



**THE 2004 SUPPLEMENTARY
APPROPRIATION BILL
(NO.2) 2004**





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APPROPRIATION BILL
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**A
BILL
ENTITLED**

AN ACT TO appropriate two hundred and twelve million, seven hundred and two thousand, six hundred and forty seven dollars to the service of the year ending 31st December 2004.

ENACTED by the National Parliament of Solomon Islands.

- Short title ✓ 1. This Act may be cited as the 2004 Supplementary Appropriation Bill [No.2] 2004.
- Authorisation of the issue from the Consolidated Fund \$212,702,647 to the service of 2004 ✓ 2. The issue from the Consolidated Fund is hereby authorised of an additional appropriation of two hundred and twelve million, seven hundred and two thousand, six hundred and forty seven dollars to be applied to the service of the year ending 31st December 2004.
- Appropriation ✓ 3. The sum specified in the preceding section shall be deemed to have been appropriated as from the date of passing this Act for supply of the heads of expenditure specified and in the amounts respectively specified in relation thereto in the Schedule to this Act.
- Contingencies Warrant ✓ 4. The total sums authorised by contingencies warrants issued by the Minister in exercise of his powers under section 15 of the Public Finance and Audit Act (Cap 120) for the financial year 2004 in respect of Heads of Recurrent Expenditure, shall be increased to twenty million dollars;

✓
SCHEDULE
 (Section 3)

RECURRENT EXPENDITURE

HEAD	EXPENDITURE AUTHORISED	
270	Ministry of Agriculture & Lands	1,006,384 ✓
271	Auditor General	21,877 ✓
272	Ministry of Education and Human Resources Development	21,471,884 ✓
273	Ministry of Finance, National Reform and Planning (1)	40,829,609 ✓
274	Ministry of Foreign Affairs, Commerce and Tourism	6,391,024 ✓
275	Governor General	87,017 ✓
276	Ministry of Health and Medical Services	2,842,220 ✓
277	Ministry of Infrastructure Development	2,702,558 ✓
278	National Debt Servicing (2)	0
279	National Parliament	2,504,340 ✓
280	Ministry of Natural Resources	1,680,108 ✓
281	Office of the Prime Minister and Cabinet (3)	9,272,594 ✓
282	Pensions and Gratuities	0
283	Ministry of Police, National Security and Justice	3,856,825 ✓
284	Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs	6,234,132 ✓
TOTAL RECURRENT EXPENDITURE (4) \$ 98,900,572		

1. The additional appropriation for Head 273, Ministry of Finance, National Reform and Planning includes \$38,150,000 to fund a repayment of part of SIG informal debt obligations.
2. An additional \$11,974,500 has been allocated to partially fund outstanding SIG debt servicing obligations, but this does not need to be appropriated.
3. The additional appropriation for Head 281, Office of the Prime Minister and Cabinet, includes \$8,000,000 to fund Public Service retirements and redundancies.
4. This total does not include \$20,000,000 for the Contingency Warrant as it does not need to be appropriated to established heads.

DEVELOPMENT EXPENDITURE

HEAD	EXPENDITURE AUTHORISED	
470	Ministry of Agriculture and Lands	17,764,711 ✓
472	Ministry of Education and Human Resources Development	43,425,268 ✓
473	Ministry of Finance, National Reform and Planning	4,496,500 ✓
474	Ministry of Foreign Affairs, Commerce and Tourism	4,000,000 ✓
476	Ministry of Health and Medical Services	6,610,714 ✓
477	Ministry of Infrastructure Development	20,513,900 ✓
480	Ministry of Natural Resources	1,154,260 ✓
481	Office of the Prime Minister	1,126,500 ✓
483	Ministry of Police, National Security and Justice	5,632,500 ✓
484	Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs	9,077,722 ✓
TOTAL DEVELOPMENT EXPENDITURE		<u>\$ 113,802,075</u>
TOTAL RECURRENT AND DEVELOPMENT EXPENDITURE		<u>\$ 212,702,647</u> ✓

**THE 2004 SUPPLEMENTARY APPROPRIATION BILL
(NO.2) 2004**

Objects and Reasons

The object of this Bill is to authorise supplementary expenditure of two hundred and twelve million, seven hundred and two thousand, six hundred and forty seven dollars incurred to the service of the government under Heads of Expenditure in respect of the year ending 31st December 2004 in addition to the expenditure on those Heads authorised by the 2004 Appropriation Act 2003. The Schedule contains the amount to be authorised in each Head.

The Bill further seeks to increase the total sums authorised by Contingencies warrants issued by the Minister from two million to twenty million dollars in respect of Heads of Recurrent Expenditure for the whole financial year 2004.



MINISTER OF FINANCE

RECURRENT ESTIMATES

Head	Ministry	2004 Appropriations	Supplementary Appropriation	Revised Estimates
270	Agriculture & Lands	13,658,998	1,006,384	14,665,382
271	Auditor General	1,106,408	21,877	1,128,285
272	Education & Human Resources Development	90,210,000	21,471,884	111,681,884
273	Finance, National Reform & Planning (1)	14,088,028	40,829,609	54,917,637
274	Foreign Affairs, Commerce & Tourism	11,636,732	6,391,024	18,027,756
275	Governor General	1,091,586	87,017	1,178,603
276	Health & Medical Services	52,980,902	2,842,220	55,823,122
277	Infrastructure Development	17,900,078	2,702,558	20,602,636
278	National Debt Servicing (2)	0	0	0
279	National Parliament	8,999,375	2,504,340	11,503,715
280	Natural Resources	7,412,534	1,680,108	9,092,642
281	Office of the Prime Minister & Cabinet (3)	17,945,474	9,272,594	27,218,068
282	Pensions & Gratuities	251,500	0	251,500
283	Police, National Security & Justice	45,723,379	3,856,825	49,580,204
284	Provincial Government, National Reconciliation & Peace & Home Affairs	21,408,148	6,234,132	27,642,280
TOTAL (4)		<u>304,413,142</u>	<u>98,900,572</u>	<u>403,313,714</u>

- (1) The additional appropriation for Head 273, Ministry of Finance, National Reform and Planning includes \$38,150,000 to fund are payment of part of SIG informal debt obligations.
- (2) An additional \$11,974,500 has been allocated to partially fund outstanding SIG debt servicing obligations, but this does not need to be appropriated.
- (3) The additional appropriation for Head 281, Office of the Prime Minister and Cabinet, includes \$8,000,000 to fund Public Service retirements and redundancies.
- (4) This total does not include \$20,000,000 for the Contingency Warrant as it does not need to be appropriated to established heads.

EXPLANATORY NOTES

Of the additional appropriations, \$31,045,072 will be funded from the Budget surplus built up in 2003. The remaining expenditure will come from revenue forecasts that have been revised upwards for 2004. It is expected that this additional expenditure will be fully funded in 2004 without recourse to borrowing.

270. Ministry of Agriculture and Lands

- 270-0001-2011 (Electricity and Gas) – An additional \$118,129 to fund electricity bills for the Ministry for 2004.

- 270-0001-2012 (Water) - An additional \$33,605 to fund water bills for the Ministry for 2004.
- 270-0001-2013 (Telephones) - An additional \$103,650 to fund telephone bills for the Ministry for 2004.
- 270-0001-3100 (House Rentals) - An additional \$300,000 to fund house rental obligations for the Ministry for 2004.
- 270-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$451,000 for the Ministry of Agriculture and Lands to be split between the Headquarters and Administration (\$31,000), the Department of Agriculture and Livestock (\$270,000) and the Department of Lands and Survey (\$150,000).

271. Auditor General

- 271-0000-2011 (Electricity and Gas) - An additional \$10,119 to fund electricity bills for the Auditor General for 2004.
- 271-0000-2012 (Water) - An additional \$2,879 to fund water bills for the Auditor General for 2004.
- 271-0000-2013 (Telephones) - An additional \$8,879 to fund telephone bills for the Auditor General for 2004.

272. Ministry of Education and Human Resources Development

- 272-0001-2011 (Electricity and Gas) - An additional \$780,173 to fund electricity bills for the Ministry for 2004.
- 272-0001-2012 (Water) - An additional \$448,516 to fund water bills for the Ministry for 2004.
- 272-0001-2013 (Telephones) - An additional \$684,549 to fund telephone bills for the Ministry for 2004.
- 272-0001-3100 (House Rentals) - An additional \$100,000 to fund house rental obligations for the Ministry for 2004.
- 272-0001-4008 (Overseas Training Local Cost) - An additional \$8,000,000 to fund overseas students training costs for SIG sponsored students for 2004. \$2,000,000 has already been spent under Contingency Warrant 1 of 2004.
- 272-0001-4040 (USP Contribution) - An additional \$5,500,000 to fund SIG contributions to the University of the South Pacific for 2004.

- 272-0001-4041 (Expenses Relating to Organisational Administration) - An additional \$58,646 to fund Solomon Islands 2004 contribution to UNESCO.
- 272-0001-4047 (Grant to SICHE) - An additional \$4,000,000 to fund SIG contributions to the Solomon Islands College of Higher Education for 2004.
- 272-0001-6870 (Recurrent Expenditure ñ Unallocated) - An additional \$1,900,000 for the Ministry of Education and Human Resources Development.

273. Ministry of Finance, National Reform and Planning

- 273-0001-2011 (Electricity and Gas) - An additional \$122,323 to fund electricity bills for the Ministry for 2004.
- 273-0001-2012 (Water) - An additional \$34,811 to fund water bills for the Ministry for 2004.
- 273-0001-2013 (Telephones) - An additional \$337,603 to fund telephone bills for the Ministry for 2004.
- 273-0001-3100 (House Rentals) - An additional \$561,800 to fund house rental obligations for the Ministry for 2004.
- 273-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$578,000 for the Ministry of Finance, National Reform and Planning to be split between the Headquarters and Administration (\$278,000), the Department of Finance and Treasury (\$284,000) and the Department of National Reform and Planning (\$16,000).
- 273-0426-4530 (Informal Debt Obligations) - An additional \$38,150,000 to fund the repayment of some of SIG informal debt obligations.
- 273-0450-1024 (Other Allowances) - An additional \$587,152 to fund the bonus to be paid to Inland Revenue Division staff for 2003 revenue collections above forecast.
- 273-0460-1024 (Other Allowances) - An additional \$457,920 to fund the bonus to be paid to Customs and Excise Division staff for 2003 revenue collections above forecast.

274. Ministry of Foreign Affairs, Commerce and Tourism

- 274-0001-2011 (Electricity and Gas) - An additional \$100,639 to fund electricity bills for the Ministry for 2004.

- 274-0001-2012 (Water) - An additional \$51,204 to fund water bills for the Ministry for 2004.
- 274-0001-2013 (Telephones) - An additional \$267,975 to fund telephone bills for the Ministry for 2004.
- 274-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$358,000 for the Ministry of Foreign Affairs, Commerce and Tourism to be split between the Headquarters and Administration (\$48,000), the Department of Foreign Affairs (\$92,000), the Department of Commerce, Industries and Employment (\$192,000) and the Department of Culture and Tourism (\$26,000).
- 274-0120-4082 (Payments to Overseas Bodies - CFTC) - An additional \$369,836 to fund Solomon Islands 2004 contribution to the Commonwealth Fund for Technical Cooperation.
- 274-0120-4084 (Payments to Overseas Bodies - SPEC) - An additional \$272,454 to fund Solomon Islands 2004 contribution to the Pacific Islands Forum.
- 274-0120-4085 (Payments to Overseas Bodies - UN) - An additional \$139,910 to fund Solomon Islands 2004 contributions to various United Nations bodies.
- 274-0120-4086 (Payments to Overseas Bodies - Commonwealth Secretariat) - An additional \$514,303 to fund Solomon Islands 2004 contribution to the Commonwealth Secretariat.
- 274-0120-4087 (Payments to Overseas Bodies - Commonwealth Foundation) - An additional \$143,661 to fund Solomon Islands 2004 contribution to the Commonwealth Foundation.
- 274-0120-4088 (Payments to Overseas Bodies - Others) - An additional \$922,802 to fund Solomon Islands 2004 contributions to various other international organisations.
- 274-120-6205 (MSG Secretariat) - An additional \$242,860 to fund Solomon Islands 2004 contribution to the Melanesian Spearhead Group.

- 274-0122-3400, 274-0124-3400, 274-0127-3400, 274-0129-3400, 274-0130-3400 (Mission Running Costs) - An additional \$3,007,380 to fund the ongoing operations of the Solomon Islands Mission to United Nations, Embassy in Brussels, Canberra High Commission, Mission to the Republic of China and Papua New Guinea High Commission for 2004.

275. Governor General

- 275-0000-2011 (Electricity and Gas) - An additional \$10,445 to fund electricity bills for the Governor General for 2004.
- 275-0000-2012 (Water) - An additional \$2,971 to fund water bills for the Governor General for 2004.
- 275-0000-2013 (Telephones) - An additional \$43,601 to fund telephone bills for the Governor General for 2004.
- 275-0000-6870 (Recurrent Expenditure - Unallocated) - An additional \$30,000 for the Office of the Governor General.

276. Ministry of Health and Medical Services

- 276-0001-2011 (Electricity and Gas) - An additional \$458,201 to fund electricity bills for the Ministry for 2004.
- 276-0001-2012 (Water) - An additional \$314,739 to fund water bills for the Ministry for 2004.
- 276-0001-3100 (House Rentals) - An additional \$1,499,280 to fund house rental obligations for the Ministry for 2004.
- 276-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$570,000 for the Ministry of Health and Medical Services.

277. Ministry of Infrastructure Development

- 277-0001-2011 (Electricity and Gas) - An additional \$154,807 to fund electricity bills for the Ministry for 2004.
- 277-0001-2012 (Water) - An additional \$46,720 to fund water bills for the Ministry for 2004.

- 277-0001-2013 (Telephones) - An additional \$444,596 to fund telephone bills for the Ministry for 2004.
- 277-0001-3100 (House Rentals) - An additional \$200,000 to fund house rental obligations for the Ministry for 2004.
- 277-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$794,000 for the Ministry of Infrastructure Development to be split between the Headquarters and Administration (\$29,000), Department of Infrastructure and Development (\$610,000) and the Department of Communication, Aviation and Meteorology (\$155,000).
- 277-0511-2161 (Maintenance of Airfields (Henderson) - An additional \$1,000,000 to fund the ongoing maintenance of the Henderson Airfield on Guadalcanal for 2004.
- 277-0152-6044 (World Meteorological Organisation (WMO) fees) - An additional \$62,435 to fund Solomon Islands 2004 contribution to the WMO.

278. National Debt Servicing

- 278-0790-4900 (Debt Servicing General) - An additional \$11,974,500 has been allocated to partially fund outstanding SIG debt servicing obligations, but this does not need to be appropriated.

279. National Parliament

- 279-0001-2011 (Electricity and Gas) - An additional \$78,488 to fund electricity bills for the Parliament for 2004.
- 279-0001-2012 (Water) - An additional \$87,156 to fund water bills for the Parliament for 2004.
- 279-0001-2013 (Telephones) - An additional \$223,736 to fund telephone bills for the Parliament for 2004.
- 279-0001-3100 (House Rentals) - An additional \$168,960 to fund house rental obligations for the Parliament for 2004.

- 279-0001-6124 (Members' Micro Projects (Grants)) - An additional \$1,750,000 to fully fund Members of Parliament's micro project grant allocations for 2004.
- 279-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$196,000 for the National Parliament.

280. Ministry of Natural Resources

- 280-0001-2011 (Electricity and Gas) - An additional \$64,107 to fund electricity bills for the Ministry for 2004.
- 280-0001-2012 (Water) - An additional \$18,237 to fund water bills for the Ministry for 2004.
- 280-0001-2013 (Telephones) - An additional \$227,483 to fund telephone bills for the Ministry for 2004.
- 280-0001-3100 (House Rentals) - An additional \$480,000 to fund house rental obligations for the Ministry for 2004.
- 280-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$211,000 for the Ministry of Natural Resources to be split between the Headquarters and Administration (\$20,000), the Department of Forestry, Environment and Conservation (\$15,000), the Department of Fisheries and Marine Resources (\$10,000) and the Department of Mines and Energy (\$165,000).
- 280-0272-2126 (Port Sampling Observers) - An additional \$530,000 to fund the fisheries observers programme for 2004.
- 280-0273-4040 (Subscriptions to Organisations) - An additional \$149,281 to fund Solomon Islands 2004 contribution to the South Pacific Regional Environmental Programme.

281. Office of the Prime Minister and Cabinet

- 281-0001-2011 (Electricity and Gas) - An additional \$157,360 to fund electricity bills for the Office for 2004.

- 281-0001-2012 (Water) - An additional \$44,766 to fund water bills for the Office for 2004.
- 281-0001-2013 (Telephones) - An additional \$300,468 to fund telephone bills for the Office for 2004.
- 281-0001-3100 (House Rentals) - An additional \$350,000 to fund house rental obligations for the Office for 2004.
- 281-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$420,000 for the Office of the Prime Minister and Cabinet.
- 281-0060-1140 (Redundancies) - An additional \$8,000,000 to fund Public Service retirements and redundancies in 2004.

282. Pensions and Gratuities no additional fund provided.

283. Ministry of Police, National Security and Justice

- 283-0001-2011 (Electricity and Gas) - An additional \$398,761 to fund electricity bills for the Ministry for 2004.
- 283-0001-2012 (Water) - An additional \$363,042 to fund water bills for the Ministry for 2004.
- 283-0001-2013 (Telephones) - An additional \$952,022 to fund telephone bills for the Ministry for 2004.
- 283-0001-3100 (House Rentals) - An additional \$1,000,000 to fund house rental obligations for the Office for 2004.
- 283-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$1,143,000 for the Ministry of Police, National Security and Justice to be split between the Headquarters and Administration (\$33,000), the Department of Police and National Security (\$980,000) and the Department of Justice and Legal Affairs (\$130,000).

284. Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs

- 284-0001-2011 (Electricity and Gas) - An additional \$185,147 to fund electricity bills for the Ministry for 2004.
- 284-0001-2012 (Water) - An additional \$52,671 to fund water bills for the Ministry for 2004.
- 284-0001-2013 (Telephones) - An additional \$231,914 to fund telephone bills for the Ministry for 2004.
- 284-0001-3100 (House Rentals) - An additional \$115,400 to fund house rental obligations for the Office for 2004.
- 284-0001-6870 (Recurrent Expenditure - Unallocated) - An additional \$649,000 for the Ministry of Provincial Government, National Reconciliation and Peace and Home Affairs to be split between the Headquarters and Administration (\$107,000), the Department of Home Affairs (\$200,000), the Department of Provincial Government and Constituency Development (\$250,000) and the Department of National Reconciliation and Peace (\$92,000).
- An additional \$5,000,000 to fund an increase in provincial grants through the Department of Provincial Government and Constituency Development.

DEVELOPMENT ESTIMATES

Head	Ministry	2004 Budget Estimates	Supplementary Expenditure	Revised Estimates
470	Ministry of Agriculture & Lands	4,432,000	17,764,711	22,196,711
472	Ministry of Education & Human Resources Development	77,271,334	43,425,268	120,696,602
473	Ministry of Finance, National Reform & Planning	34,682,250	4,496,500	39,178,750
474	Ministry of Foreign Affairs, Commerce & Tourism	500,000	4,000,000	4,500,000
476	Ministry of Health & Medical Services	95,863,209	6,610,714	102,473,923
477	Ministry of Infrastructure Development	41,997,000	20,513,900	62,510,900
480	Ministry of Natural Resources	5,385,007	1,154,260	6,539,267
481	Office of the Prime Minister	0	1,126,500	1,126,500
483	Ministry of Police, National Security & Justice	86,127,900	5,632,500	91,760,400
484	Ministry of Provincial Government, National Reconciliation & Peace & Home Affairs	105,379,630	9,077,722	114,457,352
	TOTAL(1)	451,638,330	113,802,075	565,440,405

(1) Total includes donor activities approved by donors only. It excludes activities that have not yet been agreed with donors.

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