



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT  
QUARTER 1 2022-23

Release date: 10 October 2022

Treasury Division  
Department of Finance

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# QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 1 2022-23

## INTRODUCTION

This is the performance report for the first quarter of the 2022-23 Budget year for the Republic of Nauru. It provides revenue and expenditure data recorded by Treasury for the period 1 July 2022 to 30 September 2022. It is based on all available information to Treasury as at 10 October 2022.

- In aggregate, actual year to date performance is a mixed bag, with 22 per cent of total expected annual revenue collected, and 34 per cent of total expenditure against benchmark of 25 %.
- This reflects the seasonal nature of revenue collections with timing of bulk of fisheries revenue expected in the second quarter whereas there have been huge once off lumpy expenditure payments.

This report covers General Government operations only. It does not include donor expenditures nor the operations of State-owned enterprises (SoE's), except Government transfers to SoEs. It does include receipts of direct budget support from Nauru donors. 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 2022.

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

According to IMF, the global economic recovery is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023.

Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. Global inflation projections for 2022 stood at 5.7% in advanced economies and 8.7% in emerging market and developing economies.

Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic are essential.

The IMF has acknowledged Nauru's success in managing the COVID 19 pandemic. 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.

Public spending mostly in improving infrastructure, subsidies and donations to SOEs and ensuring public sector operates smoothly during a challenging year has resulted in IMF moderating Nauru growth projections.

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

#### Supplementary Appropriations

There was one supplementary appropriation in the quarter, to consider a decision by cabinet to support a cost of living pay adjustment for all Government local workers, provide additional funds for the Overseas medical referral program and RPC operations for Multicultural Affairs due to the extension of the RPC arrangements. Funding was also allocated to cover for a \$50 increase in both Aged and Disabled fortnightly allowance, additional support for SoEs and cost variations for the Relocation of Location residences as part of the Port Development project.

- Supplementary Appropriation Bill (No.1) 2022-23 recognised additional Government revenue of \$22.2 million, and \$22.1 million in expenditure, with a surplus balance of \$99 thousand.

#### 2021-22 FINAL BUDGET OUTCOME

The final budget outcome for 2021-22 was a surplus of \$23.1 million, equivalent to 13 per cent of Nauru's GDP. The surplus fiscal balance was a complete turnaround from the fiscal deficit that was registered, in the year before, 2020-21.

This impressive bottom line is a result of a prudent and conservative approach in setting revenue and expenditure estimates, improved revenue collection measures, better sequencing of spending against revenue collection and good cash flow management.

Total actual revenue collected in 2021-22 was \$320.3 million, comprising of 95% of budget. The near full outturn of revenue reflects improved collections from all revenue budget lines except Grants, Financing and Dividends due to the delay in draw down of the second tranche EXIM Aircraft Replacement loan as well as a marginal shortfall in the Fisheries revenue than expected.

Total actual expenditure was \$297.2 million, \$40.8 million less than the budget of \$338 million. The lower-than-expected expenditure was mainly due to slow spending in salaries due to vacancies across government and delay in transfer of the second tranche fund to Nauru Airlines from the EXIM Aircraft loan facility. The process for the second tranche is almost complete and once the aircraft is identified by Nauru Airlines in the future, drawdown will proceed as planned.

The \$23.1 million surplus will be held as cash reserves to support Nauru's liquidity position.

#### FISCAL RESPONSIBILITY RATIOS

The Government has adopted the following fiscal responsibility ratios:

- Fiscal balance to GDP ratio must not be negative – budget must at least be in balance;
- Fiscal cash buffer – cash reserves up to the equivalent of two months non-RPC related expenditure must be available;
- Personnel costs to current expenditure to be less than 30 per cent.

The condition for the positive fiscal balance to GDP ratio was not met due to timing difference between revenue collections and expenditure disbursement. Historically, Quarter 1 is usually a dry period for collections, with 70-80% of Fisheries revenue not expected until mid-year. Huge disbursements however were made for once-off lumpy expenditures such as:

- advances for Nauru Community Housing,
- one month back payment of salaries in August covering 10% increment for all staff,
- transfer of the remaining aircraft replacement program funds to Nauru Airline for the new INU registration, and modification work,
- once off local donations to support community development programs, and
- early settlement of Ronwan capital redistribution which in the past are usually paid out during the second quarter to align with the timing of receipt of fishing revenues.

This deficit position will be recovered in the subsequent quarters when revenue pick up and a positive bottom line is expected by end of the year. The Personnel cost ratio is within benchmark despite the 10% cross government pay increase in August.

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

*Table 1: Fiscal responsibility ratio performance Q1 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%	0.30%	0.41%	-18%
Personnel cost ratio	Personnel cost to current expenditure <30%	14.3%	21%	20%	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 required two months of adjusted expenditure. More detail on cash balances is shown in Figure 4.

*Table 2: GON Liquidity and fiscal cash buffer Q1 2022-23*

	TOTAL FUNDS (\$)		
	Requirement (\$)	As at 1 July 2022	As at 26 Sep 2022
Cash Buffer at 1 July 2022	33,633,267	139,966,323	
Cash Buffer 30 Sep 2022	39,717,024		121,448,448
<i>of which held in cash buffer accounts</i>		40,109,511	40,124,715



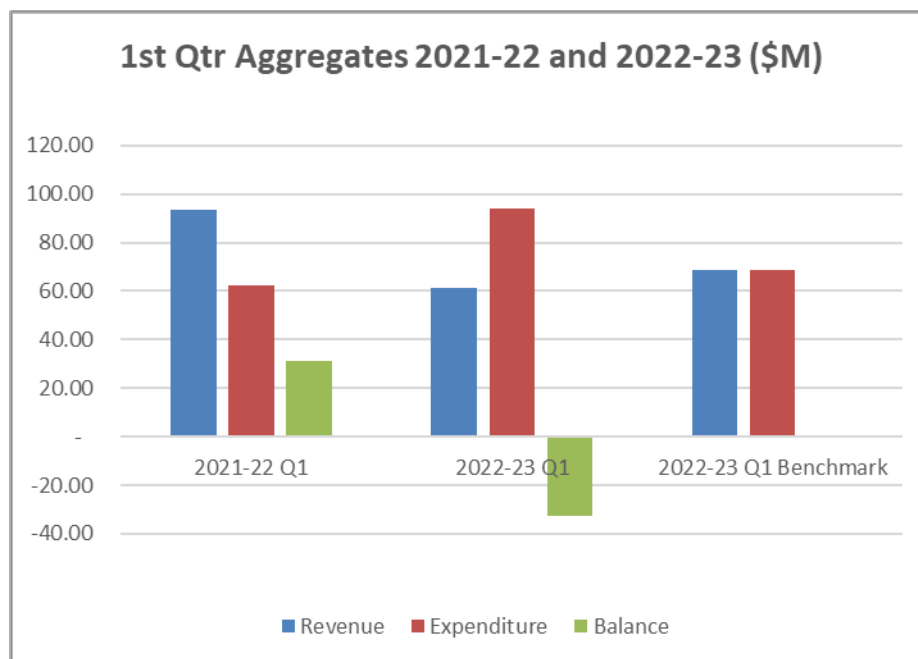
## BUDGET AGGREGATES

The budget aggregates for the first quarter are shown in Table 3 and Figure 1 below. Performance has been slightly different from benchmark. Revenue collection at 61.3m is 3% lower than the quarter benchmark of \$68.8m. Expenditure on the other hand totalled to around \$94m, which is 9% higher than quarter benchmark of \$68.7m. Whilst this was a rare occurrence, the result is to expected due to the timing of settlement of significant commitments which in the past are usually later in the year to align with revenue inflows. Another reason for high utilization during this quarter is attributed to lumpy one-time expenditure payments as explained in the section above and further details to be provided later in the report.

Table 3 Aggregate results Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	% collections	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bill 1	Revised Budget	2022-23 Actual		Remaining Budget
	\$	\$	\$	\$	\$		\$
<b>Revenue</b>	320,347,949	253,329,350	22,164,742	275,494,092	61,310,766	22%	214,183,326
<b>Expenditure</b>	297,198,609	252,779,965	22,065,304	274,845,269	93,993,914	34%	180,851,355
<b>Balance</b>	23,149,340	549,385	99,438	648,823	- 32,683,148		- 33,331,971

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



## OPERATING REVENUE ANALYSIS

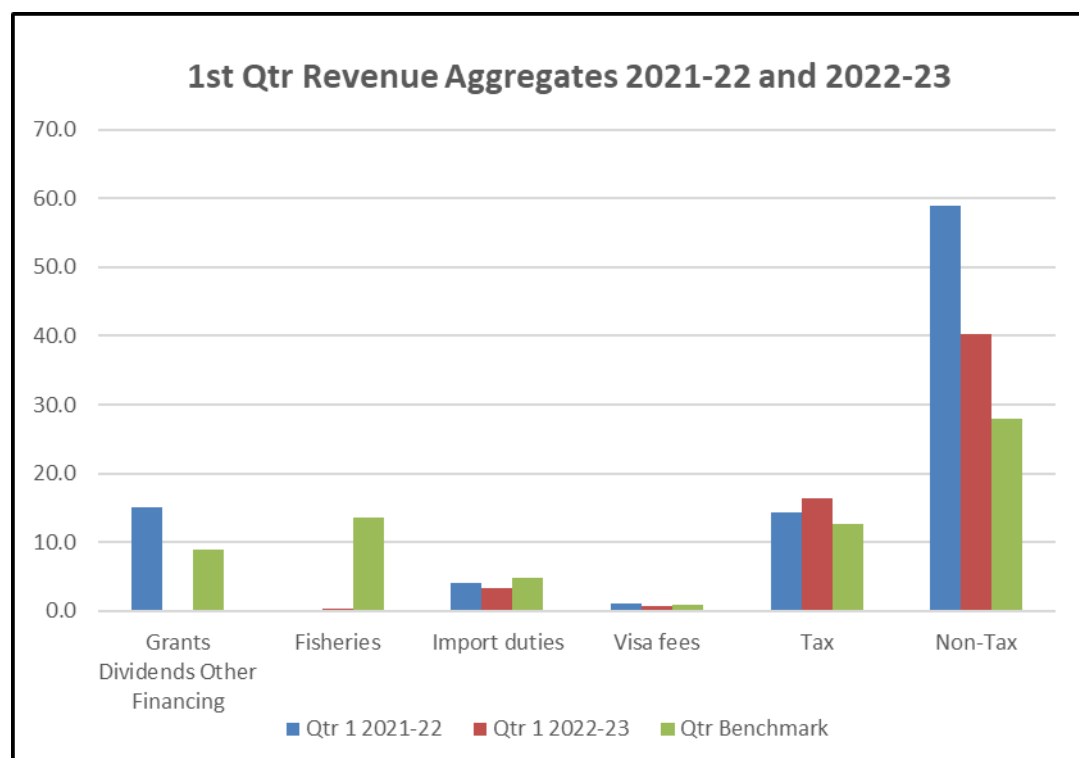
Actual revenues for the quarter are summarised in Table 4. Revenues are highly seasonal, with majority of the Fishing revenue anticipated in the second quarter. Revenue collections for the quarter include duties, taxes and non-tax including a 6-month hosting fee drawdown.

Table 4: Revenue breakdown Q1 2022-23

Revenue Description	2021-22	2022-23	2022-23			2022-23	Share of	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	2022-23 ISHT	2022-23 Revised Budget	2022-23 YTD Actual	total revenue %	Actual as % of Budget	Remaining Budget
	\$	\$	\$		\$	\$	%	%	\$
Grants Dividends Other Financing	42,363,282	34,778,938	881,636	-	35,660,574	23,040	0%	0%	35,637,534
Fisheries	58,198,817	54,530,000	-	-	54,530,000	411,843	1%	1%	54,118,157
Import duties	21,007,457	19,285,128	-	-	19,285,128	3,394,969	6%	18%	15,890,159
Visa fees	5,061,886	2,838,196	921,000	-	3,759,196	741,753	1%	20%	3,017,443
Tax	58,066,656	34,600,000	16,040,000	-	50,640,000	16,408,593	27%	32%	34,231,407
Non-Tax	135,649,912	107,297,088	4,322,106	-	111,619,194	40,330,568	66%	36%	71,288,626
<b>Total Revenue</b>	<b>320,348,009</b>	<b>253,329,350</b>	<b>22,164,742</b>	<b>-</b>	<b>275,494,092</b>	<b>61,310,766</b>	<b>100%</b>	<b>22%</b>	<b>214,183,326</b>

Overall revenue collections in the first quarter of 2022-23 were lower, compared to the same period last year, variance of around \$32 million and may be explained by the timing difference in drawdown of hosting and dividend revenue from the Commercial and Services account. A total of \$32m drawdown was made over this quarter compared to \$67.1 million last year – comprises of \$52.1 million hosting fee (non-tax) and \$11 million in Dividend (Grants, Dividend and Financing category).

Figure 2 Revenue collections for Q1 2021-22 and 2022-23





The RPC remains the major source of economic activity and revenue for the government, comprising 53 % of the total Revenue measure for the 2022-23 original budget and 57% for the Revised budget, following supplementary No 1(refer Table 5 below).

The 2022-23 original budget took a conservative approach on the estimations of tax streams and MCA reimbursables due to the expected winddown of RPC services. Following confirmation of extension of services, increases were made through the Supplementary budget passed during the quarter.

Service fees was lumped together with Hosting fee in the original estimates with the view that when Enduring capability was to commence, these revenues will be lumped up to the one hosting fee line but this was separated during the quarter to reflect no changes to the payment arrangement.

Table 5: RPC Related Revenues Q1 2022-23

Revenue Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$		\$	\$	%	\$
1335 - Visa Fees - RPC	505,000	0	0	0	0	0	0%	0
1580 - Visa Fees - RPC Resettlement	2,807,000	0	921,000	0	921,000	307,000	0%	614,000
1475 - Miscellaneous Revenue	1,868,318	0	0	0	0	0	0%	0
1495 - Service Fees	20,016,444	16,500	0	20,000,004	20,016,504	5,000,506	25%	15,015,998
1577 - DJBC - Operations	5,089,226	0	1,057,755	0	1,057,755	501,924	47%	555,831
1578 - DJBC - Reimbursable Costs	18,788,295	0	3,264,351	0	3,264,351	1,464,139	45%	1,800,212
1598 - Hosting Fee	84,699,998	101,242,500	0	-20,000,004	81,242,496	31,699,998	39%	49,542,498
1590 - Employment Services Tax	15,557,601	10,200,000	1,390,000	0	11,590,000	3,836,631	33%	7,753,369
1591 - Business Profit Tax	39,846,201	21,900,000	14,650,000	0	36,550,000	11,849,580	32%	24,700,420
1015 - Income from Investments & Dividend	15,649,509	1,200,000	0	0	1,200,000	0	0%	1,200,000
<b>Total RPC related revenue</b>	<b>204,827,591</b>	<b>134,559,000</b>	<b>21,283,106</b>	<b>0</b>	<b>155,842,106</b>	<b>54,659,778</b>	<b>35%</b>	<b>101,182,328</b>
Share of total revenue	64%	53%	96%		57%	89%		47%

## FISHING REVENUES

Fishing revenue collections are highly seasonal, with substantial collections expected over December (Table 6), which is the deadline for finalization of agreements with fishing companies ahead of the commencement of the fishing period from January-December. Most of the fishing contracts require 100 % advance payment of the full purse seine traded days.

The 2022-23 estimates for fishing revenue have been reduced to \$54.5m from \$59.9m in 2021-22 to reflect once-off fishing collections not expected to be repeated.

Table 6: Fishing revenues Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	YTD Actual as % of Budget	Remaining Budget
	\$	\$	\$		\$	\$	%	\$
1055 - Support Vessel Charges	566,692	230,000	-	-	230,000	-	0%	230,000
1071 - Purse Seine Revenue - Licensing	1,107,848	1,300,000	-	-	1,300,000	231,787	18%	1,068,213
1072 - Purse Seine Revenue - Fishing Days	56,524,277	53,000,000	-	-	53,000,000	180,056	0%	52,819,944
<b>Total Fisheries Revenue</b>	<b>58,198,817</b>	<b>54,530,000</b>	<b>-</b>	<b>-</b>	<b>54,530,000</b>	<b>411,843</b>	<b>1%</b>	<b>54,118,157</b>

## TAXATION REVENUE

Taxation revenues collections in the first Quarter exceeded budget expectation (Table 7), reflecting steady collections from all tax categories, 80-90% are from Canstruct and other RPC service providers at top side. Anticipation is that activities will drop in the next quarter (December) due to reduced activities on island and expected changeover of the contract management from Canstruct to MTC, effective 1 October 2022.

Table 7: Taxation revenue Q1 2022-23

Description	2021-22	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	
1190 - Telecom Tax	2,662,854	2,500,000	-	-	2,500,000	722,381	29%	1,777,619	
1590 - Employment Services Tax	15,557,601	10,200,000	1,390,000	-	11,590,000	3,836,631	33%	7,753,369	
1591 - Business Profit Tax	39,846,201	21,900,000	14,650,000	-	36,550,000	11,849,580	32%	24,700,420	
<b>Total Tax</b>	<b>58,066,656</b>	<b>34,600,000</b>	<b>16,040,000</b>	<b>0</b>	<b>50,640,000</b>	<b>16,408,593</b>	<b>32%</b>	<b>34,231,407</b>	

## CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections were lesser than expected (Table 8), with overall collections for the quarter totalling only 18% of revised year to date budget. Past trends have revealed lower inflows early in the financial year and strong collections in the closing quarters.

Table 8 Customs and other Import duties Q1 2022-23

Description	2021-22	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	
1140 - Customs and Excise Duty - Tobacco	7,577,355	6,696,908	-	-	6,696,908	1,551,048	23%	5,145,860	
1145 - Customs and Excise Duty - Alcohol	1,924,643	1,540,000	-	-	1,540,000	308,637	20%	1,231,363	
1150 - Customs and Excise Duty - Sugar	1,400,897	1,464,480	-	-	1,464,480	200,845	14%	1,263,635	
1155 - Customs and Excise - Machinery/Vehicle/I	1,728,352	1,586,424	-	-	1,586,424	259,912	16%	1,326,512	
1160 - Customs and Excise Duty - Other	3,957,190	3,894,000	-	-	3,894,000	535,672	14%	3,358,328	
1165 - Customs and Excise Duty - Petrol Sales	2,563,712	2,424,840	-	-	2,424,840	272,654	11%	2,152,186	
1170 - Customs and Excise Duty - Diesel Sales	1,855,307	1,678,476	-	-	1,678,476	266,200	16%	1,412,276	
<b>Total Customs and Excise Duty</b>	<b>21,007,457</b>	<b>19,285,128</b>	<b>-</b>	<b>-</b>	<b>19,285,128</b>	<b>3,394,969</b>	<b>18%</b>	<b>15,890,159</b>	

## VISA FEES

Total revenue from visa fees is above expectations with strong collections in all categories. RPC related Visa fees were zeroed out in the original budget with the expected departure of all refugees on island but this did not occur.

Visa fees (other business) comprises of fees collected from employees of businesses on the island, including Canstruct, Capelle's, Chinese retailers, etc. The estimate for visa fees (other business) was increased to \$2.8m in the original budget due to the changed COVID 19 situation and expected improved compliance to Immigration rules. Quarter 1 collections is still way below the benchmark but subsequent quarter collections are expected to be better.

Table 9 Visa fees Q1 2022-23

Description	2021-22	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	
1330 - Visa Check up	840	-	-	-	-	4,825	0%	-4,825	
1335 - Visa Fees - RPC	505,000	-	-	-	-	-	0%	0	
1575 - Visa Fees (Other Business)	1,749,046	2,838,196	-	-	2,838,196	429,928	15%	2,408,268	
1580 - Visa Fees - RPC Resettlement	2,807,000	-	921,000	-	921,000	307,000	33%	614,000	
<b>Total Visa Fees</b>	<b>5,061,886</b>	<b>2,838,196</b>	<b>921,000</b>	<b>0</b>	<b>3,759,196</b>	<b>741,753</b>	<b>20%</b>	<b>3,017,443</b>	

## OTHER REVENUE – DIVIDENDS AND GRANTS

Income from dividends and investments is anticipated in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters due to the timing of the general budget support grant from Taiwan expected in November and the ADB policy grant sometimes in 2023, exact date to be confirmed by ADB. Processes for finalization of the second advance drawdown relating to the first aircraft (USD 2,046,000) is near complete, now expected by November 2022.

Search for a new aircraft is also underway with the draw-down from the EXIM agreed loan facility to take place following identification of a suitable aircraft. Proceeds for the loan will be received in the first instance by the Government given its position as Borrower according to the loan agreement (see code 1902).

Table 10 Dividends and Grants Q1 2022-23

Description	2021-22	2022-23		2022-23		YTD		2022-23
	Preliminary	Approved	2022-23	2022-23	Revised	2022-23	Actual as	Remaining
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	% of	Budget
	\$	\$	\$		\$	\$	%	\$
1015 - Income from Investments & Dividends	15,649,509	1,200,000	-	-	1,200,000	-	0%	1,200,000
1660 - General Budget Support	10,254,564	17,562,375	881,636	-	18,444,011	23,040	0%	18,420,971
1902 - EXIM NAC Loan Proceeds	16,459,209	16,016,563	-	-	16,016,563	-	0%	16,016,563
<b>Total Dividends , Grants and Other</b>	<b>42,363,282</b>	<b>34,778,938</b>	<b>881,636</b>		<b>35,660,574</b>	<b>23,040</b>	<b>0%</b>	<b>35,637,534</b>

## NON-TAX REVENUE

Non-tax revenue collections in the year to date are higher than benchmark for the quarter (Table 11), mainly reflecting a 6-month hosting fee drawdown from the off-budget Commercial Account<sup>1</sup>.

Drawdowns for hosting fees are usually undertaken in view of cash position of the Commercial bank account. A total \$31.7 million was drawn during the quarter, leaving a balance \$49.5 million to be processed during the year, when there is sufficient cash balance in the Commercial account to do so.

RPC Management fee of \$20m which was included together with the hosting line has been reclassified back to its original Management Fee revenue code (1495).

Table 11 Non-tax revenues Q1 2022-23

Description	2021-22 Preliminary Actual \$	2022-23 Approved Budget \$	2022-23 Supp Bills \$	2022-23 ISHT	2022-23 Revised Budget \$	2022-23 YTD Actual \$	2022-23 YTD Actual as % of Budget %	2022-23 Remaining Budget \$
1121 - Curator fees	3,438	-	-	-	-	12,692	0%	-12,692
1215 - Licenses-Drivers etc	159,692	70,000	-	-	70,000	44,655	64%	25,345
1220 - Corporation Fees and Licenses	553,418	311,424	-	-	311,424	144,350	46%	167,074
1225 - Licenses-Trading	300,150	319,464	-	-	319,464	89,425	28%	230,039
1230 - Liquor Licensing Board	6,000	6,852	-	-	6,852	10,500	153%	-3,648
1235 - Gaming / Bingo Licenses	165,300	80,004	-	-	80,004	5,000	6%	75,004
1240 - Licenses-Dogs etc	0	73	-	-	73	-	0%	73
1245 - Drones Licenses	1,000	1,000	-	-	1,000	-	0%	1,000
1260 - Birth Certificate	21,250	21,480	-	-	21,480	8,410	39%	13,070
1265 - Death Certificate	770	780	-	-	780	170	22%	610
1270 - Marriage Certificate	2,465	2,448	-	-	2,448	1,280	52%	1,168
1300 - Registration Fees-Motor Car	155,428	171,744	-	-	171,744	26,265	15%	145,479
1305 - Registration Fees-Motorcycle	48,164	49,884	-	-	49,884	9,640	19%	40,244
1310 - Vehicle/Insurance Fees	552,110	589,392	-	-	589,392	114,545	19%	474,847
1325 - Passport Fees and Photogra	57,923	54,576	-	-	54,576	62,300	114%	-7,724
1340 - Police Clearance	27,130	25,020	-	-	25,020	6,160	25%	18,860
1360 - D.C.A-Pax Levy	0	921,600	-	-	921,600	-	0%	921,600
1361 - Fuel Levy	1,735,685	-	-	-	-	-	0%	0
1365 - D.C.A.-Departure Taxes	0	873,246	-	-	873,246	-	0%	873,246
1370 - D.C.A.-Air Navigation Fees	112,882	492,420	-	-	492,420	44,204	9%	448,216
1375 - D.C.A.-Landing Fees	11,756	552,195	-	-	552,195	43,826	8%	508,369
1380 - D.C.A.-Rental Fees	50,375	73,800	-	-	73,800	30,947	42%	42,853
1475 - Miscellaneous Revenue	1,868,318	899,177	-	-	899,177	147,062	16%	752,116
1480 - Bus Services	5,000	10,099	-	-	10,099	-	0%	10,099
1485 - Quarantine Fees	66,965	70,932	-	-	70,932	26,820	38%	44,112
1490 - Court Fines and Fees	42,442	52,043	-	-	52,043	5,290	10%	46,753
1495 - Service Fees	20,016,444	16,500	-	20,000,004	20,016,504	5,000,506	25%	15,015,998
1500 - Sale of Maps	18,470	18,348	-	-	18,348	4,000	22%	14,348
1501 - Sale of Livestock	14,814	18,552	-	-	18,552	-	0%	18,552
1520 - Food Handler Check up	4,040	4,272	-	-	4,272	-	0%	4,272
1540 - Advertising Revenue	17,270	19,500	-	-	19,500	-	0%	19,500
1555 - Spectacles,Drugs etc	220	216	-	-	216	-	0%	216
1565 - Medical Services	1,256	1,507	-	-	1,507	-	0%	1,507
1577 - DJBC - Operations	5,089,226	-	1,057,755	-	1,057,755	501,924	47%	555,831
1578 - DJBC - Reimbursable Costs	18,788,295	-	3,264,351	-	3,264,351	1,464,139	45%	1,800,212
1596 - Traffic Infringements	219,630	218,700	-	-	218,700	24,700	11%	194,000
1597 - TVET Course Fees	20,930	24,060	-	-	24,060	650	3%	23,410
1598 - Hosting Fee	84,699,998	101,242,500	-	-20,000,004	81,242,496	31,699,998	39%	49,542,498
1700 - National/District Roll Sales	7,440	5,520	-	-	5,520	29,760	539%	-24,240
1705 - Electoral Various Fees	804,220	77,760	-	-	77,760	771,350	992%	-693,590
<b>Total Non Tax</b>	<b>135,649,912</b>	<b>107,297,088</b>	<b>4,322,106</b>		<b>111,619,194</b>	<b>40,330,568</b>	<b>36%</b>	<b>71,288,626</b>

<sup>1</sup> The Commercial Account is managed pursuant to the provisions in the *Commercial Operations and Services Fund Act 2018*.

## REVENUE BY DEPARTMENT

Table 12 shows revenue for the year to date by department head. This funding is not hypothecated to these heads, but rather reflects the revenue classification method used in the FMIS, consistent with department's administrative functions concerning revenue. All revenue collections are done by the Nauru Revenue Office.

Table 12 Revenue by Department Q1 2022-23

Description	2021-22 Preliminary Actual \$	2022-23 Approved Budget \$	2022-23 Supp Bills \$	2022-23 Revised Budget \$	2022-23 YTD Actual \$	2022-23 Actual as % of Budget %	Share of total revenue %	2022-23 Remaining Budget \$
03 - Chief Secretariat	31,515	31,560	-	31,560	20,450	65%	0%	11,110
09 - Electoral Commission	815,350	84,280	-	84,280	799,110	948%	1%	714,830
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	-	0%	0%	16,016,563
15 - Nauru Revenue Office	58,391,647	34,750,004	16,040,000	50,790,004	16,458,248	32%	27%	34,331,756
16 - Finance - Other Payments	12,793,397	18,762,375	881,636	19,644,011	34,896	0%	0%	19,609,115
17 - Nauru Customs Office (NCO)	21,008,457	19,286,128	-	19,286,128	3,394,969	18%	6%	15,891,159
18 - Nauru Regional Processing Centre	20,000,004	-	-	-	-	0%	0%	-
21 - CIE	5,940	5,000	-	5,000	-	0%	0%	5,000
31 - Fisheries	58,325,356	54,530,000	-	54,530,000	415,643	1%	1%	54,114,357
41 - Police	249,123	246,420	-	246,420	30,860	13%	0%	215,560
42 - Dept of Multi Cultural Affairs	127,227,519	101,242,500	5,243,106	106,485,606	38,999,062	37%	64%	67,486,544
43 - Justice - Secretariat	877,667	630,961	-	630,961	263,189	42%	0%	367,772
44 - Judiciary	42,442	52,043	-	52,043	5,290	10%	0%	46,753
45 - Border Control	1,873,954	2,963,704	-	2,963,704	519,048	18%	1%	2,444,656
46 - Correctional Services	14,814	18,552	-	18,552	-	0%	0%	18,552
50 - Directorate of TVET	20,930	24,060	-	24,060	650	3%	0%	23,410
51 - Education	-	-	-	-	4,200	0%	0%	4,200
60 - COVID-19 task force	26,950	-	-	-	-	0%	0%	-
61 - Health	1,064,976	775,639	-	775,639	60,930	8%	0%	714,709
62 - Sports	2,000	-	-	-	-	0%	0%	-
83 - Media Bureau	17,270	19,500	-	19,500	-	0%	0%	19,500
84 - Lands & Survey	20,190	18,348	-	18,348	4,000	22%	0%	14,348
85 - Lands Committee	14,720	16,500	-	16,500	505	3%	0%	15,995
91 - Department of Transport	1,050,386	3,849,213	-	3,849,213	298,015	8%	0%	3,551,198
95 - ICT	10,635	4,000	-	4,000	1,700	43%	0%	2,300
<b>Total Revenue</b>	<b>320,347,949</b>	<b>253,329,350</b>	<b>22,164,742</b>	<b>275,494,092</b>	<b>61,310,766</b>	<b>22%</b>	<b>100%</b>	<b>214,183,326</b>

## OPERATING EXPENDITURE ANALYSIS

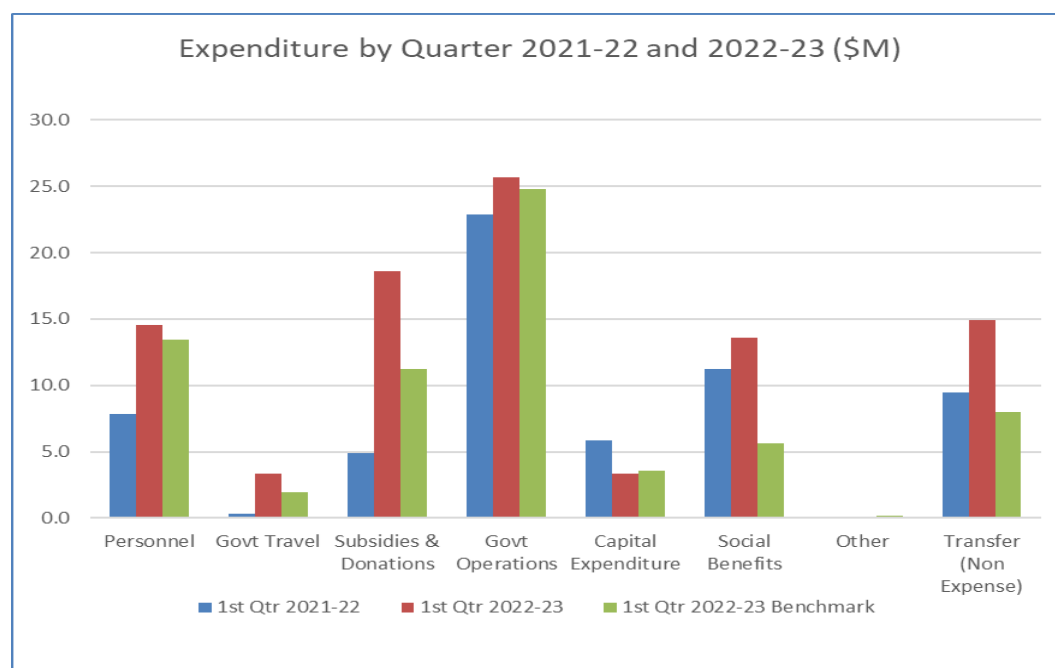
Total expenditure up to the end of the first quarter is shown in Table 13. 32 Inter-subhead transfers of around \$11.5m in value was approved during this period to reallocate funds between subheads. This equates to around 4.2 % of the total revised budget.

Table 13 Expenditure by Group Q1 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	2022-23 ISHT	Revised Budget	2022-23 YTD Actual	Actual as % of Budget	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	
Personnel	48,372,597	52,166,928	3,174,495	-1,688,501	53,652,922	14,521,762	27%	39,131,160	
Govt Travel	6,766,094	6,034,849	823,270	859,578	7,717,697	3,323,020	43%	4,394,677	
Subsidies & Donations	45,199,442	36,163,980	925,000	7,767,558	44,856,539	18,625,594	42%	26,230,945	
Govt Operations	107,806,885	91,990,504	5,569,685	1,510,115	99,070,303	25,677,314	26%	73,392,989	
Capital Expenditure	35,806,658	12,490,986	1,645,419	189,250	14,325,655	3,321,780	23%	11,003,876	
Social Benefits	44,638,981	21,382,919	949,000	100,000	22,431,919	13,551,484	60%	8,880,435	
Other	677,213	708,800	0	0	708,800	69,942	10%	638,859	
Transfer (Non Expense)	48,709,978	31,840,998	8,978,435	-8,738,000	32,081,433	14,903,019	46%	17,178,415	
<b>Total Expenditure</b>	<b>337,977,848</b>	<b>252,779,965</b>	<b>22,065,304</b>	<b>0</b>	<b>274,845,269</b>	<b>93,993,914</b>	<b>34%</b>	<b>180,851,355</b>	

Figure 3 compares first quarter expenditure against the same period last year and the 2021-22 Budget. Except for Capital Expenditure, actual expenditure in all the lines is higher this year compared to 2021-22, i.e. a total change of \$31.5million and is largely attributable to increase in Subsidies and local donations (\$13.7m), Personnel (\$6.7m) and Transfer- Non-Expense (\$5.5m).

Figure 3 Expenditure by group, Q1 2022-23



### PERSONNEL COSTS

Expenditure on personnel was as expected in the quarter (Table 14). Salary local (subhead code 2015) was allocated a supplementary budget of \$3.2m to support a 10 % cost of living pay adjustment for all Government employees to mitigate increasing prices caused by the COVID 19 situation. The pay

increment was approved on 25 August following passing of the Supplementary Appropriation Budget No 1 and payment was back dated to 1 July.

A second COVID 19 ex gratia was paid out during the quarter again to assist locals deal with the impact of high cost of necessities during the COVID 19 community outbreak in June. Community transmission was rife between June and August and landed many in designated isolation facilities and self-isolated managed homes, causing undue stress for households.

GoN super contributions utilization is at 43 % which is 18 % higher than benchmark, attributable to a once off annual contribution payment of \$1.2m to Superlife to fund the Nauru Parliamentary defined benefit scheme for retired members of parliament.

Table 14 Personnel Expenditure Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2005 - Salaries & Allowances - (MP's)	909,035	952,835	0	0	952,835	267,039	28%	685,796
2010 - HE Salary & Allowances	105,034	110,286	0	0	110,286	30,340	28%	79,946
2015 - Salary - Local	30,229,769	29,884,143	3,151,495	-176,000	32,859,638	8,758,386	27%	24,101,252
2020 - Salary Expatriate	7,819,059	9,475,005	0	-763,000	8,712,005	2,521,253	29%	6,190,752
2025 - Allowances - Staff Contract	2,209,304	1,427,116	0	-709,421	717,695	310,188	43%	407,507
2026 - Directors Fees	57,900	63,800	0	-7,000	56,800	1,200	2%	55,600
2031 - Staff Contract - Ministerial	450,968	520,968	0	0	520,968	135,518	26%	385,449
2035 - Overtime - local	1,043,711	1,440,685	0	6,500	1,447,185	548,184	38%	899,001
2040 - Staff Training	1,527,420	2,262,644	8,000	-67,680	2,202,964	260,417	12%	1,942,547
2041 - Prep & Orientation of Seasonal Workers	10,000	10,000	0	0	10,000	0	0%	10,000
2045 - Recruitment	31,030	35,000	0	0	35,000	4,901	14%	30,099
2050 - Uniforms & Protective Clothing	557,564	579,277	15,000	0	594,277	31,681	5%	562,596
2072 - Meals and Drinks - Staff	288,889	351,769	0	28,100	379,869	128,652	34%	251,217
2423 - Ex Gratia Nauru Public Service	0	1,471,400	0	0	1,471,400	0	0%	1,471,400
2651 - GON Contributions	3,132,916	3,582,000	0	0	3,582,000	1,524,004	43%	2,057,996
<b>Total Personnel</b>	<b>48,372,597</b>	<b>52,166,928</b>	<b>3,174,495</b>	<b>-1,688,501</b>	<b>53,652,922</b>	<b>14,521,762</b>	<b>27%</b>	<b>39,131,160</b>

## GOVERNMENT TRAVEL

The rate of expenditure on travel is back to pre-COVID 19 levels due to the easing of travel restrictions (Table 15) and this trend will continue for the rest of the year. 43 % of the approved revised budget has been spent to date, reflecting large Presidency delegation trips to Australia and Taiwan.

Table 15 Government Travel Expenditure Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	828,879	997,017	0	0	997,017	306,110	31%	690,907
2075 - Travel - Business	5,937,215	5,037,832	823,270	859,578	6,720,680	3,016,910	45%	3,703,770
<b>Total Government Travel</b>	<b>6,766,094</b>	<b>6,034,849</b>	<b>823,270</b>	<b>859,578</b>	<b>7,717,697</b>	<b>3,323,020</b>	<b>43%</b>	<b>4,394,677</b>

## SUBSIDIES & DONATIONS

Except for Donations-local, expenditure on Subsidies & Donations group were well within benchmark (Table 16). Key payments made during the quarter consist of the transfer of the remaining Aircraft Replacement program tranche 1 funds of \$4.4 million to Nauru Leasing Corporation to cover the final modification works on the new aircraft (subhead 2376), CSOs payments to three SoEs namely, NAC, NMPA and NUC (2616), tug boat hire for safe loading and unloading of vessels (2616) and local donations to support development programs for constituencies (2617). Also included in subhead

2617 Local donations are transfers to local sporting federations (\$0.4m), Higher ground project under Climate Change (0.7m), and Smart housing under Infrastructure (\$1.5m).

Table 16 Subsidies & Donations Expenditure Q1 2022-23

Description	2021-22	2022-23	2022-23		2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	19,646,218	16,016,563	0	0	16,016,563	4,405,920	28%	11,610,643
2616 - Subsidies to SoEs	17,390,443	15,154,967	875,000	0	16,029,967	3,968,746	25%	12,061,221
2617 - Donations - local	8,055,638	3,901,866	50,000	7,767,558	11,719,424	10,034,281	86%	1,685,143
2618 - Donations - overseas	107,143	107,143	0	0	107,143	0	0%	107,143
2619 - Grants to SoEs	0	983,442	0	0	983,442	216,647	22%	766,795
<b>Total Subsidies &amp; Donations</b>	<b>45,199,442</b>	<b>36,163,980</b>	<b>925,000</b>	<b>7,767,558</b>	<b>44,856,539</b>	<b>18,625,594</b>	<b>42%</b>	<b>26,230,945</b>

## CAPITAL EXPENDITURE

Capital expenditure total group spending are within the quarter benchmark (Table 17). Around 50% of medical equipment purchase has been completed by Health to keep a strategic stock level of essential equipment and supplies to ensure no unnecessary disruption to health services. Spending on public works is also way above quarter benchmark whilst purchase of plant and equipment and building and structure are slightly lower than expected, and these delays are predominantly due to delay in procurement process.

Table 17 Capital Expenditure Q1 2022-23

Description	2021-22	2022-23	2022-23		2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2480 - Medical Equipment	218,670	877,180	0	0	877,180	407,530	46%	469,650
2495 - Plant & Equipment Purchases	6,585,195	3,259,691	335,419	-448,500	3,146,610	608,817	19%	2,537,793
2496 - Building and Structures	27,575,705	8,154,115	1,310,000	637,750	10,101,865	2,230,312	22%	7,871,554
2497 - Land Purchase	845,087	0	0	0	0	0	0%	0
2580 - Public Works	582,000	200,000	0	0	200,000	75,121	38%	124,879
<b>Total Capital Expenditure</b>	<b>35,806,658</b>	<b>12,490,986</b>	<b>1,645,419</b>	<b>189,250</b>	<b>14,325,655</b>	<b>3,321,780</b>	<b>23%</b>	<b>11,003,876</b>

## SOCIAL BENEFITS

Expenditure on social benefits high utilisation rate at 60% of budget was attributable to advances and once-off lumpy disbursements of Nauru community housing funds to contractors and ex-gratia payment to workers to mitigate the impact of COVID 19 during the outbreak in June 2022 (Table 18).

Spending for the recurring general social services lines such as births, deaths, back to school allowances and pensions are largely within budget.



Table 18 Social Benefits Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	2022-23 ISHT	Revised Budget	2022-23 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2220 - Nauru Community Housing	32,250,000	9,445,000	0	0	9,445,000	9,259,780	98%	185,220
2390 - Social Welfare - Birth Claims	192,000	192,000	0	0	192,000	16,200	8%	175,800
2395 - Social Welfare - Death Claims	283,000	283,000	0	0	283,000	20,000	7%	263,000
2396 - Back to School Support	739,800	739,800	0	0	739,800	86,900	12%	652,900
2400 - Social Services - Aged Pensions	3,249,840	3,808,840	579,800	0	4,388,640	1,020,680	23%	3,367,960
2405 - Social Services - Super Contributors	100,000	100,000	0	0	100,000	18,264	18%	81,736
2420 - Social Services - Disability Payments	1,811,160	1,681,160	369,200	0	2,050,360	750,940	37%	1,299,420
2421 - Ex Gratia - Age and Disable	977,800	595,000	0	0	595,000	595,000	100%	0
2422 - Ex Gratia SoEs	1,774,500	1,340,300	0	100,000	1,440,300	1,376,800	96%	63,500
2440 - Scholarships - School & Trade	3,260,881	3,197,819	0	0	3,197,819	406,921	13%	2,790,898
<b>Total Social Benefits</b>	<b>44,638,981</b>	<b>21,382,919</b>	<b>949,000</b>	<b>100,000</b>	<b>22,431,919</b>	<b>13,551,484</b>	<b>60%</b>	<b>8,880,435</b>

## OTHER

Expenditure in this category is way lower than expected (Table 19). Bank charges relate to telegraphic transfer and account keeping fees paid through the year. Low spending is due to delay in posting of these fees.

Table 19 Other Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	2022-23 ISHT	Revised Budget	2022-23 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	509,486	576,608	0	0	576,608	62,943	11%	513,664
2570 - Bank Charges	63,558	76,817	0	0	76,817	6,998	9%	69,819
2690 - Foreign exchange gains/losses	104,169	55,375	0	0	55,375	0	0%	55,375
<b>Total Other</b>	<b>677,213</b>	<b>708,800</b>	<b>0</b>	<b>0</b>	<b>708,800</b>	<b>69,942</b>	<b>10%</b>	<b>638,859</b>

## NON-EXPENSE ITEMS

Expenditure in this category was higher than expectations (Table 20). This is attributed to the full utilization of the fund allocation set aside for the Bank of Nauru liquidation. Around 50% of the Nauru Trust Fund obligation as provided in the original budget estimates has been settled during the quarter according to the agreed schedule of payments with NTF Donors. Debt repayments-other consist of repayments for the Nauru Aircraft replacement program loan to EXIM Bank (supported through bilateral support from ROC Taiwan) and RONWAN capital redistribution to members from the old Bank of Nauru debts. The total expenditure of \$5m under the Debt repayment subhead encompasses spending pertaining to RONWAN capital redistribution. In the past, these payments are usually settled during the second quarter to align with collections from Fishing revenues but this year, the decision was to shift the payment and complete it during the first quarter.

Table 20 Non-Expense Items Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	2022-23 ISHT	Revised Budget	2022-23 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	16,037,498	8,799,436	327,656	0	9,127,092	5,001,796	55%	4,125,296
2650 - Trust Fund	25,820,869	19,257,451	2,216,474	0	21,473,925	8,904,768	41%	12,569,157
2652 - Fiscal Cash Buffer	1,000,433	2,784,111	6,434,305	-8,738,000	480,416	0	0%	480,416
2680 - BON Liquidation- Payment	5,851,178	1,000,000	0	0	1,000,000	996,455	100%	3,545
<b>Total Non-expense items</b>	<b>48,709,978</b>	<b>31,840,998</b>	<b>8,978,435</b>	<b>-8,738,000</b>	<b>32,081,433</b>	<b>14,903,019</b>	<b>46%</b>	<b>17,178,415</b>

## GOVERNMENT OPERATIONS

Overall, expenditure on government operations was consistent with expectations (Table 21).

Expenditure on Overseas Medical Referrals (OMR), ICT Supplies, Freight, R&M Office equipment are way ahead of budget. OMR will certainly require budget supplementation to ensure Health is able to keep up with the huge costs for patients undergoing medical treatment overseas at the present stage covering for hospital fees, accommodation, and subsistence allowances.

Table 21 Government Operations Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Preliminary Actual	Approved Budget	2022-23 Supp Bills	2022-23 ISHT	Revised Budget	2022-23 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2030 - Salaries - Other Contracts	32,895,612	29,512,050	2,500,745	93,950	32,106,745	8,952,352	28%	23,154,393
2055 - Consultants fees	3,485,482	3,846,046	184,040	60,000	4,090,086	796,041	19%	3,294,044
2060 - Legal Fees - External	265,920	550,000	0	0	550,000	56,468	10%	493,532
2100 - Entertainment	1,327,343	1,111,509	14,000	-13,950	1,111,559	190,813	17%	920,746
2105 - Official Celebrations	1,066,593	1,405,586	13,000	-5,000	1,413,586	368,032	26%	1,045,555
2110 - Protocol	13,000	123,500	0	0	123,500	2,938	2%	120,563
2130 - Printing & Stationery	993,257	961,133	4,500	7,650	973,283	164,365	17%	808,918
2132 - TVET Supplies	155,000	170,200	0	0	170,200	10,240	6%	159,960
2135 - Stores	627,751	613,001	8,000	6,000	627,001	74,742	12%	552,259
2136 - Museum Artefacts	4,000	4,000	0	0	4,000	0	0%	4,000
2155 - House Rental	11,013,772	12,322,757	0	0	12,322,757	2,247,275	18%	10,075,482
2160 - Land Rental	8,459,829	7,474,572	0	0	7,474,572	850,907	11%	6,623,665
2165 - Office Rental	1,090,953	1,056,056	0	0	1,056,056	110,695	10%	945,361
2185 - R&M - Buildings	2,266,374	1,471,895	57,000	-32,850	1,496,045	316,677	21%	1,179,368
2190 - R&M - Office Equipment	212,783	234,425	0	696,421	930,846	718,167	77%	212,679
2191 - R&M Medical Equipment	43,600	100,000	0	0	100,000	77,889	78%	22,111
2195 - R&M - Office Premises	27,353	18,353	0	0	18,353	680	4%	17,673
2200 - R&M - Motor Vehicles	846,021	924,807	0	0	924,807	132,696	14%	792,111
2205 - R&M - Plant	2,936,456	1,634,293	0	0	1,634,293	5,711	0%	1,628,582
2210 - R&M - Aerodrome	60,000	60,000	5,000	0	65,000	0	0%	65,000
2225 - Agricultural Supplies	69,300	61,000	9,000	-9,000	61,000	4,954	8%	56,046
2230 - Publicity and Awareness	133,860	128,473	6,800	5,000	140,273	13,169	9%	127,104
2275 - Purchase of Petrol	720,647	853,216	2,600	2,000	857,816	100,535	12%	757,281
2280 - Purchase of Diesel	820,628	947,619	0	0	947,619	208,484	22%	739,135
2290 - Purchase of Fuel - Other	10,793	10,793	0	0	10,793	0	0%	10,793
2315 - Utilities	5,397,392	4,201,806	1,250,000	0	5,451,806	885,999	16%	4,565,807
2330 - Telephone / Internet	3,133,038	2,911,220	15,000	-10,000	2,916,220	869,833	30%	2,046,387
2350 - Freight	3,106,900	2,657,214	0	0	2,657,214	1,099,649	41%	1,557,565
2370 - Membership Fees & Subscription	719,277	1,135,771	0	10,000	1,145,771	46,273	4%	1,099,498
2372 - Nauru Radio Supplies	10,300	10,300	0	0	10,300	0	0%	10,300
2373 - Media TV Supplies	9,300	52,375	0	0	52,375	3,580	7%	48,795
2375 - ICT Supplies	52,146	52,146	0	-12,000	40,146	18,600	46%	21,546
2460 - Medical Expenses	85,695	83,849	0	0	83,849	4,940	6%	78,909
2461 - Primary Health Care Services	127,400	259,000	0	0	259,000	24,893	10%	234,107
2462 - NCD Control & Health Promotion	43,600	43,600	0	0	43,600	0	0%	43,600
2463 - Environmental Health and Food s	6,124	20,000	0	0	20,000	0	0%	20,000
2464 - Management Monitoring & Evalu	30,000	30,000	0	0	30,000	0	0%	30,000
2467 - Drugs and Medicines	1,100,000	1,100,000	0	0	1,100,000	109,955	10%	990,045
2468 - Dental Supplies	42,300	50,000	0	0	50,000	0	0%	50,000
2469 - Dialysis Supplies	350,000	350,000	0	0	350,000	0	0%	350,000
2471 - Medical Consumable	684,530	500,000	0	-200,000	300,000	68,466	23%	231,534
2472 - Laboratory supplies	300,000	352,000	0	0	352,000	244,802	70%	107,198
2473 - Radiology Supplies	6,200	25,000	0	0	25,000	3,571	14%	21,429
2474 - Clinical Education Supplies	20,000	20,000	0	0	20,000	0	0%	20,000
2475 - Overseas Medical Treatment	12,779,250	3,000,000	1,500,000	1,000,000	5,500,000	5,200,982	95%	299,018
2560 - Educational Expenses - Special	220,979	195,808	0	0	195,808	12,738	7%	183,070
2575 - Local Transport	2,545,606	2,163,293	0	-28,106	2,135,187	618,235	29%	1,516,952
2585 - Rations	4,224,187	2,278,832	0	-60,000	2,218,832	427,005	19%	1,791,827
2590 - Correctional Services Supplies	7,531	10,000	0	0	10,000	3,562	36%	6,438
2600 - Postage	32,956	18,021	0	0	18,021	736	4%	17,285
2605 - Library/Periodicals	92,250	5,000	0	0	5,000	0	0%	5,000
2610 - Survey Supplies	4,500	275,500	0	0	275,500	115	0%	275,385
2611 - Children Education Toys and Lear	710,044	857,150	0	0	857,150	46,224	5%	810,926
2614 - Grants to EBUs	1,481,378	2,659,438	0	0	2,659,438	561,485	21%	2,097,953
2620 - Lease & Charter Payments	63,676	56,438	0	0	56,438	7,405	13%	49,032
2625 - Family Court Expenses	3,300	4,800	0	0	4,800	600	13%	4,200
2630 - Safe House	92,061	196,660	0	0	196,660	13,837	7%	182,823
2681 - Prior Year Account Payable (GoN)	0	0	0	0	0	0	0%	0
2700 - Deportee Revomal	-20,000	20,000	0	0	20,000	0	0%	20,000
2705 - NEAT Scheme	298,639	300,000	0	0	300,000	0	0%	300,000
2998 - COVID 19 Taskforce	0	0	0	0	0	0	0%	0
2999 - Contingency fund	500,000	500,000	0	0	500,000	0	0%	500,000
<b>Total Government Operations</b>	<b>107,806,885</b>	<b>91,990,504</b>	<b>5,569,685</b>	<b>1,510,115</b>	<b>99,070,303</b>	<b>25,677,314</b>	<b>26%</b>	<b>73,392,989</b>

## EXPENDITURE BY DEPARTMENT

Table 22 shows actual expenditure for the year to date by department head. Most departments are on track, except for Ministerial, Judiciary, Presidency which is significantly ahead of budget. Huge spending also recorded by Infrastructure, Health, Finance Other, Disability and Sports again due to once off lumpy payments for various subhead accounts under these head of appropriations.

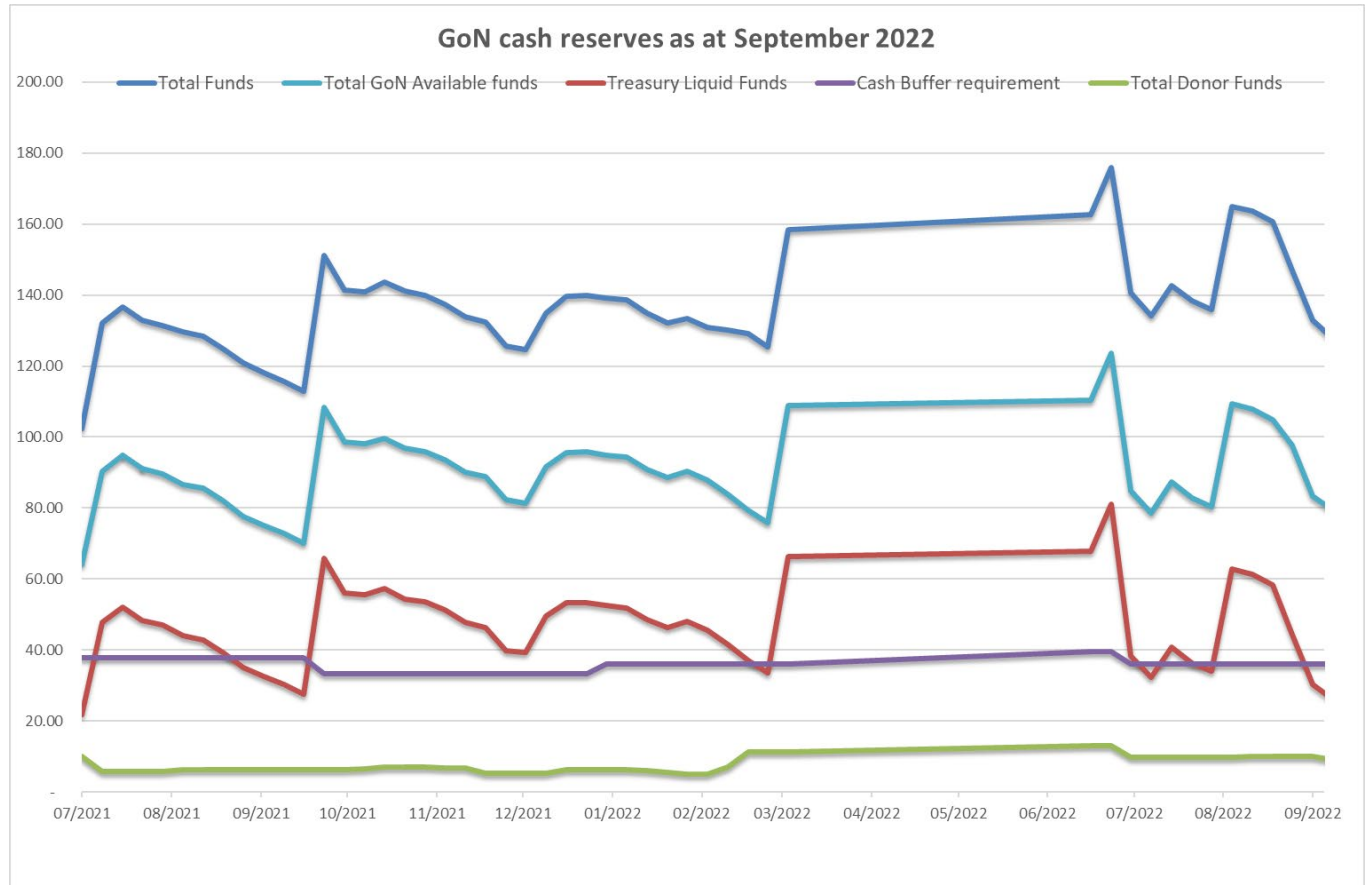
Table 22 Expenditure by Department Q1 2022-23

Description	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	Share of	2022-23
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	2022-23 Actual	Actual as % of Budget	total Expenditure	Remaining Budget
	\$	\$	\$	\$	\$	\$	%		\$
01 - Presidency and State House (includi	3,189,144	3,727,757	49,303	0	3,777,060	1,933,181	51%	2%	1,843,879
02 - Ministerial	36,502,052	14,805,943	144,497	0	14,950,440	10,948,364	73%	12%	4,002,076
03 - Chief Secretariat	18,001,965	20,135,093	126,147	0	20,261,240	4,344,699	21%	5%	15,916,541
05 - Audit	265,375	468,772	19,273	0	488,045	83,052	17%	0%	404,993
06 - Parliament	0	-0	0	0	-0	0	0%	0%	0
08 - National Emergency Services	1,876,167	2,082,189	150,514	0	2,232,703	504,528	23%	1%	1,728,175
09 - Electoral Commission	503,501	594,527	0	0	594,527	216,607	36%	0%	377,920
11 - Finance Secretariat	2,557,824	2,472,289	350,092	0	2,822,381	919,682	33%	1%	1,902,699
12 - Finance -Public Debt	0	18,982,665	0	0	18,982,665	4,405,920	23%	5%	14,576,745
13 - Bureau of Statistics	153,637	169,973	15,902	0	185,875	38,184	21%	0%	147,690
15 - Nauru Revenue Office	443,158	548,771	36,583	0	585,354	102,900	18%	0%	482,454
16 - Finance - Other Payments	96,940,040	70,624,076	11,202,435	0	81,826,511	34,665,206	42%	37%	47,161,305
17 - Nauru Customs Office (NCO)	1,108,974	911,756	44,017	0	955,773	183,051	19%	0%	772,722
18 - Nauru Regional Processing Centre (I	1,077,353	1,866,238	0	0	1,866,238	269,150	14%	0%	1,597,088
21 - CIE	898,392	1,239,042	237,567	0	1,476,609	362,133	25%	0%	1,114,475
22 - Climate Change	1,387,759	2,337,626	218,467	0	2,556,093	973,042	38%	1%	1,583,051
31 - Fisheries	3,432,537	2,843,106	376,770	0	3,219,876	546,233	17%	1%	2,673,643
41 - Police	5,990,360	5,030,328	386,862	0	5,417,190	1,876,935	35%	2%	3,540,255
42 - Dept of Multi Cultural Affairs	36,740,408	19,139,362	2,500,745	0	21,640,107	6,613,323	31%	7%	15,026,784
43 - Justice - Secretariat	3,498,880	4,082,967	72,698	0	4,155,665	1,389,262	33%	1%	2,766,403
44 - Judiciary	2,102,722	1,924,531	28,095	0	1,952,626	1,302,812	67%	1%	649,814
45 - Border Control	707,516	764,133	54,357	0	818,490	163,821	20%	0%	654,669
46 - Correctional Services	965,342	1,116,862	97,169	0	1,214,031	369,656	30%	0%	844,375
50 - Directorate of TVET	644,381	844,686	40,650	0	885,336	150,798	17%	0%	734,537
51 - Education	12,549,374	12,872,319	432,332	0	13,304,651	2,347,666	18%	2%	10,956,985
52 - Youth Affairs	201,597	332,393	16,948	0	349,341	136,389	39%	0%	212,952
60 - COVID-19 task force	10,085,399	11,312,440	0	0	11,312,440	1,491,754	13%	2%	9,820,686
61 - Health	26,426,231	18,102,101	3,554,634	0	21,656,735	9,716,228	45%	10%	11,940,507
62 - Sports	2,079,638	1,633,958	80,733	0	1,714,691	685,960	40%	1%	1,028,730
63 - Department of Infrastructure Devel	4,340,633	3,975,732	98,987	0	4,074,719	1,925,311	47%	2%	2,149,408
71 - Foreign Affairs - Secretariat	1,273,783	1,712,441	136,240	0	1,848,681	528,720	29%	1%	1,319,961
72 - Foreign Affairs - Brisbane	504,188	916,858	0	0	916,858	0	0%	0%	916,858
73 - Foreign Affairs - Suva	270,077	707,200	0	0	707,200	0	0%	0%	707,200
74 - Foreign Affairs - New York	1,564,317	2,357,590	0	0	2,357,590	373,765	16%	0%	1,983,824
75 - Foreign Affairs - Taiwan	509,174	602,432	0	0	602,432	141,034	23%	0%	461,398
76 - Foreign Affairs- Geneva	368,663	616,183	0	0	616,183	0	0%	0%	616,183
77 - High Commission India	205,102	1,295,526	0	0	1,295,526	150,569	12%	0%	1,144,957
78 - High Commission Canberra	276,673	971,354	910,000	0	1,881,354	179	0%	0%	1,881,175
81 - Home Affairs	4,223,185	4,142,958	62,531	0	4,205,489	1,298,604	31%	1%	2,906,885
82 - Women's Affairs	1,077,038	1,375,476	41,491	0	1,416,967	149,788	11%	0%	1,267,179
83 - Media Bureau	700,120	829,229	62,682	0	891,911	222,519	25%	0%	669,392
84 - Lands & Survey	5,483,093	6,003,609	30,447	0	6,034,056	440,481	7%	0%	5,593,575
85 - Lands Committee	401,669	322,164	29,918	0	352,082	92,018	26%	0%	260,064
86 - Department of Land Management	172,952	105,376	30,832	0	136,208	70,640	52%	0%	65,568
87 - Disability Department	164,087	485,147	10,498	0	495,645	195,802	40%	0%	299,843
91 - Department of Transport	2,538,014	2,777,032	338,966	0	3,115,998	794,339	25%	1%	2,321,659
95 - ICT	2,735,753	2,492,757	68,932	0	2,561,689	855,638	33%	1%	1,706,051
97 - Telecom	60,364	125,000	6,990	0	131,990	13,968	11%	0%	118,022
<b>Total Expenditure</b>	<b>297,198,609</b>	<b>252,779,965</b>	<b>22,065,304</b>	<b>0</b>	<b>274,845,269</b>	<b>93,993,914</b>	<b>34%</b>	<b>100%</b>	<b>180,851,355</b>

## CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 4). At the end of the quarter, total funds were \$121.4 million. The cash buffer requirement of two months of adjusted expenditure was \$39.7 million. \$40.1 million were held in the Buffer bank accounts as of 26 September.

Figure 4 GoN Cash reserves Q1 2022-23



Total Funds includes all accounts available to Government, including donor and project funds.

Total GoN Available Funds includes all Treasury bank accounts, cash reserves, term deposits, and overseas mission Imprest accounts. 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 Government has full discretion over use and can draw down at any time for day- day operations. It purely includes Treasury main operating account, mission bank accounts and NRO cash reserves and excludes term deposits, special purpose funds and of course Donor funds.