



# **PROVISIONAL FINAL BUDGET OUTCOME**

**2013**

**31<sup>st</sup> MARCH 2014**

## 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 2013 FBO Report aims to provide to Parliament and the public a comparison and explanation of the major variations from the 2013 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 2013 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 2013 FBO is the third (after the 2011 and 2012 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 for 2013 is a deficit of K2,631.6 million which is 7.6 per cent of GDP. The significant increase from the 2012 deficit outcome of K1,377.9 million which is 4.3 per of GDP is a deliberate intervention by the Government to support continued economic growth with expenditures prioritized towards the Medium Term Development Plan (MTDP) enablers particularly infrastructure due to its more immediate impact on future economic growth.

The final budget deficit outcome for 2013 is also reflective of a deliberate intervention by the O'Neill Dion Government to re-appropriate K386 million away from less significant expenditures to investing on uplifting the country's sport facilities to ensure the 2015 South Pacific Games is a memorable event for our visitors and the people of Papua New Guinea

The Final Budget deficit for 2013 compared to the original Budget deficit estimate of K2,548.9 million (7.2 per cent of GDP), is higher by K82.7 million. This is largely reflective of lower Total Revenue and Grants which turned out to be less by K649.2 million and a result of lower tax revenue, non tax revenue, grants and infrastructure tax credits. 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 Expenditures and Net Lending is also lower by K566.5 million, compared to the original budget estimate which reflects under spends across many investment and development projects. The fiscal outcome for 2013 Final Budget Outcome is set out in the Table 1 below.

**Table 1: Budget Balance 2012– 2013 (Kina Millions)**

	2012 Outcome	2013 Original Budget	2013 Revised Budget	2013 Outcome
Revenue and Grants	9,566.0	10,481.9	10,481.6	9,832.7
Expenditure and Net Lending	10,943.9	13,030.8	13,218.7	12,464.3
<b>Budget Balance</b>	<b>-1,377.9</b>	<b>-2,548.9</b>	<b>-2,737.0</b>	<b>-2,631.6</b>
% of GDP	-4.30%	-7.20%	-7.90%	-7.60%

Source: Department of Treasury

Towards the end of 2013, Total Revenue and Grants revised estimate remained close to the original Budget estimate of K10,481.5 million. Total Expenditure and Net Lending, on the other hand, was anticipated to be higher than the Original budget estimate at K13,218.7 million. The revised Total Expenditure and Net Lending estimate of K13,218.7 million reflected inclusion under expenditures the K305 million LNG equity which was initially reported under finances, projected lower interest payments and anticipated increases in expenditures relating to costs to the construction of PNG's sporting facilities.

The 2013 budget deficit outcome compared to the revised budget estimate is lower by K105.4 million and is reflective of lower Total Expenditure and Net Lending, as well as, lower Total Revenue and Grants. Although the lower budget deficit outcome for 2013 may be considered a good budget position outcome for 2013, it will mean that the Government has not fully implemented the 2013 Budget as originally planned and that the Government was faced with lower than anticipated Total Revenues and Grants

## 1.2 REVENUE

### Total Revenue and Grants

The total Revenue and Grants outcome for 2013 is K9,832.7 million (Table 1). Compared to the 2012 outcome of K9,566.1 million, total Revenue and Grants has increased by K266.7 million, primarily reflecting growth in collections in Tax Revenue and Infrastructure Tax Credits. These increases have offset declines in Non Tax Revenues and Grants. The Total Revenue and Grants for 2013 is set out in the Table 2 below.

Compared to the original Total Revenue and Grants estimate of K10, 481.6 million, Total Revenue and Grants outcome for 2013 is lower by K649.2 million. This reflects lower Tax Revenue (down by K42.7 million), Non-Tax Revenue (down K235.6 million) as well as Project Grants (down K333.7 million) and Infrastructure Tax Credits (down K32.2 million).

**Table 1: Total Revenue and Grants (Kina, Million)**

	2012 Outcome	2013 Original Budget	2013 Revised Budget	2013 Outcome
Tax Revenue	8,126.3	8631.2	8605.7	8588.5
Non Tax Revenue	423.2	509.5	534.8	273.9
Grants	1,091.4	1211.2	1211.2	877.5
Infrastructure Tax Credit	63.8	130.0	130.0	92.8
<b>Total Revenue and Grants*</b>	<b>9,704.6</b>	<b>10481.9</b>	<b>10481.6</b>	<b>9,832.7</b>

Source: Department of Treasury

\*Includes ITC

The overall shortfall in total Revenue and Grants from the revised Budget estimate is driven mainly by lower than expected collections of total Government Revenue, including an unanticipated shortfall in Non Tax Revenue and a smaller shortfall in Tax Revenue. In addition, lower than expected Grants received from Foreign Donor agencies have also contributed to the overall shortfall.

### Tax Revenue

The total Tax Revenue outcome for 2013 is K8,588.5 million. Compared to the 2012 outcome of K8,126.3 million, total Tax Revenue has increased by K462.2 million, reflective of strong growth in Taxes on Income and Profits, Domestic Taxes on Goods and Services and Taxes on International Trade. The Tax Revenue for 2013 is set out in the Table 3 below.

Compared to the original Budget of K8,631.2 million, Tax Revenue is lower by K42.7 million or 0.5 per cent.

**Table 3: Tax Revenue (Kina, Million)**

	2012 Outcome	2013 Original Budget	2013 Revised Budget	2013 Outcome
Tax on Income & Profits	5,853.1	6215.5	6185.8	6081.3
Dom. Taxes on G&S	1,575.5	1613.4	1721.7	1765.8
Taxes on International Trade	697.6	802.3	698.2	741.3
<b>Tax Revenue</b>	<b>8,126.3</b>	<b>8631.2</b>	<b>8605.7</b>	<b>8588.5</b>

Source: Department of Treasury

The shortfall in Tax Revenue compared to the revised Budget estimate is due to lower than expected collections from Taxes on Income and Profits, offsetting higher than expected collections from Domestic Taxes on Goods and Services and Taxes on International Trade.

Taxes on Income and Profits outcome for 2013 is K6,081.3 million. This increased by K228.2 million from the 2012 outcome due to strong collections in Company Tax and Personal Income Tax which increased by K316.0 million and K159.7 million respectively. Dividend Withholding Tax, Gaming Machine Tax and Other Direct Tax were also slightly higher than 2012 outcome. The increases in these tax heads have offset the declines in Mining and Petroleum Taxes and Interest Withholding Tax which were down by K314.4 million and K28.9 million respectively. The Taxes on Income and Profits for 2013 is set out in the Table 4 below.

The shortfall against the original budget estimate of K6,215.5 million is K134.2 million and is largely reflective of lower Mining and Petroleum revenues which offset increases in personal income tax, company tax and dividend withholding tax.

**Table 4: Taxes on Income and Profits (Kina, Million)**

	2012 Outcome	2013 Original Budget	2013 Revised Budget	2013 Outcome
Personal Income Tax	2,645.1	2608.0	2740.4	2808.4
Company Tax	1,740.5	1891.5	2061.6	2060.5
Dividend Withholding Tax	176.5	197.3	232.8	244.5
Mining and Petroleum Tax	981.1	1207.5	815.7	666.7
Interest Withholding Tax	67.4	45.1	49.0	38.5
Other Direct	108.8	119.5	115.6	118.1
Gaming Tax	133.9	146.6	170.6	144.6
<b>Tax on Income &amp; Profits</b>	<b>5,853.1</b>	<b>6215.5</b>	<b>6185.8</b>	<b>6081.3</b>

Source: Department of Treasury

Tax on Income and Profits is K104.5 million lower than the revised Budget estimate of K6,185.5 million, driven by lower than expected collections from Mining and Petroleum Tax (MPT). Mining and Petroleum Tax was lower than expected by K149.0 million due to lower than expected commodity prices (Table 3). Slight shortfalls in Gaming Machine Tax (down K26.0 million), Interest Withholding Tax (down K10.5 million) and Company Tax, (down K1.1 million), also contributed to the overall shortfall in Taxes on Income and Profits. The shortfalls in these tax heads have offset the higher than expected collections of Personal Income Tax (up K68.0 million), Dividend Withholding Tax (up K11.7 million) and Other Direct Tax (up K2.5 million).

The stronger than expected growth in Personal Income Tax is reflective of continued strong employment and wages growth in the domestic economy. Continuation of employment of workers related to LNG plant construction has also contributed to the growth in this tax head. However, this is expected to slowdown in line with the project nearing production in 2014.

Domestic Taxes on Goods and Services have increased by K190.3 million from the 2012 outcome, driven by higher GST transferred to WPA (up K207.2 million) due to high collections in provinces combined with low refunds. This has offset a decline of K18.6 million in Excise Tax. The Domestic Taxes on Goods and Services for 2013 is set out in the Table 5 below.

Compared to the Original Budget estimate of K1,613.4 million, this is an increase of K152.4 million. This is a result of stronger collections of Goods and Services Taxes which offset lower collections of Excise duty and other indirect Taxes.

**Table 5: Domestic Taxes on Goods and Services (Kina, Million)**

	<b>2012 Outcome</b>	<b>2013 Original Budget</b>	<b>2013 Revised Budget</b>	<b>2013 Outcome</b>
Excise Duty	560.5	651.0	606.1	541.9
Goods & Services Tax	1010.0	954.4	1107.5	1217.2
Other Indirect	5.0	8.0	8.0	6.7
<b>Dom. Taxes on Goods &amp; Services</b>	<b>1575.5</b>	<b>1613.4</b>	<b>1721.6</b>	<b>1765.8</b>

Source: Department of Treasury

Domestic Taxes on Goods and Services have increased by K44.2 million from the revised Budget estimate, driven by strong collections from Goods and Services Tax (GST) in provinces and low GST refunds (Table 4). Overall, total GST paid to Waigani Public Accounts (WPA) was higher by K109.7 million. This has offset the shortfall in Excise Duty which was lower than expected by K64.2 million.

Taxes on International Trade outcome for 2013 total K741.3 million. This increased by K43.6 million from the 2012 outcome of K697.7 million, driven by higher Import Duty collections (up K34.2 million) and Export Duty (up K31.8 million). The increase in Import and Export Duty offset a shortfall of K22.3 million in Import Excise. The Taxes on International Trade for 2013 is set out in the Table 6 below.

The original Budget Taxes on International Trade estimate, on the other hand, was over estimated by K61.0 million which assumed all international taxes to increased during the year, however, that was not the case. Excise Duty on Imports was down by K83.2 million, and offset slight increases in Import Duty and Export Duty.

**Table 6: Taxes on International Trade (Kina, Million)**

	<b>2012 Outcome</b>	<b>2013 Budget</b>	<b>2013 Original Budget</b>	<b>2013 Revised Budget</b>	<b>2013 Outcome</b>
Import Duty	223.0	251.3		240.7	257.2
Export Duty	179.9	195.3		190.0	211.7
Excise Duty on Imports	294.8	355.7		267.5	272.5
<b>Taxes on International Trade</b>	<b>697.7</b>	<b>802.3</b>		<b>698.2</b>	<b>741.3</b>

Source: Department of Treasury

Taxes on International Trade were higher by K43.1 million from the revised Budget estimate due to higher than expected collections of Export Duty (up K21.7 million), Import Duty (up K16.5 million) and Import Excise (up K5.0 million).

### **Non Tax Revenue**

Total Non-Tax Revenue outcome for 2013 is K260.9 million. This compared to the 2012 outcome, Non Tax Revenue is down by K149.3 million or 35.3 per cent. The decline is reflective of nil dividends received from the mining and petroleum sector, offsetting a slight increase in dividends from SOEs (up K5.0 million) and Fees and Charges received from Departments (up K112.5 million). The Total Non Tax Revenue for 2013 is set out in the Table 7 below.

Total Non Tax Revenue for 2013 is lower than the original budget estimate of K509.5 million by K235.6 million or down 46.2 per cent (Table 6).

**Table 7: Non Tax Revenue (Kina, Million)**

	2012 Outcome	2013 Original Budget	2013 Revised Budget	2013 Outcome
Property Income	172.3	224.8	264.8	55.0
Dividends	50.0	82.0	132.0	55.0
Mining & Petroleum Divids.	122.3	142.8	132.8	0.0
Interest & Fees from Lending	0.1	4.0	4.0	0.0
Other Non Tax Revenue	106.4	144.7	230.0	218.9
Injections from Trust Accounts	144.4	36.0	36.0	0.0
Asset Sales	0.0	100.0	0.0	0.0
<b>Non Tax Revenue</b>	<b>423.2</b>	<b>509.5</b>	<b>534.8</b>	<b>273.9</b>

Source: Department of Treasury

Compared to the revised Budget, the significant decline is due mainly to the nil payment of Mining and Petroleum Dividends and lower than expected dividends from State Owned Enterprises. Of the revised Budget estimate of K132.0 million, only K50.0 million was received from one SOE in 2013. In addition, collections from Departmental Fees and Charges were also lower by K11.1 million, Injections from Trust Accounts were lower by K36.0 million and Interest and Fees from Lending were lower by K4.0 million.

### Grants and the Infrastructure Tax Credit

Project Grants outcome is K877.5 million for 2013. This is lower than the 2012 outcome, as well as, the original budget and the revised budget estimates which equal each other and remained unchanged throughout the year. Compared to the 2012 Project Grants outcome was down by K213.9 million and down by K333.7 million for both the original and revised budget estimates. The Infrastructure Tax Credit (ITC) was lower than expected by K37.2 million from both the revised Budget estimate and the original Budget. Compared to the 2012 outcome the Infrastructure Tax Credit was larger by K29.0 million.

## 1.3 EXPENDITURE AND NET LENDING

Total Expenditure and Net Lending in 2013 was K12,852.5 million. Compared to the total 2012 expenditure outcome of K10,944.0 million Total Expenditure and Net Lending was K1,908.5 million (17.4 per cent) higher, which is reflective of the substantial increase in funding given to the recurrent (up K182.5 million) and development (up K987.0 million) budgets in 2013.

This outcome was, however, K178.3 million (1.3 per cent) lower than the original 2013 budget estimate, mainly reflecting under expenditure in the development budget more than offsetting over expenditure in the recurrent budget.

**Table 8: Total Expenditure and Net Lending 2012-13 (Kina Millions)**

	2012 Outcome	2013 Original	2013 Revised	2013 Outcome
Service Delivery Expenditure	7,097.2	7,235.0	7,151.1	8,018.7
Development and Capital Investments Expenditure	3,846.8	5,795.8	5,879.9	4,833.8
<b>Total Expend and Net Lending</b>	<b>10,944.0</b>	<b>13,030.8</b>	<b>13,031.1</b>	<b>12,852.5</b>
% of GDP	<b>30.7%</b>	<b>36.6%</b>	<b>37.7%</b>	<b>37.1%</b>

**Service Delivery Expenditure (Recurrent Budget)**

Service Delivery Expenditure assisted with the provision of ongoing funding for delivery of essential services by the Government. In 2013, increased funding was provided through the Recurrent Budget to support Government priorities and key MTDP enablers including: expanding Tuition Fee Free Education in 2013 to also include Grade 11 and 12, introduction of Free Primary Health care, and improvements in Law and Order infrastructure sectors. The outcome for Service Delivery Funding by Agency is shown in Table 9 below.

**Table 9: Total Recurrent Expenditure by Agency Type 2012-13 (Kina Millions)**

	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
National Department	3,952.4	4,681.9	4,511.6	5,631.9
Commercial & Statutory Authorities	392.5	380.6	425.9	433.0
Provincial Government	1,346.6	1,414.5	1,455.1	1,388.8
Autonomous Bougainville Govt	75.2	87.0	88.3	80.2
Interest Payments and Fees	433.4	671.0	670.2	484.8
Net Lending	-2.8	0.0	0.0	0.0
<b>Recurrent Expenditure</b>	<b>6,197.2</b>	<b>7,235.0</b>	<b>7,151.1</b>	<b>8,018.7</b>

Source: Department of Treasury

In 2013, recurrent expenditure totaled K8,018.7million. Compared to the 2012 outcome, total recurrent expenditure increased by K1821.5 million, reflecting increased spending by National Departments.

Against original budget estimates the recurrent budget was over spent by K783.7 million (10.8 per cent).As with previous years there continue to be concerns with over spends in the recurrent budget against original appropriations. In 2013 it was driven by over expenditure on goods and services of K1,286.3 million (42.7 per cent) by national departments and K41.4 million (35.8 per cent) by Statutory Authorities compared to the original budget.

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

**Table 10: Total Recurrent Expenditure 2012-13 (Kina Millions)**

	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
<b>Goods and Services</b>	<b>3,276.0</b>	<b>3,551.0</b>	<b>3,656.6</b>	<b>4,866.6</b>
National Department	2,557.4	3,015.0	3,067.0	4,301.3
Commercial & Statutory Authorities	392.5	115.8	161.0	157.2
Provincial Government	309.1	398.0	406.1	384.0
Autonomous Bougainville Govt	17.0	22.3	22.5	24.1
<b>Personnel Emoluments</b>	<b>2,490.7</b>	<b>3,013.0</b>	<b>2,824.3</b>	<b>2,667.3</b>
National Department	1,395.0	1,667.0	1,444.6	1,330.6
Commercial & Statutory Authorities	0.0	264.8	264.9	275.8
Provincial Government	1,037.5	1,016.5	1,049.0	1,004.8



Autonomous Bougainville Govt	58.2	64.7	65.8	56.1
<b>Recurrent Expenditure on PE &amp; GS</b>	<b>5,766.7</b>	<b>6,564.0</b>	<b>6,480.9</b>	<b>7,533.9</b>

Source: Department of Treasury.

Total expenditure of the Autonomous Bougainville Government was K80.2 million. Compared to the 2012 outcome, recurrent expense for ABG increased by K5.1 million (11.9 percent) .reflective of increased funding for Goods and Services.

Against the original budget, ABG under spent by K6.8 million(7.8 per cent), due to a K8.6 million (13.3 per cent) under spend on personal emoluments.

Total Interest Payments and Fees in 2013 was K51. 4 million (11.9 percent) higher than the 2012 outcome, primarily reflecting increased interest payments, especially under domestic financing as a result of consecutive budget deficits.

Nevertheless, Total Interest Payments and Fees wereK186.2 million (27.7 per cent) lower than the original Budget estimate. This reflected the effect of high liquidity on the demand for domestic issuance, resulting in lower than expected interest rates.

### Development and Capital Investments Expenditure

Total Development Budget expenditure in 2013 was K4,833.8 million. Compared to the 2012 outcome, Total Development Budget expenditure increased by K987.0 million (25.7 percent), reflective of increased spending under Domestic Funds (up K1,041.0 million), Infrastructure Tax Credits ( up K29 million) and Concessional Loan Drawdown's (up K130.9 million).

Against the 2013original budget, the outcome was K962 million (16.6 per cent) lower. Factors contributing to the lower than expected outcome for the Development Budget include; under spends in domestic funds, the slow and limited draw down rates for concessional loans, under utilization of tax credits and under reporting for both project grants and concessional loans.

The table below shows the different expenditure heads under the Development Budget and their outcomes for 2013.

**Table 11: Development Budget 2012-13 (Kina Millions)**

Source of Funding	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
Domestic Funds	2,374.4	3,810.8	3,894.3	3,415.4
Project Support Grants	1,091.4	1,211.0	1,211.2	877.5
Infrastructure Tax Credits	63.8	130.0	130.0	92.8
Loans	317.2	644.0	644.4	448.1
<i>Concessional</i>	<i>317.2</i>	<i>644.0</i>	<i>644.4</i>	<i>448.1</i>
Commercial				
<b>Total Development Budget</b>	<b>3,846.8</b>	<b>5,795.8</b>	<b>5,879.9</b>	<b>4,833.8</b>

Source: Department of Treasury.

Against the 2012 outcome domestic funds spending (GoPNG Development Budget component) was K1,041.0 million (43.8 percent ) higher. This was driven by an increased allocation for Infrastructure spending and other key priorities under the Alotau Accord.

Expenditure on Domestic Funds was K395.4 million (10.4 per cent) lower than the original budget estimate. This underspend may be a reflection of the slower expenditure from line

agencies as well as the enforcement by the Department of Planning and Monitoring on implementing Agencies to present monthly cash flows and project 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 2013 (Kina Millions)**

	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
National Department	1,392.1	1,370.1	1,378.4	1,477.4
Commercial & Statutory Authorities	661.0	495.0	577.8	566.9
Provincial Government	321.3	1,945.7	1,938.1	1,371.1
<b>Total Domestic Funds</b>	<b>2,374.4</b>	<b>3,810.8</b>	<b>3,894.3</b>	<b>3,415.4</b>

Source: Department of Treasury.

In 2013, spending by National Departments was K85.3 million (6.1 per cent) higher than the 2012 outcome. This was mainly driven by increased allocations for infrastructure development funding especially under the Department of Works.

Overall there was overspending of Domestic Funds by the National Departments of K107.3 million (7.8 per cent) against the original appropriations.

Commercial Statutory Authorities (CSA) reported spending K94.1 million (14.2 percent) less than the 2012 outcome and a K71.9 million over spend against their 2013 original appropriation for Domestic Funds.

Against their original appropriation those Commercial Statutory Authorities (CSA) that reported a number of over spends, are the National Development Bank (K75.0 million); National Airports Corporation (K5.0 million); Office of Coastal Fisheries Development Agency (K2.8 million; and the Research Institute (K2.0 million).

Provinces spent K1049.8 million (326.7 percent) more than their 2012 outcome, reflecting the Governments move in the 2013 Budget to provide increased and direct funding to the lower levels of Government.

Provinces reported under spends of K574.6 million (29.5 per cent) against their original appropriations which may be due to the lack of capacity to implement, especially at the district and LLG levels.

Project Support Grants were K333.5 million (27.5 per cent) lower than the original budget estimate of K1, 211.0 million. The lower than anticipated outcome was due to the lag in reporting of project support grants.

For Project Grants, the outcome of K877.5 million includes figures from AusAID, the World Bank and NZaid with AusAID being the largest contributor with K867.7 million (71.6 per cent).

Infrastructure Tax Credit expenditure was K37.2 million (28.6 per cent) lower than the original budget estimate. This under-spending has become a general trend across the scheme as this is caused by the lengthy deliberations and project proposal assessments for project submissions by companies involved in the scheme.

For concessional loans, only K448.1 million of K644.4 million available was drawn-down for the implementation of the Development Budget in 2013, indicating that (30.5 per cent)

of the concessional loans available were not utilized. The key reasons for this were capacity issues; lengthy procurement processes; and poor coordination and consultation between government agencies and donor partners.

### 2013 Supplementary Budget

Parliament passed the 2013 Supplementary Budget of K379.8 million in November 2013. The Supplementary Budget provided for the reallocation of K379.8 million from some 2013 Budget items to make funding available for the completion of the 2015 SP Games facilities (K315.8 million), the cost of Power Generators (K50 million) and the 2014 Melanesian Arts Festival (K14 million). Although, the reallocation did not affect total 2013 expenditure at the aggregate level, it did affect expenditure outcomes at the project level.

As all of these funds needed to be spent before 31st December 2013, it was not feasible to obtain this outcome with around one month of 2013 remaining. As a result, only K64.0 million was spent directly through the recurrent budget and the rest were earmarked for payment into trust accounts.

## 1.4 FINANCING

The performances of Total Revenue and Grants, and Total Expenditure and Net Lending have led to a budget deficit for 2013 of K2,631.6 million or 7.6 per cent of GDP.

The significant increase from the 2012 deficit outcome of K1,377.9 million which is 4.3 per cent of GDP is a deliberate intervention by the Government to support continued economic growth with expenditures prioritized towards the Medium Term Development Plan (MTDP) enablers particularly infrastructure and the purchase of K305 million equity in the LNG project due to their more immediate impact on future economic growth. The large deficit and the PNG LNG equity were financed from both external and domestic sources of funding.

The 2013 budget deficit outcome compared to the revised budget estimate is lower and although the lower budget deficit outcome for 2013 may be considered a good budget position outcome for 2013, it also means that the Government has not fully implemented the 2013 Budget as originally planned and that the Government was faced with lower than anticipated Total Revenues and Grants during the year.

### External Funding

Total Concessional Loan draw downs amounted to K448.1 million for 2013. This is K106.0 million higher than the 2012 Outcome and K196.6 million lower than the original and revised Budget estimates that remained unchanged at K644.7 million. The External Borrowing for 2012 to 2013 is set out in the Table 13 below.

**Table 13: External Borrowing 2012-13 (Kina Millions)**

	2012 Outcome	2013 Original	2013 Revised	2013 Outcome
<b>New External Borrowing</b>	<b>342.1</b>	<b>644.7</b>	<b>644.7</b>	<b>448.1</b>
Concessional financing	342.1	644.7	644.7	448.1
Commercial Financing	0.0	0.0	0.0	0.0
Exceptional Financing	0.0	0.0	0.0	0.0
<b>Repayment of Principal</b>	<b>164.3</b>	<b>168.7</b>	<b>168.7</b>	<b>169.9</b>

**Net External Borrowing**

177.8

476

476

278.2

Source: Department of Treasury

The lower drawdown than the original and revised Budget estimates is due to delays in the implementation of a number of underlying projects. Repayment of principal on external loans was K169.9 million which is K5.6 million or 3.4 per cent higher than the 2012 Outcome and K1.2 million higher than the original and revised Budget estimate. This performance resulted in net external financing of K278.2 million for 2013.

Domestic issuance in 2013 totaled K6,914.6 million which comprise K5,498.9 million in Treasury Bills and K1,415.7 million of Inscribed Stock. Treasury Bills were used to fund the K305 million shortfall in the State's equity purchase in the PNG LNG Project. Repayment of principal was K4,188.0 million in 2013 comprising of K4,049.8 million of Treasury Bills and K138.3 million of Inscribed Stock. The Domestic Borrowing for 2012 to 2013 is set out in the Table 14 below.

**Domestic Funding****Table 14: Domestic Borrowing 2012 – 2013 (Kina Millions)**

	2012 Outcome	2013 Original	2013 Revised	2013 Outcome
New Domestic Borrowing	4,076.9	5,741.6	6,712.8	6,914.6
Treasury Bills Financing	3,470.2	3,520.6	5,296.8	5,498.9
Inscribed Stock Financing	606.7	816.0	1,416.0	1,415.7
Other Domestic Financing	-	1,405.0	-	-
Repayment of Principal	3,079.8	3,354.6	4,188.0	4,188.0
<b>Net Domestic Borrowing</b>	<b>997.1</b>	<b>2,387.0</b>	<b>2,524.8</b>	<b>2,726.5</b>

Source: Department of Treasury

In summary, the Government's Net Borrowing for 2013, more or less reflected the performance of Total Revenue and Grants, and Total Expenditure and Net Lending in 2013. The Summary of the Net Borrowings for 2013 is set out in the Table 15 below.

**Table 15: Summary of Net Borrowings 2013 (Kina Millions)**

	2013 Outcome
<b>FINANCING</b>	
Net Domestic Borrowing	2,726.5
Net Foreign Borrowing	278.2
Total Net Borrowing	3004.7
Change in WPA Balance (Cash on hand used)	238.9
<b>Funds raised</b>	<b>3,243.6</b>
Deficit	-3019.7
LNG Equity Purchase	-305
2013 Trust Accounts	-30
Cheque Float	-227.6
<b>Changes in Cash Balances and Float (Use of funds)</b>	<b>-3,582.3</b>
Balancing Item (Unexplained financing)	-338.7

Source: Department of Treasury

### Debt Service

Total Debt Service comprises of repayment of Principal and Interest. In 2013, repayment of principal was K4,357.9 million comprising of K 169.9 for external debt and K4,188.0 for domestic debt. The Interest and Fees for 2013 is set out in the Table 16 below.

Total Interest and fees paid in 2013 was K484.8 million comprising of K42 .1 million for external debt and K442.7 million for domestic debt. Total interest paid was K186.4 million lower than the original Budget estimate.

**Table 16: Interest and Fees (Kina Millions)**

	Appropriation			2013 Outcome	Differenc e
	2013 amount	Transfer s	Final available		
<b>Domestic</b>					
Interest and other fees paid	617.4	(1.0)	616.4	481.9	(135.5)
<i>Less interest offsets:</i>					
Interest accrued on issuance <sup>1</sup>				(25.7)	
Net premium on issuance <sup>2</sup>				(13.5)	
				<b>442.7</b>	
<b>External</b>					
Interest and other fees paid	53.8		53.8	42.1	(9.7)
<b>Total Interest and Fees</b>	<b>671.2</b>	<b>(1.0)</b>	<b>670.2</b>	<b>484.8</b>	<b>(186.4)</b>

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 is K11,880.3 million at the end of 2013, which is higher than the 2012 outcome (up K3,010.5 million), the original budget estimate (up K1,307.7 million) and the 2013 revised estimate (K388,7 million).. The Public Debt for 2012 to 2013 is set out in the Table 16 below.

The level of domestic debt is K8,844.8 million at the end of 2013, this is K2,726.5 million above the 2012 outcome, K563 million above the original budget estimate and K201.4 million above the 2013 revised estimate. The increase in domestic debt levels was mainly due to higher than anticipated Treasury Bills issuance to finance the 2013 budget deficit.

The level of External debt amounted to K3,035.5 million at the end of 2013. This is K284.0 million higher than the 2012 outcome, K744.7 million higher than the original 2013 budget estimate and K187.2 million above the revised budget estimate. The increase in net external borrowing in 2013 is less exchange rate gains.

Lower than anticipated GDP growth also contributed to debt as a percentage of GDP increasing from 27.6 per cent in 2012 to 34.3 per cent in 2013.

**Table 17: Public Debt 2012 – 2013 (Kina, Millions)**

	2012 Actual	2013 Budget	2013 Revised	2013 Outcome
<b>Domestic</b>	<b>6,118.3</b>	<b>8,281.8</b>	<b>8,643.3</b>	<b>8,844.8</b>
Treasury Bills	2,751.6	2,832.1	3,998.6	4,200.7
Inscribed Stock	3,366.6	4,044.7	4,644.7	4,644.1
Other Domestic Debt	0.0	1,405.0	0.0	0.0
<i>Domestic Debt as a % of GDP</i>	<i>19.0</i>	<i>23.3</i>	<i>25.0</i>	<i>25.6</i>
<b>External</b>	<b>2,751.5</b>	<b>2,290.8</b>	<b>2,848.3</b>	<b>3,035.5</b>
International Agencies	2,672.2	2,240.0	2,831.9	3,021.4
Commercial Loans	79.3	50.8	16.4	14.1
Other Loans	0.0	0.0	0.0	0.0
<i>External Debt as a % of GDP</i>	<i>8.6</i>	<i>6.4</i>	<i>8.2</i>	<i>8.8</i>
<b>Total Public Debt Outstanding</b>	<b>8,869.8</b>	<b>10,572.6</b>	<b>11,491.6</b>	<b>11,880.3</b>
<i>As % of GDP</i>	<i>27.6</i>	<i>29.7</i>	<i>33.2</i>	<i>34.3</i>

Source: Department of Treasury

## 1.6 SUPERANNUATION

In accordance to Sections 4 and 76 of the Superannuation (General Provisions) Act 2000, the State is obliged to make a mandatory superannuation contribution of an agreed 8.4 percent of the gross salary, individually, on behalf of all its employees, to Nambawan Super Limited (Super).

Since then, due to no budgetary allocations in some fiscal years, the State has incurred superannuation arrears which are yet to be funded. Based on the 2012 Nambawan Super Annual Report, the estimated total unfunded State Share Superannuation liabilities was K1,972.0 million as at end 31 December 2012, which excludes payments that were made in 2013.

The Automation of the State Share Superannuation Contribution program since its inception has been up to date and administratively efficient. This program enables the State to make mandatory superannuation contributions through the government payroll system on a fortnightly basis. A payroll deduction code was created which allows the appropriate amount of superannuation contributions from a budgetary allocation under the Department of Treasury to be remitted to a commercial bank account (operated by the Nambawan Super).

The Automation Process remits yearly State Share Superannuation Contributions allocated in a fiscal year while its superannuation liabilities are paid off manually. In 2013, the Department of Treasury, on behalf of the State manually paid a bout K141.9 million in superannuation payments (Table 18). This comprised exit payments of K82.0 million and K59.9 million in arrears.

In 2014, Treasury has allocated K190.0 million towards the State's Superannuation obligations.

**Table 18: State's unfunded superannuation liability and Payments (Kina Million)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Est. Unfunded liability</b>	<b>1,198</b>	<b>1,458</b>	<b>1,740</b>	<b>1,871</b>	<b>2,036</b>	<b>2,060</b>	<b>2,038</b>	<b>1,972</b>	<b>YTC1</b>
<b>Total Payments</b>	<b>82.3</b>	<b>58.7</b>	<b>362.4</b>	<b>320.3</b>	<b>110</b>	<b>118</b>	<b>349.9</b>	<b>327.8</b>	<b>141.9</b>
<i>Employer Contribution</i>	36.4	18.1	25.6	30.8	52.4	41.9	72.2	147.7*	
<i>Exit payment Lump-sum</i>	45.9	40.6	86.8	99.5	57.6	76.1	67.6	57.40	82
<i>Arrears Section 45A</i>			250	190			200.1	112.70	59.9
							10	10	

1 The 2013 estimated unfunded liability is yet to be confirmed

Source: NSL Annual Reports 04-12 and DoT data

\*K120 million was put aside for automation.

## 1.7 TRUST ACCOUNTS

The purpose of holding funds in Trust Accounts is to spread spending over time to control demand and inflationary pressures on the economy, as well as to give time to implementing agencies to properly design implementation strategies to execute projects.

Since 2005, up to and including the 2013 Budget, a total of K7270.2 million has been paid into Trust Accounts for implementation of the Government's priority programs. The vast majority of this comprises appropriations from Supplementary Budgets and Additional Priority Expenditure. Table 12 provides a summary on the movement of funds in and out of Trust Accounts from 2005 to 2013.

**Table 19: Source of Funds for Trust Accounts: 2005 – 2013 (Kina Million)**

Year	Deposits from SBE & APE(1)	Deposits from Annual Budgets & Interest	Spending from Trust Accounts	Net Savings (Deposits less Spending)

2005	400.0		0	400.0
2006	568.4		0	568.4
2007	1,283.0		76.0	1,207.0
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
2013	0	450.0	537.1	-326.0

Source: Department of Treasury and Department of Finance

Table 13 below shows that the opening balance for Supplementary Budget Trust Accounts at 1 January 2013 was K628.1 million. Total receipts for the period 1 January to 31 December 2013 of K515.2 million from deposits from the Budget. The closing balance of Budget Funded Trust Accounts as at 31 December 2013 was K612.6 million.

Total expenditure from Budget Funded Trust Accounts in 2013 was K537.1 million or 2.2 per cent of GDP. In current kina terms this represents the lowest Trust Account expenditure since 2008.

It is expected that the use of trust accounts will be phased out over time as a result of the introduction of multi-year budgeting and the establishment of the Development Fund within the PNG Sovereign Wealth Fund.

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 to be limited to a maximum of 4 per cent of GDP per annum.

The revenue rules have changed significantly under the new MTFS 2013-2017. The Government has now passed an Organic Law to establish the PNG Sovereign Wealth Fund (PNG SWF). The PNG SWF includes a Stabilization Fund, and it is the deposit and withdrawal rules for this Stabilization Fund that effectively replaces the "excess minerals revenue" rules of the previous MTFS. The purpose of the SWF Stabilization Fund is to provide a buffer for PNG from the high price volatility of the mining and petroleum sector while at the same time ensuring that the Government has access to the revenues it receives from the mining sector. The SWF's deposit and withdrawal rules will come into place only when the country's mineral revenues exceed the 15 year long term moving average of resource revenue as a share of non-resource revenue. All mineral revenues below this will be transferred from the Stabilization Fund to the Government's Budget.

Table 13 shows the movements in Trust Accounts for the period 1 January to 31 December 2013.

**Table 20: Movements of Funds in Trust Accounts in 2013 (Kina millions)**

Description	Balance as at 1-Jan-13	Debit (Receipt)	Credit (Payment)	Balance as at 31-Dec-13
Education Sector Infrastructure Rehabilitation	1.1	0.0	0.0	1.1
Higher Education Sector Infrastructure Rehabilitation	7.4	0.4	5.5	2.3



Description	Balance as at 31 Jan 13	Debit (Receipt)	Credit (Payment)	Balance as at 31 Dec 13
Transport Sector Infrastructure Rehabilitation	8.0	40.4	0.9	47.5
Kokopau to Arawa Road Upgrading and Bitumen Sealing	8.7	0.0	6.1	2.6
Trans Sepik Highway	10.0	0.0	10.0	0.0
Trans East - West New Britain Highway	2.0	0.0	1.3	0.7
Central Malalaua Highway	10.0	0.0	1.0	9.0
Resettlement of Rabaul Volcano Victims	3.2	0.0	3.0	0.2
Hospital and Healthcare Centre Rehabilitation	0.0	0.0	0.0	0.0
Rehabilitation of Housing for Nurses	1.3	0.0	1.1	0.2
Rehabilitation of Housing for Police *	25.2	0.0	6.5	18.7
District Services Improvement Program	191.8	0.0	127.3	64.5
Institutional Housing Pilot	0.0	0.0	0.	0.0
Urbanisation Pilot	7.3	0.0	3.2	4.1
Housing Development Pilot	0.0	0.0	0.0	0.0
Rural Electrification	0.6	0.0	0.6	0.0
Konebada Petroleum Park	0.0	0.0	0.0	0.0
Regional, Provincial Treasury and District Admin. Offices	0.2	0.0	0.0	0.2
LNG Project Development Cost	1.5	5.0	0.0	6.5
Infrastructure Development Grants	2.4	120.0	0.0	122.4
Coastal Vessels	0.1	0.0	0.0	0.1
Outstanding MOA Liabilities	0.0	0.0	0.0	0.0
Highlands Highway Rehabilitation	7.2	0.0	7.2	0.0
Rural District Roads Support	2.1	0.0	0.0	2.1
PNG LNG High Impact Infrastructure	51.7	50.0	58.3	43.4
Variarata National Park Rehabilitation	0.0	0.0	0.0	0.0
District Offices Rehabilitation	0.4	0.0	0.0	0.4
Mining Legal Costs	0.3	0.0	0.1	0.2
2010 National Census	0.0	0.0	0.0	0.0
Provincial Government Members entitlement	0.0	0.0	0.0	0.0
National High School Renovation and Upgrading	0.0	0.0	00.0	0.0
Port Moresby Roads	2.9	0.0	2.6	0.3
Tuition Fee Free Education	34.1	12.0	5.8	40.3

Description	Balance as at 1 Jan 13	Debit (Receipt)	Credit (Payment)	Balance as at 31 Dec 13
South Pacific Games	146.3	180.0	237.0	89.3
Port Moresby General Hospital Infrastructure and Improvement	3.3	0.0	3.3	0.0
Defence Barracks Maintenance and Improvement	0.0	0.0	0.0	0.0
Restoration and Development Grant (ABG)	94.8	100.0	42.9	151.9
Trade Skills Scholarships	4.2	7.4	7.9	3.7
<b>TOTAL</b>	<b>628.1</b>	<b>515.2</b>	<b>537.1</b>	<b>612.6</b>

The Government of PNG appropriated K450.0 million into trusts funds through the normal 2013 Budget process and another K315.8 million in the 2013 Supplementary Budget for the 2015 South Pacific Games. However, a delay in the issuing of the warrant meant that this K315.8 million was not subsequently deposited into the 2015 Pacific Games Trust account in 2013. Payment in to the Trust Account is planned for 2014.

There were also some movements between trust funds recorded over the course of 2013, with K39.4 million having been re deposited into the Transport Sector from the CPG Special Project Trust following an NEC Decision in 2013.

Following is a summary of expenditure for Supplementary Budget (Budget Funded) Trust Accounts for the period 1 January – 31 December 2013 where more than K5.0 million was expended:

- **K5.5 million was spent from the Higher Education Sector Infrastructure Rehabilitation Trust Account** for infrastructure maintenance of the four (4) government funded universities.
- **K6.1 million was spent from the Kokopau to Arawa Road Upgrading and Bitumen Sealing Trust Account.**
- **K10.0 million was spent from the Trans Sepik Highway Trust Account** for the maintenance and upgrading of the Highway.
- **K6.5 million was spent from the Rehabilitation of Housing for Police Trust Account** for the maintenance and upgrading of Police houses around the nation.
- **K127.3 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
- **K7.2 million was spent from the Highlands Highway Rehabilitation** during this period in relation to rehabilitation of the Highlands Highway.
- **K58.3 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 and Hela Province.
- **K5.8 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.
- **K237.0 million was spent from the 2015 Pacific Games Trust Account** during this period in relation to the design and construction of stadiums, aquatic centre and games villages within Port Moresby city.

- **K42.9 million was spent from the ABG Restoration and Development Grant Trust** during this period in relation to impact projects associated with the ABG Restoration and Development program in the Autonomous Region of Bougainville.
- **K7.9 million was spent from the Trade Skills Scholarship Trust** in relation to the TVETT programs during this period.

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

DSIP Trust Accounts are designed to fund priority expenditure programs in the Districts. A total of K1,789.0 million has been appropriated to the DSIP Trust Accounts over the period 2006-2013.

As at 31 December 2013 the combined balance of the 89 District subsidiary bank accounts still held at BSP was almost K64.6 million. The total DSIP balance reported in Table 14 reflects both the K1.0 million held in the primary account at BPNG and the amounts held in the subsidiary trust accounts.

These accounts will soon be closed pending Cabinet approval.

Table 14 shows the movements of funds for the period 1 January to 31 December 2013 for each of the 89 DSIP subsidiary Bank Accounts.

**Table 21: Movement of funds for the period 1 January to 31 December 2013 for each of the 89 DSIP Subsidiary Bank Accounts.**

<b>District</b>	<b>Total Fund Paid into Trust</b>	<b>Balance as at 01-Jan-13</b>	<b>DSIP Debits (Receipts)</b>	<b>Non DSIP Deposits</b>	<b>Credits (Payments)</b>	<b>Balance as at 31-Dec-13</b>
Abau	20,000,000	7,413	70		7,439	44
Goilala	20,000,000	2,986	-		135	2,851
Kairuku Hiri	20,000,000	36,473	-		1,630	34,843
Rigo	20,000,000	1,642	-		140	1,502
Gazelle	20,000,000	2,084,073	-		1,773,955	310,117
Kokopo	20,000,000	1,986,246	-		1,845,163	141,083
Pomio	20,000,000	6,144,000	-		6,045,708	98,293
Rabaul	20,000,000	2,712,621	-		1,529,804	1,182,817
Ambunti-Drekikir	20,000,000	169,650	-		142,518	27,132
Angoram	20,000,000	3,055,222	-		598,691	2,456,532
Maprik	20,000,000	5,895,508	-		5,486,618	408,890
Wewak	20,000,000	506,781	160.10		1,448,292	1,955,233
Wosera-Gawi	20,000,000	6,467,911	-		5,996,730	471,181

District	Total Fund Paid into Trust	Balance as at 01-Jan-13	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-13
Yangogoru-Saussia	20,000,000	94,904	39.89		94,870	74
Daulo	20,000,000	3,143,307	-		2,960,546	182,761
Goroka	20,000,000	11,275,758	-		11,207,458	68,300
Henganofi	20,000,000	5,185	-		150	5,035
Kainantu	20,000,000	760,950	-		759,746	1,204
Lufa	20,000,000	3,918,419	-		3,904,112	14,307
Obura-Wanenara	20,000,000	986,536	18.62		252,559	733,996
Okapa	20,000,000	1,300,448	-		1,275,240	25,208
Unggai-Bena	20,000,000	429,951	-		3,650	426,301
Kandep *	22,000,000	13,792	-		392	13,400
Kompam-Ambun	20,000,000	168,790	-		162,034	6,756
Lagaip-Porgera	20,000,000	131,418	-		115,210	16,208
Wabag	20,000,000	674,893	-		647,948	26,945
Wapenamanda	20,000,000	625,311	-		625,156	155
Kerema	20,000,000	1,521,101	-		1,508,312	12,789
Kikori	20,000,000	20,797	-		16,673	4,124
Bogia	20,000,000	3,106,319	-		722,793	2,383,526
Madang	20,000,000	1,979,223	-		1,745,691	233,532
Middle Ramu	20,000,000	1,012,340	-		1,010,125	2,215
Raikos	20,000,000	729,861	-		723,279	6,582
Sumkar	20,000,000	719	-		650	69
Usino-Bundi	20,000,000	2,131,357	-		2,058,064	73,293
Manus * & **	21,000,000	4,999,397	460.70		1,385	5,001,242
Alotau / Rabaraba	20,000,000	845,539	-		608,778	236,761
Esa'ala	20,000,000	6,708,166	-		6,356,907	351,259
Kiriwina	20,000,000	2,440,045	-		2,205,436	234,609
Samarai Murua	20,000,000	298,640	-		294,794	3,846
Bulolo	20,000,000	22,044				21,794

District	Total Fund Paid into Trust	Balance as at 01-Jan-13	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-13
			-		250	
Finschaffen	20,000,000	5,063,446	-		1,996,837	3,066,609
Huon Gulf **	20,000,000	4,518,670	-		3,833,409	685,261
Kabwum	20,000,000	1,718,019	-		1,718,027	-8
Lae	20,000,000	5,086,307	-		5,085,747	559
Markham	20,000,000	8,478,883	-		4,763,024	3,715,859
Menyamyra	20,000,000	976,726	-		499,664	477,062
Nawaeb	20,000,000	215,554	-		78,863	136,691
Tewa-Siasi	20,000,000	2,906,789	-		585,639	2,321,149
Moresby North	20,000,000	121,302	-		120	121,182
Moresby North West	20,000,000	2,482,006	-		2,481,844	162
Moresby South	20,000,000	1,987,587	-		1,954,996	32,591
Kavieng	20,000,000	463,392	-		105,789	357,603
Namatanai	20,000,000	4,874,943	-		3,719,335	1,155,608
Central Bougainville	20,000,000	6,971,923	-		5,630,136	1,341,786
North Bougainville	20,000,000	1,560,460	-		1,552,104	8,355
South Bougainville	20,000,000	471,854	-		294,562	177,292
Ijivitari	20,000,000	74,703	-		-	233,986
Sohe	20,000,000	12,663	-		820,524	833,186
Aitape-Lumi	20,000,000	29,697	-		562	29,135
Nuku	20,000,000	1,397,832	-		1,194,313	203,519
Telefomin *	22,000,000	489	-		393	96
Vanimo-Green	20,000,000	3,932,535	391		94,541	3,838,385
Chuave	20,000,000	429,803	-		412,523	17,280
Gumine	20,000,000	665,235	-		-	665,398
Karamui-Nomane	20,000,000	1,344,992	-		657,969	687,023
Kerowagi	20,000,000	202,050	-		200,610	1,440
Kundiawa-Gembogl	20,000,000	994,260	-		456,440	537,820
Sinasina-Yongumugl	20,000,000	4,364,431	-		3,361,513	1,002,918

District	Total Fund Paid into Trust	Balance as at 01-Jan-13	DSIP Debits (Receipts)	Non DSIP Deposits	Credits (Payments)	Balance as at 31-Dec-13
Ialibu-Pangia	20,000,000	3,721,637	-		596,167	3,125,470
Imbongu *	22,000,000	132,145	-		30,924	163,069
Kagua-Erave	20,000,000	74,845	-		265	74,580
Komo-Magarima	20,000,000	4,722	40		4,665	97
Koroba-L/Kopiago	20,000,000	3,724,410	-		3,695,659	28,751
Mendi *	21,000,000	1,757,538	-		469,647	2,227,185
Nipa-Kutubu	20,000,000	8,881	-		320	8,561
Tari-Pori	20,000,000	1,133,725	-		133,760	999,965
Kandrian	20,000,000	272,125	-		118,891	153,235
Talasea *	21,000,000	2,365,488	-		2,193,784	171,703
Middle Fly	20,000,000	13,171,410	-		3,005,370	10,166,040
North Fly	20,000,000	90,541	-		70,354	20,187
South Fly	20,000,000	6,586,540	-		2,274,200	4,312,340
Dei **	20,000,000	7,821,890	-		7,410,813	411,077
Hagen	20,000,000	4,632,869	-		989,787	3,643,083
Jimi	20,000,000	12,302	-		93,238	105,540
Mul/Bayer	20,000,000	3,584,849	-		3,459,994	124,855
North Waghi	20,000,000	60,296	-		59,135	1,161
South Waghi	20,000,000	1,927,371	-		1,927,256	115
Tambul-Nebiler	20,000,000	1,707	-		120	1,587
	<b>1,789,000,000</b>	<b>191,847,576</b>	<b>1,180</b>		<b>127,285,396</b>	<b>64,563,360</b>

## **FISCAL OUTTURN TABLES**

Treasury publishes fiscal outturn reports on a monthly basis. The last report was issued for December 2013. This presentation is also consistent with the 1986 GFS cash reporting classification for the Government Sector.

**TABLE 1 : CENTRAL GOVERNMENT REVENUE**

Kina, Millions

	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
<b>TAX REVENUE</b>	<b>8,148.3</b>	<b>8,631.2</b>	<b>8,605.5</b>	<b>8,588.5</b>
<b>TAX ON INCOME AND PROFITS</b>	<b>5,875.1</b>	<b>6,215.5</b>	<b>6,185.7</b>	<b>6,081.3</b>
Personal Income Tax	2,648.7	2,608.0	2,740.4	2,808.4
Company Tax	1,744.5	1,891.5	2,061.6	2,060.5
Dividend Withholding Tax	190.7	197.3	232.8	244.5
Interest Withholding Tax	981.1	45.1	49.0	38.5
Mining and Petroleum Taxes	67.4	1,207.5	815.7	666.7
Gaming Tax	108.8	146.6	170.6	144.6
Other: Direct	133.9	119.5	115.6	118.1
<b>DOM. TAXES ON GOODS AND SERVICES</b>	<b>1,575.5</b>	<b>1,613.4</b>	<b>1,721.6</b>	<b>1,765.8</b>
Excise	560.5	651.0	606.1	541.9
GST	1,010.0	954.4	1,107.5	1,217.2
Other: Indirect	5.0	8.0	8.0	6.7
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>697.7</b>	<b>802.3</b>	<b>698.2</b>	<b>741.4</b>
Import Duty	223.0	251.3	240.7	257.2
Export Duty	179.9	195.3	190.0	211.7
Excise duties on Imports	294.8	355.7	267.5	272.5
<b>NON-TAX REVENUE</b>	<b>423.2</b>	<b>509.5</b>	<b>534.8</b>	<b>273.9</b>
<b>PROPERTY INCOME</b>	<b>172.3</b>	<b>224.8</b>	<b>264.8</b>	<b>55.0</b>
Dividends	50.0	82.0	132.0	55.0
Mining and Petroleum Dividends	122.3	142.8	132.8	0.0
<b>INTEREST AND FEES FROM LENDING</b>	<b>0.1</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>OTHER NON TAX REVENUE</b>	<b>106.4</b>	<b>144.7</b>	<b>230.0</b>	<b>218.9</b>
<b>ASSETS SALES</b>	<b>144.4</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>
Injections from Trust	0.0	36.0	36.0	0.0
<b>TOTAL REVENUE</b>	<b>8,571.5</b>	<b>9,140.7</b>	<b>9,140.3</b>	<b>8,862.4</b>
% of GDP	26.7%	25.7%	26.4%	25.6%
<b>INFRASTRUCTURE TAX CREDIT</b>	<b>63.8</b>	<b>130.0</b>	<b>130.0</b>	<b>92.8</b>
<b>GRANTS</b>	<b>930.8</b>	<b>1,211.2</b>	<b>1,211.2</b>	<b>877.5</b>
Budgetary Support	0.0	0.0	0.0	0.0
Project Grants	930.8	1,211.2	1,211.2	877.5



<b>TOTAL REVENUE AND GRANTS</b>	<b>9,566.1</b>	<b>10,481.9</b>	<b>10,481.5</b>	<b>9,832.7</b>
As % of GDP	29.8%	29.5%	30.3%	28.4%
<b>PRINCIPAL RECEIPTS FROM LENDING</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>1.0</b>
<b>GROSS BORROWING</b>	<b>4,622.0</b>	<b>6,377.2</b>	<b>7,465.0</b>	<b>7,362.7</b>
<b>ASSET SALES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL RECEIPTS</b>	<b>14,192.1</b>	<b>16,863.1</b>	<b>17,950.5</b>	<b>17,196.4</b>
As % of GDP	44.2%	47.4%	51.9%	49.7%

Source: Department of Treasury

**TABLE 2: CENTRAL GOVERNMENT EXPENDITURE**  
Kina, Millions

	<b>2012 Actuals</b>	<b>2013 Original</b>	<b>2013 Revised</b>	<b>2013 Outcome</b>
<b>National Department</b>	<b>6,603.1</b>	<b>7,522.1</b>	<b>7,392.1</b>	<b>7,109.2</b>
Personnel Emoluments	1,395.0	1,669.3	1,669.3	1,447.9
Goods & Services	2,557.4	2,606.8	2,641.1	1,915.0
Utilities, Rentals and Property Costs	529.7	529.4	529.4	555.2
Grants Subsidies and Transfers	1,392.1	1,386.4	1,256.5	1,285.3
Acquisition of Existing Assets	27.6	14.7	14.7	26.0
Capital Formation	700.8	1,315.5	1,281.1	868.1
Other	0.5	0.0	0.0	1,011.8
<b>Provincial Government</b>	<b>1,582.1</b>	<b>3,203.2</b>	<b>3,203.2</b>	<b>2,618.8</b>
Personnel Emoluments	1,031.2	-	1,008.3	185.9
Goods & Services	17.5	1,178.9	1,179.0	1,187.0
Grants Subsidies and Transfers	462.2	1,874.0	865.6	1,654.1
Capital Formation	71.2	150.3	150.3	137.3
Other (write offs and depreciations)	0.0	0.0	0.0	-
<b>Autonomous Bougainville Government</b>	<b>255.1</b>	<b>259.1</b>	<b>259.1</b>	<b>221.3</b>
Personnel Emoluments	58.4	-	64.7	12.3
Goods & Services	75.2	6.6	6.6	4.0
Grants Subsidies and Transfers	121.5	154.5	89.8	126.2

Capital Formation	0.0	98.0	98.0	98.0
Other	0.0	0.0	0.0	19.2
<b>Commercial &amp; Statutory Authorities</b>	<b>1,080.3</b>	<b>1,375.3</b>	<b>1,374.9</b>	<b>999.9</b>
Personnel Emoluments	7.8	265.1	265.1	275.6
Goods & Services	72.0	225.6	225.6	149.4
Utilities, Rentals and Property Costs	1.2	38.6	38.6	41.8
Grants Subsidies and Transfers	495.3	75.2	75.2	133.1
Acquisition of Existing Assets		0.4	0.0	0.4
Capital Formation	503.2	770.4	770.4	399.8
Capital Transfers	0.8	0.0	0.0	0.0
<b>Interest Payments</b>	<b>459.6</b>	<b>671.0</b>	<b>554.1</b>	<b>484.8</b>
Domestic Interest Payments	415.2	617.4	498.7	442.7
Foreign Interest Payments	44.4	53.6	55.4	42.1
<b>Infrastructure Tax Credits</b>	<b>63.8</b>		<b>130.0</b>	<b>92.8</b>
<b>Grants</b>				<b>877.5</b>
<b>Concessional loans</b>				<b>448.1</b>
<b>Commercial Loans</b>				
<b>LNG Equity Purchase</b>	<b>900.0</b>	<b>0.00</b>	<b>305.0</b>	<b>0.0</b>
<b>Grand Total</b>	<b>10,944.0</b>	<b>13,030.8</b>	<b>13,218.4</b>	<b>12,852.4</b>
<b>%GDP</b>	<b>33.5%</b>	<b>36.6%</b>	<b>38.2%</b>	<b>37.1%</b>

Source: Department of Treasury

**TABLE 3: CENTRAL GOVERNMENT FINANCING**  
Kina, Millions

	2012 Actuals	2013 Original	2013 Revised	2013 Outcome
<b>TOTAL REVENUE AND GRANTS</b>	<b>9,566.1</b>	<b>10,481.9</b>	<b>10,481.5</b>	<b>9,832.7</b>
<b>TOTAL EXPENDITURE AND NET LENDING</b>	<b>10,944.0</b>	<b>13,030.8</b>	<b>13,218.4</b>	<b>12,852.4</b>

<b>DEFICIT (-) / SURPLUS (+)</b>	-	<b>1,377.9</b>	<b>2,548.9</b>	<b>2,736.9</b>	<b>3,019.7</b>
% of GDP		-4.2%	-7.2%	-7.9%	-8.7%
<b>NET EXTERNAL FINANCING</b>		<b>161.9</b>	<b>475.9</b>	<b>482.1</b>	<b>278.3</b>
<b>CONCESSIONAL FINANCING</b>		<b>214.8</b>	<b>528.9</b>	<b>528.2</b>	<b>329.8</b>
New Borrowing		326.2	644.7	644.7	448.1
Less Amortisation		-111.4	-115.8	-116.5	-118.3
<b>COMMERCIAL FINANCING</b>		<b>-16.1</b>	<b>-16.1</b>	<b>-13.6</b>	<b>-14.1</b>
New Borrowing		0.0	0.0	0.0	0.0
Less Amortisation		-16.1	-16.1	-13.6	-14.1
<b>EXCEPTIONAL FINANCING</b>		<b>-36.8</b>	<b>-36.9</b>	<b>-32.5</b>	<b>-37.4</b>
New Borrowing		0.0	0.0	0.0	0.0
Less Amortisation		-36.8	-36.9	-32.5	-37.4
<b>NET DOMESTIC FINANCING</b>		<b>1,216.0</b>	<b>2,073.0</b>	<b>2,254.8</b>	<b>2,726.6</b>
<b>DOMESTIC MARKET BORROWING (NET)</b>		<b>997.1</b>	<b>2,072.9</b>	<b>2,632.3</b>	<b>2,421.6</b>
New Domestic Borrowing		4,076.9	5,427.5	6,820.3	6,609.6
Less Amortisation	-	<b>3,079.8</b>	3,354.6	4,188.0	4,188.0
<b>ASSETS SALES FINANCING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>OTHER DOMESTIC FINANCING</b>		<b>218.9</b>	<b>0.0</b>	<b>-377.5</b>	<b>319.8</b>
<b>NET FISCAL FINANCING</b>	-	<b>1,377.9</b>	<b>2,548.8</b>	<b>2,730.8</b>	<b>3,004.9</b>
<b>INVESTMENT FINANCING</b>		<b>0.0</b>	<b>305.0</b>	<b>0.0</b>	<b>305.0</b>
Domestic Market Borrowing		0.0	305.0	0.0	305.0
Change in Cash Balances		0.0	0.0	0.0	0.0
<b>TOTAL FINANCING REQUIREMENT</b>		<b>1,377.9</b>	<b>2,853.9</b>	<b>2,736.9</b>	<b>3,309.9</b>
% of GDP		0.0	0.1	0.1	0.1
<b>GROSS BORROWING</b>		<b>4,622.0</b>	<b>6,377.2</b>	<b>7,465.0</b>	<b>7,362.7</b>
Concessional		326.2	644.7	644.7	448.1
Commercial		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Exceptional		0.0	0.0	0.0	0.0
Domestic		4,295.8			

		5,732.5	6,820.3	6,914.6
Financing Gap	0.0	0.0	-1.0	4.0
<b>GROSS AMORTISATION</b>	<b>3,244.1</b>	<b>3,523.4</b>	<b>4,350.6</b>	<b>4,357.8</b>
Concessional	111.4	115.8	116.5	118.3
Commercial	16.1	16.1	13.6	14.1
Exceptional	36.8	36.9	32.5	37.4
Domestic	3,079.8	3,354.6	4,188.0	4,188.0

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 2013 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 2013 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 provide for the transfers of appropriations between agencies as approved by the Secretary of Treasury. These transfers can occur after the publication of the relevant budget documents. As a consequence it is possible that agency appropriations for 2013 will not be consistent with figures published in the 2013 Budget papers or in Part 1 of the 2013 Final Budget Outcome.

It should also be noted that the 2013 Budget was still based on having a separate 'Recurrent' and 'Development' Budget and the 2013 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	2013 Original Appropriation Published in 2013 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation as at 31 December 2013	Total Expenditure as at 31 December 2013	Underspent (Overspend)
National Department	3,339,609,046	26,991,800	1,021,754,092	3,751,789,246	4,746,929,477	(995,140,231)
Commercial & Statutory Authorities	380,647,900	-	(129,731,700)	425,922,300	433,006,512	(7,084,212)
Miscellaneous Expenditure	1,342,333,200	336,613,000	1,414,517,774	759,799,200	884,902,803	(125,103,603)
Debt Services	671,189,300	-	(1,000,000)	670,189,300	514,293,727	155,895,573
Provincial Government	1,501,456,522	-	(134,615,100)	1,543,430,922	1,468,980,490	74,450,432
<b>Total</b>	<b>7,235,235,968</b>	<b>363,604,800</b>	<b>2,534,334,466</b>	<b>7,151,130,968</b>	<b>8,048,113,009</b>	<b>(896,982,041)</b>

**Note:** The figures in the table above do not account for Amortisation of K3.523 billion.

## **2.2 OVERVIEW**

The Recurrent or the Operational Budget is responsible for funding the ongoing delivery of the essential services of the Government. Funds appropriated in the Recurrent Budget caters 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 Government Departments, Agencies and Provincial Governments approved for Personnel Emoluments (PE), Goods and Services (G&S) and managing Government Debt.

For 2013 the total revised Recurrent Budget was K7,151.1 million. This includes interest payments and excludes amortisation from Debt Services. The total Recurrent expenditure is K8,048.1 million resulting in a net overspending of K897.0 million. National Departments including Miscellaneous expenditures are leading the overspending with K964.3 million or 108%, Statutory Authorities (CSA) with K7.1 million or 1% and Provincial Administrations for the first time with a net underspend of K74.5 million or -8% (an underspend) although there are overspends within individual provinces in both PE and G&S. For the first time, 73% of Provincial Administrations are taking control of their PE expenditure resulting in a net underspending of K54.1 million in their PE.

The K897.0 million net overspending is made up of K943.4 million or 105% overspending in total G&S and K46.4 million or -5% underspending in total PE.

National Departments are responsible for 102% or K967.0 million of the G&S overspending while Provinces and Statutory Authorities are responsible for -2% or K23.5 million underspending in G&S. In addition, for the first time provinces are showing improvements in managing their payrolls resulting in them being responsible for 116% or K54.1 million in underspends for total PE underspends. Statutory Authorities however overspend in their PE by K10.3 million. Underspending in PE was mostly from the Provincial Governments. *Details are contained in Table 20, 22 and 23 in the following pages.*

Although there are under spends in the other agency categories, CSA's net total showed an over expenditure of K10.3 million in PE. *Details are contained in Table 19 and 21 in the following pages.*

## **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 one Supplementary Budget in 2013). 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 2013.

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

### **2.3.1 Personnel Emoluments**

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

National Departments underspent on Personnel Emoluments (PE) in 2013 by a net of K2.6 million although there were few National Departments that overspent on their PE. There were instances of overspends in Overtime and Payroll related Expenditure of about K117.3 million. However, this was netted of with underspending of K120.0 million in other areas of PE. 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 as a result the net underspend by National Departments was K2.6 million.

**Table 20** shows overspendings and underspending of greater than K1.0 million in personnel emoluments and goods and services expenditure by National Departments.

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

**Table19: The Final Available Appropriation by agency type with breakdown into Personnel Emoluments and Goods and Services.**

<b>Agency Category</b>	<b>2013 Initial Appropriation</b>	<b>2013 Revised Appropriation (FAA)</b>	<b>Total Actual Expense</b>	<b>(Over)/Under Spend</b>
<b>National Department</b>	<b>5,353,131,546</b>	<b>5,181,777,746</b>	<b>6,146,126,007</b>	<b>(964,348,261)</b>
Personnel Emoluments	1,666,962,690	1,444,624,200	1,522,242,927	2,614,704
Goods & Services	3,014,979,556	3,066,964,246	4,109,651,062	(1,122,920,247)
Debt (Interest Repayment)	671,189,300	670,189,300	514,232,018	155,957,282
<b>Commercial &amp; Statutory Authorities</b>	<b>380,647,900</b>	<b>425,922,300</b>	<b>433,006,512</b>	<b>(7,084,212)</b>
Personnel Emoluments	264,818,300	264,918,300	295,586,502	(10,253,002)
Goods & Services	115,829,600	161,004,000	137,420,009	3,168,791
<b>Provincial Government</b>	<b>1,501,456,522</b>	<b>1,543,430,922</b>	<b>1,468,980,490</b>	<b>74,450,432</b>
Personnel Emoluments	1,081,221,822	1,114,802,222	1,060,717,172	54,085,050
Goods & Services	420,234,700	428,628,700	408,263,318	20,365,382
<b>Grand Total</b>	<b>7,235,235,968</b>	<b>7,151,130,968</b>	<b>8,048,113,009</b>	<b>(896,982,041)</b>

Note: this table shows only the Recurrent Budget and shows a net over expenditure of K897.0 million.



**Table 20: Overall Recurrent Final Available Appropriation consisting of Total Expenditures and (Over)/Under Expenditure for National Departments under Personnel Emoluments and Goods and Services categories that are over K1.0 million.**

Agency Name	Initial Appropriation	Final Available Appropriation	2013 Outcome	(Overspending) Underspending
<b>Personnel Emoluments</b>	<b>1,729,868,177</b>	<b>1,524,857,631</b>	<b>1,522,242,927</b>	<b>2,614,704</b>
203 Department of Prime Minister & NEC	54,675,600	51,146,400	44,715,080	6,431,320
206 Department of Finance	15,231,087	15,621,080	17,976,223	(2,355,143)
<b>207 Treasury and Finance - Miscellaneous</b>	<b>343,808,800</b>	<b>146,067,013</b>	<b>201,065,410</b>	<b>(54,998,397)</b>
208 Department of Treasury	15,150,721	16,022,021	11,993,053	4,028,968
211 PNG Customs Service	22,134,600	17,668,600	13,576,369	4,092,231
212 Information Technology Division	5,566,100	5,703,100	2,642,770	3,060,330
215 PNG Immigration and Citizenship Services	8,665,500	8,665,500	10,772,267	(2,106,767)
216 Internal Revenue Commission	24,840,200	24,755,730	19,000,492	5,755,239
222 Office of the Public Solicitor	10,399,500	9,106,619	7,743,361	1,363,258
223 Judiciary Services	-	-	4,462,930	(4,462,930)
224 Magisterial Services	29,542,700	29,542,700	44,839,833	(15,297,133)
225 Department of Attorney-General	25,075,800	25,415,500	23,494,882	1,920,618
226 Department of Corrective Institutional Services	64,661,800	62,261,826	52,368,315	9,893,511
227 Provincial Treasuries	28,466,700	28,486,700	25,573,526	2,913,174
228 Department of Police	173,539,000	185,889,007	177,276,531	8,612,476
232 Provincial and Local Government Affairs	9,223,600	9,101,700	6,707,780	2,393,920
235 Department of Education	118,745,000	109,736,800	95,372,378	14,364,422
240 Department of Health	70,522,700	61,926,600	70,544,726	(8,618,126)
241 Hospital Management Services	314,553,100	338,083,900	335,496,413	2,587,487
247 Department of Agriculture and Livestock	12,307,100	12,460,200	11,029,162	1,431,038
252 Department of Lands and Physical Planning	15,963,700	14,963,700	12,845,792	2,117,908
255 Department of Petroleum and Energy	12,511,100	10,666,900	8,310,242	2,356,658
257 Department of Public Enterprises	2,625,300	1,392,300	387,290	1,005,010
259 Department of Transport	13,872,300	13,036,800	10,812,633	2,224,167
264 Department of Works and Implementation	53,840,500	53,840,500	46,150,488	7,690,012
Other	283,945,669	273,296,435	267,084,982	6,211,453

Agency Name	Initial Appropriation	Final Available Appropriation	2013 Outcome	(Overspending) Underspending
<b>Goods &amp; Services</b>	<b>2,952,074,069</b>	<b>2,986,730,815</b>	<b>4,109,651,062</b>	<b>(1,122,920,247)</b>
203 Department of Prime Minister & NEC	23,645,300	91,870,500	108,477,254	(16,606,754)
206 Department of Finance	12,631,869	14,986,918	1,074,166,652	(1,059,179,734)
207 Treasury and Finance - Miscellaneous	998,524,400	613,732,187	683,837,394	(70,105,207)
209 Registrar For Political Parties	2,816,300	4,089,900	1,325,262	2,764,638
211 PNG Customs Service	14,127,400	15,199,400	10,771,988	4,427,412
213 Fire Services	9,252,900	9,152,900	7,930,682	1,222,218
216 Internal Revenue Commission	21,056,000	19,427,470	18,364,533	1,062,937
220 Department of Personnel Management	4,396,900	10,746,100	7,926,833	2,819,267
223 Judiciary Services	75,116,500	75,116,500	81,758,500	(6,642,000)
225 Department of Attorney-General	18,576,100	28,686,400	27,122,906	1,563,494
227 Provincial Treasuries	8,028,500	8,308,500	23,989,246	(15,680,746)
228 Department of Police	86,712,200	167,562,193	163,680,353	3,881,840
230 Electoral Commission	72,212,800	106,241,800	94,188,414	12,053,386
232 Provincial and Local Government Affairs	6,597,800	31,219,700	33,183,063	(1,963,363)
234 Department of Defence	75,678,900	126,527,174	80,870,054	45,657,120
235 Department of Education	739,184,800	748,193,000	765,856,822	(17,663,822)
240 Department of Health	205,118,500	219,022,500	215,200,414	3,822,086
245 Department of Environment and Conservation	14,029,600	14,542,600	15,612,177	(1,069,577)
252 Department of Lands and Physical Planning	21,250,500	41,250,500	43,412,376	(2,161,876)
255 Department of Petroleum and Energy	6,137,900	21,232,100	18,914,458	2,317,642
258 Department of Information and Communication	2,081,000	2,233,000	(2,733,550)	4,966,550
259 Department of Transport	9,315,800	10,151,300	8,261,446	1,889,854
262 Department of Industrial Relations	4,076,100	4,076,100	1,341,209	2,734,891
264 Department of Works and Implementation	115,697,600	125,697,600	153,593,599	(27,895,999)
Other	405,808,400	477,464,473	472,598,978	4,865,495
<b>Debt (Interest Repayment)</b>	<b>671,189,300</b>	<b>670,189,300</b>	<b>514,232,018</b>	<b>155,957,282</b>
299 Treasury and Finance - Public Debt Charges	671,189,300	670,189,300	514,232,018	155,957,282
<b>Grand Total</b>	<b>5,353,131,546</b>	<b>5,181,777,746</b>	<b>6,146,126,007</b>	<b>(964,348,261)</b>

## Personnel Emoluments – Commercial & Statutory Authorities (CSA)

Statutory Authorities had a total Revised PE Appropriation of K285.3 million in 2013. CSAs had a total net over spending of K7.1 million attributed mostly to PE over spends. They over spent PE by K10.3 million. The over expenditure can be attributed to changes on the salary scales within individual agency and unbudgeted salary changes. Table 21 below shows the details of this information.

**Table 21: Overall Recurrent Final Available Appropriation consisting of Total Expenditures and (Over)/Under Expenditure for Commercial & Statutory Authorities (CSA) under Personnel Emoluments and Goods and Services categories greater than K1.0 million.**

Commercial & Statutory Authorities	Initial Appropriation	Final Available Appropriation	2013 Outcome	(Overspending Underspending)
<b>Personnel Emoluments</b>	<b>282,733,500</b>	<b>285,333,500</b>	<b>295,586,502</b>	<b>(10,253,002)</b>
516 Papua New Guinea Sports Foundation	6,297,300	6,297,300	8,796,741	(2,499,441)
517 National Narcotics Bureau	2,504,400	2,504,400	4,327,961	(1,823,561)
523 Papua New Guinea Accidents Investigation Commission	4,529,000	4,529,000	3,454,515	1,074,485
532 National Institute of Standards & Industrial Technology	2,402,000	2,402,000	3,535,234	(1,133,234)
539 National Museum and Art Gallery	4,978,700	4,978,700	6,705,390	(1,726,690)
542 National Cultural Commission	2,934,500	2,934,500	4,703,718	(1,769,218)
557 PNG National Forest Authority	26,597,400	26,597,400	24,380,954	2,216,446
563 National Agriculture Quarantine & Inspection Authority	4,741,400	4,741,400	9,136,237	(4,394,837)
Other	227,748,800	230,348,800	230,545,753	(196,953)
<b>Goods &amp; Services</b>	<b>97,914,400</b>	<b>140,588,800</b>	<b>137,420,009</b>	<b>3,168,791</b>
511 Papua New Guinea Climate Change Authority	3,814,600	4,814,600	2,252,334	2,562,266
Other	94,099,800	135,774,200	135,167,675	606,525
<b>Grand Total</b>	<b>380,647,900</b>	<b>425,922,300</b>	<b>433,006,512</b>	<b>(7,084,212)</b>

## **Personnel Emoluments – Provincial Governments**

Provincial Governments had a net underspent on Personnel Emoluments (PE) by K54.1 million although there are overspending at individual provinces. The individual over spends were primarily relating to spending on Teachers' salaries which comprises of 36% of the provinces.

The possible reasons for the over expenditure on Teachers' Salaries in some provinces might be, to some extent, the result of 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 overall net under expenditure of Personnel Emoluments (PE) reflects to some extent the devolution of human resource powers to Provincial Administrators allowing them to monitor their human resources and also as a result of payroll cleansing activity done by most of the provinces.

**Table 22** shows details of overspendings and underspending in Personnel Emoluments and Goods and Services expenditure by Provincial Governments greater than K1.0 million.

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

**Table 22: Provincial Governments Personnel Emoluments and Goods & Services Overspend and Underspend of greater than K1.0 million.**

Provincial Government	Initial Appropriation	Final Available Appropriation	2013 Outcome	(Overspending) Underspending
<b>Personnel Emoluments</b>	<b>1,081,221,822</b>	<b>1,114,802,222</b>	<b>1,060,717,172</b>	<b>54,085,050</b>
571 Fly River Provincial Government	41,133,285	42,687,785	39,423,211	3,264,574
572 Gulf Provincial Government	23,836,900	23,979,800	20,492,326	3,487,474
573 Central Provincial Government	51,259,100	53,167,100	50,381,024	2,786,076
575 Milne Bay Provincial Government	39,535,726	45,035,726	41,849,193	3,186,533
576 Oro Provincial Government	29,378,100	35,059,800	27,525,006	7,534,794
577 Southern Highlands Province	75,788,400	76,171,300	99,384,172	(23,212,872)
578 Enga Provincial Government	48,333,281	49,280,881	63,359,553	(14,078,672)
579 Western Highlands Provincial Government	68,298,500	69,798,500	74,881,686	(5,083,186)
582 Morobe Provincial Government	93,308,500	96,230,200	106,576,530	(10,346,330)
583 Madang Provincial Government	65,731,100	70,595,100	76,129,049	(5,533,949)
584 East Sepik Provincial Government	63,355,600	64,973,700	67,265,836	(2,292,136)
585 Sandaun Provincial Government	52,710,700	53,272,700	40,939,120	12,333,580
586 Manus Provincial Government	27,814,230	28,087,130	21,812,215	6,274,915
587 New Ireland Provincial Government	39,111,300	39,436,300	37,844,352	1,591,948
588 East New Britain Provincial Government	69,390,000	69,929,200	64,017,379	5,911,821
589 West New Britain Provincial Government	52,196,900	54,271,100	50,971,956	3,299,144
590 Autonomous Bougainville Government	64,725,800	65,763,900	56,113,890	9,650,010
591 Hela Provincial Government	27,484,800	27,484,800	717,300	26,767,500
592 Jiwaka Provincial Government	28,765,100	28,765,100	979,200	27,785,900
Other	119,064,500	120,812,100	120,054,174	757,926
<b>Goods &amp; Services</b>	<b>420,234,700</b>	<b>428,628,700</b>	<b>408,263,318</b>	<b>20,365,382</b>
575 Milne Bay Provincial Government	29,303,300	29,303,300	30,852,902	(1,549,602)
577 Southern Highlands Province	14,878,000	15,110,200	13,476,731	1,633,469
580 Simbu Provincial Government	25,288,900	28,840,600	27,478,135	1,362,465
584 East Sepik Provincial Government	38,085,500	38,412,700	34,697,316	3,715,384
586 Manus Provincial Government	13,372,900	13,470,000	11,121,216	2,348,784
587 New Ireland Provincial Government	3,458,100	3,681,900	5,989,280	(2,307,380)
588 East New Britain Provincial Government	22,850,500	23,225,300	21,728,779	1,496,521
589 West New Britain Provincial Government	16,247,500	16,564,900	15,432,491	1,132,409

590 Autonomous Bougainville Government	22,250,500	22,541,700	24,097,954	(1,556,254)
591 Hela Provincial Government	7,877,700	8,100,900	1,100,900	7,000,000
592 Jiwaka Provincial Government	13,970,200	14,039,100	6,039,100	8,000,000
Other	212,651,600	215,338,100	216,248,514	(910,414)
<b>Grand Total</b>	<b>1,501,456,522</b>	<b>1,543,430,922</b>	<b>1,468,980,490</b>	<b>74,450,432</b>

### **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 equipment, the payment of education subsidies, essential maintenance of Government facilities such as roads and bridges.

In 2013 G&S expenses relative to appropriations were overspent by K943.4 million, primarily due to lower than forecast spending across a number of agencies.

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

National Departments overspent on total Good and Services (G&S) in 2013 by K967.0 million. Rentals were overspent by K71.4 million, Grants and Transfers to Public Authorities by K26.3 million, Construction, Renovation and Improvement by K41.2 million, and unbalanced expenditures of K1,034.2 million. Note that huge over expenditure is the result of expenditures that have incurred without proper accounting treatments. All other Goods and Services items were under spent. 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 K428.6 million in grants to Provinces with K425.0 million being spent resulting in a net underspend of K3.6 million. Almost 94% or K3.4 million of this under spending is on Primary Production Grants. Although there was an overspending on Goods and Services Grant to ABG of K1.5 million other underspends netted off to give an overall net underspend of K3.6 million.

**Table 23** in the next page shows details of Provincial Administration Grants expended in 2013.

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

**Table 23: Total Spending by Grants in Personnel Emolument and Goods and Services – Provincial Governments**

<b>Provincial Grants</b>	<b>Initial Appropriation</b>	<b>Final Available Appropriation</b>	<b>2013 Outcome</b>	<b>(Overspending) Underspending</b>
<b>Personnel Emoluments</b>	<b>1,033,049,022</b>	<b>1,062,629,422</b>	<b>811,923,164</b>	<b>250,706,258</b>
Staffing Grants	326,874,466	356,454,866	143,613,568	212,841,298
Teacher Salaries Grants	706,174,556	706,174,556	668,309,596	37,864,960
<b>Goods &amp; Services</b>	<b>420,234,700</b>	<b>428,628,700</b>	<b>424,925,187</b>	<b>3,703,513</b>
Administration Grants	11,399,500	11,399,500	11,383,740	15,760
Education Function Grants	78,440,800	78,440,800	78,440,800	-
Functions & Powers Grant (ABG)	299,000	299,000	322,400	(23,400)
Goods & Services Grant (ABG)	19,148,100	19,148,100	20,644,000	(1,495,900)
Health Function Grants	72,695,400	77,806,300	77,685,858	120,442
Infrastructure Grants	107,007,900	107,007,900	107,007,900	-
LLG Village Services Grants	50,812,800	50,812,800	48,978,706	1,834,094
Police & Services Grants (ABG)	2,803,400	2,803,400	3,022,400	(219,000)
Primary Production Grants	25,402,100	28,685,200	25,332,100	3,353,100
Service Delivery Grants	42,726,500	42,726,500	42,608,083	118,417
Town/Urban Services Grants	3,718,300	3,718,300	3,718,300	-
Village Courts Grants	5,780,900	5,780,900	5,780,900	-
<b>Grand Total</b>	<b>1,453,283,722</b>	<b>1,491,258,122</b>	<b>1,236,848,351</b>	<b>254,409,771</b>

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

In 2013 funding to Commercial and Statutory Authorities (CSA's) were provided and reported in economic items similar to National Departments. This sector of the Recurrent Budget recorded an overspending of K7.1 million for 2013 against a FAA of K425.9 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 2013 Debt Services underspend by K156.0 million. The underspending was primarily due to Domestic Interest Payments being underspent by K148.5 million not as expected.

**Table 24** on the next page shows the details of Interest Payments.



**Table 24: Details of Debt Services Interest Payments and Fees excluding Amortization.**

	<b>2013 Original Appropriation</b>	<b>Other Transfers</b>	<b>2013 Final Available Appropriation</b>	<b>Dec Outturn</b>	<b>(Over)/Under</b>
<b>INTEREST PAYMENTS AND FEES</b>	<b>671,189,300</b>	<b>(1,000,000)</b>	<b>670,189,300</b>	<b>514,232,018</b>	<b>155,957,282</b>
Domestic	627,368,500	(1,000,000)	626,368,500	477,911,134	148,457,366
External	43,820,800		43,820,800	36,320,884	7,499,916

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

The funds available in the Secretary's Advance for 2013 totalled K40.0 million. The Table below identifies the reallocations of funds through the Secretary's Advance.

**Table 25: 2013 Secretary's Advance**

Div	Agency	2013 Original Appropriation Published in 2013 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)
203	Department of Prime Minister & NEC	78,320,900	9,249,000	To cater for Deputy Prime Minister's Official travel AND Hosting of Thai Prime Minister's visit to PNG. AND To cater for inquiry into UNITECH saga. AND To cater for NEC decision No. 27/2013 AND To cover Fiji PM's visit to PNG. AND To cater for Australian Governor General's visit to PNG. AND To settle outstanding hire car claims for PM. AND Cater for Australian PM's visit to PNG.	143,016,900	143,649,834	(24,947,058)
207	Treasury and Finance - Miscellaneous	1,342,333,200	13,008,200	To fund Women In Business (WIB) as per NEC Decision 189/2009 AND To settle hire car bills incurred during the Political Impulse AND To cater for Sir Lokoloko State Funeral. AND To cater for execution of NEC Dec20/2009 AND Payment for East Awin Refugee Camp Land Owners AND To facilitate payment of variation cost.	759,799,200	883,726,304	(133,519,684)
208	Department of Treasury	18,805,321	619,800	To cover for Min's delegation overseas. AND For EM TV "Treasury Business Program"	31,067,021	26,506,331	2,763,553

Div	Agency	2013 Original Appropriation Published in 2013 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)
217	Department of Foreign Affairs and Trade	65,853,500	1,500,000	To cater for fit-out work for DOF. AND Engagement of Consultant for IPC.	73,928,100	73,089,189	838,911
220	Department of Personnel Management	19,769,500	380,000	To cater for engagement of Brian Hart Consultants.	31,644,500	28,730,591	1,714,809
228	Department of Police	260,251,200	6,200,000	To fund the 2012 NATEL outstanding	353,451,200	341,820,578	11,630,622
230	Electoral Commission	76,383,000	2,800,000	To cater for Angoram By - Election E.S.P	110,462,000	95,543,824	14,918,176
237	PNG National Commission for UNESCO	2,104,200	643,000	Reimbursement for participation program.	3,547,200	3,592,289	(45,089)
252	Department of Lands and Physical Planning	37,214,200	2,500,000	To cater for New Lands Head Quarter Officefurniture and fittings.	56,214,200	53,320,407	1,025,593
254	Department of Mineral Policy and Geohazards Management	8,267,300	500,000	Additional funding to DMP&GM for vehicle.	8,767,300	8,017,840	749,460
255	Department of Petroleum and Energy	18,649,000	2,000,000	Transfer of additional funds to DPE for IIC. AND To conduct LLG Benefit Sharing Forum.	31,899,000	27,224,700	4,667,700
268	Central Supply & Tenders Board	2,706,200	600,000	Training workshops on Procurement.	3,736,200	2,701,501	1,034,699
<b>Grand Total</b>		<b>1,930,657,521</b>	<b>40,000,000</b>		<b>1,607,532,821</b>	<b>1,687,923,387</b>	<b>(119,168,307)</b>

**ATTACHMENT A: 2013 RECURRENT BUDGET OUTCOME BY AGENCY**

<b>Div/Agency Name</b>	<b>2013 Initial Appropriation Published in 2013 Budget Papers</b>	<b>Section 3 Transfers</b>	<b>Section 4 Transfers</b>	<b>Final Available Appropriation (FAA) as at 31 December 2013</b>	<b>Expenditure as at 31 December 2013</b>	<b>(Overspending) Underspending</b>
201 National Parliament	117,757,300	-	19,600,000	137,357,300	137,357,300	-
202 Office of Governor-General	5,048,900	-	5,535,000	5,887,900	5,191,736	696,164
203 Department of Prime Minister & NEC	78,320,900	9,249,000	279,327,706	143,016,900	153,192,334	(10,175,434)
204 National Statistical Office	6,092,800	-	1,504,386	6,092,800	6,450,179	(357,379)
205 Office of Bougainville Affairs	3,256,000	-	378,800	3,256,000	2,160,056	1,095,944
206 Department of Finance	27,862,956	-	7,394,118	30,607,998	1,092,142,875	(1,061,534,877)
207 Treasury and Finance - Miscellaneous	1,342,333,200	336,613,000	1,414,517,774	759,799,200	884,902,803	(125,103,603)
208 Department of Treasury	18,805,321	619,800	17,290,500	31,067,021	26,506,331	4,560,690
209 Registrar For Political Parties	7,451,900	-	2,679,200	7,451,900	4,185,729	3,266,171
211 PNG Customs Service	36,262,000	-	18,688,200	32,868,000	24,348,357	8,519,643
212 Information Technology Division	19,429,100	-	3,845,142	17,663,958	14,909,718	2,754,240
213 Magisterial Services	20,322,800	-	944,000	20,322,800	19,853,836	468,964
215 PNG Immigration and Citizenship Services	8,665,500	-	-	8,665,500	10,772,267	(2,106,767)
216 Internal Revenue Commission	45,896,200	-	11,316,500	44,183,200	37,365,024	6,818,176
217 Department of Foreign Affairs and Trade	65,853,500	1,500,000	9,263,600	73,928,100	73,089,439	838,661
218 Office of the Public Prosecutor	6,845,800	-	814,000	6,915,800	6,529,593	386,207
219 PNG Institute of Public Administration	6,849,000	-	-	6,849,000	6,055,531	793,469
220 Department of Personnel Management	19,769,500	380,000	23,526,090	31,644,500	28,496,749	3,147,751

Div/Agency Name	2013 Initial Appropriation Published in 2013 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation (FAA) as at 31 December 2013	Expenditure as at 31 December 2013	(Overspending) Underspending
221 Public Service Commission	6,153,500	-	838,800	6,153,500	5,442,112	711,388
222 Office of the Public Solicitor	11,731,400	-	3,474,290	11,731,400	10,262,867	1,468,533
223 Judiciary Services	75,116,500	-	-	75,116,500	86,221,430	(11,104,930)
224 Magisterial Services	37,618,200	-	-	37,618,200	52,915,355	(15,297,155)
225 Department of Attorney-General	43,651,900	-	13,855,600	54,101,900	50,617,788	3,484,112
226 Department of Corrective Institutional Services	103,775,400	-	10,785,498	104,825,400	94,848,288	9,977,112
227 Provincial Treasuries	36,495,200	-	300,000	36,795,200	49,562,772	(12,767,572)
228 Department of Police	260,251,200	6,200,000	115,784,014	353,451,200	340,956,884	12,494,316
229 Department of National Planning and Monitoring	17,379,469	-	8,985,328	17,379,469	16,349,612	1,029,857
230 Electoral Commission	76,383,000	2,800,000	35,168,060	110,462,000	98,017,770	12,444,230
231 National Intelligence Organisation	4,318,900	-	1,348,800	4,418,900	4,834,744	(415,844)
232 Provincial and Local Government Affairs	15,821,400	-	26,643,200	40,321,400	39,890,843	430,557
234 Department of Defence	180,467,800	-	121,200,260	220,467,800	175,648,267	44,819,533
235 Department of Education	857,929,800	-	78,443,600	857,929,800	861,229,200	(3,299,400)
236 Office of Higher Education	51,550,500	-	1,418,000	51,950,500	50,996,817	953,683
237 PNG National Commission for UNESCO	2,104,200	643,000	1,369,800	3,547,200	3,592,289	(45,089)
240 Department of Health	275,641,200	-	42,571,100	280,949,100	285,745,140	(4,796,040)
241 Hospital Management Services	427,553,200	-	53,539,900	470,370,300	468,026,413	2,343,887
242 Department of Community Development	15,178,400	-	5,884,200	16,472,400	15,603,324	869,076
243 National Volunteer Services	1,379,900	-	-	1,379,900	1,372,230	7,670
245 Department of Environment and Conservation	21,758,100	-	23,115,400	21,758,100	22,496,272	(738,172)
247 Department of Agriculture and Livestock	15,285,400	-	5,064,500	15,438,500	14,007,274	1,431,226
252 Department of Lands and Physical Planning	37,214,200	2,500,000	25,111,800	56,214,200	56,258,168	(43,968)
254 Department of Mineral Policy and Geohazards Management	8,267,300	500,000	243,600	8,767,300	8,104,600	662,700
255 Department of Petroleum and Energy	18,649,000	2,000,000	20,523,600	31,899,000	27,224,700	4,674,300

Div/Agency Name	2013 Initial Appropriation Published in 2013 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation (FAA) as at 31 December 2013	Expenditure as at 31 December 2013	(Overspending) Underspending
257 Department of Public Enterprises	3,781,400	-	3,732,000	3,781,400	2,061,907	1,719,493
258 Department of Information and Communication	4,284,700	-	546,800	4,284,700	(1,474,184)	5,758,884
259 Department of Transport	23,188,100	-	3,262,600	23,188,100	19,074,079	4,114,021
261 Department of Commerce and Industry	13,058,500	-	2,118,200	13,058,500	13,084,195	(25,695)
262 Department of Industrial Relations	17,184,900	-	16,900	17,201,800	13,987,009	3,214,791
263 National Tripartite Consultative Council	918,700	-	-	918,700	263,523	655,177
264 Department of Works and Implementation	169,538,100	-	10,140,000	179,538,100	199,744,087	(20,205,987)
267 Office of Rural Development	6,790,000	-	1,976,000	6,790,000	5,872,897	917,103
268 Central Supply & Tenders Board	2,706,200	600,000	2,185,000	3,736,200	2,701,501	1,034,699
269 Office of Tourism Arts and Culture	1,993,900	-	-	1,993,900	2,782,251	(788,351)
299 Treasury and Finance - Public Debt Charges	671,189,300	-	1,000,000	670,189,300	514,293,727	155,895,573
502 Office of the Auditor-General	18,415,400	-	5,000,000	23,415,400	23,304,540	110,860
503 Ombudsman Commission	18,114,900	-	-	18,114,900	17,283,020	831,880
505 National Research Institute	5,142,400	-	-	5,142,400	5,123,282	19,118
506 National Training Council	2,739,800	-	-	2,739,800	3,215,313	(475,513)
507 National Economic & Fiscal Commission	3,081,900	-	-	3,081,900	3,038,774	43,126
509 Border Development Authority (BDA)	4,441,500	-	3,000,000	7,441,500	7,441,500	-
510 Legal Training Institute	2,453,200	-	-	2,453,200	2,453,200	-
511 Papua New Guinea Climate Change Authority	7,835,800	-	1,100,000	8,935,800	7,348,567	1,587,233
512 University of Papua New Guinea	43,453,300	-	3,500,000	46,953,300	46,953,292	8
513 University of Technology	44,440,000	-	-	44,440,000	43,893,200	546,800
514 University of Goroka	17,569,100	-	-	17,569,100	17,569,100	-
515 University of Environment & Natural Resources	15,276,700	-	-	15,276,700	15,276,699	1
516 Papua New Guinea Sports Foundation	10,163,700	-	-	10,163,700	12,663,141	(2,499,441)
517 National Narcotics Bureau	4,440,300	-	-	4,440,300	6,263,861	(1,823,561)

Div/Agency Name	2013 Initial Appropriation Published in 2013 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation (FAA) as at 31 December 2013	Expenditure as at 31 December 2013	(Overspending) Underspending
518 PNG Maritime College	3,252,500	-	-	3,252,500	2,981,450	271,050
519 National Aids Council Secretariat	8,294,800	-	-	8,294,800	8,294,800	-
520 Institute of Medical Research	7,702,000	-	-	7,702,000	7,702,000	-
521 National Youth Commission	4,386,100	-	-	4,386,100	5,296,753	(910,653)
522 Constitutional and Law Reform Commission	3,007,300	-	-	3,007,300	3,007,300	-
523 Papua New Guinea Accidents Investigation Commission	4,966,100	-	-	4,966,100	3,800,049	1,166,051
525 National Broadcasting Commission	28,547,800	-	-	28,547,800	28,547,800	-
526 National Maritime Safety Authority	1,703,500	-	-	1,703,500	1,703,500	-
530 Investment Promotion Authority	2,851,500	-	-	2,851,500	2,851,500	-
531 Small Business Development Corporation	2,801,500	-	-	2,801,500	2,593,700	207,800
532 National Institute of Standards & Industrial Technology	3,307,500	-	-	3,307,500	4,440,734	(1,133,234)
533 Industrial Centers Development Corporation	2,345,500	-	-	2,345,500	2,345,500	-
536 KokonasIndustryKopration	1,113,500	-	-	1,113,500	1,090,333	23,167
539 National Museum and Art Gallery	9,707,700	-	-	9,707,700	11,434,390	(1,726,690)
541 National Housing Corporation	244,600	-	-	244,600	(213,602)	458,202
542 National Cultural Commission	4,473,700	-	14,500,000	18,973,700	20,742,918	(1,769,218)
549 Office of Coastal Fisheries Development Agency	2,546,000	-	-	2,546,000	2,555,429	(9,429)
550 Cocoa Coconut Institute Ltd	6,650,300	-	-	6,650,300	6,650,300	-
551 Fisheries (project)	-	-	-	-	(37)	37
553 Fresh Produce Development Company	5,822,600	-	-	5,822,600	5,805,932	16,668
554 PNG Coffee Industry Corporation	3,223,000	-	-	3,223,000	3,222,999	1
557 PNG National Forest Authority	30,645,500	-	8,674,400	39,319,900	36,766,078	2,553,822
558 Tourism Promotion Authority	10,710,300	-	5,000,000	15,710,300	15,710,300	-
562 National Agriculture Research Institute	9,194,500	-	-	9,194,500	9,194,500	-
563 National Agriculture Quarantine & Inspection Authority	4,741,400	-	-	4,741,400	9,136,237	(4,394,837)

<b>Div/Agency Name</b>	<b>2013 Initial Appropriation Published in 2013 Budget Papers</b>	<b>Section 3 Transfers</b>	<b>Section 4 Transfers</b>	<b>Final Available Appropriation (FAA) as at 31 December 2013</b>	<b>Expenditure as at 31 December 2013</b>	<b>(Overspending) Underspending</b>
565 Civil Aviation Safety Authority	11,112,200	-	-	11,112,200	11,289,659	(177,459)
566 PNG Cocoa Board	-	-	4,500,000	4,500,000	4,500,000	-
569 Independent Consumer and Competition Commission	9,728,500	-	-	9,728,500	9,728,500	-
571 Fly River Provincial Government	46,835,285	-	1,837,700	48,672,985	45,408,411	3,264,574
572 Gulf Provincial Government	41,527,800	-	232,000	41,759,800	38,152,772	3,607,028
573 Central Provincial Government	74,872,200	-	2,216,100	77,088,300	74,612,760	2,475,540
574 National Capital District	3,913,400	-	101,300	4,014,700	4,005,165	9,535
575 Milne Bay Provincial Government	68,839,026	-	6,444,800	74,339,026	72,702,096	1,636,930
576 Oro Provincial Government	46,603,500	-	5,874,900	52,478,400	45,868,074	6,610,326
577 Southern Highlands Province	90,666,400	-	615,100	91,281,500	112,860,903	(21,579,403)
578 Enga Provincial Government	67,661,081	-	1,259,500	68,920,581	82,999,253	(14,078,672)
579 Western Highlands Provincial Government	86,825,600	-	1,740,800	88,325,600	93,305,309	(4,979,709)
580 Simbu Provincial Government	85,826,000	-	3,799,300	89,625,300	87,866,620	1,758,680
581 Eastern Highlands Provincial Government	89,523,800	-	2,128,200	91,023,800	90,671,625	352,175
582 Morobe Provincial Government	107,803,200	-	11,652,400	111,455,600	121,801,930	(10,346,330)
583 Madang Provincial Government	96,885,900	-	5,375,100	102,261,000	107,824,985	(5,563,985)
584 East Sepik Provincial Government	101,441,100	-	1,945,300	103,386,400	101,963,151	1,423,249
585 Sandaun Provincial Government	82,716,700	-	719,900	83,436,600	70,971,425	12,465,175
586 Manus Provincial Government	41,187,130	-	370,000	41,557,130	32,933,431	8,623,699
587 New Ireland Provincial Government	42,569,400	-	548,800	43,118,200	43,833,632	(715,432)
588 East New Britain Provincial Government	92,240,500	-	914,000	93,154,500	85,746,158	7,408,342
589 West New Britain Provincial Government	68,444,400	-	2,391,600	70,836,000	66,404,447	4,431,553
590 Autonomous Bougainville Government	86,976,300	-	1,329,300	88,305,600	80,211,843	8,093,757
591 Hela Provincial Government	35,362,500	-	223,200	35,585,700	1,818,200	33,767,500
592 Jiwaka Provincial Government	42,735,300	-	68,900	42,804,200	7,018,300	35,785,900



Div/Agency Name	2013 Initial Appropriation Published in 2013 Budget Papers	Section 3 Transfers	Section 4 Transfers	Final Available Appropriation (FAA) as at 31 December 2013	Expenditure as at 31 December 2013	(Overspending) Underspending
<b>Grand Total</b>	<b>7,235,235,968</b>	<b>363,604,800</b>	<b>2,534,334,466</b>	<b>7,151,130,968</b>	<b>8,048,113,009</b>	<b>(896,982,041)</b>

**ATTACHMENT B: 2013 TRANSFERS TO NATIONAL DEPARTMENTS – PERSONNEL EMOLUMENTS**

Div/Agency Name	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	Under (Overspend)
202 Office of Governor-General	3,006,000	46,000	3,052,000	2,756,017	295,983
203 Department of Prime Minister & NEC	54,675,600	(3,529,200)	51,146,400	44,715,080	6,431,320
204 National Statistical Office	4,907,900	(13,460)	4,894,440	5,264,203	(369,763)
205 Office of Bougainville Affairs	2,171,200	(95,300)	2,075,900	1,963,206	112,694
206 Department of Finance	15,231,087	389,993	15,621,080	17,976,223	(2,355,143)
207 Treasury and Finance - Miscellaneous	343,808,800	(197,741,787)	146,067,013	201,065,410	(54,998,397)
208 Department of Treasury	15,150,721	871,300	16,022,021	11,993,053	4,028,968
209 Registrar For Political Parties	4,635,600	(1,273,600)	3,362,000	2,860,467	501,533

Div/Agency Name	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	Under (Overspend)
211 PNG Customs Service	22,134,600	(4,466,000)	17,668,600	13,576,369	4,092,231
212 Information Technology Division	5,566,100	137,000	5,703,100	2,642,770	3,060,330
213 Magisterial Services	11,069,900	100,000	11,169,900	11,923,154	(753,254)
215 PNG Immigration and Citizenship Services	8,665,500	-	8,665,500	10,772,267	(2,106,767)
216 Internal Revenue Commission	24,840,200	(84,470)	24,755,730	19,000,492	5,755,239
217 Department of Foreign Affairs and Trade	38,350,300	(598,200)	37,752,100	37,716,293	35,807
218 Office of the Public Prosecutor	6,285,100	(282,000)	6,003,100	5,579,064	424,036
219 PNG Institute of Public Administration	4,849,300	-	4,849,300	4,055,831	793,469
220 Department of Personnel Management	15,372,600	5,525,800	20,898,400	20,569,916	328,484
221 Public Service Commission	5,168,400	(114,200)	5,054,200	4,339,207	714,993
222 Office of the Public Solicitor	10,399,500	(1,292,881)	9,106,619	7,743,361	1,363,258
223 Judiciary Services	-	-	-	4,462,930	(4,462,930)
224 Magisterial Services	29,542,700	-	29,542,700	44,839,833	(15,297,133)
225 Department of Attorney-General	25,075,800	339,700	25,415,500	23,494,882	1,920,618
226 Department of Corrective Institutional Services	64,661,800	(2,399,974)	62,261,826	52,368,315	9,893,511
227 Provincial Treasuries	28,466,700	20,000	28,486,700	25,573,526	2,913,174
228 Department of Police	173,539,000	12,350,007	185,889,007	177,276,531	8,612,476
229 Department of National Planning and Monitoring	12,799,169	-	12,799,169	11,934,846	864,323
230 Electoral Commission	4,170,200	50,000	4,220,200	3,829,356	390,844
231 National Intelligence Organisation	2,386,300	(271,800)	2,114,500	2,530,350	(415,850)
232 Provincial and Local Government Affairs	9,223,600	(121,900)	9,101,700	6,707,780	2,393,920
234 Department of Defence	104,788,900	(10,848,274)	93,940,626	94,778,213	(837,587)
235 Department of Education	118,745,000	(9,008,200)	109,736,800	95,372,378	14,364,422
236 Office of Higher Education	3,904,000	62,000	3,966,000	3,127,866	838,134
237 PNG National Commission for UNESCO	1,634,600	(93,000)	1,541,600	1,601,734	(60,134)
240 Department of Health	70,522,700	(8,596,100)	61,926,600	70,544,726	(8,618,126)

Div/Agency Name	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	Under (Overspend)
241 Hospital Management Services	314,553,100	23,530,800	338,083,900	335,496,413	2,587,487
242 Department of Community Development	11,939,400	(2,013,100)	9,926,300	9,209,277	717,023
243 National Volunteer Services	1,079,900	-	1,079,900	1,072,230	7,670
245 Department of Environment and Conservation	7,728,500	(513,000)	7,215,500	6,884,095	331,405
247 Department of Agriculture and Livestock	12,307,100	153,100	12,460,200	11,029,162	1,431,038
252 Department of Lands and Physical Planning	15,963,700	(1,000,000)	14,963,700	12,845,792	2,117,908
254 Department of Mineral Policy and Geohazards Management	5,715,400	-	5,715,400	5,140,730	574,670
255 Department of Petroleum and Energy	12,511,100	(1,844,200)	10,666,900	8,310,242	2,356,658
257 Department of Public Enterprises	2,625,300	(1,233,000)	1,392,300	387,290	1,005,010
258 Department of Information and Communication	2,203,700	(152,000)	2,051,700	1,259,365	792,335
259 Department of Transport	13,872,300	(835,500)	13,036,800	10,812,633	2,224,167
261 Department of Commerce and Industry	8,371,200	-	8,371,200	8,587,781	(216,581)
262 Department of Industrial Relations	13,108,800	16,900	13,125,700	12,645,800	479,900
263 National Tripartite Consultative Council	444,200	-	444,200	350,323	93,877
264 Department of Works and Implementation	53,840,500	-	53,840,500	46,150,488	7,690,012
267 Office of Rural Development	5,170,000	(721,000)	4,449,000	3,586,040	862,960
268 Central Supply & Tenders Board	1,486,100	539,000	2,025,100	1,470,561	554,539
269 Office of Tourism Arts and Culture	1,199,000	-	1,199,000	1,987,351	(788,351)
299 Treasury and Finance - Public Debt Charges	-	-	-	61,709	(61,709)
<b>Grand Total</b>	<b>1,729,868,177</b>	<b>(205,010,546)</b>	<b>1,524,857,631</b>	<b>1,522,242,927</b>	<b>2,614,704</b>

**ATTACHMENT C: 2013 TRANSFERS TO PROVINCIAL GOVERNMENTS – PERSONNEL EMOLUMENTS**

<b>Provincial Governments</b>	<b>2013 Initial Appropriation</b>	<b>Other Transfers</b>	<b>2013 Final Available Appropriation</b>	<b>2013 Outcome</b>	<b>(Overspending) Underspending</b>
<b>Autonomous Bougainville Government</b>	<b>64,725,800</b>	<b>1,038,100</b>	<b>65,763,900</b>	<b>56,113,890</b>	<b>9,650,010</b>
Overtime	-	-	-	4,596	(4,596)
Public Service Leave Fares	272,800	-	272,800	294,100	(21,300)
Retirement Benefits, Pensions, Gratuities & Retrenchments	-	-	-	302,507	(302,507)
Salaries & Allowances	-	-	-	11,980,621	(11,980,621)
Staffing Grants	22,299,800	1,038,100	23,337,900	6,823,442	16,514,458
Teachers Leave Fares	1,350,500	-	1,350,500	1,431,100	(80,600)
Teachers Salaries Grants	40,802,700	-	40,802,700	35,277,523	5,525,177
<b>Central Provincial Government</b>	<b>51,259,100</b>	<b>1,908,000</b>	<b>53,167,100</b>	<b>50,381,024</b>	<b>2,786,076</b>
Overtime	-	-	-	88,189	(88,189)
Public Service Leave Fares	422,900	-	422,900	422,900	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-	-	-	53,448	(53,448)
Salaries & Allowances	-	-	-	10,236,114	(10,236,114)
Staffing Grants	13,850,400	1,908,000	15,758,400	6,660,825	9,097,575
Teachers Leave Fares	2,316,800	-	2,316,800	2,316,800	0
Teachers Salaries Grants	34,300,000	-	34,300,000	30,233,748	4,066,252
Village Courts Allowances	369,000	-	369,000	369,000	0
<b>East New Britain Provincial Government</b>	<b>69,390,000</b>	<b>539,200</b>	<b>69,929,200</b>	<b>64,017,379</b>	<b>5,911,821</b>
Payroll Cost	-	-	-	(12,680)	12,680
Public Service Leave Fares	504,700	-	504,700	504,700	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-	-	-	99,866	(99,866)
Salaries & Allowances	-	-	-	13,711,751	(13,711,751)
Staffing Grants	21,150,700	539,200	21,689,900	8,110,955	13,578,945
Teachers Leave Fares	1,274,100	-	1,274,100	1,274,100	0
Teachers Salaries Grants	46,196,500	-	46,196,500	40,064,687	6,131,813

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Village Courts Allowances	264,000		264,000	264,000	0
<b>East Sepik Provincial Government</b>	<b>63,355,600</b>	<b>1,618,100</b>	<b>64,973,700</b>	<b>67,265,836</b>	<b>(2,292,136)</b>
Payroll Cost	-		-	(6,925)	6,925
Public Service Leave Fares	1,250,000		1,250,000	1,250,000	0
Salaries & Allowances	-		-	5,311,649	(5,311,649)
Staffing Grants	20,065,200	1,618,100	21,683,300	16,981,477	4,701,823
Teachers Leave Fares	1,163,700		1,163,700	1,163,700	0
Teachers Salaries Grants	40,395,100		40,395,100	42,084,334	(1,689,234)
Village Courts Allowances	481,600		481,600	481,600	0
<b>Eastern Highlands Provincial Government</b>	<b>58,332,300</b>	<b>1,500,000</b>	<b>59,832,300</b>	<b>59,480,125</b>	<b>352,175</b>
Payroll Cost	-		-	(28,960)	28,960
Public Service Leave Fares	752,000		752,000	752,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	59,482	(59,482)
Salaries & Allowances	-		-	7,697,798	(7,697,798)
Staffing Grants	13,762,300	1,500,000	15,262,300	2,891,473	12,370,827
Teachers Leave Fares	1,156,500		1,156,500	1,156,500	0
Teachers Salaries Grants	42,161,500		42,161,500	46,451,831	(4,290,331)
Village Courts Allowances	500,000		500,000	500,000	0
<b>Enga Provincial Government</b>	<b>48,333,281</b>	<b>947,600</b>	<b>49,280,881</b>	<b>63,359,553</b>	<b>(14,078,672)</b>
Payroll Cost	-		-	(24,485)	24,485
Public Service Leave Fares	260,000		260,000	260,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	21,935	(21,935)
Salaries & Allowances	-		-	14,793,526	(14,793,526)
Staffing Grants	16,957,265	947,600	17,904,865	9,613,660	8,291,205
Teachers Leave Fares	1,068,000		1,068,000	1,068,000	0
Teachers Salaries Grants	29,169,716		29,169,716	36,748,617	(7,578,901)

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Village Courts Allowances	878,300		878,300	878,300	0
<b>Fly River Provincial Government</b>	<b>41,133,285</b>	<b>1,554,500</b>	<b>42,687,785</b>	<b>39,423,211</b>	<b>3,264,574</b>
Public Service Leave Fares	247,600		247,600	247,600	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	9,034	(9,034)
Salaries & Allowances	-		-	8,291,190	(8,291,190)
Staffing Grants	16,247,873	1,554,500	17,802,373	5,165,478	12,636,895
Teacher Salaries Grants	23,362,612		23,362,612	24,434,710	(1,072,098)
Teachers Leave Fares	1,001,200		1,001,200	1,001,200	0
Village Courts Allowances	274,000		274,000	274,000	0
<b>Gulf Provincial Government</b>	<b>23,836,900</b>	<b>142,900</b>	<b>23,979,800</b>	<b>20,492,326</b>	<b>3,487,474</b>
Public Service Leave Fares	807,200		807,200	807,200	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	149,207	(149,207)
Salaries & Allowances	-		-	1,526,024	(1,526,024)
Staffing Grants	11,586,000	142,900	11,728,900	7,582,464	4,146,436
Teachers Leave Fares	699,600		699,600	699,600	0
Teachers Salaries Grants	10,255,100		10,255,100	9,238,830	1,016,270
Village Courts Allowances	489,000		489,000	489,000	0
<b>Hela Provincial Government</b>	<b>27,484,800</b>	<b>-</b>	<b>27,484,800</b>	<b>717,300</b>	<b>26,767,500</b>
Public Service Leave Fares	173,900		173,900	173,900	0
Staffing Grants	10,314,300		10,314,300	-	10,314,300
Teachers Leave Fares	333,900		333,900	333,900	0
Teachers Salaries Grants	16,453,200		16,453,200	-	16,453,200
Village Courts Allowances	209,500		209,500	209,500	0
<b>Jiwaka Provincial Government</b>	<b>28,765,100</b>	<b>-</b>	<b>28,765,100</b>	<b>979,200</b>	<b>27,785,900</b>
Public Service Leave Fares	193,400		193,400	193,400	0
Salaries & Allowances	-		-	-	0

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Staffing Grants	5,808,100		5,808,100	-	5,808,100
Teachers Leave Fares	524,500		524,500	524,500	0
Teachers Salaries Grants	21,977,800		21,977,800	-	21,977,800
Village Courts Allowances	261,300		261,300	261,300	0
<b>Madang Provincial Government</b>	<b>65,731,100</b>	<b>4,864,000</b>	<b>70,595,100</b>	<b>76,129,049</b>	<b>(5,533,949)</b>
Payroll Cost	-		-	(6,551)	6,551
Public Service Leave Fares	955,400		955,400	955,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	18,266	(18,266)
Salaries & Allowances	-		-	13,962,778	(13,962,778)
Staffing Grants	20,675,500	4,864,000	25,539,500	11,988,314	13,551,186
Teachers Leave Fares	1,711,500		1,711,500	1,711,500	0
Teachers Salaries Grants	41,935,500		41,935,500	47,046,142	(5,110,642)
Village Courts Allowances	453,200		453,200	453,200	0
<b>Manus Provincial Government</b>	<b>27,814,230</b>	<b>272,900</b>	<b>28,087,130</b>	<b>21,812,215</b>	<b>6,274,915</b>
Overtime	-		-	296	(296)
Public Service Leave Fares	513,600		513,600	513,600	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	60,581	(60,581)
Salaries & Allowances	-		-	5,998,072	(5,998,072)
Staffing Grants	12,394,428	272,900	12,667,328	2,700,914	9,966,414
Teachers Leave Fares	614,300		614,300	614,300	0
Teachers Salaries Grants	14,057,302		14,057,302	11,689,853	2,367,449
Village Courts Allowances	234,600		234,600	234,600	0
<b>Milne Bay Provincial Government</b>	<b>39,535,726</b>	<b>5,500,000</b>	<b>45,035,726</b>	<b>41,849,193</b>	<b>3,186,533</b>
Payroll Cost	-		-	(24,738)	24,738
Public Service Leave Fares	517,800		517,800	517,800	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	339,442	(339,442)

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Salaries & Allowances	-		-	5,634,288	(5,634,288)
Staffing Grants	5,051,400	5,500,000	10,551,400	4,173,819	6,377,581
Teachers Leave Fares	1,163,700		1,163,700	1,163,700	0
Teachers Salaries Grants	32,485,926		32,485,926	29,727,982	2,757,944
Village Courts Allowances	316,900		316,900	316,900	0
<b>Morobe Provincial Government</b>	<b>93,308,500</b>	<b>2,921,700</b>	<b>96,230,200</b>	<b>106,576,530</b>	<b>(10,346,330)</b>
Overtime	-		-	247,683	(247,683)
Payroll Cost	-		-	(26,750)	26,750
Public Service Leave Fares	1,411,500		1,411,500	1,411,500	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	600,200	(600,200)
Salaries & Allowances	-		-	16,285,507	(16,285,507)
Staffing Grants	29,056,700	(1,078,300)	27,978,400	11,167,681	16,810,719
Teachers Leave Fares	3,008,100	4,000,000	7,008,100	7,008,100	0
Teachers Salaries Grants	59,313,600		59,313,600	69,364,009	(10,050,409)
Village Courts Allowances	518,600		518,600	518,600	0
<b>National Capital District</b>	<b>195,100</b>		<b>195,100</b>	<b>185,565</b>	<b>9,535</b>
Payroll Cost	-		-	(9,535)	9,535
Village Courts Allowances	195,100		195,100	195,100	0
<b>New Ireland Provincial Government</b>	<b>39,111,300</b>	<b>325,000</b>	<b>39,436,300</b>	<b>37,844,352</b>	<b>1,591,948</b>
Payroll Cost	-		-	(15,392)	15,392
Public Service Leave Fares	366,700		366,700	366,700	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	31,596	(31,596)
Salaries & Allowances	-		-	8,078,305	(8,078,305)
Staffing Grants	15,459,000	325,000	15,784,000	4,761,196	11,022,804
Teachers Leave Fares	890,700		890,700	890,700	0
Teachers Salaries Grants	22,206,000		22,206,000	23,542,446	(1,336,446)



Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Village Courts Allowances	188,900		188,900	188,800	100
<b>Oro Provincial Government</b>	<b>29,378,100</b>	<b>5,681,700</b>	<b>35,059,800</b>	<b>27,525,006</b>	<b>7,534,794</b>
Payroll Cost	-		-	(360)	360
Public Service Leave Fares	926,400		926,400	926,400	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	15,673	(15,673)
Salaries & Allowances	-		-	6,257,898	(6,257,898)
Staffing Grants	11,413,300	5,681,700	17,095,000	4,433,300	12,661,700
Teachers Leave Fares	1,478,000		1,478,000	1,478,000	0
Teachers Salaries Grants	15,422,200		15,422,200	14,275,894	1,146,306
Village Courts Allowances	138,200		138,200	138,200	0
<b>Sandaun Provincial Government</b>	<b>52,710,700</b>	<b>562,000</b>	<b>53,272,700</b>	<b>40,939,120</b>	<b>12,333,580</b>
Payroll Cost	-		-	(6,425)	6,425
Public Service Leave Fares	723,400		723,400	723,400	-
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	65,192	(65,192)
Salaries & Allowances	-		-	8,984,239	(8,984,239)
Staffing Grants	16,049,300	562,000	16,611,300	6,132,101	10,479,199
Teachers Leave Fares	1,144,700		1,144,700	1,144,700	0
Teachers Salaries Grants	34,543,700		34,543,700	23,646,313	10,897,387
Village Courts Allowances	249,600		249,600	249,600	0
<b>Simbu Provincial Government</b>	<b>60,537,100</b>	<b>247,600</b>	<b>60,784,700</b>	<b>60,388,485</b>	<b>396,215</b>
Overtime	-		-	14,733	(14,733)
Payroll Cost	-		-	(725)	725
Public Service Leave Fares	241,500		241,500	241,500	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	107,272	(107,272)
Salaries & Allowances	-		-	12,964,995	(12,964,995)
Staffing Grants	13,246,000	247,600	13,493,600	9,318,732	4,174,868

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Teachers Leave Fares	778,500		778,500	778,500	0
Teachers Salaries Grants	45,840,100		45,840,100	36,532,478	9,307,622
Village Courts Allowances	431,000		431,000	431,000	0
<b>Southern Highlands Province</b>	<b>75,788,400</b>	<b>382,900</b>	<b>76,171,300</b>	<b>99,384,172</b>	<b>(23,212,872)</b>
Payroll Cost	-		-	(1,504)	1,504
Public Service Leave Fares	463,800		463,800	463,800	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	263,644	(263,644)
Salaries & Allowances	-		-	22,753,063	(22,753,063)
Staffing Grants	28,467,600	382,900	28,850,500	14,899,957	13,950,543
Teachers Leave Fares	890,400		890,400	890,400	0
Teachers Salaries Grants	45,407,800		45,407,800	59,556,012	(14,148,212)
Village Courts Allowances	558,800		558,800	558,800	0
<b>West New Britain Provincial Government</b>	<b>52,196,900</b>	<b>2,074,200</b>	<b>54,271,100</b>	<b>50,971,956</b>	<b>3,299,144</b>
Overtime	-		-	17,133	(17,133)
Payroll Cost	-		-	(7,000)	7,000
Public Service Leave Fares	1,620,000		1,620,000	1,620,000	0
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	95,410	(95,410)
Salaries & Allowances	-		-	9,742,881	(9,742,881)
Staffing Grants	15,410,000	2,074,200	17,484,200	6,306,758	11,177,442
Teachers Leave Fares	3,019,600		3,019,600	3,019,600	0
Teachers Salaries Grants	31,647,000		31,647,000	29,676,874	1,970,126
Village Courts Allowances	500,300		500,300	500,300	0
<b>Western Highlands Provincial Government</b>	<b>68,298,500</b>	<b>1,500,000</b>	<b>69,798,500</b>	<b>74,881,686</b>	<b>(5,083,186)</b>
Overtime	-		-	10,887	(10,887)
Payroll Cost	-		-	(1,344)	1,344
Public Service Leave Fares	483,400		483,400	483,383	17

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Retirement Benefits, Pensions, Gratuities & Retrenchments	-		-	87,375	(87,375)
Salaries & Allowances	-		-	9,718,475	(9,718,475)
Staffing Grants	7,609,300	1,500,000	9,109,300	3,901,023	5,208,277
Teachers Leave Fares	1,311,300		1,311,300	1,311,275	25
Teachers Salaries Grants	58,241,200		58,241,200	58,717,313	(476,113)
Village Courts Allowances	653,300		653,300	653,300	0
<b>Grand Total</b>	<b>1,081,221,822</b>	<b>33,580,400</b>	<b>1,114,802,222</b>	<b>1,060,717,172</b>	<b>54,085,050</b>

#### ATTACHMENT D: 2013 TRANSFERS TO NATIONAL DEPARTMENTS – GOODS & SERVICES

Div/Agency Name	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
201 National Parliament	117,757,300	19,600,000	137,357,300	137,357,300	-
202 Office of Governor-General	2,042,900	793,000	2,835,900	2,435,719	400,181
203 Department of Prime Minister & NEC	23,645,300	77,474,200	91,870,500	108,477,254	(16,606,754)
204 National Statistical Office	1,184,900	13,460	1,198,360	1,185,976	12,384
205 Office of Bougainville Affairs	1,084,800	95,300	1,180,100	196,850	983,250
206 Department of Finance	12,631,869	2,355,049	14,986,918	1,074,166,652	(1,059,179,734)
207 Treasury and Finance - Miscellaneous	998,524,400	(132,179,213)	613,732,187	683,837,394	(70,105,207)
208 Department of Treasury	3,654,600	12,010,200	15,045,000	14,513,278	531,722
209 Registrar For Political Parties	2,816,300	1,273,600	4,089,900	1,325,262	2,764,638
211 PNG Customs Service	14,127,400	1,072,000	15,199,400	10,771,988	4,427,412
212 Information Technology Division	13,863,000	(1,902,142)	11,960,858	12,266,948	(306,090)

<b>Div/Agency Name</b>	<b>2013 Initial Appropriation</b>	<b>Other Transfers</b>	<b>2013 Final Available Appropriation</b>	<b>2013 Outcome</b>	<b>(Overspending)Underspending</b>
213 PNG Fire Services	9,252,900	(100,000)	9,152,900	7,930,682	1,222,218
216 Internal Revenue Commission	21,056,000	(1,628,530)	19,427,470	18,364,533	1,062,937
217 Department of Foreign Affairs and Trade	27,503,200	10,172,800	36,176,000	35,373,146	802,854
218 Office of the Public Prosecutor	560,700	352,000	912,700	950,530	(37,830)
219 PNG Institute of Public Administration	1,999,700	-	1,999,700	1,999,700	-
220 Department of Personnel Management	4,396,900	6,729,200	10,746,100	7,926,833	2,819,267
221 Public Service Commission	985,100	114,200	1,099,300	1,102,905	(3,605)
222 Office of the Public Solicitor	1,331,900	1,292,881	2,624,781	2,519,507	105,274
223 Judiciary Services	75,116,500	-	75,116,500	81,758,500	(6,642,000)
224 Magisterial Services	8,075,500	-	8,075,500	8,075,522	(22)
225 Department of Attorney-General	18,576,100	10,110,300	28,686,400	27,122,906	1,563,494
226 Department of Corrective Institutional Services	39,113,600	3,449,974	42,563,574	42,479,973	83,601
227 Provincial Treasuries	8,028,500	280,000	8,308,500	23,989,246	(15,680,746)
228 Department of Police	86,712,200	87,049,993	167,562,193	163,680,353	3,881,840
229 Department of National Planning and Monitoring	4,580,300	-	4,580,300	4,414,766	165,534
230 Electoral Commission	72,212,800	36,829,000	106,241,800	94,188,414	12,053,386
231 National Intelligence Organisation	1,932,600	371,800	2,304,400	2,304,394	6
232 Provincial and Local Government Affairs	6,597,800	24,621,900	31,219,700	33,183,063	(1,963,363)
234 Department of Defence	75,678,900	50,848,274	126,527,174	80,870,054	45,657,120
235 Department of Education	739,184,800	9,008,200	748,193,000	765,856,822	(17,663,822)
236 Office of Higher Education	47,646,500	338,000	47,984,500	47,868,951	115,549
237 PNG National Commission for UNESCO	469,600	2,179,000	2,005,600	1,990,556	15,045
240 Department of Health	205,118,500	13,904,000	219,022,500	215,200,414	3,822,086
241 Hospital Management Services	113,000,100	19,286,300	132,286,400	132,530,000	(243,600)
242 Department of Community Development	3,239,000	3,307,100	6,546,100	6,394,047	152,053
243 National Volunteer Services	300,000	-	300,000	300,000	-

Div/Agency Name	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending)Underspending ending
245 Department of Environment and Conservation	14,029,600	513,000	14,542,600	15,612,177	(1,069,577)
247 Department of Agriculture and Livestock	2,978,300	-	2,978,300	2,978,112	188
252 Department of Lands and Physical Planning	21,250,500	22,500,000	41,250,500	43,412,376	(2,161,876)
254 Department of Mineral Policy and Geohazards Management	2,551,900	1,000,000	3,051,900	2,963,870	88,030
255 Department of Petroleum and Energy	6,137,900	17,094,200	21,232,100	18,914,458	2,317,642
257 Department of Public Enterprises	1,156,100	1,233,000	2,389,100	1,674,618	714,482
258 Department of Information and Communication	2,081,000	152,000	2,233,000	(2,733,550)	4,966,550
259 Department of Transport	9,315,800	835,500	10,151,300	8,261,446	1,889,854
261 Department of Commerce and Industry	4,687,300	-	4,687,300	4,496,414	190,886
262 Department of Industrial Relations	4,076,100	-	4,076,100	1,341,209	2,734,891
263 National Tripartite Consultative Council	474,500	-	474,500	(86,800)	561,300
264 Department of Works and Implementation	115,697,600	10,000,000	125,697,600	153,593,599	(27,895,999)
267 Office of Rural Development	1,620,000	721,000	2,341,000	2,286,857	54,143
268 Central Supply & Tenders Board	1,220,100	1,091,000	1,711,100	1,230,940	480,160
269 Office of Tourism Arts and Culture	794,900	-	794,900	794,900	-
299 Treasury and Finance - Public Debt Charges	671,189,300	(1,000,000)	670,189,300	514,232,018	155,957,282
<b>Grand Total</b>	<b>3,623,263,369</b>	<b>313,261,546</b>	<b>3,656,920,115</b>	<b>4,623,883,080</b>	<b>(966,962,965)</b>

#### ATTACHMENT C: 2013 TRANSFERS TO PROVINCIAL GOVERNMENTS – GOODS & SERVICES

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
<b>Autonomous Bougainville Government</b>	<b>22,250,500</b>	291,200	<b>22,541,700</b>	<b>24,097,954</b>	<b>(1,556,254)</b>
Health Function Grant	-	291,200	291,200	291,200	-

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Goods & Services Grant (ABG)	19,148,100		19,148,100	20,644,000	(1,495,900)
Police & Services Grant (ABG)	2,803,400		2,803,400	3,022,400	(219,000)
Functions & Powers Grant (ABG)	299,000		299,000	322,400	(23,400)
Unbalanced CRF	-		-	(182,046)	182,046
<b>Central Provincial Government</b>	<b>23,613,100</b>	308,100	<b>23,921,200</b>	<b>24,231,736</b>	<b>(310,536)</b>
Administration Grant	1,054,700		1,054,700	1,054,700	-
Education Function Grant	3,570,700		3,570,700	3,570,700	-
Health Function Grant	4,277,900	308,100	4,586,000	4,586,000	-
Infrastructure Grant	8,590,700		8,590,700	8,590,700	-
LLG Village Services Grant	1,753,700		1,753,700	1,753,700	-
Primary Production Grant	1,345,800		1,345,800	1,345,800	-
Service Delivery Grant	2,596,100		2,596,100	2,596,100	-
Village Courts Grant	423,500		423,500	423,500	-
Unbalanced CRF	-		-	310,536	(310,536)
<b>East New Britain Provincial Government</b>	<b>22,850,500</b>	374,800	<b>23,225,300</b>	<b>21,728,779</b>	<b>1,496,521</b>
Administration Grant	146,600		146,600	146,600	-
Education Function Grant	6,343,400		6,343,400	6,343,400	-
Health Function Grant	3,883,400	374,800	4,258,200	4,258,200	-
Infrastructure Grant	4,501,500		4,501,500	4,501,500	-
LLG Village Services Grant	2,752,000		2,752,000	2,752,000	-
Primary Production Grant	1,610,300		1,610,300	1,610,300	-
Service Delivery Grant	3,404,700		3,404,700	3,404,700	-
Village Courts Grant	208,600		208,600	208,600	-
Unbalanced CRF	-		-	(1,496,521)	1,496,521
<b>East Sepik Provincial Government</b>	<b>38,085,500</b>	327,200	<b>38,412,700</b>	<b>34,697,316</b>	<b>3,715,384</b>
Administration Grant	1,006,000		1,006,000	1,006,000	-
Education Function Grant	6,646,000		6,646,000	6,646,000	-
Health Function Grant	8,197,700	327,200	8,524,900	8,524,900	-
Infrastructure Grant	12,303,000		12,303,000	12,303,000	-
LLG Village Services Grant	3,751,900		3,751,900	3,751,900	-

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Primary Production Grant	2,167,400		2,167,400	2,167,400	-
Service Delivery Grant	3,485,200		3,485,200	3,485,200	-
Village Courts Grant	528,300		528,300	528,300	-
Unbalanced CRF	-		-	(3,715,384)	3,715,384
<b>Eastern Highlands Provincial Government</b>	<b>31,191,500</b>		<b>31,191,500</b>	<b>31,191,500</b>	-
Administration Grant	1,199,000		1,199,000	1,199,000	-
Education Function Grant	5,648,400		5,648,400	5,648,400	-
Health Function Grant	4,788,800		4,788,800	4,788,800	-
Infrastructure Grant	10,397,000		10,397,000	10,397,000	-
LLG Village Services Grant	3,676,800		3,676,800	3,676,800	-
Primary Production Grant	1,528,100		1,528,100	1,528,100	-
Service Delivery Grant	2,921,300		2,921,300	2,921,300	-
Village Courts Grant	1,032,100		1,032,100	1,032,100	-
<b>Enga Provincial Government</b>	<b>19,327,800</b>	311,900	<b>19,639,700</b>	<b>19,639,700</b>	-
Administration Grant	533,800		533,800	533,800	-
Education Function Grant	1,470,400		1,470,400	1,470,400	-
Health Function Grant	3,779,100	311,900	4,091,000	4,091,000	-
Infrastructure Grant	7,697,200		7,697,200	7,697,200	-
LLG Village Services Grant	2,476,000		2,476,000	2,476,000	-
Primary Production Grant	1,002,800		1,002,800	1,002,800	-
Service Delivery Grant	2,000,300		2,000,300	2,000,300	-
Village Courts Grant	368,200		368,200	368,200	-
<b>Fly River Provincial Government</b>	<b>5,702,000</b>	283,200	<b>5,985,200</b>	<b>5,985,200</b>	-
Administration Grant	43,300		43,300	43,300	-
Education Function Grant	657,300		657,300	657,300	-
Health Function Grant	781,400	283,200	1,064,600	1,064,600	-
Infrastructure Grant	1,048,100		1,048,100	1,048,100	-
LLG Village Services Grant	2,627,800		2,627,800	2,627,800	-
Primary Production Grant	414,000		414,000	414,000	-
Service Delivery Grant	43,300		43,300	43,300	-

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Village Courts Grant	86,800		86,800	86,800	-
<b>Gulf Provincial Government</b>	<b>17,690,900</b>	89,100	<b>17,780,000</b>	<b>17,660,447</b>	<b>119,553</b>
Administration Grant	831,800		831,800	831,800	-
Education Function Grant	2,998,900		2,998,900	2,998,900	-
Health Function Grant	3,723,700	89,100	3,812,800	3,812,800	-
Infrastructure Grant	4,969,100		4,969,100	4,969,100	-
LLG Village Services Grant	1,251,100		1,251,100	1,251,100	-
Primary Production Grant	1,152,200		1,152,200	1,152,200	-
Service Delivery Grant	2,568,900		2,568,900	2,568,900	-
Village Courts Grant	195,200		195,200	195,200	-
Unbalanced CRF	-		-	(119,553)	119,553
<b>Hela Provincial Government</b>	<b>7,877,700</b>	223,200	<b>8,100,900</b>	<b>1,100,900</b>	<b>7,000,000</b>
Administration Grant	92,400		92,400	92,400	-
Education Function Grant	1,478,400		1,478,400	1,478,400	-
Health Function Grant	1,848,000	223,200	2,071,200	2,071,200	-
Infrastructure Grant	1,540,000		1,540,000	1,540,000	-
LLG Village Services Grant	1,748,500		1,748,500	1,748,500	-
Primary Production Grant	431,200		431,200	431,200	-
Service Delivery Grant	616,000		616,000	616,000	-
Village Courts Grant	123,200		123,200	123,200	-
Unbalanced CRF	-		-	(7,000,000)	7,000,000
<b>Jiwaka Provincial Government</b>	<b>13,970,200</b>	68,900	<b>14,039,100</b>	<b>6,039,100</b>	<b>8,000,000</b>
Administration Grant	188,900		188,900	188,900	-
Education Function Grant	3,526,900		3,526,900	3,526,900	-
Health Function Grant	2,141,300	68,900	2,210,200	2,210,200	-
Infrastructure Grant	4,786,500		4,786,500	4,786,500	-
LLG Village Services Grant	1,361,600		1,361,600	1,361,600	-
Primary Production Grant	755,800		755,800	755,800	-
Service Delivery Grant	1,007,700		1,007,700	1,007,700	-
Village Courts Grant	201,500		201,500	201,500	-



Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Unbalanced CRF	-		-	(8,000,000)	8,000,000
<b>Madang Provincial Government</b>	<b>31,154,800</b>	511,100	<b>31,665,900</b>	<b>31,695,935</b>	<b>(30,035)</b>
Administration Grant	892,200		892,200	892,200	-
Education Function Grant	5,161,700		5,161,700	5,161,700	-
Health Function Grant	5,954,800	511,100	6,465,900	6,465,900	-
Infrastructure Grant	8,363,400		8,363,400	8,363,400	-
LLG Village Services Grant	3,871,400		3,871,400	3,871,400	-
Primary Production Grant	2,497,800		2,497,800	2,497,800	-
Service Delivery Grant	4,069,600		4,069,600	4,069,600	-
Village Courts Grant	343,900		343,900	343,900	-
Unbalanced CRF	-		-	30,035	(30,035)
<b>Manus Provincial Government</b>	<b>13,372,900</b>	97,100	<b>13,470,000</b>	<b>11,121,216</b>	<b>2,348,784</b>
Administration Grant	894,100		894,100	894,100	-
Education Function Grant	2,669,700		2,669,700	2,669,700	-
Health Function Grant	2,544,600	97,100	2,641,700	2,641,700	-
Infrastructure Grant	3,560,600		3,560,600	3,560,600	-
LLG Village Services Grant	593,200		593,200	593,196	4
Primary Production Grant	726,000		726,000	726,000	-
Service Delivery Grant	2,154,900		2,154,900	2,154,900	-
Village Courts Grant	229,800		229,800	229,800	-
Unbalanced CRF	-		-	(2,348,780)	2,348,780
<b>Milne Bay Provincial Government</b>	<b>29,303,300</b>		<b>29,303,300</b>	<b>30,852,902</b>	<b>(1,549,602)</b>
Administration Grant	1,073,000		1,073,000	1,073,000	-
Education Function Grant	6,977,700		6,977,700	6,977,700	-
Health Function Grant	5,535,800		5,535,800	5,535,800	-
Infrastructure Grant	6,657,800		6,657,800	6,657,800	-
LLG Village Services Grant	2,327,800		2,327,800	2,327,800	-
Primary Production Grant	1,870,700		1,870,700	1,870,700	-
Service Delivery Grant	4,520,600		4,520,600	4,520,600	-
Village Courts Grant	339,900		339,900	339,900	-

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Unbalanced CRF	-		-	1,549,602	(1,549,602)
<b>Morobe Provincial Government</b>	<b>14,494,700</b>	730,700	<b>15,225,400</b>	<b>15,225,400</b>	-
Administration Grant	526,800		526,800	526,800	-
Education Function Grant	2,000,000		2,000,000	2,000,000	-
Health Function Grant	1,275,800	730,700	2,006,500	2,006,500	-
Infrastructure Grant	2,266,300		2,266,300	2,266,300	-
LLG Village Services Grant	6,777,500		6,777,500	6,777,500	-
Primary Production Grant	465,300		465,300	465,300	-
Service Delivery Grant	1,026,000		1,026,000	1,026,000	-
Village Courts Grant	157,000		157,000	157,000	-
<b>National Capital District</b>	<b>3,718,300</b>	101,300	<b>3,819,600</b>	<b>3,819,600</b>	-
Health Function Grant	-	101,300	101,300	101,300	-
Towns & Urban Services Grant	3,718,300		3,718,300	3,718,300	-
<b>New Ireland Provincial Government</b>	<b>3,458,100</b>	223,800	<b>3,681,900</b>	<b>5,989,280</b>	<b>(2,307,380)</b>
Administration Grant	25,400		25,400	25,400	-
Education Function Grant	555,400		555,400	555,400	-
Health Function Grant	783,700	223,800	1,007,500	1,007,500	-
Infrastructure Grant	496,100		496,100	496,100	-
LLG Village Services Grant	1,288,100		1,288,100	1,074,320	213,780
Primary Production Grant	230,800		230,800	230,800	-
Service Delivery Grant	50,900		50,900	50,900	-
Village Courts Grant	27,700		27,700	27,700	-
Unbalanced CRF	-		-	2,521,160	(2,521,160)
<b>Oro Provincial Government</b>	<b>17,225,400</b>	193,200	<b>17,418,600</b>	<b>18,343,069</b>	<b>(924,469)</b>
Administration Grant	595,400		595,400	595,400	-
Education Function Grant	3,529,300		3,529,300	3,529,300	-
Health Function Grant	3,757,400	193,200	3,950,600	3,950,600	-
Infrastructure Grant	4,154,400		4,154,400	4,154,400	-
LLG Village Services Grant	1,773,600		1,773,600	1,773,600	-
Primary Production Grant	1,310,400		1,310,400	1,310,400	-

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Service Delivery Grant	2,021,700		2,021,700	2,021,700	-
Village Courts Grant	83,200		83,200	83,200	-
Unbalanced CRF	-		-	924,469	(924,469)
<b>Sandaun Provincial Government</b>	<b>30,006,000</b>	157,900	<b>30,163,900</b>	<b>30,032,305</b>	<b>131,595</b>
Administration Grant	937,600		937,600	937,600	-
Education Function Grant	7,498,400		7,498,400	7,498,400	-
Health Function Grant	5,935,400	157,900	6,093,300	6,093,300	-
Infrastructure Grant	6,757,500		6,757,500	6,757,500	-
LLG Village Services Grant	2,731,900		2,731,900	2,731,900	-
Primary Production Grant	2,611,900		2,611,900	2,611,900	-
Service Delivery Grant	3,230,700		3,230,700	3,230,700	-
Village Courts Grant	302,600		302,600	302,600	-
Unbalanced CRF	-		-	(131,595)	131,595
<b>Simbu Provincial Government</b>	<b>25,288,900</b>	<b>3,551,700</b>	<b>28,840,600</b>	<b>27,478,135</b>	<b>1,362,465</b>
Administration Grant	857,200		857,200	857,200	-
Education Function Grant	6,069,300		6,069,300	6,069,300	-
Health Function Grant	4,134,000	268,600	4,402,600	4,402,600	-
Infrastructure Grant	7,579,800		7,579,800	7,579,800	-
LLG Village Services Grant	2,199,500		2,199,500	2,199,500	-
Primary Production Grant	1,209,400	3,283,100	4,492,500	1,209,400	3,283,100
Service Delivery Grant	2,893,100		2,893,100	2,893,100	-
Village Courts Grant	346,600		346,600	346,600	-
Unbalanced CRF	-		-	1,920,635	(1,920,635)
<b>Southern Highlands Province</b>	<b>14,878,000</b>	232,200	<b>15,110,200</b>	<b>13,476,731</b>	<b>1,633,469</b>
Administration Grant	173,400		173,400	157,640	15,760
Education Function Grant	2,567,500		2,567,500	2,567,500	-
Health Function Grant	3,234,100	232,200	3,466,300	3,466,300	-
Infrastructure Grant	3,280,300		3,280,300	3,280,300	-
LLG Village Services Grant	3,406,900		3,406,900	1,859,191	1,547,709
Primary Production Grant	771,000		771,000	701,000	70,000

Provincial Governments	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
Service Delivery Grant	1,148,200		1,148,200	1,148,200	-
Village Courts Grant	296,600		296,600	296,600	-
<b>West New Britain Provincial Government</b>	<b>16,247,500</b>		<b>16,564,900</b>	<b>15,432,491</b>	<b>1,132,409</b>
Administration Grant	61,000		61,000	61,000	-
Education Function Grant	4,521,700		4,521,700	4,521,700	-
Health Function Grant	3,050,600	317,400	3,368,000	3,368,000	-
Infrastructure Grant	2,299,600		2,299,600	2,299,600	-
LLG Village Services Grant	1,935,200		1,935,200	1,935,199	1
Primary Production Grant	2,483,600		2,483,600	2,483,600	-
Service Delivery Grant	1,675,100		1,675,100	1,675,100	-
Village Courts Grant	220,700		220,700	220,700	-
Unbalanced CRF	-		-	(1,132,408)	1,132,408
<b>Western Highlands Provincial Government</b>	<b>18,527,100</b>		<b>18,527,100</b>	<b>18,423,622</b>	<b>103,478</b>
Administration Grant	266,900		266,900	266,900	-
Education Function Grant	4,549,700		4,549,700	4,549,700	-
Health Function Grant	3,067,900		3,067,900	2,947,458	120,442
Infrastructure Grant	5,759,000		5,759,000	5,759,000	-
LLG Village Services Grant	2,508,300		2,508,300	2,435,700	72,600
Primary Production Grant	817,600		817,600	817,600	-
Service Delivery Grant	1,292,200		1,292,200	1,173,783	118,417
Village Courts Grant	265,500		265,500	265,500	-
Unbalanced CRF	-		-	207,981	(207,981)
<b>Grand Total</b>	<b>420,234,700</b>		<b>428,628,700</b>	<b>408,263,318</b>	<b>20,365,382</b>

## ATTACHMENT F: 2013 TRANSFERS TO STATUTORY AUTHORITIES

Commercial & Statutory Authorities	2013 Initial Appropriation	Other Transfers	2013 Final Available Appropriation	2013 Outcome	(Overspending) Underspending
502 Office of the Auditor-General	18,415,400	5,000,000	23,415,400	23,304,540	110,860
503 Ombudsman Commission	18,114,900		18,114,900	17,283,020	831,880
505 National Research Institute	5,142,400		5,142,400	5,123,282	19,118
506 National Training Council	2,739,800		2,739,800	3,215,313	(475,513)
507 National Economic & Fiscal Commission	3,081,900		3,081,900	3,038,774	43,126
509 Border Development Authority (BDA)	4,441,500	3,000,000	7,441,500	7,441,500	-
510 Legal Training Institute	2,453,200		2,453,200	2,453,200	-
511 Papua New Guinea Climate Change Authority	7,835,800	1,100,000	8,935,800	7,348,567	1,587,233
512 University of Papua New Guinea	43,453,300	3,500,000	46,953,300	46,953,292	8
513 University of Technology	44,440,000		44,440,000	43,893,200	546,800
514 University of Goroka	17,569,100		17,569,100	17,569,100	-
515 University of Environment & Natural Resources	15,276,700		15,276,700	15,276,699	1
516 Papua New Guinea Sports Foundation	10,163,700		10,163,700	12,663,141	(2,499,441)
517 National Narcotics Bureau	4,440,300		4,440,300	6,263,861	(1,823,561)
518 PNG Maritime College	3,252,500		3,252,500	2,981,450	271,050

<b>Commercial &amp; Statutory Authorities</b>	<b>2013 Initial Appropriation</b>	<b>Other Transfers</b>	<b>2013 Final Available Appropriation</b>	<b>2013 Outcome</b>	<b>(Overspending) Underspending</b>
519 National Aids Council Secretariat	8,294,800		8,294,800	8,294,800	-
520 Institute of Medical Research	7,702,000		7,702,000	7,702,000	-
521 National Youth Commission	4,386,100		4,386,100	5,296,753	(910,653)
522 Constitutional and Law Reform Commission	3,007,300		3,007,300	3,007,300	-
523 Papua New Guinea Accidents Investigation Commission	4,966,100		4,966,100	3,800,049	1,166,051
525 National Broadcasting Commission	28,547,800		28,547,800	28,547,800	-
526 National Maritime Safety Authority	1,703,500		1,703,500	1,703,500	-
530 Investment Promotion Authority	2,851,500		2,851,500	2,851,500	-
531 Small Business Development Corporation	2,801,500		2,801,500	2,593,700	207,800
532 National Institute of Standards & Industrial Technology	3,307,500		3,307,500	4,440,734	(1,133,234)
533 Industrial Centers Development Corporation	2,345,500		2,345,500	2,345,500	-
536 KokonasIndustryKoproration	1,113,500		1,113,500	1,090,333	23,167
539 National Museum and Art Gallery	9,707,700		9,707,700	11,434,390	(1,726,690)
541 National Housing Corporation	244,600		244,600	(213,602)	458,202
542 National Cultural Commission	4,473,700	14,500,000	18,973,700	20,742,918	(1,769,218)
549 Office of Coastal Fisheries Development Agency	2,546,000		2,546,000	2,555,429	(9,429)
550 Cocoa Coconut Institute Ltd	6,650,300		6,650,300	6,650,300	-
551 Fisheries (project)	-		-	(37)	37
553 Fresh Produce Development Company	5,822,600		5,822,600	5,805,932	16,668
554 PNG Coffee Industry Corporation	3,223,000		3,223,000	3,222,999	1
557 PNG National Forest Authority	30,645,500	8,674,400	39,319,900	36,766,078	2,553,822

<b>Commercial &amp; Statutory Authorities</b>	<b>2013 Initial Appropriation</b>	<b>Other Transfers</b>	<b>2013 Final Available Appropriation</b>	<b>2013 Outcome</b>	<b>(Overspending) Underspending</b>
558 Tourism Promotion Authority	10,710,300	5,000,000	15,710,300	15,710,300	-
562 National Agriculture Research Institute	9,194,500		9,194,500	9,194,500	-
563 National Agriculture Quarantine & Inspection Authority	4,741,400		4,741,400	9,136,237	(4,394,837)
565 Civil Aviation Safety Authority	11,112,200		11,112,200	11,289,659	(177,459)
566 PNG Cocoa Board	-	4,500,000	4,500,000	4,500,000	-
569 Independent Consumer and Competition Commission	9,728,500		9,728,500	9,728,500	-
<b>Grand Total</b>	<b>380,647,900</b>	<b>45,274,400</b>	<b>425,922,300</b>	<b>433,006,512</b>	<b>(7,084,212)</b>

# PART 3

## DEVELOPMENT BUDGET

### FINAL BUDGET OUTCOME BY AGENCY

#### **3.1 OVERVIEW**

The following tables Attachments F1 to F3 below summarize the (GoPNG) Domestic Funds component of Development Expenditure. Details are separately reported for the 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 2013 Outcome (the Report final expenditure). Figures in brackets indicate a net underspend.

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

#### **3.2 Attachments (overleaf)**



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

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
202 Office of Governor-General		1,000,000		(1,000,000)
203 Department of Prime Minister & NEC	185,000,000	402,604,800	397,604,800	(5,000,000)
204 National Statistical Office	3,000,000	3,000,000	2,846,526	(153,474)
206 Department of Finance	15,342,000	14,742,000	19,651,292	4,909,292
208 Department of Treasury	172,000,000	171,500,000	171,500,000	-
211 PNG Customs Service	8,000,000	2,000,000	2,639,520	639,520
213 Fire Services	3,000,000	3,000,000	2,999,670	(330)
216 Internal Revenue Commission	6,000,000	3,500,000	3,828,769	328,769
217 Department of Foreign Affairs and Trade	25,000,000	11,000,000	19,989,570	8,989,570
220 Department of Personnel Management	-	-	4,833	4,833
223 Judiciary Services	10,000,000	3,358,000	3,358,000	-
224 Magisterial Services	-	1,000,000	1,000,000	-
225 Department of Attorney-General	7,000,000	7,000,000	6,982,439	(17,561)
226 Department of Corrective Institutional Services	2,000,000	-	-	-
228 Department of Police				

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
	10,000,000	10,000,000	10,000,000	-
229 Department of National Planning and Monitoring	53,300,000	75,800,000	75,200,175	(599,825)
234 Department of Defence	16,000,000	6,000,000	10,000,000	4,000,000
235 Department of Education	29,000,000	17,315,200	4,352,796	(12,962,404)
236 Office of Higher Education	20,000,000	23,000,000	20,000,000	(3,000,000)
240 Department of Health	38,000,000	29,200,000	38,000,000	8,800,000
241 Hospital Management Services	83,000,000	68,000,000	83,000,000	15,000,000
242 Department of Community Development	1,000,000	3,000,000	3,000,000	-
245 Department of Environment and Conservation	1,000,000	493,000	1,844,223	1,351,223
247 Department of Agriculture and Livestock	8,000,000	5,500,000	4,550,819	(949,181)
252 Department of Lands and Physical Planning	12,000,000	9,000,000	7,809,430	(1,190,570)
254 Department of Mineral Policy and Geohazard Management	4,500,000	3,479,000	3,342,675	(136,325)
255 Department of Petroleum and Energy	11,000,000	36,000,000	40,981,912	4,981,912
258 Department of Information and Communication	9,000,000	6,000,000	8,982,500	2,982,500
259 Department of Transport	6,000,000	6,000,000	6,000,000	-
261 Department of Commerce and Industry	12,000,000	10,000,000	3,434,161	(6,565,839)

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
264 Department of Works and Implementation	544,500,000	366,300,000	445,595,740	79,295,740
267 Office of Rural Development	75,500,000	79,650,000	78,906,925	(743,075)
<b>Grand Total</b>	<b>1,370,142,000</b>	<b>1,378,442,000</b>	<b>1,477,406,774</b>	<b>98,964,774</b>

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

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
505 - National Research Institute	-	2,000	2,000	-
509 - Border Development Authority	10,000	10,000	10,000	-
511 - Office of Climate Change and Development	-	-	-	-
512 - University of Papua New Guinea	10,000	4,000	4,000	-
513 - University of Technology	5,000	5,000	5,000	-
514 - University of Goroka	7,000	8,000	18,231	10,231
515 - University of Environment & Natural Resources	10,000	11,500	11,500	-
516 - PNG Sports Commission	5,000	5,000	4,998	(2)
519 - National AIDS Council Secretariat	3,000	3,000	3,000	-
520 - Institute of Medical Research	5,000	5,000	5,000	-
521 - National Youth Commission	-	-	-	-
522 - Constitutional & Law Reform Commission	10,000	10,000	10,000	-
523 - Papua New Guinea Accidents Investigation Commission	3,000	3,000	3,000	-
524 - Independent Public Business Corporation	90,000	90,000	90,000	-
531 - Small Business Development Corporation	5,000	5,000	5,000	-
535 - Mineral Resources Authority	21,172	21,172	22,885	1,713
536 - Kokonas Industry Kopration	7,000	8,500	7,951	(549)
537 - National Airports Corporation	46,000	51,000	51,000	-
538 - Papua New Guinea Air Services Limited	14,300	14,300	14,300	-
539 - National Museum & Art Gallery	-	-	-	-
540 - Water PNG	15,000	15,000	15,000	-
542 - National Cultural Commission	-	-	-	-
543 - National Development Bank	-	75,000	75,000	-
546 - PNG Power Limited	17,000	17,000	17,000	-
547 - Telikom (PNG) Limited	10,000	10,000	10,000	-
549 - Office of Coastal Fisheries Development	15,000	17,800	17,800	-

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
Agency				
550 - Cocoa Coconut Institute	3,000	3,000	3,000	-
551 - PNG National Fisheries Authority	-	-	-	-
553 - Fresh Produce Development Company	-	-	-	-
554 - PNG Coffee Industry Corporation	4,000	4,000	4,000	-
557 - PNG National Forest Authority	500	500	500	-
558 - Tourism Promotion Authority	-	-	-	-
559 - PNG Oil Palm Industry Corporation	3,000	3,000	7,066	4,066
563 - National Agriculture Quarantine & Inspection Authority	1,000	1,000	1,000	-
566 - PNG Cocoa Board	-	-	-	-
567 - National Road Authority	170,000	170,000	143,700	(26,300)
568 - Livestock Development Corporation	5,000	5,000	5,000	-
<b>Total</b>	<b>494,972</b>	<b>577,772</b>	<b>566,931</b>	<b>(10,841)</b>

**Attachment F.3 - 2013 GOPNG Domestic Funded Projects by Provincial Governments (Kina)**

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
571 Fly River Provincial Government	70,000,000	70,000,000	50,000,000	(20,000,000)
572 Gulf Provincial Government	58,800,000	53,800,000	36,700,000	(17,100,000)
573 Central Provincial Government	67,200,000	67,200,000	35,240,000	(31,960,000)
574 National Capital District	47,500,000	47,500,000	27,500,000	(20,000,000)
575 Milne Bay Provincial Government	70,000,000	70,000,000	44,000,000	(26,000,000)
576 Oro Provincial Government	44,500,000	44,500,000	30,500,000	(14,000,000)
577 Southern Highlands Province	113,800,000	113,800,000	79,800,000	(34,000,000)
578 Enga Provincial Government	112,300,000	117,300,000	84,400,000	(32,900,000)
579 Western Highlands Provincial Government	124,500,000	124,500,000	98,500,000	(26,000,000)
580 Simbu Provincial Government	115,000,000	115,000,000	79,060,000	(35,940,000)
581 Eastern Highlands Provincial Government	138,000,000	138,000,000	88,000,000	(50,000,000)
582 Morobe Provincial Government	155,900,000	155,900,000	102,800,000	(53,100,000)
583 Madang Provincial Government	112,500,000	112,500,000	85,500,000	(27,000,000)
584 East Sepik Provincial Government	108,000,000	103,000,000	67,000,000	(36,000,000)
585 Sandaun Provincial Government	84,500,000	84,500,000	57,800,000	(26,700,000)

<b>Division</b>	<b>2013 Budget Appropriation</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend (Underspend)</b>
586 Manus Provincial Government	33,000,000	33,000,000	15,000,000	(18,000,000)
587 New Ireland Provincial Government	53,700,000	53,700,000	37,700,000	(16,000,000)
588 East New Britain Provincial Government	69,000,000	69,000,000	44,080,000	(24,920,000)
589 West New Britain Provincial Government	35,500,000	35,500,000	20,540,000	(14,960,000)
590 Autonomous Bougainville Government	161,520,000	161,520,000	141,080,000	(20,440,000)
591 Hela Provincial Government	89,900,000	89,900,000	78,787,137	(11,112,863)
592 Jiwaka Provincial Government	78,000,000	78,000,000	67,104,560	(10,895,440)
<b>Total</b>	<b>1,943,120,000</b>	<b>1,938,120,000</b>	<b>1,371,091,697</b>	<b>(567,028,303)</b>

**Attachment F.4 - 2013 Development Expenditure Summary Table of National Government Departments, Commercial Statutory Authorities and Provincial Governments (Kina)**

<b>Summary Table: Development Expenditure 2012 - 2013 (Kina)</b>					
<b>Source of Funding</b>	<b>2012 Actuals</b>	<b>2013 Budget</b>	<b>2013 Final Appropriation</b>	<b>2013 Outcome</b>	<b>Overspend/ (Underspend)</b>
Domestic Funds	1,976,400,000	<b>3,808,234,000</b>	<b>3,894,334,000</b>	<b>3,415,430,163</b>	<b>(478,903,837)</b>
Project Support Grants	1,045,000,000	1,211,176,000	1,211,176,000	877,506,820	(333,669,180)
Infrastructure Tax Credits	25,400,000	130,000,000	130,000,000	92,791,728	(37,208,272)
Loans	326,200,000	644,435,000	644,435,000	448,100,000	(196,335,000)
<i>Concessional</i>	<i>326,200,000</i>	<i>644,435,000</i>	<i>644,435,000</i>	<i>448,100,000</i>	<i>(196,335,000)</i>
<i>Commercial</i>					
<b>Total Development Budget</b>	<b>3,373,000,000</b>	<b>5,793,845,000</b>	<b>5,879,945,000</b>	<b>4,833,828,711</b>	<b>(1,046,116,289)</b>