

PUBLIC REVENUES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Public Revenues Act 1953.

Clause 2: Under section 39 (1) of the principal Act the Secretary to the Treasury may invest any of the balances in the Public Account in such securities as are approved by the Governor-General in Council; and section 39 (3) specifies kinds of investments that may be made in any case without further authority than the section itself.

Subclause (1) of this clause rewrites section 39 (1). It provides that the Secretary may invest such balances on deposit for a fixed term with a bank in New Zealand, or with a bank outside New Zealand approved by the Minister of Finance, or in securities issued by the Government of New Zealand or by the Government of the United Kingdom, or in such other securities as the Minister approves.

Subclause (2) consequentially repeals section 39 (3) of the principal Act.

Clause 3 inserts a new section which authorises the Minister to accept money on deposit on such terms as he thinks fit. It provides for the payment of money so deposited into a special account within the Public Account, and for the payment of interest out of the Consolidated Fund. Subsection (6) of the new section provides that where under any other Act any corporation or Department of State has power to invest money in Government securities it may also deposit money under the new section.

Clause 4: Under section 97 of the Public Revenues Act 1953 it is an offence to make a declaration or certificate required by that Act, or by regulations made under the Act, knowing it to be false.

This clause re-enacts that section but also extends it to include a false declaration or certificate knowingly made or given for the purpose of procuring the improper payment to the offender, or to any local authority or other person or body, of public money, or money of a local authority or body whose accounts are audited by the Audit Office.

Clause 5: Section 110 of the principal Act authorises the Minister of Finance, for the purpose of increasing primary or secondary production in New Zealand or for the purpose of any other works of national importance, to give guarantees, indemnities, or securities in respect of any advance made at his request by any bank or other person or company. The effect of the amendments made by this clause is that the authority may be exercised whether the advance is made at the Minister's request or not, and whether

the lender or the borrower is in New Zealand or elsewhere; but where both parties are overseas the guarantee, etc., may be given only if a binding agreement approved by the Minister is made between the borrower and a body corporate incorporated in New Zealand for the amount of the original advance to be lent by the borrower to that body corporate.

Clause 6: Under section 92 (2) of the principal Act a Harbour Board may in any financial year expend, for purposes not otherwise authorised, sums not amounting in the whole to more than one per cent of its revenue for the year, but with a limit of £1,000. The effect of the amendment made by subclause (1) of this clause is that the maximum unauthorised expenditure will be (a) 1 per cent, with a limit of £1,000, where the Board's revenue does not exceed £500,000; (b) £1,500 where its revenue exceeds £500,000 but does not exceed £1,000,000; and (c) £2,000 where its revenue exceeds £1,000,000.

Subclause (2): At present, the unauthorised expenditure of a Hospital Board is limited to one-fifth of 1 per cent of its "maintenance expenditure", with a maximum (except for certain specified Boards) of £350. As the accounts of Boards are now kept on a receipts and payments basis, and not on an income and expenditure basis, this subclause substitutes the word "payments" for the word "expenditure".

Clause 7: Under section 86 of the principal Act the money in the Government Stores Insurance Fund is to be applied towards the reconditioning or replacing of public stores damaged or lost on importation or exportation or during carriage in New Zealand. Pending its application the money is invested in the Common Fund of the Public Trust Office.

This clause authorises the Minister of Finance, when he is satisfied that there is more money in the Fund than is reasonably required for the above-mentioned purposes, to direct that any of the surplus be transferred to any account within the Public Account or to any of the accounts subject to Part IX of the principal Act (which are accounts outside the Public Account).

Hon. Mr Lake

PUBLIC REVENUES AMENDMENT

ANALYSIS

Title		4. False declarations and certificates
1. Short Title		5. Power to guarantee advances
2. Investment of balances in Public Account		6. Unauthorised expenditure of Harbour Boards and Hospital Boards
3. Power to accept money on deposit		7. Government Stores Insurance Fund

A BILL INTITULED

An Act to amend the Public Revenues Act 1953

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

1. Short Title—This Act may be cited as the Public Revenues Amendment Act 1962, and shall be read together with and deemed part of the Public Revenues Act 1953* (hereinafter referred to as the principal Act).

*1957 Reprint, Vol. 12, p. 253
Amendments: 1958, No. 88; 1960, No. 84

2. Investment of balances in Public Account—(1) Section 39 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) The Secretary may from time to time invest any of the balances of the Public Account, or any part thereof, for such periods and on such terms as he thinks fit,— 5

“(a) On deposit for a fixed term with any bank in New Zealand, or with any bank outside New Zealand approved by the Minister for the purpose; or

“(b) In securities issued by the Government of New Zealand or by the Government of the United Kingdom; or 10

“(c) In such other securities as the Minister from time to time approves as securities in which such money may be invested— 15

and may from time to time sell and convert into money any such securities, and cause that money to be paid into the Public Account to the credit of the proper fund or account to which it belongs. Where pursuant to this subsection investments are transferred from any one account to any other account in the Public Account, all such transfers shall be made at par unless in any case the Minister specifically authorises the transfer otherwise than at par.” 20

(2) Section 39 of the principal act is hereby further amended by repealing subsection (3). 25

3. Power to accept money on deposit—The principal Act is hereby amended by inserting, after section 41, the following section:

“41A. (1) The Minister may from time to time accept money on deposit for such periods and at such rate of interest and upon and subject to such terms and conditions as he thinks fit. 30

“(2) All money so accepted shall be paid into the Public Account, and shall be credited to a special account to be opened under paragraph (d) of section 38 of this Act. 35

“(3) Nothing in the New Zealand Loans Act 1953 shall apply to any money paid into the special account.

“(4) All interest payable on any money for the time being in the special account shall be paid out of the Consolidated Fund without further appropriation than this section. 40

“(5) All sums payable out of the special account shall be paid without further appropriation than this section.

“(6) Where under or by virtue of any enactment other than this Act any corporation or Department of State is authorised to invest money in securities of the Government of New Zealand the corporation or Department shall also have authority to deposit money with the Minister under this section.”

4. False declarations and certificates—The principal Act is hereby amended by repealing section 97, and substituting the following section:

“97. Every person is liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one hundred pounds, or to both, who makes any declaration or gives any certificate, knowing it to be false, if—

“(a) It is required to be made or given by this Act or by the regulations; or

“(b) It is made or given for the purpose of procuring the improper payment, to himself or to any local authority or any other person or body, of any public money or any money of any local authority or body whose accounts are audited by the Audit Office.”

5. Power to guarantee advances—(1) Section 110 of the principal Act is hereby amended by omitting from subsection (1) the words “made at his request by any bank or other person or company”, and substituting the words “made by any bank or other person or company (whether that bank or person or company is in New Zealand or elsewhere, and whether the borrower is in New Zealand or elsewhere)”.

(2) The said section 110 is hereby further amended by inserting, after subsection (1), the following subsection:

“(1A) Where in the case of any such advance both the lender and the borrower are outside New Zealand, the powers conferred on the Minister by subsection (1) of this section may be exercised only if a binding agreement, approved by the Minister, is entered into between the borrower and a body corporate incorporated in New Zealand by or under any enactment, providing for the amount of such advance to be lent by the borrower to that body corporate.”

6. Unauthorised expenditure of Harbour Boards and Hospital Boards—(1) Section 92 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

“(2) Any Harbour Board may in every financial year, out of its Harbour Fund, expend for purposes not authorised by any Act or law for the time being in force any sum or sums not amounting in the whole to more than— 5

“(a) One per cent of its revenue for the year, or one thousand pounds (whichever is the less), in any case where its revenue for the year does not exceed five hundred thousand pounds: 10

“(b) One thousand five hundred pounds in any case where its revenue for the year exceeds five hundred thousand pounds and does not exceed one million pounds: 15

“(c) Two thousand pounds in any case where its revenue for the year exceeds one million pounds.”

(2) Section 92 of the principal Act is hereby further amended by omitting from subsection (3) the word “expenditure”, and substituting the word “payments”. 20

7. Government Stores Insurance Fund—Section 86 of the principal Act is hereby amended by adding the following subsection:

“(7) Notwithstanding anything in the foregoing provisions of this section, if at any time the Minister is satisfied that there is available in the Insurance Fund any money in excess of the amount reasonably required for the purposes of that Fund he may direct that the whole or any part of the excess be transferred from the Fund to any account within the Public Account or to any account that is subject to Part IX of this Act.” 25 30