

[AS REPORTED FROM THE FINANCE AND EXPENDITURE
COMMITTEE]

House of Representatives, 22 June 1988

Words struck out are shown in italics within bold round brackets, words inserted are shown with single rule before first line and after last line.

Hon. David Butcher

FINANCE (NO. 2)

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A BILL INTITULED

An Act to make provision with respect to public finances and other matters

BE IT ENACTED by the Parliament of New Zealand as follows:

- 5 **1. Short Title and commencement**—(1) This Act may be cited as the Finance Act (No. 2) 1988.
(2) Subject to **section 5(5)** of this Act, this Act shall come into force on the day on which it receives the Royal assent.

No. 45-2

PART I

SUBSTANTIVE PROVISIONS

2. Authorising Crown shareholding in Fletcher Challenge Limited—(1) Subject to **subsection (2)** of this section, the Minister of Finance—

- 5
- (a) May from time to time, on behalf of Her Majesty the Queen, subscribe for or otherwise acquire shares in Fletcher Challenge Limited:
- (b) Out of money appropriated by Parliament for the purpose, pay for any such shares so acquired: 10
- (c) On behalf of Her Majesty, exercise all or any of Her Majesty's rights as the holder of any such shares.
- (2) The Minister shall not acquire shares under **subsection (1)** of this section except—
- (a) Pursuant to the contract described in **subsection (4)** of this section; or 15
- (b) By the exercise of a right to do so arising out of Her Majesty's already holding or having a right to hold shares acquired under this section.
- (3) For the avoidance of doubt,— 20
- (a) To the extent that the contract described in **subsection (4)** of this section requires or empowers Her Majesty to acquire shares in Fletcher Challenge Limited, the actions of the Ministers of Finance and Energy in entering into it are hereby declared to have been 25
lawful; and
- (b) To the extent that the contract requires or empowers Her Majesty to acquire shares in Fletcher Challenge Limited, it is hereby declared to have been and to continue to be lawful. 30
- (4) The contract referred to in **subsections (2) and (3)** of this section is the contract dated the 3rd day of March 1988, between Her Majesty the Queen, Rosspart Investments Limited, and Fletcher Challenge Limited.
- (5) Section 5 (1) (a) (iii) of the Finance Act 1987 is hereby 35
consequentially repealed.

3. Authorising Crown shareholding in company performing functions of Government Stores Board—

- (1) The Minister of Finance may from time to time—
- (a) On behalf of Her Majesty the Queen, subscribe for or 40
otherwise acquire shares in any company formed under the Companies Act 1955 to perform functions of a kind that, before the commencement of this

section, were customarily performed by the Government Stores Board established by regulations made under the Public Revenues Act 1953:

- 5 (b) Out of money appropriated by Parliament for the purpose, pay for any such shares so acquired:
 (c) On behalf of Her Majesty, exercise all or any of Her Majesty's rights as the holder of any such shares.

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10 (2) While the Minister of Finance holds in a company any shares that were acquired under **subsection (1)** of this section and together represent more than half in nominal value of its equity share capital (as defined in section 158 (5) of the Companies Act 1955),—

15 (a) Part III of the State-Owned Enterprises Act 1986 shall (with all necessary modifications) apply to the company and its subsidiaries; and

(b) For the purposes of that Part (as modified), the company and its subsidiaries shall be deemed to be State enterprises within the meaning of the latter Act.

20 (3) While the Minister of Finance holds in a company any shares that were acquired under **subsection (1)** of this section and together do not represent more than half in nominal value of its equity share capital (as defined in section 158 (5) of the Companies Act 1955),—

25 (a) The Audit Office shall be deemed to be the auditor of the company and its subsidiaries; and

(b) Any person who, but for this paragraph, would be the auditor of the company or any of its subsidiaries shall be deemed not to be the auditor of the company or subsidiary.

30 (4) If, when the Audit Office ceases to be deemed under **subsection (3)** of this section to be the auditor of any company, no person is in fact the auditor of the company, there shall then be deemed to have occurred a casual vacancy in the office of
 35 auditor of the company.

(5) In this section, "subsidiary" has the same meaning as in section 158 of the Companies Act 1955.

4. Amendment to Dairy Board Amendment Act 1988—

40 Section 13 of the Dairy Board Amendment Act 1988 is hereby amended, as from its commencement, by omitting the word "growers", and substituting the word "manufacturers".

5. Pension to widow of late Norman Eric Kirk—

(1) There shall from time to time be paid out of the Consolidated Account, without further appropriation than this section, to the widow of the late Norman Eric Kirk, until she dies or remarries, an annuity at the rate of the annuity from time to time payable under section 22 (1) (b) of the Civil List Act 1979 to the widow of a person who has held the office of Prime Minister for a period of 2 years. 5

(2) **Subsection (1)** of this section is subject to the qualification set out in section 22 (2) of the Civil List Act 1979. 10

(3) The annuity payable under this section shall be paid by equal periodic instalments at the end of each fortnight, with a proportionate payment for any fraction of a fortnight.

(4) Section 3 of the Finance Act 1975 is hereby consequentially repealed. 15

(5) This section shall be deemed to have come into force on the 1st day of January 1988.

6. Payment of fringe benefit tax on payments made by Crown into certain superannuation funds—There may be paid out of the Consolidated Account, without further appropriation than this section, any amount that the Crown is required by law to pay by way of fringe benefit tax (within the meaning of the Income Tax Act 1976) on payments made by the Crown into the Government Superannuation Fund or the National Provident Fund under the Government Superannuation Fund Act 1956 or the National Provident Fund Act 1950. 20 25

PART II

AMENDMENTS AND REPEALS

7. Statutory amendments consequential on disposal of Petroleum Corporation of New Zealand Limited—(1) The Fourteenth Schedule to the Income Tax Act 1976 (as substituted by section 23 of the State Services Conditions of Employment Amendment Act 1987) is hereby amended by omitting the item “Petroleum Corporation of New Zealand Ltd.”. 30 35

(2) The following enactments are hereby repealed:

(a) Section 27 of the Ministry of Energy Act 1977:

(b) So much of the First Schedule to the State-Owned Enterprises Amendment Act 1987 as applies to that Act. 40

(3) Notwithstanding **subsection (2)** of this section, the Petroleum Corporation of New Zealand Limited shall, as soon as is practicable after the commencement of this section, send

to the Minister of Energy a report on its operations for the year ending with the 31st day of March 1988 together with a copy of its (*audited*) financial statements for the year; and the Minister shall lay copies of the report and statements before
5 the House of Representatives.

8. Repeals—(1) Part II of, and the Schedule to, the Finance Act 1987 are hereby repealed.

(2) The repeal by **subsection (1)** of this section of sections 13 (4) and 14 (3) of the Finance Act 1987 does not affect the rights,
10 assets, liabilities or debts of the Minister of Energy or the Housing Corporation of New Zealand.

(3) The repeal by **subsection (1)** of this section of sections 15 to 18 of the Finance Act 1987 does not affect the validity of anything validated by any of those sections.