



Papua New Guinea

OFFICE OF THE MINISTER FOR TREASURY

MEDIA RELEASE

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POLYE REFUTES MEDIA REPORT

Treasurer Don Pomb Polye has refuted a report in *The National* newspaper stating the Treasury Amendment Bill Act had empowered the treasury minister to issue treasury bills without seeking Parliament's approval.

Mr. Polye said it was misleading, adding the bill had withdrawn a clause in the legislation otherwise empowering him to issue treasury bills and given that power to Parliament to approve the issuance of treasury bills to uphold transparency and good governance.

He said there had been abuses of that power, citing K300 million raised from Nasfund Ltd by the former government through the Kokopo Infrastructure bills had been misused.

And that the treasurer wants any balance of that money parked in trust funds be forfeited to the state.

The purpose of the bill is the treasury minister will issue treasury bills must be specified clearly and the reason why the treasury bills be issues be stated. The bill clarifies the authority under which the minister for Treasure can issue Treasury bill and for related purposes.

The purpose amendments to be made to section 2 of the treasury bills act on the insurance of Treasury bill are based on the following grounds;

(i)Specify the authority to borrow.

It is necessary that the restriction on the power of borrowing is specified clearly in the act so as to align with the constitution under section 209 which requires raising of funds to be authorized by parliament.

(ii)Specify borrowing purpose (s).

To guard against the risk of abuse, the borrowing power is restricted by a statement of the purpose for which the minister will issue treasury bills is specified clearly and the reasons why the Treasury bill should be issued is stated.

(iii)Provide a clear definition of 'Loan' in relation to the insurance of treasury bills.

A 'Loan' raised by the state refers to a loan agreement or debt security in this case a treasury bill by which the state has borrowed money in accordance with an act of parliament

He was speaking to reporters at a media conference on Sunday in Port Moresby.

Approved for release

Hon. Don Pomb Polye, CMG, BE (Civil), MBA, MEIPNG (REG), MP
Minister for Treasury