



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 1 2024-25

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 1 2024-25

INTRODUCTION

This is the performance report for the first quarter of the 2024-25 Budget year for the Republic of Nauru. It includes data on revenue and expenditure recorded by the Treasury from July 1 2024 to September 30 2024. It is based on all available information to Treasury as at 17 October 2024.

- In aggregate, actual year to date performance is within expected margins, with 17% of total expected annual revenue collected, whereas 26% of total expenditure was utilised against benchmark of 25%.
- The lower revenue collections reflect the seasonal nature of revenue collections with timing of bulk of fisheries revenue expected in the second quarter. The revenue collections could have been better had it not been for unexpected timing delays around the disbursement of monthly RPC fees from Department of Home Affairs Australia.

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

2024-25 BUDGET SETTING PROCESS

The 2024-25 Budget was approved by Parliament on 20 August 2024. The period between 1 July 2024 and 20 August 2024 was covered by a Supply Act which authorised expenditure from the Treasury fund for a maximum period of three months. The expenditures made under the authority of the Supply Act will be charged against the full-year appropriation Act.

The 2024-25 Budget recognises expected revenues of \$311.3 million and expenditure of \$348.7 million. This creates a deficit balance of \$37.5 million which is financed through a transfer from cash reserves of \$37.6 million equivalent to the larger than forecast fiscal surplus from financial year 2023-24. The net surplus of \$150,953 will be used to maintain cash reserves at the bank and support Nauru to manage the uncertainties in the year ahead.

MACROECONOMIC ASSUMPTIONS

The Treasury uses the IMF World Economic Outlook to inform its forecasts of economic activity. Economic activity has been slowing between 2021 and 2024. It is expected to pick up again during 2024 and 2025 as the expansion of operations at the RPC filters through to the wider economy.

| Item | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--|---------|---------|---------|---------|
| Real GDP Growth (per cent change) | 2.41% | 1.19% | 0.91% | 1.84% |
| Nominal GDP (A\$ million) | 202 | 216 | 228.5 | 239.5 |
| Consumer Prices (period average, per cent) | 4.80% | 6.12% | 4.99% | 3.72% |

According to the latest IMF World Economic Outlook (April 2024¹), The baseline forecast for global growth is for continued growth of around 3.2% for 2024 and 2025.

Beyond 2025, global growth is forecast to remain at around 3.1% over the next five years, which is “at its lowest for decades”. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The IMF has acknowledged Nauru’s success in dealing with the threat of COVID-19. The Fund remains of the view that diversifying the economy is the way forward. As the activities related to the Regional Processing Centre continue to be unpredictable and may not be a reliable source of economic and revenue growth in the medium to long-term. Diversification of the economy remains a primary focus of the government for the medium term. Growth will require supportive policies to accelerate investment in human capital and infrastructure, and efforts to improve the business environment.

The expansion of RPC activities will have a positive effect on Gross Domestic Product (GDP) growth, which is now expected to grow slowly to 1.84% for FY 2024-25. However, it is projected to bounce back to 2.3% in FY 2025-26, though this is likely to be even stronger as the effects of the RPC operations filter through to the wider economy. The inflation outlook has followed global trends and is projected to remain on a medium-term declining trend, rising to 4.99% for FY 2023-24 and reducing to around 3.7% for FY 2024-25 and 2.98% in 2025-26. The nominal GDP estimate for FY 2024-25 is \$228.5m and this is projected to increase to \$239.5m for FY 2024-25.

The economic outlook looks promising with the impact of the expanded RPC activity, the adoption of new satellite-based internet products, the new climate resilient port, the commissioning of the solar farm electricity generation capacity, and the arrival of the undersea fibre optic cable in 2025. Global uncertainties remain around still-high commodity prices and higher than normal inflation, but changes in these are moving in the right direction for Nauru.

Supplementary Appropriations

There was no supplementary passed during the quarter.

2023-24 FINAL BUDGET OUTCOME

The final budget outcome for 2023-24 resulted in a surplus of \$38.3 million, equivalent to 17 per cent of Nauru’s GDP. This surplus is significantly higher than the surplus of 8.3m recorded in 2022-23.

The higher surplus was attributable to two factors as follow:

- i. \$20.6m General underspending – there was a total recorded utilization of \$306.2m, compared to Revised budget of \$326.5m, attributed to procurement delays and other factors
- ii. \$17.8m Delayed revenue collections – certain expected in June 2023 were not received until July 2023 thus they are considered part of FY 2023-24 – this includes \$4.1 million from fishing licenses, a \$5.2 million grant from Taiwan Province of China, and an \$8.5 million ADB grant.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

The Ministry of Finance has continued its efforts from previous financial years to enhance the quality and credibility of budget setting. This has been accomplished through a conservative approach to revenue and expenditure estimates, improved revenue collection measures, better sequencing of spending against revenue collection, and effective cash flow management.

Of the \$38.3 million surplus, \$37.6 million has been allocated to cover the expected deficit in the 2024-25 fiscal year budget. The balance will be retained in the bank to strengthen Government's cash reserves.

FISCAL RESPONSIBILITY RATIOS

The Government has adopted the following fiscal responsibility ratios:

- Fiscal balance to GDP ratio must be positive as a share of GDP – that is, the budget must be in surplus over the medium term;
- 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.

Government has successfully achieved the benchmark ratios for its fiscal responsibility indicators with Fiscal balance to GDP estimated at 0.05% of GDP for the three years ending in 2024-25 fiscal year, this is a fall from the previous year arising from reduced revenue performance. The government targets an outcome close to balance over the medium-term when the budget is approved.

The positive out-turn 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 December.

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 2024-25

| Measure | Target | 2023-24 | 2024-25 | 2024-25 | 2024-25 |
|-----------------------|--|--------------------|-----------------|----------------|------------|
| | | Preliminary Actual | Approved Budget | Revised Budget | YTD Actual |
| Fiscal balance to GDP | not negative as % of GDP | 17% | -16% | -16% | -15% |
| Personnel cost ratio | Personnel cost to current expenditure <30% | 17% | 19% | 19% | 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 less than the required minimum level. In the coming months, measure will be implemented to transfer additional funds to the Fiscal Cash Buffer to meet the required holding levels. 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 2024 | As at 30 Sep 2024 |
| Cash Buffer at 1 July 2024 | 58,122,374 | 187,313,506 | |
| Cash Buffer 30 Sep 2024 | 58,122,374 | | 149,707,831 |
| <i>of which held in cash buffer accounts</i> | | 47,986,606 | 41,697,387 |

BUDGET AGGREGATES

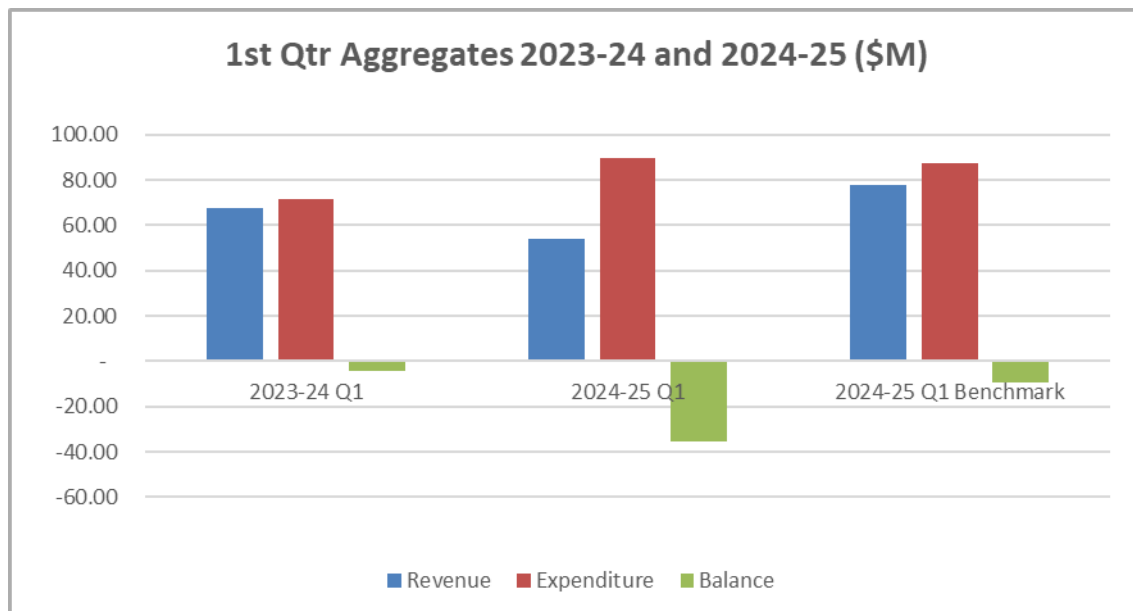
The budget aggregates for the first quarter as shown in Table 3 and Figure 1 indicate performance mainly in line with expectations. Revenue collections of \$53.9m is lower than the quarter benchmark of \$77.8m, while expenditure at \$89.5m, is slightly above the quarter benchmark of 25% or \$87.2m.

The recorded deficit of \$35.1m or \$2.1m net of reserve is attributed to the mistiming of revenue relative to expenditure, mainly due to the seasonal nature of revenue deposits. Major revenues, such as those from Fisheries, are not expected until around December, certain proceeds from fishing licenses have been received during the quarter. On the expenditure side, significant one-time payments were made during the quarter, including Ex Gratia payments, local Donations to constituents and the settlement of the first instalment of the Government of Nauru's contributions to the Nauru Intergenerational Trust Fund. These expenditures contributed to the imbalance between revenue collections and expenditures.

Table 3 Aggregate results Q1 2024-25

| Description | 2023-24 Preliminary Actual | 2024-25 Approved Budget | 2024-25 Revised Budget | 2024-25 Actual | % collections | 2024-25 Remaining Budget |
|--------------------------------------|----------------------------|-------------------------|------------------------|------------------|---------------|--------------------------|
| \$ | \$ | \$ | \$ | \$ | | \$ |
| Revenue | 344,770,407 | 311,285,197 | 311,285,197 | 53,939,000 | 17% | 257,346,197 |
| Expenditure | 306,447,299 | 348,734,244 | 348,734,244 | 89,464,187 | 26% | 259,270,057 |
| Balance | 38,323,108 | - 37,449,047 | - 37,449,047 | - 35,525,188 | | 1,923,859 |
| Less Reserve Re-appropriation | - | 37,600,000 | 37,600,000 | 37,600,000 | | - |
| Net Budget Surplus/Deficit | 38,323,108 | 150,953 | 150,953 | 2,074,812 | - | 1,923,859 |

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



OPERATING REVENUE ANALYSIS

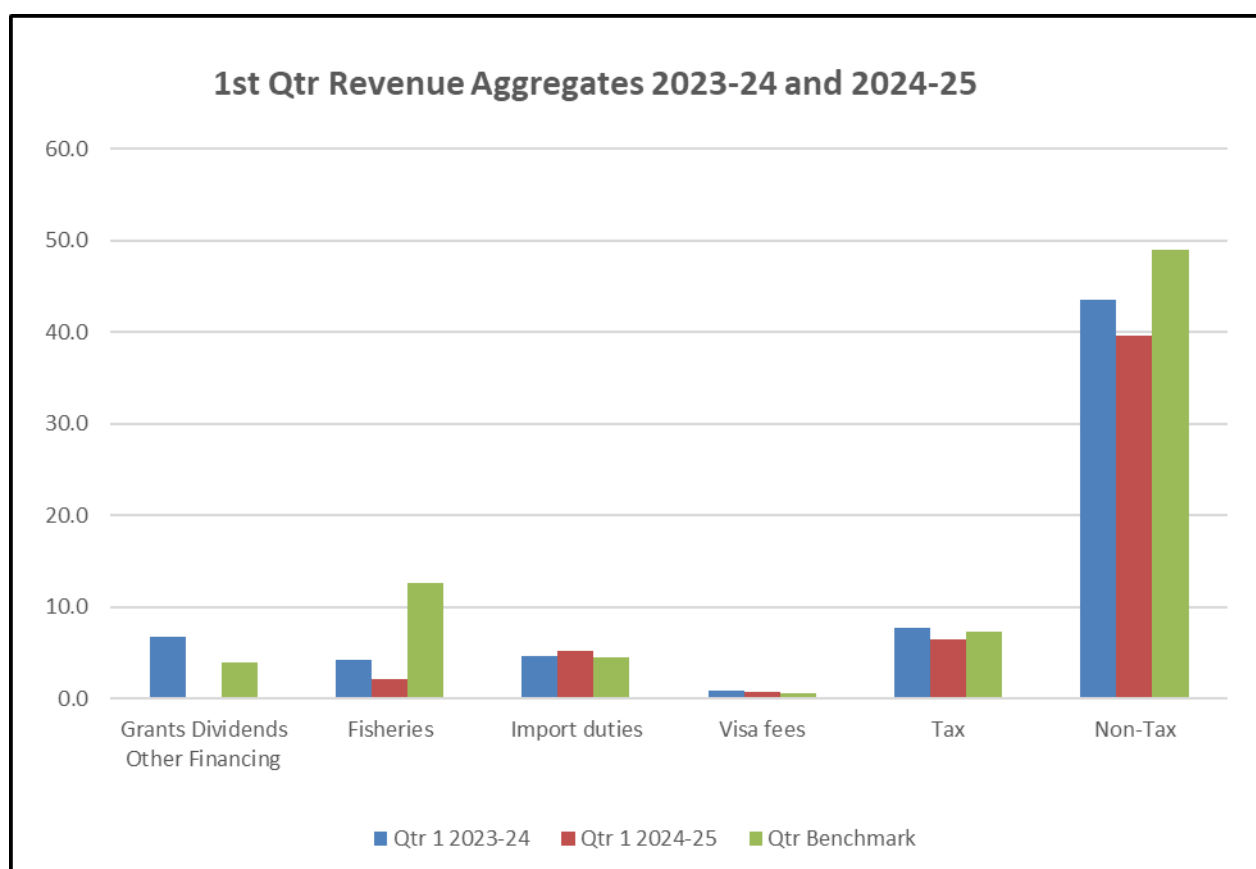
Actual revenues for the quarter are summarised in Table 4. Revenues are highly seasonal, with majority of the Fishing revenue anticipated in the second quarter. Revenue collections include non-tax revenue with the majority coming from RPC lines, specifically two months of Enduring capability funds and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

Table 4: Revenue breakdown Q1 2024-25

| Revenue Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 YTD Actual \$ | Share of total revenue % | 2024-25 | 2024-25 |
|----------------------------------|-----------------------------|--------------------------|-------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------|
| | Preliminary Actual \$ | Approved Budget \$ | Revised Budget \$ | | | Actual as % of Budget % | Remaining Budget \$ |
| Grants Dividends Other Financing | 52,590,660 | 15,539,110 | 15,539,110 | - | 0% | 0% | 15,539,110 |
| Fisheries | 61,369,976 | 50,530,000 | 50,530,000 | 2,081,250 | 4% | 4% | 48,448,750 |
| Import duties | 17,208,376 | 17,877,293 | 17,877,293 | 5,173,726 | 10% | 29% | 12,703,567 |
| Visa fees | 2,737,370 | 2,333,588 | 2,333,588 | 688,653 | 1% | 30% | 1,644,935 |
| Tax | 30,734,123 | 29,234,982 | 29,234,982 | 6,418,703 | 12% | 22% | 22,816,279 |
| Non-Tax | 180,129,902 | 195,770,224 | 195,770,224 | 39,576,668 | 73% | 20% | 156,193,557 |
| Total Revenue | 344,770,407 | 311,285,197 | 311,285,197 | 53,939,000 | 100% | 17% | 257,346,197 |

Overall revenue collections for the first quarter of 2024-25 are lower than those for the same period in 2023-24, showing a variance of \$13.7 million. Much of this variance relates to Grants, Dividends, and other Financing which totalled \$6.7m last year but recorded zero collections this year. Additionally, there is a \$2m variance in Fisheries and a \$4m variance in the non-tax category – both of which are lower this quarter compared to last quarter.

Figure 2 Revenue collections for Q1 2023-24 and 2024-25



The RPC remains the primary source of economic activity and revenue for the government, accounting for 67% of the total original and revised revenue budget. Revenues related to RPC represents 82% of the total revenue collection year to date. The RPC revenue estimates for the 2024-25 fiscal year amount to \$209.4m, which includes \$182m in direct RPC funding - comprising hosting, service fees and reimbursables costs – and \$27.4m for the indirect element, which consists of Taxes.

The \$37.9mil in direct RPC revenue collections for the quarter consists of two months of RPC fees totalling \$25.9 mil (\$12.9mil each month) and a \$12mil withdrawal for training funds from the Special account, pertaining to the Alternative Pathway program.

Table 5: RPC Related Revenues Q1 2024-25

| Revenue Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---|--------------------|--------------------|--------------------|-------------------|---------------------------|--------------------|
| | Preliminary Actual | Approved Budget | Revised Budget | YTD Actual | YTD Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1335 - Visa Fees - RPC | - | 0 | 0 | 0 | 0% | 0 |
| 1580 - Visa Fees - RPC Resettlement | 368,000 | 0 | 0 | 0 | 0% | 0 |
| 1475 - Miscellaneous Revenue | 11,849,184 | 0 | 0 | 0 | 0% | 0 |
| 1495 - Service Fees | 20,002,987 | 20,002,004 | 20,002,004 | 3,334,389 | 17% | 16,667,615 |
| 1577 - DJBC - Operations | 9,813,522 | 0 | 0 | 0 | 0% | 0 |
| 1578 - DJBC - Reimbursable Costs | 61,283,331 | 97,600,000 | 97,600,000 | 24,065,204 | 25% | 73,534,796 |
| 1598 - Hosting Fee | 71,899,998 | 63,400,008 | 63,400,008 | 10,566,666 | 17% | 52,833,342 |
| 1590 - Employment Services Tax | 10,973,887 | 9,889,320 | 9,889,320 | 2,906,593 | 29% | 6,982,727 |
| 1591 - Business Profit Tax | 17,572,881 | 17,545,662 | 17,545,662 | 3,095,277 | 18% | 14,450,385 |
| 1015 - Income from Investments & Dividends-Others | 2,275,576 | 1,000,000 | 1,000,000 | 0 | 0% | 1,000,000 |
| Total RPC related revenue | 206,039,365 | 209,436,994 | 209,436,994 | 43,968,129 | 21% | 165,468,865 |
| Share of total revenue | 60% | 67% | 67% | 82% | | 64% |

FISHING REVENUES

Revenue collections from fishing are highly seasonal, and a significant portion is expected to be collected in December (Table 6) ahead of the start of the fishing calendar period in January.

\$2.1 million has been collected in the year-to-date bulk of which are from the purse seine fishing days.

Table 6: Fishing revenues Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---|--------------------|-------------------|-------------------|------------------|---------------------------|-------------------|
| | Preliminary Actual | Approved Budget | Revised Budget | YTD Actual | YTD Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1055 - Support Vessel Charges | 250,205 | 230,000 | 230,000 | 14,240 | 6% | 215,760 |
| 1071 - Purse Seine Revenue - Licensing | 1,650,968 | 1,300,000 | 1,300,000 | - | 0% | 1,300,000 |
| 1072 - Purse Seine Revenue - Fishing Days | 59,468,803 | 49,000,000 | 49,000,000 | 2,067,552 | 4% | 46,932,448 |
| 1110 - Fisheries Revenue - Other | - | - | - | 542 | 0% | 542 |
| Total Fisheries Revenue | 61,369,976 | 50,530,000 | 50,530,000 | 2,081,250 | 4% | 48,448,750 |

TAXATION REVENUE

Taxation revenues collections in the first quarter fell a little short of the target benchmark (Table 7), mostly due to under collections from the Business Profits and Telecom Taxes. Collections from the Employment services taxes were strong, achieving a collection rate of 29%. It is expected that subsequent quarter collections will improve as new refugees arrive on the island, thereby increasing activities.

Table 7: Taxation revenue Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--------------------------------|-------------------|-------------------|-------------------|------------------|------------|-------------------|
| | Preliminary | Approved | 2024-25 | 2024-25 | YTD Actual | Remaining |
| | Actual | Budget | Revised Budget | YTD Actual | as % of | Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1190 - Telecom Tax | 2,187,355 | 1,800,000 | 1,800,000 | 416,833 | 23% | 1,383,167 |
| 1590 - Employment Services Tax | 10,973,887 | 9,889,320 | 9,889,320 | 2,906,593 | 29% | 6,982,727 |
| 1591 - Business Profit Tax | 17,572,881 | 17,545,662 | 17,545,662 | 3,095,277 | 18% | 14,450,385 |
| Total Tax | 30,734,123 | 29,234,982 | 29,234,982 | 6,418,703 | 22% | 22,816,279 |

CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections have been better, matching the earnings value recorded for the same period last year (Table 8). There have been better-than-expected collections recorded in Alcohol and Tobacco and Diesel more than offset lower collections in Machinery/Vehicle/Equip, and Other. Collections for the quarter is around the same level as collections for the same period last year.

Table 8 Customs and other Import duties Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---|-------------------|-------------------|-------------------|------------------|------------|-------------------|
| | Preliminary | Approved | 2024-25 | 2024-25 | YTD Actual | Remaining |
| | Actual | Budget | Revised Budget | YTD Actual | as % of | Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1122 - Curator Administration & other fees | - | - | - | 215 | 0% | -215 |
| 1140 - Customs and Excise Duty - Tobacco | 6,593,381 | 6,723,785 | 6,723,785 | 2,411,168 | 36% | 4,312,618 |
| 1145 - Customs and Excise Duty - Alcohol | 880,156 | 1,174,906 | 1,174,906 | 722,725 | 62% | 452,181 |
| 1150 - Customs and Excise Duty - Sugar | 972,131 | 1,067,472 | 1,067,472 | 237,867 | 22% | 829,606 |
| 1155 - Customs and Excise - Machinery/Vehicle/Equip | 1,184,863 | 1,162,446 | 1,162,446 | 111,285 | 10% | 1,051,161 |
| 1160 - Customs and Excise Duty - Other | 3,258,508 | 3,295,622 | 3,295,622 | 607,664 | 18% | 2,687,958 |
| 1165 - Customs and Excise Duty - Petrol Sales | 2,550,362 | 2,648,925 | 2,648,925 | 588,275 | 22% | 2,060,650 |
| 1170 - Customs and Excise Duty - Diesel Sales | 1,753,280 | 1,804,137 | 1,804,137 | 490,568 | 27% | 1,313,569 |
| 1171 - Customs Fees and Chargers | 15,695 | - | - | 3,960 | 0% | -3,960 |
| 1175 - Customs and Excise Duty - JetA1 | - | - | - | - | 0% | 0 |
| Total Customs and Excise Duty | 17,208,376 | 17,877,293 | 17,877,293 | 5,173,726 | 29% | 12,703,567 |

VISA FEES

Revenue from visa fees has exceeded expectations, with strong collections in all categories. Visa fees related to RPC were not included as a separate line item in the original budget as they were included with the monthly lump sum fees received from the Department of Home Affairs.

Visa fees (other business) include fees collected from employees of businesses on the island where the business owner, or partner is not a Nauruan.

Table 9 Visa fees Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|-------------------------------------|------------------|------------------|------------------|----------------|------------|------------------|
| | Preliminary | Approved | 2024-25 | 2024-25 | YTD Actual | Remaining |
| | Actual | Budget | Revised Budget | YTD Actual | as % of | Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1330 - Visa Check up | 17,216 | 17,088 | 17,088 | 5,929 | 0% | 11,159 |
| 1335 - Visa Fees - RPC | - | - | - | - | 0% | 0 |
| 1575 - Visa Fees (Other Business) | 2,352,154 | 2,316,500 | 2,316,500 | 682,724 | 29% | 1,633,776 |
| 1580 - Visa Fees - RPC Resettlement | 368,000 | - | - | - | 0% | 0 |
| Total Visa Fees | 2,737,370 | 2,333,588 | 2,333,588 | 688,653 | 30% | 1,644,935 |

OTHER REVENUE – DIVIDENDS AND GRANTS

Income from dividends and investments did not meet expectations, with no collections recorded against estimate. The estimated \$1 million in Income from Investments and Dividends was anticipated from Digicel Pacific, but no dividends payments were made during the quarter.

Additionally, the \$14.5 million allocated for General Budget Support includes an expected USD10 million from the People’s Republic of China. No funds have been received during the quarter but it is expected that these funds will arrive in the subsequent quarter.

Table 10 Dividends and Grants Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | | 2024-25 | 2024-25 |
|---|--------------------|-------------------|------------------------|--------------------|---------------------------|--------------------------|
| | Preliminary Actual | Approved Budget | 2024-25 Revised Budget | 2024-25 YTD Actual | YTD Actual as % of Budget | 2024-25 Remaining Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1015 - Income from Investments & Dividends-Others | 2,275,576 | 1,000,000 | 1,000,000 | - | 0% | 1,000,000 |
| 1660 - General Budget Support | 50,315,084 | 14,539,110 | 14,539,110 | - | 0% | 14,539,110 |
| Total Dividends , Grants and Other | 52,590,660 | 15,539,110 | 15,539,110 | - | 0% | 15,539,110 |

NON-TAX REVENUE

Non-tax revenue overall collections for the year to date have been below average (Table 11). Majority of the collections in this category relates to RPC related revenues which has been explained in the earlier section above.

Collections in this category has been mixed, with several lines very high collection rates – such as license trading at 354%, drone licenses 271%, Miscellaneous revenue 60%. Conversely, some items have recorded nil to no collections, including dog licenses 0% and medical services at 3%.

There have also been no collections made from the \$9 million Citizenship Investment Program line in the budget, and it remains unclear to Finance and Treasury what the agreement entails, as well as when and how revenues are expected to begin coming in.

Table 11 Non-tax revenues Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---------------------------------------|--------------------|--------------------|--------------------|-------------------|------------|--------------------|
| | Preliminary | Approved | Revised Budget | YTD Actual | YTD Actual | Remaining |
| | Actual | Budget | | | as % of | Budget |
| | \$ | \$ | \$ | \$ | % | \$ |
| 1016 - Citizenship Investment Program | | 9,000,000 | 9,000,000 | - | 0% | 9,000,000 |
| 1121 - Curator fees | 94,182 | - | - | 6,539 | 0% | -6,539 |
| 1215 - Licenses-Drivers etc | 132,486 | 161,140 | 161,140 | 27,745 | 17% | 133,395 |
| 1220 - Corporation Fees and Licenses | 381,800 | 348,216 | 348,216 | 80,675 | 23% | 267,541 |
| 1225 - Licenses-Trading | 423,175 | 31,815 | 31,815 | 112,625 | 354% | -80,810 |
| 1230 - Liquor Licensing Board | 18,320 | 18,888 | 18,888 | 17,500 | 93% | 1,388 |
| 1235 - Gaming / Bingo Licenses | 160,708 | 123,020 | 123,020 | 55,988 | 46% | 67,032 |
| 1240 - Licenses-Dogs etc | 50 | 5,004 | 5,004 | - | 0% | 5,004 |
| 1245 - Drones Licenses | 600 | 480 | 480 | 1,300 | 271% | -820 |
| 1260 - Birth Certificate | 30,259 | 30,108 | 30,108 | 8,790 | 29% | 21,318 |
| 1265 - Death Certificate | 1,760 | 1,680 | 1,680 | 360 | 21% | 1,320 |
| 1270 - Marriage Certificate | 3,730 | 3,576 | 3,576 | 1,240 | 35% | 2,336 |
| 1300 - Registration Fees-Motor Cars | 140,808 | 147,324 | 147,324 | 31,309 | 21% | 116,015 |
| 1305 - Registration Fees-Motorcycles | 24,650 | 25,344 | 25,344 | 3,255 | 13% | 22,089 |
| 1310 - Vehicle/Insurance Fees | 444,098 | 458,964 | 458,964 | 71,250 | 16% | 387,714 |
| 1325 - Passport Fees and Photographs | 162,787 | 145,116 | 145,116 | 33,990 | 23% | 111,126 |
| 1340 - Police Clearance | 47,850 | 47,964 | 47,964 | 17,811 | 37% | 30,153 |
| 1360 - D.C.A.-Pax Levy | 835,400 | 822,264 | 822,264 | 278,325 | 34% | 543,939 |
| 1365 - D.C.A.-Departure Taxes | 596,975 | 597,672 | 597,672 | 187,250 | 31% | 410,422 |
| 1370 - D.C.A.-Air Navigation Fees | 565,422 | 505,368 | 505,368 | 132,316 | 26% | 373,052 |
| 1375 - D.C.A.-Landing Fees | 621,020 | 602,568 | 602,568 | 130,924 | 22% | 471,644 |
| 1380 - D.C.A.-Rental Fees | 158,270 | 156,852 | 156,852 | 41,605 | 27% | 115,247 |
| 1400 - Port Fees | - | - | - | 160 | 0% | -160 |
| 1475 - Miscellaneous Revenue | 11,849,184 | 354,724 | 354,724 | 214,558 | 60% | 140,166 |
| 1480 - Bus Services | 7,175 | 7,824 | 7,824 | - | 0% | 7,824 |
| 1485 - Quarantine Fees | 217,662 | 213,768 | 213,768 | 61,919 | 29% | 151,849 |
| 1490 - Court Fines and Fees | 73,780 | 47,928 | 47,928 | 10,186 | 21% | 37,742 |
| 1495 - Service Fees | 20,002,987 | 20,002,004 | 20,002,004 | 3,334,389 | 17% | 16,667,615 |
| 1500 - Sale of Maps | 9,605 | 8,112 | 8,112 | 6,761 | 83% | 1,351 |
| 1501 - Sale of Livestock | 11,033 | 10,509 | 10,509 | 3,362 | 32% | 7,148 |
| 1520 - Food Handler Check up | 13,130 | 13,620 | 13,620 | 2,840 | 21% | 10,780 |
| 1540 - Advertising Revenue | 19,722 | 9,408 | 9,408 | 6,176 | 66% | 3,232 |
| 1555 - Spectacles,Drugs etc | 1,735 | 996 | 996 | 390 | 39% | 606 |
| 1565 - Medical Services | 13,245 | 14,304 | 14,304 | 460 | 3% | 13,844 |
| 1577 - DJBC - Operations | 9,813,522 | - | - | - | 0% | 0 |
| 1578 - DJBC - Reimbursable Costs | 61,283,331 | 97,600,000 | 97,600,000 | 24,065,204 | 25% | 73,534,796 |
| 1596 - Traffic Infringements | 44,650 | 42,000 | 42,000 | 7,250 | 17% | 34,750 |
| 1597 - TVET Course Fees | 9,915 | - | - | 5,650 | 0% | -5,650 |
| 1598 - Hosting Fee | 71,899,998 | 63,400,008 | 63,400,008 | 10,566,666 | 17% | 52,833,342 |
| 1700 - National/District Roll Sales | 570 | 7,440 | 7,440 | 870 | 12% | 6,570 |
| 1705 - Electoral Various Fees | 14,310 | 804,216 | 804,216 | 49,030 | 6% | 755,186 |
| Total Non Tax | 180,129,902 | 195,770,224 | 195,770,224 | 39,576,668 | 20% | 156,193,557 |

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 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--|--------------------------|-----------------------|----------------------|-------------------|-----------------------|--------------------|
| | Preliminary Actual \$ | Approved Budget \$ | Revised Budget \$ | Actual \$ | Actual as % of Budget | Remaining Budget |
| 03 - Chief Secretary Office | 56,460 | 54,252 | 54,252 | 28,230 | 52% | 26,022 |
| 09 - Electoral Commission | 14,880 | 815,340 | 815,340 | 49,900 | 6% | 765,440 |
| 15 - Nauru Revenue Office | 30,952,893 | 29,439,142 | 29,439,142 | 6,469,651 | 22% | 22,969,491 |
| 16 - Finance - Other Payments | 63,696,359 | 24,539,110 | 24,539,110 | 79,068 | 0% | 24,460,042 |
| 17 - Nauru Customs Office (NCO) | 17,213,996 | 17,897,773 | 17,897,773 | 5,174,812 | 29% | 12,722,961 |
| 21 - Environment Management & Agriculture (DEMA) | 2,580 | - | - | 4,575 | 0% | 4,575 |
| 31 - Fisheries | 61,563,413 | 50,530,000 | 50,530,000 | 2,097,194 | 4% | 48,432,806 |
| 41 - Police | 98,381 | 96,372 | 96,372 | 46,511 | 48% | 49,861 |
| 42 - Multi Cultural Affairs | 163,572,853 | 181,000,012 | 181,000,012 | 37,965,204 | 21% | 143,034,808 |
| 43 - Justice - Secretariat | 1,020,995 | 501,495 | 501,495 | 263,210 | 52% | 238,285 |
| 44 - Judiciary | 83,713 | 47,928 | 47,928 | 16,421 | 34% | 31,507 |
| 45 - Border Control | 2,732,604 | 2,675,384 | 2,675,384 | 778,633 | 29% | 1,896,751 |
| 46 - Correctional Services | 11,033 | 10,509 | 10,509 | 3,362 | 32% | 7,148 |
| 50 - TVET | 10,765 | - | - | 5,650 | 0% | 5,650 |
| 61 - Health | 59,443 | 59,112 | 59,112 | 10,664 | 18% | 48,448 |
| 62 - Sports | - | - | - | - | 0% | - |
| 81 - Internal Affairs | 72,532 | 80,000 | 80,000 | 26,025 | 0% | 53,975 |
| 83 - Media Bureau | 19,722 | 9,408 | 9,408 | 6,176 | 66% | 3,232 |
| 84 - Lands & Survey | 10,182 | 8,112 | 8,112 | 7,337 | 90% | 775 |
| 85 - Lands Committee | 2,985 | 2,000 | 2,000 | 1,055 | 53% | 945 |
| 91 - Transport | 3,547,683 | 3,484,248 | 3,484,248 | 904,263 | 26% | 2,579,985 |
| 93 - Maritime Transport | - | - | - | 160 | 0% | 160 |
| 95 - ICT | 26,938 | 35,000 | 35,000 | 900 | 3% | 34,100 |
| Total Revenue | 344,770,407 | 311,285,197 | 311,285,197 | 53,939,000 | 17% | 257,346,197 |

OPERATING EXPENDITURE ANALYSIS

Total expenditure up until the end of the first quarter is detailed in Table 13.

During this period, there were two Inter-subhead transfers totalling approximately \$1.9 million processed during the quarter:

- \$1.5m to reallocate funds from the Fiscal Cash Buffer to Loans to SoEs to facilitate lending to NSL for its charter hire and partial payment for purchase of the Skyline and
- \$0.4m to realign the budget allocation for the newly established Beijing Embassy Office, reflecting the accurate expenditure levels that have become clear following the commencement of operations

Table 13 Expenditure by Group Q1 2024-25

| Description | 203-24 | 2024-25 | | 2024-25 | | 2024-25 | | 2024-25 | |
|--------------------------|--------------------|--------------------|--------------------|--------------|--------------------|--------------------|-----------------------|--------------------------|--|
| | Preliminary Actual | Approved Budget | 2024-25 Supp Bills | 2024-25 ISHT | Revised Budget | 2024-25 YTD Actual | Actual as % of Budget | 2024-25 Remaining Budget | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ | |
| Personnel | 52,232,663 | 65,114,762 | 0 | -36,376 | 65,078,386 | 14,772,794 | 23% | 50,305,592 | |
| Govt Travel | 16,000,664 | 9,628,569 | 0 | 8,400 | 9,636,969 | 7,380,249 | 77% | 2,256,720 | |
| Subsidies & Donations | 57,925,606 | 54,504,170 | 0 | 0 | 54,504,170 | 15,656,631 | 29% | 38,847,539 | |
| Govt Operations | 100,768,172 | 129,794,879 | 0 | 110,976 | 129,905,855 | 35,041,698 | 27% | 94,864,157 | |
| Capital Expenditure | 21,800,539 | 25,365,699 | 0 | -50,000 | 25,315,699 | 2,692,419 | 11% | 22,623,280 | |
| Social Benefits | 26,458,574 | 23,960,681 | 0 | 0 | 23,960,681 | 5,560,601 | 23% | 18,400,080 | |
| Other | 699,784 | 886,373 | 0 | -33,000 | 853,373 | 23,765 | 3% | 829,608 | |
| Transfer (Non Expense) | 30,561,296 | 39,479,110 | 0 | 0 | 39,479,110 | 8,336,029 | 21% | 31,143,081 | |
| Total Expenditure | 306,447,299 | 348,734,244 | 0 | 0 | 348,734,244 | 89,464,187 | 26% | 259,270,057 | |

Figure 3 compares the first quarter's expenditure to the same period last year. Overall, this year's total expenditure of \$89.5 million way exceeds the previous year utilization of \$71.7 million, a \$17.7 million increase. The higher expenditures in the current quarter could be attributable to huge once off payments in this quarter such as ex gratia (none paid during Q1 2023-24) and substantial Local Donation payments more than disbursed for the same period last year.

Figure 3 Expenditure Utilization, for Q1 2023-24 and 2024-25

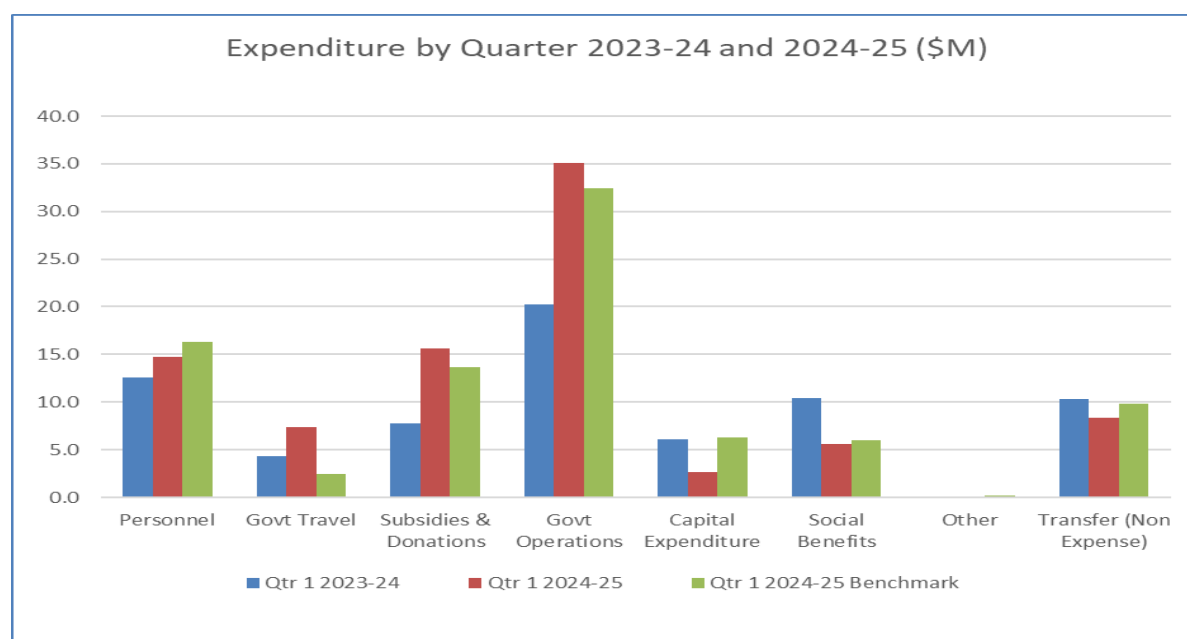


Table 14 Personnel Expenditure Q1 2024-25

PERSONNEL COSTS

Table 14 provided an overview of personnel expenditure for the first quarter of 2024-24, which was within the benchmark. The utilisation of GoN contributions is higher due to a substantial once off payment of \$1.22m to Super life being Government of Nauru contribution for this year to fund the Parliamentary pension benefit scheme. This payment will be the 3 out of 5 required instalments based on the actuarial report recommendations in 2021.

Table 14 Personnel Expenditure Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---|--------------------|-------------------|--------------------|----------------|-------------------|-------------------|-----------------------|-------------------|
| | Preliminary Actual | Approved Budget | 2024-25 Supp Bills | 2024-25 ISHT | Revised Budget | YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2005 - Salaries & Allowances - (MP's) | 867,416 | 854,258 | 0 | 0 | 854,258 | 178,705 | 21% | 675,553 |
| 2010 - HE Salary & Allowances | 110,035 | 115,537 | 0 | 0 | 115,537 | 20,561 | 18% | 94,976 |
| 2015 - Salary - Local | 32,558,505 | 39,463,183 | 0 | -125,960 | 39,337,223 | 8,189,473 | 21% | 31,147,750 |
| 2020 - Salary Expatriate | 8,058,569 | 11,701,875 | 0 | 84,584 | 11,786,459 | 1,950,115 | 17% | 9,836,344 |
| 2025 - Allowances - Staff Contract | 1,516,888 | 557,061 | 0 | 0 | 557,061 | 66,418 | 12% | 490,643 |
| 2026 - Directors Fees | 28,050 | 60,900 | 0 | 0 | 60,900 | 5,700 | 9% | 55,200 |
| 2031 - Staff Contract - Ministerial | 762,903 | 720,723 | 0 | 0 | 720,723 | 156,920 | 22% | 563,803 |
| 2035 - Overtime - local | 1,483,023 | 1,436,612 | 0 | 0 | 1,436,612 | 361,499 | 25% | 1,075,114 |
| 2040 - Staff Training | 2,031,147 | 1,798,450 | 0 | 0 | 1,798,450 | 278,323 | 15% | 1,520,127 |
| 2041 - Prep & Orientation of Seasonal Workers | 9,185 | 42,800 | 0 | 0 | 42,800 | 768 | 2% | 42,032 |
| 2045 - Recruitment | 22,906 | 78,932 | 0 | 0 | 78,932 | 33,000 | 42% | 45,932 |
| 2050 - Uniforms & Protective Clothing | 395,762 | 544,853 | 0 | 5,000 | 549,853 | 57,437 | 10% | 492,416 |
| 2072 - Meals and Drinks - Staff | 212,731 | 193,918 | 0 | 0 | 193,918 | 60,267 | 31% | 133,651 |
| 2423 - Ex Gratia Nauru Public Service | 1,803,339 | 4,328,014 | 0 | 0 | 4,328,014 | 1,806,400 | 0% | 2,521,614 |
| 2651 - GON Contributions | 2,372,203 | 3,217,646 | 0 | 0 | 3,217,646 | 1,607,208 | 50% | 1,610,437 |
| Total Personnel | 52,232,663 | 65,114,762 | 0 | -36,376 | 65,078,386 | 14,772,794 | 23% | 50,305,592 |

GOVERNMENT TRAVEL

Expenditure has recorded way overutilization during the quarter, three times more than the quarter benchmark (Table 15). This higher utilization reflects significant travel costs for Presidency and Ministerial departments as well as the departments centralised travel allocation under Presidency. While the new centralization policy has been introduced at the start of this financial year with the view to discourage travel activities, it is achieving less impact in terms of travel spending. The rate of current rate of travel spending is not sustainable and efforts should be made to align future travel activities to the budget.

Table 15 Government Travel Expenditure Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--------------------------------|--------------------|------------------|--------------------|--------------|------------------|------------------|-----------------------|------------------|
| | Preliminary Actual | Approved Budget | 2024-25 Supp Bills | 2024-25 ISHT | Revised Budget | YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2070 - Travel - Staff | 1,101,452 | 1,682,140 | 0 | 8,400 | 1,690,540 | 254,844 | 15% | 1,435,696 |
| 2075 - Travel - Business | 14,899,212 | 7,946,429 | 0 | 0 | 7,946,429 | 7,125,406 | 90% | 821,023 |
| Total Government Travel | 16,000,664 | 9,628,569 | 0 | 8,400 | 9,636,969 | 7,380,249 | 77% | 2,256,720 |

SUBSIDIES & DONATIONS

Except for Donations-local, expenditure under the various subhead lines under 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. The Subhead 2619 Grants to SoEs includes grants to Eigigu Solutions

Corporation (ESC) to fund RPC stand-up costs due to move to full active state and various other transition projects to ensure completion of the deliverables outlined in the agreed Mou with DHA (Australia).

Table 16 Subsidies & Donations Expenditure Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--|--------------------|-------------------|--------------------|--------------|-------------------|--------------------|-----------------------|-------------------|
| | Preliminary Actual | Approved Budget | 2024-25 Supp Bills | 2024-25 ISHT | Revised Budget | 2024-25 YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2376 - Equity Purchases | 19,067,451 | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| 2616 - Subsidies to SoEs | 7,926,561 | 12,095,615 | 0 | 0 | 12,095,615 | 3,133,495 | 26% | 8,962,120 |
| 2617 - Donations - local | 12,794,722 | 14,585,716 | 0 | 0 | 14,585,716 | 6,832,700 | 47% | 7,753,016 |
| 2618 - Donations - overseas | 744 | 102,966 | 0 | 0 | 102,966 | 0 | 0% | 102,966 |
| 2619 - Grants to SoEs | 16,664,535 | 27,019,873 | 0 | 0 | 27,019,873 | 5,544,532 | 21% | 21,475,341 |
| 2621 - Grants to Sports Federations | 1,471,593 | 700,000 | 0 | 0 | 700,000 | 145,904 | 21% | 554,096 |
| Total Subsidies & Donations | 57,925,606 | 54,504,170 | 0 | 0 | 54,504,170 | 15,656,631 | 29% | 38,847,539 |

CAPITAL EXPENDITURE

Capital expenditure utilization is significantly below the quarterly benchmark, as shown in Table 17. This is attributed to significant underutilization under the Plant and Equipment purchases line, which makes up 58% of the total capital expenditure provision.

Out of the \$14.7mil allocated for Plant and Equipment purchase \$9.9mil is designated for the Department of Multi-Cultural Affairs to acquire replacement vehicles and equipment, machineries for various large-scale RPC projects at the camp sites such as road works, repairs, and maintenance etc. In the past, NRC and ESC performed these functions and invoiced MCA for the services. However, MCA has proposed that the department to purchase the machinery and equipment directly and then lease them to these entities. The leasing arrangement and how that will be undertaken have not been finalized and no purchases have been made by the end of the quarter.

The rate of spending for Department of Health medical equipment has been consistent with past trends where procurements are front-loaded to maintain a strategic stock. Spending on building and structure is well within the quarter benchmark. There has been no progress observed in spending on public works.

Table 17 Capital Expenditure Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|------------------------------------|--------------------|-------------------|--------------------|----------------|-------------------|--------------------|-----------------------|-------------------|
| | Preliminary Actual | Approved Budget | 2024-25 Supp Bills | 2024-25 ISHT | Revised Budget | 2024-25 YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2480 - Medical Equipment | 317,154 | 205,580 | 0 | 0 | 205,580 | 46,495 | 23% | 159,085 |
| 2495 - Plant & Equipment Purchases | 5,654,866 | 14,760,808 | 0 | -50,000 | 14,710,808 | 591,253 | 4% | 14,119,555 |
| 2496 - Building and Structures | 15,494,608 | 10,089,311 | 0 | 0 | 10,089,311 | 2,053,963 | 20% | 8,035,348 |
| 2580 - Public Works | 333,911 | 310,000 | 0 | 0 | 310,000 | 708 | 0% | 309,292 |
| Total Capital Expenditure | 21,800,539 | 25,365,699 | 0 | -50,000 | 25,315,699 | 2,692,419 | 11% | 22,623,280 |

SOCIAL BENEFITS

Expenditure on social benefits has a high utilisation rate of 23% of the budget, as indicated in Table 18, which is within expectations. This can be attributed to advances and lump sum disbursements of the Smart Housing and Nauru community housing funds to contractors (Table 18).

Spending on recurring general social services lines such as births, deaths, aged and disability while back to school support is at a high 47%, aligning with completion of two school terms.

Table 18 Social Benefits Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--|--------------------|-------------------|------------|----------|-------------------|------------------|-----------------------|-------------------|
| | Preliminary Actual | Approved Budget | Supp Bills | ISHT | Revised Budget | YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2220 - Nauru Community Housing | 8,419,888 | 500,000 | 0 | 0 | 500,000 | 188,657 | 38% | 311,343 |
| 2221 - Smart Housing | 2,643,981 | 0 | 0 | 0 | 0 | 12,440 | 0% | -12,440 |
| 2222 - Housing | 0 | 2,316,591 | 0 | 0 | 2,316,591 | 152,275 | 7% | 2,164,316 |
| 2390 - Social Welfare - Birth Claims | 143,100 | 168,000 | 0 | 0 | 168,000 | 44,700 | 27% | 123,300 |
| 2395 - Social Welfare - Death Claims | 224,070 | 234,000 | 0 | 0 | 234,000 | 57,207 | 24% | 176,793 |
| 2396 - Back to School Support | 730,850 | 796,400 | 0 | 0 | 796,400 | 377,350 | 47% | 419,050 |
| 2400 - Social Services - Aged Pensions | 4,485,990 | 4,697,680 | 0 | 0 | 4,697,680 | 1,238,120 | 26% | 3,459,560 |
| 2405 - Social Services - Super Contributors | 54,951 | 50,470 | 0 | 0 | 50,470 | 12,748 | 25% | 37,722 |
| 2420 - Social Services - Disability Payments | 2,643,485 | 2,989,272 | 0 | 0 | 2,989,272 | 754,420 | 25% | 2,234,852 |
| 2421 - Ex Gratia - Age and Disable | 595,000 | 1,428,000 | 0 | 0 | 1,428,000 | 828,000 | 58% | 600,000 |
| 2422 - Ex Gratia SoEs | 1,300,400 | 2,860,880 | 0 | 0 | 2,860,880 | 1,279,800 | 45% | 1,581,080 |
| 2424 - Unemployment Benefits | 100,917 | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| 2440 - Scholarships - School & Trade | 5,115,941 | 7,919,388 | 0 | 0 | 7,919,388 | 614,883 | 8% | 7,304,505 |
| Total Social Benefits | 26,458,574 | 23,960,681 | 0 | 0 | 23,960,681 | 5,560,601 | 23% | 18,400,080 |

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 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--------------------------------------|--------------------|-----------------|------------|----------------|----------------|---------------|-----------------------|------------------|
| | Preliminary Actual | Approved Budget | Supp Bills | ISHT | Revised Budget | YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2565 - Insurance | 649,889 | 783,679 | 0 | -35,000 | 748,679 | 18,746 | 3% | 729,933 |
| 2570 - Bank Charges | 49,583 | 67,797 | 0 | 1,000 | 68,797 | 5,020 | 7% | 63,777 |
| 2690 - Foreign exchange gains/losses | 312 | 34,897 | 0 | 1,000 | 35,897 | 0 | 0% | 35,897 |
| Total Other | 699,784 | 886,373 | 0 | -33,000 | 853,373 | 23,765 | 3% | 829,608 |

NON-EXPENSE ITEMS

Expenditure in this category aligns with the quarter benchmark overall, as indicated in Table 20. During the quarter, one quarter of Nauru's contributions to the Intergenerational Trust Fund has been settled, in accordance with the government's contribution disbursement plan.

Additionally, 73% of loans to SoEs has also been utilised, specifically to bridge financing for the purchase of the cargo vessel (Skyline) ahead of the receipt of the associated grant support from PRC. The distribution of RONWAN is scheduled for December, which explains the lack of spending under code 2545 Debt repayments – other. There have been no payouts made yet to Churches from the BoN Liquidation budget.

Table 20 Non-Expenses Items Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|---------------------------------|--------------------|-------------------|------------|------------|-------------------|------------------|-----------------------|-------------------|
| | Preliminary Actual | Approved Budget | Supp Bills | ISHT | Revised Budget | YTD Actual | Actual as % of Budget | Remaining Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2545 - Debt Repayments - Other | 7,204,834 | 5,833,334 | 0 | 0 | 5,833,334 | 0 | 0% | 5,833,334 |
| 2650 - Trust Fund | 21,724,002 | 19,081,731 | 0 | 0 | 19,081,731 | 5,010,084 | 26% | 14,071,647 |
| 2652 - Fiscal Cash Buffer | 0 | 10,641,192 | 0 | -1,541,243 | 9,099,949 | 0 | 0% | 9,099,949 |
| 2680 - BON Liquidation- Payment | 745,460 | 913,649 | 0 | 0 | 913,649 | 0 | 0% | 913,649 |
| 2802 - Loans to SoEs | 887,000 | 3,009,204 | 0 | 1,541,243 | 4,550,447 | 3,325,946 | 73% | 1,224,501 |
| Total Non-expense items | 30,561,296 | 39,479,110 | 0 | 0 | 39,479,110 | 8,336,029 | 21% | 31,143,081 |

GOVERNMENT OPERATIONS

Overall, the utilization rate of expenditure is in line with expectation at 27% (Table 21). Except for OMR, Purchase of Petrol and Diesel, Membership fees and Subscriptions, Agriculture supplies and Drugs and Medicines, which have way exceeded the budget and Expenditure in this category is overall in line with the quarterly benchmark, as shown in Table 20.

Table 21 Government Operations Q1 2024-25

| Description | 203-24 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 | 2024-25 |
|--|--------------------|--------------------|------------|----------------|--------------------|-------------------|-------------|-------------------|
| | Preliminary | Approved | 2024-25 | 2024-25 | Revised | 2024-25 | Actual as % | Remaining |
| | Actual | Budget | Supp Bills | ISHT | Budget | YTD Actual | of Budget | Budget |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 2000 - Project Expenditure | 2,000 | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| 2030 - Salaries - Other Contracts | 27,352,303 | 40,120,217 | 0 | 20,000 | 40,140,217 | 11,918,116 | 30% | 28,222,101 |
| 2042 - APP Upskilling Program | 5,640,273 | 12,000,000 | 0 | 0 | 12,000,000 | 2,901,997 | 24% | 9,098,003 |
| 2055 - Consultants fees | 3,130,524 | 3,556,418 | 0 | 0 | 3,556,418 | 477,511 | 13% | 3,078,906 |
| 2060 - Legal Fees - External | 38,609 | 150,000 | 0 | 0 | 150,000 | 0 | 0% | 150,000 |
| 2100 - Entertainment | 1,850,878 | 1,483,688 | 0 | 10,000 | 1,493,688 | 393,570 | 26% | 1,100,118 |
| 2105 - Official Celebrations | 1,681,684 | 739,342 | 0 | 10,000 | 749,342 | 242,867 | 32% | 506,475 |
| 2110 - Protocol | 124,470 | 166,000 | 0 | 0 | 166,000 | 22,661 | 14% | 143,339 |
| 2130 - Printing & Stationery | 670,216 | 1,125,334 | 0 | 2,500 | 1,127,834 | 244,835 | 22% | 882,999 |
| 2132 - TVET Supplies | 94,781 | 225,200 | 0 | 0 | 225,200 | 44,770 | 20% | 180,430 |
| 2135 - Stores | 436,655 | 643,045 | 0 | 2,500 | 645,545 | 56,094 | 9% | 589,451 |
| 2136 - Museum Artefacts | 12,730 | 5,000 | 0 | 0 | 5,000 | 0 | 0% | 5,000 |
| 2155 - House Rental | 7,768,260 | 8,305,675 | 0 | 44,000 | 8,349,675 | 3,180,623 | 38% | 5,169,053 |
| 2160 - Land Rental | 7,948,823 | 8,657,106 | 0 | 0 | 8,657,106 | 1,491,123 | 17% | 7,165,983 |
| 2165 - Office Rental | 1,055,391 | 1,299,330 | 0 | 171,000 | 1,470,330 | 267,890 | 18% | 1,202,440 |
| 2185 - R&M - Buildings | 3,313,957 | 1,889,280 | 0 | 0 | 1,889,280 | 187,886 | 10% | 1,701,394 |
| 2190 - R&M - Office Equipment | 117,684 | 241,134 | 0 | 1,000 | 242,134 | 13,272 | 5% | 228,862 |
| 2191 - R&M Medical Equipment | 55,854 | 160,000 | 0 | 0 | 160,000 | 48,656 | 30% | 111,344 |
| 2195 - R&M - Office Premises | 50,235 | 23,000 | 0 | 0 | 23,000 | 13,485 | 59% | 9,515 |
| 2200 - R&M - Motor Vehicles | 689,243 | 1,062,604 | 0 | 2,000 | 1,064,604 | 162,609 | 15% | 901,995 |
| 2205 - R&M - Plant | 1,563,876 | 6,508,831 | 0 | 0 | 6,508,831 | 816,207 | 13% | 5,692,624 |
| 2210 - R&M - Aerodrome | 58,956 | 60,000 | 0 | 0 | 60,000 | 1,478 | 2% | 58,522 |
| 2225 - Agricultural Supplies | 72,227 | 57,000 | 0 | 0 | 57,000 | 25,240 | 44% | 31,760 |
| 2230 - Publicity and Awareness | 532,308 | 674,890 | 0 | 0 | 674,890 | 17,620 | 3% | 657,270 |
| 2275 - Purchase of Petrol | 710,539 | 528,621 | 0 | 5,400 | 534,021 | 246,861 | 46% | 287,160 |
| 2280 - Purchase of Diesel | 820,371 | 497,268 | 0 | 0 | 497,268 | 229,329 | 46% | 267,939 |
| 2290 - Purchase of Fuel - Other | 0 | 17,043 | 0 | 0 | 17,043 | 0 | 0% | 17,043 |
| 2315 - Utilities | 6,366,798 | 8,770,812 | 0 | 6,000 | 8,776,812 | 2,667,212 | 30% | 6,109,600 |
| 2330 - Telephone / Internet | 3,311,248 | 2,954,485 | 0 | 13,000 | 2,967,485 | 685,137 | 23% | 2,282,348 |
| 2350 - Freight | 1,895,053 | 3,614,000 | 0 | 0 | 3,614,000 | 1,079,027 | 30% | 2,534,973 |
| 2370 - Membership Fees & Subscriptions | 1,303,656 | 1,479,294 | 0 | 0 | 1,479,294 | 794,111 | 54% | 685,183 |
| 2372 - Nauru Radio Supplies | 4,992 | 5,190 | 0 | 0 | 5,190 | 109 | 2% | 5,081 |
| 2373 - Media TV Supplies | 47,837 | 67,814 | 0 | 0 | 67,814 | 14,653 | 22% | 53,160 |
| 2375 - ICT Supplies | 34,624 | 62,805 | 0 | 0 | 62,805 | 2,414 | 4% | 60,392 |
| 2460 - Medical Expenses | 35,061 | 64,139 | 0 | 20,000 | 84,139 | 1,827 | 2% | 82,313 |
| 2461 - Primary Health Care Services | 105,077 | 150,000 | 0 | 0 | 150,000 | 13,005 | 9% | 136,995 |
| 2462 - NCD Control & Health Promotion | 35,733 | 40,000 | 0 | 0 | 40,000 | 6,644 | 17% | 33,356 |
| 2463 - Environmental Health and Food safety | 15,408 | 20,000 | 0 | 0 | 20,000 | 0 | 0% | 20,000 |
| 2464 - Management Monitoring & Evaluation | 0 | 10,000 | 0 | 0 | 10,000 | 0 | 0% | 10,000 |
| 2467 - Drugs and Medicines | 1,097,191 | 900,000 | 0 | 0 | 900,000 | 381,601 | 42% | 518,399 |
| 2468 - Dental Supplies | 42,953 | 50,000 | 0 | 0 | 50,000 | 400 | 1% | 49,600 |
| 2469 - Dialysis Supplies | 136,480 | 350,000 | 0 | 0 | 350,000 | 65,285 | 19% | 284,715 |
| 2471 - Medical Consumable | 528,409 | 505,000 | 0 | 0 | 505,000 | 56,518 | 11% | 448,482 |
| 2472 - Laboratory supplies | 473,995 | 410,000 | 0 | 0 | 410,000 | 108,382 | 26% | 301,618 |
| 2473 - Radiology Supplies | 21,811 | 15,000 | 0 | 0 | 15,000 | 360 | 2% | 14,640 |
| 2474 - Clinical Education Supplies | 4,757 | 10,002 | 0 | 0 | 10,002 | 1,188 | 12% | 8,814 |
| 2475 - Overseas Medical Treatment | 9,951,405 | 5,534,206 | 0 | 0 | 5,534,206 | 3,608,922 | 65% | 1,925,284 |
| 2560 - Educational Expenses - Special | 222,596 | 1,386,928 | 0 | -196,924 | 1,190,004 | 9,304 | 1% | 1,180,700 |
| 2575 - Local Transport | 2,127,601 | 2,524,725 | 0 | 0 | 2,524,725 | 603,794 | 24% | 1,920,931 |
| 2585 - Rations | 3,877,699 | 4,773,205 | 0 | 0 | 4,773,205 | 1,088,259 | 23% | 3,684,946 |
| 2590 - Correctional Services Supplies | 9,993 | 15,000 | 0 | 0 | 15,000 | 5,780 | 39% | 9,220 |
| 2600 - Postage | 6,611 | 19,018 | 0 | 500 | 19,518 | 506 | 3% | 19,013 |
| 2605 - Library/Periodicals | 0 | 10,000 | 0 | 0 | 10,000 | 0 | 0% | 10,000 |
| 2610 - Survey Supplies | 1,492 | 20,004 | 0 | 0 | 20,004 | 465 | 2% | 19,539 |
| 2611 - Children Education Toys and Learning Supp | 75,376 | 1,068,774 | 0 | 0 | 1,068,774 | 0 | 0% | 1,068,774 |
| 2614 - Grants to EBUs | 2,799,669 | 3,285,346 | 0 | 0 | 3,285,346 | 820,249 | 25% | 2,465,097 |
| 2620 - Lease & Charter Payments | 51,405 | 59,416 | 0 | 0 | 59,416 | 0 | 0% | 59,416 |
| 2625 - Family Court Expenses | 11,900 | 12,000 | 0 | 0 | 12,000 | 2,900 | 24% | 9,100 |
| 2630 - Safe House | 117,494 | 195,000 | 0 | 0 | 195,000 | 1,584 | 1% | 193,416 |
| 2681 - Prior Year Account Payable (GoN) | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| 2700 - Deportee Revomal | 4,050 | 20,000 | 0 | 0 | 20,000 | 0 | 0% | 20,000 |
| 2705 - NEAT Scheme | 256,955 | 688,700 | 0 | 0 | 688,700 | 14,770 | 2% | 673,930 |
| 2998 - COVID 19 Taskforce | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| 2999 - Contingency fund | 0 | 507,991 | 0 | 0 | 507,991 | 2,592 | 1% | 505,400 |
| Total Government Operations | 100,768,172 | 129,794,879 | 0 | 110,976 | 129,905,855 | 35,041,698 | 27% | 94,864,157 |

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 Presidency (62%), Ministerial (48%), Health (41%), and Chief Secretary and DFAT at 33%.

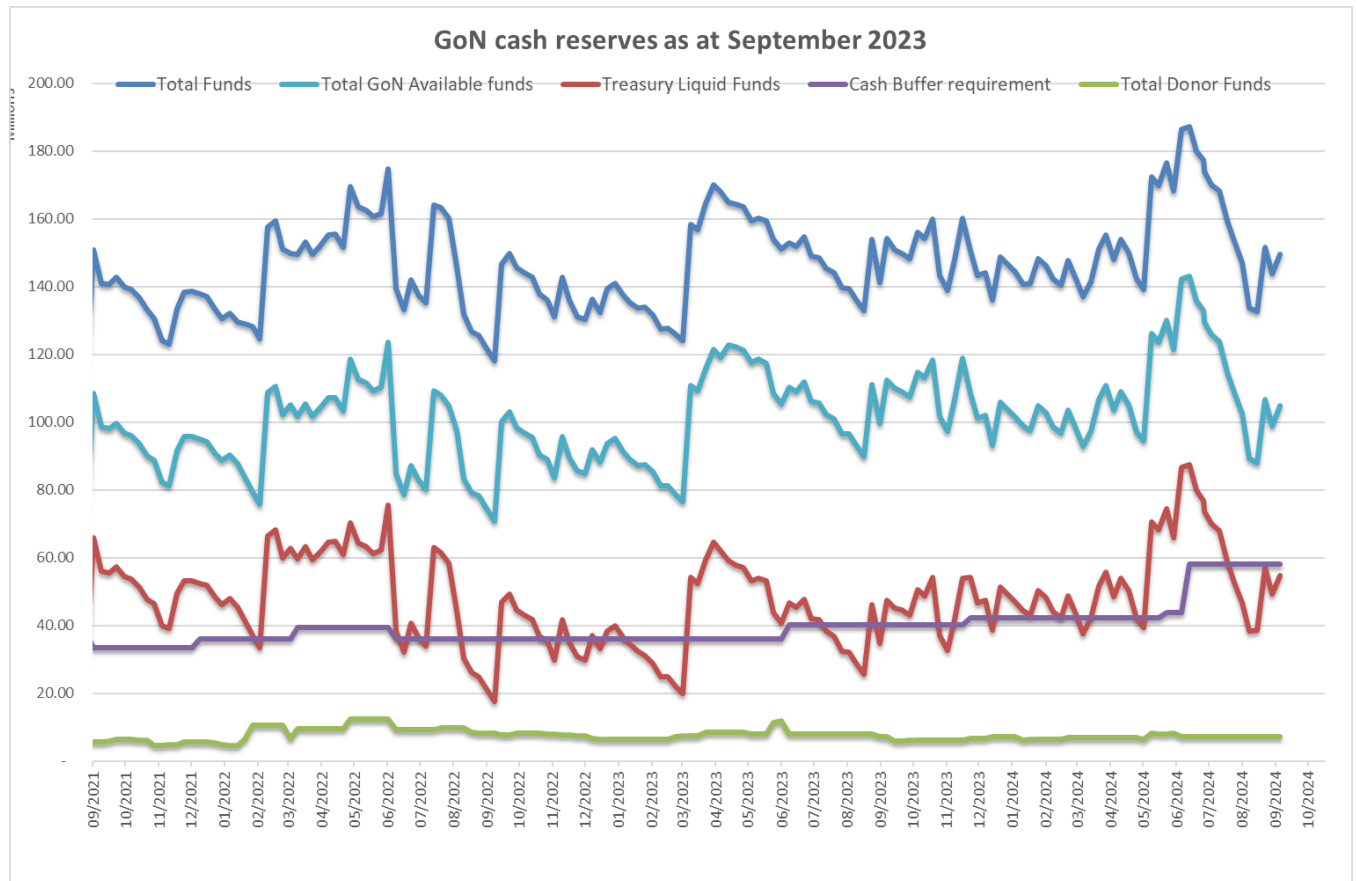
Table 22 Expenditure by Department Q1 2024-25

| Description | 2023-24 | 2024-25 | 2024-25 | 2024-25 | | 2024-25 Remaining Budget \$ |
|---|-----------------------|--------------------|--------------------|-------------------|-------------------------|-----------------------------|
| | Preliminary Actual \$ | Approved Budget \$ | Revised Budget \$ | 2024-25 Actual \$ | Actual as % of Budget % | |
| 01 - Presidency and State House (including GIO) | 7,212,030 | 10,199,552 | 10,199,552 | 6,278,236 | 62% | 3,921,316 |
| 02 - Ministerial | 20,750,747 | 20,140,565 | 20,140,565 | 9,634,994 | 48% | 10,505,571 |
| 03 - Chief Secretary Office | 22,272,567 | 25,238,229 | 25,238,229 | 8,366,649 | 33% | 16,871,580 |
| 05 - Audit | 474,781 | 414,462 | 414,462 | 87,210 | 21% | 327,252 |
| 08 - National Emergency Services | 2,376,545 | 2,956,112 | 2,956,112 | 542,773 | 18% | 2,413,339 |
| 09 - Electoral Commission | 532,688 | 418,444 | 418,444 | 94,084 | 22% | 324,360 |
| 11 - Finance Secretariat | 3,371,254 | 4,684,961 | 4,684,961 | 1,027,873 | 22% | 3,657,088 |
| 12 - Finance -Public Debt | 18,199,799 | 0 | 0 | - | 0% | 0 |
| 13 - Bureau of Statistics | 227,459 | 235,220 | 235,220 | 36,310 | 15% | 198,911 |
| 15 - Nauru Revenue Office | 563,129 | 614,751 | 614,751 | 124,274 | 20% | 490,477 |
| 16 - Finance - Other Payments | 84,556,363 | 114,284,642 | 114,284,642 | 29,341,416 | 26% | 84,943,226 |
| 17 - Nauru Customs Office (NCO) | 797,311 | 803,679 | 803,679 | 132,021 | 16% | 671,657 |
| 18 - Nauru Regional Processing Centre (NRPCC) | 821,130 | 936,227 | 936,227 | 69,178 | 7% | 867,049 |
| 21 - Environment Management & Agriculture (DEMA) | 1,301,582 | 1,065,769 | 1,065,769 | 238,570 | 22% | 827,199 |
| 22 - Climate Change & Resilience | 4,710,760 | 664,602 | 664,602 | 83,745 | 13% | 580,857 |
| 31 - Fisheries | 3,391,492 | 3,162,933 | 3,162,933 | 1,075,753 | 34% | 2,087,180 |
| 41 - Police | 6,218,587 | 6,881,465 | 6,881,465 | 1,190,554 | 17% | 5,690,911 |
| 42 - Multi Cultural Affairs | 27,720,759 | 59,901,640 | 59,901,640 | 13,993,587 | 23% | 45,908,052 |
| 43 - Justice - Secretariat | 3,673,887 | 3,408,657 | 3,408,657 | 510,890 | 15% | 2,897,767 |
| 44 - Judiciary | 1,906,087 | 1,954,599 | 1,954,599 | 455,075 | 23% | 1,499,524 |
| 45 - Border Control | 1,760,216 | 1,108,692 | 1,108,692 | 195,571 | 18% | 913,121 |
| 46 - Correctional Services | 1,231,786 | 1,307,566 | 1,307,566 | 255,211 | 20% | 1,052,355 |
| 50 - TVET | 1,049,490 | 1,927,683 | 1,927,683 | 186,464 | 10% | 1,741,218 |
| 51 - Education | 17,161,987 | 23,184,433 | 23,184,433 | 2,960,866 | 13% | 20,223,567 |
| 52 - Youth Affairs | 362,596 | 316,367 | 316,367 | 62,846 | 20% | 253,520 |
| 59 - Public Health | - | 6,460,961 | 6,460,961 | 413,867 | 6% | 6,047,094 |
| 61 - Health | 23,777,525 | 15,800,540 | 15,800,540 | 6,400,265 | 41% | 9,400,275 |
| 62 - Sports | 5,202,165 | 1,252,963 | 1,252,963 | 220,271 | 18% | 1,032,692 |
| 63 - Infrastructure Development | 12,644,972 | 4,016,473 | 4,016,473 | 291,535 | 7% | 3,724,938 |
| 71 - Foreign Affairs - Secretariat | 1,849,068 | 1,456,815 | 1,456,815 | 487,823 | 33% | 968,991 |
| 72 - Foreign Affairs - Brisbane | 785,769 | 1,538,229 | 1,538,229 | 120,841 | 8% | 1,417,388 |
| 73 - Foreign Affairs - Suva | 764,634 | 760,381 | 760,381 | - | 0% | 760,381 |
| 74 - Foreign Affairs - New York | 2,179,069 | 2,604,367 | 2,604,367 | - | 0% | 2,604,367 |
| 75 - Foreign Affairs - Taiwan | 386,094 | - | - | - | 0% | - |
| 76 - Foreign Affairs- Geneva | 1,319,155 | 1,218,947 | 1,218,947 | 154,267 | 13% | 1,064,679 |
| 77 - High Commission India | 1,285,436 | 846,835 | 846,835 | 147,654 | 17% | 699,181 |
| 78 - High Commission Canberra | 987,056 | 3,901,609 | 3,901,609 | 137,312 | 4% | 3,764,297 |
| 79 - Embassy of Nauru Beijing | - | 874,900 | 874,900 | 311,818 | 36% | 563,082 |
| 81 - Internal Affairs | 4,158,839 | 3,507,984 | 3,507,984 | 904,267 | 26% | 2,603,717 |
| 82 - Women and Social Development Affairs (WASDA) | 3,209,385 | 1,027,490 | 1,027,490 | 69,458 | 7% | 958,031 |
| 83 - Media Bureau | 1,246,402 | 752,540 | 752,540 | 160,545 | 21% | 591,994 |
| 84 - Lands & Survey | 6,533,899 | 6,988,107 | 6,988,107 | 671,158 | 10% | 6,316,949 |
| 85 - Lands Committee | 367,583 | 436,926 | 436,926 | 63,548 | 15% | 373,377 |
| 86 - Land Management | 142,356 | 133,495 | 133,495 | 24,996 | 19% | 108,499 |
| 87 - People Living with Disability (PLD) | 676,557 | 684,983 | 684,983 | 222,338 | 32% | 462,645 |
| 88 - National Heritage | - | 1,910,735 | 1,910,735 | 245,654 | 13% | 1,665,081 |
| 91 - Transport | 3,065,708 | 3,761,531 | 3,761,531 | 726,121 | 19% | 3,035,410 |
| 95 - ICT | 3,202,116 | 2,817,553 | 2,817,553 | 686,109 | 24% | 2,131,444 |
| 97 - Telecom | 18,481 | 168,635 | 168,635 | 60,189 | 36% | 108,446 |
| Total Expenditure | 306,447,299 | 348,734,244 | 348,734,244 | 89,464,187 | 26% | 259,270,057 |

CASH POSITION

By the (Figure 4)end of the quarter on September 30, total funds in the government bank account amounted to \$149.7 million. The required cash buffer, which is two months of adjusted expenditures, was \$58.1 million. As of September 30, \$41.77 million was held in the Buffer bank accounts. A transfer will be made in the coming weeks as additional funds are received in the Treasury bank account, to ensure that the cash buffer balance meets the required level.

Figure 4 GoN Cash reserves Q1 2024-25



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.