CITIZENS BUDGET GUIDE

2026–27 • Budget, Explained Simply

Capitalizing on Stability: Investing in the People and a Productive Future

REVENUE

$359.2m

Estimated

EXPENDITURE

$359.0m

Appropriated

SURPLUS

$0.2m

About 0.1% of GDP*

GDP* GROWTH

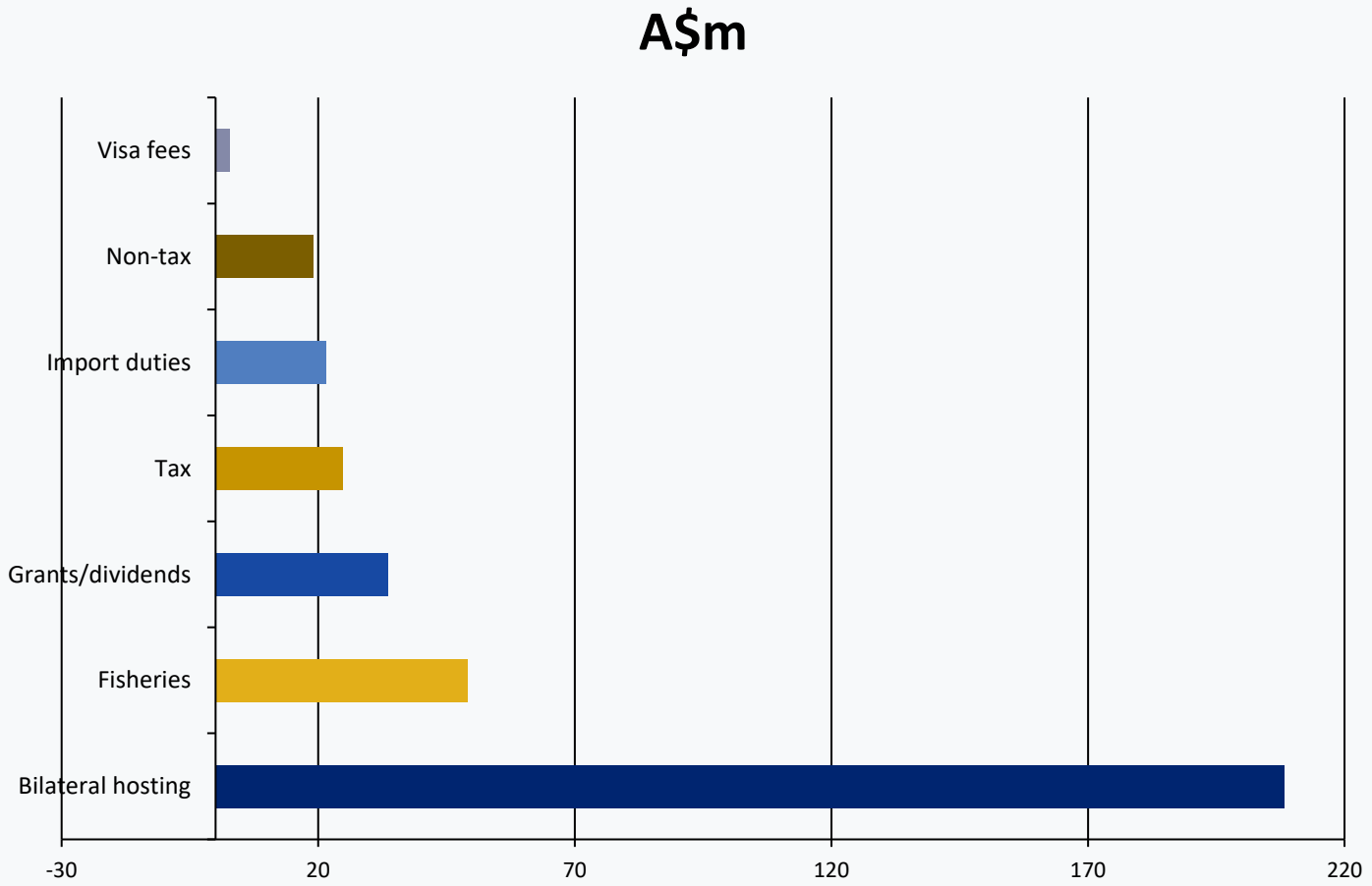
2.0%

2026–27 projection

* GDP (Gross Domestic Product) is the total value of goods and services produced in Nauru in a year. It is the standard measure of the size of the economy, so comparing the budget to GDP shows whether revenue, spending and the surplus are large or small relative to what the country actually earns.

Where does the money come from?

FY 2026–27 approved revenue • A$359.2 million



$208.2m bilateral hosting

LARGEST SOURCE

58%

$49.2m fisheries

SECOND LARGEST

14%

$19.0m non-tax

ALTERNATIVE REVENUES

5%

Key message: strong revenue today, but the base is concentrated — diversification remains essential.

Where does the money go?

FY 2026–27 approved expenditure • A$359.0 million

Government operations

48%

$173.8m

Personnel

19%

$68.9m

Transfers

8%

$30.0m

Subsidies & donations

8%

$29.6m

Capital expenditure

7%

$26.7m

Social benefits

5%

$19.2m

Government travel

3%

$9.9m

Other

<1%

$0.9m

About two-thirds of spending is concentrated in government operations and personnel.

What are the main priorities?

Selected measures highlighted in Budget Paper No. 1

HEALTH

$26.0m

Clinical services partnership

REGULATORY HEALTH

$4.2m

New regulatory health department

EDUCATION

$20.5m

Human capital and youth re-engagement

TCRA HOUSING

$4.3m

Transferee accommodation

FUEL SUPPORT

$3.5m

Consumer protection from fuel volatility

ENERGY

$2.2m

NUC generator replacement loan

How is Naoero preparing for the future?

Savings • partners • debt • resilience

NTF CONTRIBUTION

$24.3m

Forecast for 2026–27

NTF CONTRIBUTIONS

$300.7m

Recorded to March 2026

PARTNER SUPPORT

$123.9m

Development commitments

EXTERNAL DEBT

$1.46m

0.5% of GDP

!

The key fiscal risk is concentration of external and migration-related revenue.

The budget response is to maintain cash buffers, build long-term savings, keep debt low, improve revenue administration and diversify future sources of income.

Naoero’s Economy at a Glance

Key national economic indicators • FY 2026–27

SIZE OF THE ECONOMY

$296.9m

Nominal GDP — the total value of goods and services produced.

ECONOMIC GROWTH

2.0%

Real GDP growth — how much the economy is expected to grow after inflation.

INFLATION

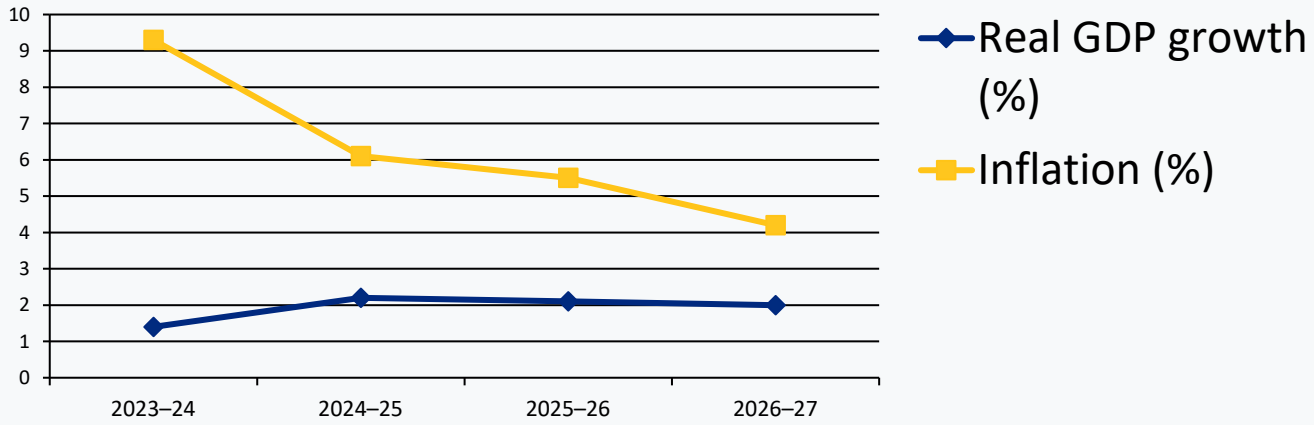
4.2%

Average rise in consumer prices — lower than 5.5% in 2025–26.

PUBLIC DEBT

0.5%

External public debt as a share of GDP.



What does this mean?

- The economy is still growing.
- Price pressures are expected to ease.
- GDP is approaching A$300 million.
- External public debt remains very low.

GDP = the value of goods and services produced in Naoero. Inflation = how quickly average consumer prices are rising.