Open Budget Index 2006

New Zealand scores 86 percent out of a possible 100 percent on the Open Budget Index 2006. The index evaluates the quantity of information provided to citizens in the seven key budget documents that all governments should make public during the course of the budget year. New Zealand’s performance indicates that the government provides citizens with extensive information on the central government’s budget and financial activities; however, there is room for improvement.

The executive’s budget proposal is one of the most important documents released during the budget year. New Zealand’s proposal is a strong performer, providing extensive information to the public with a score of 89 percent out of a possible 100 percent of the information needed to present the public with a comprehensive picture of the government’s financial activity. This score is high, but suggests that there is some room for improvement.

Governments should report to citizens regularly during the budget year on their spending, revenue collection and borrowing with in-year reports. New Zealand provides extensive information in its in-year reports as well as a comprehensive mid-year review. This document provides the public with updates on what can be expected for the second half of the budget year. The executive releases a year-end report in a timely manner, which facilitates comparisons between enacted levels and actual outcomes, but needs some improvement to be up to par with the rest of the budget documents. And while New Zealand does make its audit report public, it only provides a brief analysis on whether the audit report’s recommendations are successfully implemented.

Citizens require both access to information, and opportunities during the consideration of the budget to use that information to ensure their informed participation in budget debates. New Zealand’s score on the Open Budget Index suggests that the public’s access to information could be improved. The researchers also found that opportunities for citizen participation could be improved. For example, the legislature does hold public hearings on the budget — but the public is not able to participate substantially in such hearings.

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The International Budget Project was established as part of the Center on Budget and Policy Priorities, a Washington, DC-based non-partisan non-profit research organization, in 1997 to support civil society organizations around the world interested in strengthening public budget processes, institutions and outcomes. For more information on the IBP and the Open Budget Initiative 2006, please visit www.openbudgetindex.org