



2018 APPROPRIATION BILL 2018

(NO. 3 OF 2018)



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A

BILL

Entitled

AN ACT TO APPROPRIATE THREE BILLION, SEVEN HUNDRED AND THIRTY FIVE MILLION, ONE HUNDRED AND FOURTEEN THOUSAND AND FOUR DOLLARS TO THE SERVICE OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2018.

ENACTED BY THE NATIONAL PARLIAMENT OF SOLOMON ISLANDS.

2018 APPROPRIATION BILL 2018

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SCHEDULE 1

SCHEDULE 2

2018 APPROPRIATION BILL 2018

1 Short title

This Act may be cited as the *2018 Appropriation Act 2018*.

2 Commencement

This Act is taken to have commenced on 1 January 2018.

3 Authorisation of appropriation

- (1) The issue of an amount of \$3,735,114,004 from the Consolidated Fund is authorised, to be applied to the service of the financial year ending 31 December 2018.
- (2) The amount specified in subsection (1) is appropriated for the supply of the heads specified in Schedule 1 in the amount specified for each head.

4 Government borrowing limits

- (1) This section applies for the purposes of section 66(2) of the *Public Financial Management Act 2013* for the financial year ending 31 December 2018.
- (2) The Government may borrow or agree to borrow amounts not exceeding in total the borrowing limits specified in Schedule 2, column 1, for the purposes specified opposite in column 2, from the sources specified opposite in column 3.

5 Debt service account

For section 69(2) of the *Public Financial Management Act 2013*, the Minister must set aside 0.57% of the Government's domestically sourced revenue earned in the financial year ending 31 December 2018, to be transferred into the debt service account for the purpose of discharging statutory debt.

6 Advance warrants

For section 60(2) of the *Public Financial Management Act 2013*, the

total amounts authorised by advance warrants issued by the Minister for the financial year ending 31 December 2018 must not at any one time, after deducting repayments and monies on deposit, exceed \$150,000,000.

7 Contingency warrants

The total sums authorised by contingency warrants issued by the Minister under section 58 of the *Public Financial Management Act 2013* for the financial year ending 31 December 2018 must not exceed \$26,000,000 and may only be used for the recurrent and development heads of expenditure specified in Schedule 1, Parts 1 and 3.

SCHEDULE 1

Section 3

PART 1 – RECURRENT EXPENDITURE

Head	Ministry	2018 Interim Budget Actuals (\$)	2018 Appropriation (excluding 2018 Interim Budget Actuals) (\$)	2018 Total Appropriation (\$)
269	Office of the Ombudsman	43,160	5,026,712	5,069,872
270	Ministry of Agriculture and Livestock Development	4,168,617	26,280,075	30,448,692
271	Office of the Auditor-General	659,690	6,892,402	7,552,092
272	Ministry of Education and Human Resource Development	179,760,737	989,508,853	1,169,269,590
273	Ministry of Finance and Treasury	10,849,576	114,516,613	125,366,189
274	Ministry of Foreign Affairs and External Trade	14,233,169	34,476,071	48,709,240
275	Office of the Governor-General	695,607	7,447,405	8,143,012
276	Ministry of Health and Medical Services	39,443,252	351,811,117	391,254,369
277	Ministry of Infrastructure Development	9,353,234	58,457,085	67,810,319

279	National Parliament	18,606,708	65,338,525	83,945,233
280	Ministry of Forestry and Research	1,894,625	20,705,240	22,599,865
281	Office of the Prime Minister and Cabinet	14,360,988	88,096,277	102,457,265
282	Pensions and Gratuities	1,341,236	6,985,415	8,326,651
283	Ministry of Police, National Security and Correctional Services	27,318,133	229,976,466	257,294,599
284	Ministry of Provincial Government and Institutional Strengthening	35,242,292	87,630,618	122,872,910
285	Ministry of Lands, Housing and Survey	1,362,688	16,640,556	18,003,244
286	Ministry of Development Planning and Aid Coordination	850,104	5,802,939	6,653,043
287	Ministry of Culture and Tourism	1,001,599	21,218,935	22,220,534
288	Ministry of Commerce, Industries, Labour and Immigration	4,474,101	31,903,191	36,377,292
289	Ministry of Communication and Aviation	3,388,559	44,838,375	48,226,934
290	Ministry of Fisheries and Marine Resources	1,949,751	14,797,027	16,746,778

291	Ministry of Public Service	1,724,611	24,647,634	26,372,245
292	Ministry of Justice and Legal Affairs	2,978,648	25,179,240	28,157,888
293	Ministry of Home Affairs	1,574,248	46,054,789	47,629,037
294	Ministry of National Unity, Reconciliation and Peace	839,956	15,605,689	16,445,645
295	Ministry of Mines, Energy and Rural Electrification	1,831,082	13,705,246	15,536,328
296	National Judiciary	2,839,179	18,272,082	21,111,261
297	Ministry of Women, Youth, Children and Family Affairs	693,380	10,160,513	10,853,893
298	Ministry of Rural Development and Indigenous Affairs	371,933	16,367,877	16,739,810
299	Ministry of Environment, Climate Change, Disaster Management and Meteorology	3,863,053	23,252,157	27,115,210
	TOTAL RECURRENT ESTIMATES	387,713,916	2,421,595,124	2,809,309,040

PART 2 – BUDGET SUPPORT EXPENDITURE

Head	Ministry	2018 Interim Budget Actuals (\$)	2018 Appropriation (excluding 2018 Interim Budget Actuals) (\$)	2018 Total Appropriation (\$)
372	Ministry of Education and Human Resource Development	1,351,089	74,766,801	76,117,890
374	Ministry of Foreign Affairs and External Trade	55,815	2,315,722	2,371,537
376	Ministry of Health and Medical Services	0	132,070,954	132,070,954
383	Police, National Security and Correctional Services	0	5,865,251	5,865,251
390	Ministry of Fisheries and Marine Resources	427,626	7,972,374	8,400,000
	TOTAL BUDGET SUPPORT ESTIMATES	1,834,530	222,991,102	224,825,632

PART 3 – DEVELOPMENT EXPENDITURE

Head	Ministry	2018 Total Expenditure Authorised (\$)
470	Ministry of Agriculture and Livestock Development	12,400,000
472	Ministry of Education and Human Resource Development	18,000,000
473	Ministry of Finance and Treasury	160,000,000
476	Ministry of Health and Medical Services	9,000,000
477	Ministry of Infrastructure Development	78,000,000
479	National Parliament	1,000,000
480	Ministry of Forestry and Research	3,600,000
481	Office of the Prime Minister and Cabinet	2,500,000
483	Ministry of Police, National Security and Correctional Services	15,000,000
484	Ministry of Provincial Government and Institutional Strengthening	10,000,000
485	Ministry of Lands, Housing and Survey	4,000,000
486	Ministry of Development Planning and Aid Coordination	4,000,000
487	Ministry of Culture and Tourism	8,929,332
488	Ministry of Commerce, Industries, Labour and Immigration	10,000,000
489	Ministry of Communication and Aviation	14,000,000
490	Ministry of Fisheries and Marine Resources	4,000,000
491	Ministry of Public Service	1,000,000
492	Ministry of Justice and Legal Affairs	1,000,000
493	Ministry of Home Affairs	9,000,000
494	Ministry of National Unity, Reconciliation and Peace	1,000,000
495	Ministry of Mines, Energy and Rural Electrification	9,000,000
496	National Judiciary	1,000,000

497	Ministry of Women, Youth, Children and Family Affairs	500,000
498	Ministry of Rural Development and Indigenous Affairs	320,000,000
499	Ministry of Environment, Climate Change, Disaster Management and Meteorology	4,050,000
	TOTAL SIG FUNDED DEVELOPMENT ESTIMATES	700,979,332

TOTAL EXPENDITURE \$3,735,114,004

NOTE: In addition to the amount authorised by this Act, a further \$88,628,655 is forecast to be expended through statutory charges on the Consolidated Fund, including \$77,843,361 to be expended on National Debt Repayments. These Statutory Appropriations are explained in the Budget Strategy and Outlook (Budget Paper 1) and the Recurrent Estimates Document (Budget Paper 2) and are appropriated by existing legislation or the Constitution.

SCHEDULE 2

Section 4

GOVERNMENT BORROWING LIMITS

Column 1 Total borrowing limit	Column 2 Permitted purposes	Column 3 Source
Face value of Treasury Bills on issue at the end of 2018 must not exceed the face value of Treasury Bills on issue at the beginning of 2018 by more than \$100,000,000	Purposes specified in section 71(4) of the <i>Public Financial Management Act 2013</i> (exceptional circumstances such as a major economic shock or natural disaster)	Treasury Bills issued under <i>Government Loans and Securities Act</i> (Cap. 119)
\$461,800,000	Purposes specified in section 71(3) of the <i>Public Financial Management Act 2013</i> (specifically, \$311,800,000 for Tina Hydro Project and \$150,000,000 for other high priority infrastructure and development initiatives).	Multilateral or bilateral development partners, domestic financial institutions

2018 APPROPRIATION BILL 2018

OBJECTS AND REASONS

The object of this Bill is to authorise expenditure of \$3,735,114,004 for the services of the Government for 2018.

This Bill sets annual limits on new Government borrowing, for the purpose of section 66(2) of the *Public Financial Management Act 2013*. There are 2 categories of permitted borrowing:

- borrowing by way of Treasury Bills to deal with exceptional circumstances
- borrowing from development partners or domestic financial institutions for the purpose of high priority infrastructure and development initiatives

The Bill specifies a borrowing limit for each category of permitted borrowing.

Provisions relating to the issue by the Minister for Finance and Treasury of advance warrants and contingency warrants during 2018 are also included.

The Bill should be read in conjunction with the Budget Papers provided to Parliament, including Budget Paper 1: Fiscal and Economic Outlook.

The Bill provides authority for a General Warrant to be issued by the Minister for Finance and Treasury up to three billion, seven hundred and thirty five million, one hundred and fourteen thousand and four dollars to the Permanent Secretary of Finance and Treasury. This further allows the issue of Accounting Warrants by the Permanent Secretary in accordance with sections 56 and 57 of the *Public Financial Management Act 2013*. The accounting warrants to be issued are outlined in Budget Paper 2: Recurrent Budget Estimates and Budget Paper 3: Development Budget Estimates.

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HON. MANNASEH SOGAVARE
MINISTER FOR FINANCE AND TREASURY

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