	2,095,953	13,553,358	51,813,292	38,896,597	75%	12,916,695

CAPITAL EXPENDITURE

The overall Capital expenditure is within the budget limit. As shown in Table 20 above, and a total of \$3.6m in capital budget was disbursed during the quarter as departments rush to utilise their provisions before the closing of accounts.

Table 20 Capital Expenditure Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	Budget	Budget
							%	\$
2480 - Medical Equipment	218,668	877,180	-9,127	-35,230	832,823	726,392	87%	106,431
2495 - Plant & Equipment Purchases	6,472,477	3,259,691	1,577,919	325,242	5,162,852	4,984,603	97%	178,249
2496 - Building and Structures	25,206,615	8,154,115	1,346,990	508,792	10,009,898	8,652,705	86%	1,357,192
2497 - Land Purchase	842,469	0	0	0	0	0	0%	0
2580 - Public Works	572,938	200,000	0	-12,400	187,600	187,083	100%	517
Total Capital Expenditure	33,313,167	12,490,986	2,915,782	786,405	16,193,173	14,550,783	90%	1,642,390

SOCIAL BENEFITS

Expenditure on social benefits has a high utilisation rate, reaching 98% of the budget by the end of Quarter 4, as shown in Table 21. This is attributed to full or near full utilization under significant budget subheads such as Housing scheme, Ex Gratias, Aged and Disable pensions, and Back to School support. However, there was a lower utilization under the social contributors and Social Welfare death claims subheads.

To ensure that tuition fees for sponsored students are paid in full, funds from other underspent expenditure accounts under Education Department were used to supplement the spending on Scholarships during the quarter.

Table 21 Social Benefits Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	Budget	Budget
							%	\$
2220 - Nauru Community Housing	32,218,559	9,445,000	2,000,000	2,009	11,447,009	11,446,150	100%	858
2390 - Social Welfare - Birth Claims	167,900	192,000	0	0	192,000	157,400	82%	34,600
2395 - Social Welfare - Death Claims	151,253	283,000	0	0	283,000	116,000	41%	167,000
2396 - Back to School Support	678,615	739,800	0	0	739,800	711,150	96%	28,650
2400 - Social Services - Aged Pensions	3,124,900	3,808,840	579,800	-300,000	4,088,640	3,967,890	97%	120,750
2405 - Social Services - Super Contributors	71,095	100,000	0	0	100,000	66,123	66%	33,877
2420 - Social Services - Disability Payments	1,797,230	1,681,160	369,200	350,000	2,400,360	2,375,095	99%	25,265
2421 - Ex Gratia - Age and Disable	974,800	595,000	595,000	0	1,190,000	1,190,000	100%	0
2422 - Ex Gratia SoEs	1,726,400	1,340,300	1,340,300	100,000	2,780,600	2,680,800	96%	99,800
2440 - Scholarships - School & Trade	2,128,964	3,197,819	0	300,000	3,497,819	3,387,493	97%	110,326
Total Social Benefits	43,039,716	21,382,919	4,884,300	452,009	26,719,228	26,098,102	98%	621,126

OTHER

Expenditure in this Other category is slightly lesser than expected as shown in Table 22, mainly due to a delay in posting bank charges and account keeping fees incurred on the various government bank accounts. Utilization level is likely to go up once all fees posting are completed.

Table 22 Other Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	Budget	Budget
							%	\$
2565 - Insurance	408,900	576,608	111,720	45,218	733,546	539,867	74%	193,679
2570 - Bank Charges	58,974	76,817	0	6,241	83,058	51,307	62%	31,751
2690 - Foreign exchange gains/losses	73,120	55,375	0	-23,038	32,337	1,053	3%	31,284
Total Other	540,994	708,800	111,720	28,421	848,941	592,227	70%	256,714

NON-EXPENSE ITEMS

Expenditure in the Non-Expense items category has not changed since Quarter 2, see Table 23.

Apart from Debt Repayment Other, the Trust Fund, Fiscal Cash Buffer and Bank of Nauru Liquidation were fully drawn by the end of the quarter. A total of \$6.3m in the Trust Fund which was the remaining balance from the Quarter 2 report has been fully disbursed during the quarter to pre-pay part of Nauru's contributions for the new fiscal year, 2023-24.

An ISHT reallocation was processed from the Debt Repayment Other subhead of \$169,000 for additional grant to Nauru Phosphate and Royalty Trust. The balance of the Debt repayments-other category includes the remaining balance from the repayment of the Nauru Aircraft replacement program loan to EXIM Bank (\$5m) and RONWAN capital redistribution (\$0.4m).

Table 23 Non-Expense Items Q4 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	Budget	Budget
							%	\$
2545 - Debt Repayments - Other	11,500,338	8,799,436	327,656	-168,755	8,958,337	5,481,303	61%	3,477,034
2650 - Trust Fund	25,820,869	19,257,451	5,385,557	0	24,643,008	24,644,506	100%	-1,498
2652 - Fiscal Cash Buffer	0	2,784,111	12,704,866	-15,488,977	0	0	0%	0
2680 - BON Liquidation- Payment	3,219,769	1,000,000	0	250,000	1,250,000	1,249,711	100%	289
Total Non-expense items	40,540,976	31,840,998	18,418,079	-15,407,732	34,851,345	31,375,520	90%	3,475,825

GOVERNMENT OPERATIONS

In terms of Government Operations, the overall expenditure is largely consistent with expectations (Table 24), with the overall utilization for the quarter reaching 96% of the budget.

Except for very few subhead lines, most of the expenditure lines were close to the budget limits, with utilization rates within the 90 and 100% range. A handful of ISHTs were processed within this category during the quarter.

Table 24 Government Operations Q4 2022-23

Description	2021-22	2022-23	2022-23		2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	2022-23	
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Remaining	
	\$	\$	\$	\$	\$	\$	Budget	Budget	
							%	\$	
2030 - Salaries - Other Contracts	32,340,773	29,512,050	1,993,851	37,611	31,543,512	31,308,408	99%	235,104	
2055 - Consultants fees	3,215,799	3,846,046	994,540	-1,768,170	3,072,416	2,471,736	80%	600,679	
2060 - Legal Fees - External	265,920	550,000	0	-210,000	340,000	235,790	69%	104,210	
2100 - Entertainment	1,278,286	1,111,509	154,999	181,873	1,448,381	1,338,332	92%	110,049	
2105 - Official Celebrations	1,079,987	1,405,586	216,800	-214,605	1,407,781	1,387,802	99%	19,979	
2110 - Protocol	9,395	123,500	82,175	-60,000	145,675	97,714	67%	47,961	
2130 - Printing & Stationery	911,393	961,133	4,500	-47,817	917,816	855,028	93%	62,788	
2132 - TVET Supplies	146,529	170,200	0	0	170,200	169,980	100%	220	
2135 - Stores	470,142	613,001	-7,156	-29,498	576,347	505,741	88%	70,607	
2136 - Museum Artefacts	3,920	4,000	0	1,750	5,750	5,481	95%	269	
2155 - House Rental	10,711,830	12,322,757	-1,245,589	-1,863,153	9,214,015	9,079,013	99%	135,002	
2160 - Land Rental	8,105,752	7,474,572	658,081	-73,800	8,058,853	8,009,215	99%	49,638	
2165 - Office Rental	1,026,942	1,056,056	316,722	65,148	1,437,927	1,324,088	92%	113,839	
2185 - R&M - Buildings	2,051,951	1,471,895	457,000	-200,543	1,728,352	1,594,098	92%	134,254	
2190 - R&M - Office Equipment	179,181	234,425	10,000	677,523	921,948	839,432	91%	82,516	
2191 - R&M Medical Equipment	43,573	100,000	0	0	100,000	91,873	92%	8,127	
2195 - R&M - Office Premises	8,413	18,353	0	-260	18,093	16,304	90%	1,789	
2200 - R&M - Motor Vehicles	818,052	924,807	0	-193,804	731,003	702,997	96%	28,006	
2205 - R&M - Plant	2,839,760	1,634,293	10,000	-56,313	1,587,980	1,563,751	98%	24,229	
2210 - R&M - Aerodrome	59,982	60,000	5,000	0	65,000	52,227	80%	12,773	
2225 - Agricultural Supplies	69,290	61,000	9,000	-6,000	64,000	61,780	97%	2,220	
2230 - Publicity and Awareness	77,934	128,473	6,800	-14,640	120,633	113,938	94%	6,695	
2275 - Purchase of Petrol	634,588	853,216	52,600	-47,680	858,136	674,704	79%	183,432	
2280 - Purchase of Diesel	772,032	947,619	14,308	-15,000	946,927	818,328	86%	128,599	
2290 - Purchase of Fuel - Other	10,742	10,793	0	0	10,793	6,071	56%	4,722	
2315 - Utilities	4,758,753	4,201,806	1,010,636	-112,202	5,100,239	4,868,255	95%	231,984	
2330 - Telephone / Internet	3,018,889	2,911,220	554,983	-123,252	3,342,951	3,246,504	97%	96,446	
2350 - Freight	2,955,351	2,657,214	943,779	147,786	3,748,779	3,469,879	93%	278,901	
2370 - Membership Fees & Subscriptions	609,892	1,135,771	0	-134,640	1,001,131	944,134	94%	56,997	
2372 - Nauru Radio Supplies	6,600	10,300	0	-4,733	5,567	5,567	100%	0	
2373 - Media TV Supplies	12,266	52,375	70,000	95,250	217,625	217,566	100%	58	
2375 - ICT Supplies	51,951	52,146	0	-24,900	27,246	27,238	100%	8	
2460 - Medical Expenses	50,615	83,849	0	3,714	87,563	48,359	55%	39,204	
2461 - Primary Health Care Services	126,672	259,000	0	-64,000	195,000	189,163	97%	5,837	
2462 - NCD Control & Health Promotion	41,228	43,600	0	0	43,600	39,894	92%	3,706	
2463 - Environmental Health and Food safety	6,124	20,000	0	0	20,000	14,752	74%	5,248	
2464 - Management Monitoring & Evaluation	29,612	30,000	0	-30,000	0	0	0%	0	
2467 - Drugs and Medicines	1,051,655	1,100,000	0	0	1,100,000	1,099,031	100%	969	
2468 - Dental Supplies	41,675	50,000	0	0	50,000	48,725	97%	1,275	
2469 - Dialysis Supplies	349,992	350,000	0	0	350,000	349,476	100%	524	
2471 - Medical Consumable	684,678	500,000	200,000	-200,000	500,000	486,034	97%	13,966	
2472 - Laboratory supplies	299,998	352,000	-164,395	1,450,000	1,637,605	1,456,425	89%	181,180	
2473 - Radiology Supplies	6,342	25,000	0	0	25,000	24,886	100%	114	
2474 - Clinical Education Supplies	17,035	20,000	0	0	20,000	0	0%	20,000	
2475 - Overseas Medical Treatment	13,083,400	3,000,000	8,600,000	1,754,356	13,354,356	13,119,826	98%	234,530	
2560 - Educational Expenses - Special	133,306	195,808	45,570	7,578	248,956	173,834	70%	75,122	
2575 - Local Transport	2,441,127	2,163,293	101,570	412,484	2,677,347	2,488,084	93%	189,263	
2585 - Rations	3,915,865	2,278,832	0	683,482	2,962,314	2,948,952	100%	13,362	
2590 - Correctional Services Supplies	7,530	10,000	0	0	10,000	9,999	100%	1	
2600 - Postage	33,469	18,021	0	3,317	21,337	11,708	55%	9,629	
2605 - Library/Periodicals	90,698	5,000	0	-5,000	0	0	0%	0	
2610 - Survey Supplies	4,018	275,500	0	-268,838	6,662	1,500	23%	5,162	
2611 - Children Education Toys and Learning Supplies	459,093	857,150	0	0	857,150	792,951	93%	64,199	
2614 - Grants to EBUs	1,479,753	2,659,438	0	0	2,659,438	2,520,897	95%	138,541	
2620 - Lease & Charter Payments	55,268	56,438	0	-3,247	53,191	44,497	84%	8,694	
2625 - Family Court Expenses	3,300	4,800	0	3,600	8,400	8,300	99%	100	
2630 - Safe House	91,281	196,660	0	-13,530	183,130	183,130	100%	0	
2681 - Prior Year Account Payable (GoN)	0	0	0	0	0	0	0%	0	
2700 - Deportee Revomal	0	20,000	0	0	20,000	2,065	10%	17,935	
2705 - NEAT Scheme	217,860	300,000	0	-93,430	206,570	196,570	95%	10,000	
2998 - COVID 19 Taskforce	0	0	0	0	0	0	0%	0	
2999 - Contingency fund	0	500,000	0	0	500,000	0	0%	500,000	
Total Government Operations	103,267,464	91,990,504	15,095,774	-353,583	106,732,695	102,362,032	96%	4,370,663	

EXPENDITURE BY DEPARTMENT

Table 25 shows actual expenditure, categorised by department head for the year to date. No departments spent more than their budget.

Some budget heads actual postings have not been updated such as Geneva and Taiwan as Treasury is still finalising their acquittals. The expenditure values for these two heads are subject to minor changes as these postings are updated in the final budget report.

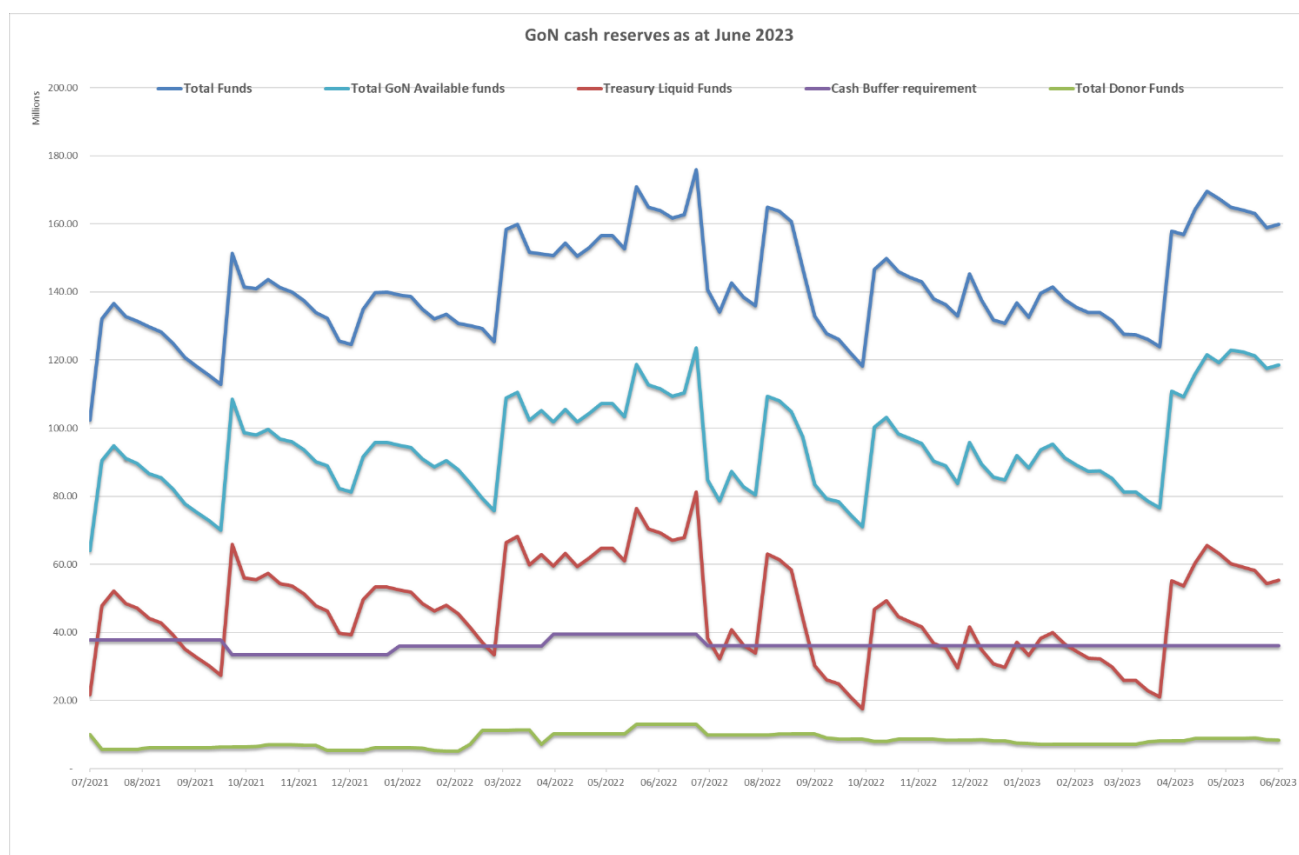
Table 25 Expenditure by Department Q4 2022-23

Description	2021-22	2022-23	2022-23		2022-23	2022-23	2022-23	2022-23	Actual as % of Budget	Expenditure	2022-23 Remaining Budget
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	Actual	%				
	\$	\$	\$	\$	\$	\$	\$	%		\$	
01 - Presidency and State House (including GIC)	3,189,144	3,727,757	1,755,636	0	5,483,393	5,401,468	99%	2%	81,925		
02 - Ministerial	36,507,680	14,805,943	4,544,497	0	19,350,440	19,022,038	98%	7%	328,401		
03 - Chief Secretary Office	18,001,965	20,135,093	126,147	0	20,261,240	19,402,365	96%	7%	858,876		
05 - Audit	265,469	468,772	73,163	0	541,935	400,653	74%	0%	141,282		
08 - National Emergency Services	1,877,167	2,082,189	170,514	0	2,252,703	2,204,288	98%	1%	48,415		
09 - Electoral Commission	503,501	594,527	100,000	0	694,527	688,845	99%	0%	5,683		
11 - Finance Secretariat	2,588,771	2,472,289	350,092	0	2,822,381	2,634,447	93%	1%	187,933		
12 - Finance - Public Debt	0	18,982,665	0	0	18,982,665	4,405,920	23%	2%	14,576,745		
13 - Bureau of Statistics	153,637	169,973	15,902	0	185,875	142,583	77%	0%	43,292		
15 - Nauru Revenue Office	443,558	548,771	36,583	0	585,354	505,715	86%	0%	79,639		
16 - Finance - Other Payments	96,065,480	70,624,076	25,965,501	0	96,589,577	91,522,535	95%	33%	5,067,042		
17 - Nauru Customs Office (NCO)	1,108,974	911,756	44,017	0	955,773	819,238	86%	0%	136,535		
18 - Nauru Regional Processing Centre (NRPC)	1,077,353	1,866,238	0	0	1,866,238	1,411,476	76%	1%	454,762		
21 - Environment Management & Agriculture (EM&A)	898,992	1,239,042	237,567	0	1,476,609	1,394,459	94%	1%	82,150		
22 - Climate Change & Resilience	1,388,159	2,337,626	258,467	0	2,596,093	2,580,604	99%	1%	15,489		
31 - Fisheries	3,432,537	2,843,106	376,770	0	3,219,876	3,127,062	97%	1%	92,814		
41 - Police	5,993,395	5,030,328	1,654,860	0	6,685,188	6,613,263	99%	2%	71,925		
42 - Multi Cultural Affairs	36,752,698	19,139,362	3,973,669	0	23,113,031	23,086,613	100%	8%	26,418		
43 - Justice - Secretariat	3,503,137	4,082,967	72,698	0	4,155,665	3,849,355	93%	1%	306,310		
44 - Judiciary	2,143,982	1,924,531	497,644	0	2,422,175	2,309,155	95%	1%	113,020		
45 - Border Control	717,066	764,133	54,357	0	818,490	780,434	95%	0%	38,056		
46 - Correctional Services	965,342	1,116,862	206,209	0	1,323,071	1,277,921	97%	0%	45,150		
50 - TVET	644,381	844,686	40,650	0	885,336	838,032	95%	0%	47,304		
51 - Education	12,546,753	12,872,319	432,332	0	13,304,651	12,989,139	98%	5%	315,512		
52 - Youth Affairs	201,597	332,393	16,948	0	349,341	267,063	76%	0%	82,278		
60 - COVID-19 task force	10,168,020	11,312,440	-3,277,094	0	8,035,346	7,676,411	96%	3%	358,935		
61 - Health	26,689,893	18,102,101	11,764,634	0	29,866,735	28,413,601	95%	10%	1,453,134		
62 - Sports	2,079,400	1,633,958	80,733	0	1,714,691	1,664,445	97%	1%	50,245		
63 - Infrastructure Development	4,340,633	3,975,732	349,940	0	4,325,672	4,211,019	97%	2%	114,653		
71 - Foreign Affairs - Secretariat	1,299,320	1,712,441	136,240	0	1,848,681	1,681,227	91%	1%	167,454		
72 - Foreign Affairs - Brisbane	898,881	916,858	200,001	0	1,116,859	950,362	85%	0%	166,497		
73 - Foreign Affairs - Suva	535,341	707,200	154,557	0	861,757	734,030	85%	0%	127,727		
74 - Foreign Affairs - New York	1,889,807	2,357,590	0	0	2,357,590	1,998,993	85%	1%	358,597		
75 - Foreign Affairs - Taiwan	591,465	602,432	142,024	0	744,456	591,670	79%	0%	152,786		
76 - Foreign Affairs - Geneva	544,126	616,183	376,706	0	992,889	540,731	54%	0%	452,159		
77 - High Commission India	205,102	1,295,526	201,000	0	1,496,526	1,389,313	93%	0%	107,213		
78 - High Commission Canberra	615,780	971,354	910,000	0	1,881,354	1,792,448	95%	1%	88,906		
81 - Internal Affairs	4,226,458	4,142,958	263,331	0	4,406,289	4,403,677	100%	2%	2,612		
82 - Women and Social Development Affairs (WSDA)	1,077,038	1,375,476	41,491	0	1,416,967	1,397,378	99%	1%	19,589		
83 - Media Bureau	700,120	829,229	243,182	0	1,072,411	1,052,285	98%	0%	20,126		
84 - Lands & Survey	5,483,093	6,003,609	30,447	0	6,034,056	5,940,338	98%	2%	93,718		
85 - Lands Committee	401,669	322,164	29,918	0	352,082	323,822	92%	0%	28,259		
86 - Land Management	172,952	105,376	30,832	0	136,208	133,954	98%	0%	2,254		
87 - People Living with Disability (PLD)	164,087	485,147	10,498	0	495,645	486,039	98%	0%	9,606		
91 - Transport	2,539,935	2,777,032	338,966	0	3,115,998	2,838,346	91%	1%	277,652		
95 - ICT	2,735,753	2,492,757	512,690	0	3,005,447	2,867,692	95%	1%	137,755		
97 - Telecom	60,364	125,000	6,990	0	131,990	51,675	39%	0%	80,315		
Total Expenditure	298,389,973	252,779,965	53,551,309	0	306,331,274	278,814,126	91%	100%	27,517,148		

CASH POSITION

By the end of the end of the quarter, the total funds held by the Government both cash and in the bank amounted to around \$149.7 million which accounted for a 15% increase from the Fund holdings of \$130.1m at the end of Quarter 3. The cash buffer requirement which is equivalent to two months of adjusted expenditure was \$41.1 million. \$46.9 million were held in the Buffer bank accounts as of 26 June 2023.

Figure 7 GoN Cash reserves Q4 2022-23



The category of Total Funds encompasses all accounts available to the Government, including donor and special project funds.

Total GoN Available Funds refers to all Treasury bank accounts, cash reserves, term deposits, and overseas mission Imprest accounts. However, it does not include donor funds and funds quarantined for a specific purpose, such as Port Project and Unclaimed land rental.

Treasury Liquid Funds comprises of bank accounts and cash balances that the Government has complete discretion over for day- day operations.