



DEPARTMENT OF TREASURY
Budgets Division

Telephone: (675) 312 8736
Facsimile: (675) 312 8806

Vulupindi Haus
PO Box 710, WAIGANI, NCD

BUDGET CIRCULAR 4/2008

3 July 2008

CIRCULAR LETTER TO:

All Heads of Departments and Heads of Statutory Authorities

ALLOCATION OF BUDGET CEILINGS AND PREPARATION OF 2009 NATIONAL BUDGET SUBMISSIONS - NATIONAL DEPARTMENTS AND STATUTORY AUTHORITIES

1. PURPOSE

The Purpose of this Budget Circular is to:

1. advise National Departments and Statutory Authorities (agencies) of the 2009 Budget Ceilings;
2. advise agencies of the policy framework underpinning the 2009 Budget;
3. provide guidance to agencies on the form and content for their 2009 Recurrent and Development Budget Submissions; and
4. seek agencies' detailed 2009 Budget Submissions, by cob **11 August 2008**.

Submissions should be **within the Budget Ceilings advised**, except where an agency proposes to deliver new policy, in which case the policy should be separately identified and clearly explained. More details are provided in sections 6.2.1 and 6.2.4 below.

It is important that all Heads of Departments and Statutory Authorities (**Departmental Heads**) ensure that the agency's obligations to provide a Submission on time will be met and that the officers responsible for preparing their agency's 2009 Budget Submission are provided with copies of this Budget Circular.

It is also important that officers responsible for preparing their agency's 2009 Budget Submission read this Budget Circular closely and ensure that they comply with the requirements.

2. STRUCTURE OF BUDGET CIRCULAR

This Budget Circular includes the following information to assist agencies to formulate and submit their 2009 Budget Submissions:

- *Section 3* provides details on the **2009 Budget ceilings**;
- *Section 4* outlines the **key dates** for agencies to submit their 2009 Budget Submissions;
- *Section 5* provides the **policy principles** driving the formulation of the 2009 National Budget and the priority funding areas based on the Government's development policies;
- *Section 6* details the instructions for agencies to formulate and submit their 2009 **Recurrent Budget Submissions**;
- *Section 7* details the instructions for agencies to formulate and submit their 2009 **Development Budget Submissions**; and
- *Section 8* provides details of **Key Contacts** within the Department of Treasury (Treasury) and the Department of National Planning & Monitoring (DNPM).

3. 2009 BUDGET CEILINGS

The 2009 Budget Ceilings have been set to enable the Government to meet both its targets under the *Medium Term Fiscal Strategy 2008-2012* and the requirements of the *Fiscal Responsibility Act 2006* that the Budget be in balance over the term of the Government. The ceilings seek to meet these objectives using the latest forecasts of Government revenue and expenditure for 2009 and the medium term.

- For **National Departments**, the following ceilings have been provided:
 - a **Total Budget ceiling** for your agency. This is a "hard" ceiling, meaning that the total funding requested in your agency's 2009 Budget Submission to deliver existing policy should not be more than this ceiling. The total ceiling is included in Table BC, at Attachment A to this Circular;
 - **Program/Activity ceilings** for each Program and Activity. These are provided as "soft" ceilings – you may adjust funding between these ceilings, however, your agency's 2009 Budget Submission should provide justification where you do so. The program/activity ceilings are also at Attachment A; and
 - A **Preliminary Staff Ceiling** for your agency. You should ensure that your agency's bid for staffing resources is within this Staff Ceiling. The preliminary staff ceiling is provided in Table 1 at Attachment B.
- For **Statutory Authorities** and other single line agencies, ceilings will continue to be provided as a single figure.

4. KEY DATES FOR THE 2009 NATIONAL BUDGET

For National Departments and Statutory Authorities, the following dates apply:

- **11 August 2008** – the due date for agencies to submit their 2009 Budget Submissions, in accordance with the Budget Timetable provided in Budget Circular 1/2008.
- **8-26 September 2008** – Budget meetings between National Departments, Statutory Authorities and the Budget Screening Committee. These meetings will be held to ensure that key agencies have an opportunity to discuss their 2009 Budget Submission with senior officials from central agencies. Details of these meetings, including dates, times and venues and the format and structure of the discussions will be provided to agencies in August this year.
- **18 November 2008** – 2009 Budget tabled in Parliament.

5. PRINCIPLES GUIDING THE FRAMING OF THE 2009 NATIONAL BUDGET

The 2009 Budget will be framed against a background of continued high commodity prices, a strongly growing economy that is running up against binding capacity constraints, and increasing inflationary pressures.

There may be some limited opportunities to increase expenditure and service delivery to some of the Government's priority areas. However, decisions on higher spending will need to consider the impact on domestic demand in order to prevent a further build up in inflation or crowding out of private sector expansion.

5.1 The Budget Strategy Paper

The 2009 Budget Strategy Paper is the key document establishing the broad principles that guide the 2009 Budget process. It establishes the economic and fiscal parameters within which the Budget will be framed and draws on the high level frameworks which cover the medium term - the *Medium Term Development Strategy*, the *Medium Term Debt Strategy* and the *Medium Term Fiscal Strategy 2008-2012*. Please contact Treasury officers (contact details in Section 8 below) if you require a copy of the Budget Strategy Paper.

Using the latest forecasts of revenue and expenditures, the Budget Strategy Paper provides for the following broad fiscal parameters that underpin the 2009 Budget Ceilings:

- Total Revenue and Grants are expected to be **K7,341 million**.
- Total Expenditure and Net Lending is expected to be **K7,009.6 million**.
 - Total recurrent expenditure is forecast to be **K4,187.9 million**.
 - Total development expenditure is forecast to be **K2,048.3 million**.
 - Total additional priority expenditure is forecast to be **K773.4 million**.
- Debt/Liability repayment is forecast to be **K331.4 million**.
- A balanced Budget is projected for 2009.

5.2 The Medium Term Fiscal Strategy

The key policy document that informs the Budget Strategy Paper is the new *Medium Term Fiscal Strategy 2008-2012* (MTFS). The first MTFS, for 2002-2007, established a fiscal stabilisation plan with a focus on stopping the decline in PNG's economic performance. It played a key role in turning around both Government finances and the overall economy.

The new MTFS provides a responsible, prudent and sustainable framework for the Government to manage its fiscal resources. The MTFS lays out the following three key fiscal rules to assist the Government with achieving sustainable economic growth through correct management of its resources:

- keeping ongoing expenditure in line with normal, sustainable revenues;
- using additional windfall mineral revenue to pre-fund public investment projects and repay debt and other liabilities; and
- limiting the amount of actual public investment expenditure sourced from windfall revenues to a maximum of 4 per cent of GDP in any one year, in order to promote macroeconomic stability and minimise inflationary pressures.

A key part of the strategy is a framework to manage varying, volatile and highly uncertain amounts of additional revenue from PNG's commodity exports. The 2008-2012 MTFS lays out the following four principles that should be followed when allocating the additional mineral revenues. These allocations should:

- benefit future generations;
- be flexible, in case the additional revenues do not materialise;
- be made while considering the impact on domestic and import demand; and
- be compared to and assessed against all other potential investment projects.

A copy of the 2008-2012 MTFS is available from the Treasury website at www.treasury.gov.pg or in hard copy from Treasury.

5.3 The Medium Term Development Strategy

While the MTFS provides the framework for determining how much to spend, a key policy document guiding the Government's decisions on what to spend money on is the Medium Term Development Strategy (MTDS).

The MTDS promotes fiscal sustainability as an important Government objective. It aims to strengthen public expenditure management, by providing a framework to prioritise the use of fiscal resources (including borrowing) and encourage the cost-effective implementation of programs.

The MTDS identifies the following seven key expenditure priorities areas for the period from 2005 to 2010:

- Rehabilitation and Maintenance of Transport Infrastructure;
- Law and Justice;
- Primary Health Care;

- Basic Education;
- Promotion of Income Earning Opportunities;
- Development-oriented Informal Adult Education; and
- HIV-AIDS Prevention.

Further details regarding the priority expenditure areas can be found in the MTDS document, which can be obtained from DNPM.

When preparing 2009 Budget Submissions, all agencies should ensure that they have regard to the MTDS expenditure priorities. The target for the proportion of total PNG Government expenditure allocated to MTDS priority areas for the 2008 Budget was 53.0 per cent. The 2008 Budget exceeded the target, achieving an outcome of 55.5 per cent of total PNG Government expenditure being directed to MTDS priority areas.

The target for the 2009 Budget is to maintain this result and allocate at least 55.5 per cent of total PNG expenditure to MTDS priority areas in 2009. In formulating their 2009 Budget Submissions, agencies should ensure that they give priority to funding for programs that are consistent with the MTDS.

6. INSTRUCTIONS FOR COMPLETING 2009 RECURRENT BUDGET SUBMISSIONS

6.1 Format of an Agency's 2009 Recurrent Budget Submissions

All agencies are required to prepare a 2009 Budget submission and submit it to Treasury by **Monday, 11 August 2008**. In most cases, where an agency does not lodge a submission, it will be provided with the same level of funding as was provided in 2008.

Agencies must ensure that the submission they lodge with Treasury is their final submission. If an agency tries to present a different submission to the Budget Screening Committee from the one that was submitted to Treasury, it will be rejected and the original submission will be considered.

6.1.1 Electronic (Flat file) Budget Submissions

Agencies are required to lodge a diskette containing an electronic flat file of their 2009 Recurrent Budget Bids for uploading into the Planning and Budgetary System (PBS). They are also required to provide a signed hard copy version and four (4) photocopies.

Instruction and training sessions, on how to complete the hard and electronic copies of your agency's 2009 Budget Submission, will be conducted in July this year. Diskettes will also be provided to agencies at these sessions, containing all of the forms that agencies will need to complete in electronic format.

Any officials who are unable to attend the training, or require further assistance in the preparation of submissions should contact the relevant officers identified in Section 8 below.

6.1.2 Written Budget Submissions

In addition to the electronic submission outlined under 6.1.1 above, agencies will also be required to provide a written Budget submission outlining their planned expenditure for the coming year. The submission should be consistent with the Budget structure in Volume 2 (Parts 1 and 2) of the 2008 Budget papers. Agencies will need to supply an electronic copy (diskette), a signed hard copy and four (4) photo copies of their 2009 Recurrent Budget Submissions and all attachments.

The written submission should include the following information:

- For **National Departments** only - use Section A of Table 2 (included at Attachment C to this Circular) to present a summary table by Program, including each Activity under **each existing Program**. Where the agency proposes funding for Programs and Activities that is different from the ceilings (refer to Section 3), a clear justification should be provided. Where the agency is proposing to deliver **new policy**, the details should be entered in Section B of Table 2, including an outline of the new policy/activity proposed, a clear justification for the new policy/activity and information on how it relates to the Government's MTDS expenditure priorities.
- For **National Departments and Statutory Authorities** - use Table 3 (included at Attachment C to this Circular) to present a summary table of total expenditure by Line Items. Information should be provided, to the nearest thousand Kina for:
 - 2007 (actual expenditure as shown in the final public accounts);
 - 2008 (current appropriation); and
 - 2009 (the funding sought in your agency's Budget Submission).

6.1.3 Supporting Justification

National Departments should provide a short written justification under each *Program*, explaining why that Program should continue to be supported with funding, and how it relates to the Government's funding priorities in the MTDS. Where the agency is seeking additional funding to deliver new policy through new programs, a detailed written justification should be provided outlining the additional expenditure and explaining how it relates to the Government's spending priorities.

Statutory Authorities and National Departments that receive a 'one-line' grant will also need to provide written justification, explaining why their current level of funding should be maintained, and how the services they deliver relate to the Government's priorities.

These justifications should be included in the final columns of Tables 2 and 3.

The Appropriation Acts require agreement from Treasury to move funds *between* Programs, and there is no guarantee that this agreement will always be provided. National Departments should therefore give careful consideration to structuring their Budget Submissions for funding against particular *Programs* to ensure that they minimise instances where funds have to be moved throughout the year.

6.2 Preparation of 2009 Budget Submissions within the Ceilings Allocated

Unless they are proposing to undertake new programs or implement new policy, all agencies must prepare their 2009 Budget Submissions within the Budget Ceilings allocated to them.

- The Budget Ceilings allocated to your agency is detailed in **Table BC** and is included as Attachment A to this Circular.

In addition, agencies should provide a prioritised list of program expenditure, detailing how it will accord with the Government's MTDS spending priorities.

6.2.1 Guidance to Agencies on Meeting Budget Ceilings

6.2.1.1 General Guidance

The Budget Ceilings provided are the **maximum** levels of funding that will be available to agencies to continue operating at current policy settings. Where agencies need to find savings to stay within the ceiling, they should look to find them from:

- reductions in operating costs (particularly in head/regional office administration);
- non-core or low priority areas; and
- reductions in non-service delivery activities (e.g. advertising, vehicles, travel, security, non-outsourced cleaning, non-essential telecommunications, etc).

Agencies should be aware that the Budget Ceilings allocated may be revised (i.e. adjusted up or down) should there be changes to revenue estimates arising from movements in economic parameters.

6.2.1.2 Aligning Corporate Plans with the Budget

Treasury is aware, from Budget committee meetings and quarterly review meetings, that many agencies consider that they are *under-funded* because they are not allocated the funds they have requested to carry out the work areas identified in their corporate planning documents. Agencies should be aware that there is limited funding available, and that Government allocates funding on the basis of *whole of government* expenditure priorities and its policy objectives.

The Budget is the Government's money plan for the year and the Government expects agencies to work within what is affordable for PNG. All agencies should ensure that the tasks identified in their Corporate Plans and Annual Management Plans are achievable within the funding allocated to them through the National Budget.

Therefore, the Budget Ceiling allocated to your agency represents the level of **affordable expenditure** that your agency should plan for. Agencies should adjust their work plans (including their Corporate Plans and Annual Management Plans) to ensure that they are able to operate **within** the Budget Ceilings allocated.

6.2.2 Court award and arrears

There are a number of items that are no longer funded through the Department of Finance (Finance), although they were previously. In developing their 2009 Budget Submission, agencies are required to make sufficient provision for these items within the total agency ceiling. In particular:

- Payments associated with the cost of any court awards against an agency or out of court settlements are the responsibility of the agency. These items are no longer paid centrally.
- Agencies are responsible for all outstanding charges for goods and services (i.e. arrears). Agencies have been responsible for all arrears since 31 March 2003, and have been funded accordingly. Funding for arrears will not be considered under any circumstances. Agencies should ensure that they manage their affairs, using the funding available, to minimise the accrual of arrears.

6.2.3 Fixed / Unavoidable Costs

Costing of recurrent items should be undertaken on the basis of *Programs/Activities* for National Departments, and delivery of services for Statutory Authorities. However, a distinction should be made between those costs that are *fixed* (or unavoidable) and those costs that are *variable* (that is, costs where there is a choice about how much an agency spends).

Fixed costs are those costs that are unavoidable and must be paid, at least in the short term. Where Treasury is of the view that sufficient provision has **not** been made to meet all fixed costs, then reductions will need to be made elsewhere in an agency's funding to ensure that the Budget Ceilings are maintained.

Fixed costs include:

- Salaries, wages and allowances for permanent employees;
- Contract Officer gratuities, education subsidies, housing subsidies and other provisions as contained in existing contracts;
- Utilities charges and building/office rentals;
- Consultancy fees as per contracted agreements. Consultants should only be contracted to assist in delivering a Program (for National Departments) or a service (for Statutory Authorities) that is consistent with the priority funding areas outlined by the Government;
- Membership fees for international organisations, where membership is critical to that agency being able to undertake its operations;
- Authority to Pre-Commit (APC). All agencies must ensure that ongoing contracts with authorised APCs that involve expenditure in the Budget year are identified and adequately costed; and
- Memorandums of Understanding (MOU), Memorandums of Agreement (MOA) and other contractual arrangements under development projects that have any recurrent expenditure due in the Budget year.

6.2.4 New Recurrent Policies

The Budget ceilings provided are on the basis of agencies continuing to deliver current programs and activities. An agency's submission should not exceed the total ceiling, unless the agency is proposing to deliver new policy or additional programs. Where agencies are proposing new activities, they should be clearly identified and listed in order of priority in Section B of Table 2. There must be a full justification for the new policy and how it aligns with the Government's MTDS

expenditure priorities. The cost of the new policy should be agreed with Treasury before being included in the 2009 Budget Submissions.

- Where costs are one-off or non-ongoing this should be identified.
- Statutory Authorities seeking additional funding to participate in local and international activities should identify a strategy to raise funds on at least a one to one matching principle.

National Executive Council (NEC) approval is required for all new major policy proposals. While Treasury may agree on the costs of delivering a program, this does not constitute agreement that the program should be funded. Whether or not a new policy is agreed will depend on the outcome of the Budget process.

6.2.5 Public Employees Association (PEA) Agreement 2007 to 2010

Agencies **should not** include in their 2009 Budget Submissions any allowance for the 3 per cent increase to individual base salaries payable to those employees covered under the *Public Employees Association (PEA) Agreement 2007 to 2010*. This 3 per cent increase has already been included in your agency's allocated Budget Ceiling in Table BC, at Attachment A to this Circular.

Agencies **should include** in their 2009 Budget Submissions any financial implications of annual automatic increment progression expected in 2009. When calculating increment increases, agencies should refer to Schedule 1 of the Memorandum of Agreement – Salaries & Other Terms and Conditions of Employment in the Public Service 2007 to 2010.

6.2.6 Annual Return on Trust

The *Public Finances (Management) Act 1995* (Section 19(3)) requires each Departmental Head responsible for managing trust accounts to provide a return for each trust account before the commencement of the following financial year. Therefore, agencies should use Table 4 at Attachment D to this Circular to provide a return for each trust account they operate or have responsibility for in their 2009 Budget Submissions.

The return should detail an *estimate* of the balance of the trust account and the expected receipts and payments to be made into or from each trust account over the 2009 financial year.

6.2.7 Expenditures in the Provinces

National Departments and Statutory Authorities should advise each Province of expenditures they are proposing to undertake in that Province in 2009. This information should be provided to Provinces as soon as possible, as it will assist Provinces in formulating their own 2009 Budget Submissions.

6.3 Agency Staffing Resources

Preliminary Staff Ceiling levels for 2009 for each agency are provided in Table 1 at Attachment B to this Circular. As the 2007 Retrenchment and Retirement process is not yet finalised, and Ministers may take decisions in the formulation of the 2009 Budget which affect agency staffing levels, these ceilings may change. *The Preliminary Staff Ceiling* levels should be used as the basis for costing staffing resources in your agency's 2009 Recurrent Budget Submissions.

Agencies that participated in the 2007 Retrenchment and Retirement Program will be provided with an adjusted *Staff* ceiling for 2009, once that process is concluded and your agency's original Staff ceiling has been reduced by the number of officers retrenched.

Staff ceiling levels include:

- *2009 Preliminary Funded Staff Ceiling* – this is the funded staff ceiling. The ceiling includes all staff, including Staff on Strength, Unattached officers and Vacancies. It is important to remember that Department of Personnel Management approval of an increase in your agency's establishment does **not** mean you have additional funded positions;
- *Staff on Strength* – these are the staff on your payroll who are attached to positions;
- *Unattached Officers*; and
- *Vacancies* sought in your agency in the 2009 Budget. These vacancies should only be sought within the *Preliminary Staff Ceiling*. The total of Staff on Strength, Unattached Officers and Vacancies should not be more than the 2009 Preliminary Funded Staff Ceiling.

Each agency should ensure that its staff register is updated to reflect the *Preliminary Staff Ceiling* level and that the correct vote codes have been used. In addition, to assist government cash flow estimation, agencies should provide information to Treasury in relation to the level and timing of contract gratuities and expected leave fares for the following year.

Your agency should also advise Treasury of the number of *Casuals* it currently employs by *Activity* (for National Departments), and provide an analysis of how these *Casuals* assist in the delivery of that *Activity* or delivery of key services to Government (for Statutory Authorities).

Approval to advertise funded vacancies and to fill the advertised positions following recruitment processes must, unless the agency has had responsibility for HR devolved to it by the Department of Personnel Management, be sought from the Joint Department of Personnel Management – Treasury Inter-Departmental Committee on Recruitment.

- Agencies with devolved powers are responsible for their own recruitment of funded vacancies. Devolved agencies are not required to seek approval from the Joint Department of Personnel Management – Treasury Inter-Departmental Committee on Recruitment for the advertisement of funded vacancies and filling of advertised positions.

If National Departments or Statutory Authorities are planning to request funding for new *Vacancies* in the 2009 Budget, these should be sought within the *Preliminary Staff Ceiling* and under the relevant *Activity* or service that they support. An analysis of how a *Vacancy* is critical to the delivery of an *Activity* or service should be provided. This applies to all National Departments and Statutory Authorities.

All agencies should be aware that they will be required to manage their staff numbers within the adjusted budget allocation for personnel emoluments in 2009.

7. INSTRUCTIONS FOR COMPLETING 2009 DEVELOPMENT BUDGET SUBMISSIONS

7.1 Format of an Agency's 2009 Development Budget Submissions

It is anticipated that new projects in the 2009 Public Investment Program (PIP) will be limited to those fully appraised and processed by DNPM. All agencies are therefore requested not to submit any new projects that have not already been fully appraised by 1 July 2008.

With respect to donor-funded projects, only those projects for which the Government has already negotiated loans/grants or signed MOUs/MOAs with donors by 1 July 2008 will be considered for funding and commencement in 2009.

7.2 On-going Development Projects

All agencies are asked to prepare Budget Submissions based on ongoing projects being implemented by your agencies. The 2009 Development Budget will focus on Government development priorities as identified in the MTDS.

For projects that will continue to be funded in 2009, agencies must submit accurate expenditure estimates for the period beyond 2009, especially in regard to the counterpart funding requirements of donor-related programs and projects. Forward estimates of expenditure over the life of the project are also required for inclusion in the 2009–2013 PIP and for the development of the Medium Term Resource Framework 2006-2009.

It is important that appropriate details and break-up of funding components of the projects and appropriate percentages for reimbursements are correctly reflected in estimates for the 2009 Development Budget. Please ensure that the cash and non-cash component of each project is clearly flagged in the submission.

Departments and Authorities implementing donor-funded projects are required to complete the budget forms in detail and are required to submit a break-up at the item level by donor code for each of the projects. In addition, the agencies are urged to provide a full description of the projects objectives for 2009, especially for new donor-funded projects, for inclusion in the budget documents.

7.3 Donor-Funded Projects (Recurrent and Development Budget)

Donor-funded projects are subject to the normal government planning and budgeting processes. Items of expenditure covered by loan agreements and MOUs must be clearly identified on the budget submission forms, including the percentage of each item that is reimbursable. For a given fiscal year, the receipts on the financing side must match the total donor-funded expenditure that is appropriated in the budget.

Total costs, whether Government or donor, within PNG or offshore, must be included in the budget. Loan agreements and MOUs often provide for direct payments to suppliers.

Amounts intended to be paid in this manner (offshore payments) must also be included in the budget estimates, under the appropriate votes, identified by donor,

with the amount or percentage of estimated offshore payment. It is not permissible to allow offshore payments when there is no budget appropriation to cover such payments under the relevant vote during the year.

Donor codes are entered after each line item. When entering the donor code, care must be taken to include the correct number to indicate the source of funds:

0. Government
1. Asian Development Bank
2. World Bank
3. European Union – Grant only
4. IFAD
5. OECF
6. JICA
7. New Zealand Aid
8. AusAID
9. Other donors including UNDP, EU (loans only), France, KFW, Kexim, etc.

It is very important that the correct vote number and donor codes are used because errors at this stage will produce incorrect reports in the General Ledger (Oracle) and the PBS.

7.4 Domestic Component of the Development Budget Provided by the Department of National Planning and Monitoring

The Development Budget Ceiling for 2009 is set at K2,048.3 million, an increase of K161.2 million from last year.

Details of individual agency ceilings will be provided at a later date by DNPM. Agencies should prepare their 2009 Development Budget Submissions within their individual agency ceilings.

Submissions for amounts in excess of the total individual agency ceiling levels provided will only be considered in exceptional circumstances and in cases that are deemed to substantially contribute to the Government's development priorities.

For National Departments and Provincial Governments, the ceilings are for wholly domestically funded projects and / or projects requiring Government counterpart monies only, i.e. the Government funded component of the Development Budget.

7.5 Major National Government Initiatives – Development Budget

Major Government initiatives regarding the District Services Improvement Program, Special District Support Grants and Provincial Performance Improvement Initiative will be clearly but briefly laid out for the benefit of the Provincial and District Administrations, particularly in terms of the different Guidelines being used.

7.6 Recurrent Impacts from Development Budget

Agencies should examine all Development projects, whether funded by the Government or aid donors, and identify current or future recurrent Budget requirements. Future funding requirements should be identified separately in the text of the agency's recurrent Budget submission.

8. CONTACTS FOR THE 2009 NATIONAL BUDGET

If clarification is required in relation to any section of this Circular, or if your agency requires any further information or assistance in preparing their 2009 Budget Submissions, please contact the following officers:

8.1 Recurrent Budget (Treasury)

Economic & Infrastructure Sector	Mr Ropit Botong	312 8781
Social Sector	Ms Ruth Veapi	312 8780
Law & Order Sector	Ms Ruth Veapi	312 8780
Administrative Sector	Mr Rudolph Aigili	312 8737
Provincial Sector	Mr Lazarus Enker	312 8739

8.2 Development Budget (DNPM)

Ongoing Projects

Economic Sector	Mr Kone Samuel	328 8333
Infrastructure Sector	Mr Gregory Ume	328 8333
Social Sector	Ms Rose Koyama	328 8333
Law/Justice & Admin Sectors	Ms Rose Koyama	328 8333

New Projects

Economic Sector	Mr Kevin Kautu	328 8319
Infrastructure Sector	Mr Paul Ilia	328 8332
Law/Justice & Admin Sectors	Mr Hakaua Harry	328 8559
Social Sector	Mr Paul Mange	328 8260

8.3 Trusts (Department of Finance)

Trust Accounting, Public Accounts	Mrs Cathy Ali	328 8602
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Important Note

We seek your co-operation in ensuring your agency provides Treasury, DNPM and Finance with accurate information in the format provided in this Budget Circular by the due date so that the 2009 Budget process can be conducted successfully.

In addition, we request that this Circular and attachments be provided to the relevant officers in your agency as soon as possible after receipt. This will ensure that your agency has more time to formulate its 2009 Budget Submissions and to clarify any issues with Treasury, DNPM or Finance.

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Simon Tosali
Secretary
Department of Treasury

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Joseph Lelang
Secretary
Department of National Planning
& Monitoring

Attachments:

- A. 2009 Budget Ceilings Allocated to Your Agency (**Table BC**)
- B. *Preliminary Staff Ceilings* for 2009 (**Table 1**)
- C. 2009 Budget Submission Table Formats (**Tables 2 and 3**)
- D. Format of Trust Information Required (**Table 4**)