

## PUBLIC FINANCE AMENDMENT BILL (NO. 3)

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### EXPLANATORY NOTE

THIS Bill amends the Public Finance Act 1989.

The primary purpose of this Bill is to give effect to the Government's response to the recommendations contained in the *Report of the Finance and Expenditure Committee On the Inquiry into Reporting By The Crown And Its Sub-Entities to the House of Representatives* (I. 4A).

In addition, the Bill—

- (a) Does away with the obligation to have the half-yearly financial statements of the Crown audited and tabled:
- (b) Does away with the obligation of departments to prepare and table half-yearly financial statements:
- (c) Replaces the term "Crown agency" with the term "Crown-owned entity":
- (d) Effects other amendments.

#### *Crown-owned Entities*

The term Crown-owned entity is used, in accordance with the recommendation of the Finance and Expenditure Committee, to describe entities which are owned by the Crown but which are not departments of State, Offices of Parliament, or State enterprises.

The Crown-owned entities in which the Crown has both a purchase interest and an ownership interest are listed in the new *Third Schedule* to the principal Act (which is set out in the *First Schedule* to the Bill). These Crown-owned entities will be required to report in accordance with the existing Part V of the principal Act.

The Crown-owned entities in which the Crown has solely or primarily an ownership interest are listed in the new *Fourth Schedule* to the principal Act (which is set out in the *First Schedule* to the Bill). These Crown-owned entities will be required to report in accordance with new provisions being inserted into Part V of the principal Act. These new provisions are based on the provisions included in the Crown Research Institutes Act 1992 and the Housing Restructuring Bill.

#### *Special Provisions in Relation to Schools*

The Boards of Trustees of about 2 700 schools will be Crown-owned entities. The Minister of Education will not be required to lay before the House of

Representatives the annual financial statements of such Boards of Trustees. That Minister will however be required to lay before the House of Representatives a combined report on the schools' sector.

*Balance Date*

The financial year of Crown-owned entities will, with very few exceptions, end on 30 June. The major exception will be Crown-owned entities in the education sector. The financial year of such entities will end on 31 December.

*Transition Period*

The reporting period to 30 June 1993 will be used as the transition period and some Crown-owned entities will report on a period greater than 12 months. For example, if their current balance date is 31 March, their next set of financial statements will be for the 15 months ended 30 June 1993.

*Amendments relating to Crown reporting*

Beginning with the financial year commencing on 1 July 1992, the financial statements of the Crown will include all departments, Offices of Parliament, Crown-owned entities, and State enterprises, together with the Reserve Bank of New Zealand and the Bank of New Zealand.

*Amendments relating to reporting on output purchases*

The Finance and Expenditure Committee recommended that Ministers table in the House of Representatives reports on purchases made from entities not owned by the Crown through Payments on Behalf of the Crown (POBOCs) appropriations for the supply of outputs above a threshold amount (initially \$1 million). The Bill implements that recommendation.

*Amendments arising from Standing Orders Committee report*

In 1991 the Standing Orders Committee made two recommendations relating to the appropriation process. That Committee recommended that—

- (a) Orders in Council made in any financial year under section 5 of the principal Act and effecting a transfer of resources between classes of outputs be confirmed in an Appropriation Act in the next financial year; and
- (b) Estimates be not required for Appropriation Acts relating solely to previous financial years.

The Bill implements both recommendations.

*Other Amendments*

Other amendments—

- (a) Omit the references to “benefits and grants”, and substitute references to “Payments on behalf of the Crown” (which has the effect of aligning the principal Act with the Estimates classification);
- (b) Require appropriations for payments on behalf of the Crown for outputs to be by output classes rather than by supplier (which amendments will not come into force until either the 1993/1994 or the 1994/1995 Estimates but will have the effect of requiring those output classes to be defined);
- (c) Clarify the interpretation of section 10 (expenditure of trading revenue), section 11 (expenditure on capital assets), and section 12 (unappropriated expenditure and expenses);
- (d) Establish a separate category of appropriation for expenses not appropriated to outputs in the period, e.g., restructuring costs;
- (e) Effect a related amendment to section 22 of the Constitution Act 1986:

- (f) Repeal section 32 and thus do away with the requirement for monthly cash flow statements:
  - (g) Amend the guarantee provisions (section 59) to bring them into line with generally accepted accounting practice and restrict the authority to issue guarantees to the Minister of Finance.
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## A BILL INTITULED

**An Act to amend the Public Finance Act 1989**

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

**1. Short Title and commencement**—(1) This Act may be cited as the Public Finance Amendment Act (No. 3) 1992, and shall be read together with and deemed part of the Public Finance Act 1989\* (hereinafter referred to as the principal Act). 5

(2) Except as provided in sections 3 (26) and 23 (2) of this Act, this Act shall come into force on the day on which it receives the Royal assent. 10

**2. Title amended**—The Title to the principal Act is hereby amended by omitting from paragraph (c), and also from paragraph (d), the words “Crown agencies”, and substituting in each case the words “Crown-owned entities”.

**3. Interpretation**—(1) Section 2 (1) of the principal Act is hereby amended by omitting from the definition of the term “annual financial statements of the Crown” the word “consolidated”. 15

\*1989, No. 44

Amendments: 1991, No. 6; 1991, No. 99

(2) The said section 2(1) is hereby further amended by repealing paragraph (b) of the definition of the term “Chief Executive”, and substituting the following definition:

5 “(b) In the case of a Crown-owned entity, the chief executive officer of the Crown-owned entity:”.

(3) The said section 2(1) is hereby further amended by inserting, after the definition of the term “commitment”, the following definition:

10 “‘Company’ means a company formed and registered under the Companies Act 1955, or an existing company within the meaning of that Act:”.

(4) The said section 2(1) is hereby further amended by repealing the definition of the term “contingent liability”, and substituting the following definition:

15 “‘Contingent liability’, in relation to any person,—

“(a) Means a liability that, by reason of something done by a person, will necessarily arise or come into being in relation to that person if one or more certain events occur or do not occur; but

20 “(b) Does not include a liability which may, by reason of any general or unspecified risk or condition, become a liability of the person and which, in accordance with generally accepted accounting practice, is not required to be reported in financial statements:”.

(5) The said section 2(1) is hereby further amended by repealing the definition of the term “Crown agency”.

(6) The said section 2(1) is hereby further amended by inserting, after the definition of the term “Crown Bank Account”, the following definition:

30 “‘Crown-owned entity’ means a body or statutory officer named in the **Third Schedule** or the **Fourth Schedule** to this Act; and, where any such body is a company, includes any subsidiary of that body:”.

35 (7) The said section 2(1) is hereby further amended by omitting from the definition of the term “Estimates” the word “costs”, and substituting the word “expenses”.

(8) The said section 2(1) is hereby further amended by inserting, after the definition of the term “Estimates”, the following definition:

40 “‘Expenses’—

“(a) Means any expenses incurred by a department or an Office of Parliament in a financial year (being expenses measured in accrual accounting terms); and

45 “(b) Includes cost:”.

(9) The said section 2 (1) is hereby further amended by repealing the definition of the term “grant”.

(10) The said section 2 (1) is hereby further amended by omitting from paragraph (a) of the definition of the term “Mode A” the words “or a programme”.

(11) The said section 2 (1) is hereby further amended by repealing paragraph (c) of the definition of the term “Mode A”, and substituting the following paragraph:

“(c) In the case of payments on behalf of the Crown, an appropriation of public money for the making of such payments:”.

(12) The said section 2 (1) is hereby further amended by inserting, after paragraph (a) of the definition of the term “Mode B”, the following paragraph:

“(aa) In the case of other expenses, an appropriation for the expenses to be incurred in meeting other expenses:”.

(13) The said section 2 (1) is hereby further amended by repealing paragraph (c) of the definition of the term “Mode B”, and substituting the following paragraph:

“(c) In the case of payments on behalf of the Crown, an appropriation of public money for the making of such payments:”.

(14) The said section 2 (1) is hereby further amended by inserting, after paragraph (a) of the definition of the term “Mode C”, the following paragraph:

“(aa) In the case of other expenses, an appropriation for the expenses to be incurred in meeting other expenses:”.

(15) The said section 2 (1) is hereby further amended by repealing paragraph (c) of the definition of the term “Mode C”, and substituting the following paragraph:

“(c) In the case of payments on behalf of the Crown, an appropriation of public money for the making of such payments:”.

(16) The said section 2 (1) is hereby further amended by repealing the definition of the term “operating surplus”, and substituting the following definition:

“‘Operating surplus’ means the amount by which departmental revenue exceeds the expenses of a department:”.

(17) The said section 2 (1) is hereby further amended by inserting, after the definition of the term “operating surplus”, the following definition:

“ ‘Other expense’ means an expense that is incurred in a financial year other than as a cost of a department or Office of Parliament:”.

5 (18) The said section 2 (1) is hereby further amended by omitting from the definition of the term “outputs” the words “Crown agency”, and substituting the words “Crown-owned entity”.

10 (19) The said section 2 (1) is hereby further amended by inserting, after the definition of the term “outputs”, the following definition:

“ ‘Payment on behalf of the Crown’ means a payment on behalf of the Crown for—

15 “(a) Any class of outputs to be supplied by another person (other than an Office of Parliament):

“ (b) Any capital investment in another organisation (other than an Office of Parliament) or for the purchase or development of capital assets:

“ (c) Any category of benefits or other unrequited payments:”.

20 (20) The said section 2 (1) is hereby further amended by repealing the definition of the term “programme”.

25 (21) The said section 2 (1) is hereby further amended by omitting from the definition of the term “public money” the words “Crown agencies”, and substituting the words “Crown-owned entities”.

(22) The said section 2 (1) is hereby further amended by repealing the definition of the term “raising a loan”, and substituting the following definition:

30 “ ‘Raising a loan’ includes—

“ (a) Borrowing:

“ (b) Entering into hire purchase agreements:

“ (c) Entering into financing lease arrangements:

“ (d) Accepting debt on assignment from other persons:”.

35 (23) The said section 2 (1) is hereby further amended by repealing the definition of the term “Responsible Minister”, and substituting the following definition:

“ ‘Responsible Minister’ means,—

40 “ (a) In relation to a department, the Minister or Ministers for the time being responsible for the financial performance of the department:

“ (b) In relation to a Crown-owned entity in respect of which there are shareholding Ministers, those shareholding Ministers:



“(c) In relation to a Crown-owned entity (other than one of the kind described in **paragraph (b)** of this definition), the Minister or Ministers for the time being responsible for the financial performance of the Crown-owned entity: 5

“(d) In relation to an Office of Parliament, the Speaker.”.

(24) The said section 2 (1) is hereby further amended by inserting, after the definition of the term “Secretary”, the following definition: 10

“ ‘Subsidiary’ has the same meaning as in section 158 of the Companies Act 1955:”.

(25) The said section 2 (1) is hereby further amended by omitting from paragraph (a) of the definition of the term “Vote” the words “or programmes”. 15

(26) **Subsections (9), (11), (13), (15), and (19)** of this section shall come into force on the 1st day of July 1994 or on such earlier date as may be appointed by the Governor-General by Order in Council.

**4. Power to amend Third and Fourth Schedules by Order in Council**—The principal Act is hereby amended by inserting, after section 3, the following section: 20

“3A. (1) The Governor-General may from time to time, by Order in Council,—

“(a) Amend the **Third Schedule** or the **Fourth Schedule** to this Act 25 by including therein or adding thereto—

“(i) The name of any body established by Act of Parliament:

“(ii) The name of any statutory officer, being an officer whose office is established by Act of 30 Parliament:

“(iii) The name of any Trust created by the Crown by deed of trust:

“(iv) Subject to **subsection (2)** of this section, the name of any company: 35

“(b) Amend the **Third and Fourth Schedules** to this Act by omitting any name from one of those Schedules and including it in the other:

“(c) Make such amendments to the **Third Schedule** or the **Fourth Schedule** as are required— 40

“(i) To recognise the abolition or dissolution of any body, officer, or trust or any alteration in the name of any body, officer, or trust; or

“(ii) To correct any error or omission in any previous exercise of the powers conferred by this subsection.

5       “(2) An Order in Council may be made under **subsection (1) (a) (iv)** of this section only if the Governor-General in Council is satisfied, at the time of the making of the Order in Council, that more than 50 percent of the ordinary shares in the capital of the company to which the order relates are held by Ministers of the Crown on behalf of the Crown.”

10       **5. Appropriation required**—(1) Section 4 of the principal Act is hereby amended by repealing subsections (2) and (3), and substituting the following subsections:

15       “(2) No expenses shall be incurred by the Crown or an Office of Parliament except pursuant to an appropriation by Act of Parliament.

      “(3) A separate appropriation shall be made for—

      “(a) Each class of outputs contained in the Estimates in accordance with section 9 (2) (e) of this Act; and

20       “(b) Each category of other expenses contained in the Estimates in accordance with **section 9 (2) (ea)** of this Act; and

      “(c) Each capital contribution contained in the Estimates in accordance with section 9 (2) (f) of this Act; and

25       “(d) Each payment on behalf of the Crown contained in the Estimates in accordance with **section 9 (2) (g)** of this Act.”

30       (2) Section 4 of the principal Act is hereby further amended by omitting from subsections (4) to (6) the word “costs” wherever it occurs, and substituting in each case the word “expenses”.

35       (3) In respect of the period beginning with the date on which this Act receives the Royal assent and ending with the commencement of the day on which **subsections (9), (11), (13), (15), and (19) of section 3** of this Act come into force, **section 4 (3) (d)** of the principal Act (as enacted by **subsection (1)** of this section) shall have effect as if, for the word “payment”, there were substituted the words “category of benefit and each grant to be paid”.

40       **6. Transfer of resources between classes of outputs**—The principal Act is hereby amended by repealing section 5, and substituting the following section:

      “5. (1) Notwithstanding section 4 of this Act, the Governor-General may from time to time, by Order in Council, direct

that an amount appropriated in a Vote for a specified class of outputs supplied by a department in that Vote be transferred to another class of outputs supplied by that department in that Vote where—

“(a) The amount transferred does not increase an appropriation for a financial year for a class of outputs by more than 5 percent; and 5

“(b) No other transfer to that class of outputs has occurred during that financial year; and

“(c) The total amount appropriated for that financial year for all classes of outputs supplied by the department in the Vote is unaltered. 10

“(2) Without limiting the validity of any Order in Council made under **subsection (1)** of this section or the validity of any transfer made pursuant to any such Order in Council, a clause sanctioning the making of that Order in Council and any other Orders in Council made under that subsection in that financial year shall be included in an Appropriation Bill for the succeeding financial year.” 15

**7. Votes and appropriation modes—**(1) The principal Act is hereby amended by repealing section 7, and substituting the following section: 20

“7. (1) All payments of money to be made and all expenses to be incurred in any financial year pursuant to an Appropriation Act shall be allocated to a class of outputs, a category of other expenses, a capital contribution, or a payment on behalf of the Crown, within a Vote specified in such Act. 25

“(2) An Appropriation Act shall classify each class of outputs, each category of other expenses, each capital contribution, and each payment on behalf of the Crown into one of the following modes: 30

“(a) Mode A:

“(b) Mode B:

“(c) Mode C. 35

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

(2) In respect of the period beginning with the date on which this Act receives the Royal assent and ending with the commencement of the day on which **subsections (9), (11), (13), (15), and (19) of section 3** of this Act come into force,— 40

(a) **Section 7 (1)** of the principal Act (as enacted by **subsection (1)** of this section) shall have effect as if, for the words “payment on behalf of the Crown”, there were

substituted the words “category of benefit or a grant”; and

- 5 (b) **Section 7 (2)** of the principal Act (as enacted by **subsection (1)** of this section) shall have effect as if, for the words “each payment on behalf of the Crown”, there were substituted the words “each category of benefit and each grant”.

10 **8. Accounting for payments or expenses appropriated other than by an Appropriation Act**—Section 8 of the principal Act is hereby amended by omitting the word “cost” in both places where it occurs, and substituting in each case the word “expense”.

15 **9. Estimates**—(1) Section 9 (2) of the principal Act is hereby amended by repealing paragraphs (d) to (g), and substituting the following paragraphs:

“(d) A description of each class of outputs to be supplied:

“(e) For each class of outputs supplied by a department,—

20 “(i) The expenditure of money to be made, or the proposed costs to be incurred, however they may be appropriated; and

“(ii) The expected receipts to be collected or revenue to be earned:

“(ea) The amount of each category of other expenses to be incurred, however it may be appropriated:

25 “(f) The value of capital assets to be purchased or developed or the amount of any increase to be made in the Crown’s net asset holding in the department, however it may be appropriated:

30 “(g) The amount of each payment to be made on behalf of the Crown, however it may be appropriated.”.

(2) Section 9 (4) (a) of the principal Act is hereby repealed.

(3) Section 9 (5) of the principal Act is hereby amended by omitting the word “cost”, and substituting the word “expense”.

35 (4) Section 9 of the principal Act is hereby amended by adding the following subsection:

40 “(7) Notwithstanding subsection (1) of this section, where, during a financial year, an Appropriation Act is passed that deals solely with matters pertaining to the previous financial year, Estimates need not to be prepared for such Appropriation Act.”

(5) In respect of the period beginning with the date on which this Act receives the Royal assent and ending with the commencement of the day on which **subsections (9), (11), (13), (15),**

and (19) of section 3 of this Act come into force, section 9 (2) (g) of the principal Act (as enacted by subsection (1) of this section) shall have effect as if—

- (a) For the word “payment”, there were substituted the words “category of benefit and each grant”; and 5
- (b) For the word “it”, there were substituted the word “they”.

**10. Supplementary Estimates**—The principal Act is hereby amended by inserting, after section 9, the following section: 10

“9A. Notwithstanding section 9 of this Act, Estimates that are supplementary to Estimates in respect of any Vote—

- “(a) Are not required to contain—
  - “(i) The information specified in paragraphs (d), (e) (ii), (h), and (i) of section 9 (2) of this Act; or 15
  - “(ii) The information specified in paragraph (c) of section 9 (3) of this Act; or
  - “(iii) The information specified in section 9 (6) of this Act; but
- “(b) Shall specify any changes in the information included in the Estimates being supplemented, being information so included pursuant to—
  - “(i) Section 9 (2) (d) of this Act; or
  - “(ii) Section 9 (2) (e) (ii) of this Act; or
  - “(iii) Section 9 (2) (i) of this Act; or 25
  - “(iv) Section 9 (3) (c) of this Act.”

**11. Expenditure of trading revenue**—The principal Act is hereby amended by repealing section 10, and substituting the following section: 30

“10. (1) Where a class of outputs is supplied by a department pursuant to Mode B, costs may be incurred, without further appropriation than this section, up to the amount of trading revenue expected to be earned by that class of outputs where— 35

- “(a) The class of outputs to which the costs are to be charged is specified in an Appropriation Act for that year as being supplied pursuant to this section; and 35

- “(b) The approval of the Minister to the incurring of such costs has been given.

“(2) Where any class of outputs is supplied by a department pursuant to Mode C, such class of outputs may, without further appropriation than this section, incur costs up to the level of 40

trading revenue expected to be earned by that class of outputs and any accumulations of income derived from such revenue.

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

10 “(4) Nothing in subsection (1) or subsection (2) of this section authorises the incurring, in respect of any class of outputs, of costs that exceed the actual amount of the trading revenue earned by that class of outputs in that year.”

**12. Expenditure on capital assets**—The principal Act is hereby amended by repealing section 11, and substituting the following section:

15 “11. Where public money for capital contributions in respect of a department has been most recently appropriated pursuant to Mode B or Mode C, that department may, without further appropriation than this section,—

20 “(a) Utilise the proceeds of the sale or disposal of any of its capital assets, together with any working capital held by it, in or towards the purchase or development of other capital assets; and

“(b) Use any working capital held by it in payment of any of its liabilities:

25 “Provided that the amount of the Crown’s net asset holding in the department at the end of any financial year shall not, as a consequence of anything done pursuant to paragraph (a) or paragraph (b) of this section, be increased.”

**13. Unappropriated expenditure and expenses**—(1) The principal Act is hereby amended by repealing section 12, and substituting the following section:

30 “12. (1) Where the Minister considers that the spending of public money in the last 3 months of any financial year, or the incurring of expenses in the last 3 months of any financial year, in excess of, or without, appropriation by Parliament should be approved, the Minister may, in that financial year or not later than 3 months after the end of that financial year, notwithstanding that all or part of that money may have been spent and notwithstanding that all or part of those expenses may have been incurred, approve, in respect of any Vote,—

40 “(a) Expenditure of public money up to an amount not exceeding 0.5 percent of the total amount appropriated for the Vote by all Appropriation Acts for that financial year for—

“(i) Classes of outputs supplied by a department pursuant to Mode A or Mode C; and

“(ii) Capital contributions; and

“(iii) Payments on behalf of the Crown:

“(b) Expenses to be incurred up to an amount not exceeding 5  
1 percent of the total amount appropriated for other  
expenses and classes of outputs supplied by a  
department pursuant to Mode B for that Vote by all  
Appropriation Acts for that financial year,—

and, notwithstanding section 4 of this Act, the making of the 10  
expenditure or the incurring of the expenses shall be approved  
accordingly.

“(2) Without affecting the validity of any expenditure or  
expenses approved under **subsection (1)** of this section, a  
statement relating to such expenditure or expenses shall be 15  
included in—

“(a) The annual financial statements of the Crown for that  
financial year; and

“(b) The annual financial statements of the department  
concerned for that financial year, together with an 20  
explanation of the reasons for such expenditure or  
expenses; and

“(c) An Appropriation Bill for the next financial year, for  
sanction by Parliament.”

(2) In respect of the period beginning with the date on which 25  
this Act receives the Royal assent and ending with the  
commencement of the day on which **subsections (9), (11), (13), (15),  
and (19) of section 3** of this Act come into force, **section 12 (1) (a) (iii)**  
of this Act (as enacted by **subsection (1)** of this section) shall have  
effect as if, for the words “Payments on behalf of the Crown”, 30  
there were substituted the words “Grants and benefits”.

**14. Emergency expenditure**—Section 13 of the principal  
Act is hereby amended by omitting the word “costs” wherever  
it occurs, and substituting in each case the word “expenses”.

**15. New sections substituted**—The principal Act is hereby 35  
amended by repealing sections 15 and 16, and substituting the  
following sections:

“**15. Capital injections to Crown-owned entities**—

(1) The Crown may invest money by way of capital injection in  
a Crown-owned entity out of money appropriated by 40  
Parliament.

“(2) The Minister, after consultation with the Responsible  
Minister, shall determine the terms and conditions under which

the capital injection shall be made, and may from time to time vary such terms and conditions.

5     **“16. Profit payable by Crown-owned entities—**(1) If the Minister is satisfied at any time that in any financial year any Crown-owned entity has made a profit, the Minister may, after consultation with the Responsible Minister, direct that Crown-owned entity to pay to the Crown a sum equal to the whole or any part of that profit, as the Minister thinks fit.

10     **“(2) Nothing in subsection (1) of this section derogates from any provision which is contained in any enactment that establishes or constitutes a Crown-owned entity and which provides for the payment of an annual dividend or similar payment to the Crown.”**

15     **16. New sections substituted—**The principal Act is hereby amended by repealing sections 24 and 25, and substituting the following sections:

20     **“24. Establishment of bank accounts by Crown-owned entities—**(1) Subject to any other Act, any Crown-owned entity may establish, maintain, and operate a bank account at any bank.

**“(2) All money received by any Crown-owned entity shall, as soon as practicable after it has been received, be paid into the bank account of the Crown-owned entity.**

25     **“(3) The withdrawal or payment of money from any bank account of any Crown-owned entity shall be properly authorised by the Crown-owned entity.**

30     **“25. Investment of money by Crown-owned entity—**Subject to any other Act and any rules governing a Crown-owned entity, any money that belongs to a Crown-owned entity may be invested by the Crown-owned entity in the same manner as public money is invested by the Treasury pursuant to section 23 of this Act.”

35     **17. Annual financial statements of the Crown—**(1) Section 27 (1) of the principal Act is hereby amended by omitting the word “consolidated”.

   (2) Section 27 (2) of the principal Act is hereby amended by repealing paragraph (e), and substituting the following paragraph:

40     **“(e) A statement of commitments of the Crown as at the balance date:”**



(3) Section 27 (2) (f) of the principal Act is hereby amended by inserting, after the word “guarantees”, the words “or indemnities”.

(4) Section 27 (2) of the principal Act is hereby amended by omitting from paragraph (g), and also from paragraph (h), the word “costs”, and substituting in each case the word “expenses”. 5

(5) Section 27 of the principal Act is hereby amended by repealing subsection (3), and substituting the following subsection: 10

“(3) The annual financial statements of the Crown to be prepared pursuant to subsection (1) of this section shall include, but shall not be limited to, the interests of the Crown in—

“(a) All Crown-owned entities:

“(b) All Offices of Parliament: 15

“(c) All State enterprises listed in the First Schedule to the State-Owned Enterprises Act 1986:

“(d) The Reserve Bank of New Zealand:

“(e) The Bank of New Zealand.”

**18. Half-yearly financial statements of the Crown**—The principal Act is hereby amended by repealing section 28, and substituting the following section: 20

“28. (1) The Treasury shall as soon as practicable after the end of the first 6 months of each financial year, but not later than the last day of February in that financial year, prepare financial statements for the Crown for that half year. 25

“(2) The half-yearly financial statements of the Crown shall be prepared in accordance with generally accepted accounting practice and shall include—

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

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

“(c) A statement of cash flows reflecting cash flows of the Crown for the half year: 35

“(d) A statement of borrowings reflecting the borrowing activities of the Crown for the half year:

“(e) A statement of contingent liabilities of the Crown as at the balance date including any guarantees or indemnities given under section 59 of this Act: 40

“(f) A statement of accounting policies:

“(g) Such other statements as are necessary to fairly reflect the financial operations of the Crown for the half

year and its financial position at the end of the half year:

5 “(h) Comparative actual figures for the previous financial year for **paragraphs (a) to (e)** and, where appropriate, **paragraph (g)** of this subsection.

“**(3)** The half-yearly financial statements of the Crown to be prepared pursuant to **subsection (1)** of this section shall include, but shall not be limited to, the interests of the Crown specified in **section 27 (3)** of this Act.

10 “**(4)** As soon as practicable after the financial statements of the Crown for any half year have been prepared pursuant to **subsection (1)** of this section, the Secretary—

15 “(a) Shall publish both those financial statements and the management statement required by section 29 of this Act; and

“**(b)** Shall arrange for the publication in the *Gazette* of a notice—

20 “(i) Indicating that those financial statements and that management statement have been published; and

“**(ii)** Showing a place at which copies of those financial statements and that management statement are available for inspection free of charge and for purchase; and

25 “**(c)** For at least 4 months after the date of the publication of the notice required by **paragraph (b)** of this subsection, shall make copies of those financial statements and that management statement available—

30 “(i) For inspection by members of the public free of charge; and

“**(ii)** For purchase by members of the public at a reasonable price.”

35 **19. Power of Secretary to obtain information**—The principal Act is hereby amended by inserting, after section 29, the following section:

40 “**29A. (1)** The Secretary may from time to time request any entity mentioned in **section 27 (3)** of this Act, or any entity that manages an asset of the Crown that is included in the annual or half-yearly financial statements of the Crown, to supply to the Secretary such information as is necessary to enable—

“**(a)** The preparation of the financial statements referred to in sections 27 and 28 of this Act; or

“**(b)** The Minister and the Secretary to meet their obligations under section 29 of this Act.

“(2) Any request under **subsection (1)** of this section may specify the date by which and the manner in which the information requested is to be provided.

“(3) Where any request under **subsection (1)** of this section is made to an entity, that request shall be in writing and that entity shall comply with that request.” 5

**20. Audit opinion**—Section 30 (1) of the principal Act is hereby amended by omitting the words “or half-yearly” in both places where they appear.

**21. Laying before House of Representatives of financial statements of the Crown**—The principal Act is hereby amended by repealing section 31, and substituting the following section: 10

“31. The Treasury shall forward the annual financial statements, together with the audit opinion, to the Minister who shall lay them and the management statement of the Crown before the House of Representatives not later than 6 sitting days after the statements are returned by the Audit Office to the Treasury.” 15

**22. Monthly cash flow statements**—Section 32 of the principal Act is hereby repealed. 20

**23. Additional reports in relation to outputs supplied to the Crown**—(1) The principal Act is hereby amended by inserting, after section 32, the following section:

“32A. Where, in any financial year, a Schedule to an Appropriation Act lists payments on behalf of the Crown for the supply of a class of outputs from any person (other than a person who is required by any Act to prepare, for laying before the House of Representatives, a report that includes a statement of service performance) and states that those payments are subject to this section, the Minister responsible for each Vote containing such an appropriation shall, within 3 months after the end of that financial year, prepare and lay before the House of Representatives a report that includes— 25

“(a) A statement of service performance in relation to the supply of the class of outputs, which statement shall compare the class of outputs that was produced with the class of outputs that was agreed to be produced; and 30  
and 35

“(b) A statement of any liabilities, commitments, or contingent liabilities incurred by the Crown and arising from the purchase of the class of outputs.”

5 (2) This section shall come into force on the 1st day of July 1994 or such earlier date as may be appointed under section 3 (26) of this Act for the commencement of subsections (9), (11), (13), (15), and (19) of section 3 of this Act.

10 **24. Responsibilities of departmental Chief Executives for financial matters**—Section 33 (4) of the principal Act is hereby repealed.

**25. Responsibility of departmental Chief Executives for financial performance of Crown-owned entities**—The principal Act is hereby amended by repealing section 34, and substituting the following section:

15 “34. Except as otherwise agreed with a Minister of the Crown, the Chief Executive of a department shall not be responsible for the outputs or financial performance of a Crown-owned entity or State enterprise listed in the First Schedule to the State-Owned Enterprises Act 1986, even  
20 though such Crown-owned entity or State enterprise may be wholly or partly funded through a Vote administered by the department.”

**26. Annual financial statements of departments**—  
25 (1) Section 35 (3) (h) of the principal Act is hereby amended by omitting the word “costs”, and substituting the word “expenses”.

(2) Section 35 (4) of the principal Act is hereby amended by omitting the words “or programmes”.

30 **27. Half-yearly statements of departments**—Section 36 of the principal Act is hereby repealed.

**28. Responsibility for financial statements of departments**—Section 37 (1) of the principal Act is hereby amended by omitting the words “and half-yearly”.

35 **29. Audit opinion**—Section 38 (1) of the principal Act is hereby amended by omitting the words “or half-yearly” in both places where they appear.

**30. Laying before House of Representatives of financial statements of departments**—Section 39 of the principal Act is hereby amended—

- (a) By omitting from subsection (2) the words “table it in”, and substitute the words “lay it before”;
- (b) By repealing subsection (3).

**31. New Part V substituted**—The principal Act is hereby amended by repealing Part V, and substituting the following Part: 5

“PART V

“REPORTING BY CROWN-OWNED ENTITIES

“41. **Annual financial statements of Crown-owned entities listed in Third Schedule**—(1) Notwithstanding any other Act, every Crown-owned entity listed in the **Third Schedule** to this Act shall, as soon as practicable after the end of each financial year, prepare financial statements for the Crown-owned entity for that financial year. 10

“(2) The annual financial statements shall be prepared in accordance with generally accepted accounting practice and shall include— 15

- “(a) A statement of the financial position of the Crown-owned entity at its balance date:
- “(b) An operating statement reflecting the revenue and expenses of the Crown-owned entity for the financial year: 20
- “(c) A statement of cash flows reflecting cash flows of the Crown-owned entity for the financial year:
- “(d) A statement of objectives specifying the classes of outputs to be produced by the Crown-owned entity and the financial performance to be achieved by the Crown-owned entity during the financial year as established at the beginning of the financial year: 25
- “(e) A statement of service performance reporting the classes of outputs produced by the Crown-owned entity during the financial year as compared with the classes of outputs established at the beginning of the financial year and specified in the statement of objectives: 30
- “(f) A statement of the commitments of the Crown-owned entity as at the balance date: 35
- “(g) A statement of the contingent liabilities of the Crown-owned entity as at the balance date:
- “(h) A statement of accounting policies: 40
- “(i) Such other statements as are necessary to fairly reflect the financial operations of the Crown-owned entity

for the financial year and its financial position at the end of the financial year:

“(j) In relation to paragraphs (a) to (g) and, where appropriate, paragraph (i) of this subsection, comparative actual figures for the previous financial year.

5

“(3) The Crown-owned entity shall, not later than 90 days after the end of the financial year, forward the annual financial statements to the Audit Office or, where the Audit Office is not the auditor, any other auditor appointed pursuant to any Act.

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“41A. **Special provisions in relation to annual financial statements of school boards of Trustees**—(1) Subject to subsection (2) of this section, with the consent of the Minister, given on any conditions the Minister thinks fit (which may include a requirement that the financial statements of any Board of Trustees constituted under Part IX of the Education Act 1989 include other statements, figures, or accounts in place of the statements dispensed with), a Board of Trustees constituted under Part IX of the Education Act 1989 may dispense with preparing any of the statements referred to in section 41 (2) of this Act.

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“(2) The Minister shall not give a consent under subsection (1) of this section unless satisfied on reasonable grounds that in all the circumstances the preparation of all the statements referred to in subsection (1) of this section—

25

“(a) It is not essential to enable a true and fair view of the Board’s affairs to be given; and

“(b) Would be unduly onerous on the Board.

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“41B. **Special provisions in relation to annual financial statements of Boards under Reserves Act 1977**—(1) Subject to subsection (2) of this section, with the consent of the Minister, given on any conditions the Minister thinks fit (which may include a requirement that the financial statements of any Board, as defined in section 2 of the Reserves Act 1977, include other statements, figures, or accounts in place of the statements dispensed with), a Board, as defined in section 2 of the Reserves Act 1977, may dispense with preparing any of the statements referred to in section 41 (2) of this Act.

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“(2) The Minister shall not give a consent under subsection (1) of this section unless satisfied on reasonable grounds that in all the circumstances the preparation of all the statements referred to in subsection (1) of this section—

“(a) It is not essential to enable a true and fair view of the Board’s affairs to be given; and

“(b) Would be unduly onerous on the Board.

“41C. **Draft statement of intent**—Every Crown-owned entity listed in the **Fourth Schedule** to this Act shall, not later than one month before the commencement of each financial year of the Crown-owned entity, deliver to the Responsible Minister a draft statement of intent relating to that financial year and each of the following two financial years. 5

“41D. **Contents of statement of intent**—(1) Each statement of intent shall specify for the Crown-owned entity or, where relevant, the group comprising the Crown-owned entity and its subsidiaries, in respect of each of the financial years to which it relates, the following information: 10

“(a) The objectives of the Crown-owned entity:

“(b) The nature and scope of the activities to be undertaken by the Crown-owned entity:

“(c) The performance targets and other measures by which the performance of the Crown-owned entity may be judged in relation to its objectives: 15

“(d) A statement of accounting policies:

“(e) Where required by the Responsible Minister, the ratio of consolidated shareholders’ funds (or equivalent) to total assets, and definitions of those terms: 20

“(f) Where required by the Responsible Minister, a statement of the principles adopted in determining the distribution of profits to the Crown, together with an estimate of the amount or proportion of annual tax paid earnings (from both capital and revenue sources) that is intended to be distributed to the Crown: 25

“(g) Where applicable, the procedures to be followed before the Crown-owned entity, or any member of the group, subscribes for, purchases, or otherwise acquires shares in any company or other organisation: 30

“(h) Any activities in respect of which the Crown-owned entity will be seeking compensation from the Crown (whether or not the Crown has agreed to provide such compensation): 35

“(i) Such other matters, including the kind of information to be provided to the Responsible Minister during the course of those financial years, as are agreed by the Responsible Minister and the governing body of the Crown-owned entity. 40

“(2) Where required by the Responsible Minister, each statement of intent shall also include the governing body’s

estimate of the current commercial value of the Crown's investment in the Crown-owned entity and a statement of the manner in which that value was assessed.

5 “41E. **Completed statement of intent**—The governing body of the Crown-owned entity—

“*(a)* Shall consider any comments on the draft statement of intent that are made to it by the Responsible Minister, not later than 14 days before the commencement of the first of the financial years to which the draft statement of intent relates; and

10 “*(b)* Shall deliver the completed statement of intent to the Responsible Minister on or before—

“*(i)* The date of the commencement of the first of the financial years to which the completed statement of intent relates; or

15 “*(ii)* Such later date as the Responsible Minister determines.

20 “41F. **Laying of statement of intent before House of Representatives**—The Responsible Minister shall, within 12 sitting days after the date on which a statement of intent is delivered to the Responsible Minister in accordance with section 41E *(b)* of this Act, lay a copy of that statement of intent before the House of Representatives.

25 “41G. **Power of Responsible Minister to require Crown-owned entity to modify statement of intent**—(1) The Responsible Minister may from time to time, by written notice to a Crown-owned entity listed in the **Fourth Schedule** to this Act, direct that Crown-owned entity to include in, or omit from, a statement of intent for that Crown-owned entity any provision or provisions of a kind referred to in paragraphs *(a)* to *(g)* of section 41D *(1)* of this Act, and any Crown-owned entity to which such a notice is given shall comply with that notice.

30 “(2) Where a notice is given to a Crown-owned entity under subsection *(1)* of this section, the Responsible Minister shall—

35 “*(a)* As soon as practicable after the giving of the notice, publish a copy of that notice in the *Gazette*; and

“*(b)* Within 12 sitting days after the date on which the notice was given, lay a copy of that notice before the House of Representatives.

40 “41H. **Power of Crown-owned entity to modify statement of intent**—(1) Subject to subsection *(2)* of this section, a Crown-owned entity may modify a completed statement of



intent in respect of that Crown-owned entity by giving to the Responsible Minister notice in writing of the modification.

“(2) A Crown-owned entity shall not give a notice under **subsection (1)** of this section unless it has first—

“(a) Given written notice to the Responsible Minister of the proposed modification; and 5

“(b) Considered any comments on the proposed modification made to that Crown-owned entity by the Responsible Minister within one month after the date on which the notice under **paragraph (a)** of this subsection was given to the Responsible Minister. 10

“(3) Where a notice is given to the Responsible Minister under **subsection (1)** of this section, the Responsible Minister shall—

“(a) As soon as practicable after receiving the notice, publish a copy of the notice in the *Gazette*; and 15

“(b) Within 12 sitting days after the date on which the notice was received by the Responsible Minister, lay a copy of that notice before the House of Representatives.

“41. **Annual financial statements of Crown-owned entities listed in Fourth Schedule**—(1) Notwithstanding any other Act, every Crown-owned entity listed in the **Fourth Schedule** to this Act shall, as soon as practicable after the end of each financial year, prepare financial statements for the Crown-owned entity for that financial year. 20 25

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

“(a) A statement of financial position of the Crown-owned entity as at the balance date: 30

“(b) An operating statement reflecting the revenue and expenses of the Crown-owned entity for the financial year:

“(c) A statement of cash flows reflecting the cash flows of the Crown-owned entity for the financial year: 35

“(d) A statement of commitments of the Crown-owned entity as at the balance date:

“(e) A statement of contingent liabilities of the Crown-owned entity as at the balance date:

“(f) A statement of accounting policies: 40

“(g) Such other statements as are necessary to fairly reflect the financial operations, financial position, and cash flows of the Crown-owned entity for the financial year:

“(h) In relation to paragraphs (a) to (e) and, where appropriate, paragraph (g) of this subsection, comparative actual figures for the previous financial year.

5 “(3) The Crown-owned entity shall, not later than 90 days after the end of the financial year, forward the annual financial statements to the Audit Office or, where the Audit Office is not the auditor, any other auditor appointed pursuant to any Act.

10 “41J. **Annual report of Crown-owned entities listed in Fourth Schedule**—Every Crown-owned entity listed in the Fourth Schedule to this Act shall, as soon as practicable after the end of each financial year, deliver to its Responsible Minister an annual report which shall—

15 “(a) Contain such information as is necessary to enable an informed assessment to be made of the financial performance of the Crown-owned entity and, where relevant, its subsidiaries, including a comparison against the relevant statement of intent:

20 “(b) Where relevant, state the dividend or profit payable to the Crown by the Crown-owned entity for the financial year to which the report relates.

25 “42. **Responsibility for financial statements of Crown-owned entities**—(1) Every annual financial statement of a Crown-owned entity shall be accompanied by a management statement, signed by the Chairperson and the Chief Executive of the Crown-owned entity or, where no Chairperson exists, the Chief Executive and the chief financial officer.

“ (2) The management statement shall comprise—

30 “(a) A statement of the management’s responsibility for the preparation of the annual financial statements and the judgments used therein:

“ (b) A statement of the management’s responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting:

35 “(c) A statement that, in the opinion of the management, the annual financial statements for the financial year fairly reflect the financial position and operations of the Crown-owned entity.

40 “43. **Audit opinion on financial statements of Crown-owned entities**—(1) The Audit Office, or where the Audit Office is not the auditor, any other auditor appointed pursuant to any Act shall issue an audit opinion within 30 days of receipt of the annual financial statements of a Crown-owned entity and

shall return the annual financial statements, with the audit report attached, to the Crown-owned entity.

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

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“**44. Inclusion of financial statements in annual report**—The financial statements of a Crown-owned entity, together with the audit report and the management statement, shall be included in the annual report (if any) of the Crown-owned entity.

10

“**44A. Laying before House of Representatives of financial statements of Crown-owned entities (other than School Boards of Trustees)**—(1) Subject to subsection (2) of this section, every Crown-owned entity shall forward to its Responsible Minister the statements and reports referred to in section 44 of this Act, which statements and reports shall be laid before the House of Representatives by the Responsible Minister not later than 6 sitting days after the financial statements are returned by the Audit Office or other auditor to the Crown-owned entity.

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“(2) Nothing in subsection (1) of this section requires the Minister of Education to lay before the House of Representatives statements and reports forwarded to that Minister under subsection (1) of this section by Boards of Trustees constituted under Part IX of the Education Act 1989.

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“**44B. Annual report in relation to schools’ sector**—(1) The Minister of Education shall in each year, not later than the 30th day of June, prepare and lay before the House of Representatives a report on the performance of the schools’ sector in the immediately preceding financial year ending on the 31st day of December.

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“(2) The report shall include information on—

“(a) The performance of the schools’ sector in the supply of outputs:

“(b) The management performance in the schools’ sector, including the quality of the management systems and practices in the schools’ sector and the management of all the assets used in the schools’ sector:

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“(c) The effectiveness of the schools’ sector in terms of educational achievement.

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“(3) The report—

“(a) Shall relate to all of the schools owned by the Crown; and

“(b) May relate to other schools.

5     **“45. Financial year of Crown-owned entities—**  
Notwithstanding any other Act, the financial year of every  
Crown-owned entity shall end with the 30th day of June or such  
other date as may from time to time be determined by the  
Minister.

10     **“45A. Protection from disclosure of sensitive  
information—**Nothing in this Act shall be construed as  
requiring the inclusion in any statements or reports prepared in  
accordance with any of the provisions of **sections 41, 41A, 41B, 41C,**  
**41D, 41E, 41G, 41H, 41I, 41J, 42, and 44B** of this Act of any  
information that could be properly withheld if a request for  
that information were made under the Official Information Act  
1982.

15     **“45B. Power of Responsible Minister to require  
information relating to affairs of Crown-owned entity—**  
(1) Subject to **subsection (2)** of this section, the governing body of  
a Crown-owned entity shall supply to the Responsible Minister  
such information relating to the affairs of the Crown-owned  
20     entity as the Responsible Minister from time to time requests.

25     **“(2)** The governing body of the Crown-owned entity shall not  
be obliged by **subsection (1)** of this section to supply to any  
Minister any information on an individual employee or  
customer of the Crown-owned entity or any other person if the  
information supplied would enable the identification of the  
person concerned.”

30     **32. Liability for debts of Crown-owned entities—**The  
principal Act is hereby amended by repealing section 54, and  
substituting the following section:

30     **“54. (1)** Subject to **subsection (2)** of this section, the Crown shall  
not be liable to contribute towards the payment of any debts or  
liabilities of—

**“(a)** A Crown-owned entity; or

**“(b)** Any subsidiary of a Crown-owned entity; or

35     **“(c)** Any entity in which a Crown-owned entity has an  
interest; or

**“(d)** Any other agency or body corporate that is controlled or  
wholly owned by the Crown.

40     **“(2)** **Subsection (1)** of this section shall not apply in relation  
to—

**“(a)** Any sum the Crown is liable to contribute pursuant to  
any Act; or

- “(b) Any sum the Crown is liable to contribute pursuant to any guarantee or indemnity given by the Minister pursuant to **section 59** of this Act; or
- “(c) Any sum the Crown is liable to pay a creditor of any such Crown-owned entity, subsidiary, entity, other agency, or body corporate, by virtue of a good cause of action that the creditor has against the Crown; or
- “(d) Any sum the Crown is liable to pay to any creditor of the Reserve Bank of New Zealand.”

**33. New sections substituted**—The principal Act is hereby amended by repealing section 59, and substituting the following sections:

**“58A. Authority for the giving by the Crown of guarantees and indemnities**—Except as expressly authorised by any Act, it shall not be lawful for any person to give a guarantee or indemnity that imposes a contingent liability on the Crown.

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

“(2) Where the contingent liability of the Crown under any guarantee or indemnity given under this section exceeds or may be specified to exceed \$10,000,000, the Minister shall, as soon as practicable after the giving of the guarantee or indemnity, publish in the *Gazette* and lay before the House of Representatives a statement that such a guarantee or indemnity has been given.

“(3) The statement published and laid before the House of Representatives under **subsection (2)** of this section shall contain such details relating to the guarantee or indemnity as the Minister considers appropriate.

“(4) Any money required to be paid by the Crown by virtue of any guarantee or indemnity given by the Minister under this section shall, without further appropriation than this section, be paid out of the Crown Bank Account or a Departmental Bank Account, as the case may require.

“(5) Any money paid by the Crown pursuant to any guarantee or indemnity given under this section shall constitute a debt due to the Crown from the person, organisation, or

5 government in respect of whom the guarantee or indemnity was given, and shall be recoverable as such in any Court of competent jurisdiction. Any such debt may be paid over such period of time, and on such terms and conditions, as the Minister thinks fit.”

**34. Payment of fines to local authorities and other organisations that conduct prosecutions**—(1) Section 73 (1) of the principal Act is hereby amended by omitting the words “Crown agency”, and substituting the words “Crown-owned entity”.

10 (2) Section 73 (2) of the principal Act is hereby amended by inserting, after the words “Crown Bank Account”, the words “or a Departmental Bank Account”.

**35. Unclaimed money**—Section 74 of the principal Act is hereby amended by omitting from subsection (1), and also from subsection (3), the words “Crown agency”, and substituting in each case the words “Crown-owned entity”.

**36. Regulations, Orders in Council, and notices**—Section 81 of the principal Act is hereby amended by omitting from paragraph (a), and also from paragraph (b), the words “Crown agencies”, and substituting the words “Crown-owned entities”.

**37. Registration of public securities, local authority stock, and other stock**—Section 84 (f) of the principal Act is hereby amended by omitting the word “Public”, and substituting the word “Local”.

**38. New Third and Fourth Schedules added**—The principal Act is hereby amended by adding the **Third and Fourth Schedules** set out in the **First Schedule** to this Act.

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

**40. Repeals**—(1) The principal Act is hereby consequentially amended by repealing—

35 (a) So much of the First Schedule as relates to section 25 of the Queen Elizabeth the Second Arts Council of New Zealand Act 1974:

(b) So much of the First Schedule as relates to section 31c (2) of the Securities Act 1978:

(c) So much of the First Schedule as relates to the New Zealand Film Commission Act 1978.

(2) The National Library Amendment Act 1991 is hereby consequentially repealed.

*Amendment to Constitution Act 1986*

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**41. Sections to be read with Constitution Act 1986—**

This section and the next succeeding section shall be read together with and deemed part of the Constitution Act 1986\*.

\*1986, No. 114

Amendment: 1987, No. 134

**42. Parliamentary control of public finance—**Section 22 of the Constitution Act 1986 is hereby amended by repealing paragraph (c), and substituting the following paragraph:

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“(c) To spend any public money or to incur any expenses.”

*Transitional Provisions*

**43. Transitional provision in relation to application of Part V of principal Act—**

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(1) Notwithstanding any provision of Part V of the principal Act (as substituted by section 31 of this Act), the first set of financial statements prepared by a Crown-owned entity under Part V of the principal Act (as so substituted) by a Crown-owned entity that exists on the 1st day of July 1992, shall be—

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(a) The set prepared for the period—

(i) Commencing with the end of the period of the last annual financial statements required to be prepared by that entity before the commencement of this section; and

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(ii) Ending with the close of the 30th day of June 1993 or with such other date as may be determined by the Minister under section 45 of the principal Act (as substituted by section 31 of this Act); or

(b) Where an entity has not, before the commencement of this section, been required to prepare annual financial statements, the set prepared for the year ending with the 30th day of June 1993 or with such other date as may be determined by the Minister under section 45 of the principal Act (as substituted by section 31 of this Act).

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(2) The Minister may, by notice in writing to any Crown-owned entity, exempt that Crown-owned entity from compliance with any provision of section 41 (2) of the principal Act (as substituted by section 31 of this Act) in relation to any financial statements being prepared by that Crown-owned

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entity in respect of any period before the 30th day of June 1992.

(3) Nothing in sections 41, 41c, and 41i of the principal Act (as substituted by section 31 of this Act) shall—

- 5 (a) Apply in relation to the financial statements prepared by any Crown-owned entity for the financial year ending on the 30th day of June 1992; or
- (b) Require any Crown-owned entity to prepare a draft statement of intent in respect of the financial year
- 10 ending on the 30th day of June 1993.

**44. Power of exemption in relation to financial year ending with 30 June 1993**—(1) The Minister may, by notice in writing to any Crown-owned entity, exempt that Crown-owned entity from compliance, in relation to the financial year

15 ending with the 30th day of June 1993, with all or any of the provisions of sections 41 and 41i of the principal Act (as substituted by section 31 of this Act).

(2) Where a Crown-owned entity is being dissolved, no exemption under subsection (1) of this section shall relate to liquidation statements or other information required to be prepared in relation to the dissolution of that Crown-owned entity.

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**45. Transitional provision in relation to statements of intent**—Where a Crown-owned entity or a subsidiary of a Crown-owned entity has, before the commencement of this section, prepared under some other Act a statement of intent or a statement of corporate intent in respect of the financial year ending on the 30th day of June 1993, that statement of intent or statement of corporate intent shall, for the purposes

25 of section 41j(a) of the principal Act (as substituted by section 31 of this Act), be deemed to be a relevant statement of intent.

30

**46. Programmes of Housing Corporation of New Zealand**—Notwithstanding the provisions of this Act, until the close of the 30th day of June 1993, the provisions of the principal Act relating to programmes (as those provisions stood immediately before the commencement of this section) shall continue to have effect in relation to the Housing Corporation of New Zealand as if this Act had not been passed.

35

**47. Rate of levy fixed under section 27 of Alcoholic Liquor Advisory Council Act 1976**—The rate at which the levy imposed by section 28 of the Alcoholic Liquor Advisory

40



Council Act 1976 is to be payable on each basic unit of liquor of each of the classes of liquor referred to in section 26 of that Act shall, in respect of the period of 15 months commencing on the 1st day of April 1992 and ending with the close of the 30th day of June 1993, be the rate fixed by the Minister of Health under section 27 of that Act in respect of the financial year commencing on the 1st day of April 1992. 5

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SCHEDULES

FIRST SCHEDULE

Section 38

NEW THIRD AND FOURTH SCHEDULES ADDED TO PRINCIPAL ACT

“THIRD SCHEDULE

Sections 2 (1), 3A, 41

CROWN-OWNED ENTITIES

Accident Rehabilitation and Compensation Insurance Corporation.  
Alcoholic Liquor Advisory Council.  
Area Health Boards.  
Boards as defined in section 2 of the Reserves Act 1977.  
Boards of Trustees constituted under Part IX of the Education Act 1989.  
Broadcasting Commission.  
Broadcasting Standards Authority.  
Building Industry Authority.  
Business Development Boards.  
Career Development and Transition Education Service.  
Civil Aviation Authority.  
Commerce Commission.  
Commissioner for Children.  
Early Childhood Development Unit.  
Education and Training Support Agency.  
Foundation for Research, Science and Technology.  
Health Research Council of New Zealand.  
Health Sponsorship Council.  
Hillary Commission for Sport, Fitness, and Leisure.  
Housing Corporation of New Zealand.  
Human Rights Commission.  
Law Commission.  
Legal Services Board.  
Maori Language Commission.  
Museum of New Zealand Te Papa Tongarewa.  
New Zealand Artificial Limb Board.  
New Zealand Film Commission.  
New Zealand Fire Service Commission.  
New Zealand Historic Places Trust.  
New Zealand Qualifications Authority.  
New Zealand Symphony Orchestra Limited.  
New Zealand Tourism Board.  
New Zealand Trade Development Board.  
Pacific Islands Employment Development Board.  
Police Complaints Authority.  
Privacy Commissioner.  
Queen Elizabeth the Second Arts Council of New Zealand.  
Queen Elizabeth the Second National Trust.  
Race Relations Conciliator.  
Securities Commission.  
Special Education Service.  
Standards Council.  
Teacher Registration Board.  
Tertiary Research Board.  
Transit New Zealand.

FIRST SCHEDULE—*continued*NEW THIRD AND FOURTH SCHEDULES ADDED TO PRINCIPAL ACT—*continued*“THIRD SCHEDULE—*continued*”CROWN-OWNED ENTITIES—*continued*

Transport Accident Investigation Commission.  
Trustees of the National Library.

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 “FOURTH SCHEDULE

Sections 2 (1), 3A, 41c, 41g, 41i, 41j

## CROWN-OWNED ENTITIES

1993 Suffrage Centennial Year Trust.  
Adbro Investments Limited.  
Agricultural and Marketing Research and Development Trust.  
Agricultural Pests Destruction Council.  
Animal Control Products Limited.  
Auckland International Airport Limited.  
Casino Control Authority.  
Crown Research Institutes.  
Earthquake and War Damage Commission.  
Government Superannuation Fund Board.  
Housing New Zealand Limited.  
Board of Trustees of the National Provident Fund.  
New Zealand Government Property Corporation.  
New Zealand Lotteries Commission.  
New Zealand Lottery Grants Board.  
New Zealand Milk Authority.  
New Zealand Rail Limited.  
Noxious Plants Council.  
Road Safety Trust.  
Testing Laboratory Registration Council.  
Wellington International Airport Limited.

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SECOND SCHEDULE  
ENACTMENTS AMENDED

## Section 39

Enactment	Amendment
1944, No. 15—The Earthquake and War Damage Act 1944 (R.S. Vol. 6, p. 207)	<p>By repealing section 8 (as substituted by section 3 (1) of the Earthquake and War Damage Amendment Act 1988), and substituting the following section:</p> <p>“8. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1965, No. 136—The National Library Act 1965 (R.S. Vol. 11, p. 225)	<p>By repealing section 25 (as amended by section 2 of the National Library Amendment Act 1991), and substituting the following section:</p> <p>“25. <b>Crown-owned entity</b>—The Trustees shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 30 (as substituted by section 11 of the National Library Amendment Act 1989 and amended by section 3 of the National Library Amendment Act 1991), and substituting the following section:</p> <p>“30. <b>Annual report</b>—(1) The Trustees shall, not later than the 31st day of October in each year, furnish to the Minister a report on their operations for that preceding financial year.</p> <p>“(2) The Minister shall lay a copy of the annual report of the Trustees before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1966, No. 51—The Airport Authorities Act 1966 (R.S. Vol. 17, p. 1)	<p>By inserting in section 3B (1) (as inserted by section 4 of the Airport Authorities Amendment Act 1986), after the words “airport company”, the words “(other than an airport company that is a Crown-owned entity for the purposes of the Public Finance Act 1989)”.</p> <p>By inserting, after section 3B (as inserted by section 4 of the Airport Authorities Amendment Act 1986), the following section:</p> <p>“3C. <b>Crown-owned entities</b>—Where more than 50 percent of the ordinary shares in the capital of an airport company are held by Ministers of the Crown, that airport company shall be a</p>

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

Enactment	Amendment
1966, No. 51—The Airport Authorities Act 1966 (R.S. Vol. 17, p. 1)— <i>continued</i>	Crown-owned entity for the purposes of the Public Finance Act 1989.”
1972, No. 36—The Testing Laboratory Registration Act 1972 (R.S. Vol. 23, p. 847)	<p>By repealing section 20.</p> <p>By inserting, before section 21, the following section:</p> <p>“20A. <b>Crown-owned entity</b>—The Council shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 26, and substituting the following section:</p> <p>“26. <b>Annual report</b>—(1) The Council shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1974, No. 19—The Housing Corporation Act 1974 (R.S. Vol. 24, p. 281)	<p>By repealing section 41.</p> <p>By inserting, before section 42, the following section:</p> <p>“41A. <b>Crown-owned entity</b>—The Corporation shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 42, and substituting the following section:</p> <p>“42. <b>Annual report</b>—(1) The Corporation shall, as soon as practicable after the end of each financial year, deliver to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>

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

Enactment	Amendment
1974, No. 67—The Queen Elizabeth the Second Arts Council of New Zealand Act 1974 (R.S. Vol. 24, p. 685)	<p>By repealing subsections (2) and (3) of section 23.</p> <p>By inserting, after section 23, the following section:</p> <p>“23A. <b>Crown-owned entity</b>—The Queen Elizabeth Arts Council shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 25 (as amended by section 86 of the Public Finance Act 1989), and substituting the following section:</p> <p>“25. <b>Annual report</b>—(1) The Queen Elizabeth Arts Council shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on its operations for the financial year.</p> <p>“(2) Where any trustees have been appointed in respect of a trust established pursuant to subsection (1) of section 11 of this Act, they shall, not later than one month after the end of each financial year, furnish to the Council a report on their proceedings and operations for the financial year.</p> <p>“(3) The Minister shall lay before the House of Representatives in accordance with section 44A of the Public Finance Act 1989 a copy of every report furnished to the Minister under subsection (1) of this section.”</p>
1975, No. 42—The Fire Service Act 1975 (R.S. Vol. 27, p. 11)	<p>By adding to section 4 (as amended by section 3 of the Fire Service Amendment Act 1978), the following subsection:</p> <p>“(8) The New Zealand Fire Service Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subsection (5) of section 46 (as substituted by section 3 (2) of the Fire Service Amendment Act 1986 and amended by section 30 of the Fire Service Amendment Act 1990), and substituting the following subsections:</p> <p>“(5) The Commission shall, as soon as practicable after the end of each financial year, deliver to the Minister a</p>

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

Enactment	Amendment
1975, No. 42—The Fire Service Act 1975 (R.S. Vol. 27, p. 11)— <i>continued</i>	<p>report on its operations for the year, which report shall review all matters relevant to the Fire Service.</p> <p>“(5A) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1976, No. 143—The Alcoholic Liquor Advisory Council Act 1976 (R.S. Vol. 26, p. 1)	<p>By omitting from the definition of the term “financial year” in section 2 (1) the word “April”, and substituting the word “July”.</p> <p>By repealing section 23 (as amended by section 8 of the Alcoholic Liquor Advisory Council Amendment Act 1978), and substituting the following section:</p> <p>“23. <b>Crown-owned entity</b>—The Council shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 38, and substituting the following section:</p> <p>“38. <b>Annual report</b>—(1) The Council shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1977, No. 49—The Human Rights Commission Act 1977 (R.S. Vol. 18, p. 227)	<p>By repealing section 14c (as inserted by section 2 of the Human Rights Commission Amendment Act 1982), and substituting the following section:</p> <p>“14c. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 81, and substituting the following section:</p> <p>“81. <b>Annual report</b>—(1) Without limiting the right of the Commission to</p>

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

Enactment	Amendment
1977, No. 49—The Human Rights Commission Act 1977 (R.S. Vol. 18, p. 227)— <i>continued</i>	<p>report at any other time, but subject to section 78 (2) of this Act, the Commission shall, within 3 months after the expiration of each financial year, furnish to the Minister a report on the exercise of its functions under this Act during that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1977, No. 66—The Reserves Act 1977	<p>By repealing section 88 (as amended by section 2 of the Reserves Amendment Act 1992), and substituting the following sections:</p> <p>“88. <b>Annual statement and audit of accounts</b>—(1) Subject to subsection (4) of this section, within one month after the close of each financial year ending with the 30th day of June every administering body, not being a Board, shall cause to be prepared and submitted to the Audit Office for audit a statement of accounts (including a statement of assets and liabilities, a Receipts and Payments Account, and such other statements as may be required by the Audit Office), and showing fully the financial position of the administering body at the close of the year.</p> <p>“(2) The Public Finance Act 1977 shall apply with respect to the audit of the accounts of every such administering body as if it were a local authority within the meaning of that Act.</p> <p>“(3) A copy of every such statement shall be submitted to the Commissioner for transmission to the Minister, accompanied by a report as to the operations of the administering body for the year.</p>



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

Enactment	Amendment
1977, No. 66—The Reserves Act 1977— <i>continued</i>	<p>“(4) If a local authority is the administering body of a reserve, it shall not be required to submit that statement and report to the Minister, unless the terms of vesting or control and management so require.</p> <p>“(5) Where a local authority is the administering body, the statements required by this section shall be incorporated in the annual accounts of the local authority, and the time for preparation and submission of the accounts required by this section shall be deemed to have been amended accordingly.</p>
1977, No. 84—The Gaming and Lotteries Act 1977	<p>“88A. <b>Crown-owned entities</b>—Every Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 114 (as substituted by section 3 of the Gaming and Lotteries Amendment Act 1988) and section 115, and substituting the following sections:</p> <p>“114. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.</p> <p>“115. <b>Annual report</b>—(1) The Commission shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p> <p>To add to section 116H (as substituted by section 3 of the Gaming and Lotteries Amendment Act 1987), the following subsection:</p> <p>“(3) Profits of New Zealand lotteries distributed in accordance with subsection (1) or expended in accordance with subsection (2) of this</p>

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

Enactment	Amendment
<p>1977, No. 84—The Gaming and Lotteries Act 1977—<i>continued</i></p>	<p>section shall not be subject to section 16 (1) of the Public Finance Act 1989.”</p> <p>By repealing subsections (2) to (4) of section 116y (as enacted by section 3 (1) of the Gaming and Lotteries Amendment Act 1987).</p> <p>By repealing section 116z (as enacted by section 3 (1) of the Gaming and Lotteries Amendment Act 1987), and substituting the following section:</p> <p>“116z. <b>Annual report</b>—(1) The Board shall, as soon as practicable after the end of each financial year, deliver to the Minister a report on its operations and the operations of each Distribution Committee during that financial year.</p> <p>“(2) The Minister shall lay a copy of every such report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989.”</p>
<p>1977, No. 102—The Queen Elizabeth the Second National Trust Act 1977 (R.S. Vol. 27, p. 815)</p>	<p>By omitting from section 28 the expression “31st day of March”, and substituting the expression “30th day of June”.</p> <p>By repealing section 31.</p> <p>By inserting, before section 32, the following section:</p> <p>“31A. <b>Crown-owned entity</b>—The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 32, and substituting the following section:</p> <p>“32. <b>Annual report</b>—(1) The Board shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on the operations of the Trust for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989.</p> <p>“(3) The Board shall, as soon as practicable after it has complied with <b>subsection (1)</b> of this section, send a copy of</p>

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

Enactment	Amendment
1977, No. 102—The Queen Elizabeth the Second National Trust Act 1977 (R.S. Vol. 27, p. 815)— <i>continued</i>	the report to every member of the Board.”
1978, No. 7—The Alcoholic Liquor Advisory Council Amendment Act 1978 (R.S. Vol. 26, p. 24)	By repealing section 8.
1978, No. 61—The New Zealand Film Commission Act 1978	<p>By repealing the definition in section 2 of the term “financial year” (as amended by section 86 (1) of the Public Finance Act 1989), and substituting the following definition:</p> <p>“‘Financial year’ means a year ending with the 30th day of June or with such other date as the Minister of Finance may determine.”</p> <p>By repealing sections 30 and 31, and substituting the following section:</p> <p>“30. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing sections 32 and 33, and substituting the following section:</p> <p>“32. <b>Annual report</b>—(1) The Commission shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on the proceedings and operations of the Commission for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1978, No. 103—The Securities Act 1978 (R.S. Vol. 15, p. 533)	<p>By repealing section 31c (as inserted by section 12 of the Securities Amendment Act 1982 and amended by section 86 (1) of the Public Finance Act 1989).</p> <p>By inserting, before section 31d (as inserted by section 12 of the Securities</p>

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

Enactment	Amendment
1978, No. 103—The Securities Act 1978 (R.S. Vol. 15, p. 533)— <i>continued</i>	Amendment Act 1982), the following section: “31CA. <b>Crown-owned entity</b> —The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”
1982, No. 123—The Law Practitioners Act 1982	By repealing subsection (3) of section 31A (as substituted by section 50 (1) of the Education Amendment Act 1990), and substituting the following subsection: “(3) <b>Part V</b> of the Public Finance Act 1989 shall apply to the Council as if it were a Crown-owned entity named in the <b>Third Schedule</b> to that Act.”
1983, No. 134—The Area Health Boards Act 1983	By repealing section 88 (as amended by section 16 of the Area Health Boards Amendment Act (No. 2) 1989). By repealing section 89, and substituting the following sections: “88A. <b>Crown-owned entities</b> —Every area health board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989. “89. <b>Annual report</b> —(1) Every area health board shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on the operations of the board for that financial year. “(2) The Minister shall lay a copy of each such report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989. “(3) Every area health board shall also make available, on request by any person and on payment by that person of such reasonable fee as the board may fix, a copy of any report furnished to the Minister under <b>subsection (1)</b> of this section.”
1985, No. 151—The Law Commission Act 1985	By repealing section 17, and substituting the following section: “17. <b>Annual report</b> —(1) The Commission shall, as soon as practicable after the end of each year ending with the

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

Enactment	Amendment
1985, No. 151—The Law Commission Act 1985— <i>continued</i>	<p>30th day of June, furnish to the Minister of Justice a report of its operations during that year.</p> <p>“(2) The Minister of Justice shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p> <p>By repealing clause 11 of the First Schedule, and substituting the following clause:</p> <p>“11. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1986, No. 5—The Commerce Act 1986	<p>By repealing section 22 (as amended by section 11 of the Commerce Amendment Act 1990), and substituting the following section:</p> <p>“22. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1986, No. 18—The Fire Service Amendment Act 1986 (R.S. Vol. 27, p. 117)	<p>By repealing subsection (2) of section 46.</p>
1986, No. 124—The State-Owned Enterprises Act 1986	<p>By omitting from the Second Schedule (as amended by section 85 of the Broadcasting Act 1989) the item relating to the New Zealand Symphony Orchestra Limited.</p>
1987, No. 13—The Recreation and Sport Act 1987	<p>By repealing sections 30 and 31.</p> <p>By inserting, before section 32, the following section:</p> <p>“31A. <b>Crown-owned entity</b>—The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 32, and substituting the following section:</p> <p>“32. <b>Annual report</b>—(1) The Commission shall, as soon as practicable after the end of each financial year, deliver to the Minister a report on its proceedings</p>

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

Enactment	Amendment
1987, No. 13—The Recreation and Sport Act 1987— <i>continued</i>	and operations during that financial year. “(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”
1987, No. 176—The Maori Language Act 1987	By repealing clause 13 of the Second Schedule, and substituting the following clause: “13. <b>Crown-owned entity</b> —The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”
1988, No. 2—The Police Complaints Authority Act 1988	By repealing section 11c (as inserted by section 2 of the Police Complaints Authority Amendment Act 1988), and substituting the following sections: “11c. <b>Accounts</b> —The Authority shall keep full and correct accounts of all its financial transactions, assets, liabilities, and funds. “11cA. <b>Crown-owned entity</b> —The Authority shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”
1988, No. 5—The Standards Act 1988	By repealing subsection (2) of section 35, and substituting the following subsection: “(2) The Minister of Justice shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.” By repealing the definition of the term “financial year” in section 2, and substituting the following definition: “‘Financial year’ means a period of 12 months ending with the 30th day of June.” By repealing section 19. By inserting, before section 20, the following section: “19A. <b>Crown-owned entity</b> —The Council shall be a Crown-owned entity

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

Enactment	Amendment
1988, No. 5—The Standards Act 1988— <i>continued</i>	<p>for the purposes of the Public Finance Act 1989.”</p> <p>By repealing section 21, and substituting the following section:</p> <p>“21. <b>Annual report</b>—(1) The Council shall, as soon as practicable after the end of each financial year, deliver to the Minister a report on its operations during that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1988, No. 160—The New Zealand Trade Development Board Act 1988	<p>By repealing clauses 15 and 16 of the First Schedule, and substituting the following clause:</p> <p>“15. <b>Crown-owned entity</b>—The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing clause 17 of the First Schedule, and substituting the following clause:</p> <p>“17. <b>Annual report</b>—(1) The Board shall, as soon as practicable after the end of each financial year, furnish to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1988, No. 163—The New Zealand Symphony Orchestra Act 1988	<p>By repealing subsection (5) of section 5, and substituting the following subsection:</p> <p>“(5) Except as provided in subsections (1) to (4) of this section and in Part V of the Public Finance Act 1989, the Companies Act 1955 shall apply to the company.”</p> <p>By repealing section 7, and substituting the following sections:</p> <p>“7. <b>Application of Government Superannuation Fund Act 1956</b>—</p>

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

Enactment	Amendment
1988, No. 163—The New Zealand Symphony Orchestra Act 1988— <i>continued</i>	Section 2A of the Government Superannuation Fund Act 1956 shall apply in relation to the company. “7A. <b>Crown-owned entity</b> —The company shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”
1988, No. 186—The Gaming and Lotteries Amendment Act 1988	By repealing section 3.
1989, No. 25—The Broadcasting Act 1989	By inserting in the First Schedule, after clause 11, the following clause: “11A. <b>Crown-owned entity</b> —The Authority and the Commission shall each be a Crown-owned entity for the purposes of the Public Finance Act 1989.” By repealing clauses 12 and 13 of the First Schedule. By repealing clause 14 of the First Schedule, and substituting the following clause: “14. <b>Annual report</b> —(1) The Authority and the Commission shall, as soon as practicable after the end of each financial year, each furnish to the Minister a report on its operations for that financial year. “(2) The Minister shall lay a copy of each such report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”
1989, No. 42—The Area Health Boards Amendment Act (No. 2) 1989	By repealing section 85. By repealing section 16.
1989, No. 80—The Education Act 1989	To insert after section 81A (as inserted by section 20 of the Education Amendment Act 1990) the following section: “81B. <b>Management of financial management system</b> —If satisfied that a Board has not, within 90 days of the end of any financial year, sent to the



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

Enactment	Amendment
1989, No. 80—The Education Act 1989— <i>continued</i>	<p>Audit Office annual financial statements for the year that comply with <b>Part V</b> of the Public Finance Act 1989, the Secretary may, by written notice to the Board, direct the Board to engage and pay a suitably qualified person to manage its financial management system; and in that case, until the Secretary gives the Board written notice that it may resume direct control of its financial management system, the Board shall ensure that either—</p> <p>“(a) A chartered accountant (within the meaning of section 2 of the New Zealand Society of Accountants Act 1958) of the Board’s choice; or</p> <p>“(b) Some other person approved by the Secretary,—</p> <p>prepares its accounting records and keeps its accounts, and that no cheque drawn on the Board’s accounts is valid unless the person for the time being keeping the accounts countersigns it.”</p> <p>By repealing sections 82 to 86.</p> <p>By omitting from section 90 the words “local authority”, and substituting the words “Crown-owned entity”.</p> <p>By repealing section 203 (1) (as inserted by section 37 of the Education Amendment Act 1990), and substituting the following subsection:</p> <p>“(1) <b>Part V</b> of the Public Finance Act 1989 shall apply to an institution as if it were a Crown-owned entity named in the <b>Third Schedule</b> to that Act.”</p> <p>By repealing section 203 (2) (b) (as inserted by section 37 of the Education Amendment Act 1990).</p> <p>By repealing section 240 (6) (as inserted by section 41 of the Education Amendment Act 1990), and substituting the following subsection:</p> <p>“(6) <b>Part V</b> of the Public Finance Act 1989 shall apply to the Committee as if it</p>

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

Enactment	Amendment
1989, No. 80—The Education Act 1989— <i>continued</i>	<p>were a Crown-owned entity named in the Third Schedule to that Act.”</p> <p>By repealing clauses 18 to 22 of the Second Schedule.</p> <p>By repealing clauses 19 to 23 of the Third Schedule.</p> <p>By repealing clauses 8 to 12 of the Seventh Schedule.</p> <p>By repealing clause 13 of the Seventh Schedule, and substituting the following clause:</p> <p>“13. <b>Annual report</b>—(1) The Registration Board shall, as soon as practicable after the end of each financial year, give to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 16 of the Fifteenth Schedule (as added by section 47 of the Education Amendment Act 1990), and substituting the following subclause:</p> <p>“(3) The Minister shall lay a copy of the report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 19 of the Sixteenth Schedule (as added by section 47 of the Education Amendment Act 1990), and substituting the following subclause:</p> <p>“(3) The Minister shall lay a copy of the report before the House of Representatives in accordance with <b>section 44A</b> of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 19 of the Seventeenth Schedule (as added by section 47 of the Education Amendment</p>

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

Enactment	Amendment
1989, No. 80—The Education Act 1989— <i>continued</i>	<p>Act 1990), and substituting the following subclause:</p> <p>“(3) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p> <p>By repealing subclause (4) of clause 14 of the Eighteenth Schedule (as added by section 47 of the Education Amendment Act 1990), and substituting the following subclause:</p> <p>“(4) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1989, No. 137—The National Library Amendment Act 1989	By repealing section 11.
1990, No. 26—The Social Welfare (Transitional Provisions) Act 1990	<p>By repealing subsection (3) of section 43, and substituting the following subsection:</p> <p>“(3) The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1990, No. 41—The Commerce Amendment Act 1990	By repealing section 11.
1990, No. 60—The Education Amendment Act 1990	By repealing section 21.
1990, No. 62—The Casino Control Act 1990	<p>By repealing section 17, and substituting the following section:</p> <p>“17. <b>Annual report</b>—(1) The Authority shall, as soon as practicable after the end of each financial year, deliver to the Minister a report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of that report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p> <p>By repealing clause 9 of the First Schedule, and substituting the following clause:</p>

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

Enactment	Amendment
1990, No. 62—The Casino Control Act 1990— <i>continued</i>	<p>“9. <b>Crown-owned entity</b>—The Authority shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1990, No. 68—The Health Research Council Act 1990	<p>By repealing subsection (4) of section 38, and substituting the following section:</p> <p>“(4) The Minister shall lay a copy of every annual report of the Council before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p> <p>By repealing clause 8 of the First Schedule, and substituting the following clause:</p> <p>“8. <b>Crown-owned entity</b>—The Council shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1990, No. 72—The Foundation for Research, Science, and Technology Act 1990	<p>By repealing subsection (3) of section 4, and substituting the following subsection:</p> <p>“(3) The Foundation shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 21 of the First Schedule, and substituting the following subclause:</p> <p>“(3) The Minister shall lay a copy of every annual report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1990, No. 99—The Transport Accident Investigation Commission Act 1990	<p>By repealing clauses 33 and 34 of the Schedule and the heading above clause 33, and substituting the following headings and clauses:</p> <p>“<i>Crown-owned Entity</i></p> <p>“33. The Commission shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.</p> <p>“<i>Annual Report</i></p> <p>“34. (1) The Commission shall, as soon as practicable after the end of each financial year, deliver to the Minister a</p>

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

Enactment	Amendment
1990, No. 99—The Transport Accident Investigation Commission Act 1990— <i>continued</i>	<p>report on its operations for that financial year.</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1990, No. 105—The New Zealand Railways Corporation Restructuring Act 1990	<p>By repealing subsection (1) of section 18, and substituting the following subsection:</p> <p>“(1) Every transferee company in which the Crown holds 50 percent or more of the ordinary shares shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>
1990, No. 108—The Smoke-free Environments Act 1990	<p>By repealing section 62.</p> <p>By inserting, before section 63, the following section:</p> <p>“62A. <b>Crown-owned entity</b>—The Council shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By omitting from paragraph (d) of section 63 (2) the expression “; and”.</p> <p>By repealing subsections (3) and (4) of section 63, and substituting the following subsection:</p> <p>“(3) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1990, No. 136—The Fire Service Amendment Act 1990	By repealing section 30.
1991, No. 71—The Legal Services Act 1991	<p>By repealing subsection (4) of section 111, and substituting the following subsection:</p> <p>“(4) The Board shall lay before the House of Representatives in accordance with section 44A of the Public Finance Act 1989 a copy of every annual report of the Board.”</p>

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

Enactment	Amendment
1991, No. 108—The Business Development Boards Act 1991	<p>By repealing subsections (2) and (3) of section 5, and substituting the following section:</p> <p>“(2) The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 22 of the Schedule, and substituting the following subclause:</p> <p>“(3) The Minister shall lay before the House of Representatives in accordance with section 44A of the Public Finance Act 1989 a copy of every annual report supplied to the Minister under subclause (1) of this clause.”</p>
1991, No. 110—The New Zealand Tourism Board Act 1991	<p>By repealing subsections (3) and (4) of section 4, and substituting the following subsection:</p> <p>“(3) The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subsection (4) of section 10, and substituting the following subsection:</p> <p>“(4) The Minister shall lay before the House of Representatives in accordance with section 44A of the Public Finance Act 1989 a copy of every annual report given to the Minister under subsection (1) of this section.”</p>
1991, No. 126—The Privacy Commissioner Act 1991	<p>By repealing subsection (4) of section 4, and substituting the following subsection:</p> <p>“(4) The Commissioner shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subsections (2) and (3) of section 12, and substituting the following subsection:</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1991, No. 150—The Building Act 1991	<p>By repealing subsection (4) of section 10, and substituting the following subsection:</p>

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

Enactment	Amendment
1991, No. 150—The Building Act 1991— <i>continued</i>	<p>“(4) The Authority shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p> <p>By repealing subclause (3) of clause 15 of the First Schedule, and substituting the following subclause:</p>
1992, No. 13—The Accident Rehabilitation and Compensation Insurance Act 1992	<p>“(3) The Minister shall lay before the House of Representatives in accordance with section 44A of the Public Finance Act 1989 a copy of every annual report supplied to the Minister under subclause (1) of this clause.”</p> <p>By repealing subsection (2) of section 30, and substituting the following subsection:</p> <p>“(2) The Minister shall lay a copy of the report before the House of Representatives in accordance with section 44A of the Public Finance Act 1989.”</p>
1992, No. 19—The Museum of New Zealand Te Papa Tongarewa Act 1992	<p>By repealing clause 9 of the First Schedule, and substituting the following clause:</p> <p>“9. <b>Crown-owned entity</b>—The Board shall be a Crown-owned entity for the purposes of the Public Finance Act 1989.”</p>