

Reprint  
as at 23 July 2015



## Public Finance Act 1989

Public Act      1989 No 44  
Date of assent    26 July 1989  
Commencement    see section 1

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#### Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.  
Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Treasury.**

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**Title *[Repealed]***

Title: repealed, on 25 January 2005, by section 3 of the Public Finance Amendment Act 2004 (2004 No 113).

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- (3) *[Repealed]*
- (3A) *[Repealed]*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Section 1(3): repealed, on 1 July 1994, by section 2 of the Public Finance Amendment Act 1994 (1994 No 18).

Section 1(3A): repealed, on 1 July 1994, by section 2 of the Public Finance Amendment Act 1994 (1994 No 18).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, departmental agencies, Offices of Parliament, Schedule 4 organisations, and Schedule 4A companies; and
  - (e) provides for the application of financial management incentives and for the accountability of Schedule 4 organisations and Schedule 4A companies; and

- (ea) places limits on the ownership of the companies named in Schedule 5; 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 derivatives; 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).

Section 1A(2)(d): amended, on 18 July 2013, by section 4(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 1A(2)(d): amended, on 18 July 2013, by section 4(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 1A(2)(e): amended, on 18 July 2013, by section 4(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 1A(2)(ea): inserted, on 30 June 2012, by section 4 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

Section 1A(2)(f)(iii): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

## 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

**appropriation administrator**,—

- (a) in relation to an appropriation made to the Crown, means the department that administers the appropriation on behalf of the appropriation Minister; and
- (b) in relation to an appropriation made to an Office of Parliament, means that Office of Parliament

**appropriation Minister**,—

- (a) in relation to an appropriation made to an Office of Parliament, means the Speaker; and
- (b) in relation to an appropriation administered by the Office of the Clerk of the House of Representatives or the Parliamentary Service, means the Speaker; and

- (c) in relation to any other appropriation, means the Minister responsible for that appropriation

**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 main 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

**category**,—

- (a) in relation to expenses, means a grouping of similar or related expenses; and
- (b) in relation to capital expenditure, means a grouping of similar or related items of capital expenditure

**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:

- (aa) in the case of a departmental agency, the person holding office under section 31 of the State Sector Act 1988 as the chief executive of the departmental agency;
- (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 1993

**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; or
  - (iv) a Schedule 4 organisation; or
  - (v) a Schedule 4A company; or
  - (vi) a mixed ownership model company; or
  - (vii) an entity named or described in Schedule 6

**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 (as defined in section 27A(1) and (2) of the State Sector Act 1988); or
  - (ii) the New Zealand Defence Force; or
  - (iii) the New Zealand Police; or
  - (iv) the New Zealand Security Intelligence Service; or
  - (v) the Parliamentary Counsel Office; or
  - (vi) the Office of the Clerk of the House of Representatives; or
  - (vii) 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,—**

- (a) in relation to expenses, means expenses incurred by a department or an Office of Parliament; and
- (b) in relation to capital expenditure, means capital expenditure incurred by a department or an Office of Parliament

**departmental agency** has the meaning given in section 27A of the State Sector Act 1988 (*see also* section 27B of that Act)

**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—**

- (a) has the same meaning as in section 8 of the Financial Markets Conduct Act 2013; and
- (b) includes a foreign exchange transaction

**Estimates** means a statement in any form that—

- (a) describes and supports the appropriations being sought in the main Appropriation Bill for 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** has the same meaning as in section 8 of the Financial Reporting Act 2013



**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

**host department**, in relation to a departmental agency, has the meaning given in section 27A(1) and (2) of the State Sector Act 1988

**intelligence and security department** means—

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

**lend money**—

- (a) includes—
  - (i) deferring payment for any goods or services supplied or works constructed for any person, organisation, or government; and
  - (ii) entering into hire purchase agreements or agreements that are of the same or a substantially similar nature; and
  - (iii) entering into finance lease arrangements or arrangements that are of the same or a substantially similar nature; but
- (b) does not include selling or supplying goods or services on credit for a period of 90 days or less from the date the credit is supplied

**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

**main Appropriation Bill**, in respect of a financial year, means the first Appropriation Bill that relates to that financial year, and **main Appropriation Act** has a corresponding meaning

**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

**mixed ownership model company** has the meaning set out in section 45P

**multi-category appropriation** means an appropriation described in section 7A(1)(g)

**non-departmental**,—

- (a) in relation to expenses, means expenses incurred on behalf of the Crown, other than by a department or an Office of Parliament; and

- (b) in relation to capital expenditure, means capital expenditure incurred on behalf of the Crown, other than by a department or an Office of Parliament

**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 related expenses; or
- (c) borrowing expenses

**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

**permanent legislative authority**,—

- (a) in relation to incurring expenses or capital expenditure, means an express authority given by or under an Act other than an Appropriation Act to incur expenses or capital expenditure without further appropriation (*see*, for example, section 65ZH, which relates to certain finance expenses, and section 9 of the Ombudsmen Act 1975, which relates to salaries and allowances of Ombudsmen); and
- (b) in relation to spending public money, means an express authority given by or under an Act to spend public money without further authority (*see*, for example, section 6)

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

**public money** means all money received by or on behalf of 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

**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 an Office of Parliament, to the Office of the Clerk of the House of Representatives, or to the Parliamentary Service, the Speaker:
- (b) in relation to any other department, the Minister for the time being responsible for the financial performance of the department:
- (c) in relation to a Schedule 4 organisation, the Minister for the time being responsible for the financial performance of the organisation:
- (d) in relation to a Schedule 4A company, the Minister and the other shareholding Minister or Ministers

**Schedule 4 organisation** means an organisation named or described in Schedule 4

**Schedule 4A company** means a company named in Schedule 4A

**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 section 5 of the Companies Act 1993

**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 7A(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
- (ab) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; 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) **appropriation administrator**: inserted, on 18 July 2013, by section 5(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **appropriation Minister**: inserted, on 18 July 2013, by section 5(1) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **Budget**: amended, on 1 July 2014, by section 58(1) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **category**: inserted, on 18 July 2013, by section 5(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **chief executive** paragraph (aa): inserted, on 18 July 2013, by section 5(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **company**: replaced, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

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** 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) **Crown** or **the Sovereign** paragraph (c)(iii): amended, on 18 July 2013, by section 5(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Crown or the Sovereign** paragraph (c)(iv): inserted, on 18 July 2013, by section 5(4) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Crown or the Sovereign** paragraph (c)(v): inserted, on 18 July 2013, by section 5(4) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Crown or the Sovereign** paragraph (c)(vi): inserted, on 18 July 2013, by section 5(4) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Crown or the Sovereign** paragraph (c)(vi): amended, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

Section 2(1) **Crown or the Sovereign** paragraph (c)(vii): inserted, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

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

Section 2(1) **department** paragraph (a): replaced, on 18 July 2013, by section 5(5) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **departmental**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **departmental agency**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

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**: inserted, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 2(1) **derivative transaction**: repealed, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

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) **Estimates** paragraph (a): amended, on 1 July 2014, by section 58(2) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **generally accepted accounting practice**: replaced, on 1 April 2014, by section 126 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

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) **host department**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **impact**: repealed, on 1 July 2014, by section 58(3) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **lend money**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **main Appropriation Bill**: inserted, on 1 July 2014, by section 58(8) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **mixed ownership model company**: inserted, on 30 June 2012, by section 5 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

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-category appropriation**: inserted, on 1 July 2014, by section 58(8) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **multi-class output expense appropriation**: repealed, on 1 July 2014, by section 58(4) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **non-departmental**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **other expenses** paragraph (b): replaced, on 1 July 2014, by section 58(5) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **outcome**: repealed, on 1 July 2014, by section 58(6) of the Public Finance Amendment Act 2013 (2013 No 50).

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) **permanent legislative authority**: inserted, on 18 July 2013, by section 5(6) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **permanent legislative authority**: amended, on 1 July 2014, by section 58(9) of the Public Finance Amendment Act 2013 (2013 No 50).

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 money**: amended, on 18 July 2013, by section 5(7)(a) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **public money**: amended, on 18 July 2013, by section 5(7)(b) of the Public Finance Amendment Act 2013 (2013 No 50).

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**: replaced, on 18 July 2013, by section 5(8) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Schedule 4 organisation**: inserted, on 18 July 2013, by section 5(9) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **Schedule 4A company**: inserted, on 18 July 2013, by section 5(9) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 2(1) **subsidiary**: replaced, on 5 December 2013, by section 14 of the Companies Amendment Act 2013 (2013 No 111).

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) **type**: amended, on 1 July 2014, by section 58(7) of the Public Finance Amendment Act 2013 (2013 No 50).

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(1) **working day** paragraph (ab): inserted, on 1 January 2014, by section 8 of the Holidays (Full Recognition of Waitangi Day and ANZAC Day) Amendment Act 2013 (2013 No 19).

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).

## 2A Provisions affecting application of amendments to this Act

Schedule 1 contains application, savings, and transitional provisions relating to amendments made to this Act after 1 January 2013 (*see* section 88).

Section 2A: inserted, on 18 July 2013, by section 6 of the Public Finance Amendment Act 2013 (2013 No 50).

## 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 made on the recommendation of the Minister, amend Schedule 4—
  - (a) to add the name or description of—
    - (i) any body, office (except an Office of Parliament), or officer established by or under an Act; or
    - (ii) any trust that is created by the Crown by deed of trust or in respect of which the Crown has appointed, or has the power to appoint, a majority of the trustees:
  - (b) to apply to an organisation any provision of the Crown Entities Act 2004 that appears in Schedule 4 (other than section 165 of that Act):
  - (c) to disapply to an organisation any provision of the Crown Entities Act 2004 that appears in Schedule 4:
  - (d) to substitute the name of an organisation in recognition of a change in its name:
  - (e) to remove the name or description of an organisation.
- (2) The Minister must recommend that an Order in Council be made to remove the name or description of an organisation from Schedule 4 if, and only if, the Minister is satisfied that—
  - (a) the organisation has become a company or a Crown entity; or
  - (b) in the case of a body, office, or officer established by or under an Act, the body, office, or officer has been disestablished; or
  - (c) in the case of a trust,—
    - (i) the trust has been wound up; or
    - (ii) the Crown no longer has the power to appoint a majority of the trustees.

Section 3A: replaced, on 18 July 2013, by section 7 of the Public Finance Amendment Act 2013 (2013 No 50).

### **3AB Power to amend Schedule 4A**

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, amend Schedule 4A—
  - (a) to add the name of a company that meets the following criteria:
    - (i) Ministers of the Crown hold, on behalf of the Crown, more than 50% of the issued ordinary shares in the capital of the company; and
    - (ii) shares in the company are not listed on a registered market (within the meaning of the Securities Markets Act 1988); and

- (iii) the company is not a Crown entity or a State enterprise named in Schedule 1 of the State-Owned Enterprises Act 1986:
- (b) to apply to a company any provision of the Crown Entities Act 2004 that appears in Schedule 4A (other than section 165 of that Act):
- (c) to disapply to a company any provision of the Crown Entities Act 2004 that appears in Schedule 4A:
- (d) to substitute the name of a company in recognition of a change in its name:
- (e) to remove the name of a company.
- (2) The Minister must recommend that an Order in Council be made to remove the name of a company from Schedule 4A if the Minister is satisfied that—
  - (a) the company has been removed from the register of companies kept under the Companies Act 1993; or
  - (b) the company no longer meets the criteria set out in subsection (1)(a).

Section 3AB: inserted, on 18 July 2013, by section 7 of the Public Finance Amendment Act 2013 (2013 No 50).

### **3B Power to amend Schedule 5 to reflect name changes**

The Governor-General may, by Order in Council, amend Schedule 5 to replace the name of any company in recognition of a change in its name.

Section 3B: inserted, on 30 June 2012, by section 6 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

### **3C Power to amend Schedule 5 to restore company to State-Owned Enterprises Act 1986**

- (1) The Governor-General may, by Order in Council, repeal the name of a company from Schedule 5 and insert the name of that company in Schedules 1 and 2 of the State-Owned Enterprises Act 1986.
- (2) Every Order in Council made under subsection (1) must (unless the amendment is redundant), and is empowered to, also—
  - (a) insert the name of that company in Part 2 of Schedule 1 of the Ombudsmen Act 1975; and
  - (b) repeal the name of that company from Part B of Schedule 36 of the Income Tax Act 2007 and insert the name of that company in Part A of that schedule.
- (3) An Order in Council may be made under this section only if the Governor-General in Council is satisfied, at the time of the making of the Order in Council, that 100% of the issued ordinary shares in the company are held by Ministers of the Crown on behalf of the Crown.

Section 3C: inserted, on 30 June 2012, by section 6 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

### 3D Power to amend Schedule 6 to reflect name changes

The Governor-General may, by Order in Council, on the recommendation of the Minister following consultation with the person with statutory responsibility for performing or exercising the rights, powers, and duties of the legal entity, amend Schedule 6 to replace the name of an entity in recognition of a change to its name.

Section 3D: inserted, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

## 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
    - (ia) a Schedule 4 organisation; or
    - (ii) a Schedule 4A company; or
    - (iaa) a mixed ownership model company listed in Schedule 5; 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).

Section 4(2)(b)(ia): inserted, on 18 July 2013, by section 8 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 4(2)(b)(ii): replaced, on 18 July 2013, by section 8 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 4(2)(b)(iia): inserted, on 30 June 2012, by section 7 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

#### **4A Authority to incur expenses or capital expenditure under Imprest Supply Act**

- (1) The authority given by an Imprest Supply Act to incur expenses or capital expenditure in a financial year in advance of appropriation is an authority under an Act for the purposes of sections 4(1) and 26C(1).
- (2) However, subsection (1) does not apply unless an appropriation for the expenses or capital expenditure is made before the end of the financial year.

Section 4A: inserted, on 18 July 2013, by section 9 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 Expenses and capital expenditure must be allocated to appropriation type**

All expenses and capital expenditure to be incurred in any financial year must be allocated to one of the appropriation types set out in section 7A(1) within a Vote specified in an Appropriation Act.

Section 7: replaced, on 1 July 2014, by section 59 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **7A Appropriation types**

- (1) An appropriation must be an appropriation for—
  - (a) 1 category of output expenses; or
  - (b) 1 category of benefits or related expenses; or

- (c) 1 category of borrowing expenses; or
  - (d) 1 category of other expenses; or
  - (e) 1 category of capital expenditure; or
  - (f) expenses and capital expenditure to be incurred by an intelligence and security department; or
  - (g) 2 or more categories of 1 or more of the following:
    - (i) output expenses:
    - (ii) other expenses:
    - (iii) non-departmental capital expenditure.
- (2) For the purposes of this section,—
- (a) a category of output expenses must not include both departmental and non-departmental expenses; and
  - (b) a category of other expenses must not include both departmental and non-departmental expenses; and
  - (c) a category of capital expenditure must not include both departmental and non-departmental capital expenditure.

Section 7A: inserted, on 1 July 2014, by section 59 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **7B Requirements for multi-category appropriations**

A multi-category appropriation described in section 7A(1)(g)—

- (a) must be approved by the Minister; and
- (b) must include only categories of expenses or non-departmental capital expenditure that contribute to a single overarching purpose.

Section 7B: inserted, on 1 July 2014, by section 59 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **7C Responsibility for, and administration and use of, appropriations**

- (1) An appropriation is made to the Crown or an Office of Parliament.
- (2) In the case of an appropriation made to the Crown,—
  - (a) a Minister (the **appropriation Minister**) is responsible for the appropriation; and
  - (b) the appropriation must be administered by 1 department (the **appropriation administrator**) on behalf of the appropriation Minister; and
  - (c) if the appropriation is an appropriation for departmental expenses or a multi-category appropriation, any other department may incur expenses against the appropriation—
    - (i) at the direction of the appropriation Minister; or
    - (ii) with the agreement of the appropriation administrator.

- (3) Despite subsection (2)(a), the Speaker is responsible for any appropriation administered by the Office of the Clerk of the House of Representatives or the Parliamentary Service.
- (4) In the case of an appropriation made to an Office of Parliament,—
  - (a) the Speaker is responsible for the appropriation; and
  - (b) the appropriation must be administered by that Office of Parliament.

Section 7C: inserted, on 18 July 2013, by section 10 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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-category appropriation is the scope of each of the individual categories of expenses or non-departmental capital expenditure 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).

Section 9(2)(a): replaced, on 1 July 2014, by section 60 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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, or other authority, 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).

Section 11(2): amended, on 18 July 2013, by section 11 of the Public Finance Amendment Act 2013 (2013 No 50).

## **12 Timing of main Appropriation Bill for financial year**

Except as otherwise provided by a resolution of the House of Representatives, the main Appropriation Bill for 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).

Section 12 heading: amended, on 1 July 2014, by section 61(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 12: amended, on 1 July 2014, by section 61(2) of the Public Finance Amendment Act 2013 (2013 No 50).

### *Requirements for capital injections*

Heading: inserted, on 1 July 2014, by section 62 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **12A Capital injections must be authorised**

- (1) The Crown must not make a capital injection to a department (other than an intelligence and security department) or an Office of Parliament unless the capital injection is authorised under an Appropriation Act.
- (2) The authority to make the capital injection—
  - (a) is limited by the amount specified for the capital injection by that Appropriation Act; and
  - (b) must not be exceeded, except as provided for in section 25A.

Section 12A: inserted, on 1 July 2014, by section 62 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **12B Authority to make capital injections under Imprest Supply Act**

- (1) The authority given by an Imprest Supply Act to make a capital injection in a financial year in advance of authorisation under an Appropriation Act must be treated as an authority under an Appropriation Act for the purposes of sections 12A and 26CA.
- (2) However, subsection (1) does not apply unless the capital injection is authorised under an Appropriation Act before the end of the financial year.

Section 12B: inserted, on 1 July 2014, by section 62 of the Public Finance Amendment Act 2013 (2013 No 50).

### *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 supporting information must be presented with main Appropriation Bill**

- (1) The Minister must present to the House of Representatives the Estimates immediately after he or she has delivered the Budget, or at any time prior to that time on the same day.
- (2) The Minister must also present to the House of Representatives the supporting information referred to in sections 15 to 15F at the same time he or she presents the Estimates under subsection (1), unless that 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).

Section 13 heading: replaced, on 1 July 2014, by section 63(1) of the Public Finance Amendment Act 2013 (2013 No 50).



Section 13(1): amended, on 25 February 2012, by section 4 of the Public Finance Amendment Act 2012 (2012 No 17).

Section 13(2): amended, on 1 July 2014, by section 63(2)(a) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 13(2): amended, on 1 July 2014, by section 63(2)(b) of the Public Finance Amendment Act 2013 (2013 No 50).

## **14 Content of Estimates**

- (1) The Estimates must state, for each appropriation sought in the main Appropriation Bill for a financial year and each appropriation authorised for that financial year by an Appropriation Act,—
  - (a) the Vote to which the appropriation relates; and
  - (b) the appropriation Minister; and
  - (c) the appropriation administrator; and
  - (d) the type of the appropriation (in terms of section 7A(1)); and
  - (e) in the case of a multi-category appropriation, the overarching purpose of the appropriation (in terms of section 7B(b)); and
  - (f) the amount authorised by the appropriation (in terms of section 8); and
  - (g) the scope of the appropriation (in terms of section 9); and
  - (h) the period of the appropriation (in terms of section 10), but only if the period is more than 1 financial year.
- (2) The Estimates must state, for each appropriation authorised by a permanent legislative authority against which it is proposed to incur expenses or capital expenditure in the financial year to which the Estimates relate,—
  - (a) the authority for the appropriation; and
  - (b) the information specified in subsection (1)(a) to (h), other than subsection (1)(f); and
  - (c) the amount forecast to be incurred under the appropriation.
- (3) The Estimates must state,—
  - (a) for each department, the responsible Minister for the department; and
  - (b) for each department other than an intelligence and security department, the amount of capital injections authorised to be made to the department for the financial year to which the Estimates relate.
- (4) 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: replaced, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**15 Main Appropriation Bill: supporting information relating to Votes**

- (1) The supporting information for the main Appropriation Bill must include, for the total in each Vote of each type of appropriation,—
  - (a) voted departmental and non-departmental expenses or capital expenditure for the financial year to which the Appropriation Bill relates; and
  - (b) comparative voted and estimated actual expenses or capital expenditure for the previous financial year; and
  - (c) comparative actual expenses or capital expenditure for each of the 4 financial years that preceded the previous financial year; and
  - (d) projected expenses or capital expenditure for each of the 3 financial years following the financial year to which the Appropriation Bill relates.
- (2) However, if the Vote has been restructured 1 or more times since the beginning of the period in respect of which supporting information is required under subsection (1), then the comparative information required under that subsection must, to the extent practicable, be prepared as if the restructuring had occurred before the beginning of that period.
- (3) For the purposes of subsection (2), a Vote has been **restructured** if—
  - (a) it has been combined with, or separated from, any other Vote; or
  - (b) an appropriation, or a category within a multi-category appropriation, has been moved into the Vote from, or moved out of the Vote into, any other Vote; or
  - (c) a category of expenses or non-departmental capital expenditure has been moved into or out of a multi-category appropriation within the Vote.

Section 15: replaced, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**15A Main Appropriation Bill: supporting information relating to appropriations**

- (1) The supporting information for the main Appropriation Bill for a financial year must include the information specified in subsections (2) and (3), including any information required by section 15B, for—
  - (a) each appropriation sought in the Bill; and
  - (b) each appropriation authorised for that financial year by an Appropriation Act; and
  - (c) each appropriation authorised by a permanent legislative authority against which it is proposed to incur expenses or capital expenditure in that financial year.
- (2) The following information is required for each appropriation:

- (a) a concise explanation of what the appropriation is intended to achieve; and
  - (b) comparative voted and estimated actual expenses or capital expenditure for the previous financial year; and
  - (c) 1 of the following:
    - (i) the end-of-year performance information details described in section 15C;
    - (ii) if the Minister has, under section 15D, granted an exemption from the end-of-year performance information requirements, the Minister's reasons for granting the exemption.
- (3) The following additional information is required for each category of a multi-category appropriation:
  - (a) a concise explanation of what the category is intended to achieve; and
  - (b) projected expenses or non-departmental capital expenditure to be incurred for the category; and
  - (c) comparative projected and estimated actual expenses or non-departmental capital expenditure for the category for the previous financial year.
- (4) However,—
  - (a) in the case of an appropriation for expenses and capital expenditure to be incurred by an intelligence and security department, subsection (2)(a) and (c) do not apply; and
  - (b) in the case of an appropriation for borrowing expenses, subsection (2)(c) does not apply.

Section 15A: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **15B Comparative information requirements if no directly corresponding appropriation or category**

- (1) This section applies if—
  - (a) section 15A requires the supporting information for the main Appropriation Bill for a financial year to include, for an appropriation or a category within a multi-category appropriation, comparative information for the previous financial year; and
  - (b) that appropriation or category (the **new appropriation or category**) does not directly correspond to an appropriation or category for the previous financial year.
- (2) The comparative information for the new appropriation or category must include all comparable expenses or capital expenditure.
- (3) The comparative information for the new appropriation or category must also, to the extent practicable,—

- (a) identify each previous appropriation or category that includes comparable expenses or capital expenditure; and
  - (b) identify the amount of comparable expenses or capital expenditure for that previous appropriation or category.
- (4) In this section, **comparable expenses or capital expenditure**, in relation to a new appropriation or category, means voted or projected (as applicable) and estimated actual expenses or capital expenditure for a previous appropriation or category that would, if the new appropriation or category had been authorised for the previous financial year, have been within the scope of the new appropriation or category.

Section 15B: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

### 15C End-of-year performance information requirements

- (1) The end-of-year performance information details for an appropriation (*see* section 15A(2)(c)(i)) are—
  - (a) a concise explanation of how performance against the appropriation will be assessed; and
  - (b) in the case of a multi-category appropriation, a concise explanation of how performance against each category of the appropriation will be assessed; and
  - (c) who, in accordance with subsection (2), will provide information at the end of the financial year on what has been achieved with the appropriation; and
  - (d) the document in which the end-of-year performance information will be presented to the House of Representatives.
- (2) End-of-year performance information on an appropriation must be provided,—
  - (a) for a multi-category appropriation, by the appropriation administrator; and
  - (b) for an appropriation described in subsection (3), by the appropriation Minister; and
  - (c) for any other appropriation, by a department, a departmental agency, an Office of Parliament, or a Crown entity.
- (3) Subsection (2)(b) applies in respect of an appropriation for non-departmental expenses, or non-departmental capital expenditure, from which resources will be provided to a person or an entity other than a department, a departmental agency, an Office of Parliament, or a Crown entity.

Section 15C: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**15D Exemptions from end-of-year performance information requirements for certain categories of expenses and capital expenditure**

- (1) The Minister may grant an exemption from the end-of-year performance information requirements in respect of an appropriation for departmental output expenses, or a category of departmental output expenses within a multi-category appropriation, if the Minister is satisfied that the appropriation or category relates exclusively to outputs supplied by a department to 1 or more other departments.
- (2) The Minister may grant an exemption from the end-of-year performance information requirements in respect of an appropriation for non-departmental expenses or non-departmental capital expenditure, or a category of non-departmental expenses or non-departmental capital expenditure within a multi-category appropriation, if the Minister is satisfied that—
  - (a) the appropriation or category is one from which resources will be provided to a person or an entity other than a department, a departmental agency, an Office of Parliament, or a Crown entity; and
  - (b) 1 of the following applies:
    - (i) key performance information relevant to the appropriation or category will be otherwise readily available to the House of Representatives;
    - (ii) end-of-year performance information for the appropriation or category is not likely to be informative in the light of the nature of the transaction or causal event giving rise to the expenses or capital expenditure;
    - (iii) the amount of the annual appropriation (or its annual average equivalent if the appropriation is a multi-year or permanent appropriation) or the projected amount of the expenses or non-departmental capital expenditure in the category (or its annual average equivalent if the category is part of a multi-year or permanent appropriation) is less than \$5 million for expenses or less than \$15 million for capital expenditure.
- (3) An exemption under this section may be granted for 1 or more financial years or until further notice.
- (4) The Minister's reasons for granting an exemption must be included in the supporting information for an Appropriation Bill (*see* section 15A(2)(c)(ii)).
- (5) In subsection (2)(b)(iii),—

**multi-year appropriation** means an appropriation authorised to apply for more than 1 financial year (*see* section 10)

**permanent appropriation** means an appropriation authorised by a permanent legislative authority.

Section 15D: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**15E Main Appropriation Bill: supporting information relating to capital injections**

- (1) The supporting information for the main Appropriation Bill must include, for each capital injection authorised for the financial year to which the Appropriation Bill relates,—
  - (a) the department to which the capital injection is to be made; and
  - (b) a concise explanation of what the capital injection is to be used for; and
  - (c) the amount of the capital injection.
- (2) Subsection (1) does not apply to a capital injection to an intelligence and security department.

Section 15E: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**15F Minister may present further supporting information**

The Minister may, in addition to the information referred to in sections 15 to 15E, include in the supporting information for the main Appropriation Bill any further information that the Minister considers necessary or desirable.

Section 15F: inserted, on 1 July 2014, by section 64 of the Public Finance Amendment Act 2013 (2013 No 50).

**16 Supplementary Estimates and supporting information must be presented with Supplementary Appropriation Bill**

- (1) 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 main Appropriation Bill for a financial year; or
  - (b) an Appropriation Bill that deals only with matters that relate to a previous financial year.
- (2) The Minister must also present to the House of Representatives the supporting information referred to in sections 17A and 17B at the same time that he or she presents the Supplementary Estimates under subsection (1), unless that supporting information is already contained in the Supplementary Estimates.

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

Section 16 heading: amended, on 1 July 2014, by section 65(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 16(1)(a): amended, on 1 July 2014, by section 65(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 16(2): inserted, on 1 July 2014, by section 65(3) of the Public Finance Amendment Act 2013 (2013 No 50).

## 17 Content of Supplementary Estimates

- (1) The Supplementary Estimates for a financial year must include—
  - (a) the information specified in section 14(1) for—
    - (i) each appropriation authorised for that financial year by an Appropriation Act; and
    - (ii) each appropriation sought in an Appropriation Bill relating to that financial year; and
  - (b) the information specified in section 14(2) for each appropriation authorised by a permanent legislative authority against which it is proposed to incur expenses or capital expenditure in that financial year.
- (2) The Supplementary Estimates must state,—
  - (a) for each department, the responsible Minister for the department; and
  - (b) for each department other than an intelligence and security department, the amount of capital injections authorised to be made to the department for the financial year.
- (3) The Minister may, in addition to the information referred to in this section, include in the Supplementary Estimates any further information that the Minister considers necessary or desirable.

Section 17: replaced, on 1 July 2014, by section 66 of the Public Finance Amendment Act 2013 (2013 No 50).

## 17A Supplementary Appropriation Bill: supporting information relating to appropriations

- (1) The supporting information for a supplementary Appropriation Bill must include,—
  - (a) for each new appropriation, the information (excluding comparative information) specified in section 15A; and
  - (b) for each existing appropriation, any change to the information (excluding comparative information) specified in section 15A that was most recently included in the supporting information for an Appropriation Act in respect of the appropriation.
- (2) In this section,—

**comparative information** means the information specified in section 15A(2)(b) and (3)(c)

**existing appropriation**, in relation to a supplementary Appropriation Bill for a financial year, means an appropriation for which the information specified in section 15A is included in the supporting information for an Appropriation Act relating to that financial year

**new appropriation**, in relation to a supplementary Appropriation Bill for a financial year, means—

- (a) an appropriation—
  - (i) that is sought in that Bill; and
  - (ii) for which the information specified in section 15A is not included in the supporting information for any Appropriation Act relating to that financial year; or
- (b) an appropriation—
  - (i) that is authorised by a permanent legislative authority to incur expenses or capital expenditure; and
  - (ii) against which it is proposed to incur expenses or capital expenditure in that financial year; and
  - (iii) for which the information specified in section 15A is not included in the supporting information for any Appropriation Act relating to that financial year.

Section 17A: inserted, on 1 July 2014, by section 66 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **17B Supplementary Appropriation Bill: supporting information relating to capital injections**

- (1) The supporting information for a supplementary Appropriation Bill must include,—
  - (a) for each new capital injection, the information specified in section 15E; and
  - (b) for each existing capital injection, any change to the information specified in section 15E that is included in the supporting information for an Appropriation Act relating to that financial year.
- (2) In this section,—

**existing capital injection**, in relation to a supplementary Appropriation Bill and a financial year, means a capital injection for which the information specified in section 15E is included in the supporting information for an Appropriation Act relating to that financial year

**new capital injection**, in relation to a supplementary Appropriation Bill and a financial year, means a capital injection—

  - (a) that is authorised for that financial year; and
  - (b) for which the information specified in section 15E is not included in the supporting information for any Appropriation Act relating to that financial year.
- (3) This section does not apply to a capital injection to an intelligence and security department.

Section 17B: inserted, on 1 July 2014, by section 66 of the Public Finance Amendment Act 2013 (2013 No 50).



**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 (*see* section 14); or
  - (b) the supporting information for a main Appropriation Bill (*see* sections 15 to 15E); or
  - (c) the Supplementary Estimates (*see* section 17); or
  - (d) the supporting information for a supplementary Appropriation Bill (*see* sections 17A and 17B).
- (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).

Section 18(1): replaced, on 1 July 2014, by section 67 of the Public Finance Amendment Act 2013 (2013 No 50).

**19 Power of Secretary to obtain information**

- (1) The Secretary may request a department, a departmental agency, 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; or
  - (b) the supporting information for a main Appropriation Bill (*see* sections 15 to 15E); or
  - (c) the Supplementary Estimates (*see* section 17); or
  - (d) the supporting information for a supplementary Appropriation Bill (*see* sections 17A and 17B).
- (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 and the supporting information for a main Appropriation Bill (*see* section 13); and
  - (b) the Supplementary Estimates and the supporting information for a supplementary Appropriation Bill (*see* section 16).
- (4) A department, departmental agency, 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).

Section 19(1): amended, on 18 July 2013, by section 12(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(1)(a): replaced, on 1 July 2014, by section 68(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(1)(b): replaced, on 1 July 2014, by section 68(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(1)(c): replaced, on 1 July 2014, by section 68(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(1)(d): inserted, on 1 July 2014, by section 68(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(3)(a): replaced, on 1 July 2014, by section 68(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(3)(b): replaced, on 1 July 2014, by section 68(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 19(4): amended, on 18 July 2013, by section 12(2) of the Public Finance Amendment Act 2013 (2013 No 50).

### *Reporting on appropriations: end-of-year performance information*

Heading: inserted, on 1 July 2014, by section 69 of the Public Finance Amendment Act 2013 (2013 No 50).

## **19A Provision of end-of-year performance information other than by Ministers**

- (1) This section applies to the department, departmental agency, Office of Parliament, or Crown entity (**performance reporter**) most recently identified in the supporting information for an Appropriation Act as providing end-of-year performance information on an appropriation for a financial year.
- (2) As soon as practicable after the end of each financial year, the performance reporter must prepare the information that is required by section 19C.
- (3) Not later than 15 working days after the performance reporter receives an audit report on the information under section 45D of this Act or section 156 of the Crown Entities Act 2004 (as applicable),—
  - (a) the performance reporter must, unless the performance reporter is the appropriation administrator, provide the information and the audit report to the appropriation administrator; and
  - (b) the appropriation administrator must provide the information and the audit report to the appropriation Minister; and

- (c) the appropriation Minister must ensure that the information and the audit report are presented to the House of Representatives in the document most recently specified for that purpose in the supporting information for an Appropriation Act.
- (4) If Parliament is not in session, subsection (3)(c) does not apply, but the appropriation Minister must ensure that, as soon as possible after the commencement of the next session of Parliament, the information and the audit report are presented to the House of Representatives in the document most recently specified for that purpose in the supporting information for an Appropriation Act.
- (5) The performance reporter must ensure that the information is published as soon as practicable after the information is presented to the House of Representatives, or, if subsection (4) applies, not later than 15 working days after receiving the audit report.

Section 19A: inserted, on 1 July 2014, by section 69 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **19B Provision of end-of-year performance information by Ministers**

- (1) This section applies to the appropriation Minister most recently identified in the supporting information for an Appropriation Act as providing end-of-year performance information on an appropriation for a financial year.
- (2) Within 4 months after the end of the financial year, the appropriation Minister must—
  - (a) prepare the information that is required by section 19C; and
  - (b) ensure that the information is presented to the House of Representatives in the document most recently specified for that purpose in the supporting information for an Appropriation Act.
- (3) If Parliament is not in session, subsection (2)(b) does not apply, but the appropriation Minister must ensure that, as soon as possible after the commencement of the next session of Parliament, the information is presented to the House of Representatives in the document most recently specified for that purpose in the supporting information for an Appropriation Act.
- (4) The appropriation Minister must ensure that the information is published as soon as practicable after the information is presented to the House of Representatives, or, if subsection (3) applies, not later than 4 months after the end of the financial year.

Section 19B: inserted, on 1 July 2014, by section 69 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **19C Requirements for end-of-year performance information**

- (1) The end-of-year performance information for an appropriation must include the following:

- (a) an assessment of what has been achieved with the appropriation in the financial year; and
  - (b) a comparison of the actual expenses or capital expenditure incurred in relation to the appropriation in the financial year with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- (2) In the case of a multi-category appropriation, subsection (1)(a) and (b) must be read as if the references in those paragraphs to an appropriation included a reference to each category of expenses or capital expenditure within that appropriation.
- (3) The end-of-year performance information for an appropriation must be prepared in accordance with generally accepted accounting practice, to the extent that the information is of a form or nature for which provision is made in financial reporting standards that form part of generally accepted accounting practice.

Section 19C: inserted, on 1 July 2014, by section 69 of the Public Finance Amendment Act 2013 (2013 No 50).

#### *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**

*[Repealed]*

Section 20: repealed, on 18 July 2013, by section 13 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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) *[Repealed]*
- (3) *[Repealed]*
- (4) *[Repealed]*

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

Section 22(2): repealed, on 1 July 2014, by section 70 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 22(3): repealed, on 1 July 2014, by section 70 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 22(4): repealed, on 1 July 2014, by section 70 of the Public Finance Amendment Act 2013 (2013 No 50).

## **23 Net assets of departments must be confirmed**

*[Repealed]*

Section 23: repealed, on 1 July 2014, by section 71 of the Public Finance Amendment Act 2013 (2013 No 50).

## **24 Movements within departmental statement of financial position**

- (1) A department other than an intelligence and security 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).

Section 24(1): amended, on 1 July 2014, by section 72 of the Public Finance Amendment Act 2013 (2013 No 50).

**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) *[Repealed]*
- (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).

Section 25(3): repealed, on 18 July 2013, by section 14 of the Public Finance Amendment Act 2013 (2013 No 50).

**25A Capital injections may be made in emergencies**

- (1) The Minister may approve a capital injection to meet an emergency or disaster described in section 25(1).
- (2) A capital injection approved under subsection (1) may be made despite not being authorised under an Appropriation Act and despite section 12A.
- (3) A statement about any capital injection made under subsection (2) in any financial year that has not been authorised in an Appropriation Act (other than a capital injection to an intelligence and security department) must be included in—
  - (a) the annual financial statements of the Government; and
  - (b) an Appropriation Bill for confirmation by Parliament.

- (4) Subsection (3) does not limit the validity of any capital injection made under this section.

Section 25A: inserted, on 1 July 2014, by section 73 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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 7A(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).

Section 26(1)(a): amended, on 1 July 2014, by section 74 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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).

**26CA Capital injections made without authority or approval require validation by Parliament**

- (1) The making of a capital injection without authority under an Appropriation Act or approval under section 25A 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 capital injection made without authority under an Appropriation Act or approval under section 25A, present to the House of Representatives a report that sets out—
  - (a) the amount of each capital injection so made; and
  - (b) an explanation by the responsible Minister for the department to which the capital injection was made.
- (3) This section does not apply to a capital injection to an intelligence and security department.

Section 26CA: inserted, on 1 July 2014, by section 75 of the Public Finance Amendment Act 2013 (2013 No 50).

**26D Reporting requirements in relation to expenses or capital expenditure incurred in excess of, or without, appropriation and capital injections made in excess of, or without, authorisation**

- (1) This section applies to—
  - (a) any expenses that have, or capital expenditure that has, been incurred—
    - (i) without appropriation or other authority; or
    - (ii) in excess of an existing appropriation or other authority; and
  - (b) any capital injection (other than a capital injection to an intelligence and security department) that has been made—
    - (i) without authority under an Appropriation Act or approval under section 25A; or
    - (ii) in excess of an existing authority under an Appropriation Act or an existing approval under section 25A.
- (2) A statement that relates to any expenses, capital expenditure, or capital injection 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 report of the administering department for the financial year in accordance with section 45A(c) and (e).

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

Section 26D heading: amended, on 1 July 2014, by section 76(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 26D(1): replaced, on 1 July 2014, by section 76(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 26D(2): amended, on 1 July 2014, by section 76(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 26D(2)(b): replaced, on 1 July 2014, by section 76(4) of the Public Finance Amendment Act 2013 (2013 No 50).

*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 proposed category of expenses or non-departmental capital expenditure within a multi-category appropriation; and
  - (b) the revenue of the Office (including the revenue associated with each proposed expenses appropriation and each proposed category of expenses within a multi-category appropriation).
- (2) Before an authorisation for a capital injection to be made to an Office of Parliament may be included in an Appropriation Bill for a financial year, the chief executive of the Office concerned must submit to the House of Representatives the amount of the proposed capital injection.
- (3) The House of Representatives, after considering the information provided under subsections (1) and (2), may for each Office of Parliament commend to the Governor-General, by way of an address,—
  - (a) the estimates referred to in subsection (1)(a); and
  - (b) the capital injection referred to in subsection (2).
- (4) The House of Representatives may, in that address, request that the estimates be included as a Vote, and the capital injection be authorised, in an Appropriation Bill for that year.
- (5) If the Vote or authorisation 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.
- (6) An alteration to the Vote or authorisation during that year is subject to the provisions of this section.

Section 26E: replaced, on 1 July 2014, by section 77 of the Public Finance Amendment Act 2013 (2013 No 50).

**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) when formulating revenue strategy, having regard to efficiency and fairness, including the predictability and stability of tax rates; and
  - (f) when formulating fiscal strategy, having regard to the interaction between fiscal policy and monetary policy; and
  - (g) when formulating fiscal strategy, having regard to its likely impact on present and future generations; and
  - (h) ensuring that the Crown's resources are managed effectively and efficiently.
- (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).

Section 26G(1)(e): replaced, on 4 September 2013, by section 4 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26G(1)(f): inserted, on 4 September 2013, by section 4 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26G(1)(g): inserted, on 4 September 2013, by section 4 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26G(1)(h): inserted, on 4 September 2013, by section 4 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

## **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, or at any time prior to that time on the same day.
- (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).

Section 26I(2): amended, on 25 February 2012, by section 5 of the Public Finance Amendment Act 2012 (2012 No 17).

## **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).

#### **26KA Contents of fiscal strategy report: management of the Crown's resources**

- (1) The fiscal strategy report must include details of the Government's strategy for managing expenditure, assets, and liabilities in the period of at least 3 financial years commencing with the financial year to which the report relates.
- (2) Details of the Government's strategy for managing expenditure, assets, and liabilities may include—
  - (a) the outcomes sought from new or reallocated expenditure, assets, and liabilities; and
  - (b) any expected change over time in the major components of expenditure, assets, and liabilities.

Section 26KA: inserted, on 4 September 2013, by section 5 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

## 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; and
  - (c) an assessment of the extent to which the fiscal performance of the Government, in the period since the most recent substantial change in the political party composition of the administration, is consistent with the Government's fiscal strategy report (if any) for that period; and
  - (d) details of the Government's revenue strategy, including the Government's objectives for the tax system and tax policy.
- (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).
- (4) In subsection (1)(c), **administration** means the Ministers of the Crown for the time being.

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

Section 26L(1)(b): amended, on 4 September 2013, by section 6(1) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26L(1)(c): inserted, on 4 September 2013, by section 6(2) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26L(1)(d): inserted, on 4 September 2013, by section 6(2) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26L(4): inserted, on 4 September 2013, by section 6(3) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

*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); and
  - (c) if the details of the Government's strategy for managing expenditure, assets, and liabilities (*see* section 26KA) have changed from those stated in the most recent fiscal strategy report, indicate those amended details.

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

Section 26M(3)(b): amended, on 4 September 2013, by section 7(1) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26M(3)(c): inserted, on 4 September 2013, by section 7(2) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).



*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).

*Investment statement*

Heading: inserted, on 4 September 2013, by section 8 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

**26NA Investment statement**

- (1) The Minister must, before the end of 2017 and then at intervals not exceeding 4 years, present to the House of Representatives an investment statement prepared by the Treasury.
- (2) The investment statement must—
  - (a) describe and state the value of the Crown's significant assets and liabilities; and
  - (b) state how those assets and liabilities have changed in value over time; and
  - (c) forecast how those assets and liabilities are expected to change in value in each of at least the next 2 financial years after the financial year in which the investment statement is presented; and

- (d) identify any significant differences between the information specified in paragraphs (a) to (c) and the equivalent information reported in the most recent previous investment statement.

Section 26NA: inserted, on 4 September 2013, by section 8 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

### *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, or at any time prior to that time on the same day.
- (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).

Section 26O(2): amended, on 25 February 2012, by section 6 of the Public Finance Amendment Act 2012 (2012 No 17).

## **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 quantified 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):
- (aa) an investment statement under section 26NA(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).



Section 26X(aa): inserted, on 4 September 2013, by section 9 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

## **26Y Publication and availability of reports, statements, or updates**

- (1) The Minister must arrange for a specified document to be published on an Internet site maintained by or on behalf of the Treasury as soon as practicable after the specified document is—
  - (a) published in advance of being presented to the House of Representatives (if permitted under section 26X); or
  - (b) if paragraph (a) does not apply, presented to the House of Representatives.
- (2) The Secretary must ensure that the specified document remains available on the Internet site for inspection by members of the public for at least 5 financial years after the financial year (or, if the document relates to more than 1 financial year, the first financial year) to which the document relates.
- (3) Subsection (1)(a) is deemed to be satisfied if the advance publication referred to in that paragraph includes publication on an Internet site maintained by or on behalf of the Treasury, but subsection (2) applies to the specified document.
- (4) In this section, **specified document** means—
  - (a) a fiscal strategy report (*see* section 26I);
  - (b) a budget policy statement (*see* section 26M);
  - (c) a statement on the long-term fiscal position (*see* section 26N);
  - (d) an investment statement (*see* section 26NA);
  - (e) an economic and fiscal update (*see* section 26O);
  - (f) a half-year economic and fiscal update (*see* section 26S);
  - (g) a pre-election economic and fiscal update (*see* section 26T).

Section 26Y: replaced, on 4 September 2013, by section 10 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

## **26Z Power of Secretary to obtain information**

- (1) The Secretary may request any department, any departmental agency, 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, 26NA, 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, departmental agency, 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).

Section 26Z(1): amended, on 4 September 2013, by section 11 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

Section 26Z(1): amended, on 18 July 2013, by section 15(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 26Z(4): amended, on 18 July 2013, by section 15(2) of the Public Finance Amendment Act 2013 (2013 No 50).

## 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 and unauthorised capital injections (excluding any capital injection to an intelligence and security department):
    - (iii) a statement of emergency expenses and capital expenditure incurred under section 25 and emergency capital injections (excluding any capital injection to an intelligence and security department) made under section 25A:

- (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:
  - (ab) all Schedule 4 organisations:
  - (b) all Schedule 4A companies:
  - (ba) all mixed ownership model companies listed in Schedule 5:
  - (bb) all legal entities named or described in Schedule 6:
  - (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).

Section 27(2)(c)(ii): replaced, on 1 July 2014, by section 78 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 27(2)(c)(iii): replaced, on 1 July 2014, by section 78 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 27(3)(ab): inserted, on 18 July 2013, by section 16 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 27(3)(b): replaced, on 18 July 2013, by section 16 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 27(3)(ba): inserted, on 30 June 2012, by section 8 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

Section 27(3)(bb): inserted, on 28 July 2014, by section 15(2) of the Te Urewera Act 2014 (2014 No 51).

## **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, any departmental agency, 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, departmental agency, 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).

Section 29A(1): amended, on 18 July 2013, by section 17(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 29A(4): amended, on 18 July 2013, by section 17(2) of the Public Finance Amendment Act 2013 (2013 No 50).

## **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 18 July 2013, by section 18 of the Public Finance Amendment Act 2013 (2013 No 50).

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 and published**

- (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, on an Internet site maintained by or on behalf of the Treasury,—
  - (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.
- (4) The Secretary must ensure that the annual financial statements, the audit report, and the statement of responsibility remain available on that Internet site for inspection by members of the public for at least 5 financial years after the financial year to which the annual financial statements relate.

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

Section 31 heading: amended, on 18 July 2013, by section 19(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 31(3): amended, on 18 July 2013, by section 19(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 31(4): inserted, on 18 July 2013, by section 19(3) of the Public Finance Amendment Act 2013 (2013 No 50).

**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, on an Internet site maintained by or on behalf of the Treasury, 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.
- (5) The Secretary must ensure that the monthly financial statements remain available on that Internet site for inspection by members of the public for at least 5 financial years after the financial year to which the monthly financial statements 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).

Section 31A(4): amended, on 18 July 2013, by section 20(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 31A(5): inserted, on 18 July 2013, by section 20(2) of the Public Finance Amendment Act 2013 (2013 No 50).

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

*[Repealed]*

Section 31B: repealed, on 18 July 2013, by section 21 of the Public Finance Amendment Act 2013 (2013 No 50).

**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***[Repealed]*

Section 32A: repealed, on 1 July 2014, by section 79 of the Public Finance Amendment Act 2013 (2013 No 50).

**Part 4****Reporting by departments and departmental agencies**

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

Part 4 heading: amended, on 18 July 2013, by section 22 of the Public Finance Amendment Act 2013 (2013 No 50).

**33 Extended meaning of department for purpose of Part 4**

In this Part, the following activities, bodies, and statutory offices must be taken to be part of a department:

- (a) any activities, other than activities performed by a natural person or separate legal entity, that are funded by way of appropriation administered by the department:
- (b) any bodies or statutory offices, other than natural persons or separate legal entities, that are funded by way of appropriation administered by the department.

Section 33: replaced, on 18 July 2013, by section 23 of the Public Finance Amendment Act 2013 (2013 No 50).

*Responsibilities of chief executives*

Heading: replaced, on 18 July 2013, by section 23 of the Public Finance Amendment Act 2013 (2013 No 50).

**34 Responsibilities of chief executives: financial management of departmental matters**

- (1) The chief executive of a department—
  - (a) is responsible to the responsible Minister for the financial management, financial performance, and financial sustainability of the department; and
  - (b) must comply with any lawful financial actions required by the Minister or the responsible Minister.
- (2) The chief executive of a department that administers an appropriation—



- (a) is responsible to the appropriation Minister for what is achieved with departmental expenses and departmental capital expenditure under that appropriation; and
  - (b) is responsible for advising the appropriation Minister on the efficiency and effectiveness of any departmental expenses or departmental capital expenditure under that appropriation.
- (3) However, if a department other than the appropriation administrator, or any departmental agency, incurs departmental expenses or departmental capital expenditure against the appropriation at the direction of the appropriation Minister (under section 7C(2)(c)(i)), then the chief executive of that department or departmental agency, rather than the chief executive of the appropriation administrator, has the responsibility specified in subsection (2)(a) in respect of that expenditure.

Section 34: replaced, on 18 July 2013, by section 23 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 chief executives: financial management of non-departmental matters**

The chief executive of a department is responsible for—

- (a) the financial management of, and financial reporting on, appropriations for non-departmental expenses and non-departmental capital expenditure administered by the department; and
- (b) advising the appropriation Minister on the efficiency and effectiveness of expenditure under those appropriations; and
- (c) the financial management of, and financial reporting on, assets, liabilities, and revenue managed by the department on behalf of the Crown; and
- (d) advising the Minister responsible for those assets, liabilities, and revenue on their performance.

Section 35: replaced, on 18 July 2013, by section 23 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **36 Responsibilities of chief executives: reporting**

- (1) 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.
- (2) The chief executive of a departmental agency is responsible, to the Minister for the time being responsible for the performance of the departmental agency, for

ensuring that the departmental agency complies with the reporting requirements imposed on the departmental agency by or under this or any other Act.

Section 36: replaced, on 18 July 2013, by section 23 of the Public Finance Amendment Act 2013 (2013 No 50).

### *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 chief executives to obtain information**

- (1) The chief executive of a department or departmental agency 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 or departmental agency (as applicable) under sections 34 to 36.
- (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 or departmental agency 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).

Section 37 heading: amended, on 18 July 2013, by section 24(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 37(1): replaced, on 18 July 2013, by section 24(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 37(3): amended, on 18 July 2013, by section 24(3) of the Public Finance Amendment Act 2013 (2013 No 50).

### *Reporting requirements: information on strategic intentions*

Heading: replaced, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

## **38 Departments must provide information on strategic intentions**

- (1) A department must provide to its responsible Minister—
  - (a) information on the department's strategic intentions that complies with this section and section 40; and

- (b) a statement of responsibility for the information, signed by the department's chief executive.
- (2) The information—
  - (a) must relate to the forthcoming financial year and at least the following 3 financial years; and
  - (b) may also relate to the remainder of the current financial year.
- (3) The information must identify the period to which it relates.
- (4) The department must provide the information—
  - (a) at least once in every 3-year period, unless the Minister has granted an extension of time under section 41; and
  - (b) in the case of a new department, as soon as practicable, but not later than 6 months, after the date on which the department is established; and
  - (c) if there has been a significant change in the nature or scope of the department's functions, as soon as practicable, but not later than 6 months, after that change.
- (5) Despite subsection (4)(a), the department must comply with subsection (1) as soon as practicable if the information most recently provided by the department under this section—
  - (a) becomes out of date because of a material change in the department's strategic intentions; or
  - (b) is otherwise false or misleading in a material particular.

Section 38: replaced, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

**38A Responsible Minister may require department to provide information on strategic intentions at any time**

- (1) A department's responsible Minister may, if that Minister considers it necessary or desirable, require the department to provide new information on strategic intentions at any time.
- (2) Information on strategic intentions provided under this section must comply with sections 38 and 40.
- (3) The responsible Minister may require the information to relate to the remainder of the current financial year in addition to the forthcoming financial year and at least the following 3 financial years.

Section 38A: inserted, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

**39 Obligation to publish and present information on strategic intentions**

- (1) A department must, as soon as practicable after providing information on its strategic intentions to its responsible Minister, publish the information on an Internet site maintained by or on behalf of the department.

- (2) However, the department must not publish the information—
- (a) in the period of 3 months before the Minister delivers the Budget for the first full financial year to which the information relates; or
  - (b) if the Minister gives less than 3 months' notice of the day on which he or she will deliver that Budget, in the period commencing on the day on which the Minister gives that notice and ending when the Minister delivers the Budget.
- (3) In the case of information provided by an intelligence and security department, the responsible Minister must forward a copy of the information, as soon as practicable after receiving it, to the members of the Intelligence and Security Committee established under the Intelligence and Security Committee Act 1996.
- (4) In the case of information provided by any other department, the responsible Minister (or the Minister referred to in subsection (6), if applicable) must present the information to the House of Representatives—
- (a) in the same document as the department's annual report for the financial year before the first full financial year to which the information relates; or
  - (b) in any other document, in which case the information must be presented as soon as practicable after the responsible Minister receives it and not later than the date on which the annual report described in paragraph (a) is presented.
- (5) However, the responsible Minister (or the Minister referred to in subsection (6), if applicable) must not present the information to the House of Representatives in the period described in subsection (2).
- (6) A Minister other than the responsible Minister may present the information to the House of Representatives if—
- (a) the information is presented in a document that includes other information; and
  - (b) that other Minister is responsible for presenting that other information.
- (7) Information presented to the House of Representatives under subsection (4) must be accompanied by a statement signed by the responsible Minister stating,—
- (a) in the case of the Office of the Clerk of the House of Representatives or the Parliamentary Service, that the information is consistent with the policies and performance expectations of the responsible Minister; or
  - (b) in the case of any other department, that the information is consistent with the policies and performance expectations of the Government.

Section 39: replaced, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **40 Requirements for information on strategic intentions**

- (1) The information required under section 38 must, for the period to which it relates, set out the strategic objectives that the department intends to achieve or contribute to (**strategic intentions**).
- (2) The information must also, for the period to which it relates,—
  - (a) explain the nature and scope of the department's functions and intended operations; and
  - (b) identify any departmental agencies hosted by the department; and
  - (c) explain how the department intends to manage its functions and operations to meet its strategic intentions; and
  - (d) set out and explain any other matters that—
    - (i) are reasonably necessary to achieve an understanding of the department's strategic intentions and capability; or
    - (ii) may be specified by the Minister or the responsible Minister for the purposes of subparagraph (i).

Section 40: replaced, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **41 Minister may grant extension of time for, or waive, requirement to provide information on strategic intentions**

- (1) If a department is likely to have a significant change in the nature or scope of its functions, the Minister may grant the department an extension, of up to 1 year, of the period specified in section 38(4)(a).
- (2) However, the Minister must not grant an extension unless the Minister is satisfied that the extension will enable the department to improve the quality of the information on strategic intentions that the department provides to its responsible Minister.
- (3) If a department is likely to be disestablished, the Minister may grant the department a waiver of the requirements in section 38.
- (4) As soon as practicable after granting an extension or a waiver, the Minister must present to the House of Representatives notice of the extension or waiver and the Minister's reasons for granting it.

Section 41: replaced, on 1 July 2014, by section 80 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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**

*[Repealed]*

Section 42: repealed, on 1 July 2014, by section 81 of the Public Finance Amendment Act 2013 (2013 No 50).

*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, each department must prepare a report on the operations of the department for that financial year, excluding operations on which any departmental agency hosted by the department is required to report under section 43A.
- (2) Not later than 15 working days after receiving an audit report under section 45D, the department must provide the annual report and the audit report to its responsible Minister.
- (3) This section does not limit any provision in any other Act that requires the chief executive of a department to provide an annual report, but the chief executive need not provide a separate report under each enactment.

Section 43: replaced, on 18 July 2013, by section 25 of the Public Finance Amendment Act 2013 (2013 No 50).

**43A Departmental agencies must prepare annual reports**

- (1) As soon as practicable after the end of each financial year, each departmental agency must prepare a report on the operations of the departmental agency for that financial year.
- (2) As soon as practicable after the end of the financial year, but not later than 15 working days after the audit date (as defined in section 44(6)), the departmental agency must provide the annual report and any applicable audit report to—
  - (a) the Minister for the time being responsible for the performance of the departmental agency; and
  - (b) the responsible Minister for the departmental agency's host department.
- (3) This section does not limit any provision in any other Act that requires the chief executive of a departmental agency to provide an annual report, but the chief executive need not provide a separate report under each enactment.

Section 43A: inserted, on 18 July 2013, by section 25 of the Public Finance Amendment Act 2013 (2013 No 50).

**44 Obligation to present and publish annual reports**

- (1) A responsible Minister must present to the House of Representatives—

- (a) the annual report of a department for which he or she is the responsible Minister and any applicable audit report; and
  - (b) the annual report of any departmental agency hosted by a department for which he or she is the responsible Minister and any applicable audit report.
- (2) The responsible Minister (or the Minister referred to in subsection (3)(b), if applicable) must comply with subsection (1)—
  - (a) not later than 15 working days after the audit date; or
  - (b) if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (3) A Minister other than the responsible Minister may present an annual report and audit report (if any) to the House of Representatives if—
  - (a) those reports are presented in a document that includes another report or other information (*see* subsection (5)); and
  - (b) that other Minister is responsible for presenting that other report or information.
- (4) A department or departmental agency must publish its annual report and any applicable audit report—
  - (a) as soon as practicable after the annual report has been presented to the House of Representatives, but, if subsection (2)(b) applies, not later than 15 working days after the audit date; and
  - (b) in accordance with the manner (if any)—
    - (i) prescribed by regulations made under this Act; or
    - (ii) specified in instructions issued by the Minister under section 80A.
- (5) The annual report of a department or departmental agency may be presented or published in a document that includes any other report or information, whether or not that other report or information relates to the department or departmental agency, but only if each report or set of information is separately identifiable within that document.
- (6) In this section,—

**audit date** means,—

  - (a) in the case of a department, the date on which the department receives an audit report; and
  - (b) in the case of a departmental agency, the date on which the departmental agency's host department receives an audit report

**audit report** means an audit report under section 45D.

Section 44: replaced, on 18 July 2013, by section 25 of the Public Finance Amendment Act 2013 (2013 No 50).



**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 annual report of department**

- (1) The annual report of a department must provide the information that is necessary to enable an informed assessment to be made of the department's performance during the financial year, including how well the department is managing the resources it controls.
- (2) The annual report of a department must contain the following information in respect of the financial year to which it relates:
  - (a) an assessment of the department's operations (excluding operations on which any departmental agency hosted by the department is required to report under section 43A); and
  - (b) an assessment of the department's progress in relation to its strategic intentions; and
  - (c) information about the department's management of its organisational health and capability; and
  - (d) statements of expenses and capital expenditure for the department that comply with section 45A; and
  - (e) annual financial statements for the department that comply with section 45B; and
  - (f) a statement of responsibility that complies with section 45C; and

- (g) 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.
- (3) The annual report of a department must also contain, in respect of the financial year after the financial year to which the annual report relates, forecast financial statements for the department that comply with section 45BA.
- (4) The annual report of a department must identify any departmental agencies hosted by the department.
- (5) The annual report must be dated and signed on behalf of the department by its chief executive.

Section 45: replaced, on 1 July 2014, by section 82 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45AA Contents of departmental agency annual report**

- (1) The annual report of a departmental agency must contain the following information in respect of the financial year to which it relates:
  - (a) an assessment of the departmental agency's operations; and
  - (b) an assessment of the departmental agency's progress in relation to any of the host department's strategic intentions that are relevant to the departmental agency; and
  - (c) information about the departmental agency's management of its organisational health and capability; and
  - (d) any other matters that relate to or affect the departmental agency's operations that the departmental agency is required, has undertaken, or wishes to report on in its annual report.
- (2) The annual report of a departmental agency must identify the departmental agency's host department.
- (3) The annual report must be dated and signed on behalf of the departmental agency by its chief executive.

Section 45AA: inserted, on 18 July 2013, by section 27 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45AA(1)(b): amended, on 1 July 2014, by section 83 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45A Statements of expenses and capital expenditure**

A department's annual report must include—

- (a) a statement of the budgeted and actual expenses and capital expenditure incurred against—
  - (i) each appropriation administered by the department; and

- (ii) each category of expenses or non-departmental capital expenditure included in a multi-category appropriation administered by the department; and
- (b) for each appropriation administered by the department, details of the document in which the end-of-year performance information for the appropriation for the previous financial year (if required) is presented to the House of Representatives; and
- (c) a statement of expenses and capital expenditure incurred without appropriation or other authority, or in excess of an existing appropriation or other authority, 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; and
- (d) a statement of the amount of any capital injection authorised, under an Appropriation Act, to be made to the department compared with the actual amount of any capital injection made to the department; and
- (e) a statement of any capital injection made to the department without authority, or in excess of an existing authority, under an Appropriation Act, together with an explanation of the reasons for the unauthorised capital injection.

Section 45A: replaced, on 1 July 2014, by section 84 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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.
  - (c) *[Repealed]*
  - (d) *[Repealed]*

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

Section 45B(2)(b): amended, on 1 July 2014, by section 85(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45B(2)(c): repealed, on 1 July 2014, by section 85(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45B(2)(d): repealed, on 1 July 2014, by section 85(2) of the Public Finance Amendment Act 2013 (2013 No 50).

**45BA Forecast financial statements**

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

Section 45BA: inserted, on 1 July 2014, by section 86 of the Public Finance Amendment Act 2013 (2013 No 50).

**45C Statement of responsibility**

- (1) A statement of responsibility relating to the annual report of a department must include—
  - (a) a statement of the responsibility of the department's chief executive for the preparation of the financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them; and
  - (b) a statement of the responsibility of the department's chief executive for having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
  - (c) a statement of the responsibility of the department's chief executive for ensuring that end-of-year performance information on each appropriation administered by the department is provided in accordance with sections 19A to 19C, whether or not that information is included in the annual report; and
  - (d) a statement of the responsibility of the department's chief executive for the accuracy of any end-of-year performance information prepared by the department (*see* section 19A), whether or not that information is included in the annual report; and
  - (e) a statement that, in the opinion of the department's chief executive,—
    - (i) the financial statements fairly reflect the financial position and operations of the department for the reporting period; and
    - (ii) the forecast financial statements fairly reflect the forecast financial position and operations of the department for the financial year to which the forecast financial statements relate.
- (2) A statement of responsibility for the annual report of a departmental agency must include—

- (a) a statement that, in the opinion of the chief executive of the departmental agency, the annual report fairly reflects the operations, progress, and organisational health and capability of the departmental agency; and
  - (b) a statement of the responsibility of the departmental agency's chief executive for the accuracy of any end-of-year performance information prepared by the departmental agency (*see* section 19A), whether or not that information is included in the annual report.
- (3) A statement of responsibility must be signed by the chief executive of the department or departmental agency (as applicable).

Section 45C: replaced, on 1 July 2014, by section 87 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45D Audit report**

- (1) A department must forward to the Auditor-General—
  - (a) its annual financial statements, statements of expenses and capital expenditure, 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).
- (1A) The department or departmental agency most recently identified in the supporting information for an Appropriation Act as providing end-of-year performance information on an appropriation for a financial year must, within 2 months after the end of that financial year, forward that information to the Auditor-General.
- (2) The Auditor-General must—
  - (a) audit the statements referred to in subsection (1)(a) and the information referred to in subsections (1)(a) and (1A); and
  - (b) provide an audit report on them to the department or departmental agency (as the case may be) 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).

Section 45D(1)(a): amended, on 1 July 2014, by section 88(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45D(1A): inserted, on 1 July 2014, by section 88(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45D(2)(a): amended, on 1 July 2014, by section 88(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45D(2)(b): amended, on 1 July 2014, by section 88(4) of the Public Finance Amendment Act 2013 (2013 No 50).

*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(2)(d)(ii) did not include a reference to the Minister; and
  - (b) sections 45B and 45BA 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.
  - (d) *[Repealed]*
- (2) Section 39 (which requires information provided by a department on its strategic intentions to be presented to the House of Representatives and to be published) does not apply to an intelligence and security department.
- (3) However, subsection (2) does not affect the obligations of the responsible Minister of an intelligence and security department under section 39(3).
- (4) Section 45A(d) and (e) (which requires statements of expenses and capital expenditure to include statements relating to capital injections) does not apply to an intelligence and security department.

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

Section 45E(1)(a): amended, on 1 July 2014, by section 89(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(1)(b): amended, on 1 July 2014, by section 89(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(1)(c)(ii): amended, on 1 July 2014, by section 89(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(1)(d): repealed, on 1 July 2014, by section 89(4) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(2): replaced, on 1 July 2014, by section 89(5) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(3): inserted, on 1 July 2014, by section 89(5) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45E(4): inserted, on 1 July 2014, by section 89(5) of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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, statements of expenses and capital expenditure, and end-of-year performance information of Offices of Parliament; and
  - (c) section 40(2)(d) must be read as if an Office of Parliament were not required to comply with the requirement for the information on strategic 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 information; and
  - (d) section 41 must be read as if the references in that section to the Minister were references to the Speaker.
- (2) Section 39(7)(b) (which requires the information on strategic 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: replaced, on 1 July 2014, by section 90 of the Public Finance Amendment Act 2013 (2013 No 50).

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

*[Repealed]*

Section 45G: repealed, on 1 July 2014, by section 91 of the Public Finance Amendment Act 2013 (2013 No 50).

## 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 the following entities:
  - (a) a department and any other entity that must provide an annual report that includes audited annual financial statements for presentation to the House of Representatives; and
  - (b) a departmental agency; and
  - (c) 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)(c), 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).

Section 45H(1): replaced, on 18 July 2013, by section 28(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45H(2): amended, on 18 July 2013, by section 28(2) of the Public Finance Amendment Act 2013 (2013 No 50).

#### 45I First annual report for newly established entities

- (1) The Minister may (at the Minister's discretion) exempt an entity that is established during the last 4 months 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, after the end of that financial year, provide the following statements and report as if they were an annual report:
  - (a) the statements and details required by section 45A; and
  - (b) an audit report on those statements.



- (3) An entity that is exempted under subsection (1) must, after the end of the entity's first full financial year, provide an annual report that covers the period from the date on which the entity is established until the end of the entity's first full 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, during the last 4 months of a financial year, becomes subject to the requirement to provide an annual report for presentation to the House of Representatives.

Section 45I: replaced, on 18 July 2013, by section 29 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45I(2)(a): replaced, on 1 July 2014, by section 92 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45J Final annual report for disestablished entities**

- (1) An entity that is disestablished must provide a final report for the period—
  - (a) commencing at the start of the financial year in which the entity is disestablished; and
  - (b) ending on the date on which the entity is disestablished (the **disestablishment date**).
- (2) The final report must be—
  - (a) prepared as if it were an annual report; and
  - (b) provided not later than 3 months after the disestablishment date.
- (3) If the Minister is satisfied that it is necessary or expedient to transfer some or all of the responsibility for providing a final report to another party,—
  - (a) the Minister may approve the transfer of that responsibility; and
  - (b) if the Minister does so, each party with responsibility for providing the final report must sign the statement of responsibility for the report in respect of the matters in the report for which the party is responsible.

Section 45J: replaced, on 18 July 2013, by section 29 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45K Final annual report for entities that cease to be subject to requirement to provide annual report**

- (1) An entity that ceases to be subject to the requirement to provide an annual report for presentation to the House of Representatives must provide a final report for the period—
  - (a) commencing at the start of the financial year in which the entity ceases to be subject to the requirement to provide an annual report; and

- (b) ending on the date on which the entity ceases to be subject to the requirement to provide an annual report (the **specified date**).
- (2) The final report must be—
  - (a) prepared as if it were an annual report; and
  - (b) provided not later than 3 months after the specified date.
- (3) Despite subsection (2)(b), the Minister may allow the entity to provide the final report later than 3 months after the specified date on any conditions that the Minister thinks fit.
- (4) If the Minister is satisfied that it is necessary or expedient to transfer some or all of the responsibility for providing a final report to another party,—
  - (a) the Minister may approve the transfer of that responsibility; and
  - (b) if the Minister does so, each party with responsibility for providing the final report must sign the statement of responsibility for the report in respect of the matters in the report for which the party is responsible.

Section 45K: replaced, on 18 July 2013, by section 29 of the Public Finance Amendment Act 2013 (2013 No 50).

**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 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).

Section 45L(2)(a): amended, on 1 July 2014, by section 93 of the Public Finance Amendment Act 2013 (2013 No 50).

## Subpart 2—Application of Crown Entities Act 2004 to Schedule 4 organisations

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

Subpart 2 heading: replaced, on 18 July 2013, by section 30 of the Public Finance Amendment Act 2013 (2013 No 50).

### **45M Application of Crown Entities Act 2004 to Schedule 4 organisations**

- (1) The following sections of the Crown Entities Act 2004, and any regulations that apply to the matters referred to in those sections, apply to a Schedule 4 organisation as if the organisation were a Crown entity under that Act:
  - (a) sections 133 and 134 (which relate to supply of information):
  - (b) sections 154 to 156 (which relate to annual financial statements, statements of responsibility, and audit reports):
  - (c) section 158 (which relates to bank accounts):
  - (d) if there is a tick in a column of the table in Schedule 4 of this Act alongside the name or description of the organisation, the section indicated in the heading of that column:
  - (e) if section 139 of the Crown Entities Act 2004 (which is the obligation to prepare a statement of intent) applies to the organisation under paragraph (d), sections 138, 139A, 139, 141, and 144 to 149A of that Act (which also relate to statements of intent):
  - (f) if section 150 of the Crown Entities Act 2004 (which is the obligation to prepare, present, and publish an annual report) applies to the organisation under paragraph (d), sections 151 (other than subsection (1)(b)), 152, and 154 to 157A of that Act (which also relate to annual reports).
- (2) The responsible Minister for a Schedule 4 organisation that is required, under subsection (1)(d), to produce a statement of performance under section 153 of the Crown Entities Act 2004 must present that statement to the House of Representatives with the annual financial statements required under subsection (1)(b).
- (3) If a Schedule 4 organisation is established or regulated under an Act, the provisions applied by this section apply to the organisation subject to any express negation or modification of the provision in that Act.

Section 45M: replaced, on 18 July 2013, by section 30 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45M(1)(e): amended, on 1 July 2014, by section 94(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45M(1)(f): amended, on 1 July 2014, by section 94(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45M(2): amended, on 1 July 2014, by section 94(3) of the Public Finance Amendment Act 2013 (2013 No 50).

#### **45N Exemptions from certain sections of Crown Entities Act 2004 for Schedule 4 organisations**

- (1) The Minister may exempt a Schedule 4 organisation, for 1 or more financial years or until further notice, from any of the requirements in sections 141, 149E, 151, and 152 of the Crown Entities Act 2004, other than the requirements in section 151(1)(c) to (e).
- (2) If the Minister considers that it is necessary or desirable to grant an exemption under this section, the Minister may grant the exemption—
  - (a) by notice in writing to the organisation; and
  - (b) on any conditions that the Minister thinks fit.

Section 45N: replaced, on 18 July 2013, by section 30 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45N(1): amended, on 1 July 2014, by section 95 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 5AAA**

#### **Non-listed companies in which the Crown is majority or sole shareholder**

Part 5AAA: inserted, on 18 July 2013, by section 31 of the Public Finance Amendment Act 2013 (2013 No 50).

**45OA Application of Crown Entities Act 2004 to non-listed companies in which the Crown is majority or sole shareholder**

- (1) The following provisions of the Crown Entities Act 2004 apply to a Schedule 4A company as if the company were a Crown entity company under the Crown Entities Act 2004:
  - (a) section 79 (which relates to formation and acquisition of shares):
  - (b) sections 81 and 82 (which require a constitution to be presented to the House of Representatives), except that section 81 must be read as if it required the constitution to contain a statement to the effect that the company is a company named in Schedule 4A of the Public Finance Act 1989:
  - (c) sections 83 and 84 (which relate to the shareholding Minister), except that, if the company is not 100% Crown-owned, the references in section 84 to a shareholding Minister must be read as if they were references to the shareholders:
  - (d) section 85 (which relates to the interface between the Crown Entities Act 2004 and the Companies Act 1993 and other Acts in respect of Crown entity companies):
  - (e) if the company is 100% Crown-owned,—
    - (i) section 88 (which sets out the shareholding Ministers' role):
    - (ii) section 88A (which sets out the monitor's role):
  - (f) sections 89 to 92, 94, and 95 (which relate to appointment, removal, and duties of board members), except that, if the company is not 100% Crown-owned, the reference in section 94(1) to duties owed to the shareholding Ministers must be read as a reference to duties owed to shareholders:
  - (g) sections 96, 97, and 99 (which relate to subsidiaries):
  - (h) section 100 (which relates to the acquisition of shares or interests in companies, trusts, and partnerships, etc):
  - (i) section 102 (which relates to the interface between the Crown Entities Act 2004 and the Companies Act 1993 and other Acts in respect of Crown entity subsidiaries):
  - (j) sections 107 to 111 and 113 (which relate to directions under section 107 of the Crown Entities Act 2004):
  - (k) section 114 (which relates to government directions):
  - (l) section 118 (which is the obligation to be a good employer):
  - (m) sections 132 to 135 (miscellaneous provisions):
  - (n) sections 136 to 157A (which relate to reporting obligations):
  - (o) section 158 (which relates to bank accounts):

- (p) if there is a tick in a column of the table in Schedule 4A of this Act alongside the name of the company, the section indicated in the heading of that column.
- (2) In the case of a Schedule 4A company that is not 100% Crown-owned, subsection (1)(n) does not prevent the shareholders from agreeing on a process for minority shareholders to be involved in the process of preparing, reviewing, or amending the statement of intent or statement of performance expectations referred to in sections 136 to 157A of the Crown Entities Act 2004, but only if the agreed process is not inconsistent with those sections.
- (3) For the purposes of subsections (1) and (2), a Schedule 4A company is **100% Crown-owned** if Ministers of the Crown, on behalf of the Crown, hold 100% of the issued ordinary shares in the capital of the company.
- (4) For the purposes of section 107(2)(a) of the Crown Entities Act 2004, Schedule 4A companies may be treated as a category of Crown entities.
- (5) If a Schedule 4A company is established or regulated under an Act, the provisions applied by this section apply to the company subject to any express negation or modification of the provision in that Act.

Section 45OA: inserted, on 18 July 2013, by section 31 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45OA(1)(n): amended, on 1 July 2014, by section 96 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 45OA(2): amended, on 1 July 2014, by section 96 of the Public Finance Amendment Act 2013 (2013 No 50).

## Part 5A

### Mixed ownership model companies

Part 5A: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

#### *Preliminary provisions*

Heading: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

#### **45P Definitions of mixed ownership model company and other terms**

- (1) In this Act, **mixed ownership model company** means a company listed in Schedule 5.
- (2) In this Part,—

**10% limit** has the meaning set out in section 45S

**Crown** means Her Majesty the Queen in right of New Zealand

**excess securities** means those shares or voting securities in which a person has a relevant interest in excess of the 10% limit

**FMA** means the Financial Markets Authority established under section 6 of the Financial Markets Authority Act 2011

**relevant interest** has the meaning given to it by sections 235 to 238 of the Financial Markets Conduct Act 2013

**security** means a financial product within the meaning of section 7 of the Financial Markets Conduct Act 2013

**voting right** means a currently exercisable right to cast a vote at meetings of shareholders of a company (and, for this purpose, a right is treated as currently exercisable even if section 45T(1)(c) applies to prevent its exercise), other than a right to vote that is exercisable only in 1 or more of the following circumstances:

- (a) during a period in which a payment or distribution (or part of a payment or distribution) in respect of the security that confers the voting right is in arrears or some other default exists:
- (b) on a proposal that affects rights attached to the security that confers the voting right:
- (c) on a proposal to put the company into liquidation:
- (d) during the liquidation of the company:
- (e) in respect of a special, immaterial, or remote matter that is inconsequential to control of the company

**voting security** means a security that confers a voting right.

Section 45P: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

Section 45P(2) **relevant interest**: replaced, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 45P(2) **security**: replaced, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

#### **45Q Treaty of Waitangi (Te Tiriti o Waitangi)**

- (1) Nothing in this Part shall permit the Crown to act in a manner that is inconsistent with the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).
- (2) For the avoidance of doubt, subsection (1) does not apply to persons other than the Crown.

Compare: 1986 No 124 s 9

Section 45Q: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

#### *51% Crown control*

Heading: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

**45R Restriction on reduction of the Crown's holding below 51% control**

- (1) No Minister who is a shareholder in a mixed ownership model company may take any of the following actions if it would result in the Crown having less than 51% control of the company:
  - (a) sell or otherwise dispose of any shares in, or voting securities of, the company held in the Minister's name;
  - (b) permit shares in, or voting securities of, the company to be allotted or issued to any person.
- (2) A mixed ownership model company must not issue, acquire, or redeem shares in, or voting securities of, the company if the issue, acquisition, or redemption would result in the Crown having less than 51% control of the company.
- (3) An issue, acquisition, or redemption of shares or voting securities is invalid and of no effect to the extent that it breaches subsection (2) (and, if more than 1 person has participated in an issue of shares or voting securities affected by this provision, the invalidity applies to the issue of shares or voting securities to those persons on a pro-rata basis).
- (4) The Crown has less than 51% control of a mixed ownership model company, for the purposes of this section, if the Crown holds less than—
  - (a) 51% of any class of issued shares in the company; or
  - (b) 51% of any class of voting securities of the company.

Section 45R: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

*10% limit*

Heading: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

**45S 10% limit on holdings by persons other than the Crown**

- (1) No person (other than the Crown) may have a relevant interest in shares in, or voting securities of, a mixed ownership model company that comprise more than—
  - (a) 10% of a class of issued shares in the company; or
  - (b) 10% of a class of voting securities of the company.
- (2) In this Part, **10% limit** means the maximum relevant interest permitted under subsection (1).
- (3) Subsection (1) is subject to section 45U.

Section 45S: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

**45T Effect of exceeding 10% limit**

- (1) Every person who contravenes section 45S must—



- (a) comply with any written notice that the person receives from the mixed ownership model company requiring that the person sell or otherwise dispose of interests in excess securities of the company, or take any other steps that are specified, for the purpose of ensuring that the 10% limit is not exceeded; and
  - (b) without limiting paragraph (a), take the steps that are necessary to ensure that the person is no longer in contravention of that section at the end of 60 days after the date on which the person becomes aware, or ought to have become aware, of the contravention; and
  - (c) while the person contravenes that section, not exercise or control the exercise of the voting rights attaching to the excess securities.
- (2) A person has no right to be paid a dividend or other distribution in respect of the excess securities (despite the Companies Act 1993).
- (3) An exercise of a voting right in contravention of subsection (1)(c) is of no effect and must be disregarded in counting the votes concerned.
- (4) However, subsections (1)(c) and (3) do not invalidate a resolution if the votes concerned were counted by the company in good faith and without knowledge that the voting rights were exercised in contravention of subsection (1)(c).
- (5) Nothing in section 45S or this section limits or prevents the constitution of a mixed ownership model company from providing for the 10% limit and the consequences of a person exceeding the 10% limit (including to implement, or to add to, the consequences set out in this section), and the company may, in accordance with the constitution, determine which shares or voting securities are the excess securities for the purposes of its application of this section.

Compare: 1988 No 234 s 36U

Section 45T: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

#### **45U Exemption from 10% limit for trustee corporations and nominee companies, etc**

- (1) A person (A) may exceed the 10% limit without contravening section 45S if—
  - (a) A complies with both of the following subparagraphs:
    - (i) A exceeds the 10% limit merely because A holds securities on behalf of another person in the ordinary course of business as a trustee corporation or nominee company; and
    - (ii) section 285(1)(b) of the Financial Markets Conduct Act 2013 currently applies to A (and so exempts A as a trustee corporation or a nominee company under that Act); or
  - (b) A exceeds the 10% limit merely because A is attributed with (under section 237 of the Financial Markets Conduct Act 2013) the relevant interests of another person who is exempt from the 10% limit under paragraph (a) or this paragraph.

- (2) A person to whom subsection (1)(a) applies must—
- (a) keep under continuing review the transactions of all persons for whom A holds securities of the mixed ownership model company in A's name; and
  - (b) inform the mixed ownership model company if any of those persons exceeds the 10% limit.
- (3) The exemption under this section does not apply to a person who is currently designated under section 45V as no longer exempt.

Compare: 1988 No 234 ss 31–32A

Section 45U: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

Section 45U(1)(a)(ii): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 45U(1)(b): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

**45V Power of FMA to remove exemption from 10% limit for trustee corporations, nominee companies, etc**

- (1) The FMA may, by notice in the *Gazette*, designate a person as no longer exempt under section 45U if it is satisfied that—
- (a) the person has not complied with the condition in section 45U(2); or
  - (b) the exemption is being used for the purpose or purposes of circumventing, evading, or defeating the operation of the 10% limit taking into account the nature, substance, and economic effect of the interest or relationship or other facts (and not the mere form).
- (2) The FMA may, by notice in the *Gazette*, revoke a designation under this section.
- (3) A notice under this section takes effect from the date stated in the notice (which must not be earlier than the date of the *Gazette* notice).
- (4) Before designating a person as no longer exempt, the FMA must—
- (a) do everything reasonably possible on its part to advise the person of the proposed designation; and
  - (b) give the person a reasonable opportunity to make submissions to the FMA on the proposal.
- (5) Subsection (4) does not apply to a designation if the FMA considers that it is desirable in the public interest for the exemption to be removed urgently.
- (6) Failure to comply with subsection (4) does not invalidate the designation.

Compare: 1988 No 234 ss 48C, 48D

Section 45V: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

*Continuing application of certain provisions*

Heading: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

**45W Certain provisions of State-Owned Enterprises Act 1986 and other enactments continue to apply**

- (1) Sections 22 to 30(1) of the State-Owned Enterprises Act 1986, the provisions listed in subsection (2), and any Order in Council made at any time under any of those provisions continue to apply to a mixed ownership model company, despite it ceasing to be a State enterprise, as if—
  - (a) the company were a State enterprise and a company named in Schedule 2 of the State-Owned Enterprises Act 1986; and
  - (b) the Minister of Finance and the Minister responsible for that company were the shareholding Ministers for the company.
- (2) The provisions are—
  - (a) the definition of State forest land in section 2(1) and sections 24(1) and (6), 24B(4) to (6), and 61(2) of the Conservation Act 1987;
  - (b) section 11 of the Crown Pastoral Land Act 1998;
  - (c) sections 8A to 8H of the Treaty of Waitangi Act 1975.

Compare: 1998 No 99 s 3(2), (4)

Section 45W: inserted, on 30 June 2012, by section 9 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

**Part 6**



**Borrowing, securities, derivatives, investment, banking, and guarantees**

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

Part 6 heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

**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, a Schedule 4 organisation, or a Schedule 4A company; or
- (b) a subsidiary of a Crown entity, a Schedule 4 organisation, or a Schedule 4A company; 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(1)(a): amended, on 18 July 2013, by section 32(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 49(1)(b): amended, on 18 July 2013, by section 32(2) of the Public Finance Amendment Act 2013 (2013 No 50).

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**

*[Repealed]*

Section 61: repealed, on 1 July 2014, by section 97 of the Public Finance Amendment Act 2013 (2013 No 50).

**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 65ZH, **public security** does not include a guarantee or an indemnity on behalf of or in the name of the Crown given under this Act or any other enactment.

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

Section 65D(2): replaced, on 1 July 2014, by section 98 of the Public Finance Amendment Act 2013 (2013 No 50).

## **65E Expenses in respect of securities**

*[Repealed]*

Section 65E: repealed, on 1 July 2014, by section 99 of the Public Finance Amendment Act 2013 (2013 No 50).

## **Subpart 3—Derivatives**

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

Subpart 3 heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

### *Limits on the Crown entering into derivatives*

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

Heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

## **65F The Crown must not enter into derivatives**

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

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

Section 65F heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 65F: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

## **65G Minister may enter into derivatives if in public interest**

- (1) The Minister, on behalf of the Crown, may enter into a derivative 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 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).

Section 65G heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 65G(1): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 65G(2): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

### *Payments relating to derivatives*

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

Heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

## **65H Payments relating to derivatives of the Crown**

- (1) Any money that is required to be paid by the Crown under a derivative—
  - (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) *[Repealed]*

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

Section 65H heading: amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 65H(1): amended, on 1 December 2014, by section 150 of the Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70).

Section 65H(2): repealed, on 1 July 2014, by section 100 of the Public Finance Amendment Act 2013 (2013 No 50).

## **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 or, if the Minister directs, a Departmental 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).

Section 65I(3): amended, on 18 July 2013, by section 33 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **65J Payment of expenses relating to investment**

*[Repealed]*

Section 65J: repealed, on 1 July 2014, by section 101 of the Public Finance Amendment Act 2013 (2013 No 50).

#### *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**

Except as expressly authorised by any Act, the Crown must not lend money to a person or an organisation.

Section 65K: replaced, on 18 July 2013, by section 34 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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**

*[Repealed]*

Section 65N: repealed, on 18 July 2013, by section 35 of the Public Finance Amendment Act 2013 (2013 No 50).

**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 within the scope, amount, or period of any appropriation, or other authority, by or under an Act; or
  - (b) is, for any other reason, unlawful.
- (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).

Section 65Z(1)(a): replaced, on 18 July 2013, by section 36 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 65Z(1)(b): replaced, on 18 July 2013, by section 36 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 within the scope, amount, or period of any appropriation, or other authority, by or under an Act; or
  - (b) is, for any other reason, unlawful.
- (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).

Section 65ZA(1)(a): replaced, on 18 July 2013, by section 37 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 65ZA(1)(b): replaced, on 18 July 2013, by section 37 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 government 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 a person, organisation, or government.

- (3) If the contingent liability of the Crown under a guarantee or an indemnity given by the Minister under subsection (1) exceeds \$10 million, the Minister must, as soon as practicable after giving the guarantee or indemnity, present a statement to the House of Representatives that the guarantee or indemnity has been given.
- (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).

Section 65ZD(2)(b): amended, on 18 July 2013, by section 38(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 65ZD(3): replaced, on 18 July 2013, by section 38(2) of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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 an indemnity given by a department under subsection (1) exceeds \$10 million, the responsible Minister must, as soon as practicable after the guarantee or indemnity is given, present to the House of Representatives a statement that the guarantee or indemnity has been given.
- (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).

Section 65ZE(3): replaced, on 18 July 2013, by section 39 of the Public Finance Amendment Act 2013 (2013 No 50).

#### *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).

## **Subpart 7—Permanent legislative authority for payment of certain expenses**

Subpart 7: inserted, on 1 July 2014, by section 102 of the Public Finance Amendment Act 2013 (2013 No 50).

### **65ZH Permanent legislative authority for payment of certain expenses**

- (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:

*Expenses in respect of money borrowed by the Crown*

- (a) negotiating the borrowing of money by the Crown:
- (b) undertaking, managing, servicing, converting, or repaying borrowing described in paragraph (a):

*Expenses in respect of securities*

- (c) issuing a public security in respect of the Crown:
- (d) executing, redeeming, or varying a public security described in paragraph (c):

*Expenses relating to derivative transactions of the Crown*

- (e) negotiating a derivative transaction of the Crown:
- (f) managing, servicing, or making payments under a derivative transaction described in paragraph (e):

*Expenses relating to investment*

- (g) negotiating an investment referred to in section 65I;
  - (h) placing, managing, servicing, or converting an investment referred to in section 65I.
- (2) In this section, **expenses**—
- (a) includes—
    - (i) duties, taxes, premiums, bonuses, fees, interests, and commissions; and
    - (ii) any expenses incurred on personnel and equipment necessary in connection with the matters set out in subsection (1); but
  - (b) does not include expenses incurred in connection with—
    - (i) money borrowed by the Crown under a hire purchase agreement, a finance lease agreement, or any agreement that is of the same nature as or a substantially similar nature to either of those agreements; or
    - (ii) a guarantee or an indemnity on behalf of or in the name of the Crown given under this Act or any other enactment.

Section 65ZH: inserted, on 1 July 2014, by section 102 of the Public Finance Amendment Act 2013 (2013 No 50).

## 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 must, as soon as practicable after being identified as trust money, 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.

Section 67(2): replaced, on 18 July 2013, by section 40 of the Public Finance Amendment Act 2013 (2013 No 50).

#### **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*

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*

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*

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) conferred on the Minister by this Act and delegated to the Secretary by the Minister.
- (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).

Section 71AA(1)(b): replaced, on 18 July 2013, by section 41 of the Public Finance Amendment Act 2013 (2013 No 50).

**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, a Schedule 4 organisation, or a Schedule 4A company) 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 18 July 2013, by section 42 of the Public Finance Amendment Act 2013 (2013 No 50).

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, Schedule 4 organisation, or Schedule 4A company 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, Crown entity, organisation, or company 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 18 July 2013, by section 43(1) of the Public Finance Amendment Act 2013 (2013 No 50).

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 18 July 2013, by section 43(2) of the Public Finance Amendment Act 2013 (2013 No 50).

**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) If the Minister or any department or departmental agency, on the application of any person, performs an act under subsection (1), the Minister, department, or departmental agency is entitled to charge the person all reasonable fees and costs incurred.
- (3) Nothing in subsection (1) or (2) limits any other enactment or rule of law.

- (4) If the Minister, a department, or a departmental agency performs an act under subsection (1) that involves the transfer or disposal of property or a right, that transfer or disposal may be made without further authority than this section.
- (5) If the Minister, a department, or a departmental agency performs an act under subsection (1) that involves the spending of public money, that money may be paid out of a Crown Bank Account without further authority than this section.
- (6) Subsections (4) and (5) do not affect the validity of anything done before those subsections come into force.

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).

Section 75(2): replaced, on 18 July 2013, by section 44(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 75(3): amended, on 18 July 2013, by section 44(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 75(4): inserted, on 18 July 2013, by section 44(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 75(5): inserted, on 18 July 2013, by section 44(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 75(6): inserted, on 18 July 2013, by section 44(3) of the Public Finance Amendment Act 2013 (2013 No 50).

## **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

Section 76(2): amended, on 18 July 2013, by section 45 of the Public Finance Amendment Act 2013 (2013 No 50).

## **77 Penalties for offences**

- (1) Every person who commits an offence against subsection (1) of section 76 is liable on 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 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

Section 77(1): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 77(2): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

## **78 Time for commencing proceedings**

Despite anything to the contrary in section 25 of the Criminal Procedure Act 2011, the limitation period in respect of an offence against this Act ends on the date that is 2 years after the date on which the offence was committed.

Section 78: replaced, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

## **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—
  - (a) issue instructions to departments or departmental agencies for the purpose specified in section 81(1)(a); and
  - (b) issue instructions to departments for all or any of the purposes specified in section 81(1)(ab), (b), (bc), (bd), and (c) to (e).
- (2) A chief executive of a department or departmental agency must comply with any instructions issued under this section to the extent that the instructions apply to that department or departmental agency.
- (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).

Section 80(1): replaced, on 18 July 2013, by section 46(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 80(2): amended, on 18 July 2013, by section 46(2) of the Public Finance Amendment Act 2013 (2013 No 50).

## **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
    - (ia) a departmental agency; or
    - (ii) an Office of Parliament; or
    - (iii) a Schedule 4 organisation; or
    - (iv) a Schedule 4A company; 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, a departmental agency, an Office of Parliament, a Schedule 4 organisation, a Schedule 4A company, or any other entity referred to in section 27(3) must comply with any instructions issued under this section to the extent that the instructions apply to that department, departmental agency, Office, organisation, company, 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) Instructions issued under this section are a disallowable instrument, but not a legislative instrument, for the purposes of the Legislation Act 2012 and must be presented to the House of Representatives under section 41 of that Act.
- (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).

Section 80A(3)(a)(ia): inserted, on 18 July 2013, by section 47(1) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 80A(3)(a)(iii): replaced, on 18 July 2013, by section 47(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 80A(3)(a)(iv): inserted, on 18 July 2013, by section 47(2) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 80A(4): replaced, on 18 July 2013, by section 47(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 80A(6): replaced, on 5 August 2013, by section 77(3) of the Legislation Act 2012 (2012 No 119).

## **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, departmental agencies, 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, departmental agencies, Offices of Parliament, Schedule 4 organisations, and Schedule 4A companies must publish under this Act:
  - (b) prescribing particular accounting policies and financial statement representations that Ministers, departments, Offices of Parliament, Crown entities, Schedule 4 organisations, or Schedule 4A companies must apply in their financial reporting:
  - (ba) prescribing the non-financial reporting standards that Ministers, departments, departmental agencies, Offices of Parliament, Schedule 4 organisations, or Schedule 4A companies 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 18 July 2013, by section 48(1) of the Public Finance Amendment Act 2013 (2013 No 50).

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): replaced, on 18 July 2013, by section 48(2) of the Public Finance Amendment Act 2013 (2013 No 50).

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)(b): amended, on 18 July 2013, by section 48(3) of the Public Finance Amendment Act 2013 (2013 No 50).

Section 81(1)(ba): replaced, on 18 July 2013, by section 48(4) of the Public Finance Amendment Act 2013 (2013 No 50).

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, departmental agencies, Schedule 4 organisations, or Schedule 4A companies, 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).

Section 82(1)(a): amended, on 18 July 2013, by section 49 of the Public Finance Amendment Act 2013 (2013 No 50).

### **83 Abolition of certain accounts**

*[Repealed]*

Section 83: repealed, on 18 July 2013, by section 50 of the Public Finance Amendment Act 2013 (2013 No 50).

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

Notwithstanding the repeal by section 87 of—

(a) *[Repealed]*

(b) Part 6A of the Reserve Bank of New Zealand Act 1964:

(c) section 4 of the Reserve Bank of New Zealand Amendment Act 1977 and so much of Schedule 3 as relates to section 109(2A) of the Local Authorities Loans Act 1951:

(d) section 4(5) of the Public Finance Amendment Act 1980,—

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**

*[Repealed]*

Section 85: repealed, on 18 July 2013, by section 51 of the Public Finance Amendment Act 2013 (2013 No 50).

### **86 Consequential amendments**

*[Repealed]*

Section 86: repealed, on 18 July 2013, by section 51 of the Public Finance Amendment Act 2013 (2013 No 50).

### **87 Repeals**

*[Repealed]*

Section 87: repealed, on 18 July 2013, by section 51 of the Public Finance Amendment Act 2013 (2013 No 50).

**88 Application, savings, and transitional provisions relating to amendments to Act**

- (1) The application, savings, and transitional provisions set out in Schedule 1, which relate to amendments made to this Act after 1 January 2013, have effect for the purposes of this Act.
- (2) The application, savings, and transitional provisions relating to the amendment Acts specified in the first column of the following table are set out in the Parts of Schedule 1 specified in the second column of the table.

**Amendment Act**

**Schedule 1 Part**

Public Finance Amendment Act 2013

Part 1

Public Finance (Fiscal Responsibility) Amendment Act  
2013

Part 2

Section 88: replaced, on 18 July 2013, by section 52 of the Public Finance Amendment Act 2013 (2013 No 50).

Section 88(2): inserted, on 4 September 2013, by section 12 of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

**Schedule 1**  
**Application, savings, and transitional provisions relating to**  
**amendments made to Act after 1 January 2013**

ss 2A, 88

Schedule 1: replaced, on 18 July 2013, by section 53 of the Public Finance Amendment Act 2013 (2013 No 50).

**Part 1**  
**Provisions relating to Public Finance Amendment Act 2013**

Schedule 1 Part 1 heading: inserted, on 4 September 2013, by section 13(2) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

**1 Interpretation**

In this Part,—

**2013/14 financial year** means the financial year ending with 30 June 2014

**2014/15 financial year** means the financial year ending with 30 June 2015

**amendment Act** means the Public Finance Amendment Act 2013

**commencement date** means the date on which the amendment Act comes into force

**new provision** means a provision of this Act as amended or inserted by the amendment Act, and **new section** has a corresponding meaning

**old provision** means a provision of this Act as in force immediately before its amendment or repeal by the amendment Act, and **old section** has a corresponding meaning.

Schedule 1 clause 1: amended, on 4 September 2013, by section 13(3) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

*General application of provisions relating to financial year*

**2 Amendments made on 1 July 2014 apply to 2014/15 financial year and subsequent financial years**

(1) This clause applies to any provision of this Act that—

- (a) relates to a financial year; and
- (b) is amended on 1 July 2014 by Part 2 of the amendment Act.

(2) The provision must,—

- (a) to the extent that it relates to the 2014/15 financial year and subsequent financial years, be treated as if it were amended on the commencement date rather than 1 July 2014; and
- (b) to the extent that it relates to previous financial years, be treated as if it were not amended on 1 July 2014.



- (3) This clause is subject to clause 3.

**3 Multi-category appropriations may be used in 2013/14 financial year**

Despite clause 2, in the 2013/14 financial year,—

- (a) old section 7(1) must be read as if it included, as a type of appropriation, a multi-category appropriation described in new section 7A(1)(g) (as inserted by section 59 of the amendment Act); and
- (b) any new provision that relates to a multi-category appropriation must, for the purposes of the multi-category appropriation and any expenses or capital expenditure incurred under it, be treated as if it were amended on the commencement date.

**4 Annual report for 2013/14 financial year must include forecast financial statements for 2014/15 financial year**

Despite clause 2, old section 45 must be read as if it included a requirement for a department's annual report for the 2013/14 financial year to include forecast financial statements for the 2014/15 financial year that comply with new section 45BA (as inserted by section 86 of the amendment Act).

**5 First information on strategic intentions under new section 38 must relate to 2014/15 financial year and subsequent financial years**

- (1) A department must provide to its responsible Minister, under new section 38 (as inserted by section 80 of the amendment Act), information on its strategic intentions for the 2014/15 financial year and at least the following 3 financial years.
- (2) A department must comply with subclause (1) not later than the day on which it provides, to its responsible Minister, its annual report for the 2013/14 financial year.

*Additional transitional provisions applicable to Schedule 4 organisations and Schedule 4A companies*

**6 Additional transitional provisions applicable to Schedule 4 organisations and Schedule 4A companies**

- (1) Clauses 1 to 3 of Schedule 1AAA of the Crown Entities Act 2004 (the **CEA transitional schedule**) apply to Schedule 4 organisations and Schedule 4A companies, except that references in clause 1 of the CEA transitional schedule to a Crown entity must be read as if they were references to a Schedule 4 organisation or a Schedule 4A company (as applicable).
- (2) If new section 139 of the Crown Entities Act 2004 applies to a Schedule 4 organisation or a Schedule 4A company, then clause 4 of the CEA transitional schedule also applies to the organisation or company, except that references in

that clause to a Crown entity must be read as if they were references to a Schedule 4 organisation or a Schedule 4A company (as applicable).

**7 Exception to section 45OA(1)(g) for Crown Fibre Holdings Limited in respect of certain subsidiaries**

- (1) Despite section 45OA(1)(g), section 97 of the Crown Entities Act 2004 (which sets out rules that apply to a parent Crown entity in respect of its subsidiaries) does not apply to Crown Fibre Holdings Limited in respect of a specified subsidiary.
- (2) For the purposes of subclause (1), **specified subsidiary** means a subsidiary that, on the commencement date, is a company with no shareholders other than—
  - (a) Crown Fibre Holdings Limited; and
  - (b) the Crown; and
  - (c) 1 of the following:
    - (i) Chorus Limited;
    - (ii) Enable Services Limited;
    - (iii) Northpower Limited;
    - (iv) Waikato Networks Limited;
    - (v) a wholly owned subsidiary of Chorus Limited, Enable Services Limited, Northpower Limited, or Waikato Networks Limited.
- (3) This clause is repealed on the close of 30 June 2021.

**8 Application of Crown Entities Act 2004 to Tāmaki Redevelopment Company Limited’s statement of intent for 2013/14 financial year**

- (1) Despite new section 45OA(1)(n),—
  - (a) sections 138 to 144, 145(a) and (b), and 146 of the Crown Entities Act 2004 do not apply to TRCL’s first statement of intent; and
  - (b) sections 145(c) and 149—
    - (i) do not apply to TRCL’s first statement of intent; but
    - (ii) apply to an amendment to TRCL’s first statement of intent.
- (2) If TRCL’s first statement of intent includes information described in section 141(1)(b), (c), (d), (f), (g), or (h) or section 142(1)(b) (a **specified provision**) of the Crown Entities Act 2004, section 147 of that Act applies as if the information were included in TRCL’s first statement of intent under the specified provision.
- (3) In this clause, **TRCL’s first statement of intent** means Tāmaki Redevelopment Company Limited’s statement of intent for the 2013/14 financial year.

**Part 2**  
**Provision relating to Public Finance (Fiscal Responsibility)**  
**Amendment Act 2013**

Schedule 1 Part 2: inserted, on 4 September 2013, by section 13(4) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

**9 Transitional provision relating to Public Finance (Fiscal Responsibility)**  
**Amendment Act 2013**

- (1) In this clause, **commencement date** means the day on which the Public Finance (Fiscal Responsibility) Amendment Act 2013 comes into force.
- (2) Section 26M(3)(c) does not apply to a budget policy statement if the fiscal strategy report most recently presented to the House of Representatives was presented before the commencement date.
- (3) Section 26NA(2)(d) does not apply to the first investment statement presented to the House of Representatives under section 26NA.
- (4) This Part is repealed 4 years after the commencement date.

Schedule 1 clause 9: inserted, on 4 September 2013, by section 13(4) of the Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67).

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**Schedule 2**  
**Enactments repealed**  
*[Repealed]*

s 87

Schedule 2: repealed, on 18 July 2013, by section 54 of the Public Finance Amendment Act 2013 (2013 No 50).

**Schedule 3**  
**Liabilities, and categories of liabilities, not included in definition of  
contingent liability**  
*[Repealed]*

s 2(1)

Schedule 3: repealed, on 25 January 2005, by section 31 of the Public Finance Amendment Act 2004 (2004 No 113).

## Schedule 4

### Organisations for the purposes of subpart 2 of Part 5

ss 3A, 45M, 45N

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 139	Annual report 150	SP 153	Securities 161	Borrowing 162	Guarant ees 163	Derivativ es 164	Surplus 165
Agricultural and Marketing Research and Development Trust			✓					
Asia New Zealand Foundation								
Game Animal Council		✓		✓	✓	✓	✓	✓
Leadership Development Centre Trust			✓					
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				✓	✓	✓	✓	
New Zealand Government Property Corporation								✓
New Zealand Lottery Grants Board								
Ngai Tahu Ancillary Claims Trust								
Pacific Co-operation Foundation			✓					
Pacific Island Business Development Trust			✓					
Reserves Boards as defined in section 2 of the Reserves Act 1977				✓	✓	✓	✓	
Sentencing Council		✓	✓	✓	✓	✓	✓	✓
Te Arika trust								

Schedule 4: amended, on 23 July 2015, by clause 3 of the Public Finance (Road Safety Trust) Order 2015 (LI 2015/147).

Schedule 4: amended, on 1 July 2014, by section 103 of the Public Finance Amendment Act 2013 (2013 No 50).

- Schedule 4: amended, on 28 November 2013, by section 41(1) of the Game Animal Council Act 2013 (2013 No 98).
- Schedule 4: amended, on 18 July 2013, by section 55 of the Public Finance Amendment Act 2013 (2013 No 50).
- Schedule 4: amended, on 27 September 2012, by clause 3 of the Public Finance (The Network for Learning Limited) Order 2012 (SR 2012/222).
- Schedule 4: amended, on 31 August 2012, by clause 3 of the Public Finance (Tāmaki Redevelopment Company Limited) Order 2012 (SR 2012/250).
- Schedule 4: amended, on 18 April 2012, by clause 3 of the Public Finance (Southern Response Earthquake Services Limited) Order 2012 (SR 2012/70).
- Schedule 4: amended, on 29 February 2012, by clause 3 of the Public Finance (Crown Asset Management Limited) Order 2012 (SR 2012/15).
- Schedule 4: amended, on 1 July 2011, by clause 3 of the Public Finance (Dispute Resolution Services Limited) Order 2011 (SR 2011/230).
- Schedule 4: amended, on 1 November 2010, by section 28 of the Local Government (Tāmaki 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).

## Schedule 4A

### Non-listed companies in which Crown is majority or sole shareholder

ss 3AB, 45OA

Schedule 4A: inserted, on 18 July 2013, by section 56 of the Public Finance Amendment Act 2013 (2013 No 50).

**Note:** A tick alongside the name of a company means that the section of the Crown Entities Act 2004 that appears above the tick applies to that company.

Company	Sections of Crown Entities Act 2004 (relating to financial powers)				
	161	162	163	164	165
Crown Asset Management Limited		✓	✓	✓	
Crown Fibre Holdings Limited					
Fairway Resolution Limited	✓	✓	✓	✓	
Education Payroll Limited	✓	✓	✓	✓	
Health Benefits Limited	✓	✓	✓	✓	
The Network for Learning Limited					
Research and Education Advanced Network New Zealand Limited	✓	✓	✓	✓	
Southern Response Earthquake Services Limited	✓	✓		✓	
Tāmaki Redevelopment Company Limited	✓	✓	✓	✓	

Schedule 4A: amended, on 5 September 2014, by clause 3 of the Public Finance (Education Payroll Limited) Order 2014 (LI 2014/290).

## **Schedule 5**

### **Mixed ownership model companies**

s 45P

Schedule 5: replaced, on 30 June 2012, by section 10 of the Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45).

Genesis Energy Limited

Meridian Energy Limited

Mighty River Power Limited

Schedule 5: amended, on 7 March 2014, by section 8(2) of the State-Owned Enterprises Amendment Act 2012 (2012 No 44).

Schedule 5: amended, on 30 August 2013, by section 8(3) of the State-Owned Enterprises Amendment Act 2012 (2012 No 44).

Schedule 5: amended, on 8 March 2013, by section 8(4) of the State-Owned Enterprises Amendment Act 2012 (2012 No 44).

## **Schedule 6**

### **Legal entities created by Treaty of Waitangi settlement Acts**

s 27(3)

Schedule 6: replaced, on 28 July 2014, by section 15(3) of the Te Urewera Act 2014 (2014 No 51).

Te Urewera

Te Urewera Act 2014

## **Schedule 7**

### **Crown entities subject to section 16**

*[Repealed]*

s 16

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.
- (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.

## Reprints notes

### 1 *General*

This is a reprint of the Public Finance Act 1989 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### 2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### 3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### 4 *Amendments incorporated in this reprint*

Public Finance (Road Safety Trust) Order 2015 (LI 2015/147)

Public Finance (Education Payroll Limited) Order 2014 (LI 2014/290)

Te Urewera Act 2014 (2014 No 51): sections 15(1)–(3), 138

Companies Amendment Act 2013 (2013 No 111): section 14

Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102): section 126

Game Animal Council Act 2013 (2013 No 98): section 41(1)

Financial Markets (Repeals and Amendments) Act 2013 (2013 No 70): section 150

Public Finance (Fiscal Responsibility) Amendment Act 2013 (2013 No 67)

Public Finance Amendment Act 2013 (2013 No 50)

Holidays (Full Recognition of Waitangi Day and ANZAC Day) Amendment Act 2013 (2013 No 19): section 8

Legislation Act 2012 (2012 No 119): section 77(3)

Public Finance (Tāmaki Redevelopment Company Limited) Order 2012 (SR 2012/250)

Public Finance (The Network for Learning Limited) Order 2012 (SR 2012/222)

Public Finance (Mixed Ownership Model) Amendment Act 2012 (2012 No 45)

State-Owned Enterprises Amendment Act 2012 (2012 No 44): section 8(1)–(4)

Public Finance (Southern Response Earthquake Services Limited) Order 2012 (SR 2012/70)

Public Finance (Crown Asset Management Limited) Order 2012 (SR 2012/15)

Public Finance Amendment Act 2012 (2012 No 17)

Criminal Procedure Act 2011 (2011 No 81): section 413

Public Finance (Dispute Resolution Services Limited) Order 2011 (SR 2011/230)

Public Finance (Health Benefits Limited) Order 2010 (SR 2010/212)

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)  
Local Government Act 2002 (2002 No 84): section 262  
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)  
Public Finance Amendment Act 1991 (1991 No 6)  
Acts and Regulations Publication Act 1989 (1989 No 142): section 31(1)