

# *Vote Finance*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Finance (M31)

ADMINISTERING DEPARTMENT: The Treasury

MINISTER RESPONSIBLE FOR THE TREASURY: Minister of Finance

# Details of Appropriations

## Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Debt and Related Financial Asset Management (M31)</b>	7,255	1,359	8,614
Operational management of the Crown's sovereign-issued debt portfolio, associated financial investments (including departmental cash management), and lending and derivatives transactions with government-related entities.			
<b>Policy Advice and Management: Macroeconomic (M31)</b>	11,439	1,175	12,614
Provision of Macroeconomic policy advice and management including budget management; macroeconomic, tax and fiscal forecasting; advice on fiscal policy and strategy; and fiscal reporting and departmental financial management controls including the development and application of generally accepted accounting practice to the Crown.			
<b>State Sector and Economic Performance Policy Advice and Management MCOA (M31)</b>	37,840	(5,215)	32,625
<i>Management of Liabilities, Claims Against the Crown and Crown Properties</i>	5,665	(3,267)	2,398
Management of contractual or Treaty of Waitangi related claims against the Crown and the management of New Zealand House, London.			
<i>New Zealand Export Credit Office</i>	1,265	309	1,574
Implementation of the Government's Export Credit Guarantees policy and operation of the New Zealand Export Credit Office.			
<i>Policy Advice: Economic Performance</i>	13,320	2,127	15,447
Policy advice on the Government's economic strategy and policy settings and their effect on New Zealand's economic growth.			
<i>Policy Advice: State Sector Performance</i>	17,590	(4,384)	13,206
Policy advice on the effective and efficient use of state resources including improved decision-making and performance management systems and the efficient management of Crown assets.			
<b>Total Departmental Output Expenses</b>	56,534	(2,681)	53,853
<b>Non-Departmental Output Expenses</b>			
<b>Guardians of New Zealand Superannuation (M31)</b>	1,537	75	1,612
Costs of managing the NZSF on behalf of the Crown.			
<b>Management of Crown Overseas Properties (M31)</b>	1,000	(75)	925
Property management costs for New Zealand House, London.			
<b>Management of Residual Geothermal Liabilities (M31)</b>	151	200	351
Fees payable for managing the Crown's residual geothermal liabilities. This appropriation was previously known as "Management of Geothermal Trading".			
<b>Total Non-Departmental Output Expenses</b>	2,688	200	2,888

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Borrowing Expenses</b>			
<b>Debt Servicing PLA (M31)</b>	2,131,000	21,000	2,152,000
Payment of interest and other finance costs relating to the Crown's New Zealand-dollar and foreign-currency debt.			
<b>Total Borrowing Expenses</b>	2,131,000	21,000	2,152,000
<b>Other Expenses to be Incurred by the Crown</b>			
<b>Crown Contribution to Aihau-Whanganui Incorporation Negotiation Costs (M31)</b>	-	500	500
An ex gratia payment to Aihau-Whanganui Incorporation to help meet its costs in negotiating a claim against the Crown, paid on the basis that it will be offset against the amount of any final settlement of the Incorporation's claim.			
<b>Crown Overseas Properties (M31)</b>	15,800	-	15,800
Operational costs of New Zealand House, London.			
<b>Crown Residual Liabilities (M31)</b>	230	245	475
Residual obligations arising from administration of the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.			
<b>Geothermal Liabilities (M31)</b>	500	-	500
Costs arising from managing the Crown's residual geothermal liabilities. The appropriation was previously known as "Geothermal Trading".			
<b>Government Superannuation Appeals Board (M31)</b>	50	-	50
Expenses and fees of members of the Government Superannuation Appeals Board, and expenses associated with hearing appeals.			
<b>Government Superannuation Fund and National Provident Fund Cost of Living Indexation (M31)</b>	-	33,200	33,200
This appropriation is limited to the initial increase in the Crown's Government Superannuation Fund and National Provident Fund liabilities from providing an increased annual cost of living adjustment on all benefits paid from these funds, based on 100% of the Consumer Price Index.			
<b>GSF Authority - Crown's Share of Expenses PLA (M31)</b>	10,108	4,892	15,000
Reimbursement to the GSF Authority of the Crown's share of custodial, investment and administration expenses incurred by the GSF Authority.			
<b>GSF Unfunded Liability PLA (M31)</b>	913,579	90,038	1,003,617
Increased cost of the GSF liability.			
<b>Invercargill Airport Suspensory Loan (M31)</b>	300	-	300
Expense of interest foregone on suspensory loan.			
<b>Kaingaroa Forest Road Easements (M31)</b>	400	-	400
Expenditure to establish Kaingaroa Forest road easements to provide access to forest owners and their licensees.			
<b>Maui Gas Contracts (M31)</b>	37,368	5,505	42,873
Payments made in relation to the Crown's participation in the Maui gas field and related contracts.			
<b>ONTRACK Operating and Maintenance Costs (M31)</b>	12,800	-	12,800
Operating and maintenance costs of ONTRACK (previously known as New Zealand Railways Corporation) not recoverable through the National Rail Access Agreement.			
<b>Unclaimed Money PLA (M31)</b>	500	(250)	250
Provision for repayment of unclaimed money deposited with the Crown.			

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Other Expenses to be Incurred by the Crown - cont'd</b>			
<b>Unclaimed Trust Money PLA (M31)</b> This appropriation is limited to the repayment of money authorised by section 70 (2) of the Public Finance Act 1989.	-	250	250
<b>Wellington Railway Station Expenses (M31)</b> Deferred maintenance costs and depreciation expense for Wellington Railway Station. The appropriation was previously known as "Track Co - Relocation and Maintenance Costs, Wellington Railway Station".	562	600	1,162
<b>Wellington Regional Council Loan (M31)</b> Expense of interest foregone on suspensory loan.	14,050	-	14,050
<b>Total Other Expenses to be Incurred by the Crown</b>	1,006,247	134,980	1,141,227
<b>Capital Expenditure to be Incurred by the Department</b>			
<b>The Treasury - Capital Expenditure PLA (M31)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Treasury, as authorised by section 24(1) of the Public Finance Act 1989	-	1,816	1,816
<b>Total Capital Expenditure to be Incurred by the Department</b>	-	1,816	1,816
<b>Capital Expenditure to be Incurred by the Crown</b>			
<b>AgResearch Equity Injection (M31)</b> Equity injection to upgrade AgResearch facilities.	195	-	195
<b>Equity Injection to ONTRACK (M31)</b> Provision of working capital to ONTRACK (previously known as New Zealand Railways Corporation).	38,550	4,200	42,750
<b>Industrial Research Limited Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in Industrial Research Limited to provide additional working capital.	-	8,000	8,000
<b>International Financial Institutions PLA (M31)</b> Capital payments in respect of New Zealand's membership of the IMF, the Asian Development Bank, the World Bank, the International Finance Corporation, and the Multilateral Investment Guarantee Agency.	200,000	(199,000)	1,000
<b>Landcorp Protected Land Agreement (M31)</b> Purchase (including by reinvesting cash dividends) of redeemable preference shares in Landcorp under the Protected Land Agreement.	-	65,408	65,408
<b>Loans to ONTRACK (M31)</b> This appropriation provides for a loan facility to ONTRACK (previously known as New Zealand Railways Corporation) to fund a range of rail infrastructure capital projects.	86,000	24,000	110,000
<b>NZ Superannuation Fund - Contributions (M31)</b> Capital contributions by the Crown to the NZSF.	2,103,000	-	2,103,000
<b>Purchase of Toll NZ Ltd's Rail Business and Associated Costs (M31)</b> This appropriation provides for the purchase of Toll NZ Ltd's rail and related business, and associated costs.	-	690,000	690,000
<b>Suspensory Loan to Invercargill Airport (M31)</b> This appropriation provides a loan facility to Invercargill Airport to fund border security equipment.	-	1,500	1,500

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Taitokerau Forests (M31)</b> Advances to Taitokerau Forests Ltd to meet the company's ongoing forest management and development costs.	1,089	271	1,360
<b>Timberlands West Coast Ltd Equity Injection (M31)</b> Provision of working capital to Timberlands West Coast Ltd.	-	2,000	2,000
<b>Wellington Railway Station Upgrade (M31)</b> Costs of upgrading Wellington Railway Station. In 2005/06, this appropriation was called "Track Co - Purchase of Wellington Railway Station".	-	1,003	1,003
<b>Wellington Regional Council Loan (M31)</b> This appropriation provides a loan facility to the Wellington Regional Council to assist in the purchase and upgrade of passenger rail carriages.	18,000	6,742	24,742
<b>Total Capital Expenditure to be Incurred by the Crown</b>	2,446,834	604,124	3,050,958
<b>Total Annual and Permanent Appropriations</b>	5,643,303	759,439	6,402,742

## Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriation	\$000
<b>Other Expenses to be Incurred by the Crown</b>		
<b>Auckland Rail Development (M31)</b>	Original Appropriation	421,314
Renewals and upgrades of the Auckland rail network 'below track' infrastructure.	Adjustments to 2006/07	-
Commences: 1 July 2007	Adjustments for 2007/08	77,103
Expires: 30 June 2010	Adjusted Appropriation	498,417
	Actual to 2006/07 Year End	-
	Estimated Actual for 2007/08	77,290
	Estimated Actual for 2008/09	212,169
	Estimated Appropriation Remaining	208,958
<b>Upgrade of Rail Network (M31)</b>	Original Appropriation	200,000
This appropriation provides a total of \$200 million to be spent on upgrading the national rail network, in accordance with a commitment made when the Crown purchased the network in June 2004.	Adjustments to 2006/07	-
This appropriation was made in the Appropriation (2004/05 Supplementary Estimates) Act 2005, and operates on a GST-inclusive basis. The figures here include GST.	Adjustments for 2007/08	-
Commences: 1 July 2004	Adjusted Appropriation	200,000
Expires: 30 June 2008	Actual to 2006/07 Year End	141,320
	Estimated Actual for 2007/08	58,680
	Estimated Actual for 2008/09	-
	Estimated Appropriation Remaining	-
<b>Urban Rail Development (M31)</b>	Original Appropriation	550,000
Funding for electrification, upgrades and maintenance of the Auckland and Wellington metropolitan rail networks.	Adjustments to 2006/07	-
Commences: 1 July 2007	Adjustments for 2007/08	25,000
Expires: 30 June 2012	Adjusted Appropriation	575,000
	Actual to 2006/07 Year End	-
	Estimated Actual for 2007/08	6,390
	Estimated Actual for 2008/09	84,744
	Estimated Appropriation Remaining	483,866

## Details of Projected Movements in Departmental Net Assets

### The Treasury

Details of Net Asset Schedule	2007/08 Estimates Projections \$000	2007/08 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2007/08
Opening Balance	7,787	7,840	Supplementary Estimates opening balance reflects the audited results as at 30 June 2007.
Capital Injections	-	-	
Capital Withdrawals	(600)	(600)	Capital provided for the Treasury's accommodation project in 2003 - 2005 is being repaid to the Crown.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	7,187	7,240	



# *Information Supporting the Supplementary Estimates*

## *Vote Finance*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Finance (M31)

ADMINISTERING DEPARTMENT: The Treasury

MINISTER RESPONSIBLE FOR THE TREASURY: Minister of Finance

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2007/08				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	59,222	(2,681)	200	(2,481)	56,741
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	2,131,000	-	21,000	21,000	2,152,000
Other Expenses	1,299,822	-	(16,235)	(16,235)	1,283,587
Capital Expenditure	2,446,834	1,816	604,124	605,940	3,052,774
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>5,936,878</b>	<b>(865)</b>	<b>609,089</b>	<b>608,224</b>	<b>6,545,102</b>
<b>Crown Revenue and Receipts</b>					
Tax Revenue	-	N/A	N/A	-	-
Non-Tax Revenue	2,957,990	N/A	N/A	181,435	3,139,425
Capital Receipts	255,912	N/A	N/A	(186,720)	69,192
<b>Total Crown Revenue and Receipts</b>	<b>3,213,902</b>	<b>N/A</b>	<b>N/A</b>	<b>(5,285)</b>	<b>3,208,617</b>

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### **Debt and Related Financial Asset Management (M31)**

##### *Scope of Appropriation*

Operational management of the Crown's sovereign-issued debt portfolio, associated financial investments (including departmental cash management), and lending and derivatives transactions with government-related entities.

##### *Reasons for Change in Appropriation*

This appropriation will increase by \$1.359 million to \$8.614 million for 2007/08. This increase is largely due to changes in forecast assumptions, as a result of the 2007/08 Main Estimates being prepared prior to the Treasury's reorganisation.

#### **Policy Advice and Management: Macroeconomic (M31)**

##### *Scope of Appropriation*

Provision of Macroeconomic policy advice and management including budget management; macroeconomic, tax and fiscal forecasting; advice on fiscal policy and strategy; and fiscal reporting and departmental financial management controls including the development and application of generally accepted accounting practice to the Crown.

##### *Reasons for Change in Appropriation*

This appropriation will increase by \$1.175 million to \$12.614 million for 2007/08. This increase is largely due to changes in forecast assumptions, as a result of the 2007/08 Main Estimates being prepared prior to the Treasury's reorganisation.

## State Sector and Economic Performance Policy Advice and Management MCOA (M31)

### *Scope of Appropriation*

#### **New Zealand Export Credit Office**

Implementation of the Government's Export Credit Guarantees policy and operation of the New Zealand Export Credit Office.

#### **Policy Advice: Economic Performance**

Policy advice on the Government's economic strategy and policy settings and their effect on New Zealand's economic growth.

#### **Policy Advice: State Sector Performance**

Policy advice on the effective and efficient use of state resources including improved decision-making and performance management systems and the efficient management of Crown assets.

#### **Management of Liabilities, Claims Against the Crown and Crown Properties**

Management of contractual or Treaty of Waitangi related claims against the Crown and the management of New Zealand House, London.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

These output classes all contribute to the outcomes of improving New Zealand's overall economic performance and improving state sector performance.

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$5.215 million to \$32.625 million in 2007/08. This decrease is largely due to the following:

- funding of over \$3 million for the management of litigation against the former Building Industry Authority relating to the weathertightness of homes was not required in 2007/08. Therefore, the funding was transferred to 2008/09
- changes in forecast assumptions, as a result of the 2007/08 Main Estimates being prepared prior to the Treasury's reorganisation
- an increase in demand for Policy Advice: Economic Performance outputs such as carbon emissions trading and the Waterview Public Private Partnership
- new funding was provided for the New Zealand Export Credit Office to increase its range of services to exporters.

## Part 2.2 - Non-Departmental Output Expenses

### **Guardians of New Zealand Superannuation (M31)**

#### *Scope of Appropriation*

Costs of managing the NZSF on behalf of the Crown.

#### *Reasons for Change in Appropriation*

The 2007/08 budget was increased to fund additional governance costs as the size of the fund increases. This increase was funded by a fiscally neutral adjustment within Vote Finance.

### **Management of Crown Overseas Properties (M31)**

#### *Scope of Appropriation*

Property management costs for New Zealand House, London.

#### *Reasons for Change in Appropriation*

The contingency to cover unfavourable foreign exchange movements was not required in 2007/08.

### **Management of Residual Geothermal Liabilities (M31)**

#### *Scope of Appropriation*

Fees payable for managing the Crown's residual geothermal liabilities. This appropriation was previously known as "Management of Geothermal Trading".

#### *Reasons for Change in Appropriation*

A one-off expense of \$200,000 is budgeted for in 2007/08 to perform remedial work on redundant geothermal assets at Wairekei.

## Part 4 - Details for Borrowing Expenses

### Part 4.2 - Non-Departmental Borrowing Expenses

#### **Debt Servicing PLA (M31)**

##### *Scope of Appropriation*

Payment of interest and other finance costs relating to the Crown's New Zealand-dollar and foreign-currency debt.

##### *Reasons for Change in Appropriation*

This amount varies with interest rates and the amount of debt outstanding.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective - To meet Crown liabilities and manage Crown assets efficiently	Crown Contribution to Atihau-Whanganui Incorporation Negotiation Costs
	Government Superannuation Fund and National Provident Fund Cost of Living Indexation
	Unclaimed Trust Money

#### Auckland Rail Development (M31)

##### *Scope of Appropriation and Expenses*

Title, Scope and Period of Appropriations	Appropriation	\$000
<b>Auckland Rail Development (M31)</b> Renewals and upgrades of the Auckland rail network 'below track' infrastructure. Commences: 1 July 2007 Expires: 30 June 2010	Original Appropriation	421,314
	Adjustments to 2006/07	-
	Adjustments for 2007/08	77,103
	Adjusted Appropriation	498,417
	Actual to 2006/07 Year End	-
	Estimated Actual for 2007/08	77,290
	Estimated Actual for 2008/09	212,169
	Estimated Appropriation Remaining	208,958

##### *Reasons for Change in Appropriation*

This multi-year appropriation replaces the previous Auckland Rail Development appropriation that was revoked as of 1 July 2007. The funding of this new appropriation comes from the 2005/06 unspent balance of \$21.314 million and a transfer from 2006/07 of \$400 million, both from the previous Auckland Rail Development appropriations. A further adjustment was made in 2007/08 when the unspent balance from 2006/07 was also transferred to this new Auckland Rail Development appropriation.

## Crown Contribution to Aihau-Whanganui Incorporation Negotiation Costs (M31)

### *Scope of Appropriation*

An ex gratia payment to Aihau-Whanganui Incorporation to help meet its costs in negotiating a claim against the Crown, paid on the basis that it will be offset against the amount of any final settlement of the Incorporation's claim.

### *Reasons for Change in Appropriation*

This is a new appropriation in 2007/08 only.

## Crown Residual Liabilities (M31)

### *Scope of Appropriation*

Residual obligations arising from administration of the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.

### *Reasons for Change in Appropriation*

Part of the unspent balance from 2006/07 was carried forward into the 2007/08 year to settle anticipated residual liabilities.

## Government Superannuation Fund and National Provident Fund Cost of Living Indexation (M31)

### *Scope of Appropriation*

This appropriation is limited to the initial increase in the Crown's Government Superannuation Fund and National Provident Fund liabilities from providing an increased annual cost of living adjustment on all benefits paid from these funds, based on 100% of the Consumer Price Index.

### *Reasons for Change in Appropriation*

The actual implementation of the increased annual cost of living adjustment will not occur until the 2009/10 financial year. However, accounting rules require the increase in the Crown's liability to be recognised in 2007/08 when the Government approved the change in policy.

## GSF Authority - Crown's Share of Expenses PLA (M31)

### *Scope of Appropriation*

Reimbursement to the GSF Authority of the Crown's share of custodial, investment and administration expenses incurred by the GSF Authority.

### *Reasons for Change in Appropriation*

The increase in custodial, investment and administration costs is a result of the transition from passive to active management of global equities following changes to New Zealand tax legislation.

**GSF Unfunded Liability PLA (M31)***Scope of Appropriation*

Increased cost of the GSF liability.

*Reasons for Change in Appropriation*

The increase reflects marginal changes to forecast assumptions, other than actuarial gains and losses, in the Crown's liability to the Government Superannuation Fund and the specified superannuation contribution withholding tax on employer contributions by the Crown.

**Maui Gas Contracts (M31)***Scope of Appropriation*

Payments made in relation to the Crown's participation in the Maui gas field and related contracts.

*Reasons for Change in Appropriation*

The budget was increased due to increased demand for gas.

**Unclaimed Money PLA (M31)***Scope of Appropriation*

Provision for repayment of unclaimed money deposited with the Crown.

*Reasons for Change in Appropriation*

Payment of unclaimed money was less than forecast.

**Unclaimed Trust Money PLA (M31)***Scope of Appropriation*

This appropriation is limited to the repayment of money authorised by section 70 (2) of the Public Finance Act 1989.

*Reasons for Change in Appropriation*

A separate appropriation for unclaimed trust money was established during 2007/08.

## Urban Rail Development (M31)

### *Scope of Appropriation and Expenses*

Title, Scope and Period of Appropriations	Appropriation	\$000
<b>Urban Rail Development (M31)</b> Funding for electrification, upgrades and maintenance of the Auckland and Wellington metropolitan rail networks. Commences: 1 July 2007 Expires: 30 June 2012	Original Appropriation	550,000
	Adjustments to 2006/07	-
	Adjustments for 2007/08	25,000
	Adjusted Appropriation	575,000
	Actual to 2006/07 Year End	-
	Estimated Actual for 2007/08	6,390
	Estimated Actual for 2008/09	84,744
	Estimated Appropriation Remaining	483,866

### *Reasons for Change in Appropriation*

During 2007/08, \$25,000 was transferred from the National Rail Network Improvements appropriation to the Urban Rail Development multi-year appropriation above, to provide additional funds for the upgrade of the Wellington urban network.

## Wellington Railway Station Expenses (M31)

### *Scope of Appropriation*

Deferred maintenance costs and depreciation expense for Wellington Railway Station. The appropriation was previously known as "Track Co - Relocation and Maintenance Costs, Wellington Railway Station".

### *Reasons for Change in Appropriation*

An expense transfer was made from 2006/07 to 2007/08 for additional depreciation on Stage 2 capital improvements that have now been completed.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### The Treasury - Capital Expenditure PLA (M31)

##### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Treasury, as authorised by section 24(1) of the Public Finance Act 1989

##### *Capital Expenditure*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	-	1,414	1,414
Intangibles	-	402	402
Other	-	-	-
Total Appropriation	-	1,816	1,816

##### *Reasons for Change in Appropriation*

This appropriation was formerly disclosed in the Treasury's Statement of Intent as forecast capital expenditure.

## Part 6.2 - Non-Departmental Capital Expenditure

### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Equity funding to support the long term viability of Industrial Research Limited.	Industrial Research Limited Equity Injection
To compensate Landcorp for retaining protected land.	Landcorp Protected Land Agreement
To purchase Toll NZ Ltd's rail business.	Purchase of Toll NZ Ltd's Rail Business and Associated Costs
Equity funding to provide additional working capital to Timberlands West Coast Limited.	Timberlands West Coast Ltd Equity Injection

### Equity Injection to ONTRACK (M31)

#### *Scope of Appropriation*

Provision of working capital to ONTRACK (previously known as New Zealand Railways Corporation).

#### *Reasons for Change in Appropriation*

Part of the equity budgeted for in 2006/07 was not required and was therefore transferred to 2007/08.

### Industrial Research Limited Equity Injection (M31)

#### *Scope of Appropriation*

This appropriation is limited to the purchase of equity in Industrial Research Limited to provide additional working capital.

#### *Reasons for Change in Appropriation*

This is a new appropriation established in 2007/08.

### International Financial Institutions PLA (M31)

#### *Scope of Appropriation*

Capital payments in respect of New Zealand's membership of the IMF, the Asian Development Bank, the World Bank, the International Finance Corporation, and the Multilateral Investment Guarantee Agency.

#### *Reasons for Change in Appropriation*

The only call for capital in 2007/08 was for New Zealand's membership of the Multilateral Investment Guarantee Agency. No further calls on capital are expected in 2007/08.

## Landcorp Protected Land Agreement (M31)

### *Scope of Appropriation*

Purchase (including by reinvesting cash dividends) of redeemable preference shares in Landcorp under the Protected Land Agreement.

### *Reasons for Change in Appropriation*

This is a new appropriation established in 2007/08.

## Loans to ONTRACK (M31)

### *Scope of Appropriation*

This appropriation provides for a loan facility to ONTRACK (previously known as New Zealand Railways Corporation) to fund a range of rail infrastructure capital projects.

### *Reasons for Change in Appropriation*

Addition loan funding of \$40 million was provided in 2007/08 for land purchases which was partly offset by a net transfer of \$16 million to 2008/09.

## Purchase of Toll NZ Ltd's Rail Business and Associated Costs (M31)

### *Scope of Appropriation*

This appropriation provides for the purchase of Toll NZ Ltd's rail and related business, and associated costs.

### *Reasons for Change in Appropriation*

In 2007/08 a one-off provision was made for the purchase of Toll NZ Ltd's rail and related business, and associated costs.

## Suspensory Loan to Invercargill Airport (M31)

### *Scope of Appropriation*

This appropriation provides a loan facility to Invercargill Airport to fund border security equipment.

### *Reasons for Change in Appropriation*

This loan was not required in 2006/07 and was therefore transferred to 2007/08.

## Taitokerau Forests (M31)

### *Scope of Appropriation*

Advances to Taitokerau Forests Ltd to meet the company's ongoing forest management and development costs.

### *Reasons for Change in Appropriation*

Part of the loan was not required in 2006/07 and was therefore transferred to 2007/08.

**Timberlands West Coast Ltd Equity Injection (M31)***Scope of Appropriation*

Provision of working capital to Timberlands West Coast Ltd.

*Reasons for Change in Appropriation*

This was a new appropriation established in 2007/08.

**Wellington Railway Station Upgrade (M31)***Scope of Appropriation*

Costs of upgrading Wellington Railway Station. In 2005/06, this appropriation was called "Track Co - Purchase of Wellington Railway Station".

*Reasons for Change in Appropriation*

Part of this budget was carried forward from 2006/07 as the upgrade project has continued into 2007/08.

**Wellington Regional Council Loan (M31)***Scope of Appropriation*

This appropriation provides a loan facility to the Wellington Regional Council to assist in the purchase and upgrade of passenger rail carriages.

*Reasons for Change in Appropriation*

Part of the loan was not required in 2006/07 and was therefore carried forward to 2007/08.