MID-YEAR ECONOMIC AND FISCAL OUTLOOK REPORT

2026

Presented by

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31 August 2026

FOREWORD

The 2026 Mid-Year Economic and Fiscal Outlook (MYEFO) report demonstrates the Marape Rosso Government's strong performance on budget implementation. At 30th June 2026, 50.1 per cent of the Budget has been implemented. This is the strongest rate of implementation since 2012, the year when MYEFO reports starting reporting expenditure at the half way point of the budget year, rather than to the end of May.

From 2012 to 2018, the average rate of budget implementation was 36.0 per cent. From 2019 to 2026, the average rate of budget implementation has climbed to 43.0 per cent.

This strong performance has been reinforced through strengthened cash management. In 2023 and 2024, there were issues with adequately financing the budget deficit. This was partly linked to unrealistic expectations in the domestic finance sector of the implications of the Bank of Papua New Guinea's stated policy of using the nominal exchange rate as the anchor for monetary policy. In 2025, as shown in the 2025 FBO, the government was able to clear some of this financing backlog, by extra financing of K1.6 billion, all at lower interest rates. In the first half of 2026, this extra financing has been continued, with an extra K1.2 billion achieved.

Some areas of taxation have been performing particularly strongly. The stand-out is the Minerals and Petroleum Tax, which is now expected to exceed its budget estimate by over K3.0 billion. However, overall, other taxes are slightly underperforming, although some of this is a result of a very welcome faster pace of GST refunds. Payments of dividends, at only 3.0 per cent by mid-year, is particularly concerning.

This good budget implementation performance, combined with few dividends being paid by 30th June, meant that the mid-year deficit reached K2.4 billion, significantly higher than the K1.6 billion deficit forecast for the whole year. The MYEFO indicates that policy actions of some K2,975.0 billion are required. This is a serious message to Government that actions are needed to reinforce the credibility of the Government's budget repair plan.

The 2026 Supplementary Budget, being presented on the same day as this report is released, is a reset to ensure we get back on target. The Kumuls, especially Kumul Petroleum, will contribute much more than their offer of just K650.0 million, and the MYEFO estimate of just K137.0 million. The Government is expecting payments of at least K1,666.7 million in KPH dividends. With higher oil prices, this can be achieved without putting at risk the equity financing plans for Papua LNG. Their administration costs of K220.0 million also exceed the combined administration costs of PM&NEC, Treasury and Finance. There is scope for paying more to the budget. Extra revenue measures are being taken, funds swept from accounts, and cuts are being made to both operational and capital budgets, to ensure priority expenditure commitments can be funded, and the budget repair path is achieved.

The economic update provided by this report also makes for interesting reading. Clearly, there is a threat of a very serious El Niño event, and this has been included in the updates for growth and inflation. Offsetting the negative El Niño factors is the low inflationary outcome for the first six months of the year (only 1.2 percentage points), and the strong growth being reported in the non-agricultural and non-resource parts of the economy. Overall, real non-resource growth increased to an estimate of 4.9 per cent in 2025 and maintained at 4.5 per cent for 2026. However, the largest estimated GDP impact is on the minerals sector, where production from Porgera and Ok Tedi are expected to be much lower than forecast, bringing the estimated real GDP growth rate down to 3.2 per cent.

The impact of the higher gold and oil prices are having very strong impacts on measured nominal GDP levels. 2026 GDP is estimated to reach K160.0 billion in 2026, K15.0 billion higher than estimated at the time of the budget. The trade and current account surplus figures are also extraordinary for most countries – the current account balance is expected to increase by 65.0 per cent in 2026 to K53.0 billion. Foreign reserves are expected to reach K19.5 billion. Of course, what goes up can come down. This is part of the volatility that can come from a large resource sector. Through time, PNG will continue to diversify its economy, as this is vital for both stability, as well as widespread jobs and incomes growth.

The global shocks on fuel prices, and the risks of a very serious El Niño event, possibly the worst in PNG's history, have been a major context for the MYEFO, and the preparations for the 2026 Supplementary Budget. The Marape-Rosso Government will continue to monitor the global and domestic economies, and take the necessary action to protect living standards, while also continuing on a path of economic reform.

HON. IAN-LING STUCKEY, CMG. MP
Minister for Treasury

31 August 2026

INTRODUCTION

The 2026 Mid-Year Economic and Fiscal Outlook (MYEFO) has been prepared as prescribed by the *Fiscal Responsibility Act (Amended) 2024* (FRA). The Act requires that the Government provide:

a) An update of key fiscal parameters in the most recent budget;
b) A discussion of any revisions to fiscal parameters and implications for the budget strategy and medium-term fiscal strategy; and
c) Updated Charts for Government revenues and expenditures, including the identification and explanation of revenue and expenditure decisions since the most recent budget.

Consistent with these requirements, this document is comprised of:

- **Part 1: Mid-Year Economic and Fiscal Outlook** – containing summary information on key economic and fiscal indicators and outlook, including financing, public debt and fiscal outturns
- **Part 2: Mid-Year Expenditure** – outlining funded expenditure decisions for the financial year, including alignment with the Medium-Term Development Plan IV (MTDP).

It is accompanied by Attachment 3 which provides a detailed table of expenditure by sector and agency.

The MYEFO covers General Government fiscal and financial operations and is based on the reporting standards as the most recent budget. In general, the Government follows Government Finance Statistics (GFS) Manual 2014 cash reporting standards, reflecting a gradual shift from 1986 GFS to 2014 GFS as part of ongoing budget process reform.

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Abbreviations

ABG	Autonomous Bougainville Government
ACE	Allowable Capital Expenditure
ADB	Asian Development Bank
AFF	Agriculture, Forestry and Fishery
AGO	Auditor General's Office
ALESCO	ALESCO Payroll System
AML	Anti-Money Laundering
ANZ	Australia and New Zealand Banking Group Limited
AUD	Australian Dollar
AV	Arrears Verification
AVC	Arrears Verification Committee
BLS	Business Liaison Survey
BMT	Bookmakers Turnover Tax
BMTT	Bookmakers Turnover Tax Transfers
BPNG	Bank of Papua New Guinea
BTT	Bookmakers Turnover Tax
CADIP	Civil Aviation Development Investment Program
CDL	Central Dairy Limited
CFC	Consumption of Fixed Capital
CFT	Combating the Financing of Terrorism
C/Fund	Counterpart Fund
CIT	Company Income Tax
CLRC	Constitutional and Law Reform Commission
CMG	Companion of the Order of St Michael and St George
CoE	Compensation of Employees
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CRF	Consolidated Revenue Fund
CRR	Cash Reserve Requirement
CSA	Commercial and Statutory Authorities
Dev.	Development
DIP	Deliberate Intervention Program
DNPM	Department of National Planning and Monitoring
DoF	Department of Finance
DPM	Department of Personnel Management
DRA	Debt Restructuring Account
DSIP	District Services Improvement Program
DWT	Dividend Withholding Tax
EC	Electoral Commission
ECF	Extended Credit Facility
EFF	Extended Fund Facility
E-ID	Electronic Identification
Est.	Estimate
EUR	Euro
FBO	Final Budget Outcome
FMIP	Financial Management Improvement Programme
FODE	Flexible, Open and Distance Education
FRA	Fiscal Responsibility Act (Amended) 2024
FX	Foreign Exchange
G&S	Goods and Services
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GMS	Goods and Services Monitoring System
GMT	Gaming Machine Tax
GoPNG	Government of Papua New Guinea
GST	Goods and Services Tax
GTFFS	Government Tuition Free Fee Subsidy
GTFS	Government Tuition Fee Subsidy
HELP	Higher Education Loan Program
HRRIP	Highlands Region Road Improvement Program
IAI	Innovative Agro Industry Limited
ICO	International Coffee Organisation
ICT	Information and Communications Technology
IDG	Infrastructure Development Grant
IMF	International Monetary Fund
IRC	Internal Revenue Commission
IWT	Interest Withholding Tax
K	Kina
KAL	Kumul Agriculture Limited
KCH	Kumul Consolidated Holdings
KCHL	Kumul Consolidated Holdings Limited
KFR	Kina Facility Rate
KMHL	Kumul Mineral Holdings Limited
KPHL	Kumul Petroleum Holdings Limited
LLG	Local Level Government
LNG	Liquefied Natural Gas
Ltd	Limited
MP	Member of Parliament
MPC	Monetary Policy Committee
MPS	Monetary Policy Statement
MPT	Mining and Petroleum Tax
MRDC	Mineral Resources Development Company Pty Limited
MRL	Mineral Resources Limited
MTDP	Medium-Term Development Plan
MTDS	Medium-Term Debt Strategy
MTFS	Medium-Term Fiscal Strategy
MYEFO	Mid-Year Economic and Fiscal Outlook
NAOSPIII	National Agriculture Oil Palm Sector Project, Phase III
NDA	Net Domestic Assets
NEC	National Executive Council
NEFC	National Economic and Fiscal Commission
NFA	Net Foreign Assets
Non-PHA	Non-Provincial Health Authority
NPA	National Procurement Act 2018
NRIWT	Non-Resident Insurers Withholding Tax
NSL	Nambawan Super Limited
NSO	National Statistical Office
NTRA	Non-Tax Revenue Administration Act 2022
OCR	Ordinary Capital Resources
OPEC+	Organisation of the Petroleum Exporting Countries and allied producers
OSPEAC	Organisational Staffing and Personal Emoluments Audit Committee
OSS	Office of the State Solicitor
PASO	Pacific Aviation Safety Office
PFG	Provincial Functional Grant
PFMA	Public Finance Management Act 1995 (Amended)
PGK	Papua New Guinea Kina
PHA	Provincial Health Authority
PIP	Public Investment Program
PIT	Personal Income Tax
PNG	Papua New Guinea
PNG LNG	Papua New Guinea Liquefied Natural Gas Project
Prog.	Programme
Proj.	Projection
PSIP	Provincial Services Improvement Program
PSMA	Public Services (Management) Act 1995
Pty	Proprietary
RSF	Resilience and Sustainability Facility
SDR	Special Drawing Rights
SHHIP	Sustainable Highlands Highway Investment Program
SIP	Support Improvement Program
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
SOFR	Secured Overnight Financing Rate
SPA	Special Priority Area
SWF	Sovereign Wealth Fund
TA	Technical Assistance
T/A	Technical Assistance
TAF	Temporary Advance Facility
TESAS	Tertiary Education Study Assistance Scheme
TSC	Teaching Service Commission
TWI	Trade Weighted Index
US	United States
USD	United States Dollar
WEO	World Economic Outlook
WOE	World Economic Outlook (typo for WEO in the draft)
WPA	Waigani Public Account
YTD	Year-to-Date

PART 1: MID-YEAR ECONOMIC AND FISCAL OUTLOOK

1.1 OVERVIEW

While the global economic growth outlook has been revised down due to the war in the Middle East, Papua New Guinea's (PNG) economy is projected to grow at 3.2 per cent in 2026. Growth is expected to be broad-based, supported by the resilient non-resource sector growing at 4.5 per cent and the resource sector with a lacklustre growth of 0.1 per cent. In 2025, the economy is estimated to have grown by 6.0 per cent driven by a strong performance in both non-resource and resource sectors which grew at 4.9 per cent and 9.2 per cent respectively.

The growth in the resource sector is anticipated to moderate to 0.1 per cent in 2026 from the 2026 Budget estimate of 2.5 per cent due to a downgrade in production from the mining sector in response to the dry weather conditions (El Niño). In addition, the oil and gas sector is expected to moderate reflecting the declining trend of oil production associated with maturing oil fields while LNG and condensate production peaked at their new nameplate capacities in 2026.

However, the non-resource sector is projected to see strong growth of 4.5 per cent in 2026 on the back of significant investments across multiple sectors in the economy. These include infrastructure projects associated with key government investment in the Connect PNG Program, anticipated re-fleeting from Air Niugini and PNG Air and a digital public infrastructure roll-out. In addition, insights from the Treasury's Business Liaison Survey suggest stronger than anticipated performance in the manufacturing sector with several companies expected to boost output and employment.

Employment data from the Bank of PNG further suggest a positive growth outlook. Year- on- year employment growth in the formal private sector was 2.9 per cent in the first quarter of 2026. This was mainly driven by strong growth in the Transportation sector as well as the Agriculture, Forestry and Fisheries and the Resource sectors. The outlook for the remainder of the year is also positive as 57.0 per cent of respondents to the 2026 PNG 100 CEO Survey expect to increase staff levels this year and only 6.0 per cent expect to reduce headcount.

Nevertheless, the economy is not immune to global economic risks as growth in the Agricultural sector is anticipated to moderate on the back of higher energy, shipping and fertiliser costs. Environmental impacts from the El Niño climate event present further downside risks for the latter half of 2026 which could extend into 2027.

Given geopolitical and climate related risks mainly impact the supply-side, they contribute to inflationary pressures. As a result, headline inflation, as measured by the Consumer Price Index (CPI), is forecasted to rise to 4.5 per cent in 2026. Rising oil prices, as a result of the war in Iran and subsequent closure of the Strait of Hormuz, represents a major upside risk for inflation in 2026. However, its impact was largely mitigated by the Government's implementation of a fuel relief package since April 2026 with the objective of maintaining retail fuel prices at March levels. However, inflationary pressures remain. In June 2026, the Government confirmed that direct fuel subsidies would only apply to the retail sector which means there may be some inflationary pass-through to the economy from rising fuel prices in the commercial sector. Global factors are also contributing to inflationary pressures through increases to shipping and fertilizer costs and higher agricultural commodity prices. At the same time, domestic inflationary pressures may arise during the latter stages of the year if the El Niño climate event results in significant impacts to domestic production.

Meanwhile, the Kina continues to depreciate under the crawl-like exchange rate regime. In the first half of the year, the Kina depreciated by 3.0 per cent against the United States Dollar (USD) and by 5.6 per cent against the Australian Dollar (AUD).

Fiscal Update

Table 1: MYEFO Outturn and Projected Outcomes (Kina Million)

	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
Total Revenue & Grants	23,234.6	29,307.1	12,748.1	28,370.4*	-936.7
Total Expenditure & Net Lending	26,115.1	30,915.2	15,160.1	32,953.7*	2,038.4
Policy Adjustment	0.0	0.0	0.0	-2,975.1	-2,975.1
Net Lending (+) / Net Borrowing (-)	**-2,880.5**	**-1,608.2**	**-2,412.0**	**-1,608.2**	**0.0**
% of GDP	*-2.1%*	*-1.1%*	*-1.5%*	*-1.0%*	*0.1%*
Total Public Debt Stock	**68,462.4**	**66,215.7**	**69,643.9**	**70,070.5**	**3,854.8**
Debt as % of GDP	**50.0%**	**45.5%**	**43.3%**	**43.6%**	**-1.9**
Nominal GDP (K, Million)	136,976.9	145,600.7	160,816.0	160,816.0	15,215.3

Source: PNG Treasury

*Note: This table includes K650.0 million in revenue and expenditure held and spent by Non-Tax Revenue (NTR) agencies. Since the addition is made to revenue and expenditure, there is no impact on net lending.

As at 30th June 2026, Total Revenue and Grants amounted to K12,748.1 million (43.5 per cent of the 2026 Budget estimate) while Total Expenditure and Net Lending amounted to K15,160.1 million (49.0 per cent of the 2026 Budget appropriation). As a result, the mid-year fiscal balance recorded a deficit of K2,412.0 million. This deficit was financed through domestic and external borrowing (primarily securities issuance) totalling K1,181.5 million, and the remaining balance of K1,230.6 million was financed through the utilisation of the Temporary Advance Facility (TAF) or remains as outstanding cheque floats. The public debt stock reached K69,643.9 million, 43.3 per cent of GDP, well below the 52.5 per cent of GDP limit prescribed in the *Fiscal Responsibility Act (Amended) 2026*.

Based on the mid-year revenue performance and economic outlook, Total Revenue & Grants is projected to total K28,370.4 million (K936.7 million lower than the 2026 Budget estimate) by year-end, while Total Expenditure & Net Lending has been increased to K32,953.7 million (K2038.4 million higher than the 2026 Budget). To achieve the Budget deficit target of K1,608.2 million, a policy adjustment of K2,975.1 million is required in the second half of the year to maintain the fiscal deficit target.

1.2 ECONOMIC OUTLOOK

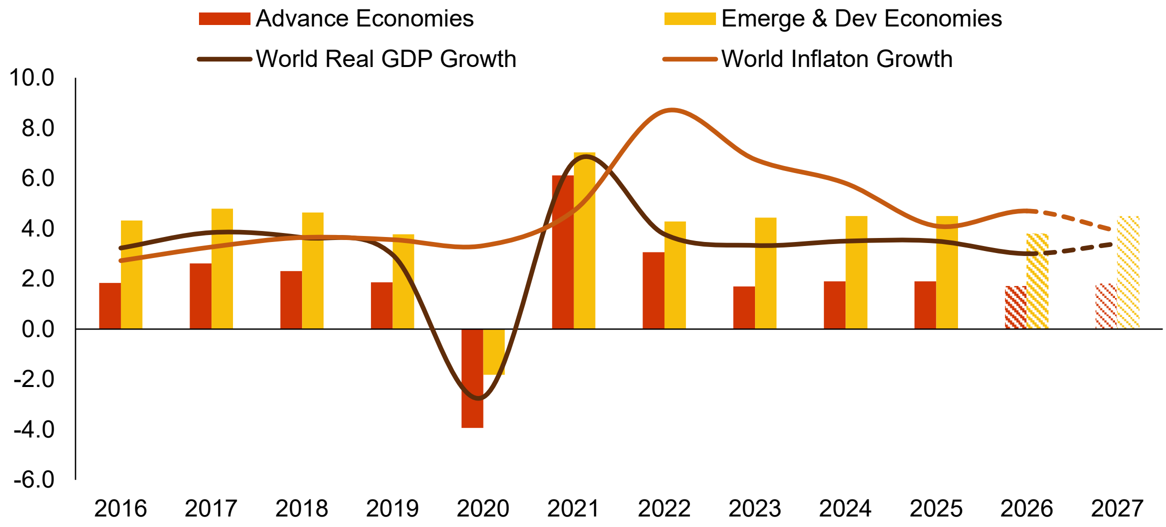
International Economic Outlook

The global economy entered 2026 with strong growth momentum, supported by robust investment in artificial intelligence (AI), easing financial conditions, and supportive macroeconomic policies. However, the outbreak of conflict in the Middle East has weakened the outlook by increasing uncertainty, disrupting commodity markets, raising energy prices, and tightening financial conditions, therefore, reducing global growth outlook and increasing inflationary pressure. These developments have partially offset the benefits of the ongoing AI driven investment boom.

While the US-Iran Interim Agreement (memorandum of understanding) to end the war, and reopen the Strait of Hormuz, has helped mitigate some uncertainties and provided stability to energy price volatility, risk of further escalation remains.

Due to the negative supply shock induced by the war in the Middle East, and a positive technology shock driven by technology investments boom, global growth is projected to moderate to 3.0 per cent in 2026 before recovering to 3.4 per cent in 2027, compared to the 3.5 per cent average growth recorded in the last two years (2024-2025). Relative to the April 2026 WEO Update, the 2026 growth forecast has been revised down by 0.1 percentage point, while the 2027 projection has been revised up by 0.2 percentage point (see Chart 1).

Chart 1: Global Economic Growth and Inflation Forecast (%) (2016 – 2027)



Source: IMF World Economic Outlook (WEO) July 2026

For advanced economies, growth is projected to slow from an estimated 1.9 per cent in 2025 to 1.7 per cent in 2026 and 1.8 per cent in 2027. The growth outlook for 2026 has been revised down by 0.1 percentage point from the April 2026 WEO Update. The moderate growth outlook reflects downward revisions in several countries including the Euro Area, Japan and Canada being partially offset by upward revisions to the United Kingdom, and advanced economies outside the G7[1].

The outlook for the United States is relatively resilient from the impact of the war because it is a net energy exporter, with growth projected to expand to 2.3 per cent in 2026 and 2.2 per cent in 2027. While the growth outlook for 2026 remains unchanged from the April 2026 WEO, the forecast for 2027 is an upward revision of 0.1 percentage point due to strong domestic demand, supported by a rebound in government spending, accommodative financial conditions and continued technology-related business investment boom.

For Japan, growth is projected to drop from 1.1 per cent in 2025 to 0.6 per cent in 2026 and 0.7 per cent in 2027. Compared with the April 2026 WEO, the forecast for 2026 is a downward revision of 0.1 percentage point reflecting the impact of higher energy prices being partially offset by fiscal support measures. However, the forecast for 2027 is an upward revision of 0.1 percentage point based on the assumption that the energy price shock would dissipate.

Growth in the Euro area is expected to decline to 0.9 per cent in 2026 and 1.2 per cent in 2027 from 1.4 per cent in 2025. The forecast for 2026 is a downward revision of 0.2 percentage point

[1] Group of seven (G7) countries: Canada, France, Germany, Italy, Japan, United States and United Kingdom

from the April 2026 WEO. The downgrade reflects a sizable negative growth carryover from the first quarter, largely by Ireland2 but also indicative of soft momentum elsewhere, as well as the drag from higher energy prices, despite some fiscal cushioning measures and weak consumer confidence.

For emerging market and developing economies, growth is projected to moderate from 4.5 per cent in 2025 to 3.8 per cent in 2026 before recovering to 4.5 per cent in 2027. The conflict in the Middle East has had a varied impact on growth given differential exposure through geographic proximity, financial flows, remittances, and energy dependencies. In addition, growth is influenced by sensitivity to financial conditions and position in the global technology value chains.

Growth in emerging and developing Asia (China and India) is expected to decline from 5.6 per cent in 2025 to 5.0 per cent in 2026 and to 4.8 per cent in 2027.

Growth in China is projected to drop from 5.0 per cent in 2025 to 4.6 per cent in 2026 and 4.1 per cent in 2027. The 2026 forecast is an upward revision of 0.2 percentage point from the April 2026 WEO. This reflects the negative impact of the energy price shock induced by the Middle East conflict together with protracted uncertainty and structural headwinds from a grinding slowdown in the housing sector. Meanwhile, India remains among the fastest growing major economies, with growth projected at 6.4 per cent, supported by strong momentum in private consumption and services activity.

The lower growth projections from Papua New Guinea's main trading partners such as China and Japan are likely to pose downside risks to PNG's economy.

Global Inflation Outlook

Global inflation is projected to pause its declining trend, with headline inflation increasing from 4.1 per cent in 2025 to 4.7 per cent in 2026 before easing to 3.9 per cent in 2027. The 2026 forecast is an upward revision of 0.3 percentage point from the April 2026 WEO, driven by higher energy and food prices due to the war in the Middle East. The IMF's reference forecast assumes that the conflict would remain limited in duration and intensity, but it warns that a prolonged or wider conflict would create greater disruptions to global trade, financial markets, and supply chains, leading to weaker economic growth and even higher inflation than currently projected.

Risks to the Global Economic Outlook

The risks to the global economic outlook are more balanced than in the April 2026 WEO but still tilted to the downside owing to the conflict in the Middle East.

The possibility that the war in the Middle East would re-escalate is still high. Renewed conflict would disrupt supply chains further, drive up energy prices, and increase inflation, leading to tightening of financial conditions, which would weigh on economic growth.

However, the global outlook could improve if the rapid adoption of artificial intelligence boosts productivity, helps address labor shortages, and supports lower inflation over the medium term. At the same time, easing monetary policy and the continued adaptability of global supply chains could strengthen financing conditions, stimulate consumption and investment, and mitigate the impact of trade disruptions.

[2] In the first quarter of 2026, Ireland's economy experienced a 12.1 per cent contraction in real GDP due to the contraction of its pharmaceutical sector.

Commodity Prices and Market Developments

The performance of PNG's key export commodity prices was mixed but generally stronger in the first six months of 2026, reflecting heightened geopolitical shocks, resilient demand in some sectors, and supply constraints in others.

- **Minerals:** Prices surged across gold and copper. Gold shattered the US$5,000 per ounce barrier in March, averaging US$4,694 per ounce (52.5 per cent above 2025 levels), driven by safe-haven demand, central bank accumulation, and geopolitical risk premiums. Copper averaged US$13,090 per tonne (38.7 per cent higher year-on-year), supported by electric vehicle (EV) and AI sector demand, alongside supply disruptions in Indonesia and Chile. Both commodities are projected to remain elevated, with gold forecast at US$4,500 and copper at US$13,000 for 2026, well above Budget assumptions of US$3,540 per ounce and US$9,940 per tonne respectively.

- **Energy:** Oil and LNG markets remained volatile amid the US-Iran conflict. Crude oil averaged US$85.6 per barrel (22.1 per cent above 2025), before easing to US$70.0 per barrel as the peace agreement helped calm supply concerns and stabilize prices. LNG peaked at US$15.7 per MMBtu in April, reflecting supply shocks from attacks on Qatar's LNG infrastructure, before stabilizing. The average 2026 projection for oil is revised up to US$80.0 per barrel and LNG to US$14.0 per MMBtu. This is 21.2 per cent and 19.7 per cent above Budget assumption respectively.

- **Agriculture:** Performance diverged sharply. Coffee prices fell to a 90-day low of US$6,559 per tonne in June, pressured by record Brazil and Vietnam harvests, with 2026 averages expected at US$7,500 which is 7.4 per cent below Budget assumptions. Cocoa prices collapsed early in the year, averaging US$4,300 per tonne (39.8 per cent below Budget assumption), as favorable West African growing conditions and record inventories outweighed temporary shipping disruptions. In contrast, palm oil and coconut oil remained resilient: palm oil averaged US$1,120 per tonne (8.4 per cent above Budget assumption), supported by biodiesel mandates and Asian demand, while coconut oil averaged US$2,244 per tonne (15.1 per cent above Budget assumption), buoyed by high copra costs, shipping risks, and biofuel substitution demand.

Crude Oil

Oil prices were highly volatile during the first half of 2026, driven by the Middle East conflict. The conflict has disrupted supply and shipping through the Strait of Hormuz, a critical waterway for approximately 20 per cent of global oil flows. This created a massive short-term supply shock that drove up oil prices. The average oil price in the first half of the year was US$85.6 per barrel, which is 22.1 per cent above the corresponding period in 2025.

However, the effects of the Middle East conflict were less persistent than the impacts of the 2022 Russia-Ukraine war. This is due, in part, to the interim peace agreement between the US and Iran that has helped to ease supply concerns and stabilise oil prices back to around US$70.0 per barrel3. In contrast, during the Russia-Ukraine war, crude oil prices remained above US$100 for several months as underlying geopolitical tensions remained unresolved. These geopolitical shocks shifted global trade routes, creating long-term shifts in the global energy market.

The pass-through effects of the Middle East conflict were seen in Asian markets that depend heavily on oil imports from the Middle East. Factories, transport systems, oil refineries and

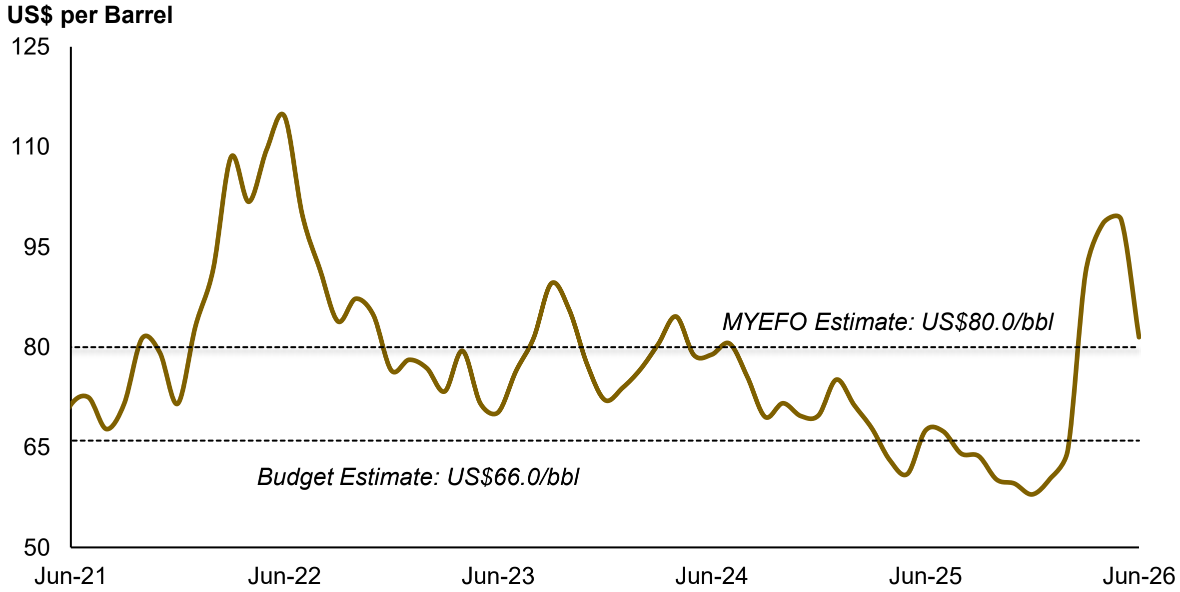
[3] Spot prices as at end of June 2026

supply chains were all affected. However, the impacts of higher oil prices were limited in PNG due to the government's fuel relief package since April that stabilized retail fuel prices.

The outlook for oil prices in 2026 remains uncertain despite the ongoing ceasefire negotiations between US and Iran and the exit of the United Arab Emirates from the Organisation of Petroleum Exporting Countries (OPEC). The key oil refineries, processing plants and supply routes in major oil producing countries have been destroyed during the conflict, leading to a potential for longer term disruptions to global supply.

Given these developments, the average oil price for 2026 is projected to be US$80.0 per barrel. This is 21.2 per cent above the 2026 Budget assumption of US$66.0 per barrel.

Chart 2: Crude Oil Price (2021–2026)



Source: Market Watch, 2026

Liquefied Natural Gas (LNG)

LNG prices have increased markedly during the first half of 2026, driven by severe geopolitical tension and fluctuating weather-driven demand. According to the IMF WEO and World Bank Commodity Market Outlook, geopolitical supply disruptions are driving the spot prices higher, while strong demand from Asian and European buyers are increasing the competition for LNG cargoes.

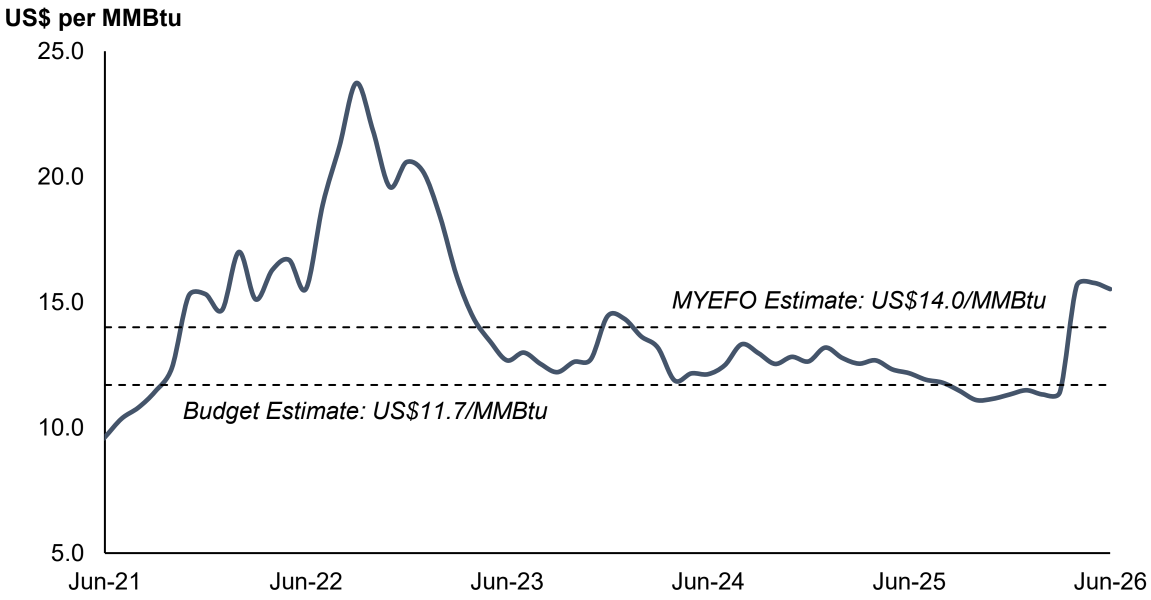
Japan LNG prices saw increases during the first few months of the year with the monthly average price peaking at US$15.7 per million British thermal units (MMBtu) in April 2026. The main driver of this price increase was the Iranian strikes on Qatar's LNG infrastructure which disrupted supply and pressured spot prices on the Asian markets to spike.

The Middle East conflict caused a short-term supply shock on LNG, posing significant risks to Asia's largest LNG importers, including Japan and South Korea. The conflict has disrupted LNG supplies over the last few months, forcing these countries to manage supply pressures as prices surged in global markets. However, the impact of the conflict has been less severe than the impact of the 2022 Russia-Ukraine war, which resulted in a structural geopolitical supply shock. During the Russia-Ukraine war, EU countries reduced pipeline gas purchases from Russia and therefore competed with Asian buyers for LNG cargoes. This increased competition kept the LNG prices above US$20.0 per MMBtu for several months (see Chart 3).

The effect of the Middle East conflict results in LNG prices in both Asia and Europe remaining elevated despite ceasefire negotiations between the United States and Iran. Looking forward, the project delays, output losses and damage to LNG infrastructure are expected to constrain supply. The restoration of damaged LNG infrastructure is expected to take time, delaying the return of normal supply conditions to the global market.

Given these factors, the average Japan LNG price for 2026 is projected to be US$14.0 per MMBtu. This estimate is 19.7 per cent above the 2026 Budget assumption of US$11.7 per MMBtu.

Chart 3: Liquefied Natural Gas Price, Japan (2021–2026)



Source: World Bank Commodities Price Data (Pink Sheet), 2026

Copper

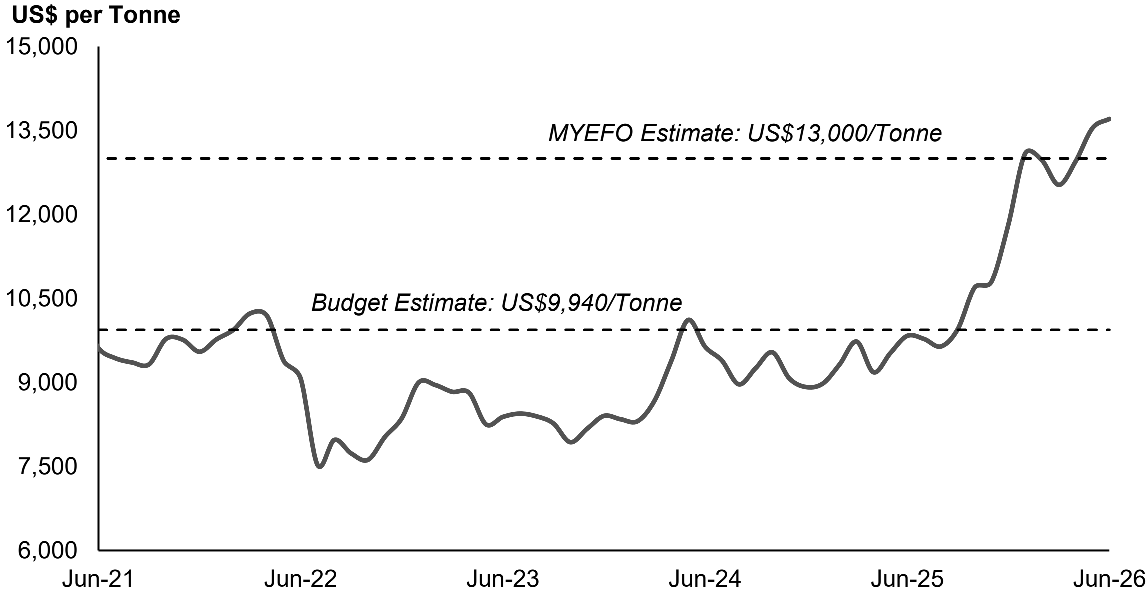
Copper prices have increased sharply throughout the first half of 2026 after exceeding the US$12,000 per metric tonne threshold in January (see Chart 4). The average price in the first half of the year was US$13,090 per tonne, 38.7 per cent above the corresponding period of 2025, reflecting the impact of supply disruptions, strong demand from the EV sector and uncertainty surrounding US tariff policies.

On the supply side, price increases were driven by operational issues at the Grasberg mine in Indonesia, one of the world's largest copper mines. In addition, there were structural supply constraints in key producer countries including, Chile, Democratic Republic of Congo and Peru. These supply constraints contributed to tighter global market conditions and sustained higher prices.

Several upside structural risks are expected to support copper prices throughout 2026. Persistent global deficits have already tightened physical markets, helping to absorb periodic pullbacks from rising inventories or US dollar strength. The demand from major markets including China has remained resilient, heavily reinforced by long-term technology requirements in the EV and AI sectors. Supply constraints in key producing countries like Chile and Indonesia are also expected to persist. According to global mining disclosures, operational issues such as declining ore grades, the Mantoverde mine strike, and the temporary Grasberg mine closure will likely continue to restrict output further into 2026.

With these factors at play, copper prices are anticipated to remain high for the rest of the year and the average price for 2026 is forecasted to reach US$13,000 per tonne. This estimate is 30.8 per cent above the 2026 Budget assumption of US$9,940 per tonne.

Chart 4: Copper Price (2021–2026)



Source: London Metal Exchange, 2026

Gold

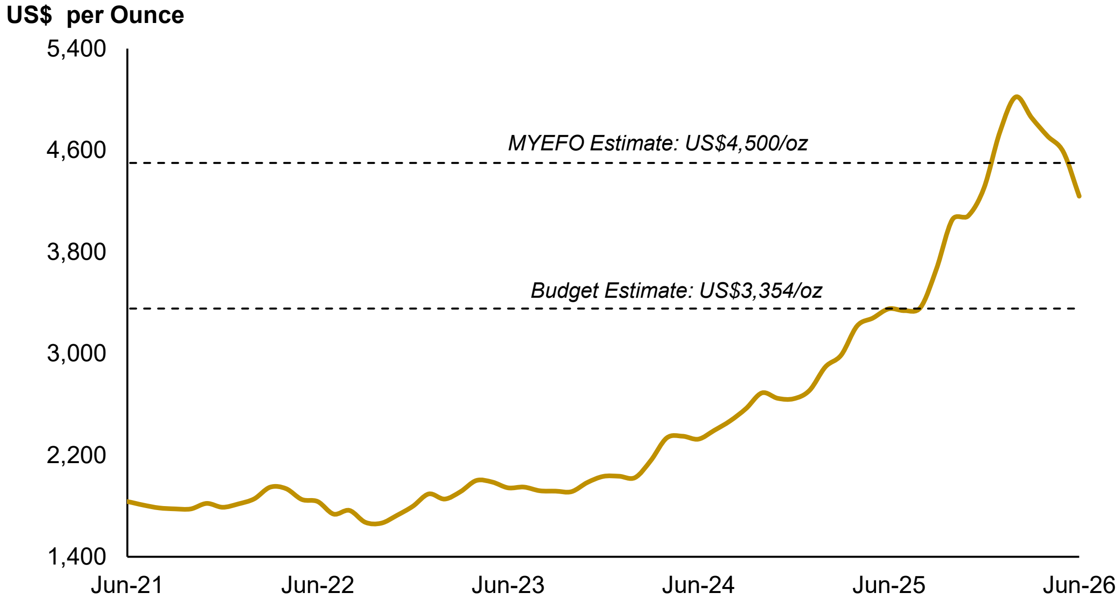
Gold prices surged in early 2026, shattering the historic US$5,000 per ounce barrier in March after a sustained rally throughout the opening months of the year. This strength has been driven by escalating US-Iran tensions, the Greenland crisis, and consistently strong safe-haven demand. During the first six months of 2026, gold prices averaged at US$4,694 per troy ounce, 52.5 per cent above the corresponding period in 2025.

The initial rally was further supported by intense geopolitical risk premiums, inflation hedging demand, and the continued purchase of gold by central banks seeking to diversify reserves. The metal's ability to preserve value and its diversification benefits continue to be leading reasons for central banks to hold gold reserves.

Looking forward, gold prices are expected to remain elevated through 2026. According to World Gold Council, central banks are planning to increase their gold reserves in the next 12 months, spurred on by gold performance during periods of crises. Other core drivers determining the price baseline include unresolved geopolitical risks and ongoing safe-haven demand from private investors. On the other hand, a stronger US dollar and rising Treasury yields may increase the opportunity cost of holding the non-yielding asset, modifying its immediate attractiveness to investors.

Considering the overall macroeconomic environment, central bank expectations and market dynamics, the average gold price in 2026 is projected at US$4,500 per ounce. This estimate is 27.1 per cent above the 2026 Budget assumption of US$3,540 per ounce.

Chart 5: Gold Price (2021–2026)



Source: LBMA Precious Metal Prices, 2026

Agriculture Commodity Prices

Coffee

Coffee prices were volatile in the first half of 2026, opening at elevated levels before embarking on a sustained decline. Key drivers include record production forecasts from Brazil, alongside surging export volumes from Vietnam. Currency fluctuations, particularly involving the Brazilian Real, alongside geopolitical shipping disruptions, provided only temporary relief for prices during the period.

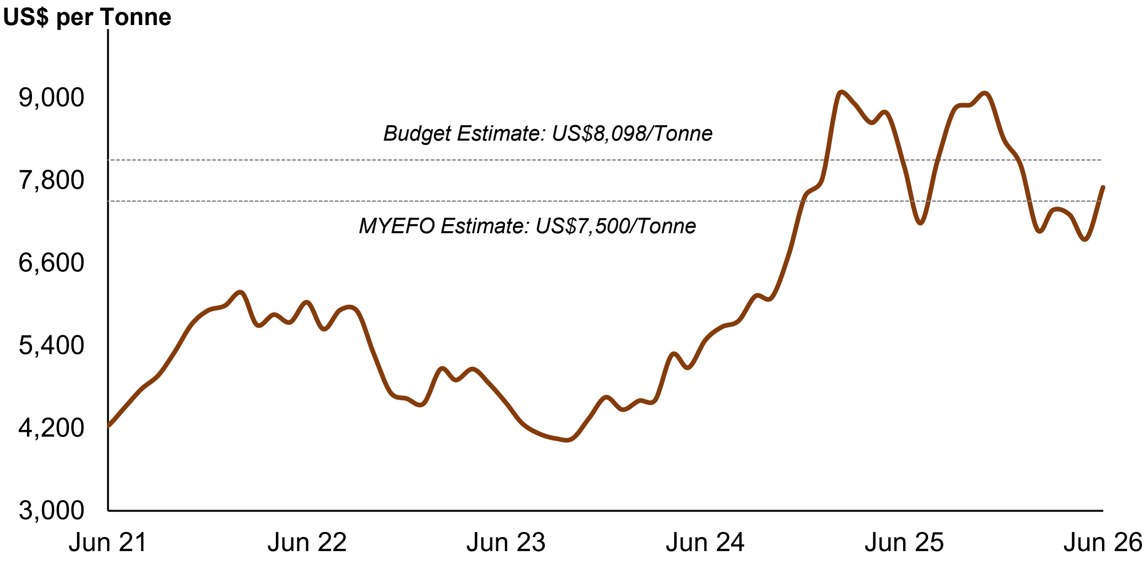
Despite modest early recoveries, expectations of flooded global markets amidst a stronger Brazil harvest, and cyclical Vietnamese Robusta crops, have reinforced the downward trajectory. By June, prices had fallen to a 90-day low of US$6,559 per tonne, as both producers' exports surged.

The global coffee market has ample supply for 2026, driven by forecasts of Brazil's harvest reaching an 18.0 per cent year-on-year increase of 66.7 to 71.9 million bags. Other factors like war-related logistics concerns and shipping cost inflation are expected to persist and provide intermittent support to prices in 2026.

Looking ahead, coffee prices are expected to remain under pressure in 2026 compared to early-year levels, with well-supplied markets expected to keep prices from rising further. The prevailing adverse sentiment remains, with record harvest projections negating price support from the current climate risks (emerging El Niño effects) and lingering shipping concerns.

Given these factors, coffee prices are expected to average US$7,500 per tonne in 2026. This is 7.4 per cent below the 2026 Budget assumption of US$8,098 per tonne.

Chart 6: Coffee Price (2021–2026)



Source : International Coffee Organisation (ICO), 2026

Cocoa

After a sharp freefall at the start of the year, cocoa prices staged a modest recovery in March and April, largely reflecting geopolitical shipping disruptions and dry weather conditions emerging from West Africa (the world's largest cocoa producing region).

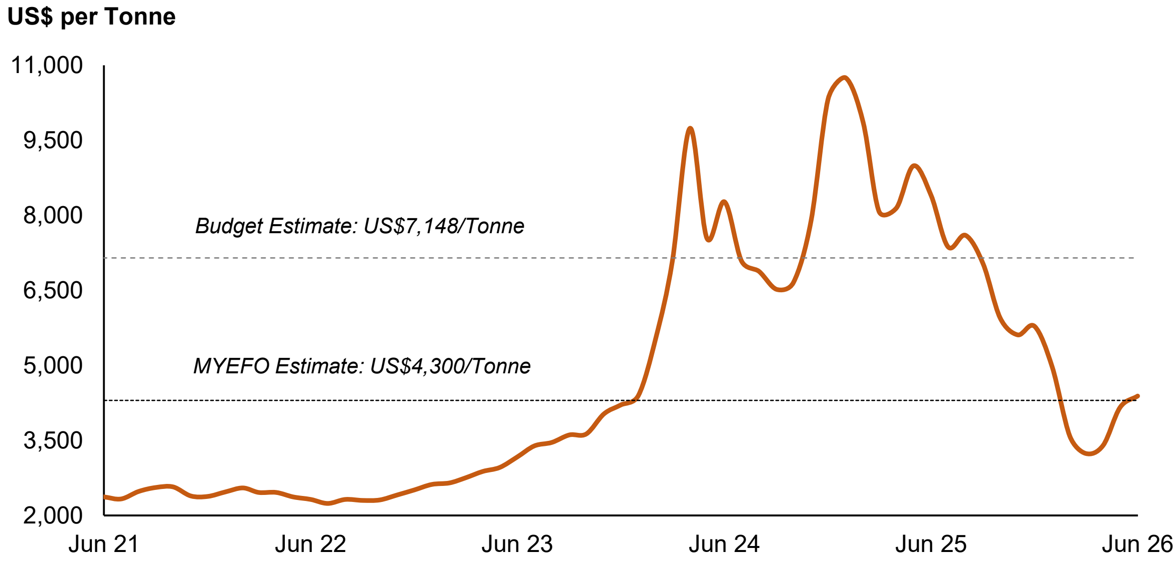
Despite the temporary recoveries in cocoa prices, the overall trend indicates that prices are experiencing a persistent downward adjustment. This is due to a combination of favourable West African growing conditions and record-high inventories, which continue to expand within the region. Cocoa demand has slowed during the first half of 2026, particularly as high-income markets shift to chocolate alternatives amid record-low demand.

According to the latest report from the International Cocoa Organisation (ICCO), cocoa prices and market benchmarks in key sectors have plummeted compared to previous expectations. In January, prices fell by 14.0 per cent to US$4,970 per tonne. Further, February prices plummeted by an additional 27.9 per cent to US$3,590 per tonne. These declines were, again, driven by reports of favourable weather conditions and rising production forecasts in the Ivory Coast and Ghana, where output is running approximately 7.0 per cent above the five-year average.

By end-June 2026, cocoa prices settled at US$5,063 per tonne supported by emerging El Niño concerns and prevailing supply chain impediments from the Middle East conflict.

Looking ahead, cocoa prices are expected to soften further, averaging an estimated US$4,300 per tonne, which is 39.8 per cent below the 2026 Budget assumption of US$7,148 per tonne.

Chart 7: Cocoa Price (2021–2026)



Source : International Cocoa Organisation (ICCO), 2026

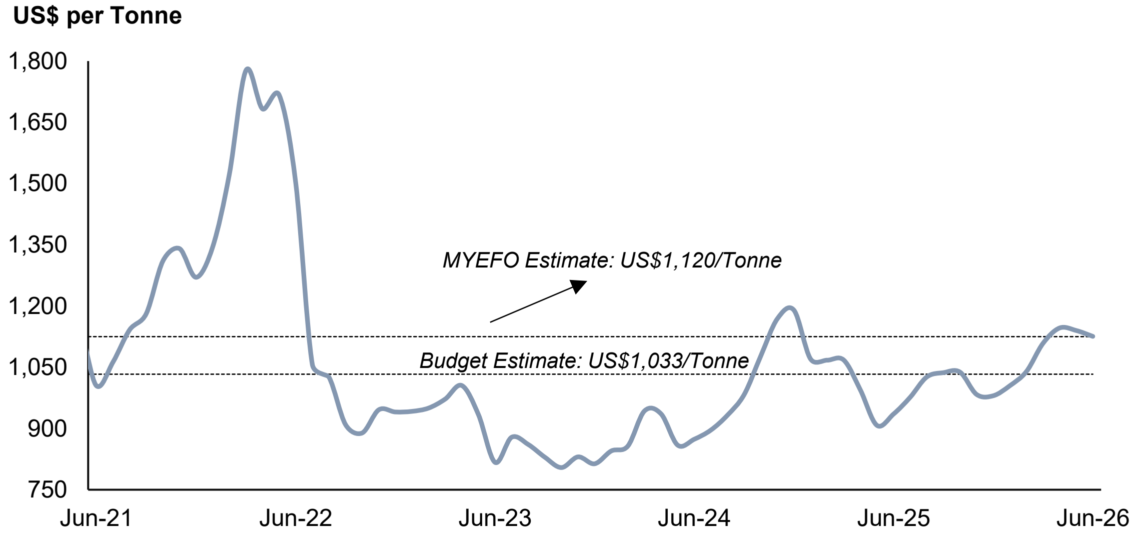
Palm Oil

Palm oil prices proved highly resilient during the first half of 2026, maintaining strong levels despite periodic market volatility. Prices ranged between US$1,005 and US$1,146 per tonne and were consistently above the 2026 Budget assumption. As of late June, prices were around 7.8 per cent higher than budgeted levels.

The sustained price strength during the first half of 2026 reflects a combination of supportive demand-side factors and structural policy interventions. The war-fed energy crisis has prompted greater biodiesel mandates in Indonesia and Malaysia (the largest global exporters), diverting domestic supplies and tightening export availability. Strong import demand from the Indian subcontinent and China, for Eid4 and Lunar New Year celebrations respectively have further supported prices during the first quarter. On the supply side, monsoon flooding in Malaysian plantations temporarily restricted output, while Indonesian export regulations created logistical bottlenecks that tightened global supply.

Looking ahead, palm oil prices in 2026 will depend on domestic mandate dynamics in Malaysia and Indonesia. According to Malaysian Palm Oil Council, export volumes face short-term headwinds from competing vegetable oils, while domestic supply is expected to be heavily absorbed by the implementation of the Malaysian B15 and Indonesian B50 biodiesel policies5. Given these factors, the palm oil price is expected to average at US$1,120 per tonne in 2026 amid temporary pullbacks and a constructive long-term biofuel outlook. This price forecast is 8.4 per cent above the 2026 Budget assumption of US$1,033 per tonne.

Chart 8: Palm Oil Price (2021–2026)



Source: Malaysian Palm Oil Council, 2026

Coconut Oil

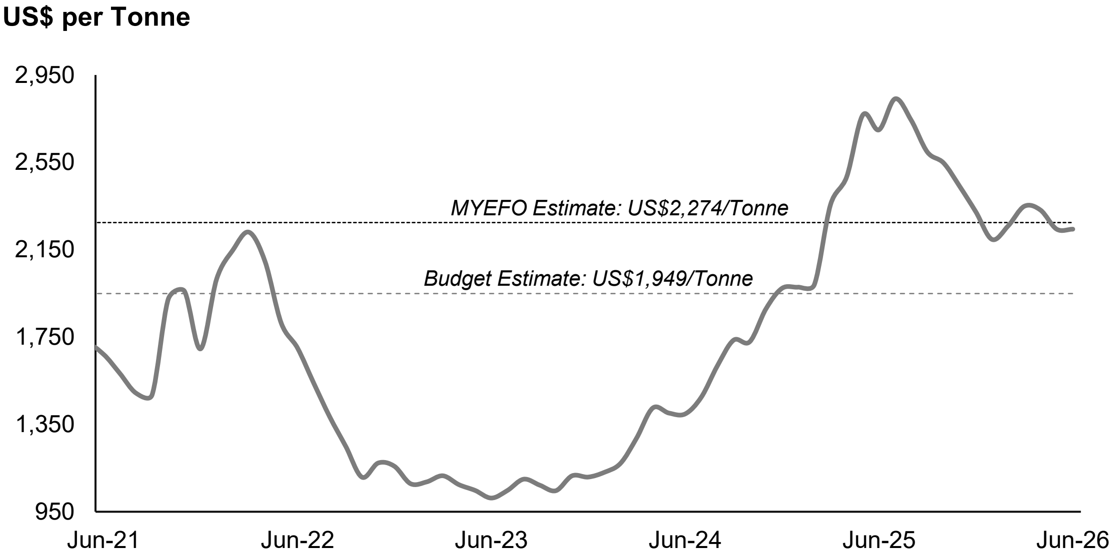
The average coconut oil price as at end-June 2026 was US$2,244 per tonne, 15.1 per cent above the Budget assumption and 6.9 per cent below the peak levels of January to June 2025. Prices are largely driven by a balance of competing market forces. In addition, elevated Asian shipping risks and high copra costs contributed to higher prices of coconut oil.

The ongoing demand for coconut oil reflects its increasing utilization in biofuels triggered by the energy crisis, together with rising industrial substitution for manufacturing markets due to palm oil price trends.

These conditions are likely to fluctuate in the coming months of 2026 and beyond. In addition, the coconut oil industry is also affected by climate-related impacts from emerging El Niño patterns as well as improved rainfall in the Philippines, which should contribute to easing prices in the near term.

Given these factors, the price of coconut oil is expected to average around US$2,274 per tonne in 2026, which is 16.7 per cent above the 2026 Budget assumption of US$1,949 per tonne.

Chart 9: Coconut Oil Price (2021–2026)



Source: World Bank Commodities Price Data (The Pink Sheet), 2026

Exchange Rate Developments

The Kina exchange rate (PGK) continues to depreciate against PNG's major trading partner currencies, reflecting both global economic developments and domestic policy implementation.

Between January and June 2026, the Kina exchange rate has depreciated against the United States dollar (USD) by 3.0 per cent and the Australian dollar (AUD) by 5.6 per cent respectively (see Chart 10). Compared to the same period in 2025 (January to June), the Kina has depreciated against the USD by 6.1 per cent and the AUD by 15.1 per cent.

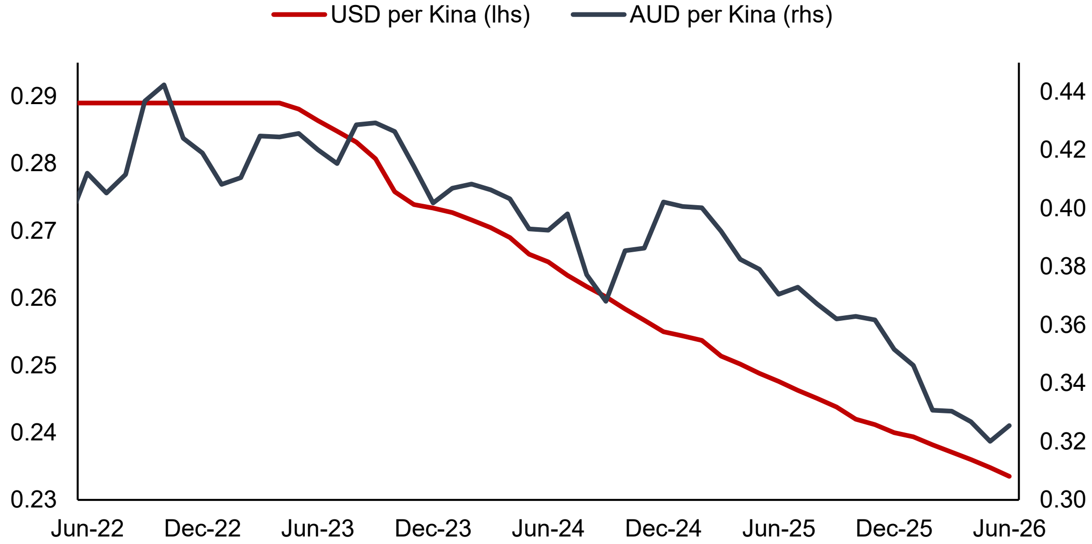
The depreciation against the USD reflects the adjustment under the 'crawl-like' exchange rate arrangement to address the overvaluation of the Kina and restore Kina convertibility.

The BPNG has noted in its June Monetary Policy Statement that conditions in PNG's foreign exchange market have continued to improve, supported by increased foreign exchange inflows and a notable reduction in the backlog of Foreign Exchange orders. The report further stated that the overvaluation of the Kina, has narrowed following the exchange rate adjustments which demonstrates positive signs of Kina convertibility.

The depreciation against the AUD reflects strong cross-currency movements as the AUD appreciates against the USD. The AUD has strengthened further against the USD, driven by a diverging interest rate outlook between the US and Australian central banks and - marked by the US Federal Reserve's pause on rate cuts at 3.5 per cent to 3.75 per cent and the Reserve Bank of Australia (RBA) holding rates steady at 4.35 per cent (up from 3.85 per cent against February 4th, 2026). The appreciation of the AUD also reflects Australia's robust jobs market, fuelling speculation that the economy may be overheating and reinforcing expectations that the RBA may need to raise rates. In addition, strong Chinese demand for iron ore and coal, Australia's largest exports, continues to underpin the AUD to strengthen.

The appreciation of the AUD against the USD means the Kina exchange rate against the AUD would depreciate due to cross-currency effect.

Chart 10: Exchange Rate (2022–2026)



Source: Bank of PNG

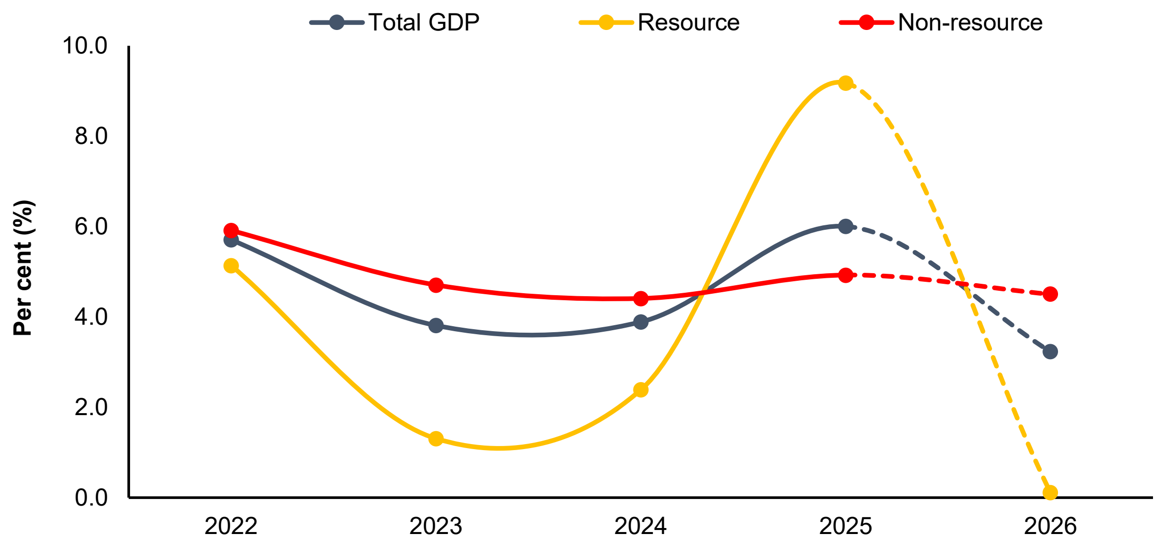
Domestic Economic Outlook

2025 Economic Update

The domestic economy is estimated to have grown in real terms by 6.0 per cent in 2025 compared to the 2026 Budget estimate of 4.5 per cent. This strong growth was driven by a rebound in the resource sector with a growth of 9.2 per cent while the non-resource sector, continues to remain resilient with a steady growth of 4.9 per cent. (see Chart 11).

The non-resource sector, which represents approximately 70.0 per cent of the economy is estimated to have grown by 4.9 per cent in 2025 from the 2026 Budget estimate of 4.6 per cent. This reflects a broad-based growth supported by the spin-off effects from record production and higher export earnings at the back of higher commodity prices, from the agriculture and resource sectors. In addition, improvements in foreign exchange flows and continued government investment in key economic infrastructures, are among others, the basis for the strong growth in the non-resource sector in 2025.

Chart 11: Real GDP growth: Resource, Non-resource & Total (%)



Source: PNG Treasury

The Agriculture, Forestry and Fishery (AFF) sector is estimated to have grown by 4.4 per cent in 2025, up from the 2026 Budget estimate of 3.3 per cent, largely driven by record production and higher commodity prices – especially for cocoa and palm oil despite lower coffee and forestry output.

Highlights from the AFF sector are as follows:

- Cocoa production reached a record high of 60,000 tonnes in 2025, or 46.0 per cent higher than 2024 levels, due to record prices in 2024 and 2025, which encouraged farmers to reinvest some of their earnings into better crop management and rehabilitation to improve crop yield. It also reflects the onset of production from the replanting programs carried out by the PNG Cocoa Board since 2022 and from the new growth areas.

- Palm oil production has increased by 8.7 per cent in 2025 compared to the 2024 levels. This is largely due to the gradual recovery of the crop following the volcanic eruption in 2023 and the severe weather season in 2024 - especially in the West New Britain province. Furthermore, higher palm oil prices in 2025 have translated into increased production through new hiring and additional production from new plantations in other provinces.

- Coffee production fell by about 4.5 per cent in 2025 from 2024 levels due to a few factors, including the off-year crop cycle, despite high prices.

- The Forestry Sector production has moderated due to the Government's commitment to phase out raw round log exports amid the policy shift towards downstream processing. In addition, the moderation was due to lower import demand from China, the largest importer of round logs.

Activities in the other non-resource sectors have continued to benefit from the high commodity prices, improvements in foreign exchange, and continued government investment in key economic infrastructures including the Connect PNG program, Ports Re-development program, and the Air Niugini Re-fleeting program, among others. These investments not only open market access but increase investment and economic activities, despite ongoing challenges such as unreliable power supply and the high costs of imports at the back of the weaker kina exchange rate.

- Wholesale and Retail trade is estimated to have grown by 4.3 per cent in 2025, which is above the 2026 Budget estimate of 4.0 per cent. This largely reflects increased consumer spending, strong employment growth and increased import demand supported by higher commodity prices and increased government spending. In addition, the Goods and Services Tax (GST) zero-rating policy on the 13 household items has also supported consumer demand.

- Strong Government spending has supported growth in 2025 – especially in the Public Administration and Defence sector (6.4 per cent, slightly down from 6.5 per cent at Budget) and Education sector (8.0 per cent, up from the Budget estimate of 6.0 per cent). Government expenditure increased from K24.8 billion in 2024 to K26.1 billion in 2025 reflecting continued spending in the economy from both the capital and operational budgets. Compensation of Employees (CoE) continued to increase by 8.3 per cent in 2025 due to expansion of teaching, policing, health, and defence workforces within the public sector. This more than offset a slight decline in the government's capital expenditure.

- Growth in the Construction sector has been revised up to 5.1 per cent from the 2026 Budget estimate of 4.0 per cent This reflects increased investment spending from both the private and government sectors. Private sector investments have been the main driver in the construction sector - supported by improved exchange rate flows which encourage higher imports. According to import data from PNG Customs, imports of construction machineries and equipment's including building materials have increased by 11.3 per cent in 2025 compared to the 2024 levels.

- The Information and Communication sector is estimated to have grown by 7.0 per cent in 2025. While this is a moderate revision from the 2026 Budget estimate of 7.5 per cent, it reflects increased activity and investment in the sector such as the continued roll - out of Vodafone 4G+ infrastructure network throughout PNG. Import data by sector has increased by 14.3 per cent in 2025 compared to 2024 which implies increased activities. The same sentiments were also reflected in the GST data by sector.

- The Finance and Insurance sector is expected to maintain a strong growth of 7.0 per cent as estimated in the 2026 Budget. This reflects the increased FX inflows and growth in home loans - driven by higher export earnings and the favourable government policies to support first-home[4] buyers, respectively. In addition, the expansion of the new commercial banks has increased competition and supported growth in 2025.

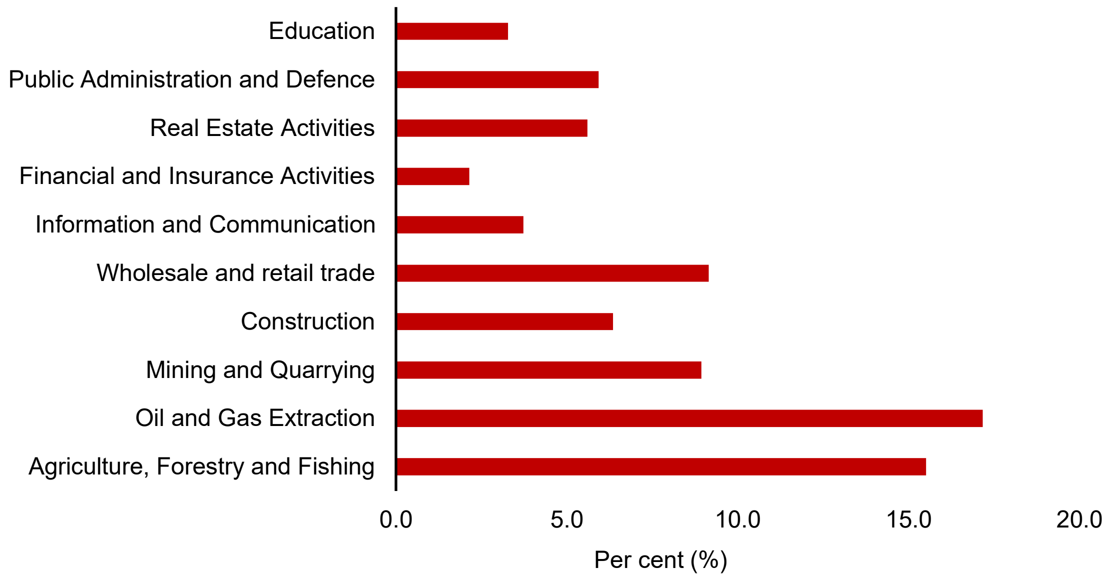
The strong growth in the resource sector was largely driven by record production from the PNG LNG project due to the full year production from the Angore5 gas field following its commissioning in November 2024. The record production also reflects improvements in LNG processing and storage following the plant upgrade and maintenance work carried out in 2024. As a result, LNG and Condensate production increased by 8.0 per cent and 16.6 per cent respectively in 2025 from the Budget estimates. This more than offsets the decline in crude oil production amid the gradual depletion of reserves from existing oil fields. Given these developments, the growth in the Oil and Gas sector has been revised up to 7.8 per cent in 2025 from the 2026 Budget estimate of 0.4 per cent. The Oil and Gas sector contributes 65.8 per cent to the Resource sector GDP and 17.2 per cent to the total real GDP in 2025.

The Mining and Quarrying sector has maintained a solid growth of 12.0 per cent in 2025. This is largely due to increased mineral production from Porgera, Ok Tedi and the smaller mines, supported by higher gold and copper prices. Porgera has ramped up production to 76.0 per cent

[4] The government raised the tax-free threshold for first-home buyers from K500,000 to K700,000 effective 1st January 2025.
[5] Angore gas field has the capacity of producing 350 million standard cubic feet (mmscf) of gas per day which is equivalent to around 30.0 per cent of PNG LNG daily capacity of 1200 mmscf of gas.

of its capacity in 2025 since reopening in December 2024, while production from the Lihir mine was affected by open-pit configuration work carried out at the mine during the year.

Chart 12: Contribution to Real GDP Growth by Sector (2025)



Source: PNG Treasury

2026 Economic Outlook

In 2026, total real GDP is expected to grow by 3.2 per cent from the 2026 Budget estimate of 4.0 per cent, reflecting the El Niño effect, while LNG production plateaus at its nameplate capacity from the record highs in 2025. Growth is expected to be driven by the non-resource sector with a steady growth of 4.5 per cent while the resource sector moderates with a lacklustre growth of 0.1 per cent.

The non-resource sector growth of 4.5 per cent maintains the 2026 Budget estimate of 4.5 per cent. This reflects the impact of the El Niño on the AFF sector offset by slightly stronger growth in the other non-resource sectors including the Retail and Wholesale, Manufacturing, Public Administration, Transport and Storage, and Information and Communication sectors.

The El Niño is expected to affect cocoa and palm oil production including the household sector (subsistence agriculture) in 2026 while the impact on other cash crops would be realised in 2027 should the current dry weather conditions prevail. Therefore, the AFF sector is expected to moderate from a strong growth of 4.4 per cent in 2025 to 2.8 per cent in 2026. This growth will be driven by increased coffee and copra oil production while cocoa and palm oil production moderate.

Details of developments in the AFF sector in 2026 relative to 2025 are as follows:

- Cocoa production is projected to ease by 9.3 per cent after reaching a record level in 2025. This is due to the impact of the El Niño. However, both production and prices

- are projected to remain above historical averages (2021 – 2024) amid the strong supply response from farmers through replanting and rehabilitation work since 2022;

- Coffee production is projected to increase by 14.0 per cent reflecting its bumper season (on-year) of crop cycle after a drop in 2025 (off-year). In addition, the underlying supply response from farmers amid higher coffee prices since 2024 is expected to continue in

2026. The El Niño is expected to have a minimal impact on 2026 crop because the El Niño event sets in after the crop harvest season. However, the impact of the El Nino would affect the 2027 crop should the dry weather condition prevail;

- Palm oil production is expected to ease by 0.6 per cent in 2026 from 2025 levels. This generally reflects slight variations across plantations due to operational constraints – especially cost of inputs such as fuel, fertilizer and transportation, despite higher global price forecast. In addition, the moderation reflects in part the impact of the El Niño. The full impact of the El Niño is expected to be realised in 2027 due to its lagged[6] impact on production; and,

- Copra oil production is expected to increase by 5.0 per cent driven by higher global prices.

Growth in the other non-resource sectors are expected to remain strong in 2026. According to the 2026 Treasury Business Liaison Survey (BLS), the impact of higher commodity prices on consumer spending and the improvements in the FX flows are expected to continue supporting private sector investments and employment in 2026. In addition, increased election-related spending in the lead - up to the 2027 National General Elections and strong government spending in the economy including the K1.0 billion fuel subsidy program, are expected to support growth in the non-resource sectors. These growth sentiments were reflected in the merchandise imports data from the non-resource sector, which increased by 28 per cent in the first half of 2026 compared to the same period in 2025. The strong growth in imports implies increased economic activities. The strong growth sentiments are expected to cushion the current impediments of growth in the economy which include unreliable utilities, and law and order issues, among others.

Growth details in other non-resource sectors in 2026 are as follows:

- Public Administration and Defence, maintained at the Budget estimate of 5.1 per cent while Construction has been revised up to 5.4 per cent from the Budget estimate of 3.8 per cent. The strong growth in these sectors reflects the continuation of both increased government and private sector spending and investment in 2026.

- The Transport and Storage sector, maintained at 7.0 per cent as per the Budget, driven by the Air Niugini and PNG Air re-fleeting programs in 2025/2026, supported by the resumption of trucking services amid the ramp up of activities at the Porgera mine. Import data from PNG Customs during the first half of 2026 have also indicated strong growth in the sector.

- Growth in the Information and Communication sector was maintained at 8.0 per cent as per the Budget due to increasing consumer demand – evidenced by strong growth in imports and GST collections. Imports of network and communication equipment have increased significantly in 2025 and the first half of 2026 reflecting strong activity in the sector. In addition, new developments such as the introduction of Starlink internet services, the Government's rollout of the Digital Public Infrastructure ecosystem services and Digicel 5G upgrade is expected to boost growth.

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[6] In the event of an El Niño, any impact on production would likely occur with a lag of approximately 2–3 months, subject to a sustained dry spell of 3-4 months. According to information provided by one of the oil palm companies in PNG.

- The Manufacturing sector is expected to grow by 5.5 per cent in 2026, up from the 2026 Budget estimate of 4.0 per cent, due to the following developments:
    - Ramp-up of a major tuna cannery production in Madang in 2026;
    - Resumption of a seafood cannery in Lae in July 2026, after 18 months shutdown;
    - The opening of a new biscuit factory in Lae; and
    - A new soft drink factory in Port Moresby.

The growth in the resource sector is expected to moderate to 0.1 per cent in 2026, a downgrade from the 2026 Budget estimate of 2.5 per cent. The downgrade is mainly due to the impact of the El Niño on the mining sector, particularly from the Porgera and Ok Tedi mines.

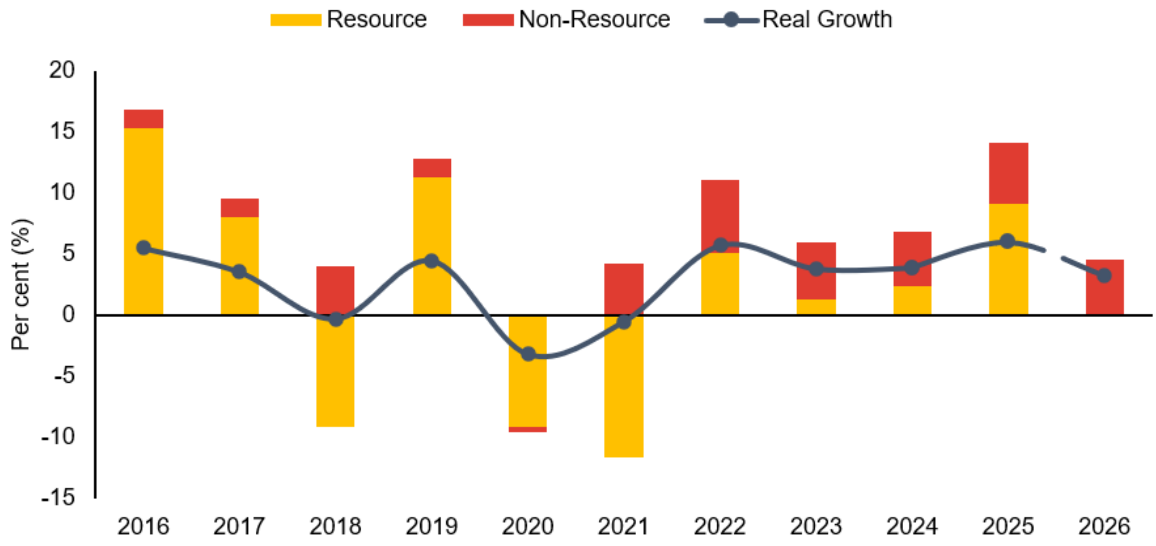
- The Porgera mine was forced to shut-down its processing plant during the first week of August due to low rainfall associated with the ongoing El Niño event. The dry weather conditions have reduced water levels in the main dam that supplied the mill for processing. After few days of shut down, the dam gradually recovers allowing processing to resume but at half the normal processing capacity. The mine is actively managing the available water source and processing activities to maximise production while using the shutdown period to do maintenance and improvement works. Given this development, the mine has significantly revised down its projection for 2026. The mine is now expected to produce at around 76 per cent of its nameplate capacity in 2026, the same level as in 2025, as opposed to the 2026 Budget assumption of full capacity.

- The ongoing El Niño event is also expected to affect Ok Tedi's mining operations, particularly the shipment of copper concentrate through the Fly River system and electricity generation from hydropower stations. According to OTML, the impact on production is currently minimal. However, the mine has revised down its projection for 2026. The mine continues to monitor dry weather conditions and Fly River levels as part of normal operations and will review its forecasts quarterly if weather or river conditions change.

Given these developments, growth in the mining sector has been revised down from the 2026 Budget estimate of 8.3 per cent to 1.0 per cent.

The Oil & Gas sector is expected to decline by 0.4 per cent, reflecting the natural decline of maturing oil fields while LNG and condensate production peaks at their new nameplate capacity.

Chart 13: Total Real GDP Growth Trend (2016 – 2026)



Source: NSO and PNG Treasury

Table 2: Key Economic Parameters 2025–2026

	2025 Estimate		2026 Forecast	
	2026 Budget	2026 MYEFO	2026 Budget	2026 MYEFO
Nominal GDP (K Million)	**133,365.4**	**136,976.9**	**145,600.7**	**160,816.0**
Real Economic Growth				
Total Real GDP (%)	4.5	6.0	4.0	3.2
Non-Resource Real GDP (%)	4.6	4.9	4.5	4.5
Resource Real GDP (%)	4.3	9.2	2.5	0.1
Headline Inflation				
Average on Average (%)	4.0	4.4	4.2	4.5
December on December (%)	3.0	4.1	4.7	4.9
Interest Rate (%)				
Kina Facility Rate (KFR)	4.3	5.0	5.0	5.0
Agriculture Prices				
Coffee	8,400	8,470	8,098	7,500
Cocoa	8,231	7,800	7,148	4,300
Palm Oil	1,012	1,007	1,033	1,120
Copra Oil	2,383	2,480	1,949	2,274
Mineral & Petroleum Prices				
Gold	3,657	3,442	3,540	4,500
Copper	9,648	9,947	9,940	13,000
Oil	66.0	64.9	66.0	80.0
LNG	12.3	12.0	11.7	14.0
Exchange Rate				
USD per Kina	0.2403	0.2426	0.2432	0.2166
AUD per Kina	0.3709	0.3767	0.3765	0.3289

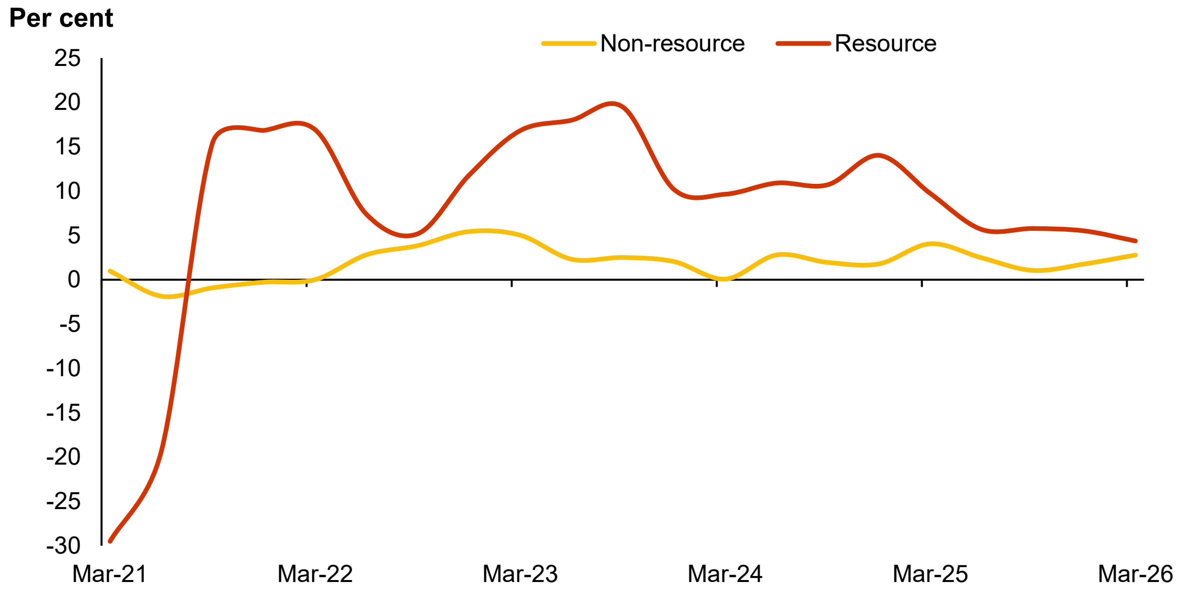
Source: NSO and PNG Treasury

The 2026 growth forecast also considers the impact of the Middle East conflict and global economic uncertainty on the PNG economy. It is estimated that the war would influence total real GDP growth through higher energy, shipping and fertilizer costs and a weakening global demand and growth outlook. Additionally, the expectations of the El Niño phenomenon remain a downside risk for growth in 2026 and the near-term – especially through domestic supply chain disruptions and additional inflationary and fiscal pressures.

Employment Update

According to the BPNG's employment statistics, total formal employment in the private sector grew by 2.9 per cent between March quarter of 2025 and March quarter of 2026. This reflects an increase in employment in the resource sector while employment in the non-resource sector which accounts for the majority of the labor force, has been more stable (see Chart 14).

Chart 14: Annual Employment Growth (2021 – 2026)

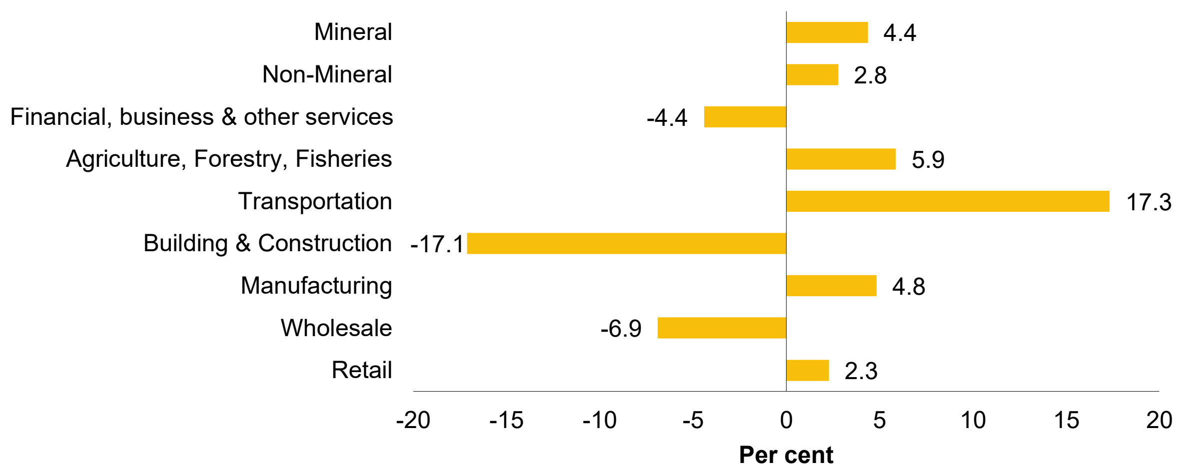


Source: Bank of PNG

Annual employment in the resource sector grew by 4.4 per cent in the March quarter of 2026, down from 9.7 per cent growth recorded in the corresponding period of 2025. The moderate increase in employment reflects the rise in new recruitment by the mining companies, particularly, the Porgera Gold mine as production returns to full capacity and the K92 Gold mine to support construction, exploration and capacity expansion activities at the mine. Furthermore, other resource companies have increased employment to support production and operational expansion in response to elevated global oil and mineral prices.

Annual employment in the non-resource sector grew by 2.8 per cent in the March quarter of 2026, down from 4.1 per cent in the corresponding period of 2025. This reflects the increase in employment in the Transportation, Manufacturing, Retail, and the AFF[7] sectors which offsets the decline in employment from Building & Construction, Wholesale, and Financial, Business & Other Services sectors (see Chart 15). While this is a moderate increase, it accounts for a larger share of the labor force in PNG.

Chart 15: Annual Employment Growth by Sector (March 2025 – March 2026)



Source: Bank of PNG

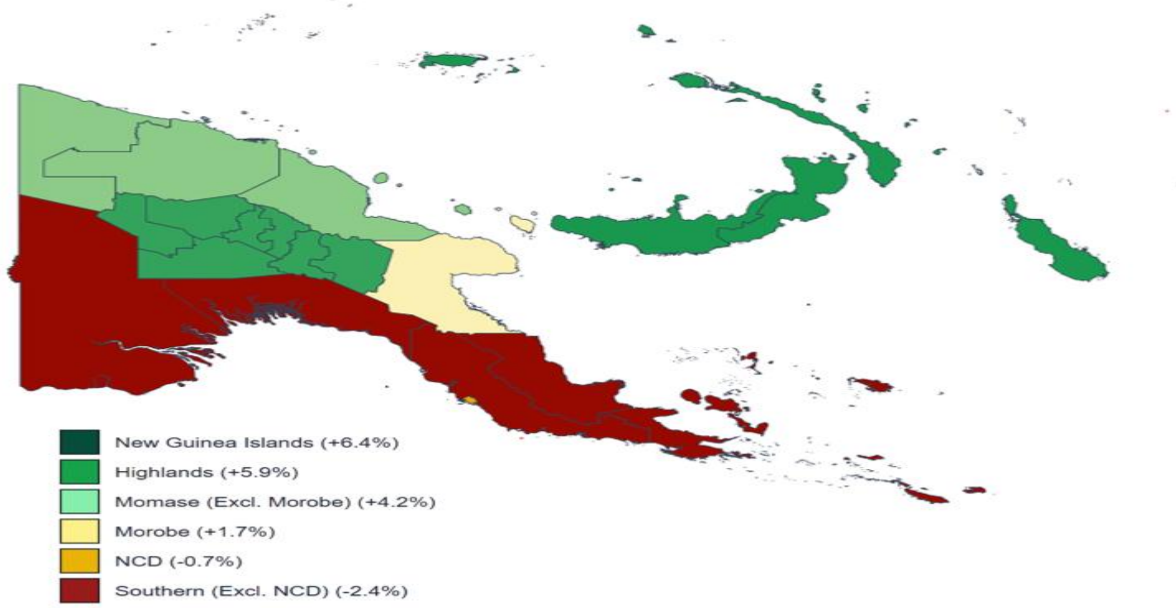
[7] Agricultural, Fisheries & Forestry

The employment growth in the Transportation, Manufacturing, Retail and AFF sectors is generally attributed to increased economic activity supported by improved foreign exchange conditions, higher resource sector production, and elevated global agriculture commodity prices, over the year. In addition, employment growth in the transportation sector reflects the expansion of PNG Air's operation following the acquisition of new aircrafts in February and May 2026, resulting in increased operational capacity and staffing levels.

In contrast, the employment decline in the Building & Construction sector reflects the seasonal, project-based nature of the industry. Employment is typically on an as-needed basis' where workers may be temporarily laid off upon the completion of projects and re-employed once new construction contracts are secured.

By region, the Highlands and the Islands regions have recorded strong employment growth, reflecting employment increases in the mineral and AFF sectors, pre-dominant in these regions (see Chart 16). Employment growth in Momase (excluding Morobe) and Morobe regions have moderated relative to the corresponding period of 2025, while the Southern (excluding NCD) and NCD regions have recorded a decline in employment.

Chart 16: Annual Employment Growth by Region (March 2025 - March 2026)



Source: Bank of PNG

According to the 2026 PNG 100 CEO Survey, 57.0 per cent of firms expect to increase staff levels in 2026 while 37.0 per cent expect to maintain their current workforce. The remaining 6.0 per cent anticipate reducing headcount. Overall, the survey indicates a positive employment outlook for 2026.

Inflation Update

2025 Inflation Outcome

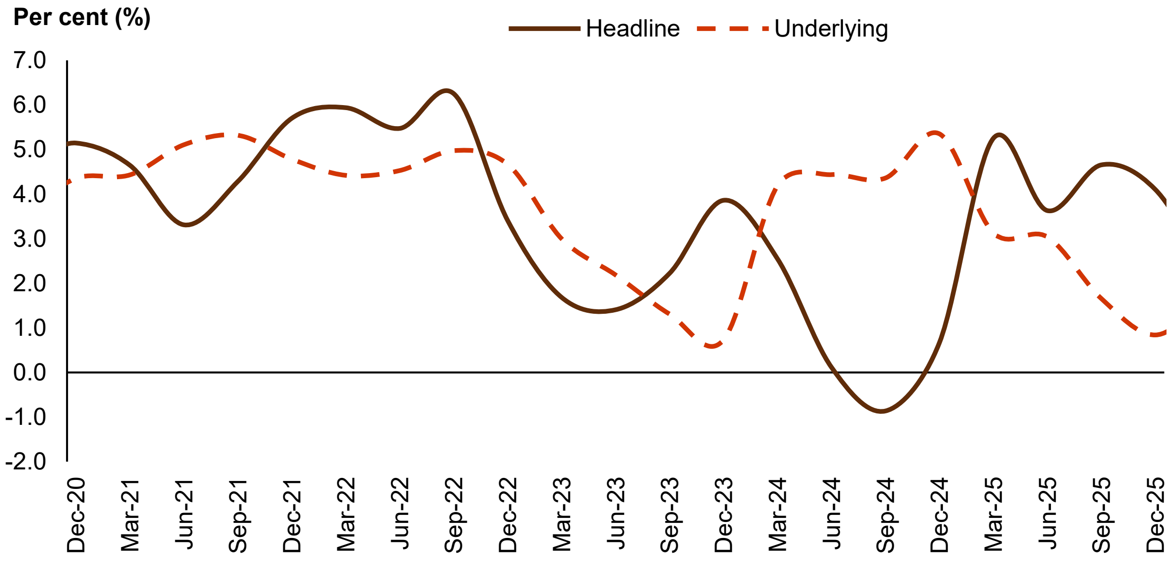
The underlying measure of inflation that excludes seasonal, excise, and price-controlled items averaged at 2.2 per cent, lower by more than half of the 2024 annual average of 4.6 per cent (see Chart 17). This indicates that underlying inflationary pressures have eased significantly in 2025 relative to the same period in 2024. This was primarily driven by decreases in the prices of cereals, fish and baby clothing (reflecting baby diapers) that were subject to the GST zero-rating. Price declines were also recorded in housing maintenance and medical supplies, among others. Despite the moderation relative to 2024, underlying inflation in 2025 was mainly driven by price increases in food items mostly meat, non-alcoholic beverages, and oils & fats, as well as non-food items particularly rent and motor vehicle purchases. This reflected the pass-through of the kina exchange rate depreciation against the US Dollar (USD) to domestic prices.

In 2025, headline inflation as measured by the Consumer Price Index (CPI), averaged at 4.4 per cent, exceeding the 2026 Budget forecast of 4.0 per cent and significantly higher than the 2024 inflation rate of 0.6 per cent (see Chart 17).

The major contributor to the 2025 headline inflation was the alcoholic beverages, tobacco & betelnut group, mainly reflecting the increase in the price of betelnut & mustard by an annual average of 21.0 per cent. Food & non-alcoholic beverages group also contributed slightly to the 2025 inflation outcome. Inflation in this category was 3.3 per cent overall, reflecting more moderate price increases across sub-groups compared to the previous year. Prices for cereals[8] and tinned fish declined over two consecutive quarters in 2025, underpinned by the impact of the Government's Household Assistance Package whereby Goods & Services Tax (GST) on thirteen essential household items were zero-rated. However, the price decreases were offset by price increases in meat, non-alcoholic beverages, and oils & fats, among other sub-groups. Within the meat sub-group, the price of chicken increased persistently despite being subject to the GST relief, due to domestic supply constraints experienced over the year.

Non-tradable (domestic) inflation outpaced tradable (imported) inflation in 2025, indicating that domestic price pressures were the dominant driver of overall inflation. The annual non-tradable inflation averaged at 6.6[9] per cent in 2025, a reversal to the 4.4 per cent decline recorded in 2024. This was primarily driven by significant price increases of the seasonal items, betelnut & mustard and fruits & vegetables. Tradable inflation, on the other hand, averaged at 2.1 per cent in 2025, lower by almost half of the 2024 annual average of 4.3 per cent. Tradable inflation moderated since the June quarter of 2025 compared to the previous year, primarily reflecting the disinflationary impact of the GST zero-rating on major imported food items such as rice. Despite easing, tradable inflation in 2025 remained influenced by the pass-through of the depreciation of kina exchange rate against the USD.

Chart 17: Annual Headline and Underlying Inflation (Year-on-Year)



Source: National Statistical Office (NSO)

[8] Four of the 13 items that are subject to GST relief are classified under Cereals

[9] Tradable and non-tradable indexes have been updated recently following minor corrections by the NSO

2026 Inflation Update

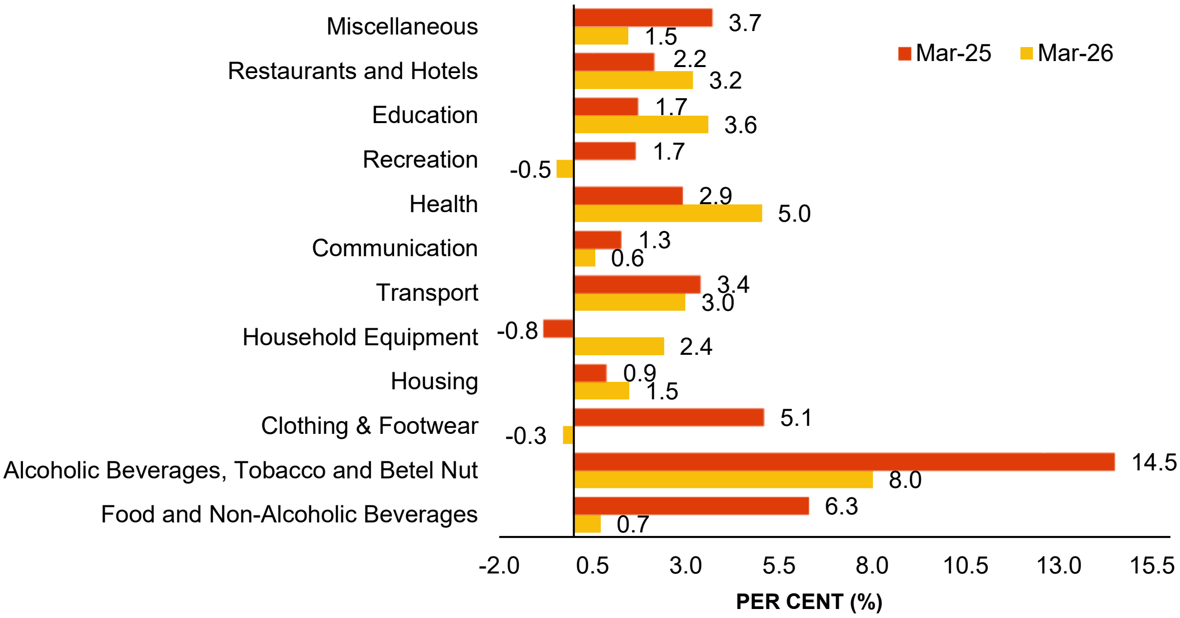
March Quarter 2026

In the March quarter 2026, headline inflation recorded a moderate growth of 0.5 per cent, compared to 2.1 per cent in the December quarter 2025. The outcome was less than half the expected first quarter estimate of 1.1 per cent built into the 2026 inflation forecast. The major contributors of this outcome were food & non-alcoholic beverages (up 1.7 per cent), transport (up 2.0 per cent) and education (up 3.6 per cent). This was largely offset by the decrease in price of betelnut & mustard (down 6.9 per cent). In the same period, underlying inflation recorded a higher growth of 1.8 per cent compared to the decline of 0.2 per cent in the previous quarter. Other than the pass-through effect of exchange rate depreciation, this was influenced by higher tradable prices, particularly increases in food prices. The Government had also extended the GST zero-rating measure for a further twelve (12) months until end-December 2026. However, prices for these items except flour, rice and sanitary pads have increased from the last quarter.

The Middle East conflict, which began in late February 2026, has not directly contributed to higher energy prices as retail prices have generally remained stable during the first quarter of 2026. Prices fell for petrol (down 0.9 per cent) and kerosene (down 0.5 per cent) while diesel increased slightly (up 0.7 per cent). However, the price of diesel recorded a much lower growth than the previous quarter where it increased by 3.4 per cent. Transport fares have also remained unchanged from the previous quarter. In addition, the Government's intervention through its Fuel Subsidy Program will continue to stabilize fuel prices in 2026.

On a year-on-year basis, headline inflation recorded 2.2 per cent growth compared to 5.3 per cent in the same period in 2025. The main contributor to inflation was alcoholic beverages, tobacco & betelnut (up 8.0 per cent), primarily reflecting the increase in price of betelnut & mustard (up 5.3 per cent). Other contributors included food & non-alcoholic beverages (up 0.7 per cent), housing (up 1.5 per cent), transport (up 3.0 per cent), and health (up 5.0 per cent) (see Chart 18). Over the same period, underlying inflation was 1.7 per cent, which is lower than the underlying price growth of 3.1 per cent recorded in the same period in 2025, reflecting the deflationary impact of the GST relief. Prices have decreased for most of the items except chicken and instant coffee, within the one-year period. Despite the moderation relative to 2025, underlying inflation in the March quarter 2026 was driven by increases in the prices of meat, non-alcoholic beverages, housing equipment, and medical supplies, among others. This again mostly reflects price increases in tradable items which is influenced by the pass-through effect of the exchange rate depreciation and imported inflation from major trading partners including Australia.

Chart 18: 2026 March Quarter Inflation by Expenditure Groups (Year-on-Year)



Source: National Statistical Office (NSO)

Tradable inflation recorded a growth of 1.8 per cent in the March quarter 2026 compared to 0.6 per cent in the previous quarter, reflecting higher prices of imported goods including motor vehicle purchases, telephone equipment, and baby clothing. This is partially attributed to the depreciation of the Kina against both the USD and the Australian dollar (AUD). Non-tradable inflation, however, declined by 0.8 per cent, lower than the 4.4 per cent recorded in the previous quarter. This mostly reflects the decreases in the prices of betelnut & mustard, alcoholic beverages, and fares, among others. Tradable inflation was the dominant driver of overall inflation on a quarterly basis.

On a year-on-year basis, tradable inflation recorded a moderate growth of 0.3 per cent compared to 4.4 per cent recorded in the same period in 2025, meaning that tradable inflation has eased within the one-year period. This is partially attributed to the disinflationary effect of the GST relief as prices for imported items including rice, flour, baby diapers, and sanitary pads have declined over this period. Non-tradable inflation also moderated to 2.9 per cent compared to 6.5 per cent in the same period in 2025, mostly driven by the decreases in the prices of fruits & vegetables, alcoholic beverages, tobacco, and non-alcoholic beverages, among others. However, despite the moderation relative to 2025, non-tradable inflation in 2026 is primarily driven by the increase in the prices of betelnut & mustard.

June Quarter 2026

In the June quarter 2026, headline inflation recorded a moderate growth of 0.7 per cent, compared to the growth of 0.5 per cent in the March quarter 2026. The outcome was half the expected second quarter estimate of 1.4 per cent built into the 2026 inflation forecast. The major contributors of this outcome were food & non-alcoholic beverages (up 3.4 per cent), transport (up 1.4 per cent) and housing (up 1.5 per cent). This was largely offset by the decrease in price of betelnut & mustard (down 11.6. per cent).

The increase in food & non-alcoholic beverage was mostly driven by price increases in cereals, meat, and fruits & vegetables, among others. Prices have increased for most of the food items such as rice and flour that are subject to the GST relief, on a quarterly basis. The price increase in fruit & vegetables reflect the shortage in domestic supply as a result of the ongoing El Niño event particularly in the Highlands region.

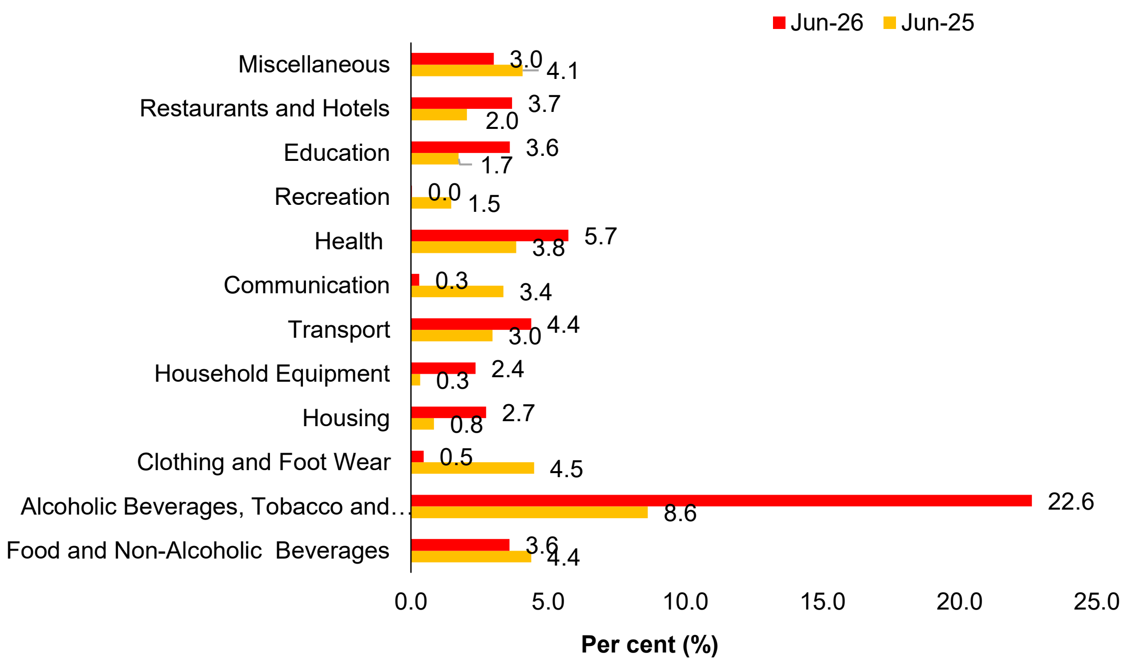
The increase in transport was driven by price increases in motor vehicle purchases, fares and fuels & lubricants, among others. Despite the Government's fuel subsidy, prices have increased for both diesel (up 9.3 per cent) and petrol (up 4.0 per cent). This reflects the unsubsidized fuel prices in the first 15 days of April 2026, prior to when the fuel subsidy came into effect on 16 April 2026. These unsubsidized prices were captured in the CPI, hence, the overall increase in the average prices of diesel and petrol in the June quarter. Nonetheless, the intent of the policy measure was fulfilled.

The increase in housing was mostly driven by price increases in rent, cooking, and electricity. Cooking was driven by firewood, gas, and kerosene, reflecting higher consumer demand due to constant power black outs. Electricity has also increased after a record of no change in price since the September quarter of 2025.

In the same period, underlying inflation recorded a growth of 2.4 per cent compared to 1.8 per cent recorded in the previous quarter. Other than the pass-through effect of exchange rate depreciation, this was influenced by higher tradable prices, particularly increases in food prices. In addition, prices for items that are subject to the GST relief namely flour, rice, instant coffee and sanitary pads have increased from the last quarter.

On a year-on-year basis, headline inflation recorded a growth of 5.3 per cent compared to 3.6 per cent in the same period in 2025. The main contributor to inflation was alcoholic beverages, tobacco & betelnut (up 22.6 per cent), primarily reflecting the increase in price of betelnut & mustard (up 26.6 per cent), which marks a 20.0 percentage point increase from 6.6 per cent recorded in June quarter 2025. Other contributors included food & non-alcoholic beverages (up 3.6 per cent), housing (up 2.7. per cent), transport (up 4.4 per cent), and education (up 3.6 per cent) (see Chart 19). Over the same period, underlying inflation was 2.9 per cent compared to 3.0 per cent recorded in the same period in 2025, driven by increase in prices of meat, other food products, cooking, rental, housing appliances, motor vehicles and medical supplies, among others. This again mostly reflects price increases in tradable items which is influenced by the pass-through effect of the exchange rate depreciation and imported inflation from major trading partners including Australia.

Chart 19: 2026 June Quarter Inflation by Expenditure Groups (Year-on-Year)



Source: National Statistics Office (NSO)

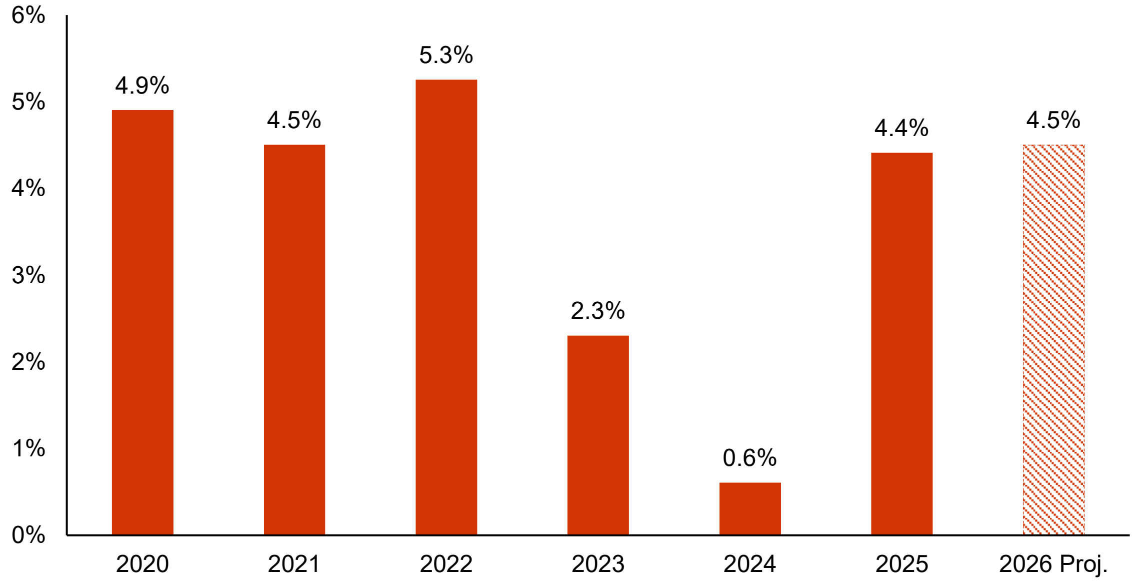
Tradable inflation recorded a growth of 1.6 per cent in the June quarter 2026 compared to1.8 per cent in the previous quarter, reflecting higher prices of imported goods including meat, fuels & lubricants, motor vehicle purchases, and medical supplies. This is partially attributed to the depreciation of the Kina against both the USD and the AUD. Non- tradable inflation, however, fell by 1.1 per cent compared to the decline of 0.8 per cent in the previous quarter. This mostly reflects the decreases in the prices of betelnut & mustard and housing maintenance. Tradable inflation was the dominant driver of overall inflation on a quarterly basis.

On a year-on-year basis, tradable inflation recorded a growth of 3.0 per cent compared to 2.5 per cent recorded in the same period in 2025, reflecting higher prices of imported goods including meat, household appliances, fuels & lubricants, motor vehicle purchases, and medical supplies, among others. This is again partially attributed to the depreciation of the Kina against both the USD and the AUD within the one-year period. Non- tradable inflation recorded a strong growth of 7.4 per cent compared to 4.1 per cent in the same period in 2025, mostly driven by the increase in the prices of betelnut & mustard, fruits & vegetables, education, and rent, among others.

2026 Inflation Outlook

The 2026 headline inflation is estimated to be 4.5 per cent, 0.3 percentage point higher than the 2026 Budget forecast of 4.2 per cent and 0.1 percentage points higher than the 2025 inflation rate of 4.4 per cent (see Chart 20).

Chart 20: Headline Inflation Outcome and Projection Year-Average (2020-2026)



Source: PNG Treasury & National Statistical Office (NSO)

The upward revision to the 2026 inflation forecast was mainly due to anticipating the potential impact of the El Niño event despite the low inflation outcomes in the March and June quarters of 2026. Given the low inflation outcomes in the first two quarters of 2026 and holding the last two quarters projection at 2026 Budget, the annual inflation would have been around 3.8 per cent. However, this outlook does not account for the likely price pressures of the El Niño event. Based on historical trend during periods of El Niño, inflation is expected to gain momentum with a growth of 4.5 per cent projected for 2026. This also takes into account the impact of the Government’s fuel subsidy program. Annual headline inflation would have been higher at around 5.0 per cent without the fuel subsidy.

As noted in the 2026 Budget, this also reflects the continuous depreciation of the Kina against both the USD and AUD, and the anticipated increases in betelnut prices during the last two quarters of the year. In addition, increased election-related spending in the lead-up to the 2027 National General Elections (NGE) is expected to put upward pressure on prices.

On the external front, elevated global oil prices may lead to higher non-fuel cost pressures and increased shipping and fertilizer costs associated with the war, higher inflation in major trading partners particularly Australia, higher global agricultural commodity prices, and elevated uncertainty are expected to drive inflation.

However, inflation will be cushioned by the Government's fuel subsidy program that was introduced since April in response to the oil price shock induced by the conflict in the Middle East. Furthermore, the Government and BPNG are closely monitoring inflation and will respond with appropriate policy measures to ensure price stability is maintained in 2026.

Monetary Developments

The Monetary Policy Committee (MPC) at its June 2026 meeting, maintained both the Kina Facility Rate (KFR) at 5.0 per cent and the Cash Reserve Requirement (CRR) at 9.0 per cent through the first half of 2026. This is attributed to contained underlying inflation, steady non-mineral sector growth, improved foreign exchange inflows, strengthening private sector credit demand, and the continued need for the exchange rate to function as the principal anchor for

monetary policy given persistently weak transmission of the policy rate to commercial bank lending and deposit rates. Liquidity in the banking system remained elevated with the Central Bank relying on its reserve-averaging framework and Central Bank Bill auctions to manage the distribution of liquidity.

In early February, Papua New Guinea was grey-listed by the Financial Action Task Force (FATF), after the National Coordinating Committee on Anti-Money Laundering and Counter Terrorist Financing (AML/CTF) agreed on an 18-milestone action plan. Despite the increased scrutiny of cross-border transactions, gross international reserves reached US$4.1 billion, within the month, comfortably above the IMF's three-month adequacy benchmark. The backlog of outstanding FX orders continued to narrow over the period, with the MPC noting further improvements in market clearing. In its June meeting, the Committee maintained the existing pace of the crawl.

The Kina's crawl-like depreciation continued through the first half of 2026, with the MPC reaffirming in June that a measured, gradual adjustment remained appropriate to support external sustainability.

Balance of Payments

2024 Update

PNG recorded a current account surplus of K19,119.6 million (16.1 per cent of GDP), underpinned by a trade surplus of K25,733.4 million, while higher remittance, grants, and transfer inflows also contributed positively.

The current account surplus increased by 89.7 per cent, improving from the surplus of K10,076.7 million recorded in 2023. This improvement reflected the strong export performance from key commodities supported by favorable commodity prices, exchange rate depreciation, and the resumption of the Porgera mine.

The current account surplus suggested that overall, PNG sold more to the rest of the world than it consumed, and it implied an overall deficit in the capital and financial account[10]. Indeed, the corresponding deficit in the capital and financial account reflected capital outflows through offshore investments, profit repatriation, and external loan repayments by mineral companies and public debt servicing.

2025 Update

PNG's current account surplus expanded significantly, growing from K19,119.6 million in 2024 to K32,479.9 million in 2025. This represented a substantial year-on-year increase of K13,360.2 million or 66.9 per cent from the surplus recorded in 2024. The capital account expanded from K16.3 million in 2024 to K25.2 million in 2025. This represented a year-on year increase of K8.9 million or 54.6 per cent from the surplus recorded in 2024.

The current and capital account recorded a surplus of K32,505.1 million. This strong performance reflected the larger trade surplus of K37,224.7 million, driven primarily by earnings from strong global commodity prices and higher production of cocoa, palm oil, gold, copper, and LNG. The corresponding deficit in the financial account comprised of continuation of financial outflows reflecting offshore investments, external loan repayments by mineral companies and government debt servicing.

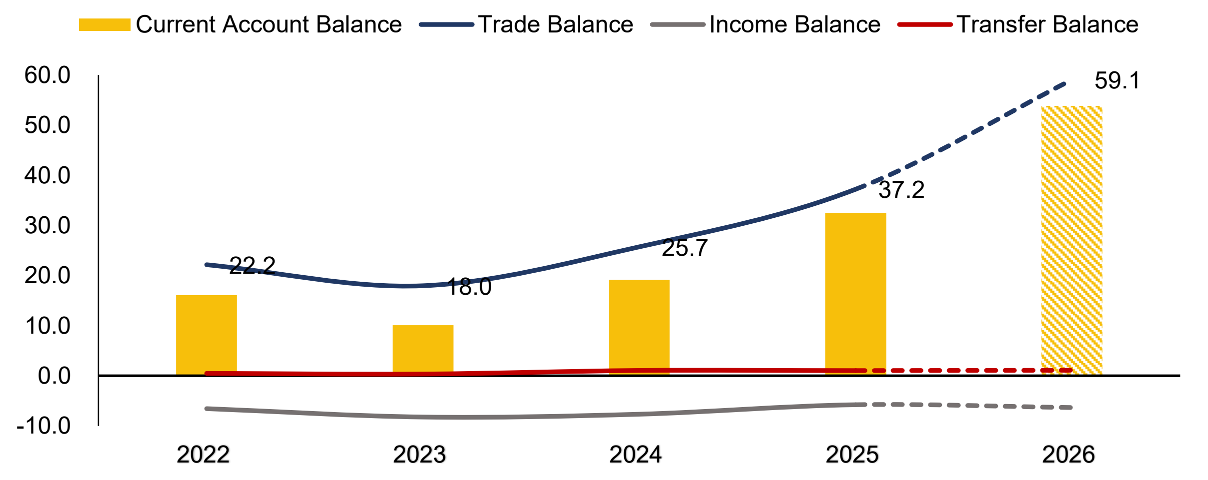
2026 Outlook

The surplus in the current account balance is expected to increase by 65.7 per cent in 2026 from K32,479.9 million recorded in 2025 to K53,829.5 million (see Chart 20). This strong performance is expected from continued improvement in trade balance, supported by strong growth in export earnings mainly from the mining, oil and gas, and agriculture sectors.

The current and capital accounts are expected to record a surplus of K53,845.8 million. The trade surplus is expected to record K59,068.7 million or 58.7 per cent increase in 2026 from K37,224.7 million recorded in 2025.

Overall, the improvement in the current account balance highlighted the resilience of PNG's export sector particularly, the resource and agriculture sectors amid positive impact of favourable global commodity market conditions.

Chart 21: Current Account Balance (Kina, Million) 2022-2026



Source: Bank of PNG

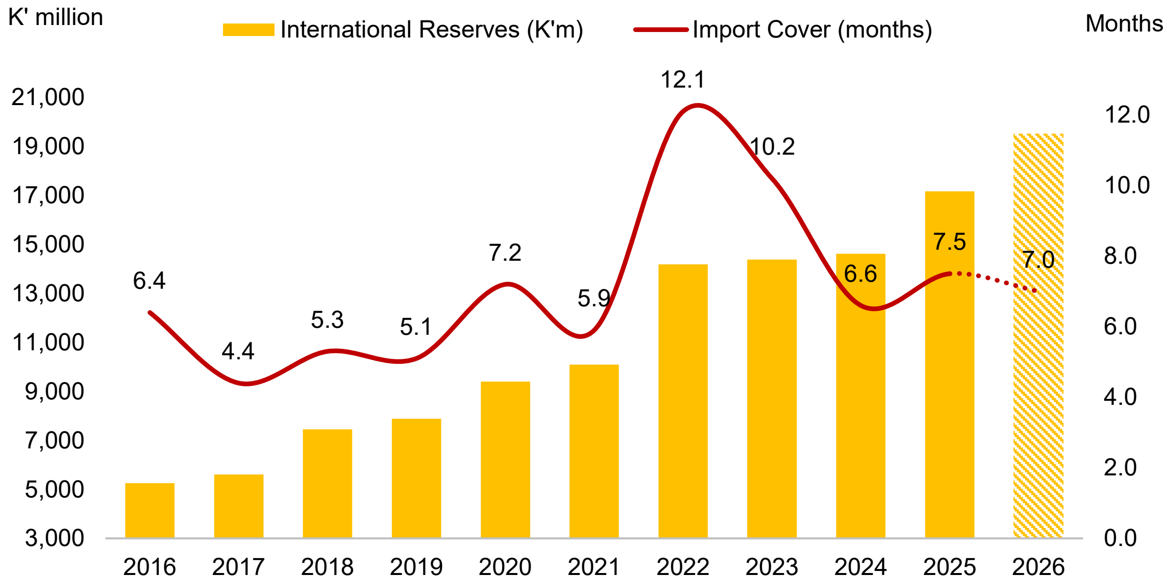
[10] As when accounting for net errors and omissions, the Balance of Payments should balance (i.e. Current Account + Capital Account + Financial Account + Net errors and Omissions = 0)

International Reserves

International reserves climbed to K17,168.4 million at the end of December 2025, up from K14,615.9 million in 2024, and are estimated to reach around K19,497.2 million by the end of 2026.

The International Monetary Fund assessed gross reserves at around US$4.0 billion[11] at end December 2025 (about five months of imports of goods and services) and expects reserves to remain adequate over the medium term. Looking ahead, reserves will sustain import cover of about seven months through 2026 (see Chart 21).

Chart 22: International Reserves (Kina Million) 2016-2026



Source: Bank of PNG

1.3 FISCAL POSITION AND OUTLOOK

In the first half of 2026, the Middle East conflict has shaped the actions of governments around the world. As a net energy and commodity exporter, PNG has fared well with the first installment of Mining and Petroleum Taxes (MPT), reaching K3,966.1 million, significantly above the normal collection. This has enabled the Government to confidently respond to the fuel shock with a K1.0 billion relief package while ensuring that services are delivered, development programs are implemented, and fiscal consolidation efforts are progressed.

While the implementation of the crawl-like regime to address the overvaluation of Kina and Kina convertibility, depreciation has also contributed to inflationary pressures. To address these cost-of-living challenges, the Government extended its GST zero-rating for 13 essential household items to the end of 2026.

The Government continues to prioritize key development programs including the District and Provincial Support Improvement Programs (DSIP/PSIP), Connect PNG Roads Program, and District Infrastructure Development Program (Kina for Kina). The Government has also maintained continued delivery of essential services by ensuring public servants are paid, rental and utility bills are met, and functional grants and goods and services funds for other public services are released, including funding fuel subsidies to ease cost of living pressures.

[11] Equivalent to K17.0 billion as per the average exchange rate in December 2025

As at 30th June 2026, Total Revenue and Grants collection amounted to K12,748.1 million, 43.5 per cent of the 2026 Budget estimate. Tax Revenue totaled K11,823.4 million supported by higher-than-expected collections in MPT due to high commodity prices. Other Revenue, comprising non-tax fees and charges, statutory transfers and dividends, amounted to K406.9 million, 8.9 per cent of the 2026 Budget estimate. This low outcome mostly reflects slow remittance from Non-Tax Revenue (NTR) agencies departmental fees & charges and lower dividend payments from Kumul entities. Donor Grants for the first six months were K517.8 million, 26.6 per cent of the 2026 Budget appropriation.

As at 30th June 2026, Total Expenditure and Net Lending amounted to K15,156.6 million, 50.1 per cent of the 2026 Budget appropriation (excluding the K650.0 million retained by NTR agencies). Operational Expenditure amounted to K10,463.4 million (53.9 per cent of the 2026 Budget appropriation), comprising Compensation of Employees (K4,156.1 million), Goods and Services (K3,507.8 million), Interest Costs (K1,854.6 million), GST and BTT Transfers (K637.3 million), and Functional Grants (K306.8 million). Capital investment expenditure totaled K4,696.8 million, representing 43.2 per cent of the 2026 Budget appropriation.

These totals have resulted in a Budget deficit of K2,412.0 million at the end of June. The deficit was financed through net borrowing of K1,181.5 million, comprising K946.4 million in net domestic borrowing and K235.1 million in net external borrowing. The remaining financing requirement was met through the Temporary Advance Facility (TAF), while others remain as Cheque floats. This deficit is above the Budget estimate of K1,608.2 million, however, policy adjustment is being considered to bring the deficit to the planned target by the year end.

Table 3: Key Fiscal Aggregates (2025 – 2026) (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
TRANSACTIONS AFFECTING NET WORTH:						
Revenue	**20,826.2**	**23,234.6**	**29,307.1**	**12,748.1**	**28,370.4**	**-936.7**
Taxes	18,447.0	19,901.4	22,140.5	11,823.4	24,593.6	2,453.1
Taxes on Income,profits, and capital gains	12,364.8	13,124.8	14,879.3	8,411.9	17,655.4	2,776.0
Taxes on payroll and workforce	0.3	2.1	2.3	0.1	2.3	0.0
Taxes on goods and services	5,320.2	5,989.6	6,358.0	2,982.8	6,078.8	-279.2
Taxes on international trade and transactions	761.8	784.8	900.9	428.6	857.2	-43.7
Grants	1,180.6	1,481.2	1,943.0	517.8	1,943.0	0.0
Other Revenue	1,198.6	1,852.0	5,223.6	406.9	1,833.8	-3,389.8
Dividends	*1,033.5*	*1,209.8*	*3,100.0*	*107.2*	*442.3*	*-2,657.7*
Non-Tax Revenue (Statutory Transfers)	*655.0*	*519.0*	*1,300.0*	*240.0*	*1,130.0*	*-170.0*
Fees and Charges	*88.5*	*123.2*	*623.6*	*59.7*	*161.5*	*-462.1*
SWF Inflows	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Interest & Fees from Lending	*0.0*	*10.0*	*200.0*	*0.0*	*100.0*	*-100.0*
Resource Revenue	4,267.2	5,044.4	7,800.0	4,073.3	8,256.1	456.1
Mining and Petroleum Taxes	3,707.1	*3,883.0*	*4,850.0*	*3,966.1*	*7,905.1*	*3,055.1*
Mining, Petroleum and Gas Dividends	560.1	*1,161.4*	*2,950.0*	*107.2*	*351.0*	*-2,599.0*
Transfer from the Stabilization Fund (SWF)	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Revenue as percentage of GDP	*17.5%*	*17.0%*	*20.1%*	*7.9%*	*17.6%*	*-2.5%*
Total Expenditure and lending	**24,757.2**	**26,115.1**	**30,915.2**	**15,160.1**	**32,953.7**	**2,038.4**
Expense as percentage of GDP	*20.9%*	*19.1%*	*21.2%*	*9.4%*	*20.5%*	*-0.7%*
Expense[2]	**21,310.7**	**21,797.9**	**23,940.2**	**12,503.1**	**25,978.7**	**2,038.4**
Compensation of employees	7,214.7	7,859.8	8,103.3	4,156.6	8,291.7	188.4
Use of goods and services	6,604.2	6,344.9	7,628.3	4,232.0	9,178.3	1,550.0
Interest	2,952.5	3,379.8	3,628.2	1,854.6	3,928.2	300.0
Grants	4,418.4	4,083.8	4,327.7	2,194.8	4,327.8	0.0
Social benefits	0.0	0.0	90.2	0.0	90.2	0.0
Other expense	120.8	129.6	162.5	65.1	162.5	0.0
Net Acquition of Non-Financial Assets*	**3,446.5**	**4,317.2**	**6,975.0**	**2,657.0**	**6,975.0**	**0.0**
Fixed Assets	3,446.5	4,317.2	6,975.0	2,657.0	6,975.0	0.0
Gross Operating Balance[3]	**-484.5**	**1,436.7**	**5,366.8**	**245.0**	**2,391.7**	**-2,975.1**
Policy Adjustment required					**- 2,975.1**	**- 2,975.1**
Net Lending (+) / Net Borrowing (–)	**-3,931.0**	**-2,880.5**	**-1,608.2**	**-2,412.0**	**-1,608.2**	**0.0**
Net lending/borrowing as percentage of GDP	*-3.3%*	*-2.1%*	*-1.1%*	*-1.5%*	*-1.0%*	*-0.1%*
Primary Balance[4]	-978.5	499.3	2,020.1	-557.4	-655.0	-2,675.1
Non-resource net lending (+)/borrowing (-)	-8,198.2	-7,924.9	-9,408.2	-6,485.3	-12,839.4	-3,431.2
Non-resource primary balance	-5,245.7	-4,545.1	-5,779.9	-4,630.7	-8,911.1	-3,131.2
Non-resource primary balance as percentage of Non-resource	*-9.7%*	*-4.7%*	*-5.6%*	*-4.4%*	*-8.5%*	*0.0%*
Transactions in financial assets and liabilities	**3,317.7**	**2,880.5**	**1,608.2**	**2,412.0**	**1,608.2**	**0.0**
Net Acquisition of Financial Assets	**-783.9**	**1,688.3**	**0.0**	**-1,230.5**	**0.0**	**0.0**
Domestic	-783.9	1,688.3	0.0	-1,230.5	0.0	0.0
External	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	**2,533.8**	**4,568.8**	**1,608.2**	**1,181.5**	**1,608.2**	**0.0**
Domestic	**231.7**	**2,606.1**	**67.4**	**946.4**	**67.4**	**0.0**
Debt securities: Treasury bills	*-1,383.1*	*1,790.9*	*-977.5*	*394.2*	*-977.5*	*0.0*
Debt securities: Treasury bonds	*1,780.3*	*997.0*	*634.0*	*602.2*	*634.0*	*0.0*
Loans	*-165.5*	*-181.8*	*410.9*	*-50.0*	*410.9*	*0.0*
External	**2,302.1**	**1,962.7**	**1,540.8**	**235.1**	**1,540.8**	**0.0**
Monetary gold and special drawing rights (SDR's)	**0.0**	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Debt securities: Sovereign bonds	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Loans	*2,302.1*	*1,962.7*	*1,540.8*	*235.1*	*1,540.8*	*0.0*
Gross Debt Stock	***61,651.6***	***68,462.3***	***66,215.7***	***69,643.9***	***70,070.5***	***3,854.8***
Debt as % of GDP	*51.9%*	*50.0%*	*45.5%*	*43.3%*	*43.6%*	*-1.9%*
Gross Domestic Product[5]	**118,680.4**	**136,976.9**	**145,600.7**	**160,816.0**	**160,816.0**	**15,215.3**
Non-resource GDP	**53,879.5**	**96,594.1**	**103,394.1**	**104,818.8**	**104,818.8**	**1,424.7**

Source: Department of Treasury

1. General Government represents National and Provincial Governments, the Autonomous Bougainville Government and Commercial and Statutory Authorities. District and Local Level Governments are reflected as grants from provincial governments. The statement is produced to reflect transactions on a modified cash basis of accounting and includes in-kind related transactions.
2. Include items that may require reclassification due to interfaces from the legacy systems, (The Provincial Government Accounting System, ALESCO payroll and the Department of Public Works and Implementation, Oracle system).
3. Represents, revenue minus expense, excluding consumption of fixed capital (CFC). CFC are not yet calculated and reported for the government
4. Represent net lending/net borrowing excluding interest expense or net interest expense.
5. Total nominal GDP by economic activity, Actual: *National Statistics Office* and Projections: *Treasury Department.*

*Net Acquisition of Non-Financial Assets excludes operational costs like maintenance and repair of fixed assets which are included in the use of goods and services.

Fiscal Outlook

Given fiscal developments in the first half of the year, Total Revenue and Grants for 2026 is estimated at K28,370.4 million[12], a decrease of K936.7 million compared to the 2026 Budget forecast of K29,307.1 million. While Tax Revenue has been revised upwards to K2,453.0 million, it partly offset the projected decrease of K3,389.8 million in Other Revenue. To achieve the Budget deficit target of K1,608.2 million, a policy adjustment of K2,975.1 million is required in the second half of the year.

Table 4: Key Fiscal Parameters (2025 – 2026)

	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO
Net Lending (+) / Borrowing (-) as % of GDP	-2.1%	-1.1%	-1.5%	-1.0%
Non-resource Primary Balance as % of non-resource GDP	-4.7%	-5.6%	-4.4%	-8.5%
Debt as % of GDP	50.0%	45.5%	43.3%	43.6%

Source: PNG Treasury

1.4 TOTAL REVENUE AND GRANTS

The Total Revenue and Grants estimate for 2026 has been revised down by K936.7 million (3.2 per cent) to K28,370.4 million from the 2026 Budget estimate of K29,307.1 million (see Table 5). This is mainly driven by downward revisions in Other Revenue by K3,389.8 million (64.9 per cent), which is partially offset by the increase in Tax Revenue of K2,453.0 million (11.1 per cent), resulting in a net overall decrease in total revenue.

Donor Grants are maintained at the Budget estimate of K1,943.0 million.

Table 5: Total Revenue and Grants (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Tax Revenue	**19,902.3**	**22,140.5**	**11,823.4**	**24,593.6**	**2,453.0**
Per cent of GDP	*14.5%*	*15.2%*	*7.4%*	*15.3%*	*0.1%*
Grants	**1,481.2**	**1,943.0**	**517.8**	**1,943.0**	**0.0**
Per cent of GDP	*1.1%*	*1.3%*	*0.3%*	*1.2%*	*-0.1%*
Other Revenue	**1852.0**	**5,223.6**	**406.9**	**1,833.8**	**-3,389.8**
Per cent of GDP	*1.4%*	*3.6%*	*0.3%*	*1.1%*	*-2.4%*
Total Revenue & Grants	**23,235.5**	**29,307.1**	**12,748.1**	**28,370.4***	**-936.7**
Per cent of GDP	*17.0%*	*20.1%*	*7.9%*	*17.7%*	*-2.5%*

Source: PNG Treasury
*This includes the K650.0 million that will be retained by the NTR agencies.

Tax Revenue

Tax revenue collections in the first half of the year amounted to K11,823.4 million or 53.4 per cent of the 2026 Budget estimate of K22,140.5 million.

The total tax revenue estimate for 2026 has been revised up to K24,593.6 million, K2,453.0 million (11.1 per cent) higher than the 2026 Budget estimate and K4,691.2 million (23.6 per cent) higher than the 2025 outcome of K19,902.3 million. The upward revision in Tax Revenue reflects expected increases in the Mining and Petroleum Taxes (MPT) (up K3,055.1 million), Personal Income Tax (PIT) (up K413.1 million), Import Excise (up K97.7 million), Import Duty (up K62.5 million), Gaming Machine Tax (GMT) (up K23.7 million),

[12] Includes the K650.0 million retained by NTR agencies for their operations.

Departure Tax (up K17.5 million) and Non-Resident Insurers Withholding Tax (NRIWT) (up K3.0 million) against the 2026 Budget estimates. These upward revisions more than offset the downward revisions in Company Income Tax (CIT) (down K501.4 million), Goods & Services Tax (GST) (down K389.3 million), Dividend Withholding Tax (DWT) (down K133.7 million), Export Duty (down K106.3 million), Interest Withholding Tax (IWT) (down K60.2 million), Stamp Duty (down K30.3 million) and Customs Sundries (down K4.9 million).

Taxes on Income, Profits and Capital Gains (TIPCG)

Taxes on Income, Profits and Capital Gains have been revised up by K2,776.1 million (18.7 per cent) to K17,655.4 million from the 2026 Budget estimate of K14,879.3 million (see Table 6). This upward revision mainly reflects the expected increases in MPT and PIT collections.

Table 6: Taxes on Income, Profits and Capital Gains (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Taxes on Income, Profits and Capital Gains	**13,124.8**	**14,879.3**	**8,411.9**	**17,655.4**	**2,776.1**
Personal Income Tax	4,750.4	4,955.0	2,684.0	5,368.1	**413.1**
Company Tax	3,613.3	4,023.4	1,341.7	3,522.0	**-501.4**
Mining and Petroleum Taxes	3,883.0	4,850.0	3,966.1	7,905.1	**3,055.1**
Royalties & Management Tax	87.9	140.9	60.7	140.9	**0.0**
Dividend Withholding Tax	548.5	633.7	250.0	500.1	**-133.7**
Interest Withholding Tax	221.9	260.5	100.2	200.3	**-60.2**
Non-Resident Insurers Withholding Tax	15.1	15.1	9.1	18.1	**3.0**
Tax Related Court Fines	0.0	0.0	0.0	0.0	**0.0**
Sundry IRC Taxes & Income	4.7	0.7	0.2	0.7	**0.0**

Source: PNG Treasury

PIT has been revised up by K413.1 million (8.3 per cent) to K5,368.1 million from the Budget estimate of K4,955.0 million. This revision is attributed to higher collections in the first half of the year. The June Outturn recorded K2,684.0 million (54.2 per cent) of the Budget estimate, reflecting the increase in taxpayers due to improved tax compliance activities and the increase in public service salaries[13] since February 2026. In addition, the resource sector companies have actively increased employment to boost production in response to the higher global commodity prices. According to the Bank of PNG employment statistics, total employment in the formal private sector grew by 2.9 per cent between the March quarter of 2025 and the March quarter of 2026, reflecting employment growth in both the resource and non-resource sectors.

CIT has been revised down by K501.4 million (12.5 per cent) to K3,522.0 million from the 2026 Budget estimate of K4,023.4 million. The June Outturn amounted to K1,341.7 million (33.3 per cent) of the Budget estimate, reflecting only the first CIT instalment payment in April. Collections are expected to decline in the second half of the year reflecting the impact of the *El Niño* related disruptions on business activity and profitability. In addition, the decline is due to fuel price shocks leading to increased cost of goods and services. With fuel subsidy now being targeted to fuel retailers, business costs for commercial businesses using fuel at the wholesale price will increase.

MPT has been revised up by K3,055.1 million (63.0 per cent) to K7,905.1 million from the 2026 Budget estimate of K4,850.0 million. The upward revision reflects higher-than-expected first

[13] Wages for public servants have increased by 3.0 per cent as of February 2026 which has contributed to PIT collections. The wage increase is in accordance with the 2026-2028 Pay Fixation Agreement as set out in the memorandum of Agreement signed between the Department of Personnel Management and Public Employees Association setting out salary and employment terms for the three-year period.

MPT instalment payment from the PNG LNG project and the mining companies in April, underpinned by elevated oil and mineral prices due to the Middle East conflict. The June Outturn amounted to K3,966.1 million (81.8 per cent) of the Budget estimate, reflecting payments from both the mining sector (64.7 per cent) and the oil and gas sector (35.3 per cent). In the second half of the year, MPT payment from the second and third installments are expected to be lower than the first installment.

DWT has been revised down by K133.7 million (21.1 per cent) to K500.1 million from the 2026 Budget estimate of K633.7 million. The June Outturn amounted to K250.0 million (39.5 per cent) of the Budget estimate.

IWT has been revised down by K60.2 million (23.1 per cent) to K200.3 million from the 2026 Budget estimate of K260.5 million. The June Outturn amounted to K100.2 million (38.4 per cent) of the Budget estimate.

NRIWT is expected to exceed its 2026 Budget estimate of K15.1 million by K3.0 million (19.9 per cent). This is due to higher year-to-date collections. The June Outturn for NRIWT amounted to K9.1 million (59.9 per cent) of the Budget estimate.

Taxes on Payroll and Workforce (TPW)

Training levy collections amounted to K0.1 million (3.0 per cent) in the first half of the year although this tax head was repealed in 2018 (see Table 7). This outturn reflects delayed collections for the years prior to 2018. Taxes on Payroll and Workforce are maintained at the Budget estimate of K2.3 million.

Table 7: Taxes on Payroll and Workforce (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Training Levy	2.1	2.3	0.1	2.3	0.0
Total	**2.1**	**2.3**	**0.1**	**2.3**	**0.0**

Source: PNG Treasury

Taxes on Goods and Services (TGS)

Taxes on Goods and Services have been revised down by K279.2 million (4.4 per cent) to K6,078.8 million from the 2026 Budget estimate of K6,358.0 million (see Table 8). The downward revision mainly reflects the expected decrease in GST and Stamp Duty.

Table 8: Taxes on Goods and Services (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Taxes on Goods and Services	**5,989.6**	**6,358.0**	**2,982.8**	**6,078.8**	**-279.2**
GST[1]	3,557.8	3,767.1	1,661.8	3,377.8	**-389.3**
GST Collection at Provinces	*2,892.8*	*2,997.6*	*1,471.7*	*2,997.6*	***0.0***
GST Collection at Ports	*1,634.0*	*1,783.6*	*979.1*	*1,958.2*	***174.6***
GST Refunds	*969.0*	*1,014.1*	*789.0*	*1,578.0*	***563.9***
Sales taxes	0.0	0.0	0.0	0.0	**0.0**
Bank Account Debit Fees	0.0	0.0	0.0	0.0	**0.0**
Stamp Duties	99.5	93.4	31.5	63.1	**-30.3**
Excise Duty	1,328.7	1,467.4	711.9	1,467.4	**0.0**
Import Excise	572.1	608.3	353.0	706.0	**97.7**
Bookmakers' Turnover Tax	62.1	56.5	9.2	56.5	**0.0**
Gaming Machine Turnover Tax	349.0	343.9	183.8	367.7	**23.7**
Departure Tax	11.2	2.5	17.3	20.0	**17.5**
Motor Vehicle Tax	5.5	5.4	9.5	11.8	**6.4**

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Other taxes on use of goods and on permission to use goods or perform activities	0.2	2.6	1.9	2.6	**0.0**
Other taxes on goods and services	3.6	10.9	2.8	6.0	**-4.9**

Source: PNG Treasury

*GST[1] represents the total of collections by Provinces, Ports and less Refunds.

In the first half of the year, Inland and Ports GST collections amounted to K1,471.7 million (49.1 per cent) and K979.1 million (54.9 per cent) respectively against the 2026 Budget estimates of K2,997.6 million and K1,783.6 million. Total refunds amounted to K789.0 million (77.8 per cent) of the 2026 Budget estimate. This resulted in the net GST outturn of K1,661.8 million (44.1 per cent), reflecting higher collections from Inland and Ports GST that offsets the high refunds to taxpayers.

GST collections in 2026 are expected to decrease by K389.3 million (10.3 per cent) to K3,377.8 million from the 2026 Budget estimate of K3,767.1 million. The downward revision is mainly attributed to an expected increase in GST refunds, which more than offset the expected increase in GST collections from Ports while Inland GST collections are maintained at the Budget level. This results in a net downward revision to total GST collections.

However, collections in 2026 will be supported by the expected revenue gain of K100.0 million from the implementation of the new GST Monitoring System (GMS)[14]. The GMS was initially planned for implementation in the 2025 Fiscal Year but has been delayed to the end of 2026. Also, IRC's ongoing tax compliance and enforcement efforts such as the implementation of the *GST Section 65A*[15] notices to government service providers will support collections. In addition, the increase in the new minimum wage rate[16] (42.8 per cent increase) is expected to increase spending and consumption thereby increasing GST in 2026. These gains will partially offset the expected revenue loss from the GST relief package[17] that was initially scheduled to end in June 2026 but has been extended for another six (6) months to end-December 2026 at an additional cost of K250.0 million in forgone revenue. The extension initially was expected to cost a revenue loss of K210.0 million from Inland GST, and a further K40.0 million from Port GST[18]. Combined with the extended revenue loss of K250.0 million for the next six months of 2026 (K210.0 million from Inland GST and K40.0 million from Port GST), the extension is expected to increase the total foregone GST revenue to K500.0 million in 2026.

Port GST collections have been revised up by K174.6 million (9.8 per cent) to K1, 958.2 million against its Budget estimate of K1,783.6 million. This upward revision reflects PNG Customs Services (Customs) efforts to increase compliance to ensure that taxpayers whose GST exemptions have expired are paying as expected. In addition, the improvement in foreign exchange conditions is expected to support GST Ports collections.

Excise duty has been maintained at the Budget estimate of K1,467.4 million. The June Outturn amounted to K711.9 million (48.5 per cent) of the Budget estimate. Collections are expected to strengthen in the second half of the year, driven by increased spending on excisable items and

[14] A GST cash register Monitoring System (GMS) was introduced in the 2025 Budget to enhance GST administration and collection. It was also expected to be implemented by the IRC in 2025 and generate K100.0 million in revenue. However, this has now been deferred to 2026.
[15] The amendment to *Section 65 A* of the GST Act 2007, allows a user of a good or service (as endorsed by the IRC) to withhold the GST charged by the supplier and remit the GST to IRC directly. This is to address revenue leakages and improve tax compliance. This arrangement is currently being implemented by nearly all national government agencies, including State Owned Enterprises (SOEs).
[16] The Minimum Wage Board, announced on 11th September 2025 after an extensive consultative process, that the minimum wage will increase in three phases: starting with a rise from K3.50 to K5.00 per hour on 1st January 2026. Then a further increase to K5.25 per hour in January 2027 and K5.50 per hour in January 2028.
[17] The Government introduced a Household Assistance Package in the 2025 Budget to mitigate the rising prices of basic household items where thirteen essential household items will be zero-rated from GST for 12 months.
[18] However, the K40.0 million revenue loss from Ports GST is not accounted in the revenue framework.

enhanced Customs compliance efforts such as conducting spot checks on alcohol and cigarettes manufacturers. Also, the increase of six toea in the excise rate for diesel from K0.23 per litre to K0.29 per litre in the 2026 Budget is expected to raise K30.0 million. In addition, collections are expected to be supported by the partial removal of freeze on the bi-annual excise rate indexation on alcohol and tobacco products[19] as well as the adjustment of Tier-2 Tobacco quota[20] as anticipated in the 2026 Budget. Following the extension of the excise freeze on beer and Tier 1 tobacco products for six months, from 01st December 2025 to 31st May 2026, total excise revenue collected from these products reached K549.5 million. This represents an increase of K204.0 million or 59.1 per cent, compared to K345.5 million collected during the corresponding period in 2025.

Import excise has been revised up by K97.7 million (16.1 per cent) to K706.0 million against the Budget estimate of K608.3 million. This is attributed to the increase in fuel imports due to the Government's fuel subsidy initiative since April 2026. Import excise from fuel makes up about 50.0 per cent of total import excise. In addition, the current crawl-like exchange regime leading to kina depreciation has supported the collections. Collections for the rest of the year are expected to continue from the June outcome. The June Outturn recorded K353.0 million (58.0 per cent) of the Budget estimate.

Gaming Machine Tax (GMT) is estimated to increase by K23.7 million (6.9 per cent) to K367.7 million from the 2026 Budget estimate of K343.9 million. The June Outturn amounted to K183.8 million (53.4 per cent) of the Budget estimate. Collections are expected to pick up as gambling activities tend to increase in the second half of the year.

Stamp Duty has been revised down by K30.3 million (32.5 per cent) to K63.1 million from the 2026 Budget estimate of K93.4 million. The June Outturn amounted to K31.5 million (33.8 per cent) of the Budget estimate.

Departure tax is estimated to increase by K17.5 million to K20.0 million from the 2026 Budget estimate of K2.5 million. This reflects the high June outturn of K17.3 million which exceeded the Budget estimate.

Customs Sundry Taxes have been revised down by K4.9 million (44.8 per cent) to K6.0 million from the 2026 Budget estimate of K10.9 million. This is due to a lower June outturn of K2.8 million (25.2 per cent) of the Budget estimate.

Taxes on International Trade and Transactions (TITT)

Taxes on International Trade and Transactions are estimated to decrease by K43.8 million (4.9 per cent) from the 2026 Budget estimate of K901.0 million (see Table 9). The downward revision is attributed to an expected decrease in Export tax.

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[19] In the 2025 Budget, the Government temporarily freeze the bi-annual excise indexation on alcohol and tobacco products to stabilise their prices and ensure the industry maintains the 2024 price levels in 2025. The measure aims to stabilize business costs and support legitimate products.

[20] The quota for Tier-2 products is currently determined by applying 50.0 per cent on the total sales of the main Tier-1 products of the previous year. However, in the 2025 Budget, the Government increased the Tier-2 quota by applying 50.0 per cent on the combined sales of both Tier-1 and Tier-2 products in the previous year. The measure aims to improve market dynamics for Tier-2 tobacco products and generate additional K60.0 million in revenue for the Government.

Table 9: Taxes on International Trade and Transactions (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
Taxes on International Trade & Transactions	**784.8**	**901.0**	**428.6**	**857.2**	**-43.8**
Import Duty	504.8	546.4	304.5	608.9	**62.5**
Export Tax	280.0	354.5	124.1	248.2	**106.3**

Source: PNG Treasury

Import Duty is estimated to increase by K62.5 million (11.4 per cent) to K608.9 million from the 2026 Budget estimate of K546.4 million. The June Outturn amounted to K304.5 million (55.7 per cent) of the Budget estimate. The strong collections is attributed to higher import volumes, supported by the current crawl-like exchange regime, which has led to kina depreciation and increased collections in nominal terms. This trend is expected to continue to support Import Duty collections in the second half of 2026.

Export Tax has been revised down by K106.3 million (30.0 per cent) to K248.2 million from the 2026 Budget estimate of K354.5 million. This revision is attributed to lower collection of K124.1 million (35.0 per cent) in the first half of the year against the Budget estimate. The weaker performance reflected decline in log export volumes due to the weak demand in China amid the ongoing real estate crisis since 2021.

Grants

Total Donor Grants remain unchanged against the 2026 Budget projection of K1, 943.0 million. The June outturn amounted to K517.8 million (26.6 per cent) of the Budget estimate. A higher portion of the grant support came from the Government of Australia through its Department of Foreign Affairs and Trade (DFAT), the United Nations (UNs), and the Japanese Government through the Japan International Cooperation Agency (JICA). Additional financial contributions came from the Asian Development Bank (ADB), the European Union (EU), PRC, the Government of New Zealand, World Bank, Agence Française Développement (AFD) and Global Partnership Education (GPE).

Some of the Donor Partner (DP) grants expenditure report for the first six months were not received due to their own reporting system. A comprehensive report on donor spending will be made available in the 2026 Final Budget Outlook (FBO) Report and the Public Accounts Journal (see Table 10).

Table 10: Grants (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
GRANTS	**1,481.2**	**1,943.0**	**517.8**	**1,943.0**	**0.0**
From Foreign Governments	**1,053.7**	**1,453.5**	**498.6**	**1,453.5**	**0.0**
Current	**843.0**	**1,162.8**	**398.9**	**1,162.8**	**0.0**
Cash	0.0	23.3	0.0	23.3	**0.0**
In-Kind	843.0	1,139.5	398.9	1,139.5	**0.0**
Capital	**210.7**	**290.7**	**99.7**	**290.7**	**0.0**
Cash	0.0	0.0	0.0	0.0	**0.0**
In-Kind	210.7	290.7	99.7	290.7	**0.0**
From International Organizations	**427.5**	**489.5**	**19.2**	**489.5**	**0.0**
Current	**342.0**	**391.6**	**15.4**	**391.6**	**0.0**
Cash	0.0	0.0	0.0	0.0	**0.0**
In-Kind	342.0	391.6	15.4	391.6	**0.0**
Capital	**85.5**	**97.9**	**3.8**	**97.9**	**0.0**
Cash	0.0	0.0	0.0	0.0	**0.0**
In-Kind	85.5	97.9	3.8	97.9	**0.0**

Source: Department of National Planning & Monitoring and PNG Treasury

Other Revenue

The Other Revenue (Non-Tax) has been revised down by K3,389.8 million (64.9 per cent) to K1,833.8 million from the 2026 Budget estimate of K5,223.6 million, reflecting lower collections from Dividends, Non-Tax Revenue Act (NTRA) and Fees and Charges in the first half of the year (see Table 11).

The State Services & Statutory Authorities (NTRA) revenue has been revised down by K170.0 million (13.1 per cent) to K1,130.0 million, from the 2026 Budget estimates of K1,300.0 million. Under this revised projection, K650.0 million will be retained by the state agencies that are subject to the *NTRA Act 2022,* while K480.0 million will be remitted to the Consolidated Revenue Fund (CRF). During the first six months of 2026, 14 out of 23 of these agencies covered under the *Act* remitted revenue to the CRF under the Interim Revenue Sharing Arrangement, in accordance with *Section 9 of the NTRA Act 2022*. The Act has been in effect since the second half of 2023. The June Outturn for NTR agencies amounted to K240.0 million (36.9 per cent) of the K650.0 million expected to be remitted to the CRF at the Budget.

Total dividends have also been revised down by K2,657.7 million (85.7 per cent) to K442.3 million, from the 2026 Budget estimate of K3,100.0 million. This downward revision is attributed to low dividend collections of K107.2 million (3.5 per cent) during the first six months of 2026, as well as the uncertainty surrounding dividend payments from the respective Kumul entities for the remainder of the year.

At the entity level, dividends from the Kumul Consolidated Holdings Limited (KCHL) have been revised down by K134.7 million (89.8 per cent) to K15.3 million from the Budget estimate of K150.0 million. Dividends from Kumul Petroleum Holdings Limited (KPHL) have been revised down by K1,863.4 million (93.2 per cent) to K136.6 million from the Budget estimate of K2,000.0 million. Similarly, dividends from the Kumul Mineral Holdings Limited (KMHL) have been revised down by K635.6 million (74.8 per cent) to K214.4 million from the Budget estimate of K850.0 million. Dividends from the Bank of Papua New Guinea have also been revised down by K24.0 million (24.0 per cent) to K76.0 million from the Budget estimate of K100.0 million. As at end-June, KMHL had paid an interim dividend of K107.2 million, while no dividends have been received from KCHL, KMHL and BPNG.

Revenues from Departmental Fees and Charges have been revised down by K562.1 million (68.3 per cent) to K261.5 million from the Budget estimate of K823.6 million, reflecting lower collections in the first six months of 2026. Revisions were made primarily for on-lending interest payments from SOEs, unclaimed monies, recoveries from former years and land lease rentals from the Department of Finance, as well as other departmental fees and charges.

Table 11: Other Revenue (2025 – 2026) (Kina Million)

	2025 Actual	2026 Budget	June Outturn	2026 MYEFO	Budget Variation
OTHER REVENUE	**1,852.0**	**5,223.6**	**406.9**	**1,883.8**	**-3,389.8**
Property Income	**1,278.0**	**3,404.2**	**131.3**	**616.4**	**-2,787.8**
Interest	10.0	200.0	0.0	100.0	**-100.0**
Dividends	1,209.8	3,100.0	107.2	442.3	**-2,657.7**
Mining Petroleum and Gas Dividends	*1,161.4*	*2,850.0*	107.2	*351.0*	**-2,499.0**
Dividends from Statutory Authorities	*0.0*	*100.0*	0.0	*76.0*	**-24.0**
Dividends from State Owned Enterprises	*0.0*	*150.0*	0.0	*15.3*	**-134.7**
Withdrawals from income of quasi-corporations	0.0	0.0	0.0	0.0	**0.0**
Property income from investment income disbursements	0.0	0.0	0.0	0.0	**0.0**
Rent	58.1	104.2	24.1	74.1	**-30.1**
Sales of goods and services	**11.6**	**26.1**	8.1	**26.1**	**0.0**
Sales by market establishments	0.0	0.0	0.0	0.0	**0.0**
Administrative fees	*7.2*	*11.1*	3.8	*11.1*	**0.0**
Incidental sales by nonmarket establishments	*4.5*	*15.0*	4.3	*15.0*	**0.0**
Imputed sales of goods and services	0.0	0.0	0.0	0.0	**0.0**
Fines, penalties, and forfeits	**1.9**	**2.2**	0.8	**2.2**	**0.0**
Transfers not elsewhere classified	**560.5**	**1,791.1**	266.7	**1,189.1**	**-602.0**
Current transfers not elsewhere classified	560.5	1,791.1	266.7	1,189.1	**-602.0**

Source: PNG Treasury

1.5 REVENUE MEASURES UPDATE

The 2026 Budget tax revenue measures were introduced to enhance domestic revenue mobilisation, provide targeted cost-of-living support to vulnerable households, investing in critical infrastructure to stimulate economic activity and improve service delivery. Overall, the reforms are intended to improve fiscal outcomes while supporting the Government's broader development agendas.

1. Extension of Household Assistance Package to Alleviate Cost-Of-Living Pressure (GST Zero Rate on Basic Household Goods)

The measure, introduced in the 2025 Budget, assists households facing rising living costs by removing GST from basic household consumable items. These items include rice, tinned fish, tinned meat, noodles, chicken, flour, biscuits, cooking oil, tea, coffee, sanitary pads, tampons, baby diapers, and soap. The measure remained in effect for 12 months (01st July 2025 to 30th June 2026).

The Government assessment shows that the measure has helped reduced the cost burden on households by lowering the prices of essential consumer goods. In recognition of these positive outcomes and the continued cost of living pressures faced by households, the Government extended the assistance from 01st July 2026 to 31st December 2026 as part of the 2026 Budget.

Implementation and monitoring of the policy continue through the collaborative efforts of the Internal Revenue Commission (IRC), the PNG Customs Service (Customs) and the Independent Consumer & Competition Commission (ICCC). These collaborative efforts were prescribed in a Memorandum of Understanding (MoU) to enhance and strengthen the administration of the policy.

To ensure compliance, the inter-agency team has conducted compliance inspections across regions, starting with the Highlands region in late 2025. The compliance inspections in Momase and the New Guinea Islands were conducted in the first quarter of 2026.

2. Introducing Tax Credits for Petroleum Levy

The Government introduced the new National Petroleum Authority (NPA) in 2025 to regulate the PNG Petroleum sector, replacing the Department of Petroleum. To support the Authority's operations, a 0.5 per cent petroleum levy on the gross revenues of petroleum producers was introduced. The levy is treated as a tax-deductible expense across the petroleum sector.

Companies operating under existing fiscal stability provisions are not affected by this levy. To honour the commitments, the Government allow eligible companies to treat their levy payments as tax credits.

To ensure stable and predictable funding for the NPA, the Authority received an annual allocation of up to K100.0 million from the 0.5 per cent levy collections. The Levy will be collected by the IRC and remitted to NPA. Any revenue collected above this threshold is withheld by the IRC and transferred to the Government's Consolidated Revenue Fund (CRF). The measure was implemented as of 01st January 2026.

3. Establishing Internal Revenue Commission Oversight Board

The establishment of an Internal Revenue Commission Oversight Board forms part of the Government's broader reform agenda to strengthen governance, institutional accountability and strategic oversight of tax administration.

The IRC has made significant progress towards strengthening its internal governance arrangements in preparation for the establishment of the new Governance Board under the *IRC Act 2025*. During 2026, the IRC received technical assistance from the IMF through a short-term governance advisor to review the Commission's existing internal governance framework and benchmark it against international best practices in tax administration.

The review focused on strengthening the Internal Executive Governance Framework (IEGF), including the roles and responsibilities of the IRC's permanent executive committees, governance processes, performance management framework, project governance arrangements and the review of relevant Commission Administrative Orders (CAOs). The objective is to ensure that the IRC's internal governance arrangements effectively support the new external Governance Board through timely decision-making, clear accountability and high-quality strategic advice.

The revised governance framework will leverage the IRC's existing institutional knowledge and established committee structure while aligning governance, performance management and project oversight with international best practice. It is also intended to strengthen reporting to the Governance Board and improve oversight of key Government strategic revenue initiatives.

Implementation of the revised IEGF is currently underway and will position the IRC to effectively support the Governance Board while enhancing organisational accountability, operational efficiency and strategic decision-making.

4. Operationalising the Tax Administration Act 2017

The *Tax Administration Act (TAA) 2017* commenced on 01st January 2026 and is currently being administered by the IRC alongside the *Income Tax Act 2025* (ITA 2025). This represents a significant milestone in the Government's tax reform agenda, providing a single administrative framework for the administration of Papua New Guinea's taxation laws.

To support implementation, the IRC has adopted transitional administrative arrangements and a practical compliance approach while taxpayers transition to the new legislative framework.

A package of consequential amendments to the *TAA 2017* remains outstanding. These amendments are critical to fully align the *TAA* with the provisions of the *ITA 2025* as well as the *Goods and Services Tax Act* and *the Stamp Duties Act*, to address technical inconsistencies and ensure the legislation operates as intended. The amendments, together with the supporting Regulations, are currently awaiting progression through the Government's legislative process.

Pending enactment of these amendments, the IRC has extended the transitional implementation period to provide certainty to taxpayers and to ensure that taxpayers acting in good faith are not disadvantaged. The IRC continues to administer the TAA while working closely with Treasury and other relevant stakeholders to facilitate completion of the remaining legislative framework.

5. Extending the Scope of Goods and Service Tax (GST) Monitoring System beyond Companies

The Government expanded the scope of the Goods and Services Tax Monitoring System (GMS) beyond companies as part of ongoing efforts to modernise tax administration and strengthen GST compliance. The expansion is intended to improve transaction transparency, provide real-time monitoring capabilities and support stronger compliance management across a broader range of taxpayers.

Significant progress was achieved during the first half of 2026. Key technical and governance milestones include the signing of the Final Operational Capability (FoC) position, the Acceptance Report review completed and the conclusion of the Production Acceptance Testing session. The project also reached Technical Operational Readiness cut-over, confirming that the core production environment had materially progressed within IRC infrastructure.

Project governance was strengthened through the Fast-Track reporting framework, which provided closer executive oversight of critical work-streams, including GMS Regulations, Production and Disaster Recovery cluster procurement, data migration, funding, interfaces and project readiness.

Despite this progress, full operational rollout has not commenced as expected on the 30th June 2026. The main outstanding dependencies remain the approval and gazettal of the GMS Regulations, the finalisation of Production and Disaster Recovery cluster procurement, the completion of data migration and taxpayer synchronisation, the completion of the GMS Proof-of-Concept (PoC) and the activation of formal accreditation and taxpayer on-boarding processes. The GMS is anticipated to come into operation before the end of this year.

6. Extending Excise Freeze on Beer and Tier -1 Tobacco Products

Following the extension of the excise freeze on beer and Tier 1 tobacco products for six months from 01st December 2025 to 31st May 2026, total excise revenue collected from these products reached K549.5 million. This represents an increase of K204.0 million (59.1 per cent) compared to K345.5 million collected during the corresponding period in 2025.

Excise revenue from beer amounted to K209.6 million, representing an increase of K29.1million (16.2 per cent) against the same period in 2025. There was a corresponding increase by 16.0 per cent in the total alcohol volume declared in the same period.

For Tier 1 tobacco products, excise revenue totalled K339.9 million, representing an increase of K174.9 million (106.0 per cent) compared to the corresponding period of 2025. The volume also increased by 106.0 per cent over the same period.

7. **Implementation of the *Non-Tax Revenue Administration Act (NTRA) 2022***

In the 2026 Budget, the Government announced the continuation of the *NTRA Act* implementation through the interim arrangement and is expected to raise K650.0 million to support the Budget. Additionally, the NTRA Committee was tasked with conducting a thorough assessment of each NTR Agency and establishing credible financial baselines to on-board these agencies into the normal budget.

In the first half of 2026, 14 of the 23 NTR agencies remitted K240.0 million into the Waigani Public Account (WPA) to support the Budget. This represents 36.9 per cent of the K650.0 million. The NTRA Committee, through the Secretariat, is working with those agencies to ensure they comply in the second half of the year.

The NTRA Committee also conducted one-on-one consultations with the NTR agencies to guide the agencies to provide comprehensive budget submissions for assessment and transitioning of the agencies into the budget process. In the second half of the year, the Committee will work closely with the NTR agencies to ensure they are smoothly transitioned into the 2027 Budget.

1.6 EXPENDITURE AND NET LENDING

Total Expenditure and Net Lending in the first half of 2026 amounted to K15,160.1 million, 9.4 per cent of GDP (see Table 12). This outcome represents 50.1 per cent of the total 2026 Budget appropriation of K30,265.2 million (excluding the K650.0 million retained by NTR agencies).

The expenditure outcome demonstrates a measured approach to spending despite additional pressure on available resources to ease the increase in fuel price.

Table 12: Total Expenditure and Net Lending (2025 – 2026) (Kina Million)

Expenditure by Fund Source	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Outturn as a % of Budget	Budget Variance
Operational Component	**17,535.6**	**19,399.2**	**10,463.4**	**21,437.6**	**53.9%**	**2,038.4**
Compensation of Employees	7,854.1	8,193.5	4,156.6	8,233.1	50.7%	188.4
Use of Goods and Services	4,747.1	5,438.3	3,504.3	6,988.3	64.0%	1,550.0
Functional Grants	352.0	770.0	306.8	770.0	39.8%	0.0
Interest Cost	3,403.5	3,723.0	1,854.9	4,023.0	49.8%	300.0
GST & BMTT	1,179.0	1,274.5	637.3	1,274.5	50.0%	0.0
Capital Investment Component	**8,579.5**	**10,866.0**	**4,696.8**	**10,866.0**	**43.2%**	**0.0**
PIP	4,954.1	6,517.0	2,626.5	6,517.0	40.3%	0.0
SIPs	1,177.0	1,180.0	1,028.0	1,180.0	87.1%	0.0
Loans	967.2	1,226.0	524.5	1,226.0	42.8%	0.0
Grants	1,481.2	1,943.0	517.8	1,943.0	26.6%	0.0
Grand Total	**26,115.1**	**30,915.2***	**15,160.2**	**32,953.6***	**50.1%**	**2,038.4**

Source: PNG Treasury

* This includes K650 million retained and expended by NTRA agencies. Since these transactions are undertaken outside of the Waigani Public Account (WPA), they are not captured under the Government's economic classification framework. As such, Treasury does not have oversight of these funds and so the outturn is compared to totals with NTRA expenditure excluded.

Operational Budget Expenditure

At the end of June 2026, Operational Expenses amounted to K10,463.4 million, 53.9 per cent of the Budget appropriation (see Table 12). This was K763.8 million above the mid-year pro-rata target of K9,699.6 million. The higher-than-target expenditure primarily reflects the Government's commitment to meeting essential operational obligations while responding to other evolving expenditure pressures such as fuel subsidies (K708.6 million) during the first half of the fiscal year.

Key operational expenses including GTFS, Nambawan Super exit, and rentals have exceeded pro-rata projections while interest costs, utilities and functional grants payment are tracking in-line with their pro-rata projections for the first half of 2026. Compensation of Employees, the largest expenditure item, totalled K4,156.6 million and it is projected to exceed the 2026 Budget appropriation by approximately K188.4 million, due to onboarding of new teachers onto the payroll system, the restructuring of Provincial Health Authorities (PHAs) and back pay arising from the implementation of Nurses Industrial Awards.

Table 13: Expenditure by Agency Type (2025 – 2026) (Kina Million)

Agency Type	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Outturn as a % of Budget	Budget Variance
National Departments	9,807.9	10,901.1	5,872.3	12,508.2	53.9%	1,607.1
Provincial Government	6,094.0	5,818.6	3,775.0	5,902.2	64.9%	83.6
Commercial & Statutory Authority	4,198.1	4,904.5	2,472.2	4,952.2	50.4%	47.7
Autonomous Bougainville Govt.	452.8	486.5	143.5	486.5	29.5%	0.0
Interest Payment	3,403.5	3,723.0	1,854.9	4,023.0	49.8%	300.0
Grand Total	**23,956.2**	**25,833.7**	**14,117.9**	**27,872.1**	**54.6%**	**2,038.4**

Source: PNG Treasury

Note: This table includes reporting of GST & BTT transfers (under Provinces) but excludes reporting of concessional loans and donor support grants.

Table 14: Priority Expenditure Items (2026) (Kina Million)

Key Expenditures	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
SIPs	1,120.0	1,180.0	1,028.0	1,180.0	0.0
GTFS	850.9	904.5	565.3	904.5	0.0
Special Intervention Program (SIP)	0	50.0	25.8	50.0	0.0
Provincial Functional Grants	644.8	770.0	333.1	770.0	0.0
Arrears	256.2	300.0	289.8	300.0	0.0
District Infrastructure Program (Kina for Kina)	288.8	310.0	310.0	310.0	0.0
District Infrastructure Development Program	404.0	400.0	49.6	400.0	0.0
Province Infrastructure Development Program		220.0	154.7	220.0	0.0
Connect PNG Roads Program	415.3	690.0	382.5	690.0	0.0
Multi-Departmental Office (Rentals)	301.0	350.2	334.4	350.2	0.0
Multi-Departmental Utilities	225.1	249.0	122.6	249.0	0.0
Medical Supplies Procurement & Distribution	228.6	267.3	70.5	267.3	0.0
Nambawan Supa Exit Payments	50.0	79.4	79.4	79.4	0.0
Infrastructure Development Grant	78.0	170.0	70.0	170.0	0.0
Health Function Grant	123.0	140.5	82.5	140.5	0.0
District Hospitals Development Program	47.8	100.0	10.0	100.0	0.0
Tertiary Edu Study Assistance Scheme	100.5	103.9	37.7	103.9	0.0
New Enga Hospital	10.0	10.0	10.0	10.0	0.0
Special Support Grant (SSG)	23.8	26.0	3.0	26.0	0.0
Higher Education Loan Program	53.1	53.1	10.6	53.1	0.0

Source: PNG Treasury

As at 30th June 2026, expenditure for Provincial Governments, including the Autonomous Bougainville Government, totalled K3,918.5 million, 55.4 per cent of the 2026 Budget appropriation (see Table 13). Spending on CoE for the Provincial Governments including ABG totalled K1,507.6 million, 50.0 per cent of the total appropriation.

Expenditure for Commercial & Statutory Authorities (CSA) was K2,472.2 million, 50.4 per cent of the Budget appropriation (see Table 13). CoE under CSA recorded an outcome of K1,339.3 million, 53.6 per cent of the Budget estimate. Priority programs expended under the CSA include:

- Administration of Village, District, National and Supreme Courts (K195.8 million);
- Port Moresby General Hospital (K109.6 million);
- Air Niugini Refleeting (K50.0 million);
- Health unction Grants (K82.5 million);
- Off Grid Renewable Energy (K10.0 million); and
- Coffee Access Roads Program (K5.0 million).

Debt Servicing (Interest Cost)

As at 30th June 2026, total interest and related charges amounted to K1,854.9 million, 49.8 per cent of the 2026 Budget appropriation of K3,723.0 million. This outcome is 0.2 percentage points below the mid-year pro-rata target of 50.0 per cent, indicating that interest payments remain broadly on track.

The outturn comprises:

- Domestic interest payments of K1,361.6 million, 58.6 per cent of the 2026 Budget appropriation and K200.1 million (17.2 per cent) above the mid-year pro-rata target. The higher-than-expected outturn was mainly driven by Treasury bond coupon payments. Domestic interest payments is also expected to go up by K502.0 million.

- External interest and related charges of K493.3 million, 35.2 per cent of the 2026 Budget appropriation and K206.7 million below the mid-year pro-rata target, reflecting the timing of external debt servicing obligations. This also indicates there will be savings of K202.0 million that could be used to offset the expected increase in domestic interest cost.

Based on the first half of the year's performance and the debt service plans, total interest payments are projected to remain within the 2026 Budget appropriation by year-end.

Table 15: Interest and Fees (2025 – 2026)

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
Total Domestic	**2,268.4**	**2,228.8**	**1,361.6**	2,228.8	502.0
Securities	2,268.4	2,198.8	1,350.6	2,700.8	502.0
TAF	0.0	30.0	11.0	30.0	0.0
Adjustments:	0.0	0.0	0.0	0.0	0.0
Interest accrued on issuance[1]	0.0	0.0	0.0	0.0	0.0
Net disc/(prem) on issuance[2]	0.0	0.0	0.0	0.0	0.0
Total External	**1,135.0**	**1,494.2**	**493.3**	1,292.2	202.0
Interest	1,111.4	1,399.4	493.0	1,247.4	152.0
External Borrowing Related Charges	23.6	94.8	0.3	44.8	50.0
Total Interest and Charges	**3,403.4**	**3,723.0**	**1,854.9**	4,023.0	300.0

Source: PNG Treasury

Compensation of Employees (CoE)

CoE expenditure in the first half of the year amounted to K4,156.6 million, 50.7 per cent of the 2026 Budget appropriation (see Table 16). The increased estimate for 2026 reflects pressures relating to teacher salaries, PHAs (including back pay to cater for nurses' industrial awards), and wages allowances for short term contract employees.

Table 16: Compensation of Employees by Item Types (Kina Million)

CoE Items	2025 Actuals	2026 Budget	June Outurn	2026 MYEFO	Outturn as a % of Budget	Budget Variance
National Depts Salaries	1,543.7	1,630.2	791.9	1,583.8	48.6%	-46.4
CSA Salaries (Non-PHA)	1,028.0	1,156.2	584.5	1,145.0	50.6%	-11.2
CSA Salaries (PHA's)	807.4	804.8	432.6	865.2	53.8	60.4
Teacher Salaries	2,602.0	2,532.1	1,265.6	2,680.1	50.0%	148.0
Retirement	688.0	634.3	325.7	634.3	51.3%	0.0
Staffing Grants	342.5	406.1	174.7	349.4	43.0%	-56.7
Wages Allow	422.3	357.6	229.3	458.6	64.1%	101.0
Leave fares	224.0	275.7	164.4	275.7	59.6%	0.0
MPs	140.7	141.7	75.9	141.7	53.5%	0.0
Other CoE	59.5	254.8	112.0	224.0	44.0%	-6.7
Total	**7,859.8**	**8,193.5**	**4,156.6**	**8,381.9**	**50.7%**	**188.4**

Source: PNG Treasury

CSA and Teacher Salaries amounted to K1,017.1 million (51.9 per cent) and K1,265.6 million (50.0 per cent) of the 2026 Budget appropriation respectively. Teacher Salaries are projected to exceed the initial appropriation. The projected outcome is estimated at K2,680.1 million, reflecting ongoing pressures from teacher payroll obligations and recruitment.

As at 30th June 2026, a total of K325.7 million in expenditure was recorded for Retirement, driven by the State Share Contribution to Nambawan Super Automation (K178.0 million) and Nambawan Super (NSL) Exit Payments (K79.4 million).

Overall, the CoE budget is expected to be above 2026 Budget appropriation, primarily driven by the major increase in PHA Salaries & Allowance and back-pay arising from the implementation of the Nurses Industrial Award, Teachers Salary and Departmental Wages.

Other critical Operational Expense Pressures

The projected increase in other critical expenditure items is primarily driven by higher fuel subsidy costs (K1,200.0 million), and additional expenditure associated with preparations for the 2027 General Election (K150.0 million), including rentals and utilities (K200.0 million). These factors are expected to place additional pressure on the expenditure side and reduce available fiscal space. Given the largely unavoidable and time-bound nature of some of these pressures, particularly election-related expenditure, careful prioritisation and expenditure controls is needed to contain the impact on the overall fiscal balance and maintain consistency with the Government's medium-term fiscal objectives. Together with the CoE and land interest costs, total additional expenditure pressures amount to K2,038.4 million.

Table 17: Expenditure Pressure Items

Pressure Items	Cost (K million)
Fuel	1,200.0
2027 Election	150.0
Compensation of Employees	188.4
Rentals & Utilities	200.0
Interest Cost	300.0
Total Expenditure Pressure	**2,038.4**

Source: PNG Treasury

Capital Expenditure

Capital Expenditure in the first half of 2026 amounted to K4,696.8 million, 43.2 per cent of the Budget appropriation (including donor grants and concessional loans) (see Table 17). This includes GoPNG funded expenditures of K3,654.5 million (PIP & SIPs), project loan funded expenditures of K524.5 million and donor grants of K517.8 million.

Table 18: Capital Investment Budget (Kina Million)[21]

Components	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Outturn as a % of Budget	Budget Variance
GoPNG PIP	4,954.1	6,517.0	2,626.5	6,517.0	40.3%	0.00
SIPs	1,177.0	1,180.0	1,028.0	1,180.0	87.1%	0.00
Loans	1,481.2	1,943.0	524.5	1,943.0	27.0%	0.00
Grants	967.2	1,226.0	517.8	1,226.0	42.2%	0.00
Total	**8,579.5**	**10,866.0**	**4,696.8**	**10,866.0**	**43.2%**	**0.00**

Source: Department of National Planning & Monitoring

Major capital expenditure items include: (1) Connect PNG Infrastructure Program (K376.8 million); (2) District Infrastructure Program (Kina-for-Kina) (K310.0 million); (3) District Infrastructure Development Program (K49.6 million); (4) Special Intervention Program (K25.8 million); (5) Infrastructure Development Grant (K80.0 million); and (6) District/Province Service Improvement Programs (K1,028.0 million).

For projects funded by concessional loans, the mid-year outcome was K524.5 million, 27.0 per cent of its 2026 Budget estimate of K1,943.0 million. Some of the loan-funded projects implemented in 2026 include: (1) PNG Power Grid Project (K35.7 million); (2) Water Supply and Sanitation Development Project (K25.1 million); (3) Sustainable Highlands Highway Investment Program-Tranche 2 (K82.6 million); (4) PNG Resilient Transport Project (K36.5 million); (5) Civil Aviation Development Investment Project 2 (K74.3 million); (6) National Energy Access Transformation Projects (K22.9 million); (7) PNG Agriculture Commercialization and Diversification (K22.9 million); and (8) Market for Village farmers (K10.9 million).

As at 30th June 2026, GoPNG-funded capital investment expenditure 2026 totalled K3,654.5 million, 47.5 per cent of the 2026 Budget appropriation (see Table 18). Of the total GoPNG-funded capital investment expenditure of K3,654.5 million, K435.2 million, or 11.9 per cent, was utilised to finance the Government's fuel subsidy payment. This formed part of the total fuel subsidy expenditure of K708.6 million, with the remaining K273.4 million financed through reallocations from Compensation of Employees (CoE) and Goods and Services (G&S.

Table 19: GoPNG Capital Expenditure by Sector (Kina Million)

Sector	2025 Actuals	2026 Budget	June Outcome	2026 MYEFO	Outturn as a % of Budget
Administration	1,633.1	2,025.0	1,228.5	2,025.0	60.7%
Community & Culture	60.9	218.0	66.6	218.0	30.5%
Economic	849.2	860.0	211.7	860.0	24.6%
Education	204.7	390.0	146.4	390.0	37.5%
Health	200.3	474.0	22.0	474.0	4.6%
Law & Justice	305.3	378.0	63.6	378.0	16.8%
Provinces	1,784.5	1,854.0	1,433.3	1,854.0	77.3%
Transport	957.2	1,191.0	450.9	1,191.0	37.9%
Utilities	135.9	307.0	31.6	307.0	10.3%
Total	**6,131.1**	**7,697.0**	**3,654.5**	**7,697.0**	**47.5%**

Source: Department of National Planning & Monitoring

The Administration Sector recorded an expenditure outcome of K1,228.5 million, 60.7 per cent of its Budget appropriation. Major programs funded under this sector include: (1) District Infrastructure Program (Kina-for-Kina) (K310.0 million); (2) District Infrastructure Development Program (K49.6 million); (3) Provincial Infrastructure Development Program (K44.7 million) (4) Special Intervention Program (K25.8 million); (5) National Land & Housing Program (K13.5 million); (6) Infrastructure Development Grant (K70.0 million); and (7) 2027 National General Election Preparations (K31.7 million).

The Provinces Sector recorded an expenditure outcome of K1,433.3 million, 77.3 per cent of its Budget appropriation. Key expenditure items include: (1) DSIP (K830.0 million); (2) PSIP (K198.0 million); (3) PM’s Commitment to ABG (K5.0 million); (4) Restoration Development Grant (Outstanding) (K62.8 million); (5) Kikori Town Sealing –Gulf PG (K10.0 million); and (6) New NCD Hospital Development (K15.0 million) as well as funding for other district and provincial roads infrastructure and hospitals.

The Transport Sector recorded an expenditure outcome of K450.9 million, 37.9 per cent of its Budget appropriation. Major programs funded under this sector include: (1) Connect PNG Infrastructure Program (K382.5 million); (2) Air Niugini Refleeting (K50.0 million); (3) National Roads Maintenance (K18.1 million); and (4) Rehabilitation & Maintenance of Rural Airstrips (K3.0 million).

The Economic Sector recorded an expenditure outcome of K211.7 million, 24.6 per cent of its Budget appropriation. Key programs funded include: (1) National Coffee Development Program (K8.3 million); (2) Market Development & Trade (K3.0 million); (3) National Land Partnership Program (K94.4 million); (4) National Power Generation Investment Program (K5.0 million); (5) Off Grid Renewable Energy (K10.0 million); and (6) Cocoa Access Roads Program (K5.0 million).

The Utilities Sector recorded an expenditure outcome of K31.6 million, 10.3 per cent of its Budget appropriation. Key programs funded include: (1) NBC Rehabilitation & Modernisation Program (K5.0 million); (2) Analogue to Digital Migration (K5.0 million); (3) Mobile Network Expansion Rollout Program (K2.0 million); (4) Fibre Optic Connectivity Program (K3.0 million); (5) Ramu System Extension Yonki- Mt. Hagen Phase 2 (K2.0 million); and (6) National Water Supply Development Program (K2.0 million).

The Law & Justice Sector recorded an expenditure outcome of K63.6 million, 16.8 per cent of its Budget appropriation. Key programs funded under the sector during the first half of the year included: (1) Special Police Assistance Program (K34.3 million); (2) Defence Infrastructure

Program (K3.2 million); (3) OC Morauta Haus Refurbishment (K20.7 million); and (5) NNB Office Refurbishment Project (K1.0 million).

Other priority expenditures in key sectors were also funded during the first half of the year. These included programs in the Education Sector (K146.4 million), Community and Culture Sector (K66.6 million), and Health Sector (K22.0 million).

1.7 STATUS OF TRUST ACCOUNTS

Consistent with *Section 15 of the Public Finance Management Act (PFMA)(Amended 2016)*, the Department of Finance (DoF) can authorize Government entities (national departments, statutory authorities or provincial governments) to operate trust accounts. The trust accounts may include funds from the national budget, loans, and donors. *Section 16 (6) of the PFMA* requires all trust accounts to be operated in accordance with the requirements of the relevant trust instruments.

The main purpose of holding funds in Trust Accounts is to diversify spending over time. This gives Government agencies sufficient time to properly plan and implement their priority programs and projects.

The following is the expenditure report for all the budget funded trust accounts from 1st January to 30th June 2026.

Table 20: Movement of Funds in Budget Funded Trust Accounts from 1st January to 30th June 2026 (Kina, million)

Trust Account Name	Balance as at 1-Jan-2026	Debit (Receipts)	Credit (Payments)	Balance as at 30-June-2026
Flexible, Open and Distance Education (FODE) Rehabilitation - GoPNG	1.0	0.0	0.1	0.9
Government Tuition Fee Subsidy Education Trust Account	90.4	565.3	455.2	127.8
Tuition Fee Subsidy Education - Commodity Component Trust	319.4	0.6	64.5	0.9
Govt's Funding of Rehab. Of Higher Education Sector TA	31.6	0.1	1.8	29.8
PNG Rural Communications Project GOPNG	0.1	0.0	0.0	0.0
PNG Fire Service Infrastructure Rehabilitation Program - (PIP) T/A	0.3	0.0	0.3	0.0
National Road Maintenance Policy TA	0.1	0.0	0.0	0.1
Highlands Highway Rehabilitation T/A Subsidiary	0.1	0.0	0.0	0.0
Port Moresby Roads Trust Account	0.3	0.0	0.0	0.3
Small Medium Enterprise (SME) Risk Sharing Facility (GoPNG)	6.7	0.0	6.5	0.2
Central City Trust Account	25.8	0.1	5.0	20.9
Restoration and Development Grant Trust	0.0	0.0	00	0.0
Special Intervention Funds (Established on 28 Feb 2014)	0.0	0.0	0.0	0.0
Correctional Service Development Project GoPNG TA	35.2	2.0	10.3	27.0
LNG Pipeline Infrastructure Dev Grant (IDG) (Kikori Area)	0.0	0.0	0.0	0.0
LNG Plant Infrastructure Development Grant (IDG) (Papa/Lealea) TA	0.5	0.0	0.0	0.5
Financial Management Improvement Programme (FMIP) - GoPNG	3.0	5.4	3.3	5.1
Infrastructure Development (UBSA) Grant (IDG) Account - Main	0.0	0.0	0.0	0.0

Trust Account Name	Balance as at 1-Jan-2026	Debit (Receipts)	Credit (Payments)	Balance as at 30-June-2026
Infrastructure Development (UBSA) Grant Account (IDG) Sub	0.0	0.0	0.0	0.0
PNG High Impact Infrastructure Projects	0.0	0.0	0.0	0.0
Public Service Audit Program	1.8	1.5	1.4	1.8
2017 PNG National General Election - Finance, Procurement, Personnel and Logistic Trust	0.0	0.0	0.0	0.0
NAOSPIII GoPNG Counterpart Funds (European Union)	(0.2)	0.0	0.0	0.2
Department of Prime Minister & NEC APEC Operations (OP) Plan 2018 TA	0.0	0.0	0.0	0.0
Highlands Region Roads Improve Invest Prog ADB - GoPNG Counterpart	0.1	0.0	0.0	0.1
HRRIP GoPNG Counterpart	0.1	0.0	0.0	0.1
Comm. Water Transport Proj. GoPNG C/Fund	4.7	0.0	0.2	2.0
Comm. Water Transportation Fund - GoPNG (ADB 2079)	0.0	0.0	0.0	0.0
PNG LNG Additional State Equity Financing	0.0	0.0	0.0	0.0
Highlands Region Road Improvement Investment Program (HRRIP) Project 2 - GoPNG Counterpart Funding TA (Inc	0.0	0.0	0.0	0.0
SHHIP- Tranche 1 - GoPNG Counterpart Fund	0.1	0.0	0.0	0.1
Multiple LNG Development Trust Account	1.1	59.7	30.5	30.2
Coastal Vessels Account	0.1	0.0	0.0	0.1
Water Supply & Sanitation Development Project – GoPNG	2.2	0.0	1.5	0.8
Bougainville Referendum Non-electoral Support Funds	0.4	0.2	0.5	0.0
Land Reform Trust Account	80.5	0.0	1.5	0.0
Mukurumanda Jail Project Trust Account	0.5	2.0	0.6	0.0
2020 National Population and Housing Census Trust Account	0.0	1.0	1.0	0.0
Kokopau to Arawa Road	0.0	0.0	0.0	0.0
COVID-19 Emergency Trust Account	20.8	0.0	0.0	20.8
Health Service Sector Development Budget Support Trust Account	0.0	0.0	0.0	0.0
PNG's First Economic and Fiscal Resilience Development Policy TA	0.0	0.0	0.0	0.0
Connect PNG Economic Road Transport Infrastructure Dev. Prog. TA	1.2	0.0	0.0	1.2
Higher Education Loan Program Trust Account	2.5	10.0	0.0	12.5
Ihu Special Economic Zone	0.3	0.0	0.2	0.0
Government Commitment Trust Accounts	3.4	0.0	2.5	0.9
2022 National General Election - Finance Procurement, Personnel and Logistics Trust Account	0.2	0.0	0.0	0.2
Office of State Negotiations Trust Account	0.3	9.4	8.5	1.3
Project Readiness Finance - GoPNG C/part funding	14.7	7.9	1.2	21.4
SHHIP - Tranche 2 - GoPNG	1.2	0.8	1.4	0.5
Child Nutrition & Social Protection Program - GoPNG Trust Account	0.0	0.0	0.0	0.0
Enhancing Labour Mobility from PNG Project - GoPNG C/part	1.0	0.0	0.1	0.9
2024 National Population Census Project Trust Account	0.6	0.0	0.0	0.6
2025 By Election - Finance Procurement, Personnel and Logistics Trust Account	2.9	0.0	2.9	0.0

Trust Account Name	Balance as at 1-Jan-2026	Debit (Receipts)	Credit (Payments)	Balance as at 30-June-2026
2025 PNG LLG Election - Finance Procurement, Personnel and Logistics Trust Account.	5.0	0.0	0.0	0.0
National Intelligence Organisation PIP Trust Account	0.0	0.0	0.0	0.0
Total	**659.9**	**666.0**	**600.7**	**309.4**

Source: Department of Finance
Note:
The Government Tuition Fee Subsidy (GTFS) Education is reflective of the main trust account.
All the Provincial Subsidiary COVID-19 trust accounts at BSP were closed in 2024 and the remaining funds were transferred to the main account at BPNG.

The opening balance of the budget funded trust accounts as of 1st January 2026 was K659.9 million. Expenditure incurred in this period totalled K600.7 million while K666.0 million were receipts within the same period. The closing balance as at 30th June 2026 was K309.4 million.

Following is a summary of expenditures above K5.0 million from budget funded trust accounts from 1st January to 30th June 2026:

- K455.2 million was expended on the GTFS program
- K64.5 million was expended on the Tuition Fee Subsidy Education - Commodity Component Trust
- K30.5 million was expended on Multiple LNG Development Trust Account
- K10.3 million was expended on the Correctional Services Development Projects Trust Account (GoPNG) Trust
- K8.5 million was expended on the Office of State Negotiation Trust Account
- K6.5 million was expended on the Small Medium Enterprise (SME) Risk Sharing Facility (GoPNG)
- K5.0 million was expended on Central City Trust Account

A review on trust accounts was conducted in 2024 and 2025. From this exercise, a total of 240 dormant and inactive accounts were closed and funds totaling approximately K20.0 million were moved back to the Consolidated Revenue Fund (CRF). The review exercise is ongoing with several accounts expected to be closed. These trust accounts mostly have compliance issues and expired trust instruments.

1.8 FINANCING

Background

In the 2026 Budget, the Government planned to finance the deficit of K1,608.2 million with a net external borrowing of K1,540.8 million and net domestic borrowing of K67.4 million consistent with its Medium-Term Debt Strategy (MTDS) 2024-2028. This strategy is designed to minimize borrowing costs, mitigate fiscal risks, and promote the development of a robust and well-functioning domestic debt market.

Net Financing

As at 30th June 2026, total net borrowing was K1,181.5 million, comprising of K235.1 million in net external borrowing and K946.4 million in net domestic borrowing. This represents 73.5 per cent of the overall deficit financing, mainly driven by Treasury Bill (T-Bills), in response to the cash flow pressures in the first half of the year. Most of the T-Bills are expected to be retired in the second half of the year, consistent with the 2026 T-Bills auction plan and net domestic deficit financing target as external financing becomes available. The lower net external borrowing reflects the slower disbursements of existing project loans and budget support loans. Most of the external financing is expected to be received in the second half of the year.

Table 21: Summary of Net Borrowing (2025 – 2026) (Kina Million)

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO
Net Domestic Borrowing	2,606.1	67.4	946.4	67.4
Net External Borrowing	1,962.7	1,540.8	235.1	1,540.8
Total Net Borrowing	**4,565.8**	**1,608.2**	**1,181.5**	**1,608.2**

Source: PNG Treasury

External Financing

In the 2026 Budget, the Government planned to secure external financing through budget support loans from bilateral and multilateral development partners, including drawing down from existing concessional and new commercial project loans. The planned total external borrowing of K3,703.5 million, consist of K1,226.0 million (33.1 per cent) concessional loans and K2,477.5 million (66.9 per cent) extraordinary loans.

As at end of June, total external borrowing reached K1,242.0 million or 33.5 per cent of the total borrowing target of the year. This represents K526.8 million (42.9 per cent) concessional drawdown and K715.2 million (28.9 per cent) extraordinary loans. The concessional drawdown reflects the project implementation from the bilateral and multilateral partners, supporting the continued implementation of loan-funded projects.

During the first half of the year, total external principal repayment was K1,005.1 million, representing 46.6 per cent of the total planned budget estimate of K2,162.7 million. This comprised of K470.2 million (34.2 per cent) concessional loan repayments and K508.5 million (69.6 per cent) extraordinary loan repayment.

Table 22: External Borrowing (2025 – 2026) (Kina Million)

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
New External Borrowing	**3,723.4**	**3,703.5**	**1,242.0**	**3,703.5**	**0.0**
Concessional Financing	967.2	1,226.0	526.8	1,226.0	0.0
Commercial Financing	0.0	0.0	0.0	0.0	0.0
Extraordinary Financing	2,756.1	2,477.5	715.2	2,477.5	0.0
Repayment of Principal	**-1,760.7**	**-2,162.7**	**-1,006.9**	**-2,162.7**	**0.0**
Concessional	-875.1	-1,376.0	-470.3	-1,376.0	0.0
Commercial	-48.9	-53.9	-26.4	-53.9	0.0
Extraordinary	-836.6	-732.8	-510.1	-732.8	0.0
Net External Borrowing	**1,962.7**	**1,540.8**	**235.1**	**1,540.8**	**0.0**

Source: PNG Treasury

Domestic Financing

In the 2026 Budget, planned domestic borrowing was K17,037.1 million. As at end of June 2026, total domestic borrowings reached K9,534.4 million which is 58.0 per cent of the annual Budget estimate (see Table 22). The net domestic borrowing is K946.4 million. This is higher than the K67.4 million that was budgeted for whole year. This comprises K394.2 million of T- Bills and T-Bonds of K602.2 million of long-term financing. This reflected temporary cash flows pressures arising from the delays in external financing.

As at end of June 2026, the total domestic repayment totalled K8,588.0 million or 51.2 per cent of the Budget estimate. This comprises of K7,442.3 million or 51.9 per cent of T-Bills retirement and K1,095.7 million or 45.0 per cent of T-Bonds and K50.0 million or 26.4 per cent of other BSP loans. The 2026 Annual Issuance Plan incorporated a net T-Bill retirement target of K977.5 million. However, financing was frontloaded in the first half of the year in response to cash flow pressures as external financing is expected in the second half of the year. T-Bills will be retired in the second half of the year consistent with issuance plan.

Table 23: Domestic Borrowing (2025 – 2026) (Kina Million)

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
New Domestic Borrowing	**17,927.5**	**17,037.1**	**9,534.4**	**17,037.1**	**0.0**
T-Bills Financing	14,964.1	13,368.3	7,836.5	13,368.3	0.0
Inscribed Stocks Financing	2,963.4	3,068.8	1,697.9	3,068.8	0.0
Loans	0.0	600.0	0.0	600.0	0.0
Repayment of Principal	**-15,321.4**	**-16,969.9**	**-8,588.0**	**-17,238.4**	**0.0**
T-Bills Maturities	-13,173.2	-14,346.0	-7,442.3	-14,614.5	0.0
Inscribed Stocks Maturities	-1966.4	-2,434.8	-1,095.7	-2,434.8	0.0
Loans	-181.8	-189.1	-50 .0	-189.1	0.0
Net Domestic Borrowing	**2,606.4**	**67.2**	**946.4**	**-185.5**	**0.0**

Source: PNG Treasury

1.9 PUBLIC DEBT AND CONTINGENT LIABILITIES

Public Debt

As at June 2026, total public debt stock reached K69,643.9 million**.** This is K3,428.2 million higher than the K66,215.7 million target set in the 2026 Budget. The increased debt stock is mainly due to the exchange rate revaluation exercise of foreign currency denominated loans done in the 2025 Final Budget Outcome. This debt stock represents 43.3 per cent of GDP, which is still within the *Fiscal Responsibility Act (FRA) (Amended) 2024* target of 55.0 per cent. The total external debt stock increased to K37,025.1 million due to exchange rate revaluations exercise and the net financing for the first half of the year. As external debt is denominated in foreign currencies, any depreciation of the Kina against major currencies automatically inflates the local currency value of the existing loans.

Domestic debt stock totalled K32,618.8 million, exceeding the budget target of K30,892.8 million in 2026. This was driven by higher-than-budgeted issuance of T-Bills which has reached K14,337.6 million, while T-Bonds remained stable at K17,908.0 million tracking close to the planned budget target.

Table 24: Central Government Debt (2025 – 2026) (Kina Million)

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO
Domestic	**31,672.4**	**30,892.8**	**32,618.8**	**31,739.8**
Debt Securities	31,249.3	29,824.7	32,006.2	30,905.8
T-Bills	*13,943.5*	*11,897.9*	*14,337.6*	12,966.0
Inscribed Stock	*17,305.8*	*17,926.8*	*17,908.0*	17,939.8
Loans	*423.1*	1,068.1	373.2	834.0
External	**36,789.9**	**35,323.0**	**37,025.1**	**38,330.7**
SDR	**1,244.1**	**1,244.1**	**1,244.1**	**1,244.1**
Debt Securities	*2,127.7*	*1,897.0*	*2,127.7*	*2,127.7*
T-Bills	*0.0*	*0.0*	*0.0*	*0.0*
T-Bonds	*2,127.7*	*1,897.0*	*2,127.7*	*2,127.7*
Loans	**33,418.2**	**32,181.9**	**33,650.3**	**34,958.9**
Concessional Financing	*14,240.2*	*12,738.8*	*14,296.7*	*14,090.1*
Commercial Financing	*222.4*	*122.7*	*196.0*	*168.5*
Extraordinary Financing	*18,955.6*	*19,320.4*	*19,160.6*	*20,700.3*
Total Central Government Debt	**68,462.3**	**66,215.7**	**69,643.9**	**70,070.5**

	2025 Outcome	2026 Budget	June Outturn	2026 MYEFO
Total Debt as % of GDP	**50.0%**	**45.5%**	**43.3%**	**43.6%**
Gross Domestic Product	**136,976.9**	**145,600.7**	**160,816.0**	**160,816.0**
Domestic Debt as % GDP	23.1%	21.2%	20.3%	19.7%
External Debt as % GDP	26.9%	24.3%	23.0 %	23.8%

Source: PNG Treasury

One measure of debt sustainability is the debt-to-GDP ratio. According to the FRA, the debt-to-GDP ratio is required to remain within a prescribe range, with an upper limit of 55.0 per cent and lower limit of 40.0 per cent. The Act requires the debt ratio to be reduced to the lower threshold within 10 years from the commencement of the Act.

The projected debt-to-GDP ratio for MYEFO 2026 is 43.6 per cent, 1.9 per cent lower than the 2026 Budget estimate. The lower ratio reflects the exchange rate change revaluation of K3,117.7 million in external debt captured in the 2025 FBO as well as an upward revision to the 2026 Budget GDP estimates. Nonetheless, it is consistent with the requirements of the FRA and will continue to track downwards to the 40.0 per cent on the 13-year Budget Repair and Fiscal Plan.

1.10 RISKS TO MID-YEAR ECONOMIC AND FISCAL OUTLOOK

The main Risks to the 2026 Mid-Year Economic and Fiscal Outlook include:

Macroeconomic Risks

- The global economy continues to face strong headwinds due to geopolitical tensions in the Middle East. The possibility that the war in the Middle East would re-escalate is still high. Renewed conflict would disrupt supply chains further, drive up energy prices, and increase inflation, leading to tightening of financial conditions, which would weigh on economic growth.
- Global commodity price remains volatile due to trade tensions and mixed market conditions. This has increased the uncertainty surrounding commodity price forecast, export earnings and revenue collection expectation for PNG. Therefore, further shocks in the market could greatly affect the PNG economy given its heavy reliance on trade-especially commodity exports.
- The global inflationary risk persists due to prolonged trade and geopolitical tensions. This has further increased external, fiscal, and financial risks for vulnerable developing economies including PNG.
- Exchange rates and cross-currency movements combined with supply-side constraints could sustain inflationary pressures through the remainder of 2026. Persistently high inflation could erode household purchasing power, raise business operating costs, and place additional strain on government expenditure.
- The 2026 El Niño event poses a severe risk to the domestic economic outlook through agricultural losses, localized food insecurity, and reduced export earnings. With up to 85.0 per cent of the population reliant on subsistence farming, prolonged drought, crop stress, and frosts in the highlands could destabilize rural incomes and drive-up domestic food prices.

Fiscal Risks

- Increased spending on unbudgeted expenditures/commitments could undermine fiscal discipline and result in deviation from the fiscal consolidation path. This could widen the fiscal deficit at a time when revenue performance is already vulnerable to fluctuations in global commodity prices.
- Elevated fuel costs, inflationary pressures, climate-related shocks (*El Niño*), and election-related spending could further strain fiscal space through higher recurrent expenditure, subsidies, disaster response and support to affected provinces and sectors.
- Overall, fiscal risks remain highly sensitive to volatility in both resource and non-resource revenues. The fiscal transmission mechanism from *El Niño* related droughts may potentially cause weaker agricultural output, and rural incomes could reduce GST, domestic tax collections, and export revenues.
- Fiscal pressures in 2026-2027 are likely to rise due to election-related expenditure and climate shocks. The 2027 National General Election is likely to raise expenditure on electoral administration, security, and logistics, potentially exceeding budget provisions.
- Revenue collections from the first six months suggest that tax revenues could exceed the Budget estimates. However, these gains may be offset by poorer than expected performance for non-tax revenues, such as dividends and revenues from NTR agencies. This represents a risk for fiscal space.

Financial Risks

- The financial system remains exposed to exchange rate movements, external debt servicing obligations, and global financial market volatility; a sustained depreciation of the Kina would increase valuation losses on foreign currency-denominated public debt and raise debt servicing costs.
- Increased external and domestic interest rates could raise refinancing risks, increase interest payments and crowd-out fiscal space for other critical spending needs in health, education and law and order.

The fiscal risk outlook in 2026 remains elevated but manageable, provided the Government maintains fiscal consolidation and avoids allowing temporary resource revenues or commodity-price gains to be offset by permanent expenditure increases. The central risk is the structural mismatch between a volatile, commodity-dependent revenue base and relatively rigid expenditure obligations, which could widen fiscal deficits rapidly following a commodity downturn, climate shock, or major expenditure overrun.

1.11 FISCAL OUTTURN TABLES

Table 25: Statement of Operations for the General Government (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
TRANSACTIONS AFFECTING NET WORTH:						
Revenue	**20,826.2**	**23,234.6**	**28,657.1**	**12,748.1**	**27,720.4**	**-936.7**
Taxes	18,447.0	19,901.4	22,140.5	11,823.4	24,593.6	2,453.1
Taxes on Income,profits, and capital gains	12,364.8	13,124.8	14,879.3	8,411.9	17,655.4	2,776.0
Taxes on payroll and workforce	0.3	2.1	2.3	0.1	2.3	0.0
Taxes on goods and services	5,320.2	5,989.6	6,358.0	2,982.8	6,078.8	-279.2
Taxes on international trade and transactions	761.8	784.8	900.9	428.6	857.2	-43.7
Grants	1,180.6	1,481.2	1,943.0	517.8	1,943.0	0.0
Other Revenue	1,198.6	1,852.0	4,573.6	406.9	1,183.8	-3,389.8
Dividends	*1,033.5*	*1,209.8*	*3,100.0*	*107.2*	*442.3*	*-2,657.7*
Non-Tax Revenue (Statutory Transfers)	*655.0*	*519.0*	*650.0*	*240.0*	*480.0*	*-170.0*
Fees and Charges	*88.5*	*123.2*	*623.6*	*59.7*	*161.5*	*-462.1*
SWF Inflows	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Interest & Fees from Lending	*0.0*	*10.0*	*200.0*	*0.0*	*100.0*	*-100.0*
Resource Revenue	4,267.2	5,044.4	7,800.0	4,073.3	8,256.1	456.1
Mining and Petroleum Taxes	3,707.1	*3,883.0*	*4,850.0*	*3,966.1*	*7,905.1*	*3,055.1*
Mining, Petroleum and Gas Dividends	560.1	*1,161.4*	*2,950.0*	*107.2*	*351.0*	*-2,599.0*
Transfer from the Stabilization Fund (SWF)	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Revenue as percentage of GDP	*17.5%*	*17.0%*	*19.7%*	*7.9%*	*17.2%*	*-2.4%*
Total Expenditure and lending	**24,757.2**	**26,115.1**	**30,265.2**	**15,160.1**	**32,303.7**	**2,038.4**
Expense as percentage of GDP	*20.9%*	*19.1%*	*20.8%*	*9.4%*	*20.1%*	*-0.7%*
Expense[2]	**21,310.7**	**21,797.9**	**23,290.2**	**12,503.1**	**25,328.7**	**2,038.4**
Compensation of employees	7,214.7	7,859.8	8,103.3	4,156.6	8,291.7	188.4
Use of goods and services	6,604.2	6,344.9	7,628.3	4,232.0	9,178.3	1,550.0
Interest	2,952.5	3,379.8	3,628.2	1,854.6	3,928.2	300.0
Grants	4,418.4	4,083.8	3,677.7	2,194.8	3,677.7	0.0
Social benefits	0.0	0.0	90.2	0.0	90.2	0.0
Other expense	120.8	129.6	162.5	65.1	162.5	0.0
Net Acquition of Non-Financial Assets*	**3,446.5**	**4,317.2**	**6,975.0**	**2,657.0**	**6,975.0**	**0.0**
Fixed Assets	3,446.5	4,317.2	6,975.0	2,657.0	6,975.0	0.0
Gross Operating Balance[3]	**-484.5**	**1,436.7**	**5,366.8**	**245.0**	**2,391.7**	**-2,975.1**
Policy Adjustment required					**- 2,975.1**	**- 2,975.1**
Net Lending (+) / Net Borrowing (–)	**-3,931.0**	**-2,880.5**	**-1,608.2**	**-2,412.0**	**-1,608.2**	**0.0**
Net lending/borrowing as percentage of GDP	*-3.3%*	*-2.1%*	*-1.1%*	*-1.5%*	*-1.0%*	*-0.1%*
Primary Balance[4]	-978.5	499.3	2,020.1	-557.4	-655.0	-2,675.1
Non-resource net lending (+)/borrowing (-)	-8,198.2	-7,924.9	-9,408.2	-6,485.3	-12,839.4	-3,431.2
Non-resource primary balance	-5,245.7	-4,545.1	-5,779.9	-4,630.7	-8,911.1	-3,131.2
Non-resource primary balance as percentage of Non-resource GDP	*-9.7%*	*-4.7%*	*-5.6%*	*-4.4%*	*-8.5%*	*0.0%*
Transactions in financial assets and liabilities	**3,317.7**	**2,880.5**	**1,608.2**	**2,412.0**	**1,608.2**	**0.0**
Net Acquisition of Financial Assets	**-783.9**	**1,688.3**	**0.0**	**-1,230.5**	**0.0**	**0.0**
Domestic	-783.9	1,688.3	0.0	-1,230.5	0.0	0.0
External	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	**2,533.8**	**4,568.8**	**1,608.2**	**1,181.5**	**1,608.2**	**0.0**
Domestic	**231.7**	**2,606.1**	**67.4**	**946.4**	**67.4**	**0.0**
Debt securities: Treasury bills	*-1,383.1*	*1,790.9*	*-977.5*	*394.2*	*-977.5*	*0.0*
Debt securities: Treasury bonds	*1,780.3*	*997.0*	*634.0*	*602.2*	*634.0*	*0.0*
Loans	*-165.5*	*-181.8*	*410.9*	*-50.0*	*410.9*	*0.0*
External	**2,302.1**	**1,962.7**	**1,540.8**	**235.1**	**1,540.8**	**0.0**
Monetary gold and special drawing rights (SDR's)	**0.0**	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Debt securities: Sovereign bonds	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Loans	*2,302.1*	*1,962.7*	*1,540.8*	*235.1*	*1,540.8*	*0.0*
Gross Debt Stock	***61,651.6***	***68,462.3***	***66,215.7***	***69,643.9***	***70,070.5***	***3,854.8***
Debt as % of GDP	*51.9%*	*50.0%*	*45.5%*	*43.3%*	*43.6%*	*-1.9%*
Gross Domestic Product[5]	**118,680.4**	**136,976.9**	**145,600.7**	**160,816.0**	**160,816.0**	**15,215.3**
Non-resource GDP	**53,879.5**	**96,594.1**	**103,394.1**	**104,818.8**	**104,818.8**	**1,424.7**

Source: PNG Treasury

*K650.0 million retained NTR agencies revenue and expenditure has been excluded from this total.

1. General Government represents National and Provincial Governments, the Autonomous Bougainville Government and Commercial and Statutory Authorities. District and Local Level Governments are reflected as grants from provincial governments. The statement is produced to reflect transactions on a modified cash basis of accounting and includes in-kind related transactions.
2. Include items that may require reclassification due to interfaces from the legacy systems, (The Provincial Government Accounting System, ALESCO payroll and the Department of Public Works and Implementation, Oracle system).
3. Represents, revenue minus expense, excluding consumption of fixed capital (CFC). CFC are not yet calculated and reported for the government accounts in
4. Represent net lending/net borrowing excluding interest expense or net interest expense.
5. Total nominal GDP by economic activity, Actual: *National Statistics Office* and Projections: *Treasury Department.*

*Net Acquisition of Non-Financial Assets, excludes operational costs like maintenance and repair of fixed assets which are included in the use of goods and services

Table 26: Statement of Sources and Uses of Cash for the General Government (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance

CASH FLOWS FROM OPERATING ACTIVITIES						
Revenue Cash Flows	**19,645.0**	**21,753.4**	**26,737.4**	**12,230.3**	**25,800.7**	**-936.7**
Taxes	**18,447.0**	**19,901.4**	**22,140.5**	**11,823.4**	**24,593.6**	**2,453.1**
Grants	0.0	0.0	23.3	0.0	23.3	0.0
Other Revenue	1,198.6	1,852.0	4,573.6	406.9	1,183.8	-3,389.8
Revenue as percentage of GDP	*16.6%*	*15.9%*	18.4%	*7.6%*	*16.0%*	0.0
Expense cash flows[2]	**20,147.5**	**20,092.7**	**19,450.2**	**12,335.1**	**21,512.0**	**2,061.8**
Compensation of employees	6,240.4	7,635.8	6,602.7	3,992.2	6,791.1	188.4
Uses of goods and services	6,415.3	6,344.9	7,322.1	4,228.5	8,872.1	1,550.0
Interest	2,952.5	3,379.8	3,628.2	1,854.6	3,928.2	300.0
Grants	4,418.4	2,602.6	1,734.7	2,194.8	1,734.7	0.0
Other payments	120.8	129.6	162.5	65.1	162.5	0.0
Expense as percentage of GDP	*17.0%*	*14.7%*	*13.4%*	*7.7%*	*13.4%*	0.0
Net cash inflow from operating activities	**-502.5**	**1,660.7**	**7,287.2**	**-104.8**	**4,288.7**	**-2,998.4**
CASH FLOWS FROM TRANSACTIONS IN NONFINANCIAL ASSETS:						
Net cash outflow from investment in nonfinancial assets	**3,446.5**	**4,317.2**	**6,975.0**	**2,657.0**	**6,975.0**	**0.0**
Fixed assets	3,446.5	4,317.2	6,975.0	2,657.0	6,975.0	0.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Valuables	0.0	0.0	0.0	0.0	0.0	0.0
Nonproduced assets	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure cash flows	**23,594.0**	**24,409.9**	**26,425.2**	**14,992.2**	**28,487.0**	**2,061.8**
Policy Adjustment Required					**- 2,975.1**	**- 2,975.1**
Cash surplus (+) / Cash deficit (–)	**-3,949.0**	**-2,656.5**	**312.1**	**-2,761.8**	**-2,686.3**	**2,998.4**
Surplus/Deficit as percentage of GDP	*-3.3%*	*-1.9%*	*0.2%*	*-1.7%*	*-1.7%*	*-1.9%*
CASH FLOWS FROM TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):	-3,317.7	6,257.1	1,608.2	**-45.4**	**1,608.3**	0.0
Net acquisition of financial assets other than cash	**-783.90**	**1,688.3**	**0.0**	**-1,226.9**	**0.0**	**0.0**
Domestic	-783.90	1,688.3	0.0	-1,226.9	0.0	0.0
External	0.00	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	**2,533.8**	**-4,568.8**	**-1,608.2**	**-1,181.5**	**-1,608.3**	0.0
Domestic	231.7	2,606.1	67.4	946.4	67.4	0.0
External	2,302.1	1,962.7	1,540.8	235.1	1,540.9	0.0
Net cash inflow from financing activities	**3,317.7**	**-6,257.1**	**-1,608.2**	**45.4**	**-1,608.3**	0.0
Net cash inflow as percentage of GDP	*2.8%*	*-4.6%*	*-1.1%*	*0.0%*	*-1.0%*	0.0
Net change in the stock of cash	**-631.3**	**-8,913.7**	**-1,296.1**	**-2,716.4**	**-4,294.5**	-2,998.5
Gross Domestic Product[3]	**118,680.4**	**136,976.9**	**145,600.7**	**160,816.0**	**160,816.0**	15,215.3

Source: Department of Treasury

1. General government represents national and provincial governments, the Autonomous Bouganville government and commercial and statutory authorities. District and local level governments are reflected as grants from provincial governments. The statement is produced to reflect transactions on a modified cash basis of accounting but excludes in-kind related transactions.
2. Include items that may require reclassification due to interfaces from the legacy systems, (The Provincial Government Accounting System, ALESCO payroll and the Department of Public Works and Implementation, Oracle system).
3. Total nominal GDP by economic activity, Actual: *National Statistics Office* and Projections: *Treasury Department.*

Table 27: General Government Revenue by Classification (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
REVENUE[1]	**20,826.2**	**23,234.6**	**28,657.1**	**12,748.1**	**27,720.4**	**-936.7**
TAXES	**18447.0**	**19,901.4**	**22,140.5**	**11,823.4**	**24,593.6**	**2,453.1**
Taxes on Income, Profits and Capital Gains	**12364.8**	**13,124.8**	**14,879.3**	**8,411.9**	**17,655.4**	**2,776.0**
Payable by individuals	**4396.6**	**4,750.4**	**4,955.0**	**2,684.0**	**5,368.1**	**413.1**
Personal Income Tax	4396.6	4,750.4	4,955.0	2,684.0	5,368.1	413.1
Payable by corporations and other enterprises	**7212.7**	**7,584.2**	**9,014.3**	**5,368.5**	**11,568.0**	**2,553.7**
Company Tax	3418.7	3,613.3	4,023.4	1,341.7	3,522.0	-501.4
Mining and Petroleum Taxes	3707.1	3,883.0	4,850.0	3,966.1	7,905.1	3,055.1
Royalties Tax	52.1	52.7	83.6	36.4	83.6	-0.1
Management Tax	34.7	35.2	57.3	24.3	57.3	0.0
Other taxes on income, profits and capital gains	**755.5**	**790.2**	**910.0**	**359.4**	**719.2**	**-190.8**
Dividend Withholding Tax Mining	0.0	0.0	0.0	0.0	0.0	**0.0**
Dividend Withholding Tax Non Mining	0.0	548.5	633.7	250.0	500.1	-133.6
Non-Resident Insuers Withholding Tax	535.8	221.9	260.5	100.2	200.3	-60.2
Interest Withholding Tax	204.7	15.1	15.1	9.1	18.1	3.0
Tax Related Court Fines	14.2	0.0	0.0	0.0	0.0	0.0
Sundry IRC Taxes & Income	0.9	4.7	0.7	0.2	0.7	0.0
	0.0	0.0	0.0	0.0	0.0	**0.0**
Taxes on Payroll and Workforce	**0.3**	**2.1**	**2.3**	**0.1**	**2.3**	**-0.0**
Training Levy	*0.3*	*2.1*	*2.3*	*0.1*	*2.3*	-0.0
Taxes on Goods and Services	**5320.2**	**5,989.6**	**6,358.0**	**2,982.8**	**6,078.8**	**-279.2**
General taxes on goods and services	**3151.5**	**3,657.2**	**3,860.5**	**1,693.3**	**3,440.8**	**-419.7**
Value Added Tax	**3077.6**	**3,557.8**	**3,767.1**	**1,661.8**	**3,377.8**	**-389.3**
GST[2]	**3077.6**	**3,557.8**	**3,767.1**	**1,661.8**	**3,377.8**	**-389.3**
GST Collection at Provinces	*2304.2*	*2,892.8*	*2,997.6*	*1,471.7*	*2,997.6*	-0.0
GST Collection at Ports	*1564.7*	*1,634.0*	*1,783.6*	*979.1*	*1,958.2*	174.6
GST Refunds	*791.3*	*969.0*	*1,014.1*	*789.0*	*1,578.0*	563.9
GST from IRC Trust	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	0.0
Sales taxes	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Turnover & other general taxes on goods and services	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Taxes on financial and capital transactions	**73.9**	**99.5**	**93.4**	**31.5**	**63.1**	**-30.3**
Bank Account Debit Fees	**0.0**	0.0	0.0	0.0	0.0	**0.0**
Stamp Duties	73.9	99.5	93.4	31.5	63.1	-30.3
Excise	**1711.3**	**1,900.8**	**2,075.7**	**1,064.9**	**2,173.4**	**97.7**
Excise Duty	1205.2	1,328.7	1,467.4	711.9	1,467.4	-0.0
Import Excise	506.1	572.1	608.3	353.0	706.0	97.7
Profits of fiscal monopolies	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Taxes on specific services	**402.3**	**422.2**	**402.9**	**210.4**	**444.1**	**41.2**
Bookmakers' Turnover Tax	50.3	62.1	56.5	9.2	56.5	-0.0
Gaming Machine Turnover Tax	348.4	349.0	343.9	183.8	367.7	23.8
Departure Tax	3.7	11.2	2.5	17.3	20.0	17.5
Taxes on use of goods and on permission to use goods or perform acti	**45.9**	**5.7**	**8.0**	**11.5**	**14.4**	**6.5**
Motor vehicles taxes	**45.6**	**5.5**	**5.4**	**9.5**	**11.8**	**6.4**
Motor Vehicle Registration	45.6	5.5	5.4	9.5	11.8	**6.4**
Commercial Vehicle Licenses	0.0	0.0	0.0	0.0	0.0	**0.0**
Other taxes on use of goods and on permission to use goods or perfo	**0.3**	**0.2**	**2.6**	**1.9**	**2.6**	**0.1**
Other taxes on goods and services	**9.3**	**3.6**	**10.9**	**2.8**	**6.0**	**-4.9**
Sundry Taxes (Customs)	9.3	3.6	10.9	2.8	6.0	-4.9
Taxes on International Trade and Transactions	**761.8**	**784.8**	**900.9**	**428.6**	**857.2**	**-43.7**
Customs and other import duties	**462.0**	**504.8**	**546.4**	**304.5**	**608.9**	**62.5**
Import Duty	462.0	504.8	546.4	304.5	608.9	62.5
Other Import Taxes	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Sundry Tax Receipts (Import Duties)	0.0	0.0	0.0	0.0	0.0	**0.0**
Taxes on exports	**299.8**	**280.0**	**354.5**	**124.1**	**248.2**	**-106.3**
Export Tax	299.8	280.0	354.5	124.1	248.2	-106.3
GRANTS	**1180.6**	**1,481.2**	**1,943.0**	**517.8**	**1,943.0**	**0.0**
From Foreign Governments	**758.0**	**1,053.7**	**1,453.5**	**498.6**	**1,453.5**	**0.0**
Current	**606.4**	**843.0**	**1,162.8**	**398.9**	**1,162.8**	**0.0**
Cash	0.0	0.0	23.3	0.0	23.3	0.0
In-Kind	606.4	843.0	1,139.5	398.9	1,139.5	0.0
Capital	**151.6**	**210.7**	**290.7**	**99.7**	**290.7**	**0.0**
Cash	0.0	0.0	0.0	0.0	0.0	0.0
In-Kind	151.6	210.7	290.7	99.7	290.7	0.0
From International Organizations	**422.6**	**427.5**	**489.5**	**19.2**	**489.5**	**0.0**
Current	**338.1**	**342.0**	**391.6**	**15.4**	**391.6**	**0.0**
Cash	0.0	0.0	0.0	0.0	0.0	0.0
In-Kind	338.1	342.0	391.6	15.4	391.6	0.0
Capital	**84.5**	**85.5**	**97.9**	**3.8**	**97.9**	**0.0**
Cash	0.0	0.0	0.0	0.0	0.0	0.0
In-Kind	84.5	85.5	97.9	3.8	97.9	0.0
OTHER REVENUE	**1198.6**	**1,852.0**	**4,573.6**	**406.9**	**1,183.8**	**-3,389.8**
Property Income	**700.3**	**1,278.0**	**3,404.2**	**131.3**	**616.4**	**-2,787.8**
Interest	0.0	**10.0**	**200.0**	**0.0**	**100.0**	**-100.0**
Interest from non-residents	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Interest from Loans Abroad	0.0	0.0	0.0	0.0	0.0	**0.0**
Interest from residents other than general government	**0.7**	**10.0**	**200.0**	**0.0**	**100.0**	**-100.0**
Interest from On Lending	0.7	10.0	200.0	0.0	100.0	**-100.0**
Dividends	**642.3**	**1,209.8**	**3,100.0**	**107.2**	**442.3**	**-2,657.7**
Mining Petroleum and Gas Dividends	560.1	1,161.4	2,950.0	107.2	351.0	-2,599.0
Dividends from Statutory Authorites	0.0	48.4	0.0	0.0	76.0	76.0
Shares in Private Enterprise	0.0	0.0	0.0	0.0	0.0	0.0
Dividends from State Owned Enterprises	82.2	0.0	150.0	0.0	15.3	-134.7
Other Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Rent	**58.0**	**58.1**	**104.2**	**24.1**	**74.1**	**-30.1**
Land Lease Rental	55.2	55.8	100.0	21.9	69.9	**-30.1**
License Fees and Royalty Payments	0.0	0.0	0.0	0.0	0.0	**0.0**
Petroleum Prospecting Licenses	2.7	2.4	4.2	2.2	4.2	**0.0**
Mineral Prospecting Leases	0.0	0.0	0.0	0.0	0.0	**0.0**
Small-Scale Mining Fees	0.0	0.0	0.0	0.0	0.0	**0.0**
Reinvested earnings on foreign direct investment	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Sales of goods and services	**14.9**	**11.6**	**26.1**	**8.1**	**26.1**	**0.0**
Sales by market establishments	**0.0**	0.0	**0.0**	**0.0**	**0.0**	**0.0**
Administrative fees	**8.8**	7.2	**11.1**	**3.8**	**11.1**	**0.0**
Incidental sales by nonmarket establishments	**6.1**	**4.5**	**15.0**	**4.3**	**15.0**	**0.0**
Imputed sales of goods and services	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Fines, penalties, and forfeits	**1.8**	**1.9**	**2.2**	**0.8**	**2.2**	**0.0**
Sheriff's Fees and Poundage	0.0	0.0	0.0	0.0	0.0	**0.0**
Judicial Fines	0.0	0.0	0.5	0.0	0.5	**0.0**
Fines - Criminal	0.0	0.0	0.5	0.0	0.5	**0.0**
District Courts Fines	0.8	1.7	1.1	0.7	1.1	**0.0**
Forfeitures & Court Bails	1.0	0.2	0.1	0.0	0.1	**0.0**
Transfers not elsewhere classified	**482.1**	**560.5**	**1,141.1**	**266.7**	**539.2**	**-601.9**
Current transfers not elsewhere classified	**482.1**	560.5	1,141.1	266.7	539.2	**-601.9**
Subsidies	0.0	0.0	0.0	0.0	0.0	**0.0**
Other current transfers	**482.1**	**560.5**	**1,141.1**	**266.7**	**539.2**	**-601.9**
Recovery of Roads and Bridges Design	**0.0**	0.0	0.0	0.0	0.0	**0.0**
Recovery of Land Acquisition Charges	0.0	0.0	0.0	0.0	0.0	**0.0**
Recovery of Utility Charges	0.0	0.0	0.3	0.0	0.3	**0.0**
Payroll Commission	36.5	41.5	51.7	20.2	51.7	0.0
Recovery of Design Service Charges	0.0	0.0	0.0	0.0	0.0	0.0
State Services and Statutory Authority	408.6	509.0	650.0	240.0	480.0	-170.0
Recoveries from Former Years" Appropriation	33.1	0.0	100.0	0.0	0.0	**-100.0**
Unclaimed Monies	0.0	0.0	332.0	0.0	0.0	**-332.0**
Credit Guarantee Scheme	0.0	0.0	0.0	0.0	0.0	**0.0**
Sundry/(Other) Income	3.9	10.0	0.0	6.5	7.2	**7.2**
Unacquited Travel	0.0	0.0	7.2	0.0	0.0	**-7.2**
Other	0.0	0.0	0.0	0.0	0.0	**0.0**
SWF	0.0	0.0	0.0	0.0	0.0	**0.0**
Capital transfers not elsewhere classified	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Premiums, fees and claims related to nonlife insurance and standardised	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Premiums, fees, and current claims		-	-	-		
Capital claims		-	-	-		

Source: PNG Treasury

Table 28: General Government Expense by Classification (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
Compensation of Employees	**7,214.7**	**7,859.8**	**8,103.3**	**4,156.6**	**8,291.7**	**188.4**
Wages and salaries	**6,597.5**	**7,171.8**	**7,559.1**	**3,751.5**	**7,747.5**	**188.4**
Wages and salaries in cash	6,378.8	6,947.8	7,283.4	3,587.1	7,471.8	**188.4**
Wages and salaries in kind	218.7	224.0	275.7	164.4	275.7	**0.0**
Employers' social contributions	**617.2**	**688.0**	**544.2**	**405.1**	**544.2**	**0.0**
Actual social contributions	617.2	688.0	544.2	405.1	544.2	**0.0**
Use of goods and services*	**6,604.2**	**6,344.9**	**7,628.3**	**4,232.0**	**9,178.3**	**1,550.0**
Use of goods and services	6,604.2	6,344.9	7,628.3	4,232.0	9,178.3	**1,550.0**
Use of goods and services	6,604.2	6,344.9	7,628.3	4,232.0	9,178.3	1,550.0
Interest**	**2,952.5**	**3,379.8**	**3,628.2**	**1,854.6**	**3,928.2**	**300.0**
To nonresidents	**1,068.7**	**1,111.4**	**1,399.4**	**493.0**	**1,399.4**	**0.0**
Interest to Non residents	1,068.7	1,111.4	1,399.4	493.0	1,399.4	**0.0**
To residents other than general government	**1,883.8**	**2,268.4**	**2,228.8**	**1,361.6**	**2,528.8**	**300.0**
Interest to residents other than general governments	1,883.8	2,268.4	2,228.8	1,361.6	2,528.8	**300.0**
Grants***	**4,418.4**	**4,083.8**	**3,677.7**	**2,194.8**	**3,677.7**	**0.0**
Grants to other general government units	**4,418.4**	**4,083.8**	**3,677.7**	**2,194.8**	**3,677.7**	**0.0**
Grants to other general governments current	3,956.4	3,613.8	3,207.7	1,780.8	3,207.7	**0.0**
Grants to other general governments capital	462.0	470.0	470.0	414.0	470.0	**0.0**
Social Benefits	**0.0**	**0.0**	**90.2**	**0.0**	**90.2**	**0.0**
Social assistance benefits	0.0	0.0	90.2	0.0	90.2	**0.0**
Social assistance benefits in cash	0.0	0.0	90.2	0.0	90.2	**0.0**
Other expenses	**120.8**	**129.6**	**162.5**	**65.1**	**162.5**	**0.0**
Transfers not elsewhere classified	120.8	129.6	162.5	65.1	162.5	**0.0**
Other expense - Current transfers not elsewhere classified	120.8	129.6	162.5	65.1	162.5	**0.0**
Net Aquisition Nonfinancial assets******	**3,446.5**	**4,317.2**	**6,975.0**	**2,657.0**	**6,975.0**	**0.0**
Nonproduced assets	**0.0**	**0.0**	**7.9**	**0.0**	**7.9**	**0.0**
NFA:Intangible nonproduced assets	0.0	0.0	0.0	0.0	0.0	**0.0**
NFA:Land	0.0	0.0	7.9	0.0	7.9	**0.0**
Aquisition of Fixed assets	**3,446.5**	**4,317.2**	**6,967.1**	**2,657.0**	**6,967.1**	**0.0**
NFA:Buildings and structures	671.2	652.0	832.4	353.5	832.4	**0.0**
NFA: Dwellings	0.0	0.0	2.2	0.0	2.2	**0.0**
Building other than dewellings		0.0	66.7	0.0	66.7	
NFA:Fixed assets	2,107.2	2,790.0	4,967.6	1,980.7	4,967.6	**0.0**
NFA:Information, computer, & telecommunications equipment	76.1	110.7	98.7	38.3	98.7	**0.0**
NFA:Machinery & equipment other than transport equipment	42.8	19.0	34.0	17.5	34.0	**0.0**
NFA:Other structures	0.0	0.0	10.6	0.0	10.6	**0.0**
NFA:Transport equipment	13.6	34.6	23.5	12.5	23.5	**0.0**
Other expense - Current transfers not elsewhere classified	535.6	711.0	931.3	254.5	931.3	0.0
Policy Adjustment					**-2,975.1**	2,038.4
Total expenditure	**24,757.2**	**26,115.1**	**30,265.2**	**15,160.1**	**29,328.6**	**-936.7**
as % of GDP	*20.9%*	*19.1%*	*20.8%*	*9.4%*	*18.2%*	*-2.5%*

Source: PNG Treasury

* Use of goods and services includes operational costs like maintenance and repair of fixed assets.
** Excluding K2.7 million for fees, other than interest, captured under use of goods and services.
*** Grants are inclusive of payments made to other general government units for the purposes of capital projects.

Table 29: General Government Expense by Agency Type and by Classification (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
National Departments	9,539.6	9,764.9	11,129.7	5,872.1	12,633.3	1,503.6
Compensation of Employees	2,334.3	2,552.3	2,615.3	1,309.7	2,568.9	-46.4
Wages and salaries	1,820.9	2,008.1	2,242.1	1,010.2	2,195.7	-46.4
Wages and salaries in cash	1,726.4	1,926.2	2,123.7	971.8	2,077.3	-46.4
Wages and salaries in kind	94.5	81.9	118.4	38.4	118.4	0.0
Employers' social contributions	513.4	544.2	373.2	299.5	373.2	0.0
Actual social contributions	513.4	544.2	373.2	299.5	373.2	0.0
Use of goods and services	3,622.6	3,555.5	3,964.3	2,384.4	5,514.3	1,550.0
Use of goods and services	3,622.6	3,555.5	3,964.3	2,384.4	5,514.3	1,550.0
Use of goods and services	3,622.6	3,555.5	3,964.3	2,384.4	5,514.3	1,550.0
Grants	2,231.1	1,855.7	1,334.8	665.9	1,334.9	0.0
Grants to other general government units	2,231.1	1,855.7	1,334.8	665.9	1,334.9	0.0
Grants to other general governments current	2,231.1	1,855.7	1,334.8	665.9	1,334.9	0.0
Grants to other general governments capital	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses	118.0	126.2	139.3	62.1	139.4	0.0
Transfers not elsewhere classified	118.0	126.2	139.3	62.1	139.4	0.0
Other expense - Current transfers not elsewhere classified	118.0	126.2	139.3	62.1	139.4	0.0
Net Aquisition Nonfinancial assets	1,233.6	1,675.1	3,041.7	1,450.0	3,041.7	0.0
Nonproduced assets	0.0	0.0	7.9	0.0	7.9	0.0
NFA:Intangible nonproduced assets	0.0	0.0	0.0	0.0	0.0	0.0
NFA:Land	0.0	0.0	7.9	0.0	7.9	0.0
Aquisition of Fixed assets	1,233.6	1,675.1	3,033.8	1,450.0	3,033.8	0.0
NFA:Buildings and structures	0.0	0.0	1.0	0.0	1.0	0.0
NFA:Dwellings	0.0	0.0	1.9	0.0	1.9	0.0
NFA:Fixed assets	1,172.7	1,586.3	2,960.9	1,424.4	2,960.9	0.0
NFA:Information, computer, & telecommunications equipment	25.6	57.6	40.6	14.9	40.6	0.0
NFA:Machinery & equipment other than transport equipment	25.9	7.0	10.4	2.8	10.4	0.0
NFA:Other structures	0.0	0.0	3.8	0.0	3.8	0.0
NFA:Transport equipment	9.4	24.1	15.0	7.9	15.0	0.0
Social Benefits	0.0	0.0	31.9	0.0	31.9	0.0
Social assistance benefits in cash	0.0	0.0	31.9	0.0	31.9	0.0
Out of scope for GFS coding purposes	0.0	0.0	2.3	0.0	2.3	0.0
Out of scope for GFS coding purposes	0.0	0.0	2.3	0.0	2.3	0.0
Provincial Governments	5,900.7	5,903.5	6,481.1	3,775.0	6,666.7	185.6
Compensation of Employees	2,629.9	2,849.0	2,864.1	1,416.4	3,049.6	185.6
Wages and salaries	2,627.2	2,842.7	2,864.1	1,415.2	3,049.6	185.6
Wages and salaries in cash	2,572.7	2,786.7	2,803.2	1,363.5	2,988.8	185.6
Wages and salaries in kind	54.5	56.0	60.9	51.6	60.9	0.0
Employers' social contributions	2.7	6.3	0.0	1.2	0.0	0.0
Actual social contributions	2.7	6.3	0.0	1.2	0.0	0.0
Use of goods and services	1,234.5	967.6	1,296.3	910.4	1,296.3	0.0
Use of goods and services	1,234.5	967.6	1,296.3	910.4	1,296.3	0.0
Grants	2,011.9	2,027.5	2,081.7	1,395.3	2,081.7	0.0
Grants to other general government units	2,011.9	2,027.5	2,081.7	1,395.3	2,081.7	0.0
Grants to other general governments current*	1,589.9	1,596.5	1,651.7	1,016.3	1,651.7	0.0
Grants to other general governments capital	422.0	431.0	430.0	379.0	430.0	0.0
Net Aquisition Nonfinancial assets	24.3	59.5	239.0	53.0	239.0	0.0
Aquisition of Fixed assets	24.3	59.5	239.0	53.0	239.0	0.0
NFA:Fixed assets*	24.3	59.5	239.0	53.0	239.0	0.0
NFA:Buildings and structures		0.0	0.0	0.0	0.0	0.0
Autonomous Bougainville Government	444.5	452.8	495.4	143.5	495.4	0.0
Compensation of Employees	170.1	170.4	163.8	91.2	163.8	0.0
Wages and salaries	170.1	170.4	163.8	91.2	163.8	0.0
Wages and salaries in cash	160.3	160.2	153.3	80.7	153.3	0.0
Wages and salaries in kind	9.8	10.2	10.5	10.5	10.5	0.0
Employers' social contributions	0.0	0.1	0.0	0.0	0.0	0.0
Actual social contributions	0.0	0.1	0.0	0.0	0.0	0.0
Use of goods and services	134.4	159.4	161.6	9.8	161.6	0.0
Use of goods and services	134.4	159.4	161.6	9.8	161.6	0.0
Use of goods and services	134.4	159.4	161.6	9.8	161.6	0.0
Grants	40.0	43.0	70.0	37.5	70.0	0.0
Grants to other general government units	40.0	43.0	70.0	37.5	70.0	0.0
Grants to other general governments current	0.0	4.0	30.0	2.5	30.0	0.0
Grants to other general governments capital	40.0	39.0	40.0	35.0	40.0	0.0
Net Aquisition Nonfinancial assets	100.0	80.0	100.0	5.0	100.0	0.0
Fixed Assets	100.0	80.0	100.0	5.0	100.0	0.0
Commercial & Statutory Authorities	3,729.4	4,142.0	5,267.0	2,472.2	5,316.2	49.2
Compensation of Employees	2,080.4	2,288.1	2,460.1	1,339.3	2,509.3	49.2
Wages and salaries	1,979.3	2,150.6	2,289.2	1,235.0	2,338.4	49.2
Wages and salaries in cash	1,919.4	2,074.7	2,203.2	1,171.1	2,252.4	49.2
Wages and salaries in kind	59.9	75.9	86.0	63.9	86.0	0.0
Employers' social contributions	101.1	137.4	170.9	104.3	170.9	0.0
Actual social contributions	101.1	137.4	170.9	104.3	170.9	0.0
Use of goods and services	1,124.1	1,150.9	1,473.9	745.9	1,473.9	0.0
Use of goods and services	1,124.1	1,150.9	1,473.9	745.9	1,473.9	0.0
Use of goods and services	1,124.1	1,150.9	1,473.9	745.9	1,473.9	0.0
Grants	135.4	157.6	191.1	96.1	191.1	0.0
Grants to other general government units	135.4	157.6	191.1	96.1	191.1	0.0
Grants to other general governments current	135.4	157.6	191.1	96.1	191.1	0.0
Other expenses	2.8	3.4	14.9	3.0	14.9	0.0
Transfers not elsewhere classified	2.8	3.4	14.9	3.0	14.9	0.0
Other expense - Current transfers not elsewhere classified	2.8	3.4	14.4	3.0	14.4	0.0
Other expense - Premiums		0.0	0.5	0.0	0.5	0.0
Net Aquisition Nonfinancial assets	386.7	542.1	1,062.7	287.9	1,062.7	0.0
Aquisition of Fixed assets	386.7	542.1	1,062.7	287.9	1,062.7	0.0
NFA:Buildings and structures	0.0	0.0	4.9	0.0	4.9	0.0
Building other than dewellings	0.0	0.0	66.7	0.0	66.7	0.0
NFA:Dwellings	0.0	0.0	0.3	0.0	0.3	0.0
NFA:Fixed assets	347.1	499.3	935.3	262.9	935.3	0.0
NFA:Machinery & equipment other than transport equipment	16.9	12.0	23.6	14.7	23.6	0.0
NFA:Other structures	0.0	0.0	6.8	0.0	6.8	0.0
NFA:Transport equipment	4.2	10.5	8.5	4.7	8.5	0.0
NFA: Information, computer, and telecommunications (ICT) equip	18.5	20.4	16.7	5.7	16.7	0.0
Social Benefits	0.0	0.0	58.3	0.0	58.3	0.0
Social assistance benefits	0.0	0.0	58.3	0.0	58.3	0.0
Social assistance benefits in cash	0.0	0.0	58.3	0.0	58.3	0.0
Out of scope for GFS coding purposes	0.0	0.0	5.9	0.0	5.9	0.0
		0.0	5.9		5.9	0.0
Debt Service (Interest Payment)	2,963.5	3,403.4	3,723.0	1,854.9	4,023.0	300.0
Use of goods and services	11.0	23.6	94.8	0.3	94.8	0.0
Use of goods and services	11.0	23.6	94.8	0.3	94.8	0.0
Use of goods and services	11.0	23.6	94.8	0.3	94.8	0.0
Interest	2,952.5	3,379.8	3,628.2	1,854.6	3,928.2	300.0
To nonresidents	1,068.7	1,111.4	1,399.4	493.0	1,399.4	0.0
Interest to Non residents	1,068.7	1,111.4	1,399.4	493.0	1,399.4	0.0
To residents other than general government	1,883.8	2,268.4	2,228.8	1,361.6	2,528.8	300.0
Interest to residents other than general governments	1,883.8	2,268.4	2,228.8	1,361.6	2,528.8	300.0
Expenditure supported by donor grants	1,180.6	1,481.2	1,943.0	517.8	1,943.0	0.0
Use of goods and services	403.9	432.5	567.4	151.2	567.4	0.0
Use of goods and services	403.9	432.5	567.4	151.2	567.4	0.0
Use of goods and services	403.9	432.5	567.4	151.2	567.4	0.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0
Grants to other general government units	0.0	0.0	0.0	0.0	0.0	0.0
Grants to other general governments current	0.0	0.0	0.0	0.0	0.0	0.0
Net Aquisition Nonfinancial assets	776.7	1,048.7	1,375.7	366.6	1,375.7	0.0
Aquisition of Fixed assets (Buildings and Structures)	776.7	1,048.7	1,375.7	366.6	1,375.7	0.0
NFA:Fixed assets	268.6	368.4	483.3	128.8	483.3	0.0
Other expense - Current transfers not elsewhere classified	508.1	680.3	892.4	237.8	892.4	0.0
						0.0
Expenditure financed by concessional loans	998.9	967.2	1,226.0	524.5	1,226.0	0.0
Use of goods and services	73.6	55.3	70.1	30.0	70.1	0.0
Use of goods and services	73.6	55.3	70.1	30.0	70.1	0.0
Use of goods and services	73.6	55.3	70.1	30.0	70.1	0.0
Net Aquisition Nonfinancial assets	925.3	911.9	1,155.9	494.5	1,155.9	0.0
Aquisition of Fixed assets (Buildings and Structures)	925.3	911.9	1,155.9	494.5	1,155.9	0.0
NFA:Buildings and structures	671.2	652.0	826.5	353.5	826.5	0.0
NFA:Fixed assets	194.6	196.5	249.1	106.6	249.1	0.0
NFA:Information, computer, & telecommunications equipment	32.0	32.7	41.4	17.7	41.4	0.0
NFA:Machinery & equipment other than transport equipment	0.0	0.0	0.0	0.0	0.0	0.0
Other expense - Current transfers not elsewhere classified	27.5	30.7	38.9	16.7	38.9	0.0
Policy Adjustment					-2,975.1	-2,975.1
Total expenditure	24,757.3	26,115.2	30,265.2	15,160.1	29,328.6	-936.7
as % of GDP	20.9%	19.1%	20.8%	9.4%	18.2%	-2.5%

Source: PNG Treasury

Table 30: Transactions in Assets and Liabilities for General Government (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
Net Acquisition of Financial Assets	**-783.9**	**1,688.3**	**0.0**	**-1,226.9**	**0.0**	**0.0**
Domestic	**-783.9**	**1,688.3**	**0.0**	**-1,226.9**	**0.0**	0.0
Currency and deposits	-783.9	1,688.3	0.0	-1,226.9	0.0	0.0
Other accounts receivable		0.0	0.0	0.0	0.0	0.0
External	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	0.0
Net Incurrence of Liabilities	**2,533.8**	**4,568.8**	**1,608.2**	**1,181.5**	**1,608.2**	0.0
Domestic	**231.7**	**2,606.1**	**67.4**	**946.4**	**67.4**	0.0
Monetary gold and special drawing rights (SDR's)	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	**397.2**	**2,787.9**	**-343.5**	**996.4**	**-343.5**	**0.0**
New instruments	16,410.3	17,927.5	16,437.3	9,534.4	16,437.3	0.0
Amortisation	-16,013.1	-15,139.6	-16,780.8	-8,538.0	-16,780.8	0.0
Treasury Bills	***-1,383.1***	***1,790.9***	***-977.5***	***394.2***	***-977.5***	**0.0**
New instruments	*12,889.3*	*14,964.1*	*13,368.5*	*7,836.5*	*13,368.5*	0.0
Amortisation	*-14,272.4*	*-13,173.2*	*-14,346.0*	*-7,442.3*	*-14,346.0*	0.0
Treasury Bonds	***1,780.3***	***997.0***	***634.0***	***602.2***	***634.0***	**0.0**
New instruments	*3,521.0*	*2,963.4*	*3,068.8*	*1,697.9*	*3,068.8*	0.0
Amortisation	*-1,740.7*	*-1,966.4*	*-2,434.8*	*-1,095.7*	*-2,434.8*	0.0
Loans	**-165.5**	**-181.8**	**410.9**	**-50.0**	**410.9**	**0.0**
New borrowing	*0.0*	*0.0*	600.0	0.0	600.0	0.0
Amortisation	*-165.5*	*-181.8*	-189.1	-50.0	-189.1	0.0
External	**2,302.1**	**1,962.7**	**1,540.8**	**235.1**	**1,540.8**	**0.0**
Monetary gold and special drawing rights (SDR's)	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
New instruments	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Holdings gains and losse*	0.0	0.0	0.0	0.0	0.0	0.0
Concessional financing	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
New instruments	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Commercial financing	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
New instruments	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary financing	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
New instruments	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Loans	***2,302.1***	***1,962.7***	***1,540.8***	***235.1***	***1,540.8***	**0.0**
New borrowing	3,804.4	3,723.4	3,703.5	1,242.0	3,703.5	0.0
Amortisation	-1,502.3	-1,760.7	-2,162.7	-1,006.9	-2,162.7	0.0
Concessional financing	***-96.6***	***92.1***	***-150.0***	***56.5***	***-150.0***	**0.0**
New borrowing	*998.9*	*967.2*	*1,226.0*	*526.8*	*1,226.0*	0.0
Amortisation	*-1,095.5*	*-875.1*	*-1,376.0*	*-470.3*	*-1,376.0*	0.0
Commercial financing	***-43.6***	***-48.9***	***-53.9***	***-26.4***	***-53.9***	**0.0**
New borrowing	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	0.0
Amortisation	*-43.6*	*-48.9*	*-53.9*	*-26.4*	*-53.9*	0.0
*Holdings gains and losse**		*0.0*	*0.0*	*0.0*	*0.0*	0.0
Extraordinary financing	***2,442.3***	***1,919.5***	***1,744.7***	***205.0***	***1,744.7***	**0.0**
New borrowing	*2,805.5*	*2,756.1*	*2,477.5*	*715.2*	*2,477.5*	0.0
Amortisation	*-363.2*	*-836.6*	*-732.8*	*-510.1*	*-732.8*	0.0
*Holdings gains and losse**	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	0.0
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0
Other accounts payable	0.0	0.0	0.0	0.0	0.0	0.0

Source: PNG Treasury

1. General government represents national and provincial governments, the Autonomous Bouganville government and commercial and statutory authorities.

Table 31: Stocks of General Government Debt (Kina Million)

Kina Million	2024 Actuals	2025 Actuals	2026 Budget	June Outturn	2026 MYEFO	Budget Variance
Domestic	**29,942.2**	**31,672.4**	**30,892.8**	**32,618.9**	**31,739.8**	**-847.0**
Debt securities	**29,065.1**	**31,249.3**	**29,824.7**	**32,245.7**	**30,905.8**	**-1,081.1**
Treasury Bills	*12,756.3*	*13,943.5*	*11,897.9*	*14,337.7*	*12,966.0*	*-1,068.1*
Treasury Bonds	*16,308.8*	*17,305.8*	*17,926.8*	*17,908.0*	*17,939.8*	*-13.0*
Loans	**877.1**	**423.1**	**1,068.1**	**373.2**	**834.0**	***234.1***
Guarantees	877.1	423.1	1,068.1	373.2	834.0	234.1
External	**31,709.4**	**36,789.9**	**35,322.9**	**37,025.0**	**38,330.7**	**-2,546.5**
Monetary Gold & Special Drawing Rights (SDR)	**1,244.1**	**1,244.1**	**1,244.1**	**1,244.1**	**1,244.1**	**0.0**
Debt securities	**1,897.0**	**2,127.7**	**1,897.0**	**2,127.7**	**2,127.7**	**230.7**
Concessional financing	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Commercial financing	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Extraordinary financing	*1,897.0*	*2,127.7*	*1,897.0*	2,127.66	*2,127.7*	*230.7*
Loans	**28,568.4**	**33,418.1**	**32,181.8**	**33,653.2**	**34,958.9**	**-2,777.2**
Concessional financing	*12,595.6*	*14,240.1*	*12,738.7*	*14,296.6*	*14,090.1*	*-1,351.4*
Commercial financing	*121.9*	*222.4*	*122.7*	*196.0*	*168.5*	*-45.9*
Extraordinary financing	*15,850.8*	*18,955.6*	*19,320.4*	*19,160.6*	*20,700.3*	*-1,379.9*
Total Central Government Debt	**61,651.6**	**68,462.3**	**66,215.7**	**69,643.9**	**70,070.5**	**-3,393.4**
Total debt as percentage of GDP	*51.9%*	*50.0%*	*45.5%*	*43.3%*	*43.6%*	**-1.9%**
Gross Domestic Product[2]	**118,680.4**	**136,976.9**	**145,600.7**	**160,816.0**	**160,816.0**	**15,215.3**

Source: PNG Treasury

1. General government represents national and provincial governments, the Autonomous Bouganville government and commercial and statutory authorities.
2. Total nominal GDP by economic activity, Actual: *National Statistics Office* and Projections: *Treasury Department.*

PART 2: MID-YEAR EXPENDITURE

2.1 BUDGET FUNDED EXPENDITURE

Expenditure performance during the first half of 2026 reflects the Government's continued commitment to prudent fiscal management, balancing fiscal consolidation objectives with the sustained investment into essential public services and development priorities. Expenditure execution remained guided by cash flow management measures and warranting arrangements, with priorities accorded to debt servicing obligations, compensation of employees, essential government operations, including managing the fuel price shocks, and high-impact capital investments aligned with the Government's medium-term development plan.

The total expenditure envelope was originally budgeted at K30,915.2 million (excluding debt amortisation) which was maintained in the revised budget albeit with a K236.9 million shift towards the operational budget (see Table 32). As at 30th June 2026, total warrants issued amounted to K20,454.6 million or 66.2 per cent of the original budget, while actual expenditure totalled K15,160.2 million or 50.1 per cent of the original budget.

Table 32: Summary of 2026 Expenditure by Major Expenditure Category (Kina Million)

2026 Budget Items	2026 Budget	Revised Budget	Warrant Issued	June Outturn	Outturn* Vs 2026 Budget (%)	Outturn* Vs Warrant Issued (%)
Operational	**19,399.2**	**19,636.1**	**15,503.3**	**10,463.4**	**53.9%**	**67.5%**
Compensation of Employees	8,193.5	7,993.5	6,971.3	4,156.6	50.7%	59.6%
Goods and Services	5,438.3	5,875.2	5,169.4	3,507.8	64.5%	67.9%
Provincial Functional Grant	770.0	770.0	732.2	306.8	39.8%	41.9%
Debt (Interest Repayment)	3,723.0	3,723.0	2,630.4	1,854.9	49.8%	70.5%
GST and BMT Transfers	1,274.5	1,274.5		637.3	50.0%	
GoPNG Capital	**10,866.0**	**10,629.1**	**4,951.3**	**4,696.8**	**43.2%**	**94.9%**
GoPNG PIP	6,517.0	6,280.1	3,904.3	2,626.5	40.3%	67.3%
SIPs Funding	1,180.0	1,180.0	1,047.0	1,028.0	87.1%	98.2%
Concessional Loans	1,226.0	1,226.0		524.5	42.8%	
Donor Grants	1,943.0	1,943.0		517.8	26.6%	
Grand Total	**30,915.2***	**30,915.2***	**20,454.6**	**15,160.2**	**50.1%**	**74.1%**

Source: PNG Treasury

*This includes K650 million retained and expended by NTRA agencies. Since these transactions are undertaken outside of the Waigani Public Account (WPA), they are not captured under the Government's economic classification framework. As such, Treasury does not have oversight of these funds and so the outturn is compared to totals with NTRA expenditure excluded.

Note: Expenditure financed through concessional loans and donor grants is generally not subject to the Government warranting process, as disbursements are undertaken in accordance with the financing agreements and implementation procedures of the respective development partners with the responsible implementing agency.

Operational Budget

The 2026 Operational Budget was originally appropriated at K19,399.2 million. This was subsequently revised upwards to K19,636.1 million during the first half of the year (see Table 31). The K236.9 million increase reflects the reallocation from GoPNG capital to support emerging expenditure pressures and requirements including fuel subsidies to maintain affordability.

As of 30th June 2026, a total of K15,503.3 million in operational warrants have been issued, of which K10,463.4 million had been expended. This represents an execution rate of 53.9 per cent against the original operational budget and 67.5 per cent against warrants issued. This funding has been allocated to maintain the continuity of essential public services with prioritization to compensation of employees, goods and services, provincial functional grants, debt servicing interest repayment, and intergovernmental transfers, while maintaining efforts to strengthen fiscal discipline and expenditure controls.

Compensation of Employees (CoE)

CoE remains the largest component of the Operational Budget, reflecting the Government's continued commitment to maintaining essential public service delivery through the payment of salaries, wages, and employment-related benefits. The original CoE budget was K8,193.5 million however this was revised downwards to increase goods and services spending, including fuel subsidies to mitigate price rises.

As at 30th June 2026, total CoE expenditure amounted to K4,156.6 million, representing 50.7 per cent of the original budget allocation and 59.6 per cent of total warrants issued. The spending indicates steady implementation of personnel-related commitments during the first half of the year. Teacher Salaries totalled K1,265.6 million, 50.0 per cent of the original budget allocation, while salaries and allowances for National Departments reached K791.9 million (48.6 per cent). Non-PHA, CSAs and PHAs recorded expenditure of K584.5 million (50.6 per cent) and K432.6 million (53.8 per cent) respectively. The spending demonstrates the Government's continued commitment and focus on ensuring timely payment of public servants who support the delivery of essential government functions.

Table 33: Compensation of Employees by Description Types (Kina Million)

Compensation of Employees	2026 Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs 2026 Budget (%)	Outturn Vs Warrant Issued (%)
Salaries & Allowances (National Depts)	1,630.2	1,640.9	1,304.1	791.9	48.6%	60.7%
Salaries & Allowances (Non-PHA CSA's)	1,156.2	1,158.9	904.3	584.5	50.6%	64.6%
Salaries & Allowances (PHA's)	804.8	823.0	704.0	432.6	53.8%	61.4%
Teacher Salaries (TSC)	2,532.1	2,532.1	2,393.6	1,265.6	50.0%	52.9%
Gratuities	634.3	479.2	413.6	325.7	51.3%	78.7%
Staffing Grants	406.1	410.0	379.3	174.7	43.0%	46.1%
Wages Allowances	357.6	357.8	313.0	229.3	64.1%	73.3%
Leave fares	204.3	200.8	180.4	102.3	50.1%	56.7%
Pension & Super	173.0	95.8	95.2	83.2	48.1%	87.4%
MPs	141.7	141.7	141.7	75.9	53.6%	53.6%
Teachers Leave fares	55.7	55.7	55.7	47.8	85.8%	85.8%
Other Expenditure	97.4	97.6	86.5	43.1	44.3%	49.8%
Grand Total	**8,193.5**	**7,993.5**	**6,971.3**	**4,156.6**	**50.7%**	**59.6%**

Source: PNG Treasury

Goods & Services (G&S)

In the 2026 Budget, the Government appropriated K5,438.3 million for Goods and Services (G&S), which was revised upwards to K5,875.2 million during the year to support the continued delivery of essential public services and respond to emerging operational needs across government agencies, including supporting fuel subsidies.

As at 30th June 2026, warrants issued against the original budget allocation amounted to K5,169.4 million, 95.1 per cent of the original budget. Actual expenditure reached K3,507.8 million, equivalent to 64.5 per cent of the original allocation and 67.9 per cent of warrants released. The mid-year execution reflects a steady implementation pace, with expenditure focused on maintaining core government operations, including service delivery activities, administrative requirements, and priority operational commitments across agencies. The remaining balance is expected to be progressively utilized in the second half of the year as agencies continue to deliver on their annual work plans and priorities.

Provincial Functional Grants (PFGs)

The Government maintained the Provincial Functional Grants (PFGs) budget at K770.0 million in the 2026 Budget, reaffirming its commitment to supporting provincial governments in delivering mandated functions under the Organic Law on Provincial Governments and Local-level Governments. These grants provide critical financing support for decentralized service delivery, particularly in key sectors such as health, education, transport infrastructure, and law and justice.

As at 30th June 2026, warrants issued amounted to K732.2 million, representing 95.1 per cent of the original allocation, while actual expenditure was recorded at K306.8 million, equivalent to 39.8 per cent of the original budget and 41.9 per cent of warrants released. Implementation is expected to increase in the second half of the year as the Government continues to support sub-nationals in delivering priority services and accelerate expenditure on approved functional activities.

Debt Service – Interest Repayment

Interest payments on public debt recorded a mid-year expenditure outcome of K1,854.9 million against the K3,723.0 million original budget allocation for 2026. This represents 49.8 per cent execution rate against the original budget and 70.5 per cent execution rate against the released warrants of K2,630.4 million. The expenditure outcome reflects the Government's ongoing obligations in servicing both domestic and external borrowing commitments. The mid-year performance remains broadly consistent with the planned debt servicing profile, ensuring that interest obligations are met on schedule while maintaining compliance with loan agreements and enhancing investor and creditor confidence in Papua New Guinea's fiscal management framework.

GST and BTT Transfers to Provinces

In the 2026 Budget, the Government appropriated K1,274.5 million for the transfer of Goods and Services Tax (GST) and Bookmakers' Turnover Tax (BTT) revenues to provincial governments.

As at 30th June 2026, actual expenditure amounted to K637.3 million, representing 50.0 per cent execution against the original budget allocation. These transfers continue to provide an important source of financing for provincial governments, supporting subnational service delivery and ensuring that provinces receive their statutory share of nationally collected tax revenues. The administration and disbursement of GST and BTT transfers remain independently managed by the Internal Revenue Commission (IRC) in accordance with distribution arrangements determined by the National Economic and Fiscal Commission (NEFC). These transfers are processed outside the Treasury warrant control mechanism and are distributed according to legislated arrangements governing the distribution of shared tax revenues between the National Government and provincial administrations.

GoPNG Expenditure by Sectors

Expenditure performance continued to reflect the varying nature of sectoral programs and implementation requirements. Sectors with established operational activities and ongoing commitments generally recorded stronger execution, while some capital-intensive sectors progressed in line with project timelines, procurement processes, and implementation schedules (see Table 33).

As at 30th June 2026, total of K1,817.6 million was expended under the Cross-cutting Sector, which has exceeded its original budget by 26.7 per cent. The variance is explained by budget reallocations (transfers) made into this sector to pay for fuel subsidies.

Table 34: GoPNG expenditure by key government Sector

GoPNG Expenditure by Sectors	2026 Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Administration	**3,532.8**	**3,457.2**	**2,801.4**	**1,985.9**	**56.2%**	**70.9%**
Operational	1,507.8	1,615.8	1,369.4	757.4	50.2%	55.3%
GoPNG Capital	2,025.0	1,841.4	1,432.1	1,228.5	60.7%	85.8%
Provinces	**4,388.8**	**4,862.7**	**2,781.2**	**2,605.1**	**59.4%**	**93.7%**
Operational	1,260.3	1,284.2	1,213.1	534.5	42.4%	44.1%
GoPNG Capital	1,854.0	2,304.0	1,568.0	1,433.3	77.3%	91.4%
GST and BTT Transfers	1,274.5	1,274.5	0.0	637.3	50.0%	0.0%
Community & Culture	**289.9**	**225.2**	**154.3**	**103.7**	**35.8%**	**67.2%**
Operational	71.9	75.2	63.3	37.1	51.6%	58.6%
GoPNG Capital	218.0	150.0	91.0	66.6	30.5%	73.1%
Debt Services	**3,723.0**	**3,723.0**	**2,630.4**	**1,854.9**	**49.8%**	**70.5%**
Operational	3,723.0	3,723.0	2,630.4	1,854.9	49.8%	70.5%
Economic	**1,107.7**	**1,019.4**	**702.9**	**475.5**	**42.9%**	**67.7%**
Operational	360.7	431.5	348.1	263.8	73.2%	75.8%
GoPNG Capital	747.0	587.8	354.8	211.7	28.3%	59.7%
Education	**5,607.2**	**4,680.4**	**4,305.4**	**2,444.8**	**43.6%**	**56.8%**
Operational	5,217.2	4,322.4	4,037.9	2,298.3	44.1%	56.9%
GoPNG Capital	390.0	358.0	267.5	146.4	37.5%	54.7%
Health	**2,957.5**	**2,923.3**	**2,131.4**	**1,263.8**	**42.7%**	**59.3%**
Operational	2,345.5	2,376.9	2,041.9	1,241.8	52.9%	60.8%
GoPNG Capital	612.0	546.4	89.5	22.0	3.6%	24.6%
Law & Justice	**2,379.6**	**2,333.9**	**1,740.1**	**977.0**	**41.1%**	**56.1%**
Operational	2,001.6	2,043.2	1,605.0	913.4	45.6%	56.9%
GoPNG Capital	378.0	290.7	135.1	63.6	16.8%	47.1%
Cross-cutting	**1,434.8**	**2,263.6**	**2,043.7**	**1,817.6**	**126.7%**	**88.9%**
Operational	1,434.8	2,263.6	2,043.7	1,817.6	126.7%	88.9%
Transport	**1,551.1**	**1,493.7**	**1,103.2**	**535.5**	**34.5%**	**48.5%**
Operational	160.1	176.4	122.5	84.6	52.9%	69.1%
GoPNG Capital	1,391.0	1,317.3	980.8	450.9	32.4%	46.0%
Utilities	**123.9**	**113.7**	**60.6**	**54.1**	**43.7%**	**89.2%**
Operational	41.9	41.9	28.1	22.5	53.8%	80.1%
GoPNG Capital	82.0	71.8	32.5	31.6	38.5%	97.1%
Grand Total	**27,096.2**	**27,096.2**	**20,454.6**	**14,117.9**	**52.1%**	**69.0%**

Source: PNG Treasury

* Teacher salaries and leave fares, originally appropriated under the Provincial Sector and the GTFS transferred to and administered through Cross-cutting (Division 207), were reclassified under Education Sector to accurately reflect their functional allocation.

Operational Priority Expenditures by Sector

The priority expenditure program for 2026 reflects continued Government efforts to maintain funding for essential service delivery while managing implementation capacity and cash flow constraints.

As at 30th June 2026, total warrants issued amounted to K2,723.0 million, equivalent to 82.8 per cent of the original budget, while actual expenditure reached K1,853.9 million, representing 56.4 per cent execution against the original budget and 68.1 per cent of the warrant issued.

Table 35: National Recurrent Priority Expenditures by Sector (2026) (Kina Million)

Operational Priority Expenditure by Sector	Original Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Education	**1,063.5**	**1,063.5**	**1,031.7**	**614.0**	**57.7%**	**59.5%**
Government Tuition Free Fee subsidy	906.5	906.5	905.9	565.6	62.4%	62.4%
Tertiary Education Study Assistance Scheme	103.9	103.9	72.7	37.7	36.3%	51.9%
Higher Education Loan Program	53.1	53.1	53.1	10.6	20.0%	20.0%
Health	**338.2**	**338.2**	**315.6**	**120.4**	**35.6%**	**38.2%**
Medical Supplies Procurement & Distribution	265.0	265.0	265.0	69.8	26.3%	26.3%
Port Moresby General Hospital	73.2	73.2	50.6	50.6	69.1%	100.0%
Administration	**32.0**	**32.0**	**28.5**	**7.9**	**24.5%**	**27.6%**
Overseas Missions Utilities & Rentals	32.0	32.0	28.5	7.9	24.5%	27.6%
Law & Justice	**345.0**	**345.0**	**245.4**	**161.7**	**46.9%**	**65.9%**
Administration of Village, District, National & Supreme Courts	230.6	230.6	153.7	131.8	57.1%	85.7%
Defense Catering	73.9	73.9	62.0	14.4	19.4%	23.2%
Administration of District Courts	40.5	40.5	29.7	15.6	38.4%	52.4%
Provinces	**520.4**	**520.4**	**241.1**	**143.5**	**27.6%**	**59.5%**
590 AUTONOMOUS BOUGAINVILLE ADMINISTRATION	520.4	520.4	241.1	143.5	27.6%	59.5%
Cross-cutting	**989.2**	**976.1**	**860.8**	**806.5**	**81.5%**	**93.7%**
Arrears	300.0	313.0	313.0	289.8	96.6%	92.6%
Court Cases	50.0	86.1	63.7	39.7	79.4%	62.3%
Multi-Departmental Office Accommodation	350.2	350.2	335.2	334.4	95.5%	99.7%
Multi-Departmental Utilities	249.0	196.9	128.9	122.6	49.2%	95.1%
St Johns Ambulance	10.0	10.0	10.0	10.0	100.0%	100.0%
Foreign Missions	30.0	20.0	10.0	10.0	33.3%	100.0%
Grand Total	**3,288.2**	**3,275.1**	**2,723.0**	**1,853.9**	**56.4%**	**68.1%**

Source: PNG Treasury

Organizational Staffing & Personal Emoluments Audit Committee (OSPEAC)

A budget allocation of K1.0 million was provided under the 2026 OSPEAC Work Plan to support the administrative functions associated with strengthening payroll and human resource management across the Public Service. The funding is intended to facilitate key activities, including payroll system upgrades, staffing data collection and data cleansing, human resource digitalisation, retirement and recruitment exercises, and the enhancement of governance arrangements to improve the efficiency, accuracy, and integrity of payroll and human resource management systems.

The key priorities include enhancing payroll integrity, supporting workforce planning, addressing Personnel Emolument liabilities, improving compliance and accountability, and streamlining public service functions through ongoing monitoring and reform initiatives.

1. Retirement Exercise

A total of K48.122 million was appropriated in the 2026 Budget to continue the implementation of the Government's Retirement Strategy and clear outstanding retirement liabilities across the Public Service.

The 2026 fiscal year marks the phased conclusion of the Government's five-year Retirement Strategy, which was developed through OSPEAC and implemented by the Department of Personnel Management (DPM). Under the 2026 Work Plan, provision has been made for the processing of one retirement batch per quarter to complete the remaining outstanding retirement cases, thereby facilitating the orderly closure of the strategy.

1.1. Whole of Government Retirement Batch 1 (Non – Teachers)

The first retirement batch for 2026, comprising 201 retirees, was successfully processed and paid during pay period eight (8) at a total cost of K15.5 million.

1.2. Whole of Government Retirement Batch 1 (Teachers)

The Teaching Services Commission (TSC) identified 601 potential retiree teachers at a total cost of K8.18 million. This teachers' retirement batch is anticipated to be processed in the third quarter of 2026, subject to the availability of funds.

1.3. Whole of Government Retirement Batch 2 (Non-Teachers)

The Department of Personnel Management (DPM) identified 548 potential non-teacher retirees from 30 agencies at a total cost of K43.98 million. This retirement batch is also anticipated to be processed in the third quarter of 2026, subject to the availability of funds.

In addition, compliance and validation checks are being undertaken by DPM for public servants retiring on medical grounds or who have reached the compulsory retirement age. A finalised list will be submitted to Treasury for funding consideration before processing through the payroll system.

2. Payroll Reform

2.1. Transferring of Payroll functions

The OSPEAC, in collaboration with the Payroll Task Force Team, has strengthened coordination with the relevant government agencies to ensure that payroll reform activities are implemented according to schedule. The Payroll Task Force Team was established to oversee and ensure compliance with key reform milestones, including organizational restructuring and personnel movements, infrastructure readiness, and the review and clearance of the Master Service Agreement (MSA) by the State Solicitor's Office.

On 21st July 2026, the DPM officially launched the new Payroll Office at the Central Government Office, marking the successful completion of the organizational restructuring, personnel movements, and infrastructure readiness components of the reform program. This milestone represents significant progress in the implementation of the payroll reform initiative. Work is now focused on the remaining milestone, which is the review and legal clearance of the Master Service Agreement (MSA) by the State Solicitor's Office, after which the reform programme will move towards full implementation.

2.2. Payroll Upgrade

In preparation for the payroll upgrade activities, the Department of Treasury has released K6.4 million to the DPM to support key implementation requirements. The funding comprises K2.7 million for Digitec infrastructure hosting services, K2.9 million for Dayforce software licensing upgrades, and K0.870 million for firewall procurement and installation.

The payment for the firewall procurement has been completed. However, payments for the Digitec infrastructure hosting services and the Dayforce software licensing upgrades is subject to the State Solicitor's Office clearing the respective MSAs with Digitec and Dayforce.

2.3. Staffing and Establishment Reviews

The 2026 Staffing and Establishment (S&E) Review was a critical component of the Government's public sector reform and payroll cleansing agenda. The review was intended to improve the integrity of the public service establishment, strengthen payroll controls, and support the preparation of an accurate 2027 Salaries and Wages Budget.

The S&E Review was conducted at the Gateway Hotel and brought together Human Resource and Budget officers from Provincial Governments, Provincial Health Authorities, National Departments, and other public sector agencies. The review focused on validating approved staffing establishments, reconciling employee records, identifying anomalies within the payroll system, and ensuring that agency staffing structures align with approved organizational establishments.

3. Automation and e-Recruitment Activities

The automation component focuses on strengthening systems readiness and operational capacity to support the implementation of the newly launched Public Service e-Recruitment System. The initiative aims to modernize recruitment processes, improve transparency, and enhance workforce planning across the Public Service.

Key activities under this component include:

i. Strengthening system capacity and infrastructure readiness to support the e-Recruitment platform;
ii. Conducting awareness and rollout activities to facilitate the adoption of the e-Recruitment system across government agencies;
iii. Delivering user training and capability development to improve system administration and utilization; and
iv. Providing agency support and on-boarding services to ensure the effective implementation and sustained use of the e-Recruitment platform throughout the Public Service.

Arrears Verification Program Overview

In Decision No. 397/2020, the NEC initiated the Arrears Verification (AV) Program. This decision also established the Arrears Verification Committee (AVC) and its Secretariat. The NEC Decision mandated the inclusion of the departments of Finance, Treasury, National Planning & Monitoring and the Office of the State Solicitor (OSS) as members of the AVC.

The Committee's primary responsibilities include:

- Enforcing the provisions of the *Public Finances (Management) Act (PFMA) 1995*, the *National Procurement Act (NPA) 2018*, and the *Public Services (Management) Act (PSMA) 1995* related to procurement.
- Clearing arrears (goods, works, and services vetted),
- Pre-endorsed assessed claims for payment, and
- Conducting awareness campaigns on procurement rules and laws across the public and private sectors.

The Arrears Program was initially appropriated K300.0 million in the 2026 Budget and was subsequently revised upward to K312.9 million to accommodate increasing arrears for the first half of the year. As at 30th June 2026, K289.7 million was expended, representing 96.6 per cent of the original budget. These payments were made for a total of 29 arrears claims approved from previous years.

The opening stock of arrears as at January 2026 was K5,283.7 million. During the first half of the year, the AVC recorded additional claims amounting to K164.7 million across various arrears categories, increasing the gross stock of arrears to K5,448.4 million. After accounting for payments made up to 30th June 2026, the outstanding stock of arrears declined to K5,158.7 million, a decrease of 5.6 per cent.

During the period, AVC assessed and verified 51 claims valued at K93.3 million. Of these, one claim valued at K0.1 million was pre-endorsed by AVC and submitted for approval for payment, while the remaining 50 claims were assessed as non-compliant with *Public Finance Management Act (PFMA)* and *National Procurement Act (NPA)* requirements.

Table 36: Total Arrears Endorsed and Settled through the Arrears Vote (2026)

	Claims Received & Vetted	Pre-Endorsed Claims	Approved Claims	Pending Approval	Non-Compliant Claims
Number of Claims	51	1	29	78	50
Value of Claims (K, million)	93.3	0.1	289.7	151.2	93.1

Source: PNG Treasury

AVC Observations on Compliance with GoPNG Procurement Processes

During its five years of operations the AVC identified numerous instances of non- compliance with procurement laws, public finance management regulations, and negligence by government agencies and officers. More than 60 per cent of the claims reviewed to date are from years prior to 2018, before the National Procurement Act 2018 (NPA) was enacted. Approximately 90 per cent of these claims did not comply with procurement rules. While the AVC focuses on resolving the substantial volume of state arrears resulting from government procurements, there is a critical need for nationwide awareness of the GoPNG procurement processes and requirements.

Appropriation Reallocations (Transfers)

Transfers provide agencies with the necessary flexibility to adjust their funding allocations in response to shifting priorities, either within their own operations or between different departments or agencies. This process ensures the Government maintains continuity and effectively executes its policy agenda without the need for complete budget revision. Furthermore, transfers allow for swift reallocation of funds to address funding gaps or to meet critical infrastructure or development needs, ensuring that government services continue without delay.

Sections 6, 7 and 10 of the Appropriation (General Public Services Expenditure 2026) Act 2025 outlines the conditions under which transfers may take place.

Section 6 of the 2026 Appropriation Act allows for transfers between government departments or agencies, subject to Ministerial approval. The transfer limit under *Section 6 of the Appropriation Act* is K2,832.0 million.

Reallocations of Debt Servicing appropriations are specified under *Section 10 of the 2026 Appropriation Act* and are capped at K558.5 million, equivalent to 15.0 per cent of the 2026 Budget appropriation for interest payments. As at 30th June 2026, no transfers were recorded under this provision of the allowable cap indicating no use of this provision to date.

Section 7 of the Appropriation Act permits transfers within and out of the Cross-cutting sector. This includes activities such as transfers from the Department of Education for the purpose of executing the Government Tuition Fee Subsidy (GTFS). These transfers are exempted to a formal transfer limit that is specified in the Appropriation. However, they remain subject to established budget execution controls, including approval processes and consistency with appropriation intent.

Table 37: Mid-Year Budget Reallocation Through Section 6, 7 & 10 (Kina Million)

Sector	Transfers Out	Transfers In	Transfer Out (%)	Transfer In (%)
Administration	- 934.2	858.7	27.0	24.0
Community & Culture	- 100.0	37.8	3.0	1.0
Economic	-221.8	89.4	6.0	3.0
Education	-941.5	12.2	27.0	0.0
Health	-24.4	31.4	1.0	1.0
Law & Justice	-122.7	77.0	3.0	2.0
Cross-cutting	-1,081.5	1,910.3	31.0	54.0
Provinces	-	473.9	0.0	13.0
Transport	- 88.9	31.5	3.0	1.0
Utilities	-10.2	3.0	0.0	0.0
Grand Total	**- 3,525.2**	**3,525.2**	**100.0**	**100.0**

Source: PNG Treasury

Transfers totalling K3,525.0 million were executed in the first six months of this year to achieve Government goals and deliver priority programs and activities. From K3,525.0 million, K1,910.3 million was transferred out from the Cross-cutting sector which does not count towards the limit of K2,8314 million as stated in section 6 of the Appropriation Act. This leaves K1,614.7 million or 46.0 per cent remaining transfer capacity, reflecting strong adherence to original budget appropriations and disciplined budget execution in the year to date. Most of these transfers were budgeted and consistent with the Government's original intent.

A large proportion of transfers were executed from major programs budgeted under the Cross-cutting Activities for the Department of National Planning & Monitoring and the Department of Education. The appropriations under these programs include:

- The Government Tuition Fee Free Subsidy (GTFS) administered under division 207,
- General Unforeseen Expenses;
- Arrears;
- The Contingency Fund;
- District Maintenance;
- New District Infrastructure Program under DNPM.

Below are some of the largest transfers in the first six months of the fiscal year:

- K904.5 million was transferred from the Department of Education to be administered under the Cross-cutting sector as per government directives) for ease of GTFS payments.
- K708.7 million (K362.0 million from the Administration Sector, K156.7 million from Economic and Infrastructure Sectors, K90.0 million from Law & Order Sector) to afford fuel subsidies.

As at 30th June 2026, total of K149.9 million was transferred from the Contingency Fund to accommodate other Government priorities, including capital projects at subnational levels. In accordance with the Appropriation Act 2026, all movements relating to the Government Tuition

Fee Subsidy (GTFS), are exempted from the transfer limit prescribed under *Section 6 of the Appropriation Act.*

2.2 CAPITAL EXPENDITURE

The 2026 Capital Investment Budget was originally appropriated K10,866.0 million and revised downwards to K10,629.1 million. The revised budget comprises GoPNG-funded capital expenditure of K7,460.1 million, consisting of the Public Investment Program (PIP) of K6,280.0 million and the Support Improvement Program (SIP) of K1,180.0 million. Concessional Loans totalled K1,226.0 million and Donor Grants totalled K1,943.0 million

As at 30th June 2026, capital expenditure amounted to K4,696.8 million, representing 43.2 per cent of the capital budget. Implementation during the first half of the year reflected progress across GoPNG-funded projects, concessional loan-funded activities, and donor-supported programs, with expenditure expected to improve in the second half of the year (see Table 37 below).

Table 38: Capital Investment Budget Components (Kina Million)

GoPNG Capital Investment Expenditure	2026 Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
GoPNG PIP	6,517.0	6,280.1	3,904.3	2,626.5	40.3%	67.3%
GoPNG SIP	1,180.0	1,180.0	1,047.0	1,028.0	87.1%	98.2%
Concessional Loans	1,226.0	1,226.0	0.0	524.5	42.8%	0.0%
Donor Grants	1,943.0	1,943.0	0.0	517.8	26.6%	0.0%
Grand Total	**10,866.0**	**10,629.1**	**4,951.3**	**4,696.8**	**43.2%**	**94.9%**

Source: PNG Treasury

GoPNG Public Investment Program (PIP)

The GoPNG-funded Public Investment Program (PIP) was initially allocated K6,517.0 million in the 2026 Budget and was revised downward to K6,280.1 million. As at 30th June 2026, warrants issued amounted to K3,904.3 million, with expenditure reaching K2,626.5 million, equivalent to 40.3 per cent of the original budget and 67.3 per cent of warrants issued. The expenditure performance reflects the Government continued progress in the implementation of priority capital projects funded through the Government's Public Investment Program, including infrastructure development, economic growth initiatives, and key service delivery investments. The level of expenditure indicates steady progress in project implementation, while also demonstrating the Government's commitment to advancing its development priorities and supporting medium-term economic growth. Continued implementation of these projects in the second half of the year will be critical to achieving the Government's fiscal and development objectives.

Support Improvement Program (SIP's)

A total of K1,180.0 million was appropriated for Service Improvement Program (SIPs) in the 2026 Budget, comprising K960.0 million for the District Support Improvement Program (DSIP) and K220.0 million for the Provincial Support Improvement Program (PSIP). As at 30th June 2026, warrants issued for SIPs totalled K1,047.0 million, with expenditure amounting to K1,028.0 million, representing 87.1 per cent of the original budget and 98.2 per cent of warrants issued. The strong execution rate reflects continued implementation of district and provincial-level development priorities, including investments in community infrastructure and service delivery at the sub-national level.

Concessional Loans and Donor Support Grants

The 2026 Capital Investment Budget included K1,226.0 million for concessional loans and K1,943.0 million for donor grant-funded programs. Warrants are generally not issued for expenditures financed through concessional loans and donor grants as the disbursement and execution processes are governed by the respective development partners' financing arrangements, grant agreements, and project implementation procedures.

As at the 30th June 2026, concessional loan-funded expenditure amounted to K524.5 million, representing 42.8 per cent of the budget and donor grant-funded expenditure recorded an amount of K517.8 million, which represents 26.6 per cent of the budget.

Spending on the Medium-Term Development Plan (MTDP IV) Enablers

The 2026 Development Budget clearly outlined the overarching policy priorities and is aligned with the MTDP IV, encompassing each of the 12 Special Priority Areas (SPAs) and 71 Deliberate Intervention Programs (DIPs). The Government's steadfast commitment to realizing "National Prosperity through Economic Growth," as outlined in the MTDP IV, will channel investments into pivotal economic stimulants designed to enhance revenue, construct critical infrastructure enablers, reduce imports, and uphold law and order alongside national security. The synchronization of developmental priorities entails the integration of programs and projects within the Capital Investment Budget hence 70.0 per cent of the budget is aligned to the 12 Special Priority Areas (SPAs) of MTDP IV, while the remaining 30.0 per cent is allocated to fixed commitments.

Table 39: Major Expenditures under Capital Investment Budget (2026) (Kina Million)

GoPNG PIP Priorities by Sector	Original Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Administration	1,486.0	652.3	506.0	472.6	31.8%	31.8%
District Infrastructure Development Program	480.0	197.7	110.0	110.0	22.9%	22.9%
Infrastructure Development Grant (PNG LNG)	70.0	70.0	70.0	70.0	100.0%	100.0%
District Infrastructure Development Program (Kina-for-Kina)	400.0	50.0	50.0	49.7	12.4%	12.4%
PNG University of Medicine and Health Sciences	50.0	50.0	50.0	50.0	100.0%	100.0%
2027 National General Elections Preparations	50.0	50.0	50.0	34.2	68.4%	68.4%
Provincial Infrastructure Development Program	220.0	83.4	45.0	44.7	20.3%	20.3%
High Impact Infrastructure Projects (PNGLNG)	36.0	36.0	36.0	36.0	100.0%	100.0%
Special Intervention Program	50.0	30.0	30.0	25.8	51.6%	51.6%
National Rice Development Program	60.0	35.3	20.0	10.0	16.7%	16.7%
National Freight Support Program	20.0	20.0	20.0	18.8	93.8%	93.8%
National Land and Housing Program	30.0	20.0	15.0	13.5	44.9%	44.9%
Rural Electrification Program	20.0	10.0	10.0	10.0	50.0%	50.0%
Provinces	75.0	75.0	65.0	35.0	46.7%	46.7%
Porgera IDG	50.0	50.0	50.0	20.0	40.0%	40.0%
New NCD Hospital Development	25.0	25.0	15.0	15.0	60.0%	60.0%
Community & Culture	20.0	20.0	12.0	12.0	60.0%	60.0%
District Community Development Centre	20.0	20.0	12.0	12.0	60.0%	60.0%
Economic	200.0	185.8	113.8	77.6	38.8%	38.8%

GoPNG PIP Priorities by Sector	Original Budget	Revised Budget	Warrant Issued	June Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Urban Land Expansion Progam	70.0	56.3	36.3	10.1	14.5%	14.5%
Large Scale Coffee Plantation Rehabilitation	20.0	20.0	20.0	10.0	50.0%	50.0%
Oil Palm Small Holder Roads	10.0	17.5	17.5	17.5	175.0%	175.0%
Special Economic Zone Development Program	30.0	30.0	10.0	10.0	33.3%	33.3%
Establish Regional Cocoa Nurseries Project	10.0	10.0	10.0	10.0	100.0%	100.0%
Business Development Grant (Papua LNG)	50.0	42.0	10.0	10.0	20.0%	20.0%
Off Grid Renewable Energy	10.0	10.0	10.0	10.0	100.0%	100.0%
Education	150.0	150.0	150.0	104.6	69.7%	69.7%
UOG Dormitory Maintenance (Post Earthquake)	40.0	40.0	40.0	10.0	25.0%	25.0%
UPNG Infrastructure Maintenance	20.0	20.0	20.0	10.0	50.0%	50.0%
Innovative University of Enga	20.0	20.0	20.0	20.0	100.0%	100.0%
Schools of Excellence Infrastructure Program (National High	20.0	20.0	20.0	14.6	72.9%	72.9%
Divine Word University Infrastructure Development	15.0	15.0	15.0	15.0	100.0%	100.0%
Pacific Adventist University Infrastructure Development	15.0	15.0	15.0	15.0	100.0%	100.0%
Western Pacific University	10.0	10.0	10.0	10.0	100.0%	100.0%
UNRE Infrastructure Development	10.0	10.0	10.0	10.0	100.0%	100.0%
Health	160.0	135.6	20.0	13.0	8.1%	8.1%
PMGH- Cancer Unit	60.0	60.0	10.0	3.0	5.0%	5.0%
District Hospitals Development Program	100.0	75.6	10.0	10.0	10.0%	10.0%
Law & Justice	200.0	95.0	55.0	34.2	17.1%	17.1%
Special Police Assistance Program	200.0	95.0	55.0	34.2	17.1%	17.1%
Transport	990.0	964.9	768.0	440.6	44.5%	44.5%
Air Nuigini Refleeting	200.0	200.0	110.0	50.0	25.0%	25.0%
Connect PNG Roads Program (Arrears)	100.0	109.9	100.0	99.8	99.8%	99.8%
Connect PNG Roads Program: Highlands Corridor	100.0	100.0	100.0	99.9	99.9%	99.9%
Connect PNG Roads Program: Transnational Corridor	100.0	100.0	90.0	25.9	25.9%	25.9%
Connect PNG Roads Program: Southern Corridor	100.0	90.0	90.0	36.6	36.6%	36.6%
Connect PNG Roads Program New Britain Corridor	100.0	95.0	90.0	41.9	41.9%	41.9%
Connect PNG Roads Program: Momase Corridor	100.0	100.0	88.0	57.4	57.4%	57.4%
National Roads Maintenance	150.0	130.0	60.0	18.0	12.0%	12.0%
Connect PNG Roads Program- Bougainville Corridor	40.0	40.0	40.0	11.1	27.8%	27.8%
Grand Total	**3,281.0**	**2,278.6**	**1,689.8**	**1,189.7**	**36.3%**	**36.3%**

Source: PNG Treasury

PART 3: ATTACHMENTS

Table 40: Expenditure Categories by Sectors & Agencies (2026 Budget) (Kina Million)

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Administration	**3,532.8**	**3,457.2**	**2,801.4**	**1,985.9**	**56.2%**	**70.9%**
201 NATIONAL PARLIAMENT	**435.1**	**439.1**	**432.1**	**230.9**	**53.1%**	**53.4%**
Operational	420.1	424.1	424.1	225.9	53.8%	53.3%
Compensation of Employees	**268.1**	**268.1**	**268.1**	**150.5**	**56.1%**	**56.1%**
Goods and Services	**152.0**	**156.0**	**156.0**	**75.3**	**49.6%**	**48.3%**
GoPNG PIP	15.0	15.0	8.0	5.0	33.3%	62.5%
Parliament Infrastructure	15.0	15.0	8.0	5.0	33.3%	62.5%
202 OFFICE OF GOVERNOR-GENERAL	**7.3**	**8.9**	**7.8**	**5.7**	**78.9%**	**73.8%**
Operational	7.3	8.9	7.8	5.7	78.9%	73.8%
Compensation of Employees	**3.3**	**4.2**	**3.9**	**2.6**	**78.7%**	**66.9%**
Goods and Services	**3.9**	**4.8**	**3.8**	**3.1**	**79.1%**	**80.8%**
203 DEPARTMENT OF PRIME MINISTER & NEC	**184.7**	**265.3**	**235.7**	**111.2**	**60.2%**	**47.2%**
Operational	120.7	207.3	190.2	97.3	80.7%	51.2%
Compensation of Employees	**73.0**	**73.0**	**62.1**	**32.0**	**43.9%**	**51.5%**
Goods and Services	**47.7**	**134.3**	**128.1**	**65.3**	**137.0%**	**51.0%**
GoPNG PIP	64.0	58.0	45.5	13.8	21.6%	30.4%
National Government Commitments	50.0	31.0	26.5	1.0	2.0%	3.8%
Melanesian Spearhead Group	0.0	13.0	13.0	12.3	0.0%	94.6%
Manasupe Haus Refurblishment	4.0	4.0	4.0	0.5	13.2%	13.2%
New NCOBA Office in Bougainville	10.0	10.0	2.0	0.0	0.0%	0.0%
204 NATIONAL STATISTICAL OFFICE	**36.8**	**36.8**	**18.9**	**12.7**	**34.5%**	**67.1%**
Operational	11.8	11.8	9.9	7.7	65.2%	77.6%
Compensation of Employees	**10.4**	**10.4**	**8.9**	**6.6**	**63.9%**	**75.1%**
Goods and Services	**1.4**	**1.4**	**1.1**	**1.1**	**74.6%**	**98.2%**
GoPNG PIP	25.0	25.0	9.0	5.0	20.0%	55.6%
Compensation of Employees	**1.0**	**1.0**	**0.3**	**0.2**	**25.0%**	**99.9%**
2020 Population Census Preparation	1.0	1.0	0.3	0.2	25.0%	99.9%
Goods and Services	**24.0**	**24.0**	**8.8**	**4.8**	**19.8%**	**54.3%**
Household Income and Expenditure Survey	10.0	10.0	4.0	2.5	24.6%	61.6%
Demographic & Health Survey	10.0	10.0	4.0	1.6	15.9%	39.8%
2020 Population Census Preparation	4.0	4.0	0.8	0.7	17.4%	93.0%
205 OFFICE OF BOUGAINVILLE AFFAIRS	**6.7**	**9.2**	**7.9**	**4.9**	**73.2%**	**61.4%**
Operational	6.7	9.2	7.9	4.9	73.2%	61.4%
Compensation of Employees	**4.2**	**4.2**	**3.6**	**2.0**	**48.3%**	**56.8%**
Goods and Services	**2.5**	**5.0**	**4.4**	**2.9**	**114.8%**	**65.1%**
206 DEPARTMENT OF FINANCE	**58.1**	**726.8**	**709.9**	**648.6**	**1116.6%**	**91.4%**
Operational	44.1	44.1	36.7	18.9	42.8%	51.4%
Compensation of Employees	**34.0**	**34.0**	**28.9**	**14.9**	**43.9%**	**51.5%**
Goods and Services	**10.1**	**10.1**	**7.8**	**4.0**	**39.3%**	**50.9%**
GoPNG PIP	14.0	682.7	673.2	629.8	4498.4%	93.5%
District Infrastructure Program (Kina-for-Kina)	0.0	310.0	310.0	310.0	0.0%	100.0%
District Infrastructure Development Program	0.0	240.0	240.0	200.0	0.0%	83.3%
Provincial Infrastructure Development Program	0.0	110.0	110.0	110.0	0.0%	100.0%
Financial Management Project	5.0	13.7	10.2	9.3	186.0%	91.2%
Digitalization Payment System	2.0	1.0	1.0	0.4	19.3%	38.6%
Public Expenditure & Financial Accountability (PEFA) Project	0.0	1.0	1.0	0.0	0.0%	2.1%
Non-Tax Revenue Digitalisation Project	2.0	2.0	1.0	0.1	3.1%	6.1%
District Finance Rollout Program	5.0	5.0	0.0	0.0	0.0%	0.0%
208 DEPARTMENT OF TREASURY	**69.0**	**69.0**	**57.6**	**23.7**	**34.4%**	**41.2%**
Operational	68.0	68.0	57.1	23.7	34.9%	41.5%
Compensation of Employees	**31.6**	**31.6**	**26.9**	**9.0**	**28.4%**	**33.3%**
Goods and Services	**36.4**	**36.4**	**30.2**	**14.8**	**40.6%**	**48.8%**
GoPNG PIP	1.0	1.0	0.5	0.0	0.0%	0.0%
Enhancing Labour Mobility from PNG	1.0	1.0	0.5	0.0	0.0%	0.0%
209 REGISTRAR FOR POLITICAL PARTIES	**6.6**	**6.6**	**5.6**	**3.6**	**54.8%**	**65.1%**
Operational	6.6	6.6	5.6	3.6	54.8%	65.1%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Compensation of Employees	**5.9**	**5.9**	**5.0**	**3.3**	**54.9%**	**64.5%**
Goods and Services	**0.7**	**0.7**	**0.5**	**0.4**	**53.8%**	**70.4%**
210 NATIONAL EXECUTIVE COUNCIL	**6.8**	**8.3**	**6.9**	**0.9**	**13.7%**	**13.5%**
Operational	6.8	8.3	6.9	0.9	13.7%	13.5%
Compensation of Employees	**2.6**	**2.6**	**2.2**	**0.7**	**24.8%**	**29.2%**
Goods and Services	**4.1**	**5.6**	**4.6**	**0.3**	**6.7%**	**5.9%**
211 PNG CUSTOMS SERVICE	**149.2**	**149.2**	**104.1**	**89.8**	**60.2%**	**86.3%**
Operational	129.2	129.2	94.1	79.8	61.8%	84.8%
Compensation of Employees	**86.9**	**86.9**	**64.1**	**49.9**	**57.4%**	**77.8%**
Goods and Services	**42.3**	**42.3**	**29.9**	**29.9**	**70.8%**	**100.0%**
GoPNG PIP	20.0	20.0	10.0	10.0	50.0%	100.0%
Queens Bond (Warehouse) Facility	10.0	10.0	4.0	4.0	40.0%	100.0%
Single Window Registration Program	5.0	5.0	3.0	3.0	60.0%	100.0%
PNG Border Post Infrastructure Development	5.0	5.0	3.0	3.0	60.0%	100.0%
212 INFORMATION TECHNOLOGY DIVISION	**11.6**	**11.6**	**7.9**	**2.7**	**23.0%**	**33.9%**
Operational	11.6	11.6	7.9	2.7	23.0%	33.9%
Compensation of Employees	**3.4**	**3.4**	**2.6**	**0.9**	**26.3%**	**34.4%**
Goods and Services	**8.2**	**8.2**	**5.3**	**1.8**	**21.7%**	**33.6%**
213 FIRE SERVICES	**26.3**	**26.8**	**20.5**	**15.1**	**57.3%**	**73.3%**
Operational	21.3	21.8	18.5	14.7	69.1%	79.3%
Compensation of Employees	**20.2**	**20.7**	**17.7**	**13.9**	**69.0%**	**78.8%**
Goods and Services	**1.1**	**1.1**	**0.9**	**0.8**	**70.3%**	**89.3%**
GoPNG PIP	5.0	5.0	2.0	0.4	7.1%	17.7%
Construction, Rehabilitation & Upgrading of 14 Fire Stns	5.0	5.0	2.0	0.4	7.1%	17.7%
215 PNG IMMIGRATION AND CITIZENSHIP SERVICES	**20.4**	**20.4**	**15.0**	**14.7**	**72.3%**	**98.0%**
Operational	20.4	20.4	15.0	14.7	72.3%	98.0%
Compensation of Employees	**20.4**	**20.4**	**15.0**	**14.7**	**72.3%**	**98.0%**
216 INTERNAL REVENUE COMMISSION	**154.0**	**154.0**	**109.0**	**72.9**	**47.4%**	**66.9%**
Operational	144.0	144.0	106.0	69.9	48.6%	66.0%
Compensation of Employees	**101.2**	**101.2**	**74.7**	**38.6**	**38.2%**	**51.7%**
Goods and Services	**42.8**	**42.8**	**31.3**	**31.3**	**73.2%**	**100.0%**
GoPNG PIP	10.0	10.0	3.0	3.0	30.0%	100.0%
Integrated Tax Administration System (ITAS)	10.0	10.0	3.0	3.0	30.0%	100.0%
217 DEPARTMENT OF FOREIGN AFFAIRS AND TRADE	**154.3**	**154.3**	**104.9**	**43.2**	**28.0%**	**41.2%**
Operational	124.3	124.3	99.9	38.2	30.7%	38.2%
Compensation of Employees	**59.2**	**59.2**	**50.4**	**13.5**	**22.8%**	**26.8%**
Goods and Services	**65.2**	**65.2**	**49.5**	**24.7**	**37.8%**	**49.8%**
GoPNG PIP	30.0	30.0	5.0	5.0	16.7%	100.0%
PNG Overseas Missions Maintenance Programme	30.0	30.0	5.0	5.0	16.7%	100.0%
219 PNG INSTITUTE OF PUBLIC ADMINISTRATION	**17.7**	**17.7**	**13.8**	**8.3**	**46.7%**	**59.9%**
Operational	12.7	12.7	8.8	5.8	45.4%	65.5%
Compensation of Employees	**11.8**	**11.8**	**8.4**	**5.5**	**46.8%**	**65.8%**
Goods and Services	**0.9**	**0.9**	**0.4**	**0.2**	**26.7%**	**58.2%**
GoPNG PIP	5.0	5.0	5.0	2.5	50.0%	50.0%
SILAG Infrastructure Rehabilitation Program	5.0	5.0	5.0	2.5	50.0%	50.0%
220 DEPARTMENT OF PERSONNEL MANAGEMENT	**30.1**	**40.0**	**33.8**	**12.3**	**40.8%**	**36.4%**
Operational	25.1	35.0	31.8	10.9	43.2%	34.2%
Compensation of Employees	**21.6**	**21.6**	**19.3**	**7.3**	**33.7%**	**37.8%**
Goods and Services	**3.5**	**13.4**	**12.5**	**3.6**	**101.1%**	**28.6%**
GoPNG PIP	5.0	5.0	2.0	1.4	28.5%	71.4%
Digital HR Transformation Program	5.0	5.0	2.0	1.4	28.5%	71.4%
221 PUBLIC SERVICE COMMISSION	**6.7**	**6.7**	**5.8**	**4.5**	**67.2%**	**77.9%**
Operational	6.7	6.7	5.8	4.5	67.2%	77.9%
Compensation of Employees	**6.1**	**6.1**	**5.3**	**4.0**	**66.5%**	**76.1%**
Goods and Services	**0.6**	**0.6**	**0.4**	**0.4**	**75.1%**	**98.9%**
227 PROVINCIAL TREASURIES	**42.2**	**42.2**	**29.1**	**20.5**	**48.6%**	**70.4%**
Operational	42.2	42.2	29.1	20.5	48.6%	70.4%
Compensation of Employees	**39.4**	**39.4**	**27.6**	**19.6**	**49.9%**	**71.0%**
Goods and Services	**2.8**	**2.8**	**1.5**	**0.9**	**31.2%**	**60.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
229 DEPARTMENT OF NATIONAL PLANNING AND MONITORING	**1,710.1**	**823.2**	**576.6**	**513.5**	**30.0%**	**89.1%**
Operational	27.1	26.9	22.6	14.8	54.7%	65.7%
Compensation of Employees	**18.4**	**18.4**	**15.9**	**9.0**	**49.1%**	**56.6%**
Goods and Services	**8.7**	**8.5**	**6.6**	**5.8**	**66.4%**	**87.5%**
GoPNG PIP	1,683.0	796.3	554.0	498.7	29.6%	90.0%
Compensation of Employees	**13.4**	**4.9**	**3.0**	**0.0**	**0.0%**	**0.0%**
National E-ID Card Project	13.0	4.5	3.0	0.0	0.0%	0.0%
Water, Sanitation & Hygiene	0.4	0.4	0.0	0.0	0.0%	0.0%
Goods and Services	**1,669.6**	**791.4**	**551.0**	**498.7**	**29.9%**	**90.5%**
District Infrastructure Development Program	480.0	197.7	110.0	110.0	22.9%	100.0%
Infrastructure Develop Grant (PNG LNG)	70.0	70.0	70.0	70.0	100.0%	100.0%
PNG University of Medicine and Health Sciences	50.0	50.0	50.0	50.0	100.0%	100.0%
District Infrastructure Development Program (Kina-for-Kina)	400.0	50.0	50.0	49.7	12.4%	99.4%
Provincial Infrastructure Development Program	220.0	83.4	45.0	44.7	20.3%	99.3%
High Impact Infrastructure Projects (PNGLNG)	36.0	36.0	36.0	36.0	100.0%	100.0%
Special Intervention Program	50.0	30.0	30.0	25.8	51.6%	86.1%
National Rice Development Program	60.0	35.3	20.0	10.0	16.7%	50.0%
National Freight Support Program	20.0	20.0	20.0	18.8	93.8%	93.8%
National E-ID Card Project	67.0	17.0	17.0	8.0	11.9%	47.1%
National Land and Housing Program	30.0	20.0	15.0	13.5	44.9%	89.7%
Rural Electrification Program	20.0	10.0	10.0	10.0	50.0%	100.0%
National Limestone Development Program	20.0	20.0	10.0	5.0	25.0%	50.0%
Rural Water Supply & Sanitation Program	20.0	13.0	10.0	9.0	45.0%	90.0%
National Commodity Price Support Program	0.0	10.0	10.0	10.0	0.0%	100.0%
New District Infrastructure Development Program	10.0	10.0	10.0	5.4	53.5%	53.5%
Medivac Assistance Program	7.0	7.0	7.0	0.0	0.0%	0.0%
National Coffee Development Program	0.0	6.7	6.0	5.7	0.0%	95.0%
Water, Sanitation & Hygiene	4.6	10.4	5.5	4.7	101.4%	84.8%
Lutheran University Development Project	5.0	5.0	5.0	5.0	99.8%	99.8%
CIMC Support	2.0	2.0	2.0	1.0	50.0%	50.0%
Development Partner Subscription Fund	4.0	4.0	1.5	0.7	17.9%	47.7%
Review of National Strategies and Policies DSP/Vision 2050	4.0	4.0	1.0	0.9	22.1%	88.4%
Government External Audit and Evaluation Program (M&E)	5.0	5.0	1.0	0.6	11.2%	56.1%
Smart Communities Intervention Program	4.0	4.0	1.0	0.9	21.6%	86.5%
National Compulsory Services Development Program	2.0	2.0	1.0	0.9	46.1%	92.3%
Tax Credit Secretariat Support	4.0	4.0	1.0	0.9	22.3%	89.4%
Kumul Inteligence Program	2.0	2.0	1.0	0.1	7.1%	14.3%
Support to Implementation to EU-PNG DCP	3.0	3.0	1.0	1.0	33.3%	100.0%
Incentive Fund Phase V 2023 - 2031	2.0	2.0	1.0	0.0	0.0%	0.0%
PNG Development Information System Project	2.0	2.0	1.0	0.0	0.0%	0.0%
Open Government Partnership	2.0	2.0	1.0	0.5	27.3%	54.5%
Partnership in Electrification Program (APEC Commitment)	1.0	1.0	1.0	0.0	0.0%	0.0%
Refurbishment of International Convention Centre (ICC)	3.0	3.0	0.0	0.0	0.0%	0.0%
Lihir IDG	10.0	0.0	0.0	0.0	0.0%	0.0%
Ok Tedi- IDG	50.0	50.0	0.0	0.0	0.0%	0.0%
230 ELECTORAL COMMISSION	**60.8**	**60.8**	**59.0**	**37.7**	**62.1%**	**64.0%**
Operational	10.8	10.8	9.0	3.5	32.6%	39.1%
Compensation of Employees	**8.5**	**8.5**	**7.2**	**2.8**	**32.9%**	**38.7%**
Goods and Services	**2.3**	**2.3**	**1.7**	**0.7**	**31.2%**	**41.1%**
GoPNG PIP	50.0	50.0	50.0	34.2	68.4%	68.4%
2027 National General Elections Preparations	50.0	50.0	50.0	34.2	68.4%	68.4%
232 PROVINCIAL AND LOCAL GOVERNMENT AFFAIRS	**121.5**	**119.5**	**90.8**	**16.6**	**13.6%**	**18.3%**
Operational	93.5	93.5	78.8	13.2	14.1%	16.7%
Compensation of Employees	**84.2**	**84.2**	**71.7**	**10.4**	**12.4%**	**14.6%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Goods and Services	**9.3**	**9.3**	**7.1**	**2.7**	**29.2%**	**38.4%**
GoPNG PIP	28.0	26.0	12.0	3.4	12.2%	28.5%
Ward Recorder Books	5.0	5.0	5.0	0.0	0.0%	0.0%
Kadavor Resettlement Program	5.0	5.0	3.0	0.3	6.4%	10.6%
Kokoda Track Infrastructure Development Program	5.0	5.0	3.0	2.1	42.0%	69.9%
Rural Service Delivery & Local Governance	4.0	4.0	1.0	1.0	25.0%	100.0%
Wutung Border Post- Infrastructure Facilities Development Project	5.0	5.0	0.0	0.0	0.0%	0.0%
6 New Districts Infrastructure Development	2.0	2.0	0.0	0.0	0.0%	0.0%
PNG Disaster Risk Management Program	2.0	0.0	0.0	0.0	0.0%	0.0%
262 DEPARTMENT OF INDUSTRIAL RELATIONS	**27.5**	**50.0**	**46.2**	**12.3**	**44.6%**	**26.5%**
Operational	27.5	27.5	23.7	11.4	41.6%	48.2%
Compensation of Employees	**22.1**	**22.1**	**19.1**	**6.9**	**31.5%**	**36.4%**
Goods and Services	**5.4**	**5.4**	**4.6**	**4.5**	**82.7%**	**97.2%**
GoPNG PIP	0.0	22.5	22.5	0.8	0.0%	3.7%
PNG National Employment Policy	0.0	22.5	22.5	0.8	0.0%	3.7%
263 NATIONAL TRIPARTITE CONSULTATIVE COUNCIL	**0.8**	**0.8**	**0.5**	**0.1**	**17.0%**	**28.2%**
Operational	0.8	0.8	0.5	0.1	17.0%	28.2%
Compensation of Employees	**0.6**	**0.6**	**0.4**	**0.0**	**5.7%**	**8.6%**
Goods and Services	**0.2**	**0.2**	**0.1**	**0.1**	**43.4%**	**94.6%**
267 DEPARTMENT OF IMPLEMENTATION AND RURAL DEVELOPMENT	**66.3**	**66.5**	**6.2**	**2.8**	**4.2%**	**45.0%**
Operational	7.3	7.5	6.2	2.8	38.2%	45.0%
Compensation of Employees	**6.7**	**6.7**	**5.6**	**2.5**	**37.4%**	**44.8%**
Goods and Services	**0.6**	**0.8**	**0.6**	**0.3**	**46.7%**	**47.2%**
GoPNG PIP	59.0	59.0	0.0	0.0	0.0%	0.0%
District Support Grant-NIP	1.5	1.5	0.0	0.0	0.0%	0.0%
District Support Grant-Manus	1.0	1.0	0.0	0.0	0.0%	0.0%
District Support Grants-Hela	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant - Gulf	1.5	1.5	0.0	0.0	0.0%	0.0%
District Support Grant-Morobe	5.5	5.5	0.0	0.0	0.0%	0.0%
District Support Grant - Western Highlands	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant-Sandaun	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant- Simbu	3.5	3.5	0.0	0.0	0.0%	0.0%
District Support Grant-WNB	2.0	2.0	0.0	0.0	0.0%	0.0%
District Support Grant-ABG	2.0	2.0	0.0	0.0	0.0%	0.0%
District Support Grant-MilneB	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant-EHP	4.5	4.5	0.0	0.0	0.0%	0.0%
District Support Grant-NCD	2.0	2.0	0.0	0.0	0.0%	0.0%
District Support Grant-ENB	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant-Oro	2.0	2.0	0.0	0.0	0.0%	0.0%
District Support Grant-Enga	3.5	3.5	0.0	0.0	0.0%	0.0%
District Support Grants-East Sepik	3.5	3.5	0.0	0.0	0.0%	0.0%
District Support Grant-Fly	2.5	2.5	0.0	0.0	0.0%	0.0%
District Support Grant-SHP	3.0	3.0	0.0	0.0	0.0%	0.0%
District Support Grant-Jiwaka	2.0	2.0	0.0	0.0	0.0%	0.0%
District Support Grant - Central	3.0	3.0	0.0	0.0	0.0%	0.0%
District Support Grant-Madang	3.5	3.5	0.0	0.0	0.0%	0.0%
268 CENTRAL SUPPLY & TENDERS BOARD	**7.9**	**7.9**	**6.6**	**3.7**	**46.8%**	**56.0%**
Operational	6.9	6.9	6.1	3.2	46.4%	52.4%
Compensation of Employees	**6.2**	**6.2**	**5.5**	**3.1**	**49.2%**	**55.7%**
Goods and Services	**0.7**	**0.7**	**0.6**	**0.1**	**21.2%**	**23.7%**
GoPNG PIP	1.0	1.0	0.5	0.5	50.0%	100.0%
NPC e-Procurement Strategy	1.0	1.0	0.5	0.5	50.0%	100.0%
358 MANAN RESETTLEMENT AUTHORITY	**13.1**	**13.1**	**12.0**	**2.0**	**14.9%**	**16.3%**
Operational	3.1	3.1	2.0	2.0	62.4%	100.0%
Compensation of Employees	**2.3**	**2.3**	**1.5**	**1.5**	**64.9%**	**100.0%**
Goods and Services	**0.8**	**0.8**	**0.5**	**0.5**	**55.4%**	**100.0%**
GoPNG PIP	10.0	10.0	10.0	0.0	0.0%	0.0%
Manam Islanders Resettlement	10.0	10.0	10.0	0.0	0.0%	0.0%
359 MT HAGEN CITY AUTHORITY	**7.8**	**27.7**	**23.0**	**20.0**	**255.6%**	**86.9%**
Operational	7.8	7.8	3.2	5.0	63.7%	158.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Compensation of Employees	**5.2**	**5.2**	**1.9**	**3.7**	**71.4%**	**198.8%**
Goods and Services	**2.7**	**2.6**	**1.3**	**1.3**	**48.8%**	**100.0%**
GoPNG PIP	0.0	19.9	19.9	15.0	0.0%	75.6%
District Infrastructure Development Program	0.0	19.9	19.9	15.0	0.0%	75.6%
361 LAE CITY AUTHORITY	**20.2**	**20.2**	**4.6**	**4.8**	**23.6%**	**104.4%**
Operational	20.2	20.2	4.6	4.8	23.6%	104.4%
Compensation of Employees	**5.2**	**5.2**	**2.6**	**2.8**	**53.4%**	**107.9%**
Goods and Services	**15.0**	**15.0**	**2.0**	**2.0**	**13.3%**	**100.0%**
364 KOKOPO CITY AUTHORITY	**10.6**	**10.6**	**2.0**	**2.0**	**18.9%**	**100.0%**
Operational	10.6	10.6	2.0	2.0	18.9%	100.0%
Compensation of Employees	**2.6**	**2.6**	**0.0**	**0.0**	**0.0%**	**0.0%**
Goods and Services	**8.0**	**8.0**	**2.0**	**2.0**	**25.0%**	**100.0%**
366 NATURAL DISASTER CENTRE	**16.6**	**16.6**	**12.3**	**12.3**	**73.8%**	**100.0%**
Operational	16.6	16.6	12.3	12.3	73.8%	100.0%
Compensation of Employees	**14.6**	**14.6**	**10.8**	**10.8**	**74.1%**	**100.0%**
Goods and Services	**2.0**	**2.0**	**1.4**	**1.4**	**71.7%**	**100.0%**
502 OFFICE OF THE AUDITOR-GENERAL	**36.3**	**36.3**	**26.7**	**26.7**	**73.6%**	**100.0%**
Operational	36.3	36.3	26.7	26.7	73.6%	100.0%
Compensation of Employees	**23.1**	**23.1**	**17.1**	**17.1**	**74.1%**	**100.0%**
Goods and Services	**13.2**	**13.2**	**9.6**	**9.6**	**72.7%**	**100.0%**
506 NATIONAL TRAINING COUNCIL	**2.5**	**2.5**	**1.9**	**1.1**	**45.0%**	**61.1%**
Operational	2.5	2.5	1.9	1.1	45.0%	61.1%
Compensation of Employees	**2.1**	**2.1**	**1.6**	**0.9**	**40.8%**	**55.1%**
Goods and Services	**0.4**	**0.4**	**0.3**	**0.3**	**65.4%**	**91.2%**
507 NATIONAL ECONOMIC & FISCAL COMMISSION	**7.4**	**8.9**	**7.1**	**4.2**	**57.4%**	**59.9%**
Operational	7.4	8.9	7.1	4.2	57.4%	59.9%
Compensation of Employees	**3.1**	**3.1**	**2.3**	**1.2**	**38.9%**	**52.5%**
Goods and Services	**4.3**	**5.8**	**4.8**	**3.0**	**70.8%**	**63.4%**
Provinces	**5,702.1**	**6,176.0**	**5,230.4**	**3,281.3**	**57.5%**	**62.7%**
Goods and Services Tax (GST) and Book Makers Tax (BMT) transfers to Provinces	**1,274.5**	**1,274.5**	**0.0**	**637.3**	**50.0%**	
571 FLY RIVER PROVINCIAL ADMINISTRATION	**191.4**	**191.4**	**163.1**	**95.2**	**49.8%**	**58.4%**
Operational	124.4	124.4	118.1	52.2	42.0%	44.2%
Compensation of Employees	**94.1**	**94.1**	**88.3**	**42.6**	**45.2%**	**48.2%**
Provincial Functional Grant	**30.3**	**30.3**	**29.8**	**9.7**	**31.9%**	**32.5%**
GoPNG PIP	67.0	67.0	45.0	43.0	64.2%	95.6%
DSIP-Delta Fly District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Fly	10.0	10.0	10.0	8.0	80.0%	80.0%
DSIP- South Fly Distict	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- North Fly District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Middle Fly District	10.0	10.0	7.0	7.0	70.0%	100.0%
North Fly Development Authority- SSG	2.0	2.0	0.0	0.0	0.0%	0.0%
Daru Hospital Redevelopment	10.0	10.0	0.0	0.0	0.0%	0.0%
Fly River Provincial Government SSG	5.0	5.0	0.0	0.0	0.0%	0.0%
572 GULF PROVINCIAL ADMINISTRATION	**131.4**	**209.4**	**175.0**	**128.0**	**97.4%**	**73.1%**
Operational	76.4	76.4	73.0	31.0	40.6%	42.5%
Compensation of Employees	**48.4**	**48.4**	**46.3**	**23.6**	**48.9%**	**51.0%**
Provincial Functional Grant	**28.1**	**28.1**	**26.7**	**7.4**	**26.3%**	**27.7%**
GoPNG PIP	55.0	133.0	102.0	97.0	176.4%	95.1%
Ihu SEZ	5.0	55.0	50.0	50.0	1000.0%	100.0%
DSIP- Kerema District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Kikori District	10.0	10.0	10.0	10.0	100.0%	100.0%
Kikori Town Sealing- Gulf PG	0.0	10.0	10.0	10.0	0.0%	100.0%
Provincial Support Improvement Program-Gulf	10.0	10.0	9.0	9.0	90.0%	100.0%
Ihu-Kikori Road	10.0	10.0	5.0	0.0	0.0%	0.0%
Kerema District Infrastructure Development Program	0.0	15.0	5.0	5.0	0.0%	100.0%
Kikori District Infrastructure Development Program	0.0	3.0	3.0	3.0	0.0%	100.0%
Kerema Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
573 CENTRAL PROVINCIAL ADMINISTRATION	**234.2**	**239.2**	**221.9**	**137.1**	**58.5%**	**61.8%**
Operational	174.2	174.2	165.9	86.1	49.4%	51.9%
Compensation of Employees	**126.1**	**126.1**	**120.3**	**58.5**	**46.4%**	**48.6%**
Provincial Functional Grant	**48.1**	**48.1**	**45.6**	**27.6**	**57.4%**	**60.6%**
GoPNG PIP	60.0	65.0	56.0	51.0	85.0%	91.1%
DSIP-Rigo District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Central	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP-Hiri Koiari District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Abau District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Goilala District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Kairiku District	10.0	10.0	8.0	8.0	80.0%	100.0%
Central Provincial Infrastructure Program	0.0	5.0	5.0	0.0	0.0%	0.0%
574 NATIONAL CAPITAL DISTRICT	**72.1**	**108.1**	**90.9**	**85.8**	**118.9%**	**94.4%**
Operational	7.1	7.1	6.9	5.3	73.6%	76.7%
Goods and Services	**3.3**	**3.3**	**3.1**	**2.1**	**63.1%**	**66.9%**
Provincial Functional Grant	**3.8**	**3.8**	**3.7**	**3.2**	**83.0%**	**85.2%**
GoPNG PIP	65.0	101.0	84.0	80.5	123.8%	95.8%
PNG50 Programme	0.0	20.0	20.0	20.0	0.0%	100.0%
New NCD Hospital Development	25.0	25.0	15.0	15.0	60.0%	100.0%
DSIP- North East District	10.0	10.0	10.0	10.0	100.0%	100.0%
Fish Market - Moresby South	0.0	10.0	10.0	10.0	0.0%	100.0%
Provincial Support Improvement Program-NCD	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Moresby South District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- North West District	10.0	10.0	7.0	7.0	70.0%	100.0%
Moresby North East DDA	0.0	6.0	6.0	2.5	0.0%	41.7%
575 MILNE BAY PROVINCIAL ADMINISTRATION	**222.1**	**229.1**	**202.0**	**135.5**	**61.0%**	**67.1%**
Operational	162.1	162.1	153.0	86.5	53.3%	56.5%
Compensation of Employees	**121.7**	**121.7**	**114.7**	**63.5**	**52.2%**	**55.4%**
Provincial Functional Grant	**40.5**	**40.5**	**38.4**	**23.0**	**56.8%**	**59.9%**
GoPNG PIP	60.0	67.0	49.0	49.0	81.7%	100.0%
DSIP- Esa'ala District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Milne Bay	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP-Krirwina-Goodenough District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Samarai Murua District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Alotau District	10.0	10.0	7.0	7.0	70.0%	100.0%
Alotau District Infrastructure Development Program	0.0	7.0	7.0	7.0	0.0%	100.0%
Milne Bay Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
576 ORO PROVINCIAL ADMINISTRATION	**155.9**	**176.3**	**147.9**	**103.3**	**66.3%**	**69.9%**
Operational	90.9	111.3	106.9	62.3	68.6%	58.3%
Compensation of Employees	**63.2**	**63.5**	**60.7**	**31.0**	**49.0%**	**51.1%**
Goods and Services	**0.0**	**20.0**	**20.0**	**20.0**	**0.0%**	**100.0%**
Provincial Functional Grant	**27.8**	**27.8**	**26.3**	**11.4**	**40.9%**	**43.3%**
GoPNG PIP	65.0	65.0	41.0	41.0	63.1%	100.0%
DSIP- Popondetta District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP-Sohe District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program - Oro	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Ijvitari District	10.0	10.0	7.0	7.0	70.0%	100.0%
Provincial Headquarters Building	5.0	5.0	5.0	5.0	100.0%	100.0%
Popondetta Town Expansion Program	2.0	2.0	0.0	0.0	0.0%	0.0%
Oro Bay Aqua Fishery Farm Project	3.0	3.0	0.0	0.0	0.0%	0.0%
Manangalese FCCB Project	5.0	5.0	0.0	0.0	0.0%	0.0%
Northern Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
577 SOUTHERN HIGHLANDS PROVINCIAL ADMINISTRATION	**309.6**	**337.1**	**312.8**	**178.4**	**57.6%**	**57.0%**
Operational	246.6	246.6	230.3	106.9	43.3%	46.4%
Compensation of Employees	**207.5**	**207.5**	**193.4**	**102.9**	**49.6%**	**53.2%**
Provincial Functional Grant	**39.1**	**39.1**	**36.9**	**4.0**	**10.2%**	**10.8%**
GoPNG PIP	63.0	90.5	82.5	71.5	113.5%	86.7%
Nipa Kutubu DDA	0.0	22.5	22.5	22.5	0.0%	100.0%
DSIP- Mendi District	10.0	10.0	10.0	10.0	100.0%	100.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
DSIP- Imbonggu District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-SHP	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Ialibu Pangia District	10.0	10.0	8.0	5.0	50.0%	62.5%
DSIP- Kagua Erave District	10.0	10.0	8.0	5.0	50.0%	62.5%
DSIP- Nipa Kutubu District	10.0	10.0	7.0	7.0	70.0%	100.0%
Southern Highlands Provincial Infrastructure Program	0.0	5.0	5.0	0.0	0.0%	0.0%
Special Support Grant- Southest Mananda SPA	3.0	3.0	3.0	3.0	100.0%	100.0%
578 ENGA PROVINCIAL ADMINISTRATION	**310.9**	**311.1**	**289.2**	**177.8**	**57.2%**	**61.5%**
Operational	190.9	191.1	180.2	98.8	51.8%	54.9%
Compensation of Employees	**136.6**	**136.9**	**128.8**	**65.8**	**48.2%**	**51.1%**
Provincial Functional Grant	**54.3**	**54.3**	**51.4**	**33.0**	**60.9%**	**64.3%**
GoPNG PIP	120.0	120.0	109.0	79.0	65.8%	72.5%
Porgera IDG	50.0	50.0	50.0	20.0	40.0%	40.0%
DSIP- Wapenamanda District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP Pogera Paiela District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program - Enga	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Kandep District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP Wabag District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Lagaip District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Kompiam Ambum District	10.0	10.0	7.0	7.0	70.0%	100.0%
579 WESTERN HIGHLANDS PROVINCIAL ADMINISTRATION	**285.3**	**346.0**	**313.2**	**206.8**	**72.5%**	**66.0%**
Operational	223.3	223.3	203.4	117.8	52.8%	57.9%
Compensation of Employees	**211.3**	**211.3**	**191.8**	**109.4**	**51.8%**	**57.0%**
Provincial Functional Grant	**11.9**	**11.9**	**11.6**	**8.4**	**70.7%**	**72.8%**
GoPNG PIP	62.0	122.8	109.8	89.0	143.5%	81.1%
Western Highlands Provincial Infrastructure Program	0.0	30.0	30.0	20.0	0.0%	66.7%
Dei District Infrastructure Development Program	0.0	25.8	25.8	15.0	0.0%	58.3%
DSIP- Tambul Nebilyer District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP Dei District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP-Mul Bayer District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-WHP	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Mt. Hagen District	10.0	10.0	8.0	8.0	80.0%	100.0%
Tambul Nebilyer Dsitrict Infrastructure Development Program	0.0	5.0	5.0	5.0	0.0%	100.0%
Western Highlands Coffee Rehabilitation	2.0	2.0	2.0	2.0	100.0%	100.0%
Western Highlands Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
580 SIMBU PROVINCIAL ADMINISTRATION	**277.6**	**283.1**	**253.5**	**157.5**	**56.7%**	**62.1%**
Operational	194.6	194.6	186.0	96.0	49.3%	51.6%
Compensation of Employees	**151.2**	**151.2**	**143.1**	**71.3**	**47.2%**	**49.9%**
Provincial Functional Grant	**43.5**	**43.5**	**42.9**	**24.6**	**56.6%**	**57.3%**
GoPNG PIP	83.0	88.5	67.5	61.5	74.1%	91.1%
DSIP- Gumine District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Kerowagi District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Kundiawa- Gembogl District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Simbu	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Chuave District	10.0	10.0	8.0	5.0	50.0%	62.5%
DSIP-Sinasina Yonggamugl District	10.0	10.0	8.0	5.0	50.0%	62.5%
DSIP Karamui/Nomane District	10.0	10.0	7.0	7.0	70.0%	100.0%
Kerowaghi DDA Fund	0.0	5.5	5.5	5.5	0.0%	100.0%
Simbu Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
Karamui Cocoa Development Program	3.0	3.0	0.0	0.0	0.0%	0.0%
581 EASTERN HIGHLANDS PROVINCIAL ADMINISTRATION	**387.0**	**430.7**	**367.4**	**244.2**	**63.1%**	**66.5%**
Operational	268.0	268.0	251.6	132.9	49.6%	52.8%
Compensation of Employees	**218.2**	**218.2**	**204.6**	**105.5**	**48.4%**	**51.6%**
Provincial Functional Grant	**49.7**	**49.7**	**47.1**	**27.4**	**55.0%**	**58.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
GoPNG PIP	119.0	162.8	115.8	111.3	93.5%	96.1%
Goroka DDA	0.0	10.4	10.4	10.4	0.0%	100.0%
DSIP- Okapa District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Unggai/ Benna District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Goroka District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Oburra Wanenara District	10.0	10.0	10.0	10.0	100.0%	100.0%
Eastern Highlands Provincial Infrastructure Development Prog	0.0	9.9	9.9	9.9	0.0%	100.0%
Provincial Support Improvement Program-EHP	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Kainantu District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Henganofi District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Daulo District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Lufa District	10.0	10.0	7.0	7.0	70.0%	100.0%
Goroka District Office Complex	5.0	5.0	5.0	5.0	100.0%	100.0%
Lufa District Infrastructure Development Program	0.0	4.0	4.0	4.0	0.0%	100.0%
JUNCAU Technology - Lufa, EHP Mushroom Project	3.0	3.0	3.0	3.0	100.0%	100.0%
Goroka Town Road	0.0	3.0	3.0	0.0	0.0%	0.0%
Prison Rehabiitation	0.0	1.5	1.5	0.0	0.0%	0.0%
Eastern Highlands Provincial Government SSG	1.0	1.0	0.0	0.0	0.0%	0.0%
Yonki Eco-Tourism Project	2.0	2.0	0.0	0.0	0.0%	0.0%
Ungai Bena District Infrastructure Development Program	0.0	15.0	0.0	0.0	0.0%	0.0%
Goroka Agriculture Park	5.0	5.0	0.0	0.0	0.0%	0.0%
EHP Coffee Rehabilitation and SME Program	3.0	3.0	0.0	0.0	0.0%	0.0%
Eastern Highlands Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
582 MOROBE PROVINCIAL ADMINISTRATION	**504.3**	**526.5**	**419.5**	**280.2**	**55.6%**	**66.8%**
Operational	334.3	336.5	309.5	170.2	50.9%	55.0%
Compensation of Employees	**309.3**	**311.6**	**285.7**	**161.0**	**52.1%**	**56.4%**
Provincial Functional Grant	**25.0**	**25.0**	**23.8**	**9.2**	**36.9%**	**38.6%**
GoPNG PIP	170.0	190.0	110.0	110.0	64.7%	100.0%
Morobe Provincial Infrastructure Program	0.0	15.0	15.0	15.0	0.0%	100.0%
DSIP- Tewai Siasi District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Lae District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Markham District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Morobe	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Menyama District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Bulolo District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Kabwum Distict	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Wau- Waria District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Finschaffen District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Huon Gulf District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Nawaeb District	10.0	10.0	7.0	7.0	70.0%	100.0%
Marham DDA	0.0	5.0	5.0	5.0	0.0%	100.0%
Wafi Golpu Infrastructure Development Grant	50.0	50.0	0.0	0.0	0.0%	0.0%
Morobe Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
583 MADANG PROVINCIAL ADMINISTRATION	**374.0**	**429.4**	**352.3**	**204.6**	**54.7%**	**58.1%**
Operational	264.0	264.0	247.9	103.2	39.1%	41.6%
Compensation of Employees	**212.2**	**212.2**	**199.0**	**95.6**	**45.0%**	**48.0%**
Provincial Functional Grant	**51.8**	**51.8**	**49.0**	**7.6**	**14.7%**	**15.5%**
GoPNG PIP	110.0	165.4	104.4	101.4	92.2%	97.1%
Usino Bundi DDA- PMs Commitment	0.0	27.0	27.0	27.0	0.0%	100.0%
DSIP- Usino Bundi District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Middle Ramu District	10.0	10.0	10.0	10.0	100.0%	100.0%
Madang DDA	0.0	20.0	10.0	10.0	0.0%	100.0%
Provincial Support Improvement Program-Madang	10.0	10.0	9.0	9.0	90.0%	100.0%
Sumkar District Infrastructure Development Program	0.0	8.0	8.0	8.0	0.0%	100.0%
DSIP- Madang District	10.0	10.0	8.0	5.0	50.0%	62.5%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
DSIP- Rai Coast District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- Sumkar District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Bogia District	10.0	10.0	7.0	7.0	70.0%	100.0%
Madang Provincial Infrastructure Program	0.0	0.4	0.4	0.4	0.0%	100.0%
Ramu Nickel IDG	30.0	30.0	0.0	0.0	0.0%	0.0%
Madang Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
584 EAST SEPIK PROVINCIAL ADMINISTRATION	**370.8**	**382.8**	**343.0**	**192.8**	**52.0%**	**56.2%**
Operational	280.8	280.8	264.0	115.8	41.2%	43.9%
Compensation of Employees	**201.4**	**201.4**	**188.9**	**101.8**	**50.6%**	**53.9%**
Provincial Functional Grant	**79.4**	**79.4**	**75.1**	**14.0**	**17.6%**	**18.6%**
East Sepik Provincial Government	67.5	67.5	63.7	11.7	17.3%	18.3%
Wewak Urban Local Level Government	1.6	1.6	1.5	0.5	32.2%	33.4%
Angoram - Middle Sepik Local Level Govt.	0.8	0.8	0.7	0.1	13.0%	13.7%
Keram Local Level Government	0.8	0.8	0.7	0.1	13.3%	14.0%
Dreikikir Local Level Government	0.7	0.7	0.7	0.1	14.1%	14.9%
Marienberg - Lower Sepik Local Level Govt.	0.6	0.6	0.6	0.1	12.7%	13.3%
Ambunti Local Level Government	0.6	0.6	0.6	0.1	15.9%	16.7%
East Yangoru Local Level Government	0.6	0.6	0.5	0.1	13.5%	14.2%
West Yangoru Local Level Government	0.5	0.5	0.5	0.1	19.7%	20.6%
Karawari Local Level Government	0.4	0.4	0.4	0.1	18.6%	19.4%
South Wosera Local Level Government	0.4	0.4	0.4	0.1	19.8%	20.7%
Numbo Local Level Government	0.4	0.4	0.4	0.1	16.6%	17.4%
Yuat Local Level Government	0.4	0.4	0.4	0.1	12.8%	13.4%
Wewak Rural Local Level Government	0.4	0.4	0.4	0.1	19.3%	20.1%
Tunap Hustein Range Local Level Govt.	0.4	0.4	0.4	0.1	16.2%	17.0%
Gawanga Local Level Government	0.4	0.4	0.4	0.1	18.5%	19.3%
Sausso Local Level Government	0.4	0.4	0.3	0.1	15.0%	15.8%
North Wosera Local Level Government	0.3	0.3	0.3	0.1	23.0%	24.0%
Burui Kunai Local Level Government	0.3	0.3	0.2	0.1	21.6%	22.4%
Maprik Wora Local Level Government	0.2	0.2	0.2	0.0	19.3%	20.2%
Bumbita Muhiang Local Level Government	0.2	0.2	0.2	0.0	17.7%	18.5%
Yamil Tamaui Local Level Government	0.2	0.2	0.2	0.0	16.0%	16.8%
Turubu Local Level Government	0.2	0.2	0.2	0.1	22.6%	23.5%
Wewak Island Local Level Government	0.2	0.2	0.2	0.0	17.6%	18.4%
Dagua Rural Local Level Government	0.2	0.2	0.2	0.0	15.8%	16.5%
Albiges Mambiep Local Level Government	0.2	0.2	0.2	0.1	46.9%	47.1%
Boiken Rural Local Level Government	0.2	0.2	0.2	0.0	18.3%	19.1%
Gauwi Local Level Government	0.2	0.2	0.2	0.1	27.0%	27.9%
Maprik Urban Local Level Government	0.2	0.2	0.2	0.1	35.5%	36.3%
GoPNG PIP	90.0	102.0	79.0	77.0	85.6%	97.5%
DSIP- Wewak District	10.0	10.0	10.0	10.0	100.0%	100.0%
Urimo AGriculture Livestock - Yangoru Sausia DDA	0.0	10.0	10.0	10.0	0.0%	100.0%
DSIP- Yangoru/Saussia District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Angoram District	10.0	10.0	10.0	8.0	80.0%	80.0%
DSIP- Maprik District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Wosera Gawi District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program - ESP	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Ambunti/ Drekikir District	10.0	10.0	8.0	8.0	80.0%	100.0%
Wosera Gawi District Infrastructure Development Program	0.0	2.0	2.0	2.0	0.0%	100.0%
East Sepik Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
Boram Airport Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
585 SANDAUN PROVINCIAL ADMINISTRATION	**225.4**	**226.1**	**206.0**	**129.8**	**57.6%**	**63.0%**
Operational	165.4	166.1	157.0	80.8	48.9%	51.5%
Compensation of Employees	**111.8**	**112.5**	**106.3**	**53.3**	**47.7%**	**50.1%**
Provincial Functional Grant	**53.5**	**53.5**	**50.6**	**27.5**	**51.4%**	**54.3%**
GoPNG PIP	60.0	60.0	49.0	49.0	81.7%	100.0%
DSIP- Vanimo Green District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Aitape Lumi District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Nuku District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Telefomin District	10.0	10.0	10.0	10.0	100.0%	100.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Provincial Support Improvement Program - WSP	10.0	10.0	9.0	9.0	90.0%	100.0%
Sandaun Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
586 MANUS PROVINCIAL ADMINISTRATION	**97.0**	**107.3**	**94.7**	**56.3**	**58.0%**	**59.4%**
Operational	67.0	67.3	65.7	27.3	40.7%	41.5%
Compensation of Employees	**47.2**	**47.4**	**46.8**	**23.4**	**49.5%**	**49.9%**
Provincial Functional Grant	**19.9**	**19.9**	**18.9**	**3.9**	**19.5%**	**20.5%**
GoPNG PIP	30.0	40.0	29.0	29.0	96.7%	100.0%
Manus Provincial Infrastructure Program	0.0	10.0	10.0	10.0	0.0%	100.0%
District Support Improvement Program-Manus	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Manus	10.0	10.0	9.0	9.0	90.0%	100.0%
Manus Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
587 NEW IRELAND PROVINCIAL ADMINISTRATION	**170.0**	**200.0**	**169.9**	**94.0**	**55.3%**	**55.3%**
Operational	115.0	115.0	112.9	57.0	49.6%	50.5%
Compensation of Employees	**101.5**	**101.5**	**100.0**	**50.3**	**49.6%**	**50.3%**
Provincial Functional Grant	**13.5**	**13.5**	**12.8**	**6.7**	**49.3%**	**51.9%**
GoPNG PIP	55.0	85.0	57.0	37.0	67.3%	64.9%
IDG- NIPG- Lihir	0.0	20.0	20.0	10.0	0.0%	50.0%
New Ireland Provincial Infrastructure Program	0.0	10.0	10.0	0.0	0.0%	0.0%
DSIP- Kavieng District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-NIP	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Namatanai District	10.0	10.0	7.0	7.0	70.0%	100.0%
Special Support Grant - Simberi	1.0	1.0	0.0	0.0	0.0%	0.0%
Special Support Grant-Nimarmar Spa	4.0	4.0	0.0	0.0	0.0%	0.0%
New Ireland Province SSG-Lihir	10.0	10.0	0.0	0.0	0.0%	0.0%
New Ireland Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
588 EAST NEW BRITAIN PROVINCIAL ADMINISTRATION	**265.7**	**265.7**	**234.8**	**129.4**	**48.7%**	**55.1%**
Operational	190.7	190.7	186.8	86.4	45.3%	46.2%
Compensation of Employees	**162.8**	**162.8**	**160.5**	**82.8**	**50.9%**	**51.6%**
Provincial Functional Grant	**27.9**	**27.9**	**26.3**	**3.5**	**12.7%**	**13.5%**
GoPNG PIP	75.0	75.0	48.0	43.0	57.3%	89.6%
DSIP- Pomio District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Kokopo District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-ENB	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Gazelle District	10.0	10.0	7.0	7.0	70.0%	100.0%
DSIP- Rabaul District	10.0	10.0	7.0	7.0	70.0%	100.0%
Rabaul Town Restoration Program	10.0	10.0	5.0	0.0	0.0%	0.0%
East New Britain Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
Rabaul Cruise Terminal Project	5.0	5.0	0.0	0.0	0.0%	0.0%
589 WEST NEW BRITAIN PROVINCIAL ADMINISTRATION	**232.5**	**249.5**	**237.7**	**149.1**	**64.1%**	**62.7%**
Operational	192.5	192.5	181.7	100.1	52.0%	55.1%
Compensation of Employees	**139.1**	**139.1**	**131.1**	**70.2**	**50.5%**	**53.5%**
Provincial Functional Grant	**53.5**	**53.5**	**50.6**	**29.9**	**55.9%**	**59.1%**
GoPNG PIP	40.0	57.0	56.0	49.0	122.5%	87.5%
DSIP Nakanai Central District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Kandrian Glouster District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Talasea District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-WNB	10.0	10.0	9.0	9.0	90.0%	100.0%
West New Britain Provincial Infrastructure Program	0.0	7.0	7.0	0.0	0.0%	0.0%
Talasea DDA	0.0	5.0	5.0	5.0	0.0%	100.0%
Nakanai DDA	0.0	5.0	5.0	5.0	0.0%	100.0%
590 AUTONOMOUS BOUGAINVILLE ADMINISTRATION	**495.4**	**495.4**	**241.1**	**143.5**	**29.0%**	**59.5%**
Operational	205.4	205.4	196.1	98.5	48.0%	50.2%
Compensation of Employees	**163.8**	**163.8**	**156.8**	**91.2**	**55.7%**	**58.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Goods and Services	**41.6**	**41.6**	**39.3**	**7.3**	**17.5%**	**18.6%**
GoPNG PIP	290.0	290.0	45.0	45.0	15.5%	100.0%
DSIP- South Bougainville District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-ABG	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Central Bougainville District	10.0	10.0	8.0	8.0	80.0%	100.0%
DSIP- North Bougainville District	10.0	10.0	8.0	8.0	80.0%	100.0%
PM's Commitment to ABG	100.0	100.0	5.0	5.0	5.0%	100.0%
ABG Restoration Development Grant (RDG) Arrears	100.0	100.0	5.0	5.0	5.0%	100.0%
Restoration Development Grant (Outstanding)	50.0	50.0	0.0	0.0	0.0%	0.0%
591 HELA PROVINCIAL ADMINISTRATION	**181.0**	**215.3**	**194.1**	**126.9**	**70.1%**	**65.4%**
Operational	116.0	116.1	110.0	52.8	45.5%	48.0%
Compensation of Employees	**80.0**	**80.1**	**75.8**	**46.2**	**57.7%**	**60.9%**
Provincial Functional Grant	**36.0**	**36.0**	**34.2**	**6.6**	**18.3%**	**19.3%**
GoPNG PIP	65.0	99.1	84.1	74.1	114.0%	88.1%
Hela Provincial Infrastructure Program	0.0	17.1	17.1	17.1	0.0%	100.0%
Koroba Lake Kopiago DDA	0.0	17.0	17.0	10.0	0.0%	58.8%
DSIP- Magarima District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Komo Hulia District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- Tar Pori District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Hela	10.0	10.0	9.0	9.0	90.0%	100.0%
DSIP- Koroba- Lake Kopiago District	10.0	10.0	8.0	8.0	80.0%	100.0%
New Komo-Hulia District-Seat of Government	3.0	3.0	3.0	0.0	0.0%	0.0%
Angore Special Purpose Authority	2.0	2.0	0.0	0.0	0.0%	0.0%
Outstanding Land Ownership Related Commitments (Porgera and	10.0	10.0	0.0	0.0	0.0%	0.0%
592 JIWAKA PROVINCIAL ADMINISTRATION	**208.3**	**216.3**	**200.4**	**125.1**	**60.0%**	**62.4%**
Operational	158.3	158.3	155.4	80.1	50.6%	51.5%
Compensation of Employees	**120.6**	**120.6**	**119.6**	**57.7**	**47.9%**	**48.2%**
Provincial Functional Grant	**37.7**	**37.7**	**35.8**	**22.4**	**59.3%**	**62.6%**
GoPNG PIP	50.0	58.0	45.0	45.0	90.0%	100.0%
DSIP- Jimi District	10.0	10.0	10.0	10.0	100.0%	100.0%
DSIP- North Waghi District	10.0	10.0	10.0	10.0	100.0%	100.0%
Provincial Support Improvement Program-Jiwaka	10.0	10.0	9.0	9.0	90.0%	100.0%
North Waghi DDA	0.0	8.0	8.0	8.0	0.0%	100.0%
DSIP- Anglimp South Waghi District	10.0	10.0	8.0	8.0	80.0%	100.0%
Jiwaka Provincial Hospital Redevelopment Program	10.0	10.0	0.0	0.0	0.0%	0.0%
Debt Services	**3,723.0**	**3,723.0**	**2,630.4**	**1,854.9**	**49.8%**	**70.5%**
299 TREASURY AND FINANCE - PUBLIC DEBT CHARGES	**3,723.0**	**3,723.0**	**2,630.4**	**1,854.9**	**49.8%**	**70.5%**
Operational	3,723.0	3,723.0	2,630.4	1,854.9	49.8%	70.5%
Debt (Interest Repayment)	**3,723.0**	**3,723.0**	**2,630.4**	**1,854.9**	**49.8%**	**70.5%**
Community & Culture	**289.9**	**225.2**	**154.3**	**103.7**	**35.8%**	**67.2%**
233 OFFICE OF CENSORSHIP	**9.3**	**9.6**	**5.9**	**3.1**	**33.4%**	**52.9%**
Operational	4.3	4.6	3.9	2.4	56.8%	63.0%
Compensation of Employees	**3.9**	**3.9**	**3.3**	**1.9**	**49.3%**	**57.9%**
Goods and Services	**0.4**	**0.7**	**0.6**	**0.5**	**126.4%**	**92.9%**
GoPNG PIP	5.0	5.0	2.0	0.7	13.3%	33.2%
Censorship Information and Intervention Program (CIIP)	5.0	5.0	2.0	0.7	13.3%	33.2%
242 DEPARTMENT OF COMMUNITY DEVELOPMENT	**66.8**	**66.8**	**47.3**	**32.2**	**48.1%**	**68.0%**
Operational	22.8	22.8	19.3	13.3	58.2%	68.9%
Compensation of Employees	**15.7**	**15.7**	**13.9**	**9.5**	**60.6%**	**68.6%**
Goods and Services	**7.1**	**7.1**	**5.4**	**3.8**	**52.8%**	**69.5%**
GoPNG PIP	44.0	44.0	28.0	18.9	42.9%	67.5%
District Community Development Centre	20.0	20.0	12.0	12.0	60.0%	100.0%
PNG Church-State Partnership Programme	20.0	20.0	12.0	3.9	19.5%	32.5%
Gender Equality/Gender Based Violence (AUSAID)	4.0	4.0	4.0	3.0	74.8%	74.8%
243 NATIONAL VOLUNTEER SERVICES	**10.4**	**10.4**	**9.4**	**9.1**	**87.6%**	**97.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Operational	5.4	5.4	4.4	4.1	76.1%	94.0%
Compensation of Employees	**3.7**	**3.7**	**3.1**	**2.9**	**77.6%**	**91.6%**
Goods and Services	**1.7**	**1.7**	**1.3**	**1.3**	**72.9%**	**100.0%**
GoPNG PIP	5.0	5.0	5.0	5.0	100.0%	100.0%
National Volunteers Intervention	5.0	5.0	5.0	5.0	100.0%	100.0%
351 NATIONAL OFFICE FOR CHILD & FAMILY SERVICES	**12.5**	**12.5**	**6.9**	**4.9**	**39.0%**	**70.7%**
Operational	3.5	3.5	2.9	0.9	24.8%	29.9%
Compensation of Employees	**2.7**	**2.7**	**2.3**	**0.3**	**11.5%**	**13.6%**
Goods and Services	**0.8**	**0.8**	**0.6**	**0.6**	**70.6%**	**93.0%**
GoPNG PIP	9.0	9.0	4.0	4.0	44.4%	100.0%
Out of Home Care Program	5.0	5.0	2.0	2.0	40.0%	100.0%
Child Protection Program	4.0	4.0	2.0	2.0	50.0%	100.0%
352 PNG OFFICE OF CIVIL REGISTRATION & NATIONAL IDENTITY	**4.3**	**6.8**	**5.3**	**0.1**	**3.4%**	**2.7%**
Operational	4.3	6.8	5.3	0.1	3.4%	2.7%
Compensation of Employees	**4.1**	**4.1**	**2.7**	**0.0**	**0.7%**	**1.0%**
Goods and Services	**0.2**	**2.7**	**2.6**	**0.1**	**55.6%**	**4.5%**
516 PAPUA NEW GUINEA SPORTS FOUNDATION	**145.8**	**45.8**	**20.9**	**8.1**	**5.6%**	**38.7%**
Operational	15.8	15.8	13.9	8.1	51.3%	58.2%
Compensation of Employees	**12.7**	**12.7**	**11.7**	**6.0**	**47.6%**	**51.7%**
Goods and Services	**3.1**	**3.1**	**2.3**	**2.1**	**66.7%**	**91.7%**
GoPNG PIP	130.0	30.0	7.0	0.0	0.0%	0.0%
PNG Grassroots Games (Mendi)	20.0	20.0	5.0	0.0	0.0%	0.0%
Provincial Sports Infrastructure Development Program	10.0	10.0	2.0	0.0	0.0%	0.0%
PNG NRL Bid Support Program	100.0	0.0	0.0	0.0	0.0%	0.0%
521 NATIONAL YOUTH COMMISSION	**11.6**	**11.6**	**10.8**	**5.1**	**44.5%**	**47.5%**
Operational	4.6	4.6	3.8	2.1	47.0%	56.1%
Compensation of Employees	**4.1**	**4.1**	**3.5**	**1.9**	**45.1%**	**53.1%**
Goods and Services	**0.4**	**0.4**	**0.3**	**0.3**	**66.7%**	**91.7%**
GoPNG PIP	7.0	7.0	7.0	3.0	42.9%	42.9%
National Youth Development Program	7.0	7.0	7.0	3.0	42.9%	42.9%
539 NATIONAL MUSEUM AND ART GALLERY	**17.9**	**26.4**	**13.3**	**10.9**	**60.9%**	**81.7%**
Operational	5.9	6.4	5.3	2.9	49.1%	54.2%
Compensation of Employees	**5.1**	**5.6**	**4.7**	**2.3**	**46.4%**	**49.5%**
Goods and Services	**0.8**	**0.8**	**0.6**	**0.5**	**65.4%**	**91.2%**
GoPNG PIP	12.0	20.0	8.0	8.0	66.7%	100.0%
National Museum Rehabilitation	2.0	10.0	8.0	8.0	400.0%	100.0%
Somare Memorial Museum	10.0	10.0	0.0	0.0	0.0%	0.0%
542 NATIONAL CULTURAL COMMISSION	**11.5**	**35.5**	**34.5**	**30.2**	**263.1%**	**87.4%**
Operational	5.5	5.5	4.5	3.2	57.7%	69.8%
Compensation of Employees	**4.5**	**4.5**	**3.9**	**2.5**	**56.2%**	**66.1%**
Goods and Services	**0.9**	**0.9**	**0.7**	**0.6**	**65.4%**	**91.2%**
GoPNG PIP	6.0	30.0	30.0	27.0	450.0%	90.0%
NCC Arts & Culture Development Program	0.0	24.0	24.0	24.0	0.0%	100.0%
National Cultural Events & Festivals	4.0	4.0	4.0	2.0	50.0%	50.0%
NCC Infrastructure Rehabilitation Program	2.0	2.0	2.0	1.0	50.0%	50.0%
Economic	**1,107.7**	**1,019.4**	**702.9**	**475.5**	**42.9%**	**67.7%**
245 CONSERVATION & ENVIRONMENT PROTECTION AUTHORITY	**13.5**	**13.5**	**7.6**	**3.1**	**23.1%**	**41.2%**
Operational	9.5	9.5	6.6	2.6	27.5%	39.9%
Compensation of Employees	**9.5**	**9.5**	**6.6**	**2.6**	**27.5%**	**39.9%**
GoPNG PIP	4.0	4.0	1.0	0.5	12.5%	50.0%
Kokoda Track Initiative	4.0	4.0	1.0	0.5	12.5%	50.0%
247 DEPARTMENT OF AGRICULTURE	**64.4**	**68.1**	**51.3**	**36.0**	**55.9%**	**70.1%**
Operational	23.4	23.4	19.3	10.9	46.6%	56.3%
Compensation of Employees	**17.4**	**17.4**	**14.8**	**7.4**	**42.6%**	**50.1%**
Goods and Services	**5.9**	**5.9**	**4.5**	**3.5**	**58.2%**	**76.7%**
GoPNG PIP	41.0	44.8	32.0	25.1	61.2%	78.4%
National Rice and Grain Board	0.0	11.0	11.0	10.1	0.0%	92.2%
National Agriculture Development Program	20.0	12.8	10.0	8.9	44.4%	88.9%
Commodity Price Support Program	10.0	10.0	4.0	1.3	12.7%	31.8%
Spice Development Program	3.0	3.0	3.0	0.8	26.7%	26.7%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Rubber Downstream Processing Development Program	4.0	4.0	2.0	2.0	50.0%	100.0%
Market for Village Farmers	2.0	2.0	1.0	1.0	50.0%	100.0%
PNG Agriculture Commercialisation & Diversification Project	2.0	2.0	1.0	1.0	50.0%	100.0%
252 DEPARTMENT OF LANDS & PHYSICAL PLANNING	**174.7**	**171.8**	**128.2**	**47.6**	**27.2%**	**37.1%**
Operational	23.7	54.5	50.9	34.2	144.2%	67.2%
Compensation of Employees	**22.2**	**23.0**	**19.7**	**15.0**	**67.6%**	**76.2%**
Goods and Services	**1.5**	**31.5**	**31.1**	**19.2**	**1285.6%**	**61.6%**
GoPNG PIP	151.0	117.3	77.3	13.4	8.9%	17.3%
Urban Land Expansion Prorgam	70.0	56.3	36.3	10.1	14.5%	27.9%
Agriculture Land Expansion Program	70.0	50.0	30.0	0.4	0.5%	1.2%
LEAP (GoLands)	5.0	5.0	5.0	2.8	56.5%	56.5%
Border Survey and Mapping Development Project	4.0	4.0	4.0	0.0	1.1%	1.1%
National Land Development Program Phase II	2.0	2.0	2.0	0.0	0.0%	0.0%
254 DEPARTMENT OF MINING	**12.3**	**12.3**	**8.4**	**3.1**	**25.0%**	**36.6%**
Operational	7.3	7.3	5.4	2.9	39.5%	53.4%
Compensation of Employees	**5.8**	**5.9**	**4.3**	**2.3**	**39.5%**	**53.8%**
Goods and Services	**1.4**	**1.4**	**1.1**	**0.6**	**39.3%**	**51.8%**
GoPNG PIP	5.0	5.0	3.0	0.2	3.9%	6.5%
Rabaul Volcanological Observatory Relocation	4.0	4.0	2.0	0.0	0.8%	1.5%
Review of Mining Legislation and Policies (Mining Safety Act	1.0	1.0	1.0	0.2	16.6%	16.6%
255 DEPRTMENT OF PETROLIUM	**64.0**	**81.0**	**40.0**	**23.7**	**37.0%**	**59.2%**
Operational	0.0	25.0	25.0	13.0	0.0%	52.0%
Compensation of Employees	**0.0**	**3.5**	**3.5**	**3.8**	**0.0%**	**109.9%**
Goods and Services	**0.0**	**21.5**	**21.5**	**9.1**	**0.0%**	**42.5%**
GoPNG PIP	64.0	56.0	15.0	10.7	16.7%	71.1%
Business Development Grant (Papua LNG)	50.0	42.0	10.0	10.0	20.0%	100.0%
Development of New Petroleum Projects	10.0	10.0	3.0	0.1	1.3%	4.3%
Petroleum Electronic Licencing System	4.0	4.0	2.0	0.5	13.5%	26.9%
260 DEPARTMENT OF INTERNATIONAL TRADE & INVESTMENT	**144.8**	**103.7**	**5.4**	**2.9**	**2.0%**	**54.4%**
Operational	6.8	6.8	5.4	2.9	42.8%	54.4%
Compensation of Employees	**2.8**	**2.8**	**2.4**	**0.9**	**33.0%**	**38.5%**
Goods and Services	**4.1**	**4.1**	**3.0**	**2.0**	**49.4%**	**67.0%**
GoPNG PIP	138.0	96.8	0.0	0.0	0.0%	0.0%
Konebada Petroleum Park	5.0	5.0	0.0	0.0	0.0%	0.0%
Trade Negotiations (UAE)	3.0	0.0	0.0	0.0	0.0%	0.0%
State Equity Fund (Agriculture and Others)	130.0	91.8	0.0	0.0	0.0%	0.0%
261 Department of Commerce & Industry	**162.6**	**62.6**	**50.6**	**13.6**	**8.3%**	**26.8%**
Operational	12.6	12.6	10.6	7.2	56.6%	67.6%
Compensation of Employees	**10.7**	**10.7**	**9.1**	**5.7**	**53.0%**	**62.3%**
Goods and Services	**1.9**	**1.9**	**1.4**	**1.5**	**77.1%**	**101.5%**
GoPNG PIP	150.0	50.0	40.0	6.4	4.3%	16.0%
National Government SME Funding - Woman's Micro Bank	30.0	20.0	10.0	0.0	0.0%	0.0%
National Government SME Funding - Other Micro Lenders	20.0	10.0	10.0	6.4	31.9%	63.9%
National Government SME Funding - Bank South Pacific	50.0	10.0	10.0	0.0	0.0%	0.0%
National Government SME Funding - National Development Bank	50.0	10.0	10.0	0.0	0.0%	0.0%
301 SPECIAL ECONOMIC ZONES	**39.0**	**39.0**	**15.8**	**10.8**	**27.6%**	**68.1%**
Operational	9.0	9.0	5.8	0.8	8.5%	13.1%
Compensation of Employees	**6.5**	**6.5**	**4.9**	**0.2**	**3.2%**	**4.2%**
Goods and Services	**2.5**	**2.5**	**0.9**	**0.6**	**22.2%**	**61.1%**
GoPNG PIP	30.0	30.0	10.0	10.0	33.3%	100.0%
Special Economic Zone Development Program	30.0	30.0	10.0	10.0	33.3%	100.0%
350 NATIONAL ENERGY AUTHORITY	**30.0**	**30.0**	**25.7**	**24.2**	**80.8%**	**94.1%**
Operational	15.0	15.0	10.7	9.2	61.6%	85.9%
Compensation of Employees	**11.5**	**11.5**	**8.3**	**7.0**	**60.5%**	**84.3%**
Goods and Services	**3.4**	**3.4**	**2.5**	**2.2**	**65.4%**	**91.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
GoPNG PIP	15.0	15.0	15.0	15.0	100.0%	100.0%
Off Grid Renewable Energy	10.0	10.0	10.0	10.0	100.0%	100.0%
National Power Generation Investment Program	5.0	5.0	5.0	5.0	100.0%	100.0%
356 SECURITIES COMMISSION OF PNG	**17.1**	**17.1**	**14.8**	**13.8**	**80.7%**	**92.8%**
Operational	12.1	12.1	9.8	8.8	72.7%	89.2%
Compensation of Employees	**8.0**	**8.0**	**6.5**	**5.7**	**71.2%**	**87.7%**
Goods and Services	**4.1**	**4.1**	**3.3**	**3.1**	**75.6%**	**92.1%**
GoPNG PIP	5.0	5.0	5.0	5.0	100.0%	100.0%
Security Commision PNG Enterprice System	5.0	5.0	5.0	5.0	100.0%	100.0%
511 PAPUA NEW GUINEA CLIMATE CHANGE AUTHORITY	**13.5**	**13.5**	**9.0**	**6.8**	**50.1%**	**75.4%**
Operational	8.5	8.5	7.0	4.8	56.0%	68.3%
Compensation of Employees	**6.4**	**6.4**	**5.5**	**3.3**	**50.5%**	**59.5%**
Goods and Services	**2.1**	**2.1**	**1.5**	**1.5**	**72.7%**	**100.0%**
GoPNG PIP	5.0	5.0	2.0	2.0	40.0%	100.0%
National Determined Contributions (NDC) Implementation	5.0	5.0	2.0	2.0	40.0%	100.0%
530 INVESTMENT PROMOTION AUTHORITY	**3.0**	**3.0**	**1.0**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	3.0	3.0	1.0	0.0	0.0%	0.0%
Strengthening Investment Promotion & Facilitation	3.0	3.0	1.0	0.0	0.0%	0.0%
531 SMALL BUSINESS DEVELOPMENT CORPORATION	**15.6**	**15.6**	**8.8**	**7.8**	**49.9%**	**88.1%**
Operational	10.6	10.6	7.8	6.8	64.1%	86.6%
Compensation of Employees	**9.4**	**9.4**	**7.0**	**6.0**	**63.8%**	**86.0%**
Goods and Services	**1.1**	**1.1**	**0.8**	**0.7**	**66.7%**	**91.7%**
GoPNG PIP	5.0	5.0	1.0	1.0	20.0%	100.0%
Nationwide Business Incubation Centres	5.0	5.0	1.0	1.0	20.0%	100.0%
532 NATIONAL INSTITUTE OF STANDARDS & INDUSTRIAL TECHNOLOGY	**17.9**	**17.9**	**14.8**	**10.6**	**58.9%**	**71.4%**
Operational	11.9	11.9	8.8	4.6	38.2%	51.9%
Compensation of Employees	**10.9**	**10.9**	**8.0**	**3.8**	**35.0%**	**47.5%**
Goods and Services	**1.0**	**1.0**	**0.7**	**0.7**	**71.7%**	**100.0%**
GoPNG PIP	6.0	6.0	6.0	6.0	100.0%	100.0%
Standards and Measurements Lab	4.0	4.0	4.0	4.0	100.0%	100.0%
NISIT Institutional Strengthening	2.0	2.0	2.0	2.0	100.0%	100.0%
533 INDUSTRIAL CENTERS DEVELOPMENT CORPORATION	**8.2**	**8.2**	**7.3**	**7.3**	**89.9%**	**100.0%**
Operational	3.2	3.2	2.3	2.3	73.8%	100.0%
Compensation of Employees	**2.8**	**2.8**	**2.0**	**2.0**	**74.1%**	**100.0%**
Goods and Services	**0.4**	**0.4**	**0.3**	**0.3**	**71.7%**	**100.0%**
GoPNG PIP	5.0	5.0	5.0	5.0	100.0%	100.0%
Malahang Industrial Centre Project	5.0	5.0	5.0	5.0	100.0%	100.0%
535 MINERAL RESOURCES AUTHORITY	**6.0**	**6.0**	**1.0**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	6.0	6.0	1.0	0.0	0.0%	0.0%
Women in Mining	3.0	3.0	1.0	0.0	0.0%	0.0%
Pogera Reopening	3.0	3.0	0.0	0.0	0.0%	0.0%
536 KOKONAS INDASTRY KOPRATION	**26.6**	**26.6**	**17.9**	**17.0**	**63.9%**	**94.6%**
Operational	11.6	11.6	8.9	8.0	69.0%	89.2%
Compensation of Employees	**8.3**	**8.3**	**6.2**	**5.3**	**63.8%**	**86.0%**
Goods and Services	**3.3**	**3.3**	**2.8**	**2.7**	**82.3%**	**96.2%**
GoPNG PIP	15.0	15.0	9.0	9.0	60.0%	100.0%
Coconut Plantations and Seed Distribution	5.0	5.0	3.0	3.0	60.0%	100.0%
Market Development & Trade	5.0	5.0	3.0	3.0	60.0%	100.0%
Coconut Research and Nursery Program	5.0	5.0	3.0	3.0	60.0%	100.0%
541 NATIONAL HOUSING CORPORATION	**28.6**	**31.6**	**28.6**	**20.3**	**71.2%**	**71.0%**
Operational	18.6	21.6	18.6	10.3	55.6%	55.4%
Compensation of Employees	**15.1**	**15.1**	**12.8**	**4.5**	**30.0%**	**35.3%**
Goods and Services	**3.4**	**6.4**	**5.8**	**5.8**	**168.4%**	**100.0%**
GoPNG PIP	10.0	10.0	10.0	10.0	100.0%	100.0%
NHC Headquarters Building	5.0	5.0	5.0	5.0	100.0%	100.0%
NHC Flats Renovation Project	5.0	5.0	5.0	5.0	100.0%	100.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
551 NATIONAL FISHERIES AUTHORITY	**3.0**	**10.0**	**10.0**	**10.0**	**333.3%**	**100.0%**
Operational	0.0	7.0	7.0	7.0	0.0%	100.0%
Goods and Services	**0.0**	**7.0**	**7.0**	**7.0**	**0.0%**	**100.0%**
GoPNG PIP	3.0	3.0	3.0	3.0	100.0%	100.0%
Inland Fisheries Development Program	3.0	3.0	3.0	3.0	100.0%	100.0%
553 FRESH PRODUCE DEVELOPMENT COMPANY	**17.9**	**17.9**	**15.8**	**15.8**	**88.4%**	**100.0%**
Operational	7.9	7.9	5.8	5.8	73.5%	100.0%
Compensation of Employees	**5.8**	**5.8**	**4.3**	**4.3**	**74.1%**	**100.0%**
Goods and Services	**2.0**	**2.0**	**1.4**	**1.4**	**71.7%**	**100.0%**
GoPNG PIP	10.0	10.0	10.0	10.0	100.0%	100.0%
National Potato Development Program	5.0	5.0	5.0	5.0	100.0%	100.0%
Bulb Onion Program	5.0	5.0	5.0	5.0	100.0%	100.0%
554 PNG COFFEE INDUSTRY CORPORATION	**68.3**	**46.6**	**43.2**	**32.0**	**46.8%**	**74.1%**
Operational	13.3	13.3	9.9	8.7	65.4%	88.1%
Compensation of Employees	**9.1**	**9.1**	**6.7**	**5.8**	**63.8%**	**86.0%**
Goods and Services	**4.2**	**4.2**	**3.2**	**2.9**	**68.7%**	**92.3%**
GoPNG PIP	55.0	33.3	33.3	23.3	42.3%	70.0%
Large Scale Coffee Plantation Rehabilitation	20.0	20.0	20.0	10.0	50.0%	50.0%
National Coffee Development Program	20.0	8.3	8.3	8.3	41.4%	100.0%
Coffee Access Roads Program	5.0	5.0	5.0	5.0	100.0%	100.0%
Green Gold Card (Price Support)	10.0	0.0	0.0	0.0	0.0%	0.0%
557 PNG NATIONAL FOREST AUTHORITY	**74.0**	**74.0**	**51.7**	**51.7**	**69.8%**	**100.0%**
Operational	62.0	62.0	48.7	48.7	78.5%	100.0%
Compensation of Employees	**59.0**	**59.0**	**46.2**	**46.2**	**78.4%**	**100.0%**
PNG Forest Authority Transfers	59.0	59.0	46.2	46.2	78.4%	100.0%
PNG Forest Authority Transfers	3.1	3.1	2.5	2.5	80.6%	100.0%
GoPNG PIP	12.0	12.0	3.0	3.0	25.0%	100.0%
State Marketing Option Development Program	10.0	10.0	2.0	2.0	20.0%	100.0%
Forest Development Legislative Reviews	2.0	2.0	1.0	1.0	50.0%	100.0%
558 TOURISM PROMOTION AUTHORITY	**39.8**	**39.8**	**15.2**	**15.2**	**38.2%**	**100.0%**
Operational	9.8	9.8	7.2	7.2	73.5%	100.0%
Compensation of Employees	**7.4**	**7.4**	**5.5**	**5.5**	**74.1%**	**100.0%**
Goods and Services	**2.4**	**2.4**	**1.7**	**1.7**	**71.7%**	**100.0%**
GoPNG PIP	30.0	30.0	8.0	8.0	26.7%	100.0%
Tourism Hub Development Program	20.0	20.0	5.0	5.0	25.0%	100.0%
Tourism Sector Development Program	10.0	10.0	3.0	3.0	30.0%	100.0%
559 PNG OIL PALM INDUSTRY CORPORATION	**50.8**	**58.3**	**30.4**	**24.5**	**48.3%**	**80.6%**
Operational	10.8	10.8	7.9	7.0	65.1%	88.7%
Compensation of Employees	**5.7**	**5.7**	**4.2**	**3.6**	**63.8%**	**86.0%**
Goods and Services	**5.1**	**5.1**	**3.7**	**3.4**	**66.7%**	**91.7%**
GoPNG PIP	40.0	47.5	22.5	17.5	43.8%	77.8%
Oil Palm Small Holder Roads	10.0	17.5	17.5	17.5	175.0%	100.0%
National Oil Palm Development Program	30.0	30.0	5.0	0.0	0.0%	0.0%
561 NATIONAL TRADE OFFICE	**5.5**	**13.5**	**12.2**	**10.8**	**195.2%**	**88.4%**
Operational	5.5	10.5	9.2	7.8	140.9%	84.6%
Compensation of Employees	**3.8**	**3.8**	**2.8**	**1.5**	**38.7%**	**52.2%**
Goods and Services	**1.7**	**6.7**	**6.4**	**6.3**	**362.7%**	**98.8%**
GoPNG PIP	0.0	3.0	3.0	3.0	0.0%	100.0%
PNG - UAE CEPA	0.0	3.0	3.0	3.0	0.0%	100.0%
562 NATIONAL AGRICULTURE RESEARCH INSTITUTE	**29.9**	**29.9**	**18.6**	**12.8**	**42.8%**	**68.7%**
Operational	19.9	19.9	14.6	12.8	64.3%	87.5%
Compensation of Employees	**14.0**	**14.0**	**10.4**	**8.9**	**63.8%**	**86.0%**
Goods and Services	**5.9**	**5.9**	**4.2**	**3.9**	**65.4%**	**91.2%**
GoPNG PIP	10.0	10.0	4.0	0.0	0.0%	0.0%
Research and Development Program	5.0	5.0	2.0	0.0	0.0%	0.0%
NARI Infrastructure Development Program	5.0	5.0	2.0	0.0	0.0%	0.0%
563 NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY	**21.0**	**21.0**	**12.8**	**8.8**	**42.0%**	**68.6%**
Operational	16.0	16.0	11.8	8.8	55.2%	74.4%
Compensation of Employees	**11.7**	**11.7**	**8.8**	**6.1**	**51.8%**	**68.9%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Goods and Services	**4.2**	**4.2**	**3.0**	**2.7**	**64.7%**	**90.2%**
GoPNG PIP	5.0	5.0	1.0	0.0	0.0%	0.0%
NAQIA Infrastructure Development Program	5.0	5.0	1.0	0.0	0.0%	0.0%
566 COCOA BOARD	**36.5**	**36.5**	**30.1**	**26.2**	**71.9%**	**87.1%**
Operational	16.5	16.5	12.1	8.2	49.9%	67.9%
Compensation of Employees	**12.1**	**12.1**	**9.0**	**5.8**	**47.6%**	**64.2%**
Goods and Services	**4.4**	**4.4**	**3.1**	**2.5**	**56.3%**	**78.5%**
GoPNG PIP	20.0	20.0	18.0	18.0	90.0%	100.0%
Establish Regional Cocoa Nurseries Project	10.0	10.0	10.0	10.0	100.0%	100.0%
Cocoa Access Roads	5.0	5.0	5.0	5.0	100.0%	100.0%
National Cocoa Development Program	5.0	5.0	3.0	3.0	60.0%	100.0%
568 LIVESTOCK DEVELOPMENT CORPORATION	**36.7**	**26.7**	**14.9**	**10.3**	**28.1%**	**69.2%**
Operational	6.7	6.7	4.9	4.3	64.4%	88.0%
Compensation of Employees	**4.1**	**4.1**	**3.1**	**2.6**	**63.8%**	**86.0%**
Goods and Services	**2.6**	**2.6**	**1.9**	**1.7**	**65.4%**	**91.2%**
GoPNG PIP	30.0	20.0	10.0	6.0	20.0%	60.0%
National Livestock Development Program	30.0	20.0	10.0	6.0	20.0%	60.0%
569 INDEPENDENT CONSUMERAND COMPETITION COMMISSION	**14.5**	**14.5**	**9.9**	**9.9**	**68.5%**	**100.0%**
Operational	12.5	12.5	9.2	9.2	73.8%	100.0%
Compensation of Employees	**10.9**	**10.9**	**8.1**	**8.1**	**74.1%**	**100.0%**
Goods and Services	**1.6**	**1.6**	**1.1**	**1.1**	**71.7%**	**100.0%**
GoPNG PIP	2.0	2.0	0.7	0.7	35.0%	100.0%
Economic Regulatory Reviews	2.0	2.0	0.7	0.7	35.0%	100.0%
570 KUMUL AGRICULTURE LIMITED	**12.9**	**12.9**	**7.0**	**2.0**	**15.8%**	**29.0%**
Operational	2.9	2.9	2.0	2.0	70.4%	100.0%
Compensation of Employees	**0.9**	**0.9**	**0.8**	**0.8**	**83.7%**	**100.0%**
Goods and Services	**2.0**	**2.0**	**1.3**	**1.3**	**64.4%**	**100.0%**
GoPNG PIP	10.0	10.0	5.0	0.0	0.0%	0.0%
Agriculture Commercialisation & Market Program- KAL	10.0	10.0	5.0	0.0	0.0%	0.0%
Education	**2,111.3**	**1,184.5**	**948.7**	**565.0**	**26.8%**	**59.6%**
235 DEPARTMENT OF EDUCATION	**1,309.0**	**406.4**	**312.5**	**167.6**	**12.8%**	**53.6%**
Operational	1,186.0	283.4	252.5	148.4	12.5%	58.7%
Compensation of Employees	**164.3**	**164.3**	**139.9**	**86.6**	**52.7%**	**61.9%**
Goods and Services	**1,021.7**	**119.1**	**112.7**	**61.8**	**6.0%**	**54.8%**
GoPNG PIP	123.0	123.0	60.0	19.3	15.7%	32.2%
Schools of Excellence Infrastructure Program (National High	20.0	20.0	20.0	14.6	72.9%	72.9%
National Education Reform Program	50.0	50.0	15.0	1.1	2.1%	7.0%
Education Infrastructure	20.0	20.0	15.0	3.4	16.8%	22.4%
District VET Intervention Program	20.0	20.0	5.0	0.2	1.1%	4.4%
Alternate Pathways Program	5.0	5.0	2.0	0.0	0.6%	1.6%
Inclusive Education Impact Project	5.0	5.0	2.0	0.0	0.0%	0.0%
Learning Enhancement Access Project Phase 1	3.0	3.0	1.0	0.0	1.5%	4.4%
236 DEPARTMENT OF HIGHER EDUCATION RESEARCH SCIENCE & TECHNOLOGY	**329.4**	**332.8**	**268.8**	**144.7**	**43.9%**	**53.8%**
Operational	246.4	251.8	207.3	103.6	42.0%	50.0%
Compensation of Employees	**56.1**	**56.5**	**48.1**	**32.1**	**57.1%**	**66.6%**
Goods and Services	**190.3**	**195.3**	**159.1**	**71.5**	**37.6%**	**45.0%**
GoPNG PIP	83.0	81.0	61.5	41.1	49.6%	66.9%
Divine Word University Infrastructure Development	15.0	15.0	15.0	15.0	100.0%	100.0%
Pacific Adventist University Infrastructure Development	15.0	15.0	15.0	15.0	100.0%	100.0%
Higher Education Infrastructure Program	5.0	10.0	5.5	5.1	101.3%	92.1%
Teacher's College Infra Rehabilitation	10.0	10.0	5.0	1.6	15.7%	31.3%
Polytechnical Institute Roll-Out	5.0	5.0	5.0	3.0	60.0%	60.0%
Nursing College Infra. Rehabilitation	10.0	5.0	5.0	0.0	0.0%	0.0%
Technical and Business College Infra. Rehabilitation	10.0	10.0	5.0	1.5	15.0%	30.0%
Agriculture College Infrastructure Program	5.0	5.0	5.0	0.0	0.0%	0.0%
Improved TVET for Employment	3.0	1.0	1.0	0.0	0.0%	0.0%
Hela Opena Polytechnical Institute	5.0	5.0	0.0	0.0	0.0%	0.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
251 PNG SCIENCE & TECHNOLOGY SECRETARIAT	**14.3**	**14.3**	**13.2**	**11.8**	**82.5%**	**89.3%**
Operational	5.3	5.3	4.2	2.8	52.5%	66.1%
Compensation of Employees	**2.8**	**2.8**	**2.4**	**1.1**	**39.3%**	**46.3%**
Goods and Services	**2.5**	**2.5**	**1.8**	**1.7**	**67.4%**	**91.9%**
GoPNG PIP	9.0	9.0	9.0	9.0	100.0%	100.0%
Research and Technological Development Program	4.0	4.0	4.0	4.0	100.0%	100.0%
National Collaborative Research Development Program	2.0	2.0	2.0	2.0	100.0%	100.0%
Bioprospecting and Product Development	2.0	2.0	2.0	2.0	100.0%	100.0%
Material & Chemical Science Research Development Program	1.0	1.0	1.0	1.0	100.0%	100.0%
355 OFFICE OF LIBRARY & ARCHIVES	**9.5**	**12.0**	**10.2**	**8.5**	**90.0%**	**83.7%**
Operational	9.5	12.0	10.2	8.5	90.0%	83.7%
Compensation of Employees	**6.2**	**6.2**	**5.2**	**3.8**	**61.1%**	**71.9%**
Goods and Services	**3.3**	**5.8**	**5.0**	**4.8**	**143.7%**	**96.2%**
362 WESTERN PACIFIC UNIVERSITY	**24.9**	**24.9**	**21.0**	**19.7**	**79.0%**	**93.9%**
Operational	14.9	14.9	11.0	9.7	64.9%	88.2%
Compensation of Employees	**9.0**	**9.0**	**6.7**	**5.7**	**63.8%**	**86.0%**
Goods and Services	**5.9**	**5.9**	**4.3**	**3.9**	**66.7%**	**91.7%**
GoPNG PIP	10.0	10.0	10.0	10.0	100.0%	100.0%
Western Pacific University	10.0	10.0	10.0	10.0	100.0%	100.0%
363 INNOVATIVE UNIVERSITY OF ENGA	**34.7**	**34.7**	**30.9**	**29.5**	**84.9%**	**95.4%**
Operational	14.7	14.7	10.9	9.5	64.3%	87.1%
Compensation of Employees	**12.0**	**12.0**	**8.9**	**7.6**	**63.8%**	**86.0%**
Goods and Services	**2.7**	**2.7**	**2.0**	**1.8**	**66.7%**	**91.7%**
GoPNG PIP	20.0	20.0	20.0	20.0	100.0%	100.0%
Innovative University of Enga	20.0	20.0	20.0	20.0	100.0%	100.0%
505 NATIONAL RESEARCH INSTITUTE	**18.9**	**18.9**	**13.5**	**12.7**	**67.5%**	**94.0%**
Operational	8.9	8.9	6.5	5.7	64.6%	87.6%
Compensation of Employees	**6.3**	**6.3**	**4.7**	**4.0**	**63.8%**	**86.0%**
Goods and Services	**2.5**	**2.5**	**1.8**	**1.7**	**66.7%**	**91.7%**
GoPNG PIP	10.0	10.0	7.0	7.0	70.0%	100.0%
PNG Knowledge Hub Development Project	3.0	3.0	3.0	3.0	100.0%	100.0%
PNGNRI Building & Staffing Infrastructure Refurbishment	4.0	4.0	2.0	2.0	50.0%	100.0%
National Youth Strategic Intervention Program	3.0	3.0	2.0	2.0	66.7%	100.0%
512 UNIVERSITY OF PAPUA NEW GUINEA	**88.2**	**88.2**	**72.2**	**45.6**	**51.7%**	**63.2%**
Operational	68.2	68.2	52.2	35.6	52.2%	68.3%
Compensation of Employees	**68.2**	**68.2**	**52.2**	**35.6**	**52.2%**	**68.3%**
GoPNG PIP	20.0	20.0	20.0	10.0	50.0%	50.0%
UPNG Infrastructure Maintenance	20.0	20.0	20.0	10.0	50.0%	50.0%
513 UNIVERSITY OF TECHNOLOGY	**106.2**	**106.2**	**87.7**	**52.5**	**49.5%**	**59.9%**
Operational	81.2	81.2	62.7	42.5	52.4%	67.8%
Compensation of Employees	**75.3**	**75.3**	**58.4**	**41.1**	**54.5%**	**70.3%**
Goods and Services	**5.9**	**5.9**	**4.3**	**1.5**	**25.0%**	**34.4%**
GoPNG PIP	25.0	25.0	25.0	10.0	40.0%	40.0%
Unitech Infrastructure Development (Telikom College)	20.0	20.0	20.0	5.0	25.0%	25.0%
Multi-Purpose Hall	5.0	5.0	5.0	5.0	100.0%	100.0%
514 UNIVERSITY OF GOROKA	**112.0**	**82.0**	**71.0**	**37.1**	**33.1%**	**52.2%**
Operational	42.0	42.0	31.0	27.1	64.4%	87.2%
Compensation of Employees	**33.0**	**33.0**	**24.5**	**21.0**	**63.8%**	**86.0%**
Goods and Services	**9.0**	**9.0**	**6.6**	**6.0**	**66.7%**	**91.7%**
GoPNG PIP	70.0	40.0	40.0	10.0	14.3%	25.0%
UOG Dormitory Maintenance (Post Earthquake)	40.0	40.0	40.0	10.0	25.0%	25.0%
Central Administration Building	30.0	0.0	0.0	0.0	0.0%	0.0%
515 UNIVERSITY OF ENVIRONMENT & NATURAL RESOURCES	**50.5**	**50.5**	**41.3**	**29.7**	**58.7%**	**71.8%**
Operational	35.5	35.5	26.3	19.7	55.4%	74.8%
Compensation of Employees	**33.7**	**33.7**	**25.0**	**19.2**	**57.1%**	**77.0%**
Goods and Services	**1.9**	**1.9**	**1.3**	**0.4**	**24.0%**	**33.2%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
GoPNG PIP	15.0	15.0	15.0	10.0	66.7%	66.7%
UNRE Infrastructure Development	10.0	10.0	10.0	10.0	100.0%	100.0%
WATER SUPPLY & SEWERAGE SYSTEM UPGRADE	5.0	5.0	5.0	0.0	0.0%	0.0%
518 PNG MARITIME COLLEGE	**13.7**	**13.7**	**6.4**	**5.5**	**40.6%**	**86.6%**
Operational	8.7	8.7	6.4	5.5	64.1%	86.6%
Compensation of Employees	**7.7**	**7.7**	**5.7**	**4.9**	**63.8%**	**86.0%**
Goods and Services	**0.9**	**0.9**	**0.7**	**0.6**	**66.7%**	**91.7%**
GoPNG PIP	5.0	5.0	0.0	0.0	0.0%	0.0%
Maritime College Recapitalization Program	5.0	5.0	0.0	0.0	0.0%	0.0%
Health	**2,957.5**	**2,923.3**	**2,131.4**	**1,263.8**	**42.7%**	**59.3%**
240 DEPARTMENT OF HEALTH	**588.1**	**563.7**	**479.0**	**171.5**	**29.2%**	**35.8%**
Operational	467.1	467.1	456.5	161.5	34.6%	35.4%
Compensation of Employees	**71.3**	**71.4**	**60.8**	**39.1**	**54.8%**	**64.3%**
Goods and Services	**395.7**	**395.7**	**395.7**	**122.4**	**30.9%**	**30.9%**
GoPNG PIP	121.0	96.6	22.5	10.0	8.3%	44.4%
District Hospitals Development Program	100.0	75.6	10.0	10.0	10.0%	100.0%
Area Medical Stores Rehabilitation Program	5.0	5.0	5.0	0.0	0.0%	0.0%
Prov transit medical stores construction	4.0	4.0	4.0	0.0	0.0%	0.0%
National Health Reference Laboratory	5.0	5.0	1.0	0.0	0.0%	0.0%
CHW Training Institutions Rehabilitation & Support	3.0	3.0	1.0	0.0	0.0%	0.0%
Economic and Social Development Program - Medical Containers	1.0	1.0	1.0	0.0	0.0%	0.0%
Impact Health PNG - Financing Health Frontline Project	1.0	1.0	0.5	0.0	0.0%	0.0%
Child Nutrition & Social Protection Program	2.0	2.0	0.0	0.0	0.0%	0.0%
241 HOSPITAL MANAGEMENT SERVICES	**350.1**	**350.5**	**297.7**	**176.5**	**50.4%**	**59.3%**
Operational	350.1	350.5	297.7	176.5	50.4%	59.3%
Compensation of Employees	**299.6**	**300.0**	**259.4**	**170.5**	**56.9%**	**65.7%**
Goods and Services	**50.5**	**50.5**	**38.3**	**6.0**	**11.9%**	**15.6%**
365 UNIVERSITY OF MEDICAL FACULTY	**2.3**	**2.3**	**1.8**	**1.7**	**73.2%**	**93.1%**
Operational	2.3	2.3	1.8	1.7	73.2%	93.1%
Compensation of Employees	**0.6**	**0.6**	**0.5**	**0.5**	**79.9%**	**93.3%**
Goods and Services	**1.7**	**1.7**	**1.3**	**1.2**	**70.9%**	**93.0%**
519 NATIONAL AIDS COUNCIL SECRETARIAT	**6.6**	**6.6**	**5.4**	**5.0**	**76.1%**	**93.0%**
Operational	6.6	6.6	5.4	5.0	76.1%	93.0%
Compensation of Employees	**4.6**	**4.6**	**3.9**	**3.7**	**80.7%**	**93.6%**
Goods and Services	**2.1**	**2.1**	**1.5**	**1.4**	**66.0%**	**91.4%**
520 INSTITUTE OFMEDICAL RESEARCH	**24.4**	**24.4**	**21.8**	**20.8**	**85.4%**	**95.6%**
Operational	17.4	17.4	14.8	13.8	79.5%	93.5%
Compensation of Employees	**15.8**	**15.8**	**13.7**	**12.8**	**80.7%**	**93.6%**
Goods and Services	**1.5**	**1.5**	**1.1**	**1.0**	**66.7%**	**91.7%**
GoPNG PIP	7.0	7.0	7.0	7.0	100.0%	100.0%
Malaria Research Infrastructure (PNG Medical Research Lab)	5.0	5.0	5.0	5.0	100.0%	100.0%
Health and Edpidemological Surveillance System	2.0	2.0	2.0	2.0	100.0%	100.0%
601 MANUS PROVINCIAL HEALTH AUTHORIY	**40.6**	**41.0**	**27.2**	**18.0**	**44.4%**	**66.2%**
Operational	30.6	31.0	25.2	18.0	58.9%	71.5%
Compensation of Employees	**18.9**	**19.3**	**16.8**	**10.4**	**54.9%**	**61.8%**
Goods and Services	**11.7**	**11.7**	**8.4**	**7.6**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Manus Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
602 NEW IRELAND PROVNCIAL HEALTH AUTHORITY	**65.0**	**66.0**	**48.1**	**31.6**	**48.6%**	**65.6%**
Operational	55.0	56.0	46.1	31.6	57.4%	68.5%
Compensation of Employees	**38.1**	**39.1**	**33.9**	**20.5**	**53.9%**	**60.5%**
Goods and Services	**16.9**	**16.9**	**12.2**	**11.1**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
New Ireland Provincial Hospital Redevlopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
603 EAST NEW BRITAIN PROVINCIAL HEALTH AUTHORITY	**76.6**	**77.9**	**58.8**	**39.4**	**51.5%**	**67.0%**
Operational	66.6	67.9	56.8	39.4	59.2%	69.3%
Compensation of Employees	**53.2**	**54.6**	**47.3**	**30.7**	**57.6%**	**64.9%**
Goods and Services	**13.3**	**13.3**	**9.6**	**8.7**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
East New Britain Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
604 WEST NEW BRITAIN PROVINCIAL HEALTH AUTHORITY	**96.7**	**97.6**	**61.6**	**39.0**	**40.3%**	**63.2%**
Operational	71.7	72.6	59.6	39.0	54.4%	65.4%
Compensation of Employees	**52.4**	**53.3**	**46.1**	**26.8**	**51.2%**	**58.2%**
Goods and Services	**19.3**	**19.3**	**13.6**	**12.2**	**63.1%**	**89.9%**
GoPNG PIP	25.0	25.0	2.0	0.0	0.0%	0.0%
West New Britain Provincial Hospital Redevelopment Program	25.0	25.0	2.0	0.0	0.0%	0.0%
605 WESTERN PROVINCIAL HEALTH AUTHORITY	**57.3**	**57.6**	**40.8**	**27.6**	**48.1%**	**67.5%**
Operational	47.3	47.6	38.8	27.6	58.3%	70.9%
Compensation of Employees	**30.9**	**31.2**	**27.0**	**16.8**	**54.4%**	**62.2%**
Goods and Services	**16.4**	**16.4**	**11.8**	**10.7**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Daru Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
606 SANDAUN PROVINCIAL HEALTH AUTHORITY	**69.5**	**70.6**	**51.1**	**37.7**	**54.3%**	**73.8%**
Operational	59.5	60.6	49.1	37.7	63.4%	76.8%
Compensation of Employees	**38.5**	**39.6**	**34.4**	**24.5**	**63.5%**	**71.2%**
Goods and Services	**21.0**	**21.0**	**14.8**	**13.3**	**63.3%**	**90.0%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Sandaun Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
607 EAST SEPIK PROVINCIAL HEALTH AUTHORITY	**83.8**	**84.9**	**63.7**	**56.8**	**67.8%**	**89.1%**
Operational	73.8	74.9	61.7	56.8	77.0%	92.0%
Compensation of Employees	**54.4**	**55.5**	**48.1**	**44.5**	**81.8%**	**92.6%**
Goods and Services	**19.4**	**19.4**	**13.7**	**12.3**	**63.3%**	**90.0%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
East Sepik Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
608 MADANG PROVINCIAL HEALTH AUTHORITY	**83.5**	**84.2**	**63.1**	**41.7**	**50.0%**	**66.2%**
Operational	73.5	74.2	61.1	41.7	56.8%	68.4%
Compensation of Employees	**54.1**	**54.9**	**47.1**	**29.1**	**53.8%**	**61.8%**
Goods and Services	**19.3**	**19.3**	**13.9**	**12.6**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Madang Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
609 MOROBE PROVINCIAL HEALTH AUTHORITY	**136.0**	**137.5**	**91.2**	**64.8**	**47.6%**	**71.1%**
Operational	106.0	107.5	89.2	64.8	61.1%	72.7%
Compensation of Employees	**82.2**	**83.7**	**72.3**	**48.0**	**58.4%**	**66.3%**
Goods and Services	**23.8**	**23.8**	**16.8**	**16.8**	**70.6%**	**100.0%**
GoPNG PIP	30.0	30.0	2.0	0.0	0.0%	0.0%
Morobe Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
ANGAU - Lae Cancer Unit	20.0	20.0	0.0	0.0	0.0%	0.0%
610 EASTERN HIGHLANDS PROVINCIAL HEALTH AUHTORITY	**79.8**	**80.9**	**60.9**	**48.2**	**60.4%**	**79.1%**
Operational	69.8	70.9	58.9	48.2	69.0%	81.8%
Compensation of Employees	**52.4**	**53.5**	**46.3**	**36.8**	**70.2%**	**79.3%**
Goods and Services	**17.4**	**17.4**	**12.6**	**11.4**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Eastern Highlands Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
611 JIWAKA PROVINCIAL HEALTH AUTHORUITY	**66.5**	**67.3**	**48.3**	**30.5**	**45.8%**	**63.1%**
Operational	56.5	57.3	46.3	30.5	54.0%	65.9%
Compensation of Employees	**35.4**	**36.2**	**31.4**	**17.1**	**48.4%**	**54.5%**
Goods and Services	**21.0**	**21.0**	**14.8**	**13.3**	**63.3%**	**90.0%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Jiwaka Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
612 WESTERN HIGHLANDS PROVINCIAL HEALTH AUTHORITY	**76.6**	**77.5**	**58.3**	**40.2**	**52.5%**	**69.0%**
Operational	66.6	67.5	56.3	40.2	60.3%	71.4%
Compensation of Employees	**51.9**	**52.8**	**45.7**	**29.6**	**57.0%**	**64.8%**
Goods and Services	**14.7**	**14.7**	**10.6**	**10.6**	**72.1%**	**100.0%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Western Highlands Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
613 ENGA PROVICNAIL HEALTH AUTHROTY	**74.6**	**86.2**	**73.8**	**46.6**	**62.4%**	**63.1%**
Operational	74.6	86.2	73.8	46.6	62.4%	63.1%
Compensation of Employees	**57.3**	**58.9**	**51.0**	**31.5**	**55.0%**	**61.7%**
Goods and Services	**17.4**	**27.4**	**22.8**	**15.1**	**86.8%**	**66.3%**
614 SOUTHERN HIGHLANDS PROVINCIAL HEALTH AUTHORITY	**108.4**	**109.8**	**73.2**	**31.8**	**29.3%**	**43.4%**
Operational	83.4	84.8	71.2	31.8	38.1%	44.7%
Compensation of Employees	**68.6**	**70.0**	**60.5**	**21.1**	**30.8%**	**34.9%**
Goods and Services	**14.8**	**14.8**	**10.7**	**10.7**	**72.1%**	**100.0%**
GoPNG PIP	25.0	25.0	2.0	0.0	0.0%	0.0%
Southern Highlands Provincial Hospital Redevelopment Program	25.0	25.0	2.0	0.0	0.0%	0.0%
615 HELA PROVINCIAL HEALTH AUTHROTIY	**70.7**	**71.7**	**40.4**	**30.8**	**43.6%**	**76.2%**
Operational	45.7	46.7	38.4	30.8	67.4%	80.1%
Compensation of Employees	**31.4**	**32.4**	**28.1**	**21.5**	**68.3%**	**76.2%**
Goods and Services	**14.3**	**14.3**	**10.3**	**9.3**	**65.4%**	**90.8%**
GoPNG PIP	25.0	25.0	2.0	0.0	0.0%	0.0%
Hela Provincial Hospital Redevelopment Program	25.0	25.0	2.0	0.0	0.0%	0.0%
616 GULF PROVINCIAL HEALTH AUTHORITY	**48.1**	**48.4**	**41.0**	**19.5**	**40.6%**	**47.6%**
Operational	38.1	38.4	31.0	19.5	51.3%	63.0%
Compensation of Employees	**22.9**	**23.2**	**20.1**	**9.6**	**42.0%**	**47.9%**
Goods and Services	**15.1**	**15.1**	**10.9**	**9.9**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	10.0	0.0	0.0%	0.0%
Gulf PHA Provincial Hospital Redevelopment Proram	10.0	10.0	10.0	0.0	0.0%	0.0%
617 CENTRAL PROVINCIAL HEALTH AUTHORITY	**55.9**	**56.2**	**27.4**	**17.4**	**31.1%**	**63.5%**
Operational	30.9	31.2	25.4	17.4	56.3%	68.5%
Compensation of Employees	**19.3**	**19.6**	**17.0**	**9.8**	**50.8%**	**57.5%**
Goods and Services	**11.6**	**11.6**	**8.4**	**7.6**	**65.4%**	**90.8%**
GoPNG PIP	25.0	25.0	2.0	0.0	0.0%	0.0%
New Central Provincial Hospital Development Program	25.0	25.0	2.0	0.0	0.0%	0.0%
618 MILINE BAY PROVINCIAL HEALTH AUTHORITY	**68.6**	**69.1**	**50.7**	**47.4**	**69.2%**	**93.5%**
Operational	58.6	59.1	48.7	47.4	81.0%	97.3%
Compensation of Employees	**41.7**	**42.2**	**36.6**	**36.4**	**87.3%**	**99.5%**
Goods and Services	**16.9**	**16.9**	**12.2**	**11.1**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Milne Bay Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
619 ORO PROVINCIAL HEALTH AUTHORITY	**46.9**	**47.2**	**32.2**	**21.1**	**45.0%**	**65.5%**
Operational	36.9	37.2	30.2	21.1	57.2%	69.8%
Compensation of Employees	**22.5**	**22.8**	**19.8**	**11.7**	**51.9%**	**58.9%**
Goods and Services	**14.4**	**14.4**	**10.4**	**9.4**	**65.4%**	**90.8%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Northern Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
620 PORT MORESBY GENERAL HOSPITAL	**272.9**	**275.4**	**182.7**	**116.0**	**42.5%**	**63.5%**
Operational	202.9	205.4	168.7	111.0	54.7%	65.8%
Compensation of Employees	**129.7**	**132.2**	**118.1**	**60.4**	**46.5%**	**51.1%**
Goods and Services	**73.2**	**73.2**	**50.6**	**50.6**	**69.1%**	**100.0%**
GoPNG PIP	70.0	70.0	14.0	5.0	7.1%	35.7%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
PMGH- Cancer Unit	60.0	60.0	10.0	3.0	5.0%	30.0%
PMGH- Infrastructure Development Program	5.0	5.0	2.0	1.0	20.0%	50.0%
PMGH- Heart & Cardiac Cat Lab Project	5.0	5.0	2.0	1.0	20.0%	50.0%
621 SIMBU PROVINCIAL HEALTH AUTHORITY	**81.3**	**82.1**	**60.9**	**42.6**	**52.4%**	**69.9%**
Operational	71.3	72.1	58.9	42.6	59.7%	72.2%
Compensation of Employees	**49.7**	**50.5**	**43.7**	**27.4**	**55.1%**	**62.6%**
Goods and Services	**21.6**	**21.6**	**15.2**	**15.2**	**70.4%**	**100.0%**
GoPNG PIP	10.0	10.0	2.0	0.0	0.0%	0.0%
Simbu Provincial Hospital Redevelopment Program	10.0	10.0	2.0	0.0	0.0%	0.0%
622 NCD PROVINCIAL HEALTH AUTHORTIY	**57.0**	**57.7**	**48.3**	**28.7**	**50.3%**	**59.4%**
Operational	57.0	57.7	48.3	28.7	50.3%	59.4%
Compensation of Employees	**45.4**	**46.1**	**39.9**	**21.1**	**46.5%**	**52.9%**
Goods and Services	**11.6**	**11.6**	**8.3**	**7.6**	**65.4%**	**90.8%**
623 DIRECTORATE FOR SOCIAL CHANGE & MENTAL HEALTH	**25.2**	**25.4**	**16.5**	**8.3**	**32.8%**	**49.9%**
Operational	19.2	19.4	16.5	8.3	43.1%	49.9%
Compensation of Employees	**16.4**	**16.6**	**14.6**	**6.5**	**39.3%**	**44.4%**
Goods and Services	**2.7**	**2.7**	**2.0**	**1.8**	**65.4%**	**90.8%**
GoPNG PIP	6.0	6.0	0.0	0.0	0.0%	0.0%
Social Change & Mental Health Intervention Program	4.0	4.0	0.0	0.0	0.0%	0.0%
Laloki Psychiatric Hospital Infrastructure Rehabilitation	2.0	2.0	0.0	0.0	0.0%	0.0%
Law & Justice	**2,379.6**	**2,333.9**	**1,740.1**	**977.0**	**41.1%**	**56.1%**
218 OFFICE OF THE PUBLIC PROSECUTOR	**27.3**	**27.3**	**22.0**	**7.9**	**29.0%**	**35.9%**
Operational	24.3	24.3	21.0	7.9	32.5%	37.6%
Compensation of Employees	**19.5**	**19.5**	**16.6**	**5.6**	**28.6%**	**33.6%**
Goods and Services	**4.8**	**4.8**	**4.5**	**2.3**	**48.2%**	**52.5%**
GoPNG PIP	3.0	3.0	1.0	0.0	0.0%	0.0%
Case Management System	3.0	3.0	1.0	0.0	0.0%	0.0%
222 OFFICE OF THE PUBLIC SOLICITOR	**30.4**	**30.4**	**23.8**	**14.3**	**47.1%**	**60.0%**
Operational	28.4	28.4	22.8	14.2	50.0%	62.1%
Compensation of Employees	**23.1**	**23.1**	**18.8**	**11.6**	**50.3%**	**61.7%**
Goods and Services	**5.3**	**5.3**	**4.0**	**2.6**	**48.8%**	**63.8%**
GoPNG PIP	2.0	2.0	1.0	0.1	5.7%	11.5%
Case Management System	2.0	2.0	1.0	0.1	5.7%	11.5%
223 JUDICIARY SERVICES	**444.9**	**444.9**	**321.2**	**195.8**	**44.0%**	**61.0%**
Operational	439.9	439.9	320.2	195.8	44.5%	61.2%
Compensation of Employees	**209.3**	**209.3**	**166.5**	**64.0**	**30.6%**	**38.5%**
Goods and Services	**230.6**	**230.6**	**153.7**	**131.8**	**57.1%**	**85.7%**
GoPNG PIP	5.0	5.0	1.0	0.0	0.0%	0.0%
Judiciary Support Services Program	5.0	5.0	1.0	0.0	0.0%	0.0%
224 MAGISTERIAL SERVICES	**98.3**	**98.3**	**75.9**	**38.4**	**39.1%**	**50.6%**
Operational	91.3	91.3	73.9	38.4	42.1%	52.0%
Compensation of Employees	**50.8**	**50.8**	**44.2**	**22.9**	**45.0%**	**51.7%**
Goods and Services	**40.5**	**40.5**	**29.7**	**15.6**	**38.4%**	**52.4%**
GoPNG PIP	7.0	7.0	2.0	0.0	0.0%	0.0%
MS Infrastructure Development Program	5.0	5.0	1.0	0.0	0.0%	0.0%
MS Case Management System	2.0	2.0	1.0	0.0	0.0%	0.0%
225 DEPARTMENT OF ATTORNEY-GENERAL	**162.6**	**165.5**	**138.6**	**84.2**	**51.8%**	**60.8%**
Operational	146.6	152.5	133.6	83.9	57.3%	62.8%
Compensation of Employees	**125.4**	**126.3**	**109.7**	**70.8**	**56.5%**	**64.5%**
Goods and Services	**21.1**	**26.1**	**23.9**	**13.1**	**62.0%**	**55.0%**
GoPNG PIP	16.0	13.0	5.0	0.3	1.6%	5.2%
Infrastructure and Capital Works Program	12.0	9.0	3.0	0.2	1.4%	5.4%
Juvenile Justice Rehabilitation Program	4.0	4.0	2.0	0.1	2.5%	4.9%
226 DEPARTMENT OF CORRECTIVE INSTITUTIONAL SERVICES	**214.6**	**214.6**	**170.2**	**71.1**	**33.1%**	**41.8%**
Operational	182.6	182.6	161.8	71.1	39.0%	44.0%
Compensation of Employees	**119.3**	**119.3**	**105.7**	**54.3**	**45.5%**	**51.4%**
Goods and Services	**63.3**	**63.3**	**56.1**	**16.9**	**26.6%**	**30.1%**
GoPNG PIP	32.0	32.0	8.4	0.0	0.0%	0.0%
CS Infrastructure Program	20.0	20.0	4.0	0.0	0.0%	0.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
National Jail Infrastructure Program	10.0	10.0	3.4	0.0	0.0%	0.0%
Prison Industries Program	2.0	2.0	1.0	0.0	0.0%	0.0%
228 DEPARTMENT OF POLICE	**761.2**	**693.3**	**499.5**	**284.7**	**37.4%**	**57.0%**
Operational	561.2	588.3	434.5	250.5	44.6%	57.6%
Compensation of Employees	**349.5**	**349.6**	**234.4**	**157.7**	**45.1%**	**67.3%**
Goods and Services	**211.7**	**238.7**	**200.2**	**92.8**	**43.9%**	**46.4%**
GoPNG PIP	200.0	105.0	65.0	34.2	17.1%	52.7%
Special Police Assistance Program	200.0	95.0	55.0	34.2	17.1%	62.3%
Firearms & Gun Amnesty Buy-Back	0.0	10.0	10.0	0.0	0.0%	0.0%
231 NATIONAL INTELLIGENCE ORGANISATION	**20.5**	**20.5**	**19.1**	**6.2**	**30.1%**	**32.4%**
Operational	8.5	8.5	7.1	3.9	45.7%	55.0%
Compensation of Employees	**6.1**	**6.1**	**5.2**	**2.1**	**34.9%**	**41.0%**
Goods and Services	**2.4**	**2.4**	**1.9**	**1.8**	**72.8%**	**93.6%**
GoPNG PIP	12.0	12.0	12.0	2.3	19.1%	19.1%
NIO Infrastructure Program	10.0	10.0	10.0	0.8	7.5%	7.5%
National Security Program	2.0	2.0	2.0	1.5	77.2%	77.2%
234 DEPARTMENT OF DEFENCE	**485.6**	**482.7**	**354.4**	**195.9**	**40.3%**	**55.3%**
Operational	400.6	407.7	340.4	191.9	47.9%	56.4%
Compensation of Employees	**263.3**	**268.4**	**234.1**	**143.0**	**54.3%**	**61.1%**
Goods and Services	**137.3**	**139.3**	**106.3**	**49.0**	**35.7%**	**46.1%**
GoPNG PIP	85.0	75.0	14.0	3.9	4.6%	28.1%
Defence Capability Program	40.0	30.0	5.0	0.0	0.0%	0.0%
New Hela Military Baracks	10.0	10.0	4.0	0.7	7.5%	18.6%
Defense Infrastructure Program	30.0	30.0	4.0	3.2	10.6%	79.7%
4 Border Posts	5.0	5.0	1.0	0.0	0.0%	0.0%
302 COMMUNITY JUSTICE	**8.5**	**8.5**	**3.9**	**3.4**	**40.5%**	**88.7%**
Operational	3.5	3.5	2.9	2.4	69.6%	84.7%
Compensation of Employees	**2.3**	**2.3**	**2.0**	**1.7**	**71.8%**	**84.2%**
Goods and Services	**1.2**	**1.2**	**0.9**	**0.8**	**65.4%**	**85.8%**
GoPNG PIP	5.0	5.0	1.0	1.0	20.0%	100.0%
Land Tenure Conversion & Quasi-Judicial Establishment	5.0	5.0	1.0	1.0	20.0%	100.0%
360 INDEPENDENT COMMISSION AGAINST CORRUPTION	**54.1**	**54.1**	**39.7**	**11.9**	**22.1%**	**30.1%**
Operational	54.1	54.1	39.7	11.9	22.1%	30.1%
Compensation of Employees	**24.4**	**24.4**	**18.1**	**4.5**	**18.5%**	**25.0%**
Goods and Services	**29.7**	**29.7**	**21.6**	**7.4**	**25.0%**	**34.4%**
503 OMBUDSMAN COMMISSION	**43.2**	**65.5**	**54.0**	**50.3**	**116.4%**	**93.1%**
Operational	43.2	44.7	33.3	29.6	68.4%	88.8%
Compensation of Employees	**25.5**	**25.5**	**18.9**	**16.3**	**63.8%**	**86.0%**
Goods and Services	**17.7**	**19.2**	**14.4**	**13.3**	**75.1%**	**92.5%**
GoPNG PIP	0.0	20.7	20.7	20.7	0.0%	100.0%
OC Morauta Haus Refurbishment	0.0	20.7	20.7	20.7	0.0%	100.0%
510 LEGAL TRAINING INSTITUTE	**3.5**	**3.5**	**2.9**	**2.0**	**58.5%**	**69.7%**
Operational	3.5	3.5	2.9	2.0	58.5%	69.7%
Compensation of Employees	**3.2**	**3.2**	**2.7**	**1.9**	**57.4%**	**67.6%**
Goods and Services	**0.3**	**0.3**	**0.2**	**0.2**	**71.7%**	**100.0%**
517 NATIONAL NARCOTICS BUREAU	**5.2**	**5.2**	**4.4**	**4.4**	**84.4%**	**99.9%**
Operational	4.2	4.2	3.4	3.4	80.7%	99.8%
Compensation of Employees	**2.8**	**2.8**	**2.4**	**2.4**	**84.7%**	**99.8%**
Goods and Services	**1.4**	**1.4**	**1.0**	**1.0**	**72.7%**	**100.0%**
GoPNG PIP	1.0	1.0	1.0	1.0	100.0%	100.0%
NNB Office Refurbishment Project	1.0	1.0	1.0	1.0	100.0%	100.0%
522 CONSTITUTIONAL AND LAW REFORM COMMISSION	**19.6**	**19.6**	**10.5**	**6.3**	**32.1%**	**60.1%**
Operational	9.6	9.6	7.5	6.3	65.6%	84.2%
Compensation of Employees	**4.1**	**4.1**	**3.5**	**2.6**	**64.1%**	**75.4%**
Goods and Services	**5.5**	**5.5**	**4.0**	**3.7**	**66.7%**	**91.7%**
GoPNG PIP	10.0	10.0	3.0	0.0	0.0%	0.0%
CLRC Infrastructure Program	10.0	10.0	3.0	0.0	0.0%	0.0%
Cross-cutting	**2,342.9**	**3,171.7**	**2,951.1**	**2,383.9**	**101.7%**	**80.8%**
207 TREASURY AND FINANCE - MISCELLANEOUS	**2,342.9**	**3,171.7**	**2,951.1**	**2,383.9**	**101.7%**	**80.8%**
Operational	2,342.9	3,179.2	2,951.1	2,383.9	101.7%	80.8%
Compensation of Employees	**476.3**	**237.0**	**207.6**	**259.1**	**54.4%**	**124.8%**
Goods and Services	**1,866.7**	**2,942.2**	**2,743.5**	**2,124.8**	**113.8%**	**77.4%**
Transport	**1,551.1**	**1,493.7**	**1,103.2**	**535.5**	**34.5%**	**48.5%**
259 DEPARTMENT OF TRANSPORT	**84.2**	**99.2**	**59.9**	**22.0**	**26.2%**	**36.8%**

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
Operational	18.2	33.2	30.9	21.2	116.5%	68.7%
Compensation of Employees	**15.7**	**15.7**	**14.0**	**8.4**	**53.8%**	**60.3%**
Goods and Services	**2.5**	**17.5**	**16.9**	**12.8**	**502.5%**	**75.6%**
523 PAPUA NEW GUINEA ACCIDENTS INVESTIGATION COMMISSION	**13.0**	**13.0**	**7.4**	**5.1**	**39.5%**	**69.4%**
Operational	8.0	8.0	5.9	5.1	64.3%	87.0%
Compensation of Employees	**6.6**	**6.6**	**4.9**	**4.2**	**63.8%**	**86.0%**
Goods and Services	**1.4**	**1.4**	**1.0**	**0.9**	**66.7%**	**91.7%**
GoPNG PIP	5.0	5.0	1.5	0.0	0.0%	0.0%
Transport Multimodal Accident Investigations Program	5.0	5.0	1.5	0.0	0.0%	0.0%
537 NATIONAL AIRPORTS CORPORATION	**40.0**	**44.7**	**12.7**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	40.0	44.7	12.7	0.0	0.0%	0.0%
Richard Pagen Airport	0.0	4.0	4.0	0.0	0.0%	0.0%
Mt.Hagen Airport Upgrade	10.0	10.0	2.0	0.0	0.0%	0.0%
Tokua Airport Redevelopment Project	10.0	10.0	2.0	0.0	0.0%	0.0%
CADIP Program Tranche 3	5.0	5.0	1.0	0.0	0.0%	0.0%
Port Moresby International Airport (Domestic Terminal Build	5.0	5.0	1.0	0.0	0.0%	0.0%
Erap River Embankment- Nadzab Tomodachi Airport Project	5.0	5.0	1.0	0.0	0.0%	0.0%
CADIP Program Phase 2 Project 1	5.0	5.0	1.0	0.0	0.0%	0.0%
Kavieng Airport Upgrade -Stage 1	0.0	0.7	0.7	0.0	0.0%	0.0%
538 PAPUA NEW GUINEA AIR SERVICES LIMITED	**6.0**	**6.7**	**2.0**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	6.0	6.7	2.0	0.0	0.0%	0.0%
CADIP 2: Project Management Unit	3.0	3.0	1.0	0.0	0.0%	0.0%
CADIP 2: Improvement of NiuSky Pacific Limited	3.0	3.0	1.0	0.0	0.0%	0.0%
Air Traffic Management Building & Services	0.0	0.7	0.0	0.0	0.0%	0.0%
545 RURAL AIRSTRIP AUTHORITY	**11.7**	**11.7**	**4.3**	**4.3**	**37.1%**	**100.0%**
Operational	1.7	1.7	1.3	1.3	78.5%	100.0%
Goods and Services	**1.7**	**1.7**	**1.3**	**1.3**	**78.5%**	**100.0%**
GoPNG PIP	10.0	10.0	3.0	3.0	30.0%	100.0%
Rehabilitation & Maintenance of Rural Airstrips	10.0	10.0	3.0	3.0	30.0%	100.0%
548 PNG HARBOURS BOARD	**2.0**	**2.0**	**1.0**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	2.0	2.0	1.0	0.0	0.0%	0.0%
Upgrading Rabaul Port to Green Port	1.0	1.0	0.5	0.0	0.0%	0.0%
PNG Ports Infrastructure Investment Program	1.0	1.0	0.5	0.0	0.0%	0.0%
560 AIR NIUGINI LIMITED	**200.0**	**200.0**	**110.0**	**50.0**	**25.0%**	**45.5%**
GoPNG PIP	200.0	200.0	110.0	50.0	25.0%	45.5%
Air Nuigini Refleeting	200.0	200.0	110.0	50.0	25.0%	45.5%
565 CIVIL AVIATION SAFETY AUTHORITY	**21.5**	**21.5**	**14.2**	**10.5**	**49.0%**	**74.0%**
Operational	16.5	16.5	12.2	10.5	63.8%	86.1%
Compensation of Employees	**16.3**	**16.3**	**12.1**	**10.4**	**63.8%**	**86.0%**
Goods and Services	**0.2**	**0.2**	**0.1**	**0.1**	**65.4%**	**91.2%**
GoPNG PIP	5.0	5.0	2.0	0.0	0.0%	0.0%
Construction of Aviation Building	5.0	5.0	2.0	0.0	0.0%	0.0%
Utilities	**123.9**	**113.7**	**60.6**	**54.1**	**43.7%**	**89.2%**
258 DEPARTMENT OF INFORMATION AND COMMUNICATION	**19.3**	**19.3**	**6.8**	**5.9**	**30.3%**	**86.0%**
Operational	7.3	7.3	5.3	4.3	58.8%	80.7%
Compensation of Employees	**5.8**	**5.8**	**4.2**	**3.1**	**54.3%**	**75.3%**
Goods and Services	**1.5**	**1.5**	**1.1**	**1.2**	**76.0%**	**100.6%**
GoPNG PIP	12.0	12.0	1.5	1.6	13.1%	104.5%
Government Portals Development Program	5.0	5.0	0.5	0.6	11.3%	112.8%
Secure Data Exchange Platform Development Program	4.0	4.0	0.5	0.5	12.6%	100.8%
PNG Cyber Resilience and Defence Improvement Program	3.0	3.0	0.5	0.5	16.7%	100.0%
353 NATIONAL INFORMATION & COMMUNICATION TECHNOLOGY AGENCY	**3.0**	**3.0**	**1.0**	**0.0**	**0.0%**	**0.0%**
GoPNG PIP	3.0	3.0	1.0	0.0	0.0%	0.0%
NICTA Gateway Management System	3.0	3.0	1.0	0.0	0.0%	0.0%

GoPNG Expenditure by Sector and Agencies	Original Budget	Revised Budget	Warrant Issued	Mid-Year Expenditure Outturn	Outturn Vs Original Budget (%)	Outturn Vs Warrant Issued (%)
525 NATIONAL BROADCASTING COMMISSION	**44.6**	**44.6**	**32.8**	**28.2**	**63.3%**	**86.1%**
Operational	34.6	34.6	22.8	18.2	52.7%	80.0%
Compensation of Employees	**31.7**	**31.7**	**20.7**	**16.3**	**51.5%**	**78.8%**
Goods and Services	**2.9**	**2.9**	**2.1**	**1.9**	**65.4%**	**91.2%**
GoPNG PIP	10.0	10.0	10.0	10.0	100.0%	100.0%
NBC Rehabilitation & Mordenisation Program	5.0	5.0	5.0	5.0	100.0%	100.0%
Analogue to Digital Migration	5.0	5.0	5.0	5.0	100.0%	100.0%
540 WATER PNG	**26.0**	**15.8**	**6.0**	**6.0**	**23.1%**	**100.0%**
GoPNG PIP	26.0	15.8	6.0	6.0	23.1%	100.0%
District Towns Water Supply Program	10.0	5.6	2.0	2.0	20.0%	100.0%
National Water Supply Development Program	10.0	7.2	2.0	2.0	20.0%	100.0%
District Water Supply Project	3.0	3.0	2.0	2.0	66.7%	100.0%
WSSDP:Water & Sanitation (WASH)	3.0	0.0	0.0	0.0	0.0%	0.0%
544 PNG DATACO	**6.0**	**6.0**	**3.0**	**3.0**	**50.0%**	**100.0%**
GoPNG PIP	6.0	6.0	3.0	3.0	50.0%	100.0%
Fibre Optic Connectivity Program	6.0	6.0	3.0	3.0	50.0%	100.0%
546 PNG POWER LIMITED	**15.0**	**15.0**	**7.0**	**7.0**	**46.7%**	**100.0%**
GoPNG PIP	15.0	15.0	7.0	7.0	46.7%	100.0%
Ramu System Extension Yonki- Mt. Hagen Phase 2	5.0	5.0	2.0	2.0	40.0%	100.0%
Port Moreby Grid Development	5.0	5.0	2.0	2.0	40.0%	100.0%
Power Sector Development Project (Laitim Haus)	1.0	1.0	1.0	1.0	100.0%	100.0%
PNG National Energy Access Transformation	1.0	1.0	1.0	1.0	100.0%	100.0%
Power Sector Development Project	1.0	1.0	1.0	1.0	100.0%	100.0%
Ramu 1 Hydro Power Refurbishment (PNGEP)	2.0	2.0	0.0	0.0	0.0%	0.0%
547 TELIKOM (PNG) LIMITED	**10.0**	**10.0**	**4.0**	**4.0**	**40.0%**	**100.0%**
GoPNG PIP	10.0	10.0	4.0	4.0	40.0%	100.0%
Network Resilience & Redundancy Program	5.0	5.0	2.0	2.0	40.0%	100.0%
Mobile Network Expansion Rollout Program	5.0	5.0	2.0	2.0	40.0%	100.0%
Grand Total	**27,096.2**	**27,096.2**	**20,454.6**	**14,117.9**	**52.1%**	**69.0%**

Source: PNG Treasury