

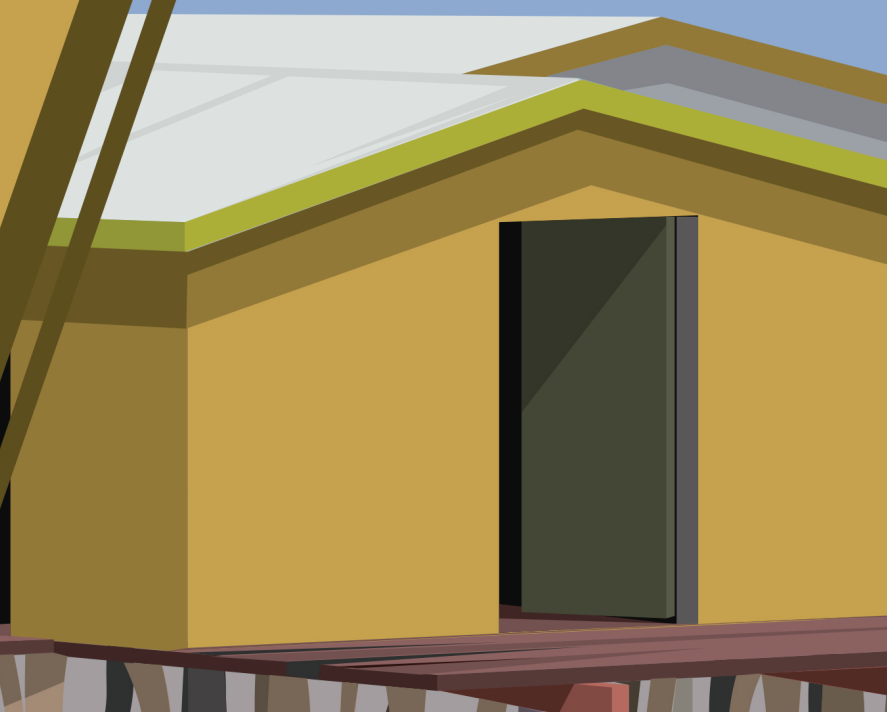
NATIONAL ECONOMIC &
FISCAL COMMISSION

PROVINCIAL REVENUE REPORT

2016 - 2020

For the provision of basic services delivery

PROVINCIAL GOVERNMENT REVENUES 2016 - 2020



National Economic & Fiscal Commission

PROVINCIAL REVENUE REPORT 2016-2020

**REVIEW OF PROVINCIAL GOVERNMENT REVENUES
2016-2020**

for the provision of basic service delivery

DISCLAIMER

The Revenue Report is a product of the National Economic and Fiscal Commission (NEFC).

The findings, interpretations, and conclusions expressed in this work are based on data obtained from various sources including provinces and national agencies. Whilst the NEFC makes every effort to ensure that data sources are valid and reliable, the NEFC requests users to exercise caution including further validation when solely relying on the data, information, and analysis included in this report.

FOREWORD



It gives me great pleasure to present the consolidated provincial revenue report for 2016–2020. This is the fourth version of the report, which is released by the National Economic and Fiscal Commission (NEFC) every five years.

The data provided in this report is intended to assist provincial governments in better understanding revenue trends and improving their revenue projection for budgeting purposes. The more, realistic provincial budgets are, the greater the opportunity for delivering quality and timely services.

The 2016-2020 Revenue Report seeks to provide a more reliable basis for informed public policy and planning by focusing on the core fundamental objectives, which are, to improve access to service delivery consistent with the development objectives of the government as well as the aspirational objectives of Vision 2050.

To support these objectives, provinces have to establish a balance between driving economic growth in provinces and funding the service delivery needs of the broader community. The analysis in this report facilitates comparisons and ways in which Provincial Governments could raise, collect and report on their revenues.

Entailed in this report is a chapter that compares in detail both internal revenues and grants available to provinces with the NEFC Cost of Services Estimate (CoS) as the benchmark. The analysis indicates that on average all provinces now have a 95% fiscal capacity to be able to provide basic services to their respective communities.

The NEFC fully understands the challenges experienced by provincial governments in generating and collecting internal revenues. The report reveals that most provincial governments struggled to collect all their internal revenues as projected in their budget appropriation in a fiscal year. Furthermore, the late release of funds is becoming more consistent with the national government and poses a challenge for provinces to keep their service delivery units operational and routinely maintained.

Having a highly centralized system, the national government raises approximately 95% of total tax revenues. Provincial Governments in their capacity raise their revenues, though certain revenue sources have been prohibited for provinces to collect to mainly avoid duplications. This emphasizes the extent to which the current legal arrangements are hindering the ability of provinces to generate additional revenues internally; this process alone calls for an improved revenue mobilization regime to have revenue powers re-assigned.

The revenue assignment is an important exercise in the reform process as it enables a better understanding of acquainting public expenditure and the level of revenue that subnational governments have to sufficiently fund expenditure needs. This concept is an important pillar in the current intergovernmental financing arrangement system.

The NEFC will continue to collect the information contained in this report to keep building a picture of provincial revenue patterns and what this delivers for the people of Papua New Guinea.

Finally, on behalf of the Commission, I hope that this publication will be of benefit to readers and decision-makers, and I welcome any observations or suggestions which may assist the Commission in improving the usefulness of this publication.

"Make every day your masterpiece."



Patrick Kennedy Painap

Chairman and CEO

National Economic and Fiscal Commission

April 2023

EXECUTIVE SUMMARY

The reforms of intergovernmental financing arrangements in 2009 introduced a ‘needs-based’ equalized system of determining grants to meet the cost of goods and services. The reform had to accommodate the completeness of a decentralized system thereby adopting the dictum “funding follows functions” which reflects the idea of revenues being assigned after the assignment of expenditure responsibilities had been completed.

RIGFA provides provinces with a ‘needs-based’ equalized system of allocating grants to meet the recurrent or operational cost of provincial responsibilities, staffing, development, and maintenance needs. The current phase however predominantly focuses on financing the recurrent responsibilities.

As part of the reforms, provincial government revenues were taken into account and assessed annually against the Cost of Services Estimate for each province. This measures each province’s ability or capacity to meet its required service delivery obligation. The national grants (recurrent goods & services grants) are then calculated and allocated based on each province’s fiscal capacity, with much of the grants allocated to those provinces that have lower revenues.

This revenue report sets out detailed data on provincial revenue collections from 2016 to 2020 and provides analysis between provinces with the primary aim of assisting provincial governments to benchmark, improve and optimize their revenue generation.

The analysis provided in this report should assist Provincial Governments in better understanding revenue trends and improving their revenue projections for budgeting purposes. The more realistic budgets are, the greater the opportunity for providing basic service delivery. The analysis also facilitates comparisons and ways in which Provincial Governments can raise and collect revenue.

This report covers the various sources of revenues received by Provincial Governments which are available to meet the cost of goods and services. These revenues are broadly categorized as follows:

- Revenues from national government grants (Excludes Personnel Emoluments and Development Grants);
- Shared revenues of Goods and Services Tax (GST);
- Bookmakers Turnover Tax;
- Own-source revenue or revenue generated from the province; and
- Benefits derived from natural resources or royalties and dividends earned by provinces with mining and petroleum activities or projects.

This Revenue Report focuses specifically on Provincial Government revenues. It does not examine Local-level (LLG) revenues, although the NEFC recognizes that Local Level Governments are part of the new intergovernmental financing system. At this stage, there is limited quantitative analysis in the absence of data on the different revenues available to each LLG. NEFC aims to further contribute to future LLG revenue policy development and analysis, particularly as the government has expressed its clear intention to improve service delivery at the front line by channelling funds to lower levels of government.

Within the period from 2016 to 2020, there have been significant changes to both national and provincial government revenues. The effect of the APEC Summit staged in 2018 coupled with the COVID-19 pandemic impacted revenues for the National Government and accordingly, sub-national levels of government felt its effects.

This revenue report also reveals that since the establishment of the provinces of Jiwaka and Hela, to date these provinces continue to face difficulties in establishing reliable internal revenue bases. Why? This has hampered the reporting process that outlines the available revenues in the respective provinces. Also observed throughout the report, there continues to be little or no information available on internal revenues generated by these two provinces. As a result, these provinces have been solely relying upon national grants to provide services to their population.

The following summarizes the contents of the report and provides an overview of the findings.

Total Annual Provincial Government Revenues

The Summary of Provincial Government revenues (Kina millions) included in Table 1 below shows that the total Provincial Government revenues increased from K1207 million (2016) to approximately K1270 million (2020) at an average annual increase rate of 3%.

Table 1: Summary of Provincial Government revenues (Kina millions)

	2016	2017	2018	2019	2020	In 2020 Kina Value		
						Average 2016-2020	Average Annual Increase	Provincial Trend
National Government Goods and Services Grants	523.0	533.9	443.2	470.6	474.6	537.3	-6%	
All Provincial Government excluding ABG	503.7	514.7	423.6	439.6	444.7	511.5	-7%	
ABG Goods & Services Grants	15.1	15.1	15.4	26.8	25.8	21.2	13%	
GST Revenues	483.5	449.7	501.5	604.2	593.4	573.2	1%	
All Provincial Government excluding NCD	242.6	166.0	253.4	323.3	337.1	286.5	8%	
NCD GST	241.0	283.7	248.1	281.0	256.3	286.7	-2%	
Bookmakers Revenues	10.2	13.5	8.7	9.2	8.7	11.1	-5%	
All Provincial Government excluding NCD	5.2	5.2	3.1	3.7	3.7	4.6	-9%	
NCD Bookmakers	5.1	8.3	5.5	5.5	5.0	6.5	1%	
Mining & Petroleum Royalties & Dividends	101.5	141.4	102.9	126.6	112.6	128.1	1%	
All Provincial Government Own Source Revenues	88.7	73.3	55.6	85.6	80.4	84.1	-3%	
TOTAL	1207.0	1211.8	1111.9	1296.2	1269.8	1333.7	-3%	

Collectively, revenues from GST distributions remain the most significant revenue source. This is followed by national goods and services grants, royalties and dividends from mining and petroleum projects, and own-source revenues.

- **GST Revenues** comprise about 43% of the total share of revenues to Provincial Governments. On average, GST has increased at a rate of 8% annually (from K484 million in 2016 to K593 million in 2020).
- **National Goods and Services grants** consist of 40.3% of the total share of revenues available to Provincial Governments also decreasing by an average of 6% (from K523 million to K474.6 million).
- **Own-Source Revenues** make up about 6.3% of the total share of revenues. Own Source revenues over the years have decreased by 3% on average (from 88.7 million to K 80.4 million).
- **Royalties and dividends** from mining and petroleum projects had significantly increased at an average rate of 1% from 2016 to 2020. Royalties and dividends comprise about 9.6% of the total share.
- **Bookmakers' Revenues** decline at by approximately K0.9 million on average (0.8% of total Revenues), being the least of total revenue share. Bookmakers have slightly reduced at an average rate of 5% from 2016 to 2020.

Despite the upward trends in GST receipts and Own Sources Revenues, the reduction in Royalties and Dividends including Bookmaker's tax revenues has impacted the provinces which largely depend on these revenue bases. The National Grants have provided a safety net for these provinces enabling them to be in a fiscal position to

continue providing services to their population. Western Province is a good example where function grants increased significantly to compensate for the fall in mining revenues following the temporary closure of the mines.

This report also provides an analysis of areas that impact provincial revenue-raising capacity. The ability of provinces to raise revenue is crucial for fiscal sustainability to ensure that provinces have adequate revenues available at any time to deliver basic services.

Aside from the difficulties and challenges such as the usual late function grant releases, and low collections from budget estimates, etc. generally, proper planning, in terms of revenue generation, budgeting, and prioritizing of expenditure by provincial governments, all contribute to sustaining and improving service delivery.

The NEFC envisages that this report is an evidence-based document that will provide Provincial Governments with information on how they can further improve their revenue collection and commit more resources to improve service delivery, including providing practical tips on how Provincial Governments can better manage revenue budgets, collection, forecasting, and reporting of revenues.

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LIST OF ABBREVIATIONS

ABG	Autonomous Bougainville Government
BTT	Bookmakers Turnover Tax
COS	Cost of Services Study
DoF	Department of Finance
DoT	Department of Treasury
DSG	District Support Grant
EITI	Extractive Industries Transparency Initiative
GoPNG	Government of Papua New Guinea
GST	Goods and Services Tax
IFMS	Integrated Financial Management System
IRC	Internal Revenue Commission
K	Kina
LLG	Local-level Government
MOA	Memorandum of Agreement
MRA	Mineral Resources Authority
MRDC	Mineral Resources Development Corporation
NEFC	National Economic and Fiscal Commission
NCD	National Capital District
PGAS	PNG Government Accounting System
PIP	Public Infrastructure Project
PER	Provincial Expenditure Review
RIGFA	Reform of Intergovernmental Financing Arrangements
SSG	Special Support Grant

1.0 Introduction

This Provincial Revenue Report is the fourth study published by the NEFC since the new system of intergovernmental financing arrangements commenced in 2009.

For the purpose of determining grants to cover the cost of goods and services, staffing costs, and development needs, RIGFA created a "needs-based" equalized approach. The grants offered for recurring products and services were the main emphasis of the current phase of the intergovernmental reforms. In order to support their operations and service delivery obligations, provinces can now access both internal earnings and federal grants.

It is the aim of this report that the analysis and data will enable provinces to gain a better understanding of provincial revenues and trends. It should also assist Provincial Governments in better planning, budgeting, collecting, and improving revenue outcomes

1.1 Scope of the Report

This report is limited to revenues that are available to **Provincial Governments** for use **on recurrent goods and services**. It does not include grants for development or capital expenditures such as PSIP:

Revenues assessed as part of this report include:

- goods and services grants from the National Government
- share of Goods and Services Tax (GST)
- royalties and dividends from mining and petroleum companies
- Bookmakers Turnover tax; and
- Own-source revenue (revenues generated from the province).

The above are sources of funds available for recurrent operations, for example, petrol as a cost of transport enables agricultural extension services, drug distribution, and health patrols; the power that enables vaccinations and drugs to be kept at the correct temperatures, the classroom lights to work and the tools that enable road maintenance to be carried out.

In addition to these primary sources, Provincial Governments which benefit from natural resource activities within their provincial boundaries, also receive royalties and dividends.

This report does not take into account revenues received for other purposes such as:

- **Staffing and leave fare grants** for public servants and teachers from the National Government.
- **Development grants** paid by the National Government such as for Public Infrastructure Projects (PIPs), Provincial Services Improvement Programs (PSIPs), Special Support Grants (SSGs) for mining and petroleum projects, and District Support Grants (DSGs). However, a brief comparison among goods and services, provincial staffing, and development grants are made to support the review of revenues from National Grants in Chapter 4.0.

- **Grants from Development Partners (Donor Agencies)**, which are available to help Provincial Governments. Whilst these revenues assist Provincial Governments to meet their costs of service delivery (provided either in cash or in-kind), it is difficult for these revenues to be captured within provincial budgets or reported by Provincial Governments. In the interest of fairness and to ensure meaningful comparisons, NEFC has not yet undertaken a comprehensive survey of these revenues. Therefore, these have been excluded from this report.

This report also does not include revenues received by Local-Level Governments (LLGs) as the NEFC has not been able to conduct a systematic survey of LLG revenues.

1.2 Using Cost of Services estimates to measure revenues

By comparing revenues to the Cost of Services Estimate, the NEFC determines if a province has sufficient revenues. The Cost of Services Study, conducted in 2005 by the NEFC, examined the price of providing services across all districts and provinces. These projections, which are updated every five years, serve as a benchmark for assessing the revenues that provinces may use to cover their ongoing operational needs. 2020 saw the completion of the most recent Cost of Services Study. Sources of Revenue Data

The NEFC gathers revenue data from several sources. Every effort has been made to obtain data from the most reliable and consistent information source. This includes:

National Goods and Services grants: The National Government provides Provincial Governments with a range of goods and services grants each year to support a variety of core activities. This information is sourced from data on actual grants paid, reported in the National Budget Papers.

GST Revenues: Provincial Governments receive a GST distribution paid through the Internal Revenue Commission (IRC). This data is sourced from the IRC.

Bookmakers Tax Distributions: Provincial Governments that have Bookmakers operating in their provinces receive Bookmakers Turnover Tax paid through Internal Revenue Commission (IRC). The Data is also sourced from IRC

Own-source revenue: Provincial Governments raise and collect revenue from a variety of activities including licenses, fees, taxes, and commercial activities. This data is obtained from the PNG Government Accounting System (PGAS) "internal revenue" electronic summary files held by the Department of Finance (DoF), however to the current stage, numerous provinces have shifted from PGAS to using the Integrated Financial Management System (IFMS). For 2016-2020, this data was available for 20 provinces.

Mining and Petroleum Royalties: Provincial Governments with mining and petroleum activities within their provincial boundaries may be entitled to royalties due to a Memorandum of Agreement (MOA) between the Provincial Government, customary landowners, the mining company, and other stakeholders. In the case of petroleum projects negotiated after 1988, Provincial Governments' shares are provided under the provisions of the legislation. This data has been sourced directly from mining and petroleum companies, the Mineral Resources Authority (MRA) for mining projects, and the Mineral Resources Development Company Limited (MRDC).

Mining and Petroleum Dividends: Provincial Governments with mining and petroleum activities within their provincial boundaries may also be entitled to receive dividends through MOA between the Provincial

Government, customary landowners, the mining company, and other stakeholders. This data is sourced from the Mineral Resources Authority (MRA), Mineral Resources Development Corporation (MRDC), and direct from relevant mining and petroleum companies (where available).

1.3 Structure of Revenue Report

The primary focus of this report is on comparisons between individual Provincial Governments in terms of the various sources of revenue that they receive.

Chapter 2 provides a background to the report and its purpose.

Chapter 3 analyses or examines how adequate total revenues are in terms of fiscal capacity, and actual collection against budget estimates including timeliness of revenue collection.

Chapter 4 offers some recommendations for revenue management in terms of improving revenue collection, budgeting, and revenue projection.

Chapters 5, 6, 7, and 8 provide a chapter-by-chapter summary of the differences in collections between each of the four main categories of Provincial Government revenues.

- **Chapter 5** provides an overview of the total collections and variations between the Provincial Governments.
- **Chapter 6** analyses the GST revenues received by Provincial Governments through the IRC.
- **Chapter 7** analyses the Bookmaker's revenues received by several Provincial Governments also through the IRC.
- **Chapter 8** analyses the mining and petroleum royalties and dividends paid to several Provincial Governments.
- **Chapter 9** analyses the own-source revenues collected by Provincial Governments.

Appendix A provides a summary of revenue data tables for each Province:

1.4 Acknowledgements

The NEFC would like to thank the provincial governments and the organizations that helped by contributing a wealth of data. They include the Departments of Finance, Treasury, National Planning & Monitoring, the Internal Revenue Commission, the Mineral Resources Authority, Mineral Resources Development Company LTD, Ok Tedi Ltd, Barrick (Niugini) Limited, and New Crest Mining Limited (Lihir Operations).

2.0 Background

Papua New Guinea is one of the few countries in the world that is rich in natural resources, has a large biodiversity, and a relatively intact environment. Despite the abundance of natural resources, PNG as a developing economy finds it challenging to translate these into substantial revenues to meet the service delivery needs of its population.

Like other countries, PNG had to make decisions on how to structure its revenue systems to deliver the much-needed basic and tangible services. PNG has a form of government that has multiple layers of administration. With each layer of administration, there are allocated powers and decisions assigned to each level i.e., National, Provincial, and Local-Level.

However, over the years reviews and developments into taxation measures as well as policies on generating revenues were mostly focused on the macro level. Likewise, the focus was also on introducing and establishing large-scale projects for the country's benefit such as the Liquefied Natural Gas and Oil project to generate economic benefits for the country.

In no contrary to these developments, as such progress will also impact subnational levels, more effort is also needed to assist sub-national levels of government to improve and optimize their locally, own sourced revenues.

This revenue report sets out detailed data on provincial revenue collections from 2016 to 2020 and provides an analysis of trends over time and between provinces to provide practical tips on how Provincial Governments can better manage revenue budgets, collection, projection, and reporting.

2.1 Fiscal Decentralization

Fiscal decentralization is the transfer of power and responsibility from the national government to regional or local levels. Theoretically, fiscal decentralization aims to increase economic stability, equality, and efficiency at all levels of government.

In November 2001, the National Executive Council (NEC) instructed the NEFC to undertake a review of the intergovernmental financing system and recommend changes to improve the financial arrangements at subnational levels under fiscal decentralization. The NEFC reported back with findings and proposed an integrated system that has seen the reforms into the intergovernmental financing Arrangements (RIGFA) commenced in 2009.

Under fiscal decentralization, two key considerations that also form the essential component of RIGFA are:

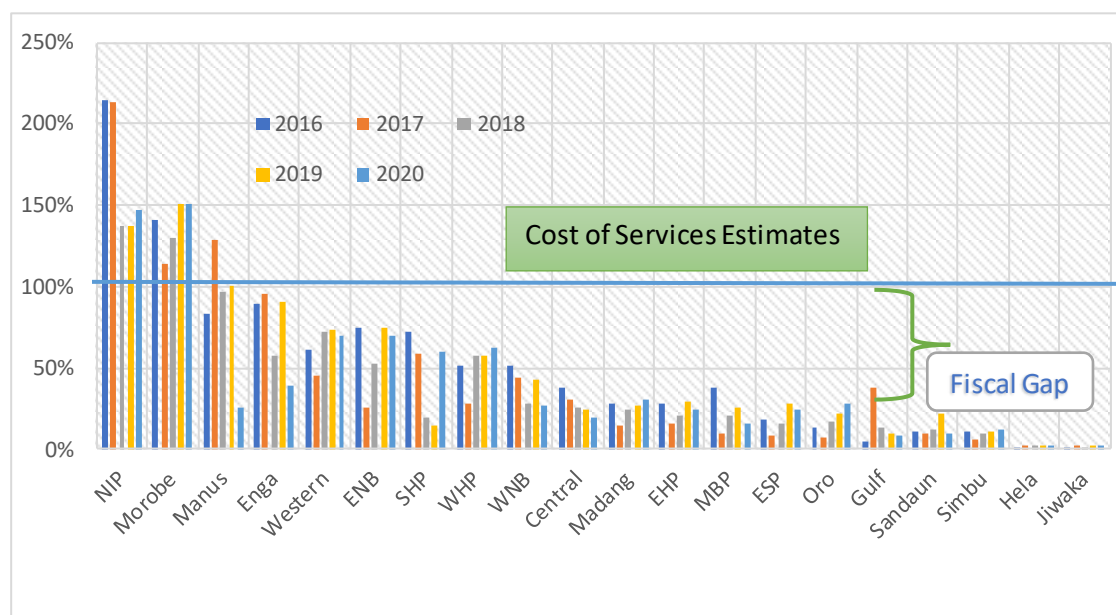
Expenditure Responsibility: - which level of government (e.g., Provincial Government) will undertake what activities and functions? and **Revenue Responsibility:** - which level of government will impose what taxes, fees, and charges?

This report is intended to provide an overview of the second component highlighting how much revenue provincial governments were able to collect over the years.

2.2 Fiscal Gap

In nearly every country with a decentralized system of government, the internal revenues available to provinces are insufficient to meet their expenditure responsibilities. The fiscal gap refers to the difference between the internal revenues and the cost of services estimate of the expenditure responsibilities.

Graph 1 below shows each province (excluding NCD and ABG) 's internal revenues (column bars) from 2016 to 2020 expressed as a percentage of the Cost of Services estimate (blue line).



Graph 1. Fiscal Gap between Provinces' Available Revenues and Cost of Services Estimate

The fiscal gap still exists for most provinces as indicated in figure 1. There are insufficient internal revenues (excluding grants) available to provinces to meet the service delivery activities. Therefore, the National government continues to transfer grants to assist these provinces to meet their expenditure responsibilities.

Fiscal Gaps usually provide a picture of the extent of inequity or imbalance between provinces once costs and expenditure responsibilities are considered. The concept of fiscal gap is relevant for financial relationships and funding arrangements between National Government and provincial governments.

2.3 Reforms to Intergovernmental Financing (RIGFA)

In July 2008 the National Parliament passed the amendments to the *Organic Law on Provincial and Local-level Governments* and introduced the *Intergovernmental Relations (Functions and Funding) Act 2009*. The NEFC in administering these legislations was able to establish the process of “**vertical equalization**” or the process of adjusting resources flowing from the National Government to the Provincial and even Local-level Governments.

That was a key feature of this process, where there was a larger revenue-sharing arrangement between the National, Provincial, and Local-level, which is based on a percentage of resources available to the National Government.

In addition, through RIGFA, the NEFC was able to understand the relative trends and prospects of revenue positions of each province. Since different provinces experienced economic imbalances, it became necessary for the NEFC to maintain equity (horizontal equity) by strategically distributing grants among provincial governments based on each province's fiscal need.

This system has changed how grants are distributed between provinces by ensuring the national grants complement the provinces' available revenues after establishing how much it costs to deliver services to each province and LLG.

3.0 Revenue Analysis

FISCAL CAPACITY, FISCAL IMBALANCE, ACTUAL COLLECTION, TIMELINESS, AND VOLATILITY

The revenue study identified several issues including areas that were beyond the scope of this report. These issues will be pursued separately.

To gain an insight into provincial revenues and how provinces have performed in terms of collection, budgeting, and projection, NEFC attempted to answer the following questions:

- Are provinces receiving sufficient revenues to be able to provide service delivery?
- Are provinces receiving the revenues that they estimated in their budgets?
- Are provinces timely collecting revenues to be able to timely provide services?
- Are provinces experiencing volatility in terms of the actual collection of revenues each year?
- Is information made available and accessible to provinces to enable them to accurately project revenues for budgeting?

These questions will also provide us with a better insight into how provincial administrations can effectively execute their functions including improving their capacity to:

- Raise their own-source revenues to supplement national grants provided by the National Government; and
- Obtain accurate revenue information consistently to improve revenue forecasting and budgeting.

3.1 Total Provincial Revenues compared to NEFC Cost of Services Estimate (Fiscal Capacity)

As noted in the report, revenues from various sources have generally decreased from 2016 to 2018 by 3% in total. Some provinces have more revenues compared to others; some provinces have raised their sources from different bases.

Given that the revenues have decreased, from 2016 to 2018, and increased from 2019 to 2020, was it sufficient to enable provinces to meet the cost of delivering services to their population?

Fiscal Capacity measures the ability (available revenues) of a province to meet the costs of delivering services. It is expressed as a percentage and is calculated by dividing estimated costs by available revenues.

Comparing Total Revenues and Grants from 2016-2020 with the Cost of Services Estimate

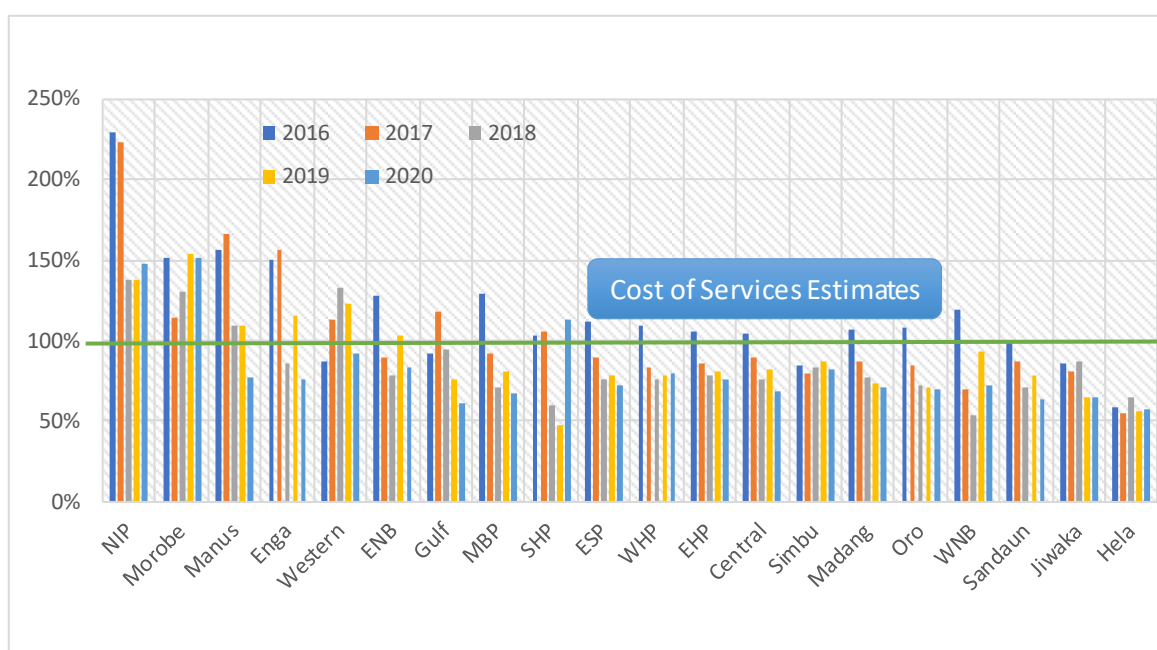
Table 2: Total Revenues compared to Total Cost of Services Estimate

						In 2020 Kina Value		
	2016	2017	2018	2019	2020	Average 2016-2020	Average Annual Increases	Provincial Trend
Total Provincial Revenues & Grants	941.7	900.9	838.7	978.8	978.6	1014.9	-3%	
Total Cost of Services Estimate	812.3	893.3	972.1	1064.1	1152.9	1064.0	4%	
Total Fiscal Capacity	116%	101%	86%	92%	85%	95%		

As shown above, in **Table 2**, all provinces on average have a fiscal capacity of 95% between 2016 and 2020 a slight reduction from the last assessment whereby the average provincial fiscal capacity was at 125%. This means that between the years 2016-2020, provincial revenues dropped and were depending largely on national government support to deliver basic services.

Total Fiscal Capacity by Province

Graph 2 below shows the total revenues available (*Grants and Internal Revenue*) to individual Provincial Governments and compares this to what the NEFC estimates as additional revenues required to meet the costs of delivering basic services.



Graph 2. Total Fiscal Capacity of Individual Provincial Governments from 2016-2020

Graph 2 depicts that most provinces' fiscal capacity fell below the 100% level of Fiscal Capacity in 2020.

Provinces compared to previous years have a slight reduction in their revenues to meet the cost of delivering basic services within the province¹.

- Morobe and NIP had the highest fiscal capacity of 151% and 147% respectively in 2020
- Most provinces' fiscal capacity fell below the 100% benchmark in 2020.
- The study also found that fiscal capacity for Hela (57%) and Jiwaka (64%) only reflects grants they have received from the National Government. These provinces did not receive any other revenues according to the sources of information available to NEFC.
- Manus (156%) previously had a much higher fiscal capacity averaging 124% (2016-2020), however, that has reduced due to the falling revenues earned from GST.

¹ The Provincial Expenditure Reviews (PER) publications captures priorities through budget allocation and expenditures on the service delivery activities.

- All provinces had on average about 95% Fiscal Capacity.

Overall, analysis in the previous chapters has shown that those provinces who were unable to generate higher revenues from GST, own-source revenues, royalties, and dividends, are no longer disadvantaged as they are now in receipt of higher National Government function grants to enable them to provide basic service delivery. This has been largely attributed to RIGFA which came into effect in 2009.

3.2 Measuring Fiscal Imbalance

Fiscal imbalance is a measure of the gap in the actual revenues (excluding National Grants) and the cost of services estimate of the expenditure functions or responsibilities of a provincial government. Two types of fiscal imbalances are measured; Vertical Fiscal Imbalance and Horizontal Fiscal Imbalance:

- Vertical Fiscal Imbalance - measures the difference between Expenditure responsibilities (CoS Estimate) and Revenues available for each provincial government; whereas
- Horizontal Fiscal Imbalance – Considering each provincial government, some have more revenues than others. The resulting difference in the resources available to each provincial government is called the horizontal fiscal imbalance.

Chapter 2.2, Graph 1 identified that vertical imbalances (Fiscal Gap) still exist, when assessing provinces' revenues aside from the national grant provinces received. On the other hand, the increasing national grants have minimized closing the gap (**Graph 2**).

Theoretically, an ideal scenario under fiscal decentralization is when the revenues of each provincial government (excluding National Grants) are sufficient to finance the expenditure functions and responsibilities of a province.

In PNG, like other countries, the assignment of expenditure responsibilities is often reassigned either from the national government to provincial governments or from the provincial government back to the national government. It is often argued under intergovernmental financing that when an expenditure responsibility (e.g., of a Sector agency – health, education) is reassigned to provincial governments, revenues (rather than entirely national grants) must accordingly be assigned so that there is no imbalance between revenues and expenditures at any level of government.

Even though National Grants (Fiscal Transfers) have significantly supported Provincial Government revenues, this should not discourage provincial governments from seeking more sustainable revenue from their resources. Nonetheless, care should be taken to prevent excessive charges by provincial governments since it may discourage investment and growth of businesses in the provinces.

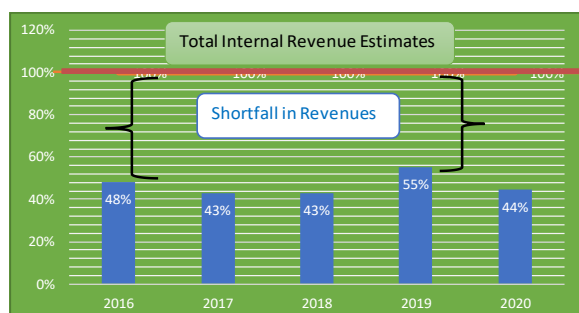
3.3 Comparing Actual Provincial Revenues to Provincial Budget Estimates

Even though provincial revenues have increased, it is obvious that provinces do not collect all the revenues that they had estimated as part of their budgetary appropriations each year. This may indicate that provinces are either overestimating revenues in their annual budgets or that provinces are genuinely collecting revenues below the budget estimates or a combination of both. This, by and large, hurt service delivery.

In general, the analysis below shows that there has been an overestimation in the revenues estimated in budget appropriations to actual revenues collected. This section analyses the overestimation of Internal Revenues, Own-Source Revenues, Royalties and Dividends, and GST.

The NEFC and its stakeholders DPLGA, DoT, and DoF including the Auditor General's Office and IRC are keen to gain a better insight into the collection, budgeting, and reporting of provincial revenues through conducting targeted reviews. This includes assessing the revenue collections, receipts, and reporting by provincial business arms and mining company royalty and dividend receipts.

Graph 3. Internal Revenue Budget Estimates compared to Actual Internal Revenue Collection



The graph on the left shows as a percentage, the total Internal revenue estimates from budget appropriations compared to total internal revenues collected by provinces. The red horizontal line represents the budget estimates against the actual internal revenue collection illustrated by the green bars. The gap between the green bars and the red line represents shortfalls in internal revenue collection between 2016 and 2020.

On average provincial governments only collected up to 47% of their internal revenues from Budget Estimates each year.

3.4 Timeliness of Revenue Inflows

The timeliness of revenue inflows to the provincial government in a year is crucial to enabling provinces to provide services effectively and efficiently to their population.

Revenues collected late towards the end of the year are more likely to be spent poorly or to be rolled over to the following year. This represents an opportunity lost, as we know services cannot happen without a timely enabling revenue stream.

Collections in Internal Revenues and National Grant

The subject of late grant releases over the years has been a real concern for provincial governments. The Provincial Governments on the other hand have certain control over the timeliness of their internal revenue collections whilst the National Government has a direct influence on the timeliness and prioritization of funding releases.

The inconsistency over warrant and cash releases of grants continues to be an additional challenge for provinces to effectively plan, budget, and execute service delivery, particularly at the front of service delivery.

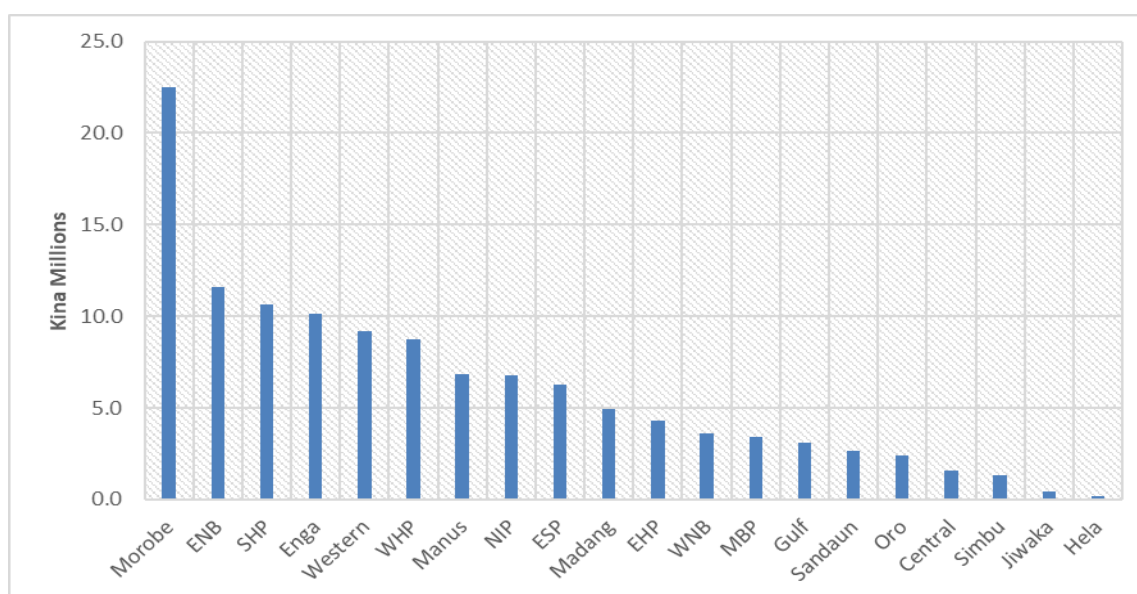
However, as experienced over the period, collections of internal revenues appeared more consistent than grant (warrant) releases. This is an incentive for provincial governments to improve their effort in generating and broadening their own sources. Better management of their cash flow generated from internal revenues as well as roll-over of national grants, this mayst in terms of the timeliness of funding availability.

3.5 Difficulties in Estimating Internal Revenues

Understanding the movements or changes in provincial revenue annually is important, especially when projecting or forecasting revenues during budget preparation.

Volatility or fluctuation refers to the extent to which provincial revenue inflows are stable or are changing rapidly and unpredictably.

Standard deviation here is used to measure the amount of variability or dispersion around the average. Dispersion is the difference between the actual revenue and the average revenue. The larger this dispersion or variability is, the higher the standard deviation. The smaller this dispersion or variability is, the lower the standard deviation.



Graph 4. Volatility in Internal Revenues for Provincial Governments (Kina Millions)

Measuring Volatility in Internal Revenues

As depicted in **Graph 4** above, between 2016 and 2020, Morobe and East New Britain experienced high volatility in internal revenues (i.e., apart from NCD which is not shown in the above chart).

The provinces of SHP, Enga, Western, and WHP had the second most volatility with Hela, Jiwaka, Simbu, and Central having the least volatility.

Provinces need to understand how large the actual amount of revenues collected varies from one year to another. That would assist provinces with developing realistic and effective planning and budgeting processes.

4.0 Revenue Management

REVENUE COLLECTION IMPROVEMENTS, BUDGETING, AND PROJECTING

As revealed in this study, provinces do not always collect all the revenues they have budgeted for within a year. Accordingly, provinces would need to improve their locally generated revenues to see those activities that are planned and budgeted for are implemented.

NEFC note that the grants from the National Government to provinces act as a safety net, however, the continuous late release of these grants to provinces affects their operational duties. Likewise, most other internal revenue is shared revenue. Mining and petroleum royalties (by way of MoA) continue to be shared on the same basis between the National Government and other levels of government. In addition, the National Government continues to share GST with Provincial Governments, based on 60% of the actual inland GST raised in the province two years preceding the current fiscal year. Provincial Governments are now also entitled to receive 40% of bookmakers' tax collected in their province based on two years preceding.

Given that, Provincial Governments need to broaden their revenue base and generate local revenues through charging fees, taxes, fines, licenses, etc. for them to focus on improving the revenue collection and debt collection methodology.

4.1 Improving Revenue Collection

Common Administration Problems

Provincial Governments encounter administrative as well as logistical issues in raising and collecting revenues. This may include:

- The cost of collection exceeds the value of the fees/ tax collected.
- Inadequate revenue and debt collection process including poor follow-up of overdue fees/taxes.
- Capacity issues in terms of manpower/skills to effectively collect and report on their collection
- Fee and rental rates that have not been reviewed for many years and may be inconsistent with market conditions

How can the Provincial revenue collection processes be improved?

Raising and broadening of own-source revenues must be improved by all provinces to meet the increasing demand for delivering services to the people. NEFC provides suggestions to further assist provinces as follows:

- Reviewing and assessing the potential of a source of revenue (i.e., tax/fee) and carefully determining the cost-effectiveness of revenue collection.
- Conducting prompt revenue and debt collection processes including compliance, this should be complemented by proper revenue recording, record-keeping processes, and follow-up processes.
- Ensuring that appropriate staff has the skills, and all positions are promptly filled.
- Using market rates and charges that are affordable and ensuring that there are regular reviews of these charges.
- Working closely with each respective Provincial Treasury to ensure the accuracy of revenue collections are recorded on PGAS/IFMS.
- Using correct coding and description for revenues. For example, some revenues collected may be generalized under 'Miscellaneous' or 'Sundry' categories increasing the risk of poor accountability.
- Conduct regular internal audits to provide assurance and integrity of revenue collection processes.
- Working closely with IRC to update the database on registered businesses required to pay GST. The liaison can also be made with IPA or source data from IPA online to verify registered businesses that are issued certificates of compliance.

4.2 Local revenue sources provinces can implement

The *Organic law on Provincial and Local level Government* allows provinces to raise their taxes as revenues. Not all provinces are raising the same kind of taxes, nor do they have the capacity to do so. Part of the reason lies with the complex legal arrangements underpinning local taxes and own source collections. Provided below is a list of taxes, fees, and charges administered by provincial governments since 1995.

<i>Airport Service Tax</i>	<i>Driving Licenses</i>	<i>Small Crafts Registration</i>
<i>Alcoholic Beverages</i>	<i>Electrical charges</i>	<i>Heavy Vehicle Licensing</i>
<i>Bookmakers Turnover Tax</i>	<i>Entertainment Tax</i>	<i>Hotel Accommodation Tax</i>
<i>Business Licensing Tax</i>	<i>Forestry Levy</i>	<i>Housing Rentals</i>
<i>Court fees and Fines</i>	<i>Gaming Machine Proceeds</i>	<i>Land Tax</i>
<i>Developed Property Tax</i>	<i>General Sales Tax</i>	<i>Liquor Licensing Fees</i>
<i>Discipline Fines</i>	<i>Health fees</i>	<i>Market Fees</i>
<i>Mining Royalties</i>	<i>Postal Agency Fees</i>	<i>Medical Fees</i>
<i>Motor Vehicle Registration & License</i>	<i>Registration Fees Youth Women etc</i>	<i>Survey Fees</i>
<i>Penalties Heavy Vehicles</i>	<i>Rental Fees</i>	<i>Tenders Board Application Fee</i>
<i>Permits</i>	<i>Road User Fees</i>	<i>Tobacco Sales – Cigarettes</i>
<i>Petroleum Products Taxes</i>	<i>Sales & Services Tax</i>	<i>Trade Store Licenses.</i>
<i>PMV Application and License Fees</i>	<i>Sea Worthiness</i>	<i>Vehicle Hire</i>
<i>Provincial Identification Cards</i>	<i>Second-Hand Dealers License</i>	<i>Vehicle Rental</i>

The question of whether these taxes, fees, and charges are legally imposed is not discussed here. This report focuses on actual revenues rather than assessing their legality. Publishing this report also provides the opportunity for provinces to compare and learn from fellow provinces on how to improve and broaden their revenue bases.

4.3 Improving Revenue Projections for Budgeting Purposes (Realistic Estimates)

It is crucial that Provincial Governments realistically project their revenues so that the optimum benefits desired by provinces are achieved through effective budgeting.

It is possible that not all provinces accurately report the revenues they collect. A province may not necessarily disclose its revenue or may record revenue amounts incorrectly, or for that matter may overlook or fail to provide relevant revenue information. This is likely to contribute to difficulties in accurate revenue forecasting ultimately compromising service delivery.

If provinces overestimate their revenues, they are likely to be faced with the outcome of reducing the number of planned activities due to a lack of available funds. On the other hand, if provinces underestimate their revenues, it is likely to be an opportunity lost to meet their basic service delivery obligations.

4.4 Disclosing of all Provincial Revenues

Provinces may not necessarily record all their revenues from all their revenue streams. As a result, PGAS/IFMS may not be updated or there is a delay in recording royalties, dividends, and revenue receipts generated internally. Further management or political influence may have a bearing on the disclosure of all sources of revenue streams. The NEFC has approached the AGO in attempting to improve this reporting, but this will require additional effort and resources.

Provincial Governments have also established firms operating as business entities within the province or even in other parts of Papua New Guinea. These entities or business arms pay dividends back to the provincial administration, reported as commercial receipts in PGAS. Unfortunately, some provinces do not disclose these revenues back to the provincial administration.

The NEFC as well as other agencies rely on full disclosure of all relevant provincial revenue streams to make an informed decision on provincial grants calculations and recommendations. The NEFC is also responsible for providing accurate and objective advice to National Government. Non-disclosure of revenues by provinces is therefore considered as misinforming or misleading the government. Provincial Governments must always strive to serve their people ethically and honestly and provide basic services that every Papua New Guinean is entitled to receive.

4.5 Entering revenue data accurately

In some cases, the revenues reported into PGAS may not be entered correctly. While funds may be deposited into provincial bank accounts, the accurate recording of these revenues in provincial accounts is crucial for proper revenue management including projection.

The NEFC always seeks alternative revenue data sources to further validate and substantiate the amount of revenue rather than just relying on one source.

4.6 Accessing accurate Revenue Information

Provinces may not be consistently provided with timely accurate revenue information by their primary revenue providers. Further when this information is provided the information may often be incomplete, thus making it difficult for projection and budgeting. In these instances, a province may generally estimate, using averages as a guide, or continue historic revenue estimates from previous years.

Provinces must build their capacity within provincial administrations to consistently access accurate revenue information from their entire revenue streams to improve revenue forecasting and budgeting.

Accurate revenue forecasting by provinces is crucial for planning effective service delivery. It will also assist decision-makers and planners at different levels of the government to better plan for future activities including greater confidence in revenue collection prospects.

It is important that Provincial Governments also learn from previous inaccurate revenue projections and budgets more effectively in future years. By doing so, the implications of earlier mistakes from inaccurate revenue forecasting will not be repeated and better-planned service delivery will be accomplished.

5.0 Overview of Provincial Government Revenue Sources

Provincial Governments within PNG receive two major bases of revenue in general: National Government Grants and Internal Revenues.

Most provinces largely depend on national government grants. These grants usually are determined at the national level and then provided to provinces. There are also purposes and conditions attached to the different types of grants provided.

Provincial Governments also generate revenues internally. Provinces usually have control over these internal revenues. The amount of internal revenue provinces generate depends on their ability to collect, the economic base, and how much they can broaden their revenue base as well as the rates they charged. This report categorizes internal revenues as:

- GST revenues
- Bookmakers' revenues
- Royalties and Dividends from mining and petroleum projects
- Own sourced revenues

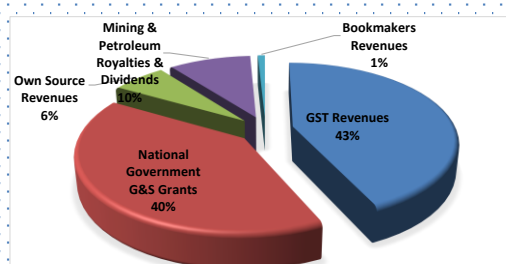
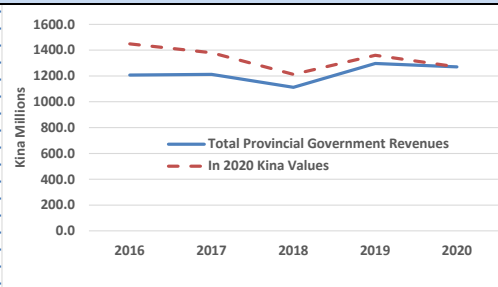
This chapter summarises in total the National Grants and the Internal Revenues Sources available to provincial governments from 2016 to 2020.

5.1 Total Revenues to Provincial Government

The Summary of Provincial Government revenues (Kina millions) included in **Table 3** below shows that the total Provincial Government revenues increased from K1,207 million (2016) to approximately K1,270 million (2020) at an average annual rate of approximately -3%. The subsequent decrease in the rate was due to the decrease in revenues reported in 2018.

On aggregate, GST distributions remained the most significant revenue source. This is followed by national goods and services grants, royalties and dividends from mining and petroleum projects, and own-source revenues.

Graph 5. Summary of Provincial Government Revenues



	2016	2017	2018	2019	2020	In 2020 Kina Value		
						Average 2016-2020	Average Annual Increase	Provincial Trend
National Government Goods and Services Grants	523.0	533.9	443.2	470.6	474.6	537.3	-6%	
All Provincial Government excluding ABG	503.7	514.7	423.6	439.6	444.7	511.5	-7%	
ABG Goods & Services Grants	15.1	15.1	15.4	26.8	25.8	21.2	13%	
GST Revenues	483.5	449.7	501.5	604.2	593.4	573.2	1%	
All Provincial Government excluding NCD	242.6	166.0	253.4	323.3	337.1	286.5	8%	
NCD GST	241.0	283.7	248.1	281.0	256.3	286.7	-2%	
Bookmakers Revenues	10.2	13.5	8.7	9.2	8.7	11.1	-5%	
All Provincial Government excluding NCD	5.2	5.2	3.1	3.7	3.7	4.6	-9%	
NCD Bookmakers	5.1	8.3	5.5	5.5	5.0	6.5	1%	
Mining & Petroleum Royalties & Dividends	101.5	141.4	102.9	126.6	112.6	128.1	1%	
All Provincial Government Own Source Revenues	88.7	73.3	55.6	85.6	80.4	84.1	-3%	
TOTAL	1207.0	1211.8	1111.9	1296.2	1269.8	1333.7	-3%	

Table 2: Summary of Total Provincial Government revenues (Kina millions)

Table 2 also shows the main sources of Provincial Government revenues collected between 2016 and 2020 at varying rates. Generally, there were reductions in Goods and Services Grants, Bookmaker's Tax, and Own Source Revenues, while Mining & Petroleum Royalties and Dividends together with GST have a slight increase.

GST Revenues consist of 43%, the largest of the total share of revenues to Provincial Governments. On average, GST has increased at a rate of 1% annually (from K483.5 million in 2016 to K593.4 million in 2020).

National Goods and Services grants make up about 40% of the total share of revenues available to Provincial Governments and on average National Goods and Services grants have decreased at a rate of 6% (from K523 million to K475 million).

Own-Source Revenues comprise about 6% of the total share of the revenues. Own Source revenues over the years have significantly reduced at an average rate of 3% (from K89 million to K 80 million, excluding NCD).

Royalties and dividends from mining and petroleum projects comprise about 10% of total shared revenues. Royalties & dividends over the years have increased at an average rate of 1%.

Bookmakers' Revenues remained at approximately K11.1 million on average (1% of total Revenues), being the least of the total revenue share. Bookmakers have slightly reduced at an average rate of 5% from 2016 to 2020.

5.2 Total Revenues of Individual Provincial Governments

Table 3 Annual Total Provincial Government Revenues Kina millions

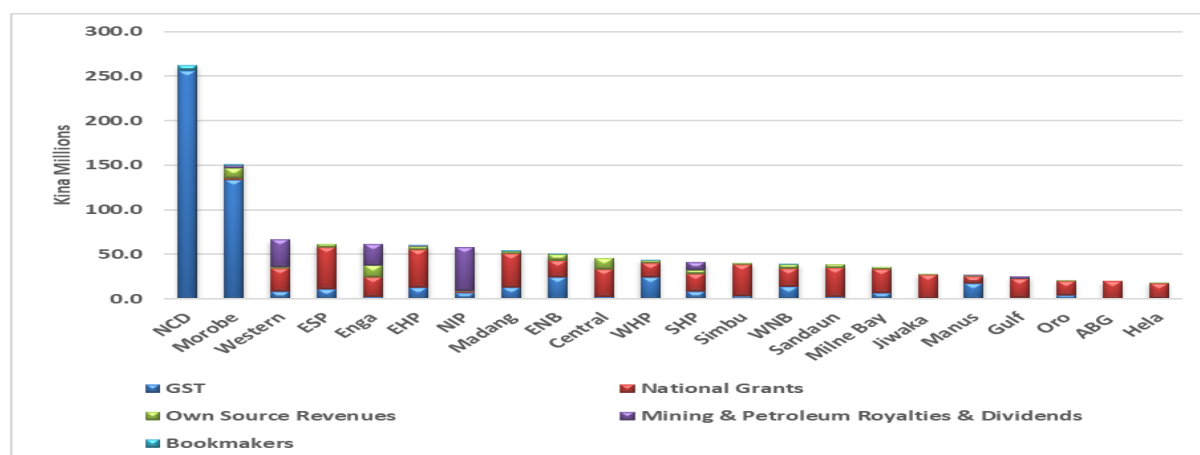
Provinces						In 2020 Kina Value		
	2016	2017	2018	2019	2020	Average (2016-2020)	Average Annual Increases	Provincial Trend
Western	44.1	60.9	77.5	78.3	63.6	70.5	7%	
Gulf	22.5	31.1	27.2	23.8	20.9	27.6	-4%	
Central	48.2	45.0	41.3	49.5	45.0	50.2	-5%	
MBP	45.6	34.8	29.2	36.1	32.4	39.3	-11%	
Oro	23.4	19.8	18.3	19.5	21.0	22.4	-7%	
SHP	40.8	47.0	28.9	25.0	63.7	44.8	24%	
Hela	14.7	14.9	19.0	18.1	20.1	18.9	4%	
Enga	67.2	75.7	45.6	67.4	48.4	67.1	-6%	
WHP	46.0	38.4	38.1	43.5	48.4	46.9	-2%	
Jiwaka	24.9	25.7	30.3	24.9	27.1	29.1	-2%	
Simbu	32.3	35.5	40.2	45.7	46.1	43.4	5%	
EHP	63.7	55.4	54.6	61.5	62.6	65.2	-4%	
Morobe	112.3	90.3	111.2	141.8	150.4	131.6	5%	
Madang	60.2	53.1	50.7	53.3	55.4	59.8	-6%	
ESP	70.1	59.7	54.9	62.0	61.3	67.7	-7%	
Sandaun	41.3	38.7	34.1	40.9	36.2	42.0	-7%	
Manus	28.8	32.9	23.7	25.8	19.8	28.9	-11%	
NIP	63.5	67.5	45.9	50.7	59.8	63.2	-4%	
ENB	56.0	42.5	41.0	59.0	52.2	54.9	-3%	
ABG	19.3	19.3	19.6	31.0	30.0	25.8	9%	
NCD	246.0	292.0	253.6	286.4	261.2	293.1	-2%	
WNB	36.0	32.1	26.9	51.9	44.3	41.6	8%	
TOTAL	1207.0	1212.2	1111.9	1296.2	1269.8	1333.8	-3%	
Excl ABG & NCD	941.7	900.9	838.7	978.8	978.6	1014.9	-3%	

Table 3 shows the total annual revenues for each Provincial Government between 2016 and 2020. It also shows that total Provincial Government revenues are unevenly distributed between Provincial Governments. This is further depicted in **Figure 7** which shows each Provincial Government's average share of total Provincial Government revenues between 2016-2020.

- Apart from **NCD** which receives a total share of about **20%** (K293 million) of total revenues, **Morobe** collected the **largest** share with about **9%** (K132 million) compared to all other provinces.
- **Eight (8)** Provincial Governments – **Western, ESP, Enga, EHP, NIP, Madang, ENB, and Central** – together collected between the range of K50 million and K71 million totaling about **40%** of the total Provincial Government revenues.
- These **Eight (8)** provinces together with **Morobe** and **NCD** in total collected almost **69%** of all available revenues.
- The other **12** provinces share the remaining **31%** with the very least six **(6)** provinces of **Jiwaka, Manus, Gulf, ABG, Oro, and Hela** sharing only about **6%** of total revenues
- **NCD** and **ABG** collected on average, about **21%** of the total share of revenues.
 - NCD, which relies heavily on its GST revenues, alone collects, on average collects about K293 million each year comprising about 20% of the total revenue share.
 - ABG on the other hand, which relies on National Grants, collects about K26 million each year comprising about 1% of the total revenue share.

5.3 Provincial Government Revenues by Types of Sources

Whilst in total, GST and royalties, and dividends are the most important revenue sources to Provincial Governments, this is not the case on a province-by-province basis.

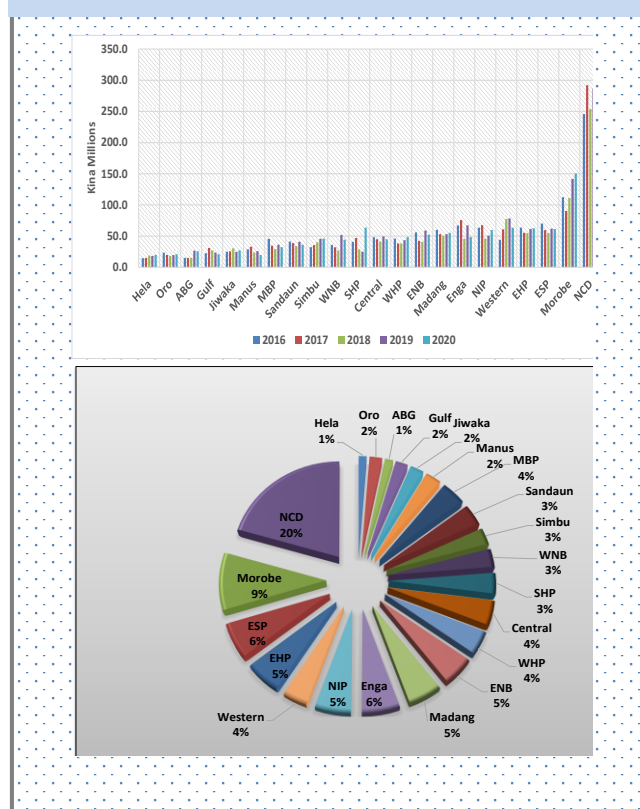


Graph 6. Total Provincial Government Revenues (2016-2020 average)

Graph 6 above provides a breakdown of the average Provincial Government revenue received by each Provincial Government between 2016 and 2020 categorized into the five (5) primary sources of revenue. It is observed from above that:

- Provincial Governments who received more than **K25 million** annually can generally attribute this to large collections from a single revenue source as evident from:
 - GST revenues in the case of NCD and Morobe (70% of the total GST distributed to all the provinces).
 - Royalties and dividends in the case of NIP, Western, and Enga (87% in total for the three provinces).
 - National goods and services grants in the case of ESP, EHP, Madang, Central, ABG, Sandaun, MBP, and Simbu.

Graph 7. Provincial Government share of Total Revenues



- **Graph 8** from the right shows the **annual growth rates by revenue type and by province**. As illustrated, on average, all revenue sources have been decreasing since 2016
- As represented, a mounting negative growth occurred primarily in three main sources, Own Source Revenues, **Mining & Petroleum Royalties, and Dividends** and Bookmakers significantly affecting **MBP, Enga, and Manus**.
- Since these sources of revenue form a major revenue component of these three (3) provinces, the fall in this revenue source significantly reduces their total revenues with others also experiencing **minimal or zero growth**.
- **SHP** and **ABG** notably experienced higher growth than all other provinces. This is attributed to increasing Own Source Revenues generated within the period.

Graph 8. Annual Growth rates by revenue types

6.0 National Goods and Services Grants

The three types of grants provided to Provincial Governments by the National Government are:

- Goods and services grants to fund the recurring or operational expenses
- Staffing Grants to fund personnel emoluments and
- Grants to fund development or capital expenses, such as for PSIPs, PIPs, and SSGs.

This chapter reflects the overall funding levels for goods and services grants from 2016 to 2020 for the Provincial and Local-level Governments. The grant is also briefly compared against staffing, capital, and goods and services funding to National Government agencies at the end of this chapter.

6.1 Types of Provincial Function and Administration Grants

Goods and Services grants that provincial governments usually receive are the Function and Administration Grants

Since the inception of the Reforms of the Intergovernmental Financing Arrangement (RIGFA) in 2009, the current Function Grants and the method used in calculating and distributing these Grants to Provincial Governments were introduced. These Function Grants are Constitutional grants with set conditions to ensure that funding was directed towards national priorities set out in the Medium-Term Development Plans and strategies.



Listed below are the type of Function Grants the provincial governments currently receive.

- The **Health Function Grant** is for funding the cost of delivering basic recurrent health services such as drug distribution, health patrols, immunization, supporting women during childbirth, and HIV/AIDS awareness activities. Though with the introduction of Provincial Health Authorities (PHA), the Health Function grants are now transferred to PHAs.
- The **Education Function Grant** is for funding the operational costs of basic education (elementary, primary, secondary school education, and vocational centers). This includes funding the cost of delivering basic recurrent education goods and services such as the provision of school materials to schools, supporting supervision activities of teachers and standard officers, and supporting the cost of district education offices.
- The **Transport & Infrastructure Maintenance Function Grant** is for funding the recurrent maintenance costs of existing roads, bridges, jetties, wharves, airstrips, and airfields. The grant is not intended to support the costs of new roads, or for building, construction, rehabilitation, and building maintenance.
- The **Village Court Function Grant** is for funding the costs associated with the administration, supervision, and support of the village court system in a province. The grant is not intended to fund the costs of salaries or allowances for village court officials (a separate staffing grant – Village Court Allowance is provided for this purpose).
- The **Land Mediation Function Grant** (introduced in 2015) is for funding the costs associated with the administration, supervision, and support for Land Mediation services in a province. The grant is not intended to fund the costs of salaries or allowances for land mediators (a separate staffing grant - Land Mediators Allowances is provided for this purpose).
- The **Primary Production Function Grant** is provided to further the development of subsistence, domestic trade, and export commodities in the province. The purpose of the grant is to fund the recurrent costs associated with agriculture and livestock, fisheries, and forestry. It covers activities such as extension services to farmers, farmer training, and the distribution of seeds and other technologies to farmers and fishermen.
- The **Administration Grant** is for funding the day-to-day operational costs of the Provincial and District Administrations. It includes costs of utilities, stationeries, and the administrative costs of specific sectors provided for under the service delivery function grants.
- The **Other Services Delivery Function Grant** is for funding functions other than those which have a specific service delivery function grant. This includes business development, community development, natural resource management, sports, environment, disaster management, land administration, etc.

6.2 Summary of Total National Grants

Graph 9. Annual Total Provincial Government Revenues

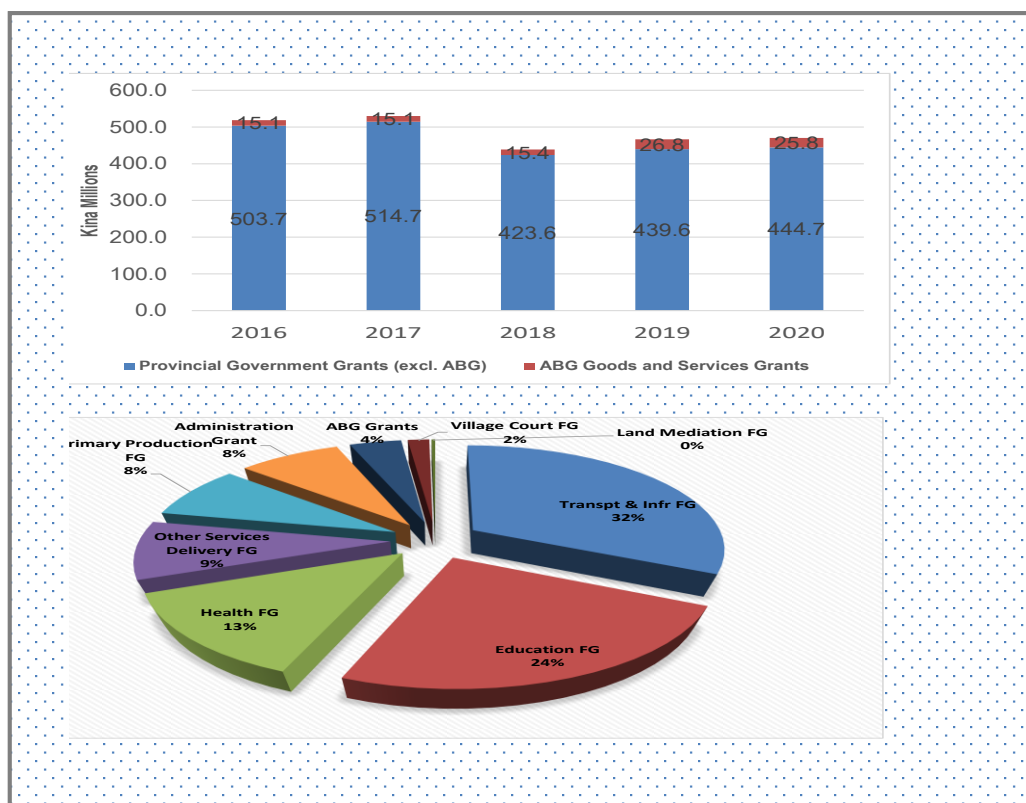


Table 4 National Government Goods and Services Grants to Provincial Governments

(Kina millions)

	2016	2017	2018	2019	2020	In 2020 Kina Value		
						Average 2016-2020	Average Annual Increases	Provincial Trend
Provincial Government Grants (excl. ABG)	503.7	514.7	423.6	439.6	444.7	511.5	-7%	—
Administration Grant	33.7	40.0	34.2	43.5	40.4	41.8	1%	—
Other Services Delivery Grant	46.9	42.8	38.0	45.6	43.0	47.4	-6%	—
Health Function Grant	110.5	114.2	39.8	30.9	13.4	70.3	-38%	—
Education Function Grant	110.0	116.6	116.6	119.8	128.5	129.2	-1%	—
Transport Infrastructure Maintenance Function Grant	155.1	155.6	148.2	151.4	163.6	169.4	-3%	—
Village Court Function Grant	7.7	7.2	7.8	8.0	9.4	8.7	1%	—
Land Mediation Function Grant	1.4	1.3	1.2	1.3	1.6	1.5	-1%	—
Primary Production Function Grant	38.5	37.0	37.8	39.2	44.8	43.1	-1%	—
ABG Goods and Services Grants	15.1	15.1	15.4	26.8	25.8	21.2	13%	—
Total (including ABG)	518.8	529.7	439.0	466.4	470.4	532.7	-6%	—

Table 4 shows the actual goods and services grants received by Provincial Governments between 2016 and 2020.

As noted,

- The total annual level of goods and services funding provided to all Provincial Governments (including ABG) decreased from K519 million to K470 million with an annual rate of -6% annually.

Excluding ABG, the level of annual goods and services grants received by Provincial Governments decreased from approximately K504 million to K445 million at an annual rate of -7% on average.

- A larger share of these grants is from the Transport & Infrastructure, Education, and Health Function Grants comprising 69% in total than all other grants.
- The level of grants paid to ABG steadily remained at K21.2 million on average with a 13% increase each year.

In general, graph 10 depicts a decreasing trend of Function Grants from 2016 to 2020. The decreasing trend of Function Grants is primarily due to lower total tax revenue collections every two years before the period between 2016-2020. The years 2017 and 2018 saw reductions in the Equalization pool distributed to provinces resulting in subsequent decreases in function grants for these years.

Refer to **Appendix A** for the detailed province-by-province information on the Function and Administration provided to each Provincial Government between 2016 and 2020.

6.3 Goods and Services Grants by Individual Provinces

Table 5: National Goods and Services Grants received by Individual Provincial Governments

(Kina '000)

						In 2020 Kina Value		
	2016	2017	2018	2019	2020	Average Annual 2016-2020	Average Annual Increases	Provincial Trend
Western	13,417.9	36,075.5	35,191.6	31,564.1	15,665.2	28,859.6	21%	—
Gulf	21,493.1	20,902.8	23,416.4	20,848.8	17,876.2	22,969.4	-8%	—
Central	30,613.2	29,778.7	27,158.8	34,519.6	32,119.1	33,710.7	-2%	—
MBP	32,251.6	31,276.0	20,786.1	24,478.1	24,430.3	29,409.8	-9%	—
Oro	20,569.6	18,177.0	13,935.4	13,492.0	12,594.1	17,459.8	-15%	—
SHP	12,381.8	20,956.4	19,396.9	17,540.4	29,509.1	21,551.8	24%	—
Hela	14,256.9	14,214.9	18,111.7	17,435.1	19,249.0	18,113.0	4%	—
Enga	27,353.6	29,455.1	15,214.9	14,470.3	23,188.0	24,256.9	-1%	—
WHP	23,980.1	25,187.1	8,870.5	11,069.8	9,887.8	17,719.3	-15%	—
Jiwaka	24,838.9	24,896.4	29,993.5	24,061.4	25,898.1	28,393.6	-2%	—
Simbu	28,103.9	32,670.6	35,729.1	40,091.6	39,431.8	38,267.6	4%	—
EHP	46,812.9	45,086.6	39,883.3	38,774.2	42,506.3	46,825.3	-6%	—
Morobe	7,782.2	541.3	541.3	2,500.0	-	2,632.6	37%	—
Madang	43,850.2	43,973.5	34,530.6	34,158.5	31,075.6	41,439.3	-12%	—
ESP	58,371.5	54,170.6	43,212.0	39,487.8	40,790.1	52,197.6	-12%	—
Sandaun	36,775.6	34,424.5	28,504.4	29,387.4	30,458.4	35,130.4	-8%	—
Manus	13,360.1	7,265.5	2,842.6	2,134.6	13,101.6	8,546.4	87%	—
NIP	4,017.9	3,124.5	-	-	-	1,674.9	0%	—
ENB	22,917.5	30,426.6	13,536.9	15,746.6	8,830.6	20,444.4	-17%	—
WNB	20,564.1	12,061.1	12,758.9	27,868.0	28,048.9	21,918.1	16%	—
ABG	19,267.7	19,267.7	19,617.2	30,967.6	29,968.0	25,777.0	9%	—
Total Provincial Government Grants	522,980.3	533,932.4	443,232.1	470,595.9	474,628.2	537,297.3	-6%	—
Total Excl. ABG	503,712.6	514,664.7	423,614.9	439,628.3	444,660.2	511,520.3	-7%	—

Table 5 shows the actual goods and services grants received by each Provincial Government between 2016 and 2020. As illustrated also in **Graph 10**.

- ESP continues to be a significant recipient of Grants from the National Government. ESP together with two other provinces, EHP, and Madang on average received in total over a quarter (27%) share of total grants to provinces.
- Five provinces of NIP, Morobe, Manus, Oro, and WHP collectively received just 8% of the total G&S Grants. NIP & Morobe have ceased receiving G&S grants from National Government since 2018.
- **Four (4) provinces** of **Western**, SHP, Manus, and **WNB** have received more than a 15% increase in their grants each year between 2016 and 2020.
- **Twelve (12) provinces** of Gulf, Central, MBP, Oro, Enga, **WHP**, **Jiwaka**, **EHP**, **Madang**, **ESP**, **Sandaun**, and **ENB** encountered **negative growth** each year on average.

6.4 Goods and Services Grants Compared to Staffing and Development

Provincial Staffing and Development – Total Funding

As noted, there are three main types of National Government grants provided to Provincial and Local-level Governments. How do goods and services grants compare to provincial staffing grants and development grants?

Provincial Staffing Grants that are provided to provinces:

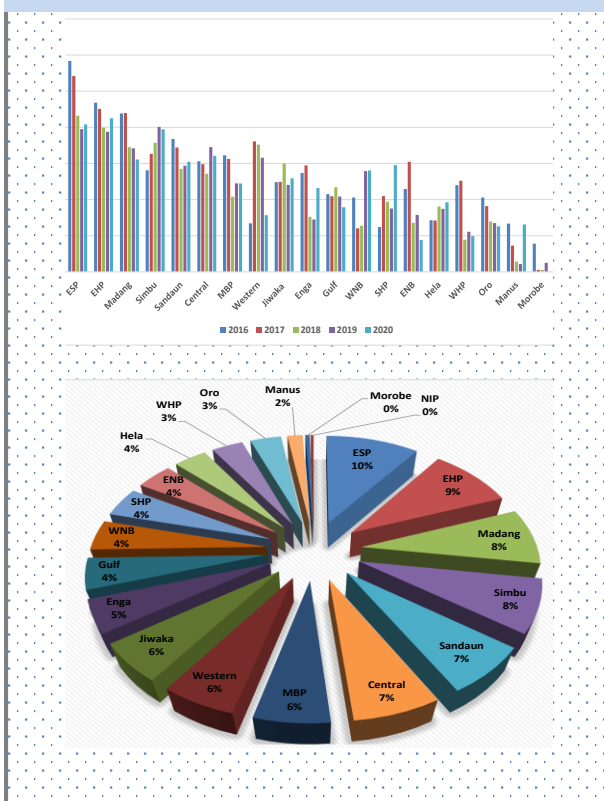
- Public Servant Salaries: provincial and district administration staff, extended service staff of national agencies including health workers (except in hospitals and church-run health centers).
- Teacher salaries: all teacher salaries in elementary, primary/community, secondary/high, and vocational institutions (except for the NCD and the national high schools).
- Teacher and public service leave concerning the above staff.

Note: The village Court Allowances that were previously paid to the provincial governments are now paid directly from the Department of Justice and Attorney General.

Development Grants include:

- Public Investment Programs (PIP),
- Provincial Services Improvement Program (PSIP)
- Special Support Grants (SSGs) and other funding related to mining and petroleum projects,
- Provincial Special Intervention Program and Members Non-Discretionary grants which are either paid through Provincial Governments or directly to Districts.
- Some Provincial Governments also receive development grant funding off-budget through the tax credit scheme (these are not included in this analysis).

Graph 10. National Goods and Services Grants to Provincial Governments



- District Services Improvement Program (DSIP) which is directly paid to the districts.

Table 6 below shows the relative importance of the staffing, development, and goods and services grants provided to Provincial Governments between 2016 and 2020.

Table 6 National Government Grants to Provincial Governments (Kina millions)

						In 2020 Kina Value		
	2016	2017	2018	2019	2020	Average 2016-2020	Average Annual Increases	Provincial Trend
PROVINCIAL GOVERNMENT GRANTS (EXCLUDING ABG)								
Goods and Services Grants	503.7	514.7	423.6	439.6	444.7	511.5	-7%	<div><div></div><div></div><div></div><div></div><div></div></div>
Staffing Grants	1,631.1	1,662.6	1,793.7	1,931.4	1,671.0	1,900.3	-3%	<div><div></div><div></div><div></div><div></div><div></div></div>
Public Servant Salaries	315.2	289.9	290.7	293.2	313.1	329.1	-4%	<div><div></div><div></div><div></div><div></div><div></div></div>
Teacher Salaries	1,274.2	1,332.2	1,462.7	1,594.2	1,312.4	1,524.8	-3%	<div><div></div><div></div><div></div><div></div><div></div></div>
Public Servant Leave Fares	12.8	13.4	13.4	13.4	13.8	14.6	-3%	<div><div></div><div></div><div></div><div></div><div></div></div>
Teacher Leave Fares	29.0	27.0	26.9	30.5	31.7	31.7	-2%	<div><div></div><div></div><div></div><div></div><div></div></div>
Development Grants	1,050.6	262.3	625.6	1,262.0	904.5	893.9	29%	<div><div></div><div></div><div></div><div></div><div></div></div>
Other Public Investment Program	3.0	1.0	0.0	0.0	0.0	0.9	-84%	<div><div></div><div></div><div></div><div></div><div></div></div>
Members Non-Discretionary Fund	0.0	0.0	0.0	0.0	0.0	0.0	0%	<div><div></div><div></div><div></div><div></div><div></div></div>
NADP Funds	0.0	0.0	12.5	34.0	53.5	20.6	106%	<div><div></div><div></div><div></div><div></div><div></div></div>
Provincial Special Intervention Program	0.0	0.0	0.0	0.0	0.0	0.0	0%	<div><div></div><div></div><div></div><div></div><div></div></div>
Public Infrastructure Projects (PIPs)	9.5	26.0	3.0	38.2	31.5	23.2	294%	<div><div></div><div></div><div></div><div></div><div></div></div>
SSGs and other Mining Agreement Grants	11.7	20.5	0.0	0.0	0.0	7.5	-17%	<div><div></div><div></div><div></div><div></div><div></div></div>
DSIP	848.0	169.7	433.2	1,029.8	659.5	684.5	64%	<div><div></div><div></div><div></div><div></div><div></div></div>
PSIP	147.7	45.1	176.8	160.0	160.0	149.8	64%	<div><div></div><div></div><div></div><div></div><div></div></div>
LLGSIP	30.7	0.0	0.0	0.0	0.0	7.4	-100%	<div><div></div><div></div><div></div><div></div><div></div></div>
TOTAL	3,185.5	2,439.5	2,842.9	3,633.0	794.0	2,860.4	1%	<div><div></div><div></div><div></div><div></div><div></div></div>
AUTONOMOUS BOUGANVILLE GOVERNMENT (ABG)								
Goods and Services Grants (excluding LLGs)	19.3	19.3	19.6	31.0	30.0	25.8	9%	<div><div></div><div></div><div></div><div></div><div></div></div>
Staffing Grants	113.9	111.3	119.8	123.9	118.5	128.5	-3%	<div><div></div><div></div><div></div><div></div><div></div></div>
Development Grants	67.0	7.3	34.9	0.0	0.0	25.4	30%	<div><div></div><div></div><div></div><div></div><div></div></div>
TOTAL (INCLUDING ABG)	3,385.6	2,577.4	3,017.2	3,787.9	942.4	3,040.0	-18%	<div><div></div><div></div><div></div><div></div><div></div></div>

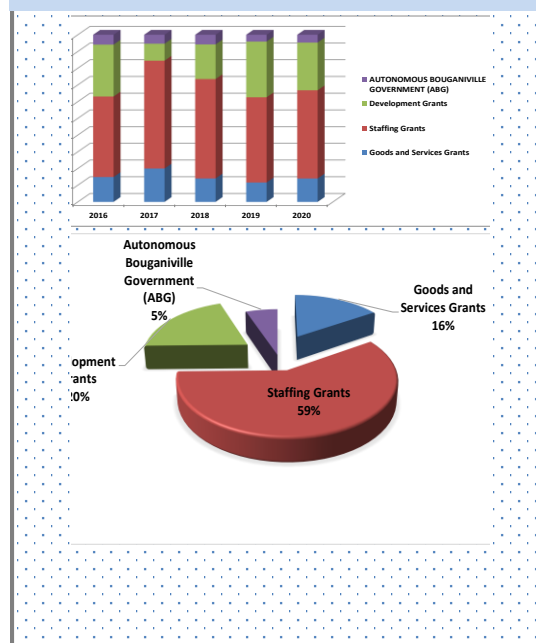
Table 6 above and **Graph 11** indicate that goods and services grants are the proportionately smaller funding source for Provincial Governments as compared to provincial staffing and development grant funding.

Goods and services grants, although has decreased from K504 million in 2016 to K445 million in 2020, relative to total National Grants it has proportionately remained stable at 16%.

Development Grants cover a larger share (20%) of total National Grants decreasing from K1. billion in 2016 to K904.5 million in 2020. Development grant² has decreased in relative terms to staffing grant funding.

Provincial Staffing grants comprise 59% of total National Grants increasing from approximately K1.6 billion in 2016 to K1.7 billion in 2020.

Graph 11. Goods and Services Grants compared to staffing and development



² Development grants figures are based on actual amounts to provinces obtained from the National Budget Books.

An important implication of National grant funding for goods and services grants growing at a lower rate than development grant funding to Provincial Governments is that goods and services funding will become increasingly inadequate to meet the operational costs resulting from an increased number of capital projects funded from development grants. For example:

- New roads constructed will require ongoing funding for maintenance to ensure that the road does not deteriorate through normal wear and tear.
- New schools requiring maintenance, basic materials, and schoolbooks to provide a good learning environment; and
- New health centers require fuel to maintain the correct temperatures for storing drugs and to pay for fuel to deliver medical supplies, and the costs of health patrols to carry out immunizations.

7.0 Goods and Services Tax (GST)

Goods and Services Tax or GST is a tax, which is imposed on the sale of goods and services in Papua New Guinea or the importation of goods into Papua New Guinea. GST is imposed at a rate of 10% of the value of the goods and services sold (or goods imported).

Businesses with an annual turnover greater than, (or expected to be greater than) K250,000 usually register for GST. Businesses with turnovers of less than K250,000 per year can register for GST voluntarily.

The GST is collected and administered by the IRC and is imposed at all stages of production, from the manufacturer to the final consumer. The GST also imposes a levy on the importation of goods. Businesses that are registered with the IRC can obtain credit for the GST paid on business inputs. These input tax credits are offset against any GST collected by the taxpayer. The taxpayer pays the net excess amount to the IRC. If the input tax credits exceed the GST the taxpayer collects, the IRC refunds the excess amount to the taxpayer. Final consumers (e.g., householders, salary and wage earners, and others who are not entitled to register for GST) must pay prices that include GST when they purchase most goods and services and are not entitled to any offsetting credits.

Companies with branches in more than one province, or associated companies with a common and majority shareholding, may register all branches as a group and submit one GST return for the whole group.

The multi-province group is required to list the total sales and GST collected in each of those provinces in the GST return. This enables the IRC to distribute to the Provinces the GST collected in those Provinces according to the GST Distribution Act 2003.

The IRC distributes a portion of the GST revenue it has collected to Provincial Governments and the NCD based on sharing arrangements set out in the GST Revenue Distribution Act 2003 (the Distribution Act). Any remaining GST that is not distributed to Provincial Governments or the NCD under these sharing arrangements is paid into a consolidated revenue fund (to the National Government).

The GST commonly comprises two different components- port GST and inland GST. Port GST is the GST imposed on all items that enter the country through the major ports (airports and seaports). Port GST is collected by PNG Customs on behalf of IRC. Inland GST is the GST imposed on most transactions with goods and services within the country. The National Government retains all the port GST and shares some of the inland GST (less any refunds (input tax credits) about inland GST paid to taxpayers) with Provincial Governments.

7.1 Total Net Inland GST Collections and Distributions

In every fiscal year, each Provincial Government is entitled to receive an amount equal to 60% of the net inland GST collected in the province during the second preceding fiscal year. Using the second preceding fiscal year as the basis for calculation of the GST distributions means that, for example, the amount of GST a Provincial Government receives in 2020 will be based on what was collected in the province in 2018.

The GST continues to be paid into provincial trust accounts and is distributed every month by the IRC. This amount is available to be used at the discretion of the Provincial Government. By calculating each

Provincial Government's fiscal needs amount, it is assumed that Provincial Governments apply the GST to meet the recurrent cost of their assigned service delivery functions and responsibilities.

Table 7 Total inland GST collections and distributions from 2016– 2020

Distribution Year	2016	2017	2018	2019	2020	In 2020 Kina Values		
						Average (2016-2020)	Average Annual Increases	Trend
Total GST distribution to provinces % Change	483.5	449.7	501.5	604.2	593.4	550.6	6%	
Collection Year	2014	2015	2016	2017	2018			
Total net inland GST collection % Change	805.9	749.5	835.5	1,007.3	964.0	872.4	2%	

Table 7 and **Graph 12** showed an overall increase in total GST distributions to all Provincial Governments.

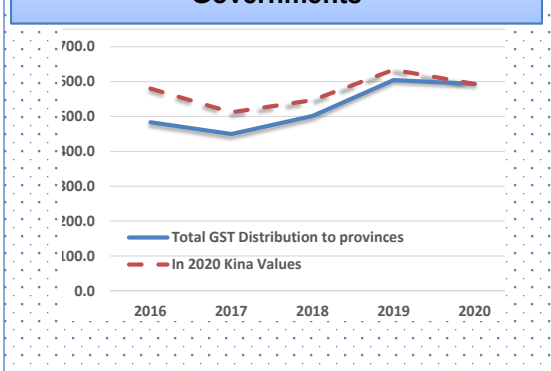
GST Distributions gradually increased from K483.5 million in 2016 to K593.4 million in 2020, reflecting a corresponding increase in total net inland GST collections.

A higher GST collection and distribution often reflects growth in the economy within the period. Generally, it reveals that there is a higher overall consumption of goods and services with more taxpayers registering and more collections made from GST.

The amount of GST collected and distributed also depends on timely payments by taxpayers. On most occasions, IRC officers had to pursue outstanding payments. This is an additional load to the already limited resources which the IRC currently has.

The Distributions of GST are sometimes affected by the built-up of a backlog of unidentified electronic payments already collected but need to be examined before distributions are made.

Graph 12. GST Distributions to Provincial Governments



7.2 GST Distributions to Individual Provincial Governments

Table 8: GST distributions to individual Provincial Governments

	2016	2017	2018	2019	2020	In 2020 kina Values		
						Average (2016-2020)	Average Annual Increases	Trend
West. Province	13.9	2.2	3.8	5.3	8.0	4.9	32%	
Gulf	0.3	0.4	1.7	0.9	2.7	1.3	93%	
Central	5.1	0.6	2.1	2.0	2.8	1.9	57%	
Milne Bay	8.2	3.2	6.7	9.4	6.2	7.0	24%	
Oro	2.1	0.9	3.7	5.3	6.9	4.4	78%	
South. Highlands	16.8	5.5	6.9	4.9	7.0	5.8	8%	
Hela	0.4	0.4	0.9	0.7	0.8	0.7	29%	
Enga	1.6	0.9	2.1	3.0	3.8	2.5	43%	
West. Highlands	17.8	8.9	28.5	29.6	36.2	26.6	49%	
Jiwaka	0.1	0.1	0.3	0.8	1.2	0.7	68%	
Simbu	2.7	1.0	3.1	4.0	5.1	3.4	54%	
East. Highlands	13.1	6.2	12.5	16.9	15.2	13.6	25%	
Morobe	89.6	75.5	95.3	123.3	133.4	110.2	13%	
Madang	12.5	4.9	12.6	15.3	20.3	13.7	42%	
East Sepik	8.8	2.7	8.9	17.1	17.0	12.5	65%	
Sandaun	2.0	0.9	3.3	3.8	2.8	2.9	49%	
Manus	14.7	24.6	19.2	22.0	6.1	18.8	-16%	
New Ireland	5.0	2.9	6.4	7.5	11.2	7.1	38%	
East New Britain	17.9	7.4	23.9	35.1	38.0	27.9	56%	
West New Britain	10.2	16.8	11.4	16.4	12.4	14.7	-2%	
NCD	241.0	283.7	248.1	281.0	256.3	270.0	-2%	
Total	483.5	449.7	501.5	604.2	593.4	550.6	6%	

Table 8 and **Graph 13** shows that GST distributions significantly vary between provinces, with most distributions being shared by Provincial Governments with large commercial centers and NCD (where GST is paid on the sale of goods and services).

Graph 13 shows that on average, between 2016 and 2020:

- NCD received approximately 50% of GST distributions.
- Morobe received approximately 20% of GST distributions.
- Five other Provincial Governments shared 17% of GST distributions (WHP – 4.6%, ENB – 4.6%, Manus- 3.3%, Madang- 2.5%, and WNB – 2.6%).
- EHP, SHP, ESP, NIP, Gulf, and MBP have each received between 1-2 % of total GST distributions totaling 10% of GST distributions; and
- The remaining eight Provincial Governments shared the remaining 3% of GST distributions, with each receiving less than 1% of total distributions.

Graph 13. Total GST Distributions to Provincial Governments

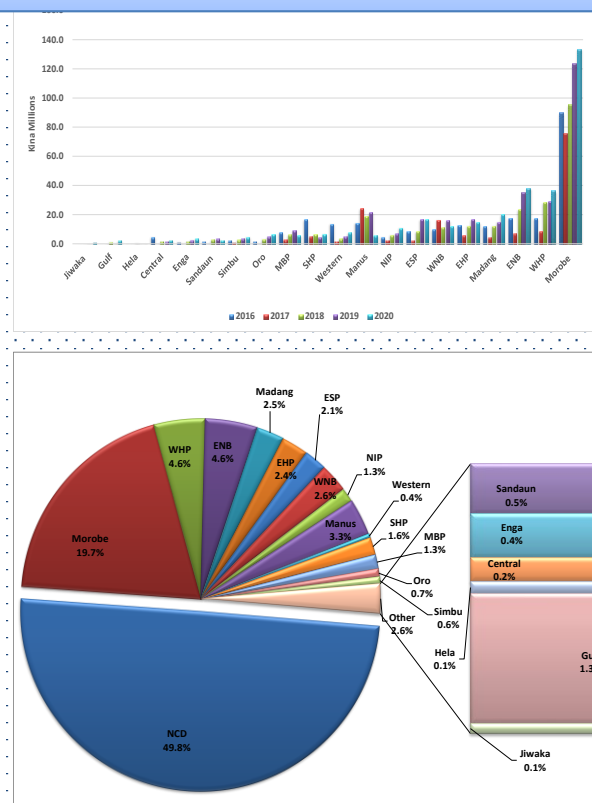


Table 9: Provincial Government GST Net Inland Collections versus Distributions (Kina millions)

	Net Inland GST Collection (2014)	2016 Distribution	Distributio n as % of net collection	Net Inland GST Collection (2015)	2017 Distribution	Distribution as % of net collection	Net Inland GST Collection (2016)	2018 Distribution	Distribution as % of net collection	Net Inland GST Collection (2017)	2019 Distribution	Distribution as % of net collection	Net Inland GST Collection (2018)	2020 Distribution	Distribution as % of net collection
West. Province	23.2	13.9	60%	3.7	2.2	60%	6.3	3.8	60%	8.9	5.3	60%	13.3	8.0	60%
Gulf	0.4	0.3	60%	0.7	0.4	60%	2.8	1.7	60%	1.6	0.9	60%	4.5	2.7	60%
Central	8.5	5.1	60%	1.0	0.6	60%	3.6	2.1	60%	3.3	2.0	60%	4.7	2.8	60%
Milne Bay	13.7	8.2	60%	5.3	3.2	60%	11.1	6.7	60%	15.6	9.4	60%	10.4	6.2	60%
Oro	3.5	2.1	60%	1.5	0.9	60%	6.1	3.7	60%	8.8	5.3	60%	11.5	6.9	60%
South. Highlands	28.0	16.8	60%	9.2	5.5	60%	11.5	6.9	60%	8.2	4.9	60%	11.7	7.0	60%
Hela	0.7	0.4	60%	0.6	0.4	60%	1.5	0.9	60%	1.2	0.7	60%	1.4	0.8	60%
Enga	2.7	1.6	60%	1.4	0.9	60%	3.5	2.1	60%	5.0	3.0	60%	6.3	3.8	60%
West. Highlands	29.7	17.8	60%	14.9	8.9	60%	47.6	28.5	60%	49.3	29.6	60%	60.3	36.2	60%
Jiwaka	0.1	0.1	60%	0.2	0.1	60%	0.5	0.3	60%	1.3	0.8	60%	2.1	1.2	60%
Simbu	4.4	2.7	60%	1.7	1.0	60%	5.2	3.1	60%	6.7	4.0	60%	8.5	5.1	60%
East. Highlands	21.9	13.1	60%	10.4	6.2	60%	20.8	12.5	60%	28.2	16.9	60%	25.3	15.2	60%
Morobe	149.3	89.6	60%	125.8	75.5	60%	158.9	95.3	60%	205.5	123.3	60%	197.4	133.4	68%
Madang	20.8	12.5	60%	8.1	4.9	60%	21.1	12.6	60%	25.5	15.3	60%	33.8	20.3	60%
East Sepik	14.6	8.8	60%	4.4	2.7	60%	14.8	8.9	60%	28.5	17.1	60%	28.3	17.0	60%
Sandaun	3.3	2.0	60%	1.6	0.9	63%	5.2	3.3	60%	6.4	3.8	60%	4.6	2.8	60%
Manus	24.5	14.7	60%	41.1	24.6	60%	32.1	19.2	60%	36.9	22.0	60%	10.2	6.1	60%
New Ireland	8.3	5.0	60%	4.8	2.9	60%	10.7	6.4	60%	12.5	7.5	60%	18.7	11.2	60%
East New Britain	29.8	17.9	60%	12.3	7.4	60%	39.8	23.9	60%	58.4	35.1	60%	63.3	38.0	60%
West New Britain	17.0	10.2	60%	28.0	16.8	60%	19.0	11.4	60%	27.4	16.4	60%	20.7	12.4	60%
NCD	401.6	241.0	60%	472.8	283.7	60%	413.4	248.1	60%	468.3	281.0	60%	427.1	256.3	60%
Total	805.9	483.5	60%	749.5	449.7	60%	835.5	501.5	60%	1007.3	604.2	60%	964.0	593.4	60%

Provinces without large commercial centres sometimes argue that the distribution of GST to provinces is unfair. This is primarily because most people from these provinces usually travel to the large commercial centers such as Port Moresby, Lae, Mount Hagen, and East New Britain to purchase goods and services as well as sell their products contributing to more GST collections for the large urban center.

NCD and Central Provincial Government in recognizing this entered into a mutual agreement, whereby the NCD shares with Central Province 5% percent of its GST distribution each year.

However, in the long run, all provinces should work towards improving their local economy by engaging and encouraging growth in industries such as SMEs (Small to Medium Enterprises), tourism, and agriculture.

The larger the provinces develop commercially, the more GST revenues they can generate and benefit from. These revenues can then be used to improve access to services such as roads, street lighting, upkeep of markets and their facilities, and pay utilities which every people can benefit from.



8.0 Bookmakers Turnover Tax Distributions

Provincial Governments are entitled to shared revenues raised from bookmakers' tax collection. A Bookmaker Turnover Tax is a 4 percent tax imposed on the value of the bet made by a punter on a race with a registered bookmaker.

Bookmakers Turnover Tax was previously imposed under sections 16 to 25 of the *Bookmakers Act 1974*. The *Bookmakers Act 1974* was abolished as part of the Reforms in Inter-government Funding Arrangement (RIGFA) in 2008.

The Bookmakers Turnover Tax is implemented through the *Intergovernmental Relations (Functions and Funding) Act 2009*.

The Gaming Authority administers the Bookmakers act which requires a license to operate bookmaking while a portion of the Bookmaking Act, Ch No 265 is administered by the Commissioner General of IRC.

The bookmaker's turnover tax is paid into a provincial trust account and distributed every month with the amount being available for use at the discretion of the Provincial Government.

8.1 Total Bookmakers Distribution

Each year, Provincial Governments with licensed bookmakers operating within their province receive a distribution of bookmakers' tax.

Of all provinces, only 6 provinces (Eastern Highlands, Western Highlands, Morobe, Madang, East New Britain, and West New Britain), as well as NCD, have bookmakers operating and thus have been receiving these revenues.

40 percent of Bookmakers' Turnover Tax collection from Provinces is distributed back to the province after 2 years. (The second preceding year³)

8.2 Bookmakers' Distribution to Individual Provincial Governments

Table 10 Bookmakers Turnover Tax Distributions to Provincial Governments (kina 000')

	2016	2017	2018	2019	2020	In 2020 Kina Values		
						Average (2016-2020)	Average Annual Increases	Trend
NCD	6,057,390.8	9,496,303.5	6,030,617.3	5,737,790.1	4,990,000.0	32,312,101.7	0%	—
MOROBE	1,923,111.5	1,824,564.7	1,232,698.6	1,487,963.9	1,524,000.0	7,992,338.7	-3%	—
MADANG	1,925,768.1	1,827,085.2	899,599.1	1,359,944.4	1,396,000.0	7,408,396.9	0%	—
WHP	634,740.9	602,214.6	427,090.1	316,900.6	83,000.0	2,063,946.3	-27%	—
EHP	584,407.2	554,460.2	480,287.9	454,364.1	433,000.0	2,506,519.4	-6%	—
ENB	1,152,279.9	1,093,233.2	372,084.7	155,302.3	148,000.0	2,920,900.1	-27%	—
WNB	-	-	-	150,055.6	143,000.0	293,055.6	-1%	—
TOTAL	12,277,698.5	15,397,861.4	9,442,377.8	9,662,321.1	8,717,000.0	55,497,258.7	-4%	—
% Change		25%	-39%	2%	-10%			

³ Bookmakers turnover tax is distributed to provinces monthly. Example- May 2018 Collection is distributed to the province in May 2020.

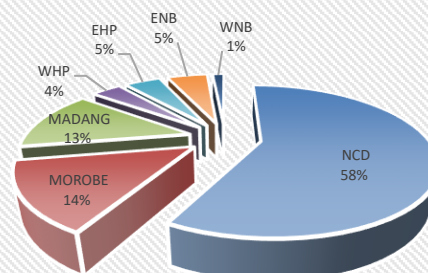
Table 10 and **Graph 14** shows that the total distribution of bookmakers to Provincial Governments remains the same in general each year with no real growth.

NCD receives the largest share of about 58 percent of total bookmakers' distribution

Apart from NCD, Morobe, and Madang are the largest recipients collecting about 27 percent of total Bookmakers' distribution on average annually.

WHP, EHP, ENB, and WNB share the remaining 15 percent of bookmakers' total distribution. A decline in the Bookmakers' tax collection in 2020 is primarily due to the Covid 19 pandemic which causes most of the Bookmakers' companies to shut down for a long period. It has been anticipated that the same situations will be encountered in the next coming years.

Graph 14. Share of Bookmakers Distribution to Provincial Governments



Legislative Changes to Bookmakers

During the 2017 National Budget, the Inter-Governmental Relations (Functions & Funding) Act was amended and established the bookmaker's turnover tax sharing arrangement with eligible provinces to receive 40 per cent while National Government retains 60 per cent.

Correspondingly the Stamp Duties Act was amended to repeal stamp duty on bookmakers betting tickets. This is because the revenue generated from Stamp Duties is significantly lower relative to its administration costs. The intention was to simplify the administration in which the lost revenue from this arrangement will be collected through the increased Bookmakers Turnover Tax to be shared between eligible provincial governments and the national government.

9.0 Benefits from Natural Resources

MINING AND PETROLEUM ROYALTIES AND DIVIDENDS

Mining and Petroleum projects provide substantial revenues to a small number of Provincial Governments.

Generally, the Mining Act 1992 and the Oil and Gas Act 1998 provide minimal guidance on the distribution of benefits from mining and petroleum projects. Instead, the terms under which each mining or petroleum project proceeds and how the earnings from a project are distributed to beneficiaries (landowners, Local-level Governments, Provincial Governments, the State, and developers) are outlined in the MOA for each project.

Broadly, the main categories of benefits from mining and petroleum projects are:

- Royalties
- Dividends from equity holding in projects
- Special Support Grants
- Tax Credit Schemes
- Development Levies
- Other miscellaneous grants or discretionary payments (as provided for in the MOAs)

This report only provides data on the first two categories of revenue as these are generally available to Provincial Governments to fund recurrent goods and services (rather than being aimed at capital spending).

9.1 Types of Royalty and Dividend benefits for Provincial Governments

Royalties

For mining projects, the State receives two percent of the *mine head* value of the minerals. Usually, the wellhead (mine-head) value is derived by calculating the “gross value” of the total value of minerals (gold, copper, oil, or gas) recuperated from the project and deducting all the costs incurred for the project to the point of sales.

In all projects developed to date, the National Government has agreed to transfer all royalties to Provincial and/or Local-level Governments and landowners.

Similarly, for petroleum projects, two percent of the *wellhead* value of all petroleum produced from the license area is provided to the State, with the further distribution of these royalties provided for in the MOA for each project.

Dividends from Equity Holdings in Projects

Provincial Governments with mining and petroleum projects are sometimes entitled to purchase or be assigned (for free) equity stakes in projects which generate both dividends and profit shares.

For example:

- Petroleum Resources Kutubu Ltd (PDL 2 Kutubu Project) which benefits SHP and Gulf
- Mineral Resources Ok Tedi No 2 Ltd (Ok Tedi Project) that benefits Western
- Mineral Resources Enga Ltd (Porgera Gold Project) which benefits Enga

These equity stakes are held through corporate vehicles to manage the provincial and landowner equity shares. These shares are managed through trust arrangements by Mineral Resources Development Corporation (MRDC) which distributes the dividends from these equity holdings as per the MOA for each project.

Which Provincial Governments Benefit from Mining and Petroleum Projects?

Under the MOA for various projects, the following Provincial Governments have been receiving royalties or dividends from existing mining projects.

Mining projects:

- New Ireland (royalties from the Lihir project)
- Western (royalties and dividends from the OK Tedi project)
- Enga (royalties and dividends from the Porgera project)
- Morobe (royalties from the Hidden Valley project – from 2008) and
- Eastern Highlands (royalties from K92 Mining project, Kainantu)

Petroleum projects:

- Southern Highlands (royalties and dividends from the Kutubu and Moran projects) and
- Gulf (dividends from the Kutubu project).

Mining projects open and close. For example, a new MOA has been negotiated for the Ramu nickel mine in Madang that will provide revenue benefits to this Provincial Government in the future.

9.2 Summary of Total Royalty and Dividend Revenues

Table 11: Total Revenues from Royalties and Dividends to Provincial Governments (kina millions)

	2016	2017	2018	2019	2020	In 2020 Kina Values		
						Average 2016-2020	Average Annual	Trend
Royalty & Dividend Revenues	101.5	141.4	102.9	126.2	112.6	128.0	1%	
% Change		39%	-27%	23%	-11%			

Table 11 and **Graph 15** depict a decreasing trend of royalties and dividends between 2016 to 2020 which annually decreased by 5%. The decreasing trend is due to the lower royalties and dividends paid to the provincial governments.

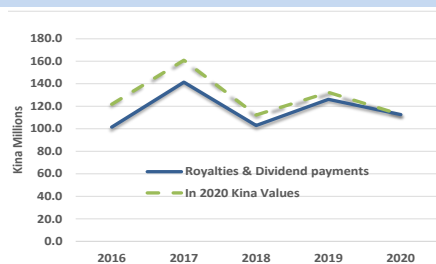
The Gold and Copper Prices as depicted in figure 16 show an increasing trend in Gold Prices from 2016 to 2018 and a decline in 2019.

Copper Prices increased constantly from 2016 to 2020. The increase was due to the high production of metal ore grades by the mining companies. This contributed immensely to the high production and affected benefits to provincial governments.

9.3 Royalty and Dividend Revenues to Individual Provincial Governments

The table below provides a summary of the royalties and dividends that are available to Provincial Governments from mining and petroleum projects.

Graph 15. Total Royalty and Dividend Payments to Provincial Governments



London Metal Exchange Prices Source:BPNG

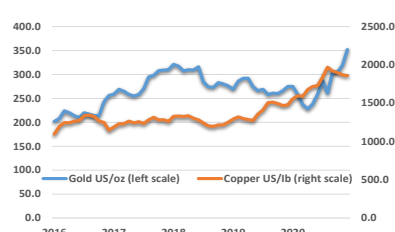
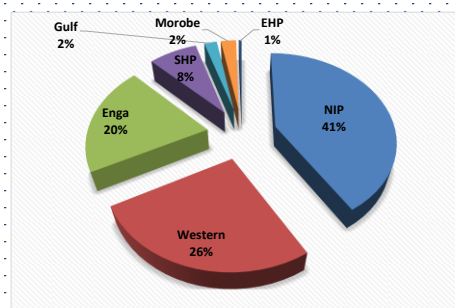
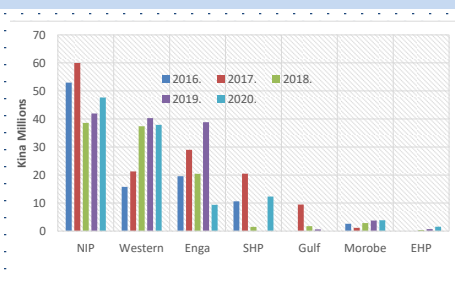


Table 12: Provincial Government benefits from mining and petroleum projects (Kina '000s)

						In 2020 Kina Values		
	2016	2017	2018	2019	2020	Average (2016-2020)	Average Annual Increases	Trend
Western	15,800.0	21,300.0	37,400.0	40,300.0	37,888.0	32,827.8	18%	
Gulf	0.0	9,485.0	1,750.0	590.0	0.0	2,664.0	-50%	
SHP	10,599.1	20,471.6	1,502.3	0.0	12,320.0	9,993.0	-22%	
Enga	19,585.8	28,990.0	20,440.0	38,872.2	9,359.8	25,782.6	3%	
EHP	0.0	0.0	357.5	716.1	1,554.4	539.1	40%	
Morobe	2,621.2	1,173.3	2,877.5	3,743.5	3,881.7	3,085.2	20%	
NIP	52,938.9	59,987.5	38,621.2	41,947.2	47,633.9	53,102.2	-4%	
Total	101,545.0	141,407.4	102,948.5	126,169.1	112,637.8	127,993.9	1%	

Table 12 and Graph 16 depicted that in summary;

- New Ireland continues to be the largest recipient of revenues from total royalties and dividends. New Ireland on average receives about 41.5% of total royalties and dividends from all provincial governments. These revenues however have fluctuated between the period 2016 to 2020.
- Gulf Provincial Government was liable to receive dividends from the Kutubu petroleum project from 2017 to 2019. These royalties and dividends declined to zero level in 2020.
- Southern Highlands royalties from the Kutubu project grew from approximately K10.6 million in 2016 to K12.3 million in 2020 at an average of K2.0 million per year.
- Enga royalties and dividends from Porgera Mining declined from K19.6 million in 2016 to K9.4 million in 2020 at an average decreasing rate of 10% per year. The decrease in 2020 was due to the shut-down of the Porgera mine.
- Western royalties and dividends increased to K22.1 million in 2020 at an average growth rate of 8.67% annually. This increase attributes to high production from OK Tedi Company which proportionately increases the revenues from royalties and dividends for Western Province.
- Eastern Highlands royalties from K92 Mining Ltd increased from K0.4 million in 2016 to K1.6 million in 2020.
- Morobe royalties from Hidden Valley Project grew from K2.6 million in 2016 to K3.9 million in 2020 at an average increasing rate of 33.3% annually.

Graph 16. Royalty and Dividend Revenues to Provincial Governments

9.4 Upcoming Mining and Petroleum Projects that would benefit Provincial Governments

The next generation of projects certainly will increase revenues in this sector and also will generate revenues for the host provinces including benefits to landowners and the state.

- The Wafi-Golpu Project, located in Morobe Province, which according to the project director, could operate for over three decades.

- The Frieda River project (Frieda River Copper and Gold Project) which is 70kms south of the Sepik River on the border of the Sandaun and East Sepik Provinces is estimated to operate with an initial mine life of 17 years.

Several smaller projects including Woodlark, Wau, Milne Bay, Mount Kare, and the first underwater mining operation in Solwara 1, all once in operation will also provide direct or indirect benefits to the host provinces.

9.5 Challenges in obtaining Data from Sources

Ensuring consistent and reliable data on the benefits deriving from mining and petroleum projects is a challenge as there is little published information available. The primary sources of data are the companies that operate the relevant projects. There are also Government agencies such as MRA and MRDC that gather information on royalties and dividends paid by the mining and petroleum companies from mining and petroleum projects.

Another challenge in analysing revenues that are available to Provincial Governments is that while most of the distribution of benefits is by the MOA, some Provincial Governments have given up additional royalty shares to landowners or may have diverted these benefits to other investment vehicles.

This report does not analyse distribution arrangements that may not be set out in the MOA. We have detailed the royalties and dividends to which a Provincial Government is entitled.

Below is a summary of the royalties and dividends from mining and petroleum projects that are available to Provincial Governments, provided by mining companies and (or) Government agencies if mining company data is not available or incomplete.

Table 13: Summary of Royalties and Dividends from various sources

Provincial Government		2016	2017	2018	2019	2020	Source
Western	Royalties	15.8	21.3	25.4	32.3	34.0	Company (Ok Tedi) and MRA MRDC
	Dividends	0.0	0.0	12.0	8.0	3.9	
	Total	15.8	21.3	37.4	40.3	37.888	
Gulf	Dividends	0.0	9.5	1.8	0.6	0.0	MRDC
Southern Highlands	Royalties	10.6	20.5	1.5	0.0	12.3	MRA
Enga	Royalties	19.6	19.0	18.4	30.9	9.4	Company (Pogera) and MRA MRDC
	Dividends	0.0	10.0	2.0	8.0	0.0	
	Total	19.6	29.0	20.4	38.9	9.4	
Eastern Highlands	Royalties	0	0	0.4	0.7	1.6	MRA
Morobe	Royalties	2.6	1.2	2.9	3.7	3.9	MRA
New Ireland	Royalties	34.9	37.5	38.6	41.9	47.6	Company (New Crest) and MRA MRDC
	Dividends	18	22.5	0	0	0	
	Total	52.9	60.0	38.6	41.9	47.6	
Total	Royalties	83.5	99.5	87.2	109.6	108.7	<div> <div>Trends</div> </div>
	Dividends	18.0	41.9	15.8	16.6	3.9	
	Total	101.5	141.4	102.9	126.2	112.6	

Comparative Data Sources

As noted, data on the royalties and dividends for mining and petroleum projects can also be obtained from Government agencies and from the revenue reported in the PGAS internal revenue summaries provided by Provincial Governments to the DoF (which should match the data reported in Provincial budgets and financial statements).

There is a significant variance between the data sources for some of the mining and petroleum projects. In general, these differences reflect factors such as:

- There is no requirement to report the benefits from mining and petroleum projects at both the National and Provincial levels.
- PGAS data may not bear a close relationship to mining company or Government agency data due to funds not being transferred into Provincial Government bank accounts and instead being paid into the trust, landowner, or other bank accounts.
- Weaknesses in the collection, classification, and reporting of revenue data in Provincial Government accounts. For example, data may be coded incorrectly, not entered, or be entered into a miscellaneous or sundry revenue category.
- Dividend data is recorded by the MRDC on an accrual accounting basis – that is the year in which the dividend is declared (not paid). However, the dividend is recorded on a cash accounting basis in PGAS – that is the year in which the dividend is paid. As such, there may be some similarities between the PGAS data for a particular year and the prior year of MRDC data.

Improving the Reporting of Benefits from Mining and Petroleum projects

As highlighted the significant challenge lies in ensuring reliable and accurate data as it concerns mining and petroleum projects. In particular, the revenue streams into Provincial Government accounts often do not match the comparative data from mining companies and Government agencies (particularly for Western, Gulf, and Southern Highlands Provincial Governments).

This arises primarily as dividends, and sometimes royalties, are often paid as a cheque or transferred into trust accounts maintained by Provincial Governments, allowing some Provincial Governments to deal with substantial benefit flows outside the mainstream budget and financial management arrangements such as PGAS.

In comparison, GST distributions to Provincial Governments are paid directly into Provincial Government operating accounts by the IRC. As a result, the discrepancies between different data sources are not as great. This is because the funds must be deposited directly into Provincial Government bank accounts by an independent government agency. Therefore, these distributions are much more likely to be properly accounted for in PGAS.

The establishment of the Extractive Industries Transparency Initiative (EITI) Secretariat in PNG, responsible to report on the benefits derived from the extractive sector at both the national level as well as sub-national level can resolve the challenges and improve the reporting requirements within this sector.

The tax credit scheme for resource companies to pay for infrastructure in provinces instead of company taxes to the IRC has the potential to amount to large additional sources of provincial revenue. These contributions are not dividends or royalties but constitute a share of the company's profits distributed directly to the Provincial Government. It would be useful to obtain individual provincial data on these amounts

10.0 Own-Source Revenues



“Own-source” (or locally raised) revenues are local taxes, licenses, fees, charges, commercial receipts, and other revenues raised and collected directly by the Provincial Government. The following analysis concerns the amounts collected by Provincial Governments rather than the validity or appropriateness of different own-source revenues.

Different Provincial Governments classify revenue types differently. For the analysis in this report, three main categories of own-source revenues are used. These are:

- (i) **Licenses, fees, and taxes:** which comprise the following main sub-categories:
 - a) **Motor vehicles:** includes driving licenses, motor and passenger vehicle registrations, and other motor vehicle-related revenue such as traffic infringement notices and road usage taxes.
 - b) **Liquor:** liquor and entertainment related licensing.
 - c) **Land:** includes land rates and taxes, garbage and sanitation charges, and any other revenue derived from developed property.
 - d) **Other licenses, fees, and taxes:** from any other sources not listed above, such as gambling-related taxes and village court fees and fines.
- (ii) **Commercial receipts:** revenue derived from business activities such as rental income, user charges for electricity, and returns on investments from economic projects (revenue derived from mining and petroleum activities is not included, as it is included in the earlier chapter on this topic).
- (iii) **Other revenues:** any revenue derived from other sources not listed in (i) or (ii) or listed as miscellaneous or sundry.

10.1 Data Sources and Methodology of Determining Own Source Revenues

Own-source revenue data has been obtained from the PGAS and IFMS “internal revenue” electronic summary files held by the DoF. The data available was for 18 Provincial Governments excluding NCD, ABG, Hela, and Jiwaka.

For comparison purposes, information was also sourced from provincial budgets and financial statements. However, in most cases, provincial budget books generally do not have records of actual revenue collections. Audited financial statements are also not available until several years after the end of the relevant fiscal year.

The “internal revenue” electronic summary files include all revenues not paid to Provincial Governments from national agencies, and as a result, these files also contain GST, royalties, and dividends from mining and petroleum projects. To enable an analysis of own-source revenues for the relevant fiscal year, the following data was removed from each PGAS file:

- Data on GST distributions, and royalties and dividends from mining and petroleum projects.
- Carried over revenue, including carried-over bank balances and National Government grants that have remained unspent from the previous year. Unlike National Government agencies, Provincial Governments do not return unspent funds to National Government consolidated revenue. This includes grants for goods and services, staffing, and development (such as SSGs and the DSG).
- Any revenues that are not intended for goods and services, such as major asset sales (over K100,000 in revenue) and occasionally staff co-contributions to pay for leave fares.
- Any donor revenues.

10.2 Summary of Total Own-Source Revenues

The Table summarises total own-source revenues collected by all Provincial Governments between 2016 and 2020.

Table 14: Summary of own-source revenues (Kina millions)

REVENUE CATEGORY	2016	2017	2018	2019	2020	Average	Percentage of Total	Average Annual increases	Provincial Trend
Licenses, fees and taxes	38,946.0	36,842.0	27,847.2	43,499.1	39,510.7	35.7	47.1%	-5%	
Commercial receipts, user charges, returns on investments etc.	12,529.6	4,036.5	4,873.2	14,497.5	3,759.4	8.5	11.2%	7%	
Other revenues	37,266.8	32,386.2	22,867.0	27,566.9	37,125.0	31.6	41.7%	12%	
Total Own Source Revenues	88,742.5	73,264.7	55,587.4	85,563.5	80,395.2	75.8	100%	-5%	
<i>percentage change</i>		-21%	-32%	35%	-6%				

Table 14 and **Graph 17** also reveal that own-source revenues have decreased from approximately K89 million in 2016 to K80 million in 2020 all at an average rate of 24% annually:

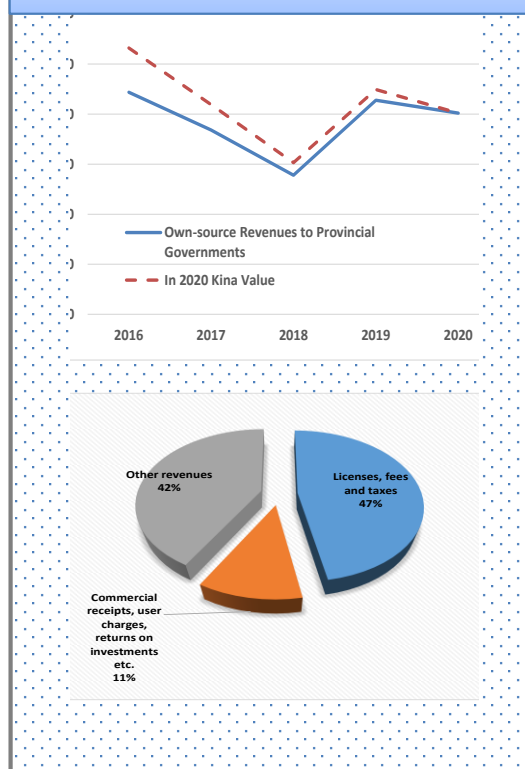
- Revenues collected from licenses, fees and taxes fluctuated over the period between 2016 to 2020. The lowest year in which revenues from licenses, fees, and taxes were collected was 2018. This attributes to low collections by the government from licenses, fees, and taxes. Figure 18 indicates that revenue collected from licenses, fees, and taxes decreased from approximately K39 million in 2016 to K28 million in 2018. However, in 2019, the revenues from licenses, fees, and taxes began to climb.

- Revenues collected from commercial receipts, user charges, and returns on investments fell from K12.5 million in 2016 to K3.8 million in 2020. These revenues have been less static between 2016 and 2020 then increased by 7% on average from 2016 to 2020. Revenues from this category however still comprised a smaller share of total Own Source Revenues with 11.2%.

- Other revenues have remained at the same growth rate between 2016 to 2020 with slight increases. On average the other revenues have increased by approximately 32% and it comprises of approximately 42% of the Total Own Source Revenues.

- Total own-source revenues correspondingly have decreased by (5%) compared to GST collections. Although numerically GST revenues are much higher than Own Sources, this may reflect a similar trend where higher Own Source revenue generation will also lead to a higher GST collection.

Graph 17. Total Own-Source Revenues of Provincial Governments

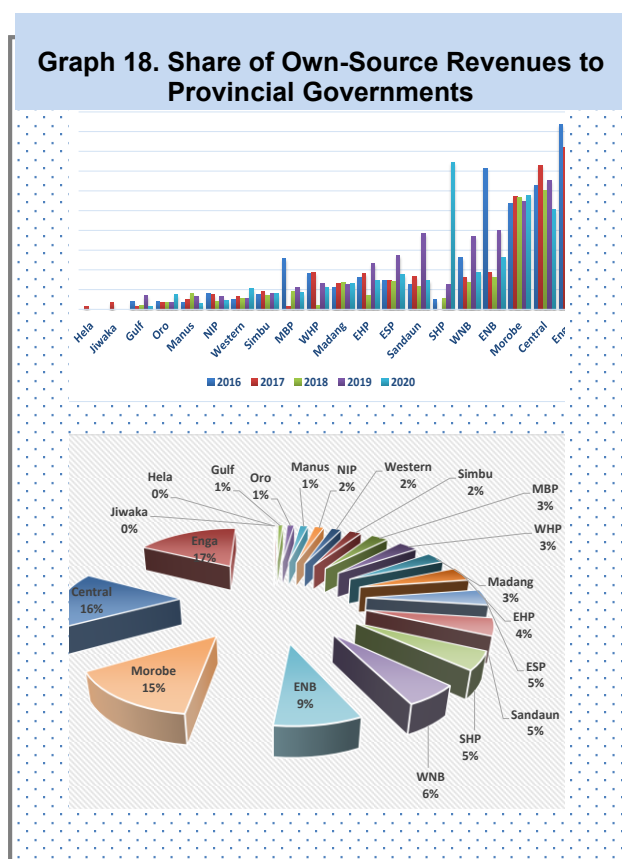


10.3 Own-Source Revenues of Individual Provincial Governments

Table 15: Total Own-Source Revenues by Provincial Government between 2016 and 2020 (Kina 000')

	2016	2017	2018	2019	2020	In 2020 Kina Value			
						Average	% of Total	Average Annual Increase	Provincial Trend
Western	982.6	1,310.4	1,101.5	1,131.5	2,079.6	1,427.5	1.7%	20%	
Gulf	785.2	276.7	362.8	1,424.1	297.2	688.8	0.8%	39%	
Central	12,521.3	14,623.7	11,996.7	13,047.2	10,073.1	13,700.3	16.3%	-8%	
Hela	0.0	204.5	0.0	0.0	0.0	46.5	0.1%	-25%	
MBP	5,172.7	326.1	1,772.4	2,255.8	1,694.6	2,513.8	3.0%	80%	
Oro	780.9	706.7	737.4	741.7	1,520.3	968.7	1.2%	19%	
SHP	1,015.3	33.1	1,156.9	2,528.8	14,866.9	4,007.4	4.8%	930%	
Enga	18,715.4	16,419.6	7,791.4	11,125.4	12,085.7	14,677.0	17.4%	-8%	
WHP	3,671.9	3,709.3	347.3	2,576.2	2,210.9	2,783.5	3.3%	125%	
Simbu	1,531.8	1,826.6	1,395.2	1,584.5	1,602.1	1,740.3	2.1%	-2%	
EHP	3,247.3	3,591.7	1,419.8	4,616.9	2,896.7	3,454.2	4.1%	29%	
Morobe	10,731.3	11,470.7	11,300.9	10,895.4	11,530.5	12,241.5	14.6%	-3%	
Madang	2,245.2	2,610.5	2,695.2	2,500.0	2,601.9	2,765.4	3.3%	-1%	
ESP	2,931.6	2,886.2	2,837.1	5,424.8	3,542.4	3,825.7	4.5%	8%	
Sandaun	2,555.4	3,357.4	2,298.7	7,662.0	2,945.8	4,075.4	4.8%	37%	
Manus	743.5	1,006.6	1,611.3	1,309.5	551.4	1,143.9	1.4%	0%	
NIP	1,582.8	1,530.5	831.7	1,315.0	919.3	1,369.1	1.6%	-9%	
ENB	14,244.7	3,716.0	3,183.5	8,022.1	5,289.9	7,698.3	9.2%	3%	
WNB	5,283.5	3,258.5	2,747.6	7,402.6	3,686.9	4,899.0	5.8%	-5%	
Jiwaka	0.0	400.0	0.0	0.0	0.0	91.0	0.1%	-25%	
Total	88,742.5	73,264.7	55,587.4	85,563.5	80,395.2	84,117.5	100%	-2%	

Table 15 and Graph 18 both show that between 2016 and 2020:



- Enga has collected the largest share comprising (17.4%) of total own-source revenues averaging K14.7 million annually.
- Central collected about 16% (K13.7 million on average) increasing to 17% each year.
- Morobe collected about 14.6% (K12.2 million on average) increasing to 7% each year.
- All other provinces share 33.2% of own-source revenues. These include East New Britain (9.2%), West New Britain (5.8%), Sandaun (4.8%), Southern Highlands (4.8%), East Sepik (4.5%), and Eastern Highlands (4.1%). These six Provincial Governments account for over one-third (over 33%) of total own-source revenues.
- Conversely, eleven (11) Provincial Governments collected 4% or less of total own-source revenues (with seven collecting less than 2%).

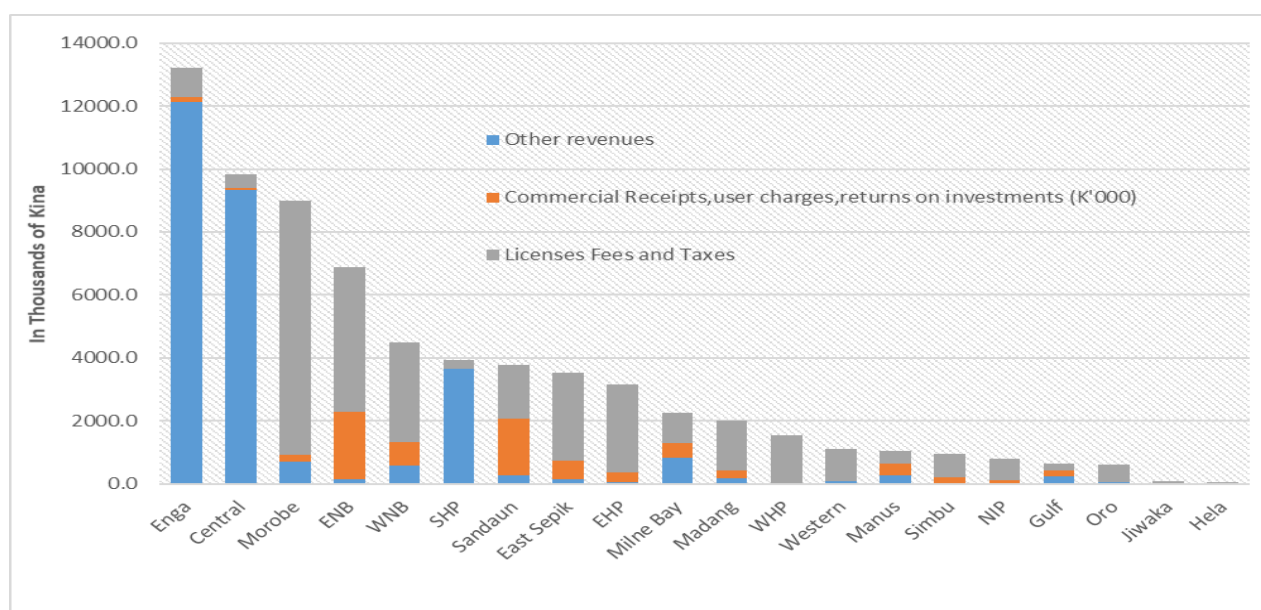
What are the causes of the differences in revenue collection levels between Provincial Governments?

- Some of the differences are due to the size of the local economy (i.e., the tax base), and that is why provinces with large GST collections also have large own-source revenue collections.
- Administrative effort to collect taxes varies between Provincial Governments reflecting the number of resources put into revenue collection, particularly staffing and resources for travel around the province.
- The local willingness to comply with tax laws. Residents may be more willing to comply with local tax laws if they observe and experience the benefits of government service delivery.
- Provincial Governments that are entirely dependent on either a single revenue source or grants from the national government available to them may also have less incentive to collect own-source revenue. This may be the case for Western (Royalties), Southern Highlands (Royalties) and Western Highlands Provincial Governments (GST), and East Sepik (Grants).

From all other sources of revenue, Provincial Governments mostly influence their own-source revenue collection. Given the control they have, Provincial Governments ought to always seek ways of improving collection from existing revenue sources and broadening their revenue base

10.4 Types of Own-Source Revenue between Provincial Governments

Whilst in total, licenses, fees, and taxes are the common revenue generated by Provincial Governments, this is not the case on a province-by-province basis.



Graph 19. Own Source Revenues by Types to Provincial Government (2016-2020 average)

Graph 19 shows the 2016-2020 average collections for each Provincial Government by each major own-source revenue category. Figure 18 also reveals that:

- revenue collections from *licenses, fees, and taxes* constitute most revenue collections for 12 Provincial Governments:
- ENB and Sandaun received more revenues from *commercial receipts, user charges, returns on investment, etc.* (28.5% and 22.1% respectively). Ten (10) other provinces Morobe, WNB, East Sepik, EHP, Milne Bay, Madang, Manus, NIP, and Gulf all total generates about half of this revenue category.

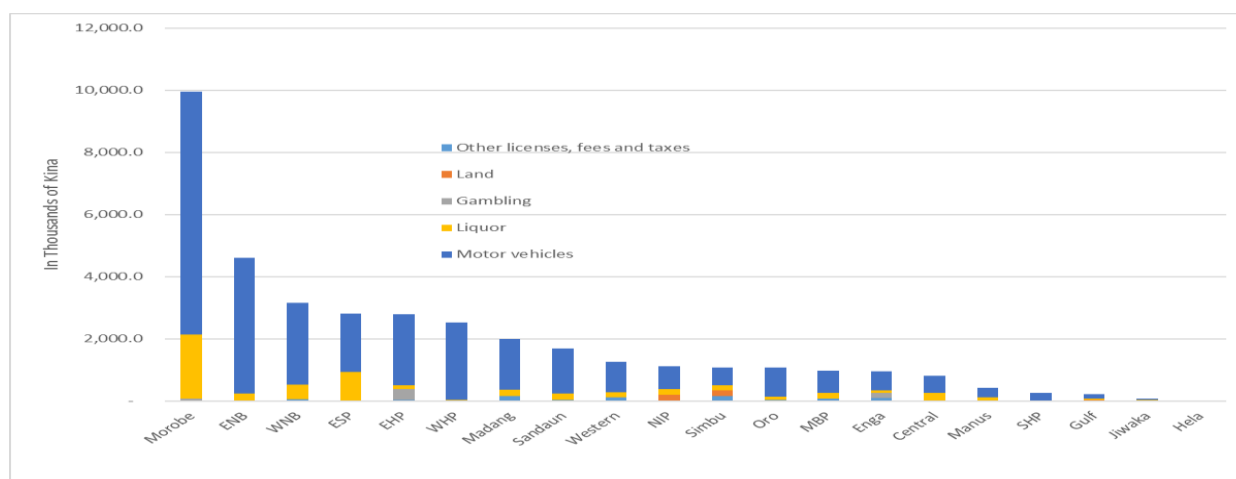
Licenses, Fees, and Taxes

The *Organic Law on Provincial and Local-level Government* provides that Provincial Governments are permitted to raise their taxes, fees, and charges as revenues. Not all Provincial Governments are raising the same kinds of taxes, nor do they all have the capacity or sufficient revenue base to do so. Part of the reason for the differences is in the complex legal arrangements as well as administrative structure requirements that underpin provincial tax collection.

Table 16: Licenses, Fees, and Taxes (Kina '000s)

						In 2020 Kina Value			
	2016	2017	2018	2019	2020	Average	Percentage of Total	Average Annual Increase	Provincial Trend
Western	915.9	985.1	1,058.6	997.6	2,049.0	1,293.9	3.2%	23%	
Gulf	315.3	144.3	170.3	172.8	171.4	216.1	0.5%	-13%	
Central	143.1	244.3	250.6	213.2	1,599.1	509.1	1.2%	164%	
Hela	0.0	204.5	0.0	0.0	0.0	46.5	0.1%	-25%	
MBP	1,174.0	274.9	1,267.6	1,203.1	927.9	1,058.7	2.6%	57%	
Oro	757.2	676.6	692.6	696.6	1,353.7	903.6	2.2%	16%	
SHP	546.7	33.1	48.8	628.8	16.9	284.7	0.7%	247%	
Enga	1,302.9	977.8	569.8	1,030.0	916.5	1,058.7	2.6%	-4%	
WHP	3,598.7	3,629.0	344.0	2,532.4	2,173.4	2,730.3	6.7%	124%	
Simbu	1,356.8	1,398.2	1,058.0	1,272.7	1,286.8	1,398.8	3.4%	-4%	
EHP	2,760.3	3,253.6	1,077.5	4,151.0	2,664.7	3,041.6	7.4%	44%	
Morobe	10,051.4	10,606.4	10,120.9	10,012.5	9,607.4	11,054.5	27.1%	-5%	
Madang	2,057.9	1,927.8	1,509.1	2,438.0	1,971.9	2,167.5	5.3%	-1%	
ESP	2,158.4	2,673.4	2,552.4	3,285.9	3,335.6	3,039.4	7.4%	7%	
Sandaun	1,592.5	1,643.9	1,312.5	1,784.0	2,079.7	1,832.7	4.5%	4%	
Manus	354.2	383.3	355.2	631.6	373.9	457.0	1.1%	5%	
NIP	1,388.0	1,281.4	730.4	1,136.3	794.4	1,181.2	2.9%	-10%	
ENB	5,777.0	3,412.6	2,742.0	6,303.6	4,754.7	5,034.2	12.3%	7%	
WNB	2,695.5	2,691.8	1,987.0	5,009.1	3,433.7	3,430.4	8.4%	18%	
Jiwaka	0.0	400.0	0.0	0.0	0.0	91.0	0.2%	-25%	
Total	38,946.0	36,842.0	27,847.2	43,499.1	39,510.7	40,829.9	100%	0%	

Table 16: Licenses, Fees, and Taxes (Kina '000s) Table 16 shows the level of revenue collections in each province between 2016 and 2020.



Graph 20. Average collections of licenses, fees, and taxes by Provincial Governments

Graph 20 above depicts the sub-categories of the *licenses, fees, and taxes* category by province. As indicated most provinces collected more from Motor Vehicles (48%), followed by Liquor (25%), Land (16%), Other licenses, fees, and taxes (9%), and Gambling (2%).

- **Motor vehicle**-related revenues are by far the most important type of *license, fees, and taxes* in all provinces throughout the country. Nearly all provinces generate the bulk of revenues from this revenue sub-category.
- **Liquor** licensing and taxes are the next most important sub-category of *licenses, fees, and taxes* in most provinces. East Sepik (33%), Central (32%), Jiwaka (30%), Morobe (21%), and Manus (25%) collected more revenues from this sub-category compared to revenues from Land and Others.
- **Land**-related revenue collections were assessed as only being prioritized in New Ireland and Simbu.
- **Other licenses, fees, and taxes** are most important in Madang, Western, and Simbu (mainly group wage tax). Other provinces include Enga (Tender board and Survey fees).

Commercial Receipts

This revenue category consists of revenue derived from business activities such as rental income, user charges such as electricity, and returns on investments from economic projects (excluding revenue derived from mining and petroleum activities).

Table 17 below shows the level of revenue collections in each province between 2016 and 2020.

Table 17: Commercial receipts, user charges, returns on investments (Kina '000s)

	2016	2017	2018	2019	2020	In 2020 Kina Value			
						Average	Percentage of Total	Average Annual Increase	Provincial Trend
Western	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
Gulf	457.4	123.5	183.0	118.4	120.8	226.7	2.6%	-18%	
Central	114.6	73.4	76.3	89.3	78.2	95.2	1.1%	-7%	
Hela	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
MBP	521.4	39.2	442.2	528.7	718.1	485.0	5.5%	233%	
Oro	11.7	0.0	9.1	9.1	33.4	13.4	0.2%	-25%	
SHP	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
Enga	133.0	260.2	161.0	134.7	83.3	171.2	1.9%	-4%	
WHP	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
Simbu	154.9	410.1	322.1	294.0	297.2	321.9	3.7%	29%	
EHP	487.0	338.1	342.3	443.8	15.7	364.7	4.2%	-27%	
Morobe	389.0	278.6	340.5	329.3	83.3	316.8	3.6%	-5%	
Madang	159.6	669.6	372.3	55.6	361.5	355.8	4.1%	171%	
ESP	106.8	174.3	281.0	2,138.6	206.7	616.7	7.0%	163%	
Sandaun	695.8	711.8	982.6	5,870.2	839.0	1,942.9	22.1%	104%	
Manus	359.6	312.8	640.3	360.4	127.3	398.1	4.5%	-8%	
NIP	194.8	249.1	101.3	178.7	124.9	188.0	2.1%	8%	
ENB	8,255.7	157.6	340.3	1,553.2	416.8	2,499.7	28.5%	68%	
WNB	488.3	238.1	279.1	2,393.5	253.2	785.1	8.9%	149%	
Jiwaka	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
Total	12,529.6	4,036.5	4,873.2	14,497.5	3,759.4	8,781.2	100%	14%	

In summary:

- ENB collected a huge bulk of this category of revenue, accounting for over 29% of the total (K2 million on average). Almost all ENB's own-source revenue is from Business receipts generated through Trust Investments & Dividends.
- Sandaun collected about 22% of this revenue type (K2 million on average). Sandaun Commercial receipts on average however has increased by about 5% annually between 2016 and 2020.
- Twelve (12) provinces, Gulf (2.6%), Central (1.1%), MBP (5.5%), Enga (1.9%), Simbu (3.7%), EHP (4.2%), Morobe (3.6%), Madang (4.1%), ESP (7%), Manus (4.5%), NIP (2.1%) and WNB (8.9%), together share about 48.7% of this revenue type.
- Remaining six (6) Provincial Governments collected K12,000 or less with each comprising less than 1% of the total revenue type on average.

Other Own-Source Revenues

This source of revenue represents revenue items allocated to the sundry or miscellaneous categories in the PGAS files. These revenue sources generally represent either licenses, fees, or tax, or a commercial type of revenue that has not been properly allocated to a revenue source.

Table 18 below shows the level of revenue collections from any other own-source revenues by each Provincial Government between 2016 and 2020.

Table 18: Other own-source revenue collections (Kina '000s)

	2016	2017	2018	2019	2020	In 2020 Kina Value			
						Average	Percentage of Total	Average Annual Increase	Provincial Trend
Western	66.7	325.2	42.9	133.9	30.7	133.6	0.4%	119%	
Gulf	12.6	9.0	9.6	1,132.9	4.9	245.9	0.7%	2790%	
Central	12,263.7	14,306.0	11,669.7	12,744.7	8,395.8	13,096.0	38.0%	-2%	
Hela	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
MBP	3,477.3	11.9	62.6	524.0	48.5	970.1	2.8%	230%	
Oro	12.0	30.1	35.8	36.0	133.2	51.7	0.1%	38%	
SHP	468.6	0.0	1,108.1	1,900.0	14,850.0	3,722.8	10.8%	152%	
Enga	17,279.5	15,181.6	7,060.7	9,960.7	11,085.9	13,447.1	39.0%	-8%	
WHP	73.1	80.4	3.3	43.8	37.6	53.2	0.2%	275%	
Simbu	20.1	18.2	15.1	17.9	18.1	19.6	0.1%	-5%	
EHP	0.0	0.0	0.0	22.1	216.3	47.9	0.1%	208%	
Morobe	290.8	585.7	839.4	553.6	1,839.8	870.2	2.5%	23%	
Madang	27.7	13.1	813.9	6.4	268.5	242.1	0.7%	2399%	
ESP	666.4	38.5	3.7	0.4	0.0	169.5	0.5%	-91%	
Sandaun	267.1	1,001.6	3.6	7.8	27.1	299.9	0.9%	124%	
Manus	29.7	310.6	615.9	317.5	50.3	288.8	0.8%	211%	
NIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
ENB	211.9	145.9	101.1	165.3	118.3	164.5	0.5%	-11%	
WNB	2,099.7	328.6	481.6	0.0	0.0	683.4	2.0%	-36%	
Jiwaka	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0%	
Total	37,266.8	32,386.2	22,867.0	27,566.9	37,125.0	34,506.4	100%	-1%	

Noted from **Table 18** above:

- Enga and Central collected the bulk of this category of revenue, accounting for over 39% and 38% of the total (K13 million and K13 million on average). Both provinces approximately collect more than three quarters (77%) of revenues from own-source revenue. Enga and Central both receive large amounts of revenue from this revenue category.
- The remaining 23% of total *other own-source revenues* are shared by other 18 provincial governments with 14 provincial government's collections equal to or less than 1%.

Subject to the strength of the local economy and the importance of creating incentives for economic development, provincial governments should attempt to increase own-source revenue collections annually.

An overriding comment on own-source revenue data quality is required before reporting the findings. While PGAS data is the best data available and recent data that the NEFC can obtain on own-source revenues, the NEFC has some reservations about how complete a picture the PGAS data reflects of the own-source revenues of provincial governments (given that the NEFC has found that not all revenues are being recorded in PGAS).

Appendix A provides a province-by-province analysis of own-source revenues per Provincial Government between 2016 and 2020, including showing the above revenues that have been removed from PGAS files to enable a meaningful comparison.

Appendices

11.0 Appendix A: Provincial Government Revenue Tables

The following tables provide summaries of Provincial Government revenues between 2016 and 2020. The first table shows total Provincial Government revenues for all Provincial Governments. The following tables are for individual Provincial Governments:

- **Summary of Revenues** between 2016 and 2020. This table lists the major revenue types received by each Provincial Government (as summarised in chapters 3 to 6).
- **PGAS Internal Revenue Summary Files** between 2016 and 2020. This is the raw data reported by each Provincial Government to the DoF (classified into standard categories by the NEFC). This data also shows:
 - What **non-own-source revenues** the NEFC has removed from the PGAS internal revenue files to obtain own-source revenue estimates. The detailed **actual** data on each revenue item that makes up each own-source revenue category used by the NEFC. Each revenue item is listed under the relevant categories as they are described in the PGAS summary file.
 - Data for the **NCD** and **ABG** was directly sourced from the respective administrations.
 - PGAS Internal Revenue Summary Files for Hela and Jiwaka were unavailable at the time of the study.

SUMMARY TABLE OF COLLECTIVE TOTAL PROVINCIAL GOVERNMENT REVENUES 2016-2020

TOTAL PROVINCIAL GOVERNMENT: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	466,600.4	478,900.5	387,050.6	406,366.7	401,461.9
Administration Grant (2008 onwards)	33,725.0	39,967.5	34,199.2	43,479.7	40,397.3
Other Services Delivery Grant (2008 onwards)	46,866.3	42,833.8	38,000.1	45,550.0	42,980.2
Health Function Grant	110,453.7	114,234.0	39,838.8	35,909.1	13,439.7
Education Function Grant	109,957.9	116,606.1	116,566.8	119,771.2	128,505.1
Transport Infrastructure Maintenance Function Grant	155,063.2	155,553.4	148,223.3	151,385.0	163,616.1
Village Court Function Grant (Introduced in 2007) (b)	7,692.9	7,182.5	7,809.8	8,030.9	9,378.1
Land Mediation Function Grant (Introduced in 2015)	1,420.7	1,261.6	1,206.3	1,120.4	1,572.7
Primary Production Function Grant (formally Derivation Grant) (c)	1,420.7	1,261.6	1,206.3	1,120.4	1,572.7
GST distribution from IRC	38,532.9	37,025.8	37,770.6	39,249.9	44,770.9
Bookmakers' distribution from IRC	5,186.3	5,186.3	3,129.3	3,740.0	3,727.0
Mining and Petroleum Royalties and Dividends	101,545.0	131,922.4	101,198.5	125,579.1	112,637.8
Royalties	83,545.0	99,467.5	87,198.5	109,579.1	108,749.8
Dividends	18,000.0	32,454.9	14,000.0	16,000.0	3,888.0
Own Source Revenues	88,470.3	72,388.0	54,577.8	54,272.0	64,702.6
Licenses, fees, and taxes	38,673.9	35,965.3	26,882.4	26,637.8	33,284.2
Motor vehicles	30,467.4	27,926.0	20,067.4	23,718.1	27,754.2
Liquor	5,785.4	6,144.0	5,672.6	2,181.9	4,475.6
Gambling	1,218.8	655.0	245.5	362.6	0.9
Land	207.6	639.7	216.3	33.8	12.5
Other licenses, fees, and taxes	994.7	600.6	680.5	341.4	1,041.0
Commercial Receipts	12,529.6	4,036.5	4,864.1	13,597.2	2,975.8
Other Revenues	37,266.8	32,386.2	22,831.2	14,037.0	28,442.6
TOTAL REVENUES	695,148.6	720,236.8	580,597.5	625,467.7	623,573.2
(a) Block Grant was replaced with Administration Grant and Other Services Delivery Grant from 2008 onwards (b) Village Court Function Grant was introduced in 2007 (c) The Derivation Grant was replaced with Primary Production Function Grant from 2008 onwards (d) Town Services Grant to provinces ceased in 2007 however for NCD, it continued through to 2012 (e) Staffing Grants for LLGs were incorporated into goods & services grants provided to LLG					

Western Provincial Government

WESTERN: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	13,417.9	36,075.5	35,191.6	31,564.1	15,665.2
Administration Grant (2008 onwards)	161.50	384.60	384.60	384.60	384.70
Other Services Delivery Grant (2008 onwards)	561.80	1,644.20	1,604.00	1,454.30	1,025.10
Health Function Grant	3,814.30	11,072.70	10,796.50	9,429.20	-
Education Function Grant	2,980.00	7,889.90	7,689.30	6,942.40	4,801.70
Transport Infrastructure Maintenance Function Grant	4,434.00	11,352.50	11,080.90	10,071.60	7,185.90
Village Court Function Grant (Introduced in 2007)	174.20	397.40	387.10	348.70	238.80
Land Mediation Function Grant (Introduced in 2015)	75.80	109.30	106.30	95.00	62.80
Primary Production Function Grant (formally Derivation Grant)	1,216.30	3,224.90	3,142.90	2,838.30	1,966.20
GST distribution from IRC	13,902.0	2,226.0	3,777.7	5,346.0	7,955.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	15,800.0	21,300.0	37,400.0	40,300.0	37,888.0
Royalties	15,800.0	21,300.0	25,400.0	32,300.0	34,000.0
Dividends	0.0	0.0	12,000.0	8,000.0	3,888.0
Own Source Revenues	982.6	1,310.4	1,101.5	0.0	2,079.6
Licences, fees and taxes	915.9	985.1	1,058.6	0.0	2,049.0
Motor vehicles	747.4	826.7	884.5	0.0	1,446.5
Liquor	164.5	137.7	143.6	0.0	159.6
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licences, fees, and taxes	4.0	20.8	30.6	0.0	442.8
Commercial Receipts	0.0	0.0	0.0	0.0	0.0
Other Revenues	66.7	325.2	42.9	0.0	30.7
TOTAL REVENUES	44,102.5	60,911.9	77,470.7	63,587.8	63,587.8

WESTERN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON OWN-SOURCE REVENUES REMOVED FROM PGAS	15,688,625	23,620,432	24,379,453	0	45,340,798
Revenue from former years	0	0	0	0	0
Former Years Appropriation	0	0	0	0	0
2006 National Grant Carryover	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
2007 Supp.Budget SSG Funds	0	0	0	0	0
GST/VAT distributions from IRC	7,449,000	2,226,000	3,777,696	0	7,955,004
Sales & Services Fees (VAT)	7,449,000	2,226,000	3,777,696	0	7,955,004
Mining and petroleum royalties and dividends	8,239,625	21,394,432	20,601,757	0	32,385,794
Mining Royalties	8,239,625	21,394,432	18,601,757	0	25,905,794
Dividends (MROT2)	0	0	2,000,000	0	6,480,000
Other, including major asset sales and staffing revenue	0	0	0	0	5,000,000
Housing Rents	0		0	0	0
Juha IDG				0	5,000,000
TOTAL OWN-SOURCE REVENUES	982,589	1,310,385	1,101,486	1,131,487	2,079,645
Licenses, fees and taxes	915,871	985,145	1,058,570	0	2,048,977
Motor vehicles	747,391	826,715	884,470	0	1,446,550
Motor Vehicle Registration	747,391	826,715	658,624	0	1,273,960
Heavy Vehicle Licence Fees			225,846	0	172,590
Liquor	164,480	137,680	143,550	0	159,640
Liquor Licencing Fees	164,480	137,680	143,550	0	159,640
Gambling	0	0	0	0	0
Gambling Fees	0	0	0	0	0
Land	0	0	0	0	0
Other licenses, fees, and taxes	4,000	20,750	30,550	0	442,787
Tender Board Fees	4,000	20,750	30,550	0	145,231
Forestry Levies	0	0	0	0	297,556
Commercial receipts, user charges, returns on investments etc.	0	0	0	0	0
Minor Power House	0	0	0	0	0
Other revenues	66,718	325,241	42,916	0	30,668
Miscellaneous	66,718	325,241	42,916	0	30,668
Total PGAS Revenues	16,671,214	24,930,817	25,480,939	0	47,420,442

WESTERN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)

	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	15,688,625	23,620,432	24,379,453	0	45,340,798
Revenue from former years	0	0	0	0	0
Former Years Appropriation	0	0	0	0	0
2006 National Grant Carryover	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
2007 Supp.Budget SSG Funds	0	0	0	0	0
GST/VAT distributions from IRC	7,449,000	2,226,000	3,777,696	0	7,955,004
Sales & Services Fees (VAT)	7,449,000	2,226,000	3,777,696	0	7,955,004
Mining and petroleum royalties and dividends	8,239,625	21,394,432	20,601,757	0	32,385,794
Mining Royalties	8,239,625	21,394,432	18,601,757	0	25,905,794
Dividends (MROT2)	0	0	2,000,000	0	6,480,000
Other, including major asset sales and staffing revenue	0	0	0	0	5,000,000
Housing Rents	0	0	0	0	0
Juha IDG	0	0	0	0	5,000,000
TOTAL OWN-SOURCE REVENUES	982,589	1,310,385	1,101,486	1,131,487	2,079,645
Licenses, fees and taxes	915,871	985,145	1,058,570	0	2,048,977
Motor vehicles	747,391	826,715	884,470	0	1,446,550
Motor Vehicle Registration	747,391	826,715	658,624	0	1,273,960
Heavy Vehicle Licence Fees			225,846	0	172,590
Liquor	164,480	137,680	143,550	0	159,640
Liquor Licencing Fees	164,480	137,680	143,550	0	159,640
Gambling	0	0	0	0	0
Gambling Fees	0	0	0	0	0
Land	0	0	0	0	0
Other licenses, fees, and taxes	4,000	20,750	30,550	0	442,787

Court Fines and Forfeitures	0	0	0	0	0	0
Tender Board Fees	4,000	20,750	30,550	0	145,231	0
Forestry Levies	0	0	0	0	297,556	0
Commercial receipts, user charges, returns on investments etc.	0	0	0	0	0	0
Minor Power House	0	0	0	0	0	0
Other revenues	66,718	325,241	42,916	0	30,668	0
Miscellaneous	66,718	325,241	42,916	0	30,668	0
Total PGAS Revenues	16,671,214	24,930,817	25,480,939	47,420,442		

WESTERN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)

	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	15,688,625	23,620,432	24,379,453	0	45,340,798
Revenue from former years	0	0	0	0	0
Former Years Appropriation	0	0	0	0	0
2006 National Grant Carryover	0	0	0	0	0
Revenues for development purposes (e.g., SSGs)	0	0	0	0	0
2007 Supp.Budget SSG Funds	0	0	0	0	0
GST/VAT distributions from IRC	7,449,000	2,226,000	3,777,696	0	7,955,004
Sales & Services Fees (VAT)	7,449,000	2,226,000	3,777,696	0	7,955,004
Mining and petroleum royalties and dividends	8,239,625	21,394,432	20,601,757	0	32,385,794
Mining Royalties	8,239,625	21,394,432	18,601,757	0	25,905,794
Dividends (MROT2)	0	0	2,000,000	0	6,480,000
Other, including major asset sales and staffing revenue	0	0	0	0	5,000,000
Housing Rents	0		0	0	0
Juha IDG				0	5,000,000
TOTAL OWN-SOURCE REVENUES	982,589	1,310,385	1,101,486	1,131,487	2,079,645
Licenses, fees and taxes	915,871	985,145	1,058,570	0	2,048,977

Motor vehicles	747,391	826,715	884,470	0	1,446,550
Motor Vehicle Registration	747,391	826,715	658,624	0	1,273,960
Heavy Vehicle Licence Fees			225,846	0	172,590
Liquor	164,480	137,680	143,550	0	159,640
Liquor Licencing Fees	164,480	137,680	143,550	0	159,640
Gambling	0	0	0	0	0
Gambling Fees	0	0	0	0	0
Land	0	0	0	0	0
Other licenses, fees, and taxes	4,000	20,750	30,550	0	442,787
Court Fines and Forfeitures	0	0	0	0	0
Tender Board Fees	4,000	20,750	30,550	0	145,231
Forestry Levies	0	0	0	0	297,556
Commercial receipts, user charges, returns on investments etc.	0	0	0	0	0
Minor Power House	0	0	0	0	0
Other revenues	66,718	325,241	42,916	0	30,668
Miscellaneous	66,718	325,241	42,916	0	30,668
Total PGAS Revenues	16,671,214	24,930,817	25,480,939		47,420,442

Gulf Provincial Government

GULF: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	21,493.1	20,902.8	23,416.4	20,848.8	17,876.2
Administration Grant (2008 onwards)	1,983.50	1,566.30	1,982.50	1,982.50	2,303.20
Other Services Delivery Grant (2008 onwards)	2,150.20	1,632.80	1,758.50	1,505.20	1,653.20
Health Function Grant	5,031.10	5,524.80	5,977.80	4,995.60	-
Education Function Grant	3,985.80	4,027.40	4,522.50	4,069.30	4,538.10
Transport Infrastructure Maintenance Function Grant	5,923.50	5,783.30	6,459.30	5,789.20	6,480.00
Village Court Function Grant (Introduced in 2007)	331.90	389.80	451.40	422.60	496.60
Land Mediation Function Grant (introduced in 2015)	62.30	62.10	62.10	49.10	73.70
Primary Production Function Grant (formally Derivation Grant)	2,024.80	1,916.30	2,202.30	2,035.30	2,331.40
GST distribution from IRC	269.0	394.0	1,651.6	930.1	2,684.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	9,485.0	1,750.0	590.0	0.0
Royalties					
Dividends	0.0	9,485.0	1,750.0	590.0	0.0
Own Source Revenues	785.2	276.7	362.8	1,424.1	297.2
Licences, fees and taxes	315.3	144.3	170.3	172.8	171.4
Motor vehicles	265.5	110.7	141.3	140.4	144.1
Liquor	44.1	30.8	25.3	31.3	24.7
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licences, fees, and taxes	5.6	2.8	3.8	1.2	2.6
Commercial Receipts	457.4	123.5	183.0	118.4	120.8
Other Revenues	12.6	9.0	9.6	1,132.9	4.9
TOTAL REVENUES	22,547.3	31,058.5	27,180.8	23,793.0	20,857.4

GULF: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)

	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	284,028	22,072,849	14,939,339	27,892,930	11,366,602
Revenue from former years	0	0	0	901	0
Recovery of Former Years Appro	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	18,900,000	11,137,853	26,775,731	8,900,000
Recovery of Former Years SSG	0	0	0	0	0
PNG LNG Project Levies		18,900,000	11,137,853	11,137,853	
INFRASTRUCTURE DEVELOP GRANT				14,637,878	8,900,000
LOG EXPORT DEVELOPMENT LEVY				1,000,000	0
GST/VAT distributions from IRC	276,837.0	361,163.0	1,546,796.0	1,110,444.0	2,460,337.0
General Goods Sales Tax	0	0	0	0	0
Value Added Tax/GST	276,837	361,163	1,546,796	1,110,444	2,460,337
Mining and petroleum royalties and dividends	0	2,805,000	2,250,000	0	0
Oil Investments (Kutubu)	0	0	0	0	0
Petroleum Resources Kutubu Div	0	2,805,000	500,000	0	0
MRDC	0	0	0	0	0
Other, including major asset sales and staffing revenue	7,191	6,686	4,690	5,854	6,265
Repaid Cash Advances	30	0	0.0	0.0	0
10% Leave Fares Contribution	7,161	6,686	4,690.0	0.0	0
LEAVE FARES CONTRIBUTION				5,854.0	6,265
TOTAL OWN-SOURCE REVENUES	785,242	276,728	362,804	1,424,126	297,150
Licenses, fees and taxes	315,256	144,289	170,280	172,831	171,399
Motor vehicles	265,509	110,749	141,265	140,361	144,134
Veh Regist & Licence Fees	395	16,980	18,915	970	0
Traffic Infringement Notices Fines	16,710	7,250	4,770	0	
Driving Permit & Identity Cards Fees	300	7,370	9,660	7,485	24,050
PMV Registration Fees	85,284	77,249	76,645	109,395	97,354
DRIVERS LICENCE FEES	310	0	0	19,711	21,530
HEAVY MOTOR VEH REGIST FEES	162,510	1,900	31,275	2,800	1,000
MOTOR VEHICLE REGISTRATION FEE					200
Liquor	44,100	30,750	25,250	31,310	24,700
Liquor Licences Fees	44,100	30,750	25,250	31,310	24,700
Gambling	0	0	0	0	0

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Central Provincial Government

CENTRAL: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	30,613.2	29,778.7	27,158.8	34,519.6	32,119.1
Administration Grant (2008 onwards)	1,917.5	1,914.2	1,544.2	2,392.6	1,970.6
Other Services Delivery Grant (2008 onwards)	3,137.7	3,098.3	2,347.8	2,796.7	2,667.6
Health Function Grant	6,073.2	6,252.5	5,777.0	6,903.4	6,473.3
Education Function Grant	6,289.0	6,098.5	5,716.5	7,137.8	6,729.2
Transport Infrastructure Maintenance Function Grant	10,695.5	10,175.1	9,524.0	11,768.1	11,123.0
Village Court Function Grant (Introduced in 2007)	404.0	343.8	330.8	555.2	490.7
Land Mediation Function Grant (Introduced in 2015)	65.0	65.0	50.6	88.0	77.2
Primary Production Function Grant (formally Derivation Grant)	2,031.3	1,831.3	1,867.9	2,877.8	2,587.5
GST distribution from IRC	5,098.0	617.0	2,148.4	1,982.8	2,830.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties	0.0	0.0	0.0	0.0	0.0
Dividends					
Own Source Revenues	12,521.3	14,623.7	11,996.7	0.0	1,714.8
Licences, fees and taxes	143.1	244.3	250.6	0.0	1,599.1
Motor vehicles	0.0	0.0	0.2	0.0	1,200.0
Liquor	143.1	244.3	250.4	0.0	399.1
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licences, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	114.6	73.4	76.3	0.0	78.2
Other Revenues	12,263.7	14,306.0	11,669.7	0.0	37.5
TOTAL REVENUES	48,232.5	45,019.4	41,303.9	0.0	36,663.9

CENTRAL: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	5,108,087	19,724,378	2,148,796	0	9,294,934
Revenue from former years	0	0	0	0	0
Previous Years Carry-Over	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0.0	18,943,363.1	0.0	0	0.0
SSG Prior Year's Roll Over	0	0	0	0	
Impact Infrastr.Proj-CP		0	0	0	
Oil & Gas Royal.PNG/LNG D/Levy		18,943,363	0	0	
GST/VAT distributions from IRC	5,103,087	644,015	2,148,396	0	936,600
V.A.T. (Goods & Services Tax)	5,103,087	644,015	2,148,396	0	936,600
Mining and petroleum royalties and dividends	0.0	0.0	0.0	0	8,358,333.4
Mining Royalties	0	0	0	0	0
Other, including major asset sales and staffing revenue	5,000.0	137,000.0	400.0	0	0.0
Property Rentals	5,000.0	137,000.0	400.0	0	0
TOTAL OWN-SOURCE REVENUES	12,521,348	14,623,726	11,996,660	0	10,073,114
Licenses, fees and taxes	143,100	244,300	250,600	0	1,599,099
Motor vehicles	0	0	200	0	1,200,000
Motor Vehicle Reg. & Licensing	0	0	200	0	0
Liquor	143,100	244,300	250,400	0	399,099
Liquor Licences	143,100	244,300	250,400	0	399,099
Gambling	0	0	0	0	0
Book-Makers Turn-Over Tax	0	0	0	0	0
Land	0	0	0	0	0
Other licenses, fees, and taxes	0	0	0	0	0

Commercial receipts, user charges, returns on investments etc.	114,572	73,439	76,331	0	78,227
Forestry Levies	114,572	73,439	76,331	0	52,227
Property Rentals	0.0	0	0	0	0
Central Supply and Tender Board				0	26,000
Other revenues	12,263,677	14,305,987	11,669,729	0	8,395,787
Miscellaneous	570,862.3	50,425	51,579	0	0
Sale of Gerehu Property	0.0	0	0	0	0
LEAVE CONTR 10%	0.0	0	0	0	0
NCDC Sales Tax -V.A.T. Sharing	12,136,667	14,105,562	11,518,150	0	8,358,333
Environment. Levies (Kokoda I/S			0	0	0
Sundry (Other) Income			0	37,454	
Total PGAS Revenues	17,629,435	34,348,104	14,145,456	0	19,368,047

Milne Bay Provincial Government

MILNE BAY: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	32,251.6	31,276.0	20,786.1	24,478.1	24,430.3
Administration Grant (2008 onwards)	1,913.5	1,817.5	1,817.5	4,247.7	2,273.0
Other Services Delivery Grant (2008 onwards)	4,538.6	4,356.6	3,287.3	3,305.3	3,332.8
Health Function Grant	7,608.2	7,456.6	0.0	0.0	0.0
Education Function Grant	7,769.1	7,652.6	6,666.6	7,027.1	7,577.6
Transport Infrastructure Maintenance Function Grant	7,437.3	7,285.7	6,374.3	6,824.9	7,513.2
Village Court Function Grant (Introduced in 2007)	500.6	379.3	352.7	388.8	443.8
Land Mediation Function Grant (Introduced in 2015)	67.1	62.1	51.6	69.6	97.2
Primary Production Function Grant (formally Derivation Grant)	2,417.2	2,265.6	2,236.1	2,614.7	3,192.7
GST distribution from IRC	8,210.0	3,169.0	6,672.7	9,358.9	6,241.0
Bookmakers' distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Own Source Revenues	5,172.7	326.1	1,772.4	2,255.8	1,694.6
Licenses, fees, and taxes	1,174.0	274.9	1,267.6	1,203.1	927.9
Motor vehicles	923.5	128.8	946.2	906.4	658.5
Liquor	169.4	123.1	226.8	225.8	190.5
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	81.2	23.1	94.6	70.8	78.9
Commercial Receipts	521.4	39.2	442.2	528.7	718.1
Other Revenues	3,477.3	11.9	62.6	524.0	48.5
TOTAL REVENUES	45,634.3	34,771.1	29,231.2	36,092.7	32,365.9

MILNE BAY: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	12,055,960	777,618	6,209,230	10,681,292	12,839,218
Revenue from former years	0	0	1,321	921,986	0
Former Year Grants			1,321	921,986	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
Misima Infrastructure Rehabilitation	0.0	0.0	0		0
GST/VAT distributions from IRC	10,899,720	556,058	5,560,580	9,691,093	5,460,654
Goods and Service Tax	10,899,720	556,058	5,560,580	9,691,093	5,460,654
Mining and petroleum royalties and dividends	0	0	0	0	0
TIMBER AND MINING ROYALTIES	0	0	0	0	0
Other, including major asset sales and staffing revenue	1,156,240	221,560	647,329	68,212	7,378,564
Direct Funding from Nat/Govt.	1,150,000.0	0.0	437,460.0	0	7,300,000
SALE OF INVESTMENTS	1,756,324	0	0	0	0
Contribution to Leave Fares	6,240	186	8,916	0	6,726
Stale Cheque	0	221,374	200,954	0	71,838
TOTAL OWN-SOURCE REVENUES	5,172,674	326,051	1,772,366	2,255,763	1,694,571
Licenses, fees, and taxes	1,173,997	274,935	1,267,587	1,203,080	927,937
Motor vehicles	923,462	128,793	946,250	906,428	658,516
MOTOR VEHICLE REGISTRATION	429,195	55,425	374,114	324,820	229,000
DRIVING LICENCES	120,552	25,450	132,973	143,322	103,920
PMV Drivers Licence Fee	0	0	0	0	21,380
PMV Licence Fee	53,620	8,702	58,379	68,917	50,755
Driving Permit & ID Fees	1,630	240	28,106	32,922	16,042
PMV Registration Fee	63,810	7,366	52,890	65,271	46,140
HEAVY VEHICLE LICENSING	28,855	4,355	38,503	30,551	28,727
Heavy Vehicle Registration Fee	203,856	22,525	220,063	189,427	149,527
Heavy Motor Vehicle/PMV Driver	14,050	4,380	21,972	23,153	0
Traffic Infringement Notices	7,895	350	19,250	28,045	13,025
Liquor	169,380	123,050	226,750	225,831	190,540
LIQUOR LICENCES	164,380	123,050	224,750	214,712	189,540
Liquor Fines	5,000	0	2,000	11,119	1,000
Gambling	0	0	0	0	0
GAMBLING, LOTTERIES ETC	0	0	0	0	0
Land	0	0	0	0	0
Other licenses, fees, and taxes	81,155	23,092	94,587	70,821	78,881

SMALL CRAFTS REGISTRATION	0	3,118	20,054	17,968	19,990
SEAWORTHINESS	17,623	4,342	27,156	23,932	27,943
SURVEY FEES	10,900	6,620	17,840	6,900	4,100
Tender Board - Application Fee	8,550	4,700	5,100	650	2,100
SMALL CRAFT PENALTIES/FINES	9,300	1,050	3,270	2,840	2,230
Health Inspector Fee	840	0	400	280	160
Captain/Operator	22,170	3,237	20,667	18,126	22,008
Small Craft Survey	11,772	0	0	0	0
Cancelled Cheque Fees		25	100	125	350
Commercial receipts, user charges, returns on investments, etc.	521,363	39,243	442,221	528,704	718,113
ELECTRICITY CHARGES	26,903	0	0	0	0
MBPG Hostel Proceeds	25,000	0	100,000	50,300	3,900
MBPL Rental	129,410	0	0	0	0
Prov/Govt Housing Rentals	0	11,959	147,482	165,778	125,460
Manifold Rentals	2,800	800	3,600	4,800	4,800
DISPOSAL OF ASSETS	38,809	4,000	38,585	8,493	3,088
IBD - INTERESTS	12,777	378	1,060	1,103	16,274
SALE OF PRODUCE	16,230	16,414	42,831	111,039	122,930
Other Sales/Livestock Produce	16,230	0	5,970	9,443	3,934
Wharf User Charges	209,432	2,555	22,980	13,890	13,369
Cargo Loading/Unloading Charge	23,187	0	2,563	23,290	52,282
Fisheries Produce	354	140	781	6,973	10,700
Agriculture Bank Loan	0	0	2,766	33,151	334,282
Electricity Charges		2,996	73,604	100,444	27,094
Other revenues	3,477,314	11,874	62,559	523,979	48,521
Works Unit Proceed	10,000.0	0.0	10,000.0	10,000	2,150
Own Source Revenue Carryover	2,689,874.7	0.0	0.0	0	0
Repaid Cash Advances	5,728.8	224.6	4,382.1	11,513	8,082
Other Miscellaneous Revenue	576,570.8	180.0	13,450.1	465,014	14,103
Miscellaneous-Revenue-Planning	18,059.0	6,772.0	1,182.1	1,190	170
Miscellaneous Revenue-Works Uni	0.0	2,287.0	11,919.5	8,384	3,653
Miscellaneous Revenue-HRD	245.0	10.0	75.0	1,392	6,163
Miscellaneous-Physical planning	23,023.0	2,200.0	20,450.0	21,250	10,600
Miscellaneous Rev-MBPTA	3,768.0	200.0	1,100.0	5,237	3,600
Project Consultancy Fees-WSU	150,045.0	0.0	0.0	0	0
Total PGAS Revenues	17,228,634	1,103,670	7,981,596	12,937,055	14,533,789

Oro Provincial Government

ORO: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	20,569.6	18,177.0	13,935.4	13,492.0	12,594.1
Administration Grant (2008 onwards)	1,292.6	1,030.2	1,105.7	1,047.5	800.6
Other Services Delivery Grant (2008 onwards)	2,249.6	1,987.1	1,996.1	1,988.2	1,954.5
Health Function Grant	5,206.8	4,756.4	232.0	0.0	0.0
Education Function Grant	4,426.9	3,954.5	4,042.8	3,990.0	3,765.6
Transport Infrastructure Maintenance Function Grant	4,642.2	4,064.7	4,124.8	4,077.2	3,875.2
Village Court Function Grant (Introduced in 2007)	356.8	330.6	334.8	332.2	320.9
Land Mediation Function Grant (Introduced in 2015)	72.8	66.3	66.3	63.6	52.4
Primary Production Function Grant (formally Derivation Grant)	2,321.9	1,987.2	2,032.9	1,993.3	1,824.9
GST distribution from IRC	2,088.0	880.0	3,660.7	5,276.7	6,888.0
Bookmakers' distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	780.9	706.7	0.0	0.0	1,520.3
Licences, fees and taxes	757.2	676.6	0.0	0.0	1,353.7
Motor vehicles	684.7	612.7	0.0	0.0	1,017.3
Liquor	70.3	61.3	0.0	0.0	222.8
Gambling	0.0	0.6	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licences, fees, and taxes	2.2	2.0	0.0	0.0	113.6
Commercial Receipts	11.7	0.0	0.0	0.0	33.4
Other Revenues	12.0	30.1	0.0	0.0	133.2
TOTAL REVENUES	23,438.5	19,763.7	0.0	0.0	21,002.4

ORO: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	6,923	810,411	0		6,892,065
Revenue from former years	0	0	0	0	0
Recovery of Formers Years	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
GST/VAT distributions from IRC	0	806,663	0	0	6,888,000
Value Added Tax	0	806,663	0	0	6,888,000
Mining and petroleum royalties and dividends	0	0	0	0	0
Other, including major asset sales and staffing revenue	6,923	3,748	0	0	4,065
Rental Fees		0	0	0	0
Contribution to Leave Fares	6,923	3,748	0	0	0
TOTAL OWN-SOURCE REVENUES	780,936	706,657	737,429	0	1,520,298
Licenses, fees, and taxes	757,239	676,584	0	0	1,353,719
Motor vehicles	684,729	612,704	0	0	1,017,349
Motor Vehicle Registration & License Fees	30,353	0	0	0	0
PMV Registration Fees	13,890	17,650	0	0	28,090
Heavy Motor Vehicle Registration Fees	0	39,273	0	0	0
Traffic Infringement Notice. Fine	26,239	35,958	0	0	0
MVIL Commission Fees	541,308	452,168	0	0	968,259
Driver's License Fees	54,010	49,385	0	0	0
Driving Permit & Identity Card	18,930	18,270	0	0	0
Vehicle Payment			0	0	21,000
Small Craft Registration	0	0	0	0	0
Small Craft Registration Fees	0	0	0	0	0
Liquor	70,260	61,310	0	0	222,796
Liquor Licensing Fees	70,260	61,310	0	0	222,796
Gambling	30	570	0	0	0
Lotteries & Gambling Fees	30	570	0	0	0
Other licenses, fees, and taxes	2,220	2,000	0	0	113,574
Taxes, Fees/Charges-Provincial Law	0	0	0	0	0
Culture & Tourism Fees	0	100	0	0	0
Customary Land Survey Fees	0	0	0	0	0
Abattoir Slaughter Fees	2,000	2,000	0	0	0

Court Fines	220	0	0	0	0
License			0	0	32,350
Crew Permit			0	0	73,824
Maritime			0	0	7,400
Land	0	0	0	0	0
Land Rates	0	0	0	0	0
Commercial receipts, user charges, returns on investments, etc.	11,747	0	0	0	33,364
Export Log Levy Fees	0	0	0	0	33,364
Timber Levies	11,747	0	0	0	0
Other revenues	11,950	30,073	0	0	133,214
Miscellaneous Receipts	11,900	30,073	0	0	0
Sundry Receipts	50	0	0	0	1,600
Others			0	0	131,614
Total PGAS Revenues	787,859	1,517,068	0	0	8,412,363

Southern Highlands Provincial Government

SOUTHERN HIGHLANDS: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	12,381.8	20,956.4	19,396.9	17,540.4	29,509.1
Administration Grant (2008 onwards)	258.0	3,787.6	1,525.8	1,408.3	2,129.3
Other Services Delivery Grant (2008 onwards)	720.1	1,832.2	2,115.5	1,645.5	4,529.5
Health Function Grant	3,926.3	4,469.7	0.0	0.0	0.0
Education Function Grant	3,414.1	4,844.1	7,672.2	7,225.7	9,388.8
Transport Infrastructure Maintenance Function Grant	3,050.1	4,374.1	6,060.0	5,449.0	9,054.0
Village Court Function Grant (Introduced in 2007)	313.5	419.4	511.7	441.2	873.8
Land Mediation Function Grant (Introduced in 2015)	65.0	65.0	65.0	53.3	197.4
Primary Production Function Grant (formally Derivation Grant)	634.7	1,164.3	1,446.7	1,317.4	3,336.3
GST distribution from IRC	16,814.0	5,525.0	6,886.2	4,912.1	7,007.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	10,599.1	20,471.6	1,502.3	0.0	12,320.0
Royalties	10,599.1	20,471.6	1,502.3	0.0	12,320.0
Dividends	0.0	0.0	0.0	0.0	0.0
Own Source Revenues	1,015.3	33.1	1,156.9	2,528.8	14,866.9
Licenses, fees, and taxes	546.7	33.1	48.8	628.8	16.9
Motor vehicles	546.7	33.1	48.8	628.8	16.9
Liquor	0.0	0.0	0.0	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	0.0	0.0	0.0	0.0	0.0
Other Revenues	468.6	0.0	1,108.1	1,900.0	14,850.0
TOTAL REVENUES	40,810.2	46,986.2	28,942.4	24,981.3	63,703.0

SOUTHERN HIGHLANDS: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	72,876,903	0	34,783,822	95,100,587	56,844,387
Revenue from former years	0	0	0	0	0
Former Years Appropriation	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	45,328,762	0	0	58,760,352	0
DEVELOPMENT LEVEY 2 PERCENT	0	0	0	0	0
Moran Development Levy 2011	45,328,762	0	0	20,025,352	0
IDG Gobe 2015 & 2016				8,735,000	0
High Impact Project 2015-2016				30,000,000	0
GST/VAT distributions from IRC	16,841,913	0	6,886,200	4,912,044	6,423,087
Retail Sales Tax	0	0	0	0	0
GST	16,841,913	0	6,886,200	4,912,044	6,423,087
Mining and petroleum royalties and dividends	10,706,228	0	27,897,622	31,428,191	50,421,300
Kutubu Petroleum royalty	10,599,134	0	0	22,520,772	0
PRK Dividends	0	0	0	8,907,419	0
Moran Royalty	35	0	0	0	0
Outstanding Royalty Kutubu	0	0	1,502,319	0	0
Miscellaneous	0	0	0	0	14,850,000
South East Manada Dev.Levy	107,059	0	0	0	0
Other, including major asset sales and staffing revenue	0	0	0	0	0
Housing Rental	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	1,015,261	33,119	1,156,940	2,528,813	14,866,915
Licenses, fees and taxes	546,664	33,119	48,792	628,813	16,915
Motor vehicles	546,664	33,119	48,792	628,813	16,915
Motor Vehicle Registration Fee	0	0	0	193,618	16,915
MVIL	482,099	0	41,097	435,195	
Motor Vehicle Licenses & Reg.	64,566	33,119	7,695	0	
Liquor	0	0	0	0	0
Liquor Licensing Fees	0	0	0	0	0
Gambling	0	0	0	0	0
Other licenses, fees, and taxes	0	0	0	0	0

Coffee Buyers Licenses	0	0	0	0	0	0
Fees	0	0	0	0	0	0
Land	0	0	0	0	0	0
Commercial receipts, user charges, returns on investments etc.						
Housing Rentals	0	0	0	0	0	0
Other revenues	468,596	0	1,108,148	1,900,000	14,850,000	14,850,000
Default Recovery Exercise O/S	0	0	0	0	0	0
Miscellaneous	0	0	358,148	1,900,000	14,850,000	
Provincial Services Grant (PSG)			750,000	0	0	0
Total PGAS Revenues	73,892,164	33,119	35,940,762	97,629,400	71,711,302	

Hela Provincial Government

HELA: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	14,256.9	14,214.9	18,111.7	17,434.1	19,248.9
Administration Grant (2008 onwards)	1,567.8	2,090.5	2,777.6	2,672.2	2,950.4
Other Services Delivery Grant (2008 onwards)	1,319.7	1,171.4	2,012.5	1,918.2	2,113.2
Health Function Grant	4,387.3	4,467.4	0.0	0.0	0.0
Education Function Grant	2,673.3	2,698.1	5,308.7	5,146.6	5,686.7
Transport Infrastructure Maintenance Function Grant	2,912.1	2,312.9	5,305.4	5,089.3	5,622.1
Village Court Function Grant (Introduced in 2007)	198.0	193.3	534.2	540.0	595.3
Land mediation Function Grant (Introduced in 2015)	73.3	61.9	86.4	84.4	93.5
Primary Production Function Grant (formally Derivation Grant)	1,125.4	1,219.4	2,086.9	1,983.4	2,187.7
GST distribution from IRC	420.0	357.0	876.2	693.4	829.0
Bookmakers' distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	0.0	0.0	0.0	0.0	0.0
Licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Motor vehicles	0.0	0.0	0.0	0.0	0.0
Liquor	0.0	0.0	0.0	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	0.0	0.0	0.0	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	14,676.9	14,571.9	18,987.9	18,127.5	20,077.9

HELA: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	0	357,000	0	0	0
Revenue from former years	0		0	0	0
Former Years Appropriation	0		0	0	0
Revenues for development purposes (e.g., SSGs)	0		0	0	0
	0		0	0	0
GST/VAT distributions from IRC	0	357,000	0	0	0
GST	0	357,000	0	0	0
Bookmakers Tax	0		0	0	0
Book Makers	0		0	0	0
Mining and petroleum royalties and dividends	0		0	0	0
D/Levy	0	45,000,000	0	0	0
Trust Investment	0		0	0	0
Other, including major asset sales and staffing revenue	0		0	0	0
PSG	0	250,000	0	0	0
TOTAL OWN-SOURCE REVENUES	0	304,450	0	0	0
Licenses, fees and taxes	0	204,450	0	0	0
Motor vehicles	0		0	0	0
MVIL Remittances	0	204,450	0	0	0
Liquor	0		0	0	0
Liquor Licensing	0		0	0	0
Liquor Fines	0		0	0	0
Gambling	0		0	0	0
Lottery	0		0	0	0
Book Makers	0		0	0	0
Other licenses, fees, and taxes	0		0	0	0
Retail Sales Tax - Services	0		0	0	0
Land	0		0	0	0
Land Tax	0		0	0	0

National Economic & Fiscal Commission		Provincial Revenue Report 2016-2020			
Commercial receipts, user charges, returns on investments etc.		0	0	0	0
FMA LEVIES		0	0	0	0
Other revenues		0	100,000	0	0
Miscellaneous		0	100,000	0	0
O/S Taxes		0	0	0	0
Forestry Infrastructure Grant		0	0	0	0
Total PGAS Revenues		0	661,450	0	0

Enga Provincial Government

ENGA: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	27,353.6	29,455.1	15,214.9	14,470.3	23,188.0
Administration Grant (2008 onwards)	1,868.8	6,674.5	1,239.8	1,193.2	1,902.9
Other Services Delivery Grant (2008 onwards)	3,036.3	2,866.2	1,741.7	1,592.8	1,795.6
Health Function Grant	5,000.0	4,145.5	0.0	0.0	0.0
Education Function Grant	5,231.8	4,353.9	4,073.2	3,970.8	6,809.1
Transport Infrastructure Maintenance Function Grant	10,572.4	10,183.7	6,997.7	6,597.5	9,131.6
Village Court Function Grant (Introduced in 2007)	389.3	369.9	326.6	308.0	713.5
Land Mediation Function Grant (Introduced in 2015)	65.6	60.7	35.2	25.9	127.3
Primary Production Function Grant (formally Derivation Grant)	1,189.4	800.7	800.7	782.1	2,708.0
GST distribution from IRC	1,593.0	852.0	2,125.7	2,971.4	3,782.0
Bookmakers' distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	19,585.8	28,990.0	20,440.0	38,872.2	9,359.8
Royalties	19,585.8	18,990.0	18,440.0	30,872.2	9,359.8
Dividends	0.0	10,000.0	2,000.0	8,000.0	0.0
Own Source Revenues	18,715.4	16,419.6	7,791.4	11,125.4	12,085.7
Licenses, fees and taxes	1,302.9	977.8	569.8	1,030.0	916.5
Motor vehicles	618.4	554.1	337.7	917.8	648.2
Liquor	60.0	99.7	116.4	22.8	104.6
Gambling	550.0	250.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	74.5	74.0	115.6	89.4	163.7
Commercial Receipts	133.0	260.2	161.0	134.7	83.3
Other Revenues	17,279.5	15,181.6	7,060.7	9,960.7	11,085.9
TOTAL REVENUES	67,247.8	75,716.7	45,572.0	67,439.3	48,415.5

ENGA: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	50,844,625	49,877,509	48,436,572	52,177,894	61,770,449
Revenue from former years	0	0	0	0	0
1999 278 Bal Carried Forward	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	2,000,000
Infrastructure. Dev. Grant Assist. SH	0	0	0	0	2,000,000
GST/VAT distributions from IRC	1,734,000	852,000	2,125,704	2,971,428	3,810,499
Value Added Tax (VAT)	1,734,000	852,000	2,125,704	2,971,428	3,810,499
Mining and petroleum royalties and dividends	23,588,888	28,990,000	22,800,000	26,300,000	31,460,000
Royalties	3,700,000	3,090,000	3,800,000	4,300,000	4,400,000
MRSF	16,000,000	15,900,000	16,000,000	16,000,000	19,060,000
Invest. Proceeds (Porgera Mine)	3,888,888	10,000,000	3,000,000	6,000,000	8,000,000
Outstanding MRSF	0	0	0	0	0
Other, including major asset sales and staffing revenue	25,521,737	20,035,509	23,510,868	22,906,466	24,499,950
Enga children's Fund	0	0	0	0	0
GoPNG Education Assistance					7,000,000
National School Fees Subsidy	24,449,100	19,133,259	23,510,868	4,502,874	0
Other Reimbursement	1,072,637	902,250	0	0	0
Sales of EPG Assets	0	0	0	18,403,592	0
Earthquake Disaster Fund (EDF)	0	0	0	0	9,999,950
Enga College of Nursing (ECON)	0	0	0	0	5,000,000
NEPHP PMT O/S Payment	0	0	0	0	500,000
NEPHP PMT O/S Payment	0	0	0	0	2,000,000
TOTAL OWN-SOURCE REVENUES	18,715,447	16,419,568	7,791,435	11,125,396	12,085,700
Licenses, fees, and taxes	1,302,870	977,807	569,767	1,029,957	916,493
Motor vehicles	618,372	554,107	337,706	917,786	648,182
Motor Vehicle Registration and License	595,439	522,848	283,210	866,891	589,722
PMV Applications and License	22,783	31,259	44,476	45,535	43,070
Traffic Infringement Fees	150	0	0	5,360	15,390
Liquor	60,000	99,710	116,420	22,800	104,600
Liquor Licensing	60,000	99,710	116,420	22,800	100,600

Occasional Liquor License	0	0	0	0	4,000
Gambling	550,000	250,000	0	0	0
Gaming Board	550,000	250,000	0	0	0
Entertainment Tax (Lottery)	0	0	0	0	0
Other licenses, fees, and taxes	74,498	73,990	115,641	89,371	163,711
Village Courts Fees and Fees	16,233	25,435	30,613	20,285	66,510
Disciplinary Fines	0	0	0	0	0
Tender Board Fees	58,165	48,055	80,466	64,700	89,105
Survey Services Fees	0	0	4,212	1,536	7,996
Registration Fees-Youth/Women	0	0	100	0	0
Business Registration-Commerce	100	500	250	2,850	100
Land	0	0	0	0	0
Commercial receipts, earnings, and investments	133,042	260,186	160,996	134,742	83,272
EPG Housing Rental	97,432	75,711	72,774	72,692	65,947
BSP Bank Building Rentals	8,344	0	0	0	0
Sale of EPG Assets	3,000	160,000	31,000	0	0
Sale of Cultural Centre Products	17,317	1,350	41,338	49,220	11,270
Sale of Books Other Publications	4,800	0	300	7,300	0
Sale of DPI Products	2,149	8,775	7,585	5,530	6,055
Ipatas Centre ATM Rentals	0	14,350	8,000	0	0
Other revenues	17,279,535	15,181,575	7,060,672	9,960,697	11,085,936
Stale Cheques (758 & 278)	209,542	494,364	277,282	400,102	171,685
Sundry Income	1,032,494	71,360	1,433,390	560,595	103,451
GoPNG Agriculture Assistance	5,000,000	5,000,000	2,000,000	4,000,000	0
GoPNG Health Assistance	5,000,000	0	0	0	0
Other GoPNG Assistance	6,000,000	1,000,000	0	2,000,000	5,000,000
2015 Cash Book Carried Forward	37,499	0	0	0	0
Enga Hospital Counterpart	0	3,547,541	0	0	0
Nat.S/Fee Subsidy-TFF 2016 C/F	0	5,068,310	0	0	0
PJV Law and Order Assistance	0	0	1,000,000	0	0
Kandep DSIP CounterPart	0	0	350,000	0	0
GoPNG Law & Order Assistance	0	0	2,000,000	0	0
Security Operation Support Prm	0	0	0	3,000,000	5,810,800
Total PGAS Revenues	69,560,071	66,297,077	56,228,007	63,303,290	73,856,150

Western Highlands Provincial Government

WESTERN HIGHLANDS: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	23,980.1	25,187.1	8,870.5	11,069.8	9,887.8
Administration Grant (2008 onwards)	967.9	1,064.4	798.9	849.3	822.3
Other Services Delivery Grant (2008 onwards)	1,946.2	2,030.7	703.9	955.2	820.1
Health Function Grant	4,467.3	4,706.3	0.0	0.0	0.0
Education Function Grant	6,092.9	6,336.7	2,488.8	3,217.6	2,825.9
Transport Infrastructure Maintenance Function Grant	8,701.0	9,147.6	3,508.4	4,576.5	4,002.4
Village Court Function Grant (Introduced in 2007)	400.8	412.9	346.5	359.1	352.3
Land Mediation Function Grant (Introduced in 2015)	78.8	80.0	46.8	53.1	49.7
Primary Production Function Grant (formally Derivation Grant)	1,325.2	1,408.5	977.2	1,059.0	1,015.1
GST distribution from IRC	17,797.0	8,937.0	28,536.5	29,569.0	36,192.0
Bookmakers distribution from IRC	529.2	529.2	391.7	302.0	83.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	3,671.9	3,709.3	347.3	0.0	0.0
Licenses, fees, and taxes	3,598.7	3,629.0	344.0	0.0	0.0
Motor vehicles	3,560.6	3,591.4	328.4	0.0	0.0
Liquor	38.1	37.6	15.6	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	0.0	0.0	0.0	0.0	0.0
Other Revenues	73.1	80.4	3.3	0.0	0.0
TOTAL REVENUES	45,978.2	38,362.7	38,146.0	0.0	0.0

WESTERN HIGHLANDS: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	28,998,611	17,161,348	29,583,503	0	0
Revenue from former years	80	0	0	0	0
Unaccounted Funds Over Years	80	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
Governor's Discretionary Compo	0	0	0	0	0
GST/VAT distributions from IRC	27,290,154	7,447,500	29,281,254	0	0
Value Added Tax (VAT) /GST	27,290,154	7,447,500	29,281,254	0	0
Bookmakers Tax	1,708,377	712,204	302,249	0	0
Bookmakers Tax (2009-2014 tm)	1,708,377	712,204	302,249	0	0
Mining and petroleum royalties and dividends	0	0	0	0	0
	0	0	0	0	-
Other, including major asset sales and staffing revenue	0	9,001,644	0	0	0
2017 Bank Transferred Funds	0	9,001,644	0	0	0
DWHPA Staff Club	0	1,644	0	0	0
TOTAL OWN-SOURCE REVENUES	3,671,852	3,709,343	347,296	0	0
Licenses, fees, and taxes	3,598,746	3,628,976	344,035	0	0
Motor vehicles	3,560,615	3,591,414	328,435	0	0
PMV Registration	0	3,591,414	328,435	0	0
Motor Vehicle Registration	3,560,615	0	0	0	0
Liquor	38,131	37,562	15,600	0	0
Liquor Licenses	38,131	37,562	15,600	0	0
Gambling	0	0	0	0	0
Gaming Tax (Pokies)	0	0	0	0	0
Other licenses, fees, and taxes	0	0	0	0	0
Land	0	0	0	0	0
Land Tax	0	0	0	0	0
Commercial receipts, user charges, returns on investments, etc.	0	0	0	0	0
Rental Of Properties	0	0	0	0	0
Other revenues	73,106	80,367	3,261	0	0
Miscellaneous Income	73,106	80,367	3,261	0	0
Total PGAS Revenues	32,670,462	20,870,691	29,930,799	0	0

Jiwaka Provincial Government

JIWAKA: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	24,838.9	24,896.4	29,993.5	29,090.6	25,898.1
Administration Grant (2008 onwards)	1,872.5	1,866.4	2,185.8	2,039.1	2,267.8
Other Services Delivery Grant (2008 onwards)	1,893.2	1,887.0	2,145.7	1,989.9	2,211.8
Health Function Grant	4,568.5	4,681.4	5,335.3	5,029.2	0.0
Education Function Grant	5,622.9	5,613.7	7,310.1	7,794.0	7,793.9
Transport Infrastructure Maintenance Function Grant	9,317.8	9,301.1	11,293.3	10,627.4	11,834.4
Village Court Function Grant (Introduced in 2007)	353.0	343.8	388.1	361.1	401.5
Land mediation Function Grant (Introduced in 2015)	75.3	69.2	69.2	75.1	83.2
Primary Production Function Grant (formally Derivation Grant)	1,135.7	1,133.8	1,266.0	1,174.8	1,305.5
GST distribution from IRC	82.0	139.0	285.6	799.9	1,239.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	0.0	0.0	0.0	0.0	0.0
Licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Motor vehicles	0.0	0.0	0.0	0.0	0.0
Liquor	0.0	0.0	0.0	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	0.0	0.0	0.0	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	24,920.9	25,035.4	30,279.1	29,890.5	27,137.1

JIWAKA: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	0	300,000	0	0	0
Revenue from former years	0		0	0	0
Former Years Appropriation	0		0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
	0		0	0	0
GST/VAT distributions from IRC	0	300,000	0	0	0
GST	0	300,000	0	0	0
Bookmakers Tax	0		0	0	0
Book Makers	0		0	0	0
Mining and petroleum royalties and dividends	0		0	0	0
Roll Over 2011 Trust Dividends	0		0	0	0
Trust Investment	0		0	0	0
Other, including major asset sales and staffing revenue	0		0	0	0
PSG	0	250,000	0	0	0
TOTAL OWN-SOURCE REVENUES	0	700,000	0	0	0
Licenses, fees, and taxes	0	400,000	0	0	0
Motor vehicles	0	200,000	0	0	0
MVIL Remittances	0	200,000	0	0	0
Liquor	0	120,000	0	0	0
Liquor Fines	0		0	0	0
Gambling	0		0	0	0
Lottery	0		0	0	0
Other licenses, fees, and taxes	0	80,000	0	0	0
Retail Sales Tax - Services	0		0	0	0
Tender Board Fees		80,000			
Land	0		0	0	0
Land Tax	0		0	0	0

Commercial receipts, user charges, returns on investments, etc.	0	300,000	0	0	0
Asset Disposal Fees	0	300,000	0	0	0
Other revenues	0	0	0	0	0
Miscellaneous	0		0	0	0
Total PGAS Revenues	0	1,000,000	0	0	0

Simbu Provincial Government

SIMBU: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	28,103.9	32,670.6	35,729.1	40,091.6	39,431.8
Administration Grant (2008 onwards)	2,848.2	2,280.5	3,394.3	4,143.9	4,071.9
Other Services Delivery Grant (2008 onwards)	3,416.5	3,104.2	3,104.2	3,244.8	3,178.2
Health Function Grant	7,680.9	6,631.3	6,785.8	7,025.6	6,966.4
Education Function Grant	936.2	8,463.3	9,607.3	11,040.8	10,838.4
Transport Infrastructure Maintenance Function Grant	10,576.0	9,346.0	10,397.7	11,756.3	11,515.7
Village Court Function Grant (Introduced in 2007)	688.3	546.3	647.9	788.5	771.2
Land Mediation Function Grant (introduced in 2015)	75.2	56.3	71.6	90.3	88.6
Primary Production Function Grant (formally Derivation Grant)	1,882.6	2,242.7	1,720.3	2,001.4	2,001.4
GST distribution from IRC	2,655.0	995.0	3,116.7	4,025.1	5,075.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	1,531.8	1,826.6	1,395.2	0.0	0.0
Licenses, fees, and taxes	1,356.8	1,398.2	1,058.0	0.0	0.0
Motor vehicles	566.3	527.2	614.9	0.0	0.0
Liquor	315.6	167.6	311.2	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	19.6	507.3	6.7	0.0	0.0
Other licenses, fees, and taxes	455.3	196.1	125.2	0.0	0.0
Commercial Receipts	154.9	410.1	322.1	0.0	0.0
Other Revenues	20.1	18.2	15.1	0.0	0.0
TOTAL REVENUES	32,290.7	35,492.2	40,240.9		

SIMBU: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	3,297,405	1,411,588	2,848,385	0	0
Revenue from former years	0	195,024	0	0	0
Former Years Appropriation	0	195,024	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
GST/VAT distributions from IRC	3,297,405	1,216,564	2,848,385	0	0
Sales & Services Taxes	3,297,405	1,216,564	2,848,385	0	0
Mining and petroleum royalties and dividends	0	0	0	0	0
Other, including major asset sales and staffing revenue	0	0	0	0	0
Rent - SPG Houses	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	1,531,782	1,826,599	1,395,189	0	0
Licenses, fees, and taxes	1,356,819	1,398,235	1,057,971	0	0
Motor vehicles	566,256	527,213	614,947	0	0
Motor Vehicle /Registration Fees	336,277	246,783	372,375	0	0
Driver's License Fees	98,500	122,170	118,891	0	0
PMV Licenses	72,140	70,580	58,101	0	0
PMV Drivers Permit	20,805	29,750	32,380	0	0
PMV Crew Permit	11,860	17,510	12,465	0	0
Traffic Infringements Fines	26,014	40,120	20,735	0	0
SPG Vehicle Drivers Permit	660	300	0	0	0
Liquor	315,637	167,568	311,182	0	0
Liquor License Fees	254,824	123,680	115,444	0	0
Liquor Sales Tax	60,813	43,888	195,738	0	0
Gambling	0	0	0	0	0
Lottery	0	0	0	0	0
Other licenses, fees, and taxes	455,295	196,134	125,170	0	0
Tender Fees & Fines	33,800	38,400	25,700	0	0
Asset Deposit Fees	20	0	0	0	0
Village Court Fees & Fines	51,433	33,552	55,094	0	0
SPG Contract. Annual Subscript	0	0	55,094	0	0
PSTB Contract Execution Fee	370,042	124,182	44,376	0	0
Land	19,630	507,320	6,673	0	0

Other Land	19,630	507,320	6,673	0	0
Commercial receipts, user charges, returns on investments, etc.	154,914	410,145	322,104	0	0
Rent - SPG Houses	38,974	17,175	20,159	0	0
Office Rentals	60,000	60,000	131,500	0	0
Assets Disposal	7,040	253,370	147,420	0	0
Karamui Cocoa	0	0	6,205	0	0
Simbu Hand Books Sales	17,700	5,000	0	0	0
CBL	24,000	0	0	0	0
Other (Business Ventures)	7,200	10,600	6,820	0	0
SPG House Sales		64,000	10,000	0	0
Other revenues	20,050	18,219	15,114	0	0
Identification Cards	20,050	18,219	15,114	0	0
Total PGAS Revenues	4,829,187	3,238,187	4,243,574	0	0

Eastern Highlands Provincial Government

EASTERN HIGHLANDS: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	46,812.9	45,086.6	39,883.3	38,774.2	42,506.3
Administration Grant (2008 onwards)	3,166.2	2,933.1	3,090.3	3,020.2	3,239.5
Other Services Delivery Grant (2008 onwards)	4,055.6	3,624.0	3,668.8	3,657.3	3,716.3
Health Function Grant	7,594.9	7,336.0	0.0	0.0	0.0
Education Function Grant	10,811.4	10,552.5	11,450.7	10,971.8	12,815.5
Transport Infrastructure Maintenance Function Grant	17,590.3	17,245.1	18,143.0	17,676.0	19,224.1
Village Court Function Grant (Introduced in 2007)	653.5	636.2	681.1	657.7	683.2
Land Mediation Function Grant (Introduced in 2015)	75.2	66.6	89.0	77.4	82.1
Primary Production Function Grant (formally Derivation Grant)	2,865.8	2,693.1	2,760.4	2,713.8	2,745.6
GST distribution from IRC	13,112.0	6,240.0	12,502.0	16,929.9	15,186.0
Bookmakers distribution from IRC	487.3	487.3	440.5	433.0	433.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	357.5	716.1	1,554.4
Royalties	0.0	0.0	357.5	716.1	1,554.4
Dividends					
Own Source Revenues	3,247.3	3,591.7	1,419.8	4,616.9	2,896.7
Licenses, fees, and taxes	2,760.3	3,253.6	1,077.5	4,151.0	2,664.7
Motor vehicles	1,843.6	2,634.4	676.5	3,699.7	2,499.6
Liquor	179.6	167.4	123.0	71.4	156.5
Gambling	668.1	404.5	245.2	360.8	0.2
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	69.1	47.3	32.9	19.0	8.5
Commercial Receipts	487.0	338.1	342.3	443.8	15.7
Other Revenues	0.0	0.0	0.0	22.1	216.3
TOTAL REVENUES	63,659.5	55,405.6	54,603.2	61,470.1	62,576.4

EASTERN HIGHLANDS: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	16,412,566	11,124,771	11,305,426	17,681,397	19,237,691
Revenue from former years	0	285	9,564	0	3,675
RECOVERY FROM FORMER YEAR'S APP	0	285	9,564	0	0
Recovery from former Yr. (EHPGT)		0	0	0	3,675
Revenues for development purposes (e.g. SSGs)	0	0	0	8,300	0
Donor Funding (UNICEF Funds)		0	0	8,300	0
GST/VAT distributions from IRC	16,412,566	11,124,486	10,938,330	16,956,952	17,717,000
Value Added Tax (IRC)	16,412,566	11,124,486	10,938,330	16,956,952	17,717,000
Mining and petroleum royalties and dividends	0	0	357,532	716,145	1,517,016
Mining & Petroleum Royalties			357,532	716,145	0
Mining & Petroleum Tax					1,517,016
Other, including major asset sales and staffing revenue	0	0	0	0	0
Prov.Perf.Improv.Init.(PPII)	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	3,247,325	3,591,736	1,419,837	4,616,862	2,896,685
Licenses, fees, and taxes	2,760,318	3,253,597	1,077,546	4,150,993	2,664,729
Motor vehicles	1,843,554	2,634,406	676,529	3,699,748	2,499,599
MOTOR VEHICLE REGISTRATION/LIC	1,841,849	2,631,616	676,309	3,660,877	2,064,979
PROVINCIAL ROAD TAXES	1,705	2,790	220	38,871	0
Driving Permits					434,620
Liquor	179,570	167,425	122,950	71,440	156,490
LIQUOR LICENCES	179,570	167,425	122,950	71,440	156,490
Gambling	668,095	404,451	245,183	360,830	180
Bookmakers	668,095	404,451	245,183	360,830	0
Gaming Machine Turnover Tax					180
Other licenses, fees, and taxes	69,099	47,315	32,884	18,975	8,460
COURT FEES & FINES	40,499	14,715	25,384	12,975	8,460
PROJECT TENDERING FEES	28,600	32,600	7,500	6,000	0
Land	0	0	0	0	0
LAND RATES & SURVEY FEES	0	0	0	0	0

Commercial receipts, earnings, and investments	487,007	338,139	342,291	443,759	15,650
RENTAL - RESIDENCE	3,780	8,750	955	19,758	0
RENTAL - OFFICE (YANEPA)	65,186	28,620	9,492	258,389	0
MUSHROOM PROJECT	4,965	3,200	1,515	8,458	0
Provincial Livestock	21,592	2,579	15,200	15,760	0
Sale of Progovernment Assets	100	900	82,332	1,250	800
COMMERCIAL PROPERTY TAX-RENTAL	121	0	0	0	0
Provincial Aquiculture (Fisher)	1,385	200	3,000	0	0
PEC Vehicle Reimbursement					
Dept of Agriculture & Livestock Revenue Prior Year	390,000	293,890	229,797	140,145	0
Sale of Produce					5,250
					9,600
Other revenues	0	0	0	22,110	216,306
SUNDRY RECEIPTS	0	0	0	22,110	216,306
Total PGAS Revenues	19,659,891	14,716,507	12,725,263	22,298,259	22,134,376

Morobe Provincial Government

MOROBE: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	7,782.2	541.3	541.3	2,500.0	0.0
Administration Grant (2008 onwards)	585.3	0.0	0.0	0.0	0.0
Other Services Delivery Grant (2008 onwards)	967.5	0.0	0.0	2,500.0	0.0
Health Function Grant	1,275.8	541.3	541.3	0.0	0.0
Education Function Grant	2,000.0	0.0	0.0	0.0	0.0
Transport Infrastructure Maintenance Function Grant	2,266.3	0.0	0.0	0.0	0.0
Village Court Function Grant (Introduced in 2007)	157.0	0.0	0.0	0.0	0.0
Land Mediation Function Grant (Introduced in 2015)	65.0	0.0	0.0	0.0	0.0
Primary Production Function Grant (formally Derivation Grant)	465.3	0.0	0.0	0.0	0.0
GST distribution from IRC	89,570.0	75,503.0	95,318.9	123,277.4	133,419.0
Bookmakers distribution from IRC	1,603.4	1,603.4	1,130.7	1,418.0	1,524.0
Mining and Petroleum Royalties and Dividends	2,621.2	1,173.3	2,877.5	3,743.5	3,881.7
Royalties	2,621.2	1,173.3	2,877.5	3,743.5	3,881.7
Dividends	0.0	0.0	0.0	0.0	0.0
Own Source Revenues	10,731.3	11,470.7	11,300.9	0.0	11,530.5
Licenses, fees, and taxes	10,051.4	10,606.4	10,120.9	0.0	9,607.4
Motor vehicles	7,551.4	7,904.2	7,696.3	0.0	8,177.3
Liquor	2,227.9	2,430.1	2,152.5	0.0	1,430.1
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	0.0	0.0	0.0
Commercial Receipts	389.0	278.6	340.5	0.0	83.3
Other Revenues	290.8	585.7	839.4	0.0	1,839.8
TOTAL REVENUES	10,832.9	11,549.5	11,400.7	0.0	11,669.3

MOROBE: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	100,675,985	85,677,211	99,561,237	0	129,203,646
Revenue from former years	5,152,114	9,711,802	2,053,306	0	804,296
Former Years Appropriation	5,152,114	9,711,802	2,053,306	0	804,296
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
Derivation Grant	0	0	0	0	0
GST/VAT distributions from IRC	94,234,323	75,583,649	96,289,341	0	128,399,350
VAT/GST	93,000,000	74,100,000	95,312,420	0	126,748,350
Bookmakers	1,234,323	1,483,649	976,921	0	1,651,000
Mining and petroleum royalties and dividends	1,289,548	381,760	1,218,589	0	0
HV Mining Royalties (36%)	1,289,548	381,760	1,218,589	0	0
Other, including major asset sales and staffing revenue	0	0	0	0	0
MPG Staff Rental	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	10,731,289	11,470,659	11,300,850	0	11,530,513
Licenses, fees, and taxes	10,051,417	10,606,385	10,120,917	0	9,607,383
Motor vehicles	7,551,397	7,904,179	7,696,261	0	8,177,308
Driver's License & Permit & MV Reg.	7,136,872	7,443,279	7,246,080	0	7,718,602
Pmv Lic & Permit & Heavy V/Lic	414,525	460,900	450,181	0	184,139
Commercial Vehicle Licenses				0	274,567
Liquor	2,227,864	2,430,050	2,152,500	0	1,430,075
Liquor Trade	0	0	0	0	0
Liquor Licensing Fees	2,227,864	2,430,050	2,152,500	0	1,430,075
Gambling	272,156	0	0	0	0
Lottery/Games of Chance	0	0	0	0	0
Other licenses, fees, and taxes	0	0	0	0	0
Bank Agency Fee	0	0	0	0	0
Land	0	0	0	0	0
Land Tax	0	0	0	0	0
Commercial receipts, earnings, and investments	389,042	278,613	340,529	0	83,334
MPG Staff Rental	0	0	0	0	54,509

MPG Housing Rentals	281,812	223,313	230,329	0
MHP Rental	0	0	0	0
MPG District Housing Rentals	0	0	0	0
IBD Interest	0	0	0	0
Property Disposal/sale	107,230	55,300	5,200	0
Land & Property Lease Rentals			105,000	0
Rental of Institutional Housing				83,334
Other revenues	290,830	585,661	839,404	0
Old A/port L/Lease & C/Storage				0
Provincial Building Board Fees	9,562	38,911	83,800	0
Sundries	281,268	546,750	755,604	0
Total PGAS Revenues	111,407,274	97,147,870	110,862,087	0
				140,734,159

Madang Provincial Government

MADANG: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	43,850.2	43,973.5	34,530.6	34,158.5	31,075.6
Administration Grant (2008 onwards)	3,616.0	4,698.2	3,570.5	3,577.5	3,258.5
Other Services Delivery Grant (2008 onwards)	3,772.3	3,722.2	3,722.5	3,722.9	3,705.1
Health Function Grant	9,534.3	8,977.9	439.3	0.0	0.0
Education Function Grant	9,450.8	8,463.5	9,422.4	9,449.4	8,209.3
Transport Infrastructure Maintenance Function Grant	12,998.2	14,083.4	12,968.4	12,994.6	11,789.9
Village Court Function Grant (Introduced in 2007)	601.0	585.4	585.6	585.7	582.1
Land Mediation Function Grant (Introduced in 2015)	69.8	66.6	66.6	66.9	52.7
Primary Production Function Grant (formally Derivation Grant)	3,807.8	3,376.3	3,755.3	3,761.5	3,478.0
GST distribution from IRC	12,460.0	4,886.0	12,635.2	15,295.7	20,292.0
Bookmakers distribution from IRC	1,605.7	1,605.7	825.1	1,296.0	1,396.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	2,245.2	2,610.5	2,695.2	2,500.0	0.0
Licenses, fees, and taxes	2,057.9	1,927.8	1,509.1	2,438.0	0.0
Motor vehicles	1,587.3	1,505.9	1,092.8	2,319.5	0.0
Liquor	286.7	231.6	224.9	55.2	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	184.0	190.2	191.4	63.3	0.0
Commercial Receipts	159.6	669.6	372.3	55.6	0.0
Other Revenues	27.7	13.1	813.9	6.4	0.0
TOTAL REVENUES	60,161.1	53,075.6	50,686.1	53,250.2	0.0

MADANG: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	20,378,472	11,990,582	19,891,544	19,240,599	0
Revenue from former years	4,420,251	6,400,040	2,380,275	2,756,600	0
Former Years Appropriation	4,420,251	6,400,040	1,961,648	2,756,160	0
2016 National Govt Unspent Grant	0	0	418,627	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
GST/VAT distributions from IRC	13,878,180	4,071,670	13,042,363	15,295,524	0
GST (60% Disbursement)	13,878,180	4,071,670	13,042,363	15,295,524	0
Bookmakers Tax	983,041	1,498,872	638,324	1,188,000	0
Bookmakers Tax	983,041	1,498,872	638,324	1,188,000	0
Mining and petroleum royalties and dividends	0	0	3,830,582	476	0
				476	0
Other, including major asset sales and staffing revenue	1,097,000	20,000	0	0	0
Manam R/S Prog. (2013) R/O	1,097,000	20,000	0	0	0
TOTAL OWN-SOURCE REVENUES	2,245,228	2,610,480	2,695,243	2,500,038	0
Licenses, fees, and taxes	2,057,914	1,927,764	1,509,129	2,438,050	0
Motor vehicles	1,587,266	1,505,906	1,092,837	2,319,482	0
Driving License Fees	194,452	174,274	172,105	144,237	0
Heavy Motor License Fees	196,949	351,010	162,045	174,897	0
Motor Vehicle Reg. Fees	1,116,922	604,544	687,516	1,934,985	0
PMV License Fees	78,743	85,470	70,471	64,933	0
MPG Driving Permit & ID Fees	200	0	700	430	0
MVIL Commission Fees		290,608	0	0	0
Liquor	286,660	231,640	224,850	55,240	0
Liquor Licensing Fees	286,660	231,640	224,850	55,240	0
Gambling	0	0	0	0	0
Gambling	0	0	0	0	0
Other licenses, fees, and taxes	183,988	190,218	191,442	63,328	0
Tender Board Fees	250	0	40	10	0
Pre-Qualification/Arch Desg/Fe	2,560	17,410	1,000	1,000	0

Land T/Sport Brd Contr Fees	181,178	172,808	190,402	62,318	0
Land	0	0	0	0	0
Commercial receipts, user charges, returns on investments, etc.	159,612	669,620	372,259	55,584	0
Disposal of Assets	100	194,531	0	4,500	0
Export Log Levy	144,824	458,223	358,645	37,288	0
Cash Crops and DPI Sales	0	0	60	476	0
Minor Power House	1,884	1,818	1,291	1,376	0
Fisheries Landing Fees	0	0	123	0	0
Rents	26,423	0	0	0	0
MPG Housing Rentals	12,804	15,049	12,139	11,945	0
Other revenues	27,702	13,096	813,856	6,404	0
Sundry Revenue	27,702	13,096	813,856	6,404	0
Total PGAS Revenues	22,623,700	14,601,061	22,586,787	21,740,638	0

East Sepik Provincial Government

EAST SEPIK: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	58,371.5	54,170.6	43,212.0	39,487.8	40,790.1
Administration Grant (2008 onwards)	3,451.8	3,261.5	3,294.7	3,198.1	3,364.8
Other Services Delivery Grant (2008 onwards)	3,782.9	3,094.8	3,104.0	2,814.3	2,870.9
Health Function Grant	11,941.2	11,554.3	392.8	0.0	0.0
Education Function Grant	12,755.0	12,227.5	12,278.5	11,264.6	11,600.0
Transport Infrastructure Maintenance Function Grant	21,291.5	19,777.8	19,868.7	18,323.7	18,933.3
Village Court Function Grant (Introduced in 2007)	887.1	795.4	796.3	651.5	664.2
Land Mediation Function Grant (Introduced in 2015)	77.1	54.2	54.8	54.8	59.1
Primary Production Function Grant (formally Derivation Grant)	4,184.9	3,405.1	3,422.2	3,180.8	3,297.8
GST distribution from IRC	8,770.0	2,655.0	8,896.5	17,099.5	16,960.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	2,931.6	2,886.2	2,837.1	5,424.8	3,542.4
Licenses, fees, and taxes	2,158.4	2,673.4	2,552.4	3,285.9	3,335.6
Motor vehicles	1,519.5	1,512.8	1,731.7	2,174.6	2,453.9
Liquor	638.3	1,160.6	816.2	1,109.3	876.6
Gambling	0.7	0.0	0.4	1.8	0.7
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	0.0	0.0	4.2	0.2	4.4
Commercial Receipts	106.8	174.3	281.0	2,138.6	206.7
Other Revenues	666.4	38.5	3.7	0.4	0.0
TOTAL REVENUES	70,073.1	59,711.8	54,945.6	62,012.1	61,292.5

EAST SEPIK: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	11,042,534	2,876,250	8,155,125	14,272,930	25,959,996
Revenue from former years	0	0	0	0	9,000,000
Former Years Appropriation NAT	0	0	0	0	9,000,000
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
GST/VAT distributions from IRC	11,042,534	2,876,250	8,155,125	14,272,930	16,959,996
VAT Remittance	11,042,534	2,876,250	8,155,125	14,272,930	16,959,996
Mining and petroleum royalties and dividends	0	0	0	0	0
Other, including major asset sales and staffing revenue	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	2,931,627	2,886,187	2,837,085	5,424,820	3,542,387
Licenses, fees, and taxes	2,158,438	2,673,382	2,552,358	3,285,879	3,335,608
Motor vehicles	1,519,483	1,512,812	1,731,682	2,174,584	2,453,938
Land Transport Fees	499,512	692,646	1,731,682	2,174,134	2,453,938
M.V.I.L.	1,019,971	820,166	0	450	0
Liquor	638,275	1,160,569	816,176	1,109,310	876,621
Liquor Licensing Fees	638,275	1,160,569	816,176	1,109,310	876,621
Gambling	650	0	350	1,750	700
Games of Chances	650	0	350	1,750	700
Other licenses, fees, and taxes	30	0	4,150	235	4,350
Village Courts Fees	0	0	4,150	235	2,400
Agriculture Commodities Fees	30	0	0	0	0
Small Craft Licensing Fees	0	0	0	0	1,950
Land	0	0	0	0	0
Land Fees	0	0	0	0	0
Commercial receipts, user charges, returns on investments, etc.	106,787	174,291	280,987	2,138,561	206,739
Investment & Service Returns	0	7,500	26,651	7,418	18,000
Timber/Marine Product Royalty	106,787	166,791	254,336	2,131,143	188,739
Other revenues	666,402	38,515	3,740	380	40
Miscellaneous Fees & Levies	666,402	38,515	3,740	380	40
Total PGAS Revenues	13,974,161	5,762,437	10,992,210	19,697,750	29,502,383

Sandaun Provincial Government

SANDAUN: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	36,775.6	34,424.5	28,504.4	29,387.4	30,458.4
Administration Grant (2008 onwards)	3,516.4	2,961.9	3,868.5	3,909.3	3,958.8
Other Services Delivery Grant (2008 onwards)	2,647.4	2,005.3	2,414.1	2,468.4	2,534.4
Health Function Grant	9,715.5	9,665.4	0.0	0.0	0.0
Education Function Grant	9,139.5	9,046.3	9,251.8	9,686.5	10,213.6
Transport Infrastructure Maintenance Function Grant	7,623.2	7,180.0	8,643.3	8,860.7	9,124.3
Village Court Function Grant (Introduced in 2007)	367.6	344.1	519.6	526.4	534.6
Land Mediation Function Grant (Introduced in 2015)	65.8	57.3	74.6	81.4	89.6
Primary Production Function Grant (formally Derivation Grant)	3,700.2	3,164.2	3,732.5	3,854.7	4,003.1
GST distribution from IRC	1,958.0	932.0	3,314.2	3,815.0	2,753.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	2,555.4	3,357.4	2,298.7	7,662.0	2,945.8
Licenses, fees, and taxes	1,592.5	1,643.9	1,312.5	1,784.0	2,079.7
Motor vehicles	1,172.6	1,479.7	1,110.1	1,613.0	1,874.7
Liquor	408.4	157.6	185.5	111.6	183.6
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	11.5	6.7	16.9	59.4	21.3
Commercial Receipts	695.8	711.8	982.6	5,870.2	839.0
Other Revenues	267.1	1,001.6	3.6	7.8	27.1
TOTAL REVENUES	41,289.0	38,713.9	34,117.3	40,864.4	36,157.2

SANDAUN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	1,987,087	1,222,923	3,119,920	5,375,076	2,841,503
Revenue from former years	0	0	0	0	0
Former Years Appropriation 99	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
Unspent 1999 Dist./Support Gran	0	0	0	0	0
GST/VAT distributions from IRC	1,895,708	1,032,587	3,115,680	5,375,076	2,841,503
Sales and Services Tax	1,895,708	1,032,587	3,115,680	5,375,076	2,841,503
Mining and petroleum royalties and dividends	0	0	0	0	0
Other, including major asset sales and staffing revenue	91,379	190,336	4,240	0	0
SPG Air Charters			4,240	0	0
Rentals (SPG Houses)	91,379	190,336	0	0	0
TOTAL OWN-SOURCE REVENUES	2,555,396	3,357,368	2,298,729	7,661,992	2,945,752
Licenses, fees, and taxes	1,592,536	1,643,890	1,312,524	1,783,962	2,079,667
Motor vehicles	1,172,643	1,479,670	1,110,102	1,612,972	1,874,725
Motor Vehicle Registration	827,017	1,182,518	747,417	1,013,251	1,419,025
Heavy Motor Vehicle License	214,715	173,100	221,475	331,000	279,250
PMV License	0	0	0	25,380	25,740
PMV Registration Fees	9,140	8,577	15,010	6,020	0
Driving License	120,060	115,155	123,950	232,671	142,810
Traffic Infringement Notice	1,711	320	2,250	4,650	7,900
Liquor	408,400	157,550	185,510	111,590	183,600
Liquor Licensing Fees	407,250	154,050	183,450	104,820	181,600
Liquor Fines	1,150	3,500	2,060	6,770	2,000
Gambling	0	0	0	0	0
Other licenses, fees, and taxes	11,493	6,670	16,913	59,400	21,342
Physical Planning Fee	11,493	6,670	16,913	59,400	21,342
Land	0	0	0	0	0
Commercial receipts, earnings, and investments	695,809	711,842	982,570	5,870,240	838,965

Rentals (SPG Houses)	0	0	8,640	0	122,805
Disposal of Assets	52,125	150	159,610	0	2,530
SPG Timber Levies (VFP)	0	0	0	0	750
Amanab FMA (1-4)	284,141	260,501	313,716	95,839	116,374
Amanab FMA (5-6)	141,558	317,115	221,809	384,214	263,995
SPG Timber Levies-Other	140,158	107,328	278,795	390,187	332,511
Samas/Makar Harvest	77,828	26,749	0	0	0
LOG EXPORT DEVELOPMENT LEVY				5,000,000	0
Other revenues	267,050	1,001,636	3,635	7,790	27,120
Weighing Bridge	150	0	0	4,840	0
Sundry Receipts	266,900	1,001,636	3,635	7,661,992	27,120
Total PGAS Revenues	4,542,483	4,580,291	5,418,649	13,037,068	5,787,255

Manus Provincial Government

MANUS: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	13,360.1	7,265.5	2,842.6	2,134.6	13,101.6
Administration Grant (2008 onwards)	1,066.1	151.9	101.1	81.6	1,909.0
Other Services Delivery Grant (2008 onwards)	1,419.1	535.4	233.8	149.4	1,518.6
Health Function Grant	2,492.7	1,883.3	0.0	0.0	0.0
Education Function Grant	2,977.9	1,698.0	1,015.4	820.2	2,966.2
Transport Infrastructure Maintenance Function Grant	4,059.0	2,169.7	997.8	677.4	4,727.7
Village Court Function Grant (Introduced in 2007)	281.7	159.8	118.0	107.2	416.5
Land Mediation Function Grant (Introduce in 2015)	65.0	65.0	57.2	54.0	54.1
Primary Production Function Grant (formally Derivation Grant)	998.6	602.4	319.3	244.8	1,509.5
GST distribution from IRC	14,686.0	24,630.0	19,236.9	21,996.3	6,140.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	403,161.0	0.0
Royalties	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	403,161.0	0.0
Own Source Revenues	743.5	1,006.6	1,611.3	1,309.5	551.4
Licenses, fees, and taxes	354.2	383.3	355.2	631.6	373.9
Motor vehicles	261.4	237.9	224.1	514.4	256.8
Liquor	73.8	128.1	116.6	97.9	116.4
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	19.1	17.3	14.4	19.2	0.8
Commercial Receipts	359.6	312.8	640.3	360.4	127.3
Other Revenues	29.7	310.6	615.9	317.5	50.3
TOTAL REVENUES	28,789.6	32,902.1	23,690.8	428,601.4	19,793.0

MANUS: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	17,946,451	22,968,386	38,776,875	22,892,623	6,577,436
Revenue from former years	3,454	0	19,163,604	-5,250	0
RECOVERY FROM FORMER YEARS	3,454	0	19,163,604	0	0
Own Source Revenue Carry Over				-5,250	
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
RURAL ACTION PROGRAMME(RAP)	0	0	0	0	0
GST/VAT distributions from IRC	15,571,413	22,582,419	19,236,900	22,122,324	6,140,004
SALES AND SERVICES TAX (VAT/GST)	15,571,413	22,582,419	19,236,900	22,122,324	6,140,004
Mining and petroleum royalties and dividends	115,500	54,852	38,701	431,260	190,350
TIMBER LEVIES	115,500	54,852	38,701	28,099	
Dividends				403,161	190,350
Other, including major asset sales and staffing revenue	2,256,084	331,114	337,671	344,289	247,082
HOUSING RENTAL	0				
Manus Provincial Market	256,084	331,114	337,671	344,289	247,082
PIP (TIMBER LEVIES)	2,000,000				0
TOTAL OWN-SOURCE REVENUES	743,544	1,006,613	1,611,273	1,309,474	551,417
Licenses, fees, and taxes	354,230	383,303	355,151	631,583	373,906
Motor vehicles	261,356	237,935	224,102	514,438	256,756
MOTOR VEHICLE REGISTRATION & LICENSES	261,356	237,935	224,102	514,438	256,756
Liquor	73,760	128,100	116,600	97,900	116,400
LIQUOR LICENCING	73,760	128,100	116,600	97,900	116,400
Gambling	0	0	0	0	0
GAMBLING TAX	0	0	0	0	0
Other licenses, fees, and taxes	19,114	17,269	14,448	19,244	750
COURT FEES AND FINES	280	0	0	0	0
TRAFFIC INFRINGEMENT FINES	13,745	6,460	6,860	9,280	200
TENDER BOARD FEES	4,600	1,500	5,600	9,200	500
BUSINESS DEV FEES&CHARGES	769	9,309	660	240	50
10% Leave Fares Fees				524	

Land	0	0	0	0	0	0	0
Commercial receipts, earnings, and investments	359,586	312,758	640,254	360,439	127,250		
HOUSING RENTAL	18,058	15,893	20,902	19,957	13,592		
OFFICE RENTAL	189,559	79,250	227,628	154,727	-		
PRINTING	36,415	33,454	6,260	4,589	36,753		
PRODUCE MARKETING	63,549	4,552	251,295	24,795	25,956		
Other Sales (Fish and Manus Soap)	35,675	151,004	116,594	150,285	74,625		
LAND LEASE	10441	7370	4080	6086	2280		
DISPOSAL OF ASSETS	5,890	21,235	13,495	0	0		
SALES OF SUB-DIVISIONAL BLOCK	0	0	270	0	0		
Other revenues	29,728	310,551	615,869	317,453	50,260		
MISCELLANEOUS REVENUE	23,145	43,629	26,862	57,031	9,234		
Staled/Cancelled Cheque Fees	6,583	102,073	589,007	260,422	41,026		
INTERNAL REVENUE PROG F/YRS		164,850	-	0	0		
Total PGAS Revenues	18,689,995	23,974,999	40,388,148	24,202,097	7,128,852		

New Ireland Provincial Government

NEW IRELAND: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	4,017.9	3,124.5	0.0	0.0	0.0
Administration Grant (2008 onwards)	203.6	75.8	0.0	0.0	0.0
Other Services Delivery Grant (2008 onwards)	211.4	83.6	0.0	0.0	0.0
Health Function Grant	1,051.1	1,133.8	0.0	0.0	0.0
Education Function Grant	965.5	721.4	0.0	0.0	0.0
Transport Infrastructure Maintenance Function Grant	1,013.2	751.7	0.0	0.0	0.0
Village Court Function Grant (Introduced in 2007)	45.5	45.5	0.0	0.0	0.0
Land Mediation Function Grant (Introduced in 2015)	73.9	44.9	0.0	0.0	0.0
Primary Production Function Grant (formally Derivation Grant)	453.7	267.8	0.0	0.0	0.0
GST distribution from IRC	4,981.0	2,880.0	6,420.8	7,487.5	11,247.0
Bookmakers distribution from IRC	0.0	0.0	0.0	0.0	0.0
Mining and Petroleum Royalties and Dividends	52,938.9	59,987.5	38,621.2	41,947.2	47,633.9
Royalties	34,938.9	37,532.5	38,621.2	41,947.2	47,633.9
Dividends	18,000.0	22,454.9	0.0	0.0	0.0
Own Source Revenues	1,582.8	1,530.5	831.7	0.0	0.0
Licenses, fees, and taxes	1,388.0	1,281.4	730.4	0.0	0.0
Motor vehicles	899.1	1,035.8	268.3	0.0	0.0
Liquor	252.7	123.2	208.4	0.0	0.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	188.0	103.1	208.7	0.0	0.0
Other licenses, fees, and taxes	48.1	19.3	45.0	0.0	0.0
Commercial Receipts	194.8	249.1	101.3	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	63,520.6	67,522.5	45,873.6	0.0	0.0

NEW IRELAND: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	36,994,583	39,875,401	48,690,300	0	0
Revenue from former years	500,000	0	7,300,486	0	0
Recovery - Former Years Appropriation	7,786	0	0	0	0
Own Source Revenue Carry Over	500,000		7,300,486	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
97 Underpay SSG/Mining Agreement	0	0	0	0	0
GST/VAT distributions from IRC	3,616,664	2,640,000	6,420,804	0	0
Value Added Tax (VAT)	3,616,664	2,640,000	6,420,804	0	0
Mining and petroleum royalties and dividends	29,874,780	25,522,704	34,789,142	0	0
Provincial Government Royalty	11,874,780	3,067,758	6,000,000	0	0
MRDC Trust	18,000,000	22,454,946	28,789,142	0	0
Other, including major asset sales and staffing revenue	3,003,139	11,712,696	179,868	0	0
Leave fare Contrib. Public Servants	3,139	1,571	4,255	0	0
Miscellaneous	3,000,000	175,613	175,613	0	0
TOTAL OWN-SOURCE REVENUES	1,582,788	1,530,485	831,652	0	0
Licenses, fees, and taxes	1,387,997	1,281,428	730,362	0	0
Motor vehicles	899,143	1,035,809	268,262	0	0
Motor Vehicle Registration	555,140	916,329	36,840	0	0
Traffic Infringement Notice Fin	705	200	11,761	0	0
Driver's License Fees	115,108	31,265	53,834	0	0
Heavy Motor Veh. PMV D/L Fees	18,455	6,455	4,285	0	0
D/Permit & Identity Card Fees	7,410	3,605	6,515	0	0
Heavy M/Vehicle Regist.Fees	110,754	43,375	108,984	0	0
PMV Registration Fees	91,572	34,580	46,043	0	0
Liquor	252,744	123,210	208,393	0	0
Fees (Licensing of places)	232,500	122,210	207,393	0	0
Liquor Tax	20,244	1,000	1,000	0	0
Gambling	0	0	0	0	0
Fees for License (Gambling)	0	0	0	0	0

Other licenses, fees, and taxes	48,131	19,349	44,974	0	0
Court Fees & Fines	0	0	0	0	0
Sales & Services Taxes	490	0	0	0	0
Tender Board Fees		60	15,950	0	0
Physical Planning Board Fees	47,641	19,289	29,024	0	0
Land	187,978	103,060	208,733	0	0
Land Tax	250	600	0	0	0
Land Valuation Fees	16,070	600	1,650	0	0
Land Application Fees	6,480	320	500	0	0
Land Rentals	165,178	101,540	206,583	0	0
Commercial receipts, user charges, returns on investments, etc.	194,791	249,058	101,290	0	0
Disposal of Assets	55,090	430	45,030	0	0
Rental NIPG Housing	26,892	5,061	0	0	0
Rental- Business Prom. Centre	38,900	37,988	54,000	0	0
Timber Levies	73,909	205,579	2,260	0	0
Other revenues	0	0	0	0	0
Repaid Salaries/LWOP	0	0	0	0	0
Total PGAS Revenues	38,577,370	41,405,886	49,521,952	0	0

East New Britain Provincial Government

EAST NEW BRITAIN: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	22,917.5	30,426.6	13,536.9	15,746.6	8,830.6
Administration Grant (2008 onwards)	504.1	1,210.0	534.4	487.6	503.9
Other Services Delivery Grant (2008 onwards)	3,217.6	3,270.5	737.1	5,620.0	660.7
Health Function Grant	4,290.2	5,798.9	3,561.0	2,526.1	0.0
Education Function Grant	6,567.7	7,626.6	3,066.4	2,598.3	2,761.0
Transport Infrastructure Maintenance Function Grant	6,129.8	8,953.6	3,211.1	2,824.9	2,959.1
Village Court Function Grant (Introduced in 2007)	235.8	306.4	221.9	151.7	176.1
Land Mediation Function Grant (Introduced in 2015)	74.8	92.4	50.2	38.5	42.4
Primary Production Function Grant (formally Derivation Grant)	1,897.5	3,168.2	2,154.8	1,499.5	1,727.4
GST distribution from IRC	17,890.0	7,388.0	23,907.0	35,055.8	37,974.0
Bookmakers distribution from IRC	960.7	960.7	341.3	148.0	148.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	14,244.7	3,716.0	3,183.5	8,022.1	5,289.9
Licenses, fees, and taxes	5,777.0	3,412.6	2,742.0	6,303.6	4,754.7
Motor vehicles	5,561.2	3,132.8	2,528.9	6,066.5	4,558.5
Liquor	215.8	250.4	212.2	200.0	182.0
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	29.3	0.9	33.8	12.5
Other licenses, fees, and taxes	0.0	0.0	0.0	3.2	1.8
Commercial Receipts	8,255.7	157.6	340.3	1,553.2	416.8
Other Revenues	211.9	145.9	101.1	165.3	118.3
TOTAL REVENUES	56,012.9	42,491.3	40,968.6	58,972.5	52,242.5

EAST NEW BRITAIN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	18,222,431	13,125,081	25,510,606	35,317,723	38,185,080
Revenue from former years	0	0	0	0	0
Former Years Appropriations	0	0	0	0	0
Revenues for development purposes (e.g. SSGs)	0	5,145,300	0	7,000	0
Trust				7,000	
GST/VAT distributions from IRC	17,929,087	7,388,004	23,907,000	35,055,768	37,974,000
VAT on Goods	17,929,087	7,388,004	23,907,000	35,055,768	37,974,000
Bookmakers Tax	293,344	377,112	307,956	123,330	123,330
Bookmakers Tax	293,344	377,112	307,956	123,330	123,330
Mining and petroleum royalties and dividends	0	214,665	157,950	131,625	87,750
Dividends					
Other, including major asset sales and staffing revenue	0	214,665	157,950	131,625	87,750
Kokopo Tourism Hub			1,137,700	0	0
TOTAL OWN-SOURCE REVENUES	14,244,653	3,716,000	3,183,476	8,022,111	5,289,905
Licenses, fees, and taxes	5,777,048	3,412,571	2,742,040	6,303,574	4,754,740
Motor vehicles	5,561,230	3,132,838	2,528,920	6,066,547	4,558,487
Motor Vehicle Registration	4,653,083	1,704,554	1,558,465	4,571,297	3,045,335
Driving Licenses	581,503	619,008	562,848	666,871	631,466
TIN Fees	121,778	108,632	109,447	221,493	180,840
Toll Fees	204,866	238,882	298,160	210,944	270,757
PMV & Heavy-Duty Registration		461,762	0	395,943	430,090
Liquor	215,817	250,406	212,199	200,010	182,011
Liquor Licenses	215,817	250,406	212,199	200,010	182,011
Gambling	0	0	0	0	0
Bookmakers Tax			0	0	0
Other licenses, fees, and taxes	0	0	0	3,200	1,780
Boat Registrations				3,200	1,780

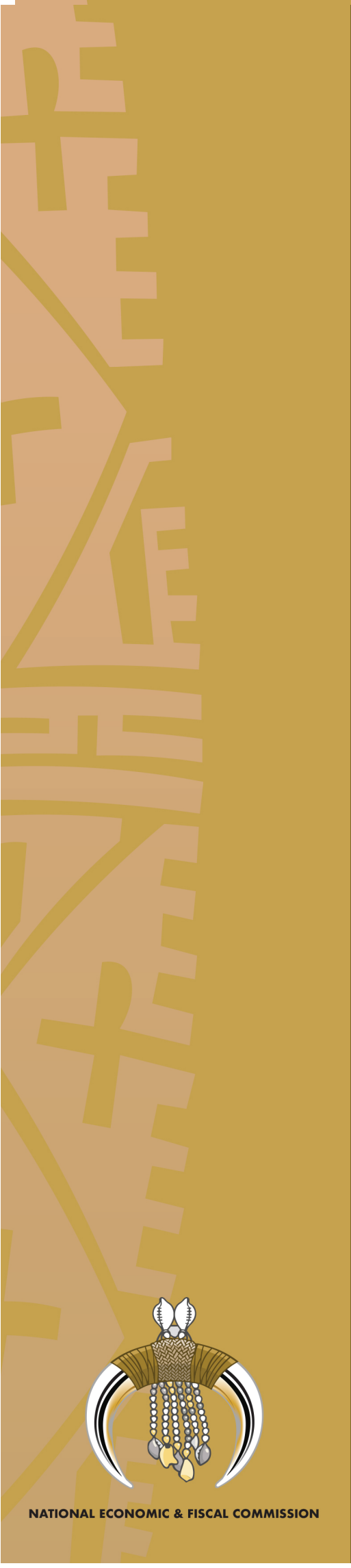
Land							
Land Rates Tax/Rentals/Leases	0	29,328	921	33,817	12,462		
	0	29,328	921	33,817	12,462		
Commercial receipts, user charges, returns on investments, etc.	8,255,663	157,558	340,291	1,553,228	416,829		
Commercial Earnings (ENB Dev. Cop	8,018,054	157,558	203,252	1,261,834	179,415		
Com Earnings (Other Inv Int	44,814	0	0	0	0		
Short Term Investments	109,249	0	0	0	0		
Other revenues	211,942	145,870	101,145	165,308	118,336		
AH-TAM Wharf	128,360	0	137,039	291,394	237,414		
Sundries	211,942	145,870	101,145	165,277	118,336		
Total PGAS Revenues	32,467,084	16,841,081	28,694,082	43,339,834	43,474,985		

West New Britain Provincial Government

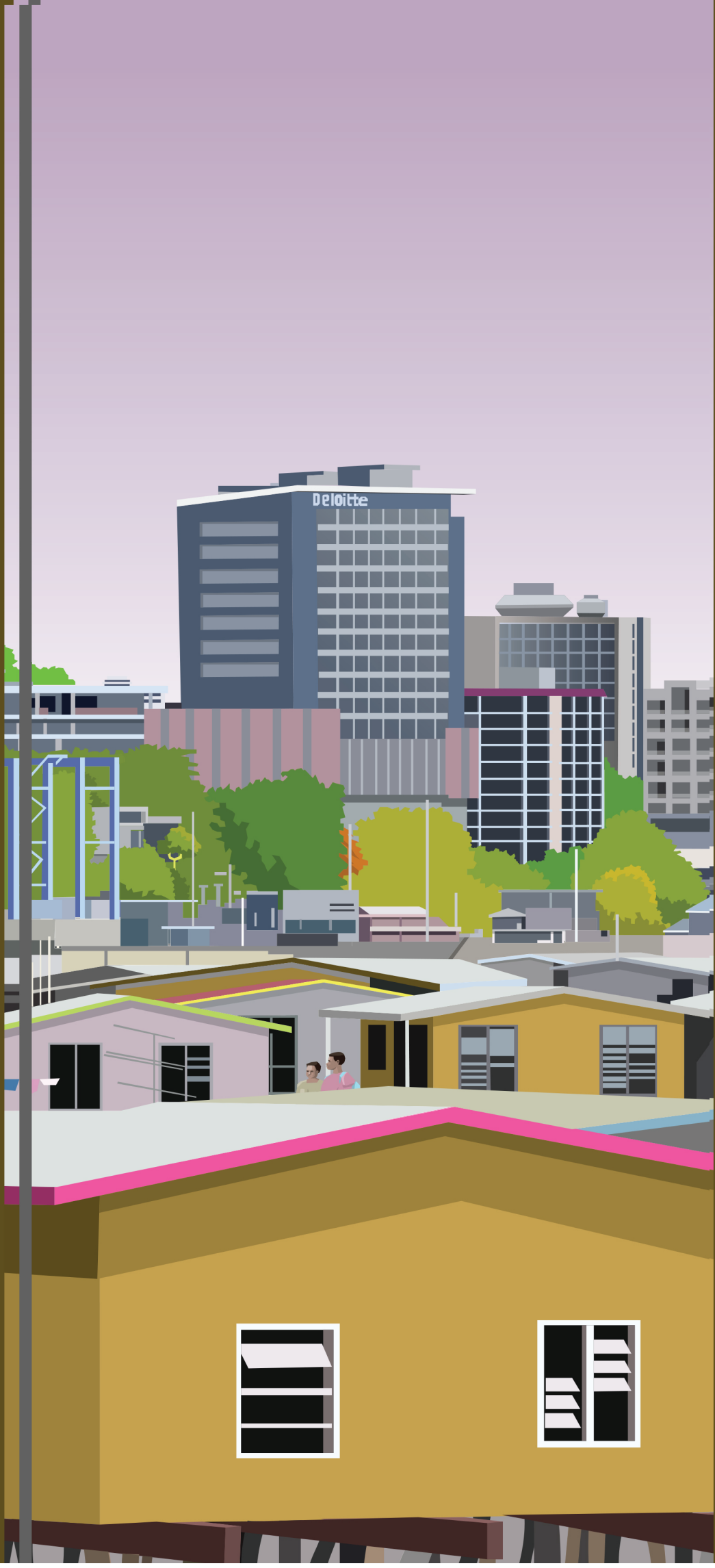
WEST NEW BRITAIN: SUMMARY OF REVENUES (KINA '000s)					
	2016	2017	2018	2019	2020
National Grants	20,564.1	12,061.1	12,758.9	27,707.7	28,048.9
Administration Grant (2008 onwards)	963.7	198.4	983.0	6,844.5	2,286.1
Other Services Delivery Grant (2008 onwards)	1,822.6	887.3	1,302.6	2,221.6	2,692.6
Health Function Grant	4,794.1	3,178.5	0.0	0.0	0.0
Education Function Grant	5,868.1	4,337.6	4,983.6	7,418.3	9,184.5
Transport Infrastructure Maintenance Function Grant	3,829.8	2,065.4	3,265.2	7,400.7	9,520.2
Village Court Function Grant (Introduced in 2007)	353.3	183.2	275.5	505.3	623.0
Land mediation Function Grant (Introduced in 2015)	77.9	56.7	102.8		189.7
Primary Production Function Grant (formally Derivation Grant)	2,854.6	1,154.0	1,846.2	3,317.3	3,552.8
GST distribution from IRC	10,198.0	16,788.0	11,420.3	16,440.4	12,437.0
Bookmakers distribution from IRC	0.0	0.0	0.0	143.0	143.0
Mining and Petroleum Royalties and Dividends	0.0	0.0	0.0	0.0	0.0
Royalties					
Dividends					
Own Source Revenues	5,283.5	3,258.5	2,747.6	7,402.6	3,686.9
Licenses, fees, and taxes	2,695.5	2,691.8	1,987.0	5,009.1	3,433.7
Motor vehicles	2,158.3	2,097.6	1,436.6	4,737.0	2,801.8
Liquor	497.3	593.2	544.3	256.5	429.1
Gambling	0.0	0.0	0.0	0.0	0.0
Land	0.0	0.0	0.0	0.0	0.0
Other licenses, fees, and taxes	40.0	1.0	6.0	15.7	202.8
Commercial Receipts	488.3	238.1	279.1	2,393.5	253.2
Other Revenues	2,099.7	328.6	481.6	0.0	0.0
TOTAL REVENUES	36,045.6	32,107.6	26,926.8	51,693.7	44,315.8

WEST NEW BRITAIN: PGAS INTERNAL REVENUE SUMMARY FILES (KINA)					
	2016	2017	2018	2019	2020
TOTAL NON-OWN-SOURCE REVENUES REMOVED FROM PGAS	39,596,301	37,698,319	39,505,304	32,806,358	27,409,481
Revenue from former years	1,099,297	-900,681	0	0	0
Former Years - Development		100,000	0	0	0
Former Years - Recurrent	1,099,297	-1,000,681	0	0	0
Revenues for development purposes (e.g. SSGs)	0	0	0	0	0
Kimbe Sec Rehab Phase 1	0	0	0	0	0
GST/VAT distributions from IRC	11,177,004	15,389,000	11,420,304	16,440,384	10,364,170
Value Added Tax (VAT)	11,177,004	15,389,000	11,420,304	16,440,384	10,364,170
Bookmakers Tax	0	0	0	0	0
Book Makers	0	0	0	0	0
Mining and petroleum royalties and dividends	27,320,000	23,210,000	28,085,000	0	0
Trust Investment	27,320,000	23,210,000	28,085,000	0	0
Other, including major asset sales and staffing revenue	0	0	0	16,365,974	17,045,311
Public Servants Leave Fares	0	0	0	0	0
TOTAL OWN-SOURCE REVENUES	5,283,511	3,258,500	2,747,622	7,402,623	3,686,871
Licenses, fees, and taxes	2,695,550	2,691,778	1,986,956	5,009,106	3,433,664
Motor vehicles	2,158,290	2,097,611	1,436,638	4,736,973	2,801,777
Heavy Vehicle	120,612	240,080	102,211	72,100	4,800
Public Motor Vehicles	48,904	51,221	32,137	29,487	42,201
Drivers' License/Permit/Renewal	328,115	85,376	63,000	57,201	90,970
MVIL Remittances	1,621,731	1,636,627	1,044,002	4,528,900	2,636,326
TIN Fines	38,928	84,307	195,288	49,285	27,480
Liquor	497,260	593,166	544,318	256,450	429,050
Liquor Licensing	496,760	589,591	531,718	243,250	426,150
Liquor Fines	500	3,575	12,600	13,200	2,900
Gambling	0	0	0	0	0
Lottery	0	0	0	0	0
Other licenses, fees, and taxes	40,000	1,000	6,000	15,683	202,837
Retail Sales Tax - Services	0	0	0	0	0

Provincial Tender Fees	40,000	1,000	6,000	143,400
Business Licenses			3,133	37,150
Small Craft Registration Fees			12,550	22,287
Land	0	0	0	0
Land Tax	0	0	0	0
Commercial receipts, user charges, returns on investments, etc.	488,286	238,144	279,056	253,207
Housing Rental {WNBPG}	20,097	18,411	24,904	11,620
FMA LEVIES	0	20,083	0	0
FOREST MANAGEMENT AREAS	0	0	31,114	211,698
Timber Levies	297,071	196,234	215,852	241,586
Rental - Business Prom Centre	2,840	0	0	0
Ship Hire	162,119	0		0
Disposal of Provincial Assets	9,000		38,300	35,300
Other revenues	2,099,675	328,578	481,610	0
Miscellaneous	99,675	328,578	481,610	0
Forestry Infrastructure Grant	2,000,000	0	0	0
Total PGAS Revenues	44,879,812	40,956,819	42,252,926	31,096,352



NATIONAL ECONOMIC & FISCAL COMMISSION



PROVINCIAL REVENUE REPORT 2019-2020