

## PHOSPHATE COMMISSION OF NEW ZEALAND AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill amends the Phosphate Commission of New Zealand Act 1981.

*Clause 1* relates to the Short Title.

*Clause 2* substitutes a new section 12 in the principal Act providing for the disposal and investment of the surplus funds of the Commission.

The new section authorises the Commission, at the direction of the Minister, to pay into the Consolidated Account the whole or any part of any surplus funds held by the Commission, and any surplus funds not so paid may be invested by the Commission in trustee securities or as authorised by the Minister of Finance. In either case the Commission is required to maintain reserves.

In the event that the Commission is required to meet any liabilities that exceed the funds available to the Commission, and the Commission has paid any amounts into the Consolidated Account as directed by the Minister, there shall be repaid to the Commission the lesser of—

- (a) The amount of that excess of those liabilities over those funds:
- (b) The aggregate amount paid into the Consolidated Account on the direction of the Minister, less any other amounts previously paid out of the Consolidated Account to the Commission under that section.

The Commission is to include in its annual financial statement any sums directed to be paid into the Consolidated Account under this new section 12.

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No. 86—1

Price \$1.50  
incl. GST \$1.65

*Hon. Colin Moyle*

**PHOSPHATE COMMISSION OF NEW ZEALAND  
AMENDMENT**

ANALYSIS

Title 1. Short Title	2. Disposal and investment of surplus funds
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A BILL INTITULED

**An Act to amend the Phosphate Commission of New  
Zealand Act 1981**

BE IT ENACTED by the General Assembly of New Zealand in  
5 Parliament assembled, and by the authority of the same, as  
follows:

**1. Short Title**—This Act may be cited as the Phosphate  
Commission of New Zealand Amendment Act 1986, and shall  
be read together with and deemed part of the Phosphate  
10 Commission of New Zealand Act 1981\* (hereinafter referred to  
as the principal Act).

**2. Disposal and investment of surplus funds**—(1) The  
principal Act is hereby amended by repealing section 12, and  
substituting the following section:

15 “12. (1) The Commission shall, as soon as practicable after—  
“(a) The 30th day of June in every year; and  
“(b) The date of any request in that regard made by the  
Minister,—

furnish the Minister with a statement of the amount of any  
20 surplus funds as at that date.

“(2) Where the Commission at any time advises the Minister  
that it has any surplus funds the Minister may, subject to

\*1981, No. 55

Amendment: 1982, No. 93

**subsection (4)** of this section, direct the Commission to pay the whole or any part of such surplus funds into the Consolidated Account.

“(3) Where the Commission at any time has any surplus funds with respect to which—

“(a) It has advised the Minister that such surplus funds exist; and

“(b) The Minister has not directed that such surplus funds be paid into the Consolidated Account,—

the Commission may, subject to **subsection (4)** of this section, invest those funds (for such period as the Minister may approve) in any manner authorised by the Trustee Act 1956 or any other Act providing for the investment of trust funds, or in such other securities and in such manner as the Minister of Finance may for the time being authorise.

“(4) Both the Minister and the Commission in exercising their powers with respect to any surplus funds under this section shall have regard to the need to provide for such reserves as the Minister or the Commission, as the case may be, thinks desirable.

“(5) In the event that the Commission is required to meet any liabilities that exceed the funds available to the Commission to meet the liabilities, and the Commission has paid any funds into the Consolidated Account on the direction of the Minister pursuant to **subsection (2)** of this section, there shall be paid to the Commission out of the Consolidated Account, without further appropriation than this section, the lesser of—

“(a) The amount of that excess of those liabilities over those funds:

“(b) The aggregate amount paid into the Consolidated Account pursuant to **subsection (2)** of this section, less any other amounts paid out of the Consolidated Account under this subsection.”

(2) Section 15 (1) of the principal Act is hereby consequentially amended by inserting, after the words “changes in financial position,”, the words “sums directed to be paid into the Consolidated Account under **section 12 (2)** of this Act”.