



## ANALYSIS

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1987, No. 200

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

*[18 December 1987]*

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

**1. Short Title and commencement**—(1) This Act may be cited as the Finance Act 1987.

(2) Sections 2 and 13 of this Act shall come into force on the 1st day of January 1988.

(3) Sections 8, 11, and 14 of this Act shall come into force on the 1st day of April 1988.

(4) Subject to subsections (2) and (3) of this section, this Act shall come into force on the day on which it receives the Governor-General's assent.

## PART I

## SUBSTANTIVE PROVISIONS

**2. Repeal of Building Performance Guarantee Corporation Act 1977**—(1) The following enactments are hereby repealed:

- (a) The Building Performance Guarantee Corporation Act 1977:
  - (b) So much of the Third Schedule to the State Services Act 1962 as relates to the Building Performance Guarantee Corporation of New Zealand established by section 3(1) of the Building Performance Guarantee Corporation Act 1977 (hereafter in this section referred to as the Guarantee Corporation):
  - (c) So much of the Third Schedule to the Flags, Emblems, and Names Protection Act 1981 as relates to the Building Performance Guarantee Corporation Act 1977 or the Guarantee Corporation:
  - (d) Subsections (3) (b) and (5) of section 24 of the Official Information Amendment Act 1987:
  - (e) So much of Part II of the First Schedule to the Ombudsmen Act 1975 as relates to the Guarantee Corporation.
- (2) The Building Performance Guarantee Corporation Commencement Order 1978 is hereby revoked.
- (3) The Guarantee Corporation is hereby abolished.
- (4) All rights, assets, liabilities, and debts that the Guarantee Corporation had immediately before the commencement of this section shall, on that commencement, be deemed to have become rights, assets, liabilities, and debts of the Housing Corporation of New Zealand (hereafter in this section referred to as the Housing Corporation); and the Housing Corporation shall have all the powers that are reasonably necessary or expedient to enable it to satisfy those liabilities.
- (5) Without limiting the generality of subsection (4) of this section, the Housing Corporation may, in its discretion, do anything in respect of any land, residential building, or other property, that it considers necessary or desirable to do to mitigate its liability or contingent liability under any indemnity given by the Guarantee Corporation under the Building Performance Guarantee Corporation Act 1977 or to satisfy or attempt to satisfy any claim made by any person in respect of any such indemnity.
- (6) Notwithstanding subsection (1) (a) of this section, Part IV of the Building Performance Guarantee Act 1977 shall apply to

claims made to the Housing Corporation in respect of indemnities given by the Guarantee Corporation under the Building Performance Guarantee Corporation Act 1977.

**3. Authorising Crown shareholding in Maori Development Corporation Limited—**(1) In this section, “the Corporation” means Maori Development Corporation Limited.

(2) The Ministers of Finance and Maori Affairs may from time to time—

(a) On behalf of Her Majesty the Queen, subscribe for or otherwise acquire shares in the Corporation:

(b) Either—

(i) By forgiving the Corporation money owed by the Corporation to Her Majesty; or

(ii) From the Consolidated Account or the Loans Account, out of money appropriated by Parliament for the purpose,—

pay for any such shares so acquired:

(c) On behalf of Her Majesty, exercise all or any of Her Majesty’s rights as the holder of any shares in the Corporation.

(3) The number of shares in the Corporation held by each Minister pursuant to subsection (2) of this section shall be the same.

**4. Exchange of shares between the Crown and Equiticorp Holdings Limited—**The Minister of Finance may,—

(a) On behalf of Her Majesty, acquire in exchange for the shares in New Zealand Steel Limited held on behalf of Her Majesty by the Minister of Trade and Industry any shares in Equiticorp Holdings Limited:

(b) Exercise any of Her Majesty’s rights or powers in respect of the shares acquired.

**5. Crown may dispose of certain shares by way of exchange —**(1) The Minister of Finance may,—

(a) On behalf of Her Majesty, acquire in exchange for any shares held by any Minister or Ministers of the Crown in—

(i) Air New Zealand Limited; or

(ii) DFC New Zealand Limited; or

(iii) Petroleum Corporation of New Zealand Limited,—

any shares in any other company:

(b) Exercise any of Her Majesty's rights or powers in respect of any shares so acquired.

(2) The Minister of Finance shall dispose of all shares acquired under the authority of subsection (1) of this section within 18 months of acquiring them.

**6. Petrocorp losses**—(1) For the purposes of this section,—  
“Petrocorp” means Petroleum Corporation of New Zealand Limited:

“Subsidiary” means any company that, at the close of the 31st day of March 1987 and the close of the 31st day of March 1988, was a member of a group of companies that included Petrocorp.

(2) Subsection (7) of section 188 of the Income Tax Act 1976 shall not apply for the purpose of determining the entitlement to carry forward under that section any loss incurred in the income year ending with the 31st day of March 1988 or in any earlier income year, and to deduct it from or set it off against the assessable income derived in any other income year (including the income year ending with the 31st day of March 1988),—

(a) Of Petrocorp; or

(b) If at the end of that other income year any subsidiary was a member of a group of companies that included Petrocorp, of that subsidiary.

(3) In calculating the assessable income derived in any income year by any company (not being Petrocorp, and not being a subsidiary that was, at the end of that income year, a member of a group of companies that included Petrocorp) under the Income Tax Act 1976, no deduction shall be made under subsection (5) or subsection (7) of section 191 of that Act in relation to any loss or part of any loss incurred by Petrocorp or any subsidiary in the income year ending with the 31st day of March 1988 or in any earlier income year.

(4) This section shall be interpreted as if it is part of the Income Tax Act 1976.

**7. Amendment to Public Finance Act 1977**—The Fifth Schedule to the Public Finance Act 1977 (as substituted by section 10 (1) of the Public Finance Amendment Act 1986 and amended by section 2 of the Public Finance Amendment Act 1987) is hereby amended by adding the following items:

|                                    |                              |   |
|------------------------------------|------------------------------|---|
| “Department of<br>Internal Affairs | Cleaning Service Fund        | Activities of the<br>Internal Affairs<br>Cleaning Service |
| “Valuation<br>Department           | Valuation Department<br>Fund | All activities of<br>Valuation<br>Department”             |

### **8. Amendment to Building Research Levy Act 1969—**

(1) This section shall be read together with and be deemed part of the Building Research Levy Act 1969.

(2) Paragraphs (a) and (b) of section 5 (4) of the Building Research Levy Act 1969 are hereby amended by omitting the expression “\$10,000” (as substituted by section 2 of the Building Research Levy Amendment Act 1982), and substituting, in each case, the expression “\$20,000”.

(3) The Building Research Levy Amendment Act 1982 is hereby consequentially repealed.

**9. State-owned enterprises—**(1) The Electricity Operators Act 1987 shall have effect as if, for the purposes of the term “existing works” in section 2 of that Act, Electricity Corporation of New Zealand Limited owns the assets used by the Corporation pursuant to the deed dated the 31st day of March 1987 between—

(a) The Minister of Finance and the Minister of Energy, being the Minister responsible for the Corporation, acting on behalf of Her Majesty the Queen in right of New Zealand; and

(b) The Corporation.

(2) Sections 3 (4), 6 (1), 7 (1), 12, and 20 of the Telecommunications Act 1987 shall have effect as if Telecom Corporation of New Zealand Limited owns the assets used by the Corporation pursuant to the deed dated the 31st day of March 1987 between—

(a) The Minister of Finance and the Minister responsible for the Corporation acting on behalf of Her Majesty the Queen in right of New Zealand; and

(b) The Corporation.

(3) Section 6 of the Postal Services Act 1987 shall have effect as if, before the words “the Corporation”, there were inserted the words “the Crown or”.

**10. Interim provisions relating to appeals to Social Security Appeal Authority against decisions made pursuant to delegation, etc.—**(1) If any person—

- (a) Has the right, pursuant to section 10A of the Social Security Act 1964 (as inserted by section 4 of the Social Security Amendment Act 1987), to apply for a review of a decision made pursuant to a delegation; and
- (b) Is unable to exercise that right because the appropriate district review committee has not been established pursuant to the said section 10A—

that person shall, notwithstanding the provisions of section 12J (3) of the Social Security Act 1964 (as substituted by section 7 of the Social Security Amendment Act 1987), have the right to appeal against that decision to the Social Security Appeal Authority; and that Appeal Authority shall have jurisdiction to hear and determine the appeal as if the decision appealed against had been made by the Director-General of Social Welfare.

(2) For the purposes of any appeal brought pursuant to subsection (1) of this section—

- (a) References in sections 12J (2), 12K, 12M, 12O, and 12P of the Social Security Act 1964 to the Director-General of Social Welfare shall be read as references to the person who made the decision being appealed against; and
- (b) The decision being appealed against shall be deemed to have been made on the date of commencement of this section or on the date on which it was made, whichever is later.

(3) For the purposes of section 12J (1) of the Social Security Act 1964, every decision of a district review committee pursuant to section 10A of the Social Security Act 1964 shall be deemed to be a decision of the Director-General of Social Welfare; and, for the purposes of any appeal to the Social Security Appeal Authority against any such decision of a review committee, references in sections 12J (2), 12K, 12M, 12O, and 12P of the Social Security Act 1964 to the Director-General of Social Welfare shall be read as references to the district review committee.

### **11. Amendment to State-Owned Enterprises Act 1986—**

(1) The First and Second Schedules to the State-Owned Enterprises Act 1986 are hereby amended by inserting, in its appropriate alphabetical order, the item “Government Computing Service Limited”.

(2) Part II of the First Schedule to the Ombudsmen Act 1975 is hereby consequentially amended by inserting, in its

appropriate alphabetical order, the item "Government Computing Service Limited".

(3) The Fourteenth Schedule to the Income Tax Act 1976 (as substituted by section 23 (1) of the State Services Conditions of Employment Amendment Act 1987) is hereby consequentially amended by inserting, in its appropriate alphabetical order, the item "Government Computing Service Limited".

(4) The Fifth Schedule to the Public Finance Act 1977 (as substituted by section 10 of the Public Finance Amendment Act 1986) is hereby consequentially amended by omitting the item relating to the Government Computing Service.

(5) The First Schedule to the Official Information Act 1982 is hereby consequentially amended by inserting, in its appropriate alphabetical order, the item "Government Computing Service Limited".

(6) The First Schedule to the State Services Conditions of Employment Amendment Act 1987 is hereby consequentially amended by inserting, in its appropriate alphabetical order, the item "Government Computing Service Limited".

## PART II

### VALIDATIONS AND REPEALS

**12. Air New Zealand Limited**—So much of the First Schedule to the State-Owned Enterprises Act 1986 as relates to Air New Zealand Limited is hereby repealed.

**13. Repeal of Liquid Fuels Trust Act 1978**—(1) The following enactments are hereby repealed:

(a) The Liquid Fuels Trust Act 1978:

(b) Section 22 (4) of the Customs Acts Amendment Act 1982:

(c) So much of the Third Schedule to the Official Information Act 1982 as relates to the Liquid Fuels Trust Act 1978.

(2) The Liquid Fuels Trust Board established by section 3 (1) of the Liquid Fuels Trust Act 1978 is hereby abolished.

(3) Every contract of employment or contract for services between any person and the said Board (not being a contract that has, before the commencement of this section, been assigned by the Board to some other person) is hereby dissolved.

(4) Subject to subsection (3) of this section, all rights, assets, liabilities, and debts that the Board had immediately before the commencement of this section shall, on that commencement, be deemed to have become rights, assets, liabilities, and debts of the Minister of Energy.

(5) The First Schedule to the Official Information Act 1982 is hereby consequentially amended by omitting the item "Liquid Fuels Trust Board".

**14. Repeal of National Housing Commission Act 1972**—(1) The following enactments are hereby repealed:

- (a) The National Housing Commission Act 1972;
- (b) So much of the First Schedule to the Housing Corporation Act 1974 as relates to the National Housing Commission Act 1972;
- (c) The National Housing Commission Amendment Act 1977;
- (d) So much of the First Schedule to the Official Information Act 1982 as relates to the National Housing Commission established under the National Housing Commission Act 1972 (hereafter in this section referred to as the Commission);
- (e) The National Housing Commission Amendment Act 1986.

(2) The Commission is hereby abolished.

(3) All rights, assets, liabilities, and debts that the Commission had immediately before the commencement of this section shall, on that commencement, be deemed to have become rights, assets, liabilities, and debts of the Housing Corporation of New Zealand.

**15. Tokelau 1983 Souvenir \$5 coin**—(1) The making and issue of the coin to which this section relates is hereby validated and deemed to have been lawful; and it is hereby deemed to have been since its issue, and to continue to be, legal tender in Tokelau only.

(2) The coin to which this section relates—

- (a) Is known as the Tokelau 1983 Souvenir Five Dollar coin; and
- (b) Has for the obverse impression, the effigy of Her Majesty the Queen, with a border pattern around the periphery consisting of 18 groups of 3 dots (each group representing the 3 atolls of Tokelau), and the words "TOKELAU 1983" appearing between the border pattern and the top of the effigy; and
- (c) Has for the reverse impression, the bole of a coconut tree used as a rainwater collector, with the effigies of a Tokelauan man in the foreground to the right of the tree drinking from a half coconut and a Tokelauan woman to the left of the tree bathing with the use of the rainwater poured from a half coconut, the



expression “\$5” above the effigy of the man, and the words “LIMA TALA” within the periphery of the bottom of the coin; and

(d) Has graining on the edge.

(3) Except as provided in subsection (2) of this section, the provisions of the Coinage Regulations 1967 relating to the one dollar coin apply to the coin to which this section relates.

**16. Validating unlawful borrowing by New Zealand Kiwifruit Authority**—The actions of the New Zealand Kiwifruit Authority in borrowing on overdraft without the prior consent in writing of the Minister of Finance (as required by section 10 (3) of the Primary Products Marketing Act 1953),—

(a) Between the 8th day of May 1987 and the 21st day of May 1987, sums amounting to \$1,045,936.34 in the aggregate; and

(b) Between the 22nd day of May 1987 and the 8th day of June 1987, sums amounting to \$1,992,461.39 in the aggregate; and

(c) Between the 9th day of June 1987 and the 16th day of June 1987, sums amounting to \$265,103.49 in the aggregate,—

are hereby validated and deemed to have been lawful.

**17. Validating unlawful loan by Agricultural Pests Destruction Council**—The actions of the Agricultural Pests Destruction Council in lending \$20,000 to Ian Robert Logan and Patricia Carol Logan, both of Wanganui, on the 14th day of March 1986 are hereby validated and deemed to have been lawful.

**18. Validating unlawful collection of coal research levy association levy**—(1) Notwithstanding that section 249 (1) of the Coal Mines Act 1976 empowers the declaration of only a single rate of coal research association levy,—

(a) There shall be deemed to have been declared for the purposes of the said section 249 (1), by Order in Council commencing on the 1st day of October 1981 and revoked on the 1st day of July 1986,—

(i) The amount of 20 cents per tonne of marketable lignite; and

(ii) The amount of 25 cents per tonne of all other marketable coal (other than peat mined for horticultural purposes),—  
raised from any coal mine:

(b) There shall be deemed to have been declared for the purposes of the said section 249 (1), by Order in Council commencing on the 1st day of July 1986 and revoked on the 1st day of January 1988,—

(i) The amount of 24 cents per tonne of marketable lignite; and

(ii) The amount of 30 cents per tonne of all other marketable coal as aforesaid,—  
raised from any coal mine:

(c) The coal research association levy shall be deemed to have been and continue to be payable and collectable accordingly.

(2) The Coal Mines (Coal Research Association Levy) Order 1981 purported to have been made on the 7th day of September 1981 is hereby deemed never to have been made.

**19. Repeals and savings**—(1) The enactments specified in the Schedule to this Act are hereby repealed.

(2) The repeal by subsection (1) of this section of the Westport Coal Company Act 1948 and the Taupiri and Renown Coal Companies Act 1950 shall not affect anything effected by either of those Acts.

(3) The repeal by subsection (1) of this section of Part III of the Finance Act 1986 shall not affect the validity of anything validated by that Part.

**20. Repeal of spent provincial enactments**—(1) The following enactments of the Provincial District of Otago are hereby repealed:

(a) The Lawrence Reserves Management Ordinance Amendment Ordinance 1873 (1873, Session 32, No. 391):

(b) The Invercargill Racecourse Reserve Management Ordinance 1873 (1873, Session 32, No. 409):

(c) The Dunedin City Council Borrowing Powers Extension Ordinance 1874 (1874, Session 33, No. 434):

(d) The Invercargill Borrowing Powers Extension Ordinance 1875 (1875, Session 34, No. 477).

(2) The City of Auckland Loan Empowering Act 1874 (1874, Session 29, No. 20, of the Provincial District of Auckland) is hereby repealed.

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## Section 19 (1)

## SCHEDULE

## ENACTMENTS REPEALED

- 1909, No. 1—The Finance Act 1909.
- 1909, No. 3—The Aid to Public Works and Land Settlement Act 1909.
- 1910, No. 14—The Aid to Public Works and Land Settlement Act 1910.
- 1910, No. 33—The Contagious Diseases Act Repeal Act 1910.
- 1910, No. 42—The Taranaki Scholarships Endowment Act 1910.
- 1911, No. 15—The Aid to Public Works and Land Settlement Act 1911.
- 1911, No. 27—The Representation Commissions' Reports Validation Act 1911.
- 1911, No. 3—The Dentists Amendment Act 1911.
- 1912, No. 30—The Aid to Public Works and Land Settlement Act 1912.
- 1913, No. 8—The Irrigation and Water-supply Act 1913.
- 1913, No. 14—The Aid to Public Works and Land Settlement Act 1913.
- 1913, No. 21—The Local Authorities Indemnity Act 1913.
- 1914, No. 10—The Civil Service Officers' Guarantee Repeal Act 1914.
- 1914, No. 37—The Railways Improvement Authorization Act 1914.
- 1914, No. 44—The Aid to Public Works and Land Settlement Act 1914.
- 1914, No. 71—The War Contributions Validation Act 1914. (No. 2).
- 1915, No. 3—The Public Expenditure Validation Act 1915.
- 1915, No. 4—The Public Revenues Amendment Act 1915.
- 1915, No. 5—The War Regulations Amendment Act 1915.
- 1915, No. 21—The Public Revenues Amendment Act 1915 (No. 2).
- 1915, No. 79—The Railways Improvement Authorization Act 1915.
- 1917, No. 4—The War Purposes Act 1917.
- 1917, No. 18—The War Purposes Loan Act 1917.
- 1917, No. 21—The War Legislation Act 1917.
- 1919, No. 2—The Discharged Soldiers Settlement Loan Act 1919.
- 1919, No. 6—The Public Trust Office Amendment Act 1919.
- 1919, No. 33—The Electric-power Works Loan Act 1919.
- 1920, No. 12—The Statutes Repeal and Expiring Laws Amendment and Continuance Act 1920.
- 1920, No. 30—The Discharged Soldiers Settlement Loans Act 1920.
- 1921, No. 1—The Mortgages Extension Amendment Act 1921.
- 1921, No. 2—The Statutes Repeal and Expiring Laws Continuance Act 1921.
- 1921, No. 22—The Aid to Public Works and Land Settlement Act 1921.
- 1921, No. 32—The Statutes Repeal and Expiring Laws Continuance Act 1921 (No. 2).
- 1921–22, No. 45—The Public Expenditure Adjustment Act 1921–22.
- 1921–22, No. 47—The Loan Companies Act 1921–22.
- 1921–22, No. 50—The Companies Temporary Empowering Act 1921–22.
- 1921–22, No. 67—The Expiring Laws Continuance Act 1921–22.
- 1922, No. 30—The Harbours Amendment Act 1922.
- 1922, No. 38—The Aid to Public Works and Land Settlement Act 1922.
- 1923, No. 30—The Companies Special Empowering Act 1923.
- 1923, No. 33—The West Coast Settlement Reserves Amendment Act 1923.
- 1926, No. 2—The Local Authorities Empowering (Relief of Unemployment) Act 1926.

SCHEDULE—*continued*ENACTMENTS REPEALED—*continued*

- 1926, No. 36—The Rent Restriction Act 1926.  
1926, No. 44—The Dentists Amendment Act 1926.  
1927, No. 14—The Summer Time Act 1927.  
1927, No. 72—The Rent Restriction Continuance Act 1927.  
1928, No. 2—The Rent Restriction Continuance Act 1928.  
1928, No. 42—The Summer Time Act 1928.  
1928, No. 47—The Copyright (Temporary) Amendment Act 1928.  
1930, No. 4—The Rent Restriction Act 1930.  
1931, No. 2—The Immigration Restriction Amendment Act 1931.  
1932, No. 5—The Local Elections and Polls Amendment Act 1932.  
1932–33, No. 37—The New Zealand Debt Conversion Act 1932–33.  
1935, No. 14—The Rent Restriction Act 1935.  
1945, No. 3—The Judicature Amendment Act 1945.  
1947, No. 22—The Judicature Amendment Act 1947.  
1948, No. 7—The Auckland Harbour Bridge Repeal Act 1948.  
1948, No. 9—The Westport Coal Company Act 1948.  
1950, No. 38—The Taupiri and Renown Coal Companies Act 1950.  
1950, No. 69—The Waterfront Royal Commission Act 1950.  
1950, No. 93—The Finance Act 1950.  
1976, No. 94—The Insolvency Amendment Act 1976.  
1984, No. 21—The Finance Act 1984.  
1985, No. 158—The Agriculture (Emergency Regulations Confirmation)  
Act (No. 2) 1985.  
1986, No. 134—The Finance Act 1986: Part III and the Schedule.

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This Act is administered in the Treasury.

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