



ANALYSIS

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1986, No. 67

An Act to amend the Public Finance Act 1977

[14 August 1986]

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 and commencement—(1) This Act may be cited as the Public Finance Amendment Act 1986, and shall be read together with and deemed part of the Public Finance Act 1977 (hereinafter referred to as the principal Act).

(2) Except as provided in section 10 (3) of this Act, this Act shall come into force on the day on which it receives the Governor-General's assent.

2. Salary and other conditions of employment of Controller and Auditor-General—Section 18 of the principal Act (as substituted by section 9 (2) of the Higher Salaries Commission Amendment Act (No. 2) 1985) is hereby amended by adding the following subsection:

“(6) Where any person who is appointed as Controller and Auditor-General was an officer of the State services (as defined in section 2 of the State Services Act 1962) immediately before that appointment, that person’s term as Controller and Auditor-General shall, for the purposes of appointment to any position in the State services (as so defined) on the termination of that person’s service as Controller and Auditor-General, be deemed to be continuous service in that branch of the State services in which that person was employed immediately before that person’s appointment as Controller and Auditor-General.”

3. Summaries of public accounts—(1) Section 67 (2) of the principal Act is hereby repealed.

(2) Section 67 (4) of the principal Act is hereby consequentially amended by omitting the expression “subsections (1) to (3)”, and substituting the expression “subsections (1) and (3)”.

4. Power to give guarantees—Section 86 of the principal Act is hereby amended by inserting, after subsection (1), the following subsection:

“(1A) Where the contingent liability of the Crown under any guarantee, indemnity, or security given under this section exceeds \$5 million, the Minister shall, as soon as practicable after the giving of the guarantee, indemnity, or security, publish in the *Gazette* and lay before Parliament a statement—

“(a) That such a guarantee, indemnity, or security has been given; and

“(b) Containing such details relating to that guarantee, indemnity, or security as the Minister considers appropriate.”

5. Abolition of Public Debt Commission—(1) The principal Act is hereby amended by repealing sections 92 to 94 and the heading above section 92.

(2) Section 2 (1) of the principal Act is hereby consequentially amended by repealing the definition of the term “Commission”.

(3) Section 40 (3) (b) of the principal Act is hereby consequentially repealed.

(4) The Official Information Act 1982 is hereby consequentially amended by omitting from the First Schedule the item relating to the Public Debt Commission.

6. Power to enter into swaps or other financial arrangements—The principal Act is hereby amended by inserting, after section 91, the following section:

“91A. (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, enter (either directly or through an intermediary) into any arrangement with any person, organisation, or government (in this section referred to as the other party), either within or outside New Zealand, whereby the Minister undertakes to make payments to or to the account of the other party in any currency and the other party undertakes to make payments to or to the account of the Crown in the same or any other currency.

“(2) Any money required to be paid by the Minister by virtue of any arrangement entered into pursuant to this section, and any costs, charges, and expenses incurred in connection with the negotiation, management, service, or repayment of any such arrangement, shall be paid out of such account or fund within the Public Account as the Minister directs without further appropriation than this section.”

7. Excess amounts payable into Public Account—The principal Act is hereby amended by inserting, after section 99, the following section:

“99A. (1) If the Minister is satisfied at any time that in any financial year any Government department or Government agency (including any Government agency that operates an account or fund that is subject to section 68 or section 69 of this Act) has made a profit, the Minister may direct that department or agency to pay a sum equal to the whole or any part of that profit into such account or fund within the Public Account as the Minister thinks fit.

“(2) Before giving any direction under subsection (1) of this section, the Minister shall consult with the Minister of the Crown responsible for the Government department or Government agency concerned.

“(3) Where, in relation to any Government agency, there is no Minister responsible, the Minister shall, before giving any direction under subsection (1) of this section, give the governing body of that agency the opportunity to make representations, and shall take those representations (if any) into account.

“(4) Nothing in subsection (1) of this section shall apply in respect of any revolving fund operated pursuant to section 52A of this Act, the Maori Trustee’s Account established under the Maori Trustee Act 1953, or the Public Trustee’s Account established under the Public Trust Office Act 1957.

“(5) Nothing in subsection (1) of this section derogates from any provision which is contained in any enactment that establishes or constitutes a Government department or Government agency, and which provides for the payment of an annual dividend or similar payment to the Crown.”

8. Government Stores Insurance Fund—Section 105 of the principal Act is hereby amended by repealing subsection (6), and substituting the following subsection:

“(6) All money belonging to the Fund shall be held by the Public Trustee or such other Government department or Government agency as the Treasury may from time to time direct and, pending the application of the money as provided in this section, and subject to the approval of the Treasury, it may be invested in the Common Fund of the Public Trust Office or in any manner in which money in the Public Account may be invested pursuant to section 50 of this Act.”

9. Regulations relating to Crown Solicitors—(1) Section 113 (1) of the principal Act is hereby amended by repealing paragraph (j), and substituting the following paragraph:

“(j) Regulating the employment of Crown Solicitors (not being members of the Public Service) for the conduct of the legal business of the Crown; and providing for the payment to such Crown Solicitors of such fees, allowances, and expenses as may be fixed or determined by or in accordance with the regulations:”.

(2) Section 113 of the principal Act is hereby further amended by inserting, after subsection (1), the following subsection:

“(1A) Any Order in Council made under paragraph (j) of subsection (1) of this section, and any provision of any such order, may, to the extent that that order or that provision prescribes the fees, allowances, and expenses payable to Crown Solicitors, be expressed to apply in respect of work done by Crown Solicitors on and after any date, whether before or after the date of the making of the order or the date of the commencement of this subsection.”

10. Revolving funds—(1) The principal Act is hereby amended by repealing the Fifth Schedule (as substituted by section 2 (1) of the Public Finance Amendment Act 1983), and substituting the Fifth Schedule set out in the Schedule to this Act.

(2) The Public Finance Amendment Act 1983 is hereby consequentially repealed.

(3) This section, so far as it has the effect of replacing the revolving fund for the Computer Services Division of the State Services Commission with a revolving fund for the Government Computing Service, shall be deemed to have come into force on the 1st day of April 1986, but shall otherwise come into force on the day on which this Act receives the Governor-General's assent.

11. Consequential amendment to Property Law Act 1952—The Property Law Act 1952 is hereby amended by omitting from section 102A (3) (as inserted by section 3 of the Property Law Amendment Act 1971) the words “section 38 of the Public Revenues Act 1953 (as substituted by section 3 of the Public Revenues Amendment Act 1963)”, and substituting the words “section 42 of the Public Finance Act 1977”.

SCHEDULE

NEW FIFTH SCHEDULE TO PRINCIPAL ACT

Section 10

“FIFTH SCHEDULE

Section 52A

REVOLVING FUNDS

Name of Operating Department	Name of Revolving Fund	Activity to which Fund relates
Department of Justice	Justice Forest Industry Fund	Functions of the Forest Industry of the Department of Justice
Department of Maori Affairs	Maori Land Development Fund	Development and farming of land
Department of Lands and Survey	Farm Development Fund	Development and farming of land
Government Printing Office	Government Printing Office Fund	Functions of the Government Printing Office
New Zealand Forest Service	New Zealand Forest Service Fund	Functions of the New Zealand Forest Service
Government Computing Service	Government Computing Service Fund	Functions of the Government Computing Service
Department of Scientific and Industrial Research	Department of Scientific and Industrial Research Science Fund	Science functions of the Department of Scientific and Industrial Research”

This Act is administered in the Treasury.
