



ANALYSIS

<p>Title</p> <p>1. Short Title and commencement</p> <p>2. New Zealand Fire Service Commission</p> <p>3. Income of Commission</p> <p>4. Levy</p>	<p>5. Borrowing powers</p> <p>6. Crown's contribution to Commission's income for financial year ending with 30 June 1998</p>
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1998, No. 13

An Act to amend the Fire Service Act 1975

[3 April 1998]

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

1. Short Title and commencement—(1) This Act may be cited as the Fire Service Amendment Act 1998, and is part of the Fire Service Act 1975 (“the principal Act”).

(2) This Act (except section 6) comes into force on 1 July 1998.

2. New Zealand Fire Service Commission—

(1) Section 4 (7) of the principal Act is amended by omitting the words “the Local Authorities Loans Act 1956,”.

(2) Section 5 of the principal Act is amended by repealing subsections (10) to (12).

(3) Section 62 (2) of the principal Act is consequentially amended by omitting the words “, unless the provisions of section 104 of the Local Authorities Loans Act 1956 otherwise apply,”.

3. Income of Commission—(1) The principal Act is amended by repealing sections 47 and 47A, and substituting the following section:

“47. (1) In each financial year there must be paid to the Commission such income from the proceeds of the levy (other

than the portion of the proceeds required for the Rural Fire Fighting Fund) as is required to meet the actual net expenditure of the Commission.

“(2) Where in any financial year the levy income of the Commission under this section exceeds the actual net expenditure of the Commission, that excess is to be deemed to be an advance in the payment of the levy and is to be taken into account when the rate of the levy is next reviewed.

“(3) Where in any financial year the levy income of the Commission under this section is less than the actual net expenditure of the Commission, that shortfall is to be deemed to be a shortfall in the payment of the levy and must be taken into account when the rate of the levy is next reviewed.

“(4) The uncommitted surplus (if any) or the amount of the deficit (if any) of the Commission for any financial year must be taken into account in calculating the income and expenditure of the Commission for the next succeeding year.

“(5) For the purposes of this section, the amount of any financial surplus or deficit of the Commission at the end of the financial year is not to take into account any money contained in the Rural Fire Fighting Fund and any money required to be paid into that Fund.

“(6) For the purposes of this section, ‘actual net expenditure’ means that portion of the Commission’s expenditure to be funded from income in any financial year which is not funded from the proceeds of income earned by the Commission.”

(2) Section 461 of the principal Act is consequentially amended by omitting the expression “section 47 (2) (b)”, and substituting the expression “section 47 (1)”.

(3) The following enactments are consequentially repealed:

(a) Section 6 of the Fire Service Amendment Act 1986:

(b) Sections 32 (1) and 33 (1) of the Fire Service Amendment Act 1990:

(c) Section 3 (2) of the Fire Service Amendment Act 1994.

4. Levy—(1) Section 48 (4) (b) of the principal Act is amended by repealing subparagraph (ii), and substituting the following subparagraph:

“(ii) The actual net expenditure that, in the case of the Commission, is required to be met by way of the proceeds of levy in terms of section 47:”.

(2) Section 48 (5) of the principal Act is amended by omitting the expression “section 47 (6)”, and substituting the expression “section 47 (3)”.

5. Borrowing powers—The principal Act is amended by repealing section 59, and substituting the following section:

“59. (1) The Commission may from time to time borrow money from any person or persons by way of mortgage, debentures, bonds, or otherwise, and may mortgage or charge any of its real or personal property, whether present or future, as security therefor.

“(2) The Commission may, in anticipation of its levy income, from time to time borrow money from its bankers by way of overdraft or other short term credit facility, for the purpose of covering any shortfall in the funding of its net expenditure, and may mortgage or charge any of its property as security therefor, and may from time to time prescribe the upper limit or limits within which money may be borrowed on its behalf.

“(3) The Commission, in borrowing money under subsection (1) or subsection (2), is to operate in a financially responsible manner with the object of ensuring that the Commission complies with the principles of good financial management and maintains the financial viability of the Commission.”

6. Crown’s contribution to Commission’s income for financial year ending with 30 June 1998—

(1) Notwithstanding anything in sections 47 and 47A of the principal Act, in relation to the financial year ending with 30 June 1998,—

(a) The amount payable to the Commission under section 47 (2) (a) of the principal Act as the Crown’s contribution to the Commission’s income for that financial year must not exceed \$14,058,000 (inclusive of GST); and

(b) The proceeds of the levy (other than the portion of the proceeds required for the Rural Fire Fighting Fund) payable to the Commission under section 47 (2) (b) of the principal Act are to meet the balance of the actual net expenditure of the Commission for that financial year and those proceeds may exceed 92% of the actual net expenditure of the Commission.

(2) If, in the financial year ending with 30 June 1998, the income of the Commission under section 47 (2) of the principal Act, as modified by subsection (1) of this section, exceeds the actual net expenditure of the Commission for that financial year, that excess is to be deemed to be an advance in the payment of the levy and is to be taken into account when the

rate of the levy is reviewed in the year ending with 31 December 1998.

(3) This section comes into force on the date on which this Act receives the Royal assent.

This Act is administered in the Department of Internal Affairs.
