This questionnaire was completed by:

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A Note to the Reader

Some general background information may be useful to the reader to better understand New Zealand’s unique public financial management system, discussed in more detail in the questionnaire.

- The country’s political system is considered a Westminster parliamentary system, with a single legislative chamber (that is, it has no upper house of parliament).
- It is a unitary state.
- The fiscal year in New Zealand begins on July 1.
- The central government has adopted the accrual basis of accounting, which is used both for budgeting, and for reporting. For example, the budget appropriated by parliament is on an accrual basis, including depreciation and other non-cash items.

The following individuals kindly granted interviews to assist in completing the questionnaire:

- Andrew McConnell, Sector Manager, Office of the Auditor-General, 30 September, 2005.
- Fay Paterson, Senior Parliamentary Officer, Select Committees, Office of the Clerk of the House, 27 September, 2005.
- Vicki Plater, Senior Analyst, Budget and Macroeconomic Branch, The Treasury, 28 September, 2005.

I wish to thank David Macdonald, Board Member of Transparency International New Zealand, and former Auditor-General of New Zealand, for reviewing the questionnaire for accuracy. A subsequent draft was also reviewed for factual accuracy and completeness by Fay Paterson, Senior Parliamentary Officer, Select Committees, Office of the Clerk of the House, and Vicki Plater, Senior Analyst, Budget and Macroeconomic Branch, The Treasury. My thanks to both for their efforts.
International Budget Project
OPEN BUDGET QUESTIONNAIRE
NEW ZEALAND

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Section One: The Availability of Budget Documents
Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, “Not Available.”

<table>
<thead>
<tr>
<th>Budget Documents Used in Completing the Questionnaire</th>
<th>Budget Year Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>2005 i.e. for the financial year running from 1 July 2005 to 30 June 2006</td>
</tr>
<tr>
<td>Budget Summary</td>
<td>2005</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>2005</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td>2005</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>2005</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>2005</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>2004</td>
</tr>
<tr>
<td>Mid-Year Report</td>
<td>2004</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>2004</td>
</tr>
<tr>
<td>Audit Report</td>
<td>2004</td>
</tr>
<tr>
<td>Budget Document</td>
<td>Website</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Pre-Budget Statement</td>
<td><a href="http://www.treasury.govt.nz/budgetpolicy/">www.treasury.govt.nz/budgetpolicy/</a></td>
</tr>
<tr>
<td>Budget Summary</td>
<td><a href="http://www.treasury.govt.nz/budget2005/#documents">www.treasury.govt.nz/budget2005/#documents</a></td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td><a href="http://www.treasury.govt.nz/budget2005/#documents">www.treasury.govt.nz/budget2005/#documents</a></td>
</tr>
<tr>
<td>Enacted Budget</td>
<td><a href="http://www.treasury.govt.nz/budget2005/estimates/">www.treasury.govt.nz/budget2005/estimates/</a></td>
</tr>
<tr>
<td>In-Year Reports</td>
<td><a href="http://www.treasury.govt.nz/financialstatements/">www.treasury.govt.nz/financialstatements/</a></td>
</tr>
<tr>
<td>Mid-Year Review</td>
<td><a href="http://www.treasury.govt.nz/forecasts/archive.asp">www.treasury.govt.nz/forecasts/archive.asp</a></td>
</tr>
<tr>
<td>Year-End Report</td>
<td><a href="http://www.treasury.govt.nz/financialstatements/year/juno5/">www.treasury.govt.nz/financialstatements/year/juno5/</a></td>
</tr>
</tbody>
</table>

Other Documents

- Minister of Finance’s web site: www.beehive.govt.nz/Minister.aspx?MinisterID=30
- NZ Government web site: www.beehive.govt.nz

Relevant Ministries & Departments
Departmental Statements of Intent are presented at the same time as the Budget, and are integrally linked to the budget. www.treasury.govt.nz/budget2005/SOI
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

<table>
<thead>
<tr>
<th>DISTRIBUTION OF BUDGET DOCUMENTS</th>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.

<table>
<thead>
<tr>
<th>Pre-budget</th>
<th>Executive’s Budget</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release is sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital and/or big cities†</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.
Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

1. Budget Policy Statement
2. Budget Speech, Fiscal Strategy Report, Budget Economic and Fiscal Update
3. The Estimates
Table 4. Distribution of the Enacted Budget and Other Reports

<table>
<thead>
<tr>
<th>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?

For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.

<table>
<thead>
<tr>
<th>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>No*</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2. Advance notification of release sent to users, media</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
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<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital/big cities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>No</td>
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<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

*Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.
*Peer Reviewer One Comment: Table Four* Enacted Budget: Column 1. The answer legally is NO, but practically YES as the budget date is known two months in advance, and it is known that the budget itself will be released on that day. Treasurer does not give a formal news conference, but is available to all the media.

**Researcher Response:** The question asks about the enacted (underline) budget, not the budget as presented to parliament. In NZ, the budget presented by government is rarely amended, and certainly not in any significant way. Therefore all the focus is on the budget when it is first presented to parliament, rather than when it is actually enacted into law. The date of presentation is known more than a month in advance, but the date of enactment is not. There is extensive media exposure at the time of presentation, but no news conference at the time of enactment.
Section Two: The Executive’s Budget Proposal

Notes on abbreviations:
BY = budget year (year for which the budget proposals are being made)
BY+1 = one year beyond the budget year
BY-1 = one year before the budget year
Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked “not applicable/other,” please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

The Executive’s Budget Proposal

<table>
<thead>
<tr>
<th>Estimates for the Budget Year and Beyond</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</td>
<td>a</td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit.</td>
<td></td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit, but some small units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: The Estimates of Appropriations (hereafter The Estimates) present expenses by administrative unit ([www.treasury.govt.nz/budget2005/#documents](http://www.treasury.govt.nz/budget2005/#documents)). Expenses are on an accrual basis in accordance with GAAP, reflecting the fact that in NZ parliament appropriates funds on an accrual basis. The cash accounting term “expenditure” is not therefore used.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

   a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.
   b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by function.
   d. No expenditures classified by function are presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Forecast Financial Statements in the Budget Economic and Fiscal Update present expenses by functional classification (p. 125). The classification is broadly compatible with the Classification of the Functions of Government (COFOG), the internationally-recognized functional classification (see the IMF’s Government Finance Statistics Manual 2001, p. 76). There are, however, some inconsistencies. For instance, the category “GSF pension expenses” is not a category in COFOG, and should in principle be apportioned across COFOG functions; and the NZ system has no category for environmental protection.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

   a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
   b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by economic classification.
   d. No expenditures classified by economic classification are presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Forecast Financial Statements in the Budget Economic and Fiscal Update present expenses by input type (p. 124 and Notes 5-7 on pp.140-141). With one minor exception, the classification is consistent with the IMF’s economic classification of expenses, the internationally-recognized economic classification (see the IMF’s Government Finance Statistics Manual 2001, p.63). The exception is the category “subsidies and transfer payments” which combines elements from two different categories in the economic classification. However, subsidies make up less than one percent of that category, and the Notes to the Statement show subsidies separately from transfer payments.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?

   a. Program-level data are presented for all expenditures.
   b. Program-level data are presented for at least two-thirds of, but not all, expenditures.
   c. Program-level data are presented, but for less than two-thirds of expenditures.
   d. No program-level data are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Estimates present all expenses for each appropriation type, including output expenses - which are expenses incurred by departments in providing a group of similar goods and services (or outputs). 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?

   a. Yes, multi-year estimates of aggregate expenditure are presented.
   b. No, multi-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: The Fiscal Outlook Chapter of the 2005 Budget Economic and Fiscal Update presents aggregate expenses for three years beyond the budget year. The 2005 Fiscal Strategy Report discusses the long term fiscal outlook, and Annex 3 presents projections of total expenses and core government expenses as a percentage of GDP to the year 2018/19.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?

   a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Estimates present details of expenses by administrative unit for the budget year plus the three following years, broken down by type of appropriation (e.g. total output expenses, total social welfare benefit expenses, and total capital expenditure). The detailed breakdown of each appropriation type is provided only for the budget year. The Forecast Financial Statements present details of expenses by functional classification and input type for the budget year plus the three following years.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?

   a. All sources of tax revenue are identified individually.
   b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.
   c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.
   d. No sources of tax revenue are identified individually.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Forecast Financial Statements (Note 1) present a detailed breakdown of forecast total tax revenues (accrued tax owed to the government) and total tax receipts (cash collected by government) by different tax type (pp.138-139).

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?

   a. All sources of non-tax revenue are identified individually.
   b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.
   c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.
   d. No sources of non-tax revenues are identified individually.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Forecast Financial Statements present a breakdown of non-tax revenue by main source type (p. 124 and Notes 2-4 on p.140).

   | Peer Reviewer ONE Comment: |
   | Peer Reviewer TWO Comment: |

9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?

   a. Yes, multi-year estimates of aggregate revenue are presented.
   b. No, multi-year estimates of aggregate revenue are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: The Fiscal Outlook Chapter of the 2005 Budget Economic and Fiscal Update presents aggregate revenues for three years beyond the budget year.

   | Peer Reviewer ONE Comment: |
   | Peer Reviewer TWO Comment: |
10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?

   a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
   b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
   c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.
   d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Forecast Financial Statements present multi-year forecasts for tax revenues, tax receipts, and non-tax revenues (pp. 138-140).

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

   a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
   b. Yes, the data reflect the outstanding debt at the end of the budget year.
   c. Yes, the data reflect the outstanding debt at the start of the budget year.
   d. No, data on the outstanding debt are not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The 2005 Budget Economic and Fiscal Update (p. 80) presents forecasts of government debt (nominal gross and net) as at 30 June 2005, and as at the end of the budget year (30 June 2006) – and for each of the following three years.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
### Question 12
Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?

- a. Yes, interest payments on the debt are presented.
- b. No, interest payments on the debt are not presented.
- c. Not applicable/other (please comment).

**Citation and/or comment:** The Forecast Financial Statements (p. 125) present finance costs for the budget year (and the following three years). The Estimates (p. 613) show debt servicing costs in Vote Finance for 2004/05 (estimated actual) and forecast for 2005/06.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### Question 13
Does the executive’s budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

- a. Yes, extensive information related to the composition of government debt is presented.
- b. Yes, key additional information is presented, but some details are excluded.
- c. Yes, some additional information is presented, but it lacks important details.
- d. No, additional information related to the composition of government debt is not presented.
- e. Not applicable/other (please comment).

**Citation and/or comment:** The Forecast Financial Statements (p. 130) present some details of government debt (currency denomination, government-guaranteed and non-guaranteed) and details of projected cash flows from the government’s domestic bond operations (p. 147), but not information on the maturity profile or interest rates. The Crown Financial Statements (end of year report) contains details of the maturity profile.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

   a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
   b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
   c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
   d. No, information related to the macroeconomic forecast is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: See pp. 39-42 of the Budget Economic and Fiscal Update.

 Peer Reviewer ONE Comment:

 Peer Reviewer TWO Comment:

15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?

   a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: See Chapter 3, Risks and Scenarios, of the Budget Economic and Fiscal Update.

 Peer Reviewer ONE Comment:

 Peer Reviewer TWO Comment:
16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?

a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on the impact of policy proposals on expenditures is not presented.
e. Not applicable/other (please comment).

Citation and/or comment: See pp. 70-71 of the Budget Economic and Fiscal Update. The Estimates present a breakdown, for each administrative unit, of new budget policy initiatives by appropriation.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?

a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on the impact of policy proposals on revenues is not presented.
e. Not applicable/other (please comment).

Citation and/or comment: See pp. 67-68 of the Budget Economic and Fiscal Update.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>Estimates for Years Prior to the Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit for BY-1.</td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented for BY-1.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: See The Estimates.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

| 19. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification? |
| a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. |
| b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. |
| c. Some, but not all, expenditures are classified by function for BY-1. |
| d. No expenditures classified by function are presented for BY-1. |
| e. Not applicable/other (please comment). |

Citation and/or comment: See the Forecast Financial Statements p. 125.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
### 20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?

- a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
- b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by economic classification for BY-1.
- d. No expenditures classified by economic classification are presented for BY-1.
- e. Not applicable/other (please comment).

**Citation and/or comment:** See the Forecast Financial Statements p. 132, and Notes 5-7 on p. 141. In the Notes, the economic classification is fully consistent with international standards (see Q. 3).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 21. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

- a. Program-level expenditure data are presented for all expenditures for BY-1.
- b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.
- c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.
- d. No program-level expenditure data are presented for BY-1.
- e. Not applicable/other (please comment).

**Citation and/or comment:** The Estimates present details of appropriations for each administrative unit by type of appropriation (e.g. by output expense). See also answer to question 4 for description of outputs and comparison to programs.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
22. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?

   a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.
   b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.
   c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
   d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Statement of Accounting Policies and Forecast Assumptions in the Forecast Financial Statements (p. 120) states that the forecasts for 30 June 2005 (the year prior to the budget year) have generally been prepared using actual data to 28 February 2005 (or 31 March 2005 in some instances), i.e. at least 8 months of actual expenditure.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year estimates of aggregate expenditure are presented.
   b. No, such prior-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

Citation and/or comment: The Estimates contains a summary of Trends showing aggregate government expenses by appropriation type for each year since 2000/01 (pxxxii).
24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Estimates provide with respect to each administrative unit expenses for each year since 2000/01 by appropriation type (e.g. total expenses for supplying goods and services, for social welfare benefits, for capital expenditure), but the breakdown of total output expenses into different categories of outputs (which would be analogous to program level information) is provided only for year BY-1. Additional historical information on expenses by functional category and by broad expenditure grouping (e.g. primary, secondary, tertiary education) are presented on the Treasury’s web site forming part of the Budget Economic and Fiscal Update.

   Peer Reviewer ONE Comment: I am happy for the classification to remain as “b”, but one can go back through the Archives listed clearly on the web-site for prior years. The problem of going back to prior budgets is that one does not pick up classification changes (Q. 26).

   Peer Reviewer TWO Comment:

25. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

   a. Two years prior to the budget year (BY-2).
   b. Three years prior to the budget year (BY-3).
   c. Before BY-3.
   d. No actual data for all expenditures are presented in the budget or supporting budget documentation.
   e. Not applicable/other (please comment).

   Citation and/or comment: All tables throughout the budget and supporting documents indicate that data for the 2003/04 year (BY-2) are actual results, as opposed to estimated actual or forecast results for 2004/05.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?

   a. Yes, prior-year data are always adjusted to be comparable to the budget year data.
   b. Yes, in most cases, prior-year data are adjusted to be comparable.
   c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
   d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
   e. Not applicable/other (please comment).

_Citation and/or comment:_ If there has been a change in classification/policy, estimates of previous years are produced on the basis of the new classification/policy. For example, in Budget 2005 the budget documentation moved from being presented on a GST-inclusive basis to a GST-exclusive basis. To ensure appropriate comparisons, the Part B tables in the Estimates were backdated to provide all data on a consistent GST-excl basis. An explanation of this is presented in the Introduction to the Estimates.

_Researcher Response:_ On balance this should remain a “b.” The context of the question is the recent past, rather than the availability of consistent long term series – see the _Guide to the Open Budget Questionnaire._

_Peer Reviewer ONE Comment:_ A more appropriate response to this question would be “c.” I am pleased that Treasury is now doing some backdating to provide consistency as per GST. Two years ago Treasury claimed (based on my request) that it was impossible to derive a consistent long-term series of levels and components of government expenditure and revenue for two reasons: one was due to changes in accounting approaches taken between years, the other was changes in functional activities between departments.

_Peer Reviewer TWO Comment:_

_IBP Comment:_ IBP editors chose to keep answer “b” to maintain consistency with the _IBP Guide to the Open Budget Questionnaire._
27. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>b.</td>
<td>Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.</td>
</tr>
<tr>
<td>c.</td>
<td>Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.</td>
</tr>
<tr>
<td>d.</td>
<td>No tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: The Forecast Financial Statements (Note 1, pp. 138-139) present actual tax revenues and tax receipts by tax type for 2004 (BY-1).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All non-tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>b.</td>
<td>Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.</td>
</tr>
<tr>
<td>c.</td>
<td>Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.</td>
</tr>
<tr>
<td>d.</td>
<td>No non-tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: See the Forecast Financial Statements, p. 132 and Notes 2-4, p. 140.

**Peer Reviewer ONE Comment:** “A” is technically correct as ‘Other’ accounts for 32% of non-tax revenue and investment income. A quick check showed that in a couple of other years the figure was 34%!

**Peer Reviewer TWO Comment:**
29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?

   a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
   b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
   c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
   d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Statement of Accounting Policies and Forecast Assumptions in the Forecast Financial Statements (p. 120) states that the forecasts for 30 June 2005 (the year prior to the budget year) have generally been prepared using actual data to 28 February 2005 (or 31 March 2005 in some instances), i.e. at least 8 months of actual revenues.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year estimates of aggregate revenue are presented.
   b. No, such prior-year estimates of aggregate revenue are not presented.
   c. Not applicable/other (please comment).

Citation and/or comment: All revenue numbers in budget documentation relate to 2004 (BY-1) and subsequent years – with the exception of one bar graph on p. 66 of the Budget Economic and Fiscal Update.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
31. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
   b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
   c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.
   d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** No revenue numbers are provided for BY-2.

   **Peer Reviewer ONE Comment:**
   **Peer Reviewer TWO Comment:**

32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

   a. Two years prior to the budget year (BY-2).
   b. Three years prior to the budget year (BY-3).
   c. Before BY-3.
   d. No actual data for all revenues are presented in the budget or supporting budget documentation.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** As for question 25.

   **Peer Reviewer ONE Comment:**
   **Peer Reviewer TWO Comment:**
33. Does the executive’s budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?

- a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
- b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
- c. Yes, but only information on the level of debt is presented.
- d. No, information related to the government debt for BY-1 is not presented.
- e. Not applicable/other (please comment).

Citation and/or comment: The levels of gross and net debt (in dollars and as a percentage of GDP) are presented for the year preceding the budget year, although data on the composition of debt is not. See Table 2.1 of the Budget Economic and Fiscal Update, p. 61.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

34. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

- a. Two years prior to the budget year (BY-2).
- b. Three years prior to the budget year (BY-3).
- d. No actual data for government debt are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Citation and/or comment: As for question 25.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
**Comprehensiveness**

35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?

   a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.
   
   b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.
   
   c. Yes, some information is presented, but it lacks important details.
   
   d. No, information on extra-budgetary funds is not presented.
   
   e. Not applicable/other (please comment).

*Citation and/or comment:* While the concept of extra-budgetary funds (EBF) does not exist in NZ (the budget and financial statements present information on the consolidated public sector), and internationally the definition of EBF is contested, the NZ Superannuation Fund (pre-funding of old age pensions) and the Government Superannuation Fund (paying liabilities for civil service pensions) might possibly be regarded by some as extra-budgetary funds. The Fiscal Strategy Report (p. 21-22) discusses the NZSF and presents the contributions to the Fund from fiscal (operating) surpluses. The Forecast Financial Statements (Note 9) contain a brief narrative discussion of the financial asset portfolios held by the NZSF and GSF together with valuation information. The Forecast Statement of Financial Position (p. 129) shows opening and closing NZSF balances and gross contributions.

**Researcher Response:** While there is some lack of clarity internationally about the definition of EBFs, they are often defined as entities receiving some tax revenues that are ear-marked for meeting specific expenditures (a typical example is a Social Security Fund, which NZ does not have). EBFs are, however, contrasted with semi-autonomous government entities that in many countries, including NZ, deliver services in education, health etc. and perform regulatory functions. In NZ these are referred to as Crown Entities. They should not be regarded as EBFs. An explanation of core budget funding of Crown Entities is provided in each relevant Department’s Estimates of Appropriations (Section C2, Non-departmental Output Expenses). Detailed information on each Crown Entity’s total activities is published in their Statements of Intent and Annual Reports.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “b.” In my view, Crown Entities fit here, and there is very limited information about them in any of the Budget documents, either in aggregate or by individual crown entity. There is a section with good information on ACC in the Estimates, and many Crown Entities receive funding through other government departments. But there is generally a lack of transparency over their operations. So (a) for the data that is presented, especially re Superannuation, (c) for other Crown Entities, averaging (b).

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose to keep answer “a” to maintain consistency of assumptions across countries, including those related to the definition of an extra-budget fund in the *IBP Guide to the Open Budget Questionnaire.*
36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

   a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on intergovernmental transfers is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: NZ is a unitary state, and there are no central government block grants or transfers to sub-national government. Central government does provide loans to sub-national government (e.g. for urban transport projects, for local housing) and these are shown in the Estimates (Vote Finance, p. 609).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

   a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on transfers to public corporations is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: In general, there are no “transfers” to public corporations. Policy is for State-owned enterprises to operate on a commercial basis, paying dividends to the government. The only appropriation for payment to an SOE in the 2005 Budget is in Vote Justice to fund the maintenance by NZ Post of the Parliamentary electoral rolls, details of which are set out in the Estimates (pp. 847-849).

Researcher Response: The Guide to the Open Budget Questionnaire makes it clear that “transfers to public corporations” refers to government support for the provision of goods or services, not provision of equity or loans. Therefore, response “e” is correct. Response “a” would give the misleading impression that there are many such transfers.

Peer Reviewer ONE Comment: Answer fine for corporations, but not Crown Entities, where answer to Q. 35 applies.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “a”. Transfers to public corporations are generally made through Vote Finance. In general these are either provision of additional equity or as loans (estimates pp. 599-629). These amounts are small, as state owned enterprises and other public corporations are expected to operate a “successful business” and return a dividend to the Crown. (Vote Crown Research Institutes also has similar type small value transfers to these bodies.) Transfers for goods and services from public corporations are rare. The only appropriation for payment to an SOE in the 2005 Budget is in Vote Justice to fund the maintenance by NZ Post of the Parliamentary electoral rolls, details of which are set out in the Estimates (pp. 847-849).

IBP Comment: IBP editors chose to keep answer “e” to maintain consistency with the IBP Guide to the Open Budget Questionnaire.
38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?

   a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
   b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on quasi-fiscal activities is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: Neither the central bank nor public enterprises are required to conduct quasi-fiscal activities in NZ.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

39. Does the executive’s budget or any supporting budget documentation present information on financial assets held by the government?

   a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.
   b. Yes, information is presented, highlighting key information, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on financial assets is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Forecast Financial Statements (Note 9) contains a brief narrative discussion of financial asset portfolios held by the four main investment funds together with valuation information.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?

   a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, a discussion of their purpose, and (where possible) an estimate of their market value.
   b. Yes, information is presented, highlighting key information, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on non-financial assets is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Forecast Financial Statements contain detailed aggregate information on non-financial assets of government (p. 128 and Note 13). The Statements of Intent of each department, tabled in Parliament at the time of the Budget presentation, contain a full balance sheet, with details of non-financial assets by category.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?

   a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on expenditure arrears is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: There are no expenditure arrears - in the sense of overdue obligations not recorded as government expenditure – as the government budgets and accounts on an accrual basis.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

- a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on contingent liabilities is not presented.
- e. Not applicable/other (please comment).

Citation and/or comment: See pp. 116-118 of the Budget Economic and Fiscal Update (BEFU). Additional detailed information, considered to form part of the BEFU, is provided on each contingent liability on the Treasury web site at www.treasury.govt.nz/befu/2005.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?

- a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on future liabilities is not presented.
- e. Not applicable/other (please comment).

Citation and/or comment: The Forecast Statement of Financial Position presents a valuation of the unfunded liabilities of the civil service pension scheme (the Government Superannuation Fund), and the Accident Compensation Scheme (p. 128 of BEFU). A detailed qualitative and quantitative discussion of each of these is presented respectively in Notes 15 and 16 of the Forecast Financial Statements (pp. 145-146). The Forecast Statement of Financial Performance (p. 124) shows changes in the valuation of the liability during the period, and forecasts of future changes.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- a. All sources of donor assistance are identified individually.
- b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
- c. Less than two-thirds of sources of donor assistance are identified individually.
- d. No sources of donor assistance are identified individually.
- e. Not applicable/other (please comment).

Citation and/or comment: NZ is not a recipient of official development assistance or other donor assistance.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?

   a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on tax expenditures is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “c.” By international standards, there are few tax expenditures in NZ, with the tax system in general not used to provide industry assistance. Social assistance to families delivered through the tax system is reported as government expenditure. However, there are still some tax expenditures, for example, a charitable donations rebate, and special provisions for the production of movies. As a result of a recent policy change requiring disclosure, information on all new material tax policy changes introduced in the 2005 Budget that resulted either in increased or reduced revenues was presented in the 2005 BEFU (pp. 67-68). The new policy covers the future introduction of any material new tax expenditures, whether or not they are described as tax expenditures. However, there is no information published on the pre-existing stock of tax expenditures.

Researcher Response: On reflection, I agree that given the limited number of tax expenditures in NZ by international standards, and the fact that social assistance to families delivered through the tax system is separately identified as government expenditure, that ‘c’ may not be an appropriate response. However, as the reviewer notes, there are still some tax expenditures.

Peer Reviewer ONE Comment: A more appropriate response to this question could be “e.” Compared to most jurisdictions, there are very few tax expenditures in New Zealand, and where they exist, they are mainly listed as expenditure, rather than just as a reduction in tax revenue. For instance, Family Support Tax Credit is listed in the Estimates for Inland Revenue (www.treasury.govt.nz/budget2005/estimates/est05reven.pdf p. 1164, 1173) as an expenditure item. However, the two very small tax deductions for child care and donations are not listed. In Company Tax, what is a tax expenditure and what is an economic expense is debatable, but there are very few industry specific tax allowance – the specific allowance for overseas film production is well-hidden. A rating of c seems harsh given the efforts to categorize tax expenditures as departmental spending in a deliberate move to be transparent.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose answer “b” to maintain consistency of assumptions across countries.
46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?

- a. All earmarked revenues are identified individually.
- b. At least two-thirds of, but not all, earmarked revenues are identified individually.
- c. Less than two-thirds of earmarked revenues are identified individually.
- d. No earmarked revenues are identified individually.
- e. Not applicable/other (please comment).

Citation and/or comment: Note 1 to the Forecast Financial Statements (p. 138) presents other sovereign revenues by main source, but an “other levies” category not individually identified accounted for over 20% of other levies in 2004.

**Researcher Response:** There are earmarked revenues for the compulsory Accident Compensation Scheme, Fire Services Levy, Earthquake Insurance Scheme, and “other levies”, which in 2004 amounted to over 20% of the “other sovereign revenues category.

**Peer Reviewer ONE Comment:**
**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “e.” Seems to be wrong answer. Found no earmarked revenues. (Only other possible earmarked revenue is revenue from government activity that is used in the production of that good or service paid for by purchaser e.g. passports.)

**IBP Comment:** IBP editors chose to keep answer “b” to maintain consistency of assumptions across countries.

47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?

- a. One percent or less of expenditure is dedicated to secret items.
- b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
- c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
- d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
- e. Not applicable/other (please comment).

Citation and/or comment: There are no secret expenses. The only departure from normal financial management and budgeting relates to the budget of the NZ Security Intelligence Service and the Government Communications Security Bureau, which are bulk funded by a separate appropriation type that combines operating and capital expenses. Combined expenditure is well under 1 per cent of total government expenditure.

**Peer Reviewer ONE Comment:**
**Peer Reviewer TWO Comment:**
### The Budget Narrative & Performance Monitoring

**48.** Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?

- a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the link between the budget and the government’s stated policy goals is not presented.
- e. Not applicable/other (please comment).

*Citation and/or comment:* The Estimates present a discussion (with respect to each administrative unit) of the contribution that the department’s outputs make to the government’s policy goals. A more detailed presentation of departmental strategies, linking outputs to community outcomes, is presented in each department’s Statement of Intent tabled in Parliament at the same time as the budget – see [www.treasury.govt.nz/budget2005/SOI](http://www.treasury.govt.nz/budget2005/SOI).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?

- a. Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the major policy goals, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.
- e. Not applicable/other (please comment).

*Citation and/or comment:* The Fiscal Strategy Report contains a discussion with quantitative estimates of the government’s long-term fiscal policy objectives and progress in achieving them. It also presents the government’s short-term (3 or more years) fiscal policy intentions and a discussion of the consistency of the short-term intentions with long-term objectives.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

   a. Non-financial data are presented for all programs.
   b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
   c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
   d. No non-financial data are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Estimates present non-financial data (quantity and quality) for many output expenses. The Statement of Intent for each department provides comprehensive non-financial data with respect to all output expenses.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

51. Are the non-financial data presented useful for assessing how an expenditure program is performing?

   a. The non-financial data are very useful for assessing program performance.
   b. The non-financial data are mostly useful for assessing program performance.
   c. The non-financial data are somewhat useful for assessing program performance.
   d. No non-financial data are provided or they are not useful for assessing program performance.
   e. Not applicable/other (please comment).

   Citation and/or comment: The non-financial data relating to the quality and quantity of outputs are very useful for assessing how an expenditure program is performing – in terms of the characteristics of the outputs themselves, but not in terms of the impacts of the outputs on the achievement of policy goals (in NZ language, the outcomes of expenditure programs). This means the overall rating for this question is a b (a combination of an “a” for non-financial data on outputs, and a “c” for non-financial data on outcomes (see Q. 53 below).

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Performance indicators are presented for all programs.</td>
</tr>
<tr>
<td>b</td>
<td>Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</td>
</tr>
<tr>
<td>c</td>
<td>Performance indicators are presented for programs representing less than two-thirds of expenditures.</td>
</tr>
<tr>
<td>d</td>
<td>No performance indicators are presented.</td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Performance indicators are presented for all output expenses in each department’s Statement of Intent.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 

53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

<p>| | |</p>
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>a</td>
<td>All performance indicators are well designed.</td>
</tr>
<tr>
<td>b</td>
<td>Most performance indicators are well designed.</td>
</tr>
<tr>
<td>c</td>
<td>Some performance indicators are well designed, but most are not.</td>
</tr>
<tr>
<td>d</td>
<td>No programs have performance indicators, or they are not well designed.</td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Measuring progress towards policy goals is inherently extremely difficult in many areas of government activity under any public sector management system. While considerable progress has been made in recent years in presenting information on the performance of outputs in achieving desired impacts on community outcomes, this was from a very low base in a system that had focused primarily on performance in terms of the characteristics of the goods and services themselves. A consensus of independent reviews of the public management system concluded that improved information was required on outcomes – see for instance Review of Evidence on Broad Outcome of Public Sector Management Regime, New Zealand Treasury Working Paper 01/06, 2001, downloadable from www.treasury.govt.nz. See also the Controller and Auditor General’s report, Reporting Public Sector Performance, June 2001. The latest independent review of performance in this area noted improvements by some departments, but concluded that significant scope remained for further improvements. See Departmental Uptake of the Managing for Outcomes Initiative, at www.ssc.govt.nz/display/document.asp?NavID=208&DocID=3364. There is a big difference between a “b” and a “c” in this answer, and NZ falls somewhere between the two grades. However, in an international comparative exercise, a “c” would be too harsh.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 

54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?

   a. All performance indicators are used in conjunction with performance targets.
   b. Most performance indicators are used in conjunction with performance targets.
   c. Some performance indicators are used in conjunction with performance targets, but most are not.
   d. No performance indicators are used in conjunction with performance targets.
   e. Not applicable/other (please comment).

Citation and/or comment: Most, but not all output expenses have performance targets specified for the quality and/or quantity, and cost of outputs.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?

   a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on policies intended to alleviate poverty is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: The Estimates and departmental Statements of Intent contain extensive information on policies and initiatives targeted at assisting the socially disadvantaged, including those experiencing multiple and persistent disadvantage in areas such as social welfare, health, and education. The last two Budgets have provided large increases in spending on low and middle income families with children.

**Peer Reviewer ONE Comment:** While I accept this for 2005, it is the only time this information has been presented, and was that hard work. New Zealand does not have an officially recognized poverty measure, and very little distributional analysis is carried out in the Budget.

**Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th>Additional Key Information for Budget Analysis &amp; Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</td>
</tr>
</tbody>
</table>

56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources?

   a. Yes, extensive information on tax rates and fee schedules is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The web site of the Inland Revenue Department contains information in various locations on tax rates and other information with respect to the different taxes collected by the Department (see [www.ird.govt.nz](http://www.ird.govt.nz)). The NZ Customs Tariff is available on the web site of the Customs Department at [www.customs.govt.nz/library/Working+Tariff+of+New+Zealand/default.htm](http://www.customs.govt.nz/library/Working+Tariff+of+New+Zealand/default.htm).

   Peer Reviewer ONE Comment: Key information for taxpayers (Citizens Budget) has accessible data on tax rates and family assistance levels.

   Peer Reviewer TWO Comment:
57. Does the executive make available to the public an analysis of the distribution of the tax burden?

   a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.
   c. Yes, some analysis is presented, but it lacks important details.
   d. No analysis on the distribution of the tax burden is presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: Information is published on the proportion of individuals at different broad income bands, and the shares of total individual income tax paid by individuals in those bands. However, this does not provide information by household, nor does it provide information on taxes other than income tax. A “ready reckoner” shows the estimated revenue changes likely to occur from small changes to existing tax rates and thresholds ([www.readyreckoner.default.asp](http://www.readyreckoner.default.asp)). There is little published information available on the estimated incidence of the overall tax burden – although a Treasury Working Paper by Johnson and Crawford ([w.treasury.govt.nz/workingpapers/2004/04-20.asp](http://w.treasury.govt.nz/workingpapers/2004/04-20.asp)) has looked at the overall incidence of tax (and receipt of benefits) for 1997/98, and compared that with a 1987/88 study.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

   a. Yes, extensive information on conditions associated with IFI assistance is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on conditions associated with IFI assistance is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: NZ has not received assistance from an IFI for many years.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?

   a. Yes, extensive information on conditions associated with donor country assistance is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on conditions associated with donor country assistance is not presented.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** NZ does not receive donor assistance.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

60. Does the executive make available to the public a summary that describes the budget and its proposals?

   a. Yes, it provides a summary that is very informative.
   b. Yes, it provides a summary that is somewhat informative.
   c. Yes, but the summary is not very informative.
   d. No, it does not provide a summary.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** An Executive Summary is provided that sets out the key messages in the Budget Speech, provides a brief overview of major Budget decisions, and the economic and fiscal forecasts – see [www.treasury.govt.nz/budget2005/summary/](http://www.treasury.govt.nz/budget2005/summary/).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th>Question</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Option E</th>
<th>Citation and/or Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</td>
<td>a. Yes, it publishes a citizens budget that is very informative.</td>
<td>b. Yes, it publishes a citizens budget that is somewhat informative.</td>
<td>c. Yes, but the citizens budget is not very informative.</td>
<td>d. No, it does not publish a citizens budget.</td>
<td>e. Not applicable/other (please comment).</td>
<td>In addition to Budget Executive Summary <a href="http://www.treasury.govt.nz/budget2005/summary/">www.treasury.govt.nz/budget2005/summary/</a>, the Key Facts for Taxpayers card provides a summary of tax, expenditure and income data from the Budget, released at the same time as the Budget. As non-technical explanations of what is in the budget, intended for use by the media in reporting to the general public, they can be construed as a citizens guide. A hard copy of the Key Facts is included in the Budget Media Kit provided to journalists on budget day, and it is available on the internet at <a href="http://www.treasury.govt.nz/budget2005/taxpayers/">www.treasury.govt.nz/budget2005/taxpayers/</a>.</td>
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<td>Peer Reviewer ONE Comment:</td>
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<td>Peer Reviewer TWO Comment:</td>
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<tr>
<td>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</td>
<td>a. Yes, thorough definitions of budget terms are provided.</td>
<td></td>
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<td>There are glossaries in the back of the Main Budget Document and the Budget and December Economic and Fiscal Updates. There is also a tax glossary at <a href="http://www.treasury.govt.nz/tax/glossary">www.treasury.govt.nz/tax/glossary</a>.</td>
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<tr>
<td>Peer Reviewer ONE Comment:</td>
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<tr>
<td>Peer Reviewer TWO Comment:</td>
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</tbody>
</table>
### 63. Does the executive make available to the public a summary of the budget process?

- a. Yes, it includes a summary of the budget process that is very informative.
- b. Yes, it includes a summary of the budget process that is somewhat informative.
- c. Yes, but the summary of the budget process is not very informative.
- d. No, it does not include a summary of the budget process.
- e. Not applicable/other (please comment).

**Citation and/or comment:** A summary is available on the Treasury’s web site ([www.treasury.govt.nz/budgets/process](http://www.treasury.govt.nz/budgets/process)) and in A Guide to the Public Finance Act (hard copy and at [www.treasury.govt.nz/pfa/](http://www.treasury.govt.nz/pfa/)).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 64. Do citizens have the right in law to access government information, including budget information?

- a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
- b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
- c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
- d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
- e. Not applicable/other (please comment).

**Citation and/or comment:** The Official Information Act (OIA) creates a right of access to official information except in limited specified circumstances. Access is broad, including to Cabinet papers and to budget-related information held by any public entity. Refusals or delays in releasing information can be appealed to independent Ombudsmen. In 2005, in anticipation of OIA requests, the Treasury posted a range of budget-related background papers, including Cabinet Papers and Minutes ([www.treasury.govt.nz/release/budget2005/default.asp](http://www.treasury.govt.nz/release/budget2005/default.asp)).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
65. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?

   a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
   b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
   c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.

   a. In practice, no highly disaggregated expenditure information is available.
   b. Not applicable/other (please comment).

   Citation and/or comment: See answer to Q. 64.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>66. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.</td>
</tr>
<tr>
<td>b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</td>
</tr>
<tr>
<td>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</td>
</tr>
<tr>
<td>d. In practice, no highly disaggregated non-financial expenditure information is available.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

   Citation and/or comment: See answer to Q. 64.

   **Peer Reviewer ONE Comment:** Annual Appropriations (Estimates) and Departmental Annual reports also provide data.

   **Peer Reviewer TWO Comment:**

| 48 |
Section Three: The Budget Process
## The Budget Process
### Executive’s Formulation of the Budget

<table>
<thead>
<tr>
<th>67. How far in advance of the release of the budget is the day of its release known?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The release date is set in permanent law.</td>
</tr>
<tr>
<td>b. The executive announces the release date at least two months in advance.</td>
</tr>
<tr>
<td>c. The executive announces the release date less than two months but more than two weeks in advance.</td>
</tr>
<tr>
<td>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** The date of the 2005 Budget, of 19 May, was announced on 18 February.

### Peer Reviewer ONE Comment:

### Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>68. Does the executive release to the public its timetable for its budget preparation process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, a detailed timetable is released to the public.</td>
</tr>
<tr>
<td>b. Yes, a timetable is released, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, a timetable is released, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, a timetable is not issued to the public.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** The Executive’s internal timetable for preparing the budget is not released publicly.

**Researcher Response:** The guidelines make it clear that the question is referring to the detailed internal budget timetable, not a broad indication of the timing of the different phases of the budget contained in the document referred to by the reviewers. The detailed budget timetable is not released to the public.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “b.” If one goes to [www.treasury.govt.nz/budgetprocessingguide/budget-proc-guide06v3.pdf](http://www.treasury.govt.nz/budgetprocessingguide/budget-proc-guide06v3.pdf) one gets a good guide as to the phases of the budget and the approximate timings for each phase.

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “b” A brief timetable for the budget process is providing in *A Guide to the Public Finance Act* (pp 77-8) [http://www.treasury.govt.nz/pfa/guide-pfa.pdf](http://www.treasury.govt.nz/pfa/guide-pfa.pdf). This does not give dates but outlines the process unusually adopted by the government.

**IBP Comment:** IBP editors chose to keep “d” to maintain consistency with the requirements detailed in the *IBP Guide to the Open Budget Questionnaire*. 
69. Does the executive adhere to its timetable for the preparation and release of the budget?

   a. The executive adheres to the dates in its timetable.
   b. The executive adheres to most of the key dates in its timetable.
   c. The executive has difficulty adhering to most of the dates in its timetable.
   d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.
   e. Not applicable/other (please comment).

**Citation and/or comment:** The Executive’s internal timetable for preparing the budget is not released publicly. However, while small variations may occur with respect to the government’s internal timetable for budget preparation, the executive does adhere to its publicly-announced timetable for release of the pre-budget statement and the annual Budget.

**Researcher Response:** Consistent with the answer to Q. 68, “d” is the right answer because the timetable is not released to the public.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “mix b and d, average c”. See comments to Q. 68.

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose to keep “d” to maintain consistency with the requirements detailed in the *IBP Guide to the Open Budget Questionnaire*. 
70. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

a. Yes, the executive holds extensive consultations with a wide range of legislators.
b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.
c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.
d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.
e. Not applicable/other (please comment).

Citation and/or comment: In NZ’s Westminster system of government, members of the Cabinet are all Members of Parliament. The government tables a Budget Policy Statement (BPS) in Parliament in advance of the annual Budget, and this is discussed in the Finance and Expenditure Committee of Parliament (FEC), a committee that contains cross-party representation. The Minister of Finance appears before the FEC to answer questions on the BPS, and the FEC’s report to Parliament on its deliberations is publicly available (www.clerk.parliament.govt.nz/Content/SelectCommitteeReports/I.3C.pdf). The next general parliamentary debate is then devoted to a two-hour debate on the BPS. Comments on the BPS are taken into consideration by the executive in finalizing the subsequent budget proposal (see A Guide to the Public Finance Act, p. 77).
71. Does the executive hold consultations with the public as part of its process of determining budget priorities?

   a. Yes, the executive holds extensive consultations with a wide range of constituencies.
   b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.
   c. Yes, the executive holds very limited consultations, involving only a few constituencies.
   d. No, the executive does not typically consult with the public as part of the budget preparation process.
   e. Not applicable/other (please comment).

Citation and/or comment: The FEC advertises to solicit submissions from the public on the executive’s Budget Policy Statement (BPS). Around 10-20 submissions have been received in recent years, mainly from national business and other civil society organizations. While the consultations are not extensive, no constituencies are excluded - the invitation to comment on the BPS is publicly disseminated and open to all.


The government also consults in the development of tax policies, see http://www.treasury.govt.nz/tax/default.asp#policy.

Peer Reviewer ONE Comment: Mark appropriate, though consultations poorly known or advertised (I only found out myself from this!).

Peer Reviewer TWO Comment:
72. When does the executive release a pre-budget statement to the public?

<table>
<thead>
<tr>
<th></th>
<th>a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>b.</td>
<td>The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.</td>
</tr>
<tr>
<td>c.</td>
<td>The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</td>
</tr>
<tr>
<td>d.</td>
<td>The executive does not release a pre-budget statement.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: By law, the BPS must be tabled in Parliament no later than 31 March each year. The 2005 BPS was released on 14 December 2004. The BPS for each of the previous three years was also released in December.

**Peer Reviewer ONE Comment:** Legally the answer is “b”, but practically the release is December, so “a” is correct.

**Peer Reviewer TWO Comment:**

73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?

<table>
<thead>
<tr>
<th></th>
<th>a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</th>
</tr>
</thead>
<tbody>
<tr>
<td>b.</td>
<td>Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some explanation is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: See [www.treasury.govt.nz/budgetpolicy/2005/](http://www.treasury.govt.nz/budgetpolicy/2005/).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
74. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?

a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.
b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.
c. Yes, some explanation is presented, but it lacks important details.
d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.
e. Not applicable/other (please comment).

Citation and/or comment: See www.treasury.govt.nz/budgetpolicy/2005/.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

75. How far in advance of the start of the budget year does the legislature receive the budget?

a. The legislature receives the budget at least three months before the start of the budget year.
b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.
c. The legislature receives the budget less than six weeks before the start of the budget year.
d. The legislature does not receive the budget before the start of the budget year.
e. Not applicable/other (please comment).

Citation and/or comment: The 2005 Budget was tabled in Parliament on 19 May 2005. For context, the 2004 Budget was not tabled until 27 May 2004, but the 2006 budget was tabled on 18 May 2006. The budget year starts on 1 July.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
76. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?

   a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.
   b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.
   c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.
   d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Budget Economic and Fiscal Strategy Report and the Budget Economic and Fiscal Update are referred to the FEC for examination. The Minister of Finance appears before the Committee in public sessions, but no public submissions are sought.
   (Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

77. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?

   a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
   b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
   c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
   d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
   e. Not applicable/other (please comment).

   Citation and/or comment: Select Committees of Parliament consider the Estimates and Statements of Intent of individual government departments. Some departments are considered on a pro forma basis, and their appropriation endorsed to Parliament. Other departments are examined in some detail.
   (Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
78. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?

a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
c. Yes, a limited number of hearings are held in which testimony from the public is heard.
d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
e. Not applicable/other (please comment).

Citation and/or comment: Submissions are not taken from the public during the consideration by Select Committees of the individual budgets of government departments (although the hearings are held in public).
(Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

79. Do the legislative committees that hold public hearings release reports to the public on these hearings?

a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
b. Yes, the committees release reports, but some details are excluded.
c. Yes, the committees release reports, but they are not very informative.
d. No, the committees do not release reports or do not hold public hearings.
e. Not applicable/other (please comment).

Citation and/or comment: Each Select Committee reports back to Parliament on its consideration of the Estimates of each department. The reports are of varying degrees of detail but are generally informative – see http://www.clerk.parliament.govt.nz/Publications/CommitteeReport/.
While not all written testimony is incorporated in these reports, a list of documents considered is appended, and these documents are available on request.
(Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
80. Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?

   a. The executive responds to such legislative requests, and it generally provides an appropriate and timely response.
   b. The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely.
   c. The executive responds to such legislative requests, but its responses are typically not appropriate or timely.
   d. The executive responds selectively or ignores such legislative requests.
   e. Not applicable/other (please comment).

Citation and/or comment: Government departments provide lengthy written responses to supplementary questions posed by Select Committees. The Auditor-General also provides information to Select Committees on request.
(Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
81. Is the legislature (or the appropriate legislative committee) given information for the budget year on the spending of secret items relating to, for instance, national security and military intelligence?

- Yes, the legislature is provided extensive information on all spending on secret items.
- Yes, the legislature is provided information on spending on secret items, but some details are excluded.
- Yes, the legislature is provided some information on spending on secret items, but it lacks important details.
- No, the legislature is provided no information on secret items.
- Not applicable/other (please comment).


While the publicly available information on the budgets of the security agencies is at a high level, the information provided to the Select Committee that reviews these agencies' Estimates is much more extensive, and of the same nature as that information provided to any other Select Committee when it reviews a Vote. (Source: Andrew McConnell, Sector Manager, Office of the Auditor-General, email communication of 11 November 2005).

The Select Committee’s report on its review of the security agencies is publicly available, and is reproduced in compendia of reports of Committee Scrutiny on the Estimates and Financial Reviews. (Source: email of 7 November 2005 from Fay Paterson, Senior Parliamentary Officer, Select Committees).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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<td></td>
<td>b</td>
</tr>
</tbody>
</table>
82. Does the legislature have authority to amend the budget presented by the executive?

a. Yes, the legislature has unlimited authority to amend the budget.
b. Yes, the legislature has authority to amend the budget, with some limitations.
c. Yes, the legislature has authority to amend the budget, but its authority is very limited.
d. No, the legislature does not have any authority to amend the budget.
e. Not applicable/other (please comment).

Citation and/or comment: Parliament’s Standing Orders (318-322) provide that an individual member of Parliament or a Select Committee may propose amendments to the Budget, but that the government may veto any amendments that, in its view, would have more than a minor impact on the fiscal aggregates or on the composition of a Vote. (See the Standing Orders at [www.clerk.parliament.govt.nz/NR/rdonlyres/636A8940-48FA-4A93-B8E6-3DD0844BB68E/0/SO2003bm.pdf](http://www.clerk.parliament.govt.nz/NR/rdonlyres/636A8940-48FA-4A93-B8E6-3DD0844BB68E/0/SO2003bm.pdf))

No amendments to the government’s budget proposal have been approved in recent years. (Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

83. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?

a. The approved budget includes program-level detail.
b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).
c. The approved budget includes only departmental totals.
d. The approved budget includes less information than departmental totals.
e. Not applicable/other (please comment).

Citation and/or comment: The Appropriation Act approved by Parliament provides information on appropriations by output expense (see answer to Q. 4) for each department, with reference to the corresponding page number of the Estimates for more detailed information.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
### Executive’s Implementation of the Budget

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
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</thead>
</table>
| 84. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)? | a. In-year reports on actual expenditure are released at least every month.  
  b. In-year reports on actual expenditure are released at least every quarter.  
  c. In-year reports on actual expenditure are released at least semi-annually.  
  d. In-year reports on actual expenditure are not released.  
  e. Not applicable/other (please comment). |

Citation and/or comment: The un-audited Financial Statements of the Government of NZ are released monthly, and are available in hard copy and at [www.treasury.govt.nz/financialstatements/](http://www.treasury.govt.nz/financialstatements/).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
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<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| 85. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)? | a. Yes, in-year reports cover all expenditures.  
  b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures.  
  c. Yes, in-year reports cover less than two-thirds of expenditures.  
  d. No in-year reports are released to the public.  
  e. Not applicable/other (please comment). |

Citation and/or comment: The Financial Statements are unusually comprehensive by international standards. They cover the Crown as a reporting entity, comprising Ministers and departments, crown entities, the NZ Superannuation Fund, the Government Superannuation Fund, the Reserve Bank of NZ (the central bank), state-owned enterprises, and Air NZ. Segment reporting breaks down the Crown into its main constituent components (e.g. core crown, crown entities, state-owned enterprises). Local government is not consolidated, and nor are tertiary education institutions (consolidation of the latter remains under discussion).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
86. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

   a. Yes, comparisons are made for all expenditures.
   b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
   c. Yes, but comparisons are made for less than two-thirds of expenditures.
   d. No, comparisons are not made, or no in-year reports are released to the public.
   e. Not applicable/other (please comment).

Citation and/or comment: Comparisons are made against the full year budget forecasts for the current year, and against the previous year (both year to date and full year outturn).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

87. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?

   a. In-year reports on actual revenue collections by source of revenue are released at least every month.
   b. In-year reports on actual revenue collections are released at least every quarter.
   c. In-year reports on actual revenue collections are released at least semi-annually.
   d. In-year reports on actual revenue collections by source of revenue are not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Same as for Q. 84.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

88. What share of revenue is covered by the in-year reports on actual revenue collections?

   a. In-year reports cover the actual revenue collections of all sources of revenue.
   b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
   c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
   d. In-year reports on actual revenue collections are not released to the public.
   e. Not applicable/other (please comment).

Citation and/or comment: Same as for Q. 84.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>89.</th>
<th>Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, comparisons are made for all revenue sources.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, but comparisons are made for less than two-thirds of revenue sources.</td>
</tr>
<tr>
<td>d.</td>
<td>No, comparisons are not made, or no in-year reports are released to the public.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Same as for Q86.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>90.</th>
<th>Does the executive release to the public in-year reports on actual borrowing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, in-year reports on actual borrowing are released at least every month.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, in-year reports on actual borrowing are released at least every quarter.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, in-year reports on actual borrowing are released at least semi-annually.</td>
</tr>
<tr>
<td>d.</td>
<td>No, in-year reports on actual borrowing are not released.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Same as for Q 84.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
91. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?

   a. Yes, extensive information related to the composition of government debt is presented.
   b. Yes, key additional information is presented, but some details are excluded.
   c. Yes, some additional information is presented, but it lacks important details.
   d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
   e. Not applicable/other (please comment).

**Citation and/or comment:** The monthly Financial Statements of the Government of NZ present information on debt (currency composition, debt instrument type, non-sovereign guaranteed) - see [www.treasury.govt.nz/financialstatements/](http://www.treasury.govt.nz/financialstatements/). On a quarterly basis, information on the maturity profile of gross sovereign debt is published in the Crown Financial Statements, starting from 28 January 2005.

**Peer Reviewer ONE Comment:** Relate back to Q.13.

**Peer Reviewer TWO Comment:**

92. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?

   a. Reports are released 1 month or less after the end of the period.
   b. Reports are released 2 months or less (but more than 1 month) after the end of the period.
   c. Reports are released more than 2 months after the end of the period.
   d. In-year reports are not released.
   e. Not applicable/other (please comment).

**Citation and/or comment:** With the exception of the first two months of the year, which are incorporated in a report covering the first quarter, monthly reports were released on average one month and nine days after the end of the reporting period during 2004/05. One reason for the reports taking longer than a month is that they are unusually comprehensive, not only in scope (see Q. 85) but also in depth – they contain a full balance sheet of government.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
93. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?

- a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
- b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
- c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
- d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation and/or comment: The government presents a December Economic and Fiscal Update (DEFU) each year based generally on information to November. Chapter 1 presents a revised set of macroeconomic forecasts ([www.treasury.govt.nz/defu/2004/](http://www.treasury.govt.nz/defu/2004/)).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

94. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?

- a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.
- b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.
- c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.
- d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation and/or comment: Chapter 2 of the DEFU presents a revised set of fiscal forecasts.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
95. What is the most detail provided in the mid-year review for expenditures?

- a. The mid-year review includes program-level detail for expenditures.
- b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).
- c. The mid-year review includes only departmental totals (or functional totals).
- d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation and/or comment: The DEFU shows expenses by input type, and by function. There is some explanation of specific expenditure areas (e.g. social welfare transfer payments by type of transfer) as a source of variance from budget forecasts.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>96.</th>
<th>Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: As for Q. 94.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
97. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain level, as specified in law or regulation)?

   a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
   b. Yes, the executive advises the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
   c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
   d. No, the executive shifts funds between administrative units without seeking input from the legislature.
   e. Not applicable/other (please comment).

   Citation and/or comment: Supplementary Estimates of Appropriation are the vehicle through which transfers are effected between budget heads – although some unauthorized expenditure does occur each year, for which Ministerial approval, and if above a certain limit, Parliamentary approval is sought ex post in terms of S12 of the Public Finance Act. See pp.89-92 of the Financial Statements of the Government of NZ for the year ended 30 June 2005, at www.treasury.govt.nz/financialstatements/year/jun05/cfsyjun05.pdf.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

98. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

   a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
   b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
   c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
   d. No, the procurement process was not open and competitive in practice.
   e. Not applicable/other (please comment).

   Citation and/or comment: Responsibility for procurement is decentralized, subject to Guidelines issued by the Auditor-General and The Treasury. There is no requirement for tender in all circumstances. During 2003/04 there was an instance of proper tendering procedures not being followed in all cases in one department. Source: Andrew McConnell, Sector Manager, Office of the Auditor-General, interview, 30 September 2005.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
99. When does the legislature typically approve supplemental budgets?

   a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
   b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
   c. Not applicable/other (please comment).

**Citation and/or comment:** The Supplementary Estimates for 2004/05 were tabled in Parliament on 19 May 2005, the same day that the 2005 Budget was tabled. In the interim, authority for additional spending is provided by an Imprest Supply Act. It is rare for there to be more than one supplementary budget.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

100. In most years, how large are supplemental budget requests relative to the size of the original budget?

   a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
   b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
   c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
   d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.
   e. Not applicable/other (please comment).

**Citation and/or comment:** In the Supplementary budgets for the last two financial years, the difference between annual appropriations for the sum of operating expenses and capital expenditures in the main Estimates and the Supplementary Estimates has been 2-3%.

The Auditor-General has, in the recent past, expressed concern about the size and late timing of the Supplementary Estimates (see Central Government Results of the 1999-2000 Audits, pp. 63-68). The Auditor-General also expressed concern about the inadequate explanations provided to Parliament of the reasons for changes to some appropriations in the 2000-2001 Supplementary Estimates. (See Central Government Results of the 2000-2001 Audits, pp. 83-84).

**Peer Reviewer ONE Comment:** The Auditor-General’s comments have not been repeated since then, though I will look forward to his report on the aftermath of the 2005 election lolly scramble – the new expenditures start on April1, 2005, and were not in Budget 2005, prior to election.

**Peer Reviewer TWO Comment:**
101. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

   a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
   b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
   c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
   d. Such expenditure takes place without legislative approval.
   e. Not applicable/other (please comment).

Citation and/or comment: Contingency funds identified in the annual budget documents are not appropriated in the budget. During the year, Cabinet decides on funding from the contingency. Interim parliamentary authority for the expenditure is provided by Imprest Supply, and specific authority for the expenditure on individual items is obtained in Supplementary Estimates in May each year after the expenditure has occurred.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
### Executive’s Year End Report and the Supreme Audit Institution

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
<th>Option</th>
<th>Citation and/or comment</th>
<th>Peer Reviewer ONE Comment</th>
<th>Peer Reviewer TWO Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>102.</td>
<td>How long after the end of the budget year does the executive release to the public a year-end report or another document that discusses the budget’s actual outcome for the year?</td>
<td>a. Reports are released six months or less after the end of the fiscal year.</td>
<td>The audited Crown Financial Statements for the year ended 30 June 2005 were released on 16 September 2005 (76 days after balance date).</td>
<td>Peer Reviewer ONE Comment:</td>
<td>Peer Reviewer TWO Comment:</td>
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<td>b. Reports are released 12 months or less (but more than six months) after the end of the fiscal year.</td>
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<td>c. Reports are released more than 12 months after the end of the fiscal year.</td>
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<td>d. The executive does not release a year-end report.</td>
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<td></td>
<td></td>
<td>e. Not applicable/other (please comment).</td>
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<td>103.</td>
<td>In the year-end report, or another document released to the public by the executive (please specify below), have the data on the actual outcomes been audited?</td>
<td>a. Yes, all data on actual outcomes have been audited.</td>
<td>The report cited in Q. 102 contains a report of the Controller and Auditor General dated 16 September 2005 (pp. 22-23).</td>
<td>Peer Reviewer ONE Comment:</td>
<td>Peer Reviewer TWO Comment:</td>
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<td>b. At least two-thirds, but not all, of the data on actual outcomes have been audited.</td>
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<td>c. Less than two-thirds of the data on actual outcomes have been audited.</td>
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<td>d. None of the data on actual outcomes has been audited, or a year-end report is not released.</td>
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<td></td>
<td>e. Not applicable/other (please comment).</td>
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104. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Crown Financial Statements contain a short narrative explanation. It is not extensive. The monthly Financial Statements also contain a short explanation.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

105. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report, or another document released to the public by the executive (please specify below)?

   a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
   b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
   c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
   d. No explanation of the differences is provided, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Crown Financial Statements present an explanation of expenditure variance only at the level of functional totals. No single document presents more detailed information across the government. More detailed information is available from each government department. For instance, each Department’s Annual Report contains a Statement of Objectives and Service Performance setting out, with respect to each grouping of outputs, the actual level of financial and non-financial performance in comparison to the expected level set out in the budget or budget-related documents. See for instance the Annual Report of the Ministry of Social Development, at www.msd.govt.nz/documents/publications/msd/annual-report-2003-2004.pdf.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
106. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
c. Yes, some explanation is presented, but it lacks important details.
d. No, an explanation is not presented, or such a report is not released.
en. Not applicable/other (please comment).

Citation and/or comment: The Crown Financial Statements contain a short narrative explanation. It is not extensive.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

107. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
c. Yes, some explanation is presented, but it lacks important details.
d. No, an explanation is not presented, or such a report is not released.
en. Not applicable/other (please comment).

Citation and/or comment: While no comparison on an annual basis is published, each six monthly Economic and Fiscal Update describes developments in the macroeconomic situation since the previous forecast. For example, the December 2004 Economic and Fiscal Update described and discussed the changes in the macroeconomic forecasts compared to those in the 2004 Budget presented the previous May. In addition, the Treasury has completed a detailed assessment of the accuracy of its macroeconomic forecasts, and this is available on the internet at http://www.treasury.govt.nz/forecasts/performance/.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
108. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original estimates of non-financial data and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Each department’s Annual Report is required to contain a Statement of Objectives and Service Performance, showing actual performance (financial and non-financial) against the standard specified at the start of the year. Explanations of variances are often relatively brief. See also Q. 105.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

109. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original performance indicators and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: As for Q. 108.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
110. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).


**Researcher Response:** MSD’s programs cover all the income transfer programs. In addition to MSD’s reporting, other departments also report on how their activities impact on vulnerable groups. For instance, the Ministry of Education publishes an annual report on the performance of schools that discusses student achievement, including a focus on students experiencing poor outcomes. There is also an annual report on Maori education (Maori are represented disproportionately amongst those experiencing poor educational outcomes). Therefore “b” is the correct answer.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “c.” Only MSD gives this information, and then only for their specific programs. Other departments provided at best limited and usually no information.

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose to keep “b” to maintain consistency with assumptions used across countries.
111. Does the year-end report, or another document released to the public by the executive (please specify below), present the actual outcome for extra-budgetary funds?

| a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. |
| b. Yes, information is presented, highlighting key issues, but some details are excluded. |
| c. Yes, some information is presented, but it lacks important details. |
| d. No, information is not presented on extra-budgetary funds, or such a report is not released. |
| e. Not applicable/other (please comment). |

Citation and/or comment: The NZ Superannuation Fund and the Government Superannuation Fund are subject to audit by the Auditor-General. (See answer to Q. 35 for discussion of the concept of EBF in the NZ context).

Peer Reviewer ONE Comment: A more appropriate response to this question would be “b.” Varies by sector – Crown Entities poorly covered compared to Super and ACC.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep “a” to maintain consistency with assumptions used across countries.

112. How long after the end of the fiscal year are the final expenditures of national departments audited and (except for secret programs) released to the public?

| a. Final audited accounts are released to the public six months or less after the end of the fiscal year. |
| b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. |
| c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. |
| d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. |
| e. Not applicable/other (please comment). |

Citation and/or comment: Departmental audits are completed by the end of September following the end of the financial year on 30 June, which is a legal requirement.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
113. Two years after the completion of a fiscal year, what percentage of expenditure has been audited and (except for secret programs) the reports released to the public?

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<tr>
<td>a</td>
<td>All expenditures have been audited and the reports released to the public.</td>
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<td>b</td>
<td>Expenditures representing at least two-thirds of, but not all, expenditure have been audited.</td>
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<td>c</td>
<td>Expenditures representing less than two-thirds of expenditure have been audited.</td>
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<td>d</td>
<td>No expenditures have been audited, or the reports have not been released to the public.</td>
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<td>e</td>
<td>Not applicable/other (please comment).</td>
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**Citation and/or comment:** All such expenditure is audited within 3 months of balance date.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?

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<tr>
<td>a</td>
<td>All of these audit reports include an executive summary.</td>
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<tr>
<td>b</td>
<td>Most of these reports include an executive summary.</td>
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<tr>
<td>c</td>
<td>Some of these reports include an executive summary.</td>
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<tr>
<td>d</td>
<td>None of these audit reports include an executive summary, or such reports are not released to the public.</td>
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<td>e</td>
<td>Not applicable/other (please comment).</td>
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**Citation and/or comment:** The Auditor-General’s annual report to Parliament on the audit of central government is itself in essence a summary of the Office’s findings on key crosscutting issues. Many of the sections in the report contain a summary. On this basis an answer of (a) is warranted for this question.

The Report of the Auditor General contained in each Department’s Annual Report (the financial audit report) is very brief, describing the overall finding (e.g. an unqualified opinion) and the generic basis on which, and process by which, the audit was undertaken. This is in accordance with the Public Audit Act 2001, and conforms to Auditing Standards that provide for a short-form audit report. Detailed issues are taken up by the Auditor General in a management letter sent to the Chief Executive of each department, and to the relevant Minister and Select Committee of Parliament. These management letters are not publicly available unless the relevant Select Committee decides to scrutinize the Department in detail – in which case they are lodged in the Parliamentary Library and are available to the public. The remaining management letters could be requested from departments under the OIA (see Q. 64).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
115. 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?

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 they are removed.
b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
c. Not applicable/other (please comment).

Citation and/or comment: The Public Audit Act 2001 stipulates that the Auditor-General can only be removed from office by a vote of Parliament on grounds of incapacity or incompetence. The Auditor-General has a fixed term of 7 years with no right of renewal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds.
e. Not applicable/other (please comment).

Citation and/or comment: The NZ Superannuation Fund and the Government Superannuation Fund are subject to audit by the Auditor-General. (See answer to Q. 35 for discussion of the concept of EBF in the NZ context). The mandate of the Auditor-General is wide and covers all public funds, audits of which are all reported publicly.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
### 117. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have discretion in law to undertake those audits it may wish to?

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<th>Option</th>
<th>Description</th>
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<td>a.</td>
<td>The SAI has full discretion to decide which audits it wishes to undertake.</td>
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<tr>
<td>b.</td>
<td>The SAI has significant discretion, but faces some limitations.</td>
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<tr>
<td>c.</td>
<td>The SAI has some discretion, but faces considerable limitations.</td>
</tr>
<tr>
<td>d.</td>
<td>The SAI has no discretion to decide which audits it wishes to undertake.</td>
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<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
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**Citation and/or comment:** S.9 of the Public Audit Act provides the Auditor-General with freedom to determine his or her own auditing approach, and freedom from political direction as to work program priorities. The Auditor-General can report to Parliament at any time on any matter.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 118. Who determines the budget of the Supreme Audit Institution?

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<td>a.</td>
<td>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.</td>
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<tr>
<td>b.</td>
<td>The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.</td>
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<tr>
<td>c.</td>
<td>The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.</td>
</tr>
<tr>
<td>d.</td>
<td>The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
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**Citation and/or comment:** S.17 of the Public Finance Act provides that Parliament itself determines the budget of Offices of Parliament, including the Office of the Auditor-General. The process is one in which the Offices submit their proposed budgets to the Offices of Parliament Select Committee, which reports to Parliament. Parliament in turn sends an address to the Governor General recommending inclusion of specified budgets in the Appropriations Bill. (Source: interview with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
119. Does a committee of the legislature view and scrutinize the audit reports?

   a. Yes, all audit reports are scrutinized.  
   b. Yes, most audit reports are scrutinized.  
   c. Yes, some audit reports are scrutinized.  
   d. No, audit reports are not scrutinized.  
   e. Not applicable/other (please comment).

Citation and/or comment: All performance audit reports, and audit reports of government departments, are considered by a committee of the legislature. However, not all are individually scrutinized each year, a number being subject to a pro forma review at each Committee’s discretion. There is no obligation for the FEC or Select Committees to consider any audit report. On a number of occasions a Select Committee will request a briefing from the Controller and Auditor General on an audit report, but this rarely leads to a Select Committee report to Parliament. (Source: interview with Andrew McConnell, Sector Manager, Office of the Auditor-General, 30 September 2005, and with Fay Paterson, Senior Parliamentary Officer, Select Committees, 27 September 2005).

The Auditor-General has consistently expressed concern about a lack of Parliamentary follow-up of to matters raised in his reports – see for instance, the Annual Report of the Audit Office for the year ended 30/6/1995 (pp. 11-12), the Annual report for the year ended 30/6/2000 (p. 12), and the Report on the Audit of Central Government 2001-02 (pp. 101-102).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
120. 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?

   a. Yes, the executive reports publicly on what steps it has taken to address audit findings.
   b. Yes, the executive reports publicly on most audit findings.
   c. Yes, the executive reports publicly on some audit findings.
   d. No, the executive does not report on steps it has taken to address audit findings.
   e. Not applicable/other (please comment).

Citation and/or comment: The Auditor-General has recommended on a number of occasions that consideration be given to instituting a formal mechanism for Parliament to consider OAG reports, including provision for presentation of government responses to audit findings – see for instance the Report on the Audit of Central Government 2001-02 (pp. 101-102), available at www.oag.govt.nz/homepagefolders/publications/cengov_2001_02/part6.pdf. A recent civil society assessment recommended that the executive should be required to respond to Parliament within three months on actions taken in response to Auditor-General findings or deficiencies (see NZ National Integrity Systems Country Study Report 2003, Henderson, Cave and Petrie, pp. 21-22, available at http://www.transparency.org/activities/nat_integ_systems/country_studies.html).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

121. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

   a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.
   b. Yes, a report is released, covering key audit recommendations, but some details are excluded.
   c. Yes, a report is released, but it lacks important details.
   d. No, a report is not produced or it is prepared for internal purposes only (please specify).
   e. Not applicable/other (please comment).

Citation and/or comment: In each of the last four years the Auditor-General has included, in the annual report on the results of the audit of central government, a section that gives a brief analysis of the status of follow-up actions taken by the executive in selected key areas. See Part Eleven, pp. 99-121 of “Central Government: Results of the 2003-04 Audits” available at www.oag.govt.nz/homepagefolders/publications/central-govt-2003-04/default.htm.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
122. Are audit reports related to national security and other secret programs provided to the legislature (or relevant committee)?

   a. Yes, legislators are provided with detailed audit reports related to national security and other secret programs.
   b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
   c. Yes, legislators are provided audit reports on secret items, but they lack important details.
   d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
   e. Not applicable/other (please comment).

Citation and/or comment: The Audit Office provides reports to The Intelligence and Security Committee of Parliament on the operations of the security agencies. (Source: Andrew McConnell, Sector Manager, Office of the Auditor-General, 30 September 2005).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: