



FINAL BUDGET OUTCOME

2012

31st MARCH 2013

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 2012 FBO Report aims to provide to Parliament and the public a comparison and explanation of the major variations from the 2012 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).

It should be noted that as of the 2014 Budget the Government will be transitioning to the more modern and transparent 2001 Government Finance Statistics, meaning FBO reporting will also be done on this basis from then on.

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 2012, such as when reports are finally received from all donors on projects grants, and more reporting is provided on the Infrastructure Tax Credit.

The 2012 FBO is the second (after the 2011 FBO) to use the Government's new Integrated Financial Management System (IFMS). As with any new system, there are challenges created by the many changes required.

PART 1

FINAL BUDGET OUTCOME BY FISCAL OPERATIONS

1.1 CENTRAL GOVERNMENT FISCAL OPERATIONS

The Final Budget Outcome is a deficit of K339.4 million which is 1.0 per cent of GDP. This is larger than the projected balanced budget for 2012, as published at the time of the 2012 Budget. The overall budget deficit is due to lower than forecast total Revenue and Grants, as a result of lower tax revenue receipts primarily from Mining and Petroleum Tax (down K891 million from the 2012 Budget estimate). Expenditure and Net Lending was K516.3 million lower than the 2012 original Budget forecast of K10,560.3 million. The fiscal outcome for 2012 Final Budget Outcome is set out in Table 1 below.

Table 1: Budget Balance 2011– 2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Revenue and Grants	9,304.9	10,560.3	10,157.7	9,704.6
Expenditure and Net Lending	9,370.5	10,560.3	10,560.1	10,044.0
Budget Balance	-65.7	0.0	-402.5	-339.4
% of GDP	-0.2%	0.0%	-1.2%	-1.0%

Source: Department of Treasury

Total Revenue and Grants for 2012 was K9,704.6 million. This is K855.7 million (8.1 per cent) lower than the original 2012 budget estimate. This reflects lower than anticipated Tax revenue receipts as well as Project Grants and Infrastructure Tax Credits under Non tax revenue. 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 2012 was K10,044.0 million. This was K516.3 million (4.9 per cent) lower than the original budget estimate. This largely reflects a K590.3 million underspend in the Development Budget.

1.2 REVENUE

Total Revenue and Grants

The lower Total Revenue and Grants largely reflects lower tax revenue, which in turn is due to lower Mining and Petroleum taxes; Company tax; and Dividend Withholding Tax. It also reflects lower Grants due to the appreciation of the Kina against other currencies.

Total Revenue and Grants increased by K399.7 million against the 2011 outcome of K9,304.9 million, primarily reflecting a strong domestic economy and increasing employment and wages.

Revenue

Total Revenue for 2012 is K8,549.4 million. This is K490.4 million lower than the original budget estimate of K9,039.8 million.

This revenue shortfall of K490.4 million is largely driven by lower tax revenue of K393.4 million and to a smaller extent non tax revenue, which was down by K97 million. The large decline in tax revenue is due to lower than expected mining and petroleum taxes; company tax; dividend withholding tax; and other direct tax. Lower than expected taxes on international trade also contributed. Non tax revenue also declined due to lower than expected dividend payments from State Owned Enterprises and the Mining and Petroleum sector.

Table 2: Total Revenue 2011– 2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Tax Revenue	7904.2	8519.7	8165.3	8126.3
Non-Tax Revenue	350.3	520.1	471.9	423.1
Total Revenue	8254.5	9039.8	8637.2	8549.4

Source: Department of Treasury

Total Revenue increased by K294.9 million (3.6 per cent) against the 2011 outcome of K8,254.5 million, due to higher tax and non-tax revenue. The increased tax is reflective of stronger collections of domestic taxes on goods and services, largely reflective of higher GST collections. This was offset by lower taxes on income and profits as well as taxes on international trade, which was affected by the appreciation of the kina and lower international commodity prices in 2012. The higher non tax revenue is due to higher dividend payments from State Owned Enterprises and the Mining and Petroleum Sector.

Tax Revenue

Total tax revenue collection for 2012 was K8,126.3 million. This is K393.4 million (4.6 per cent) lower than 2012 original Budget estimate of K8,519.7 million.

The lower total tax revenue for 2012, primarily reflects lower collections of Taxes on Income and Profits. Tax on International Trade was also lower than the original budget estimate. In contrast, Domestic Taxes on Goods and Services was higher, driven mainly by GST collections arising from strong growth in the domestic economy.

The stronger increase in GST collections was not sufficient to offset the lower overall tax revenue outcome for 2012 due to weak compliance, lack of manpower within the Internal Revenue Commission and PNG Customs as well as the appreciation of the Kina. These factors also impacted upon the outcomes of key tax heads, such as company tax; mining and petroleum taxes; and excise and import duty.

Table 3: Total Tax Revenue 2011-2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Tax on Income & Profits	6144.1	6543.0	5965.8	5853.1
Domestic Taxes on Goods & Services	1040.8	1256.4	1482.3	1575.5
Taxes on International Trade	719.3	720.3	717.3	697.6
Total Tax Revenue	7904.2	8519.7	8165.3	8126.3

Source: Department of Treasury

From 2011 to 2012, Total Tax Revenue increased by K222.1 million (2.8 per cent) to K8126.3 million. This was reflective of higher domestic taxes on goods and services offset by lower tax on income and profits and on international trade.

Tax on Income and Profits for 2012 is K5,853.1 million. This is lower than the original 2012 Budget estimate by K689.9 million (10.5 per cent).

The lower tax on income and profits for 2012 primarily reflects lower collections of Mining and petroleum taxes of K891 million.

Table 4: Tax on Income and Profits 2011-2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Personal Income Tax	2158.8	2417.4	2538.4	2645.1
Company Tax	1373.1	1692.1	1811.2	1740.5
Dividend Withholding Tax	290.7	282.1	188.7	176.5
Interest Withholding Tax	40.5	45.5	45.1	67.4
Mining and Petroleum Tax	2073.5	1872.1	1136.5	981.1
Gaming Tax	111.3	122.1	133.3	133.9
Other Direct Taxes	96.3	111.7	112.7	108.6
Total	6144.1	6543.0	5965.8	5853.1

Source: Department of Treasury

From 2011 to 2012, Total Tax on Income and Profits decreased by K291.0 million (4.7 per cent), primarily reflecting lower Mining and Petroleum tax due to the appreciation of the Kina and lower commodity prices for the greater part of 2012. The lower Mining and Petroleum taxes were partly offset by increases in Personal Income tax; Interest Withholding tax; Gaming tax; Other Direct tax; and Company tax, due to a strong domestic economy with rising employment and wages.

Collection of Domestic Taxes on Goods and Services was higher than the original budget estimate by K319.1 million (25.4 per cent).

The higher Domestic Taxes on Goods and Services is due to higher than expected net collections of GST although excise and other indirect taxes were lower. GST collections in particular were significantly higher mainly due to additional trips by IRC to the private sector and resourcing of its manpower.

Table 5: Domestic Taxes on Goods and Services 2011-2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Excise	509.6	704.3	614.0	560.5
GST	525.5	545.3	860.7	1010.0
Other In Direct	5.7	6.8	7.5	5.0
Total	1040.8	1256.4	1482.3	1575.5

Source: Department of Treasury

From 2011 to 2012, Domestic Taxes on Goods and Services increased by K534.7 million (51.4 per cent), primarily reflecting higher GST and Excise. The higher GST and Excise are reflective of the strong domestic economy.

Collections of Taxes on International Trade were lower than the original budget estimate by K22.7 million (3.2 per cent). The lower collections are attributed to the appreciation in the Kina exchange rate which impact collections on imports.

Table 6: Taxes on International Trade

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Import Duty	281.4	223.3	235.7	223.0
Export Duty	210.6	215.6	179.3	179.9
Excise duties on Imports	227.4	281.4	302.3	294.8
Total	719.3	720.3	717.3	697.6

Source: Department of Treasury

From 2011 to 2012, Taxes on International Trade decreased by K21.7 million (3.0 per cent), primarily reflecting decreases in Import Duty and Export Duty, offsetting increases in Excise Duties on Imports.

Non-Tax Revenue

Collections of Non-Tax Revenue were lower than the original budget estimate by K97.0 million (18.6 per cent). This is due mainly to lower dividends received from mining and petroleum companies and lower than expected revenue from other non-tax revenue sources.

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.

Dividends from State Owned Enterprises (SOEs) were K50 million, this is K20.0 million lower than the original 2012 Budget.

Mining and Petroleum Dividends were lower by K65.7 million (34.9 per cent) in the original budget estimate.

Other Non-Tax Revenue are fees and charges collected from Government Departments and this came in lower by K23.7 million (18.2 per cent) against the original budget estimate. This reflects the issue of compliance where many government Departments failed to remit revenues to the state.

Table 7: Non-Tax Revenue 2011-2012 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Property Income	239.7	258.0	219.8	172.3
<i>Dividends</i>	<i>49.0</i>	<i>70.0</i>	<i>77.0</i>	<i>50.0</i>
<i>Mining & Petroleum Dividends</i>	<i>190.7</i>	<i>188.0</i>	<i>142.8</i>	<i>122.3</i>
Interest & Fees from Lending	12.8	4.0	4.0	0.1
Other Non-Tax Revenue	97.8	130.1	120.0	106.4
Injections from Trust	0.0	128.0	128.0	144.4
Total	350.3	520.1	471.9	423.1

Source: Department of Treasury

Infrastructure Tax Credit

Infrastructure Tax Credits used in 2012 totalled K63.8 million. This is lower than the original budget estimate of K130.0 million. This is due to companies are not fully utilizing the Infrastructure Tax Credit scheme.

Project Grants

Project Grants totalled K1,091.4 million which is K299.1 million or 21.5 per cent lower than and the original budget estimate. From 2011, Project Grants increased by K66.4 million in 2012.

1.3 EXPENDITURE AND NET LENDING

Total Expenditure and Net Lending in 2012 was K10,044.0 million. This outcome was K516.3 million lower than the original 2012 budget estimate. Despite this, the total 2012 expenditure outcome was K673.4 million (7.2 per cent) higher than the 2011 outcome.

Table 8: Total Expenditure and Net Lending 2011-12 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Service Delivery Expenditure	5,339.6	6,123.2	6,123.1	6,197.2
Development and Capital Investments Expenditure	3,249.2	4,437.1	4,437.1	3,846.8
Supplementary Budget	781.8			
Total Expend and Net Lending	9,370.6	10,560.3	10,560.1	10,044.0
% of GDP	31.2%	32.3%	32.3%	30.7%

Source: Department of Treasury

Recurrent Budget

The Recurrent Budget (Service Delivery Expenditure) assisted with the provision of funding for ongoing service delivery by the Government. In 2012, increased funding was provided through the Recurrent Budget to support Government priorities and key MTDP enablers including: the introduction of Tuition Fee Free Education in 2012 and the 2012 National Elections and maintaining quality national road transport corridors.

In 2012, recurrent expenditure totalled K6,197.3 million which was K74.2 million (1.2 per cent) higher than the original budget estimate.

Against the 2012 original budget estimate, the overspend was mainly driven by a K123.2 million (13.5 per cent) over expenditure on Personal Emoluments by Provincial Governments.

The large overspends on personnel emolument in the Provinces reflects the ongoing trend among Provincial Governments to overspend on salaries paid through the National Alesco payroll system. Of the K123.2 million overspend in personnel emoluments K99.5 million (80.8 per cent) was on teachers' salaries.

Further data 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 2011-12 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Personnel Emoluments	2,286.6	2,377.7	2,377.7	2,432.5
<i>National Departments</i>	1,309.0	1,463.4	1,463.4	1,395.0
<i>Provincial Departments</i>	977.0	914.3	914.3	1,037.5
Goods and Services	2,281.0	2,846.5	2,846.5	2,866.5
<i>National Departments</i>	2,029.9	2,534.9	2,534.9	2,557.4
<i>Provincial Departments</i>	251.1	311.6	311.6	309.1
Autonomous Bougainville Govt	62.5	78.4	78.4	75.2
Statutory Authorities	300.9	360.7	360.7	392.5
Interest Payments and Fees	416.3	459.8	459.8	433.4
Net Lending	-7.1	0.0	0.0	-2.8
Recurrent Expenditure	5,339.6	6,123.1	6,123.1	6,197.3
% of GDP	17.9%	18.7%	18.7%	19.0%

Source: Department of Treasury.

Total expenditure of the Autonomous Bougainville Government was K3.2 million lower than the original budget. This reflected a K5.3 million (23.8 per cent) under spend on goods and services.

Transfers to Commercial Statutory Authorities (CSA's) totaled K392.5 million which was K31.8 million (8.8 per cent) higher than the original budget.

Total Interest Payments and Fees were K26.4 million (5.7 per cent) lower than the original Budget estimate. This reflects the effect of high liquidity on the demand for domestic issuance, resulting in lower than expected interest rates.

Although there was no appropriation for Net Lending to Statutory Authorities in the original 2012 Budget, actual lending was K2.8 million in 2012. This is attributed to the continued clearance of outstanding loan repayments from previous years, which are still due to the central government by certain state bodies.

Development Budget

Total Development Budget expenditure in 2012 was K3,846.8 million. This was K590.3 million (13.3 per cent) lower than the original budget.

A number of factors contributed to the lower than expected outcome for the Development Budget. These factors included under spends in domestic funds, the slow and limited draw down rates for concessional loans, under utilization of tax credits and the appreciation of the Kina relative to other currencies (by 11.9 per cent over the course of 2012 on a Trade Weighted Index), which reduced the Kina value of both project grants and concessional loans.

The table below shows the different expenditure heads under the Development Budget and their outcomes for 2012.

Table 10: Development Budget 2011-12 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
Domestic Funds	1,985.8	2,437.2	2,437.2	2,374.4
Project Support Grants	1,025.0	1,390.5	1,390.5	1,091.4
Infrastructure Tax Credits	25.4	130.0	130.0	63.8
Loans	213.0	479.4	479.4	317.2
<i>Concessional</i>	213.0	479.4	479.4	317.2
<i>Commercial</i>	0.0	0.0	0.0	0.0
Total Development Budget	3,249.2	4,437.1	4,437.1	3,846.8
% of GDP	10.9%	13.6%	13.6%	11.8%

Source: Department of Treasury.

Project Support Grants were K299.1 million (21.5 per cent) lower than the original budget estimate of K1,390.5 million.

The lower than anticipated outcome was due to two main factors; the first was the impact of an 11.9 per cent appreciation of the Kina on Project Grants in 2012, which was estimated to be equivalent to K173.2 million; the second reason is to do with the lag in reporting of project support grants and capacity issues across implementing agencies.

The outcome of K1,091.4 million recorded under project grants includes figures from PNG's main donors with AusAID being the largest contributor with K931.0 million (85.3 per cent).

Infrastructure Tax Credit expenditure was K66.2 million (50.9 per cent) lower than the original budget estimate. This reflects the underutilization of tax credits by businesses as well as delays in reporting.

For concessional loans, only K317.2 million of K479.4 million available was drawn-down for the implementation of the Development Budget in 2012, indicating that (33.8 per cent) of the concessional loans available were not utilized. The key reason for this was capacity issues; procurement processes; difficult land acquisition; and poor coordination between government agencies and donor partners.

The table below gives the breakup of donor assistance in terms of donor partners for project support grants and concessional loans for 2012.

Table 11: Summary of 2012 Project Support Grants expenditure and Concessional Loan Draw Downs (Kina Millions)

Donor Partner	Project Support Grants			Concessional Loans		
	2012 Original	2012 Outcome	% of Actual Grants Expenditure	2012 Original	2012 Outcome	% of Actual Loan Draw Down
Ausaid	1,091.0	931.0	85%	0.0	0.0	0%
JICA	47.0	28.0	60%	8.0	0.2	3%
World Bank	9.0	2.0	22%	109.0	56	51%
Asian Development Bank	0.0	0.0	0%	202.0	132	65%
United Nations	77.0	42.0	55%	0.0	0	0%
New Zealand Aid	58.0	40.0	69%	0.0	0	0%
Peoples Republic of China	51.0	21.4	42%	161.0	112.9	70%
European Union	57.0	27.0	47%	0.0	0.0	0%
Total	1,390.0	1,091.4	79%	479.0	317.2	66%

Source: Department of National Planning and Monitoring

Expenditure on Domestic Funds was K62.8 million (2.6 per cent) lower than the original budget estimate. This modest underspend may be a reflection of the enforcement by the Department of Planning and Monitoring on implementing Agencies to provide monthly cash flow projections and work programs, before the release of additional funding.

Table 12 below summarizes the Domestic Funds 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.

Table 12: Development Expenditure on Domestic Funds 2012 (Kina Millions)

	2012 Original	2012 Outcome
National Departments	1,435.1	1,392.1
Com Statutory Authorities	691.4	661.0
Provincial Governments	310.8	321.3
Total Domestic Funds	2,437.2	2,374.4

Source: Department of Treasury.

Overall there was under spending of Domestic Funds in the National Departments by K43.0 million (3.0 per cent) against the original appropriations.

Commercial Statutory Authorities (CSA) also reported a number of under spends, including the: Rural Development Bank (K50 million); Office of the Auditor General (K5.0 million); PNG Sport Commission (K1.5 million); and National Museum (K1.0 million).

Agencies over spent include, the University of Goroka (K11.4 million); Small Business Development (K2.0 million); and PNG Palm Oil Industry Corporation (K9.7 million).

1.4 FINANCING

The overall outcome for 2012 is a budget deficit of K339.4 million. This deficit and the PNG LNG equity contribution are financed from both external and domestic sources of funding.

External Funding

Concessional Loan draw downs totalled K317.2 million. This is 48.9 per cent higher or K104.2 million higher than the 2011 outcome, and this is K162.2 million or 33.8 per cent lower than the original Budget estimate of K479.4 million.

Table 13: External Borrowing 2011-12 (Kina Millions)

	2011 Outcome	2012 Original	2012 Revised	2012 Outcome
New External Borrowing	213.0	479.4	479.4	317.2
Concessional financing	213.0	479.4	479.4	317.2
Commercial Financing	0.0	0.0	0.0	0.0
Exceptional Financing	0.0	0.0	0.0	0.0
Repayment of Principal	187.3	188.3	159.7	197.9
Net External Borrowing	25.7	291.1	319.7	119.3

Source: Department of Treasury

The lower drawdown than the Budget estimate is due to delays in the underlying project implementation. Repayment of principal on external loans was K197.9 million which is K10.6 million (5.6 per cent) higher than the 2011 outcome and K9.6 million (5.1 per cent) higher than the original 2012 Budget estimate. This performance resulted in a net external financing of K119.3 million.

Domestic Funding

Domestic issuance in 2012 totalled K4,076.9 million which comprised K3,470.2 million in Treasury Bills and K606.7 million of Inscribed Stocks. Repayment of principal was K3,079.8 million in 2012 comprised of K2,973.1 million of Treasury Bills and K106.7 million of Inscribed Stock.

Table 14: Summary of Net Borrowings 2012 (Kina Millions)

	2012 Outcome
New Domestic Borrowing	4,076.90
Amortisation	-3,103.80
Net Foreign Borrowing	119.3
Net Borrowing before Adjustments	1,092.40
Change in WPA Balance	-264.9
<i>Opening Balance</i>	316
<i>Less: Closing Balance</i>	51.1
LNG Equity Purchase	-900
2011 Trust Accounts	-30
Cheque Float	123
Changes in Cash Balances and Float	-1,071.90
Balancing Item	20.50
Net Domestic Borrowing	997.1

Source: Department of Treasury

1. The 2012 Cash Balance excludes K200.0 million of PNG LNG Equity Purchase which is reported in the PNG LNG Equity Purchase amount.

Debt Service

Debt Service, including interest and fees was K433.4 million in 2012 resulting in a saving of K49.2 million in comparison to the 2012 original budget estimate.

Table 15: Debt Service 2012 (Kina Million)

	Appropriation			2012 Outcome	Difference
	2012 amount	Transfers	Final available		
Domestic					
Interest and other fees paid	409.1	(35.0)	374.1	432.7	(58.6)
<i>Less interest offsets:</i>					
Interest accrued on issuance ¹				(11.7)	
Net premium on issuance ²				(28.9)	
				392.1	
External					
Interest and other fees paid	50.7		50.7	41.3	9.4
Total Debt Service	459.8	(35.0)	424.8	433.4	(49.2)

Source: Department of Treasury

1. Inscribed Stock is a bond instrument that pays semi-annual coupons. Investors who purchase Inscribed Stock are entitled to receive a full coupon on the next coupon date, despite not holding the bond for the full 6 month coupon period. In recognition of this, an element of the proceeds received on issuance is for the interest that has accrued on the bond up to the date of issuance. The proceeds for accrued interest are treated as an interest offset to reflect the true interest cost on the bond.
2. The difference between the proceeds received on issuance and the bond's face value plus accrued interest is the net premium on issuance.

1.5 PUBLIC DEBT

The level of total public debt was K8,478.5 million at the end of 2012, which is K1,066.6 million above the 2011 level.

The level of domestic debt was K6,118.3 million at the end of 2012, K997.2 million above the 2011 level. This increase in domestic debt levels was mainly due to higher than anticipated Treasury Bills borrowing to finance the 2012 budget deficit.

External debt increased to K2,360.3 million, which was due to the increase in net external borrowing for the year less some exchange rate gains.

Nominal GDP growth also contributed to debt as a percentage of GDP rising from 24.8 percent in 2011 to 26.0 percent in 2012.

Table 16: Public Debt 2011 – 2012 (Kina, Millions)

	2011 Actual	2012 Budget	2012 Revised	2012 Outcome
Domestic	5,121.1	4,640.8	5,903.9	6,118.3
Treasury Bills	2,254.5	1,273.8	2,536.9	2,751.6
Inscribed Stock	2,866.6	3,367.0	3,367.0	3,366.6
Other Domestic Debt	0.0	0.0	0.0	0.0
<i>Domestic Debt as a % of GDP</i>	<i>17.0</i>	<i>14.2</i>	<i>18.1</i>	<i>18.7</i>
External	2,290.8	3,244.1	2,610.5	2,360.3
International Agencies	2,240.0	3,201.4	2,578.3	2,330.4
Commercial Loans	50.8	42.7	32.2	29.9
Other Loans	0.0	0.0	0.0	0.0
<i>External Debt as a % of GDP</i>	<i>7.7</i>	<i>9.9</i>	<i>7.9</i>	<i>7.2</i>
Total Public Debt Outstanding	7,411.9	7,884.9	8,514.4	8,478.5
<i>As % of GDP</i>	<i>24.8</i>	<i>24.1</i>	<i>26.1</i>	<i>26.0</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.

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.

In addressing this arrears, the Government allocated K350.0 million in the 2011 Budget and K327.8 million in the 2012 Budget for its superannuation obligations. This has greatly assisted in offsetting the arrears incurred in 2010 and 2011, and thus reducing the arrears in 2012.

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. However, the Government has successfully rolled out the automation of its employer contribution after introducing in mid 2012.

In 2011 NSL's annual report, the size of the outstanding State liability at the end of 2011 was estimated to be K2038 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 2012 Budget, K340 million was appropriated for the superannuation obligations of which the payments are shown in Table 17. A balance of K12.2 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 2012 government accounts.

Table 17: State's unfunded superannuation liability and Payments (Kina Million)

	2005	2006	2007	2008	2009	2010	2011	2012
Est. Unfunded liability	1,198.0	1,458.0	1,740.0	1,871.0	2,036.0	2060.0	2038.0	TBA ¹
Total Payments	82.3	58.7	362.4	320.3	110.0	118.0	350.0	327.8.0
<i>Employer Contribution</i>	36.4	18.1	25.6	30.8	52.4	41.9	67.6	147.7
<i>Exit payment</i>	45.9	40.6	86.8	99.5	57.6	76.1	72.2	57.4
<i>Lump - sum</i>			250.0	190.0				
<i>Arrear Payments</i>							200.1	112.7
<i>Vested Benefit</i>							10.0	10.0
<i>Balance</i>							7.1	12.2

1 The 2012 estimated unfunded liability is yet to be confirmed

Source: NSL Annual Reports 04-11 and Department of Treasury

In the 2013 Budget, the State allocated K63.5 million to assist in the reduction of the 2012 arrears and K224 million to facilitate the 2013 superannuation obligations.

1.7 TRUST ACCOUNTS

The purpose of holding funds in Trust Accounts is to give time for implementing agencies to properly implement projects, in particular where this may take more than a year to do. Table 18 shows the status of the Trust Funds from 2005 to 2012.

The 2013 Budget began the process of moving to multi-year funding, as this is progressively introduced in future Budgets the need to hold many Trust accounts will be reduced.

A total of K6820.2 million, up to and including the 2012 Budget, has been appropriated to Budget Funded Trust Accounts for implementation of priority expenditure programs.

Table 18: Source of Funds for Trust Accounts: 2005 – 2012

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	487.0	908.8	-421.8
2011	628.5	598.2	1,426.3	-199.6
2012	0	690.0	1,389.3	-699.3

Source: Department of Treasury and Department of Finance

As can be seen from Table 19, the opening balance for Supplementary Budget Trust Accounts at 1 January 2012 was K1,316.3 million. Total receipts for the period 1 January to 31 December 2012 was K690 million transferred from the 2012 Budget. The closing balance of Budget Funded Trust Accounts as at 31 December 2012 was K617.0 million.

Total expenditure from Budget Funded Trust Accounts in 2012 was K1389.3 million, resulting in an overall rundown in trust balances of K699.3 million.

Under the previous 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) was limited to a maximum of 4 per cent of GDP per annum.

The government has now developed the new MTFS 2013-2017. The new MTFS outlines the need to incorporate Trust spending into total government spending so as to better inform appropriate fiscal policy from year to year.

Table 19 shows the movements in these Trust Accounts for the period 1 January to 31 December 2012.

Table 19: Movements of Funds in Trust Accounts in 2011 (Kina millions)

Description	Balance as at 1-Jan-12	Deposits	Expenditure	Balance as at 31-Dec-12
Education Sector Infrastructure Rehabilitation	70.7	0.0	69.6	1.1
Higher Education Sector Infrastructure Rehabilitation	4.2	12.0	8.8	7.4
National Parliament Infrastructure Rehabilitation	5.0	0.0	5.0	0.0
Transport Sector Infrastructure Rehabilitation	68.2	0.0	60.3	8.0
Kokopau to Arawa Road Upgrading and Bitumen Sealing	20.0	0.0	11.2	8.7
Trans Sepik Highway	10.0	0.0	10.0	0.0
Trans East - West New Britain Highway	7.0	0.0	5.1	2.0
Central Malalaua Highway	10.0	0.0	1.0	9.0
Resettlement of Rabaul Volcano Victims	4.0	0.0	0.9	3.2
Hospital and Healthcare Centre Rehabilitation	1.5	0.0	1.5	0.0
Rehabilitation of Housing for Nurses	11.3	0.0	10.0	1.3
Rehabilitation of Housing for Police *	19.5	0.0	-5.7	25.2
District Services Improvement Program	334.5	178.0	320.6	191.8
Institutional Housing Pilot	7.6	0.0	7.6	0.0
Urbanisation Pilot	11.8	0.0	4.5	7.3
Housing Development Pilot	0.6	0.0	0.6	0.0
Rural Electrification	0.6	0.0	0.0	0.6
Konebada Petroleum Park	19.4	0.0	19.4	0.0
National Infrastructure Development	1.5	0.0	1.5	0.0
Regional, Provincial Treasury and District Admin. Offices	0.4	0.0	0.2	0.2
LNG Project Development Cost	5.4	0.0	4.0	1.5

Description	Balance as at 1 Jan	Deposits	Expenditure	Balance as at 31 Dec
Infrastructure Development Grants	111.0	120.0	228.6	2.4
Coastal Vessels	5.6	0.0	5.5	0.1
Outstanding MOA Liabilities	9.1	0.0	9.0	0.0
Highlands Highway Rehabilitation	31.8	0.0	24.6	7.2
Lae City Roads Rehabilitation	18.4	0.0	18.4	0.0
Rural District Roads Support	2.1	0.0	0.0	2.1
PNG LNG High Impact Infrastructure	115.7	50.0	114.0	51.7
Variarata National Park Rehabilitation	0.3	0.0	0.3	0.0
District Offices Rehabilitation	8.4	0.0	8.0	0.4
Mining Legal Costs	0.7	0.0	0.3	0.3
2010 National Census	10.0	0.0	10.0	0.0
Provincial Government Members entitlement	0.0	30.0	30.0	0.0
National High School Renovation and Upgrading	40.0	0.0	40.0	0.0
Port Moresby Roads	38.5	0.0	35.6	2.9
Tuition Fee Free Education	300.0	0.0	265.9	34.1
South Pacific Games	0.0	180.0	33.7	146.3
Port Moresby General Hospital Infrastructure and Improvement	6.5	0.0	3.3	3.3
Defence Barracks Maintenance and Improvement	5.0	0.0	5.0	0.0
Restoration and Development Grant (ABG)	0.0	100.0	5.2	94.8
Trade Skills Scholarships	0.0	20.0	15.8	4.2
TOTAL	1,316.3	690.0	1,389.3	617.0

Source: Department of Finance

The Government of PNG appropriated K690 million into trusts funds in the 2012 Budget.

In addition to this, K10 million was spent in line with the intended purpose but not expended through Trust accounts; and K20 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:

K20 million reallocations

- K10million appropriated to the Economic Corridors Development Program Trust Account (appropriated in the 2012 Budget).
- K10million appropriated to the Waigani Office Redevelopment Program Trust Account (appropriated in the 2012 Budget).

K10 million spent on intended purpose but not through trusts

- K10 million for Konebada Park was appropriated in the 2012 Budget.

Also the Defence Barracks Maintenance and Improvement Trust Account was revoked and K5 million was reallocated to other Government priority areas.

District Service Improvement Program (DSIP) Trust Accounts

DSIP Trust Accounts are designed to fund priority expenditures programs in the Districts. A total of K1,789.0 million has been appropriated to the DSIP Trust Accounts over the period 2006-2012. During 2012, K178.0 million was released from the 2012 Appropriation.

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 2012 the combined balance of the 89 District bank accounts was K190.8 million. The total DSIP balance reported in the previous table reflects both the K1 million held in the primary account at BPNG and the amounts held in the subsidiary trust accounts.

Table 20 below shows the movement of funds for period 1 January to 31 December 2012 for each of the 89 DSIP subsidiary Bank Accounts.

Table 20: Movement of Funds for the 89 DSIP bank accounts

District	Total Fund Paid into Trust (2006 – 2012)	Balance as at 01-Jan-12	Deposits (Receipts)	Non DSIP Deposits	Expenditure	Balance as at 31-Dec-12
Abau	20,000,000	9,664,099	2,000,000		11,656,686	7,413
Goilala	20,000,000	189	2,000,000		1,997,203	2,986
Kairuku Hiri	20,000,000	770,073	2,000,000		2,733,600	36,473
Rigo	20,000,000	2,336,361	2,000,000		4,334,719	1,642
Gazelle	20,000,000	3,379,967	2,000,000		3,295,895	2,084,073
Kokopo	20,000,000	2,630,926	2,000,000		2,644,680	1,986,246
Pomio	20,000,000	7,371,447	2,000,000		3,227,446	6,144,000
Rabaul	20,000,000	3,176,172	2,000,000		2,463,551	2,712,621
Ambunti-Drekikir	20,000,000	996,367	2,000,000		2,826,717	169,650
Angoram	20,000,000	5,462,777	2,000,000		4,407,554	3,055,222
Maprik	20,000,000	5,508,555	2,000,000		1,613,047	5,895,508
Wewak	20,000,000	1,603,041	2,000,000		3,096,260	506,781
Wosera-Gawi	20,000,000	5,750,689	2,000,000		1,282,777	6,467,911
Yangogoru-Saussia	20,000,000	1,636,322	2,000,000		3,541,418	94,904
Daulo	20,000,000	6,080,765	2,000,000		4,937,459	3,143,307
Goroka	20,000,000	10,243,477	2,000,000		967,718	11,275,758
Henganofi	20,000,000	50,319	2,000,000		2,045,134	5,185
Kainantu	20,000,000	1,641,749	2,000,000		2,880,799	760,950
Lufa	20,000,000	12,173,550	2,000,000		10,255,131	3,918,419
Obura-Wanenara	20,000,000	3,814,705	2,000,000		4,828,169	986,536
Okapa	20,000,000	5,555,249	2,000,000		6,254,801	1,300,448
Unggai-Bena	20,000,000	1,665,111	2,000,000		3,235,160	429,951
Kandep	22,000,000	5,632,686	2,000,000		7,618,894	13,792
Kompiani-Ambun	20,000,000	745,075	2,000,000		2,576,285	168,790
Lagaip-Porgera	20,000,000	60,529	2,000,000		1,929,111	131,418
Wabag	20,000,000	1,377,947	2,000,000		2,703,054	674,893
Wapenamanda	20,000,000	1,624,096	2,000,000		2,998,785	625,311
Kerema	20,000,000	3,236,749	2,000,000		3,715,648	1,521,101
Kikori	20,000,000	20,181	2,000,000		1,999,384	20,797
Bogia	20,000,000	4,812,711	2,000,000		3,706,392	3,106,319
Madang	20,000,000	4,010,798	2,000,000		4,031,575	1,979,223
Middle Ramu	20,000,000	3,724,653	2,000,000		4,712,313	1,012,340
Raikos	20,000,000	3,083,407	2,000,000		4,353,547	729,861
Sumkar	20,000,000	1,641,383	2,000,000		3,640,664	719

District	Total Fund Paid into Trust (2006 – 2012)	Balance as at 01-Jan-12	Deposits (Receipts)	Non DSIP Deposits	Expenditure	Balance as at 31-Dec-12
Usino-Bundi	20,000,000	3,992,013	2,000,000		3,860,656	2,131,357
Manus	21,000,000	1,870,064	2,000,000	1,129,333	0	4,999,397
Alotau / Rabaraba	20,000,000	2,412,697	2,000,000		3,567,158	845,539
Esa'ala	20,000,000	6,887,650	2,000,000		2,179,485	6,708,166
Kiriwina	20,000,000	6,482,401	2,000,000		6,042,356	2,440,045
SamaraiMurua	20,000,000	4,252,627	2,000,000		5,953,987	298,640
Bulolo	20,000,000	4,166	2,000,000		1,982,122	22,044
Finschaffen	20,000,000	6,907,015	2,000,000		3,843,569	5,063,446
Huon Gulf	20,000,000	2,139,187	2,000,000	379,483	0	4,518,670
Kabwum	20,000,000	3,618,096	2,000,000		3,900,077	1,718,019
Lae	20,000,000	5,285,278	2,000,000		2,198,972	5,086,307
Markham	20,000,000	7,649,552	2,000,000		1,170,669	8,478,883
Menyamy	20,000,000	4,740,339	2,000,000		5,763,613	976,726
Nawaeb	20,000,000	177,243	2,000,000		1,961,689	215,554
Tewa-Siasi	20,000,000	2,202,631	2,000,000		1,295,842	2,906,789
Moresby North	20,000,000	888,102	2,000,000		2,766,800	121,302
Moresby North West	20,000,000	7,679,184	2,000,000		7,197,178	2,482,006
Moresby South	20,000,000	1,874,666	2,000,000		1,887,079	1,987,587
Kavieng	20,000,000	897,215	2,000,000		2,433,823	463,392
Namatanai	20,000,000	7,176,740	2,000,000		4,301,797	4,874,943
Central Bougainville	20,000,000	9,221,742	2,000,000		4,249,819	6,971,923
North Bougainville	20,000,000	4,501,452	2,000,000		4,940,992	1,560,460
South Bougainville	20,000,000	1,868,077	2,000,000		3,396,222	471,854
Ijivitari	20,000,000	6,375,734	2,000,000		8,301,031	74,703
Sohe	20,000,000	1,460,863	2,000,000		3,448,200	12,663
Aitape-Lumi	20,000,000	120,984	2,000,000		2,091,287	29,697
Nuku	20,000,000	2,284,669	2,000,000		2,886,837	1,397,832
Telefomin	22,000,000	1,609,517	2,000,000		3,609,028	489
Vanimo-Green	20,000,000	4,280,187	2,000,000		2,347,652	3,932,535
Chuave	20,000,000	3,539,148	2,000,000		5,109,345	429,803
Gumine	20,000,000	9,217,082	2,000,000		10,551,847	665,235
Karamui-Nomane	20,000,000	4,334,261	2,000,000		4,989,269	1,344,992
Kerowagi	20,000,000	467,392	2,000,000		2,265,341	202,050
Kundiawa-Gembogl	20,000,000	108,436	2,000,000		1,114,176	994,260
Sinasina-Yongumugl	20,000,000	6,079,206	2,000,000		3,714,775	4,364,431
Ialibu-Pangia	20,000,000	3,958,987	2,000,000		2,237,350	3,721,637
Imbongu	22,000,000	3,303,789	2,000,000		5,171,643	132,145
Kagua-Erave	20,000,000	101,599	2,000,000		2,026,753	74,845
Komo-Magarima	20,000,000	1,353,931	2,000,000		3,349,210	4,722
Koroba-L/Kopiago	20,000,000	8,780,056	2,000,000		7,055,646	3,724,410
Mendi	21,000,000	4,014,185	2,000,000		4,256,647	1,757,538
Nipa-Kutubu	20,000,000	511,960	2,000,000		2,503,079	8,881
Tari-Pori	20,000,000	1,717,580	2,000,000		2,583,855	1,133,725
Kandrian	20,000,000	6,042,458	2,000,000		7,770,332	272,125
Talasea	21,000,000	7,768,979	2,000,000		7,403,491	2,365,488
Middle Fly	20,000,000	12,818,631	2,000,000		1,647,221	13,171,410
North Fly	20,000,000	5,810,476	2,000,000		7,719,935	90,541
South Fly	20,000,000	6,465,946	2,000,000		1,879,406	6,586,540
Dei	20,000,000	1,812,464	2,000,000	4,009,426	0	7,821,890
Hagen	20,000,000	3,747,597	2,000,000		1,114,727	4,632,869
Jimi	20,000,000	1,572	2,000,000		1,989,270	12,302
Mul/Bayer	20,000,000	10,084,551	2,000,000		8,499,702	3,584,849
North Waghi	20,000,000	65,890	2,000,000		2,005,594	60,296
South Waghi	20,000,000	229	2,000,000		72,858	1,927,371

District	Total Fund Paid into Trust (2006 – 2012)	Balance as at 01-Jan-12	Deposits (Receipts)	Non DSIP Deposits	Expenditure	Balance as at 31-Dec-12
Tambul-Nebiler	20,000,000	1,004,450	2,000,000		3,002,743	1,707
	1,789,000,000	333,453,067	178,000,000	5,518,241	326,123,733	190,847,576

Source: Department of Finance

Following is a summary of expenditure for Supplementary Budgets (Budget Funded) Trust Accounts for the period 1 January – 31 December 2012 where more than K5 million was expended:

- **K69.6 million was spent from the Education Sector Infrastructure Rehabilitation Trust Account** in relation to building infrastructure for schools across PNG.
- **K8.8 million was spent from the Higher Education Sector Infrastructure Rehabilitation Trust Account** for infrastructure maintenance of the four (4) government funded universities during this period.
- **K60.3 million was spent from the Transport Sector Infrastructure Rehabilitation Trust Account** for the maintenance of the transport infrastructure around the country.
- **K11.2 million was spent from the Kokopau to Arawa Road Upgrading and Bitumen Sealing Trust Account.**
- **K10 million was spent from the Trans Sepik Highway Trust Account** for the maintenance and upgrading of the Highway.
- **K5.1 million was spent from the Trans East - West New Britain Highway Trust Account** for the maintenance and upgrading of the Highway.
- **K10.0 million was spent from the Rehabilitation of Housing for Nurses Trust Account** for the maintenance and construction of accommodation for nurses.
- **K320.6 million was spent from the District Service Improvement Program Trust Account** for implementation of the District Services Improvement Program around the 89 districts of PNG during this period.
- **K7.6 million was spent from the Institutional Housing Pilot Trust Account** in relation to the institutional housing program.
- **K19.4 million was expended from the Konebada Petroleum Park Trust Account** in relation to the development of the Konebada Petroleum Park during this period.
- **K228.6 million was spent from the Infrastructure Development Grants Trust Account** during this period in relation to the development of the infrastructure associated with the LNG Project in Southern Highlands Province.
- **K5.5 million was spent from the Coastal Vessels** during this period in relation to the coastal vessels program.
- **K9.0 million was spent from the Outstanding MOA Liabilities** during this period in relation to LBBSA and UBSA associated with the LNG Project. The payments were made to the affected landowners covered under these two Agreements.
- **K24.6 million was spent from the Highlands Highway Rehabilitation** during this period in relation to rehabilitation of the Highlands Highway.

- **K18.4 million was spent from the Lae City Roads Trust Account** during this period in relation to the rehabilitation of the Lae City Roads network.
- **K114.0 million was spent from the PNG LNG High Impact Infrastructure Trust** during this period in relation to impact projects associated with the LNG project in the Southern Highlands Province.
- **K8.0 million was spent from the District Offices Rehabilitation Trust** in relation to the rehabilitation of the district offices during this period.
- **K10.0 million was spent from the 2010 National Census Trust Account** during this period in relation to National Census program.
- **K30.0 million was spent from the Provincial Government Members Entitlement Trust Account** during this period in relation to former assembly member's entitlements.
- **K40.0 million was spent from the National High School Renovation and Upgrading Trust Account** during this period in relation to four national schools namely Aiyura, Kerevat, Passam and Sogeri.
- **K35.6 million was spent from the Port Moresby Roads Trust Account** during this period in relation to the Hubert Murray Highway and other road networks within Port Moresby city.
- **K265.9 million was spent from the Tuition Fee Free Education Trust Account** during this period in relation to providing free education to all primary schools and subsidizing all secondary schools.
- **K33.7 million was spent from the South Pacific Games Trust Account** during this period in relation to the facilities preparation for hosting the 2015 South Pacific Games
- **K5.2 million was spent from the Restoration and Development Grant (ABG) Trust Account** during this period in relation to the ABG Restoration and Development program.
- **K15.8 million was spent from the Trade Skills Scholarships Trust Account** during this period in relation to this Trust Account.

FISCAL OUTTURN TABLES

Treasury publishes fiscal outturn reports on a monthly basis. The last report was issued for December 2012. The following tables provide the full year outturn for 2012 consistent with the presentation in the monthly reports. This presentation is also consistent with the 1986 GFS cash reporting classification for the Government Sector.

TABLE 1: CENTRAL GOVERNMENT REVENUE & GRANTS
Kina, million

	2011	2012	2012	2012
	Actuals	Original	Revised	Outcome
A. TAX REVENUE	7,904.2	8,519.7	8,165.3	8,126.3
A1. TAX ON INCOME AND PROFITS	6,144.1	6,543.0	5,965.8	5,853.1
Personal Income Tax	2,158.8	2,417.4	2,538.4	2,645.1
Company Tax	1,373.1	1,692.1	1,811.2	1,740.5
Dividend Withholding Tax	290.7	282.1	188.7	176.5
Interest Withholding Tax	40.5	45.5	45.1	67.4
Mining and Petroleum Taxes	2,073.5	1,872.1	1,136.5	981.1
Gaming Tax	111.3	122.1	133.3	133.9
Other: Direct	96.3	111.7	112.7	108.6
A2. DOM. TAXES ON GOODS AND SERVICES	1,040.8	1,256.4	1,482.3	1,575.5
Excise	509.6	704.3	614.0	560.5
GST	525.5	545.3	860.7	1,010.0
Other: Indirect	5.7	6.8	7.5	5.0
A3. TAXES ON INTERNATIONAL TRADE	719.3	720.3	717.3	697.6
Import Duty	281.4	223.3	235.7	223.0
Export Duty	210.6	215.6	179.3	179.9
Excise duties on Imports	227.4	281.4	302.3	294.8
B. NON-TAX REVENUE	350.3	520.1	471.9	423.1
B1. PROPERTY INCOME	239.7	258.0	219.8	172.3
Dividends	49.0	70.0	77.0	50.0
Mining and Petroleum Dividends	190.7	188.0	142.8	122.3
B2. INTEREST AND FEES FROM LENDING	12.8	4.0	4.0	0.1
B3. OTHER NON TAX REVENUE	97.8	130.1	120.0	106.4
B4. ASSETS SALES	0.0	0.0	0.0	0.0
B5. INJECTION FROM TRUSTS	0.0	128.0	128.0	144.4
C. TOTAL REVENUE	8,254.5	9,039.8	8,637.2	8,549.4
% of GDP	27.7%	31.5%	26.4%	26.2%
D. INFRASTRUCTURE TAX CREDIT	25.4	130.0	130.0	63.8
E. GRANTS	1,025.0	1,390.5	1,390.5	1,091.4
Budgetary Support	0.0	0.0	0.0	0.0
Project Grants	1,025.0	1,390.5	1,390.5	1,091.4
F. TOTAL REVENUE AND GRANTS	9,304.9	10,560.3	10,157.7	9,704.6
As % of GDP	31.2%	36.8%	31.1%	29.7%
G. PRINCIPAL RECEIPTS FROM LENDING	7.1	4.0	4.0	2.8
H. GROSS BORROWING	3,913.1	2,360.2	4,342.0	4,394.1
H. ASSETS SALES	0.0	0.0	0.0	0.0
J. TOTAL RECEIPTS	13,225.0	12,924.5	14,503.7	14,101.5
As % of GDP	44.3%	45.0%	44.4%	43.2%

Source: Department of Treasury

TABLE 2: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING

Kina, Million

	2011 Actuals	2012 Original	2012 Revised	2012 Outcome
SERVICE DELIVERY FUNDING	5,339.6	6,123.1	6,123.1	6,197.2
As % of GDP	18.1%	21.3%	18.7%	19.0%
NATIONAL DEPARTMENTS	3,338.9	3,998.3	3,998.3	3,952.4
Personal Emoluments	1,309.9	1,463.4	1,463.4	1,395.0
Goods and Services	2,029.9	2,534.9	2,534.9	2,557.4
General Goods and Services	1,791.5	2,146.1	2,146.1	2,207.1
Education Subsidies	171.8	302.0	302.0	277.7
Pre-March 2003 Arrears	0.0	0.0	0.0	0.0
Structural Adjustment Payments	5.8	26.8	26.8	7.1
Court Orders	60.8	60.0	60.0	65.5
Additional funding for Key Priorities	0.0	0.0	0.0	0.0
PROVINCIAL GOVERNMENTS	1,228.1	1,225.9	1,225.9	1,346.6
Personal Emoluments	977.0	914.3	914.3	1,037.5
Teachers Salaries	679.8	606.5	606.5	706.0
Teachers Leave Fares	21.9	22.6	22.6	21.3
Public Servant Salaries	254.2	264.9	264.9	290.3
Public Servant leave fares	10.4	13.2	13.2	12.8
Village Courts Allowances	10.7	7.1	7.1	7.0
Goods and Other Services	251.1	311.6	311.6	309.1
Administration Grant	26.7	33.9	33.9	33.5
Other Service Delivery Function Grant	0.0	0.0	0.0	0.0
Primary Production Function Grant	16.7	20.6	20.6	20.3
Health Grant	51.3	64.4	64.4	63.2
Education Grant	46.0	59.5	59.5	58.7
Transport/Infrastructure Maintenance Grant	61.1	79.4	79.4	79.4
Village Court Function Grant	2.3	3.6	3.6	3.5
Others	47.0	50.4	50.4	50.4
ABG	62.5	78.4	78.4	75.2
Personal Emoluments	52.9	56.1	56.1	58.2
Teachers Salaries	39.0	37.4	37.4	40.8
Teachers Leave Fares	1.0	1.0	1.0	0.8
Public Servant Salaries	12.6	17.5	17.5	16.4
Public Servant leave fares	0.3	0.3	0.3	0.2
Goods and Other Services	9.6	22.3	22.3	17.0
Police and Services Grant - ABG	2.6	2.8	2.8	2.1
National Functions and Powers Grant - ABG	2.3	0.3	0.3	0.2
Recurrent Goods & Services Grant ABG	4.7	19.1	19.1	14.7

TRANSFERS TO STATUTORY				
AUTHORITIES	300.9	360.7	360.7	392.5
Personnel Emoluments	0.0	0.0	0.0	0.0
Goods and Services	300.9	360.7	360.7	392.5
INTEREST PAYMENTS AND FEES	416.3	459.8	459.8	433.4
Domestic	352.5	409.1	409.1	392.1
External	63.8	50.7	50.7	41.3
Net Lending to CSAs	0.0	0.0	0.0	-2.8
Gross Lending	0.0	0.0	0.0	0.0
Less Loan Repayments	0.0	0.0	0.0	-2.8
FUNDING FOR DEVELOPMENT AND CAPITAL INVESTMENT INITIATIVES	3,249.2	4,437.1	4,437.1	3,846.8
% of GDP	10.9%	15.5%	13.6%	11.8%
Direct Investment in Provinces, Districts and LLGs	0.0	0.0	0.0	0.0
Direct Investment in Provinces	0.0	0.0	0.0	0.0
Direct Investment in Districts	0.0	0.0	0.0	0.0
Direct Investment in LLGs	0.0	0.0	0.0	0.0
Fixed Commitments	611.1	902.0	902.0	926.8
Direct Investment in Key Priorities (Alotau Accord & others)	0.0	0.0	0.0	0.0
Direct Investment - National Building Productive Infrastructure	0.0	0.0	0.0	0.0
Other Development Activities	1,613.1	2,144.6	2,144.6	1,828.6
Domestic Funds	1,374.7	1,535.2	1,535.2	1,447.6
Infrastructure Tax Credits	25.4	130.0	130.0	63.8
Concessional Loans	213.0	479.4	479.4	317.2
Commercial Loans	0.0	0.0	0.0	0.0
Donor Funded Projects	1,025.0	1,390.5	1,390.5	1,091.4
Additional Priority Expenditure	781.8			
TOTAL EXPENDITURE & NET LENDING	9,370.5	10,560.3	10,560.1	10,044.0
% of GDP	31.4%	36.8%	32.3%	30.7%
AMORTISATION AND LOAN REPAYMENTS	2,918.5	1,660.3	3,239.5	3,280.4
AMORTISATION	2,911.5	1,660.3	3,239.5	3,277.6
Domestic	2,724.2	1,472.0	3,079.8	3,079.8
External	187.3	188.3	159.7	197.9
LOAN REPAYMENTS	7.1	0.0	0.0	2.8
EQUITY PURCHASE	200.0	900.0	900.0	900.0
TOTAL PAYMENTS	12,489.1	13,120.6	14,699.6	14,224.4
% of GDP	41.9%	45.7%	45.0%	43.5%

Source: Department of Treasury

TABLE 3: CENTRAL GOVERNMENT FINANCING**(Kina, million)**

	2011	2012	2012	2012
	Actuals	Original	Revised	Outcome
A. TOTAL REVENUE AND GRANTS	9,304.9	10,560.3	10,157.7	9,704.6
B. TOTAL EXPENDITURE AND NET LENDING	9,370.5	10,560.3	10,560.1	10,044.0
C. DEFICIT (-) / SURPLUS (+)	-65.7	0.0	-402.5	-339.4
% of GDP	-0.2%	0.0%	-1.2%	-1.0%
D. EXTERNAL FINANCING	25.7	291.1	319.7	119.3
D1. CONCESSIONAL FINANCING	88.9	351.1	374.8	179.9
New Borrowing	213.0	479.4	479.4	317.2
Less Amortisation	-124.1	-128.3	-104.6	-137.3
D2. COMMERCIAL FINANCING	-19.4	-18.3	-18.6	-16.7
New Borrowing	0.0	0.0	0.0	0.0
Less Amortisation	-19.4	-18.3	-18.6	-16.7
D3. EXCEPTIONAL FINANCING	-43.8	-41.7	-36.5	-43.9
New Borrowing	0.0	0.0	0.0	0.0
Less Amortisation	-43.8	-41.7	-36.5	-43.9
E. DOMESTIC FINANCING	40.0	-291.1	82.8	220.1
E1. DOMESTIC MARKET BORROWING (NET)	775.9	-291.2	82.8	297.1
New Domestic Borrowing	3,500.1	1,180.8	3,162.6	3,376.9
Less Amortisation	-2,724.2	-1,472.0	-3,079.8	-3,079.8
E3. OTHER DOMESTIC FINANCING	-735.9	0.1	0.0	-77.1
E4. ASSETS SALES FINANCING	0.0	0.0	0.0	0.0
F. NET FISCAL FINANCING	0.0	0.0	402.5	339.4
E2. INVESTMENTS FINANCING	0.0	900.0	900.0	900.0
Domestic Market Borrowing	200.0	700.0	700.0	700.0
Change in Cash Balances	-200.0	200.0	200.0	200.0
G. TOTAL FINANCING REQUIREMENT	65.7	900.0	1,302.5	1,239.4
H. GROSS BORROWING	3,913.1	2,360.2	4,342.0	4,394.1
Concessional	213.0	479.4	479.4	317.2
Commercial	0.0	0.0	0.0	0.0
Exceptional	0.0	0.0	0.0	0.0
Domestic	3,700.1	1,880.8	3,862.6	4,076.9
I. GROSS AMORTISATION	2,911.5	1,660.3	3,239.5	3,277.6
Concessional	124.1	128.3	104.6	137.3
Commercial	19.4	18.3	18.6	16.7
Exceptional	43.8	41.7	36.5	43.9
Domestic	2,724.2	1,472.0	3,079.8	3,079.8

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 2012 for the Recurrent Budget. The Final Available Appropriation (FAA) represents the original budget plus or minus any transfers made under either Section 3 or 4 of the 2012 Appropriation Acts.

When assessing Agency performance in Part 2 of the Final Budget Outcome, the FAA is compared to the actual expenses incurred by agencies. This recognises that Section 3 is for unforeseen expenditure. Section 4 of the Appropriation Act provides for the transfer of appropriations 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 2012 will not be consistent with figures published in the 2013 Budget papers or in Part 1 of the 2012 Final Budget Outcome.

It should also be noted that the 2012 Budget was still based on having a separate 'Recurrent' and 'Development' Budget and the 2012 FBO reports on this basis accordingly. As part of the Budget modernisation process, however, the Government plans to integrate the 'Recurrent' and 'Development' Budgets into a single National Budget from 2014 onwards. Final Budget Outcome documents will therefore also report on this basis from 2014 onwards.

The Final Available Appropriation by agency type is shown below:

Agency Type	2012 Original Appropriation Published in 2012 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 31 December 2012	Total Expenditure as at 31 December 2012	Underspent (Overspend)
National Departments	3,998,205,400	25,000,000	1,192,167,502	3,883,393,600	3,952,372,330	(68,978,730)
Commercial and Statutory Authorities	360,715,200	5,000,000	97,816,600	391,589,600	392,472,107	(882,507)
Provinces	1,304,373,900	-	29,350,000	1,304,373,900	1,421,795,761	(117,421,861)
Debt Services	459,825,000	-	35,000,000	424,825,000	473,979,145	(49,154,175)
Total	6,123,119,500	30,000,000	1,354,334,102	6,004,182,100	6,240,619,343	(236,437,273)

2.2 OVERVIEW

The Recurrent Budget is responsible for funding the ongoing delivery of the essential services of the Government. The Recurrent Budget provides funds for teachers and expenses 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 approved for

Personnel Emoluments, Goods and Services and managing Government Debt.

For 2012 the total revised budget was K6,004.2 million, excluding amortisation from Debt Services, with a total expenditure of K6,240.6 million resulting in an overspend of K236.4million. This was primarily due to overspending of K329.7 million on Personnel Emoluments. Provincial Administrations were responsible for K125.2 million (38 per cent) and National Departments by K201.2 (61 per cent) of this amount. *Details are contained in Table 19 & 20 in the following pages.*

About 1 per cent or K3.3 million of the PE over expenditure is from the Personnel Emoluments (PE) component of the Grants given to Commercial and Statutory Authorities (CSAs). To a lesser extent Commercial and Statutory Authorities overspent on their Grants by K0.9 million. Overall Goods and Services were under spent by K142.3 million, with National Departments being responsible for K132.2 million (92 per cent) and Provincial Administrations for K7.8 million (5 per cent).

2.3 RECURRENT BUDGET OUTCOME BY AGENCIES

Variations in Agency Appropriations can occur during the Budget Year through new appropriations via transfer of funds and Supplementary Budgets (there was no Supplementary Budget in 2012). These movements 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 2012.

Attachment A identifies expenditure performance by agency.

2.3.1 Personnel Emoluments

Personnel Emoluments – National Departments

National Departments overspent on Personnel Emoluments (PE) in 2012 by K201.2 million. In many cases, this was due to unbudgeted staffing cost, impact of salary awards and/or a failure to exercise appropriate controls over PE expenditure. Against these overspends, a number of agencies recorded underspends.

The PE overspend of K201.2 million in National Departments was primarily due to Salaries and Allowances overruns which constitute 65.1 per cent or K130.9 million while 23.8 per cent or K47.9 million was due to an overspend in Retirement and Retrenchments, and 4.3 per cent or K8.7 million was overspent in Overtime.

Table 20 shows overspendings and underspending of greater than K1 million in personnel emoluments expenditure by National Departments.

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

Table 20: National Departments with Personnel Emoluments Overspends and Underspends of greater than K1,000,000.

Div	Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcome	2012 Underspent (Overspend)
203	Department of Prime Minister & NEC	39,216,100	30,000	39,246,100	42,677,871	(3,431,771)
205	Office of Bougainville Affairs	889,400	-	889,400	2,093,103	(1,203,703)
206	Department of Finance	11,080,400	144,000	11,224,400	9,192,533	2,031,867
207	Treasury and Finance - Miscellaneous	238,708,800	(24,529,900)	101,508,800	110,889,740	(9,380,940)
211	PNG Customs Service	15,729,600	-34,300	15,695,300	11,235,620	4,459,680
213	Magisterial Services	9,858,100	-	9,858,100	11,331,599	(1,473,499)
215	PNG Immigration and Citizenship Services	-	-	-	1,895,828	(1,895,828)
216	Internal Revenue Commission	20,790,000	62,600	20,852,600	16,456,752	4,395,848
217	Department of Foreign Affairs and Trade	28,471,000	422,800	28,893,800	32,597,085	(3,703,285)
223	Judiciary Services	-	-	-	21,183,075	(21,183,075)
224	Magisterial Services	-	-	-	12,803,148	(12,803,148)
225	Department of Attorney-General	19,035,700	55,000	19,090,700	21,976,147	(2,885,447)
226	Department of Corrective Institutional Services	56,366,500	102,800	56,469,300	54,142,626	2,326,674
227	Provincial Treasuries	27,271,900	-	27,271,900	25,439,899	1,832,001
228	Department of Police	157,886,800	(10,442,300)	147,444,500	161,663,780	(14,219,280)
229	Department of National Planning and Monitoring	9,703,900	-	9,703,900	11,760,718	(2,056,818)
234	Department of Defence	82,975,600	(60,000)	82,915,600	93,959,413	(11,043,813)
240	Department of Health	65,969,100	(6,417,000)	59,552,100	63,871,354	(4,319,254)
241	Hospital Management Services	262,510,900	(7,626,000)	254,884,900	287,172,333	(32,287,433)
247	Department of Agriculture and Livestock	10,819,000	-	10,819,000	60,306,629	(49,487,629)
257	Department of Public Enterprises	2,010,100	-	2,010,100	292,151	1,717,949
259	Department of Transport	10,423,300	40,000	10,463,300	8,407,502	2,055,798
261	Department of Commerce and Industry	6,115,800	-	6,147,900	7,948,777	(1,800,877)
262	Department of Industrial Relations	7,384,900	(1,700)	7,383,200	10,804,690	(3,421,490)
264	Department of Works and Implementation	47,494,000	-	47,248,000	92,120,554	(44,872,554)
	Others	225,316,900.00	(1,100,530)	224,216,370.00	222,757,615.00	1,458,755.00
	Total	1,356,027,800	(49,354,530)	1,193,789,270	1,394,980,542	(201,191,272)

Personnel Emoluments – Provincial Governments

Provincial Governments overspent on Personnel Emoluments (PE) by K125.2 million. This primarily related to spending on Teachers salaries which made up 98.9 per cent or K123.8 million of this overspend.

The possible reasons for the over expenditure on Teachers' Salaries is partly due to teachers' movements during the year, under budgeting of teachers' awards and a payroll issue where more than one person being paid on a single teaching position.

The over expenditure of Personnel Emoluments (PE) reflects the recruitment of staff by Provincial Administrators without the financial resources to meet the obligations.

Table 21 shows details of overspendings and underspending in personnel emoluments expenditure by Provincial Departments greater than K1.0 million.

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

Table 21: Provincial Governments Personnel Emoluments Overspend and Underspend of greater than K1,000,000.

Div	Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcome	Underspent (Overspend)
571	Fly River Provincial Government	38,677,300	-	38,677,300	40,887,094	(2,209,794)
573	Central Provincial Government	48,564,500	-	48,564,500	52,731,013	(4,166,513)
575	Milne Bay Provincial Government	44,528,500	-	44,528,500	47,814,797	(3,286,297)
576	Oro Provincial Government	26,716,800	-	26,716,800	27,815,089	(1,098,289)
577	Southern Highlands Province	73,293,000	-	73,293,000	106,319,031	(33,026,031)
578	Enga Provincial Government	45,499,100	-	45,499,100	63,905,865	(18,406,765)
579	Western Highlands Provincial Government	71,912,800	-	71,912,800	82,423,288	(10,510,488)
580	Simbu Provincial Government	56,968,400	-	56,968,400	60,078,574	(3,110,174)
581	Eastern Highlands Provincial Government	63,295,100	-	63,295,100	70,218,324	(6,923,224)
582	Morobe Provincial Government	85,893,500	-	85,893,500	100,701,555	(14,808,055)
583	Madang Provincial Government	57,245,100	-	57,245,100	75,978,149	(18,733,049)
584	East Sepik Provincial Government	59,669,200	-	59,669,200	69,683,074	(10,013,874)
585	Sandaun Provincial Government	46,886,900	-	46,886,900	41,982,383	4,904,517
586	Manus Provincial Government	25,660,000	-	25,660,000	21,335,791	4,324,209
588	East New Britain Provincial Government	63,484,300	-	63,484,300	64,839,935	(1,355,635)
589	West New Britain Provincial Government	45,623,300	-	45,623,300	50,590,258	(4,966,958)
590	Autonomous Bougainville Government	56,145,200	-	56,145,200	58,177,950	(2,032,750)
	Others	60,427,400	-	60,427,400	60,217,692	209,708
Total		970,490,400	-	970,490,400	1,095,699,864	(125,209,464)

2.3.2 Goods and Services

Goods and Services (G&S) is comprised of the operational 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 2012 G&S expenses relative to appropriations were under spent by K142.2 million, primarily due to lower than forecast spending across a number of agencies. Note that this amount doesn't capture the overspend in debt servicing of K49 million.

Goods and Services – National Departments

National Departments underspent on total Good and Services (G&S) in 2012 by K132.2 million. Routine Maintenance and Other Operational Expenses were underspent by 25.9 per cent or K34.3 million and 20.5 per cent or K27.1 million while 15 per cent and 14.5 per cent or K19.8 million and K19.2 million were underspent in Transport and Fuel and Operational Materials and Supplies respectively. Office Materials and Supplies consist of 9.4 per cent or K12.3 million of the total underspend under National Departments. 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 K333.9 million in grants to Provinces with K326.1 million being spent resulting in an underspend of K7.8 million. 57.6 per cent or K4.5 million of this under spending is on Goods and Services Grants to ABG and 24.1 per cent or K1.9 million is an under spend in both Health Function Grants and Education Function Grants.

Table 22 shows details of Provincial Administration Grants expended in 2012.

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

Table 22: Total Spending by Grants / Goods and Services – Provincial Governments

Grant Type	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcome	Underspent (Overspend)
Administration Grant	10,667,500		10,667,500	10,600,963	66,537
Education Function Grant	59,462,800		59,462,800	58,710,050	752,750
Health Function Grant	64,353,800		64,353,800	63,228,725	1,125,075
LLG and Village Services (Organic Law)	46,680,300		46,680,300	46,680,300	-
National Functions and Powers Grant - ABG	299,000		299,000	228,883	70,117
Other Service Delivery Function Grant	23,183,200		23,183,200	22,903,850	279,350
Police and Services Grant - ABG	2,803,400		2,803,400	2,146,317	657,083
Primary Production Function Grant	20,573,300		20,573,300	20,305,113	268,187
Recurrent Goods & Services Grant ABG	19,148,100		19,148,100	14,660,308	4,487,792
Town & Urban Services (Organic Law)	3,718,300		3,718,300	3,718,300	-
Transport/Infrastructure Maintenance Grant	79,427,100		79,427,100	79,427,088	12
Village Courts Function Grant	3,566,700		3,566,700	3,486,000	80,700
Grand Total	333,883,500		333,883,500	326,095,897	7,787,603

Goods and Services – Commercial Statutory Authorities

In 2012 Commercial and Statutory Authorities (CSA's) were provided with their annual G&S funding through single line appropriations. This sector of the Recurrent Budget recorded an overspend of K0.9 million for 2012 against a FAA of K391.6 million. This over spend is from the Personnel Emoluments (PE) components of the grants to the Statutory Authorities.

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

Goods and Services – Debt Services

In 2012 Debt Services overspent by K49.2 million. This overspend was primarily due to Domestic Interest Payments being overspent by K58.6 million. More than 50 per cent was a result of a transfer of K35 million to from Domestic Interest Payments.

Table 23 shows the details of Interest Payments.

Table 23: Details of Debt Services Interest Payments and Fees excluding Amortization.

	2012 Original Appropriation	Other Transfers	2012 Final Available Appropriation	Dec Outturn	Over (-) Under (+)
INTEREST PAYMENTS AND FEES	459,825,000	35,000,000	424,825,000	473,979,145	(49,154,175)
Domestic	409,125,000	35,000,000	374,125,000	432,707,946	(58,582,946)
External	50,700,000		50,700,000	41,271,199	9,428,801

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

The funds available in the Secretary's Advance for 2012 totalled K30.0 million. The Table below identifies the reallocations of funds through the Secretary's Advance.

Table 24: 2012 Secretary's Advance

Div	Agency	2012 Original Appropriation Published in 2012 Budget Papers	Section 3 Transfers	Comments	Final Available Appropriation as at 31 December 2013 (FAA)	Total Expenditure as at 31 December 2013)	Variance (FAA less Total Expenditure)
202	Office of Governor-General	4,728,600	1,176,000	To cater for Governor General's Security personnel Overtime	5,449,400	6,002,515	(553,115)
203	Department of Prime Minister & NEC	70,051,400	2,200,000	Transfer to PM's Department due to short fall in item 144 and 222 as requested by PM. And for Commission of Inquiry to complete its investigation into the SABL in 5 provinces. And to cater for final circuit in Madang and Morobe provinces for SABL.	127,669,826	130,507,002	(2,837,176)
204	National Statistical Office	5,807,900	324,600	To cater for NSO's officers travel to Provinces for the collection of CPI data	6,262,100	6,787,558	(525,458)
207	Treasury and Finance - Miscellaneous	1,271,548,200	2,000,000	Transfer to settle Mainini Landslip Compensation - Ministerial Commitments as approved by Secretary Treasury and payment to Deloitte for service as Project Manager for the HIES Project in 2011.	654,187,200	638,451,236	15,735,964
208	Department of Treasury	16,210,400	134,300	For Ministerial Sectoral Committee wages that was omitted in the Budget and for o/time payment for police officers who provided security for Minister Hon. Don Polye. And for Hire cars and accommodation during LNG Landowner issues.	17,018,400	16,475,329	543,071

217	Department of Foreign Affairs and Trade	59,981,000	3,050,000	To cater for PNG/Australia/New Zealand Bilateral obligations and NEC Directives of the PNG Government for seasonal workers and for Samoa's 50th Independence gift.	63,078,700	66,588,807	(3,510,107)
220	Department of Personnel Management	16,267,500	1,021,900	For the farewell dinner for 2012 Pacific Human Resource Managers Network Conference - Port Moresby.	29,268,500	28,877,254	391,246
225	Department of Attorney-General	40,271,300	300,000	Funds for TaskForce Sweep Operations	48,271,300	51,263,651	(2,992,351)
229	Department of National Planning and Monitoring	16,161,600	5,000,000	To cater for CIMC allocation this was overlooked in the Budget.	17,161,600	19,081,065	(1,919,465)
231	National Intelligence Organisation	3,925,000	4,489,400	Additional funding for 2012 National Election	4,414,400	5,147,887	(733,487)
234	Department of Defence	161,826,500	26,700	Law & Order Special Operation in Wewak	201,927,800	214,362,804	(12,435,004)
261	Department of Commerce and Industry	12,674,100	3,000,000	Transfer of funds to Office of Co-operatives Societies of PNG for oversight in 2012 Development Budget.	12,706,200	14,507,077	(1,800,877)
267	Office of Rural Development	6,535,200	2,267,300	To cater for Minister's Office fundsfor outstanding contracts under District Development Project (DDP).	7,075,200	6,368,026	707,174
512	University of Papua New Guinea	40,711,000	5,000,000	To cater for UPNG SRC Computer Project and Somare Library system upgrade.	48,911,000	48,911,000	-
Grand Total		1,726,699,700	29,990,200		1,243,401,626	1,253,331,211	(9,929,585)

ATTACHEMENT A: 2012 RECURRENT BUDGET OUTCOME BY AGENCY

Div	Agency Name	2012 Original Appropriation Published in 2012 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 31 December 2012 (FAA)	Total Expenditure (as at 31 December 2012)	Variance (FAA less Total Expenditure)
201	National Parliament	114,542,200	-	11,000,000	135,897,200	135,897,200	-
202	Office of Governor-General	4,728,600	176,000	306,800	5,449,400	6,002,515	(553,115)
203	Department of Prime Minister & NEC	70,051,400	5,200,000	15,594,500	127,669,826	130,507,002	(2,837,176)
204	National Statistical Office	5,807,900	130,000	7,307,566	6,262,100	6,787,558	(525,458)
205	Office of Bougainville Affairs	2,448,200	-	292,400	3,298,200	4,496,171	(1,197,971)
206	Department of Finance	24,165,500	-	40,712,830	25,665,500	22,945,726	2,719,774
207	Treasury and Finance - Miscellaneous	1,271,548,200	5,194,600	263,991,749	654,187,200	638,451,236	15,735,964
208	Department of Treasury	16,210,400	405,800	4,844,600	17,018,400	16,475,329	543,071
209	Registrar For Political Parties	6,772,600	-	594,200	6,772,600	6,867,688	(95,088)
211	PNG Customs Service	32,556,800	-	12,326,000	32,556,800	26,807,680	5,749,120
212	Information Technology Division	19,094,300	-	1,821,500	18,367,574	17,652,841	714,733
213	Magisterial Services	19,893,800	-	1,050,000	19,893,800	21,322,979	(1,429,179)
215	PNG Immigration and Citizenship Services	8,665,500	-	-	8,665,500	9,666,881	(1,001,381)
216	Internal Revenue Commission	44,275,000	-	5,030,800	44,275,000	37,920,351	6,354,649
217	Department of Foreign Affairs and Trade	59,981,000	1,050,000	20,369,300	63,078,700	66,588,807	(3,510,107)
218	Office of the Public Prosecutor	6,151,300	-	410,000	6,411,300	6,695,350	(284,050)
219	PNG Institute of Public Administration	6,579,800	-	-	6,579,800	6,160,314	419,486
220	Department of Personnel Management	16,267,500	21,900	58,575,460	29,268,500	28,877,254	391,246
221	Public Service Commission	4,766,300	-	619,200	4,766,300	5,178,073	(411,773)
222	Office of the Public Solicitor	9,883,200	-	1,819,187	9,883,200	9,464,326	418,874
223	Judiciary Services	73,831,300	-	-	73,831,300	95,014,375	(21,183,075)
224	Magisterial Services	34,840,000	-	-	34,840,000	47,643,148	(12,803,148)
225	Department of Attorney-General	40,271,300	3,000,000	6,840,500	48,271,300	51,263,651	(2,992,351)
226	Department of Corrective Institutional Services	97,339,800	-	18,230,100	106,957,800	104,643,604	2,314,196
227	Provincial Treasuries	36,495,200	-	300,000	36,795,200	35,428,950	1,366,250

228	Department of Police	248,433,000	-	173,540,200	381,053,700	394,931,122	(13,877,422)
229	Department of National Planning and Monitoring	16,161,600	1,000,000	28,000,000	17,161,600	19,081,065	(1,919,465)
230	Electoral Commission	26,200,000	-	184,881,400	216,200,000	215,047,569	1,152,431
231	National Intelligence Organisation	3,925,000	489,400	323,300	4,414,400	5,147,887	(733,487)
232	Provincial and Local Government Affairs	14,633,800	-	18,212,800	21,514,500	21,297,953	216,547
234	Department of Defence	161,826,500	4,000,000	74,130,772	201,927,800	214,362,804	(12,435,004)
235	Department of Education	482,237,600	-	49,499,800	482,237,600	483,789,482	(1,551,882)
236	Office of Higher Education	41,182,700	-	6,901,100	49,128,700	49,287,156	(158,456)
237	PNG National Commission for UNESCO	2,013,400	-	1,351,200	2,013,400	1,964,035	49,365
240	Department of Health	272,147,600	-	27,998,800	249,488,600	240,599,754	8,888,846
241	Hospital Management Services	360,811,100	-	33,487,300	374,536,100	406,873,033	(32,336,933)
242	Department of Community Development	14,555,200	-	3,785,100	14,547,700	14,057,277	490,423
243	National Volunteer Services	1,307,300	-	-	1,307,300	1,307,300	0
245	Department of Environment and Conservation	10,806,600	-	4,355,300	10,806,600	11,605,204	(798,604)
247	Department of Agriculture and Livestock	14,587,300	-	390,000	14,587,300	64,071,750	(49,484,450)
252	Department of Lands and Physical Planning	36,206,700	-	17,125,200	49,206,700	47,314,804	1,891,896
254	Department of Mineral Policy and Geohazards Management	7,959,500	-	203,500	7,959,500	8,304,265	(344,765)
255	Department of Petroleum and Energy	24,551,500	-	3,381,000	26,551,500	25,563,279	988,221
257	Department of Public Enterprises	3,643,600	-	-	3,643,600	292,151	3,351,449
258	Department of Information and Communication	3,949,200	-	878,246	3,949,200	3,815,707	133,493
259	Department of Transport	21,855,800	-	961,400	22,137,600	16,995,862	5,141,738
261	Department of Commerce and Industry	12,674,100	3,000,000	1,992,100	12,706,200	14,507,077	(1,800,877)
262	Department of Industrial Relations	11,933,700	-	14,381,300	11,932,000	14,848,591	(2,916,591)
263	National Tripartite Consultative Council	897,100	-	37,000	897,100	886,387	10,713
264	Department of Works and Implementation	165,069,000	-	70,600,400	164,813,000	127,147,559	37,665,441
267	Office of Rural Development	6,535,200	1,567,300	3,572,192	7,075,200	6,368,026	707,174
268	Central Supply & Tenders Board	2,994,200	-	141,400	2,994,200	2,206,223	787,977
269	Office of Tourism Arts and Culture	1,940,000	-	-	1,940,000	1,940,000	0
299	Treasury and Finance - Public Debt Charges	459,825,000	-	35,000,000	424,825,000	473,979,145	(49,154,145)
502	Office of the Auditor-General	17,818,600	-	-	17,818,600	17,818,600	0
503	Ombudsman Commission	17,518,100	-	-	17,518,100	17,518,100	0

505	National Research Institute	4,860,500	-	4,720,000	4,860,500	4,860,500	0
506	National Training Council	2,678,500	-	-	2,678,500	2,784,372	(105,872)
507	National Economic & Fiscal Commission	2,996,300	-	-	2,996,300	2,996,300	0
509	Border Development Authority (BDA)	4,368,000	-	-	4,368,000	4,368,000	0
510	Legal Training Institute	2,365,500	-	-	2,365,500	2,365,500	0
511	Papua New Guinea Climate Change Authority	7,691,800	-	-	7,691,800	7,244,087	447,713
512	University of Papua New Guinea	40,711,000	5,000,000	4,541,700	48,911,000	48,911,000	0
513	University of Technology	41,801,700	-	1,984,000	42,301,700	42,301,700	0
514	University of Goroka	16,507,000	-	-	16,507,000	16,507,000	0
515	University of Environment & Natural Resources	14,245,800	-	-	14,245,800	14,245,800	0
516	Papua New Guinea Sports Foundation	9,815,000	-	-	9,815,000	9,917,486	(102,486)
517	National Narcotics Bureau	4,270,000	-	-	4,270,000	5,211,884	(941,884)
518	PNG Maritime College	3,179,000	-	-	3,179,000	3,179,000	0
519	National Aids Council Secretariat	7,890,000	-	-	7,890,000	7,890,000	0
520	Institute of Medical Research	7,246,000	-	-	7,246,000	7,246,000	0
521	National Youth Commission	4,228,600	-	3,000,000	7,228,600	7,497,487	(268,887)
522	Constitutional and Law Reform Commission	2,869,400	-	5,096,500	2,869,400	2,924,352	(54,952)
523	Papua New Guinea Accidents Investigation Commission	3,268,300	-	-	3,268,300	3,268,300	0
525	National Broadcasting Commission	27,600,100	-	3,500,000	31,100,100	31,100,100	0
526	National Maritime Safety Authority	1,703,500	-	-	1,703,500	1,703,500	0
530	Investment Promotion Authority	2,778,000	-	-	2,778,000	2,778,000	0
531	Small Business Development Corporation	2,675,000	-	2,000,000	2,675,000	2,675,000	0
532	National Institute of Standards & Industrial Technology	3,180,000	-	-	3,180,000	3,361,761	(181,761)
533	Industrial Centers Development Corporation	2,239,000	-	-	2,239,000	2,239,000	0
536	Kokonas Industry Koproration	1,040,000	-	-	1,040,000	1,040,000	0
539	National Museum and Art Gallery	9,319,800	-	7,300,000	9,319,800	9,596,403	(276,603)
541	National Housing Corporation	244,600	-	-	244,600	244,600	0
542	National Cultural Commission	4,400,200	-	900,000	5,300,200	5,403,884	(103,684)
549	Office of Coastal Fisheries Development Agency	2,472,500	-	-	2,472,500	2,393,348	79,152
550	Cocoa Coconut Institute Ltd	6,315,000	-	-	6,315,000	6,315,000	0

553	Fresh Produce Development Company	5,586,000	-	500,000	6,086,000	6,086,000	0
554	PNG Coffee Industry Corporation	2,184,000	-	-	2,184,000	2,184,000	0
557	PNG National Forest Authority	28,900,200	-	13,674,400	42,574,600	40,166,249	2,408,351
558	Tourism Promotion Authority	10,710,300	-	-	10,710,300	10,710,300	0
562	National Agriculture Research Institute	9,092,000	-	-	9,092,000	9,092,000	0
563	National Agriculture Quarantine & Inspection Authority	4,158,900	-	-	4,158,900	5,784,772	(1,625,872)
565	Civil Aviation Safety Authority	10,483,200	-	-	10,483,200	10,518,974	(35,774)
567	National Road Authority	-	-	-	-	119,948	(119,948)
569	Independent Consumer and Competition Commission	9,303,800	-	600,000	9,903,800	9,903,800	0
571	Fly River Provincial Government	44,869,200	-	-	44,869,200	47,078,994	(2,209,794)
572	Gulf Provincial Government	37,240,500	-	-	37,240,500	36,337,068	903,432
573	Central Provincial Government	63,907,900	-	-	63,907,900	68,074,413	(4,166,513)
574	National Capital District	3,913,400	-	-	3,913,400	3,913,400	0
575	Milne Bay Provincial Government	66,229,000	-	-	66,229,000	69,515,297	(3,286,297)
576	Oro Provincial Government	39,693,200	-	-	39,693,200	40,791,489	(1,098,289)
577	Southern Highlands Province	92,480,500	-	-	92,480,500	122,934,031	(30,453,531)
578	Enga Provincial Government	58,749,700	-	-	58,749,700	77,156,465	(18,406,765)
579	Western Highlands Provincial Government	94,594,600	-	7,000,000	94,594,600	105,105,088	(10,510,488)
580	Simbu Provincial Government	75,597,300	-	17,000,000	75,597,300	78,707,474	(3,110,174)
581	Eastern Highlands Provincial Government	88,047,300	-	-	88,047,300	94,970,524	(6,923,224)
582	Morobe Provincial Government	99,829,200	-	-	99,829,200	114,637,144	(14,807,944)
583	Madang Provincial Government	83,143,300	-	4,000,000	83,143,300	101,876,349	(18,733,049)
584	East Sepik Provincial Government	92,874,100	-	-	92,874,100	102,887,974	(10,013,874)
585	Sandaun Provincial Government	68,281,600	-	-	68,281,600	63,377,083	4,904,517
586	Manus Provincial Government	36,243,900	-	1,350,000	36,243,900	31,919,691	4,324,209
587	New Ireland Provincial Government	40,373,400	-	-	40,373,400	41,067,123	(693,723)
588	East New Britain Provincial Government	79,496,700	-	-	79,496,700	80,852,335	(1,355,635)
589	West New Britain Provincial Government	60,413,400	-	-	60,413,400	65,380,358	(4,966,958)
590	Autonomous Bougainville Government	78,395,700	-	-	78,395,700	75,213,458	3,182,242
Grand Total		6,123,119,500	30,235,000	1,304,334,102	6,004,182,100	6,240,619,343	(236,437,243)

ATTACHMENT B: 2012 TRANSFERS TO NATIONAL DEPARTMENTS – PERSONNEL EMOLUMENTS

Div	Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcomes	Underspend (Overspend)
202	Office of Governor-General	1,625,700	359,000	1,984,700	2,537,815	(553,115)
203	Department of Prime Minister & NEC	39,216,100	30,000	39,246,100	42,677,871	(3,431,771)
204	National Statistical Office	4,273,700	21,200	4,294,900	4,803,600	(508,700)
205	Office of Bougainville Affairs	889,400	0	889,400	2,093,103	(1,203,703)
206	Department of Finance	11,080,400	144,000	11,224,400	9,192,533	2,031,867
207	Treasury and Finance - Miscellaneous	238,708,800	(24,529,900)	101,508,800	110,889,740	(9,380,940)
208	Department of Treasury	11,019,500	(1,496,800)	9,522,700	9,291,529	231,171
209	Registrar For Political Parties	3,905,600	(230,000)	3,675,600	3,773,643	(98,043)
211	PNG Customs Service	15,729,600	(34,300)	15,695,300	11,235,620	4,459,680
212	Information Technology Division	5,104,100	270,000	5,247,374	4,635,838	611,536
213	Magisterial Services	9,858,100	0	9,858,100	11,331,599	(1,473,499)
215	PNG Immigration and Citizenship Services	0	0	0	1,895,828	(1,895,828)
216	Internal Revenue Commission	20,790,000	62,600	20,852,600	16,456,752	4,395,848
217	Department of Foreign Affairs and Trade	28,471,000	422,800	28,893,800	32,597,085	(3,703,285)
218	Office of the Public Prosecutor	4,108,000	(60,000)	4,048,000	4,352,766	(304,766)
219	PNG Institute of Public Administration	4,509,600	0	4,509,600	4,090,214	419,386
220	Department of Personnel Management	10,598,600	12,629,100	23,230,700	22,732,088	498,612
221	Public Service Commission	3,354,200	(165,200)	3,189,000	3,597,471	(408,471)
222	Office of the Public Solicitor	6,007,300	(1,398,604)	4,608,696	4,490,462	118,234
223	Judiciary Services	0	0	0	21,183,075	(21,183,075)
224	Magisterial Services	0	0	0	12,803,148	(12,803,148)
225	Department of Attorney-General	19,035,700	55,000	19,090,700	21,976,147	(2,885,447)
226	Department of Corrective Institutional Services	56,366,500	102,800	56,469,300	54,142,626	2,326,674
227	Provincial Treasuries	27,271,900	0	27,271,900	25,439,899	1,832,001
228	Department of Police	157,886,800	(10,442,300)	147,444,500	161,663,780	(14,219,280)
229	Department of National Planning and Monitoring	9,703,900	0	9,703,900	11,760,718	(2,056,818)
230	Electoral Commission	3,474,000	651,400	4,125,400	3,630,233	495,167

231	National Intelligence Organisation	1,780,400	51,500	1,831,900	2,564,412	(732,512)
232	Provincial and Local Government Affairs	7,506,000	(187,400)	7,318,600	7,134,626	183,974
234	Department of Defence	82,975,600	(60,000)	82,915,600	93,959,413	(11,043,813)
235	Department of Education	105,006,400	(8,273,100)	96,733,300	96,708,618	24,682
236	Office of Higher Education	1,789,400	0	1,789,400	1,911,204	(121,804)
237	PNG National Commission for UNESCO	1,437,800	(274,200)	1,163,600	1,124,263	39,337
240	Department of Health	65,969,100	(6,417,000)	59,552,100	63,871,354	(4,319,254)
241	Hospital Management Services	262,510,900	(7,626,000)	254,884,900	287,172,333	(32,287,433)
242	Department of Community Development	10,536,700	(1,365,400)	9,171,300	8,363,977	807,323
245	Department of Environment and Conservation	5,547,000	0	5,547,000	6,347,414	(800,414)
247	Department of Agriculture and Livestock	10,819,000	0	10,819,000	60,306,629	(49,487,629)
252	Department of Lands and Physical Planning	14,001,200	(1,369,300)	12,631,900	12,598,145	33,755
254	Department of Mineral Policy and Geohazards Management	4,669,500	0	4,669,500	5,094,081	(424,581)
255	Department of Petroleum and Energy	8,222,600	152,000	8,374,600	7,939,771	434,829
257	Department of Public Enterprises	2,010,100	0	2,010,100	292,151	1,717,949
258	Department of Information and Communication	1,268,200	5,800	1,274,000	1,153,890	120,110
259	Department of Transport	10,423,300	40,000	10,463,300	8,407,502	2,055,798
261	Department of Commerce and Industry	6,115,800	0	6,147,900	7,948,777	(1,800,877)
262	Department of Industrial Relations	7,384,900	(1,700)	7,383,200	10,804,690	(3,421,490)
263	National Tripartite Consultative Council	358,100	0	358,100	347,387	10,713
264	Department of Works and Implementation	47,494,000	0	47,248,000	92,120,554	(44,872,554)
267	Office of Rural Development	3,915,200	(216,800)	3,618,400	2,915,713	702,687
268	Central Supply & Tenders Board	1,298,100	0	1,298,100	618,453	679,647
Total		1,356,027,800	(49,354,530)	1,193,789,270	1,394,980,542	(201,191,272)

ATTACHEMENT C: 2012 TRANSFERS TO PROVINCIAL GOVERNMENTS – PERSONNEL EMOLUMENTS

Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcome	Underspend (Overspend)
Bougainville Autonomous Government	56,145,200	0	56,145,200	58,177,950	(2,032,750)
Public Servants Leave Fares	272,800	0	272,800	208,850	63,950
Staffing Grant	17,488,200	0	17,488,200	16,389,215	1,098,985
Teachers Leave Fares	1,032,600	0	1,032,600	790,633	241,967
Teachers Salaries (TSC)	37,351,600	0	37,351,600	40,789,252	(3,437,652)
Central Provincial Government	48,564,500	0	48,564,500	52,731,013	(4,166,513)
Overtime	0	0	0	7,476	(7,476)
Public Servants Leave Fares	322,900	0	322,900	322,900	(0)
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	20,444	(20,444)
Salaries and Allowances	0	0	0	8,590	(8,590)
Staffing Grant	13,633,800	0	13,633,800	14,385,233	(751,433)
Teachers Leave Fares	2,106,200	0	2,106,200	2,106,200	0
Teachers Salaries (TSC)	32,203,900	0	32,203,900	35,582,470	(3,378,570)
Village Courts Allowance	297,700	0	297,700	297,700	0
East New Britain Provincial Government	63,484,300	0	63,484,300	64,839,935	(1,355,635)
Overtime	0	0	0	1,155	(1,155)
Public Servants Leave Fares	504,700	0	504,700	504,700	0
Salaries and Allowances	0	0	0	24,931	(24,931)
Staffing Grant	18,840,500	0	18,840,500	16,568,200	2,272,300
Teachers Leave Fares	1,274,100	0	1,274,100	1,274,100	0
Teachers Salaries (TSC)	42,601,000	0	42,601,000	46,202,849	(3,601,849)
Village Courts Allowance	264,000	0	264,000	264,000	0
East Sepik Provincial Government	59,669,200	0	59,669,200	69,683,074	(10,013,874)
Overtime	0	0	0	10,516	(10,516)
Public Servants Leave Fares	1,250,000	0	1,250,000	1,250,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	134,637	(134,637)
Salaries and Allowances	0	0	0	31,924	(31,924)

Staffing Grant	18,665,300	0	18,665,300	18,716,875	(51,575)
Teachers Leave Fares	1,163,700	0	1,163,700	1,163,700	0
Teachers Salaries (TSC)	38,108,600	0	38,108,600	47,893,822	(9,785,222)
Village Courts Allowance	481,600	0	481,600	481,600	0
Eastern Highlands Provincial Government	63,295,100	0	63,295,100	70,218,324	(6,923,224)
Public Servants Leave Fares	752,000	0	752,000	752,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	75,379	(75,379)
Salaries and Allowances	0	0	0	(5,485)	5,485
Staffing Grant	21,174,200	0	21,174,200	16,565,838	4,608,362
Teachers Leave Fares	1,156,500	0	1,156,500	1,156,500	0
Teachers Salaries (TSC)	39,775,000	0	39,775,000	51,236,692	(11,461,692)
Village Courts Allowance	437,400	0	437,400	437,400	0
Enga Provincial Government	45,499,100	0	45,499,100	63,905,865	(18,406,765)
Public Servants Leave Fares	260,000	0	260,000	260,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	266,450	(266,450)
Salaries and Allowances	0	0	0	33,925	(33,925)
Staffing Grant	15,774,200	0	15,774,200	20,604,156	(4,829,956)
Teachers Leave Fares	1,068,000	0	1,068,000	1,068,000	0
Teachers Salaries (TSC)	27,518,600	0	27,518,600	40,795,035	(13,276,435)
Village Courts Allowance	878,300	0	878,300	878,300	0
Fly River Provincial Government	38,677,300	0	38,677,300	40,887,094	(2,209,794)
Public Servants Leave Fares	247,600	0	247,600	247,600	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	0	0
Salaries and Allowances	0	0	0	6,280	(6,280)
Staffing Grant	15,114,300	0	15,114,300	11,676,075	3,438,225
Teachers Leave Fares	1,001,200	0	1,001,200	1,001,200	0
Teachers Salaries (TSC)	22,040,200	0	22,040,200	27,681,939	(5,641,739)
Village Courts Allowance	274,000	0	274,000	274,000	0
Gulf Provincial Government	23,456,400	0	23,456,400	22,552,968	903,432
Public Servants Leave Fares	1,614,400	0	1,614,400	1,614,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	25,957	(25,957)
Staffing Grant	10,978,800	0	10,978,800	9,330,868	1,647,932

Teachers Leave Fares	699,600	0	699,600	699,600	0
Teachers Salaries (TSC)	9,674,600	0	9,674,600	10,393,143	(718,543)
Village Courts Allowance	489,000	0	489,000	489,000	0
Madang Provincial Government	57,245,100	0	57,245,100	75,978,149	(18,733,049)
Public Servants Leave Fares	1,225,400	0	1,225,400	1,225,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	154,074	(154,074)
Salaries and Allowances	0	0	0	1,394	(1,394)
Staffing Grant	18,023,700	0	18,023,700	21,061,762	(3,038,062)
Teachers Leave Fares	931,500	0	931,500	931,500	0
Teachers Salaries (TSC)	36,743,500	0	36,743,500	52,283,019	(15,539,519)
Village Courts Allowance	321,000	0	321,000	321,000	0
Manus Provincial Government	25,660,000	0	25,660,000	21,335,791	4,324,209
Public Servants Leave Fares	513,600	0	513,600	513,600	0
Salaries and Allowances	0	0	0	98,389	(98,389)
Staffing Grant	11,529,700	0	11,529,700	7,173,730	4,355,970
Teachers Leave Fares	614,300	0	614,300	614,300	0
Teachers Salaries (TSC)	12,811,700	0	12,811,700	12,745,073	66,627
Village Courts Allowance	190,700	0	190,700	190,700	0
Milne Bay Provincial Government	44,528,500	0	44,528,500	47,814,797	(3,286,297)
Public Servants Leave Fares	461,700	0	461,700	461,700	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	11,438	(11,438)
Salaries and Allowances	0	0	0	(33,293)	33,293
Staffing Grant	11,939,100	0	11,939,100	12,752,451	(813,351)
Teachers Leave Fares	1,163,700	0	1,163,700	1,163,700	0
Teachers Salaries (TSC)	30,647,100	0	30,647,100	33,141,900	(2,494,800)
Village Courts Allowance	316,900	0	316,900	316,900	0
Morobe Provincial Government	85,893,500	0	85,893,500	100,701,555	(14,808,055)
Overtime	0	0	0	141,108	(141,108)
Public Servants Leave Fares	1,411,500	0	1,411,500	1,411,500	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	224,462	(224,462)
Salaries and Allowances	0	0	0	350	(350)
Staffing Grant	26,117,900	0	26,117,900	21,464,706	4,653,194

Teachers Leave Fares	2,008,100	0	2,008,100	2,008,100	0
Teachers Salaries (TSC)	55,956,200	0	55,956,200	75,051,556	(19,095,356)
Village Courts Allowance	399,800	0	399,800	399,775	25
National Capital District	195,100	0	195,100	195,100	0
Village Courts Allowance	195,100	0	195,100	195,100	0
New Ireland Provincial Government	36,775,900	0	36,775,900	37,469,623	(693,723)
Public Servants Leave Fares	366,700	0	366,700	366,700	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	273,815	(273,815)
Salaries and Allowances	0	0	0	4,140	(4,140)
Staffing Grant	14,380,500	0	14,380,500	11,188,366	3,192,134
Teachers Leave Fares	890,700	0	890,700	890,700	0
Teachers Salaries (TSC)	20,949,100	0	20,949,100	24,557,002	(3,607,902)
Village Courts Allowance	188,900	0	188,900	188,900	0
Oro Provincial Government	26,716,800	0	26,716,800	27,815,089	(1,098,289)
Public Servants Leave Fares	450,200	0	450,200	450,200	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	53,514	(53,514)
Salaries and Allowances	0	0	0	15,596	(15,596)
Staffing Grant	10,617,000	0	10,617,000	9,908,507	708,493
Teachers Leave Fares	962,200	0	962,200	962,200	0
Teachers Salaries (TSC)	14,549,200	0	14,549,200	16,286,872	(1,737,672)
Village Courts Allowance	138,200	0	138,200	138,200	0
Sandaun Provincial Government	46,886,900	0	46,886,900	41,982,383	4,904,517
Overtime	0	0	0	0	0
Public Servants Leave Fares	723,400	0	723,400	723,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	114,674	(114,674)
Salaries and Allowances	0	0	0	1,125	(1,125)
Staffing Grant	13,336,800	0	13,336,800	12,378,491	958,309
Teachers Leave Fares	1,144,700	0	1,144,700	1,144,700	0
Teachers Salaries (TSC)	31,510,800	0	31,510,800	27,448,793	4,062,007
Village Courts Allowance	171,200	0	171,200	171,200	0
Simbu Provincial Government	56,968,400	0	56,968,400	60,078,574	(3,110,174)

Overtime	0	0	0	272	(272)
Public Servants Leave Fares	241,500	0	241,500	241,500	0
Salaries and Allowances	0	0	0	(56,146)	56,146
Staffing Grant	12,322,600	0	12,322,600	17,651,398	(5,328,798)
Teachers Leave Fares	778,500	0	778,500	778,500	0
Teachers Salaries (TSC)	43,245,400	0	43,245,400	41,082,651	2,162,749
Village Courts Allowance	380,400	0	380,400	380,400	0
Southern Highlands Provincial Government	73,293,000	0	73,293,000	106,319,031	(33,026,031)
Public Servants Leave Fares	463,800	0	463,800	347,900	115,900
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	0	0
Salaries and Allowances	0	0	0	86,900	(86,900)
Staffing Grant	27,504,700	0	27,504,700	37,840,830	(10,336,130)
Teachers Leave Fares	890,400	0	890,400	667,800	222,600
Teachers Salaries (TSC)	43,875,300	0	43,875,300	66,956,501	(23,081,201)
Village Courts Allowance	558,800	0	558,800	419,100	139,700
West New Britain Provincial Government	45,623,300	0	45,623,300	50,590,258	(4,966,958)
Public Servants Leave Fares	1,620,000	0	1,620,000	1,620,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	0	0
Salaries and Allowances	0	0	0	0	0
Staffing Grant	12,584,000	0	12,584,000	13,073,870	(489,870)
Teachers Leave Fares	2,398,700	0	2,398,700	2,398,700	0
Teachers Salaries (TSC)	28,520,300	0	28,520,300	32,997,389	(4,477,089)
Village Courts Allowance	500,300	0	500,300	500,300	0
Western Highlands Provincial Government	71,912,800	0	71,912,800	82,423,288	(10,510,488)
Public Servants Leave Fares	483,400	0	483,400	483,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	0	0	0	465,178	(465,178)
Salaries and Allowances	0	0	0	31,943	(31,943)
Staffing Grant	14,520,300	0	14,520,300	15,776,167	(1,255,867)
Teachers Leave Fares	1,311,300	0	1,311,300	1,311,300	0
Teachers Salaries (TSC)	54,944,500	0	54,944,500	63,702,000	(8,757,500)
Village Courts Allowance	653,300	0	653,300	653,300	0
Grand Total	970,490,400	0	970,490,400	1,095,699,864	(125,209,464)

ATTACHEMENT D: 2012 TRANSFERS TO NATIONAL DEPARTMENTS – GOODS AND SERVICES

Div	Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcomes	Underspend (Overspend)
201	National Parliament	114,542,200	21,355,000	135,897,200	135,897,200	0
202	Office of Governor-General	3,102,900	361,800	3,464,700	3,464,700	0
203	Department of Prime Minister & NEC	30,835,300	57,588,426	88,423,726	87,829,131	594,595
204	National Statistical Office	1,534,200	433,000	1,967,200	1,983,959	(16,759)
205	Office of Bougainville Affairs	1,558,800	850,000	2,408,800	2,403,068	5,732
206	Department of Finance	13,085,100	1,356,000	14,441,100	13,753,193	687,907
207	Treasury and Finance - Miscellaneous	1,032,839,400	(480,161,000)	552,678,400	527,561,496	25,116,904
208	Department of Treasury	5,190,900	2,304,800	7,495,700	7,183,800	311,900
209	Registrar For Political Parties	2,867,000	230,000	3,097,000	3,094,045	2,955
211	PNG Customs Service	16,827,200	34,300	16,861,500	15,572,060	1,289,440
212	Information Technology Division	13,990,200	(870,000)	13,120,200	13,017,003	103,197
213	Magisterial Services	10,035,700	0	10,035,700	9,991,380	44,320
215	PNG Immigration and Citizenship Services	8,665,500	0	8,665,500	7,771,053	894,447
216	Internal Revenue Commission	23,485,000	(62,600)	23,422,400	21,463,599	1,958,801
217	Department of Foreign Affairs and Trade	31,510,000	2,674,900	34,184,900	33,991,722	193,178
218	Office of the Public Prosecutor	2,043,300	320,000	2,363,300	2,342,584	20,716
219	PNG Institute of Public Administration	2,070,200	0	2,070,200	2,070,100	100
220	Department of Personnel Management	5,668,900	368,900	6,037,800	6,145,166	(107,366)
221	Public Service Commission	1,412,100	165,200	1,577,300	1,580,602	(3,302)
222	Office of the Public Solicitor	3,875,900	1,398,604	5,274,504	4,973,864	300,640
223	Judiciary Services	73,831,300	0	73,831,300	73,831,300	0
224	Magisterial Services	34,840,000	0	34,840,000	34,840,000	0
225	Department of Attorney-General	21,235,600	7,945,000	29,180,600	29,287,504	(106,904)
226	Department of Corrective Institutional Services	40,973,300	9,515,200	50,488,500	50,500,978	(12,478)
227	Provincial Treasuries	9,223,300	300,000	9,523,300	9,989,050	(465,750)
228	Department of Police	90,546,200	143,063,000	233,609,200	233,267,342	341,858
229	Department of National Planning and Monitoring	6,457,700	1,000,000	7,457,700	7,320,347	137,353

230	Electoral Commission	22,726,000	189,348,600	212,074,600	211,417,336	657,264
231	National Intelligence Organisation	2,144,600	437,900	2,582,500	2,583,474	(974)
232	Provincial and Local Government Affairs	7,127,800	7,068,100	14,195,900	14,163,327	32,573
234	Department of Defence	78,850,900	40,161,300	119,012,200	120,403,391	(1,391,191)
235	Department of Education	377,231,200	8,273,100	385,504,300	387,080,865	(1,576,565)
236	Office of Higher Education	39,393,300	7,946,000	47,339,300	47,375,952	(36,652)
237	PNG National Commission for UNESCO	575,600	274,200	849,800	839,772	10,028
240	Department of Health	206,178,500	(16,242,000)	189,936,500	176,728,400	13,208,100
241	Hospital Management Services	98,300,200	21,351,000	119,651,200	119,700,700	(49,500)
242	Department of Community Development	4,018,500	1,357,900	5,376,400	5,693,299	(316,899)
243	National Volunteer Services	1,307,300	0	1,307,300	1,307,300	0
245	Department of Environment and Conservation	5,259,600	0	5,259,600	5,257,790	1,810
247	Department of Agriculture and Livestock	3,768,300	0	3,768,300	3,765,121	3,179
252	Department of Lands and Physical Planning	22,205,500	14,369,300	36,574,800	34,716,659	1,858,141
254	Department of Mineral Policy and Geohazards Management	3,290,000	0	3,290,000	3,210,184	79,816
255	Department of Petroleum and Energy	16,328,900	1,848,000	18,176,900	17,623,508	553,392
257	Department of Public Enterprises	1,633,500	0	1,633,500	0	1,633,500
258	Department of Information and Communication	2,681,000	(5,800)	2,675,200	2,661,817	13,383
259	Department of Transport	11,432,500	241,800	11,674,300	8,588,360	3,085,940
261	Department of Commerce and Industry	6,558,300	0	6,558,300	6,558,300	0
262	Department of Industrial Relations	4,548,800	0	4,548,800	4,043,901	504,899
263	National Tripartite Consultative Council	539,000	0	539,000	539,000	0
264	Department of Works and Implementation	117,575,000	(10,000)	117,565,000	35,027,005	82,537,995
267	Office of Rural Development	2,620,000	836,800	3,456,800	3,452,314	4,487
268	Central Supply & Tenders Board	1,696,100	0	1,696,100	1,587,769	108,331
269	Office of Tourism Arts and Culture	1,940,000	0	1,940,000	1,940,000	0
Total		2,642,177,600	47,426,730	2,689,604,330	2,557,391,788	132,212,542

ATTACHEMENT E: 2012 TRANSFERS TO PROVINCIAL GOVERNMENTS – GOODS AND SERVICES

Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcome	Underspend (Overspend)
Autonomous Bougainville Government	22,250,500	-	22,250,500	17,035,508	5,214,992
National Functions and Powers Grant - ABG	299,000	-	299,000	228,883	70,117
Police and Services Grant - ABG	2,803,400	-	2,803,400	2,146,317	657,083
Recurrent Goods & Services Grant ABG	19,148,100	-	19,148,100	14,660,308	4,487,792
Central Provincial Government	15,343,400	-	15,343,400	15,343,400	-
Administration Grant	730,000	-	730,000	730,000	-
Education Function Grant	3,083,700	-	3,083,700	3,083,700	-
Health Function Grant	3,060,300	-	3,060,300	3,060,300	-
LLG and Village Services (Organic Law)	1,601,400	-	1,601,400	1,601,400	-
Other Service Delivery Function Grant	1,378,400	-	1,378,400	1,378,400	-
Primary Production Function Grant	534,100	-	534,100	534,100	-
Transport/Infrastructure Maintenance Grant	4,775,500	-	4,775,500	4,775,500	-
Village Courts Function Grant	180,000	-	180,000	180,000	-
East New Britain Provincial Government	16,012,400	-	16,012,400	16,012,400	-
Administration Grant	81,100	-	81,100	81,100	-
Education Function Grant	3,266,600	-	3,266,600	3,266,600	-
Health Function Grant	3,883,400	-	3,883,400	3,883,400	-
LLG and Village Services (Organic Law)	2,460,200	-	2,460,200	2,460,200	-
Other Service Delivery Function Grant	589,800	-	589,800	589,800	-
Primary Production Function Grant	1,610,300	-	1,610,300	1,610,300	-
Transport/Infrastructure Maintenance Grant	4,043,300	-	4,043,300	4,043,300	-
Village Courts Function Grant	77,700	-	77,700	77,700	-
East Sepik Provincial Government	33,204,900	-	33,204,900	33,204,900	-
Administration Grant	1,006,000	-	1,006,000	1,006,000	-
Education Function Grant	6,238,400	-	6,238,400	6,238,400	-
Health Function Grant	7,518,400	-	7,518,400	7,518,400	-

LLG and Village Services (Organic Law)	3,400,000	-	3,400,000	3,400,000	-
Other Service Delivery Function Grant	2,896,500	-	2,896,500	2,896,500	-
Primary Production Function Grant	2,076,800	-	2,076,800	2,076,800	-
Transport/Infrastructure Maintenance Grant	9,540,500	-	9,540,500	9,540,500	-
Village Courts Function Grant	528,300	-	528,300	528,300	-
Eastern Highlands Provincial Government	24,752,200	-	24,752,200	24,752,200	-
Administration Grant	1,090,000	-	1,090,000	1,090,000	-
Education Function Grant	4,650,500	-	4,650,500	4,650,500	-
Health Function Grant	4,283,300	-	4,283,300	4,283,300	-
LLG and Village Services (Organic Law)	3,556,000	-	3,556,000	3,556,000	-
Other Service Delivery Function Grant	1,391,800	-	1,391,800	1,391,800	-
Primary Production Function Grant	1,464,900	-	1,464,900	1,464,900	-
Transport/Infrastructure Maintenance Grant	8,162,700	-	8,162,700	8,162,700	-
Village Courts Function Grant	153,000	-	153,000	153,000	-
Enga Provincial Government	13,250,600	-	13,250,600	13,250,600	-
Administration Grant	485,300	-	485,300	485,300	-
Education Function Grant	1,380,400	-	1,380,400	1,380,400	-
Health Function Grant	2,890,100	-	2,890,100	2,890,100	-
LLG and Village Services (Organic Law)	2,325,800	-	2,325,800	2,325,800	-
Other Service Delivery Function Grant	953,400	-	953,400	953,400	-
Primary Production Function Grant	587,900	-	587,900	587,900	-
Transport/Infrastructure Maintenance Grant	4,437,300	-	4,437,300	4,437,300	-
Village Courts Function Grant	190,400	-	190,400	190,400	-
Fly River Provincial Government	6,191,900	-	6,191,900	6,191,900	-
Administration Grant	84,200	-	84,200	84,200	-
Education Function Grant	779,800	-	779,800	779,800	-
Health Function Grant	822,300	-	822,300	822,300	-
LLG and Village Services (Organic Law)	2,301,000	-	2,301,000	2,301,000	-
Other Service Delivery Function Grant	84,200	-	84,200	84,200	-
Primary Production Function Grant	618,100	-	618,100	618,100	-
Transport/Infrastructure Maintenance Grant	1,374,700	-	1,374,700	1,374,700	-

Village Courts Function Grant	127,600	-	127,600	127,600	-
Gulf Provincial Government	13,784,100	-	13,784,100	13,784,100	-
Administration Grant	711,400	-	711,400	711,400	-
Education Function Grant	2,847,200	-	2,847,200	2,847,200	-
Health Function Grant	3,250,100	-	3,250,100	3,250,100	-
LLG and Village Services (Organic Law)	1,137,500	-	1,137,500	1,137,500	-
Other Service Delivery Function Grant	1,468,900	-	1,468,900	1,468,900	-
Primary Production Function Grant	1,038,200	-	1,038,200	1,038,200	-
Transport/Infrastructure Maintenance Grant	3,230,800	-	3,230,800	3,230,800	-
Village Courts Function Grant	100,000	-	100,000	100,000	-
Madang Provincial Government	25,898,200	-	25,898,200	25,898,200	-
Administration Grant	811,100	-	811,100	811,100	-
Education Function Grant	4,369,800	-	4,369,800	4,369,800	-
Health Function Grant	5,515,000	-	5,515,000	5,515,000	-
LLG and Village Services (Organic Law)	3,563,900	-	3,563,900	3,563,900	-
Other Service Delivery Function Grant	2,214,900	-	2,214,900	2,214,900	-
Primary Production Function Grant	1,508,000	-	1,508,000	1,508,000	-
Transport/Infrastructure Maintenance Grant	7,571,600	-	7,571,600	7,571,600	-
Village Courts Function Grant	343,900	-	343,900	343,900	-
Manus Provincial Government	10,583,900	-	10,583,900	10,583,900	-
Administration Grant	894,100	-	894,100	894,100	-
Education Function Grant	2,179,700	-	2,179,700	2,179,700	-
Health Function Grant	2,106,600	-	2,106,600	2,106,600	-
LLG and Village Services (Organic Law)	525,900	-	525,900	525,900	-
Other Service Delivery Function Grant	996,200	-	996,200	996,200	-
Primary Production Function Grant	671,600	-	671,600	671,600	-
Transport/Infrastructure Maintenance Grant	3,034,500	-	3,034,500	3,034,500	-
Village Courts Function Grant	175,300	-	175,300	175,300	-
Milne Bay Provincial Government	21,700,500	-	21,700,500	21,700,500	-
Administration Grant	1,073,000	-	1,073,000	1,073,000	-
Education Function Grant	4,695,100	-	4,695,100	4,695,100	-

Health Function Grant	5,535,800	-	5,535,800	5,535,800	-
LLG and Village Services (Organic Law)	2,088,200	-	2,088,200	2,088,200	-
Other Service Delivery Function Grant	2,238,000	-	2,238,000	2,238,000	-
Primary Production Function Grant	1,355,300	-	1,355,300	1,355,300	-
Transport/Infrastructure Maintenance Grant	4,522,400	-	4,522,400	4,522,400	-
Village Courts Function Grant	192,700	-	192,700	192,700	-
Morobe Provincial Government	13,935,700	-	13,935,700	13,935,589	111
Administration Grant	585,300	-	585,300	585,263	37
Education Function Grant	2,000,000	-	2,000,000	2,000,000	-
Health Function Grant	1,275,800	-	1,275,800	1,275,775	25
LLG and Village Services (Organic Law)	6,218,500	-	6,218,500	6,218,500	-
Other Service Delivery Function Grant	967,500	-	967,500	967,500	-
Primary Production Function Grant	465,300	-	465,300	465,263	37
Transport/Infrastructure Maintenance Grant	2,266,300	-	2,266,300	2,266,288	12
Village Courts Function Grant	157,000	-	157,000	157,000	-
National Capital District	3,718,300	-	3,718,300	3,718,300	-
Town & Urban Services (Organic Law)	3,718,300	-	3,718,300	3,718,300	-
New Ireland Provincial Government	3,597,500	-	3,597,500	3,597,500	-
Administration Grant	25,300	-	25,300	25,300	-
Education Function Grant	579,300	-	579,300	579,300	-
Health Function Grant	848,300	-	848,300	848,300	-
LLG and Village Services (Organic Law)	1,188,100	-	1,188,100	1,188,100	-
Other Service Delivery Function Grant	50,900	-	50,900	50,900	-
Primary Production Function Grant	307,500	-	307,500	307,500	-
Transport/Infrastructure Maintenance Grant	570,400	-	570,400	570,400	-
Village Courts Function Grant	27,700	-	27,700	27,700	-
Oro Provincial Government	12,976,400	-	12,976,400	12,976,400	-
Administration Grant	595,400	-	595,400	595,400	-
Education Function Grant	2,511,000	-	2,511,000	2,511,000	-
Health Function Grant	2,739,200	-	2,739,200	2,739,200	-
LLG and Village Services (Organic Law)	1,597,600	-	1,597,600	1,597,600	-

Other Service Delivery Function Grant	1,125,600	-	1,125,600	1,125,600	-
Primary Production Function Grant	1,106,700	-	1,106,700	1,106,700	-
Transport/Infrastructure Maintenance Grant	3,258,400	-	3,258,400	3,258,400	-
Village Courts Function Grant	42,500	-	42,500	42,500	-
Sandaun Provincial Government	21,394,700	-	21,394,700	21,394,700	-
Administration Grant	855,500	-	855,500	855,500	-
Education Function Grant	4,358,600	-	4,358,600	4,358,600	-
Health Function Grant	5,011,900	-	5,011,900	5,011,900	-
LLG and Village Services (Organic Law)	2,329,000	-	2,329,000	2,329,000	-
Other Service Delivery Function Grant	1,876,500	-	1,876,500	1,876,500	-
Primary Production Function Grant	1,216,500	-	1,216,500	1,216,500	-
Transport/Infrastructure Maintenance Grant	5,444,100	-	5,444,100	5,444,100	-
Village Courts Function Grant	302,600	-	302,600	302,600	-
Simbu Provincial Government	18,628,900	-	18,628,900	18,628,900	-
Administration Grant	857,200	-	857,200	857,200	-
Education Function Grant	4,236,600	-	4,236,600	4,236,600	-
Health Function Grant	3,479,500	-	3,479,500	3,479,500	-
LLG and Village Services (Organic Law)	2,084,900	-	2,084,900	2,084,900	-
Other Service Delivery Function Grant	1,714,900	-	1,714,900	1,714,900	-
Primary Production Function Grant	882,200	-	882,200	882,200	-
Transport/Infrastructure Maintenance Grant	5,223,400	-	5,223,400	5,223,400	-
Village Courts Function Grant	150,200	-	150,200	150,200	-
Southern Highlands Province	19,187,500	-	19,187,500	16,615,000	2,572,500
Administration Grant	265,800	-	265,800	199,300	66,500
Education Function Grant	3,011,100	-	3,011,100	2,258,350	752,750
Health Function Grant	4,500,100	-	4,500,100	3,375,050	1,125,050
LLG and Village Services (Organic Law)	4,820,700	-	4,820,700	4,820,700	-
Other Service Delivery Function Grant	1,117,500	-	1,117,500	838,150	279,350
Primary Production Function Grant	1,072,900	-	1,072,900	804,750	268,150
Transport/Infrastructure Maintenance Grant	4,076,600	-	4,076,600	4,076,600	-
Village Courts Function Grant	322,800	-	322,800	242,100	80,700

West New Britain Provincial Government	14,790,100	-	14,790,100	14,790,100	-
Administration Grant	61,000	-	61,000	61,000	-
Education Function Grant	3,801,000	-	3,801,000	3,801,000	-
Health Function Grant	2,906,500	-	2,906,500	2,906,500	-
LLG and Village Services (Organic Law)	1,788,100	-	1,788,100	1,788,100	-
Other Service Delivery Function Grant	1,360,600	-	1,360,600	1,360,600	-
Primary Production Function Grant	2,483,600	-	2,483,600	2,483,600	-
Transport/Infrastructure Maintenance Grant	2,168,600	-	2,168,600	2,168,600	-
Village Courts Function Grant	220,700	-	220,700	220,700	-
Western Highlands Provincial Government	22,681,800	-	22,681,800	22,681,800	-
Administration Grant	455,800	-	455,800	455,800	-
Education Function Grant	5,474,000	-	5,474,000	5,474,000	-
Health Function Grant	4,727,200	-	4,727,200	4,727,200	-
LLG and Village Services (Organic Law)	3,693,500	-	3,693,500	3,693,500	-
Other Service Delivery Function Grant	757,600	-	757,600	757,600	-
Primary Production Function Grant	1,573,400	-	1,573,400	1,573,400	-
Transport/Infrastructure Maintenance Grant	5,726,000	-	5,726,000	5,726,000	-
Village Courts Function Grant	274,300	-	274,300	274,300	-
Grand Total	333,883,500	-	333,883,500	326,095,897	7,787,603

ATTACHEMENT F: 2012 TRANSFERS TO COMMERCIAL AND STATUTORY AUTHORITIES – GOODS AND SERVICES

Div	Agency Name	2012 Original Budget	Other Transfers	2012 Final Available Appropriation	2012 Outcomes	Underspend (Overspend)
502	Office of the Auditor-General	17,818,600	0	17,818,600	17,818,600	0
503	Ombudsman Commission	17,518,100	0	17,518,100	17,518,100	0
505	National Research Institute	4,860,500	0	4,860,500	4,860,500	0
506	National Training Council	2,678,500	0	2,678,500	2,784,372	(105,872)
507	National Economic & Fiscal Commission	2,996,300	0	2,996,300	2,996,300	0
509	Border Development Authority (BDA)	4,368,000	0	4,368,000	4,368,000	0
510	Legal Training Institute	2,365,500	0	2,365,500	2,365,500	0
511	Papua New Guinea Climate Change Authority	7,691,800	0	7,691,800	7,244,087	447,713
512	University of Papua New Guinea	40,711,000	8,200,000	48,911,000	48,911,000	0
513	University of Technology	41,801,700	500,000	42,301,700	42,301,700	0
514	University of Goroka	16,507,000	0	16,507,000	16,507,000	0
515	University of Environment & Natural Resources	14,245,800	0	14,245,800	14,245,800	0
516	Papua New Guinea Sports Foundation	9,815,000	0	9,815,000	9,917,486	(102,486)
517	National Narcotics Bureau	4,270,000	0	4,270,000	5,211,884	(941,884)
518	PNG Maritime College	3,179,000	0	3,179,000	3,179,000	0
519	National Aids Council Secretariat	7,890,000	0	7,890,000	7,890,000	0
520	Institute of Medical Research	7,246,000	0	7,246,000	7,246,000	0
521	National Youth Commission	4,228,600	3,000,000	7,228,600	7,497,487	(268,887)
522	Constitutional and Law Reform Commission	2,869,400	0	2,869,400	2,924,352	(54,952)
523	Papua New Guinea Accidents Investigation Commission	3,268,300	0	3,268,300	3,268,300	0
525	National Broadcasting Commission	27,600,100	3,500,000	31,100,100	31,100,100	0
526	National Maritime Safety Authority	1,703,500	0	1,703,500	1,703,500	0
530	Investment Promotion Authority	2,778,000	0	2,778,000	2,778,000	0
531	Small Business Development Corporation	2,675,000	0	2,675,000	2,675,000	0
532	National Institute of Standards & Industrial Technology	3,180,000	0	3,180,000	3,361,761	(181,761)
533	Industrial Centers Development Corporation	2,239,000	0	2,239,000	2,239,000	0
536	Kokonas Industry Koproration	1,040,000	0	1,040,000	1,040,000	0

539	National Museum and Art Gallery	9,319,800	0	9,319,800	9,596,403	(276,603)
541	National Housing Corporation	244,600	0	244,600	244,600	0
542	National Cultural Commission	4,400,200	900,000	5,300,200	5,403,884	(103,684)
549	Office of Coastal Fisheries Development Agency	2,472,500	0	2,472,500	2,393,348	79,152
550	Cocoa Coconut Institute Ltd	6,315,000	0	6,315,000	6,315,000	0
553	Fresh Produce Development Company	5,586,000	500,000	6,086,000	6,086,000	0
554	PNG Coffee Industry Corporation	2,184,000	0	2,184,000	2,184,000	0
557	PNG National Forest Authority	28,900,200	13,674,400	42,574,600	40,166,249	2,408,351
558	Tourism Promotion Authority	10,710,300	0	10,710,300	10,710,300	0
562	National Agriculture Research Institute	9,092,000	0	9,092,000	9,092,000	0
563	National Agriculture Quarantine & Inspection Authority	4,158,900	0	4,158,900	5,784,772	(1,625,872)
565	Civil Aviation Safety Authority	10,483,200	0	10,483,200	10,518,974	(35,774)
567	National Road Authority	0	0	0	119,948	(119,948)
569	Independent Consumer and Competition Commission	9,303,800	600,000	9,903,800	9,903,800	0
Total		360,715,200	30,874,400	391,589,600	392,472,107	(882,507)

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 2012 outcomes for the National Government Departments (Attachment F.1), Commercial Statutory Authorities (CSA) (Attachment F.2) and Provincial Governments (Attachment F.3). The Summary Table at the end of this section sums up the total figures for (Attachment F.1), (Attachment F.2) and (Attachment F.3) together.

The Variance column is the difference between the Revenue Appropriated by each entity and the 2012 Outcome (the Report 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.

3.2 Attachments

Attachment F.1 - 2012 GOPNG Domestic Funded Projects by National Department (Kina)

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
201	National Parliament	35,000,000	35,000,000	35,000,000	-
202	Governor General	-	6,000,000	6,000,000	-
203	Prime Minister & NEC	-	4,000,000	3,999,900	(100)
204	Statistic Office	11,800,000	11,800,000	14,244,216	2,444,216
206	Finance	14,000,000	64,000,000	62,082,976	(1,917,024)
208	Treasury	171,000,000	171,000,000	171,000,000	-
211	PNG Customs Service	17,800,000	17,800,000	17,700,000	(100,000)
213	Fire Services	3,000,000	800,000	2,998,400	2,198,400
216	Internal Revenue Commission	5,200,000	5,200,000	3,591,392	(1,608,608)
217	Foreign Affairs	10,300,000	6,600,000	6,600,000	-
219	PNGIPA	2,200,000	2,200,000	2,118,764	(81,236)
220	Personnel Management	14,000,000	4,000,000	4,005,286	5,286
					-

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
221	Public Service Commission	800,000	800,000	798,741	(1,259)
222	Public Solicitor	6,000,000	5,000,000	3,058,609	(1,941,391)
224	Magisterial Services	-	2,160,000	2,160,000	-
225	Attorney General	19,000,000	17,000,000	17,000,000	-
226	Correctional Services	44,000,000	32,000,000	44,000,000	12,000,000
228	Police	49,500,000	44,000,000	43,999,803	(197)
229	National Planning & Monitoring	73,113,000	146,893,000	146,364,606	(528,394)
230	Electoral Commission	-	-	585,740	585,740
231	National Intelligence Organization	2,000,000	2,000,000	1,983,000	(17,000)
232	Provinces & Local Government Affairs	4,200,000	2,800,000	2,291,539	(508,461)
235	Defence	27,000,000	27,000,000	26,500,000	(500,000)
235	Education	82,507,000	74,527,000	79,941,882	5,414,882
236	Higher Education Commission	34,000,000	34,000,000	33,999,873	(127)
240	Health	62,500,000	62,500,000	62,500,000	-
241	Hospital Management Services	26,700,000	26,700,000	26,700,000	-
242	Community Development	11,800,000	15,510,000	15,510,000	-
245	Environment and Conservation	3,000,000	3,000,000	3,000,000	-
247	Agriculture and Live Stock	3,300,000	1,800,000	8,573,271	6,773,271
252	Lands and Physical Planning	20,000,000	9,083,500	10,524,840	1,441,340
255	Petroleum	10,000,000	10,000,000	10,000,000	-
258	Information and Communication	6,000,000	4,500,000	4,500,000	-
259	Transport	10,000,000	12,800,000	12,706,720	(93,280)
261	Trade and Industry	14,000,000	17,000,000	17,650,138	650,138
262	Industrial Relation	2,000,000	2,000,000	1,796,659	(203,341)
264	Works and Implementation	431,100,000	386,400,000	278,188,037	(108,211,963)
267	Office of Rural Development	206,250,000	207,517,300	207,494,119	(23,181)

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
268	Central Supplies and Tenders Board	2,000,000	2,000,000	885,104	(1,114,896)
National Departments Total		1,435,070,000	1,477,390,800	1,392,053,615	(85,337,185)

Attachment F.2 - 2012 GOPNG Domestic Funded Projects by Commercial Statutory Authorities (CSA) (Kina)

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
502	Auditor General	5,000,000	-	-	-
505	National Research Institution	-	2,610,000	2,610,000	-
506	Training Council	500,000	500,000	500,000	-
509	Border Development Authority	1,500,000	1,500,000	1,500,000	-
510	Legal Training	5,000,000	5,000,000	5,000,000	-
511	Office of Climate Change	500,000	500,000	500,000	-
512	UPNG	43,500,000	43,500,000	43,500,000	-
513	Unitech	8,000,000	8,000,000	8,000,000	-
514	University of Goroka	15,800,000	15,800,000	27,186,642	11,386,642
515	University National Resources	18,000,000	18,000,000	18,000,000	-
516	Sports Commission	185,000,000	185,000,000	183,500,000	1,500,000
517	Narcotics Bureau	2,200,000	2,200,000	2,200,000	-
519	AIDS Council	8,000,000	8,000,000	8,000,000	-
520	Institute of Medical Research	11,000,000	11,000,000	11,000,000	-
521	Youth Commission	4,000,000	4,000,000	4,000,000	-
522	Law Reform	-	1,336,500	1,336,500	-
523	PNG Accidence Investigation Commission	2,500,000	2,500,000	2,500,000	-

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
524	Independent Public Business Corporation	15,000,000	15,000,000	15,109,142	109,142
525	Broadcast Commission	5,000,000	5,000,000	5,000,000	-
526	National Maritime Safety Authority	5,000,000	5,000,000	5,000,000	-
528	Road Safety	1,000,000	1,000,000	1,000,000	-
530	Investment Promotion Authority	2,200,000	2,200,000	2,200,000	-
531	Small Business Development	4,300,000	6,300,000	6,300,000	-
532	National Institute Standard Industrial Technology	2,000,000	2,000,000	2,000,000	-
535	Mineral Resource Authority	25,880,000	25,880,000	25,880,000	-
537	National Airports Corporation	15,000,000	15,000,000	15,000,000	-
538	PNG Air Services	5,000,000	5,000,000	5,000,000	-
539	National Museum	4,300,000	3,300,000	3,300,000	-
540	Water PNG	30,000,000	30,000,000	30,000,000	-
542	National Cultural Commission	4,300,000	4,300,000	4,300,000	-
543	Rural Development Bank	130,000,000	80,000,000	80,000,000	-
546	PNG Power Ltd	23,000,000	23,000,000	23,000,000	-
547	Post and Telecommunication	20,000,000	20,000,000	20,000,000	-
548	PNG Ports Limited	28,100,000	28,100,000	28,100,000	-
550	Cocoa Coconut Institution	6,000,000	6,000,000	6,000,000	-
551	Fisheries Authority	8,000,000	8,000,000	8,000,000	-
553	Fresh Produce Development Company	4,000,000	4,000,000	4,000,000	-
554	PNG Coffee Industry Corporation	7,000,000	7,000,000	7,000,000	-
557	Forest Authority	6,500,000	6,500,000	6,500,000	-
559	PNG Oil Palm Industry Corporation	4,000,000	4,000,000	13,716,653	9,716,653
562	National Agriculture Research Institution	2,300,000	2,300,000	2,300,000	-
563	National Agriculture Quarantine Inspection Authority	1,000,000	1,000,000	1,000,000	-

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
566	PNG Cocoa Board	1,000,000	1,000,000	1,000,000	-
567	National Road Authority	15,000,000	15,000,000	15,000,000	-
568	Livestock Development Corporation	6,000,000	6,000,000	6,000,000	-
Commercial Statutory Authority Total		691,380,000	641,326,500	661,038,937	19,712,437
				7	

Attachment F.3 - 2012 GOPNG Domestic Funded Projects by Provincial Governments (Kina)

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
571	Western Provincial Government	20,400,000	20,400,000	20,400,000	-
572	Gulf Provincial Government	9,550,000	9,550,000	9,550,000	-
573	Central Provincial Government	12,950,000	12,950,000	12,950,000	-
574	National Capital District	3,000,000	3,000,000	3,486,847	486,847
575	Milne Bay Provincial Government	6,250,000	6,250,000	6,250,000	-
576	Oro Provincial Government	750,000	750,000	750,000	-
577	Southern Highlands Provincial Government	17,750,000	17,750,000	17,750,000	-
578	Enga Provincial Government	15,000,000	15,000,000	15,000,000	-
579	Western Highlands Provincial Government	34,000,000	34,000,000	34,000,000	-
580	Simbu Provincial Government	12,750,000	22,750,000	22,750,000	-
581	Eastern Highlands Provincial Government	2,250,000	2,250,000	2,250,000	-
582	Morobe Provincial Government	27,400,000	27,400,000	27,400,000	-
583	Madang Provincial Government	3,750,000	7,750,000	7,750,000	-
584	East Sepik Provincial Government	1,750,000	1,750,000	1,750,000	-
585	Sandaun Provincial Government	5,250,000	5,250,000	5,250,000	-
586	Manus Provincial Government	5,000,000	5,000,000	5,000,000	-
587	New Ireland Provincial Government	26,050,000	26,050,000	26,050,000	-
588	East New Britain Provincial Government	1,250,000	1,250,000	1,250,000	-

Division		2012 Budget Appropriation	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
589	West New Britain Provincial Government	750,000	750,000	750,000	-
590	Autonomous Bougainville Government	101,000,000	101,000,000	101,000,000	-
591	Hela Provincial Government	3,900,000	3,900,000	-	(3,900,000)
Provincial Government Total		310,750,000	324,750,000	321,336,847	- 3,413,153

Attachment F.4 - 2012 GoPNG Domestic Funded Summary Table Report of National Government Departments, Commercial Statutory Authorities and Provincial Governments (Kina)

Summary Table: Development Expenditure 2011 - 2012 (Kina Millions)					
	2011 Actuals	2012 Budget	2012 Final Appropriation	2012 Outcome	Overspend (underspend)
Domestic Funds	1,976,400,000	2,437,200,000	2,443,467,300	2,374,429,399	69,037,901
Project Support Grants	1,045,000,000	1,390,500,000	1,390,500,000		
Infrastructure Tax Credits	25,400,000	130,000,000	130,000,000		
Loans	211,430,000	479,400,000	479,400,000		
<i>Concessional</i>	<i>211,430,000</i>	<i>479,400,000</i>	<i>479,400,000</i>		
<i>Commercial</i>	-				
Total Development Budget	3,258,230,000	4,437,100,000	4,443,367,300	2,374,429,399	