

**International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
New Zealand, September 2009**

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International Budget Partnership OPEN BUDGET QUESTIONNAIRE

Section One: The Availability of Budget Documents	4
Table 1. Budget Year of Documents Used in Completing the Questionnaire.....	5
Table 2. Key Budget Documents Used: Full Titles and Internet Links	6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal...	8
Table 4. Distribution of the Enacted Budget and Other Reports	9
Section Two: The Executive’s Budget Proposal	10
Estimates for the Budget Year and Beyond.....	11
Estimates for Years Prior to the Budget Year	24
Comprehensiveness	37
The Budget Narrative & Performance Monitoring	47
Additional Key Information for Budget Analysis & Monitoring	55
Section Three: The Budget Process	64
Executive’s Formulation of the Budget	65
Legislative Approval of the Budget	71
Executive’s Implementation of the Budget.....	79
Year-end Report and the Supreme Audit Institution.....	96

Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Budget Documents Used in Completing the Questionnaire	
	Budget Year Used
Pre-Budget Statement	2009
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	2009
Enacted Budget	2009
In-Year Reports	2008
Mid-Year Report	2008
Year-End Report	2007
Audit Report	2007

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Budget Policy Statement 2009, 18 December 2008 http://www.treasury.govt.nz/budget/2009/bps
Budget Summary	Minister's Executive Summary, 28 May 2009 http://www.treasury.govt.nz/budget/2009/execsumm
Executive's Budget Proposal	The Estimates of Appropriations for the year ending 30 June 2010, 28 May 2009 http://www.treasury.govt.nz/budget/2009/estimates Information Supporting the Estimates of Appropriations http://www.treasury.govt.nz/budget/2009/ise
Budget Document One in Support of the Executive's Budget Proposal	Budget Speech, 28 May 2009 http://www.treasury.govt.nz/budget/2009/speech
Budget Document Two in Support of the Executive's Budget Proposal	Fiscal Strategy Report, 28 May 2009 http://www.treasury.govt.nz/budget/2009/fsr
Budget Document Three in Support of the Executive's Budget Proposal	Budget Economic and Fiscal Update 2009, 28 May 2009 http://www.treasury.govt.nz/budget/forecasts/befu2009 In addition, there is Information Supporting the Estimates of Appropriations, comprising sector overview information, and detailed accountability and performance information for each department within each sector. http://www.treasury.govt.nz/budget/2009/
Citizens Budget	Three documents can be said to comprise a citizens budget: the Executive Summary; A "Key Facts for Taxpayers"; and a "Tax ready-reckoner" http://www.treasury.govt.nz/budget/2009/execsumm http://www.treasury.govt.nz/budget/2009/taxpayers These were all published on 28 May 2009.
Enacted Budget	Appropriation (2009/10 Estimates) Act 2009 (09/28), http://www.legislation.govt.nz/act/public/2009/0028/latest/DLM2099404.html
In-Year Reports	Financial Statements of the Government of New Zealand for the eleven months ended 31 May 2009, released on July 3 2009. http://www.treasury.govt.nz/government/financialstatements/monthend

Mid-Year Review	Economic and Fiscal Forecasts December 2008, released on 18 December 2008. http://www.treasury.govt.nz/budget/forecasts/eff2008
Year-End Report	Financial Statements of the Government of New Zealand for the Year Ended 30 June 2008 (published on 6 October 2008). http://www.treasury.govt.nz/government/financialstatements/yearend/jun08
Audit Report	Central Government: Results of the 2007-08 Audits, May 25, 2009. http://www.oag.govt.nz/central-govt/2007-08/
Other Documents	A range of other budget information is available at http://www.treasury.govt.nz/budget2009/ , including a Budget 2009 Information Release which proactively releases documents and information most frequently requested under the Official Information Act. Other information includes details of the 2009/2010 government debt programme, the Fiscal Strategy Model, and detailed budget data in Excel Workbooks.
Relevant Ministries & Departments	Material prepared by Ministers' offices and other departments to explain budget initiatives is on the Beehive's website at http://www.beehive.govt.nz/budget2009

Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes	Yes
<i>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?</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	No	Yes	Yes	Yes	Yes	Yes
2. Advance notification of release is sent to users, media	Yes	Yes	Yes	Yes	Yes	Yes
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	No	No	No	No
7. Readily available outside capital and/or big cities ⁺	Yes	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	NA	NA	NA	NA	NA	NA
9. News conference is held to discuss release	Yes	Yes	Yes	Yes	Yes	Yes

*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.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes
<i>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?</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	No	Yes	No	No	No
2. Advance notification of release sent to users, media	No	Yes	Yes	Yes	No
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	No	No	No
7. Readily available outside capital/big cities ⁺	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	No	No	No	No	No
9. News conference is held to discuss release	No	No	Yes	Yes	No

⁺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.

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

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>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)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> www.treasury.govt.nz/budget/2009/estimates.</p> <p><u>Comment:</u> The Estimates of Appropriations (hereafter The Estimates) present expenses by vote, a grouping of one or more appropriations, administered by one department. Expenses are on an accrual basis in accordance with GAAP, reflecting the fact that in New Zealand parliament appropriates funds on an accrual basis. The cash accounting term "expenditure" is not therefore used.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the Budget Economic and Fiscal Update (BEFU) present expenses by functional classification (p. 142).</p> <p><u>Comment:</u> The classification is broadly compatible with the Classification of the Functions of Government (COFOG), the internationally-recognised 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU present expenses by input type (p. 141 and Notes 3-7 on pp.151-152).</p> <p><u>Comment:</u> The classification is not identical to the IMF’s economic classification of expenses, the internationally-recognised economic classification (see the IMF’s Government Finance Statistics Manual 2001, p. 63). For instance, Official Development Assistance is included in a category “Transfer payments and subsidies,” rather than in a Grants category, as in GFS. However, Note 3 to the Forecast Financial Statements in the BEFU shows ODA separately, so that it is possible to re-group expenses in line with the GFS definitions. On the other hand, there is no breakdown in the budget of other operating expenses by type (only by source). In addition, grants (which in NZ are relatively small) are shown as a sub-category of “Other Operating Expenses,” rather than as a separate category as in GFS. The economic classification can, however, be described as generally compatible with international standards.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Category “a” is even more appropriate when the detailed Annual Appropriations are taken into account even though it does take some work to obtain the economic classifications.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Estimates present all expenses for each appropriation type, including output expenses - which are expenses incurred by departments in supplying a specified category of goods and services (or outputs).</p> <p><u>Comment:</u> 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The 2009 BEFU (p. 78) presents aggregate expenses for three years beyond the budget year. The 2009 Fiscal Strategy Report (FSR) discusses the long term fiscal outlook, and presents projections of government expenses as a percentage of GDP to the year 2023 (p. 44).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Information Supporting the Estimates presents details of expenses by Vote 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 expenses of new policy initiatives for each Vote are also shown for the budget year plus the three following years. However, the detailed breakdown of each appropriation type (equivalent to the program level) is provided only for the budget year. The Forecast Financial Statements in the BEFU present details of expenses by functional classification and input type for the budget year plus the three following years (pp. 141-142).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements (Note 1) in the BEFU 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. 149-150).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements present a breakdown of non-tax revenue (“Other Sovereign Revenue”) by main source type (Note 1 on pp.149-150).Information Supporting the Estimates of Appropriation (B.5A) shows total Non-tax Revenue by Departmental Vote.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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)?</p> <p>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).</p> <p><u>Citation:</u> The 2009 BEFU (pp. 75-78) presents aggregate revenues for three years beyond the budget year.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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)?</p> <p>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).</p> <p><u>Citation:</u> Note 1 to The Forecast Financial Statements presents detailed multi-year forecasts for individual taxes and non-tax revenues (pp. 149-150).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The 2009 BEFU (p.83) presents forecasts of government net debt as at 30 June 2009, and as at the end of the budget year (30 June 2010) – and for each of the following three years.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU (p. 141 and Note 6) present interest expenses for the budget year (and the following three years), by type and by source. Information Supporting the Estimates (B.5A Vol. 5) shows borrowing expenses in Vote Finance for the budget year (p. 56).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU contain a Forecast Statement of Borrowings (p. 147), which shows a detailed breakdown of borrowing by instrument type, and also splits government debt into government-guaranteed and non-guaranteed debt. There is no information, however, on the maturity profile, currency composition or interest rates. The Crown Financial Statements (end of year report) contain details of the debt maturity profile, but this is not included in budget documents.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See Table 1.3 of the BEFU (p. 65), and the table on p. 94 of the BEFU.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See pp. 84-92 of the BEFU, which contains both alternative macroeconomic scenarios and their impact on the fiscal aggregates, and the impact of small changes in macro assumptions on the fiscal aggregates (p. 92).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Minister's Executive Summary contains a summary of the main spending decisions in the budget and their estimated fiscal effects (pp. 5-9). Information Supporting The Estimates present a breakdown, for each vote, of new budget policy initiatives by appropriation.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See Table 1.7 on p.78 of the BEFU showing the effect of revenue policy changes in the budget.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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Estimates for Years Prior to the Budget Year	
<p>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)?</p> <ul style="list-style-type: none"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> The Estimates show expenses by appropriation within each Vote for the year prior to the budget year (both budgeted and estimated actual). In addition, the Information Supporting the Estimates show expenses by appropriations in Votes for each of the 5 years prior to the budget year.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See the Forecast Financial Statements in the BEFU, p. 142. The classification is compatible with international standards (see Q. 2).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See the Forecast Financial Statements in the BEFU (p. 141, and Notes 3-7 on pp. 151-152). The classification is compatible with international standards (see Q. 3).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Estimates present details of appropriations for each vote and administrative unit by type of appropriation (e.g. by output expense). See also answer to Q. 4 for description of outputs and comparison to programs.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Email communication with Chris Bunny, Manager, Fiscal Management, 17 September 2009.</p> <p><u>Comment:</u> 8 months of actual data are reflected in the budget for BY-1.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Information Supporting the 2009 Estimates contains a summary of Trends by Vote, showing aggregate government expenses by appropriation type for each year since 2004/05.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

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:

The Forecast Financial Statements in the BEFU show expenses by economic type for each of the two years prior to the budget year (pp. 141-142), and for the functional classification, back to 2004 (pp. 167-171). The Information Supporting the Estimates shows annual expenses for each appropriation type within each Vote since 2004/05. However, the breakdown of expenses by appropriation type into individual appropriations (which would be analogous to program-level detail) is provided only for year BY-1.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

b

<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> All tables throughout the 2009 Budget and supporting documents indicate that data for 2008 (the year ending 30 June 2008, or BY-2) are actual results, as opposed to estimated actual or forecast results for 2009.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> For each Vote in which there has been a change from the previous budget in the structure of appropriations or of revenues and receipts, the Information Supporting the Estimates (Part 1.4) contains a Reconciliation of Changes in Appropriation Structure. The Forecast Financial Statements in the 2009 BEFU state that there have been no changes in accounting policies in the period. The government adopted International Financial Reporting Standards (IFRS) for the first time in Budget 2007. The 2007 BEFU (pp. 90-91) contains an explanation of the change in accounting standards, why the change was made, and the estimated fiscal impacts in 2007/08 on net worth, the operating balance, and residual cash. The two main elements contributing to the fiscal impacts were described in some detail. More detailed information is provided in Chapter 7 of the BEFU.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>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)?</p> <ul style="list-style-type: none"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU (Note 1, pp. 149-150) present forecast tax revenues (accrual) and tax receipts (cash) by tax type for 2009 (year ending 30 June, BY-1).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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)?</p> <ul style="list-style-type: none"> a. All non-tax revenues are identified individually for BY-1. b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. d. No non-tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU present a breakdown of non-tax revenue (“Other Sovereign Revenue”) by main source type (Note 1 on pp. 149-150). Out of a total of \$3,879m Other Sovereign Revenue, a category of “Other miscellaneous items” comprised just \$796m.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	b

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Email communication with Chris Bunny, Manager, Fiscal Management, 17 September 2009.</p> <p><u>Comment:</u> For tax revenues, 9 months of actual data are reflected in the budget for BY-1, while for all other revenues it is 8 months of actual data.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> In the Estimates of Appropriations, p. xvi, Summary of Trends, there is data for Total Tax Revenue, Non-Tax Revenue and Capital Receipts for years 2004/05 to 2008/09, as well as Forecasts through to 2012/13.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> In Note 1 to the Forecast Financial Statements in the BEFU (pp. 149-150), a detailed breakdown is shown of revenues for 2008 (BY-2).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> BEFU only has data for 2008, not prior years; however, by going to Tax Outturn Data Monthly History Receipts from July 1990, revenue from July 1993, one can obtain earlier data so “a” is the right response to this question.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> All tables throughout the 2009 Budget and supporting documents indicate that data for 2008 (the year ending 30 June 2008, or BY-2) are actual results, as opposed to estimated actual or forecast results for 2009.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU contain a Forecast Statement of Borrowings (p. 147), which shows, for the year ending 30 June 2009 (BY-1) a detailed breakdown of borrowing by instrument type, and also splits government debt into government-guaranteed and non-guaranteed debt. There is no information, however, on the maturity profile or interest rates. The levels of gross debt and net debt are also presented for the year preceding the budget year (see p. 42 and p. 50 of the FSR, and p. 83 and p. 147 of the BEFU).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>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?</p> <ul style="list-style-type: none"> 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 government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> All tables throughout the 2009 Budget and supporting documents indicate that data for 2008 (the year ending 30 June 2008, or BY-2) are actual results, as opposed to estimated actual or forecast results for 2009.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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Comprehensiveness	
<p>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> While the concept of 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 (NZSF, pre-funding of old age pensions), the Government Superannuation Fund (GSF, paying liabilities for civil service pensions), the Earthquake and War Damages Commission (EQC), and the Accident Compensation Fund (ACC) might be regarded by some as extra-budgetary funds. The FSR discusses the NZSF and presents the contributions to the Fund (pp. 42-43). The Forecast Financial Statements present information on financial asset portfolios (NZSF, ACC, EQC) in Note 12; on the NZSF in Note 15; on insurance liabilities (ACC and EQC), including on the valuation of the unfunded liabilities of the ACC, in Note 17; and on the GSF in Note 18.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>

<p>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> NZ is a unitary state, and there are no central government block grants or transfers to sub-national government (the latter having their own dedicated tax base).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>e</p>
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<p>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> In general, there are no “transfers” to public corporations. Policy is for State-owned enterprises to operate on a fully commercial basis, paying dividends to the government. The only appropriation for payment to an SOE in the 2009 Budget is in Vote Justice to fund the maintenance by NZ Post of the Parliamentary electoral rolls, details of which are set out in Information Supporting the Estimates (pp. 114-115, B.5A, Vol. 7).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e
<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> Neither the central bank nor public enterprises conduct QFAs in NZ.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU (Notes 12 and 13 on p. 153) contain details of financial assets by type of asset, and by portfolio. Financial assets are valued according to type, under NZ IAS 39; with most financial assets being recorded at fair value (see Accounting Policies and Forecast Assumptions at http://www.treasury.govt.nz/budget/forecasts/befu2009/befu09-pt6of6.pdf)</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, 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). <p><u>Citation:</u> The Forecast Financial Statements in the BEFU contain detailed aggregate information on non-financial assets of government (Note 14). The Statements of Intent of each department, tabled in Parliament at the time of Budget presentation (and, starting with the 2009 Budget, forming part of the Information Supporting the Estimates of Appropriations), contain a full balance sheet, with details of non-financial assets by category. Most assets are recorded at fair value.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a
<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	e

<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See pp. 125-136 of the BEFU.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Forecast Statement of Financial Position (p. 146 of BEFU) presents a valuation of the unfunded liabilities of the civil service pension scheme (the Government Superannuation Fund), and of insurance liabilities (chiefly the Accident Compensation Scheme). More detailed discussion of each of these is presented respectively in Notes 18 and 17 of the Forecast Financial Statements (p. 155-156).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> NZ is not a recipient of official development assistance or other donor assistance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>e</p>
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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:

Comment:

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 appropriated and reported as government expenditure - see the Estimates of Appropriations for Vote Revenue (pp. 289-291), and Information Supporting the Estimates (B.5A, Vol. 5, pp. 167-176), which provides a brief explanation of welfare transfers provided through the tax system, with estimated fiscal impacts. However, there are still some unreported tax expenditures (see below). As a result of a 2004 policy change requiring disclosure, information on all new material tax policy changes introduced in the annual Budget, that result either in increased or reduced revenues, is presented in each BEFU (see p. 78 of the 2009 BEFU). Therefore, there is full transparency of tax expenditures in the first year of their introduction, but no requirement for further reporting of them in subsequent years. Until this year, there had been no information published in NZ since the 1980s on the pre-existing overall stock of tax expenditures. However, a recent Treasury Policy Perspectives Paper identifies an initial list of tax expenditures, and discusses possible approaches to regular reporting of tax expenditures, including their estimated fiscal impacts (where estimation is feasible). The paper is available at <http://www.treasury.govt.nz/publications/research-policy/ppp/2009/09-01/tpp09-01.pdf>

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Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

<p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Note 1 to the Forecast Financial Statements presents Other Sovereign Revenues by main source, and these are earmarked levies. However, an “Other miscellaneous items” category not individually broken down accounts for 20% of forecast other items in 2009 (\$839m/\$4,114m).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> There are no secret expenses. The only departure from normal financial management and transparent 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 (rather than showing these expenses separately). Combined expenditure is well under 1 per cent of total government expenditure.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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The Budget Narrative & Performance Monitoring	
<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Information Supporting 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 social outcomes, is presented in each department's Statement of Intent tabled in Parliament at the same time as the budget (and, starting with the 2009 Budget, forming part of the Information Supporting the Estimates of Appropriations).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The FSR (http://www.treasury.govt.nz/budget2009/fiscalstrategy/) 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.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The Information Supporting the Estimates present non-financial data (quantity and quality) for output expenses. The Statement of Intent for each department provides comprehensive non-financial data with respect to all output expenses.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The non-financial data relating to the quality and quantity of outputs are very useful for assessing how an expenditure programme 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 programmes). 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).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>b</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Performance indicators are presented for all output expenses in each department’s Statement of Intent.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

- a. All performance indicators are well designed.
- b. Most performance indicators are well designed.
- c. Some performance indicators are well designed, but most are not.
- d. No programs have performance indicators, or they are not well designed.
- e. Not applicable/other (please comment).

Citation:

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. An 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.

b

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher’s response.

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> Most, but not all output expenses have performance targets specified for the quality and/or quantity, and cost of outputs.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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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:

Comment:

The 2009 Budget contained limited information on poverty alleviation policies. However, Departmental Statements of Intent presented as part of the annual budget documents continue to 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. This information does not in general, however, contain much on the impacts of these policies on poverty alleviation. Prior to the 2007 Budget, previous Budgets had provided large increases in spending on low and middle income families with children, and this was an important element of the main budget documents at the time.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Again, answer correct, but elaboration. Social policy agencies are moving away from income poverty to living standards/deprivation measures of poverty.

Researcher Response: The reviewer is raising a relatively subtle point about different measures of poverty, which is going into a greater depth than I consider is intended by the question.

Government Comment: Government did not dispute researcher's response.

b

Additional Key Information for Budget Analysis & Monitoring	
<p><i>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.</i></p>	
<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources 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). <p><u>Citation:</u> The website 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). IRD also publishes a Taxes and Duties Guide (http://www.ird.govt.nz/forms-guides/number/forms-200-299/ir295-guide-taxes-duties.html). The NZ Customs Tariff is available on the website of the Customs Department at www.customs.govt.nz/library/Working+Tariff+of+New+Zealand/default.htm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>

<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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 guide shows the estimated revenue changes likely to occur from small changes to existing tax rates and thresholds (http://www.treasury.govt.nz/government/revenue/estimatesrevenueeffects). There is little published information available on the estimated incidence of the overall tax burden – although a Treasury Working Paper by Johnson and Crawford (http://www.treasury.govt.nz/publications/research-policy/wp/2004/04-20/) has looked at the overall incidence of tax (and receipt of benefits) for 1997/98, and compared that with a 1987/88 study.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. 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). <p><u>Citation:</u></p> <p><u>Comment:</u> NZ has not received assistance from any IFI for many years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e
<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ul style="list-style-type: none"> a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. 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). <p><u>Citation:</u></p> <p><u>Comment:</u> NZ does not receive donor assistance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e

<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Minister's Executive Summary is provided; it sets out the key messages in the Budget Speech, an overview of major Budget decisions, and of the economic and fiscal forecasts – http://www.treasury.govt.nz/budget2009/summary/.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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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?

- a. Yes, it publishes a citizens budget that is very informative.
- b. Yes, it publishes a citizens budget that is somewhat informative.
- c. Yes, but the citizens budget is not very informative.
- d. No, it does not publish a citizens budget.
- e. Not applicable/other (please comment).

Citation:

Comment:

While not described as a Citizens Budget, the information contained in the Minister's Executive Summary is the type of information one might expect in a Citizens Budget (although internationally there is as yet no recognised description of what a Citizens Budget should contain). In addition to the Executive Summary, the Key Facts for Taxpayers card is a summary of tax, expenditure and income data from the Budget, released at the same time as the Budget (<http://www.treasury.govt.nz/budget/2009/taxpayers/>). A hard copy of the Key Facts is included in the Budget Media Kit provided to journalists on budget day. There is also a Tax Ready-reckoner, a guide showing the estimated revenue changes likely to occur from small changes to existing tax rates and thresholds (<http://www.treasury.govt.nz/government/revenue/estimatesrevenueeffects>).

As non-technical explanations of what is in the budget, intended for use by the media in reporting to the general public or by the public directly, these three documents can be construed as fulfilling some of the functions of a citizens guide, although they are not in a single stand-alone document.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Is there any feed-back given to the Central Government Agencies? I think that NZ Treasury could easily combine the Key Facts and the Executive Summary to provide a Citizens Budget along with a simple statement or core cash flows and functional expenses.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire: "b." I chose my answer because, while the reviewer is correct that it would not be difficult to combine the different elements into a single Citizens Budget, this is outside the scope of the question.

IBP Comment: IBP editors chose answer "b" as initially suggested by the researcher.

Government Comment: Government did not dispute researcher's response.

b

<p>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)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u> There is a Glossary of Terms in the BEFU (pp. 172-175). The Estimates of Appropriation also contain an introduction to the Estimates including a glossary, and an explanation of various parts of the Estimates (B5 pp. vi - xiv).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> Additional comment: The Estimates of Appropriation contain an introduction to the estimates, including a glossary, and how to read and explanation of various parts of the estimates. (B5 pp. vi - xiv)</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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. Since 2005, in anticipation of OIA requests, the Treasury has posted a range of budget-related background papers, including Cabinet Papers and Minutes (http://www.treasury.govt.nz/publications/informationreleases/budget/2009).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>64. 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)?</p> <ul style="list-style-type: none"> 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. d. In practice, no highly disaggregated expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See answer to Q. 63.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>65. 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?</p> <ul style="list-style-type: none"> 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. 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. c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures. d. In practice, no highly disaggregated non-financial expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See answer to Q. 63.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> Press release available at http://www.beehive.govt.nz/release/minister+finance+deliver+budget+may+28</p> <p><u>Comment:</u> The date of the 2009 Budget, of 28 May, was announced on 18 February 2009.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b

<p>67. Does the executive release to the public its timetable for preparation of the executive’s budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget’s formulation)?</p> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.treasury.govt.nz/publications/guidance/budget/process/</p> <p><u>Comment:</u> The Treasury's web site contains detailed information and guidance to departments on the internal timetable for preparing the 2009 budget. It was posted on the web site at the same time it was sent to Departments.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <p>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).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The executive adheres to its publicly-announced timetable for release of the Pre-Budget Statement and the annual Budget, and the internal calendar is also adhered to.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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 (http://www.parliament.nz/en-NZ/PB/SC/Documents/Reports/8/a/7/49DBSCH_SCR4250_1-Budget-Policy-Statement-2009-I-3A.htm) 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).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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. One organization – The New Zealand Business Roundtable – has complained about the lack of dialogue over budget priorities, and suggested that the FEC should be required to respond in writing to submissions on the BPS. See “Restraining Leviathan: A Review of the Fiscal Responsibility Act 1994,” by Bryce Wilkinson, 2004, p. 69, available at http://www.nzbr.org.nz/documents/publications/publications-2004/restraining_leviathan.pdf The government also consults in the development of tax policies, see http://www.treasury.govt.nz/tax/default.asp#policy</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> The executive releases a pre-budget statement at least four months in advance of the start of the budget year. 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. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. The executive does not release a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> Budget Policy Statement 2009, 18 December 2008 http://www.treasury.govt.nz/budget/2009/bps</p> <p><u>Comment:</u> By law, the BPS must be tabled in Parliament no later than 31 March each year. The BPS for each of the previous three budgets was also released in the previous December.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a
<p>72. Does the pre-budget statement describe the government's macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government's fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> See http://www.treasury.govt.nz/budget/2009/bps</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> See http://www.treasury.govt.nz/budget/2009/bps</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The 2009 Budget was tabled in Parliament on 28 May 2009. The budget year starts on 1 July. For context, the 2008 Budget was tabled on 22 May 2008, and the 2007 budget was tabled on 17 May 2007. In the last two years there has been less than 6 weeks gap; only in one of the last three years was there a gap of more than 6 weeks.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p> <p><u>Government Comment:</u> Section 12 of the Public Finance Act 1989 requires the Minister of Finance to introduce the first Appropriation Bill that relates to a financial year (1 July - 30 June), before the end of the first month after the start of that year. However it has become common practice for the Budget to be table in late May. The 2009 Budget was tabled in Parliament on 28 May 2009. The budget year starts on 1 July. For context, the 2008 Budget was tabled on 22 May 2008, and the 2007 budget was tabled on 17 May 2007.</p>	C

<p>75. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Budget Economic and Fiscal Strategy Report and the BEFU are referred to the Finance and Expenditure Committee of Parliament for examination, as are the Half Year Economic and Fiscal Update and the Statement of Long Term Fiscal Position. The Minister of Finance appears before the Committee in public sessions, but no public submissions are sought.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>76. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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 is endorsed to Parliament. Other departments are examined in some detail.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>77. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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.parliament.nz/en-NZ/PB/SC/Documents/Reports/Default.htm?search=-1765827928 While not all written testimony is incorporated in these reports, a list of documents considered is appended, and these documents are available on request.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation:

Comment:

The Intelligence and Security Committee of Parliament is empowered during each Parliamentary term to examine the Estimates of the security agencies (the NZ Security Intelligence Service and the Government Communications Security Bureau). Source: Sessional And Other Orders Of Continuing Effect – see <http://www.parliament.nz/en-NZ/PB/Reference/Orders/3/3/9/00HOOOCPBReferenceOrders1-Sessional-and-other-orders-of-continuing.htm> While the publicly available information on the budgets of the security agencies is at a highly aggregated level, the Office of the Auditor-General advises that information provided to the Committee that reviews these agencies' Estimates is more extensive, and of the same nature as the information provided to Select Committees when they review a regular departmental Vote. The 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.

a

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Other (non-attributable) sources, inform me that only the Prime Minister (and sometimes the Minister of Finance) receive details of some expenditures. This cannot be verified.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "a." I chose my answer because, while this can only be conjecture given the security of the information, the Office of Auditor-General has consistently and explicitly indicated that the relevant Committee receives information of the same nature as provided for other departments/agencies.

IBP Comment: IBP editors chose answer "a" as originally suggested by the researcher.

Government Comment: Government did not dispute researcher's response.

<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ul style="list-style-type: none"> a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. d. No, the legislature does not have any authority <i>in law</i> to amend the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> 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 http://www.parliament.nz/en-NZ/HowPWorks/Rules/d/8/5/d852c8b4b1a9447daa04d804c3fc5440.htm. No amendments to the government’s budget proposal have been approved in recent years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> 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 or the approved budget is not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Appropriation (2009/10 Estimates) Act 2009 (09/28), Introduced and First Reading on 28 May 2009, Third Reading 26 August 2009, Royal Assent 1 September 2009. http://www.legislation.govt.nz/act/public/2009/0028/latest/DLM2099404.html</p> <p><u>Comment:</u> The Appropriation Act approved by Parliament provides information on appropriations for each department and agency by each of seven appropriation types - for example, departmental output expense (which is equivalent to program-level, see answer to Q. 4), non-departmental output expense, benefits and other unrequited expenses (e.g. social welfare transfer payments), and capital expenditure (departmental or non-departmental). The Act contains a reference to the corresponding page number of the Estimates for more detailed information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The unaudited Financial Statements of the Government of NZ are released monthly, and are available at www.treasury.govt.nz/financialstatements/monthend</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Financial Statements are unusually comprehensive by international standards. They cover the Government 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ul style="list-style-type: none"> a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail. b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The monthly financial statements classify expenses by function, and by input type, but do not show expenses by administrative unit or Vote.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>85. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> http://www.treasury.govt.nz/government/financialstatements/monthend/pdfs/fsgnz-11mths-may09.pdf</p> <p><u>Comment:</u> 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).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> Same as for Q 82.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> Same as for Q. 83.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
<p>88. 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?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Same as for Q. 85.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> a. Yes, in-year reports on actual borrowing are released at least every month. b. Yes, in-year reports on actual borrowing are released at least every quarter. c. Yes, in-year reports on actual borrowing are released at least semi-annually. d. No, in-year reports on actual borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Same as for Q. 82.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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90. 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:

Comment:

The monthly financial statements present some information on debt by instrument (sovereign guaranteed and non-guaranteed), and on gross and net debt, but not on interest rates, maturity profile, or currency composition - see www.treasury.govt.nz/financialstatements/month/may09/cfs11may09.pdf

The Crown Financial Statements (end of year report) contain details of the debt maturity profile, but this is not included in budget documents. While the monthly reports contain some details, they contain none of the three elements specifically referred to in the question.

C

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: In my opinion too much of the important details on the debt profile for making decisions on the credit worthiness of the country and likely future economic trends is missing for the information on the composition of the government debt to be given a "b." Much of the information can be found out by looking at the Reserve Bank publications but not in Budget documents.

Government Comment: Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.

IBP Comment: Please see Note 1.

<p>91. 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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> With the exception of the first two months of the year, which are incorporated in a report covering the first quarter, monthly reports were typically released one month and 3-6 days after the end of the reporting period during 2008/09 - with the exception of the monthly reports for the end of November and end December, which were released one month and 3-4 weeks after the end of the period due to the Christmas/New Year break. One reason for the reports taking longer than a month is that they are unusually comprehensive, not only in scope (see Q. 83) but also in depth – they contain a full balance sheet of government.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>92. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The government presents a Half Year Economic and Fiscal Update (HYEFU) each year based generally on information to November. The HYEFU presents a revised set of macroeconomic forecasts (http://www.treasury.govt.nz/budget/forecasts/eff2008/eff08.pdf)</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> The HYEPU presents a revised set of fiscal forecasts.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The HYEPU focuses on total core crown operating expenses, but does provide an explanation of specific expenditure areas (e.g. total social welfare transfer payments, and some individual spending areas that are equivalent to program-level) as a source of variance from budget forecasts. It also explains the fiscal impact of expenditure policy decisions taken since the budget, at a detailed level.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none">a. 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.b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.d. 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.e. Not applicable/other (please comment). <p><u>Citation:</u> As for Q. 93.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to 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, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> Supplementary Estimates of Appropriation are the vehicle through which transfers are effected between budget heads above a threshold level specified in legislation. Prior to Supplementary Estimates, advance legislative authority for changes is given through Imprest Supply, but the details must be specified in an Appropriation Act which is presented with the Supplementary Estimates. 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.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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97. 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:

Comment:

Responsibility for procurement lies with individual departments and agencies, subject to compliance with the Government's policy framework (the policy principles set out in the Ministry of Economic Development (MED) Government Procurement in New Zealand, a Policy Guide for Purchasers, interim revised edition published in August 2007; the Mandatory Rules for Procurement by Departments endorsed by Cabinet in April 2006; and the Auditor-General's June 2008 good practice guidelines (Procurement Guidance for Public Entities), which were accompanied by a publication on "Public sector purchases, grants and gifts: Managing funding relationships with external parties." The policy framework promotes competition through prescribed open tendering and prequalification procedures, centralized advertising on the Government Electronic Tenders Service (GETS), post-award transparency, and publication of Annual Procurement Plans. There are occasional instances of government agencies not following the prescribed procedures. In a 2007 report on three Auckland District Health Boards, the Auditor-General found that inadequate attention had been paid to conflicts of interest. In his report on the results of audits of central government in 2007/08, the Auditor General included a chapter (Part 9) outlining the findings of annual work on procurement policies and practices. The auditors recommended to about 13% of entities that they improve their procurement policies, while the most common concern about procurement practices was a lack of documentation, and in government departments, weaknesses in conflict of interest procedures.

b

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

<p>98. When does the legislature typically approve supplemental budgets?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Supplementary Estimates for 2008/09 were tabled in Parliament on 28 May 2009, the same day that the 2009 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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99. 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:

Comment:

In the 2008/09 financial year, the difference between total annual appropriations for expenses in the main Estimates and the Supplementary Estimates was 3.95%.

Differences in previous years were:

2007/08 8.24%

2006/07 2.06%

2005/06 6.38%

In 2003/04 and 2004/05 it was in the 2-3% range.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

b

100. 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:

Email communication with Chris Bunny, Manager, Fiscal Management, The Treasury, 17 September 2009.

Comment:

Anticipated within-year spending pressures are accommodated by two means. First is a contingency appropriation for the Health sector. In the 2009 budget this "Sector risk management" item was for \$240 million, and was appropriated in the budget (p. 169 of the Estimates). Secondly, in the last few years a general contingency of \$200 million has been notionally set aside to help manage within-year spending pressures. This amount is not appropriated at the time of the budget, but is the difference between the funds actually appropriated through the budget and the allocation built into the forecasts. The general contingency is an internal monitoring mechanism against which the Treasury advises the government regularly through the budget year of the possible need for spending in excess of appropriations. Interim Parliamentary authority for the expenditure is provided by Imprest Supply, but specific authority for the expenditure on individual items is not obtained until the Supplementary Estimates in May of each year, after the expenditure has occurred.

b

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Please amend sentence to read as follows "Secondly, in the last few years a general contingency of \$100 - 200million has been notionally..."

Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ul style="list-style-type: none"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> The audited Financial Statements of the Government for the year ended 30 June 2008 were published on 6 October 2008. These are the first full financial statements prepared according to NZ International Financial Reporting Standards.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none">a. Yes, all data on actual outcomes have been audited.b. At least two-thirds, but not all, of the data on actual outcomes have been audited.c. Less than two-thirds of the data on actual outcomes have been audited.d. None of the data on actual outcomes has been audited, or a year-end report is not released.e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The report cited in Q. 101 contains a report of the Controller and Auditor-General dated 30 September 2008 (pp. 20-21).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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103. Does the year-end report 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:

Comment:

The Commentary on the Financial Statements of the Government contains a short narrative explanation of the difference between the actual outcome for expenses and the estimated outcome as of the time of the 2009 Budget (i.e. in May 2008), which incorporates changes to appropriations made in Supplementary Estimates. It is not an extensive commentary. The Financial Statements themselves show the difference between the original budget levels of expenses, the estimated final outturn at the time of the 2009 Budget, and the final outturn.

b

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." The differences are clearly shown, but an explanation for the differences are brief, not always forthcoming, not related to fundamental economic drivers or are vague, e.g. due to "indexing of welfare benefits."

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire: "b." I chose my answer because this is a difficult judgment call. I accept that for the purposes of detailed analysis the explanations lack important details. However, for the purpose of providing general information to taxpayers/citizens, it is arguable that key differences are highlighted. More detailed information could actually result in less transparency for the general public.

IBP Comment: IBP editors chose answer "b" as initially suggested by the researcher.

Government Comment: Amend (i.e. in May 2008) to read (i.e. May 2009).

<p>104. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Financial Statements of the Government present an explanation of expenditure variance only at the level of aggregated functions. For instance, there are only five expense categories, compared to the twelve functional categories. No single document presents more detailed information across the government. More detailed information is available, however, 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Commentary on the Financial Statements of the Government contains a short narrative explanation of the difference between the actual outcome for revenues and the estimated outcome as of the time of the 2009 Budget (i.e. in May 2008). It is not an extensive commentary. The Financial Statements themselves show the difference between the original budget levels of revenues, the estimated final outturn at the time of the 2009 Budget, and the final outturn.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c." As per Q. 103, the differences are clearly shown, but an explanation for the differences are brief, not always forthcoming, not related to fundamental economic drivers or are vague, e.g. due to e.g. income tax assessments lodged by a particular group of companies.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire "b." I chose my answer because of the same reasons given with respect to Q. 103.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" as initially suggested by the researcher.</p> <p><u>Government Comment:</u> Amend (i.e. in May 2008) to read "(i.e. May 2009).</p>	<p>b</p>
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<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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 2008 Half Year Economic and Fiscal Update described and discussed the changes in the macroeconomic forecasts compared to those in the 2008 Budget presented the previous May. In addition, since 2002 the Treasury has regularly published analyses of its economic and tax forecasting performance. The latest report, released on 8 May 2009, provides a comprehensive analysis of the performance of the Treasury’s GDP, CPI inflation and tax forecasts from the early 1990s to 2008. It also compares the Treasury’s economic forecasting performance with that of other forecasters, both within New Zealand and abroad, and compares the Treasury’s tax forecasting performance with that of similar agencies in three other countries. See http://www.treasury.govt.nz/publications/informationreleases/forecastingperformance/reviews</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Accept "b" as some excellent and others poor.</p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b
<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> As for Q. 107 above.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b

<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Statement of Service Performance in each relevant department’s Annual Report contains some information on variances with respect to expenditures on low income and vulnerable groups. See for instance the Annual Report of the Ministry of Social Development, at http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/index.html Other departments also report on how their activities impact on vulnerable groups. For instance, the Ministry of Education publishes an annual report on Maori education (Maori are represented disproportionately amongst those experiencing poor educational outcomes). See http://www.minedu.govt.nz/theMinistry/PolicyAndStrategy/KaHikitia/Implementation.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The NZ Superannuation Fund, the Government Superannuation Fund, the Accident Compensation Corporation and the Earthquake and War Damages Commission are subject to audit by the Auditor-General, and detailed information on them is presented in the Notes to the Financial Statements (see Notes 11, 24, 25, and 32). (See answer to Q.35 for discussion of the concept of EBF in the NZ context).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Delete "and War Damages."</p>	<p>a</p>
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The Independence and Performance of the Supreme Audit Institution	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> Departmental audits are completed by the end of September following the end of the financial year on 30 June, which is a legal requirement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ul style="list-style-type: none"> a. All expenditures have been audited and the reports released to the public. b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. c. Expenditure representing less than two-thirds of expenditure has been audited. d. No expenditures have been audited, the reports have not been released to the public, or were released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> All such expenditures, including those of crown entities, are audited within 4 months of balance date.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. The annual audit report(s) includes one or more executive summaries summarizing the report's content. b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or were released more than 24 months after the end of the fiscal year. c. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Auditor-General's annual report to Parliament on the audit of central government is itself a summary of the Office's findings on key crosscutting issues. For instance, Part One of the 2007-08 report contains a 15 page discussion of the significant matters arising in the Audit of the Government's Financial Statements. 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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<p>114. 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?</p> <p>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.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Public Audit Act 2001 stipulates that the Auditor-General can only be removed from office by the Governor-General, on an address from Parliament for disability affecting the performance of duty, bankruptcy, neglect of duty or misconduct. The Auditor-General has a fixed term of 7 years with no right of renewal.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Delete "and War Damages."</p>	<p>a</p>
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<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ul style="list-style-type: none"> 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, or such a report was released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The NZ Superannuation Fund, the Government Superannuation Fund, the Accident Compensation Corporation and the Earthquake and War Damages Commission are subject to audit by the Auditor-General, and detailed information on them is presented in the Notes 7, 12, 17 and 18 of the Financial Statements, and in their respective annual reports. (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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ul style="list-style-type: none"> a. The SAI has full discretion to decide which audits it wishes to undertake. b. The SAI has significant discretion, but faces some limitations. c. The SAI has some discretion, but faces considerable limitations. d. The SAI has no discretion to decide which audits it wishes to undertake. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ul style="list-style-type: none"> a. 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. b. 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. c. 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. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> S.26E 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.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ul style="list-style-type: none"> a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. e. Not applicable/other (please comment). <p><u>Citation:</u> Email communication with Wendy Venter, Assistant Auditor-General, 10 November 2009.</p> <p><u>Comment:</u> The Auditor-General appoints auditors to carry out these audits on his behalf (as with non-security-related audits). These auditors are required to have the necessary security clearances to carry out their responsibilities, and tight restrictions are placed on access to information related to the intelligence agencies.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Add the words "or her" after his.</p>	<p>a</p>
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<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. d. No, the SAI does not maintain any formal mechanisms of communication with the public. e. Not applicable. <p><u>Citation:</u></p> <p><u>Comment:</u> The Auditor-General has the discretion to inquire into a public entity's use of resources under section 18 of the Public Audit Act. Inquiries can be undertaken at the Auditor-General's own initiative or when correspondence from taxpayers, ratepayers or members of Parliament draw attention to potential issues. During 2007/08, the Auditor-General received about 75 requests to investigate the actions of public entities in the central government sector. Some inquiries are straightforward, and are concluded by the Auditor-General writing to the public entity concerned and the original correspondent (if any) discussing findings. However, other inquiries address more complex matters. The Auditor-General may, if the issues are significant, produce a public report that is presented to Parliament, a Minister, or a public entity.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The number is less than 100, but NZ is a very small country, so "a" correct.</p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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120. 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:

Comment:

As part of the financial accountability procedures of Parliament, Select Committees are required to conduct financial reviews of the performance in the previous financial year and current operations of each department, Crown entity, State enterprise, public organisation and Office of Parliament. Following a change to Parliament's Standing Orders at the start of the current Parliament, all reports of the Auditor General are automatically referred to a select committee in order to facilitate parliamentary scrutiny and promote implementation of recommendations in the reports. Given the unusually large number of central government agencies subject to annual audit in NZ (around 3,000, including many small entities such as schools), not all of these agencies are individually scrutinised each year, a number being subject to pro forma review at the Committee's discretion. However, all the large agencies are subject to annual review. The Auditor-General provides advice to select committees for their financial reviews.

The Auditor-General also regularly presents various reports to the House, for example, general purpose reports that comment on a number of matters that warrant Parliament's attention, and special purpose reports that contain the results of performance audit and inquiries. There is no obligation for FEC or Select Committee to examine these reports. On a number of occasions a Select Committee will request a briefing from the Auditor General on such a report, but this rarely leads to a Select Committee report to Parliament.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: This question/comment appears to confuse or combine the audit reports on the accounts of various government entities and reports to the parliament of the Auditor-General (SAI). A more appropriate comment to this question could be:

Throughout the year the Auditor-General presents a number of reports to parliament; these reports include performance audits and comments on specific issues and concerns arising from the attestations audits undertaken on her behalf. These reports are referred to the Financial and Expenditure select committee, which may forward them to another select committee. However there is no obligation for these to be subject to any scrutiny or review.

As part of the financial accountability of the government all government entities are subject to financial reviews by select committees. Each entity's annual report includes a short form audit report from entity's auditor. Given the large number of central government agencies subject to annual audit in NZ (around 3,000, including many small entities such as schools), not all of these agencies

b

<p>are individually scrutinised each year, a number being subject to pro forma review at the Committee's discretion. However, all the large agencies are subject to annual review. The Auditor-General provides advice to select committees for their financial reviews.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire: "b." I chose my answer because I am not sure the reviewer's suggested revised comment contains any substantive changes, but just reverses the order in which the two types of reports are discussed.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" as initially suggested by the researcher.</p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	
<p>121. 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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Email communication with Wendy Venter, Assistant Auditor-General, 10 November 2009.</p> <p><u>Comment:</u> There is no centralised report from the executive in response to adverse audit findings or recommendations. The system is a decentralised one. As part of the annual financial review, the Auditor General briefs Select Committees on issues that arose in its audit of each entity, and suggests questions for written response by the entity. It is standard practice for the Auditor General to include in the briefing all recommendations that are outstanding, and where recommendations relate to previous years this is noted. The Select Committee generally includes these questions in its list of questions to the entity for written response. The entity is required to respond in writing, and the questions and responses are on the public record. Separately, a Minister will at times issue a press statement in response to a significant adverse Audit Office report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b

122. 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:

Comment:

In March 2009, the Auditor General submitted a report to Parliament on the actions taken by the executive in response to the findings of the 14 performance audits the Office published during 2007. A similar report is in preparation for the 2008 year. In addition, in relation to the Office's inquiry role, the Office has a performance measure in its accountability documents as follows: "Entities take action in response to concerns identified in inquiry reports." This is assessed by sampling sensitive and major inquiries, and performance against the measure is reported in the Office's Annual Reports. Finally, as noted in Q. 121, as part of the annual financial review the Auditor General briefs Select Committees on issues that arose in its audit of each entity, and suggests questions for written response by the entity. It is standard practice for the Auditor General to include in the briefing all recommendations that are outstanding, and where recommendations relate to previous years this is noted. The Select Committee generally includes these questions in its list of questions to the entity for written response. The entity is required to respond in writing, and the questions and responses are on the public record.

a

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ol style="list-style-type: none"> Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. Yes, legislators are provided audit reports on secret items, but some details are excluded. Yes, legislators are provided audit reports on secret items, but they lack important details. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Audit Office provides reports to The Intelligence and Security Committee of Parliament on the operations of the security agencies.</p> <p><u>Researcher Response to this Question was "a"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate comment would be "The annual reports of entities making up the security sector include an independent audit report. The annual reports of the Military and Police are subject to usual parliamentary scrutiny. The annual reports of the security agencies are reviewed in secret by parliamentary Intelligence and Security Committee."</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire: "a." I chose my answer because I do not see that the alternative comment adds anything substantive.</p> <p><u>IBP Comment:</u> IBP editors chose answer "a" as initially suggested by the researcher.</p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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Additional Researcher Comments:

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.