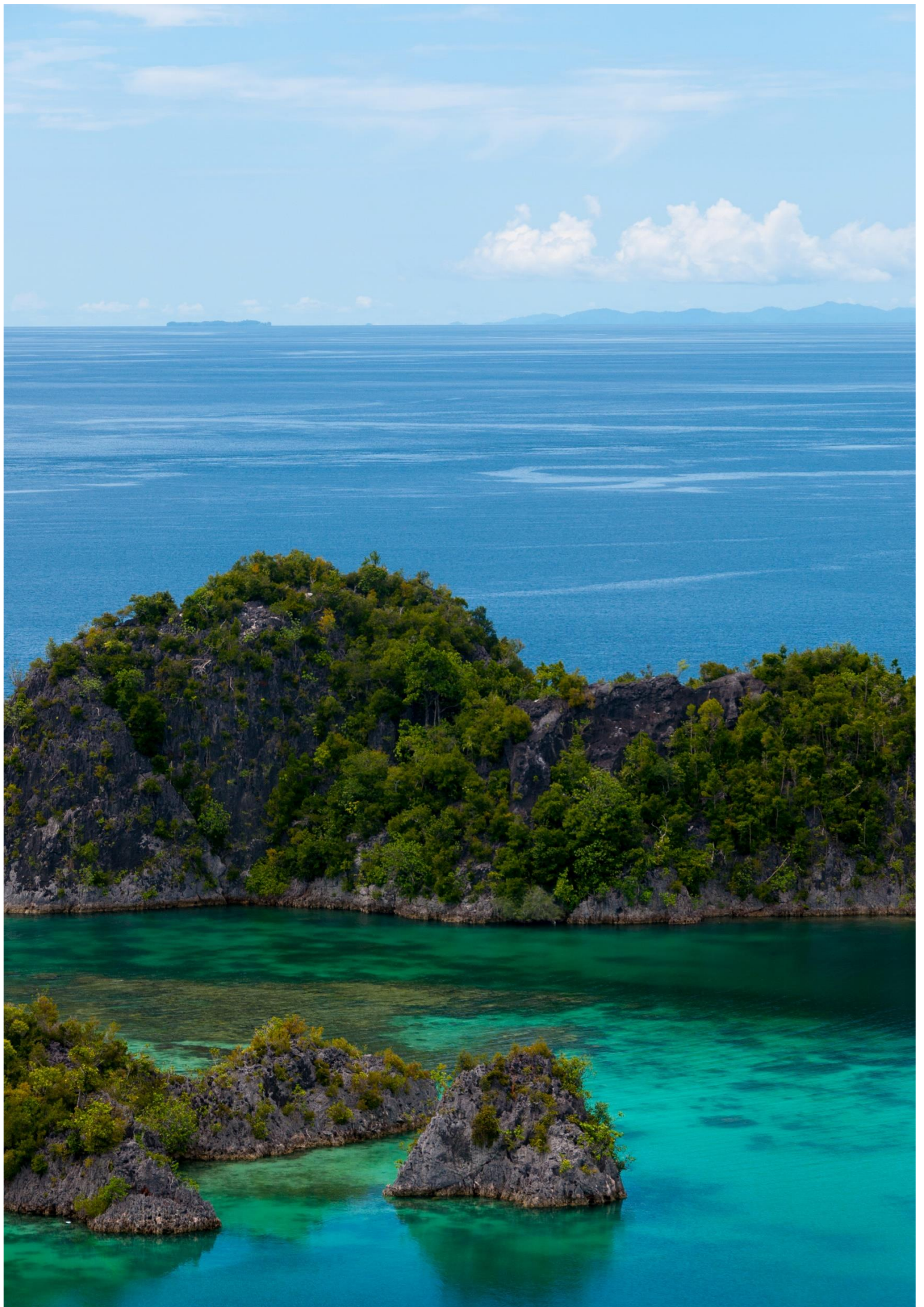


Papua New Guinea Budget 2023
Implementing the Vision

Budget Alert



Executive summary

Doubling Down on the Vision

The 2023 Budget theme is “Implementing the Vision”. A central feature of this vision is Budget repair, with the objective to return to a surplus by 2027. While this comprises the largest ever Budget in PNG’s history, at K24,566.9 million, it does forecast revenues growing at 20.8% compared to expenditures growing at 10.9% in 2023, which reduces the size of the budget deficit itself compared to 2022. Over the medium term, the debt to GDP ratio is forecast to reduce at about 1% per year from the 2023 high of 52.3%.

The Budget continues to look well beyond the current parliament’s term and is delivered with a 13-year fiscal plan. Long-term forecasts predict the Government could repay all debt by 2034. Of course, a lot can and will change before then and its likely decisions to spend on human and capital development will take priority over zero Government debt. Borrowing to develop key areas can drive GDP growth, which in turn drives down the debt to GDP ratio, provided GDP growth is relatively higher.

The Marape-Rosso Government states their vision is driven by the ideals to take back PNG and to leave no child behind. The focus continues to be:

1. A strong economy through competent fiscal and monetary policy
2. Connect PNG through key infrastructure to achieve broad based economic development
3. Going rural, noting 85% of the populations is engaged in this sector; and
4. Good governance of public administration.

The key will be whether the ongoing challenge of increasing revenue collection targets to meet these goals can be met.

Key Risks and Challenges

While Covid restrictions may appear largely behind us its effects linger on. The world economy hasn’t rebounded as hoped with additional challenges including high inflation and supply chain issues still hampering growth.

Energy, security and the weaponisation of Russian gas and OPEC oil means that PNG is particularly well placed to step into the transitional energy breach.

The increased resource prices have and will continue to benefit PNG, food shortages for a world of now in excess of 8 billion people provides agricultural opportunities, while geopolitical wrestling only adds to PNG’s ability to attract investment.

As witnessed in COP27, there is a growing realisation of a need for climate action, particularly from wealthy nations. PNG is certainly affected by climate change, but its wealth of cultural and natural biodiversity also puts PNG in a place to leverage benefit from climate policies and actions. We see this as a key area requiring development for PNG in the immediate future.

Finding skilled workers and foreign currency will remain challenges for businesses, as does access to reliable infrastructure. Projects will provide both challenges and progress in respect of these. The Budget growth model also assumes that production at Porgera will commence in the second quarter, and by itself is 1.2% of the overall GDP growth. This, and falls in commodity prices, pose a risk.

However, since PNG LNG completed construction in 2014 there has been a sense of waiting for next wave of investment. There is now a positive feeling we are on the cusp of this next wave.

If there are moments for PNG to seize its opportunities, this feels like one of them. It will be up to the Government to make the most of this unique opportunity in history.

Executive summary

Winners

1. **Education** – The budgeted funding for the education sector sees a 102.2% increase from the 2022 Supplementary Budget. This includes major expenditures on the Government Tuition Fee Subsidy, Higher Education Loan Program and curriculum development.
2. **Provinces** – Provincial administrators will have a bigger budget to work with, seeing their funding climbing to K5.2 billion to fund a range of capital and operational provincial activities. This is a further move back to decentralisation.
3. **Law and Justice** – This area also sees a significant increase in funding. A key announcement was an increase in the police force from 5,000 to 8,400 personnel by 2027.
4. **Transport** – key to Connect PNG and opening economic corridors, the transport sector will see a 52.8% increase in the 2023 Budget (from the 2022 Supplementary Budget) with just over K2 billion allocated for capital development.
5. **Employees** – Individuals paying personal income tax, being primarily employees, will see a reduction in their tax through the increase in the tax-free threshold to K20,000 per annum. For those earning above K20,000, this will put an extra K1,650 for the year in their pockets (from the prior threshold of K12,500).
6. **Fuel users** – While the temporary GST exemption on fuel won't be extended beyond 31 December 2022, the excise exemption will be extended to 30 June 2023 thereby providing some ongoing price relief. Just remember to fill up before 1 January 2023 before GST kicks back in.

Not on the podium

1. **Banks** – The banking sector is again targeted to raise revenues, with a substantial increase in the corporate tax rate to 45%. How this will impact customers, shareholders and general liquidity in the market is difficult to quantify. The hope is the Government's effective use of these funds can offset such negative impacts.
2. **Non-tax revenues** – State agencies and authorities will be affected by the Non-Tax Revenues Administration Act. The sweeping of non-tax revenues collection into a central fund is expected to raise revenue by K550 million. But history suggests this will create difficulties for the affected bodies to manage their costs, and for suppliers to these bodies to be paid in a timely manner. On top of this, the 2023 Budget allocation to Administration, being the funding for Government agencies and authorities, is one of the few areas to see a decline in Budget funding from 2022.
3. **State Owned Enterprises (SOEs)** – Even if SOE's are excluded from non-tax revenue requirements, they won't be left alone. Treasury intends to engage quarterly with SOE's and there will be renewed pressure on them to improve their contributions to Government revenue, particularly Kumul Petroleum Holdings Limited whose dividend are budgeted at K1.3 billion. This will put pressure on the SOE's own investment objectives.
4. **Utilities** – While the utilities sector is allocated an increase in funding of 7.3% on the prior year, given the significant investment required for businesses and households to get access, or more reliable access to key utilities, the increased funding would not appear to be enough to accelerate the investments required in this sector.

Final thoughts...

Papua New Guinea's budget is handed down against a challenging backdrop of an ongoing Russia-Ukraine war (and gas supply shortage across Europe), rising inflation and increased competition between the US and China. This geopolitical competition will continue to play out with PNG being a focal point of that attention.

Further, following COP27, there is evidence of a growing recognition from the developed world that climate change must be addressed.

PNG is uniquely placed to enhance its position across all these dimensions of:

- Transitional energy (particularly gas)
- Climate change; and
- Geopolitical competition.

Fiscally, we are pleased to see that PNG's credit rating has improved and that there remains a real focus on prudent management of the Government's finances. It is now time for PNG to capitalise on that through shrewd economic management and growth across resource and non-resource sectors of the economy. There's a balancing act and fiscal policy, including taxation of banks, should be designed to attract investment activities.

To enhance its present opportunities, PNG should be looking to accelerate resource projects to capture the transitional energy window whilst balancing this against the rapidly increasing global movement to decarbonisation and renewables.

Future renewable industries are heavily dependent on mining and metals, which PNG is also well placed to provide well into the future. Such proceeds can then be reinvested to enable diversification of the PNG economy.

Key metrics

Fiscal policy



Government Debt – High but forecasted to track downwards

The debt to GDP ratio is forecast to reach 52.3% in 2023 but thereafter reduce on average by 1% per year. A budget surplus is forecast by 2027, with the debt to GDP ratio falling to 46.8% in that same year.



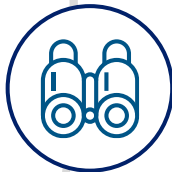
Economic growth – Sustained growth moderating slightly

The economy is expected to grow at 4.0%, 4.6% in the non-resource sector and by 2% in the resource sector. Overall growth is expected to moderate to 3.8% growth in the medium term.



Expenditure budget – Record expenditure in a Budget

Most Government sectors will benefit from increased Budget allocations in 2023. The two main exceptions are Health (due to spreading of capital investments) and Administration. Capital investment is allocated nearly K9.8 billion, while operating expenditure rises to K14.7 billion.



Revenue – Record collection of K19.582 billion

Revenues are expected to grow at nearly double the rate of increase in expenditures, based on high resource prices, increased taxing of banks, improved collections and more dividends from SOEs, in particular Kumul Petroleum Holdings Ltd. This has resulted in a reduction in the Budget deficit forecasted in 2023, being K4.985 billion from K5.985 billion in 2022.



Foreign Exchange Reserves – Continued Increase

Despite ongoing foreign currency shortages in the domestic market, Central Bank foreign exchange reserves are expected to increase to a record high of K13 billion in 2023.



Inflation – Fiscal and debt related

Inflation is expected to average 6.6% in 2022. This is expected to ease in 2023 to 5.7%



Employment and wages

Employment rates are on the rise after a decline during Covid. For the year ending 30 June 2022, employment growth stood at 7.4% per Bank of PNG Statistics. The minimum wage, however, has not increased since the last determination in July 2016 and a review into how minimum wages is established is underway.



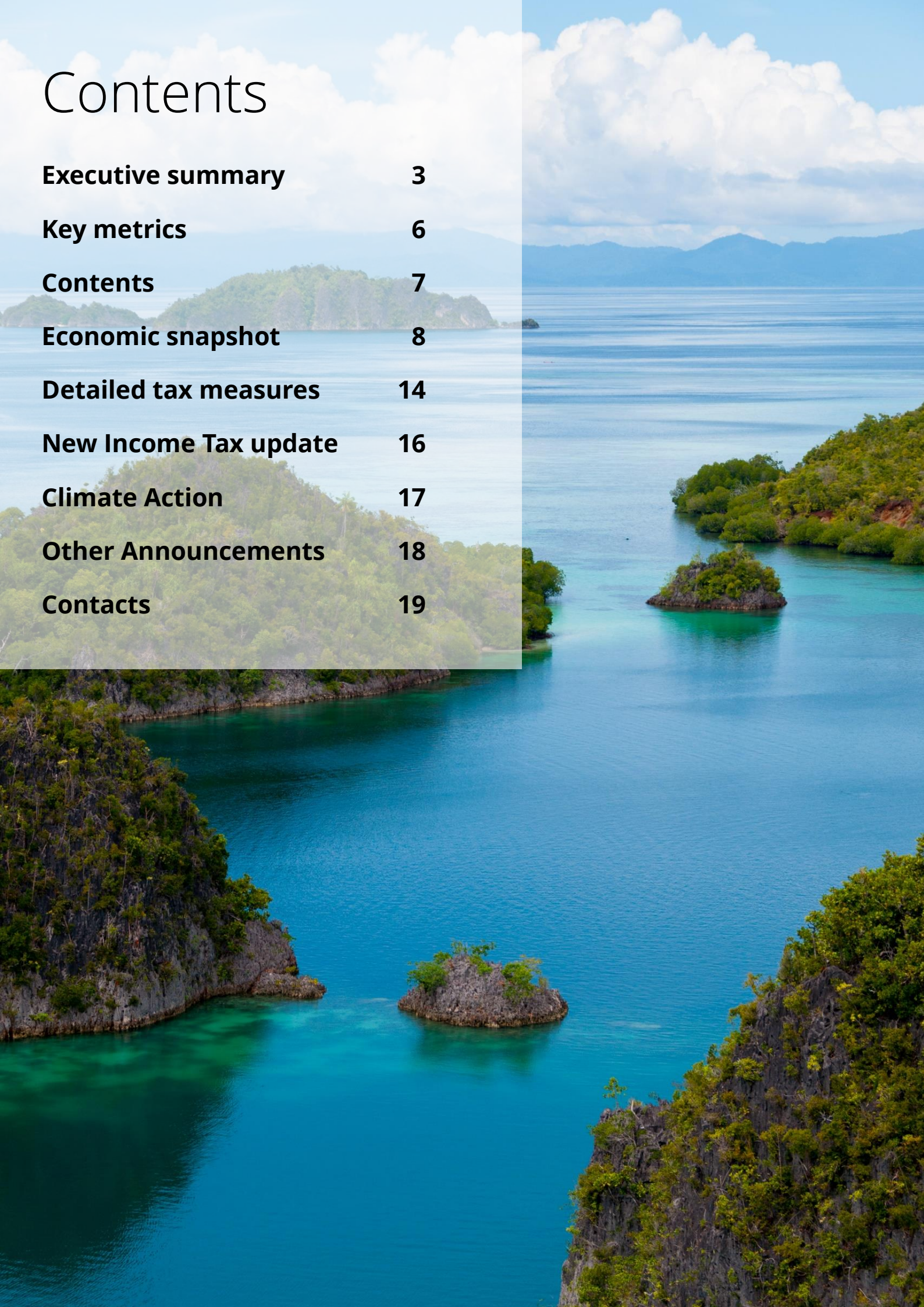
Key Metrics

Fiscal deficit of K4,985 million for 2023, 4.4% of GDP

Economy expected to grow at 4%

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Economic snapshot



It is the Government's intention to build a strong economy on the back of a competent fiscal and monetary policy. While PNG has not been immune from the impact of geopolitical tensions, global supply chain disruptions and inflationary pressures across the globe, higher commodity export prices have helped in lessening this impact, as have the Government's temporary measures to counter inflation.



Real growth in the non-resource sector is estimated to have increased to 4.5%, 0.1 and 1.2 percentage points higher than the 2022 MYEFO and 2022 Budget. Growth in this sector was revised up to reflect stronger performance recorded in the Business Liaison Sectors. Growth in the resource sector is underpinned by a favourable performance in the mining and quarrying sector, which recorded a 13.5 per cent growth in 2022. While Porgera remains closed Ok Tedi, Lihir and Simberi appear to have recovered from the 2021 production disruptions.

Key facts and figures

Table 1: Key macroeconomic indicators (Source: Department of Treasury)

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Est.	2023 Budget
Economic Growth								
Total real GDP (%)	2.2	-0.3	4.5	-3.2	1.5	5.4	4.7	4.0
Non-Mining Real GDP (%)	1.5	4.0	1.6	-0.4	3.9	3.5	4.4	4.6
Inflation								
Year Average (%)	5.4	4.7	3.6	4.9	5.0	5.6	6.2	5.7
Interest rate								
Kina Rate Facility (KFR)	6.25	6.25	5.5	3.0	3.0	3.0	3.25	3.25
Inscribed Stock (3-year yield)	9.7	9.0	9.7	9.0	9.8	9.8	6.0	6.0
Mineral Prices								
Gold (US\$/oz)	1,258	1,270	1,392	1,770	1,800	1,788	1,783	1,812
Copper (US\$/tonne)	6,166	6,517	6,006	6,170	9,308	9,059	9,475	7,910
Oil (Kutubu Crude: US\$/barrel)	51	65	57	39	68	64	103	83
LNG (US\$ per thousand cubic feet)	8	10	11	8	11	10	17	13
Condensate (US\$ per barrel)	51	65	57	40	68	64	103	83
Nickel (US\$/tonne)	10,415	13,109	10,960	10,639	17,147	14,080	17,647	17,602
Cobalt (US\$/tonne)	55,988	72,820	22,836	21,483	44,430	40,159	50,745	43,355
Agriculture Prices								
Copra oil (US\$/tonne)	4,519	3,026	2,314	2,643	4,850	5,463	1,648	5,592
Cocoa (US\$/tonne)	6,329	7,552	7,934	8,210	8,518	9,501	2,335	8,045
Coffee (US\$/tonne)	10,714	10,128	10,228	12,552	17,289	17,100	5,978	19,174
Palm oil (US\$/tonne)	2,155	1,867	1,717	2,215	3,505	3,364	1,106	3,156

Economic snapshot



Table 2: Overall Budget balance (Source: Department of Treasury)

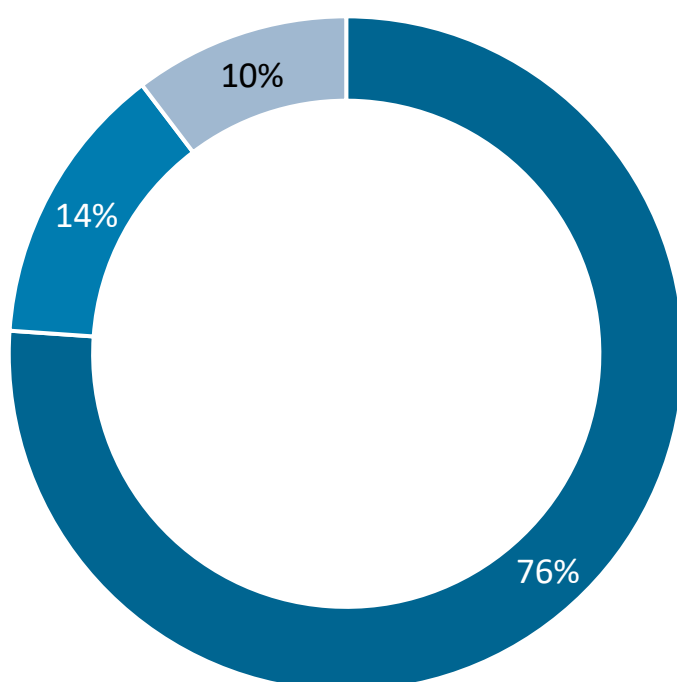
	2020 Actual	2021 Actual	2022 Budget	2022 Suppl. Budget	2023 Budget
Revenue	12,093.3	13,860.4	16,190.2	17,389.1	19,582.0
Expenditure	19,397.8	20,130.8	22,174.8	23,373.6	24,566.9
Net deficit	-7,304.5	-6,270.4	-5,984.6	-5,984.5	-4,984.9
% of GDP	-8.6%	-6.8%	-5.9%	-5.6%	-4.4%
Government debt (% GDP)	49.2%	52.18%	53.3%	50.24%	52.3%

Revenue, expenditure and net deficit figures are in PGK million



The K4,985 million net deficit will be funded through public debt consequently increasing the Government's public debt level to K59.142.7 million or 52.3% of GDP.

Chart 1: Source of Revenue (Source: Department of Treasury)



In 2023, total revenue is projected to increase to K19,582 million, being K2,192.1 million or 12.6% higher than 2022 Supplementary Budget, with half of this increase expected from increased tax revenues and the other half from SOE dividends.

GST collections are projected to go up by K622.1 million in 2023 while the substantial increase in dividends from SOE's of K1,060 million is primarily sourcing from Kumul Petroleum Holdings Limited. The Non-tax Revenues Act is expected to also collect K550 million.

■ Tax Revenue ■ Other Revenue ■ Grants

Economic snapshot



2023 Highlights

Table 3: Tax revenue by source (Source: Department of Treasury)

Tax Revenue (PGK million)	2021 Outcome	2022 Budget	2022 Supp. Budget	2023 Budget
Personal Income Tax (PIT)	3,467.9	3,608.3	3,316.6	3,518.2
Company Tax (CIT)	1,690.3	1,763.2	1,763.2	2,394.5
Mining and Petroleum Taxes (MPT)	635.4	738.4	3,000	2,341.8
Withholding and Other Income Taxes	562.5	469.2	762	680.4
GST	2,457.2	3,223.4	2,699.5	3,321.7
Stamp Duties	1.4	51.8	51.8	61.6
Excise Duty	998.3	1,192.9	729.7	1,105.7
Import Excise	282.8	314.7	283.9	154.8
Bookmakers' and Gaming Machine Turnover Tax	234.7	288.7	338.6	358.6
Other Taxes on Goods and Services	19.4	23.7	27.3	13
Import Duty & Import Taxes	379.7	419.9	419.9	440.2
Export Tax	399.1	428.5	439.5	509.2
Grand Total	11,128.7	12,522.7	13,832.0	14,899.7

Compared to 2022 forecasts, tax revenues are projected to increase by 7.7% amounting to PGK14,899.7 million (13.2% of GDP) in 2023. The moderate increase is expected on the back of anticipated global commodity price moderation and dissipation of pent-up global demand. The non-tax revenue is expected to increase strongly by 53.4% to K2,657.4 million (2.3 per cent of GDP).



Personal Income Tax is expected to increase by 6.1% to 3,518.2 million in 2023 despite the Government foregoing K280.0 million in collections from the raising of the income tax free threshold. Continuous strong corporate earnings coupled with the robust non-sector growth is expected to see a 35.8% growth in the corporate income tax.

A decrease is budgeted from mining and petroleum taxes which is driven by the anticipated moderation in oil price in 2023 and overassessment of these taxes in 2022.

Economic snapshot



Chart 2: Other revenue by source (Source: Department of Treasury)

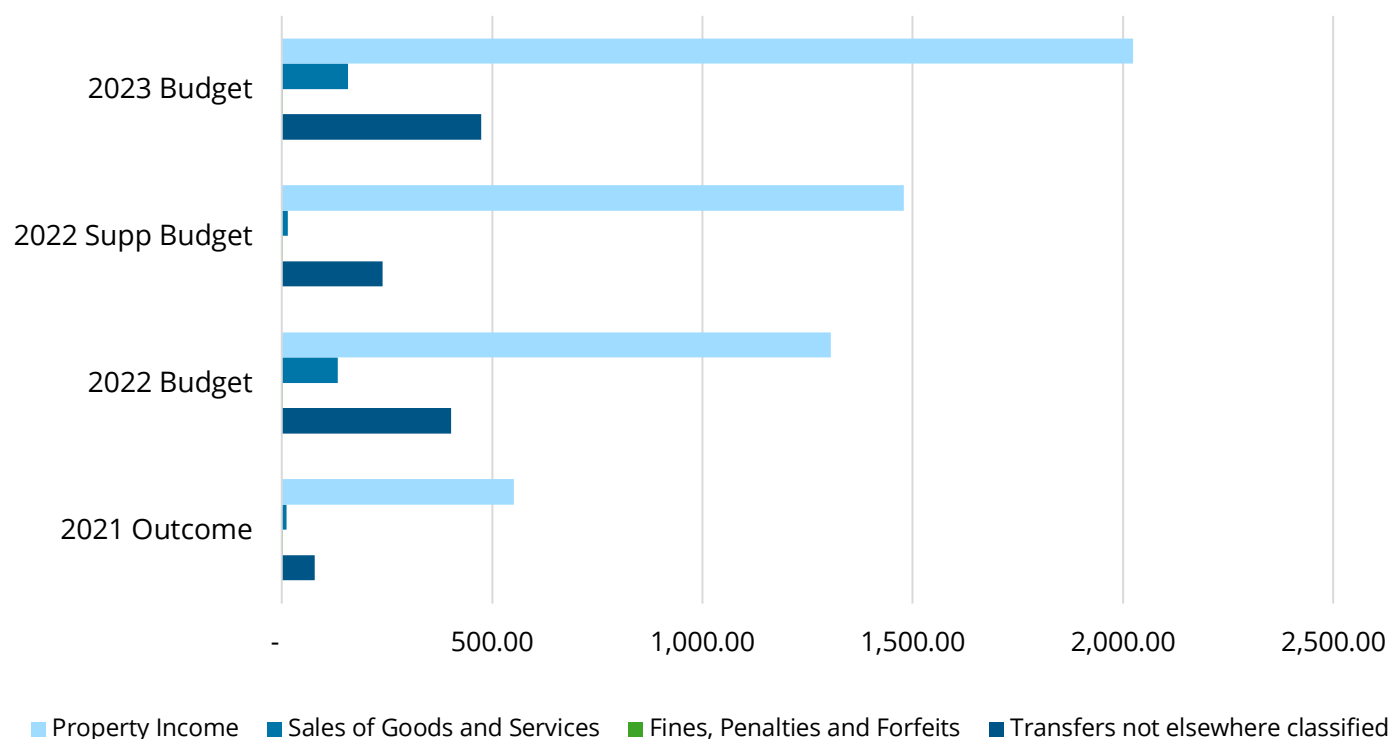


Table 4: Other Revenue

	2021 Outcome	2022 Budget	2022 Supp Budget	2023 Budget
Grand Total	643	1,842.6	1,732.7	2,657.4
Transfers not elsewhere classified	78.6	403.2	239.2	474.7
Fines, Penalties and Forfeits	1.2	1.1	1.1	1.9
Sales of Goods and Services	11.4	132.5	14	156.7
Property Income	551.8	1,305.8	1,478.5	2,024.1

Figures in PGK million



Property income predominantly consists of dividend revenues. In light of the high commodity prices in 2022, the Government is expecting Kumul Petroleum Holdings (KPH) and Ok Tedi through Kumul Mineral Holdings (KMH) to pay K1,300.0 million (2022: K450 million) and K382.5 million (2022: K700 million) of dividends respectively. The Government is also expecting to receive K150.0 million from Kumul Consolidated Holdings (KCH)

Economic snapshot



2023 Capital budget

Table 5: Development Partner Contributions

Development Partner (PGK million)	Grants	Loans	GoPNG Counterpart
ADB	206.0	532.2	123.0
Australia	1,326.2	60.7	28.5
China	36.0	15.0	40.0
European Union	146.6	-	9.0
International Fund for Agriculture Development	1.8	-	1.0
Japan	66.3	355.2	5.0
New Zealand	15.0	-	-
Global Partnership in Education	5.0	-	1.0
United Nations	220.2	-	-
World Bank	2.0	192.9	28.0
Total	2,024.9	1,156.0	235.5



The Budget has stated the Marape-Rosso Government will continue the implementation of some of the key capital investment projects undertaken in 2021 and 2022.

The total development partner assistance in grants is PGK2,025 million which makes up 33% of the total capital budget. The grants and loans increased by 21.7% compared to 2022. Australia by far continues to be the provider of largest share of grants followed by UN. There are no grants from USAID in 2023 compared to 2022.

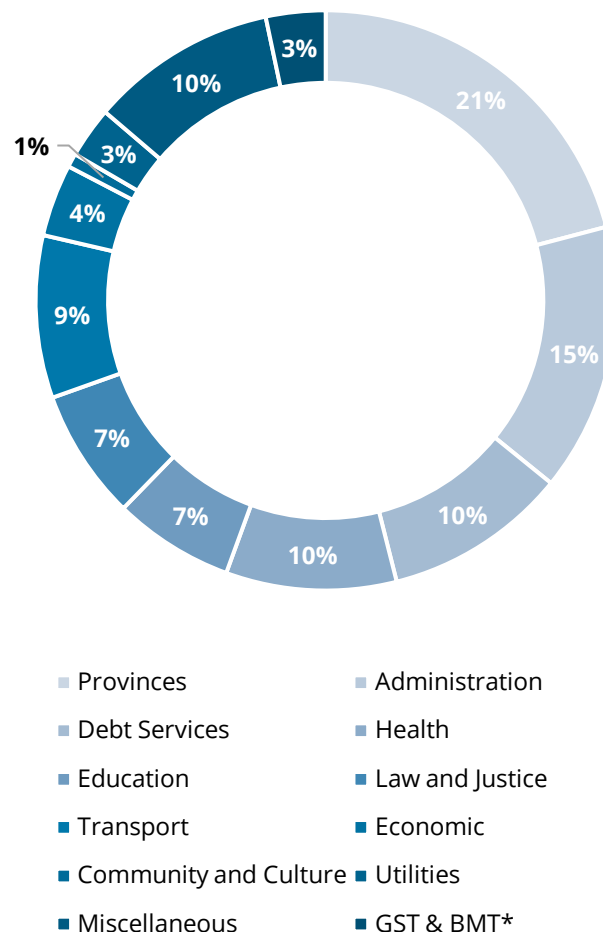
The concessional loan component will be used to finance infrastructure investments in the transport and power sectors. Grant financing will support some infrastructure but mainly soft activities such as administration, governance, capacity building, etc.

Economic snapshot



Chart 3: Where does PNG's expenditure go? (Source: Department of Treasury)

Expenditure by Sector	2022 (PGK million)	2023 Budget (PGK million)
Provinces	4,249.9	5,138.6
Administration	3,882.3	3,667.1
Debt Services	2,324.4	2,511.0
Health	2,554.6	2,335.3
Education	1,403.5	1,649.5
Law and Justice	1,385.7	1,786.7
Transport	1,438.9	2,226.2
Economic	917.7	989.3
Community and Culture	175.0	187.3
Utilities	516.8	698.9
Miscellaneous	2,604.5	2,560.7
GST & BMT*	721.1	816.0



2023 expenditure is expected to reach PGK 24,566.9 million which is 5.01% higher than the 2022 Supplementary Budget.

The Budget states that the Government will ensure that the 2023 Budget continues to fully fund Government service priorities in the health, education, law & order, and infrastructure sectors. The 2023 Budget also focuses on investing in MSMEs.

It was noted that glaring inefficiencies surfaced during the 2023 Budget process that saw high level of non-compliance by agencies. Expenditure efficiency measures will continue to be implemented in the 2023 budget through various actions.



*Goods and Services and Book Makers Transfers

Detailed Tax Measures



Personal Tax Relief

- The tax-free threshold has been increased to K20,000 for resident taxpayers. This is, however, legislated as a temporary lifting of the tax-free threshold, being for the 2023 year only. Saying that, it may be difficult for the Government to reverse this increase in the future. The existing temporary threshold is K17,500 increased from K12,500 on 1 June 2022. This new measure represents an increase of K63 in take home pay per fortnight over the equivalent period in 2021. This measure is expected to reduce Government revenue by K280 million.

Rates of Tax for the period 1 January 2023 to 31 December 2023. (Source: 2023 Appropriation bills and 2023 Taxation Amendment bills)

Column 1	Column 2
Parts of taxable income	Percentage
The part of the taxable income that -	
does not exceed K20,000	0
exceeds K20,001 but does not exceed K33,000	30
exceeds K33,001 but does not exceed K70,000	35
exceeds K70,001 but does not exceed K250,000	40
exceeds K250,001	42

Straight after the tax-free threshold the tax rate now starts at 30%

Corporate Tax Increase for Banks

- The corporate rate of tax for commercial banks will increase to 45% from 1 January 2023. It is not clear how this will apply to Westpac and ANZ who have year-end dates of 30 September. This measure is expected to raise K240 million in 2023. The Government commits to closely working with the banking industry to consider if a different tax would be more appropriate by 2024 onwards.
- This will have a significant impact on the return to shareholders, including superannuation funds and landowners (and thereby their members) who have invested in the commercial banks.
- A clear indication that this is not intended to be a temporary measure, is that this replaces the banking levy which applied for the 2022 income year.
- This time, there was no equivalent tax changes for the telecommunications sector.

Detailed Tax Measures



Excise duties and GST

- The temporary reduction in excise duties on fuel will be extended to 30 June 2023. However, the GST exemption will cease after 31 December 2022.
- Excise duties will be increased on log exports. The increase of another 20% is on top of a 50% increase in 2020. The increased revenue of K30m will be allocated to the PNG United Nations biodiversity and climate change trust. Whilst labelled as PNG's contribution to climate change the Government notes that it is also consistent with encouraging downstream (manufacturing).
- The excise duty on social drinks (mixed drinks of strength more than 3%) has been increased by 493% tax from 1 December 2022. This is described as part of the plan to "...close down loopholes, being exploited by unscrupulous operators". This is on top of an increase of 400% included in the 2020 budget.
- It has been anticipated that Section 65A GST Act would be extended in its reach beyond the existing Government sector. Under this provision GST charged by suppliers is paid direct to the IRC and not to the suppliers, which can leave affected suppliers in a refund position. Obtaining refunds of GST is problematic for most taxpayers and hugely increases compliance costs. Fortunately, the extension did not get announced.

Special Economic Zones (SEZs)

- The Japanese Development Institute is currently assisting PNG with a study on the potential for Special Economic Zones (SEZ) in PNG. The capital budget includes investment of K77million in respect of the SEZs and the Port Moresby Industrial Zone.
- SEZs are being considered as a tool to encourage diversification of the economy. The use of tax concessions can have distortive effects, both positive and negative, and it will be interesting to see what the study concludes.

New Income Tax Act – update



New Income Tax Act

PNG Treasury has been undertaking a comprehensive Income Tax Act rewrite process. We understand that the new Income Tax Act remains scheduled to come into effect from 1 January 2024. It was not included in the 2023 Budget announcements with the presenting of the Act to Parliament now expected in the first quarter of 2023.

While the rewrite's primary objective is to modernise PNG's income tax rules, there are some important changes affecting all taxpayers.

These proposed changes include:

- The introduction of a capital gains tax on interests in PNG real property (at 15%). The implementation date will follow a notice made by the Treasurer in the Government Gazette. It is not known if this will coincide with the implementation of the rest of the new Act
- A new tax regime for foreign contractors whose activities amount to a permanent establishment (PEs) in PNG. PEs will be taxed at 30% on net income with the introduction of a branch profits tax at 15%
- PEs and their head office will also be treated as separate taxpayers, important when considering withholding tax application
- A revamping of depreciation rules, rates and concessions, including introducing depreciation pools for classes of assets
- Changes to the treatment of finance leases and long-term contracts
- Capped deductions on asset repairs
- A refresh on the taxation of employee benefits (for example, cars, schooling, medical insurance); and
- Many administrative provisions are moved to the Tax Administration Act.

There will be some key transitional issues, risks and opportunities to consider before the new Act comes into effect for businesses. Some of these are expected to be further dealt with in the Regulations, which will hopefully be issued progressively over the next year. For foreign contractors there is the move back to filing tax returns and the impact on payments in the transitional phase. For business there is the need to modify tax fixed asset registers, correctly treating repairs, reviewing the impact of the calculation of prescribed benefits on employees, withholding taxes, finance leases, the list goes on. Please contact our team to discuss the impact for your business.

- Further details on the implications of the new Act can be found on our website at: <https://www2.deloitte.com/pg/en/pages/deloitte-private/articles/png-income-tax-act-rewrite-tax-alerts.html>



Income Tax Act
rewrite

Climate Action



UN Biodiversity and Climate Trust Fund

- The Customs Tariff Act has been amended to increase the log export duty by 20% by 1 January 2023. The increase is stated to be in line with the intention to continue to discourage export of unprocessed logs and move to downstream processing in PNG.
- The expected additional revenue is K30 million in 2023 and this revenue is now earmarked to support the newly established UN Biodiversity and Climate Trust Fund.
- The aim of the fund is to establish PNG's credibility in financing for protected areas and attract significant international donor funding.
- This measure is designed to demonstrate the Government's ongoing commitment towards effective conservation of biodiversity and ecosystems in the forest.
- While it is positive to see the Government committing to transfer funds to the Fund, this is sourced from revenue generated from log exports. As also noted, the Government hopes that this will lead to downstream manufacturing of those logs in PNG. There are therefore conflicting goals here in that trees that are cut down are not protected. While perhaps an obvious source of funding in the short-term, alternative sources of funding will need to be sought.
- There remains significant work to do to both fund and develop a clear strategy for the Government's actions to protect the country from the effects of climate change and to regulate climate and carbon products. Strategies are needed across the board to benefit communities at the centre of areas most likely to be affected by climate change and climate products.



Other Announcements



Non-Tax Revenue Administration Bill 2022

- The *Public Money Management Regularisation (PMMR)* which was introduced in the 2018 Budget was repealed in May 2020 as it was deemed by the Supreme Court to be unconstitutional. It is now intended that the PMMR Act is replaced by the *Non-Tax Revenue Administration (NTRA)* Bill. The NTRA Bill seeks to rectify the so called "technical errors and defects of the PMMR Act".
- Non-tax revenue is broadly defined and includes all money raised, refunded or received by the affected bodies, excluding that allocated under the Budget. The NTRA bill is expected to collect more than K550.0 million in 2023. Interestingly, a new appropriation of a smaller K100 million will be created and directly allocated back to "NTRA Authorities".
- The NTRA governs the State and all public bodies and statutory bodies and was developed following input from the affected parties. It does not apply to the Bougainville Government and any public or statutory bodies established by the Bougainville Government. In addition, the NTRA does not apply to Kumul Consolidated Holdings, Kumul Petroleum Holding Ltd or Kumul Mineral Holdings. The Treasurer in his speech suggested that it would also not apply to State Owned Enterprises.
- Any non-tax revenue collected will be the property of the State under the NTRA.

National Reform Agenda

- Labour mobility remains as one of the key initiatives of the Marape-Rosso Government that aims to strengthen government systems to engage women and disadvantaged groups to take advantage of employment opportunities overseas, especially Australia and New Zealand. A total around 1400-1600 workers are expected to have been deployed to Australia and New Zealand by the end of 2022.
- A decision to expedite the establishment of the Sovereign Wealth Fund (SWF) and identification of funding source (from 7% of SOE dividends) has been made. The Government will establish an inter-agency team to collaborate on the establishment of the SWF.
- The second phase of the Independent Advisory Group's (IAG) review of the Central Banking Act, including regulation of the financial system and encouraging of competition remains underway. An issues paper was finalised and disseminated in August 2022 and can be found on the IAG website.
- The final report of the Superannuation and Life Insurance Review Committee is expected to be presented to Government in the first quarter of 2023.

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