



ANALYSIS

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1963, No. 46

An Act to provide for the simplification of the Public Accounts, and to amend the Public Revenues Act 1953 and certain other enactments relating to public finance

[22 October 1963]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title and commencement—(1) This Act may be cited as the Public Revenues Amendment Act 1963.

(2) This Act shall come into force on the first day of April, nineteen hundred and sixty-four.

PART I

PUBLIC REVENUES

2. This Part to be read with Public Revenues Act 1953—This Part of this Act shall be read together with and deemed part of the Public Revenues Act 1953 (in this Part referred to as the principal Act).

Simplification of the Public Accounts

3. Funds in the Public Account—The principal Act is hereby amended by repealing section 38, and substituting the following section:

“38. The Public Account shall consist of the following accounts and funds:

“(a) The Consolidated Revenue Account, to which shall be carried all receipts except as provided by this Act or any other Act:

“(b) The National Development Loans Account, to which shall be carried, in addition to any other money lawfully payable into that account, the produce of all loans that are authorised by Parliament to be raised for the purposes of that account:

“(c) The Works and Trading Account, to which shall be carried, in addition to any other money lawfully payable into that account, such receipts as the Minister from time to time directs:

“(d) The Trust Account, to which shall be carried all money which by this Act or any other Act is directed to be paid into that account, and all money which is received in trust by any accounting officer,

unless in the case of any money received in trust by an accounting officer the Secretary, subject to this Act and the regulations, directs otherwise:

- “(e) Every separate fund, account, or subsidiary account which by this or any other Act is directed to form part of the Public Account.”

4. Consolidated Revenue Account—(1) The following accounts are hereby abolished, namely:

- (a) The Consolidated Fund:
- (b) The Social Security Fund established under section 103 of the Social Security Act 1938:
- (c) The Gas Industry Account referred to in section 11 of the Gas Industry Act 1958.

(2) All money, including investments, standing at the commencement of this Act to the credit of any of the said accounts shall, without further appropriation than this section, be transferred to and deemed part of the Consolidated Revenue Account.

(3) All money which, if this Act had not been passed, would be payable into or out of any of the said accounts shall be paid into or out of the Consolidated Revenue Account.

(4) Every reference to the Consolidated Fund, or to the Social Security Fund, or to the Gas Industry Account, in the principal Act or any other Act, or in any regulation, order, agreement, deed, instrument, application, notice, or other document whatsoever shall, unless the context otherwise requires, be read as a reference to the Consolidated Revenue Account.

(5) Section 11 of the Finance Act (No. 2) 1939 is hereby repealed.

5. Apportionment of income tax in Consolidated Revenue Account—(1) The principal Act is hereby amended by inserting, after section 38 (as substituted by section 3 of this Act), the following section:

“38A. (1) Of the money received each year as income tax under section 77 of the Land and Income Tax Act 1954 there shall be credited to the Consolidated Revenue Account as social security income tax an amount computed at the rate of one shilling and sixpence for every pound of that portion of the total amount of the national private income for the immediately preceding financial year on which social security income tax is payable, as estimated by the Government Statistician and certified by him to the Minister of Finance.

“(2) In the certificate furnished to the Minister under subsection (1) of this section the Government Statistician shall show the estimated total amount of the national private income for the said financial year and the estimated portion thereof on which social security income tax is payable.

“(3) In this section the term ‘the national private income’ means the aggregate of—

“(a) Salary and wage payments; and

“(b) Pay and allowances of the Armed Forces; and

“(c) Other personal income (excluding company dividends); and

“(d) Company income before distribution—

but does not include social security benefits, pensions, or the rental value of owner-occupied houses.”

(2) Section 2 of the Finance Act 1959 is hereby repealed.

6. Works and Trading Account—(1) The following accounts are hereby abolished, namely:

(a) The Public Works Account:

(b) The Electric Supply Account referred to in section 8 of the State Supply of Electrical Energy Act 1917:

(c) The Land Settlement Account established under section 27 of the Land Act 1948:

(d) The State Coal Mines Account referred to in section 183 of the Coal Mines Act 1925:

(e) The Working Railways Account referred to in section 34 of the Government Railways Act 1949.

(2) All money, including investments, standing at the commencement of this Act to the credit of any of the said accounts shall, without further appropriation than this section, be transferred to and deemed part of the Works and Trading Account.

(3) All money which, if this Act had not been passed, would be payable into or out of any of the said accounts shall be payable into or out of the Works and Trading Account.

(4) In addition to all other money lawfully payable into or out of the Works and Trading Account—

(a) There shall be paid into that account such of the money received under the Maori Affairs Act 1953 or the Maori Housing Act 1935 as the Minister of Finance from time to time directs:

(b) There shall be paid out of that account such money as may be appropriated by Parliament for the purposes of the Maori Affairs Act 1953 or the Maori Housing Act 1935.

(5) There may be kept within the Works and Trading Account such subdivisions of that account as the Minister from time to time directs.

(6) Every reference to the Public Works Account, or to the Electric Supply Account, or to the Land Settlement Account, or to the State Coal Mines Account, or to the Working Railways Account, in the principal Act or any other Act, or in any regulation, order, agreement, deed, instrument, application, lease, licence, notice, or other document whatsoever shall, unless the context otherwise requires, be read as a reference to the Works and Trading Account.

(7) Section 7 of the Finance Act (No. 2) 1952 is hereby amended by omitting from subsection (3) the words "the Land Settlement Account established under section 27 of the Land Act 1948", and substituting the words "the Works and Trading Account".

(8) Section 4 of the Finance Act (No. 2) 1943 is hereby repealed.

7. Trust Account—(1) All money, including investments, standing at the commencement of this Act to the credit of any deposit account within the Public Account shall, without further appropriation than this section, be transferred to and deemed part of the Trust Account.

(2) All money which, if this Act had not been passed, would be payable into or out of any deposit account within the Public Account shall be paid into or out of the Trust Account.

(3) All references to any deposit account within the Public Account, or to a deposit account to be opened under the provisions of paragraph (d) of section 38 of the Public Revenues Act 1953, in the principal Act or any other Act, or in any regulation, order, agreement, deed, instrument, application, lease, licence, notice, or other document whatsoever shall, unless the context otherwise requires, be read as references to the Trust Account.

(4) Section 41A of the principal Act (as inserted by section 3 of the Public Revenues Amendment Act 1962) is hereby amended—

(a) By omitting from subsection (2) the words "a special account to be opened under paragraph (d) of section 38 of this Act", and substituting the words "an account within the Trust Account":

(b) By omitting the word "special", wherever it occurs in subsections (3), (4), and (5).

Miscellaneous Provisions

8. Borrowing on overdraft—Section 35 of the principal Act is hereby amended by repealing the proviso to subsection (1), and substituting the following proviso:

“Provided that it shall not be lawful—

“(a) To borrow under this section so that the amount owing at any time during the financial year exceeds one-quarter of the total revenue of the preceding year; or

“(b) For the Public Account to be in overdraft at the end of any financial year.”

9. Transfers of surplus money in Consolidated Revenue Account—Section 44 of the principal Act is hereby amended by repealing paragraphs (b) and (c), and substituting the following paragraphs:

“(b) The Works and Trading Account:

“(c) The Reserve Fund:”.

10. Appropriation statement—Section 69 of the principal Act is hereby amended by omitting the words “an account to be called the Appropriation Account”, and substituting the words “a statement”.

11. Payments to be included in accounts—Section 70 of the principal Act is hereby amended by inserting, after subsection (2), the following subsection:

“(2A) Notwithstanding anything in subsection (2) of this section, every amount shown in the books of the Treasury as an imprest outstanding at the close of business on the last day of any financial year shall, without further appropriation than this section,—

“(a) Be transferred to the Trust Account from the account or fund from which the money was issued by way of imprest; and

“(b) On the first day of the following financial year, be transferred back to that account or fund from the Trust Account.”

12. Accounts outside the Public Account—Section 72 of the principal Act is hereby amended by inserting, after paragraph (n), the following paragraph:

“(nn) The Earthquake and War Damage Fund:”.

13. Annual return of public securities—The principal Act is hereby amended by repealing section 78, and substituting the following section:

“78. Within twenty-eight days after the commencement of each session, or as soon thereafter as practicable, the Minister shall lay before Parliament a return prepared by the Treasury, in such form and containing such particulars as the Minister may prescribe, of all public securities held in New Zealand or elsewhere at the end of the immediately preceding financial year.”

14. General Purposes Relief Account—(1) Section 83 of the principal Act is hereby amended by adding the following subsection:

“(4) If any money in the General Purposes Relief Account is not required for any of the purposes aforesaid, it may, without further appropriation than this section, be transferred to the Reserve Fund.”

(2) The said section 83 is hereby further amended—

- (a) By omitting from subsection (1) the words “the deposit account”, and substituting the words “the account within the Trust Account”:
- (b) By omitting from subsection (2), and also from subsection (3), the word “deposit”.

PART II

AMENDMENTS TO OTHER ACTS

Coal Mines

15. Revenue to be paid into Works and Trading Account—(1) Section 183 of the Coal Mines Act 1925 (as substituted by subsection (1) of section 25 of the Coal Mines Amendment Act 1959) is hereby amended by omitting the words “a separate account to be called the State Coal Mines Account”, and substituting the words “the Works and Trading Account”.

(2) Section 170 of the Coal Mines Act 1925 is hereby amended by repealing subsection (2), and substituting the following subsection:

“(2) Any money required for the payment of the purchase money or rent, together with all incidental expenses, of lands or mines acquired under this section shall be paid out of the Works and Trading Account from money appropriated by Parliament for the purpose.”

Earthquake and War Damage

16. Earthquake and War Damage Fund—(1) The Earthquake and War Damage Act 1944 (in this section referred to as the principal Act) is hereby amended by repealing section 10, and substituting the following section:

“10. (1) For the purposes of this Act, there shall be established at the Reserve Bank of New Zealand an account to be called the Earthquake and War Damage Fund.

“(2) For the purposes of the Fund, there may be opened at the Reserve Bank of New Zealand or at any other bank such imprest or subsidiary accounts as the Commission may think necessary or desirable.

“(3) The Fund and any such account may be operated on by cheque signed by such person or persons as the Commission from time to time appoints.”

(2) The account in the Public Account called the Earthquake and War Damage Fund is hereby abolished. All money, including investments, standing at the commencement of this Act to the credit of that account shall, without further appropriation than this section, be transferred to and deemed part of the Earthquake and War Damage Fund established under section 10 of the principal Act, as substituted by subsection (1) of this section.

(3) Every reference to the Earthquake and War Damage Fund in the principal Act or any other Act, or in any regulation, order, agreement, deed, instrument, application, lease, licence, notice, or other document whatsoever shall, unless the context otherwise requires, be read as a reference to the Fund established under section 10 of the principal Act, as substituted by subsection (1) of this section.

Family Benefits (Home Ownership)

17. Financial provisions—(1) Section 4 of the Family Benefits (Home Ownership) Act 1958 is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) Every advance under this Act shall be made out of the Consolidated Revenue Account, from money appropriated by Parliament for the purpose.”

(2) The said section 4 is hereby further amended—

(a) By repealing paragraphs (a) and (b) of subsection (2):

(b) By omitting from subsection (4) the words “the Social Security Fund”, and substituting the words “the Consolidated Revenue Account”.

Gas Industry

18. Money payable out of Consolidated Revenue Account—(1) The Gas Industry Act 1958 is hereby amended by repealing sections 11 and 12, and substituting the following section:

“11. (1) There may from time to time be paid out of the Consolidated Revenue Account, from money appropriated by Parliament for the purpose, such sums by way of subsidy, grant, or loan as the Council recommends to be paid, in accordance with this Part of this Act.

“(2) There may also from time to time be paid out of the Consolidated Revenue Account, from money appropriated by Parliament for the purpose, all salaries and allowances and other expenditure incurred in the administration of this Act.”

(2) Section 13 of the Gas Industry Act 1958 is hereby amended—

(a) By omitting from subsection (1) the words “The Council may pay out of the Gas Industry Account”, and substituting the words “There may be paid as aforesaid”; and also by omitting from the same subsection the words “in the Account”, and substituting the words “for the purpose”:

(b) By omitting from subsection (2) the words “the Council may, so far as the money available in the Gas Industry Account will permit, grant and pay”, and substituting the words “there may be granted and paid as aforesaid, so far as the money available will permit,”:

(c) By omitting from subsection (2A) (as inserted by subsection (1) of section 2 of the Gas Industry Amendment Act 1961) the word “make”, and substituting the words “recommend the making of”.

(3) The Gas Industry Act 1958 is hereby further amended—

(a) By repealing paragraph (a) of section 10:

(b) By omitting from subsection (1) of section 15 the words “and a statement of accounts for the year ending on that date”, and substituting the words “The report shall include a statement showing the payments made during the year out of the money appropriated by Parliament for the purposes of this Act, together with a statement of the amounts recovered in respect of expenditure made in that or in any previous year”:

- (c) By omitting from subsection (2) of section 15 the words “and statement of accounts”.

Government Railways

19. Amendments consequential on abolition of Working Railways Account—The Government Railways Act 1949 is hereby amended—

- (a) By repealing section 34:
- (b) By omitting from subsection (1) of section 35 the words “out of the Consolidated Fund into the Working Railways Account”, and substituting the words “out of the Consolidated Revenue Account into the Works and Trading Account”:
- (c) By omitting from subsection (1) of section 35 the words “in respect of the Working Railways Account”, and substituting the words “in respect of the railways”:
- (d) By omitting from subsection (2) of section 35 the words “the Working Railways Account”, and substituting the words “the Works and Trading Account”:
- (e) By inserting in paragraph (b) of subsection (2) of section 35, after the words “the account”, the words “in respect of the railways”:
- (f) By omitting from subsection (1) of section 36 the words “out of the Working Railways Account into the Consolidated Fund”, and substituting the words “out of the Works and Trading Account into the Consolidated Revenue Account”:
- (g) By inserting in paragraph (b) of subsection (1) of section 36, after the words “net profits”, the words “in respect of the railways”:
- (h) By omitting from paragraph (c) of subsection (1) of section 36 the words “from the Consolidated Fund to the Working Railways Account”, and substituting the words “from the Consolidated Revenue Account to the Works and Trading Account in respect of the railways”:
- (i) By omitting from subsection (2) of section 36 the words “out of the Working Railways Account to the Consolidated Fund”, and substituting the words “out of the Works and Trading Account to the Consolidated Revenue Account”:
- (j) By omitting from subsection (3) of section 36 the words “the Working Railways Account”, and substituting the words “the Works and Trading Account”:

(k) By repealing paragraph (c) of subsection (3) of section 36:

(1) By repealing section 37.

20. Determination of matters in relation to Works and Trading Account for railways purposes—The Government Railways Act 1949 is hereby further amended by repealing section 38, and substituting the following section.

“38. (1) The Minister, acting in conjunction with the Minister of Finance, may from time to time do any thing, not provided for elsewhere in this Act or in any other Act, which is necessary for the carrying out of the provisions of this Act in relation to the Works and Trading Account.

“(2) Every determination under this section shall come into force on a date to be specified therein in that behalf (whether before or after the date of the determination).”

Land

21. Repeal—Section 27 of the Land Act 1948 is hereby repealed.

New Zealand Loans

22. Application of sections 14 and 15 to Works and Trading Account—The New Zealand Loans Act 1953 is hereby amended by inserting, after section 15, the following section:

“15A. In the application of sections 14 and 15 of this Act to the Works and Trading Account, every subdivision within that account shall be deemed to be a fund, and the provisions of those sections shall be construed accordingly.”

Public Works

23. Annual accounts under Public Works Act 1928—Section 8 of the Public Works Act 1928 is hereby amended—

(a) By omitting from subsection (1) the words “also a full and correct statement of the expenditure during such year on all the works and services chargeable to the Public Works Account”:

(b) By repealing subsection (2).

Social Security

24. Money payable out of Consolidated Revenue Account—(1) Section 106 of the Social Security Act 1938 is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) There shall from time to time be paid out of the Consolidated Revenue Account, from money appropriated by Parliament for the purpose, all money required to be expended in providing benefits under Part II of this Act.”

(2) Section 106 of the Social Security Act 1938 is hereby further amended by omitting from subsection (2) the words “the Social Security Fund”, and substituting the words “the Consolidated Revenue Account”.

(3) Sections 103 and 105 of the Social Security Act 1938 are hereby repealed.

State Supply of Electrical Energy

25. Revenue to be paid into Works and Trading Account—The State Supply of Electrical Energy Act 1917 is hereby amended by repealing section 8, and substituting the following section:

“8. There shall from time to time be paid into the Works and Trading Account—

“(a) All money derived from the sale of electrical energy pursuant to Part XIII of the Public Works Act 1928 and this Act; and

“(b) All other revenue received under this Act, whether in respect of any scheme established under this Act or otherwise.”

26. Electric supply liability—(1) The State Supply of Electrical Energy Act 1917 is hereby further amended by inserting, after section 13, the following section:

“13A. (1) So long as the Works and Trading Account has a capital liability to the Consolidated Revenue Account under section 14 of the New Zealand Loans Act 1953 in respect of the scheme established under this Act, there shall be set aside at the end of each financial year for the reduction of that capital liability the following sums, namely:

“(a) A sum equal to a half per cent of the capital cost of the said scheme:

“(b) A sum equal to four per cent of all the amounts repaid before the end of the previous financial year in reduction of the capital cost of the said scheme.

“(2) All sums set aside pursuant to subsection (1) of this section shall, without further appropriation than this section, be transferred to the Loans Redemption Account from the Works and Trading Account in the financial year following the year in which they are so set aside, and the provisions of subsection (4) of section 14 of the New Zealand Loans Act

1953 shall apply as if the sums so transferred had been transferred pursuant to that section.

“(3) The account to be kept in connection with the said scheme under section 5 of this Act shall show, with respect to the scheme, the amounts that have from time to time, whether before or after the commencement of this section, been applied in redemption of securities or applied or set aside for the reduction of capital liability.”

(2) Section 3A of the State Supply of Electrical Energy Act 1917 (as inserted by section 2 of the State Supply of Electrical Energy Amendment Act 1957) is hereby amended—

(a) By omitting from subsection (1) the words “will be paid into the Electric Supply Account”, and substituting the words “will be paid into the Works and Trading Account pursuant to section 8 of this Act”:

(b) By omitting from subsection (1) the words “from the Electric Supply Account”, and substituting the words “from the Works and Trading Account”:

(c) By omitting from subsection (1), and also from subsection (2), the words “subsection (1) of section 9 of the Finance Act (No. 2) 1944”, and substituting in each case the words “subsection (1) of section 13A of this Act”.

(3) Section 9 of the Finance Act (No. 2) 1944 is hereby repealed:

Provided that the repeal of that section shall not affect the amendments made to the State Supply of Electrical Energy Act 1917 by subsection (7) of that section.

(4) Subsection (1) of section 8 of the Finance Act 1948 and paragraph (a) of subsection (1) of section 4 of the State Supply of Electrical Energy Amendment Act 1957 are hereby repealed.