

# Open Budget Survey 2023

Questionnaire

**New Zealand**

May 2024

# Country Questionnaire: New Zealand

## PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

**Answer:**  
FY2023-24

**Source:**  
<https://www.treasury.govt.nz/system/files/2022-12/bps23.pdf>

**Comment:**  
No comments

### Peer Reviewer

**Opinion:** Disagree

**Suggested Answer:** PDF link has shifted to [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf) Typo in years covered: 1 July \*2022\* - 30 June 2023\*

**Comments:**

### Government Reviewer

**Opinion:** Disagree

**Suggested Answer:**

**Comments:** The relevant PBS is for FY2023-24. It is published in December 2022 (which is during FY2022-23). The link above is broken, here is a working version: <https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

### Researcher Response

Budget 2023 Policy Statement (PBS) published in December 2022 for FY 2023-24. [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf)

### IBP Comment

IBP acknowledges the reviewers' comments. The FY 2022/23 PBS link has been updated [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf)

## PBS-2. When is the PBS made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.*

### Answer:

a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

**Source:**

<https://www.treasury.govt.nz/system/files/2022-12/bps23.pdf>

**Comment:**

The "Budget Policy Statement" (BPS), the Pre Budget Statement (PBS) is generally released annually in December for the subsequent budget year starting on 1 July. 18 May 2023 is the date that has been announced for the FY 2023/24 Budget

<https://www.treasury.govt.nz/publications/budgets/budget-2023>

The BPS for FY 2023/24 was released on 14 December 2022, more than 4 months before the start of the next fiscal year (1 July 2023) and more than one month before the EBP is normally submitted to Parliament. The BPS for FY 2021/22 was released on 9 February 2021, partly as a result of the impact of a small COVID-19 outbreak leading to a delay in the 2020 General Election.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Link now at: [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf) Confirmed date of original release at old link via Wayback Machine.

**Government Reviewer**

**Opinion:** Agree

**Comments:** The link above is broken, here is a working version: <https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**Researcher Response**

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**IBP Comment**

IBP notes the reviewers' comments. The PBS link has been updated. [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf)

**PBS-3a. If the PBS is published, what is the date of publication of the PBS?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

14/12/2022

**Source:**

New Zealand Treasury website

<https://www.treasury.govt.nz/system/files/2022-12/bps23.pdf>

**Comment:****Peer Reviewer**

**Opinion:** Agree

**Comments:** Link now: [https://www.treasury.govt.nz/sites/default/files/2022-12/bps23\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-12/bps23_2.pdf)

**Government Reviewer**

**Opinion:** Agree

**Comments:** The link above is broken, here is a working version: <https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**Researcher Response**

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

The PBS ("Budget Policy Statement") for FY23/24 was released on 14 December 2022 and made public on the same day on the New Zealand Treasury website. The website confirms Last updated: Wednesday, 14 December 2022

**Source:**

Source:

New Zealand Treasury website

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

The metadata (View Page Source) confirms the release date.

**Comment:**

No comment.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Also confirmed via Wayback Machine.

**Government Reviewer**

**Opinion:** Agree

**PBS-4. If the PBS is published, what is the URL or weblink of the PBS?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

**Answer:**

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**Source:**

NZ Treasury Website

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**Comment:**

In addition to the NZ Treasury Website, the BPS as also published on <https://budget.govt.nz/>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

NZ Treasury website <https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>  
Also the 2023 Budget Website <https://budget.govt.nz/budget/2023/bps/index.htm>

**Comment:**

All of the data presented in the FY2023-24 PBS ("Budget Policy Statement") are available for download on the NZ Treasury website in Excel format. However, data is not provided in non-proprietary formats.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**PBS-6a. If the PBS is not publicly available, is it still produced?**

*If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

NZ Treasury Website  
<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>  
Also  
<https://budget.govt.nz/budget/2023/bps/index.htm>

**Comment:**

A response of "e" has been chosen, since the PBS ("Budget Policy Statement") is publicly available.

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."*

**Answer:**  
N/A

**Source:**  
N/A

**Comment:**

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**PBS-7. If the PBS is produced, please write the full title of the PBS.**

*For example, a title for the Pre-Budget Statement could be "Proposed 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."*

*If the document is not produced at all, researchers should mark this question "n/a."*

**Answer:**  
Budget 2023 Budget Policy Statement

**Source:**  
Budget 2023 Budget Policy Statement published on the NZ Treasury Website  
<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>  
Also  
<https://budget.govt.nz/budget/2023/bps/index.htm>

**Comment:**

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**PBS-8. Is there a "citizens version" of the PBS?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

**Answer:**

b. No

**Source:**

NZ Treasury Website

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

Also

<https://budget.govt.nz/budget/2023/bps/index.htm>

**Comment:**

The Budget Policy Statement 2023 is not a highly technical document but does not fully meet the requirements for a citizens budget. It provides extensive information on the main macro aggregates (economic assumptions and forecasts, along with overall expenses, revenue, capital transactions, fiscal balance and debt) This is consistent with the Public Finance Act which requires presentation of long-term fiscal objectives and short-term fiscal intentions (Section 26M - <http://legislation.govt.nz/act/public/1989/0044/195.0/DLM161682.html>). However it does not provide meso level information on the components of revenue collection or sectoral allocation of expenses and how the sectoral shares are shifting over time. For example the nominal dollars of the day presented, with sustained high inflation - at over 7%, and ongoing population growth - may be consistent with significant falls in real per person expenses.

The Public Finance Act 1989 also requires the Government to set wellbeing objectives through the Budget Policy Statement and explain how they are intended to support long-term wellbeing. These were provided in the 2023 BPS. The Government devoted additional space to provide explanation of a new "Wellbeing Approach" for assessing economic and fiscal policies. The entire BPS document now totals 34 pages inclusive of cover pages (2 pages), short executive summary (2 pages) and annexes.

It is the view of the researcher/assessor while preparation of a distinct "Citizens Budget" version of the BPS may not be necessary, inclusion of meso level information on the projected sources of revenue collection and shares in expenditure would help make it clearer to citizens where taxation is coming from and where spending is going to. At present the BPS mainly provides Macro level information

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY 2022-23 which runs from 1 July 2022 to 30 June 2023

**Source:**

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

There are two websites with information devoted to the Budget documentation and data.

Both are maintained by the NZ Treasury. One is the publications page within the overall NZ Treasury website devoted to Budget documentation and data for current and past years. <https://treasury.govt.nz/publications/budgets/>

The other is a separate website dedicated specifically to presentation budget information, documentation (for the current year's budget only) along with historical fiscal data <https://budget.govt.nz/>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**EBP-1b. When is the EBP submitted to the legislature for consideration?**

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

19/05/2022

**Source:**

The Minister of Finance, Hon Grant Robertson, delivered Budget 2020 on Thursday, 19 May 2022

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: Typo in source (Budget 2022, not Budget 2020)

**Government Reviewer**

Opinion: Agree

**EBP-2. When is the EBP made available to the public?**

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.*



The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- The executive does not submit the draft budget to the legislature; or
- The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;
- The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or
- There is no legislature, or the legislature has been dissolved.

**Answer:**

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

NZ Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

The 2022 Budget was made public on 19 May 2022 ("Budget Day") less than two months before the beginning of the financial/budget year of 1 July.

The review dates by Parliament were as follows:

1st reading - 19 May 2022

2nd reading - 1 June 2022

3rd reading - 20 September 2022 (essentially equivalent to approval by the legislature)

Royal Assent - 21 September 2022

**Peer Reviewer**

Opinion: Agree

Comments:

**Government Reviewer**

Opinion: Agree

**EBP-3a. If the EBP is published, what is the date of publication of the EBP?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.*

**Answer:**

19/05/2022

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

The NZ Treasury website includes a date stamp next to each document.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

The date on which FY2022/23 Budget was published is readily available on the New Zealand Treasury website, other public websites (such as Budget.govt) as well other private sources). "Budget Day" is widely reported in the media and on websites. For example see <https://www.rnz.co.nz/news/budget-2022>. The metadata (View Page Source) confirms the release date.

**Source:**

NZ Treasury website  
<https://www.treasury.govt.nz/publications/budgets/budget-2022>  
Also <https://budget.govt.nz/>

**Comment:**

No comment.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**EBP-4. If the EBP is published, what is the URL or weblink of the EBP?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.*

**Answer:**

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Source:**

NZ Treasury website  
<https://www.treasury.govt.nz/publications/budgets/budget-2022>  
Also <https://budget.govt.nz/>

**Comment:**

The full EBP is comprised of more than one document. The full set of EBP documentation includes 4 key documents along with summaries supporting technical and media information.

The key documents are:

- 1 The Budget Speech
- 2 Budget Economic and Fiscal Update
- 3 The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June
- 4 Wellbeing Budget 2022

The latter is a volume that puts together a range of budget material in one place including a summary of all initiatives included in Budget 2022, as well as reports on fiscal strategy, wellbeing and child poverty required by the Public Finance Act.

In addition there is a range of more technical background material: and guides, a citizens budget (Budget at a Glance) and a policy of proactive release of the Budget documents after the Budget has been introduced.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

For BEFU 2022 data, charts and tables in Excel format:

<https://budget.govt.nz/budget/forecasts/befu2022.htm>

Budget Economic and Fiscal Update 2022 - Charts and Data

XLSX, 1.7 MB

Budget Economic and Fiscal Update 2022 - Data - Core Crown Expense Tables

XLS, 139 KB

Budget Economic and Fiscal Update 2022 - Data - Economic Forecasts Data

CSV, 20 KB

For Estimates of Appropriations 2020/21 data in Excel format (revenues and expenditures):

<https://treasury.govt.nz/publications/ise/budget-2020-data-estimates-appropriations-2020-21>

For Fiscal Strategy Model BEFU-2020 data in Excel format:

<https://treasury.govt.nz/publications/fsm/fiscal-strategy-model-befu-2020>

For Functional Classification of Core Crown Expenses in Excel format:

<https://treasury.govt.nz/publications/model/functional-classification-core-crown-expenses>

**Comment:**

In addition to the separate source citations provided above, the alternative Budget 2022 website noted in response to previous questions also has on its drop-down menu an option that takes user to a single website page ("Data Library") with direct access to data files across most of the EBP documents cited above, as well as the data used for interactive infographics

<https://budget.govt.nz/budget/2022/documents-data.htm>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** I believe the source for the estimates of appropriations and fiscal strategy model are intended to be for FY2022. Those are also linked/listed at <https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Government Reviewer**

**Opinion:** Agree

**Comments:** The above links do not work due to the update for current budget. The above documents are available through these links:

<https://www.treasury.govt.nz/publications/budgets/budget-2022#collection-group-heading-3> and

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**EBP-6a. If the EBP is not publicly available, is it still produced?**

*If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

No Comment

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

N/A

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EBP-7. If the EBP is produced, please write the full title of the EBP.**

*For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2022-23, produced by the Ministry of Finance, Planning and Economic Development."*

*If there are any supporting documents to the EBP, please enter their full titles in the comment box below.*

*If the document is not produced at all, researchers should mark this question "n/a."*

**Answer:**

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

As noted in response to EBP-4, the full EBP is comprised of more than one document. The core set of documentation to be considered as EBP include the following:

Budget Speech

Budget Economic and Fiscal Update

The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June

Fiscal Strategy- Wellbeing Budget

An additional document released at the same time is "the Supplementary Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2022."

Other supporting technical background information is regularly updated and provided with each budget.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EBP-8. Is there a "citizens version" of the EBP?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

**Answer:**

a. Yes

**Source:**

NZ Treasury website

"Budget at a Glance" dated 19 May 2022

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

"BEFU Basics" dated 19 May 2022

<https://www.treasury.govt.nz/publications/information-release/befu-basics-2022>

**Comment:**

The answer selected demonstrates an improvement in performance from the 2021 round of research but is consistent with the 2019 and early reviews. This is because in 2021 there was no New Zealand version of the citizens budget. Prior to that the previous review emphasised the role of two documents in Budget 2018 "Budget at a Glance: Foundations for the Future" and "BEFU Basics 2018" as "valid Citizens Budget documentation for the EBP." These documents – or equivalents - were not published in 2020 due to resource constraints and competing priorities for the NZ Treasury. Budget 2021 published in May 2021 saw the reinstatement of publication of two key citizens budget documents "Budget at a Glance", and "BEFU Basics".

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Budget at a glance link broken, available here: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**Government Reviewer**

**Opinion:** Agree

**Comments:** The first link above is broken, see a working version here: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY2022-23 which runs from 1 July 2022 to 30 June 2023.

**Source:**

"Appropriation (2022/23 Estimates) Act 2022"

Source - Website of Parliamentary Counsel Office (for NZ Legislation)

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

<https://www.legislation.govt.nz/bill/government/2020/0254/latest/LMS344640.html>

Appropriation (2020/21 Estimates) Act

Alternative source - Parliamentary Website

The official EB is the document entitled "Appropriation (2022/23 Estimates) Act 2022".

For purposes of completing the OBI/OBS, the full scope of documentation considered to be the EB also includes other documents as part of the EBP documentation. This reflects the fact that the text of the Appropriations Act (in each year) voted on and approved by Parliament refers directly to those other documents (e.g. the detailed "Estimates of Appropriations") rather than reproducing them within the approved Act itself.

It is also important to recognise that the Appropriation (2022/23 Estimates) Act was voted on and passed by Parliament without any modification to the EBP, given both:

- (1) the "confidence and supply" status of Parliament's deliberation and vote on the annual budget and
- (2) institutional arrangements underpinning New Zealand's Westminster-style Parliament.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-1b. When was the EB approved (enacted) by the legislature?**

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

20/09/2022

**Source:**

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

The Appropriation (2022/23 Estimates) Bill was approved by the legislature on 20/09/22 and enacted by Parliament (become law) on 21/09/22 when it received Royal Assent and came into force the following day. The survey question is slightly ambiguous in the New Zealand context as the date of approval by the legislature, enactment by Parliament and becoming law following Royal Assent, and coming into force are slightly different.

Previous reviews have highlighted the role of authority under Imprest Supply approved before the start of the new fiscal year. Under Imprest Supply, Parliament provides legal authority to the Executive (Government) to "incur expenses and capital expenditure in advance of appropriation in an Appropriation Act" [https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_99229/impres-supply-first-for-202021-bill](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_99229/impres-supply-first-for-202021-bill)

The OBS question relates to the date on which the Enacted Budget is approved by Parliament, rather than when Parliament legally authorises the Government to carry out spending. As such Imprest Supply is interim approval whereas the Enacted Budget is consistently identified as "The Appropriation (2022/23 Estimates) Act 2022" for this current round of the OBS. This leaves a slight ambiguity about whether the date selected is for the legislature's approval or enactment by Parliament.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-2. When is the EB made available to the public?**

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

**Answer:**

a. Two weeks or less after the budget has been enacted

**Source:**

"Appropriation (2022/23 Estimates) Act 2022"

Parliament Counsel Office Website

[https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resele\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resele_25_a&p=1)

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

The Bill was available to the public at each stage of the legislative process on Parliament website <https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

The final Act was available to the public two weeks or less after the budget has been enacted on the Parliament Counsel Office Website [https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resele\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resele_25_a&p=1).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-3a. If the EB is published, what is the date of publication of the EB?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

21/09/2022

**Source:**

Date of EB documentation being posted to the Parliamentary Counsel Office website was verified by email dated XXX from Noel.Lee@pco.govt.nz

Source - Website of Parliamentary Counsel Office (for NZ Legislation)

<https://legislation.govt.nz/act/public/2022/0047/10.0/LMS694360.html>

Alternative source - Parliamentary Website



<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

The Bill was available to the public at each stage of the legislative process on Parliament website

The final Act was available to the public two weeks or less after the budget has been enacted.<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

Reviewer unable to ascertain the publication date from the text or source code/ metadata from the website of Parliamentary Counsel Office (for NZ Legislation). The publication date was based on email advice from the Parliamentary Counsel Office dated nnnn Noel.Lee@pco.govt.nz .

**Peer Reviewer**

**Opinion:** I choose not to review this question

**Comments:** Correspondence dates not provided. Confirm neither source code nor Wayback Machine give dates of publication.

**Government Reviewer**

**Opinion:** Agree

**EB-3b. In the box below, please explain how you determined the date of publication of the EB.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

Date of EB documentation being posted to the Parliamentary Counsel Office was verified by email dated vvv from PCO webmaster.

**Source:**

Email advice dated 20 January 2021 from the Parliamentary Counsel Office - Noel.Lee@pco.govt.nz .

**Comment:**

Email advice dated 20 January 2021 from the Parliamentary Counsel Office - Noel.Lee@pco.govt.nz .

**Peer Reviewer**

**Opinion:** I choose not to review this question

**Government Reviewer**

**Opinion:** Agree

**EB-4. If the EB is published, what is the URL or weblink of the EB?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

**Answer:**

[https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resel\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resel_25_a&p=1)

**Source:**

Parliament Counsel Office Website

[https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resel\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resel_25_a&p=1)

Or Parliamentary website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

As Parliament's vote on the budget is a "confidence and supply vote", the content of all individual appropriations is unchanged, so the executive budget and the enacted budget are unchanged. The answer to question EBP-5 discussed all individual appropriations data is machine-readable. Excel data files are provided for expenditure and revenue for contained within the EB document on the same Treasury and Budget 2020 websites as were cited for EBP documentation.

Note the 2017 NZ Review commented "Under past IBP advice, EBP documentation ('the Estimates') directly cited by the main EB document (Appropriation Act) is acceptable in reference for EB questions in this specific context concerning the availability of the machine-readable data."

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-6a. If the EB is not publicly available, is it still produced?**

*If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see*

*Question EB-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

Parliament Counsel Office Website

[https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resel\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resel_25_a&p=1)

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-7. If the EB is produced, please write the full title of the EB.**

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2023."

If the document is not produced at all, researchers should mark this question "n/a."

**Answer:**

Appropriation (2022/23 Estimates) Act

**Source:**

Appropriation (2022/23 Estimates) Act

Parliament Counsel Office Website

[https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts\\_act%40bill%40regulation%40deemedreg\\_estimates\\_resele\\_25\\_a&p=1](https://www.legislation.govt.nz/act/public/2022/0047/latest/LMS694360.html?search=ts_act%40bill%40regulation%40deemedreg_estimates_resele_25_a&p=1)

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**EB-8. Is there a "citizens version" of the EB?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

**Answer:**

a. Yes

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

**Comment:**

The answer selected demonstrates an improvement in performance from the 2021 round of research. This is because the Government has reinstated two key documents that formed the basis of a fledgling Citizens Budget "the Budget at a Glance" and "BEFU Basics" in the 2021 Budget after been suspended in Budget 2020 due to resource constraints.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Broken link, now at [https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance_2.pdf)

**Government Reviewer**

**Opinion:** Agree

**Comments:** The link above is broken, see working version here: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>. Here also is a link for the "BEFU Basics", the other citizen's budget document: <https://www.treasury.govt.nz/publications/basics/befu-basics-2022>

**Researcher Response**

<https://www.treasury.govt.nz/publications/glance/budget-glance-2022>. The link for the "BEFU Basics", the other citizen's budget document: <https://www.treasury.govt.nz/publications/basics/befu-basics-2022>

**CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

*If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.*

**Answer:**

FY2022-23 which runs from 1 July 2022 to 30 June 2023

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?**

*If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.*

*Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

NZ Treasury website  
<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

See previous comments on how CB documents were not produced at all for the 2020 Budget. Budget 2021 published in May 2021 saw the reinstatement of publication of two key citizens budget documents "Budget at a Glance", and "BEFU Basics".

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.**

*If option "a,""b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**CB-3a. If the CB is published, what is the date of publication of the CB?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

*If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.*

**Answer:**

19/05/2022

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Comments:** New link [https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance_2.pdf)

**Government Reviewer**

**Opinion:** Agree

**Comments:** The link above is broken, see working version here: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>. Here also is a link for the "BEFU Basics", the other citizen's budget document: <https://www.treasury.govt.nz/publications/basics/befu-basics-2022>

**CB-3b. In the box below, please explain how you determined the date of publication of the CB.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Comment:**

The publication date is stated on the NZ Treasury website

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**CB-4. If the CB is published, what is the URL or weblink of the CB?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

*If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.*

**Answer:**

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

See also <https://budget.govt.nz/>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Comments:** New link: [https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance_2.pdf)

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** <https://www.treasury.govt.nz/publications/glance/budget-glance-2022> and <https://www.treasury.govt.nz/publications/basics/befu-basics-2022>

**Comments:** There are two relevant documents.

**IBP Comment**

IBP welcomes the reviewers' comments and notes the updated/correct links

**CB-5. If the CB is produced, please write the full title of the CB.**

*For example, a title for the Citizens Budget could be "Budget 2022 People's Guide" or "2023 Proposed Budget in Brief: A People's Budget Publication."*

*If the document is not produced at all, researchers should mark this question "n/a."*

*If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.*

**Answer:**

BEFU Basics

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu-basics-may22.pdf>

<https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**Comment:**

There are two citizens Budget style publications in Budget 22. In addition to BEFU Basics there was also Budget at a Glance which drew on a number of Budget documents including the BEFU and the Budget speech

**Peer Reviewer**

**Opinion:** Agree

**Comments:** New link for Budget at a Glance: [https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance_2.pdf)

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** There are two relevant documents: Budget At A Glance and BEFU Basics

**Researcher Response**

There are two citizens Budget style publications in Budget 22. 1) BEFU Basics <https://www.treasury.govt.nz/sites/default/files/2022-05/befu-basics-may22.pdf> 2) Budget at a Glance [https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-05/b22-at-a-glance_2.pdf)

**IBP Comment**

IBP welcomes the reviewers' comments.



**CB-6. If the CB is produced, please indicate which budget document it corresponds to.**

*If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.*

**Answer:**

'BEFU Basics' is a summary of 'Budget Economic and Fiscal Update 2022'

**Source:**

<https://budget.govt.nz/budget/forecasts/>

See also the NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Comment:**

There are two citizen's budgets. In addition to 'BEFU Basics' the Government also produces " Budget at a Glance" which mainly draws from the Budget speech and the Budget Economic and Fiscal Update 2022

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** 'BEFU Basics' is a summary of 'Budget Economic and Fiscal Update 2022' and 'Budget at a Glance' which mainly draws from the Budget speech and the 'Budget Economic and Fiscal Update 2022'

**Comments:** The first link does not work due to the alternative budget website being updated for the latest budget. All of the relevant information can be found here: <https://www.treasury.govt.nz/publications/budgets/budget-2022>

**IBP Comment**

IBP welcomes the government's supporting comment.

**IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY 2021-22 and FY 2022-23

**Source:**

NZ Treasury website General page for monthly financial statements

<https://www.treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

Source Treasury website for the annual report

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

The samples extend across two financial years with two reports from the 2022/23 fiscal year and 6 monthly reports for the preceding financial year. Note: The NZ Treasury does not produce monthly IYRs for the 1st two months of any fiscal year (July and August). Nor does the Treasury produce a monthly IYR for the 12th month of any fiscal year (June).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

## IYRs-2. When are the IYRs made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.*

**Answer:**

c. At least every quarter, and within three months of the period covered

**Source:**

NZ Treasury website General page for monthly financial statements

<https://www.treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

Interim Financial Statements of the Government of New Zealand for the five months ended 30 November 2022 Month end financial statements dated 26 Jan 2023

Interim Financial Statements of the Government of New Zealand for the four months ended 31 October 2022 Month end financial statements dated 1 Dec 2022

Interim Financial Statements of the Government of New Zealand for the three months ended 30 September 2022 Month end financial statements dated 8 Nov 2022

Interim Financial Statements of the Government of New Zealand for the eleven months ended 31 May 2022 dated Month end financial statements dated 5 Jul 2022

Interim Financial Statements of the Government of New Zealand for the ten months ended 30 April 2022 dated Month end financial statements dated 8 Jun 2022

**Comment:**

In-Year Reports (IYRs) are routinely produced on a monthly basis starting from the 3rd month of each fiscal year through the 11th month. There is no monthly reporting for the 1st and 2nd months. For the 12th month, the monthly IYR is supplanted by the Year-End Report (YER), which is produced and released 3-4 months after the end of the reporting period (i.e. released in October for fiscal year ending 30 June).

With respect to the monthly reporting starting from the 3rd month through the 11th month, the actual period elapsed between the end of the monthly reporting period and release of the monthly IYR is consistently slightly more than one month. IYR the actual publication date was typically within 10 days of month end. The IYRs cited in the sample of 7 most recent IYRs do meet the OBS 3-month criteria from end of reporting period until date of publication.

Previous reviews have noted the Government's view that Treasury's monthly financial statements are quite comprehensive relative to most countries, providing "whole of government" reporting inclusive of an operating statement, balance sheet and cash flow statement, and covering all central government entities including public corporations. This ensures the reporting is consistent with the content and format of the fiscal forecasts.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** We still disagree with the criteria of the question which fails to reflect the specificity of the New Zealand context. The New Zealand Government publishes comprehensive financial statements on a monthly basis for the majority of the year and should qualify for a "B" score at the

very least.

**IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?**

*Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.*

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."*

**Answer:**

NZ Treasury website

General page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

Interim Financial Statements of the Government of New Zealand for the five months ended 30 November 2022 Month end financial statements dated 26 Jan 2023

Interim Financial Statements of the Government of New Zealand for the four months ended 31 October 2022 Month end financial statements dated 01 Dec 2022

Interim Financial Statements of the Government of New Zealand for the three months ended 30 September 2022 Month end financial statements dated 08 Nov 2022

Interim Financial Statements of the Government of New Zealand for the eleven months ended 31 May 2022 dated Month end financial statements dated 05 July 2022

Interim Financial Statements of the Government of New Zealand for the ten months ended 30 April 2022 dated Month end financial statements dated 08 June 2022

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

The dates of publication have also been confirmed by reviewing the metadata of a sample of 3 IYRs. (View Page Source) to confirm the release date.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

All the sample of IYRs cited are posted to the NZ Treasury website. The dates of publication have been confirmed by reviewing the metadata of a sample 3 IYRs (View Page Source) to confirm the release date.

**Source:**

NZ Treasury website

General page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.*

*If the document is not published at all, researchers should leave this question blank.*

**Answer:**

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Source:**

NZ Treasury website

General page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option “d” applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

NZ Treasury website general page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

NZ Treasury website containing the PDF versions of each monthly IYR also includes a file with the respective monthly IYR data in Excel format.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**IYRs-6a. If the IYRs are not publicly available, are they still produced?**

*If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

NZ Treasury website general page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

None

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."*

**Answer:**

**Source:**

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

**IYRs-7. If the IYRs are produced, please write the full title of the IYRs.**

*For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2022."*

*If In-Year Reports are not produced at all, researchers should mark this question "n/a."*

*Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.*

**Answer:**

Interim Financial Statements of the Government of New Zealand for the four months ended 31 October 2022 Month end financial statements

**Source:**

NZ Treasury website general page for monthly financial statements:

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

Note the most recent report here refers to the most recent in the year of concern to 31 December 2022 as more recent IYR are publically available.

The IYRs follow a consistent pattern of document titles:

Financial Statements of the Government of New Zealand for the Eleven Months (month)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

**IYRs-8. Is there a "citizens version" of the IYRs?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:*

*<https://www.internationalbudget.org/publications/citizens-budgets/>*

**Answer:**

b. No

**Source:**

N/A

**Comment:**

There is no Citizens Budget documentation for IYRs. However, there is a Treasury media release accompanying each monthly IYR. This is not considered to constitute a CB version of the IYR, given the technicality of terminology used.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY2022-23 which runs from 1 July 2022 to 30 June 2023

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website

<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

Components of MYR (released on 14 December 2022) include:

Half Year Economic and Fiscal Update 2022 : Executive Summary (HTML format)

Half Year Economic and Fiscal Update 2022 (PDF format)

Half Year Economic and Fiscal Update 2022 – Charts and Data (Excel format)

Half Year Economic and Fiscal Update 2022 - Expense Table (Excel format)

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**MYR-2. When is the MYR made available to the public?**

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never*

released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

**Answer:**

a. Six weeks or less after the midpoint

**Source:**

Treasury Website  
<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

Published Wednesday 14 Dec 2022 i.e. BEFORE the midpoint.

The content and timing of MYR documentation are regulated in detail by the Public Finance Act 1989 (with amendments) - Section 26S - "Half-Year Economic and Fiscal Update"  
<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM161696.html>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**MYR-3a. If the MYR is published, what is the date of publication of the MYR?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

14/12/2022

**Source:**

NZ Treasury website  
<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

The "Half Year Economic and Fiscal Update 2022" was released on 14 December 2022, roughly 2 weeks BEFORE the 6-month midpoint of the budget/fiscal year.

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

The content and timing of MYR documentation are regulated in detail by the Public Finance Act 1989 (with amendments) - Section 26S - "Half-Year Economic and Fiscal Update"  
<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM161696.html>



**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

The MYR documentation was uploaded on the same date as that given on the document itself (14 December 2022), as shown on both the NZ Treasury website and the Budget website. The metadata (View Page Source) confirms the release date.

**Source:**

Treasury Website  
<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**MYR-4. If the MYR is published, what is the URL or weblink of the MYR?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

**Answer:**

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Source:**

Treasury Website  
<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**

Opinion: Agree

**MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

Treasury Website

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website

<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

Both the NZ Treasury and Budget websites provide all supporting expenses data, tables, charts and graphs as Excel files for the "Half Year Economic and Fiscal Update 2022" .

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**MYR-6a. If the MYR is not publicly available, is it still produced?**

*If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

Treasury Website

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Also the Budget Website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**MYR-7. If the MYR is produced, please write the full title of the MYR.**

*For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2021/22" or "Mid-Year Report on the 2022 National Budget."*

*If the document is not produced at all, researchers should mark this question "n/a."*

**Answer:**

Half Year Economic and Fiscal Update 2021

**Source:**

NZ Treasury website  
<https://treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>  
and also

Budget 2022 website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**MYR-8. Is there a "citizens version" of the MYR?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

**Answer:**

b. No

**Source:**

NZ Treasury website  
<https://treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>  
and also

Budget 2022 website  
<https://budget.govt.nz/budget/forecasts/hyefu2022.htm>

**Comment:**

Unlike in 2018 and 2019 the "HEFU Basics" was not published in 2020 and has not been reinstated since.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY 2021-22 FY 2021-22

**Source:**

Treasury website for the annual report  
<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

Latest YER covering FY 2021/22 (12 months ending 30 June 2022) was released on 5 October 2022 T some 6 weeks earlier than the previous review.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** FY 2021-22

**Comments:** No answer given above.

**YER-2. When is the YER made available to the public?**

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.*

**Answer:**

a. Six months or less after the end of the budget year

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

Latest YER covering FY 2021/22 (12 months ending 30 June 2022) was released on 5 October 2022 ie just over 3 months after year end and some 6 weeks earlier than the previous review. In response to COVID legislative changes were made to extend the 30 June 2020 statutory reporting time frames by up to two months for most public organisations.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Published no later than 8 October 2022 via crawl on that date at:

<https://web.archive.org/web/20221008081841/https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Government Reviewer**

**Opinion:** Agree

**YER-3a. If the YER is published, what is the date of publication of the YER?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

05/10/2022

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**YER-3b. In the box below, please explain how you determined the date of publication of the YER.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

From the website <https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>  
I was unable to locate the publication date in the metadata.

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Comments:** No later than 8 October 2022 via <https://web.archive.org/web/20221008081841/https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Government Reviewer**

**Opinion:** Agree

**YER-4. If the YER is published, what is the URL or weblink of the YER?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

**Answer:**

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

a. Yes, all of the numerical data are available in a machine readable format

**Source:**

NZ Treasury website  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

**Comment:**

All the supporting data, tables, charts and graphs for the most recent YER are available in an Excel file posted to the NZ Treasury website (same page as the PDF file).

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**YER-6a. If the YER is not publicly available, is it still produced?**

*If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

N/A

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**YER-7. If the YER is produced, please write the full title of the YER.**

*For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2022" or "Annual Report 2021 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."*

**Answer:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**



**Opinion:** Agree

**YER-8. Is there a "citizens version" of the YER?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

**Answer:**

b. No

**Source:**

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

The "FSG Basics" has been not published since 2018/9 when it was cancelled due to resource constraints and competing priorities.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?**

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

**Answer:**

FY2021-22 which runs from 1 July 2021 to 30 June 2022.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**AR-2. When is the AR made available to the public?**

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.*

**Answer:**

a. Six months or less after the end of the budget year

**Source:**

"Observations from our central government audits: 2021/22 "

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

NZ Treasury website:

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Comment:**

The audit review was completed on 30 September 2022 and the OAG's report on the Government's financial statements was issued on 7 December 2022. This was called "Observations from our central government audits: 2021/22 "

In addition, previous surveys have highlighted it is also important to note a second document with relevance as part of the overall AR documentation. More specifically, the Auditor General also produces the "Independent Audit Report of the Controller and Auditor-General", which is published as a section of the YER ("Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"). That can be found in Section 4 (pp. 33-44) of the latest YER. The audit as completed on 30 September 2022 within the timeline specified in the Public Finance Act 1989. The financial statements were published on 5 October 2022.

NZ Treasury website:

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

In addition since 2020 the Budget includes a Child Poverty report along with reporting on Wellbeing. As this is ex post reporting, the reviewer's view that it is better technically considered as part of the End of Year reporting.

<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**AR-3a. If the AR is published, what is the date of publication of the AR?**

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.*

**Answer:**

07/12/2022 07/12/2022

**Source:**

"Observations from our central government audits: 2021/22 "

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Comment:**

In addition to the AR document cited above the Auditor General also produces the "Independent Audit Report of the Controller and Auditor-General", which is published as a section of the YER ("Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"). This was published on 5 October 2022.

**NZ Treasury website:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**AR-3b. In the box below, please explain how you determined the date of publication of the AR.**

*If the document is not published at all, researchers should mark this question "n/a."*

**Answer:**

The date of publication is provided in the AR document itself and the month of publication is also provided on the OAG website.

**Source:**

Observations from our central government audits: 2021/22 "

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Comment:**

Date derived from the OAG website. Date was not clear to me from the metadata.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** No later than 22 December 2022 via <https://web.archive.org/web/20221222135044/https://www.oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Government Reviewer**

**Opinion:** Agree

**AR-4. If the AR is published, what is the URL or weblink of the AR?**

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the*

document is not published at all, researchers should leave this question blank.

**Answer:**

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Source:**

"Observations from our central government audits: 2021/22 "

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Comment:**

In addition to the AR document cited above the Auditor General also produces the "Independent Audit Report of the Controller and Auditor-General", which is published as section 4 of the YER.

NZ Treasury website:

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?**

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.*

**Answer:**

c. No

**Source:**

"Observations from our central government audits: 2021/22 "

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Comment:**

OAG's annual report for Central Government audits is not a data-intensive document. As commented by the 2017 OBS Peer Reviewer, "these reports are typically qualitative in nature and do not contain structured information of the sort that is easily converted to a machine-readable format."

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**AR-6a. If the AR is not publicly available, is it still produced?**

*If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

**Answer:**

e. Not applicable (the document is publicly available)

**Source:**

N/A

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.**

*If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."*

**Answer:**

N/A

**Source:**

**Comment:**

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**AR-7. If the AR is produced, please write the full title of the AR.**

*For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."*

**Answer:**

Observations from our central government audits: 2021/22

**Source:**

Office of Auditor General (OAG) website:  
<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

**Comment:**

As discussed in previous questions, in addition to the AR document cited above the Auditor General also produces the "Independent Audit Report of the Controller and Auditor-General", which is published as section 4 of the YER ("Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022").

NZ Treasury website:  
"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**AR-8. Is there a "citizens version" of the AR?**

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:*

<https://www.internationalbudget.org/publications/citizens-budgets/>

**Answer:**

b. No

**Source:**

<https://oag.parliament.nz/2022/central-government/docs/central-government>

**Comment:**

There is no Citizens Budget documentation for the Annual Report (AR) "Observations from our central government audits: 2021/22" nor of the "Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022" where Section 4, pp. 33-44 consists of the "Independent Audit Report of the Controller and Auditor-General".

However, the release main AR document was accompanied by a two page executive summary and a media kit and supporting graphics.

Office of Auditor General (OAG) website:  
<https://oag.parliament.nz/2022/central-government/docs/central-government>

**Peer Reviewer**

**Opinion:** Agree

Government Reviewer

Opinion: Agree

**GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.**

*GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.*

**Answer:**

a. Yes

**Source:**

The main government websites for accessing/disseminating fiscal information, including the broad range of data and documentation used for completing the OBS questionnaire, include the following two websites maintained by the NZ Treasury

NZ Treasury website: <http://www.treasury.govt.nz>

(including for access PBS, EBP, CB (if any), MYR, IYRs and YER documents and data for current and previous years)

Budget website: <http://www.budget.govt.nz>

(for broad range of budget policy documentation for the current year only along with multiyear fiscal data)

As part of the Government wide policy of proactive release on Cabinet advice, there is proactive release of Budget material after the Budget has been presented.

<https://www.treasury.govt.nz/publications/information-release/budget-2022-information-release>

In addition there is:

Parliamentary Counsel Office website: <http://www.legislation.govt.nz>

[for EB documentation]

Office of Auditor General website: <http://www.oag.govt.nz>

[for Audit Report documentation and other audit-related]

NZ Parliament website: <https://www.parliament.nz>

[for both draft bill and legislation, as well as for wide range of relevant documentation including transcripts of all Parliamentary debates/sessions and Select Committee hearings, testimony and written submissions Select Committee, reports issued by Select Committees (to full Parliament) and other essential Parliamentary records and documentation relevant to OBS questions (e.g. "Standing Orders" of Parliament)]

NZ Debt Management Office (NZDMO) website: <https://www.nzdmo.govt.nz>

[for comprehensive data on Government borrowing and debt]

Reserve Bank of New Zealand (RBNZ) website: <http://www.rbnz.govt.nz/statistics>

[for comprehensive economic and fiscal statistics]

Statistics New Zealand website: [http://www.stats.govt.nz/browse\\_for\\_stats](http://www.stats.govt.nz/browse_for_stats)

[for wide range of fiscal, economic and demographic data series]

NZ Government-supported Open Data website: <https://www.data.govt.nz/>

[for wide range of fiscal data and documentation, including finances, budget-cycle documentation and data, Government debt-related data, departmental reports and financial data, Kiwis Count survey questionnaires and results data]

Open Government Partnership (OGP) website: <http://www.ogp.org.nz/>  
[for all information and documentation pertaining to NZ Govt.'s OGP processes and National Action Plan].

**Comment:**

There is an extensive range of ex ante and ex post information on fiscal and economic aggregates and their components and this is relatively easy to access. Information on the Government's non-financial performance is more difficult to access as it is widely distributed and not actively curated.

The Auditor General was been repeatedly critical of the quality and lack of focus on non-financial performance information over the last decade. In October 2021 the OAG released a major report 'Building a stronger public accountability system for New Zealanders'  
<https://oag.parliament.nz/2021/public-accountability/docs/public-accountability.pdf>

Budget 2022 is the fourth budget adopting the wellbeing approach to budgeting. This has resulted in the Treasury providing information on the state of wellbeing. The Budget documentation includes a Wellbeing report <https://budget.govt.nz/budget/2022/wellbeing/outlook/index>. In addition to the Wellbeing information in the Budget documents Treasury also maintains a wellbeing dashboard website <https://lsfdashboard.treasury.govt.nz/wellbeing/>. This is focused on final outcomes/end states rather than data on impact and value for money of Budget funded interventions .

Similarly the budget documents include an annual Child Poverty Report which reviews progress towards poverty reduction targets.  
<https://budget.govt.nz/budget/2022/wellbeing/child-poverty-report/impact-of-covid-19.htm>

The websites listed above are only a small set of the main sites relatively more relevant to the OBS questionnaire. Government agency websites provide OBS-relevant documentation and data at the agency level on expected and actual financial and non-financial performance. Government agency here includes those for individual government departments and Crown Entities, along with other government entities in the Crown financial reporting entity. Very occasionally this extends to citizen facing information. As already noted the Immigration Service provide a child guide to the NZ tax system targeted at new migrants <https://www.newzealandnow.govt.nz/living-in-nz/money-tax/nz-tax-system>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see:**

<http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

*GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.*

**Answer:**

a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

**Source:**

Both revenue and expenditure data for the current and previous budget year are readily available from various government websites, with the two most convenient sources being:

1. . NZ Treasury website:

<http://www.treasury.govt.nz>

This provides efficient and effective access to comprehensive range of budget expenditure and revenue data, including:

All data contained within current budget year's detailed Estimates of Appropriations

<https://treasury.govt.nz/publications/ise/budget-2022-data-estimates-appropriations-2022-23>

Recent (and historic) tax out-turn data

[www.treasury.govt.nz/government/revenue/taxoutturn](http://www.treasury.govt.nz/government/revenue/taxoutturn)

2 The Budget website:

<http://www.budget.govt.nz>



has access to current Budget year material including Budget and Half-Year Economic and Fiscal Updates (BEFU & HYEFU) and Pre-election Economic and Fiscal Update and historical fiscal data.

<https://budget.govt.nz/budget/2022/data-library.htm#forecasts>

**Comment:**

#### Peer Reviewer

**Opinion:** Agree

**Comments:** Link broken for estimates of appropriations. Now at: <https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023> Forecast data link also broken but can be reached from <https://www.treasury.govt.nz/publications/budgets/budget-2022>

#### Government Reviewer

**Opinion:** Agree

**Comments:** The second and fourth links above do not work, the relevant information can be found at the following links: (1) <https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023> and (2) <https://www.treasury.govt.nz/publications/budgets/budget-2022>

#### IBP Comment

IBP notes the reviewers' comment on the updated functional links.

**GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.**

#### Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

#### Source:

One convenient source is the Data Library of the Budget website:

<http://www.budget.govt.nz>

#### Comment:

Both revenue and expenditure data for multiple years using a consistent format can be downloaded from multiple Government websites. For example, multiyear data with coverage of both expenditures and revenues includes:

- actual data for past years,
- estimates for current budget year and for medium-term budget forecast horizon
- extended long-term fiscal projections.

This data includes both total macro level as well as more disaggregated data by main sources of revenue and by functional and/or economic classification of expenditures.

The Data Library of the Budget website (<http://www.budget.govt.nz>) offers:

Fiscal Strategy Data - providing data used for medium-term and long-term fiscal strategy modelling

Economic and Fiscal Updates Data - capturing the most recent actual outcomes for BY-2, estimated actuals for BY-1 and approved medium-term budget baseline forecasts for BY and for BY+1 through BY+3

Separately, there is also a historic fiscal data file covering a nearly 50-year time horizon.

"Fiscal Time Series Historical Fiscal Indicators 1972-2020 Data". However this should be updated to include more recent outturns.

Other websites offering direct access to (machine-readable) multi-year data series files include:

NZ Treasury website - with the scope including all of the same data available through the Budget website cited above, along with a much larger scope of detailed historic budget/fiscal data, economic data series and other specific types of data

<https://treasury.govt.nz>

NZ Debt Management Office (NZDMO) website - providing extensive detailed multiyear historic data series for government borrowing and debt related matters  
<https://debtmanagement.treasury.govt.nz/government-securities>

Statistic New Zealand website - providing access to a broad range of Government finance data series with focus on historic data and with options to generate (customise) tables using any selection of specific data indicators and years for the historical time series  
[http://archive.stats.govt.nz/browse\\_for\\_stats/government\\_finance.aspx](http://archive.stats.govt.nz/browse_for_stats/government_finance.aspx)

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.**

*GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.*

**Answer:**

a. Yes

**Source:**

NZ Treasury website  
<http://www.budget.govt.nz>  
<https://treasury.govt.nz>

**Comment:**

Government websites provide extensive array of tables, charts, graphs, images and various other "visualisations" of both fiscal and economic data, particularly with respect to the EBP and associated documentation. Another section of the same website providing information about the economic and fiscal outlook (medium-term forecasts).

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

However, the extent that the government provides "interactive" infographics/visualisations is limited, Some media outlets also provide 'pre-baked' budget infographics: see <https://figure.nz/search/?query=budget>) but there are few examples of interactive graphics. See data1850 for an example of an exception that proves the rule <https://data1850.nz/chart/compare/27-47-73/27-47-75>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**Researcher Response**

Prefu link <https://www.treasury.govt.nz/publications/efu/pre-election-economic-and-fiscal-update-2022>

**GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.**

*GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org/8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.*

**Answer:**

a. Yes

**Source:**

All New Zealand Legislation can be found on <http://www.legislation.govt.nz/>

The main laws governing public financial management and the audit processes are the following:

Public Finance Act 1989 (amended in 2004 to integrate previously separate Fiscal Responsibility Act 1994 and with more recent amendments in 2013 and 2020 (the Public Finance (Wellbeing) Amendment Act 2020)

<http://www.legislation.govt.nz/act/public/1989/0044/latest/whole.html#DLM160809>

Public Audit Act 2001

<http://www.oag.govt.nz/about-us/our-governing-legislation/docs/public-audit-act-2001.pdf>

Other key elements of the PFM legal/institutional framework include:

Public Service Act 2020 (replacing the State Sector Act 1988)

<https://www.publicservice.govt.nz/search/SearchForm?Search=public+service+act>

Crown Entities Act 2004 (amended in 2013 and 2020)

State-Owned Enterprises Act 1986

Official Information Act 1982.

**Comment:**

As the core legal instrument governing PFM in NZ, the Public Finance Act (PFA) is extensive and detailed in regulating and specifying a wide range of PFM (budget) processes, authorities and responsibilities, including the content and timing of specific budget and financial reporting documentation central to the OBS (PBS, EBP, EB, IYR, MYR, YER and AR).

In general the NZ legal framework is strong on budget transparency but weak on citizen participation in the budget processes. There are few specific legal provisions covering citizen participation. For example the legislature holds hearings and receives submissions on the Budget Policy Statement (PBS) but this occurs under the general legal framework (Standing Orders) rather than under a specific provision of the PFA.

Documents providing guidance to the PFA have been prepared by NZ Treasury and updated in 2019:

"A Guide to the Public Finance Act"

<https://www.treasury.govt.nz/publications/guide/guide-public-finance-act>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.**

*The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.*

**Answer:**

a. Yes

**Source:**

As noted in response to preceding question (GQ-2), the Official Information Act 1982 is a critical element of the overall PFM accountability and transparency framework in New Zealand. Official Information Act 1982 <http://www.legislation.govt.nz/act/public/1982/0156/latest/DLM64785.html>

The Public Finance Act also includes a specific provision on the publication and curation of Budget documents on a public website (26Y Publication and availability of reports, statements, or updates)

In addition, other main elements of laws and regulations governing PFM, audit and the state sector include elements with direct implications for: (1) public access to information;

(2) government transparency; and (to a lesser extent) (3) opportunities for citizen participation in budget/audit processes.

Again, the Public Finance Act 1989 is of particular importance for rigorous requirements concerning both (1) public access to information and (2) government transparency.

Public Finance Act 1989 (with amendments)

<http://www.legislation.govt.nz/act/public/1989/0044/latest/whole.html#DLM160809> x

See Treasury's explanatory guidance for the PFA

<https://treasury.govt.nz/publications/guide/guide-public-finance-act>

Parts 2-4 of the PFA include extensive provisions pertaining to the specific content and Government's responsibility to make public available key OBS

documentation, including the PBS, EBP, EB, IYRs, MYR, YER and AR.

With regard to public participation, the "Standing Orders of the House of Representatives" include a range of provisions for the conduct of select committee hearings specifically addressing the provision and hearing of evidence (written submissions and oral testimony).

"Standing Orders of the House of Representatives" - Chapter 4: Select Committees

<https://www.parliament.nz/en/pb/parliamentary-rules/standing-orders/#Chapter4>

Also, rules governing processes for deciding on proposed changes to existing laws, regulations and policies, including those pertaining to revenue generation (taxation), mandate a public consultation process. <http://taxpolicy.ird.govt.nz/consultation/recent/>

**Comment:**

Outside of the legal and regulatory regimes, the NZ Government is a part of the Open Government Partnership (OGP), and under obligations associated with its membership in OGP, public participation has been among core themes/elements of the OGP strategy and objectives set out in the new

National Action Plan (NAP) for 2023-24. In the context of the most recent 4th NAP 2 commitments relate to public participation in policy development while the remaining 6 relate to transparency <https://ogp.org.nz/assets/New-Zealand-Plan/Fourth-National-Action-Plan/NZs-Fourth-National-Action-Plan-2023-2024-.pdf>

However none of these commitments relate specifically to the Budget process. Proposals from civil society for a Parliamentary Budget Office (IFI) or making more granular monthly fiscal information available in open source format were not included in the OGP NAP.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Link for example consultation is now <http://taxpolicy.ird.govt.nz/consultation/>

**Government Reviewer**

**Opinion:** Agree

**1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?**

*GUIDELINES:*

*Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.*

**Answer:**

a. Yes, administrative units accounting for all expenditures are presented.

**Source:**

All expenses and capital expenditures require an appropriation (Section 4 of Public Finance Act). Appropriations must be supported by Estimates (Section 13 of the PFA) and Estimates must state, for each appropriation in an Appropriation Act, the Vote to which the appropriation relates, the Minister responsible for the appropriation, and the department responsible for administering the appropriation (Section 14 PFA).

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2021"

**Source:**

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

In addition, as previously noted, there is a separate website also supported by NZ Treasury which includes the Estimates:

<https://budget.govt.nz/>

**Comment:**

New Zealand's executive arrangements are more complicated than comparable jurisdictions. Rather than a simple one for one relationship between a Minister and a department, there is a range of possible arrangements: one department many ministers, one department one minister and occasionally one Minister many departments.

The basic administrative unit is an appropriation of a Vote such as Vote: Foreign Affairs. A vote is a relationship between a Minister and Parliament which enables public money to be spent. Each vote has an administering department. There are 5 main types of appropriation. Departments which have multiple Ministers administer a number of appropriations on behalf of the relevant Ministers. Information on appropriations - including on COVID related initiatives - was provided in a range of different ways: by Minister, by vote, by department, by sector.

The Estimates present all expenses that the Government plans to incur over the coming budget year for specified outputs within each vote, as well as capital injections it plans to make to individual departments and agencies. The Estimates are organised on the basis of 10 sector volumes, with each Vote allocated to one sector. In addition, the Summary Tables provide a high-level perspective and comparative 'ready reference' for all appropriations (annual, permanent and multi-year (MYAs).

Expenses are on an accrual basis in accordance with GAAP, reflecting the fact that in New Zealand Parliament appropriates funds on an accrual basis. The cash accounting term "expenditure" is not therefore used.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?**

*GUIDELINES:*

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

**Answer:**

a. Yes, expenditures are presented by functional classification.

**Source:**

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June" p.132;
2. "Forecast Statement of Segments " p. 136
- 3 "Core Crown Expense Tables" p.145-149.

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

No change from OPS 2022 although the functional classification data available in an Excel file on the NZ Treasury website has not been updated since 2018:

<https://treasury.govt.nz/publications/model/functional-classification-core-crown-expenses>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

**GUIDELINES:**

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at [https://unstats.un.org/unsd/publication/SeriesM/SeriesM\\_84E.pdf](https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf) or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

**Answer:**

a. Yes, the functional classification is compatible with international standards.

**Source:**

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June;
2. "Core Crown Expense Tables".

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

New Zealand budget documents use a classification that presents more categories at the top level than the COFOG, but those categories are clearly compatible with either top-level COFOG categories or COFOG subcategories. For example, Transport and Communications is a top-level "Core Crown Expense" category, while Transport and Communications appear as groups within the COFOG Economic Affairs category.

While COFOG indicates that Government Superannuation Fund (GSF) pension expenses should in principle be apportioned across COFOG functions, it is not clear that doing so in New Zealand's case would generate much benefit. GSF is a legacy item as the Schemes were closed to new members from 1 July 1992 and the liability is reducing over time.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?**

*GUIDELINES:*

*Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.*

**Answer:**

a. Yes, expenditures are presented by economic classification.

**Source:**

NZ Treasury website

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

Also <https://budget.govt.nz/>

**Comment:**

As noted in previous OBS, "while the classification used by NZ Govt to present budget forecasts is not identical to the IMF's economic classification of expenses, the internationally recognised economic classification (see the IMF's Government Finance Statistics Manual 2001, p.63). the economic classification used can be described as generally compatible with international standards.

For the relatively small specific areas/categories in which the NZ Govt.'s economic classification differ (e.g. Official Development Assistance" classified as part of "transfer payments and subsidies" rather than using the GFS category of "grants"), sufficient information is available in the NZ accounts to support the necessary adjustments or conversion to the GFS classification."

The System of National Accounts provides an ex post analysis of Government fiscal aggregates by economic classification as part of the Government Financial Statistics. However this information is published with a lag after the end of the financial year so expenditure by economic function for 2022/23 will be available at the end of 2023.

<https://www.stats.govt.nz/information-releases/government-finance-statistics-general-government-year-ended-june-2022/>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?**

*GUIDELINES:*

*Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).*

**Answer:**

a. Yes, the economic classification is compatible with international standards.

**Source:**

NZ Treasury website

Forecast Statement of Financial Performance for the years ending 30 June

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Also <https://budget.govt.nz/>

**Comment:**

As noted in previous OBS reviews, the economic classification used can be described as generally compatible with international standards. However the classification used by NZ Govt to present budget forecasts is not identical to the IMF's economic classification of expenses, the internationally recognised economic classification (see the IMF's Government Finance Statistics Manual 2001, p.63).

For the relatively small specific areas/categories in which the NZ Govt.'s economic classification differ (e.g. Official Development Assistance" classified as part of "transfer payments and subsidies" rather than using the GFS category of "grants"), sufficient information is available in the NZ accounts to support the necessary adjustments or conversion to the GFS classification.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?**

*GUIDELINES:*

*Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail*



below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a *Medium Term Expenditure Framework (MTEF)*, a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

**Answer:**

a. Yes, programs accounting for all expenditures are presented.

**Source:**

NZ Treasury website

The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023

<https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

The Estimates cover expenses and capital spending across all votes for each appropriation type:

- 1 Output Expenses (departmental and non-departmental)
- 2 Benefit or Related Expenses (non-departmental)
- 3 Borrowing Expenses (departmental and non-departmental)
- 4 Other Expenses (departmental and non-departmental)
- 5 Capital Expenditure (departmental and non-departmental)
- 6 Multi-Category Appropriations (departmental and non-departmental).

Also, the data for budget year program-level appropriations across ALL vote categories is available in an Excel file on dedicated Budget website (maintained by NZ Treasury).

<https://www.treasury.govt.nz/publications/data/budget-2022-data-estimates-appropriations-2022-23>

**Comment:**

As previously noted there are 5 main types of appropriations: for output expenses, benefits or other unrequited expenses, borrowing expenses, other expenses and for capital contributions as well as Multi-Category Appropriations. In NZ's output-based system, similarity of goods and services is determined by the nature of the outputs, rather than by similarity of objective or purpose as in a program-based system. However, all the categories of appropriations effectively meet the criteria stated above for the question as being programmatic categories at a level of detail below the administrative unit.

Detailed explanations are provided at the output/programme level for output expenses. Output expenses are expenses incurred by agencies in supplying a specified category of goods and services (or outputs). These details include the source of funding and a narrative explaining what is covered and what is intended to be achieved is provided at the programme level for output expenses. Information of sources of funding and what is covered is provided for other types of appropriations. The complete set of Estimates across 10 separate volumes containing vote-specific appropriations. Collectively, the Estimates present all expenses across all votes for each appropriation type as required by law (Section 14 and Section 7.1 of PFA).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

**Answer:**

a. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Multi-year expenditure estimates are presented by all three expenditure classifications - administrative, economic and functional, with data presented for the budget year (FY 2022/23) and for three "out-years" (BY+1, BY+2 and BY+3) (FY2026/7).

1. Multi-year ADMINISTRATIVE classification data:

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

2. Multi-year ECONOMIC classification data:

Budget Economic and Fiscal Update 2022  
Forecast Statement of Financial Performance for the years ending 30 June  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. Multi-year FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022  
Forecast Statement of Financial Performance for the years ending 30 June page  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

The multi-year estimates provided for both functional and economic classifications are quite clear and can be found in a concise table (or set of tables).

For administrative classification, multi-year forecasts are provided in "The Estimates of Appropriations" for each "vote", with expenditures for a each vote being the responsibility of a specific department (administrative unit such as the Ministry of Health for "Vote Health"). Multi-year estimates are provided, but the tables for each vote appear across the 10 separate volumes of the Estimates.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

**Answer:**

Economic classification  
Functional classification  
Administrative classification

**Source:**

Multi-year expenditure estimates are presented by all three expenditure classifications - administrative, economic and functional, with data presented for the budget year (FY 2022/23) and for three "out-years" (BY+1, BY+2 and BY+3) (FY2026/7).

## 1. Multi-year ADMINISTRATIVE classification data:

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

## 2. Multi-year ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

## 3. Multi-year FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June page

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?****GUIDELINES:**

*Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

**A note for francophone countries:** "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.*

*Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful*

when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

**Answer:**

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

**Source:**

Multi-year program-level estimates are provided in the Vote-specific documentation for the Estimates

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

The 10 vote-specific volumes comprising the Estimate each provide multi-year program-level estimates in several types of standardised tables common across all 10 volumes and specific votes.

2. Multi-year functional classification data series for expenses covering both the budget year (BY) and a horizon of 3 out-years (BY+1, BY+2 and BY+3), as well as data for the "estimated actual" for BY-1 and actual data back to BY-6 are provided in the Budget Economic and Fiscal Update - "Core Crown Expense Tables".

3. BY-1 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

These sub-categories are sufficiently detailed to meet the OBS criteria for "program" as defined for this question.

**Comment:**

New Zealand has output based budgeting for programme type expenditure. These are appropriated at the output class level and individual agencies have multiple outputs classes. Previous reviews vacillated on whether the appropriate response for New Zealand was an "a" or "b".

The assessment for this indicator has changed from "b" (for the 2019 OBS) to "a" for the current 2021 OBS round, based on review of the answer provided. After additional review by IBP, this question has been adjusted to "b" for cross country comparability and consistency across rounds of the OBS. This was on the grounds that "New Zealand's EBP does not provide multi-year estimates by program-level detail for all expenditure, with the majority of the missing estimates falling in the health sector (primarily District Health Boards)."

The argument for "b" - that Vote Health including appropriations organised by regional units (DHBs) - no longer applies.. DHBs were disestablished on 30 June 2022. From 2022/3 Health appropriations organised by programme type - primary health care, secondary & tertiary hospital services, mental health etc. Consistent with the guidance above health data is now presented at the sub-organisational unit level.

<https://www.treasury.govt.nz/sites/default/files/2022-06/est22-v5-health.pdf>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** I agree that a change to (a) is warranted given the rationale provided by IBP for a "b" in prior rounds (focusing on lack of DHB-level information) and the disestablishment of DHBs. (In prior years the level of information may have also warranted for an "a" regardless of the lack of DHB-level estimates.)

**Government Reviewer**

**Opinion:** Agree

**9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?**

**GUIDELINES:**

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

**Answer:**

a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

**Source:**

Budget Economic and Fiscal Update 2022 - Notes to the Forecast Financial Statements

Note 1 of the Forecast Financial Statements in BEFU 2022 (for "Sovereign Revenue") presents a detailed and complete breakdown of forecast total tax revenues (accrued tax owed to the government) and total tax receipts (cash collected by government) by individual tax type.

"Note 1: Sovereign Revenue", pp.121-123.

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?**

**GUIDELINES:**

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

**Answer:**

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

**Source:**

There are multiple sources in EBP documentation for non-tax revenue for the budget year.

Firstly, within the Budget Economic and Fiscal Update 2022 (BEFU), there are (at least) the following three tables/sources:

1. "Forecast Statement of Financial Performance for the years ending 30 June",
2. "Notes to the Forecast Financial Statements"  
NOTE 1: Sovereign Revenue (Accrual) and Other Sovereign Receipts (cash)  
NOTE 2: Investment Revenue / (Expenditure)(Notes 3-5) .
3. "Forecast Statement of Segments"

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

In addition, vote-specific Estimates documentation also provides reporting on non-tax revenue sources. A comprehensive listing of all revenue sources including non-tax revenue data available in Excel format for the budget year (2022/23).

<https://www.treasury.govt.nz/publications/data/budget-2022-data-estimates-appropriations-2022-23>

**Comment:**

No change from 2019. The assessment for this indicator has changed from "b" (for the 2017 OBS) to "a" for the previous 2019 OBS & 2021 OBS rounds, based on a review of the detailed vote-specific non-tax revenue data available in Excel format for the budget year 2020/21 and the "residual" uncategorised amount being assessed as below the threshold of 3% of total non-tax revenue. However, tracing this residual revenue is not a trivial task.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Comments: IBP may wish to consider only requiring that residual revenue be traced if that residual also is more than a threshold percentage of \*total\* revenues (as well as more than 3 percent of "other" revenues). As the researcher notes, tracing can be completed for NZ, but it is not trivial, and the total share of all revenues represented is small.

**Government Reviewer**

**Opinion:** Agree

**11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?**

*GUIDELINES:*

*Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.*

**Answer:**

a. Yes, multi-year estimates of revenue are presented by category.

**Source:**

Budget Economic and Fiscal Update 2022

1. "Forecast Statement of Financial Performance for the years ending 30 June" p. 116

2. "Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (accrual) and Other Sovereign Receipts (cash), p. 121-123

NZ Treasury website

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Also <https://budget.govt.nz/>

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

No change from previous recent OBS reviews. The "Forecast Statement of Financial Performance" in the BEFU, together with Note 1 for that table, provide a multi-year forecast of individual tax and non-tax revenue items for the budget year and for a 3-year horizon beyond the budget year.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?**

**GUIDELINES:**

*Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.*

**Answer:**

b. Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.

**Source:**

The "Forecast Statement of Financial Performance" in the BEFU 2022, in particular Note 1 for that table P121, provide a multi-year forecast of individual tax and non-tax revenue items for the budget year (2022/23) or a 3-year horizon beyond the budget year as well as the historical actual and previous budget forecast.

For the Core Crown ie the entities within the legal Crown this includes a detailed breakdown in Note 1 of the residual - Other Sovereign Revenue (on a accrual basis ) and Other Sovereign Receipts (on a cash basis). The residual other miscellaneous items is 0.7% of 2022/3 forecast revenue.

The wider consolidated Crown, which covers the entire central Government sector includes separate legal entities outside the Core Crown such as Crown Entities and State Owned Enterprises, there is a residual "Other Revenue" that was not explained. This residual exceeds 3% but is typically less than 5% of total revenue. Thus either answer "a" or "b" can be justified depending on whether the Core Crown or Consolidated Crown measure is privileged. For the purposes of international comparison, answer "a" is more appropriate as a number of other jurisdictions do not prepared consolidated accounts for the entire central Government

**Comment:**

This answer is consistent with the researcher's response to the 2021 OBS but differs from the final 2021 OBS score of a "b" The researcher's answer was modified as the previous review highlighted that in the Forecast Statement of Financial Performance in order to move from Total Revenue Levied through the Crown's Sovereign Power" to "Total revenue earned through the Crown's operations" there was residual item "Other Revenue" that was not explained. As the amount - around 5% - not presented by individual source exceeds 3 percent, the answer is 'b' was provided. ("Multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all").

However, Note 1 to the table has a detailed breakdown of Other Sovereign Receipts (a cash concept).

As a technical matter, the value of Other Sovereign Receipts (a cash concept) matches exactly the historical estimates of Other Revenue (an accrual concept). There is a slight difference between the two numbers in the forecast years, but the difference is less than 3%. Hence the answer "a" is appropriate.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** I agree based on the Researcher's perceptive observation of the close tracking between Other Sovereign Receipts and Other Revenue in Note 1.

**Government Reviewer**

**Opinion:** Agree

**IBP Comment**

IBP notes the researcher's comment but wishes to point out that "Other revenue" is over the 3% threshold of the OBS to qualify for an "A" response.

Total "Unexplained" Other Revenue = "Other Revenue" shown as part of "Total revenue earned through the Crown's operations" in Forecast Statement of Financial Performance (plus) "Other Miscellaneous Items" shown as "Other Sovereign Revenue" (Accrual) in Note 1 (minus) "Dividend Revenue" shown as part of "Investment Revenue" in Note 2 is fairly within the 3% threshold for BY+2 and BY+3. Total Revenue = "Total Revenue Levied through the Crown's Sovereign Power" in addition to the "Total revenue earned through the Crown's operations BY: (4,891+702-1,020)/135,796 ==> 4,573/135,796 = 3.36% BY+1 = (5,078+811-1,176)/152,154 ==> 4,713/152,154 = 3.09% BY+2 = (5,192+923-1,278)/161,964 ==> 4,837/161,964 = 2.9% BY+3 = (5,257+1,053-1,384)/ 170,974 ==> 4,926/170,974 = 2.88% Based on this, a "B" response is more appropriate and has been revised accordingly.

**13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?**

**GUIDELINES:**

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- the amount of net new borrowing required during the entire budget year;
- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the entire budget year.

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented for the entire budget year.*

**Answer:**

a. Yes, all three estimates related to government borrowing and debt are presented.

**Source:**

All three estimates related to government borrowing and debt for the budget year (2022/2023) are available in tables presented in the Budget Economic and Fiscal Update (BEFU) 2022.

1. New borrowing: The net borrowing requirement is determined by the reconciliation of Net Core Crown Operating Cash Flows to Residual Core Crown Cash ("Debt Programme Cash Flows"), p. 141

"Notes to the Forecast Financial Statements"

NOTE 16: Core Crown Residual Cash

2. Total debt:

"Forecast Statement of Borrowings as at 30 June", p.130

3. Interest payments: Two separate tables show interest payments ("finance costs")

"Forecast Statement of Financial Performance for the years ending 30 June"

"Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

NZ Treasury website



Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Also <https://budget.govt.nz/>

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

No change from previous recent OBS reviews

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:**

**Answer:**

The amount of net new borrowing required during the budget year

The central government's total debt burden at the end of the budget year

The interest payments on outstanding debt for the budget year

**Source:**

All three estimates related to government borrowing and debt for the budget year (2022/2023) are available in tables presented in the Budget Economic and Fiscal Update (BEFU) 2022.

1. New borrowing: The net borrowing requirement is determined by the reconciliation of Net Core Crown Operating Cash Flows to Residual Core Crown Cash ("Debt Programme Cash Flows"), p. 141

"Notes to the Forecast Financial Statements"

NOTE 16: Core Crown Residual Cash

2. Total debt:

"Forecast Statement of Borrowings as at 30 June", p.107

3. Interest payments: Two separate tables show interest payments ("finance costs")

"Forecast Statement of Financial Performance for the years ending 30 June"

"Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

NZ Treasury website

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Also <https://budget.govt.nz/>

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu22.pdf>

**Comment:**

No change from previous OBRs.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

**Answer:**

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

**Source:**

NZ Treasury website

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Information for core elements:

1. Interest rates on debt

Short-term debt (90-day bill rate)

Medium-term debt (5-year bond rate)

Long-term debt (10-year bond rate)

Table 2.14 – "Summary of key economic forecasts used in the forecast financial statements", p. 52

2. Maturity profile

The BEFU/EBP documentation provides a breakdown of data on outstanding Government debt is provided for 7 categories

Government bonds - medium-term and long-term borrowing

Treasury bills - short-term borrowing with maturities all being 1 year or less

Government retail stock

Settlement deposits with Reserve Bank  
Derivatives in loss  
Finance lease liabilities  
Other borrowings - borrowing by non-core Crown entities (i.e. SOEs and Crown Entities).

Note: There is no explicit information provided about the maturity profile of this non-core Crown debt. However, according to Treasury, non-core Crown debt is not generally sovereign-guaranteed.

"Forecast Statement of Borrowing", p. 107

### 3. Domestic and external debt - Not Applicable

This core element is assessed as "Not Applicable", since NZ Government does not currently have any foreign-currency denominated debt. In the 2015 OBS, NZDMO advised that a small amount of outstanding Euro-denominated debt accounted for less than 1/10th of 1% of total outstanding NZ Government debt. Data series located in a 2019 NZ Treasury working paper suggest since 2017, the level of outstanding foreign currency-denominated debt has dropped to zero.

Public Debt Dynamics in New Zealand"  
New Zealand Treasury Working Paper 19/01  
Appendix 3: Assumptions & variables - History: 2008 to 2018, 37

<https://treasury.govt.nz/sites/default/files/2019-07/twp19-01.pdf>

### 4. Additional information beyond core elements.

Extensive information is provided beyond these core elements and this is reviewed under the discussion of comments below.

#### **Comment:**

1 Breakdown of outstanding debt - sovereign guaranteed debt vs non-sovereign-guaranteed debt NOTE 15: Borrowings

Budget Economic and Fiscal Update 2022  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

ii. NZDMO Media release about bond program as part of EBP documentation  
<https://debtmanagement.treasury.govt.nz/investor-resources/202223-new-zealand-government-bond-programme-set-nz25-billion>

iii. Narrative discussion of debt-related issues (including NZDMO bond program in Table 2.8 – Net increase in government bonds) in BEFU 2022 as part of Chapter 2 ("Fiscal Outlook"), with particular attention to debt-related matters and how various economic developments and fiscal policies affect the level of debt and Crown balance sheet

Budget Economic and Fiscal Update 2022  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

iv. Additional discussion of debt-related matters in the Fiscal Strategy Report (FSR), another element of EBP required by law (PFA) to demonstrate how the Government's fiscal policies are in line with the principles of "fiscal responsibility", including "prudent" levels of debt.

Fiscal Strategy Report which is now published as part of a consolidated document "the Wellbeing Budget 2022: A Secure Future"  
<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future>

v. Extremely detailed and extensive data and narrative explanation about debt strategy, outstanding debt and debt issuances readily available online from NZDMO and RBNZ websites

<https://debtmanagement.treasury.govt.nz/funding-strategy>  
<https://debtmanagement.treasury.govt.nz/investor-resources/data>

vi. The BEFU 2022 tables provide data on borrowing/debt broken down by the 3 different "segments" of "Total Crown": (i) Core Crown; (ii) SOEs; and (iii) Crown Entities

"Forecast Statement of Segments",

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/sites/default/files/2020-07/befu20-v2.pdf>

ix. Availability for the breakdown of Government debt by resident or non-resident holders of debt updated monthly is readily available on the RBNZ website:

"Holdings of central government debt securities (nominal value)"

<https://www.rbnz.govt.nz/statistics/d30>

"Non-resident holdings of individual bonds (nominal value)"

<https://www.rbnz.govt.nz/statistics/d31>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Update second link to 2022 BEFU to: <https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

2022 BEFU to: <https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are presented in the Executive's Budget Proposal:**

**Answer:**

Interest rates on the debt

Maturity profile of the debt

Information beyond the core elements (please specify)

Whether the debt is domestic or external

**Source:**

NZ Treasury website

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Information for core elements:

1. Interest rates on debt

Short-term debt (90-day bill rate)

Medium-term debt (5-year bond rate)

Long-term debt (10-year bond rate)

Table 2.14 – "Summary of key economic forecasts used in the forecast financial statements", p. 52

2. Maturity profile

The BEFU/EBP documentation provides a breakdown of data on outstanding Government debt is provided for 7 categories

Government bonds - medium-term and long-term borrowing

Treasury bills - short-term borrowing with maturities all being 1 year or less

Government retail stock

Settlement deposits with Reserve Bank

Derivatives in loss

Finance lease liabilities

Other borrowings - borrowing by non-core Crown entities (i.e. SOEs and Crown Entities).

Note: There is no explicit information provided about the maturity profile of this non-core Crown debt. However, according to Treasury, non-core Crown debt is not generally sovereign-guaranteed.

"Forecast Statement of Borrowing", p. 107

### 3. Domestic and external debt - Not Applicable

This core element is assessed as "Not Applicable", since NZ Government does not currently have any foreign-currency denominated debt. In the 2015 OBS, NZDMO advised that a small amount of outstanding Euro-denominated debt accounted for less than 1/10th of 1% of total outstanding NZ Government debt. Data series located in a 2019 NZ Treasury working paper suggest since 2017, the level of outstanding foreign currency-denominated debt has dropped to zero.

Public Debt Dynamics in New Zealand"

New Zealand Treasury Working Paper 19/01

Appendix 3: Assumptions & variables - History: 2008 to 2018, 37

<https://treasury.govt.nz/sites/default/files/2019-07/twp19-01.pdf>

### 4. Additional information beyond core elements.

Extensive information is provided beyond these core elements and this is reviewed under the discussion of comments in Q14 above.

**Comment:**

No change from OBS 2019. Domestic and external debt is not applicable as the New Zealand Government has no outstanding foreign currency denominated debt.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** According to the New Zealand Debt Management website, New Zealand does hold a small amount of foreign currency debt which can be seen (calculated in NZD) here: <https://debtmanagement.treasury.govt.nz/government-securities/foreign-currency-issuance>

**Researcher Response**

Agree with the Government reviewer so the answer to domestic /external has been amended. The NZDMO website advises that the Government maintains two foreign current credit facilities. One has not been used since 2004. For the second facility the \$NZ value of the amount drawn down can be found at <https://debtmanagement.treasury.govt.nz/government-securities/foreign-currency-issuance>.

**15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"**

**(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"**

*GUIDELINES:*

*Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:*

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

*While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.*

*Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.*

**Answer:**

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

**Source:**

Core macroeconomic information including the Inflation rate; Real GDP growth; Interest rates as well as extensive other information is provided in Budget Economic and Fiscal Update 2022.

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

1 Table 1.1 is "Economic Forecasts" on page 8 contains forecasts for the core information

This includes both core macroeconomic information: Inflation rate; Real GDP growth; Interest rates as well as additional macroeconomic information beyond the core. There are nearly 20 key macroeconomic indicators relating to the components of GDP (consumption, investment, trade etc) as well as "potential" GDP, employment, wages, housing prices, household savings and others.

2. "Summary of key economic forecasts used in the Forecast Financial Statements" (Table 2.21 on page 60).

This contains an explanation of key assumptions used for macroeconomic forecast provided additional information (beyond core elements) for indicators such as price of oil, exchange rates, immigration, labour force and labour productivity as well as the key assumptions and associated constraints on economic activity.

3. "Table 2.15 – Summary of key economic forecasts used in the forecast financial statements", p.52

Core macroeconomic information: Real GDP growth; Nominal GDP, Inflation, Interest rates (short, medium and long-term)

Extensive narrative discussion on economic indicators through BEFU , especially:

Chapter 1 - "Economic Outlook",  
Chapter 3 - "Risks to the Fiscal Forecasts",  
but also within Chapter 2 - "Fiscal Outlook".

**Comment:**

Previous OBS reviews have reported that extensive macroeconomic information was provided in the Budget Economic and Fiscal Update.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:**

**Answer:**

Nominal GDP level  
Inflation rate  
Real GDP growth  
Interest rates  
Information beyond the core elements (please specify)

**Source:**

Core macroeconomic information including the Inflation rate; Real GDP growth; Interest rates as well as extensive other information is provided in Budget Economic and Fiscal Update 2022.

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

1 Table 1.1 – "Key economic variables" p11 that contains forecasts for the core information

This includes both core macroeconomic information: Inflation rate; Real GDP growth; Interest rates as well as additional macroeconomic information beyond the core. There are nearly 20 key macroeconomic indicators relating to the components of GDP (consumption, investment, trade etc) as well as "potential" GDP, employment, wages, housing prices, household savings and others.

2. "Key economic forecast judgements and assumptions",

Explanation of key assumptions used for macroeconomic forecast provided additional information (beyond core elements) for indicators such as price of oil, exchange rates, immigration, labour force and labour productivity as well as the key assumptions and associated constraints on economic activity.

3. "Table 2.15 – Summary of key economic forecasts used in the forecast financial statements", p.52

Core macroeconomic information: Real GDP growth; Nominal GDP, Inflation, Interest rates (short, medium and long-term)

Extensive narrative discussion on economic indicators through BEFU , especially:

Chapter 1 - "Economic Outlook",  
Chapter 3 - "Risks to the Fiscal Forecasts ",  
but also within Chapter 2 - "Fiscal Outlook".

**Comment:**

No significant change from previous OBS reviews.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"**

**(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"**

**GUIDELINES:**

*Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:*

- *inflation rate;*
- *real GDP growth; and*

interest rates.

*A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?*

*As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.*

*For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:*

- *The United States in its 2021 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).*
- *The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," (<https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget (<https://www.dbm.gov.ph/images/pdf/files/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>)).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.*

**Answer:**

a. Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.

**Source:**

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

NZ Treasury website

In the 2022 Budget the Treasury augmented the detailed forecast of the standard variables – nominal and real GDP, CPI Inflation, Unemployment, Current Account Balance, Interest Rates with an upside (low inflation) and downside (persistence inflation) scenario.

**Comment:**

There is extensive discussion throughout the BEFU 2022 of how different macroeconomic assumptions generally could impact the base case budget forecast. It is standard practice for the Treasury to provide a breakdown of the projected fiscal balance broken down into its structural and cyclical components. In Budget 2022 "the persistence of inflation and associated monetary policy response is a key uncertainty" (BEFU p19) so two alternative scenarios explored different inflation tracks. In Budget 2020 the focus was on the impact of COVID.

Other comments are provided through much of the BEFU document, including in

Chapter 1 - "Economic Outlook"

Chapter 2 - "Fiscal Outlook"

Chapter 3 - "Fiscal Risks"

This section includes a narrative discussion of the impact of different inflation tracks as well as a section entitled "Fiscal Sensitivities"

Table 3.1: Fiscal sensitivity analysis shows:

Impact on tax revenue of a 1 percentage point increase in growth of:

Nominal GDP

Wages and salaries

Taxable business profits

Impact of 1% lower interest rates on:

Interest income

Interest expenses

Net impact on operating balance

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

NZ Treasury Website



**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?**

**GUIDELINES:**

*Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.*

*Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.*

**Answer:**

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

**Source:**

Extensive and detailed information about all new policy initiatives can be found across various components of EBP documentation, including:

1. The Summary of Initiatives in Budget 2022 is contained in the Annex of the "Wellbeing Budget 2022: A Secure Future" document.

<https://www.treasury.govt.nz/sites/default/files/2022-05/b22-wellbeing-budget.pdf>

Note that in addition, there is a short narrative explanation for each new policy initiative describing the objectives and expected outputs (together with multi-year financial estimates) provided in a subsequent section: "Notes on Budget 2022 Initiatives."

NZ Treasury Website

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

2 A complete listing of all new policy initiatives is also provided across all votes/departments in a standard table (1.1 New Policy Initiatives) presented in each of the 10-volume sector-based Estimates documents.

The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023

<https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

4. Minister's Budget Speech to Parliament on "Budget Day", when the EBP is tabled in Parliament, which highlights many of the new policy initiatives (including both spending and revenue initiatives):

<https://www.treasury.govt.nz/publications/budget-speech/budget-speech-2022>

5. A large number of "Ministers' Media Releases" accompanying public release of the EBP on "Budget Day", with individual media releases for specific portfolios .

<https://www.budget.govt.nz/budget/2022/releases/index.htm>

**Comment:**

Previous OBS surveys of New Zealand have highlighted than extensive information on new policy initiatives that can be found across various EBP documents.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** 2022 budget media releases link broken but can be found at <https://www.beehive.govt.nz/feature/budget-2022-secure-future>

**Government Reviewer**

**Opinion:** Agree

**18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?****GUIDELINES:**

*Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.*

*Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.*

*Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.*

*Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.*

*The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.*

**Answer:**

a. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

**Source:**

Detailed information about revenue related new policy initiatives can be found across various EBP documents. A succinct summary, including fiscal impact supported by a brief narrative, is found on page 23 on the BEFU for Budget 2022 "Table 2.2 – Estimated tax effects of material initiatives announced since the Half Year Update". BEFU also contains " Table 2.7 "Impact of Budget 2022 new operating spending package on key indicators" (Page 32)

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

In addition further material can be found in :

1. The Summary of Initiatives in Budget 2022 is contained in the Annex of the Wellbeing Budget 2022: a Secure Future document including on page 85.

Vote Revenue  
Tax Initiatives to Support the Government's Economic Plan

NZ Treasury Website  
<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022>

2 A complete listing of all new policy initiatives is also provided across all votes/departments in a standard table (1.1 New Policy Initiatives) presented in each of the 10-volume sector-based Estimates documents.

The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023

<https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

3. Minister's Budget Speech to Parliament on "Budget Day", when the EBP is tabled in Parliament, which highlights many of the new policy initiatives (including both spending and revenue initiatives):

<https://www.treasury.govt.nz/publications/budget-speech/budget-speech-2022>

**Comment:**

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

*GUIDELINES:*

*Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.*

**Answer:**

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Expenditure estimates for BY-1 (2021/22) for the budget year ending 30 June 2022) are presented for all three expenditure classifications - administrative, economic, and functional.

1. BY-1 ADMINISTRATIVE classification data:

Summary Tables for the Estimates of Appropriations 2022/23  
"Total Appropriations for Each Vote",

<https://www.treasury.govt.nz/publications/summary-tables/summary-tables-estimates-appropriations-2022-23>

Data also provided for each vote by type of appropriation: Output Expenses, Benefit or Related Expenses, Borrowing Expenses, Other Expenses,

Capital Expenditure, Multi-Category Appropriations.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note the Treasury also provides a database "Budget 2022 Data from the Estimates of Appropriations 2022/23" in Excel format that provides historical actuals back to 2015/16 as well as estimated actuals for expenditure and revenues.

2. BY-1 ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June, p.115

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. BY-1 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

2. "Core Crown Expense Tables".

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from recent OBS reviews.

The System of National Accounts provides an ex post analysis of Government fiscal aggregates by economic classification as part of the Government Financial Statistics. However this information is published with a lag after the end of the financial year so expenditure by economic type for 2022/23 will be available at the end of 2023.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?**

**GUIDELINES:**

*Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

**A note for francophone countries:** "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

**Answer:**

a. Yes, programs accounting for all expenditures are presented for BY-1.

**Source:**

Both original budget and "estimated actuals" data for (BY-1) are provided for all program-level expenditures in a standard table included in each of the 9 sector-based volumes that together comprise the full Estimates.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

An example is Vote Health <https://budget.govt.nz/budget/pdfs/estimates/v5/est23-v5-health.pdf>.

Table 1.2 - Trends in the Vote page 14

**Comment:**

No change from previous recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?**

*GUIDELINES:*

*Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.*

*Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.*

**Answer:**

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

**Source:**

Expenditure estimates for BY-1 (2021/22) for the budget year ending 30 June 2022) are presented for all three expenditure classifications - administrative, economic, and functional.

1. BY-1 ADMINISTRATIVE classification data:

Summary Tables for the Estimates of Appropriations 2022/23

"Total Appropriations for Each Vote",

<https://www.treasury.govt.nz/publications/summary-tables/summary-tables-estimates-appropriations-2022-23>

Data also provided for each vote by type of appropriation: Output Expenses, Benefit or Related Expenses, Borrowing Expenses, Other Expenses, Capital Expenditure, Multi-Category Appropriations.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note the Treasury also provides a database "Budget 2022 Data from the Estimates of Appropriations 2022/23" in Excel format that provides historical actuals back to 2015/16 as well as estimated actuals for expenditure and revenues.

2. BY-1 ECONOMIC classification data:

Budget Economic and Fiscal Update 2022  
Forecast Statement of Financial Performance for the years ending 30 June, p.115  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. BY-1 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022  
1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"  
2. "Core Crown Expense Tables".  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change since previous OBS reviews. "Estimated actual" expenditures are updated from the original Budget enacted levels to reflect in-year policy decisions by government (baseline updates), as well as the impact of other factors.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

**GUIDELINES:**

*Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications*

**Answer:**

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Expenditure estimates for BY-2 (2021/22) for the budget year ending 30 June 2022) are presented for all three expenditure classifications - administrative, economic, and functional.

1. BY-2 ADMINISTRATIVE classification data:

Summary Tables for the Estimates of Appropriations 2022/23  
"Total Appropriations for Each Vote",

<https://www.treasury.govt.nz/publications/summary-tables/summary-tables-estimates-appropriations-2022-23>

Data also provided for each vote by type of appropriation: Output Expenses, Benefit or Related Expenses, Borrowing Expenses, Other Expenses, Capital Expenditure, Multi-Category Appropriations.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note the Treasury also provides a database "Budget 2022 Data from the Estimates of Appropriations 2022/23" in Excel format that provides historical actuals back to 2015/16 as well as estimated actuals for expenditure and revenues.

2. BY-2 ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June, p.115

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. BY- 2 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

2. "Core Crown Expense Tables".

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

The previous OBS noted that data for Economic Classification (only) as contained directly within 2022 EBP documentation only extends back to (BY-2) and not to previous years. However, the longer historic data series are readily available on NZ Treasury website. For example, the data for BY-3 is readily available in the previous BEFU.

The System of National Accounts provides an ex post analysis of Government fiscal aggregates by economic classification as part of the Government Financial Statistics. However this information is published with a lag after the end of the financial year so expenditure by economic function for 2022/23 will be available at the end of 2023.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

**Answer:**

Administrative classification

Economic classification

Functional classification

**Source:**

Expenditure estimates for BY-1 (2021/22) for the budget year ending 30 June 2022) are presented for all three expenditure classifications - administrative, economic, and functional.

1. BY-1 ADMINISTRATIVE classification data:

Summary Tables for the Estimates of Appropriations 2022/23

"Total Appropriations for Each Vote",

<https://www.treasury.govt.nz/publications/summary-tables/summary-tables-estimates-appropriations-2022-23>

Data also provided for each vote by type of appropriation: Output Expenses, Benefit or Related Expenses, Borrowing Expenses, Other Expenses, Capital Expenditure, Multi-Category Appropriations.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note the Treasury also provides a database "Budget 2022 Data from the Estimates of Appropriations 2022/23" in Excel format that provides historical actuals back to 2015/16 as well as estimated actuals for expenditure and revenues.

2. BY-1 ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June, p.115

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. BY-1 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

2. "Core Crown Expense Tables".

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?**

**GUIDELINES:**

*Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

**A note for francophone countries:** "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

**Answer:**

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

**Source:**

<https://www.treasury.govt.nz/publications/data/budget-2022-data-estimates-appropriations-2022-23>

A dataset in Excel format provided on NZ Treasury website includes all the detailed program-level data contained in all nine volumes of the "The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2021" (across all Votes)



Program-level data for all programs is contained in the "Raw Data" worksheet for years back to 2018.

**Comment:**

No change since previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?**

**GUIDELINES:**

*Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

Expenditure estimates for BY-2 (2021/22) for the budget year ending 30 June 2022) are presented for all three expenditure classifications - administrative, economic, and functional.

1. BY- 2 ADMINISTRATIVE classification data:

Summary Tables for the Estimates of Appropriations 2022/23  
"Total Appropriations for Each Vote",

<https://www.treasury.govt.nz/publications/summary-tables/summary-tables-estimates-appropriations-2022-23>

Data also provided for each vote by type of appropriation: Output Expenses, Benefit or Related Expenses, Borrowing Expenses, Other Expenses, Capital Expenditure, Multi-Category Appropriations.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note the Treasury also provides a database "Budget 2022 Data from the Estimates of Appropriations 2022/23" in Excel format that provides historical actuals back to 2015/16 as well as estimated actuals for expenditure and revenues.

2. BY- 2 ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June, p.115

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. BY- 2 FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

1. "Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"
  2. "Core Crown Expense Tables".
- <https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?**

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

**Answer:**

a. Yes, revenue estimates for BY-1 are presented by category.

**Source:**

Revenue data for BY-1 (including both the original budget estimates and updated forecasts or "estimated actuals") are provided for the broad revenue categories, including:

1. Total Revenue Levied through the Crown's Sovereign Power (taxes, levies, penalties & fines)
  - Taxation revenue
  - Other sovereign revenue
2. Total revenue earned through the Crown's operations (non-tax revenues)
  - Sales of goods and services
  - Interest revenue
  - Other revenue

"Forecast Statement of Financial Performance for the years ending 30 June"  
Budget Economic and Fiscal Update 2022  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

More detailed breakdowns of data for these categories are also provided:

"Notes to the Forecast Financial Statements"  
NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)  
NOTE 2: Investment Revenue / (Expenditure)

Budget Economic and Fiscal Update 2022  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

Opinion: Agree

**26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?**

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

**Source:**

Revenue data for BY-1 (including both the original budget estimates and updated forecasts or "estimated actuals") are provided for revenue categories. Data for "Sovereign revenues" (taxes, levies, fines and penalties) broken down by individual revenue sources is available in:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure).

including:

1. Total Revenue Levied through the Crown's Sovereign Power (taxes, levies, penalties & fines)

- Taxation revenue

- Other sovereign revenue

2. Total revenue earned through the Crown's operations (non-tax revenues)

- Sales of goods and services

- Interest revenue

- Other revenue

"Forecast Statement of Financial Performance for the years ending 30 June"

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

More detailed breakdowns of data for these categories are also provided:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure)

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

For non-tax revenues, detailed data for BY-1 individual sources are readily available in an Excel data file covering ALL individual vote-specific non-tax revenue sources (as well as all other types of vote-specific individual revenue sources). The Excel data file is routinely prepared to accompany/support the 10-volume Estimates documentation.

Note: The revenue data for BY-1 contained in the Excel data file is available only updated "estimated actuals" and not for the original BY-1 budget forecasts.

"Revenue Data - Estimates of Appropriations 2022/23"

<https://www.treasury.govt.nz/publications/data/budget-2022-data-estimates-appropriations-2022-23>

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note: The original budget forecasts for BY-1 data for individual non-tax revenues sources (or for any other individual sources of revenue) are also available on the NZ Treasury website in a similar Excel data file prepared in the preceding year (BY-1) to support the presentation of the Estimates in that year.

**Comment:**

No change from recent reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?**

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

**Answer:**

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

**Source:**

Revenue data by source for BY-1 have been updated from the original projected levels.

Data for "Sovereign revenues" (taxes, levies, fines and penalties) broken down by individual revenue sources is available in:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure).

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

For non-tax revenues, detailed data for BY-1 individual sources are readily available in an Excel data file covering ALL individual vote-specific non-tax revenue sources (as well as all other types of vote-specific individual revenue sources). The Excel data file is routinely prepared to accompany/support the 10-volume Estimates documentation.

Note: The revenue data for BY-1 contained in the Excel data file is available only updated "estimated actuals" and not for the original BY-1 budget forecasts.

"Revenue Data - Estimates of Appropriations 2022/23"

<https://www.treasury.govt.nz/publications/data/budget-2020-data-estimates-appropriations-2022-23>

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note: The original budget forecasts for BY-1 data for individual non-tax revenues sources (or for any other individual sources of revenue) are also available on the NZ Treasury website in a similar Excel data file prepared in the preceding year (BY-1) to support the presentation of the Estimates in that year.

"Budget 2022 Data from the Estimates of Appropriations 2021/22"

<https://www.treasury.govt.nz/publications/data/budget-2021-data-estimates-appropriations-2021>

**Comment:**

The "estimated actual" figures presented in any/all EBP documentation for year (BY-1) have been updated to include available data for actual revenue collections, revised macroeconomic forecasts and any policy decisions taken affecting revenue estimates for year (BY-1) up to the cut-off date for preparation of revenue forecasts for the budget.

**Peer Reviewer**

**Opinion:**

**Comments:** Budget 2022 supplemental summary of BY-1 appropriations at: <https://www.treasury.govt.nz/publications/summary-tables/summary-tables-supplementary-estimates-appropriations-2021-22>

**Government Reviewer**

**Opinion:** Agree

**28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?**

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

**Answer:**

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

**Source:**

Data on actual revenues for BY-2 and prior years is provided in the BEFU 2022, both for broad categories and for many detailed individual sources of revenue.

BY-2 and prior years actual revenue data for "Sovereign revenues" (taxes, levies, fines and penalties) broken down by individual revenue sources is available in:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure).

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

For non-tax revenues, detailed data for BY-1 individual sources are readily available in an Excel data file covering ALL individual vote-specific non-tax revenue sources (as well as all other types of vote-specific individual revenue sources). The Excel data file is routinely prepared to accompany/support the 10-volume Estimates documentation.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note: The original budget forecasts for BY-1 data for individual non-tax revenues sources (or for any other individual sources of revenue) are also available on the NZ Treasury website in a similar Excel data file prepared in the preceding year (BY-1) to support the presentation of the Estimates in that year.

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?**

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

**Source:**

Data on actual revenues for BY-2 and prior years is provided in the BEFU 2022, both for broad categories and for many detailed individual sources of revenue.

BY-2 and prior years actual revenue data for "Sovereign revenues" (taxes, levies, fines and penalties) broken down by individual revenue sources is available in:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure).

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

For non-tax revenues, detailed data for BY-1 individual sources are readily available in an Excel data file covering ALL individual vote-specific non-tax revenue sources (as well as all other types of vote-specific individual revenue sources). The Excel data file is routinely prepared to accompany/support the 10-volume Estimates documentation.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note: The original budget forecasts for BY-1 data for individual non-tax revenues sources (or for any other individual sources of revenue) are also available on the NZ Treasury website in a similar Excel data file prepared in the preceding year (BY-1) to support the presentation of the Estimates in that year.

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?**

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

Data on actual revenues for BY-2 and prior years is provided in the BEFU 2022, both for broad categories and for many detailed individual sources of revenue.

BY-2 and prior years actual revenue data for "Sovereign revenues" (taxes, levies, fines and penalties) broken down by individual revenue sources is

available in:

"Notes to the Forecast Financial Statements"

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash)

NOTE 2: Investment Revenue / (Expenditure).

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

For non-tax revenues, detailed data for BY-1 individual sources are readily available in an Excel data file covering ALL individual vote-specific non-tax revenue sources (as well as all other types of vote-specific individual revenue sources). The Excel data file is routinely prepared to accompany/support the 10-volume Estimates documentation.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Note: The original budget forecasts for BY-1 data for individual non-tax revenues sources (or for any other individual sources of revenue) are also available on the NZ Treasury website in a similar Excel data file prepared in the preceding year (BY-1) to support the presentation of the Estimates in that year.

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"**

**(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"**

*GUIDELINES:*

*Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).*

*The "core" information includes:*

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

*This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but*

additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

**Answer:**

a. Yes, information beyond the core elements is presented for government debt.

**Source:**

EBP documentation includes information for all (applicable) core elements for BY-1 as well as extensive information beyond the core elements.

The Budget Economic and Fiscal Update 2022 includes data for BY-1 for 4 core elements, including both the original budget estimates and updated forecasts ("estimated actuals") while the 5th element (domestic and external debt) is not applicable as New Zealand does not have foreign currency debt.

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

Information for core elements:

1. Interest rates on debt

Short-term debt (90-day bill rate)

Medium-term debt (5-year bond rate)

Long-term debt (10-year bond rate)

Table 2.14 - "Summary of key economic forecasts used in the forecast financial statements"

2. Maturity profile

The EBP documentation provides a breakdown of data on outstanding Government debt is provided for 7 categories

Government bonds - medium-term and long-term borrowing

Treasury bills - short-term borrowing with maturities all being 1 year or less

Government retail stock

Settlement deposits with Reserve Bank

Derivatives in loss

Finance lease liabilities

Other borrowings - borrowing by non-core Crown entities (i.e. SOEs and Crown Entities).

Note: There is no explicit information provided about the maturity profile of this non-core Crown debt. However, according to Treasury, non-core Crown debt is almost never sovereign-guaranteed.

"Forecast Statement of Borrowing",

3. Domestic and external debt - Not Applicable

This core element is assessed as "Not Applicable", since NZ Government does not currently have any foreign-currency denominated debt. In the 2015 OBS, NZDMO advised that a small amount of outstanding Euro-denominated debt accounted for less than 1/10th of 1% of total outstanding NZ Government debt. Data series located in NZ Treasury working paper show that since 2017, the level of outstanding foreign currency-denominated debt has dropped to zero.

"Public Debt Dynamics in New Zealand"

New Zealand Treasury Working Paper 19/01

Appendix 3: Assumptions & variables - History: 2008 to 2018, 37

<https://treasury.govt.nz/sites/default/files/2019-07/twp19-01.pdf>

4. Additional information beyond core elements:

i. Breakdown of outstanding debt - sovereign guaranteed debt vs non-sovereign-guaranteed debt "Forecast Statement of Borrowing"



Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

11 . Extremely detailed and extensive data and narrative explanation about debt strategy, outstanding debt and debt issuances readily available online from NZDMO and RBNZ websites

<https://debtmanagement.treasury.govt.nz/funding-strategy>

<https://debtmanagement.treasury.govt.nz/investor-resources/data>

iii. The BEFU 2022 tables provide data on borrowing/debt broken down by the 3 different "segments" of "Total Crown": (i) Core Crown; (ii) SOEs; and (iii) Crown Entities

"Forecast Statement of Segments",

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

iv. Availability for the breakdown of Government debt by resident or non-resident holders of debt updated monthly is readily available on the RBNZ website:

"Holdings of central government debt securities (nominal value)" since July 2015 is available on

<https://www.rbnz.govt.nz/statistics/d30>

"Non-resident holdings of individual bonds (nominal value)"

<https://www.rbnz.govt.nz/statistics/d31>

**Comment:**

No change from recent OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?**

*GUIDELINES:*

*Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

*It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.*

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

Actual total (both net and gross) debt are available as at the end of the year (BY-2)

"Forecast Statement of Borrowings as at 30 June"

NZ Treasury

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS surveys

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"**

**(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"**

**GUIDELINES:**

*Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:*

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

*In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.*

*In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.*

*The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.*

*For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.*

*Please provide in the comments a list of all known extra-budgetary funds.*

**Answer:**

a. Yes, information beyond the core elements is presented for all extra-budgetary funds.

**Source:**

New Zealand does not have any institutions that are extrabudgetary funds (EBFs) in the sense of "funds not included in the annual state budget law". New Zealand, like other jurisdictions has a range of arm's length public bodies that are separate legal entities outside the legal core Crown. However, the ex ante Budget documents and ex post financial statement consolidate these wider public entities into the Crown financial statements, so the accounts cover the entirety of central government. For consistency with previous OBS assessments and noting comments below, the following funds are considered as possible EBFs:

1. Accident Compensation Corporation (ACC)
2. New Zealand Superannuation Fund (NZSF)
3. Government Superannuation Fund (GSF)
4. Toka Tū Ake Earthquake Commission (EQC).

As part of the 2020 Budget process the Government created a notional fund the COVID Response and Recovery Fund (CRRF) a \$NZ 50 billion fund to manage the fiscal costs of COVID19 response and recovery. Budget 2022 created the Climate Emergency Response Fund. However, the CRRF and the CERF are funds in name only as it is basically a planning envelope for budget management purposes, rather than an actual sum of money ring fenced within the Government's accounts.

Consolidated information including the four funds listed above expenses revenues, assets and liabilities can be found in the Statement of Segments starting at page 132 of the Forecast Financial Statements in the Budget Economic and Fiscal Update 2022 (BEFU 2022).

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>  
NZ Treasury Website.

However this does not disclose estimates of each fund's income, expenditure, and financing so that it is not possible to tell "how much money flows through each extra-budgetary fund" from the budget documents. Some elements of these EBFs activities appear on the "Notes to the Forecast Financial Statements" in BEFU 2022:

Note 1 shows revenue (levies) for ACC and EQC

Note 3 shows expenditures for NZSF

Note 5 shows insurance expenses, as well as assets and liabilities, for ACC and EQC

Note 7 shows actuarial gains/losses on GSF liability and ACC outstanding claims

Note 8 shows information on the financial asset portfolio inclusive of NZSF, ACC and EQC,

Note 11 shows revenues, expenses and balance sheet information for NZSF

Note 13 shows detailed information about GSF liabilities

Information about GSF pension expenses is also shown in tables for:

"Forecast Analysis of Expenses by Functional Classification" for Total Crown and Core Crown,

Information about the policy objectives/rationale for 3 of these entities cited as EBFs can be found in the Appropriations linked to the monitoring department and Minister:

1. Accident Compensation Corporation (ACC): Vote Labour Market
2. New Zealand Superannuation Fund (NZSF): Vote Social Development
3. Government Superannuation Fund (GSF): Vote Finance

Note: The GSF is a government superannuation (pension) fund that is no longer open to new membership. The Government Superannuation Fund (GSF) was established in 1948. The GSF Schemes were closed to new members employed in the State sector from 1 July 1992.

**4. Toka Tū Ake Earthquake Commission (EQC).**

Since EQC is self-funding, there is no regular appropriation for EQC, although, as referenced above in Note 5 to the "Notes to the Forecast Financial Statements" in BEFU 2022, both EQC levies and insurance expenses (and liabilities) are recorded in the Crown accounts, which are inclusive of all Crown Entities.

Note there may be some periodic payments made to EQC by the Government to cover some unanticipated higher than expected expenses for specific natural disasters, as occurred after the Christchurch earthquake sequence (Section 16 of the Earthquake Commission Act 1993) cited above.

For further information about the EQC  
<https://www.eqc.govt.nz/what-we-do>

Finally, the assessment is that the scope of information available is beyond the core elements:

In addition to information about revenues and expenses referenced above, there is also narrative discussion throughout the BEFU 2022 that includes

specific references to these entities and how they are expected to impact or might potentially impact fiscal forecasts for expenses, revenues, operating balance, debt and net worth. In some cases (as in the case for the two insurance schemes, EQC and ACC), they also factor in the legally mandated reporting on specific fiscal risks.

Furthermore, the detailed information contained in both the "Notes to the Forecast Financial Statements" cited above, as well as the vote-specific documentation in the Estimates goes well beyond providing just data for revenues and expenses. The financial information in the "Notes to the Forecast Financial Statements" includes a full balance-sheet approach to assess both assets and liabilities. Information presented in the Estimates documentation cited above also includes specific non-financial information about expected performance indicators for those items for which there is an appropriation.

**Comment:**

In a strict literal sense there are no funds outside of the budget in that consolidated ex ante budgeting and ex post financial reporting includes coverage of all public entities. In accordance with the PFA (Section 26Q.4), fiscal forecasts for the budget must be for the same reporting entity as the financial statements and, therefore, in accordance with generally accepted accounting practice (Section 27.2.a). GAAP requires all controlled entities (including SOEs and Crown Entities) to be included in consolidated financial statements (NZ IAS 27). Therefore, consolidated reporting on all the funds/entities cited above is included within the Budget (and in EBP documentation).

However, based on review of relevant literature on EBFs and consistent with the criteria applied for previous OBS assessments, the four agencies cited above are cited as examples of EBFs in the New Zealand context on the basis of their independent management of designated revenue sources (levies) and/or portfolios of financial assets.

Previous reviews provided an assessment of "a" for this indicator based on how the consolidated revenues, expenses and funding are captured in the forecast financial statement. However on a strict reading of the guidelines these consolidated flows do not conform as that are not "presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund". Moreover a "statement of purpose or policy rationale for the extra-budgetary fund" is not provided for each EBF as part of the suite of Budget documents. Rather this is provided in each organization's Statement of Intent, typically prepared each three years.

However considerable additional information beyond the core elements is presented on Balance Sheet items and fiscal risks. Based on these factors an assessment of "a" seems appropriate.

This assessment is a reflection more of the technical cash accounting based criteria used in the guidelines (disclosure of flows for each entity rather than consolidated reports of all entities flows) that an assessment of the underlying quality of information provided (including balance sheet information on future liabilities and changes in the value of assets).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?**

**GUIDELINES:**

*Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.*

*Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.*

*The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) For the purpose of answering this question, please consider only the central government level.*

*In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-*

*budgetary) on a consolidated basis for at least the budget year.*

**Answer:**

a. Yes, central government finances are presented on a consolidated basis.

**Source:**

Ex ante financial forecasts and ex post financial statements are prepared for the Core Crown (departments) as well as the total Crown (including SOEs and the Crown Entities segment) on a fully consolidated basis, as required by the Public Finance Act 1989.

The Budget Economic and Fiscal Update 2022 states "The Forecast Financial Statements [including both revenues and expenditures] have been prepared in accordance with the accounting policies that are expected to be used in the comparable audited actual Financial Statements of the Government. They comply with generally accepted accounting practice (GAAP) as required by the Public Finance Act 1989. Forecasts have been prepared for the consolidated Financial Statements of the Government reporting entity, which includes all entities controlled by the Government."

"Statement of Accounting Policies",

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

A full listing/scope of the financial reporting is also provided:

"Government Reporting Entity as at 23 April 2022"

The full reporting entity is inclusive of:

- (i) the Core Crown Segment (i.e. ministries, departments, offices, commissions, etc.);
- (ii) State-Owned Enterprises Segment; and
- (iii) Crown Entities Segment

Data provided in EBP documentation for consolidated central government finances include both:

- (i) Total Crown Expenses (inclusive of Crown Entities and SOEs)
- (ii) Core Crown Expenses (exclusive of Crown Entities and SOEs)

"Forecast Analysis of Expenses by Functional Classification",

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

The NZ Government's financial statements in 2021/2 consolidate the financial information of 2656 public organisations, including 2585 Crown entities (such as schools and Crown research institutes), 37 government departments, and 12 State-owned enterprises (such as New Zealand Post)

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?**

**GUIDELINES:**

*Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental*

transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

**Answer:**

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

**Source:**

Regional and local government is largely self financing and there are no major central government block grants or transfers to sub-national government in New Zealand. The main targeted transfers to local authorities is for roading and some much smaller grants targeting environmental services.

Below is a listing of the main channels for funding of local authority activities from central government, as found in vote-specific documents from the most recent Estimates documentation. This list, while not exhaustive, but capture the main funding mechanisms.

**1. VOTE TRANSPORT**

The main channel for central government funding going to local authorities is the National Land Transport Programme (NLTP). The Government Policy Statement (GPS) on land transport identifies ranges of expenditure that the government wishes to commit to different land transport activities. The New Zealand Transport Agency (NZTA), in conjunction with regional bodies, develops the NLTP, detailing how the funding will be spent and what it will deliver within the ranges. The GPS is a 10-year document which is reviewed every three years and was last set in 2021/2. The NLTP is a three year document. NLTP appropriations provide support from the National Land Transport Fund (NLTF) in the maintenance and improvement of land transport networks and services, including co-investment with local authorities in local roads and public transport.

A narrative explanation of the new GPS and a breakdown of the "Components of the Appropriation" for the NLTP, can be found in Estimates documentation for Vote Transport (P58).

<https://budget.govt.nz/budget/pdfs/estimates/v1/est22-v1-trans.pdf>

**Land Transport Management Act 2003**

The Land Transport Management Act 2003 governs the funding of major transport projects and services, including road policing, public transport, and maintaining and developing the state highway network and local roads. Through its Government Policy Statement (GPS) on Land Transport, central government sets the overall objectives and long-term results sought over a 10-year period, and expenditure ranges for each class of transport activity. NZTA then develops a three-year National Land Transport Programme (NLTP), which gives effect to the GPS and outlines the activities that will receive funding from the National Land Transport Fund. Once the NLTP is confirmed, local authorities can seek funding for activities carried out in their area. They are required to develop a 10-year Regional Land Transport Plan that sets out the region's land transport objectives, policies, and activities where NZTA funding is sought. The National Land Transport Fund typically does not cover the full cost of these activities. It meets an average of 53% of costs across the country. Local authorities contribute the rest, from sources such as rates, development contributions and passenger fares. The exact funding rate varies between 51% and 75% depending on the ability of local authorities to deliver transport outcomes.

**2. VOTE ENVIRONMENT**

Details of Appropriations and Capital Injections - Annual and Permanent Appropriations,

<https://www.treasury.govt.nz/publications/estimates/vote-environment-environment-sector-estimates-2021-22>

A range of appropriations from the central Government budget provide funding to local authorities for a variety of activities related to environmental protection and services, including water supply, remediation activities, waste disposal and others. Examples found in Vote Environment documentation include the following funding mechanisms supporting local authorities (and communities) include:

(i) Community Environment Fund - appropriation for strengthening partnerships, raising environmental awareness and encouraging participation in environmental initiatives in the community, pp.68-69

(ii) Contaminated Sites Remediation Fund - appropriation intended to encourage and support Regional Councils and unitary authorities to investigate and remediate sites that pose a risk to human health and the environment, pp.68-69

(iii) Fresh Start for Fresh Water - appropriation for clean-up of New Zealand's freshwater waterbodies arising from historical contamination (e.g. Waikato River Clean-up Fund), pp.73-74

(iv) Waste Disposal Levy Disbursements to Territorial Local Authorities - appropriation intended to achieve more effective and efficient waste management and minimisation across the country through the distribution of 50 per cent of the Waste Disposal Levy (collected under the Waste Minimisation Act 2008) to Territorial Authorities, on a per head of population basis, to fund activities set out in their Waste Management and Minimisation Plans, pp.93-94

<https://www.treasury.govt.nz/publications/estimates/vote-environment-natural-resources-sector-estimates-appropriations-2022-23>

**Comment:**

NZ is a highly centralised unitary state and there are no major central government block grants or transfers to sub-national government entities. Regional and local government have their own dedicated tax base and are mostly self-funding. However, there are some targeted transfers to local authorities for roading and some much smaller grants targeting environmental services.

According to a 2018 study of local government finances conducted by the NZ Productivity Commission, approximately 20% of consolidated local government funding is derived from grants and subsidies, mostly from central government grants through NZ Transport Agency to cover roading and other transport costs.

"Local government funding and financing - Issues paper" (Nov. 2018), citations for p.15 & p.20.

[https://www.productivity.govt.nz/sites/default/files/Local%20government%20funding%20and%20financing%20issues%20paper\\_FINAL.pdf](https://www.productivity.govt.nz/sites/default/files/Local%20government%20funding%20and%20financing%20issues%20paper_FINAL.pdf)

In addition to the routine financial support for local transport and environmental spending, it is worth noting there can be one-off items which do not constitute a routine intergovernmental grant.

1. The package developed in response to COVID included funding for a range of 'shovel ready' capital programmes as well as current programmes which was open to local government as well as community groups.
2. The 2018/19 Budget included a Provincial Growth Fund (PGF), with \$1 billion per year committed regional economic development with a focus on sustainability and climate change issues. Local and regional authorities can submit proposals to be evaluating for possible funding along with other not for profit and community groups.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?**

**GUIDELINES:**

*Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.*

*For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.*

*The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"*

*(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,*

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661465/distributional\\_analysis\\_autumn\\_budget\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf))*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results*

from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

**Answer:**

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

**Source:**

There is no "alternative display" of budgeted expenditures (such as by gender, by age, by income, or by region).

The Budget documentation includes the Child Poverty Report and draws links to the Wellbeing Budget Approach but neither approach results in an "alternative display" of budget data.

**Comment:**

The process of implementing a "Wellbeing Approach" for budgeting has led to the publication of a wellbeing dashboard but has yet to yield much progress with an "alternative display" of budget expenditures that relates them to other Living Standards measures (at either <https://budget.govt.nz/> or <https://lsfdashboard.treasury.govt.nz/wellbeing/>). Similarly, there is no display of how the measures in the Wellbeing Dashboard informed the development of budget priorities .

The Child Poverty Reduction Act 2018 require reporting on child poverty that discusses progress against the targets under the Child Poverty Reduction Act and indicates whether and, if so, to what extent, measures in or related to the budget will affect child poverty. Elements of the Child Poverty Report, presented in the Budget, arguably constitutes a display of expenditures to illustrate the financial impact of policies on children in poverty. The budget includes ex-post reporting on child poverty rates, and also includes estimates (presented in graphical form) of how certain budget proposals might affect child poverty.

While the Child Poverty Report does include important information on the government's policies, for cross country comparability it does not qualify as an "alternative display of expenditure." The CPR does provide proposed budget allocations as total amounts for each individual program line to be allocated over medium-term (4 year) horizon, along with descriptions of each corresponding policy/program initiative. However, the CPR does not provide annual spending information disaggregated for each fiscal year with the medium-term horizon.

Researchers have rigorously assessed fiscal incidence of the budget by age and gender in the past but this is not regularly updated and is not presented as part of the budget documents <http://researcharchive.vuw.ac.nz/handle/10063/2852>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

**Answer:**

None of the above

**Source:**

No sources

**Comment:**

Researchers have developed historical estimates of budget fiscal incidence by age and gender.



<http://researcharchive.vuw.ac.nz/handle/10063/2852>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?**

*GUIDELINES:*

*Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.*

*Please provide in the comments a list of all known public corporations.*

**Answer:**

a. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

**Source:**

Instances of transfer payments to SOEs (generally but not solely, capital investments) are relatively limited/isolated and such transactions are fully disclosed/reported and described in EBP documentation.

Transactions between the Crown and individual entities in either of the SOE or CE segments are reported in at least three components of the EBP documentation:

1. "Summary of Initiatives in Budget 2022"

<https://budget.govt.nz/budget/2022/wellbeing/summary-initiatives/index.htm>

2. "The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

<https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

3. "Forecast Financial Statements" (including both the accounts and supporting notes)  
Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

Government policy is for State-owned enterprises (SOEs) to operate on a fully commercial basis, drawing on their own revenues and, when appropriate, the government will pay an explicit subsidy for commercial activities required for public policy purposes. For example in Budget 2020 transitional funding \$NZ 70m was provided over three years to NZ Post to keep the national postal network in operation. Typically however, the Government (Crown) will appropriate a cash/capital contribution (transfer) with the aim of supporting an SOE while it turns around its financial viability or to help finance its expansion.

A list of all SOEs and other public enterprises in Government Reporting Entity can be found in the Forecast Financial Statement in the BEFU <https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link for Summary of Initiatives: <https://www.treasury.govt.nz/publications/summary-initiatives/summary-initiatives-budget-2022>

**Government Reviewer**

**Opinion:** Agree

**38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?**

**(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)**

**GUIDELINES:**

*Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:*

- *A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);*
- *The identification of intended beneficiaries of the quasi-fiscal activity.*

*The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.*

*The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.*

*Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.*

*If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.*

**Answer:**

e. Not applicable/other (please comment).

**Source:**

Neither the central bank nor public enterprises conduct QFAs in NZ. Under the government's accounting policies, such policies are included in the Budget.

**Comment:**

No change from previous recent OBR surveys.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?**

**(The core information must include a listing of the assets, and an estimate of their value.)**

**GUIDELINES:**

*Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:*

- *A listing of the financial assets; and*
- *An estimate of their value.*

*Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.*

*Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.*

**Answer:**

a. Yes, information beyond the core elements is presented for all financial assets.

**Source:**

The New Zealand government financial statements are prepared on accrual basis for the consolidated central government. As a result, extensive detailed information is provided about financial assets (and liabilities), including both the expected core elements and information extending well beyond those core elements.

The 2022 BEFU documentation includes in its set of accounts a full balance sheet, including a comprehensive "Forecast Statement of Financial Position" to support forecasts of Total Crown Net Worth

This is further supported by more detailed information presented in the "Notes to the Forecast Financial Statements", including:

NOTE 8: Financial Assets (including receivables),

with a listing both by specific types of financial assets, as well as by entity for both Core Crown entities (e.g. NZ Debt Management Office, Reserve Bank of NZ and NZ Superannuation Fund), as well as for Crown Entities (e.g. ACC and EQC)

NOTE 9 - Student Loans,

NOTE 11 - NZ Superannuation Fund,

Note: The Public Finance Act 1989 (Section 26NA) also requires the Government (Treasury) to produce an Investment Statement at last once every 4 years, focussing on effective management of its balance sheet. The most recent Investment Statement was produced in 2022 and contains extensive discussion and presentation of data pertaining to the overall balance sheet, as well as both recent performance and strategic plans for future management of financial assets, as well as commercial assets .

"He Puna Hao Patiki: 2022 Investment Statement"

<https://www.treasury.govt.nz/publications/investment-statement/he-puna-hao-patiki-2022-investment-statement>

In addition, given the government's use of accrual accounting and GAAP framework, there is also presentation and substantial discussion throughout the 2022 BEFU of the government's balance sheet, net worth and issues (such as risks) surrounding financial asset holdings and valuations.

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

The New Zealand central government has prepared full accrual accounts - including a Balance Sheet - since 1992. This is augmented by a four yearly Investment Statement: first published in 2010.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?**

**(The core information must include a listing of the assets by category.)**

**GUIDELINES:**

*Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.*

*Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.*

**Answer:**

a. Yes, information beyond the core elements is presented for all nonfinancial assets.

**Source:**

Preparation of full accrual accounts means that there are several elements in "Forecast Financial Statements" related to the valuation of non-financial assets, which together provide information beyond the expected core information.

Core information is provided by a listing non-financial assets and respective values by class of asset.

That is supplemented by the following:

- Land (asset) breakdown by usage,
- Schedule of movements (cost or valuation), and
- Accumulated depreciation and impairment

"Notes to the Forecast Financial Statements"

NOTE 10 - Property, Plant and Equipment,

There is also an accounting for changes in Crown net worth associated with revaluations of the Property, Plant and Equipment Revaluation Reserve

"Notes to the Forecast Financial Statements"

NOTE 15: Changes in Net Worth,

And finally, there is an accounting of the asset valuations broken down by "segment" of Total Crown (for Core Crown, Crown Entities, SOEs, and Total Crown)

Forecast Statement of Segments,  
Statement of Financial Position  
Asset listings include "Property, plant and equipment"

Budget Economic and Fiscal Update 2022  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

The New Zealand central government has prepared full accrual accounts - including a Balance Sheet - since 1992 - which includes the valuation of non-financial assets. Since 2010 this has been augmented each 4 years by an "The Investment Statement." The latest investment statement was published in 2022.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?**

**GUIDELINES:**

*Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.*

*If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.*

**Answer:**

e. Not applicable/other (please comment).

**Source:**

There are no expenditure arrears in the sense of overdue obligations not recorded as government expenditure, since the budget forecast and accounts are on an accrual basis. Both are required to be prepared in accordance with generally accepted accounting practice (GAAP) and do not face this problem of arrears, since all commitments must be reported.

**Comment:**

No change since previous OBS surveys.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

**42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?**

**(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)**

*GUIDELINES:*

*Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:*

- *a statement of purpose or policy rationale for each contingent liability;*
- *the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and*
- *the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).*

*Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.*

*In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."*

*Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.*

*For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.*

**Answer:**

a. Yes, information beyond the core elements is presented for all contingent liabilities.

**Source:**

Reporting on "Contingent Liabilities and Contingent Assets", is on pp.98-108 of the "Risks to the Fiscal Forecasts" chapter of the Budget Economic and Fiscal Update.

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

This section of the 2022 BEFU includes extensive and detailed information about all contingent liabilities and assets, including quantification of the fiscal impacts for those that can be effectively quantified and detailed explanation for all individual items over a defined materiality level of \$100 million.

Quantifiable contingencies less than \$100 million are aggregated in the "other quantifiable" total.

Unquantifiable contingent liabilities and assets deemed to be "remote" (i.e. less than 10% probability of eventuating) are not reported.

Reporting also includes a listing of specific unquantified contingent liabilities including indemnities, legal claims and proceedings and a small number of others.

In addition to listing the items reported on the basis of criteria set out by the PFA, with an indication of whether each item is new, unchanged or changed since the previous budget year's documentation, a concise written explanation of the context or scenario is provided for each reported quantifiable or unquantifiable contingent liability or contingent asset.

In addition to the reporting described above, the Forecast Financial Statements also include reporting on quantifiable contingent liabilities and contingent assets:

Statement of Actual Contingent Liabilities and Assets

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

In addition to the reporting described for contingent liabilities and assets, the PFA 1989 also requires disclosure of specific fiscal risks (positive and negative) related to policy decisions (or in some instances, external events) that are "reasonably probable" (i.e. assessed as having a greater than 50% probability of occurring) and that can be expected to have material impact on multi-year budget baselines (i.e. greater than \$100 million over a 5-year period).

Note, the PFA 1989 does provide for a limited set of specific exclusions related to either national security or the substantive commercial/economic interests of the Crown which allows the Minister of Finance to withhold (full) reporting on a given risk.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?**

**(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)**

*GUIDELINES:*

*Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:*

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.*

*The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.*

*Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time*

horizons, such as civil service pensions.

For more details on future liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

**Answer:**

a. Yes, information beyond the core elements is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

**Source:**

Table 8 – Summary of fiscal projections (page 84) in the Fiscal Strategy chapter of the Wellbeing Budget document  
<https://www.treasury.govt.nz/sites/default/files/2022-05/b22-wellbeing-budget.pdf>

EBP documentation includes the core elements as well as information extending beyond those core elements.

Core elements:

1. Long-term fiscal projections extending for at least 10 years beyond the normal medium-term budget/fiscal horizon
2. Macroeconomic and demographic assumptions underlying the long-term projections
3. Discussion of the fiscal implications and risks surrounding the long-term projects

"Annex - Long-term Fiscal Objectives and Short-term Fiscal Intentions"

Information beyond the core elements:

Information assessed as being beyond the expected core element include:

1. Treasury's Long-Term Fiscal Strategy Model (publicly available on Treasury's website)

Excel model with data tables covering a broad range of economic and demographic indicators, as well as long-term fiscal/financial liabilities such as those associated with public superannuation (GSF & NZSF), accident and disability insurance schemes (ACC), student loans, public savings schemes (Kiwisaver)

2. An accrual accounting framework for all Government fiscal forecasts that directly incorporates valuations of the long-term financial liabilities such as public superannuation fund (NZS Fund), insurance liabilities (chiefly the accident compensation scheme ACC, along with the EQC for earthquake-related costs), public service pension scheme (the Government Superannuation Fund) and other future liabilities, as presented in notes to the financial statements.

**Comment:**

In addition to the short (4 year) and medium term (10 -15 year) fiscal forecasts the Treasury is also required to prepare a statement of the Government's long-term fiscal position over a 40 year period. The Public Finance Act 1989 requires they are produced every 4 years. The most recent statement was produced/released in 2021. This document provides an assessment and discussion for managing actual and potential long-term fiscal liabilities and supporting long-term fiscal sustainability.

"Statement on the long term fiscal position: He Tirohanga Mokopuna 2021" was published on Wednesday 29 September 2021.  
<https://www.treasury.govt.nz/publications/ltfp/he-tirohanga-mokopuna-2021>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree



**44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?**

**GUIDELINES:**

*Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.*

**Answer:**

e. Not applicable/other (please comment).

**Source:**

Not applicable.

**Comment:**

New Zealand is not a recipient of official development assistance or other donor assistance.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?**

**(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)**

**GUIDELINES:**

*Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:*

- *a statement of purpose or policy rationale;*
- *a listing of the intended beneficiaries; and*
- *an estimate of the revenue foregone.*

*Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.*

*Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances:*

Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

**Answer:**

c. Yes, information is presented, but it excludes some core elements or some tax expenditures.

**Source:**

2022 Tax Expenditure Statement

<https://budget.govt.nz/budget/pdfs/taxexpenditure/b22-taxexpstmt.pdf>

The format of the 2022 Tax Expenditure Statement (TES) is basically unchanged since 2017 and includes:

1. an explanation of the purpose/policy rationale for listed items;
2. some explanation of intended beneficiaries as part of each item's description; and
3. estimates of the cost or revenue foregone for a "small sub-section" of selected tax expenditures.

The subset that is costed is based on NZ Treasury's own assessment of its capacity to produce meaningful estimates with available data and a judgment about the likely materiality of such tax expenditures.

In addition, related EBP documentation referenced in the Tax Expenditure Statement also provides relevant information for selected items that are, appropriated as social assistance to lower-income families and delivered through the tax system.

While the format hasn't changed since 2017, with new tax expenditures having been added and some expenditures that expired at the end of the income year have been removed.

**Comment:**

The previous OBS reviews have assigned response of "c" because " of the following shortcomings evident in the TES:

1. the limited share of all tax expenditures identified for which quantitative estimates are provided;
2. the use of a methodology for identifying the scope/range of tax expenditures within New Zealand that is not as robust as "best practice" would require, in that it views any tax benefit available to all taxpayers as, by definition, not a tax expenditure, even if only a limited or particular segment of the full set of taxpayers actually utilises the benefit or is likely to do so (with no clear parameter for "where to draw the line" for the level/degree of uptake); and
3. Treasury's process for deciding whether or not to attempt to formulate quantitative estimates of a given tax expenditure being based on its assessment as to whether "the compliance and administration costs of collecting additional data exceed the value that data might provide", without specifying any clear objective criteria or empirical evidence regarding materiality or the expected compliance and administrative costs."

A previous peer reviewer observed "Treasury has adopted a "narrow" approach to defining tax expenditures which means that it does not report core information on some of the potentially most significant features of the tax system which would be reported on in other countries." Such basic information seems de minimis and not go materially beyond core elements."

On balance an assessment of "c" still seems appropriate.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link: <https://www.treasury.govt.nz/publications/tax-expenditure/2022-tax-expenditure-statement>

**Government Reviewer**

**Opinion:** Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

**GUIDELINES:**

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

**Answer:**

a. Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

**Source:**

The main earmarked taxes in the core legal Crown are in the transport sector and include fuel excise duties, motor vehicle registration fees, and road user charges. Since 2008/09 these have been hypothecated ("earmarked") by legislation to the National Land Transport Fund (NLTF).

The revenues are spent on the national roading network, with a relatively smaller share (about 10% of the annual total) used to pay for road policing activities in Vote Police. There are three types of road tax revenue:

1. fuel excise duty paid on fuel by the importer
2. road user charges paid by owners of diesel vehicles, and
3. motor vehicle registration fees paid by owners of most vehicles.

The first is collected by the New Zealand Customs Service and the others by the New Zealand Transport Agency.

These revenues are identified individually and detailed information is provided in documentation for Vote Transport as part of the Estimates documentation:

<https://budget.govt.nz/budget/pdfs/estimates/v1/est22-v1-trans.pdf>

Within the Core Crown there are a number of smaller levies that are earmarked for specific purposes. For example Vote Customs includes the revenue from the Border clearance levy (forecast pre-covid at \$NZ 71m)

(Ex post performance reporting is also provided on the revenue raised, the outputs delivered and costs incurred and the balance of the memorandum account).

In addition a breakdown of the main levies that generate earmarked revenue can be found in Note 1 to the Forecast Financial Statements

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>  
NZ Treasury Website

**Comment:**

The previous OBS surveys have assigned a response of "a" to this question based on the treatment of earmarked revenue in the budget for the Core Crown. It should be noted that there are major earmarked levies received by Crown entities that are outside the legal Crown but within the wider Crown financial reporting Entity. This includes the Accident Compensation Corporation (ACC) levy, the Earthquake Commission levy and the Fire and Emergency Services levy.

The previous OBS review highlighted that a search of the NZ Gazette found 46 levies for specific purposes - some for entities inside the legal Core Crown, some in the wider Total Crown and some for private bodies. Most of these smaller levies are earmarked to fund the spending of public and some private or self regulatory bodies.

<https://gazette.govt.nz/home/NoticeSearch?act=Levy+rates&soloRedirect=false>

The BEFU presents line-item estimates for the largest of these (in the category "Other Sovereign Receipts/Revenues") as well as brief narrative discussion of some levies in the budget narrative (e.g. those subject to particular cost pressures or changes in estimates).

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link to Vote Transport Estimates of Appropriations: <https://www.treasury.govt.nz/publications/estimates/vote-transport-economic-development-and-infrastructure-sector-estimates-appropriations-2022-23>

**Government Reviewer**  
**Opinion:** Agree

**47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?**

**GUIDELINES:**

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

**Answer:**

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

**Source:**

Specific EBP documents include:

1. Summary of Initiatives in Budget 2022

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

2 Fiscal Strategy Report 2022

Fiscal Strategy a chapter in the consolidated Budget volume "Wellbeing Budget 2022: A Secure Future"

<https://www.budget.govt.nz/budget/2022/wellbeing/climate-change/summary.htm>

3. Minister's Budget Speech (to Parliament on "Budget Day")

<https://www.treasury.govt.nz/publications/budget-speech/budget-speech-2022>

The Minister of Finance's speech to Parliament on "Budget Day" when the Estimates are tabled also includes extensive narrative description.

4. Ministers' Media Releases for 2022 Budget

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**  
**Opinion:** Agree

**Comments:** Updated link to consolidated budget volume <https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future>

**Government Reviewer**

**Opinion:** Agree

**48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?**

**GUIDELINES:**

*Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.*

*In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.*

*Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.*

**Answer:**

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

**Source:**

Budget documents have a medium term (out to fiscal 2025/6) and longer term (fiscal 2036/7) focus.

1 The Summary of Initiatives in Budget 2022 which included both costings and narrative discussion covered the period out to fiscal 2025/6 .  
<https://www.treasury.govt.nz/publications/budgets/budget-2022>

2 Fiscal Strategy Report 2022 has both a medium term (out to fiscal 2025/6) and longer term (fiscal 36/7) focus.

The Fiscal Strategy is a chapter in the consolidated Budget volume "Wellbeing Budget 2022: A Secure Future"  
<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022>

**Comment:**

EBP documentation cited above include relevant information for both the budget year as well as over a multi-year forecast horizon including budget year plus 3 "outyears".

In 2020, the Public Finance Act (1989) was amended to require the Treasury to produce a wellbeing report at least once every four years. Te Tai Waiora is the Treasury's first report on wellbeing and was published 24/11/2022  
<https://www.treasury.govt.nz/publications/wellbeing-report/te-tai-waiora-2022>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link to consolidated budget document: <https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future>

**Government Reviewer**

**Opinion:** Agree

**49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?**

**GUIDELINES:**

*Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)*

*The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.*

*Nonfinancial data can include information on:*

*Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.*

*Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.*

*Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.*

*In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.*

**Answer:**

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

**Source:**

NZ has an output based approach to financial and public sector management. Some input level data is occasionally available in the ex post annual reports of public organisations but is not routinely supplied as part of the ex ante Budget documents. Previous reviews have found only a handful of examples of information on inputs and these were passing references and occasional contextual information not structured data about the "resources assigned to achieve results".

This evidence is consistent with a "c" (on the basis that 'some' includes any passing reference to inputs however trivial, a "d" on the basis that occasional passing references do not capture the "resources assigned to achieve results" or an "e" on the basis that this question is not applicable to an output/ outcome based budgeting system like New Zealand. As the survey is used for making international comparison answer "e" may be the most appropriate. If however unstructured passing references and occasional contextual information counts as "some" then the assessment would be "c".

<https://budget.govt.nz/budget/2022/wellbeing/summary-initiatives/index.htm>

**Comment:**

New Zealand's output/ outcome based budgeting system means there is no requirement for or routine provision of detailed information or data "non-financial inputs. In the 2019 OBS the leader reviewer discussed how a "c" an "e" or even a "d" might be appropriate response. The previous peer reviewer concluded "my recommendation is a response of "c" (as in prior years), or, as the researcher has noted (and has been noted by the researcher in prior rounds of the survey) a response of "e" may be most appropriate." The Government reviewer supported an "e" "Not applicable/other".

The previous peer reviewer also raised concerns about the validity of this question in an international survey of this type and "suggested that for reasons of international comparability, a very strict application of input-based criteria to an output-based country was not the correct approach. It does not make sense to apply input-based criteria strictly to an output-based country, especially if IBP/OBS is not intending to encourage countries to adopt an input-based approach over an output-based framework". In the context of international comparison for an output/outcome based system like New Zealand an "e" seems the most appropriate response. If however unstructured passing references and occasional contextual information counts as "some" then the assessment would be "c" but the validity of using this question in international comparisons is doubtful.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** We agree with the response to the question as written. However, we support the reviewer's comments that this question does not apply to New Zealand as an output-based country and so its validity in an international survey of this kind is debatable.

**50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?**

**GUIDELINES:**

*Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.*

**Answer:**

a. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

**Source:**

For all programmes funded from output-based appropriations, non-financial performance information is provided on the outputs (what will be delivered) and the intended outcomes (what is intended will be achieved). These are provided in a standard table included in each of the 10 sector-based volumes that together comprise the full Estimates.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: <https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

**Comment:**

We interpreted programme as services delivered by public entities. There are six main types of Appropriations in New Zealand output/outcome based financial management system set out in s7A(1) of the PFA 1989 that apply to departmental and non-departmental public entities. Output expenses are the most common type of appropriation and the answer above relates to outputs. For completeness it should be noted that non-financial data on results is not applied for other appropriation types - for Benefit Expenses, Borrowing Expenses, Other expenses, Capital Expenditure and some components of Multi Category expenses.

<https://www.treasury.govt.nz/publications/guide/guide-appropriations-html>

Also note: the Budget Child Poverty Report includes discussion of Child Poverty Reduction Act targets and data and narrative discussion about budget initiatives related to those targets. The setting of high-level outcome targets and discussion of "results" in this framework does not neatly match to the question's focus on "program-level" data, as these targets set an overarching goal relevant to a variety of types of appropriation and Votes.

In 2020, the Public Finance Act (1989) was amended to require the Treasury to produce a wellbeing report at least once every four years. Te Tai Waiora is the Treasury's first report on wellbeing and was published 24/11/2022. This provided structured data on state levels for final outcomes across a range of domains.

<https://www.treasury.govt.nz/publications/wellbeing-report/te-tai-waiora-2022>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

Opinion: Agree

**51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?**

**GUIDELINES:**

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

**Answer:**

a. Yes, performance targets are assigned to all nonfinancial data on results.

**Source:**

The 10 sector volumes containing vote-specific documentation for the Estimates provide extensive and detailed non-financial data about the results (outputs and outcomes) expected from each policy/program. Tables provided show indicators against which end-of-year performance will be measured. These performance measurement tables only cover the budget year.

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

Source: NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

**Comment:**

Output expenses are the most common type of appropriation and the answer above relates to outputs. For completeness it should be noted that non-financial data on targets are not applied for other appropriation types - for Benefit Expenses, Borrowing Expenses, Other expenses, Capital Expenditure and some components of Multi Category expenses.

In addition to the Vote-specific outcome and output data and narratives, the Child Poverty Reduction Act requires setting of child poverty reduction targets and reporting on child poverty as part of the budget.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?**

**GUIDELINES:**

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"



<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. ([http://www.finance.gov.pk/budget/mtbf\\_2018\\_21.pdf](http://www.finance.gov.pk/budget/mtbf_2018_21.pdf) and [http://www.finance.gov.pk/survey\\_1718.html](http://www.finance.gov.pk/survey_1718.html)).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

**Answer:**

a. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

**Source:**

Extensive information is provided throughout the EBP documentation, including estimates for both specific policy initiatives and "programmes" targeting the most vulnerable at-risk population groups, as well as accompanying narrative explanation for those policies and "programmes". In addition the 2022 Budget documents now include a special presentation that pulls together estimates of all the relevant policies focused on child poverty in one place.

The Budget documents since 2019/20 have included a Child Poverty Report which reports on "progress on the measured rates of child poverty since the Government's targets were gazetted, based on the ....Household Economic Survey"  
In 2022 the Child Poverty Report was a chapter in the consolidated Budget volume "Wellbeing Budget 2022: A Secure Future"

<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022>.

Other relevant EBP documentation includes (at least) 5 types:

1. Summary of Initiatives in Budget 2022

"Summary of Initiatives in Budget 2022"

<https://www.treasury.govt.nz/publications/summary-initiatives/summary-initiatives-budget-2022>

This document provides a full listing of all budget initiatives (new policies or changes to existing policies) with relatively full information about funding levels and a short description of policy objectives including for those initiatives specifically targeting targeting low-income, "disadvantaged", "vulnerable" and/or "at-risk" population groups.

2. Ministers' Media Releases

2022 Budget Media releases:

<https://www.budget.govt.nz/budget/2022/releases/index.htm>

"Budget Day" ministerial media releases provide both contextual narrative explanation and references to funding levels for budget initiatives, including many targeting low-income, "disadvantaged", "vulnerable" and/or "at-risk" population groups.

3. Vote-specific Estimates documentation

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

<https://treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

Estimates documentation provide comprehensive information about all appropriations, including both new and existing policies targeting low-income, "vulnerable", "at-risk" and other "disadvantaged" population groups, individuals and households. The information for each appropriation includes both narrative descriptions and funding levels.

4. Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

## NZ Treasury Website

Funding targeting low-income and other "disadvantaged" individuals and population groups (for budget year and medium-term horizon) are also available in the 2022 BEFU for all the main social welfare benefit transfer/subsidies targeting low-income, "vulnerable", "at-risk" and other "disadvantaged" population groups, individuals and households.

In particular, refer to the following:

Forecast Financial Statements

Notes to the Forecast Financial Statements

NOTE 3: Transfer Payments and Subsidies,

Core Crown Expense Tables

Table 6.1 – Social security and welfare expenses,

Table 6.2 – Welfare benefit expenses,

Table 6.15 – Housing and community development expenses,

### 5. Minister's Budget Speech to Parliament on "Budget Day"

The Minister of Finance's speech to Parliament on "Budget Day" when the Estimates are tabled also includes narrative description and references to spending levels for specific budget "packages" or initiatives which, in the view of the Government, target low-income, "disadvantaged", "vulnerable" and/or "at-risk" population groups.

"Budget Speech: Wellbeing Budget 2022: A Secure Future"

<https://www.treasury.govt.nz/sites/default/files/2022-05/b20-speech.pdf>

#### Comment:

The guidance suggests "this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place." It should be noted that Budget documents since 2019/20 have included a Child Poverty Report which reports on "progress on the measured rates of child poverty since the Government's targets were gazetted, based on the ....Household Economic Survey". This report includes extensive analysis of the data and extended narrative as well as details of specific pro child policies. It is published as part of the suite of Budget documents rather than as part year end financial reporting. In 2022 the Child poverty report was a chapter in the consolidated Budget volume "Wellbeing Budget 2022: A Secure Future"

<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022>.

As a result a consolidated report is now provided that includes estimates of all policies that are intended to benefit directly an important subset of the country's most vulnerable and potentially disadvantaged population.

The Child Poverty Report specifically includes estimates how various budget policies would affect projected child poverty rates. However, children living in poverty are just one disadvantaged group, and the sole demographic group for which the budget provides some estimates of the impact of the budget.

#### Peer Reviewer

**Opinion:** Agree

**Comments:** Updated link to budget speech: <https://www.treasury.govt.nz/publications/budget-speech/budget-speech-2022> Updated link to consolidated budget volume: <https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future> Updated link to Ministers' media releases: <https://www.beehive.govt.nz/feature/budget-2022-secure-future>

#### Government Reviewer

**Opinion:** Agree

#### Researcher Response

Updated link to budget speech: <https://www.treasury.govt.nz/publications/budget-speech/budget-speech-2022> Updated link to consolidated budget volume: <https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022-secure-future> Updated link to Ministers' media releases: <https://www.beehive.govt.nz/feature/budget-2022-secure-future>

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

**GUIDELINES:**

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

**Answer:**

d. No, a timetable is not issued to the public.

**Source:**

The Budget 2022 guide had restricted access....restricted distribution, available through CFISnet only). CFISnet is a secure intranet with access limited to public agency CFOs and their teams.

The "Budget 2022 - Guidance to Agencies" document was made public after the Budget was announced as part of the proactive ex post release of a range of Budget material in August 2022. <https://budget.govt.nz/information-release/2022/pdf/b22-budget-guide-4511567.pdf>

**Comment:**

The Treasury does produce a range of other general budget material such as "Putting It Together: An Explanatory Guide to New Zealand's State Sector Financial Management System". <https://treasury.govt.nz/sites/default/files/2018-01/pit-2011.pdf>

However has a much wider scope that just the budget preparation process, is not specific to any given year and not produced annually.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Link to Guidance for Agencies is broken, and I could not locate it at the new landing pages for Budget 2022 information releases: <https://www.treasury.govt.nz/publications/information-release/key-documents-budget-2022-information-release>  
<https://www.treasury.govt.nz/publications/information-release/budget-2022-information-release>

**Government Reviewer**

**Opinion:** Agree

**54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?**

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

**GUIDELINES:**

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also

accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

**Answer:**

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

**Source:**

"Budget Policy Statement" (for Budget 2022)

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2022>

For Excel data file accompanying BPS:

"Budget Policy Statement 2022 - Charts and Data"

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2022>

"Half Year Economic and Fiscal Update 2021" (HYEFU 2021)

"Half Year Economic and Fiscal Update 2021 - Additional Information"

"Half Year Economic and Fiscal Update 2021 - Charts and Data" (Excel file)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2021>

Two pieces of core information provided directly in Table 2 of the Budget Policy Statement (BPS):

- Inflation rate
- Real GDP growth

On the other two pieces of core information:

Nominal GDP – The level of Nominal GDP figure not provided in BPS, but an approximation derivable from data that is provided.

- Interest rates – Historical information on interest rates provided in BPS.

Information beyond the core elements in Table 2

1. Employment growth
2. Wage growth,
3. Current account,

Also, the data provided for all economic indicators extends over a multi-year forecast horizon.

The annual BPS is routinely released conjointly (on the same day) with the Half-Year Economic and Fiscal Update (HYEFU or Mid-Year Report using OBS terminology), with the BPS directly referencing information provided in the HYEFU. The HYEFU incorporates a full set of macroeconomic (and fiscal) forecasts, including not only all the core elements, but also many more economic indicators beyond the core elements. For more detailed and extensive data related to macroeconomic forecasts, refer to:

"Table 1.1 – Economic forecasts",

"Half Year Economic and Fiscal Update 2021" (HYEFU 2021)

And

"Half Year Economic and Fiscal Update 2021 - Additional Information"

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2021>

**Comment:**

No change from previous OBS reviews. Although there is two core elements not explicitly included in the BPS itself, the assessment of "a" is chosen, as this is consistent with IBP guidance that the information provided both within the BPS itself and in the accompanying HYEFU 2021 are applicable.

In particular, the Table 1.1 of the HYEFU 2021 contains a wide range on macroeconomic variables including interest and inflations rates (CPI and implicit GDP deflator) as well as the change in nominal GDP.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed

estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

*GUIDELINES:*

*Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:*

- *a discussion of expenditure policies and priorities; and*
- *an estimate of total expenditures.*

*Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.*

*To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.*

**Answer:**

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

**Source:**

The Budget Policy Statement - Budget 2023 (BPS 2023) contains all but one of the core elements (nominal total expenditures) but includes nominal spending to GDP plus considerable information beyond the core elements.

NZ Treasury Website

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

Also

<https://budget.govt.nz/budget/2023/bps/index.htm>

Budget Policy Statement 2023 and Half Year Economic and Fiscal Update 2022

For Excel data file accompanying BPS:

"Budget Policy Statement 2023 - Charts and Data"

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

**Core information:**

Presentation of expenditure policies and priorities is the primary function/purpose of the BPS, which clearly sets out and provides narrative explanation for the Government's core policy priorities for Budget 2023, set out in the BPS (p.25 -27):

1. Supporting Kiwi families and households with cost of living pressures
2. Careful and balanced fiscal policy, including returning to surplus in the 2024/25 year
3. Getting the basics right
4. Delivering on our economic plan, including through investment in infrastructure that drives growth, productivity, and reduces emissions.

The BPS also endures wellbeing objectives (P22) :

- 1 Just Transition: supporting New Zealanders to transition to a climate-resilient, sustainable, and low-emissions economy.
- 2 Physical and Mental Wellbeing: supporting improved health outcomes for all New Zealanders, particularly the mental wellbeing of our young people.
- 3 Future of Work: equipping New Zealanders and enabling New Zealand businesses to benefit from new technologies, and lift productivity and wages through innovation.
- 4 Māori and Pacific Peoples: lifting Māori and Pacific peoples' incomes, skills, and opportunities, including through access to affordable, safe, and stable housing.
- 5 Child Wellbeing: reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.

Narrative discussion focusing on each of these budget priorities, in turn, is also provided.

Estimates total expenses ("Core Crown expenses") are presented over the multi-year forecast horizon as percentages (%) of GDP in Table 3 but as noted, nominal amount of total expenses is not shown in the BPS itself.

However, the data/information for total expenses (as well as much more detailed data/information about expenses) is provided in the conjointly released Half Year Economic and Fiscal Update 2022 (HYEFU).

"Table 2.1 – Fiscal indicators",

"Figure 2.3 – Core Crown expenses", (with narrative discussion)

"Table 2.7 – Net capital expenditure activity", (with narrative discussion)

"Forecast Analysis of Expenses by Functional Classification",

"Forecast Analysis of Expenses by Economic Classification",

There is also a time series of fiscal indicators including Total expenses covering 2014/15 to 2027/8

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Information beyond the core elements:

Beyond the immediate narrative explanation for the Government's budget policy priorities, the BPS 2023 also includes an extensive presentation of the overview of New Zealand's wellbeing outlook (pages 15-22) .

Finally, as required by the Public Finance Act 1989, the Government is also required in the BPS to demonstrate that its short-term fiscal intentions and long term fiscal objectives are "consistent with each other and with the principles of responsible fiscal management". The scope of both short term fiscal intentions and long-term fiscal objectives specifically includes aggregate expenses along with Operating Balance, Net Debt and Net Worth.

There is narrative discussion of the Government's fiscal strategy and aggregate budget allowances for both operating and capital spending), as well as the legally mandated presentation of aggregate fiscal measures (including for aggregate expenditures) over the immediate (4-year) forecast horizon ("short-term intentions"), with an explanation for their consistency with long-term fiscal objectives based on principles of responsible fiscal management.

**Comment:**

No change from previous OBS reviews. Although nominal total expenditure is not presented in the BPS itself, nominal spending to GDP is as well as considerable detailed information on expenditure in the accompanying HYEFU. The assessment of "a" is chosen, as this is consistent with IBP guidance that the information provided both within the BPS itself and in the accompanying (conjointly released) HYEFU are applicable.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?**

**(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)**

**GUIDELINES:**

*Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:*

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

*Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.*

*To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.*

**Answer:**

b. Yes, the core information is presented for the government's revenue policies and priorities.

**Source:**

The Budget Policy Statement for Budget 2023 (released in December 2022) does provide some information relevant to the two core components, a discussion of revenue policies and priorities; and an estimate of total revenue however there are limitations for both items.

"Budget Policy Statement" (for Budget 2023)

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

For Excel data file accompanying BPS:

"Budget Policy Statement 2023 - Charts and Data"

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

Discussion of revenue policies and priorities in BPS documentation is typically more limited than is the case for expenditures but this was particularly so in recent BPS documents. The 2023 BPS includes the following items in Table 5 (P28):

"The Government will ensure a progressive taxation system that is fair, balanced, and promotes the long-term sustainability and productivity of the economy, consistent with the debt and operating balance objectives."

"Our intention is to ensure sufficient revenue to meet the operating balance objective."

This wording is essentially unchanged from recent years BPS documents.

Information for total revenue estimates in the BPS itself is also limited.

There is annual data covering a medium term forecast horizon for total "Core Crown tax revenue", but that is expressed only as percentage (%) of GDP, without the nominal amounts being provided.

"Table 2 – Summary of the Treasury's fiscal forecasts",

Relevant information provided in an appendix includes legally mandated statement of the Government's "Short-term fiscal intentions", with the revenue forecasts to the end of the medium-term forecast horizon (2026/27) for Core and Total Crown.

Note: The difference between "Total Crown" and "Core Crown" refers to whether or not Crown Entities & Public Enterprises are included.

However, the Half-Year Economic and Fiscal Update (HYEFU) is released at the same time in December as the BPS for Budget 2023), and contains a full set of updated fiscal forecasts, as well as some additional narrative explanation about revenue policies.

"Forecast Statement of Financial Performance (for years ending 30 June)"

Various sections of the HYEFU documentation also contain narrative commentary about the revenue forecasts and various factors influencing (or potentially influencing) revenue outcomes, including revenue policy measures.

"Half-Year Economic and Fiscal Update 2022"

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews. Although there are limitations with respect to the scope of core information within the BPS itself, the assessment of "b" is chosen, consistent with the previous OBS based on guidance from IBP that the scope of information provided both within the BPS itself and in the accompanying (conjointly released) HYEFU 2022 are applicable.

**Peer Reviewer**

**Opinion:** Agree

Government Reviewer  
Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

*GUIDELINES:*

*Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:*

- the amount of net new borrowing needed in the upcoming budget year;*
- the central government's total debt burden at the end of the upcoming budget year; and*
- the interest payments on the outstanding debt for the upcoming budget year.*

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.*

**Answer:**

a. Yes, all three estimates related to government borrowing and debt are presented.

**Source:**

The Budget Policy Statement for Budget 2023 (released in December 2022) provides estimates for only one of the three core elements: total debt, with a specific focus on the Government's (core Crown's) total net debt (net of selected financial assets). Annual figures for net debt are provided for the full medium-term forecast horizon, but only as a % of GDP.

"Table 2 – Summary of the Treasury's fiscal forecasts",

The BPS does not itself provide data for either net new borrowing or for interest payments.

"Budget Policy Statement" (for Budget 2023)

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

For Excel data file accompanying BPS:

"Budget Policy Statement 2023 - Charts and Data"

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

However, the full scope of information about all three core elements (and considerably more additional information about debt beyond the core elements) is available in the Half-Year Economic and Fiscal Update (HYEFU), released on the same date in December along with the BPS for Budget 2023. The HYEFU contains a full set of updated fiscal forecasts.

For net new borrowing:

"Notes to the Forecast Financial Statements"



NOTE 16: Core Crown Residual Cash - Debt Programme Cash Flows

For interest payment (finance costs):  
"Forecast Statement of Financial Performance"

Also, for presentation of comprehensive data for total Government debt (gross and net):  
"Forecast Statement of Borrowings"

**Comment:**

Although there are limitations with respect to the scope of core information within the BPS itself, the assessment of "a" is chosen, consistent with the previous OBS based on guidance from IBP that the scope of information provided both within the BPS itself and in the accompanying (conjointly released) HYEFU 2022 are applicable.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?**

**GUIDELINES:**

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

**Answer:**

a. Yes, multi-year expenditure estimates are presented.

**Source:**

The Budget Policy Statement - Budget 2023 (December 2022) presents estimates of total expenses ("Core Crown expenses") over the multi-year forecast horizon, but only as percentages (%) of GDP.

"Table 4 – Summary of the Treasury's fiscal forecasts",

In addition, in Table 2 the BPS also provides data for both operating allowances and capital spending allowances over the forecast horizon.

"Budget Policy Statement" (for Budget 2023)

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

For Excel data file accompanying BPS:

"Budget Policy Statement 2023 - Charts and Data"

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2023>

The Half-Year Economic and Fiscal Update (HYEFU) (released on the same date with BPS for Budget 2023) provides a full set of updated medium-term fiscal forecasts with comprehensive and detailed information about expenses.

Expenditure data is readily available in the following tables:

"Forecast Analysis of Expenses by Functional Classification"

"Core Crown Expense Tables"

Section 2 - Fiscal Outlook, provides extensive range of data and narrative discussion for same set of fiscal forecasts used to support the BPS, including on Core Crown Expenses, Core Crown Capital Spending".

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Comment:**

Although there are limitations with respect to the scope of core information within the BPS itself, the assessment of "a" is chosen, consistent with the previous OBS based on guidance from IBP that the scope of information provided both within the BPS itself and in the accompanying (conjointly released) HYEPU 2022 are applicable.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

**GUIDELINES:**

*Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.*

**Answer:**

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

In Westminster based systems the executive budget and the enacted budget are the same as finance is a confidence matter in the legislature. As a result the answer to this question and question 7 are the same as both reference documents presented as part of the executive Budget. Multi-year expenditure estimates are presented by all three expenditure classifications - administrative, economic and functional, with data presented for the budget year (BY 2022/23) and for three "out-years" (BY+1, BY+2 and BY+3).

1. Multi-year ADMINISTRATIVE classification data:

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

2. Multi-year ECONOMIC classification data:

Budget Economic and Fiscal Update 2022  
Forecast Statement of Financial Performance for the years ending 30 June  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. Multi-year FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022  
Forecast Statement of Financial Performance for the years ending 30 June  
<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

Formally, the "Enacted Budget" is the Appropriation (2022/23 Estimates) Act 2022.  
<https://legislation.govt.nz/act/public/2022/0047/10.0/LMS694360.html>

In light of the fact that Parliament makes no changes to the EBP and the fact that the Appropriations Act itself directly references the Estimates documentation, the content of the 10 sector-based volumes comprising the "Estimates of Appropriations 2022/23" (together with the Summary

Tables and accompanying Excel data file for estimates of expenditures made available on the 2022 Budget and NZ Treasury websites) also qualifies as source material for responding to all questions relating to the "Enacted Budget".

Moreover, as advised by IBP with respect to the preceding 2017 OBS round, "for cross-country consistency", the reference in the Appropriations Act to the Estimates of Appropriations is sufficient to allow information from "all of the core budget documents" tabled on Budget Day to be used for purposes of this and other EB-related question "given that these documents were released as a package".

Finally, as noted in comments for the preceding 2017 OBS round, within "the Estimates" documentation itself, some elements of a complete input-based standard economic classification are absent, due to the fact that New Zealand Appropriations are not input-based. Types of Appropriations used in NZ budgeting corresponding directly to categories of a standard input-based economic classification include:

"Benefits or Related Expenses" in the NZ system corresponds to "Social Benefits" in the standard economic classification;

"Borrowing Expenses" in the NZ system corresponds to "Interest Payments" in the standard economic classification; and

"Capital Expenditure" in the NZ system corresponds to "Capital" in the standard economic classification.

The components of an input-based standard economic classification that are missing in New Zealand's output-based budgeting system of appropriations include: "Compensation of Employees" (wages, salaries and other personnel expenses) and "Purchases of Goods and Services". However, the BEFU tables do include a breakdown that includes both "Personnel Expenses" and "Other operating expenses", the latter capturing the standard input-based economic category of "Purchases of Good and Services".

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

**Answer:**

Administrative classification

Economic classification

Functional classification

**Source:**

1. Multi-year ADMINISTRATIVE classification data:

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

2. Multi-year ECONOMIC classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

3. Multi-year FUNCTIONAL classification data:

Budget Economic and Fiscal Update 2022

Forecast Statement of Financial Performance for the years ending 30 June page

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBR.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**60. Does the Enacted Budget present expenditure estimates for individual programs?**

**GUIDELINES:**

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

**A note for francophone countries:** "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

**Answer:**

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

**Source:**

Multi-year program-level estimates are provided in the Vote-specific documentation for the Estimates

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023"

<https://www.treasury.govt.nz/publications/budgets/estimates-appropriations-government-new-zealand-year-ending-30-june-2023>

The 10 vote-specific volumes comprising the Estimate each provide multi-year program-level estimates in several types of standardised tables common across all 10 volumes and specific votes.

These sub-categories are sufficiently detailed to meet the OBS criteria for "program" as defined for this question.

**Comment:**

Given the relatively broad definition of program provided in IBP/OBS guidance - anything below an administrative entity (department or agency) level - an "a" response is justified. This is consistent with the answer given to other programme questions and the previous OBS reviews.

As required by law (Section 14 and Section 7.1 of PFA), collectively, the Estimates present all expenses across all votes for each of 7 appropriation types:

Output Expenses (departmental and non-departmental)  
Benefit or Related Expenses (non-departmental)  
Borrowing Expenses (departmental and non-departmental)  
Other Expenses (departmental and non-departmental)  
Capital Expenditure (departmental and non-departmental)  
Multi-Category Appropriations (departmental and non-departmental)  
(unrequited transfer; by borrowing cost; and by other expense).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?**

**GUIDELINES:**

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

**Answer:**

a. Yes, the Enacted Budget presents revenue estimates by category.

**Source:**

Budget Economic and Fiscal Update 2022 - Note 1 of the Forecast Financial Statements in BEFU 2022 (for "Sovereign Revenue") presents a detailed and complete breakdown of forecast total tax revenues (accrued tax owed to the government) and total tax receipts (cash collected by government) by individual tax type. A summary is provided in the table on P115.

"Note 1: Sovereign Revenue", pp.121.

<https://www.treasury.govt.nz/sites/default/files/2022-07/befu22-v2.pdf>

The "Forecast Statement of Financial Performance" in the BEFU 2022, together with Note 1 for that table, provide a multi-year forecast of both the broad categories of tax and non-tax revenue as well as for individual revenue categories for the budget year (2022/23) and for a 3-year horizon beyond the budget year (through 2026/27).

**Comment:**

No change from previous OBS reviews which were based on IBP advice to include as possible sources the full package of EBP documentation submitted to Parliament on Budget Day, including both the Estimates of Appropriations and the BEFU.

Note: The formal EB documentation, i.e. "Appropriation (2022/23 Estimates) Act 2022" focuses entirely on expenses. Revenues are not appropriated by Parliament. However the

"The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2023" also include information on revenue (receipts) data aggregated across all votes, for the following three broad categories of :

- (i) tax revenue;
- (ii) non-tax revenue; and
- (iii) capital receipts.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link for BEFU: <https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Government Reviewer**

**Opinion:** Agree

**62. Does the Enacted Budget present individual sources of revenue?**

**GUIDELINES:**

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

**Answer:**

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

**Source:**

Budget Economic and Fiscal Update 2022 - Note 1 of the Forecast Financial Statements in BEFU 2022 (for "Sovereign Revenue") presents a detailed and complete breakdown of forecasts by type of tax for tax revenues (accrued tax owed to the government) and total tax receipts (cash collected by

government) b.

"Note 1: Sovereign Revenue",  
<https://www.treasury.govt.nz/sites/default/files/2022-07/befu22-v2.pdf>

The "Forecast Statement of Financial Performance" in the BEFU 2022, together with Note 1 for that table, provide a multi-year forecast of both the broad categories of tax and non-tax revenue as well as for individual revenue categories for the budget year (2022/23) and for a 3-year horizon beyond the budget year (through 2026/27).

**Comment:**

No change from previous OBS reviews which were based on IBP advice to include as possible sources the full package of EBP document submitted to Parliament on Budget Day, including both the Estimates of Appropriations and the BEFU.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?**

*GUIDELINES:*

*Question 63 asks about three key estimates related to borrowing and debt:*

- *the amount of net new borrowing required during the budget year;*
- *the total debt outstanding at the end of the budget year;*
- *the interest payments on the outstanding debt for the budget year.*

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.*

**Answer:**

a. Yes, all three estimates related to government borrowing and debt are presented.

**Source:**

All three estimates related to government borrowing and debt for the budget year (2022/2023) are available in tables presented in the Budget Economic and Fiscal Update (BEFU) 2022.

1. New borrowing: The net borrowing requirement is determined by the reconciliation of Net Core Crown Operating Cash Flows to Residual Core

Crown Cash ("Debt Program Cash Flows")

"Notes to the Forecast Financial Statements"

NOTE 16: Core Crown Residual Cash,

2. Total debt:

"Forecast Statement of Borrowings as at 30 June"

3. Interest payments: Two separate tables show interest payments ("finance costs")

"Forecast Statement of Financial Performance for the years ending 30 June"

"Forecast Analysis of Expenses by Functional Classification for the years ending 30 June"

Budget Economic and Fiscal Update 2022

<https://www.treasury.govt.nz/publications/efu/budget-economic-and-fiscal-update-2022>

**Comment:**

No change from OBS reviews which were based on IBP advice to include as possible sources the full package of EBP documentation submitted to Parliament on Budget Day, including both the Estimates of Appropriations and the BEFU.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**64. What information is provided in the Citizens Budget?**

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

*GUIDELINES:*

*Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:*

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

*To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.*

**Answer:**

a. The Citizens Budget provides information beyond the core elements.

**Source:**

Taken together BEFU Basics and The Budget at a Glance provides all four core elements and provides extensive additional information:

1 the main policy initiatives in the budget

Most of the The Budget at a Glance document (p2-9 out of 12 pages in total) covers new initiatives

2 contact information for follow-up by citizens.

Links are provided to the relevant sections of the Treasury website and the Budget 2022 website and p20 (Resources) of the BEFU Basics provides guidance to more detailed material

3 expenditure and revenue totals;

BEFU basics provides extensive discussion of the components and the total expenditure and revenue as well as the budget balance and net debt while the fiscal outlook section of the Budget at a Glance (p12) discusses forecast trends in the budget balance and in net debt but not total expenditure and revenue

4 the macroeconomic forecast upon which the budget is based;

BEFU basics provides extensive discussion recent economic developments as well as the macroeconomic forecast. The economic outlook section of the Budget at a Glance (p11) discusses recent economic developments but not the actual macroeconomic forecast itself.

P19 in the 2022 BEFU forecast summary provides a succinct one page table summary of the elements of the economic and fiscal forecasts.

Additional information is provided with detailed narratives explaining recent developments as well budget balance, net debt and net worth.

<https://www.treasury.govt.nz/sites/default/files/2022-05/befu-basics-may22.pdf>

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

**Comment:**

The 2022 Budget reinstated The Budget at a Glance and BEFU Basics documents which was dropped in the period covered by the previous OBS. It should be noted that the coverage of this material could be expanded further. While information was provided at the on overall macro and fiscal trends and micro level on discretionary spending on Budget priorities and policy initiatives, the meso level material were missing. Meso level information would cover the components of revenue collection and the sectoral allocation of expenses and how the sectoral shares are shifting over time. For example with an ageing population, the share of spending absorbed by the universal national pension (New Zealand Superannuation) continues to grow steadily. This is mandated rather than discretionary spending, so this factor is not highlighted in the budget presentation.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated links BEFU Basics: <https://www.treasury.govt.nz/publications/basics/befu-basics-2022> Budget at a Glance:

<https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

Updated links BEFU Basics: <https://www.treasury.govt.nz/publications/basics/befu-basics-2022> Budget at a Glance:

<https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**65. How is the Citizens Budget disseminated to the public?**

**GUIDELINES:**

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

**Answer:**

b. A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.

**Source:**

Dissemination efforts are made through a combination of two means of communications both posting the Citizens Budget on the Treasury's official websites and distributing printed copies.

Electronic copies are publicly available for the NZ Treasury Website

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

and also the Budget website

<https://budget.govt.nz/budget/pdfs/befu-basics/befu-basics-may22.pdf>



Printed copies are available from selected book stores.

<https://www.treasury.govt.nz/publications/guide/purchasing-budget-2022-documents>

Copies of all Budget documents are provided to Archives and the National Library.

**Comment:**

The 2022 Budget reinstated The Budget at a Glance and BEFU Basics documents which was dropped in the period covered by the previous OBS.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated links BEFU Basics: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022> Budget at a Glance: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**Government Reviewer**

**Opinion:** Agree

**66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?**

**GUIDELINES:**

*Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.*

*To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.*

*Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.*

**Answer:**

c. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

**Source:**

During 2022 in the course of the development of the Fourth National Action Plan under the Open Government Partnership, there was extensive consultation with civil society organisations on a range of issues including public budgeting.

<https://ogp.org.nz/assets/New-Zealand-Plan/Fourth-National-Action-Plan/Part-1-Collation-of-public-submissions-received-for-New-Zealands-Fourth-National-Action-Plan-draft-8-March-2023.pdf>

**Comment:**

In addition to the consultation on the fourth plan, as part of the first National Action Plan under the Open Government Partnership the Treasury Commissioned a research house to seek the views of a number of its stakeholders about the Budget documents and published the resulting research in 2017. This is outside of the review period.

<https://www.treasury.govt.nz/sites/default/files/2017-07/towards-open-budget-may17.pdf>

Outside of the 3 yearly OGP NAC's process, there are no systematic established mechanism to solicit feedback on the public's budget information requirements. Accordingly answer "C" seem appropriate.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**67. Are "citizens" versions of budget documents published throughout the budget process?**

**GUIDELINES:**

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

**Answer:**

c. A citizens version of budget documents is published for at least one stage of the budget process.

**Source:**

NZ Treasury Website

BEFU Basics

Budget at a glance (published )19 May 2022

<https://www.treasury.govt.nz/system/files/2022-05/b22-at-a-glance.pdf>

**Comment:**

While the Treasury reinstated the BEFU Basics in Budget 2021, they have no restarted publication of the HYEPU Basics (last published in 2018) Financial Statement of Government Basics (last published in 2019).

<https://www.treasury.govt.nz/publications/information-release/hyefu-basics-2018>

<https://www.treasury.govt.nz/publications/information-release/fsg-basics-2019>

Arguably the Budget Policy Statement could be regarded a Pre Budget document for Citizens. The BPS is not a highly technical document but does not fully meet the requirements for a citizens budget. It provides extensive information on the main macro aggregates (economic assumptions and forecasts, along with overall expenses, revenue, capital transactions, fiscal balance and debt).

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated links Budget at a Glance: <https://www.treasury.govt.nz/publications/glance/budget-glance-2022>

**Government Reviewer**

**Opinion:** Agree

**68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

**GUIDELINES:**

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

**Answer:**

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

**Source:**

Monthly IYRs ("Financial Statements of the Government of New Zealand") include data for expenses using 2 of the 3 classifications: Economic and Functional classification: but not administrative.

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>.

For a specific example with page references, see the monthly report for the 4 months ending 31 October 2022, the last one released before 2023 OBS cut-off date of 31 December 2022.

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

Expenses by economic classification:  
Statement of Financial Performance, p.8

Expenses by functional classification:  
Analysis of Expenses by Functional Classification, p.26

<https://www.treasury.govt.nz/publications/month-end/interim-financial-statements-government-new-zealand-four-months-ended-31-october-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

**Answer:**

Economic classification  
Functional classification

**Source:**

Monthly IYRs ("Financial Statements of the Government of New Zealand") include data for expenses using 2 of the 3 classifications: Economic and Functional classification: but not administrative.

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>.

For a specific example with page references, see the monthly report for the 4 months ending 31 October 2022, the last one released before 2023

OBS cut-off date of 31 December 2022.

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

Expenses by economic classification:  
Statement of Financial Performance, p.8

Expenses by functional classification:  
Analysis of Expenses by Functional Classification, p.26

<https://www.treasury.govt.nz/publications/month-end/interim-financial-statements-government-new-zealand-four-months-ended-31-october-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**69. Do the In-Year Reports present actual expenditures for individual programs?**

**GUIDELINES:**

*Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

***A note for francophone countries:** "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.*

**Answer:**

c. Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

**Source:**

Monthly IYRs ("Financial Statements of the Government of New Zealand") focus on providing macro and sectoral level financial information rather than individual agency or programme level data. However several major line items are included in the notes to the financial statements.

Data for programme -level expenses can be found in "Notes to the Financial Statements" (Notes 4-6):

Transfer payment and subsidy programs - Note 4  
Insurance expenses for ACC - Note 6

For a specific example see the monthly report for the 4 months ending 31 October 2022,

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>.

**Comment:**

Monthly IYRs ("Financial Statements of the Government of New Zealand") focus on economy wide macro level and meso level information by function or sector as well as by economic classification. Micro or sub micro level information for the individual agency or programme is not routinely provided. However some programme level items are included in the Notes to the Financial Statements.

Additional program-specific expenses can occasionally be found in the commentary for a specific monthly report. It is also possible that some other categories of expense provided in specific parts of the financial statements or the more detailed notes to the financial statements might also meet OBS definition/criteria as "program-level" spending. However, neither occasional program-level references nor any additional program-level categories that might be identified in routine IYR reporting are likely to cause the amount of total program-level data to be sufficient to reach the next threshold of a 2/3 share of total expenditures (and a "b" response).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?**

*GUIDELINES:*

*Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for expenditures presented in the In-Year Reports*

**Answer:**

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

**Source:**

Tables routinely presented in the IYRs (monthly Financial Statements and Notes to the Financial Statements) include:

1. Actual amount for the previous budget year (12-month total)
2. Actual amount for the comparable period in the previous budget year
3. Actual amount for the current budget/financial year as of the end of the monthly reporting period
4. Forecast (budgeted) amount for the same year-to-date period in the ongoing budget year
5. Variance between actual year-to-date in ongoing budget year and forecast (budgeted) amount
6. Annual forecast (budgeted) amount for ongoing budget year.

General reference to NZ Treasury website for monthly financial statements (IYRs):

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

No change from previous OBR reviews

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?**

**GUIDELINES:**

Questions 71 asks whether In-Year Reports present actual revenues by "category"—that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

**Answer:**

a. Yes, In-Year Reports present actual revenue by category.

**Source:**

Monthly In-Year Reports ("Financial Statements of the Government of New Zealand") include tables with data for revenues by category, including specific taxes and specific non-tax revenue categories.

For a specific example see the monthly report for the 4 months ending 31 October 2022 .

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

<https://www.treasury.govt.nz/publications/month-end/interim-financial-statements-government-new-zealand-four-months-ended-31-october-2022>  
Statement of Financial Performance, p.8

Notes to the Financial Statements (Notes 2-3) for more detailed breakdown of revenue data, pp.19-20

**Comment:**

No change from previous OBR reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?**

**GUIDELINES:**

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

**Answer:**

b. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

**Source:**

Monthly In-Year Reports ("Financial Statements of the Government of New Zealand") include tables with data for revenues by category, including specific taxes and specific non-tax revenue categories.

For a specific example with page references, see the monthly report for the 4 months ending 31 October 2022 .

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

<https://www.treasury.govt.nz/publications/month-end/interim-financial-statements-government-new-zealand-four-months-ended-31-october-2022>

Statement of Financial Performance, p.8

Notes to the Financial Statements (Notes 2-3) for more detailed breakdown of revenue data, pp.18-20

**Comment:**

The previous reviews assessed this item as a "b" "actual revenue accounting for at least two-thirds of, but not all, revenue share of the residual. This was on the basis that "Other Revenue" and the "Other miscellaneous items" category under "Other Sovereign Revenue" combined are 3.2% of Total

Revenue, above the 3% threshold. In 2022 "Other Revenue (" and the "Other miscellaneous items" category under "Other Sovereign Revenue" combined are 3.1% of Total Revenue, marginally above the 3% threshold.

Accordingly a "b" is still appropriate.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?**

*GUIDELINES:*

*Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for revenues presented in the In-Year Reports.*

**Answer:**

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

**Source:**

Comparisons are made for revenues presented in the In-Year Reports, just as is the case for expenses. Tables presenting data for revenues in the IYRs (monthly Financial Statements and Notes to the Financial Statements) also include:

1. Actual amount for the previous budget year (12-month total)
2. Actual amount for the comparable year-to-date period in the previous budget year
3. Actual amount for the current budget/financial year as of the end of the monthly reporting period
4. Forecast (budgeted) amount for the same year-to-date period in the ongoing budget year
5. Variance between actual year-to-date in ongoing budget year and forecast (budgeted) amount
6. Annual forecast (budgeted) amount for ongoing budget year

General reference to NZ Treasury website for monthly financial statements (IYRs):

<https://treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?**

**GUIDELINES:**

Question 74 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing so far during the year;
- the central government's total debt burden at that point in the year; and
- the interest payments to-date on the outstanding debt.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

**Answer:**

a. Yes, all three estimates related to government borrowing and debt are presented.

**Source:**

Monthly IYRs ("Financial Statements of the Government of New Zealand") include data for all 3 core elements ("key estimates").

For a specific example see the monthly report for the 4 months ending 31 October 2022, the last one released before 2023 OBS cut-off date of 31 December 2022.

"Financial Statements of the Government of New Zealand for the Four Months Ended 31 October 2022" (1 December 2022)

<https://www.treasury.govt.nz/system/files/2022-12/fsgnz-4mths-oct22.pdf>

1. New borrowing:

Notes to the Financial Statements - NOTE 16: Core Crown Residual Cash,

2. Total debt:

Statement of Borrowings

3. Interest payments ("finance costs"):

Statement of Financial Performance

Analysis of Expenses by Functional Classification

Additional details of interest payments by type are provided in Note 5: Finance Costs.

**Comment:**

No change from previous OBR reviews.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link: <https://www.treasury.govt.nz/publications/month-end/interim-financial-statements-government-new-zealand-four-months-ended-31-october-2022>

**Government Reviewer**

**Opinion:** Agree



**75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?**

**(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)**

**GUIDELINES:**

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

**Answer:**

b. Yes, the core information is presented for the composition of the total actual debt outstanding.

**Source:**

Core information in the In Year Statements (Month end financial statements in NZ):

**1. Interest rates**

The monthly IYRs do NOT include information about interest rates, only interest expenses.

However, extensive information for interest rates (yields) on all Government debt issuances (long-term and short-term) is readily available on both the NZ Treasury/NZ Debt Management Office (NZDMO) website:

<https://debtmanagement.treasury.govt.nz/home>.

The implicit interest rate could also be calculated by dividing total debt by interest expenses.

**2. Maturity profile**

The IYR provides information on outstanding stock of Government debt for 7 categories of debt, with specific categories classifiable as being either long-term debt (Government bonds) or short-term debt (Treasury bills). There is no explicit information provided about the maturity profile of this non-core Crown debt. However, according to NZ Treasury, non-core Crown debt is not likely to be sovereign guaranteed.

Statement of Borrowings,

**3. Domestic versus external debt - Not Applicable**

This core element is assessed as "Not Applicable", since NZ Government does not currently have any foreign-currency denominated debt.

The IYRs contained extensive and substantive information beyond the core elements as monthly financial statements constitute a comprehensive reporting of the Government's balance sheet:

**1. Sovereign-guaranteed versus Non sovereign-guaranteed Debt**  
Statement of Borrowing

2. Gross versus Net Debt  
Statement of Borrowing

3. Contingent Liabilities  
Statement of Contingent Liabilities and Assets

Month end financial statements  
<https://www.treasury.govt.nz/publications/financial-statements-government/month-end-financial-statements>

4. Resident vs Non-resident holders of NZ Govt debt  
Reserve Bank of New Zealand (RBNZ) website  
<https://www.rbnz.govt.nz/statistics/d30>  
<https://www.rbnz.govt.nz/statistics/d31>

**Comment:**

No change from previous OBS reviews. As the IYRs do not include information on interest rates a "b" is still appropriate even though extensive additional information is supplied.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** We agree with the assessment of the reviewer, although would like to note that New Zealand does hold a limited amount of foreign currency debt as stated in a previous comment. The month end financial statements refer to this foreign currency debt, see an example here (published Dec 2022): [https://www.treasury.govt.nz/sites/default/files/2022-11/fsgnz-4mths-oct22\\_2.pdf](https://www.treasury.govt.nz/sites/default/files/2022-11/fsgnz-4mths-oct22_2.pdf)

**76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?**

*GUIDELINES:*

*Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.*

*Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.*

*To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.*

**Answer:**

a. Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.

**Source:**

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)  
<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

The Half Year Economic and Fiscal Update (HYEFU) released on 14 December 2022 includes a revised set of economic forecasts. This presented the updated forecast data for a wide range of economic indicators underlying the revised fiscal forecasts, with the updated economic (and fiscal forecasts) covering the budget year (2022/23), as well as the medium-term forecast horizon (2023/24 through 2026/27). This includes a Summary Table 1.1 – Economic forecasts,

The "Key Economic Assumptions used in the Forecast Financial Statements" are also highlighted:

and

Table 2.14 – "Summary of key economic forecasts used in the forecast financial statements",

There is also a thorough presentation/discussion of risks around the baseline economic forecasts.

There is also a table showing long-term economic data series with 10 years of actual outcomes , the updated budget year forecast and the 4-year medium-term forecast horizon

The Economic Outlook section provides extensive narrative discussion of the revised forecasts, including commentary targeting material differences between the previous forecast and the updated HYEPU forecasts for core economic indicators.

While the scope of economic information contained in the HYEPU 2022 is very extensive, there is no narrative discussion or table explicitly showing a comparison of the original budget (BEPU) forecast indicators against the revised HYEPU forecast indicators.

**Comment:**

The 2019 review initially assessed this item as a "b" but it was subsequently revised to an "a". The initial "b" was based "on strict interpretation of IBP/OBS guidance: " not ALL differences between BEPU and HYEPU forecasts are explicitly presented, though one can quite easily calculate those from the available information." This was subsequently revised because "the quality and scope of information provided as warranting the maintenance of the previous "a" response applied in previous OBS rounds, especially when factoring in cross-country comparability."

<https://www.treasury.govt.nz/publications/efu/pre-election-economic-and-fiscal-update-2022>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** (Unnecessary broken link at end of Researcher comment.)

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

<https://www.treasury.govt.nz/publications/efu/pre-election-economic-and-fiscal-update-2022>

**77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?**

**GUIDELINES:**

*Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.*

**Answer:**

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

**Source:**

"Half Year Economic and Fiscal Update 2022" (HYEPU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

The Half Year Economic and Fiscal Update (HYEPU) released on 14 December 2022 includes a fully revised set of fiscal forecasts incorporating all available information as of the cut off date in November .

This includes updated expenditure estimates for the full (ongoing) fiscal year (2022/23), as well as revised expenditure forecasts over a 4-year medium-term horizon (2023/24 through 2026/27).

Chapter 4 on the Forecast Financial Statements provides tables which explicitly compares the current statement with those provided with Budget 2022 forecasts (presented in May 2022), but with limited narrative. The Table on on the Forecast Financial Statements (Page 87) provides a comparison by economic classification.

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

*GUIDELINES:*

*Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.*

**Answer:**

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

**Source:**

The Half Year Economic and Fiscal Update (HYEFU) includes tables presenting expenditure data for both economic and functional classifications as part of the Forecast Financial Statements but not administrative units. These (and other) tables showing both the original budget estimates and updated estimates for the budget year.

**Economic classification:**

Forecast Statement of Financial Performance.

**Functional classification:**

Forecast Analysis of Expenses by Functional Classification.

Data by administrative unit or sub-unit program information is not routinely provided.

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**  
Opinion: Agree

**78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:**

**Answer:**

Economic classification  
Functional classification

**Source:**

The Half Year Economic and Fiscal Update (HYEFU) includes tables presenting expenditure data for both economic and functional classifications as part of the Forecast Financial Statements but not administrative units.

Economic classification:  
Forecast Statement of Financial Performance.

Functional classification:  
Forecast Analysis of Expenses by Functional Classification.

Data by administrative unit or sub-unit program information is not routinely provided.

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)  
<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**  
Opinion: Agree

**Government Reviewer**  
Opinion: Agree

**79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?**

*GUIDELINES:*

*Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

***A note for francophone countries:** "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.*

**Answer:**

c. Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

**Source:**

The Half Year Economic and Fiscal Update (HYEFU) is focused on the overall macro level and selected meso or sectoral level of granularity. Data by administrative unit or sub-unit program information is not routinely provided. However some of the supporting notes to the tables do provide some breakdowns at the programme level. For example, the Forecast Financial Statements provides a breakdown of transfer and subsidies which at \$NZ 39 Billion consist of 24% of forecast total expenses in 2022/23.

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?**

*GUIDELINES:*

*Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.*

**Answer:**

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

**Source:**

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

The Half-Year Economic and Fiscal Update (HYEFU) provides updated revenue estimates for the full fiscal year, along with revised revenue forecasts over a 4-year medium-term horizon (2022/23 through 2026/27).

The Tables in the document show both the original and revised figures for the budget year (as well as the revised annual forecasts over the medium-term horizon) are part of the Forecast Financial Statements, with the Notes to the Forecast Financial Statements including a detailed breakdown of data for individual sources of revenue.

Notes to the Forecast Financial Statements

Note 1: Sovereign Revenue (Accrual and Cash shown separately),

Note 2: Investment Revenue/(Expenditure),

The Fiscal Outlook (chapter 2) discusses the revised forecasts, including specific developments contributing to changes relative to the fiscal forecasts presented with the original budget.

#### Chapter 2 - Fiscal Outlook

Within the Fiscal Outlook, there are sections focussing on revenues:

#### Core Crown Tax Revenue

There is also a section focusing on comparing the revised fiscal forecasts to original budget fiscal forecasts, with a table comparing aggregate estimates for total tax revenues and other fiscal aggregates, as well as narrative discussion of material changes in specific categories of revenues.

#### Comment:

No change from previous OBS reviews.

#### Peer Reviewer

Opinion: Agree

#### Government Reviewer

Opinion: Agree

### 81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

#### GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

#### Answer:

a. Yes, the Mid-Year Review presents revenue estimates by category.

#### Source:

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

As indicated in response for the preceding indicator/question, the Half-Year Economic and Fiscal Update (HYEFU) 2022 provides updated revenue estimates for the full fiscal year (2022/23), along with revised revenue forecasts over a 4-year medium-term horizon (through 2026/27).

Tables showing both the original and revised figures for the budget year (as well as the revised annual forecasts over the medium-term horizon) are shown in the Forecast Financial Statements, including a breakdown of data both by broad category and a detailed breakdown of data by individual sources of revenue.

For data by broad categories:

Forecast Statement of Financial Performance

For detailed revenue line items see:

NOTE 1: Sovereign Revenue (Accrual) and Sovereign Receipts (Cash).

NOTE 2: Investment Revenue/(Expenditure)

#### Comment:

No change since previous OBS reviews.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?**

*GUIDELINES:*

*Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.*

**Answer:**

b. Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

**Source:**

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

As indicated in response for the preceding indicator/question, the Half-Year Economic and Fiscal Update (HYEFU) 2022 provides updated revenue estimates for the full fiscal year, along with revised revenue forecasts over a 4-year medium-term horizon through 2026/27).

Tables showing both the original and revised figures for the budget year (as well as the revised annual forecasts over the medium-term horizon) are shown in the Forecast Financial Statements, including a breakdown of data both by broad category and a detailed breakdown of data by individual sources of revenue.

For detailed data by individual sources of revenue:

Notes to the Forecast Financial Statements

Note 1: Sovereign Revenue (Accrual and Cash shown separately)

Note 2: Investment Revenue/(Expenditure)

Note: The share of the residual "Other miscellaneous items" category under "Other Sovereign Revenue" (using the data for the revised forecast) is below the 3% threshold, accounting for roughly 0.07% of "Total Sovereign Revenue".

**Comment:**

No change from previous OBS reviews.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?**

*GUIDELINES:*



Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- The amount of net new borrowing required during the budget year;
- The central government's total debt burden at the end of the budget year; and
- The interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

**Answer:**

a. Yes, estimates of government borrowing and debt have been updated, and information on all of the differences between the original and updated estimates is presented.

**Source:**

"Half Year Economic and Fiscal Update 2022" (HYEFU 2022)

<https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Data estimates:

**1. New borrowing**

Data are provided for updated estimates of the net borrowing requirements as at the end of the ongoing budget year, together with the original estimate for the budget year and updated estimates for a 4-year forecast horizon through 2026/27

Forecast Financial Statements - Forecast Statement of Borrowings,  
Notes to the Forecast Financial Statements - NOTE 16: Core Crown Residual Cash,

Table 2.11 – Net issuance of Government bonds and short-term borrowing

**2. Total debt**

Data are provided for updated estimates of total (net and gross) debt as at the end of the ongoing budget year together with the original estimate for the budget year and updated estimates for a 4-year forecast horizon (2022/23 through 2026/27)

Forecast Financial Statements - Forecast Statement of Borrowings

Comparison to the Budget Update

Table 2.11 – Key fiscal indicators compared to the Budget Update,

Table 2.13 – Changes in OBEGAL since the Budget Update,

**3. Interest payments**

Data are provided for updated estimates of interest payments ("finance costs") for the ongoing budget year (2022/23), together with the original estimate for the budget year and updated estimates for a 4-year forecast horizon 2026/27.

Forecast Statement of Financial Performance,  
Forecast Analysis of Expenses by Functional Classification,  
Notes to the Forecast Financial Statements - NOTE 2: Investment Revenue/(Expenditure)

**4. Interest rates on debt**

The MYRs do NOT include comprehensive information about interest rates, only interest expenses.

However, extensive information for interest rates (yields) on all Government debt issuances (long-term and short-term) is readily available on both the NZ Treasury/NZ Debt Management Office (NZDMO) website:

<https://debtmanagement.treasury.govt.nz/home>.

The implicit interest rate could also be calculated by dividing total debt by interest expenses.

Data are provided (in multiple locations) for updated estimates of interest rates for the ongoing budget year and for a 4-year forecast horizon 2026/27.

Chapter 1 - Economic Outlook,  
Table 1.1 – Economic forecasts,

Chapter 2 - Fiscal Outlook,  
Key Economic Assumptions used in the Forecast Financial Statements  
Table 2.14 – Summary of key economic forecasts used in the forecast financial statements,

In addition, there is also a graphic comparison of 90-day interest rate forecasts used for the original budget (BEFU) forecasts and updated (HYEFU) forecasts (along with some accompanying narrative explanation). The underlying data used to produce the graphic comparison is available in an Excel data posted to the NZ Treasury website together with the HYEFU 2022 documentation.

Figure 1.13 – Monetary conditions,

Source: <https://treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2022>

Data (and discussion) about the fiscal impacts of changes in interest rates.  
Chapter 3 - Risks and Scenarios,  
Fiscal Sensitivities,  
Table 3.2 – Fiscal sensitivity analysis  
Impact of 1% lower interest rates on annual interest income and interest expenses for budget year and over 4-year medium-term forecast horizon.

#### 5. Maturity profile:

Data are provided for updated estimates of the composition of Government debt by categories reflecting debt maturities (i.e. by types of debt instruments recognised as either medium/long-term debt or short-term debt) for the ongoing budget year together with the original estimate for the budget year and updated estimates for a 4-year forecast horizon through 2026/27, noting in particular the following categories:

- i. Government bonds - medium-term and long-term borrowing with maturities greater than 1 year
- ii. Treasury bills - short-term borrowing with maturities all being 1 year or less

Forecast Financial Statements - Forecast Statement of Borrowings,

Note: Other borrowings refers to borrowing by non-core Crown entities (i.e. SOEs and Crown Entities), for which no explicit information is provided about the maturity profile. However, as noted elsewhere, NZ Treasury advises that non-core Crown debt is not likely to be sovereign-guaranteed.

#### 6. Domestic and external debt: Assessed as Not Applicable

This core element is assessed as "Not Applicable", since NZ Government does not currently have any foreign-currency denominated debt.

For the 2015 OBS, NZDMO advised that a small amount of outstanding Euro-denominated debt accounted for less than 1/10th of 1% of total outstanding NZ Government debt.

Data series located in NZ Treasury working paper show that since 2017, the level of outstanding foreign currency-denominated debt has dropped to zero.

"Public Debt Dynamics in New Zealand"  
New Zealand Treasury Working Paper 19/01  
Appendix 3: Assumptions & variables - History: 2008 to 2018, 37

<https://treasury.govt.nz/sites/default/files/2019-07/twp19-01.pdf>

Scope of narrative explanation:

Several chapters of the HYEFU 2022 offer a narrative explanation related to the core elements of Government debt cited above:

Chapter 1 - Economic Outlook,

Commentary about forecasts of interest rates in HYEPU versus BEFU,

Chapter 2 - Fiscal Outlook,

Commentary about how interest rate developments impact fiscal forecasts, p.28 (and elsewhere)

Commentary about changes in the amount of borrowing and amount of net/gross debt, pp.36-37.

Commentary about differences between BEFU and HYEPU forecasts for key fiscal aggregates, including borrowing and debt,

Chapter 3 - Risks to the Fiscal Forecasts

Sources of additional information related to the core elements include:

i. Breakdown of outstanding debt showing sovereign vs non sovereign debt

Forecast Financial Statements - Forecast Statement of Borrowings

ii. Detailed and extensive data on outstanding debt and debt issuances readily available online from Treasury/NZDMO and RBNZ websites

<https://www.nzdm.govt.nz/analyst-centre/data>

iii. Breakdown of Government debt by ownership (i.e. whether holder of bond is a New Zealand or a foreign citizen, bank, or institution) updated monthly is readily available on the RBNZ website:

<https://www.rbnz.govt.nz/statistics/d30>

<https://www.rbnz.govt.nz/statistics/d31>

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated NZDMO link: <https://debtmanagement.treasury.govt.nz/investor-resources/data>

**Government Reviewer**

**Opinion:** Agree

**84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?**

*GUIDELINES:*

*Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.*

*To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report*

**Answer:**

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The Financial Statements of the Government of New Zealand for the year ended 30 June 2022 include a presentation/comparison of financial data and discussion of material variances between actual budget year 2021/22 outcomes (for all expenditures) and the following:

i. original budget estimates for budget year 2021/22;

ii. updated "estimated actuals" for budget year 2021/22; and

iii. actual outcomes for the preceding budget year 2020/21.

Table 4 – Breakdown of expenses,

Table 5 – Movement in core Crown expenses, (comparing actuals against preceding year)

Year End Results Compared to Budget 2021

Table 14 – Comparison to Budget 2021, (for main fiscal aggregates, including total expenses)

Figure 25 – Core Crown expenses variance to Estimated Actuals,

Statement of Financial Performance,

Analysis of Expenses by Functional Classification.

Commentary on the Financial Statements provides a narrative discussion of expense outcomes and variances relative to selected comparators.

**Comment:**

In addition to the consolidated year-end financial statements ("Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022") cited as the source for the response provided above, the Public Finance Act (Section 44) also requires that each department, other central government entity (including SOEs and Crown Entities) produce an audited annual reports for submission to Parliament within 15 days after receiving an audit report (from the OAG). The audit reports for individual entities must be issued (by OAG) within 3 months of the end of the financial year (30 June).

Annual reports produced by each individual government entities include as part of the legally mandated reporting, explanations for any "major" variances between budgeted and actual expenditures, including both current expense items and capital expenditures, as well as specific commentary/explanation for both major changes to the original budget appropriations as approved during the budget year and included in reporting of in the Supplementary Estimates and for any unappropriated expenses/expenditures. The annual reports for departments include separate reporting and explanation of such variances for "departmental" and "non-departmental" items. Thus, there is a considerable volume of additional detailed data and explanatory commentary available across the scope of the legally mandated annual reports of all individual government entities.

As has been commented in previous OBS and in response to other questions in this survey, compiling financial data by administrative unit is cumbersome and time consuming, since one must obtain each unit's own report from separate websites and there is no central repository. Moreover, the financial data is not likely to be readily accessible in machine-readable format. It would be good practice for the Government to at least make the annual reports available in a single place, either on Treasury's website or some other central repository such as the Government's official "data hub" (<https://data.govt.nz> (<https://data.govt.nz>)).

In addition, all entities should ensure that the relevant data and other information in their respective annual report is available in machine-readable format (e.g. in an accompanying excel document). Both steps would be consistent with the New Zealand Data and Information Management Principles: <https://ict.govt.nz/guidance-and-resources/open-government/new-zealand-data-and-information-management-principles>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link for NZ data and information management principles: <https://www.data.govt.nz/toolkit/policies/new-zealand-data-and-information-management-principles/>

**Government Reviewer**

**Opinion:** Agree

**85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

**GUIDELINES:**

*Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.*

**Answer:**

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Consistent with the approach used for previous OBS rounds, "the" Year-End Report is considered to include two sources:

(i) NZ Treasury's consolidated year-end financial statements for central government

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

(ii) the collective Annual Report(s) of each ministry, department or other central government entity as required by law (PFA 1989 with amendments)

Expenditure data by functional and economic classification are readily available in Treasury's year-end consolidated government financial statements.

**Economic classification**

Statement of Financial Performance,  
Notes to the Financial Statements (Notes 8-11),

**Functional classification**

Analysis of Expenses by Functional Classification,

**Administrative classification**

Data by administrative classification is not provided NZ Treasury's year-end consolidated financial statements. Nor is it compiled in any other readily accessible table as an element of the Government's year-end reporting. However, with some effort, the data can be compiled from the legally mandated annual reports produced by individual entities.

The PFA requires that each entity's annual report include audited financial statements which, like Treasury's consolidated central government financial statements, each include a Statement of Financial Performance and associated notes.

**Comment:**

The response/assessment provided above is consistent with that provided for previous OBS rounds.

However, both the Researcher and Reviewer for a number of rounds of the OBS have noted that a central repository of annual reports plus requiring that financial data in these reports be provided in machine readable format would greatly increase the utility of these documents.

As has been noted in comments for previous OBS rounds the PFA (Section 44) requires that each central government agency produce an audited annual reports for submission to Parliament. Compiling the necessary financial data by administrative unit is very cumbersome, as it requires locating the data in each central government entity's annual report posted on separate websites. There is no central repository. Moreover, the financial data is not likely to be readily accessible in machine-readable format. It would be good practice for the Government to at least make the annual reports available in a single place, either on Treasury's website or some other central repository such as the Government's official "data hub" (<https://data.govt.nz>). As of now, the data from each central government entity's annual financial statements does not appear to be available on either the Governments official "data hub" or on any other "open data" site.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:**

**Answer:**

Administrative classification  
Economic classification  
Functional classification

**Source:**

Consistent with the approach used for previous OBS rounds, "the" Year-End Report is considered to include two sources:

(i) NZ Treasury's consolidated year-end financial statements for central government

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

(ii) the collective Annual Report(s) of each ministry, department or other central government entity as required by law (PFA 1989 with amendments)

Expenditure data by functional and economic classification are readily available in Treasury's year-end consolidated government financial statements.

Economic classification  
Statement of Financial Performance,  
Notes to the Financial Statements (Notes 8-11),

Functional classification  
Analysis of Expenses by Functional Classification,

Administrative classification

Data by administrative classification is not provided NZ Treasury's year-end consolidated financial statements. Nor is it compiled in any other readily accessible table as an element of the Government's year-end reporting. However, with some effort, the data can be compiled from the legally mandated annual reports produced by individual entities.

The PFA requires that each entity's annual report include audited financial statements which, like Treasury's consolidated central government financial statements, each include a Statement of Financial Performance and associated notes.

**Comment:**

See comments provided in previous question/indicator regarding the effort required to compile administrative classification data (from each entity's annual reporting).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**86. Does the Year-End Report present expenditure estimates for individual programs?**

**GUIDELINES:**

*Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

***A note for francophone countries:** "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program*

**Answer:**

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

**Source:**

Consistent with the approach used for previous OBS rounds, "the" Year-End Report is considered to include two sources:

(i) NZ Treasury's consolidated year-end financial statements for central government  
"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

(ii) the collective Annual Report(s) of each department, or other central government entity as required by law (PFA 1989 with amendments)

Some individual program expenditure data can be found directly in the NZ Treasury's consolidated financial statements, specifically for large transfer payment and subsidy programs. Together with other smaller program-level items contained within specific notes to the Government's consolidated financial statements, these account for approximately 1/3 (or more) of total Government expenses.

Notes to the Financial Statements

Note 8 - Transfer Payments and Subsidies,

Note 12 - Insurance Expenses - ACC and EQC expenses, p.64

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2020"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2020>

Comprehensive program-level data can be found (with considerable effort) by examining the legally mandated annual reports produced by each Government entity and inclusive of a statement of actual annual spending as compared to the annual budget appropriations.

**Comment:**

The response/assessment provided above is consistent with that provided for previous OBS rounds.

However, as has been noted in comments for previous OBS rounds, compiling the necessary financial data by administrative unit is very cumbersome, as it requires locating the data in each central government entity's annual report posted on separate websites. There is no central repository. Moreover, the financial data is not likely to be readily accessible in machine-readable format.

To repeat the comments from the previous OBS reviews:

"As has been repeatedly noted across numerous several OBS rounds, it would be good practice for the Government to at least make the annual reports available in a single place, either on Treasury's website or some other central repository such as the Government's official "data hub" (<https://data.govt.nz>). As of now, the data from each central government entity's annual financial statements does not appear to be available on either the Governments official "data hub" or on any other "open data" site."

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?**

**GUIDELINES:**

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates

of the differences are presented in the Year-End Report.

**Answer:**

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The Financial Statements include a presentation/comparison of financial data for all material variances between actual budget year 2021/22 outcomes (for all revenues) and the following:

- i. original budget estimates for budget year 2021/22;
- ii. updated "estimated actuals" for budget year 2021/22; and
- iii. actual outcomes for the preceding budget year 2020/21.

In addition there is:

Table 4 – Breakdown of revenue (comparing actual and budget),

Table 5 – Increase in core Crown tax revenue (comparing actuals and preceding year),

Statement of Financial Performance,

Shows comparison of actual and budget (as well as for previous year's budget) for following categories:

Total sovereign revenue = Taxation revenue + Other sovereign revenue

Total revenue earned through operations = Sales of goods and services + Interest revenue + Other

"Statement of Segments",

Provides further breakdown of data across individual "segments" for same detailed set of categories shown in "Statement of Financial Performance"

For explanation of "segments" (Core Crown, Crown Entities, SOEs), see:

Notes to the Financial Statements - Note 1: Basis of Reporting, (including section on "Segment analysis",

Narrative discussion of revenue outcomes and variances relative to selected comparators:

A narrative discussion compared Budgeted with actual is provided in the "Commentary on the Financial Statements" in particular but also in the Summary, discussion of Operating Balance, and Debt.

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?**

**GUIDELINES:**

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

**Answer:**



a. Yes, the Year-End Report presents revenue estimates by category.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The Financial Statements include a presentation/comparison of financial data for all material variances between actual budget year 2021/22 outcomes (for all revenues) and the following:

- i. original budget estimates for budget year 2021/22;
- ii. updated "estimated actuals" for budget year 2021/22; and
- iii. actual outcomes for the preceding budget year 2020/21.

In addition there is:

Table 4 – Breakdown of revenue (comparing actual and budget)

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**89. Does the Year-End Report present individual sources of revenue?**

*GUIDELINES:*

*Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.*

*To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.*

**Answer:**

b. Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The Financial Statements include a presentation/comparison of financial data for all material variances between actual budget year 2021/22 outcomes (for all revenues) and the following:

- i. original budget estimates for budget year 2021/22;
- ii. updated "estimated actuals" for budget year 2021/22; and
- iii. actual outcomes for the preceding budget year 2020/21.

Note 4: Sovereign Revenue

Note 5: Sales of Goods and Services

Note 6: Investment and Finance Income/(Expense)

Note 7: Other Revenue

**Comment:**

The previous reviews assessed this item as a "b" "actual revenue accounting for at least two-thirds of, but not all, revenue share of the residual. In

2022 "Other Revenue" and the "Other miscellaneous items" category under "Other Sovereign Revenue" combined are 3.1% of Total Revenue, marginally above the 3% threshold. Accordingly a "b" is still appropriate.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?**

**GUIDELINES:**

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- the amount of net new borrowing required during the budget year;
- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

**Answer:**

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

Net Borrowing - Crown's Borrowing Programme  
Table 9 – Cash proceeds from debt programme

Additional (budget and actual) data for net new borrowing (for the Y-1 and current budget years) is also provided:

Statement of Cash Flows,  
Cash Flows From Financing Activities,

Fiscal Indicator Analysis – Core Crown Residual Cash  
Debt programme cash flows,

2. Total government debt

Table 7 – Net debt, gross debt and residual cash,

Table 7 provides data for:

Net debt = core Crown debt net of financial assets and excluding NZSF and advances

Gross debt = gross sovereign-issued debt excluding the Reserve Bank settlement cash and Reserve Bank bills

Total borrowings = gross debt plus borrowings of SOEs and Crown entities

A narrative and numeric explanation of the reconciliation across the three different measures of government debt is also provided:

“Government Financing” (text box),

Table 10 – Debt Reconciliation,

Additional comparisons of data for budgeted and actual amounts of government debt are provided in the “Notes to the Financial Statements”:

Note 19: Borrowings,

These data include a breakdown of total borrowings by:

Additional data for government debt is provided in the following:

- by 7 categories of debt (with commentary and analysis for each category)

- by maturity (settlement/maturity greater or less than 1 year)

- by guarantee (sovereign vs non-sovereign)

Note 19 constitutes the Statement of Borrowings as required by the Public Finance Act 1989.

### 3. Interest payments

Data for interest payments (“finance costs”) are presented in variance locations:

Financial Statements Statement of Financial Performance

Analysis of Expenses by Functional Classification

Notes to the Financial Statements

Note 5: Investment Income/(Expense), including a breakdown of “Interest Expense”

### 4. Interest rates

There is no data table provided for actual interest rates (either long-term or short-term) in the Financial Statements. However, there is discussion of interest rates in at least two contexts:

(i) in the commentary section with occasional references to interest rates as a factor impacting fiscal outcomes, including balance sheet and debt Commentary,

(ii) in the discussion of assumptions made as part of the process of preparing the financial statements, with particular reference discount rates and uncertainties or sensitivities surrounding some of the valuations and other measurements

Note 2: Key Assumptions and Judgements,

Note 11: Insurance, (references to discount rates)

Note 15: Advances, (references to interest rates)

It can also be noted that extensive detailed data covering both long-term and short-term interest rates, as well as the rates applying to specific debt issuances and debt instruments are readily available on the following websites, including historic data and with regular monthly updates:

Reserve Bank (RBNZ)

<https://www.rbnz.govt.nz/statistics/b2>

Treasury/NZ Debt Management Office (NZDMO)

<https://www.nzdmo.govt.nz/government-securities>

### 5. Maturity profile

Net issue/(repayment) of short-term borrowing<sup>1</sup>

Data (and explanation/commentary) for debt maturity are also provided:

Notes to the Financial Statements

Note 19: Borrowings,

These data include a breakdown of total borrowings by:  
Additional data for government debt is provided in the following:  
- by 7 categories of debt (with commentary and analysis for each category)  
- by maturity (settlement/maturity greater or less than 1 year)  
- by guarantee (sovereign vs non-sovereign)

Note 19 constitutes the Statement of Borrowings as required by the Public Finance Act 1989.

Note 19 (in addition to the financial data) includes comprehensive commentary explaining the characteristics (terms) for each category of debt, including respective maturities for the different types of debt instruments. As previously noted in response to related OBS questions:

1. "Government bonds" are recognised as medium-term and long-term borrowing with maturities greater than 1 year.
2. "Treasury bills" are recognised as short-term borrowing with maturities all being 1 year or less.

#### 6. Domestic vs external debt

As advised by Treasury, a breakdown of Government debt by ownership (whether holder of bond is a New Zealand or a foreign citizen, bank or institution) is not provided on the basis that this is "notoriously difficult given the local status of a number of financial intermediaries for foreign investors".

However, relevant information updated monthly is readily available on the RBNZ website:

<https://www.rbnz.govt.nz/statistics/d30>

<https://www.rbnz.govt.nz/statistics/d31>

#### Comment:

No change from previous OBS surveys. Previous surveys have assessed this indicator as a "b" as information is lacking about at least one core element (difference between interest rates as forecast at time of budget and actual outcomes), while also offering less than the desired extent of narrative commentary. (The lack of a breakdown for domestic vs externally held debt isn't relevant as New Zealand does not have externally denominated debt).

#### Peer Reviewer

Opinion: Agree

#### Government Reviewer

Opinion: Disagree

#### Suggested Answer:

a. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Comments: There is a narrative discussion throughout the document, for example see pp. 19-22.

#### IBP Comment

IBP notes the government's response but maintains "B" as the researcher chose.

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

#### Answer:

The amount of net new borrowing required during the budget year  
The central government's total debt burden at the end of the budget year  
The interest payments on outstanding debt for the budget year  
Maturity profile of the debt  
Interest rates on the debt  
Whether the debt is domestic or external

#### Source:

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

Information for the two "missing" core elements is readily available on the Treasury/NZ Debt Management Office (NZDMO) and the Reserve Bank of New Zealand (RBNZ) websites:

For interest rates:

Reserve Bank (RBNZ)

<https://www.rbnz.govt.nz/statistics/b2>

Treasury/NZ Debt Management Office (NZDMO)

<https://www.nzdmo.govt.nz/government-securities>

For domestic/external debt:

RBNZ website

<https://www.rbnz.govt.nz/statistics/d30>

<https://www.rbnz.govt.nz/statistics/d31>

**Comment:**

The previous reviews noted that in addition to the relatively comprehensive debt-related data cited above for the core elements required for OBS assessment, the YER documentation (Financial Statements) and provide other important additional information beyond the core elements:

1. A breakdown for sovereign-guaranteed versus non sovereign-guaranteed debt
2. A breakdown for gross debt, net debt and total borrowings
3. Extensive analysis, data and narrative explanation for contingent liabilities
4. Thorough analysis of exchange rate risks surrounding both financial assets and liabilities, noting in particular a breakdown of financial liabilities by type of currency
5. Presentation of a comprehensive consolidated government balance sheet
6. Presentation of detailed data for borrowing of SOEs and Crown Entities.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?**

**GUIDELINES:**

*Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

**Answer:**

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://treasury.govt.nz/sites/default/files/2022-10/fsgnz-year-jun22.pdf>

In the New Zealand context, the Year-End Report is a set of (audited) financial statements with commentary to identifying underlying factors influencing financial outcomes. Economic developments over the course of the budget year are an important factor impacting fiscal/financial outcomes, and as such, the Financial Statements include, where appropriate, references to specific economic indicators (e.g. GDP as a primary factor impacting revenue collections).

However, a comprehensive detailed presentation of data comparing forecasted macroeconomic indicators/assumptions used for budget formulation relative to their respective actual outcomes is not a core element of the Government's financial statements.

Instead narrative and commentary is routinely produced by the NZ Treasury. Treasury produces and makes public (on its website) a Monthly Economic Indicators (MEI) report series offering a monthly updates for a wide selection of macroeconomic indicators, together with extensive narrative discussion of trends and policy implications.

<https://treasury.govt.nz/publications/research-and-commentary/monthly-economic-indicators>

**Comment:**

The response to this question is unchanged from the previous OBS assessments. This assessment recognises that that the year-end Financial Statements do include some limited data and commentary pertaining to differences between the economic forecasts used for the original budget estimates and the actual outcomes for selected indicators. In addition the Year End Reporting contains more extensive commentary on likely outcomes compared to original forecasts. This is augmented by the Treasury's Monthly Economic Indicators (MEI) report (available on the Treasury website) also contains some references to the variance between actual macroeconomic outcomes and the original forecasts.

Finally, it is also worth noting that NZ Treasury annually has external peer review of the budget macro-economic forecasts and periodically conducts internal reviews and assessments of its own macroeconomic forecasts relative to actual outcomes as part of maintaining and improving its forecasting models and methodologies. These reports examining the accuracy of its forecasts are made public, but they are not produced on an annual basis.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:**

**Answer:**

None of the above

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://treasury.govt.nz/sites/default/files/2022-10/fsgnz-year-jun22.pdf>

In the New Zealand context, the Year-End Report is a set of (audited) financial statements with commentary to identifying underlying factors influencing financial outcomes. Economic developments over the course of the budget year are an important factor impacting fiscal/financial outcomes, and as such, the Financial Statements include, where appropriate, references to specific economic indicators (e.g. GDP as a primary factor impacting revenue collections).

However, a comprehensive detailed presentation of data comparing forecasted macroeconomic indicators/assumptions used for budget formulation relative to their respective actual outcomes is not a core element of the Government's financial statements.

**Comment:**

No change from previous OBS assessments.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Updated link: <https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

**Government Reviewer**

**Opinion:** Agree

**92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?**

**GUIDELINES:**

*Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

**Answer:**

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

**Source:**

NZ has an output based approach to financial and public sector management. As a result there is no ex ante benchmark "original estimates of nonfinancial data on inputs." Some ex post input level data is available in some ex post annual reports of public organisations (mainly human resource data) but structured data is not routinely required or supplied.

Looking at ex post reporting a previous reviewer concluded ""reference to selected non-financial inputs are very limited, tend to focus on human resource capability, and the scope and level of detail for such information is neither extensive nor consistent across budget entities". As discussed in response to question 49 discussion of inputs in ex ante documents passing references and occasional contextual information not structured data about the "original estimates" for baseline budgeted levels.

**Comment:**

New Zealand's output/ outcome based budgeting system means there is no requirement for or routine provision of detailed information or data on "non-financial inputs either ex ante or ex post.

The previous peer reviewer also raised concerns about the validity of this question in an international survey of this type "IBP should consider generally its approach to applying input-based criteria to output-framework countries." The previous Government reviewer favoured answer "e". In the context of an output/outcome based system like New Zealand where no structured en ante information is required to establish a baseline or original estimate, an "e" seems the most appropriate response.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** We again support the reviewer's comments that this question is invalid in the New Zealand context.

**IBP Comment**

IBP notes the comments by the researcher and government and has adjusted to "C" for cross-country comparability

**93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?**

**GUIDELINES:**

*Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).*

*Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

**Answer:**

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

**Source:**

Consistent with the approach used for previous OBS rounds, "the" Year-End Report is considered to include two sources:

(i) NZ Treasury's consolidated year-end financial statements for central government  
"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"  
<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The NZ Treasury's year-end financial statements do not contain information about non-financial "results" or "actual outcomes".

(ii) the collective Annual Report(s) of each department, or other central government entity as required by law (PFA 1989 with amendments)

Information about the differences between original estimates of non-financial data on output performance and the actual outcomes are available, together with extensive narrative discussion, in the legally mandated annual reports produced separately by individual central government entities (departments, SOEs, Crown entities, etc.).

All entities are required by law (PFA) to produce extensive and detailed reporting on performance against specific non-financial indicators assigned/defined for each output appropriation.

**Comment:**

Annual reports produced by departments and other agencies vary in terms of format/presentation, but the content must also include statements of service performance compared to ex ante non-financial and financial performance measures (typically covering quantity quality timeliness and cost). Both the financial statements and statements of service performance are audited.

However as noted in response to Question 86 while information on results can be found (with considerable effort) by examining the legally mandated annual reports produced by each Government entity, it would be good practice for the Government to at least make the annual reports available in machine readable format in a single place, either on Treasury's website or some other central repository such as the Government's official "data hub" (<https://data.govt.nz>).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree



94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

**GUIDELINES:**

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

**Answer:**

b. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, but a narrative discussion is not included.

**Source:**

Data on actual compared to budgeted spending on transfers to the most impoverished populations can be found in the Financial Statements

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

A significant share of individual program expenditure data can be found directly in the NZ Treasury's consolidated financial statements, specifically for the large transfer payment and subsidy programs. Together, these transfers and subsidies (including tax credits) account for a substantial share (24%) of all spending on programs specifically targeting low-income households and individuals.

Notes to the Financial Statements

Note 8 - Transfer payments and subsidies

Information on actual compared to budgeted spending on in kind programmes for the most impoverished populations is more dispersed but can be found in the Annual reports of the relevant agencies. These include the Ministries of Education, Health, Social Development, Children and Te Puni Kōkiri/Ministry of Maori Development.

It should be noted that Budget documents since 2019/20 have included a Child Poverty Report which reports on "progress on the measured rates of child poverty since the Government's targets

were gazetted, based on the "...Household Economic Survey". This report includes extensive analysis of the data and extended narrative. It is published as part of the suite of Budget documents rather than as part year end financial reporting. In 2022 the Child poverty report was a chapter a consolidated Budget volume "Wellbeing Budget 2022: A Secure Future".

<https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2022>

**Comment:**

A "b" is consistent with the previous OBS surveys. In 2019 "The researcher's main reason for not giving an "a" response is because the data across a substantial range of relevant outputs (programs) are not consolidated into a single table and require substantial effort to review a significant number of entity-specific year-end reporting documentation in order to compile such a table, as well as to obtain/review the relevant detailed narrative explanation (within each designated Government entity's year-end annual reporting)." Consideration was given to an "a" in 2021 as with the publication of the Child Poverty Report a consolidated report pulling together a range of information on final outcomes is provided for an important subset of the disadvantaged population. However this information did not systematically address the impact of the policies and was provided as part of the suite of Budget documents rather than as year end reporting.

In conjunction with Budget 2022, the process of implementing a "Wellbeing Approach" for budgeting has led to the publication of a wellbeing dashboard <https://lsfdashboard.treasury.govt.nz/wellbeing/> (see also <https://www.stats.govt.nz/indicators-and-snapshots/indicators-aotearoa-new-zealand-nga-tutohu-aotearoa>). The Public Finance (Wellbeing) Amendment Act 2020 requires the Treasury to provide an independent report on the state of wellbeing in New Zealand at least every four years and the inaugural state of wellbeing report was published on 24 November 2022.

<https://www.treasury.govt.nz/publications/wellbeing-report/te-tai-waiora-2022>

However, all this material is focused on outcome states or levels and does not assess impacts or the link to Budget priorities.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?**

**GUIDELINES:**

*Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented*

**Answer:**

a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

**Source:**

The PFA and generally accepted accounting practice (GAAP) requires all controlled entities (including SOEs and Crown Entities) to be included in consolidated financial statements, with aggregate reporting on all the funds/entities cited above. The following "extra-budgetary funds" (EBFs) are cited in the response to Question 33:

1. Accident Compensation Corporation (ACC)
2. New Zealand Superannuation Fund (NZSF)
3. Government Superannuation Fund (GSF)
4. Toka Tū Ake Earthquake Commission (EQC).

As per legal requirements under the PFA, the year-end consolidated "Financial Statements of the Government of New Zealand" provide ex post reporting at the aggregate level while the respective year-end annual reports pertaining to each of the four funds cited above provide full financial reporting on actual outturns versus budget forecasts, as well as narrative explanation of significant variances between actual outturns and budget forecasts at the individual entity level. Service reporting cover actual performance compared to forecast performance against a range of non financial reporting measures.

Detailed financial reporting at the individual agency level, along with considerable more narrative discussion, can be found in the respective legally mandated annual report by each entity, including annual financial statements and statements of performance which are both audited: udited 2022 Annual Reports of the specific EBFs cited in Q.33 and Q.95

1. Accident Compensation Corporation (ACC):

"Accident Compensation Corporation Annual Report 2022"

<https://www.acc.co.nz/assets/corporate-documents/acc8430-acc-annual-report-2022.pdf>

2. New Zealand Superannuation Fund (NZSF):

"New Zealand Superannuation Fund Annual Report 2022"

<https://www.nzsuperfund.nz/publications/annual-reports/>

3. Government Superannuation Fund (GSF):

"Reports and Financial Statements for the year ended 30 June 2022 - Government Superannuation Fund"

<http://www.gsfa.govt.nz/publications/annual-report/gsfa-annual-report-2022.pdf>

4. Toka Tū Ake Earthquake Commission (EQC):

"Earthquake Commission Annual Report 2021-22"

<https://www.eqc.govt.nz/our-publications/toka-tu-ake-eqcs-annual-report-2021-2022/>

In addition the consolidated "Financial Statements of the Government of New Zealand for the year ended 30 June 2022" include the "Notes to the Financial Statements" providing both quantitative data and some narrative information at the aggregate level:

Financial Data

Note 3: Sovereign Revenue (ACC and EQC levies),

Note 6: Other Revenue (EQC insurance claim on reinsurers),

Note 7: Transfer Payments and Subsidies (Expenses for NZSF),

Note 11: Insurance (expenses and liabilities associated with ACC and EQC)

Note 12: Receivables (including ACC receivables)

Note 20: Retirement Plan Liabilities (GSF liabilities).

Fiscal Indicator Analysis – Core Crown Residual Cash (including NZSF contributions)

Fiscal Indicator Analysis – Debt (including NZSF borrowings and assets)

Information on State-owned Enterprises and Crown Entities (including ACC and EQC revenues, expenses, assets, borrowings and liabilities),

In addition narrative explanation is provided through the text of the Consolidated Financial Statements.

**Comment:**

In accordance with the PFA (Sections 26Q.4 and 27.2.a), generally accepted accounting practice (GAAP) requires all controlled entities (including SOEs and Crown Entities) to be included in consolidated financial statements, with reporting on all the funds/entities cited above.

However, previous OBS assessments have assessed the the four funds above are examples of EBFs in the New Zealand context on the basis of their independent management of designated revenue sources (levies) and/or portfolios of financial assets.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**96. Is a financial statement included as part of the Year-End Report or released as a separate report?**

*GUIDELINES:*

*Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)*

*To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.*

**Answer:**

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

**Source:**

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2022>

The primary YER documentation is itself the "Financial Statements of the Government of New Zealand for the year ended 30 June 2022", which is a fully audited financial statement of consolidated government finances, including both a comprehensive set of financial statements and the "Independent Audit Report of the Controller and Auditor-General."

**Comment:**

New Zealand operates on accrual budgeting and accounting so financial statements include cash flow statement, an operating statement, a balance sheet, and notes on accounting treatment. In accordance with requirements set out by the governing Public Finance Act (PFA), each SOE and Crown Entity (including roughly 2500 schools), together with all other public sector entities must produce annual reports (inclusive of any subsidiaries) containing audited financial statements.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?**

**GUIDELINES:**

*Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:*

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) for more detail.*
- *Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.*
- *Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.*

*Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.*

*To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.*

**Answer:**

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

**Source:**

Part 3 of the Public Audit Act 2001 specifies that the scope of audit procedures includes both financial and performance audits (including efficiency and effectiveness) and both types of audits address compliance with statutory obligations.

<http://www.legislation.govt.nz/act/public/2001/0010/latest/DLM88593.html>

Section 45 of the PFA further specifies the content of annual reports from all central government entities to include reporting on performance and financial statements. Section 45.D of the PFA specifies that these annual reports shall be subject to audit by the Office of the Auditor General.

<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

The Auditor-General has a statutory duty to oversee the annual audit of the financial statements of about 3600 public entities (of which about 2500 are schools). In addition, OAG also carries out a broader set of assurance functions, including audit of the non-financial performance information included in annual reports. Under the Public Audit Act 2001, the OAG's performance audit function includes examining effectiveness and efficiency, compliance with statutory obligations, waste, probity and financial prudence.

### 1. Performance audits

<https://oag.parliament.nz/about-us/our-work/about-auditing/performance-audits>

An example of performance audits undertaken in 2022 was the review of the "Co-ordination of the all-of-government response to the Covid-19 pandemic" <https://oag.parliament.nz/2022/covid-19>

### 2. Financial audits

Examples of OAG's financial audit reporting can be found in any annual report of any central government agency.

### 3. Compliance audits

Compliance audits are typically a component of either an annual financial audit or a performance audit. Refer to the Auditor-General's Auditing Standards, published under Public Audit Act:

<https://www.oag.govt.nz/2014/auditing-standards>. However there are examples of compliance audits including on sensitive expenditure. A link to into such an audit is the Inquiry into the Strategic Tourism Assets Protection Programme <https://oag.parliament.nz/2022/stapp>.

#### **Comment:**

No substantive change from previous OBS reviews.

#### **Peer Reviewer**

**Opinion:** Agree

#### **Government Reviewer**

**Opinion:** Agree

## 98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

#### *GUIDELINES:*

*Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.*

*The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.*

*Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.*

*To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.*

#### **Answer:**

a. All expenditures within the SAI's mandate have been audited.

#### **Source:**

Section 45 of the PFA specifies that all departments and other central government agency's annual reports must include reporting on performance and financial statements.

Section 45D of the PFA specifies that these annual reports shall be subject to audit each year overseen by the Office of the Auditor-General. Those audits are completed without exception.

<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

The Auditor-General has a statutory duty to carry out an annual audit of the financial statements of about 3600 public entities (of which about 3000 are schools).

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?**

**GUIDELINES:**

*Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.*

*The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.*

*To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.*

**Answer:**

a. All extra-budgetary funds within the SAI's mandate have been audited.

**Source:**

1. Accident Compensation Corporation (ACC):  
<https://www.acc.co.nz/assets/corporate-documents/acc8430-acc-annual-report-2022.pdf>
2. New Zealand Superannuation Fund (NZSF):  
<https://www.nzsuperfund.nz/publications/annual-reports/>
3. Government Superannuation Fund (GSF):  
<http://www.gsfa.govt.nz/publications/annual-report/gsfa-annual-report-2022.pdf>
4. Toka Tū Ake Earthquake Commission (EQC):  
<https://www.eqc.govt.nz/our-publications/toka-tu-ake-eqcs-annual-report-2021-2022/>

**Comment:**

In a strict literal sense there are no funds outside of the budget in that the consolidated ex ante budgeting and ex post financial reporting includes coverage of all central government entities including the funds cited in Question 33 and Question 95. However, as noted in the response to Question 95 these funds meet other technical criteria for EBFs. The audits of these entities and their funds are overseen by the Office of Auditor-General, both as components of the consolidated Financial Statements of the Government of New Zealand, as well as on a separate basis through their respective annual reports. Each entity's annual report includes an audited full financial statement.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?**

**GUIDELINES:**

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

**Answer:**

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

**Source:**

Office of Auditor General (OAG) website: Annual Report  
"Observations from our central government audits: 2021/22 "

The main report document includes an overview by the Auditor General and a 2 page snapshot summary of key trends which make extensive use of infographics

**Comment:**

Provision of Executive Summaries and Overviews are a regular part of OAG house style. As an example see the overview and summary of findings provided in other OAG audit reports for specific government sectors such as local government

<https://oag.parliament.nz/2022/local-govt>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Link to main source: <https://oag.parliament.nz/2022/central-government>

**Government Reviewer**

**Opinion:** Agree

**101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?**

**GUIDELINES:**

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

**Answer:**

c. Yes, the executive reports publicly on some audit findings.

**Source:**

There is no centralised report from the executive in response to adverse audit findings or recommendations. However, the Minister or the agency concerned can and sometimes does release a public statement such as a press statement or a more formal report in response.

However the OAG website publishes the follow up letters and the agencies response providing an update on progress with recommendations in an earlier report <https://oag.parliament.nz/reports/follow-ups>

**Comment:**

No significant change from from previous OBS reviews.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?****GUIDELINES:**

*Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive’s progress in addressing audit recommendations.*

*To answer “a,” the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A “b” response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A “c” response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer “a,” “b,” or “c” may be selected, even if the Audit Report is not made publicly available. A “d” response applies if neither the SAI nor the legislature reports on the executive’s steps to address audit findings.*

**Answer:**

b. Yes, the SAI or legislature reports publicly on most audit recommendations.

**Source:**

OAG or Parliament reports publicly on most audit recommendations. In addition, there are two mechanisms by which either the OAG or Parliament will issue a public report on actions taken by executive agencies to address audit recommendations:

1. Responses by senior officials of executive agencies (either written submissions or testimony at a Parliamentary hearing) to questions from a select committee based on OAG audit findings and advice given to the select committee by OAG are reported and a matter of public record.

2 Following up on audits and reviews by publishing the request and the agencies response providing an update on progress with recommendations in an earlier report <https://oag.parliament.nz/reports/follow-ups>

An example is the letter to the Commissioner of Police, and the agencies reply, following up on actions taken in response to the review of the gun buy back scheme <https://oag.parliament.nz/2022/firearms-buy-back-follow-up>

3 Follow up reports are issued by OAG on performance audits on specific executive agencies conducted by OAG in previous years.

The scope of performance audits is more selective across executive agencies. But the conduct of a performance audit on a specific executive agency by OAG generally will lead to a subsequent periodic report by OAG on how an executive entity subject to a performance audit has responded/is responding to the findings in that performance audit.

**Comment:**

No change since recent OBS reviews.



**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?**

**GUIDELINES:**

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or
- Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

**Answer:**

d. No, there is no IFI.

**Source:**

Public Finance Act Section 26W  
<https://www.legislation.govt.nz/act/public/1989/0044/latest/DLM162006.html>

Establishing an Independent Fiscal Institution" - NZ Treasury Discussion Document (Sept. 2018)  
<https://treasury.govt.nz/publications/consultation/establishing-independent-fiscal-institution>

**Comment:**

As of the 2023 OBS cut-off date of 31 December 2022, New Zealand does not have an Independent Fiscal Institution (IFI) in the sense of an institution such as a parliamentary budget office or fiscal council established by statute. However New Zealand has legislated for statutory independent fiscal function so that economic and financial projections are prepared by the Treasury independently of the Minister. Section 26W of the Public Finance Act 1989 requires that projections are prepared using "best professional judgement" using the latest available information.

Under the previous Labour-led coalition government there was an active policy development and consultation process around establishing an IFI. The current Labour Government has yet to publicly commit to the establishment of an IFI. During the consultation there were 5 main functions proposed by the Treasury for the IFI:

- (i) providing financial costings of political party policies, including election manifestos;
- (ii) comment on and assess compliance with the Government's fiscal strategy and fiscal targets;

- (iii) comment on Treasury's economic and fiscal forecasts;
- (iv) comment on long-term fiscal sustainability and key fiscal risks; and
- (v) produce relevant and related commentary on fiscal and budgetary matters.

All functions but iii above can be undertaken by the Treasury in an independent way. What New Zealand does not have is an independent public institution that can second guess the fiscal dimension of the Treasury's economic and fiscal forecasts (item iii above). NZIER, an independent research institution, produces its own economic forecast as well as quarterly Consensus macroeconomic forecasts that would provide a cross check if the Treasury's short term economic forecasts were to deviate materially from "best professional judgement". NZIER Consensus Forecasts <https://www.nzier.org.nz/publications/nzier-consensus-forecasts-show-a-lower-growth-outlook-beyond-the-higher-starting-point-june-2022>.

For reasons of international comparability an unchanged assessment of "d" is provided. However it should be noted that independence can be mandated by statute does not require a separate institution.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** See prior OBS rounds for further discussion of implications of this question and application to New Zealand.

**Government Reviewer**

**Opinion:** Agree

**104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?**

**GUIDELINES:**

*Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.*

*Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.*

*To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.*

*Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).*

**Answer:**

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

**Source:**

N/A

**Comment:**

As of the 2023 OBS cut-off date of 31 December 2022, New Zealand does not have an Independent Fiscal Institution. As discussed in response to Question 103, the Treasury's has statutory independence in how it undertakes economic and financial forecasting.

**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

**105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?**

**GUIDELINES:**

*Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.*

*To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.*

**Answer:**

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

**Source:**

N/A

**Comment:**

As of the 2021 OBS cut-off date of 31 December 2022, New Zealand does not have an Independent Fiscal Institution. However the Treasury has developed standard operating procedures so that it can cost non-Government policies if requested.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

**106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?**

**GUIDELINES:**

*Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.*

**Answer:**

d. Never, or there is no IFI.

**Source:**

N/A

**Comment:**

No change from previous OBS reviews.

**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Agree**107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?****GUIDELINES:**

*Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)*

*A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.*

*To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.*

*Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.*

*Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.*

*In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).*

**Answer:**

c. Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.

**Source:**

Both a designated Select Committee, the Finance and Expenditure Committee (FEC), and the full House (Parliament) conduct hearings/debate on the Budget Policy Statement (BPS).

No specific recommendations with regard to the forthcoming budget are approved by either the Finance and Expenditure Committee (FEC) or by the full house (Parliament).

<https://selectcommittees.parliament.nz/v/6/8eab45b2-39cc-4b8e-a8c5-bafca5d75593>

**Comment:**

No change from 2021 OBS. The Finance and Expenditure Committee (FEC) holds a hearing to review and discuss the Budget Policy Statement (BPS),

with the hearing including both review/discussion of previously received written public submissions as well as oral evidence from the Minister of Finance and others.

The BPS for FY 2022/23 was released on 15 December 2021. The FEC met to conduct hearings on the Budget Policy Statement 2021 for Budget 2022 in February 2022. The FEC report resulting from its hearings was published on 3 March 2022.

Following issuance of the FEC's report to the House (Parliament), the full legislature debates the Budget Policy Statement (BPS). The full house (Parliament) held its hearing on FEC's report and on the Budget Policy Statement on 14 April 2022.

As noted above, no specific recommendations with regard to the forthcoming budget are approved by either the FEC or by the full house (Parliament).

The FEC report issued a recommendation that the House take note of the FEC report.  
The full house (Parliament) votes simply to "take note of the report of the Finance and Expenditure Committee".

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?**

*GUIDELINES:*

*Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).*

*For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.*

*To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.*

**Answer:**

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

**Source:**

The Minister of Finance, Hon Grant Robertson, delivered Budget 2022 on Thursday, 19 May 2022

NZ Treasury website

<https://www.treasury.govt.nz/publications/budgets/budget-2022>

Also <https://budget.govt.nz/>

**Comment:**

The FY2022/3 Budget was submitted to (tabled in) Parliament on 19 May 2022.

This period of approximately 1-2 months between submission of the budget by Government to Parliament and the start of the budget year (1 July) is the long-standing norm for annual budget process in New Zealand (for at least the past 2 decades).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**109. When does the legislature approve the Executive's Budget Proposal?**

*GUIDELINES:*

*Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.*

*In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.*

*To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.*

**Answer:**

d. The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

**Source:**

Parliamentary Website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

The Appropriation (2022/23 Estimates) Bill was approved by the legislature on 20/09/22 and enacted (become law) on 21/09/22 when it received Royal Assent and came into force the following day. The budget year for the FY2022/23 Budget began more than 1 month earlier on 1 July 2020.

Previous reviews have highlighted the role of authority under Imprest Supply approved before the start of the new fiscal year. Under Imprest Supply, Parliament provides legal authority to the Executive (Government) to "incur expenses and capital expenditure in advance of appropriation in an Appropriation Act" [https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_99229/impres-supply-first-for-202021-bill](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_99229/impres-supply-first-for-202021-bill). This provides the Government with the necessary legal authorisation to spend from the start of the financial year pending approval of the appropriations set out in the Estimates Bill.

The OBS question relates to the date on which the Enacted Budget is approved by Parliament, rather than when Parliament legally authorises the Government to carry out spending. As such Imprest Supply is interim approval whereas the Enacted Budget is consistently identified as The Appropriation ( Estimates) Act for successive rounds of the OBS. For international consistency across the scope of participating OBS countries, the assessment for this question focuses on passage of the annual budget itself (the Appropriations Act), which as is known, was not passed by Parliament until September, after the start of the financial year.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?**

**GUIDELINES:**

*Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.*

*The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.*

**Answer:**

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

**Source:**

Chapter 6 of the NZ Parliament's "Standing Orders" sets out the legislative process and rules for Parliament's consideration of financial bills submitted by the Government. New Zealand law grants members of Parliament (and select committees) the power to propose amendments to the Government's proposed budget.

"Standing Orders of the House of Representatives" (New Zealand Parliament) <https://www.parliament.nz/media/4384/standing-orders-2017.pdf>

Chapter 6: Financial procedures

339 Estimates debate

(3) A motion may be moved to change a Vote. Such a motion must specify the appropriation or appropriations within the Vote that it proposes to alter.

(4) At the conclusion of the total time for the Estimates debate the remaining Votes and provisions of the main Appropriation Bill and any amendments proposed by the Minister in charge of the bill that are notified on a Supplementary Order Paper are put as one question. There is no amendment or debate on the question.

**Comment:**

As a matter of law Parliament has the authority to propose and pass amendments to the budget under Chapter 6 of the NZ Parliament's "Standing Orders". As a practical matter however that power is constrained in two ways: one technical and one practical.

The technical legal issue is that Chapter 6 of the "Standing Orders" grants the Government the power to issue a "financial veto" on any proposed amendment that is viewed by the Government as having more than a minor impact on either fiscal aggregates (revenue or expense) or on the level/composition of any given vote (set of appropriations for outputs pertaining to a particular set of sectoral programs and administrative units).

Chapter 6: financial procedures

326 Financial veto

(1) The House will not pass a bill, amendment, or motion that the Government certifies it does not concur in because, in its view, the bill, amendment, or motion would have more than a minor impact on the Government's fiscal aggregates if it became law.

(2) In addition, the House will not make a change to a Vote that the Government certifies it does not concur in because, in its view, the change would, if made, have more than a minor impact on the composition of the Vote.

"Standing Orders of the House of Representatives" (New Zealand Parliament) <https://www.parliament.nz/media/4384/standing-orders-2017.pdf>

The practical constraint relates to Westminster Parliamentary systems. Parliament's vote on the proposed budget (and other financial bills) is one of "confidence and supply", rejection of which would lead to a change of government and potentially to dissolution of Parliament.

Thus there are both formal and de facto constraints on Parliament's power/scope to amend the Government's proposed budget. However, the potential consequences of a "loss of confidence and supply" does not alter the fact that the legislature has the legal authority to alter or reject the Government's proposed budget (EBP).

So in a strict legal sense, Parliament does have the authority to propose and pass amendments to the budget. But the reality is in practice there are two limits on Parliamentary amendments to the proposed budget: that the Government has support on "confidence and supply", along with the potential for the Government to use its legal authority to issue a "financial veto".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

**111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?**

**GUIDELINES:**

*Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").*

*If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.*

**Answer:**

c. No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.

**Source:**

There were no SOPs or Amendments to the Appropriation (Estimates) Bill before it became law Appropriation (2022/22 Estimates) Act 2022.

Parliament website

<https://bills.parliament.nz/v/6/6bc00c85-0aad-41f5-aa9b-980f83ef56b9?Tab=history>

**Comment:**

As is normally the case from year to year, the absence of any amendments to the EBP reflects:

- (1) the NZ's unicameral parliamentary system in which the Government (inclusive of any coalition arrangements) maintains majority control;
- (2) Parliament's vote on Estimates Bill (EBP) being one of "confidence and supply", in which failure to pass the Government bill would constitute a statement of "no confidence" in the existing Government.

This is backed by the Government's power of financial veto.

For further references see:

Parliamentary Practice in New Zealand (2017)

Clerk of the House of Representatives

Chapter 26 - The Legislative Process

<https://www.parliament.nz/media/4113/parliamentary-practice-in-nz-final-text.pdf>

Standing Orders of the House of Representatives (2014)

Chapter 5 - Legislative Procedures

Chapter 6 - Financial Procedures

<https://www.parliament.nz/resource/en-NZ/00H0HPBReferenceStOrders4/eb7c8b9e4a6c7aa88a47d14dc4100513b2557e60>

Peer Reviewer

Opinion: Agree

Government Reviewer



Opinion: Agree

**112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?**

**GUIDELINES:**

*Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.*

*Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.*

*Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.*

**Answer:**

a. Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

**Source:**

NZ Parliament's Finance and Expenditure Select Committee (FEC) convened to consider the Government's submission of Budget 2022 documentation to Parliament in May 2022.

A full transcript of the FEC hearings (8 June 2022) and the final FEC report to the full House (28 July) were both posted to NZ Parliament website (along with other relevant documentation, including written submissions by NZ Treasury and advice from the Office of Auditor General).

Transcript of FEC hearing (8 June 2022):

[https://www.parliament.nz/resource/en-NZ/53SCFE\\_EVI\\_123895\\_FE3454/cb9e87e060dee45fabbfa1bf2a1523f17e5c430e](https://www.parliament.nz/resource/en-NZ/53SCFE_EVI_123895_FE3454/cb9e87e060dee45fabbfa1bf2a1523f17e5c430e)

FEC report to the full House (28 July 2022):

<https://selectcommittees.parliament.nz/v/1/d1c66851-84cf-4bf7-bf7a-176e3ed8e240>

**Comment:**

Finance and Expenditure Select Committee (FEC) hearings included testimony being heard from the Minister of Finance and five senior Treasury officials, with written advice also received from the Office of Auditor General (OAG).

Documentation under review included :

- the Budget Estimates (with FEC attention focusing mostly on Vote Finance);
- the annual Fiscal Strategy Report (FSR);
- and the Budget Economic and Fiscal Update (BEFU) 2022 containing fiscal and economic forecasts on which Budget Estimates are based.

In addition to the sources cited above for the full transcript of FEC hearing and FEC's report to Parliament, other related documentation, including NZ Treasury's written submissions of answers to questions and the advice reported to FEC by Office of Auditor General were also posted to NZ Parliament website.

The recommendations on page 2 of the FEC report to the full House (28 July 2022) follow the same formula used in previous years

" The Finance and Expenditure Committee recommends that the appropriations for the year

ending 30 June 2023 for Vote Finance, as set out in Parliamentary Paper B.5 Vol.5, be accepted.

We also recommend that the House take note of the matters we considered in our examination of the Fiscal Strategy Report 2022 and the Budget Economic and Fiscal Update 2022."

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?**

**GUIDELINES:**

*Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.*

*Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.*

*Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.*

*For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.*

**Answer:**

a. Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

**Source:**

A small sample of Select Committee reports to the full House of Representatives (NZ Parliament) following hearings on specific votes (appropriations) is set out below.

**Vote Conservation**

<https://selectcommittees.parliament.nz/v/1/711f18c3-ee28-4c46-8445-b49e3c4cfb50>

**Vote Corrections**

<https://selectcommittees.parliament.nz/v/1/db254857-b27b-4487-9ce2-81b59e728cf9>

**Vote Courts**

<https://selectcommittees.parliament.nz/v/1/b9867469-19e1-4cb6-aeee-af176cc6053b>

Vote Customs

<https://selectcommittees.parliament.nz/v/1/b7f6dd6a-2ea0-49d5-b6c9-ae5f9462b95c>

**Comment:**

A small sample of final reports for Votes commencing with the letter C where hearings were held in June and July 2022 by a range of Parliament's select committees focusing on specific "votes" (appropriations) for EBP (Estimates for 2022/23 fiscal year). Note that different arrangements apply to the security agencies: Vote Communications Security and Intelligence, and Vote Security Intelligence with select committee scrutiny but very limited public reporting.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?**

**GUIDELINES:**

*Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.*

*To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.*

*Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.*

*Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.*

*If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.*

*For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.*

**Answer:**

b. Yes, a committee examined in-year implementation on one or more occasion (but less than three times), and it published a report with findings and recommendations.

**Source:**

Budget Policy Statement 2022 and Half Year Economic and Fiscal Update December 2021  
Report of the Finance and Expenditure Committee (FEC)

NZ Parliament Website

[https://www.parliament.nz/resource/en-NZ/SCR\\_119928/2c85627976a6e04434e974c4b46faed34f221260](https://www.parliament.nz/resource/en-NZ/SCR_119928/2c85627976a6e04434e974c4b46faed34f221260)

**Comment:**

FEC met on 2 & 24 February 2022 to consider the Half Year Economic and Fiscal Update, along with the Budget Policy Statement 2022, both published on 15 December 2021. The report issued by FEC includes the standard broad recommendation for the full House "take note of its report".

Report of the Finance and Expenditure Committee

Budget Policy Statement 2022 and Half Year Economic and Fiscal Update December 2021.

As is the norm, the Finance and Expenditure Committee (FEC) met to consider (jointly) the Budget Policy Statement 2022 and Half Year Economic and Fiscal Update December 2021, both of which were released in 15 December 2021.

These FEC in-year reviews focus mostly on the Budget Policy Statement (BPS) rather than on implementation of the budget, although there is attention given to information presented in the Half-Year Economic and Fiscal Update. The discussion typically does not focus strongly on implementation of specific budget programs/activities, but usually on broader evidence regarding fiscal aggregates (expenditure, revenue, operating balance and debt).

In addition to the FEC hearings cited above, Parliamentary select committees (including FEC) also conduct vote-specific hearings during the year. However, select committees hearings tend to focus on either annual reports for specific votes or government entities (ministries, departments, Crown entities, etc) or on consideration of legislative bills under consideration by Parliament, rather than on implementation of ongoing budget programs/activities.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?**

**GUIDELINES:**

*Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.*

*In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.*

*The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.*

*In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.*

**Answer:**

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

**Source:**

Public Finance Act

Public Finance Act (PFA) 1989 (with amendments) <http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

A Guide to the Public Finance Act (NZ Treasury publication from 2019)  
<https://www.treasury.govt.nz/publications/guide/guide-public-finance-act>

**Comment:**

Broadly speaking, the NZ system of public financial management relies clear ex ante specification of what is intended, high levels of delegation for operational management but extensive ex post reporting on what was achieved with a particularly strong role for external audit.

Within this particular set of institutional arrangements, the Government is legally authorised by Parliament to make changes to the set of appropriations originally approved by Parliament. However this is subject to certain ex ante measures (i.e. Parliamentary approval of an Imprest Supply funding bill together with the Appropriations Act), as well as extensive ex post reporting requirements on any changes in the use of public funds relative to what Parliament had approved in the original Appropriations Act. (Note that the "administrative unit" in this system is the Minister's Vote not the public agency that administers that appropriation.)

Changes in the use of public funds relative to originally approved appropriations must be approved by Cabinet and then reported and approved by Parliament (ex post) in a Supplementary Estimates bill submitted near the end of the budget year. (Typically this tabled on the same day as the budget proposal for the next financial year). In addition a Financial Review Act can be passed to address specific types of changes in the use of funds that may have occurred over the course of the financial year.

The Audit Report prepared annually by the Auditor General includes detailed reporting on all known cases of unappropriated expenditures. These are identified and discussed/assessed in detail in Section 3 ("The Controller Function") of the annual AR. For example, below is the link to the most recent AR report examining the financial year ending 30 June 2020 (i.e. FY 2019/20).

<https://oag.parliament.nz/2020/central-government/docs/central-government-19-20.pdf>

In sum, the PFA does require that the legislature give prior approval on a "general" level to spending that may include deviations from specific appropriations (i.e. through approval of 2nd Imprest Bill approved at same time as when Appropriations Act is passed); and the Executive (effectively) acts in accordance with the law, including the additional legal requirement that the Supplementary Estimates Bill/Act submitted to and passed by Parliament before the end of the financial year fully account (on ex post basis) for any deviations from previously approved appropriations.

The PFA is quite specific in defining the scope of Executive authorities for the use of public funds, as well as rules governing use of public funds differing in some way from approved appropriations.

More specifically, Section 26A of the PFA establishes scope of executive's authority for transfers between output expense appropriations, with provisions that such transfers (virements) can be made only when:

- 1) the amount transferred does not increase any appropriation for output expenses by more than 5 percent;
- 2) no other transfer under this mechanism to that appropriation has occurred during that financial year; and
- 3) the total amount appropriated for output expenses in that Vote is unaltered.

This particular section (26A) of the PFA applies to a specific scope of resource transfers (either unused or unappropriated expenses).

The PFA also permits changes within the scope of "multi-class output expense appropriations" without seeking Parliamentary approval, so as to allow executive greater flexibility in resource allocation decisions where a range of outputs contribute to a single outcome. Information about the amount appropriated for each of the constituent output expenses within a multi-class output is provided ex ante in the Estimates Bill submitted to Parliament for approval, and in the Supplementary Estimates submitted to Parliament for approval prior to the end of the budget year to adjust appropriations for changes during the budget year. Ex post financial reporting (AFR) will compare expense outturns with the appropriations.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?**

**GUIDELINES:**

*Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the*

executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

**Answer:**

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

**Source:**

Public Finance Act (PFA) - Sections 4A, 21 and 22

<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

**Comment:**

Public Finance Act (PFA) - Sections 4A, 21 and 22

<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

**Comment:**

As a general proposition appropriations to spend public monies are specified independently of the sources of revenues so fluctuation in revenues from taxation, and the other main revenue sources such as dividends and interest have no immediate flow on effect on the level of spending. All rules admit exceptions. Some public departments raise revenue from fees and charges which can be used to finance spending on outputs of a specific scope using revenue-dependent appropriations. Overall however these revenue-dependent appropriations are small in number and as a share of total spending and the amount of this revenue is tiny relative to taxation.

The PFA regulates/governs the use of "excess revenues" accruing to government departments with revenue-dependent appropriations granting authority for use of higher than expected revenues from specific sources (i.e. fees for services provided) for defined purposes within the scope of the appropriation without further (ex ante) Parliamentary approval but requiring appropriate authorisation from Ministry of Finance.

Further, the executive acts in accordance with these laws, as well as with the additional legal requirement that the Supplemental Estimates bill/act submitted to and passed by Parliament before the end of the financial year fully account (on ex post basis) for any deviations from previously approved appropriations, including any deviations related to the use of "excess revenues".

The PFA also requires that the legislature give prior approval for a total level to spending through approval of 2nd Imprest Bill approved at same time as when Appropriations Act is passed.

PFA Section 21 and Section 22 define provisions for use of "excess revenues" by departments and agencies with specific approval from the Minister of Finance but without requirement of prior (ex-ante) approval by Parliament, in specific circumstances involving realisation of higher than planned revenues from either: (i) paid services provided by one department to another; or (ii) the realisation of higher than planned revenues paid to a department by an external party.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

**GUIDELINES:**

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in

response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

**Answer:**

a. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.

**Source:**

Section 21- Expenses restricted by revenue  
Public Finance Act 1989 (with Amendments, reprinted as of Dec.2018)  
<http://www.legislation.govt.nz/act/public/1989/0044/latest/whole.html#DLM161636>

**Comment:**

The general proposition discussed in the previous question (116) is that appropriations to spend public monies are specified independently of the sources of revenue so fluctuations in revenue receipts from taxation, and the other main revenue sources have no immediate flow on effect on the level of spending. However all rules admit exceptions. Some public departments raise revenue from fees and charges which can be used to finance spending on outputs of a specific scope using revenue-dependent appropriations. Overall however these revenue-dependent appropriations are small in number and as a share of total spending and the amount of this revenue is tiny relative to taxation.

An "a" response is considered to be appropriate on the basis of how revenue-dependent appropriations are treated.

Section 21 of the PFA requires that such expenditures be limited to the amount of revenue collected. If the actual revenue collected is below the amount originally forecast at the time of the budget, then it is understood that the amount actual expenditure must be also be reduced so as to not exceed actual amount of revenue.

Section 21- Expenses restricted by revenue  
Public Finance Act 1989 (with Amendments, reprinted as of Dec.2018)  
<http://www.legislation.govt.nz/act/public/1989/0044/latest/whole.html#DLM161636>

2. Beyond the specific context of revenue-dependent appropriations regulated by Section 21, there is no provision in the PFA for major revenue shortfalls that might lead to a broader fiscal contraction or sequestering of spending across some range of appropriations. Instead there is a more general requirement of full (ex post) reporting on the amount of actual expenditures across all outputs/appropriations as part of the Supplementary Estimates and end-of-year Financial Review, including deviations from approved funding.

With accrual accounting in the NZ state sector, the impact would initially be felt in the recorded operating balance (surplus/deficit) and in the Government's balance sheet (financial position/level of debt). Subsequent rounds of budget preparation and formulation of medium-term baseline estimates would factor in the impact of revised fiscal forecasts, with the PFA's legal framework mandating fiscal responsibility and "prudent" levels of debt.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

**GUIDELINES:**

*Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)*

*To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)*

*Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.*

*If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.*

**Answer:**

a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

**Source:**

The most recent AG report to FEC and subsequent hearings by FEC were in relation to the Government's FY2021/22 financial statements for the year ending 30 June 2022.

The time-frame for relevant documentation is as follows:

1. FY2021/22 ended on 30 June 2022
2. The audit as completed on 30 September 2022 within the timeline specified in the Public Finance Act 1989
- 3 Treasury completed its audited YER in October and the financial statements were published on 5 October 2022.
4. AG completed its AR and the full audit report was published on 7 December 2022.
5. AG issued its briefing report for FEC on 4 December 2022
6. FEC conducted its hearings on YER, with advice from AG based on its AR in February & March 2023
7. FEC is expected to issue (and made public) its final report to the House in March 2021.

**Comment:**

The annual report providing results of Office of Auditor General's audits of central government is released annually in December. For FY2021/22 (year ending 30 June 2022) the full audit report was published on 7 December 2022.

Office of Auditor General (OAG) website:

<https://oag.parliament.nz/2022/central-government/docs/central-government-21-22.pdf>

NZ Treasury website:

"Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022"

<https://www.treasury.govt.nz/publications/financial-statements-government/year-end-financial-statements>

Routine annual processes include Finance and Expenditure Committee (FEC) hearings to review the YER (Financial Statements of the Government of New Zealand).

The link provided below to NZ Parliament website is to a chart showing the Parliament's annual "Financial Scrutiny Cycle". Within this cycle, the period of October-March includes examination by FEC of the Government's annual financial and corresponding audit reports from the Auditor General.

[https://www.parliament.nz/media/4800/financialcyclepostera3\\_v81-2018.pdf](https://www.parliament.nz/media/4800/financialcyclepostera3_v81-2018.pdf)

The Office of Auditor General (OAG) is responsible both for auditing the Government's YER (Financial Statements) and for producing a briefing report for FEC prior to the committee's first hearing.

The response and document citations provided above are based on the most recently fully completed annual cycle of Government issuing its YER, following by OAG completing its full AR and producing its briefing report to Parliament's FEC, and finally FEC issuing its final report to the full House



(and publicly). As noted above, the most recent "completed cycle" occurs with FEC scheduled to issue its final report in March 2022.

Parliament website for FEC

[https://www.parliament.nz/resource/en-NZ/53SCFE\\_ADV\\_127330\\_FE11437/30f1a4f50841764bc4336d573c4b754625271f8a](https://www.parliament.nz/resource/en-NZ/53SCFE_ADV_127330_FE11437/30f1a4f50841764bc4336d573c4b754625271f8a)

However, it can be noted that the key steps 3 & 4 outlined above was completed prior to the 31 December 2022 deadline for the 2023 OBS for the more recent annual AR/FEC "oversight cycle" and the hearings process was completed within 3 months with final FEC report publication occurring soon after.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?**

**GUIDELINES:**

*Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.*

*To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.*

*Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.*

**Answer:**

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

**Source:**

Public Audit Act 2001

<http://www.oag.govt.nz/about-us/docs/public-audit-act-2001.pdf>

**Comment:**

Part 2 of the Public Audit Act specifies that the Controller and Auditor-General, the head of the SAI in New Zealand, is formally appointed by the Governor-General on the recommendation of the House of Representatives.

Below is the link to the NZ Parliament website for the report (April 2018) of the Officers of Parliament Committee following its consideration of the proposed appointment for the current Controller and Auditor General to the standard 7-year term, with recommendation that the full House approve the appointment, which it did the following day.

[https://www.parliament.nz/en/pb/sc/business-before-committees/document/00DBSCH\\_OTH\\_68678\\_1/inquiry-into-the-appointment-of-a-controller-and-auditor-general](https://www.parliament.nz/en/pb/sc/business-before-committees/document/00DBSCH_OTH_68678_1/inquiry-into-the-appointment-of-a-controller-and-auditor-general)

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

Opinion: Agree

**120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?**

**GUIDELINES:**

*Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.*

*To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.*

**Answer:**

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

**Source:**

Public Audit Act 2001  
<http://www.legislation.govt.nz/act/public/2001/0010/latest/DLM88541.html>

**Comment:**

Section 3 of the Public Audit Act provides that the Auditor-General or Deputy Auditor-General may only be removed or suspended from office by the Governor-General on the basis of a statement by the House of Representatives indicating disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct. When Parliament is not in session, the Auditor-General or Deputy Auditor-General may be suspended from office by the Governor-General in Council for disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General. However, any such suspension must not continue in force beyond two months after the beginning of the next session of Parliament.

The Auditor-General has a fixed term of seven years and may not be reappointed (Section 3 of Public Audit Act).

Note: An Auditor General was forced/strongly urged by MPs to resign in August 2017 following completion of a report ordered by Parliament into the AG's handling of a fraud case at the Ministry of Transport at a time when the (former) AG had been the Ministry's Chief Executive.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**121. Who determines the budget of the Supreme Audit Institution (SAI)?**

**GUIDELINES:**

*Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.*

*Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined*

directly by the legislature or judiciary (or some independent body). Answer “b” applies if the SAI’s budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer “c” applies if the legislature or judiciary (or some independent body) determines the SAI’s budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer “d” applies if the executive determines the SAI’s budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

**Answer:**

a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

**Source:**

Section 26E of the Public Finance Act provides that Parliament itself determines the budget of Offices of Parliament, including the Office of the Auditor-General.

Public Finance Act 1989 (reprint as at 21 December 2018)  
<http://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html>

Section 42 of the Public Audit Act also gives the Auditor-General (or the Auditor-General’s appointed auditors) power to charge audit fees to public entities, and almost all audit activities (aside from performance audits) are financed by fees charged to the audited entities. The fee is negotiated with each audited entity.

Public Audit Act 2001  
<http://www.oag.govt.nz/about-us/docs/public-audit-act-2001.pdf>

**Comment:**

The Auditor General’s Budget overall was not changed as a result of COVID. As COVID related spending was mainstreamed as part of the Budget process, only relatively small adjustments were required to financial audit processes. This is consistent with past surveys when the Office of Auditor General (OAG) has in the past suggested that its funding level is broadly consistent with the resources its needs to fulfil its mandate.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?**

**GUIDELINES:**

*Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.*

*Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.*

*There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra- budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.*

*To answer “a,” the SAI must have full discretion in law to decide which audits to undertake. Answer “b” applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer “c” applies if the SAI has some discretion, but significant legal limitations exist. Answer “d” applies if the SAI has no power at all to choose which audits to undertake*

*Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI’s legal mandate and jurisdiction.*

**Answer:**

a. The SAI has full discretion to decide which audits it wishes to undertake.

**Source:**

Public Audit Act 2001

Section 9 - Requires that the Auditor-General act independently in the exercise and performance of the Auditor-General's functions, duties, and powers.

Section 16 - Establishes the Auditor-General's broad authority to undertake performance audits of any public entity;

Section 18 - Establishes the Auditor-General's broad authority to conduct, on the Auditor-General's own initiative (or on request) inquiries concerning a public entity's use of its resources.

Public Audit Act 2001

<http://www.oag.govt.nz/about-us/docs/public-audit-act-2001.pdf>

Performance Audits

<https://oag.parliament.nz/about-us/what-we-do/performance-audits>

**Comment:**

Comment:

The Public Audit Act 2001 states that OAG can undertake (and in case of central government departments/ministries and most Crown Entities, is required to undertake) financial audits of any public entity required by either the Public Finance Act or the Crown Entities Act to produce annual audited accounts and reports.

That applies to approximately 4000 public entities inclusive of local authorities and individual schools.

For Performance Audits, the OAG consults with Parliament on the proposed programme of performance audits and this is then published as an Annual Plan.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?**

**GUIDELINES:**

*Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.*

*To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.*

*If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.*

**Answer:**

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

**Source:**

Website of the Office of the Auditor General

<https://oag.parliament.nz/about-us/what-we-do/about-auditing/quality-assurance>

**Comment:**

One feature of the NZ public audit model, not covered by the survey, is the use of contestability. The OAG commissions financial audits from its own audit arm (Audit New Zealand) as well as from a panel of private audit suppliers. This means that there is less imperative for external review given the internal quality control mechanisms in place. The Office of Auditor General (OAG) does not directly undertake financial audits but instead commissions audits with around 50% of audits (in terms of audit hours) undertaken by Audit NZ (an independent operating arm) with the balance by private audit firms. The OAG has developed detailed internal quality processes and augments these with external quality reviews.

The OAG website (updated 31 August 2021) advises that in recent years these were

"a review by the Financial Markets Authority of Audit New Zealand's system of quality control and a sample of issuer audits, carried out in 2017; a review by the Financial Markets Authority of two audits on our behalf by EY and Deloitte in 2017 and 2019; and a review of our practices by the Chartered Accountants of Australia and New Zealand in 2017."

Note that in addition to the above reviews the website reports that the Australian National Audit Office reviewed two performance audits in September 2019.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

a. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.

**Comments:** We agree with the reviewer's comment on the contestability features of the New Zealand system for public sector auditing. Further, we note that there is ongoing quality assurance completed on audit firms that carry out audits on behalf of the Auditor-General. This includes quality assurance reviews by the Office of the Auditor-General, alongside quality assurance reviews by regulators (Financial Markets Authority and Chartered Accountants Australia and New Zealand). Alongside this, there is an annual independent review of the Auditor-General's audit allocation process that is publicly released as part of the Auditor-General's annual report. For example, see link to 2022 review here:

<https://oag.parliament.nz/2022/annual-report-2021-22/appendices/appendix-2>

**Researcher Response**

The reviewers comment highlights an independent review undertaken of "how the allocation and tender audits occurs" and how the OAG fixes and "monitor the reasonableness of audit fees". This is a review of the ex ante allocation and pricing of audits rather than an ex post review the actual audit process. In the past the OAG has commissioned ex post reviews of audits but not in the review period. For reasons of consistency with previous responses, I suggest that b) remains the appropriate response.

**IBP Comment**

IBP notes comments on New Zealand's audit structure. IBP notes that Audit New Zealand is a business unit within the Office of the Auditor General; its review is not considered external. Given the independent reviewer's report shared by the government, a private independent contractor was appointed to support the review of 3,830 public entities. While the independent reviewer noted the independence and latitude in his functions, the independent reviewer (person) performed this function on behalf of ANZ and the OAG. Thus, an independent person is not an independent agency or an external reviewer. As such, the response "C" is chosen to accurately reflect that a unit (ANZ) carries out a conduct.

**124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?**

**GUIDELINES:**

*Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.*

**Answer:**

a. Frequently (i.e., five times or more).

**Source:**

The 2021-2022 OAG Annual Report states (p30)

"Select committees asked us to provide 97 briefings in support of annual reviews and 64 briefings on Votes as part of Budget Estimates of Appropriations. We also provided 20 sector briefs for select committees and issued 169 letters to portfolio Ministers summarising the findings from our audits of public organisations."

<https://oag.parliament.nz/2022/annual-report-2021-22/docs-1/annual-report-21-22.pdf>

**Comment:**

181 briefings is similar to previous reviews which have highlighted the high frequency (around 200) briefings by the Auditor General, the Deputy AGs, and Assistant AGs as well as Sector Managers for Select Committees.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?**

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning .*

*To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:*

*1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.*

*and/or*

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

**Answer:**

c. Yes, the executive uses participation mechanisms during the budget formulation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

**Source:**

NZ Treasury Website  
<https://www.treasury.govt.nz/news-and-events/reviews-consultation>

**Comment:**

The scope of this question - "participation mechanisms of the lead budget agency" - is very narrow and indeed seems to privilege poor budgeting practices. A lead budget agency is required to provide second opinion advice on the merits or otherwise of Budget proposals. This second opinion role would be fundamentally compromised in the lead agency was also leading the consultation. Without that separation, who is to guard the guardians?

The previous review noted that the NZ Treasury routinely holds ongoing consultative processes that can have substantive budget implications when the policy decisions are ultimately made. However the decisions may not be necessarily directly tied to the annual budget preparation cycle. In Budget 2022, however, there were no examples of policy processes led by the Treasury that related to the Budget process or fiscal policy generally.

New Zealand is a Westminster system with an incomplete separation between the legislature and the executives. The select committee hearings on the Budget Policy Statement provide an opportunity for engagement on the parameters for the upcoming budget. But this is led by the legislature not the Treasury as the lead budget agency.

In the New Zealand context, the scope of the question means public participation in Budget outcomes is significantly under-represented. Budget funding decisions are the final stage of a policy development process that nearly always includes public engagement by the lead agency, which quite appropriately rarely the Treasury.

Treasury advises that there are numerous more examples of public consultation processes that informed Budget 2022 initiatives, despite COVID-19 lockdowns restricting face-to-face interactions in 2021. An example was Budget 2022 "provided \$11.1 billion in new funding for major reforms to the health and disability system. The extensive engagement on these reforms included the Health and Disability System Review (Hauora Manaaki Ki Aotearoa Whānui) in 2018-20, which involved widespread consultation with the health and disability sectors and interested parties over an 18-month period. Following the subsequent health reform announcements in April 2021 more than 3,000 people participated in a Health Transition Unit roadshow across 20 locations. As well as explaining the reforms, the sessions were an opportunity to provide feedback to inform the subsequent stage of work/level of detail. Some parts of the reform design were the subject of more focused engagement, including with iwi on the detailed design of Iwi-Māori Partnership Boards in 2021. This informed detailed costing assumptions in the subsequent Budget bid. "

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Agree on the basis that the Health Transition Unit was run out of the Department of Prime Minister and Cabinet, and so qualifies for the limited scope of this question (i.e. the consultation was not conducted by a "line ministry.")

**Government Reviewer**

**Opinion:** Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.*

*Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.*

**Answer:**

a. Yes, the executive takes concrete steps to include individuals and/or CSOs representing vulnerable and underrepresented parts of the population in the formulation of the annual budget.

**Source:**

The answer to question 125 above provides examples of the steps taken to ensure vulnerable and under-represented parts of the population are included in the formulation of policy that informs Budget initiatives.

**Comment:**

This question is framed in terms of the executive rather than the lead budget agency. The previous survey suggested ""here is no evidence that the approaches to consultation (cited in Q.125) actively sought inputs from the vulnerable or marginalised communities." The answer 'b' was provided on the basis that the lead budget agency had no undertaken such consultation. However Q125 discussed how there are a number of examples of engagement on the formulation of policy that informs Budget initiatives.

With regard to health, the public submissions to the Pae Ora (Healthy Futures) Bill illustrate the breadth of feedback voiced during the reform process. Submissions sought mandated health strategies for specific populations (in addition to Māori) including, among others: Pacific peoples (and particular Pacific populations), Asian people (and particular Asian populations), disabled peoples, women, the rainbow community, rural communities, refugee communities, those with rare diseases, and children and infants.

The Treasury advises that in the 2022 Budget, "once a policy process is complete and agencies submit any resulting Budget initiatives, the Treasury assesses each one against various criteria including:

- Outcomes, including Living Standards Framework wellbeing outcomes and Maori wellbeing framework, He Ara Waiora
- Distributional impacts on Maori, Pacific peoples, children, the Environment and (for some initiatives) women and girls
- Alignment with wellbeing objectives and
- Treaty of Waitangi implications.

These assessments inform Ministers' decisions on prioritising initiatives for inclusion in the final Budget package. In this way consideration of the impacts of vulnerable and under-represented parts of the population are an important factor in Budget decisions, even though those groups are not directly consulted on those decisions. "

**Peer Reviewer**

**Opinion:** Agree

**Comments:**

**Government Reviewer**

**Opinion:** Agree

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?



For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.*

**Answer:**

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

**Source:**

Treasury Website  
Budget Policy Statement 2022

<https://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2022>

**Comment:**

Based on the consultations on the Budget Policy Statement (cited in Q. 125), it can be said that the consultations mainly covered three topics - Revenue forecasts, and policies, Deficit and debt levels and macroeconomics . These topics are extensively covered in the BPS that was open to public consultation.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** It appears to me from IBP's approach to this question for New Zealand for OBS 2021, they restricted focus to only the formal consultation mechanisms described in Q124/125. If this is the case, the consultation cited (focused on the health sector) appeared to focus on (3) social spending, (5) public investment and (6) public services, for the same rating as the Researcher recommends, but for different topics.

**Government Reviewer**

**Opinion:** Agree

**IBP Comment**

IBP acknowledges the reviewer's comment. Based on further review, this indicator has been adjusted to "C" for cross-country comparability. IBP notes that the BPS is being cited but not the mechanism deployed to provide opportunities for engagement into the BPS.

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.*

*To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:*

*1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

*and/or*

*2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

*In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.*

*Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.*

*The researcher must present evidence to support selection of a "c" response.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

c. Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

**Source:**

Kiwis Count survey

The publicly released annual report for the 2022 year was published on 31 January 2023:

<https://www.publicservice.govt.nz/research-and-data/kiwis-count/>

The survey is conducted quarterly the September quarter 2022 was released on 27 October 2022

<https://www.publicservice.govt.nz/news/kiwis-count-2022/>

**Comment:**

There are a number of unstructured and informal mechanisms by which citizens can engage on the implementation of the budget as well as more formal processes such as consultation on fiscal and budgetary legislation and the multiple mechanisms provided by the Parliamentary Select Committees system.

One regular and formal mechanism is the Kiwis Count survey.

The Public Services Commission website states:

"Kiwis Count has been an ongoing survey since 2007 where New Zealanders are asked for their views and experiences on the public services they have received, and their trust in the public and private sectors. The feedback helps government agencies see where services are working well and where to focus efforts to improve."

Note, while the Kiwis Count survey mechanism is based on a selected sample of the public, rather than allowing open/free access to the entire public, the representative sample of the adult New Zealand population is selected randomly from the electoral roll.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?**

**GUIDELINES:**

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.*

*Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

b. The requirements for an "a" response are not met.

**Source:**

Public Service Commission website

<https://www.publicservice.govt.nz/research-and-data/kiwis-count/>

**Comment:**

Although the Kiwis Count Survey does ask participants to provide information related to income, age, ethnicity and disabilities (with results then able to be disaggregated across relevant "vulnerable and under-represented parts of the population"), the selection process for participants (from voter registration rolls) does not itself specifically target "vulnerable and under-represented parts of the population as it aims to be a representative survey.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

**Source:**

Topics covered by the Kiwis Count Survey cited in response to Q.128 include:

2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending

Public Service Commission website

<https://www.publicservice.govt.nz/research-and-data/kiwis-count/>

**Comment:**

Public Service Commission website advises "The core trust questions asked have remained the same since 2012, although the frequency of publication of results has changed over time."

<https://www.publicservice.govt.nz/research-and-data/kiwis-count-survey-methodology-and-archive/>

As a result the Kiwis Count questionnaire (2022) has the same structure as previous surveys and supports the response that 3 of the 6 broad categories are included in the Kiwis Count annual survey to measure satisfaction with public services:

"2. delivery of public services", includes questions under the following headings:

Education and Training Public Services  
Transport Sector Public Services  
Public Health Services  
Citizenship, Passports and Border Public Services  
Justice and Emergency Public Services  
Environment, Culture and Recreation Public Services

"3. Collection of revenue", including specific (selected revenue-related) questions ( e.g. renewal of license and car registration, payment of fines and filing of taxes) under the following headings:

Transport Sector Public Services  
Justice and Emergency Public Services  
Taxation and Information Public Services

"4. implementation of social spending", including questions under the following heading:

Social Assistance and Housing Public Services

In addition to the initial questions asking the respondent to rate their experience(s) for specific types of services (pp.1-3), there are also generic follow-up questions allowing for more detailed assessment of the respondent's experience and quality of services for whatever types of services the respondent initially identifies (pp.4-9).

Altogether, the scope and content of the questions contained in the survey questionnaire are considered (by the research) to be sufficient to support the "b" response on the basis of the survey questionnaire including 3 of 6 categories.

In addition to the Kiwis Count survey, the Select Committee hearings on the Half Year Fiscal and Economic Update (In-Year Reports) provide the public with an opportunity to engage and macroeconomic and fiscal developments including changes in macroeconomic circumstances, changes in deficit and debt levels and revenue collection.

Treasury also conducts a range of informal consultations. As there is no reference documentation for such informal consultations, these cannot effectively be cited here. However, it is worth noting that such consultations would range across all the categories of topics, such as macroeconomic performance, issues pertaining to deficits and debt levels and public investment management.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?**

**Comprehensive information must include at least three of the following elements:**

- 1. Purpose**
- 2. Scope**
- 3. Constraints**
- 4. Intended outcomes**
- 5. Process and timeline**

*GUIDELINES:*

*This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.*

*Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.*

*Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.*

*Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.*

*Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not*

cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

*Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.*

*Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.*

*Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.*

*Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.*

**Answer:**

b. Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).

**Source:**

Website of the Public Service Commission

<https://www.publicservice.govt.nz/assets/Legacy/resources/Kiwis-Count-What-you-need-to-know-v2.pdf>

**Comment:**

Answer "b" was selected for the current review of the 2022 Budget and this represents a different assessment for this indicator compared to the 2019 OBS when an "a" was selected. As noted in response to Question 125, there were no examples of policy processes led by the Treasury that related to the Budget process or fiscal policy generally. This includes Budget formulation so answer "a" is inappropriate.

Answer "b" was selected as only one of the phases was covered but the information was comprehensive in the sense that at least three of the elements listed above were provided.

For the mechanisms cited in Q.128: Budget/policy implementation

Kiwis Count survey then 3 of the 5 criteria are met:

1. Purpose 2. Scope 4. Intended outcomes.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?**

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.*

*By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.*

*Answer "a" applies when the executive provides a written document with:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public and
- A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.

Answer "c" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

**Answer:**

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

**Source:**

The response to Q125 highlighted that while the executive uses participation mechanisms through which the public can provide input during the formulation of the annual budget, none of these were led by the Treasury. Taking a narrow view of this question 'e' is the appropriate response.

**Comment:**

Answer revised from 2020 OBS in the light of the different answer to q125 in the 2022 OBS.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

**Comments:** IBP should please clarify. Q125 allows consideration of "participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive)". Under that definition, it is appropriate to consider the Health Transition Unit (under the Department of Prime Minister and Cabinet) consultations for Q125. While the instructions for this question note by parenthetical that "the executive" is "Ministry of Finance, Treasury," IBP may also have intended this question to consider other "central coordinating agencies" as per Q125. If that somewhat broader definition of "the executive" were taken for this question, a "c" may be more appropriate based on various Health Transition Unit "stakeholder updates" (including linking to written submissions on the bill). <https://www.futureofhealth.govt.nz/publications/stakeholder-updates/>

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

The response to Q125 highlighted that while the central coordinating agency in the executive uses participation mechanisms through which the public can provide input during the formulation of the annual budget, none of these were led by the Treasury. Taking a wider view of this question 'c' is the appropriate response.

**IBP Comment**

Based on further evidence submitted by the government, IBP notes that this qualifies for a "C" choice, hence revised from "E".

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

**GUIDELINES:**

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- The inputs (e.g., a written transcript) received from the public and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)

Answer "b" applies when the executive provides a written document that includes:

- The inputs received (e.g., a written transcript) from the public and
- A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.

Answer "c" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

**Answer:**

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

**Source:**

Public Service Commission website  
<https://www.publicservice.govt.nz/research-and-data/kiwis-count/>

**Comment:**

Reporting for the public engagement mechanism cited in response to Q.128 (Kiwis Count) provides provides detailed information about the inputs received (comprehensive analysis and presentation of survey results), but no specific information regarding how the results were used to effect changes in service delivery (budget implementation).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?**

**GUIDELINES:**

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation



*mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.*

**Answer:**

b. The requirements for an "a" response are not met.

**Source:**

There is no specified timetable for public participation or consultation in any "timetable" for the annual budget process ("budget calendar").

A generic publicly available document providing broad outline of phases of the executive budget process can be found at:

<https://treasury.govt.nz/publications/guide/guide-budget-process>.

Material on the legislative phase of the budget can be found on <https://www.parliament.nz/en/pb/research-papers/document/00PLEcoRP07031/budget-2007-a-guide-part-1-overview-of-the-financial>

**Comment:**

The (relatively general) budget preparation calendar/timetable information that is publicly available for the executive budget formulation does not include any reference to a period designated for public participation/engagement. Material on the Parliament's website highlights the potential for participation through the select committee process.

The more detailed internal Government document produced by Treasury for dissemination to government/budget agencies is not available on the Treasury website. Traditionally this circular has been public agency focused without discussion of public engagement.

'Treasury Circular 2021/13: Budget 2022: Process Guidance and Timetable' has Restricted distribution and is not publicly available on the Treasury website.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?**

**GUIDELINES**

*While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.*

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This*

answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

**Answer:**

a. Yes, at least one line ministry uses open participation mechanisms through which members of the public and government officials exchange views on the budget.

**Source:**

An specific example illustrating a two-way public consultative processes during Budget 2022 are set out below.

In addition selected items below each demonstrate public participation through a combination of public submissions on specific policies or services, as well as in-person gatherings (open to all interested parties) convened for the exchange of views between government officials and members of the public.

In Budget 2022, climate change provides a specific example. The Budget included an investment of \$2.9 billion from the Climate Emergency Response Fund (CERF) to lay the foundations for future reductions in emissions and meet New Zealand's first Emissions Reduction Plan. This plan was released on 16 May 2022.

The Ministry for the Environment received 10,050 submissions on the draft Plan. Most (9,470) were from individuals, including 157 drawings by children, while nearly 600 submissions were from organisations, including community groups, iwi, companies and sector organisations, local government, and non-governmental organisations.

Nearly 2,000 people participated in 19 webinars and workshops held as part of the Ministry's extensive consultation process, including seven sessions specifically with iwi/Māori. The consultation website attracted more than 21,000 visits.

<https://consult.environment.govt.nz/climate/emissions-reduction-plan/>

**Comment:**

Public engagement on the policies that later form the substance of budget initiatives may take place during the earlier policy development stage (before the budget decision-making process begins), depending on the particular policy in question.

There are many examples across many central government line ministries (line ministries) engaged in public consultations of various types. The style of engagement can include Options a, b and c above as practices will vary depending upon the issue and the context. So the options are not mutually exclusive so Options a, b and c are all simultaneously true at any point of time across a range of cases. Some consultations on the website listed below are targeted and some are open to anyone who wishes to contribute.

It is quite standard for ministries to have an ongoing listing of consultation processes on their respective ministry websites through which any member of the public can make submissions. Examples for specific ministries include:

Health

<https://consult.health.govt.nz/>

Education

<https://www.education.govt.nz/our-work/consultations/recent-consultations/>

Ministry for Primary Industries  
<https://www.mpi.govt.nz/news-and-resources/consultations/?opened=1>

Justice  
[https://consultations.justice.govt.nz/consultation\\_finder/?sort\\_on=iconsultable\\_enddate&sort\\_order=descending&advanced=1&tx=&st=&au=&in=&de=](https://consultations.justice.govt.nz/consultation_finder/?sort_on=iconsultable_enddate&sort_order=descending&advanced=1&tx=&st=&au=&in=&de=)

Revenue  
<https://taxpolicy.ird.govt.nz/work-programme>

Transport  
<https://www.nzta.govt.nz/about-us/consultations/>

It is also worth noting that some specific ministries have produced specific guidelines for both determining when a public consultation is required, as well as for how a given public consultation is to be conducted. Detailed MoH guidelines for consultative processes can be found on:  
[http://www.moh.govt.nz/notebook/nbbooks.nsf/0/7DA9155B78CF5A05CC257A990002EE58/\\$file/consultation-guidelines-links.pdf](http://www.moh.govt.nz/notebook/nbbooks.nsf/0/7DA9155B78CF5A05CC257A990002EE58/$file/consultation-guidelines-links.pdf)

Finally, in response to an OGP commitment to strengthen public engagement in policy development, the Department of the Prime Minister & Cabinet (DPMC) has produced broad guidelines for reference by all government entities conducting public consultations (as part of "Policy Methods Toolbox"):

<https://dpmc.govt.nz/our-programmes/policy-project/policy-methods-toolbox/public-participation>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?**

**GUIDELINES:**

*This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.*

*Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.*

*Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.*

*If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).*

*To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).*

*Answer "b" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those*

alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)
- The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

**Answer:**

a. Yes, public hearings on the budget are held, and members of the public/CSOs testify.

**Source:**

FEC Final Report to Full House on 2023 BPS:

<https://selectcommittees.parliament.nz/v/1/55c249b7-da2f-4d45-b3d5-8076b2a7419d>

**Comment:**

Parliamentary hearings are held during both pre-budget policy formulation and budget approval phases. However, evidence of actual public input to these hearings (including reference to oral testimony) is available for only the pre-budget policy formulation phase (for the Budget Policy Statement).

The Government's annual Budget Policy Statement (BPS) is routinely issued in December, but with Parliamentary hearings typically occurring in the period January-March of the following calendar year. Taking into consideration the 31 December cut-off date for documentation supporting the OBS, evidence of public input to the BSP hearings was examined for the 2023 BPS, issued in December 2022 and with Parliamentary Finance and Expenditure Committee convening for hearings on 17 February and 2 March 2023.

Typically, inputs from the public come in the form of written submissions, but also sometimes as oral testimony. The FEC Final Report to Parliament summarises the content of the hearing(s) and refers to submissions received, including testimony from the public.

The appendix to the FEC's Final Report cites receipt of 27 written public submissions and oral evidence from 14 submitters.

The text of written submissions can be found on NZ Parliament website.

Select committees also conduct hearings throughout the year to consider specific legislative proposals. Public submissions are a common feature of such hearings, including oral testimony. Some of these hearings pertain to legislative proposals that can ultimately lead to policy decisions being incorporated into the annual budget (with fiscal implications).

Continuation of an "a" response is justified given in the current round 14 people gave oral testimony provided during Parliamentary hearings held for the pre-budget policy formulation phase (focusing on the annual BPS).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.*

*Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.*

**Answer:**

a. The legislature seeks input on all six topics.

**Source:**

Topics raised in the public submissions are wide ranging and cut across all 6 of the categories listed above. This is based on a review of a sample of the public submissions cited by the FEC Final Report to Parliament on hearings pertaining to the 2022 BPS.

<https://selectcommittees.parliament.nz/v/1/55c249b7-da2f-4d45-b3d5-8076b2a7419d>

**Comment:**

A previous peer reviewer noted that the legislature 'seeks' input in the sense that "there is no restriction on input sought, and input is received across all six areas, then an "a" warranted."

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?**

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.*

*Answer "a" applies when the legislature provides a written document with:*

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

*Answer "b" applies when the legislature provides a written document that includes:*

- The inputs received from the public (e.g., a written transcript) and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

**Answer:**

c. Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

**Source:**

The NZ Parliament website provides copies of the written submissions received, and transcripts of hearings of Select Committees. The transcript of the hearings of the Finance and Expenditure Committee (FEC) on 22 February 2023 focusing on the 2023 Budget Policy Statement (BPS) can be found at [https://www.parliament.nz/resource/en-NZ/53SCFE\\_EVI\\_130332\\_FE12336/acf87a59bfde8092578f29157c79533c7e9d7637](https://www.parliament.nz/resource/en-NZ/53SCFE_EVI_130332_FE12336/acf87a59bfde8092578f29157c79533c7e9d7637)

**Comment:**

The FEC Final Report to Parliament issued after the completion of its hearings also does not include any direct references to any of the specific public submissions received, but rather only to the fact that both written submissions and oral testimony factored into the FEC hearings process.

<https://selectcommittees.parliament.nz/v/1/55c249b7-da2f-4d45-b3d5-8076b2a7419d>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?**

**GUIDELINES:**

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public; BUT
- There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

**Answer:**

c. Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

**Source:**

The Parliamentary Finance and Expenditure Committee (FEC) conducted hearings for both the Auditor General's report on the Government's year-end financial statements (for FY2020/21) and the Auditor General's annual report on audits of central government agencies (for FY2020/21). There is no evidence to indicate any form of public input for either of the FEC hearings.

**Parliament website**

<https://selectcommittees.parliament.nz/v/1/1c5ca90b-eb50-4575-bc3f-e0077cf34eb6>

<https://selectcommittees.parliament.nz/v/9/c9ee2ce2-8763-487a-bd77-3cf1faf34369>

**Comment:**

Previous reviews noted that in practice that public hearings on the Audit Report are held, no testimony from the public is provided, and there are no other mechanisms through which public contributions are received. Legislature does not appear to have invited specific groups to testify or provide input. There is a question of whether participation is in fact open to everyone – submissions and oral testimony, while not actively solicited, could presumably be received. Hearings are open to the media.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

**GUIDELINES:**

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on

issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

**Answer:**

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

**Source:**

In 2022 the OAG consulted the public in a different way on the development of the annual Audit plan. They conducted a representative survey (of just over 1000 New Zealanders) which asked about the "performance areas" the Auditor-General should prioritise.

<https://oag.parliament.nz/2022/annual-plan-2022-23/media-kit/performance-audit-focus>

In addition, the OAG makes public on the OAG website its proposed work plan identifying specific audits that it intends to conduct (both financial and performance audits on annual and medium-term basis). The public can comment on the proposed work plan, covering both the entities to be audited and specific issues or activities of concern.

OAG Annual Plan 2022/23 published June 22

<https://oag.parliament.nz/2022/annual-plan-2022-23>

This is reviewed by the FEC - a select committee.

<https://selectcommittees.parliament.nz/v/9/f1a9e1a1-2b65-46ea-b956-6fddbb114aab>

The OAG also undertakes inquiries and the public can comment on issues of concern

How to ask for an inquiry:

<https://www.oag.govt.nz/about-us/our-work/inquiries/how-to-ask>

**Comment:**

The SAI maintains formal mechanisms through which the public can assist in formulating its audit programme.

The combination of the OAG's routine process of making public its proposed/approved audit program, together with the clear channels for public inquiries and recommendations provided on the OAG website, constitute sufficiently "formal" mechanisms creating the opportunity for public participation in the formulation of OAG's audit program.

OAG website pages also show specific channels and procedures through which a member of the public can provide direct input or requests to the OAG concerning the scope of its audit activities (audit program).

How to ask for an inquiry:

<https://www.oag.govt.nz/about-us/our-work/inquiries/how-to-ask>

Our inquiry process:

<https://www.oag.govt.nz/about-us/our-work/inquiries/process>

Exploring other avenues:

<https://www.oag.govt.nz/about-us/our-work/inquiries/other-avenues>

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

*GUIDELINES:*



*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.*

*Answer "a" applies when the Supreme Audit Institution provides a written document with:*

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

*Answer "b" applies when the SAI provides a written document that includes:*

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

*Answer "c" applies when the SAI provides a written document that includes:*

- *The received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

*Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.*

**Answer:**

c. Yes, the SAI provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

**Source:**

No, the SAI does not issue reports on the inputs it received from the public through public consultation.

There is no publicly available written report issued by OAG providing information to citizens on what public inputs were received and which ones were/are used to determine the Supreme Audit Institution's audit program.

**Comment:**

Previous reviews have commented, based on consultations with OAG, that some feedback may be provided to individuals who have provided inputs in the form of correspondence from the Office of Auditor-General, but that feedback is not put into a report for public release.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, the SAI provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to determine its audit program.

**Comments:** The Auditor-General produces an Annual Plan (required under section 36 of the Public Audit Act 2001), which describes the proposed work programme for the year. This is presented in draft to the legislature for feedback - this generally comes through Select Committees. In addition, the Auditor-General also seeks feedback from other stakeholders, including the general public. The final Annual Plan includes a summary of feedback received and how the Auditor-General has responded to this in his work programme. For the 2022 annual plan and the summary of feedback, see Appendix 1 <https://oag.parliament.nz/2022/annual-plan-2022-23/appendix1.htm>

**IBP Comment**

IBP appreciates the government's response and the evidence submitted. Further evidence submitted by the reviewer compels a "C" acknowledging the efforts by the SAI but not a "B", given that there is no written record of the inputs. <https://oag.parliament.nz/2022/annual-plan-2022-23/appendix1.htm>

**142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?**

**GUIDELINES:**

*This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.*

**Answer:**

a. Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

**Source:**

The OAG website also provides mechanisms such as website links, contact number, address, etc. through which any member of the public can, of their own initiative, submit comments or information (input) for any given audit.

How to ask for an inquiry:

<https://www.oag.govt.nz/about-us/our-work/inquiries/how-to-ask>

In addition the website offers guidance to the public on what other channels are available for the public to raise/express specific concerns.

Exploring other avenues

<https://www.oag.govt.nz/about-us/our-work/inquiries/other-avenues>

**Comment:**

While there are no specific legal requirements for the Office of Auditor-General to engage the public at large as participants (i.e. respondents or witnesses) in their audit processes, the OAG does maintain a website through which members of the public can submit views or information they believe to be pertinent to specific audits. The public can also mail information or comments of relevance. While these mechanisms are accessible, they are not widely used by the public.

In addition, routine processes for conducting performance audits often include consultations with members of the public who have some direct involvement with a given public service/program as beneficiaries, clients or in some other way. OAG documents often include a section entitled: "How we did the audit". In some cases in past reviews, this included engaging with service users and in others this did not.

While the scope of this consultation process may be limited to what OAG holds to be relevant stakeholders (e.g. government agencies responsible for a given program, experts in a given field, service providers, NGOs and members of the public utilising a given service), previous reviews have concluded that the consultation processes targeting members of the public are deemed sufficiently routine to meet the OBS criteria for the answer choice.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree