



Foreign Affairs (Consular Loans) Amendment Bill

135—1

Report of the Foreign Affairs, Defence and
Trade Committee

November 2022

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Hon Jenny Salesa
Chairperson

Foreign Affairs (Consular Loans) Amendment Bill

Recommendation

The Foreign Affairs, Defence and Trade Committee has examined the Foreign Affairs (Consular Loans) Amendment Bill and recommends unanimously that it be passed without amendment.

Overview and purpose of the bill

The Foreign Affairs (Consular Loans) Amendment Bill would re-establish legislative authority for a long-standing practice. For over 25 years, the Ministry of Foreign Affairs and Trade has provided financial assistance to assist New Zealand citizens and permanent residents when their immediate health or safety is at risk. This help is given in exceptional circumstances when New Zealanders have no other means of financial assistance.

The practice of issuing loans did not require express statutory authority under the Public Finance Act 1989 until that Act was amended in 2013. During a period of unusually high demand for consular loans in 2020, at the time of the COVID-19 pandemic, it was identified that express statutory authority was required for consular officials to make these loans. In June 2020 the ministry received delegated authority to lend money under the Act.

The bill would continue the long-standing practice of issuing loans to New Zealanders in extraordinary circumstances while they are overseas. It would also retrospectively validate consular loans granted by the ministry in good faith between 2013 and June 2020.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Issues raised by submitters

We consider that the bill as introduced needs no amendment. Two written submissions were received on the bill.

Request to extend eligibility for loans to all residence class visa holders

One submitter commented that the bill would provide consular loans only to New Zealand citizens and permanent residents. The submitter recommended that the eligibility for consular loans be broadened to include holders of all residence class visas. He said holders of resident class visas consider New Zealand to be "home" in the same way as permanent resident visa holders.

The Ministry of Foreign Affairs and Trade advised that internationally accepted practice is to provide consular services only to citizens. Non-citizens are considered the responsibility of their country of citizenship.

The ministry said that a limited exception to this is when the New Zealand Government arranges or facilitates a flight to New Zealand from a disaster or emergency situation, such as a cyclone or tsunami in the Pacific. Under the ministry's guidelines, permanent residents would be considered eligible for a consular loan in that context.

We accept that it is not the intention of this bill to broaden the scope of eligibility for consular loans. We do not recommend any changes to eligibility.

The means to provide tangible and meaningful support

One submission was received supporting the bill. The submitter commented that it is comforting for travellers to know that consular support is available. He supported confirming the existing practice of providing consular loans. He believes it is important that diplomatic staff continue to have the means to provide tangible and meaningful support for citizens abroad.

Appendix

Committee procedure

The Foreign Affairs (Consular Loans) Amendment Bill was referred to the committee on 26 July 2022. The closing date for submissions was 8 September. We received and considered two written submissions from interested individuals.

We received advice on the bill from the Ministry of Foreign Affairs and Trade. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office was available to assist with legal drafting.

Committee members

Hon Jenny Salesa (Chairperson)
Hon Gerry Brownlee
Golriz Ghahraman
Ingrid Leary
Hon Todd McClay
Ibrahim Omer

Advice and evidence received

The documents that we received as advice and evidence are available on the Parliament website, www.parliament.nz.