

**Reprint
as at 1 November 2010**



Public Finance Act 1989

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Date of assent 26 July 1989
Commencement see section 1

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Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

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Title *[Repealed]*

Title: repealed, on 25 January 2005, by section 3 of the Public Finance Amendment Act 2004 (2004 No 113).

[Repealed]

1 Short Title and commencement

- (1) This Act may be cited as the Public Finance Act 1989.
- (2) Except as provided in this section, this Act shall be deemed to have come into force on 1 July 1989.
- (3) *[Repealed]*
- (3A) *[Repealed]*
- (4) The amendment to section 19 of the Goods and Services Tax Act 1985 specified in Schedule 1 shall come into force on the day this Act receives the Royal assent.
- (5) Where any document is made or thing is done, pursuant to the Public Finance Act 1977, during the period commencing on 1 July 1989 and ending with the day before the day on which this Act receives the Royal assent, such document or thing, if capable of being made or done under the provisions of this

Act, shall be deemed to have been made or done pursuant to the provisions of this Act.

Section 1(2): substituted, on 5 March 1991, by section 2 of the Public Finance Amendment Act 1991 (1991 No 6).

Section 1(3): repealed, on 1 July 1994, by section 2 of the Public Finance Amendment Act 1994 (1994 No 18).

Section 1(3A): repealed, on 1 July 1994, by section 2 of the Public Finance Amendment Act 1994 (1994 No 18).

1A Purpose

- (1) The purpose of this Act is to consolidate and amend the law governing the use of public financial resources.
- (2) To that end, this Act—
 - (a) provides a framework for parliamentary scrutiny of—
 - (i) the Government's expenditure proposals; and
 - (ii) the Government's management of its assets and liabilities; and
 - (b) establishes lines of responsibility for effective and efficient management of public financial resources; and
 - (c) specifies the principles for responsible fiscal management in the conduct of fiscal policy and requires regular reporting on the extent to which the Government's fiscal policy is consistent with those principles; and
 - (d) specifies the minimum financial and non-financial reporting obligations of Ministers, departments, Offices of Parliament, and organisations named or described in Schedule 4; and
 - (e) provides for the application of financial management incentives and for the accountability of organisations named or described in Schedule 4; and
 - (f) safeguards public assets by providing statutory authority and control for the—
 - (i) borrowing of money; and
 - (ii) issuing of securities; and
 - (iii) use of derivative transactions; and
 - (iv) investment of funds; and
 - (v) operation of bank accounts; and
 - (vi) giving of guarantees and indemnities.

Section 1A: inserted, on 25 January 2005, by section 4 of the Public Finance Amendment Act 2004 (2004 No 113).

2 Interpretation

(1) In this Act, unless the context otherwise requires,—

annual financial statements of the Government means the annual consolidated financial statements for the Government reporting entity prepared under section 27

asset means an asset that is defined, recognised, and measured in accordance with generally accepted accounting practice

Auditor-General has the meaning given to it by section 4 of the Public Audit Act 2001

bank, in relation to a bank operating within New Zealand, means the Reserve Bank of New Zealand or a registered bank under the Reserve Bank of New Zealand Act 1989

benefit means an amount of public money provided by the Crown for the benefit of some person

borrow money—

(a) includes—

(i) entering into hire purchase agreements or agreements that are of the same or a substantially similar nature; and

(ii) entering into finance lease arrangements or arrangements that are of the same or a substantially similar nature; and

(iii) accepting debt on assignment from other persons; but

(b) does not include the purchase of goods or services on credit, or the obtaining of an advance, through the use of a credit card or by a supplier supplying credit for the purchase of goods or services, for a period of 90 days or less from the date the credit card is used or the credit is supplied

borrowing expenses means any interest or other financing expenses in respect of any loan or under any public security

Budget means the Minister's statement in moving the second reading of the first Appropriation Bill for a financial year

capital expenditure means the costs of assets acquired or developed (including tangible, intangible, or financial assets and any ownership interest in entities, but excluding inventories)

carrying amount has the meaning given to it under generally accepted accounting practice

chief executive means,—

- (a) in the case of a department, the head of the department and includes a chief executive appointed under the State Sector Act 1988;
- (b) in the case of a Crown entity, the chief executive officer of the Crown entity;
- (c) in the case of an Office of Parliament, the head of the Office concerned

class of outputs or **class** means a grouping of similar outputs

commitment means future expenses and liabilities to be incurred on contracts that have been entered into at balance date

company means a company within the meaning of the Companies Act 1955, or the Companies Act 1993, as the case may be

Crown or the Sovereign—

- (a) means the Sovereign in right of New Zealand; and
- (b) includes all Ministers of the Crown and all departments; but
- (c) does not include—
 - (i) an Office of Parliament; or
 - (ii) a Crown entity; or
 - (iii) a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986

Crown Bank Account means any of the bank accounts opened and maintained under section 65R

Crown entity has the meaning given to it by section 7(1) of the Crown Entities Act 2004

department—

- (a) means—
 - (i) a department or instrument of the Government or any branch or division of the Government; or
 - (ii) the Office of the Clerk of the House of Representatives; or
 - (iii) the Parliamentary Service; but
- (b) does not include—

- (i) a body corporate or other legal entity that has the power to contract; or
- (ii) an Office of Parliament

Departmental Bank Account means any of the bank accounts opened, maintained, and operated under section 65S

departmental revenue means revenue generated by a department or an Office of Parliament resulting from the supply by the department or Office of goods, services, rights, or money to other parties, including the Crown

derivative transaction means—

- (a) a transaction that is a rate swap transaction, swap option, basis swap, forward rate transaction, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, forward purchase or sale of a security, or commodity or other financial instrument or interest (including an agreement or option that relates to any of these transactions); or
- (b) a transaction that is similar to any transaction referred to in paragraph (a) that—
 - (i) is currently, or in the future becomes, recurrently entered into in the financial markets; and
 - (ii) is a forward, swap, future, option, or other derivative on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, environmental or climatic variable, or other benchmarks against which payments or deliveries are to be made

Estimates means a statement in any form that—

- (a) describes and supports the appropriations being sought in the first Appropriation Bill that relates to a financial year; and

(b) contains the information referred to in section 14

expenses means expenses measured in accordance with generally accepted accounting practice; and includes costs

financial year means a period of 12 months commencing on 1 July and ending with 30 June

forecast financial statements means a set of statements that consists of—

- (a) a forecast statement of financial performance; and
- (b) a forecast statement of financial position; and
- (c) a forecast statement of cash flows; and
- (d) any other forecast financial statement required by generally accepted accounting practice; and
- (e) any other forecast financial statement required for a reporting entity by any regulations made, or instructions issued, under this or any other Act

generally accepted accounting practice means—

- (a) approved financial reporting standards (within the meaning of section 2 of the Financial Reporting Act 1993) so far as those standards apply to the Crown or the department or the Office of Parliament or the Crown entity, as the case may be;
- (b) in relation to matters for which no provision is made in approved financial reporting standards (within the meaning of section 2 of the Financial Reporting Act 1993) and which are not subject to any applicable rule of law, accounting policies that—
 - (i) are appropriate in relation to the Crown or the department or the Office of Parliament or the Crown entity, as the case may be; and
 - (ii) have authoritative support within the accounting profession in New Zealand

Government means the Executive Government of New Zealand

Government reporting entity means—

- (a) the Sovereign in right of New Zealand; and
- (b) the legislative, executive, and judicial branches of the Government of New Zealand

impact means the contribution made to an outcome by a specified set of outputs, or actions, or both

intelligence and security department means—

- (a) the New Zealand Security Intelligence Service; or
- (b) the Government Communications Security Bureau

liability means a liability that is defined, recognised, and measured in accordance with generally accepted accounting practice

local authority means a local authority within the meaning of the Local Government Act 2002

Minister means the Treasurer, or other Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act or particular provisions of this Act

multi-class output expense appropriation has the meaning given to it by section 7(3)(b)

Office of Parliament means the Parliamentary Commissioner for the Environment (and that Commissioner's office), the Office of Ombudsmen, and the Auditor-General

operating surplus means the amount by which departmental revenue exceeds the expenses of a department

other expenses means any expenses incurred by the Crown, a department, or an Office of Parliament that are other than—

- (a) output expenses; or
- (b) benefits or other unrequited expenses; or
- (c) borrowing expenses

outcome—

- (a) means a state or condition of society, the economy, or the environment; and
- (b) includes a change in that state or condition

output expenses—

- (a) includes the full cost of producing and supplying outputs measured in accrual accounting terms; and
- (b) includes the full allocation of overhead costs

outputs—

- (a) means goods or services that are supplied by a department, Crown entity, Office of Parliament, or other person or body; and

- (b) includes goods or services that a department, Crown entity, Office of Parliament, or other person or body has agreed or contracted to supply on a contingent basis, but that have not been supplied

principles of responsible fiscal management has the meaning given to it by section 26G(1)

public money means all money received by the Crown, including the proceeds of all loans raised on behalf of the Crown, and any other money that the Minister or the Secretary directs to be paid into a Crown Bank Account or Departmental Bank Account and any money held by an Office of Parliament; but does not include money held in trust as trust money or money received and held by Crown entities

public security means any security issued under section 63 or any provision of any other Act; and includes any loan or credit agreement, guarantee, indemnity, bond, note, debenture, bill of exchange, Treasury bill, Government stock, and any other security representing part of the public debt of New Zealand

remeasurements—

- (a) means revisions of prices or estimates that result from revised expectations of future economic benefits or obligations that change the carrying amounts of assets or liabilities; but
- (b) does not include—
 - (i) revisions that result from transactions or events that give rise to the initial recognition of assets or liabilities in the reporting period; or
 - (ii) revisions that result from transactions or events directly attributable to actions or decisions taken by the Crown; or
 - (iii) expenses that arise from the consumption of assets during the reporting period; or
 - (iv) interest income or interest expenses

responsible Minister means,—

- (a) in relation to a department, the Minister or Ministers for the time being responsible for the financial performance of the department;
- (b) in relation to an organisation named or described in Schedule 4, the Minister or Ministers for the time being

responsible for the financial performance of that organisation:

(c) in relation to an Office of Parliament, to the Office of the Clerk of the House of Representatives, or to the Parliamentary Service, the Speaker

(d) *[Repealed]*

Secretary means the Secretary to the Treasury, being the chief executive of the Treasury

Speaker means—

(a) the Speaker of the House of Representatives; or

(b) on the dissolution or expiration of Parliament until the first meeting of the new Parliament, the person holding the office of Speaker of the House of Representatives at the time of the dissolution or expiration, or, if there was at that time a vacancy in the office of Speaker of the House of Representatives or if the person holding that office at that time dies, the person holding the office of Deputy Speaker at the time of the dissolution or expiration

subsidiary has the same meaning as in sections 158 and 158A of the Companies Act 1955 or sections 5 and 6 of the Companies Act 1993, as the case may require

Supplementary Estimates means a statement in any form that—

(a) is presented to the House of Representatives in accordance with section 16; and

(b) contains the information referred to in section 17

Treasury means the department of that name and, in relation to any particular function, duty, or power, means the Secretary; and includes any person for the time being authorised, by the Secretary or otherwise, to exercise that function, duty, or power

Treasury instructions means Treasury instructions issued under section 80

Trust Bank Account means a Trust Bank Account established under Part 7

trust money means trust money within the meaning of section 66(1)

type, in relation to an appropriation, means any of the types of appropriations specified in section 7(1)

Vote means an appropriation or a grouping of appropriations that is—

- (a) the responsibility of a designated Minister or Ministers and administered by 1 department; or
- (b) the responsibility of the Speaker and administered by—
 - (i) an Office of Parliament; or
 - (ii) the Office of the Clerk of the House of Representatives; or
 - (iii) the Parliamentary Service

working day means any day except—

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, Waitangi Day; and
- (b) the day observed as anniversary day in Wellington; and
- (c) a day in the period commencing on 25 December in one year and ending on 15 January in the next year.

(2) *[Repealed]*

(3) *[Repealed]*

(4) *[Repealed]*

(5) Notwithstanding any other provision of this Act, where this Act provides that a power may be exercised by both the Minister and the Secretary, the power may be exercised by the Secretary only in so far as the Minister has not otherwise directed.

Section 2: substituted, on 1 July 1994, by section 3(1) of the Public Finance Amendment Act 1994 (1994 No 18).

Section 2(1) **annual financial statements of the Crown**: repealed, on 25 January 2005, by section 5(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **annual financial statements of the Government**: inserted, on 25 January 2005, by section 5(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **asset**: inserted, on 25 January 2005, by section 5(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Audit Office**: repealed, on 25 January 2005, by section 5(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Auditor-General**: inserted, on 25 January 2005, by section 5(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **borrow money**: inserted, on 25 January 2005, by section 5(2) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **borrowing expenses**: amended, on 12 December 2000, by section 3 of the Public Finance Amendment Act 2000 (2000 No 78).

Section 2(1) **Budget**: inserted, on 25 January 2005, by section 5(3) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **capital contribution**: repealed, on 25 January 2005, by section 5(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **capital expenditure**: inserted, on 25 January 2005, by section 5(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **carrying amount**: inserted, on 25 January 2005, by section 5(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **contingent liability**: repealed, on 25 January 2005, by section 5(5) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **cost**: repealed, on 25 January 2005, by section 5(5) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown Bank Account**: substituted, on 25 January 2005, by section 5(7) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown entity**: substituted, on 25 January 2005, by section 5(8) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown entity group**: repealed, on 25 January 2005, by section 5(8) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown or Her Majesty**: repealed, on 25 January 2005, by section 5(6)(a) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown or the Sovereign**: inserted, on 25 January 2005, by section 5(6)(a) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Crown or the Sovereign** paragraph (a): amended, on 25 January 2005, by section 5(6)(b) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **department**: substituted, on 25 January 2005, by section 5(9) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Departmental Bank Account**: substituted, on 25 January 2005, by section 5(10) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **derivative transaction**: inserted, on 25 January 2005, by section 5(11) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Estimates**: substituted, on 25 January 2005, by section 5(12) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **forecast financial statements**: inserted, on 25 January 2005, by section 5(13) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Government reporting entity**: inserted, on 25 January 2005, by section 5(14) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **impact**: inserted, on 25 January 2005, by section 5(14) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **intelligence and security department**: inserted, on 25 January 2005, by section 5(14) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **liability**: substituted, on 25 January 2005, by section 5(15) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **local authority**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 2(1) **Minister**: substituted, on 25 June 1997, by section 2 of the Treasurer (Statutory References) Act 1997 (1997 No 20).

Section 2(1) **Mode B**: repealed, on 25 January 2005, by section 5(16) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Mode C**: repealed, on 25 January 2005, by section 5(16) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **multi-class output expense appropriation**: inserted, on 25 January 2005, by section 5(17) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Office of Parliament**: amended, on 25 January 2005, by section 5(18) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Office of Parliament**: amended, on 1 July 2001, by section 53 of the Public Audit Act 2001 (2001 No 10).

Section 2(1) **other expenses**: substituted, on 25 January 2005, by section 5(19) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **outcome**: substituted, on 25 January 2005, by section 5(20) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **output expenses**: inserted, on 25 January 2005, by section 5(20) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **outputs**: substituted, on 25 January 2005, by section 5(20) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **principles of responsible fiscal management**: inserted, on 25 January 2005, by section 5(20) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **public security**: amended, on 25 January 2005, by section 5(21) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **purchased**: repealed, on 25 January 2005, by section 5(22) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **raising a loan**: repealed, on 25 January 2005, by section 5(22) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **remeasurements**: inserted, on 25 January 2005, by section 5(23) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **responsible Minister** paragraph (b): substituted, on 25 January 2005, by section 5(24) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **responsible Minister** paragraph (c): substituted, on 25 January 2005, by section 5(24) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **responsible Minister** paragraph (d): repealed, on 25 January 2005, by section 5(24) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Supplementary Estimates**: substituted, on 25 January 2005, by section 5(25) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **trading revenue**: repealed, on 25 January 2005, by section 5(26) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **type**: inserted, on 25 January 2005, by section 5(27) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **Vote**: substituted, on 25 January 2005, by section 5(28) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(1) **working day**: added, on 25 January 2005, by section 5(29) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(2): repealed, on 25 January 2005, by section 5(30) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(3): repealed, on 25 January 2005, by section 5(30) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 2(4): repealed, on 25 January 2005, by section 5(30) of the Public Finance Amendment Act 2004 (2004 No 113).

3 Act to bind Crown

This Act shall bind the Crown.

Compare: 1977 No 65 s 3

3AA Meaning of generally accepted accounting practice

[Repealed]

Section 3AA: repealed (without coming into force), on 1 July 1994, by section 3(2)(a) of the Public Finance Amendment Act 1994 (1994 No 18).

3A Power to amend Schedule 4

(1) The Governor-General may, by Order in Council, amend Schedule 4—

- (a) to add to column 1 any of the following:
 - (i) the name of any body established by or under an Act:
 - (ii) the name of any statutory office (except an Office of Parliament) or statutory officer established by or under an Act:
 - (iii) the name of any trust that is created by the Crown by deed of trust or in respect of which the Crown has appointed, or has power to appoint, a majority of the trustees:
 - (iv) subject to subsection (2), the name of any company:

- (b) to apply to an organisation that is in column 1 any provision of the Crown Entities Act 2004 (other than section 165) that is listed in column 2:
 - (c) to omit from column 1 any of the following (and to omit from column 2 any provision of the Crown Entities Act 2004 that applies to it):
 - (i) the name of any body, officer, trust, or company in recognition of its dissolution or removal from the register under the Companies Act 1993:
 - (ii) the name of any company subject to subsection (3):
 - (iii) the name of any trust in respect of which the Crown ceases to have the power to appoint a majority of the trustees:
 - (iv) the name of any body, officer, trust, or company that becomes a Crown entity under the Crown Entities Act 2004 or a State enterprise under the State-Owned Enterprises Act 1986:
 - (d) to substitute, in column 1, the name of any body, officer, trust, or company in recognition of a change in its name:
 - (e) to omit from column 2 the application of any provision of the Crown Entities Act 2004 to any 1 or more organisations named in column 1.
- (2) An Order in Council may be made under subsection (1)(a)(iv) only if the Governor-General in Council is satisfied, at the time of the making of the Order in Council, that more than 50% of the issued ordinary shares in the capital of the company to which the order relates are held by Ministers of the Crown on behalf of the Crown.
- (3) An Order in Council may be made under subsection (1)(c)(ii) only if the Governor-General in Council is satisfied, at the time of the making of the Order in Council, that at least 50% of the issued ordinary shares in the capital of the company to which the order relates are no longer held by Ministers of the Crown on behalf of the Crown.

Section 3A: substituted, on 25 January 2005, by section 6 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 1

Appropriations

Part 1: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Requirement for appropriations

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

4 Expenses or capital expenditure must not be incurred unless in accordance with appropriation or statutory authority

- (1) The Crown or an Office of Parliament must not incur expenses or capital expenditure, except as expressly authorised by an appropriation, or other authority, by or under an Act.
- (2) In this section, **expense** does not include an expense that results from—
 - (a) a remeasurement of an asset or a liability; or
 - (b) an operating loss incurred by—
 - (i) a Crown entity named or described in the Crown Entities Act 2004; or
 - (ii) an organisation named or described in Schedule 4; or
 - (iii) a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986; or
 - (iv) the Reserve Bank of New Zealand; or
 - (v) any other entity whose financial statements must be consolidated into the financial statements of the Government to comply with generally accepted accounting practice.

Section 4: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

5 Public money must not be spent unless in accordance with statutory authority

The Crown or an Office of Parliament must not spend public money, except as expressly authorised by or under an Act (including this Act).

Section 5: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

6 Authority to spend public money

Public money may be spent, without further authority than this section, for the purpose of—

- (a) meeting expenses or capital expenditure incurred in accordance with an appropriation or other authority by or under an Act; and
- (b) the payment of goods and services tax in relation to those expenses or capital expenditure; and
- (c) the repayment of debt of the Crown or an Office of Parliament; and
- (d) the settlement of liabilities of the Crown or an Office of Parliament.

Section 6: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

7 Separate appropriation required for types of expenses and capital expenditure

- (1) A separate appropriation must be made for—
 - (a) each category of output expenses; and
 - (b) each category of benefits or other unrequited expenses; and
 - (c) each category of borrowing expenses; and
 - (d) each category of other expenses; and
 - (e) each category of capital expenditure; and
 - (f) expenses and capital expenditure to be incurred by each intelligence and security department.
- (2) All expenses or capital expenditure to be incurred in any financial year must be allocated to one of the types of appropriation set out in subsection (1) within a Vote specified in an Appropriation Act.
- (3) An output expense appropriation referred to in subsection (1)(a) must consist of—
 - (a) a class of outputs to be supplied—
 - (i) by a department; or
 - (ii) to or on behalf of the Crown (other than by a department); or

- (b) if the Minister approves, more than 1 class of outputs (a **multi-class output expense appropriation**) to be supplied—
 - (i) by a department; or
 - (ii) to or on behalf of the Crown (other than by a department).
- (4) However, if subsection (3)(b) applies, the Estimates or other supporting information that must be presented with the Appropriation Bill in which the multi-class output expense appropriation is sought must,—
 - (a) to the extent required by section 14 or, as the case may be, section 15, relate to each class of outputs in that appropriation; and
 - (b) explain why those classes of outputs have been grouped under that one appropriation.

Section 7: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

8 Appropriation limited by amount

The authority to incur expenses or capital expenditure provided by an appropriation under an Appropriation Act—

- (a) is limited to the amount specified for the appropriation by or under that Act; and
- (b) may not be exceeded (except as provided for in section 25 or section 26A or section 26B).

Section 8: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

9 Appropriation limited by scope

- (1) The authority to incur expenses or capital expenditure provided by an appropriation—
 - (a) is limited to the scope of the appropriation; and
 - (b) may not be used for any other purpose.
- (2) For the purposes of subsection (1),—
 - (a) the scope of a multi-class output expense appropriation is the scope of each of the individual classes of outputs included in that appropriation; and
 - (b) any variation made by the Minister of the terms and conditions of a capital injection to any entity referred

to in section 27(3)(a) to (f) does not change the scope or purpose of that capital injection.

Section 9: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

9A Supplementary Estimates

[Repealed]

Section 9A: repealed, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

9B Power of Secretary to obtain information

[Repealed]

Section 9B: repealed, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

10 Appropriation limited by period

- (1) The authority to incur expenses or capital expenditure provided by an appropriation under an Appropriation Act lapses at the end of the financial year to which the Act relates.
- (2) However, if an Appropriation Act provides that the authority to incur expenses or capital expenditure applies for more than 1 financial year, that authority—
 - (a) lapses at the end of the period specified in the Act; and
 - (b) continues in force until the end of the period specified despite the repeal of the Act, unless the authority is expressly varied, revoked, or replaced by an authority in another Appropriation Act.
- (3) Despite subsection (2), the authority to incur expenses or capital expenditure must not apply for more than 5 financial years.

Section 10: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

11 Expenses or payments authorised other than by Appropriation Act

- (1) If an Act (other than an Appropriation Act) expressly provides for payments to be appropriated by or under that Act, any expense or capital expenditure incurred that gives rise to the need for those payments may be incurred without further appropriation than this section.

- (2) Each expense or capital expenditure incurred in accordance with an appropriation by or under an Act (other than an Appropriation Act) must be managed and accounted for in the same manner as expenses or capital expenditure incurred in accordance with an Appropriation Act.

Section 11: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

12 Timing of first Appropriation Bill for financial year

Except as otherwise provided by a resolution of the House of Representatives, the first Appropriation Bill that relates to a financial year must be introduced into the House of Representatives before the end of the first month after the start of that financial year.

Section 12: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Information requirements for appropriations

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

13 Estimates and other supporting information must be presented with first Appropriation Bill

- (1) The Minister must present to the House of Representatives the Estimates immediately after he or she has delivered the Budget.
- (2) The Minister must also present to the House of Representatives the other supporting information referred to in section 15 at the same time he or she presents the Estimates under subsection (1), unless that other supporting information is already contained in the Estimates.

Section 13: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

14 Content of Estimates

- (1) The Estimates must state,—
- (a) for each appropriation being sought in the first Appropriation Bill for a financial year,—
- (i) the Vote to which the appropriation relates; and

- (ii) the Minister responsible for the appropriation; and
 - (iii) the department that will administer the Vote containing the appropriation; and
 - (iv) the type of the appropriation (in terms of section 7); and
 - (v) the amount of each expense or capital expenditure authorised by the appropriation (in terms of section 8); and
 - (vi) the scope of the appropriation (in terms of section 9); and
 - (vii) the period of the appropriation, but only if the period is more than 1 financial year (in terms of section 10); and
- (b) for each department, the responsible Minister for the department; and
 - (c) for each department other than an intelligence and security department, the projected balance of net assets for the department at the end of the financial year (in terms of section 23(1)(c)).
- (2) The Minister may, in addition to the information referred to in this section, include in the Estimates any further information that the Minister considers necessary or desirable.

Section 14: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

15 Other supporting information for first Appropriation Bill

- (1) The other supporting information for the first Appropriation Bill must, for each appropriation, include—
- (a) a concise explanation of each appropriation (including the intended impacts, outcomes, or objectives of the appropriation); and
 - (b) the performance measures and forecast standards to be achieved for each class of outputs; and
 - (c) the forecast expenses to be incurred for each class of outputs within a multi-class output expense appropriation; and

- (d) comparative voted and estimated actual expenses or capital expenditure for each appropriation for the previous financial year.
- (2) The other supporting information must, for each Vote, include—
 - (a) comparative voted and estimated actual expenses or capital expenditure for the previous financial year, and comparative actual expenses or capital expenditure for each of the 4 financial years that preceded the previous financial year, for the total of each of the types of appropriation set out in section 7(1); and
 - (b) a summary of the financial activity relating to the Vote for the financial year to which the Appropriation Bill relates, and comparative budgeted and estimated actual figures for the previous financial year.
- (3) The other supporting information must also include, for each category of expense or capital expenditure that is proposed to be incurred in accordance with an appropriation by an Act (other than an Appropriation Act),—
 - (a) the information required, under subsection (1) and section 14 for each appropriation (except that the reference in section 14(1)(a)(v) to the amount of each expense or capital expenditure authorised by the appropriation must be read as a reference to the amount of each expense or capital expenditure forecast to be incurred under the appropriation); and
 - (b) the authority for that expense or capital expenditure.
- (4) The Minister may, in addition to the information referred to in this section, present any further information that the Minister considers necessary or desirable.
- (5) Subsections (1)(a) and (b) and (2)(b) do not apply to an appropriation made in accordance with section 7(1)(f).

Section 15: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

16 Supplementary Estimates must be presented with Supplementary Appropriation Bill

The Minister must present to the House of Representatives the Supplementary Estimates on the day of the introduction of an Appropriation Bill that is other than—

- (a) the first Appropriation Bill for a financial year; or
- (b) an Appropriation Bill that deals only with matters that relate to a previous financial year.

Section 16: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

17 Content of Supplementary Estimates

(1) The Supplementary Estimates must,—

- (a) if information about an appropriation or department was provided in the Estimates or previous Supplementary Estimates for the same financial year, state any changes to the information about that appropriation or department that—
 - (i) is required under section 14; and
 - (ii) is contained in those Estimates; or
- (b) if information about an appropriation or department was not provided in the Estimates or previous Supplementary Estimates for the same financial year, state the information about that appropriation or department that is required under section 14.

(2) If subsection (1)(b) applies, the Minister must also present the information about the appropriation that is required under section 15(1)(a) to (c).

Section 17: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

18 Minister must consult on proposal to change format or content of information presented with Appropriation Bills

(1) This section applies if the Minister proposes to significantly change the format or content of—

- (a) the Estimates; or
- (b) the other supporting information referred to in section 15; or
- (c) the Supplementary Estimates.

- (2) Before giving effect to the proposal, the Minister must—
 - (a) submit the proposal to the Speaker (who must then present it to the House of Representatives); and
 - (b) consider any comments that he or she receives from—
 - (i) the Speaker; or
 - (ii) any committee of the House of Representatives that considered the proposal.

Section 18: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

19 Power of Secretary to obtain information

- (1) The Secretary may request a department or an entity referred to in section 27(3)(a) to (f), or an entity that manages an asset or liability of the Crown, to supply to the Secretary any information that is necessary to enable the preparation of—
 - (a) the Estimates; and
 - (b) the other supporting information referred to in section 15; and
 - (c) the Supplementary Estimates.
- (2) A request under subsection (1)—
 - (a) must be in writing; and
 - (b) may state the date by which, and the manner in which, the information requested must be provided.
- (3) If a date is specified under subsection (2)(b), that date must be reasonable having regard to the time limits prescribed by this Act for presenting to the House of Representatives—
 - (a) the Estimates or other supporting information referred to in section 15; and
 - (b) the Supplementary Estimates.
- (4) A department or entity to whom the request is made must comply with the request.

Section 19: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Other provisions relating to appropriations

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

20 Departments may incur output expenses for, or on behalf of, other departments

- (1) This section applies if an output is supplied by a department (**A**) for, or on behalf of, another department (**B**) in accordance with an agreement between A and B.
- (2) Output expenses may be incurred by A, without further appropriation than this section, up to the amount of revenue earned from B.
- (3) However, A must return to B any revenue earned by the supply of the output that is not utilised toward the costs of the output.

Section 20: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

21 Expenses restricted by revenue

- (1) If a class of outputs is supplied by a department, output expenses may be incurred, without further appropriation than this section, up to the amount of revenue expected to be earned by that class of outputs from parties other than the Crown.
- (2) However, subsection (1) applies only if—
 - (a) the appropriation is limited to 1 class of outputs; and
 - (b) the appropriation to which the output expenses are to be charged is specified in an Appropriation Act for that year as being supplied under this section; and
 - (c) the approval of the Minister for the output expenses to be incurred under this section has been given.
- (3) Despite subsections (1) and (2), the Minister may direct that only part of the output expenses may be incurred to a level less than the amount of the revenue earned from parties other than the Crown.
- (4) This section does not authorise output expenses to be incurred, in respect of any class of outputs, that exceed the actual amount of revenue earned by that class of outputs from parties other than the Crown in any year.
- (5) In this section, a reference to the amount of revenue earned by a class of outputs from parties other than the Crown may include a reference to the amount of revenue earned by a class of outputs from another department.

Section 21: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

22 Operating surplus of department

- (1) Except as agreed between the Minister and the responsible Minister for a department, the department must not retain any operating surplus that results from its activities.
- (2) The reported net asset holding of a department may increase as a result of a remeasurement without further authority than this section.
- (3) The amount of net asset holding in a department must not exceed the most recent projected balance of net assets for that department at the end of the financial year, as set out in an Appropriation Act in accordance with section 23(1)(c).
- (4) Subsection (3) is subject to subsections (1) and (2).

Section 22: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

23 Net assets of departments must be confirmed

- (1) Each Appropriation Bill that is introduced before the end of the financial year to which the Bill relates must include a schedule that shows for each department (other than an intelligence and security department)—
 - (a) either of the following:
 - (i) the most recently audited amount of net assets; or
 - (ii) the most recently projected amount of net assets at the start of that financial year to which the appropriations sought in that Bill apply; and
 - (b) projected movements in net assets during that financial year; and
 - (c) the projected balance of net assets at the end of that financial year.
- (2) The projected movements in net assets referred to in subsection (1)(b) must include as separate items—
 - (a) any projected capital injections and withdrawals; and
 - (b) any surpluses projected to be retained in accordance with section 22(1).

Section 23: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

24 Movements within departmental statement of financial position

- (1) A department may, without further appropriation than this section, use the proceeds of the sale or disposal of any of its assets, together with any working capital held by it, to purchase or develop assets.
- (2) A department may, without further authority than this section, use the proceeds of the sale or disposal of its assets, together with any working capital held by it, to pay its liabilities.

Section 24: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

25 Expenses or capital expenditure may be incurred in emergencies

- (1) This section applies if—
 - (a) a state of emergency or state of civil defence emergency is declared under the Civil Defence Act 1983 or the Civil Defence Emergency Management Act 2002; or
 - (b) a situation occurs that affects the public health or safety of New Zealand or any part of New Zealand that the Government declares to be an emergency.
- (2) The Minister may approve expenses or capital expenditure to be incurred to meet the emergency or disaster and, whether or not there is an appropriation by Parliament available for the purpose and despite sections 4, 8, and 9, the expenses or capital expenditure may be incurred accordingly.
- (3) If expenses or capital expenditure that have not been appropriated are incurred under subsection (2), the Minister must publish a notice in the *Gazette*, stating that the expenses or capital expenditure have been so incurred.
- (4) Public money may be spent, without further authority than this section, for the purpose of meeting expenses or capital expenditure incurred in accordance with subsection (2) that have not been appropriated.
- (5) A statement about any expenses and capital expenditure incurred under this section in any financial year that have not been appropriated must be included in—
 - (a) the annual financial statements of the Government; and
 - (b) an Appropriation Bill for confirmation by Parliament.

- (6) Subsection (5) does not limit the validity of any expenses or capital expenditure incurred under this section.

Section 25: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26 Minister may determine terms and conditions of capital injections

- (1) The Minister, after consultation with the Minister responsible for an entity, may—
- (a) determine the terms and conditions under which any capital injection authorised by an appropriation under section 7(1)(e) or any other authority is to be made to that entity; and
 - (b) vary those terms and conditions at any time.
- (2) However, subsection (1)(b) does not apply in respect of a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986.

Section 26: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26A Transfer of resources between output expense appropriations

- (1) The Governor-General may, by Order in Council, direct that an amount appropriated for an output expense appropriation in a Vote be transferred, without further appropriation than this section, to another output expense appropriation in that Vote if—
- (a) the amount transferred does not increase that appropriation for a financial year by more than 5%; and
 - (b) no other transfer under this section to that appropriation has occurred during that financial year; and
 - (c) the total amount appropriated for that financial year for all output expense appropriations in that Vote is unaltered.
- (2) A clause that confirms the making of an Order in Council under subsection (1) in a financial year must be included in an Appropriation Bill that applies to that financial year.

- (3) Subsection (2) does not limit the validity of an Order in Council made under subsection (1) or the validity of any transfer made under that Order in Council.

Section 26A: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26B Minister may approve expenses or capital expenditure to be incurred in excess of existing appropriation

- (1) This section applies if the Minister considers that the incurring of expenses or capital expenditure in the last 3 months of any financial year that is in excess, but within the scope, of an existing appropriation by or under an Act should be approved.
- (2) The Minister may, in that financial year or not later than 3 months after the end of that financial year, approve in respect of that appropriation up to the greater of—
- (a) an amount not exceeding \$10,000; or
 - (b) 2% of the total amount appropriated for that appropriation.
- (3) Subsection (2) applies—
- (a) even though all or part of the expenses or capital expenditure may have been incurred; and
 - (b) despite sections 4 and 8.
- (4) Any expenses or capital expenditure that the Minister approves under this section must be included, for confirmation by Parliament, in an Appropriation Bill that applies to that financial year.
- (5) Subsection (4) does not limit the validity of any expenses or capital expenditure incurred under this section.

Section 26B: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26C Expenses or capital expenditure incurred without appropriation or other authority requires validation by Parliament

- (1) The incurring of any expenses or capital expenditure without appropriation, or other authority, by or under an Act is unlawful, unless it is validated by Parliament in an Appropriation Act.

- (2) The Minister must, on the introduction of any Appropriation Bill that seeks validation by Parliament of any expenses or capital expenditure incurred without appropriation, or other authority, by or under an Act, present to the House of Representatives a report that sets out—
- (a) the amount of each category of expenses or capital expenditure so incurred; and
 - (b) the explanation of the Minister responsible for the expenses or capital expenditure.

Section 26C: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26D Reporting requirements in relation to expenses or capital expenditure incurred in excess of, or without, appropriation

- (1) This section applies to any expenses or capital expenditure—
- (a) that has been incurred without appropriation; or
 - (b) that has been incurred in excess of an existing appropriation.
- (2) A statement that relates to any expenses or capital expenditure to which this section applies must be included in—
- (a) the annual financial statements of the Government for the financial year; and
 - (b) the annual financial statements of the administering department for the financial year in accordance with section 45B(2)(d).

Section 26D: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Application of this Part to Offices of Parliament

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26E Application of this Part to Offices of Parliament

- (1) Before an appropriation in a Vote administered by an Office of Parliament may be included in an Appropriation Bill for a financial year, the chief executive of the Office concerned must prepare and submit to the House of Representatives the following information:

- (a) an estimate of expenses and capital expenditure to be incurred for—
 - (i) each proposed appropriation; and
 - (ii) each class of outputs within an appropriation; and
 - (b) the projected balance of net assets (in terms of section 23(1)(c)); and
 - (c) the revenue of the Office (including the revenue associated with each proposed expenses appropriation and each output class).
- (2) The House of Representatives, after considering the information provided under subsection (1), may for each Office of Parliament commend to the Governor-General, by way of an address, the estimates for each of the matters set out in subsection (1)(a) to (c).
 - (3) The House of Representatives may, in that address, request that the estimates referred to in subsection (2) be included as a Vote in an Appropriation Bill for that year.
 - (4) If that Vote is included in an Appropriation Bill for that year, this Part applies, with all necessary modifications, as if references to a department were references to an Office of Parliament.
 - (5) An alteration to a Vote administered by an Office of Parliament during a financial year is subject to the provisions of this section.

Section 26E: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 2

Fiscal responsibility

Part 2: substituted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Preliminary

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26F Interpretation

If the context requires, references in this Part to total debt, total operating expenses, total operating revenues, and total

net worth are references to the total fiscal aggregates of the forecast financial statements prepared in accordance with section 26Q.

Section 26F: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26G Principles of responsible fiscal management

- (1) The Government must pursue its policy objectives in accordance with the following principles (the **principles of responsible fiscal management**):
 - (a) reducing total debt to prudent levels so as to provide a buffer against factors that may impact adversely on the level of total debt in the future by ensuring that, until those levels have been achieved, total operating expenses in each financial year are less than total operating revenues in the same financial year; and
 - (b) once prudent levels of total debt have been achieved, maintaining those levels by ensuring that, on average, over a reasonable period of time, total operating expenses do not exceed total operating revenues; and
 - (c) achieving and maintaining levels of total net worth that provide a buffer against factors that may impact adversely on total net worth in the future; and
 - (d) managing prudently the fiscal risks facing the Government; and
 - (e) pursuing policies that are consistent with a reasonable degree of predictability about the level and stability of tax rates for future years.
- (2) However, the Government may depart from the principles of responsible fiscal management if—
 - (a) the departure from those principles is temporary; and
 - (b) the Minister, in accordance with this Act, states—
 - (i) the reasons for the departure from those principles; and
 - (ii) the approach the Government intends to take to return to those principles; and
 - (iii) the period of time that the Government expects to take to return to those principles.

Section 26G: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26H Generally accepted accounting practice

All financial statements and forecast financial statements included in reports and updates required under this Part must be prepared in accordance with generally accepted accounting practice.

Section 26H: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Fiscal strategy report

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26I Fiscal strategy report

- (1) The Minister must, in each financial year and in accordance with subsection (2), present to the House of Representatives a report on the Government's fiscal strategy.
- (2) The Minister must present the fiscal strategy report immediately after he or she has delivered the Budget for the financial year to which the report relates.
- (3) Sections 26J to 26L set out the contents of the fiscal strategy report.

Section 26I: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26J Contents of fiscal strategy report: long-term objectives

- (1) The fiscal strategy report must—
 - (a) state the Government's long-term objectives for fiscal policy and, in particular, for the following variables:
 - (i) total operating expenses:
 - (ii) total operating revenues:
 - (iii) the balance between total operating expenses and total operating revenues:
 - (iv) the level of total debt:
 - (v) the level of total net worth; and
 - (b) explain how those long-term objectives accord with the principles of responsible fiscal management; and

- (c) state the period to which those long-term objectives relate (which must be a period of 10 or more consecutive financial years commencing with the financial year to which the fiscal strategy report relates).
- (2) The fiscal strategy report must also—
- (a) assess the consistency of the long-term objectives referred to in subsection (1)(a)—
 - (i) with the long-term objectives in the most recent fiscal strategy report; or
 - (ii) if the long-term objectives in the most recent fiscal strategy report were amended in the budget policy statement most recently prepared under section 26M, with the long-term objectives stated in the statement; and
 - (b) if the long-term objectives referred to in subsection (1)(a) are not consistent with the long-term objectives in the most recent fiscal strategy report or in the budget policy statement most recently prepared under section 26M, justify the departure of the long-term objectives referred to in subsection (1)(a) from the long-term objectives in the most recent fiscal strategy report or in the statement.

Section 26J: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26K Contents of fiscal strategy report: short-term intentions

- (1) The fiscal strategy report must, for the financial year to which the report relates and at least the next 2 financial years, indicate explicitly, by the use of ranges, ratios, or other means, the Government's short-term intentions for each of the variables specified in section 26J(1)(a).
- (2) The fiscal strategy report must—
- (a) assess the consistency of the short-term intentions referred to in subsection (1) with—
 - (i) the principles of responsible fiscal management; and
 - (ii) the long-term objectives referred to in section 26J(1)(a); and

- (b) if those short-term intentions are not consistent with the principles of responsible fiscal management or with the long-term objectives referred to in section 26J(1)(a) or with both, state—
 - (i) the reasons for the departure of those short-term intentions from those principles or from those long-term objectives or from both; and
 - (ii) the approach the Government intends to take to ensure that those short-term intentions become consistent with those principles and those long-term objectives; and
 - (iii) the period of time that is expected to elapse before those short-term intentions become consistent with those principles and those long-term objectives.
- (3) The fiscal strategy report must also—
 - (a) assess the consistency of the short-term intentions referred to in subsection (1)—
 - (i) with the short-term intentions indicated in the most recent fiscal strategy report; or
 - (ii) if the short-term intentions indicated in the most recent fiscal strategy report were amended in the budget policy statement most recently prepared under section 26M, with the short-term intentions indicated in the statement; and
 - (b) if the short-term intentions referred to in subsection (1) are not consistent with the short-term intentions in the most recent fiscal strategy report or in the budget policy statement most recently prepared under section 26M, justify the departure of the short-term intentions referred to in subsection (1) from the short-term intentions in the most recent fiscal strategy report or in the statement.

Section 26K: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26L Contents of fiscal strategy report: other matters

- (1) The fiscal strategy report must include—

- (a) an assessment of the extent to which the economic and fiscal update prepared under section 26O(1) is consistent with the short-term intentions referred to in section 26K(1); and
 - (b) if the economic and fiscal update departs from those short-term intentions, an explanation of the reasons for the departure.
- (2) The fiscal strategy report must also include—
- (a) scenarios that—
 - (i) contain projections of trends in the variables specified in section 26J(1)(a) (which projections must illustrate, for stated significant assumptions, likely future progress towards achieving the long-term objectives referred to in that section); and
 - (ii) explain the reasons for any significant differences from previous scenarios; and
 - (b) an assessment of the consistency of the scenarios with the long-term objectives referred to in section 26J(1)(a); and
 - (c) if the scenarios depart from the long-term objectives referred to in section 26J(1)(a), an explanation of the reasons for the departure.
- (3) The projections required by subsection (2)(a)(i) must relate to the period to which the long-term objectives referred to in section 26J(1)(a) relate (which must be a period of 10 or more consecutive financial years commencing with the financial year to which the fiscal strategy report relates).

Section 26L: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Budget policy statement

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26M Budget policy statement

- (1) The Minister must present to the House of Representatives a budget policy statement—
- (a) not later than 31 March in each financial year; or

- (b) if Parliament is not in session on 31 March and a budget policy statement has not been presented in that financial year, as soon as possible after the commencement of the next session of Parliament.
- (2) The budget policy statement must, for the financial year commencing on 1 July after the statement is presented, state the broad strategic priorities by which the Government will be guided in preparing the Budget for that financial year, including—
 - (a) the overarching policy goals that will guide the Government's Budget decisions; and
 - (b) the policy areas that the Government will focus on in that year; and
 - (c) how the Budget for that year accords with the short-term intentions referred to in the most recent fiscal strategy report or the amended short-term intentions under subsection (3).
- (3) The budget policy statement must,—
 - (a) if the long-term objectives referred to in section 26J(1)(a) have changed from those stated in the most recent fiscal strategy report, indicate those amended long-term objectives and explain how they accord with the principles of responsible fiscal management; and
 - (b) if the short-term intentions referred to in section 26K(1) have changed from those indicated in the most recent fiscal strategy report, indicate those amended short-term intentions and explain how they accord with the principles of responsible fiscal management and the long-term objectives in the most recent fiscal strategy report or the amended long-term objectives under paragraph (a).

Section 26M: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Statement on long-term fiscal position

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26N Statement on long-term fiscal position

- (1) Before the end of the second financial year after the commencement of this section and then at intervals not exceeding 4 years,—
 - (a) the Treasury must prepare a statement on the long-term fiscal position; and
 - (b) the Minister must present each statement to the House of Representatives.
- (2) The statement must—
 - (a) relate to a period of at least 40 consecutive financial years commencing with the financial year in which the statement is prepared; and
 - (b) be accompanied by—
 - (i) a statement of responsibility signed by the Secretary stating that the Treasury has, in preparing the statement under subsection (1), used its best professional judgments about the risks and the outlook; and
 - (ii) a statement of all significant assumptions underlying any projections included in the statement under subsection (1).

Section 26N: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Economic and fiscal updates

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26O Economic and fiscal update

- (1) The Minister must, in accordance with subsection (2), present to the House of Representatives an economic and fiscal update prepared by the Treasury for each financial year.
- (2) The Minister must present the economic and fiscal update immediately after he or she has delivered the Budget for the financial year to which the update relates.
- (3) The update must—
 - (a) contain economic and fiscal forecasts that relate to—
 - (i) the financial year to which the update relates; and
 - (ii) each of the next 2 financial years; and

- (b) contain a statement of tax policy changes in accordance with section 26R; and
 - (c) be accompanied by a statement of responsibility.
- (4) The update must state—
- (a) the day on which the contents of the update were finalised; or
 - (b) the days on which the contents of different specified aspects of the update were finalised.

Section 26O: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26P Economic forecasts

- (1) The economic forecasts contained in the economic and fiscal update prepared under section 26O must, for each of the 3 financial years to which they relate, include forecasts of movements in New Zealand's—
- (a) gross domestic product (including the major components of gross domestic product):
 - (b) consumer prices:
 - (c) unemployment and employment:
 - (d) current account position of the balance of payments.
- (2) The economic forecasts must also include a statement of all significant assumptions underlying the forecasts.

Section 26P: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26Q Fiscal forecasts

- (1) The fiscal forecasts contained in the economic and fiscal update prepared under section 26O must, for each of the 3 financial years to which they relate, include forecast financial statements.
- (2) In addition to the forecast financial statements required by subsection (1), the fiscal forecasts must include—
- (a) a statement of borrowings that reflects the forecast borrowing activities for each of those financial years:
 - (b) any other statements that are necessary to fairly reflect—
 - (i) the forecast financial operations for each of those financial years; and

- (ii) the forecast financial position at the end of each of those financial years.
- (3) The fiscal forecasts must also include—
 - (a) a statement of commitments from the most recent monthly financial statements of the Government that are required to be prepared under section 31A; and
 - (b) a statement of specific fiscal risks of the Government as at the day on which the forecast financial statements are finalised—
 - (i) that sets out specific fiscal risks that relate to—
 - (A) the Government decisions and other circumstances required by section 26U to be incorporated in the economic and fiscal update prepared under section 26O; and
 - (B) any other contingent liabilities (including any guarantees or indemnities given under any Act); and
 - (ii) that discloses the rules used to determine what is and is not a fiscal risk; and
 - (c) a statement of all significant accounting policies (including any changes from the accounting policies contained in the annual financial statements of the Government most recently presented to the House of Representatives or published under section 31); and
 - (d) in relation to each forecast financial statement required by subsections (1) and (2)(a) and, if appropriate, subsection (2)(b),—
 - (i) comparative budgeted and estimated actual figures for the financial year immediately before the first of the financial years to which the fiscal forecasts relate; and
 - (ii) comparative actual figures for the financial year that is 2 years before the first of the financial years to which the fiscal forecasts relate; and
 - (e) a statement of all significant assumptions underlying the fiscal forecasts; and
 - (f) a statement that shows the sensitivity of the fiscal aggregates to changes in economic conditions.

- (4) The fiscal forecasts must be for the same reporting entity as the annual financial statements of the Government to be prepared under section 27 for the first of the financial years to which the fiscal forecasts relate.

Section 26Q: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26R Annual statement of tax policy changes

- (1) The statement of tax policy changes contained in the economic and fiscal update prepared under section 26O must set out—
- (a) a summary and quantitative assessment of tax policy changes that have resulted in a material change to the tax revenue forecasts for the financial year to which the update relates and at least the next 2 financial years; and
 - (b) the basis for determining whether or not a particular tax policy change should be included in that summary.
- (2) In this section, **tax policy change** includes—
- (a) a change in tax legislation that has been enacted since the most recent statement of tax policy changes prepared under this section; and
 - (b) a proposed change in tax legislation that has been approved by the Government (whether set out in a Bill that has been introduced into the House of Representatives or otherwise).

Section 26R: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26S Half-year economic and fiscal update

- (1) The Minister must, not earlier than 1 November nor later than 31 December in each financial year,—
- (a) arrange to be published a half-year economic and fiscal update prepared by the Treasury; and
 - (b) present the update to the House of Representatives.
- (2) However, if a half-year economic and fiscal update has not been presented by 31 December in a financial year because Parliament has not been in session since the date that the update was published, the Minister must present the half-year economic and fiscal update as soon as possible after the next meeting of Parliament.

- (3) The half-year economic and fiscal update must—
- (a) include the information required by sections 26O(3)(a) and (4), 26P, 26Q, and 26U to be included in the economic and fiscal update prepared under section 26O, except that—
 - (i) the reference to estimated actual figures in section 26Q(3)(d)(i) must be read as if it were a reference to actual figures; and
 - (ii) the actual figures required by section 26Q(3)(d)(ii) are not required; and
 - (b) be accompanied by a statement of responsibility.
- (4) However, the Minister is not required to arrange the publication of the half-year economic and fiscal update in any financial year if, in the period of that financial year beginning on 1 October and ending on 31 December, a pre-election economic and fiscal update—
- (a) has been published under section 26T; or
 - (b) is required to be published under that section.

Section 26S: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26T Pre-election economic and fiscal update

- (1) The Minister must, not earlier than 30 working days, nor later than 20 working days, before the day appointed as polling day in relation to any general election of members of the House of Representatives, arrange to be published a pre-election economic and fiscal update prepared by the Treasury.
- (2) The pre-election economic and fiscal update must,—
- (a) except as provided in subsection (3), include the information required by sections 26O(3)(a) and (4), 26P, 26Q, and 26U to be included in the economic and fiscal update prepared under section 26O; and
 - (b) be accompanied by a statement of responsibility.
- (3) If, before the day on which a pre-election economic and fiscal update is required to be published under this section, the annual financial statements of the Government for the financial year immediately before the first of the financial years to which the fiscal forecasts relate have been presented to the House of Representatives or published under section 31,—

- (a) the reference to estimated actual figures in section 26Q(3)(d)(i) must be read as if it were a reference to actual figures; and
 - (b) the actual figures required by section 26Q(3)(d)(ii) are not required.
- (4) If the day of the dissolution of Parliament is less than 30 working days before the day appointed as polling day in relation to the general election of members of the House of Representatives, the Minister must arrange for the pre-election economic and fiscal update required under this section to be published not later than 10 working days after the day of the dissolution of Parliament.
- (5) The Minister must, as soon as possible after the next meeting of Parliament, present to the House of Representatives a copy of the update published under this section.

Section 26T: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Disclosure requirements for economic and fiscal updates

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26U Disclosure of policy decisions and other circumstances that may influence future fiscal situation

- (1) An economic and fiscal update prepared under section 26O or section 26S or section 26T must incorporate, to the fullest extent possible that is consistent with section 26V, all Government decisions and all other circumstances that may have a material effect on the fiscal and economic outlook.
- (2) If the fiscal implications of Government decisions and other circumstances referred to in subsection (1) can be quantified for particular years with reasonable certainty by the day on which the forecast financial statements are finalised, the quantified fiscal implications of those Government decisions and other circumstances must be included in the forecast financial statements.
- (3) If the fiscal implications of Government decisions and other circumstances referred to in subsection (1) cannot be quan-

tified for or assigned to particular years with reasonable certainty by the day on which the forecast financial statements are finalised, those Government decisions and other circumstances must be disclosed in the statement of specific fiscal risks of the Government required by section 26Q(3)(b).

Section 26U: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26V Limits on disclosure requirements

Sections 26Q(2)(b) and 26U(1) do not apply to a decision, circumstance, or statement if the Minister, together with any other Minister designated for the purpose of this section, determines that—

- (a) to incorporate that decision, circumstance, or statement in an economic and fiscal update is likely—
 - (i) to prejudice the substantial economic interests of New Zealand; or
 - (ii) to prejudice the security or defence of New Zealand or the international relations of the Government; or
 - (iii) to compromise the Government in a material way in negotiation, litigation, or commercial activity; or
 - (iv) to result in material loss of value to the Government; and
- (b) there is no reasonable or prudent way the Government can avoid this prejudice, compromise, or material loss,—
 - (i) in the case of a circumstance, by making a decision before the day on which the forecast financial statements are finalised; or
 - (ii) in the case of a decision or circumstance, by incorporating in the update the fiscal implications of that decision or circumstance, or the nature of that decision or circumstance, but without reference to its fiscal implications; or
 - (iii) in the case of a statement, by incorporating that statement in the update.

Section 26V: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Statement of responsibility

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26W Requirements for statement of responsibility

- (1) The statement of responsibility required by section 26O or section 26S or section 26T must be signed by—
 - (a) the Minister; and
 - (b) any other Minister designated for all or any of the purposes of subsection (2)(a) to (c); and
 - (c) the Secretary.
- (2) The statement of responsibility must comprise—
 - (a) a statement by the Minister, and any other Minister designated for the purpose of this paragraph, that the following matters have been communicated to the Secretary:
 - (i) all policy decisions with material economic or fiscal implications that the Government has made before the day on which the contents of an economic and fiscal update or of the relevant aspect of the update were finalised; and
 - (ii) all other circumstances with material economic or fiscal implications of which the Minister and that other Minister (if any) were aware before that day; and
 - (b) a statement by the Secretary that the Treasury has supplied to the Minister, and to any other Minister designated for the purpose of this paragraph, an economic and fiscal update—
 - (i) that incorporates the fiscal and economic implications of the decisions and circumstances referred to in paragraph (a); but
 - (ii) that does not incorporate any decisions, circumstances, or statements that the Minister and any other Minister designated for the purpose of section 26V have determined under that section should not be incorporated in that update; and

- (c) a statement of the responsibility of the Minister, and of any other Minister designated for all or any of the purposes of this paragraph and paragraphs (a) and (b),—
 - (i) for the integrity of the disclosures contained in the update; and
 - (ii) for the consistency with the requirements of this Part of the information contained in the update; and
 - (iii) for the omission from the update under section 26V of any decision, circumstance, or statement.
- (3) The statement referred to in subsection (2)(b) must be accompanied by a statement that the economic and fiscal update has been prepared by the Treasury—
 - (a) using its best professional judgments; and
 - (b) on the basis of economic and fiscal information available to it before the day on which the contents of the update or the relevant aspect of the update were finalised.

Section 26W: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Miscellaneous

Heading: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26X Certain statements and updates may be published in advance of presentation to House of Representatives

The Minister may arrange for the following to be published in advance of their being presented to the House of Representatives:

- (a) a budget policy statement under section 26M(1):
- (b) a half-year economic and fiscal update under section 26S(1):
- (c) a pre-election economic and fiscal update under section 26T(1).

Section 26X: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26Y Notification and availability of reports, statements, or updates

- (1) The Minister or, as the case may be, the Secretary must arrange to be published in the *Gazette* a notice about each of the following:
 - (a) a fiscal strategy report presented to the House of Representatives under section 26I(1):
 - (b) a budget policy statement presented to the House of Representatives under section 26M(1) or published under section 26X:
 - (c) a statement on the long-term fiscal position presented to the House of Representatives under section 26N(1):
 - (d) an economic and fiscal update presented to the House of Representatives under section 26O(1):
 - (e) a half-year economic and fiscal update presented to the House of Representatives under section 26S(1) or published under section 26X:
 - (f) a pre-election economic and fiscal update published under section 26T(1).
- (2) The notice must—
 - (a) indicate where copies of the report, statement, or update are available—
 - (i) for inspection by members of the public free of charge at the place where the notice indicated they would be available; and
 - (ii) for purchase by members of the public at the place where the notice indicated they would be available; and
 - (b) in the case of a statement or update referred to in section 26X, indicate whether the statement or update has been published in advance of being presented to the House of Representatives.
- (3) The Secretary must, for at least 6 months after the date of the publication of the notice, arrange for copies of the report, statement, or update referred to in that notice to be available—
 - (a) for inspection by members of the public free of charge; and
 - (b) for purchase by members of the public.

Section 26Y: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

26Z Power of Secretary to obtain information

- (1) The Secretary may request any department or any entity referred to in section 27(3)(a) to (f), or any entity that manages an asset or liability of the Government, to supply to the Secretary any information that is necessary to enable the preparation of any fiscal forecasts and projections referred to in sections 26L, 26N, 26O, 26Q, 26S, and 26T.
- (2) A request under subsection (1)—
 - (a) must be in writing; and
 - (b) may state the date by which, and the manner in which, the information requested must be provided.
- (3) If a date is stated under subsection (2)(b), that date must be reasonable having regard to the time limits prescribed by this Act for presenting to the House of Representatives, or for publishing, the report or update for which the information is being requested.
- (4) A department or entity to whom the request is made must comply with the request.

Section 26Z: inserted, on 25 January 2005, by section 7 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 3
**Reporting by Government reporting
entity**

Part 3 heading: substituted, on 25 January 2005, by section 8 of the Public Finance Amendment Act 2004 (2004 No 113).

27 Annual financial statements of Government

- (1) The Treasury must, as soon as practicable after the end of each financial year, prepare annual consolidated financial statements for the Government reporting entity for that financial year.
- (2) The annual financial statements of the Government must—
 - (a) be prepared in accordance with generally accepted accounting practice; and

- (b) include the forecast financial statements prepared under section 26Q, for comparison with the actual financial statements; and
 - (c) include, in addition to those financial statements required by generally accepted accounting practice,—
 - (i) a statement of borrowings that reflects the borrowing activities for that year, including budgeted figures for that year and comparative actual figures for the previous financial year:
 - (ii) a statement of unappropriated expenses and capital expenditure:
 - (iii) a statement of emergency expenses and capital expenditure incurred under section 25:
 - (iv) a statement of trust money administered by departments and Offices of Parliament:
 - (v) any additional information and explanations needed to fairly reflect the consolidated financial operations of the Government reporting entity for the financial year and its consolidated financial position at the end of that year.
- (3) The annual financial statements of the Government must include the Government reporting entity's interests in—
- (a) all Crown entities named or described in the Crown Entities Act 2004:
 - (b) all organisations named or described in Schedule 4:
 - (c) all State enterprises named in Schedule 1 of the State-Owned Enterprises Act 1986:
 - (d) all Offices of Parliament:
 - (e) the Reserve Bank of New Zealand:
 - (f) any other entity whose financial statements must be consolidated into the financial statements of the Government reporting entity to comply with generally accepted accounting practice.

Compare: 1989 No 44 s 27

Section 27: substituted, on 25 January 2005, by section 9 of the Public Finance Amendment Act 2004 (2004 No 113).

28 Half-year financial statements of the Crown

[Repealed]

Section 28: repealed, on 12 December 2000, by section 4 of the Public Finance Amendment Act 2000 (2000 No 78).

29 Responsibility for annual financial statements of Government

- (1) Every annual financial statement shall be accompanied by a statement of responsibility signed by the Minister, any other Minister designated by the Prime Minister for either or both of the purposes of paragraphs (a) and (d) of subsection (2), and the Secretary.
- (2) The statement of responsibility shall comprise—
 - (a) a statement of the responsibility of the Minister, and of any other Minister designated by the Prime Minister for the purpose of this paragraph, for the integrity of the financial statements; and
 - (b) a statement of the Treasury's responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Government reporting entity; and
 - (c) a statement by the Secretary that the Treasury has prepared the financial statements in accordance with generally accepted accounting practice; and
 - (d) a statement that, in the opinion of the Minister, and of any other Minister designated by the Prime Minister for the purpose of this paragraph, the financial statements fairly reflect the consolidated financial position and operations of the Government reporting entity for the reporting period.

Section 29: substituted, on 1 July 1994, by section 22 of the Public Finance Amendment Act 1994 (1994 No 18).

Section 29 heading: amended, on 25 January 2005, by section 10(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 29(1): substituted, on 25 June 1997, by section 2 of the Treasurer (Statutory References) Act 1997 (1997 No 20).

Section 29(1): amended, on 12 December 2000, by section 5 of the Public Finance Amendment Act 2000 (2000 No 78).

Section 29(2)(a): substituted, on 25 June 1997, by section 2 of the Treasurer (Statutory References) Act 1997 (1997 No 20).

Section 29(2)(b): amended, on 25 January 2005, by section 10(2) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 29(2)(d): substituted, on 25 January 2005, by section 10(3) of the Public Finance Amendment Act 2004 (2004 No 113).

29A Power of Secretary to obtain information

- (1) The Secretary may request any department or any entity referred to in section 27(3)(a) to (f), or any entity that manages an asset or liability of the Government reporting entity that is included in the annual financial statements referred to in section 27, to supply to the Secretary any information that is necessary to enable—
 - (a) the preparation of those financial statements and the monthly financial statements referred to in section 31A; or
 - (b) the Minister or the Secretary to meet their obligations under section 29.
- (2) A request under subsection (1)—
 - (a) must be in writing; and
 - (b) may state the date by which, and the manner in which, the information requested must be provided.
- (3) If a date is stated under subsection (2)(b), that date must be reasonable having regard to the time limits prescribed by this Act for presenting to the House of Representatives, or for publishing, the annual or monthly financial statements of the Government.
- (4) A department or entity to whom the request is made must comply with the request.

Section 29A: substituted, on 25 January 2005, by section 11 of the Public Finance Amendment Act 2004 (2004 No 113).

29B Auditor-General to be auditor of Government reporting entity

For the purposes of this Act the Government reporting entity is a public entity as defined in section 4 of the Public Audit Act 2001 and, in accordance with that Act, the Auditor-General is its auditor.

Section 29B: inserted, on 1 July 2001, by section 53 of the Public Audit Act 2001 (2001 No 10).

Section 29B heading: amended, on 25 January 2005, by section 12(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 29B: amended, on 25 January 2005, by section 12(2) of the Public Finance Amendment Act 2004 (2004 No 113).

30 Audit report

- (1) The Treasury must forward the annual financial statements of the Government to the Auditor-General not later than the end of the second month following the end of the financial year to which those statements relate.
- (2) The Auditor-General must—
 - (a) audit the annual financial statements of the Government; and
 - (b) provide an audit report on those statements to the Treasury within 30 days after receiving them.

Section 30: substituted, on 25 January 2005, by section 13 of the Public Finance Amendment Act 2004 (2004 No 113).

31 Annual financial statements must be presented to House of Representatives

- (1) The Treasury must forward the annual financial statements of the Government and the audit report to the Minister.
- (2) The Minister must present the annual financial statements and the audit report, together with the statement of responsibility, to the House of Representatives—
 - (a) not later than 10 working days after the Treasury receives the audit report; or
 - (b) if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (3) The Minister must arrange for the annual financial statements, the audit report, and the statement of responsibility to be published—
 - (a) as soon as practicable after they have been presented to the House of Representatives; but
 - (b) in any case, not later than 15 working days after the audit report is provided to the Treasury.

Section 31: substituted, on 25 January 2005, by section 13 of the Public Finance Amendment Act 2004 (2004 No 113).

31A Monthly financial statements of Government

- (1) The Treasury must, as soon as practicable after the end of each month (except the first 2 months and the last month) in each financial year, prepare consolidated financial statements for the Government reporting entity for the period of the financial year to the end of the month concerned.
- (2) The monthly financial statements must—
 - (a) be prepared in accordance with generally accepted accounting practice; and
 - (b) include, in addition to those financial statements required by generally accepted accounting practice,—
 - (i) a statement of borrowings that reflects the borrowing activities for the period of the financial year to the end of the month concerned;
 - (ii) any additional information and explanations needed to fairly reflect the consolidated financial operations of the Government reporting entity for the period of the financial year to the end of the month concerned and the consolidated financial position at the end of that month;
 - (iii) in relation to the financial statements required by generally accepted accounting practice and the statement required by subparagraph (i),—
 - (A) budgeted figures for the period of the financial year to the end of the month concerned;
 - (B) comparative actual figures for the period of the previous financial year to the end of the corresponding month.
- (3) The monthly financial statements prepared under subsection (1) must be for the same Government reporting entity as the annual financial statements prepared under section 27 for the financial year to which the monthly financial statements relate.
- (4) The Minister must arrange for the monthly financial statements to be published not later than,—
 - (a) in the case of the financial statements to the end of November, the last day of January in the following year; and

- (b) in the case of the financial statements to the end of December, the last day of February in the following year; and
- (c) in any other case, 6 weeks after the end of the period to which they relate.

Compare: 1989 No 44 ss 30–31A

Section 31A: substituted, on 25 January 2005, by section 13 of the Public Finance Amendment Act 2004 (2004 No 113).

31B Publication, inspection, and purchase of financial statements of Government reporting entity

- (1) The Minister shall, in respect of the annual and monthly consolidated financial statements for the Government reporting entity required by sections 27 and 31A, arrange for publication in the *Gazette* of a notice—
 - (a) indicating, where the financial statements are published in advance of or without being laid before the House of Representatives, that the financial statements have been published; and
 - (b) showing where copies of the financial statements are available for inspection free of charge; and
 - (c) showing where copies of the financial statements are available for purchase.
- (2) The Secretary shall, for at least 6 months after the date of the publication of the notice required by subsection (1), cause copies of the financial statements of the Government reporting entity referred to in that notice to be available—
 - (a) for inspection by members of the public free of charge; and
 - (b) for purchase by members of the public.

Section 31B: inserted, on 1 July 1994, by section 26 of the Public Finance Amendment Act 1994 (1994 No 18).

Section 31B heading: amended, on 25 January 2005, by section 14(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 31B(1): amended, on 25 January 2005, by section 14(2)(a) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 31B(1): amended, on 12 December 2000, by section 9(a) of the Public Finance Amendment Act 2000 (2000 No 78).

Section 31B(1)(b): amended, on 25 January 2005, by section 14(2)(c) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 31B(1)(c): amended, on 25 January 2005, by section 14(2)(c) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 31B(2): amended, on 25 January 2005, by section 14(2)(b) of the Public Finance Amendment Act 2004 (2004 No 113).

32 Monthly cash flow statements

[Repealed]

Section 32: repealed, on 21 December 1992, by section 22 of the Public Finance Amendment Act 1992 (1992 No 142).

32A Additional reports in relation to non-departmental appropriations

- (1) This section applies if, in any financial year, an Appropriation Act—
 - (a) lists an appropriation or a class of outputs within an appropriation for which expenses or capital expenditure are to be incurred other than by departments or Offices of Parliament; and
 - (b) states that the appropriation or class of outputs is, in whole or part, subject to this section.
- (2) The Minister responsible for each appropriation or class of outputs must, within 3 months of the end of that financial year, prepare and present to the House of Representatives a report that complies with subsection (3).
- (3) The report must include—
 - (a) a statement of service performance prepared in accordance with generally accepted accounting practice in relation to that appropriation or class of outputs that compares the service performance that was achieved with the service performance that was forecast to be achieved; or
 - (b) if the type and scope of the appropriation is such that a statement of service performance is inappropriate, a statement of the results produced or achieved in relation to that appropriation that compares those results with the results that were forecast to be produced or achieved from the expenses or capital expenditure.
- (4) The report must also compare the actual expenses or capital expenditure incurred in relation to that appropriation or class

of outputs with the expenses or capital expenditure that were appropriated or forecast to be incurred.

- (5) Despite subsection (3), the report does not need to include a statement of service performance in relation to a part of an appropriation or a class of outputs on which another entity is required to report in its statement of service performance if an Appropriation Act that lists the appropriation or class of outputs so provides.
- (6) The Minister responsible for the appropriation or class of outputs must arrange for the report to be published if he or she is requested to do so by the Minister.

Compare: 1989 No 44 s 32A

Section 32A: substituted, on 25 January 2005, by section 15 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 4

Reporting by departments

Part 4: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

33 Interpretation

In this Part, any activities, bodies, or statutory offices that are funded by way of appropriation and that are not natural persons or separate legal entities must be taken to be part of a department.

Section 33: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Responsibilities of chief executives

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

34 Responsibilities of departmental chief executives: financial management

The chief executive of a department—

- (a) is responsible to the responsible Minister for the financial management and financial performance of the department; and

- (b) must comply with any lawful financial actions required by the Minister or the responsible Minister.

Section 34: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

34A Forecast financial statements of departments

[Repealed]

Section 34A: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

35 Responsibilities of departmental chief executives: reporting

The chief executive of a department is responsible to the responsible Minister for ensuring that the department complies with the reporting requirements imposed on the department by or under this or any other Act.

Section 35: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

36 Departmental chief executives not responsible for financial performance of other entities

The chief executive of a department is not responsible for the outputs or financial performance of a Crown entity named or described in the Crown Entities Act 2004, an organisation named or described in Schedule 4, or a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986, even though the Crown entity, organisation, or State enterprise is wholly or partly funded through a Vote administered by the department.

Section 36: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Power of chief executives to obtain information

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

37 Power of departmental chief executives to obtain information

- (1) The chief executive of a department may request any specified person to supply to the chief executive any information that is necessary to enable the chief executive to carry out his or her responsibilities in relation to the department under sections 34 and 35.
- (2) A request under subsection (1)—
 - (a) must be in writing; and
 - (b) may state the date by which, and the manner in which, the information requested must be provided.
- (3) If a date is stated under subsection (2)(b), that date must be reasonable, having regard to the time limits prescribed by this Act or any other Act for the department to discharge its reporting obligations.
- (4) A specified person to whom the request is made must comply with the request.
- (5) Nothing in this section limits or affects the privilege against self-incrimination.
- (6) In this section, **specified person** means a person who is responsible for any activities, bodies, or statutory offices that, under section 33, are taken to be part of a department.

Section 37: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Reporting requirements—Information on future operating intentions

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

38 Departments must provide information on future operating intentions

- (1) A department must, before the start of each financial year and not later than the date specified by its responsible Minister, provide information on the department's future operating intentions.
- (2) The information must relate to the forthcoming financial year and, for the purposes of section 40, to at least the next 2 financial years.

- (3) However, if the Government has announced that the department is to be disestablished or significantly restructured during the period referred to in subsection (2), the department may, with the agreement of its responsible Minister and the Minister, provide information under subsection (1) for a lesser period.
- (4) The department must provide the information to its responsible Minister who must forward a copy of it to,—
 - (a) in the case of an intelligence and security department, the members of the Intelligence and Security Committee established under the Intelligence and Security Committee Act 1996 as soon as practicable after the introduction of the first Appropriation Bill that relates to the financial year; or
 - (b) in the case of any other department, the Minister in time for him or her to present the information, as required by section 39.

Section 38: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

39 Obligation to present and publish information on future operating intentions

- (1) The Minister must present the information for each department (other than an intelligence and security department) to the House of Representatives immediately after he or she has delivered the Budget for the financial year to which the information relates.
- (2) The information presented under subsection (1) must—
 - (a) be taken to have been presented by the responsible Minister concerned; and
 - (b) be accompanied by—
 - (i) a statement signed by the responsible Minister stating that the information is consistent with the policies and performance expectations of the Government; and
 - (ii) if section 38(3) applies, the explanation of the responsible Minister as to why the information was not presented for the period referred to in section 38(2).

- (3) As soon as practicable after the information is presented under subsection (1), the department concerned must publish the information in accordance with the manner (if any)—
- (a) prescribed by regulations made under this Act; or
 - (b) specified in instructions issued under this Act.

Section 39: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

40 Requirements for information on future operating intentions

The information required under section 38 must set out and explain for the period to which it relates—

- (a) the nature and scope of the department's functions and intended operations; and
- (b) the specific impacts, outcomes, or objectives that the department seeks to achieve or to contribute to through its operations; and
- (c) how the department intends to—
 - (i) perform its functions and conduct its operations to achieve those impacts, outcomes, or objectives; and
 - (ii) effectively manage those functions and operations within a changeable operating environment; and
- (d) the main measures and standards that the department intends to use to assess and report on matters relating to the department's future performance, including, without limitation, the following matters:
 - (i) the impacts, outcomes, or objectives achieved or contributed to by the department (including possible unintended impacts or negative outcomes);
 - (ii) the cost-effectiveness of the interventions that the department delivers or administers;
 - (iii) the department's organisational health and capability to perform its functions and conduct its operations effectively; and
- (e) any other matters that—

- (i) are reasonably necessary to achieve an understanding of the department's operating intentions and direction; or
- (ii) may be specified by the Minister or the responsible Minister for the purposes of subparagraph (i).

Section 40: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41 Extra information required for first financial year

- (1) The information required under section 38 must include, for the first financial year of the period to which it relates,—
 - (a) forecast financial statements for the department that have been prepared in accordance with generally accepted accounting practice; and
 - (b) a statement of all significant assumptions underlying the forecast financial statements; and
 - (c) any other information or explanations needed to fairly reflect the department's forecast financial operations and financial position; and
 - (d) comparative budgeted and estimated actual figures for the previous financial year for the forecast financial statements; and
 - (e) a statement of forecast service performance that—
 - (i) describes each class of outputs the department proposes to supply during the financial year; and
 - (ii) includes measures and forecast standards of output delivery for each class of outputs; and
 - (iii) identifies the expected revenue to be earned and the proposed output expenses to be incurred for each class of outputs; and
 - (iv) has been prepared in accordance with generally accepted accounting practice; and
 - (f) any other measures and standards necessary to assess the department's performance at the end of the financial year.
- (2) The information for each class of outputs that is included in a statement of forecast service performance in accordance with

subsection (1)(e) must be agreed by the Minister responsible for the appropriation that includes that class of outputs.

Section 41: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41A Special provisions in relation to annual financial statements of school Board of Trustees

[Repealed]

Section 41A: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41B Special provisions in relation to annual financial statements of Boards under Reserves Act 1977

[Repealed]

Section 41B: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41C Draft statement of intent

[Repealed]

Section 41C: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41D Contents of statement of intent

[Repealed]

Section 41D: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41E Completed statement of intent

[Repealed]

Section 41E: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41F Laying of statement of intent before House of Representatives

[Repealed]

Section 41F: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41G Power of responsible Minister to require Crown entity to modify statement of intent*[Repealed]*

Section 41G: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41H Power of Crown entity to modify statement of intent*[Repealed]*

Section 41H: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

41I Annual report of Crown entities named or described in Schedule 6*[Repealed]*

Section 41I: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

42 Information on future operating intentions must include statement of responsibility

- (1) The information required under section 38 must also include a statement of responsibility that is—
 - (a) signed by the department's chief executive; and
 - (b) countersigned by the department's chief financial officer.
- (2) The statement of responsibility must comprise—
 - (a) a statement of the chief executive's responsibility for the information; and
 - (b) a statement that certifies that the information is consistent with—
 - (i) existing appropriations; and
 - (ii) the appropriations set out in the first Appropriation Bill that relates to the financial year in question.

Section 42: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Reporting requirements—Annual reports

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

43 Departments must prepare annual reports

- (1) As soon as practicable after the end of each financial year, a department must—
 - (a) prepare a report on the operations of the department for that financial year; and
 - (b) provide the report to its responsible Minister.
- (2) Subsection (1) does not derogate from any provision in any other Act that requires the chief executive of a department to present an annual report, but it is not necessary for the chief executive to provide a separate report under each enactment.

Section 43: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

44 Obligation to present and publish departmental annual reports

- (1) A responsible Minister must present a department's annual report to the House of Representatives—
 - (a) not later than 15 working days after the audit report is provided under section 45D; or
 - (b) if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (2) A department must publish its annual report—
 - (a) as soon as practicable after it has been presented to the House of Representatives, but in any case not later than 15 working days after the audit report is provided under section 45D; and
 - (b) in accordance with the manner (if any)—
 - (i) prescribed by regulations made under this Act; or
 - (ii) specified in instructions issued under this Act.
- (3) If a department's annual report is published in advance of it being presented to the House of Representatives, the responsible Minister must arrange for the publication in the *Gazette* of a notice indicating that the annual report has been published.

Section 44: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

44A Laying before House of Representatives of financial statements of Crown entities (other than school Boards of Trustees and Reserves Boards)

[Repealed]

Section 44A: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

44B Annual report in relation to schools' sector

[Repealed]

Section 44B: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

44C Annual financial statements of school Boards of Trustees

[Repealed]

Section 44C: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

44D Annual financial statements of Reserves Boards

[Repealed]

Section 44D: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45 Contents of departmental annual report

- (1) A department's annual report must contain the following information in respect of the financial year to which it relates:
 - (a) information on operations that complies with subsection (2); and
 - (b) a statement of service performance in accordance with section 45A; and
 - (c) the annual financial statements for the department in accordance with section 45B; and
 - (d) the statement of responsibility in accordance with section 45C; and
 - (e) the audit report provided under section 45D; and
 - (f) any other matters that relate to or affect the department's operations that the department is required, has undertaken, or wishes to report on in its annual report.
- (2) The annual report must provide the information that is necessary to enable an informed assessment to be made of the de-

partment's performance during the financial year (including an assessment against the intentions, measures, and standards set out at the start of the financial year in the information on the department's future operating intentions in accordance with sections 40 and 41).

- (3) The annual report must be dated and signed on behalf of the department by its chief executive.

Section 45: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45A Statement of service performance

A department's statement of service performance must—

- (a) be prepared in accordance with generally accepted accounting practice; and
- (b) describe each class of outputs supplied by the department during the financial year; and
- (c) include, for each class of outputs,—
 - (i) the standards of delivery performance achieved by the department, as compared with the forecast standards included in the department's statement of forecast service performance at the start of the financial year; and
 - (ii) the actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the department's statement of forecast service performance at the start of the financial year.

Section 45A: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45B Annual financial statements

- (1) A department's annual financial statements must be prepared in accordance with generally accepted accounting practice.
- (2) In addition to the financial statements required by generally accepted accounting practice, a department's annual financial statements must include—
 - (a) any other information or explanations needed to fairly reflect the department's financial operations and financial position; and

- (b) the forecast financial statements prepared at the start of the financial year, for comparison with the actual financial statements; and
- (c) a statement of actual expenses and capital expenditure incurred against—
 - (i) each appropriation administered by the department; and
 - (ii) each class of outputs included in each output expense appropriation; and
- (d) a statement of unappropriated expenses and capital expenditure incurred in relation to the activities of, or appropriations administered by, the department, together with an explanation of the reasons for the unappropriated expenses and capital expenditure.

Section 45B: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45C Statement of responsibility

- (1) The statement of responsibility must include—
 - (a) a statement of the responsibility of the department's chief executive for the preparation of the financial statements and statement of service performance, and for the judgments made in them; and
 - (b) a statement of the responsibility of the department's chief executive for establishing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
 - (c) a statement that, in the opinion of the department's chief executive, the financial statements and statement of service performance fairly reflect the financial position and operations of the department for the reporting period.
- (2) The statement of responsibility must be—
 - (a) signed by the department's chief executive; and
 - (b) countersigned by the department's chief financial officer.

Section 45C: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45D Audit report

- (1) A department must forward to the Auditor-General—
 - (a) its annual financial statements, statement of service performance, and any other information that the Auditor-General has agreed, or is required, to audit within 2 months after the end of each financial year; and
 - (b) its annual report in a timely manner to enable the Auditor-General to review that report before providing the audit report required under subsection (2)(b).
- (2) The Auditor-General must—
 - (a) audit the statements referred to in subsection (1)(a); and
 - (b) provide an audit report on them to the department within 3 months after the end of each financial year.

Section 45D: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Miscellaneous

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45E Application of this Part to intelligence and security departments

- (1) This Part applies to an intelligence and security department, subject to subsection (2) and with the following (and any other necessary) modifications:
 - (a) section 40 must be read as if section 40(e)(ii) did not include a reference to the Minister; and
 - (b) sections 41 and 45B(1) and (2)(a) and (b) must be read as if those sections referred to the forecast or actual financial statements, prepared in accordance with generally accepted accounting practice, that, in the opinion of the responsible Minister, will fairly reflect the department's forecast or actual financial operations and financial position for that financial year; and
 - (c) section 4J of the New Zealand Security Intelligence Service Act 1969 or, as the case may be, section 12 of the Government Communications Security Bureau Act 2003 is substituted (subject to all necessary modifications) for sections 43 and 44, except that—

- (i) the report presented to the House of Representatives under section 4J(3) of the New Zealand Security Intelligence Service Act 1969 or section 12(3) of the Government Communications Security Bureau Act 2003 must include a statement that provides a record of the total of the actual expenses and capital expenditure incurred by the department for that year against the department's appropriation for that financial year (that statement being a substitute for the financial statements submitted to the responsible Minister and the Intelligence and Security Committee); and
 - (ii) the department must publish the report as soon as practicable after it has been presented to the House of Representatives; and
 - (d) sections 45C and 45D must be read as if the references to a statement of service performance were omitted.
- (2) The following provisions do not apply to an intelligence and security department:
- (a) section 39 (which requires information provided by a department on its future operating intentions to be presented to the House of Representatives and to be published):
 - (b) section 41(1)(e) (which requires the information on future operating intentions to include a statement of forecast service performance):
 - (c) section 41(2) (which provides that the information included in a statement of forecast service performance must be agreed by the Minister responsible for the appropriation):
 - (d) section 45(1)(b) (which requires a department's annual report to contain a statement of service performance):
 - (e) section 45A (which relates to the statement of service performance).

Section 45E: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45F Application of this Part to Offices of Parliament

- (1) This Part applies to an Office of Parliament, subject to subsection (2) and with the following (and any other necessary) modifications:
- (a) references to a department must be read as references to an Office of Parliament; and
 - (b) references to the Auditor-General must be read as references to an auditor appointed by the House of Representatives to audit the financial statements and statements of service performance of Offices of Parliament; and
 - (c) section 38 must be read in the manner indicated in section 45G; and
 - (d) section 40(e) must be read as if an Office of Parliament were not required to comply with the requirement for the report on future operating intentions to set out and explain any other matters that may be specified by the Minister or responsible Minister, but were instead required to have regard to those matters in the preparation of that report.
- (2) Section 39(2)(b) (which requires the information on future operating intentions to be accompanied by a statement that the information is consistent with the policy and performance expectations of the Government) does not apply to an Office of Parliament.

Section 45F: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45G This Part modified for purpose of applying Part to Offices of Parliament

- (1) For the purposes of section 45F(1)(c), this Part must be read as if, for section 38(1), there were substituted the following subsection:
- “(1) An Office of Parliament must,—
- “(a) before the start of each financial year and not later than the date on which the Office submits to the House of Representatives the information required under section 26E(1), prepare and provide to the Speaker and the House of Representatives draft information about its future operating intentions; and

- “(b) before the start of each financial year,—
- “(i) have regard to any comments on the draft information that it receives from the Speaker or a committee of the House of Representatives that considered the matter; and
- “(ii) prepare final information about its future operating intentions after complying with subparagraph (i).”
- (2) For the purposes of section 45F(1)(c), this Part must be read as if, for section 38(4), there were substituted the following subsection:
- “(4) An Office of Parliament must provide the final information to the Speaker, who must arrange for the final information to be presented to the House of Representatives, as required by section 39.”

Section 45G: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 5

Special reporting requirements

Part 5: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 1—Special annual reporting requirements

Subpart 1: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45H Application of subpart

- (1) This subpart applies to—
- (a) an entity that must provide an annual report that includes audited annual financial statements for presentation to the House of Representatives; and
- (b) an entity that must provide audited annual financial statements (rather than an annual report) for presentation to the House of Representatives.
- (2) For the purposes of subsection (1)(b), this subpart must be read as if, with all necessary modifications, every reference to an annual report were a reference to audited financial statements.

- (3) In this section and sections 45I to 45K, **provide**, in relation to a report or set of statements, means to comply with the requirements of an Act (including this Act) for the report or, as the case may be, the set of statements to be—
- (a) forwarded to an entity's auditor; or
 - (b) provided to a Minister; or
 - (c) presented to the House of Representatives.

Section 45H: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45I First annual report for newly established entities

- (1) The Minister may (at the Minister's discretion) exempt an entity that is established within 4 months before the end of a financial year from the obligation to provide an annual report for that financial year.
- (2) Despite subsection (1), an entity that administers an appropriation must, as soon as practicable after the end of that financial year, provide—
- (a) the statements required by section 45B(2)(c) and (d) (which comprise the statement of actual expenses and capital expenditure against appropriations and the statement of unappropriated expenses and capital expenditure); and
 - (b) an audit report on those statements.
- (3) An entity that is exempted under subsection (1) must, as soon as practicable after the end of the next financial year, provide an annual report that covers the period from the date on which it is established until the end of that next financial year.
- (4) To avoid doubt, the annual report referred to in subsection (3) must contain the information required to be included in the entity's annual report (except that the information must be in respect of the period referred to in that subsection).
- (5) Subsections (1) to (4) also apply to an entity that, within 4 months before the end of a financial year, becomes subject to the requirement to provide an annual report for presentation to the House of Representatives.

Section 45I: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45J Final annual report for disestablished entities

- (1) An entity that is disestablished before the end of a financial year must, as soon as practicable after the date on which it is disestablished, provide a final report (as if the final report were an annual report) for the period up until that date.
- (2) If the Minister is satisfied that it is necessary or expedient to transfer some or all of the responsibility for completing a final report to another party,—
 - (a) the Minister may approve the transfer of that responsibility; and
 - (b) if the Minister does so, the party to whom that responsibility is transferred must sign the statement of responsibility.
- (3) Subsections (1) and (2) also apply to an entity that, before the end of the financial year, ceases to be subject to the requirement to provide an annual report for presentation to the House of Representatives.

Section 45J: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45K Timing of special annual reports, etc

- (1) An entity that reports under section 45I must provide the statements and reports required under that section within the period specified in legislation for the entity to provide its annual report.
- (2) An entity that reports under section 45J must provide the final report within 20 working days after the end of the period specified in legislation for the entity to provide its annual report (except that the period so specified must start on the date on which the entity is disestablished, rather than at the end of the financial year).
- (3) Despite subsection (2) and section 45J(1), the Minister may allow an entity that ceases to be subject to the requirement to provide an annual report before the end of a financial year, but that is not disestablished, to provide the final report as soon as practicable after the end of the financial year on—
 - (a) the condition that the entity's final report contains the information that the entity is required to include in its

annual report for at least the period up until the date on which it ceases to be so subject; and

- (b) any other conditions that the Minister thinks fit.

Section 45K: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45L Minister may allow certain information to be included in another entity's annual report if operations transferred

- (1) This section applies if—
- (a) an entity is disestablished during the entity's financial year; and
 - (b) that entity's operations are transferred to 1 or more entities; and
 - (c) those operations are, at the time of the transfer, to be carried out on substantially the same terms by the entity to whom they are transferred.
- (2) The Minister may exempt the entity from whom operations are transferred from the requirement to include in its final report—
- (a) a statement of service performance; and
 - (b) a full report on its operations.
- (3) The Minister may grant an exemption under subsection (2)—
- (a) on the condition that—
 - (i) the information referred to in subsection (2)(a) and (b) is subsequently included, at the end of that financial year, in the annual report of the entity to whom the operations are transferred; and
 - (ii) the entity to whom those operations are transferred has not been exempted under section 45I; and
 - (b) only if the Minister is satisfied that the inclusion of that information in the other entity's annual report in accordance with paragraph (a)(i) does not unreasonably compromise accountability for the performance of those operations during that financial year.

Section 45L: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 2—Application of provisions of Crown Entities Act 2004 to organisations named or described in Schedule 4

Subpart 2: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45M Provisions of Crown Entities Act 2004 that apply to all Schedule 4 organisations

- (1) The following provisions of the Crown Entities Act 2004 apply to an organisation named or described in Schedule 4, as if the organisation were a Crown entity under the Crown Entities Act 2004:
 - (a) sections 133 and 134 (which relate to supply of information):
 - (b) sections 154 to 156 and any regulations that apply to the matters referred to in those sections:
 - (c) section 158 (which relates to bank accounts).
- (2) Section 150 of the Crown Entities Act 2004 applies to an organisation that is named or described in Schedule 4 and that is not required to produce an annual report as if the annual financial statements required under subsection (1)(b) were an annual report.
- (3) An organisation named or described in Schedule 4 that is required to produce a statement of service performance must present that statement to the House of Representatives with the annual financial statements required under subsection (1)(b).
- (4) The provisions applied by this section apply to the organisation subject to any negation or modification of the provision in the entity's Act.
- (5) A provision that applies to a parent organisation, and any negation or modification of the provision in the entity's Act, applies also to the subsidiaries of the organisation, except to the extent that the entity's Act provides otherwise.

Section 45M: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45N Some provisions of Crown Entities Act 2004 applied to some Schedule 4 organisations

- (1) A provision of the Crown Entities Act 2004 that is listed in column 2 of Schedule 4 as applying to an organisation named or described in that schedule applies to that organisation as if the organisation were a Crown entity under the Crown Entities Act 2004.
- (2) However, the Minister may exempt an organisation named or described in Schedule 4 from any of the requirements in sections 141, 142, 151, and 152 of the Crown Entities Act 2004.
- (3) The exemption may be granted—
 - (a) if the Minister considers that it is necessary or expedient to grant the exemption; and
 - (b) by notice in writing to the organisation, on any conditions that the Minister thinks fit.

Section 45N: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

45O Special provisions relating to Reserves Boards

- (1) Despite section 45M(2), section 150(3) and (4) of the Crown Entities Act 2004 does not apply to a Reserves Board (as defined by section 2 of the Reserves Act 1977) and accordingly, the Minister of Conservation is not required to present the annual financial statements of a Reserves Board to the House of Representatives.
- (2) The Minister of Conservation must, in each year, send to each member of Parliament copies of the annual financial statements of a Reserves Board that manages a reserve in the member's electoral district.
- (3) The copies must be sent not later than 1 month after the date on which an audit report is provided by the Auditor-General on those financial statements.
- (4) The chief executive of the Department of Conservation must ensure that information about the financial performance of Reserves Boards is, in each year, included in the annual report of the Department of Conservation.

Section 45O: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 6
Borrowing, securities, derivative
transactions, investment, banking, and
guarantees

Part 6: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 1—Borrowing

Subpart 1 heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Limits on borrowing by the Crown

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

- 46 The Crown must not borrow except under statute**
Except as expressly authorised by any Act, it is not lawful for—
- (a) the Crown to borrow money; or
 - (b) any person to lend money to the Crown.

Section 46: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

- 47 Minister may borrow on behalf of the Crown if in public interest**
- (1) The Minister, on behalf of the Crown, may borrow money if it appears to the Minister to be necessary or expedient in the public interest to do so.
 - (2) The Minister may borrow money from any person, organisation, or government (either within or outside New Zealand).
 - (3) Except as otherwise provided in any Act, all monies received as a result of money being borrowed under subsection (2) must be paid into—
 - (a) a Crown Bank Account; or
 - (b) if the Minister directs, a Departmental Bank Account.

Section 47: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

48 Power to borrow must not be delegated

Despite anything in the State Sector Act 1988, the Minister must not delegate the Minister's power to borrow money under section 47.

Section 48: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

49 The Crown not liable for debts of Crown entities, etc

- (1) The Crown is not liable to contribute towards the payment of any debts or liabilities of—
- (a) a Crown entity or an organisation named or described in Schedule 4; or
 - (b) a subsidiary of a Crown entity or of an organisation named or described in Schedule 4; or
 - (c) any entity in which a Crown entity has an interest; or
 - (d) any other agency or body corporate that is controlled or wholly owned by the Crown.
- (2) However, this section does not apply in relation to—
- (a) any sum the Crown is liable to contribute under any Act; or
 - (b) any sum the Crown is liable to contribute under any guarantee or indemnity given by the Minister under section 65ZD or the Crown Retail Deposit Guarantee Scheme Act 2009; or
 - (c) any sum the Crown is liable to pay a creditor of a Crown entity, Crown subsidiary, other agency, or other body corporate, by virtue of a cause of action that the creditor has against the Crown; or
 - (d) any sum the Crown is liable to pay to a creditor of the Reserve Bank of New Zealand.

Section 49: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 49(2)(b): amended, on 13 September 2009, by section 10(2) of the Crown Retail Deposit Guarantee Scheme Act 2009 (2009 No 30).

Appointment of borrowing agents

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

50 Minister may appoint agents for purpose of borrowing money

- (1) The Minister may appoint 2 or more persons to act on the Minister's behalf as joint borrowing agents for any of the following purposes:
- (a) borrowing money under this Act;
 - (b) issuing securities for money borrowed under this Act;
 - (c) any other purpose that is connected with the matters referred to in paragraphs (a) and (b).
- (2) An appointment under subsection (1)—
- (a) must be made by warrant signed by the Minister; and
 - (b) may be made in respect of—
 - (i) a specified officer or person; or
 - (ii) officers or persons of a specified class; or
 - (iii) the holder for the time being of a specified office or appointment; or
 - (iv) the holders for the time being of a class of offices or appointments.
- (3) The number of persons acting as borrowing agents under this section must not be less than 2.
- (4) The Minister may, at any time, by instrument signed by the Minister,—
- (a) revoke or amend a warrant of appointment under this section; or
 - (b) reappoint a person as a borrowing agent; or
 - (c) appoint another person to replace a borrowing agent—
 - (i) whose appointment is revoked; or
 - (ii) who resigns or dies.
- (5) The Minister may give notice of an appointment, or revocation of appointment, of a borrowing agent under this section by any means of communication that he or she thinks fit.

Section 50: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

51 Appointment of borrowing agents does not prevent exercise of power by Minister

The appointment by the Minister of a borrowing agent under section 50 does not prevent the exercise by the Minister of a power conferred by any Act or rule of law.

Section 51: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

52 Borrowings must be taken to be lawful

- (1) Any money that appears to have been borrowed by the Crown under this Act must be taken to have been lawfully borrowed within the powers conferred by this Act, and the person from whom the money was borrowed may not question whether, or to what extent, authority has been given or occasion has arisen for the exercise of those powers.
- (2) The fact that a borrowing agent exercises any powers relating to money borrowed by the Crown is, in the absence of proof to the contrary, conclusive evidence of his or her authority to do so.

Section 52: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

52A Crown not to issue securities except under statute

[Repealed]

Section 52A: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

53 Borrowing agents may delegate powers

- (1) A borrowing agent appointed under section 50 may delegate all or any of the powers conferred on the borrowing agent by the Minister under that section subject to—
 - (a) the consent of the Treasury; and
 - (b) the requirement under section 50(3) that the number of persons acting as borrowing agents must not be less than 2.
- (2) The delegation may—
 - (a) be made by a borrowing agent acting jointly or severally with any other borrowing agent; and
 - (b) be made to 1 or more persons; and
 - (c) be subject to any conditions that the delegating agent, or agents, think fit.

Section 53: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Terms and conditions of borrowing

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

54 Minister may determine terms and conditions of borrowing

For the purposes of section 47, the Minister may borrow money on any terms and conditions that the Minister thinks fit.

Section 54: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

55 Charge on public revenues

All principal, interest, and other money that is payable in relation to money borrowed by the Crown is a charge on, and payable out of, the revenues of the Crown equally and rateably with all other general borrowing obligations of the Crown.

Section 55: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

56 Power to borrow by issue of series of similar securities

The power conferred on the Minister under section 47 includes the power to borrow money—

- (a) by way of the issue of public securities in 1 or more series (for example, Treasury bills or commercial paper); and
- (b) under 1 or more agreements between the Crown and 1 or more specified banks, financial institutions, or security dealers.

Section 56: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

57 Power to vary borrowings of the Crown

- (1) The Minister may, at any time, vary the terms and conditions of borrowings of the Crown with the consent, if necessary, of the person from whom the money was borrowed.
- (2) At the request of the person from whom money was borrowed, the Minister may—

- (a) direct that the principal, or any interest payable in respect of the principal, be paid at a place in New Zealand or elsewhere that is other than the place otherwise provided; and
- (b) revoke the direction and give other directions.

Section 57: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

58 Conversion of money borrowed by the Crown

- (1) The Minister may, at any time, convert any money borrowed by the Crown into any other money borrowed by the Crown.
- (2) In exercising a power under subsection (1), the Minister—
 - (a) may do so on any terms and conditions that the Minister thinks fit; and
 - (b) must, if necessary, do so with the consent of, as the case may be,—
 - (i) the person from whom the money was borrowed; or
 - (ii) the holder of the securities issued in respect of the money borrowed.

Section 58: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

58A Authority for the giving by the Crown of guarantees and indemnities

[Repealed]

Section 58A: repealed, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

59 Minister may appoint underwriters, managers, etc, for borrowings of the Crown

- (1) The Minister, on behalf of the Crown, may enter into an agreement with a bank, financial institution, or other person for the purpose of appointing the bank, institution, or person to act in any of the following capacities for, or in connection with, the borrowing of money under this Act:
 - (a) an underwriter; or
 - (b) a manager; or
 - (c) a dealer; or

- (d) a trustee; or
 - (e) a registrar; or
 - (f) a paying, fiscal, or other agent.
- (2) The Minister may enter into the agreement on any terms and conditions that the Minister thinks fit.

Section 59: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Payments relating to borrowings

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

60 Payment of principal and interest on money borrowed by the Crown

- (1) Subject to the provisions of this Act,—
- (a) all principal payable in respect of money borrowed by the Crown—
 - (i) must be paid without further authority than this section; and
 - (ii) must be paid from a Crown Bank Account or, if the Minister directs, a Departmental Bank Account; and
 - (b) all borrowing expenses in respect of money borrowed by the Crown may be incurred without further appropriation, and must be paid without further authority, than this section.
- (2) Subsection (1) does not apply to money borrowed by the Crown under—
- (a) hire purchase agreements or agreements that are of the same or a substantially similar nature; and
 - (b) finance lease arrangements or arrangements that are of the same or a substantially similar nature.

Section 60: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

61 Expenses in respect of money borrowed by the Crown

- (1) Any expenses incurred in connection with any of the following matters may be incurred without further appropriation, and must be paid without further authority, than this section:

- (a) negotiating the borrowing of money by the Crown; or
 - (b) undertaking the borrowing; or
 - (c) managing the borrowing; or
 - (d) servicing the borrowing; or
 - (e) converting the borrowing; or
 - (f) repaying the borrowing.
- (2) Subsection (1) does not apply to expenses incurred in connection with money borrowed by the Crown under—
- (a) hire purchase agreements or agreements that are of the same or a substantially similar nature; and
 - (b) finance lease arrangements or arrangements that are of the same or a substantially similar nature.
- (3) In this section, **expenses** includes—
- (a) duties, taxes, premiums, bonuses, fees, interests, and commissions; and
 - (b) any expenses incurred on personnel and equipment necessary for the performance of functions set out in subsection (1).

Section 61: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 2—Securities

Subpart 2 heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Limits on the Crown issuing securities

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

- 62 The Crown must not issue securities except under statute**
Except as expressly authorised by any Act, the Crown must not issue securities (whether for money borrowed or any other purpose).

Section 62: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

63 Minister may issue securities for money borrowed by the Crown

- (1) This section applies if, under any Act, money is borrowed by the Crown for any purpose.
- (2) The Minister, on behalf of the Crown, may issue securities for that money in any manner and form that the Minister thinks fit.

Section 63: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

64 Issue or variation of security taken to be lawful

- (1) A security that appears to have been issued or varied under this Act must be taken to have been lawfully issued or varied, as the case may be, within the powers conferred by this Act, and neither the lender nor the holder may question whether, or to what extent, authority has been given or occasion has arisen for the exercise of those powers.
- (2) However, subsection (1) applies only if the security has been issued or varied by—
 - (a) the Minister; or
 - (b) a person acting in accordance with a delegation under the State Sector Act 1988; or
 - (c) borrowing agents appointed for the purpose under section 50.
- (3) The fact that a borrowing agent exercises any powers relating to a security is, in the absence of proof to the contrary, conclusive evidence of his or her authority to do so.

Section 64: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Terms and conditions of securities

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65 Securities must be in name of Sovereign

- (1) This section applies if—
 - (a) either of the following circumstances applies:
 - (i) a security is taken for an advance of money by the Crown; or

- (ii) a security is given for money borrowed by the Crown; and
 - (b) the Act that authorises the borrowing does not provide otherwise as to in whose name the security must be taken or given.
- (2) If this section applies,—
 - (a) the security must be taken or given in the name of the Sovereign; and
 - (b) the Minister may, on behalf of the Sovereign, do any of the following things in respect of or in connection with the security that could be done by the Sovereign:
 - (i) exercise any powers, functions, and rights (including any power of disposal); and
 - (ii) undertake and perform any liabilities.

Section 65: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65A Power to vary public securities

- (1) The Minister may, with the consent of the holder that may be necessary, at any time vary the terms and conditions of a public security.
- (2) At the request of the holder of a public security, the Minister may—
 - (a) direct that the principal, or any interest payable in respect of the principal, be paid at a place in New Zealand or elsewhere that is other than the place otherwise provided; and
 - (b) revoke the direction and give other directions.

Section 65A: substituted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65B Issue of new public security on loss, damage, or destruction of public security

- (1) The Minister may direct the issue of a new public security to replace a public security that is lost, damaged, or destroyed if the Minister is satisfied, on receiving evidence, of the loss, damage, or destruction.
- (2) The Minister may give a direction under subsection (1) subject to any conditions that the Minister thinks fit.

Section 65B: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65C Execution of securities

- (1) A security that must be executed by the Sovereign for the purposes of this Act must be executed for and on behalf of the Sovereign by—
 - (a) the Minister; or
 - (b) a person acting in accordance with a delegation under section 28 or section 41 of the State Sector Act 1988; or
 - (c) borrowing agents appointed for the purpose under section 50.
- (2) For the purposes of this section, it is enough if a facsimile of the signature of a person who is required to execute a security under this section is reproduced on the security.

Section 65C: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Payments relating to securities

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65D Payments under public securities

- (1) Subject to the provisions of this Act,—
 - (a) all principal payable under a public security—
 - (i) must be paid without further authority than this section; and
 - (ii) must be paid from a Crown Bank Account; and
 - (b) all borrowing expenses incurred under a public security may be incurred without further appropriation, and must be paid without further authority, than this section.
- (2) In this section and section 65E, **public security** does not include a guarantee or indemnity given under section 65ZD or the Crown Retail Deposit Guarantee Scheme Act 2009.

Section 65D: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 65D(2): amended, on 13 September 2009, by section 10(3) of the Crown Retail Deposit Guarantee Scheme Act 2009 (2009 No 30).

65E Expenses in respect of securities

- (1) Any expenses incurred in connection with any of the following functions may be incurred without further appropriation, and must be paid without further authority, than this section:
- (a) issuing a public security in respect of the Crown; or
 - (b) executing the public security; or
 - (c) redeeming the public security; or
 - (d) varying the public security.
- (2) In this section, **expenses** includes—
- (a) duties, taxes, premiums, bonuses, fees, and commissions; and
 - (b) any expenses incurred on personnel and equipment necessary for the performance of functions set out in subsection (1).

Section 65E: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 3—Derivative transactions

Subpart 3: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Limits on the Crown entering into derivative transactions

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65F The Crown must not enter into derivative transactions

Except as expressly authorised by any Act, the Crown must not enter (either directly or through an intermediary) into a derivative transaction.

Section 65F: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65G Minister may enter into derivative transactions if in public interest

- (1) The Minister, on behalf of the Crown, may enter into a derivative transaction if it appears to the Minister to be necessary or expedient in the public interest to do so.

- (2) The Minister may enter into a derivative transaction on any terms and conditions that the Minister thinks fit.

Section 65G: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Payments relating to derivative transactions

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65H Payments relating to derivative transactions of the Crown

- (1) Any money that is required to be paid by the Crown under a derivative transaction—
- (a) must be paid without further authority than this section; and
 - (b) must be paid from a Crown Bank Account or, if the Minister directs, a Departmental Bank Account.
- (2) Any expenses incurred in connection with any of the following matters may be incurred without further appropriation, and must be paid without further authority, than this section:
- (a) negotiating a derivative transaction; or
 - (b) managing the derivative transaction; or
 - (c) servicing the derivative transaction; or
 - (d) making payments under the derivative transaction.

Section 65H: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 4—Investment

Subpart 4: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Investment of public money

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65I Investment of public money

- (1) The Treasury may, without further appropriation than this section, invest any money held in a Crown Bank Account or a Departmental Bank Account—

- (a) on deposit with a bank (whether in New Zealand or elsewhere) approved by the Minister for the purpose; or
 - (b) in public securities; or
 - (c) in any other securities that the Minister may approve for the purpose.
- (2) The Treasury may—
- (a) invest the money for any period and on any terms and conditions that it thinks fit; and
 - (b) sell, or convert into money, any of the securities.
- (3) The following must be paid into a Crown Bank Account:
- (a) all interest received from the investment; and
 - (b) all money received from—
 - (i) the redemption or maturity of the investment; or
 - (ii) the sale or conversion of the securities.

Section 65I: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65J Payment of expenses relating to investment

- (1) All costs, charges, and expenses incurred in connection with any of the matters specified in subsection (2)—
- (a) may be incurred without further appropriation, and must be paid without further authority, than this section; and
 - (b) must be paid from a Crown Bank Account or, if the Minister directs, a Departmental Bank Account.
- (2) The matters are—
- (a) negotiating an investment referred to in section 65I; or
 - (b) placing the investment; or
 - (c) managing the investment; or
 - (d) servicing the investment; or
 - (e) converting the investment.

Section 65J: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 65J(1)(b): amended, on 7 July 2010, by section 4 of the Public Finance Amendment Act 2010 (2010 No 78).

Limits on lending by the Crown

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65K The Crown must not lend money except under statute

The Crown must not lend money to a person or organisation, except—

- (a) as expressly authorised by any Act; or
- (b) if lending the money is necessary for the Crown to—
 - (i) meet a legal obligation; or
 - (ii) properly perform a function.

Section 65K: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65L Minister may lend money to persons or organisations if in public interest

- (1) The Minister, on behalf of the Crown, may lend money to a person or organisation (whether the person or organisation is in New Zealand or elsewhere) if it appears to the Minister to be necessary or expedient in the public interest to do so.
- (2) The Minister may lend the money under subsection (1) on any terms and conditions that the Minister thinks fit.

Section 65L: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65M Minister may lend money to foreign government

- (1) The Minister, on behalf of the Crown, may lend money to the Government of another country for the purpose of assisting—
 - (a) the economic development of that country; or
 - (b) the welfare of the inhabitants of that country.
- (2) The Minister may lend the money under subsection (1) on any terms and conditions that the Minister thinks fit.

Section 65M: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65N Authority to lend money includes authority to defer payments

For the purposes of sections 65L and 65M, the authority to lend money includes the authority to defer payment, on terms and conditions that the Minister thinks fit, for any goods or services supplied or works constructed for any person, organisation, or government.

Section 65N: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65O Repayment of money lent by the Crown

The Minister may, in relation to any money lent by the Crown under section 65L or section 65M,—

- (a) accept all money payable under the loan in any currency that the Minister thinks fit; and
- (b) agree at any time to the variation of any security issued in respect of the loan.

Section 65O: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65P Appropriation required for lending

Any lending under section 65L or section 65M must be made from a capital expenditure appropriation, or other authority, approved by Parliament for the purpose.

Section 65P: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65Q Securities relating to lending must be in name of Sovereign

- (1) A security taken in respect of a loan under section 65L or section 65M must be taken in the name of the Sovereign.
- (2) The Minister may, on behalf of the Sovereign, do any of the following things in respect of, or in connection with, the security that could be done by the Sovereign:
 - (a) exercise any powers, functions, and rights (including any power of disposal); and
 - (b) undertake and perform any liabilities.

Section 65Q: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 5—Banking

Subpart 5: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Crown Bank Accounts

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65R Crown Bank Accounts

- (1) The Treasury may open, maintain, and operate 1 or more Crown Bank Accounts at a bank or banks that the Minister may direct.
- (2) The Minister may specify the terms and conditions under which a Crown Bank Account is to be operated.
- (3) To avoid doubt, a reference to the Crown Bank Account in any other enactment must, unless the context otherwise requires, be read as a reference to a Crown Bank Account.

Section 65R: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Departmental Bank Accounts

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65S Departmental Bank Accounts

- (1) A department may open, maintain, and operate 1 or more Departmental Bank Accounts at a bank or banks that the Minister or the Treasury may direct.
- (2) However, an intelligence and security department may open, maintain, and operate 1 or more Departmental Bank Accounts at banks other than those to which a direction under subsection (1) relates if the responsible Minister for that department has given his or her written authority for the department to do so.
- (3) The responsible Minister may give the authority under subsection (2) only if he or she is satisfied that the authority is needed to protect the security interests of the intelligence and security department.

Section 65S: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65T Directions relating to operation of Departmental Bank Accounts

- (1) The Minister or the Treasury may give directions on the terms and conditions under which a Departmental Bank Account must be operated.
- (2) However, in the case of an intelligence and security department, the power conferred by subsection (1) must be exercised

only on a basis agreed between the Minister and the responsible Minister for that department.

Section 65T: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

General

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65U Payment into Bank Accounts

- (1) All public money is the property of the Crown and must be lodged in either a Crown Bank Account or a Departmental Bank Account.
- (2) A department that operates a Departmental Bank Account must, subject to any directions given under section 65T, pay into that Account—
 - (a) any money that,—
 - (i) in the case of an intelligence and security department, is disbursed to the department by the Treasury on a basis agreed between the chief executive of the department and the Treasury; or
 - (ii) in the case of any other department, is disbursed to the department by the Treasury; and
 - (b) all receipts relating to departmental revenue; and
 - (c) all receipts resulting from the sale or disposal of assets by the department.
- (3) Any other public money that is not paid into a Departmental Bank Account must be paid into a Crown Bank Account.
- (4) Without limiting any provisions of this Act, any money that is paid into a Crown or Departmental Bank Account in error, or in excess of the amount required for the purpose for which it was paid, may be paid out of that Bank Account to the person who is entitled to the payment without further authority than this section.

Section 65U: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65V Requirements for payment of money out of Bank Accounts

- (1) Money must not be paid out of a Crown Bank Account or a Departmental Bank Account, except in accordance with an appropriation, or other authority, by or under an Act.
- (2) Despite subsection (1), money may be transferred—
 - (a) between Crown Bank Accounts; or
 - (b) between Crown Bank Accounts and Departmental Bank Accounts.

Section 65V: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65W Powers of Minister or Treasury in relation to Crown Bank Account and Departmental Bank Account

- (1) The Minister or the Treasury may request from any person or organisation any information in relation to a Crown Bank Account or a Departmental Bank Account.
- (2) A person or organisation to whom a request for information is made under subsection (1) must supply that information.
- (3) The Minister may, at any time, close or suspend the operation of—
 - (a) a Crown Bank Account; or
 - (b) after consultation with the responsible Minister, a Departmental Bank Account.
- (4) The Minister or the Treasury may—
 - (a) issue directions about any public money held in a Crown Bank Account or a Departmental Bank Account; and
 - (b) transfer money in a Crown Bank Account to another Crown Bank Account or a Departmental Bank Account; and
 - (c) after consultation with the responsible Minister, direct a department that operates a Departmental Bank Account to transfer money in that account to a Crown Bank Account or another Departmental Bank Account.
- (5) In the case of an intelligence and security department, the powers conferred on the Minister or the Treasury by subsections (3) and (4) must be exercised on a basis agreed between the Minister and the responsible Minister for that department.

Section 65W: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65X Statement of accounts must be sent to Treasury or Auditor-General

A bank at which public money is kept must send to the Treasury or the Auditor-General the statements of account relating to that money that the Treasury or the Auditor-General may require, as the case may be.

Section 65X: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65Y Treasury must report on all expenses and capital expenditure incurred with or without appropriation or other statutory authority

- (1) The Treasury must, within the time required under subsection (3), prepare and submit to the Auditor-General a report that sets out—
 - (a) all actual expenses and capital expenditure incurred against an appropriation, or other authority, by or under an Act; and
 - (b) all actual expenses and capital expenditure incurred in excess of, or without, an appropriation, or other authority, by or under an Act.
- (2) The report must also set out, for each appropriation, or other authority, by or under an Act, the balance between—
 - (a) the amount of expenses and capital expenditure authorised to be incurred; and
 - (b) the amount that was actually incurred.
- (3) The time required is 3 working days after the Treasury receives the information from departments that is required for the preparation of the monthly financial statements of the Government reporting entity under section 31A.
- (4) To avoid doubt, this section does not limit the powers of the Auditor-General, under Part 4 of the Public Audit Act 2001, to access information from a public entity or any person.
- (5) In this section, a reference to authority includes a reference to an authority in advance of an appropriation.

- (6) In this section and sections 65Z and 65ZA, a reference to the Auditor-General is a reference to the Auditor-General in his or her capacity as Controller and Auditor-General.

Section 65Y: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65Z Auditor-General may direct Ministers to report to House of Representatives in cases involving unlawful expenses, etc

- (1) The Auditor-General may direct a Minister to report to the House of Representatives if the Auditor-General has reason to believe that expenses or capital expenditure for which that Minister is responsible have been incurred for a purpose that—
- (a) is not lawful; or
 - (b) is not within the scope, amount, or period of any appropriation, or other authority, by or under an Act.
- (2) The report must set out the following details:
- (a) the nature and extent of any alleged breach of the appropriation or other authority that the Auditor-General has reason to believe has occurred; and
 - (b) the events that gave rise to the alleged breach; and
 - (c) the remedial action taken or proposed to be taken to correct the breach and prevent its recurrence.
- (3) If the Minister is of the opinion that there has not been a breach, the report—
- (a) must set out the details specified in subsection (2)(a) and (b); and
 - (b) must also state—
 - (i) that the Minister is of that opinion; and
 - (ii) the Minister's reasons for that opinion.
- (4) The Minister responsible for the expenses or capital expenditure must—
- (a) comply with the direction within 20 working days after receiving it; or
 - (b) if Parliament is not in session,—
 - (i) publish the information required by subsection (2) or, as the case may be, subsection (3) in the *Gazette* within 20 working days after receiving the direction; and

- (ii) present the information to the House as soon as possible after the commencement of the next session of Parliament; or
- (c) if the direction is made after the end of the financial year,—
 - (i) comply with the direction by including the information required by subsection (2) or, as the case may be, subsection (3) in the report under section 26C; or
 - (ii) comply with the direction within 20 working days after receiving it.

Section 65Z: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZA Auditor-General may stop payments out of Bank Accounts

- (1) This section applies if the Auditor-General has reason to believe that any money to be paid out of a Crown Bank Account or a Departmental Bank Account may be applied for a purpose that—
 - (a) is not lawful; or
 - (b) is not within the scope, amount, or period of any appropriation, or other authority, by or under an Act.
- (2) If this section applies, the Auditor-General may direct the Minister, the Treasury or, as the case may be, the department concerned to stop payments out of that Crown Bank Account or Departmental Bank Account.

Section 65ZA: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZB Application of this subpart to Offices of Parliament

- (1) Despite section 65S, an Office of Parliament may open, maintain, and operate a Departmental Bank Account at a bank or banks that may be agreed between the Office and the Treasury.
- (2) Despite section 65U, an Office of Parliament may pay receipts from borrowings into a Departmental Bank Account that it operates.
- (3) This subpart, if the context requires, applies to that Departmental Bank Account as if—

- (a) references to a department were references to an Office of Parliament; and
- (b) the money disbursed by the Treasury under section 65U(2)(a) were disbursed on a basis agreed between the chief executive of the Office concerned and the Secretary; and
- (c) the powers of the Minister or the Treasury under section 65W in respect of a Departmental Bank Account were to be exercised on a basis agreed between the Minister and the Speaker; and
- (d) the investment of money held in a Departmental Bank Account operated by an Office of Parliament, in accordance with section 65I, were on a basis agreed between the Treasury and the Office concerned.

Section 65ZB: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Subpart 6—Guarantees and indemnities

Subpart 6: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Limits on giving by the Crown of guarantees and indemnities

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZC Guarantee or indemnity by the Crown must not be given except under statute

Except as expressly authorised by any Act, it is not lawful for any person to give a guarantee or indemnity on behalf of or in the name of the Crown.

Section 65ZC: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZD Minister may give guarantee or indemnity if in public interest

- (1) The Minister, on behalf of the Crown, may give, in writing, a guarantee or indemnity to a person, organisation, or govern-

ment if it appears to the Minister to be necessary or expedient in the public interest to do so.

- (2) The Minister may—
 - (a) give the guarantee or indemnity on any terms and conditions that the Minister thinks fit; and
 - (b) in the case of a guarantee, give the guarantee in respect of the performance or non-performance of any duties or obligations by the person, organisation, or government.
- (3) If the contingent liability of the Crown under a guarantee or indemnity given under this section exceeds \$10,000,000, the Minister must, as soon as practicable after the guarantee or indemnity is given,—
 - (a) publish in the *Gazette* a statement that the guarantee or indemnity has been given; and
 - (b) present the statement to the House of Representatives.
- (4) The statement may contain any details about the guarantee or indemnity that the Minister considers appropriate.

Section 65ZD: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZE Departments may give guarantee or indemnity specified in regulations if in public interest

- (1) A department, on behalf of or in the name of the Crown, may give, in writing, a guarantee or indemnity of a type specified in regulations made under section 81 to a person or organisation if it appears to the department to be necessary or expedient in the public interest to do so.
- (2) A department must give the guarantee or indemnity on the prescribed terms and conditions (if any).
- (3) If the contingent liability of the Crown under a guarantee or indemnity given by a department under subsection (1) exceeds \$10,000,000, the responsible Minister must, as soon as practicable after the guarantee or indemnity is given,—
 - (a) publish in the *Gazette* a statement that the guarantee or indemnity has been given; and
 - (b) present the statement to the House of Representatives.
- (4) The statement may contain any details about the guarantee or indemnity that the responsible Minister considers appropriate.

- (5) This section does not limit section 65ZD.

Section 65ZE: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Other provisions relating to guarantees and indemnities

Heading: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZF Recovery of money paid under guarantee

- (1) Any money paid by the Crown under a guarantee given under section 65ZD or section 65ZE constitutes a debt due to the Crown from the person, organisation, or government for whom the guarantee was given.
- (2) A debt referred to in subsection (1)—
- (a) is recoverable in any court of competent jurisdiction:
 - (b) may be paid over any period of time and on any terms and conditions that the Minister thinks fit:
 - (c) may be written down by the Minister (except that the debt must not be written down below its market value other than in accordance with an appropriation, or other authority, by or under an Act).
- (3) This section does not limit or affect any other rights that the Crown may have as guarantor.

Section 65ZF: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

65ZG Payments in respect of guarantees or indemnities

Any money paid by the Crown under a guarantee or indemnity given under section 65ZD and any expenses incurred by the Crown in relation to the guarantee or indemnity may be incurred without further appropriation, and must be paid without further authority, than this section.

Compare: 1989 No 44 ss 18, 20, 23, 33(2), (3), 34, 44A(4), 44D, 46–48, 50–65, 70F

Section 65ZG: inserted, on 25 January 2005, by section 16 of the Public Finance Amendment Act 2004 (2004 No 113).

Part 7

Trust money

Part 7 heading: substituted, on 25 January 2005, by section 17 of the Public Finance Amendment Act 2004 (2004 No 113).

66 Trust money

- (1) The following money shall be deemed to be trust money:
 - (a) money that is deposited with the Crown pending the completion of a transaction or dispute and which may become repayable to the depositor or payable to the Crown or any other person:
 - (b) all money that is paid into court for possible repayment to the payee or a third party, by virtue of any Act, rule, or authority whatsoever:
 - (c) all money that is paid to the Crown in trust for any purpose:
 - (d) money that belongs to or is due to any person and is collected by the Crown pursuant to any agreement between the Crown and that person:
 - (e) unclaimed money that is due to or belongs to any person and is deposited with the Crown.
- (2) All trust money held by the Crown shall be accounted for separately from public money.
- (3) All trust money shall be the responsibility of the Treasury on behalf of the Crown.
- (4) The Treasury may appoint a department or any agent to manage some or all trust money on such terms and conditions as the Treasury from time to time determines.
- (5) The Crown or the agent appointed under subsection (4) may charge a fee for the management of trust money at such rate or rates as the Minister from time to time determines. Such fee shall be payable from trust money held.

Compare: 1977 No 65 ss 42, 52

67 Establishment of bank accounts for trust money

- (1) There shall be established at any bank or banks approved by the Minister a bank account or accounts to be known as Trust Bank Accounts, to be operated and maintained by the Treasury or by a department or any agent appointed by the Treasury.

- (2) All trust money shall be lodged in a Trust Bank Account.
- (3) The Minister or the Treasury may give directions as to any terms and conditions under which a Trust Bank Account may be operated.

68 Investment of trust money

- (1) The Treasury or any agent of the Crown appointed by the Treasury for the purpose may from time to time invest any trust money held by the Crown for such periods and on such terms and conditions as it thinks fit—
 - (a) on deposit with any bank in New Zealand or any bank outside New Zealand approved by the Minister for the purpose; or
 - (b) in public securities; or
 - (c) in such other securities as the Minister may from time to time approve for the purpose—and may from time to time sell or convert into money any such securities.
- (2) All proceeds of the investments and all money received from any sale or conversion of securities shall be deemed to be trust money.
- (3) No person shall have any right of action against the Crown or any agent of the Crown in respect of any investment or non-investment of any money to which this section relates.

69 Payment of interest on trust money

- (1) When any trust money held by the Crown becomes repayable to the depositor or payable to any other person entitled thereto, where it is practicable to do so there shall be added the amount of interest (if any) certified by the Treasury to have been earned thereon.
- (2) Where interest has been earned on any trust money but it is not practicable to add that interest to the trust money to be repaid to the depositor or to be paid to any other person entitled thereto, that interest shall be deemed to be public money and shall be transferred to the Crown Bank Account.

Section 69(2): added, on 1 July 1994, by section 48 of the Public Finance Amendment Act 1994 (1994 No 18).

70 Unclaimed trust money

- (1) Any trust money that is unclaimed for a period of 1 year (or such longer period as the Minister directs) after having become repayable to the depositor or payable to any other person entitled thereto, shall, together with interest (if any) added thereto pursuant to section 69, be deemed to be public money and shall be transferred to the Crown Bank Account.
- (2) If any person claims any trust money which has been deemed to be public money under this section, and establishes a claim to the satisfaction of the Treasury, the money shall be paid to that person out of the Crown Bank Account without further appropriation than this section.

Part 7A
Security and intelligence departments

[Repealed]

Part 7A: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70A Interpretation

[Repealed]

Section 70A: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

Appropriations

[Repealed]

Heading: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70B Nature of appropriation required

[Repealed]

Section 70B: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70C Estimates

[Repealed]

Section 70C: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

Banking and investment
[Repealed]

Heading: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70D Departmental Bank Accounts
[Repealed]

Section 70D: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70E Payment into Bank Accounts
[Repealed]

Section 70E: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70F Power of Minister or Treasury in relation to Crown Bank Account and Departmental Bank Account
[Repealed]

Section 70F: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

Reporting
[Repealed]

Heading: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70G Annual financial statements
[Repealed]

Section 70G: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70H Half-yearly financial statements
[Repealed]

Section 70H: repealed, on 21 December 1992, by section 35 of the Public Finance Amendment Act 1992 (1992 No 142).

70I Tabling of financial statements
[Repealed]

Section 70I: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70J Information to be provided to Treasury

[Repealed]

Section 70J: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

70K Treasury instructions

[Repealed]

Section 70K: repealed, on 25 January 2005, by section 18 of the Public Finance Amendment Act 2004 (2004 No 113).

**Part 8
General provisions**

Part 8 heading: substituted, on 25 January 2005, by section 19 of the Public Finance Amendment Act 2004 (2004 No 113).

71AA Delegation of Secretary's powers

- (1) The Secretary may delegate to the chief executive of a department (whether or not the department is listed in Schedule 1 of the State Sector Act 1988) any power—
 - (a) conferred on the Secretary by this Act; or
 - (b) delegated to the Secretary by the Minister under this Act.
- (2) Without limiting subsection (1), the Secretary may delegate to the persons referred to in subsection (3) any power conferred on the Secretary by Part 6.
- (3) The persons are—
 - (a) the Reserve Bank of New Zealand; or
 - (b) the Governor of the Reserve Bank of New Zealand; or
 - (c) the Deputy Governor of the Reserve Bank of New Zealand.
- (4) The Secretary's power to delegate under this section is in addition to the Secretary's powers under section 41(1) of the State Sector Act 1988.
- (5) Section 41(2) to (7) of the State Sector Act 1988 applies in relation to a delegation under this section as if it were a delegation made under section 41(1) of that Act.

Section 71AA: inserted, on 25 January 2005, by section 20 of the Public Finance Amendment Act 2004 (2004 No 113).

71 Payments on behalf of governments and international organisations

- (1) The Minister may from time to time, without further appropriation than this section, pay out of the Crown Bank Account any money required for the purpose of making payments on behalf of the government of any other country, the United Nations, or any other international organisation.
- (2) Payments shall not be made under this section unless the Minister is satisfied that arrangements have been made for the government or other organisation concerned to repay any payments made on its behalf.

Compare: 1977 No 65 s 101

72 Payments on behalf of local authorities

- (1) The Minister may from time to time, out of money appropriated by Parliament for the purpose, pay out of the Crown Bank Account any money required for the purpose of defraying any charges or expenditure incurred by or on behalf of any local authority.
- (2) All payments made under this section shall be repayable on such terms and conditions as the Minister thinks fit.
- (3) Notwithstanding subsection (2), any expense incurred or sum of money paid by the Crown on behalf of, or at the request of, a local authority, and any money owing to the Crown by a local authority, may be deducted by the Crown from any subsidies or other money accruing or payable by the Crown to the local authority.

Compare: 1977 No 65 s 102

73 Payment of fines to local authorities and other organisations that conduct prosecutions

- (1) Subject to subsection (2) and any other provision of any Act, where a local authority, or other organisation (other than a department, an Office of Parliament, a Crown entity, or an organisation named or described in Schedule 4) that is specifically empowered to do so by any Act, or any person on behalf thereof, prosecutes a person in a court of law in respect of an offence and the prosecution results in the imposition of a fine,

the amount of the fine recovered shall be paid to the local authority or other organisation.

- (2) There shall be deducted from every amount payable to a local authority or other organisation under subsection (1) a sum equal to 10% thereof, and this sum shall be credited to the Crown Bank Account or a Departmental Bank Account: provided that, where any money awarded by a court in respect of any loss or damage is recovered as a fine, no deduction under this subsection shall be made in respect of that money.

Compare: 1977 No 65 s 103

Section 73(1): amended, on 25 January 2005, by section 21 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 73(2): amended, on 21 December 1992, by section 37(2) of the Public Finance Amendment Act 1992 (1992 No 142).

74 Unclaimed money

- (1) Unless otherwise provided in any Act, at the end of each financial year any money in any bank account of a department, Office of Parliament, Crown entity, or organisation named or described in Schedule 4 that has remained unclaimed for a period of 6 years from the date it was payable to the person entitled thereto, shall be deposited with the Treasury.
- (2) Notwithstanding section 66, all money deposited with the Treasury under subsection (1) shall be public money and be paid into the Crown Bank Account.
- (3) When money is deposited with the Treasury under subsection (1), the department, Office of Parliament, or Crown entity concerned shall supply the Treasury with such particulars concerning the money as the Treasury requires.
- (4) No person shall have any right of action against the Treasury or the Crown in respect of any investment or non-investment of any money to which this section relates.
- (5) If any person claims any money deposited with the Treasury under subsection (1) and establishes a claim to the satisfaction of the Treasury, the money shall be paid to the person out of the Crown Bank Account without further appropriation than this section.
- (6) Where any money paid to any claimant under this section, is afterwards claimed by any other person, neither the Treasury

nor the Crown shall be under any liability to such other person by reason of having paid money to the first claimant.

Compare: 1977 No 65 s 108

Section 74(1): amended, on 25 January 2005, by section 22 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 74(3): amended, on 21 December 1992, by section 38 of the Public Finance Amendment Act 1992 (1992 No 142).

75 Minister may exercise powers relating to *bona vacantia*

- (1) Where any property or right belongs to the Sovereign as *bona vacantia*, the Minister may from time to time on behalf of the Sovereign, exercise any power, function, and right (including any power of disposal) and undertake and perform any obligation, in respect of or in connection with the property or right that could be exercised, undertaken, or performed by the Sovereign.
- (2) Where the Minister or any department, on the application of any persons, performs any act under subsection (1) the Minister or department shall be entitled to charge such person with all reasonable fees and costs incurred.
- (3) Nothing in this section shall derogate from any other enactment or rule of law.

Compare: 1977 No 65 s 108; 1980 No 7 s 7

Section 75(1): amended, on 25 January 2005, by section 23 of the Public Finance Amendment Act 2004 (2004 No 113).

76 Offences

- (1) Every person commits an offence against this Act who, without reasonable excuse,—
 - (a) refuses or fails to produce any information that is in that person's possession or under that person's control in relation to the financial management, financial performance, or banking activities of a department or in relation to the management or control of any Crown asset or liability when required to do so pursuant to this Act; or
 - (b) resists or obstructs any person acting in the discharge of that person's functions or duties or in the exercise of that person's powers under this Act.
- (2) Every person commits an offence against this Act who—

- (a) without reasonable excuse, refuses or neglects to pay any public money into a Crown Bank Account or a Departmental Bank Account; or
- (b) without reasonable excuse, refuses or neglects to pay any trust money into a Trust Bank Account; or
- (c) makes any statement or declaration, or gives any information or certificate, required by or pursuant to this Act, knowing it to be false or misleading; or
- (d) does any act for the purpose of procuring for that person or for any other person or organisation—
 - (i) the improper payment of any public money or trust money; or
 - (ii) the improper use of any public financial resource.

Compare: 1977 No 65 s 109

77 Penalties for offences

- (1) Every person who commits an offence against subsection (1) of section 76 is liable on summary conviction,—
 - (a) in the case of an individual, to a fine not exceeding \$2,000;
 - (b) in the case of a person or organisation other than an individual, to a fine not exceeding \$5,000.
- (2) Every person who commits an offence against subsection (2) of section 76 is liable on summary conviction,—
 - (a) in the case of an individual, to imprisonment for a term not exceeding 12 months, or to a fine not exceeding \$5,000;
 - (b) in the case of a person or organisation other than an individual, to a fine not exceeding \$15,000.

Compare: 1977 No 65 s 110

78 Time for commencing proceedings

Notwithstanding section 14 of the Summary Proceedings Act 1957, any information in respect of any offence against this Act may be laid at any time within 2 years from the time when the matter of the information arose.

79 Information to be provided to Treasury

- (1) The Treasury may from time to time request information from a department in relation to the financial management, financial performance, or banking activities of the department or in relation to the management or control of any Crown asset or liability.
- (2) Any request for information made in accordance with subsection (1) shall be complied with by the department.
- (3) Despite subsections (1) and (2), the Treasury may request information under this section about an intelligence and security department—
 - (a) only if the Secretary and the chief executive of that department agree and only to the extent of that agreement; or
 - (b) if there is no agreement under paragraph (a), only if the Minister and the responsible Minister jointly decide that the Treasury may make the request.

Compare: 1977 No 65 s 111

Section 79(3): added, on 25 January 2005, by section 24 of the Public Finance Amendment Act 2004 (2004 No 113).

80 Treasury instructions

- (1) Subject to the provisions of this Act and of any regulations made under this Act, the Treasury may issue instructions to departments for all or any of the purposes specified in section 81(1)(a), (ab), (b), (bc), (bd), or (c) to (e).
- (2) A chief executive of a department must comply with any instructions issued under this section to the extent that the instructions apply to that department.
- (3) Despite subsections (1) and (2), the Treasury may issue instructions under this section to an intelligence and security department—
 - (a) only if the Secretary and the chief executive of that department agree and only to the extent of that agreement; or
 - (b) if there is no agreement under paragraph (a), only if the Minister and the responsible Minister jointly decide that the Treasury may issue the instructions.

- (4) The Treasury must publish the instructions on the Internet as soon as practicable after issuing them.

Section 80: substituted, on 25 January 2005, by section 25 of the Public Finance Amendment Act 2004 (2004 No 113).

80A Minister of Finance instructions

- (1) Subject to the provisions of this Act and of any regulations made under this Act, the Minister may issue instructions under subsection (3) for all or any of the purposes referred to in that subsection, rather than recommend the making of regulations under section 81.
- (2) In deciding whether to issue instructions under subsection (3) rather than recommend the making of regulations under section 81, the Minister must have regard to only—
- (a) the importance of the instructions, including whether the instructions have a material effect on the rights and interests of individuals;
 - (b) the subject matter of the instructions, including whether the instructions contain detailed or technical matters rather than matters of general principle;
 - (c) the application of the instructions, including whether the instructions apply principally to a particular group rather than to the general public.
- (3) The Minister may issue instructions,—
- (a) for all or any of the purposes specified in section 81(1)(ac) or (ba), to—
 - (i) a department; or
 - (ii) an Office of Parliament; or
 - (iii) an organisation named or described in Schedule 4; and
 - (b) for all or any of the purposes specified in section 81(1)(a), (b), or (c), to an entity referred to in section 27(3)(a) to (f).
- (4) A chief executive of a department, an Office of Parliament, an organisation named or described in Schedule 4, or an entity referred to in section 27(3)(a) to (f) must comply with any instructions issued under this section to the extent that the instructions apply to that department, Office, organisation, or entity.

- (5) Any instructions issued under this section for the purposes of section 81(1)(ba) must be consistent, in the opinion of the Minister, with generally accepted accounting practice and any reporting standard imposed by or under any other Act, to the extent that those matters are relevant to those instructions.
- (6) Any instructions issued under this section—
 - (a) are to be treated as regulations for the purposes of the Regulations (Disallowance) Act 1989; but
 - (b) are not regulations for the purposes of the Acts and Regulations Publication Act 1989.
- (7) The Minister must notify the instructions in the *Gazette*, and publish them on the Internet, as soon as practicable after issuing them.

Section 80A: inserted, on 25 January 2005, by section 25 of the Public Finance Amendment Act 2004 (2004 No 113).

81 Regulations, Orders in Council, and notices

- (1) The Governor-General may from time to time, by Order in Council made on the recommendation of the Minister, make regulations for all or any of the following purposes:
 - (a) requiring information to be supplied to the Treasury by departments and any entities referred to in section 27(3)(a) to (f) to enable the Treasury to properly fulfil the functions imposed on it by the Government or any Act:
 - (ab) prescribing the processes and data standards to be used when supplying the information required under paragraph (a):
 - (ac) prescribing minimum requirements concerning the publication of information that departments, Offices of Parliament, and organisations named or described in Schedule 4 must publish under this Act:
 - (b) prescribing particular accounting policies and financial statement representations that Ministers, departments, Offices of Parliament, Crown entities, or organisations named or described in Schedule 4 must apply in their financial reporting:
 - (ba) prescribing the non-financial reporting standards that Ministers, departments, Offices of Parliament, or organ-

isations named or described in Schedule 4 must apply and the form in which they must provide the information they are required to present to the House of Representatives under this Act:

- (bb) specifying the types of guarantees or indemnities that may be given by departments on behalf of or in the name of the Crown under section 65ZE:
- (bc) prescribing the terms and conditions that must apply to those guarantees or indemnities referred to in paragraph (bb):
- (bd) prescribing any other matters relating to those guarantees or indemnities referred to in paragraph (bb):
- (c) regulating the collection, receipt, custody, issue, expenditure, control, and management of public money or trust money:
- (d) regulating the accounting and financial management and control procedures relating to contracts of the Crown:
- (e) regulating the custody and control by the Crown of public securities and securities representing the investment of public money; and providing for the appointment of custodians of such securities and prescribing their functions, duties, and powers:
- (f) regulating the issue, registration, transfer, control, and redemption of Government stock or any other public securities issued within New Zealand:
- (g) regulating the employment of Crown Solicitors (not being members of the Public Service) for the conduct of the legal business of the Crown; and providing for the payment to such Crown Solicitors of such fees, allowances, and expenses as may be fixed or determined by or in accordance with the regulations:
- (h) prescribing the fees, allowances, and expenses payable by the Crown to witnesses and interpreters in judicial proceedings; and empowering any specified person or persons to increase the fees in special cases:
- (i) prescribing offences in respect of the contravention of, or non-compliance with, any regulations made under this Act or any requirement or direction made or given

- pursuant to any such regulations; and prescribing penalties not exceeding \$2,000 in respect of any offences prescribed under this paragraph:
- (j) providing for such other matters as are contemplated by or necessary for giving full effect to this Act and for the due administration thereof.
- (2) Any Order in Council made under paragraph (g) of subsection (1), and any provision of any such order, may, to the extent that that order or that provision prescribes the fees, allowances, and expenses payable to Crown Solicitors, be expressed to apply in respect of work done by Crown Solicitors on and after any date, whether before or after the date of the making of the order or the date of the commencement of this Act.
- (3) Without limiting any other provision of this Act, the Minister may give notice in the *Gazette* of the exercise of any of the Minister's powers under this Act, or of any direction, determination, requirement, or instruction given or made by the Minister under this Act. Any notice given under this subsection may at any time be varied or revoked by a subsequent notice.
- (4) Any regulations made under this section must be consistent, in the opinion of the Minister, with generally accepted accounting practice, and any reporting standard imposed by or under any other Act, to the extent that those matters are relevant to those regulations.

Compare: 1977 No 65 s 113(1), (1A), (3); 1986 No 67 s 9

Section 81(1): amended, on 25 January 2005, by section 26(1) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(a): amended, on 25 January 2005, by section 26(2) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(ab): inserted, on 25 January 2005, by section 26(3) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(ac): inserted, on 25 January 2005, by section 26(3) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(b): substituted, on 25 January 2005, by section 26(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(ba): inserted, on 25 January 2005, by section 26(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(bb): inserted, on 25 January 2005, by section 26(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(bc): inserted, on 25 January 2005, by section 26(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(1)(bd): inserted, on 25 January 2005, by section 26(4) of the Public Finance Amendment Act 2004 (2004 No 113).

Section 81(4): added, on 25 January 2005, by section 26(5) of the Public Finance Amendment Act 2004 (2004 No 113).

82 Consultation and approval requirements for regulations or instructions relating to reporting standards

- (1) This section applies to—
 - (a) any regulations that are proposed to be made under section 81(1)(ba) or any instructions that are proposed to be issued by the Minister to departments or organisations named or described in Schedule 4, under section 80A, for the purposes of section 81(1)(ba); and
 - (b) any regulations that are proposed to be made under section 81(1)(ac) or (ba) in relation to Offices of Parliament or any instructions that are proposed to be issued by the Minister to Offices of Parliament, under section 80A, for the purposes of section 81(1)(ac) or (ba).
- (2) The Minister must prepare and submit to the Speaker a draft of any regulations or instructions to which this section applies.
- (3) The Speaker must present the draft regulations or instructions to the House of Representatives as soon as is reasonably practicable.
- (4) In the case of regulations or instructions to which subsection (1)(a) applies, the Minister, after considering any comments of the Speaker or any committee of the House of Representatives that considered the draft regulations or instructions, may amend them as the Minister thinks fit.
- (5) In the case of regulations or instructions to which subsection (1)(b) applies, the Minister may recommend that the regulations be made or may issue the instructions only after they have been approved by resolution of the House of Representatives.
- (6) The Minister must, as soon as practicable after issuing instructions to which subsection (1) applies, present them to the House of Representatives.

Compare: 2001 No 10 s 36

Section 82: substituted, on 25 January 2005, by section 27 of the Public Finance Amendment Act 2004 (2004 No 113).

83 Abolition of certain accounts

- (1) The following accounts are hereby abolished:
 - (a) the Public Account:
 - (b) the Consolidated Account:
 - (c) the Loans Account:
 - (d) the Reserve Account:
 - (e) the Loans Redemption Account:
 - (f) the Trust Account:
 - (g) the Energy Account.
- (2) All bank accounts forming part of any of the accounts specified in subsection (1) on 1 July 1989 shall be deemed to form part of the Crown Bank Account.
- (3) Notwithstanding subsection (2), all money held in an imprest account operated by a department on 1 July 1989 shall be transferred to and deemed part of a Departmental Bank Account opened and operated by that department.
- (4) Notwithstanding subsection (2) all money held in the Public Account to the credit of the Trust Account which is trust money pursuant to section 66 at 1 July 1989 shall be transferred to a Trust Bank Account and dealt with in accordance with Part 7. Where money is held in the Trust Account on 30 June 1989 but it is uncertain whether such money is public money or trust money under this Act, then notwithstanding section 66, such money shall, at the discretion of the Minister, be deemed to be trust money until no later than 1 January 1990.
- (5) Any investment of money relating to subsection (4) shall be deemed to be an investment of trust money under Part 7.
- (6) Subject to subsections (3) and (4), all money that, if this section had not been passed, would be payable into or out of any of the accounts specified in subsection (1), shall be paid into or out of a Crown Bank Account.
- (7) Every reference to any of the accounts specified in subsection (1) in any Act, regulation, order, agreement, deed, instruction, application, notice, or other document whatever shall,

unless the context otherwise requires, be read as a reference to a Crown Bank Account.

Section 83(6): amended, on 25 January 2005, by section 28 of the Public Finance Amendment Act 2004 (2004 No 113).

Section 83(7): amended, on 25 January 2005, by section 28 of the Public Finance Amendment Act 2004 (2004 No 113).

84 Registration of public securities, local authority stock, and other stock

Notwithstanding the repeal by section 87 of—

- (a) *[Repealed]*
- (b) *Amendment(s) incorporated in the Act(s):*
- (c) *Amendment(s) incorporated in the Act(s):*
- (d) *Amendment(s) incorporated in the Act(s),—*
those provisions shall continue to apply to—
- (e) all public securities registered before the date on which regulations made under section 81(1)(f) come into force:
- (f) *[Repealed]*
- (g) all other stock.

Section 84(a): repealed, on 27 July 1996, by section 15(1) of the Local Government Amendment Act (No 3) 1996 (1996 No 83).

Section 84(f): repealed, on 27 July 1996, by section 15(1) of the Local Government Amendment Act (No 3) 1996 (1996 No 83).

85 Government stock in United Kingdom

- (1) Notwithstanding section 163 or any other provision of the Public Finance Act 1977 or any other provision of this Act, sections 2, 41 to 47, and 49 of the New Zealand Loans Act 1953 shall continue to have effect in respect of all New Zealand Government securities (as defined in that Act) that—

- (a) have been registered with the Bank of England in the United Kingdom before the day this Act comes into force; and
- (b) have not been transferred to the register kept in New Zealand pursuant to section 44 of that Act—

as if the Public Finance Act 1977 and this Act had not been passed and as if references in sections 41 and 47 of the New Zealand Loans Act 1953 to the New Zealand Public Account in London were references to the Crown Bank Account and the

reference in section 43 of the New Zealand Loans Act 1953 (as amended by section 4(4) of the Public Revenues Amendment Act 1963) to the Consolidated Revenue Account was a reference to the Crown Bank Account.

- (2) Any New Zealand Government securities transferred to the register kept in New Zealand pursuant to section 44 of the New Zealand Loans Act 1953 shall be deemed to be Government stock issued pursuant to section 63 of this Act.

Section 85(2): amended, on 25 January 2005, by section 29 of the Public Finance Amendment Act 2004 (2004 No 113).

86 Consequential amendments

- (1) The enactments specified in Schedule 1 are hereby amended in the manner indicated in that schedule.
- (2) The amendments to sections 2, 5, 9, and 10 of the Goods and Services Tax Act 1985 specified in Schedule 1 are to apply to supplies made on or after 1 July 1989.

87 Repeals

The enactments specified in Schedule 2 are hereby repealed.

88 Transitional provisions

- (1) Notwithstanding section 87, the provisions of section 52A of the Public Finance Act 1977 and Schedule 5 of that Act shall remain in force until the coming into force of the first Appropriation Act after 1 July 1989 or, in the case of the revolving funds operated by the Department of Internal Affairs, and the Department of Maori Affairs, after 1 July 1990:
provided that each revolving fund specified in Schedule 5 shall become a Departmental Bank Account operated by the department specified as the operating department in that schedule.
- (2) Notwithstanding Part 3, until 1 July 1991 the financial statements of the Crown prepared pursuant to sections 27 and 28 need not include the statements described in section 27(2)(a) and (b) and the statement of cash flows prepared in accordance with section 27(2)(c) shall be a receipts and payments statement.

- (3) Notwithstanding anything in this Act, until the close of 30 June 1993 the Housing Corporation of New Zealand is deemed to be a department for the purposes of sections 7 and 9: provided that nothing in this subsection shall deem the money of Housing New Zealand Corporation to be public money.
- (4) *[Repealed]*
- (5) Notwithstanding any provision in any Act requiring receipts of any kind to be paid into a Departmental Bank Account, where a department is administering a Vote for which public money is appropriated pursuant to Mode A, the Treasury may direct that such receipts are to be paid into the Crown Bank Account.
- (6) All money held on behalf of the Crown in an account outside the Public Account (as that term is defined in the Public Finance Act 1977)—
- (a) which is public money pursuant to this Act at 1 July 1989 shall be transferred to and deemed part of the Crown Bank Account or a Departmental Bank Account in accordance with section 20;
 - (b) which is trust money pursuant to section 66 at 1 July 1989 shall be transferred to a Trust Bank Account and dealt with in accordance with Part 7.
- (7) Where money is held on behalf of the Crown in an account outside the Public Account on 30 June 1989 but it is uncertain whether such money is public money or trust money under this Act, then notwithstanding section 66, such money shall, at the discretion of the Minister, be deemed to be trust money until no later than 1 January 1990.
- (8) Any investment of money relating to paragraph (a) of subsection (6) shall be deemed to be an investment of public money under Part 2, and any investment of money relating to paragraph (b) of subsection (6) or subsection (7) shall be deemed to be an investment of trust money under Part 7.

Section 88(1): amended, on 30 June 1990, by section 31(1) of the Acts and Regulations Publication Act 1989 (1989 No 142).

Section 88(3): amended (with effect on 1 July 1992), on 18 August 1992, by section 16(1) of the Housing Corporation Amendment Act 1992 (1992 No 78).

Section 88(3) proviso: amended, on 1 July 2001, by section 24(1) of the Housing Corporation Amendment Act 2001 (2001 No 37).

Section 88(4): repealed (with effect on 1 July 1991), on 12 August 1991, by section 3 of the Public Finance Amendment Act (No 2) 1991 (1991 No 99).

Schedule 1

s 86

Enactments consequentially amended

Accident Compensation Act 1982 (1982 No 181)

Amendment(s) incorporated in the Act(s).

Administration Act 1969 (1969 No 52) (RS Vol 19, p 1)

Amendment(s) incorporated in the Act(s).

Area Health Boards Act 1983 (1983 No 134)

Amendment(s) incorporated in the Act(s).

Armed Forces Discipline Act 1971 (1971 No 53) (RS Vol 23, p 33)

Amendment(s) incorporated in the Act(s).

Auckland Agricultural, Pastoral and Industrial Shows Board Act 1972 (1972 No 4 (P))

Amendment(s) incorporated in the Act(s).

Bank of New Zealand Act 1988 (1988 No 172)

Amendment(s) incorporated in the Act(s).

Chateau Companies Act 1977 (1977 No 4)

Amendment(s) incorporated in the Act(s).

Civil Defence Act 1983 (1983 No 46)

Amendment(s) incorporated in the Act(s).

Civil List Act 1979 (1979 No 33)

Amendment(s) incorporated in the Act(s).

Coal Mines Act 1979 (1979 No 21)

Amendment(s) incorporated in the Act(s).

Commerce Act 1986 (1986 No 5)

Amendment(s) incorporated in the Act(s).

Conservation Act 1987 (1987 No 65)

Amendment(s) incorporated in the Act(s).

Contraception, Sterilisation and Abortion Act 1977 (1977 No 112)

Amendment(s) incorporated in the Act(s).

Customs Act 1966 (1966 No 19) (RS Vol 2, p 57)

Amendment(s) incorporated in the Act(s).

Decimal Currency Act 1964 (1964 No 27) (RS Vol 2, p 277)

Amendment(s) incorporated in the Act(s).

Defence Act 1971 (1971 No 52) (RS Vol 23, p 297)

Amendment(s) incorporated in the Act(s).

Designs Act 1953 (1953 No 65) (RS Vol 6, p 111)

Amendment(s) incorporated in the Act(s).

Development Finance Corporation of New Zealand Act 1986 (1986 No 129)

Amendment(s) incorporated in the Act(s).

Diplomatic Privileges and Immunities Act 1968 (1968 No 36) (RS Vol 17, p 171)

Amendment(s) incorporated in the Act(s).

District Courts Act 1947 (1947 No 16) (RS Vol 5, p 1)

Amendment(s) incorporated in the Act(s).

Dog Control and Hydatids Act 1982 (1982 No 42)

Amendment(s) incorporated in the Act(s).

Earthquake and War Damage Act 1944 (1944 No 15) (RS Vol 6, p 207)

Amendment(s) incorporated in the Act(s).

Eastwoodhill Trust Act 1975 (1975 No 1 (P))

Amendment(s) incorporated in the Act(s).

**Education Act 1964 (1964 No 135) (Reprinted 1975, Vol 3,
p 1699)**

Amendment(s) incorporated in the Act(s).

Electoral Act 1956 (1956 No 107) (RS Vol 19, p 159)

Amendment(s) incorporated in the Act(s).

**Electric Linemen Act 1959 (1959 No 46) (Reprinted 1976, Vol 4,
p 3445)**

Amendment(s) incorporated in the Act(s).

Electrical Registration Act 1979 (1979 No 139)

Amendment(s) incorporated in the Act(s).

Electricity Act 1968 (1968 No 125) (RS Vol 6, p 271)

Amendment(s) incorporated in the Act(s).

Energy Resources Levy Act 1976 (1976 No 71)

Amendment(s) incorporated in the Act(s).

Environment Act 1986 (1986 No 127)

Amendment(s) incorporated in the Act(s).

Export Guarantee Act 1964 (1964 No 50) (RS Vol 16, p 129)

Amendment(s) incorporated in the Act(s).

External Relations Act 1988 (1988 No 159)

Amendment(s) incorporated in the Act(s).

Family Proceedings Act 1980 (1980 No 94)

Amendment(s) incorporated in the Act(s).

Finance Act 1971 (1971 No 55) (RS Vol 2, p 537)

Amendment(s) incorporated in the Act(s).

Finance Act 1988 (1988 No 107)

Amendment(s) incorporated in the Act(s).

Fisheries Act 1983 (1983 No 14)

Amendment(s) incorporated in the Act(s).

Fishing Industry Board Act 1963 (1963 No 70) (Reprinted 1976, Vol 5, p 3847)

Amendment(s) incorporated in the Act(s).

Gaming and Lotteries Act 1977 (1977 No 84)

Amendment(s) incorporated in the Act(s).

Gas Act 1982 (1982 No 27)

Amendment(s) incorporated in the Act(s).

Geothermal Energy Act 1953 (1953 No 102) (Reprinted 1975, Vol 3, p 2019)

Amendment(s) incorporated in the Act(s).

Goods and Services Tax Act 1985 (1985 No 141) (RS Vol 19, p 369)

Amendment(s) incorporated in the Act(s).

Government Life Insurance Corporation Act 1987 (1987 No 70)

Amendment(s) incorporated in the Act(s).

Government Superannuation Fund Act 1956 (1956 No 47) (RS Vol 21, p 209)

Amendment(s) incorporated in the Act(s).

Guardianship Act 1968 (1968 No 63) (RS Vol 9, p 147)

Amendment(s) incorporated in the Act(s).

Housing Act 1955 (1955 No 51) (RS Vol 7, p 297)

Amendment(s) incorporated in the Act(s).

Human Rights Commission Act 1977 (1977 No 49) (RS Vol 18, p 227)

Amendment(s) incorporated in the Act(s).

Hunter Gift for the Settlement of Discharged Soldiers Act 1921 (1921 No 12) (RS Vol 7, p 331)

Amendment(s) incorporated in the Act(s).

Industrial Training Levies Act 1978 (1978 No 82)

Amendment(s) incorporated in the Act(s).

International Finance Agreements Act 1961 (1961 No 3) (RS Vol 16, p 207)

Amendment(s) incorporated in the Act(s).

Iron and Steel Industry Act 1959 (1959 No 100) (RS Vol 9, p 187)

Amendment(s) incorporated in the Act(s).

Judicature Act 1908 (1908 No 89) (RS Vol 22, p 107)

Amendment(s) incorporated in the Act(s).

Labour Relations Act 1987 (1987 No 77)

Amendment(s) incorporated in the Act(s).

Land Act 1948 (1948 No 14) (RS Vol 23, p 559)

Amendment(s) incorporated in the Act(s).

Law Commission Act 1985 (1985 No 151)

Amendment(s) incorporated in the Act(s).

Local Authorities Loans Act 1956 (1956 No 63) (Reprinted 1974, Vol 3, p 2301)

Amendment(s) incorporated in the Act(s).

Local Government Act 1974 (1974 No 66) (RS Vol 20, p 1)

Amendment(s) incorporated in the Act(s).

Maori Affairs Act 1953 (1953 No 94) (RS Vol 8, p 1)*Amendment(s) incorporated in the Act(s).***Maori Housing Act 1935 (1935 No 34) (RS Vol 8, p 413)***Amendment(s) incorporated in the Act(s).***Maori Language Act 1987 (1987 No 176)***Amendment(s) incorporated in the Act(s).***Maori Trust Boards Act 1955 (1955 No 37) (RS Vol 8, p 683)***Amendment(s) incorporated in the Act(s).***Maori Trustee Act 1953 (1953 No 53) (RS Vol 3, p 393)***Amendment(s) incorporated in the Act(s).***Marine Pollution Act 1974 (1974 No 14)***Amendment(s) incorporated in the Act(s).***Marketing Act 1936 (1936 No 5) (RS Vol 10, p 1)***Amendment(s) incorporated in the Act(s).***Marketing Amendment Act 1937 (1937 No 21) (RS Vol 10, p 14)***Amendment(s) incorporated in the Act(s).***Marketing Amendment Act 1939 (1939 No 40) (RS Vol 10, p 20)***Amendment(s) incorporated in the Act(s).***Meat Export Control Act 1921–22 (1921–22 No 73) (RS Vol 3, p 601)***Amendment(s) incorporated in the Act(s).***Mining Act 1971 (1971 No 25) (RS Vol 17, p 355)***Amendment(s) incorporated in the Act(s).***Ministry of Energy Act 1977 (1977 No 33) (RS Vol 21, p 517)***Amendment(s) incorporated in the Act(s).*

**National Art Gallery, Museum, and War Memorial Act 1972
(1972 No 11) (RS Vol 23, p 739)**

Amendment(s) incorporated in the Act(s).

National Parks Act 1980 (1980 No 66)

Amendment(s) incorporated in the Act(s).

National Provident Fund Act 1950 (1950 No 55) (RS Vol 3, p 723)

Amendment(s) incorporated in the Act(s).

New Zealand 1990 Commission Act 1988 (1988 No 168)

Amendment(s) incorporated in the Act(s).

New Zealand Export-Import Corporation Act 1974 (1974 No 2)

Amendment(s) incorporated in the Act(s).

New Zealand Film Commission Act 1978 (1978 No 61)

Amendment(s) incorporated in the Act(s).

**New Zealand Horticulture Export Authority Act 1987 (1987
No 93)**

Amendment(s) incorporated in the Act(s).

New Zealand Planning Act 1982 (1982 No 17)

Amendment(s) incorporated in the Act(s).

New Zealand Railways Corporation Act 1981 (1981 No 119)

Amendment(s) incorporated in the Act(s).

New Zealand Symphony Orchestra Act 1988 (1988 No 163)

Amendment(s) incorporated in the Act(s).

New Zealand Walkways Act 1975 (1975 No 31)

Amendment(s) incorporated in the Act(s).

Noise Control Act 1982 (1982 No 140)

Amendment(s) incorporated in the Act(s).

Ombudsmen Act 1975 (1975 No 9) (RS Vol 21, p 657)*Amendment(s) incorporated in the Act(s).***Palmerston North Showgrounds Act 1974 (1974 No 3 (P))***Amendment(s) incorporated in the Act(s).***Patents Act 1953 (1953 No 64) (RS Vol 10, p 563)***Amendment(s) incorporated in the Act(s).***Petroleum Act 1937 (1937 No 27) (RS Vol 7, p 647)***Amendment(s) incorporated in the Act(s).***Pharmacy Act 1970 (1970 No 143) (RS Vol 21, p 691)***Amendment(s) incorporated in the Act(s).***Pork Industry Board Act 1982 (1982 No 138)***Amendment(s) incorporated in the Act(s).***Post Office Bank Act 1987 (1987 No 114)***Amendment(s) incorporated in the Act(s).***Poultry Board Act 1980 (1980 No 50)***Amendment(s) incorporated in the Act(s).***Primary Products Marketing Act 1953 (1953 No 10) (RS Vol 4, p 201)***Amendment(s) incorporated in the Act(s).***Private Investigators and Security Guards Act 1974 (1974 No 48)***Amendment(s) incorporated in the Act(s).***Property Law Act 1952 (1952 No 51) (RS Vol 22, p 773)***Amendment(s) incorporated in the Act(s).***Protection of Personal and Property Rights Act 1988 (1988 No 4)***Amendment(s) incorporated in the Act(s).*

Public Finance Act 1977 (1977 No 65)

Amendment(s) incorporated in the Act(s).

**Public Trust Office Act 1957 (1957 No 36) (Reprinted 1976,
Vol 5, p 4361)**

Amendment(s) incorporated in the Act(s).

Public Works Act 1981 (1981 No 35)

Amendment(s) incorporated in the Act(s).

Quarries and Tunnels Act 1982 (1982 No 18)

Amendment(s) incorporated in the Act(s).

**Queen Elizabeth the Second Arts Council of New Zealand Act
1974 (1974 No 67)**

Amendment(s) incorporated in the Act(s).

**Reserve Bank of New Zealand Act 1964 (1964 No 134) (RS
Vol 16, p 455)**

Amendment(s) incorporated in the Act(s).

Reserves Act 1977 (1977 No 66)

Amendment(s) incorporated in the Act(s).

Rural Banking and Finance Corporation Act 1974 (1974 No 3)

Amendment(s) incorporated in the Act(s).

Scientific and Industrial Research Act 1974 (1974 No 6)

Amendment(s) incorporated in the Act(s).

Securities Act 1978 (1978 No 103) (RS Vol 15, p 533)

Amendment(s) incorporated in the Act(s).

**Southland Electric Power Supply Act 1936 (1936 No 25) (RS
Vol 11, p 381)**

Amendment(s) incorporated in the Act(s).

State Insurance Act 1963 (1963 No 38) (RS Vol 13, p 611)

Amendment(s) incorporated in the Act(s).

Summary Proceedings Act 1957 (1957 No 87) (RS Vol 9, p 583)

Amendment(s) incorporated in the Act(s).

**Superannuation Schemes Act 1976 (1976 No 3) (RS Vol 13,
p 639)**

Amendment(s) incorporated in the Act(s).

**Tourist Hotel Corporation Act 1974 (1974 No 59) (RS Vol 23,
p 869)**

Amendment(s) incorporated in the Act(s).

Trade Marks Act 1953 (1953 No 66) (RS Vol 11, p 563)

Amendment(s) incorporated in the Act(s).

Transport Act 1962 (1962 No 135) (RS Vol 16, p 659)

Amendment(s) incorporated in the Act(s).

Trustee Banks Restructuring Act 1988 (1988 No 90)

Amendment(s) incorporated in the Act(s).

Trustee Companies Management Act 1975 (1975 No 25)

Amendment(s) incorporated in the Act(s).

Urban Transport Act 1980 (1980 No 156) (RS Vol 18, p 554)

Amendment(s) incorporated in the Act(s).

Valuation of Land Act 1951 (1951 No 19) (RS Vol 21, p 851)

Amendment(s) incorporated in the Act(s).

**Water and Soil Conservation Act 1967 (1967 No 135) (RS
Vol 17, p 783)**

Amendment(s) incorporated in the Act(s).

Reprinted as at
1 November 2010

Public Finance Act 1989

Schedule 1

Wheat Research Levy Act 1974 (1974 No 5) (RS Vol 23, p 891)

Amendment(s) incorporated in the Act(s).

Schedule 2
Enactments repealed

s 87

Area Health Boards Act 1983 (1983 No 134)*Amendment(s) incorporated in the Act(s).***Constitution Act 1986 (1986 No 114)***Amendment(s) incorporated in the Act(s).***Finance Act (No 4) 1940 (1940 No 30) (RS Vol 2, p 488)****Finance Act 1987 (1987 No 200)***Amendment(s) incorporated in the Act(s).***Local Authorities Loans Act 1956 (1956 No 63) (Reprinted 1974,
Vol 3, p 2301)***Amendment(s) incorporated in the Act(s).***Public Finance Act 1977 (1977 No 65)***Amendment(s) incorporated in the Act(s).***Public Finance Amendment Act 1980 (1980 No 7)****Public Finance Amendment Act 1986 (1986 No 67)****Public Finance Amendment Act 1987 (1987 No 49)****Public Works Amendment Act (No 2) 1987 (1987 No 67)***Amendment(s) incorporated in the Act(s).***Reserve Bank of New Zealand Act 1964 (1964 No 134) (RS
Vol 16, p 455)***Amendment(s) incorporated in the Act(s).***Reserve Bank of New Zealand Amendment Act 1977 (1977
No 68) (RS Vol 16, p 514)***Amendment(s) incorporated in the Act(s).*

State-Owned Enterprises Act 1986 (1986 No 124)

Amendment(s) incorporated in the Act(s).

State Sector Act 1988 (1988 No 20)

Amendment(s) incorporated in the Act(s).

Schedule 3

s 2(1)

**Liabilities, and categories of liabilities,
not included in definition of contingent
liability**

[Repealed]

Schedule 3: repealed, on 25 January 2005, by section 31 of the Public Finance Amendment Act 2004 (2004 No 113).

Schedule 4

ss 3A, 45M, 45N

Organisations for the purposes of subpart 2 of Part 5

Schedule 4: substituted, on 25 January 2005, by section 30 of the Public Finance Amendment Act 2004 (2004 No 113).

Note: A tick alongside the name of an organisation means that the section of the Crown Entities Act 2004 that appears above the tick applies to that organisation.

Name or description of organisation	SOI	Annual report	SSP	Securities	Borrowing	Guaran- tees	Deriva- tives	Surplus
	139	150	153	161	162	163	164	165
Agricultural and Marketing Research and Development Trust								
Asia New Zealand Foundation			✓					
Crown Fibre Holdings Limited	✓	✓						
Health Benefits Limited	✓	✓	✓	✓	✓	✓	✓	
Leadership Development Centre Trust			✓					
Learning State Limited	✓	✓		✓	✓	✓	✓	
the Māori Trustee		✓	✓					
National Pacific Radio Trust	✓	✓	✓	✓	✓	✓	✓	
New Zealand Fish and Game Council and Fish and Game Councils			✓	✓	✓	✓	✓	
New Zealand Game Bird Habitat Trust Board			✓	✓	✓	✓	✓	

Schedule 4

Public Finance Act 1989

Reprinted as at
1 November 2010

Name or description of organisation	SOI	Annual report	SSP	Securities	Borrowing	Guarantees	Derivatives	Surplus
	139	150	153	161	162	163	164	165
New Zealand Government Property Corporation								✓
New Zealand Lottery Grants Board								
Ngai Tahu Ancillary Claims Trust								
Pacific Co-operation Foundation			✓					
Pacific Island Business Development Trust			✓					
Research and Education Advanced Network New Zealand Limited	✓	✓	✓	✓	✓	✓	✓	
Reserves Boards as defined in section 2 of the Reserves Act 1977			✓	✓	✓	✓	✓	
Road Safety Trust								
Sentencing Council		✓	✓	✓	✓	✓	✓	✓
Te Ariki trust								
Transferee companies under the New Zealand Railways Corporation Restructuring Act 1990 in which the Crown holds 50% or more of the issued ordinary shares	✓	✓						

Reprinted as at
1 November 2010

Public Finance Act 1989

Schedule 4

- Schedule 4: amended, on 1 November 2010, by section 28 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 (2009 No 13).
- Schedule 4: amended, on 30 July 2010, by clause 3 of the Public Finance (Health Benefits Limited) Order 2010 (SR 2010/212).
- Schedule 4: amended, on 1 July 2010, by clause 3 of the Public Finance (Learning State Limited) Order 2010 (SR 2010/133).
- Schedule 4: amended, on 14 January 2010, by clause 3 of the Public Finance (Crown Fibre Holdings Limited) Order 2009 (SR 2009/400).
- Schedule 4: amended, on 24 December 2009, by clause 3 of the Public Finance (New Zealand Fast Forward Limited) Order 2009 (SR 2009/355).
- Schedule 4: amended, on 1 July 2009, by section 30(1) of the Māori Trustee Amendment Act 2009 (2009 No 12).
- Schedule 4: amended, on 4 June 2009, by section 93(3) of the Affiliate Te Arawa Iwi and Hapu Claims Settlement Act 2008 (2008 No 98).
- Schedule 4: amended, on 1 July 2008, by clause 3 of the Public Finance (National Pacific Radio Trust) Order 2008 (SR 2008/167).
- Schedule 4: amended, on 1 November 2007, by section 12 of the Sentencing Council Act 2007 (2007 No 25).
- Schedule 4: amended, on 11 May 2006, by clause 3 of the Public Finance (Research and Education Advanced Network New Zealand Limited) Order 2006 (SR 2006/96).
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Schedule 5

ss 3A, 41(2)(e), (f)

**Crown entities required to include
statements of service performance in their
annual financial statements**

[Repealed]

Schedule 5: repealed, on 25 January 2005, by section 31 of the Public Finance Amendment Act 2004 (2004 No 113).

Schedule 6

ss 3A, 41C, 41D, 41I

**Crown entities required to prepare
statements of intent**

[Repealed]

Schedule 6: repealed, on 25 January 2005, by section 31 of the Public Finance Amendment Act 2004 (2004 No 113).

Schedule 7

s 16

Crown entities subject to section 16

[Repealed]

Schedule 7: repealed, on 25 January 2005, by section 31 of the Public Finance Amendment Act 2004 (2004 No 113).

Public Finance Amendment Act 2004

Public Act 2004 No 113
Date of assent 21 December 2004
Commencement see section 2

1 Title

- (1) This Act is the Public Finance Amendment Act 2004.
- (2) In this Act, the Public Finance Act 1989 is called “the principal Act”.

2 Commencement

This Act comes into force on 25 January 2005.

Transitional provisions

32 Application of provisions relating to financial year

- (1) Despite the enactment of this Act, any existing provisions of the principal Act that relate to a financial year continue to apply only in respect of—
 - (a) either of the following:
 - (i) the financial year ending on 30 June 2005; or
 - (ii) a later financial year specified by the Governor-General by Order in Council made on the recommendation of the Minister of Finance; and
 - (b) each previous financial year.
- (2) Any provisions of the principal Act (as amended by this Act) that relate to a financial year must be read as if those provisions apply only in respect of—
 - (a) either of the following:
 - (i) the financial year commencing on 1 July 2005; or
 - (ii) if a later financial year is specified by the Governor-General by Order in Council made under subsection (1)(a)(ii), the next financial year; and
 - (b) each subsequent financial year.
- (3) The Minister of Finance may make a recommendation under subsection (1)(a)(ii) only if he or she is satisfied that doing so

is reasonably necessary to maintain the integrity of the preparation of the Budget.

- (4) In this section, **existing provisions of the principal Act** means the provisions of the principal Act that were in force immediately before the commencement of this Act.

33 Reporting obligations in respect of financial year

- (1) The reporting requirements and provisions that would have applied if this Act had not been enacted continue to apply, in respect of the financial year specified in subsection (3), to a department and an Office of Parliament, rather than the reporting requirements and provisions enacted by this Act or any other Act.
- (2) Therefore, for example, a department and an Office of Parliament must comply with the requirements relating to annual financial statements, annual reports, and audits that were in the principal Act immediately before the commencement of this Act.
- (3) The financial year referred to in subsection (1) is—
(a) the financial year ending on 30 June 2005; or
(b) if a later financial year is specified by the Governor-General by Order in Council made under section 32(1)(a)(ii), that financial year.
- (4) To avoid doubt, this section does not limit section 32.
- (5) Section 198 of the Crown Entities Act 2004 applies to an organisation named or described in Schedule 4.

34 Existing bank accounts, investments, borrowing, guarantees, and derivatives

- (1) This section applies to any bank account, investment, borrowing, guarantee, or derivative transaction of an organisation that is named or described in Schedule 4 of the principal Act at the date of commencement of this Act that the organisation would be restricted from acquiring, giving, or entering into under this Act.
- (2) The bank account, investment, borrowing, guarantee, or derivative transaction is not affected by the enactment of this Act.

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- (3) However, the terms of the investment, borrowing, guarantee, or derivative transaction may be amended, or any options resulting from the investment, borrowing, or derivative transaction, may be taken up, only if permitted by the Minister of Finance.

35 Regulations for transitional and savings purposes

- (1) The Governor-General may, by Order in Council, make regulations prescribing transitional or savings provisions relating to the coming into force of this Act.
- (2) Any transitional or savings provisions prescribed in regulations made under subsection (1) may be in addition to or in place of any of the provisions of sections 32 to 34.

36 References in trust deeds to section 25 of principal Act

Every reference to section 25 of the principal Act that is in a trust deed at the date of commencement of this section must be read as a reference to section 161 of the Crown Entities Act 2004.

Contents

- 1 General
 - 2 Status of reprints
 - 3 How reprints are prepared
 - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
 - 5 List of amendments incorporated in this reprint (most recent first)
-

Notes

1 *General*

This is a reprint of the Public Finance Act 1989. The reprint incorporates all the amendments to the Act as at 1 November 2010, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, *see* <http://www.pco.parliament.govt.nz/reprints/>.

2 *Status of reprints*

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 *How reprints are prepared*

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and

provisions that are repealed or revoked are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 *Changes made under section 17C of the Acts and Regulations Publication Act 1989*

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

**5 *List of amendments incorporated in this reprint
(most recent first)***

Public Finance (Health Benefits Limited) Order 2010 (SR 2010/212)

Public Finance Amendment Act 2010 (2010 No 78)

Public Finance (Learning State Limited) Order 2010 (SR 2010/133)

Public Finance (Crown Fibre Holdings Limited) Order 2009 (SR 2009/400)

Public Finance (New Zealand Fast Forward Limited) Order 2009 (SR 2009/355)

Crown Retail Deposit Guarantee Scheme Act 2009 (2009 No 30): section 10

Local Government (Tamaki Makaurau Reorganisation) Act 2009 (2009 No 13):
section 28

Māori Trustee Amendment Act 2009 (2009 No 12): section 30(1)

Affiliate Te Arawa Iwi and Hapu Claims Settlement Act 2008 (2008 No 98):
section 93(3)

Public Finance (National Pacific Radio Trust) Order 2008 (SR 2008/167)

Sentencing Council Act 2007 (2007 No 25): section 12

Public Finance (Research and Education Advanced Network New Zealand Limited) Order 2006 (SR 2006/96)
Public Finance Amendment Act 2004 (2004 No 113)
Maritime Transport Amendment Act 2004 (2004 No 98): section 11(3)
Local Government Act 2002 (2002 No 84): section 262
Housing Corporation Amendment Act 1992 (1992 No 78): section 16(1)
Public Audit Act 2001 (2001 No 10): section 53
Public Finance Amendment Act 2000 (2000 No 78)
Treasurer (Statutory References) Act 1997 (1997 No 20): section 2
Local Government Amendment Act (No 3) 1996 (1996 No 83): section 15(1)
Public Finance Amendment Act 1994 (1994 No 18)
Public Finance Amendment Act 1992 (1992 No 142)
Housing Corporation Amendment Act 1992 (1992 No 78): section 16(1)
Public Finance Amendment Act (No 2) 1991 (1991 No 99)
Public Finance Amendment Act 1991 (1991 No 6)
Acts and Regulations Publication Act 1989 (1989 No 142): section 31(1)
