



Independent State Of Papua New Guinea

# 2026 BUDGET SPEECH

*“Security with Growth”*

Presented by:  
**HON. IAN LING-STUCKEY, CMG. MP**  
*Minister for Treasury*

*For the Year Ending 31st December, 2026*



**CELEBRATE OUR HISTORY**  
**INSPIRE OUR FUTURE**

*On the occasion of the Presentation of the 2026 National Budget*





**MINISTER FOR TREASURY**

**2026 Budget**

**“Security with Growth”**

**HON. IAN LING-STUCKEY, CMG.MP**

**Minister for Treasury**

**25 November 2025**







**HON. IAN LING-STUCKEY, CMG. MP**  
Minister for Treasury



Mr Speaker, today I introduce the 2026 Budget for Parliament's consideration, my seventh annual Budget, or twelfth Budget including Supplementary Budgets, that I have had the honour, again, to present to this House.

On the 50<sup>th</sup> anniversary of our Independence, it is important to put the 2026 Budget into a broader context of our nation's past and future. We must learn some painful lessons from our past. And with the wisdom from the past, let us ensure our budgets provide the targeted resources that can inspire our future.

### **Security with Growth through our 2026 Budget**

Mr Speaker, first, the high level facts of the 2026 Budget.

A budget with K30,913 million in expenditures.

Budget revenues will total K29,306 million.

Mr Speaker, these are big numbers, and are once again record budget figures. However, we do need to keep these numbers in perspective.

But even these record levels of expenditure are less, much less, than the needs of our people.

The K30.9 billion in expenditure represents only K2,882 per person in PNG, based on an estimated 2026 population of 10.7 million.

Across our budget, this is actually only K430 per person for all our education expenditure, only K268 per person for health, only K219 per person for all our police, defence and court systems, and less than K200 per person for all our roads and wharves and airports. Clearly, still, just not enough.

We cannot fix this shortage of development funds in just one year. We need more revenues. We do not, want to increase taxes.

In 2026, good progress is being made, to lift our revenues. We have been working hard, through better policies, such as the Dividends policy compelling the Kumuls to pay more, and through a modernised and simplified new Income Tax Assessment Act. These policies, have been supported by increased operational funding support for IRC, which has increased from K102 million in 2024, to K144 million in 2026, and Customs, with the budget increasing from K123 million in 2024 to K129 million in 2026.

Indeed, in 2026, our domestic revenues are expected to be 18.8% of our GDP. This is higher than our revenue target of 17.9% by 2027 set out in our Medium Term Revenue Strategy.

We are now exceeding our revenue targets, but still not enough to meet the legitimate needs of our people.



## **Security with Growth through Budget Repair – Some comparisons**

Mr Speaker, the difference between this record level of revenues, and this still, inadequate level of budget expenditures, is a deficit of K1,607 million.

We are still spending K150 more per person than our revenues.

We agree with those Opposite, who say that this is too much. This is why we are targeting a budget surplus by 2027, so that finally, we return to the position, where our incomes cover our expenditures.

But for those opposite, you should never forget, that this K150 per person deficit, is better than the K520 per person deficit, we inherited from the Other Guy.

A budget deficit per person 250% higher, under the Other Guy, than in the 2026 Budget.

And this high deficit figure, passed onto us in 2019, as confirmed by the Due Diligence work, confirmed by our international partners, including the IMF, to unearth his fake budgets. This high deficit, was imposed on our people, despite the expected boom of the PNG LNG project, coming on-stream in 2014.

The Other Guy, wasted and misused, the expected benefits of this largest resource project in our history.

The record is clear, in the 2015 mid year budget update, the MYEFO. The Other Guy and in case anyones forgotten, the Member for Ialibu

Pangia, was so economically irresponsible, that it was estimated the budget deficit would increase from 4.4% to 9.4% of GDP, or K4,817 million. A K2,272 million blow-out in 2015 due to poor and incompetent economic management. And some of you on the other side, want him back. You gotta be joking!

In contrast, the 2025 MYEFO indicates no change in the budget deficit.

The 2026 Budget, shows the budget deficit, will nearly halve, to just 1.1% of GDP, on track for a targeted surplus in 2027.

In contrast, to the earlier years, through fiscal discipline and more importantly, political stability, the budget deficit, has fallen dramatically, from 8.9% of GDP in 2020, down to 1.1% in 2026.

Our debt is now growing much slower, than our economy. This means that our debt to GDP ratio, will drop significantly from 48.4% in 2025 to 45.5% in 2026, and expected to fall to 42% in 2027.

All of this budget repair and falling debt ratios, is occurring, while PNG is benefiting, from record rates of non-resource economic growth and inflation well below historic levels.

Mr Speaker, there is no need for a so-called blame game, although he, has much to be ashamed about, through his appalling economic mismanagement and giaman. Throwing away the benefits, of Grand Chief Somare's management, for the first two years. Then five years

of disastrous economic management, that destroyed living standards, lost tens of thousands of jobs, and increased our debt four-fold, funded by expensive, overseas commercial borrowings.

The Marape-Rosso Government, is very willing, to do a comparison in performance, between the untrustworthy, economic experiences from 2013 to 2018, compared to, the post-COVID economic experience, from 2021 to 2026.

### **Security with growth, through support for our police and judiciary**

Mr Speaker, the 2026 Budget builds on the strong support, provided by the 2025 Budget, to our law and justice sector.

Out on the front-line, it is our police, who face the challenges of tribal conflict, of domestic violence, of breaking the laws of our land. The recent battles at the University of Goroka, and violence in and around, the Porgera mine, are a reminder of the complexity of these problems.

The causes are complex. But everyone agrees, that part of the solution, is that there must be more police in PNG.

The 2026 Budget, provides an overall increase of 9.6 per cent in the law and justice sector, building on the 9.5 per cent increase last year. Steady increases, that will need to continue for years. Some highlights of these increases are as follows:

- Further investments in our police of K761 million, including a 34% increase in goods and services funding, to cover operational costs such as fuel, and with funding for wages increasing by 19 per cent over the last 2 years. as part of supporting a growth to 10,000 police by 2030.
- Our judiciary receives a further 19 per cent increase in operating costs, lifting the total funding increase since 2024 to a 59 per cent increase in operating costs.
- Our Defence forces receive a 29% increase in their goods and services.
- Our priority areas tracking line of “Police Fuel, Defence Catering and Court Cases” receives a 42% increase from K112 million to K159 million.
- Our Corrective Services, receive a 10.6 per cent increase in operating funding, in 2026.
- Our Office of Public Prosecutor, receive a 60 per cent increase in operating costs, over 2 years.
- Our Magisterial Services, receive a 36 per cent increase over 2 years.
- Our Ombudsman Commission, receives a 15.2 per cent increase over 2 years, and

- Our Independent Commission Against Corruption, with a 34.5 per cent increase in funding, over the last two years to K54.1 million.
- And LLG Leader's Allowances, supporting a key part of community level dispute resolution, increases by 47% from K49 million to K72 million.

These are strong levels of increased support. In addition, K10 million has been allocated, to support activities for dealing with money laundering and counter-terrorism funding.

These increases, demonstrate the Marape-Rosso Government stands with our police, with our defence forces, with our judges and magistrates and public prosecutors and corruption fighters, all to improve security and peace in our country. And with improved security, we know the prospects for growth, are so much stronger.

### **Security with Growth through the Agriculture Sector**

Mr Speaker, the Marape-Rosso government is looking for inclusive growth, growth that lifts income security and benefits everyone around the country. A key part of this, is greater investments, in our agriculture sector. This includes:

- A 16.6% increase, for the Department of Agriculture operating costs,
- A 34.8% increase, for the PNG Oil Palm Industry Corporation,

- A 14.0% increase, for the National Agriculture Research Institute,
- A 34.6% increase, in operating funding for the National Agriculture Quarantine and Inspection Authority, and
- Over the last two years, a 32.7% increase, in operational funding to the Cocoa Board;

### **Security with Growth through capital investments**

Mr Speaker, Marape-Rosso, is the Infrastructure Government.

The 2026 Budget, has a record Public Investment Program of K7,697 million.

This is 277% higher, than the miserable, K2,041 million, invested in the PIP in 2018.

These are not just figures in a budget book. Month after month, we see images of the dancing and joy, that comes, when a new road goes into an area, where there was no road before. This is development that is transforming lives.

PNG Connect, remains our signature program, guiding these investments. We are responding to concerns, about some parts of the program, through a comprehensive audit, but the concrete benefits are clear on the ground.



The 2026 Budget, provides over K1.7 billion, through the Department of Works, to support the historic, PNG Connect program.

### **Security with Growth through human capital investments**

Mr Speaker, just as we support investments in physical capital, we also support investments in human capital, through our health and education sectors.

The 2026 Budget, continues our record of strong education investments, with an increase in the education sector of 11.3%, to K4,935 million.

This funding includes a K251 million increase, or 11%, in Teachers' Salaries, lifting spending to K2,532 million in 2026, aimed at preventing further teacher's salaries over-runs. In addition, there is a K45 million increase in Government Tuition Fee Subsidy and Project fee support, from K860 million to K905 million. For TESAS and HELP, there is an increase from K152 million to K157 million. There is an increase of 11%, or K251 million

In the health sector, there is a 15.8% increase to K3,205 million. This includes a K88 million in increase for our Provincial Health Authorities, including POM General, to K1,476 million. There is a K27 million increase in medical supplies, from K240 million to K267 million. There are also major increases for vaccines of 73%, of malaria and TB and other key drugs of over 40%. Church and Catholic Health Services es, which provide an estimated half, of all health

services, to our rural people, increases by 22 per cent, or K46.3 million, to K259 million.

### **Security with Growth through support for Provinces**

Mr Speaker, once again, our Provinces are greatly benefiting, from our decentralised, funding arrangements.

This includes a 44 per cent increase, in functional grants, over the last two years from K535 million to K770 million.

Provincial funding, also includes a 30 per cent increase in GST and Bookmakers Tax distributions, from K980 million in 2024 to K1,274 million in 2026.

Provinces also benefit greatly, from the increased funding to our Provincial Health Authorities, and the increased funding provided for teachers and the GTFS scheme.

### **Security with Economic Growth**

Mr Speaker, inclusive economic growth, is key to income security, more job security, and more revenues to fund larger budgets.

During COVID19, we protected the budget, protected the economy. And we are now seeing the benefits of such a policy.

The economy is expected to exceed K145 billion in 2026.

This is K12 billion higher than the K133 billion economy in 2025.

Our 2026 economy will be over 80 per cent higher than the K79 billion economy in 2018, we inherited.

We are well on target for a K200 billion economy by 2030, a K300 billion economy by 2035, and a Kina, one trillion economy by 2048.

As significant, as these very large increases, in nominal GDP are, the real growth figures, are in our non-resource economy. Real non-resource growth per capita, is the best measure in PNG for tracking movements in living standards. The non-resource sector, accounts for 72% of the economy, and is the part of the economy, which provides livelihoods, to most of our people, such as agriculture, manufacturing, finance, transport, retail and wholesale businesses, hospitality, utilities and government.

From 2021 to 2026, PNG is forecast, to benefit from its longest run of sustained real growth, in the non-resource economy, of over 4% in its history.

Specifically, PNG has had real non-resource growth, so taking out the impacts of inflation, of:

- 4.2% in 2021
- 5.9% in 2022
- 4.7% in 2023
- 4.5% in 2024

- 4.6% in 2025 and
- 4.5% in 2026.

This sustained, six years of non-resource real growth of 4%, is now two years longer than any other period in PNG's history.

All these rates are higher, than PNG's population growth rate, now re-estimated by the Census, of 2.6%, meaning, we are finally seeing sustained improvements, in living standards.

Indeed, using the updated Census population figures, we now expect, to climb out of the deep economic hool, left by the Other Guy's economic mismanagement, by the end of 2025. And here's an even scarier thought, if the Other guys, Other guy-sitting next to him, ever gets his hands on the Bank account, PNG would go broke, before the year ended. Don't trust the two of them.

More specifically, living standards dropped from an average of K8,877 per person in 2014, down to just K8,025 by 2019, a fall of 10.6% in real living standards. In 2025, we now expect living standards to rise to K8,949, finally back above 2014 levels, and in 2026, to rise further to K9,137.

PNG now adopts the international standard in budgeting, of not including any new projects, in our growth or revenue forecasts, until the Final Investment Decision or FID, is made, so there is a real upside looking forward.

Despite this very strong growth, PNG's inflation rate, has remained well below historic levels, in the last two years, including a historic low of 0.6% in 2024, and the latest June quarter 2025 outcome, of minus 2.2%. In 2026, we expect the inflation rate to be 4.2%, still well below the historic average of 6%, and lower than 5%, if we didn't extend the GST relief package.

Along with this growth, we are seeing an increase in the formal jobs sector, with a 2.6% increase in the year to June 2025. We know that many more jobs are being created in rural areas, linked to the strong prices of agricultural commodities, such as coffee and cocoa, but we do not have a good way to measure this broader jobs growth.

What we do know however, is that this jobs growth is much, much better, than the fall in employment from 300,649 non public sector jobs in 2013, down to 271,200 in 2018, a loss of nearly 30,000 jobs, by the Other Guy. Not a blame game. Just reminding the house, the Better Guy, is steering the ship.

### **Security with Growth, through assisting families with cost-of-living pressures**

Mr Speaker, the Marape-Rosso Government, understands that families are still struggling, with cost of living pressures.

Unlike previous Governments, we have been, delivering relief to our families.

Mr Speaker, the 2026 Budget includes a K1,010 million Household Assistance Package. When members opposite ask, where does the money go? the answer is, that it goes into initiatives, such as this to support our families.

The main component of this Household Support Package, is the full year costing, of the zero-rating for 13 essential products. This “no more GST” has been extended to the end of 2026. The 13 products are rice, flour, tinned fish, tinned meat, chicken, biscuits, noodles, tea, coffee, cooking oils, and health related products of soap, women’s hygiene products and baby diapers.

Let us not forget, the Opposition, opposed these GST cuts. They argued against them, in their response to the 2025 Budget. They simply do not understand, the needs of struggling families.

This year’s household assistance package, also continues to provide K175 million, for school project fee subsidies, which provide savings between K60 and K220 per student, depending on the level of schooling, they are attending. The permanent increase, in the tax-free threshold to K20,000, provides savings of up to K63 per fortnight, for most income earners on K20,000 and above. For first home buyers, the stamp duty exemption has been lifted to K700,000 at a cost of K15 million. The temporary freeze on the indexation of beer and most tobacco products has been extended, although not on damaging social drinks.



Over the last five years, the Marape-Rosso Government, has provided K3,332 million, in support for struggling families.

### **Security with Growth, through a Team Effort**

Mr Speaker, as I mentioned last year, the high level work of budget allocations has been done – it is now up to agencies, to spend these funds effectively, in ways that improve security and incomes, create jobs, and start on the path, of fixing our power and water issues. And all in this house, need to back up this vision, with the opportunities, provided to us, through our SIP and infrastructure funds.

This really must be a team effort.

### **Conclusion – Security with Growth**

Mr Speaker, I have set out in this 2026 Budget speech, actions aimed at improving, security with growth in our country.

We have a record K30.9 billion Budget, with a very strong emphasis, on supporting security with growth, through our police, our judiciary, our health and education programs and our infrastructure investments.

Expenditures are estimated to grow by 9.0% in 2026, much less than the estimated growth in revenues, of 15.3%. This is the basis, for responsible budget repair. The budget deficit falls from 8.9% of GDP in 2020, down to 1.1% in 2026. Some thought that returning to a

surplus could not be achieved, many doubted but we are now 88% of the way down the path.

Debt to GDP falls from 48.4% to 45.5%.

Revenues have exceeded the 17.9% of GDP target, one year early.

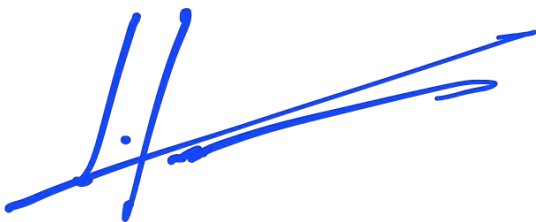
Record levels, of sustained non-resource growth continue, finally lifting living standards, out of the deep hole, this government inherited, in 2018.

We are supporting struggling families with a K1,010 million relief package.

The 2026 Budget, is yet, another demonstration, of the Marape-Rosso's Government's, economic credibility.

Mr Speaker, I commend the 2026 Budget, to the Parliament.

Thank you.



**The Hon.Ian Ling-Stuckey, CMG.MP**  
**Treasurer**







