



ANALYSIS

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1998, No. 85

An Act to amend the Fiscal Responsibility Act 1994

[2 July 1998]

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

1. Short Title and commencement—(1) This Act may be cited as the Fiscal Responsibility Amendment Act 1998, and is part of the Fiscal Responsibility Act 1994 (“the principal Act”).

(2) This Act comes into force on the day after the date on which it receives the Royal assent.

2. Budget policy statement—Section 6 of the principal Act is amended by repealing subsection (1), and substituting the following subsection:

“(1) The Minister must, not earlier than 1 December nor later than 31 March in each financial year, cause to be published a budget policy statement.”

3. Fiscal forecasts—Section 10 (3) (a) of the principal Act is amended by omitting the words “(other than the commitments included in the statements prepared under subsection (2) of this section)”.

4. Statement of responsibility—Section 12 of the principal Act (as substituted by section 2 of the Treasurer (Statutory References) Act 1997) is amended by adding as subsection (2) the following subsection:

“(2) Every fiscal update prepared under section 15 (1) must be accompanied by a statement of responsibility that would comply with subsection (1) of this section if that subsection contained references to fiscal implication, information, and updates only, and not to economic implications, information, and updates.”

5. Current-year fiscal update—(1) Section 15 of the principal Act is amended by repealing subsections (1) and (2), and substituting the following subsections:

“(1) On the introduction of the first Appropriation Bill relating to a financial year that is introduced after 31 March in that financial year, the Minister must, unless the Bill is introduced on the same day as the first Appropriation Bill for the following financial year, lay before the House of Representatives a report containing a fiscal update for the financial year prepared by the Treasury.

“(2) The update must—

“(a) Contain fiscal forecasts for the financial year and a statement of all significant assumptions underlying them; and

“(b) Be accompanied by the statement of responsibility required under section 12 (2).”

(2) Section 15 (3) of the principal Act is amended—

(a) By inserting in paragraph (a), after the words “forecast estimated actual”, the word “financial”:

(b) By inserting in paragraph (d), after the words “reflecting the forecast”, the words “estimated actual”.

6. Referral to select committee—Section 16 of the principal Act is amended by omitting all the words appearing before paragraph (a), and substituting the following words:

“There stands referred to any committee of the House of Representatives that is responsible for the review of government finance and the Crown’s financial statements—”.

This Act is administered in the Treasury.
