

**BILL FOR THE
PUBLIC FINANCE AND ECONOMIC MANAGEMENT
(AMENDMENT)
ACT NO. OF 2016**

Explanatory Note

This Bill amends the Public Finance and Economic Management Act [CAP 244] (the 'Act').

This amendment relates to the unforeseen circumstances that led to the dissolution of Parliament by the President on 24 November 2015. This Bill amends section 34 of the Act which requires the Government to introduce in Parliament, a Bill for a Supplementary Appropriation Act which authorises amounts to be issued from the Public Fund (appropriated at a program and activity level) at any time during the financial year. Section 34 requires that a Supplementary Appropriation Bill must be passed by Parliament before any amounts are issued from the Public Fund.

Dissolutions of Parliament are unforeseen and expenses related to it are not appropriated for. When Parliament is dissolved, it cannot be convened to approve a Supplementary Appropriation to authorise amounts to be issued from the Public Fund to pay Members of Parliament, gratuity entitlements.

This amendment intends to provide an exception to the rule set out in section 34 by providing that in the event of a dissolution of Parliament, funds may be issued from the Public Fund to pay Members of Parliament their gratuities without being required to be authorised by a Supplementary Appropriation Act.

Item 1 amends section 34 by inserting 3 new subsections. The new subsection (7) provides that the provisions of section 34 do not apply in the event of a dissolution of Parliament.

Subsection (8) requires the Minister to table before Parliament, as soon as practicable, a statement showing the particulars of the amounts issued from the Public Fund to pay the gratuity owed to the Members of Parliament following a dissolution of Parliament.

Subsection (9) provides that subsections 34(1) to (6) do not apply to the payments of gratuity made to the Members of Parliament on 4 December 2015 following the dissolution of Parliament by the President.

Minister of Finance and Economic Management



REPUBLIC OF VANUATU

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Arrangement of Sections

1	Amendment	2
2	Commencement.....	2

REPUBLIC OF VANUATU

BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT (AMENDMENT) ACT NO. OF 2016

An Act to amend the Public Finance and Economic Management Act [CAP 244].

Be it enacted by the President and Parliament as follows-

1 Amendments

The Public Finance and Economic Management Act [CAP 244] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT ACT [CAP 244]

1 At the end of section 34

Add

- “(7) Subject to subsection (2), this section does not apply to amounts issued from the Public Fund for the payment of gratuities to Members of Parliament following a dissolution of Parliament under Article 28(2) or (3) of the Constitution of the Republic of Vanuatu.
- (8) The Minister must lay before Parliament a statement showing the particulars of any expenditure made under subsection (7) at the next session of Parliament after the expenditure has occurred.
- (9) Subsections (1), (2), (3), (4), (5), and (6) do not apply to the payment of gratuities issued from the Public Fund, to all Members of Parliament on 4 December 2015 following the dissolution of Parliament by the President on 24 November 2015.”