



2007 SUPPLEMENTARY BUDGET PRESS RELEASE: INVESTING IN THE NATION: MAINTENANCE OF INFRASTRUCTURE

In releasing the 2007 Supplementary Budget, the Minister for Treasury and Finance Patrick Pruaitch said that the Government is very keen to ensure that the proceeds from the commodity price boom are used for the future benefit of the nation. He said that it is imperative that existing infrastructure that has fallen into disrepair is rejuvenated and maintained.

In allocating total additional revenue in 2007 of K1,637 million, the Government has decided to allocate a total of K 893 million for the maintenance and development of public infrastructure. Minister Pruaitch said that this represents a large investment in providing for the future capability of PNG and that these funds will add substantially to the unspent funds of around K700 million currently in trusts that are available for infrastructure improvements in PNG.

Of the K893 million allocated to infrastructure in the 2007 Supplementary budget, the Government has decided to make K297 million available for new infrastructure projects, K240 million for maintaining public infrastructure and K356 million for district level infrastructure improvements.

Maintaining Public Infrastructure

Minister Pruaitch noted that when the former Treasurer announced the allocation of windfall revenue to rehabilitation of essential public infrastructure in the 2007 Budget Speech that he said:

“It will also be imperative to ensure that sufficient priority is given to ongoing maintenance in the future to ensure that we do not repeat the mistakes of the past.”

This year’s additional revenue will supplement agencies’ budget appropriations for the specific purpose of maintaining public infrastructure by K240 million. The Minister said that this displays the Government’s commitment to spending on maintenance for years ahead, as these funds will be placed in trust accounts exclusively for this purpose.

Minister Pruaitch noted that this should send a clear signal to encourage construction companies in their planning to invest in greater capacity. The funds for maintaining public infrastructure have been allocated as follows:

Education	K80 million
Health	K80 million
Law & justice	K80 million

Minister Pruaitch also said that the onus is now on Government departments and planning agencies to develop effective plans that can be implemented to improve services provided across the community.

The 2007 Supplementary Budget Speech is available on the Treasury website:
www.treasury.gov.pg