



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 1 2023-24

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 1 2023-24

INTRODUCTION

This is the performance report for the first quarter of the 2023-24 Budget year for the Republic of Nauru. It includes data on revenue and expenditure recorded by the Treasury from July 1 2023 to September 30 2023. It is based on all available information to Treasury as at 01 October 2023.

- In aggregate, actual year to date performance is within expected margins, with 24% of total expected annual revenue collected, and 26% 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.

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 2023.

IMF Advice (WEO April 2023)				
Item	2020-21	2021-22	2022-23	2023-24
Real GDP Growth (per cent change)	2.750	2.957	1.019	1.983
Nominal GDP (\$A million)	195	208	223	231
Consumer prices (period average, per cent change)	3.176	2.570	5.466	3.518

Real GDP growth for 2021 surpassed initial estimations, reaching 2.750% compared to the projected 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. This growth was primarily 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 2023-24 is \$231 million which is an increase from \$208 million as of fiscal year 2021-22.

Supplementary Appropriations

There was no supplementary passed during the quarter.

2022-23 FINAL BUDGET OUTCOME

The final budget outcome for 2022-23 resulted in a surplus of \$8.3 million, equivalent to 13 per cent of Nauru's GDP. This surplus is significantly lower than the surplus of \$21.9m recorded in the previous fiscal year 2021-22.

The lower surplus can be attributable to the delay in receiving certain revenue measures by June 30, such as the Republic of China Taiwan grant (\$5.2m), Fisheries revenue (\$4.1m). There was also a delay in receiving the USD5m ADB Policy grant due to non-fulfilment of specific social outcomes linked to the grant. There was a decision to delay the drawdown of \$10.4m of hosting fee from the Commercial Account with the view that this be shifted to the new financial year, 2023-24 to align with substantial commitments that are expected for this financial year.

The Ministry of Finance has continued efforts made in the previous financial years to improve budget setting quality and credibility through conservative approach in setting revenue and expenditure estimates, improved revenue collection measures, better sequencing of spending against revenue collection and good cash flow management.

In total, actual revenue collected in 2022-23 amounted to \$287.2 million, comprising of 93% of the budget. The near full outturn of revenue reflects improved collections from all revenue sources except Grants, Financing and Dividends due to the delay in draw down of the second tranche EXIM Aircraft Replacement loan as well as the delay in the first tranche budget support from Taiwan and ADB as indicated above. The under collection in Fisheries were recovered in July while collections from Custom fell short of target (\$2.9 million variance) due to the lower cargo volumes to Nauru and this shortfall is not expected to be recovered.

Actual expenditure totalled \$278.8 million, equivalent to 91% of the final expenditure budget of \$306.3 million. The slightly lower-than-expected expenditure can be attributed to slow spending in salaries due to vacancies and delay in transferring of the second tranche fund to Nauru Airlines from the EXIM Aircraft loan facility.

The \$8.3 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 positive fiscal balance to GDP ratio was not met due to timing differences between revenue collections and expenditure disbursement. Quarter 1 is usually a dry period for collections, with 70-80% of Fisheries revenue not expected until mid-year. However, this deficit position is expected to improve in subsequent quarters as more revenue collections are made in line with expenditure.

The deficit situation has significantly improved when compared to the first quarter of 2022-23. During that period, the government recorded a deficit of \$32.7m due to several large, one-time disbursements. These include RONWAN capital redistribution (typically processed in the second quarter), the back payment of salaries for civil servants, and the settlement of the remaining tranche 1 loan funds for Nauru Airlines.

The Personnel cost ratio is within the benchmark of 30%.

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

Table 1: Fiscal responsibility ratio performance Q1 2023-24

Measure	Target	2021-22 Actual	2022-23	2022-23	2022-23 YTD Actual
			Approved Budget	Revised Budget	
Fiscal balance to GDP	not negative as % of GDP	4%	0.10%	0.10%	-2%
Personnel cost ratio	Personnel cost to current expenditure <30%	18.6%	19%	20%	17%

The IMF recommends that Nauru maintain a cash buffer of two-months current Government expenditure to manage liquidity risks. The current cash buffer accounts hold more than the required minimum level. More detail on cash balances is shown in Figure 4.

Table 2: GON Liquidity and fiscal cash buffer Q1 2023-24

	TOTAL FUNDS (\$)		
	Requirement (\$)	As at 1 July 2023	As at 25 Sep 2023
Cash Buffer at 1 July 2023	35,460,459	152,192,216	
Cash Buffer 30 Sep 2023	35,460,459		153,519,821
<i>of which held in cash buffer accounts</i>		46,923,136	46,955,473

BUDGET AGGREGATES

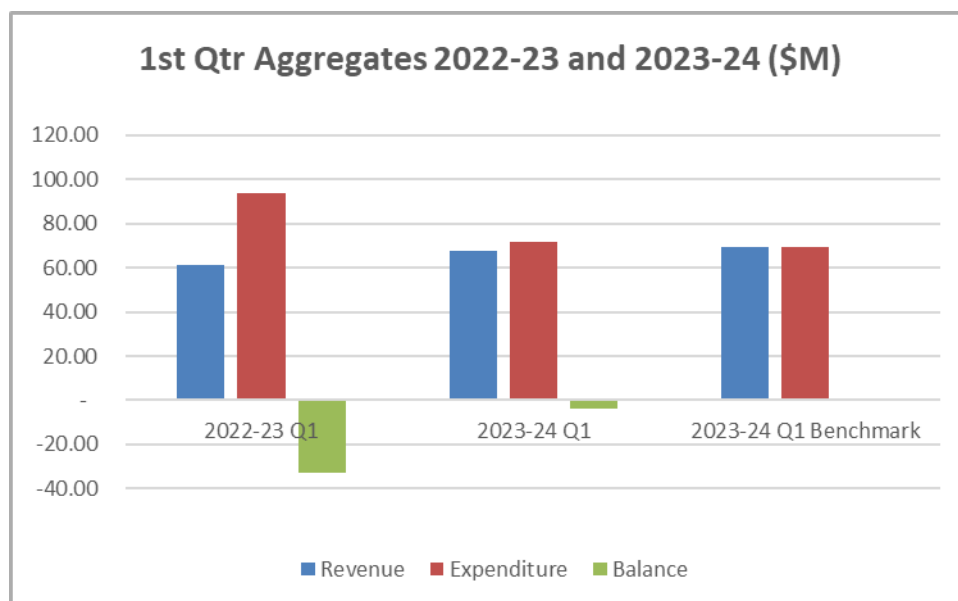
The budget aggregates for the first quarter as shown in Table 3 and Figure 1 indicate performance mainly in line with expectations. Revenue collections of \$67.7m are slightly lower than the quarter benchmark of \$69.7m (1% variance), while expenditure amounted to \$71.7m, slightly above the quarter benchmark of \$69.6m (1% variance).

The deficit of \$4.1m is attributed to the timing of record for the quarter. This outcome is expected due to the timing of settlement of lump sum commitments during the quarter such as Nauru Community Housing advance disbursements to contractors and settlement of the first instalment of this year's Nauru Trust Fund contributions.

Table 3 Aggregate results Q1 2023-24

Description	2022-23 Preliminary Actual	2023-24 Approved Budget	2023-24 Revised Budget	2023-24 Actual	% collections	2023-24 Remaining Budget
	\$	\$	\$	\$		\$
Revenue	287,148,494	278,637,509	278,637,509	67,609,208	24%	211,028,301
Expenditure	278,814,126	278,422,918	278,422,918	71,730,345	26%	206,692,573
Balance	8,334,368	214,591	214,591	- 4,121,137	-	- 4,335,729

Figure 1 Budget aggregate results for the first quarter 2022-23 and 2023-24 (\$ million)



OPERATING REVENUE ANALYSIS

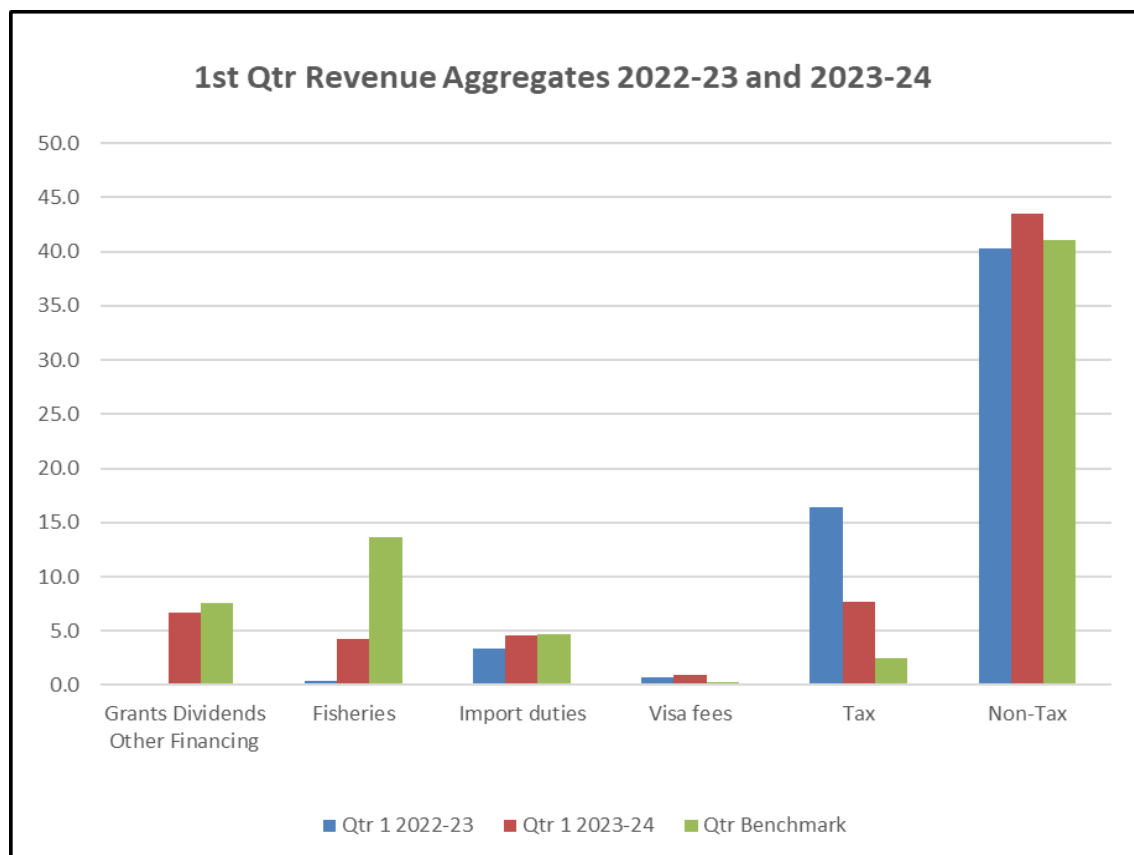
Actual revenues for the quarter are summarised in Table 4. Revenues are highly seasonal, with majority of the Fishing revenue anticipated in the second quarter. Revenue collections include Non-Tax revenue with the majority coming from RPC lines, specifically two months of Enduring capability funds and undrawn hosting and alternative pathway program funds from the previous year.

Table 4: Revenue breakdown Q1 2023-24

Revenue Description	2022-23 Preliminary Actual \$	2023-24 Approved Budget \$	2023-24 Revised Budget \$	2023-24 YTD Actual \$	Share of total revenue %	2023-24 Actual as % of Budget %	2023-24 Remaining Budget \$
Grants Dividends Other Financing	32,044,697	30,096,359	30,096,359	6,675,109	10%	22%	23,421,250
Fisheries	52,507,773	54,530,000	54,530,000	4,208,441	6%	8%	50,321,559
Import duties	16,410,113	18,804,412	18,804,412	4,623,617	7%	25%	14,180,795
Visa fees	5,079,955	1,228,503	1,228,503	911,188	1%	74%	317,315
Tax	52,420,174	9,850,000	9,850,000	7,724,916	11%	78%	2,125,084
Non-Tax	128,685,781	164,128,235	164,128,235	43,465,937	64%	26%	120,662,298
Total Revenue	287,148,494	278,637,509	278,637,509	67,609,208	100%	24%	211,028,301

Overall revenue collections in the first quarter of 2023-24 were slightly higher compared to the same period in 2022-23, with a variance of \$6.3 million. This increase is mainly due to the receipt of pending revenue collections from FY22-23 in July, related to Fisheries revenue and Taiwan Grants, \$4.1m and \$5.2m respectively.

Figure 2 Revenue collections for Q1 2022-23 and 2023-24



The RPC remains the primary source of economic activity and revenue for the government, accounting for 61% of the total original and revised revenue budget for the first quarter of 2023-24.

Moreover, RPC revenue represents 74% of the total revenue collections year to date. The RPC revenue estimates for the 2023-24 fiscal year include \$133m in Enduring capability fund. The payment arrangement has been finalized with Australia, which provides \$11.08m to be paid to the Government of Nauru Treasury account at each month end in arrears. In the year to date, two months' worth of Enduring capability funds (July and August) have been collected, while the balance (10 months) to be collected as and when due. The 10 months equivalent of hosting fees is part of the \$118.6m remaining balance as per Table 5 below.

Table 5: RPC Related Revenues Q1 2023-24

Revenue Description	2022-23	2023-24	2023-24	2022-23	2023-24
	Preliminary Actual	Approved Budget	Revised Budget	YTD Actual as % of Budget	YTD Actual as % of Budget
	\$	\$	\$	%	%
1335 - Visa Fees - RPC	3,150	0	0	0%	0%
1580 - Visa Fees - RPC Resettlement	2,578,000	0	0	0%	-368,000
1475 - Miscellaneous Revenue	1,294,483	0	0	0%	0
1495 - Service Fees	20,002,281	20,002,004	20,002,004	17%	16,668,060
1577 - DJBC - Operations	4,224,842	4,400,000	4,400,000	18%	3,626,478
1578 - DJBC - Reimbursable Costs	13,412,453	63,700,000	63,700,000	30%	44,565,237
1598 - Hosting Fee	84,533,328	71,899,996	71,899,996	27%	52,833,330
1590 - Employment Services Tax	12,836,803	2,300,000	2,300,000	112%	-279,529
1591 - Business Profit Tax	36,820,032	6,300,000	6,300,000	75%	1,573,136
1015 - Income from Investments & Dividends-Oth	20,341,443	0	0	0%	0
Total RPC related revenue	196,046,815	168,602,000	168,602,000	30%	118,618,712
Share of total revenue	68%	61%	61%	74%	56%

FISHING REVENUES

Revenue collections from fishing are highly seasonal, and a significant portion is expected to be collected in December (Table 6). This is because agreements need to be finalized before the start of the 2024 fishing period. The fishing period runs from January-December and most fishing contracts require 100% advance payment for the contracted days of purse seine fishing.

The \$4.1 million collected during the quarter represents outstanding licensing fees from the previous financial year that were only received in the account in the first week of July.

Table 6: Fishing revenues Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	Revised Budget	YTD Actual as % of Budget	YTD Actual as % of Budget
	\$	\$	\$	%	%
1055 - Support Vessel Charges	246,909	230,000	230,000	-	0%
1071 - Purse Seine Revenue - Licensing	2,623,409	1,300,000	1,300,000	-	0%
1072 - Purse Seine Revenue - Fishing Days	49,637,455	53,000,000	53,000,000	4,208,441	8%
Total Fisheries Revenue	52,507,773	54,530,000	54,530,000	4,208,441	8%

TAXATION REVENUE

Taxation revenues collections in the first quarter exceeded the budget expectations by a large margin (Table 7). This is due to the ongoing tax collections from the RPC services on the island. Initially, it was anticipated that taxation revenue would decrease as the RPC service transitioned to a Contingent state from July 1. As a result, the estimated revenue was reduced to \$9.9m from \$50.6m in 2022-23. Although the taxation revenue collections for the quarter have decreased compared to the first quarter of the previous year, they have not reached the level expected during the budget. The total

collection for the quarter is \$7.7m, which is 78% of the total annual budget. This exceeds the quarter benchmark of \$2.5m. Assuming this trend of collections continue through to the next quarter, the collections by the end of December are expected to be higher than the annual estimates but we will know more by then.

Table 7: Taxation revenue Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24		2023-24
	Preliminary Actual	Approved Budget	Revised Budget	YTD Actual	YTD Actual as % of Budget	Actual as % of Budget
	\$	\$	\$	\$	%	\$
1190 - Telecom Tax	2,763,340	1,250,000	1,250,000	418,522	33%	831,478
1590 - Employment Services Tax	12,836,803	2,300,000	2,300,000	2,579,529	112%	-279,529
1591 - Business Profit Tax	36,820,032	6,300,000	6,300,000	4,726,864	75%	1,573,136
Total Tax	52,420,174	9,850,000	9,850,000	7,724,916	78%	2,125,084

CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections have matched the benchmark level for the quarter (Table 8). There have been better-than-expected collections recorded in machinery/vehicle/equipment, alcohol and other, more than offset lower collections for Diesel, Petrol and Sugar. Compared to first quarter of the previous financial year, this quarter's collections have improved and totalled \$3.9m which is 18% of the budget. Custom collections for FY2022-23 were lower overall due to low cargo volumes in both cargo and sea. The government expects strong customs collections this year, especially with introduction of new administration and excise fees, as well as commissioning of the new Asycuda, which is expected to help reduce revenue leakage.

Table 8 Customs and other Import duties Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24		2023-24
	Preliminary Actual	Approved Budget	Revised Budget	YTD Actual	YTD Actual as % of Budget	Actual as % of Budget
	\$	\$	\$	\$	%	\$
1140 - Customs and Excise Duty - Tobacco	6,526,761	6,403,605	6,403,605	1,501,784	23%	4,901,821
1145 - Customs and Excise Duty - Alcohol	1,226,723	1,241,540	1,241,540	405,961	33%	835,579
1150 - Customs and Excise Duty - Sugar	852,996	1,565,944	1,565,944	290,564	19%	1,275,380
1155 - Customs and Excise - Machinery/Vehicle/Equip	1,182,429	1,588,010	1,588,010	591,404	37%	996,606
1160 - Customs and Excise Duty - Other	2,996,683	3,897,894	3,897,894	1,164,112	30%	2,733,782
1165 - Customs and Excise Duty - Petrol Sales	1,990,239	2,427,265	2,427,265	406,692	17%	2,020,573
1170 - Customs and Excise Duty - Diesel Sales	1,634,282	1,680,154	1,680,154	263,100	16%	1,417,054
Total Customs and Excise Duty	16,410,113	18,804,412	18,804,412	4,623,617	25%	14,180,795

VISA FEES

Revenue from visa fees has exceeded expectations, with strong collections in all categories. Visa fees related to RPC were not included in the original budget because it was anticipated that all refugees would depart, aligning with the planned move to RPC contingent state. The amount of \$0.4m received for Visa Fees RPC resettlement in July relates to visa fees received from Australia for the month of May and June.

Visa fees (other business) include fees collected from employees of businesses on the island where the business owner, or partner are not Nauruans. In the past Business visa fees are paid by foreigners working in all Businesses establishment but the recent review of the Immigration fees to exclude Nauruan owned business will have a direct impact on visa collections. As a result, the visa fees estimate in this year's budget has been adjusted to reflect the changes.

Table 9 Visa fees Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24		2023-24
	Preliminary Actual	Approved Budget	Revised Budget	2023-24 YTD Actual	YTD Actual as % of Budget	Actual as % of Budget
	\$	\$	\$	\$	%	\$
1330 - Visa Check up	10,034	10,068	10,068	1,778	0%	8,290
1335 - Visa Fees - RPC	3,150	-	-	-	0%	0
1575 - Visa Fees (Other Business)	2,488,771	1,218,435	1,218,435	541,410	44%	677,025
1580 - Visa Fees - RPC Resettlement	2,578,000	-	-	368,000	0%	-368,000
Total Visa Fees	5,079,955	1,228,503	1,228,503	911,188	74%	317,315

OTHER REVENUE – DIVIDENDS AND GRANTS

Income from dividends and investments during the quarter totalled \$6.7m which is 22% of the overall budget. This amount represents the first tranche grant fund from the Republic of China Taiwan that was originally part of the 2022-23 (\$5.2m). However, due to unexpected delays, the amount was only received in July. The balance in the general budget account of \$1.5m, represents funding from the Kingdom of Saudi Arabia to support Nauru in the hosting of the 2024 South Pacific Islands pageant.

The search is still underway for a second aircraft to be purchased using the remaining loan facility of USD 11.4m (AUD \$16.2M) under the Nauru Airline Aircraft Replacement program.

Table 10 Dividends and Grants Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24		2023-24
	Preliminary Actual	Approved Budget	Revised Budget	2023-24 YTD Actual	YTD Actual as % of Budget	Actual as % of Budget
	\$	\$	\$	\$	%	\$
1015 - Income from Investments & Dividends-Of	20,341,443	-	-	-	0%	0
1660 - General Budget Support	8,621,929	13,888,908	13,888,908	6,675,109	48%	7,213,799
1902 - EXIM NAC Loan Proceeds	3,081,325	16,207,451	16,207,451	-	0%	16,207,451
Total Dividends , Grants and Other	32,044,697	30,096,359	30,096,359	6,675,109	22%	23,421,250

NON-TAX REVENUE

Non-tax revenue collections for the year to date have exceeded the quarter benchmark by 1% (Table 11). This includes two months of Enduring Capability proceeds (\$22m), receipt of undrawn 2022-23 hosting and Alternative pathway program funds from the off-budget Commercial Account¹ (\$17.5m) and visa and reimbursables collected in July for the months of May and June (\$3m).

This current year`s budget includes Enduring capability fees amounting to \$133m and an arrangement has been reached with Australia regarding the payment of the fees to Nauru. As per the agreed arrangement, these fees will be paid monthly in arrears upon the receipt of an invoice from the Government through the Department of Multicultural Affairs.

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

Table 11 Non-tax revenues Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24		2023-24
	Preliminary Actual \$	Approved Budget \$	Revised Budget \$	YTD Actual \$	Actual \$	YTD Actual as % of Budget %
1121 - Curator fees	34,653	-	-	-	19,890	0%
1215 - Licenses-Drivers etc	161,417	100,000	100,000	30,636		31%
1220 - Corporation Fees and Licenses	467,451	490,524	490,524	119,950		24%
1225 - Licenses-Trading	409,605	393,168	393,168	92,450		24%
1230 - Liquor Licensing Board	14,508	13,644	13,644	11,800		86%
1235 - Gaming / Bingo Licenses	42,860	50,000	50,000	47,753		96%
1240 - Licenses-Dogs etc	-	5,000	5,000	-		0%
1245 - Drones Licenses	300	1,001	1,001	400		40%
1260 - Birth Certificate	33,620	23,433	23,433	8,309		35%
1265 - Death Certificate	1,050	780	780	550		71%
1270 - Marriage Certificate	4,490	2,670	2,670	960		36%
1300 - Registration Fees-Motor Cars	121,524	125,112	125,112	30,519		24%
1305 - Registration Fees-Motorcycles	51,692	54,072	54,072	3,540		7%
1310 - Vehicle/Insurance Fees	540,309	558,576	558,576	72,560		13%
1325 - Passport Fees and Photographs	204,628	186,084	186,084	29,010		16%
1340 - Police Clearance	28,815	25,020	25,020	8,065		32%
1360 - D.C.A.-Pax Levy	474,925	379,656	379,656	147,425		39%
1365 - D.C.A.-Departure Taxes	390,850	330,864	330,864	98,000		30%
1370 - D.C.A.-Air Navigation Fees	307,425	147,816	147,816	85,354		58%
1375 - D.C.A.-Landing Fees	578,605	440,988	440,988	58,243		13%
1380 - D.C.A.-Rental Fees	167,137	137,772	137,772	29,775		22%
1475 - Miscellaneous Revenue	1,294,483	203,728	203,728	217,035		107%
1480 - Bus Services	4,345	4,184	4,184	900		22%
1485 - Quarantine Fees	151,779	144,840	144,840	54,819		38%
1490 - Court Fines and Fees	51,532	43,944	43,944	7,821		18%
1495 - Service Fees	20,002,281	20,002,004	20,002,004	3,333,944		17%
1500 - Sale of Maps	15,725	15,840	15,840	2,270		14%
1501 - Sale of Livestock	1,700	1,860	1,860	-		0%
1520 - Food Handler Check up	6,858	6,948	6,948	3,130		45%
1540 - Advertising Revenue	4,623	3,456	3,456	3,603		104%
1555 - Spectacles,Drugs etc	1,820	1,980	1,980	-		0%
1565 - Medical Services	2,055	3,739	3,739	1,510		40%
1577 - DJBC - Operations	4,224,842	4,400,000	4,400,000	773,522		18%
1578 - DJBC - Reimbursable Costs	13,412,453	63,700,000	63,700,000	19,134,763		30%
1596 - Traffic Infringements	133,322	134,844	134,844	7,875		6%
1597 - TVET Course Fees	11,311	11,412	11,412	2,670		23%
1598 - Hosting Fee	84,533,328	71,899,996	71,899,996	19,066,666		27%
1700 - National/District Roll Sales	29,910	5,520	5,520	-		0%
1705 - Electoral Various Fees	767,550	77,760	77,760	-		0%
Total Non Tax	128,685,781	164,128,235	164,128,235	43,465,937		26%

REVENUE BY DEPARTMENT

Table 12 shows revenue categorised by department for the year to date. The use of the funding is not restricted to these heads, but is reflective of the revenue classification method used in the FMIS, in accordance with each department's administrative functions related to revenue. All revenue collections are managed by the Nauru Revenue Office.

Table 12 Revenue by Department Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	2023-24 Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$		\$	%		\$
03 - Chief Secretary Office	56,703	40,527	-	-	40,527	22,149	55%	18,378
09 - Electoral Commission	795,660	84,280	-	-	84,280	-	0%	84,280
11 - Finance Secretariat	-	-	-	-	-	-	0%	-
12 - Finance -Public Debt	3,081,325	16,207,451	-	-	16,207,451	-	0%	16,207,451
15 - Nauru Revenue Office	52,624,511	10,000,000	-	-	10,000,000	7,763,662	78%	2,236,338
16 - Finance - Other Payments	8,820,721	13,888,908	-	-	13,888,908	6,807,648	49%	7,081,260
17 - Nauru Customs Office (NCO)	16,413,453	18,805,413	-	-	18,805,413	4,624,017	25%	14,181,396
21 - Environment Management & Agriculture (E	-	-	-	-	-	-	0%	-
31 - Fisheries	52,912,789	54,530,000	-	-	54,530,000	4,246,936	8%	50,283,064
41 - Police	165,187	162,564	-	-	162,564	17,320	11%	145,244
42 - Multi Cultural Affairs	145,402,067	160,000,000	-	-	160,000,000	42,676,285	27%	117,323,715
43 - Justice - Secretariat	955,595	888,692	-	-	888,692	201,060	23%	687,632
44 - Judiciary	51,532	43,944	-	-	43,944	7,821	18%	36,123
45 - Border Control	2,846,228	1,549,359	-	-	1,549,359	625,239	40%	924,120
46 - Correctional Services	1,700	1,860	-	-	1,860	-	0%	1,860
50 - TVET	12,077	11,412	-	-	11,412	2,870	25%	8,542
51 - Education	4,200	-	-	-	-	-	0%	-
60 - COVID-19 task force	40	-	-	-	-	-	0%	-
61 - Health	98,829	104,923	-	-	104,923	8,738	8%	96,185
62 - Sports	-	-	-	-	-	-	0%	-
81 - Internal Affairs	-	-	-	-	-	44,827	0%	44,827
83 - Media Bureau	4,623	3,456	-	-	3,456	3,603	104%	147
84 - Lands & Survey	15,725	15,840	-	-	15,840	2,270	14%	13,570
85 - Lands Committee	2,280	2,000	-	-	2,000	610	31%	1,390
91 - Transport	2,873,156	2,287,340	-	-	2,287,340	549,726	24%	1,737,614
95 - ICT	10,093	9,540	-	-	9,540	4,428	46%	5,113
Total Revenue	287,148,494	278,637,509	-	-	278,637,509	67,609,208	24%	211,028,301

OPERATING EXPENDITURE ANALYSIS

Total expenditure up until the end of the first quarter is detailed in Table 13. During this period, there were five (5) Inter-subhead transfers totalling approximately \$2.2m to reallocate funds between subheads, which accounts for 1% of the total revised budget. Out of the total ISHT, \$2m (or 91%) was reallocated from the Fiscal Cash Buffer to advance the Alternative Pathway Program under the Department of Multicultural Affairs. This allocation included the training and capacity building for redundant RPC workers.

Table 13 Expenditure by Group Q1 2023-24

Description	2022-23	2023-24	2023-24		2023-24	2023-24	2023-24	2023-24
	Preliminary	Approved	2023-24	2023-24	Revised	2023-24	Actual as %	Remaining
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	of Budget	Budget
	\$	\$	\$	\$	\$	\$	%	\$
Personnel	51,849,321	53,438,121	0	2,000,000	55,438,121	12,538,802	23%	42,899,320
Govt Travel	13,089,545	9,207,833	0	150,000	9,357,833	4,362,338	47%	4,995,495
Subsidies & Donations	38,893,417	40,853,077	0	0	40,853,077	7,742,864	19%	33,110,212
Govt Operations	102,362,032	89,214,256	0	-203,000	89,011,256	20,241,539	23%	68,769,717
Capital Expenditure	14,550,783	13,240,833	0	53,000	13,293,833	6,045,196	45%	7,248,638
Social Benefits	26,098,102	24,329,407	0	0	24,329,407	10,433,899	43%	13,895,508
Other	592,227	777,948	0	0	777,948	91,110	12%	686,838
Transfer (Non Expense)	31,375,520	47,361,442	0	-2,000,000	45,361,442	10,274,597	23%	35,086,845
Total Expenditure	278,810,946	278,422,918	0	0	278,422,918	71,730,345	26%	206,692,573

Figure 3 compares the first quarter's expenditure to the same period in the previous year, 2022-23. Overall, this year's total expenditure is \$22.3m lower compared to the previous year. Almost all expenditure lines were higher in the first quarter of last year 2022-23 compared to the first quarter of this year, except for Government Travel and Capital Expenditure. The higher expenditures in the previous financial year were mainly due to back payment for civil servants' salary increment, final tranche payment to Nauru Airline Corporation and RONWAN capital distribution which are typically paid December.

Figure 3 Expenditure Utilization, for Q1 2021-22 and 2022-23

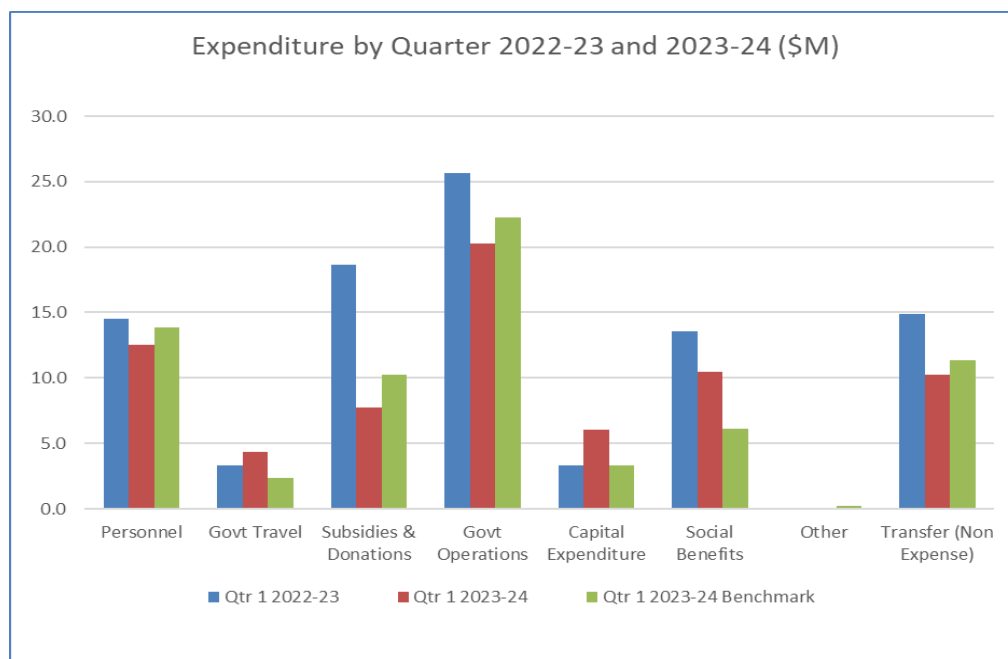


Table 14 Personnel Expenditure Q1 2023-24

PERSONNEL COSTS

Table 14 provided an overview of personnel expenditure for the first quarter of 2023-24, which was within the benchmark. An additional \$2m was allocated to the Training subhead via Inter-Subhead transfers to fund the training and capacity building of redundant RPC workers in collaboration with Fiji National University. The utilisation of GoN contributions is higher due to a one-time payment of \$1.22m to Superlife for the Parliamentarian pension benefit scheme. The first payment was initiated in the previous financial year, 2022-23 and will be repeated for the next 3 financial years.

Table 14 Personnel Expenditure Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget	
	\$	\$	\$	\$	\$	\$	%	\$	\$
2005 - Salaries & Allowances - (MP's)	1,078,492	1,185,858	0	0	1,185,858	257,444	22%	928,415	
2010 - HE Salary & Allowances	110,327	115,537	0	0	115,537	25,393	22%	90,144	
2015 - Salary - Local	31,671,299	34,046,124	0	0	34,046,124	7,021,450	21%	27,024,674	
2020 - Salary Expatriate	8,679,423	9,446,013	0	0	9,446,013	1,976,802	21%	7,469,211	
2025 - Allowances - Staff Contract	1,089,113	1,448,914	0	0	1,448,914	390,137	27%	1,058,777	
2026 - Directors Fees	16,750	98,900	0	0	98,900	2,750	3%	96,150	
2031 - Staff Contract - Ministerial	628,194	700,916	0	0	700,916	111,833	16%	589,083	
2035 - Overtime - local	1,517,984	1,012,691	0	0	1,012,691	440,024	43%	572,667	
2040 - Staff Training	1,241,878	2,144,219	0	2,000,000	4,144,219	701,159	17%	3,443,059	
2041 - Prep & Orientation of Seasonal Workers	9,168	10,000	0	0	10,000	2,550	26%	7,450	
2045 - Recruitment	32,320	35,000	0	0	35,000	7,216	21%	27,784	
2050 - Uniforms & Protective Clothing	378,947	504,736	0	0	504,736	43,371	9%	461,365	
2072 - Meals and Drinks - Staff	298,905	89,214	0	0	89,214	40,085	45%	49,129	
2423 - Ex Gratia Nauru Public Service	2,409,448	0	0	0	0	0	0%	0	
2651 - GON Contributions	2,687,071	2,600,000	0	0	2,600,000	1,518,589	58%	1,081,411	
Total Personnel	51,849,321	53,438,121	0	2,000,000	55,438,121	12,538,802	23%	42,899,320	

GOVERNMENT TRAVEL

Expenditure on travel has nearly doubled the quarter benchmark (Table 15), with a utilization rate of 47% for the year to date. This higher utilization reflects significant travel costs for Presidency and Ministerial purposes. It is important to note that this increased spending is not sustainable and efforts should be made to align future travel costs with the budget.

Table 15 Government Travel Expenditure Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	Supp Bills	ISHT	Revised Budget	YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	1,121,084	990,320	0	0	990,320	126,125	13%	864,195
2075 - Travel - Business	11,968,461	8,217,513	0	150,000	8,367,513	4,236,213	51%	4,131,300
Total Government Travel	13,089,545	9,207,833	0	150,000	9,357,833	4,362,338	47%	4,995,495

SUBSIDIES & DONATIONS

Except for Donations-local, expenditure on Subsidies & Donations group remained within the benchmark (Table 16). Key payments made during the quarter include CSO payments to three State Owned Entities (SoEs) namely, NAC, NMPA and NUC under subhead 2616, tug boat hire for safe loading and unloading of vessels (2616) and grants to SoEs for their operations under subhead 2619. This year, the 2619 allocation has been increased to include grants to Eigigu Solutions Corporation (ESC) to fulfil its mandate under the RPC MoU with Australia. In the past, ESC grants were an off-budget expenditure directly paid from the Commercial Services account. Transfers to local sporting federations are also included, refer to subhead 2617.

Table 16 Subsidies & Donations Expenditure Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary	Approved	2023-24	2023-24	Revised	2023-24	Actual as %	Remaining
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	of Budget	Budget
	\$	\$	\$	\$	\$	\$	%	\$
2376 - Equity Purchases	6,405,920	16,207,451	0	0	16,207,451	0	0%	16,207,451
2616 - Subsidies to SoEs	15,161,790	9,785,385	0	0	9,785,385	3,112,204	32%	6,673,181
2617 - Donations - local	15,899,985	1,141,716	0	0	1,141,716	285,077	25%	856,639
2618 - Donations - overseas	1,860	107,063	0	0	107,063	0	0%	107,063
2619 - Grants to SoEs	1,423,861	12,031,462	0	0	12,031,462	4,280,674	36%	7,750,788
2621 - Grants to Sports Federations	0	1,580,000	0	0	1,580,000	64,909	4%	1,515,091
Total Subsidies & Donations	38,893,417	40,853,077	0	0	40,853,077	7,742,864	19%	33,110,212

CAPITAL EXPENDITURE

Capital expenditure utilization is well above the quarter benchmark as shown in Table 17, which is not surprising. As has been the case in the past, the Department of Health has made substantial purchase of medical equipment to maintain delivery of national health services. Additionally, spending on building and structure is well above the quarter benchmark, reflecting the full utilization of the \$3m funding allocated for the Higher Ground Initiative during the quarter. However, spending on public works remains within the quarter benchmark.

Table 17 Capital Expenditure Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary	Approved	2023-24	2023-24	Revised	2023-24	Actual as %	Remaining
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	of Budget	Budget
	\$	\$	\$	\$	\$	\$	%	\$
2480 - Medical Equipment	726,392	400,000	0	0	400,000	137,448	34%	262,552
2495 - Plant & Equipment Purchases	4,984,603	2,898,039	0	53,000	2,951,039	484,561	16%	2,466,477
2496 - Building and Structures	8,652,705	9,632,795	0	0	9,632,795	5,354,212	56%	4,278,583
2580 - Public Works	187,083	310,000	0	0	310,000	68,975	22%	241,025
Total Capital Expenditure	14,550,783	13,240,833	0	53,000	13,293,833	6,045,196	45%	7,248,638

SOCIAL BENEFITS

Expenditure on social benefits has a high utilisation rate of 43% of the budget, as indicated in Table 18. This can be attributed to advances and lump sum disbursements of the Smart Housing and Nauru community housing funds to contractors, aimed at expediting the sourcing of building materials and ensuring the speedy progress of construction works (Table 18).

Spending on recurring general social services lines such as births, deaths, back to school allowances and pensions mostly aligns with the budget. The utilization of back-to-school payment reached 54% reflecting the completion of two school term payouts. The remaining 48% is intended to be utilised for the first two terms for the 2024 school calendar year.

Table 18 Social Benefits Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	2023-24 Supp Bills	2023-24 ISHT	Revised Budget	2023-24 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2220 - Nauru Community Housing	11,446,150	7,500,000	0	0	7,500,000	5,365,961	72%	2,134,039
2221 - Smart Housing	0	3,617,207	0	0	3,617,207	1,622,390	45%	1,994,817
2390 - Social Welfare - Birth Claims	157,400	168,000	0	0	168,000	40,800	24%	127,200
2395 - Social Welfare - Death Claims	116,000	160,000	0	0	160,000	48,600	30%	111,400
2396 - Back to School Support	711,150	715,200	0	0	715,200	377,450	53%	337,750
2400 - Social Services - Aged Pensions	3,967,890	4,209,920	0	0	4,209,920	1,130,448	27%	3,079,472
2405 - Social Services - Super Contributors	66,123	64,844	0	0	64,844	16,789	26%	48,055
2420 - Social Services - Disability Payments	2,375,095	2,539,160	0	0	2,539,160	680,385	27%	1,858,775
2421 - Ex Gratia - Age and Disable	1,190,000	0	0	0	0	0	0%	0
2422 - Ex Gratia SoEs	2,680,800	0	0	0	0	0	0%	0
2440 - Scholarships - School & Trade	3,387,493	5,355,076	0	0	5,355,076	1,151,076	21%	4,204,000
Total Social Benefits	26,098,102	24,329,407	0	0	24,329,407	10,433,899	43%	13,895,508

OTHER

Expenditure in the Other category appears to be much lower than expected, as shown in Table 19. Bank charges relate to telegraphic transfer and account keeping fees incurred during the quarter.

Table 19 Other Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	2023-24 Supp Bills	2023-24 ISHT	Revised Budget	2023-24 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	539,867	659,439	0	0	659,439	81,439	12%	578,000
2570 - Bank Charges	51,307	80,312	0	0	80,312	9,670	12%	70,642
2690 - Foreign exchange gains/losses	1,053	38,197	0	0	38,197	0	0%	38,197
Total Other	592,227	777,948	0	0	777,948	91,110	12%	686,838

NON-EXPENSE ITEMS

Expenditure in this category aligns with the quarter benchmark overall, as indicated in Table 20. During the quarter, 73% of the Bank of Nauru liquidation allocation and 50% of the Government of Nauru contributions to the Nauru Trust Fund have been settled. Despite these substantial payments, there have been no changes recorded in the Fiscal Cash Buffer or Debt Repayments Other, keeping the overall utilization rate at 23% of the budget. Debt repayments other include repayments for the Nauru Aircraft replacement program loan to EXIM Bank, which is supported by bilateral support from ROC Taiwan (\$4.3) and the redistribution of RONWAN capital to members from the old Bank of Nauru debts (\$5.8m). The Finance department has received confirmation from NPRT that the RONWAN capital distribution will be processed to account holders in early December.

Table 20 Non-Expense Items Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary Actual	Approved Budget	2023-24 Supp Bills	2023-24 ISHT	Revised Budget	2023-24 YTD Actual	Actual as % of Budget	Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	5,481,303	10,198,060	0	0	10,198,060	0	0%	10,198,060
2650 - Trust Fund	24,644,506	19,085,560	0	0	19,085,560	9,542,780	50%	9,542,780
2652 - Fiscal Cash Buffer	0	17,077,822	0	-2,000,000	15,077,822	0	0%	15,077,822
2680 - BON Liquidation- Payment	1,249,711	1,000,000	0	0	1,000,000	731,817	73%	268,183
Total Non-expense items	31,375,520	47,361,442	0	-2,000,000	45,361,442	10,274,597	23%	35,086,845

GOVERNMENT OPERATIONS

Overall, the utilization rate of expenditure is in line with expectation at 23% (Table 21). Certain individual lines are above the quarter benchmark, such as Health related supply lines such as Dental

and Radiology, remain above the quarter benchmark due to the need for strategic stock. Overseas Medical Referrals (OMR) have been well managed within the quarter benchmark, thanks to strict screening by the health department on referral conditions. Grants to EBUs (code 2614) which includes the budget allocation for Parliament has already reached 44% utilization reflecting the payment of operational funding support for quarters 1 and 2 within the September quarter, based on Parliament's cash flow demands. Higher than expected spending has also been observed in Official celebrations, House rental, Agriculture supplies, Diesel purchases, Utilities and Family court expenses. While a few subheads have recorded lower- than-anticipated spending, ranging between 1-20%, the rate of utilization is expected to increase in the remaining quarters.

Table 21 Government Operations Q1 2023-24

Description	2022-23	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Preliminary	Approved	2023-24	2023-24	Revised	2023-24	Actual as %	Remaining
	Actual	Budget	Supp Bills	ISHT	Budget	YTD Actual	of Budget	Budget
	\$	\$	\$	\$	\$	\$	%	\$
2030 - Salaries - Other Contracts	31,308,408	25,418,182	0	0	25,418,182	6,919,077	27%	18,499,105
2055 - Consultants fees	2,471,736	4,013,592	0	0	4,013,592	787,955	20%	3,225,637
2060 - Legal Fees - External	235,790	400,000	0	0	400,000	971	0%	399,029
2100 - Entertainment	1,338,332	1,209,921	0	0	1,209,921	245,407	20%	964,514
2105 - Official Celebrations	1,387,802	1,256,048	0	-150,000	1,106,048	348,643	32%	757,405
2110 - Protocol	97,714	129,396	0	0	129,396	19,531	15%	109,865
2130 - Printing & Stationery	855,028	1,188,041	0	0	1,188,041	90,926	8%	1,097,115
2132 - TVET Supplies	169,980	170,200	0	0	170,200	13,867	8%	156,333
2135 - Stores	505,741	651,762	0	0	651,762	58,292	9%	593,470
2136 - Museum Artefacts	5,481	20,000	0	0	20,000	230	1%	19,770
2155 - House Rental	9,079,013	7,903,619	0	0	7,903,619	2,318,124	29%	5,585,496
2160 - Land Rental	8,009,215	7,519,786	0	0	7,519,786	1,057,072	14%	6,462,714
2165 - Office Rental	1,324,088	1,091,418	0	0	1,091,418	135,723	12%	955,695
2185 - R&M - Buildings	1,594,098	2,523,331	0	17,000	2,540,331	220,886	9%	2,319,445
2190 - R&M - Office Equipment	839,432	250,947	0	0	250,947	36,431	15%	214,517
2191 - R&M Medical Equipment	91,873	100,000	0	-40,000	60,000	133	0%	59,867
2195 - R&M - Office Premises	16,304	55,000	0	0	55,000	5,402	10%	49,598
2200 - R&M - Motor Vehicles	702,997	727,463	0	0	727,463	184,313	25%	543,150
2205 - R&M - Plant	1,563,751	1,650,231	0	-30,000	1,620,231	16,539	1%	1,603,692
2210 - R&M - Aerodrome	52,227	60,000	0	0	60,000	223	0%	59,777
2225 - Agricultural Supplies	61,780	57,000	0	0	57,000	19,566	34%	37,434
2230 - Publicity and Awareness	113,938	246,750	0	0	246,750	57,205	23%	189,545
2275 - Purchase of Petrol	674,704	579,843	0	0	579,843	165,581	29%	414,262
2280 - Purchase of Diesel	818,328	636,810	0	0	636,810	190,589	30%	446,221
2290 - Purchase of Fuel - Other	6,071	-0	0	0	-0	0	0%	-0
2315 - Utilities	4,868,255	5,176,558	0	0	5,176,558	1,699,527	33%	3,477,031
2330 - Telephone / Internet	3,246,504	2,698,773	0	0	2,698,773	629,705	23%	2,069,067
2350 - Freight	3,469,879	3,602,000	0	0	3,602,000	590,800	16%	3,011,200
2370 - Membership Fees & Subscriptions	944,134	1,323,296	0	0	1,323,296	348,948	26%	974,349
2372 - Nauru Radio Supplies	5,567	5,000	0	0	5,000	0	0%	5,000
2373 - Media TV Supplies	217,566	46,660	0	0	46,660	3,478	7%	43,183
2375 - ICT Supplies	27,238	34,786	0	0	34,786	1,047	3%	33,739
2460 - Medical Expenses	48,359	89,742	0	0	89,742	4,819	5%	84,922
2461 - Primary Health Care Services	189,163	259,000	0	0	259,000	6,346	2%	252,654
2462 - NCD Control & Health Promotion	39,894	43,600	0	0	43,600	7,466	17%	36,134
2463 - Environmental Health and Food safety	14,752	20,000	0	0	20,000	2,582	13%	17,418
2467 - Drugs and Medicines	1,099,031	1,100,000	0	0	1,100,000	180,989	16%	919,011
2468 - Dental Supplies	48,725	50,000	0	0	50,000	19,195	38%	30,806
2469 - Dialysis Supplies	349,476	350,000	0	0	350,000	2,270	1%	347,731
2471 - Medical Consumable	486,034	800,000	0	0	800,000	103,060	13%	696,940
2472 - Laboratory supplies	1,456,425	450,000	0	0	450,000	89,854	20%	360,146
2473 - Radiology Supplies	24,886	25,000	0	0	25,000	16,514	66%	8,486
2474 - Clinical Education Supplies	0	20,000	0	0	20,000	4,757	24%	15,244
2475 - Overseas Medical Treatment	13,119,826	5,000,000	0	0	5,000,000	1,072,884	21%	3,927,116
2560 - Educational Expenses - Special	173,834	269,958	0	0	269,958	30,694	11%	239,265
2575 - Local Transport	2,488,084	1,794,745	0	0	1,794,745	370,112	21%	1,424,632
2585 - Rations	2,948,952	3,894,755	0	0	3,894,755	914,615	23%	2,980,140
2590 - Correctional Services Supplies	9,999	10,000	0	0	10,000	1,567	16%	8,433
2600 - Postage	11,708	25,768	0	0	25,768	2,506	10%	23,262
2605 - Library/Periodicals	0	1,000	0	0	1,000	0	0%	1,000
2610 - Survey Supplies	1,500	1,500	0	0	1,500	520	35%	980
2611 - Children Education Toys and Learning St	792,951	416,802	0	0	416,802	0	0%	416,802
2614 - Grants to EBUs	2,520,897	2,803,895	0	0	2,803,895	1,234,617	44%	1,569,278
2620 - Lease & Charter Payments	44,497	59,416	0	0	59,416	4,565	8%	54,851
2625 - Family Court Expenses	8,300	12,000	0	0	12,000	4,300	36%	7,700
2630 - Safe House	183,130	181,750	0	0	181,750	0	0%	181,750
2681 - Prior Year Account Payable (GoN)	0	0	0	0	0	0	0%	0
2700 - Deportee Revomal	2,065	30,000	0	0	30,000	0	0%	30,000
2705 - NEAT Scheme	196,570	258,913	0	0	258,913	1,115	0%	257,798
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	102,362,032	89,214,256	0	-203,000	89,011,256	20,241,539	23%	68,769,717

EXPENDITURE BY DEPARTMENT

Table 22 shows actual expenditure by department head for the year to date, with a total utilization of 26% of the budget. Most departments are on track with their budget, except for DCCNR (80%), Infrastructure (59%), Presidency (47%), Media (42%), Ministerial, Judiciary and DFAT Secretariat (all at 36%). The overspending in DCCNR, Infrastructure, Media and Judiciary are a one-time occurrence and attributed to mobilization of judges to align with the court sittings during the quarter. However, overspends in Presidency and Ministerial are concerning and will require closer monitoring. To address the issue, options include reducing or cancelling future costs, or sourcing additional funds to supplement travel allocation. The high utilization under DCCNR is attributable to the full utilization of the \$3m allocation set aside for the High Ground Initiative project, like the Department of Infrastructure, where 64% of the budget for the Smart Housing and Nauru Community Housing projects has been disbursed to expedite construction works. Media's high expenditure is attributed to two factors: hiring a foreign consultant for the for the new tv channels and purchasing television equipment.

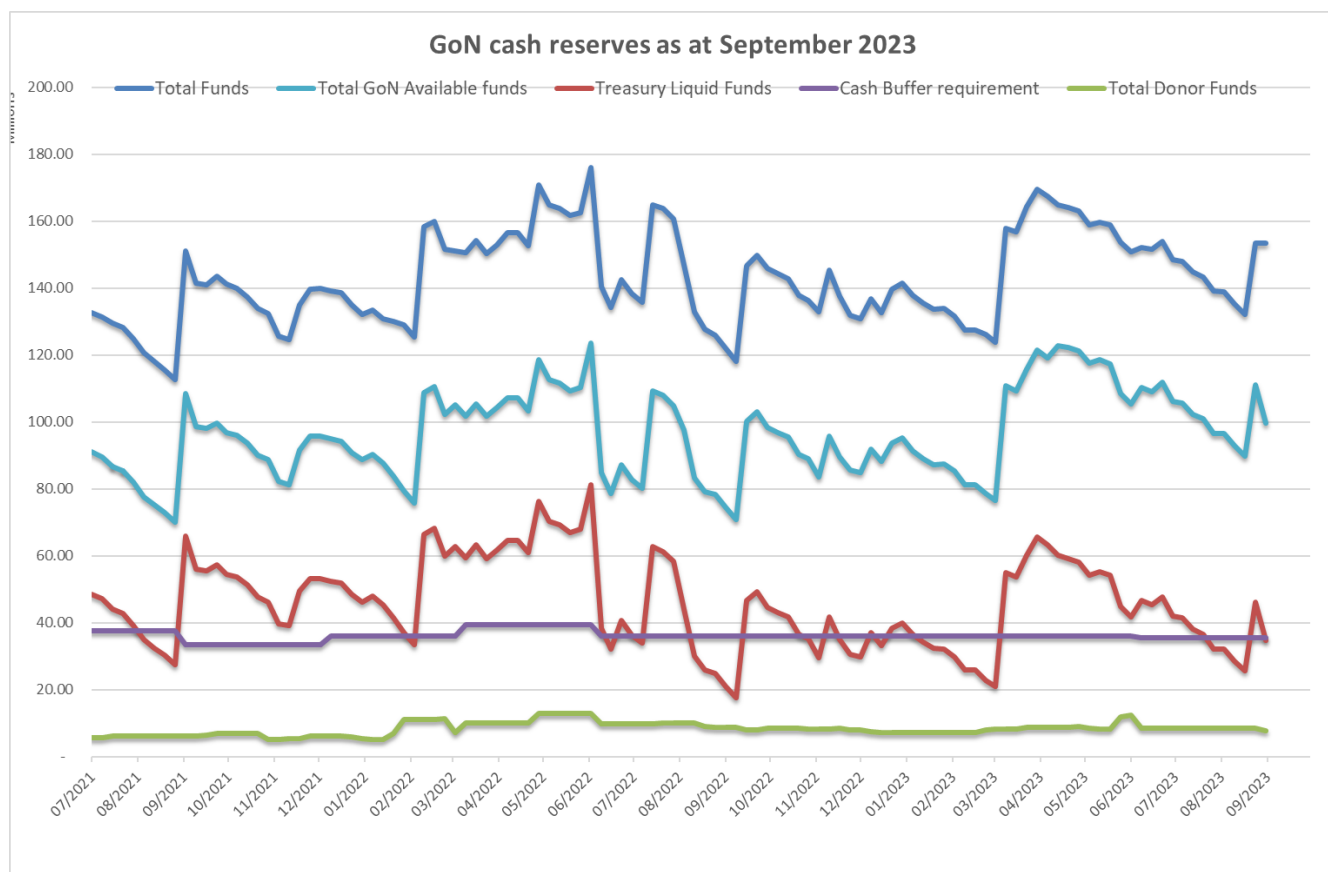
Table 22 Expenditure by Department Q1 2023-24

Description	2022-23	2023-24	2023-24		2023-24	2023-24		2023-24
	Preliminary Actual \$	Approved Budget \$	Supp Bills \$	ISHT \$	Revised Budget \$	2023-24 Actual \$	% of Budget %	Remaining Budget \$
01 - Presidency and State House (including GIO)	5,401,468	3,222,966	-	-	3,222,966	1,528,221	47%	1,694,745
02 - Ministerial	19,022,038	7,296,348	-	-	7,296,348	2,622,917	36%	4,673,431
03 - Chief Secretary Office	19,402,365	21,452,636	-	-	21,452,636	5,948,426	28%	15,504,210
05 - Audit	400,653	533,198	-	-	533,198	73,321	14%	459,877
08 - National Emergency Services	2,204,288	2,303,293	-	-	2,303,293	595,188	26%	1,708,105
09 - Electoral Commission	688,845	444,304	-	-	444,304	118,506	27%	325,798
11 - Finance Secretariat	2,634,447	3,324,056	-	-	3,324,056	799,051	24%	2,525,005
12 - Finance - Public Debt	4,405,920	20,572,177	-	-	20,572,177	-	0%	20,572,177
13 - Bureau of Statistics	142,583	271,759	-	-	271,759	31,730	12%	240,030
15 - Nauru Revenue Office	505,715	565,098	-	-	565,098	133,092	24%	432,005
16 - Finance - Other Payments	91,522,535	89,673,486	-	-	89,673,486	25,847,132	29%	63,826,354
17 - Nauru Customs Office (NCO)	819,238	966,465	-	-	966,465	237,937	25%	728,528
18 - Nauru Regional Processing Centre (NRPCC)	1,411,476	845,807	-	-	845,807	-	0%	845,807
21 - Environment Management & Agriculture (DE)	1,394,459	1,255,272	-	-	1,255,272	323,382	26%	931,890
22 - Climate Change & Resilience	2,580,604	4,138,681	-	-	4,138,681	3,315,923	80%	822,758
31 - Fisheries	3,127,062	3,573,473	-	-	3,573,473	1,077,018	30%	2,496,455
41 - Police	6,613,263	6,511,925	-	-	6,511,925	1,482,832	23%	5,029,093
42 - Multi Cultural Affairs	23,086,613	17,667,506	-	-	17,667,506	4,929,202	28%	12,738,304
43 - Justice - Secretariat	3,849,355	3,817,668	-	-	3,817,668	661,352	17%	3,156,316
44 - Judiciary	2,309,155	1,572,684	-	-	1,572,684	561,144	36%	1,011,540
45 - Border Control	780,434	1,726,665	-	-	1,726,665	174,748	10%	1,551,917
46 - Correctional Services	1,277,921	1,178,604	-	-	1,178,604	285,177	24%	893,427
50 - TVET	838,032	1,105,465	-	-	1,105,465	204,532	19%	900,933
51 - Education	12,989,139	16,735,833	-	-	16,735,833	3,149,358	19%	13,586,475
52 - Youth Affairs	267,063	521,291	-	-	521,291	95,501	18%	425,790
60 - COVID-19 task force	7,676,411	-	-	-	-	-	0%	-
61 - Health	28,413,601	20,833,752	-	-	20,833,752	4,356,289	21%	16,477,463
62 - Sports	1,664,445	2,268,368	-	-	2,268,368	174,905	8%	2,093,463
63 - Infrastructure Development	4,211,019	12,031,279	-	-	12,031,279	7,106,207	59%	4,925,072
71 - Foreign Affairs - Secretariat	1,681,227	1,713,990	-	-	1,713,990	617,601	36%	1,096,389
72 - Foreign Affairs - Brisbane	950,362	1,155,186	-	-	1,155,186	-	0%	1,155,186
73 - Foreign Affairs - Suva	734,030	802,731	-	-	802,731	-	0%	802,731
74 - Foreign Affairs - New York	1,998,993	2,470,514	-	-	2,470,514	500,964	20%	1,969,550
75 - Foreign Affairs - Taiwan	591,670	788,231	-	-	788,231	98,229	12%	690,002
76 - Foreign Affairs - Geneva	540,731	616,183	-	-	616,183	77,359	13%	538,824
77 - High Commission India	1,389,313	1,466,350	-	-	1,466,350	323,664	22%	1,142,686
78 - High Commission Canberra	1,792,448	2,421,858	-	-	2,421,858	95,674	4%	2,326,183
81 - Internal Affairs	4,403,677	4,212,473	-	-	4,212,473	1,110,678	26%	3,101,794
82 - Women and Social Development Affairs (W)	1,397,378	1,691,108	-	-	1,691,108	368,362	22%	1,322,745
83 - Media Bureau	1,052,285	1,114,609	-	-	1,114,609	470,522	42%	644,087
84 - Lands & Survey	5,940,338	6,510,094	-	-	6,510,094	698,880	11%	5,811,214
85 - Lands Committee	323,822	362,344	-	-	362,344	80,710	22%	281,633
86 - Land Management	133,954	100,376	-	-	100,376	22,994	23%	77,382
87 - People Living with Disability (PLD)	486,039	712,682	-	-	712,682	162,223	23%	550,459
91 - Transport	2,838,346	3,225,493	-	-	3,225,493	689,651	21%	2,535,842
95 - ICT	2,867,692	2,577,796	-	-	2,577,796	576,172	22%	2,001,624
97 - Telecom	51,675	70,842	-	-	70,842	3,570	5%	67,272
Total Expenditure	278,814,126	278,422,918	-	-	278,422,918	71,730,345	26%	206,692,573

CASH POSITION

The Government continued to build up cash balances over the quarter (Figure 4). At the end of the quarter, total funds were \$153.4 million. The cash buffer requirement of two months of adjusted expenditure was \$35.5 million. \$47 million were held in the Buffer bank accounts as of 25 September.

Figure 4 GoN Cash reserves Q1 2023-24



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.