

No. of 2008

***Appropriation (Recurrent Expenditure 2009) Bill 2008***



- K13 million to the Western Highlands and Milne Bay Provincial Governments to assist them relocate to new Provincial Offices;
- K10 million contribution for the Motu-Koita Assembly;
- K5 million for the Defence Civic Action Program;
- K5 million for Independence Scholarships;
- K5 million for the Office of Climate Change and Carbon Trading;
- K5 million for the Maritime Boundaries Project;
- K5 million for the National Gaming Control Board;
- K5 million for the Free Trade Zone; and
- K4 million for Mirigini Haus.

### **Investment in Gas Commercialisation**

The Government advises that the funds previously appropriated to a trust for the purpose of financing the purchase of equity in projects for the commercialisation of gas reserves on behalf of the Government of Papua New Guinea are no longer required for this purpose. However, the Government will be required to meet costs associated with the initial development of the project. These costs are in addition to the Government's equity purchase and will not be met from financing arrangements for the equity purchase.

The Government intends redirecting K177 million of the funds held in the Gas Equity Trust Account to this purpose during 2009 through the Recurrent Budget. Under the *Public Finances (Management) Act 1995*, the funds will need to be reappropriated to a new Trust Account with the defined purpose of meeting costs associated with the commercialisation of PNG gas reserves. Therefore, the Minister for Treasury and Finance will close the existing Gas Equity Trust Account in 2009 and the amount of K600 million held in the Trust will return to the Consolidated Revenue Fund. This K600 million has been included in the revenue estimates for the 2009 Budget.

The remaining K423 million from the Gas Equity Trust Account will be used to fund one-off expenditure in the Recurrent and Development Budgets in 2009.



**INDEPENDENT STATE OF PAPUA NEW GUINEA**

No.            of 2008

***Appropriation (Recurrent Expenditure 2009) Bill 2008***

**ARRANGEMENT OF CLAUSES**

1. Grant of K5,639,777,600
2. Appropriation.
3. Adjustment of appropriation for new services and as between services.
4. Adjustment of appropriation as between services.
5. Transfer of activities between departments.
6. Direction to be available to Auditor-General.
7. Direction for amounts under Division 207.



**INDEPENDENT STATE OF PAPUA NEW GUINEA**

A BILL

for

AN ACT

entitled

***Appropriation (Recurrent Expenditure 2009) Act 2008***

Being an Act to grant and apply out of the Consolidated Revenue Fund a sum for the General Public Service for recurrent expenditure for the year ending 31 December 2009 and to appropriate the supplies granted for that year.

MADE by the National Parliament

**1. GRANT OF K5,755,074,300**

Subject to authorisation from the Minister, the Secretary for Treasury may issue out of the Consolidated Revenue Fund and apply for the activities of the General Public Service for the year ending 31 December 2009 the sum of K5,639,777,600. These activities are outlined in the 2009 Budget Books.

**2. APPROPRIATION**

Sums granted by this Act out of the Consolidated Revenue Fund for all the activities of the General Public Service for the financial year ending 31 December 2009 are appropriated to the agencies expressed in Schedule 1 in relation to the financial year ending 31 December 2009.

**3. ADJUSTMENT OF APPROPRIATION FOR NEW SERVICES AND AS BETWEEN SERVICES**

Where there is insufficient or no appropriation to meet expenditure for a particular activity, the Secretary for Treasury may direct the re-allocation of any unexpended appropriation under the recurrent expenditure through the Secretary's Advance provided that the total additional Appropriation so allocated does not exceed the amount reflected under the Secretary's Advance. The distribution of this amount is not limited to activities under this Act – funds may be distributed to any Government activity, including National Parliament, Judiciary or Development activities.

## *Appropriation (Recurrent Expenditure 2009)*

### **4. ADJUSTMENT OF APPROPRIATION AS BETWEEN SERVICES**

Funds shall not be transferred between programs, or between activities within programs, without the written approval of the Secretary for Treasury. Where there is insufficient appropriation to meet Government expenditure:

- (a) the Secretary for Treasury may direct the re-allocation of any unexpended appropriation under recurrent expenditure to other recurrent or development expenditure or to the National Parliament or Judiciary;
- (b) in the event that there are agreed savings identified under the appropriations for National Parliament or Judiciary the Secretary for Treasury may direct the re-allocation of these unexpended amounts to recurrent expenditure;
- (c) the total amount of all re-allocations authorized under this section shall not exceed a sum of K563,977,760; and
- (d) where an amount appropriated under Division 207 is being transferred to the agency or trust responsible for delivering the activity for which the amount is appropriated, this transfer will not count towards the total identified in Section 4(c).

### **5. TRANSFER OF ACTIVITIES BETWEEN DEPARTMENTS**

Where, after the commencement of this Act and before 1 January 2010, an activity is transferred from one operating agency to another, the authority conferred by Section 3 and 4 to issue and apply moneys out of the Consolidated Revenue Fund extends to the issue and application of moneys in respect to the carrying out of the activities by that other operating agency.

### **6. DIRECTION TO BE AVAILABLE TO AUDITOR-GENERAL**

A copy of each direction under Section 3 and 4 shall be made available to the Auditor-General as soon as practicable after the end of each quarter of the financial year ending 31 December 2009.

### **7. DIRECTION FOR EXPENDITURE UNDER DIVISION 207**

K211 million of the amount appropriated to Division 207 is to be immediately transferred from Division 207 to Trust Accounts identified for the approved projects expressed in Schedule 2 in order that the sums can be paid into Trust Accounts under Section 16 of the *Public Finances (Management) Act 1995*. Where a Trust Account specified in Schedule 2 does not exist, a new trust account is to be established by the Minister for Finance under Section 15 of the *Public Finances (Management) Act 1995* and the transfer will take place immediately on the establishment of the Trust Account. In the event that the amounts expressed Schedule 2 are not transferred, the appropriation will lapse and the amounts will be returned to the Consolidated Revenue Fund. These funds cannot be utilized or transferred for any other purpose.

### **8. DIRECTION – INVESTMENT IN GAS COMMERCIALISATION**

(i) In 2009, the Minister for Finance will issue a direction under Section 21(1) of the *Public Finance (Management) Act 1995* to close the trust established for the purposes of financing the purchase of equity in projects for the commercialisation of gas reserves on behalf of the Government of Papua New Guinea, with funds returned to the Consolidated Revenue Fund.

*Appropriation (Recurrent Expenditure 2009)*

(ii) Only after the trust referred to in Section 8(i) is closed, the amount of K177 million directed to the LNG Project Development Costs Trust Account is to be immediately transferred from Division 207 to a trust account established for the sole purpose of holding funds to enable the Government to meet costs associated with the establishment and ongoing stakeholder costs associated with the commercialisation of gas reserves on behalf of the Government of Papua New Guinea. Where such a Trust Account does not exist, a new trust account is to be established by the Minister for Finance under Section 15 of the *Public Finances (Management) Act 1995* and the transfer will take place immediately on the establishment of the trust account. In the event that some or all of the K177 million is not transferred, the appropriation will lapse and the amounts will be returned to the Consolidated Revenue Fund. These funds cannot be utilised or transferred for any other purpose.

*Appropriation (Recurrent Expenditure 2009)*

**SCHEDULE 1**

**Estimates of Expenditure for the Year ending 31 December 2009**

<b>Division</b>	<b>Summary</b>	<b>Kina</b>
202	Office of the Governor-General	3,118,000
203	Department of the Prime Minister & NEC	53,645,900
204	National Statistical Office	4,147,500
205	National Coordinating Office for Bougainville	1,514,100
206	Department of Finance	20,407,500
207	Department of Finance & Treasury – Miscellaneous	827,526,200
208	Department of Treasury	11,772,200
209	Office of the Registrar for Political Parties	5,386,400
212	Information Technology Division	12,381,100
213	PNG Fire Services	16,429,900
216	Internal Revenue Commission	53,725,700
217	Department of Foreign Affairs, Trade & Immigration	66,265,200
219	PNG Institute of Public Administration	5,812,400
220	Department of Personnel Management	10,844,400
221	Public Service Commission	3,509,900
222	Office of Public Solicitor	6,681,300
224	Magisterial Services	25,299,300
225	Department of Attorney General	33,627,100
226	Department of Corrective Services	61,915,300
227	Provincial Treasuries	31,879,800
228	Department of Police	189,802,700
229	Department of National Planning & Monitoring	9,661,500
230	Electoral Commission	7,429,000
231	National Intelligence Organisation	3,243,600
232	Department of Provincial & Local Government Affairs	9,883,600
234	Department of Defence	108,672,800
235	Department of Education	143,864,800
236	Office of Higher Education	35,256,700
237	Office of UNESCO	1,146,900
240	Department of Health	166,392,900
241	Hospital Management Services	259,791,900
242	Department of Community Development	8,890,800
243	National Volunteer Service	1,166,000
245	Department of Environment & Conservation	11,086,000
247	Department of Agriculture & Livestock	13,251,400
252	Department of Lands & Physical Planning	14,832,700
254	Department of Mining Policy & Geohazard Management	6,237,000
255	Department of Petroleum & Energy	10,892,900
258	Department of Information & Communication	3,350,800

*Appropriation (Recurrent Expenditure 2009)*

<b>Division</b>	<b>Summary</b>	<b>Kina</b>
259	Department of Transport	23,055,000
261	Department of Commerce & Industry	8,359,100
262	Department of Industrial Relations	7,567,700
263	National Tripartite Consultative Council	951,800
264	Department of Works & Implementation	106,197,200
267	Office of Rural Development	5,218,400
268	Central Supply & Tenders Board	2,166,500
299	Finance & Treasury – Public Debt Services	2,074,300,000
502	Auditor General's Office	14,235,700
503	Ombudsman Commission	14,040,000
505	National Research Institute	3,029,500
506	National Training Council	2,452,800
507	National Economic & Fiscal Commission	1,500,000
510	Legal Training Institute	1,536,500
512	University of Papua New Guinea	33,416,800
513	University of Technology	32,000,000
514	University of Goroka	12,364,000
515	University of Vudal	8,972,500
516	PNG Sports Foundation	3,183,400
517	National Narcotics Bureau	1,707,400
518	PNG Maritime College	2,731,700
519	National Aids Council Secretariat	5,747,000
520	Institute of Medical Research	3,887,100
521	National Youth Commission	1,560,000
522	Constitutional & Law Reform Commission	1,953,500
525	National Broadcasting Commission	20,312,000
526	National Maritime Safety Authority	1,560,000
530	Investment Promotion Authority	2,068,000
531	Small Business Development Corporation	2,288,000
532	National Institute of Standards & Industrial Technology	2,443,400
533	Industrial Centres Development Corporation	1,482,500
539	National Museum & Art Gallery	4,638,700
541	National Housing Commission	218,600
542	National Cultural Commission	3,159,700
550	Cocoa Coconut Institute	5,416,600
553	Fresh Produce Development Company (Ltd)	3,749,700
554	Coffee Industry Corporation (Ltd)	2,000,000
557	PNG National Forest Authority	26,000,000
558	Tourism Promotion Authority	9,808,000
562	National Agriculture Research Institute	8,326,300
563	National Agriculture Quarantine & Inspection Authority	3,522,800
565	Civil Aviation Authority	9,600,000
567	National Road Authority	871,200
569	Independent Consumer and Competition Commission	2,149,800
571	Western Provincial Government	38,576,600

*Appropriation (Recurrent Expenditure 2009)*

<b>Division</b>	<b>Summary</b>	<b>Kina</b>
572	Gulf Provincial Government	24,216,200
573	Central Provincial Government	50,757,400
574	National Capital District	3,209,400
575	Milne Bay Provincial Government	47,344,700
576	Oro Provincial Government	27,678,900
577	Southern Highlands Provincial Government	65,067,700
578	Enga Provincial Government	48,257,900
579	Western Highlands Provincial Government	58,318,200
580	Simbu Provincial Government	46,559,400
581	Eastern Highlands Provincial Government	59,785,000
582	Morobe Provincial Government	78,068,400
583	Madang Provincial Government	50,644,200
584	East Sepik Provincial Government	54,401,800
585	Sandaun Provincial Government	39,678,100
586	Manus Provincial Government	19,345,300
587	New Ireland Provincial Government	30,865,200
588	East New Britain Provincial Government	55,778,200
589	West New Britain Provincial Government	41,691,700
590	Autonomous Bougainville Government	57,041,200
	<b>Grand Total</b>	<b>K5,639,777,600</b>

*Appropriation (Recurrent Expenditure 2009)*

**SCHEDULE 2**

**Immediate Transfer of Funds Appropriated in this Act from Division 207 to  
Specified Trust Accounts for the year ending 31 December 2009**

<b>SUMMARY</b>	<b>KINA</b>
<i>LNG Project Development Costs Trust Account</i>	<i>177,000,000</i>
<i>Oro Restoration Authority Trust Account</i>	<i>20,000,000</i>
<i>Madang Marine Park Trust Account</i>	<i>10,000,000</i>
<i>National Border Authority Trust Account</i>	<i>4,000,000</i>
<b>Amount to be Transferred from Division 207</b>	<b>K211,000,000</b>