

PUBLIC FINANCE BILL

EXPLANATORY NOTE

THIS Bill revises the legislation which governs the financial activity of the Government, the use of public financial resources, the accountability and reporting associated with the use of those resources, and the manner in which control is exercised by Parliament. It repeals and replaces the Public Finance Act 1977 and its amendments.

The principal purposes of the Bill are—

- (a) To establish the appropriation mechanisms by which Parliament grants approval for the use of public resources (Part I);
- (b) To establish the procedures and controls relating to the banking and investment activity of the Crown and Crown agencies (Part II);
- (c) To establish the minimum financial reporting requirements which are to apply to the Government acting on behalf of the Crown as a whole (Part III);
- (d) To establish the minimum financial reporting requirements which are to apply to Government departments (Part IV);
- (e) To establish the minimum financial reporting requirements which are to apply to Crown agencies (agencies of government other than departments) (Part V);
- (f) To provide for the controls and procedures that are to apply to the raising of loans and the giving of securities and guarantees by the Crown (Part VI).

Clause 1 relates to the Short Title and commencement. The Bill is to come into force on 1 July 1989, except clause 24 (3) and Part V which come into force on 1 July 1991.

Clause 2 is the interpretation clause.

Clause 3 declares that the Bill binds the Crown.

PART I

APPROPRIATION

This Part of the Bill requires Parliamentary appropriation before public resources can be used, and establishes the controls and mechanisms which are to apply to that appropriation process.

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Clause 4 requires an appropriation for the payment of public money and, where an appropriation mode so requires, an appropriation for the incurrence of cost.

Subclause 3 requires a separate appropriation for each class of outputs and any capital contributions.

Clause 5 requires the first appropriation bill for a financial year (the budget) to be introduced before the end of the first month after the commencement of the financial year, unless Parliament otherwise resolves.

Clause 6 requires all appropriations to be charged to a Vote which will consist of one or more than one class of outputs.

Subclause (4) requires each class to be categorised according to one of 3 modes.

Clause 7 provides that appropriations made under permanent authority are to be managed and accounted for in the same manner as appropriations made in an Appropriation Act.

Clause 8 requires the preparation of Estimates for each Vote and specifies the information to be provided in them.

Clause 9 requires each Appropriation Act to specify the aggregate cash required by the Crown in relation to that Act. The provision of this information allows continuing Parliamentary control over cash, even though non-cash appropriations may be made.

Clause 10 provides authority for certain departments to expend revenue derived from trading activity.

Clauses 11 and 12 provides authority to approve the expenditure of amounts of money unappropriated at the end of a financial year or under specified emergency conditions, providing certain conditions are met.

Clause 13 contains a number of provisions dealing with the capital structure and use of surpluses of Crown agencies.

Clause 14 relates to loans and investments by the Crown to Crown agencies.

Clause 15 provides for profits of Crown agencies to be paid to the Crown.

PART II

BANKING AND INVESTMENT

This Part of the Bill provides legislative authority for, and control over, the establishment, operation, and closure of bank accounts operated by the Government on behalf of the Crown.

Clause 16 establishes the Crown Bank Account, to be operated by the Treasury as the principal bank account of the Crown.

Clause 17 establishes Departmental Bank Accounts which are to be operated and maintained by departments.

Clause 18 identifies all public money as the property of the Crown and requires it to be paid into a Crown or Departmental Bank Account.

Subclauses (2) and (3) identify which money belongs in which bank account.

Clause 19 provides the Minister with powers to give directions regarding the operations of Crown or Departmental Bank Accounts.

Clause 20 requires a Warrant to be issued before money can be paid out of the Crown Bank Account. The Warrant must be signed by the Governor-General and certified by the Audit Office. The clause provides a further safeguard against the unauthorised use of public money by requiring all amounts to be paid out of the Crown Bank Account to be certified by the Audit Office which may withhold its certification if it is of the view that the money will be used for a purpose which is unlawful or inconsistent with an appropriation.

Clause 21 provides authority for the investment of public money by Treasury in bank deposits, public securities, and other securities approved by the Minister.

Clause 22 provides for the establishment and operation of bank accounts by Crown agencies.

Clause 23 provides authority for Crown agencies to invest money on a similar basis to the investment of public money (see *clause 21*).

PART III REPORTING BY THE CROWN

This Part of the Bill establishes the financial reporting obligations of the Crown that result from its accountability to Parliament.

Clause 24 requires the preparation of consolidated annual financial statements for the Crown and specifies the minimum information to be reported.

Subclause (3) requires that the financial statements reflect not only the Crown and its departments but also Crown agencies. This subclause does not take effect until 1 July 1991.

Clause 25 requires the preparation of consolidated financial statements which report the financial activity and performance of the Crown for the first 6 months of each year on the same basis as the annual financial statements.

Clause 26 requires that a management statement signed by the Minister of Finance and the Secretary to the Treasury, accompany the annual and half-yearly financial statements of the Crown. The clause also specifies the content of the management statement.

Clause 27 outlines the procedures to be followed in the issuing of an audit opinion by the Audit Office on the annual or half-yearly financial statements of the Crown.

Clause 28 requires the annual and half-yearly financial statements, together with the audit opinion and management statement, to be tabled in Parliament within 6 sitting days of the audit opinion being issued.

Clause 29 requires the publication of monthly cash flow statements reporting the transactions through the Crown and Departmental Bank Accounts each month.

PART IV REPORTING BY DEPARTMENTS

This Part of the Bill establishes the responsibilities of departmental chief executives for financial matters and the financial reporting obligations of departments that result from their accountability to Parliament.

Clause 30 confirms a Chief Executive's responsibility for the financial management, financial performance, and financial reporting of the department.

Clause 31 makes it clear that, unless otherwise agreed, a departmental Chief Executive is not responsible for the financial activities of Crown agencies funded through the department.

Clause 32 requires each department to prepare annual financial statements, which are to include all divisions, agencies, and sub-organisations for which the Chief Executive is accountable.

Subclause (3) specifies the minimum information to be reported in those financial statements. This clause is equivalent to that pertaining to the Crown as a whole (see *clause 24*).

Clause 33 requires the preparation of half-yearly financial statements of each department and requires the same minimum information as for the annual financial statements of departments.

Clause 34 requires that a management statement, signed by the Chief Executive and countersigned by the chief financial officer, accompanies the annual and half-yearly financial statements of a department and specifies the content of the management statement.

Clause 35 outlines the procedures to be followed in the issuing of an audit opinion by the Audit Office on the annual or half-yearly financial statements of departments.

Clause 36 requires the annual financial statements, together with the audit opinion and departmental management statement to be included in the annual report of the department and to be tabled in Parliament within 6 sitting days of the audit opinion being issued. A similar deadline is set for the half-yearly financial statements of a department.

PART V

REPORTING BY CROWN AGENCIES

This Part of the Bill, which comes into force on 1 July 1991, establishes the financial reporting obligations of Crown agencies in much the same way as Parts III and IV do for the Crown and departments respectively.

Clause 37 requires Crown agencies to prepare annual financial statements and specifies the minimum information to be reported. These provisions override all existing legislation governing Crown agencies except the State-Owned Enterprises Act 1986.

Clause 38 requires that a management statement be prepared on a similar basis to that required of departments (see *clause 34*).

Clause 39 outlines the procedures to be followed in the issuing of an audit opinion on the annual financial statements of a Crown agency. The combined effect of this clause and *clause 38* is to require audited financial statements to be produced within 4 months after the end of the financial year.

Clause 40 requires the annual financial statements, audit opinion, and management statement to be included in an annual report of the Crown agency which is to be tabled in Parliament within 6 days of the audit opinion being issued.

Clause 41 provides that the financial year of all Crown agencies shall end on 30 June (the same day as the Crown), unless otherwise approved by the Minister.

PART VI
LOANS AND SECURITIES

This Part establishes the procedures and controls that are to apply to the raising of loans, issuing of securities, and issuing of guarantees by the Crown. This Part is substantially the same as that contained in the Public Finance Act 1977.

Clauses 42 and 43 prohibit borrowing by the Crown except where an Act specifically allows it, and provide authority for the Minister to raise loans when necessary.

Clause 44 provides authority to borrow using a series of similar securities.

Clause 45 excludes credit card transactions as borrowings.

Clause 46 allows any loan to be repaid or converted at any time.

Clauses 47 and 48 provide authority for the appointment of underwriters, managers, and loan agents to assist with loan raising.

Clause 49 allows the Minister to issue securities in respect of a loan.

Clause 50 is new and makes it clear that the Crown is not liable for the liabilities of Crown agencies, unless legislation explicitly requires it.

Clause 51 recognises that all principal and interest payable on a public security is a charge against public revenues.

Clauses 52 and 53 provide authority to vary the terms and conditions of a security or issue a new one if it is lost or damaged.

Clauses 54 and 55 establish the terms and conditions under which the Minister may lend money or give guarantees. The latter includes an indemnity or security.

Clauses 56 and 57 provide permanent authority for the repayment of loans, interest, and other costs relating to loans and public securities.

Clauses 58 to 60 deal with administrative matters in relation to loans.

Clause 61 provides authority for the Crown to enter into swap agreements and other similar financing transactions.

PART VII
TRUST MONEY

This Part of the Bill establishes the procedures that are to apply to money received or held by the Crown (including departments) as trust money rather than public money.

Clause 62 defines trust money and requires it to be separately accounted for. It makes the Treasury responsible for all trust money but provides for the appointment of an agent to manage some or all of the money.

Clause 63 requires the establishment of Trust Bank Accounts and all trust money to be lodged in them.

Clause 64 provides authority for the Treasury (or any agent appointed for the purpose) to invest trust money according to the same criteria as applies to public money.

Clause 65 provides for the payment of interest on trust money.

Clause 66 relates to unclaimed trust money.

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Clause 67 provides authority for the Secretary to the Treasury to sit on the Board of any organisation using public money.

Clause 68 provides authority for the Treasury to investigate a department if the Minister so instructs.

Clauses 69 to 71 provide authority for the payment of certain miscellaneous expenditure.

Clause 72 establishes the procedures to apply to unclaimed money.

Clause 73 provides authority for the Minister to exercise powers relating to *bona vacantia*.

Clauses 74 to 76 deal with offences committed under the Bill, the penalties that result, and the time to commence proceedings.

Clause 77 provides for the issuing of Treasury instructions and *clause 78* the making of regulations by Order in Council.

Clause 79 abolishes accounts that exist under the Public Finance Act 1977 and identifies how the proceeds of these accounts are to be dealt with.

Clause 80 is a provision relating to government stock issued in the United Kingdom.

Clauses 81 and 82 make consequential repeals and amendments.

Clause 83: Subclause (1) provides a definition of the term Crown agency for the period 1 July 1989 until 1 July 1991, in substitution for the definition contained in *clause 2 (1)*.

Subclause (2) provides for the continuation of revolving funds until the first appropriation Act for the new financial year is passed.

Hon. David Caygill

PUBLIC FINANCE

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A BILL INTITULED

An Act to amend the law governing the use of public financial resources and to that end—

- (a) Provide a framework for Parliamentary scrutiny of the Government's management of the Crown's assets and liabilities, including expenditure proposals; and 5
- (b) Establish lines of responsibility for the use of public financial resources; and
- (c) Establish financial management incentives to encourage effective and efficient use of financial resources in departments and Crown agencies; and 10
- (d) Specify the minimum financial reporting obligations of the Crown, departments, and Crown agencies; and 15
- (e) Safeguard public assets by providing statutory authority and control for the raising of loans, issuing of securities, giving of guarantees, operation of bank accounts, and investment of funds 20

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

1. Short Title and commencement—(1) This Act may be cited as the Public Finance Act 1989.

(2) Subject to subsection (3) of this section, this Act shall come into force on the 1st day of July 1989.

(3) Section 24 (3) and Part V of this Act shall come into force on the 1st day of July 1991.

5 **2. Interpretation**—(1) In this Act, unless the context otherwise requires,—

“Annual financial statements of the Crown” means the consolidated annual financial statements of the Crown prepared pursuant to section 24 of this Act:

10 “Audit Office” has the same meaning as in section 14 of the Public Finance Act 1977:

“Bank”, in relation to a bank operating within New Zealand, means a registered bank under the Reserve Bank of New Zealand Act 1964:

15 “Capital contribution” means the amount of public money appropriated under Mode A or Mode B for the acquisition of goods and services of a capital nature or the amount of public money appropriated under Mode C to adjust the level of the Crown’s investment in a department:

20 “Chief Executive” means,—

(a) In the case of a department, other than a Parliamentary organisation, the Chief Executive appointed pursuant to the State Sector Act 1988:

25 (b) In the case of a Crown agency, the chief executive officer of the Crown agency:

(c) In the case of a Parliamentary organisation, the head of the organisation or the officer concerned:

30 “Class of outputs” or “class” means the group of outputs into which each Vote is divided in the Estimates:

“Commitment” means future payments and expenditure to be incurred on contracts that have been entered into at a balance date:

35 “Contingent liability” means a liability that, by reason of something done by the person bound, will necessarily arise or come into being if one or more certain events occur or do not occur:

“Cost” means the full cost of producing the output measured in accrual accounting terms; and includes the full allocation of overhead and non-cash costs:

40 “Crown” or “Her Majesty” means Her Majesty the Queen in right of New Zealand; and includes all Ministers of the Crown and all departments; but does not include a Crown agency:

- “Crown agency” means any organisation specified in the First Schedule to this Act:
- “Crown Bank Account” means a bank account established pursuant to **section 16** of this Act:
- “Department” means any department or instrument of the Government, or any branch or division thereof, that administers one or more Votes, and includes a Parliamentary organisation; but does not include a body corporate or other legal entity that has the power to contract:
- “Departmental Bank Account” means a bank account established pursuant to **section 17** of this Act:
- “Estimates” means a statement of the Crown’s proposed expenditure of public money or the incurrence of costs prepared pursuant to **section 8** of this Act:
- “Financial year” means a period of 12 months commencing on the 1st day of July and ending with the 30th day of June:
- “Generally accepted accounting practice” means accounting practices recognised by the New Zealand accounting profession as appropriate and relevant for the reporting of financial information in the public sector:
- “Government” means the Executive Government of New Zealand:
- “Local authority” means a local authority within the meaning of the Local Government Act 1974, whether by virtue of section 2 (1) of that Act or any other Act; and includes all persons or organisations, or classes of persons or organisations, that by any Act, or by the Governor-General by Order in Council, are from time to time declared to be local authorities for the purposes of this Act:
- “Minister” means the Minister of Finance or any member of the Executive Council acting on behalf of the Minister of Finance:
- “Mode A” means an appropriation of public money during a financial year for the purpose of—
- (i) Acquiring goods and services of a capital nature; and
 - (ii) Acquiring all other goods and services; and
 - (iii) Making payment of benefits or grants, on behalf of the Crown:
- “Mode B” means an appropriation during a financial year—

- (i) For costs to be incurred in the production of specified outputs; and
 - (ii) Of public money for the acquisition of goods and services of a capital nature; and
 - 5 (iii) Of public money for making payment of benefits or grants, on behalf of the Crown:
- “Mode C” means an appropriation of public money during a financial year for the purposes of—
- 10 (i) Acquiring outputs required by the Crown; and
 - (ii) Adjusting the level of the Crown’s investment in a department; and
 - (iii) Making payment of benefits or grants on behalf of the Crown:
- 15 “Outcomes” means the impacts on, or the consequences for, the community of the outputs or activities of the Government:
- “Outputs” means the goods or services that are produced by a department or Crown agency:
- 20 “Parliamentary organisation” means any organisation or officer of Parliament for which or whom public money is appropriated in a separate Vote and which or who is listed in a Schedule to the Appropriation Act:
- 25 “Public money” means all cash received by the Crown, including the proceeds of all loans raised on behalf of the Crown and any other cash that the Minister or the Secretary directs to be paid into a Crown Bank Account or Departmental Bank Account; but does not
- 30 include cash held in trust as trust money or cash received and held by Crown agencies:
- “Public security” means any security issued pursuant to **section 49** of this Act 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:
- 35 “Raise a loan” includes borrow:
- 40 “Responsible Minister”, in relation to a department or Crown agency, means the Minister or Ministers for the time being responsible for the financial performance of the department or Crown agency:
- 45 “Secretary” means the Secretary to the Treasury, being the Chief Executive of the Treasury:

“Taxation revenue” means all taxation imposed by the central government for the purposes of the Crown; and includes all fines and monetary penalties imposed by a Court of law:

“Trading revenue” means revenue earned other than by way of taxation revenue or charges or fees prescribed by statute or regulation:

“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 pursuant to **section 77** of this Act:

“Trust Bank Account” means a Trust Bank Account established under **Part VII** of this Act:

“Trust money” means trust money within the meaning of **section 62 (1)** of this Act:

“Vote” means a unit of appropriation for which sums of money or collection of costs are grouped.

(2) The Governor-General may, on the recommendation of the Minister, from time to time, by Order in Council, amend the **First Schedule** to this Act by adding any organisation to, or omitting any organisation from, the Crown agencies specified in that Schedule.

(3) Every Order in Council made under **subsection (2)** of this section shall expire one year after the date on which it was made except so far as it is expressly validated or confirmed by Act of Parliament enacted before the end of that year.

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

(5) Where, pursuant to this Act, the Minister or any other person directs, determines, requires, or instructs that something be done, that direction, determination, requirement, or instruction shall be complied with.

Cf. 1977, No. 65, s. 2 (1)

3. Act to bind Crown—This Act shall bind the Crown.

Cf. 1977, No. 65, s. 3

PART I

APPROPRIATIONS

5 **4. Appropriation required**—(1) No expenditure of public money shall be made except pursuant to an appropriation by an Act of Parliament.

(2) Where a Vote or part of a Vote is classified into Mode B, no costs shall be incurred in relation to that Vote or any part of that Vote except pursuant to an appropriation by Act of Parliament.

10 (3) A separate appropriation shall be made for each class of outputs contained in the Estimates in accordance with **section 8 (2) (d)** of this Act and for any capital contribution contained in the estimates in accordance with **section 8 (2) (f)** of this Act. Any money or costs appropriated for a class of outputs or capital
15 contribution under this subsection may be expended or incurred only in relation to that class or capital contribution and for no other purpose.

(4) The authority to expend cash or incur costs pursuant to an Appropriation Act shall lapse at the end of the financial year
20 to which that Act relates.

(5) Notwithstanding **subsection (4)** of this section, where an Appropriation Act stipulates that the authority to expend cash or to incur costs is to apply for more than one financial year, that authority shall lapse at the end of the period specified in
25 that Act:

Provided that no such authority shall be for more than 5 financial years.

Cf. 1977, No. 65, s. 53

30 **5. Timing of first Appropriation Bill for any financial year**—Except as otherwise provided by a resolution of the House of Representatives, the first Appropriation Bill relating to a financial year shall be introduced into the House of Representatives before the end of the first month after the commencement of that financial year.

35 **6. Vote appropriations**—(1) All payment of money and all costs to be incurred in any financial year pursuant to an Appropriation Act or Appropriation Acts shall be charged to Votes specified in such Act or Acts for that year.

40 (2) Each Vote shall be the responsibility of one Minister of the Crown, and shall be administered by one department, and shall comprise one or more classes of outputs.

(3) Notwithstanding subsection (2) of this section, there may be Votes which shall be the responsibility of the Speaker of the House of Representatives and which relate to Parliamentary organisations.

(4) An Appropriation Act shall classify each class of outputs into one of the following appropriation modes:

- (a) Mode A:
- (b) Mode B:
- (c) Mode C.

(5) No change from one mode to another may be made except pursuant to an Act of Parliament.

7. Accounting for payments or costs appropriated other than by an Appropriation Act—Each expenditure of public money or cost incurred in respect of any appropriation other than pursuant to an Appropriation Act shall be managed and accounted for in the same manner as public money is expended or cost incurred pursuant to an Appropriation Act.

8. Estimates—(1) The Estimates shall be prepared for each Appropriation Act, and shall set out the amounts to be charged to each Vote.

(2) The Estimates shall include the following information in respect of each Vote:

- (a) The Minister of the Crown responsible for the Vote:
- (b) The department administering the Vote:
- (c) The Mode or Modes applicable to the Vote:
- (d) A specification of each class of outputs to be produced:
- (e) For each class of outputs—
 - (i) The proposed expenditure or proposed costs to be incurred, however they may be appropriated; and
 - (ii) The expected receipts or expected revenues to be collected or earned:
- (f) The value of benefits or grants to be made on behalf of the Crown, however they may be appropriated:
- (g) The value of goods and services of a capital nature to be acquired or, in the case of Mode C, the adjustment to the level of investment in the department administering the Vote concerned:
- (h) The cash requirement for each Vote:
- (i) Comparative budgeted figures for each of the items in paragraphs (e) to (h) of this subsection for the previous appropriation period:
- (j) The link between each class of outputs and the Government's desired outcome.

(3) For each department, the Estimates shall include the following information:

- 5 (a) The estimated balance sheet of the department at the beginning of the appropriation period and the projected balance sheet at the end of that period:
- (b) The financial performance to be achieved by the department as a whole.

(4) Notwithstanding subsection (3) of this section, no department operating pursuant to Mode A need include the balance sheets referred to in paragraph (a) of that subsection.

(5) The Estimates shall state the legislative authority for any payment to be made or cost to be incurred by the Crown in respect of any appropriation other than pursuant to an Appropriation Act.

15 **9. Aggregate cash requirement**—Each Appropriation Act shall state the aggregate cash required by the Crown in relation to that Act.

10. Expenditure of revenue—(1) Where a class of outputs is supplied pursuant to Mode B, costs may be incurred, without further appropriation than this section, up to the level of trading revenue earned by that class of outputs where—

- 20 (a) The Vote to which the costs are charged is specified in an Appropriation Act for that year; and
- 25 (b) The approval of the Minister to the incurring of such costs has been given.

(2) Where any class of outputs operates pursuant to Mode C, such class of outputs may, without further appropriation than this section, incur costs up to the level of trading revenue earned by that class of outputs and any accumulations of income derived from such revenue.

30 (3) Notwithstanding subsections (1) and (2) of this section, the Minister may direct that only part of such costs may be incurred to a level less than the amount of the trading revenue received.

35 **11. Unappropriated expenditure and costs**—(1) Where, during the period between the enactment of the last Appropriation Act for any financial year and the end of that year, it is desirable that public money should be spent or costs incurred in excess of or without appropriation by Parliament, 40 the Minister may approve such expenditure or the incurring of such costs in respect of any Vote, up to an amount not exceeding 0.5 percent of the total amount appropriated for

that Vote for that year, whereupon, notwithstanding **section 4** of this Act, the money may be expended or the costs incurred accordingly.

(2) Without affecting the validity of any expenditure made or costs incurred under **subsection (1)** of this section, a statement relating to such expenditure or costs shall be included in—

- (a) The annual financial statement of the Crown for that financial year; and
- (b) The annual financial statement of the department concerned for that financial year, together with an explanation of the reasons for such expenditure or costs; and
- (c) An Appropriation Bill for the next financial year, for sanction by Parliament.

Cf. 1977, No. 65, s. 55

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12. Emergency expenditure of public money or costs—

(1) Where—

- (a) Any state of national emergency or state of civil defence emergency is declared under the Civil Defence Act 1983; or
- (b) Any situation occurs that affects the public health interests, or safety of New Zealand or any part thereof that the Government declares to be an emergency; or
- (c) Any disaster occurs within New Zealand for which the government declares relief should be provided,—

the Minister may approve such expenditure of public money or the incurrence of such costs to meet such emergency or disaster, whether or not there is an appropriation by Parliament available for the purpose, and thereupon, notwithstanding **section 4** of this Act, such money may be expended or costs incurred accordingly.

(2) When any public money or costs are incurred pursuant to any such emergency or disaster declared under **paragraph (b)** or **paragraph (c)** of **subsection (1)** of this section a notice to that effect shall be published in the *Gazette* as soon as practicable.

(3) Without affecting the validity of any expenditure of public money or costs incurred under this section, a statement of such expenditure and costs incurred under this section in any financial year that has not been appropriated shall be included in—

- (a) The annual financial statement of the Crown for that financial year; and

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(b) An Appropriation Bill for sanction by Parliament.

Cf. 1977, No. 65, s. 56

13. Capital contributions to departments—(1) Any increase or decrease in the accumulated capital contribution of a department shall be made pursuant to an appropriation by Act of Parliament.

(2) Except as agreed between the Minister and the Responsible Minister, no surplus resulting from the activities of a department operating pursuant to Mode B shall be retained by the department.

(3) Interest or dividends may be payable on the amount of the accumulated capital contribution of a department as shown in its financial statements and shall be paid at such rate or rates and at such times as the Minister may from time to time direct, after consultation with the Responsible Minister.

14. Power to advance money to Crown agencies—

(1) The Crown may advance money to a Crown agency by way of loan.

(2) The Crown may invest money by way of a capital injection in a Crown agency out of money appropriated by Parliament for the purpose.

(3) The Minister, after consultation with the Responsible Minister, shall determine the terms and conditions under which the money may be advanced, and, without restricting the generality of the foregoing matters, may—

(a) Nominate a fixed or floating interest rate or determine that no interest shall be paid:

(b) Determine the priority the advance shall have with respect to the other obligations of the Crown agency:

(c) Determine the repayment period for the advance.

(4) The Minister, after consultation with the Responsible Minister, may vary the terms under which the money has been advanced, including the provisions contained in subsection (3) of this section.

15. Profit payable by Crown agencies—(1) If the Minister is satisfied at any time that in any financial year any Crown agency has made a profit, the Minister may, after consultation with the Responsible Minister, direct that Crown agency to pay to the Crown a sum equal to the whole or any part of that profit to the Crown, as the Minister thinks fit.

(2) Where in relation to any Crown agency there is no Responsible Minister, the Minister shall, before acting pursuant

to this section, give the governing body of that Crown agency the opportunity to make representations, and shall take those representations (if any) into account.

(3) Nothing in subsection (1) of this section shall apply in respect of the Maori Trustee established under the Maori Trustee Act 1953, or the Public Trustee established under the Public Trust Office Act 1957. 5

(4) Nothing in subsection (1) of this section derogates from any provision which is contained in any enactment that establishes or constitutes a Crown agency, and that provides for the payment of an annual dividend or similar payment to the Crown. 10

Cf. 1977, No. 65, s. 99A; 1986, No. 67, s. 7

PART II

BANKING AND INVESTMENT

15

16. Crown Bank Account—(1) The Crown Bank Account or Accounts shall be the principal bank account of the Crown and shall be opened, maintained, and operated by the Treasury at such bank or banks as the Minister may direct.

(2) The Minister may direct the terms and conditions under which the Crown Bank Account is to be operated. 20

17. Departmental Bank Account—A Departmental Bank Account or Accounts may be opened, maintained, and operated by a department at such bank or banks as the Minister or the Treasury may direct. 25

18. Payment into Bank Accounts—(1) All public money is the property of the Crown and shall be lodged either in a Crown Bank Account or a Departmental Bank Account.

(2) Where a department operates a Departmental Bank Account, then, subject to this Act, there shall be paid into such Account— 30

(a) Such money as may from time to time be disbursed to the department by the Treasury; and

(b) All receipts relating to the trading revenue of the department. 35

(3) There shall be paid into a Crown Bank Account all public money except money paid into a Departmental Bank Account.

(4) Without limiting any provisions of any 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 such Bank Account to the 40

person entitled thereto without further appropriation than this section.

19. Power of Minister or Treasury in relation to Crown Bank Account and Departmental Bank Account—

5 (1) The Minister or the Treasury may give directions as to any terms and conditions under which any Departmental Bank Account may operate.

10 (2) The Minister or the Treasury may request any information from any person or organisation in relation to a Crown Bank Account and any Departmental Bank Account and such information shall be supplied.

(3) The Minister may at any time close or suspend the operation of a Crown Bank Account or, after consultation with the Responsible Minister, a Departmental Bank Account.

15 (4) The Minister or the Treasury may issue directions regarding any public money held in a Crown Bank Account or a Departmental Bank Account.

20 (5) The Minister or the Treasury may transfer money in a Crown Bank Account to another Crown Bank Account or any Departmental Bank Account.

(6) The Minister or the Treasury may direct a department which operates a Departmental Bank Account to transfer money in that Account to a Crown Bank Account or any other Departmental Bank Account.

25 (7) Any bank at which public money is kept shall send to the Treasury and the Audit Office such statements of account relating to that money as the Treasury or the Audit Office may from time to time require.

30 **20. Authority to issue public money—**(1) No money shall be paid out of the Crown Bank Account except in pursuance of a warrant under the hand of the Governor-General.

(2) No such warrant shall be submitted for the Governor-General's signature unless the Audit Office has certified thereon that the amount of the warrant may be lawfully paid.

35 (3) The Treasury shall from time to time prepare and send to the Audit Office a statement of all amounts proposed to be paid out of the Crown Bank Account, and no such payments shall be made before the Audit Office has certified the statement as provided in subsection (4) of this section.

40 (4) The Audit Office shall, subject to subsection (5) of this section, certify the statement and return it to the Treasury when it is satisfied that—

- (a) The payments are made pursuant to a warrant under subsection (1) of this section; and
- (b) There is an appropriation or other authority available against which each payment may be properly charged. 5
- (5) The Audit Office may refuse to certify in whole or in part the statement prepared under subsection (3) of this section where it has reason to believe that any money to be paid into a Departmental Bank Account may be applied for a purpose that is not lawful or consistent with the appropriations administered by the department responsible for that account. Where the Audit Office has refused to certify any part of such statement which relates to any particular department, no money shall be paid out of the Crown Bank Account into the Departmental Bank Account for which the department is responsible. 10 15
- (6) The provisions of this section shall not apply to the payment of money from the Crown Bank Account to a Departmental Bank Account where such money was transferred to the Crown Bank Account from the Departmental Bank Account for the purposes of investment. 20
- (7) Any warrant, certificate, or statement pursuant to this section may be sent by any means of communication and any such message may be acted on and the money issued accordingly. 25
- Cf. 1977, No. 65, s. 59

21. Investment of public money—(1) The Treasury may from time to time invest any money in a Crown Bank Account and any Departmental Bank Account 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 30
- (b) In public securities; or
- (c) By way of loans pursuant to sections 14 (1) and 54 (1) of this Act; or 35
- (d) 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 interest received from any such investment and all money received from any such sale or conversion of securities shall be paid into the Crown Bank Account. 40

(3) All costs, charges, and expenses incurred in connection with negotiating, placing, managing, servicing, or converting

any investment entered into in accordance with this section may be paid out of the Crown Bank Account without further appropriation than this section.

Cf. 1977, No. 65, s. 50

5 **22. Establishment of bank accounts by Crown agencies**—(1) Subject to any other Act, any Crown agency may establish, maintain, and operate a bank account at any bank.

(2) All money received by any Crown agency shall, as soon as
10 practicable after it has been received, be paid into the bank account of the Crown agency.

(3) The withdrawal or payment of money from any bank account of any Crown agency shall be properly authorised by the Crown agency.

15 **23. Investment of money by Crown agencies**—Subject to any other enactment and any rules governing a Crown agency, any money which belongs to a Crown agency may be invested in the same manner as that in which public money may be invested pursuant to **section 21** of this Act.

20

PART III

REPORTING BY CROWN

24. Annual financial statements of Crown—(1) The Treasury shall, as soon as practicable after the end of each financial year, prepare consolidated annual financial statements
25 for the Crown for that financial year.

(2) The annual financial statements shall be prepared in accordance with generally accepted accounting practice and shall include—

30 (a) A statement of the financial position of the Crown at the balance date:

(b) An operating statement reflecting the revenue and expenses of the Crown for that year:

(c) A statement of cash flows reflecting cash flows of the Crown for that year:

35 (d) A statement of borrowings reflecting the borrowing activities of the Crown for that year:

(e) A statement of commitments as at the balance date:

(f) A statement of contingent liabilities of the Crown as at the balance date including any guarantees given under
40 **section 55** of this Act:

(g) A statement of unappropriated expenditure or costs incurred in accordance with **section 11** of this Act:

- (h) A statement of emergency expenditure or costs incurred in accordance with **section 12** of this Act:
 - (i) A statement of accounting policies:
 - (j) A statement of trust money held by the Crown in accordance with **Part VII** of this Act: 5
 - (k) Such other statements as are necessary to fairly reflect the financial operations of the Crown for that year and its financial position at the end of the financial year.
- (3) The annual financial statements of the Crown to be prepared pursuant to **subsection (1)** of this section shall also consolidate the financial statements of Crown agencies. 10
- (4) The Treasury shall forward the annual financial statements to the Audit Office no later than the 31st day of August following the end of the financial year.

Cf. 1977, No. 65, s. 65

15

25. Half-yearly financial statements of Crown—(1) The Treasury shall as soon as practicable after the end of the first 6 months of each financial year prepare consolidated financial statements for the Crown for that half year.

(2) The half-yearly financial statements of the Crown shall be prepared in accordance with generally accepted accounting practice and shall include the information required to be included in the annual financial statements of the Crown pursuant to **section 24** of this Act. 20

(3) The Treasury shall forward the half-yearly financial statements to the Audit Office not later than the last day of February in each financial year. 25

26. Management statement of Crown—(1) All annual and half-yearly financial statements shall be accompanied by a management statement signed by the Minister and the Secretary to the Treasury. 30

(2) The management statement shall comprise—

- (a) A statement of the Government's responsibility for the integrity of the financial statements; and
- (b) A statement of the Government'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 Crown; and 35
- (c) A statement that, in the Government's opinion, the financial statements fairly reflect the financial 40

position and operations of the Crown for the reporting period.

5 **27. Audit opinion**—(1) The Audit Office shall issue an audit opinion within 30 days of receipt of the annual or half-yearly financial statements of the Crown and return the annual or half-yearly financial statements with the audit report attached to the Treasury.

10 (2) For the purposes of issuing an audit opinion the Audit Office shall have and may exercise all such powers it has under Part II of the Public Finance Act 1977.

Cf. 1977, No. 65, s. 66

15 **28. Tabling of financial statements**—The Treasury shall forward the annual or half-yearly financial statements, together with the audit opinion, to the Minister who shall table them and the management statement of the Crown in the House of Representatives not later than 6 sitting days after the statements are returned by the Audit Office to the Treasury.

20 **29. Monthly cash flow statements**—(1) As soon as practicable, but not later than 15 days after the end of each calendar month of each financial year, the Treasury shall prepare a cash flow statement which shall report the cash flows through the Crown Bank Account and Departmental Bank Accounts for that calendar month.

25 (2) As soon as practicable after the completion of each cash flow statement, the Treasury shall cause such statement to be published in the *Gazette*.

PART IV

REPORTING BY DEPARTMENTS

30 **30. Responsibilities of departmental Chief Executives for financial matters**—(1) For the purposes of this section, a department shall include all activities, organisations, divisions, and agencies, which are funded through a Vote administered by the department, other than Crown agencies, bodies corporate, or incorporated societies.

35 (2) The Chief Executive of a department shall be responsible to the Responsible Minister for the financial management and financial performance of the department and shall comply with any lawful financial actions required by the Minister or the Responsible Minister.

(3) The Chief Executive shall be responsible to the Responsible Minister for compliance with the financial reporting requirements of this or any other Act.

(4) The Chief Executive of every department operating pursuant to Mode A at the commencement of this Act shall ensure that such department shall have in place such management, information, and accounting systems as are necessary to enable that department to operate pursuant to Mode B or Mode C not later than the 1st day of July 1991.

31. Responsibilities of departmental Chief Executives for financial performance of Crown agencies—Except as otherwise agreed with a Minister of the Crown, the Chief Executive of a department shall not be responsible for the financial operations or performance of a Crown agency, even though such Crown agency may be wholly or partly funded through a Vote administered by the department.

32. Annual financial statements of departments—

(1) Notwithstanding any other Act, every department shall, as soon as practicable after the end of each financial year, prepare financial statements for the department for that financial year.

(2) For the purposes of this section, the financial statements of the department shall include all activities, divisions, organisations, and agencies for which the Chief Executive is responsible to the Responsible Minister.

(3) The annual financial statements shall be prepared in accordance with generally accepted accounting practice and shall include—

- (a) A statement of the financial position of the department at the balance date:
- (b) An operating statement reflecting the revenue and expenses of the department for that year:
- (c) A statement of cash flows reflecting cash flows of the department for that year:
- (d) A statement of objectives specifying the outputs to be produced by the department during that year, and the financial performance to be achieved by the department for that year as agreed with the Responsible Minister at the beginning of the year:
- (e) A statement of service performance reporting the specifications and quantities of outputs produced by the department during the year as compared with the outputs specified in the statement of objectives:

- (f) A statement of the commitments in relation to the activities of the department as at the balance date:
 - (g) A statement of the contingent liabilities, including guarantees given under **section 55** of this Act, in relation to the activities of the department:
 - 5 (h) A statement of the unappropriated expenditure or costs incurred in accordance with **section 11** of this Act, in relation to the activities of the department:
 - (i) A statement of accounting policies:
 - 10 (j) Such other statements as are necessary to fairly reflect the financial operations of the department for that year and its financial position at the end of the financial year.
- (4) Notwithstanding **subsection (3)** of this section, the annual financial statements of departments operating pursuant to Mode A need not include the statements described in **paragraphs (a) and (b) of subsection (3)** of this section.
- (5) The department shall forward the annual financial statements to the Audit Office no later than the 31st day of August following the end of each financial year.

33. Half-yearly financial statements of departments—

- (1) Every department shall as soon as practicable after the end of the first 6 months of each financial year prepare financial statements for the department for that half-year.
- 25 (2) The half-yearly financial statements of each department shall be prepared in accordance with generally accepted accounting practice and shall include the information required to be included in the annual financial statements of that department pursuant to **section 32** of this Act.
- 30 (3) The department shall forward the half-yearly financial statements to the Audit Office not later than the last day of February in each financial year.

34. Departmental management statement—(1) Every annual or half-yearly financial statement of a department shall be accompanied by a management statement signed by the Chief Executive and countersigned by the chief financial officer of the department.

- (2) The management statement shall comprise—
- 35 (a) A statement of the Chief Executive’s responsibilities for the preparation of the financial statements and the judgments used therein:
- 40 (b) A statement of the Chief Executive’s responsibilities for establishing and maintaining a system of internal

control designed to provide reasonable assurance as to the integrity and reliability of financial reporting:

- (c) A statement that, in the opinion of the Chief Executive, the financial statements fairly reflect the financial position and operations of the department for the reporting period so ended. 5

35. Audit opinion—(1) The Audit Office shall issue an audit opinion within 30 days of receipt of the annual or half-yearly financial statements of a department and return the annual or half-yearly financial statements with audit report attached to the department. 10

(2) For the purpose of issuing an audit opinion, the Audit Office shall have and may exercise all such powers as it has under Part II of the Public Finance Act 1977.

36. Tabling of financial statements—(1) The annual financial statements of a department together with the audit opinion and departmental management statement shall be included in the annual report of the department produced in accordance with the provisions of the State Sector Act 1988. 15

(2) The annual report of the department shall be forwarded to the Responsible Minister who shall table it in the House of Representatives not later than 6 sitting days after the annual financial statements are returned by the Audit Office to the department. 20

(3) The half-yearly financial statements of a department, together with the audit opinion and departmental management statement, shall be forwarded to the Responsible Minister who shall table them in the House of Representatives not later than 6 sitting days after the half-yearly financial statements are returned by the Audit Office to the department. 25 30

PART V

REPORTING BY CROWN AGENCIES

37. Annual financial statements of Crown agencies—(1) Notwithstanding any other Act, but subject to the State-Owned Enterprises Act 1986, every Crown agency shall, as soon as practicable after the end of each financial year, prepare financial statements for the Crown agency for that financial year. 35

(2) The annual financial statements shall be prepared in accordance with generally accepted accounting practice and shall include— 40

- (a) A statement of the financial position of the Crown agency at its balance date:
- (b) An operating statement reflecting the revenue and expenses of the Crown agency for that year:
- 5 (c) A statement of cash flows reflecting cash flows of the Crown agency for that year:
- (d) A statement of objectives specifying the outputs to be produced by the Crown agency and the financial performance to be achieved by the Crown agency during the year as established at the beginning of the year:
- 10 (e) A statement of service performance reporting the outputs produced by the Crown agency during the year as compared with those outputs established at the beginning of the year and specified in the statement of objectives:
- 15 (f) A statement of the commitments of the Crown agency as at the balance date:
- (g) A statement of the contingent liabilities of the Crown agency as at the balance date:
- 20 (h) A statement of accounting policies:
- (i) Such other statements as are necessary to fairly reflect the financial operations of the Crown agency for that year and its financial position at the end of that year.
- 25 (3) The Crown agency shall forward the annual financial statements to the Audit Office or any other auditor appointed pursuant to any Act no later than 90 days after the end of the financial year.

38. Management statement of Crown agency—(1) Every
30 annual financial statement of a Crown agency shall be accompanied by a management statement signed by the Chairperson and the Chief Executive of the Crown agency or, where no Chairperson exists, the Chief Executive and the chief financial officer.

- 35 (2) The management statement shall comprise—
- (a) A statement of the management's responsibilities for the preparation of the annual financial statements and the judgments used therein:
- (b) A statement of management's responsibilities for
40 establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting:
- (c) A statement that, in the opinion of the management, the annual financial statements for the financial year

fairly reflect the financial position and operations of the Crown agency.

39. Audit opinion on financial statements of Crown agencies—(1) The Audit Office or any other auditor appointed pursuant to any Act shall issue an audit opinion within 30 days 5 of receipt of the annual financial statements of a Crown agency and shall return the annual financial statements with the audit report attached to the Crown agency.

(2) For the purposes of issuing an audit opinion, the Audit Office shall have and may exercise all such powers as it has 10 under Part II of the Public Finance Act 1977.

40. Tabling of financial statements of Crown agencies—(1) The financial statements of a Crown agency together with the audit report and the management statement shall be included in the annual report (if any) of the Crown 15 agency.

(2) The Crown agency shall forward the report to the Responsible Minister who shall table it in the House of Representatives not later than 6 sitting days after the financial statements are returned by the Audit Office or other auditor, as 20 the case may be, to the Crown agency.

41. Financial year of Crown agencies—For the purposes of this Part of this Act and notwithstanding any other Act, the financial year of every Crown agency shall end on the 30th day of June or such other date as may from time to time be 25 directed by the Minister.

PART VI

LOANS AND SECURITIES

42. Crown not to borrow except under statute—Except as provided by any Act, it shall not be lawful for the Crown to 30 raise a loan or for any person to lend money to the Crown.

Cf. 1977, No. 65, s. 70

43. Minister may approve loans—(1) The Minister, on behalf of the Crown, may from time to time, if it appears to the Minister to be necessary or expedient in the public interest to 35 do so, raise a loan from any person, organisation, or government, either within or outside New Zealand on such terms and conditions as the Minister thinks fit.

(2) Except as otherwise provided in any Act, the proceeds of any loan raised under this Act shall be paid into the Crown Bank Account.

5 (3) Notwithstanding anything in the State Sector Act 1988, the Minister may not delegate the Minister's powers under this section.

Cf. 1977, No. 65, ss. 71, 72 (3)

44. Power to raise a loan by issue of series of similar securities—The authority to raise a loan conferred by section
10 **43** of this Act shall include authority to borrow money by way of the issue of public securities such as Treasury bills or commercial paper in one or more series, and, where such borrowing is made pursuant to a single loan agreement (as such agreement may be modified or amended from time to time)
15 between the Crown and one or more specified banks, financial institutions, or security dealers.

45. Purchase of goods and services on credit—For the purpose of this Act and the Constitution Act 1986, the raising of a loan shall not include the purchase of goods or services or
20 the obtaining of an advance by the Crown 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.

46. Repayment of conversion of loans—The Minister
25 may at any time, on such terms and conditions as the Minister thinks fit, and, where necessary, with the consent of the lender or the holder of any securities issued in respect of the loan, as the case may be,—

- 30 (a) Repay any loan to the Crown; or
(b) Convert any loan to the Crown into any other such loan or loans.

Cf. 1977, No. 65, s. 76

47. Minister may appoint underwriters and managers for loans—The Minister, on behalf of the Crown, may from
35 time to time, and on such conditions as the Minister thinks fit, enter into an agreement with any bank, financial institution, or other person providing for the bank, institution, or person to act as underwriter, manager, dealer, trustee, or paying, fiscal, or other agent for, or in connection with, any loan or the
40 raising of any loan under this Act.

Cf. 1977, No. 65, s. 78

48. Loan agents for raising of loans outside New Zealand—(1) The Minister may from time to time, by warrant under the Minister's hand, appoint any 2 or more persons to act on the Minister's behalf as joint loan agents for the raising of a loan outside New Zealand under this Act, or the issuing of securities in respect thereof; and may also, in like manner, confer upon them all such powers that the Minister thinks necessary in order to carry into effect the purposes of this Act. 5

(2) Any appointment under this section may be of a specified officer or person, or officers or persons of a specified class, or may be of the holder, or holders for the time being, of a specified office or appointment, or a class of offices or appointments. 10

(3) The Minister may at any time, by instrument under the hand of the Minister,— 15

(a) Revoke or amend any warrant issued under this section; or

(b) Reappoint any person as a loan agent; or

(c) On the revocation of any appointment, or on the resignation or death of any loan agent, appoint another person in his or her stead. 20

(4) All or any of the powers conferred upon loan agents by the Minister under this section may, subject to the consent of the Treasury and to subsection (5) of this section, from time to time be delegated by them, either jointly or severally, to one or more other persons, in such manner and subject to such conditions as the delegating loan agent, or agents, thinks fit. 25

(5) The number of persons acting as loan agents under this section shall never be less than 2.

(6) Notice of any appointment, or revocation of appointment, of a loan agent under this section may be given by any means of communication. 30

(7) The fact that any powers relating to loans or securities are exercised by loan agents shall, in the absence of proof to the contrary, be sufficient evidence of their authority to do so. 35

(8) The appointment by the Minister of any loan agents under this section shall not prevent the exercise by the Minister of any power conferred on the Minister by any Act or other rule of law.

Cf. 1977, No. 65, s. 79

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49. Power to issue securities for loans—Where, pursuant to any Act, any loan is raised by the Crown for any purpose, the Minister, on behalf of the Crown, may issue securities in

respect of the loan in such manner and form as the Minister thinks fit.

Cf. 1977, No. 65, s. 80

5 **50. Liability for debts of Crown agencies**—The Crown shall not be liable to contribute towards the payment of any debts or liabilities of a Crown agency or any other agency or body corporate that is wholly owned or controlled by the Crown, other than—

- 10 (a) Any sums the Crown is liable to contribute pursuant to any Act; or
(b) Any sum the Crown is liable to contribute pursuant to any guarantee or indemnity given by the Minister pursuant to **section 55** of this Act.

15 **51. Charge on public revenues**—All principal, interest, and other money payable under any public security is hereby declared to be a charge upon and payable out of the revenues of the Crown equally and rateably with all other general loan obligations of the Crown.

Cf. 1977, No. 65, s. 81

20 **52. Power to vary public securities**—(1) The Minister may, with any consent of the holder that may be necessary, at any time vary the terms or conditions of any public security.

(2) At the request of the holder of any public security, the Minister may, in the Minister's discretion, direct that payment of the principal, or any interest payable thereunder, be made at a place or places, in New Zealand or elsewhere, other than the place or places otherwise provided, and may from time to time revoke any such directions and give other directions.

Cf. 1977, No. 65, s. 82

30 **53. Issue of new public security on loss, damage, or destruction**—Where any public security is lost, damaged, or destroyed, the Minister, on receiving evidence to the Minister's satisfaction of such loss, damage, or destruction, may, subject to such conditions as the Minister thinks fit, direct the issue of a
35 new security in its place.

Cf. 1977, No. 65, s. 83

40 **54. Power to lend money**—(1) The Minister, on behalf of the Crown, may from time to time, if it appears to the Minister to be necessary or expedient in the public interest to do so, lend money to any person or organisation, whether within or outside

New Zealand, on such terms and conditions as the Minister thinks fit.

(2) The Minister, on behalf of the Crown, may from time to time, for the purpose of assisting the economic development of the country or the welfare of its inhabitants, lend money to the government of any country upon such terms and conditions as the Minister thinks fit.

(3) The authority to lend money pursuant to **subsection (1) or subsection (2)** of this section shall include authority to—

- (a) Defer payment, on such terms and conditions as the Minister thinks fit, for any goods or services supplied or works constructed for any person, organisation, or government; and
- (b) Lend the money, and accept all money payable under the terms and conditions of the loan, in such currency or currencies as the Minister thinks fit; and
- (c) Agree at any time to the variation of any security issued in respect of the loan.

(4) Without limiting the Minister's power to make a loan under this section, the terms and conditions of any such loan may provide that—

- (a) The loan shall be unsecured;
- (b) No interest shall be payable on the loan.
- (5) Any loan under **subsection (2)** of this section shall be made from money appropriated by Parliament for the purpose.
- (6) The authority to lend money under this section shall be in addition to, and not in derogation of, any other authority to lend money (whether statutory or otherwise) that the Minister may have.

Cf. 1977, No. 65, s. 85

55. Power to give guarantees—(1) The Minister on behalf of the Crown may from time to time, if it appears to the Minister to be necessary or expedient in the public interest to do so, give a guarantee, indemnity, or security, upon such terms and conditions as the Minister thinks fit, in respect of the performance of any obligation by any person, organisation, or government.

(2) Where the contingent liability of the Crown under any guarantee, indemnity, or security given under this section exceeds \$10,000,000, the Minister shall, as soon as practicable after the giving of the guarantee, indemnity, or security, publish in the *Gazette* and lay before the House of Representatives a statement—

(a) That such a guarantee, indemnity, or security has been given; and

(b) Containing such details relating to that guarantee, indemnity, or security, as the Minister considers appropriate.

5

(3) Any money required to be paid by the Minister by virtue of any guarantee, indemnity, or security given by the Minister under this section shall, without further appropriation than this section, be paid out of the Crown Bank Account.

10

(4) Any money paid by the Minister pursuant to any guarantee, indemnity, or security given under this section or any other Act shall constitute a debt due to the Crown from the person, organisation, or government in respect of whom the guarantee, indemnity, or security was given, and shall be recoverable as such in any Court of competent jurisdiction. Any such debt may be repaid over such period of time, and on such terms and conditions, as the Minister specifies.

15

Cf. 1977, No. 65, s. 86; 1986, No. 67, s. 4

56. Payment of principal and interest on loans—Subject to the provisions of this Act, all principal, interest, and other money payable in respect of any loan to the Crown or under any public security (other than a guarantee, indemnity, or security given under section 55 of this Act) shall be paid, without further appropriation than this section, from the Crown Bank Account.

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Cf. 1977, No. 65, s. 87

57. Costs, etc., in respect of loans and public securities—(1) Any payments made in respect of costs, charges, and expenses incurred in connection with the negotiating, raising, managing, servicing, converting, or repaying of any loan to the Crown, or the issuing, executing, redeeming, or varying of any public security, shall, at the discretion of the Minister, without further appropriation than this section, be paid either by deduction from the proceeds of the loan or from the Crown Bank Account, as the Minister or the Secretary thinks fit.

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(2) For the purposes of subsection (1) of this section, the term “costs, charges, and expenses” includes—

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(a) Stamp duty and other duties, taxes, premiums, bonuses, fees, and commissions; and

- (b) Any expenditure on personnel and equipment necessary for the performance of the functions set out in subsection (1) of this section.

Cf. 1977, No. 65, s. 88

58. Loans to Crown deemed to have been lawfully raised—(1) Subject to subsection (2) of this section, all loans to the Crown purporting to be raised, and all securities purporting to be issued or varied, under this Act shall so far as concerns the lender or holder, as the case may be, be deemed to have been lawfully raised, issued, or varied, as the case may be, within the powers conferred by this Act in that behalf, and no such lender or holder shall be concerned to inquire whether, or to what extent, authority has been given or occasion has arisen for the exercise of any such powers.

(2) A security purporting to be issued or varied under this Act shall not be deemed by this section to have been lawfully issued or varied if it has not been issued or varied by—

- (a) The Minister; or
- (b) A person acting pursuant to a delegation under the State Sector Act 1988; or
- (c) Loan agents appointed for the purpose under section 48 of this Act.

Cf. 1977, No. 65, s. 89

59. Securities in name of Her Majesty—(1) Wherever a security is taken in respect of an advance of money by the Crown, or given in respect of a loan to the Crown, unless the Act authorising the advance or the raising of the loan provides otherwise, the security shall be taken or given in the name of Her Majesty.

(2) Where any security is in the name of Her Majesty, the Minister may from time to time, on behalf of Her Majesty, exercise any powers, functions, and rights (including any power of disposal), and undertake and perform any liabilities, in respect of or in connection with the security that could be exercised, undertaken, or performed by Her Majesty.

Cf. 1977, No. 65, s. 90 (1), (2)

60. Execution of securities—(1) Any security requiring execution by Her Majesty for the purposes of this Act shall be executed for and on behalf of Her Majesty by—

- (a) The Minister; or
- (b) A person acting pursuant to a delegation under section 28 or section 41 of the State Sector Act 1988; or

(c) Loan agents appointed for the purpose under **section 48** of this Act.

(2) It shall be sufficient compliance with the provisions of this section requiring a security to be executed by a person if a
5 facsimile of the required signature is reproduced on the security.

Cf. 1977, No. 65, s. 91

61. Power to enter into swaps or other financial arrangements—(1) The Minister, on behalf of the Crown, may
10 from time to time, if it appears to the Minister to be necessary or expedient in the public interest to do so, enter (either directly or through an intermediary) into any arrangement with any person, organisation, or government (in this section referred to as the other party), either within or outside New
15 Zealand, whereby the Crown undertakes to make payments to, or to the account of, the other party in any currency and the other party undertakes to make payments to, or to the account of, the Crown in the same or any other currency.

(2) Any money required to be paid by the Crown by virtue of
20 any arrangement entered into pursuant to this section, and any costs, charges, and expenses incurred in connection with the negotiation, management, service, or repayment of any such arrangement, shall be paid out of the Crown Bank Account without further appropriation than this section.

25 Cf. 1977, No. 65, s. 91A; 1986, No. 67, s. 6

PART VII

TRUST MONEY

62. Trust money—(1) The following money shall be deemed to be trust money:

- 30 (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:
- 35 (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:
- 40 (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 5 on behalf of the Crown.

(4) The Minister may appoint any agent or agency to manage some or all trust money on such terms and conditions as the Minister from time to time determines.

(5) The Crown or the agent appointed under subsection (4) of 10 this section may charge a fee for the management of trust money as such rate or rates as the Minister or the Treasury from time to time determines. Such fee shall be payable from trust money held.

Cf. 1977, No. 65, ss. 42, 52

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63. Establishment of bank accounts for trust money—

(1) There shall be established at any bank or banks approved by the Minister or the Treasury a bank account or accounts to be known as Trust Bank Accounts, to be operated and maintained by a department or any agent appointed by the Minister or the 20 Treasury.

(2) All trust money shall be lodged in a Trust Bank Account.

(3) The Minister or the Treasury may give directions as to any terms and conditions under which a Trust Bank Account 25 may be operated.

64. 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— 30

(a) On deposit with any bank in New Zealand or with any bank outside New Zealand approved by the Minister for the purpose; and

(b) In public securities; or

(c) In such securities as the Minister may from time to time 35 approve for this 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 40 trust money.

65. 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, there shall be added the amount of interest (if any) certified by the Treasury to have been earned thereon.

(2) No person shall have any right of action against the Crown or any agent of the Crown in respect of any payment or non-payment of interest.

66. Unclaimed trust money—(1) Any trust money that is unclaimed for a period of one 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 65 of this Act, 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 VIII

GENERAL PROVISIONS

67. Secretary to be member of certain boards—

(1) Notwithstanding anything in any Act, the Secretary shall be a member of the board or other controlling body of an organisation that is charged with the control, administration, investment, or expenditure of public money or other money administered by any department or Crown agency, if—

- (a) The Minister so directs; or
- (b) The Secretary and the board or other controlling body so agree.

(2) Where the Secretary is a member of a board or other controlling body pursuant to this section—

- (a) The Secretary shall have the same rights, duties, and powers as other members thereof; and
- (b) The Secretary may authorise any other officer of the Treasury or other person to attend a meeting or meetings of the board or controlling body in the place of the Secretary. The fact that any officer of the Treasury or other person attends any meeting, and acts as a member of any board or controlling body in place of the Secretary shall, in the absence of proof to

the contrary, be sufficient evidence of the authority to do so.

Cf. 1977, No. 65, s. 12

68. Treasury to conduct investigations—(1) The Minister may instruct the Treasury to investigate the affairs of any department in relation to the management and control of any Crown assets and liabilities. In connection with any such investigation the Treasury may—

- (a) Examine or audit any financial records of the department; and
- (b) Require any person to produce any financial records relating to the subject under investigation and to allow copies of or extracts to be made therefrom; and
- (c) Require any person in the department to supply, in a form acceptable to the Treasury, any information or particulars relating to the subject under investigation.

(2) The rules of law relating to privilege against self incrimination shall apply to any investigation made under the provisions of this section.

Cf. 1977, No. 65, s. 27 (1)

69. 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.

Cf. 1977, No. 65, s. 101

70. 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) of this section, 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.

5 Cf. 1977, No. 65, s. 102.

71. Payment of fines to local authorities and other organisations that conduct prosecutions—(1) Subject to subsection (2) of this section and any other provision of any Act, where a local authority, or other organisation that is specifically
10 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.

15 (2) There shall be deducted from every amount payable to a local authority or other organisation under subsection (1) of this section a sum equal to 10 percent thereof, and this sum shall be credited to the Crown Bank Account:

20 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.

Cf. 1977, No. 65, s. 103

72. Unclaimed money—(1) Unless otherwise provided in
25 any Act, at the end of each financial year any money in any bank account of a department or Crown agency 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.

30 (2) Notwithstanding section 62 of this Act, all money deposited with the Treasury under subsection (1) of this section shall be public money and be paid into the Crown Bank Account.

35 (3) When money is deposited with the Treasury under subsection (1) of this section, the department or Crown agency 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.

40 (5) If any person claims any money deposited with the Treasury under subsection (1) of this section 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. 5

Cf. 1977, No. 65, s. 108

73. Minister may exercise powers relating to *bona vacantia*—(1) Where any property or right belongs to Her Majesty as *bona vacantia*, the Minister may from time to time on behalf of Her Majesty, 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 Her Majesty. 15

(2) Where the Minister or any department, on the application of any persons, performs any act under subsection (1) of this section the Minister or department shall be entitled to charge such person with all reasonable fees and costs incurred. 20

(3) Nothing in this section shall derogate from any other enactment or rule of law.

Cf. 1977, No. 65, s. 108; 1980, No. 7, s. 7

74. Offences—(1) Every person commits an offence against this Act who, without reasonable excuse,— 25

- (a) Refuses or fails to attend at the time and place required of that person by any other person pursuant to this Act; or
- (b) Refuses or fails to produce any financial record in that person's possession or under that person's control when required to do so pursuant to this Act; or 30
- (c) Refuses or neglects to make any return, or supply any account, voucher, or other paper, that the person is required by or pursuant to this Act to make or supply; or 35
- (d) 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— 40
- (a) Refuses to be sworn; or
 - (b) Refuses to answer any lawful question put to that person by any other person and touching on the subject-

matter of an inquiry being conducted pursuant to this Act.

- (3) Every person commits an offence against this Act who—
- 5 (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 with a Trust Bank Account; or
- 10 (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 to any other person or organisation—
- 15 (i) The improper payment of any public money or any money of a person or organisation whose accounts are audited by the Audit Office; or
- (ii) The improper use of any public resources or any resources of a person or organisation whose accounts are audited by the Audit Office.

20 Cf. 1977, No. 65, s. 109

75. Penalties for offences—(1) Every person who commits an offence against either **subsection (1) or subsection (2) of section 74** of this Act is liable on summary conviction,—

- 25 (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 (3) of section 74** of this Act is liable on summary conviction,—
- 30 (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.

35 Cf. 1977, No. 65, s. 110

76. Time for commencing proceedings—Notwithstanding section 14 of the Summary Proceedings Act 1957, any information in respect of any offence against this Act may be laid at any time within 2 years from the time when the

40 matter of the information arose.

Cf. 1977, No. 65, s. 111

77. Treasury instructions—(1) Subject to the provisions of this Act and any regulations made pursuant thereto, the Treasury may from time to time issue to departments instructions for all or any of the purposes specified in paragraphs (a) to (e) of section 78 (1) of this Act. 5

(2) Every Chief Executive of a department shall ensure that all Treasury instructions are complied with.

Cf. 1977, No. 65, s. 112; 1980, No. 7, s. 8

78. Regulations, Orders in Council, and notices—

(1) The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes: 10

- (a) Requiring information to be supplied to the Treasury by departments and Crown agencies to enable the Treasury to properly fulfil the functions imposed on it by the Government or any Act: 15
- (b) Prescribing the accounting policies to be applied by departments or Crown agencies in their financial reporting;
- (c) Regulating the collection, receipt, custody, issue, expenditure, control, and management of public money or trust money: 20
- (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: 25
- (f) Regulating the issue, registration, transfer, control, and redemption of government stock or any other public securities issued within New Zealand: 30
- (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: 35
- (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: 40
- (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:

5 (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)** of this section, and any provision of any such order, may, to
10 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
15 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
20 the Minister under this Act. Any notice given under this subsection may at any time be varied or revoked by a subsequent notice.

Cf. 1977, No. 65, s. 113 (1), (1A), (3); 1986, No. 67, s. 9

79. Abolition of certain accounts—(1) The following
25 accounts are hereby abolished:

- (a) The Public Account:
- (b) The Consolidated Account:
- (c) The Loans Account:
- (d) The Reserve Account:
- 30 (e) The Loans Redemption Account:
- (f) The Trust Account:
- (g) The Energy Account.

(2) All bank accounts forming part of any of the accounts specified in **subsection (1)** of this section on the **1st day of July 1989**
35 shall be deemed to form part of the Crown Bank Account.

(3) Notwithstanding **subsection (2)** of this section, all money held in an imprest account operated by a department on the **1st day of July 1989** shall be transferred to and deemed part of a Departmental Bank Account opened and operated by that
40 department.

(4) Notwithstanding **subsection (2)** of this section, all money held in the Public Account to the credit of the Trust Bank Account which is trust money pursuant to **section 62** of this Act

at the **1st day of July 1989** shall be transferred to a Trust Bank Account and dealt with in accordance with **Part VII** of this Act.

(5) Any investment of money relating to **subsection (4)** of this section shall be deemed to be an investment of trust money under **Part VII** of this Act.

(6) Subject to **subsections (3) and (4)** of this section, all money that, if this section had not been passed, would be payable into or out of any of the accounts specified in **subsection (1)** of this section, shall be paid into or out of the Crown Bank Account.

(7) Every reference to any of the accounts specified in **subsection (1)** of this section in any Act, regulation, order, agreement, deed, instruction, application, notice, or other document whatever shall, unless the context otherwise requires, be read as a reference to the Crown Bank Account.

80. Government stock in United Kingdom—

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

(a) Have been registered with the Bank of England in the United Kingdom before the day this Act comes into force; and

(b) Have not been transferred to the register kept in New Zealand pursuant to section 44 of that Act—

as if the Public Finance Act 1977 and this Act had not been passed and as if references in sections 41 and 47 of the New Zealand Loans Act 1953 to the New Zealand Public Account in London were references to the Crown Bank Account and the reference in section 43 of the New Zealand Loans Act 1953 (as amended by section 4 (4) of the Public Revenues Amendment Act 1963) to the Consolidated Revenue Account was a reference to the Crown Bank Account.

(2) Any New Zealand Government securities transferred to the register kept in New Zealand pursuant to section 44 of the New Zealand Loans Act 1953 shall be deemed to be Government stock issued pursuant to **section 49** of this Act.

81. Consequential amendments—The enactments specified in the **Second Schedule** to this Act are hereby amended in the manner indicated in that Schedule.

82. Repeals—The enactments specified in the **Third Schedule** to this Act are hereby repealed.

83. Transitional provisions—(1) Notwithstanding the definition of the term “Crown agency” in **section 2 (1)** of this Act, until the 1st day of July 1991 for the purposes of this Act the term “Crown agency” shall mean any instrument, agent, body
5 corporate, or organisation that is wholly owned or is controlled by the Crown or by any such instrument, agent, body corporate, or organisation, but does not include a department.

(2) Notwithstanding **section 82** of this Act, the provisions of section 52A (excluding subsection (10)) of the Public Finance
10 Act 1977 and the Fifth Schedule to that Act shall remain in force until the coming into force of the first Appropriation Act after the 1st day of July 1989:

Provided that each revolving fund specified in the Fifth Schedule shall become a Departmental Bank Account operated
15 by the department specified as the operating department in that Schedule.

SCHEDULES

Section 2 (1)

FIRST SCHEDULE

CROWN AGENCIES

The Commerce Commission.
 The Human Rights Commission.
 The New Zealand Government Property Corporation.
 The New Zealand Planning Council.
 The Securities Commission.

Section 81

SECOND SCHEDULE

ENACTMENTS CONSEQUENTIALLY AMENDED

Act Amended	Amendment
1921, No. 12—The Hunter Gift for the Settlement of Discharged Soldiers Act 1921 (R.S. Vol. 7, p. 331)	<p>By omitting from section 4 (as substituted by section 2 (1) of the Hunter Gift for the Settlement of Discharged Soldiers Amendment Act 1979) the words “that part of the Public Account known as”.</p> <p>By inserting in section 4 (as so substituted), after the words “referred to as the”, the word “Hunter”.</p> <p>By inserting in sections 5 (1) and (2), 6, and 8, before the words “Trust Account”, the word “Hunter”.</p>
1921-22, No. 73—The Meat Export Control Act 1921-22 (R.S. Vol. 3, p. 601)	<p>By omitting from section 17 (1) (as substituted by section 160 (1) of the Public Finance Act 1977) the words “may, pursuant to section 86 of the Public Finance Act 1977,” and substituting the words “may, pursuant to the Public Finance Act 1989”.</p>
1936, No. 25—The Southland Electric Power Supply Act 1936 (R.S. Vol. 11, p. 381)	<p>By omitting from section 3 (1) the words “Public Account”, and substituting the words “Crown Bank Account”.</p> <p>By omitting from section 3 (2) (as amended by section 15A of the Ministry of Energy Act 1977) the words “Public Account to the credit of the Energy Account”, and substituting the words “Crown Bank Account”.</p> <p>By omitting from section 5 (1) (a) and (b) the words “Public Account”, and substituting the words “Crown Bank Account”.</p> <p>By omitting from section 5 (2) (as amended by section 15A of the Ministry of Energy Act 1977) the words “shall be credited to the Energy Account and”.</p>

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1936, No. 25—The Southland Electric Power Supply Act 1936 (R.S. Vol. 11, p. 381)— <i>continued</i>	<p>By omitting from section 5 (3) (a) the words “Public Account”, and substituting the words “Crown Bank Account”.</p> <p>By omitting from section 8 (g) (as amended by section 15A of the Ministry of Energy Act 1977) the words “Public Account to the credit of the Energy Account”, and substituting the words “Crown Bank Account”.</p>
1937, No. 27—The Petroleum Act 1937 (R.S. Vol. 7, p. 647)	<p>By omitting from section 47H (1) (as inserted by section 3 of the Petroleum Amendment Act 1975 and amended by section 160 (1) of the Public Finance Act 1977) the words “section 52 of the Public Finance Act 1977”, and substituting the words “Part VII of the Public Finance Act 1989”.</p>
	<p>By omitting from section 47H (4) (b) (as so inserted and as amended by section 114 (6) of the Public Finance Act 1977) the words “the Consolidated Account”, and substituting the words “the Crown Bank Account”.</p>
1940, No. 30—The Finance Act (No. 4) 1940 (R.S. Vol. 10, p. 23)	<p>By omitting from section 24 (as amended by section 160 (1) of the Public Finance Act 1977) the words “section 97 of the Public Finance Act 1977”, and substituting the words “section 32 of the Public Finance Act 1989”.</p>
1944, No. 15—The Earthquake and War Damage Act 1944 (R.S. Vol. 6, p. 207)	<p>By repealing section 11 (4) (as substituted by section 123 (a) of the Public Finance Act 1977), and substituting the following subsection:</p>
	<p>“(4) All such money shall be deemed to be public money within the meaning of the Public Finance Act 1989”.</p> <p>By repealing section 13 (as substituted by section 123 (b) of the Public Finance Act 1977), and substituting the following section:</p> <p>“13. Any deficiency to be made good out of Crown Bank Account— (1) If the money for the time being in the Fund is not sufficient to meet the lawful</p>

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1944, No. 15—The Earthquake and War Damage Act 1944 (R.S. Vol. 6, p. 207)— <i>continued</i>	<p>claims thereon, the Minister shall, without further appropriation than this section, advance to the Fund from the Crown Bank Account such sums as may be necessary to meet the deficiency.</p> <p>“(2) All money advanced to the Fund under subsection (1) of this section shall, from the date of the advance or payment, constitute a capital liability of the Fund to the Crown Bank Account and the Public Finance Act 1989 shall apply accordingly.”</p>
1950, No. 55—The National Provident Fund Act 1950 (R.S. Vol. 3, p. 723)	<p>By omitting from section 23 (2) (as amended by section 123 (c) of the Public Finance Act 1977) the words “section 97 of the Public Finance Act 1977”, and substituting the words “the Public Finance Act 1989”.</p> <p>By omitting from section 4 (5) the words “without further appropriation than this section”.</p> <p>By omitting from section 3c (4) (as substituted by section 3 (2) of the National Provident Fund Amendment Act 1976 and amended by section 160 (1) of the Public Finance Act 1977) the words “subsections (2), (3), and (5) of section 86 of the Public Finance Act 1977”, and substituting the words “the Public Finance Act 1989”.</p>
1953, No. 10—The Primary Products Marketing Act 1953 (R.S. Vol. 4, p. 201)	<p>By omitting from section 10 (1) (as amended by section 150 (a) of the Public Finance Act 1977) the words “pursuant to section 86 of the Public Finance Act 1977”, and substituting the words “pursuant to the Public Finance Act 1989”.</p> <p>By repealing section 10 (2).</p> <p>By omitting from section 12 the words “Public Finance Act 1977”, and substituting the words “the Public Finance Act 1989”.</p>

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1953, No. 53—The Trustee Act 1953 (R.S. Vol. 3, p. 393)	By repealing subsection (2) of section 17. By omitting from subsection (3) the words “, without further appropriation than this Act,”.
1955, No. 51—The Housing Act 1955 (R.S. Vol. 7, p. 297)	By omitting from section 32 (2) (c) (as amended by section 136 (a) of the Public Finance Act 1977) the words “Public Account under section 99 of the Public Finance Act 1977”, and substituting the words “Crown Bank Account under the Public Finance Act 1989”. By repealing section 32 (5) (as substituted by section 136 (b) of the Public Finance Act 1977), and substituting the following subsection: “(5) Any money required by the Corporation for the purposes of this Act or for the purposes of any other Act directing that money may be paid by the Minister of Finance to the Corporation out of the Crown Bank Account from money appropriated by Parliament for the purpose.”
1956, No. 47—The Government Superannuation Fund Act 1956 (R.S. Vol. 21, p. 209)	By omitting from section 16 (2) the words “without further appropriation than this Act”.
1957, No. 36—The Public Trust Office Act 1957 (Reprinted 1976, Vol. 5, p. 4361)	By omitting from section 21 (as substituted by section 2 of the Public Trust Office Amendment Act (No. 2) 1987) the words “, without further appropriation than this section,”. By omitting from section 23 (4) the words “, without further appropriation than this subsection,”. By omitting from section 23 (5) (as amended by section 3 (1) (a) of the Public Trust Office Amendment Act (No. 2) 1987) the words “and without further appropriation than this section”. By omitting from section 23 (8) (as amended by section 3 (2) (a) of the Public Trust Office Amendment Act (No. 2) 1987) the words “and without further appropriation than this section”. By omitting from section 23A (1) (as inserted by section 2 of the Public Trust Office Amendment Act 1967 and

SECOND SCHEDULE—*continued*
ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1957, No. 36—The Public Trust Office Act 1957 (Reprinted 1976, Vol. 5, p. 4361)— <i>continued</i>	<p>amended by section 3 (3) (a) of the Public Trust Office Amendment Act (No. 2) 1987) the words “and without further appropriation than this subsection”.</p> <p>By omitting from section 23A (8) (as so inserted and amended by section 3 (3) (b) of the Public Trust Office Amendment Act (No. 2) 1987) the words “and without further appropriation than this subsection”.</p> <p>By omitting from section 24 (as amended by section 3 (4) of the Public Trust Office Amendment Act (No. 2) 1987) the words “and without further appropriation than this subsection”.</p>
1959, No. 100—The Iron and Steel Industry Act 1959 (R.S. Vol. 9, p. 187)	<p>By omitting from section 12 (1) (as amended by section 138 (a) of the Public Finance Act 1977) the words “pursuant to section 86 of the Public Finance Act 1977”, and substituting the words “pursuant to the Public Finance Act 1989”.</p> <p>By repealing section 12 (3) (as substituted by section 138 (b) of the Public Finance Act), and substituting the following subsection: “(3) All money to be paid under subsection (1) or subsection (2) of this section shall be paid out of the Crown Bank Account from money appropriated by Parliament for the purpose.”</p>
1961, No. 3—The International Finance Agreements Act 1961	<p>By omitting from section 5 (as amended by section 160 (1) of the Public Finance Act 1977) the words “the Loans Account or any other account of the Public Account”, and substituting the words “the Crown Bank Account”.</p> <p>By omitting from section 6 (2) (as amended by section 160 (1) of the Public Finance Act 1977) the words “the Public Account for the credit of the Loans Account or of any other account”, and substituting the words “the Crown Bank Account”.</p>

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1961, No. 3—The International Finance Agreements Act 1961— <i>continued</i>	By omitting from section 6 (3) (as amended by section 160 (1) of the Public Finance Act 1977) the words “Part V of the Public Finance Act 1977”, and substituting the words “Part VI of the Public Finance Act 1989”.
1962, No. 135—The Transport Act 1962 (R.S. Vol. 16, p. 659)	By omitting from section 90k (as inserted by section 7 of the Transport Amendment Act 1973 and amended by section 160 (1) of the Public Finance Act 1977) the words “specified in section 42 of the Public Finance Act 1977”, and substituting the words “established under Part VII of the Public Finance Act 1989”.
1963, No. 38—The State Insurance Act 1963 (R.S. Vol. 13, p. 611)	By repealing section 29 (as amended by section 156 (1) (a) and (b) of the Public Finance Act 1977), and substituting the following section: “29. Power to arrange temporary advances —The General Manager may obtain advances by way of overdraft in aid of the State Insurance Account from the Reserve Bank of New Zealand or any other bank.”
1967, No. 135—The Water and Soil Conservation Act 1967 (R.S. Vol. 17, p. 783)	By omitting from section 34 (5) (as substituted by section 15 (1) of the Water and Soil Conservation Amendment Act 1983) the words “section 103 of the Public Finance Act 1977”, and substituting the words “section 71 of the Public Finance Act 1989”.
1968, No. 125—The Electricity Act 1968 (R.S. Vol. 6, p. 271)	By repealing section 42 (as amended by section 124 (1) (e) of the Public Finance Act 1977). By omitting from section 43 (1) (as amended by section 124 (1) (f) of the Public Finance Act 1977) the words “Energy Account to the credit of the Rural Reticulation Fund”, and substituting the words “Departmental Bank Account of the Ministry of Energy”.

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1968, No. 125—The Electricity Act 1968 (R.S. Vol. 6, p. 271)— <i>continued</i>	By omitting from section 44 (1) the words "Rural Reticulation Fund", and substituting the words "Departmental Bank Account of the Ministry of Energy".
1969, No. 52—The Administration Act 1969 (R.S. Vol. 19, p. 1)	By repealing section 44 (2). By omitting from the definition of the term "Government stock" in section 64 of the Administration Act the words "Part V of the Public Finance Act 1977", and substituting the words "Part VI of the Public Finance Act 1989".
1970, No. 143—The Pharmacy Act 1970 (R.S. Vol. 21, p. 691)	By omitting from section 53 (4) (as amended by section 160 (1) of the Public Finance Act 1977) the words "local authority for the purposes of section 103 of the Public Finance Act 1977", and substituting the words "local authority for the purposes of section 71 of the Public Finance Act 1989".
1971, No. 25—The Mining Act 1971 (R.S. Vol. 17, p. 355)	By omitting from section 108A (4) (as inserted by section 30 (1) of the Mining Amendment Act 1981) the words "section 52 of the Public Finance Act 1977", and substituting the words "Part VII of the Public Finance Act 1989". By omitting from section 224 (1) (c) (as amended by section 80 (1) of the National Parks Act 1980) the words "to the Public Account to the credit of the Trust Account", and substituting the words "to the Crown Bank Account". By omitting from the proviso to section 224 (1) (d) the words "Trust Account", and substituting the words "Crown Bank Account". By omitting from section 226 (1) the words "Consolidated Account", and substituting the words "Crown Bank Account". By repealing section 226 (2).

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1971, No. 55—The Finance Act 1971 (R.S. Vol. 2, p. 537)	<p>By omitting from subsection (1) and subsection (2) of section 4 the words “section 86 of the Public Finance Act 1977”, and substituting in each place the words “the Public Finance Act 1989”.</p> <p>By omitting from subsection (3) of section 4 the words “Consolidated Account”, and substituting the words “Crown Bank Account”.</p>
1974, No. 66—The Local Government Act 1974 (R.S. Vol. 20, p. 1)	<p>By omitting from section 692j (1) (as inserted by section 74 of the Local Government Amendment Act (No. 2) 1981) the words “Consolidated Account or the Loans Account”, and substituting the words “the Crown Bank Account”.</p>
1977, No. 33—The Ministry of Energy Act 1977 (R.S. Vol. 21, p. 517)	<p>By omitting from section 15p (as inserted by section 3 (1) of the Ministry of Energy Amendment Act 1987) the word “Energy”, and substituting the words “Crown Bank”.</p> <p>By repealing subsection (12) of section 15 (as substituted by section 144 (1) (c) of the Public Finance Act 1977), and substituting the following subsection: “(12) The Minister shall cause accounts (including a balance sheet) in accordance with the Public Finance Act 1989 to be prepared for each financial year of all money received and paid by the Crown under this section.”</p>
1977, No. 49—The Human Rights Commission Act 1977 (R.S. Vol. 18, p. 227)	<p>By omitting from section 14d (as inserted by section 2 of the Human Rights Commission Amendment Act 1982) the words “section 50 of the Public Finance Act 1977”, and substituting the words “section 21 of the Public Finance Act 1989”.</p>
1978, No. 103—The Securities Act 1978 (R.S. Vol. 15, p. 533)	<p>By omitting from section 31d (as inserted by section 12 of the Securities Amendment Act 1982) the words “Public Account may be invested pursuant to section 50 of the Public Finance Act 1977”, and substituting the words “Crown Bank Account may be invested pursuant to the Public Finance Act 1989”.</p>

SECOND SCHEDULE—*continued*ENACTMENTS CONSEQUENTIALLY AMENDED—*continued*

Act Amended	Amendment
1980, No. 156—The Urban Transport Act 1980 (R.S. Vol. 18, p. 554)	By omitting from section 51 the words “section 90 of the Public Finance Act 1977”, and substituting the words “section 59 of the Public Finance Act 1989”.
1982, No. 156—The Official Information Act 1982 (R.S. Vol. 21, p. 579)	By omitting from clause 17 of the Second Schedule the words “section 50 of the Public Finance Act 1977”, and substituting the words “section 21 of the Public Finance Act 1989”.
1985, No. 129—The Parliamentary Service Act 1985	By repealing section 55 (2).

Section 82

THIRD SCHEDULE

ENACTMENTS REPEALED

- 1977, No. 65—The Public Finance Act 1977: Parts I and III to VII and the First, Second, Third, Fourth, and Fifth Schedules.
- 1980, No. 7—The Public Finance Amendment Act 1980.
- 1983, No. 134—The Area Health Boards Act 1983: So much of the Schedule as relates to the Public Finance Act 1977.
- 1986, No. 67—The Public Finance Amendment Act 1986.
- 1986, No. 114—The Constitution Act 1986: So much of the First Schedule as relates to the Public Finance Act 1977.
- 1986, No. 124—The State-Owned Enterprises Act 1986: So much of the Third Schedule as relates to the Public Finance Act 1977.
- 1988, No. 20—The State Sector Act 1988: So much of the Fifth Schedule as relates to the Public Finance Act 1977.