# Public Finance (Wellbeing) Amendment Bill

Government Bill

As reported from the Finance and Expenditure Committee

## Commentary

### Recommendation

The Finance and Expenditure Committee has examined the Public Finance (Wellbeing) Amendment Bill and recommends by majority that it be passed with the amendments shown.

### Introduction

The bill would introduce new reporting requirements for both the Government and the Treasury. The Government, in delivering the Budget, would be required to report annually on its wellbeing objectives. The Treasury would be required to report at least every four years on the state of wellbeing in New Zealand.

The bill would do this by amending the Public Finance Act 1989. The Act sets out the framework for the macroeconomic and fiscal reporting that is currently a part of the Budget process. This bill would help broaden the framework that the Government uses to develop and assess its Budget. It is intended to help embed a wellbeing approach within the Public Service.

## Proposed amendment

This commentary covers the main amendment we recommend to the bill as introduced. We do not discuss minor or technical amendments.

## “Appropriate” indicators of wellbeing

The bill as introduced would require the Treasury, in developing its wellbeing report, to use “appropriate” indicators of wellbeing (clause 8, new section 26NB(2)).

This provision would require the Treasury to produce a description of the state of wellbeing in New Zealand. It is intended that the Treasury would use its best professional judgement in determining the best indicators to describe wellbeing. The bill does not prescribe what those indicators are.

We believe the word “appropriate” is open to wide interpretation, and its use in this provision could limit the Treasury’s ability to use its best professional judgement in determining the wellbeing indicators.

We therefore recommend amending new section 26NB(2) by removing the word “appropriate”.

# Appendix

## Committee process

The Public Finance (Wellbeing) Amendment Bill was referred to the committee on 17 September 2019. The closing date for submissions was 30 October 2019. We received and considered 24 written submissions from interested groups and individuals. We heard oral evidence from 7 submitters in Wellington.

We received advice from the Treasury.

## Committee membership

Dr Deborah Russell (Chairperson)

Kiritapu Allan

Andrew Bayly

Rt Hon David Carter

Tamati Coffey

Hon Judith Collins

Hon Paul Goldsmith

Ian McKelvie

Greg O’Connor

Willow-Jean Prime (until 11 December 2019)

David Seymour

Jamie Strange (from 11 December 2019)

Fletcher Tabuteau

Dr Duncan Webb