



Public Finance (Fiscal Responsibility) Amendment Act 2013

Public Act 2013 No 67
Date of assent 3 September 2013
Commencement see section 2

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Public Finance (Fiscal Responsibility) Amendment Act 2013.

- 2 Commencement**
This Act comes into force on the day after the date on which it receives the Royal assent.

- 3 Principal Act**
This Act amends the Public Finance Act 1989 (the **principal Act**).

**Part 1
Amendments relating to responsible fiscal
management and reporting requirements**

- 4 Section 26G amended (Principles of responsible fiscal management)**
Replace section 26G(1)(e) with:

- “(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.”

5 New section 26KA inserted (Contents of fiscal strategy report: management of the Crown’s resources)

After section 26K, insert:

“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.”

6 Section 26L amended (Contents of fiscal strategy report: other matters)

- (1) In section 26L(1)(b), after “the departure”, insert “; and”.
- (2) After section 26L(1)(b), insert:
 - “(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.”

(3) After section 26L(3), insert:

“(4) In subsection (1)(c), **administration** means the Ministers of the Crown for the time being.”

7 Section 26M amended (Budget policy statement)

(1) In section 26M(3)(b), after “paragraph (a)”, insert “; and”.

(2) After section 26M(3)(b), insert:

“(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.”

8 New section 26NA and cross-heading inserted

After section 26N, insert:

“Investment statement

“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.”

9 Section 26X amended (Certain statements and updates may be published in advance of presentation to House of Representatives)

After section 26X(a), insert:

“(aa) an investment statement under section 26NA(1):”.

10 Section 26Y replaced (Notification and availability of reports, statements, or updates)

Replace section 26Y with:

“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).”

11 Section 26Z amended (Power of Secretary to obtain information)

In section 26Z(1), after “26N,”, insert “26NA,”.

**Part 2
Transitional provision**

12 Section 88 amended (Application, savings, and transitional provisions relating to amendments to Act)

In section 88, insert as subsection (2):

“(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

13 Schedule 1 amended

- (1) This section amends Schedule 1 of the principal Act.
 (2) Before clause 1, insert:

Part 1
Provisions relating to Public Finance
Amendment Act 2013”.

- (3) In clause 1, replace “this schedule” with “this Part”.
 (4) After clause 8, insert:

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

- “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.”

Legislative history

30 August 2012	Introduction (Bill 54–1)
4 December 2012	First reading and referral to Finance and Expenditure Committee
31 May 2013	Reported from Finance and Expenditure Committee (Bill 54–2)
25 June 2013	Second reading
27 August 2013	Committee of the whole House, third reading
3 September 2013	Royal assent

This Act is administered by the Treasury.
