

No. 15 of 2013.

*Appropriation (General Public Services Expenditure 2014) Act 2013.*

Certified on : 04/02/14





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**ARRANGEMENT OF SECTIONS.**

1. Grant for General Public Service Expenditure of K 20,613,703,700.
2. Appropriation.
3. Adjustment of Appropriation through the Secretary's Advance for new activities and between activities.
4. Adjustment of Appropriation between activities.
5. Adjustment of Appropriations for activities identified in Division 207.
6. Adjustment of Appropriations for directly Financed Projects.
7. Adjustment of Appropriations for Projects Funded by Grants.
8. Adjustment of Appropriations for Projects Funded from Concessional Loans.
9. Reallocation of Amounts from Division 299 - Debt Services.
10. Delegation of Powers.
11. Transfer of Activities between Agencies.
12. Directions to be published.
13. Directions to re-allocate Appropriations to be available to Auditor General.
14. Direction for Expenditure Appropriated to Trusts.

**SCHEDULE.**



An Act

entitled

***Appropriation (General Public Services Expenditure 2014) Act 2013,***

Being an Act to appropriate out of the Consolidated Revenue Fund a sum for the General Public Service for operational and capital expenditure for the year ending 31 December 2014,

MADE by the National Parliament.

**1. GRANT FOR GENERAL PUBLIC SERVICES EXPENDITURE OF K 20,613,703,700.**

Subject to authorisation from the Minister for Treasury, 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 2014 the sum of **K20,613,703,700**, consisting of:

- |                                    |                       |
|------------------------------------|-----------------------|
| (a) Operational Expenditure        | K13, 143,100,700; and |
| (b) Capital Expenditure            | K7, 460,603,000 –     |
| (i) direct Government financing of | K4, 904,620,000; and  |
| (ii) infrastructure tax credits of | K130, 000,000; and    |
| (iii) concessional loans of        | K895, 903,000; and    |
| (iv) donor grants of               | K1,530, 000,000.      |

**2. APPROPRIATION.**

(1) Sums granted by this Act out of the Consolidated Revenue Fund for the financial year ending 31 December 2014 are appropriated for the activities of the agencies listed in the Schedule of this Act in the financial year ending 31 December 2014.

(2) For the purposes of identifying the activities of agencies referred to in this Act, Parts 1 and 2 of Volume 2 of the 2014 Budget Books may be considered relevant documents.

(3) For the purpose of identifying the capital expenditures referred to in this Act, Parts 1 and 2 of Volume 2 and Volume 3 of the 2014 Budget Publications are to be considered relevant documents.

(4) Where additional donor grants are received in the year ending 31 December 2014, they may be issued out of the Consolidated Revenue Fund and appropriated to capital expenditures with the approval of the Treasurer.

(5) In the event that amounts appropriated for either donor grants or concessional loans are not received from the respective donors in the year ending 31 December 2014, these appropriations may not be issued from the Consolidated Revenue Fund and will lapse.

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**3. ADJUSTMENT OF APPROPRIATION THROUGH THE SECRETARY'S ADVANCE FOR NEW ACTIVITIES AND BETWEEN ACTIVITIES.**

(1) The Secretary for Treasury may direct the reallocation of the appropriation entitled "Secretary's Advance" which is appropriated to Division 207 - Treasury and Finance Miscellaneous for any activity under Operational and Capital Expenditure.

(2) Reallocation of the Appropriation under "Secretary's Advance" may occur where the following conditions are met -

- (a) there is insufficient or no appropriation to meet expenditure for an activity within the operational and capital budget; and
- (b) the reallocation of appropriation is supported by the Minister responsible for the agency implementing the activity; and
- (c) the reallocation of appropriation is urgent and was unforeseen at the time of making this Act; and
- (d) the reallocation of appropriation is necessary for the delivery of essential services to the People of Papua New Guinea; and
- (e) the total Appropriation reallocated does not exceed the aggregate of the net appropriation for the Secretary's Advance.

(3) Unexpended appropriations for activities within the operational budget may be reallocated to any Government activity, or activities of the National Parliament or Judiciary within the operational budget.

(4) The Appropriation for "Secretary's Advance" may only be increased by Parliament.

**4. ADJUSTMENT OF APPROPRIATION BETWEEN ACTIVITIES.**

(1) With the exception of the matters referred to under Subsections 1, 2 and 3, the Secretary for Treasury 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 may only occur where the following conditions are met -

- (a) there is insufficient or no appropriation to meet expenditure for an activity; and
- (b) the reallocation of appropriation is requested by the Minister responsible for the agency implementing the activity; and
- (c) the reallocation of appropriation is urgent and the reallocation of appropriation is unavoidable; and
- (d) the reallocation of appropriation was unforeseen at the time of making this Act; and
- (e) the reallocation of appropriation is necessary for the delivery of essential services to the People of Papua New Guinea.

(3) Subject to the exceptions outlined in this Section, the total amount of reallocated appropriation authorised under this section shall not exceed a sum K 1,830,243,970 or ten percent of the total appropriation of operational expenditure plus the aggregate of the direct financing component of capital expenditures, made under this Act.

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(4) An amount appropriated for an activity under Division 207 that is to be transferred either to a trust account or to the agency responsible for conducting the activity for which the amount is appropriated will not count towards the limit identified in this Section.

(5) An amount transferred between agencies under Section 5 will not count towards the limit identified in this Section.

(6) This section does not apply to appropriations made for the purposes of "Division 207 - Treasury and Finance Miscellaneous" or to "Division 299 - Debt Servicing".

**5. ADJUSTMENT OF APPROPRIATIONS FOR ACTIVITIES IDENTIFIED IN DIVISION 207.**

(1) The Treasurer may in exceptional circumstances direct the reallocation of funding held in Division 207 - Treasury and Finance Miscellaneous for other purposes.

(2) Only the Treasurer may direct the reallocation of Appropriations for activities identified in Schedule 1 of this Act.

(3) The Treasurer must publish in the Department of Treasury Website a notice identifying the amount of the proposed transfer, the relevant divisions and the purpose of the transfer.

(4) The Treasurer may not delegate the powers provided by this section.

**6. ADJUSTMENT OF APPROPRIATIONS FOR DIRECTLY FINANCED CAPITAL EXPENDITURES.**

(1) The Secretary for Treasury may direct the reallocation of any unexpended appropriation for directly financed capital expenditure included in Part 1 and Part 2 of Volume 2 of the 2014 Budget Publications, to other capital expenditure included in Parts 1 and 2 of Volume 2 of the 2014 Budget Publications, where -

- (a) there is insufficient or no appropriation to meet capital expenditure activities; and
- (b) the reallocation is supported by the Agency Head, responsible for the agency implementing the capital expenditure activities; and
- (c) the reallocation of appropriation is urgent and was unforeseen at the time of making this Act and is necessary for the delivery of essential services to the People of Papua New Guinea.

(2) The total amount of all reallocations authorised under this section shall not exceed the sum of K491,620,000 or 10 percent of total directly financed capital expenditures.

**7. ADJUSTMENT OF APPROPRIATIONS FOR PROJECTS FUNDED BY GRANTS.**

The Secretary for Treasury may direct the reallocation of any unexpended appropriation for a capital expenditure activity identified in Parts 1 and 2 of Volume 2 of the 2014 Budget Publications to other capital expenditure activities identified in that volume of the Budget Publications where -

- (a) there is insufficient or no appropriation to meet expenditure for a capital expenditure activity; and
- (b) the transfer is requested by the donor providing the grant; and

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- (c) the Secretary for Treasury agrees the need for reallocation of appropriation is urgent and was unforeseen at the time of making this Act and is necessary for the delivery of essential services to the People of Papua New Guinea.

**8. ADJUSTMENT OF APPROPRIATIONS FOR PROJECTS FUNDED FROM CONCESSIONAL LOANS.**

The Secretary for Treasury may direct the reallocation of any unexpended appropriation for a capital expenditure activity funded from a concessional loan to another capital expenditure activity included in Part 1 and 2 of Volume 2 of the 2014 Budget Publications and funded by a concessional loan where -

- (a) there is insufficient or no appropriation to meet expenditure for that other capital expenditure activity; and
- (b) the reallocation is supported by the Agency Head responsible for the agency implementing the capital expenditure activity; and
- (c) the Secretary for Treasury agrees the need for reallocation of appropriation is urgent and was unforeseen at the time of making this Act and is necessary for the delivery of essential services to the People of Papua New Guinea.

**9. REALLOCATION OF AMOUNTS FROM DIVISION 299 - DEBT SERVICES.**

(1) The Treasurer may authorise the reallocation of any unexpended appropriation for interest, fees or charges held under Division 299. This reallocation may only be for activities identified in Division 207.

(2) Reallocation of Appropriation is permitted to only occur after the following conditions are met -

- (a) reallocation of Appropriation may only occur to the extent that projections of interest, fees or charges for the 2014 year published in the Mid-Year Economic and Fiscal Outlook Report are lower than the projections of interest, fees or charges for the 2014 year published in Volume 1 of the 2014 Budget Books; and
- (b) the Treasurer publishes a notice in the Department of Treasury website identifying the amount reallocated from Division 299, the circumstances justifying the reallocation and the remaining balance of the Division.

(3) The total amount of reallocation of appropriations for interest, fees or charges shall not exceed 5 percent of the total appropriation for these items or a sum of K37, 575,000.

(4) The Treasurer may not delegate the authority to reallocate unexpended appropriations held under Division 299.

**10. DELEGATION OF POWERS.**

The Secretary for Treasury may, by written instrument delegate the powers provided under Sections 3 and 4 of this Act to a permanently appointed public servant in the Department of Treasury holding the position of Deputy Secretary.

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**11. TRANSFER OF ACTIVITIES BETWEEN AGENCIES.**

Where an activity is transferred from one agency to another, the authority conferred by Section 3 and 4 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.**

The Secretary for Treasury shall publish a monthly report of all transfers made under this Act on the Department of the Treasury website and the report shall identify the following matters -

- (a) the Division Number and Name; and
- (b) the Initial Appropriation for the Division; and
- (c) the Current Appropriation for the Division; and
- (d) warrants released for the Division in the relevant month; and
- (e) total Warrants released for the Division for the year to date; and
- (f) the Expenditure of the Division in the relevant month; and
- (g) total Expenditure of the Division for the year to date; and
- (h) an explanation of changes in the value of Current Appropriation for the Division.

**13. DIRECTIONS TO RE-ALLOCATE APPROPRIATIONS TO BE AVAILABLE TO AUDITOR-GENERAL.**

A copy of each direction under Sections 3, 4, 5, 6, 7 and 8 shall be made available to the Auditor General at the conclusion of each quarter of the financial year ending 31 December 2014.

**14. DIRECTION FOR EXPENDITURE APPROPRIATED TO TRUSTS.**

(1) K329, 200,000 of the amount appropriated in this Act is to be immediately transferred to the Trust Accounts identified for the approved capital expenditures expressed in Schedule 2.

(2) 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 is to take place immediately on the establishment of the Trust Account.

(3) In the event that the amounts expressed in Schedule 2 are not transferred, the appropriation will lapse and the amounts will be returned to the Consolidated Revenue Fund.

(4) These funds cannot be utilized, transferred or reallocated for any other purpose.



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**SCHEDULE 2.**

**IMMEDIATE TRANSFER OF FUNDS APPROPRIATED IN THIS ACT FROM DIVISIONS IDENTIFIED IN THE BUDGET PUBLICATIONS TO SPECIFIED TRUST ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2014.**

<b>SUMMARY</b>	<b>KINA</b>
2015 South Pacific Games	59,200,000
Infrastructure Development Grant (UBSA)	120,000,000
Restoration and Development Grant (ABG)	100,000,000
High Impact Projects (UBSA)	50,000,000
<b>Amount to be Transferred</b>	

I hereby certify that the above is a fair print of the *Appropriation (General Public Services Expenditure 2014) Act 2013* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Appropriation (General Public Services Expenditure 2014) Act 2013* was made by the National Parliament on 26 November 2013.

Speaker of the National Parliament.

