



# **FINAL BUDGET OUTCOME**

**2011**

**31<sup>st</sup> MARCH 2012**

## INTRODUCTION

The Final Budget Outcome (FBO) Report is released in accordance with the requirements of Section 15 of the Papua New Guinea Fiscal Responsibility Act, 2006.

The purpose of the FBO Report is to provide a report on the budget outcome for each fiscal year. This improves the accountability and transparency of Government financing, and it does so in a timely manner. The 2011 FBO Report aims to provide to Parliament and the public a comparison and explanation of the major variations from the 2011 Budget estimates for total revenue and grants, total expenditure and net lending and the budget balance. It also provides a summary of the National Government financing activities for the financial year and a summary of the National Government debt position, together with comparative figures for the previous financial year.

The FBO covers Central Government fiscal operations in what is known as the Government sector. Consistent with the 1986 Government Finance Statistics (GFS) cash reporting framework, the Government sector is defined as covering all units performing government functions, that is, the implementation of public policy through the provision of primarily non-commercial services and the transfer of income, supported mainly by compulsory levies on other institutional sectors.

Government owned or controlled units, which sell industrial or commercial goods and services to the public on a large scale, are excluded from the government sector and are classified separately as non-financial public enterprises. Government owned and or controlled financial institutions are also classified separately from the Government sector as public financial institutions.

The financial information presented in this report is based on the same reporting standards as the 2011 Budget. Generally this follows the cash reporting standards originally laid down in the 1986 'Manual of Government Finance Statistics' published by the International Monetary Fund (IMF).

The information presented in this report may not reconcile fully with information published in the Public Accounts as some revenues and expenditures detailed in this report will be reported or classified differently in the Public Accounts. For example, transactions relating to debt are generally reported on a net basis and split into principal and interest components in this report, whereas they are reported on a gross basis in the Public Accounts and not split between principal and interest components.

The information presented in this report is based on the same data used in the preparation of the Public Accounts, however this report is compiled before that data has been subject to independent audit. This report will therefore not include the effects of any adjustments made to the underlying data arising from the audit process. In addition, there are some areas where updated figures will modify the actual outcomes for 2011, such as when reports are finally received from all donors on projects grants, and more reporting is provided on the Infrastructure Tax Credit.

The 2011 FBO is the first using the Government's new Integrated Finance Management System (IFMS). As with any new system, there are challenges created by the many changes required. In the preparation of this report, a number of additional issues have been identified which will lead to further improvements in the IFMS and its use by staff. Some specific examples of these issues are mentioned in the relevant sections of this report.

## PART 1

### FINAL BUDGET OUTCOME BY FISCAL OPERATIONS

#### 1.1 CENTRAL GOVERNMENT FISCAL OPERATIONS

The Provisional 2011 Final Budget Outcome (FBO) was a deficit of K63.7 million or 0.2 per cent of GDP. This is higher than the projected balanced budget for 2011 as published at the time of the 2011 Budget but slightly lower than the Revised Estimate of a deficit of K88 million in the 2012 Budget. The overall budget deficit is due to over spends in the Recurrent Budget, partly offset by lower than expected spending in the Development Budget. The fiscal outcome for 2011 is set out in Table 1 below.

**Table 1: Budget Balance 2010 - 2011(Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Revenue and Grants	8278.9	9328.1	9840.3	9324.9
Expenditure and Net Lending	8092.6	9328.1	9928.3	9388.6
<b>Budget Balance</b>	<b>186.3</b>	<b>0.0</b>	<b>-88.0</b>	<b>-63.7</b>
% of GDP	0.6%	0.0%	-0.3%	-0.2%

Source: Department of Treasury

Total Revenue and Grants for 2011 was K9,324.9 million. This is K3.2 million or lower than the original budget estimate and a further K515.4 million or 5.2 per cent lower than the revised budget published in the 2011 Budget. This reflects lower Project Grants and Infrastructure Tax Credits. Total tax and non-tax revenue was in line with the 2011 Revised Budget. Project grants and the Infrastructure Tax Credit have an equal and offsetting impact on Total Expenditure and Net Lending so they do not affect the overall fiscal balance.

Total expenditure and net lending in 2011 was K9,388.6 million. This was K60.5 million or 0.6 per cent higher than the original budget estimate and K539.7 million or 5.4 per cent lower than the revised budget published in the 2011 Budget. This reflects the higher than expected spending on Goods and Services by National Departments and Personnel Emoluments by Provincial Governments, more than fully offset by much lower Project Grants, and slow draw downs of Concessional Loans.

#### 1.2 REVENUE

Total Revenue in 2011 was K8,254.5 million, comprised of K7,904.2 million in Tax Revenue and K350.3 million in Non-tax Revenue. This was K512.5 million higher than the original budget estimate but just K0.3 million or higher than the 2011 revised budget. The increase reflects higher than expected tax revenue, mainly from Personal Income Taxes and Mining and Petroleum Taxes, partially offset by lower than expected Company tax, GST, and other Non-tax Revenue. Overall, collections of most revenue heads were close to the revised budget.

The Total Revenue from 2010 to 2011 grew by 20.2 per cent overall. The main reason behind this increase is the strong growth in tax revenue by 22.8 per cent from 2010. This increase in tax revenue primarily reflects higher than projected collections on Taxes for Income and Profits and Taxes on International Trade.

**Table 2: Total Revenue 2010-11 (Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Tax Revenue	6434.7	7330.9	7897.0	7904.2
Non-Tax Revenue	435.1	411.1	357.2	350.3
<b>Total Revenue</b>	<b>6869.8</b>	<b>7742.0</b>	<b>8254.2</b>	<b>8254.5</b>

Source: Department of Treasury

### Tax Revenue

Total tax revenue collections for 2011 were K7,904.2 million. This outcome is higher than the original budget estimate and the revised budget reported in the 2011 Budget by K573.3 million or 7.8 per cent and K7.2 million or 0.1 per cent respectively. This reflects higher than expected collections of Taxes on Income and Profits, partially offset by lower collections of Domestic Taxes on Goods and Services. The higher tax revenue in 2011 primarily reflects higher than projected collections on Taxes for Income and Profits attributed to the strong growth of our domestic economy from 2010 through to 2011. The decrease in the Domestic Taxes on Goods and Services is caused by a fall in the collections of GST due to improved payments of GST refunds including the legal obligation to clear a significant GST refund backlog. Additionally, IRC is introducing a new information technology system (the Standard Integrated Government Taxation Administration System – SIGTAS) in a bid to modernize its tax administration. This has created capacity constraints on staff who are wholly engaged in its setup and may have lead to slower revenue collections than otherwise.

**Table 3: Total Tax Revenue 2010-11 (Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Tax on Incomes & Profits	4668.1	5292.4	6073.5	6144.1
Domestic Taxes on Goods & Services	1193.1	1429.4	1151.2	1040.8
Taxes on International Trade	573.5	609.1	672.3	719.3
<b>Total Tax Revenue</b>	<b>6434.7</b>	<b>7330.9</b>	<b>7897.0</b>	<b>7904.2</b>

Source: Department of Treasury

Taxes on Income and Profits were K851.7 million or 16.1 per cent higher than the original budget estimate and K70.6 million or 1.2 per cent higher than the revised budget. The higher collections of Taxes on Income and Profits primarily reflect higher than projected Personal Income Taxes and Mining and Petroleum Taxes. The higher Personal Income Tax is attributed to a strong domestic economy with rising employment and wages, whilst the Mining and Petroleum Tax increase continues to be driven by commodity prices remaining higher for the greater part of 2011. Dividend Withholding taxes and gaming tax were also higher than the revised budget for 2011.

**Table 4: Tax on Income and Profits 2010 –11(Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Personal Income Tax	1494	1727.1	2194.5	2158.8
Company Tax	1192.1	1401.9	1411.3	1373.1
Dividend Withholding Tax	278.8	298.0	267.1	290.7
Interest Withholding Tax	42.3	42.4	44.7	40.5
Mining and Petroleum Tax	1476.3	1594.7	1950.8	2073.5
Gaming Tax	92.9	108.6	98.0	111.3
Other Direct Taxes	91.7	119.7	107.1	96.3
<b>Total</b>	<b>4668.1</b>	<b>5292.4</b>	<b>6073.5</b>	<b>6144.1</b>

Source: Department of Treasury

Collections of Domestic Taxes on Goods and Services were lower than the original budget estimate by K388.6 million or 27.2 per cent and the revised budget by K110.4 million or 9.6 per cent. This is due to lower than expected net collections of excise and GST. GST collections in particular were significantly lower mainly due to an increase in the rate of GST refunds as the IRC continues to clear a GST refund backlog that has built up over a number of years.

**Table 5: Domestic. Taxes on Goods and Services 2010 –11(Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Excise	399.2	483.9	526.2	509.6
GST	778.1	938.3	619.0	525.5
Other Direct	15.8	7.2	6.0	5.7
<b>Total</b>	<b>1193.1</b>	<b>1429.4</b>	<b>1151.2</b>	<b>1040.8</b>

Source: Department of Treasury

Collections of Taxes on International Trade were higher than the original budget estimate and the revised budget by K110.2 million or 18.1 per cent and K47.0 million or 7.0 per cent respectively. This reflects increased collections of Import Duty by K62.9 million or 28.8 per cent attributed to the strong growth in the domestic economy.

**Table 6: Taxes on International Trade 2010–11(Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Import Duty	188.6	218	218.5	281.4
Export Duty	173.6	172.2	219.5	210.6
Excise Duties on Imports	211.3	218.9	234.3	227.4
<b>Total</b>	<b>573.5</b>	<b>609.1</b>	<b>672.3</b>	<b>719.3</b>

Source: Department of Treasury

### Non-Tax Revenue

Collections of Non-tax Revenue were lower than the original budget estimate by K60.8 million or 14.8 per cent and K6.9 million or 1.9 per cent than the revised budget. This is due mainly to lower dividends received from mining and petroleum companies and lower than expected revenue from other non-tax revenue sources, partially offset by higher than expected revenue from Interest and Fees from Lending. The higher collection on Interest and Fees from Lending reflects an increase in outstanding payments of interest and fees from some Statutory Authorities to the National Government in 2011, whereas the lower than expected revenue on non-tax sources highlights the issue of compliance by relevant Departments in the collection and remittance of government fees and charges.

**Table 7: Non-tax Revenue 2010–11(Kina Millions)**

	2010 Outcome	2011 Original	2011 Revised	2011 Outcome
Property Income	339.2	289.4	241.2	239.7
<i>Dividends</i>	40.3	0.0	49.0	49.0
<i>Mining and Petroleum Dividends</i>	298.9	289.4	192.2	190.7
Interest and Fees from Lending	1.3	4.0	4.0	12.8
Other Non-tax Revenue	94.6	117.7	102.0	97.8
Injections from Trust	0.0	0.0	10.0	0.0
<b>Total Non-tax Revenue</b>	<b>435.1</b>	<b>411.1</b>	<b>357.2</b>	<b>350.3</b>

Source: Department of Treasury

Dividends from State-Owned Enterprises (SOE's) were as per the revised budget and were received from Independent Public Business Corporation (K27.0 million), and Bank of Papua New Guinea (K22.0 million).

Mining and Petroleum Dividends were lower by K98.7 million or 34.1 per cent in the original budget estimate and K1.5 million or 0.8 per cent lower than the revised budget.

Other Non-Tax Revenue includes fees and charges collected from Government departments, which came in lower by K19.9 million or 16.9 per cent and K4.2 million or 4.2 per cent than the original budget estimate and the revised budget respectively, reflective of issues of compliance within the departments to remitting of these revenues to the state.

### **Infrastructure Tax Credits**

Only K25.4 million of Infrastructure Tax Credits were utilized against K60.0 million provided for in the original budget estimate and revised budget. This is due mainly to delays in reporting and processing applications. It would be expected that more of these credits will be used as companies prepare their tax returns.

### **Project Grants**

Project grants were K481.1 million or 31.5 per cent lower than the original budget estimate of K1,526.1 million and revised budget. The lower than anticipated outcome were due to two major factors. The first is exchange rate fluctuations between donor currencies and the PNG Kina, especially the appreciation of the Kina against the Australian dollar in 2011.

This is because project grants are provided in international currencies which have all depreciated against the Kina. The impact of a 20 per cent appreciation of the Kina on Project Grants in 2011 is estimated to be equivalent to K305.0 million, thereby explaining the vast majority of this reported drop in development expenditure. The second reason is the lag in reporting of project support grants. The outcome of K1,045.0 million recorded under project grants includes only figures from AusAID as other donors have not reported. Other donor funding is traditionally another 15 per cent (approximately K150.0 million), but this has not been reported. There is a need for improved coordination and more meetings between Planning and donors to ensure that such information is provided in a more timely fashion. As for Infrastructure Tax Credits, Project Grants are reported as both a revenue and expenditure item, and there is no net impact on the budget balance.

## **1.3 EXPENDITURE AND NET LENDING**

Total expenditure and net lending in 2011 was K9,388.6 million. This was K60.5 million higher than the original 2011 budget estimate and K539.7 million lower than the revised estimate published in the 2012 Budget. The total 2011 expenditure outcome was K1,296 million (16.0 per cent) higher than the 2010 outcome.

**Table 8: Total Expenditure and Net Lending 2010-11 (Kina Millions)**

<b>TOTAL</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
	<b>Outcome</b>	<b>Original</b>	<b>Revised</b>	<b>Final</b>	<b>2011</b>
				<b>Approp<sup>(a)</sup></b>	<b>Outcome</b>
Recurrent Expenditure	4160.4	5287.0	5338.0	5310.8	5412.6
Development Expenditure	3278.9	4041.1	3924.5	3981.7	3194.2
Supplementary Budget	653.3	0.0	665.8	781.8	781.8
<b>Total Expenditure and Net Lending</b>	<b>8092.6</b>	<b>9328.1</b>	<b>9928.3</b>	<b>10074.3</b>	<b>9388.6</b>
% of GDP	28.2%	32.5%	33.3%	33.8%	31.5%

Source: Department of Treasury

a) This column shows the final allocations in the new IFMS system. They reflect the original budget, the supplementary budget, and Section 3 and Section 4 transfers allowed in the relevant Appropriation Bills. The IFMS is a new system, and some entries at the aggregate level add up to too high a level. For example, the aggregate Expenditure and Net Lending line should not exceed K9,928.3 million. These Final Allocation figures have been included despite this reservation as at a more detailed level they indicate where transfers have occurred.

Recurrent Budget totalled K5,412.6 million which was K125.6 million (2.4 per cent) higher than the original budget, K74.6 million (1.4 per cent) higher than the revised estimate and K101.8 million (1.9 per cent) higher than the final appropriation in the system. The Recurrent Budget outcome for 2011 was 1,252.2 million (30.1 per cent) higher than the 2010 outcome.

Development Budget totalled K3194.2 million which was K846.9 million (21.0 per cent) lower than the original budget, K730.3 million (18.6 per cent) lower than the revised estimate and also K787.5 million (19.8 per cent) lower than the 2011 final appropriation. The Development Budget outcome for 2011 was 84.7 million (2.6 per cent) lower than the 2010 outcome. The main cause for the development outcome is lag in reporting by donor agencies (results for around K300 million in donor grants and concessional loans were unreported at the time of publication) and reduced donor contributions against 2011 outcomes due to the strong appreciation (around 20 per cent) of the Kina in 2011.

In 2011, there was a Supplementary Budget totalling K781.8 million. This comprised K665.8 million in additional appropriation and K116.0 million in re-appropriation within the Development Budget. These funds were all spent on additional priority expenditure in 2011.

### **Recurrent Budget**

As with previous years there continue to be concerns with over spends in recurrent budget against revised appropriations. This was driven by K359.4 million (20.8 per cent) over expenditure on goods and services by national departments compared to the original budget; and K187.5 million (23.7 per cent) over spend on personnel emoluments by provincial governments compared to the original and revised estimates.

The under spend on personnel emoluments in the National Departments reflects ongoing shortages in skilled labour and may also indicate that public sector wages are uncompetitive against the private sector.

Further details on expenditure on goods and services and personnel emoluments for all agencies are tabled in Part 2 of this document.

**Table 9: Total Recurrent Expenditure 2010-11 (Kina Millions)**

	2010	2011	2011	2011	2011
<b>TOTAL</b>	<b>Outcome</b>	<b>Original</b>	<b>Revised</b>	<b>Final</b>	<b>2011</b>
				<b>Approp</b>	<b>Outcome</b>
Personnel Emoluments	1851.8	2494.1	2494.1	2121.7	2286.9
<i>National Departments</i>	1070.2	1704.6	1704.6	1290.2	1309.9
<i>Provincial Departments</i>	781.6	789.5	789.5	831.5	977.0
Goods and Services	1605.4	1981.1	2037.0	2358.9	2338.1
<i>National Departments</i>	1404.1	1727.6	1783.4	2105.3	2087.0
<i>Provincial Departments</i>	201.3	253.5	253.6	253.6	251.1
Autonomous Bougainville Govt	63.2	66.2	61.3	57.4	62.5
Statutory Authorities	288.1	319.2	319.2	346.4	315.9
Interest Payments and Fees	353.1	430.4	430.4	430.4	416.3
Net Lending	-1.2	-4.0	-4.0	-4.0	-7.1
<b>Recurrent Expenditure</b>	<b>4160.4</b>	<b>5287.0</b>	<b>5338.0</b>	<b>5310.8</b>	<b>5412.6</b>
% of GDP	14.5%	18.4%	17.9%	17.8%	18.1%

Source: Department of Treasury.

Expenditure on Autonomous Bougainville Government was K3.7 million lower than the original budget, but was K1.2 million (1.9 per cent) and K5.1 million (8.9 per cent) higher than the revised estimate and the final appropriation respectively.

Transfers to Statutory Authorities totalled K315.9 million which is K3.3 million (1.0 per cent) lower than both the original and the revised budget estimates and K30.5 million (8.8 per cent) lower than the final appropriation.

Total interest payments and fees were K14.1 million (3.3 per cent) lower than both the original and the revised estimate. This was due to the lower than expected costs on domestic borrowing due to lower than expected interest rates.

Net Lending to Statutory Authorities was K7.1 million in 2011 compared against an expected K4.0 million in the original and revised estimate. This is attributed to clearance of outstanding payments due to the central government by certain agencies.

### Development Budget

Total Development Budget expenditure in 2011 was K3,194.2 million. This is K846.9 million lower than the original budget and K730.3 million lower than the revised estimate published in the 2012 Budget. It is also K787.5 million (19.8 per cent) lower than the final appropriation.

**Table 10: Development Budget 2010-11 (Kina Millions)**

	2010	2011	2011	2011	2011
<b>TOTAL</b>	<b>Outcome</b>	<b>Original</b>	<b>Revised</b>	<b>Final</b>	<b>2011</b>
				<b>Approp</b>	<b>Outcome</b>
Domestic Funds	1769.7	2066.6	1950.0	2007.2	1910.8
Project Support Grants	1391.1	1526.1	1526.1	1526.1	1045.0
Infrastructure Tax Credits	18.0	60.0	60.0	60.0	25.4
Loans	100.1	388.4	388.4	388.4	213.0
<i>Concessional</i>	100.1	388.4	388.4	388.4	213.0
<i>Commercial</i>	0.0	0.0	0.0	0.0	0.0
<b>Total Development Budget</b>	<b>3278.9</b>	<b>4041.1</b>	<b>3924.5</b>	<b>3981.7</b>	<b>3194.2</b>
% of GDP	11.4%	14.1%	13.2%	13.3%	10.7%

Source: Department of Treasury.



The lower than expected outcome for total development budget expenditure was due largely to three factors; first factor was the strong appreciation of Kina relative to other currencies which reduced the Kina value of project grants by around K305 million, second the lag in reporting both project support grants by donors (estimated K150 million in grants were unreported at time of publication) and third concessional loans which were K175.4 million lower than estimate.

Expenditure on Domestic Funds was K155.8 million (7.5 per cent) lower than original budget or K39.2 million (2.0 per cent) lower than the revised estimate. Despite these underspends, overall Domestic Funds expenditure was 141.1 million or 8.0 per cent more than 2010 expenditure. Table 11 below provides an overview of the performance of the sectors in spending Domestic Funds.

**Table 11: Development Expenditure on Domestic Funds 2011 (Kina Millions)**

TOTAL	2011 <sup>a</sup>	2011	2011	Variance	% Variance
	Original	Final Approp	Outcome		
National Departments	1,473.3	1,415.9	1,341.5	74.4	5.3%
Commercial Statutory Authorities (CSA)	273.7	273.2	257.3	15.9	5.0%
Provincial Governments	293.1	318.1	312.0	6.1	1.9%
<b>Total Domestic Funds</b>	<b>2,040.1</b>	<b>2,007.2</b>	<b>1,910.8</b>	<b>96.3</b>	<b>4.8%</b>

Source: Department of Treasury.

Note: (a) IFMS to be checked

Table 11 above summarizes the Domestic Funds Development Expenditures for the three different sector aggregates: National Government Departments, Commercial Statutory Authorities and Provincial Governments. Details by individual agency/entity are provided in Part 3.

Overall the National Government Departments under spend by K74.4 million (5.25 per cent) against the final appropriations. The major underspends were in the following four departments:

- The Internal Revenue Commission under spent by K5 million (1000 per cent) as it did not proceed with a planned upgrade of its tax collection system due to technical issues;
- The Department of Defence under spent by K19.6 million (70 per cent). This was in the areas of the Lombum Naval Base redevelopment (K6.3 million) and Maritime surveillance (K13.2 million);
- The Department of Works and Implementation under spent by K40.7 million (28.9 per cent) primarily in relation to the Highlands Region Roads Improvement Investment Programme;
- The Department of Transport under spent by K8.8 million (16.4 per cent) in relation to the community water transport project;

As with the Recurrent Budget there were concerns that some agencies over spent their Domestic Funds Development Budget appropriations, specifically:

- The Electoral Commission overspent by K6.2 million (24.6 per cent).
- The Department of Health overspent by K4.0 million (3.4 per cent). This appears to have been caused by administrative oversight as the project funds in question were committed before they were taken as savings to offset the costs of the 2011 Supplementary Budget.

- The Department of Education overspent by K2.6 million (1.7 per cent) in the area of TVET sector projects.
- The Department of Information and Communication overspent by 0.1 million (4.2 per cent) on rural telecommunications.

Commercial Statutory Authorities (CSA) also reported a number of underspends: University of PNG K5.2 million (26.0 per cent); AIDS Council, K3.3 million (16.4 per cent); Institute of Medical Research, K1.2 million (30 per cent); PNG Power Limited, K4.5 million (34.6 per cent); and only one agency over spent, the Mineral Resources Authority by K1.5 million (4.9 per cent).

Overall performance of the Provincial Governments was good with only two provinces reporting Development Budget over spends: Oro Provincial Government K1.75 million (7.7 per cent) and Gulf Provincial Government K1.0 million (13.7 per cent).

### **2011 Supplementary Budget**

In November of 2011, Parliament passed a Supplementary Budget totalling K781.8 million. The 2011 Supplementary Budget of K781.8 million resulted from higher than anticipated commodity prices and taxation revenue which was not expected when the 2011 National Budget was compiled, the reprioritisation of some spending from the Development Budget to the Recurrent Budget, and remittances from the Work Permit Trust Account. Of this amount, K655.8 million was additional appropriation and K116.0 million was re-appropriated from projects within the Development Budget which were being delayed for technical reasons. Funds were taken from the following projects;

- National ID Cards K30 million;
- Cuban Doctors (MDG 4 & 5 special intervention) K25 million;
- Economic Corridor (PRAEC) K17 million;
- PR for Promotion of Government's Policy Initiatives K15 million;
- NHC – Housing Development Program K15 million;
- Public Sector Housing K10 million; and
- Pacific Medical Centre K4 million.

The K781.8 million of expenditure in the Supplementary Budget was allocated to the following areas:

- Education K305 million;
- Health K109.5 million;
- Infrastructure K230.8 million;
- Law and Order K20 million;
- Agriculture Sector K22 million; and
- Other Contractual Obligations K94.5 million

## **1.4 FINANCING**

The performances of the revenue and grants, and expenditure and net lending as described above has led to a budget deficit of K63.7 million. This deficit is financed from both external and domestic sources of funding.

### **External Funding**

Concessional Loans draw downs totalled K213.0 million. This is 112.9 per cent higher or K112.9 million higher than the 2010 Outcome. However comparing against both the original and revised appropriation of K388.4 million, this is K175.4 million or 45.2 per cent lower.

**Table 12: External Borrowing 2010-11 (Kina Millions)**

<b>TOTAL</b>	<b>2010 Outcome</b>	<b>2011 Original</b>	<b>2011 Revised</b>	<b>2011 Outcome</b>
New External Borrowing	100.1	388.4	388.4	213.0
Concessional financing	100.1	388.4	388.4	213.0
Commercial Financing	0.0	0.0	0.0	0.0
Exceptional Financing	0.0	0.0	0.0	0.0
Amortisation	185.0	205.3	187.0	187.3
Net External Borrowing	-84.9	183.1	201.4	25.7

Source: Department of Treasury

The lower drawdown is due mainly to the delay in project implementation. External amortisation totalled K187.3 million which is K2.3 million or 1.2 percent higher than the 2010 outcome. This is also K17.8 million or 8.6 percent lower than estimated during the original budget. This performance resulted in a net external financing of K25.7 million.

### Domestic Funding

Domestic drawdown in 2011 totalled K3700.1 million which comprise K2920.1 million in Treasury Bills and Inscribed Stocks of K780.0 million. Amortization totalled K2724.2 million in 2011 which comprise amortization of Treasury Bills totalling K2223.8 million and inscribed stocks K500.4 million.

**Table 13: Domestic Borrowing 2010-11 (Kina Millions)**

<b>TOTAL</b>	<b>2010 Outcome</b>	<b>2011 Original</b>	<b>2011 Revised</b>	<b>2011 Outcome</b>
New Domestic Borrowing	1,913.2	1,797.2	2,145.2	3,700.1
Amortisation	1,923.9	1,980.3	2,058.6	2,724.2
<b>Net Domestic Borrowing</b>	<b>-10.7</b>	<b>-183.1</b>	<b>86.6</b>	<b>975.9</b>
Changes in Cash Balances and Float	0.0	0.0	0.0	-975.9
<i>Closing Balance</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>316.0</i>
<i>less: Opening Balance</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-567.5</i>
<i>LNG Equity Purchase</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-200.0</i>
<i>2010 Sup Budget Financing</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-450.3</i>
<i>2011 Sup Budget Financing</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-164.0</i>
<i>Net Financing of Other Float</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>89.9</i>

Source: Department of Treasury

This results in the net domestic borrowing of K975.9 million. This borrowing was utilized to finance a number of below-the-line activities. These include, the Trust Account Cheque floats from 2010 to 2011, the partial financing of the 2011 Supplementary Budget and the balance was used for liquidity and cash management purposes. This results in the net domestic borrowing of K38.0 million.

## 1.5 PUBLIC DEBT

The level of total public debt was K7411.9 million at the end of 2011, K515.1 million above the 2010 level and K228.1million above the 2011 revised estimate.

The level of domestic debt was K5121.1 million at the end of 2011, K975.9 million above the 2010 level and K889.1 million above the 2011 revised estimate. This increase in domestic debt levels was mainly due to higher than anticipated Treasury Bill borrowing to finance:

- Financing of selected 2010 Supplementary Budget expenditures totalling K450.3 million which were carried over into 2011 and paid into Trust Account;
- The balance of K325.6 million was from cheque floats and changes in governments cash balances.

External debt fell by K460.7million over 2011 to a level of K2,290.8 million. The fall in external debt was due primarily to favourable exchange rates. The appreciation of the Kina against most major currencies reduced the Kina value of overseas debt by K486 million. If the Kina was to reverse its rise against other currencies, then the reported level of foreign debt would automatically increase. The second major reason for a lower foreign debt than expected was the slow rate external loan draw downs. The slow draw down was due mostly to administrative requirements for new project loans to be in place before disbursement of funds will commence. Strong nominal GDP growth also contributed to debt as a percentage of GDP falling from 26.6 percent in 2010 to 24.8 percent in 2011.

**Table 14: Public Debt 2010-11 (Kina Millions)**

	2010 Actual	2011 Budget	2011 Revised	2011 Outcome
<b>Domestic</b>	<b>4145.2</b>	<b>3883.9</b>	<b>4231.9</b>	<b>5121.1</b>
Treasury Bills	1558.2	1097.3	1365.3	2254.5
Inscribed Stock	2857.0	2786.6	2866.6	2866.6
Other Domestic Debt	0.0	0.0	0.0	0.0
<i>Domestic Debt (as a % of GDP)</i>	<i>15.7</i>	<i>13.5</i>	<i>14.2</i>	<i>17.0</i>
<b>External</b>	<b>2751.5</b>	<b>3030.3</b>	<b>2952.9</b>	<b>2290.8</b>
International Agencies	2672.2	2971.7	2891.9	2240.0
Commercial Loans	79.3	58.6	61.0	50.8
Other Loans	0.0	0.0	0.0	0.0
<i>External Debt as a (% of GDP)</i>	<i>10.4</i>	<i>10.6</i>	<i>9.9</i>	<i>7.7</i>
<b>Total Public Debt Outstanding</b>	<b>6896.8</b>	<b>6914.2</b>	<b>7184.8</b>	<b>7411.9</b>
<i>As % of GDP</i>	<i>26.6</i>	<i>24.1</i>	<i>24.1</i>	<i>24.8</i>

Source: Department of Treasury

## 1.6 SUPERANNUATION

Nambawan Super Limited (NSL) is the authorized superannuation fund that manages the superannuation contributions for most public servants in Papua New Guinea.

As stated in the 2010 Final Budget Outcome, the State did not meet its full employer contribution requirements at the time the liability accrued from 1991 to 2008. The State therefore accumulated a significant unfunded liability. The liability has grown at the annual rate of NSL's investment returns. NSL calculates that as of 2009, the State should match 1.4 times the crediting interest rate, based on the ratio of employer (8.4 per cent) to employee (6 per cent) contributions. As outlined in the 2010 Budget, NSL and Treasury have also worked to resolve uncertainty about the size of the Government's unfunded liability.

As stipulated under the *Superannuation (General Provisions) Act 2002*, the State is required to remit the full 8.4 per cent of its employer superannuation contributions beginning 2009 onwards. Notwithstanding this requirement, the Government did not fully fund employer superannuation contributions and exit payments in the 2009 and 2010 Budgets.

As a result of this decision, the total outstanding superannuation arrears for 2010 amounted to K190.6 million for both the employer contribution and exit payments. In addressing this arrears, the Government allocated K127 million in the 2011 Budget and an additional K220 million for its superannuation obligations. While this has greatly assisted in offsetting the arrears incurred in 2010, the 2011 appropriation was insufficient to cover the 2011 superannuation obligations. In 2011, the state incurred arrears of K112.7 million for both the exit payment and employer contribution.

The non-payment of the State's employer contributions is not only an offence in breaching the Superannuation Act but it adds further to unfunded superannuation liabilities.

In 2010 NSL's annual report, the size of the outstanding State liability at the end of 2011 was estimated to be K2,060 million. A significant factor behind the growth in the unfunded liability has been NSL's solid returns in the last four years. As a result of the solid returns, the Government's unfunded liability continues to increase every year.

In the 2011 Budget, K357 million was appropriated for the superannuation obligations of which the payments are shown in table 15 below. A balance of K7.1 million was unused due to the new financial system (Integrated Financial Management System) within the Department of Treasury and Finance that delayed processing and releasing of funds before the close of 2011 government accounts.

**Table 15: State's unfunded superannuation liability and Payments (Kina Millions)**

	2005	2006	2007	2008	2009	2010	2011
<b>Est. Unfunded liability</b>	1,198	1,458	1,740	1,871	2,036	2060	TBA <sup>1</sup>
<b>Total Payments</b>	<b>82.3</b>	<b>58.7</b>	<b>362.4</b>	<b>320.3</b>	<b>110</b>	<b>118</b>	<b>357</b>
<i>Employer Contribution</i>	36.4	18.1	25.6	30.8	52.4	41.9	67.6
<i>Exit payment</i>	45.9	40.6	86.8	99.5	57.6	76.1	72.2
<i>Lump - sum</i>			250	190			
<i>Arrear Payments</i>							200.1
<i>Non Cont. Vested Benefit</i>							10
<i>Balance</i>	0	0	0	0	0	0	7.1

Source: NSL Annual Reports 04-10 and Department of Treasury

1. The 2011 estimated unfunded liability is yet to be confirmed

In the 2012 Budget, the State allocated K96 million to assist in the reduction of the 2011 arrears and K224 million to facilitate the 2012 superannuation obligations. The 2011 arrears of K112.7 million was settled on 7<sup>th</sup> March this year through the allocated K96 million and the balance of K16.7 million was sourced from the 2012 superannuation obligations. The Government is also in the process of automating the State's share contribution to Nambawan Superannuation which should be completed soon.

## 1.7 TRUST ACCOUNTS

The purpose of holding funds in Trust Accounts is to spread spending over time to allow implementing agencies to properly design strategies to execute projects. Table 16 shows the status of the Trust Funds from 2005 to 2011.

A total of K6530.5 million has been paid into Supplementary Budget Trust Accounts between 2005 and 2011 to pay for the implementation of priority expenditure programs.

The opening balance for Supplementary Budget Trust Accounts at 1 January 2011 was K1,044.6 million. Total receipts for the period 1 January to 31 December 2011 were K1,687.7 million funded from deposits from the Budget and Supplementary Budgets. The

closing balance of Supplementary Budget Trust Accounts as at 31 December 2011 was K1,305.4 million.

Under the Medium Term Fiscal Strategy 2008-2012 (MTFS), Government spending of additional mineral revenue (comprised of spending from additional mineral revenue deposited into trust accounts and additional priority expenditure) is limited to a maximum of 4 per cent of GDP per annum, which equates to K1,193.7 million in 2011. As a result, trust spending of K1,426.3 million or 4.8 per cent of GDP in 2011 has contributed toward exceeding the maximum limit.

**Table 16: Source of Funds for Trust Accounts: 2005 – 2011\***

Year	Deposits from SBE & APE(1)	Deposits from Annual Budgets & Interest	Spending from Trust Accounts	Net Savings (Deposits less Spending)
2005	400		0	400
2006	568.4		0	568.4
2007	1,283.00		76	1,207.00
2008	1,501.40	36.5	480.5	1,057.40
2009	0	627.2	2,365.90	-1,738.7
2010	0	887.3	818.3	69.0
2011	628.5	598.2	1426.3	-199.6

Source: Department of Treasury and Department of Finance

\*Deposits include outstanding deposits at the end of the year and exclude outstanding deposits carried over from the previous year.

High levels of spending from Trust Accounts in one year may be stimulatory to the economy. The stimulus will exert demand pressures on the economy, which risks increasing inflation and interest rates, thereby crowding out private investment. However, this will be offset to the extent of deposits funded by tax collections.

**Table 17 shows the movements in these Trust Accounts for the period 1 January to 31 December 2011.**

**Table 17: Movements of Funds in Trust Accounts in 2011 (Kina millions)**

Description	Balance as at 31-Jan-11	Debit (Receipt)	Credit (Payment)	Balance as at 31-Dec-11	Deposits 31-Dec-11
Education Sector Infrastructure Rehabilitation	0.7	70.0	0.0	70.7	0.0
Higher Education Sector Infrastructure Rehabilitation	12.5	0.0	8.3	4.2	0.0
National Parliament Infrastructure Rehabilitation	3.4	25.0	23.4	5.0	0.0
Transport Sector Infrastructure Rehabilitation	237.3	60.0	182.1	115.2	0.0
Rural District Roads	0.0	72.0	72.0	0.0	0.0
Provincial Roads	0.0	50.0	50.0	0.0	0.0
PNG Gas Development and Commitments	0.6	0.0	0.6	0.0	0.0
Resettlement of Rabaul Volcano Victims	5.8	0.0	1.8	4.0	0.0
Hospital and Healthcare Centre Rehabilitation	12.9	0.0	11.4	1.5	0.0

Rehabilitation of Housing for Nurses	11.3	0.0	0.0	11.3	0.0
Rehabilitation of Housing for Police *	17.4	2.1	0.0	19.5	0.0
District Services Improvement Program	413.7	194.0	273.2	334.5	0.0
Institutional Housing Pilot	15.0	0.0	7.4	7.6	0.0
Urbanisation Pilot *	0.0	2.6	0.0	2.6	0.0
Housing Development Pilot	0.6	0.0	0.0	0.6	0.0
Cooperative Societies Establishment	2.0	0.0	2.0	0.0	0.0
Madang Marine Park Development	0.1	0.0	0.1	0.0	0.0
Rural Electrification	0.6	0.0	0.0	0.6	0.0
Konebada Petroleum Park	39.1	0.0	19.7	19.4	0.0
National Infrastructure Development	3.3	0.0	1.8	1.5	0.0
Land Reform Program	0.2	0.0	0.2	0.0	0.0
Regional, Provincial Treasury and District Admin. Offices	12.2	0.0	11.8	0.4	0.0
LNG Project Development Cost	21.9	0.0	16.5	5.4	0.0
Business Development Grants	47.0	0.0	47.0	0.0	0.0
Infrastructure Development Grants	87.0	120.0	96.0	111.0	0.0
Coastal Vessels	0.0	20.0	14.4	5.6	0.0
Outstanding MOA Liabilities	100.0	0.0	90.9	9.1	0.0
Highlands Highway Rehabilitation	0.0	100.0	68.2	31.8	0.0
Lae City Roads Rehabilitation	0.0	50.0	31.6	18.4	0.0
Rural District Roads Support	0.0	50.0	49.6	0.4	0.0
PNG LNG High Impact Infrastructure	0.0	140.0	24.3	115.7	0.0
ILG and Issues Committee	0.0	20.0	20.0	0.0	0.0
Audit & Legal Team Support	0.0	4.0	4.0	0.0	0.0
CIS - Prison Industries Program	0.0	2.0	2.0	0.0	0.0
Incentive Fund Support	0.0	3.0	3.0	0.0	0.0
Mobile Police Barracks	0.0	5.0	5.0	0.0	0.0
REDD Program	0.0	3.3	3.3	0.0	0.0
Variarata National Park Rehabilitation	0.0	1.0	0.0	0.3	0.0
Provincial Services Improvement Program (PSIP)	0.0	40.0	40.0	0.0	0.0
District Offices Rehabilitation	0.0	30.0	21.6	8.4	0.0
Mining Legal Costs	0.0	2.0	1.3	0.7	0.0

Mining Office Rehabilitation	0.0	2.0	2.0	0.0	0.0
2010 National Census	0.0	10.0	0.0	10.0	0.0
Provincial Government Members entitlement	0.0	0.0	0.0	0.0	30.0
Lihir Special Support Grant	0.0	10.2	10.2	0.0	0.0
National High School Renovation and Upgrading	0.0	40.0	0.0	40.0	0.0
Port Moresby Roads	0.0	100.0	61.5	38.5	0.0
Tuition Fee Free Education	0.0	300.0	0.0	300.0	0.0
District Rural Health Centres	0.0	72.0	72.0	0.0	0.0
Ministerial Commitments PNG LNG	0.0	40.0	40.0	0.0	0.0
Provincial Hospitals Equipment and Infrastructure	0.0	21.0	21.0	0.0	0.0
Gordon Police Barracks Maintenance and Improvement	0.0	10.0	10.0	0.0	0.0
Port Moresby General Hospital Infrastructure and Improvement	0.0	6.5	0.0	6.5	0.0
Defence Barracks Maintenance and Improvement	0.0	5.0	0.0	5.0	0.0
Corrective Services Barracks Maintenance and Improvement	0.0	5.0	5.0	0.0	0.0
<b>TOTAL</b>	<b>1,044.6</b>	<b>1,687.7</b>	<b>1,426.3</b>	<b>1,305.4</b>	<b>30.0</b>

Source: Department of Finance

**Note**

Non appropriation funding has been deposited into the Rehabilitation of Housing for Police Trust Account (at least K2.1million) and Urbanisation Pilot Trust Account (at least K2.6million). This is in breach of the PFMA.

The Government of PNG Appropriated K1,339.7 million for trust funds in 2011. This was represented by K723.2 million in the 2011 Budget and K616.5 million in the 2011 Supplementary Budget respectively.

Of the K1,339.7 million, K22 million was reallocated to other Government priority areas after being paid into the Trusts; K35 million was spent in line with the intended purpose but not expended through Trust accounts; and K78 million was spent on other Government priority areas and not through trust accounts.

The breakdown of funds not paid into Trusts or reallocated is as follows:

**Appropriations later reallocated - K22 million**

- K10 million for Gordon Police Barracks Maintenance and Improvement
- K5 million for Corrective Services Barracks Maintenance and Improvement
- K2 million for Audit & Legal Team Support and Improvement
- K5 million for Defence Barracks Maintenance and Improvement was reallocated to other priority areas after 1 January 2012.

**Appropriations spent on intended purpose but not through trusts – K35 million**

- K15 million for Coastal Fisheries Development
- K20 million for 2015 South Pacific Games

**Appropriations spent on other priority areas – K78 million**

- K20 million for Baiyer - Madang Road
- K20 million for Bogia - Angoram Road



- K50 million for the Economic Corridor Development Program (reduced to K33 million in the 2011 Supplementary Budget).
- K20 million for Public Relation for Promotion of Government Initiatives (reduced to K5 million in the 2011 Supplementary Budget).

The following is a summary of expenditure for Supplementary Budget (Budget Funded) Trust Accounts for the period 1 January – 31 December 2011 where more than K5million was expended:

**K8.3 million was spent from the Higher Education Sector Infrastructure**

**Rehabilitation Trust Account** for infrastructure maintenance of the four (4) government funded universities. This program is continuing with additional funding of K12 million in the 2012 Budget.

**K23.4 million was spent from the National Parliament Infrastructure Rehabilitation**

**Trust Account** for infrastructure maintenance at Parliament Haus. Detail expenditure reports surrounding this expenditure were not made available to the Department of Finance.

**K182.1 million was spent from the Transport Sector Infrastructure Rehabilitation**

**Trust Account** for the selected priority road projects around the country. These projects include District Roads K33.0 million, National Roads K42.4 million, Wewak Roads K3.9 million and Ports and Jetties K1.5 million.

**K72 million was spent from the Rural District Roads Account** for various rural road projects around the country.

**K50 million was spent from the Provincial Roads Trust Account** for various provincial road projects around the country.

**K11.4 million was spent from the Hospital and Healthcare Centre Rehabilitation**

**Trust Account** for various health care centres including the Port Moresby General Hospital.

**K273.2 million was spent from the District Service Improvement Program Trust**

**Account.** Equal funding has been provided to 89 District Administrations for priority areas. (A breakdown of 2010 expenditure levels and balances for each of the 89 districts is provided below).

**K7.4 million was spent from the Institutional Housing Pilot Trust Account** in relation to Institutional Housing Program. The implementing agency, Department of Personnel Management has not provided detailed reports on the progress of this program.

**K19.7 million was spent from the Konebada Petroleum Park Trust Account** in relation to the development of the Konebada Petroleum Park.

**K11.8 million was spent from the Regional, Provincial Treasury and District Admin. Offices Trust Account** in relation to the establishment of the Regional Treasury Offices.

**K16.5 million was spent from the LNG Project Development Cost Trust Account** for costs associated with the PNG LNG Project.

**K47 million was spent from the Business Development Grants Trust Account** to various landowner groups to enable them participate in the spin-offs associated with the LNG Project.

**K96 million was spent from the Infrastructure Development Grants Trust Account** in relation to infrastructure developments associated with the LNG Project in the Southern Highlands, Gulf and Central Provinces.

**K14.4 million was spent from the Coastal Vessels Trust Account** in relation to the coastal vessels program.

**K90.9 million was spent from the Outstanding MOA Liabilities Trust Account** in relation to LBBSA and UBSA associated with the LNG Project. The payments were made to the affected landowners covered under these two Agreements.

**K68.2 million was spent from the Highlands Highway Rehabilitation Trust Account** for the highlands highway rehabilitation program. Most of these expenditure occurred in the Simbu section of the highlands highway. The funds in this trust have been fully exhausted. However, the Department of Finance is still maintaining this trust in anticipation of additional funding for the highlands highway to be channelled through this it.

**K31.6 million was spent from the Lae City Roads Rehabilitation Trust Account** in relation to the Lae City Roads Rehabilitation Program.

**K49.6 million was spent from the Rural District Roads Support Trust Account.** This expenditure was spread across the country for various rural road projects.

**K24.3 million was spent from the PNG LNG High Impact Infrastructure Trust Account.** This expenditure was associated with 'High Impact' projects in the Southern Highlands Province as part of the PNG LNG Project Agreements.

**K20 million was spent from the ILG and Issues Committee Trust Account.** This expenditure was incurred to address the issues associated with the ILGs affected by the PNG LNG Project.

**K40 million was spent from the Provincial Services Improvement Program (PSIP)Trust Account.** This expenditure was spread evenly across the 20 Provinces in the country.

**K21.6 million was spent from the District Offices Rehabilitation Trust Account.** This expenditure was incurred in relation to the establishment of District Administration Offices in districts without proper district administration offices.

**K10.2 million was spent from the Lihir Special Support Grant Trust Account.** The expenditure was a transfer payment from this trust to the New Ireland Provincial Treasury.

**K61.5 million was spent from the Port Moresby Roads Trust Account** in relation to the Port Moresby Roads Rehabilitation Program. Work is continuing on Port Moresby Roads.

**K72 million was spent from the District Rural Health Centres Trust Account.** Following Government directions, funds were spread across the country to various districts' rural health centres.

**K40 million was spent from the Ministerial Commitments PNG LNG Trust Account.** The payments were released to various LNG Landowner Groups in line with the commitments made by various government Ministers.

**K21 million was spent from the Provincial Hospitals Equipment and Infrastructure Trust Account.** In line with government directions, funds were spread across various provincial hospitals for equipment and infrastructure.

#### **District Service Improvement program (DSIP) Trust Accounts**

DSIP Trust Accounts are designed to fund priority expenditure programs in the Districts. A total of K1,611.0 million was Appropriated for the DSIP Trust Accounts over the period 2006-2011. During 2011, K178 million was released from the 2011 Appropriation. An additional K10 million was also paid to DSIP in 2011 comprising K1 million in the primary DSIP account held at the Bank of PNG and the recovery of a K9 million overpayment that was made to 6 districts.

For ease of management, an individual subsidiary bank account has been established with commercial banks for each of the 89 Districts. As at 31 December 2011 the combined balance of the 89 District bank accounts was K333.5 million.

**Table 18: Movements of funds for the period 1 January 2011 to 31 December 2011 for each of the 89 DSIP subsidiary Bank Accounts.**

District	Total Budget Funds Paid into Trust 2006-2011	Balance as at 01-Jan-11	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-11
Abau **	18,000,000	1,215,007	2,000,000	6,449,092	0	9,664,099
Goilala	18,000,000	2,057,591	2,000,000		4,057,402	189
Kairuku Hiri	18,000,000	2,952,218	2,000,000		4,182,145	770,073
Rigo	18,000,000	474,645	2,000,000		138,284	2,336,361
Gazelle	18,000,000	5,201,284	2,000,000		3,821,317	3,379,967
Kokopo	18,000,000	2,613,709	2,000,000		1,982,783	2,630,926
Pomio **	18,000,000	2,239,926	2,000,000	3,131,521	0	7,371,447
Rabaul	18,000,000	8,142,340	3,000,000		7,966,168	3,176,172
Ambunti-Drekikir	18,000,000	443,000	2,000,000		1,446,633	996,367
Angoram	18,000,000	5,031,262	2,000,000		1,568,485	5,462,777
Maprik	18,000,000	6,827,317	2,000,000		3,318,762	5,508,555
Wewak	18,000,000	2,768,903	2,000,000		3,165,862	1,603,041
Wosera-Gawi	18,000,000	7,438,274	2,000,000		3,687,585	5,750,689
Yangogoru-Saussia	18,000,000	8,095,509	2,000,000		8,459,187	1,636,322
Daulo	18,000,000	8,247,996	3,000,000		5,167,231	6,080,765
Goroka **	18,000,000	2,003,006	3,000,000	5,240,471	0	10,243,477
Henganofi	18,000,000	4,655,298	3,000,000		7,604,979	50,319
Kainantu	18,000,000	3,346,487	3,000,000		4,704,738	1,641,749
Lufa **	18,000,000	6,430,654	2,000,000	3,742,896	0	12,173,550
Obura-Wanenara	18,000,000	4,166,055	2,000,000		2,351,350	3,814,705
Okapa	18,000,000	3,876,386	2,000,000		321,137	5,555,249
Unggai-Bena	18,000,000	5,019,682	2,000,000		5,354,571	1,665,111
Kandep * & **	20,000,000	1,399,050	2,000,000	2,233,636	0	5,632,686
Kompiani-Ambun	18,000,000	368,404	2,000,000		1,623,329	745,075
Lagaip-Porgera	18,000,000	3,983,642	2,000,000		5,923,113	60,529
Wabag	18,000,000	3,356,299	2,000,000		3,978,352	1,377,947
Wapenamanda	18,000,000	973,459	2,000,000		1,349,363	1,624,096

District	Total Budget Funds Paid into Trust 2006-2011	Balance as at 01-Jan-11	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-11
Kerema **	18,000,000	960,921	2,000,000	275,828	0	3,236,749
Kikori	18,000,000	31,669	2,000,000		2,011,488	20,181
Bogia	18,000,000	10,578,833	2,000,000		7,766,122	4,812,711
Madang	18,000,000	9,354,779	2,000,000		7,343,981	4,010,798
Middle Ramu	18,000,000	6,801,782	2,000,000		5,077,129	3,724,653
Raikos	18,000,000	12,281,628	2,000,000		11,198,221	3,083,407
Sumkar	18,000,000	3,011,054	2,000,000		3,369,671	1,641,383
Usino-Bundi	18,000,000	7,610,781	2,000,000		5,618,768	3,992,013
Manus *	19,000,000	2,787,322	3,000,000		3,917,258	1,870,064
Alotau / Rabaraba	18,000,000	4,480,362	2,000,000		4,067,665	2,412,697
Esa'ala	18,000,000	6,073,083	2,000,000		1,185,433	6,887,650
Kiriwina	18,000,000	7,384,215	2,000,000		2,901,814	6,482,401
SamaraiMurua	18,000,000	2,640,166	2,000,000		387,539	4,252,627
Bulolo	18,000,000	3,558,828	3,000,000		6,554,662	4,166
Finschaffan	18,000,000	6,644,005	3,000,000		2,736,990	6,907,015
Huon Gulf	18,000,000	3,959,887	2,000,000		3,820,700	2,139,187
Kabwum	18,000,000	6,595,357	2,000,000		4,977,261	3,618,096
Lae	18,000,000	4,374,918	3,000,000		2,089,640	5,285,278
Markham	18,000,000	8,574,075	2,000,000		2,924,523	7,649,552
Menyamya	18,000,000	4,349,781	2,000,000		1,609,442	4,740,339
Nawaeb	18,000,000	1,186,429	2,000,000		3,009,186	177,243
Tewa-Siasi	18,000,000	6,049,083	3,000,000		6,846,452	2,202,631
Moresby North	18,000,000	5,162,275	2,000,000		6,274,173	888,102
Moresby North West	18,000,000	12,653,596	3,000,000		7,974,412	7,679,184
Moresby South	18,000,000	8,367,707	2,000,000		8,493,041	1,874,666
Kavieng	18,000,000	699,304	2,000,000		1,802,089	897,215
Namatanai	18,000,000	5,692,996	3,000,000		1,516,256	7,176,740
Central Bougainville	18,000,000	8,214,387	2,000,000		992,645	9,221,742
North Bougainville **	18,000,000	905,924	2,000,000	1,595,528	0	4,501,452
South Bougainville	18,000,000	2,094,015	2,000,000		2,225,938	1,868,077
Ijivitari **	18,000,000	3,175,551	2,000,000	1,200,183	0	6,375,734

District	Total Budget Funds Paid into Trust 2006-2011	Balance as at 01-Jan-11	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-11
Sohe	18,000,000	9,167,151	2,000,000		9,706,288	1,460,863
Aitape-Lumi	18,000,000	3,802,205	2,000,000		5,681,221	120,984
Nuku	18,000,000	362,218	2,000,000		77,549	2,284,669
Telefomin *	20,000,000	7,744,295	2,000,000		8,134,778	1,609,517
Vanimo-Green	18,000,000	3,156,034	2,000,000		875,847	4,280,187
Chuave	18,000,000	2,319,040	2,000,000		779,892	3,539,148
Gumine **	18,000,000	1,594,403	2,000,000	5,622,679	0	9,217,082
Karamui-Nomane	18,000,000	3,946,070	2,000,000		1,611,809	4,334,261
Kerowagi	18,000,000	1,131,486	2,000,000		2,664,094	467,392
Kundiawa-Gembogl	18,000,000	359,732	2,000,000		2,251,296	108,436
Sinasina-Yongumugl	18,000,000	7,906,127	2,000,000		3,826,921	6,079,206
Ialibu-Pangia	18,000,000	3,538,933	2,000,000		1,579,946	3,958,987
Imbongu *	20,000,000	2,888,912	2,000,000		1,585,123	3,303,789
Kagua-Erave	18,000,000	1,031,530	2,000,000		2,929,931	101,599
Komo-Magarima	18,000,000	3,383,591	2,000,000		4,029,660	1,353,931
Koroba-L/Kopiago	18,000,000	6,835,952	2,000,000		55,896	8,780,056
Mendi * & **	19,000,000	1,039,259	2,000,000	974,926	0	4,014,185
Nipa-Kutubu	18,000,000	2,966,413	4,000,000		6,454,453	511,960
Tari-Pori	18,000,000	24,425	2,000,000		306,845	1,717,580
Kandrian	18,000,000	6,914,493	3,000,000		3,872,035	6,042,458
Talasea *	19,000,000	7,219,009	3,000,000		2,450,030	7,768,979
Middle Fly	18,000,000	14,113,868	2,000,000		3,295,237	12,818,631
North Fly *	18,000,000	9,502,088	2,000,000		5,691,612	5,810,476
South Fly	18,000,000	6,156,619	2,000,000		1,690,673	6,465,946
Dei	18,000,000	1,279,163	3,000,000		2,466,699	1,812,464
Hagen	18,000,000	11,532,712	2,000,000		9,785,115	3,747,597
Jimi	18,000,000	2,092,264	2,000,000		4,090,692	1,572
Mul/Bayer **	18,000,000	7,867,764	2,000,000	216,787	0	10,084,551
North Waghi	18,000,000	6,123,304	2,000,000		8,057,414	65,890
South Waghi	18,000,000	1,818,822	3,000,000		4,818,593	229
Tambul-Nebiler	18,000,000	3,268,155	2,000,000		4,263,705	1,004,450

<b>District</b>	<b>Total Budget Funds Paid into Trust 2006-2011</b>	<b>Balance as at 01-Jan-11</b>	<b>DSIP Debits (Receipts)</b>	<b>Non DSIP Deposits</b>	<b>Credits (Payments)</b>	<b>Balance as at 31-Dec-11</b>
<b>Total</b>	<b>1,611,000,000</b>	<b>410,668,153</b>	<b>196,000,000</b>	<b>30,683,546</b>	<b>303,898,632</b>	<b>333,453,067</b>

\* K9million was overpaid to 6 districts and will be recovered from their 2012 appropriation

\*\* Some districts have deposited non DSIP funds into their DSIP account. This is in breach of the PFMA.

## **FISCAL OUTTURN TABLES**

Treasury publishes fiscal outturn reports on a monthly basis. The last report was issued for November 2011. The following tables provide the full year outturn for 2011 consistent with the presentation in the monthly reports. This presentation is consistent with the 1986 GFS cash reporting classification for the Government sector. The variance is relative to the revised estimates as published in the 2012 Budget.

**TABLE 1: CENTRAL GOVERNMENT REVENUE AND GRANTS****(Kina Millions)**

	2010 Actuals	2011 Original	2011 Revised	2011 Final Approp 1/	2011 Outcome
<b>A. TAX REVENUE</b>	<b>6,434.7</b>	<b>7,330.9</b>	<b>7,897.0</b>	<b>7,897.0</b>	<b>7,904.2</b>
<b>A1. TAX ON INCOME AND PROFITS</b>	<b>4,668.1</b>	<b>5,292.4</b>	<b>6,073.5</b>	<b>6,073.5</b>	<b>6,144.1</b>
Personal Income Tax	1494	1,727.1	2,194.5	2,194.5	2,158.8
Company Tax	1192.1	1,401.9	1,411.3	1,411.3	1,373.1
Dividend Withholding Tax	278.8	298.0	267.1	267.1	290.7
Interest Withholding Tax	42.3	42.4	44.7	44.7	40.5
Mining and Petroleum Taxes	1476.3	1,594.7	1,950.8	1,950.8	2,073.5
Gaming Tax	92.9	108.6	98.0	98.0	111.3
Other: Direct	91.7	119.7	107.1	107.1	96.3
<b>A2. DOM. TAXES ON GOODS AND SERV</b>	<b>1,193.1</b>	<b>1,429.4</b>	<b>1,151.2</b>	<b>1,151.2</b>	<b>1,040.8</b>
Excise	399.2	483.9	526.2	526.2	509.6
GST	778.1	938.3	619.0	619.0	525.5
Other: Indirect	15.8	7.2	6.0	6.0	5.7
<b>A3. TAXES ON INTERNATIONAL TRADE</b>	<b>573.5</b>	<b>609.1</b>	<b>672.3</b>	<b>672.3</b>	<b>719.3</b>
Import Duty	188.6	218.0	218.5	218.5	281.4
Export Duty	173.6	172.2	219.5	219.5	210.6
Excise duties on Imports	211.3	218.9	234.3	234.3	227.4
<b>B. NON-TAX REVENUE</b>	<b>435.1</b>	<b>411.1</b>	<b>357.2</b>	<b>357.2</b>	<b>350.3</b>
<b>B1. PROPERTY INCOME</b>	<b>339.2</b>	<b>289.4</b>	<b>241.2</b>	<b>241.2</b>	<b>239.7</b>
Dividends	40.3	0.0	49.0	49.0	49.0
Mining and Petroleum Dividends	298.9	289.4	192.2	192.2	190.7
<b>B2. INTEREST AND FEES FROM LENDING</b>	<b>1.3</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>12.8</b>
<b>B3. OTHER NON TAX REVENUE</b>	<b>94.6</b>	<b>117.7</b>	<b>102.0</b>	<b>102.0</b>	<b>97.8</b>
<b>B4. ASSETS SALES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>B5. Injections from Trust</b>	<b>0.0</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>
<b>C. TOTAL REVENUE</b>	<b>6,869.8</b>	<b>7,742.0</b>	<b>8,254.2</b>	<b>8,254.2</b>	<b>8,254.5</b>
% of GDP	26.0%	27.0%	27.7%	27.7%	27.7%
<b>D. INFRASTRUCTURE TAX CREDIT</b>	<b>18.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>	<b>25.4</b>
<b>E. GRANTS</b>	<b>1,391.1</b>	<b>1,526.1</b>	<b>1,526.1</b>	<b>1,526.1</b>	<b>1,045.0</b>
Budgetary Support	0.0	0.0	0.0	0.0	0.0
Project Grants	1,391.1	1,526.1	1,526.1	1,526.1	1,045.0
<b>F. TOTAL REVENUE AND GRANTS</b>	<b>8,278.9</b>	<b>9,328.1</b>	<b>9,840.3</b>	<b>9,840.3</b>	<b>9,324.9</b>
As % of GDP	31.4%	32.5%	33.0%	33.0%	31.2%
<b>G. PRINCIPAL RECEIPTS FROM LENDING</b>	<b>1.2</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>7.1</b>
<b>H. GROSS BORROWING</b>	<b>2,013.3</b>	<b>2,185.6</b>	<b>2,533.6</b>	<b>2,533.6</b>	<b>3,913.1</b>
<b>I. ASSET SALES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>J. TOTAL RECEIPTS</b>	<b>10,293.4</b>	<b>11,517.7</b>	<b>12,377.9</b>	<b>12,377.9</b>	<b>13,245.0</b>
As % of GDP	35.8%	40.1%	41.5%	41.5%	44.4%

Source: Treasury



**TABLE 2: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING**  
(Kina Millions)

	2010 Actuals	2011 Original	2011 Revised	2011 Final Approp 1/	2011 Outcome
<b>1 RECURRENT BUDGET</b>					
<b>A. NATIONAL DEPARTMENTS</b>	<b>2,474.3</b>	<b>3,432.2</b>	<b>3,488.0</b>	<b>3,395.5</b>	<b>3,396.9</b>
Personnel Emoluments	1,070.2	1,704.6	1,704.6	1,290.2	1,309.9
Total Goods & Services	1,404.1	1,727.6	1,783.4	2,105.3	2,087.0
General Goods & Services	1,161.9	1,458.8	1,458.8	1,868.3	1,848.6
Education Subsidies	144.2	172.0	172.0	172.0	171.8
SAP Payments	28.0	36.9	36.9	5.0	5.8
Court Orders	70.0	60.0	115.8	60.0	60.8
<b>B. PROVINCIAL GOVERNMENTS</b>	<b>982.9</b>	<b>1,043.0</b>	<b>1,043.1</b>	<b>1,085.1</b>	<b>1,228.1</b>
<b>Personnel Emoluments</b>	<b>781.6</b>	<b>789.5</b>	<b>789.5</b>	<b>831.5</b>	<b>977.0</b>
Staffing Grants	255.1	261.7	261.7	280.2	297.2
Teachers Salaries	526.5	527.8	527.8	551.3	679.8
<b>Goods &amp; Other Services</b>	<b>201.3</b>	<b>253.5</b>	<b>253.6</b>	<b>253.6</b>	<b>251.1</b>
Administration Grants	23.9	26.4	26.4	26.4	26.7
Health Function Grant	39.2	51.9	51.9	51.9	51.3
Education Subsidies	40.2	46.6	46.6	46.6	46.0
Primary production Function grant	14.1	16.9	16.9	16.9	16.7
Trans/Infra/Maint. Grants	44.0	61.7	61.7	61.7	61.1
Local & Village Services Grants	34.2	35.1	44.3	44.3	43.5
Town & Urban Services Grants	3.5	12.6	3.5	3.5	3.5
Village Courts	2.2	2.3	2.3	2.3	2.3
<b>AUTONOMOUS BOUGAINVILLE GOVT</b>	<b>63.2</b>	<b>66.2</b>	<b>61.3</b>	<b>57.4</b>	<b>62.5</b>
<b>Personnel Emoluments</b>	<b>41.7</b>	<b>44.7</b>	<b>39.7</b>	<b>47.8</b>	<b>52.9</b>
Staffing Grants	11.3	11.0	11.0	11.7	13.9
Teachers Salaries	30.4	33.7	28.7	36.1	39.0
<b>Goods &amp; Services</b>	<b>21.5</b>	<b>21.5</b>	<b>21.6</b>	<b>9.6</b>	<b>9.6</b>
Police Grant	2.4	2.6	2.6	2.6	2.6
Recurrent	18.8	18.6	18.7	4.7	4.7
Conditional Grant	0.3	0.3	0.3	2.3	2.3
<b>C. TRANSFERS &amp; LOANS TO C.S.A</b>	<b>288.1</b>	<b>319.2</b>	<b>319.2</b>	<b>346.4</b>	<b>315.9</b>
<b>D. INTEREST PAYMENT &amp; FEES</b>	<b>353.1</b>	<b>430.4</b>	<b>430.4</b>	<b>430.4</b>	<b>416.3</b>
Domestic	305.3	369.5	369.5	369.5	352.5
External	47.8	60.9	60.9	60.9	63.8
<b>E NET LENDING TO C.S.A</b>	<b>-1.2</b>	<b>-4.0</b>	<b>-4.0</b>	<b>-4.0</b>	<b>-7.1</b>
Gross Lending	0.0	0.0	0.0	0.0	0.0
Less : Loan Repayments	-1.2	-4.0	-4.0	-4.0	-7.1
<b>F. RECURRENT EXPEND &amp; NET LEND</b>	<b>4,160.4</b>	<b>5,287.0</b>	<b>5,338.0</b>	<b>5,310.8</b>	<b>5,412.6</b>
As % of GDP	15.8%	18.4%	17.9%	17.8%	18.1%

<b>2 DEVELOPMENT BUDGET</b>					
Domestic Funds	1,769.7	2,066.6	1,950.0	2,007.2	1,910.8
Project Grants	1,391.1	1,526.1	1,526.1	1,526.1	1,045.0
Infrastructure Tax Credits	18.0	60.0	60.0	60.0	25.4
Concessional loans	100.1	388.4	388.4	388.4	213.0
Commercial loans	0.0	0.0	0.0	0.0	0.0
<b>G. TOTAL DEVELOPMENT BUDGET</b>	<b>3,278.9</b>	<b>4,041.1</b>	<b>3,924.5</b>	<b>3,981.7</b>	<b>3,194.2</b>
As % of GDP	11.4%	14.1%	13.2%	13.3%	10.7%
<b>ADDITIONAL PRIORITY EXP.</b>	<b>653.3</b>	<b>0.0</b>	<b>665.8</b>	<b>781.8</b>	<b>781.8</b>
<b>H. TOTAL EXPEND &amp; NET LENDING</b>	<b>8,092.6</b>	<b>9,328.1</b>	<b>9,928.3</b>	<b>10,074.3</b>	<b>9,388.6</b>
As % of GDP	28.2%	32.5%	33.3%	33.8%	31.5%
<b>I. AMORTISATION</b>	<b>2,108.9</b>	<b>2,185.6</b>	<b>2,245.6</b>	<b>2,245.6</b>	<b>2,911.5</b>
Domestic	1,923.9	1,980.3	2,058.6	2,058.6	2,724.2
External	185.0	205.3	187.0	187.0	187.3
<b>J. LOAN REPAYMENTS</b>	<b>1.2</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>7.1</b>
<b>K. EQUITY PURCHASE</b>	<b>0.0</b>	<b>0.0</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>
<b>L. TOTAL PAYMENTS</b>	<b>10,202.7</b>	<b>11,517.7</b>	<b>12,377.9</b>	<b>12,523.9</b>	<b>12,507.1</b>
As % of GDP	35.5%	40.1%	41.5%	42.0%	41.9%

Source: Treasury

**TABLE 3: CENTRAL GOVERNMENT FINANCING**  
(Kina Millions)

	2010 Actuals	2011 Original	2011 Revised	2011 Final Approp 1/	2011 Outcome
<b>A. TOTAL REVENUE AND GRANTS</b>	<b>8,278.9</b>	<b>9,328.1</b>	<b>9,840.3</b>	<b>9,840.3</b>	<b>9,324.9</b>
<b>B. TOTAL EXPENDITURE AND NET LENDING</b>	<b>8,092.6</b>	<b>9,328.1</b>	<b>9,928.3</b>	<b>10,074.3</b>	<b>9,388.6</b>
<b>C. DEFICIT (-) / SURPLUS (+)</b>	<b>186.3</b>	<b>0.0</b>	<b>-88.0</b>	<b>-234.0</b>	<b>-63.7</b>
% of GDP	0.6%	0.0%	-0.3%	-0.8%	-0.2%
<b>D. EXTERNAL FINANCING</b>	<b>-84.9</b>	<b>183.1</b>	<b>201.4</b>	<b>201.4</b>	<b>25.7</b>
<b>D1. CONCESSIONAL FINANCING</b>	<b>-27.7</b>	<b>251.1</b>	<b>264.9</b>	<b>264.9</b>	<b>88.9</b>
New Borrowing	100.1	388.4	388.4	388.4	213.0
Less Amortisation	-127.8	-137.3	-123.5	-123.5	-124.1
<b>D2. COMMERCIAL FINANCING</b>	<b>-19.4</b>	<b>-19.5</b>	<b>-18.4</b>	<b>-18.4</b>	<b>-19.4</b>
New Borrowing	0.0	0.0	0.0	0.0	0.0
Less Amortisation	-19.4	-19.5	-18.4	-18.4	-19.4
<b>D3. EXCEPTIONAL FINANCING</b>	<b>-37.8</b>	<b>-48.5</b>	<b>-45.1</b>	<b>-45.1</b>	<b>-43.8</b>
New Borrowing	0.0	0.0	0.0	0.0	0.0
Less Amortisation	-37.8	-48.5	-45.1	-45.1	-43.8
<b>E. DOMESTIC FINANCING</b>	<b>-101.4</b>	<b>-183.1</b>	<b>-113.4</b>	<b>32.6</b>	<b>38.0</b>
<b>E1. DOMESTIC MARKET BORROWING (NET)</b>	<b>-10.7</b>	<b>-183.1</b>	<b>-113.4</b>	<b>-113.4</b>	<b>775.9</b>
New Domestic Borrowing	1,913.2	1,797.2	1,945.2	1,945.2	3500.1
Less Amortisation	-1,923.9	-1,980.3	-2,058.6	-2,058.6	-2724.2
<b>E2. INVESTMENTS FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Domestic Market Borrowing	0.0	0.0	200.0	200.0	200.0
Change in Cash Balances	0.0	0.0	-200.0	-200.0	-200.0
<b>E3. OTHER DOMESTIC FINANCING</b>	<b>-90.7</b>	<b>0.0</b>	<b>0.0</b>	<b>146.0</b>	<b>-737.9</b>
<b>E4. ASSETS SALES FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>E5. NET FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>F. TOTAL FINANCING</b>	<b>-186.3</b>	<b>0.0</b>	<b>88.0</b>	<b>234.0</b>	<b>63.7</b>
<b>G. GROSS BORROWING</b>	<b>2,013.3</b>	<b>2,185.6</b>	<b>2,533.6</b>	<b>2,533.6</b>	<b>3,913.1</b>
Concessional	100.1	388.4	388.4	388.4	213.0
Commercial	0.0	0.0	0.0	0.0	0.0
Exceptional	0.0	0.0	0.0	0.0	0.0
Domestic	1,913.2	1,797.2	2,145.2	2,145.2	3,700.1
Financing Gap	0.0	0.0	0.0	0.0	0.0
<b>H. GROSS AMORTISATION</b>	<b>2,108.9</b>	<b>2,185.6</b>	<b>2,245.6</b>	<b>2,245.6</b>	<b>2,911.5</b>
Concessional	127.8	137.3	123.5	123.5	124.1
Commercial	19.4	19.5	18.4	18.4	19.4
Exceptional	37.8	48.5	45.1	45.1	43.8
Domestic	1,923.9	1,980.3	2,058.6	2,058.6	2,724.2

Source: Department of Treasury

# PART 2

## FINAL BUDGET OUTCOME BY AGENCY

### 2.1 INTRODUCTION

Part Two (2) of the Final Budget Outcome discusses the actual expenses incurred by each agency compared to the Appropriation available to the Agency as at the close of the financial year on 31 December 2011. The Final Available Appropriation (FAA) represents the original budget plus any transfers made under either Section 3 or 4 of the 2011 Appropriation Acts plus any additional funding from the 2011 Supplementary Budget.

When assessing agency performance in Part 2 of the Final Budget Outcome the Final Available Appropriation (FAA) is compared to the actual expenses incurred by agencies. This recognizes that Sections 3 and 4 of the Appropriation Act provide for the transfers of appropriations within and between agencies as approved by the Secretary of the Treasury. These transfers can occur after the publication of the relevant budget documents. As a consequence it is possible that agency appropriations for 2011 will not be consistent with figures published in the 2012 Budget papers or in Part 1 of the 2011 Final Budget Outcome.

The FAA by agency type is shown below:

	2011 Original Appropriation Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012	Total Expenditure as at 27 March 2012	Variance
<b>National Departments</b>	3,432,187,900	754,000,000	3,240,000	18,102,700	4,164,845,201	4,152,740,954	12,104,246
<b>Commercial and Statutory Authorities</b>	319,230,000	12,800,000	2,240,000	24,990,400	359,260,400	328,723,754	30,536,646
<b>Provinces</b>	1,109,302,900	15,000,000	1,000,000	46,714,000	1,172,016,900	1,318,410,999	146,394,099
<b>Debt Services</b>	2,616,091,500	-	-	53,601,700	2,562,489,800	2,122,603,924	439,885,876
<b>Total</b>	<b>7,476,812,300</b>	<b>781,800,000</b>	<b>-</b>	<b>-</b>	<b>8,258,612,301</b>	<b>7,922,479,631</b>	<b>336,132,670</b>

## 2.2 OVERVIEW

The Recurrent Budget is responsible for funding the ongoing delivery of the essential services of Government. The Recurrent Budget provides funds for teaching our children, employing health workers, maintaining our roads and many other services which are important to all PNG citizens. The Recurrent Budget delivers these services by providing funding to agencies and Provincial Governments for Personnel Emoluments, Goods and Services and managing Government Debt.

For 2011 total expenditure of K7,922 million was underspent by K336.1 million. However, this result is largely driven by lower than forecast amortization of debt (a financing transaction). If simply reviewing actual spending by the Government on providing goods and services to the community the actual Budget outcome was an over spend of K103.7 million due primarily to overspending by Provincial Administrations and to a lesser extent by National Departments on Personnel Emoluments.

## 2.3 RECURRENT BUDGET OUTCOME BY AGENCIES

Variations in Agency Appropriations can occur during the Budget Year through new appropriations like the 2011 Supplementary Budget or through transfer of funds. These transfers are provided for under Section 3 and 4 of the Appropriations Act. When comparing Original Budget and Final Available Appropriation (FAA) which includes all transfers to agencies up to and including 31 December 2011.

**Attachment A** identifies expenditure performance by agency.

### 2.3.1 Personnel Emoluments

Personnel Emoluments (PE) is comprised of salaries and allowances, wages, overtime, leave fares, superannuation contributions, superannuation pay outs, and contract gratuities. In 2011 PE expenses relative to FAA were overspent by K169.9 million, primarily due to overspending by Provincial Governments.

#### **Personnel Emoluments – National Departments**

National Departments overspent on PE in 2011 by K19.7 million. In many cases, this was due to incorrect forecasting of the impact of staff salary increments and/or a failure to exercise appropriate controls over expenditure and establishment. Against these overspending agencies, a number of agencies recorded under spends.

**Table 19** shows overspendings in personnel emoluments expenditure by National Departments.

A full list identifying personnel emoluments expenditure by National Department is at **Attachment B**

**Table 19: National Departments with Personnel Emoluments Overspends of greater than K1,000,000.**

**Over and Underspensing Government Departments with variances greater than K1 million**

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
247	Agriculture and Livestock	10,296,000		409,700	10,705,700	37,483,005	-26,777,305
234	Defence	70,423,400		4,269,300	74,692,700	82,395,534	-7,702,834
225	Attorney General	14,829,100		1,175,400	16,004,500	20,956,894	-4,952,394
228	Police	141,273,600		9,100,000	150,373,600	154,203,740	-3,830,140
217	Foreign Affairs	26,749,600		540,200	27,289,800	30,440,124	-3,150,324
261	Trade and Industry	5,782,600		-896,700	4,885,900	7,707,205	-2,821,305
229	Planning and Monitoring	8,451,100		399,800	8,850,900	11,638,258	-2,787,358
203	Prime Minister and NEC	37,931,900		-898,600	37,033,300	39,231,736	-2,198,436
215	PNG Immigration and Citizenship Services					1,518,912	-1,518,912
208	Treasury	8,937,100		920,574	9,857,674	8,271,992	1,585,682
259	Transport	10,039,800		375,900	10,415,700	8,638,512	1,777,188
207	Finance and Treasury Misc	471,949,400		-242,100,000	229,849,400	227,901,998	1,947,402
211	PNG Customs Service	11,076,400		190,400	11,266,800	9,319,213	1,947,587
216	Internal Revenue Commission	15,340,300		987,400	16,327,700	14,252,981	2,074,719
212	ITD	5,437,800		309,800	5,747,600	3,041,364	2,706,236
227	Provincial Treasuries	26,451,400		1,752,300	28,203,700	24,443,174	3,760,526
264	Works and Implementation	44,970,000		2,337,200	47,307,200	43,516,411	3,790,789
240	Health	64,199,100		-619,200	63,579,900	54,888,233	8,691,667
220	Personnel Management	9,545,700		16,880,400	26,426,100	17,583,058	8,843,042
	Other	488,900,200		22,473,741	511,373,941	512,452,973	-1,079,032
<b>Total</b>		<b>983,684,300</b>		<b>-204,866,126</b>	<b>778,818,174</b>	<b>797,432,346</b>	<b>-19,693,204</b>

## **Personnel Emoluments – Provincial Departments**

Provincial Governments overspent on PE by K146.45 million. This primarily relates to spending on salaries and retirement/gratuity benefits which was overspent by K150.5 million. Overspending by Provincial Governments is a persistent and continuing problem, reflecting poor management behaviours by Provincial Administrators and poor payroll controls within the Department of Finance.

The over expenditure of PE reflects to some extent the devolution of human resource powers to Provincial Administrators allowing them to hire more staff without having the necessary financial resources to meet these obligations.

**Table 20** shows details of overspendings in personnel emoluments expenditure by Provincial Departments greater than K1.0 million.

**Attachment C** identifies the full listings of Personnel Emoluments by Provinces.

**Table 20: Provincial Departments Personnel Emoluments Overspends of greater than K1,000,000.**

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
571	Western Provincial Government	36,085,100	-	2,592,000	38,677,100	40,353,210	-1,676,110
572	Gulf Provincial Government	21,141,400	-	1,685,600	22,827,000	20,190,902	2,636,098
573	Central Provincial Government	45,366,500	-	3,197,800	48,564,300	51,582,329	-3,018,029
574	National Capital District Commission	195,100	-	-	195,100	195,100	-
575	Milne Bay Provincial Government	41,557,300	-	2,971,000	44,528,300	45,704,771	-1,176,471
576	Oro Provincial Government	24,961,000	-	1,755,700	26,716,700	29,011,072	-2,294,372
577	Southern Highland Province	68,313,000	-	4,980,000	73,293,000	95,214,515	-21,921,515
578	Enga Provincial Government	42,172,700	-	2,943,000	45,115,700	61,108,757	-15,993,057
579	West Highland Provincial Government	55,271,600	-	3,961,700	59,233,300	80,313,158	-21,079,858
580	Simbu Provincial Government	43,212,200	-	3,135,800	46,348,000	55,783,363	-9,435,363
581	Eastern Highland Provincial Government	54,776,400	-	3,932,200	58,708,600	71,102,779	-12,394,179
582	Morobe Provincial Government	76,922,000	-	5,482,600	82,404,600	95,097,173	-12,692,573
583	Madang Provincial Government	51,291,900	-	3,661,000	54,952,900	69,080,322	-14,127,422
584	East Sepik Provincial Government	51,123,200	-	3,617,000	54,740,200	67,869,530	-13,129,330
585	Sandaun Provincial Government	35,324,500	-	2,496,300	37,820,800	38,575,860	-755,060
586	Manus Provincial Government	19,086,100	-	1,344,500	20,430,600	20,502,023	-71,423
587	New Ireland Provincial Government	30,586,200	-	2,185,400	32,771,600	36,438,727	-3,667,127
588	East New Britain Provincial Government	50,872,000	-	3,674,500	54,546,500	64,147,549	-9,601,049
589	West New Britain Provincial Government	41,329,300	-	2,774,600	44,103,900	49,236,806	-5,132,906
590	Autonomous Bougainville Government	44,656,300	---	3,251,300	47,907,600	52,873,170	-4,965,570
<b>Total</b>		<b>834,243,800</b>	<b>-</b>	<b>59,642,000</b>	<b>893,885,800</b>	<b>1,044,381,118</b>	<b>-150,495,318</b>



### **2.3.2 Goods and Services**

Goods and Services (G&S) is comprised of the ordinary expenses of Government and includes the costs of purchasing medical supplies and equipments, the payment of education subsidies, essential maintenance of Government facilities such as roads and bridges.

In 2011 G&S expenses relative to appropriations were under spent by K37.6 million, primarily due to lower than forecast spending across a number of agencies.

#### **Goods and Services – National Departments**

National Departments under spent on total Good and Services (G&S) in 2011 by K18.4 million (less than 1 per cent of available appropriations). Details of agency spending are at **Attachment D**.

#### **Goods and Services – Provincial Governments**

Consistent with the funding arrangements arising from the Review of Intergovernmental Financing Arrangements (RIGFA), which were passed by Parliament in 2009 the National Government provided K278.1 million in grants to Provinces with K274.0 million being spent resulting in an underspend of K4.1 million.

**Attachment E** shows the details of goods and services by Provincial Governments.

#### **Goods and Services – Commercial Statutory Authorities**

In 2011 Commercial and Statutory Authorities (CSA's) were provided their annual G&S funding through single line appropriations. This recognises the relatively small nature of each agency and aims to avoid imposing an unnecessarily high administrative burden on the agencies concerned. This sector of the Recurrent Budget recorded an under spend of K30.5 million for 2011 against a FAA of K359.3 million

Expenditure by agency is shown in **Attachment F**.

**Table 21: Total Spending by Grants / Goods and Services – Provincial Governments**

Grant Type	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Administration Grant	9,164,900			9,164,900	9,028,400	136,500
Health Function Grant	51,918,800			51,918,800	51,278,600	640,200
Other Operational Expenses	-				- 766,519	766,519
Education Function Grant	46,606,300			46,606,300	45,998,300	608,000
LLG and Village Services (Organic Law)	44,259,300			44,331,300	43,467,800	863,500
Other Service Delivery Function Grant	17,151,600			17,151,600	16,888,100	263,500
Town & Urban Services (Organic Law)	3,458,900			3,458,900	3,458,900	-
Transport/Infrastructure Maintenance Grant	61,696,100			61,696,100	61,095,600	600,500
Village Courts Function Grant	2,318,900			2,318,900	2,293,900	25,000
Primary Production Function Grant	16,921,600			16,921,600	16,724,100	197,500
National Functions and Powers Grant - ABG	278,000			2,278,000	2,278,000	-
Police and Services Grant – ABG	2,607,800			2,607,800	2,607,800	-
Recurrent Goods & Services Grant ABG	3,676,900	15,000,000		19,676,900	19,676,900	-
<b>Total</b>	<b>260,059,100</b>	<b>15,000,000</b>	<b>-</b>	<b>278,131,100</b>	<b>274,029,881</b>	<b>4,101,219</b>

## 2.4 DETAILS OF EXPENDITURE FROM AND REALLOCATIONS THROUGH SECRETARY'S ADVANCE (DIVISION 207)

The funds available in the Secretary's Advance for 2011 totalled K20.0 million. Of this amount K20.0 million was transferred leaving a balance of zero. The Table below identifies the reallocations of funds through the Secretary's Advance.

**Table 22: 2011 Secretary's Advance**

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Section 3 Transfers	Comments	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
201	National Parliament	108,058,700	5,000,000	Payments made for salaries and pensions of Parliament Staff and Members	123,058,700	124,558,700	-1,500,000
202	Governor-General	4,825,100	1,389,000	Payments made to cater for overtime by staff and other operational expenses	7,728,300	8,177,023	-448,723
203	Prime Minister and NEC	63,377,200	1,570,000	Funding for the inquiry into Special Agriculture and Business Leases and other operational matters	61,482,700	82,112,751	-20,630,051
207	Finance and Treasury Misc	1,022,750,600	-35,140,000		1,424,946,600	1,388,737,749	36,208,851
208	Treasury	13,944,200	793,000	To cater for various operational expenses including travel, public meetings and legal fees.	15,572,800	12,848,439	2,724,361
211	PNG Customs Service	18,827,400	300,000	to cater for costs associated with hosting of international conferences in Port Moresby	25,200,300	20,996,136	4,204,164
217	Foreign Affairs	57,737,600	2,500,000	To cover grants for Solomon Islands students studying in PNG and expenses associated with establishing the Pacific Seasonal Workers Scheme.	70,764,600	73,880,490	-3,115,890
226	Correctional Institutions	89,019,600	343,300	To cater for improvement to Bihute Gaol order by the Court.	100,391,100	101,066,711	-675,610
228	Police	226,705,900	9,904,700	To cater for urgent unforeseen operational expenses.	302,404,300	301,402,607	1,001,693
232	Provincial and Local Govt Affairs	12,401,200	8,000,000	To cater for urgent unforeseen operational expenses.	25,743,200	25,448,830	294,370

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Section 3 Transfers	Comments	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
252	Lands and Physical Planning	29,353,600	1,600,000	To cater for urgent and unforeseen operational expenses	35,013,800	35,669,523	-655,723
255	Petroleum and Energy	12,755,900	500,000	To cater for urgent and unforeseen operational expenses	13,589,100	13,133,894	455,206
569	Independent Consumer and Competition Commission	2,012,700	2,240,000	To cover unforeseen expenses arising from staff terms and conditions of appointment	4,752,700	4,752,700	0
590	Autonomous Bougainville Government	66,219,000	1,000,000	to meet funding commitment made by the Prime Minister to the Government of Bougainville.	72,470,300	77,435,870	-4,965,570
<b>Grand Total</b>		<b>7,476,812,300</b>	-		<b>8,258,612,301</b>	<b>7,922,479,631</b>	<b>336,132,670</b>

**ATTACHEMENT A: 2011 RECURRENT BUDGET OUTCOME BY AGENCY**

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
201	National Parliament	108,058,700	10,000,000	5,000,000	0	123,058,700	124,558,700	-1,500,000
202	Governor-General	4,825,100		1,389,000	1,514,200	7,728,300	8,177,023	-448,723
203	Prime Minister and NEC	63,377,200		1,570,000	-3,464,500	61,482,700	82,112,751	-20,630,051
204	National Statistics Office	4,933,900		0	208,300	5,142,200	3,836,257	1,305,943
205	Bougainville Affairs	2,369,800		0	47,100	2,416,900	2,678,825	-261,925
206	Finance	22,424,400	5,000,000	0	8,382,553	35,806,953	33,957,383	1,849,570
207	Finance and Treasury Misc	1,022,750,600	648,500,000	-35,140,000	-211,164,000	1,424,946,600	1,388,737,749	36,208,851
208	Treasury	13,944,200		793,000	835,600	15,572,800	12,848,439	2,724,361
209	ORPP	5,978,300			187,100	6,165,400	6,255,559	-90,159
211	PNG Customs Service	18,827,400		300,000	6,072,900	25,200,300	20,996,136	4,204,164
212	ITD	18,636,100		0	-222,352	18,413,748	13,552,472	4,861,276
213	Fire Services	18,609,600		0	604,500	19,214,100	19,143,248	70,852
215	PNG Immigration and Citizenship Services	10,000,000		0	0	10,000,000	12,396,011	-2,396,011
216	Internal Revenue Commission	38,311,400		0	606,200	38,917,600	39,358,053	-440,453
217	Foreign Affairs	57,737,600		2,500,000	10,527,000	70,764,600	73,880,490	-3,115,890
218	Office of the Public Prosecutor	5,486,700		0	1,180,500	6,667,200	6,795,332	-128,132
219	PNG Institute of Public Administration	6,068,400		0	232,100	6,300,500	6,111,528	188,972
220	Personnel Management	15,033,700		0	18,143,000	33,176,700	23,965,064	9,211,636
221	Public Service Commission	4,263,400		0	183,600	4,447,000	4,755,649	-308,649
222	Office of Public Solicitor	9,181,100		0	365,600	9,546,700	9,170,507	376,193
223	Judiciary Services	69,652,200		0	0	69,652,200	69,652,200	0
224	Magisterial Services	31,109,600		0	0	31,109,600	31,309,600	-200,000

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
225	Attorney General	33,008,100		0	10,412,000	43,420,100	48,642,178	-5,222,078
226	Correctional Institutions	89,019,600		343,300	11,028,200	100,391,100	101,066,711	-675,610
227	Provincial Treasuries	35,952,600			1,752,300	37,704,900	28,677,515	9,027,385
228	Police	226,705,900		9,904,700	65,793,700	302,404,300	301,402,607	1,001,693
229	Planning and Monitoring	14,393,300	38,500,000	0	-6,950,200	45,943,100	31,675,561	14,267,539
230	Electoral Commission	24,794,000		0	148,600	24,942,600	21,353,211	3,589,389
231	National Intelligence Organisation	3,777,200		0	101,700	3,878,900	4,503,698	-624,798
232	Provincial and Local Govt Affairs	12,401,200		8,000,000	5,342,000	25,743,200	25,448,830	294,370
234	Defence	144,811,000		0	24,458,300	169,269,300	175,277,555	-6,008,255
235	Education	352,868,900		0	5,535,500	358,404,400	360,938,327	-2,533,927
236	Higher Education Commission	39,075,200		0	33,927,600	73,002,800	40,573,531	32,429,269
237	Office of UNESCO	1,907,700		0	1,818,900	3,726,600	3,447,472	279,128
240	Health	261,684,000		0	-1,072,300	260,611,700	253,568,799	7,042,901
241	Hospital Management Services	333,503,400		0	10,589,100	344,092,500	344,092,206	294
242	Community Development	10,317,400		0	467,900	10,785,300	10,899,389	-114,089
243	National Volunteer Service	1,233,300		0	-59,400	1,173,900	1,189,200	-15,300
245	Environment and Conservation	9,503,500		0	7,013,600	16,517,100	18,464,030	-1,946,930
247	Agriculture and Livestock	13,999,000	13,000,000	0	-11,938,300	15,060,700	45,627,063	-30,566,363
252	Lands and Physical Planning	29,353,600		1,600,000	4,060,200	35,013,800	35,669,523	-655,723
254	Mining	7,405,700		0	268,800	7,674,500	7,779,548	-105,048
255	Petroleum and Energy	12,755,900	5,000,000	500,000	-4,666,800	13,589,100	13,133,894	455,206
257	Depart of Public Enterprises	3,489,600		0	1,444,100	4,933,700	2,751,852	2,181,848

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
258	Department of Information and Communication	3,686,800		0	60,100	3,746,900	3,866,160	-119,260
259	Transport	20,909,700	17,000,000	0	-10,757,000	27,152,700	20,379,267	6,773,433
261	Trade and Industry	10,049,900		0	116,300	10,166,200	12,057,128	-1,890,928
262	Industrial Relations	11,272,500		0	287,700	11,560,200	11,861,361	-301,161
263	National Tripartite Consultative Council	985,200		0	29,600	1,014,800	847,258	167,542
264	Works and Implementation	160,978,000	17,000,000	0	-2,781,600	175,196,400	194,677,918	-19,481,518
267	Office of Rural Development	5,867,800		0	1,141,400	7,009,200	33,674,616	-26,665,416
268	Central Supply and Tenders Board	3,068,300		0	85,900	3,154,200	2,842,068	312,132
269	Office of Tourism Arts and Culture	1,830,200		0	0	1,830,200	2,103,500	-273,300
299	Debt Services	2,616,091,500		0	-53,601,700	2,562,489,800	2,122,603,924	439,885,876
502	Auditor General	16,171,700		0	0	16,171,700	16,171,700	0
503	Ombudsman	14,742,000		0	0	14,742,000	14,742,000	0
505	National Research Institute	4,337,000		0	300,000	4,637,000	4,214,200	422,800
506	National Training Council	2,575,400		0	0	2,575,400	2,300,800	274,600
507	National Economic and Fiscal Commission	2,100,000		0	0	2,100,000	2,100,000	0
509	Border Development Authority	4,200,000		0	0	4,200,000	3,558,900	641,100
510	Legal Training Institute	2,274,500		0	0	2,274,500	2,184,500	90,000
511	Climate Changes	7,396,000		0	-1,087,400	6,308,600	4,817,341	1,491,259
512	UPNG	39,487,000	5,000,000	0	0	44,487,000	31,687,000	12,800,000
513	UNITECH	40,255,000		0	500,000	40,755,000	40,453,200	301,800
514	University of Goroka	13,730,000		0	0	13,730,000	12,985,800	744,200

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
515	University of Natural Resources	10,854,800		0	0	10,854,800	9,204,800	1,650,000
516	PNG Sports Commission	10,570,000		0	0	10,570,000	10,198,013	371,987
517	Narcotics Bureau	2,460,300		0	0	2,460,300	2,178,200	282,100
518	PNG Maritime	3,057,000		0	0	3,057,000	3,057,000	0
519	AIDS Council	6,899,700		0	0	6,899,700	6,235,700	664,000
520	Institute of Medical Research	5,554,500		0	0	5,554,500	5,091,600	462,900
521	National Youth Commission	2,047,100		0	1,000,000	3,047,100	2,907,100	140,000
522	Constitutional and Law Reform Commission	2,759,300		0	0	2,759,300	2,559,300	200,000
523	PNG Accidents Investigations Commission	3,142,600	2,000,000	0	0	5,142,600	5,142,600	0
525	National Broadcasting Commission	21,327,600		0	3,333,800	24,661,400	24,661,400	0
526	National Maritime Safety Authority	1,638,000		0	0	1,638,000	1,245,600	392,400
530	Investment Promotion Authority	2,671,400		0	0	2,671,400	2,641,300	30,100
531	Small Business Goods and Services Corporation	2,573,000		0	0	2,573,000	2,438,900	134,100
532	National Institute of Standards and Industrial Technology	2,891,700		0	0	2,891,700	2,811,700	80,000
533	Industrial Centres Development Corporation	2,153,200		0	0	2,153,200	2,139,100	14,100
536	Industrial Centres Development Corporation	1,000,000		0	600,000	1,600,000	1,716,900	-116,900
539	National Museum	8,011,400		0	-30,000	7,981,400	5,827,100	2,154,300



Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
540	National Water and Sewerage Board	0		0	15,000,000	15,000,000	15,000,000	0
541	National Housing Corporation	235,200		0	0	235,200	218,600	16,600
542	National Cultural Commission	4,245,200		0	0	4,245,200	3,985,200	260,000
549	Office of Coastal Fisheries Development Agency	2,377,400		0	0	2,377,400	2,139,000	238,400
550	Cocoa Coconut Institute	5,687,400		0	0	5,687,400	5,413,400	274,000
553	Fresh Produce Development Company	4,772,000		0	0	4,772,000	4,772,000	0
554	Coconut Industry Corporation	2,100,000		0	0	2,100,000	1,728,400	371,600
557	PNG National Forest Authority	27,800,000		0	6,674,000	34,474,000	34,670,600	-196,600
558	Tourism Promotion Authority	10,298,400		0	0	10,298,400	10,298,400	0
562	National Agriculture Research Institute	8,742,600	4,000,000	0	0	12,742,600	12,742,600	0
563	National Agriculture Quarantine & Inspection Authority	3,998,900		0	0	3,998,900	-2,348,900	6,347,800
565	Civil Aviation Authority	10,080,000	1,800,000	0	-1,800,000	10,080,000	10,080,000	0
569	Independent Consumer and Competition Commission	2,012,700		2,240,000	500,000	4,752,700	4,752,700	0
571	Western Provincial Government	42,636,800			2,592,000	45,228,800	46,904,910	-1,676,110
572	Gulf Provincial Government	32,098,200		0	1,685,600	33,783,800	28,082,002	5,701,798
573	Central Provincial Governm	58,009,900		0	3,197,800	61,207,700	64,842,255	-3,634,555

Div No	Agency	2011 Original Approp Published in 2011 Budget Papers	Supplementary Budget Funding	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 27 March 2012 (Final Available approp)	Total Expenditure (as at 27 March 2012)	Variance ( Final Available App less Total Expend)
574	National Capital District Commission	3,654,000		0	0	3,654,000	3,654,000	0
575	Milne Bay Provincial Government	57,291,400		0	2,971,000	60,262,400	61,438,871	-1,176,471
576	Oro Provincial Government	34,850,300		0	1,755,700	36,606,000	38,900,372	-2,294,372
577	Southern Highland Province	85,986,800		0	4,980,000	90,966,800	112,888,315	-21,921,515
578	Enga Provincial Government	54,602,300		0	3,015,000	57,617,300	73,610,357	-15,993,057
579	West Highland Provincial Government	73,733,200		0	3,961,700	77,694,900	98,774,758	-21,079,858
580	Simbu Provincial Government	57,994,100		0	3,135,800	61,129,900	70,452,263	-9,322,363
581	Eastern Highland Provincial Government	74,230,600		0	3,932,200	78,162,800	90,470,179	-12,307,379
582	Morobe Provincial Government	90,530,600		0	5,482,600	96,013,200	108,705,773	-12,692,573
583	Madang Provincial Government	71,693,100		0	3,661,000	75,354,100	89,481,522	-14,127,422
584	East Sepik Provincial Government	76,906,200		0	3,617,000	80,523,200	93,652,330	-13,129,130
585	Sandaun Provincial Government	51,764,300		0	2,496,300	54,260,600	54,985,660	-725,060
586	Manus Provincial Government	27,078,700		0	1,344,500	28,423,200	27,110,578	1,312,622
587	New Ireland Provincial Government	35,321,800		0	2,185,400	37,507,200	41,174,327	-3,667,127
588	East New Britain Provincial Government	62,210,700		0	3,674,500	65,885,200	75,448,249	-9,563,049
589	West New Britain Prov Gov	52,490,900		0	2,774,600	55,265,500	60,398,406	-5,132,906

<b>Div No</b>	<b>Agency</b>	<b>2011 Original Approp Published in 2011 Budget Papers</b>	<b>Supplementary Budget Funding</b>	<b>Section 3 Transfers</b>	<b>Section 4 Transfers</b>	<b>Final Available Appropriation as at 27 March 2012 (Final Available approp)</b>	<b>Total Expenditure (as at 27 March 2012)</b>	<b>Variance ( Final Available App less Total Expend)</b>
590	Autonomous Bougainville Government	66,219,000	15,000,000	1,000,000	-9,748,700	72,470,300	77,435,870	-4,965,570
<b>Grand Total</b>		<b>7,476,812,300</b>	<b>781,800,000</b>	<b>-</b>	<b>1</b>	<b>8,258,612,301</b>	<b>7,922,479,631</b>	<b>336,132,670</b>

**ATTACHEMENT B: 2011 TRANSFERS TO NATIONAL DEPARTMENTS – PERSONNEL EMOLUMENTS**

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
202	Governor-General	1,593,800	-	468,800	2,062,600	2,481,323	-418,723
203	Prime Minister and NEC	37,931,900	-	- 898,600	37,033,300	39,231,736	-2,198,436
204	National Statistics Office	3,432,900	-	208,300	3,641,200	3,836,257	-195,057
205	Bougainville Affairs	779,200	-	47,100	826,300	1,132,350	-306,050
206	Finance	10,396,500	-	1,808,461	12,204,961	11,628,173	576,788
207	Finance and Treasury Misc	471,949,400	-	- 242,100,000	229,849,400	227,901,998	1,947,402
208	Treasury	8,937,100	-	920,574	9,857,674	8,271,992	1,585,682
209	ORPP	3,223,600	-	187,100	3,410,700	3,525,489	- 114,789
211	PNG Customs Service	11,076,400	-	190,400	11,266,800	9,319,213	1,947,587
212	ITD	5,437,800	-	309,800	5,747,600	3,041,364	2,706,236
213	Fire Services	9,167,000	-	579,500	9,746,500	9,843,476	- 96,976
215	PNG Immigration and Citizenship Services	-	-	-	-	1,518,912	- 1,518,912
216	Internal Revenue Commission	15,340,300	-	987,400	16,327,700	14,252,981	2,074,719
217	Foreign Affairs	26,749,600	-	540,200	27,289,800	30,440,124	- 3,150,324
218	Office of the Public Prosecutor	3,579,000	-	220,500	3,799,500	3,927,660	- 128,160
219	PNG Institute of Public Administration	4,115,400	-	232,100	4,347,500	4,158,538	188,962
220	Personnel Management	9,545,700	-	16,880,400	26,426,100	17,583,058	8,843,042
221	Public Service Commission	2,872,200	-	172,600	3,044,800	3,361,167	- 316,367
222	Office of Public Solicitor	5,605,600	-	-535,020	5,070,580	4,695,370	375,210
225	Attorney General	14,829,100	-	1,175,400	16,004,500	20,956,894	- 4,952,394
226	Correctional Institutions	50,289,200	-	1,666,400	51,955,600	52,537,212	- 581,612
227	Provincial Treasuries	26,451,400	-	1,752,300	28,203,700	24,443,174	3,760,526
228	Police	141,273,600	-	9,100,000	150,373,600	154,203,740	- 3,830,140
229	Planning and Monitoring	8,451,100	-	399,800	8,850,900	11,638,258	- 2,787,358
230	Electoral Commission	2,493,000	-	583,600	3,076,600	2,995,844	80,756
231	National Intelligence Organisation	1,659,400	-	96,300	1,755,700	2,462,245	- 706,545
232	Provincial and Local Govt Affairs	5,448,000	-	299,300	5,747,300	5,378,670	368,630

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
234	Defence	70,423,400	-	4,269,300	74,692,700	82,395,534	- 7,702,834
235	Education	91,428,500	-	3,159,800	94,588,300	93,692,316	895,984
236	Higher Education Commission	1,781,700	-	47,600	1,829,300	1,746,031	83,269
237	Office of UNESCO	1,364,700	-	- 71,000	1,293,700	1,103,100	190,600
240	Health	64,199,100	-	- 619,200	63,579,900	54,888,233	8,691,667
241	Hospital Management Services	241,828,400	-	10,115,100	251,943,500	251,836,406	107,094
242	Community Development	6,257,300	-	562,000	6,819,300	6,969,892	- 150,592
243	National Volunteer Service	-	-	- 18,000	-18,000	-	- 18,000
245	Environment and Conservation	5,013,300	-	1,254,700	6,268,000	7,249,177	- 981,177
247	Agriculture and Livestock	10,296,000	-	409,700	10,705,700	37,483,005	- 26,777,305
252	Lands and Physical Planning	9,990,800	-	406,200	10,397,000	11,093,830	- 696,830
254	Mining	4,353,900	-	216,800	4,570,700	4,812,302	- 241,602
255	Petroleum and Energy	7,609,000 -	-	370,900	7,979,900	7,458,041	521,859
257	Department of Public Enterprises	-1,948,600	-	89,100	2,037,700	1,045,676	992,024
258	Department of Information and Communication	950,600	-	60,100	1,010,700	1,129,961	- 119,261
259	Transport	10,039,800	-	375,900	10,415,700	8,638,512	1,777,188
261	Trade and Industry	5,782,600	-	-896,700	4,885,900	7,707,205	- 2,821,305
262	Industrial Relations	6,985,200	-	173,700	7,158,900	8,052,134	- 893,234
263	National Tripartite Consultative Council	476,700	-	29,600	506,300	352,578	153,722
264	Works and Implementation	44,970,000	-	2,337,200	47,307,200	43,516,411	3,790,789
267	Office of Rural Development	2,885,800	-	- 41,100	2,844,700	2,771,823	72,877
268	Central Supply and Tenders Board	1,370,900	-	83,200	1,454,100	1,175,931	278,169
<b>Total</b>		<b>1,472,584,500</b>	-	<b>- 182,392,385</b>	<b>1,290,192,115</b>	<b>1,309,885,319</b>	<b>- 19,693,204</b>

**ATTACHMENT C: 2011 TRANSFERS TO PROVINCIAL GOVERNMENT PERSONNEL EMOLUMENTS**

Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
<b>Autonomous Bougainville Government</b>						
Public Servants Leave Fares	272,800			272,800	272,800	-
Retirement Benefits, Pensions, Gratuities				-	144,146	-144,146
Staffing Grant	10,686,900			11,488,400	13,479,580	-1,991,180
Teachers Leave Fares	1,032,600			1,032,600	1,032,600	-
Teachers Salaries (TSC)	32,664,000			35,113,800	37,944,044	-2,830,244
<b>Central Provincial Government</b>						
Overtime	-			-	33,851	-33,851
Public Servants Leave Fares	322,900			322,900	322,900	-
Retirement Benefits, Pensions, Gratuities				-	1,080,519	-1,080,519
Staffing Grant	12,682,600			13,633,700	12,090,368	1,543,332
Teachers Leave Fares	2,106,200			2,106,200	2,106,200	-
Teachers Salaries (TSC)	29,957,100			32,203,800	35,650,791	-3,446,991
Village Courts Allowance	297,700			297,700	297,700	-
<b>East New Britain Provincial Government</b>						
Public Servants Leave Fares	340,100			340,100	340,100	-
Retirement Benefits, Pensions, Gratuities				-	2,265,700	-2,265,700
Staffing Grant	14,800,000			15,910,000	16,209,500	-299,500
Teachers Leave Fares	1,274,100			1,274,100	1,274,100	-
Teachers Salaries (TSC)	34,193,800			36,758,300	43,794,149	-7,035,849
Village Courts Allowance	264,000			264,000	264,000	-
<b>East Sepik Provincial Government</b>						
Overtime	-			-	26,517	-26,517
Public Servants Leave Fares	1,250,000			1,250,000	1,250,000	-
Retirement Benefits, Pensions, Gratuities				-	723,959	-723,959
Staffing Grant	15,192,800			16,332,200	17,135,140	-802,940
Teachers Leave Fares	1,163,700			1,163,700	1,163,700	-
Teachers Salaries (TSC)	33,035,100			35,512,700	47,088,614	-11,575,914
Village Courts Allowance	481,600			481,600	481,600	-

Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
<b>Eastern Highland Provincial Government</b>						
Overtime	-			-	14,958	-14,958
Public Servants Leave Fares	752,000			752,000	752,000	-
Retirement Benefits, Pensions, Gratuities	-			-	76,095	-76,095
Staffing Grant	15,430,500			16,587,700	18,258,536	-1,670,836
Teachers Leave Fares	1,156,500			1,156,500	1,156,500	-
Teachers Salaries (TSC)	37,000,000			39,775,000	50,407,289	-10,632,289
Village Courts Allowance	437,400			437,400	437,400	-
<b>Enga Provincial Government</b>						
Overtime	-			-	179,097	-179,097
Public Servants Leave Fares	260,600			260,600	260,600	-
Retirement Benefits, Pensions, Gratuities	-			-	591,047	-591,047
Staffing Grant	14,673,700			15,696,800	19,913,650	-4,216,850
Teachers Leave Fares	1,068,000			1,068,000	1,068,000	-
Teachers Salaries (TSC)	25,598,700			27,518,600	38,524,663	-11,006,063
Village Courts Allowance	571,700			571,700	571,700	-
<b>Gulf Provincial Government</b>						
Public Servants Leave Fares	740,400			740,400	555,400	185,000
Retirement Benefits, Pensions, Gratuities	-			-	91,603	-91,603
Staffing Grant	10,212,800			11,223,500	9,533,108	1,690,392
Teachers Leave Fares	699,600			699,600	525,100	174,500
Teachers Salaries (TSC)	8,999,600			9,674,500	9,118,691	555,809
Village Courts Allowance	489,000			489,000	367,000	122,000
<b>Madang Provincial Government</b>						
Public Servants Leave Fares	1,225,400			1,225,400	1,225,400	-
Retirement Benefits, Pensions, Gratuities	-			-	261,149	-261,149
Staffing Grant	14,634,000			15,731,500	20,245,058	-4,513,558
Teachers Leave Fares	931,500			931,500	931,500	-
Teachers Salaries (TSC)	34,180,000			36,743,500	46,096,215	-9,352,715

Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Village Courts Allowance	321,000			321,000	321,000	-
<b>Manus Provincial Government</b>						
Public Servants Leave Fares	370,200			370,200	370,200	-
Retirement Benefits, Pensions, Gratuities	-			-	193,079	-193,079
Staffing Grant	8,121,300			8,730,300	6,440,396	2,289,904
Teachers Leave Fares	614,300			614,300	614,300	-
Teachers Salaries (TSC)	9,807,600			10,543,100	12,711,348	-2,168,248
Village Courts Allowance	172,700			172,700	172,700	-
<b>Milne Bay Provincial Government</b>						
Overtime	-			-	20,359	-20,359
Public Servants Leave Fares	461,700			461,700	461,700	-
Retirement Benefits, Pensions, Gratuities	-			-	1,260,914	-1,260,914
Staffing Grant	11,106,100			11,939,000	11,875,599	63,401
Teachers Leave Fares	1,163,700			1,163,700	1,163,700	-
Teachers Salaries (TSC)	28,508,900			30,647,000	30,605,599	41,401
Village Courts Allowance	316,900			316,900	316,900	-
<b>Morobe Provincial Government</b>						
Overtime	-			-	67,801	-67,801
Public Servants Leave Fares	1,411,500			1,411,500	1,411,500	-
Retirement Benefits, Pensions, Gratuities	-			-	671,912	-671,912
Staffing Grant	21,050,300			22,629,000	19,735,179	2,893,821
Teachers Leave Fares	2,008,100			2,008,100	2,008,100	-
Teachers Salaries (TSC)	52,052,300			55,956,200	70,802,880	-14,846,680
Village Courts Allowance	399,800			399,800	399,800	-
<b>National Capital District Commiss</b>						
Village Courts Allowance	195,100			195,100	195,100	-
<b>New Ireland Provincial Government</b>						
Public Servants Leave Fares	366,700			366,700	366,700	-
Retirement Benefits, Pensions, Gratuities	-			-	209,653	-209,653
Staffing Grant	10,582,900			11,376,600	10,775,551	601,049



Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Teachers Leave Fares	890,800			890,800	890,800	-
Teachers Salaries (TSC)	18,556,900			19,948,600	24,007,124	-4,058,524
Village Courts Allowance	188,900			188,900	188,900	-
<b>Oro Provincial Government</b>						
Overtime	-			-	11,343	-11,343
Public Servants Leave Fares	450,200			450,200	450,200	-
Retirement Benefits, Pensions, Gratuities	-			-	458,022	-458,022
Staffing Grant	9,876,300			10,617,000	10,743,165	-126,165
Teachers Leave Fares	962,200			962,200	962,200	-
Teachers Salaries (TSC)	13,534,100			14,549,100	16,247,941	-1,698,841
Village Courts Allowance	138,200			138,200	138,200	-
<b>Sandaun Provincial Government</b>						
Public Servants Leave Fares	723,400			723,400	723,400	-
Retirement Benefits, Pensions, Gratuities	-			-	165,576	-165,576
Staffing Grant	11,596,000			12,465,700	11,727,124	738,576
Teachers Leave Fares	1,144,700			1,144,700	1,144,700	-
Teachers Salaries (TSC)	21,689,200			23,315,800	24,643,860	-1,328,060
Village Courts Allowance	171,200			171,200	171,200	-
<b>Simbu Provincial Government</b>						
Overtime	-			-	6,051	-6,051
Public Servants Leave Fares	241,500			241,500	241,500	-
Retirement Benefits, Pensions, Gratuities	-			-	48,734	-48,734
Staffing Grant	11,462,900			12,322,600	14,310,416	-1,987,816
Teachers Leave Fares	778,500			778,500	778,500	-
Teachers Salaries (TSC)	30,348,900			32,625,000	40,017,761	-7,392,761
Village Courts Allowance	380,400			380,400	380,400	-
<b>Southern Highland Province</b>						
Public Servants Leave Fares	463,800			463,800	463,800	-
Retirement Benefits, Pensions, Gratuities	-			-	739,966	-739,966
Staffing Grant	25,400,000			27,305,000	28,786,026	-1,481,026

Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Teachers Leave Fares	890,400			890,400	890,400	-
Teachers Salaries (TSC)	41,000,000			44,075,000	63,775,523	-19,700,523
Village Courts Allowance	558,800			558,800	558,800	-
<b>West Highland Provincial Government</b>						
Overtime	-			-	55	-55
Public Servants Leave Fares	483,400			483,400	483,400	-
Retirement Benefits, Pensions, Gratuities	-			-	73,400	-73,400
Staffing Grant	13,507,300			14,520,300	17,801,309	-3,281,009
Teachers Leave Fares	1,311,300			1,311,300	1,311,300	-
Teachers Salaries (TSC)	39,316,300			42,265,000	59,990,394	-17,725,394
Village Courts Allowance	653,300			653,300	653,300	-
<b>West New Britain Provincial Government</b>						
Salaries and Allowances	-			-	14,203	-14,203
Overtime	-			-	9,416	-9,416
Public Servants Leave Fares	1,620,000			1,620,000	1,620,000	-
Retirement Benefits, Pensions, Gratuities	-			-	187,592	-187,592
Staffing Grant	10,464,300			11,249,100	11,729,267	-480,167
Teachers Leave Fares	2,214,000			2,214,000	2,214,000	-
Teachers Salaries (TSC)	26,530,700			28,520,500	32,962,028	-4,441,528
Village Courts Allowance	500,300			500,300	500,300	-
<b>Western Provincial Government</b>						
Public Servants Leave Fares	247,600			247,600	247,600	-
Retirement Benefits, Pensions, Gratuities	-			-	159,331	-159,331
Staffing Grant	12,409,000			13,339,600	12,016,231	1,323,369
Teachers Leave Fares	1,001,200			1,001,200	1,001,200	-
Teachers Salaries (TSC)	22,153,300			23,814,700	26,654,849	-2,840,149
Village Courts Allowance	274,000			274,000	274,000	-
<b>Grand Total</b>	<b>834,243,800</b>			<b>893,885,800</b>	<b>1,044,381,118</b>	<b>-150,495,318</b>

**ATTACHMENT D: 2011 TRANSFERS TO NATIONAL DEPARTMENTS – GOODS AND SERVICES**

<b>Div</b>	<b>Agency Name</b>	<b>2011 Original Budget</b>	<b>Supplementa ry Budget</b>	<b>Other Transfers</b>	<b>2011 Final Available Appropriation</b>	<b>2011 Outcome</b>	<b>Variance</b>
201	National Parliament	108,058,700	10,000,000	5,000,000	123,058,700	124,558,700	1,500,000
202	Governor-General	3,231,300	-	2,434,400	5,665,700	5,695,700	30,000
203	Prime Minister and NEC	25,445,300	-	16,004,100	41,449,400	41,381,934	67,466
204	National Statistics Office	1,501,000	-	-	1,501,000	-	1,501,000
205	Bougainville Affairs	1,590,600	-	-	1,590,600	1,546,475	44,125
206	Finance	12,027,900	-	6,574,092	18,601,992	21,946,451	1,655,541
207	Finance and Treasury Misc	550,801,200	648,500,000	-3,858,000	1,195,443,200	1,160,835,752	34,261,448
208	Treasury	5,007,100	5,000,000	708,026	10,715,126	4,576,447	1,138,679
209	ORPP	2,754,700	-	-	2,754,700	2,730,070	24,630
211	PNG Customs Service	7,751,000	-	6,182,500	13,933,500	11,676,923	2,256,577
212	ITD	13,198,300	-	-532,152	12,666,148	10,511,108	2,155,040
213	Fire Services	9,442,600	-	25,000	9,467,600	9,299,772	167,828
215	PNG Immigration and Citizenship Services	10,000,000	-	-	10,000,000	10,877,099	-877,099
216	Internal Revenue Commission	22,971,100	-	-381,200	22,589,900	25,105,071	-2,515,171
217	Foreign Affairs	30,988,000	-	12,486,800	43,474,800	43,440,366	34,434
218	Office of the Public Prosecutor	1,907,700	-	960,000	2,867,700	2,867,671	29
219	PNG Institute of Public Administration	1,953,000	-	-	1,953,000	1,952,990	10
220	Personnel Management	5,488,000	-	1,262,600	6,750,600	6,382,006	368,594
221	Public Service Commission	1,391,200	-	11,000	1,402,200	1,394,481	7,719
222	Office of Public Solicitor	3,575,500	-	900,620	4,476,120	4,475,137	983
223	Judiciary Services	69,652,200	-	-	69,652,200	69,652,200	-
224	Magisterial Services	31,109,600	-	-	31,109,600	31,309,600	-200,000
225	Attorney General	18,179,000	-	9,236,600	27,415,600	27,685,284	-269,684
226	Correctional Institutions	38,730,400	-	9,705,100	48,435,500	48,529,499	-93,999
227	Provincial Treasuries	9,501,200	-	-	9,501,200	4,234,341	5,266,859
228	Police	85,432,300	-	66,598,400	152,030,700	147,198,867	4,831,833

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
229	Planning and Monitoring	5,942,200	38,500,000	-7,350,000	37,092,200	20,037,303	17,054,897
230	Electoral Commission	22,301,000	-	-435,000	21,866,000	18,357,367	3,508,633
231	National Intelligence Organisation	2,117,800	-	5,400	2,123,200	2,041,453	81,748
232	Provincial and Local Govt Affairs	6,953,200	-	13,042,700	19,995,900	20,070,160	-74,260
234	Defence	74,387,600	-	20,189,000	94,576,600	92,882,021	1,694,579
235	Education	261,440,400	-	2,375,700	263,816,100	267,246,011	-3,429,911
236	Higher Education Commission	37,293,500	-	1,534,000	38,827,500	38,827,500	-
237	Office of UNESCO	543,000	-	1,889,900	2,432,900	2,344,372	88,528
240	Health	197,484,900	-	-453,100	197,031,800	198,680,566	-1,648,766
241	Hospital Management Services	91,675,000	-	474,000	92,149,000	92,255,800	-106,800
242	Community Development	4,060,100	-	-94,100	3,966,000	3,929,497	36,503
243	National Volunteer Service	1,233,300	-	-41,400	1,191,900	1,189,200	2,700
245	Environment and Conservation	4,490,200	-	5,758,900	10,249,100	11,214,853	-965,753
247	Agriculture and Livestock	3,703,000	13,000,000	-12,348,000	4,355,000	8,144,058	-3,789,058
252	Lands and Physical Planning	19,362,800	-	5,254,000	24,616,800	24,575,693	41,107
254	Mining	3,051,800	-	52,000	3,103,800	2,967,246	136,554
255	Petroleum and Energy	5,146,900	5,000,000	-4,537,700	5,609,200	5,675,853	-66,653
257	Department of Public Enterprises	1,541,000	-	1,355,000	2,896,000	1,706,177	1,189,823
258	Department of Information and Communication	2,736,200	-	-	2,736,200	2,736,198	2
259	Transport	10,869,900	17,000,000	-11,132,900	16,737,000	11,740,755	4,996,245
261	Trade and Industry	4,267,300	-	1,013,000	5,280,300	4,349,924	930,376
262	Industrial Relations	4,287,300	-	114,000	4,401,300	3,809,226	592,074
263	National Tripartite Consultative Council	508,500	-	-	508,500	494,680	13,820
264	Works and Implementation	116,008,000	17,000,000	-5,108,000	127,900,000	151,161,507	-23,261,507
267	Office of Rural Development	2,982,000	-	1,182,500	4,164,500	30,902,794	-26,738,294
268	Central Supply and Tenders Board	1,697,400	-	2,700	1,700,100	1,666,137	33,963
269	Office of Tourism Arts and Culture	1,830,200	-	-	1,830,200	2,103,500	-273,300
<b>Total</b>		<b>1,959,603,400</b>	<b>754,000,000</b>	<b>146,060,486</b>	<b>2,859,663,886</b>	<b>2,840,973,796</b>	<b>18,344,089</b>

**ATTACHMENT E: 2011 TRANSFERS TO PROVINCIAL GOVERNMENTS – GOODS AND SERVICES**

	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
<b>Autonomous Bougainville Government</b>						
National Functions and Powers Grant - ABG	278,000		2,000,000	2,278,000	2,278,000	-
Police and Services Grant - ABG	2,607,800			2,607,800	2,607,800	-
Recurrent Goods & Services Grant ABG	3,676,900		1,000,000	19,676,900	19,676,900	-
<b>Central Provincial Government</b>						-
Administration Grant	404,900			404,900	404,900	-
Health Function Grant	2,407,200			2,407,200	2,407,200	-
Other Operational Expenses	-			-	616,526	-616,526
Education Function Grant	3,005,300			3,005,300	3,005,300	-
LLG and Village Services (Organic Law)	1,513,800			1,513,800	1,513,800	-
Other Service Delivery Function Grant	1,270,400			1,270,400	1,270,400	-
Primary Production Function Grant	325,100			325,100	325,100	-
Transport/Infrastructure Maintenance Grant	3,562,800			3,562,800	3,562,800	-
Village Courts Function Grant	153,900			153,900	153,900	-
<b>East New Britain Provincial Government</b>						-
Administration Grant	81,100			81,100	81,100	-
Health Function Grant	2,082,200			2,082,200	2,082,200	-
Education Function Grant	2,591,200			2,591,200	2,591,200	-
LLG and Village Services (Organic Law)	2,289,500			2,289,500	2,251,500	38,000
Other Service Delivery Function Grant	454,700			454,700	454,700	-
Primary Production Function Grant	1,527,300			1,527,300	1,527,300	-
Transport/Infrastructure Maintenance Grant	2,242,100			2,242,100	2,242,100	-
Village Courts Function Grant	70,600			70,600	70,600	-
<b>East Sepik Provincial Government</b>						-
Administration Grant	645,000			645,000	645,000	-

	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Health Function Grant	6,074,200			6,074,200	6,074,000	200
Education Function Grant	4,072,100			4,072,100	4,072,100	-
LLG and Village Services (Organic Law)	3,199,000			3,199,000	3,199,000	-
Other Service Delivery Function Grant	1,452,300			1,452,300	1,452,300	-
Primary Production Function Grant	1,354,700			1,354,700	1,354,700	-
Transport/Infrastructure Maintenance Grant	8,818,400			8,818,400	8,818,400	-
Village Courts Function Grant	167,300			167,300	167,300	-
<b>Eastern Highland Provincial Government</b>						-
Administration Grant	1,090,000			1,090,000	1,090,000	-
Health Function Grant	3,236,000			3,236,000	3,236,000	-
Education Function Grant	3,707,900			3,707,900	3,707,900	-
LLG and Village Services (Organic Law)	3,494,600			3,494,600	3,407,800	86,800
Other Service Delivery Function Grant	1,391,800			1,391,800	1,391,800	-
Primary Production Function Grant	1,203,100			1,203,100	1,203,100	-
Transport/Infrastructure Maintenance Grant	5,177,800			5,177,800	5,177,800	-
Village Courts Function Grant	153,000			153,000	153,000	-
<b>Enga Provincial Government</b>						-
Administration Grant	485,300			485,300	485,300	-
Health Function Grant	2,853,000			2,853,000	2,853,000	-
Education Function Grant	1,157,900			1,157,900	1,157,900	-
LLG and Village Services (Organic Law)	2,246,500			2,318,500	2,318,500	-
Other Service Delivery Function Grant	916,300			916,300	916,300	-
Primary Prod Func Grant	513,700			513,700	513,700	-
Transport/Infrastructure Maintenance Grant	4,103,600			4,103,600	4,103,600	-
Village Courts Function Grant	153,300			153,300	153,300	-
<b>Gulf Provincial Government</b>						-
Administration Grant	546,000			546,000	409,500	136,500
Health Function Grant	2,560,800			2,560,800	1,920,800	640,000

	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Education Function Grant	2,433,600			2,433,600	1,825,600	608,000
LLG and Village Services (Organic Law)	1,067,400			1,067,400	472,700	594,700
Other Service Delivery Function Grant	1,055,300			1,055,300	791,800	263,500
Primary Production Function Grant	790,100			790,100	592,600	197,500
Transport/Infrastructure Maintenance Grant	2,403,600			2,403,600	1,803,100	600,500
Village Courts Function Grant	100,000			100,000	75,000	25,000
<b>Madang Provincial Government</b>						-
Administration Grant	704,900			704,900	704,900	-
Health Function Grant	4,452,700			4,452,700	4,452,700	-
Education Function Grant	3,307,500			3,307,500	3,307,500	-
LLG and Village Services (Organic Law)	3,378,600			3,378,600	3,378,600	-
Other Service Delivery Function Grant	1,683,700			1,683,700	1,683,700	-
Primary Production Function Grant	976,800			976,800	976,800	-
Transport/Infrastructure Maint Grant	5,818,700			5,818,700	5,818,700	-
Village Courts Function Grant	78,300			78,300	78,300	-
<b>Manus Provincial Government</b>						-
Administration Grant	738,500			738,500	738,500	-
Health Function Grant	1,526,700			1,526,700	1,526,700	-
Other Operational Expenses	-			-	1,383,045	1,383,045
Education Function Grant	1,619,200			1,619,200	1,619,200	-
LLG and Village Services (Organic Law)	485,100			485,100	484,100	1,000
Other Service Delivery Function Grant	788,600			788,600	788,600	-
Primary Production Function Grant	340,000			340,000	340,000	-
Transport/Infrastructure Maintenance Grant	2,421,200			2,421,200	2,421,200	-
Village Courts Function Grant	73,300			73,300	73,300	-
<b>Milne Bay Provincial Government</b>						-
Administration Grant	1,073,000			1,073,000	1,073,000	-
Health Function Grant	4,138,200			4,138,200	4,138,200	-

	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Education Function Grant	2,948,100			2,948,100	2,948,100	-
LLG and Village Services (Organic Law)	1,945,200			1,945,200	1,945,200	-
Other Service Delivery Function Grant	1,539,200			1,539,200	1,539,200	-
Primary Production Function Grant	889,400			889,400	889,400	-
Transport/Infrastructure Maintenance Grant	3,124,800			3,124,800	3,124,800	-
Village Courts Function Grant	76,200			76,200	76,200	-
<b>Morobe Provincial Government</b>						-
Administration Grant	552,300			552,300	552,300	-
Health Function Grant	1,275,800			1,275,800	1,275,800	-
Education Function Grant	2,000,000			2,000,000	2,000,000	-
LLG and Village Services (Organic Law)	5,890,600			5,890,600	5,890,600	-
Other Service Delivery Function Grant	1,001,300			1,001,300	1,001,300	-
Primary Production Function Grant	465,300			465,300	465,300	-
Transport/Infrastructure Maintenance Grant	2,266,300			2,266,300	2,266,300	-
Village Courts Function Grant	157,000			157,000	157,000	-
<b>National Capital District Commission</b>						-
Town & Urban Services (Organic Law)	3,458,900			3,458,900	3,458,900	-
<b>New Ireland Provincial Government</b>						-
Administration Grant	37,300			37,300	37,300	-
Health Function Grant	1,160,100			1,160,100	1,160,100	-
Education Function Grant	771,200			771,200	771,200	-
LLG and Village Services (Organic Law)	1,127,000			1,127,000	1,127,000	-
Other Service Delivery Function Grant	110,900			110,900	110,900	-
Primary Production Function Grant	547,300			547,300	547,300	-
Transport/Infrastructure Maintenance Grant	930,100			930,100	930,100	-
Village Courts Function Grant	51,700			51,700	51,700	-
<b>Oro Provincial Government</b>						-
Administration Grant	595,400			595,400	595,400	-



	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Health Function Grant	2,142,800			2,142,800	2,142,800	-
Education Function Grant	1,795,400			1,795,400	1,795,400	-
LLG and Village Services (Organic Law)	1,492,300			1,492,300	1,492,300	-
Other Service Delivery Function Grant	827,400			827,400	827,400	-
Primary Production Function Grant	927,800			927,800	927,800	-
Transport/Infrastructure Maintenance Grant	2,065,700			2,065,700	2,065,700	-
Village Courts Function Grant	42,500			42,500	42,500	-
<b>Sandaun Provincial Government</b>						-
Administration Grant	620,000			620,000	620,000	-
Health Function Grant	4,540,900			4,540,900	4,540,900	-
Education Function Grant	3,416,600			3,416,600	3,416,600	-
LLG and Village Services (Organic Law)	2,084,000			2,084,000	2,054,000	30,000
Other Service Delivery Function Grant	1,405,500			1,405,500	1,405,500	-
Primary Production Function Grant	745,500			745,500	745,500	-
Transport/Infrastructure Maintenance Grant	3,560,200			3,560,200	3,560,200	-
Village Courts Function Grant	67,100			67,100	67,100	-
<b>Simbu Provincial Government</b>						-
Administration Grant	667,600			667,600	667,600	-
Health Function Grant	2,721,000			2,721,000	2,721,000	-
Education Function Grant	3,440,200			3,440,200	3,440,200	-
LLG and Village Services (Organic Law)	2,030,400			2,030,400	1,917,400	113,000
Other Service Delivery Function Grant	1,373,600			1,373,600	1,373,600	-
Primary Production Function Grant	427,000			427,000	427,000	-
Transport/Infrastructure Maint Grant	3,971,900			3,971,900	3,971,900	-
Village Courts Function Grant	150,200			150,200	150,200	-
<b>Southern Highland Province</b>						-
Administration Grant	265,800			265,800	265,800	-
Health Function Grant	4,500,100			4,500,100	4,500,100	-

	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
Education Function Grant	2,683,700			2,683,700	2,683,700	-
LLG and Village Services (Organic Law)	4,616,800			4,616,800	4,616,800	-
Other Service Delivery Function Grant	921,000			921,000	921,000	-
Primary Production Function Grant	810,900			810,900	810,900	-
Transport/Infrastructure Maintenance Grant	3,618,200			3,618,200	3,618,200	-
Village Courts Function Grant	257,300			257,300	257,300	-
<b>West Highland Provincial Government</b>						-
Administration Grant	455,800			455,800	455,800	-
Health Function Grant	3,362,400			3,362,400	3,362,400	-
Education Function Grant	4,357,300			4,357,300	4,357,300	-
LLG and Village Services (Organic Law)-	3,609,200			3,609,200	3,609,200	-
Other- Service Delivery Function Grant	757,600			757,600	757,600	-
Primary Production Function Grant	1,366,600			1,366,600	1,366,600	-
Transport/Infrastructure Maintenance Grant	4,278,400			4,278,400	4,278,400	-
Village Courts Function Grant	274,300			274,300	274,300	-
<b>West New Britain Provincial Govt</b>						-
Administration Grant	61,000			61,000	61,000	-
Health Function Grant	2,005,600			2,005,600	2,005,600	-
Education Function Grant	2,405,600			2,405,600	2,405,600	-
LLG and Village Services (Organic Law)	1,696,800			1,696,800	1,696,800	-
Other Service Delivery Function Grant	61,000			61,000	61,000	-
Primary Production Function Grant	3,092,900			3,092,900	3,092,900	-
Transport/Infrastructure Maintenance Grant	1,673,400			1,673,400	1,673,400	-
Village Courts Function Grant	165,300			165,300	165,300	-
<b>Western Provincial Government</b>						-
Administration Grant	141,000			141,000	141,000	-
Health Function Grant	879,100			879,100	879,100	-
Education Function Grant	893,500			893,500	893,500	-

	<b>2011 Original Budget</b>	<b>Supplementary Budget</b>	<b>Other Transfers</b>	<b>2011 Final Available Appropriation</b>	<b>2011 Outcome</b>	<b>Variance</b>
LLG and Village Services (Organic Law)	2,092,500			2,092,500	2,092,500	-
Other Service Delivery Function Grant	141,000			141,000	141,000	-
Primary Production Function Grant	618,100			618,100	618,100	-
Transport/Infrastructure Maintenance Grant	1,658,900			1,658,900	1,658,900	-
Village Courts Function Grant	127,600			127,600	127,600	-
<b>Grand Total</b>	<b>275,059,100</b>			<b>278,131,100</b>	<b>274,029,881</b>	<b>4,101,219</b>

**ATTACHMENT F: 2011 TRANSFERS TO COMMERCIAL AND STATUTORY AUTHORITIES – GOODS AND SERVICES**

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
502	Auditor General	16,171,700	-	-	16,171,700	16,171,700	-
503	Ombudsman	14,742,000	-	-	14,742,000	14,742,000	-
505	National Research Institute	4,337,000	-	300,000	4,637,000	4,214,200	422,800
506	National Training Council	2,575,400	-	-	2,575,400	2,300,800	274,600
507	National Economic and Fiscal Commission	2,100,000	-	-	2,100,000	2,100,000	-
509	Border Development Authority	4,200,000	-	-	4,200,000	3,558,900	641,100
510	Legal Training Institute	2,274,500	-	-	2,274,500	2,184,500	90,000
511	PNG Climate Change Authority	7,396,000	-	-1,087,400	6,308,600	4,817,341	1,491,259
512	UPNG	39,487,000	5,000,000	-	44,487,000	31,687,000	12,800,000
513	UNITECH	40,255,000	-	500,000	40,755,000	40,453,200	301,800
514	University of Goroka	13,730,000	-	-	13,730,000	12,985,800	744,200
515	University of Natural Resources	10,854,800	-	-	10,854,800	9,204,800	1,650,000
516	PNG Sports Commission	10,570,000	-	-	10,570,000	10,198,013	371,987
517	Narcotics Bureau	2,460,300	-	-	2,460,300	2,178,200	282,100
518	PNG Maritime	3,057,000	-	-	3,057,000	3,057,000	-
519	AIDS Council	6,899,700	-	-	6,899,700	6,235,700	664,000
520	Institute of Medical Research	5,554,500	-	-	5,554,500	5,091,600	462,900
521	National Youth Commission	2,047,100	-	1,000,000	3,047,100	2,907,100	140,000
522	Constitutional and Law Reform Commission	2,759,300	-	-	2,759,300	2,559,300	200,000
523	PNG Accidents Investigations Commission	3,142,600	2,000,000	-	5,142,600	5,142,600	-
525	National Broadcasting Commission	21,327,600	-	3,333,800	24,661,400	24,661,400	-
526	National Maritime Safety Authority	1,638,000	-	-	1,638,000	1,245,600	392,400
530	Investment Promotion Authority	2,671,400	-	-	2,671,400	2,641,300	30,100
531	Small Business Goods and Services Corporation	2,573,000	-	-	2,573,000	2,438,900	134,100
532	National Institute of Standards and Industrial Technology	2,891,700	-	-	2,891,700	2,811,700	80,000

Div	Agency Name	2011 Original Budget	Supplementary Budget	Other Transfers	2011 Final Available Appropriation	2011 Outcome	Variance
533	Industrial Centres Development Corporation	2,153,200	-	-	2,153,200	2,139,100	14,100
536	Kokonas Industry Korporation	1,000,000	-	600,000	1,600,000	1,716,900	-116,900
539	National Museum	8,011,400	-	-30,000	7,981,400	5,827,100	2,154,300
540	National Water and Sewerage Board	-	-	15,000,000	15,000,000	15,000,000	-
541	National Housing Corporation	235,200	-	-	235,200	218,600	16,600
542	National Cultural Commission	4,245,200	-	-	4,245,200	3,985,200	260,000
549	Office of Coastal Fisheries Development Agency	2,377,400	-	-	2,377,400	2,139,000	238,400
550	Cocoa Coconut Institute	5,687,400	-	-	5,687,400	5,413,400	274,000
553	Fresh Produce Development Company	4,772,000	-	-	4,772,000	4,772,000	-
554	Coconut Industry Corporation	2,100,000	-	-	2,100,000	1,728,400	371,600
557	PNG National Forest Authority	27,800,000	-	6,674,000	34,474,000	34,670,600	-196,600
558	Tourism Promotion Authority	10,298,400	-	-	10,298,400	10,298,400	-
562	National Agriculture Research Institute	8,742,600	4,000,000	-	12,742,600	12,742,600	-
563	National Agriculture Quarantine & Inspection Authority	3,998,900	-	-	3,998,900	-2,348,900	6,347,800
565	Civil Aviation Authority	10,080,000	1,800,000	-1,800,000	10,080,000	10,080,000	-
569	Independent Consumer and Competition Commission	2,012,700	-	2,740,000	4,752,700	4,752,700	-
<b>Total</b>		<b>319,230,000</b>	<b>12,800,000</b>	<b>27,230,400</b>	<b>359,260,400</b>	<b>328,723,754</b>	<b>30,536,646</b>

# PART 3

## DEVELOPMENT BUDGET FINAL BUDGET OUTCOME BY AGENCY

### 3.1 Overview

The following tables Attachments F1 to F3 below summarize the (GOPNG) Domestic Funds component of Development Expenditure. Details are separately reported for the 2011 outcomes for the National Government Departments (Attachment F.1), Commercial Statutory Authorities (CSA) (Attachment F.2) and Provincial Governments (Attachment F.3).

The Variance Column is the difference between the Revenue Appropriated by each entity and the 2011 Outcome (the reported final expenditure). Figures in brackets indicate a net overspend.

Discussion on the performance of the agencies is provided in Section 1.3 of the FBO.

**Attachment F.1 - 2011 GOPNG Domestic Funded Projects by National Department (Kina)**

Division		2011 Budget	2011 Final Approp	2011 Outcome	Variance
203	Prime Minister and NEC	5,000,000	5,000,000	4,999,622	378
204	Statistics Office	66,300,000	66,300,000	65,570,934	729,066
206	Finance	34,567,144	34,567,144	31,209,878	3,357,266
208	Treasury	221,500,000	221,500,000	220,971,795	528,205
211	PNG Customs Service	35,000,000	35,000,000	32,473,911	2,526,089
213	Fire Services	5,000,000	5,000,000	5,000,000	0
216	Internal Revenue Commission	5,000,000	5,000,000	0	5,000,000
217	Foreign Affairs	1,000,000	1,000,000	797,500	202,500
220	Personnel Management	19,000,000	9,000,000	8,557,796	442,204
224	Magisterial Services	0	3,951,500	3,951,500	0
225	Attorney General	2,000,000	2,000,000	1,934,013	65,987
226	Correctional Institutions	21,000,000	21,000,000	21,000,000	0
228	Police	36,000,000	36,000,000	36,000,000	0
229	Planning and Monitoring	234,454,000	210,954,000	209,567,898	1,386,102
230	Electoral Commission	25,000,000	25,000,000	31,161,161	(6,161,161)
231	National Intelligence Organisation	2,000,000	2,000,000	1,144,175	855,825
232	Provincial and Local Govt Affairs	2,500,000	2,500,000	2,500,000	0
234	Defence	47,000,000	27,000,000	7,418,259	19,581,741
235	Education	160,000,000	152,000,000	154,550,276	(2,550,276)
236	Higher Education Commission	21,500,000	21,500,000	21,500,000	0
240	Health	148,100,000	119,100,000	123,100,000	(4,000,000)
242	Community Development	4,300,000	4,890,000	4,889,986	14
245	Environment and Conservation	0	555,000	153,942	401,058
247	Agriculture and Livestock	3,000,000	3,000,000	2,999,988	12
252	Lands and Physical Planning	12,000,000	6,469,600	6,442,122	27,478
258	Information & Communication	3,500,000	3,500,000	3,647,002	(147,002)
259	Transport	29,000,000	54,000,000	45,158,486	8,841,514
261	Trade and Industry	16,000,000	18,520,000	15,996,761	2,523,239
264	Works and Implementation	135,000,000	141,000,000	100,301,788	40,698,212
267	Office of Rural Development	178,568,000	178,568,000	178,477,328	90,672
<b>National Departments Total</b>		<b>1,473,289,144</b>	<b>1,415,875,244</b>	<b>1,341,476,121</b>	<b>74,399,123</b>

**Attachment F.2 - 2011 GOPNG Domestic Funded Projects by Commercial Statutory Authorities  
(CSA) (Kina)**

Division		2011 Budget	2011 Final Approp	2011 Outcome	Variance
505	National Research Institute	0	528,900	528,900	0
509	Border Development Authority	1,500,000	1,500,000	1,500,000	0
512	UPNG	20,000,000	20,000,000	14,800,000	5,200,000
513	UNITECH	26,000,000	26,000,000	26,000,000	0
514	University of Goroka	4,000,000	4,000,000	4,000,000	0
515	University of Natural Resources	8,000,000	8,000,000	8,000,000	0
516	PNG Sports Commission	2,950,000	2,950,000	2,950,000	0
519	AIDS Council	20,000,000	20,000,000	16,720,000	3,280,000
520	Institute of Medical Research	4,000,000	4,000,000	2,800,000	1,200,000
522	Constitutional and Law Reform Commission	0	460,000	460,000	0
524	Independent Public Business Corporation	10,000,000	10,000,000	10,000,000	0
526	National Maritime Safety Authority	6,000,000	6,000,000	6,000,000	0
531	Small Business Goods and Services Corporation	6,000,000	6,000,000	4,695,100	1,304,900
535	Mineral Resources Authority	30,038,000	30,038,000	31,513,368	(1,475,368)
537	National Airports Corporation	8,000,000	8,000,000	8,000,000	0
540	National Water and Sewerage Board	5,000,000	5,000,000	5,000,000	0
541	National Housing Corporation	15,000,000	0	0	0
543	National Development Bank	25,000,000	25,000,000	25,000,000	0
546	PNG Power Limited	13,000,000	13,000,000	8,500,000	4,500,000
548	PNG Harbours Board	30,000,000	30,000,000	30,000,000	0
549	Office of Coastal Fisheries Development Agency	15,000,000	15,000,000	15,000,000	0
550	Cocoa Coconut Institute	3,000,000	3,600,000	3,050,000	550,000
551	PNG National Forest Authority	2,000,000	2,000,000	2,000,000	0
553	Fresh Produce Development Company	1,750,000	3,750,000	3,450,000	300,000
554	Coconut Industry Corporation	500,000	6,000,000	6,000,000	0
557	PNG National Forest Authority	4,500,000	4,500,000	4,500,000	0
558	Tourism Promotion Authority	1,000,000	1,000,000	1,000,000	0



559	PNG Oil Palm Industry Corporation	1,000,000	4,000,000	3,700,000	300,000
562	National Agriculture Research Institute	4,500,000	5,500,000	5,500,000	0
563	National Agriculture Quarantine & Inspection Authority	0	700,000	700,000	0
566	PNG Cocoa Board	2,000,000	2,300,000	1,559,600	740,400
568	Livestock Development Corporation	4,000,000	4,400,000	4,400,000	0
<b>CSA Total</b>		<b>273,738,000</b>	<b>273,226,900</b>	<b>257,326,968</b>	<b>15,899,932</b>

### Attachment F.3 - 2011 GOPNG Domestic Funded Projects by Provincial Governments (Kina)

Division		2011 Budget	2011 Final Approp	2011 Outcome	Variance
571	Western Provincial Government	27,300,000	27,300,000	27,300,000	0
572	Gulf Provincial Government	7,255,000	7,255,000	8,255,000	(1,000,000)
573	Central Provincial Government	5,850,000	5,850,000	5,350,000	500,000
574	National Capital District Commission	5,000,000	5,000,000	5,000,000	0
575	Milne Bay Provincial Government	5,250,000	5,250,000	4,500,000	750,000
576	Oro Provincial Government	22,750,000	22,750,000	24,500,000	(1,750,000)
577	Southern Highland Provincial Government	22,535,000	32,535,000	31,284,681	1,250,319
578	Enga Provincial Government	33,100,000	33,100,000	32,600,000	500,000
579	Western Highland Provincial Government	33,000,000	33,000,000	32,250,000	750,000
580	Simbu Provincial Government	7,750,000	7,750,000	7,750,000	0
581	Eastern Highland Provincial Government	19,250,000	19,250,000	18,250,000	1,000,000
582	Morobe Provincial Government	12,350,000	12,350,000	11,800,000	550,000
583	Madang Provincial Government	7,750,000	7,750,000	7,750,000	0
584	East Sepik Provincial Government	31,750,000	31,750,000	31,750,000	0
585	Sandaun Provincial Government	5,250,000	5,250,000	5,250,000	0
586	Manus Provincial Government	1,500,000	1,500,000	1,500,000	0
587	New Ireland Provincial Government	24,450,000	24,450,000	24,450,000	0
588	East New Britain Provincial Government	5,250,000	5,250,000	5,250,000	0
589	West New Britain Provincial Government	2,750,000	2,750,000	2,750,000	0
590	Autonomous Bougainville Government	13,000,000	28,000,000	24,500,000	3,500,000
Province Total		293,090,000	318,090,000	312,039,681	6,050,319