



## GOVERNMENT OF SOLOMON ISLANDS

### 2014 Final Budget Outcome

May 2015

## Contents

MINISTER'S FORWARD .....	3
INTRODUCTION.....	4
ECONOMY – YEAR IN REVIEW .....	5
FISCAL OVERVIEW .....	6
REVENUE.....	7
EXPENDITURES .....	11

### Summary of Tables:

TABLE 1: FINAL BUDGET OUTCOME- FISCAL POSITION .....	14
TABLE 2: FINAL BUDGET OUTCOME- SUMMARY OF REVENUE .....	15
TABLE 3: FINAL BUDGET OUTCOME- SUMMARY OF TOTAL DOMESTIC REVENUE .....	16
TABLE 4: FINAL BUDGET OUTCOME- SUMMARY OF TOTAL RECURRENT EXPENDITURE (L2) .....	17
TABLE 5: FINAL BUDGET OUTCOME - SUMMARY OF PAYROLL CHARGES EXPENDITURE (L2) .....	18
TABLE 6: FINAL BUDGET OUTCOME - SUMMARY OF OTHER CHARGES EXPENDITURE (L2) ...	19
TABLE 7: FINAL BUDGET OUTCOME - SUMMARY OF TOTAL RECURRENT EXPENDITURE (L3) .....	20
TABLE 8: FINAL BUDGET OUTCOME - SUMMARY OF DEVELOPMENT EXPENDITURE (L4).....	21

### Attachment A:

2013 FINAL BUDGET OUTCOME - FISCAL POSITION .....	22
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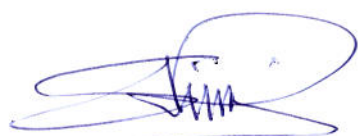
## MINISTER'S FORWARD

This is the second year of providing a Final Budget Outcome in accordance with the *Public Financial Management Act 2013*.

This document provides information to the National Parliament on the execution of the 2014 Budget which was originally passed in late 2013. It provides advice to citizens, parliamentarians and donor partners on revenues and expenditure against budget for 2014.

In 2014, we have seen overall domestic revenue and recurrent expenditure has been very close to the revised budget, with a 5 per cent increase in revenues and recurrent budgets underspent by 8 per cent. The development expenditure in 2014 was around 28 per cent underspent, an increase from 22 per cent in 2013.

I commend this document to the National Parliament.



*Hon. Snyder Rini*

*Minister of Finance & Treasury*

## INTRODUCTION

The 2014 Final Budget Outcome (FBO) has been prepared in accordance with Section 52 of the *Public Financial Management Act 2013 (the Act)*. The report is based on yet to be audited accounts and nominal figures. The 2014 audit reports will be released later in 2015 in accordance with timelines required under the Act. The FBO provides the best possible account of actual budget performance made available at this point in time, but is not expected to materially change for subsequent audit purposes.

The report is designed to closely match the presentation of the Annual Budget, as required under the Act, and provides a summary of expenditure and revenue outcomes against budget.

As the second publication of its kind, it provides an execution of the 2014 Budget in comparison to prior year, 2013. In future documents, this will be a key area of examination – with the intention that trends from prior years can be presented and the underlying issues identified.

The data used to provide this Final Budget Outcome was taken from the Financial Management Information System (AX) through the Budget Entry and Reporting Tool (BERT) on 10th April, 2015. All figures provided in this report are in nominal terms. Key information is found in **Tables 1 to 8**, and **Attachment A** provides final budget outcome for 2013 for a comparative basis.

## **ECONOMY – YEAR IN REVIEW**

The closure of Gold Ridge Mine (GRM) and the April 2014 floods meant that 2014 was a challenging year for the economy. Real Gross Domestic Product (GDP) is estimated to have grown by a modest 1 per cent (significantly below the 2014 Budget forecast but slightly higher than the revised forecast in the 2014 Mid-Year Budget Update), compared with growth of 3 per cent in 2013. The suspension of production at GRM was the primary reason for weak growth in 2014, although the April 2014 floods also resulted in a temporary loss of economic output (primarily in the agriculture, wholesale, retail, and transport sectors). On the upside, logging exports increased to around 2.1 million cubic meters (from around 1.9 million cubic meters in 2013) and provided valuable support for overall economic activity.

The inflation rate in 2014 declined slightly to 5.3 per cent from 5.4 per cent in 2013. The decline in inflation in 2014 was the result of lower energy and imported food prices that more than offset the higher domestic food prices that followed the April 2014 floods.



## FISCAL OVERVIEW

*The 2014 fiscal year was ended with a surplus of \$148.5 million against the revised budget deficit of \$378.4 million. Table 1 provides an overview of the fiscal situation for 2014. This was achieved by containing expenditure within revenue expectations, including as these were revised in the mid-year budget review. This was partly made simpler in 2014 due to the election period which provided a natural break in Government expenditure. In 2014, donor-sourced funding was significantly below budget but was matched by equal reductions in expenditure on donor funded projects.*

Aggregate revenue performance is attributed to:

- a continued focus on making simpler revenue measures for the business community to comply with the tax obligations;
- ongoing improvements in the policy and management of the exemption process;
- strengthened compliance measures and improved efficiency of collections;
- effective targeting process, ensuring a focus on compliance risk areas;
- enhancements to information technology systems; and,
- substantially lower than expected receipts of aggregate donor budget support revenues.

The under spending of total budgeted expenditure was generally due to:

- continuing constraints in the implementing ministries capacity for major policy and development expenditure programs/projects;
- tightened overall expenditure controls and compliance measures to improve quality of spending and to reduce fraud;
- slow implementation of donor funded program
- operational capacity to fully utilize funds; and
- the 2014 Election and the associated care taker period of Government.

## REVENUE

*Total revenue was well below the revised budget estimates. This was represented by \$3,183.7 million, a decreased of around 1.2 per cent from \$3,222.6 million in 2013.*

This comprised a combination of: (i) collections being slightly above revised budget revenue collections by Customs and Excise and Other Government Revenue; (ii) marginally below revised budget revenue receipts by Inland Revenue; and (iii) substantially lower than expected donor budget support receipts. Table 2 provides a breakdown of key domestic revenue sources between Inland Revenue, Customs, Other Revenue and Budget Support. Table 3 provides an overview of the revenue collection by Ministry for 2014. Receipts for key revenue heads are outlined below.

- a) *Inland Revenue collections in 2014 were (\$1,640.1 million) 3 per cent lower than receipts in 2013 (\$1,696.9 million).* Overall, the 2014 result was broadly in line with the revised Budget estimates and consistent with weak growth in the nominal economy. Collections from goods tax, license revenue, personal tax, sales tax and stamp duty were slightly stronger than the revised budget estimates but significantly below the original 2014 Budget estimates. Receipts for company tax were lower than the revised budget estimate, while withholding tax receipts were broadly in line with the revised estimate. In other revenue heads, collections were supported by a range of activities aimed at improving taxpayer compliance and the effectiveness of administration.
- *Company tax receipts were around \$50.1 million lower than the 2014 revised budget estimate and actual receipts in 2013.* The decline in company tax receipts reflects the impact of the April 2014 floods and the suspension of production at Gold Ridge Mine (GRM) on the profitability of businesses in and around Honiara.
  - *Withholding tax receipts were around \$1.3 million lower than the 2014 revised budget estimates and \$18.2 million lower than receipts in 2013.*

Changes in specific activities around enforcement of withholding tax obligations through the year and general weakness in the nominal economy likely contributed to this result.

- *Goods tax receipts were \$2.5 million above the revised budgeted amount but around 3 per cent lower than 2013 receipts.* This result reflects the negative impact of GRM closure and the April 2014 floods on the nominal economy.
  - *Personal tax receipts were \$8.2 million above the 2014 revised budget estimates, at \$408.2 million, and only slightly higher than receipts in 2013 (\$411.8 million collected in 2013).* The decline in personal tax receipts in 2014 is consistent with weakness in the nominal economy in 2014.
  - *Sales tax receipts were higher than the 2014 revised budget estimates by \$3.1 million and significantly up on 2013, by \$30.2 million.* This result was largely due to improvements in IRD compliance.
- b) *Customs Revenue receipts were \$880.2 million significantly above the revised budget estimate by \$90.4 million and around 11 per cent higher than receipts in 2013 (\$796.3 million in 2013).* Overall, collections from export duty and fees, charges and others were stronger than expected; however, results were slightly lower than expected in excise duty and import duty.
- *Excise duty receipts were \$3.7 million below revised budget but \$20.6 million higher than in 2013.*
  - *Export duty receipts were above revised budget collections by \$94.9 million and \$71.4 million higher than collections in 2013.* Stronger than expected log exports - that more than offset the fall in receipts from gold exports - was the key reason for the large increase in export duty receipts in 2014. Higher collections also reflect reform to customs practices improving compliance.



- *Import duty receipts were lower than the revised budget by \$1.2 million and around \$9 million lower than in 2013. The decline in import duties largely reflects the impact of the suspension in production at GRM.*
- c) *Receipts from other Government ministries' revenue were \$317.6 million which was higher than the revised budget estimates of \$248.5 million by \$69.2 million. This is attributed to a combination effort to improve revenue administration, strong compliance performances by certain ministries and particularly the higher collections emanating from increased Vessel Day Scheme (VDS).*
- *Collection of fishing licenses receipt of \$217.2 million, which was more than the revised budget estimate of \$166.6 million by \$50.6 million. This was also a positive achievement on the 2013 collections of \$171.1 million. These increases were driven by the increased participation by international fishing operators in Solomon Islands economic zone under the VDS. The Ministry of Fisheries and Marine Resources has also strengthened its capacity, with support from the Forum Fisheries Agency to negotiate better VDS rates with the governments of VDS licensees, monitor their operations and enforce terms and conditions of the VDS.*
- d) *Total budget support revenue receipts (for ledger 3 - recurrent and ledger 4 - development expenditures) were \$345.8 million compared to the revised budget estimates of \$723.6 million. This is a reduction in support by approximately 25 per cent from \$459.5 million in 2013. A key reason for the significant reduction in revenue was that planned on-lending projects, including Tina River Hydroelectricity and the Solomon Islands Undersea Cable did not go ahead as planned in 2014. These amounts have again been re-appropriated in the 2015 Budget. This apparent reduction therefore overstates the issue by around \$240 million. Nevertheless, there still remains a reduction in support, which relates to the following factors:*

- Cyclical funding programs
- A decline in development funding particularly the one-off funding in 2013
- Exchange rate movements resulting in the reduced value of donor currencies against Solomon Islands dollars that reduced the level of budget support measured in Solomon Island dollars.
- Donors and Government have continued to strengthen the alignment of donor flows to better address the core priorities of Government, improve quality of expenditures and enhance service delivery. Consequently, the slow rate of spending in 2014 in these ministries, have led to substantially lower than expected receipt of additional aid flows for the year;
- The consistent increases of donor budget support in recent years had led to the consistent build-up of donor fund balances in-country, due to capacity constraints and slow implementation of programmes/projects by government. Therefore, donors have therefore deliberately rationalised the additional flows of development assistance in 2014 to allow the prior utilisation of built up reserves;
- Understandably, some donors have purposefully re-positioned their bilateral programs, which may have affected the additional flows expected in 2014 to some extent, to accommodate recent policy changes of their authorities.

## EXPENDITURES

*Consolidated Government Expenditure in 2014 was \$3,035.2 million which was \$777.8 million below the revised budget estimates of \$3,813 million compared to \$772.5 million in 2013.* This was due to substantial under spending in the major categories of: (i) domestic funded recurrent expenditures; (ii) donor funded recurrent expenditures; and (iii) the consolidated development expenditures.

a) *Total domestic funded recurrent budget (Ledger 2) expenditures were below the revised budget estimates by \$193.3 million or 8 per cent below the revised budget.* This is represented by an actual expenditure of \$2,186.1 million against a revised budget estimate of \$2,379.4 million. A key point to note here is that the revised 2014 columns of domestic funded recurrent expenditures include Supplementary Appropriations that were approved in the course of the year. Table 4 provides an overview of SIG's own expenditure (Recurrent Expenditure) through Ledger 2.

➤ *Total Payroll expenditure by all ministries was below revised budget by \$30.2 million as represented by actual expenditure of \$845.6 million against a revised budget estimate of \$875.8 million.* This was attributed to underspending due to vacancies that continued to exist in the system. Most ministries reported savings, with National Parliament recording an underspending of \$15.8 million as a result of the termination of the previous Parliament in September in preparation for the December elections. Table 5 details payroll expenditure.

➤ *Total Other Charges expenditure by all ministries was below revised budget by \$163.1 million compared to \$150.3 million in 2013 (inclusive of Debt Servicing, noting these are split in Table 1).* This is represented by actual other charges expenditure of \$1,340.5 million against a revised other charges budget estimates of \$1,503.6 million. This could be a consequence of (i) a



policy decision made to restraint spending half way in the year and, (ii) reluctance to implement previous government's policies with an anticipation of the possible outcome from the 2014 national general election and, (iii) the generally lower level of government activities and operations towards the end of 2014, as preparation for and the actual election set in. Table 6 outlines the expenditure on Other Charges.

- b) *Donor funded recurrent budget (Ledger 3) was below revised estimates by \$367.7 million compared to \$394.8 million in 2013.* This is denoted by actual donor expenditures of \$280.8 million against a revised budget estimate of \$648.5 million. A major contribution to this was that planned donor support for major infrastructure projects was delayed, and these again appear in the 2015 budget. Table 7 outlines the recurrent expenditure funded by Donors.

*The domestic and donor funded development budget (Ledger 4) were underspent by \$216.8 million. It is reported that in 2014 actual expenditure was \$568.3 million from the revised budget of \$785.1 million. This shows an underspend by around 28 per cent compared to 22 per cent in 2013.* Table 8 outlines expenditure in the Development Budget. The underspending was generally attributed to these factors; (i) slow implementation activities in anticipation of the national elections in the last quarter of the year, (ii) usual capacity constraints faced by implementing ministries/agencies and (iii) selectively restraining and reallocation of projects after the flash flood in April 2014.

- Ministries/Agencies that recorded higher underspends as per their revised budget estimates were; Home Affairs by 100 per cent, Health by 94 per cent, National Judiciary by 93 per cent and Development Planning by 80 per cent. Home affairs was rated the highest in underspending from its development budget due to its focus in 2014 being directed towards the Nationwide General Election and others generally faced-up with capacity constraints.



- The least underspent Ministries/Agencies were; Provincial Government by 3 per cent, Rural Development by 4 per cent, Public Service by 5 per cent, Office of the Governor General by 10 per cent.

TABLE 1: FINAL BUDGET OUTCOME- FISCAL POSITION

	2014 Budget Estimates	2014 Revised Estimates	2014 Actuals	Variance
	\$m	\$m	\$m	\$m
<b><u>CONSOLIDATED BUDGET FUNDING</u></b>				
<b>REVENUE</b>				
<b>Domestically Sourced Revenue</b>				
Inland Revenue	1791.3	1672.8	1640.1	(32.7)
Customs and Excise	818.9	789.8	880.2	90.4
Other Ministries	226.6	248.5	317.6	69.2
<b>Total Domestically Source Revenue</b>	<b>2836.8</b>	<b>2711.1</b>	<b>2837.9</b>	<b>126.9</b>
<b>Externally Sourced Funding</b>				
Budget Support (Recurrent)	584.8	595.6	217.8	(377.8)
Donor Funding (Consolidated Development)	80.0	128.0	128.0	0.0
<b>Total Externally Sourced Funding</b>	<b>664.8</b>	<b>723.6</b>	<b>345.8</b>	<b>(377.8)</b>
<b>TOTAL REVENUE</b>	<b>3501.5</b>	<b>3434.6</b>	<b>3183.7</b>	<b>(251.0)</b>
<b><u>CONSOLIDATED EXPENDITURE</u></b>				
<b>Recurrent Budget</b>				
Payroll	863.9	875.8	845.6	(30.2)
National Debt Servicing	169.1	169.1	114.1	(55.0)
Other Charges(c)	1230.6	1334.5	1226.4	(108.1)
<b>Total Recurrent Budget</b>	<b>2263.6</b>	<b>2379.4</b>	<b>2186.1</b>	<b>(193.3)</b>
<b>Budget Support</b>	<b>584.8</b>	<b>648.5</b>	<b>280.8</b>	<b>(367.7)</b>
<b>Total Consolidated Development Budget</b>	<b>631.0</b>	<b>785.1</b>	<b>568.3</b>	<b>(216.8)</b>
<b>TOTAL CONSOLIDATED EXPENDITURE</b>	<b>3479.4</b>	<b>3813.0</b>	<b>3035.2</b>	<b>(777.8)</b>

<sup>1</sup> 2014 Original Budget figures do not include allowance for Contingency Warrants as included in the original 2014 Budget

TABLE 2: FINAL BUDGET OUTCOME- SUMMARY OF REVENUE

Revenue Type	2014 Budget Estimate	2014 Revised Estimate	2014 Actuals	Variance
	\$m	\$m	\$m	\$m
<b>OTHER REVENUE</b>				
Fees, charges and other	75.1	76.1	88.8	12.7
License Revenue	151.4	172.4	228.9	56.5
<b>Total</b>	<b>226.6</b>	<b>248.5</b>	<b>317.6</b>	<b>69.2</b>
<b>INLAND REVENUE</b>				
Company Tax	290.5	288.1	238.0	(50.1)
Goods Tax	743.8	660.0	662.5	2.5
License Revenue	11.0	11.9	14.2	2.3
Personal Tax	454.7	400.0	408.2	8.2
Sales Tax	61.3	82.8	85.9	3.1
Stamp Duty	13.1	11.0	13.6	2.6
Withholding Tax	216.9	219.0	217.7	(1.3)
<b>Total</b>	<b>1791.3</b>	<b>1672.8</b>	<b>1640.1</b>	<b>(32.7)</b>
<b>CUSTOMS REVENUE</b>				
Excise Duty	154.9	161.9	158.2	(3.7)
Export Duty	412.2	401.8	496.7	94.9
Fees, charges and other	2.5	4.4	4.8	0.4
Import Duty	249.3	221.7	220.5	(1.2)
<b>Total</b>	<b>818.9</b>	<b>789.8</b>	<b>880.2</b>	<b>90.4</b>
<b>DOMESTIC REVENUE TOTAL</b>	<b>2836.8</b>	<b>2711.1</b>	<b>2837.9</b>	<b>126.9</b>
<b>BUDGET SUPPORT</b>				
Budget Support (L3)	584.8	595.6	217.8	(377.8)
Development Support (L4)	80.0	128.0	128.0	0.0
<b>BUDGET SUPPORT TOTAL</b>	<b>664.8</b>	<b>723.6</b>	<b>345.8</b>	<b>(377.8)</b>
<b>TOTAL REVENUE</b>	<b>3501.5</b>	<b>3434.6</b>	<b>3183.7</b>	<b>(251.0)</b>

<sup>2</sup> Note that the total support from donors of \$664.8 million did not include additional developing financing for the Solomon Oceanic Cable Project (\$144 million), the Honiara Electricity Network Upgrade Project (\$94.4 million) and the EXIM Loan (\$15 million).

TABLE 3: FINAL BUDGET OUTCOME- SUMMARY OF TOTAL DOMESTIC REVENUE

Head Of Expenditure		2014 Original Budget Estimate	2014 Revised Budget Estimate	2014 Actuals	Variance
		\$m	\$m	\$m	\$m
270	Agriculture and Livestock Development	5.4	5.4	7.2	1.9
271	Office of the Auditor General	1.5	1.5	1.7	0.2
272	Education & Human Resources Development	2.3	2.3	2.3	0.0
273	Finance and Treasury	2623.0	2475.5	2543.5	68.1
274	Foreign Affairs and External Trade	0.0	0.0	0.2	0.2
276	Health and Medical Services	0.3	0.3	0.3	0.0
277	Infrastructure Development	11.8	11.8	13.5	1.7
280	Forestry & Research	2.7	2.7	2.9	0.1
281	Office of the Prime Minister and Cabinet	0.0	0.0	0.3	0.3
283	Police, Nat. Security & Correctional Services	0.5	0.5	0.5	0.0
285	Lands, Housing and Survey	8.5	8.5	9.7	1.3
287	Culture and Tourism	0.0	0.0	0.2	0.2
288	Commerce, Industries, Labour and Immigration	16.5	16.5	20.5	4.0
289	Communication & Aviation	13.2	13.2	4.3	-8.9
290	Fisheries and Marine Resources	146.6	166.6	217.2	50.6
291	Public Service	1.9	1.9	0.0	-1.8
292	Justice and Legal Affairs	0.3	0.3	0.9	0.6
293	Home Affairs	2.0	2.0	3.0	1.0
295	Mines, Energy & Rural Electrification	1.1	1.1	4.3	3.2
296	National Judiciary	1.0	1.0	0.9	0.0
299	Environment, Climate Chng, Disaster Mgmt & Met.	0.2	0.2	0.9	0.8
TOTAL		2,838.6	2,711.0	2,834.3	123.3

<sup>3</sup> Actuals do not exactly match Table 1 due to rounding.



TABLE 4: FINAL BUDGET OUTCOME- SUMMARY OF TOTAL RECURRENT EXPENDITURE (L2)

Head Of Expenditure		2014 Budget	2014 Revised Budget	2014 Actuals	"Variance"
		\$m	\$m	\$m	\$m
270	Agriculture and Livestock Development	33.6	33.6	29.4	(4.2)
271	Office of the Auditor General	9.8	9.8	6.5	(3.3)
272	Education & Human Resources Development	695.3	699.3	702.1	2.8
273	Finance and Treasury	84.5	101.4	82.1	(19.3)
274	Foreign Affairs and External Trade	38.0	40.6	39.3	(1.3)
275	Office of the Governor General	12.4	12.4	8.8	(3.6)
276	Health and Medical Services	294.1	296.9	291.3	(5.6)
277	Infrastructure Development	63.0	63.0	60.7	(2.3)
278	National Debt Servicing	169.1	169.1	114.1	(55.0)
279	National Parliament	89.4	92.3	72.2	(20.1)
280	Forestry & Research	25.8	25.8	22.0	(3.8)
281	Office of the Prime Minister and Cabinet	79.2	84.9	78.8	(6.1)
282	Pensions and Gratuities	6.0	6.0	6.1	0.1
283	Police, Nat. Security & Correctional Services	179.5	197.0	194.1	(2.9)
284	Provincial Gov't & Institutional Strengthening	96.9	96.9	90.4	(6.5)
285	Lands, Housing and Survey	23.4	23.4	17.0	(6.4)
286	Development Planning and Aid Coord.	9.0	9.0	7.4	(1.6)
287	Culture and Tourism	18.5	20.5	18.4	(2.1)
288	Commerce, Industries, Labour and Immigration	35.7	37.3	34.8	(2.5)
289	Communication & Aviation	46.1	50.1	46.3	(3.8)
290	Fisheries and Marine Resources	19.0	19.0	16.1	(2.9)
291	Public Service	21.2	28.2	25.3	(2.9)
292	Justice and Legal Affairs	27.9	28.2	24.5	(3.7)
293	Home Affairs	84.9	122.6	103.7	(18.9)
294	National Unity, Reconciliation and Peace	12.9	13.0	10.7	(2.3)
295	Mines, Energy & Rural Electrification	18.5	18.5	14.6	(3.9)
296	National Judiciary	20.4	23.0	20.6	(2.4)
297	Women, Youth and Children's Affairs	12.2	12.2	10.3	(1.9)
298	Rural Development	14.1	14.1	11.5	(2.6)
299	Environment, Climate Chng, Disaster Mgmt & Met.	22.7	30.9	28.1	(2.8)
<b>TOTAL</b>		<b>2263.1</b>	<b>2379.0</b>	<b>2187.2</b>	<b>(196.5)</b>

<sup>4</sup> Expenditure on National Debt Servicing excludes principle payments on Treasury Bills

<sup>5</sup> Total actual figures do not match Table 1 or combination of Table 5 and 6 due to rounding.

TABLE 5: FINAL BUDGET OUTCOME - SUMMARY OF PAYROLL CHARGES EXPENDITURE (L2)

Head Of Expenditure		2014 Budget	2014 Revised Budget	2014 Actuals	"Variance"
		\$m	\$m	\$m	\$m
270	Agriculture and Livestock Development	15.5	15.5	12.8	(2.7)
271	Office of the Auditor General	2.4	2.4	1.6	(0.8)
272	Education & Human Resources Development	352.5	352.5	368.0	15.5
273	Finance and Treasury	26.6	26.6	22.3	(4.3)
274	Foreign Affairs and External Trade	5.3	5.3	4.1	(1.2)
275	Office of the Governor General	2.5	2.5	2.5	0.0
276	Health and Medical Services	158.4	158.4	156.8	(1.6)
277	Infrastructure Development	8.6	8.6	7.7	(0.9)
278	National Debt Servicing	0.0	0.0	0.0	0.0
279	National Parliament	54.1	54.1	38.3	(15.8)
280	Forestry & Research	9.0	9.0	8.4	(0.6)
281	Office of the Prime Minister and Cabinet	28.0	28.1	24.5	(3.6)
282	Pensions and Gratuities	6.0	6.0	6.1	0.1
283	Police, Nat. Security & Correctional Services	80.9	84.1	85.0	0.9
284	Provincial Gov't & Institutional Strengthening	22.0	22.0	18.9	(3.1)
285	Lands, Housing and Survey	5.8	5.8	4.7	(1.1)
286	Development Planning and Aid Coord.	2.7	2.7	2.2	(0.5)
287	Culture and Tourism	3.0	3.0	2.4	(0.6)
288	Commerce, Industries, Labour and Immigration	8.4	10.0	9.2	(0.8)
289	Communication & Aviation	10.0	10.0	10.6	0.6
290	Fisheries and Marine Resources	6.1	6.1	4.7	(1.4)
291	Public Service	7.3	14.3	13.3	(1.0)
292	Justice and Legal Affairs	11.4	11.4	9.3	(2.1)
293	Home Affairs	2.5	2.5	2.0	(0.5)
294	National Unity, Reconciliation and Peace	2.8	2.8	1.9	(0.9)
295	Mines, Energy & Rural Electrification	6.0	6.0	4.9	(1.1)
296	National Judiciary	9.6	9.6	7.7	(1.9)
297	Women, Youth and Children's Affairs	2.1	2.1	2.0	(0.1)
298	Rural Development	7.1	7.1	6.8	(0.3)
299	Environment, Climate Chng, Disaster Mgmt & Met.	7.3	7.3	6.9	(0.4)
<b>TOTAL</b>		<b>863.9</b>	<b>875.8</b>	<b>845.6</b>	<b>(30.2)</b>

TABLE 6: FINAL BUDGET OUTCOME - SUMMARY OF OTHER CHARGES EXPENDITURE (L2)

Head Of Expenditure		2014 Budget	2014 Revised Budget	2014 Actuals	"Variance"
		\$m	\$m	\$m	\$m
270	Agriculture and Livestock Development	18.1	18.1	16.6	(1.5)
271	Office of the Auditor General	7.4	7.4	4.9	(2.5)
272	Education & Human Resources Development	342.8	346.8	334.0	(12.8)
273	Finance and Treasury	57.9	74.8	59.8	(15.0)
274	Foreign Affairs and External Trade	32.7	35.3	35.1	(0.2)
275	Office of the Governor General	9.9	9.9	6.2	(3.7)
276	Health and Medical Services	135.7	138.5	134.5	(4.0)
277	Infrastructure Development	54.4	54.4	53.0	(1.4)
278	National Debt Servicing	169.1	169.1	114.1	(55.0)
279	National Parliament	35.4	38.2	34.0	(4.2)
280	Forestry & Research	16.8	16.8	13.6	(3.2)
281	Office of the Prime Minister and Cabinet	51.2	56.8	54.3	(2.5)
282	Pensions and Gratuities	0.0	0.0	0.0	0.0
283	Police, Nat. Security & Correctional Services	98.7	112.9	108.2	(4.7)
284	Provincial Gov't & Institutional Strengthening	74.9	74.9	71.5	(3.4)
285	Lands, Housing and Survey	17.6	17.6	12.3	(5.3)
286	Development Planning and Aid Coord.	6.3	6.3	5.2	(1.1)
287	Culture and Tourism	15.6	17.6	16.0	(1.6)
288	Commerce, Industries, Labour and Immigration	27.3	27.3	25.6	(1.7)
289	Communication & Aviation	36.2	40.2	35.7	(4.5)
290	Fisheries and Marine Resources	12.9	12.9	11.4	(1.5)
291	Public Service	13.9	13.9	12.0	(1.9)
292	Justice and Legal Affairs	16.5	16.8	15.2	(1.6)
293	Home Affairs	82.4	120.2	101.7	(18.5)
294	National Unity, Reconciliation and Peace	10.1	10.2	8.8	(1.4)
295	Mines, Energy & Rural Electrification	12.5	12.5	9.7	(2.8)
296	National Judiciary	10.8	13.4	13.0	(0.4)
297	Women, Youth and Children's Affairs	10.1	10.1	8.3	(1.8)
298	Rural Development	7.1	7.1	4.7	(2.4)
299	Environment, Climate Chng, Disaster Mgmt & Met.	15.4	23.6	21.1	(2.5)
<b>TOTAL</b>		<b>1399.7</b>	<b>1503.6</b>	<b>1340.5</b>	<b>(163.1)</b>

**TABLE 7: FINAL BUDGET OUTCOME - SUMMARY OF TOTAL RECURRENT EXPENDITURE**  
(L3)

Head Of Expenditure		2014 Budget	2014 Revised Budget	2014 Actuals	"Variance"
		\$m	\$m	\$m	\$m
370	Agriculture and Livestock Development	0.0	0.6	0.2	(0.4)
372	Education & Human Resources Development	115.0	121.0	103.3	(17.7)
373	Finance and Treasury	12.7	31.4	4.5	(26.9)
374	Foreign Affairs & External Trade	0.0	2.4	1.2	(1.2)
376	Health and Medical Services	198.2	211.7	152.0	(59.7)
378	National Debt Servicing	239.4	239.4	0.0	(239.4)
383	Police, Nat Security & Correctional Services	3.3	15.4	5.9	(9.5)
386	Dev. Planning & Aid Coordination	0.0	0.0	0.0	0.0
390	Fisheries and Marine Resources	6.7	6.7	3.9	(2.8)
392	Justice and Legal Affairs	1.6	4.1	0.6	(3.5)
396	National Judiciary	7.9	7.9	0.8	(7.1)
399	Environment, Climate Chng, Disaster Mgmt & Met	0.0	7.9	8.4	0.5
<b>TOTAL</b>		<b>584.8</b>	<b>648.5</b>	<b>280.8</b>	<b>(367.7)</b>



TABLE 8: FINAL BUDGET OUTCOME - SUMMARY OF DEVELOPMENT EXPENDITURE (L4)

	Head Of Expenditure	2014 Budget	2014 Revised Budget	2014 Actuals	"Variance"
		\$m	\$m	\$m	\$m
470	Agriculture and Livestock Development	37.0	37.0	27.9	(9.1)
471	Office of the Auditor General	0.0	0.0	0.0	0.0
472	Education & Human Resource Management	94.0	94.0	38.7	(55.3)
473	Finance & Treasury	30.0	92.8	61.9	(30.9)
474	Foreign Affairs & External Trade	2.5	6.4	1.4	(5.0)
475	Office of the Governor General	1.0	1.0	0.9	(0.1)
476	Health & Medical Services	26.0	26.0	1.4	(24.6)
477	Infrastructure Development	84.0	115.0	99.1	(15.9)
478	National Debt Servicing	0.0	0.0	0.0	0.0
479	National Parliament	5.0	5.0	3.4	(1.6)
480	Forestry & Research	11.4	11.4	6.2	(5.2)
481	Office of the Prime Minister & Cabinet	6.0	6.0	5.2	(0.8)
483	Police, Nat. Security & Correctional Services	18.0	28.0	24.6	(3.4)
484	Provincial Gov't & Institutional Strengthening	41.0	44.0	42.6	(1.4)
485	Lands, Housing & Survey	14.0	14.0	10.6	(3.4)
486	Development Planning & Aid Coord.	2.0	2.0	0.4	(1.6)
487	Culture and Tourism	15.0	15.0	12.0	(3.0)
488	Commerce, Industry & Employment	6.0	6.0	2.7	(3.3)
489	Communication & Aviation	20.0	20.0	14.8	(5.2)
490	Fisheries & Marine Resources	8.3	9.7	1.2	(8.5)
491	Public Service	4.0	4.0	3.8	(0.2)
492	Justice and Legal Affairs	9.0	9.0	2.3	(6.7)
493	Home Affairs	1.5	1.5	0.0	(1.5)
494	National Unity, Reconciliation & Peace	3.0	3.0	2.1	(0.9)
495	Mines, Energy & Rural Electrification	22.0	22.0	18.0	(4.0)
496	National Judiciary	3.0	3.0	0.2	(2.8)
497	Women, Youth & Children's Affairs	4.0	4.0	1.1	(2.9)
498	Rural Development	144.4	186.4	177.5	(8.9)
499	Environment, Climate Chng, Disaster Mgmt & Met	18.9	18.9	8.3	(10.6)
<b>TOTAL</b>		<b>631.0</b>	<b>785.1</b>	<b>568.3</b>	<b>(216.8)</b>

## Attachment A

## 2013 FINAL BUDGET OUTCOME - FISCAL POSITION

	2013 Budget Estimates \$m	2013 Revised Estimates \$m	2013 Actuals \$m	Variance \$m
<b>CONSOLIDATED BUDGET FUNDING REVENUE</b>				
<b>Domestically Sourced Revenue</b>				
Inland Revenue	1,634.2	1,634.2	1,696.9	62.7
Customs and Excise	806.6	806.6	796.3	(10.3)
Other Revenue	241.8	241.8	270.0	28.2
<b>Total Domestically Source Revenue</b>	<b>2,682.6</b>	<b>2,682.6</b>	<b>2,763.2</b>	<b>80.6</b>
<b>Externally Sourced Funding</b>				
Budget Support (Recurrent)	645.5	660.5	317.6	(343.0)
Donor Funding (Consolidated Development)	211.9	211.9	141.9	(70.0)
<b>Total Externally Sourced Funding</b>	<b>857.4</b>	<b>872.4</b>	<b>459.5</b>	<b>(412.9)</b>
<b>TOTAL REVENUE</b>	<b>3,540.0</b>	<b>3,555.0</b>	<b>3,222.6</b>	<b>(332.4)</b>
<b>CONSOLIDATED EXPENDITURE</b>				
<b>Recurrent Budget</b>				
SIG Payroll	730.8	762.0	746.6	(15.5)
SIG National Debt Servicing	134.4	134.4	97.8	(36.6)
SIG Other Charges	1,208.5	1,339.6	1,215.9	(123.7)
<b>Total Recurrent Budget</b>	<b>2,073.6</b>	<b>2,236.0</b>	<b>2,060.3</b>	<b>(175.7)</b>
<b>Donor Funded Recurrent Budget</b>				
Payroll	27.3	28.7	32.1	3.5
Other Charges	618.0	643.4	245.1	(398.2)
<b>Total Recurrent Budget</b>	<b>645.4</b>	<b>672.1</b>	<b>277.3</b>	<b>(394.8)</b>
<b>Consolidated Development Budget</b>				
<b>Total Consolidated Development Budget</b>	<b>896.8</b>	<b>904.2</b>	<b>702.2</b>	<b>(202.0)</b>
<b>TOTAL CONSOLIDATED EXPENDITURE</b>	<b>3,615.9</b>	<b>3,812.3</b>	<b>3,039.7</b>	<b>(772.5)</b>