

## EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

### SUPPLEMENTARY (APPROPRIATION) BILL 2013

#### FOR THE YEAR ENDING 31 December 2013

The purpose of the Supplementary (Appropriation) Bill 2013 is to provide a sum of K 379,800,000 for expenditure for the year ending 31 December 2014, as required under Section 209 (2) (c) of the Constitution as amended. This expenditure is funded in part through reductions to the *Appropriation (Recurrent Expenditure 2013) Act 2012* of K24,400,000 and the *Appropriation (Development Expenditure 2013) Act 2012* of K 35,400,000.

The *Supplementary (Appropriation) Bill 2013* has three parts:

**Part I** is the appropriation of K315,800,000 to be immediately transferred to the Department of Prime Minister and NEC (Division 203) and later credited to the 2015 South Pacific Games trust account for additional expenditure outlined in the 2013 Supplementary Budget.

The remaining K64,000,000 of the appropriation is for additional expenditure to be undertaken comprises of :

- K14,000,000 to the National Cultural Commission (Division 542) for the Melanesian Arts Festival in 2014.
- K50,000,000 to the Treasury administered 'Division 207' to cater for Power Generators.

**Part II** reduces the appropriations of the following 2013 Budget items by a total of K379,800,000:

- To assist with the cost of Power Generators and funding for the preparatory work for the Melanesian Arts festival in 2014, the appropriation for the Treasury administered 'Division 207' in the *Appropriation (Recurrent Expenditure 2013) Act 2012* is reduced by K24,400,000 to support funding as highlighted in Part I above.
- To assist with preparatory work for the 2015 South Pacific Games work, funding for specific projects in the *Appropriation (National Development Expenditure 2013) Act 2012* is reduced by K355,400,000, to allow for re-appropriation into trust of these funds as stated in Part I above.

**Part III** re-appropriates the following item into trust to allow expenditure to occur past the end of the 2013 financial year at a total of K315,800,000.:

- K315,800,000 to the 2015 South Pacific Games Trust Account,
- K50,000,000 to be appropriated to the Treasury administered 'Division 207' to cater for Power Generators.
- K14,000,000 to the National Cultural Commission (Division 542) for the Melanesian Arts Festival 2014 preparatory work.

**Draft of 15/11/2013**

No. 407 of 2013

***Supplementary (Appropriation) Bill 2013***



No. 407 of 2013.

*Supplementary (Appropriation) Bill 2013.*

**ARRANGEMENT OF CLAUSES**

**PART I – 2013 SUPPLEMENTARY BUDGET.**

1. Grant of K379,800,000
2. Appropriation.
3. Adjustment of appropriation between services
4. Direction for Additional Expenditure

**PART II – REDUCTION OF 2013 APPROPRIATION.**

5. Reduction in Appropriation – Recurrent.
6. Reduction in Appropriation – Development

**PART III – TRANSFER TO TRUST AND OTHER GOVERNMENT AGENCIES  
FROM 2013 ITEMS**

7. Grant of K379,800,000
8. Appropriation.
9. Direction for expenditure funded from trust.
10. Direction for expenditure funded from other Government Agencies.

**Schedule 1**

**Schedule 2**

**Schedule 3**

**Schedule 4**

**Schedule 5**

**Schedule 6**

**Schedule 7**



A BILL

for

AN ACT

entitled

***Supplementary (Appropriation) Bill 2013,***

Being an Act to grant and appropriate out of the Consolidated Revenue Fund a further additional sum for expenditure for the year ending 31 December 2013 and to appropriate that sum, as well as reduce the appropriations contained in the ***Appropriation (Recurrent Expenditure 2013) Act 2012*** and the ***Appropriation (National Development Expenditure 2013) Act 2012.***,

MADE by the National Parliament.

**PART I – 2013 SUPPLEMENTARY BUDGET.**

**1. GRANT OF K379,800,000.**

Subject to authorization from the Minister, the Secretary for Treasury may issue out of the Consolidated Revenue Fund and apply for additional expenditure for the year ending 31 December 2013 the sum of K379,800,000.

**2. APPROPRIATION.**

Sums granted by this Act out of the Consolidated Revenue Fund for additional expenditure for the financial year ending 31 December 2013 are appropriated for the approved purposes to the Agencies identified in the Schedule 1 of this Act.

**3. ADJUSTMENT OF APPROPRIATION BETWEEN SERVICES.**

Where there are insufficient funds or no appropriation to meet expenditure for a particular activity, the Secretary for Treasury may direct the re-allocation of any unexpended appropriation under this Act through the Secretary's Advance, provided that doing so does not contravene the directions contained in Section 4.

**4. DIRECTION FOR ADDITIONAL EXPENDITURE.**

(1) K315,800,000 of the amount appropriated in Section 1 must be immediately transferred to trust accounts identified in Schedule 2, for the approved purposes expressed in this section.



(2) K24,400,000 of the amount appropriated in section 1 must be transferred to Agencies identified in Schedule (3).

(3) The funds in the Trust Account cannot be utilised or transferred for any other purpose and in the event that the amounts expressed in Schedule 2 are not transferred as directed by this section, the appropriation shall lapse and the amounts will be returned to the Consolidated Revenue Fund.

(4) The approved purposes for which funds are transferred to the trust funds and other government agencies for specific government expenditure as specified in Schedule 2 and 3 are:

- (a) K315,800,000 to the Department of Prime Minister and National Executive Council (Division 203) to cater to preparations for the 2015 South Pacific Games; and
- (b) K14,000,000 to the National Cultural Commission (Division 542) for the Melanesian Arts Festival in 2014; and
- (c) K50,000,000 to Treasury and Finance Miscellaneous (Division 207) to cater for Power Generators.

## **PART II – REDUCTION OF 2013 APPROPRIATION.**

### **5. REDUCTION OF APPROPRIATION – RECURRENT.**

The *Appropriation (Recurrent Expenditure 2013) Act 2012* is amended to reduce the appropriation by K24,400,000, in accordance with the details set out in Schedule 4, referencing Schedule 1 details as (a) Treasury and Finance (Misc) items.

### **6. REDUCTION OF APPROPRIATION – DEVELOPMENT.**

The *Appropriation (National Development Expenditure 2013) Act 2012* is amended to reduce the appropriation by K355,400,300, in accordance with details set out in Schedule 4, referencing Schedule details as (b) Selected Development Projects.

## **PART III. – TRANSFER TO TRUST AND OTHER GOVERNMENT AGENCIES FROM 2013 ITEMS.**

### **7. GRANT OF K379,800,000**

Subject to authorization from the Minister, the Secretary for Treasury may issue out of the Consolidated Revenue Fund and apply for additional expenditure for the year ending 31 December 2013 the sum of K379,800,000.

### **8. APPROPRIATION.**

Sums granted by this Act out of the Consolidated Revenue Fund for the year ending 31 December 2013 are appropriated for the approved purposes to the Agencies in Schedule 6 and 7.

## **9. DIRECTION FOR EXPENDITURE FUNDED FROM TRUST.**

(1) The sum of K315,800,000 appropriated in section 8 is to be immediately transferred to the Trust Accounts identified for the approved projects expressed in Schedule 6.

(2) Where a Trust Account specified in Schedule 6 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 is to take place immediately on the establishment of the Trust Account

(3) These funds cannot be utilized or transferred for any other purpose and in the event that the amounts expressed in Schedule 6 are not transferred, the appropriation will lapse and the amounts will be returned to the Consolidated Revenue Fund.

(4) The approved purposes for which funds are transferred to the trust funds as specified in Schedule 6 are:

2015th Pacific Games Preparation.

## **10. DIRECTION FOR EXPENDITURE FUNDED FROM OTHER GOVERNMENT AGENCIES**

(1) The K14,000,000 appropriated in section 8 is to be immediately transferred to the National Cultural Commissions for approved purpose as expressed in Schedule 7

(2) The K50,000,000 appropriated in section 7 is to be immediately transferred to its specific holding activity held under the Department of Treasury and Finance (Miscellaneous) Division 207.

## **SCHEDULE 1.**

**Estimates of Expenditure in PART I of this Act for the year ending 31 December 2013.**

<b>DIVISION</b>	<b>SUMMARY</b>	<b>KINA</b>
<b>(a) Treasury and Finance (Misc) items</b>		
District Treasury Rollout		2,000,000
General Unforeseen Expenditure		1,500,000
Human Resource Management & Payroll Project		1,000,000
Kodu Resources Owners Association		500,000
Kokoda Track Landowner MOA		2,000,000
Landowners Settlements		2,000,000
Mining Project Support – Treasury		1,000,000
Provincial (Health Authoritis Milne Bay,EH)		5,000,000
Provincial manpower Audits – Treasury		400,000

SIP & Implementation of F & E Reviews	1,000,000
SME Policy Formulation	3,000,000
Sovereign Wealth Fund Working Group	1,000,000
Workers Compensation Payments	4,000,000

**207 Department of Treasury and Finance (Miscellaneous) 24,400,000**

(b) Selected Development Projects

203 Department of Prime Minister & NEC	
Waigani Redevelopment	5,000,000
204 National Statistical Office	
2010 National Census	182,000
206 Department of Finance	
PGAS Enhancement and Support Programme	3,900,000
208 Department of Treasury	
Micro Finance Expansion Project	500,000
211 PNG Customs Service	
Customs Container Scanning Equipment Purchase	5,000,000
Customs Institutional Housing	1,000,000
213 Fire Service	
Construction, Rehabilitation & Upgrading of 14 Fire Stns	1,000,000
216 Internal Revenue Commission	
Regional Managers Institutional Housing	2,500,000
217 Department of Foreign Affairs and Trade	
Reconstruction of PNG High Commission in Honiara & Fiji	15,000,000
224 Magisterial Services	
National Land Development Project - MS	1,000,000
225 Department of Attorney-General	
Infrastructure and Capital Works Program	1,008,000
226 Department of Corrective Institutional Services	
Rural Lock-ups	2,000,000
229 Department of National Planning and Monitoring	
Identity Card (with Biometrics)	10,000,000
Medium Term Development Plan Review	500,000
PNG Church State Partnership Program	29,600
234 Department of Defence	
Civic Action Program - Missing Link - Baiyer - Madang Road	6,000,000
Maritime Surveillance	4,000,000
235 Department of Education	
Enhancing Quality In Teaching Through Television Project	984,000



Flexible, Open & Distance Education Project	1,700,800
Inspectors Housing and Transportation	4,000,000
Qualifications Upgrading Skills Development	1,000,000
TVET Sector Projects	4,000,000
236 Office of Higher Education	
Trade Skills Scholarship	4,600,000
240 Department of Health	
Provincial General Hospital Rehabilitation	7,000,000
Rural Primary Health Service Delivery Project	800,000
Training Institutions Rehabilitation & Support	1,000,000
241 Hospital Management Services	
Port Moresby General Hospital	15,000,000
Civil Registration Project	1,203,000
245 Department of Environment and Conservation	
Coral Triangle Initiative	507,000
Kokoda Track Initiative	2,000,000
247 Department of Agriculture and Livestock	
Review of National Agricultural Development Programme	1,000,000
252 Department of Lands and Physical Planning	
Land Development Program	1,259,900
254 Department of Mineral Policy and Geohazards Management	
Landslides Hazard Mapping - Highlands Highway Project	1,080,000
Rabaul Volcanological Observatory Relocation	1,000,000
255 Department of Petroleum and Energy	
InterOil Negotiations	2,000,000
Outstanding MoA's	5,000,000
258 Department of Information and Communication	
Government Information Systems	2,000,000
Rural Telecommunication	1,000,000
259 Department of Transport	
Rural Airstrips Maintenance	3,000,000
261 Department of Commerce and Industry	
Pacific Marine Industrial Zone	7,000,000
264 Department of Works and Implementation	
Koroba -lake Kopiago Road	4,000,000
ADB 5 Highlands Provinces Roads Maintenance- Sup. Loan	13,000,000
ADB Bridge Replacement & Improve Rural Access Project	3,000,000
Buluminsky Highway	6,000,000
Future Stages of Highlands Highway Design	19,500,000
Goroka Town Roads Maintenance & Rehabilitation	10,000,000
Gulf Southern Highlands Highway (design)	3,000,000



Hagen Kudjip and Hagen Toguba Road	4,000,000
Highlands Highway	20,000,000
Highlands Region Roads Improvement Investment Programme (HR	20,000,000
Hiritano Highway Maintainance	6,000,000
Kikori-Kerema (Design)	5,000,000
Kulupuga Road	5,550,000
Lae City Roads-(GoPNG)	50,000,000
Magi Highway	5,000,000
Malalaua to Kotidanga	5,000,000
Minjung Bridge	8,000,000
Rehabilitation of PTB Workshops-Tools & Equipment	2,000,000
Transport Sector Support Program	5,500,000
Vanimo Highway	4,000,000
Wasa Bridge	4,984,000
World Bank Road Maintenance Project (Six Provinces)	11,500,000
267 Office of Rural Development	
DSIP Monitoring	970,000
535 Mineral Resources Authority	
Lihir Liaison	1,000,000
Mining Agreement - Porgera	5,000,000
<b>Total Appropriation</b>	<b>379,800,300</b>

## SCHEDULE 2

### Immediate Transfer of Funds Appropriated to a specific Trust for the year ending 31 December 2013

SUMMARY	KINA
<i>2015 South Pacific Games Authority Trust</i>	<i>315,800,000</i>
<i>Total Amount transferred to Trust</i>	<i>315,800,000</i>

## SCHEDULE 3

### Immediate Transfer of Funds Appropriated to other Government Agencies for the year ending 31 December 2013

<i>Amount to be Transferred from Division Treasury and Finance (Miscellaneous)</i>	<i>50,000,000</i>
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<i>Amount transferred to National Cultural Commission</i>	<i>14,000,000</i>
<b>Total Amount transferred</b>	<b>64,000,000</b>

## SCHEDULE 4

A Reduction of *Appropriation (Recurrent Expenditure 2013) Act 2012*. Details of activities funded from Recurrent Expenditure are attached at Schedule 1 as (a)**Treasury and Finance (Misc) items**.

<b>DIVISION</b>	<b>KINA</b>
207 <i>Department of Treasury and Finance (Miscellaneous)</i>	<i>24,400,000</i>
<b>Total Reduction in Appropriation</b>	<b>24,400,000</b>

## SCHEDULE 5

Reduction of *Appropriation (National Development Expenditure 2013) Act 2012*. Details of activities funded from the National Development are attached at (b)**Selected Development Projects**.

<b>DIVISION</b>	<b>ACTIVITY</b>	<b>KINA</b>
229 <i>National Development Projects</i>		<i>355,400,000</i>
<b>Total Reduction in Appropriation</b>		<b>355,400,000</b>

## SCHEDULE 6

**Immediate Transfer of Funds Appropriated in Part III of this Act from Division 207 to Specified Trusts for the year ending 31 December 2013**

<b>SUMMARY</b>	<b>KINA</b>
<i>2015 South Pacific Games Authority Trust</i>	<i>315,800,000</i>
<b>Amount to be Transferred to Trust</b>	<b>315,800,000</b>

## SCHEDULE 7

Estimates of Expenditure as set out in PART III for the year ending 31 December 2013

DIVISION	SUMMARY	KINA
207	<i>Department of Treasury and Finance (Miscellaneous)</i>	<i>50,000,000</i>
542	<i>National Cultural Commission</i>	<i>14,000,000</i>
	<b>Total Appropriation</b>	<b>64,000,000</b>