

House of Representatives
Supplementary Order Paper

Tuesday, 7 December 2004

Public Finance (State Sector Management) Bill

Proposed amendments

Hon Dr Michael Cullen, in Committee, to move the following amendments:

Clause 2

To omit this clause (lines 23 to 25 on page 11), and substitute the following clause:

2 Commencement

- (1) **Section 236A** comes into force on the day on which this Act receives the Royal assent.
- (2) The rest of this Act comes into force on **25 January 2005**.

Clause 6

To insert, after *subclause (2)* (after line 2 on page 14), the following subclause:

- (2A) Section 2(1) of the principal Act is amended by inserting, after the definition of **borrowing expenses**, the following definition:

“**Budget** means the Minister’s statement in moving the second reading of the first Appropriation Bill for a financial year”.

Clause 7: new section 3A

To omit the words “the **Public Finance (State Sector Management) Act 2003**” wherever they appear (lines 2, 5 and 6, 15 and 16, and 23 on page 22), and substitute in each case the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 8: new section 4(2)(b)(i)

To omit the words “the **Public Finance (State Sector Management) Act 2003**” (lines 18 and 19 on page 52), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 8: new section 13

To omit *new section 13* (line 30 on page 55 to line 6 on page 56), and substitute the following section:

“13 Estimates and other supporting information must be presented with first Appropriation Bill

- “(1) The Minister must present to the House of Representatives the Estimates immediately after he or she has delivered the Budget.
- “(2) The Minister must also present to the House of Representatives the other supporting information referred to in **section 15** at the same time he or she presents the Estimates under **subsection (1)**, unless that other supporting information is already contained in the Estimates.

Clause 8: new section 15

To insert in *subsection (1)*, after the words “other supporting information” (line 3 on page 57), the words “for the first Appropriation Bill”.

Clause 8: new section 16

To omit *new section 16* (lines 6 to 15 on page 58), and substitute the following section:

“16 Supplementary Estimates must be presented with Supplementary Appropriation Bill

The Minister must present to the House of Representatives the Supplementary Estimates on the day of the introduction of an Appropriation Bill that is other than—

- “(a) the first Appropriation Bill for a financial year; or
- “(b) an Appropriation Bill that deals only with matters that relate to a previous financial year.

Clause 8: new section 26I

To omit *subsection (2)* (lines 29 to 32 on page 67), and substitute the following subsection:

- “(2) The Minister must present the fiscal strategy report immediately after he or she has delivered the Budget for the financial year to which the report relates.

Clause 8: new section 26O

To omit *subsection (2)* (lines 23 to 26 on page 72), and substitute the following subsection:

- “(2) The Minister must present the economic and fiscal update immediately after he or she has delivered the Budget for the financial year to which the update relates.

Clause 10: new section 27(3)(a)

To omit the words “the **Public Finance (State Sector Management) Act 2003**” (lines 33 and 34 on page 82), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 17: new section 36

To omit the words “the **Public Finance (State Sector Management) Act 2003**” (line 24 on page 89), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 17: new section 39

To omit *subsection (1)* (lines 23 to 28 on page 91), and substitute the following subsection:

- “(1) The Minister must present the information for each department (other than an intelligence and security department) to the House of Representatives immediately after he or she has delivered the Budget for the financial year to which the information relates.

Clause 17: heading to new section 45N

To omit the expression “**Public Finance (State Sector Management) Act 2003**” (lines 4 and 5 on page 107), and substitute the words “**Parts 3 to 7 of Public Finance (State Sector Management) Act 2003**”.

Clause 17: new section 45N(1)

To omit the words “the **Public Finance (State Sector Management) Act 2003**” in both places where they appear (lines 6 and 7, and 9 on page 107), and substitute in each case the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 17: heading to new section 45O

To omit the words “**Public Finance (State Sector Management) Act 2003**” (lines 32 and 33 on page 107), and substitute the words “**Parts 3 to 7 of Public Finance (State Sector Management) Act 2003**”.

Clause 17: new section 45O(1)

To omit the words “the **Public Finance (State Sector Management) Act 2003**” in both places where they appear (lines 35 and 36, and 39 on page 107), and substitute in each case the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

Clause 17: new section 65R

To omit from *subsection (3)* the words “must be read as a reference to any of the Crown Bank Accounts” (lines 8 and 9 on page 127), and substitute the words “must, unless the context otherwise requires, be read as a reference to a Crown Bank Account”.

New clause 26A

To insert, after *clause 26* (after line 14 on page 149), the following clause:

26A Abolition of certain accounts

Section 83 of the principal Act is amended by omitting the words “the Crown Bank Account” in the second and third places where they appear, and substituting in each case the words “a Crown Bank Account”.

Clauses 29A and 29B

To omit *clauses 29A and 29B* (line 28 on page 149 to line 24 on page 150), and substitute the following clauses:

29A Application of provisions relating to financial year

- (1) Despite the enactment of this Act, any existing provisions of the principal Act that relate to a financial year continue to apply only in respect of—
 - (a) either of the following:
 - (i) the financial year ending on **30 June 2005**; or
 - (ii) a later financial year specified by the Governor-General by Order in Council made on the recommendation of the Minister of Finance; and
 - (b) each previous financial year.
- (2) Any provisions of the principal Act (as amended by this Act) that relate to a financial year must be read as if those provisions apply only in respect of—
 - (a) either of the following:
 - (i) the financial year commencing on **1 July 2005**; or
 - (ii) if a later financial year is specified by the Governor-General by Order in Council made under **subsection (1)(a)(ii)**, the next financial year; and
 - (b) each subsequent financial year.
- (3) The Minister of Finance may make a recommendation under **subsection (1)(a)(ii)** only if he or she is satisfied that doing so is reasonably necessary to maintain the integrity of the preparation of the Budget.
- (4) In this section, **existing provisions of the principal Act** means the provisions of the principal Act that were in force immediately before the commencement of this Act.

29B Reporting obligations in respect of financial year

- (1) The reporting requirements and provisions that would have applied if this Act had not been enacted continue to apply, in respect of the financial year specified in **subsection (3)**, to a department and an Office of Parliament, rather than the reporting requirements and provisions enacted by this Act or any other Act.
- (2) Therefore, for example, a department and an Office of Parliament must comply with the requirements relating to annual financial statements, annual reports, and audits that were in the principal Act immediately before the commencement of this Act.
- (3) The financial year referred to in **subsection (1)** is—
 - (a) the financial year ending on **30 June 2005**; or
 - (b) if a later financial year is specified by the Governor-General by Order in Council made under **section 29A(1)(a)(ii)**, that financial year.
- (4) To avoid doubt, this section does not limit **section 29A**.

- (5) **Section 235A** of the **Public Finance (State Sector Management) Act 2003** applies to an organisation named or described in **Schedule 4**.

New clause 30A

To insert, after *clause 30* (after line 5 on page 151), the following clause:

30A Regulations for transitional and savings purposes

- (1) The Governor-General may, by Order in Council, make regulations prescribing transitional or savings provisions relating to the coming into force of this Act.
- (2) Any transitional or savings provisions prescribed in regulations made under **subsection (1)** may be in addition to or in place of any of the provisions of **sections 29A to 30**.

Part 3 heading

To omit from the *Part 3 heading* the words “**relating to Crown entity reform**” (lines 28 and 29 on page 163).

Heading to clause 46

To omit the words “**of Parts 3 to 7**” (line 30 on page 163).

Clause 46

To omit the words “**Parts 3 to 7**” (line 31 on page 163), and substitute the words “this Act”.

Clause 51(1)

To omit from the definition of **natural person act** the expression “**section 61**” (line 9 on page 172), and substitute the expression “**section 65**”.

Clause 53

To omit from *subclause (3)* the word “investment” (line 12 on page 174), and substitute the words “acquisition of securities”.

Clause 61

To omit *subclause (2)* (lines 15 to 25 on page 176).

Clause 62

To omit from *paragraph (d)* the words “application to the High Court” (line 16 on page 177), and substitute the words “application, in accordance with the law,”.

Clause 65

To insert, after the definition of **do** (after line 26 on page 178), the following definition:

natural person act—

- (a) means an act that a natural person of full age and capacity can do (whether or not the act is something that is also authorised by an Act); and
- (b) includes entry into a contract for, or relating to,—
- (i) acquisition of securities or borrowing;
 - (ii) a derivative transaction;
 - (iii) the purchase, leasing, or sale of, or other dealings with, property;

- (iv) the employment, or engagement of the services,
of a person

Clause 88

To omit from *subclause (2)(b)* the words “the House of Representatives” (line 8 on page 188), and substitute the words “Parliament”.

Heading to clause 152B

To omit the word “**disapprove**” (line 11 on page 213), and substitute the word “**disapply**”.

Clause 160

To add to *subclause (3)* (after line 10 on page 219) the following paragraph:

- “(c) the right of any person to apply, in accordance with the law, for judicial review.”

Clause 161

To omit this clause (lines 23 to 31 on page 219), and substitute the following clause:

161 Indemnities in relation to excluded act or omission

- (1) A statutory entity may only indemnify a member, office holder, or employee in respect of an excluded act or omission.
- (2) An indemnity under **subsection (1)** is limited to—
 - (a) liability for conduct; and
 - (b) costs incurred in defending or settling any claim or proceeding relating to that liability.

Compare: 1993 No 105 s 162

Clause 176

To omit this clause (lines 11 to 20 on page 225), and substitute the following clause:

176 Members, office holders, and employees are officials

- (1) This section applies to—
 - (a) members, office holders, and employees of the following Crown entities:
 - (i) a statutory entity;
 - (ii) a Crown entity company;
 - (iii) a school board of trustees;
 - (iv) a Crown entity subsidiary that is wholly owned by 1 or more Crown entities referred to in **subparagraphs (i) to (iii)**;
 - (b) office holders and employees of—
 - (i) a tertiary education institution;
 - (ii) a Crown entity subsidiary that is wholly owned by 1 or more tertiary education institutions or by 1 or more tertiary education institutions and 1 or more Crown entities referred to in **paragraph (a)(i) to (iii)**.
- (2) A person to whom this section applies is an official for the purposes of sections 105 and 105A of the Crimes Act 1961.

- (3) This section does not limit the meaning of **official** in section 99 of the Crimes Act 1961.

New clause 177A

To insert, after the subpart 2 heading (after line 19 on page 228), the following clause:

177A Application of this subpart

- (1) This subpart applies in respect of financial years commencing on or after **1 January 2006**.
- (2) **Subsection (1)** is subject to **section 235A**.

New heading before clause 199

To insert, before this clause (before line 27 on page 242), the heading “*Bank accounts*”.

Clause 199

To omit *subclauses (1) to (3)* (line 28 on page 242 to line 23 on page 243), and substitute the following subclauses:

- (1) A Crown entity must ensure that all money received by the Crown entity is paid, as soon as practicable after it is received, into 1 or more bank accounts that are established, maintained, and operated by the Crown entity at 1 or more of the following:
- (a) a registered bank that satisfies a relevant credit-rating test specified in either regulations made under this Part or a notice in the *Gazette* published by the Minister of Finance; or
 - (b) a registered bank that meets the conditions of any relevant approval given by the Minister of Finance by notice in the *Gazette*; or
 - (c) a bank outside New Zealand that meets the conditions of any relevant approval given by the Minister of Finance by notice in the *Gazette*; or
 - (d) a bank outside New Zealand if the conditions specified in **subsection (2)** are met.
- (2) The conditions referred to in **subsection (1)(d)** are—
- (a) the Crown entity, or the class of Crown entities to which the Crown entity belongs, must be authorised to establish, maintain, and operate 1 or more bank accounts at 1 or more banks outside New Zealand by—
 - (i) the Minister of Finance in writing; or
 - (ii) any regulations made under this Part; and
 - (b) the bank account or bank accounts must be of a type approved by—
 - (i) the Minister of Finance in writing; or
 - (ii) any regulations made under this Part.
- (2A) A Crown entity must establish, maintain, and operate a bank account referred to in **subsection (2)** subject to—
- (a) any regulations made under this Part; and

- (b) if applicable, any conditions of the authorisation or approval given by the Minister of Finance; and
 - (c) the entity's Act.
- (3) The Minister of Finance must notify in the *Gazette* an authorisation or approval given under **subsection (2)(a)(i)** or, as the case may be, **subsection (2)(a)(ii)**.

Heading before clause 200

To omit the word “*Investments*” (line 9 on page 244), and substitute the words “*Acquisition of securities*”.

New clause 199A

To insert, before clause 200 (before line 11 on page 244), the following clause:

199A Application of acquisition of securities, borrowing, guarantees, indemnities, and derivative transactions rules

Sections 200 to 204 apply on and after 1 April 2005.

Heading to clause 200

To omit from the heading the word “**investments**” (line 11 on page 244), and substitute the words “**acquisition of securities**”.

Clause 201

To omit from the heading the words “**investments in**” (line 24 on page 244), and substitute the words “**acquisition of**”.

To omit from *subclause (1)* the words “invest in” (line 25 on page 244), and substitute the word “acquire”.

To omit *subclause (2)* (lines 34 and 35 on page 244), and substitute the following subclause:

- (2) This section does not apply to any money, security, or credit balance in a bank account held by a Crown entity on trust for any purpose or for another person.

To omit *subclause (3)* (line 1 on page 245), and substitute the following subclause:

- (3) This section does not prohibit a Crown entity from acquiring subsidiaries or shares if **section 139** or, as the case may be, **section 143** allows the acquisition.

Clause 203

To omit *subclause (2)(a)* (lines 11 to 13 on page 245), and substitute:

- (a) a member, office holder, committee member, employee, or other individual indemnified by the board in relation to any claim or proceeding under—
 - (i) **section 161** of this Act; or
 - (ii) section 162 of the Companies Act 1993; or
 - (iii) the entity's natural person powers or other powers in the entity's Act:

New heading before clause 205

To insert, before this clause (before line 24 on page 245), the heading “*Miscellaneous*”.

Clause 209

To omit from *subclause (1)* the expression “**section 183**” (line 27 on page 248), and substitute the expression “**section 183(1)(a)**”.

Clause 212

To omit *subclause (1)(aa)* (lines 7 and 8 on page 250), and substitute the following paragraph:

- (aa) providing for the establishment, maintenance, and operation of bank accounts by Crown entities:

To omit *subclause (1)(b)* (lines 9 to 12 on page 250), and substitute the following paragraph:

- (b) prescribing the nature and extent of the acquisition of securities that may be undertaken by Crown entities, the securities that Crown entities may acquire, and any other matters relating to the acquisition:

To omit from *subclause (1)(h)* the word “investment” (line 35 on page 250), and substitute the words “acquisition of securities”.

Clause 235

To omit this clause (line 26 on page 257 to line 10 on page 258), and substitute the following clauses:

235AA Existing law on securities, borrowing, guarantees, indemnities and derivative transactions continues to apply until 1 April 2005

- (1) This section applies to the period between the date on which this section comes into force and the start of **1 April 2005** (which is the date on which the new rules in **sections 200 to 204** relating to securities, borrowing, guarantees, indemnities, and derivative transactions apply) (the **transitional period**).
- (2) The rules relating to securities, borrowing, guarantees, indemnities, and derivative transactions that would have applied if this Act and **Part 1** had not been enacted continue to apply during the transitional period.
- (3) Therefore, for example, the Crown entity must comply, during the transitional period, with the rules relating to those things that were in the Public Finance Act 1989 or the entity’s Act, as the case may be, immediately before the commencement of this section.

235 Continuation of pre-1 April 2005 securities, borrowing, guarantees, indemnities, and derivative transactions

- (1) This section applies to any security, borrowing, guarantee, indemnity, or derivative transaction that a Crown entity has lawfully acquired, given, or entered into before **1 April 2005** that

the Crown entity would be restricted from having, acquiring, giving, or entering into under this Act after **sections 200 to 204** apply.

- (2) The security, borrowing, guarantee, indemnity, or derivative transaction is not affected by the enactment of this Act.
- (3) However, the terms of the security, borrowing, guarantee, indemnity, or derivative transaction may be amended, or any options resulting from the security, borrowing, or derivative may be taken up, on and after **1 April 2005**, only if permitted by the Minister of Finance.
- (4) This section does not apply to an indemnity in respect of a member, office holder, employee, committee member, or other individual of a Crown entity in relation to a claim or proceeding.

Clause 235A

To omit this clause (lines 11 to 25 on page 258), and substitute the following clause:

235A Reporting obligations in respect of financial years ending before 1 July 2006

- (1) The reporting requirements and provisions that would have applied if this Act and **Part 1** had not been enacted continue to apply in respect of each financial year that ends before **1 July 2006** to a Crown entity, rather than the reporting requirements and provisions enacted by this Act.
- (2) Therefore, for example, the Crown entity must comply, in respect of those financial years, with the requirements relating to annual financial statements, annual reports, and audits that were in the Public Finance Act 1989 or the entity's Act, as the case may be, immediately before the commencement of this section.
- (3) Despite **subsections (1) and (2)**,—
 - (a) **section 87(2)(ca)(iia) and (iv)** of the Education Act 1989 applies in respect of each financial year that ends on or after **31 December 2004**; and
 - (b) **section 192** applies in respect of the financial year commencing on **1 July 2005** and each subsequent financial year.
- (4) In this section, **Crown entity** includes any entity that is required by any other Act to report as though it were a Crown entity.

Clause 235B

To insert in the heading to this clause, after the word "**transitional**" (line 26 on page 258), the word "**, savings,**".

To insert in *subclause (1)(a)*, after the word "transitional" (line 29 on page 258), the words "or savings".

To add to this clause (after line 35 on page 258), the following subclause:

- (3) Any transitional or savings provisions prescribed in regulations made under **subsection (1)** may be in addition to or in place of any of the provisions of **sections 177A, 199A, 234A, 235AA, 235, and 235A**.

New clause 236A

To insert, after clause 236 (after line 4 on page 259) the following clause:

236A Amendment to Gas Amendment Act 2004

- (1) Section 2(1) of the Gas Amendment Act 2004 is amended by omitting, with effect on and after 18 October 2004, the expression “Subpart 2”, and substituting the expression “Subpart 3”.
- (2) For the avoidance of doubt, the Gas Amendment Act 2004, assented to by Her Excellency the Governor-General on 17 October 2004, is deemed to be, and always to have been, a valid Act of Parliament.

Schedule 1

To omit from the note immediately after the *new Schedule 4* heading the words “the Public Finance (State Sector Management) Act 2003” (line 7 on page 261), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the first column of *new Schedule 4* the words “Asia 2000 Foundation of New Zealand” (lines 20 to 22 on page 261), and substitute the words “Asia New Zealand Foundation”.

To omit from the fifth column heading of *new Schedule 4* the word “**Investment**” (line 10 on page 261), and substitute the word “**Securities**”.

Schedule 2

To insert, after the item relating to the Constitution Act 1986 (after line 35 on page 263), the following item:

Corrections Act 2004 (2004 No 50)

Omit from section 190(1) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To insert, after the item relating to the Crown Organisations (Criminal Liability) Act 2002 (after line 11 on page 264), the following item:

Deeds Registration Act 1908 (1908 No 40)

Omit from section 52(3) the words “the Public Account and form part of the Consolidated Account” and substitute the words “a Crown Bank Account”.

To insert, after the item relating to the Education Act 1989 (after line 34 on page 264), the following items:

Environment Act 1986 (1986 No 127)

Repeal section 34.

Forests Act 1949 (1949 No 19)

Omit from section 16(5) the words “within the Crown Bank Account”.

Repeal section 68.

To insert in the item relating to the Gambling Act 2003, after the heading to that item (after line 1 on page 265), the following item:

Omit from section 277(7) the words “section 16(1) of the Public Finance Act 1989” and substitute the words “**section 205 of the Public Finance (State Sector Management) Act 2003**”.

To insert, after the item relating to the Hazardous Substances and New Organisms Act 1996 (after line 11 on page 266), the following item:

Health Act 1956 (1956 No 65)

Omit from section 3C(1) the words “section 30(1) of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To insert, after the item relating to the Immigration Act 1987 (after line 21 on page 266), the following items:

Judicature Act 1908 (1908 No 89)

Repeal section 42 and substitute:

“42 **Fees to be paid into Crown Bank Account**

All fees taken by a Sheriff under this Act must be paid immediately into a Crown Bank Account.”

Land Transport Management Act 2003 (2003 No 118)

Omit the definition of **national land transport fund** from section 5 and substitute:

“**national land transport fund** means all land transport revenue paid into a Crown Bank Account under section 8”.

Repeal section 8(1) and substitute:

“(1) All land transport revenue must, as soon as practicable after its receipt by the relevant collecting body, be paid into a Crown Bank Account and be identified as being part of the national land transport fund.”

Omit from section 34(1) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To omit the item relating to the Legal Services Act 2002 (lines 4 to 7 on page 267).

To insert, after the item relating to the Local Government Act 2002 (after line 12 on page 267), the following item:

Manapouri-Te Anau Development Act 1963 (1963 No 23)

Omit from section 4A(3) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To omit the item relating to the National Library of New Zealand (Te Puna Matauranga o Aotearoa) Act 2003 (lines 18 to 21 on page 267), and substitute the following item:

National Library of New Zealand (Te Puna Matauranga o Aotearoa) Act 2003 (2003 No 19)

Omit from section 19(5) the words “section 30 of the State Sector Act 1988 or section 39 of the Public Finance Act 1989” and substitute the words “**section 43** of the Public Finance Act 1989”.

To omit from the item relating to section 42(2) of the New Zealand Superannuation Act 2001 the expression “**section 13**” (line 12 on page 268), and substitute the expression “**section 260**”.

To omit from the item relating to section 42(3) of the New Zealand Superannuation Act 2001 the expression “**Part 1**” (line 16 on page 268), and substitute the expression “**Part 2**”.

To omit from the item relating to section 44(1) of the New Zealand Superannuation Act 2001 the expression “**Part 1**” (line 19 on page 268), and substitute the expression “**Part 2**”.

To omit the item relating to section 348 of the Ngai Tahu Claims Settlement Act 1998 (lines 30 to 32 on page 268), and substitute the following item:

Repeal section 348 and substitute:

“348 **Ngai Tahu Ancillary Claims Trust an organisation named or described in Schedule 4 of Public Finance Act 1989**

“(1) The Ngai Tahu Ancillary Claims Trust is an organisation named or described in **Schedule 4** of the Public Finance Act 1989.

“(2) To avoid doubt, the obligations of the Ngai Tahu Ancillary Claims Trust under the Public Finance Act 1989 are the responsibility of the trustees of the Ngai Tahu Claims Trust.”

To insert, after the item relating to the Parliamentary Service Act 2000 (after line 7 on page 269), the following item:

Penal Institutions Act 1954 (1954 No 51)

Omit from section 4K(1) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

Omit from section 21Y the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

Omit from section 36BF the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

Omit from section 36ZI(1) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To omit *paragraph (b)(i)* of the definition of **operating expenses** in the item relating to section 2(1) of the Reserve Bank of New Zealand Act 1989 (lines 16 to 18 on page 271), and substitute the following subparagraph:

- “(i) interest, foreign exchange losses, and losses (or provision for losses) on financial instruments or revaluation of financial instruments; or”

To insert in *paragraph (c)* of the item relating to *new section 158* of the Reserve Bank of New Zealand Act 1989, before the word “reported” (line 19 on page 272), the words “incurred by the Bank in carrying out those functions and exercising those powers and”.

To insert, after the item relating to *new section 158* of the Reserve Bank of New Zealand Act 1989 (after line 3 on page 273), the following items:

Repeal section 159(1) and substitute:

- “(1) The Minister and the Governor may enter into a funding agreement that specifies the amount of the Bank’s income that may be paid or applied in meeting the operating expenses incurred by the Bank in each financial year in carrying out its functions and exercising its powers under—
 - “(a) Part II (except sections 16, 32, 34, and 35);
 - “(b) Parts III to V;
 - “(c) Part VB;
 - “(d) Part VC;
 - “(e) sections 163, 166, 167, and 190;
 - “(f) if the Minister and the Governor agree, any other provision of this Act;
 - “(g) any other Act.”

Omit from section 160(a) the words “total expenditure” and substitute the words “operating expenses”.

Omit from section 160(b) and (c) the word “expenditure” in both places where it appears and substitute in each case the words “operating expenses”.

To add to the item relating to the Reserves Act 1977 (after line 4 on page 277), the following item:

Omit from section 105 the words “section 103 of the Public Finance Act 1977” and substitute the words “section 73 of the Public Finance Act 1989”.

To insert, after the item relating to the Reserves Act 1977 (after line 4 on page 277), the following item:

Residential Tenancies Act 1986 (1986 No 120)

Omit from section 126(1) the words “the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

To insert, after the item relating to the State Sector Act 1988 (after line 12 on page 277), the following item:

Telecommunications (Residual Provisions) Act 1987 (1987 No 116)

Omit from section 10R(2) the words “section 30 of the State Sector Act 1988” and substitute the words “**section 43** of the Public Finance Act 1989”.

Schedule 5

To omit from the second column heading in Part 1 the word “**investment**” (on pages 284 to 285), and substitute the words “**acquisition of securities**”.

To omit the item relating to the Government Superannuation Fund Authority in Part 1 (lines 28 and 29 on page 284).

To omit from the item relating to the Land Transport Safety Authority of New Zealand in Part 1 (lines 35 and 36 on page 284) the words “Safety Authority of”.

To omit the item relating to Transfund New Zealand in Part 1 (line 22 on page 285).

To omit from the second column heading in Part 2 the word “**investment**” (on pages 285 and 286), and substitute the words “**acquisition of securities**”.

To insert, after the item relating to the Families Commission in Part 2 (after line 42 on page 285), the following item:

Government Superannua- tion Fund Authority	✓	✓	✓	✓	✓
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To insert in the item relating to the New Zealand Historic Places Trust (Pouhere Taonga) in Part 2 (line 8 on page 286) a tick under the column headed “**Exemption from section 205 (net surplus payable to Crown)**”.

To omit from the second column heading in Part 3 the word “**investment**” (on pages 286 and 287), and substitute the words “**acquisition of securities**”.

Schedule 6

To omit from the second column heading on page 288 the word “**investment**”, and substitute the words “**acquisition of securities**”.

Schedule 6A

To insert, after the item relating to Section 177 (line 26 on page 289), the following item:

Section 177A	Application of Subpart 2 of Part 6
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To insert, after the item relating to Section 199 (line 32 on page 289), the following item:

Section 199A	Application of acquisition of securities, borrowing, guarantees, indemnities, and derivative transactions rules
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To omit from the item relating to Sections 200 to 204 (line 33 on page 289) the word “**investments**”, and substitute the words “**acquisition of securities**”.

To insert in the item relating to Sections 221, etc, after the figure “234A,” (line 4 on page 290), the figure “235AA,”.

Schedule 6B

To omit the items relating to Sections 174(1) and (3) and 175 (lines 12 and 13 on page 291).

To omit the item relating to Section 176 (lines 14 and 15 on page 291), and substitute the following item:

Section 176 (but only in respect of office holders and employees of tertiary education institutions and Crown entity subsidiaries)	Officials for the purposes of sections of the Crimes Act 1961
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To insert, after the item relating to Section 177 (line 16 on page 291), the following item:

Section 177A	Application of Subpart 2 of Part 6
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To omit the item relating to Section 199 (line 24 on page 291).

To omit from the item relating to Sections 210 and 211 the expression “Sections 210” (line 31 on page 291) and substitute the words “Sections 210(1)(b) and (2)”.

To omit the item relating to Section 212(1)(aa), (f), and (j) (line 32 on page 291).

To omit from the item relating to Sections 221, etc, the figures “234A, 235,” (lines 4 and 5 on page 290).

Schedule 8

To insert, after the item relating to section 26(1) of the Broadcasting Act 1989 (after line 20 on page 304), the following item:

Insert in section 26, as subsection (3), the following subsection:

“(3) Despite **clause 9 of Schedule 7 of the Public Finance (State Sector Management) Act 2003**, a quorum for a meeting of the board of the Authority is 3 members.”

To omit from *paragraph (b)* of the item relating to section 12(2) of the Children’s Commissioner Act 2003 the words “if relevant,” (line 14 on page 307).

To insert, after the item relating to section 27(1) of the Children’s Commissioner Act 2003 (after line 22 on page 307), the following item:

Insert in section 27, after subsection (5):

“(5A) **Sections 161 to 167 of the Public Finance (State Sector Management) Act 2003** apply as if the conduct for which a person may be indemnified or insured under those sections were conduct that is covered by the protection from liability in this section.

“(5B) This section contains an exception to **section 160 of the Public Finance (State Sector Management) Act 2003**.”

To omit the items relating to clause 1(1) and (3) and clauses 2 to 5 of Schedule 1 of the Children’s Commissioner Act 2003 (lines 33 and 34 on page 307), and substitute the following item:

Repeal clauses 1 to 5 of Schedule 1.

To omit the item relating to section 72B(3) of the Civil Aviation Act 1990 (lines 27 and 28 on page 310), and substitute the following item:

Omit from section 72B(3) the words “prescribe by notice in the *Gazette*”, and substitute the words “direct in accordance with **section 153** of the **Public Finance (State Sector Management) Act 2003**”.

To insert in the heading of the item relating to *new section 8A* of the Commerce Act 1986, after the words “**Application of**” (line 11 on page 315), the words “**Parts 3 to 7 of**”.

To omit from the item relating to *new section 106(3B)* of the Commerce Act 1986 the expression “106” (line 31 on page 319).

To insert in the heading of the item relating to *new section 10A* of the Crown Research Institutes Act 1992, after the words “**Application of**” (line 18 on page 322), the words “**Parts 3 to 7 of**”.

To insert in the heading of the item relating to *new section 4A* of the Earthquake Commission Act 1993, before the word “**Public**” (line 19 on page 327), the words “**Parts 3 to 7 of**”.

To insert, after the item relating to section 66A of the Education Act 1989 (after line 26 on page 334), the following item:

Insert, before section 67, the following section:

“66B Application of new acquisition of securities, borrowing, guarantees, indemnities, and derivative transactions rules

“(1) The amendments made to sections 67 to 67B and 73 of this Act by Schedule 8 of the Public Finance (State Sector Management) Act 2003 (being amendments that correspond with sections 200 to 204 of that Act) apply on and after 1 April 2005.

“(2) Until that date, the existing law applies (*see* the transitional provisions in sections 235AA and 235 of the Public Finance (State Sector Management) Act 2003).”

To omit the item relating to section 73 of the Education Act 1989 (lines 1 to 17 on page 336), and substitute the following item:

Repeal section 73 and substitute:

“73 Restriction on acquisition of securities

“(1) Sections 200 and 201 of the Public Finance (State Sector Management) Act 2003 apply.

“(2) Therefore, a Board must not acquire securities other than—
“(a) a debt security denominated in New Zealand dollars that is issued by a registered bank, or by any other entity, that satisfies a credit-rating test that is specified in either regulations made under Part 6 of that Act or a notice in the *Gazette* published by the Minister of Finance:
“(b) a public security:
“(c) as provided in—
“(i) any regulations made under Part 6 of that Act; or
“(ii) any approval given jointly by the Minister of Education and the Minister of Finance; or
“(iii) this Act.”

To insert a comma into the item relating to section 87(2)(ca)(iia) of the Education Act 1989, after the word “compensation” (line 34 on page 337).
To add to the item relating to section 87(4) of the Education Act 1989, as *new subsections (7) and (8)* (after line 5 on page 339), the following subsections:

- “(7) **Subsection (2)(ca)(iia) and (iv)** applies in respect of each financial year that ends on or after **31 December 2004**.
- “(8) The rest of the amendments made to this section by **Schedule 8** of the **Public Finance (State Sector Management) Act 2003** apply as provided in **section 235A** of that Act.”

To omit from *subsection (2)* of the item relating to *new section 87A* of the Education Act 1989 the words “within 30 days after receiving them” (lines 12 and 13 on page 339).

To omit *subsection (1)* of the item relating to *new section 87C* of the Education Act 1989 (lines 7 to 9 on page 340), and substitute the following subsection:

- “(1) A Board must provide its audited annual financial statements to the Secretary no later than 31 May in the year after the previous financial year.”

To omit *subsection (3)* of the item relating to *new section 87C* of the Education Act 1989 (lines 14 to 16 on page 340), and substitute the following subsection:

- “(3) Those copies must be sent no later than 1 month after the date on which the statements were provided to the Secretary.”

To omit the item relating to section 195B(5) of the Education Act 1989 (lines 19 to 21 on page 350), and substitute the following item:

Repeal section 195B(5).

To omit the item relating to sections 200 and 201 of the Education Act 1989 (lines 22 to 28 on page 350), and substitute the following item:

Repeal section 201 and substitute:

- “201 **Proper accounts to be kept**
Section 207(1) and (2) of the **Public Finance (State Sector Management) Act 2003** applies to a Council of an institution.”

To omit *subsection (4)* from the item relating to *new section 203* of the Education Act 1989 (lines 26 and 27 on page 351), and substitute the following subsection:

- “(4) **Section 65(1) and (2)** of the Public Finance Act 1989 applies, with all necessary modifications, to tertiary education institutions and, accordingly, every institution must invest in the same manner that Treasury invests money under that section.”

To omit from the item relating to *new section 220(2AA)* of the Education Act 1989 the words “**sections 194 to 199**” (line 17 on page 352), and substitute the words “**sections 194 to 197**”.

To insert before the item relating to section 240(6) of the Education Act 1989 (before line 9 on page 353) the heading “*Amendment relating to Vice-Chancellors Committee*”.

To insert, after the item relating to *new clause 1* of the Sixth Schedule of the Education Act 1989 (after line 21 on page 359), the following new clause:

“1A Things Board can do

“(1) A Board may do anything authorised by this Act.

“(2) A Board may do anything that a natural person of full age and capacity may do.

“(3) **Subclause (2)** applies except as provided in this Act or another Act or rule of law.

“(4) A Board may do an act under this clause only for the purpose of performing its functions.

“(5) References in this clause to ‘this Act’ include the provisions of **Parts 3 to 7** of the **Public Finance (State Sector Management) Act 2003** that are applied by **Schedule 5A** of this Act.”

To omit from the item relating to *clause 1C(2)(b)(i)* of the Sixth Schedule of the Education Act 1989 the word “investment” (line 18 on page 360), and substitute the words “acquisition of securities”.

To insert in the item relating to *new clause 1E(2)* of the Sixth Schedule of the Education Act 1989, after the word “have” (line 27 on page 361), the word “had”.

To insert, after the heading “*Amendment relating to Vice-Chancellors Committee*” (after line 5 on page 364), the following item:

Omit from clause 9 of the Fourteenth Schedule the expression “section 23” and substitute the words “**section 65I(1) and (2)**”.

To insert in the heading of the item relating to *new section 4A* of the Electoral Act 1993, before the word “**Public**” (line 12 on page 365), the words “**Parts 3 to 7 of**”.

To omit from *paragraph (b)* of the item relating to *new section 7* of the Electoral Act 1993 the words “if relevant,” (line 6 on page 366).

To omit from *subsection (2)* of the item relating to *new section 172ZQ* of the Electricity Act 1992 the words “the **Public Finance (State Sector Management) Act 2003**” (lines 1 and 2 on page 373), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit the item relating to the Electricity and Gas Industries Act 2003 (lines 5 and 6 on page 373), and substitute the following item:

Electricity Amendment Act 2004 (2004 No 80)

Repeal section 28(1) to (3).

To omit from the item relating to section 245(3) of the Gambling Act 2003 the words “the **Public Finance (State Sector Management) Act 2003**” (line 2 on page 390), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to the Gas Act 1992 the expression “section 43W(2)” (line 4 on page 391), and substitute the expression “section 43ZZQ(2)”.

To omit from *subsection (1A)* of the item relating to section 150 of the Government Superannuation Fund Act 1956 the expression “**section 148**” (line 27 on page 392), and substitute the expression “**section 149**”.

To insert, after the item relating to section 150(4) of the Government Superannuation Fund Act 1956 (after line 31 on page 392), the following item:

Add to section 150:

“(5) Nothing in this section limits **section 187** of the **Public Finance (State Sector Management) Act 2003**.”

To omit from *subsection (2A)(b)* of the item relating to section 14 of the Health and Disability Commissioner Act 1994 the words “if relevant,” (line 9 on page 399).

To omit from the item relating to section 42(2) of the Historic Places Act 1993 the words “the **Public Finance (State Sector Management) Act 2003**” (lines 22 and 23 on page 402), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 43(3) of the Historic Places Act 1993 the words “the **Public Finance (State Sector Management) Act 2003**” (line 29 on page 402), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from *subsection (1)* of the item relating to section 55 of the Historic Places Act 1993 the words “the **Public Finance (State Sector Management) Act 2003**” (lines 14 and 15 on page 403), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from *subsection (3)* of the item relating to section 55 of the Historic Places Act 1993 the words “Deputy Chairperson” (line 32 on page 403), and substitute the words “1 of the members appointed by the Minister”.

To insert, after the item relating to section 83 of the Historic Places Act 1993, the following item:

Insert in section 94, after the words “the Deputy Chairperson of the Board”, the words “(if any)”.

To omit from *subsection (1)* of the item relating to *section 3AA* of the Housing Corporation Act 1974 the expression “**section 70**” (line 34 on page 405), and substitute the expression “**section 70(1)(a)**”.

To omit from the item relating to section 4(4)(a) of the Human Rights Act 1993 the words “the **Public Finance (State Sector Management) Act 2003**” (line 20 on page 409), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To insert in the heading of the item relating to *new clause 5 of Schedule 2* of the Human Rights Act 1993, after the words “**Application of**” (line 30 on page 413), the words “**Parts 3 to 7 of**”.

To omit from the item relating to section 267(1) of the Injury Prevention, Rehabilitation, and Compensation Act 2001 the expression “**section 70**” (line 26 on page 415), and substitute the expression “**section 70(1)(a)**”.

To omit from the item relating to section 271(6) of the Injury Prevention, Rehabilitation, and Compensation Act 2001 the words “the **Public Finance (State Sector Management) Act 2003**” in the first place where they appear (line 38 on page 415), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit the item relating to the definition of **performance agreement** in section 2 of the Land Transport Act 1998 (line 4 on page 418).

To omit the item relating to section 169(2)(b) of the Land Transport Act 1998 (line 5 on page 418).

To omit the items relating to sections 184 and 184A of the Land Transport Act 1998 (line 6 on page 418 to line 2 on page 419).

To omit the item relating to section 185(1) and (2) of the Land Transport Act 1998 (line 5 on page 419), and substitute the following items:

Repeal section 185(1) and (2) and substitute:

“(1) The Authority is owned by the Crown.”

Repeal section 186(4) and (5), and substitute:

“(4) **Section 156 of the Public Finance (State Sector Management) Act 2003** applies in determining the terms and conditions of employment of the Director if he or she is also the chief executive of the Authority.”

To omit the items relating to sections 190 to 194 and 196 of the Land Transport Act 1998 (line 6 on page 419 to line 21 on page 421).

To omit the item relating to section 203 of the Land Transport Act 1998 (line 25 on page 421).

To omit the items relating to section 205 of the Land Transport Act 1998 (lines 26 to 28 on page 421).

To omit the item relating to section 206(1) of the Land Transport Act 1998 (line 34 on page 421).

To omit the item relating to section 206(4) of the Land Transport Act 1998 (lines 3 to 5 on page 422).

To omit the items relating to Schedule 1 of the Land Transport Act 1998 (lines 10 to 17 on page 422).

To omit from the item relating to the definition of **financial year** in section 5 of the Land Transport Management Act 2003 the words “Transfund or” (line 20 on page 422).

To insert, after the item relating to section 10(1) of the Land Transport Management Act 2003 (after line 3 on page 423), the following items:

Repeal section 10(4)(b) and substitute:

- “(b) any costs and expenses of the Authority that—
- “(i) arise out of the performance of its functions and duties and the exercise of its powers under this Act or any other Act; and
- “(ii) are up to a maximum amount that has been approved by the responsible Minister; and”.

Repeal section 21(1) and substitute:

- “(1) The Authority may approve funding for research, education, or training activities or activity classes up to a maximum amount that has been approved by the responsible Minister.”

To omit from the item relating to section 67 of the Land Transport Management Act 2003 the word “Transfund” in both places where it appears (lines 9 and 12 on page 423), and substitute in each case the words “the Authority”.
To omit the items relating to section 69 of the Land Transport Management Act 2003 (lines 14 to 17 on page 423), and substitute the following items:

Omit from section 69(1)(n) the words “information and”.

Omit from section 69(1)(p) the words “requests or directs” and substitute the words “directs in accordance with **section 153** of the **Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 84(1)(a) of the Land Transport Management Act 2003 the word “Transfund” (line 6 on page 424), and substitute the words “the Authority”.

To omit from the item relating to section 105 of the Land Transport Management Act 2003 the expression “section 69(1)(j)” (line 16 on page 424), and substitute the expression “section 69(1)(p)”.

To omit from the item relating to clause 16 of Schedule 4 of the Land Transport Management Act 2003 the word “Transfund” (line 4 on page 425), and substitute the words “the Authority”.

To insert, after the item relating to clause 27(1) and (2) of Schedule 4 of the Land Transport Management Act 2003 (after line 12 on page 425), the following item:

Repeal clause 27(3) of Schedule 4.

To insert, after the item relating to clause 11(a) of Schedule 5 of the Land Transport Management Act 2003 (after line 28 on page 425), the following item:

Repeal clause 12 of Schedule 5 and substitute:

“12 The maximum amount (level) of the Authority’s costs and expenses as approved under section 10(4)(b).

“12A The maximum amount of funding for research, education, or training activities or activity classes as approved under section 21(1).”

To omit from the item relating to clause 18 of Schedule 5 of the Land Transport Management Act 2003 the expression “section 69(1)(j)” (line 33 on page 425), and substitute the expression “section 69(1)(p)”.

To omit from *subsection (3)(b)* of the item relating to section 5 of the Law Commission Act 1985 the words “if relevant,” (line 31 on page 426).

To omit from the item relating to section 330(4) of the Maritime Transport Act 1994 the words “of investment” (line 5 on page 432), and substitute the words “to acquire securities”.

To omit from the item relating to section 332(4) of the Maritime Transport Act 1994 the words “the Public Finance Act 1989” (line 7 on page 432), and

substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit the item relating to section 332(4) of the Maritime Transport Act 1994 (lines 7 to 9 on page 432), and substitute the following item:

Omit from section 332(4) of the Maritime Transport Act 1994 the words “the Public Finance Act 1989” and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 5(3)(e) of the New Zealand Public Health and Disability Act 2000 the words “the **Public Finance (State Sector Management) Act 2003**” (lines 14 and 15 on page 441), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit the item relating to the definition of **statement of intent** in section 6(1) of the New Zealand Public Health and Disability Act 2000 (lines 5 to 7 on page 442), and substitute the following item:

Omit from the definition of **statement of intent** in section 6(1) the words “the Public Finance Act 1989” and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To insert in the heading of the item relating to *new section 21* of the New Zealand Public Health and Disability Act 2000, after the words “**Application of**” (line 2 on page 444), the words “**Parts 3 to 7 of**”.

To omit the item relating to section 23(1)(l) of the New Zealand Public Health and Disability Act 2000 (lines 38 to 40 on page 444), and substitute the following item:

Omit from section 23(1)(l) the words “Public Finance Act 1989” and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 28(5) of the New Zealand Public Health and Disability Act 2000 the words “investments in” (line 30 on page 445), and substitute the words “acquisition of”.

To omit from the item relating to section 29(1)(b) of the New Zealand Public Health and Disability Act 2000 the expression “**section 70**” (line 33 on page 445), and substitute the expression “**section 70(1)(a)**”.

To omit from the item relating to section 31(1A) of the New Zealand Public Health and Disability Act 2000 the words “the **Public Finance (State Sector Management) Act 2003**” (lines 12 and 13 on page 446), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 31(5) of the New Zealand Public Health and Disability Act 2000 the words “the **Public Finance (State Sector Management) Act 2003**” (line 15 on page 446), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to section 33(3) of the New Zealand Public Health and Disability Act 2000 the words “the **Public Finance (State Sector Management) Act 2003**” (line 36 on page 446), and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit the item relating to section 39(5) of the New Zealand Health and Disability Act 2000 (lines 3 to 4 on page 447), and substitute the following item:

Omit from section 39(5) the words “the Public Finance Act 1989” and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to the heading to section 42 of the New Zealand Public Health and Disability Act 2000 the words “**under the**” (line 11 on page 447), and substitute the words “**under Parts 3 to 7 of**”.

To omit from the item relating to section 44(1) of the New Zealand Public Health and Disability Act 2000 the expression “**sections 174(2)**” (line 3 on page 448), and substitute the expression “**sections 174**”.

To insert in the heading of the item relating to section 67 of the New Zealand Public Health and Disability Act 2000, after the word “**under**” (line 7 on page 451), the words “**Parts 3 to 7 of**”.

To omit from the item relating to section 90(2A) of the New Zealand Public Health and Disability Act 2000 the words “good faith, and with reasonable care” (line 8 on page 452), and substitute the words “good faith, or with reasonable care”.

To omit the item relating to section 92(1)(d) of the New Zealand Public Health and Disability Act 2000 (lines 23 to 25 on page 452), and substitute the following item:

Omit from section 92(1)(d) the words “the Public Finance Act 1989” and substitute the words “**Parts 3 to 7 of the Public Finance (State Sector Management) Act 2003**”.

To omit *subclause (1)(b)* from the item relating to clause 14 of Schedule 3 of the New Zealand Public Health and Disability Act 2000 (lines 7 to 10 on page 454), and substitute the following paragraph:

- “(b) by means of audio, audio and visual, or electronic communication, provided that—
 - “(i) all of the members who wish to participate in the meeting have access to the technology needed to participate in the meeting; and
 - “(ii) a quorum of members can simultaneously communicate with each other throughout the meeting.”

To omit from the item relating to *clause 46* of Schedule 3 of the New Zealand Public Health and Disability Act 2000 the words “investment in” (line 22 on page 455), and substitute the words “acquisition of”.

To omit *subclause (1)(b)* from the item relating to clause 16 of Schedule 4 of the New Zealand Public Health and Disability Act 2000 (lines 2 to 5 on page 456), and substitute the following paragraph:

- “(b) by means of audio, audio and visual, or electronic communication, provided that—

- “(i) all of the members who wish to participate in the meeting have access to the technology needed to participate in the meeting; and
- “(ii) a quorum of members can simultaneously communicate with each other throughout the meeting.”

To omit from *subsection (3)(b)* of the item relating to section 6 of the New Zealand Sports Drug Agency Act 1994 the words “if relevant,” (line 1 on page 458).

To omit from *subsection (1A)(b)* of the item relating to section 13 of the Privacy Act 1993 the words “if relevant,” (line 28 on page 468).

To insert in the heading of the item relating to *new section 7A* of the Public Trust Act 2001, after the words “**Application of**” (line 29 on page 470), the words “**Parts 3 to 7 of**”.

To omit from *new subsection (3A)* of the item relating to section 36 of the Public Trust Act 2001 the expression “**section 199(2)**” (line 29 on page 473), and substitute the expression “**section 199**”.

To omit the item relating to section 24(f) of the Sport and Recreation New Zealand Act 2002 (lines 29 to 31 on page 486), and substitute the following item:

Insert in section 24(e), after the word “committee”, the words “appointed under **clause 13 of Schedule 7** of the **Public Finance (State Sector Management) Act 2003**”.

To omit from the item relating to *new section 32* of the Sport and Recreation New Zealand Act 2002 the words “under **section 90(1)** of the **Public Finance (State Sector Management) Act 2003**” (lines 3 and 4 on page 487).

To insert, after the item relating to section 4(1)(c) of the Standards Act 1988 (after line 14 on page 488), the following item:

Repeal section 4(6).

To omit from the item relating to the heading to section 15 of the Telecommunications Act 2001 the words “**and the Public Finance (State Sector Management) Act 2003**” (lines 7 and 8 on page 492), and substitute the words “**and Parts 3 to 7 of Public Finance (State Sector Management) Act 2003**”.

To insert in the heading of the item relating to *new section 20* of the Television New Zealand Act 2003, after the words “**Application of**” (line 2 on page 493), the words “**Parts 3 to 7 of**”.

To omit from *subsection (3)(b)* of the item relating to section 8 of the Transport Accident Investigation Commission Act 1990 the words “if relevant,” (line 7 on page 497).

Schedule 9

To add to the item relating to the Ombudsmen Act 1975 (after line 3 on page 500) the following:

Omit from Part 2 of Schedule 1 the item “Quotable Value New Zealand Limited”, and substitute the item “Quotable Value Limited”.

Explanatory note

This Supplementary Order Paper sets out proposed amendments to the Public Finance (State Sector Management) Bill, some of which are substantive and others that are technical in character. The main substantive changes are described in the following table:

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Clause 2</i>	Recasts the commencement provisions.	The amendment provides for— <ul style="list-style-type: none"> • <i>clause 236A</i> to come into force on the day on which the Bill receives the Royal assent; and • the rest of the Bill to come into force on <i>25 January 2005</i>.
<i>Clause 6</i>	Inserts a definition of Budget in section 2(1) of the Public Finance Act 1989.	The amendment is consequential on proposed amendments to <i>clause 8: new sections 13(1), 26I, and 26O</i> and <i>clause 17: new section 39</i> .
<i>Clause 8: new section 13</i>	Recasts the requirement in <i>subsection (1)</i> as to when the Minister must present the Estimates to the House of Representatives. The amended provision now refers to the delivery of the Budget, rather than the introduction of the first Appropriation Bill.	Simplifies the formulation used for the timing of the presentation of the Estimates.
<i>Clause 8: new section 16</i>	Omits the requirement in <i>paragraph (b)</i> for Supplementary Estimates to be presented after the introduction of the Supplementary Appropriation Bill.	Corrects the procedure for the presentation of Supplementary Estimates to ensure consistency with the status quo.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Clause 8: new section 26I</i>	Recasts the requirement in <i>subsection (2)</i> as to when the Minister must present the fiscal strategy report to the House of Representatives. The amended provision now refers to the delivery of the Budget, rather than the introduction of the first Appropriation Bill.	Simplifies the formulation used for the timing of the presentation of the fiscal strategy report.
<i>Clause 8: new section 26O</i>	Recasts the requirement in <i>subsection (2)</i> as to when the Minister must present the economic and fiscal update to the House of Representatives. The amended provision now refers to the delivery of the Budget, rather than the introduction of the first Appropriation Bill.	Simplifies the formulation used for the timing of the presentation of the economic and fiscal update.
<i>Clause 17: new section 39</i>	Recasts the requirement in <i>subsection (1)</i> as to when the Minister must present the information on future operating intentions of departments (other than intelligence and security departments) to the House of Representatives. The amended provision now refers to the delivery of the Budget, rather than the introduction of the first Appropriation Bill.	Simplifies the formulation used for the timing of the presentation of the information on future operating intentions.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Clause 17: new section 65R</i>	Inserts a requirement that context must be taken into account before a reference to the Crown Bank Account in any other enactment is to be read as a reference to a Crown Bank Account opened, maintained, and operated under <i>new section 65R</i> .	Clarifies the application of <i>new section 65R</i> .
<i>New clause 26A</i>	Replaces references to the Crown Bank Account in section 83 of the Public Finance Act 1989 with references to a Crown Bank Account.	Ensures consistency with the amendments to the Public Finance Act 1989 relating to Crown Bank Accounts.
<i>Clause 29A</i>	Replaces the transitional provisions relating to the coming into force of the Bill.	<p><i>Clause 29A</i> is amended to allow the provisions of the Public Finance Act 1989 (as amended by the Bill) that relate to a financial year to apply either from the financial year commencing on <i>1 July 2005</i> or a later financial year specified by the Governor-General by Order in Council made on the recommendation of the Minister of Finance.</p> <p>The amendment is necessary to ensure that the application of those provisions (for example, the new appropriation rules) can be deferred to a later financial year if that is required to maintain the integrity of the preparation of the Budget.</p>

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Clause 29B</i>	Replaces the transitional provisions relating to the coming into force of the Bill.	The amendment to <i>clause 29B</i> is consequential to the amendment to <i>clause 29A</i> . The amendment provides for the reporting requirements and provisions that would have applied if the Bill had not been enacted to continue to apply either to the financial year ending on <i>30 June 2005</i> or a later financial year if an Order in Council is made under <i>clause 29A</i> .
<i>New clause 30A</i>	Inserts a provision that allows regulations to be made in respect of transitional and savings matters relating to the coming into force of the Bill.	Provides for transitional and savings matters to be dealt with by regulations. Any such regulations may be in addition to or in place of the provisions of <i>clauses 29A to 30</i> .
<i>Clause 61</i>	Omits the definition of natural person act .	The omitted definition is relocated in <i>clause 65</i> .
<i>Clause 62</i>	Recasts the wording of <i>paragraph (d)</i> .	Ensures consistency in wording between this clause and other clauses of the Bill (for example, <i>clause 64(3)</i>) that refer to an application for judicial review.
<i>Clause 65</i>	Relocates the definition of natural person act from <i>clause 61</i> to this clause.	Ensures that this clause (which is an interpretation clause) contains all of the definitions relevant to this part of the Bill.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Clause 160</i>	Adds a new <i>paragraph (c)</i> to <i>subclause (3)</i> .	Ensures consistency in wording between this clause and other clauses of the Bill (for example, <i>clause 64(3)</i>) that refer to an application for judicial review. The change is similar to the proposed change to <i>clause 62</i> .
<i>Clause 161</i>	Recasts the indemnity provision for members, office holders, and employees of statutory entities.	Clarifies that statutory entities have the power to give an indemnity to members, employees, and office holders, but only if the indemnity is in respect of excluded acts or omissions.
<i>Clause 176</i>	Recasts the coverage of the clause as to the persons who are treated as officials for the purposes of sections 105 (corruption and bribery of officials) and 105A (corrupt use of official information) of the Crimes Act 1961.	Excludes council members of tertiary education institutions from the coverage of the clause.
<i>New clause 177A</i>	Relates to the application of new financial reporting rules for Crown entities.	Provides that those rules apply from the 2006/07 financial year onwards.
<i>Clause 199</i>	Recasts the requirements in respect of the payment of money into bank accounts at banks outside New Zealand.	Provides that a Crown entity may pay money into a bank account at a bank outside New Zealand only if the Crown entity is authorised to do so by the Minister of Finance in writing or by regulations.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>New clause 199A</i>	Relates to the new acquisition of securities, borrowing, guarantees, indemnities, and derivatives rules for Crown entities.	Provides that those rules apply from 1 April 2005 onwards.
<i>Clause 201</i>	Recasts the restrictions relating to acquisition of securities.	Clarifies that the intent of this clause is to impose restrictions on the acquisition of securities for any purpose and not just for the purpose of investment (which is a narrower concept involving an element of earning a return).
<i>Clause 203</i>	Amends the clause that restricts the giving of guarantees and indemnities.	Expands the exception for members, office holders, committee members, and employees, so that it refers to the indemnity provisions that apply under other Acts, not just the indemnity provision that applies to statutory entities only under <i>clause 161</i> .
<i>Clauses 212 and 235</i>	Replace references to “investment” with references to “acquisition of securities”.	Makes a minor drafting change consequential on the proposed amendment to <i>clause 201</i> .
<i>Clauses 235AA to 235B</i>	Are transitional provisions.	Require Crown entities to comply with existing law until the new rules in respect of certain matters apply.

Provision(s) of Bill amended*Clause 235A***Nature of amendment**

Amends the transitional provision relating to reporting obligations.

Effect of amendment

Provides that *section 87(2)(ca)(iiia) and (iv)* of the Education Act 1989 applies in respect of the 2004 financial year and each subsequent financial year, despite the provisions of the clause. Therefore, school boards of trustees will be required to include in their annual reports for the financial year ending *31 December 2004*, and each year afterwards, the total remuneration paid to principals and the total value of any compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, or employees in relation to that cessation.

Also provides that *clause 192* applies in respect of the financial year commencing on *1 July 2005* and each subsequent year. Therefore, the annual reports of Crown entities must disclose payments in respect of members, office holders, committee members, and employees.

Provision(s) of Bill amended

New clause 236A

Nature of amendment

Relates to the Crown entity that is currently called the Electricity Commission. The new clause corrects an error in the commencement provision of the Gas Amendment Act 2004. The House of Representatives intended that an Order in Council could trigger the conversion of the Crown entity into one called the Energy Commission. Instead, as a result of an error, the Act refers to an Order in Council triggering the commencement of the subpart that provides for the co-regulation of the gas industry by an industry body and the Government.

Effect of amendment

The correction of the error restores the position as set out in the Electricity and Gas Industries Bill that passed its third reading in the House of Representatives. The effect is that the co-regulation subpart is treated as having been in force since the day after Royal assent, and the Energy Commission is not established.

Schedule 1

Replaces the reference to Asia 2000 Foundation of New Zealand with a reference to Asia New Zealand Foundation.

The amendment reflects a change in the name of Asia 2000 Foundation of New Zealand.

Replaces a reference to “investment” with a reference to “securities”.

The amendment is consequential on the proposed amendments to *clause 201*.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Schedule 2</i> : item relating to Environment Act 1986	Repeals section 34 of the Environment Act 1986.	Section 34 of the Environment Act 1986 requires the Ministry for the Environment to prepare annual reports. That requirement is to be replaced by the general requirement in <i>new section 43</i> of the Public Finance Act 1989 for the preparation of departmental annual reports and is, therefore, redundant.
<i>Schedule 2</i> : item relating to Forests Act 1949	Omits a reference to the Crown Bank Account in section 16(5) of the Forests Act 1949. Repeals section 68 of the Forests Act 1949.	Makes a minor drafting change. Section 68 of the Forests Act 1949 requires the chief executive of the Ministry of Agriculture and Forestry to prepare annual reports. That requirement is to be replaced by the general requirement in <i>new section 43</i> of the Public Finance Act 1989 for the preparation of departmental annual reports and is, therefore, redundant.
<i>Schedule 2</i> : item relating to Land Transport Management Act 2003	Amends the definition of national land transport fund in section 5 of the Land Transport Management Act 2003 and also amends section 8(1) of that Act.	Ensures consistency with the proposed amendments relating to Crown Bank Accounts.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
	<p>Replaces a reference to section 30 of the State Sector Act 1988 with a reference to <i>new section 43</i> of the Public Finance Act 1989.</p> <p>Section 30 of the State Sector Act 1988, which requires the preparation of departmental annual reports, is to be repealed and replaced by <i>new section 43</i> of the Public Finance Act 1989.</p>	<p>The amendment is consequential on the repeal of section 30 of the State Sector Act 1988.</p>
<p><i>Schedule 2</i>: item relating to Reserve Bank of New Zealand Act 1989</p>	<p>Amends sections 159 and 160 of the Reserve Bank of New Zealand Act 1989 by replacing references to “expenditure” with references to “operating expenses”.</p>	<p>The amendments are consequential on the amendments made by the Bill to the Reserve Bank of New Zealand Act 1989 in relation to the definition of notional surplus income.</p>
<p><i>Schedule 5</i>: item relating to Government Superannuation Fund Authority</p>	<p>Omits this item from <i>Part 1</i> of <i>Schedule 5</i> and reinserts it into <i>Part 2</i> of that schedule.</p>	<p>Reclassifies the Government Superannuation Fund Authority as an autonomous Crown entity.</p>
<p><i>Schedule 5</i>: Item relating to Land Transport Safety Authority of New Zealand</p>	<p>Replaces the name of the Land Transport Safety Authority of New Zealand with the name “Land Transport New Zealand”.</p>	<p>The amendment reflects a change in the name of Land Transport Safety Authority of New Zealand.</p>
<p><i>Schedule 5</i>: item relating to New Zealand Historic Places Trust (Pouhere Taonga)</p>	<p>Inserts a tick under the column headed Exception from section 205 (net surplus payable to Crown) alongside the name of the New Zealand Historic Places Trust.</p>	<p>Exempts the New Zealand Historic Places Trust from the application of <i>clause 205</i> (net surplus payable to Crown).</p>

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Schedule 5</i> : item relating to Transfund New Zealand	Omits the name “Transfund New Zealand” from Part 1 of this Schedule.	Removes Transfund New Zealand from the list of Crown agents. The Transport Legislation Bill provided that Transfund should be disestablished on 1 December 2004.
<i>Schedule 6B</i>	Omits the items relating to <i>sections 174(1) and (3)</i> (Minister’s power to request information) and <i>175</i> (reasons for refusing to supply information) from the list of provisions of <i>Part 3 to 7</i> that apply to tertiary education institutions.	Provides that <i>sections 174(1) and (3) and 175</i> do not apply to tertiary education institutions.
<i>Schedule 6B</i>	Omits the item relating to section 199 (bank accounts) from the list of provisions of <i>Parts 3 to 7</i> that apply to tertiary education institutions.	Provides that the requirements in section 199 about the payment of money into bank accounts do not apply to tertiary education institutions.
<i>Schedule 6B</i>	Omits the item relating to <i>section 210</i> (offences) from the list of provisions of <i>Parts 3 to 7</i> that apply to tertiary education institutions and substitutes new items.	Under the amendment, only <i>sections 210(1)(b) and (2)</i> will apply to tertiary education institutions, rather than the whole of <i>section 210</i> . Therefore, the offences that will apply to tertiary education institutions are those that relate to resisting or obstructing any person acting in the discharge of that person’s functions and to the making of any statement or declaration, or the giving of information, with knowledge that it is false or misleading.

Provision(s) of Bill amended	Nature of amendment	Effect of amendment
<i>Schedule 6B</i>	Omits the item relating to <i>section 212(1)(aa) and (f) and (j)</i> (regulations) from the list of provisions of <i>Parts 3 to 7</i> that apply to tertiary education institutions.	Provides that certain regulation-making powers (eg, the power to make regulations providing for the opening, operation, and maintenance of bank accounts by Crown entities) do not apply to tertiary education institutions.
<i>Schedule 8: item relating to Children's Commissioner Act 2003</i>	Amends section 27 of the Children's Commissioner Act 2003 (which deals with immunities and privileges).	Clarifies the interface between section 27 of the Children's Commissioner Act 2003 and the indemnities and insurance provisions in the Bill. The amendment provides that section 27 is an exception to <i>clause 160</i> (immunity from civil liability).
<i>Schedule 8: items relating to Civil Aviation Act 1990</i>	Amends various provisions to take account of the passage of the Transport Legislation Bill.	Aligns the Act as amended by the Transport Legislation Bill with the Act as to be amended by this Bill.
<i>Schedule 8: item relating to new section 203 of the Education Act 1989</i>	Replaces existing provision in the Bill requiring tertiary education institutions to invest in accordance with <i>section 65I(1) and (2)</i> of the Public Finance Act 1989.	Clarifies that tertiary education institutions must invest in the same manner that the Treasury invests public money under <i>section 65I(1) and (2)</i> of the Public Finance Act 1989.
<i>Schedule 8: items relating to Land Transport Act 1998 and Land Transport Management Act 2003</i>	Amends various provisions to take account of the passage of the Transport Legislation Bill.	Aligns the Acts as amended by the Transport Legislation Bill with the Acts as to be amended by this Bill.

