



REPUBLIC OF NAURU

DEPARTMENT OF FINANCE

QUARTERLY BUDGET PERFORMANCE REPORT
QUARTER 2 2024-25

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Treasury Division
Department of Finance

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QUARTERLY BUDGET PERFORMANCE REPORT – QUARTER 2 2024-25

INTRODUCTION

This is the performance report for the second 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 December 31 2024. It is based on all available information to Treasury as at 14 January 2025.

- In aggregate, actual year to date performance is within expected margins, with 47% of total expected annual revenue collected, whereas 54% of total expenditure was utilised against benchmark of 50%.
- Revenue collections have been boosted with majority of fisheries revenue arriving in the bank in December but could have been better had there been deposits from the USD 10 million budget support funds from PRC or some progress on the collections of the USD 9 million budget for the Citizenship Investment Program (CIP).

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. This leaves a surplus budget of \$150,953, which will be used to maintain cash reserves at the bank and support Nauru to manage the uncertainties in the year/(s) 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. The arrival of the new mobile service provider has changed the dynamics of the mobile market in Nauru but there is an expectation of a significant drop in the

Supplementary Appropriations

There were two supplementary budgets passed during the quarter.

Supplementary Appropriation No 1 was passed on 26 November, 2024 to recognise:

- USD 9.08 million (or AUD 13.7 million) in budget support from the People’s Republic of China to support the purchase of a new cargo vessel for Nauru Shipping line.
- \$10.3 million budget reallocation from savings within RPC operations - \$5.2 million from ESC operation savings, (22% lesser than anticipated earlier) and \$5.1 million reduction in MCA’s activity costs related to Salary Other contracts and Plant and Equipment purchases. These new revenue and expenditure savings created a total fiscal space of \$24 million which was allocated to the following key expenditure priorities:
 - 10.2 million to Head 16 Finance Other including:
 - 5.3 million to the Fiscal Cash Buffer
 - 1.4 million is for the Tank Farm engineering account

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

- 1.5 million to Grants to
 - 1.4 million to the Nauru Intergenerational Trust Fund account, comprising of 10.1% of total new revenue in this supplementary, and
 - 0.5 million to cover debt obligations not covered in the original budget
- 3.9 million allocated to the Presidency for ongoing expenses such as travel, official celebrations, and building
 - 2.9 million to the Ministerial department for travel and other ongoing costs
 - 4.2 million for additional OMR costs
 - 2.7 million is provided to NES, Electoral Commission, Statistics, NRPCC, Climate Change, Sports, and various consulates and embassies – including Brisbane, Suva, Geneva, and Beijing Embassy – as well as Media, and National Heritage to cover ongoing costs.

Supplementary Appropriation No 2 was passed on 23 December, 2024 to recognise:

- 15 million budget reallocations from contributions to the Nauru Trust Fund Account as these are set to be covered by Australia
- \$15 million was allocated to cover new expenditures that have emerged, including:
 - \$3.1 million for ex-gratia payments to government workers, pensioners, and individuals with disabilities
 - \$2.9 million to Presidency for additional travel expenses
 - \$2.9 million for additional OMR costs
 - \$2.1 million for additional contributions to the Nauru Trust Fund, comprising of 10.1% of revenue from the Government of Australia \$20 million budget support
 - \$2 million to Sports department to support the works for the Micronesian Games sports and Field stadium
 - \$0.3 million for a salary increase for Members of Parliament, and Deputy Ministers, and
 - \$1.5 million for increased operational costs across Ministerial, Finance Secretariat, NRPCC, DEMA, Police, Border Control, Brisbane Consulate, Media, and National Heritage

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. While Quarter 2 is featured with substantial deposits from Fisheries licenses and per-seine, there were also huge once off lumpy payments made such as Ex gratia benefits, aerodrome, and RPC land rental, leading to an overall \$9.1 million deficit.

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 Q2 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%	0%	0%	-2%
Personnel cost ratio	Personnel cost to current expenditure <30%	17%	19%	18%	16%

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, when cash holdings have improved, Treasury will proceed 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 Q2 2024-25

	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 Dec 2024	58,122,374		149,707,831
<i>of which held in cash buffer accounts</i>		47,986,606	41,697,387

BUDGET AGGREGATES

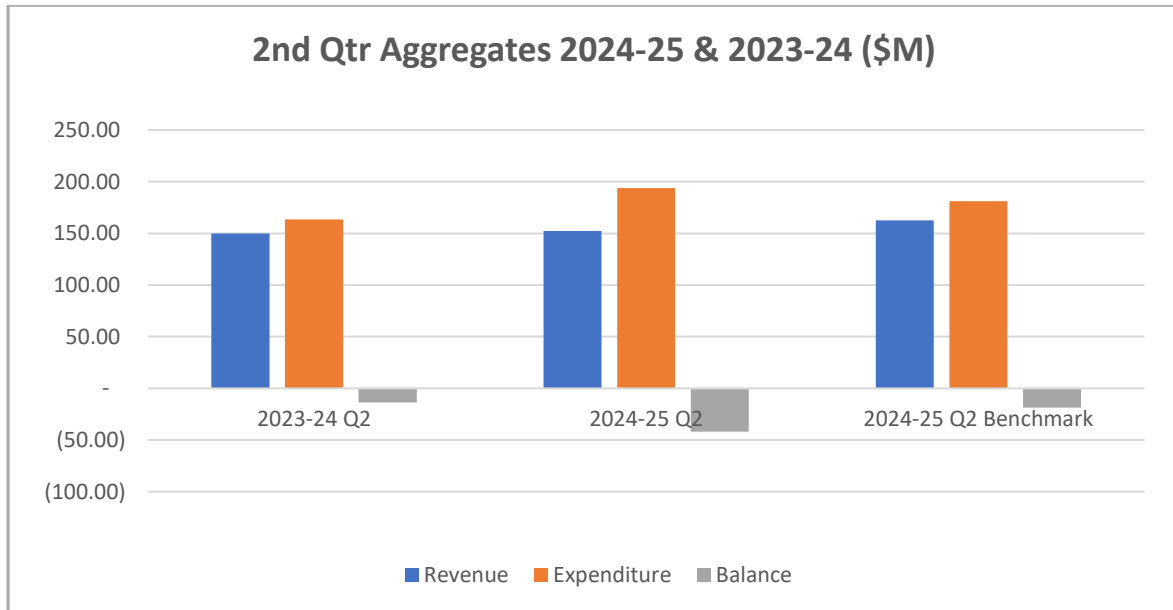
The budget aggregates for the second quarter as shown in Table 3 and Figure 1 indicate performance mainly in line with expectations. Revenue collections of \$152.3m is slightly lower than the quarter benchmark of \$162.5m, while expenditure at \$194m, is slightly above the quarter benchmark of 50% or \$181.1m.

The recorded deficit of \$9.1m is primarily due to a mismatch in the timing of the revenues and expenditure. Although most of the revenues were received in December, there were significant one-time expenses during the quarter, such as Ex Gratia payments, local Donations to constituents and land rental. Overall, the result was that spending exceeded the revenue received.

Table 3 Aggregate results Q2 2024-25

Description	2023-24	2024-25	2024-25		2024-25	2024-25	%	2024-25
	Preliminary Actual	Approved Budget	2024-25 Supp Bill 1	2024-25 Supp Bill 2	Revised Budget	2024-25 Actual	collections	Remaining Budget
	\$	\$	\$	\$	\$	\$		\$
Revenue	344,770,407	311,285,197	13,654,112		324,939,309	152,291,376	47%	172,647,933
Expenditure	306,447,299	348,734,244	13,581,900	- 7,474	362,308,670	193,995,405	54%	168,313,265
Balance	38,323,108	- 37,449,047	72,212	7,474	- 37,369,361	- 41,704,029	-	4,334,668
Less Reserve Re-appropriation	-	37,600,000	-	-	37,600,000	37,600,000		-
Net Budget Surplus/Deficit	38,323,108	150,953	72,212	7,474	230,639	- 4,104,029	-	- 4,334,668

Figure 1 Budget aggregate results for the second quarter 2024-25 and 2023-24 (\$ million)



OPERATING REVENUE ANALYSIS

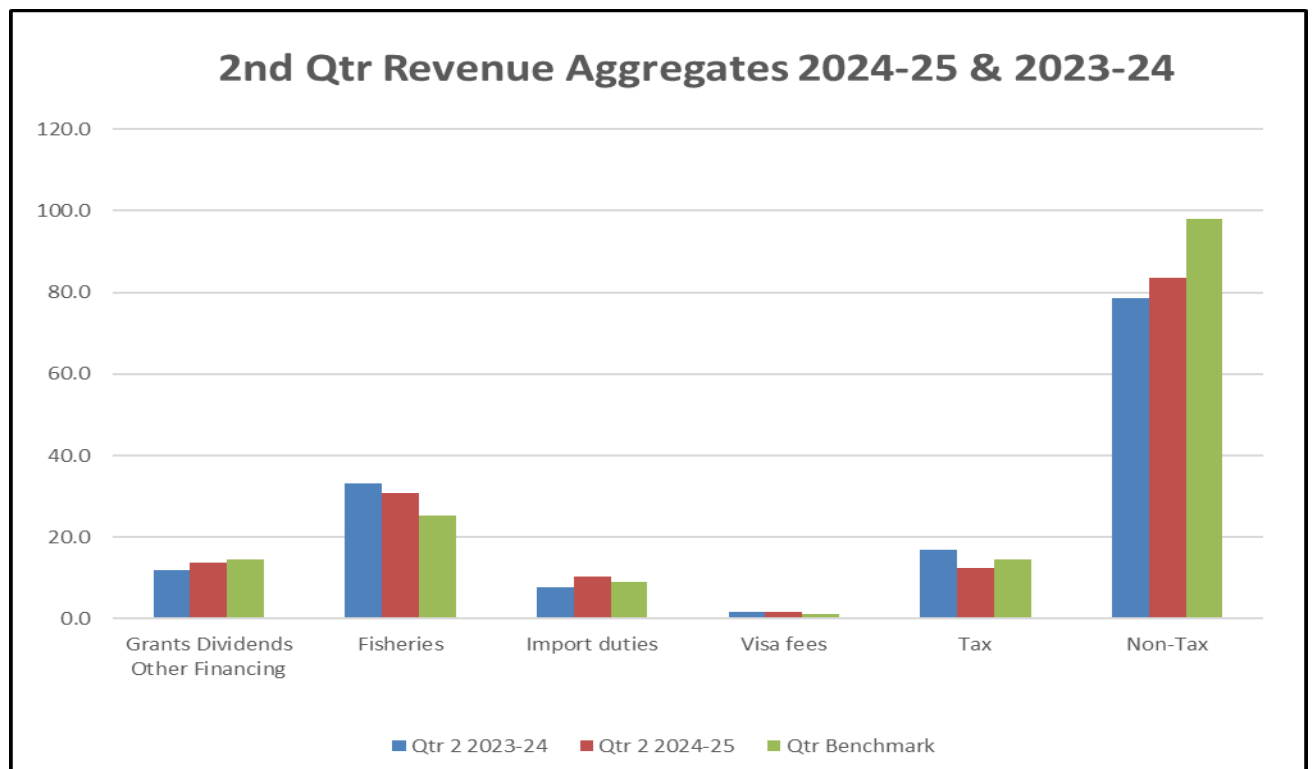
Actual revenues for the quarter are summarised in Table 4. Revenues are highly seasonal, with majority of the Fishing revenue collected in the second quarter. Revenue collections include non-tax revenue with the majority coming from RPC lines, with six months of packaged hosting funds received during this quarter.

Table 4: Revenue breakdown Q2 2024-25

Revenue Description	2023-24	2024-25	2024-25		2024-25	2024-25		2024-25
	Preliminary	Approved	2024-25	2024-25	Revised	2024-25 YTD	Actual as	2024-25
	Actual	Budget	Supp Bills	ISHT	Budget	Actual	% of	Remaining
	\$	\$	\$	\$	\$	\$	%	Budget
Grants Dividends Other Financing	52,590,660	15,539,110	13,654,112	-	29,193,222	13,654,112	47%	15,539,110
Fisheries	61,369,976	50,530,000	-	-	50,530,000	30,796,977	61%	19,733,023
Import duties	17,208,376	17,877,293	-	-	17,877,293	10,280,804	58%	7,596,489
Visa fees	2,737,370	2,333,588	-	-	2,333,588	1,605,080	69%	728,508
Tax	30,734,123	29,234,982	-	-	29,234,982	12,339,285	42%	16,895,697
Non-Tax	180,129,378	195,770,224	-	-	195,770,224	83,615,118	43%	112,155,106
Total Revenue	344,769,884	311,285,197	13,654,112	-	324,939,309	152,291,376	47%	172,647,933

Overall revenue collections for the second quarter of 2024-25 are \$2.5 million higher than those for the same period in 2023-24. This is attributed to an overall increase in revenue estimates for the current year to \$324.9 million compared to \$307.2 million then.

Figure 2 Revenue collections for Q2 2024-25 and 2023-24



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 60% 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.

Table 5: RPC Related Revenues Q2 2024-25

Revenue Description	2023-24	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	Remaining Budget
	\$	\$	\$	\$	\$	\$	\$
1580 - Visa Fees - RPC Resettlement	368,000	0	0	0	0	100,000	-100,000
1475 - Miscellaneous Revenue	11,849,184	0	0	0	0	0	0
1495 - Service Fees	20,002,987	20,002,004	0	0	20,002,004	8,335,050	11,666,954
1577 - DJBC - Operations	9,813,522	0	0	0	0	0	0
1578 - DJBC - Reimbursable Costs	61,283,331	97,600,000	0	0	97,600,000	44,712,760	52,887,240
1598 - Hosting Fee	71,899,998	63,400,008	0	0	63,400,008	26,416,665	36,983,343
1590 - Employment Services Tax	10,973,887	9,889,320	0	0	9,889,320	6,014,584	3,874,736
1591 - Business Profit Tax	17,572,881	17,545,662	0	0	17,545,662	5,504,675	12,040,987
1015 - Income from Investments & Dividends-Others	2,275,576	1,000,000	0	0	1,000,000	0	1,000,000
Total RPC related revenue	206,039,365	209,436,994	0	0	209,436,994	91,083,734	118,353,260
Share of total revenue	60%	67%	0%		64%	60%	69%

FISHING REVENUES

Revenue collections from fishing are highly seasonal, peaking in December. Year-to-date collections total \$30.8 million (60% of projected annual revenue). This includes \$2m collected in Quarter 1 and \$28.7m by the end of December, with \$19.7m remains to be collected in the next six months.

Table 6: Fishing revenues Q2 2024-25

Description	2023-24	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	Remaining Budget
	\$	\$	\$	\$	\$	\$	\$
1055 - Support Vessel Charges	250,205	230,000	-	-	230,000	162,620	67,380
1071 - Purse Seine Revenue - Licensing	1,650,968	1,300,000	-	-	1,300,000	1,274,735	25,265
1072 - Purse Seine Revenue - Fishing Days	59,468,803	49,000,000	-	-	49,000,000	29,360,165	19,639,835
1110 - Fisheries Revenue - Other	-	-	-	-	-	542	542
Total Fisheries Revenue	61,369,976	50,530,000	-	-	50,530,000	30,796,977	19,733,023

TAXATION REVENUE

Second-quarter tax revenue slightly missed its benchmark (Table7), primarily due to shortfalls in Business Profits (31%) and Telecom Taxes (46%). However, Employment Services Taxes performed strongly, reaching 61% of annual projections. The BPT shortfall resulted from prior overpayments by some entities, whose current financial performance exempts them from payments in Quarters 1 and 2. The Telecom tax shortfall reflects Digicel's decreased activity following the entry of new competitors, Star-link. Further reductions are anticipated with the arrival of Neotel, unless Neotel is also subject to these taxes.

Table 7: Taxation revenue Q2 2024-25

Description	2023-24	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	Remaining Budget
	\$	\$	\$	\$	\$	\$	\$
1190 - Telecom Tax	2,187,355	1,800,000	-	-	1,800,000	820,026	979,974
1590 - Employment Services Tax	10,973,887	9,889,320	-	-	9,889,320	6,014,584	3,874,736
1591 - Business Profit Tax	17,572,881	17,545,662	-	-	17,545,662	5,504,675	12,040,987
Total Tax	30,734,123	29,234,982	0	0	29,234,982	12,339,285	16,895,697

CUSTOMS AND OTHER IMPORT DUTIES

Customs and excise duty collections have been better, with total earnings coming at 57% of total annual projections, 7% better than benchmark (Table 8). This is due to better-than-expected collections recorded in Alcohol (86%), Sugar (69%), Tobacco (65%) and Diesel (60%) but these were offset by lower collections in Machinery/Vehicle/Equip (24%).

Table 8 Customs and other Import duties Q2 2024-25

Description	2023-24	2024-25		2024-25		2024-25		2024-25
	Preliminary	Approved	2024-25	2024-	Revised	2024-25	2024-25	Remaining
	Actual	Budget	Supp Bills	25 ISHT	Budget	YTD Actual	Budget	
	\$	\$	\$	\$	\$	\$	\$	\$
1140 - Customs and Excise Duty - Tobacco	6,593,381	6,723,785	-	-	6,723,785	4,374,942	2,348,843	
1145 - Customs and Excise Duty - Alcohol	880,156	1,174,906	-	-	1,174,906	1,011,678	163,228	
1150 - Customs and Excise Duty - Sugar	972,131	1,067,472	-	-	1,067,472	737,983	329,489	
1155 - Customs and Excise - Machinery/Vehicle/Equip	1,184,863	1,162,446	-	-	1,162,446	278,764	883,682	
1160 - Customs and Excise Duty - Other	3,258,508	3,295,622	-	-	3,295,622	1,535,788	1,759,834	
1165 - Customs and Excise Duty - Petrol Sales	2,550,362	2,648,925	-	-	2,648,925	1,253,846	1,395,079	
1170 - Customs and Excise Duty - Diesel Sales	1,753,280	1,804,137	-	-	1,804,137	1,078,887	725,250	
1171 - Customs Fees and Chargers	15,573	-	-	-	-	7,210	-7,210	
1175 - Customs and Excise Duty - JetA1	122	-	-	-	-	-	0	
Total Customs and Excise Duty	17,208,376	17,877,293	-	-	17,877,293	10,279,099	7,598,194	

VISA FEES

Revenue from visa fees has exceeded expectations, with strong collections in all categories (Table 9), with total quarter collections reaching 69% of the total annual projections.

Table 9 Visa fees Q2 2024-25

Description	2023-24	2024-25		2024-25		2024-25	
	Preliminary	Approved	2024-25	2024-	Revised	2024-25	2024-25
	Actual	Budget	Supp Bills	25 ISHT	Budget	YTD Actual	Remaining
	\$	\$	\$	\$	\$	\$	\$
1330 - Visa Check up	17,216	17,088	-	-	17,088	10,619	6,469
1575 - Visa Fees (Other Business)	2,352,154	2,316,500	-	-	2,316,500	1,494,461	822,039
1580 - Visa Fees - RPC Resettlement	368,000	-	-	-	-	100,000	-100,000
Total Visa Fees	2,737,370	2,333,588	0	0	2,333,588	1,605,080	728,508

OTHER REVENUE – DIVIDENDS AND GRANTS

Collections from the dividends and investments category is slightly lesser than expected, with there being no collections made yet against the \$1 million projections for dividends.

Of the \$28.2 million budget support, \$14.5 million (USD 9.08 million) relating to the purchase of a new cargo vessel for Nauru Shipping Line was received from PRC in November, leaving \$14.5 million (USD 10 million) related to General Budget Support from PRC remaining to be collected over the remaining 6 months. The PRC support is expected to be collected over one single tranche payment from Beijing.

Table 10 Dividends and Grants Q2 2024-25

Description	2023-24	2024-25		2024-25		2024-25	
	Preliminary	Approved	2024-25	2024-	Revised	2024-25	2024-25
	Actual	Budget	Supp Bills	25 ISHT	Budget	YTD Actual	Remaining
	\$	\$	\$	\$	\$	\$	\$
1015 - Income from Investments & Dividends-Others	2,275,576	1,000,000	-	-	1,000,000	-	1,000,000
1660 - General Budget Support	50,315,084	14,539,110	13,654,112	-	28,193,222	13,654,112	14,539,110
Total Dividends , Grants and Other	52,590,660	15,539,110	13,654,112	-	29,193,222	13,654,112	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.

Except for the Citizenship Investment Program (sale of passports) which has not seen any collections, majority of the significant revenue items under the Non Tax category have exceeded their quarter benchmark. RPC Revenue (Reimbursables, Hosting fees and Management fees collections are all within their quarter benchmark. DCA related fees have way exceeded the quarter benchmark at 70%.

No estimates were made for Tobacco license, due to the Tobacco Act only passed after the start of the financial year but it has already raked in \$305,000 of collections and this is likely to double or triple by the end of the financial year. Collections on Corporation fees have also exceeded the benchmark.

It is expected that collections from the Citizenship Investment Program will start to come in by the end of quarter 3 and the level of collections should inform the estimates for the next financial year collections.

Table 11 Non-tax revenues Q2 2024-25

Description	2023-24	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	Remaining Budget
	\$	\$	\$	\$	\$	\$	\$
1016 - Citizenship Investment Program		9,000,000	-	-	9,000,000	-	9,000,000
1121 - Curator fees	94,182	-	-	-	-	7,296	7,296
1210 - Tobacco License	-	-	-	-	-	305,000	-305,000
1215 - Licenses-Drivers etc	132,486	161,140	-	-	161,140	83,029	78,111
1220 - Corporation Fees and Licenses	381,800	348,216	-	-	348,216	217,950	130,266
1225 - Licenses-Trading	423,175	31,815	-	-	31,815	211,415	-179,600
1230 - Liquor Licensing Board	18,320	18,888	-	-	18,888	28,000	-9,112
1235 - Gaming / Bingo Licenses	160,708	123,020	-	-	123,020	88,849	34,171
1240 - Licenses-Dogs etc	50	5,004	-	-	5,004	-	5,004
1245 - Drones Licenses	600	480	-	-	480	1,750	-1,270
1260 - Birth Certificate	30,259	30,108	-	-	30,108	14,555	15,553
1265 - Death Certificate	1,760	1,680	-	-	1,680	690	990
1270 - Marriage Certificate	3,730	3,576	-	-	3,576	1,840	1,736
1300 - Registration Fees-Motor Cars	140,808	147,324	-	-	147,324	101,549	45,775
1305 - Registration Fees-Motorcycles	24,650	25,344	-	-	25,344	16,640	8,704
1310 - Vehicle/Insurance Fees	444,098	458,964	-	-	458,964	280,145	178,819
1325 - Passport Fees and Photographs	162,787	145,116	-	-	145,116	76,340	68,776
1340 - Police Clearance	47,850	47,964	-	-	47,964	25,726	22,238
1360 - D.C.A.-Pax Levy	835,400	822,264	-	-	822,264	538,775	283,489
1365 - D.C.A.-Departure Taxes	596,975	597,672	-	-	597,672	485,000	112,672
1370 - D.C.A.-Air Navigation Fees	565,422	505,368	-	-	505,368	343,245	162,123
1375 - D.C.A.-Landing Fees	621,020	602,568	-	-	602,568	449,143	153,426
1380 - D.C.A.-Rental Fees	158,270	156,852	-	-	156,852	73,966	82,886
1400 - Port Fees	-	-	-	-	-	160	-160
1475 - Miscellaneous Revenue	11,849,184	354,724	-	-	354,724	396,310	-41,586
1480 - Bus Services	7,175	7,824	-	-	7,824	700	7,124
1485 - Quarantine Fees	217,662	213,768	-	-	213,768	109,195	104,573
1490 - Court Fines and Fees	73,780	47,928	-	-	47,928	17,837	30,091
1495 - Service Fees	20,002,987	20,002,004	-	-	20,002,004	8,335,050	11,666,954
1500 - Sale of Maps	9,605	8,112	-	-	8,112	10,266	-2,154
1501 - Sale of Livestock	10,509	10,509	-	-	10,509	7,879	2,631
1520 - Food Handler Check up	13,130	13,620	-	-	13,620	4,120	9,500
1540 - Advertising Revenue	19,722	9,408	-	-	9,408	10,276	-868
1555 - Spectacles,Drugs etc	1,735	996	-	-	996	710	286
1565 - Medical Services	13,245	14,304	-	-	14,304	630	13,674
1577 - DJBC - Operations	9,813,522	-	-	-	-	-	0
1578 - DJBC - Reimbursable Costs	61,283,331	97,600,000	-	-	97,600,000	44,712,760	52,887,240
1596 - Traffic Infractions	44,650	42,000	-	-	42,000	29,470	12,530
1597 - TVET Course Fees	9,915	-	-	-	-	5,860	-5,860
1598 - Hosting Fee	71,899,998	63,400,008	-	-	63,400,008	26,416,665	36,983,343
1700 - National/District Roll Sales	570	7,440	-	-	7,440	2,860	4,580
1705 - Electoral Various Fees	14,310	804,216	-	-	804,216	218,060	586,156
Total Non Tax	180,129,378	195,770,224	0	0	195,770,224	83,615,118	112,155,106

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 Q2 2024-25

Description	2023-24	2024-25	2024-25 Supp Bills	2024-25	2024-25 Actual	2024-25	2024-25 Remaining Budget
	Preliminary Actual	Approved Budget		Revised Budget		% of Budget	
	\$	\$	\$	\$	%	\$	\$
03 - Chief Secretary Office	56,460	54,252	-	54,252	45,675	84%	8,577
09 - Electoral Commission	14,880	815,340	-	815,340	220,920	27%	594,420
15 - Nauru Revenue Office	30,952,893	29,439,142	-	29,439,142	12,453,731	42%	16,985,411
16 - Finance - Other Payments	63,696,359	24,539,110	13,654,112	38,193,222	13,733,554	36%	24,459,668
17 - Nauru Customs Office (NCO)	17,213,996	17,897,773	-	17,897,773	11,431,153	64%	6,466,620
21 - Environment Management & Agriculture (E	2,580	-	-	-	4,663	0%	4,663
31 - Fisheries	61,563,413	50,530,000	-	50,530,000	29,672,160	59%	20,857,840
41 - Police	98,381	96,372	-	96,372	77,526	80%	18,846
42 - Multi Cultural Affairs	163,572,853	181,000,012	-	181,000,012	79,562,840	44%	101,437,172
43 - Justice - Secretariat	1,020,995	501,495	-	501,495	531,707	106%	30,212
44 - Judiciary	83,713	47,928	-	47,928	36,318	76%	11,610
45 - Border Control	2,732,604	2,675,384	-	2,675,384	1,679,996	63%	995,388
46 - Correctional Services	11,033	10,509	-	10,509	7,879	75%	2,631
50 - TVET	10,765	-	-	-	5,860	0%	5,860
59 - Public Health	-	-	-	-	305,000	100%	305,000
61 - Health	59,443	59,112	-	59,112	65,822	111%	6,710
81 - Internal Affairs	72,532	80,000	-	80,000	38,425	0%	41,575
83 - Media Bureau	19,722	9,408	-	9,408	10,276	109%	868
84 - Lands & Survey	10,182	8,112	-	8,112	10,842	134%	2,730
85 - Lands Committee	2,985	2,000	-	2,000	1,715	86%	285
91 - Transport	3,547,683	3,484,248	-	3,484,248	2,392,556	69%	1,091,692
93 - Maritime Transport	-	-	-	-	160	0%	160
95 - ICT	26,938	35,000	-	35,000	2,600	7%	32,400
Total Revenue	344,770,407	311,285,197	13,654,112	324,939,309	152,291,376	47%	172,647,933

OPERATING EXPENDITURE ANALYSIS

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

During this period, there were a total of 34 Inter-subhead transfers totalling approximately \$16.9 million:

- 9 ISHTs in the total value of \$13.0 million or 82% of the total ISHTs were processed within Head 16 Finance Other particularly to reallocate funds from the Fiscal Cash Buffer to Loans to SoEs to facilitate lending to NSL for its charter hire and purchase of the Skyline, donations local, debt repayments and others
- Other departments ISHTs makes up the remaining 24 ISHTs to a total value of \$3 million. These pertains to ISHTs for Health, Ministerial, Presidency, National Heritage, Chief Secretary, and others

Table 13 Expenditure by Group Q2 2024-25

Description	2023-24	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	
	\$	\$	\$	\$	\$	\$	%	\$	
Personnel	52,232,663	65,114,762	2,072,339	-177,493	67,009,609	30,255,568	45%	36,754,041	
Govt Travel	16,000,664	9,628,569	8,473,594	2,889,414	20,991,577	12,733,119	61%	8,258,458	
Subsidies & Donations	57,925,606	54,504,170	-3,309,055	1,404,790	52,599,905	33,057,262	63%	19,542,644	
Govt Operations	100,768,172	129,794,879	7,880,792	-1,698,222	135,977,450	73,343,182	54%	62,634,268	
Capital Expenditure	21,800,539	25,365,699	289,631	-400,990	25,254,340	7,390,122	29%	17,864,218	
Social Benefits	26,458,574	23,960,681	3,772,320	250,000	27,983,001	13,771,448	49%	14,211,553	
Other	699,784	886,373	48,000	-33,000	901,373	138,205	15%	763,168	
Transfer (Non Expense)	30,561,296	39,479,110	-5,653,195	-2,234,500	31,591,415	23,306,498	74%	8,284,917	
Total Expenditure	306,447,299	348,734,244	13,574,426	0	362,308,669	193,995,405	54%	168,313,264	

Figure 3 compares the first quarter's expenditure to the same period last year. Overall, this year's total expenditure of \$194 million way exceeds the previous year utilization of \$163.4 million, a \$30.6 million variance. The higher expenditures in the current quarter could be attributable to huge once off payments in the current year such as ex gratia (two where there was only one last financial year), substantial Local Donation payments, Trust fund and others.

Figure 3 Expenditure Utilization, for Q2 2024-25 and 2023-24

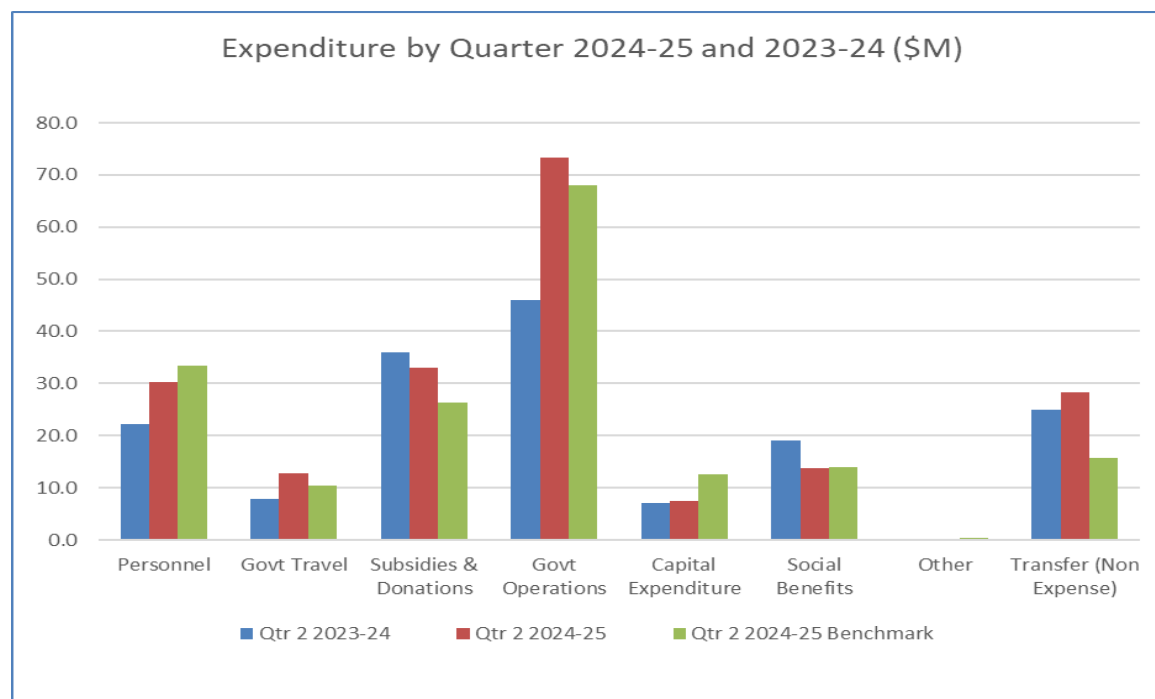


Table 14 Personnel Expenditure Q2 2024-25

PERSONNEL COSTS

Table 14 provided an overview of personnel expenditure for the first quarter of 2024-25, which was within the benchmark, due to slow utilization in almost all the lines except GoN Super contributions and Ex Gratia Nauru Public Service.

Table 14 Personnel Expenditure Q2 2024-25

Description	203-24	2024-25	2024-25 Supp Bills	2024-25 ISHT	2024-25	2024-25 YTD Actual	2024-25	2024-25 Actual as % of Budget	2024-25
	Preliminary Actual	Approved Budget			Revised Budget		Remaining Budget		
	\$	\$	\$	\$	\$	\$	%	\$	
2005 - Salaries & Allowances - (MP's)	867,416	854,258	4,029	0	858,287	398,895	46%	459,392	
2010 - HE Salary & Allowances	110,035	115,537	0	0	115,537	55,017	48%	60,520	
2015 - Salary - Local	32,558,505	39,463,183	665,986	-297,184	39,831,985	17,762,362	45%	22,069,623	
2020 - Salary Expatriate	8,058,569	11,701,875	50,500	84,584	11,836,959	4,225,092	36%	7,611,867	
2025 - Allowances - Staff Contract	1,516,888	557,061	0	0	557,061	125,771	23%	431,289	
2026 - Directors Fees	28,050	60,900	0	0	60,900	17,250	28%	43,650	
2031 - Staff Contract - Ministerial	762,903	720,723	100,000	0	820,723	380,589	46%	440,133	
2035 - Overtime - local	1,483,023	1,436,612	56,824	50,000	1,543,436	676,641	44%	866,795	
2040 - Staff Training	2,031,147	1,798,450	59,414	-4,933	1,852,931	533,011	29%	1,319,920	
2041 - Prep & Orientation of Seasonal Workers	9,185	42,800	0	0	42,800	1,818	4%	40,982	
2045 - Recruitment	22,906	78,932	0	0	78,932	33,000	42%	45,932	
2050 - Uniforms & Protective Clothing	395,762	544,853	0	-9,960	534,893	162,294	30%	372,599	
2072 - Meals and Drinks - Staff	212,731	193,918	17,000	0	210,918	124,401	59%	86,517	
2423 - Ex Gratia Nauru Public Service	1,803,339	4,328,014	1,118,586	0	5,446,600	3,645,200	0%	1,801,400	
2651 - GON Contributions	2,372,203	3,217,646	0	0	3,217,646	2,114,224	66%	1,103,422	
Total Personnel	52,232,663	65,114,762	2,072,339	-177,493	67,009,609	30,255,568	45%	36,754,041	

GOVERNMENT TRAVEL

Government travel spending is way over the quarter benchmark (Table 15), due to significant travel activities across all the three travel lines – Presidency, Ministerial departments as well as the departments centralised travel allocation under Presidency. The rate of current rate of travel

spending is not sustainable and efforts should be made to either align future travel activities to the budget or increase the travel budget to cover future travel costs.

Table 15 Government Travel Expenditure Q2 2024-25

Description	203-24	2024-25	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
	\$	\$	\$	\$	\$	\$	%	\$
2070 - Travel - Staff	1,101,452	1,682,140	149,000	-68,865	1,762,275	533,033	30%	1,229,242
2075 - Travel - Business	14,899,212	7,946,429	8,324,594	2,958,279	19,229,302	12,200,087	63%	7,029,215
Total Government Travel	16,000,664	9,628,569	8,473,594	2,889,414	20,991,577	12,733,119	61%	8,258,458

SUBSIDIES & DONATIONS

Donations-local expenditure for the quarter way exceeds the benchmark due to high spending in the Local donation's subhead (97%) and Grants Sporting federations (59%) more than offsets underspend in Grants to SoEs, and Donations Overseas. Subsidies to SoEs utilization is as expected.

Table 16 Subsidies & Donations Expenditure Q2 2024-25

Description	203-24	2024-25	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	5,948,184	49%	6,147,431
2617 - Donations - local	12,794,722	14,585,716	350,000	2,150,000	17,085,716	16,573,179	97%	512,537
2618 - Donations - overseas	744	102,966	0	0	102,966	1,692	2%	101,275
2619 - Grants to SoEs	16,664,535	27,019,873	-3,659,055	-700,000	22,660,818	10,148,801	45%	12,512,017
2621 - Grants to Sports Federations	1,471,593	700,000	0	-45,210	654,790	385,405	59%	269,385
Total Subsidies & Donations	57,925,606	54,504,170	-3,309,055	1,404,790	52,599,905	33,057,262	63%	19,542,644

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.

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, equipment, and large machineries to support building and development projects at the RPC sites such as road works, repairs, and maintenance etc.

Table 17 Capital Expenditure Q2 2024-25

Description	203-24	2024-25	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	46,575	23%	159,005
2495 - Plant & Equipment Purchases	5,654,866	14,760,808	-1,480,695	-288,990	12,991,122	2,244,762	17%	10,746,360
2496 - Building and Structures	15,494,608	10,089,311	1,770,326	-112,000	11,747,637	5,052,748	43%	6,694,889
2580 - Public Works	333,911	310,000	0	0	310,000	46,036	15%	263,964
Total Capital Expenditure	21,800,539	25,365,699	289,631	-400,990	25,254,340	7,390,122	29%	17,864,218

SOCIAL BENEFITS

Expenditure on social benefits is within the quarter benchmark, 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 (Table 18). It is orthwhile to say that there has been overspending in all pensioners subheads and ex gratia, more than offset utilization in scholarship and Housing. Three

quarter of the Nauru community housing funds has been spent and that is attributable to the once-off nature of project fund disbursements.

Table 18 Social Benefits Q2 2024-25

Description	203-24	2024-25		2024-25 ISHT	2024-25	2024-25 YTD Actual	2024-25	2024-25 Remaining Budget
	Preliminary Actual	Approved Budget	2024-25 Supp Bills		Revised Budget		Actual as % of Budget	
	\$	\$	\$	\$	\$	\$	%	\$
2220 - Nauru Community Housing	8,419,888	500,000	0	0	500,000	373,828	75%	126,172
2221 - Smart Housing	2,643,981	0	0	0	0	0	0%	0
2222 - Housing	0	2,316,591	1,650,000	0	3,966,591	1,293,667	33%	2,672,924
2390 - Social Welfare - Birth Claims	143,100	168,000	0	0	168,000	84,600	50%	83,400
2395 - Social Welfare - Death Claims	224,070	234,000	0	0	234,000	122,099	52%	111,901
2396 - Back to School Support	730,850	796,400	0	0	796,400	379,750	48%	416,650
2400 - Social Services - Aged Pensions	4,485,990	4,697,680	0	0	4,697,680	2,683,960	57%	2,013,720
2405 - Social Services - Super Contributors	54,951	50,470	0	0	50,470	27,157	54%	23,313
2420 - Social Services - Disability Payments	2,643,485	2,989,272	0	0	2,989,272	1,634,465	55%	1,354,807
2421 - Ex Gratia - Age and Disable	595,000	1,428,000	886,200	250,000	2,564,200	1,672,000	65%	892,200
2422 - Ex Gratia SoEs	1,300,400	2,860,880	1,136,120	0	3,997,000	2,597,000	65%	1,400,000
2424 - Unemployment Benefits	100,917	0	0	0	0	0	0%	0
2440 - Scholarships - School & Trade	5,115,941	7,919,388	100,000	0	8,019,388	2,902,923	36%	5,116,465
Total Social Benefits	26,458,574	23,960,681	3,772,320	250,000	27,983,001	13,771,448	49%	14,211,553

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 Q2 2024-25

Description	203-24	2024-25		2024-25 ISHT	2024-25	2024-25 YTD Actual	2024-25	2024-25 Remaining Budget
	Preliminary Actual	Approved Budget	2024-25 Supp Bills		Revised Budget		Actual as % of Budget	
	\$	\$	\$	\$	\$	\$	%	\$
2565 - Insurance	649,889	783,679	48,000	-35,000	796,679	122,052	15%	674,627
2570 - Bank Charges	49,583	67,797	0	1,000	68,797	16,153	23%	52,644
2690 - Foreign exchange gains/losses	312	34,897	0	1,000	35,897	0	0%	35,897
Total Other	699,784	886,373	48,000	-33,000	901,373	138,205	15%	763,168

NON-EXPENSE ITEMS

Expenditure in this category aligns with the quarter benchmark overall, as indicated in Table 20. One quarter of Nauru's contributions to the Intergenerational Trust Fund was settled in Quarter 1, in accordance with the government's contribution disbursement plan. The second

Additionally, 100% of loans to SoEs has been utilised, and this related to the bridging finance for the purchase of the cargo vessel (Skyline) ahead of the receipt of the associated grant support from PRC. The distribution of RONWAN commenced in early December - \$3.3 million of \$5.8 million budget have been spent by end of the quarter. 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 Q2 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	2024-25 Remaining Budget
	\$	\$	\$	\$	\$	\$	%	\$
2545 - Debt Repayments - Other	7,204,834	5,833,334	517,144	1,400,000	7,750,478	4,742,301	61%	3,008,177
2650 - Trust Fund	21,724,002	19,081,731	-11,490,935	0	7,590,796	5,010,084	66%	2,580,712
2652 - Fiscal Cash Buffer	0	10,641,192	5,320,596	-13,296,943	2,664,845	0	0%	2,664,845
2680 - BON Liquidation- Payment	745,460	913,649	0	20,000	933,649	926,168	99%	7,481
2802 - Loans to SoEs	887,000	3,009,204	0	9,642,443	12,651,647	12,627,946	100%	23,701
Total Non-expense items	30,561,296	39,479,110	-5,653,195	-2,234,500	31,591,415	23,306,498	74%	8,284,917

GOVERNMENT OPERATIONS

Overall, the utilization rate of expenditure is in line with expectation at 54% (Table 21) as shown in Table 20. There has been significant spending in certain lines compared to budget, particularly in the Salary other contracts (64%), Land rental (84%), R&M Medical equipment (\$64%), Petrol and Diesel, (60%, 70%), Health Promotion (68%), Drugs and Medicine (80%), Overseas Medical Referral (61%) and Drugs to EBUs (88%).

Table 21 Government Operations Q2 2024-25

Description	203-24	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
	Preliminary	Approved	Supp Bills	ISHT	Revised	2024-25	Actual as %	2024-25
	Actual	Budget			Budget	YTD Actual	of Budget	Remaining
	\$	\$	\$	\$	\$	\$	%	\$
2000 - Project Expenditure	2,000	0	0	0	0	0	0%	0
2030 - Salaries - Other Contracts	27,352,303	40,120,217	-2,912,476	20,000	37,227,741	23,993,664	64%	13,234,077
2042 - APP Upskilling Program	5,640,273	12,000,000	0	0	12,000,000	5,451,475	45%	6,548,525
2055 - Consultants fees	3,130,524	3,556,418	294,210	-514,420	3,336,208	977,986	29%	2,358,222
2060 - Legal Fees - External	38,609	150,000	0	0	150,000	58,577	39%	91,423
2100 - Entertainment	1,850,878	1,483,688	224,009	20,960	1,728,657	876,837	51%	851,820
2105 - Official Celebrations	1,681,684	739,342	600,000	384,600	1,723,942	622,734	36%	1,101,209
2110 - Protocol	124,470	166,000	0	0	166,000	44,433	27%	121,567
2130 - Printing & Stationery	670,216	1,125,334	87,500	11,500	1,224,334	662,899	54%	561,435
2132 - TVET Supplies	94,781	225,200	0	0	225,200	74,150	33%	151,050
2135 - Stores	436,655	643,045	0	7,433	650,478	167,168	26%	483,310
2136 - Museum Artefacts	12,730	5,000	0	0	5,000	105	2%	4,895
2155 - House Rental	7,768,260	8,305,675	337,330	130,500	8,773,505	6,784,978	77%	1,988,527
2160 - Land Rental	7,948,823	8,657,106	0	74,210	8,731,316	7,302,855	84%	1,428,460
2165 - Office Rental	1,055,391	1,299,330	113,600	171,000	1,583,930	424,804	27%	1,159,125
2185 - R&M - Buildings	3,313,957	1,889,280	235,500	-270,000	1,854,780	486,144	26%	1,368,636
2190 - R&M - Office Equipment	117,684	241,134	23,330	4,000	268,464	37,555	14%	230,909
2191 - R&M Medical Equipment	55,854	160,000	0	0	160,000	102,922	64%	57,078
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	8,078	-198,000	872,682	250,820	29%	621,861
2205 - R&M - Plant	1,563,876	6,508,831	1,400,000	-1,400,000	6,508,831	835,692	13%	5,673,139
2210 - R&M - Aerodrome	58,956	60,000	0	-14,000	46,000	1,478	3%	44,522
2225 - Agricultural Supplies	72,227	57,000	0	0	57,000	34,245	60%	22,755
2230 - Publicity and Awareness	532,308	674,890	68,050	-472,600	270,340	32,540	12%	237,800
2275 - Purchase of Petrol	710,539	528,621	9,894	130,400	668,915	398,794	60%	270,121
2280 - Purchase of Diesel	820,371	497,268	0	75,000	572,268	398,594	70%	173,674
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	96,000	8,866,812	3,716,901	42%	5,149,911
2330 - Telephone / Internet	3,311,248	2,954,485	33,000	13,000	3,000,485	1,719,430	57%	1,281,055
2350 - Freight	1,895,053	3,614,000	0	0	3,614,000	1,802,972	50%	1,811,028
2370 - Membership Fees & Subscriptions	1,303,656	1,479,294	0	61,300	1,540,594	487,458	32%	1,053,136
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	-1,000	66,814	37,097	56%	29,717
2375 - ICT Supplies	34,624	62,805	0	-10,000	52,805	13,432	25%	39,373
2460 - Medical Expenses	35,061	64,139	0	20,000	84,139	13,821	16%	70,319
2461 - Primary Health Care Services	105,077	150,000	0	0	150,000	19,088	13%	130,912
2462 - NCD Control & Health Promotion	35,733	40,000	0	0	40,000	27,222	68%	12,778
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	790,637	88%	109,363
2468 - Dental Supplies	42,953	50,000	0	0	50,000	28,598	57%	21,402
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	208,734	41%	296,266
2472 - Laboratory supplies	473,995	410,000	0	0	410,000	248,610	61%	161,390
2473 - Radiology Supplies	21,811	15,000	0	0	15,000	520	3%	14,480
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	7,045,969	202,120	12,782,295	7,809,172	61%	4,973,123
2560 - Educational Expenses - Special	222,596	1,386,928	0	-196,924	1,190,004	35,626	3%	1,154,378
2575 - Local Transport	2,127,601	2,524,725	193,400	-43,800	2,674,325	1,380,064	52%	1,294,261
2585 - Rations	3,877,699	4,773,205	0	0	4,773,205	1,991,226	42%	2,781,979
2590 - Correctional Services Supplies	9,993	15,000	0	0	15,000	7,915	53%	7,085
2600 - Postage	6,611	19,018	0	500	19,518	1,474	8%	18,044
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	4,961	25%	15,043
2611 - Children Education Toys and Learning Supplies	75,376	1,068,774	0	0	1,068,774	385,098	36%	683,676
2614 - Grants to EBUs	2,799,669	3,285,346	119,398	0	3,404,744	2,462,922	72%	941,822
2620 - Lease & Charter Payments	51,405	59,416	0	0	59,416	14,542	24%	44,874
2625 - Family Court Expenses	11,900	12,000	0	0	12,000	4,100	34%	7,900
2630 - Safe House	117,494	195,000	0	0	195,000	12,534	6%	182,466
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	2,742	1%	505,250
Total Government Operations	100,768,172	129,794,879	7,880,792	-1,698,222	135,977,450	73,343,182	54%	62,634,268

EXPENDITURE BY DEPARTMENT

Table 22 shows actual expenditure by department head for the year to date, showing a total utilization of 55% of the budget. Several departments such as Ministerial, Finance – Other, Lands and Survey, People Living with Disability and ICT, have expenditures significantly ahead of their budget allocations (60-82%). This is due to these departments having large single budgets that are disbursed in a onetime lump-sum manner, such local donations, trust fund contributions, land lease, and housing.

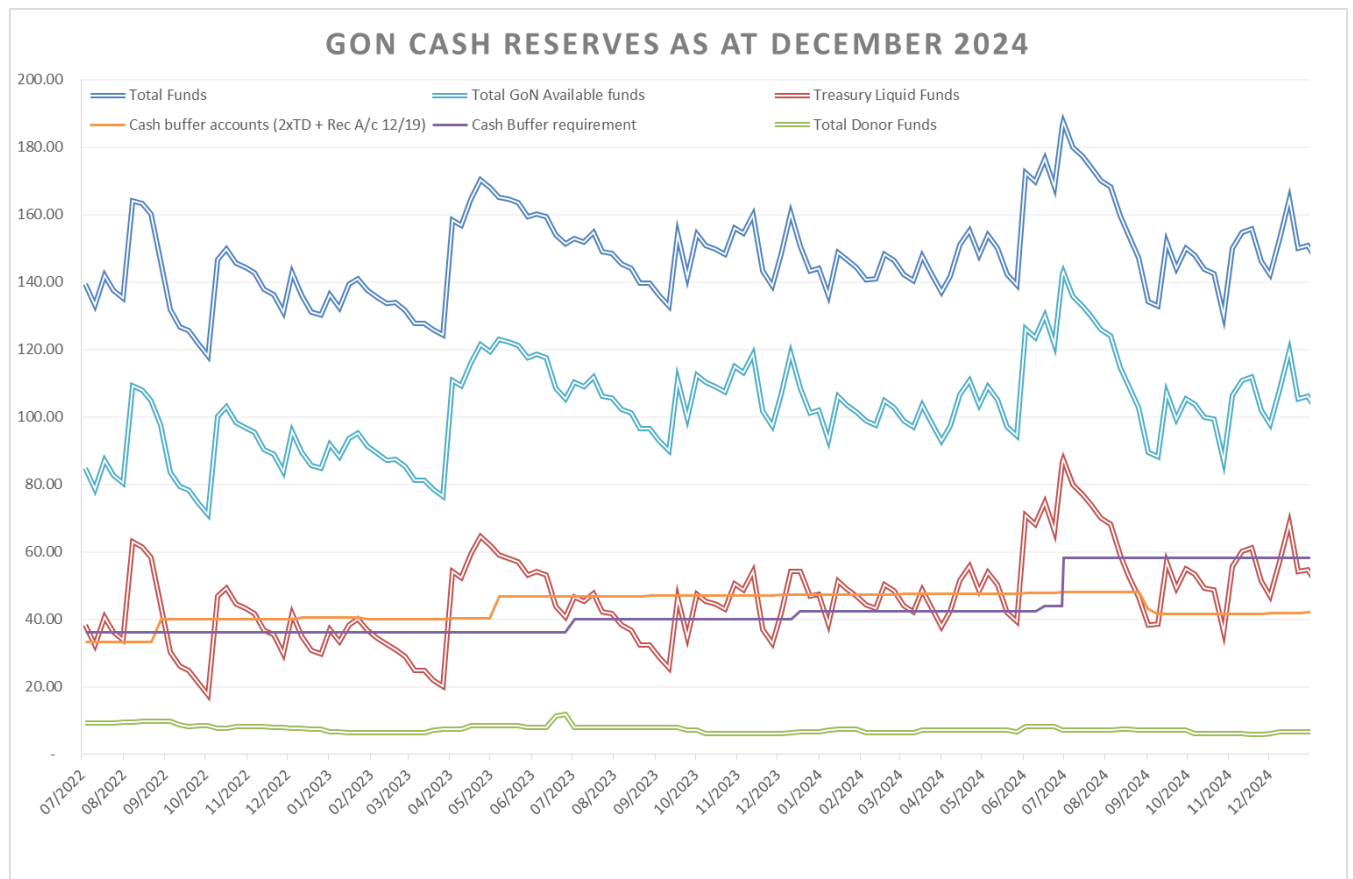
Table 22 Expenditure by Department Q2 2024-25

Description	2023-24	2024-25	2024-25	2024-25		2024-25
	Preliminary	Approved	Revised	2024-25	Actual as	2024-25
	Actual	Budget	Budget	Actual	% of	Remaining
	\$	\$	\$	\$	%	Budget
						\$
01 - Presidency and State House (including GIO)	7,212,030	10,199,552	17,064,552	9,668,355	57%	7,396,197
02 - Ministerial	20,750,747	20,140,565	23,995,330	19,613,473	82%	4,381,857
03 - Chief Secretary Office	22,272,567	25,238,229	25,255,444	15,429,779	61%	9,825,665
05 - Audit	474,781	414,462	414,462	174,294	42%	240,168
08 - National Emergency Services	2,376,545	2,956,112	3,110,862	1,376,244	44%	1,734,618
09 - Electoral Commission	532,688	418,444	522,450	208,030	40%	314,420
11 - Finance Secretariat	3,371,254	4,684,961	4,759,171	1,670,221	35%	3,088,949
12 - Finance - Public Debt	18,199,799	0	1,400,000	-	0%	1,400,000
13 - Bureau of Statistics	227,459	235,220	275,394	94,460	34%	180,934
15 - Nauru Revenue Office	563,129	614,751	614,751	279,333	45%	335,418
16 - Finance - Other Payments	84,556,363	114,284,642	106,582,696	64,371,549	60%	42,211,147
17 - Nauru Customs Office (NCO)	797,311	803,679	803,679	309,243	38%	494,435
18 - Nauru Regional Processing Centre (NRPCC)	821,130	936,227	1,130,131	221,791	20%	908,340
21 - Environment Management & Agriculture (DEMA)	1,301,582	1,065,769	1,514,769	627,937	41%	886,832
22 - Climate Change & Resilience	4,710,760	664,602	669,273	214,993	32%	454,280
31 - Fisheries	3,391,492	3,162,933	3,162,933	1,013,930	32%	2,149,002
41 - Police	6,218,587	6,881,465	6,971,334	3,004,337	43%	3,966,997
42 - Multi Cultural Affairs	27,720,759	59,901,640	54,801,640	27,850,038	51%	26,951,601
43 - Justice - Secretariat	3,673,887	3,408,657	3,408,657	1,233,348	36%	2,175,309
44 - Judiciary	1,906,087	1,954,599	1,954,599	933,970	48%	1,020,629
45 - Border Control	1,760,216	1,108,692	1,186,192	522,768	44%	663,424
46 - Correctional Services	1,231,786	1,307,566	1,307,566	602,048	46%	705,518
50 - TVET	1,049,490	1,927,683	1,927,683	397,271	21%	1,530,412
51 - Education	17,161,987	23,184,433	23,189,148	9,002,958	39%	14,186,190
52 - Youth Affairs	362,596	316,367	316,367	147,239	47%	169,128
59 - Public Health	-	6,460,961	6,460,961	1,812,031	28%	4,648,930
61 - Health	23,777,525	15,800,540	22,846,509	13,000,113	57%	9,846,396
62 - Sports	5,202,165	1,252,963	4,272,986	2,207,370	52%	2,065,617
63 - Infrastructure Development	12,644,972	4,016,473	5,671,144	1,869,638	33%	3,801,507
71 - Foreign Affairs - Secretariat	1,849,068	1,456,815	1,517,030	850,616	56%	666,414
72 - Foreign Affairs - Brisbane	785,769	1,538,229	1,758,729	265,496	15%	1,493,233
73 - Foreign Affairs - Suva	764,634	760,381	803,053	166,592	21%	636,461
74 - Foreign Affairs - New York	2,179,069	2,604,367	2,604,367	529,739	20%	2,074,628
75 - Foreign Affairs - Taiwan	386,094	-	-	-	0%	-
76 - Foreign Affairs- Geneva	1,319,155	1,218,947	1,447,941	250,605	17%	1,197,336
77 - High Commission India	1,285,436	846,835	846,835	225,183	27%	621,652
78 - High Commission Canberra	987,056	3,901,609	3,901,609	276,729	7%	3,624,880
79 - Embassy of Nauru Beijing	-	874,900	1,305,900	399,164	31%	906,736
81 - Internal Affairs	4,158,839	3,507,984	3,522,082	1,931,022	55%	1,591,060
82 - Women and Social Development Affairs (WASDA)	3,209,385	1,027,490	1,041,588	226,018	22%	815,570
83 - Media Bureau	1,246,402	752,540	838,669	457,492	55%	381,177
84 - Lands & Survey	6,533,899	6,988,107	6,992,822	5,728,460	82%	1,264,362
85 - Lands Committee	367,583	436,926	436,926	215,549	49%	221,376
86 - Land Management	142,356	133,495	133,495	68,281	51%	65,214
87 - People Living with Disability (PLD)	676,557	684,983	699,082	460,743	66%	238,338
88 - National Heritage	-	1,910,735	2,115,424	645,701	31%	1,469,723
91 - Transport	3,065,708	3,761,531	3,761,531	1,573,215	42%	2,188,316
95 - ICT	3,202,116	2,817,553	2,822,269	1,785,180	63%	1,037,089
97 - Telecom	18,481	168,635	168,635	82,859	49%	85,776
Total Expenditure	306,447,299	348,734,244	362,308,669	193,995,405	54%	168,313,264

CASH POSITION

By the end of the September Quarter, total funds in the government bank account amounted to \$150.7 million. The required cash buffer, which is two months of adjusted expenditures, was \$58.1 million. As of September 30, \$41.9 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 Q2 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.