

Department of Treasury
Department of National Planning and Monitoring

BUDGET CIRCULAR 4/2025

TO : Departmental Heads;
: Heads of Constitutional Offices;
: Heads of Statutory Authorities; and
: Provincial Administrators

DATE : 7th of July, 2025

SUBJECT : 2026 NATIONAL BUDGET CEILINGS AND PREPARATIONS
PROCESS

1. PURPOSE

This Budget Circular advises National Departments, Heads of Statutory Authorities, Constitutional Offices, and Provincial Administrations of:

- (i) the requirements for 2026 National Budget preparations;
- (ii) the need to outline climate risk management in agency PIP bidding process;
- (iii) the 2026 Budget Agency ceilings;
- (iv) to inform all non-tax revenue collecting agencies to submit their 2026 budget submissions to the Department of Treasury and the Department of National Planning & Monitoring for budget allocation in 2026 as per the Ministerial Determination dated 12th May, 2023. **A separate circular (Budget Circular 5/2025) is issued for non-tax revenue agency budget bid submissions.** This does not apply for other agencies; and
- (v) the deadline for all 2026 Budget Submissions to be submitted.

All agencies are to submit their 2026 budget bids to the Department of Treasury (DoT) and the Department of National Planning & Monitoring (DNPM) on the **20th of August, 2025**. Electronic copies (Microsoft Word and Excel) are preferred, if possible.

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2. 2026 BUDGET SUBMISSION REQUIREMENTS

In compiling the Budget bids, agencies are required to state clearly the amount requested with supporting details. Agencies are required to ensure their 2026 Budget bids contain the following:

2.1 Revenue Estimates: For all agencies that collect revenues (tax and non-tax), information on revenue estimates to be collected in 2026 are required to be provided as part of their Budget Bid. Where possible, agencies are required to state the revenue head and the amount estimated to be collected against each revenue head with supporting details.

2.2 Ongoing programs and activities: Agencies are required to clearly state their ongoing programs including any changes in the programs both at the funding level and activity level.

2.3 New programs and activities: Where new activities/programs are proposed, all relevant information must be clearly stated with sufficient justification in the agency bid. This justification must include **off-sets**, such as those programs being excluded to fund the new ones.

Agencies submitting bids for all new capital projects above K10 million in 2026 are required to comply with the new climate risk screening requirements by completing the new attachment to Project Formulation Document (PFD) (**Attachment E.3**).

2.4 Employment Growth: Agencies must indicate in their bid how their funded programs will create new employment opportunities. Where possible, agencies are requested to quantify.

Note: All Non-Tax Revenue collection agencies are also required to submit their budget bids for the 2026 budget allocation. Please refer to Budget Circular 5/2025 issued separately.

3. DOCUMENTATION

All agencies are required to fill out the templates listed below.

3.1 Operational Budget

Agencies are required to submit their budget bids for:

- a). Personnel Emoluments** which covers;
 - i. Staffing levels (**Attachment B.1**) and
 - ii. Personnel Emoluments by Economic items (**Attachment B.2**)
- b). Goods and Services** which includes;
 - i. Goods and Services by economic item (**Attachment C**)

Note: All bids must contain sufficient justification and detailed information for both ongoing programs and new proposals. Funding estimates for new activities must first consider **off-sets** where possible.

3.2 Public Investment Program (PIP)

Agencies are required to submit their 2026 Budget bids for:

- i. Public Investment Program – New Projects template **(Attachment E.1) (PFD)**; and
- ii. Public Investment Program – Ongoing projects template **(Attachment E.2) (PFD)**
- iii. Climate Disaster Risks and Adaption – for all new projects worth more than K10 million **(Attachment E.3)**

Note: All PIP submissions must be consistent with the Medium Term Development Plan IV and any announced policies and priorities of the government.

3.3 Provincial Budget

"Provincial Administrations" are required to submit both "recurrent" and "capital bids." Their 2026 recurrent Budget bid should include:

- i. staffing number **(Attachment B.1)**;
- ii. Personnel Emoluments Bid **(Attachment B.2)**;
- iii. Teachers staffing number summary **(Attachment B.3 i)**;
- iv. Teachers staffing & costing details **(Attachment B.3 ii)**.

Provincial capital budget bid for 2026 should adhere to guidance in Section 3.2 above.

Should you require assistance particularly on the teachers template, please contact Budget & Planning Officer Sacki Melchi on email address Sackai_Melchi@education.gov.pg or on phone 72228186

3.4 Budget bid summary

To improve budget submissions a new budget summary template **(Attachment F)** has been developed to centralize the most relevant budget information for the Department of Treasury and the Department of National Planning & Monitoring and encourage a holistic approach guided by government priorities. Sector lead agencies (Departments of Justice and Attorney-General, Prime Minister and National Executive Council, Education, Health, Community Development and Transport) and non-tax revenue agencies have been selected to pilot using the template for their 2026 budget submissions and provide feedback before it is mandatory for all agencies. Other agencies are welcome to complete this template if they desire. This has the following sections:

- i) details of their overall budget allocations for 2026, the agency purpose and priorities in alignment with government priorities
- ii) details of the agency's manpower and payroll costs for 2026
- iii) details of Revenue estimates for 2026
- iv) other selected information.

4. DATA ENTRY IN IFMS

Agencies' estimates are to be entered into IFMS. The system will already contain the current year's appropriation and the ceiling for 2026. Treatment of non-tax revenue collecting agencies is outlined in Budget Circular 5/2025.

Agencies requiring technical assistance regarding the input of 2026 estimates into IFMS are to contact their respective budget officers in the first instance. If IFMS user support is required, the IFMS team can be contacted through email at **service_desk@finance.gov.pg** or by phone **7202 4150**.

It is the Agency's responsibility to ensure the timely entry of their estimates into IFMS before the deadline of **20th August 2025**.

There will be computers available in the Treasury building, Level 5, for agencies for data entry if agencies are unable to access IFMS at their respective offices.

5. ENTRY OF REVENUE DATA

All government agencies that collect revenue for and on behalf of the State are required to enter revenue estimates into IFMS **no later than 20th August 2025**. Those agencies that are not on IFMS are to submit their revenue information as part of their budget bids.

For further clarity please contact Mr Charlie Ikitae, Acting First Assistant Secretary, Non-tax Revenue Division, Department of Finance on email **Charlie_ikitae@finance.gov.pg** or on phone **303 7840**.

6. SUBMISSION OF TEMPLATES

Original budget submissions are to be furnished to both the Department of Treasury and DNPM. All submissions must be clearly labeled and addressed to the Secretaries of both Departments. Where possible, agencies can submit their budget templates as electronic copies (Microsoft Word and Excel).

All agencies are to provide their budget bid and complete data entries in IFMS by **20th of August 2025**.

Attachments B – E are to be completed and submitted as part of the bids. Attachment F is only mandatory for pilot agencies listed above.

Table 1: Attachments

Attachment	Description	Action
Attachment A	Indicative 2026 Agency Ceiling	For guidance
Attachment B.1	Staffing Level Form (Manpower) –	Agencies to Complete
Attachment B.2	Personnel Emolument Bids by Economic Items	Agencies to Complete
Attachment B.3 (i)	Staffing Level Form (Manpower) – Provinces (Teachers)	For Provinces to Complete
Attachment B.3 (ii)	Staffing Level Form (Manpower) – Provinces (Teachers Details)	For Provinces to Complete
Attachment C	Goods & Services Bids by Economic Items	Agencies to Complete
Attachment D	Trust Estimates	Agencies to Complete

Attachment E.1	Public Investment Programs - Summary	Agencies to Complete
Attachment E.2	Public Investment Programs – Project Formulation Document	Agencies to Complete
Attachment E.3	Climate Disaster Risk and Adaptation – new Attachment for PFD	Agencies to Complete – for new projects above K10 million
Attachment F	2026 Agency Budget Bid Summary	Agencies to Complete – mandatory for pilot agencies listed on page 4

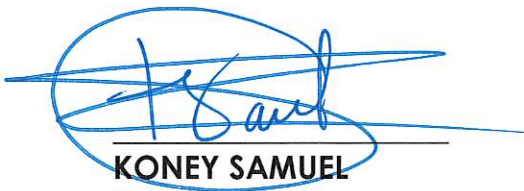
7. CONTACT DETAILS

All queries can be directed to the relevant Assistant Secretaries and First Assistance Secretaries from the Department of Treasury and Department of National Planning & Monitoring on the contact numbers below.

Sector	Name of Officer	Telephone	Email Address
Economic Sector (DoT)	Mr. Godfrey Ivun	313 3531	Godfrey_ivun@treasury.gov.pg
Economic Sector (DNPM)	Mrs. Jenny Bire	328 8505	jenny_bire@planning.gov.pg
Infrastructure & Transport Sector (DoT)	Mr. Godfrey Ivun	313 3531	Godfrey_ivun@treasury.gov.pg
Infrastructure & Transport Sector (DNPM)	Dr. Oti Jigo	308 4110	oti_jigo@planning.gov.pg
Health Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Health Sector (DNPM)	Mrs Rose Koyama	328 8572	rose_koyama@planning.gov.pg
Education Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Education Sector (DNPM)	Mrs. Rose Koyama	328 8572	Rose_koyama@planning.gov.pg
Community & Culture Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Community & Culture Sector (DNPM)	Mrs. Rose Koyama	328 8572	Rose_koyama@planning.gov.pg
Law & Order Sector (DoT)	Mrs. Cathy Haro	313 3669	Cathy_Haro@treasury.gov.pg
Law & Justice Sector (DNPM)	Mr. Willie Kumanga	328 8572	willie_kumanga@planning.gov.pg
Administrative Sector (DoT)	Ms. Roselyn Irum	313 3613	Roselyn_irum@treasury.gov.pg
Administrative Sector (DNPM)	Mr. Jonathan Kennett	328 8520	jonathan_kennett@planning.gov.pg
Provincial Sector (DoT)	Mr. Amos Ropkil	313 3554	Amos_Ropkil@treasury.gov.pg
Provincial Sector (DNPM)	Mr. Jonathan Kennett	328 8520	jonathan_kennett@planning.gov.pg



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Department of Treasury



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