



# SHADOW MINISTER FOR TREASURY & FINANCE

PO Parliament House

Waigani.NCD

m: +675 71111777

e: [chairman@kdda.gov.pg](mailto:chairman@kdda.gov.pg)

## 2019 National Budget – Transparency requirements

“I welcome the announcement that the 2019 Budget will be released on 13 November. This is probably the most important policy document from the government each year. It has a vital role in informing our people about how their hard earned taxes will be used by the government. There is a need to ensure the budget is transparent and accountable” stated the Shadow Minister for Treasury & Finance Ian Ling-Stuckey.

“One key requirement for the 2019 Budget is a clear statement of the full costs of hosting the APEC meeting. This should include all direct and indirect financing from the PNG government, as well as the value of all funds and support provided by other governments and the private sector. It should also clearly include all tax expenditures, such as the K170m tax credit for APEC Haus as well as a clear statement of the treatment of the Maseratis and Bentleys that have so damaged the standing of PNG in the eyes of the international community” said Mr Ling-Stuckey.

“It also needs to provide a very clear statement on the level of unpaid bills, and how this has changed over recent years and is expected to change in future years. We know that one way the government has been pretending to reduce the deficit is simply not paying private sector contractors who have done work under fair contracts and reasonably expected to be paid. We need such numbers to avoid the dodgy accounting practices used by Treasurer Abel in the 2018 Budget.

“Treasurer Abel also needs to be more transparent about tax revenues. Any figures need to include very clear statements on gross GST collections, GST refunds, GST paid to provinces and net GST. We know the Treasurer is playing games in this area. For example, even the 2019 Budget Strategy indicated that on the revenue side there would be large increases in consumption taxes between 2019 and 2022. The largest of these is the GST, and much of this should be then distributed to

the provinces. However, the same 2019 Budget Strategy failed to include any increased GST transfers to the Provinces.

“Non-tax revenues are a massive grey area. For example, the 2018 Budget assumed that there would be K400m collected from the National Fisheries Agency under “sweep” arrangements, and a further K400m collected in 2018 itself. So how much of this K800m has actually been received in 2018 I’ve asked for this information before – indeed, I included it as the type of information which if provided would have led to an “economic peace agreement” in the lead-up to APEC but the Treasurer failed to deliver” stated the Shadow Treasurer.

“The 2019 Budget also needs to be built on realistic foundations. I do hope that the figures in the budget are actually based on the latest available estimates from the National Statistics Office. We know that the government blocked the release of the 2015 GDP figures when it looked like they were going to confirm the non-resource economy was in a severe recession. Be transparent and use the latest available information even if ratios such as the debt to GDP ratio climb above the legal debt limit of 35%.

“As my recent analysis of the 2018-22 Medium Term Development Plan has indicated, it is positive that the capital expenditure figures match with the 2019 Budget Strategy. However, the recurrent cost implications of the Plan clearly are not reflected in the 2019 Budget Strategy. There is a need for full co-ordination between these documents for proper planning. Either include the necessary funding for the Plan in the 2019 Budget, or withdraw the Plan and correct its large number of errors and unrealistic assumptions.

“I look forward to greater transparency in the budget. If there is more transparency, then it is less likely that I will find the revenue figures and expenditure figures to be fake as I did last year. I look forward to reviewing the Budget, and then the government continuing with the important tradition within a democracy to allow the Alternative Government the Budget Reply on 20 November. On my part, with increased transparency, I can promise to give a shorter budget reply this year” said Mr Ling-Stuckey.

**Hon. Ian Ling-Stuckey, CMG, MP**  
**Shadow Minister for Treasury & Finance**

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