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PAPUA NEW GUINEA

# Papua New Guinea Education Budget Analysis, 2012 -2018

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*Inquire    Inform    Influence*

# Presentation Outline

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1. Abstract
2. Introduction
3. Research Questions
4. Education sector and strategic framework
5. Public sector and education sector budget FY2013 – 2017
6. Findings, gaps and recommendations to support policy implementation.

# Abstract

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- Analyse the levels and trends of public spending in the education sector in PNG
- Approach to evaluating the efficiency & the budget allocations in each sub-sector for education.
- Identifies areas/gaps for improvement and presents policy recommendations
- Big gaps and inequality in funding for inclusive education, Early Childhood Care Development, adult literacy and TVET
- The average national education budget (appropriated) over this period was around PGK 1.1 billion.
- 2018 Education budget of Kina 2.9 billion as % of total public expenditure: 11.9%.
- 2018 Education budget as % of GDP: 4.1%
- The largest expense is payroll for teachers of schools and educational institutions and the Tuition Fee Free.
- Donor financing of the education sector is on average around 10%

# 1. Introduction

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- i). Education Policies, plans and processes relevant to education financing
- (ii). Education Expenditure Budget for FY 2012 – 2017 for education sector compare to other sectors.
- iii). Education stakeholders, development partners and education officials committed to policy commitments and expenditure

## 2. Research Questions

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- i). Is budget allocation to education sufficient to meet the government's goals?
- ii). Are the % of increase the education sector has received within a given period compared with the increases in other sectors?
- iii). Are there variations in budget allocations for various population groups (sex, age, special needs) and various locations within the country?
- iv). Are there differences between the budget allocation and the budget spending and funds used for intended purposes?
- v). Is Government's commitment towards the allocation of resources planned for spending and actually spent on education compared to other education levels?

# Organisation of the report

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- ❑ Part one – Introduction
  
- ❑ Part two - Education sector, strategic framework and organizational structure
  
- ❑ Part three - Public sector and education sector budget FY2013 – 2017
  
- ❑ Part Four - Findings, gaps and recommendations to support policy implementation.

# Strategic Framework for Education

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PNG's three strategic plans:

- PNG Vision 2050 (V2050)
  
- PNG Development Strategic Plan 2010-2030 (DSP)
  
- Medium Term Development Plan III 2018-2022

# Education sector policy context

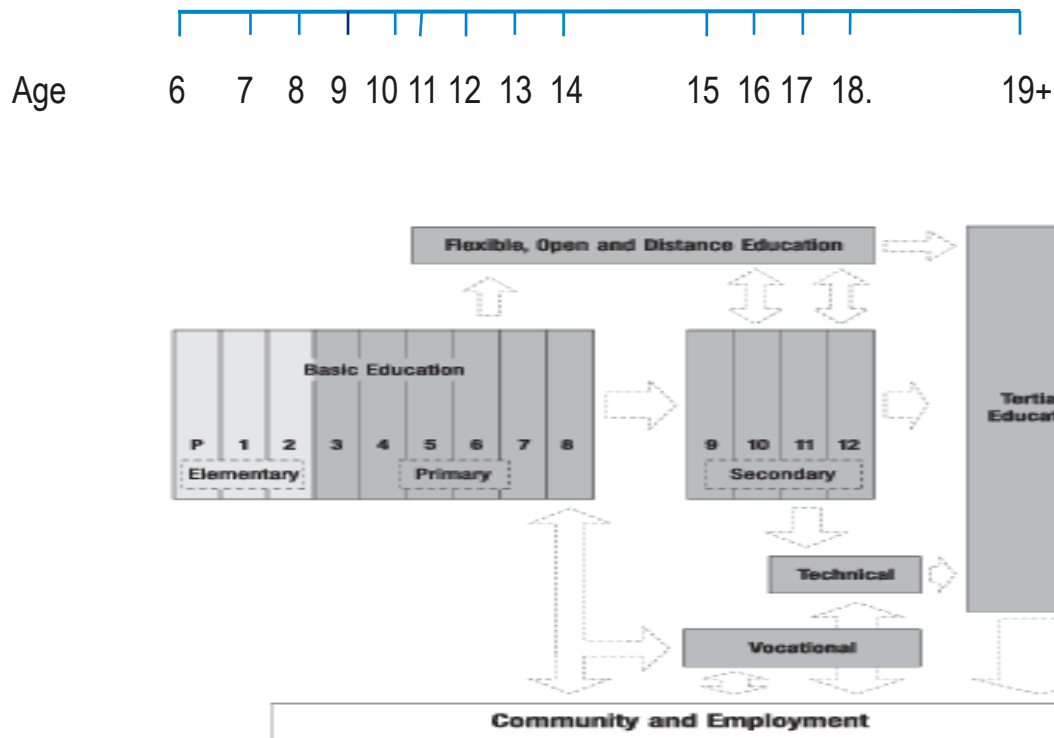
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Policies specific to the general education system:

- Integral human Development
- Sustainable Development Goal 4 (SDG-4)
- National Education plan 2015-2019
- Universal Basic Education Plan 2010-2019
- Tuition Fee Free Education
- Reform of curriculum to provide quality education
- Development of literacy skills for all.
- Improved technical and vocational education



# Structure and management of the education system



## 3. Methodology

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- Desk review/analysis of key budget documents as available
- Meetings / consultation with key civil society stakeholders (PEAN)
- Meetings / consultation with key government stakeholders (DoE, DoT, DoF, DHERST)

# National education implementation

Locality	Elementary		Primary		Secondary		Vocational	
	Total	*NES	Total	*NES	Total	*NES	Total	*NES
<b>Total</b>	<b>891,876</b>	<b>887,899</b>	<b>1,001,946</b>	<b>991,796</b>	<b>192,238</b>	<b>184,648</b>	<b>40,726</b>	<b>39,601</b>
Rural	786,651	786,651	822,574	822,297	127,127	126,052	25,357	25,357
Urban	105,225	101,248	179,372	169,499	65,111	58,596	15,369	14,244

Source: EMIS Database, DoE 2016

NES – National Education System

# Government sectors budgets

Sector	2013	2014	2015	2016	2017	% change, 2013 - 2017
Administration	3,753.4	3,747.7	3,892.3	4,059.9	4,205.1	12.0
Economic & Agriculture	491.7	777.9	765.0	781.3	798.0	62.3
Education	1,343.0	1,501.7	1,468.4	1,501.7	1,535.8	14.4
Health	1,089.0	1,382.3	1,348.9	1,380.2	1,412.2	29.7
Transport infrastructure	1,882.0	2,723.3	2,655.9	2,712.0	2,768.6	47.1
Law & Order	1,022.6	1,296.0	1,264.3	1,293.8	1,323.9	29.5
Provinces	3,462.2	3,638.4	3,673.3	3,751.2	3,825.6	10.5
Social	174.8	227.1	222.9	227.7	232.7	33.1
Total Expenditure	13,218.7	15,294.5	15,291.1	15,707.8	16,101.9	21.8

Source: GoPNG Budget Book 2014, Volume 1, Table 11, with the percentage change column added by the authors.

# Government Expenditure on Education

National Agencies	2013	2014	2015	2016	2017
National Department of Education	1,116.8	1,082.3	1,055.6	1,080.2	1,105.4
Office of Higher Education	72.8	210.1	204.9	209.7	214.6
Universities	151.3	204.3	202.9	206.7	210.6
Miscellaneous	2.1	5.1	5.0	5.1	5.3
<b>Sub-total national agencies</b>	<b>1,343.0</b>	<b>1,501.7</b>	<b>1,468.4</b>	<b>1,501.7</b>	<b>1,535.8</b>
<b>Provinces</b>					
Teachers' Salaries and Leave Fares	733.3	733.3	971.3	1,053.9	1,132.4
Education Function Grant	78.4	96.3	116.0	120.2	118.1
<b>Total Provinces</b>	<b>811.7</b>	<b>829.6</b>	<b>1,052.5</b>	<b>1,174.1</b>	<b>1,250.5</b>
<b>Total expenditure on education</b>	<b>2,154.7</b>	<b>2,331.3</b>	<b>2,520.9</b>	<b>2,675.8</b>	<b>2,785.3</b>

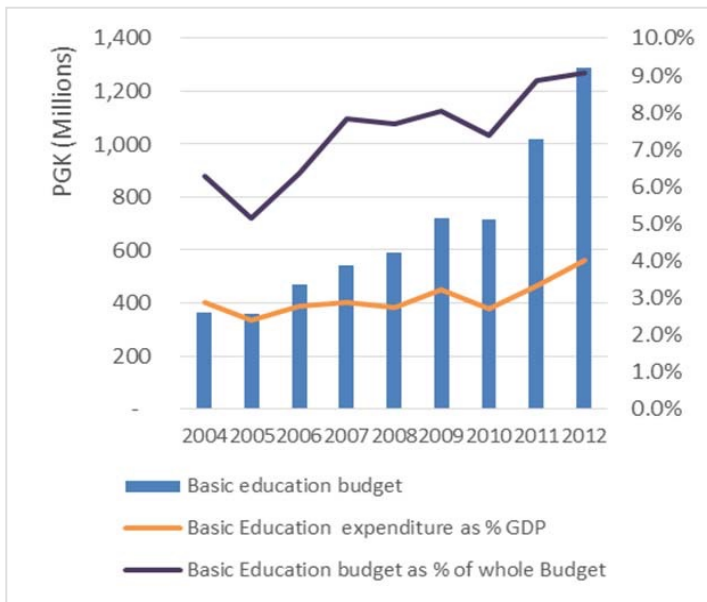
Source: GoPNG Budget Book 2017, Volume 1, Table 14 for national agencies.

# Public Expenditure as Percentage of GDP

Country:	PAPUA NEW GUINEA	Actual values for Prior and Current Years			Target values for Replenishment period			
Local currency (unit):	Kina (millions)	2014	2015	2016	2017	2018	2019	2020
Total Public Expenditure	Total Public Expenditure (Recurrent and Capital, excluding debt service)	13,536.70	12,421.40	12,308.10	13,793.70	15,225.30	15,539.00	16,744.00
	Total Public Recurrent Expenditure (including debt service payments)	9,135.60	8,773.40	9,447.50	13,036.00	14,710.00	15,039.00	16,244.00
	Total Public Capital Expenditure	5,354.20	4,722.70	4,124.90	2,140.60	2,381.00	2,500.00	2,700.00
	Interest and Debt Services	953.1	1,074.70	1,264.30	1,382.90	1,864.70	2,000.00	2,200.00
Public Expenditure on Education	Public Expenditure on Education (Recurrent and Capital)	2,079.80	1,960.22	2,288.03	2,721.60	2,909.70	3,000.00	3,250.00
	Public Recurrent Education Expenditure		1,787.12	2,054.93	2,242.50	2,238.80	2,400.00	2,600.00
	Public Capital Education Expenditure		173.10	173.10	479.10	570.90	600.00	650.00
Education Expenditure (%)	Public Recurrent and Capital Education Expenditure (as % Total Public Expenditure)	15.4%	15.8%	18.1%	19.7%	19.1%	19.3%	19.4%
	Public Recurrent Education Expenditure (as % Public Recurrent Expenditure, Excluding Debt Service)		23.2%	25.1%	19.2%	18.2%	18.4%	18.5%
	Public Capital Education Expenditure (as % Public Capital Expenditure)		3.7%	4.2%	22.4%	24.0%	24.0%	24.1%

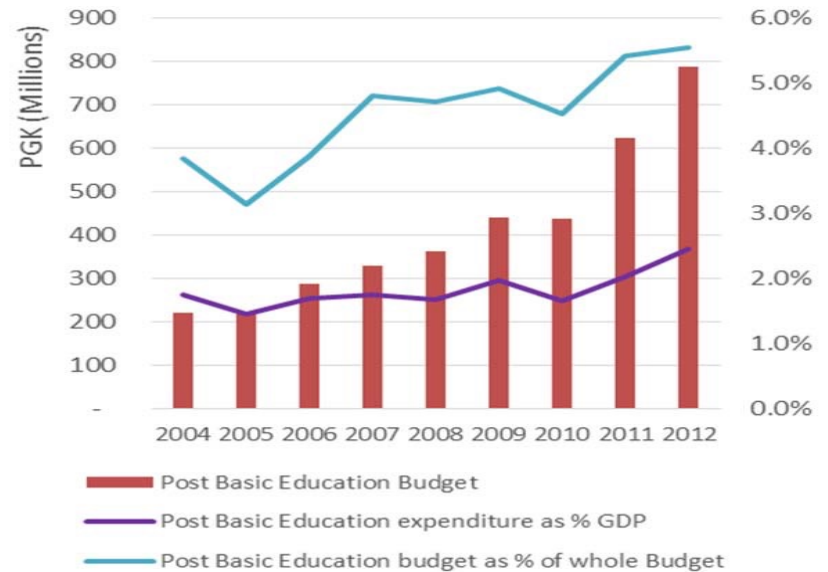
# Budget allocation by education level

Basic education budget, 2004–12



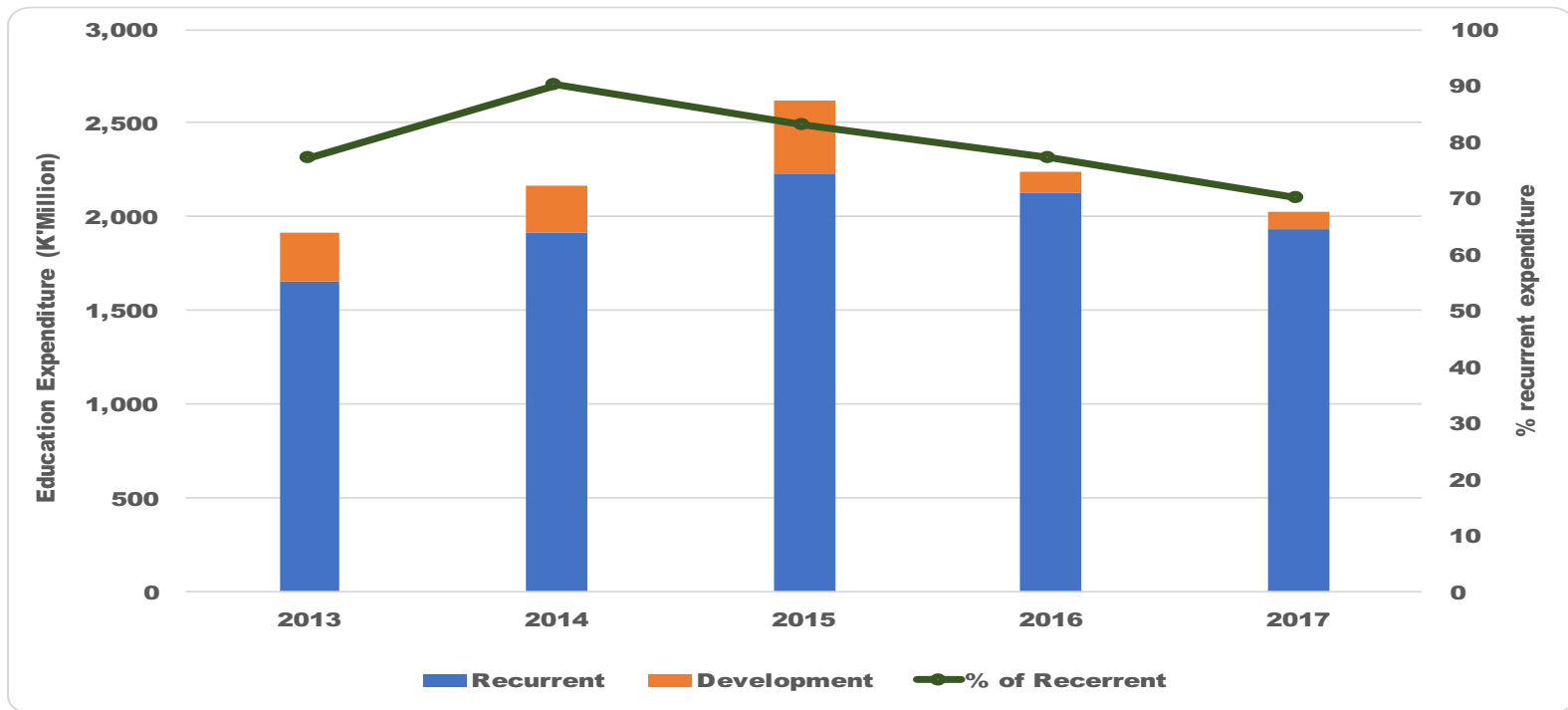
Source: Department of Treasury

Secondary education budget, 2004–12



Source: Department of Treasury

# Breakdown of Recurrent and Development Expenditures in Education



Source: Tables 14-24: 2017 Budget Book



# 3: Analysis and Findings on Education Budget

## □ 3.1 Recurrent Budget

Program	2013	2014	2015	2016	2017
TMT & General Administration	669,805.90	635,841.30	636,459.30	624,617.60	622,005.70
Education Standards	50,615.40	38,834.00	96,045.00	36,048.20	46,648.90
Basic Education	33,248.20	22,398.10	42,075.80	86,664.40	31,471.50
Literacy & Awareness	643.40	1,000.00	2,225.00	1,098.90	621.90
Seconday Education	43,332.00	48,001.00	56,020.00	47,104.10	31,586.60
Vocational Education	4,575.30	185,255.00	5,228.00	4,995.80	3,302.20
Technical Education	19,844.90	30,036.00	37,980.50	20,685.60	19,293.30
Teacher Education	31,229.00	34,332	39,937.00	34,389.40	20,843.20
Library Services	2,335.20	3,100.00	8,599.20	3,254.80	1,801.70
Managemnt of Teachers Affaires	1,671.50	3,437.00	4,382.80	3,965.90	2,738.40
Government Records & Archieves	629.00	1,000.00	1,810.00	1,050.30	667.60
<b>Total</b>	<b>857,929.80</b>	<b>1,003,234.40</b>	<b>930,762.60</b>	<b>863,875.00</b>	<b>780,981.00</b>

Source: Tables 14-24: 2017 Budget Book

# 3: Analysis and Findings on Education Budget

## 3.2 Development Budget

Program	2013	2014	2015	2016	2017
TMT & General Administration	10,825.0	10,379.0	9,600.0	300.0	1,900.0
Education Standards	19,925.0	22,854.0	64,505.0	23,790.0	42,820.0
Primary Education	22,691.0	12,060.0	95,300.0	46,670.0	25,000.0
Literacy & Awareness					
Vocational Education	173,817.0	6,201.0	3,500.0	29,890.0	7,400.0
Secondary Education	4,074.0	180,455.0	5,200.0	2,680.0	
Technical Education	24,890.0	18,336.0	18,000.0	5,000.0	10,000.0
Teacher Education	3,725.0		192,605.0		
Library Services					
Government Records & Archives					
<b>Total</b>	<b>259,947.00</b>	<b>250,285.00</b>	<b>388,710.00</b>	<b>108,330.00</b>	<b>87,120.00</b>

Source: Tables 14-24: 2017 Budget Book

# 3: Analysis and Findings on Education Budget

## 3.3 Share of Development Budget by Donors

Donor	Share (%)				
	2013	2014	2015	2016	2017
GoPNG	11.2%	22.4%	34.2%	22.4%	22.4%
AusAID	63.0%	27.5%	0.0%	27.5%	27.5%
European Union	8.0%	41.6%	42.3%	41.6%	41.6%
UN	3.5%	2.2%	0.0%	2.2%	2.2%
World Bank	10.4%	1.0%	21.9%	1.0%	1.0%
JICA	1.8%	5.3%	1.6%	5.3%	5.3%

Source: 2017 Budget Book

# 3: Analysis and Findings on Education Budget

## Expenditures by Education Level

Level	2012	2013	2014	2015	2016	2017
Elementary				2.9%	2.5%	2.3%
Primary				11.9%	12.0%	7.4%
Secondary				11.2%	8.9%	8.5%
TVET				1.7%	2.6%	1.9%
FODE				0.1%	0.1%	0.1%
Inclusive Education Centre				0.1%	0.1%	0.1%
Technical				2.8%	1.0%	1.2%
Tertiary				8.8%	11.0%	11.7%

Source: Budget Branch, NDoE

# 3: Analysis and Findings on Education Budget

## 5. Share of literacy and adult education in education budget

K'm	2013	2014	2015	2016	2017
Literacy & Awareness	643.4	1,000.0	2,225.0	1,098.9	621.9
% of total	0.07%	0.10%	0.24%	0.13%	0.08%

Source: Department of Education Budget Division, 2017

# 3: Analysis and Findings on Education Budget

## Per Student Expenditures

Year	Elementary			Primary			Secondary		
	Total Expenditure (K)	Enrolment	Per Student Expenditure (K)	Total Expenditure (K)	Enrolment	Per Student Expenditure (K)	Total Expenditure (K)	Enrolment	Per Student Expenditure (K)
2012		727,115	0		915,970	0		129,168	-
2013		773,807	0		942,998	0		142,312	-
2014		814,131	0		950,583	0		155,204	-
2015	77,591,951	802,281	97	268,350,933	957,410	280	199,828,745	169,694	1,178
2016	64,301,959	950,654	68	220,392,615	988,617	223	182,862,456	187,973	973
2017	55,609,298	850,854	65	155,998,059	1,014,265	154	176,058,937	191,854	918

Source: Department of Education Budget Division, 2012-2017, with the per student expenditure column added by the author.

# Analysis and Findings on Education Budget

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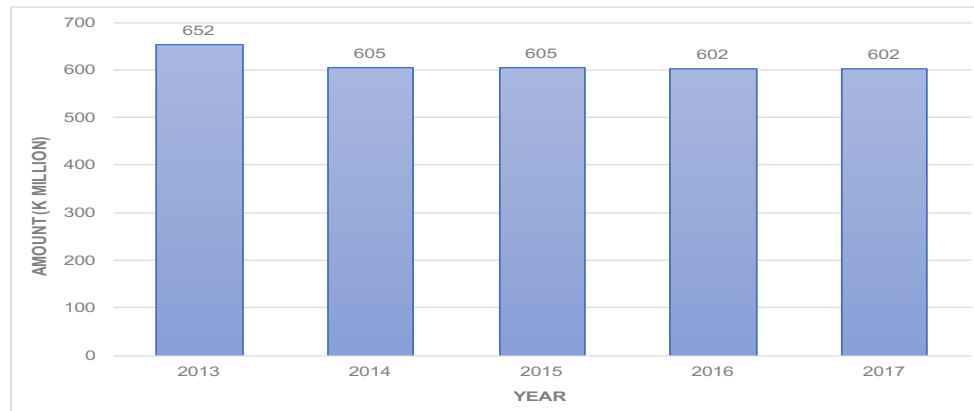
## Adequacy

- expenditure on education was decreased as a share of both GDP and total government expenditure between 2016 and 2018.

# Analysis and Findings on Education Budget

## ❑ Extent of progress

### ❑ Tuition Fee Free



- ❑ Gross enrolment rate for elementary - 138% in 2013 to 158% in 2016 and primary increased from 83% to 98%.
- ❑ net enrolment rate in basic education 72.2% in 2013 to 85% in 2016.
- ❑ pressure on school infrastructure and teachers with worsening student-teacher ratios.



# Analysis and Findings on Education Budget

## ☐ Equitability

<b>Category</b>	<b>Age</b>	<b>Government funding (%)</b>
Early Childhood learning	3-5 years	0.0%
Basic education	6-14 years	11.2%
Secondary education	16-18 years	9.8%
FODE	15+ years	0.2%
Vocational	15+ years	2.2%
Technical	15+ years	0.2%
Literacy and adult education	15+ years	0.1%
Special needs education		0.1%

# Analysis and Findings on Education Budget

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## Efficiency

- Need more data from DoE to verify.

## Effectiveness

- Need more data from DoE to verify.

# Analysis and Findings on Education Budget

## □ Degree of prioritization

Expenditure by sector	2016 Budget	2017 Budget	2018 Projection	2019 Projection	2020 Projection	2021 Projection	Trend
Provinces	27%	30%	30%	30%	31%	31%	↗
Community & Culture	1%	2%	2%	2%	2%	2%	↗
Administration	17%	20%	20%	20%	20%	20%	
Economic	3%	3%	3%	3%	3%	3%	↘
Utilities	3%	2%	2%	2%	1%	1%	↘
Transport	8%	7%	7%	6%	6%	6%	↘
Health	12%	9%	9%	8%	8%	8%	↘
Education	9%	9%	9%	8%	8%	8%	↘
Law & Justice	9%	8%	8%	8%	8%	8%	↘
Debt Service	11%	10%	10%	10%	9%	9%	↘

Source: KPMG 2017 Budget Review



# 4.1 Further Gaps in Education Financing and Prioritisation

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## 4.1.1 Inclusive Education

- Early Childhood Care Development*
  
- Special Need Education*
  
- Adult and Out-of-School Education Coverage*



# 4.1 Further Gaps in Education Financing and Prioritisation

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## 4.2. Alternative Pathway

- Non-Formal Education
- Flexible Open Distance Education*
- Technical and Vocational Education Training (TVET)*

## 4. Preliminary Recommendations

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- Make education inclusive for all citizens regardless of their situation
- Give equal priority to education sector-wide financing
- Develop and conduct research, monitoring and evaluation on education financing
- Education financial data collection, reporting and monitoring has to be focused on group



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***Thank You***

