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[1998

INDEPENDENT STATE OF PAPUA NEW GUINEA

CONSTITUTION

THE Government proposes to introduce the *Organic Law on Provincial Governments and Local-level Governments (Amendment) Law* and, pursuant to Section 14(2) (*Making of alterations to the Constitution and Organic Laws*) of the *Constitution*, I, Tom Koraea, Acting Speaker of the National Parliament, hereby publish the proposed Law:—

Draft of 3/6/98

INDEPENDENT STATE OF PAPUA NEW GUINEA

PROPOSED LAW TO ALTER THE ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS

ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS (AMENDMENT) LAW

ARRANGEMENT OF CLAUSES

1. Joint District Planning and Budget Priorities Committee (Amendment of Section 33A).
2. District Support Grants (Amendment of Section 95A).
3. New Section 95B.
 "95B. Provincial Support Grants.
4. Transitional Provision.

Draft of 3/6/98

INDEPENDENT STATE OF PAPUA NEW GUINEA

A PROPOSED LAW TO ALTER THE ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS

entitled

Organic Law on Provincial Governments and Local-level Governments (Amendment) Law,

being

A Law to amend the *Organic Law on Provincial Governments and Local-level Governments*.

MADE by the National Parliament to be deemed to have come into operation on 1st January, 1998.

1. JOINT DISTRICT PLANNING AND BUDGET PRIORITIES COMMITTEE (AMENDMENT OF SECTION 33A).
Section 33A of the *Organic Law on Provincial Governments and Local-level Governments* is amended—

Organic Law on Provincial Governments and Local-level Governments (Amendment) Law—continued

(a) by inserting after Subsection (2) the following new subsection:—

"(2A) The Member of the Parliament representing the open electorate shall appoint one of the other members of the Committee to act as Chairman of the Committee in the event of the absence of the Member representing the open electorate from a meeting of the Committee."; and

(b) by repealing Subsection (5); and

(c) by repealing Subsection (6).

2. DISTRICT SUPPORT GRANTS (AMENDMENT OF SECTION 95A).

Section 95A of the *Organic Law on Provincial Governments and Local-level Governments* is amended—

(a) by repealing Subsection (1) and replacing it with the following—

"(1) For each year the National Government shall out of monies lawfully available for the purpose, make a District Support Grant in respect of each open electorate:—

(a) one half of which shall be made to the Joint District Planning and Budget Priorities Committee in the open electorate, for the purpose of funding—

(i) the rural action programme; and

(ii) the urban rehabilitation programme; and

(b) one half of which shall be made to the Member representing the open electorate to be used in accordance with District Support Grant Guidelines issued under Subsection (7)."; and

(b) by adding the following new subsections:—

"(4) The minimum amount of the District Support Grant for each year for each open electorate shall be determined by the National Executive Council but shall be not less than K300,000.00 for each open electorate.

"(5) The National Government shall, within the first month of each quarter of each fiscal year, make a payment of all monies due for the purposes of the District Support Grant for that quarter to the Joint District Planning and Budget Priorities Committee and to the Member representing the open electorate respectively.

"(6) The monies referred to in Subsection (4) shall be—

(a) paid through the District Treasury; and

(b) in the case of—

(i) the Joint District Planning and Budget Priorities Committee, paid directly to that Committee by the District Treasury; and

(ii) the Member representing the open electorate, paid on his behalf in accordance with the District Support Grant Guidelines issued under Subsection (7).

"(7) The National Executive Council shall, from time to time, issue District Support Grant Guidelines relating to the District Support Grant specifying—

(a) the purposes for which the portion of it payable under Subsection (3)(b) may be used; and

(b) the manner in which it shall be disbursed and accounted for; and

(c) other administrative arrangements pertaining to it."

3. NEW SECTION 95B.

The *Organic Law on Provincial Governments and Local-level Governments* is amended by inserting after Section 95A the following new section:—

"95B PROVINCIAL SUPPORT GRANTS.

(1) For each fiscal year the National Government shall out of the monies lawfully available for the purpose, make a Provincial Support Grant in respect of each provincial electorate:—

(a) one half of which shall be made to the Joint Provincial Planning and Budget Priorities Committee in the provincial electorate; and

(b) one half of which shall be made to the Member representing the provincial electorate,

to be used in accordance with the Provincial Support Grant Guidelines issued under Subsection (5).

"(2) The minimum amount of the Provincial Support Grant for each year for each provincial electorate shall be determined by the National Executive Council but shall be not less than K300,000.00 for each provincial electorate.

Organic Law on Provincial Governments and Local-level Governments (Amendment) Law—continued

"(3) The National Government shall, within the first month of each quarter in each fiscal year make a payment of all the monies available for the purposes of the Provincial Support Grant under Subsection (1) for that quarter to the Joint Provincial Planning and Budget Priorities Committee and to the Member representing the provincial electorate respectively.

"(4) The monies referred to in Subsection (4) shall be—

(a) paid through the Provincial Treasury; and

(b) in the case of—

(i) the Joint Provincial Planning and Budget Priorities Committee, paid directly to that Committee by the Provincial Treasury; and

(ii) the Member representing the provincial electorate, paid on his behalf in accordance with the Provincial Support Grant Guidelines issued under Subsection (5).

"(5) The National Executive Council shall, from time to time, issue Provincial Support Grant Guidelines specifying—

(a) the purposes for which a Provincial Support Grant may be used; and

(b) the manner in which it shall be disbursed and accounted for; and

(c) other administrative arrangements pertaining to it."

4. TRANSITIONAL PROVISION.

Notwithstanding the provisions of this Law, the District Support Grants and Provincial Support Grants for the fiscal year commencing on 1st January, 1998 shall be appropriated, distributed, administered and accounted for in accordance with the policy and practice applying to the distribution of grants immediately before the coming into operation of this Law, except that, where practicable, the provisions of the *Organic Law on Provincial Governments and Local-level Governments*, as amended by this Law, shall apply.