



DEPARTMENT OF TREASURY

# **FISCAL OUTTURN REPORT**

**August 2009**

## August 2009 Fiscal Report

This report provides a summary of Government revenue and expenditure for August 2009. The 'actual' figures refer to revenue and expenditure outcomes in a month, while the 'outturn' figures refer to year-to-date outcomes.

The trend calculation provides estimates of year-to-date revenue and expenditure in 2009 based on the average pattern over the past 3 years, if the projections in the 2009 Budget are to be achieved.

The global financial crisis and the collapse in commodity prices have substantially reduced the share of revenue derived from mining and petroleum taxes and dividends. This significantly alters the timing of revenue receipts relative to previous years and, in turn, when funding is available for budget expenditures. These changes are implicitly captured in the revenue trend, which is decomposed by head of revenue, but not in the expenditure trend. As a result, the expenditure trend may be a less useful predictor of expenditure patterns in 2009 than in previous years.

The August Outturn is reported against both the 2009 original Budget 2009 Mid Year Economic & Fiscal Outlook (MYEFO).

### 1. Summary of Fiscal Performance

The table below summarises the fiscal outturn (in millions of Kina) for August 2009.

**Table 1.1 Budget Balance (Kina Millions)**

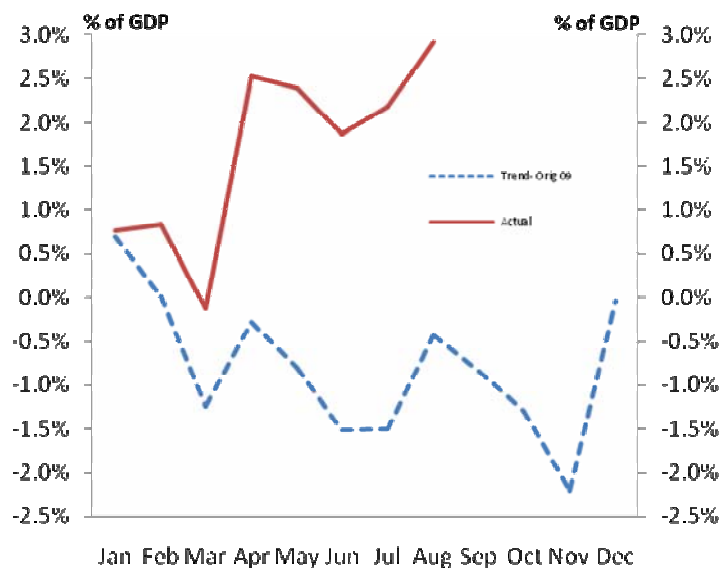
TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Revenue and Grants	6666.4	6342.1	3124.3	517.6	3707.6	3977.4	93.2%	55.6%	58.5%
Expenditure and Net Lending	6676.7	6591.7	2660.7	427.5	3088.2	4124.5	74.9%	46.3%	46.8%
Budget Balance	<b>-10.3</b>	<b>-249.6</b>	<b>463.6</b>	<b>90.1</b>	<b>619.4</b>	<b>-147.0</b>			
% of GDP	0.0%	-1.2%	2.2%	0.4%	2.9%	-0.7%			

Source: Department of Treasury (based on Treasury Management System reports)

Overall, the Government's Budget position to August 2009 was a surplus of K619.4 million or 2.9 per cent of GDP compared to the (trend) deficit of K147.0 million or -0.7 per cent of GDP. This better outcome to August is largely due to development expenditure which is substantially below trend by 68.9 per cent.

The evolution of the Budget Balance is depicted in Graph 1.1 below and shows the actual monthly budget balance incurred against the anticipated monthly trend based on the 2009 Original Budget.

**Graph 1.1: Evolution of the Budget Balance – Actual vs Trend**



Source: Department of Treasury

The overall Budget Balance to August 2009 was a surplus of K619.4 million or 2.9 per cent of GDP.

**Table 1.2 GoPNG Revenue & Expenditure (Kina Millions)**

TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Total Revenue (GoPNG)	5652.1	5365.6	3037.4	517.6	3620.7	3536.7	102.4%	64.1%	67.5%
Total Expenditure (GoPNG)	5290.1	5284.2	2555.0	422.2	2977.3	3673.6	81.0%	56.3%	56.3%
Budget Balance	<b>362.0</b>	<b>81.3</b>	<b>482.4</b>	<b>95.3</b>	<b>643.4</b>	<b>-136.9</b>			
% of GDP	1.7%	0.4%	2.3%	0.4%	3.0%	-0.6%			

Source: Department of Treasury (based on Treasury Management System reports)

Total Government of PNG (GoPNG) revenue was 2.4 per cent above the trend to August 2009. Total GoPNG expenditure to August 2009 was below trend by 19.0 per cent. GoPNG revenue comprises tax and non tax revenue, while GoPNG expenditure comprises recurrent expenditure and GoPNG funded projects in the Development Budget.

## 2. Revenue and Grants

Total Revenue and Grants was above trend by 2.9 per cent to August 2009. Total Revenue and Grants is comprised of tax revenue, Non tax revenue, Infrastructure Tax Credits (ITC) and grants.

**Table 2.1 Tax Revenue (Kina Millions)**

TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Tax on Incomes & Profits	3043.9	3163.2	1737.5	361.1	2098.6	2032.7	103.2%	68.9%	66.3%
Domestic taxes on Goods & Services	1114.2	1123.1	603.3	99.2	702.5	721.9	97.3%	63.1%	62.6%
Taxes on International Trade	456.2	416.4	205.0	45.0	315.7	273.5	115.4%	69.2%	75.8%
<b>Total Tax Revenue</b>	<b>4614.3</b>	<b>4702.8</b>	<b>2545.8</b>	<b>505.3</b>	<b>3116.8</b>	<b>3028.1</b>	<b>102.9%</b>	<b>67.5%</b>	<b>66.3%</b>

Source: Department of Treasury

Tax receipts to August 2009 were K3,116.8 million, 2.9 per cent higher than the trend. Taxes on income and profits were higher than trend by 3.2 per cent, primarily attributable to the higher receipts of Corporate Tax, Dividend Withholding Tax and Interest Withholding Tax. Domestic taxes on goods and services were slightly lower than trend by 2.7 per cent. Taxes on international trade were above trend by 15.4 per cent due to higher export values.

**Table 2.2 Non – Tax Revenue (Kina Millions)**

TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Property Income	322.9	50	0.0	0.0	0.0	25.4	76.5%	0.0%	0.0%
<i>Dividends</i>	195	40	0.0	0.0	0.0	20.9	76.5%	0.0%	0.0%
<i>Mining and Petroleum Dividends</i>	127.9	10	0.0	0.0	0.0	4.5	0.0%	0.0%	0.0%
Interest and Fees from Lending	24	24.0	4.7	1.7	6.4	19.4	101.1%	26.6%	26.6%
Other Nontax Revenue	90.9	88.8	64.0	10.5	74.5	40.8	124.4%	81.9%	83.8%
Injections from Trust	600.0	500.0	423.0	0.0	423.0	423.0	100.2%	70.5%	84.6%
<b>Non-tax Revenue</b>	<b>1037.8</b>	<b>662.8</b>	<b>491.6</b>	<b>12.2</b>	<b>503.8</b>	<b>508.6</b>	<b>99.1%</b>	<b>48.5%</b>	<b>76.0%</b>

Source: Department of Treasury

Non-tax revenue receipts to August 2009 were K503.8 million, 0.8 per cent below trend. Property Income has yet to be received and recorded as dividend proceeds from State owned enterprises and Statutory Authorities. Other Non Tax Revenue which includes revenue receipts from Government Departments was above trend by 24.4 per cent due to an increase in work permit remittance from Department Of Labor and Employment into Consolidated Revenue.

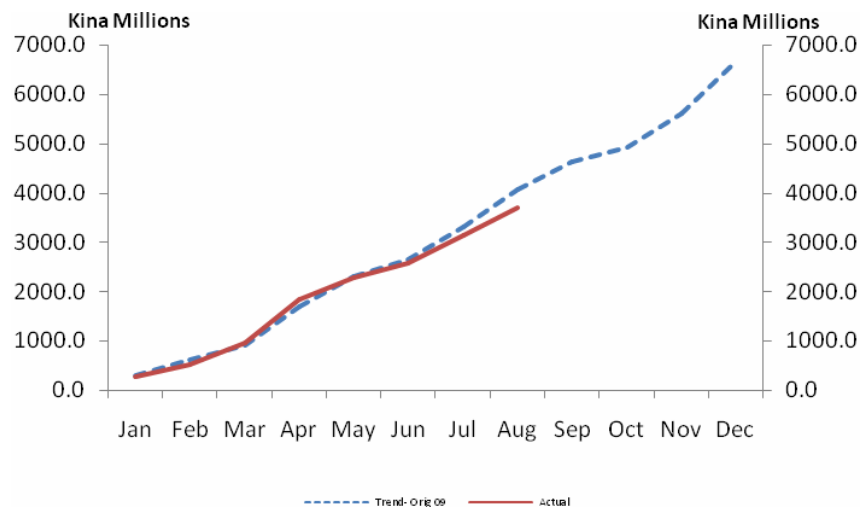
### *Tax Credits and Grants*

Infrastructure tax credits (ITC) of K0.0 million are recorded as being utilized to August 2009. Tax credits utilized are only partially recorded on the Government's accounting system, making it difficult to assess progress in the implementation of this program.

Project grants recorded K86.9 million to August 2009, which is 75.4 per cent below trend. Project grant reports are only received from donors and recorded on a quarterly basis. The second quarter project grant report has not been received yet.

*Note: ITC is counted as GoPNG expenditure in the Fiscal table, it is also considered as PNG Government revenue because it is tax payable to the State but claimed as a credit by tax payers.*

## Graph 2.1: Actual Revenue against the Trend



Source: Department of Treasury

### 3. Expenditure and Net Lending

Total expenditure and net lending for the August Outturn was K3,088.2 million compared to the trend estimate of K4,124.5 million. This is 25.1 per cent below trend, and represents 47.5 per cent of the 2009 Budget appropriation and 48.1 per cent of the 2009 Revised estimate.

**Table 3.1 Total Expenditure & Net Lending (Kina Millions)**

TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Recurrent Budget	3,904.2	3,898.3	2,219.8	369.7	2,589.5	2,519.7	102.8%	66.3%	66.4%
Development Budget	2,595.2	2,516.4	440.8	57.8	498.7	1,604.8	31.1%	19.2%	19.8%
<b>Total Expenditure and Net Lending</b>	<b>6,499.4</b>	<b>6,414.7</b>	<b>2,660.7</b>	<b>427.5</b>	<b>3,088.2</b>	<b>4,124.5</b>	<b>74.9%</b>	<b>47.5%</b>	<b>48.1%</b>

Source: Department of Treasury

#### *Recurrent Expenditure & Net Lending*

Total Recurrent Expenditure and Net Lending was K2,589.5 million as at August 2009. This was 2.8 per cent above trend and represents around 66.3 per cent of the 2009 Budget appropriation and the 2009 Revised estimate in the 2009 MYEFO.

**Table 3.2 Recurrent Expenditure & Net Lending (Kina Millions)**

TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
National Depts	2,364.5	2,364.5	1,303.6	203.2	1,506.7	1,520.5	99.1%	63.7%	63.7%
Provincial Govts	840.0	840.2	506.2	91.3	597.5	534.1	111.9%	71.1%	71.1%
ABG	57.0	57.0	35.8	3.0	38.8	40.7	95.5%	68.1%	68.1%
Transfers & Loans to CSA's	253.9	253.9	183.9	25.3	209.2	164.1	127.5%	82.4%	82.4%
Interest Payments & Fees	392.8	386.6	191.6	48.5	240.0	258.2	93.0%	61.1%	62.1%
Net Lending to CSA's	-4.0	-4.0	-1.2	-1.6	-2.8	2.2	126.1%	70.0%	70.0%

Recurrent Exp & Net Lending	3,904.2	3,898.3	2,219.8	369.7	2,589.5	2,519.7	102.8%	66.3%	66.4%
-----------------------------	---------	---------	---------	-------	---------	---------	--------	-------	-------

Source: Department of Treasury

National Departments recurrent expenditure totalled K1,506.7 million which is 0.8 per cent below trend and represents 63.7 per cent of the 2009 Budget Appropriation.

National Departments' personnel emoluments expenditure was K627.1 million in August Outturn, compared to the K595.8 million in trend expenditure, which is 5.3 per cent above trend and represents 66.4 per cent of the 2009 Budget.

National Departments' general goods and services expenditure was K879.7 million in the August Outturn. This is 4.9 per cent below trend and represents 61.9 per cent of the 2009 Budget appropriation.

Grants to Provincial Governments which include both Personnel Emoluments and Goods and Services for Provincial Governments totalled K597.5 million to August 2009 compared to K534.1 million in trend expenditure. This is 11.9 per cent above trend and represents 71.1 per cent of the 2009 Budget appropriation.

Provincial Government personnel emoluments expenditure (including teachers) was K397.2 million in the August Outturn compared to K394.7 million in trend expenditure. This is 16.9 per cent above trend and represents about 69.9 per cent of the 2009 Original Budget appropriation. The higher expenditure in Personnel Emoluments is due to the Nurses backdated salary payments.<sup>1</sup>

Provincial Government goods and services grant expenditure was K136.2 million to August 2009 compared to K139.4 million in trend expenditure. It is 2.3 per cent below trend and represents 75.6 per cent of the 2009 Original Budget appropriation. The lower expenditure in Goods & Services is due to low expenditure undertaken by the provinces to provide goods and services.

Autonomous Bougainville Government (ABG) incurred total expenditure of K38.8 million compared to trend expenditure of K40.7 million. This is below trend by 4.5 per cent and represents 68.1 per cent of the 2009 Budget appropriation.

Transfers to Statutory Authorities totalled K209.2 million as at the end of August 2009. This is 27.5 per cent above trend and is 82.4 per cent of the 2009 Budget appropriation. The higher expenditure is due to cash transfers made to Civil Aviation Authority (CAA) for their outstanding liabilities and restructure.

*Cash transfers include: Provincial Goods and other services, conditional grants, ABG and Transfers & Loans to Statutory Authorities. A cash transfer is recorded as expenditure from the National Government to the relevant province or Statutory Authority; however, it is **not actual** expenditure. The cash transfer made is deposited into their account (provinces, or statutory authority), and it is for them to utilize as and when they have planned programs and projects to undertake.*

Interest payments and fees totalled K240.0 million to August 2009 and is 7.0 per cent below trend. This represents 61.1 per cent of the 2009 Original Budget appropriation.

### **Development Expenditure**

Total Development expenditure to August 2009 was K498.7 million, which is substantially below the trend by 68.9 per cent. Development expenditure comprises of Domestic development expenditure, Project Grants, Infrastructure Tax Credits (ITC) and Concessional loans. To date the

<sup>1</sup> Refers to Nurses and Community Health Workers in the rural areas who come under the provincial payroll.

Department of National Planning and Monitoring has not provided any explanation of this very low expenditure incurred under the Development Budget.

**Table 3.3 Total Development Expenditure (Kina Millions)**

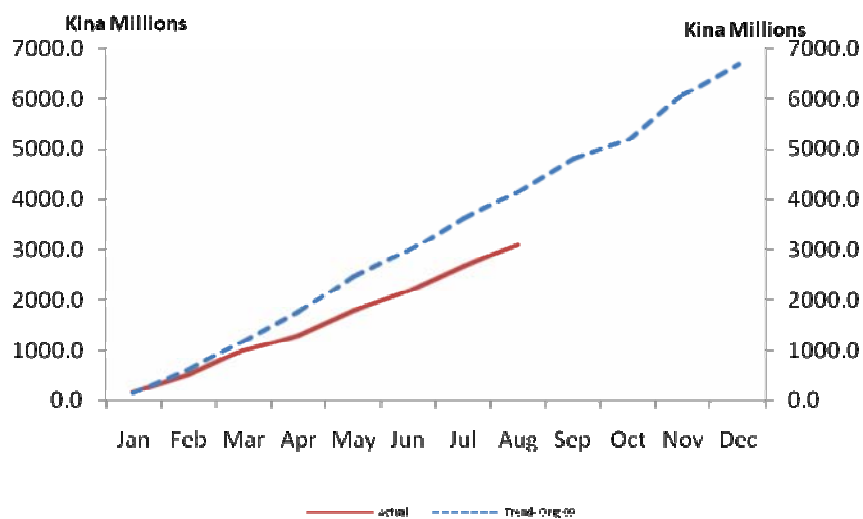
TOTAL	2009 Budget	2009 MYEFO	July Outturn	Aug Actuals	Aug Outturn	Aug Trend	% of Trend	% of Budget 2009	% of MYEFO
Domestic Funds	1385.9	1,385.9	335.2	52.5	387.7	1,153.9	33.6%	28.0%	28.0%
Project Grants	974.3	936.5	86.9	0.0	86.9	353.8	24.6%	8.9%	9.3%
Infrastructure Tax Credits	40	40.0	0.0	0.0	0.0	30.3	0.0%	0.0%	0.0%
Concessional loans	195	154.0	18.8	5.3	24.0	66.7	36.0%	12.3%	15.6%
Commercial loans	0	0.0	0.0	0.0	0.0	0.0			
<b>Total Development Exp</b>	<b>2595.2</b>	<b>2516.4</b>	<b>440.8</b>	<b>57.8</b>	<b>498.7</b>	<b>1604.8</b>	<b>31.1%</b>	<b>19.2%</b>	<b>19.8%</b>

Source: Department of Treasury

Domestic development expenditure to August 2009 was K387.7 million, which is substantially below the trend of K1153.9 million.

Project support grants are 86.9 million. This is 75.4 per cent below trend. Project grant reports received from donors are only recorded on a quarterly basis. To date, we have not received the second quarter project grant report from donors. As previously discussed ITC of K0.0 million are recorded as being utilized in the August Outturn.

**Graph 3.1: Actual Expenditure and Net Lending against the Trend**



Source: Department of Treasury

#### 4. Financing

A Budget surplus of K619.4 million (or 2.9 per cent of GDP) was recorded in the August 2009 outturn.

Net external outflows totalled K121.4 million and net domestic outflow totalled K498.0 million.

Based on TMS Rundate: 30 August 2009  
 Last Updated: 18 August 2009

**TABLE 1: CENTRAL GOVERNMENT  
 REVENUE & GRANTS**

Kina, million

	2009 Original	2009 MYEFO	August Actual	August Outturn	August Trend	% of Trend	% of Budget	% of MYEFO
<b>A. TAX REVENUE</b>	<b>4614.3</b>	<b>4702.8</b>	<b>505.3</b>	<b>3116.8</b>	<b>3010.4</b>	103.5%	67.5%	66.3%
<b>A1. TAX ON INCOME AND PROFITS</b>	<b>3043.9</b>	<b>3163.2</b>	<b>361.1</b>	<b>2098.6</b>	<b>2015.0</b>	104.1%	68.9%	66.3%
Personal Income Tax	1195.1	1250	97.2	801.9	821.4	97.6%	67.1%	64.2%
Company Tax	877.3	926.3	181.4	718.4	565.8	127.0%	81.9%	77.6%
Dividend Withholding Tax	144.2	151.3	51.4	152.4	119.3	127.8%	105.7%	100.8%
Interest Withholding Tax	19.1	25.0	2.5	20.7			108.3%	82.8%
Mining and Petroleum Taxes	626.5	632.8	9.7	301.9	386.3	78.1%	48.2%	47.7%
Gaming Tax	95.9	89.4	5.1	53.5	60.6	88.3%	55.8%	59.8%
Other: Direct	85.8	88.4	13.8	49.8	61.6	80.9%	58.1%	56.4%
<b>A2. DOM. TAXES ON GOODS AND SERVICES</b>	<b>1114.2</b>	<b>1123.1</b>	<b>99.2</b>	<b>702.5</b>	<b>721.9</b>	97.3%	63.1%	62.6%
Excise	407.5	395	29.1	237.5	262.0	90.7%	58.3%	60.1%
GST	703	722.9	70.0	460.0	456.5	100.8%	65.4%	63.6%
Other: Indirect	3.7	5.2	0.1	5.0	3.4	146.2%	136.3%	96.8%
<b>A3. TAXES ON INTERNATIONAL TRADE</b>	<b>456.2</b>	<b>416.4</b>	<b>45.0</b>	<b>315.7</b>	<b>273.5</b>	115.4%	69.2%	75.8%
Import Duty	166.3	165	27.3	167.4	108.0	155.0%	100.6%	101.4%
Export Duty	152.9	118	5.5	63.3	80.5	78.6%	41.4%	53.6%
Excise duties on Imports	137	133.4	12.3	85.1	85.0	100.1%	62.1%	63.8%
<b>B. NON-TAX REVENUE</b>	<b>1037.8</b>	<b>662.8</b>	<b>12.2</b>	<b>503.8</b>	<b>508.6</b>	99.1%	48.5%	76.0%
<b>B1. PROPERTY INCOME</b>	<b>322.9</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25.4</b>	0.0%	0.0%	0.0%
Dividends	195	40	0.0	0.0	20.9	0.0%	0.0%	0.0%
Mining and Petroleum Dividends	127.9	10	0.0	0.0	4.5	0.0%	0.0%	0.0%
<b>INTEREST AND FEES FROM</b>								
<b>B2. LENDING</b>	24	24	1.7	6.4	19.4	32.8%	26.6%	26.6%
<b>B3. OTHER NON TAX REVENUE</b>	90.9	88.8	10.5	74.5	40.8	182.5%	81.9%	83.8%
<b>INJECTIONS FROM TRUST</b>	600	500	0.0	423.0	423.0	100.0%	70.5%	84.6%
<b>B4. ASSETS SALES</b>	0.0		0.0	0.0				
<b>C. TOTAL REVENUE</b>	<b>5652.1</b>	<b>5365.6</b>	<b>517.6</b>	<b>3620.7</b>	<b>3519.0</b>	102.9%	64.1%	67.5%
% of GDP	26.7%	25.3%	2.4%	17.1%	16.6%			
<b>D. INFRASTRUCTURE TAX CREDIT</b>	<b>40</b>	<b>40</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>E. GRANTS</b>	<b>974.3</b>	<b>936.5</b>	<b>0.0</b>	<b>86.9</b>	<b>353.8</b>	24.6%	8.9%	9.3%
Budgetary Support	0.0	0.0	0.0	0.0	0.0			
Project Grants	974.3	936.5	0.0	86.9	353.8	24.6%	8.9%	9.3%
<b>F. TOTAL REVENUE AND GRANTS</b>	<b>6666.4</b>	<b>6342.1</b>	<b>517.6</b>	<b>3707.6</b>	<b>3912.7</b>	94.8%	55.6%	58.5%
As % of GDP	31.5%	29.9%	2.4%	17.5%	18.4%			
<b>G. PRINCIPAL RECEIPTS FROM LENDING</b>	<b>4.0</b>	<b>4.0</b>	<b>1.6</b>	<b>2.8</b>	<b>2.2</b>	126.1%	70.0%	70.0%
<b>H. GROSS BORROWING</b>	<b>1691.8</b>	<b>1845.3</b>	<b>25.4</b>	<b>592.6</b>	<b>-47.4</b>		35.0%	32.1%
<b>I. ASSET SALES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>J. TOTAL RECEIPTS</b>	<b>8362.2</b>	<b>8191.4</b>	<b>544.6</b>	<b>4302.9</b>	<b>3867.5</b>	111.3%	51.5%	52.5%
As % of GDP	39.5%	38.6%	2.6%	20.3%	18.2%			

Source: Treasury

**TABLE 2: CENTRAL GOVERNMENT EXPENDITURE**

	2009 Original	2009 MYEFO	August Actual	August Outturn	August Trend	% of Trend	% of Budget	% of MYEFO
<b>1 RECURRENT BUDGET</b>								
<b>A. NATIONAL DEPARTMENTS</b>	<b>2364.5</b>	<b>2364.5</b>	<b>203.2</b>	<b>1506.7</b>	<b>1520.5</b>	99.1%	63.7%	63.7%
Personnel Emoluments	943.7	943.7	84.2	627.1	595.8	105.3%	66.4%	66.4%
Total Goods & Services	1420.8	1420.8	119.0	879.7	924.8	95.1%	61.9%	61.9%
General Goods & Services	1207.4	1207.4	111.3	705.5	800.0	88.2%	58.4%	58.4%
Education Subsidies	143	143.0	4.3	138.6	78.1	177.4%	96.9%	96.9%
Arrears Payments	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SAP Payments	18.4	18.4	0.6	5.9	12.7	46.6%	32.2%	32.3%
Court Orders	52	52.0	2.8	29.7	34.0	87.4%	57.1%	57.1%
<b>B. PROVINCIAL GOVERNMENTS</b>	<b>840</b>	<b>840.24</b>	<b>91.3</b>	<b>597.5</b>	<b>534.1</b>	111.9%	71.1%	71.1%
<b>Personnel Emoluments</b>	<b>659.8</b>	<b>659.8</b>	<b>64.1</b>	<b>461.3</b>	<b>394.7</b>	116.9%	69.9%	69.9%
Staffing Grants	198.7	198.7	16.7	147.3	127.7	115.4%	74.1%	74.1%
Teachers Salaries	461.1	461.1	47.4	314.0	267.0	117.6%	68.1%	68.1%
<b>Goods &amp; Other Services</b>	<b>98.4</b>	<b>98.5</b>	<b>22.2</b>	<b>88.1</b>	<b>72.6</b>	121.3%	89.5%	89.4%
Administration Grants	24.3	24.3	11.2	32.7	12.6	259.9%	134.7%	134.6%
Health Function Grant	28.4	28.4	4.7	21.9	22.7	96.6%	77.3%	77.1%
Education Subsidies	31.6	31.6	5.1	24.7	25.2	97.9%	78.2%	78.1%
Derivation Grants	14.1	14.1	1.2	8.7	12.1	72.1%	61.9%	61.8%
<b>Conditional Grants</b>	<b>81.8</b>	<b>81.9</b>	<b>5.0</b>	<b>48.1</b>	<b>66.8</b>	72.1%	58.8%	58.8%
Trans/Infra/Maint. Grants	34.0	34.0	4.8	26.4	29.5	89.5%	77.6%	77.6%
Local & Village Services Grants	33.7	33.7	0.0	18.6	24.9	74.8%	55.2%	55.1%
Town & Urban Services Grants	11.9	11.9	0.0	1.5	10.5	14.3%	12.6%	12.6%
Village Courts	2.2	2.2	0.3	1.6	1.9	87.0%	74.2%	73.4%
<b>AUTONOMOUS BOUGAINVILLE GOVT</b>	<b>57</b>	<b>57.0</b>	<b>3.0</b>	<b>38.8</b>	<b>40.7</b>	95.5%	68.1%	68.1%
Police Grant	2.3	2.3	0.0	1.8	2.2	78.9%	76.4%	75.0%
Recurrent Grant	54.4	54.4	3.0	37.1	38.4	96.5%	68.1%	68.1%
Conditional Grant	0.3	0.3	0.0	0.0			0.0%	0.0%
<b>C. TRANSFERS &amp; LOANS TO C.S.A</b>	<b>253.9</b>	<b>253.9</b>	<b>25.3</b>	<b>209.2</b>	<b>164.1</b>	127.5%	82.4%	82.4%
<b>D. INTEREST PAYMENT &amp; FEES</b>	<b>392.8</b>	<b>386.62</b>	<b>48.5</b>	<b>240.0</b>	<b>258.2</b>	93.0%	61.1%	62.1%
Domestic	304	326.7	42.1	196.9	218.8	90.0%	64.8%	60.3%
External	88.8	59.9	6.4	43.1	39.3	109.5%	48.5%	72.0%
<b>E. NET LENDING TO C.S.A</b>	<b>-4</b>	<b>-4</b>	<b>-1.6</b>	<b>-2.8</b>	<b>2.2</b>	126.1%	176.1%	70.0%
Gross Lending	0	0	0.0	0.0	0.0			
Less : Loan Repayments	-4	-4	-1.6	-2.8	2.2	126.1%	70.0%	70.0%
<b>RECURRENT EXPENDITURE &amp; NET LENDING</b>	<b>3904.2</b>	<b>3898.3</b>	<b>369.7</b>	<b>2589.5</b>	<b>2519.7</b>	<b>102.8%</b>	<b>66.3%</b>	<b>66.4%</b>
As % of GDP	18.4%	18.4%	1.7%	12.2%	11.9%			
<b>2 DEVELOPMENT BUDGET</b>								
Domestic Funds	1385.9	1385.9	52.5	387.7	1153.9	33.6%	28.0%	28.0%
Project Grants	974.3	936.5	0.0	86.9	353.8	24.6%	8.9%	9.3%
Infrastructure Tax Credits	40.0	40.0	0.0	0.0	30.3	0.0%	0.0%	0.0%
Concessional loans	195.0	154.0	5.3	24.0	66.7	36.0%	12.3%	15.6%
Commercial loans	0.0	0.0	0.0	0.0	0.0			
<b>G. TOTAL DEVELOPMENT BUDGET (PIP)</b>	<b>2595.2</b>	<b>2516.4</b>	<b>57.8</b>	<b>498.7</b>	<b>1604.8</b>	31.1%	19.2%	19.8%
As % of GDP	12.3%	11.9%	0.3%	2.3%	7.6%			
REAPPROPRIATION INTO TRUST	177.0	177.0						
<b>H. TOTAL EXPENDITURE &amp; NET LENDING</b>	<b>6676.4</b>	<b>6591.7</b>	<b>427.5</b>	<b>3088.2</b>	<b>4124.5</b>	74.9%	46.3%	46.8%
As % of GDP	31.6%	31.1%	2.0%	14.6%	19.4%			
<b>I. AMORTISATION</b>	<b>1681.5</b>	<b>1595.7</b>	<b>29.3</b>	<b>876.0</b>	<b>1046.0</b>	83.7%	52.1%	54.9%
Domestic	1425.9	1425.9	15.3	759.9	985.9	77.1%	53.3%	53.3%
External	255.6	169.8	14.0	116.1	60.1	193.2%	45.4%	68.4%
<b>J. LOAN REPAYMENTS</b>	<b>4</b>	<b>4</b>	<b>1.6</b>	<b>2.8</b>	<b>2.2</b>	126.1%	70.0%	70.0%
<b>K. TOTAL PAYMENTS</b>	<b>8361.9</b>	<b>8191.4</b>	<b>458.4</b>	<b>3967.0</b>	<b>5172.7</b>	76.7%	47.4%	48.4%
As % of GDP	39.5%	38.6%	2.2%	18.7%	24.4%	0.0%	0.0%	0.0%

Source: Treasury

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

	2009 Original	2009 MYEFO	August Actual	August Outturn	August Trend	% of Trend	% of Budget	% of MYEFO
<b>A. TOTAL REVENUE AND GRANTS</b>	<b>6666.4</b>	<b>6342.1</b>	<b>517.6</b>	<b>3707.6</b>	<b>3912.7</b>	55.6%	55.6%	58.5%
<b>B. TOTAL EXPENDITURE AND NET LENDING</b>	<b>6676.4</b>	<b>6591.7</b>	<b>427.5</b>	<b>3088.2</b>	<b>4119.7</b>	46.3%	46.3%	46.8%
<b>C. DEFICIT (-) / SURPLUS (+)</b>	<b>-10.0</b>	<b>-249.6</b>	<b>90.1</b>	<b>619.4</b>	<b>-207.1</b>	-99.1%	-	-48.1%
% of GDP	0.0%	-1.2%	0.4%	2.9%	-1.0%		193.6%	
<b>D. EXTERNAL FINANCING</b>	<b>-60.6</b>	<b>-15.8</b>	<b>-16.5</b>	<b>-121.4</b>	<b>11.8</b>		200.3%	768.1%
<b>D1. CONCESSIONAL FINANCING</b>	<b>-14.2</b>	<b>35.7</b>	<b>-14.8</b>	<b>-83.0</b>	<b>36.4</b>	-28.3%		-32.6%
New Borrowing	195	154	5.3	24.0	66.7	36.0%	12.3%	15.6%
Less Amortisation	-209.2	-118.3	-20.0	-107.1	-30.3		51.2%	90.5%
<b>D2. COMMERCIAL FINANCING</b>	<b>-15.4</b>	<b>-17.9</b>	<b>0.0</b>	<b>-9.8</b>	<b>-5.7</b>	171.9%	63.9%	55.0%
New Borrowing	0	0	0.0	0.0	0.0			
Less Amortisation	-15.4	-17.9	0	-9.8	-5.7	171.9%	63.9%	55.0%
<b>D3. EXCEPTIONAL FINANCING</b>	<b>-31</b>	<b>-33.6</b>	<b>-1.7</b>	<b>-28.5</b>	<b>-18.9</b>	150.7%	91.8%	84.7%
New Borrowing	0	0.0	0.0	0.0	0.0			
Less Amortisation	-31	-33.6	-1.7	-28.5	-18.9	150.7%	91.8%	84.7%
<b>E. DOMESTIC FINANCING</b>	<b>60.9</b>	<b>15.8</b>	<b>-73.6</b>	<b>-498.0</b>	<b>195.3</b>	255.0%	-	
<b>E1. DOMESTIC MARKET BORROWING (NET)</b>	<b>70.9</b>	<b>265.4</b>	<b>-15.7</b>	<b>-377.6</b>	<b>-148.2</b>	254.7%		-
New Domestic Borrowing	1496.8	1691.3	24.0	568.6	563.6	100.9%	38.0%	142.3%
Less Amortisation	-1426	-1426	-39.7	-946.2	-711.8	132.9%	66.4%	66.4%
<b>E2. OTHER DOMESTIC FINANCING (b)</b>	<b>0.0</b>	<b>0.0</b>	<b>-57.9</b>	<b>-120.4</b>	<b>343.5</b>	-35.0%		
<b>E3. ASSETS SALES FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>E4. NET FINANCING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>F. TOTAL FINANCING</b>	<b>-10.0</b>	<b>-249.6</b>	<b>-90.1</b>	<b>-619.4</b>	<b>207.1</b>	299.1%	-	248.1%
<b>G. GROSS BORROWING</b>	<b>1692.0</b>	<b>1845.3</b>	<b>29.3</b>	<b>592.6</b>	<b>-33.9</b>		35.0%	32.1%
Concessional	195	154	5.3	24.0	66.7	36%	12.3%	15.6%
Commercial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic	1497	1691.3	24.0	568.6	-100.6		38.0%	33.6%
Financing Gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Treasury

