

---

# Generally Accepted Accounting Practice (GAAP) Series Tables

## Additional Information

Following is additional Crown financial forecast information to support that summary financial statements contained in the 2002 *Pre-election Economic and Fiscal Update* (Pre-EFU). The additional information provided includes:

### Forecast Financial Statements – additional note disclosures

The financial statements notes provide a breakdown of some of the major components of the summary forecast statements, for example tax revenue classifications, expenses, advances and physical assets (property, plant and equipment).

The notes relate to the summary forecast statements outlined on pages 37 to 45 of the Pre-EFU. They therefore relate to the current presentation of the Crown financial statements. It also contains a complete write up of the contingent liabilities.

### Line-by-line consolidation information

This information supports the information outlined on pages 47 to 48 of the 2002 Pre-EFU. It is substantially the same as contained in the 2002 Budget Economic and Fiscal Update, adjusted for the minor changes made to the forecasts as a result of the Pre-EFU update.

### Tax and Expense tables

These are a copy of the tax and expense tables contained on pages 193 to 202 of the 2002 *Budget Economic and Fiscal Update*, updated to reflect the minor changes to the tax and expense forecasts as a result of the Pre-EFU.

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 1: Direct Taxation</b>							
<b>Income Tax</b>							
<b>Individuals</b>							
Source deductions	13,703	14,358	14,605	15,321	16,133	17,029	17,865
Other persons	3,871	3,881	3,990	4,140	4,199	4,325	4,431
Refunds	(790)	(656)	(813)	(771)	(813)	(813)	(813)
Fringe benefit tax	342	336	356	381	385	390	395
<b>Total Individuals</b>	<b>17,126</b>	<b>17,919</b>	<b>18,138</b>	<b>19,071</b>	<b>19,904</b>	<b>20,931</b>	<b>21,878</b>
<b>Corporate Tax</b>							
Gross companies tax	4,954	4,938	4,719	4,932	5,328	5,702	5,739
Refunds	(123)	(121)	(195)	(122)	(134)	(143)	(146)
Non-resident withholding tax	760	685	669	640	692	716	737
Foreign-source dividend withholding payment	71	36	139	122	56	56	56
<b>Total Corporate Tax</b>	<b>5,662</b>	<b>5,538</b>	<b>5,332</b>	<b>5,572</b>	<b>5,942</b>	<b>6,331</b>	<b>6,386</b>
<b>Other Income Tax</b>							
Resident withholding tax on interest income	990	993	986	1,026	1,039	1,038	1,038
Resident withholding tax on dividend income	83	53	27	49	45	46	47
Estate and gift duties	2	2	2	2	2	2	2
<b>Total Other Income Tax</b>	<b>1,075</b>	<b>1,048</b>	<b>1,015</b>	<b>1,077</b>	<b>1,086</b>	<b>1,086</b>	<b>1,087</b>
<b>Total Direct Taxation</b>	<b>23,863</b>	<b>24,505</b>	<b>24,485</b>	<b>25,720</b>	<b>26,932</b>	<b>28,348</b>	<b>29,351</b>
<b>NOTE 2: Indirect Taxation</b>							
<b>Goods and Services Tax</b>							
Gross goods and services tax	15,133	15,054	16,462	16,746	17,214	17,878	18,584
Refunds	(6,007)	(5,718)	(6,613)	(6,442)	(6,427)	(6,591)	(6,770)
<b>Total Goods and Services Tax</b>	<b>9,126</b>	<b>9,336</b>	<b>9,849</b>	<b>10,304</b>	<b>10,787</b>	<b>11,287</b>	<b>11,814</b>
<b>Other Indirect Taxation</b>							
Petroleum fuels	810	806	856	938	943	949	957
Tobacco products	764	802	810	807	808	806	802
Customs duty	648	649	679	680	697	708	719
Road user charges	532	575	580	602	623	646	672
Alcoholic beverages	436	447	449	452	462	469	475
Gaming duties	206	220	242	266	279	292	304
Motor vehicle fees	181	181	189	182	184	185	186
Energy resources levies	111	96	107	101	97	93	91
Stamp, cheque and credit card duties	61	68	61	62	65	68	71
<b>Total Other Indirect Taxation</b>	<b>3,749</b>	<b>3,844</b>	<b>3,973</b>	<b>4,090</b>	<b>4,158</b>	<b>4,216</b>	<b>4,277</b>
<b>Total Indirect Taxation</b>	<b>12,875</b>	<b>13,180</b>	<b>13,822</b>	<b>14,394</b>	<b>14,945</b>	<b>15,503</b>	<b>16,091</b>

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 3: Investment Income</b>							
<b>Interest Income</b>							
Marketable securities, deposits, mortgages and cash balances	463	305	407	255	330	364	382
Advances							
Student loans	289	326	332	386	451	512	569
Other entities	48	66	80	104	190	232	222
<b>Total Interest Income</b>	<b>800</b>	<b>697</b>	<b>819</b>	<b>745</b>	<b>971</b>	<b>1,108</b>	<b>1,173</b>
<b>Dividend Income</b>							
State-owned enterprises	304	199	333	412	347	303	333
Other	21	13	74	53	21	25	23
<b>Total Dividend Income</b>	<b>325</b>	<b>212</b>	<b>407</b>	<b>465</b>	<b>368</b>	<b>328</b>	<b>356</b>
<b>Other Investment Income</b>							
Gain/(loss) on marketable securities and deposits	102	..	(2)	..	..	..	..
NZS Fund investment income	..	25	15	112	261	459	688
Gain on sale of 2GHz radio spectrum licences	140	..	..	..	..	..	..
Other	2	..	11	15	15	9	15
<b>Total Other Investment Income</b>	<b>244</b>	<b>25</b>	<b>24</b>	<b>127</b>	<b>276</b>	<b>468</b>	<b>703</b>
<b>Total Investment Income</b>	<b>1,369</b>	<b>934</b>	<b>1,250</b>	<b>1,337</b>	<b>1,615</b>	<b>1,904</b>	<b>2,232</b>

### NOTE 4: Other Operational Revenue

Recoveries from the Accident Compensation Corporation	106	97	105	101	101	101	101
Petroleum royalties	82	32	42	33	25	24	24
Income from Earthquake Commission	10	10	10	10	10	10	10
Other	183	166	196	153	155	151	149
<b>Total Other Operational Revenue</b>	<b>381</b>	<b>305</b>	<b>353</b>	<b>297</b>	<b>291</b>	<b>286</b>	<b>284</b>

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 5: Expenses by Input Type</b>							
Subsidies and transfer payments (see analysis below)	13,274	13,886	13,656	13,972	14,432	14,830	15,305
Operating expenses (see analysis below)	17,719	18,307	18,651	19,711	20,370	20,880	21,081
Personnel							
Personnel expenses (excluding pension expenses)	2,632	2,762	2,829	2,954	2,950	2,946	2,978
GSF pension expenses	691	718	707	671	680	680	719
Movement in unfunded pension liability	164	(51)	(368)	..	..	..	..
Other pension expenses	56	53	53	50	50	51	51
Depreciation							
Physical assets	751	785	764	823	857	869	877
State highways	174	94	179	190	202	215	229
Rental and leasing costs	282	256	278	277	275	275	276
Loss/(gain) on sale of assets	7	..	2	..	..	..	..
Finance costs (see analysis below)	2,483	2,395	2,303	2,339	2,425	2,501	2,572
Net foreign-exchange losses/(gains) on liabilities	404	..	(935)	..	..	..	..
Net foreign-exchange (gains)/losses on assets	(451)	..	1,054	..	..	..	..
Forecast for future new spending (see analysis below)	..	160	..	230	700	1,180	2,080
<b>Total Expenses</b>	<b>38,186</b>	<b>39,365</b>	<b>39,173</b>	<b>41,217</b>	<b>42,941</b>	<b>44,427</b>	<b>46,168</b>
<b>Analysis of Subsidies and Transfer Payments</b>							
Social assistance grants							
New Zealand Superannuation	5,273	5,472	5,457	5,645	5,888	6,112	6,399
Community Wage	1,849	..	..	..	..	..	..
Unemployment Benefit	..	1,527	1,406	1,364	1,368	1,403	1,417
Domestic Purposes Benefit	1,444	1,489	1,486	1,521	1,570	1,599	1,631
Family Support	878	899	870	870	872	874	876
Student allowances	391	428	411	441	458	473	490
Other social assistance grants	3,073	3,692	3,644	3,738	3,878	3,983	4,106
Subsidies	115	125	125	127	135	125	125
Other transfer payments							
Official development assistance	226	227	223	230	227	226	226
Other	25	27	34	36	36	35	35
<b>Total Subsidies and Transfer Payments</b>	<b>13,274</b>	<b>13,886</b>	<b>13,656</b>	<b>13,972</b>	<b>14,432</b>	<b>14,830</b>	<b>15,305</b>
<b>Analysis of Operating Expenses</b>							
Education purchases							
Early childhood education	331	357	362	387	393	395	398
Primary and secondary education	3,505	3,677	3,642	3,653	3,698	3,700	3,712
Tertiary education and training	1,508	1,635	1,733	1,892	1,958	2,022	2,065
Health purchases	6,807	6,967	6,991	7,659	8,100	8,608	8,716
Science purchases	467	478	463	490	507	511	524
Other operating expenses	5,101	5,193	5,460	5,630	5,714	5,644	5,666
<b>Total Operating Expenses</b>	<b>17,719</b>	<b>18,307</b>	<b>18,651</b>	<b>19,711</b>	<b>20,370</b>	<b>20,880</b>	<b>21,081</b>
<b>Analysis of Finance Costs</b>							
Interest							
New Zealand dollars	2,035	2,044	1,966	2,064	2,127	2,181	2,248
Foreign currencies	428	328	295	245	268	295	301
Other finance costs	20	23	42	30	30	25	23
<b>Total Finance Costs</b>	<b>2,483</b>	<b>2,395</b>	<b>2,303</b>	<b>2,339</b>	<b>2,425</b>	<b>2,501</b>	<b>2,572</b>
<b>Analysis of Forecast for Future New Spending</b>							
2001/02 contingency provision	..	160	..	..	..	..	..
2002/03 Budget contingency provision	..	..	..	230	200	180	180
2003/04 indicative new spending	..	..	..	..	500	500	500
2004/05 indicative new spending	..	..	..	..	..	500	500
2005/06 indicative new spending	..	..	..	..	..	..	900
<b>Total Forecast for Future New Spending</b>	<b>..</b>	<b>160</b>	<b>..</b>	<b>230</b>	<b>700</b>	<b>1,180</b>	<b>2,080</b>

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 6: Advances</b>							
<b>Advances to State-owned Enterprises and Crown Entities</b>							
Housing New Zealand Corporation	163	643	639	737	1,091	1,137	1,177
District health boards/Residual Health Management Unit	53	296	224	549	1,057	1,163	1,359
Other state-owned enterprises and Crown entities	45	..	27	28	..	..	..
<b>Total Advances to State-owned Enterprises and Crown Entities</b>	<b>261</b>	<b>939</b>	<b>890</b>	<b>1,314</b>	<b>2,148</b>	<b>2,300</b>	<b>2,536</b>
<b>Other Advances</b>							
Student loans	4,143	4,776	4,798	5,531	6,295	7,075	7,863
Contact Energy Limited	118	48	48	..	..	..	..
Maori development rural lending	38	58	42	42	42	42	42
Forestry encouragement loans	29	30	30	28	27	27	26
Other	26	22	88	96	103	111	132
<b>Total Other Advances</b>	<b>4,354</b>	<b>4,934</b>	<b>5,006</b>	<b>5,697</b>	<b>6,467</b>	<b>7,255</b>	<b>8,063</b>
<b>Total Advances</b>	<b>4,615</b>	<b>5,873</b>	<b>5,896</b>	<b>7,011</b>	<b>8,615</b>	<b>9,555</b>	<b>10,599</b>
<b>Analysis of Student Loans</b>							
<b>Outstanding balance</b>							
Total loans outstanding (including interest)	4,655	5,355	5,368	6,187	7,035	7,900	8,779
Total provisions (capital and interest)	(512)	(579)	(570)	(656)	(740)	(825)	(916)
<b>Total Student Loans</b>	<b>4,143</b>	<b>4,776</b>	<b>4,798</b>	<b>5,531</b>	<b>6,295</b>	<b>7,075</b>	<b>7,863</b>
<b>Movement during the year</b>							
Opening balance	3,523	4,155	4,143	4,798	5,531	6,295	7,075
Amount advanced in current year	867	963	959	1,052	1,124	1,182	1,240
Interest accrued on outstanding loan balances	289	326	333	386	451	512	569
Repayment of base capital	(198)	(250)	(243)	(279)	(324)	(372)	(419)
Repayment of accrued interest	(123)	(157)	(148)	(175)	(206)	(240)	(274)
Interest written off and movement in provision for interest write-offs and doubtful debts	(227)	(269)	(253)	(259)	(289)	(310)	(336)
Other movements	12	8	7	8	8	8	8
<b>Closing Balance</b>	<b>4,143</b>	<b>4,776</b>	<b>4,798</b>	<b>5,531</b>	<b>6,295</b>	<b>7,075</b>	<b>7,863</b>
<b>NOTE 7: Receivables</b>							
Taxes receivable	4,962	4,437	4,963	5,025	5,050	5,083	5,078
Accounts receivable	1,024	856	923	951	844	875	865
Receivable from the sale and purchase of Maui gas	111	103	109	97	98	118	83
Prepayments	100	43	70	66	60	60	60
<b>Total Receivables</b>	<b>6,197</b>	<b>5,439</b>	<b>6,065</b>	<b>6,139</b>	<b>6,052</b>	<b>6,136</b>	<b>6,086</b>

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast

### NOTE 8: Financial Interest in State-Owned Enterprises and Crown Entities

#### Surplus

State-owned enterprises	432	307	379	478	586	614	700
Crown entities	(8)	646	529	479	674	767	830
<b>Total Surplus</b>	<b>424</b>	<b>953</b>	<b>908</b>	<b>957</b>	<b>1,260</b>	<b>1,381</b>	<b>1,530</b>

#### Dividends and Other Distributions

State-owned enterprises	304	199	333	412	347	303	333
Crown entities	17	9	70	49	16	20	18
<b>Total Dividends and Other Distributions</b>	<b>321</b>	<b>208</b>	<b>403</b>	<b>461</b>	<b>363</b>	<b>323</b>	<b>351</b>

#### Net Equity

State-owned enterprises	5,554	5,643	6,087	6,303	6,542	6,900	7,267
Crown entities	8,523	9,471	9,284	10,197	11,132	12,054	12,962
<b>Total Net Equity</b>	<b>14,077</b>	<b>15,114</b>	<b>15,371</b>	<b>16,500</b>	<b>17,674</b>	<b>18,954</b>	<b>20,229</b>

#### Balance dates

All state-owned enterprises and significant Crown entities have a balance date of 30 June except for the following:

#### State-owned enterprises

Timberlands West Coast Limited 31 March

#### Significant Crown entities

School boards of trustees 31 December  
Tertiary education institutions 31 December

#### Minority Interests

All state-owned enterprises and Crown entities are 100% owned by the Crown. The ownership interest in Air New Zealand is 82%. Air New Zealand forecast information is included within the total SOE forecast information.

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 9: Physical Assets</b>							
<b>By Type</b>							
<b>Cost or Valuation</b>							
Land	1,844	1,887	1,871	1,888	1,881	1,882	1,885
Properties intended for sale	464	446	441	425	419	416	417
Buildings	8,654	9,066	9,172	9,754	10,178	10,421	10,743
Specialist military equipment	2,686	2,780	2,828	3,022	3,369	3,437	3,352
Other assets	2,688	2,639	2,686	2,676	2,695	2,703	2,711
Other plant and equipment	2,213	2,571	2,475	2,685	2,856	2,988	3,112
<b>Total Cost or Valuation</b>	<b>18,549</b>	<b>19,389</b>	<b>19,473</b>	<b>20,450</b>	<b>21,398</b>	<b>21,847</b>	<b>22,220</b>
<b>Accumulated Depreciation</b>							
Buildings	729	1,085	1,300	1,671	2,049	2,340	2,723
Specialist military equipment	421	594	580	759	955	1,155	1,243
Other assets	5	5	9	11	13	15	17
Other plant and equipment	1,292	1,629	1,404	1,599	1,796	1,973	2,152
<b>Total Accumulated Depreciation</b>	<b>2,447</b>	<b>3,313</b>	<b>3,293</b>	<b>4,040</b>	<b>4,813</b>	<b>5,483</b>	<b>6,135</b>
<b>Net Book Value</b>							
Land	1,844	1,887	1,871	1,888	1,881	1,882	1,885
Properties intended for sale	464	446	441	425	419	416	417
Buildings	7,925	7,981	7,872	8,083	8,129	8,081	8,020
Specialist military equipment	2,265	2,186	2,248	2,263	2,414	2,282	2,109
Other assets	2,683	2,634	2,677	2,665	2,682	2,688	2,694
Other plant and equipment	921	942	1,071	1,086	1,060	1,015	960
<b>Total Net Book Value</b>	<b>16,102</b>	<b>16,076</b>	<b>16,180</b>	<b>16,410</b>	<b>16,585</b>	<b>16,364</b>	<b>16,085</b>
<b>Movements</b>							
<b>Cost or Valuation</b>							
Opening balance	18,507	18,534	18,549	19,473	20,450	21,398	21,847
Net additions	905	855	887	977	948	449	373
Revaluations	(863)	..	37	..	..	..	..
<b>Total Cost or Valuation</b>	<b>18,549</b>	<b>19,389</b>	<b>19,473</b>	<b>20,450</b>	<b>21,398</b>	<b>21,847</b>	<b>22,220</b>
<b>Accumulated Depreciation</b>							
Opening balance	2,535	2,568	2,447	3,293	4,040	4,813	5,483
Disposals	(145)	(40)	92	(76)	(84)	(199)	(225)
Depreciation charged for the period	751	785	764	823	857	869	877
Revaluations	(694)	..	(10)	..	..	..	..
<b>Total Accumulated Depreciation</b>	<b>2,447</b>	<b>3,313</b>	<b>3,293</b>	<b>4,040</b>	<b>4,813</b>	<b>5,483</b>	<b>6,135</b>
<b>Net Physical Assets</b>	<b>16,102</b>	<b>16,076</b>	<b>16,180</b>	<b>16,410</b>	<b>16,585</b>	<b>16,364</b>	<b>16,085</b>
<b>By Holding</b>							
Freehold assets	16,062	16,037	16,137	16,369	16,544	16,323	16,044
Leasehold assets	40	39	43	41	41	41	41
<b>Net Physical Assets</b>	<b>16,102</b>	<b>16,076</b>	<b>16,180</b>	<b>16,410</b>	<b>16,585</b>	<b>16,364</b>	<b>16,085</b>

## Notes to the Forecast Financial Statements

(\$ million)	2001	2002		2003	2004	2005	2006
	Actual	Previous Budget	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>NOTE 10: State Highways</b>							
<b>Cost or Valuation</b>							
Opening balance	8,911	10,788	11,055	11,327	11,647	11,947	12,267
Recognition adjustment	1,650	..	..	..	..	..	..
Net additions	300	245	272	320	300	320	355
Revaluations	194	..	..	..	..	..	..
<b>Total Cost or Valuation</b>	<b>11,055</b>	<b>11,033</b>	<b>11,327</b>	<b>11,647</b>	<b>11,947</b>	<b>12,267</b>	<b>12,622</b>
<b>Accumulated Depreciation</b>							
Opening balance	..	92	..	179	369	571	786
Depreciation charged for the period	174	94	179	190	202	215	229
Revaluations	(174)	..	..	..	..	..	..
<b>Total Accumulated Depreciation</b>	<b>..</b>	<b>186</b>	<b>179</b>	<b>369</b>	<b>571</b>	<b>786</b>	<b>1,015</b>
<b>Total State Highways</b>	<b>11,055</b>	<b>10,847</b>	<b>11,148</b>	<b>11,278</b>	<b>11,376</b>	<b>11,481</b>	<b>11,607</b>

### NOTE 11: Payables and Provisions

Accounts payable	1,631	1,780	2,290	2,222	2,038	2,253	2,112
Accruals and provisions	1,193	409	194	193	360	234	300
Taxes repayable	1,907	1,711	1,943	1,938	1,933	1,928	1,928
National Provident Fund guarantee	686	480	686	686	686	686	686
Provisions for employee entitlements	414	378	407	400	395	390	384
<b>Total Payables and Provisions</b>	<b>5,831</b>	<b>4,758</b>	<b>5,520</b>	<b>5,439</b>	<b>5,412</b>	<b>5,491</b>	<b>5,410</b>

### NOTE 12: Revaluation Reserve

<b>Opening Balance</b>	<b>8,201</b>	<b>7,899</b>	<b>8,007</b>	<b>8,047</b>	<b>8,047</b>	<b>8,047</b>	<b>8,047</b>
Net revaluations							
State-owned enterprises and Crown entities	368	..	(18)	..	..	..	..
Land and buildings	85	..	52	..	..	..	..
State highways	(258)	..	..	..	..	..	..
Specialist military equipment	4	..	..	..	..	..	..
Other assets	(378)	..	(5)	..	..	..	..
<b>Total Net Revaluations</b>	<b>(179)</b>	<b>..</b>	<b>29</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
Transfer to accumulated operating balance	(15)	..	11	..	..	..	..
<b>Closing Revaluation Reserve</b>	<b>8,007</b>	<b>7,899</b>	<b>8,047</b>	<b>8,047</b>	<b>8,047</b>	<b>8,047</b>	<b>8,047</b>

## Full Statement of Contingent liabilities

### Quantified contingent liabilities

(\$ million)	As at 31 May 2002	As at 30 June 2001
Guarantees and indemnities	385	371
Uncalled capital	3,044	3,594
Legal proceedings and disputes	334	571
Other quantifiable contingent liabilities	1,777	1,965
<b>Total Quantifiable Contingent Liabilities</b>	<b>5,540</b>	<b>6,501</b>

Contingent liabilities of the Reserve Bank of New Zealand, state-owned enterprises and Crown entities are included in quantifiable contingent liabilities. Contingent liabilities to sub-entities are excluded.

#### **Guarantees and indemnities**

##### *Cook Islands – Asian Development Bank (ADB) Loans*

Before 1992, the New Zealand Government guaranteed the Cook Islands' borrowing from the ADB. These guarantees have first call on New Zealand's Official Development Assistance to the Cook Islands.

\$24 million at 31 May 2002 (\$24 million at 31 March 2002).

##### *Huntly East mine subsidence*

Claims from private landowners concerning property damage or loss of value.

\$22 million at 31 May 2002 (\$22 million at 31 March 2002).

##### *Ministry of Transport – funding guarantee*

The Minister of Finance has issued a guarantee of \$10 million to the Transport Accident Investigation Commission. The guarantee allows the Commission to assure payment to suppliers of specialist salvage equipment in the event of the Commission initiating an urgent investigation of any future significant transport accident.

\$10 million at 31 May 2002 (\$10 million at 31 March 2002).

##### *Post Office Bank (PostBank) – guaranteed deposits*

In the sale of PostBank to ANZ Banking Group Limited (ANZ), the Crown agreed to continue its guarantee, under the Post Office Bank Act 1987, for certain PostBank deposits lodged with the Bank before 1 July 1988. ANZ agreed to indemnify the Crown for the cost of any liability that may arise from the Crown guarantee. The amount guaranteed reduces as deposits mature.

\$15 million at 31 May 2002 (\$15 million at 31 March 2002).

##### *Guarantees and indemnities of state-owned enterprises and Crown entities*

\$256 million at 31 May 2002 (\$258 million at 31 March 2002).

*Other guarantees and indemnities*

\$58 million at 31 May 2002 (\$58 million at 31 March 2002).

***Uncalled capital***

The Crown's uncalled capital subscriptions are as follows:	<b>Uncalled capital at 31 May 2002 \$ million</b>	<b>Uncalled capital at 31 March 2002 \$ million</b>
Asian Development Bank	1,315	1,428
European Bank for Reconstruction and Development	14	14
International Bank for Reconstruction and Development	1,715	1,863

***Legal proceedings and disputes***

The amounts under quantifiable contingent liabilities for legal proceedings and disputes are shown exclusive of any interest and costs that may be claimed if these cases were decided against the Crown.

Where contingent liabilities have arisen as a consequence of legal action being taken against the Crown, the amount shown is the amount claimed and thus the maximum potential cost. It does not represent either an admission that the claim is valid or an estimation of the possible amount of any award against the Crown.

*Agriculture and Forestry – legal claims*

Claims against the Ministry of Agriculture and Forestry for alleged legal or administrative faults.

\$10 million at 31 May 2002 (\$19 million at 31 March 2002).

*Health – legal claims*

Claims against the Crown in respect of people allegedly contracting hepatitis C through contaminated blood and blood products, claims arising from the Gisborne inquiry, and claims relating to the cervical screening inquiry.

\$121 million at 31 May 2002 (\$121 million at 31 March 2002).

*New Zealand Defence Force – legal claims*

Claims against the New Zealand Defence Force for alleged legal or administrative faults.

\$29 million at 31 May 2002 (\$10 million at 31 March 2002).

*Police – legal claims*

Claims against the Police for alleged legal or administrative faults.

\$46 million at 31 May 2002 (\$49 million at 31 March 2002).

*Tax in dispute*

Represents 50% of the outstanding debt of those tax assessments raised, against which an objection has been lodged and legal action is proceeding.

\$67 million at 31 May 2002 (\$67 million at 31 March 2002).

*Other legal claims*

\$61 million at 31 March 2002 (\$213 million at 31 March 2002).

**Other quantifiable contingent liabilities**

*International finance organisations*

The Crown has lodged promissory notes with the following international finance organisation:

	<b>31 May 2002 \$ million</b>	<b>31 March 2002 \$ million</b>
International Monetary Fund	1,627	1,626

Payment of the notes depends upon the operation of the rules of the organisation.

*Reserve Bank – demonetised currency*

The Crown has a contingent liability for the face value of the demonetised \$1 and \$2 notes issued which have yet to be repatriated.

\$25 million at 31 May 2002 (\$25 million at 31 March 2002).

*Other quantifiable contingent liabilities*

\$125 million at 31 May 2002 (\$126 million at 31 March 2002).

**Unquantifiable Contingent Liabilities**

This part of the Statement provides details of those contingent liabilities of the Crown which cannot be quantified.

***Institutional guarantees***

The following institutional guarantees have been provided through legislation.

*Commerce Commission – indemnity for damages*

Under a Deed of Indemnity dated 12 November 1991, the Minister of Finance agreed to indemnify the Commission when it gives an undertaking as to damages when seeking injunctions under the Fair Trading and Commerce Acts, and subsequently the Court orders the Commission to pay damages. The sum payable under this Deed is limited to an amount up to \$40 million per case taken to Court. The Commerce Act was amended with

effect from 26 May 2001, to remove the need for the Commission to provide such undertakings.

#### *District Court Judges, Justices of the Peace, Coroners and Dispute Tribunals*

Section 119 of the District Courts Act 1947 indemnifies District Court Judges acting in their civil jurisdiction. Section 196A of the Summary Proceedings Act 1957 also indemnifies District Court Judges for any liabilities arising as a result of an act done by a Judge in excess of, or without, jurisdiction.

Section 35 of the Coroners Act 1988 confers on Coroners acting within the Coroner Act 1988 the same privileges and immunities as District Court Judges under the Summary Proceedings Act 1957.

Under section 197 of the Summary Proceedings Act 1957, Justices of the Peace are similarly covered as long as a High Court Judge certifies that they have acted in good faith and ought to be indemnified.

Section 58 of the Disputes Tribunal Act 1988 confers on Disputes Tribunal referees acting within the Disputes Tribunal Act 1988 the same protection as Justices of the Peace under the Summary Proceedings Act 1957.

#### *Earthquake Commission*

The Crown is liable to meet any deficiency in the Earthquake Commission's assets in meeting the Commission's financial liabilities (section 16 of the Earthquake Commission Act 1993).

#### *Fletcher Challenge Limited (FCL)*

Under the Sale and Purchase Agreement with FCL for the sale of the Forestry Corporation of New Zealand Limited, the Crown has indemnified FCL for the costs of cleaning up environmental contamination. In respect of on-site environmental costs and losses incurred up to settlement date (27 September 1996), FCL will pay the first \$30 million of any clean-up and half of the next \$20 million. The Crown will pay for half of any cost over \$30 million and for all costs over \$50 million. The on-site indemnity runs until 1 January 2020.

The Crown has also indemnified FCL in respect of off-site environmental costs and losses incurred up until settlement date. The off-site indemnity is unlimited as to amount and time.

#### *Ministry of Fisheries – indemnity provided for delivery of registry services*

The Crown has indemnified Commercial Fisheries Services Limited against claims made by third parties arising from Commercial Fisheries Services undertaking registry services under contract to the Chief Executive of the Ministry of Fisheries. This indemnity, provided under the Fisheries Acts 1983 and 1996, expires on 30 October 2006 unless varied, in which case it will expire on 30 September 2008.

#### *National Provident Fund*

The Crown guarantees the benefits payable by all National Provident Fund Board schemes (section 60 of the National Provident Fund Restructuring Act 1990). The Crown

also guarantees investments and interest thereon deposited with the National Provident Fund Board prior to 1 April 1991 (section 61 of the same Act).

A provision has been made in these financial statements in respect of the actuarially assessed deficit in the DBP (Annuitants') Scheme (refer Note 11 of the financial statements).

#### *Persons exercising investigating powers*

Section 63 of the Corporations (Investigation and Management) Act 1989 indemnifies the Securities Commission, the Registrar and Deputy Registrar of Companies, members of advising committees within the Act, every statutory manager of a corporation, and persons appointed pursuant to sections 17 to 19 of the Act, in the exercise of investigating powers, unless the power has been exercised in bad faith.

#### *Public Trust*

The Crown is liable to meet any deficiency in the Public Trust's Common Fund (section 52 of the Public Trust Act 2001).

#### *Reserve Bank of New Zealand (the Reserve Bank)*

Under section 146 of the Reserve Bank of New Zealand Act 1989, every statutory manager of a Registered Bank, every person appointed under section 99 or section 101 of the Act and every member of an advisory committee, shall be indemnified by the Crown in respect of any liability arising from the exercise, purported exercise or omission to exercise of any power conferred by Part V of the Act, unless that power has been exercised in bad faith.

The Crown pays to the Reserve Bank any exchange losses incurred by the Reserve Bank as a result of dealing in foreign exchange under sections 17, 18 and 21(2) of the Act.

#### ***Other unquantifiable contingent liabilities***

##### *Accident Compensation Corporation (ACC)*

A Court decision has determined that the ACC practice, prior to the Accident Insurance Act 1998, of allowing for familial responsibility when determining attendant care entitlements was not legitimate. The decision is likely to apply to a number of seriously injured claimants.

##### *Air New Zealand*

The Crown indemnified the directors of Air New Zealand against any liability arising from breaches of sections 135 and 136 of the Companies Act 1993. The indemnities expired on 18 January 2002, but it is possible that claims could arise retrospectively.

As part of the Air New Zealand settlement with the Voluntary Administrator for the Ansett Group, the Minister of Finance provided the Voluntary Administrator with an indemnity that would be triggered if Air New Zealand were liquidated within two years of the settlement and the settlement monies were sought by the liquidator at that time. The indemnity expires on 3 October 2003 and is for a maximum of AU\$150 million.

### *Bank of New Zealand (BNZ)*

A deed, entered into by the Crown, Fay Richwhite and Company Limited and National Australia Group Limited (the purchaser of BNZ), provides for the sharing of certain costs arising from defined risks that pre-date the sale of BNZ. These risks are associated with New Zealand taxation and specified litigation.

### *Contaminated sites*

Under common law and various statutes, the Crown may have responsibility to remedy adverse effects on the environment arising from Crown activities.

The *Discussion Document on Contaminated Sites Management* discusses the possibility of the Crown contributing to funding the clean-up of “orphan” contaminated sites.

### *Crown research institutes (CRIs)*

The Crown has indemnified the CRIs for any costs arising from certain third-party claims that are the result of acts or omissions prior to the transfer date, for costs of complying with statutes, ordinances and bylaws which relate to or affect certain buildings, and (subject to certain limitations) for the costs of obtaining title to land.

### *DFC New Zealand Limited (under statutory management) (DFC)*

DFC and the National Provident Fund have been indemnified for certain potential tax liabilities.

### *District health boards (DHBs)*

The Crown has provided transitional indemnities to directors and officers of some DHBs, for liabilities arising from inherited assets and business practices under the Building Act 1991 and the Health and Safety in Employment Act 1992.

### *Education - legal claim*

The judgment in *Daniels and Others v Attorney-General* has found that some parts of the policy known as Special Education 2000 are inconsistent with the Education Acts 1964 and 1989. There are potential implications of the judgment:

- in relation to its application to students with special needs
- in relation to remedies and policy initiatives required for education more generally and beyond students with special needs
- regarding remedies for the plaintiffs in relation to the High Court judgment on Special Education.

The Crown has decided to appeal this judgment.

*Electricity Corporation of New Zealand Limited (ECNZ)*

The ECNZ Sale and Purchase Agreement provides for compensation to ECNZ for any tax, levy, royalty or impost imposed on ECNZ for the use of water or geothermal energy for plants in existence or under construction at the date of the Sale and Purchase Agreement. The Agreement also provides for compensation for any net costs to ECNZ arising from resumption of assets pursuant to the Treaty of Waitangi (State Enterprises) Act 1988.

The Deed of Assumption and Release between ECNZ, Contact Energy Limited and the Crown provides that the Crown is no longer liable to ECNZ in respect of those assets transferred to Contact Energy. As a result of the split of ECNZ in 1999, Ministers have transferred the benefits of the Deed to ECNZ's successors – Meridian Energy Limited, Mighty River Power Limited, and Genesis Power Limited.

Under the Transpower New Zealand Limited (Transpower) Sale and Purchase and Debt Assumption Agreements, the Crown has indemnified ECNZ for any losses resulting from changes in tax rules applicable to transactions listed in the Agreements. Additionally, the Crown has indemnified the directors and officers of ECNZ for any liability they may incur in their personal capacities as a result of the Transpower separation process.

Following the split of ECNZ in 1999 into three new companies, the Crown has indemnified ECNZ in relation to all ECNZ's pre-split liabilities, including:

- existing debt and swap obligations
- hedge contracts and obligations
- any liabilities that arise out of the split itself.

*Housing New Zealand Corporation (HNZC)*

The Crown has indemnified the following entities in respect of the accuracy of information provided on the sale of various parcels of HNZC (formerly Housing Corporation of New Zealand) mortgages: Countrywide Bank, TSB Bank, and Westpac Banking Corporation.

The Crown has indemnified the directors and officers of HNZC against any liabilities in respect of the sale of mortgages to ANZ Bank and Mortgage Corporation.

Under the sale of mortgages to Westpac, HNZC has insured the purchaser against certain credit losses with the Crown standing behind this obligation.

Legal proceedings have been initiated against a number of defendants, including the Crown, alleging breach of fiduciary duties in respect of the transfer of the Agreement for Sale and Purchase and mortgage agreements to HNZC under the Housing Assets Transfer Act 1993.

In addition, the Crown has provided a warranty in respect of title to the assets transferred to HNZC (formerly Housing New Zealand) and has indemnified the company against any breach of this warranty. The Crown has indemnified the company against any third-party claims that are a result of acts or omissions prior to 1 November 1992. It has also indemnified the directors and officers of the company against any liability consequent upon the assets not complying with statutory requirements, provided it is taking steps to rectify any non-compliance.

*Indemnities against acts of war and terrorism*

The Crown has indemnified Air New Zealand against claims arising from acts of war and terrorism, that cannot be met from insurance, up to a limit of US\$2 billion in respect of any one claim.

The Crown has offered non-airline aviation companies indemnities against acts of war, terrorism and related causes where commercial cover has been withdrawn following the events in the United States on 11 September 2001. The indemnities are for a maximum of US\$200 million for each party. At 31 May 2002, indemnities had been signed with the Civil Aviation Authority (US\$100 million), the Aviation Security Service of New Zealand (US\$200 million), Auckland International Airport (US\$50 million), Christchurch International Airport (US\$50 million), and Wellington International Airport (US\$50 million). Further indemnities may be offered to eligible parties.

*Maui Gas Partners*

The Crown has signed a Deed of Confidentiality with the Maui Gas Partners relating to the provision of information to assist in the redetermination of Maui gas reserves. The deed contains an indemnity against any losses arising from a breach of the deed.

*New Zealand Railways Corporation*

The Crown has indemnified the directors of the New Zealand Railways Corporation against any liability arising from the surrender of the licence and lease of the Auckland rail corridor.

*Pharmaceutical Management Agency Limited (Pharmac) – indemnity*

Section 99 of the Social Security Act 1964 provided for the fixing of prices for pharmaceutical products by way of a list specified by the Minister of Health (“the Drug Tariff”). This list was superseded by a list (“the Pharmaceutical Schedule”) developed and issued by Pharmac, a company owned by the Crown and having various powers under the New Zealand Public Health and Disability Act 2000.

Under the Transfer Agreement between Pharmac and the Crown, the Crown has indemnified Pharmac against any liability in respect of operations, activities, decisions and policies relating to the Drug Tariff and the Pharmaceutical Schedule.

A number of legal claims have been lodged against Pharmac. If these claims are successful, the Crown’s financial position may be adversely affected by any damages arising either directly through the indemnity, or indirectly through its ownership of Pharmac.

*Purchasers of Crown operations*

The Crown has indemnified the purchasers of various Crown operations for losses owing to changes in legislation which uniquely and adversely affect those purchasers.

*Sale of Crown assets*

On the sale of Crown assets and the corporatisation of Crown assets into SOEs and Crown entities, the Crown has generally provided a warranty that the Crown was the rightful owner of the assets transferred, and that the assets were free of encumbrances.

*Tax liabilities*

The Crown has granted to the purchasers of the State Insurance Office Limited and the Rural Banking and Finance Corporation Limited an indemnity for certain potential tax liabilities.

*Terralink Ltd*

The Crown has indemnified PriceWaterhouseCoopers (the receivers of Terralink Ltd) against claims arising from the conduct of the receivership.

*Treaty of Waitangi claims*

Under the Treaty of Waitangi Act 1975, any Māori may lodge claims relating to land or actions counter to the principles of the Treaty with the Waitangi Tribunal. Where the Tribunal finds a claim is well founded, it may recommend to the Crown that action be taken to compensate those affected. The Tribunal can make recommendations that are binding on the Crown with respect to land which has been transferred by the Crown to an SOE or tertiary institution, or is subject to the Crown Forest Assets Act 1989.

Settlement relativity payments

The Deeds of Settlement negotiated with Waikato-Tainui and Ngai Tahu include a relativity mechanism. The mechanism provides that, where the total redress amount for all historical Treaty settlements exceeds \$1 billion in 1994 present-value terms, the Crown is liable to make payments to maintain the real value of Ngai Tahu's and Waikato-Tainui's settlements as a proportion of all Treaty settlements. The agreed relativity proportions are 17% for Waikato-Tainui and approximately 16% for Ngai Tahu. The non-quantifiable contingent liability relates to the risk that total settlement redress, including binding recommendations from the Waitangi Tribunal, will trigger these relativity payments.

*Works Civil Construction*

The Crown has provided an indemnity to the purchasers of Works Civil Construction in relation to the activities of the Ministry of Works and Development prior to 1 April 1989. In addition, an indemnity has been provided against certain costs, claims or damages in relation to the Clyde and Ohaaki power projects.

*Works Consultancy Services*

The Crown has provided an indemnity to the purchasers of Works Consultancy Services in relation to the activities of the Ministry of Works and Development prior to 1 April 1989.

## GAAP Tables – Line-by-Line Consolidation

### The financial statements presentation is changing

The Public Finance Act 1989 and Fiscal Responsibility Act 1994 require the government to produce actual and forecast financial statements in accordance with generally accepted accounting practice (GAAP). This ensures that the financial statements and forecasts of the Crown are prepared on a basis familiar to readers of private sector financial statements – providing a transparent and independently established set of principles on which to measure a government’s financial activity.

GAAP will soon require the full line-by-line consolidation of SOEs and Crown entities (currently the accounts only consolidate the net surplus in the operating balance and net investment/net worth in the balance sheet). In addition, there are some adjustments that will impact on “core Crown” (defined below) results owing to changes to the treatment of GST on Crown spending and the treatment of the Government Superannuation Fund (GSF).

The following table outlines the presentation and how it is changing. It defines the key terms that are used within the following summary financial statements.

Current presentation of consolidation	Future presentation of consolidation
<p>The current presentation shows:</p> <ul style="list-style-type: none"> <li>• Crown expenses and revenues with net SOE and Crown entity results</li> <li>• Crown assets, liabilities, net Crown debt, gross Crown debt and net worth. The Crown balance sheet only includes a net investment in SOEs and Crown entities.</li> </ul>	<p>The future presentation will show the three institutional forms of:</p> <ul style="list-style-type: none"> <li>• <b>“core Crown”</b> (existing information on revenues and expenses less GST on Crown expenses plus inclusion of full GSF numbers)</li> <li>• <b>SOE</b> revenues, expenses, assets, liabilities</li> <li>• <b>Crown entity</b> revenues, expenses, assets, liabilities.</li> </ul> <p>The sum of these three segments (less internal transactions) is the <b>“total Crown”</b>.</p> <p>The <b>core Crown</b> is different from the current presentation owing to the removal of GST on Crown expenses and the inclusion of the full accounts of the GSF.</p>

While the presentation is changing it is important to note that the net results for the Crown will be materially the same (ie, operating balance and net worth), although the composition and total of items such as revenues, expenses, assets and liabilities will change.

## Accounting and Forecast Policies

The accounting and forecast policies are outlined in the previous set of GAAP tables. The substantive difference between the existing accounting policies and those underpinning the preparation of the future presentation is the consolidation policy itself. This change is outlined on the previous page.

Other than the consolidation policy, there are no substantive alterations to the existing accounting and forecast policies as a result of implementing full line-by-line consolidation of SOEs and Crown entities.

There is, however, a need for additional policies because of the inclusion of new classes of property, plant and equipment (physical assets). Essentially the new specific accounting policies relate to the valuation approach to electricity distribution equipment, electricity generation equipment and aircraft. These policies will be finalised as part of the 30 June 2003 Crown financial statements (the first set of fully consolidated accounts).

## Contents and Definitions

Because of the different presentation used in the following summary financial statements, there are some new terms used to classify components of the statement of financial position and statement of borrowings. The following outlines a summary to the content and definitions of each section. More detailed notes are published on Treasury's website.

**Financial performance (operating statement):** The statement of financial performance is accompanied by a breakdown of both total Crown and core Crown expenses. There are no new classifications from those contained in the existing set of fiscal forecasts.

**Financial position (balance sheet):** The statement of financial position is accompanied by some analysis of key components. In terms of new definitions:

- Borrowings are split between sovereign-guaranteed and non-sovereign-guaranteed. Essentially the debt of SOEs and Crown entities is not guaranteed explicitly by the Crown and so a distinction is made from the debt issued by the sovereign (eg, NZDMO and the Reserve Bank).
- Another term is gross sovereign-issued debt. This is debt issued by the sovereign and so is a measure that does not eliminate any cross-holdings of Government stock held by entities such as the NZS Fund, GSF, ACC or EQC. The Government's debt objective uses this measure.
- The ACC outstanding claims liability is shown separately in the balance sheet.

**Cash flow statement:**

- The cash flow has been summarised.
- There is no substantive change to the reconciliation of cash flows to the movement in domestic bonds. While there are cross-holdings of Government stock held by other entities within the consolidated accounts, these are not eliminated for the purposes of this statement as it provides a reference point for the Government's domestic debt programme.

**Borrowing statement:** The borrowings statement reflects the sovereign-guaranteed and non-sovereign-guaranteed split to borrowings (or debt). It includes ALL financial assets, including those of the GSF and the NZS Fund.

The measure of net Crown debt cannot be directly derived from the information in the borrowings statement. This is contained in more specific notes that outline the core Crown, SOE and Crown entity information separately.

**Segment notes:** These notes provide a summary of the operating statement, balance sheet and borrowings statement information by each of the three institutional segments that make up the Crown financial statements. These segments are the core Crown, SOEs and Crown entities – adding to total Crown after elimination of internal transactions.

## Summary Table

The following summary tables outline the key fiscal variables, comparing from the current presentation to those contained in the following GAAP tables prepared using the future presentation. The first table is expressed as a percentage of GDP. The second table is expressed in nominal dollars.

Summary indicators	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
(% of GDP)	Actual	Actual	Actual	Actual	Actual	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>Revenue</b>										
Current presentation	35.5%	35.7%	35.7%	34.1%	34.6%	34.1%	34.3%	34.4%	34.5%	34.4%
Future presentation of Core Crown	34.2%	34.3%	33.8%	32.3%	33.3%	32.7%	33.0%	33.0%	33.1%	33.1%
Future presentation of Total Crown	41.5%	42.1%	42.1%	39.7%	40.9%	42.4%	43.2%	43.4%	43.4%	43.2%
<b>Expenses</b>										
Current presentation	33.6%	34.3%	35.2%	33.8%	33.5%	32.5%	32.9%	32.9%	32.5%	32.4%
Future presentation of Core Crown	32.4%	32.9%	33.8%	32.3%	32.2%	31.1%	31.6%	31.5%	31.1%	31.0%
Future presentation of Total Crown	39.5%	40.0%	40.3%	38.3%	39.7%	40.4%	41.4%	41.1%	40.6%	40.3%
<b>Operating balance</b>										
Current presentation	1.9%	2.5%	1.7%	1.4%	1.2%	2.0%	1.8%	2.2%	2.8%	2.9%
Future presentation	1.9%	2.1%	1.7%	1.4%	1.2%	2.0%	1.8%	2.2%	2.8%	2.9%
<b>OBERAC (no changes)</b>	1.9%	2.2%	0.2%	0.8%	1.8%	1.8%	1.8%	2.2%	2.8%	2.9%
<b>Gross debt</b>										
Current presentation	36.7%	38.0%	36.1%	33.7%	32.2%	29.8%	28.3%	29.1%	28.6%	28.3%
Future presentation of Core Crown	35.0%	36.1%	33.8%	31.6%	29.6%	28.6%	28.0%	28.8%	28.4%	28.0%
Future presentation of Total Crown	37.8%	38.2%	35.2%	32.4%	30.4%	30.9%	30.2%	30.0%	29.2%	28.1%
<b>Gross sovereign-issued debt (no change)</b>	36.7%	38.0%	36.1%	33.7%	32.2%	29.8%	28.3%	29.1%	28.6%	28.3%
<b>Net Crown debt</b>										
Current presentation	25.9%	24.1%	21.3%	20.0%	17.5%	16.8%	17.0%	17.3%	16.7%	16.1%
Future presentation	24.1%	22.2%	19.1%	17.9%	14.9%	15.5%	16.7%	17.0%	16.4%	15.8%
<b>Net worth (no change)</b>	7.6%	9.9%	5.9%	8.0%	10.0%	11.6%	13.0%	14.6%	16.8%	19.0%
<b>Tax and Sovereign revenue</b>										
<b>Tax revenue</b>										
Current presentation	32.6%	33.1%	31.6%	31.8%	32.2%	31.8%	32.1%	32.1%	32.1%	31.9%
Future presentation of Core Crown	31.0%	31.5%	30.0%	30.1%	30.7%	30.2%	30.4%	30.4%	30.4%	30.2%
Future presentation of Total Crown	30.8%	31.2%	29.7%	29.9%	30.4%	30.0%	30.3%	30.1%	30.1%	29.9%
<b>Total sovereign revenue (includes levies)</b>										
Current presentation	32.9%	33.3%	31.9%	32.1%	32.5%	32.2%	32.4%	32.4%	32.4%	32.2%
Future presentation of Core Crown	31.3%	31.8%	30.3%	30.5%	31.0%	30.6%	30.8%	30.7%	30.7%	30.5%
Future presentation of Total Crown	33.0%	33.5%	31.8%	31.5%	32.4%	32.0%	32.2%	32.1%	32.0%	31.8%
<b>Nominal GDP (\$ million)</b>	97,933	99,790	101,761	107,064	114,145	120,543	125,125	130,659	136,804	142,631

Note:

- Net Crown debt is a measure of core Crown borrowings less financial assets. It is defined to exclude the assets of the NZS Fund and the GSF as these can only be used for very specific purposes.

## Summary Table (continued)

Summary indicators	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Estimated Actual	2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast
(\$ million)										
<b>Revenue</b>										
Current presentation	34,778	35,581	36,357	36,526	39,492	41,087	42,925	44,935	47,199	49,131
Future presentation of Core Crown	33,533	34,222	34,367	34,536	38,005	39,441	41,292	43,123	45,321	47,152
Future presentation of Total Crown	40,595	41,997	42,807	42,513	46,686	51,062	53,998	56,642	59,387	61,667
<b>Expenses</b>										
Current presentation	32,953	34,211	35,825	36,171	38,186	39,173	41,217	42,941	44,427	46,168
Future presentation of Core Crown	31,708	32,852	34,367	34,536	36,699	37,527	39,584	41,129	42,549	44,189
Future presentation of Total Crown	38,687	39,870	41,044	41,010	45,328	48,643	51,794	53,751	55,557	57,525
<b>Operating balance</b>										
Current presentation	1,908	2,534	1,777	1,449	1,409	2,419	2,204	2,891	3,830	4,142
Future presentation	1,908	2,127	1,763	1,503	1,358	2,419	2,204	2,891	3,830	4,142
<b>OBERAC (no changes)</b>	1,904	2,191	246	884	2,107	2,212	2,204	2,891	3,830	4,142
<b>Gross debt</b>										
Current presentation	35,972	37,892	36,712	36,041	36,761	35,939	35,421	38,031	39,183	40,296
Future presentation of Core Crown	34,267	36,002	34,425	33,812	33,811	34,439	35,081	37,681	38,833	39,946
Future presentation of Total Crown	36,999	38,125	35,777	34,675	34,652	37,263	37,799	39,240	39,917	40,132
<b>Gross sovereign-issued debt (no change)</b>	35,972	37,892	36,712	36,041	36,761	35,939	35,421	38,031	39,183	40,296
<b>Net Crown debt</b>										
Current presentation	25,324	24,069	21,701	21,396	19,971	20,223	21,265	22,595	22,847	22,903
Future presentation	23,619	22,179	19,414	19,167	17,021	18,723	20,925	22,245	22,497	22,553
<b>Net worth (no change)</b>	7,470	9,921	6,022	8,583	11,463	14,014	16,218	19,109	22,939	27,081
<b>Tax and Sovereign revenue</b>										
<b>Tax revenue</b>										
Current presentation	31,916	32,982	32,156	34,035	36,738	38,307	40,114	41,877	43,851	45,442
Future presentation of Core Crown	30,387	31,429	30,525	32,248	34,995	36,360	38,077	39,663	41,571	43,060
Future presentation of Total Crown	30,160	31,161	30,227	32,000	34,744	36,135	37,875	39,323	41,205	42,643
<b>Total sovereign revenue (includes levies)</b>										
Current presentation	32,179	33,240	32,456	34,411	37,123	38,800	40,586	42,364	44,344	45,948
Future presentation of Core Crown	30,650	31,687	30,825	32,624	35,380	36,853	38,549	40,150	42,064	43,566
Future presentation of Total Crown	32,304	33,477	32,381	33,686	37,013	38,614	40,329	41,877	43,835	45,356

## Statement of Financial Performance – total Crown

for the years ending 30 June

(\$ million)	2001 Actual	2002 Estimated Actual	2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast
<b>Revenue</b>						
Taxation revenue	34,744	36,135	37,875	39,323	41,205	42,643
Levies, fees, fines and penalties	2,269	2,479	2,454	2,554	2,630	2,713
<b>Total Revenue Levied through the Crown's Sovereign Power</b>	<b>37,013</b>	<b>38,614</b>	<b>40,329</b>	<b>41,877</b>	<b>43,835</b>	<b>45,356</b>
Sales of goods and services	7,234	9,666	10,690	11,419	11,916	12,355
Investment income	1,217	1,214	1,360	1,781	2,118	2,469
Other revenue	1,222	1,568	1,619	1,565	1,518	1,487
<b>Total Crown Revenue</b>	<b>46,686</b>	<b>51,062</b>	<b>53,998</b>	<b>56,642</b>	<b>59,387</b>	<b>61,667</b>
<b>Expenses</b>						
Subsidies and transfer payments	14,484	14,986	15,452	15,846	16,319	16,869
Personnel expenses	10,679	11,992	12,638	12,855	13,012	13,300
Operating expenses	16,959	19,561	20,968	21,837	22,551	22,844
Forecast for future new spending	..	..	204	622	1,049	1,849
Finance costs	2,572	2,289	2,532	2,591	2,626	2,663
Net foreign-exchange losses/(gains)	50	141	..	..	..	..
Revaluation movement in GSF liability	164	(368)	..	..	..	..
Revaluation movement in ACC liability	420	42	..	..	..	..
<b>Total Crown expenses</b>	<b>45,328</b>	<b>48,643</b>	<b>51,794</b>	<b>53,751</b>	<b>55,557</b>	<b>57,525</b>
<b>Operating Balance</b>	<b>1,358</b>	<b>2,419</b>	<b>2,204</b>	<b>2,891</b>	<b>3,830</b>	<b>4,142</b>

## Statement of Financial Performance (continued) – analysis of expenses

for the years ending 30 June

Following is an analysis of total Crown expenses and core Crown expenses by functional classification. This information reconciles to segmental information within the notes to the forecasts.

(\$ million)	2002		2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast
	2001 Actual	Estimated Actual				
<b>Total Crown expenses by functional classification</b>						
Social security and welfare (includes GSF)	16,323	15,984	16,706	17,242	17,731	18,328
Health	6,802	7,541	7,853	8,229	8,596	8,713
Education	7,719	8,185	8,556	8,650	8,801	8,914
Core government services	1,688	1,460	1,498	1,477	1,492	1,522
Law and order	1,796	1,942	1,936	1,935	1,926	1,921
Defence	1,225	1,114	1,112	1,105	1,098	1,101
Transport and communications	2,335	4,362	6,051	6,318	6,604	6,729
Economic and industrial services	2,404	3,008	2,672	2,862	2,855	2,936
Primary services	919	1,002	1,018	1,015	1,031	1,045
Heritage, culture and recreation	975	1,017	1,006	1,043	1,079	1,120
Housing and community development	445	489	536	552	559	574
Other	75	109	114	110	110	110
Finance costs	2,572	2,289	2,532	2,591	2,626	2,663
Net foreign-exchange losses/(gains)	50	141	..	..	..	..
Forecast for future new spending	..	..	204	622	1,049	1,849
<b>Total Expenses</b>	<b>45,328</b>	<b>48,643</b>	<b>51,794</b>	<b>53,751</b>	<b>55,557</b>	<b>57,525</b>

<b>Core Crown expenses by functional classification</b>						
Social security and welfare (includes GSF)	14,319	14,210	14,863	15,299	15,691	16,190
Health	6,660	6,999	7,615	8,037	8,461	8,588
Education	6,136	6,499	6,817	6,982	7,052	7,148
Core government services	1,798	1,547	1,596	1,575	1,591	1,622
Law and order	1,541	1,755	1,738	1,731	1,728	1,721
Defence	1,242	1,152	1,154	1,149	1,146	1,146
Transport and communications	905	1,027	1,096	1,155	1,175	1,182
Economic and industrial services	1,037	1,045	1,128	1,118	1,107	1,115
Primary services	279	315	330	318	314	312
Heritage, culture and recreation	400	479	508	530	554	564
Housing and community development	50	95	103	99	91	91
Other	75	109	114	110	110	110
Finance costs	2,304	2,176	2,318	2,404	2,480	2,551
Net foreign-exchange (gains)/losses	(47)	119	..	..	..	..
Forecast for future new spending	..	..	204	622	1,049	1,849
<b>Total Expenses</b>	<b>36,699</b>	<b>37,527</b>	<b>39,584</b>	<b>41,129</b>	<b>42,549</b>	<b>44,189</b>

## Statement of Financial Position – total Crown

as at 30 June

(\$ million)	2001	2002	2003	2004	2005	2006
	Actual	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>Assets</b>						
Cash and bank balances	1,187	949	1,030	977	1,052	1,171
Marketable securities, deposits & equity investments	16,616	17,734	18,481	20,862	23,983	27,586
Advances	4,326	5,086	5,778	6,532	7,319	8,127
Receivables	7,629	8,751	8,883	9,028	9,275	9,382
Inventories	671	844	821	878	897	906
Other investments	281	306	397	383	369	355
Property, plant and equipment	45,875	48,411	49,481	50,263	50,551	50,309
Commercial forests	380	380	380	381	381	381
Intangible assets	168	752	679	604	532	461
Forecast for future new capital spending	..	..	200	1,000	1,500	1,860
<b>Total Assets</b>	<b>77,133</b>	<b>83,213</b>	<b>86,130</b>	<b>90,908</b>	<b>95,859</b>	<b>100,538</b>
<b>Liabilities</b>						
Payables and provisions	9,359	9,947	9,861	9,913	9,980	9,898
Borrowings - sovereign guaranteed	29,090	30,116	30,988	33,219	33,938	34,584
Borrowings - non-sovereign guaranteed	5,562	7,147	6,811	6,021	5,979	5,548
Provision for ACC outstanding claims liability	7,141	7,500	7,806	8,264	8,735	9,228
Provision for GSF pension liability	11,979	11,702	11,659	11,595	11,501	11,412
Currency issued	2,539	2,787	2,787	2,787	2,787	2,787
<b>Total Liabilities</b>	<b>65,670</b>	<b>69,199</b>	<b>69,912</b>	<b>71,799</b>	<b>72,920</b>	<b>73,457</b>
<b>Total Assets less Total Liabilities</b>	<b>11,463</b>	<b>14,014</b>	<b>16,218</b>	<b>19,109</b>	<b>22,939</b>	<b>27,081</b>
<b>Crown Balance</b>						
Taxpayer funds	3,405	5,916	8,120	11,011	14,841	18,983
Revaluation reserve	8,058	8,098	8,098	8,098	8,098	8,098
<b>Crown Balance</b>	<b>11,463</b>	<b>14,014</b>	<b>16,218</b>	<b>19,109</b>	<b>22,939</b>	<b>27,081</b>

## Statement of Financial Position (continued) – analysis of NZS Fund and Debt

as at 30 June

(\$ million)	2001	2002	2003	2004	2005	2006
	Actual	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>New Zealand Superannuation Fund</b>						
Within MSDs and equity investments is the NZS Fund						
Opening balance	..	..	615	1,905	3,913	6,292
Gross contribution	..	600	1,200	1,800	2,011	2,117
Retained income (after tax)	..	15	90	208	368	550
<b>NZS Fund balance</b>	<b>..</b>	<b>615</b>	<b>1,905</b>	<b>3,913</b>	<b>6,292</b>	<b>8,959</b>

### Gross and Net Debt Information

#### Total Crown Debt

Total Crown gross debt	34,652	37,263	37,799	39,240	39,917	40,132
Total sovereign-issued debt	36,761	35,939	35,421	38,031	39,183	40,296

#### Definitions of debt:

Total Crown gross debt is the total borrowings (both sovereign-guaranteed and non-sovereign guaranteed) of the total Crown. This equates to the amount in the total Crown balance sheet and represents the complete picture of whole-of-Crown debt obligations to external parties.

The balance sheet splits total Crown debt into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that debt held by SOEs and Crown entities is not explicitly guaranteed by the Crown. Any such debt that may be guaranteed is included in the sovereign-guaranteed total. No debt of SOEs and Crown entities is currently guaranteed by the Crown.

Total sovereign-issued debt is debt issued by the sovereign (i.e., core Crown) and includes Government stock held by the NZS Fund, GSF, ACC or EQC for example. In other words, the total sovereign-issued debt does not eliminate any internal cross-holdings. The Government's debt objective uses this measure of debt.

#### Core Crown

Gross Crown debt	33,811	34,439	35,081	37,681	38,833	39,946
Financial assets	(17,319)	(18,331)	(19,221)	(22,509)	(25,788)	(29,512)
<b>Borrowings less Financial Assets</b>	<b>16,492</b>	<b>16,108</b>	<b>15,860</b>	<b>15,172</b>	<b>13,045</b>	<b>10,434</b>
NZS Fund assets	..	615	1,905	3,913	6,292	8,959
GSF assets	3,479	3,500	3,500	3,510	3,510	3,510
GSF cross-holdings of Government stock	(2,950)	(1,500)	(340)	(350)	(350)	(350)
<b>Net Crown Debt</b>	<b>17,021</b>	<b>18,723</b>	<b>20,925</b>	<b>22,245</b>	<b>22,497</b>	<b>22,553</b>

## Statement of Movement in Equity – total Crown

for the years ending 30 June

(\$ million)	2001	2002	2003	2004	2005	2006
	Actual	Estimated Actual	Forecast	Forecast	Forecast	Forecast
<b>Opening Crown Balance</b>	<b>8,583</b>	<b>11,463</b>	<b>14,014</b>	<b>16,218</b>	<b>19,109</b>	<b>22,939</b>
Operating balance for the year	1,358	2,419	2,204	2,891	3,830	4,142
Net revaluations	(128)	29	..	..	..	..
<b>Total Recognised Revenues and Expenses</b>	<b>1,230</b>	<b>2,448</b>	<b>2,204</b>	<b>2,891</b>	<b>3,830</b>	<b>4,142</b>
State highway recognition policy change	1,650	..	..	..	..	..
Conservation visitor asset recognition	..	103	..	..	..	..
<b>Closing Crown Balance</b>	<b>11,463</b>	<b>14,014</b>	<b>16,218</b>	<b>19,109</b>	<b>22,939</b>	<b>27,081</b>

## Statement of Cash Flow – total Crown

for the years ending 30 June

(\$ million)	2001 Actual	2002 Estimated Actual	2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast
<b>Cash Flows from Operations</b>						
<b>Cash was Provided from</b>						
Total tax receipts (refer Note 1)	34,272	36,306	37,857	39,438	41,336	42,861
Total other sovereign receipts (refer Note 1)	2,503	2,107	2,449	2,521	2,608	2,695
Interest	1,129	1,508	1,436	1,545	1,632	1,802
Dividends	37	38	41	46	50	55
Sales of goods and services	7,772	9,085	10,214	10,510	11,088	11,530
Other operating receipts	923	934	1,588	1,563	1,555	1,425
<b>Total Cash Provided from Operations</b>	<b>46,636</b>	<b>49,978</b>	<b>53,585</b>	<b>55,623</b>	<b>58,269</b>	<b>60,368</b>
<b>Cash was Disbursed to</b>						
Subsidies and transfer payments	14,416	14,999	15,472	15,941	16,389	16,962
Personnel and operating payments	25,527	28,262	30,045	30,887	31,860	32,280
Finance costs	2,685	2,229	2,517	2,509	2,583	2,661
Forecast for future new spending	..	..	204	622	1,049	1,849
<b>Total Cash Disbursed to Operations</b>	<b>42,628</b>	<b>45,490</b>	<b>48,238</b>	<b>49,959</b>	<b>51,881</b>	<b>53,752</b>
<b>Net Cash Flows from Operations</b>	<b>4,008</b>	<b>4,488</b>	<b>5,347</b>	<b>5,664</b>	<b>6,388</b>	<b>6,616</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash was Provided from</b>						
Sale of physical assets	191	247	127	94	71	64
<b>Total Cash Provided</b>	<b>191</b>	<b>247</b>	<b>127</b>	<b>94</b>	<b>71</b>	<b>64</b>
<b>Cash was Disbursed to</b>						
Purchase of physical assets	2,702	2,999	3,440	3,357	2,914	2,532
Net increase in advances	603	839	768	759	794	849
Other net purchase/(sale) of marketable securities & deposits and other equity investments	1,263	2,675	1,035	2,332	3,066	3,245
Capitalised interest paid	21	20	4	4	4	4
Forecast for future new capital spending	..	..	200	800	500	360
<b>Total Cash Disbursed</b>	<b>4,589</b>	<b>6,533</b>	<b>5,447</b>	<b>7,252</b>	<b>7,278</b>	<b>6,990</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(4,398)</b>	<b>(6,286)</b>	<b>(5,320)</b>	<b>(7,158)</b>	<b>(7,207)</b>	<b>(6,926)</b>
<b>Net Cash Flows from Operating and Investing Activities</b>	<b>(390)</b>	<b>(1,798)</b>	<b>27</b>	<b>(1,494)</b>	<b>(819)</b>	<b>(310)</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash was Provided from</b>						
Issue of circulating currency	303	248	..	..	..	..
Net issue of Government stock	1,067	1,627	1,025	2,160	760	546
<b>Total Cash Provided</b>	<b>1,370</b>	<b>1,875</b>	<b>1,025</b>	<b>2,160</b>	<b>760</b>	<b>546</b>
<b>Cash was Disbursed to</b>						
Net repayment/(issue) of foreign- currency borrowing	1,030	(227)	358	182	7	73
Net repayment/(issue) of other New Zealand-dollar borrowing	350	533	613	537	(141)	44
<b>Total Cash Disbursed</b>	<b>1,380</b>	<b>306</b>	<b>971</b>	<b>719</b>	<b>(134)</b>	<b>117</b>
<b>Net Cash Flows from Financing Activities</b>	<b>(10)</b>	<b>1,569</b>	<b>54</b>	<b>1,441</b>	<b>894</b>	<b>429</b>
<b>Net Movement in Cash</b>	<b>(400)</b>	<b>(229)</b>	<b>81</b>	<b>(53)</b>	<b>75</b>	<b>119</b>
<b>Opening Cash Balance</b>	<b>1,587</b>	<b>1,187</b>	<b>949</b>	<b>1,030</b>	<b>977</b>	<b>1,052</b>
Foreign-exchange gains on opening cash balances	..	(9)	..	..	..	..
<b>Closing Cash Balance</b>	<b>1,187</b>	<b>949</b>	<b>1,030</b>	<b>977</b>	<b>1,052</b>	<b>1,171</b>

## Statement of Borrowings – total Crown

as at 30 June

(\$ million)	2001 Actual	2002 Estimated Actual	2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast
<b>Sovereign Guaranteed Debt</b>						
<b>New Zealand-Dollar Debt</b>						
Government stock	15,979	18,796	19,821	21,981	22,741	23,287
Treasury bills	5,239	4,892	5,330	5,290	5,266	5,243
Loans and foreign-exchange contracts	(272)	(374)	(823)	(711)	(730)	(606)
Retail stock and other	498	512	510	509	509	509
<b>Total New Zealand-Dollar Debt</b>	<b>21,444</b>	<b>23,826</b>	<b>24,838</b>	<b>27,069</b>	<b>27,786</b>	<b>28,433</b>
<b>Foreign-Currency Debt</b>						
United States dollars	4,780	3,889	3,918	3,916	3,917	3,917
Japanese yen	1,432	448	279	279	279	279
European and other currencies	1,434	1,953	1,953	1,955	1,956	1,955
<b>Total Foreign-Currency Debt</b>	<b>7,646</b>	<b>6,290</b>	<b>6,150</b>	<b>6,150</b>	<b>6,152</b>	<b>6,151</b>
<b>Total Sovereign Guaranteed Debt</b>	<b>29,090</b>	<b>30,116</b>	<b>30,988</b>	<b>33,219</b>	<b>33,938</b>	<b>34,584</b>
<b>Non-Sovereign Guaranteed Debt</b>						
New Zealand	4,621	4,936	4,736	4,128	4,184	3,858
United States dollars	474	1,765	1,623	1,409	1,293	1,188
Japanese yen	147	140	142	152	158	158
European and other currencies	320	306	310	332	344	344
<b>Total Non-Sovereign Guaranteed Debt</b>	<b>5,562</b>	<b>7,147</b>	<b>6,811</b>	<b>6,021</b>	<b>5,979</b>	<b>5,548</b>
<b>Total Borrowings (Gross Debt)</b>	<b>34,652</b>	<b>37,263</b>	<b>37,799</b>	<b>39,240</b>	<b>39,917</b>	<b>40,132</b>
<b>Less</b>						
<b>Financial Assets (including restricted assets)</b>						
<b>Marketable Securities, Deposits and Equity Investments</b>						
New Zealand dollars	7,058	9,240	9,254	11,265	14,002	17,202
United States dollars	5,282	4,089	4,185	4,218	4,256	4,298
Japanese yen	1,549	489	269	270	270	270
European and other currencies	506	878	759	631	491	343
Reserve Position at IMF	946	1,032	1,147	1,276	1,414	1,561
Equity investments New Zealand dollars	687	746	845	963	1,083	1,206
Equity investments foreign-currency	588	1,260	2,022	2,239	2,467	2,706
<b>Total</b>	<b>16,616</b>	<b>17,734</b>	<b>18,481</b>	<b>20,862</b>	<b>23,983</b>	<b>27,586</b>
<b>Advances and Cash</b>						
Student loans	4,143	4,799	5,531	6,295	7,074	7,863
Other advances	183	287	247	237	245	264
Cash	1,187	949	1,030	977	1,052	1,171
<b>Total</b>	<b>5,513</b>	<b>6,035</b>	<b>6,808</b>	<b>7,509</b>	<b>8,371</b>	<b>9,298</b>
<b>Total Financial Assets</b>	<b>22,129</b>	<b>23,769</b>	<b>25,289</b>	<b>28,371</b>	<b>32,354</b>	<b>36,884</b>
<b>Borrowings less Financial Assets</b>	<b>12,523</b>	<b>13,494</b>	<b>12,510</b>	<b>10,869</b>	<b>7,563</b>	<b>3,248</b>
Net New Zealand-dollar debt	12,807	12,741	12,667	11,460	8,514	4,585
Net foreign-currency debt	(284)	753	(157)	(591)	(951)	(1,337)
<b>Borrowings less Financial Assets</b>	<b>12,523</b>	<b>13,494</b>	<b>12,510</b>	<b>10,869</b>	<b>7,563</b>	<b>3,248</b>

- The financial assets includes the assets of the NZS Fund and the GSF. The total of borrowings less financial assets is not a measure of net Crown debt.
- Net Crown debt is shown in the following segmental notes. It is defined as core Crown borrowings less financial assets (not including the assets of the NZS Fund and the GSF).

## Segment Notes to the Financial Statements – total Crown

### Statement of Financial Performance (institutional form)

for the year ended 30 June 2001

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2001 \$m	2001 \$m	2001 \$m	2001 \$m	2001 \$m
<b>Revenue</b>					
Taxation revenue	34,995	-	-	(251)	34,744
Other sovereign levied income	385	1,904	-	(20)	2,269
Sales of goods and services	658	2,501	4,337	(262)	7,234
Investment income	1,443	673	34	(933)	1,217
Other revenues	524	10,660	54	(10,016)	1,222
<b>Total revenue</b>	<b>38,005</b>	<b>15,738</b>	<b>4,425</b>	<b>(11,482)</b>	<b>46,686</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	13,275	1,209	-	-	14,484
Personnel expenses	3,290	6,646	745	(2)	10,679
Operating expenses	17,713	7,223	3,030	(11,007)	16,959
Finance costs	2,304	206	219	(157)	2,572
FX losses/(gains)	(47)	42	50	5	50
GSF and ACC liability revaluation movements	164	420	-	-	584
<b>Total expenses</b>	<b>36,699</b>	<b>15,746</b>	<b>4,044</b>	<b>(11,161)</b>	<b>45,328</b>
<b>Expenses by functional classification</b>					
Social security and welfare	14,319	2,618	-	(614)	16,323
Health	6,660	3,596	-	(3,454)	6,802
Education	6,136	5,857	-	(4,274)	7,719
Other functional classifications	7,327	3,427	3,774	(2,666)	11,862
Forecast for future new spending	-	-	-	-	-
Finance costs and FX losses/(gains)	2,257	248	270	(153)	2,622
<b>Total expenses</b>	<b>36,699</b>	<b>15,746</b>	<b>4,044</b>	<b>(11,161)</b>	<b>45,328</b>
<b>Operating balance</b>	<b>1,306</b>	<b>(8)</b>	<b>381</b>	<b>(321)</b>	<b>1,358</b>

### Statement of Financial Position (institutional form)

as at 30 June 2001

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2001 \$m	2001 \$m	2001 \$m	2001 \$m	2001 \$m
<b>Assets</b>					
Financial assets	17,319	9,446	444	(5,080)	22,129
Physical assets	27,157	11,012	7,706	-	45,875
Investment in SOEs and CEs	6,709	-	-	(6,709)	-
Other assets	7,084	1,527	1,410	(892)	9,129
<b>Total assets</b>	<b>58,269</b>	<b>21,985</b>	<b>9,560</b>	<b>(12,681)</b>	<b>77,133</b>
<b>Liabilities</b>					
Borrowings	33,811	3,131	2,790	(5,080)	34,652
Other liabilities	20,435	10,259	1,216	(892)	31,018
<b>Total liabilities</b>	<b>54,246</b>	<b>13,390</b>	<b>4,006</b>	<b>(5,972)</b>	<b>65,670</b>
<b>Net worth</b>	<b>4,023</b>	<b>8,595</b>	<b>5,554</b>	<b>(6,709)</b>	<b>11,463</b>
<b>Analysis of financial assets and borrowings</b>					
Taxpayer funds	(262)	5,570	4,806	(6,709)	3,405
Revaluation reserves	4,285	3,025	748	-	8,058
<b>Net worth</b>	<b>4,023</b>	<b>8,595</b>	<b>5,554</b>	<b>(6,709)</b>	<b>11,463</b>
<b>Analysis of financial assets and borrowings</b>					
Advances and cash	4,730	904	238	(359)	5,513
MSDs and equity investments	12,589	8,542	206	(4,721)	16,616
<b>Total financial assets</b>	<b>17,319</b>	<b>9,446</b>	<b>444</b>	<b>(5,080)</b>	<b>22,129</b>
Borrowings - Sovereign guaranteed	33,811	-	-	(4,721)	29,090
Borrowings - Non-sovereign guaranteed	-	3,131	2,790	(359)	5,562
<b>Total borrowings</b>	<b>33,811</b>	<b>3,131</b>	<b>2,790</b>	<b>(5,080)</b>	<b>34,652</b>
<b>Borrowings less financial assets</b>	<b>16,492</b>	<b>(6,315)</b>	<b>2,346</b>	<b>-</b>	<b>12,523</b>
<b>Net Crown debt</b>	<b>17,021</b>				
<b>Gross sovereign-issued debt</b>	<b>36,761</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

## Segment Notes to the Financial Statements (continued)

### Forecast Statement of Financial Performance (institutional form) for the year ended 30 June 2002

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2002 \$m	2002 \$m	2002 \$m	2002 \$m	2002 \$m
<b>Revenue</b>					
Taxation revenue	36,360	-	-	(225)	36,135
Other sovereign levied income	493	2,000	-	(14)	2,479
Sales of goods and services	686	3,270	6,583	(873)	9,666
Investment income	1,334	571	31	(722)	1,214
Other revenues	568	12,237	361	(11,598)	1,568
<b>Total revenue</b>	<b>39,441</b>	<b>18,078</b>	<b>6,975</b>	<b>(13,432)</b>	<b>51,062</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	13,656	1,330	-	-	14,986
Personnel expenses	3,816	7,019	1,132	25	11,992
Operating expenses	18,128	8,953	5,222	(12,742)	19,561
Finance costs	2,176	205	220	(312)	2,289
FX losses/(gains)	119	-	22	-	141
GSF and ACC liability revaluation movements	(368)	42	-	-	(326)
<b>Total expenses</b>	<b>37,527</b>	<b>17,549</b>	<b>6,596</b>	<b>(13,029)</b>	<b>48,643</b>
<b>Expenses by functional classification</b>					
Social security and welfare	14,210	2,223	-	(449)	15,984
Health	6,999	5,485	-	(4,943)	7,541
Education	6,499	6,052	-	(4,366)	8,185
Other functional classifications	7,524	3,584	6,355	(2,960)	14,503
Forecast for future new spending	-	-	-	-	-
Finance costs and FX losses/(gains)	2,295	205	241	(311)	2,430
<b>Total expenses</b>	<b>37,527</b>	<b>17,549</b>	<b>6,596</b>	<b>(13,029)</b>	<b>48,643</b>
<b>Operating balance</b>	<b>1,914</b>	<b>529</b>	<b>379</b>	<b>(403)</b>	<b>2,419</b>

### Forecast Statement of Financial Position (institutional form) as at 30 June 2002

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2002 \$m	2002 \$m	2002 \$m	2002 \$m	2002 \$m
<b>Assets</b>					
Financial assets	18,331	9,816	835	(5,213)	23,769
Physical assets	27,328	11,276	9,807	-	48,411
Investment in SOEs and CEs	7,512	-	-	(7,512)	-
Other assets	7,449	1,846	2,448	(710)	11,033
<b>Total assets</b>	<b>60,620</b>	<b>22,938</b>	<b>13,090</b>	<b>(13,435)</b>	<b>83,213</b>
<b>Liabilities</b>					
Borrowings	34,439	3,450	4,587	(5,213)	37,263
Other liabilities	20,026	10,204	2,416	(710)	31,936
<b>Total liabilities</b>	<b>54,465</b>	<b>13,654</b>	<b>7,003</b>	<b>(5,923)</b>	<b>69,199</b>
<b>Net worth</b>	<b>6,155</b>	<b>9,284</b>	<b>6,087</b>	<b>(7,512)</b>	<b>14,014</b>
<b>Analysis of financial assets and borrowings</b>					
Taxpayer funds	1,812	6,278	5,343	(7,517)	5,916
Revaluation reserves	4,343	3,006	744	5	8,098
<b>Net worth</b>	<b>6,155</b>	<b>9,284</b>	<b>6,087</b>	<b>(7,512)</b>	<b>14,014</b>
Advances and cash	6,081	863	(19)	(890)	6,035
MSDs and equity investments	12,250	8,953	854	(4,323)	17,734
<b>Total financial assets</b>	<b>18,331</b>	<b>9,816</b>	<b>835</b>	<b>(5,213)</b>	<b>23,769</b>
Borrowings - Sovereign guaranteed	34,439	-	-	(4,323)	30,116
Borrowings - Non-sovereign guaranteed	-	3,450	4,587	(890)	7,147
<b>Total borrowings</b>	<b>34,439</b>	<b>3,450</b>	<b>4,587</b>	<b>(5,213)</b>	<b>37,263</b>
<b>Borrowings less financial assets</b>	<b>16,108</b>	<b>(6,366)</b>	<b>3,752</b>	<b>-</b>	<b>13,494</b>
<b>Net Crown debt</b>	<b>18,723</b>				
<b>Gross sovereign-issued debt</b>	<b>35,939</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

## Segment Notes to the Financial Statements (continued)

### Forecast Statement of Financial Performance (institutional form) for the year ended 30 June 2003

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2003 \$m	2003 \$m	2003 \$m	2003 \$m	2003 \$m
<b>Revenue</b>					
Taxation revenue	38,077	-	-	(202)	37,875
Other sovereign levied income	472	1,998	-	(16)	2,454
Sales of goods and services	704	3,082	7,671	(767)	10,690
Investment income	1,527	636	31	(834)	1,360
Other revenues	512	12,879	535	(12,307)	1,619
<b>Total revenue</b>	<b>41,292</b>	<b>18,595</b>	<b>8,237</b>	<b>(14,126)</b>	<b>53,998</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	13,972	1,480	-	-	15,452
Personnel expenses	3,932	7,191	1,518	(3)	12,638
Operating expenses	19,362	9,224	5,917	(13,331)	21,172
Finance costs	2,318	221	324	(331)	2,532
FX losses/(gains)	-	-	-	-	-
GSF and ACC liability revaluation movements	-	-	-	-	-
<b>Total expenses</b>	<b>39,584</b>	<b>18,116</b>	<b>7,759</b>	<b>(13,665)</b>	<b>51,794</b>
<b>Expenses by functional classification</b>					
Social security and welfare	14,863	2,318	-	(475)	16,706
Health	7,615	5,457	-	(5,219)	7,853
Education	6,817	6,316	-	(4,577)	8,556
Other functional classifications	7,767	3,804	7,435	(3,063)	15,943
Forecast for future new spending	204	-	-	-	204
Finance costs and FX losses/(gains)	2,318	221	324	(331)	2,532
<b>Total expenses</b>	<b>39,584</b>	<b>18,116</b>	<b>7,759</b>	<b>(13,665)</b>	<b>51,794</b>
<b>Operating balance</b>	<b>1,708</b>	<b>479</b>	<b>478</b>	<b>(461)</b>	<b>2,204</b>

### Forecast Statement of Financial Position (institutional form) as at 30 June 2003

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2003 \$m	2003 \$m	2003 \$m	2003 \$m	2003 \$m
<b>Assets</b>					
Financial assets	19,221	10,651	824	(5,407)	25,289
Physical assets	27,688	11,861	9,932	-	49,481
Investment in SOEs and CEs	8,145	-	-	(8,145)	-
Other assets	7,791	1,902	2,377	(710)	11,360
<b>Total assets</b>	<b>62,845</b>	<b>24,414</b>	<b>13,133</b>	<b>(14,262)</b>	<b>86,130</b>
<b>Liabilities</b>					
Borrowings	35,081	3,548	4,577	(5,407)	37,799
Other liabilities	19,901	10,669	2,253	(710)	32,113
<b>Total liabilities</b>	<b>54,982</b>	<b>14,217</b>	<b>6,830</b>	<b>(6,117)</b>	<b>69,912</b>
<b>Net worth</b>	<b>7,863</b>	<b>10,197</b>	<b>6,303</b>	<b>(8,145)</b>	<b>16,218</b>
Taxpayer Funds	3,520	7,191	5,554	(8,145)	8,120
Revaluation reserves	4,343	3,006	749	-	8,098
<b>Net worth</b>	<b>7,863</b>	<b>10,197</b>	<b>6,303</b>	<b>(8,145)</b>	<b>16,218</b>
<b>Analysis of financial assets and borrowings</b>					
Advances and cash	7,250	822	50	(1,314)	6,808
MSDs and equity investments	11,971	9,829	774	(4,093)	18,481
<b>Total financial assets</b>	<b>19,221</b>	<b>10,651</b>	<b>824</b>	<b>(5,407)</b>	<b>25,289</b>
Borrowings - Sovereign guaranteed	35,081	-	-	(4,093)	30,988
Borrowings - Non-sovereign guaranteed	-	3,548	4,577	(1,314)	6,811
<b>Total borrowings</b>	<b>35,081</b>	<b>3,548</b>	<b>4,577</b>	<b>(5,407)</b>	<b>37,799</b>
<b>Borrowings less financial assets</b>	<b>15,860</b>	<b>(7,103)</b>	<b>3,753</b>	<b>-</b>	<b>12,510</b>
<b>Net Crown debt</b>	<b>20,925</b>				
<b>Gross sovereign-issued borrowings</b>	<b>35,421</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

## Segment Notes to the Financial Statements (continued)

### Forecast Statement of Financial Performance (institutional form) for the year ended 30 June 2004

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2004 \$m	2004 \$m	2004 \$m	2004 \$m	2004 \$m
<b>Revenue</b>					
Taxation revenue	39,663	-	-	(340)	39,323
Other sovereign levied income	487	2,085	-	(18)	2,554
Sales of goods and services	662	3,132	8,375	(750)	11,419
Investment income	1,805	733	31	(788)	1,781
Other revenues	506	13,258	466	(12,665)	1,565
<b>Total revenue</b>	<b>43,123</b>	<b>19,208</b>	<b>8,872</b>	<b>(14,561)</b>	<b>56,642</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	14,432	1,414	-	-	15,846
Personnel expenses	3,937	7,331	1,591	(4)	12,855
Operating expenses	20,356	9,544	6,381	(13,822)	22,459
Finance costs	2,404	245	314	(372)	2,591
FX losses/(gains)	-	-	-	-	-
GSF and ACC liability revaluation movements	-	-	-	-	-
<b>Total expenses</b>	<b>41,129</b>	<b>18,534</b>	<b>8,286</b>	<b>(14,198)</b>	<b>53,751</b>
<b>Expenses by functional classification</b>					
Social security and welfare	15,299	2,411	-	(468)	17,242
Health	8,037	5,603	-	(5,411)	8,229
Education	6,982	6,425	-	(4,757)	8,650
Other functional classifications	7,785	3,850	7,972	(3,190)	16,417
Forecast for future new spending	622	-	-	-	622
Finance costs and FX losses/(gains)	2,404	245	314	(372)	2,591
<b>Total expenses</b>	<b>41,129</b>	<b>18,534</b>	<b>8,286</b>	<b>(14,198)</b>	<b>53,751</b>
<b>Operating balance</b>	<b>1,994</b>	<b>674</b>	<b>586</b>	<b>(363)</b>	<b>2,891</b>

### Forecast Statement of Financial Position (institutional form) as at 30 June 2004

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2004 \$m	2004 \$m	2004 \$m	2004 \$m	2004 \$m
<b>Assets</b>					
Financial assets	22,509	11,691	781	(6,610)	28,371
Physical assets	27,961	12,147	10,155	-	50,263
Investment in SOEs and CEs	8,422	-	-	(8,422)	-
Other assets	8,456	1,997	2,572	(751)	12,274
<b>Total assets</b>	<b>67,348</b>	<b>25,835</b>	<b>13,508</b>	<b>(15,783)</b>	<b>90,908</b>
<b>Liabilities</b>					
Borrowings	37,681	3,576	4,593	(6,610)	39,240
Other liabilities	19,810	11,127	2,373	(751)	32,559
<b>Total liabilities</b>	<b>57,491</b>	<b>14,703</b>	<b>6,966</b>	<b>(7,361)</b>	<b>71,799</b>
<b>Net worth</b>	<b>9,857</b>	<b>11,132</b>	<b>6,542</b>	<b>(8,422)</b>	<b>19,109</b>
Taxpayer Funds					
	5,514	8,126	5,793	(8,422)	11,011
Revaluation reserves					
	4,343	3,006	749	-	8,098
<b>Net worth</b>	<b>9,857</b>	<b>11,132</b>	<b>6,542</b>	<b>(8,422)</b>	<b>19,109</b>
<b>Analysis of financial assets and borrowings</b>					
Advances and cash	8,752	862	43	(2,148)	7,509
MSDs and equity investments	13,757	10,829	738	(4,462)	20,862
<b>Total financial assets</b>	<b>22,509</b>	<b>11,691</b>	<b>781</b>	<b>(6,610)</b>	<b>28,371</b>
Borrowings - Sovereign guaranteed	37,681	-	-	(4,462)	33,219
Borrowings - Non-sovereign guaranteed	-	3,576	4,593	(2,148)	6,021
<b>Total borrowings</b>	<b>37,681</b>	<b>3,576</b>	<b>4,593</b>	<b>(6,610)</b>	<b>39,240</b>
<b>Borrowings less financial assets</b>	<b>15,172</b>	<b>(8,115)</b>	<b>3,812</b>	<b>-</b>	<b>10,869</b>
<b>Net Crown debt</b>	<b>22,245</b>				
<b>Gross sovereign-issued borrowings</b>	<b>38,031</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

## Segment Notes to the Financial Statements (continued)

### Forecast Statement of Financial Performance (institutional form) for the year ended 30 June 2005

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2005 \$m	2005 \$m	2005 \$m	2005 \$m	2005 \$m
<b>Revenue</b>					
Taxation revenue	41,571	-	-	(366)	41,205
Other sovereign levied income	493	2,155	-	(18)	2,630
Sales of goods and services	662	3,194	8,825	(765)	11,916
Investment income	2,094	807	31	(814)	2,118
Other revenues	501	13,510	422	(12,915)	1,518
<b>Total revenue</b>	<b>45,321</b>	<b>19,666</b>	<b>9,278</b>	<b>(14,878)</b>	<b>59,387</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	14,830	1,489	-	-	16,319
Personnel expenses	3,934	7,420	1,662	(4)	13,012
Operating expenses	21,305	9,726	6,680	(14,111)	23,600
Finance costs	2,480	264	322	(440)	2,626
FX losses/(gains)	-	-	-	-	-
GSF and ACC liability revaluation movements	-	-	-	-	-
<b>Total expenses</b>	<b>42,549</b>	<b>18,899</b>	<b>8,664</b>	<b>(14,555)</b>	<b>55,557</b>
<b>Expenses by functional classification</b>					
Social security and welfare	15,691	2,516	-	(476)	17,731
Health	8,461	5,730	-	(5,595)	8,596
Education	7,052	6,464	-	(4,715)	8,801
Other functional classifications	7,816	3,925	8,342	(3,329)	16,754
Forecast for future new spending	1,049	-	-	-	1,049
Finance costs and FX losses/(gains)	2,480	264	322	(440)	2,626
<b>Total expenses</b>	<b>42,549</b>	<b>18,899</b>	<b>8,664</b>	<b>(14,555)</b>	<b>55,557</b>
<b>Operating balance</b>	<b>2,772</b>	<b>767</b>	<b>614</b>	<b>(323)</b>	<b>3,830</b>

### Forecast Statement of Financial Position (institutional form) as at 30 June 2005

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2005 \$m	2005 \$m	2005 \$m	2005 \$m	2005 \$m
<b>Assets</b>					
Financial assets	25,788	12,812	949	(7,195)	32,354
Physical assets	27,845	12,295	10,411	-	50,551
Investment in SOEs and CEs	8,646	-	-	(8,646)	-
Other assets	8,978	2,090	2,680	(794)	12,954
<b>Total assets</b>	<b>71,257</b>	<b>27,197</b>	<b>14,040</b>	<b>(16,635)</b>	<b>95,859</b>
<b>Liabilities</b>					
Borrowings	38,833	3,554	4,725	(7,195)	39,917
Other liabilities	19,793	11,589	2,415	(794)	33,003
<b>Total liabilities</b>	<b>58,626</b>	<b>15,143</b>	<b>7,140</b>	<b>(7,989)</b>	<b>72,920</b>
<b>Net worth</b>	<b>12,631</b>	<b>12,054</b>	<b>6,900</b>	<b>(8,646)</b>	<b>22,939</b>
Taxpayer Funds					
	8,288	9,048	6,151	(8,646)	14,841
Revaluation reserves					
	4,343	3,006	749	-	8,098
<b>Net worth</b>	<b>12,631</b>	<b>12,054</b>	<b>6,900</b>	<b>(8,646)</b>	<b>22,939</b>
<b>Analysis of financial assets and borrowings</b>					
Advances and cash	9,714	894	63	(2,300)	8,371
MSDs and equity investments	16,074	11,918	886	(4,895)	23,983
<b>Total financial assets</b>	<b>25,788</b>	<b>12,812</b>	<b>949</b>	<b>(7,195)</b>	<b>32,354</b>
Borrowings - Sovereign guaranteed	38,833	-	-	(4,895)	33,938
Borrowings - Non-sovereign guaranteed	-	3,554	4,725	(2,300)	5,979
<b>Total borrowings</b>	<b>38,833</b>	<b>3,554</b>	<b>4,725</b>	<b>(7,195)</b>	<b>39,917</b>
<b>Borrowings less financial assets</b>	<b>13,045</b>	<b>(9,258)</b>	<b>3,776</b>	<b>-</b>	<b>7,563</b>
<b>Net Crown debt</b>	<b>22,497</b>				
<b>Gross sovereign-issued borrowings</b>	<b>39,183</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

## Segment Notes to the Financial Statements (continued)

### Forecast Statement of Financial Performance (institutional form) for the year ended 30 June 2006

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2006 \$m	2006 \$m	2006 \$m	2006 \$m	2006 \$m
<b>Revenue</b>					
Taxation revenue	43,060	-	-	(417)	42,643
Other sovereign levied income	506	2,224	-	(17)	2,713
Sales of goods and services	665	3,459	9,204	(973)	12,355
Investment income	2,422	885	31	(869)	2,469
Other revenues	499	13,634	378	(13,024)	1,487
<b>Total revenue</b>	<b>47,152</b>	<b>20,202</b>	<b>9,613</b>	<b>(15,300)</b>	<b>61,667</b>
<b>Expenses by input type</b>					
Subsidies and transfer payments	15,305	1,564	-	-	16,869
Personnel expenses	4,005	7,602	1,697	(4)	13,300
Operating expenses	22,328	9,940	6,892	(14,467)	24,693
Finance costs	2,551	266	324	(478)	2,663
FX losses/(gains)	-	-	-	-	-
GSF and ACC liability revaluation movements	-	-	-	-	-
<b>Total expenses</b>	<b>44,189</b>	<b>19,372</b>	<b>8,913</b>	<b>(14,949)</b>	<b>57,525</b>
<b>Expenses by functional classification</b>					
Social security and welfare	16,190	2,620	-	(482)	18,328
Health	8,588	5,931	-	(5,806)	8,713
Education	7,148	6,528	-	(4,762)	8,914
Other functional classifications	7,863	4,027	8,589	(3,421)	17,058
Forecast for future new spending	1,849	-	-	-	1,849
Finance costs and FX losses/(gains)	2,551	266	324	(478)	2,663
<b>Total expenses</b>	<b>44,189</b>	<b>19,372</b>	<b>8,913</b>	<b>(14,949)</b>	<b>57,525</b>
<b>Operating balance</b>	<b>2,963</b>	<b>830</b>	<b>700</b>	<b>(351)</b>	<b>4,142</b>

### Forecast Statement of Financial Position (institutional form) as at 30 June 2006

(\$ million)	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2006 \$m	2006 \$m	2006 \$m	2006 \$m	2006 \$m
<b>Assets</b>					
Financial assets	29,512	14,018	1,252	(7,898)	36,884
Physical assets	27,692	12,365	10,252	-	50,309
Investment in SOEs and CEs	8,740	-	-	(8,740)	-
Other assets	9,215	2,193	2,776	(839)	13,345
<b>Total assets</b>	<b>75,159</b>	<b>28,576</b>	<b>14,280</b>	<b>(17,477)</b>	<b>100,538</b>
<b>Liabilities</b>					
Borrowings	39,946	3,593	4,491	(7,898)	40,132
Other liabilities	19,621	12,021	2,522	(839)	33,325
<b>Total liabilities</b>	<b>59,567</b>	<b>15,614</b>	<b>7,013</b>	<b>(8,737)</b>	<b>73,457</b>
<b>Net worth</b>	<b>15,592</b>	<b>12,962</b>	<b>7,267</b>	<b>(8,740)</b>	<b>27,081</b>
Taxpayer Funds					
	11,249	9,956	6,518	(8,740)	18,983
Revaluation reserves					
	4,343	3,006	749	-	8,098
<b>Net worth</b>	<b>15,592</b>	<b>12,962</b>	<b>7,267</b>	<b>(8,740)</b>	<b>27,081</b>
<b>Analysis of financial assets and borrowings</b>					
Advances and cash	10,812	954	68	(2,536)	9,298
MSDs and equity investments	18,700	13,064	1,184	(5,362)	27,586
<b>Total financial assets</b>	<b>29,512</b>	<b>14,018</b>	<b>1,252</b>	<b>(7,898)</b>	<b>36,884</b>
Borrowings - Sovereign guaranteed	39,946	-	-	(5,362)	34,584
Borrowings - Non-sovereign guaranteed	-	3,593	4,491	(2,536)	5,548
<b>Total borrowings</b>	<b>39,946</b>	<b>3,593</b>	<b>4,491</b>	<b>(7,898)</b>	<b>40,132</b>
<b>Borrowings less financial assets</b>	<b>10,434</b>	<b>(10,425)</b>	<b>3,239</b>	<b>-</b>	<b>3,248</b>
<b>Net Crown debt</b>	<b>22,553</b>				
<b>Gross sovereign-issued borrowings</b>	<b>40,296</b>				

Net Crown debt and gross sovereign-issued debt differ from the analysis above due to elimination of cross-holdings of Govt stock and adding back the NZS Fund and GSF assets.

# Tax Revenue Tables

**Table A.1 – Treasury and Inland Revenue forecasts of Tax revenue**

(\$ million)	2000/01	2001/02		2002/03		2003/04		2004/05		2005/06	
	Actual	Forecast		Forecast		Forecast		Forecast		Forecast	
		Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD
<b>CURRENT PRESENTATION</b>	This is the same format under which tax forecasts were presented in the 2002 Budget Update.										
<b>Direct Tax</b>											
<b>Individuals</b>											
Source deductions	13,703	14,605	14,618	15,321	15,289	16,133	16,110	17,029	17,005	17,865	17,856
Other persons tax	3,871	3,990	3,955	4,140	4,076	4,199	4,037	4,325	4,255	4,431	4,494
Refunds	(790)	(813)	(755)	(771)	(705)	(813)	(705)	(813)	(700)	(813)	(705)
Fringe benefit tax	342	356	365	381	378	385	374	390	379	395	382
<b>Subtotal: Individuals</b>	<b>17,126</b>	<b>18,138</b>	<b>18,183</b>	<b>19,071</b>	<b>19,038</b>	<b>19,904</b>	<b>19,816</b>	<b>20,931</b>	<b>20,939</b>	<b>21,878</b>	<b>22,027</b>
<b>Company Tax (net)</b>	<b>4,831</b>	<b>4,524</b>	<b>4,495</b>	<b>4,810</b>	<b>4,777</b>	<b>5,194</b>	<b>5,098</b>	<b>5,559</b>	<b>5,357</b>	<b>5,593</b>	<b>5,510</b>
<b>Withholding taxes on:</b>											
Resident interest income	990	986	990	1,026	994	1,039	1,036	1,038	1,058	1,038	1,086
Non-resident income	760	669	667	640	647	692	688	716	720	737	734
Resident dividend income	71	27	22	49	45	45	45	46	45	47	45
Foreign-source dividends	83	139	150	122	120	56	80	56	80	56	80
<b>Subtotal: Withholding Tax</b>	<b>1,904</b>	<b>1,821</b>	<b>1,829</b>	<b>1,837</b>	<b>1,806</b>	<b>1,832</b>	<b>1,849</b>	<b>1,856</b>	<b>1,903</b>	<b>1,878</b>	<b>1,945</b>
<b>Total Income Tax</b>	<b>23,861</b>	<b>24,483</b>	<b>24,507</b>	<b>25,718</b>	<b>25,621</b>	<b>26,930</b>	<b>26,763</b>	<b>28,346</b>	<b>28,199</b>	<b>29,349</b>	<b>29,482</b>
<b>Other Direct Tax</b>											
Estate and gift duties	2	2	2	2	2	2	2	2	2	2	2
<b>Total Direct Tax</b>	<b>23,863</b>	<b>24,485</b>	<b>24,509</b>	<b>25,720</b>	<b>25,623</b>	<b>26,932</b>	<b>26,765</b>	<b>28,348</b>	<b>28,201</b>	<b>29,351</b>	<b>29,484</b>
<b>Indirect Tax</b>											
<b>GST</b>											
GST (Customs)	4,099	4,187	4,175	4,301	4,265	4,587	4,525	4,757	4,680	4,909	4,835
GST (IRD)	5,027	5,662	5,593	6,003	5,834	6,200	6,133	6,530	6,447	6,905	6,771
<b>Subtotal: GST</b>	<b>9,126</b>	<b>9,849</b>	<b>9,768</b>	<b>10,304</b>	<b>10,099</b>	<b>10,787</b>	<b>10,658</b>	<b>11,287</b>	<b>11,127</b>	<b>11,814</b>	<b>11,606</b>
<b>Excise duties on:</b>											
Alcoholic drinks	436	449	452	452	462	462	467	469	473	475	478
Tobacco products	764	810	825	807	811	808	812	806	812	802	812
Petroleum fuels	810	856	850	938	932	943	940	949	948	957	956
<b>Subtotal: Excise Duties</b>	<b>2,010</b>	<b>2,115</b>	<b>2,127</b>	<b>2,197</b>	<b>2,205</b>	<b>2,213</b>	<b>2,219</b>	<b>2,224</b>	<b>2,233</b>	<b>2,234</b>	<b>2,246</b>
<b>Other Indirect Tax</b>											
Customs duty	648	679	670	680	675	697	700	708	721	719	740
Road user charges	532	580	584	602	631	623	654	646	679	672	703
Motor vehicle fees	181	189	184	182	187	184	189	185	192	186	195
Stamp and cheque duties	61	61	60	62	62	65	65	68	68	71	71
Gaming duties	206	242	242	266	266	279	285	292	300	304	317
Energy resources levy	111	107	110	101	108	97	105	93	105	91	105
Other	..	..	..	..	..	..	..	..	..	..	..
<b>Subtotal: Other Indirect Tax</b>	<b>1,739</b>	<b>1,858</b>	<b>1,850</b>	<b>1,893</b>	<b>1,929</b>	<b>1,945</b>	<b>1,998</b>	<b>1,992</b>	<b>2,065</b>	<b>2,043</b>	<b>2,131</b>
<b>Total Indirect Tax</b>	<b>12,875</b>	<b>13,822</b>	<b>13,745</b>	<b>14,394</b>	<b>14,233</b>	<b>14,945</b>	<b>14,875</b>	<b>15,503</b>	<b>15,425</b>	<b>16,091</b>	<b>15,983</b>
<b>Total Tax</b>	<b>36,738</b>	<b>38,307</b>	<b>38,254</b>	<b>40,114</b>	<b>39,856</b>	<b>41,877</b>	<b>41,640</b>	<b>43,851</b>	<b>43,626</b>	<b>45,442</b>	<b>45,467</b>
Tax-to-GDP	32.2%	31.8%	31.7%	32.1%	31.9%	32.1%	31.9%	32.1%	31.9%	31.9%	31.9%
<b>Eliminations</b>	The above figures are net of the following eliminations										
Income tax from NZSF	..	..	..	23	23	52	52	93	93	140	140
GST on departmental outputs	759	771	771	799	799	798	798	796	796	798	798
<b>FUTURE PRESENTATION OF CORE CROWN</b>											
<b>Eliminations</b>	GST on Crown expenses and income tax paid by GSF are further eliminated from the above to arrive at the future Core Crown format										
GST on Crown expenses & tax from GSF	1,743	1,947	1,947	2,037	2,037	2,214	2,214	2,280	2,280	2,382	2,382
<b>Total Tax</b>	<b>34,995</b>	<b>36,360</b>	<b>36,307</b>	<b>38,077</b>	<b>37,819</b>	<b>39,663</b>	<b>39,426</b>	<b>41,571</b>	<b>41,346</b>	<b>43,060</b>	<b>43,085</b>
Tax-to-GDP	30.7%	30.2%	30.1%	30.4%	30.2%	30.4%	30.2%	30.4%	30.2%	30.2%	30.2%
<b>FUTURE PRESENTATION OF TOTAL CROWN</b>											
<b>Eliminations</b>	Income tax paid by SOEs and CEs is further eliminated from Core Crown to arrive at the Total Crown position										
Income tax from SOEs and CEs	251	225	225	202	202	340	340	366	366	417	417
<b>Total Tax</b>	<b>34,744</b>	<b>36,135</b>	<b>36,082</b>	<b>37,875</b>	<b>37,617</b>	<b>39,323</b>	<b>39,086</b>	<b>41,205</b>	<b>40,980</b>	<b>42,643</b>	<b>42,668</b>
Tax-to-GDP	30.4%	30.0%	29.9%	30.3%	30.1%	30.1%	29.9%	30.1%	30.0%	29.9%	29.9%
GDP	114,145	120,543	120,543	125,125	125,125	130,659	130,659	136,804	136,804	142,631	142,631

**Table A.2 – Treasury and Inland Revenue forecasts of Tax receipts (cash)**

(\$ million)	2000/01	2001/02		2002/03		2003/04		2004/05		2005/06	
	Actual	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD
<b>CURRENT PRESENTATION</b>	This is the same format under which tax forecasts were presented in the 2001 December Update.										
<b>Direct Tax</b>											
<b>Individuals</b>											
Source deductions	13,748	14,648	14,618	15,321	15,289	16,133	16,110	17,029	17,005	17,865	17,856
Other persons tax	4,221	4,456	4,390	4,516	4,501	4,596	4,452	4,722	4,665	4,828	4,889
Refunds	(1,175)	(1,280)	(1,190)	(1,146)	(1,130)	(1,210)	(1,120)	(1,210)	(1,110)	(1,210)	(1,100)
Fringe benefit tax	338	344	355	380	377	384	373	389	378	394	382
<b>Subtotal: Individuals</b>	<b>17,132</b>	<b>18,168</b>	<b>18,173</b>	<b>19,071</b>	<b>19,037</b>	<b>19,903</b>	<b>19,815</b>	<b>20,930</b>	<b>20,938</b>	<b>21,877</b>	<b>22,027</b>
<b>Company Tax (net)</b>	<b>4,592</b>	<b>4,622</b>	<b>4,630</b>	<b>4,751</b>	<b>4,777</b>	<b>5,164</b>	<b>5,098</b>	<b>5,515</b>	<b>5,357</b>	<b>5,592</b>	<b>5,510</b>
<b>Withholding taxes on:</b>											
Resident interest income	971	986	986	1,026	992	1,039	1,036	1,038	1,057	1,038	1,085
Non-resident income	738	621	648	638	647	692	688	716	720	737	734
Resident dividend income	72	27	22	49	45	45	45	46	45	47	45
Foreign-source dividends	98	124	130	122	120	56	80	56	80	56	80
<b>Subtotal: Withholding Tax</b>	<b>1,879</b>	<b>1,758</b>	<b>1,786</b>	<b>1,835</b>	<b>1,804</b>	<b>1,832</b>	<b>1,849</b>	<b>1,856</b>	<b>1,902</b>	<b>1,878</b>	<b>1,944</b>
<b>Total Income Tax</b>	<b>23,603</b>	<b>24,548</b>	<b>24,589</b>	<b>25,657</b>	<b>25,618</b>	<b>26,899</b>	<b>26,762</b>	<b>28,301</b>	<b>28,197</b>	<b>29,347</b>	<b>29,481</b>
<b>Other Direct Tax</b>											
Estate and gift duties	2	2	2	2	2	2	2	2	2	2	2
<b>Total Direct Tax</b>	<b>23,605</b>	<b>24,550</b>	<b>24,591</b>	<b>25,659</b>	<b>25,620</b>	<b>26,901</b>	<b>26,764</b>	<b>28,303</b>	<b>28,199</b>	<b>29,349</b>	<b>29,483</b>
<b>Indirect Tax</b>											
<b>GST</b>											
GST (Customs)	4,063	4,207	4,175	4,301	4,265	4,587	4,525	4,757	4,680	4,909	4,835
GST (IRD)	4,884	5,642	5,565	6,003	5,834	6,200	6,133	6,530	6,447	6,905	6,771
<b>Subtotal: GST</b>	<b>8,947</b>	<b>9,849</b>	<b>9,740</b>	<b>10,304</b>	<b>10,099</b>	<b>10,787</b>	<b>10,658</b>	<b>11,287</b>	<b>11,127</b>	<b>11,814</b>	<b>11,606</b>
<b>Excise duties on:</b>											
Alcoholic drinks	430	449	452	452	462	462	467	469	473	475	478
Tobacco products	735	800	805	807	811	808	812	806	812	802	812
Petroleum fuels	820	851	836	938	932	943	940	949	948	957	956
<b>Subtotal: Excise Duties</b>	<b>1,985</b>	<b>2,100</b>	<b>2,093</b>	<b>2,197</b>	<b>2,205</b>	<b>2,213</b>	<b>2,219</b>	<b>2,224</b>	<b>2,233</b>	<b>2,234</b>	<b>2,246</b>
<b>Other Indirect Tax</b>											
Customs duty	628	674	655	680	675	697	700	708	721	719	740
Road user charges	532	575	584	600	631	621	654	646	679	672	703
Motor vehicle fees	174	184	184	182	187	184	189	185	192	191	195
Stamp and cheque duties	63	60	60	62	62	65	65	68	68	71	71
Gaming duties	205	242	242	266	266	279	285	292	300	304	317
Energy resources levy	110	107	111	101	108	97	105	93	105	91	105
Other	1	..	..	..	..	..	..	..	..	..	..
<b>Subtotal: Other Indirect Tax</b>	<b>1,713</b>	<b>1,842</b>	<b>1,836</b>	<b>1,891</b>	<b>1,929</b>	<b>1,943</b>	<b>1,998</b>	<b>1,992</b>	<b>2,065</b>	<b>2,048</b>	<b>2,131</b>
<b>Total Indirect Tax</b>	<b>12,645</b>	<b>13,791</b>	<b>13,669</b>	<b>14,392</b>	<b>14,233</b>	<b>14,943</b>	<b>14,875</b>	<b>15,503</b>	<b>15,425</b>	<b>16,096</b>	<b>15,983</b>
<b>Total Tax</b>	<b>36,250</b>	<b>38,341</b>	<b>38,260</b>	<b>40,051</b>	<b>39,853</b>	<b>41,844</b>	<b>41,639</b>	<b>43,806</b>	<b>43,624</b>	<b>45,445</b>	<b>45,466</b>
Tax-to-GDP	31.8%	31.8%	31.7%	32.0%	31.9%	32.0%	31.9%	32.0%	31.9%	31.9%	31.9%
<b>Eliminations</b>	The above figures are net of the following eliminations										
Income tax from NZSF	..	..	..	23	23	52	52	93	93	140	140
GST on departmental outputs	759	771	771	799	799	798	798	796	796	798	798
<b>FUTURE PRESENTATION OF CORE CROWN</b>											
<b>Eliminations</b>	GST on Crown expenses and income tax paid by GSF are further eliminated from the above to arrive at the future Core Crown format										
GST on Crown expenses & tax from GSF	1,743	1,947	1,947	2,037	2,037	2,214	2,214	2,280	2,280	2,382	2,382
<b>Total Tax</b>	<b>34,507</b>	<b>36,394</b>	<b>36,313</b>	<b>38,014</b>	<b>37,816</b>	<b>39,630</b>	<b>39,425</b>	<b>41,526</b>	<b>41,344</b>	<b>43,063</b>	<b>43,084</b>
Tax-to-GDP	30.2%	30.2%	30.1%	30.4%	30.2%	30.3%	30.2%	30.4%	30.2%	30.2%	30.2%
<b>FUTURE PRESENTATION OF TOTAL CROWN</b>											
<b>Eliminations</b>	Income tax paid by SOEs and CEs is further eliminated from Core Crown to arrive at the Total Crown position										
Income tax from SOEs and CEs	251	174	174	195	195	331	331	357	357	412	412
<b>Total Tax</b>	<b>34,256</b>	<b>36,220</b>	<b>36,139</b>	<b>37,819</b>	<b>37,621</b>	<b>39,299</b>	<b>39,094</b>	<b>41,169</b>	<b>40,987</b>	<b>42,651</b>	<b>42,672</b>
Tax-to-GDP	30.0%	30.0%	30.0%	30.2%	30.1%	30.1%	29.9%	30.1%	30.0%	29.9%	29.9%

## Expense Tables

The expense tables are based on the current presentation of the Crown forecasts. At the bottom of each table is the adjustment required to reconcile to core Crown as reported under the future presentation (ie, line-by-line consolidation).

**Table B.1** – Expenses by category

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Social security and welfare	13,216	13,615	13,936	14,363	14,755	15,215
GSF Pension expense	855	339	671	680	680	719
Health	7,342	7,713	8,390	8,873	9,347	9,475
Education	6,690	7,150	7,494	7,674	7,747	7,850
Core government services	1,817	1,611	1,641	1,616	1,628	1,658
Law and order	1,560	1,761	1,744	1,737	1,734	1,727
Defence	1,267	1,188	1,166	1,208	1,159	1,146
Transport and communications	1,026	1,156	1,238	1,300	1,324	1,335
Economic and industrial services	1,141	1,187	1,275	1,268	1,261	1,272
Primary services	287	327	343	330	326	323
Heritage, culture and recreation	424	500	533	558	584	595
Housing and community	50	95	103	99	91	91
Other	75	109	114	110	110	110
Finance costs	2,483	2,303	2,339	2,425	2,501	2,572
Net foreign exchange (gains)/losses	( 47)	119	..	..	..	..
Forecast for future new spending	..	..	230	700	1,180	2,080
<b>Total Expenses (current presentation)</b>	<b>38,186</b>	<b>39,173</b>	<b>41,217</b>	<b>42,941</b>	<b>44,427</b>	<b>46,168</b>
<b>Core Crown Expenses (future presentation)</b>						
Less GST on Crown spending	(1,661)	(1,863)	(1,956)	(2,135)	(2,201)	(2,302)
Plus GSF expenses	257	257	257	257	257	257
Other Eliminations	(83)	(40)	66	66	66	66
<b>Core Crown Expenses</b>	<b>36,699</b>	<b>37,527</b>	<b>39,584</b>	<b>41,129</b>	<b>42,549</b>	<b>44,189</b>

Source: The Treasury

**Table B.2 – Social security and welfare**

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Welfare benefits	12,385	12,685	12,991	13,430	13,827	14,284
Social rehabilitation & compensation	62	91	103	106	108	110
Departmental expenses	618	669	656	635	634	633
Other non-departmental expenses	151	170	186	192	186	188
<b>Total Social Security and Welfare</b>	<b>13,216</b>	<b>13,615</b>	<b>13,936</b>	<b>14,363</b>	<b>14,755</b>	<b>15,215</b>
<i>Less GST on Crown Spending</i>	9	1	1	1	1	1
<b>Core Crown Social Security and Welfare (excluding GSF)</b>	<b>13,207</b>	<b>13,614</b>	<b>13,935</b>	<b>14,362</b>	<b>14,754</b>	<b>15,214</b>

Source: The Treasury

**Table B.3 – New Zealand superannuation and welfare benefits**

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
New Zealand Superannuation	5,273	5,457	5,645	5,888	6,112	6,399
Domestic Purposes Benefit	1,444	1,486	1,521	1,570	1,599	1,631
Unemployment Benefit	..	1,406	1,364	1,368	1,403	1,417
Community Wage	1,849	..	..	..	..	..
Accommodation Supplement	795	723	744	784	820	856
Invalids Benefit	745	835	912	995	1,060	1,124
Sickness Benefit	..	382	409	433	448	462
Disability Allowance	210	223	235	247	259	273
Transitional Retirement Benefit	127	97	50	10	..	..
Income Related Rents	161	276	286	296	305	314
Family Support	878	870	870	872	874	876
Child Tax Credit	161	159	159	159	160	160
Special Benefit	40	50	59	63	65	66
Benefits paid in Australia	171	161	126	111	101	90
Paid Parental Leave	..	..	41	44	45	46
Other benefits	531	560	570	590	576	570
<b>Total Welfare Benefits</b>	<b>12,385</b>	<b>12,685</b>	<b>12,991</b>	<b>13,430</b>	<b>13,827</b>	<b>14,284</b>

Source: The Treasury

**Table B.4 – Beneficiary numbers**

(Thousands)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
New Zealand Superannuation	449	448	454	462	472	484
Domestic Purposes Benefit	110	110	110	111	112	112
Unemployment Benefit	..	141	133	133	133	132
Community Wage	189	..	..	..	..	..
Accommodation Supplement	297	270	267	273	279	284
Invalids Benefit	58	62	67	71	74	77
Sickness Benefit	..	35	37	38	39	39

Source: The Treasury

**Table B.5** – GSF pension expense

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Pension expenses	691	707	671	680	680	719
Revaluation of Unfunded Liability	164	(368)	..	..	..	..
<b>Total GSF pension expense</b>	<b>855</b>	<b>339</b>	<b>671</b>	<b>680</b>	<b>680</b>	<b>719</b>
<i>Additional Pension Expenses (offset by revenue)</i>	257	257	257	257	257	257
<b>Core Crown GSF</b>	<b>1,112</b>	<b>596</b>	<b>928</b>	<b>937</b>	<b>937</b>	<b>976</b>

Source: The Treasury

**Table B.6** – Health

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Departmental outputs	116	139	150	135	134	133
Health service purchasing	6,807	6,991	7,659	8,100	8,608	8,716
Other non-departmental outputs	101	73	102	142	93	96
Health payments to ACC	291	478	457	478	502	519
Other expenses	27	32	22	18	10	11
<b>Total Health Expenses</b>	<b>7,342</b>	<b>7,713</b>	<b>8,390</b>	<b>8,873</b>	<b>9,347</b>	<b>9,475</b>
<i>Less GST on Crown Spending</i>	778	801	862	923	973	974
<i>Plus Other Eliminations</i>	96	87	87	87	87	87
<b>Core Crown Health Expenses</b>	<b>6,660</b>	<b>6,999</b>	<b>7,615</b>	<b>8,037</b>	<b>8,461</b>	<b>8,588</b>

Source: The Treasury

**Table B.7** – Health service purchasing

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Personal health services:						
Northern	1,671	..	..	..	..	..
Midland	997	..	..	..	..	..
Central	1,174	..	..	..	..	..
Southern	1,097	..	..	..	..	..
Additional health purchases		..	..	..	..	..
<b>Total Personal Health</b>	<b>4,939</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
Disability support services						
Northern	557	..	..	..	..	..
Midland	332	..	..	..	..	..
Central	428	..	..	..	..	..
Southern	426	..	..	..	..	..
<b>Total Disability Support</b>	<b>1,743</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Payments to District Health Boards</b>	<b>..</b>	<b>5,460</b>	<b>5,843</b>	<b>6,080</b>	<b>6,300</b>	<b>6,408</b>
<b>National Disability Support Services</b>	<b>..</b>	<b>1,330</b>	<b>1,437</b>	<b>1,466</b>	<b>1,530</b>	<b>1,530</b>
<b>Public Health Service Purchasing</b>	<b>125</b>	<b>201</b>	<b>379</b>	<b>554</b>	<b>778</b>	<b>778</b>
<b>Total Health Servicing Purchasing</b>	<b>6,807</b>	<b>6,991</b>	<b>7,659</b>	<b>8,100</b>	<b>8,608</b>	<b>8,716</b>

Source: The Treasury

**Table B.8** – Health-related payments to ACC

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Petrol excise	67	69	69	70	71	71
Medical treatment	224	409	388	408	431	448
<b>Total Health related payments</b>	<b>291</b>	<b>478</b>	<b>457</b>	<b>478</b>	<b>502</b>	<b>519</b>

Source: The Treasury

**Table B.9** – Education

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Early childhood education	331	362	387	393	395	398
Primary and secondary schools	3,505	3,642	3,653	3,698	3,700	3,712
Tertiary funding	2,133	2,397	2,592	2,705	2,805	2,891
Departmental expenses	419	476	556	568	565	566
Other education expenses	302	273	306	310	282	283
<b>Total Education Expenses</b>	<b>6,690</b>	<b>7,150</b>	<b>7,494</b>	<b>7,674</b>	<b>7,747</b>	<b>7,850</b>
<i>Less GST on Crown Spending</i>	<i>554</i>	<i>651</i>	<i>677</i>	<i>692</i>	<i>695</i>	<i>702</i>
<b>Core Crown Education</b>	<b>6,136</b>	<b>6,499</b>	<b>6,817</b>	<b>6,982</b>	<b>7,052</b>	<b>7,148</b>

Source: The Treasury

**Table B.10** – Primary and secondary education

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Primary	1,780	1,845	1,877	1,904	1,890	1,884
Secondary	1,333	1,301	1,303	1,333	1,354	1,371
School transport	106	109	112	112	113	114
Special needs support	286	284	247	235	235	236
Professional Development	..	87	97	97	91	90
Schooling Improvement		16	17	17	17	17
<b>Total Schools Funding</b>	<b>3,505</b>	<b>3,642</b>	<b>3,653</b>	<b>3,698</b>	<b>3,700</b>	<b>3,712</b>
<b>Places (year)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Primary	463,000	465,000	464,000	459,000	458,000	455,000
Secondary	251,000	256,000	264,000	272,000	278,000	280,000

Sources: Ministry of Education, The Treasury

**Table B.11** – Tertiary education

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Tuition	1,362	1,550	1,672	1,725	1,788	1,831
Other tertiary funding	153	183	220	233	234	234
<b>Total Tertiary Education and Training</b>	<b>1,515</b>	<b>1,733</b>	<b>1,892</b>	<b>1,958</b>	<b>2,022</b>	<b>2,065</b>
Tertiary student allowances	391	411	441	458	473	490
Student loan provision and write-offs	227	253	259	289	310	336
<b>Total Tertiary Funding</b>	<b>2,133</b>	<b>2,397</b>	<b>2,592</b>	<b>2,705</b>	<b>2,805</b>	<b>2,891</b>
<b>Places (year)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
EFT Students	192,000	213,000	223,000	230,000	236,000	242,000

Sources: Ministry of Education, The Treasury

**Table B.12** – Core government services

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Official development assistance	226	223	230	227	226	226
Indemnity and guarantee expenses	253	..	..	..	..	..
Departmental expenses	901	938	1,006	986	984	1,017
Science expenses	247	244	261	275	281	296
Other expenses	190	206	144	128	137	119
<b>Total Core Government Services</b>	<b>1,817</b>	<b>1,611</b>	<b>1,641</b>	<b>1,616</b>	<b>1,628</b>	<b>1,658</b>
<i>Less GST on Crown Spending</i>	19	64	45	41	37	36
<b>Core Crown Core Government Services</b>	<b>1,798</b>	<b>1,547</b>	<b>1,596</b>	<b>1,575</b>	<b>1,591</b>	<b>1,622</b>

Source: The Treasury

**Table B.13 – Law and order**

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Departmental expenses:						
Police	724	765	795	796	797	797
Ministry of Justice	13	15	15	15	15	15
Department of Corrections	369	406	412	406	402	395
Department for Courts	181	190	200	198	201	204
Other departments	67	70	75	76	76	76
<b>Total Departments</b>	<b>1,354</b>	<b>1,446</b>	<b>1,497</b>	<b>1,491</b>	<b>1,491</b>	<b>1,487</b>
Non-departmental outputs	177	205	203	195	207	204
Other expenses	29	110	44	51	36	36
<b>Total Law and Order Expenses</b>	<b>1,560</b>	<b>1,761</b>	<b>1,744</b>	<b>1,737</b>	<b>1,734</b>	<b>1,727</b>
<i>Less GST on Crown Spending</i>	19	6	6	6	6	6
<b>Core Crown Law and Order</b>	<b>1,541</b>	<b>1,755</b>	<b>1,738</b>	<b>1,731</b>	<b>1,728</b>	<b>1,721</b>

Source: The Treasury

**Table B.14 – Defence**

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
NZDF Core expenses	1,058	1,072	1,103	1,108	1,107	1,107
NZDF write-offs	104	..	..	..	..	..
NZDF East Timor deployment	22	20	..	..	..	..
DWI East Timor deployment	22	23	9	..	..	..
Other departments	36	38	42	42	39	39
GST on defence acquisitions	25	35	12	58	13	..
<b>Total Defence Expenses</b>	<b>1,267</b>	<b>1,188</b>	<b>1,166</b>	<b>1,208</b>	<b>1,159</b>	<b>1,146</b>
<i>Less GST on Crown Spending</i>	25	36	12	59	13	..
<b>Core Crown Defence</b>	<b>1,242</b>	<b>1,152</b>	<b>1,154</b>	<b>1,149</b>	<b>1,146</b>	<b>1,146</b>

Source: The Treasury

**Table B.15** – Transport and communications

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Transfund	890	989	1,049	1,111	1,134	1,145
Departmental outputs	75	80	83	83	83	83
Other non-departmental expenses	52	56	54	54	54	54
Goodwill amortisation	..	23	47	47	47	47
Other expenses	9	8	5	5	6	6
<b>Total Transport and Communications</b>	<b>1,026</b>	<b>1,156</b>	<b>1,238</b>	<b>1,300</b>	<b>1,324</b>	<b>1,335</b>
<i>Less GST on Crown Spending</i>	<i>121</i>	<i>129</i>	<i>142</i>	<i>145</i>	<i>149</i>	<i>153</i>
<b>Core Crown Transport</b>	<b>905</b>	<b>1,027</b>	<b>1,096</b>	<b>1,155</b>	<b>1,175</b>	<b>1,182</b>

Source: The Treasury

**Table B.16** – Economic and industrial

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Departmental outputs	422	420	445	437	432	431
Employment initiatives	204	221	241	244	241	244
Non-departmental outputs	423	424	432	441	445	456
Other expenses	92	122	157	146	143	141
<b>Total Economic and Industrial Services</b>	<b>1,141</b>	<b>1,187</b>	<b>1,275</b>	<b>1,268</b>	<b>1,261</b>	<b>1,272</b>
<i>Less GST on Crown Spending</i>	<i>104</i>	<i>142</i>	<i>147</i>	<i>150</i>	<i>154</i>	<i>157</i>
<b>Core Crown Economic and Industrial Services</b>	<b>1,037</b>	<b>1,045</b>	<b>1,128</b>	<b>1,118</b>	<b>1,107</b>	<b>1,115</b>

Source: The Treasury

**Table B.17** – Employment initiatives

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Training benefit (including tax)	..	..	..	..	..	..
Training incentive allowance	36	45	43	43	43	43
Community employment projects	17	22	22	19	19	19
Subsidised work	95	94	112	119	109	109
Employment support for disabled	53	58	61	61	68	70
Other employment assistance schemes	3	2	3	2	2	3
<b>Total Employment Initiative Expenses</b>	<b>204</b>	<b>221</b>	<b>241</b>	<b>244</b>	<b>241</b>	<b>244</b>

Source: The Treasury

**Table B.18** – Primary services

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Departmental expenses	194	214	226	224	220	219
Non-departmental outputs	69	95	96	97	98	97
Other expenses	24	18	21	9	8	7
<b>Total Primary Services Expenses</b>	<b>287</b>	<b>327</b>	<b>343</b>	<b>330</b>	<b>326</b>	<b>323</b>
<i>Less GST on Crown Spending</i>	8	12	13	12	12	11
<b>Core Crown Primary Services</b>	<b>279</b>	<b>315</b>	<b>330</b>	<b>318</b>	<b>314</b>	<b>312</b>

Source: The Treasury

**Table B.19** – Heritage, culture and recreation

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Community grants	18	6	6	6	6	6
Departmental outputs	206	219	253	249	253	255
Non-departmental outputs	181	173	194	206	205	204
Other expenses	19	102	80	97	120	130
<b>Total Heritage, Culture and Recreation</b>	<b>424</b>	<b>500</b>	<b>533</b>	<b>558</b>	<b>584</b>	<b>595</b>
<i>Less GST on Crown Spending</i>	24	21	25	28	30	31
<b>Core Crown Heritage, Culture and Recreation</b>	<b>400</b>	<b>479</b>	<b>508</b>	<b>530</b>	<b>554</b>	<b>564</b>

Source: The Treasury

**Table B.20** – Housing and community development

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Housing subsidies	..	22	26	26	21	22
Departmental outputs	35	52	55	53	52	52
Other non-departmental expenses	15	21	22	20	18	17
<b>Core Crown Housing and Community Development</b>	<b>50</b>	<b>95</b>	<b>103</b>	<b>99</b>	<b>91</b>	<b>91</b>

Source: The Treasury