

Treasury Monthly Budget Report – April 2013

Summary

The net operating balance for total Government operations at the end of April was a surplus of VT487.2 million, equivalent to 0.6 per cent of GDP.

The net operating balance for Government operations, excluding donor funds, at the end of April was a surplus worth VT 320.6 million, equivalent to 0.4percent of GDP.

Government Revenue

Government revenue remains strong above the four months target (VT 4,880.4 million) at VT 4,932.0 million. This represents 34 per cent of the Budget target (VT 14,629.5 million) and 9.1 per cent above what was collected (VT 4,519.0 million) during the same period last year. This is due to compliance operations and subsequent collection of arrears.

VAT, the largest revenue handle came in strong this month at VT 447.0 million. This brings the total collection to VT 1,641.3 million at the end of April, representing 31 per cent of the budget target (VT 5,353.3 million) and 12.9 per cent higher than the amount of VT 1,453.3 million collected at the same time last year. Import duty on the other hand has collected VT 758.1 million at the end of April, representing 27.1 per cent of the budget target (VT 2,801.6 million) and 4.2 per cent above the level collected (VT 727.3 million) during the same period of 2012. The third largest revenue stream excise collected VT 564.3 million at the end of April. This represents 26 per cent of the budget target (VT 2,143.8 million) and 6.3 per cent below VT602.0 million collected during the same period last year.

Higher Government revenue collections continued to be enhanced by residency permits collection. At the end of April, residency permits collected 67.3 per cent (VT 286.2 million) of the budget target (VT 425.0 million).

Government Expenses

To date, Government expenses remain broadly in line with budget target (VT 13,884.1 million) at VT 4,611.3 million. This represents 33 per cent of the budget target and 2.5 percent below the level of spending (VT 4,728.0 million) during the same period in 2012 due to implementation of expenditure control measures approved by Council of Ministers in the last financial year.

However, the following items are worth highlighting as there was more expenditure on these items than Budget in 2012 and if current trends continue the same will happen in 2013.

- *Vehicles fuel, VT 47.9 million (or 41.9 per cent) against an annual Budget of VT 114.3 million.*
- *Vehicles - Additional, VT 4.8 million (or 192 per cent) against an annual Budget of VT 2.5 million.*
- *Vehicles repair and maintenance, VT 53.4 million (or 55.4 per cent) against an annual budget of VT 96.4 million*
- *Court costs, VT19.0 million (or 292.3 per cent) against an annual Budget of VT 6.5 million.*
- *Scholarship fees and allowances, VT213.5 million (or 72.3 per cent) against an annual Budget of VT 295.1 Million*

Government Acquisition of Non-Financial Assets

To date, the Government spent only VT 66.8 million acquiring fixed assets against budget of VT 253.4 million. It has sold off VT 1.4 million worth of fixed assets.

Government Acquisition of Financial Assets

To date, the government did not issue any new domestic bonds or external loans. However, the Government has retired VT 100 million worth of domestic bonds (in April) and VT 93.5 million worth of external loans to ADB (VT 55.7 million), IDA (VT 21.7 million) and CFDD (VT 16.0 million) Following a favourable fiscal outcome, the Government accumulated VT 61.8 million in cash reserves at the end of April.

Development Budget Highlights

The month of April recorded the highest amount of funds received from donors at VT 373.5 million. This brings the total of the development fund in 2013 to VT 553.0 million against a budget target of VT 4,310.9 million. The major contributing partner is Australia (VT 366.8 million) followed by Japan (VT 71.6 million) and others.

The development fund spent VT 386.4 million against budget target of VT 4,310.9 million, towards salary and wages (VT 62.1 million), operations (VT 266.4 million), grants (VT 40.1 million) and acquiring of fixed assets (VT 165.5 million). The major project incurring the majority of the expenditures continues to be the AusAID funded Vanuatu Transport Sector Strengthening Program (VTSSP).

Annex 1: Statement Of Total Government Operations

STATEMENT OF TOTAL GOVERNMENT OPERATIONS								
GFS Code	GFS Description	Budget 2013	Total (VT mn)	%	January	February	March	April
	TRANSACTIONS AFFECTING NET WORTH:							
A1	Revenue	18,940.4	5,485.0	29%	1,858.5	1,201.0	923.9	1,501.6
A11	Taxes	13,165.9	4,382.0	33%	1,663.7	1,073.5	684.5	960.3
A111	Taxes on income, profits, and capital gains	-	-	-	-	-	-	-
A112	Taxes on payroll & workforce	-	-	-	-	-	-	-
A113	Taxes on property	550.3	128.9	0%	32.9	29.4	35.1	31.5
A114	Taxes on goods & services	9,811.6	3,493.9	36%	1,392.3	855.5	532.1	714.0
	of which							
	Value-Added Tax	5,353.3	1,641.3	31%	594.7	317.9	281.7	447.0
	Excise	2,143.8	564.3	26%	166.1	127.7	116.9	153.6
A115	Taxes on international trade & transactions	2,803.9	759.2	27%	238.5	188.6	117.3	214.8
A116	Other taxes	-	-	-	-	-	-	-
A12	Social contributions	-	-	-	-	-	-	-
A13	Grants	4,310.9	553.0	0.1	59.8	23.3	96.4	373.5
A14	Other revenue	1,463.6	550.0	38%	135.0	104.2	143.1	167.7
A2	Expense	18,195.0	4,997.8	27%	1,003.4	1,183.1	1,489.0	1,322.2
A21	Compensation of employees	8,559.4	2,614.7	31%	438.9	623.2	908.2	644.3
A22	Use of goods and services	6,341.6	1,198.2	19%	201.5	276.6	333.8	386.2
A23	Consumption of fixed capital	-	-	-	-	-	-	-
A24	Interest	603.1	184.7	31%	14.0	51.8	46.7	72.1
A25	Subsidies	108.0	-	0%	-	-	-	-
A26	Grants	1,936.8	644.3	33%	188.1	189.2	117.0	149.9
A27	Social benefits	137.7	-	0%	19.8	13.8	8.5	6.5
A28	Other expense	508.5	-	0%	141.1	28.3	74.8	63.2
GOB	Gross operating balance (1-2+23+NOBz)	745.3	487.2	65%	855.1	17.9	(565.1)	179.3
NOB	Net operating balance (1-2+NOBz) ^{cv}	745.3	487.2	65%	855.1	17.9	(565.1)	179.3
	% of GDP		0.6%					
	TRANSACTIONS IN NONFINANCIAL ASSETS:							
A31	Net Acquisition of Nonfinancial Assets	420.6	230.8	55%	87.5	35.9	69.8	37.6
A311	Fixed assets	420.6	230.8	55%	87.5	35.9	69.8	37.6
A312	Change in inventories	-	-	-	-	-	-	-
A313	Valuables	-	-	-	-	-	-	-
A314	Nonproduced assets	-	-	-	-	-	-	-
NLB	Net lending / borrowing (1-2+NOBz-31)	324.8	256.4		767.6	(18.0)	(635.0)	141.7
	TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):							
		0.4%	0.3%					
A32	Net acquisition of financial assets	0.0	62.9	0%	767.6	(42.4)	(688.0)	25.7
A321	Domestic	0.0	62.9	0%	767.6	(42.4)	(688.0)	25.7
A322	Foreign	-	-	-	-	-	-	-
A323	Monetary gold and SDRs	-	-	-	-	-	-	-
A33	Net incurrence of liabilities	(324.8)	(193.5)	60%	-	(24.5)	(53.0)	(116.0)
A331	Domestic	-	(100.0)	-	-	-	-	(100.0)
A332	Foreign	(324.8)	(93.5)	0.3	-	(24.5)	(53.0)	(16.0)
	Vertical check: Difference between net lending/borrowing and financing (1-2-31=32-33-NLBz=0)	0.0	0.0		0.0	0.0	0.0	0.0

Annex 2: Statement Of Government Operations Which Are Funded By Donors Through The Central Treasury Account

STATEMENT OF GOVERNMENT OPERATIONS WHICH ARE FUNDED BY DONORS THROUGH THE CENTRAL TREASURY ACCOUNT								
GFS Code	GFS Description	Budget 2013	Total (VT mn)	%	January	February	March	April
	TRANSACTIONS AFFECTING NET WORTH:							
A1	Revenue	4,310.9	553.0	13%	59.8	23.3	96.4	373.5
A11	Taxes	-	-	0%	-	-	-	-
A111	Taxes on income, profits, and capital gains	-	-	-	-	-	-	-
A112	Taxes on payroll & workforce	-	-	-	-	-	-	-
A113	Taxes on property	-	-	0%	-	-	-	-
A114	Taxes on goods & services	-	-	0%	-	-	-	-
	of which							
	Value-Added Tax	-	-	0%	-	-	-	-
	Excise	-	-	0%	-	-	-	-
A115	Taxes on international trade & transactions	-	-	0%	-	-	-	-
A116	Other taxes	-	-	-	-	-	-	-
A12	Social contributions	-	-	-	-	-	-	-
A13	Grants	4,310.9	553.0	13%	59.8	23.3	96.4	373.5
A14	Other revenue	-	-	0%	-	-	-	-
A2	Expense	4,310.9	386.4	9%	32.3	152.9	105.7	95.5
A21	Compensation of employees	530.4	62.1	12%	9.0	19.1	18.3	15.6
A22	Use of goods and services	3,083.0	266.4	9%	23.6	94.4	70.9	77.6
A23	Consumption of fixed capital	-	-	-	-	-	-	-
A24	Interest	-	-	0%	-	-	-	-
A25	Subsidies	-	-	0%	-	-	-	-
A26	Grants	669.3	40.1	6%	(0.1)	26.0	11.9	2.2
A27	Social benefits	5.1	(0.1)	-3%	(0.1)	-	-	-
A28	Other expense	23.2	18.0	78%	-	13.3	4.7	-
GOB	Gross operating balance (1-2+23+NOBz)	-	166.6		27.4	(129.6)	(9.4)	278.1
NOB	Net operating balance (1-2+NOBz) ^{c/}	-	166.6		27.4	(129.6)	(9.4)	278.1
		-	0.2%					
	TRANSACTIONS IN NONFINANCIAL ASSETS:							
A31	Net Acquisition of Nonfinancial Assets	168.7	165.5	98%	78.2	28.0	41.0	18.2
A311	Fixed assets	168.7	165.5	98%	78.2	28.0	41.0	18.2
A312	Change in inventories	-	-	-	-	-	-	-
A313	Valuables	-	-	-	-	-	-	-
A314	Nonproduced assets	-	-	-	-	-	-	-
NLB	Net lending / borrowing (1-2+31-31)	(168.7)	1.1	-1%	(50.8)	(157.6)	(50.4)	259.9
	TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):							
A32	Net acquisition of financial assets	0.0	1.1	0%	(50.8)	(157.6)	(50.4)	259.9
A321	Domestic	0.0	1.1	0%	(50.8)	(157.6)	(50.4)	259.9
A322	Foreign	-	-	-	-	-	-	-
A323	Monetary gold and SDRs	-	-	-	-	-	-	-
A33	Net incurrence of liabilities	168.7	-	0%	-	-	-	-
A331	Domestic	-	-	0%	-	-	-	-
A332	Foreign	168.7	-	0%	-	-	-	-
	Vertical check: Difference between net lending/borrowing and financing (1-2-31=32-33-NLBz=0)	0.0	0.0		0.0	0.0	0.0	0.0

Annex 3: Statement Of Government Operations Excluding Donors

STATEMENT OF GOVERNMENT OPERATIONS EXCLUDING DONORS								
GFS Code	GFS Description	Budget 2013	Total (VT mn)	%	January	February	March	April
TRANSACTIONS AFFECTING NET WORTH:								
A1	Revenue	14,629.5	4,932.0	34%	1,798.7	1,177.6	827.6	1,128.0
A11	Taxes	13,165.9	4,382.0	33%	1,663.7	1,073.5	684.5	960.3
A111	Taxes on income, profits, and capital gains	-	-	-	-	-	-	-
A112	Taxes on payroll & workforce	-	-	-	-	-	-	-
A113	Taxes on property	550.3	128.9	23%	32.9	29.4	35.1	31.5
A114	Taxes on goods & services	9,811.6	3,493.9	36%	1,392.3	855.5	532.1	714.0
	of which							
	Value-Added Tax	5,353.3	1,641.3	31%	594.7	317.9	281.7	447.0
	Excise	2,143.8	564.3	26%	166.1	127.7	116.9	153.6
A115	Taxes on international trade & transactions	2,803.9	759.2	27%	238.5	188.6	117.3	214.8
A116	Other taxes	-	-	-	-	-	-	-
A12	Social contributions	-	-	-	-	-	-	-
A13	Grants	-	-	-	-	-	-	-
A14	Other revenue	1,463.6	550.0	38%	135.0	104.2	143.1	167.7
A2	Expense	13,884.1	4,611.3	33%	971.1	1,030.2	1,383.3	1,226.8
A21	Compensation of employees	8,029.0	2,552.6	32%	429.9	604.1	890.0	628.6
A22	Use of goods and services	3,258.6	931.7	29%	177.9	182.3	263.0	308.6
A23	Consumption of fixed capital	-	-	-	-	-	-	-
A24	Interest	603.1	184.7	31%	14.0	51.8	46.7	72.1
A25	Subsidies	108.0	-	0%	-	-	-	-
A26	Grants	1,267.5	604.2	48%	188.3	163.2	105.1	147.7
A27	Social benefits	132.6	48.7	37%	19.9	13.8	8.5	6.5
A28	Other expense	485.3	289.4	60%	141.1	15.0	70.1	63.2
GOB	Gross operating balance (1-2+23+NOBz)	745.3	320.6		827.6	147.5	(555.7)	(98.7)
NOB	Net operating balance (1-2+NOBz) ^{c/}	745.3	320.6		827.6	147.5	(555.7)	(98.7)
	% of GDP		0.4%					
TRANSACTIONS IN NONFINANCIAL ASSETS:								
A31	Net Acquisition of Nonfinancial Assets	251.8	65.4	26%	9.2	7.9	28.8	19.4
A311	Fixed assets	251.8	65.4	26%	9.2	7.9	28.8	19.4
A312	Change in inventories	-	-	-	-	-	-	-
A313	Valuables	-	-	-	-	-	-	-
A314	Nonproduced assets	-	-	-	-	-	-	-
NLB	Net lending / borrowing (1-2+NOBz-31)	493.5	255.3		818.4	139.6	(584.6)	(118.2)
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):								
A32	Net acquisition of financial assets	0.0	61.8	0%	818.4	115.2	(637.6)	(234.2)
A321	Domestic	0.0	61.8	0%	818.4	115.2	(637.6)	(234.2)
A322	Foreign	-	-	-	-	-	-	-
A323	Monetary gold and SDRs	-	-	-	-	-	-	-
A33	Net incurrence of liabilities	(493.5)	(193.5)	39%	-	(24.5)	(53.0)	(116.0)
A331	Domestic	-	(100.0)	-	-	-	-	(100.0)
A332	Foreign	(493.5)	(93.5)	0.2	-	(24.5)	(53.0)	(16.0)
	Vertical check: Difference between net lending/borrowing and financing (1-2-31=32-33-NLBz=0)	0.0	0.0		0.0	0.0	0.0	0.0

Annex 4: Summary of Revenue and Expense by Ministry

Revenue by Ministry						
Code	Ministry	2013 Budget	2013 Actual to Date	Actual as % of Budget	2012 Actual	2011 Actual
M01	Constitutional Agencies	33,632,000	19,067,700	56.7	46,994,963	43,166,044
M02	Prime Ministers Ministry	0	1,589,000	0.0	1,000,000	0
M03	Ministry of Education	3,675,000	2,901,945	79.0	3,534,161	1,228,625
M04	Ministry of Internal Affairs	679,775,000	398,813,365	58.7	784,903,942	469,860,967
M05	Ministry of Finance and Economic Management	12,611,106,960	4,371,757,469	34.7	13,473,890,247	13,482,986,627
M06	Ministry of Commerce, Industry and Tourism	0	7,028,942	0.0	20,495,507	18,571,388
M07	Ministry of Health	10,830,000	5,275,785	48.7	16,608,079	17,243,587
M08	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity	221,800,000	139,455,911	62.9	292,016,995	256,042,603
M09	Ministry of Lands, Geology and Mines	791,496,674	143,331,583	18.1	806,827,365	644,378,419
M10	Ministry of Infrastructure and Public Utilities	446,356,750	257,538,005	57.7	583,426,172	323,908,373
M12	Ministry of Foreign Affairs and External Trade	0	78,197	0.0	525,990	303,588
M13	Ministry of Cooperatives and Ni-Vanuatu Business Development Services	2,573,125	754,816	29.3	3,487,358	1,436,315
M15	Ministry of Justice and Social Welfare	0	0	0.0	0	10,000
M19	Ministry of Civil Aviation, Meteorology and Postal Services	9,400,000	5,030,991	53.5	11,672,770	11,334,232
	Total for all Ministries	14,810,645,509	5,352,623,709	36.1	16,045,383,549	15,270,470,768
Expense by Ministry						
Code	Ministry	2013 Budget	2013 Actual to Date		2012 Actual	2011 Actual
M01	Constitutional Agencies	1,139,949,684	414,515,440	36.4	1,411,144,376	1,138,515,505
M02	Prime Ministers Ministry	521,410,718	176,549,402	33.9	220,366,420	205,700,764
M03	Ministry of Education	4,091,861,597	1,605,994,145	39.2	4,067,184,445	3,993,083,562
M04	Ministry of Internal Affairs	1,425,550,641	568,935,019	39.9	1,486,514,301	1,405,034,308
M05	Ministry of Finance and Economic Management	4,344,377,397	983,429,527	22.6	3,527,491,546	3,267,269,104
M06	Ministry of Commerce, Industry and Tourism	303,842,470	139,494,806	45.9	376,672,452	268,432,950
M07	Ministry of Health	1,609,839,563	671,522,287	41.7	1,562,160,907	1,688,803,707
M08	Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity	442,058,749	161,986,066	36.6	424,697,837	432,170,049
M09	Ministry of Lands, Geology and Mines	283,082,048	99,609,285	35.2	280,016,668	310,536,332
M10	Ministry of Infrastructure and Public Utilities	1,217,203,657	365,346,120	30.0	1,119,385,193	1,187,974,600
M12	Ministry of Foreign Affairs and External Trade	313,264,861	132,846,082	42.4	307,018,527	308,721,916
M13	Ministry of Cooperatives and Ni-Vanuatu Business Development Services	72,724,935	31,017,601	42.7	98,826,459	110,181,818
M14	Ministry of Youth Development and Training	29,304,624	4,210,671	14.4	42,477,637	42,206,545
M15	Ministry of Justice and Social Welfare	311,506,036	110,850,676	35.6	364,276,464	294,996,121
M19	Ministry of Civil Aviation, Meteorology and Postal Services	196,204,327	80,945,467	41.3	168,539,110	165,225,469
M20	Ministry of Climate Change Adaptation, Geohazards, Meteorology and Energy	23,814,202	3,331,068	14.0	0	0
	Total for all Ministries	16,325,995,509	5,550,583,662	34.0	15,456,772,342	14,818,852,750

*Vision report 17/05/13, includes VAT paid by Departments