

# New Zealand

## Overview



### Transparency:

**85** /100

(Open Budget Index score)



### Public Participation:

**48** /100



### Budget Oversight:

**80** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

**The Open Budget Survey (OBS)** is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

**Please note** that the year in review for this edition of the OBS fell within the first year of the COVID-19 pandemic. New Zealand was one of a handful of countries to mainstream its COVID-19 response through the standard budget process, avoiding the use of emergency budget powers completely. IBP has published a separate assessment of the fiscal response to the pandemic [here](#).

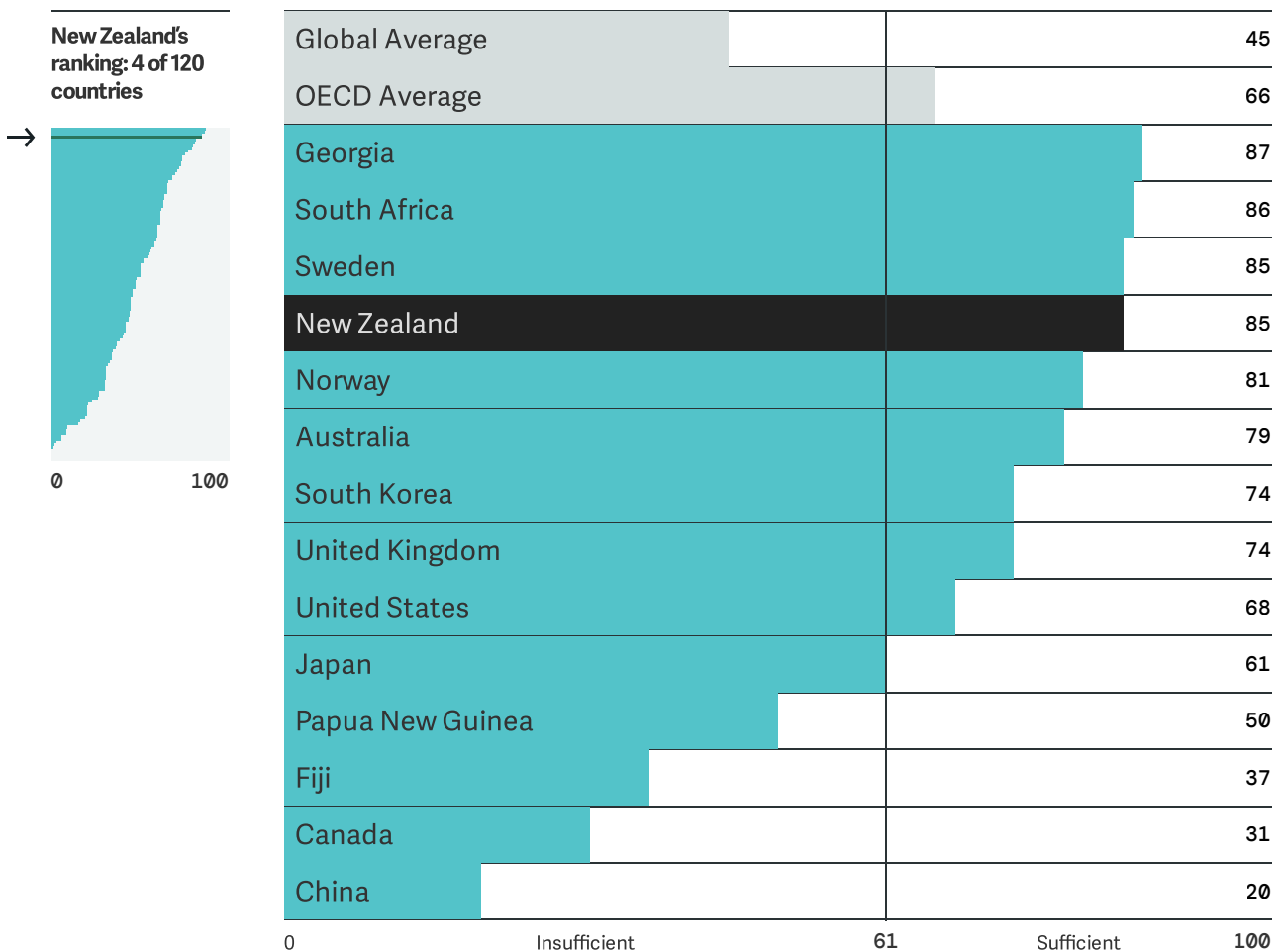
Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

# Transparency

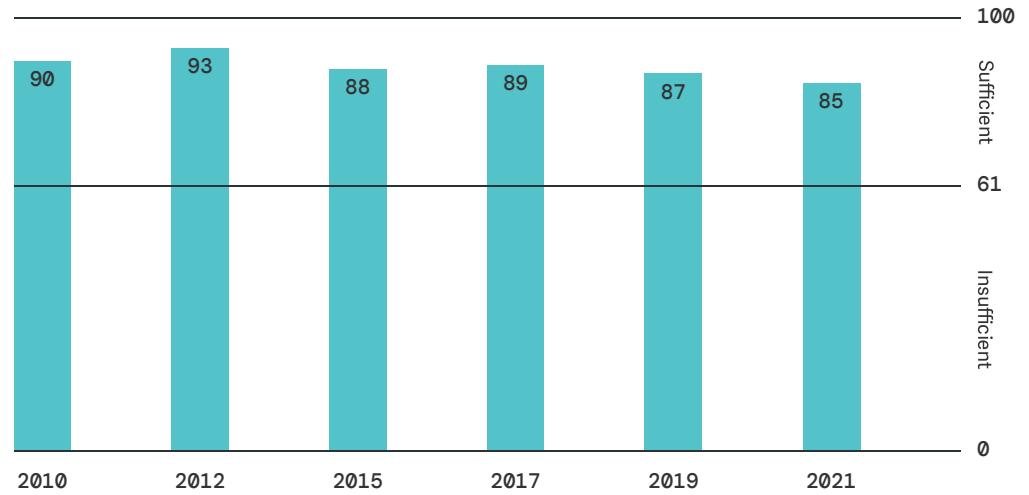
This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

New Zealand has a transparency score of **85** (out of 100).

## Transparency in New Zealand compared to others



# How has the transparency score for New Zealand changed over time?



## Public availability of budget documents in New Zealand

**KEY**

- Available to the Public
- Published Late, or Not Published Online, or Produced for Internal Use Only
- ⊘ Not Produced

Document	2010	2012	2015	2017	2019	2021
Pre-Budget Statement	●	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	⊘
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

# How comprehensive is the content of the key budget documents that New Zealand makes available to the public?

KEY	
<span style="color: #00728f;">●</span> 61-100 / 100	
<span style="color: #00a0c0;">●</span> 41-60 / 100	
<span style="color: #00e0c0;">●</span> 1-40 / 100	

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2020-21	95
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2020-21	91
Enacted Budget	The budget that has been approved by the legislature.	2020-21	100
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2020-21	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2019-20 & 2020-21	74
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020-21	85
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019-20	81
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019-20	86

New Zealand's transparency score of **85** in the OBS 2021 is near its score in 2019.

## What changed in OBS 2021?

New Zealand has decreased the availability of budget information by:

- Failing to produce the Citizens Budget: "Budget at a Glance" and "BEFU Basics". These documents were not produced in 2020 due to resource constraints and competing priorities during the COVID-19 pandemic. While Budget 2021, published in May 2021, saw the reinstatement of publication of these two key citizens documents, it falls outside of the scope of this assessment.

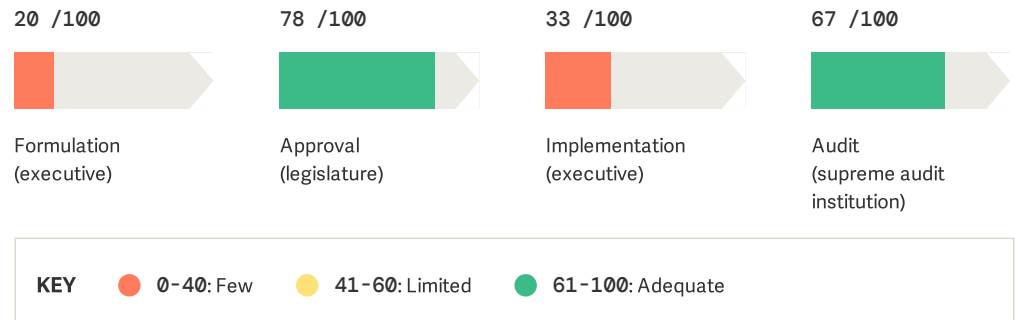
## Recommendations

New Zealand should prioritize the following actions to improve budget transparency:

- Build on the Budget Basics series by highlighting budget trends at three levels: 1. Macro - how the overall mix of current and capital spending, taxes and other revenue, fiscal deficit and debt is changing; 2. Meso – how the components of revenue collection and sectoral allocation of shares of expenses are shifting over time 3. Micro – what are the key new spending and revenue initiatives?
- Strengthen the scope and quality of data visualizations in budget documents and increase the use of hypertext links to simplify data access and analysis.
- Publish the budget calendar before the budget cycle begins and include designated opportunities for public engagement in that calendar.
- Include in the Year-End Report differences between forecasts of core macroeconomic indicators and actual outcomes.



# Extent of opportunities for public participation in the budget process



## Recommendations

New Zealand's Treasury has established public consultations during budget formulation and e-consultations during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Expand mechanisms during budget implementation to engage any civil society organization or member of the public who wishes to participate.

New Zealand's Parliament has established submissions related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

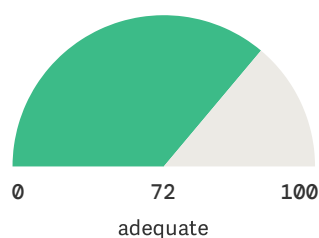
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

# Budget Oversight

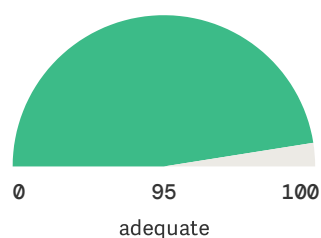
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in New Zealand, together, provide adequate oversight during the budget process, with a composite oversight score of **80** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



**KEY** ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

## Recommendations

To further improve oversight, New Zealand's Parliament should prioritize the following actions.

- Encourage more active public engagement in select committee hearings on the implementation of outputs and programmes during the year and for performance reports at year-end.
- Introduce more robust mechanisms to enable opposition parties to access the expertise of the public service so they can have proposed policies costed.



## The emerging practice of establishing independent fiscal institutions

New Zealand does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process. However, please note that New Zealand has legislated for a statutory independent fiscal function so that economic and financial projections are prepared by the Treasury independently of the Minister (Section 26W of the Public Finance Act 1989). In addition, it is recommended that more robust mechanisms be introduced to give opposition parties access to public sector experts who can cost proposed policies and manifesto commitments independently (see note above).

*\*These indicators are \*not\* scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
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Consultant  
  
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in New Zealand by a representative of the Treasury.