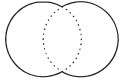


# Papua New Guinea

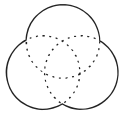
## Overview



### Transparency:

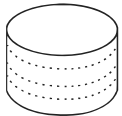
**50** /100

(Open Budget Index score)



### Public Participation:

**0** /100



### Budget Oversight:

**28** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

**The Open Budget Survey (OBS)** is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

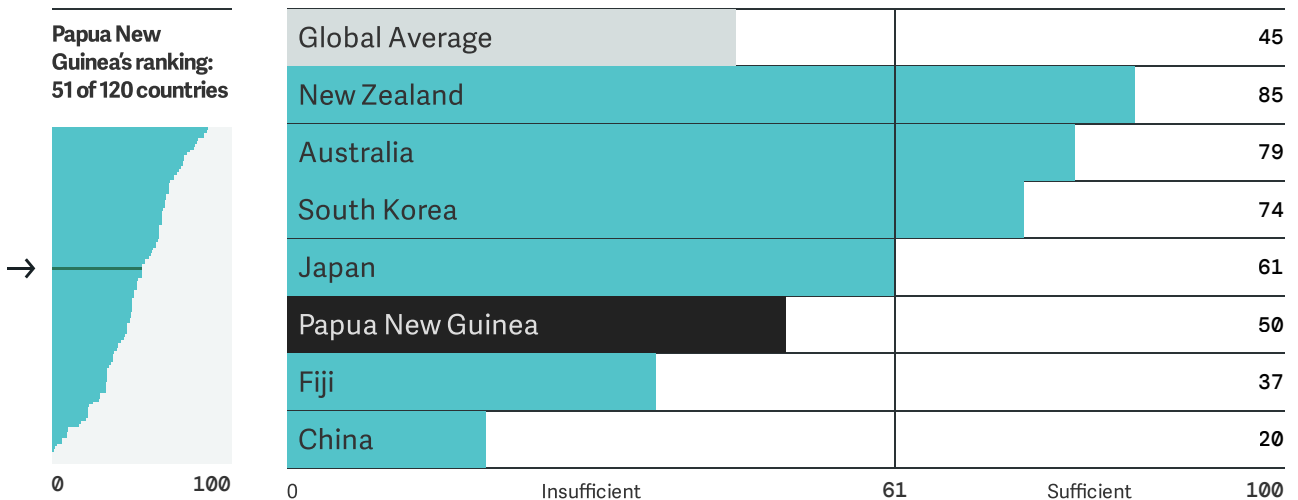
Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

# Transparency

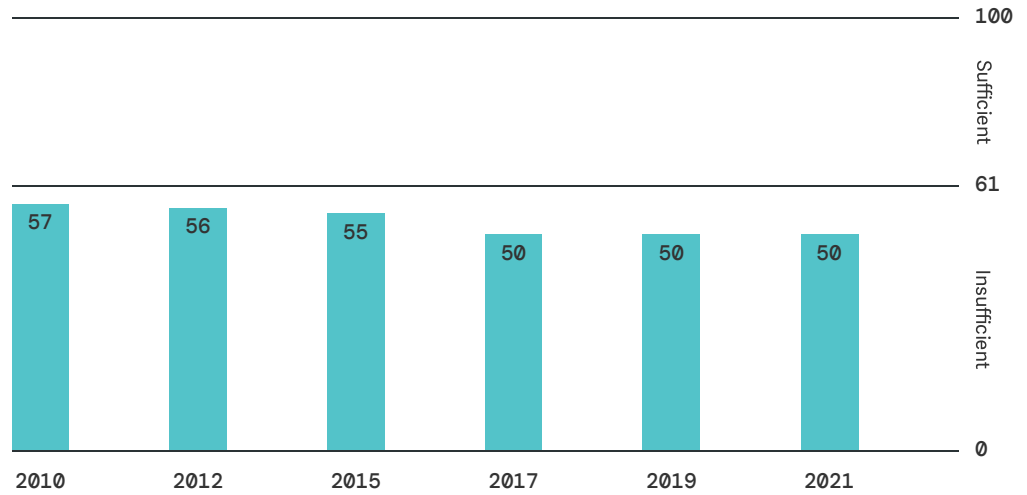
This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

Papua New Guinea has a transparency score of **50** (out of 100).

## Transparency in Papua New Guinea compared to others



# How has the transparency score for Papua New Guinea changed over time?



## Public availability of budget documents in Papua New Guinea

KEY	
<span style="color: green;">●</span>	Available to the Public
<span style="color: yellow;">●</span>	Published Late, or Not Published Online, or Produced for Internal Use Only
<span style="color: red;">⊘</span>	Not Produced

Document	2010	2012	2015	2017	2019	2021
Pre-Budget Statement	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Executive's Budget Proposal	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Enacted Budget	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Citizens Budget	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>
In-Year Reports	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: yellow;">●</span>
Mid-Year Review	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Year-End Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Audit Report	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>

# How comprehensive is the content of the key budget documents that Papua New Guinea makes available to the public?

KEY	
<span style="color: #007060;">●</span> 61-100 / 100	
<span style="color: #00A08A;">●</span> 41-60 / 100	
<span style="color: #90EE90;">●</span> 1-40 / 100	

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021	89
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2021	65
Enacted Budget	The budget that has been approved by the legislature.	2020	Published Late
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2021	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2020	Internal Use
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020	81
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019	52
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019	Not Produced

Papua New Guinea's transparency score of **50** in the OBS 2021 is largely the same as its score in 2019.

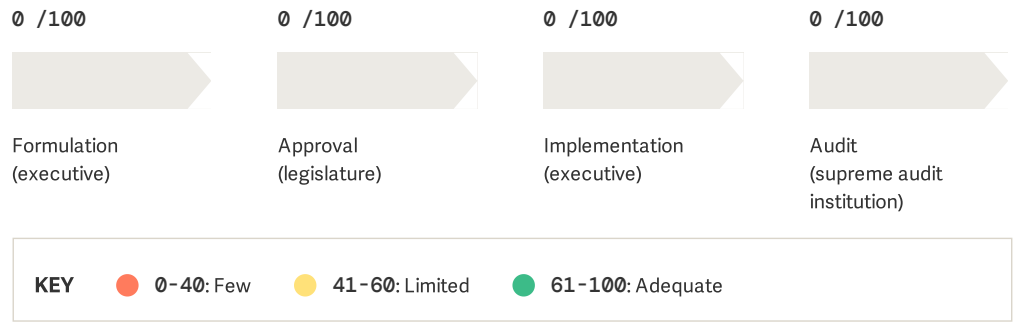
## Recommendations

Papua New Guinea should prioritize the following actions to improve budget transparency:

- Publish the Enacted Budget and In-Year Reports online in a timely manner.
- Produce and publish the Citizens Budget and Audit Report of the government's financial statements online in a timely manner.
- Include in the Executive's Budget Proposal an explanation of how the government's proposed policies, both new and existing, are related to budget allocations, and details of domestic and international borrowing, including interest rates and maturity profile. In addition, Papua New Guinea should increase the information in the Executive's Budget Proposal on extra-budgetary funds and contingent liabilities, particularly of the State-Owned Enterprises.
- Include in the Year-End Report comparisons between borrowing estimates and actual outcomes, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.



# Extent of opportunities for public participation in the budget process



## Recommendations

To further strengthen public participation in the budget process, Papua New Guinea's Department of Treasury should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, either directly or through civil society organizations representing them.

Papua New Guinea's National Parliament should prioritize the following actions:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval.
- Provided that it is produced and published, the Parliament should allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Papua New Guinea's Auditor General's Office should prioritize the following actions to improve public participation in the budget process:

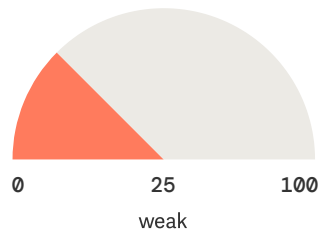
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

# Budget Oversight

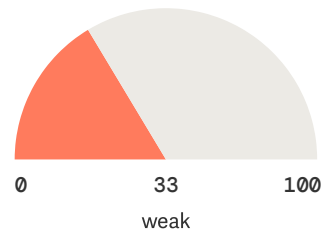
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Papua New Guinea, together, provide weak oversight during the budget process, with a composite oversight score of **28** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



**KEY** ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

## Recommendations

Papua New Guinea's National Parliament provides weak oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.
- Legislative committees should examine the Executive's Budget Proposal and publish reports with their analysis online.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.



- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units or reduces spending due to revenue shortfalls during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by Papua New Guinea's Auditor General's Office, the following actions are recommended:

- Parliament and the Government should improve the appointment process for the Auditor General's Office, by amending the Constitution to mandate that the Auditor General be appointed through an independent process. For example, the Governor-General could act on the advice of a Constitutional appointment committee composed of the judiciary, legislature, and other independent Constitutional Office holders.
- The Auditor General's Office should be provided adequate funding to perform its duties, as determined by an independent body such as Parliament or a Parliamentary Committee.
- Ensure audit processes are reviewed by an independent agency.

### **The emerging practice of establishing independent fiscal institutions**

Papua New Guinea does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

*\*These indicators are \*not\* scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
Paul Barker  
Institute of National Affairs  
P. O. Box 1530 Port Moresby, NCD, Papua New Guinea  
[paul.barker@cimcpng.org](mailto:paul.barker@cimcpng.org)
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Papua New Guinea by a representative of the Department of Treasury.