



2024 National Budget

Table of content:

Certificate – 2024 Appropriation Bills

1. Appropriation (General Public Service 2024), Bill 2023
2. Appropriation (National Parliament 2024), Bill 2023
3. Appropriation (Judiciary Services 2024), Bill 2023

Certificate – Taxation Amendment Bills

4. Customs Tariff (2024 Budget) (Amendment), Bill 2023
5. Excise Tariff (2024 Budget) (Amendment), Bill 2023
6. Income Tax (2024 Budget) (Amendment), Act 2023
7. Income Tax, Dividend (withholding) Tax and Interest (Withholding) Tax Rates (2024 Budget) (Amendment), Bill 2023
8. Income Tax (Salary or Wages Tax) (Rates) (2024 Budget) (Amendment), Bill

Certificate – Fiscal Responsibility

9. Papua New Guinea Fiscal Responsibility (Amendment), Bill 2023



C E R T I F I C A T E .

I, certify that I have drafted the following Bills:

1. *Customs Tariff (2024 Budget)(Amendment) Bill 2023* (Draft of 23/11/2023);
2. *Excise Tariff (2024 Budget)(Amendment) Bill 2023* (Draft of 23/11/2023);
3. *Income Tax (2024 Budget)(Amendment) Act 2023*(Draft of 23/11/2023) ;
4. *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2024 Budget) (Amendment) Bill 2023* (Draft of 23/11/2023); and
5. *Income Tax (Salary or Wages Tax) (Rates)(2024 Budget) (Amendment) Bill 2023* (Draft of 23/11/2023),

in accordance with the National Executive Council Decision No. 327/2023 dated 21st November, 2023, and the Drafting Instructions.

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

23rd November, 2023.



2024 Budget Presentation

2024 TAXATION AMENDMENT BILL

CUSTOMS TARIFF (2024 BUDGET) (AMENDMENT), BILL 2023

SECOND READING SPEECH

CUSTOMS TARIFF (2024 BUDGET)(AMENDMENT) BILL 2023,

MR SPEAKER,

THESE AMENDMENT PROPOSES TO:

1. EXEMPT SEVERAL IMPORT TARIFF ITEMS THAT ARE MAINLY USED AS INPUT IN THE MANUFACTURING INDUSTRY TO ENCOURAGE DOMESTIC PRODUCTION AND TO PROTECT LOCAL JOBS.
2. REDUCE THE PROGRESSIVE LOG EXPORT TAX TO 50.0 PER CENT ON AVERAGE. THE REDUCTION IS TO PROVIDE A TEMPORARY BREATHING SPACE FOR THE LOGGING INDUSTRY FROM THE HIGH LOG EXPORT TAX RATE. ALSO, THIS WILL ALLOW THE LOGGING INDUSTRY TO START PLANNING AND PREPARING FOR DOWNSTREAM PROCESSING IN PARTNERSHIP WITH THE GOVERNMENT. THIS WILL ENSURE THE LOG EXPORT BAN AGENDA IS ACHIEVED BY 2025 AND THE DOWNSTREAM PROCESSING COMMENCES THEREAFTER.

MR SPEAKER, I COMMEND THE BILL.

EXPLANATORY MEMORANDUM

Customs Tariff (2024 Budget)(Amendment) Bill 2023,

1. To exempt several Import Tariff items that are mainly used as input to encourage manufacturing in the country and to protect local jobs. These measures will come into effect on 01st January 2024.
2. In the 2023 National Budget, the Government increased the progressive log export tax regime from 50.0 per cent on average to 70.0 per cent to raise additional revenue to support the establishment of the Biodiversity and Climate Change Fund and to strengthen downstream processing policy of unprocessed logs.

In this Budget, the Government has reduce the progressive log export tax to 50.0 per cent on average. This is to address the concerns raised by the forestry sector due to the low demand in the export market for logs, bad weather affecting production and the current unfavorable taxation regime.

Implementing the regime will allow the forestry sector to plan and develop capacity for downstream processing in consistent with Government's objective to ban export of unprocessed logs by 2025.

This measure will be effective as of 01st January 2024.



No. of 2023.

Customs Tariff (2024 Budget)(Amendment) Bill 2023.

ARRANGEMENT OF CLAUSES.

1. Rates of Import Duty (Amendment of Schedule 1).
2. Rates of Export (Amendment to Schedule 2.)



A BILL

For

AN ACT

entitled

Customs Tariff (2024 Budget)(Amendment) Bill 2023,Being an Act to amend the *Customs Tariff Act 1990*,

MADE by the National Parliament to come into operation on 1 January 2024.

1. RATES OF IMPORT DUTY (AMENDMENT OF SCHEDULE 1).

Schedule 1 of the Principal Act is amended by repealing the tariff item, description of goods and the rates of customs duty and remarks shown in the following and replacing them with the tariff item, description of goods and rates of customs duty and remarks shown below:-

Tariff Item HS Code	Tariff Item HS Description	Duty Rate from 1/01/2024	Remarks
3401.20.10	Soap Noodles	Free	New Subheadings and Rates
3401.20.90	Other	20%	
6305.32.00	Flexible intermediate bulk containers	Free	New rate
4819.50.00	Other packing containers, including record sleeves	Free	New rate
0203.29.10	Boneless meat for manufacturing	Free	New Subheadings and Rates
0203.29.90	Other	15%	
1517.90.20	Shortening for manufacturing	Free	New Subheading and Rate
3401.10.10	Organic Surface-Active Products and Preparation	20%	Deleted
3401.10.20	Laundry Soap	20%	Deleted
3401.10.30	Shaving Soap	20%	Deleted
3401.20.00	Soap in other forms	20%	Deleted
3401.11.10	Bath Soap	20%	Renumbering and new Subheadings
3401.11.90	Other, including Wipes	20%	
3401.19.10	Laundry Soap	20%	
3401.19.20	Shaving Soap	20%	
3401.19.90	Other	20%	
2202.99.11	Chocolate and Yoghurt Drinks	Free	Renumbering codes
2202.99.12	Milk drinks, UHT processed in retail sales packages	Free	
2202.99.19	Other, Milk Drinks	K3.00/L	Renumbering of National Subheading
2202.99.90	Other	10%	New subheading
2710.19.90	Other	Free	New Subheading
3923.50.10	Caps used for beverages and the likes	Free	Goods description
7326.20.10	Mattress Inner Spring	Free	New Subheadings
7326.20.90	Other	Free	

Customs Tariff (2024 Budget)(Amendment)

2. RATES OF EXPORT (AMENDMENT OF SCHEDULE 2).

Schedule 2 of the Principal Act is amended by repealing the tariff item, description of goods shown in the following and replacing them with the tariff item and description of goods and remarks shown below:

“

TARIFF ITEM	CLASS OF GOODS	RATE	REMARKS												
44.03	Timber logs and poles in the rough, whether or not stripped of bark or sapwood, or roughly squared (ie, not downstream processed eg, sawn timber), of all species (other than balsa, blackbean, cordia, ebony, rosewood, teak and all conifers the export of all of which is banned).	As per the table below	Plantation Logs are exempted from the Export duty.												
	<table><tr><th>Thresholds (FOB Price, US\$/m³)</th><th>Duty Rates (US\$/m³)</th></tr><tr><td>From and Above \$0.0</td><td>P*0.2500</td></tr><tr><td>From and Above \$60.0</td><td>P*0.4893-3.56</td></tr><tr><td>From and Above \$100.0</td><td>P*0.5585-4.76</td></tr><tr><td>From and Above \$150.0</td><td>P*0.5791-12.36</td></tr><tr><td>From and Above \$200.0</td><td>P*0.5884-16.36</td></tr></table>			Thresholds (FOB Price, US\$/m³)	Duty Rates (US\$/m³)	From and Above \$0.0	P*0.2500	From and Above \$60.0	P*0.4893-3.56	From and Above \$100.0	P*0.5585-4.76	From and Above \$150.0	P*0.5791-12.36	From and Above \$200.0	P*0.5884-16.36
Thresholds (FOB Price, US\$/m³)	Duty Rates (US\$/m³)														
From and Above \$0.0	P*0.2500														
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From and Above \$100.0	P*0.5585-4.76														
From and Above \$150.0	P*0.5791-12.36														
From and Above \$200.0	P*0.5884-16.36														

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INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Customs Tariff (2024 Budget) (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20 day of November 2023.



Daniel Rolpagarea
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL

(EXCISE TARIFF (2024 BUDGET) (AMENDMENT), BILL 2023

SECOND READING SPEECH

EXCISE TARIFF (2024 BUDGET) (AMENDMENT) BILL 2023,

MR SPEAKER,

THE BILL PROPOSES TO MAKE SECOND TIER TOBACCO EXCISE REGIME PERMANENT WHILE INCREASING THE DUTY RATE TO 20.0 PER CENT.AND APPLY THE BIANNUAL EXCISE INDEXATION RATE AFTER THE FIRST SIX (6) MONTHS AND THEREAFTER. THE PROPOSAL WILL CONTINUE TO FIGHT ILLICIT TOBACCO TRADE AND AT THE SAME TIME RAISE GOVERNMENT REVENUE.

THE PROPOSED REGIME IS REDESIGNED TO INCREASE BY 20.0 PER CENT BASED ON THE CURRENT DUTY RATE OF K209.67 PER 1000 STICKS. THE INCREASE WILL COME INTO EFFECT IN THE FIRST 6 MONTHS (01ST DECEMBER 2023 – 31ST MAY 2024) AND THEREAFTER APPLY THE BIANNUAL EXCISE INDEXATION RATE.

MR SPEAKER, I COMMEND THE BILL.

EXPLANATORY MEMORANDUM

Excise Tariff (2024 Budget)(Amendment) Bill 2023,

The second tier tobacco excise regime was introduced in 2019 Budget as a pilot project to combat illicit tobacco products in the open market. The tier-2 arrangement will expire on 30th November 2023 and thereafter the policy rationale is to revert to the single tier system of taxation.

Therefore, the Government has agreed to make tier-2 tobacco excise permanent while increasing the duty rate to 20.0 per cent and apply biannual indexation after the first 6 months and thereon. This means that the new tier-2 excise rate will be K251.60 per 1000 sticks starting 01st December 2023 to May 31st 2024. Thereafter, the indexation rate of 2.5 per cent will kick in after the first 6 months at the new rate of K257.89 per 1000 sticks starting 01st June 2024. The current conditions for tier-2 excise regime are maintained. The tobacco manufacturers are required to meet those conditions to participate.

The policy will continue to address illicit tobacco trade and at the same time raise Government revenue.



No. of 2023

Excise Tariff (2024 Budget)(Amendment) Bill 2023,

ARRANGEMENT OF CLAUSE.

Excise Tariff (Amendment of Schedule 1- Duties of Excise).



A BILL

for

AN ACT

entitled

Excise Tariff (2024 Budget)(Amendment) Bill 2023,

Being an Act to amend the *Excise Tariff Act* (Chapter 107),

MADE by the National Parliament to come into operation on 01st December 2023.

EXCISE TARIFF (AMENDMENTS OF SCHEDULE 1 - DUTIES ON EXCISE).

Schedule 1 of the principal act is amended by repealing and replacing the excise duty rate and remarks shown below:

“

Tariff Item	Description	From 01st December 2023 until 31th May 2024	From 01st June 2024 and Onwards	Remarks
2402.20.40	Cigarettes of tobacco or tobacco substitutes with filter containing tobacco that is locally manufactured in PNG. These items must carry a manufacturers selling price (MSP) below K18.50 per 25's pack or K740.00 per thousand sticks.	K251.60 per 1000 sticks	K257.89 per 1000 sticks	2.5 per cent biannual excise indexation to kick in on 01 st June 2024 and onwards. For local manufactures to sell in this second tier, it must first sell the main tier-1 (2402.20.10) to qualify. Only 50.0% of the main tier-1 of the previous year, will be allowed to be cleared in this new tier (2402.20.40).

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INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

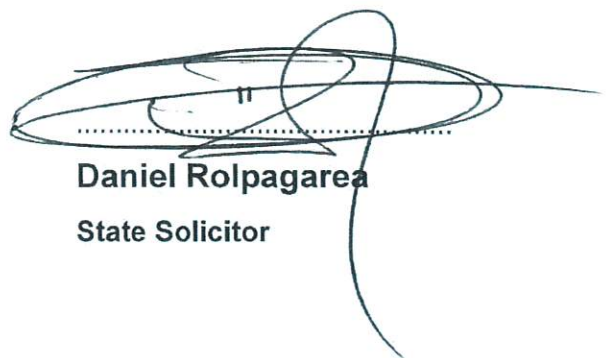
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Excise Tariff (2024 Budget) (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20 day of November 2023.



Daniel Rolpagarea
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL

INCOME TAX (2024 BUDGET) (AMENDMENT) ACT, 2023

SECOND READING SPEECH

INCOME TAX (2024 BUDGET) (AMENDMENT) BILL 2023,

MR SPEAKER,

THE BILL PROPOSES TO REPEAL THE DEPENDENT REBATE AND MAKING PERMANENT THE K20,000.0 TAX FREE-THRESHOLD.

MR SPEAKER, I COMMEND THE BILL.

EXPLANATORY MEMORANDUM

Income Tax (2024 Budget)(Amendment) Bill 2023,

The Bill proposes to:

In the 2023 Budget, the tax-free threshold was increased from K12,500.0 to K20,000.0 effectively removing the previous second tier tax rate (22.0 per cent). This was mainly intended to provide relief to low- and middle-income wage earners during times of inflation. This was a temporary measure just for one year and it will expire on the 31st December 2023.

In this Budget, the Government is making permanent the K20,000.0 tax-free threshold and is repealing the dependent rebates. The policy rationale is to maintain the purchasing power of money and reduce compliance costs and simplify administration.

This reform will be effective as of 01st January 2024.



No. of 2023.

Income Tax (2024 Budget)(Amendment) Bill 2023.

ARRANGEMENT OF CLAUSES.

New Section.

“213G. CESSATION OF CONCESSIONAL DEPENDENT REBATES”.



A BILL

for

AN ACT

entitled

Income Tax (2024 Budget)(Amendment) Act 2023,

Being an Act to amend the ***Income Tax Act 1959,***

MADE by the National Parliament to come into operation on 1 January 2024.

NEW SECTION

The Principal Act is amended by inserting immediately after Section 213F, the following new section:

“213G. CESSATION OF CONCESSIONAL DEPENDENT REBATES.

As of the 1 January 2024 the following shall cease to apply:

- (a) this Division; and
- (b) the assessment of salary or wages tax by virtue of the allowance of concessional dependent rebates being incorporated within Schedule 1 of the ***Income Tax (Salary or Wages Tax) (Rates) Act 1979.***”.



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax (2024 Budget) (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20 day of November 2023.

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Daniel Rolpagarea
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL

INCOME TAX, DIVIDEND (WITHHOLDING) TAX AND INTEREST (WITHHOLDING) TAX RATES (2024 BUDGET) (AMENDMENT), BILL 2023

SECOND READING SPEECH

***INCOME TAX, DIVIDEND (WITHHOLDING) TAX AND INTEREST
(WITHHOLDING) TAX RATES (2024 BUDGET) (AMENDMENT) BILL 2023,***

MR SPEAKER,

THE BILL PROPOSES TO MAINTAIN THE INCOME TAX-FREE THRESHOLD AT K20,000.0 FROM 01ST JANUARY 2024 AND ONWARDS. THIS IS TO CONTINUE PROVIDING RELIEF TO THE LOW TO MIDDLE INCOME EARNERS, IN LIGHT OF THE HIGH COST OF LIVING.

MR SPEAKER, I COMMEND THE BILL TO THE PARLIAMENT.

EXPLANATORY MEMORANDUM

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2024 Budget) (Amendment) Bill 2023,

The Bill proposes amendments to:

In the 2023 Budget, the Government temporarily raised the income tax-free threshold to K20,000.0 from K12,500.0 which was effective from 01st January 2023 to 31st December 2023 as a relief to address inflation.

However, in this Budget, the Government has agreed to maintain the K20,000.0 tax-free threshold permanently beyond 2023. This measure will exempt income tax payable for everyone earning up to K20,000.0 and will benefit all tax payers for their first K20,000.0 earned.

This measure will be effective as of 01st January 2024 and onwards.



No: of 2023.

***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2024
Budget) (Amendment) Bill 2023.***

ARRANGEMENT OF CLAUSE.

General Rates of Income Tax on Taxable Income Payable by Resident Persons other than
Companies (Amendment of Schedule 1).



A BILL

for

AN ACT

entitled

Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2024 Budget) (Amendment) Bill 2023,

Being an Act to amend the ***Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates Act 1984,***

MADE by the National Parliament to come into operation on 1 January 2024.

**GENERAL RATES OF INCOME TAX ON TAXABLE INCOME PAYABLE BY
RESIDENT PERSONS OTHER THAN COMPANIES (AMENDMENT OF
SCHEDULE 1).**

Schedule 1 of the Principal Act is amended in the heading of Table 5 by repealing the words "to 31 December 2023" and replacing them with the following:

"and onwards."



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2024 Budget) (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20 day of November 2023.

A handwritten signature in black ink, consisting of a large, stylized 'D' and 'R' followed by a long horizontal stroke and a vertical line extending downwards.

Daniel Rolpagarea
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL

INCOME TAX (SALARY or WAGES TAX) (RATES) (2024 BUDGET) (AMENDMENT), BILL 2023

SECOND READING SPEECH

***INCOME TAX (SALARY OR WAGES TAX) (RATES) (2024 BUDGET)
(AMENDMENT) BILL 2023***

MR SPEAKER,

THE BILL PROPOSED TO CONTINUE AND MAINTAIN THE THRESHOLD AT K20,000.0 FROM 01st JANUARY 2024 AND ONWARDS. AS A COMPLEMENTARY MEASURE, THE GOVERNMENT HAS ALSO DECIDED TO REPEAL THE DEPENDENT REBATES.

MR SPEAKER, I COMMEND THE BILL TO THE PARLIAMENT.

EXPLANATORY MEMORANDUM

Income Tax (Salary or Wages Tax) (Rates)(2024 Budget) (Amendment) Bill 2023,

The Bill proposes:

In 2023 Budget, the Government raised the income tax-free threshold temporarily to K20,000.0 from 01st January 2023 to 31st December 2023.

The Government has now decided to continue and maintain the threshold at K20,000.0 indefinitely from 01st January 2024 and onwards. As a complementary measure, the Government has decided to repeal the dependent rebates.

Workers earning up to K20,000.0 per annum no longer have to pay tax on their income. This will directly benefit over 37,000 SWT payers by increase in their disposal income.

The new tax-free threshold of K20,000.0 removes the 22.0 percent rate bracket and means that only those with an annual income exceeding K20,000.0 will pay 30.0 toea for each Kina.

This will provide more certainty to employees as a permanent threshold increase in terms of having to adjust their payroll systems and software.

Draft of 23/11/2023



No. of 2023.

Income Tax (Salary or Wages Tax) (Rates)(2024 Budget) (Amendment) Bill 2023.

ARRANGEMENT OF CLAUSE.

Amendment of Schedule 1.



A BILL

for

AN ACT

entitled

Income Tax (Salary or Wages Tax) (Rates)(2024 Budget) (Amendment) Bill 2023,

Being an Act to amend the ***Income Tax (Salary or Wages Tax) (Rates) Act 1979,***

MADE by the National Parliament to come into operation on 1 January 2024.

AMENDMENT OF SCHEDULE 1.

Schedule 1 of the Principal Act is amended by inserting immediately after Part 6 the following new Part:

**“PART 7. SALARY AND WAGES WITHHOLDING TAX RATES
APPLICABLE FROM 1 JANUARY 2024 ONWARDS.**

“TABLE 1. - Resident Salary and Wages Tax Rates for the period 1 January 2024 and onwards.

Column 1. Parts of Taxable Income	Column 2. Percentage
The part of the taxable income that:	
Does not exceed K20,000.00	0
exceeds K20,001.00 but does not exceed K33,000.00	30
exceeds K33,001.00 but does not exceed K70,000.00	35
exceeds K70,001.00 but does not exceed K250,000.00	40
exceeds K250,001.00.	42

Income Tax (Salary or Wages Tax) (Rates)(2024 Budget) (Amendment)

TABLE 2. - Non-Resident Salary and Wages Tax Rates for the period 1 January 2024 and onwards.

Column 1 Parts of Taxable Income	Column 2 Percentage
The part of the taxable income that:	
Does not exceed K20,000.00	22
exceeds K20,001.00 but does not exceed K33,000.00	30
exceeds K33,001.00 but does not exceed K70,000.00	35
exceeds K70,001.00 but does not exceed K250,000.00	40
exceeds K250,001.00.	42

”



INDEPENDENT STATE OF PAPUA NEW GUINEA

OFFICE OF THE STATE SOLICITOR

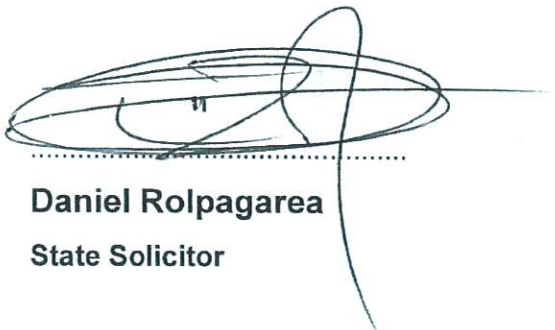
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Income Tax (Salary and Wages Tax) (Rates) (2024 Budget) (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 20 day of November 2023.

A handwritten signature in blue ink, consisting of a large, stylized 'D' and 'R' that loops around each other. The signature is written over a horizontal line.

Daniel Rolpagarea
State Solicitor



CERTIFICATE.

I, certify that I have drafted the following Bills:

1. *Appropriation (General Public Services Expenditure 2024) Bill 2023* (Draft of 23/11/2023);
2. *Appropriation (National Parliament 2024) Bill 2023* (Draft of 23/11/2023); and
3. *Appropriation (Judiciary Services 2024) Act 2023* (Draft of 23/11/2023) .

in accordance with the National Executive Council Decision No. 328/2023 dated 21st November, 2023, and the Drafting Instructions.

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

23rd November, 2023.



2024 Budget Presentation

2024 APPROPRIATION BILL (GENERAL PUBLIC SERVICE 2024), BILL 2023

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (GENERAL PUBLIC SERVICE EXPENDITURE 2024) BILL 2023 FOR THE YEAR ENDING 31 DECEMBER 2024

The purpose of the *Appropriation (General Public Services 2024) Bill 2023* is to appropriate a sum of K26,754,575,312.00 for expenditure for the year ending 31 December 2024 as required under Section 209(2)(c) of the Constitution as amended.

This Bill will establish total appropriations in 2024 of K26,754,575,312.00, of which Operational expenditure is **K16,123,175,312.00** consisting of –

Operational Expenditure	K16,123,175,312.00
Personnel Emoluments	K6,712,771,617.00
Goods and Services	K4,824,003,695.00
Functional Grants	K638,000,000.00
Debt (Interest Repayment)	K3,050,800,000.00
GST & BMT Transfers	K897,600,000.00

This Bill will also establish total appropriations in 2024 of K10,631,400,000.00, in Capital expenditure for Capital Investment projects consisting of –

Capital Expenditure	K10,631,400,000.00
Direct Government Funding	K7,212,600,000.00
Concessional Loans	K1,213,800,000.00
Donor Grants	K2,205,000,000.00

The total amount of Debt Amortization required to meet the State's debt repayment obligations is deemed to be appropriated, and the Minister may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the financial year ending 31 December 2024 this amount.

This is a financing item and so is not available for expenditure in sectors. As a result, this amount is not included in the discussion of budget expenditure contained in Volume 1. Under the Constitution, these loan repayments must be agreed to by the Parliament.

The *Appropriation (General Public Services 2024) Bill 2023* has One Part covering fourteen sections.

Section One - Allows the Minister responsible for treasury matters to issue out of the Consolidated Revenue Fund and apply for the activities of the General Public Service for the financial year ending 31 December 2024, the debt amortisation as deemed appropriated under Section 4 and the sum of K26,754,575,312.00, that shall be made up of the cumulative total of Sections 2 and 3.

Section Two – Allows the Minister responsible for treasury matters to issue out of the Consolidated Revenue Fund and apply for the activity of operational expenditure for the financial year ending 31 December 2024, the sum of K16,123,175,312.00,

Section Three – Allows The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activity of capital expenditure for the year ending 31 December 2024, the sum of K10,631,400,000.00

Section Four – Provides for the total amount of Debt Amortization required to meet the State's debt repayment obligations as deemed appropriations, and the Minister may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the financial year ending 31 December 2024 this amount.

Section Five – Provides for sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2024 to be appropriated for the activities of the agencies referred to in Volume 2A, 2B, 2C and 2D of the Budget Publications.

For the purpose of identifying the activities of agencies (both operational and directly financed capital expenditure) referred to in this Act, Volume 2A, 2B, 2C and 2D of the 2024 Budget publication shall be considered relevant documents.

Where additional donor grants are received in the financial year ending 31 December 2024, the additional donor grants may be issued out of the Consolidated Revenue Fund and appropriated to capital expenditures with the approval of the Treasurer.

When amounts appropriated for either donor grants or concessional loans are not received from the respective donors in the year ending 31 December 2024, these appropriations may not be issued from the Consolidated Revenue Fund and shall lapse.

All appropriations made under this Act lapse at the end of the 2024 fiscal year and where an amount is warranted but not spent against in the 2024 fiscal year, appropriations may not be issued from the Consolidated Revenue Fund and will lapse

Section Six - Identifies the circumstances under which the Minister may direct the reallocation of any unexpended appropriation for an activity under this Act to appropriations for other activities under this Act.

Reallocation of appropriations under this section may only occur where the following conditions are met:

- (a)there is insufficient appropriation to meet expenditure for an activity; and
- (b)the reallocation of appropriation will not cause an overspend; and
- (c)the reallocation of appropriation was unforeseen at the time of making this Act;

Reallocation of appropriations may also occur where the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

Reallocations authorised under other provisions of this Act do not count towards the limit prescribed in Section Six, Subsection (3) of the General Public Service appropriation bill; and the Minister responsible for treasury shall not, under this section, transfer from operational expenditure to capital expenditure.

Section Seven – Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of the following funding:

- (a) Transfers out of Division 207 - Treasury and Finance Miscellaneous; and
- (b) Government Tuition Fee Subsidy (GTFS) to Division 207 for the purpose of execution of the Government Tuition Fee Subsidy.

The Minister responsible for treasury matters may direct the reallocation of the appropriation entitled “Contingency Fund” in Volume 2A which is appropriated -

- (a) to Division 207 - Treasury and Finance Miscellaneous, for any activity under operational and capital expenditure; and
- (b) to new activities and to activities of the National Parliament or the Judiciary.

Reallocation of the appropriation under Section seven, Subsection (2) may only occur where the total appropriation reallocated does not exceed the aggregate of the net appropriation for the Contingency Fund.

The appropriation for “Contingency Fund” may only be increased by Parliament, and reallocations made under this Act may not be made into the “Contingency Fund”.

Further to this, where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated for personal emoluments, the Minister may direct the reallocation of that agency’s unexpended appropriations to cover that agency’s personal emoluments and where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated, the Minister may direct the reallocation of that agency’s unexpended appropriations to ensure that the agency does not spend more money than has been appropriated to that agency.

Section Eight – Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded from a concessional loan where -

- (a) there is insufficient appropriation to meet expenditure for that other capital expenditure activity; and
- (b) the transfer is requested to by the organisation providing the concessional loan; and
- (c) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea, to another capital expenditure included in Volume 2A, 2B, 2C and 2D of the 2024 Budget publication and funded by a concessional loan.

Section Nine- Identifies the circumstances under which the Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded by Grants identified in Volume 2A, 2B, 2C and 2D of the 2024 Budget publications where -

- (a) there is insufficient appropriation to meet expenditure for a capital expenditure activity; and
- (b) the transfer is requested by the donor providing the grant; and

(c) the Minister responsible for treasury matters believes the need for reallocation of appropriation is necessary for the delivery of essential services to the people of Papua New Guinea, to other capital expenditure activities identified in that volume of the Budget publications.

Section Ten – identifies the circumstances under which the Minister responsible for treasury matters may authorise the reallocation of any unexpended appropriation for interest, fees or charges held under Division 299, and this reallocation may only be for activities identified in Division 207.

Reallocation of appropriation shall only occur after the following conditions have been met:

(a) to an extent, projections of interest, fees or charges for the 2024 year, are published in a notification on the Department of Treasury website, issued by the Departmental Head responsible for treasury matters, asserting that they are lower than the projections of interest, fees or charges for the 2024 year published in Volume 1 of the Budget publication; and

(b) the Departmental Head responsible for treasury matters publishes a notice on the Department of Treasury website identifying the amount reallocated from Division 299, the circumstances justifying the reallocation and the remaining balance of the Division; and

(c) the total amount of reallocation of appropriation for interest, fees or charges shall not exceed the sum of K457,620,000.00; and

(d) the Minister responsible for treasury matters shall not delegate the authority to reallocate unexpended appropriations held under Division 299.

Section Eleven – Provides for where an activity is transferred from one agency to another, the authority conferred under this Act extends to the reallocation or transfer of the remaining appropriation for that activity to the agency now responsible for the activity.

Section Twelve – Requires the publication of a quarterly report on the Department's website of all adjustments and reallocations of appropriations made under this Act.

The report shall identify -

- (a) the division number and name; and
- (b) the initial appropriation for the division; and
- (c) the current appropriation for the division.

Section Thirteen - Requires that a copy of each direction under this Act shall be made available to the Auditor-General within one month of a request by the Auditor-General.

Section Fourteen – Provides the schedule for project loans listed and approved to be negotiated and entered into by the State and that only loans listed in the Schedule shall only be drawn down against, and to the extent authorised under, the relevant appropriations for the projects listed in Volumes 2 and 3. The loans listed in the Schedule lapse at the end of the 2024 fiscal year.



No. of 2023.

Appropriation (General Public Services Expenditure 2024) Bill 2023.

ARRANGEMENT OF CLAUSES.

1. Grant for General Public Service Expenditure.
2. Grant for Operational Expenditure.
3. Grant for Capital Expenditure.
4. Debt Amortisation Deemed Appropriation.
5. Appropriation.
6. Adjustment of Appropriations between activities.
7. Adjustment of Appropriations for identified matters.
8. Adjustment of Appropriations for Capital Expenditure Funded from Concessional Loans.
9. Adjustment of Appropriations for Capital Expenditure Funded by Grants.
10. Reallocation of Amounts from Division 299 - Debt Services.
11. Transfer of activities between agencies.
12. Directions to be published.
13. Direction to reallocate appropriations to be available to Auditor-General.
14. Loan Approved to be negotiated and entered into by the State.

SCHEDULE.



A BILL

for

AN ACT

entitled

Appropriation (General Public Services Expenditure 2024) Bill 2023,

Being an Act to appropriate out of the Consolidated Revenue Fund a sum for the General Public Service for Operational and Capital investment expenditure and Debt Amortization for the financial year ending 31 December 2024.

MADE by the National Parliament.

1. GRANT FOR GENERAL PUBLIC SERVICE EXPENDITURE.

The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activities of the General Public Service for the financial year ending 31 December 2024, the debt amortisation as deemed appropriated under Section 4 and the sum of K26,754,575,312.00, that shall be made up of the cumulative total of Sections 2 and 3.

2. GRANT FOR OPERATIONAL EXPENDITURE.

The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activity of operational expenditure for the financial year ending 31 December 2024, the sum of K16,123,175,312.00, consisting of -

Operational Expenditure	K16,123,175,312.00
Personnel Emoluments	K6,712,771,617.00
Goods and Services	K4,824,003,695.00
Functional Grants	K638,000,000.00
Debt (Interest Repayment)	K3,050,800,000.00
GST & BMT Transfers	K897,600,000.00

Appropriation (General Public Services Expenditure 2024)

3. GRANT FOR CAPITAL EXPENDITURE.

The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the activity of capital expenditure for the year ending 31 December 2024, the sum of K10,631,400,000.00, consisting of -

Capital Expenditure	K10,631,400,000.00
Direct Government Funding	K7,212,600,000.00
Concessional Loans	K1,213,800,000.00
Donor Grants	K2,205,000,000.00

4. DEBT AMORTISATION DEEMED APPROPRIATION.

The total amount of Debt Amortization required to meet the State's debt repayment obligations is deemed to be appropriated, and the Minister may issue out of the Consolidated Revenue Fund and apply for the activity of debt amortization for the financial year ending 31 December 2024 this amount.

5. APPROPRIATION.

(1) Sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2024 are appropriated for the activities of the agencies referred to in Volume 2A, 2B, 2C and 2D of the Budget Publications.

(2) For the purpose of identifying the activities of agencies (both operational and directly financed capital expenditure) referred to in this Act, Volume 2A, 2B, 2C and 2D of the 2024 Budget publication shall be considered relevant documents.

(3) Where additional donor grants are received in the financial year ending 31 December 2024, the additional donor grants may be issued out of the Consolidated Revenue Fund and appropriated to capital expenditures with the approval of the Treasurer.

(4) When amounts appropriated for either donor grants or concessional loans are not received from the respective donors in the year ending 31 December 2024, these appropriations may not be issued from the Consolidated Revenue Fund and shall lapse.

(5) All appropriations made under this Act lapse at the end of the 2024 fiscal year.

(6) Where an amount is warranted but not spent against in the 2024 fiscal year, appropriations may not be issued from the Consolidated Revenue Fund and will lapse.

6. ADJUSTMENT OF APPROPRIATIONS BETWEEN ACTIVITIES.

(1) Subject to Subsections (2), (3), (4) and (5), the Minister may direct the reallocation of any unexpended appropriation for an activity under this Act to appropriations for other activities under this Act.

(2) Reallocation of appropriation under this section may only occur where the following conditions are met:

- (a) there is insufficient appropriation to meet expenditure for an activity; and
- (b) the reallocation of appropriation will not cause an overspend; and
- (c) the reallocation of appropriation was unforeseen at the time of making this Act; and
- (d) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea.

(3) The total amount of reallocated appropriation authorised under this section shall not exceed K2,472,717,809.00

(4) Reallocations authorised under other provisions of this Act do not count towards the limit prescribed in Subsection (3).

(5) The Minister responsible for treasury shall not, under this section, transfer from operational expenditure to capital expenditure.

7. ADJUSTMENT OF APPROPRIATIONS FOR IDENTIFIED MATTERS.

(1) The Minister responsible for treasury matters may direct the reallocation of the following funding:

- (a) subject to Subsections (2), (3) and (4) Transfers out of Division 207 - Treasury and Finance Miscellaneous; and
- (b) Government Tuition Fee Subsidy (GTFS) to Division 207 for the purpose of execution of the Government Tuition Fee Subsidy.

(2) The Minister responsible for treasury matters may direct the reallocation of the appropriation entitled "Contingency Fund" in Volume 2A which is appropriated -

- (a) to Division 207 - Treasury and Finance Miscellaneous, for any activity under operational and capital expenditure; and
- (b) to new activities and to activities of the National Parliament or the Judiciary.

(3) Reallocation of the appropriation under Subsection (2) may only occur where the total appropriation reallocated does not exceed the aggregate of the net appropriation for the Contingency Fund.

(4) The appropriation for "Contingency Fund" may only be increased by Parliament, and reallocations made under this Act may not be made into the "Contingency Fund".

(5) Where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated for personal emoluments, the Minister may direct the reallocation of that agency's unexpended appropriations to cover that agency's personal emoluments.

(6) Where in the reasonable opinion of the Minister an agency will spend or has spent more than has been appropriated, the Minister may direct the reallocation of that agency's unexpended appropriations to ensure that the agency does not spend more money than has been appropriated to that agency.

8. ADJUSTMENT OF APPROPRIATIONS FOR CAPITAL EXPENDITURE FUNDED FROM CONCESSIONAL LOANS.

The Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded from a concessional loan where -

- (a) there is insufficient appropriation to meet expenditure for that other capital expenditure activity; and
- (b) the transfer is requested to by the organisation providing the concessional loan; and

(c) the Minister responsible for treasury matters reasonably believes the reallocation of the appropriation is necessary for the delivery of essential services to the people of Papua New Guinea,
to another capital expenditure included in Volume 2A, 2B, 2C and 2D of the 2024 Budget publication and funded by a concessional loan.

9. ADJUSTMENT OF APPROPRIATIONS FOR CAPITAL EXPENDITURE FUNDED BY GRANTS.

The Minister responsible for treasury matters may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded by Grants identified in Volume 2A, 2B, 2C and 2D of the 2024 Budget publications where -

- (a) there is insufficient appropriation to meet expenditure for a capital expenditure activity; and
- (b) the transfer is requested by the donor providing the grant; and
- (c) the Minister responsible for treasury matters believes the need for reallocation of appropriation is necessary for the delivery of essential services to the people of Papua New Guinea,

to other capital expenditure activities identified in that volume of the Budget publications.

10. REALLOCATION OF AMOUNTS FROM DIVISION 299 - DEBT SERVICES.

(1) The Minister responsible for treasury matters may authorise the reallocation of any unexpended appropriation for interest, fees or charges held under Division 299, and this reallocation may only be for activities identified in Division 207.

- (2) Reallocation of appropriation shall only occur after the following conditions have been met:
 - (a) to an extent, projections of interest, fees or charges for the 2024 year, are published in a notification on the Department of Treasury website, issued by the Departmental Head responsible for treasury matters, asserting that they are lower than the projections of interest, fees or charges for the 2024 year published in Volume 1 of the Budget publication; and
 - (b) the Departmental Head responsible for treasury matters publishes a notice on the Department of Treasury website identifying the amount reallocated from Division 299, the circumstances justifying the reallocation and the remaining balance of the Division; and
 - (c) the total amount of reallocation of appropriation for interest, fees or charges shall not exceed the sum of K457,620,000.00; and
 - (d) the Minister responsible for treasury matters shall not delegate the authority to reallocate unexpended appropriations held under Division 299.

11. TRANSFER OF ACTIVITIES BETWEEN AGENCIES.

Where an activity is transferred from one agency to another, the authority conferred under this Act extends to the reallocation or transfer of the remaining appropriation for that activity to the agency now responsible for the activity.

12. DIRECTIONS TO BE PUBLISHED.

(1) The Departmental Head responsible for treasury matters shall publish a quarterly report on the Department's website of all adjustments and reallocations of appropriations made under this Act.

- (2) The report shall identify -
 - (a) the division number and name; and
 - (b) the initial appropriation for the division; and
 - (c) the current appropriation for the division.

Appropriation (General Public Services Expenditure 2024)

(3) The Minister responsible for treasury matters shall notify an agency affected by a transfer within one month of the transfer being made.

13. DIRECTIONS TO REALLOCATE APPROPRIATIONS TO BE AVAILABLE TO AUDITOR-GENERAL.

A copy of each direction under this Act shall be made available to the Auditor-General within one month of a request by the Auditor-General.

14. PROJECT LOAN APPROVED TO BE NEGOTIATED AND ENTERED INTO BY THE STATE.

(1) The project loans listed in the Schedule are hereby approved to be negotiated and entered into by the State.

(2) The approval provided for under Subsection (1) for the loans listed in the Schedule lapses at the end of the 2024 fiscal year.

(3) Loans entered into by the State under this section may only be drawn down against, and to the extent authorised under, the relevant appropriations for the projects listed in Volumes 2 and 3.

SCHEDULE.

PROJECT LOANS APPROVED TO BE NEGOTIATED AND ENTERED INTO BY THE STATE.

Project	Implementing Agency
PNG Electrification Project	PNG Power Ltd
National Energy Access	PNG Power Ltd & National Energy Authority
Trans National Highway	Department of Works & Highways
Sustainable Highlands Regional Road Network	Department of Works & Highways
Urban Water Supply	Water PNG
Kimbe Hospital	National Department of Health
Gerehu Hospital	National Department of Health
Tari Hospital	National Department of Health
Mendi Hospital	National Department of Health
Central Hospital	National Department of Health



OFFICE OF THE STATE SOLICITOR

CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (General Public Service 2024) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 21st day of November 2023.

A stylized, handwritten signature in black ink, enclosed within a large, horizontal oval shape. The signature is written over a dotted line.

DANIEL ROLPAGAREA
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL (NATIONAL PARLIAMENT 2024), BILL 2023

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (NATIONAL PARLIAMENT 2024) BILL 2023

FOR THE YEAR ENDING 31 DECEMBER 2024

The purpose of the *Appropriation (National Parliament 2024) Bill 2023* is to:

- (a) Provide the sum of K263,608,000.00 for the activities of the National Parliament for the year ending 31 December 2024, as required under Section 209 (2) (b) (i) of the Constitution as amended.

Draft of 23/11/2023



No. of 2023.

Appropriation (National Parliament 2024) Bill 2023.

ARRANGEMENT OF CLAUSES.

1. Grant of K263,608,000.00.
2. Appropriation.

SCHEDULE.



A BILL

for

AN ACT

entitled

Appropriation (National Parliament 2024) Bill 2023,

Being an Act to appropriate out of the Consolidated Revenue Fund a sum for the National Parliament for Operational and Capital Expenditure for the financial year ending 31 December 2024.

MADE by the National Parliament.

1. GRANT OF K263,608,000.00.

The Minister responsible for treasury matters may issue out of the Consolidated Revenue Fund and apply for the operational and capital expenditure of the National Parliament for the financial year ending 31 December 2024 the sum of K263,608,000.00.

2. APPROPRIATION.

Sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2024 are appropriated for the purposes of operational and capital expenditure expressed in the Schedule in relation to the financial year ending 31 December 2024.

SCHEDULE.

Estimates of Expenditure for the year ending 31 December 2024.

BUDGET AGENCY	2024 BUDGET (PGK)
201 National Parliament	263,608,000.00
Personnel Emoluments	184,758,000.00
Goods and Services	73,450,000.00
Capital Investment	5,400,000.00
Grand Total	263,608,000.00



OFFICE OF THE STATE SOLICITOR

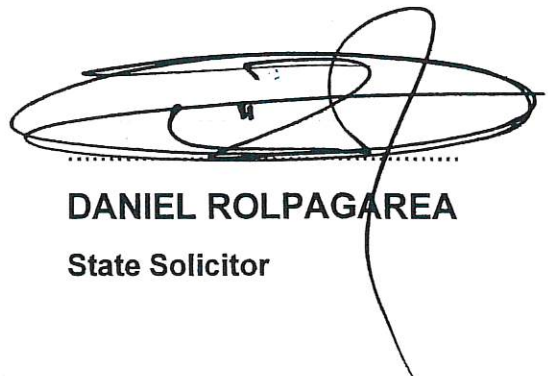
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (National Parliament 2024) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 21st day of November 2023.

A stylized, handwritten signature in black ink, consisting of several loops and a long trailing line.

DANIEL ROLPAGAREA
State Solicitor



2024 Budget Presentation

2024 APPROPRIATION BILL

(JUDICIARY SERVICES 2024), BILL 2023

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (JUDICIARY SERVICES 2024) BILL 2023

FOR THE YEAR ENDING 31 DECEMBER 2024

The purpose of the *Appropriation (Judiciary Services 2024) Bill 2023* is to provide the sum of K359,352,274.00 for the activities of the Judiciary for the year ending 31 December 2024, as required under Section 209 (2) (b) (iii) of the Constitution as amended.

Draft of 23/11/2023



No. of 2023.

Appropriation (Judiciary Services 2024) Bill 2023.

ARRANGEMENT OF CLAUSES.

1. Grant of K359,352,274.00.
2. Appropriation.

SCHEDULE.



A BILL

for

AN ACT

entitled

Appropriation (Judiciary Services 2024) Act 2023,

Being an Act to appropriate out of the Consolidated Revenue Fund sums for the Judiciary Services Operational and Capital expenditure for the financial year ending 31 December 2024.

MADE by the National Parliament.

1. GRANT OF K359,352,274.00.

The Minister responsible for Treasury matters may issue out of the Consolidated Revenue Fund and apply for the operational and capital expenditure of the Judiciary for the financial year ending 31 December 2024 the sum of K359,352,274.00.

2. APPROPRIATION.

Sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2024 are appropriated for the purposes of the operational and capital expenditure expressed in the Schedule in relation to the financial year ending 31 December 2024.

SCHEDULE.

Estimates of Expenditure for the year ending 31 December 2024.

BUDGET AGENCY	2024 BUDGET (PGK)
223 Judiciary Services	K359,352,274.00
Personnel Emoluments	136,751,000.00
Goods and Services	159,601,274.00
Capital Investment	63,000,000.00
Grand Total	K359,352,274.00



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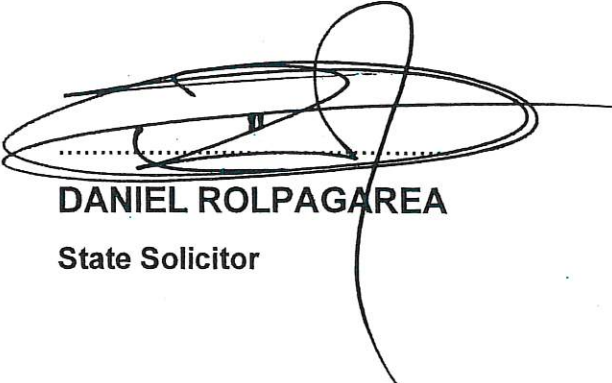
CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Appropriation (Judiciary Services 2024) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 21st day of November 2023.



DANIEL ROLPAGAREA
State Solicitor



2024 Budget Presentation

2024 AMENDMENT, BILL 2023

**(PNG FISCAL RESPONSIBILITY
(AMENDMENT), BILL 2023**



CERTIFICATE.

I, certify that I have drafted the *Papua New Guinea Fiscal Responsibility (Amendment) Bill 2023* (Draft of 24/11/23) in accordance with the National Executive Council Decision No: 330/2023 dated 24th November, 2023, and the Drafting Instructions.

A handwritten signature in blue ink, reading "MToliman".

MARLEEN TOLIMAN AKOP
FIRST LEGISLATIVE COUNSEL.

26th November, 2023.

SECOND READING SPEECH

PAPUA NEW GUINEA FISCAL RESPONSIBILITY (AMENDMENT) BILL 2023

MR SPEAKER,

THIS AMENDMENT PROPOSES THE FOLLOWING:

- THE GOVERNMENT'S COMMITMENT TO REDUCING OUR DEBT TO GDP HAS BEEN A MAJOR PLANK OF OUR 13 YEAR PLAN.
- THIS AMENDMENT CONTINUES THIS PATH OF REDUCING DEBT, AND FISCAL RESTRAINT BY LOWERING THE CURRENT CEILING ON DEBT TO GDP BY 2.5%. THIS LOWERS THE CEILING FROM THE CURRENT 60% TO A NEW, LOWER CEILING, OF 57.5%.

MR SPEAKER, I COMMEND THIS BILL.

EXPLANATORY MEMORANDUM:

PAPUA NEW GUINEA FISCAL RESPONSIBILITY (AMENDMENT) BILL 2023

The amendment proposes the following:

- This is an amendment to the fiscal responsibility act, 2006, to reduce the current threshold for debt from 60 percent of Gross Domestic Product (GDP) to 57.5% of GDP. The amendment is in line with the path of debt under the government's 13 year plan for budget repair, and a reduction ultimately back to 40%, similar to the prior amendment.



No: of 2023.

Papua New Guinea Fiscal Responsibility (Amendment) Bill 2023,

ARRANGEMENT OF CLAUSE.

Principles for the sound fiscal management (Amendment of Section 4).



A BILL

for

AN ACT

Entitled

Papua New Guinea Fiscal Responsibility (Amendment) Bill 2023,

Being an Act to amend the *Papua New Guinea Fiscal Responsibility Act 2006*, in relation to ceiling on national debt,

MADE by the National Parliament.

PRINCIPLES FOR THE SOUND FISCAL MANAGEMENT (AMENDMENT OF SECTION 4).

The Principal Act is amended in Section 4 -

(a) by repealing Paragraph (c) and replacing it with the following new paragraph:

“(c) the Government shall seek to maintain the level of government debt at below 40 percent of the Gross Domestic Product;” and

(b) by repealing Paragraph (ca) and replacing it with the following new paragraph:

“(ca) until the end of a period of five years from the commencement of this Act, to mitigate temporary fiscal imbalances, the Government may exceed the lower boundary specified in Paragraph (c), but not in excess of 57.5 percent of the Gross Domestic Product, and until the end of a period of ten years from the commencement of this Act, not in excess of 40 percent of the Gross Domestic Product, having regard to existing financing capacity, other liabilities and the size of contingent liabilities;”.



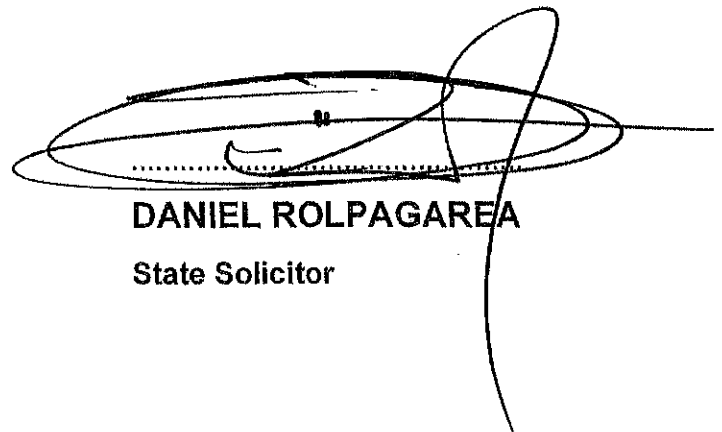
OFFICE OF THE STATE SOLICITOR CERTIFICATE OF NECESSITY

I, **DANIEL ROLPAGAREA**, State Solicitor of the Independent State of Papua New Guinea;

having considered the proposed **Papua New Guinea Fiscal Responsibility (Amendment) Bill 2023** and having formed the opinion that the Bill is necessary for the intended purposes;

hereby grant this Certificate pursuant to Section 13B of the *Attorney General Act 1989*.

Dated this 24th day of November 2023.



DANIEL ROLPAGAREA
State Solicitor