



DEPARTMENT OF TREASURY
Office of the Secretary

TREASURY INSTRUCTION 1/2018

20th FEBURARY 2018

SUBJECT: STRATEGIC BUDGET COMMITTEE

1.0 INTRODUCTION

1.1 Authority

This Treasury Instruction (hereafter, TI), is issued under Section 8(9) of the ***Public Money Management Regularization Act 2017*** whereby the Departmental Head responsible for Treasury matters (here after, the Treasury Secretary) may issue Treasury Instructions by notice published in the National Gazette, consistent with the ***Public Money Management Regularization Act 2017*** or the ***Public Finances (Management) Act 1995 (as amended)***, as to any matter relating to the conduct and control of the operations of the Strategic Budget Committee created by the ***Public Money Management Regularization Act 2017***.

1.2 Legality & Enforcement

Pursuant to section 8(10) of the ***Public Money Management Regularization Act 2017***, all persons shall comply with the terms, conditions, requirements and instructions of Treasury Instructions issued under Section 8(9) of the ***Public Money Management Regularization Act 2017***.

2.0 PURPOSE

2.1 Operations of the Strategic Budget Committee

This Instruction is designed to ensure that the Strategic Budget Committee, created by the ***Public Money Management Regularization Act 2017***, (hereafter, the SBC-PMMR) operates in a controlled and regulated manner and that all public and statutory bodies comply with the requirements for submissions to the SBC-PMMR for determinations of the reasonable operating budget requirements of a public or statutory body, for the purposes of remissions to public and statutory bodies, pursuant to the ***Public Money Management Regularization Act 2017***.

3.0 OPERATIONS OF THE STRATEGIC BUDGET COMMITTEE

3.1 Meetings of Strategic Budget Committee

The SBC-PMMR shall meet on the first Thursday of every calendar month or at such other times as the Chairman of the SBC-PMMR thinks fit. The meetings will be documented. The Secretariat will maintain a record of all minutes of the meetings of the SBC-PMMR.

3.2 SBC-PMMR Team of the Strategic Budget Committee

(1) The secretariat functions of the SBC-PMMR shall be undertaken by officers from the Departments of Treasury, Finance and Justice & Attorney-General assigned by their respective departments to provide secretariat functions to the SBC-PMMR. These officers shall be referred to as the SBC-PMMR Team.

(2) The SBC-PMMR Team shall be housed in the Department of Finance.

(3) The functions of the SBC-PMMR Team are –

(a) to receive submissions from public or statutory bodies pursuant to Section 8 of the ***Public Money Management Regularization Act 2017***;

(b) analyse the submissions for compliance with this Treasury Instruction and the ***Public Money Management Regularization Act 2017***;

(c) make recommendations to the Strategic Budget Committee based on the analysis of the submissions of public and statutory bodies;

(d) do all those matters that are necessary for the proper and effective administrative operationalisation of the ***Public Money Management Regularization Act 2017***.

(4) The SBC-PMMR Team shall report quarterly on its operations to the Secretaries of Treasury and Finance Departments.

3.3 Determination of Reasonable Operating Budget Requirements

(1) The reasonable operating budget requirements of a public or statutory body shall be determined by the SBC-PMMR and shall exclude the following:-

(a) all development expenditure costs, which shall be reflected only by appropriations contained in the National Budget;

(b) all activities in a public or statutory body annual plan, other than those that specifically address the core statutory functions of the public or statutory body;

(c) international travel costs, including per diems and other allowances for international travel;

(d) all salary costs, except where the salary costs of the public or statutory body are not met by the National Budget; and

(e) any aggregated costs of all vehicle hire for more than three months of a financial year.

(2) All submissions by public or statutory bodies pursuant to Section 8 of the ***Public Money Management Regularization Act 2017*** be submitted to the SBC-PMMR Team and shall be accompanied by the following:-

- (a) if a statutory body – the resolution of the managing committee, board or other controlling entity to make the submission and approving of its contents; or
- (b) if a public body – be signed by the Secretary of that public body.

The SBC-PMMR Team shall reject any submission not complying with this provision.

(2) All submissions by public or statutory bodies pursuant to Section 8 of the ***Public Money Management Regularization Act 2017*** shall include the following:-

- (a) specify its full complement of staff, irrespective of whether they are full, part-time or casual, including consultants, for any and all activities and any projects of the public or statutory body;
- (b) specify the total of all salary, benefits, fees and any other emoluments payable to each person referred to in (a) on an annual basis;
- (c) state the total amount paid by the public or statutory body for the hire and operation of vehicles in the FY2016 and FY2017 and subsequent years;
- (d) state the total annual rent and the floor space for all office and storage space leased or otherwise used by the public or statutory body;
- (e) specify the total communication costs (phone, fax and internet), broken down by individual staff member;
- (f) state the total annual payments for water and power paid by the public or statutory body in the FYs of 2016 and 2017;
- (g) state the budgeted amount paid for the purchase of ancillary office supplies in the FYs of 2016 and 2017;
- (h) in respect of any internal travel budgeted for FY 2018 or after, specify the journeys to be undertaken, their purpose and the expected outcome of those journeys;
- (i) state the amount of public money, within the meaning of the ***Public Money Management Regularization Act 2017***, received or under the control of the public or statutory body in FYs 2016 and 2017, disaggregated by source; and
- (i) state any other recurrent costs, which shall be broken down in the particularity as may be required by the SBC-PMMR Team to allow for analysis.

(3) All submissions by public or statutory bodies pursuant to Section 8 of the ***Public Money Management Regularization Act 2017*** shall -

- (a) specify the activities to be undertaken by the public or statutory body in the financial year for which an increased remittance is sought;
- (b) specify how those activities are core to the operations of the public or statutory body; and
- (c) state any cost of each activity, including the salary component.

(4) The SBC-PMMR Team shall, on receiving submissions from a public or statutory body pursuant to Section 8 of the ***Public Money Management Regularization Act 2017*** shall:—

- (a) reject the submission if it does not comply with this Instruction;
- (b) if the submission complies with this Instruction, analyse the submission and make a recommendation, with reasons, to the SBC-PMMR as to the reasonable operating budget requirements of a public or statutory body expressed as an amount in Kina.

(5) The SBC-PMMR shall consider the recommendation of the SBC-PMMR Team under this provision and make its determination as to the reasonable operating budget requirements of a public or statutory body accordingly, expressed as a percentage of the public money received into the revenue account of the public or statutory body that is to be remitted to the particular body.

(6) The SBC-PMMR shall, within seven days of making a determination pursuant to Section 8 of the ***Public Money Management Regularization Act 2017***, submit the determination to the Treasurer for consideration and, if the Treasurer so determines, ratification.

(7) The SBC-PMMR Team shall advise public and statutory bodies making submissions pursuant to Section 8 of the ***Public Money Management Regularization Act 2017*** on the following:—


- (a) within seven days of making a recommendation to the SBC-PMMR, of the details of that recommendation;
- (b) within seven days of the SBC-PMMR making a determination, of the details of that determination; and
- (c) within seven days of the Treasurer making a decision to ratify that determination or not, of the details of that decision and ratification, if any.

4.0 EFFECTIVE DATE OF THIS TREASURY INSTRUCTION

This Treasury Instruction is effective as of the date of signing by the Secretary.

5.0 HELP DESK

Should you require further information the following office should be contacted: The SBC-PMMR Secretariat, Department of Finance, Level 2, Vulupindi Haus, Waigani Drive. PO Box 710 Wainai NCD Email: ntrd@finance.gov.pg



Mr. Dairi Vele

Secretary

Date: 26 / 02 / 2018